



REGULAR MEETING OF CITY COUNCIL REVISED AGENDA

Monday, June 13, 2016

4:30 p.m.

Council Chambers

Civic Centre

Pages

1. ADOPTION OF MINUTES

14 - 31

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

Resolved that the Minutes of the Regular Council Meeting of 2016 05 30 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 R. Romano
Seconder Councillor S. Butland

Resolved that the Agenda for 2016 06 13 City Council Meeting as presented be approved.

5. PROCLAMATIONS/DELEGATIONS

5.1 Mayor for the Day

Muammar Amhalhal

5.2 Queen Street Cruise

Gary Trembinski and Joe Bisceglia

5.3 World Refugee Day and Canadian Multiculturalism Day

Danny Krmpotich, Local Immigration Partnership Co-ordinator; Jane Omollo, Supervisor, New to the Sault; and Helen Christenson, New Beginnings

5.4 Elder Abuse Awareness Day

Patricia Loftstrom, Senior Rights Protection Council

5.5 *Economic Diversification Fund Request – Sault College*

Dr. Ron Common, President, Sault College of Applied Arts and Technology and Dan Hollingsworth, Executive Director, Business Development, Sault Ste. Marie Economic Development Corporation

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

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that all the items listed under date 2016 06 13 – Part One – Consent Agenda be approved as recommended.

6.1 Council Travel

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

Resolved that Councillor L. Turco be authorized to travel to Windsor, Ontario for 3 days in June to attend the Association of Municipalities of Ontario Board of Director's President's meeting at an estimated cost to the City of \$700.

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

Resolved that Councillor L. Turco be authorized to travel to Windsor, Ontario for five days in August to attend the annual Association of Municipalities of Ontario conference and board meetings at an estimated cost to the City of \$2,000.

Mover Councillor R. Romano
Seconder Councillor P. Christian

Resolved that Councillor S. Butland, Councillor S. Hollingsworth and Councillor J. Krmpotich be authorized to travel to Windsor, Ontario for three days in August to attend the annual Association of Municipalities of Ontario conference at an estimated cost to the City of \$1,500 each.

6.2 Liquor Licence Extension Request

32 - 32

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

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

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 dates and times:

Royal Canadian Legion Branch 25 – 96 Great Northern Road

- July 2, 2016 – Car Show – 10 a.m. to 11 p.m.
- August 20, 2016 – Annual Horseshoe Tournament – 10 a.m. to 11 p.m.

6.3 Tender for Lighting Upgrades – Municipal Parking Lots 33 - 35

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

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

Resolved that the report of the Manager of Purchasing dated 2016 06 13 be received and that the tender for the supply and installation of LED fixtures upgrading the lighting in various municipal parking lots, as requested by the Engineering and Planning Department, be awarded to S & T Electrical Contractors Ltd. at their total tendered price of \$78,388.24 plus HST.

6.4 Sole Sourcing Rebuild of Landfill Compactor 36 - 37

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

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that the report of the Manager of Purchasing dated 2016 06 13 concerning Sole Sourcing Rebuild of Landfill Compactor be received and that sole sourcing of the certified rebuild to Toromont CAT at their quoted price of \$742,049 plus HST be approved.

6.5 2017 Budget Meeting Schedule 38 - 39

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

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that the report of the Commissioner of Finance and Treasurer dated 2016 06 13 concerning 2017 Budget Meeting Schedule be received as information.

- 6.6 Ontario Heritage Act – Part IV Designation of Machine Shop (83 Huron Street)** 40 - 49
- A report of the Chair, Sault Ste. Marie Municipal Heritage Committee is attached for the consideration of Council.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that the report of the Chair, Sault Ste. Marie Municipal Heritage Committee dated 2016 06 13 concerning designation of the Machine Shop, 83 Huron Street be received and that the property be designated under Part IV of the *Ontario Heritage Act*.
- 6.7 Acquisition of Property on River Road** 50 - 51
- A report of the Municipal Services Engineer is attached for the consideration of Council.
- The relevant By-law 2016-84 is listed under item 11 of the Agenda and will be read with all by-laws under that item.
- 6.8 International Plaza Pilot Project** 52 - 55
- A report of the Project Co-ordinator, Downtown Development Initiative is attached for the consideration of Council.
- Mover Councillor R. Romano
Seconder Councillor P. Christian
- Resolved that the report of the Project Co-ordinator Downtown Development Initiative dated 2016 06 13 concerning the Plaza Pilot Project be received and that Council endorse the creation of a patio at the International Plaza Parking lot near Queen and Bruce Streets as a pilot project during the summer of 2016.
- 6.9 Licence to Occupy City Property Agreement and Noise By-law Exemption Request for the Pink Chandelier Fashion Show Extravaganza** 56 - 58
- A report of the Assistant City Solicitor is attached for the consideration of Council.
- The relevant By-laws 2016-90 and 2016-79 are listed under item 11 of the Agenda and will be read with all by-laws under that item.
- 6.10 Licence to Occupy City Property Agreement and Noise By-law Exemption Request for the Queen Street Cruise Event** 59 - 61
- A report of the Assistant City Solicitor is attached for the consideration of Council.
- The relevant By-laws 2016-80 and 2016-89 are listed under item 11 of the Agenda and will be read with all by-laws under that item.
- 6.11 Licence to Occupy (2261278 Ontario Limited – 8 Albert Street East)** 62 - 64

A report of the Solicitor/Prosecutor is attached for the consideration of Council.

The relevant By-law 2016-78 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.12 Maintenance to the Foundation of the Existing Single Family Dwelling at 545 Dundas Street 65 - 75

A report of the Solicitor/Prosecutor is attached for the consideration of Council.

The relevant By-law 2016-81 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.13 Elementa Group Inc. Receivership Update 76 - 77

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

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that the report of the City Solicitor dated 2016 06 13 concerning Elementa Group Inc. Receivership Update be received and that City Council direct the Legal Department to provide formal notice to Elementa Group Inc. that the Waste Supply and Reformation Agreement between Elementa Group Inc. and the City is terminated; and further that Council take no further action at this time but rather consider marketing the Energy from Waste Contract to other interested bidders.

6.14 Draft Signs By-Law 78 - 157

A report of the Planner is attached for the consideration of Council.

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that the report of the Planner dated 2016 06 13 concerning the Draft Comprehensive Signs By-law be received as information.

6.15 Traffic By-law Update for Conmee Avenue and Wellington Street West Intersection 158 - 159

A report of the Deputy Commissioner of Public Works and Transportation is attached for the consideration of Council.

The relevant By-law 2016-85 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.16 Traffic By-law Update for Korah Road and Douglas Street Intersection 160 - 161

A report of the Deputy Commissioner of Public Works and Transportation is attached for the consideration of Council.

The relevant By-law 2016-86 is listed under item 11 of the Agenda and will be

read with all by-laws under that item.

6.17 Canal District Trail and Pump Track 162 - 173

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

The relevant By-law 2016-83 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that the report of the Planning Director dated 2016 06 13 concerning the Canal District Trail and Pump Track contract be received and that 1187839 Ontario Limited be awarded the construction contract in the amount of \$456,959 (excluding HST) and that City Council:

1. Approve the use of \$15,000 from the Barrier Removal Budget Reserve; and
2. Reallocate \$35,000 in uncommitted funding from the Downtown Development Program; and
3. Approve an additional \$60,000 to be allocated from the 5% Subdivider's Reserve Fund for this project.

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.1.1 2016 Kiwanis Community Theatre Centre Appointment 174 - 176

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

Mover Councillor R. Romano
Seconder Councillor P. Christian

Resolved that the report of the City Clerk dated 2016 06 13 concerning 2016 Kiwanis Community Theatre Centre Appointment be received as information.

7.1.1.1 Additional Information 177 - 177

7.2 COMMUNITY SERVICES DEPARTMENT

7.3 ENGINEERING

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

7.8.1 Economic Diversification Fund Request – Sault College 178 - 216

A report of the Chief Executive Officer, Sault Ste. Marie Economic Development Corporation is attached for the information of Council.

7.8.1.1 *Additional Information* 217 - 230

7.8.2 PUC Inc. and PUC Services Inc. Shareholders Meeting 231 - 343

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

Mover Councillor R. Romano
Seconder Councillor S. Butland

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.

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

8.1 Tax Levy Adjustments

Mover Councillor R. Romano
Seconder Councillor P. Christian

Whereas property taxpayers would like predictability in tax levy adjustments; and

Whereas there are several formulae that measure inflation (e.g. CPI, MPI, etc.); and

Whereas many residential taxpayers are on fixed incomes and are financially impacted by tax increases at inflation or above; and

Whereas the cost of municipal services is not tied directly to inflation; and

Whereas property taxes are impacted by provincial property assessment valuations; and

Whereas inflation, however measured, does not consider growth, service increase or charged quality of service; and

Whereas Mayor, Council and administration should have a guideline to focus budget deliberations that considers minimum impact on the taxpayer;

Now Therefore Be It Resolved that staff develop a range of options to develop a budget guideline to target the development and deliberation of the 2017 and future year annual operating budgets; and that staff report back no later than August 2016 on a recommended budget guideline.

8.2 Best For Kids Committee

Mover Councillor S. Myers
Seconder Councillor J. Krmpotich

Whereas Best for Kids is a committee of City Council which was established in 2000; and

Whereas Best for Kids was established to bring together a number of agencies who partner to provide co-ordinated community based programs for children; and

Whereas Best for Kids support staff was provided by the City Social Services Department; and

Whereas effective September 25, 2016 those staff will become employees of the Sault Ste. Marie and District Social Services Administration Board; and

Whereas the Sault Ste. Marie and District Social Services Administration Board has within its mandate Community Child Care Services which ties in to the mandate of the Best for Kids committee of Council,

Now Therefore Be It Resolved that City Council requests the Sault Ste. Marie and District Social Services Administration Board to maintain the same support to the Best for Kids committee as Social Services City staff has done in the past.

8.3 Council Composition/Geographic (Ward) Division Review

8.3.1 Amended Resolution

Mover Councillor M. Shoemaker
Seconder Councillor S. Hollingsworth

Whereas since 1965 when the townships of Korah and Tarentorus amalgamated with the City of Sault Ste. Marie, there have been 12 city councillors representing six wards at the City Council of the City of Sault Ste. Marie; and

Whereas since 1965 the population of the City of Sault Ste. Marie has ranged from a low of approximately 70,000 in 1965 to a high of approximately 81,000 in 1980, and currently sits at approximately 75,000; and

Whereas the Council of the City of Sault Ste. Marie last considered changes to its composition in 2002, which was 14 years ago; and

Whereas it is incumbent on the Council of the City of Sault Ste. Marie to ensure both effectiveness and efficiency in all City departments, including in their own composition; and

Now Therefore Be It Resolved that the Council of the City of Sault Ste. Marie strike a committee consisting of five councillors, being Councillors Shoemaker, Myers, Hollingsworth, Christian, and Bruni as well as Mayor Provenzano with the City Clerk as a resource to the Committee, to consider and make recommendations and report on:

1. The recommended number of City Councillors for the City of Sault Ste. Marie; and
2. The best geographic division for the recommended council make-up; and
3. The foreseeable consequences, positive and negative, if a recommendation to change the current composition and geographic division is brought forward.

8.4 By-law Enforcement

Mover Councillor S. Butland
Secondar Councillor S. Myers

Resolved that Council request a report from appropriate staff on the activities of the corporation's By-law Enforcement Officer, to include the following:

1. The number of cases in the past year;
2. The number of cases that require more than one communication;
3. The number of cases that need to be pursued beyond the normal process;
4. The number of unresolved or ongoing cases; and
5. The nature of the cases in separate categories, such as dirty yard, safety issues, drainage, property standards, etc.

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 R. Romano
Secondar Councillor S. Butland

Resolved that all By-laws under item 11 of the Agenda under date 2016 06 13 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 2016-78 (Agreement) 2261278 Ontario Limited (8 Albert Street East) 344 - 349

A report from the Solicitor/Prosecutor is on the Agenda.

Mover Councillor R. Romano
Secondar Councillor S. Butland

Resolved that By-law 2016-78 being a by-law to authorize the execution of an

agreement between the City and 2261278 Ontario Limited for the use of a portion of the City boulevard property located to the southeast of 8 Albert Street East for a ramp be passed in open Council this 13th day of June, 2016.

11.1.2 By-law 2016-79 (Regulations) Noise Exemption Pink Chandelier Fashion Extravaganza 350 - 350

A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda.

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that By-law 2016-79 being a by-law to amend Noise Control By-law 80-200, to exempt from the by-law the Pink Chandelier Fashion Extravaganza from 6:00 p.m. to 10:00 p.m. on June 24, 2016 be passed in open Council this 13th day of June, 2016.

11.1.3 By-law 2016-80 (Regulations) Noise Exemption Queen Street Cruise 351 - 351

A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda.

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that By-law 2016-80 being a by-law to amend Noise Control By-law 80-200, to exempt from the by-law the Queen Street Cruise event on June 17th and 18th, 2016 be passed in open Council this 13th day of June, 2016.

11.1.4 By-law 2016-81 Granting Neighbour Access 545 Dundas Street 352 - 353

A report from the Solicitor/Prosecutor is on the Agenda.

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that By-law 2016-81 being a by-law to provide access for the maintenance of a single family dwelling at 545 Dundas Street be passed in open Council this 13th day of June, 2016.

11.1.5 By-law 2016-83 (Execution of Contract) 1187839 Ontario Limited (Esposito Park Pump Track and Extension of the Hub Trail) Contract 2016-12E 354 - 357

A report from the Planning Director is on the Agenda.

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that By-law 2016-83 being a by-law to authorize the execution of a contract between the City and 1187839 Ontario Limited for construction of the Esposito Park Pump Track and the extension of the Hub Trail through the Etienne Brulé Public School Property (Contract 2016-12E) be passed in open

Council this 13th day of June, 2016.

- 11.1.6 By-law 2016-84 (Property Acquisition) Pt 440 River Road (1890628 Ontario Inc.)** 358 - 359
- A report from the Municipal Services Engineer is on the Agenda.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-84 being a by-law to authorize the City's acquisition of property described as Part of 440 River Road, being Part 9 on 1R7949 (1890628 Ontario Inc.) be passed in open Council this 13th day of June, 2016.
- 11.1.7 By-law 2016-85 (Traffic 70-200) Amend Schedules "F" and "G"** 360 - 360
- A report from the Deputy Commissioner of Public Works and Transportation is on the Agenda.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-85 being a by-law to amend Schedules "F" and "G" of Traffic By-law 77-200 be passed in open Council this 13th day of June, 2016.
- 11.1.8 By-law 2016-86 (Traffic 70-200) Amend Schedules "A", "F" and "G"** 361 - 362
- A report from the Deputy Commissioner, Public Works and Transportation is on the Agenda.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-86 being a by-law to amend Schedules "A", "F", and "G" of Traffic By-law 77-200 be passed in open Council this 13th day of June, 2016.
- 11.1.9 By-law 2016-87 (Street Assumption) Part of Corey Avenue and Part of Jean Avenue** 363 - 364
- Council Report was passed by Council resolution on May 30, 2016.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-87 being a by-law to assume for public use and establish as a public street part Corey Avenue as described in PIN 31504-0349 and part Jean Avenue as described in PIN 31504-0351 be passed in open Council this 13th day of June, 2016.

- 11.1.10 By-law 2016-89 (Agreement) Downtown Association (Queen Street Cruise)** 365 - 372
- A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-89 being a by-law to authorize the execution of an agreement between the City and the Downtown Association for the use of the March Street Stage at March Street and Queen Street East, Sault Ste. Marie, and the Essar Centre parking lot at Queen Street East and Dennis Street, Sault Ste. Marie for the Queen Street Cruise Programming be passed in open Council this 13th day of June, 2016.
- 11.1.11 By-law 2016-90 (Agreement) Pink Chandelier** 373 - 379
- A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-90 being a by-law to authorize the execution of an agreement between the City and 1927417 Ontario Inc. o/a Pink Chandelier and The Barrel House Wine & Whiskey Bar Inc. for the use of a portion of Queen Street East from Spring Street to March Street for an outdoor fashion show and a pop up patio be passed in open Council on the 13th day of June, 2016.
- 11.1.12 By-law 2016-91 (Agreement) Morrison Hershfield Limited (Replacement of Exterior Cladding and Windows at the Civic Centre)** 380 - 388
- Council Report was passed by Council resolution on April 25, 2016.
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-91 being a by-law to authorize the execution of an agreement between the City and Morrison Hershfield Limited for professional services for the assessment, design and contract administration for replacement of exterior cladding and windows at the Civic Centre be passed in open Council this 13th day of June, 2016.
- 11.1.13 By-law 2016-93 (Temporary Street Closing) March Street** 389 - 389
- Mover Councillor R. Romano
Seconder Councillor S. Butland
- Resolved that By-law 2016-93 being a by-law to permit the temporary closing of March Street at Albert Street East and March Street at Queen Street East and March Street at Bay Street to facilitate the Queen Street Cruise be

passed in open Council this 13th day of June, 2016.

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

11.2.1 By-law 2016-88 (Street Closing) Corey Avenue and Jean Avenue 390 - 392

Council Report was passed by Council Resolution on May 30, 2016.

Mover Councillor R. Romano
Seconder Councillor S. Butland

Resolved that By-law 2016-88 being a by-law to stop up, close and authorize the conveyance of part of Corey Avenue as described in PIN 31504-0349 and part of Jean Avenue as described in PIN 31504-0351 be read the FIRST and SECOND time in open Council this 13th day of June, 2016.

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

13.1 *Authorizing Resolution*

Mover Councillor R. Romano
Seconder Councillor P. Christian

Resolved that this Council proceed into closed session to discuss an issue under the *Companies' Creditors Arrangement Act*.

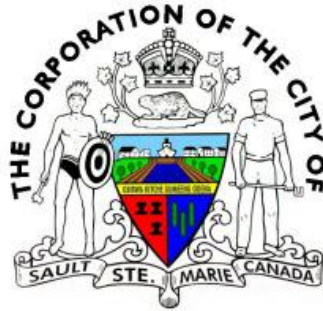
(advice that is subject to solicitor/client privilege – section 239(2)(f) Municipal Act).

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

14. ADJOURNMENT

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that this Council now adjourn.



REGULAR MEETING OF CITY COUNCIL MINUTES

Monday, May 30, 2016

4:30 p.m.

Council Chambers

Civic Centre

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

Absent: Councillor J. Krmpotich

Officials: A. Horsman, M. White, N. Kenny, N. Apostle, L. Girardi, S. Schell, J. Dolcetti, M. Figliola, P. Niro, J. Barban, D. McConnell, F. Coccimiglio

1. ADOPTION OF MINUTES

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the Minutes of the Regular Council Meeting of 2016 05 16 be approved.

Carried

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

3. DECLARATION OF PECUNIARY INTEREST

3.1 Councillor L. Turco – City Council Committee on Graffiti Update

Spouse employed by Police Services.

3.2 Councillor L. Turco – By-law 2016-65 (Parking) Municipal Law Enforcement Officers By-law 90-305

Spouse employed by Police Services.

3.3 Councillor L. Turco – By-law 2016-66 (Parking) Municipal By-law Enforcement Officers By-law 93-165

Spouse employed by Police Services.

3.4 Councillor R. Niro – Cost Implications of Interest Arbitration Award SSMPFA Local 529 (February 1, 2014 to January 31, 2015)

Brother employed by Fire Services.

4. APPROVE AGENDA AS PRESENTED

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the Agenda for 2016 05 30 City Council Meeting and Addendum as presented be approved.

Carried

5. PROCLAMATIONS/DELEGATIONS

5.1 Parks and Recreation Month

Virginia McLeod, Manager, Recreation and Culture was in attendance.

5.2 Ontario Winter Games

Nick Apostle, Commissioner of Community Services; and Ian McMillan and Alana Kenopic, Tourism Sault Ste. Marie were in attendance.

5.3 Seniors Month

Terry-Lou Legros, Supervisor, Senior Services was in attendance.

5.4 Brain Injury Month

Doug Thompson, Board Member, Brain Injury Association of Sault Ste. Marie and District was in attendance.

5.5 Right to a Healthy Environment

Isaac Rice, Sault Ste. Marie Blue Dot Club was in attendance.

5.6 Best for Kids Committee

Dana Peterson was in attendance.

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

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that all the items listed under date 2016 05 30 – Part One – Consent Agenda and the Addendum be approved as recommended, save and except 6.13, 6.17 and 6.18.

Carried

6.1 Correspondence

6.1.1 Shingwauk Education Trust Application to Post-Secondary Strategic Investment Fund

Correspondence from Mayor Provenzano to the Minister of Innovation, Science and Economic Development was received by Council.

6.1.2 Steel Industry and Trade Remedies

Hon. Bill Morneau, Minister of Finance

Hon. Navdeep Bains, Minister of Innovation, Science and Economic Development

6.1.3 Canadian Bushplane Heritage Centre

Hon. Michael Coteau, Minister of Tourism, Culture and Sport

6.1.4 Land Ambulance Emergency Medical Services

Janet Gawne, Chair, District of Sault Ste. Marie Social Services Administration Board

6.2 Association of Municipalities of Ontario

Nomination to the AMO Board of Directors Large Urban Caucus (2016–2018)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that Councillor Lou Turco be nominated to the Association of Municipalities of Ontario Large Urban Caucus for the term 2016-2018.

Carried

6.3 Street Closing and Liquor Licence Extension Request – Pink Chandelier

The letter of request for a temporary street closing and request for permission for private property liquor licence extension in conjunction with Pink Chandelier Fashion Show Extravaganza was received by Council.

Queen Street East from Spring Street to March Street – June 24, 2016 – 4:00 p.m. to 11:00 p.m.

The relevant By-law 2016-75 is listed under item 11 of the Minutes.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

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:

Pink Chandelier Fashion Show Extravaganza – Queen Street East from Spring Street to March Street

- June 24, 2016 – 4:00 p.m. to 11:00 p.m.

Carried

6.4 Street Closing – Queen Street Cruise

The letter of request for a temporary street closing in conjunction with Queen Street Cruise was received by Council.

Queen Street East at intersection of Spring Street and Queen Street East; and intersection of March Street and Queen Street East – June 17, 2016 – 4:00 p.m. to 11:00 p.m.

The relevant By-law 2016-76 is listed under item 11 of the Minutes.

6.5 Korah Collegiate Relay for Life Committee

A letter of request for an exemption from the noise control by-law for the Korah Relay for Life was received by Council.

Korah Collegiate and Vocational School – June 9, 2016 – 7:00 p.m. to June 10, 2016 – 7:00 a.m.

The relevant By-law 2016-77 is listed under item 11 of the Minutes.

6.6 Tender for Two (2) Para-Transit Mini Buses

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

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Manager of Purchasing dated 2016 05 30 concerning Tender for Two Para-Transit Mini Buses be received and that the tender for supply and delivery of two (2) para-transit mini buses as required by the Transit and Parking Division be awarded to Crestline Coach Ltd. at their total tendered price of \$167,888 plus HST, for Option 2; further that a commitment of an additional \$11,000 for this purchase from the Transit Equipment Reserve be approved.

Carried

6.7 Tender for Domestic Hot Water System Replacement – Essar Centre (2016CSD-AR-03-T)

Reports of the Manager of Purchasing and the Commissioner of Community Services were received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the reports of the Manager of Purchasing and the Commissioner of Community Services dated 2016 05 30 concerning domestic hot water system replacement – Essar Centre be received and that:

- the tender for domestic hot water system replacement be awarded to McLeod Bros. Mechanical Inc. at their low tendered price (meeting specifications) of \$104,900 plus HST;
- \$27,500 be re-allocated to this project from the Roberta Bondar Marina deck repairs project; and
- the City's consultant, EPOH Inc. be authorized to provide a letter of intent formally authorizing McLeod Bros. Mechanical Inc. to proceed with this project.

Carried

6.8 Queenstown Board of Management, The Sault Ste. Marie Central Business District Improvement Area – 2015 Financial Statements

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

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Commissioner of Finance and Treasurer dated 2016 05 30 concerning Board of Management of Queenstown, The Sault Ste. Marie Central Business

District Improvement Area Audited Financial Statements for the year 2015 as prepared by KPMG LLP Professional Chartered Accountants be received as information.

Carried

6.9 Reserve and Reserve Fund Policy

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

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Commissioner of Finance and Treasurer dated 2016 05 30 concerning Reserve and Reserve Fund Policy be received and that the following recommendations be approved:

1. the Reserve and Reserve Fund Policy be approved as presented;
2. the redistribution/transfer of funding as recommended;
3. the recommended reserves and reserve funds be eliminated.

Carried

6.10 Homelessness Partnering Strategy and Homeless Individuals and Families Information System Novation Request

The report of the Acting Commissioner of Social Services was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Acting Commissioner of Social Services dated 2016 05 30 concerning Homelessness Partnering Strategy and Homeless Individuals and Families Information System Novation Request be received and that the City of Sault Ste. Marie advise Employment and Social Development Canada of novation of both agreements from the City of Sault Ste. Marie to the District of Sault Ste. Marie Social Services Administration Board.

Carried

6.11 Homelessness Partnering Strategy Co-ordinated Point-in-Time (PiT) Count Final Report

The report of the Acting Commissioner of Social Services was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Acting Commissioner of Social Services dated 2016 05 30 concerning Homelessness Partnering Strategy Co-ordinated Point-in-Time Count Final Report be received for information.

Carried

6.12 Provision of Trees in New Residential Developments

The report of the Municipal Services Engineer was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Municipal Services Engineer dated 2016 05 30 concerning the provision of trees in new residential developments be received and that the fee charged for the provision of trees be changed from \$15 per metre frontage to \$500 per lot.

Carried

6.14 Great Lakes Forestry Centre – Environmental Assessment

The report of the Municipal Services Engineer was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Municipal Services Engineer dated 2016 05 30 concerning Great Lakes Forestry Centre – Environmental Assessment be received as information.

Carried

6.15 Miscellaneous Paving Contract – 2016-7E

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

The relevant By-law 2016-71 is listed under item 11 of the Minutes.

6.16 Surface Treatment Contract – 2016-9E

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

The relevant By-law 2016-73 is listed under item 11 of the Minutes.

6.19 Street Assumption, Closing and Conveyance – Part Corey Avenue and Part Jean

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

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Assistant City Solicitor dated 2016 05 30 concerning Street Assumption, Closing and Conveyance – Part Corey Avenue and Part Jean Street be received and that Council authorize the Legal Department to bring forward at a future Council meeting the necessary by-laws to stop up, close and authorize the conveyance of the said properties.

Carried

6.20 Potential Property Disposition – Yates Avenue – Industrial Park

The report of the City Solicitor was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the City Solicitor dated 2016 05 30 concerning Potential Purchase Property Yates Avenue – Industrial Park be received and that Council authorize the Legal Department to proceed with survey and sale of the lands to the three potential purchasers set out in this report.

Carried

6.21 Property Declared Surplus – 37 Paradee Avenue

The report of the City Solicitor was received by Council.

The relevant By-law 2016-68 is listed under item 11 of the Minutes.

6.22 139 Gore Street – Lease Agreement

The report of the Planning Director was received by Council.

The relevant By-law 2016-72 is listed under item 11 of the Minutes.

6.23 River Road East Limit Parking Prohibition

The report of the Manager of Traffic and Communications was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Manager of Traffic and Communications dated 2016 05 30 concerning River Road East Limit Parking prohibition be received and that Council direct the Legal Department to bring forward the appropriate by-law amendments at a later date.

Carried

6.24 Update to By-Law 2001-127

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

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

The relevant By-law 2016-66 is listed under item 11 of the Minutes.

6.25 May 2016 Amendment to By-Law 90-305

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

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

The relevant By-law 2016-65 is listed under item 11 of the Minutes.

6.26 Fifth Line and Great Northern Road Intersection

The report of the Deputy Commissioner of Public Works and Transportation is attached for the consideration of Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Deputy Commissioner of Public Works and Transportation dated 2016 05 30 concerning Fifth Line and Great Northern Road Intersection be received as information.

Carried

6.27 Street Closing – Run the Great Lakes

The letter of request for a temporary street closing in conjunction with Run the Great Lakes was received by Council.

Queen Street East – South Side Bike Lane Only from Pim Street to Barber Boulevard – June 12, 2016 – 8:30 a.m. to 11:00 a.m.

The relevant By-law 2016-82 is listed under item 11 of the Minutes.

6.28 Liquor Licence Extension Request

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

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

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 – 5 Cornwall Street

- Barbeque/Picnic – Sunday, June 26, 2016 – 12:00 p.m. to 10:00 p.m.

Carried

6.13 Sault Trails Advocacy Committee's "Soo Moves" Initiative

A report of the Project Co-ordinator, Downtown Development Initiative was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Project Co-ordinator, Downtown Development Initiative dated 2016 05 30 concerning Sault Trails Advocacy Committee's "Soo Moves" Initiative be received and that Council endorse the launch of STAC's "Soo Moves" initiative.

Carried

6.17 Rodent Abatement Program

The report of the Commissioner of Engineering and Planning was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor M. Shoemaker

Resolved that the report of the Commissioner of Engineering and Planning dated 2016 05 30 concerning the Rodent Abatement Program be received and that the City discontinue its funded rodent control program for private residences.

Recorded	For	Against
Mayor C. Provenzano	X	
Councillor S. Butland		X
Councillor P. Christian	X	
Councillor S. Myers		X
Councillor S. Hollingsworth		X
Councillor J. Hupponen		X
Councillor L. Turco		X
Councillor M. Shoemaker	X	
Councillor R. Niro		X
Councillor M. Bruni		X
Councillor F. Fata		X
Councillor R. Romano	X	
Results	4	8

Defeated

For	Mayor C. Provenzano, Councillor P. Christian, Councillor M. Shoemaker and Councillor R. Romano
Against	Councillor S. Butland, Councillor S. Myers, Councillor S. Hollingsworth, Councillor J. Hupponen, Councillor L. Turco, Councillor R. Niro, Councillor M. Bruni and Councillor, F. Fata
Absent	Councillor J. Krmpotich

Defeated

6.18 City Council Committee on Graffiti Update

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

The report of the Environmental Initiatives Co-ordinator is attached for the consideration of Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Environmental Initiatives Co-ordinator dated 2016 05 30 concerning City Council Committee on Graffiti Update be received and that:

- the Committee remain in place and continue to meet throughout the year to ensure community engagement and co-ordination of projects; and
- City staff work with the Committee to create a new Anti-Graffiti By-law; and
- City staff look into the feasibility of hiring an additional By-law Enforcement Officer and report back to Council.

Carried

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.1.1 Cost Implications of Interest Arbitration Award SSMPFA Local 529 (February 1, 2014 to January 31, 2015)

Councillor R. Niro declared a conflict on this item. (Brother employed by Fire Services.)

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

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Commissioner of Human Resources dated 2016 05 30 concerning the Interest Arbitration Award 2014-2015, Sault Ste. Marie Professional Firefighters Association (SSMPFA) Local 529 be received as information.

Carried

7.2 COMMUNITY SERVICES DEPARTMENT

7.2.1 2018 Ontario Winter Games

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

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Commissioner of Community Services dated May 30, 2016 concerning the 2018 Ontario Winter Games Bid be received and further that Council support the bid submission for the 2018 Ontario Winter Games and authorize the City's contribution of \$150,000 to the overall funding of the event to be allocated as follows:

- \$80,000 to be redirected from the 2010 Economic Diversification Fund.
- \$70,000 to be allocated from the 2017 Economic Diversification Fund.

Carried

7.3 ENGINEERING

7.3.1 Port of Algoma – Phase 1 Update

The report of the Commissioner of Engineering and Planning was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Commissioner of Engineering and Planning dated 2016 05 30 concerning the update to Phase 1 of the Port of Algoma project be received as information.

Carried

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

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

8.1 Notice of Motion – Tax Levy Adjustments

Moved by: Councillor R. Romano

Seconded by: Councillor P. Christian

Whereas property taxpayers would like predictability in tax levy adjustments; and

Whereas there are several formulae that measure inflation (e.g. CPI, MPI, etc.); and

Whereas many residential taxpayers are on fixed incomes and are financially impacted by tax increases at inflation or above; and

Whereas the cost of municipal services is not tied directly to inflation; and

Whereas property taxes are impacted by provincial property assessment valuations; and

Whereas inflation, however measured, does not consider growth, service increase or charged quality of service; and

Whereas Mayor, Council and administration should have a guideline to focus budget deliberations that considers minimum impact on the taxpayer;

Now Therefore Be It Resolved that staff develop a range of options to develop a budget guideline to target the development and deliberation of the 2017 and future year annual operating budgets; and

Further that staff report back no later than August 2016 on a recommended budget guideline.

8.2 Rodent Abatement

Moved by: Councillor P. Christian

Seconded by: Councillor S. Butland

Whereas Sault Ste. Marie has funded a rodent abatement program for several years; and

Whereas the program was administered by Algoma Public Health; and

Whereas the Algoma Public Health, by way of its letter dated May 18, 2016, has indicated that it does not have the resources to support the program any longer; and

Whereas the city has experienced a rise in reported rodent sightings in the past few years; and

Whereas many issues relating to rodent infestation can be avoided with stricter by-law enforcement and better public education;

Now Therefore Be It Resolved that Council ask staff to report to council on a proposed prevention program which includes, but is not limited to, citizen education, and by-law

enforcement and which incorporates a method for tracking trends and hot spots within the city; further, that staff report back to council on their proposal and related costs by the end of September 2016.

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 F. Fata

Seconded by: Councillor S. Myers

Resolved that all By-laws under item 11 of the Agenda under date 2016 05 30 be approved, save and except 2016-65 and 2016-66.

Carried

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

11.1.3 By-law 2016-68 (Property) Surplus 37 Paradee Avenue

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-68 being a by-law to declare the City owned property legally described as PIN 31603-0405 (LT) LT 8 PL 7000 KORAH EXCEPT PT 1-10 1R1763; SAULT STE. MARIE, being civic 37 Paradee Avenue as surplus to the City's needs and to authorize the disposition of the said property be passed in open Council on the 30th day of May, 2016.

Carried

11.1.4 By-law 2016-69 (Zoning) 844 Queen Street East and 860 Queen Street East (Edgecon Inc.)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-69 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 844 Queen Street East and 860 Queen Street East (Edgecon Inc.) be passed in open Council on the 30th day of May, 2016.

Carried

11.1.5 By-law 2016-70 (Zoning) 130 Wellington Street East (1848671 Ontario Limited)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-70 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 130 Wellington Street East (1848671 Ontario Limited) be passed in open Council on the 30th day of May, 2016.

Carried

11.1.6 By-law 2016-71 (Agreement) Trimount Construction Group Inc. (Contract 2016-7E)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-71 being a by-law to authorize the execution of a contract between the City and Trimount Construction Group Inc. for miscellaneous construction and paving (Contract 2016-7E) be passed in open Council on the 30th day of May, 2016.

Carried

11.1.7 By-law 2016-72 (Agreement) Lease of 139 Gore Street

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-72 being a by-law to authorize the execution of an agreement between the City and Carmen Muto Plumbing & Heating Inc. to lease property at 139 Gore Street to provide for customer parking during the reconstruction of Gore Street be passed in open Council on the 30th day of May, 2016.

Carried

11.1.8 By-law 2016-73 (Agreement) Ellwood Robinson Limited (Contract 2016-9E)

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that By-law 2016-73 being a by-law to authorize the execution of a contract between the City and Ellwood Robinson Limited for the supply and application of surface treatment for Case Road (Contract 2016-9E).

Carried

11.1.9 By-law 2016-74 (Agreement) Algoma Farmers' Market

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-74 being a by-law to authorize the execution of an agreement between the City and The Algoma Farmers' Market which sets out the terms and conditions for the operation of The Algoma Farmers' Market be passed in open Council on the 30th day of May, 2016.

Carried

11.1.10 By-law 2016-75 (Temporary Street Closing) Queen Street East Pink Chandelier Semi Annual Fashion Extravaganza

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-75 being a by-law to permit the temporary closing of Queen Street East from Spring Street to March Street to facilitate the Pink Chandelier Semi-Annual Extravaganza be passed in open Council on the 30 day of May, 2016.

Carried

11.1.11 By-law 2016-76 (Temporary Street Closing) Queen Street Cruise

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-76 being a by-law to permit the temporary closing of Spring Street at Queen Street East and March Street at Queen Street East be passed in open Council on the 30th day of May, 2016.

Carried

11.1.12 By-law 2016-77 (Regulations) Noise Exemption Korah Collegiate Relay for Life

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-77 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 9, 2016 to 7:00 a.m. on June 10, 2016 at Korah Collegiate and Vocational School be passed in open Council on the 30th day of May, 2016.

Carried

11.1.13 By-law 2016-82 (Temporary Street Closing) Queen Street East – Bike Lane

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that By-law 2016-82 being a by-law to permit the temporary closing of Queen Street East, Bike Lane only, South Side from Pim Street to Barber Blvd. on June 12, 2016 to facilitate the Run the Great Lakes running event be passed in open Council this 30th day of May, 2016.

Carried

11.1.1 By-law 2016-65 (Parking) Municipal Law Enforcement Officers By-law 90-305

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

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-65 being a by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305 be passed in open Council on the 30th day of May, 2016.

Carried

11.1.2 By-law 2016-66 (Parking) Municipal By-law Enforcement Officers By-law 93-165

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

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-66 being a by-law to appoint by-law enforcement officers to enforce the by-laws of The Corporation of the City of Sault Ste. Marie be passed in open Council on the 30th day of May, 2016.

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 M. Bruni

Seconded by: Councillor S. Myers

Resolved that this Council proceed into closed session to discuss:

- an issue under the *Companies' Creditors Arrangement Act*,
- ongoing litigation
- proposed acquisition of land
- Bill 8 training

(advice that is subject to solicitor/client privilege – section 239(2)(f) Municipal Act; litigation or potential litigation – section 239(2)(e) Municipal Act; proposed or pending acquisition of land – section 239(2)(c) Municipal Act; meeting for the purpose of training – section 239(3)(1) Municipal Act).

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

Carried

14. ADJOURNMENT

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that this Council now adjourn.

Carried

Mayor

City Clerk

June 1, 2016

City of Sault Ste. Marie
Municipal Clerk
99 Foster Drive
Sault Ste. Marie, Ontario
P6A 5X6

To Whom It May Concern:

RE: Extension of Liquor Permit # 44404 – July 2, 2016 and August 20, 2016

Please be advised that the Royal Canadian Legion Branch 25 in Sault Ste. Marie will be hosting a Car Show on July 2, 2016 and the Annual Horseshoe Tournament at their location 96 Great Northern Rd., Sault Ste. Marie, Ontario on August 20, 2016.

As per the AGCO application, we require a letter from you that states “no objection” to this extension. The letter may be sent to the above address attention Helen Stewart or e-mailed to: rclbranch25@shawbiz.ca

If you have comments or concerns, please contact the writer at (705) 945-8721.

Sincerely

Helen Stewart, Secretary
Royal Canadian Legion Branch 25



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tim Gowans, Manager of Purchasing

DEPARTMENT: Finance Department

RE: Tender for Lighting Upgrades – Municipal Parking Lots

PURPOSE

Attached hereto for your information and consideration is a summary of the tenders received for the supply and installation of LED Lighting Upgrades for various Municipal Parking Lots as requested by the Engineering & Planning Department. Staff is seeking Council approval of the tender recommendation.

BACKGROUND

The tender was publicly advertised and tender documents forwarded to all firms on the City's vendor of record bidders list. A public opening of the tenders was held May 25, 2016, with Councillor Lou Turco representing City Council.

ANALYSIS

The tenders received have been thoroughly evaluated and reviewed with the Environmental Initiatives Coordinator and the Commissioner of Engineering & Planning, and the low tendered price, meeting specifications, has been recommended for award as identified on the attached summary.

IMPACT

At its April 25, 2016 meeting, City Council approved the allocation of \$100,000.00 from the Green Committee Reserve for the upgrades of lighting in Municipal parking lots to LED fixtures.

The Environmental Initiatives Coordinator further reports the City can anticipate receiving approximately \$16,366.00 in Save on Energy Program rebates for this project.

The identified project award of \$78,388.24 plus HST can be accommodated within these budgeted amounts.

STRATEGIC PLAN

Upgrading of Lighting in Municipal Parking Lots is not listed as an activity under the Corporate Strategic Plan.

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2016 06 13 be received and the recommendation that the tender for the supply and installation of LED fixtures upgrading the lighting in various Municipal parking lots, as requested by the Engineering & Planning Department, be awarded to S&T Electrical Contractors Ltd. at their total tendered price of \$78,388.24 plus HST, be approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Gowans', written in a cursive style.

Tim Gowans
Manager of Purchasing

TG:nt

FINANCE DEPARTMENT
PURCHASING DIVISION
BUDGET:

Received: May 25, 2016
File: 2016ENG-02-T

SUMMARY OF TENDERS
LIGHTING UPGRADES - MUNICIPAL PARKING LOTS

Price Per Location (Not Including H.S.T.)

	Permanent Electric Sault Ste Marie, ON	Phase IV Electrical Sault Ste Marie, ON	PUC Sault Ste Marie, ON	Red Star Sault Ste Marie, ON	S&T Electrical Cont. Sault Ste Marie, ON	Topline Electrical Sault Ste Marie, ON
John Rhodes Lot	17,395.00	16,740.00	17,745.00	15,105.00	14,466.08	17,006.00
Civic Centre Lots	31,680.00	28,980.00	32,465.00	27,440.00	26,389.66	32,128.00
Fire Hall #1	4,750.00	4,980.00	5,165.00	4,360.00	4,062.59	5,488.00
Fire Hall #2	750.00	940.00	660.00	625.00	451.40	1,178.00
Fire Hall #3	750.00	940.00	660.00	625.00	451.40	1,178.00
RESC Centre	9,950.00	9,740.00	10,710.00	9,130.00	9,402.79	9,551.00
Transit Garage	6,000.00	6,300.00	4,945.00	4,180.00	4,087.33	5,175.00
Public Works	1,680.00	1,940.00	1,310.00	1,140.00	1,021.83	1,783.00
Bellevue Marina	8,230.00	7,700.00	8,345.00	7,060.00	6,655.52	8,309.00
Bondar Park	2,750.00	1,940.00	2,165.00	1,850.00	1,653.95	2,552.00
East End Treatment	12,350.00	11,490.00	11,855.00	10,110.00	9,745.69	11,746.00
Subtotal	96,285.00	91,690.00	96,025.00	81,625.00	78,388.24	96,094.00
13% H.S.T.	12,517.05	11,919.70	12,483.25	10,611.25	10,190.47	12,492.22
	<u>108,802.05</u>	<u>103,609.70</u>	<u>108,508.25</u>	<u>92,236.25</u>	<u>88,578.71</u>	<u>108,586.22</u>
Remarks:	Meets Specifications	Meets Specifications	Meets Specifications	Meets Specifications	Meets Specifications	Meets Specifications

Note: The low tendered price, meeting specifications, is boxed above.

The total cost to the City will be \$79,767.87 including the non-refundable portion of the H.S.T. This purchase is eligible for rebates under the Save-On Energy program.
It is my recommendation that the tendered price, submitted by S & T Electrical Contractors Ltd., be accepted.

Tim Gowans
Manager of Purchasing



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tim Gowans, Manager of Purchasing

DEPARTMENT: Finance Department

RE: Sole Sourcing Rebuild of Landfill Compactor

PURPOSE

Attached hereto for your information and consideration is a request for Council concerning the sole sourcing of a complete Caterpillar certified rebuild for the CAT 826H compactor in use at the Municipal Landfill. Staff is seeking Council approval of sole sourcing for this rebuild to Toromont CAT.

BACKGROUND

The CAT 826H compactor in use at the Landfill was delivered and put into service in 2009. The hour meter indicates approximately 10,200 hours of usage since delivery. The compactor is equipped with spiked wheels that break up refuse and pack it into the Landfill extending its life. PWT reports that this machine is in need of an overhaul to keep it running efficiently for the next 7 to 9 years.

ANALYSIS

PWT has received a budget quotation for a new CAT 826H compactor in the amount of \$989,427.00 plus HST. A certified rebuild will return the existing machine to like new condition at a cost savings of \$247,378.00. PWT recommends this option.

A Caterpillar certified rebuild can only be performed by a Caterpillar dealer. A complete rebuild including engine, transmission, and differentials is performed and new wheels installed. A new 3 year warranty will be provided. During the rebuild process, a replacement machine will be supplied for the City's use.

Toromont CAT is the local Caterpillar dealer.

IMPACT

At the meeting of May 16, 2016, Council approved the commitment of \$855,549.00 from the Public Works Equipment Reserve for this rebuild. A quote of \$742,049.00 plus HST has been submitted by Toromont CAT. This will result in a total expenditure of \$755,109.06 including non-recoverable HST.

STRATEGIC PLAN

This equipment rebuild is not an activity listed in the Corporate Strategic Plan.

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2016 06 13 be received and that sole sourcing of the certified rebuild to Toromont CAT at their quoted price of \$742,049.00 plus HST, be approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Gowans', with a stylized flourish at the end.

Tim Gowans
Manager of Purchasing

TG:nt



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Shelley J. Schell, CPA, CA Commissioner of Finance & Treasurer

DEPARTMENT: Finance Department

RE: 2017 Budget Meeting Schedule

PURPOSE

The purpose of this report is to provide Council with the 2017 Budget Meeting Schedule.

BACKGROUND

The annual operating and capital budgets have historically been approved in March or April, after almost one quarter of the budget year had passed. In keeping with the goal of providing budgets earlier for approval, preferably before the start of the budget year, Finance is providing Council with the 2017 budget meeting schedule, which provides for approval in December, 2016.

ANALYSIS

The 2017 budget meeting schedule is as follows:

Capital Budget October 24, 2016

Operating Budget

Presentation of Preliminary Budget November 17, 2016

Budget Deliberation and Approval December 5 & 6 (if necessary), 2016

IMPACT

Approval of the annual operating and capital budgets prior to the start of the fiscal year provides for better accountability of expenditures. It also allows for earlier procurement of capital projects, which could lead to more competitive pricing.

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 June 13, 2016 regarding the 2017 Budget Meeting Schedule be received as information.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Shelley Schell".

Shelley J. Schell, CPA, CA
Commissioner of Finance & Treasurer



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Virginia McLeod, Manager Recreation & Culture

DEPARTMENT: Community Services Department

RE: Ontario Heritage Act – Part IV Designation of Machine Shop
(83 Huron St.)

PURPOSE

The purpose of this report is to seek Council's approval to designate the Machine Shop located at 83 Huron Street under the Ontario Heritage Act, due to its significant heritage value to the City of Sault Ste. Marie.

BACKGROUND

The Sault Ste. Marie Municipal Heritage Committee advises City Council as to the cultural heritage value or interest of properties within the Municipality, and recommends that significant properties be designated under Part IV of the Ontario Heritage Act. This affords the property, and in particular the designated heritage features, special protection under the Act. The Sault Ste. Marie Municipal Heritage Committee is recommending to City Council the designation of the Machine Shop located at 83 Huron Street due to its significant heritage value to the City of Sault Ste. Marie.

In April of 2015 the owner (2319839 Ontario Inc.) of the Machine Shop located at 83 Huron Street submitted an application for consideration of designation. At their May 2015 meeting, the Sault Ste. Marie Municipal Heritage Committee assigned Committee Members to evaluate the building. Ownership of the property changed, as a result, a meeting was held on April 14, 2016 with the new owner (1188004 Ontario Ltd.) of the Machine Shop. The new property owner confirmed that they were interested in proceeding with the designation.

A final report recommending designation of the building was presented and the Sault Ste. Marie Municipal Heritage Committee passed the following resolution at their May 11, 2016 meeting.

Moved By: C.Tossell

Seconded By: M. Caruso

“Resolved that the Sault Ste. Marie Municipal Heritage Committee approve the designation report for the Machine Shop located at 83 Huron Street, as edited be recommended for designation under Part IV of the Ontario Heritage Act; and further that a report be sent to City Council to request their approval to proceed with the designation.” CARRIED

ANALYSIS

The designation report which provides a detailed description of the cultural heritage value of this property is attached for Council’s review. The key features being recommended for protection under the designation are:

The key exterior features that embody the heritage value of the Machine Shop include:

- 1) The Machine Shop is one of the finest Ontario examples of Romanesque Revival architecture popularized in the style of Henry Hobson Richardson. i.e. ‘Richardson Romanesque’ incorporating heavy massing, symmetrical composition and rusticated stonework in squared random rubble. Each corner consists of a slightly projecting tower which extends a little higher than the main exterior walls which are corbeled out to the parapet. The overall impression of this landmark building is one of considerable strength.
- 2) The decorative and distinctive elements of the Machine Shop are repeated in other buildings in the complex resulting in a harmony and attractiveness that was unusual in industrial architecture of this time period.
- 3) The building, excluding the Blacksmith’s Shop is of rectangular plan, of single storey slab on grade construction, but with an internal mezzanine floor running around the building exterior perimeter.
- 4) Window openings are generally grouped in threes. The ground floor sets are rectangular but the mezzanine groupings have semi-circular arched heads.
- 5) A Blacksmiths Shop, built at approximately the same time, was attached to the south-east corner and the south side of the Machine Shop. Much of the exterior of this Shop has been demolished at the west end but a significant portion remains towards the south east corner. The remaining interiors in heavy timber post and beam construction are considered to be of significance and to be incorporated within this designation report.

The key interior features of the Machine Shop include:

- 1) Significant internal features are the cast iron columns supporting the exterior perimeter of the mezzanine with embossed “AIW (Algoma Iron Works) 1900” on the outer face. Jib cranes are attached to certain columns and clear span roof trusses are composed of riveted angle iron.

IMPACT

There is no immediate budget impact. However, when the property owner enrolls in the Heritage Property Tax Rebate Program they will be eligible for a 40% rebate on the taxes that pertain to only the designated building.

STRATEGIC PLAN

This item does not relate to the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Chair of the Sault Ste. Marie Municipal Heritage Committee concerning the designation of the Machine Shop located at 83 Huron Street be received and the recommendation that the property be designated under Part IV of the Ontario Heritage Act be approved.

Respectfully submitted,



Virginia McLeod,
Manager of Recreation and Culture,
on behalf of
Sault Ste. Marie Municipal Heritage
Committee

Recommended for approval,



Nicholas J. Apostle,
Commissioner Community Services

SAULT STE MARIE MUNICIPAL HERITAGE COMMITTEE

REPORT & RECOMMENDATION
to the
CORPORATION OF THE CITY OF SAULT STE MARIE

**that the
MACHINE SHOP LOCATED AT 83 HURON STREET,
SAULT STE MARIE
BE DESIGNATED AS A PROPERTY OF
HERITAGE VALUE OR INTEREST
UNDER THE ONTARIO HERITAGE ACT**



Machine Shop - North-West Elevation

Introduction

The Sault Ste. Marie Municipal Heritage Committee is comprised of members interested in heritage conservation with expertise in a number of related fields such as local history and architecture. The members are appointed by Council and recommend to Council significant properties of cultural heritage value or interest for designation under the Ontario Heritage Act.

The Sault Ste. Marie Municipal Heritage Committee having examined the property known as the Machine Shop, located at 83 Huron Street, Sault Ste Marie and recommends to Council that this structure be designated under Part IV of the Ontario Heritage Act.



The Sault Ste. Marie Municipal Heritage Committee has consulted with the Owner of this building (1188004 Ontario Ltd) and the Owner has indicated that it has no objection to the designation of this structure.

Description of Property

Built on the site of the former Hudson Bay trading post and constructed by 1900 the Machine Shop is a rectangular building constructed of red sandstone, excavated from the adjacent power canal and lock.

The external plan size is 167' 9" (51.13m) by 87' 3" (26.59m) measured at the base which tapers slightly, buttress like, to a height of +/- 6' 0" (1.83m). Internally the dimensions of the actual Machine Shop portion are 80' 1" (24.39m) wide by 119' 10" (36.51m) in length.

(Cont.)

The Machine Shop is single storey with an overall interior height of 43' 4" (13.20m), but contains an interior mezzanine floor at 18' 6" (5.62m) to the underside. At the same time as the original construction a Blacksmith's Shop, also of single storey construction but much lower in height was constructed at the south east corner. This latter structure has been partially demolished and much altered over the years but the majority of the interior remains relatively intact.

Statement of Cultural Heritage Value and Interest:

- 1) The Machine Shop is constructed of local red sandstone excavated from the adjacent power canal and lock.
- 2) The Machine Shop formed a portion of the turn of the century industrial empire developed on the site by Francis Hector Clergue. This included the Tagona Water & Light Company, Algoma Iron Works, the Algoma Central & Hudson Bay Railroad, the Lake Superior Paper Company, the Spanish River Pulp & Paper Company, The Algoma Steel Corporation, the Algoma Tube Works Ltd, the International Transit Company, and the Helen & Gertrude Mines in Wawa,
- 3 Francis Hector Clergue is designated as a National Historic Person by the Historic Sites and Monuments Board of Canada for his contribution to the industrial growth of the city of Sault Ste. Marie.
- 4) It is also additionally significant that the internal cast iron support columns of the mezzanine floor were cast on site at the Algoma Iron Works (Embossed AIW 1900).

The key exterior features that embody the heritage value of the Machine Shop include:

- 1) The Machine Shop is one of the finest Ontario examples of Romanesque Revival architecture popularized in the style of Henry Hobson Richardson. i.e. 'Richardson Romanesque' incorporating heavy massing, symmetrical composition and rusticated stonework in squared random rubble. Each corner consists of a slightly projecting tower which extends a little higher than the main exterior walls which are corbeled out to the parapet. The overall impression of this landmark building is one of considerable strength.
- 2) The decorative and distinctive elements of the Machine Shop are repeated in other buildings in the complex resulting in a harmony and attractiveness that was unusual in industrial architecture of this time period.
- 3) The building, excluding the Blacksmith's Shop is of rectangular plan, of single storey slab on grade construction, but with an internal mezzanine floor running around the building exterior perimeter.
- 4) Window openings are generally grouped in threes. The ground floor sets are rectangular but the mezzanine groupings have semi-circular arched heads.
- 5) A Blacksmiths Shop, built at approximately the same time, was attached to the south-east corner and the south side of the Machine Shop. Much of the exterior of this Shop has been demolished at the west end but a significant portion remains towards the south east corner. The remaining interiors in heavy timber post and beam construction are considered to be of significance and to be incorporated within this designation report.

The key interior features of the Machine Shop include:

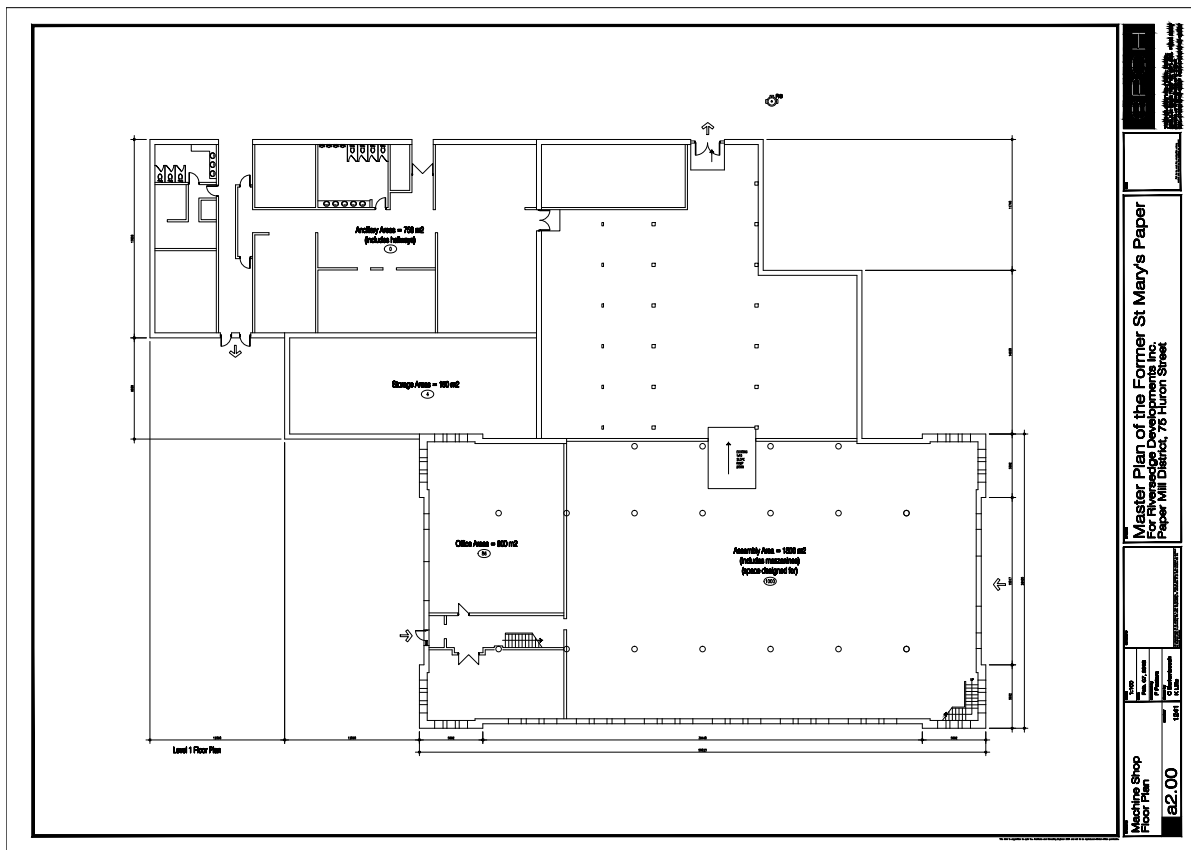
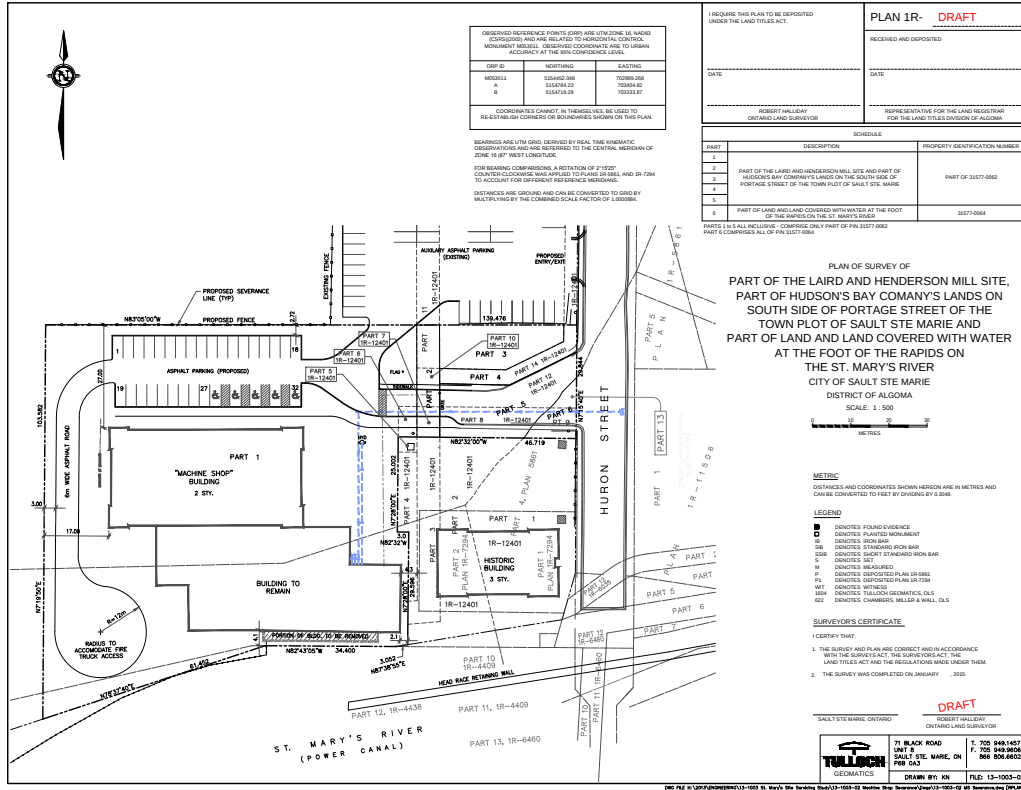
- 1) Significant internal features are the cast iron columns supporting the exterior perimeter of the mezzanine with embossed "AIW (Algoma Iron Works) 1900" on the outer face. Jib cranes are attached to certain columns and clear span roof trusses are composed of riveted angle iron.

The Sault Ste Marie Municipal Heritage Committee uses the following criteria when evaluating a property:

- * A property may be of cultural heritage value or significance if it is associated with the life of an outstanding member of the community or has played a role in an important historical event.**
- * A building may be of architectural significance if it is a good example of a particular building type, architectural style or period, or if it is the work of an important architect or early builder.**
- * A building may also have contextual significance if it forms an integral part of the surrounding streetscape.**
- * A property may be of cultural heritage value or significance if it possesses unique aesthetic or picturesque qualities.**
- * A property may be of cultural heritage value or significance if it incorporated the use of local sandstone in the building construction, particularly from the Sault Ste. Marie Canal excavation.**



It is the opinion of the Sault Ste Marie Municipal Heritage Committee that the Machine Shop meets all of the criteria listed above





ELEVATIONS

Plan & Elevations, have been provided courtesy of EPOH Inc. Architects, Engineers and Interior Designers



Cast Iron Interior Column



Mezzanine Level Floor

MACHINE SHOP - DESIGN

At the time of the preparation of this report the architect/designer of the Machine Shop has not been established. Neither have the original design drawings been located.

The (Toronto) Globe of June 24, 1899 and the (Toronto) Evening Star of June 19, 1899 both indicate that the Machine Shop had been completed. There is a photo of the Machine Shop which appears complete published in an article entitled 'The Clergue Industries in Canada' contained in the May 4, 1900 edition of the "Canadian Manufacturer".

Architects known to be working for Clergue's Lake Superior Power Company in and around that time were:

- * **E. Francis Head 1899-1902** - refer to his entry in the Biographical Dictionary of Architects in Canada, 1800-1950. Robert Hill ed. In 1988 the initials **EFH** were found on a drawing of the Blacksmiths Shop, which is attached to the Machine Shop. At this time Francis Head would appear to be the most likely designer.

*

- * **Harry J. Powell 1900-1901** - (given these dates Harry Powell would probably not have had an involvement). - refer to his entry in the Biographical Dictionary of Architects in Canada, 1800-1950. Robert Hill ed.

*

- * **James Calloway Teague 1898-1905(?)**.

- * Teague had an architectural practice in Sault Ste Marie MI. and also as being a draftsman for Clergue's Lake Superior Power Company. He is noted for the (revised) design of the (Union Carbide) generating station on the south (Michigan) side of the St Marys River and of 'Montfermier' a house for Francis Clergue and his family at Moffley Hill, Sault Ste Marie Ontario. - refer to his entry in the Biographical Dictionary of Architects in Canada, 1800-1950. Robert Hill ed.

NOTE

Historically this building has always been referred the 'Machine Shop' and that is the term used throughout this Report.

It is our understanding that the building has now been renamed 'Millworks.'

Respectfully Submitted

November 1, 2015 (Revised and updated for new Owner - April 28, 2016)

Prepared for Municipal Heritage Committee review

By

Jeanette Cowen & Chris Tossell - Sault Ste Marie Municipal Heritage Committee.

END



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Daniel Perri, Municipal Services Engineer

DEPARTMENT: Engineering and Planning Department

RE: Acquisition of Property on River Road

PURPOSE

The purpose of this report is to obtain Council's approval to acquire property on River Road.

BACKGROUND

There is an existing watercourse located at 440 River Road. This watercourse is part of a larger system extending from Frontenac Street, which conveys both private and City stormwater, discharging the water over First Nations property where it outlets to the St. Marys River. Public Works & Transportation forces are not able to adequately maintain the storm outlet discharging over First Nations Property.

If future works are ever planned for the watercourse upstream of 440 River Road, it is imperative that an adequate outlet, on City property, be obtained. The City currently owns 467 River Road, which is across the street from 440 River Road, and provides a drainage path directly to the St. Marys River.

ANALYSIS

1890628 Ontario Inc. has recently received Committee of Adjustment approval to create twelve lots from 440 River Road by way of severance. The City has the opportunity to acquire one of these lots to be used as an outlet for the drainage course in the future.

Part 9, 1R-7949 lines up best with the City owned property at 467 River Road, and is therefore the recommended lot for purchase.

IMPACT

A price of \$54,900 has been negotiated for this property. This cost can be covered through the Property Purchase Reserve Fund.

STRATEGIC PLAN

Ensuring storm water conveyance is not compromised, is consistent with Strategic Direction 1: Developing Solid Infrastructure. In particular, Objective 1A, Environmental Leadership touching on the rehabilitation of aqueducts/open channels is being partially met.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2016-84 authorizing the acquisition of property on River Road appears elsewhere on the agenda and is recommended for approval.

Respectfully submitted,



Daniel Perri, P.Eng.
Municipal Services Engineer

Recommended for approval



Jerry Dolcetti, RPP
Commissioner
Engineering & Planning



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Victoria Prouse, Project Coordinator, Downtown Development Initiative

DEPARTMENT: Engineering and Planning Department

RE: International Plaza Pilot Project

PURPOSE

This report informs Council of the International Plaza Pilot Project occurring this summer at the International Parking Lot near the intersection of Queen Street and Bruce Street.

BACKGROUND

Over the past ten years, cities across North America have adopted a new approach towards planning the role and function of their streets. One way municipalities have played a leadership role in facilitating increased pedestrian activity along downtown streets is programming underutilized spaces – including parking lots – to encourage people to gather.

Activating downtown streets is identified as a priority in the City's Downtown Community Improvement Plan. Specifically, outdoor plaza areas help to build a unique experience and destination for residents as well as contribute to an enhanced sense of safety.

ANALYSIS

The proposed layout of the plaza on the north end of the International Parking lot is attached. The objective of this pilot project is to demonstrate leadership in programming underutilized spaces and increase pedestrian activity. The transformation can be facilitated through a partnership with PWT using existing street furniture and fixtures. PWT will set out the furniture and remove it at the end of the summer season. Planning staff will also reach out to local arts initiatives to discuss the feasibility of incorporating an artistic component into the design to further enhance the plaza as a community gathering space.

As a pilot project, staff will update Council with an evaluation of the implementation of the patio at the end of the season. If the patio is successful, staff will consider the feasibility of expanding the model to other underutilized parking areas in the downtown next summer.

IMPACT

The Pilot Project will be implemented using existing resources and staff time. The creation of the plaza will take away six parking spaces during the summer months. In discussion with the Manager of Parking, downtown parking lots are at 60% capacity during peak hours. As such, the loss of six spaces will not generate any negative impacts. As well, the City's Parking Division contacted a neighbouring property owner, as they have a number of permits issued for this lot. Again, no issues were raised as a result of the proposed plaza. The Queenstown BIA is also supportive of the project.

STRATEGIC PLAN

The Downtown Development Initiative is identified in Strategic Direction 1: Developing Solid Infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Project Coordinator, Downtown Development Initiative, concerning the Plaza Pilot Project be received and that Council endorse the initiative.

Respectfully submitted,



Victoria Prouse, MPI
Project Coordinator, Downtown
Development Initiative

Recommended for approval,



Donald B. McConnell, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

VP:ps

Attachment(s)

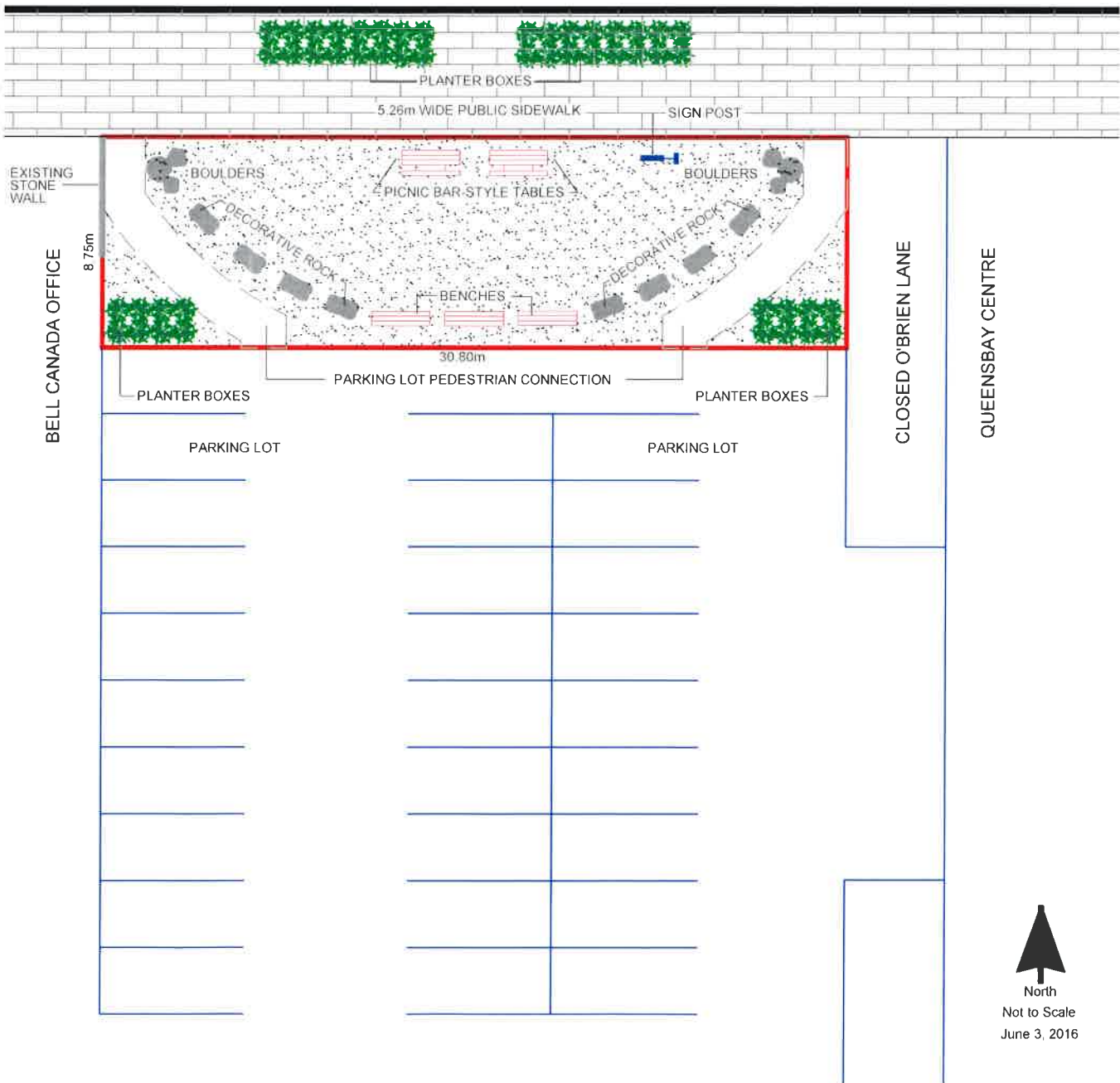
CONCEPT PLAN

International Patio



PUBLIC SIDEWALK

(331) QUEEN STREET EAST



International Plaza Pilot Project

Example pop-up plaza



Signage



Seating/table options



Planter boxes



Options for partitions/additional seating





COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

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

DEPARTMENT: Legal Department

RE: Licence to Occupy City Property Agreement and Noise By-law Exemption Request for the Pink Chandelier Fashion Show Extravaganza

PURPOSE

The purpose of this report is twofold:

- a) to request Council's approval of a Licence to Occupy City Property Agreement (the "Licence Agreement") between the City, Pink Chandelier retail store ("Pink Chandelier"), and The Barrel House Wine & Whiskey Bar Inc. ("Barrel House"), collectively referred to as the "Licencees" to permit the programming described below to take place on Queen Street East, between Spring Street and March Street (the "Event"), scheduled for June 24, 2016; and
- b) to request Council's approval of an exemption to the City's Noise By-law for activities related to the Event.

BACKGROUND

The Licencees contacted the City Legal Department to request permission to hold the Event on a temporarily closed portion of Queen Street East, between Spring Street and March Street.

The Event will occur on June 24, 2016 and will consist of an outdoor fashion show organized by Pink Chandelier and a licensed Pop-Up Patio operated by the Barrel House. Setup will begin at approximately 4:00 p.m. to 6:00 p.m., during which time the Licencees will assemble various structures for the Event, as outlined in "Schedule A" to the Licence Agreement.

The Licencees intend on organizing a licensed area (i.e., Pop-Up Patio) which will be located as a separate operation, slightly east of the fashion show's

runway. The licensed area will consist of one (1) tent, with the dimensions of twenty (20') feet by twenty (20') feet, and eight (8) "stand up" cocktail tables which will be located outside of the aforementioned tent. The perimeter of the tented area and cocktail tables will be defined with pipe and curtain barricades. The Barrel House will operate the licensed area and serve alcohol throughout the duration of the Event.

The fashion show will commence at approximately 6:00 p.m. to 9:00 p.m., with the Event concluding by 11:00 p.m., inclusive of clean-up.

ANALYSIS

The Event requires a Licence Agreement for insurance purposes and to confirm the agreement between the City and the Licencees. The Licence Agreement confirms that the Licencees have permission to set up and conduct the programming at their sole cost, expense and liability at the locations identified in "Schedule A" to the Licence Agreement. The Licence Agreement confirms the times for the Event, including setup and clean-up.

The Licence Agreement further contains indemnification clauses such that the Licencees shall be responsible for any costs, expenses and liabilities that in any way result from the Event. Furthermore, the Licence Agreement requires the Licencees to maintain insurance, naming the City as "Additional Insured".

The Licence Agreement further confirms that the Barrel House has full responsibility to ensure that it has met the liquor licence requirements to provide and serve alcohol at the Event. The Barrel House is presently awaiting AGCO's approval for same.

Lastly, the Licence Agreement contains a provision that permits the City and/or Emergency Personnel to remove any portion or the entirety of the Event, including structures and programming if, at the sole discretion of the City and/or Emergency Personnel, access to any portion of Queen Street East is required for same.

Given the Event's festivities, the Licencees have prudently requested an exemption to the City's Noise By-law

IMPACT

There is no significant financial impact associated with this matter.

STRATEGIC PLAN

No impact on the strategic plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Report to Council – Licence to Occupy City Property Agreement and Noise By-law Exemption Request for the Pink Chandelier Fashion Show Extravaganza
2016 06 13
Page 3.

By-law 2016-90 authorizing the execution of the Licence to Occupy City Property Agreement appears elsewhere on the agenda and is recommended for approval.

By-law 2016-79, being a by-law to amend Noise Control By-law 80-200 to exempt from the By-law the Pink Chandelier Fashion Show Extravaganza Event on June 24, 2016 also appears elsewhere on the agenda and is recommended for approval.

Respectfully submitted,



Melanie Borowicz-Sibenik
Assistant City Solicitor &
Senior Litigation Counsel

Recommended for approval



Nuala Kenny
City Solicitor

MBS/ac

AG114 LEGAL\STAFF\COUNCIL REPORTS\2016\LICENCE TO OCCUPY CITY PROPERTY AGREEMENT AND NOISE BY-LAW EXEMPTION REQUEST FOR PINK CHANDELIER FASHION SHOW EXTRAVAGANZA JUNE 24.DOCX



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

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

DEPARTMENT: Legal Department

RE: Licence to Occupy City Property Agreement and Noise By-law Exemption Request for the Queen Street Cruise Event

PURPOSE

The purpose of this report is twofold:

- (a) to request Council's approval of a Licence to Occupy City Property Agreement (the "Licence Agreement") between the City and the Downtown Association (the "Licencee"), to permit the programming described below to take place on the March Street Stage located at March Street and Queen Street East, in addition to the Essar Centre parking lot, for the Queen Street Cruise Event (the "Event"), scheduled for June 17 and 18, 2016; and
- (b) to request Council's approval of an exemption to the City's Noise By-law for activities related to the Event.

BACKGROUND

The Licencee, in conjunction with the Queen Street Cruise Committee, contacted the City Legal Department to request permission to hold the Event on the March Street Stage at March Street and Queen Street East (the "Stage"), in addition to the Essar Centre parking lot (the "Parking Lot"). The Event is being held over the span of two (2) consecutive days and will involve an outdoor car show and live music performances.

Day one of the Event will occur on June 17, 2016 and will commence with a live performance on the Stage, beginning at 5:30 p.m. to 10:00 p.m. Setup for the Event's programming in the Parking Lot will occur between the hours of 5:30 p.m. and 8:00 p.m. and will consist of structures as outlined in "Schedule A" to the Licence Agreement. At 8:00 p.m. approximately 150 show cars will proceed to the Parking Lot, where attendees will have the opportunity to view cars and listen

to an additional performance by live musicians. The live performance on the Stage will conclude by 10:00 p.m., while programming in the Parking Lot will conclude by 11:00 p.m.

Day two of the Event will occur on June 18, 2016 and will be hosted exclusively in the Parking Lot. Again, the Event's programming will consist of structures as outlined in "Schedule A" to the Licence Agreement. The Event is set to commence at 11:00 a.m. and will conclude by 5:30 p.m., inclusive of clean-up.

ANALYSIS

The Event requires a Licence Agreement for insurance purposes and to confirm the agreement between the City and the Licencee. The Licence Agreement confirms that the Licencee has permission to set up and conduct the Programming at their sole cost, expense and liability at the locations identified in "Schedule A" to the Licence Agreement. The Licence Agreement confirms the times for the Event, including set up and clean-up.

The Licence Agreement further contains indemnification clauses such that the Licencee shall be responsible for any costs, expenses and liabilities that in any way result from the Event. Furthermore, the Licence Agreement requires the Licencee to maintain insurance, naming the City as "Additional Insured".

Lastly, the Licence Agreement contains a provision that permits the City and/or Emergency Personnel to remove any portion or the entirety of the Event, including structures and Programming if, at the sole discretion of the City and/or Emergency Personnel, access to any portion of Queen Street East or the Essar Centre parking lot is required for same.

Given the Event's festivities, the Licencee has prudently requested an exemption to the City's Noise By-law.

IMPACT

There is no significant financial impact associated with this matter.

STRATEGIC PLAN

No impact on the strategic plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2016-89 authorizing the execution of the Licence to Occupy City Property Agreement appears elsewhere on the agenda and is recommended for approval.

By-law 2016-80, being a by-law to amend Noise Control By-law 80-200 to exempt from the By-law the Queen Street Cruise Event on June 17 and 18, 2016 also appears elsewhere on the agenda and is recommended for approval.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "M. Beg Sibson".

Assistant City Solicitor/
Senior Litigation Counsel

MBS/ac

Recommended for approval,

A handwritten signature in blue ink, appearing to read "Nuala Kenny".

Nuala Kenny
City Solicitor

AG114 LEGAL\STAFF\COUNCIL REPORTS\2016\LICENCE TO OCCUPY CITY PROPERTY AGREEMENT AND
NOISE BY-LAW EXEMPTION REQUEST FOR THE QUEEN STREET CRUISE EVENT.DOCX



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Jeffrey King, Solicitor/Prosecutor

DEPARTMENT: Legal Department

RE: Licence to Occupy (2261278 Ontario Limited – 8 Albert St East)

PURPOSE

The purpose of this report is to seek Council's approval for an agreement allowing an accessibility ramp to encroach on City Property on the Blucher Street boulevard to the southeast of 8 Albert Street East.

ATTACHMENT

Attached as Schedule "A" is a sketch showing the location of the accessibility ramp.

BACKGROUND

On December 2, 2013, Council authorized the Licence to Occupy City Property Agreement ("Licence Agreement") between the City and 1704608 Ontario Inc. regarding the City property located to the southeast of 8 Albert Street East. Subsequently, 1704608 Ontario Inc. sold the property to 2261278 Ontario Limited and therefore an agreement with the new owner is necessary. The ramp is at the entrance to the property to aid in the access and egress to and from the USW 2251 offices.

The ramp is located on both the owner's property and on the City's property. This Licence Agreement is required to give permission to 2261278 Ontario Limited to use the City Property for the ramp.

ANALYSIS

The request from the previous owner was circulated to relevant City Departments for comment. The City's Engineering & Planning Department requested that the Licence Agreement provide for the movement or removal of the ramp by the major utility companies and the City in the event that access is required. The City's Public Works & Transportation Department requested that a four (4') foot

buffer be extended back from the sidewalk, and that nothing be constructed or placed within that buffer zone.

The Licence Agreement with the new owner contains the same terms as the Licence Agreement with the previous owner.

The term of the Agreement is for one (1) year commencing on March 13, 2016 and continues thereafter from year to year until terminated. The Licence Agreement can be terminated by the City or the Licencee by giving three (3) months' notice to the other party.

IMPACT

Not applicable.

STRATEGIC PLAN

The Licence Agreement authorizing the ramp on City Property is consistent with the City's Corporate Value of providing Accessible Services.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2016-78, which appears elsewhere on the Agenda, authorizes the City to enter into the Licence Agreement between the City and 2261278 Ontario Limited, and is recommended for approval.

Respectfully submitted,



Jeffrey King
Solicitor/Prosecutor

Recommended for approval,



Nuala Kenny
City Solicitor

JK/da
Attachment

W. 1 / 2
LOT 13
PIN 31543-0221

E. 1 / 2
LOT 13

LOT 12

EXISTING 2-STORY OFFICE BUILDING

CORNER NOT SUITABLE
FOR MONUMENTATION
9.80'
2.71' (DSU,S) 0.62'
0.14' (DSU,S)
0.63' (DSU,M)

N41°53'05"W(M)

N42°10'40"W(P)
37.65' (DSU,M)

GRASS

37.50' (REC'D)

18'(U)

EXISTING
EXTERIOR
DOORWAY

NEW WOOD UPPER LANDING
AND RAMP. SEE DRAWINGS
A2.2 AND A2.3

N47°41'00"E

206.96'(P)

206.88'(M)

100.45'(P,S)

GRASS

GRASS

GRASS

GRASS

GRASS

Ramp Area

EXISTING PARKING
METER

EXISTING CONCRETE SIDEWALK

NEW CO

BLUTCHER STREET (P)

PIN 31543-0310

 - Ramp Area



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Jeffrey King, Solicitor/Prosecutor

DEPARTMENT: Legal Department

RE: Maintenance to the Foundation of the Existing Single Family Dwelling at 545 Dundas Street

PURPOSE

The purpose of this report is to seek Council's approval for a by-law made pursuant to Section 132 of the *Municipal Act, 2001* authorizing entry onto a neighbour's property for the purpose of restoring the structural integrity of the single family dwelling by means of repairing the deteriorating foundation, subject to such conditions as Council may consider advisable.

ATTACHMENT

The request from the owner of 545 Dundas Street is attached as Schedule "A" to this report. Correspondence from the City Legal Department to the neighbour is attached as Schedule "B" to this report. Correspondence from the neighbour to the City Legal Department is attached as Schedule "C" to this report. Correspondence from MacLeod Building Contractors Ltd. confirming the work required to maintain the structural integrity of the single family dwelling at 545 Dundas Street, the Contractor's insurance policy and a drawing indicating the required property to be excavated are attached as Schedule "D" to this report. Section 132(1) of the *Municipal Act, 2001* is attached as Schedule "E" to this report.

BACKGROUND

The City Legal Department was contacted by the owner of 545 Dundas Street located in the City of Sault Ste. Marie (the "Property"). The owner advised the City Legal Department that the single family dwelling located on his property required maintenance to the foundation in order to ensure the structural integrity of the dwelling as the dwelling's foundation was deteriorating.

Prior to work commencing, the owner contacted his neighbour and requested that access be granted to 541 Dundas Street in order to allow this maintenance to occur. The request was initially granted and later retracted.

Attached to this report is a copy of correspondence sent from the City Legal Department to the neighbour dated April 5, 2016. In this correspondence, the City confirmed the request for access to the neighbour's property for the purpose of maintenance to the foundation of the existing single family dwelling at 545 Dundas Street. The letter advised the neighbour that City Council has authority under the *Municipal Act, 2001* to pass a by-law authorizing a person to go on to his neighbour's property to make repairs to a building, fence or other structure. The letter requested that the neighbour confirm whether or not he consented to access by the owner of 545 Dundas Street to 541 Dundas Street the outlined purposes. The letter further advised that if consent was not provided, the matter would be brought forward to City Council.

The City Legal Department was subsequently contacted by the neighbour who advised that he would only provide his consent to the access request made by the owner if City Council passed a by-law allowing it. He wanted to ensure that the access was only granted to a contractor with a valid insurance policy, and not an individual.

Further to the above, The City Legal Department contacted the owner to confirm if he would be agreeable to having an insured contractor complete the repairs to the foundation of the single family dwelling that requires access to the neighbour's property. The owner was agreeable and provided a letter dated May 18, 2016 from MacLeod Building Contractors Ltd. (the "Contractor") which confirms the work required to restore the structural integrity of the dwelling at the 545 Dundas Street. Proof of a valid insurance policy and a drawing which indicates the area required to be excavated was enclosed with the aforesaid letter from the Contractor.

The Contractor's letter explains the process that will be undertaken to restore the structural integrity of the single family dwelling at 545 Dundas Street. Excavating a trench spanning five feet (5') from the outside wall of the single family dwelling located at 545 Dundas Street is required.

ANALYSIS

Attached to this report is Section 132(1) & (2) of the *Municipal Act, 2001* which gives authority to City Council to authorize the owner or occupant of land to enter adjoining land, at reasonable times and under conditions that Council may consider advisable, for the purposes of maintaining a building or structure on the land of the owner or occupant. Section 132 specifically states that such entry onto adjoining land is only to the "extent necessary to carry out the repairs or alterations".

The concerns raised by the neighbour are adequately addressed by Section 132 (1) & (2) of the *Municipal Act, 2001*. Specifically, the Contractor would only be permitted to enter upon the adjoining land only "to the extent necessary to carry

out the repairs or alterations” and therefore the Contractor is not permitted access to the entirety of the adjoining land. In this case, the Contractor has requested access to a distance of four (4') feet from the property line onto the neighbour's property to complete the maintenance. Further, the City may impose time frames for completion of the work undertaken by the Contractor. The Contractor estimates that it will take two (2) weeks to complete the repairs to the foundation of the existing single family dwelling at 545 Dundas Street. Given various contingencies that may arise in construction (ie. weather, illness, construction materials, time) the by-law for consideration by Council provides the Contractor with four (4) weeks from the date of passing of the by-law to complete the requested repairs. This time limit ends upon the completion of the requested work.

Further, Section 132(2)(5) requires the owner to restore the neighbour's property to its original condition and provide compensation for any damages caused by the entry onto the adjoining lands. This is outlined in the by-law presented to Council.

IMPACT

There is no financial impact to the City with respect to the passing of this by-law.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2016-81 appears elsewhere on this agenda, and provides the Contractor with access to 541 Dundas Street for the purpose of the repairing the foundation of the existing single family dwelling at 545 Dundas Street under conditions as set out in the by-law, and is recommended for approval.

Respectfully submitted,



Jeffrey King
Solicitor/Prosecutor

JK/sp
Attachment

Recommended for approval,



Nuala Kenny
City Solicitor

Schedule "A"

To who this may concern, I [redacted] live at 545 Dundas st. ~~ste~~ My basement on the south side is falling in and needs to be fixed. My neighbour is giving me access to his ~~property~~ property but no other workers or contractors. I need permission from the city of SSM ON to have access to his property so I can fix my basement before my house falls in. [redacted]

[redacted]

THE CORPORATION OF THE
CITY OF SAULT STE. MARIE

MAR 31 2016

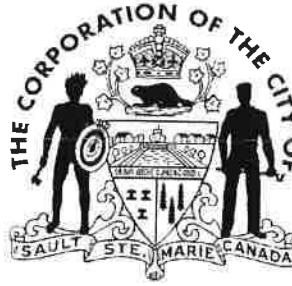
LEGAL DEPARTMENT

Schedule "B"

NUALA KENNY
City Solicitor

MELANIE BOROWICZ-SIBENIK
Assistant City Solicitor/
Senior Litigation Counsel

JEFFREY KING
Solicitor/Prosecutor



LEGAL DEPARTMENT

File No. B1.11

April 5, 2016

[REDACTED]
Sault Ste. Marie, ON P6C 3R7

Dear [REDACTED]

RE: ACCESS REQUEST FOR BASEMENT REPAIRS AT 545 DUNDAS

[REDACTED] has advised my office that access is required over your property in order to repair his basement. I understand that you have refused consent to access your property. I am advised that this maintenance can occur at any time, weather permitting, as soon as the issue of access has been resolved.

Section 132 of the *Municipal Act, 2001* allows City Council to pass a by-law to authorize a person to go onto their neighbour's property and make repairs or alterations to a building, fence or other structure. Unless you and your neighbour can resolve this matter prior to April 18, 2016, I give you notice that there will be a report on the Council agenda along with a by-law authorizing your neighbour to have access to your property in order to complete the basement repairs located at 545 Dundas Street.

Upon receipt of this letter, I would kindly ask that you contact me to confirm whether or not you have provided your consent to your neighbour to allow access to your property for the purposes as indicated above.

Page 1 of 2

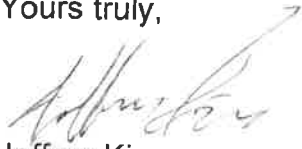
The Corporation of the City of Sault Ste. Marie
P.O. Box 580 ~ 99 Foster Drive ~ Sault Ste. Marie, ON P6A 5N1
Telephone: (705) 759-5400 ~ Fax: (705) 759-5405
www.cityssm.on.ca

April 5, 2016
Page 2

I look forward to hearing from you at your earliest opportunity. I can be reached at (705) 759-2662 or at j.king3@cityssm.on.ca

I appreciate your assistance in this matter.

Yours truly,



Jeffrey King
Solicitor/Prosecutor
JK/sp

[Redacted signature block]

\\citydata\LegalDept\Legal\Staff\LEGAL\BUILDING\B1.11 By-law to Permit Neighbour Access\545 & 541 Dundas Street\1 Neighbour - Advise of Request - April 5 2016 doc

Tues April 26 2016

541 Dundas St W

Sault Ste Marie, Ontario

Dear Mr King

ask me for access to my property

To fix this basement I said when you dig please don't break my asphalt. Said ok I'll not break your asphalt. Told his to dig to fix the basement when

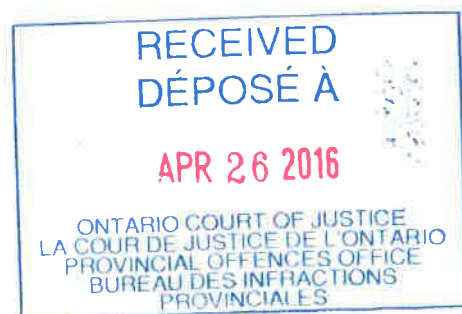
friend was digging he break my asphalt. Said to would like to talk to his friend

wrote the city about break my asphalt. refuse access to my property and said I

wrote the and falsly accuse of refuse access to my property. need fix the damage to my property. need tell his friend not come my property.

need to get construction contractor with commercial and Residential licence with insurance, before coming on property.

Yours truly



Schedule "D"

MacLeod Building Contractors Ltd.
41 Mick Street, P. O. Box 313
Echo Bay, Ontario, P0S1C0

THE CORPORATION OF THE
CITY OF SAULT STE. MARIE
MAY 19 2016
LEGAL DEPARTMENT

May 18, 2016



Sault Ste. Marie, Ontario
P6C3R7

RE: Proposed repairs to home foundation at 545 Dundas Street

Job Description: existing block concrete foundation walls have been pushed interiorly into the basement , apparent cause - frost.

Plan:

- Issue with existing concrete block wall supporting exterior brick above which would make it difficult to remove foundation wall and reconstruct
- Propose to excavate soil from the damaged foundation walls which will require access to neighbor's property
- Pressure wash damaged walls, spray on acrylic concrete bonding agent
- Install steel plates behind damaged blocks – 4' O.C.
- Install form ply with ties through wall
- Install vertical rebar 12" O.C.
- Pour concrete face to repair damages
- Install waterproofing and SM board for frost protection
- Backfill the soil around the foundation
- This does not include yard work to repair grass

This should take a maximum of 2 weeks to perform repairs.

Thank you for allowing me to quote on this project.

Rod MacLeod

Enclosed: - Original documents from the City
 -Proof of Insurance for MacLeod Building Contractors Ltd
 -diagram of proposed excavation around existing foundation

A handwritten signature in black ink that reads "Rod MacLeod".


Wawanesa
Insurance
**YOUR COMMERCIAL
INSURANCE POLICY**

Renewal Declaration effective OCT 1,15
supersedes any previous declaration bearing
the same number for this policy period.

NAME AND ADDRESS OF INSURED:

7527 7176372
 MACLEOD BUILDING CONTRACTORS
 O/B ROD MACLEOD
 BOX 313
 41 MICK ST
 ECHO BAY ON POS 1C0

12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE
NAMED INSURED AS STATED HEREIN

POLICY PERIOD:

FROM TO
 OCT 1,15 OCT 1,16

POLICY NUMBER:

M 7176372 ONTARIO

BROKERLINK
 O/B CAN.BROKERLINK (ON) INC.
 162 MAIN STREET, P.O. BOX 68
 THESSALON, ON POR 1LO
 TEL. (705) 842-3228 0775277
 1-888-842-3228

COMMERCIAL LIABILITY COVERAGE SECTION

AMOUNTS OF INSURANCE

GENERAL AGGREGATE	\$	5,000,000	
PRODUCTS - COMPLETED OPERATIONS AGGREGATE ...	\$	1,000,000	
EACH OCCURRENCE	\$	1,000,000	
PERSONAL AND ADVERTISING INJURY	\$	1,000,000	
TENANTS' LEGAL LIABILITY - ANY ONE PREMISES	\$	500,000	
MEDICAL PAYMENTS - ANY ONE PERSON	\$	5,000	
NON-OWNED AUTOMOBILE	\$	1,000,000	
LEGAL LIABILITY FOR DAMAGE TO HIRED AUTO	\$	50,000	
EMPLOYEE BENEFITS LIABILITY COVERAGE	\$	50,000	
DEDUCTIBLE: PROPERTY DAMAGE LIABILITY	\$		PER CLAIM
	\$	1000	PER OCCURRENCE

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY

AS PER DECLARATIONS

LIABILITY CLASSIFICATION	CODE NO	PREMIUM BASIS	RATE	ADVANCE PREMIUM
BUILDING CONSTRUCTION 1 OR 2 FAMILY DWELLINGS	1811-01	RECEIPTS \$1,032,000	\$1.063	\$1097

NON OWNED + HIRED AUTO

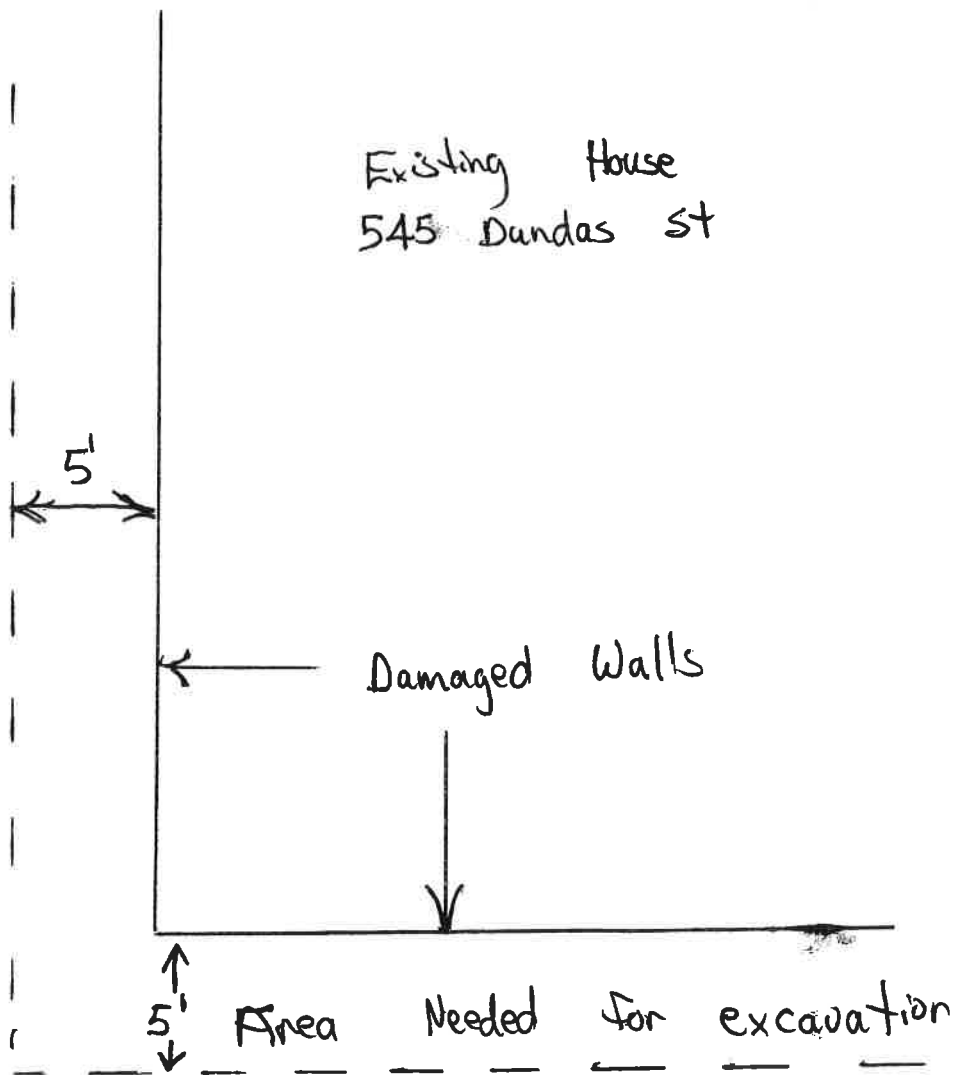
TOTAL PREMIUM \$ INCL
 1097

FORMS/ENDORSEMENTS APPLICABLE

CL9300		CL9347	CL9352	CL9359
CL9360	CL9361	CL9362	CL9363	

(CONT'D)

541
Dundas



Municipal Act, 2001, S.O. 2001, c. 25

...

Repairs or alterations

132. (1) A local municipality may authorize the owner or occupant of land to enter adjoining land, at any reasonable time, for the purpose of making repairs or alterations to any building, fence or other structures on the land of the owner or occupant but only to the extent necessary to carry out the repairs or alterations. 2001, c. 25, s. 132 (1).

Conditions

(2) The following apply to a power of entry under a by-law under this section:

1. The power of entry may be exercised by an employee or agent of the owner or occupant of land.
2. A person exercising the power of entry must display or, on request, produce proper identification.
3. Nothing in a by-law under this section authorizes entry into a building.
4. The owner or occupant shall provide reasonable notice of the proposed entry to the occupier of the adjoining land.
5. The owner or occupant of land shall, in so far as is practicable, restore the adjoining land to its original condition and shall provide compensation for any damages caused by the entry or by anything done on the adjoining land. 2001, c. 25, s. 132 (2).



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Nuala Kenny, City Solicitor

DEPARTMENT: Legal Department

RE: Elementa Group Inc. Receivership Update

PURPOSE

The purpose of this report is to provide City Council with a legal update as to the current receivership status of Elementa Group Inc.

BACKGROUND

Since 2009 the City of Sault Ste. Marie has had a Lease Agreement for property known as Part of 903 Base Line and a Waste Supply and Reformation Agreement with Elementa Group Inc. Since 2009 Elementa Group Inc. has enjoyed a number of extensions and assignments to the said Agreements.

Elementa Group Inc. subsequently entered into an Agreement of Purchase and Sale with the City for Part of 903 Base Line. On closing, Elementa Group Inc. directed that the lands be conveyed to 2124732 Ontario Inc., which transaction was finalized on October 3, 2014. It is the City's understanding that Elementa Group Inc. intended to lease the said lands from 2124732 Ontario Inc.

In December 2015 the City was advised that Elementa Group Inc. was in receivership proceedings. On December 21, 2015 the Ontario Superior Court appointed Richter Advisory Group Inc. as the receiver in the proceedings. The receiver was ordered to take possession of the property of Elementa Group Inc. and market the same for sale. Richter Advisory Group Inc. sought and was granted by the Court approval to proceed with a "stalking horse" bid process. The stalking horse process allowed for the receiver to establish a minimum price for the Elementa property. Once the bid price was in place the receiver was authorized to go to market with the bid and attempt to attract purchasers who could beat the stalking horse bid. On April 15, 2016 the Superior Court issued an Order approving the sale and transaction between the receiver and Bradam Canada Inc. for substantially all of the assets of Elementa Group Inc. On May 16, 2016 the sale to Bradam Canada Inc. closed.

ANALYSIS

Although the sale to Bradam Canada Inc. included substantially all the assets, undertakings and properties of Elementa Group Inc., it did not include existing contractual arrangements including the Waste Supply and Reformation Agreement between Elementa Group Inc. and the City. Elementa Group Inc. therefore no longer owns the intellectual property that gives rise to the Waste Supply and Reformation Agreement, and the land where the project was to occur is now owned by a third party company.

As energy from waste technology continues to advance, it is expected that the value of this Agreement shall become more intense. It is also anticipated that other agencies may be interested in entering into a similar contract with the City. In the past the City has accommodated several extensions to Elementa Group Inc. to recognize financial, governance and technology challenges experienced by the company. Given advances in technology and changed ownership, it is not recommended that the City assign the Energy from Waste Agreement to Bradam Canada Inc. Rather it is recommended that the City go to market to determine the best candidate to enjoy the benefits of the Energy from Waste contract with the City.

IMPACT

Not applicable.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That City Council direct the Legal Department to provide formal notice to Elementa Group Inc. that the Waste Supply and Reformation Agreement between Elementa Group Inc. and the City is terminated, and further, that Council take no further action at this time but rather consider marketing the Energy from Waste Contract to other interested bidders.

Respectfully submitted,



Nuala Kenny
City Solicitor
NK/md



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Peter Tonazzo, RPP, Planner

DEPARTMENT: Engineering and Planning Department

RE: Draft Signs By-Law

PURPOSE

The purpose of this Report is to:

- Present Council with the Draft Comprehensive Signs By-law,
- Highlight major changes between the existing and proposed draft by-laws,
- Discuss the major sign issues and how they are proposed to be addressed in the draft by-law,
- Discuss the results of public engagement – 2 public surveys, 2 open houses, and meetings with stakeholders,
- Outline next steps.

BACKGROUND

When the City's new Zoning By-law was approved in 2005, a Signs By-law (2005-166) was created by compiling information from the old Zoning By-law, Building By-law and other sources into a single document.

Overall, the existing Signs By-law has not undergone a comprehensive review in more than forty (40) years and is no longer appropriate for the community. In 2012, City Council established a Signs By-law Review Committee with representation from City Council, the Planning Advisory Committee and City staff. This Committee is jointly chaired by Councillors Christian and Fata.

The Committee's initial focus was to create an approach to dealing with digital signage. City Council adopted the recommendations of the Committee and these regulations now form part of the City's Signs By-law.

In November 2013, the Committee issued a Request For Proposals for consulting services to assist with the development of a new Comprehensive Signs By-law.

On January 29, 2014, the Committee met to review the proposals and selected Martin Rendl Associates as the most qualified firm to assist with the development of a new Comprehensive Signs By-law. This firm has extensive experience working with other communities in Ontario including Burlington, Clarington, Hamilton, Markham, Mississauga, Oakville, Toronto, and many others.

LIST OF APPENDICIES

Appendix 1 – Draft Comprehensive Signs By-law

Appendix 2 – Complete Survey 1 Results

Appendix 3 – Complete Survey 2 Results

Appendix 4 – Written Comments

ANALYSIS

The draft Comprehensive Signs By-law regulates private and public signs placed on lands, buildings and other structures within the corporate limits of the City of Sault Ste. Marie, with the purpose of:

- a) Protecting and enhancing the aesthetic qualities and visual character of the City;
- b) Providing for signs whose characteristics are appropriate to their use and function;
- c) Preventing signs that impact the safety of pedestrians or motorists;
- d) Balancing opportunities for business expression with the interests of the Sault Ste. Marie public and community.

Highlights of Draft Comprehensive Signs By-law

	Current Signs By-law	Proposed By-law
Portable Signage	• A permit is valid for 2 years and can be renewed at any time. • No maximum number of permits or portable signs per property. • Minimum 15m separation between portable signs on the same property.	• A permit is valid for 30-days, with a 21-day hiatus before another 30-day permit can be issued. • Not more than 3 permits per year issued to any one business on a property. • Portable signs cannot be located on vacant property. • Minimum 25m separation between a portable sign and any other sign on the same property.
Signage on the Public Right of Way	• Signs could be located upon the Road Right of Way (ROW) where 'special circumstances' warrant.	• No signage permitted to be located within the ROW.
Overhanging Signs in the Downtown	• Overhanging signage is not permitted.	• In consultation with the Downtown Association, projecting signs will be permitted in the downtown, along Gore & Queen Streets.

Definitions	• Very few terms defined.	• Comprehensive definitions section.
Language	• Inconsistent language, reflecting the fact that the current signs by-law is an amalgamation of several by-laws.	• Clear, concise, consistent language.
Enforcement	• Enforcement provisions were weak and inconsistent depending upon the type of sign.	• Clear consistent enforcement provisions.
Digital Readerboards	• Treated like LED (TV) digital signs, requiring a 'safety review' prior to locating within close proximity to an intersection.	• Digital readerboards are permitted to locate within close proximity of an intersection without the benefit of a 'safety review'.

Public Engagement

There have been 2 'rounds' of public engagement to date. The first round was in April 2014, prior to developing sign regulations, and consisted of a public survey, public open house and meetings with various stakeholders, including the signs industry, the Downtown Association, the Chamber of Commerce, City Transit and the Community Services Division. The goal of the first public engagement was to determine major sign issues.

The first public survey (complete results attached as Appendix 2) proved very useful in determining major sign issues.

Top Sign Issues

Total Combined Responses			Top Sign Issue		Another Important Sign Issue	
Category	Responses		Responses		Responses	
1. Digital Signage	60	23%	38	26%	22	20%
2. Portable Signage	45	17%	41	28%	4	4%
3. Aesthetics/Design/Size	27	10%	6	4%	21	19%
4. Uncategorized	26	10%	12	9%	14	15%
5. Safety Concerns	26	10%	10	7%	16	15%
6. Directional Signage	26	10%	17	11%	9	8%
7. Too Many Signs	17	7%	10	7%	7	6%
8. Unmaintained Signage	16	6%	8	5%	8	7%
9. No Issues	10	3%	6	3%	4	4%
10. Off-site Advertising	6	2%	1	0.7%	5	5%
Total Responses	259		149		110	

1. Digital Signage

The survey results indicate that digital signage was the greatest concern among respondents. In nearly half of all cases, safety was cited as the main concern related to digital signage. Common concerns included 'distracting', 'too bright' and 'too much movement'.

2. Portable Signage

Portable signage was the second greatest concern among respondents. In almost all cases, respondents noted that there were too many and they did not like the appearance of portable signs. Comments included 'cheap looking', 'unappealing' and 'a major eyesore'. In addition, there were numerous comments noting appearance concerns related to portable signs with 'multi-coloured lettering on a black background'.

3. Aesthetics/Design/Size

Overall aesthetics, design and size of local signage was also cited by respondents as an important issue. Such concerns do not include those in relation to portable signage, where aesthetics was cited in almost all cases. Common non-portable related aesthetic concerns included 'too many homemade signs' and 'too many poorly constructed signs'.

4. Uncategorized/Miscellaneous

Given the open ended nature of the first portion of the survey, the results included a number of uncategorized or miscellaneous responses. Such responses were often vague, and could likely be attributed to a certain category, however where staff were not certain, comments were maintained as 'uncategorized'. There was also more than one comment noting that the city should change it's 'population sign'. Other comments simply referenced particular issues with particular signs within the city.

5. Safety

Safety was also a main concern. The responses shown in the table above does not include safety concerns in relation to digital signs. Those who cited safety as a top sign issue felt that many signs were 'too close to the roadway' and 'distracting'. In some cases respondents also felt that signage was placed too close to access points blocking sightlines.

6. Directional Signage

Concerns related to directional signage were related to public realm signage, such as street signs, traffic safety signs, and road signs to help

tourists navigate through the city. Local 'tourism directional signage' was also cited as a concern, noting that the signs have faded and need to be replaced.

7. Too Many Signs

Some respondents felt that there were too many signs in general. Comments included, 'signage is cluttered, makes our entrances into the city look shabby', 'too much and too busy', 'why to businesses require so many different signs on the same lot'

8. Unmaintained

This category dealt with comments related to derelict signs that have not been removed, or in some cases run down signage that continues to be utilized. Comments include 'faded signs falling apart', 'many are poorly constructed, over-sided and in need of repair'.

9. No Issues

A few respondents felt that there were no local sign issues.

10. Off-site Advertising

A few respondents felt that off-site or third party advertising, that being advertising of a good or service that is not available on the same site as the sign, was an issue.

The results of the first round of public engagement were utilized to determine the overall approaches to regulating various types of signage. These proposed regulatory approaches formed the basis of the second round of public consultation in November 2014, which also included a public survey, open house and meetings with the signs industry, Chamber of Commerce, and Tourism Sault Ste. Marie.

The second public survey (complete results, Appendix 3) focused upon gaining public opinions on the proposed approaches to regulating various types of signage. Respondents generally agreed with the proposed regulatory approaches, as shown below

Signs Within Public Road Allowance

Question 1: Should the City NOT allow private advertising signs to locate on city property or within road allowances?

340 Responses

Answer Choice	Responses
Strongly Agree	27.06%
Agree	21.18%
Indifferent	12.06%
Disagree	22.35%
Strongly Disagree	17.355

Election Signs

Question 2: Currently, the City does not regulate election signs. Should the City NOT allow election signs to locate on City property?

292 Responses

Answer Choice	Responses
Strongly Agree	20.21%
Agree	13.36%
Indifferent	18.49%
Disagree	28.42%
Strongly Disagree	19.52%

Portable Signs

Question 3: Currently, portable sign permits must be renewed every 2 years and they are permitted to remain in place permanently. There are no provisions related to a maximum number of signs per lot/business or regulations related to colours. What is your opinion on the following proposed regulations for portable signs?

- Maximum 30-day display period with a 21-day hiatus during which the sign must be removed, before a new portable sign permit is issued for the same business location.
- Located entirely on private property.
- No third party advertising, that being advertising a business, good or services that is not available on the same site which the sign is located.
- Maximum 3 mobile sign permits per business per year.
- Only white, black or yellow characters on a solid black or white background.

292 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	52.74%
Proposed regulations are about right.	34.59%
Proposed regulations are not restrictive enough	12.67%

Billboard Signs

Question 4: Currently, billboard signs are permitted on portions of Great Northern Road, Second Line, Trunk Road, and up to 25 signs in the downtown area. Billboards must be at least 120m (394') apart and cannot locate within 60m (197') of a residential zone. What is your opinion on the following proposed regulations for billboard signs?

- Minimum 75m (246') separation from any other billboard.
- Not permitted within 75m (246') of lands zoned residential.
- Permitted upon portions of Great Northern Road, Second Line and Trunk Road.
- Not permitted in the Downtown. (existing billboards permitted to remain.)

292 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	28.08%
Proposed regulations are about right.	59.93%
Proposed regulations are not restrictive enough	11.99%

Digital Signs

Question 5: The proposed approach to digital signs is similar to existing regulations. What is your opinion on the following proposed regulations for digital signs?

- Image displayed for a minimum of 15 seconds.
- Minimum 100m (328') setback/separation from a signalized intersection & 50m (164') setback/separation from a non-signalized intersection of two public streets.
- Permitted in commercial, industrial and institutional areas only.
- No 3rd party advertising is permitted, that being advertising a business, good or service that is not available on the same site which the sign is located, unless the sign is located in accordance with the billboard regulations.

291 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	28.87%
Proposed regulations are about right.	53.61%
Proposed regulations are not restrictive enough	17.53%

Digital Readerboards

Question 6: Currently, digital readerboards are subject to the same regulations as digital signs, including significant setbacks from intersections. What is your opinion on the following proposed regulations for digital readerboards?

- No additional setback requirements from intersections.
- Maximum 30% of permitted sign area.
- 75m (246') minimum spacing from another electronic sign.
- No animation or visible effects.
- Image displayed for a minimum of 15 seconds.
- No temporary sign on the same lot.

286 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	31.47%
Proposed regulations are about right.	59.09%
Proposed regulations are not restrictive enough	9.44%

Ground Signs

Question 7: Currently, there are no limits to the size or maximum number of ground signs permitted per business or property. Current setbacks from front lot lines vary from 0 to 6m (20') depending upon the zone in which the sign is located. What is your opinion on the following proposed regulations for ground signs?

- Maximum sign area of 0.3m^2 (3.3ft^2) for each 1m (3.3') of lot frontage.
- 1 ground sign per lot or 1 ground sign for each 200m (656') of frontage on a street.
- Minimum setback of 1m (3.3') from a front or exterior side lot line.

290 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	26.90%
Proposed regulations are about right.	66.90%
Proposed regulations are not restrictive enough	6.21%

Overhanging Signs

Question 8: Currently, overhanging signs can only project 7.6cm (3") onto city property, which has the effect of prohibiting projecting signs in the downtown area where buildings have been constructed to the lot line. What is your opinion on the following proposed regulations for projecting signs?

- Maximum horizontal projection 1m (3.3')
- Maximum sign area 1m² (10.7ft²)
- Minimum 2.75m (9') overhead clearance above grade.

287 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	26.13%
Proposed regulations are about right.	70.38%
Proposed regulations are not restrictive enough	3.48%

Window Signs

Question 9: Currently, there are no regulations pertaining to window signs. What is your opinion on the following proposed regulations for window Signs?

- Sign area cannot exceed 20% of glass surface within a frame.

293 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	58.02%
Proposed regulations are about right.	39.25%
Proposed regulations are not restrictive enough	2.73%

MAJOR ISSUES

Portable Signage

The proliferation of portable signage appears to be the single biggest sign issue in Sault Ste. Marie. The other major issues of enforcement, third party advertising and signs on the ROW are in most cases, linked to portable signs.

Locally, portable signs have become permanent fixtures. Public outreach resulted in feedback such as 'unsightly', 'sign clutter' and 'cheap looking' to describe the local proliferation of portable signs.

Locally, the permanent nature of portable signs and their sheer numbers are due in part to the current regulations, which allow them to remain in place indefinitely, so long as a permit is renewed every two years. The 'moveable' nature of portable signs makes enforcement difficult given the resources available.

The recent proliferation of portable signs utilized for off-site or third party advertising has also increased their overall numbers.

The issue is that portable signs are intended to be just that, portable. Blank portable sign faces, 'rent me' messages, or public service announcements are clear indications that portable signs are in fact being utilized as permanent signage. Portable signs are not designed to be permanent fixtures. During major wind events it is not uncommon to see certain types of portable signs blown over, even with unsightly cinder blocks hung from all four corners in an attempt to stabilize the sign.

Although many have suggested an outright ban on portable signs, which is the case in some Municipalities, the Signs By-law Committee recognizes that portable signs can provide businesses and other organizations with a cost effective way of advertising periodic sales, special events and announcements. It is felt the proposed regulatory approach balances this need with the goal of creating more aesthetically pleasing commercial corridors and reducing sign clutter.

Enforcement

A lack of enforcement was cited as a major issue. The overall strength of the by-law hinges upon timely, consistent enforcement. The City currently employs one By-law Enforcement Officer who is responsible for enforcing a variety of by-laws.

The issue of enforcement is especially noticeable with portable signs. The 'portable' nature of these signs makes them difficult to enforce. In addition, the current enforcement protocol requires the By-law Enforcement Officer to notify the portable sign owner prior to enforcement. This procedure has resulted in a 'game of cat and mouse', whereby once contacted, the owner simply moves the sign to another location, which may also be an illegal location. The process then repeats with no real resolution.

The new approach to regulating portable signage, which is consistent with many communities throughout the Province, permits portable signs to be located for a period of 30-days, with a 21-day hiatus, and no more than 3 portable sign permits per business on a property, per year. It is recognized that this new approach will require significant enforcement resources.

It is anticipated that sign enforcement would constitute 25% of a full time position, and it is hoped that after the first 2 years, enforcement requirements will decrease. Sign permit revenues for the past 3 years have averaged approximately \$10,000. A comprehensive review of sign permit fees will also be completed as part of Council's annual user fee review. It is anticipated that specific permit fees could be increased, given the resources required to enforce, such as portable signage.

Third Party Advertising

Third party advertising, often referred to as 'off-site advertising', is the advertising of a good or service, which is not available on the site in which the sign is located. Billboards are a traditional form third party advertising.

At least one portable sign operator and the Chamber of Commerce have indicated a concern with regulating on-site vs. off-site (first vs. third party) advertising.

Some have argued that it is not the City's business to regulate who advertises where. The Chamber of Commerce has asserted that such regulations are illegal, infringing upon freedoms of expression.

A municipal review of signs by-laws in Ontario indicates the overwhelming majority have regulations restricting off-site advertising, in a manner that is similar to the proposed draft by-law. In fact, the City's current signs by-law restricts off-site advertising to those areas where billboards are permitted. Although not clear, by definition, billboards are for off-site advertising.

Martin Rendl, the Consultant hired to draft the new comprehensive signs by-law has assured the Committee that the proposed approach to regulating on-site vs. off-site advertising is legal. The City's Legal Department has also determined that the proposed approach is legal, and common throughout the Province.

The need to regulate third party advertising is twofold. First, restricting off-site advertising reduces sign clutter, especially portable signs, which have seen a significant increase in numbers in recent years, many of which are for third party advertising purposes. This is no different than the required minimum distance separations between signs such as portables and billboards, which also have the overall intent of reducing sign clutter.

Second, off-site regulations help to protect businesses from competitors advertising in very close proximity, even on the same property. This issue arises from time to time, especially with third party portable signage.

Private Advertising Signs on the Public Right Of Way (ROW)

Another major issue is private advertising signs located upon the public ROW, primarily related to portable signs. Given the need for permanent foundations, this has not been an issue with permanent signage.

The existing Signs By-law contains a clause which allows portable signage to be located upon the ROW when 'special circumstances warrant'. 'Special circumstances' might include an inability to locate the sign on private property. Over time the interpretation has been whittled to 'so long as it is not a public

safety/traffic issue.’ Again, this issue generally relates to portable signs, and to a lesser degree, temporary signs stuck into the ground and ‘flag signs’.

The new Draft Comprehensive Signs By-law clearly notes that no private advertising signage is permitted upon the public ROW, including portable signage.

Digital Signage

Based upon the public surveys, digital signage was identified as the top sign issue. Comments were that digital signs are distracting to motorists and a public safety concern.

In 2012 Council adopted Digital Signs By-law 2012-206. Although there was a great deal of opposition, that by-law includes the requirement for a ‘safety review’ for any digital sign located within 100m of a signalized, and 50m of a non-signalized intersection. This approach is one of mitigation, rather than prohibition, and has been recently adopted by at least one other municipality.

The current digital signs by-law does not permit such signage to flash, fade or scroll, and messages must remain static for at least 15 seconds. Digital signs are also required to maintain certain brightness levels depending upon ambient light conditions, which requires the installation of an automatic light sensor. The result of these regulations is that digital signage should resemble static signs, with the exception of a quick transition (<0.25seconds) every 15 seconds.

The distraction concerns are the result of enforcement issues, rather than a regulatory gap. Locally, very few digital signs are adhering to the current regulations, and include animation, flashing, fading and scrolling, which are prohibited. There are other signs that are far too bright at night.

The majority of the existing digital signs by-law regulations are appropriate and have been replicated in the draft by-law, with the exception of digital readerboards, which are proposed to be exempted from the ‘safety review’ requirements.

Public Comments

In addition to the comments received from both public surveys, a number of written comments have also been received. Appendix 4 to this report includes those comments, which generally relate to the major issues outlined above.

Correspondence from Tourism Sault Ste. Marie (TSSM) supports the overall direction, *“supporting TSSM’s vision of creating a more aesthetically appealing community, while at the same time enabling appropriate information and directional signage to be erected where required.”* TSSM’s correspondence goes on to note that *“There is one area that the industry partners were quite passionate about, and that was the issue of ‘Portable Signs’.* It was almost

unanimous that they felt that the proliferation of these signs in our community have become almost a 'blight' on the landscape...While we (TSSM) are supportive in general, of the change proposed in this area, we think it does not go far enough, and advocate for a consideration of a ban on these types of signage." Although the Signs By-law Committee agrees the proliferation of portable signage has become a major issue, an outright ban would not be appropriate. Portable signs have a time and place and through effective enforcement, it is believed that local businesses can benefit from this cost effective form of advertising, although on a temporary or 'event based' basis, rather than on a permanent basis.

Appendix 3 also communicates the written comments received during both public open houses. Generally, these comments reflect the major issues identified above. There was a suggestion that sign permits could be applied for and approved through an online system with payment by Credit Card. It was felt this could make for a more efficient process. This is currently under review by Building Division, and it is anticipated that online sign permit processing will be available in the future. It was also suggested the City could license sign companies. In this regard, the City could revoke the license of operators that habitually breach by-law requirements. City staff is currently exploring these options, however it is generally felt that additional enforcement resources are more appropriate than a licensing system.

There have been two meetings with the Chamber of Commerce. The Chamber clearly indicated a concern with the approach to third party advertising, and to a lesser degree, portable signage. The Sign By-law Committee will request another meeting with the Chamber to discuss the Draft By-law, as part of the last round of public outreach.

The Way Forward

The Signs By-law Committee is of the opinion that the proposed by-law has regulations that will provide businesses and other organizations with adequate, opportunities to advertise their goods and services, while at the same time minimizing sign clutter.

A final round of public engagement is planned for the first week of July, 2016, including a public open house and meetings with stakeholders.

It is anticipated that a final draft by-law will be brought forward at Council's August 22, 2016 meeting.

IMPACT

This report is intended for information purposes, however it is noted that as part of the adoption of the new signs by-law, additional enforcement resources will be requested. Financial impacts will be discussed in greater detail at that time.

STRATEGIC PLAN

The development of a new Comprehensive Signs By-law is identified in the City's Strategic Plan as an Enhancing Quality of Life activity under Objective 3B – Planning for the Future.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the Report of Peter Tonazzo, dated 2016 06 13 concerning the Draft Comprehensive Signs By-law be received as information.

Respectfully submitted,



Peter Tonazzo, RPP
Planner

Recommended for approval,



Donald B. McConnell, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

PT:ps

Attachment(s)

Appendix 1

Draft Comprehensive Signs By-law

THE CORPORATION OF CITY OF SAULT STE. MARIE

By-law 2016 - ***

Being a by-law for regulating or prohibiting signs
and other advertising devices.

WHEREAS Section 99 of the Municipal Act, S.O. 2001, Chapter 25, provides that municipalities may pass by-laws respecting advertising devices, including signs;

WHEREAS Section 425 of the Municipal Act, S.O. 2001, Chapter 25, provides that municipalities have the authority by by-law or otherwise to direct or require that a matter or thing be done, and that municipalities may require that, in default of this being done by the person directed or required to do it, such matter or thing shall be done at the person's expense;

WHEREAS Section 391 of the Municipal Act, S.O. 2001, Chapter 25, provides that municipalities may pass by-laws imposing fees or charges for services or activities provided;

NOW THEREFORE, the Corporation of City of Sault Ste. Marie enacts as follows:

SECTION 1 SCOPE OF BY-LAW

1.1 Short Title of By-law

This By-law and any amendments thereto shall be known as the "Sault Ste. Marie Sign By-law."

1.2 Purpose of the By-law

1.2.1 This By-law regulates private and public *signs* placed on lands, *buildings*, and other *structures* within the corporate limits of the City of Sault Ste. Marie for the purpose of;

- a) protecting and enhancing the aesthetic qualities and visual character of the City of Sault Ste. Marie;
- b) providing for signs whose characteristics are appropriate to their use and function;
- c) preventing signs that impact the safety of pedestrians or motorists;
- d) Balancing opportunities for *business* expression with the interests of the Sault Ste. Marie public and community.

1.3 Legislative Authority

This By-law is passed by the Corporation of Sault Ste. Marie pursuant to the provisions of the Municipal Act, as amended.

1.4 Area of Applicability

This By-law applies to the lands in the City of Sault Ste. Marie.

1.5 Compliance with By-law

No *person* shall hereafter *erect* or display a *sign* except in conformity with the provisions of this By-law.

1.6 Contents of By-law

All references in the By-law to sections, regulations, exceptions, tables, figures, schedules and maps, refer to those in this By-law unless otherwise indicated.

1.7 Lawful Non-Complying Signs

The provisions of this By-law shall not apply to a sign or the use of an existing *sign* that was lawfully *erected* on or before the day this By-law comes into force if the *sign* is not substantially *altered* and the maintenance and repair of the *sign* or a change in the message displayed is deemed not in itself to constitute a substantial *alteration*.

1.8 Relation to Other Government Requirements and Compliance with Other Restrictions

1.8.1 This By-law shall not be construed so as to reduce or mitigate restrictions or regulations for any *sign* that are lawfully imposed by the *Municipality*, or by any governmental authority having jurisdiction to make such restrictions or regulations.

1.8.2 Compliance with this By-law does not relieve a *property owner* from complying with the requirements of:

- a) the Ontario Building Code;
- b) any federal, provincial, or municipal legislation.

SECTION 2 INTERPRETATION OF BY-LAW

2.1 Measurements and Dimensions

All measurements and dimensions in this By-law are expressed in metric.

2.2 Definitions

Terms defined in this By-law are italicized for the purposes of convenience only. If a term defined by this By-law is not italicized, the definitions provided by the By-law shall apply when consistent with the context.

SECTION 3 DEFINITIONS

3.1 The terms set out below shall have the following meanings:

“ADVERTISE” means to call attention to something for the purpose of making it known to the public.

"AGRICULTURAL" means an establishment that is primarily engaged in general farming, which includes the breeding, rearing, and grazing of livestock, including beekeeping, poultry, fowl and fur-bearing animals, the general cultivation of land and associated production, conditioning, processing and storing of field crops, fruits, vegetable, and horticultural crops, and the selling of such produce on the premises.

"ALTER" means any change to a *sign* including the removal and replacement of the *sign*, the addition, removal or rearrangement of parts of the *sign*, but excluding the changing of *copy* or the replacement of parts of the *sign* with similar parts for maintenance purposes. Alteration shall have the same meaning as *alter*.

"ATTIC" means an unusable or uninhabitable area of a *building* situated between the top of the ceiling support and the roof support.

"AWNING" means roof like structure comprised of material stretched on a frame that serves as a shelter above an entrance or window.

"BASEMENT" means any area below the *first storey* where at least one half of the height from floor to ceiling is above *established grade*.

"BED AND BREAKFAST" means premises primarily engaged in providing short-term lodging in a private home or in a small building converted for this use. This type of accommodation is characterized by a highly personalized service, and inclusion in the room rate of a full breakfast, served by the owner who resides in the building.

"BUILDING" means a *structure* used for the shelter, accommodation or enclosure of *persons*, animals, goods, materials or equipment that is supported by columns or walls, has one or more floors, is covered by a roof and is permanently affixed to the land.

"BUSINESS" means an establishment in which one or more persons are employed in conducting, managing, or administering an endeavor or means of livelihood. The term *business* includes the administrative offices of a government agency, a non-profit organization, or a charitable organization.

"CANOPY" means any *structure* which projects from the exterior face of a *building* wall and extends across part or all of that exterior face of a *building* wall or is a self-supporting unenclosed *structure*.

"CELLAR" means a storey where more than one half of the height between the floor and ceiling or floor joists, is below *established grade*. A *cellar* shall not be considered in determining the number of permissible *storeys*.

"CHARITABLE ORGANIZATION" means an association of *persons* that has charitable status under the laws of Ontario or Canada.

“COMMUNITY ASSOCIATION” means a group of *persons* organized for the advancement of activities of a civic, social, cultural or recreational nature and whose activities are not conducted for monetary profit.

“CONSERVATION AUTHORITY” means a conservation authority established under the Conservation Authorities Act and having jurisdiction in Sault Ste. Marie.

“COPY” means the wording, letters, numerals, graphics, logos, and artwork of a *sign*, on the display surface and is either permanent or removable.

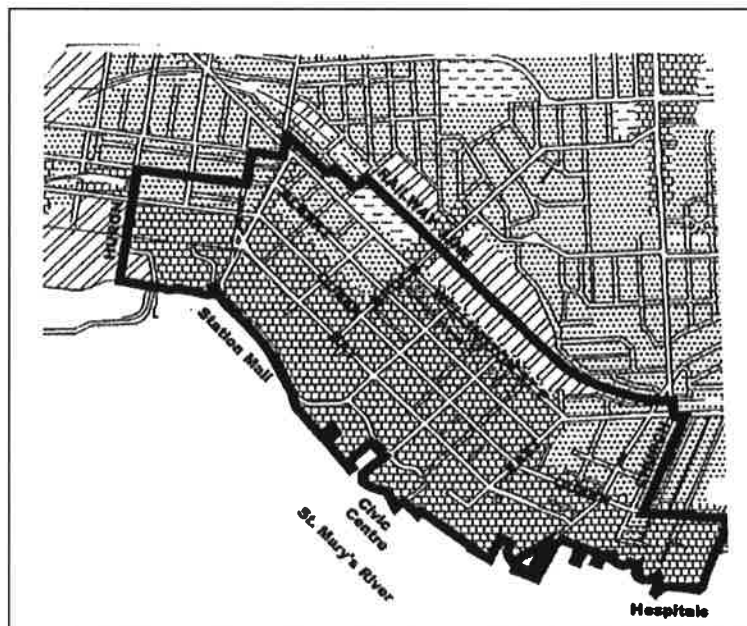
“COUNCIL” means the Council of the Corporation of Sault Ste. Marie.

“DISPLAY SURFACE” means the surface of the *sign*, upon, against, or through which the *copy* of the *sign* is displayed.

“DOWNTOWN, THE” means the boundaries of Downtown Sault Ste. Marie as illustrated in Figure 1 and described as all properties bounded by or with a *street line* on:

- a. The North: Wellington Street, including properties on Bruce Street south of Huron Central Railway;
- b. The East: Church St, Queen Street East, the east lot line of the hospital lands;
- c. The South: St. Mary’s River waterfront;
- d. The West: North Street, Cathcart Street, Andrew Street, Albert Street West, Huron Street, the former St. Mary’s Paper property.

Figure 1: The Downtown



"DRIVEWAY" means that portion of a *lot* designed to provide *motor vehicle* access from the *lot* to the traveled portion of the *street, private road or lane*.

"ERECT" means display, attach, affix, post, *alter*, construct, place, locate, install or relocate.

"ESTABLISHED GRADE" means the average elevation of the finished surface of the ground where it meets the exterior face of a *building or structure*, exclusive of any wells providing light or ventilation.

"FAÇADE" means the first storey of the exterior wall of a building facing a *street or private road*.

"FINISHED GRADE" means the lowest of the levels of finished ground adjacent to the location of the *sign*, exclusive of any artificial embankment.

"HEIGHT" means the vertical distance from the *finished grade* below the *sign* to the highest physical point of the *sign*.

"HOME BASED BUSINESS" means an occupation or *business* activity that results in a product or service, and is conducted in whole or in part within a dwelling unit or accessory *building* and which is a subordinate use to the residential use of a dwelling unit.

"INSPECTOR" means any Municipal Law Enforcement Officer or other *person* appointed by *Council* pursuant to a by-law.

"LANE" means a road owned by the *Municipality* that provides either the primary access to abutting *lots* or the secondary access to abutting *lots* where the primary access/frontage is available from a street. The term *lane* shall not include a *street*.

"LOT" means a parcel of land registered at the Algoma Land Registry Office #1 as not more than one parcel of land.

"LOT LINE" means any boundary of a *lot* or the vertical projection thereof.

"MOTOR VEHICLE" means an automobile, truck, motorcycle, motor assisted bicycle and any other vehicle propelled or driven by other than muscular power.

"MUNICIPALITY" means the Corporation of Sault Ste. Marie.

"MUNICIPAL AGREEMENT" means an agreement made with the Corporation of Sault Ste. Marie.

"MURAL" means a painting, illustration, or decoration applied to a free standing *sign* or the exterior wall of a *building* and that is otherwise not a *sign* as defined by this By-law.

“OWNER” means the registered *owner* of the *premises* upon which any *sign* or *sign structure* is located, or any *person* described on a *sign* or whose name or address or telephone number appears on the *sign*, or who has installed the *sign*, or who is in lawful control of the *sign*, or who benefits from the message on the *sign*, and for the purposes of this By-law there may be more than one *owner* of a *sign*.

“PERMANENT” means physically existing or continuing indefinitely in a space, location, or place. Permanently shall have the same meaning as *permanent*.

“PERMITTED” means permissible by this By-law.

“PERSON” means, but is not limited to an individual, sole proprietorship, partnership, association, or corporation and any other entity to which the context can apply according to the law.

“PREMISES” means a *lot*, *property* or a *building* or a part of a *lot*, *property* or *building*.

“PRIVATE ROAD” means a road, the fee simple of which is owned by a single *person*, that is subject to one or more easements registered against title in favour of one or more abutting *lots* to which the easements are appurtenant. Such easements entitle the *owners* of the *lots* to use the *private road* for the purposes of access to and from the *lots*. The term *private road* includes a *private road* shown on a registered plan of condominium plan but does not include a *right-of-way*, a *street* or a *lane*.

“PROPERTY” means a parcel of land having specific boundaries, which is capable of legal transfer.

“PROVINCE” means the Province of Ontario. Provincial shall have the same meaning as *Province*.

“PUBLIC AUTHORITY” means any department or agency of Sault Ste. Marie, a *conservation authority*, the Government of Ontario, or the Government of Canada.

“RIGHT-OF-WAY” means an area of land on which has been created and registered against the title of the *lot* on which it is located, perpetual easements appurtenant to one or more *lots* to a *street*. The term *right-of-way* shall not include a *private road*.

“ROAD ALLOWANCE” shall have a corresponding meaning to that of a *street*.

“SIGN” means any visual medium used to convey information by way of words, pictures, images, graphics, emblems, or symbols, or any device used for the purpose of providing direction, identification, advertisement, *business* promotion, or the promotion of a *person*, product, activity, service, event or idea.

“SIGN, ABANDONED” means a *sign* which located on *premises* which becomes vacant and unoccupied for a period of 90 days or more, or any *sign* that pertains to a *business*, occupancy that no longer exists at the *premises*, or that pertains to a time, event, or purpose that no longer applies.

“SIGN AREA” means:

- i) in the case of a *sign* having one *display surface*, the area of the *display surface*;
- ii) in the case of a *sign* having two *display surfaces*, which are separated by the thickness of the *sign structure* and the thickness is not used as a *display surface*, the area of one *display surface*;
- iii) in the case of a free standing number, letter, picture, image, graphic, emblem, symbol, or shape, the smallest rectangle which will enclose the number, letter, picture, image, graphic, emblem, symbol, or shape.

“SIGN, AWNING” means a *sign* on a retractable or stationary structure, covered with fabric or a like material that is attached and projects from the exterior wall of a building, is located over a door or window, and may provide shade or other protection from the elements.

“SIGN, BANNER” means a *sign* made from cloth, plastic, or a similar light weight, non-rigid material.

“SIGN, BILLBOARD” means an off *premises ground* or *wall sign erected* and maintained by a *person*, or *business* engaged in the sale or rental of the space on the *sign* to a client for the purpose of *advertising* a *business*, goods, or services not necessarily sold, offered, or conducted on the *premises* where the *sign* is located.

“SIGN, CANOPY” means a *sign* which is contained within or affixed to the surface of a *canopy* and which does not project beyond the limits of the surface of the *canopy*.

“SIGN, CHANGEABLE COPY” means that part of a *ground sign* composed of letters and characters intended to convey a temporary message and which is capable of changing the message mechanically or electronically.

“SIGN, COMMUNITY EVENT” means a *temporary sign* advertising events conducted or sponsored by *charitable organizations* or *community associations*.

“SIGN, CONTRACTOR” means a *sign* which identifies a trade or company undertaking renovations or construction at the *property* where the *sign* is located.

“SIGN, DIGITAL” means a *sign* which is remotely changed on or off site and incorporates a technology or method allowing the information displayed on the *sign* to be changed without physically or mechanically replacing the *display surface* or its components and shall include an *electronic message board*.

"SIGN, DIGITAL FUEL PRICE" means a *digital sign* used in association with the retail sale of fuels which displays only the current price of fuel sold on the premises.

"SIGN, DIRECTIONAL" means a *sign erected* on a *property* to identify an entrance, exit, or area for the purpose of directing *persons* and/or regulating the movement of traffic or pedestrians on a *property*.

"SIGN, ELECTION" means a *temporary sign* advertising any political party or candidate participating in the election for public office.

"SIGN, ELECTRONIC MESSAGE BOARD" means a *changeable copy sign* which has messages displayed by electronic means.

"SIGN, GROUND" means a *sign permanently* affixed to the ground by one or more self-supporting poles or supported by a free-standing *structure*.

"SIGN, FREESTANDING" means a *sign* supported upon the ground.

"SIGN, HEIGHT" means the vertical distance from the average ground elevation at the base of a *freestanding sign* to the highest point of the *sign*.

"SIGN, HOME OCCUPATION" means a *ground or wall sign* located on the premises of a *home occupation*.

"SIGN, PORTABLE" means a *temporary sign* which is not permanently affixed to the ground or to any *structure*, and is typically designed for the rearrangement of copy on the *sign's display surface*, and which is capable of being readily moved from place to place.

"SIGN, OFF-PREMISES DIRECTIONAL" means a *sign* providing directions to the location of a *business* or service that is located elsewhere.

"SIGN, OVERHANGING" means a *sign* not directly supported from the ground but generally *erected* perpendicular to a supporting *building* wall, but shall not be a *wall sign* as defined in this By-law.

"SIGN, PERMANENT" means a *sign* permanently *erected* on or affixed to a *premises*.

"SIGN, PERSONAL" means a *temporary sign* used for a personal announcement or congratulatory message which is located on a *property zoned* for residential uses.

"SIGN, PUBLIC USE" means a *sign erected* by or under the jurisdiction of a *Public Authority*.

"SIGN, REAL ESTATE" means a *sign* located on a *property* for the purpose of announcing the sale, lease, or rental of such *property* or *building* or part of a *building* located thereon.

“SIGN, REAL ESTATE OPEN HOUSE DIRECTIONAL” means a *temporary sign* providing directions to a residence that is offered for sale and where an open house is being conducted.

“SIGN, ROOF” means a *sign* the entire face of which is above the lowest point at which the roof meets the *building*.

“SIGN, A-FRAME” means a freestanding *temporary sign* with no more than two faces joined at the top of the *sign* that is intended for temporary use during the hours of the *business* to which it applies and that is constructed in a manner and of materials such that it can be placed and moved manually by a *person* without mechanical aid.

“SIGN, SUPPORT STRUCTURE” means the framework, bracing and support of a *sign*.

“SIGN, TRAFFIC CONTROL” means a *sign erected* under the jurisdiction of the Highway Traffic Act or the manual of Uniform Traffic Control Devices for the purpose of regulating traffic on *streets*.

“SIGN, VEHICLE/TRAILER” means a *sign* which is painted on or affixed to a *motor vehicle* or trailer which is parked and visible from a public right-of-way and its intended use is as a *sign*, unless said vehicle or trailer is used in the normal day-to-day operation of the *business*.

“SIGN, WALL” means a *sign* which is painted on or *permanently* affixed to a single wall of a *building* or *structure*.

“SIGN, WINDOW” means a *sign* placed, painted, etched or attached to the surface of a window facing the outside and intended to be primarily visible from a *street* or parking area.

“STOREY” means the horizontal division of a *building* from a floor to a ceiling, excluding an *attic*, *basement* or *cellar*, or other area that is unusable by virtue of its inaccessibility.

“STOREY, FIRST” means the *storey* of a *building* or *structure* with a finished floor level situated closest to the *established grade*.

“STREET” means a road or public highway under the jurisdiction of the *City* or the *Province of Ontario* that is maintained so as to allow normal use by *motor vehicles*, or a road or public highway located within a registered plan of subdivision that has not yet been assumed by a *public authority*. The term *street* shall not include a *lane*.

“STREET LINE” means a *lot line* dividing a *lot* from a *street*, *private road* or *lane*.

“STRUCTURE” means anything that is *erected* or constructed of parts joined together, and fixed to or supported by the soil or any other *structure*.

“TEMPORARY” means intended to be used for a limited amount of time, not permanent.

“USE” means the use of land, a *building*, or *structure*, as permitted in the *Municipality’s* zoning by-laws and as identified in the Tables of this By-law.

“VISIBILITY TRIANGLE” means a triangular-shaped area of land abutting a *lane*, *street* or *private road* that is required to be kept free of obstructions that could impede the vision of a pedestrian or the driver of a *motor vehicle* exiting onto or driving on the *lane*, *street* or *private road*.

A *visibility triangle* shall be determined as follows:

- i) the *visibility triangle* shall be the area enclosed by each of the *street lines* measured to a point 9 metres back from the intersection of the *street lines* or the projections thereof, and a diagonal line drawn between these two points;
- ii) in *The Downtown*, The Traditional Commercial Zone, or where there is a fully signalized street intersection, the *visibility triangle* is 5 metres back from the intersection of the *street lines* or the projections thereof, and the diagonal line drawn between these two points;
- iii) the *visibility triangle* from a *driveway*, *lane*, or *right-of-way* shall be the area enclosed by the line along the limits of the *driveway* and the *street line* measured to a point 3 metres back from the intersection of the *street lines* and the limit of the *driveway*, *lane*, or *right-of-way* and a diagonal line drawn between these two points.

“ZONE” means a designated area of land *use* shown on any schedule of the *Municipality’s* zoning by-laws as enacted and amended by the *Municipality* pursuant to the Planning Act.

SECTION 4 ADMINISTRATIVE PROVISIONS

- 4.1** The Chief Building Official of the *Municipality* shall be responsible for the administration and enforcement of this By-law.
- 4.2** Except for *signs* otherwise exempted in this By-law from the requirement for a permit, no *person* shall *erect*, keep, or maintain a *sign* on any *premises* unless a permit is obtained from the *Municipality* prior to the *erection* or display of the *sign*.
- 4.3** Every *person* applying for a *sign* permit shall apply on the application form or forms as may be prescribed by the *Municipality* and shall submit the required plans and information and pay the applicable fees.
- 4.4** The *Municipality* shall refund the fees paid for a *sign* permit where the applicant in writing requests a refund and the *Municipality* has not commenced its review of the permit application for compliance with this By-law.
- 4.5** There shall be no refund of fees where:
- i) the *Municipality* has issued the permit as the result of false, mistaken, incorrect, or misleading information, statements, or undertakings on the application; or
 - ii) the *sign* for which the permit application is made, has been *erected*, located, or displayed prior to the issuance of the permit; or
 - iii) the *Municipality* has already undertaken the review.
- 4.6** Where the applicant for a permit is not the *owner* of the *premises* where the *sign* is to be located or *erected*, the applicant shall provide written authorization from the *owner* of the *premises* where the *sign* is to be located or *erected*.
- 4.7** A permit shall be refused if the proposed *sign* does not comply with this By-law and all other applicable law.
- 4.8** A permit may be revoked where the permit was issued as the result of false, mistaken, incorrect, or misleading information, statements, or undertakings on the application.
- 4.9** Where a *sign* is subject to the regulations of a *public authority* other than the *Municipality* by virtue of the *sign's* location or type:
- i) An applicant for the *sign* shall provide the *Municipality* with the written permission of the *public authority* having jurisdiction prior to making an application to the *Municipality* for a permit; and,
 - ii) Approval of the *sign* by a *public authority* does not exempt the *sign* from complying with the provisions of this By-law.

- 4.10** Despite any other provision of this By-law, where a *sign* is located within 400 metres of a Provincial highway, the approval of the Ministry of Transportation may be required for the *erection* of the *sign*.
- 4.11** Every permit issued by the *Municipality* for a *permanent sign* shall expire six (6) months from the date of issuance unless the *sign* is *erected* for its intended purpose and the permit shall become null and void upon the removal of the *sign*.
- 4.12** Where a permit has been issued for a *permanent sign* and before it has expired, a written request may be made to the Chief Building Official to extend the permit for a further six (6) months.
- 4.13** Nothing in this By-law shall exempt a *person* from the requirement to obtain a building permit where the Ontario Building Code Act requires a building permit for the *sign* proposed to be *erected*.
- 4.14** No permit is required to *erect* the following *signs* provided the *signs* otherwise comply fully with the provisions of this By-law:
- i) Home based business sign;
 - ii) Contractor sign;
 - iii) Real estate sign;
 - iv) Real estate open house directional sign
 - v) Off-site directional signs;
 - vi) Personal sign;
 - vii) A-Frame sign;
 - viii) A sign having a sign area less than 650 cm²;
 - ix) A community event sign;
 - x) A sign advertising the sale of seasonal agricultural produce.
- 4.15** The following *signs* shall be exempt from the provisions of this By-law:
- i) A *sign erected* for the purpose of public safety;
 - ii) *Election signs*;
 - iii) Flags or emblems of patriotic, civic, educational or religious organizations;
 - iv) Commemorative plaques or cornerstones of that do not *advertise*;
 - v) *Murals* that do not *advertise*;
 - vi) *Window sign* unless it is a *digital sign*;
 - vii) A *sign erected* by a non-profit agricultural society for an event or fair it operates;
 - viii) A *sign erected* at a market operated by a non-profit agricultural society;
 - ix) A *temporary sign* associated with a sidewalk sale operated within *The Downtown*, by a Business Improvement Area or by a merchants association;

- x) A *sign* containing advertising *copy* that is *erected* on *premises* owned by a *public authority* and used for sports, recreation or community events.

SECTION 5 ENFORCEMENT PROVISIONS

- 5.1 It shall be the duty of every person who *erects*, uses, maintains or causes a *sign* to be *erected*, used or maintained to ensure that the *sign* complies with all the provisions and requirements of this By-law.
- 5.2 A *sign erected* in contravention of any provision of this By-law may be removed by the *Municipality* immediately and without notice if such *sign*, unless otherwise authorized, is located wholly or partially on or over a *road allowance* or on any other lands owned by or under the jurisdiction of the *Municipality*.
- 5.3 The *Inspector* may cause a notice to be sent to any *owner of a property*, *owner of a sign*, or to both, by means of registered mail or by hand delivery where any *sign* is found to be in contravention of any provision of this By-law.
- 5.4 Any *sign* found in contravention of any provision of this By-law may be removed by the *Inspector* or any *person* directed by him/her, without notice and such *sign* may be disposed of or impounded at the discretion of the *Inspector*.
- 5.5 Any *sign* impounded by the *Municipality* shall be held for a period of thirty (30) calendar days from the date of the *sign* being impounded and at 12:01 a.m. of the thirty first (31st) day the *sign*, if not released to the *owner* upon payment of the expenses incurred by the *Municipality*, may be disposed of in a manner at the discretion of the *Inspector*, without compensation or notice to any *person*.
- 5.6 The reasonable expense as determined by the *Inspector* for the removal and disposal of any *sign* removed by the *Municipality* shall be the responsibility of the *sign's owner* and such costs are recoverable under the authority of the Municipal Act, 2001, as amended, and shall be collected in the same manner as taxes.
- 5.7 Every person who fails to comply with any provision or requirement of this By-law shall be guilty of an offence and liable to a fine as prescribed by the Provincial Offences Act.

SECTION 6 PROHIBITIONS

- 6.1 No *person* shall *erect* or maintain, or cause or permit to be *erected* or maintained any of the following *signs*:
 - i) A *sign* located on *premises* which does not specifically identify or *advertise* a *business*, service, or occupant of the *premises* where it is located, unless otherwise specified in this By-law;

- ii) *Roof sign;*
- iii) *Vehicle/Trailer sign* on non-motorized vehicles where the purpose of the *sign* meets the definition of a *sign* under this by-law;
- iv) A *sign* which may cause confusion with a *traffic control sign* or a traffic control signal;
- v) *An abandoned sign.*

6.2 Prohibited Locations

- i) No *person* shall *erect* a *sign* within any *road allowance* other than a *sign* installed by *Municipal agreement* or a *real estate open house directional sign*, or a *sign* otherwise permitted by this By-law;
- ii) No *sign* or *sign structure* shall be located in a manner which, in the opinion of the *Inspector*, impedes the necessary view of a pedestrian or motorist;
- iii) No *sign* shall be located within a *visibility triangle*;
- iv) No *person* shall locate a *sign* which obstructs or impedes any fire escape, fire exit or door, any window required for natural ventilation or natural lighting or required as an emergency escape, or a fire fighter's access panel or skylight, or so as to prevent or impede free access from or to any part of a *building*;
- v) No *person* shall *erect* a *sign* which obstructs or otherwise impedes the utilization of a parking space, loading space, *driveway* or aisle unless additional parking spaces or loading spaces are provided to comply with the requirements and regulations of the *Municipality*;
- vi) No *person* shall locate a *sign* which obstructs or impedes the functioning of any flue or air intake, or any exhaust system;
- vii) No *person* shall nail, screw, tape or otherwise fasten a *sign* to a tree;
- viii) No *person* shall *erect* a *sign* that has a *height* greater than 0.75 metres within 3 metres of any *road allowance* where the *sign* may impede the visibility of an access from any improved public *street* to any *lot*;
- ix) No *person* shall *erect* a *sign* within a *visibility triangle*;

SECTION 7 GENERAL PROVISIONS FOR ALL SIGNS

- 7.1 In the event an existing *building* is located within a *road allowance*, *signs* are *permitted* on the façade of the *building* within the *road allowance* subject to complying with all the provisions of this By-law.
- 7.2 In the event a *sign* that is lawfully *erected* on the day this By-law comes into force is *altered* or removed, all applicable provisions of this By-law shall apply.
- 7.3 Where a *sign* is *illuminated*, the *sign* and source of illumination shall be designed and located so as to prevent light trespass beyond the *sign support structure* and the *display surface area* of the *sign*. Only down-lighting and back-lighting will be *permitted*. Down-lights shall be designed to have no direct light emitted above the horizontal.

SECTION 8 PERMITTED SIGNS

- 8.1** Section 8 and Section 9 of this By-law are interdependent and shall be read together.
- 8.2** If a *sign* is specifically defined in this By-law but not listed as a *permitted sign* in any Table to this By-law or section of this By-law, then the *sign* shall not be *permitted*.
- 8.3** A *sign* that is listed as being *permitted* shall only be *permitted* if it satisfies all applicable provisions of this By-law.
- 8.4** For the purposes of this By-law, the following Sign Districts are established by reference to the zone categories as set out in the *Municipality's Zoning By-law* and are identified in the Tables to this By-law
- | | |
|------------|--|
| RES | Residential |
| | Zone Categories: R1, R2, R3, R4, R5, R6 |
| IND | Industrial |
| | Zone Categories: M1, M2, M3 |
| COM | Commercial |
| | Zone Categories: C1, C2, CT2, C3, C4, C5, HZ |
| INS | Institutional |
| | Zone Categories: I, AIR, PR |
| RA | Rural Area |
| | Zone Categories: RA, REX |
| OS | Open Space |
| | Zone Categories: EM, RP |
- 8.5** The Tables to this By-law identify the type of sign permitted on a property and the regulations applicable to a sign
- 8.6** The *sign* types listed in Column 1 of Table 1 to Table 5 inclusive below, shall be subject to the provisions in Column 2 to Column 5 inclusive and all other applicable provisions of this By-law.

TABLE 1 RES – RESIDENTIAL SIGN DISTRICT				
Column 1 Sign Type Permitted	Column 2 Number of Signs	Column 3 Maximum Sign Area	Column 4 Maximum Sign Height	Column 5 Section
<i>Directional Sign</i>	No maximum			NA
<i>Ground Sign</i>	1 per lot	0.55 m ²	1.2 m	9.8
<i>Home Occupation Sign</i>	1 non-illuminated ground or wall sign	0.55 m ²	1.2 m	NA
<i>Real Estate Sign</i>	1 per street line	1.0 m ²	NA	NA
<i>Real Estate Open House Directional Sign</i>	2	0.6 m ²	NA	NA
<i>Wall Sign</i>	1 per lot	0.55 m ²	Lesser of 4.5 m or the base of windows on any storey above the ground floor	9.12

TABLE 2 IND – INDUSTRIAL SIGN DISTRICT				
Column 1 Sign Type Permitted	Column 2 Number of Signs	Column 3 Maximum Sign Area	Column 4 Maximum Sign Height	Column 5 Section
<i>A-Frame Sign</i>	1 for each 75 m of <i>street line</i> of a property	1.0 m ²	1.0 m	9.1
<i>Awning or Canopy Sign</i>	No Maximum	50% of the area of the awning or canopy	NA	9.2
<i>Banner Sign</i>	1	10.0 m ²	NA	9.3
<i>Billboard Sign</i>	1	20.0 m ²	NA	9.4
<i>Directional Sign</i>	No maximum	0.3 m ²		NA
<i>Electronic Message Board</i>	1 as part of a ground sign	30% of the maximum sign area of a <i>ground sign</i>	NA	9.7
<i>Ground Sign</i>	1 for each 200 m or less of the <i>street line</i> of a property	0.3 times the length of the <i>street line</i> , maximum 15 m ²	7.5 m	9.8
<i>Home Occupation Sign</i>	1 non-illuminated ground or wall sign	0.55 m ²	1.2 m	NA
<i>Digital Sign</i>	NA	<i>Billboard</i> : 20 m ² <i>Ground Sign</i> : 7.5 m ² <i>Wall Sign</i> : 15% of the <i>facade</i> area or 8 m ² , whichever is less	NA	9.6
<i>Portable Sign</i>	1	5.0 m ²	2.5 m	9.9
<i>Real Estate Sign</i>	1 per <i>street line</i>	4.0 m ²	NA	NA
<i>Real Estate Open House Directional Sign</i>	2	0.6 m ²	NA	NA
<i>Wall Sign</i>	Unlimited	25% of the <i>building facade</i> facing a <i>street line</i>	Lesser of 4.5 m or the base of windows on any <i>storey</i> above the ground floor	9.12

TABLE 3 COM – COMMERCIAL SIGN DISTRICT				
Column 1 Sign Type Permitted	Column 2 Number of Signs	Column 3 Maximum Sign Area	Column 4 Maximum Sign Height	Column 5 Section
<i>A-Frame Sign</i>	1 for each 75 m of <i>street line</i> of a property	0.6 m ² on a public sidewalk 1.0 m ² on a lot	1.0 m	9.1
<i>Awning or Canopy Sign</i>	No Maximum	50% of the area of the awning or canopy	NA	9.2
<i>Banner Sign</i>	1	10.0 m ²	NA	9.3
<i>Billboard Sign</i>	1	20.0 m ²	8.0 m	9.4
<i>Digital Sign</i>	NA	<i>Billboard:</i> 20 m ² <i>Ground Sign:</i> 7.5 m ² <i>Wall Sign:</i> 15% of the <i>facade area</i> or 8 m ² , whichever is less	NA	9.6
<i>Directional Sign</i>	No maximum	0.3 m ²	NA	NA
<i>Electronic Message Board</i>	1 as part of a <i>ground sign</i>	30% of the maximum sign area of a <i>ground sign</i>	NA	9.7
<i>Ground Sign</i>	1 for each 200 m or less of the <i>street line</i> of a property	0.3 times the length of the <i>street line</i> , maximum 15 m ²	7.5 m	9.8
<i>Home Occupation Sign</i>	1 non-illuminated <i>ground or wall sign</i>	0.55 m ²	1.2 m	NA
<i>Portable Sign</i>	Refer to Sec. 9.9	5.0 m ²	2.5 m	9.9
<i>Overhanging Sign</i>	NA	1.0 m ²	NA	9.11
<i>Real Estate Sign</i>	1 per <i>street line</i>	4.0 m ²	NA	NA
<i>Real Estate Open House Directional Sign</i>	2	0.6 m ²	NA	NA
<i>Wall Sign</i>	Unlimited	25% of the <i>building facade</i> facing a <i>street line</i>	Lesser of 4.5 m or the base of windows on any <i>storey</i> above the ground floor	9.12

TABLE 4 INS – INSTITUTIONAL SIGN DISTRICT				
Column 1 Sign Type Permitted	Column 2 Number of Signs	Column 3 Maximum Sign Area	Column 4 Maximum Sign Height	Column 5 Section
<i>A -Frame Sign</i>	1 for each 75 m of <i>street line</i> of a property	1.0 m ²	1.0 m	9.1
<i>Awning or Canopy Sign</i>	No maximum	50% of the area of the awning or canopy	NA	9.2
<i>Banner Sign</i>	1	10.0 m ²	NA	9.3
<i>Directional Sign</i>	No maximum	0.3 m ²	NA	NA
<i>Electronic Message Board</i>	1 as part of a ground sign	30% of the maximum sign area of a <i>ground sign</i>	NA	9.7
<i>Ground Sign</i>	1 for each 200 m or less of the <i>street line</i> of a property	0.3 times the length of the <i>street line</i> , maximum 15 m ²	7.5 m	9.8
<i>Home Occupation Sign</i>	1 non-illuminated <i>ground or wall sign</i>	0.55 m ²	1.2 m	NA
<i>Digital Sign</i>	NA	<i>Billboard</i> : 20 m ² <i>Ground Sign</i> : 7.5 m ² <i>Wall Sign</i> : 15% of the <i>facade area</i> or 8 m ² , whichever is less	NA	9.6
<i>Portable Sign</i>	Refer to Sec. 9.9	5.0 m ²	2.5 m	9.9
<i>Off-Premises Directional Sign</i>	NA	NA	NA	9.10
<i>Real Estate Sign</i>	1 per <i>street line</i>	4.0 m ²	NA	NA
<i>Real Estate Open House Directional Sign</i>	2	0.6 m ²	NA	NA
<i>Wall Sign</i>	Unlimited	25% of the <i>building facade</i> facing a <i>street line</i>	Lesser of 4.5 m or the base of windows on any storey above the ground floor	9.12

TABLE 5 RA – RURAL AREA SIGN DISTRICT				
Column 1 Sign Type Permitted	Column 2 Number of Signs	Column 3 Maximum Sign Area	Column 4 Maximum Sign Height	Column 5 Section
<i>A-Frame Sign</i>	1 for each 75 m of street line of a property	1.0 m ²	NA	9.1
<i>Awning or Canopy Sign</i>	No maximum	50% of the area of the awning or canopy	NA	9.2
<i>Banner Sign</i>	1	10.0 m ²	NA	9.3
<i>Billboard Sign</i>	1	20.0 m ²	NA	9.4
<i>Directional Sign</i>	No maximum	0.3 m ²		NA
<i>Electronic Message Board</i>	1 as part of a ground sign	30% of the maximum sign area of a ground sign	NA	9.7
<i>Ground Sign</i>	1 for each 200 m of the street line of a property	0.3 times the length of the street line, maximum 15 m ²	7.5 m	9.8
<i>Home Occupation Sign</i>	1 non-illuminated ground or wall sign	0.55 m ²	1.2 m	NA
<i>Portable Sign</i>	Refer to Sec. 9.9	5.0 m ²	NA	9.9
<i>Real Estate Sign</i>	1 per street line	4.0 m ²	NA	NA
<i>Real Estate Open House Directional Sign</i>	2	0.6 m ²	NA	NA
<i>Wall Sign</i>	Unlimited	25% of the building facade facing a street line	Lesser of 4.5 m or the base of windows on any storey above the ground floor	9.12

TABLE 6 OS – OPENSOURCE SIGN DISTRICT				
Column 1 Sign Type Permitted	Column 2 Number of Signs	Column 3 Maximum Sign Area	Column 4 Maximum Sign Height	Column 5 Section
<i>Digital Sign</i>	1	<i>Ground Sign: 7.5 m² Wall Sign: 15% of the facade area or 8 m², whichever is less</i>	NA	9.6
<i>Directional Sign</i>	No maximum	0.3 m ²	NA	NA
<i>Electronic Message Board</i>	1 as part of a ground sign	30% of the maximum sign area of a <i>ground sign</i>	NA	9.7
<i>Ground Sign</i>	1 for each 200 m or less of the <i>street line</i> of a property	0.3 times the length of the <i>street line</i> , maximum 15 m ²	7.5 m	9.8
<i>Home Occupation Sign</i>	1 non-illuminated <i>ground or wall sign</i>	0.55 m ²	1.2 m	NA
<i>Wall Sign</i>	Unlimited	25% of the <i>building facade</i> facing a <i>street line</i>	Lesser of 4.5 m or the base of windows on any <i>storey</i> above the ground floor	9.12

SECTION 9 SPECIFIC SIGN REGULATIONS

9.1 A-Frame Signs

A-Frame signs not erected for an agricultural use, shall be erected in compliance with the following:

- i) An *A-Frame sign* shall only be used and displayed during the actual hours of operation of the *business* that it is advertising.
- ii) An *A-Frame sign* shall only be used and displayed on or in front of the *premises* where the *business* it is advertising operates.
- iii) No *A-Frame sign* shall be located in a manner that restricts the free and safe movement for any pedestrian, vehicle or other conveyance on any sidewalk, path, *road allowance* or *driveway*, or in a manner which impedes vision.
- iv) An *A-Frame sign* shall be located no closer than twenty (20) metres to another *portable sign*, or *ground sign* erected on the same *property*;
- v) In no case shall a *person* erect an *A-Frame sign* and a *Portable sign* on a *property* for the same *business* at the same time.

9.2 Awning or Canopy Signs

- i) No *awning or canopy sign* shall be erected less than 2.5 metres above *finished grade* or the surface of the *road allowance* or public sidewalk;
- ii) Every owner of an *awning or canopy sign* shall carry adequate liability insurance for any such *sign* and that insurance coverage shall also name the *Municipality* as an additional insured, where the *awning or canopy sign* is located over a *road allowance* in the *Downtown*;
- iii) In the *Downtown*, an encroachment permit will be obtained from the *Municipality* for the installation of *signs* overhanging the *road allowance*, if required.

9.3 Banner Signs

Banner signs shall be erected in compliance with the following:

- i) No person shall display a *banner sign* for more than two periods of 21 consecutive days in one calendar year.

9.4 Billboard Signs

- i) *Billboard signs* shall be erected only in the areas designated in Schedules "A-1, A-2, and A-3" to this By-law.
- ii) *Billboard signs* shall be erected in compliance with the following:

- a. No *billboard sign* shall be *erected* on a fence;
- b. No *billboard sign* shall be *erected* less than 75 metres from a residential zone;
- c. No *billboard sign* shall be *erected* less than 100metres from another *billboard sign*;
- d. No *billboard sign* shall be *erected* within a setback required by a zoning by-law between a building and a *lot line* or *street*.

9.5 Community Event Signs

Community event signs shall be *erected* in compliance with the following:

- i) A *community event sign* may be *erected* on private *property* with the consent of the owner.
- ii) A *community event sign* may be *erected* on a property owned by the *Municipality* or on the untraveled portion of a *road allowance* with the approval of the *Municipality* and subject to any conditions or requirements imposed by the *Municipality*.
- iii) A maximum of one *community event sign* may be *erected* on a private property.
- iv) No *community event sign* shall exceed 5.0 m² in area.

9.6 Digital Signs

- i) *Digital signs* shall not:
 - a. Display any visible effects including but not limited to motion, fading, dissolving, fading, flashing, intermittent or blinking light, scrolling or the illusion of such effects;
 - b. Emit sound or be interactive in any way;
 - c. Take the form of a *portable sign*;
 - d. Display *sign copy* that *advertises* a business, goods, products, or services not necessarily sold or offered or conducted on the *property* unless it is a *billboard*.
- ii) The *sign copy* of a *digital sign* shall be displayed continuously in a static manner without animation and without any change or any visual effects for not less than 15 seconds.
- iii) Any change from one message to another in the *sign copy* of a *digital sign* shall:
 - a. Be completed in 0.25 seconds or less;
 - b. Involve the change of the entire *sign copy*;
 - c. Not include a partial, incremental or sequential change of *sign copy*.
- iv) *Digital signs* shall:
 - a. Be equipped with an operating automatic light sensor that is set to control the brightness of the *digital sign* so its brightness does not exceed 3.23 lux (0.3 foot candles) above ambient light levels as measured at a distance from the sign based on the following calculation: Measurement distance is equal to the square root of the *sign area* multiplies by 100.

- b. In no case create undue glare as determined by the Chief Building Official.
 - c. Be designed and operated to cease its operation and display of *sign copy* in the event of a malfunction.
 - d. Provide a minimum clearance of 3.0 metres above *finished grade*.
- v) Any *digital sign* that is located within 100 metres of a signalized intersection or 50 metres of a non-signalized intersection of two *streets* or a railway crossing (measured from the centre of the intersection to the nearest point of the *sign's display surface*) shall submit a safety review completed by a qualified Professional Engineer to the satisfaction of the Commissioner of Public Works.
- vi) The safety review referred to above shall assess if the *digital sign* is appropriate at the proposed location. The assessment shall be based on but not limited to the following:
 - a. Crash and accident history;
 - b. Traffic and pedestrian volumes;
 - c. Current and expected driver workload;
 - d. The relative geometric complexity of the roadway and intersection.
- vii) The safety review shall identify any mitigating measures that will reduce potential risks identified by the review and assessment.
- viii) A *window sign* that is also a *digital sign* shall have a maximum *sign area* equal to 50% of the total window area to a maximum *sign area* of 2.0 m².
- ix) A sign projected onto a building, structure or surface is also a *digital sign* and shall require the written approval of the Planning Director prior to the issuance of a sign permit. If the application is denied, the applicant may appeal the decision to City Council
- x) A *digital fuel price sign* shall:
 - a. Be located on the same *property* as the fuel sales use and not exceed two *digital fuel price signs*;
 - b. Not exceed 0.5 square metres in *sign area*.

9.7 Electronic Message Board Signs

- i) The minimum display time for any electronic message, without movement or change in colour, shall be 30 seconds, and the intensity of the illumination shall be maintained at a constant level.
- ii) The electronic message board sign shall not display any visible effects including but not limited to motion, fading, dissolving, fading, flashing, intermittent or blinking light, scrolling or the illusion of such effects.

9.8 Ground Signs

- i) No person shall erect a ground sign less than 1.0 metre from a street line
- ii) A maximum of 30% of the permitted sign area of a ground sign may consist of a *changeable copy sign*.

9.9 Portable Signs

Portable signs shall be erected in compliance with the following:

- i) A permit for a *portable sign* shall expire thirty (30) days after the *erection* date specified on the permit. Where an *erection* date is not specified, the effective date for the purpose of this section shall be the date the permit is issued;
- ii) Upon expiry of a permit for a *portable sign*, the *sign* must be removed within twenty-four (24) hours and the *Municipality* must be informed of the removal of the *portable sign*. If the *portable sign* is not removed in compliance with this By-law, the *Municipality* may remove the *sign* in accordance with Section 3.15;
- iii) No permit for a *portable sign* shall be issued for a *property* if a permit for a *portable sign* has been issued for the same *property* within the previous twenty-one (21) days;
- iv) A maximum of three permits for a *portable sign* shall be issued to a *business* located at a *property*;
- v) In no case shall a *business* or *person* erect for its purpose a *portable sign* and A-Frame sign at the same time on a *property*;
- vi) *Portable signs* are not permitted on vacant *property* or on a *road allowance*;
- vii) A *portable sign* shall be located no closer than twenty-five (25) metres to another *portable sign* or *ground sign* erected on the same *property*;
- viii) A *Home based business* is not permitted to have a *portable sign*;
- ix) Every *portable sign* shall permanently display the name and telephone number of the owner of the *portable sign*.
- x) A *portable sign* shall only display *advertising* for the *business* located on the same lot where the *portable sign* is located.

9.10 Off-Premises Directional Signs

A temporary off-premises directional sign providing directions to the seasonal sale of produce may be located on the untraveled *road allowance* provided the sign is located in a manner that does not restrict the free and safe movement for any pedestrian, vehicle or other conveyance on the *road allowance* and in no manner impedes the visibility of a *driveway*.

9.11 Overhanging Signs

Over Hanging signs shall be erected in compliance with the following:

- iv) An *overhanging sign* shall only be erected on *premises* located within the boundaries of the Downtown and on properties with a *street line* on Queen Street or Gore Street;
- v) No *overhanging sign* shall be erected less than 2.5 metres above *finished grade* or the surface of the *road allowance* or public sidewalk;

- vi) Every *owner* of an *overhanging sign* shall carry adequate liability insurance for any such *sign* and that insurance coverage shall also name the *Municipality* as an additional insured, where the *projecting sign* is over a *road allowance*;
- vii) An encroachment permit will be obtained from the *Municipality* for the installation of *signs* overhanging the *road allowance*, if required.

9.12 Wall Signs

- i) A *wall sign* shall not project more than 0.3 metres from the wall of a *building* or *structure*.
- ii) No *wall sign* shall be *erected* above the first *storey* of a *building* or *structure*.
- iii) No *wall sign* shall project above the roofline of a *building* or *structure*.
- iv) A *wall sign* shall be *erected* only upon the wall of a *building* or *structure* containing the *business* to which the *sign* applies.

SECTION 10 MAINTENANCE AND GOOD REPAIR

- 10.1 A *sign* and *sign structure* shall be kept in good repair at all times and maintained without any visible deterioration of the *sign* or *sign structure*.
- 10.2 A *sign* and *sign structure* shall be maintained in compliance with this By-law and any other By-law that contains requirements for the upkeep and maintenance of *signs*.

SECTION 11 VARIANCES AND AMENDMENTS

- 11.1 An application for a variance or an amendment from any provision of this By-law shall be accompanied by the appropriate form and fee.
- 11.2 The *Municipality* may on the application of a *person*:
 - (a) authorize a variance from the provisions of this By-law where in the opinion of the *Municipality*:
 - i) there are special circumstances or conditions applicable to the property or building where the sign is proposed to be *erected* and these circumstances or conditions are not shared by others with similar properties or buildings; or,
 - ii) strict application of the provisions of this By-law would create practical difficulties or unusual hardship for the applicant; or,
 - iii) the special circumstances or conditions were not created by the applicant; or,
 - iv) approval of the variance will not alter the character of the area where it is located; and,
 - v) approval of the variance will not affect public safety; and
 - vi) approval of the variance maintains the general intent and purpose of this By-law.

(b) authorize an amendment to this by-law to permit a sign which does not comply with this By-law.

11.3 A variance from the provisions of this By-law may be authorized by *Council*, or if *Council* so delegates, by a Committee of *Council* or an official designated by *Council*.

11.4 Where *Council* has delegated approval of a variance to a Committee of *Council* or an official and the Committee of *Council* or official refuses the application, the applicant may appeal the refusal and *Council* shall consider the appeal and decide on the variance application.

SECTION 12 SEVERABILITY

12.1 If a court of competent jurisdiction should declare any section or part of a section of this By-law to be invalid, such decision does not affect the validity, effectiveness, or enforceability of the other sections or parts of the provisions of this By-law unless the court makes an order to the contrary.

SECTION 13 REPEAL OF PRIOR BY-LAWS

13.1 The following by-laws are repealed:

By-law 2005-166;
By-law 2012-206.

SECTION 14 EFFECTIVE DATE

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

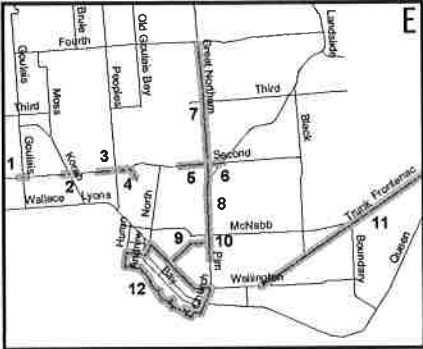
READ THREE TIMES and **PASSED** in open Council this ____ day of ____ 2016.

MAYOR

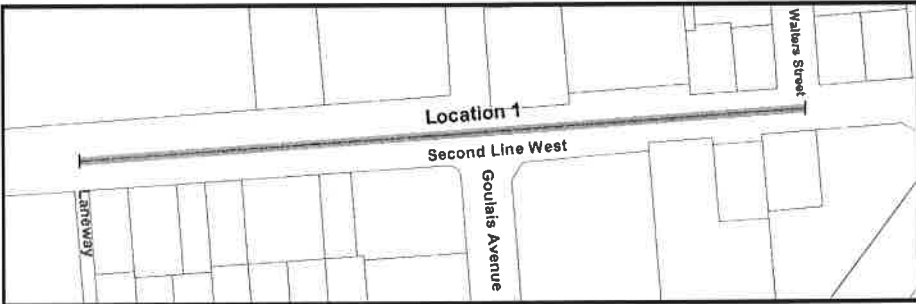
CLERK

Schedule A1

Schedule A1



Area of Interest Key Map



LOCATION 1 - SECOND LINE WEST
Between laneway centre line on the south side of Second Line West adjacent to Lot 10 (Plan 14324) and Walters Street centre line.



LOCATION 2 - SECOND LINE WEST
Between Second Avenue centre line and Brunswick Avenue centre line.

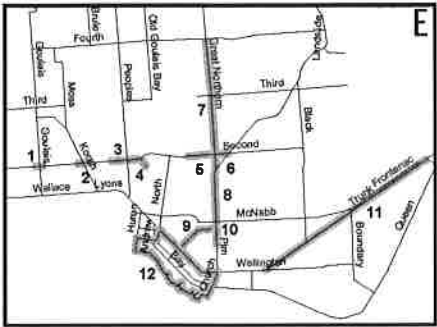


LOCATION 3 - SECOND LINE EAST & WEST
Between Moody Street centre line and John Street centre line

LOCATION 4 - JOHN STREET
Between Second Line East and Bainbridge Street

Schedule A2

Schedule A2

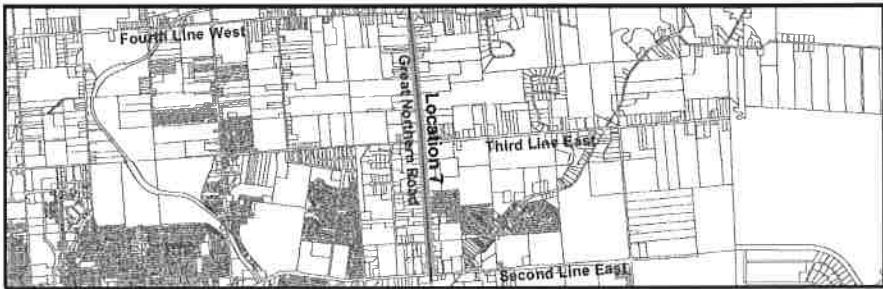


Area of Interest Key Map

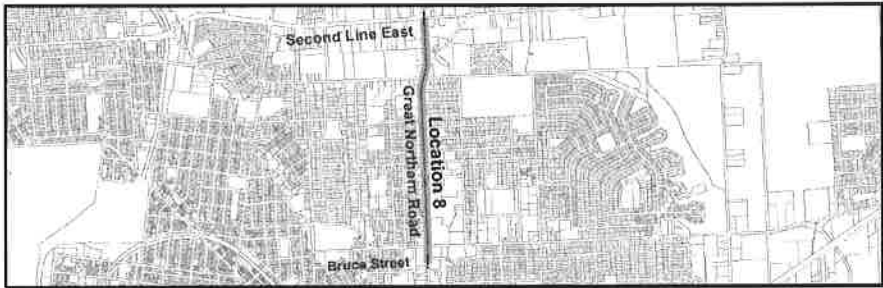


LOCATION 5 - SECOND LINE EAST - WEST OF GREAT NORTHERN ROAD
Between Sackville Road centre line and Great Northern Road centre line.

LOCATION 6 - SECOND LINE EAST - EAST OF GREAT NORTHERN ROAD
Between Great Northern Road centre line and Old Garden River Road center line.



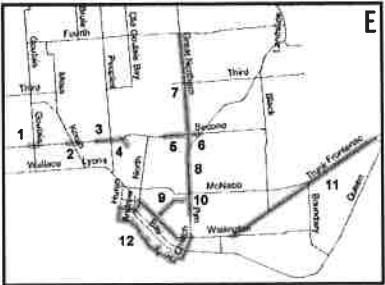
LOCATION 7 - GREAT NORTHERN ROAD - NORTH OF SECOND LINE
Between Second Line East centre line and Fourth Line centre line.



LOCATION 8 - GREAT NORTHERN ROAD - SOUTH OF SECOND LINE
Between Second Line East centre line and Bruce Street centre line.

Schedule A3

Schedule A3



Area of Interest Key Map

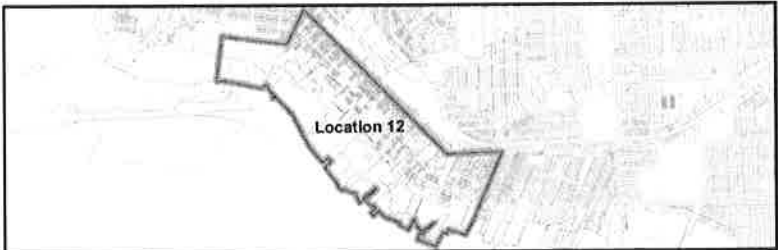


LOCATION 9 - BRUCE STREET
Between Bruce Street centre line and Great Northern Road centre line.

LOCATION 10 - PIM STREET
Between Bruce Street centre line and MacDonald Avenue centre line.



LOCATION 11 - TRUNK ROAD
Between Elizabeth Street centre line and Fournier Road centre line.

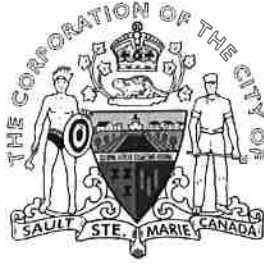


LOCATION 12 - DOWNTOWN AREA
The Downtown area is defined as those lands bounded by or with frontage on Church Street, Wellington Street East, Gore Street, Queen Street West, Huron Street and the waterfront. (Source: City of Sault Ste. Marie Official Plan, 1998)

1

Appendix 2

Complete Survey 1 Results



City of Sault Ste. Marie Sign By-law Survey (1) Results

PURPOSE

The purpose of the survey is to identify:

- The top sign issues in Sault Ste. Marie
- The public's opinion of the aesthetics of various types of signage.
- What ideas the public may have to improve the way signs are currently regulated.

The data gained from the survey will be utilized to determine the general regulatory framework for the new signs by-law.

METHODOLOGY

- The online survey was designed utilizing 'Survey Monkey' and advertised in the Sault Star, Sootoday and on the City's website. A public terminal to fill out the survey was also available at the John Rhodes Centre.
- The survey was sent out to various stakeholders including, the Chamber of Commerce, local sign company owners and employees, Tourism Sault Ste. Marie, city staff and other local groups.
- The key questions asked respondents to identify what they felt were the top local sign issues. These questions were purposely designed to be open ended. Although this format is more difficult to analyse and more cumbersome for respondents to complete, the open ended format helps to ensure a 'true result' in that the questions are not 'leading' in any way.

GENERAL FINDINGS

Based upon survey results, the top local sign issues (in order) are:

1. Digital signage and distraction/safety concerns related thereto.
2. The proliferation of portable signage and the aesthetic impacts thereto.
3. The overall aesthetics, design and/or size of local signage, not including concerns related to portable signage.
4. Safety concerns not related to digital signage, for example, too close to the roadway and blocking sightlines
5. Too many signs in general
6. Derelict or unmaintained signage which remains in place.

Top Sign Issues

Total Combined Responses			Top Sign Issue		Another Important Sign Issue	
Category	Responses		Responses		Responses	
1. Digital Signage	60	23%	38	26%	22	20%
2. Portable Signage	45	17%	41	28%	4	4%
3. Aesthetics/Design/Size	27	10%	6	4%	21	19%
4. Uncategorized	26	10%	12	9%	14	15%
5. Safety Concerns	26	10%	10	7%	16	15%
6. Directional Signage	26	10%	17	11%	9	8%
7. Too Many Signs	17	7%	10	7%	7	6%
8. Unmaintained Signage	16	6%	8	5%	8	7%
9. No Issues	10	3%	6	3%	4	4%
10. Off-site Advertising	6	2%	1	0.7%	5	5%
Total Responses	259		149		110	

1. Digital Signage

The survey results indicate that digital signage was the greatest concern among respondents. In nearly half of all cases, safety was cited as the main concern related to digital signage. Common concerns included 'distracting', 'too bright' and 'too much movement'.

2. Portable Signage

Portable signage was the second greatest concern among respondents. In almost all cases, respondents noted that there were too many and that they did not like the appearance of portable signs. Comments included 'cheap looking', 'unappealing' and 'a major eyesore'. In addition, there were numerous comments noting appearance concerns related to portable signs with 'multi-coloured lettering on a black background'.

3. Aesthetics/Design/Size

Overall aesthetics, design and size of local signage was also cited by respondents as an important issue. Such concerns do not include those in relation to portable signage, where aesthetics was cited in almost all cases. Common non-portable related aesthetic concerns included 'too many homemade signs' and 'too many poorly constructed signs'.

4. Uncategorized/Miscellaneous

Given the open ended nature of the first portion of the survey, the results included a number of uncategorized or miscellaneous responses. Such responses were often vague, and could likely be attributed to a certain category, however where staff were not certain, comments were maintained as 'uncategorized'. There was also more than one comment noting that the city should change it's 'population sign'. Other comments simply referenced particular issues with particular signs within the city.

5. Safety

Safety was also a main concern. The responses shown in the table above does not include safety concerns in relation to digital signs. Those who cited safety as a top sign issue felt that many signs were 'too close to the roadway' and 'distracting'. In some cases respondents also felt that signage was placed too close to access points blocking sightlines.

6. Directional Signage

Concerns related to directional signage were related to public realm signage, such as street signs, traffic safety signs, and road signs to help tourists navigate through the city. Local 'tourism directional signage' was also cited as a concern, noting that the signs have faded and need to be replaced.

7. Too Many Signs

Some respondents felt that there were too many signs in general. Comments included, 'signage is cluttered, makes our entrances into the city look shabby', 'too much and too busy', 'why to businesses require so many different signs on the same lot'

8. Unmaintained

This category dealt with comments related to derelict signs that have not been removed, or in some cases run down signage that continues to be utilized. Comments include 'faded signs falling apart', 'many are poorly constructed, over-sided and in need of repair'.

9. No Issues

A few respondents felt that there were not local sign issues.

10. Off-site Advertising

A few respondents felt that off-site or third party advertising, that being advertising of a good or service that is not available on the same site as the sign, was an issue.

Why do you consider certain areas to have GOOD or APPROPRIATE signage?

Category	Response	
Aesthetics/Design/Size	30	27%
Safety	21	19%
Uncategorized	16	14%
Appropriate Amount	15	13%
No Portables	11	10%
Directional Signage	8	7%
Digital Signage	7	6%
Maintenance Issues	5	4%
Total Responses	113	

Why do you consider certain areas to have GOOD or APPROPRIATE signage?

Comments from Respondents

“Located outside the storefront, not excessive”

“Because the area is limited to how many can be there –lack of space- hence, it doesn’t look cluttered”

“The size and scale of signage accurately reflects the scope and volume of businesses located on this stretch. Signs are well-maintained and look modern”

Why do you consider certain areas to have BAD or INAPPROPRIATE Signage?

Categories	Responses	
Digital Signage	24	21%
Portable Signage	20	17%
Aesthetics/Design/Size	19	16%
Too Many Signs	14	12%
Unmaintained Signage	12	10%
Uncategorized	11	9%
Safety Issues	11	9%
Directional Signage	5	4%
Off-site Advertising	1	0.8%
Total Responses	117	

Why do you consider certain areas to have BAD or INAPPROPRIATE Signage?

Comments from Respondents

“it seems anybody can put up a sign anywhere.”

“portable signs, gaudy, tasteless”

“Closed businesses, run down properties and unmaintained signs make an empty building look even worse”

“too close to road”

What other city do you think has GOOD signs?

City	Responses	
Petoskey	11	16%
Traverse City	10	15%
Toronto	9	13%
London	5	7%
Guelph	5	7%
Kitchener/Waterloo	5	7%
Sudbury	3	4%
Total Responses	67	

Why do you feel this particular city has good signs?

Category	Responses	
Aesthetics/Design/Size	22	41%
By-law Regulations/Design Guidelines	17	31%
Appropriate Amount of Signage	11	20%
Uncategorized	9	17%
Safety	7	13%
Total Responses	54	

What other city do you think has GOOD signs?

Why do you feel this particular city has good signs?

Comments from respondents:

"Most signs seem to be well setback from the roadways and do not impede sight lines for motorists"

"Look organized, all signs should have a base with green space around that is properly maintained"

"Signage is subtle, better regulated, more consideration on how signs compliment the buildings as opposed to becoming a dominating feature"

"Well spaced, suits buildings, often has attractive landscaping around it"

"Majority of signs seem to be mobile and wall mounted. Mobile signs where present, posted further away from the roadways."

"Tasteful-signs are uniquely designed and blend into the environment nicely."

"They are modern, well-maintained, in-line with the aesthetics of the area, the design of the business and storefronts. They create quaint, charming little areas that become tourist attractions."

How can the City of Sault Ste. Marie improve the way signs are regulated and approved?

Category	Responses	
Better Regulation/Enforcement	22	21%
Limits on Portable Signage	21	20%
Safety Concerns	14	14%
Better Digital Sign Regulations	14	14%
Size Limits	13	13%
More Aesthetically Pleasing Signage	12	12%
More Public Consultation	8	8%
Creation of Design Guidelines	8	8%
Limit the Amount of Signage per Business	6	6%
Less Regulations/Red Tape	4	4%
Total Responses	103	

**How can the City of Sault Ste. Marie improve the way signs are regulated and approved?
Comments from Respondents**

"Establish a MINIMUM setback, with provisions for increasing the setback to maintain adequate sight lines for motorists"

"Ban animated signs and ban/restrict the placement of portable signs so that they're away from the roadside"

"Take a look at certain areas and adapt signage to traffic flow in the area. It is also helpful to the community as well. It should be about safety more than anything."

"Most people are unaware of the current regulations or approval processes so it's hard to comment"

"Have a by-law and enforce it."

What ONE recommendation would you make to improve signage in Sault Ste. Marie?

Category	Responses	
Better Regulations/Enforcement	22	21%
Limit/Prohibit Portable Signs	21	20%
Create Design Guidelines	20	19%
Safety	14	13%
Size Limits	13	12%
Limit/Prohibit Digital Signs	12	11%
More Public Consultation	8	7%
Uncategorized	8	7%
Reduce the Amount of Signs Permitted	6	6%
Off-site Advertising	5	5%
Fewer Regulations/Red Tape	4	4%
Allow More Digital Signs	2	2%
Total Responses	107	

SIGN PREFERENCE SURVEY

How would you rate the appearance of the signage pictured?



Very Good	5%	Very Good	26%	Very Good	34%
Good	43%	Good	51%	Good	34%
Bad	42%	Bad	18%	Bad	18%
Very Bad	10%	Very Bad	5%	Very Bad	13%
Total Responses	159	Total Responses	160	Total Responses	158



Very Good	17%	Very Good	39%
Good	47%	Good	49%
Bad	25%	Bad	8%
Very Bad	11%	Very Bad	5%
Total Responses	159	Total Responses	158

How would you rate the appearance of the signage pictured?



Very Good	58%	Very Good	47%	Very Good	26%
Good	35%	Good	45%	Good	58%
Bad	6%	Bad	8%	Bad	14%
Very Bad	2%	Very Bad	0.6%	Very Bad	3%
Total Responses	158	Total Responses	156	Total Responses	157



Very Good	3%	Very Good	16%
Good	16%	Good	42%
Bad	37%	Bad	26%
Very Bad	44%	Very Bad	16%
Total Responses	159	Total Responses	159

How would you rate the appearance of the signage pictured?



Very Good	43%	Very Good	17%	Very Good	5%
Good	52%	Good	40%	Good	12%
Bad	4%	Bad	33%	Bad	43%
Very Bad	2%	Very Bad	10%	Very Bad	39%
Total Responses	159	Total Responses	157	Total Responses	157



Very Good	42%	Very Good	56%
Good	55%	Good	41%
Bad	2%	Bad	2%
Very Bad	0.6%	Very Bad	0%
Total Responses	158	Total Responses	158

How would you rate the appearance of the signage pictured?



Very Good	53%	Very Good	3%
Good	45%	Good	4%
Bad	1%	Bad	30%
Very Bad	0%	Very Bad	62%
Total Responses	159	Total Responses	158

Appendix 3

Complete Survey 2 Results



PLANNING DIVISION

NEW COMPREHENSIVE SIGNS BY-LAW PUBLIC (2) SURVEY RESULTS

INTRODUCTION

As part of the public outreach program of the New Comprehensive Signs By-law project, this report outlines the results of the second public survey. The survey was designed to gain public feedback upon the proposed regulations relating to various types of signage.

The first part of this report includes quantitative data associated with respondent's opinions upon the proposed regulations relating to various types of signs. Each question also included a comments section, where respondents could provide additional comments. The second part of this report communicates these comments.

PART I SURVEY RESULTS

Signs Within Public Road Allowance

Question 1: Should the City NOT allow private advertising signs to locate on city property or within road allowances?

340 Responses

Answer Choice	Responses
Strongly Agree	27.06%
Agree	21.18%
Indifferent	12.06%
Disagree	22.35%
Strongly Disagree	17.355

Election Signs

Question 2: Currently, the City does not regulate election signs. Should the City NOT allow election signs to locate on City property?

292 Responses

Answer Choice	Responses
Strongly Agree	20.21%
Agree	13.36%
Indifferent	18.49%
Disagree	28.42%
Strongly Disagree	19.52%

Portable Signs

Question 3: Currently, portable sign permits must be renewed every 2 years and they are permitted to remain in place permanently. There are no provisions related to a maximum number of signs per lot/business or regulations related to colours. What is your opinion on the following proposed regulations for portable signs?

- Maximum 30-day display period with a 21-day hiatus during which the sign must be removed, before a new portable sign permit is issued for the same business location.
- Located entirely on private property.
- No third party advertising, that being advertising a business, good or services that is not available on the same site which the sign is located.
- Maximum 3 mobile sign permits per business per year.
- Only white, black or yellow characters on a solid black or white background.

292 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	52.74%
Proposed regulations are about right.	34.59%
Proposed regulations are not restrictive enough	12.67%

Billboard Signs

Question 4: Currently, billboard signs are permitted on portions of Great Northern Road, Second Line, Trunk Road, and up to 25 signs in the downtown area. Billboards must be at least 120m (394') apart and cannot locate within 60m (197') of a residential zone. What is your opinion on the following proposed regulations for billboard signs?

- Minimum 75m (246') separation from any other billboard.
- Not permitted within 75m (246') of lands zoned residential.
- Permitted upon portions of Great Northern Road, Second Line and Trunk Road.
- Not permitted in the Downtown. (existing billboards permitted to remain.)

292 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	28.08%
Proposed regulations are about right.	59.93%
Proposed regulations are not restrictive enough	11.99%

Digital Signs

Question 5: The proposed approach to digital signs is similar to existing regulations. What is your opinion on the following proposed regulations for digital signs?

- Image displayed for a minimum of 15 seconds.
- Minimum 100m (328') setback/separation from a signalized intersection & 50m (164') setback/separation from a non-signalized intersection of two public streets.
- Permitted in commercial, industrial and institutional areas only.
- No 3rd party advertising is permitted, that being advertising a business, good or service that is not available on the same site which the sign is located, unless the sign is located in accordance with the billboard regulations.

291 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	28.87%
Proposed regulations are about right.	53.61%
Proposed regulations are not restrictive enough	17.53%

Digital Readerboards

Question 6: Currently, digital readerboards are subject to the same regulations as digital signs, including significant setbacks from intersections. What is your opinion on the following proposed regulations for digital readerboards?

- No additional setback requirements from intersections.
- Maximum 30% of permitted sign area.
- 75m (246') minimum spacing from another electronic sign.
- No animation or visible effects.
- Image displayed for a minimum of 15 seconds.
- No temporary sign on the same lot.

286 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	31.47%
Proposed regulations are about right.	59.09%
Proposed regulations are not restrictive enough	9.44%

Ground Signs

Question 7: Currently, there are no limits to the size or maximum number of ground signs permitted per business or property. Current setbacks from front lot lines vary from 0 to 6m (20') depending upon the zone in which the sign is located. What is your opinion on the following proposed regulations for ground signs?

- Maximum sign area of 0.3m² (3.3ft²) for each 1m (3.3') of lot frontage.
- 1 ground sign per lot or 1 ground sign for each 200m (656') of frontage on a street.
- Minimum setback of 1m (3.3') from a front or exterior side lot line.

290 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	26.90%
Proposed regulations are about right.	66.90%
Proposed regulations are not restrictive enough	6.21%

Projecting Signs

Question 8: Currently, projecting signs can only project 7.6cm (3") onto city property, which has the effect of prohibiting projecting signs in the downtown area where buildings have been constructed to the lot line. What is your opinion on the following proposed regulations for projecting signs?

- Maximum horizontal projection 1m (3.3')
- Maximum sign area 1m² (10.7ft²)
- Minimum 2.75m (9') overhead clearance above grade.

287 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	26.13%
Proposed regulations are about right.	70.38%
Proposed regulations are not restrictive enough	3.48%

Window Signs

Question 9: Currently, there are no regulations pertaining to window signs. What is your opinion on the following proposed regulations for window Signs?

- Sign area cannot exceed 20% of glass surface within a frame.

293 Responses

Answer Choice	Responses
Proposed regulations are too restrictive.	58.02%
Proposed regulations are about right.	39.25%
Proposed regulations are not restrictive enough	2.73%

PART II Respondent Comments

Each survey question included a 'comments box' where respondents could provide any additional comments. Below are the comments received.

Signs Within Public Road Allowance

Question 1: Should the City NOT allow private advertising signs to locate on city property or within road allowances?

Comments: 36

1. They are most distasteful and a blight on our community
2. Especially not anything with LED or flashing lights or boards or backgrounds graphics etc that move in any fashion or change colours. Too distracting.
3. I feel as though there are enough private businesses that allow signs on their property, making it unnecessary for the city to allow them on their property as well. It ends up making the city look trashy & cluttered, as most of these signs are not aesthetically pleasing at all. Also, as a driver, I find the digital signs to be very distracting.
4. Signs located within road allowances may impede the visibility for motorists.
5. I feel like clarification is needed for this question to be answered properly.
6. It would make it much easier to see traffic instruction signs
7. Poorly worded question
8. A great deal of current signage is located on city property and within road allowances - how would these be dealt with?
9. Any revenue stream which could lower property taxes should be considered. This seems like a reasonable revenue stream.
10. This would put signage companies and their clients at a significant disadvantage. Where else would the signs be located? Why is the City considering these restrictions? Have there been complaints and issues?
11. Ugly, distracting for drivers, clutter
12. Such advertising signs especially the portable ones, are very displeasing to the eye and have a tendency to make our boulevards look junky. They also, at times, are a hazard for drivers who must try to see traffic around them, depending in where they are positioned.
13. What is the problem with the way things are now? Why do they want to change ? I could answer this survey better if I knew why they want to change.
14. The only added comment I would make is under the new by law the city should control the quantity of signs allowed to exist on city property or road allowances. Perhaps a set number as there seems to be too many allowed at the present time even with the current setbacks and rules in place...no one from the city seems to be watching the numbers that are being put up...maybe a user fee system should be put into place unless that is already included in the licensing, if there is already in place?
15. Need to think about the small local business's
16. Perhaps exceptions can be made if a sign will not fit anywhere else. Every business should be allowed a sign. Business should not be penalized because of small lot/frontage or poor planning
17. Increases city liability if signs are located on city property
18. Who is trying to put whom out of business????
19. As long as they are not blocking view from roadway they should be allowed
20. There should be a limit to the signs in an area.
21. As a retailer we are dependent on the road sign to convey messages to our customers daily, weekly and through changing retail seasons.
22. Except for election signs, and signs for public events and services.
23. Some are placed that obscure traffic and pedestrian movement.
24. There are a number of ways for them to advertise. Online news media etc.
25. Most property owners maintain this piece of city property area in front of their business or establishment.
26. Within reason, so long as signage does not impede foot or vehicle traffic
27. In certain circumstances it should be allowed. For those business owners that only have store front and no frontage. Most of downtown area. Property owners only own the building and no land.
28. Depending on the size and placement of the signs, we should allow private business owners as many opportunities as possible to drive revenue at their businesses, in order to increase economic development in our city, most notably in the downtown core.
29. That is, NOT allow to be SEEN from public spaces

30. Having the sign greatly increases the public awareness to the products we carry. No other form of advertising does this as effectively as these signs.
31. The City has hard workers that are paid to maintain roads, parks, lawns, etc. These signs make it seem too cluttered and take away from the hard work the City's employees put forth to make the town as beautiful as possible!
32. In the form of portable/temporary signs, I agree with this 100%. Billboards within entrance of city limits on connecting link ok within reason.
33. It should be allowed but taxed and vendors made to conform to standards
34. Sometimes these are the only available locations for effective signage. Restrictions should relate to sight lines and safety not public ownership.
35. Local business need this to promote their sales & product !
36. I know that there should be certain circumstances that the by-law should be flexible, as there are many businesses that due to road widening over the years have no frontage of their own on which to put a sign. However, there are far too many private advertising signs on city property, especially where there are no businesses, empty lots, fields, etc.

Election Signs

Question 2: Currently, the City does not regulate election signs. Should the City NOT allow election signs to locate on City property?

Comments: 29

1. Because elections happen so infrequently, I don't feel as though election signs have any lasting impact.
2. These signs are temporary, so as long as people use common sense when placing them to ensure visibility for motorists.
3. As long as they are in reasonable quantities.
4. The city should not regulate election signs as long as the signs do not impair visibility along the street.
5. Trashes the cities appearance and makes it difficult to read important traffic signs
6. This is a short term event, turn out is already low for our elections!
7. But city should limit the number of identical signs allowed within a predetermined distance.
8. Signs become a driving hazard at busy intersections as each candidate who can afford the larger signs fights for the ideal position, obstructing motorists clear view of the roadway. At many intersections they become an eyesore.
9. Dozens of election signs at most major intersections are also an eyesore.
10. They need somewhere to put there signs. . maybe not so many ? sometimes the number of signs is over kill, should put their money somewhere more useful then signs every 5 m.
11. For once every couple of years why would you bother regulating something that is already covered under the elections act? Please don't clutter the bylaw with unnecessary items. If its not a problem, don't worry about it.
12. The wording is misleading --is it a question to ans yes or no or is it a statement with which to agree or disagree?
13. I think election signs can be on city property but restrict the number per area and person. Often the same person has several signs on the same corner or lot.
14. Anyone running for city office should knock on doors and get permission to erect a sign on private property. If they are on city property, the should have to get a permit and pay just like businesses do.
15. They plaster hundreds of election signs in one area! It looks terrible!
16. Election signs are typically for a short period of time, as long as they are not left as litter after the election.
17. Election signs should have the same locate regulations as awareness signs, non-profit signs, and private advertising signs.
18. Such a short period of time
19. If you pay property tax- you should be allowed to endorse at election time.
20. As long as they pick them up after elections!
21. I assume there are rules regarding these signs on City property. Enforce them. Revise and review as issues arise.
22. I think there should be a limit on the number of signs per corner or street, but I do not think they should be eliminated.
23. With criteria, short term
24. C in our elections should be able to put their name out there in the community, however, in moderation. Six signs with the same name on one corner are too much. It's simply clutter.
25. For the frequency of elections, i think this is a non issue, election signs should be allowed
26. This would essentially limit signs to private property and severely limit visibility of lesser known candidates.
27. The only time that there are too many signs is just in the days before election day. As long as they take the signs down within the time they are supposed to that's fine. Our candidates in this city all seem to make sure they are cleaned up.
28. Election signs are a short time use and are usually cleaned up immediately after.
29. But with some restrictions in place ... distance from the curb/corner as to not obstruct view. Limitations on the size of sign and what methods are used to put them in place as to not blow over.

Portable Signs

Question 3: Currently, portable sign permits must be renewed every 2 years and they are permitted to remain in place permanently. There are no provisions related to a maximum number of signs per lot/business or regulations related to colours. What is your opinion on the following proposed regulations for portable signs?

- Maximum 30-day display period with a 21-day hiatus during which the sign must be removed, before a new portable sign permit is issued for the same business location.
- Located entirely on private property.
- No third party advertising, that being advertising a business, good or services that is not available on the same site which the sign is located.
- Maximum 3 mobile sign permits per business per year.
- Only white, black or yellow characters on a solid black or white background.

Comments: 46

1. When these types of signs stay in place indefinitely, they lose their effectiveness. People become so accustomed to seeing them that the message is lost. Not to mention, the neon lettering on these signs is, in a word, hideous. I tend to disagree however with the restriction on third-party advertising. If the property owner doesn't have a problem with another business' advertising, then I don't feel it's up to the city to intervene.
2. The city should not allow portable signs at all! They are so ugly and make Sault Ste. Marie look really trashy. They are so makeshift and cheap looking. First impressions are so important and those signs make Sault Ste. Marie look like a second rate city. Come on Sault Ste. Marie have some pride in your appearance! Get rid of all those ugly portable signs.
3. There are three main concerns with the proposed changes to the portable sign by-law from the perspective of a business operating in the industry. These changes are particularly concerning as they have the potential to completely shut down portable sign rental companies operating in Sault Ste Marie. This leads us back to the role of a by-law and ultimately the role of City Hall. This role should be to foster an environment that welcomes business, large and small, in Sault Ste Marie, and regulate this environment to ensure fair competition, as well as a safe and attractive landscape for citizens to enjoy. The reason for amendments to the by-law should stem from the need to enforce citizen safety (such as proximity to roads and visibility issues), along with a fair competitive environment. Amendments should not be made from a desire for our city to continuously strive to copy other cities, without considering the realities of Sault Ste Marie. The first concern lies in the time limit on portable signs. Although it was identified in the consultant's report that this has been successful in other cities, it is important to consider the fragmented nature of the Sault Ste Marie landscape. One of the largest costs for any player in the industry arises from fuel and vehicle maintenance expenses due to the travel distance required to place a sign. This averages 25 minutes each way, therefore the total driving time for one sign placement and removal is 100 minutes. During this time, businesses must pay a driver, and all associated vehicle costs. These costs are recouped through sign rentals with longer duration. Short term rentals are offered to entice customers to return for longer term contracts that will be profitable. By placing a time limit, Sault Ste Marie is eliminating all profits from the industry and forcing sign rental companies to close their doors. This leads to the benefits of portable sign rental companies in Sault Ste Marie. These companies play a large role in the city, one that may often be overlooked by those that complain about their appearance. Portable signs provide an effective and cost efficient medium for businesses to advertise when they cannot afford traditional TV or radio advertising, permanent bill boards, or when they are searching for another option to directly target customers. This method has proven success of increasing revenues for these businesses, leading to the ability to hire more employees, retain spending in Sault Ste Marie, and ultimately pay their taxes to continue supporting City Hall. These signs are a great way for a new business to gain the necessary traction to succeed, without requiring a large investment. Sign rental companies also provide jobs for students that are flexible in nature, allowing them to pay up front for their education instead of financing, and their taxes again support City Hall. The second issue with the proposed by-law is the colour limit on sign letters. This amendment will not make signs any more attractive, and will only decrease their effectiveness as they will become harder to read when there is less colour contrast. Relating back to the reason for by-law amendments, changes should

not be made as a "make work" project for those involved in drafting the by-law, rather they should be a well thought out update to ensure fair competition, safety, and landscape attractiveness in Sault Ste Marie. Letters only become unattractive when they become UV damaged, which is why our business and others in the city strive to make significant capital investments in new letters each year. When making these investments, we expect a 3 year useful life. By eliminating some of these letters from the allowed colours, businesses have now made investments to update their signs' appearances that cannot be recouped, further destroying the portable sign rental industry. The third issue with the proposed changes lies in the restriction on third-party advertising. Most businesses that use portable signs do so since they do not have their own frontage to advertise. This consists of many businesses in the downtown area, and any others that want to draw patrons from other areas of town. No third-party advertising will not only eliminate a large portion of portable sign company customers, but will also destroy the ability of businesses that do not have frontage on a busy street to attract customers without significant investment in other forms of advertising. One of the largest reasons for making by-law changes that was mentioned in the report is public complaints over the distraction relating to portable signs. Although these complaints must be taken into account to ensure citizen safety, as shown in the past with PUC and other debates, complaints often come from individuals that are searching for reasons to complain about the city. If all these requests are catered to, business will come to a halt and no one will be able to operate. Changing the by-law with the proposed amendments to curb these citizen concerns would be similar to eliminating City of Sault Ste Marie landscaping crews due to noise complaints, or eliminating road maintenance crews since traffic may back up. The services mentioned, similar to portable signs, are vital to Sault Ste Marie and by-law changes must not eliminate their presence.

4. This seems unnecessary. If there is a valid need for change it should be expressed so people can comment and vote intelligently.
5. Should be restricted where they obstruct roadway or sidewalk.
6. 1st point is good 2nd, as long as it is not impeding traffic or sight of traffic I don't see why its not a problem going on city property 3rd. shouldn't matter what they are advertising 4th. shouldn't matter how many signs a business wants to use, if they want to spend the money on advertising, why not let them. every little bit helps the economy. 5th. what does the city have against the red letters? If it is because they fade, the sign company that owns the letters should take some pride in there business and keep there signs looking good.
7. all signs should be a same size and shape. should be on the owners property and should not restrict the view of motorist or people walking in or around traffic or parking lots. again the gauntlet of signs are restrictive and make our city look like a trash can.
8. Points: 21 day Hiatus -- 1 week would be more appropriate many businesses on side streets only have availability to use city property businesses supporting NPO's wouldn't be able to promote events etc. colour restriction unfair and unnecessary
9. The regulations should move toward eventual elimination of portable signs. Current signs could be grandfathered for a period of time (say 5 years) but no new sign permits should be issued effective the date of the new regulations.
10. No third party advertising, I think non profits who cannot afford to pay for advertising should be allowed to use business portable signs if the business is allowing them to do so at no cost, raising money or getting your message out is hard enough already, but the same 30 day display period should be enforced
11. I agree that the lettering on signs should be neat and orderly ..some signs will have three or four different colours to depict one sentence. The sign pictured above (Little Ceasars) is perfect; however, there are some signs that use different colours in one word.
12. I disagree with portable signs, not just because they are often grammar and punctuation nightmares, but because they look like "junk."
13. Most of these signs are an eye sore and make our city look junky!
14. These signs are great for small businesses in the downtown area, no third party advertising eliminates their ability to advertise.
15. Do the colour of letters really matter? , how about orange , red , ect. max 30 days ? .. that doesn't seem like much .
16. Undecided. I agree there are too many but this is all some people can afford. Restrictions are necessary but hopefully without putting users or companies out of business.
17. 30 period irrelevant, all other ok
18. First off, I do not see the point in devaluing the visibility of advertisements. Businesses should be able to choose which ever colours they would best like to advertise with and are the most reflective of their business. Also, the new limited term contracts will impose a major strain on the city who will need to waste time keeping track of permits when they could be doing more valuable things.

19. the content includes too many variables. Is it location, colour, time for display, renewal of permits or what? The only option is to say too restrictive unless one agrees with everything. Get some help with survey construction--it is obvious the writer is biased!!!
20. Our church uses mobile signs for advertising our Silent Auction each year. This is for a non-profit organization and enables us to reach more people. If no third party advertising is allowed on a site that is not our church, that restricts the number of people we can reach out to. The person who owns a mobile sign business should be able to have more than 3 mobile signs to rent out.
21. As a retailer this will limit our ability to drive incremental business through weekly advertising, promotions and limit our ability to convey messages regarding services we provide to our customers.
22. Third party advertising should be permitted
23. A business should be allowed to keep the sign up as long as it wants. (providing they share time required). A thriving business is good for the economy. Advertising is part of increasing revenue. I agree that there should be a limit to how many signs are posted on a property.
24. City is gauging the tax payers again!
25. 30 day limit seems excessively short and color restrictions seem unnecessary
26. I have a real dislike for portable signs. They are real trashy looking.
27. Display limit/permit restrictions are ridiculous. Private property I agree with. Colour of letters - seriously? This is what you want to spend your time monitoring?
28. Limit number of portable signs to one per property.
29. The last reference to the colour of lettering and background could be refined to include a more appealing looking portable sign
30. Businesses have peaks and valleys where these signs play a role in having your messaging displayed. It should be for 3 month intervals - twice a year. On month does nothing, except cause financial burden to the business owner for 1 month at a time. Extra expenses in labour for the sign companies. No win situation with proposed regulation.
31. Hello? The proposed regulation seems way too restrictive and an administrative nightmare. Business needs to advertise, let them ... and be creative with color and design!! I'm actually quite shocked at this proposed regulation.
32. From a 2 year period to 30 days is too dramatic a change. I would suggest a maximum 60 days with a grace period of up to 2 days to cover months with 31 days.
33. Many business rely on these signs as their main source of advertisement. The restrictions that are being proposed are to strict and WILL have a significant impact on many local small businesses. There has to be comprises made by everyone that will be fair and respectful of the public and the small business owners who are either using the signs for advertising or who's business it is to supply the signs for advertising.
34. clutters visual space. how will city address mobile digital signs?
35. Businesses are wasting their money with these signs; it's that simple! These signs are not eye-catching and simply block views of businesses behind them. They are too often ill-placed and cause an obstruction of view of the roads.
36. Not to take place of a permanent sign
37. It make sense to limit the number of signs based on the size of a lot but these restrictions make no sense. They are both arbitrary and easy to work around.
38. Don't know about the 30 day display period when a permit that is issued last 2 years. definitely no 3rd party advertising. Each business should not have more than 1 sign at any time issued to them.
39. That would take sales away from local business & revenue away from portable owners !! What a ridiculous proposal !
40. 30 day display is a bit ridiculous. Maybe 6 months at a time is more reasonable
41. 30 days on and 21 days off with only 3 permits per year is too restrictive. There are many businesses that don't have any frontage on which to put a sign. Over the years the road widening projects have taken away any frontage that they have. Many can't even have a pylon sign. I agree with No Third Party advertising. Restricting colours to white, black or yellow will make all of the signs look old and outdated.
42. Portable signs should be banned altogether. Unless the city will have a sign bylaw officer on the street even the above new rules will be hard to enforce.
43. Portable signs are an eyesore and should be very strictly regulated to discourage the flooding of signs we see now.
44. #'s 2 and 4 are acceptable; #'s 1 & 3 not necessary
45. I agree that there needs to be a max time of display (maybe 45-60 days) - keeps signage fresh and hopefully professional-looking. Think 21 days may be too long of a hiatus - may 7-14 days. agree with balance of proposed reg.
46. support locate entirely on private property & no 3rd party advertising

Billboard Signs

Question 4: Currently, billboard signs are permitted on portions of Great Northern Road, Second Line, Trunk Road, and up to 25 signs in the downtown area. Billboards must be at least 120m (394') apart and cannot locate within 60m (197') of a residential zone. What is your opinion on the following proposed regulations for billboard signs?

- Minimum 75m (246') separation from any other billboard.
- Not permitted within 75m (246') of lands zoned residential.
- Permitted upon portions of Great Northern Road, Second Line and Trunk Road.
- Not permitted in the Downtown. (existing billboards permitted to remain.)

Comments: 26

1. nothing digital and nothing flashing colours or graphics or anything that moves especially at night and especially LED lights they are distracting and they are hard on the eyes at night
2. Do not allow billboards at all in lands zoned residential. That is just tacky. Go and visit a city where there are extreme controls on bill boards and signage and see the difference in overall quality it makes to a city's appearance.
3. Downtown could (or should) be able to
4. Again, is there a need for change? This should be communicated clearly first.
5. same as question three
6. I think should be added if a existing billboard is left empty for a period of time (say 3 months) the sign needs to be removed and new applications will be taken for new location billboards, nothing screams old and junky than a empty billboard frame makes a whole area look terrible!
7. This seems reasonable.
8. Locations should be made available to more than 1 company. Many billboards appear unkept with graphics falling off of them. Rules unfair to companies that don't have any billboards now. Gives all the power to 1 company.
9. I agree with the 394 feet apart as to the proposed 246 feet apart.
10. Don't Need Them at all
11. Why no billboards in the downtown core?
12. Who will police this? Current signs have broken permit rules since day one and are still standing. What difference will any of these policies make?
13. Maintain the 120m separation.
14. Grandfathered billboard locations or signs grandfathered? Meaning if a current permit holder does not renew will the location be closed - eventually allowing for no signs in the downtown?
15. Need to explain which portions of Grt Northern Rd, 2nd Line and Trunk Rd where they are CURRENTLY located.....and will that ever change?
16. These are awfully ugly
17. Due to downtowners not owning any land, but the building - it should be allowed that the sides of their buildings be allowed as a designation for billboards. The size could be regulated.
18. Why so many limits? Agree with the minimum 75m separation and the residential but not limited anywhere else
19. Transitional or directional signage from Hwy 17E and 17N is needed to drive more traffic into the downtown area. If we want the downtown to revitalize, we need to point people in the right direction.
20. don't like at all - should only be used for public messaging
21. The businesses putting forth money for wise advertising should be able to continue to advertise in this manner.
22. Billboards, other than those grandfathered, are permitted along Great Northern Rd. from Third Line East and Northward only.
23. Why can we not have billboards downtown? As long as they meet the other requirements, this is an odd restriction.
24. Signs cannot be grandfathered in all the time. Getting tired of hearing that line..... Billboards that are in disrepair should be taken down and once they are taken down or need to be rebuilt they should automatically be removed completely and not be allowed to rebuild them. There are too many billboards in our city right now.
25. # 4 could be deleted

26. Not near traffic lights? That would be good.

Digital Signs

Question 5: The proposed approach to digital signs is similar to existing regulations. What is your opinion on the following proposed regulations for digital signs?

- Image displayed for a minimum of 15 seconds.
- Minimum 100m (328') setback/separation from a signalized intersection & 50m (164') setback/separation from a non-signalized intersection of two public streets.
- Permitted in commercial, industrial and institutional areas only.
- No 3rd party advertising is permitted, that being advertising a business, good or service that is not available on the same site which the sign is located, unless the sign is located in accordance with the billboard regulations.

Comments: 50

1. signs need to be regulated regarding intensity and motion.
2. nothing digital and nothing flashing colours or graphics or anything that moves especially at night and especially LED lights they are distracting and they are hard on the eyes at night (the one on Second Line at Leon's proves this!!)
3. Very disruptive to driving
4. There needs to be more restrictions around the colours that are used, the sign that can be seen from the great northern road intersection are distracting and lure the drivers eye.
5. These signs are far too distracting to drivers, especially at night. The reason why business' choose them is for that very reason...you can't help but notice them. I agree with allowing them to be used on venues such as the Essar Centre to advertise upcoming events, but otherwise, they seem to be used solely as a means of income for business' using them to advertise for third-parties. I am in favour of restricting the use of these signs even further than as outlined above.
6. Enforce the sign law at the real state stop on Gore St.
7. Get rid of the one at Queen and Gore as it is right between the signal lights. Can't use a cellphone while driving but you can read about mortgage rates when approaching these lights. Just as distracting in my opinion.
8. The 3rd party portion seems unreasonable. However, an added regulation should include colours and flashing borders (such as the sign at Leon's on 2nd Line which is hugely distracting).
9. same answer as #3 and #4. as well, the digital signs are very distracting to drivers and some one will be hurt or worse.
10. What about the brightness of the signs? they are extremely bright.....
11. currently the signs are too bright, very distracting
12. Why the restriction on 3rd party advertising... although this does not apply to grandfathered signs the new regulation would penalize new digital signs Again business' supporting NPO's wouldn't be able to promote events etc.- negative for both business and NPO who rely on supporters to market programs and events
13. 164' set back from a non-signalized intersection is too much, we should be trying to help business owners promote their business not block them, times have changed with people's attention spans digital signs certainly look much more professional and modern than what is widely seen on main streets like Great Northern Road, our City should try to look more current digital sends that message!
14. The city should NOT be in the business of regulating speech. Any ban on third party advertising is wrong for the city to implement. As long as sign are safe and within size limits etc, the city should butt out. Related: does the city really want to start enforcing and spending money to do so, in reGard to issues of speech!?
15. These signs are distracting, but private owners should be able to use them.
16. Setbacks are too great a distance. These signs are the future. Other cities have them, what makes us so special we cant have them within 300 feet of a intersection?
17. Have you seen that sign on second line and great northern? With the obnoxious bright white flash for advetising? So distracting! Brightness needs to addressed!

18. Last point is too restrictive.
19. content of these signs can be questionable; should be restrictions against nudity and subliminal messaging
20. Why do you not want to permit 3rd party advertising? That seems like it impedes on the business owners right to display whatever they would like on their signs. Also, there are other businesses who would benefit from being advertised on signs in a visible location. Why not allow the city to be like every other successful city in Canada?
21. should be able to develop revenue from the billboard as its on their own property that is ridiculous.
22. Many businesses occasionally help out organizations planning special events by advertising on their boards. This is extremely helpful to the organization and should be allowed to continue.
23. Too distractive
24. Should be set back further from signalized intersections - these signs are exceptionally bright and very distracting. 3rd party advertising should be allowed.
25. Drivers should concentrate on driving not reading signs. Changing verbiage and images are a distraction. Some are placed which affect line of sight and they are too bright.
26. Not required at all.
27. There should be an additional rider in respect to signs that emulate emergency vehicles. The sign opposite the Water Tower by Leons flashes like a strobe light. It is a menace and goes beyond advertising.
28. Only change I would suggest is the last bullet. There are times when it would be nice to be able to possibly promote an event in the city that is taking place elsewhere from where the sign is located. For example say the sign might promote April is cancer month or such.
29. specific restrictions should be or in place to make sure that the signage does not prove distracting to drivers. I would prefer if they were not allowed at all in the downtown core.
30. What about the current signs breaking these rules - will you just grandfather them in even though they have not followed the rules since day one?
31. I would rather see the digital signs used to combine advertising to allow the removal of other signs
32. Where are the measured distances taken FROM, the edge of the intersection, the middle? You also should convert the 100m to 328', that is missing from this description As long as the brightness factor is controlled, and each ad is there long enough to read, I agree with digital signage. I don't agree with statement #4 regarding the 3rd party advertising..... billboards are there to make money. (and no, I don't own one)
33. Agree with exception to third party advertising - why not?
34. Digital signs are distracting, and too bright. I find it's hard to look in the direction of them. I don't believe that should be allowed at all.
35. I don't really understand the 15 second rule, but I assume there is a reason!
36. Public safety should be protected from distracted drivers
37. prefer none if allowed, 15 seconds too short - should be at least time length of full intersection cycle X 2 prefer not to be visible from any public space no advertising directed to children brightness in lumens regulated relative to ambient light levels (current ones are far far too bright)
38. Digital signs should have advertisements changing at slower intervals, such as 30 seconds. The drastic change in colour from these signs tends to create an unsafe driving experience at night. Abrupt sign flashing may cause traffic issues if not used in moderation.
39. In my experience, the digital signs are too bright, and the rapid "flash" as they change from one image to another is very distracting to drivers.
40. No Animation
41. I find these digital signs to be an extreme distraction while driving or stopped at a red light. they are blinding at night time and an all-around nuisance to view. To have more in this city, i believe would have the potential to cause many more accidents.
42. I don't agree with the restriction on third party advertising. I would include restrictions regarding how bright a sign can be (not colours but actual light).
43. Don't know how you will regulate 3rd party advertising on some of these as that's what they were constructed for (Sign Guys Digital Sign)
44. There should be restrictions on the brightness. There should be no animation.
45. If the sign owner wanted to advertise a charity event it would be restricted. That seems unfair.
46. There are too many digital signs with too much animation. They are very distracting. I agree no third party. The signs must be monitored though. Once you put a bylaw in place, someone has to enforce them and not wait for complaints as is the situation now.

47. I believe the 100m setback from a signaled intersection to be excessive,. the set back should be 50m and 25m . Already individual retailers have applied for exceptions and the installed signs have not caused any traffic safety issues. I agree with the 3rd party ad restriction
48. I find digital signs distracting.
49. This should include no video, animation, or moving graphics. Just simple slide transitions, nothing too distracting. Still image for minimum of 15 seconds each.
50. Some sort of limitation governing brightness

Digital Readerboards

Question 6: Currently, digital readerboards are subject to the same regulations as digital signs, including significant setbacks from intersections. What is your opinion on the following proposed regulations for digital readerboards?

- No additional setback requirements from intersections.
- Maximum 30% of permitted sign area.
- 75m (246') minimum spacing from another electronic sign.
- No animation or visible effects.
- Image displayed for a minimum of 15 seconds.
- No temporary sign on the same lot.

Comments: 33

1. about right if I'm understanding that these regs are tacked on to those of the digital signs. Cause distraction to drivers, obviously.
2. I think the no third party advertising is unnecessary. The rest look good.
3. sounds good, except the no animation part.
4. same
5. I disagree again with this No third party (off-site) advertising.
6. Again third party advertising should be allowed in cases again of non profits, and also for business or non-profits who are trying to off set their costs of the sign or create an additional source of income, business's should be allowed to sell space on their signs to third parties
7. Again. Leave content rules out of it and leave issue of additional temp signs out of it. There may be legitimate need for temp sign and digital billboard on same property and the property may be such that they can coexist nicely. The city is going too far
8. Maximum 30% of sign ? increase to 50%
9. See comments on question 5
10. Animation should be OK within certain limits, all else ok
11. Opposed to ban on third-party advertising.
12. I don't understand the setback issue
13. come on in this digital age you cant have animation... really... I realize its safety, but people walking on the side walk are just as distractive. so lets get rid of side walks while we are at it.
14. Again, the third party restriction means no advertising for many group events.
15. No changing messages. These are designed to attract your attention not a good move for drivers. There are enough distraction along the road ways with out adding to them.
16. Second last bullet, I would make exception for possible promoting of special events going on in the City. There are times when it would be nice to be able to promote an event in the city that is taking place elsewhere from where the sign is located. For example when the City hosts some big event like the Brier or a special happening like the Easter Seals Telethon etc.
17. These signs due cause traffic concerns and can be distracting

18. What does Newmarket have to do with Sault Ste. Marie? I have never seen this type of sign in Sault Ste. Marie
19. With regard 3rd party advertising, the sign you show above has 3rd party advertising..... Township of Newmarket is Advertising for Girl Guides.... so I disagree with your statement about 3rd party advertising and it should be allowed.
20. Agree with exception to no third party advertising, no temp sign on same lot and no animation - again why?
21. Similar to digital signs, I think people are distracted in trying to read these.
22. Not sure why the sign owners cannot use animation or visual effects.
23. I do not understand the 30% sign area rule or the 15 second rule or the definition of a temporary sign.
24. Businesses and/or schools should be able to advertise this way. It is often on private property, and when consistently changed to suit the businesses needs, get out useful information to passers-by.
25. With the no third party (off-site) advertising - would this limit a business to rent billboard space.
26. These signs that change every 15 seconds are a hazard to drivers. I have had many instances where the driver in front of me is slowed down or not paying attention to the road or surroundings, but instead, reading the sign talking about school games or real-estate...
27. Again, third party advertising. There are situations where this is legitimate.
28. I would like the maximum permitted sign area of the readerboard to be 50%.
29. Digital readerboards should not be placed anywhere close to an intersection. Any digital signs grandfathered in especially at intersections should be taken down and not be allowed to stay up. They were clearly in violation of sign regulations even when they were put up.
30. Policy seems resonable except for: -Maximum area should be 50% Basic visual effects should be allowed, display logos etc.
31. I find these signs distracting.
32. # 7 not necessary
33. Why no third party advertising? Most businesses help non profit organizations advertise events that raise money.

Ground Signs

Question 7: Currently, there are no limits to the size or maximum number of ground signs permitted per business or property. Current setbacks from front lot lines vary from 0 to 6m (20') depending upon the zone in which the sign is located. What is your opinion on the following proposed regulations for ground signs?

- Maximum sign area of 0.3m² (3.3ft²) for each 1m (3.3') of lot frontage.
- 1 ground sign per lot or 1 ground sign for each 200m (656') of frontage on a street.
- Minimum setback of 1m (3.3') from a front or exterior side lot line.

Comments: 14

1. setback could be a minimum of 2m
2. I believe there are already restrictions to the minimum height of the bottom of sign to allow visibility underneath. ie. the daycare/childrens centre at boundary and hardward. They were told not to close in this sign underneath because of the urow, instead they used brick to close it up anyway.
3. Minimum setback from lot line be 3metres.
4. One ground sign per lot or per 656'. some of these lots have several business fronts but no signage space available, not sure if that would be good for new business thinking of setting up shop in Sault Ste Marie
5. Need pictures to understand this. The question is unfair in that it can't be interpreted
6. Lose the sign area ratio. and the 1 ground sign per 656'. This would be harmful to business
7. What if you have several businesses in one location, but only have very little frontage. Unfair regulation
8. I think each property needs to be reviewed, you can't put limitations based on frontage, we have no idea how large any given property is in relation to its current sign (Walmart for example) to have a real comparison. If asked, I would say Walmart, (Great Norther Rd location) has a driveway frontage width on to 2nd Line and the same onto Grt Northern. Does that mean they should have a very tiny sign?

9. Provided that businesses on corner lots are allowed to have, for example three signs to cover a large lot with multiple driveways (i.e. one sign at the corner and two additional signs on the outermost corners of the property).
10. cluttered - prefer none
11. Customers; including travellers and visitors want to be able to easily find the stores they need. Ground signs are an effective way of getting customers into the businesses without flashy and distracting advertisements.
12. seems like there should be a maximum size allowed
13. Setbacks have to be flexible to accommodate businesses with little frontage or room for setbacks.
14. Anything about Height?

Projecting Signs

Question 8: Currently, projecting signs can only project 7.6cm (3") onto city property, which has the effect of prohibiting projecting signs in the downtown area where buildings have been constructed to the lot line. What is your opinion on the following proposed regulations for projecting signs?

- Maximum horizontal projection 1m (3.3')
- Maximum sign area 1m² (10.7ft²)
- Minimum 2.75m (9') overhead clearance above grade.

Comments – 23

1. I am absolutely in favour of allowing these signs. I believe these types of signs add a certain amount of "quaintness" to a downtown area which is currently lacking in Sault Ste. Marie.
2. 1 m allowance onto city property is excessive
3. sign must be all the same size and attached to the building of the business. not on city property
4. projecting signs would enhance the look of downtown and potentially help downtown businesses
5. Height clearance is too low. Should be at least 12 ft.
6. I think signs that stick out add character. Turning Queen St. into a two way street and permitting flexibility in signage would help revitalize the down town core. I know this has been recommended for years by consultants and others. Why is it taking so long to do the right thing.
7. Let the signs have a little more area on them...too small and restrictive...I rather like the different hanging signs that currently exist in some towns in Ontario...gived the stores character as opposed to the flat front signs they already have!
8. These would help downtown businesses
9. Must be installed properly as they are subject to stresses and people walk underneath them
10. Business should be able to use projecting signs so long as they are high enough and will not impede with regular city maintenance, ie. will not block sidewalk cleaners, or pedestrian traffic.
11. Perhaps extend the project up to 4' or 5'. I believe the signs in the picture extend beyond 1m from their respective buildings.
12. The signs in the photo have character to them. Should be mandatory.
13. Signs like this should be encouraged, especially in our downtown core. It is difficult enough to find a storefront when driving down queen. If they could be a bit larger, it would be easier for shoppers to support the downtown community.
14. a maximum horizontal projection of 1.22m (4ft) makes more sense. other than that, the other dimensions sound ok.
15. But I don't own a business requiring these signs so I don't know
16. More hanging signs! They are much more attractive and bring a friendlier more local feel. They aren't as flashy and commercial as others.
17. New proposals sounds beneficial to Queen Street merchants.
18. Projecting signs add a high amount of character to downtown. Sizes and distances will vary based surrounding structures and signs.
19. Many or most of the buildings downtown that host new shops were built decades ago and the current businesses can't help if the property line is ** close to the building itself. Projecting signs are useful to pedestrians to clearly see the business they want to go to. The bylaw shouldn't be so strict as to how far the sign can project in front of the building.
20. The clearance issue above grade might be hard to comply with for some businesses that wish to have this type of sign.
21. Maybe have a comment of max 115Kg otherwise they need General review by Architects or Professional Engineers.

22. love the idea of projected signage ... especially on Queen Street. I believe this sort of signage would only enhance the look of Downtown and keep with a sort of heritage theme.
23. they could be used downtown to help people find the place they are looking for.

Window Signs

Question 9: Currently, there are no regulations pertaining to window signs. What is your opinion on the following proposed regulations for window Signs?

- Sign area cannot exceed 20% of glass surface within a frame.

Comments – 43

- 20% max is ridiculous . window signs such as perforated vinyl are designed for sun protection and privacy and are effective only if they cover the entire surface. There are no complaints in this area and we are better served dealing with sign issues that we have complaints / issues with currently.
- For some businesses, a window sign is the only means of making themselves visible, and given that they are not particularly offensive to look at or distracting in nature, I don't feel as though they need to be regulated.
- Coverage size on glass surface is irrelevant so long as signage is opaque (think bus window coverings)
- In the new signage bylaw please include a condition that when a business goes out of business or is no longer operating at a specific location that they or the landlord must remove the old signage within 10 days after the property is vacated. Again it is unbelievably tacky to leave signs of defunct businesses and organizations in place for years.
- What is the point of regulating a private business sign that doesn't affect anyone else. Unnecessary bureaucracy.
- There is no reason to restrict window signs
- shouldn't be any restriction
- Do we have the financial ability to have a staff person monitor all of this. Why are we adding restriction? Business owners pay taxes and should be able to advertise in their window in their chosen fashion. If they put too much people will ignore it... let them be the marketers. I do not see that this interferes in any way nor is it a hazard. What are we thinking??????????
- I love the look of places like the Dental place on Great Northern Road, the Wine place on Queen and even the Chamber of Commerce, they have taken pretty boring building fronts and made them look good and inviting, businesses should be allowed to cover their windows if need be to help them be successful!
- Need to understand how this is measured. By total area of each letter added together?
- This city needs to focus on more important issues.
- its the business's window let them cover as much as they would like.
- Why would you possibly regulate this. These windows belong to people paying rent and taxes. Leave it alone. Dont clutter the bylaw with this. How many complaints have been registered about this? Unless the image is offensive or racist, leave it alone.
- Excepting relating to special signage that promotes city unity - temporary signs including business a name supporting hounds, city anniversars, etc - have set time limits?
- If a business wishes to crate a sign that will completely impede all visibility out or into a window that is their own choice. The amount of visibility and sunlight that a business can receive due to a window sign should be left to that business' discretion.
- Mind your own business and let the business mind theirs.
- seriously, its My window, if I want to fill it why cant I, that is going too far! Way too far! How are people to advertise in this city... yet again another narrow minded city move, and then we wonder why we dont see growth in this city.
- I see no reason to regulate what businesses put in their windows.
- it is my window in my building, if I want to advertize in this space then I shall and the city cannot regulate this.
- If a person owns a business, they should be allowed to advertise on their own window if they wish.
- Let the business owner do what they want.
- Example looks nice.

- Why should the city care about what a private business chooses to put up in their window? Seems a bit nit-picky to me...
- Seriously, why would you bother regulating signs on a window? It is no way obstructive or intrusive to anyone. It's like telling someone what colour they can paint their house. The current 'non regulation' should remain.
- These signs are cost effective to many business owners just starting up. Window signage should be allowed more than the 20% proposed! Sometimes they are often used to block irritating sun glare and can be used to prevent heat buildup in a premises. Go bigger in size:)
- Should NOT be any regulations for window signs - and again ... why??
- The owner should be allowed to control his/her own window signage.
- Im not sure why this is a city matter...
- Windows are a great source of advertising, why would there be a limit to the amount of window space allowed to be used.
- This is an effective and reasonable bylaw. It creates a good balance between effective advertising and pleasing customers.
- the main concern is who is going to enforce all of the restrictions.....
- Window signs are entirely contained within a private space and should not be subject to any regulation beyond what already exists. If you would do this, how would you define window signs? Would this include things like holiday window painting? How would you distinguish that from random or seasonal art? Does this apply to signs in the window but not written directly upon it? This would simply be legislating beyond acceptable bounds.
- Currently these days full colour digital images with perforated vinyl is very popular and is very attractive to the visual effect of the business. This coverage percentages will be hard to regulate.
- We need clarity on what is meant by a "sign in a window"...Does simple lettering constitute a sign? eg. "SALE" "50% OFF" "MERRY CHRISTMAS"...temporarily painted on the window
- If it is within the business owner's private space, keep your nose out of it and let them choose how much they want to fill it.
- A business's window is their own way of advertising. It should have no restrictions. Thus is a free way of doing advertising. If they want to fill the window so be it
- This is ridiculous!! Where businesses have no frontage, no pylon signs and cannot even have a portable sign, they must be allowed to have window displays. They are very effective and can improve the look of a storefront dramatically.
- Completely disagree. There should be NO RESTRICTIONS as to what type of sign a business wants to put in his/her window.
- I do not believe the city should limit what businesses put on their windows. If they can't have a sign off the building due to projecting restrictions window may be the only option.
- There should be some regulation on digital signs that are placed in windows, there are several businesses in town that have attempted to install a digital sign in a window to circumvent the bylaw.
- Businesses already have too many restrictions. I'm ok with signs unless they have proven to be dangerous in certain locations.
- Does this really matter?
- 35%

Appendix 4

Written Comments



TOURISM

Sault Ste. Marie

a division of the SSMEDC

City of Sault Ste. Marie Signage By-Law ***Tourism Sault Ste. Marie Position Paper***

Background:

Tourism Sault Ste. Marie is a division of the Sault Ste. Marie Economic Development Corporation, whose **Mandate** is: to represent the interests of the businesses and organizations within the municipality of Sault Ste. Marie for which tourism spending is a benefit to their business/organizational interests. Lead the marketing and revenue generation effort in attracting visitors from outside the city, and advocate on behalf of the tourism industry to community stakeholders, elected political officials, and municipal government decision-makers and enablers.

The organization receives the bulk of its funding from the private sector industry partners, and is augmented with funds from the City of Sault Ste. Marie, and the various levels of government and their respective funding agencies.

In its most recent Strategic Plan, TSSM developed the following:

“Vision” Being positioned as Ontario’s fastest growing visitor destination, having combined its local experiences with the natural wonders of Northern Ontario.

“Mission Statement” To drive the city’s tourism culture by developing unique visitor experiences, coupled with proactive positioning of Sault Ste. Marie as a destination of interest to both its demographic and geographic target markets.

While the Plan clearly outlined the key roles of TSSM as developing tourism products and marketing the community so as to attract consumers, group travel, along with conventions and sports tournaments, a new priority also emerged through the consultation with industry stakeholders and municipal businesses and organizations.

The role of TSSM, it is suggested, should focus on driving civic commitment and communicating the key role that tourism growth means to the economy of Sault Ste. Marie. Additionally, community leaders, from those in the public sector to the business community, need to be part of the solution to championing product development, festivals & events and, most important, enhancing the animation and attraction of the downtown core particularly between June and October.

...2

2.

There was a keen interest for the tourism industry partners to forge a relationship with Municipal officials to help provide input on matters that involved a variety of developments within the city, such as downtown beautification and upgrades, building construction, trail development, and of course signage, both from an information purpose, as well as way finding.

After the presentation to the TSSM Management Committee, by Don McConnell and Peter Tonazzo, there was considerable interest in providing input to the proposed City Signage By-Law proposal. The collective comments from the tourism industry are as follows.

Overall, TSSM is supportive of the proposed direction of the signage by law. It is the feeling that it supports the vision of TSSM to help create a more aesthetically appealing community, while at the same time enabling appropriate information and directional signage to be erected where required.

For the tourism industry, it is critical to have our community viewed as a welcoming, clean, and uncluttered destination, that is appealing to visitors, allowing them to enjoy the rich history and culture of our city and region, without the clutter of excessive signage.

We also feel that we have an opportunity to recognize how lighting and signage can help us create a product out of our dark sky where you can actually see the stars -

<http://www.midarkskypark.org/>

There is one area that the industry partners were quite passionate about, and that was the issue of “Portable Signs”. It was almost unanimous that they felt that the proliferation of these signs in our community have become almost a “blight” on the landscape.

It was clear in the presentation that these signs are seen as one of the largest issues affecting our community aesthetics, and as a result there is a change proposed.

While we are supportive in general, of the change proposed in this area, we think it does not go far enough, and advocate for a consideration of a ban on these types of signs.

Other successful, progressive tourism destinations where this type of sign is not allowed – Petoskey, Traverse City, Niagara on the Lake have created a true aesthetically pleasing environment, in which visitors and residents alike can truly appreciate the natural beauty of the community, without seemingly compromising the business community’s ability to market themselves.

Conclusion:

Tourism Sault Ste. Marie would like to support the efforts in upgrading the City Signage By- Law, and encourage a decision making process that meets the signage needs of the community, without compromising the importance of creating an aesthetically pleasing

and welcoming community. One that will reflect our desire to be recognized as a “progressive” in our thinking, planning and implementation processes.

Kevin Wyer – Chairman, Tourism Sault Ste. Marie

Draft Comprehensive Signs By-law

WRITTEN COMMENTS RECEIVED TO DATE

MAY 2016

1. Third Party Advertising for Portables – What business is it of the City to regulate what a commercial land owner uses on his/her sign?
2. How will the City address winter months for portable signs. Once the snow is on the ground signs are frozen into the ground.
3. Portable signs are a huge issue.
4. Permit applications should be done online, this would save time for everyone.
5. Sign companies should be licensed by the city, to help regulate signs, and make it safer.
6. Need to enforce the by-laws
7. Need to change: Max sign area of 50% of awning is too small.
8. Why is the city wasting time and money on a new by-law when the existing one is not being enforced?
 - a. Why does the City need a consultant for this?
 - b. As a taxpayer, I object to this as a large waste of time and money.
9. The time limit on portable signs is unrealistic.
10. The prohibition of 3rd party signs is hurtful to charities and other public institutions.
11. Restricting electronic readerboards to not more than 30% of a ground sign is too restrictive, it should be 50%
12. Issue with Building Code requirements that require a significant setback from overhead powerlines.



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Susan Hamilton Beach, P. Eng. Deputy Commissioner

DEPARTMENT: Public Works and Transportation Department

RE: Traffic By-law Update for Conmee Avenue and Wellington Street West Intersection

PURPOSE

The purpose of this report is to seek approval to amend Traffic By-law 77-200 in accordance with the 2016 budget decision affecting this intersection.

BACKGROUND

During the 2016 budget deliberations, Council approved the removal of traffic signals at this location as it no longer met warrants.

ANALYSIS

The traffic signals have been removed and based on recommendations of the Traffic Division, the intersection shall be stop sign controlled on Conmee Avenue. Initial observations indicate the intersection is functioning very well.

IMPACT

Amendments to the Traffic By-law 77-200 are required as follows:

Schedule F		
ADD:		
Intersection	Direction of Traffic	Stop Street
Wellington Street West and Conmee Avenue	Westerly	Conmee Avenue
Schedule G		
Delete:		
Wellington Street West and Conmee Avenue		

STRATEGIC PLAN

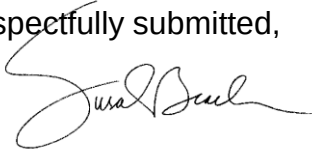
This amendment is not associated with any item within the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

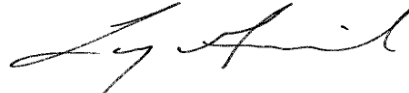
Resolved that the report of the Deputy Commissioner be accepted and furthermore that By-law 2016-85 found elsewhere on Council's agenda be approved.

Respectfully submitted,



Susan Hamilton Beach, P. Eng.
Deputy Commissioner

Recommended for approval



Larry Girardi
Commissioner



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Susan Hamilton Beach, P. Eng. Deputy Commissioner

DEPARTMENT: Public Works and Transportation Department

RE: Traffic By-law Update for Korah Road and Douglas Street Intersection

PURPOSE

The purpose of this report is to seek approval to amend Traffic By-law 77-200 in accordance with the 2016 budget decision affecting this intersection.

BACKGROUND

During the 2016 budget deliberations, Council approved the removal of traffic signals at this location as it no longer met warrants.

ANALYSIS

The traffic signals have been removed and based on recommendations of the Traffic Division, the intersection shall be stop sign controlled on Douglas Street. A 40 m parking prohibition is also recommended on Korah Road, on the northwest side to improve visibility.

IMPACT

Amendments to the Traffic By-law 77-200 are required as follows:

Schedule F		
ADD:		
Intersection	Direction of Traffic	Stop Street
Korah Road and Douglas Street	East/westerly	Douglas Street
Schedule G		
DELETE:		
Korah Road and Douglas Street		

Schedule A				
ADD:				
Street	Side	From	To	Prohibition Time or Days
Korah Road	West	Douglas Street	40m north of Douglas Street	Anytime

STRATEGIC PLAN

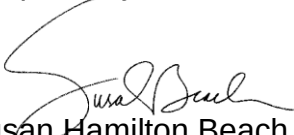
This amendment is not associated with any item within the Corporate Strategic Plan.

RECOMMENDATION

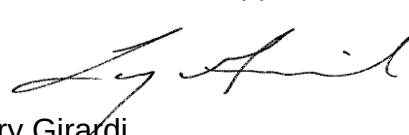
It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy Commissioner be accepted and furthermore that By-law No. 2016-86 found elsewhere on Council's agenda be approved.

Respectfully submitted,


Susan Hamilton Beach, P. Eng.
Deputy Commissioner

Recommended for approval


Larry Girardi
Commissioner



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don McConnell RPP, Planning Director

DEPARTMENT: Engineering and Planning Department

RE: Canal District Trail and Pump Track

PURPOSE

The purpose of this report is to obtain approval to award Contract 2016–12E. This project includes both the construction of the Esposito Park Pump Track and the extension of the Hub Trail through the Etienne Brulé Public School property.

BACKGROUND

On January 25, 2016 City Council approved a report recommending that these two projects be tendered together as the type of construction is very similar and savings may be realized with a larger contract. Kresin Engineering was retained to provide consulting services for both projects.

Tenders for this contract were opened at a public meeting on May 26, 2016 with Councillor Fata, contractor representatives and City staff in attendance.

ANALYSIS

A total of three tenders were received and reviewed by Kresin Engineering. Kresin's tender report and recommendations are attached.

The low tender of \$529,699.00 (excluding HST) was submitted by 1187839 Ontario Limited. This company has significant experience in this type of work and is capable of completing the contract. Council previously approved \$410,000 in funding for the construction, contingency, and professional services costs associated with this project (\$160,000 for the Hub Trail extension and \$250,000 for the Esposito Park Pump Track – including \$75,000 from two private sector donors). This includes \$350,709 for construction costs.

Both the Esposito Park Pump Track and Hub Trail extension construction components are over budget.

Staff has identified reductions in the low tender to bring the recommended construction contract amount down to \$456,959 (excluding HST).

The reductions include deleting the separate price item for the trail around the perimeter of the pump track, reducing contingencies and changing the specification of the drainage pipe. The perimeter trail can be added at a later date if funds become available.

With the recommended contract adjustments, the Hub Trail portion of 1187839 Ontario Limited's tender is \$202,412 (excluding HST). The Esposito Park Pump Track portion is \$254,547 (excluding HST).

As shown in the following chart, with these reductions, the construction component of this project is still over budget.

	Pump Track	Hub Trail	Total
Base Tender	317,287.00	183,536.50	500,823.50
Add: Pool Ramp		15,000.00	15,000.00
Add: Fencing		13,875.50	13,875.50
Less: Contingency Reduction	(16,500.00)	(10,000.00)	(26,500.00)
Less: Perimeter Trail	(38,240.00)		(38,240.00)
Less: Scope change	(8,000.00)		(8,000.00)
Revised Contract Amt	254,547.00	202,412.00	456,959.00
Construction Budget	(215,476.10)	(135,232.70)	(350,708.80)
Construction Overage (not including HST)	39,070.90	67,179.30	106,250.20
Total Additional Funding Req'd (incl non refundable HST)	39,758.55	68,361.66	108,120.20

Staff has identified the following funding sources to cover off the construction budget shortfall:

	Pump Track	Hub Trail	Total
Additional Funding Source Recommended:			
5% Subdividers Reserve Fund	40,000.00	20,000.00	60,000.00
Barrier Removal Reserve		15,000.00	15,000.00
Reallocation fr Downtown Development Initiative		35,000.00	35,000.00
Total Additional Funding Requested	40,000.00	70,000.00	110,000.00

IMPACT

The Finance Department has confirmed that the above identified funding sources could be used to fund the additional \$110,000 required to fully fund this project.

STRATEGIC PLAN

This project has been identified as part of the Canal District Neighbourhood Plan and is consistent with the Downtown Development Initiative, Esposito Park Pump Track, Hub Trail and Cycling Master Plan activities of the Corporate Strategic Plan. The Esposito Park – Pump Track is specifically referred to in the Corporate Strategic Plan under Strategic Direction 3: Enhancing Quality of Life, Objective 3A – Recreation/Culture Infrastructure .

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Planning Director dated June 13, 2016 concerning the Canal District Trail and Pump Track contract be received and that 1187839 Ontario Limited be awarded the construction contract in the amount of \$456,959.00 (excluding HST) and that City Council:

1. Approve the use of \$15,000 from the Barrier Removal Budget Reserve,
2. Reallocate \$35,000 in uncommitted funding from the Downtown Development Program, and
3. Approve an additional \$60,000 to be allocated from the 5% Subdivider's Reserve Fund for this project.

Bylaw 2016-83 appears elsewhere on the agenda and is recommended for approval.

Recommended for approval,



Donald B. McConnell, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

Recommended for approval,



Nicholas J. Apostle
Commissioner of Community Services

DBM:ps

Attachment(s)

May 31, 2016

Ref. No. 1601.11

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

**Attention: Mr. Nicholas J. Apostle, Commissioner
Community Services Department**

**Mr. Don McConnell, Planning Director
Planning Department**

**Re: City Contract No. 2016-12E
Canal District Trail and Pump Track**

Dear Mr. Apostle and Mr. McConnell:

We have reviewed the tenders received at the Sault Ste. Marie Clerk's Office on May 26, 2016 for the above-noted Contract and present herein our Tender Report and Recommendations.

Introduction

The tendered work generally consists of constructing approximately 260 metres of asphalt paved trail, complete with lighting through the Etienne Brulé school site in downtown Sault Ste. Marie. In addition, prepare the site at Esposito Park for construction of an asphalt paved pump track, employ the pre-selected pump track builder and supply labour, equipment and materials as required.

The contract was publicly advertised in The Sault Star on Saturday, April 30, 2016. Tender documents were made available to contractors who provided the required refundable deposit of \$50.00 commencing Tuesday, May 3, 2016. There were a total of thirteen (13) plan takers. Documents were also provided to the Sault Ste. Marie Construction Association.

During the tender period, various inquiries from plan takers were received regarding the technical specifications and drawings. One (1) Addendum was issued to provide clarification on issues during the tender period.

Summary of Tenders

Three (3) bids were received at the City Clerk's Office prior to the tender closing deadline of 3:00 p.m. on Thursday, May 28, 2016. 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. \$35,000.00 certified cheque). 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.	1187839 Ontario Limited	\$598,559.87
2.	Palmer Construction Group Inc.	\$732,780.71
3.	786222 Ontario Inc. o/a Phillips Haulage	\$747,566.50

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 786222 Ontario Inc. o/a Phillips Haulage's submission resulting in a minor adjustment to the total value in the amount of \$0.03, however the overall ranking was not affected.
3. The tender documents called for submission of Statements 'A' to 'D' which outline the tenderers' work experience, staff, available construction equipment and proposed sub-contractors. All bidders complied.
4. All tenderers were required to acknowledge receipt of Addenda. All bidders acknowledged receipt of the one (1) addendum issued.
5. All tenderers included the required \$35,000.00 certified cheque bid deposit.

Pre-Tender Estimate

The Engineer's pre-tender estimate for this contract was \$519,800.00 including HST; approximately 86% of the low tender amount. The tendered prices as well as the Engineer's estimate include \$20,000 contingency allowance and other provisional items.

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, 1187839 Ontario Limited, they have successfully completed many similar contracts in the past within the City of Sault Ste. Marie.

Recommendations

Based on our review of the tenders submitted and specifically the low tender submitted by 1187839 Ontario Limited, we believe the price quoted is reasonable for the proposed work under Contract 2016-12E. 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 1187839 Ontario Limited in the amount of \$529,699.00 (excluding HST) be accepted for award.

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

We confirm that the tender deposit of 1187839 Ontario Limited shall be held until such time as the project is deemed complete to the satisfaction of the City. We further recommend that the Tender Deposit received from the second lowest bidder, Palmer Construction Group Inc., 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
1601 mk tender report.docx

June 8, 2016

Ref. No. 1601.11

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

**Attention: Mr. Nicholas J. Apostle, Commissioner
Community Services Department**

**Mr. Don McConnell, Planning Director
Planning Department**

**Re: City Contract No. 2016-12E
Canal District Trail and Pump Track**

Dear Mr. Apostle and Mr. McConnell:

In follow-up to our tender report of May 31 2016 for the above noted contract, we have prepared the following summary indicating tender values for the two contract components – Etienne Brule School site and Esposito Park site.

The tender received from 1187839 Ontario Limited had a total tender value of \$529,699.00 excluding HST.

Etienne Brule School site

The work at the Etienne Brule School site includes construction of an asphalt paved multi-use trail forming part of the City's Hub Trail system along with lighting and other landscape improvements. The tendered amount for this portion of the work, including \$20,000 contingency, is \$212,412.00 (excluding HST).

In addition to the original scope of work, this value includes replacing two sets of existing stairs between the school parking lot and the Greco Pool building with accessible ramps at a cost of approximately \$15,000.00 as well as replacing chain link fencing at an estimated cost of approximately \$13,875.50.

If the contingency value is reduced to \$10,000, the resulting tender value is \$202,412.00

Esposito Park site

The work at Esposito Park includes construction of an asphalt paved bicycle pump track facility, as well as an ancillary perimeter trail. The tendered amount for this portion of the contract is \$317,287.00 (excluding HST), which includes \$24,500 in contingency.

The tendered costs related to the construction of the perimeter trail component are approximately \$38,240.00. This work can be removed from the project without impacting prices for other components. Should the perimeter trail be removed from the scope of the contract, the resulting cost for work at Esposito Park is estimated to be \$279,047.00.

At the Esposito Park site, there is also potential for some additional savings through negotiation with the Contractor as well as adjusting quantities and specifications for some of the materials proposed. We estimate that approximately \$8,000 can be deducted through this process without significant impacts to the final product. If these changes are implemented, the resulting contract cost is estimated to be \$271,047.00.

A further reduction in the contingency value of \$16,500 results in a revised tender value of \$254,547.00.

Closure

With changes to the scope of work at the Esposito Park site, and adjustments to the contingencies, the revised tender amounts are as follows:

Etienne Brule Site	\$202,412.00
<u>Esposito Park Site</u>	<u>\$254,547.00</u>
Total	\$456,959.00

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

/mk

1601 tender report addendum.docx

CORPORATION OF THE CITY OF SAULT STE. MARIE
CONTRACT NO. 2016-12E
FORM OF AGREEMENT

This Agreement made (in triplicate) this 6th day of June in the year 2016 by and between

1187839 Ontario Limited 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:

CANAL DISTRICT TRAIL AND PUMP TRACK
CONTRACT NO. 2016-12E

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:	1187839 Ontario Limited 815 Great Northern Road Sault Ste. Marie, ON P6A 5K7
-----------------	---

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

1187839 ONTARIO LIMITED

Signing Officer

(seal)

Witness



COUNCIL REPORT

June 13, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Malcolm White, City Clerk

DEPARTMENT: City Clerk's Department

RE: 2016 Kiwanis Community Theatre Centre Appointment

PURPOSE

The purpose of this report is to provide the necessary information to Council to make an appointment to the Kiwanis Community Theatre Centre (KCTC).

BACKGROUND

The KCTC is a charitable corporation that oversees the operations of the theatre centre located at White Pines Collegiate and Vocational School. The corporation consists of 3 members: the Algoma District School Board, the Arts Council of Sault Ste. Marie and the Corporation of the City of Sault Ste. Marie.

In 2015, Council appointed three citizens to the KCTC board of directors. One of those citizens appointed has now served for the maximum length of time allowed under KCTC by-laws, therefore a new appointment is required.

ANALYSIS

Following a notice for applications we received three applications from interested persons. The information specific to the interested persons is provided under separate cover.

IMPACT

N/A.

STRATEGIC PLAN

N/A.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the City Clerk dated 2016 06 13 concerning 2016 Kiwanis Community Theatre Centre Appointment be received as information.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Malcolm White', with a long horizontal stroke extending to the right.

Malcolm White
City Clerk

Kiwanis Community Theatre Centre – Interested Persons

Michael Goodship

James Kucher

Brian Wilson

Kiwanis Community Theatre Centre – Interested Persons

Michael Goodship

Krista Infanti

James Kucher

Brian Wilson

June 13, 2016

To: Mayor Christian Provenzano and Members of City Council
From: Tom Dodds, CEO, Sault Ste. Marie Economic Development Corporation

Re: EDF Request – Sault College iE3 Expansion

Purpose:

Sault College of Applied Arts and Technology is requesting a \$1M one time ask from the City, through the Economic Diversification Fund to support the creation of the new Institute for the Environment Education and Entrepreneurship (iE3). The funding request is for fiscal 2017 and early 2018.

Key Consideration:

Sault College has applied to other funding sources and has received approval from the Ministry of Training, Colleges and Universities (MCTU) in the amount of \$10.6M, and is awaiting approval of \$5M from the Institutions Strategic Investment Fund expected in June. An NOHFC application has also been submitted in the amount of \$2M and is proceeding to the 2nd stage.

The Institute will support the goals of the Growth Plan for Northern Ontario by providing northerners with world-class resources and opportunities for collaboration, experiential learning and development of advanced skills and technologies in the fields of ICT and environmental. It will help to attract investment and business growth in Northern Ontario, diversify the North's economic base, and increase the involvement of Aboriginal peoples in the northern economy.

Background:

Sault College has long identified the opportunities that would be generated by creating an institute for advanced studies and collaboration in the field of environmental studies and sustainability. In 2012, the College began the process to develop the iE2 concept that would bring together industry, academia and government and would foster experiential learning, collaboration and innovation in this field. Since its original conception, the iE2 has remained a key component of the College's strategy that has been continuously refined over time and has evolved into the *Institute for the Environment Education and Entrepreneurship (iE3)*. The iE3 will be home to Sault College's Natural Environment Programs (NE), Geographic Information Systems (GIS) and Information and Communications Technology Programs (ICT). It will provide state of the art experiential learning spaces and labs, with the needed capacity to accommodate identified, domestic and international, enrollment growth opportunities in these program areas.



The focus of the iE3 reflects contemporary labour market and industry needs and is aligned with current environmental priorities and designed to have maximal impact on our students, the community, and our partners. It will be a catalyst for innovation in ICT-enhanced environmental technologies, forestry, water and wildlife resource management that will help advance Canada's climate change and sustainability goals. The Institute will be a critical component of the innovation value chain for various industries such as those in the clean tech and renewable energy space, and will provide the physical resources and human capital to promote sustainability and growth for our region.

Meeting the Criteria for the Use of the Fund:

This project will create and protect jobs:

- With its significant induced impact, construction is known to be one of the best economic drivers. The construction association has estimated that a project of this size will yield approximately 166 jobs related to the construction component
- New jobs will be created at the College resulting from the increased enrollment, programs and collaboration with industry partners. We estimate these to include: 5 new full time equivalent positions (3 faculty and 2 technicians) and 10 part time positions (8 faculty and 2 technicians).

Key Performance Targets:

A) Provincial Priorities:

This project supports the **Growth Plan for Northern Ontario** and efforts by the Province, to grow and diversify the culture of innovation and entrepreneurship by way of the Province partnering with research, innovation and commercialization institutions and organizations to facilitate access to services and resources for incubating new, innovative businesses, including:

1. training, mentoring and networking opportunities, including supports for youth entrepreneurship;
2. funding and/or investment opportunities; and,
3. start-up and growth capital.

B) City of Sault Ste. Marie Priorities:

For a community to grow and prosper, it must have excellent educational infrastructure. By better determining our educational needs, including opportunities for the preservation and expansion of Algoma University and Sault College, Sault Ste. Marie will generate direct jobs, indirect and induced jobs as well as other related business opportunities.

C) GDP Impact:

	Performance Targets	Year 1	Year 2	Year 3	Economic Impact over 3 Yrs
1	Enrolment growth in Natural Environment (NEOS) and Information, Communication & Technology (ICT) programs:				
	Domestic - 10% of NEOS & ICT Enrolment	33	36	40	2,730,750
	International - 5% per year *	3	4	4	264,022
2	Additional Co-op Placements per year	10	12	14	144,000
3	Graduate employment rate increase	2%	2%	2%	
	Total				\$ 3,138,772

Note:

* Based on current enrolment of 2260 domestic and 67 international

Annual economic impact of one (1) student is approximately \$18,000 for domestic and \$25,000 for international

Net Job Creation:

This project will provide additional economic activity at Sault College and increase the financial sustainability by attracting more student enrolment (106 domestic and 11 international) in the program. **It will also provide an additional 5 full-time and 10 part-time positions.**

Increased Tax Assessment:

Not applicable to Sault College

Estimated Costs:

The estimated project cost for the Institute for Environment Education and Entrepreneurship project are as follows:

Project Costs:	
Planning, Design & Engineering	\$1,550,000
Project Management	\$1,000,000
Construction Costs	\$550,000
Furniture, Fixtures and Equipment	\$1,000,000
TOTAL	\$18,600,000

Proposed Funding Partners:

The proposed funding partners for the Institute for Environment Education and Entrepreneurship project are as follows:

MTCU (confirmed)	\$10,600,000
ISED-SIF (pending)	\$5,000,000
NOHFC (pending)	\$2,000,000
City of SSM (Pending)	\$1,000,000
Total	\$18,600,000

Economic and Community Benefits:

Sault Ste Marie is host to a leading world class forestry industry cluster, including Natural Resources Canada (NRCan), Great Lakes Forestry Centre (GLFC), and Ontario Forest Research Institute (OFRI), the funding will uniquely position Sault College to synergistically capitalize on the long term proximal benefits. The iE3 will attract collaborative private industry research from the large catchment of regional players participating in Canada's forest sector and spur innovation in the rapidly growing priority areas of advanced forest management and bio-economy innovation.

Other Considerations:

In reviewing this request for assistance from Sault College for \$1M, this project meets and exceeds the criteria for the use of the EDF fund and in addition the following factors were taken into consideration:

- This EDF request would appear to fit with the community's overall efforts consistent with the City and Growth Plan strategic priorities in education, training and entrepreneurship, however there is not enough funds in the EDF. Council will have to look outside the EDF envelope to fund this project;
- Increasing enrolment with international and domestic students from outside of our region brings direct benefits to local businesses and to the community groups and associations that they support and enrich.
- Upon graduation, young entrepreneurs will have continued support for their ventures through a variety of local organizations. They will have opportunities to start their new business in the SSMEDC's Millworks Center for Entrepreneurship or the Innovation Centre's Incubator, where they will continue to receive support and mentorship to develop their business into a successful enterprise in our community. Other local organizations that will continue to support these youth after graduation include: the Sault Ste. Marie Economic Development Corporation (SSMEDC), through their Small Business Enterprise Services and financial programs; and the Sault Ste. Marie Innovation Centre (SSMIC) with their Business Support and Business Incubation Services. These organizations would provide a broad variety of support services and resources from business planning and mentoring, to funding guidance, to office space and equipment for their start-ups.

Recommendation:

The SSMEDC Board recommends that City Council approve \$1,000,000 towards this project. In previous Council meeting discussions with regards to requests above the limits of the EDF, Councillors have indicated that they will review applications on a case-by-case scenario based on the merits of the project. It is important to note that the SSMEDC Board also recommends that Council render their decision outside the funding limitations of the EDF as this will completely deplete the fund and jeopardize any future economic development activities. As was noted, this is a one-time \$1M ask from the College.

SAULT STE. MARIE
ECONOMIC DEVELOPMENT CORPORATION

Board of Directors' Meeting

Tuesday, June 7, 2016
Millworks Centre for Entrepreneurship, 83 Huron Street

11:30 am.

CLOSED SESSION

AGENDA ITEM 2.2

Moved by: Don Mitchell

Seconded by: Terry Rainone

Whereas Sault College of Applied Arts and Technology is an important community partner; and

Whereas Sault College of Applied Arts and Technology has developed and is planning on building the Institute for Environment Education and Entrepreneurship (iE3); and

Whereas the Institute for Environment Education and Entrepreneurship is an exciting new project that will improve the education infrastructure in our community and will be available to students from across the province and country; and

Whereas the City of Sault Ste. Marie is working hard to diversify itself away from our dependency on our primary and historic economy; and

Whereas Sault College of Applied Arts and Technology has applied to our federal and provincial partners for funding support for the project; and

Whereas this funding application meets and exceeds the criteria for the use of the EDF dollars; and

Whereas Council has stated during previous Council meeting discussions, that applications requesting funds above the limits of the EDF would be reviewed on a case-by-case scenario based upon the merits of the project;

Whereas if funding dollars were taken from the EDF to support this application, it would deplete the funds and jeopardize any future economic development activities;

Be it resolved that the Board of Directors of the Sault Ste. Marie Economic Development Corporation recommends City Council approve this request for \$1,000,000 for Sault College's iE3 initiative; and that the funding be attained from outside of EDF dollars.

**ECONOMIC DEVELOPMENT FUND (EDF)
APPLICATION**

4.1. Applicant Information

4.1.1. Legal name of business/organization

Sault College of Applied Arts and Technology

4.1.2. Names of Officers, Directors & Principals

Dr. Ron Common, President

Board of Governors:

Peter Berlingieri, Chair
Lyne Gagnon, 1st Vice Chair
David Zuccato, 2nd Vice Chair
Jeff Barnes
Bob Boston
Lou Buffone
James Caicco
Paul Christian
Christine Coccimiglio
Allison Golding
Peter Hewgill
Kevin Martin
Theresa Mudge
Jason Naccarato
Marilyn King
Matthew Shoemaker
Bob Wilding
Marnie Yourchuk

4.1.3. History of Organization

In the fall of 1965, the institution opened its doors as the Sault Ste. Marie Ontario Vocational Centre, or OVC. Similar "training schools" began in London and Ottawa. The OVCs evolved into Ontario's community colleges. In 1967 the Ontario government

ECONOMIC DEVELOPMENT FUND (EDF)
APPLICATION

established a system of Colleges of Applied Arts & Technology, more often known as community colleges.

Sault Ste. Marie's OVC became the Sault Campus of the newly established Cambrian College of Applied Arts & Technology. Its main campus was located in Sudbury. A second satellite campus opened in North Bay. Community colleges enjoyed immediate public acceptance and support. In fact, Cambrian's enrolment growth was so rapid that within only five years the satellites became independent colleges.

The independent Sault College of Applied Arts & Technology emerged in 1973. Cambrian's second satellite campus - in North Bay - became Canadore College of Applied Arts & Technology. Sault College has grown tremendously over the years, adding programs in all disciplines. We now respond to the postsecondary educational needs of more than 6,000 part-time and full-time students each year.

Sault College is now a student-first, regionally-focused college uniquely poised to serve students, regardless of background, with a hands-on, supportive learning environment that prepares for future success and meaningful contribution to our provincial economy.

Sault College is proud to be located in Sault Ste. Marie and is deeply committed to the Northern Ontario region. With a \$158 million overall annual economic impact (CQI 2012), Sault College is a major contributor to the livelihood of the region and is committed to its economic development; our purpose is to provide excellent outcome-based education and training to the region and beyond.

Sault College is one of Ontario's 24 colleges of applied arts and technology offering postsecondary education. The College educates students at the main campus located in Sault Ste. Marie and also offers educational programming throughout the Algoma region, in Thunder Bay and Manitoulin as well as Toronto and London, Ontario.

In total, the College offers more than 70 different one to four-year postsecondary career preparation programs in Aviation, Business, Computer and Information Technology Studies, Engineering Technology, Health Sciences, Community Services, the Environment, Design and Trades. In addition, the College offers apprenticeship programs, distance education, continuing education, adult education, and employer-based contract training programs. In total, over 6,000 students are registered in college activities for 2015 - 2016. In the delivery of these programs, the College employs over 340 full-time employees and 600 part-time employees.

4.1.4. Organization mandate

OUR VISION

We will make our society a better place by providing a transformative life experience through empowering those who study with us to think and learn in progressive and innovative ways.

OUR MISSION

Sault College will continue to be recognized as the pre-eminent student-centered postsecondary institution in the province with an unyielding dedication to giving students the tools to reach their goals, and in doing so, will be a cornerstone of the communities we serve.

4.1.5. Key contact for initiative

Dr. Ron Common, President
705-759-2554, ext. 2409

4.1.6. Contributing partners

- The Ministry of Training, Colleges and Universities (MTCU)
- Innovation, Science and Economic Development Canada (ISED)- Strategic Investment Fund (SIF)
- The Northern Ontario Heritage Fund Corporation (NOHFC) – Northern Community Capacity Building Program
- City of Sault Ste. Marie Economic Development Fund (EDF)

4.2. Project Information

4.2.1. Project description

Sault College has long identified the opportunities that would be generated by creating an institute for advanced studies and collaboration in the field of environmental studies and sustainability. In 2012, the College began the process to develop the iE2 concept that would bring together industry, academia and government and would foster experiential learning, collaboration and innovation in this field. Since its original conception, the iE2 has remained a key component of the College's strategy that has been continuously refined over time and has evolved into the *Institute for the Environment Education and Entrepreneurship (iE3)*.

ECONOMIC DEVELOPMENT FUND (EDF) APPLICATION

The focus of the iE3 reflects contemporary labour market and industry needs and is aligned with current environmental priorities and designed to have maximal impact on our students, the community, and our partners. It will be a catalyst for innovation in ICT-enhanced environmental technologies, forestry, water and wildlife resource management that will help advance Canada's climate change and sustainability goals. The Institute will be a critical component of the innovation value chain for various industries such as those in the cleantech and renewable energy space, and will provide the physical resources and human capital to promote sustainability and growth for our region.

A recent announcement from the federal government for \$2B in funding under its Strategic Investment Fund (SIF) has created a funding opportunity that could support the creation of this institute. This new fund, combined with the MTCU award of \$10.6M to Sault College, which was announced this month for infrastructure renewal, has made the iE3 a reality.

Sault College is seeking EDF funding in the amount of \$1M to support costs for the creation of the iE3 that are not eligible through the other funds.

4.2.2. Objectives

The iE3 will be home to Sault College's Natural Environment Programs (NE), Geographic Information Systems (GIS) and Information and Communications Technology Programs (ICT). It will provide state of the art experiential learning spaces and labs, with the needed capacity to accommodate identified, domestic and international, enrollment growth opportunities in these program areas. In addition, the iE3 will enable the development of new curriculum and programs in the ICT-environment space, such as drone based programs in remote surveillance, digital forest and environmental inventorying, thereby preparing our graduates to thrive in the digital economy. Graduates from the Institute will be a valued talent resource for regional eco tour operators, parks and wildlife organizations, and will provide leadership in a variety of roles in the conservation of our natural resources.

The Institute will support the goals of the Growth Plan for Northern Ontario by providing northerners with world-class resources and opportunities for collaboration, experiential learning and development of advanced skills and technologies in the fields of ICT and environmental. It will help to attract investment and business growth in Northern Ontario, diversify the North's economic base, and increase the involvement of Aboriginal peoples in the northern economy.

ECONOMIC DEVELOPMENT FUND (EDF) APPLICATION

The new facilities will grow our applied research capacity and create new opportunities for collaborative industry research in areas that heavily rely on forestry resource management such as many of the clean and renewable energy technologies.

At the same time, the Institute will address the urgent need to renovate and modernize the existing infrastructure that houses these programs on campus. This revitalization project will include replacement of components of the building envelope and numerous interior elements, with new energy efficient components that meet current standards: windows, curtain wall and exterior doors; roofing; HVAC systems; fire protection systems; electrical distribution systems, branch wiring; domestic water systems; elevator; IT infrastructure; and lab fixtures.

4.2.3. Performance targets

	Performance Targets	Year 1	Year 2	Year 3	Economic Impact over 3 Yrs
1	Enrolment growth in Natural Environment (NEOS) and Information, Communication & Technology (ICT) programs:				
	Domestic - 10% of NEOS & ICT Enrolment	33	36	40	2,730,750
	International - 5% per year *	3	4	4	264,022
2	Additional Co-op Placements per year	10	12	14	144,000
3	Graduate employment rate increase	2%	2%	2%	
	Total				\$ 3,138,772

Note:

* Based on current enrolment of 2260 domestic and 67 international

Annual economic impact of one (1) student is approximately \$18,000 for domestic and \$25,000 for international

4.2.4. Impacts and Limitations of Project

The creation of the iE3 will generate significant, much needed economic benefits to our community both, via direct jobs throughout the construction phase, and as a result of the projected enrollment growth, industry innovation, and other activities that will be expanded and enabled by this new asset. The new cutting-edge facilities will be energy efficient and provide barrier-free access to all who wish to engage.

The iE3 project involves new construction and renovation of existing infrastructure. All new and renovated building elements will be to current energy efficiency and building accessibility standards. Extensive renewal of the existing building envelopes, electrical and HVAC systems will yield immediate and direct reductions in energy consumption.

ECONOMIC DEVELOPMENT FUND (EDF)
APPLICATION

These enhancements will result in an estimated 20-25% cost savings, reducing our carbon footprint and contributing to our environmental and economic sustainability.

Innovation requires interdisciplinary interactions, where respective skill sets are shared synergistically and individuals can both enhance their own expertise and collaborate with others. The iE3 will be a catalyst for innovation by providing shared work spaces at the intersection of digital technologies like GIS and environmental studies. It will foster advanced learning and the development of new technologies in remote surveillance, water treatment, and environmental monitoring and be a critical step for our curriculum evolution.

In the past, industry personnel, who partnered with the College on applied research projects through the College Applied Research Centre (ARC), worked in ad hoc spaces that were not dedicated or ideal for collaboration. The iE3, with its new facilities, will expand the capacity for our students and faculty to collaborate with industry. These new facilities will include: dedicated on-campus work spaces for our partners while they participate in applied research projects; enhanced cross disciplinary labs; and meeting rooms.

Experiential learning opportunities at the iE3 will enhance the development of the skills needed to support industry with a trained, job-ready workforce that can sustainably manage our environment and meet the challenges of tomorrow in the priority areas relating to: bioeconomy innovation; forest bio-materials; climate change; renewable energy; and sustainable and holistic forest health management. In addition, through on-campus collaboration with private sector enterprises, our students will interact with entrepreneurs, which will help them to develop their ideas for viable business enterprises.

The limitations of the iE3 are dependent upon the funding support that we can secure for the furniture, fixtures and equipment (FF & E) components. These would include state of the art lab equipment, computers and furniture for the new institute. Neither the MTCU funding nor the SIF funding (total \$15.6M) consider FF&E components as eligible expenses. Sault College is relying on the EDF and NOHFC funding support to furnish the new labs and spaces with the equipment required to maximize the impact of the iE3.

ECONOMIC DEVELOPMENT FUND (EDF)
APPLICATION

4.2.5. Methodology and timing (including key dates for progress reports and final report to Council)

- MTCU - \$10.6M confirmed May 16, 2016
- SIF federal proposal (\$5M) submitted May 9, 2016 – decision June 30, 2016
- NOHFC - \$2M - Phase I (submitted May 2016)
- NOHFC - \$2M - Phase II (Board review August 2016)
- EDF - \$1M
- Presented to EDC on June 7, 2016
- City Council review June 27, 2016
- Construction to commence summer of 2016 and to be completed by April 30, 2018
- Final report to council after April 30, 2018.

4.3. Costs and Financing

4.3.1. Detailed project costs

Category	Amount
Planning, Design & Engineering	1,550,000
Project Management	350,000
Construction Costs	15,700,000
➔ Furniture, Fixtures and Equipment (EDF funds)	1,000,000 ←
Total	\$ 18,600,000

4.3.2. Financing arrangements (e.g., equity, loans, etc.) and funding partners

Source	Amount
MTCU	10,600,000
ISED - SIF (Federal)	5,000,000
NOHFC	2,000,000
EDF	1,000,000
Total	\$ 18,600,000

4.3.3. In-kind contributions

N/A

4.3.4. Balance, Financial Statements, Cash flow projections (historical and projected)

Please see attachments

4.3.5. Demonstrated need for assistance and supporting documentation and applications to other government assistance programs, etc.

Please see attachments

4.4. Economic Benefits

4.4.1. Description of how the project promotes economic growth and diversification

The iE3 will provide on-going economic benefits through the expansion of our Natural Environment programs and the industry innovation that will result from the collaborative activities, enabled by the Institute. These outcomes will support the diversification of the Sault Ste. Marie economy, as we shift towards post-secondary education taking a greater role as a key regional export that brings direct jobs and economic spinoff.

With 340 full-time staff and 600 part-time staff, Sault College is a major force in the local economy that contributes \$37.6 million annually in direct wages, salaries and benefits. Ninety percent of our total annual budgets are typically spent locally and in 2012, the net off campus full-time student spending was valued at \$15 million with an estimated economic impact of \$22 to \$29 million. Visitor spending that year generated an additional \$1.3 to \$1.8 million.

The iE3 will drive our enrollment up in the Natural Environment programs at Sault College and attract international students. The Natural Environment Department draws over 85% of its roughly 300 students from Southern Ontario. These students seek the specialized training offered at Sault College and expansion of these programs represents an opportunity for economic growth in Sault Ste. Marie.

4.4.2. Projected job creation

With its significant trickledown effect, construction is known to be one of the best economic drivers. The construction association has estimated that a project of this size will yield approximately 166 jobs related to the construction component that will include

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APPLICATION

jobs such as Engineers, Architects, Plumbers, Heating, Project Managers, Project Coordinators, as well as jobs at the local suppliers, retailers and service providers. These jobs are desperately needed in our community, as we are currently faced with extremely difficult economic challenges.

In addition, there will be new jobs created at the College resulting from the increased enrollment, programs and collaboration with industry partners. We estimate these to include: 5 new full time equivalent positions (3 faculty and 2 technicians) and 10 part time positions (8 faculty and 2 technicians).

4.4.3. Potential for tax assessment increase

Not applicable to Sault College

4.4.4. Other economic and community benefits

Local companies will benefit from the new advanced resources and be able to engage in projects that lead to innovation and economic benefits.

The iE3 will expand the College's ability to attract international students thus enhancing the cultural diversity of our community.

4.5. Community Benefits

4.5.1. How the project compliments other local initiatives

Sault Ste Marie is host to a leading world class forestry industry cluster, including Natural Resources Canada (NRCan), Great Lakes Forestry Centre (GLFC), and Ontario Forest Research Institute (OFRI), the funding will uniquely position Sault College to synergistically capitalize on the long term proximal benefits. The iE3 will attract collaborative private industry research from the large catchment of regional players participating in Canada's forest sector and spur innovation in the rapidly growing priority areas of advanced forest management and bioeconomy innovation.

In Northern Ontario alone, clean-tech and higher value added bio-materials produced by SME's such as biochar, lignin extract, cross laminated timber, and liquid biofuels represent significant collaborative opportunities for Sault College's proposed facility and its students. This facility will be a critical component of a regional knowledge hub and

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will aim to develop cross-sector linkages with the petro-chemical and bio-auto industries. Projects contributing to commercialization of novel bio-materials, forest bio-fibre initiatives, and value chain maximization efforts for industry partners will be possible.

Upon graduation, young entrepreneurs will have continued support for their ventures through a variety of local organizations. They will have opportunities to start their new business in the Millworks Center for Entrepreneurship or the Innovation Centre Incubator, where they will continue to receive support and mentorship to develop their business into a successful enterprise in our community. Other local organizations that will continue to support these youth after graduation include: the Sault Ste. Marie Economic Development Corporation (SSMEDC), through their Small Business Enterprise Services and financial programs; and the Sault Ste. Marie Innovation Centre (SSMIC) with their Business Support and Business Incubation Services. These organizations would provide a broad variety of support services and resources from business planning and mentoring, to funding guidance, to office space and equipment for their start-ups.

4.5.2. Impact on the community as a whole

Sault College's Natural Environment graduates are trained to be custodians of our environment and are passionate about preserving and sustaining our forest and urban environments. By growing this program area, our community will benefit from their contributions to our city, area parks and recreational enterprises.

Increasing enrolment with international and domestic students from outside of our region brings direct benefits to local businesses and to the community groups and associations that they support and enrich.

Having a strong local college, which is sought after for its "niche" programs and top provincial rankings, brings a multitude of socio-economic benefits and stability to our community. The iE3 will solidify and build upon our current advantages in these program areas, ensuring that we continue to grow and sustain this opportunity.

Financial Statements of

**THE SAULT COLLEGE OF APPLIED
ARTS AND TECHNOLOGY**

Year ended March 31, 2015

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Financial Statements

Year ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Governors of The Sault College of Applied Arts and Technology

We have audited the accompanying financial statements of The Sault College of Applied Arts and Technology, which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sault College of Applied Arts and Technology as at March 31, 2015, its results of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 28, 2015

Sault Ste. Marie, Canada

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	\$ 6,836,973	\$ 4,573,658
Temporary investments (note 3)	10,212,183	8,774,764
Accounts receivable (note 2)	1,341,209	1,161,375
Grants and reimbursements receivable	3,498,137	2,592,994
Current portion of loan receivable (note 4)	157,021	-
Current portion of pledges receivable (note 7)	460,963	862,588
Inventory	5,517	3,849
Prepaid expenses	342,584	642,284
	<u>22,854,587</u>	<u>18,611,512</u>
Loan receivable (note 4)	2,842,979	3,000,000
Capital assets (note 5)	61,882,029	63,143,879
Pledges receivable (note 7)	506,389	658,276
	<u>\$ 88,085,984</u>	<u>\$ 85,413,667</u>
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,255,527	\$ 4,562,393
Accrued vacation	3,601,823	3,426,567
Deferred tuition fees	857,232	871,418
Deferred contributions for expenses of future periods (note 6)	1,870,551	1,898,928
Payable to the Ministry of Training, Colleges and Universities	201,609	139,719
Current portion of long-term debt (note 8)	542,380	-
	<u>12,329,122</u>	<u>10,899,025</u>
Long-term debt (note 8)	4,457,620	-
Deferred capital contributions (note 9)	52,604,493	54,161,060
Post-employment benefits and compensated absences (note 10)	2,117,000	2,213,000
	<u>71,508,235</u>	<u>67,273,085</u>
Net assets:		
Unrestricted	4,239,885	4,053,078
Invested in capital assets (note 12)	7,684,233	9,752,595
Internally restricted (note 13)	156,667	158,249
Restricted for student purposes and endowments	4,322,746	4,249,987
	<u>16,403,531</u>	<u>18,213,909</u>
Accumulated remeasurement gains (losses)	174,218	(73,327)
	<u>16,577,749</u>	<u>18,140,582</u>
Commitments and contingencies (note 15)		
	<u>\$ 88,085,984</u>	<u>\$ 85,413,667</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Chair

 Treasurer

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue: (Schedule)		
Grants and reimbursements	\$ 37,866,821	\$ 35,987,123
Tuition fees	9,462,579	9,319,240
Ancillary operations	1,341,238	1,267,833
Other	3,496,301	2,963,386
Restricted for student purposes	1,149,117	1,116,271
Amortization of deferred capital contributions (note 9)	2,798,282	2,866,091
	56,114,338	53,519,944
Expenses:		
Salaries and benefits	39,115,901	37,322,155
Instructional supplies	1,824,247	1,592,926
Contracted services	4,293,394	3,077,614
Utilities, maintenance and taxes	2,897,982	2,752,196
Interest and bank charges	164,907	93,185
Travel and professional development	623,990	490,099
Training subsidies and allowances	1,944,959	1,375,065
Supplies and other expenses	2,107,241	2,316,919
Restricted for student purposes	98,326	105,661
Scholarships and bursaries	918,879	930,701
Provision for (recovery of) post-employment benefits and compensated absences	79,255	(381,023)
Amortization of capital assets	3,857,483	3,829,918
	57,926,564	53,505,416
Excess (deficiency) of revenue over expenses before the undernoted item	(1,812,226)	14,528
Gain on sale of capital asset	1,848	3,506
Excess (deficiency) of revenue over expenses	\$ (1,810,378)	\$ 18,034

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Changes in Net Assets

Year ended March 31, 2015, with comparative information for 2014

2015	Capital assets	Invested in internally restricted	Restricted for student purposes and endowments	Unrestricted	Total
Balance, beginning of year	\$ 9,752,595	\$ 158,249	\$ 4,249,987	\$ 4,053,078	\$ 18,213,909
Excess (deficiency) of revenue over expenses	(1,059,201)	(1,582)	131,912	(881,507)	(1,810,378)
Invested in capital assets (note 12)	990,839	-	(59,153)	(931,686)	-
Loan transfer to operations	(2,000,000)	-	-	2,000,000	-
Balance, end of year	\$ 7,684,233	\$ 156,667	\$ 4,322,746	\$ 4,239,885	\$ 16,403,531

2014	Capital assets	Invested in internally restricted	Restricted for student purposes and endowments	Unrestricted	Total
Balance, beginning of year	\$ 13,595,438	\$ 159,178	\$ 5,296,894	\$ 214,658	\$ 19,266,168
Excess (deficiency) of revenue over expenses	(963,827)	(929)	79,909	902,881	18,034
Invested in capital assets (note 12)	(2,879,016)	-	(56,523)	2,935,539	-
Transfer of Sault College Student Union Fund	-	-	(1,070,293)	-	(1,070,293)
Balance, end of year	\$ 9,752,595	\$ 158,249	\$ 4,249,987	\$ 4,053,078	\$ 18,213,909

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Cash Flow

Years ended March 31, 2015 with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (1,810,378)	\$ 18,034
Items not involving cash:		
Amortization of capital assets	3,857,483	3,829,918
Amortization of deferred capital contribution	(2,798,282)	(2,866,091)
Gain on sale of capital assets	(1,848)	(3,506)
Realized gain (loss) on investments	247,545	(191,093)
	(505,480)	787,262
Change in non-cash operating working capital:		
Accounts receivable	(179,834)	(352,396)
Grants and reimbursement receivable	(905,143)	729,926
Inventory	(1,668)	(8)
Prepaid expenses	299,699	(335,954)
Accounts payable and accrued liabilities	693,137	477,160
Accrual for vacation pay	175,256	(182,024)
Payable to Ministry of Training Colleges and Universities	61,890	(48,973)
Deferred tuition fees	(14,186)	(13,897)
Deferred contributions related to expenses of future periods	(28,377)	276,343
Accrual for employee future benefits	(96,000)	(199,000)
	(500,706)	1,138,439
Capital activities:		
Purchase of capital assets	(2,595,635)	(6,947,985)
Receipt of deferred capital contributions	1,241,715	5,415,724
Proceeds on disposal of capital assets	1,848	3,506
	(1,352,072)	(1,528,755)
Financing activities:		
Pledges receivable	553,512	485,675
Proceeds from long-term borrowings	5,000,000	—
Transfer of Sault College Student Union Fund	—	(1,070,293)
	5,553,512	(584,618)
Investing activities:		
Advance of loan receivable	—	(3,000,000)
Net increase (decrease) in cash and temporary investments	3,700,734	(3,974,934)
Cash and temporary investments, beginning of year	13,348,422	17,323,356
Cash and temporary investments, end of year	\$ 17,049,156	\$ 13,348,422

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Remeasurement Gains and Losses

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Accumulated remeasurement gains (losses), beginning of the year	\$ (73,327)	\$ 117,765
Unrealized gains (losses) attributable to:		
Temporary investments	174,218	(73,327)
Realized gains, reclassified to the statement of operations:		
Temporary investments		
Designated fair value	73,327	(117,765)
Net remeasurement gains (losses) for the year	247,545	(191,092)
Accumulated remeasurement gains (losses), end of the year	\$ 174,218	\$ (73,327)

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2015

The Sault College of Applied Arts and Technology (the "College") is a provincial community college offering educational programs and upgrading to the accessing communities. The College is considered a Non-profit Schedule III Agency of the Ontario provincial government. The College is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The College follows the deferral method of accounting for contributions which include donations and government grants.

Operating grants are recorded as revenue in the period to which they relate. Grant amounts relating to future periods are deferred and recognized in the subsequent period when the related activity occurs. Grants approved but not received at the end of an accounting period are accrued.

Tuition fees and contract training revenues is recognized on the basis of teaching days incurred during the fiscal year.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Contributions for student purposes and the interest thereon are recognized as direct increases in net assets restricted for student purposes.

Sales and services revenue is recognized at the point of sale.

(b) Inventory:

Inventory is valued at the lower of cost and net realizable value.

(c) Vacation pay:

The College recognizes vacation pay as an expense on the accrual basis.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Construction in progress is recorded as a capital asset but not amortized until construction is put into service.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

	Years
Buildings	40
Site improvements	10
Equipment	5
Major equipment	10
Vehicles	5
Furniture and fixtures	5
Computer equipment	5
Aircraft	10

(e) Retirement and post-employment benefits and compensated absences:

The College is a member of the Colleges of Applied Arts and Technology Pension Plan, which is a multi-employer, defined benefit plan.

The College also provides defined retirement and other post-employment benefits and compensated absences to certain employee groups. These benefits include health and dental, vesting sick leave and non-vesting sick leave. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method pro-rated on service. The most recent actuarial valuation of the benefit plans for funding purposes was as of January 1, 2014. The College has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discounts rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.
- (ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(e) Retirement and post-employment benefits and compensated absences (continued):

- (iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount used in the determinations of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at cost.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

1. Significant accounting policies (continued):

(h) Use of estimates:

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

2. Accounts receivable:

	2015	2014
Student tuition fees	\$ 352,203	\$ 291,095
Federal other	330,285	184,046
Other	799,745	809,787
	1,482,233	1,284,928
Less allowance for doubtful accounts	141,024	123,553
	\$ 1,341,209	\$ 1,161,375

3. Investments:

	Level	2015	2014
Assets at designated fair value			
Government bonds	2	\$ 1,634,859	\$ 1,485,160
Equity instruments, quoted in an active market			
Shares	1	6,680,860	5,526,478
Mutual funds	1	1,611,696	1,355,594
Cash		284,768	407,532
		\$ 10,212,183	\$ 8,774,764

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2015 and 2014. There were also no transfers in or out of Level 3.

Government Bonds have interest rates from 1.370% to 9.375% (2014 - 1.900% to 9.376%) and mature between 2017 and 2037.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

4. Long-term receivable:

	2015	2014
Health and Wellness building – Sault College Student Union receivable	\$ 3,000,000	\$ 3,000,000
Current portion of long-term receivable	157,021	–
	<u>\$ 2,842,979</u>	<u>\$ 3,000,000</u>

Aggregate maturities of long-term receivables for each of the five years subsequent to March 31, 2015, are as follows: 2016 - \$157,021; 2017 - \$162,306; 2018 - \$167,769; 2019 - \$173,416 and 2020 - \$179,253.

The Sault College Student Union committed to a contribution totalling \$3,927,000 towards the construction of the College's Health and Wellness building. The College has loaned the remaining \$3,000,000 relating to this commitment. The loan has been guaranteed through the collections of the Student Building Trust Fund Ancillary fee. The terms of repayment are 15 years at an interest rate of 3.338%.

5. Capital assets:

2015	Cost	Accumulated amortization	Net book value
Land	\$ 1,020,817	\$ –	\$ 1,020,817
Buildings	83,656,994	29,583,859	54,073,135
Site improvements	5,239,513	2,316,536	2,922,977
Equipment	13,036,917	10,542,510	2,494,407
Vehicles	432,369	352,811	79,558
Furniture and fixtures	1,251,167	1,040,794	210,373
Computer equipment	13,330,954	12,635,140	695,814
Aircraft	3,650,422	3,265,474	384,948
	<u>\$ 121,619,153</u>	<u>\$ 59,737,124</u>	<u>\$ 61,882,029</u>

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

5. Capital assets (continued):

2014	Cost	Accumulated amortization	Net book value
Land	\$ 680,817	\$ —	\$ 680,817
Buildings	83,595,887	27,616,792	55,979,095
Site improvements	4,113,375	1,854,708	2,258,667
Equipment	12,451,108	9,779,766	2,671,342
Vehicles	379,865	315,408	64,457
Furniture and fixtures	1,220,627	875,190	345,437
Computer equipment	12,968,256	12,273,077	695,179
Aircraft	3,650,422	3,201,537	448,885
	\$ 119,060,357	\$ 55,916,478	\$ 63,143,879

6. Deferred contributions for expenses of future periods:

Deferred contribution consists of the following:

	2015	2014
Balance, beginning of year	\$ 1,898,928	\$ 1,622,585
Additional contributions received	4,387,026	4,987,057
Amounts taken into revenue	(4,415,403)	(4,710,714)
Balance, end of year	\$ 1,870,551	\$ 1,898,928

7. Pledges receivable:

	2015	2014
Inspiring Growth Capital Campaign pledges	\$ 967,352	\$ 1,520,864
Current portion of pledges receivable	(460,963)	(862,588)
Non-current portion of pledges receivable	\$ 506,389	\$ 658,276

All pledges received during the year or receivable at year end are recorded as deferred contribution related to capital assets.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

7. Pledges receivable (continued):

Aggregate maturities of pledges receivable for each of the five years subsequent to March 31, 2015 are as follows:

2016	\$ 460,963
2017	300,277
2018	205,809
2019	303
2020	-

8. Long-term debt:

3.338% term loan to Ontario Financing Authority, unsecured, payable \$127,931 semi-annually including interest, due October 31, 2029	\$ 3,000,000
1.856% term loan to Ontario Financing Authority, unsecured, payable \$210,349 semi-annually including interest, due October 31, 2019	2,000,000
	5,000,000
Current portion of long-term debt	(542,380)
	\$ 4,457,620

The schedule principal amounts payable within the next five years and thereafter are as follows:

2016	\$ 542,380
2017	554,850
2018	567,632
2019	580,735
2020	594,167
Thereafter	2,160,236
	\$ 5,000,000

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

9. Deferred capital contributions:

The balance of unamortized capital contributions related to capital assets consists of the following:

	2015	2014
Unamortized capital contributions used to purchase assets	\$ 52,197,796	\$ 53,391,284
Unspent contributions	406,697	769,776
	<u>\$ 52,604,493</u>	<u>\$ 54,161,060</u>

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2015	2014
Balance, beginning of year	\$ 54,161,060	\$ 51,611,426
Additional contributions received	1,237,270	5,396,983
Inspiring Growth Capital Campaign	4,445	18,742
Less amounts amortized to revenue	(2,798,282)	(2,866,091)
Balance, end of year	<u>\$ 52,604,493</u>	<u>\$ 54,161,060</u>

10. Employee future benefits:

The employee benefit and other liabilities, reported on the statement of financial position, are made up of the following:

	2015	2014
Post-employment benefits	\$ 583,000	\$ 576,000
Non-vesting sick leave	1,331,000	1,388,000
Vesting sick leave	203,000	249,000
	<u>\$ 2,117,000</u>	<u>\$ 2,213,000</u>

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

10. Employee future benefits (continued):

Information about the Organization's benefit plans is as follows:

	2015	2014
Accrued benefit obligation	\$ 2,287,000	\$ 2,222,000
Fair value of plan assets	(89,000)	(74,000)
Funded status – plan deficit	2,198,000	2,148,000
Unamortized actuarial gain (loss)	(81,000)	65,000
Employee future benefit liability	\$ 2,117,000	\$ 2,213,000
Current service cost	\$ 119,000	\$ 115,000
Interest on accrued benefit obligation	48,000	49,000
Experienced losses	(2,000)	2,000
Benefit payments	(246,000)	(369,000)
Amortization of actuarial loss	(15,000)	8,000
Employee future benefit expense (recovery)	\$ (96,000)	\$ (195,000)

The unamortized actuarial loss is amortized over the expected average remaining service life.

Post-employment benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The major actuarial assumptions employed for the valuations are as follows:

(i) Discount rate:

The present value as at March 31, 2015 of the future benefits was determined using a discount rate of 1.60% (2014 - 2.70%).

(ii) Drug costs:

Drug costs were assumed to increase at a rate of 8.75% for 2015 (2014 – 9.0%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2034.

(iii) Hospital and other medical:

Hospital and other medical costs were assumed to increase at 4.0% per annum in 2015 (2014 - 4.0%).

Medical premium increases were assumed to increase at 7.325% per annum in 2015 (2014 - 7.50%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2034.

(iv) Dental costs:

Dental costs were assumed to increase at 4.0% per annum in 2015 (2014 – 4.0%).

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

10. Employee future benefits (continued):

Compensated Absences

(i) Vesting Sick Leave:

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

(ii) Non-Vesting Sick Leave:

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

11. Pension Plan:

Substantially all of the employees of the College are members of the Colleges of Applied Arts and Technology ("CAAT") Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all employees of the participating members of the CAAT. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the highest five consecutive years prior to retirement, termination or death. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing Plan assets in trust and through the Plan investment policy.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension asset and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2015 indicated an actuarial surplus of \$773 million.

Under these arrangements, the College makes contributions equal to those of the employees. Contributions made by the College during the year amounted to approximately \$3,360,793 (2014 - \$3,110,578).

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

12. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2015	2014
Capital assets	\$ 61,882,029	\$ 63,143,879
Amounts financed by:		
Unamortized capital contributions used to purchase assets	(52,197,796)	(53,391,284)
Long-term debt	(2,000,000)	-
	\$ 7,684,233	\$ 9,752,595

(b) Change in net assets invested in capital assets is calculated as follows:

	2015	2014
Excess of revenues over expenses:		
Amortization of deferred capital contributions	\$ 2,798,282	\$ 2,866,091
Amortization of capital assets	(3,857,483)	(3,829,918)
	\$ (1,059,201)	\$ (963,827)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 2,595,635	\$ 6,947,985
Amounts funded by:		
Deferred capital contributions	(1,600,351)	(6,307,733)
Deferred capital campaign contributions	(4,445)	(3,519,268)
	\$ 990,839	\$ (2,879,016)

13. Internally restricted net assets:

By resolution of the Board of Governors, accumulated appropriations from unrestricted net assets balance at March 31, 2015 have been made to the Joint Employment Stability Reserve Fund in the amount of \$156,667 (2014 - \$158,249).

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

14. Externally restricted net assets:

Externally restricted net assets include restricted donations received by the College where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met.

15. Commitments and contingencies:

The College is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of the administration, a liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the College. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

16. Financial instrument risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The College is exposed to credit risk with respect to the accounts receivable, cash and temporary investments.

The College assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the College at March 31, 2015 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the income statement. Subsequent recoveries of impairment losses related to accounts receivable are credited to the income statement. The balance of the allowance for doubtful accounts at March 31, 2015 is \$141,024 (2014 - \$123,553).

As at March 31, 2015, \$94,422 (2014 - \$99,736) of trade accounts receivable were past due greater than 90 days, but not impaired.

The maximum exposure to credit risk is outlined in note 2.

There have been no significant changes to the credit risk exposure from 2014.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

16. Financial instrument risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2014.

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the College's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

(i) Foreign exchange risk:

The College is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the College makes purchases denominated in U.S. dollars. The College does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2014. The College does not have any material transactions during the year or financial instruments denominated in foreign currencies at year end.

There have been no significant changes to the foreign exchange risk exposure from 2014.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the College to cash flow interest rate risk. The College is exposed to this risk through to its interest bearing investments.

The College's investments, including bonds and debentures, are disclosed in note 3.

There has been no change to the interest rate risk exposure from 2014.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

17. Endowment funds:

The following information outlines the activity of the Ontario Student Opportunity Trust Fund 1 (OSOTF I), the Ontario Student Opportunity Trust Fund II (OSOTF II) and Ontario Trust for Student Support Fund (OTSS) matching program. These amounts are reflected in the net assets restricted for student purposes.

Schedule of changes in Endowment Fund balances

Year ended March 31

	OSOTF I	OSOTF II	OTSS	2015 Total	2014 Total
Balance, beginning of year	\$ 664,172	\$ 331,340	\$ 2,346,515	\$ 3,342,027	\$ 3,342,027
Cash donations received					
from other sources	-	-	-	-	-
OTSS funds received					
from MTCU	-	-	-	-	-
OTSS funds receivable					
from MTCU	-	-	-	-	-
Balance, end of year	\$ 664,172	\$ 331,340	\$ 2,346,515	\$ 3,342,027	\$ 3,342,027

Schedule of changes in expendable funds available for awards

Year ended March 31

	OSOTF I	OSOTF II	OTSS	2015 Total	2014 Total
Balance, beginning of year	\$ 201,820	\$ 8,941	\$ (68,010)	\$ 142,751	\$ 249,626
Investment income (loss),					
net of expenses	108,373	21,502	25,267	155,142	73,780
Bursaries awarded	(42,575)	(4,750)	(68,150)	(115,475)	(180,655)
Balance, end of year	\$ 267,618	\$ 25,693	\$ (110,893)	\$ 182,418	\$ 142,751
Bursaries awarded #	136	5	141	282	306

The bursaries awarded under OTSS comprise of 73 to OSAP recipients totalling \$32,250 and 68 to non-OSAP recipients totalling \$35,900.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2015

18. Adoption of new accounting policy:

The College adopted Public Sector Accounting Board Standard PS 3260 – Liability for Contaminated Sites effective April 1, 2014. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The College adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Revenue

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Grants and reimbursements:		
Operating grants	\$ 14,210,088	\$ 14,376,650
Special purpose grants	15,598,939	15,024,884
Apprentice training	1,213,818	1,247,878
Ontario training strategies	4,338,058	3,565,051
Other	2,505,918	1,772,660
	37,866,821	35,987,123
Tuition fees:		
Full-time post-secondary	7,254,860	7,194,813
Other	2,207,719	2,124,427
	9,462,579	9,319,240
Ancillary operations	1,341,238	1,267,833
Miscellaneous:		
Contract educational services	542,883	306,138
Sale of course products and services	441,500	383,830
Other	2,511,918	2,273,418
	3,496,301	2,963,386
Restricted for student purposes	1,149,117	1,116,271
Amortization of deferred capital contributions	2,798,282	2,866,091
	\$ 56,114,338	\$ 53,519,944



Sault College

iE3 - Institute of Environment,
Education & Entrepreneurship



Summary of Request to City Council

- ▶ Sault College is seeking a \$1.0M investment towards an \$18.6M modernization of infrastructure for the Institute of Environment, Education and Entrepreneurship (iE3)
- ▶ 5 new full-time positions will be created; 10 new part-time positions will be created; 166 construction jobs over 3 years.
- ▶ Sault College has secured \$10.6 M towards this project from the Province.
- ▶ Contribution from the City demonstrates community commitment to senior levels of government.



Communities are embracing post-secondary institutions as cornerstones of their strategic plans

- Grads become valued employees
- Provide lifelong learning
- Students from outside community
 - New, fresh ideas
 - Cultural diversity
 - Export
- High paying jobs
- Important to employers evaluating potential sites
- Presence of college is a feature of threatened communities that recover



Currently Sault College reaches more than 6500 students annually

- ▶ Post Secondary: 2,262
 - Approximately 1,540 local and district students
 - About 720 students come from out of area spending more than \$10.8 million annually in our community
- ▶ International: 67
 - Spend more than \$1.675 million annually in our community
- ▶ Continuing Education: 3686
- ▶ Apprenticeship Training: 500
- ▶ Third Party Contract Training: 413



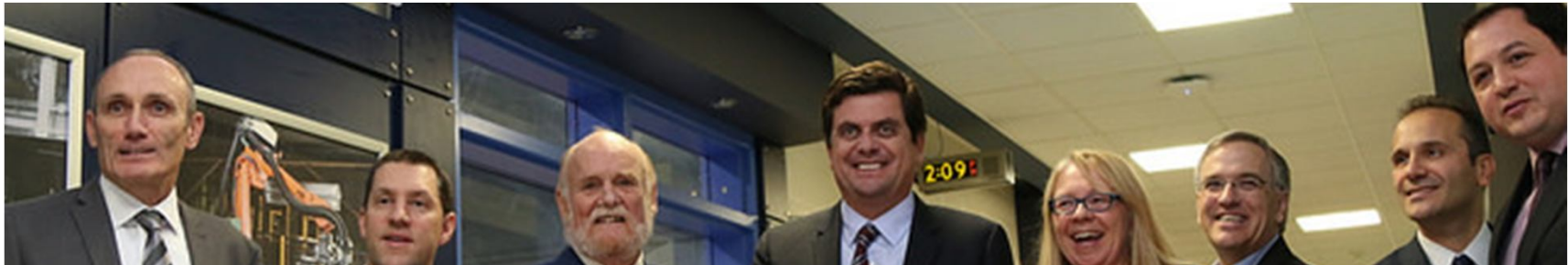
Economic Impact

- ▶ Sault College's current operating budget is approximately \$54 million
- ▶ 90% of this total or more than \$45 million is spent locally:
 - Salaries and benefits
 - Purchases of goods and services
- ▶ Sault College municipal taxes are approximately \$250,000/yr
- ▶ Economic spin-off ranges from \$135 - \$180 million annually



Strategic Enrolment Management

- ▶ Invest in programs and infrastructure that result in:
 - Increased domestic student enrolment from areas outside Algoma District
 - Increase international student enrolment

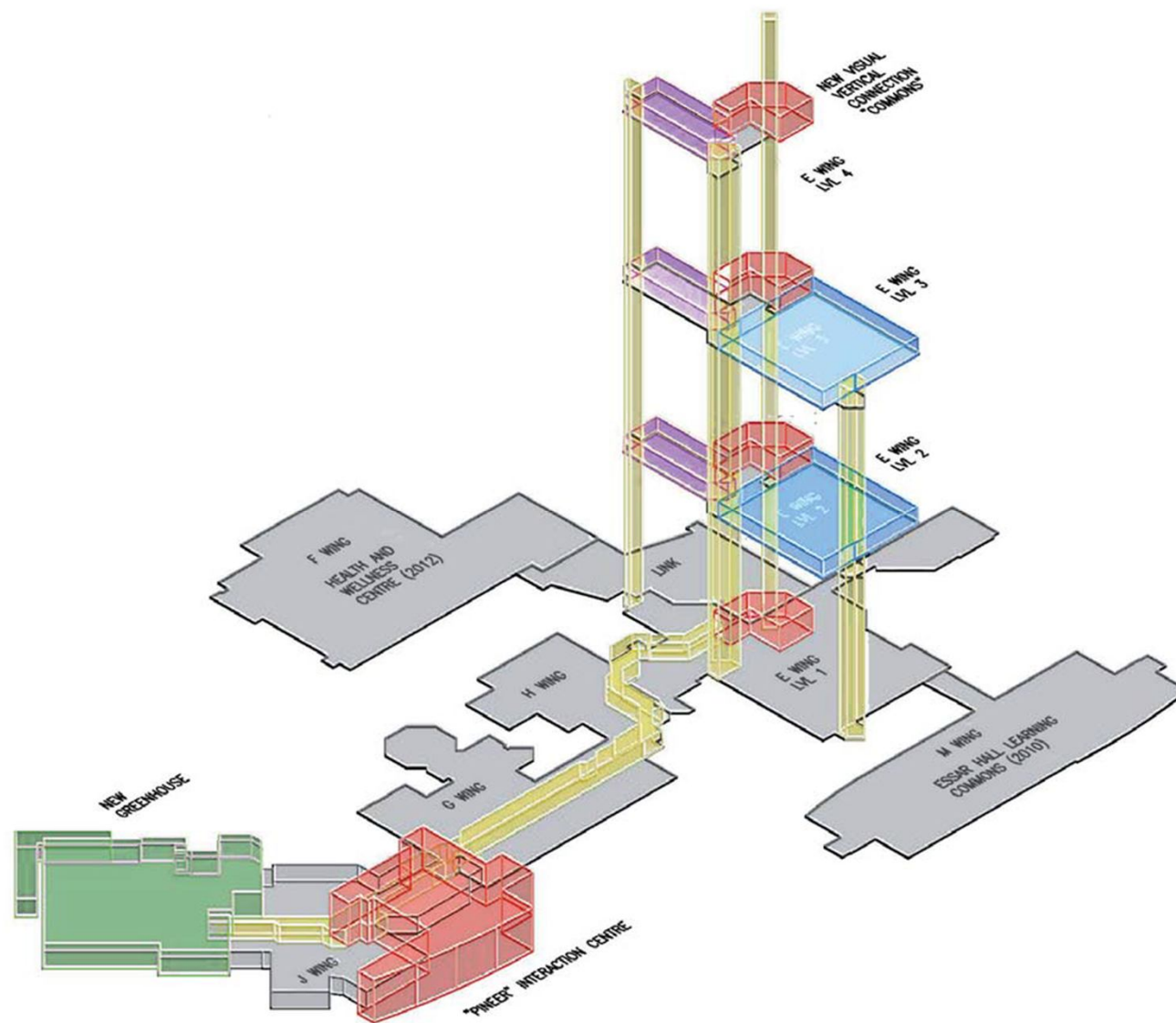


Description of campus re-build

- ▶ Creation of a state-of-the-art learning, training and working environment for students, staff and clients
- ▶ Creation of flexible and efficient buildings that can adapt to future changes in programming, technology and enrolments
- ▶ Support the expansion of Natural Environment programs and the innovation that will result from the collaborative activities
- ▶ Creation of Applied Research space where community and industry partners can work with Sault College students and staff



Perspective from North-East

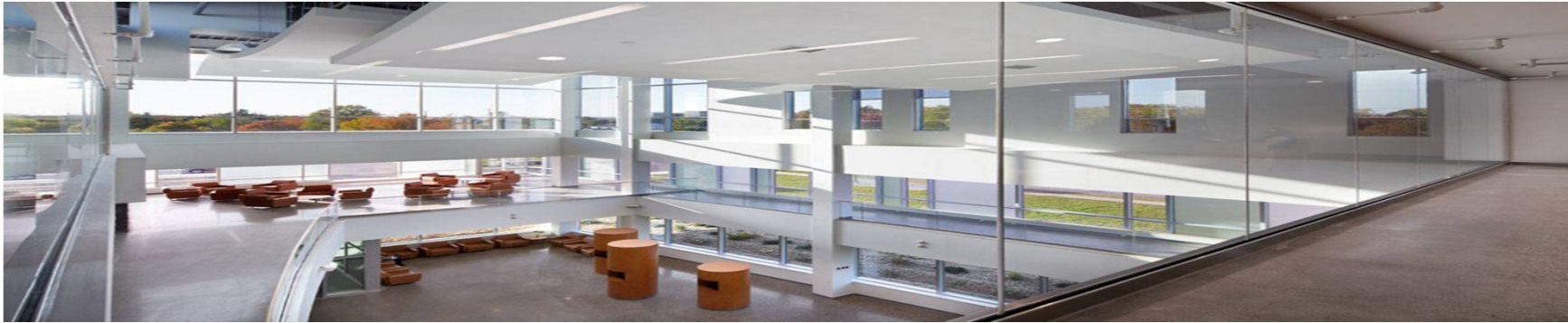




iE3 Proposal

- ▶ 9,750 sq. ft. new construction
- ▶ 42,500 sq. ft. building refurbishment
- ▶ 52,250 sq. ft. total project

- ▶ Total project value: **\$18,600,000**
 - Conditional upon receiving Federal and Provincial funding, request to City of Sault Ste. Marie for financial support.



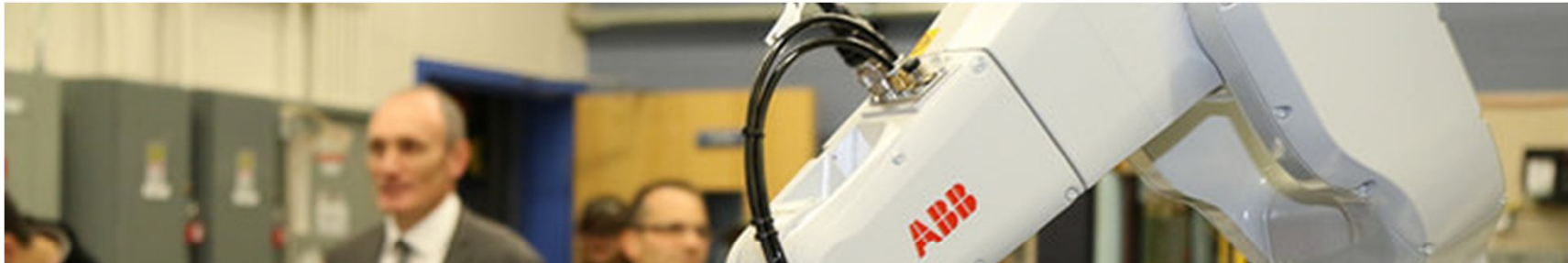
Project at a Glance

► Costs:

Planning, Design & Engineering	\$ 1.55M
Project Management	\$ 0.35M
Furniture and Fixtures (City portion)	\$ 1.00M
<u>Construction Costs</u>	<u>\$15.70M</u>
Total	\$18.60M

► Financing:

MTCU (Confirmed)	\$10.60M
ISED-SIF (Pending)	\$ 5.00M
NOHFC (Contribution)	\$ 2.00M
<u>City of SSM</u>	<u>\$ 1.00M</u>
Total:	\$18.60M



Benefits of a campus re-build

- ▶ Innovative new design and equipment will attract students to Sault College and Sault Ste. Marie
- ▶ Reduced building operating costs
- ▶ Reduction in deferred maintenance costs of \$37.2 million (2014 Facility Condition Assessments Report)
- ▶ Economic spin-off from this project is huge:
 - **\$3.18M in annual GDP benefits** to SSM from this project alone.
- ▶ Creation of 'green' buildings that will reduce the College's greenhouse gas emissions



Municipal Support

- ▶ County of Lambton: **\$5 million** for Lambton College Health Centre
- ▶ Barrie (pop. 136,000): **\$10 million - \$5 million** from City accompanied by another **\$5 million** from the County of Simcoe for Georgian College (submission to Fed. Infrastructure Program)
- ▶ Thunder Bay: **\$500,000** for Confederation College
- ▶ Oshawa: **\$1 million** requested for Durham College
- ▶ Peterborough (pop. 78,000): City Council provided **\$16 million** towards Seneca Aviation Centre



Conclusion

- ▶ Investment in the development of future talent to grow **our** community.
- ▶ Further builds niche programs to **attract students** to Sault Ste. Marie.
- ▶ Builds sustainability for Sault College and the city.
- ▶ Supported by the SSMEDC Board of Directors.

Non-Consolidated Financial Statements of

PUC INC.

Year ended December 31, 2015



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

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Inc.

We have audited the accompanying non-consolidated financial statements of PUC Inc., which comprise the non-consolidated statement of financial position as at December 31, 2015 and the non-consolidated statements of comprehensive income, changes in shareholder's equity 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 Non-Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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, 2015, and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 27, 2016

Sault Ste. Marie, Canada

PUC INC.

Non-Consolidated Statement of Financial Position

December 31, 2015, with comparative information for December 31, 2014 and January 1, 2014

	December 31, 2015	December 31, 2014	January 1, 2014
Assets			
Current assets:			
Accounts receivable	\$ 7,257	\$ 660	\$ –
Receivable from subsidiary, PUC Services Inc. (note 9)	8,548,972	8,376,447	5,782,123
Payment in lieu of taxes recoverable	63,164	120,580	–
Total current assets	8,619,393	8,497,687	5,782,123
Non-current assets:			
Investments (note 5)	5,331	5,331	–
Notes receivable from related company (note 4)	8,310,000	8,310,000	8,310,000
Investments in and notes receivable with subsidiaries, at cost (note 6)	46,596,146	46,596,146	48,696,570
Total non-current assets	54,911,477	54,911,477	57,006,570
Total Assets	\$ 63,530,870	\$ 63,409,164	\$ 62,788,693
Liabilities and Shareholder's Equity			
Current liabilities :			
Accounts payable and accrued liabilities	\$ 2,112	\$ 2,307	\$ 1,095,758
Payment in lieu of taxes payable	–	–	116
Long-term debt (note 7)	31,720,000	31,720,000	31,720,000
Total current liabilities	31,722,112	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	14,620,000
21,632 Common shares	14,618,248	14,618,248	14,618,248
Retained earnings	2,570,510	2,448,609	734,571
	31,808,758	31,686,857	29,972,819
Total Liabilities and Shareholder's Equity	\$ 63,530,870	\$ 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 Comprehensive Income

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Interest	\$ 2,151,214	\$ 2,151,214
Miscellaneous	147,013	257,038
	2,298,227	2,408,252
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	179,659	104,232
Business development	16,992	12,923
	2,131,571	2,052,075
Income before payment in lieu of taxes	166,656	356,177
Income taxes (note 8):		
Current	44,755	95,000
Net income, being total comprehensive income for the year	\$ 121,901	\$ 261,177

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Changes in Shareholders' Equity

Year ended December 31, 2015, with comparative information for 2014

	Share Capital	Retained Earnings	Total
Balance, January 1, 2014	\$ 29,238,248	\$ 734,571	\$ 29,972,819
Net income, being total comprehensive income	–	261,177	261,177
Dividends on common shares	–	(610,080)	(610,080)
Amalgamation of related company (note 13)	–	2,062,941	2,062,941
Balance, December 31, 2014	29,238,248	2,448,609	31,686,857
Net income, being total comprehensive income	–	121,901	121,901
Balance, December 31, 2015	\$ 29,238,248	\$ 2,570,510	\$31,808,758

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Net income, being total comprehensive income	\$ 121,901	\$ 261,177
Changes in non-cash operating working capital items:		
Investments	—	(5,331)
Accounts receivable	(6,597)	2,681
Payment in lieu of taxes recoverable	57,416	(120,580)
Accounts payable and accrued liabilities	(195)	(1,093,451)
Payment in lieu of taxes payable	—	(116)
Assets from amalgamation of related company (note 13)	—	2,062,941
Other	—	(3,341)
	172,525	1,103,980
Cash flows from financing activities:		
Dividends on common shares	—	(610,080)
Cash flows from investing activities:		
Investments in and notes receivable with subsidiaries	—	2,100,424
Receivable from subsidiary, PUC Services Inc.	(172,525)	(2,594,324)
	(172,525)	(493,900)
Cash, beginning and end of year	\$ —	\$ —
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 1,934,920	\$ 1,934,920
Cash received during the year for interest	2,151,214	2,141,214

See accompanying notes to non-consolidated financial statements.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

1. Reporting entity:

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

2. Basis of preparation:

(a) Statement of compliance:

The non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 15.

These non-consolidated financial statements have been authorized for issue by the Board of Directors on April 27, 2016.

(b) Basis of measurement:

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

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

(c) Functional and presentation currency:

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

(d) Use of estimates and judgments:

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year are included in note 15.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

3. Significant accounting policies:

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

(a) Payment in lieu of taxes:

As a municipally owned corporation holding an investment in a municipal utility, the Company is exempt from corporate income and capital taxes. However, under the Electricity Act, 1998, the Company is required to make payments in lieu of corporate income and capital taxes to Ontario Electricity Financial 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.

(b) Interest income and expense:

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

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

(c) 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.

(d) Investments:

Investments are recorded at fair value unless the investment is designated as Loans and Receivables. Any gains and losses on disposal of investments are recorded in the year they occur and are included in other investment income in the Non-Consolidated Statement of Comprehensive Income.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(e) Financial instruments:

i) Financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the settlement date at which the Company becomes a party to the contractual provisions of the instrument.

The Company's financial assets are comprised of loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

ii) Financial liabilities:

All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company has the following financial liabilities: trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using effective interest method.

iii) Share capital

Common shares

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

Special shares

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

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

- (f) The following new standards and interpretations are not yet effective but are considered to be relevant to the Company's financial statements:

i) IFRS 9 Financial Instruments ("IFRS 9"(2014))

In July 2014, the IASB issued a new standard, IFRS 9 Financial Instruments, which will replace IAS 39 Financial Instruments: Recognition and Measurement. The replacement of IAS 39 is a multiphase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 is part of the first phase of this project. IFRS 9 is effective for periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company is assessing the impact of IFRS 9 on its results of operations, financial position, and disclosures.

4. Notes receivable from related company:

	2015	2014
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

5. 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, 2015

6. Investment in and notes receivable with subsidiary:

			2015	2014
	Notes Receivable	Common Shares	Total	Total
PUC Distribution	\$ 26,534,040	\$ 20,062,106	\$ 46,596,146	\$ 46,596,146

The note receivable from PUC Distribution Inc. bears interest at 6.1%, is unsecured and is repayable on the year after demand. In 2015, the Company received interest income on this note receivable from PUC Distribution in the amount of \$1,618,575 (2014 - \$1,618,575).

7. Long-term debt:

	2015	2014
Note payable to shareholder, The Corporation of the City of Sault Ste. Marie with 6.1% (2014 - 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 on year after demand, rate for 2015 was 6.1% (2014 - 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, 2015

8. 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% (2014 - 26.50%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

	2015	2014
Earnings before payment in lieu of taxes	\$ 166,656	\$ 356,177
Tax at applicable tax rate	\$ 44,164	\$ 94,387
Other	591	613
Income tax expense	\$ 44,755	\$ 95,000

9. Related party transactions:

The following entities are related parties to the Company:

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

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

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

Public Utilities Commission of the City of Sault Ste. Marie (Utility) - 100% owned by the 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 \$147,013 (2014 - \$253,795) was received during the year. The Company receives interest income on its notes receivable from Services. Interest of \$532,638 (2014 - \$532,638) was received during the year.

The Company receives interest income on its note receivable balance from Distribution which bears interest at a rate of 6.1% (2014 - 6.1%). Interest of \$1,618,575 (2014 - \$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 note at December 31, 2015.

The Company has purchased services relating to business development costs from Services in the amount of \$16,992 (2014 - \$11,203). The Company incurred interest of \$1,934,920 (2014 - \$1,934,920) payable to its shareholder. The Company paid a dividend of \$Nil (2014 - \$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.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

10. Contingency

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

11. Fair value of financial instruments:

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

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

12. Capital disclosures:

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

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

	2015	2014
Note payable to shareholder - 6.1% (2014 - 6.1%)	\$ 6,720,000	\$ 6,720,000
Note payable to shareholder - 6.1% (2014 - 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	2,570,510	2,448,609
	<u>\$ 63,528,758</u>	<u>\$ 63,406,857</u>

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2015, the Company is in compliance with all of the restrictive covenants and restrictions.

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

13. 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)
	\$ 2,062,941

14. Financial risk management:

Overview

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

- credit risk
- market risk

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

Risk management framework

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

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

PUC INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2015

14. Financial risk management (continued):

Credit risk management

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

Market risk

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

15. Explanation of transition to IFRSs:

As stated in note 2(a) and (d), these are the Company's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended December 31, 2015, the comparative information presented in these financial statements for the year ended December 31, 2014 and in the preparation of an opening IFRS statement of financial position at January 1, 2014 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has made no adjustments to amounts reported previously in financial statements prepared in accordance with previous Canadian GAAP.

Financial Statements of

PUC SERVICES INC.

Year ended December 31, 2015



KPMG LLP
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Sault Ste. Marie ON P6A 6L6
Canada
Telephone (705) 949-5811
Fax (705) 949-0911

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Services Inc.

We have audited the accompanying financial statements of PUC Services Inc., which comprise the statement of financial position as at December 31, 2015 and the statements of income, comprehensive loss, changes in shareholders' equity 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Services Inc. as at December 31, 2015, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 27, 2016

Sault Ste. Marie, Canada

PUC SERVICES INC.

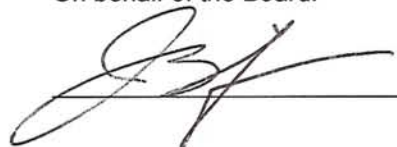
Statement of Financial Position

December 31, 2015, with comparative information for December 31, 2014 and January 1, 2014

	December 31, 2015	December 31, 2014	January 1, 2014
Assets			
Current assets:			
Cash	\$ 8,187,948	\$ 10,339,458	\$ 6,837,931
Accounts receivable (note 5)	5,461,260	3,228,381	2,431,483
Due from related party (note 18)	2,856,907	1,945,721	8,054,961
Inventories (note 6)	298,636	345,588	287,222
Prepaid expenses	—	39,571	229,879
Payment in lieu of taxes recoverable	31,223	7,260	67,352
Total current assets	16,835,974	15,905,979	17,908,828
Non-current assets:			
Deferred taxes (note 9)	544,000	916,000	733,000
Property, plant and equipment (note 7)	12,391,362	9,549,474	9,966,261
Intangible assets (note 8)	771,001	772,829	733,130
Total non-current assets	13,706,363	11,238,303	11,432,391
Total Assets	\$ 30,542,337	\$ 27,144,282	\$ 29,341,219
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,363,910	\$ 2,927,544	\$ 2,804,980
Due to related parties (note 18)	8,985,855	9,150,806	11,468,841
Current portion of long-term debt (note 10)	85,656	69,494	53,333
Total non-current liabilities	13,435,421	12,147,844	14,327,154
Non-current liabilities:			
Long-term debt (note 10)	9,486,155	9,571,811	9,641,306
Deferred revenue	4,894,229	2,453,325	2,051,808
Employee future benefit obligation (note 11)	1,846,728	1,804,376	1,592,210
Total non-current liabilities	16,227,112	13,829,512	13,285,324
Total liabilities	29,662,533	25,977,356	27,612,478
Shareholder's equity:			
Share capital (note 14)	1,943,300	1,943,300	1,943,300
Accumulated other comprehensive income	118,929	74,517	181,453
Deficit	(1,182,425)	(850,891)	(396,012)
	879,804	1,166,926	1,728,741
Commitments and contingencies (note 17)			
Total Liabilities and Shareholder's Equity	\$ 30,542,337	\$ 27,144,282	\$ 29,341,219

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

PUC SERVICES INC.

Statement of Comprehensive Income

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Management fees	\$ 10,139,738	\$ 10,033,591
Contract services	4,993,303	4,907,393
Other operating revenue (note 15)	1,445,232	1,393,298
	16,578,273	16,232,822
Expenses:		
Contract service	4,443,294	4,418,864
Administrative	4,088,690	4,280,115
Facilities	2,572,975	2,933,588
Depreciation and amortization	1,997,627	2,043,982
Billing and collecting	1,273,342	1,168,988
Customer service	974,374	807,406
Street lights	450,440	398,317
Other business and maintenance	176,336	346,151
New business development	16,994	11,203
	15,994,072	16,307,154
Income (loss) from operating activities	584,201	(74,332)
Other expenses:		
Finance income (note 16)	(33,917)	(64,987)
Finance charges (note 16)	587,628	589,979
Net finance costs	553,711	524,992
Income (loss) before provision for payment in lieu of taxes	30,490	(599,324)
Payment in lieu of taxes (note 9):		
Current	6,037	—
Deferred (recovery)	355,987	(144,445)
	362,024	(144,445)
Loss for the year	(331,534)	(454,879)
Other comprehensive income (loss): Items that will not be reclassified to profit or loss, net of income tax:		
Remeasurement of employee future benefits (note 11)	60,425	(145,491)
Income tax on other comprehensive income (note 9)	(16,013)	38,555
	44,412	(106,936)
Comprehensive loss for the year	\$ (287,122)	\$ (561,815)

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Changes in Shareholders' Equity

Year ended December 31, 2015, with comparative information for 2014

		Share capital	Acc. other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2013	\$	1,943,300	\$ —	\$ (267,345)	\$ 1,675,955
Transitional adjustment (note 20)		—	181,453	(128,667)	52,786
Balance, January 1, 2014		1,943,300	181,453	(396,012)	1,728,741
Comprehensive loss for the year		—	—	(454,879)	(454,879)
Other comprehensive loss		—	(106,936)	—	(106,936)
Balance, December 31, 2014		1,943,300	74,517	(850,891)	1,166,926
Comprehensive loss for the year		—	—	(331,534)	(331,534)
Other comprehensive income		—	44,412	—	44,412
Balance, December 31, 2015	\$	1,943,300	\$ 118,929	\$(1,182,425)	\$ 879,804

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

PUC SERVICES INC.

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Comprehensive loss for the year	\$ (287,122)	\$ (561,815)
Items not affecting cash:		
Depreciation and amortization	1,997,627	2,043,982
Amortization of deferred revenue	(207,104)	(121,057)
Loss on disposal of property, plant, and equipment	409	—
Impairment of property, plant, and equipment	—	12,973
Net finance costs	553,711	524,992
Income tax expense (recovery)	362,024	(144,445)
	2,419,545	1,754,630
Changes in other assets:		
Increase in accounts receivable	(2,232,879)	(796,898)
Increase (decrease) in balances with related entities	(1,042,220)	3,856,192
Decrease (increase) in inventories	46,952	(58,366)
Decrease in prepaid expense	39,571	190,308
Increase in accounts payable and accrued liabilities	1,436,366	122,565
Increase in employee future benefit obligation	28,366	281,055
Income tax paid	—	(47,352)
	695,701	5,302,134
Financing activities:		
Principal payments long-term debt	(69,494)	(53,334)
Contributions relating to property, plant, and equipment	2,648,007	522,574
Interest paid	(587,628)	(589,979)
	1,990,885	(120,739)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	—	19,721
Purchases of property, plant and equipment	(4,449,232)	(1,346,972)
Purchases of intangible assets	(388,864)	(352,617)
	(4,838,096)	(1,679,868)
Net (decrease) increase in cash	(2,151,510)	3,501,527
Cash, beginning of the year	10,339,458	6,837,931
Cash, beginning and end of year	\$ 8,187,948	\$ 10,339,458

See accompanying notes to financial statements.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

1. Reporting entity:

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

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

2. Basis of preparation:

(a) Statement of compliance:

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

(b) Adoption of IFRS:

These are the Company's first financial statements prepared in accordance with IFRSs and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 20.

(c) Approval of the financial statements:

The financial statements have been approved and authorized for issue by the Board of Directors on April 27, 2016.

(d) Basis of measurement:

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

(e) Functional and presentation currency:

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

(f) Use of estimates and judgments:

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

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

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

- (i) Note 7 – Property, plant and equipment: estimation of useful lives
- (ii) Note 11 – Employee future benefits: key actuarial assumptions
- (iii) Note 18 – Commitments and contingencies

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements and in preparing the opening IFRS statement of financial position at January 1, 2014 for the purpose of the transition to IFRS unless otherwise indicated.

(a) Financial instruments:

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(e). The Company does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion and operations and are valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

(c) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") acquired prior to January 1, 2014 are measured at cost established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is transferred from customers, its fair value, less accumulated depreciation. Consistent with IFRS 1, the Company elected to use the carrying amount as previously determined under Canadian GAAP as the cost at January 1, 2014, the transition date to IFRS.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take a substantial period of time to construct.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of PP&E are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of PP&E and are recognized net within other income in profit or loss.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(c) Property, plant and equipment (continued):

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of property, plant and equipment is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of property, plant and equipment is written-off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and in service.

The estimated useful lives are as follows:

Buildings	25 – 50 years
Plant and equipment	4 – 40 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

(d) Intangible assets:

(i) Computer software:

Computer software that is acquired or developed by the Company, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated depreciation and accumulated impairment losses.

(ii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are:

Computer software	2 – 5 years
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Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(e) Impairment:

(i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its current carrying amount (using prevailing interest rates), and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(f) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(g) Employee future benefits:

(i) Pension plan:

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

(ii) Post-employment benefits, other than pension:

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and reported in retained earnings. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in net income on a straight-line basis over the average period until the benefits become vested. In circumstances where the benefits vest immediately, the expense is recognized immediately in net income.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(g) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings. Finance costs are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

(h) Payment in lieu of taxes:

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations' Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Company ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Company's Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

(i) Payment in lieu of taxes (continued):

PILs comprises current and deferred payments in lieu of income tax. PILs are recognized in income and loss except to the extent that it relates to items recognized directly in either comprehensive income or equity, in which case, it is recognized in comprehensive income or in equity.

Current PILS is the expected amount of tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred PILs comprise the net tax effects of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized. Deferred PILs assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred PILs assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred PILs asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred PILs assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(j) New standards and interpretations not yet effective:

The following new standards and interpretations are not yet effective but are considered to be relevant to the Company's financial statements:

i) *IFRS 15 Revenue from Contracts with Customers*

The IASB has issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and various interpretations and establishes principles regarding the nature, amount, timing and uncertainty of revenue arising from contracts with customers. The standard requires entities to recognize revenue for the transfer of goods or services to customers measured at the amounts an entity expects to be entitled to in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of IFRS 15 on its results of operations, financial position and disclosures.

ii) *IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets*

In May 2014, the IASB issued amendments to IAS 16, Property, Plant and Equipment and IAS 38 Intangible Assets, which are effective for years beginning on or after January 1, 2016. The amendments clarify when revenue-based depreciation methods are permitted. The Company does not expect this to have an impact on its results of operations, financial position and disclosures.

iii) *IFRS 9 Financial Instruments*

In July 2014, the IASB issued a new standard, IFRS 9 Financial Instruments, which will replace IAS 39 Financial Instruments: Recognition and Measurement. The replacement of IAS 39 is a multiphase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 is part of the first phase of this project. IFRS 9 is effective for periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company is assessing the impact of IFRS 9 on its results of operations, financial position, and disclosures.

iv) *IFRS 16 Leases:*

In January 2016, the IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation and disclosures of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS17 and it is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of IFRS 16 on its results of operations, financial position and disclosures.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

4. Critical accounting estimates and judgments:

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments:

The Company determines the fair value of financial instruments that are not quoted in an active market, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods, and assumptions applied, and the valuation techniques used, for financial instruments that are not quoted in an active market are disclosed in note 19.

Payment in lieu of taxes:

The Company periodically assesses its liabilities and contingencies related to PILs for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current PILs provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the PILs liabilities.

Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2015, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in notes 7 and 8. Actual results, however, may vary due to technical obsolescence, particularly for software and electronic equipment.

Impairment:

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

Employee retirement benefits:

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

4. Critical accounting estimates and judgments (continued):

Impairment (continued):

The Company estimates the present value of employee retirement benefits, which depends on a number of assumptions including discount rates, expected salary and other cost increases, and mortality rates. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Refer to note 11 for information relating to these estimates.

5. Accounts receivable:

	December 31, 2015	December 31, 2014	January 1, 2014
Trade receivables	\$ 5,346,376	\$ 3,148,843	\$ 2,197,172
Other receivables	114,884	79,538	234,311
	<u>\$ 5,461,260</u>	<u>\$ 3,228,381</u>	<u>\$ 2,431,483</u>

6. Inventory:

	December 31, 2015	December 31, 2014
Stores	\$ 83,398	\$ 84,727
Fuel	28,193	49,457
Street lights	187,045	211,404
	<u>\$ 298,636</u>	<u>\$ 345,588</u>

The amount of inventories consumed by the Company and recognized as an expense during 2015 was \$202,315 (2014 - \$179,765).

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

7. Property, plant and equipment:

(a) Cost:

	Land	Building	Plant and equipment	Construction -in-Progress	Total
Balance at January 1, 2015	\$ 70,368	\$1,666,669	\$27,833,986	\$ 36,335	\$29,607,358
Additions	—	—	4,449,232	—	4,449,232
Transfers	—	—	—	—	—
Disposals/retirements	—	—	(315,468)	—	(315,468)
Balance at December 31, 2015	\$ 70,368	\$1,666,669	\$31,967,750	\$ 36,335	\$33,741,122

	Land	Building	Plant and equipment	Construction -in-Progress	Total
Balance at January 1, 2014	\$ 70,368	\$1,666,669	\$27,279,726	\$ 25,367	\$ 29,042,130
Additions	—	—	1,291,010	36,242	1,327,252
Transfers	—	—	25,274	(25,274)	—
Disposals/retirements	—	—	(762,024)	—	(762,024)
Balance at December 31, 2014	\$ 70,368	\$1,666,669	\$27,833,986	\$ 36,335	\$29,607,358

(b) Accumulated depreciation:

	Land	Buildings	Plant and equipment	Construction -in-Progress	Total
Balance at January 1, 2015	\$ —	\$ 923,139	\$19,134,745	\$ —	\$20,057,884
Depreciation charge	—	5,254	1,601,682	—	1,606,936
Disposals/retirements	—	—	(315,060)	—	(315,060)
Balance at December 31, 2015	\$ —	\$ 928,393	\$20,421,367	\$ —	\$21,349,760

	Land	Buildings	Plant and equipment	Construction -in-Progress	Total
Balance at January 1, 2014,	\$ —	\$ 917,885	\$18,157,986	\$ —	\$19,075,871
Depreciation charge	—	5,254	1,725,810	—	1,731,064
Disposals/retirements	—	—	(749,051)	—	(749,051)
Balance at December 31, 2014	\$ —	\$ 923,139	\$19,134,745	\$ —	\$20,057,884

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

7. Property, plant and equipment (continued):

(c) Carrying amounts:

	Land	Buildings	Plant and equipment	Construction -in- Progress	Total
At December 31, 2015	\$ 70,368	\$ 738,276	\$11,546,383	\$ 36,335	\$12,391,362
At December 31, 2014	70,368	743,530	8,699,241	36,335	9,549,474
At January 1, 2014	70,368	748,784	9,121,740	25,367	9,966,261

(d) Security:

At December 31, 2015, properties with a carrying amount of \$12,391,362 (2014 - \$9,579,474) are subject to a general security agreement.

8. Intangible assets:

(a) Cost:

	Computer software
Balance at January 1, 2015	\$ 1,564,592
Additions	388,864
Balance at December 31, 2015	\$ 1,953,456
Balance at January 1, 2014	1,211,975
Additions	352,617
Balance at December 31, 2014	\$ 1,564,592

(b) Accumulated amortization:

	Computer software
Balance at January 1, 2015	\$ 791,763
Amortization charges in 2015	390,691
Balance at December 31, 2015	\$ 1,182,454
Balance at January 1, 2014	478,845
Amortization charges in 2014	312,918
Balance at December 31, 2014	\$ 791,763

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

8. Intangible assets (continued):

(c) Carrying amounts:

	Computer software
At December 31, 2015	\$ 771,001
At December 31, 2014	\$ 772,829
At January 1, 2014	\$ 733,130

9. Payments in lieu of income taxes:

Payment in lieu of taxes:

	2015	2014
Current	\$ 6,037	\$ —
Deferred	355,987	(144,445)
Income tax expense	\$ 362,024	\$ (144,445)

Reconciliation of effective tax rate:

	December 31, 2015	December 31, 2014
Earnings (loss) before payments in lieu of income taxes	\$ 30,491	\$ (440,797)
Statutory rate	26.5%	26.5%
Profit excluding income tax	8,080	(116,811)
Increase (decrease) resulting from:		
Permanent difference	3,902	5,293
Adjustment of prior years	175,793	44,445
Other comprehensive income adjustment	16,013	(38,555)
Input tax credits	(5,949)	—
Other	164,185	(38,817)
	\$ 362,024	\$ (144,445)

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

9. Payments in lieu of income taxes (continued):

Significant components of the Company's deferred tax balances are as follows:

	December 31, 2015	December 31, 2014
Deferred tax assets (liabilities):		
Plant and equipment	\$ (1,148,000)	\$ (386,000)
Employee benefits	489,000	479,000
Non-capital loss carry forward	—	173,000
Deferred revenue – contributed capital	1,203,000	650,000
	<u>\$ 544,000</u>	<u>\$ 916,000</u>

10. Long-term debt:

	2015	2014
Notes payable:		
(i) PUC Inc.	\$ 6,990,000	\$ 6,990,000
(ii) PUC Inc.	1,320,000	1,320,000
(iii) Ontario Infrastructure and Lands Corporation	680,000	733,333
(iv) Federation of Canadian Municipalities	581,811	597,972
	<u>9,571,811</u>	<u>9,641,305</u>
Current portion of long-term debt	85,656	69,494
	<u>\$ 9,486,155</u>	<u>\$ 9,571,811</u>

- i. Note payable to parent company, PUC Inc., unsecured, bears interest at 7.62% per annum and is payable one year after demand. Interest of \$532,638 (2014 - \$532,638) was paid and expensed during the year.
- ii. Note payable to parent company, PUC Inc., unsecured and without interest and is payable one year after demand.
- iii. Note payable to Ontario Infrastructure and Lands Corporation (OILC), bears interest at 4.26% per annum and is payable in monthly principal and interest payments of \$4,444, due September 18, 2028. Interest of \$29,914 (2014 - \$32,167) was paid and expensed during the year.
- iv. Note payable to Federation of Canadian Municipalities (FCM), unsecured, bears interest at 4.21% per annum and is payable in semi-annual principal and interest payments of \$16,161, due October 30, 2033. Interest of \$25,077 (2014 - \$25,175) was paid and expensed during the year.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

10. Long-term debt (continued):

Principal payments on the long-term debt are as follows:

2016	\$	85,656
2017		85,656
2018		85,656
2019		85,656
2020		85,656
2021 - 2035		9,143,531
		9,571,811
Less: current portion		(85,656)
Long-term portion of loan	\$	9,486,155

11. Employee future benefits:

The Company pays certain medical and life insurance benefits on behalf of some of its retired employees. The Company recognizes these post-retirement costs in the period in which employees' services were rendered. The accrued benefit liability at December 31, 2015 of \$1,846,728 was based on an actuarial valuation completed in 2015 using a discount rate of 4.10%.

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

	2015	2014
Defined benefit obligation, beginning of year	\$ 1,804,376	\$ 1,592,210
Current service cost	93,754	78,426
Interest cost	69,197	73,603
Benefits paid during the year	(60,174)	(85,354)
Actuarial (gains) losses recognized in other comprehensive income	(60,425)	145,491
Accrued benefit liability, end of year	\$ 1,846,728	\$ 1,804,376

Components of net benefit expense recognized are as follows:

	2015	2014
Current service cost	\$ 93,754	\$ 78,426
Interest cost	69,197	73,603
Net benefit expense recognized	\$ 162,951	\$ 152,029

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

11. Employee future benefits (continued):

The significant actuarial assumptions used in the valuation are as follows (weighted average):

	2015	2014
Accrued benefit obligation:		
Discount rate	4.10%	3.90%
Benefit cost for the year:		
Withdrawal rate	0.50%	0.50%
Assumed health care cost trend rates:		
Cost trend rate estimated to decline to 4.6% over 6 years.	6.40%	6.70%

The approximate effect on the accrued benefit obligation of the entire plan and the estimated net benefit expense of the entire plan if the health care trend rate assumption was increased or decreased by 1%, and all other assumptions were held constant, is as follows:

	Defined Benefit Obligation	Periodic Benefit Cost
1% increase in health care trend rate	\$ 124,000	\$ 80,000
1% decrease in health care trend rate	87,000	67,000

The main actuarial assumptions utilized for the valuation are as follows:

General inflation - future general inflation levels, as measured by the changes in the Consumer Price Index, were assumed at 2% in 2015, and thereafter (2014 – 2%).

Discount (interest) rate - the discount rate used to determine the present value of future liabilities and the expense for the year ended December 31, 2015, was 4.1% (2014 – 3.9%).

12. Pension agreement:

The Company provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2015, the Company made employer contributions of \$1,562,693 to OMERS (2014 - \$1,581,118). The Company's net benefit expense has been charged to income.

13. Employee benefits:

	2015	2014
Salaries, wages and benefits	\$ 16,106,442	\$ 16,633,005
CPP and EI remittances	695,192	683,632
Contributions to OMERS	1,562,693	1,581,118
	\$ 18,364,327	\$ 18,897,755

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

14. Share capital:

	2015	2014
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
	\$ 1,943,300	\$ 1,943,300

15. Other operating revenue:

	2015	2014
Streetlights	\$ 512,230	\$ 421,767
Miscellaneous	534,612	684,823
Amortization of deferred revenue	207,104	121,057
Generation revenue	191,286	165,651
Total other income	\$ 1,445,232	\$ 1,393,298

16. Finance income and expense:

	2015	2014
Interest income	\$ 33,917	\$ 64,987
Finance income	33,917	64,987
Interest expense on amounts due to related party	532,638	532,638
Interest expense on long-term debt	54,990	57,341
	587,628	589,979
Net finance costs recognized in profit or loss	\$ 553,711	\$ 524,992

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

17. Commitments and contingencies:

General

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

General Liability Insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2015, no assessments have been made.

18. Related party transactions:

(a) Parent, ultimate controlling party, and other related parties:

The sole shareholder of the Company is PUC Inc., which in turn is wholly-owned by the Corporation of the City of Sault Ste. Marie (the "City"). The City produces financial statements that are available for public use. Other related parties include PUC Services Inc. (Services), and Public Utilities Commission of the City of Sault Ste. Marie (Utility).

(b) The key management personnel of the Company have been defined as members of its board of directors and executive management team members, and is summarized below.

	2015	2014
Directors' fees	\$ 17,982	\$ 12,932
Salaries and other short-term benefits	729,999	746,107
Post-employment benefits	10,708	9,969
	<u>\$ 758,689</u>	<u>\$ 769,008</u>

(d) Transactions with ultimate parent (the City):

In the year, the Company had the following significant transactions with its ultimate parent, a government entity:

The Company provides streetlight services and water and waste water services to the City. The amount charged to the City for streetlight maintenance is \$512,230 (2014 - \$421,767) and water and waste water services is \$3,317,509 (2014 - \$3,348,647).

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

18. Related party transactions (continued):

(d) Transactions with other related parties:

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:

	2015	2014
PUC Distribution Inc.	\$ 4,871,691	\$ 4,818,382
Public Utilities Commission of the City of Sault Ste. Marie	5,251,053	5,204,006
PUC Inc.	16,994	11,203
	<u>\$ 10,139,738</u>	<u>\$ 10,033,591</u>

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, and the Public Utilities Commission of \$147,013, \$7,221, and \$(55,391) (2014 - \$253,795, (\$237,053), and \$(4,667) respectively).

The Company paid interest on its long-term debt to PUC Inc. of \$532,638 (2014 - \$532,638).

New business development costs of \$16,994 (2014 - \$11,203) were charged to PUC Inc.

19. Financial instruments and risk management:

Fair value disclosure

Cash and cash equivalents are measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns in excess of 90% of its revenue from related parties and other municipal corporations.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

19. Financial instruments and risk management (continued):

(b) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

(c) Capital disclosures:

The Company's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2015, shareholder's equity amounts to \$879,804 (2014 - \$1,166,926) and long-term debt amounts to \$9,486,155 (2014 - \$9,571,811).

20. Explanation of transition to IFRS:

As stated in note 2(b), these are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended December 31, 2015, the comparative information presented in these financial statements for the year ended December 31, 2014, and in the preparation of an opening IFRS Statement of Financial Position as at January 1, 2014 (the Company's date of transition).

In preparing its opening IFRS Statement of Financial Position, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with Canadian general accepted accounting principles (CGAAP). An explanation of how the transition from CGAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following table and the notes accompanying the tables.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

20. Explanation of transition to IFRS (continued):

Reconciliation of statement of financial position and statement of changes in equity January 1, 2014

Account	Note	Canadian GAAP	Presentation differences	Measurement and recognition differences	IFRS
Cash and cash equivalents		6,837,931	-	-	6,837,931
Accounts receivable		2,431,483	-	-	2,431,483
Receivable from related entity: PUC Distribution Inc.		8,054,961	-	-	8,054,961
Inventory		287,222	-	-	287,222
Prepaid expenses		229,879	-	-	229,879
Income taxes receivable		67,352	-	-	67,352
Property, plant and equipment	(a),(b)	27,548,486	1,493,645	-	29,042,131
Accumulated depreciation	(a),(b)	(18,900,903)	(174,967)	-	(19,075,870)
Intangible assets	(b)		1,211,975	-	1,211,975
Accumulated amortization on intangible assets	(b)		(478,845)	-	(478,845)
Future taxes	(e)	752,000	-	(19,000)	733,000
Total assets		27,308,411	2,051,808	(19,000)	29,341,219
Accounts payable and accrued liabilities		2,804,980	-	-	2,804,980
Payable to related entities: PUC Inc		5,780,439	(5,780,439)	-	-
Payable to related entities: PUC Telecom Inc.		4,018,369	(4,018,369)	-	-
Payable to related entities: Public Utilities Commission of the City of Sault Ste. Marie		1,670,033	(1,670,033)	-	-
Payable to related parties		-	11,468,841	-	11,468,841
Long term debt		9,694,639	-	-	9,694,639
Deferred revenue	(c)	-	2,051,808	-	2,051,808
Employee future benefits	(d)	1,663,996		(71,786)	1,592,210
Total liabilities		25,632,456	2,051,808	(71,786)	27,612,478
Share capital: Special shares		1,050,000	-	-	1,050,000
Share capital: Common shares		893,300	-	-	893,300
Accumulated other comprehensive income (loss)	(d),(e)	-	-	181,453	181,453
Retained earnings (Deficit)	(d)	(267,345)	-	(128,667)	(396,012)
Total liabilities and shareholder's equity		27,308,411	2,051,808	(19,000)	29,341,219

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

20. Explanation of transition to IFRS (continued):

Reconciliation of statement of financial position and statement of changes in equity

December 31, 2014

Account	Note	Canadian GAAP	Presentation differences	Measurement and recognition differences	IFRS
Cash and cash equivalents		10,339,458	-	-	10,339,458
Accounts receivable		3,228,381	-	-	3,228,381
Receivable from related entity: PUC Distribution Inc.		1,945,721	-	-	1,945,721
Inventory		345,588	-	-	345,588
Prepaid expenses		39,571	-	-	39,571
Income taxes receivable		7,260	-	-	7,260
Property, plant and equipment	(a),(b),(c)	27,943,755	1,663,603	-	29,607,358
Accumulated depreciation	(a),(b),(c)	(20,074,777)	16,893	-	(20,057,884)
Intangible assets	(b)	-	1,564,592	-	1,564,592
Accumulated amortization on intangible assets	(b)	-	(791,763)	-	(791,763)
Future taxes	(e)	852,000	-	64,000	916,000
Total assets		24,626,957	2,453,325	64,000	27,144,282
Accounts payable and accrued liabilities		2,927,544	-	-	2,927,544
Payable to related entities: PUC Inc		8,376,447	(8,376,447)	-	-
Payable to related entities: Public Utilities Commission of the City of Sault Ste. Marie		774,359	(774,359)	-	-
Payable to related parties		-	9,150,806	-	9,150,806
Long term debt		9,641,305	-	-	9,641,305
Deferred revenue	(c)	-	2,453,325	-	2,453,325
Employee future benefits	(d)	1,564,885	-	239,491	1,804,376
Total liabilities		23,284,540	2,453,325	239,491	25,977,356
Share capital: Special shares		1,050,000	-	-	1,050,000
Share capital: Common shares		893,300	-	-	893,300
Accumulated other comprehensive income (loss)	(d),(e)	-	-	74,517	74,517
Retained earnings (Deficit)	(d)	(600,883)	-	(250,008)	(850,891)
Total liabilities and shareholder's equity		24,626,957	2,453,325	64,000	27,144,282

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

20. Explanation of transition to IFRS (continued):

Reconciliation of net income for 2014

Account	Note	Canadian GAAP	Presentation differences	Measurement and recognition differences	IFRS
Management fees		10,033,591	-	-	10,033,591
Contract service		4,907,393	-	-	4,907,393
Streetlights		421,767	(421,767)	-	-
Miscellaneous		749,810	(749,810)	-	-
Generation		165,651	(165,651)	-	-
Other operating revenue			1,393,298	-	1,393,298
Total revenue		16,278,212	56,070	-	16,334,282
Contract service		4,396,273	-	22,591	4,418,864
Administrative and general	(d)	4,155,202	-	124,913	4,280,115
Facilities		2,931,984	-	1,604	2,933,588
Depreciation of property, plant and equipment	(c)	1,922,925	121,057	-	2,043,982
Billing and collecting		1,160,974	-	8,014	1,168,988
Customer service		801,048	-	6,358	807,406
Interest on long-term debt		589,979	(589,979)	-	-
Streetlights		396,157	-	2,160	398,317
Other operations and maintenance		346,005	-	146	346,151
New business development		11,203	-	-	11,203
Total expenses		16,711,750	(468,922)	165,786	16,408,614
Net income from operating activities		(433,538)	524,992	(165,786)	(74,332)
Finance income		-	(64,987)	-	(64,987)
Finance charges		-	589,979	-	589,979
Loss before provision for payment in lieu of taxes		(433,538)	-	(165,786)	(599,324)
Provision for payment in lieu of taxes: Future		(100,000)	-	(44,445)	(144,445)
		(333,538)	-	(121,341)	(454,879)
Actuarial gain (loss) on employee future benefits	(d)	-	-	(145,491)	(145,491)
Income tax on other comprehensive income	(e)	-	-	38,555	38,555
Total comprehensive income (loss) for the year		(333,538)	-	(228,277)	(561,815)

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

20. Explanation of transition to IFRS (continued):

Notes to the reconciliations

- (a) The Company has elected under IFRS 1 to use the carrying value of items of PP&E and intangible assets as the cost at the date of transition. Therefore, there has been no change to the net PP&E and intangible assets at January 1, 2014.
- (b) IFRS requires that qualifying intangible assets be separately disclosed. The Company has applied IAS 38 to all qualifying assets that were in progress or commenced since January 1, 2014. The effect of this transitional adjustment is a reclassification of the original cost and accumulated depreciation of software assets at January 1, 2014.
- (c) Under Canadian Generally Accepted Accounting Policies (CGAAP), capital contributions were netted against the cost of PP&E and amortized to net income as an offset to depreciation expense, on the same basis as the related assets. Under IFRS, capital contributions are recognized initially as customer deposits until the related asset is constructed, at which time the capital contributions are recognized as deferred revenue and amortized into net income over the life of the related asset.

At January 1, 2014 the effect is to increase PP&E and deferred revenue by \$2,051,808. At December 31, 2014, the effect is to increase PP&E and deferred revenue by \$2,453,325, and increase depreciation expense and other operating revenue by \$121,057 for the year then ended.

- (d) The Company adopted the revised Employee Benefits standard effective January 1, 2014. This revised standard requires recognition of actuarial gains and losses through other comprehensive income. This increased employee future benefits and retained earnings by \$71,786 and \$128,667 respectively at January 1, 2014. Operating expenses for the year ended December 31, 2014 increased by \$165,786 and employee future benefits increased by \$239,491 at December 31, 2014.
- (e) The above changes increase (decreased) the deferred tax asset as follows based on a tax rate of 26.5%:

	December 31, 2014	January 1, 2014
Employee benefits	\$ 64,000	\$ (19,000)
Increase (decrease) in deferred tax asset	\$ 64,000	\$ (19,000)

The effect on the statement of comprehensive income for the year ended December 31, 2014 was to decrease the previously reported income taxes for the year by \$38,555 for the year ended December 31, 2014.

PUC SERVICES INC.

Notes to Financial Statements

Year ended December 31, 2015

20. Explanation of transition to IFRS (continued):

Notes to the reconciliations (continued):

- (f) IFRS requires an assessment of the probability that unrecognized deferred tax assets will be recovered and if it is probably the asset is recognized. There was no impact on the deferred tax assets as a result of this assessment.
- (g) Certain amounts have been reclassified to conform to the financial statement presentation adopted for 2015.

There are no material differences between the statement of cash flows presented under IFRS and the statement of cash flows presented under CGAAP.

Financial Statements of

PUC DISTRIBUTION INC.

Year ended December 31, 2015



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Canada
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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, 2015 and the statements of comprehensive income, changes in shareholder's equity 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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Distribution Inc. as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 27, 2016
Sault Ste. Marie, Canada

PUC DISTRIBUTION INC.

Statements of Financial Position

As at December 31, 2015, with comparative information for 2014

	December 31, 2015	December 31, 2014	January 1, 2014
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,084,294	\$ 4,118,664	\$ 314,787
Accounts receivable (note 5)	5,900,335	7,544,347	7,886,094
Unbilled revenue	10,862,168	10,004,921	11,572,951
Due from related parties	436,883	—	—
Payment in lieu of taxes recoverable	603,021	497,819	343,139
Inventory (note 6)	1,493,197	1,614,472	1,675,485
Prepaid expenses	62,800	62,200	66,520
Total current assets	22,442,698	23,842,423	21,858,976
Non-current assets:			
Property, plant and equipment (note 7)	87,309,571	85,298,117	81,323,111
Deferred tax assets (note 8)	1,084,000	1,403,460	1,940,000
Total non-current assets	88,393,571	86,701,577	83,263,111
Total assets	110,836,269	110,544,000	105,122,087
Regulatory deferral account debit balances (note 9)	49,643	1,510,636	822,635
Deferred tax asset associated with regulatory deferral account balances	390,000	496,000	699,000
	439,643	2,006,636	1,521,635
Total assets and regulatory deferral account debit balances	\$ 111,275,912	\$ 112,550,636	\$ 106,643,722

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

PUC DISTRIBUTION INC.

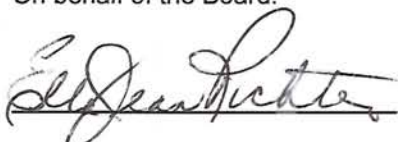
Statements of Financial Position (continued)

Year ended December 31, 2015, with comparative information for 2014

	December 31, 2015	December 31, 2014	January 1, 2014
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities	7,958,726	10,791,840	10,702,293
Due to related parties	—	1,945,721	8,054,961
Current portion of long-term debt (note 10)	15,785,022	15,752,049	720,470
Customer deposits (note 11)	922,422	854,761	712,536
Deferred revenue	228,455	563,782	1,227,075
Total current liabilities	24,894,625	29,908,153	21,417,335
Non-current liabilities:			
Deferred revenue	1,119,671	1,019,588	—
Long-term debt (note 10)	50,380,538	51,165,560	51,917,609
Total non-current liabilities	51,500,209	52,185,148	51,917,609
Total liabilities	76,394,834	82,093,301	73,334,944
Shareholder's equity:			
Share capital (note 12)	20,062,107	20,062,107	20,062,107
Retained earnings	8,150,941	7,262,940	6,255,769
Total shareholder's equity	28,213,048	27,325,047	26,317,876
Commitments and contingencies (note 15)			
Total liabilities and shareholder's equity	\$ 104,607,882	\$ 109,418,348	\$ 99,652,820
Regulatory deferral account credit balances (note 9)	5,194,030	1,256,288	4,351,902
Deferred tax liability associated with regulatory deferral account balances	1,474,000	1,876,000	2,639,000
	6,668,030	3,132,288	6,990,902
Total equity, liabilities and regulatory deferral account credit balances	\$ 111,275,912	\$ 112,550,636	\$ 106,643,722

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

On behalf of the Board:

 Director

 Director

PUC DISTRIBUTION INC.

Statement of Comprehensive Income

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Electricity sales	\$ 79,708,094	\$ 74,528,784
Distribution revenue	16,291,495	16,386,768
Cost of electricity sold	73,275,057	76,354,825
	22,724,532	14,560,727
Other operating revenue (note 13)	3,640,802	4,242,968
Net operating revenue	26,365,334	18,803,695
Expenses:		
Operations and maintenance	5,977,598	5,773,407
General and administrative	3,211,923	3,332,930
Billing and collection	1,417,758	1,373,301
Depreciation and amortization	4,139,746	3,896,378
Community relations	1,529,216	2,516,075
	16,276,241	16,892,091
Income from operating activities	10,089,093	1,911,604
Other expenses:		
Finance income (note 14)	26,460	7,555
Finance charges (note 14)	3,003,913	3,016,592
Net finance costs	2,977,453	3,009,037
Income (loss) before income taxes	7,111,640	(1,097,433)
Income tax expense (recovery)		
Current (note 8)	1,285,959	(278,563)
Deferred (note 8)	296,000	560,000
	1,581,959	281,437
Income (loss) for the year before movements in regulatory deferral account balances	5,529,681	(1,378,870)
Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	4,641,680	(2,386,041)
Net income, being total comprehensive income for the year	\$ 888,001	\$ 1,007,171

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

PUC DISTRIBUTION INC.

Statements of Changes in Shareholder's Equity

Year ended December 31, 2015, with comparative information for 2014

	Share capital	Retained earnings	Total
Balance at December 31, 2013	\$ 20,062,107	\$ 6,400,656	\$ 26,462,763
Transitional adjustment (note 18)	–	(144,887)	(144,887)
Balance at January 1, 2014	20,062,107	6,255,769	26,317,876
Net income, being total comprehensive income	–	1,007,171	1,007,171
Balance at December 31, 2014	20,062,107	7,262,940	27,325,047
Net income, being total comprehensive income	–	888,001	888,001
Balance at December 31, 2015	\$ 20,062,107	\$ 8,150,941	\$ 28,213,048

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

PUC DISTRIBUTION INC.

Statements of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Total comprehensive income for the year	\$ 888,001	\$ 1,007,171
Items not affecting cash:		
Depreciation and amortization	4,139,746	3,896,378
Amortization of deferred revenue	(110,389)	(99,018)
Net finance costs	2,977,453	3,009,037
Income tax expense	1,581,959	281,437
	9,476,770	8,095,005
Change in non-cash operating working capital:		
Accounts receivable	1,644,012	341,747
Unbilled revenue	(857,247)	1,568,030
Inventory	121,275	61,013
Prepaid expenses	(600)	4,320
Due from related parties	(436,883)	—
Due to related parties	(1,919,261)	(6,101,685)
Accounts payable and accrued liabilities	(2,833,114)	89,547
Customer deposits	67,661	142,225
Deferred revenue	(335,327)	(663,293)
Income tax paid	(49,428)	(199,278)
Net cash from operating activities	4,877,858	3,337,631
Cash flows from investing activities:		
Purchase of property, plant and equipment	(6,395,529)	(7,801,509)
Contributions relating to property, plant, and equipment	454,801	1,045,731
Net movements in regulatory balances	3,784,462	(4,043,914)
Net cash from investing activities	(2,156,266)	(10,799,692)
Cash flows from financing activities:		
Proceeds from long-term debt	—	15,000,000
Repayment of long-term debt	(752,049)	(720,470)
Interest paid	(3,003,913)	(3,016,592)
Net cash from financing activities	(3,755,962)	11,262,938
Change in cash and cash equivalents	(1,034,370)	3,800,877
Cash and cash equivalents, beginning of year	4,118,664	317,787
Cash and cash equivalents, end of year	\$ 3,084,294	\$ 4,118,664

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

1. Reporting entity:

PUC Distribution Inc. (the "Company") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Company is located in the City of Sault Ste. Marie. The address of the Company's registered office is 500 Second Line East, Sault Ste. Marie, Ontario Canada.

The Company delivers electricity and related energy services to residential and commercial customers in Sault Ste. Marie. The Company is wholly owned by PUC Inc., which is itself wholly owned by The Corporation of the City of Sault Ste. Marie.

2. Basis of presentation:

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Adoption of IFRS:

These are the Company's first financial statements prepared in accordance with IFRS and IFRS1 *First-time Adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 18.

(c) Approval of the financial statements:

The financial statements were approved by the Board of Directors on April 27, 2016.

(d) Basis of measurement:

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

(e) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(f) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

2. Basis of presentation (continued):

(f) Use of estimates and judgments (continued):

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes:

- (i) Note 7 - Property, plant and equipment
- (iii) Note 15 – Commitments and contingencies

(g) Rate regulation:

The Company is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Company is required to bill customers for the debt retirement charge set by the province. The Company may file to recover uncollected debt retirement charges from Ontario Electricity Financial Company (“OEFC”) once each year.

Rate setting:

Distribution revenue

For the distribution revenue included in electricity sales, the Company files a “Cost of Service” (“COS”) rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenses, debt and shareholder’s equity required to support the Company’s business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

2. Basis of presentation (continued):

(g) Rate regulation (continued):

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from customers.

The Company last filed a COS application in 2012 for rates effective May 1, 2013 to April 30, 2014. The GDP IPI-FDD for 2015 is 1.6%, the Company's productivity factor is 0.0% and the stretch factor is 0.45%, resulting in a net adjustment of 1.15% to the previous year's rates.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Company is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements and in preparing the opening IFRS statement of financial position at January 1, 2014 for the purpose of the transition to IFRS unless otherwise indicated.

(a) Financial instruments:

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(g). The Company does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Electricity sales:

Electricity sales are recognized as the electricity is delivered to customers and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution, and any other regulatory charges. Electricity revenue is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(b) Revenue recognition (continued):

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Company has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

The difference between the amounts charged by the Company to customers, based on regulated rates, and the corresponding cost of electricity and related electricity service costs billed monthly by the IESO is recorded as a settlement variance. In accordance with IFRS 14, this settlement variance is presented within regulatory balances on the balance sheets and within net movements in regulatory balances, net of tax on the statement of comprehensive income.

Revenue from contracts with customers:

Certain customers and developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. Cash contributions are initially recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Company's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the economic useful life of the constructed or contributed asset, which represents the period of ongoing service to the customer.

Rendering of services:

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants

Incentive payments to which the Company is entitled from the Ontario Power Authority ("OPA") are recognized as revenue in the period when they are determined by the OPA and the amount is communicated to the Company.

(c) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion and are valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is transferred from customers, its fair value, less accumulated depreciation. Consistent with IFRS 1, the Company posted an adjustment to opening retained earnings to adjust for component depreciation on the transition to IFRS.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take a substantial period of time to construct.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of PP&E are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of PP&E and are recognized net within other income in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of property, plant and equipment is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of property, plant and equipment is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and in service.

The estimated useful lives are as follows:

Buildings	25 – 50 years
Transmission and distribution	15 – 60 years
Machinery and equipment	5 – 40 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(e) Impairment:

(i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its current carrying amount (using prevailing interest rates), and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(f) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(g) Regulatory deferral accounts:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. These amounts have been accumulated and deferred in anticipation of their future recovery in electricity distribution rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in profit and loss. The debit balance is reduced by the amount of customer billings as electricity is delivered to the customer and the customer is billed at rates approved by the OEB for the recovery of the capitalized costs.

Regulatory deferral account credit balances are recognized if it is probable that future billings in an amount at least equal to the credit balance will be reduced as a result of rate-making activities. The offsetting amount is recognized in profit and loss. The credit balance is reduced by the amounts returned to customers as electricity is delivered to the customer at rates approved by the OEB for the return of the regulatory account credit balance.

The probability of recovery or repayment of the regulatory account balances are assessed annually based upon the likelihood that the OEB will approve the change in rates to recover or repay the balance. Any resulting impairment loss is recognized in profit and loss in the year incurred.

Regulatory deferral accounts attract interest at OEB prescribed rates. In 2015 the rate was 1.2%.

(h) Credit support for service delivery:

Credit support for service delivery represents cash deposits from electricity distribution customers as well as construction deposits.

Deposits from electricity distribution customers are applied against any unpaid portion of individual customer accounts. Customer deposits in excess of unpaid account balances are refundable to individual customers upon termination of their electricity distribution service. Customer deposits are also refundable to residential electricity distribution customers demonstrating an acceptable level of credit risk, as determined by the Company.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(h) Credit support for service delivery (continued):

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. Cash contributions are initially recorded as credit support for service delivery, a current liability. Once the distribution system asset is completed or modified as outlined in the terms of the contract, the contribution amount is transferred to deferred revenue.

(i) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue. Deferred revenue represents the Company's obligation to continue to provide customers access to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

(j) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings. Finance costs are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

(k) Payment in lieu of taxes:

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations' Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Company ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Company's Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

PILs comprises current and deferred payments in lieu of income tax. PILs recognized in income and loss except to the extent that it relates to items recognized directly in either comprehensive income or equity, in which case, it is recognized in comprehensive income or in equity.

Current PILS is the expected amount of tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred PILs comprise the net tax effects of temporary differences between the tax basis of assets and liabilities and their respective carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are likely to be realized.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(k) Payment in lieu of taxes (continued):

Deferred PILs assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred PILs assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred PILs asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred PILs assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) New standards and interpretations not yet effective:

The following new standards and interpretations are not yet effective but are considered to be relevant to the Company's financial statements:

i) *IFRS 15 Revenue from Contracts with Customers*

The IASB has issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and various interpretations and establishes principles regarding the nature, amount, timing and uncertainty of revenue arising from contracts with customers. The standard requires entities to recognize revenue for the transfer of goods or services to customers measured at the amounts an entity expects to be entitled to in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of IFRS 15 on its results of operations, financial position and disclosures.

ii) *IFRS 9 Financial Instruments ("IFRS 9"(2014))*

In July 2014, the IASB issued a new standard, IFRS 9 Financial Instruments, which will replace IAS 39 Financial Instruments: Recognition and Measurement. The replacement of IAS 39 is a multiphase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 is part of the first phase of this project. IFRS 9 is effective for periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company is assessing the impact of IFRS 9 on its results of operations, financial position, and disclosures.

iii) *IFRS 16 Leases:*

In January 2016, the IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation and disclosures of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS17 and it is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of IFRS 16 on its results of operations, financial position and disclosures.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

3. Significant accounting policies (continued):

(l) New standards and interpretations not yet effective (continued):

iv) IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets*

In May 2014, the IASB issued amendments to IAS 16, Property, Plant and Equipment and IAS 38 Intangible Assets, which are effective for years beginning on or after January 1, 2016. The amendments clarify when revenue-based depreciation methods are permitted. The Company does not expect this to have an impact on its results of operations, financial position and disclosures.

4. Critical accounting estimates and judgments:

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments:

The Company determines the fair value of financial instruments that are not quoted in an active market, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods, and assumptions applied, and the valuation techniques used, for financial instruments that are not quoted in an active market are disclosed in note 23.

Payment in lieu of taxes:

The Company periodically assesses its liabilities and contingencies related to PILs for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current PILs provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the PILs liabilities.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

4. Critical accounting estimates and judgments (continued):

Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2015, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in notes 13 and 14. Actual results, however, may vary due to technical obsolescence, particularly for software and electronic equipment.

Impairment:

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

5. Accounts receivable:

	December 31, 2015	December 31, 2014	January 1, 2014
Trade receivables	\$ 5,664,419	\$ 7,331,531	\$ 5,743,189
Other receivables	235,916	212,816	2,142,905
	<u>\$ 5,900,335</u>	<u>\$ 7,544,347</u>	<u>\$ 7,886,094</u>

6. Inventory:

The amount of inventories consumed by the Company and recognized as an expense during 2015 was \$260,058 (2014 - \$341,122).

	2015	2014
Stores	\$ 761,951	\$ 774,356
Wire and cable	502,375	576,351
Poles	228,871	263,765
	<u>\$ 1,493,197</u>	<u>\$ 1,614,472</u>

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

7. Property, plant and equipment:

(a) Cost or deemed cost:

		Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2015	\$	25,804,561	\$46,995,627	\$16,161,153	\$ —	\$ 88,961,341
Additions		72,224	5,668,676	969,792	—	6,710,692
Transfers		—	—	—	—	—
Disposals/retirements		—	(352,311)	(287,603)	—	(639,914)
Balance at December 31, 2015	\$	25,876,785	\$52,311,992	\$16,843,342	\$ —	\$ 95,032,119

		Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2014	\$	25,579,334	\$41,560,173	\$14,176,816	\$ 6,788	\$ 81,323,111
Additions		251,652	5,435,454	2,012,886	—	7,699,992
Transfers		—	—	6,788	(6,788)	—
Disposals/retirements		(26,425)	—	(35,337)	—	(61,762)
Balance at December 31, 2014	\$	25,804,561	\$46,995,627	\$16,161,153	\$ —	\$ 88,961,341

(b) Accumulated depreciation:

		Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2015	\$	641,821	\$ 2,337,387	\$ 684,016	\$ —	\$ 3,663,224
Depreciation charge		662,844	2,949,074	845,032	—	4,456,950
Disposals/retirements		(793)	(66,630)	(330,203)	—	(397,626)
Balance at December 31, 2015	\$	1,303,872	\$ 5,219,831	\$ 1,198,845	\$ —	\$ 7,722,548

		Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2014	\$	—	\$ —	\$ —	\$ —	\$ —
Depreciation charge		661,571	2,337,387	897,420	—	3,896,378
Disposals/retirements		(19,750)	—	(213,404)	—	(233,154)
Balance at December 31, 2014	\$	641,821	\$ 2,337,387	\$ 684,016	\$ —	\$ 3,663,224

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

7. Property, plant and equipment (continued):

(c) Carrying amounts:

		Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
At December 31, 2015	\$	24,572,914	\$ 47,092,160	\$15,644,497	\$ —	\$87,309,571
At December 31, 2014		25,162,740	44,658,240	15,477,137	—	85,298,117
At January 1, 2014		25,579,334	41,560,173	14,176,816	6,788	81,323,111

(e) Security:

At December 31, 2015 properties with a carrying amount of \$87,309,571 (2014 - \$85,298,117) are subject to a general security agreement.

8. Payments in lieu of income taxes:

Payment in lieu of taxes:

	2015	2014
Current	\$ 1,285,959	\$ (278,563)
Deferred	296,000	560,000
Income tax expense	\$ 1,581,959	\$ 281,437

Reconciliation of effective tax rate:

	2015	2014
Earnings before payments in lieu of income taxes	\$ 7,111,640	\$ 1,007,171
Statutory rate	26.5%	26.5%
Profit excluding income tax	1,884,585	266,900
Increase (decrease) resulting from:		
Permanent difference	838	539
Change in regulatory accounts impacting current tax	(296,000)	—
Other	(7,464)	13,998
	\$ 1,581,959	\$ 281,437

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

9. Regulatory deferral account balance:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	2014	Balances arising in the period	Recovery/ reversal	2015	Remaining recovery/ reversal period (years)
Regulatory deferral account debit balances					
Regulatory Asset recovery Account Phase 6	\$ 30,036	\$ 1,823	\$ (9,872)	\$ 21,987	<1
Future taxes	496,000	—	(106,000)	390,000	
Stranded Meters	4,015	(65)	(42)	3,908	<1
Smart Meter Entity Charges	23,889	312,113	(312,254)	23,748	3
Total amount related to regulatory deferral account debit balances	\$ 553,940	\$ 313,871	\$(428,168)	\$ 439,643	

	2014	Balances arising in the period	Recovery/ reversal	2015	Remaining recovery/ reversal period (years)
Regulatory deferral account credit balances					
Settlement Variance	\$ 1,415,937	\$ (6,437,792)	\$ —	\$(5,021,855)	<1
Future Taxes	(1,876,000)	—	402,000	(1,474,000)	
Regulatory Asset Recovery Account Phase 5	(29,584)	(297)	(663)	(30,544)	<1
Regulatory Asset Recovery Account Phase 7	(1,080,954)	(3,756)	1,026,308	(58,402)	<1
CGAAP Accounting Changes	(145,750)	72,876	—	(72,874)	1
LRAMVA	36,758	34	(47,147)	(10,355)	<1
Total amount related to regulatory deferral account credit balances	\$ (1,679,593)	\$ (6,368,935)	\$1,380,498	\$(6,668,030)	

The regulatory deferral account balances are recovered or settled through rates set by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory deferral account balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. An application has been made to the OEB to recover \$1,469,174 of the Group 1 deferral accounts. Once approval is received, the approved account balance is moved to the regulatory settlement account. The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Company has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Company's deferred tax balance fluctuates.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

10. Long-term debt:

	2015	2014
Notes payable:		
(i) Ontario Infrastructure smart meter loan	\$ 4,485,507	\$ 4,747,620
(ii) Ontario Infrastructure building loan	20,146,013	20,635,949
(iii) Ontario Infrastructure construction loan	15,000,000	15,000,000
(iv) Note payable to parent company, PUC Inc.	26,534,040	26,534,040
	66,165,560	66,917,609
Current portion of long-term debt	15,785,022	15,752,049
	\$ 50,380,538	\$ 51,165,560

- i) Smart Meter Loan with Ontario Infrastructure and Lands Corporation (OILC): Reducing Debenture Facility, amortization period of 15 years to July 17, 2028. The loan interest rate of 3.82%. Interest of \$174,708 (2014 - \$176,528) was paid and expensed during the year. The loan is payable in the amount of \$220,496 semi-annual principal and interest. Security is in the form of a second ranking general security agreement.
- ii) Land and Building Loan with OILC: Reducing Debenture Facility, amortization period of 25 years to October 1, 2038. The loan interest rate of 4.61%. Interest of \$932,885 (2014 - \$954,731) was paid and expensed during the year. The loan is payable in the amount of \$118,568 monthly principal and interest. Security is in the form of a first charge over the Company's land and building and a third ranking general security agreement.
- iii) Electric Distribution Infrastructure Loan with OILC: Construction loan is expected to be converted to long term debt in 2016, repayable over 25 years by a blended monthly principal and interest payment at an interest rate to be determined. The floating interest rate is determined by the OILC based on OILC's prevailing spread assigned to the borrower's sector for program delivery costs and risks. The average interest rate for 2015 was 1.55%. Interest of \$212,884 (2014 - \$6,822) was paid and expensed during the year. Security is in the form of a fourth ranking general security agreement and a guarantee and assignment of shares from the company's shareholder, PUC Inc.
- iv) Note payable to parent company, PUC Inc., bears interest payable quarterly at rates periodically negotiated and principal payable one year after demand. The average interest rate for 2015 was 6.1% (2014 - 6.1%). The balance outstanding for 2015 is \$26,534,040 (2014 - \$26,534,040).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

10. Long-term debt (continued):

Principal payments on the long-term debt are as follows:

2016	\$ 15,785,022
2017	819,453
2018	855,405
2019	892,946
2020	932,148
2021 - 2035	46,880,586
	66,165,560
Less: current portion	(15,785,022)
Long-term portion of loan	\$ 50,380,538

11. Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers, as well as construction deposits.

Deposits from electricity distribution customers are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service. The balance at December 31, 2015 is \$922,422 (2014 - \$854,761).

12. Share capital:

	2015	2014
Authorized:		
Unlimited number of special shares, non-voting, non-cumulative		
Redeemable at \$10,000 per share		
10,000 Common shares		
Issued and outstanding:		
8,612 common shares	\$ 20,062,107	\$ 20,062,107

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

13. Other operating revenue:

Other income comprises:

	2015	2014
Rendering of services	\$ 3,381,383	\$ 3,995,623
Other	149,030	148,327
Amortization of deferred revenue	110,389	99,018
Total other income	\$ 3,640,802	\$ 4,242,968

14. Finance income and expense:

	2015	2014
Interest income	\$ 26,460	\$ 7,555
Finance income	26,460	7,555
Interest expense on long-term debt	2,939,100	2,756,657
Other interest and carrying charges	64,813	259,935
	3,003,913	3,016,592
Net finance costs recognized in profit or loss	\$ 2,977,453	\$ 3,009,037

15. Commitments and contingencies:

General:

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

General Liability Insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2015, no assessments have been made.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

16. Related party transactions:

(a) Parent, ultimate controlling party, and other related parties:

The sole shareholder of the Company is PUC Inc., which in turn is wholly-owned by the Corporation of the City of Sault Ste. Marie. The City produces financial statements that are available for public use. Other related parties include PUC Services Inc. (Services), and Public Utilities Commission of the City of Sault Ste. Marie (Utility).

(b) Key management personnel:

The key management personnel of the Company have been defined as members of its board of directors and is summarized below.

	2015	2014
Directors' fees	\$ 9,756	\$ 8,582

(c) Transactions with ultimate parent (the City):

In the year, the Company had the following significant transactions with its ultimate parent, a government entity:

The Company delivers electricity to the City throughout the year for the electricity needs of the City and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB. The amount charged to the City for electricity consumed by streetlights is \$1,718,602 (2014 - \$1,679,625) and for other electricity consumption is \$3,668,401 (2014 - \$3,804,361).

(d) Transactions with Services:

The Company has a management, operation and maintenance agreement with Services, which has been extended to November 30, 2017, under which Services manages, controls, administers and operates the business of the Company. During the year, management fees were paid to Services in the amount of \$4,871,691 (2014 - \$4,818,382).

The Company receives/(pays) interest on its receivable/payable balance to Services at the OEB prescribed short-term borrowing rate on its average monthly balance. Interest of \$7,221 (2014 - \$(237,053)) was received/(paid) during the year.

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

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

17. Financial instruments and risk management:

Fair value disclosure

Cash and cash equivalents are measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the City. No single customer accounts for a balance in excess of 2.53% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in net income. Subsequent recoveries of receivables previously provisioned are credited to net income. The balance of the allowance for impairment at December 31, 2015 is \$100,000 (2014 - \$100,000).

The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2015, approximately \$782,396 (2014 - \$1,326,525) is considered 60 days past due. The Company has over 33 thousand customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2015, the Company holds security deposits in the amount of \$922,422 (2014 - \$854,761).

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Company currently does not have any material commodity or foreign exchange risk. The Company is exposed to fluctuations in interest rates as the regulated rate of return for the Company's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

17. Financial instruments and risk management (continued):

(c) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Company monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they come due. As at December 31, 2015, no amounts had been drawn under the Company's credit facilities.

The majority of accounts payable, as reported on the balance sheet, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Company, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Company's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2015, shareholder's equity amounts to \$28,213,048 (2014 - \$27,325,047) and long-term debt amounts to \$66,165,560 (2014 - \$66,917,609).

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

18. Explanation of transition to IFRS:

As stated in note 2(b), these are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended December 31, 2015, the comparative information presented in these financial statements for the year ended December 31, 2014, and in the preparation of an opening IFRS Statement of Financial Position as at January 1, 2014 (the Company's date of transition).

In preparing its opening IFRS Statement of Financial Position, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with Canadian general accepted accounting principles (CGAAP). An explanation of how the transition from CGAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following table and the notes accompanying the tables.

IFRS 1 Exemptions

IFRS 1 sets out the procedures that the Company must follow when it adopts IFRS for the first time as the basis for preparing its financial statements. The Company is required to establish its IFRS accounting policies as at December 31, 2015 and, in general, apply these retrospectively to determine the IFRS opening Statement of Financial Position as its date of transition, January 1, 2014. This standard provides a number of mandatory and optional exemptions to this general principle. These are set out below, together with a description in each case of the exemption adopted by the Company.

Regulatory deferral accounts

IFRS14: *Regulatory deferral accounts*, permits an entity to continue to account for regulatory deferral account balances in its financial statements in accordance with its previous GAAP when it adopts IFRS. An entity is permitted to apply the requirements of this Standard in its first IFRS financial statements if and only if it: a) conducts rate-regulated activities; and b) recognized amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. This standard exempts an entity from applying paragraph 11 of IAS8: *Accounting policies, changes in accounting estimates and errors*, to its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances.

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

18. Explanation of transition to IFRS (continued):

Reconciliation of statement of financial position and statement of changes in equity January 1, 2014

Account	Note	C-GAAP	Presentation differences	Measurement and recognition differences	IFRS
Cash and cash equivalents		314,787	-	-	314,787
Accounts receivable		7,886,094	-	-	7,886,094
Unbilled revenue		11,572,951	-	-	11,572,951
Inventory		1,675,485	-	-	1,675,485
Prepaid expenses		66,520	-	-	66,520
PIL of taxes recoverable		343,139	-	-	343,139
Current portion of regulatory assets	(b)	771,711	(771,711)	-	-
Property, plant and equipment	(a), (c)	81,467,998	-	(144,887)	81,323,111
Regulatory assets	(b)	50,924	(50,924)	-	-
Deferred tax assets		1,940,000	-	-	1,940,000
Total assets		106,089,609	(822,635)	(144,887)	105,122,087
Regulatory deferral account debit balances	(b)	-	822,635	-	822,635
Deferred tax asset associated with regulatory deferral account balances	(b)		699,000		699,000
Total assets and regulatory deferral account debit balances		106,089,609	699,000	(144,887)	106,643,722
Accounts payable and accrued liabilities		10,702,293	-	-	10,702,293
Deferred revenue		1,227,075	-	-	1,227,075
Current regulatory liabilities	(b)	3,053,420	(3,053,420)	-	-
Due to related parties		8,054,961	-	-	8,054,961
Current long-term debt		720,470	-	-	720,470
Long term debt		51,917,609	-	-	51,917,609
Customer deposits		712,536	-	-	712,536
Regulatory liabilities	(b)	3,238,482	(3,238,482)	-	-
Total liabilities		79,629,846	(6,291,902)	-	73,334,944
Share capital		20,062,107	-	-	20,062,107
Retained earnings	(a)	6,400,656	-	(144,887)	6,255,769
Total liabilities and shareholder's equity		106,089,609	(6,291,902)	(144,887)	99,652,820
Regulatory deferral account credit-balances	(b)	-	4,351,902	-	4,351,902
Deferred tax liability associated with regulatory deferral account balances	(b)	-	2,639,000	-	2,639,000
Total equity, liabilities and regulatory deferral account credit balances		106,089,609	699,000	(144,887)	106,643,722

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

18. Explanation of transition to IFRS (continued):

Reconciliation of statement of financial position and statement of changes in equity

December 31, 2014

Account	Note	C-GAAP	Presentation differences	Measurement and recognition differences	IFRS
Cash and cash equivalents		4,118,664	-	-	4,118,664
Accounts receivable		7,544,347	-	-	7,544,347
Unbilled revenue		10,004,921	-	-	10,004,921
Inventory		1,614,472	-	-	1,614,472
Prepaid expenses		62,200	-	-	62,200
PIL of taxes recoverable		497,819	-	-	497,819
Current portion of regulatory assets	(b)	28,521	(28,521)	-	-
Property, plant and equipment	(a), (c)	84,563,714	1,109,588	(285,185)	85,388,117
Regulatory assets	(b)	1,482,115	(1,482,115)	-	-
Deferred tax assets		1,403,460	-	-	1,403,460
Total assets	(a)	111,320,233	(401,048)	(285,185)	112,550,636
Regulatory deferral account debit balances	(b)		1,510,636	-	1,510,636
Deferred tax asset associated with regulatory deferral account balances	(b)		496,000		496,000
Total assets and regulatory deferral account debit balances		111,320,233	1,605,588	(285,185)	112,550,636
Accounts payable and accrued liabilities		10,791,840	-	-	10,791,840
Deferred revenue		563,782	-	-	563,782
Current regulatory liabilities	(b)	1,153,830	(1,153,830)	-	-
Due to related parties		1,945,721	-	-	1,945,721
Current long-term debt		15,752,049	-	-	15,752,049
Long term debt		51,165,560	-	-	51,165,560
Customer deposits		854,761	-	-	854,761
Deferred revenue	(c)		1,109,588	-	1,109,588
Regulatory liabilities	(b)	1,482,458	(1,482,458)	-	-
Total liabilities		83,710,001	(1,526,700)		82,093,301
Share capital		20,062,107	-	-	20,062,107
Retained earnings	(a)	7,548,125	-	(285,185)	7,262,940
Total liabilities and shareholder's equity		111,320,233	(1,933,905)	(285,185)	109,101,143
Regulatory deferral account credit-balances	(b)	-	1,256,288	-	1,256,288
Deferred tax liability associated with regulatory deferral account balances	(b)		1,876,000		1,876,000
Total equity, liabilities and regulatory deferral account credit balances		111,320,233	1,605,588	(285,185)	112,550,636

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

18. Explanation of transition to IFRS (continued):

Reconciliation of net income for 2014

Account	Note	C-GAAP	Presentation differences	Measurement and recognition differences	IFRS
Electricity sales	(b)	70,473,134	4,055,650	-	74,528,784
Distribution revenue		16,386,768	-	-	16,386,768
Other related charges	(d)	148,327	(148,327)	-	-
Other	(d)	3,995,623	(3,995,623)	-	-
		91,003,852	(88,300)	-	90,915,552
Cost of electricity sold	(b)	(70,473,134)	(5,881,691)	-	(76,354,825)
		20,530,718	(5,969,911)	-	14,560,727
Investment income	(d)	7,555	(7,555)	-	-
Other operating revenue	(c), (d)	-	4,242,968	-	4,242,968
Net operating revenue		20,538,273	(1,806,792)	-	18,803,696
Operations and maintenance expense		5,773,407	-	-	5,773,407
General and administrative expense		3,332,931	-	-	3,332,931
Interest on long-term debt	(d)	2,756,657	(2,756,657)	-	-
Billing and collection expense		1,373,301	-	-	1,373,301
Depreciation of property, plant and equipment	(a), (c)	3,657,061	99,019	140,298	3,896,378
Community relations		2,516,075	-	-	2,516,075
Other costs	(d)	259,935	(259,935)	-	-
Total expenses		19,669,367	(2,917,574)	140,298	16,892,091
Net income from operating activities		868,906	1,182,996	(140,298)	1,911,604
Finance income	(d)	-	7,555	-	7,555
Finance charges	(d)	-	3,016,592	-	3,016,592
Income tax (recovery)		(278,563)	-	-	(278,563)
Deferred tax	(b)	-	560,000	-	560,000
Income (loss) for the year before movements in regulatory deferral account balances		1,147,469	(2,386,041)	(140,298)	(1,378,870)
Net movement in regulatory deferral account balances	(b)	-	2,386,041	-	2,386,041
Income (loss) for the year and net movements in regulatory deferral account balances, being total comprehensive income (loss) for the year		1,147,469	-	(140,298)	1,007,171

PUC DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2015

18. Explanation of transition to IFRS (continued):

Notes to the reconciliations

The impact on deferred tax of the adjustments described below is set out in note (e)

- (a) Transition to IFRS triggered the Company to componentize their newly constructed building. The effect of this transitional adjustment is an increase of \$144,887 to the previous CGAAP accumulated depreciation of the affected PP&E assets at January 1, 2014, which is recognized as an adjustment to opening retained earnings. An additional \$140,298 was recognized in depreciation expense and accumulated depreciation for the year ended December 31, 2014.
- (b) IFRS 14 permits a rate-regulated entity to continue to apply its previous GAAP accounting policies for the recognition and measurement of regulatory balances. However, all regulatory balances and related deferred tax amounts are reclassified to a new and separate section of the balance sheet. As well the net income effect of all changes in regulatory balances must be segregated in a new separate section of the statement of income. The effect of the reclassifications would enhance comparability to IFRS 14 compliant financial statements with those of entities not applying IFRS 14.
- (c) Under CGAAP, capital contributions were netted against the cost of PP&E and amortized to net income as an offset to depreciation expense, on the same basis as the related assets. Under IFRS, capital contributions are recognized initially as customer deposits until the related asset is constructed, at which time the capital contributions are recognized as deferred revenue and amortized into net income over the life of the related asset.

At December 31, 2014, the effect is to increase PP&E by \$1,109,588, increase deferred revenue by \$1,109,588 and increase other revenue by \$99,019 for the year ended December 31, 2014.

- (d) Certain amounts have been reclassified to conform to the financial statement presentation adopted for 2015.
- (e) The above changes increase the deferred tax asset as follows based on a tax rate of 26.5%:

	December 31, 2014	January 1, 2014
Property, plant and equipment	\$ 38,395	\$ 37,179
Increase in deferred tax asset	\$ 38,395	\$ 37,179

- (f) Explanation of material adjustments to the statement of cash flows for 2014.

There are no material differences between the statement of cash flows presented under IFRSs and the statement of cash flows presented under CGAAP.

Financial Statements of

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

Year ended December 31, 2015

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Financial Statements

Year ended December 31, 2015

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Public Utilities Commission of the City of Sault Ste. Marie, which comprise the statement of financial position as at December 31, 2015, the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Public Utilities Commission of the City of Sault Ste. Marie as at December 31, 2015, and its results of operations and its change in net debt 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

April 27, 2016

Sault Ste. Marie, Canada

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash	\$ 10,984	\$ 109,807
Accounts receivable	2,951,731	3,023,940
Unbilled service revenue	707,588	765,082
Receivable from related company, PUC Services Inc. (note 3)	—	774,358
	3,670,303	4,673,187
Financial liabilities:		
Loan payable (note 4)	3,000,000	3,000,000
Accounts payable and accrued liabilities	3,257,495	6,100,193
Payable to related company, PUC Services Inc. (note 3)	2,856,907	—
	9,114,402	9,100,193
Net debt	(5,444,099)	(4,427,006)
Non-financial assets:		
Tangible capital assets (note 6)	82,026,407	80,060,541
Inventory	301,745	251,480
	82,328,152	80,312,021
Accumulated surplus (note 7)	\$ 76,884,053	\$ 75,885,015

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014
Revenues:			
Service revenue:			
Residential	\$ 9,989,024	\$ 9,812,131	\$ 8,910,178
General	7,684,948	6,736,023	6,796,838
Hydrants	1,057,500	1,145,143	1,038,568
	18,731,472	17,693,297	16,745,584
Other:			
Investment income	5,000	—	3,719
Non-service revenue	788,550	633,252	712,882
Developers contributions	—	11,027	358,196
	793,550	644,279	1,074,797
Total revenues	19,525,022	18,337,576	17,820,381
Expenses:			
Purification and pumping	4,091,948	4,332,996	3,671,703
Transmission and distribution	4,328,009	4,718,299	5,187,001
Amortization of tangible capital assets	2,200,000	2,239,907	2,173,885
Hydrants	380,185	497,604	436,814
Billing and collection	1,233,645	1,548,021	1,230,354
Interest on long-term debt	315,783	154,214	112,234
General and administration	3,786,878	3,847,497	4,020,052
Total expenses (note 5)	16,336,448	17,338,538	16,832,043
Annual surplus	3,188,574	999,038	988,338
Accumulated surplus, beginning of year	75,885,015	75,885,015	74,896,677
Accumulated surplus, end of year	\$ 79,073,589	\$ 76,884,053	\$ 75,885,015

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Change in Net Debt

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014
Annual surplus	\$ 3,188,574	\$ 999,038	\$ 988,338
Acquisition of tangible capital assets	(8,714,061)	(4,205,774)	(6,040,877)
Amortization of tangible capital assets	2,200,000	2,239,907	2,173,885
	(3,325,487)	(966,829)	(2,878,654)
Acquisition of inventory	–	(301,745)	(251,480)
Use of inventory	–	251,481	229,854
Change in net debt	(3,325,487)	(1,017,093)	(2,900,280)
Net debt, beginning of year	(4,427,006)	(4,427,006)	(1,526,726)
Net debt, end of year	\$ (7,752,493)	\$ (5,444,099)	\$ (4,427,006)

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used for):		
Operating activities:		
Annual surplus	\$ 999,038	\$ 988,338
Items not involving cash:		
Amortization of tangible capital assets	2,239,907	2,173,885
Developers contributions	(11,027)	(358,196)
	3,227,918	2,804,027
Change in non-cash assets and liabilities:		
Accounts receivable	72,209	149,429
Unbilled service revenue	57,495	(24,377)
Inventory	(50,265)	(21,626)
Accounts payable and accrued liabilities	(2,842,698)	1,984,360
Net change in cash from operating activities	464,659	4,891,813
Capital activities:		
Cash used to acquire tangible capital assets	(4,194,747)	(5,682,681)
Financing activities:		
Loan payable	—	5,000
Receivable from PUC Services Inc.	3,631,265	895,675
Net change in cash for financing activities	3,631,265	900,675
Net change in cash	(98,823)	109,807
Cash beginning of year	109,807	—
Cash end of year	\$ 10,984	\$ 109,807

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2015

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

1. Significant accounting policies:

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

(a) Basis of accounting:

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

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

(b) Non-financial assets:

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

(i) Tangible capital assets

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

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

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(ii) Contributions of tangible capital assets

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

(iii) Inventory

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

(c) Revenue recognition:

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

(d) Use of estimates:

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

2. Budget figures:

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2015

3. Related party transactions:

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

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

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

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

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

The Commission pays interest on balances payable to Services at the Ontario Energy Board deemed interest rate on the average balance. Interest of \$55,391 (2014 – \$4,667) was paid during the year.

The Commission was charged management fees and operational fees by Services in the amount of \$5,251,056 (2014 – \$5,204,006). These transactions have been recorded at the exchange amount which is the agreed amount between the related parties.

4. Loan payable:

The Commission has an authorized line of credit facility available in the amount of \$6,200,000. The credit facility bears interest at prime plus 0.5% and is secured by a general security agreement. At December 31, 2015, \$3,000,000 (2014 - \$3,000,000) was outstanding under the facility.

5. Expenditures by object:

Total expenditures by object are as follows:

	2015	2014
Salaries and benefits	\$ 4,733,917	\$ 4,521,104
Materials, supplies and services	10,364,714	10,137,054
Amortization of tangible capital assets	2,239,907	2,173,885
	<u>\$ 17,338,538</u>	<u>\$ 16,832,043</u>

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2015

6. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Land	\$ 869,144	\$ 230	\$ –	\$ 869,374
Buildings and building improvements	10,553,728	–	–	10,553,728
Water infrastructure	116,997,026	4,163,968	–	121,160,994
Work in progress	355,440	41,575	–	397,015
Total	\$ 128,775,338	\$ 4,205,773	\$ –	\$ 132,981,111

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Buildings and building improvements	\$ 4,988,089	\$ –	\$ 171,953	\$ 5,160,042
Water infrastructure	43,726,708	–	2,067,954	45,794,662
Total	\$ 48,714,797	\$ –	\$ 2,239,907	\$ 50,954,704

	Net book value December 31, 2014	Net book value December 31, 2015
Land	\$ 869,144	\$ 869,374
Buildings and building improvements	5,565,639	5,393,686
Water infrastructure	73,270,316	75,366,332
Work in progress	355,442	397,015
Total	\$ 80,060,541	\$ 82,026,407

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

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2015

6. Tangible capital assets (continued):

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Land	\$ 863,702	\$ 5,442	\$ —	\$ 869,144
Buildings and building improvements	10,434,875	118,853	—	10,553,728
Water infrastructure	111,435,884	5,561,142	—	116,997,026
Work in progress	—	355,440	—	355,440
Total	\$ 122,734,461	\$ 6,040,877	\$ —	\$ 128,775,338

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Buildings and building improvements	\$ 4,816,131	\$ —	\$ 171,958	\$ 4,988,089
Water infrastructure	41,724,781	—	2,001,927	43,726,708
Total	\$ 46,540,912	\$ —	\$ 2,173,885	\$ 48,714,797

	Net book value December 31, 2013	Net book value December 31, 2014
Land	\$ 863,702	\$ 869,144
Buildings and building improvements	5,618,744	5,565,639
Water infrastructure	69,711,103	73,270,318
Work in progress	—	355,440
Total	\$ 76,193,549	\$ 80,060,541

Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$11,027 (2014 - \$358,196) comprised of water infrastructure.

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Notes to Financial Statements

Year ended December 31, 2015

7. Accumulated surplus:

Accumulated surplus is comprised of:

	2015	2014
Invested in tangible capital assets	\$ 82,026,407	\$ 80,060,541
Operating fund	(5,142,354)	(4,175,526)
	<u>\$ 76,884,053</u>	<u>\$ 75,885,015</u>



500 Second Line East, P.O. Box 9000
Sault Ste. Marie, Ontario, P6A 6P2
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May 25, 2016

Mayor, Christian Provenzano and City Councillors
Corporation of the City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, Ontario
P6A 5N1

Dear Mayor and City Councillors:

Re: PUC Board of Directors Appointments

As the term for the current Board of Directors is approaching its termination the attached documents were developed to provide the Shareholder with the Board's insight for the upcoming PUC Board of Director appointments.

The attached documents outline a preamble for your consideration:

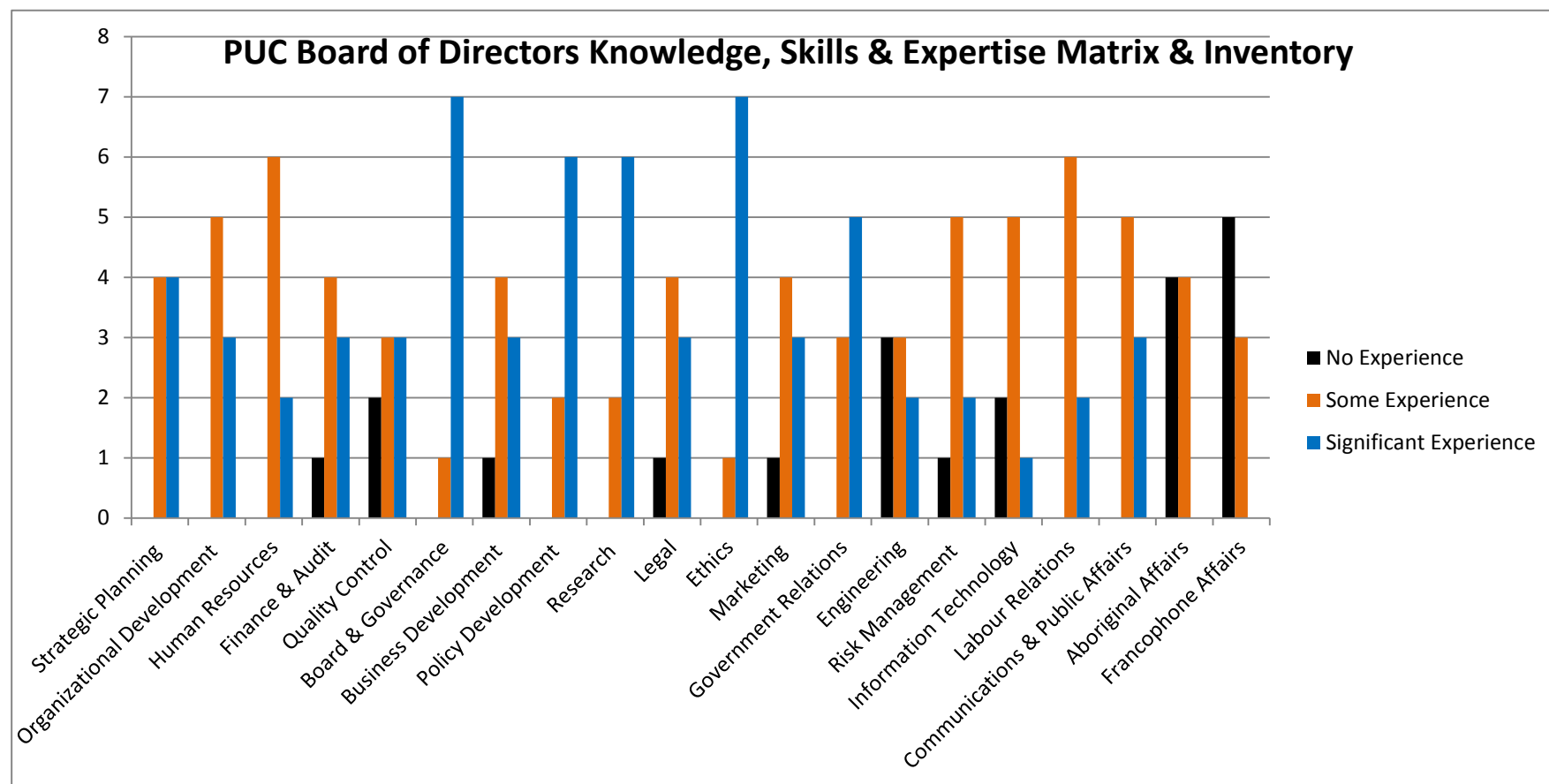
- The Board of Directors Knowledge,
- Skills and Expertise Matrix and Data Compilation
- PUC Board of Directors' Attendance Chart
- Summary of current members and their interest in re-appointment
- Slate of New Applicants.

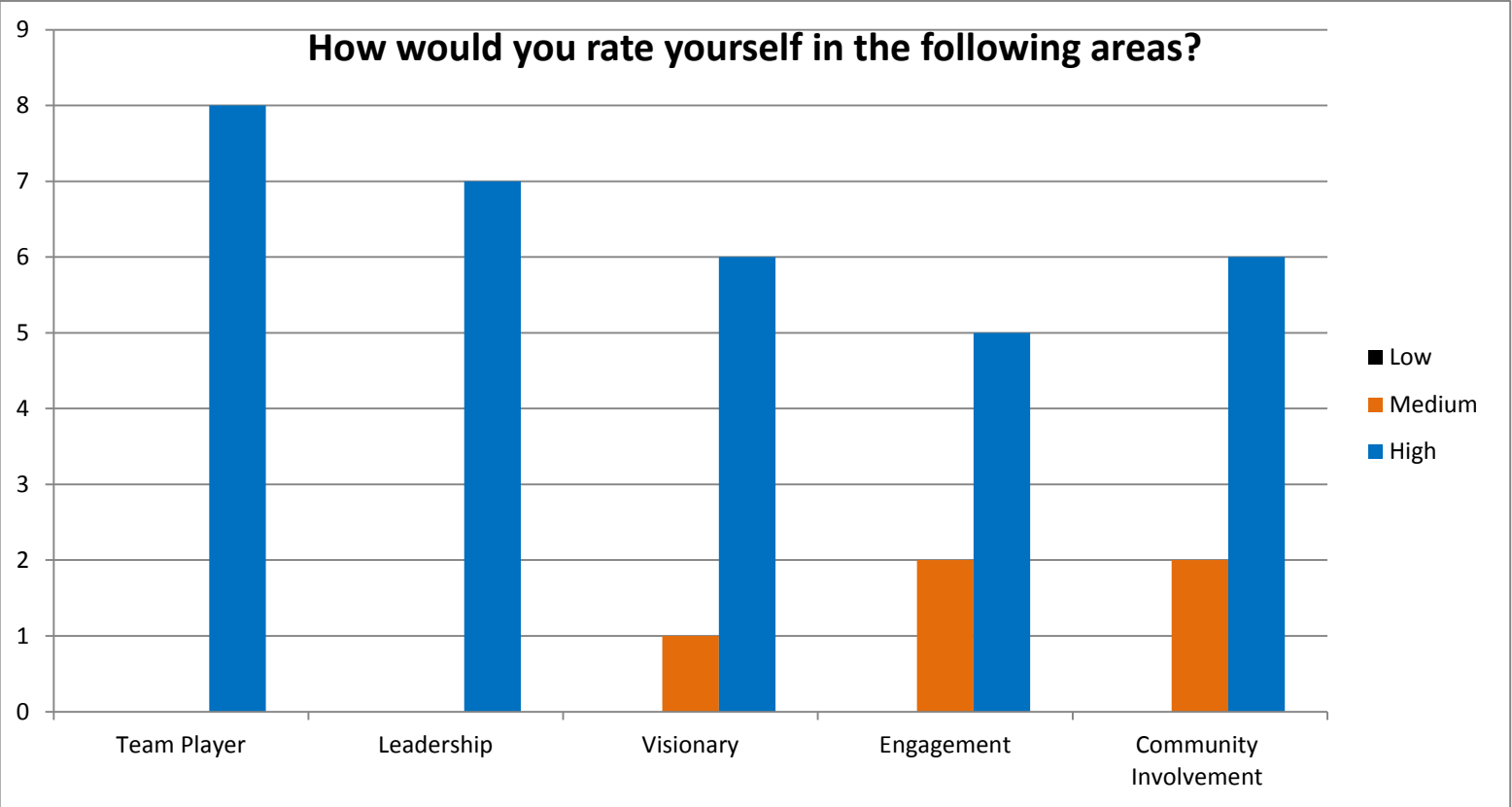
I am available should you or others require clarification or further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Boniferro', with a long horizontal flourish extending to the right.

Jim P. Boniferro
Chair
PUC Inc. Board of Directors





BOARD ATTENDANCE SUMMARY 2015

x=attended	Blue = No meeting									
orange = absent										
PUC Inc./Services Inc.	1-Jun-15	6-Jun-15	21-Jul-15	26-Aug-15	30-Sep-15	28-Oct-15	31-Oct-15	8-Dec-15	16-Dec-15	%
Jim Boniferno	x	x	x	x	x	x	x	x	x	100%
Rob Reid	x	x	x	x	x	x	x		x	89%
Patricia Mick	x	x	x	x		x	x	x	x	89%
Cecilia Bruno	x		x	x	x	x	x	x	x	89%
Jim Greco	x	x	x		x	x	x	x	x	89%
Bob Kates	x	x	x	x	x	x	x	x	x	100%
Bill Lindsay	x	x	x	x	x	x	x	x	x	100%
Matthew Shoemaker	x	x	x	x		x	x			67%
Paul Christian	x		x	x	x		x	x	x	78%
Christian Provenzano		x		x	x	x	x	x	x	78%
PUC Distribution Inc.		6-Jun-15	21-Jul-15	26-Aug-15	30-Sep-15	28-Oct-15	31-Oct-15	8-Dec-15	16-Dec-15	
Ella Jean Richter		x	x	x	x	x	x	x	x	100%
Bill Lindsay		x	x	x	x	x	x	x	x	100%
Bob Kates		x	x	x	x	x	x	x	x	100%
Commission		6-Jun-15	21-Jul-15	26-Aug-15		28-Oct-15	31-Oct-15	8-Dec-15	21-Dec-15	
Mark Howson		x	x	x		x	x	x	x	100%
Paul Christian		x	x	x			x	x	x	86%
Christian Provenzano		x		x		x	x	x	x	86%
COMMITTEE ATTENDANCE SUMMARY 2015										
Executive			12-Aug-15	22-Sep-15	21-Oct-15		3-Dec-15			
Jim Boniferno			x	x	x		x			100%
Rob Reid			x	x			x			75%
Ella Jean Richter			x	x	x		x			100%
Mark Howson			x		x					50%
Christian Provenzano			x		x		x			75%
Finance & Audit			10-Aug-15		14-Oct-15	30-Nov-15				
Cecilia Bruno			x		x	x				100%
Mark Howson			x		x	x				100%
Bob Kates			x		x	x				100%
Jim Boniferno			x		x	x				100%
Governance	16-Jun-15				20-Oct-15	10-Nov-15				
Ella Jean Richter	x				x	x				100%
Bill Lindsay	x				x	x				100%
Mark Howson					x	x				67%
Matt Shoemaker										0%
Bob Kates	x				x	x				100%
Jim Boniferno	x				x	x				100%
Quality & Cust. Care			19-Aug-15	22-Sep-15		10-Nov-15				
Pat Mick			x	x		x				100%
Paul Christian				x		x				67%
Rob Reid			x	x						67%
Jim Greco				x		x				67%
Jim Boniferno			x	x		x				100%
HR & Compensation			17-Aug-15	24-Sep-15	21-Oct-15	17-Nov-15				
Bill Lindsay			x	x	x	x				100%
Rob Reid			x	x	x	x				100%
Cecilia Bruno			x	x	x	x				100%
Ella Jean Richter			x	x	x	x				100%
Jim Boniferno			x	x	x	x				100%

BOARD ATTENDANCE SUMMARY 2016																
x=attended	Blue = No meeting						New BOD Appointments									
orange = absent																
PUC Inc./Services Inc.	27-Jan-16	23-Feb-16	23-Mar-16	27-Apr-16	25-May-16	%	PUC Inc./Services Inc.	22-Jun-16	27-Jul-16	24-Aug-16	28-Sep-16	26-Oct-16	23-Nov-16	28-Dec-16	%	
Jim Boniferno	x	x	x	x	x	100%										
Rob Reid	x	x		x		60%										
Patricia Mick	x	x	x	x	x	100%										
Cecilia Bruno	x	x	x	x	x	100%										
Jim Greco	x	x	x	x	x	100%										
Bob Kates	x	x	x	x	x	100%										
Bill Lindsay	x	x	x	x	x	100%										
Matthew Shoemaker	x		x	x		60%										
Paul Christian	x	x	x	x	x	100%										
Christian Provenzano		x		x	x	60%										
PUC Distribution Inc.	27-Jan-16	23-Feb-16	23-Mar-16	27-Apr-16	25-May-16		PUC Distribution Inc.	22-Jun-16	27-Jul-16	24-Aug-16	28-Sep-16	26-Oct-16	23-Nov-16	28-Dec-16		
Ella Jean Richter	x	x	x	x	x	100%										
Bill Lindsay	x	x	x	x	x	100%										
Bob Kates	x	x	x	x	x	100%										
Commission	27-Jan-16	23-Feb-16	23-Mar-16	27-Apr-16	25-May-16		Commission	22-Jun-16	27-Jul-16	24-Aug-16	28-Sep-16	26-Oct-16	23-Nov-16	28-Dec-16		
Mark Howson	x	x	x	x	x	100%										
Paul Christian	x	x	x	x	x	100%										
Christian Provenzano		x		x	x	60%										
COMMITTEE ATTENDANCE SUMMARY 2016																
Executive	20-Jan-16	17-Feb-16	16-Mar-16	20-Apr-16	18-May-16		Executive	15-Jun-16								
Jim Boniferno	x	x	x	x	x	100%										
Rob Reid	x	x	x	x		80%										
Ella Jean Richter	x	x		x	x	80%										
Mark Howson	x	x	x		x	80%										
Christian Provenzano	x	x		x		60%										
Finance & Audit		9-Feb-16		20-Apr-16	9-May-16		Finance & Audit	15-Jun-16								
Cecilia Bruno		x		x	x	100%										
Mark Howson		x		x	x	100%										
Bob Kates		x		x	x	100%										
Jim Boniferno		x		x	x	100%										
Governance	12-Jan-16	9-Feb-16	9-Mar-16	12-Apr-16	10-May-16		Governance	7-Jun-16								
Ella Jean Richter	x	x	x	x	x	100%										
Bill Lindsay	x	x	x	x		80%										
Mark Howson	x	x	x	x	x	100%										
Matt Shoemaker						0%										
Bob Kates	x	x	x	x	x	100%										
Jim Boniferno	x	x	x	x	x	100%										
Quality & Cust. Care		16-Feb-16	15-Mar-16				Quality & Cust. Care	14-Jun-16								
Pat Mick		x	x			100%										
Paul Christian			x			50%										
Rob Reid			x			50%										
Jim Greco		x	x			100%										
Jim Boniferno		x	x			100%										
HR & Compensation	19-Jan-16	17-Feb-16	9-Mar-16	12-Apr-16			HR & Compensation	7-Jun-16								
Bill Lindsay	x	x	x	x		100%										
Rob Reid	x	x	x	x		100%										
Cecilia Bruno	x	x	x			75%										
Ella Jean Richter	x	x	x	x		100%										
Jim Boniferno	x	x	x			75%										

PUC Inc. - PUC Services Inc. Board of Directors – Interested Persons

Jim Boniferro *

Cecilia Bruno *

Ron Gagnon

James Greco *

Andy McPhee

Pat Mick *

Elaine Pitcher

Robert Reid *

Jim Rennie

* - incumbent

**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, 2015, 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 for the respective terms indicated, to hold office (as determined by PUC Inc. Chair) until the close of the first, second or third annual meeting of the shareholder following their election 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:

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

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 **13th day of June, 2016**

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, 2015, 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 for the respective terms indicated, to hold office (as determined by PUC Inc. Chair) until the close of the first, second or third annual meeting of the shareholder following their election (as determined by PUC Inc. Chair) 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:

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

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 **13th day of June, 2016**

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, City Clerk



2015 Annual Report To The Shareholder

PUC Inc. • PUC Distribution Inc. • PUC Services Inc.

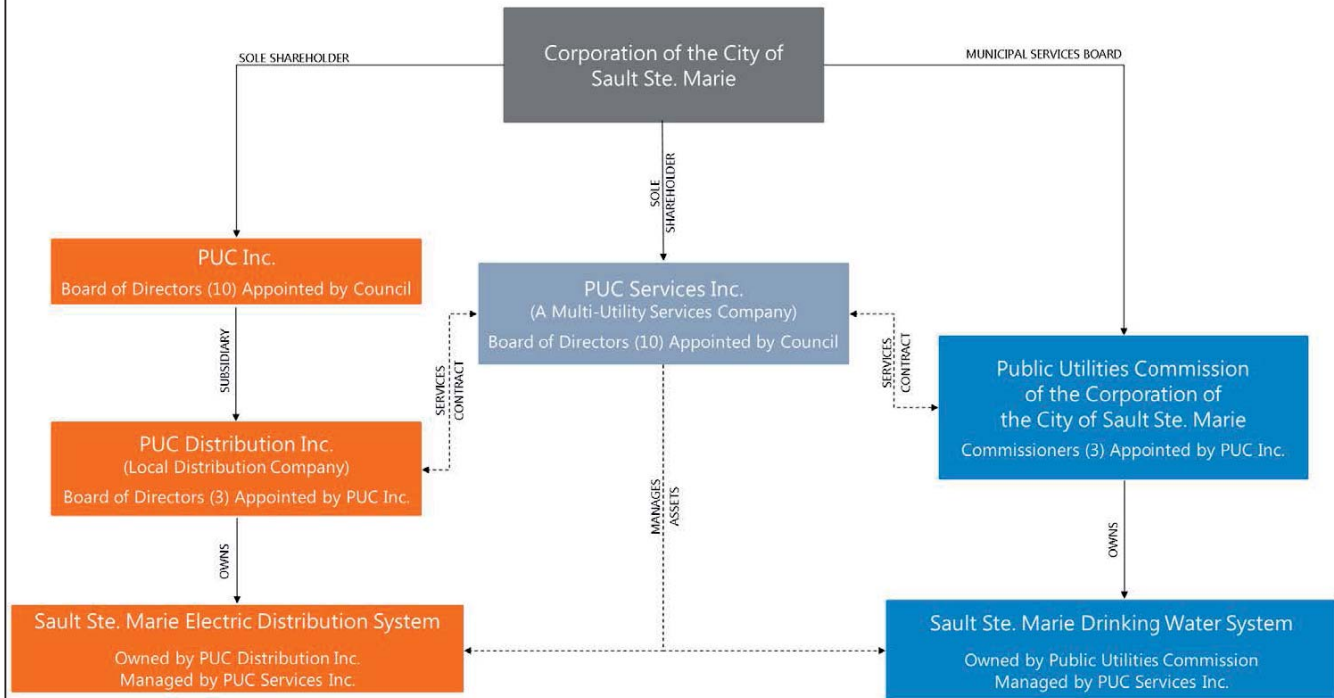
City of Sault Ste. Marie – Annual Shareholder Meeting – June 13, 2016

Benefits of Our Municipally Owned Utility Company

- Streetlights operated at-cost
- Sewage charge billed and collected on behalf of the City at no cost to the City
- Water system operated at-cost
- Wastewater treatment plants operated for 10 years with no increase in cost to the City
- Three-way partnership with PUC, City, and SSMIC, has resulted in the development of a world class award winning GIS system that is unique in Canada
- A Proud Community Partner Since 1917



Corporate Structure



June 13th, 2016 - Annual Shareholder Meeting

Interest & Dividends

$$\begin{aligned}
 & \$2,545,000 \quad (\text{Payments for 2015}) \\
 + & \underline{\$34,585,000} \quad (\text{Total payments 2001 to 2014}) \\
 = & \underline{\$37,130,000} \quad (\text{Total paid to the City since 2001})
 \end{aligned}$$



Board Governance

Previous Governance Structure

Board of Directors

- PUC Inc.
- PUC Services Inc.
- PUC Distribution Inc.

Municipal Service Board

- Public Utilities Commission

Committees of the Board

- Finance and Audit

New Governance Structure

Board of Directors

- PUC Inc.
- PUC Services Inc.
- PUC Distribution Inc.

Municipal Service Board

- Public Utilities Commission

Committees of the Board

- Finance and Audit
- Executive
- Governance
- Human Resources and Compensation
- Quality and Customer Care



June 13th, 2016 - Annual Shareholder Meeting

Income Statement

PUC Inc. & PUC Distribution Inc.	2015	2014
Energy Revenue	\$89,566,552	\$92,741,593
Cost of Energy	\$73,275,057	\$76,354,825
Gross Margin	\$16,291,495	\$16,386,768
Other Revenue	\$4,320,453	\$5,032,644
Expenses	\$19,766,689	\$20,333,430
Earnings Before PILS	\$845,259	\$1,085,982
Net Income	\$1,009,902	\$1,268,348
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

*Dividend of \$610,000 paid in January of 2016



June 13th, 2016 - Annual Shareholder Meeting

'External' Service Contracts

PUC Services holds 18 Service Contracts with "external" organizations.

Espanola Contracts	
Espanola Customer Service	Espanola Management Services
Water Treatment Service Contracts	
Blind River	Algoma District School Board
Echo Bay	Huron Superior C. School Board
Desbarats	S.S.M. Airport
Richards Landing	Pointe Des Chenes
Pronto East Subdivision	Prince Township Community Center
Serpent River	Goulais Recreational Center
Northland Trailer Park	Gordon Lake Community Hall
Algoma District Services Administration Board	Crimson Ridge Condominium Corp.



June 13th, 2016 - Annual Shareholder Meeting

2015/2016 Bill Impacts

PUC's water and electric rates are fixed for 2016 with no increase over 2015
However the price of electricity set by the OEB will fluctuate.

PUC Impacts

Declined the allowable 1.65% increase in Delivery charge

- This is the only part of the electricity bill PUC has any control over

Waved the previously announced 10% increase of water rates

- Water rates for 2016 will be kept at 2015 level

Provincial Impacts

Ontario Clean Energy Benefit (OCEB) Removal

- Resulted in an average increase of 10% on residential power bills (January 1st, 2016)
- Program was replaced with the Ontario Energy Support Program (OESP) (presently 722 participants)

Cost of Energy Increases

The cost of electricity, which is set by the Province, went up on May 1, 2015 by approximately 7.5% and again by approximately 5.4% on November 1, 2015 for the average residential customer (800 kWh per month).



June 13th, 2016 - Annual Shareholder Meeting

Provincial Bill Comparison

2015 Residential - 800 kWh Monthly Electric Bill

Rank	Utility	Average Bill
1/81	Hydro Hawkesbury Inc.	\$116.97
2/81	SSM PUC Distribution	\$118.16
5/81	Thunder Bay	\$123.06
22/81	Greater Sudbury	\$128.36
63/81	Algoma Power	\$142.31

Data Published by Ontario Energy Board

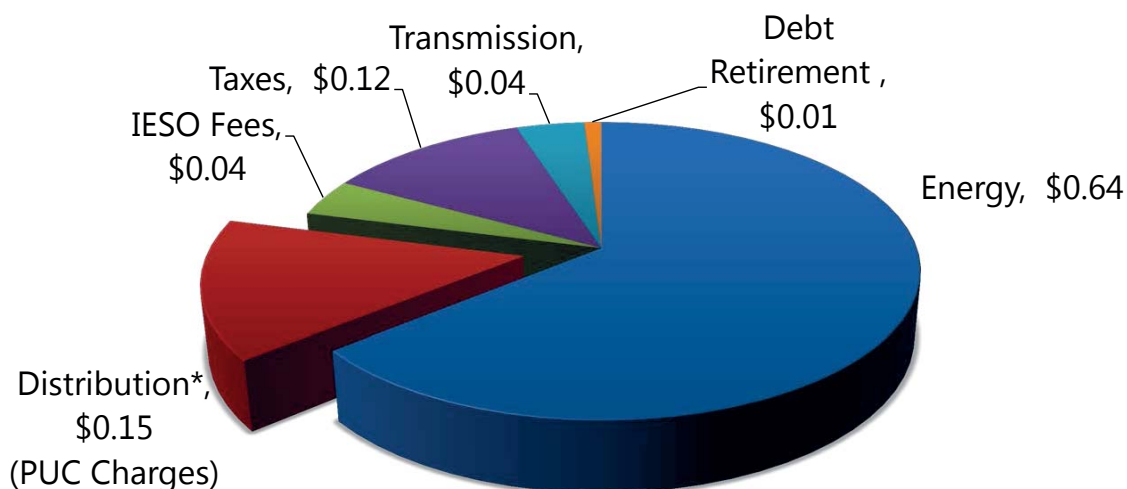


June 13th, 2016 - Annual Shareholder Meeting

Average Electric Bill-2015

1,000 kWh Residential Bill in S.S.M.

Where Your Dollar Went In 2015



*PUC Distribution retains only 15¢ for every dollar charged on the electric bill; other agencies absorb the remaining 85¢



June 13th, 2016 - Annual Shareholder Meeting

Provincial Bill Comparison

2015 Residential – 200 m3 Annual Water & Sewage Bill

Rank	Utility	Average Annual Bill
1/94	Brampton	\$406
43/94	Sault Ste. Marie	\$839 (\$680 in 2016)
59/93	Greater Sudbury	\$960
70/94	Thunder Bay	\$1,049
77/94	North Bay	\$1,120
94/94	Middlesex Center	\$1,687

% of bill that is sewage is unknown (i.e. in 2015 SSM sewage was 50% of the bill)

Data Published by BMA Management Consultants

For 2016: PUC = No increase in PUC water rates
City = 38% reduction in city sewage charge



June 13th, 2016 - Council Meeting

LED Project Update

3,364
(as of 5/31/2016)

Total of 2,385 HPS lights were converted by December 31st 2015.

Phase 2 of the LED Conversion Project resumed on **April 25th** and will conclude by October 2016



The total annual energy savings from the lights converted so far would be enough to power over **230** single family homes for a year!



2015 Performance

2015 Target: Submit 6 Year Conservation and Demand Management Plan (CDM) & Achieve Year 1 Targets - Reached and Exceeded

In collaboration with six other utilities, through CustomerFirst Inc., PUC filed a new six year CDM plan and established new targets for energy reduction. In 2015, PUC exceeded energy reduction targets for year one of the new plan.

2015 Target **2.2** GWh **Results** **3.3** GWh

CustomerFirst Inc. is a collaboration of 6 like-minded small to medium sized electric utilities, geographically diverse and representing over 160,400 customers across Ontario.

These utilities recognize that collaboration is the future of the electricity industry in Ontario, and that working together has the greatest potential to benefit our customers.

2015 Performance

System Reliability Target – 3 Year Average v 2015

PUC's target for 2015 was to keep the frequency of outages and their duration within the prior 3 year averages.

3 Year Average

106
Minutes

Average number of **minutes** that power to a customer was interrupted.

2.01
Events

Average number of **times** that power to a customer was interrupted.

2015 Results

202
Minutes

1.85
Events

2015 Performance

Electric Infrastructure Renewal

- PUC undertook an aggressive and targeted infrastructure revitalization campaign aimed at improving electric system reliability.
- Achievement in 2015 exceed targets

105/97

Deteriorated Poles Replaced

261/260

Switches Replaced

1,010/1,000

Porcelain Insulators Replaced



June 13th, 2016 - Annual Shareholder Meeting

Highlights For 2015

PUC Services Inc.

259 Days lost-time accident free at year-end

(April 16th – December 31st)

Successfully completed **2015 ESA Reg 22.04 Audit** with no "non-compliances" or "needs improvement" items found

All Water & Wastewater facilities were operated in full regulatory compliance

Delivered the "Caution and Chance" electrical awareness program to **24** area elementary schools – approx. **1,894** students



June 13th, 2016 - Annual Shareholder Meeting

East End Water Quality Action Plan

Customer Field Response

- Additional resources mobilized to improve response times to investigate and assist with water quality concerns

East End Survey

- Focused survey to identify **action areas** specific to the east end:
 - Watermain relining program
 - Improve localized water circulation
- We will reach out to every household in the east end

Watermain Relining

- Coating applied to interior of cast-iron watermain
- This rehabilitation of pipes will address water quality issues within the immediate area

Corrosion Inhibitor Optimization

- Continue to optimize corrosion inhibitor effectiveness for discoloured water
- Specific adjustment to better address east end source water composition

Water Quality Improvement Project

2015 Progress

- Completed Stage 1 - in service in Q2

Decision Making Model For Potential Move to Stage 2

Model has been developed and will take into account all available data:

- Supplemental Water Quality Monitoring Programs:
 - Lead Testing Results
 - Coupon Corrosion Study Results
- Operational Concerns
- Consumer Satisfaction Polls
- Customer Concerns Reported to PUC
- Effectiveness of Uni-Directional Flushing (UDF) Program

2015 Ipsos Reid Customer Satisfaction Survey

- Purpose of 2015 survey was to measure improvements in customer satisfaction since implementation of WQIP Stage 1 in 2014
- While there have been improvements, there is still work to do in resolving the taste and odour issues surrounding the city's drinking water

Outlook For 2016

Water Utility

Water System Capacity:

Re-evaluate the need for distribution system capacity increase

Invest \$6.6 M in water system infrastructure

Water Quality Improvement Project:

- Complete evaluation of advanced treatment methods
- Monitor and assess customer satisfaction with water quality
- Determine if Stage 2 is required (UV + Chloramine)



June 13th, 2016 - Council Meeting

Outlook For 2016

PUC Services Inc. & PUC Distribution Inc.

Complete conversion of City's remaining 6,500 HPS street lights to LED lights

Meet energy reduction targets for year 2 of the CDM Plan

Keep electric system reliability numbers (SAIDI and SAIFI) within prior 3 year limits

Achieve Zero Lost Time Incidents



June 13th, 2016 - Annual Shareholder Meeting



Questions?



June 13th, 2016 - Council Meeting

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-78

AGREEMENT: (AG134) A by-law to authorize the execution of an agreement between the City and 2261278 Ontario Limited for the use of a portion of the City boulevard property located to the southeast of 8 Albert Street East for a ramp.

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 13, 2016 between the City and 2261278 Ontario Limited, a copy of which is attached as Schedule "A" hereto. This agreement is a Licence to Occupy City Property for the use of a portion of the City boulevard property located to the southeast of 8 Albert Street East

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 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

da LEGAL\STAFF\BYLAWS\1. 2016\2016-78 EXECUTION AGREEMENT 8 ALBERT STREET EAST.DOC

LE-120

LICENCE TO OCCUPY CITY PROPERTY

THIS LICENCE made in duplicate this 13st day of March, 2016,

B E T W E E N:

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

(herein referred to as the "City")

- and -

2261278 ONTARIO LIMITED

(herein referred to as the "Licencee")

The City grants to the Licencee the right to occupy a portion of the City property located to the southeast of 8 Albert Street East, specifically, that portion of the boulevard marked and identified as "Ramp Area" on Schedule "A" attached hereto.

This Licence is subject to the conditions set out in Schedule "B" attached, which to the extent each condition is or becomes applicable, the Licencee covenants to observe for the period of one (1) year commencing on March 13, 2016 and thereafter from year to year until the Licence is terminated in accordance with Schedule "B".

This Licence shall enure to the benefit of and be binding upon the parties hereto, their heirs, successors and assigns.

In witness thereof the parties hereto have affixed their hands and seals on the date written above.

SIGNED, SEALED AND DELIVERED

**2261278 ONTARIO INC.
o/a FRIULI PROPERTIES**


GEORGE KOPRASH

**I HAVE THE AUTHORITY TO BIND
THE CORPORATION**

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


MAYOR – CHRISITIAN PROVENZANO


CITY CLERK – MALCOLM WHITE

**WE HAVE THE AUTHORITY TO BIND
THE CORPORATION**

da LEGAL\STAFF\AGREEMENTS\2261278 ONTARIO LIMITED\LICENCE OF OCCUPATION MARCH 8.16.DOC

SCHEDULE "B"
LICENCE TO OCCUPY CITY PROPERTY

This Licence is subject to the following conditions:

1. The City hereby grants the Licencee permission to construct and maintain an accessibility ramp (the "Ramp"), for a period of one (1) year commencing on March 13, 2016 and thereafter from year to year until terminated (the "Term"), on the City Property described, marked and identified as the "Ramp Area" in Schedule "A" to this Licence (the "City Property").
2. A PIN search of the property known municipally as Civic No. 8 Albert Street East (the "Licencee Property") confirms that the incorporated business named 2261278 Ontario Limited is the registered owner of the Licencee Property.
3. The City or the Licencee may cancel this Licence on giving three (3) months' written notice to the other party of their intention to do so. Notices shall be deemed given if deposited in the mail with postage charges prepaid and addressed to the party for whom intended at such party's address herein specified:

CITY City Solicitor
The Corporation of the City of Sault Ste. Marie
P.O. Box 580
Sault Ste. Marie, Ontario
P6A 5N1

LICENCEE 2261278 ONTARIO LIMITED O/A FRIULI PROPERTIES
1332 Great Northern Road
Sault Ste. Marie, Ontario
P6B 0B3

4. At no time shall the City be responsible for constructing, maintaining, inspecting removing or otherwise dealing with the Ramp, nor shall the City be responsible for any matters relating to the use of the Ramp. The Licencee shall be responsible for all costs, expenses and liabilities relating to the construction, presence, use and removal of the Ramp located on the City Property. The Licencee shall indemnify and save harmless the City from any costs and expenses of any nature or kind incurred by the City that may result from the construction, maintenance, inspection, removal, and use of the Ramp and any other matters arising directly or indirectly from this Agreement.
5. The Licencee agrees that all construction, maintenance, inspection, removal or otherwise dealing with the Ramp shall be done above ground, and that no digging in excess of six (6") inches for any reason shall take place without the written consent of the City's Engineering & Planning Department.
6. The Licencee shall ensure that a four (4') foot buffer zone be extended back from the sidewalk onto the City Property, and that nothing shall be constructed or placed within this buffer zone.
7. The Licencee shall comply with all Laws, By-Laws, Rules and Regulations of any governing body respecting the construction of the Ramp and the use of the City Property during the Term, and shall save harmless and fully indemnify the City from and against all losses, costs, damages and expenses, of every kind or nature which the City may suffer, be at or be put to by reason of or in consequence of the noncompliance by the Licencee with such Laws, By-Laws, Rules and Regulations.

8. The Licencee shall be liable for all taxes, permits, licences or assessments of every nature and kind whatsoever, in any way arising from the use of the City Property during the Term.
9. The Licencee shall indemnify and save harmless the City from all costs, liabilities and expenses caused to or incurred by the City and from all claims and demands, awards, losses, costs, damages, actions, suits or other proceedings, by whomsoever made, brought or prosecuted, in any manner based upon, arising out of or connected with, the Licencee's construction, maintenance, inspection, removal and use of the Ramp on City Property, the intent being that the City shall be at no risk or expense to which it would not have been put had this Agreement not been entered into.
10. The Licencee shall not assign, transfer or make any other disposition of the Licence, or of the rights conferred thereby, without the prior written consent of the City.
11. The Licencee acknowledges that this Agreement and subsequent amendments to this Agreement may be registered on title to the Subject Property. The parties acknowledge and agree that it is in the sole discretion of the City as to whether such amendments are registered on title and the Licencee consents and shall execute any documents necessary to effect same and as Licencee shall be responsible to pay for all costs of registering the documents on title.
12. If, at the sole discretion of the City and/or emergency personnel, the City and/or emergency personnel requires access to any portion of the City Property, such that the removal of any portion of the Ramp located on the City Property is required, the Licencee shall in no way restrict such access and/or removal of a portion or the entirety of the Ramp, and the City and/or emergency personnel shall in no way be responsible for restoring the Ramp to its condition prior to such access and/or removal of the Ramp by the City and/or emergency personnel.
13. The Public Utilities Commission, Union Gas, Algoma Power Incorporated, Great Lakes Power, Bell Canada, and Shaw Communications Incorporated shall be hereafter referred to as the "Utility Companies". If, at the sole discretion of a Utility Company, the Utility Company requires access to any portion of the City Property, such that the removal of any portion of the Ramp located on the City Property is required, the Licencee shall in no way restrict such access and/or removal of a portion or the entirety of the Ramp, and the Utility Company shall in no way be responsible for restoring the Ramp to its condition prior to such access and/or removal of the Ramp by the Utility Company.
14. The Licencee shall not use or permit the use of the City Property for any purpose other than the purpose herein set out. The Licencee shall not erect any buildings or structures on the City Property.
15. In the event that this Licence is terminated in accordance with paragraph 3, the provisions of paragraphs 4-13 inclusive of this Licence shall survive the termination of this Licence. Upon the termination of this Licence, the Licencee shall forthwith remove the Ramp from the City Property at the Licencee's sole liability and expense. In the event that the Ramp is not removed from the City Property to the satisfaction of the City within thirty (30) days of the termination of this Licence, the City may do such work to remove the Ramp as it deems necessary at the expense and risk of the Licencee.

16. The Licencee shall keep in force during the Term, property damage insurance and personal injury insurance against claims for bodily injury, death or property damage occurring on the City Property in an amount not less than Two Million (\$2,000,000.00) Dollars and name the City as "Additional Insured" to same. Proof of said insurance shall be filed with the Legal Department of the City of Sault Ste. Marie.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-79

REGULATIONS: (R1.1) A by-law to amend Noise Control By-law 80-200, to exempt from the By-law the Pink Chandelier Fashion Extravaganza from 6:00 p.m. to 10:00 p.m. on June 24, 2016.

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 Pink Chandelier Fashion Extravaganza from 6:00 p.m. to 10:00 p.m. on June 24, 2016 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 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

da LEGAL\STAFF\BYLAWS\1. 2016\2016-79 NOISE EXEMPTION PINK CHANDELIER FASHION EXTRAVAGANZA.DOC

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-80

REGULATIONS: (R1.1) A by-law to amend Noise Control By-law 80-200, to exempt from the By-law the Queen Street Cruise event on June 17th and 18th, 2016.

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 Queen Street Cruise event on Friday, June 17th, 2016 and Saturday, June 18th, 2016 as noted below is deemed not to be in violation of By-law 80-200:

- a) June 17th, 2016 from 5:30 p.m. to 10:00 p.m. on the South Side of Queen Street at March Street where the stage is located;
- b) June 17th, 2016 from 8:00 p.m. to 11:00 p.m. at the Essar Centre parking lot; and
- c) June 18th, 2016 from 11:00 a.m. to 3:30 p.m. at the Essar Centre parking lot.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-81

BUILDING: (B1.11) A by-law to provide access for the maintenance of a single family dwelling located at 545 Dundas Street.

WHEREAS Nick Sim and Amber Fraser are the registered owners of civic number 545 Dundas Street, Sault Ste. Marie, hereinafter referred to as the "Sim Property";

AND WHEREAS the owners of the Sim Property have retained MacLeod Building Contractors Ltd., ("the Contractor") to perform repairs on the single family dwelling at the Sim Property;

AND WHEREAS Dexter King is the registered owner of the adjoining property, namely civic number 541 Dundas Street, Sault Ste. Marie, hereinafter referred to as the "King Property" and has refused entry onto the King Property for the purpose of repairing and restoring the structural integrity of the single family dwelling on the Sim property;

NOW THEREFORE The Council of The Corporation of the City of Sault Ste. Marie, pursuant to section 132 of the *Municipal Act, 2001*, S.O. 2001, c.2. 25, **ENACTS** as follows:

1. The Contractor shall be allowed to enter onto the King Property for a period not to exceed four (4) weeks from the date of the passing of this by-law to complete the repairs to the foundation of the existing single family dwelling on the Sim Property. This time limit shall expire upon the work being completed.
2. Notice shall be given to Dexter King of the date that construction is to commence. Such notice shall be given by Nick Sim, Amber Fraser, or the Contractor.
3. The Contractor shall be allowed entry onto the King Property, not to exceed a distance of four (4) feet from the property line between the Sim Property and King Property. This access to the King property does not extend to Nick Sim or Amber Fraser, and only permits the Contractor or their employees to enter onto the King Property.
4. The King Property shall be restored to its original condition following completion of the maintenance to the foundation of the existing single family dwelling on the Sim Property. Nick Sim and Amber Fraser shall provide compensation for any damage caused to the King Property as a result of this maintenance.

5. Nick Sim and Amber Fraser shall further provide to Dexter King, a letter exonerating Dexter King from any liability with respect to the maintenance performed to the foundation of the existing single family dwelling on the Sim Property, prior to any maintenance commencing.

6. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

sp\\citydata\\LegalDept\\Legal\\Staff\\BYLAWS\\1. 2016\\2016-81 Granting Neighbour Access 545 Dundas Street.doc

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-83

AGREEMENT: (E2.2) A by-law to authorize the execution of a contract between the City and 1187839 Ontario Limited for construction of the Esposito Park Pump Track and the extension of the Hub Trail through the Etienne Brule Public School property (Contract 2016-12E).

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 contract between the City and 1187839 Ontario Limited for the construction of the Esposito Park Pump Track and the extension of the Hub Trail through the Etienne Brule Public School property, (Contract 2016-12E), a copy of which is 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 13th day of June, 2016.

MAYOR - CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

CORPORATION OF THE CITY OF SAULT STE. MARIE
CONTRACT NO. 2016-12E
FORM OF AGREEMENT

This Agreement made (in triplicate) this 6th day of June in the year 2016 by and between

1187839 Ontario Limited 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:

CANAL DISTRICT TRAIL AND PUMP TRACK
CONTRACT NO. 2016-12E

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: 1187839 Ontario Limited
 815 Great Northern Road
 Sault Ste. Marie, ON
 P6A 5K7

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

1187839 ONTARIO LIMITED

Signing Officer

(seal)

Witness

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-84

PROPERTY ACQUISITION: (Map 66) A by-law to authorize the City's acquisition of property described as Part of 440 River Road, being Part 9 on 1R7949 (1890628 Ontario Inc.)

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. **PROPERTY ACQUISITION**

The Corporation shall acquire by purchase the absolute right in fee simple to the lands more particularly described in Schedule "A" hereto at a price not exceeding the consideration provided in said Schedule "A".

2. **EXECUTION OF DOCUMENTS**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to all documents required to complete the said acquisition.

3. **SCHEDULE "A"**

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

4. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

da LEGAL\STAFF\BYLAWS\1. 2016\2016-84 PROPERTY ACQUISITION PART 440 RIVER RD (PT 9 1R7949).DOC

SCHEDULE "A" TO BY-LAW 2016-84

PURCHASER: The Corporation of the City of Sault Ste. Marie

VENDOR: 1890628 Ontario Inc.

ADDRESS: Part 440 River Road (Part 9 1R7949)

CONSIDERATION: \$54, 900.00
(subject to usual adjustments)

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-85

TRAFFIC: (P3.3) A by-law to amend Schedules “F” and “G” of Traffic By-law 77-200.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the provisions of section 10 of the *Municipal Act, 2001*, S.O., 2001 c.25 and amendments thereto, **ENACTS** as follows:

1. **SCHEDULE “F” OF BY-LAW 77-200 AMENDED**

Schedule “F” of By-law 77-200 is amended by adding the following:

<u>INTERSECTION</u>	<u>DIRECTION OF TRAFFIC</u>	<u>STOP STREET</u>
“Wellington Street West and Conmee Avenue	Westerly	Conmee Avenue”.

2. **SCHEDULE “G” OF BY-LAW 77-200 AMENDED**

Schedule “G” of By-law 77-200 is amended by deleting the following:

INTERSECTION OR OTHER LOCATION

“Wellington Street West and Conmee Avenue”.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-86

TRAFFIC: (P3.3) A by-law to amend Schedules “A”, “F” and “G” of Traffic By-law 77-200.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the provisions of section 10 of the *Municipal Act, 2001*, S.O., 2001 c.25 and amendments thereto, **ENACTS** as follows:

1. **SCHEDULE “A” OF BY-LAW 77-200 AMENDED**

Schedule “A” of By-law 77-200 is amended by adding the following:

<u>STREET</u>	<u>SIDE</u>	<u>FROM</u>	<u>TO</u>	<u>PROHIBITED TIMES OR DAYS</u>
“Korah Road	West	Douglas Street	40m north of Douglas Street	Anytime”.

2. **SCHEDULE “F” OF BY-LAW 77-200 AMENDED**

Schedule “F” of By-law 77-200 is amended by adding the following:

<u>INTERSECTION</u>	<u>DIRECTION OF TRAFFIC</u>	<u>STOP STREET</u>
“Korah Road and Douglas Street	East/westerly	Douglas Street”.

3. **SCHEDULE “G” OF BY-LAW 77-200 AMENDED**

Schedule “G” of By-law 77-200 is amended by deleting the following:

INTERSECTION OR OTHER LOCATION

“Korah Road and Douglas Street”.

4. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

da LEGAL\STAFF\LEGAL\PUBLIC WORKS & TRANSPORTATION\3.3 TRAFFIC\BY-LAWS\2016\2016-86 AMEND SCHEDULES A F AND G.DOCA

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2016-87

STREET ASSUMPTION: (Map 46) A by-law to assume for public use and establish as a public street part Corey Avenue as described in PIN 31504-0349 and part Jean Avenue as described in PIN 31504-0351.

THE Council of the Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

1. **STREETS ESTABLISHED AND ASSUMED**

The Corporation of the City of Sault Ste. Marie hereby assumes for public use and establishes as a public street, the streets more particularly described on Schedule "A" to this by-law.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

SCHEDULE "A" TO BY-LAW 2016-87 AND 2016-88

COREY AVENUE

PIN 31504-0349 COREY AV PL H436 RANKIN LOCATION/TARENTORUS;
SAULT STE. MARIE

JEAN AVENUE

PIN 31504-0351 JEAN AV PL H436 RANKIN LOCATION/TARENTORUS;
SAULT STE. MARIE

da LEGAL\STAFF\BYLAWS\1. 2016\2016-87 STREET ASSUMP COREY AVE AND JEAN AVE (MAP 46).DOC

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-89

AGREEMENT: (AG114) A by-law to authorize the execution of an agreement between the City and the Downtown Association for the use of the March Street Stage at March Street and Queen Street East, Sault Ste. Marie, and the Essar Centre parking lot at Queen Street East and Dennis Street, Sault Ste. Marie for the Queen Street Cruise Programming.

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 June 13, 2016 between the City and the Downtown Association, a copy of which is attached as Schedule "A" hereto. This agreement is a Licence to Occupy City Property for the use of the March Street Stage at March Street and Queen Street East, Sault Ste. Marie, and the Essar Centre parking lot at Queen Street East and Dennis Street, Sault Ste. Marie for the Queen Street Cruise Programming.

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 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

da LEGAL\STAFF\BYLAWS\1. 2016\2016-89 EXECUTION AGREEMENT QUEEN STREET CRUISE.DOC

BETWEEN:

(herein referred to as the "City")

DOWNTOWN ASSOCIATION

The City grants to the Licencee the right to occupy the property of the City ("the City Property") identified as the March Street Stage at March Street and Queen Street East, Sault Ste. Marie, and the Essar Centre parking lot at Queen Street East and Dennis Street, Sault Ste. Marie, specifically as shown and identified on Schedule "A" attached to this Licence to Occupy City Property.

In this Licence, the "City" means the "Council" of the City of Sault Ste. Marie and any person authorized to act on its behalf.

In witness thereof the parties hereto have affixed their hands and seals on the date written above.

[illegible]

DEPUTY CITY CLERK – RACHEL TYCZINSKI

**SCHEDULE "A" TO
LICENCE TO OCCUPY CITY PROPERTY**

City Property

The following programming is permitted to be set up and/or conducted at the following locations on City Property:

A. The March Street Stage at March Street and Queen Street East.

1. Live music- instruments and musicians.

B. The Essar Centre parking lot at Queen Street East and Dennis Street ("Essar Centre Parking Lot"). The temporary structures itemized below are permitted to be in and around the Essar Centre Parking Lot in accordance with the layout represented in "Appendix 1", as provided by the Licencee. The City and Licencee acknowledge that Appendix 1 sets out the approximate location of each temporary structure, and that the actual set up of the temporary structures may slightly vary from the layout set forth in Appendix 1.

1. Square one (1) in Essar Centre Parking Lot.
 - a) Pop up tent with dimensions of eight (8') feet by ten (10') feet.
2. Square two (2) in Essar Centre Parking Lot.
 - a) Pop up tent with dimensions of ten (10') feet by ten (10') feet.
3. Square three (3) in Essar Centre Parking Lot.
 - a) Portable stage with dimensions of sixteen (16') feet by sixteen (16') feet for the purpose of providing a platform for live music performances.
4. Square four (4) in Essar Centre Parking Lot.
 - a) Inflatable tent with dimensions of thirty (30') feet by sixty (60') feet.
5. Square five (5) in Essar Centre Parking Lot.
 - a) Pop up tent with the dimensions of eight (8') feet by eight (8') feet.
6. "Option A" outside the Essar Centre Parking Lot in a parking bay along Queen Street East and "Option B" inside the Essar Centre Parking Lot.
 - a) Two potential locations for a Pino's Get Fresh Foods portable food trailer.
7. Essar Centre Parking Lot parking spaces, as outlined in yellow.
 - a) Reserved parking area for Show Cars.
8. Red "X"'s on the Dennis Street and Bay Street entrance ways to the Essar Centre Parking Lot.
 - a) Temporary barricades to prevent the entrance of vehicles.

The above programming is referred to as "Queen Street Cruise Programming" in this Licence Agreement.

SCHEDULE "B"
LICENCE TO OCCUPY CITY PROPERTY

This Licence is subject to the following conditions:

1. The City hereby grants permission to the Licencee to set up and conduct the Queen Street Cruise Programming specifically enumerated in Schedule "A" to this Licence Agreement on June 17 and 18, 2016 inclusive as part of the Queen Street Cruise Programming on the March Street Stage at March Street and Queen Street East, Sault Ste. Marie, and the Essar Centre parking lot at Queen Street East and Dennis Street, Sault Ste. Marie, as identified in Schedule "A" to this Licence Agreement (the "City Property"), and subject to the following schedule for June 17 and 18, 2016:
 - a. Set up and conduct of Queen Street Cruise Programming on June 17, 2016 from 5:30 p.m. to 10:00 p.m. at the March Street Stage at March Street and Queen Street East; and
 - b. Set up and conduct of Queen Street Cruise Programming on June 17, 2016 from 5:30 p.m. to 11:00 p.m. at the Essar Centre parking lot at Queen Street East and Dennis Street; and
 - c. Set up and conduct of Queen Street Cruise Programming on June 18, 2016 from 11:00 a.m. to 3:30 p.m. at the Essar Centre parking lot at Queen Street East and Dennis Street.

The above is collectively referred to as the "Event" in this Licence Agreement.

2. The Licencee is permitted to leave the temporary structures and Show Cars assembled in the Essar Centre parking lot at Queen Street East and Dennis Street, as identified in Schedule "A" to this Licence Agreement, on June 17, 2016 from 11:00 p.m. to the commencement of the Queen Street Cruise Programming on June 18, 2016 at 11:00 a.m. The Licencee shall be responsible for the security of all temporary structures and the Show Cars that remain on City Property and warrants that a private security service will be hired, at the sole cost, liability and expense of the Licencee, to monitor the said structures and Show Cars.
3. One hundred ten (110V) volts of electrical power will be supplied by the City to provide power to the portable stage and inflatable tent located in the Essar Centre parking lot, as set out in Schedule "A" to this Agreement. Notwithstanding the provision of electrical power by the City, the Licencee shall indemnify and save harmless the City from all costs and expenses caused to or incurred by the City and from all claims and demands, awards, losses, costs, damages, actions, suits or other proceedings, by whomsoever made, brought or prosecuted, in any manner based upon, arising out of or connected with the provision of electrical power as set out herein, the intent being that the City shall be at no risk or expense in respect of same. In the event that the Licencee requires an increase in voltage for any element of the Queen Street Cruise Programming, the Licencee shall enter into contractual arrangements with Red Star Electric Ltd. to the satisfaction of the Commissioner of Community Services, or his designate, and at the sole cost, liability, and expense of the Licencee.
4. The City may, in its sole determination and discretion, provide access to washroom facilities located within the Essar Centre Arena granted that the Licencee provide a private security

service, at the sole cost, liability, and expense of the Licencee, to monitor the Essar Centre Arena to the sole satisfaction of the Commissioner of the Community Services, or his designate. To this end, the City's Commissioner of Community Services or his designate, shall provide the Licencee with written notice as to the access so permitted to washroom facilities located within the Essar Centre Arena, and the necessary security requirements required to be provided by the Licencee by forwarding same to:

Downtown Association
c/o Harlee Kimsal
496 Queen Street E.
Sault Ste. Marie, ON P6A 1Z8
Tel: (705) 942-2919
Fax: (705) 942-6368
Email: hkimsal@saultdowntown.com

This notification once served shall form part of this Agreement as Schedule "C". Again, the Licencee shall indemnify and save harmless the City from all costs and expenses caused to or incurred by the City and from all claims and demands, awards, losses, costs, damages, actions, suits or other proceedings, by whomsoever made, brought or prosecuted, in any manner based upon, arising out of or connected with the provision of washroom facilities as set out herein, the intent being that the City shall be at no risk or expense in respect of same.

5. At no time shall the City be responsible for setting up, maintaining, removing or otherwise dealing with the Queen Street Cruise Programming. The Licencee shall be responsible for all costs, expenses and liabilities relating to the setup, presence, use and removal of the Queen Street Cruise Programming located on City Property. The Licencee shall indemnify and save harmless the City from any costs and expenses incurred by the City that may result from the Queen Street Cruise Programming.
6. All matters related to the Queen Street Cruise Programming are the responsibility of the Licencee. At no time shall the City be responsible for any matters related to the Queen Street Cruise Programming, and the Licencee shall indemnify and save harmless the City from any costs and expenses incurred by the City that may result from the Queen Street Cruise Programming.
7. The Licencee shall comply with all Laws, By-Laws, Rules and Regulations of any governing body respecting the Queen Street Cruise Programming, and shall save harmless and fully indemnify the City from and against all losses, costs, damages and expenses, of every kind or nature which the City may suffer, be at or be put to by reason of or in consequence of the noncompliance by the Licencee with such Laws, By-Laws, Rules and Regulations.
8. The Licencee warrants that all structures related to the Queen Street Cruise Programming will comply with section 2.9 Tents And Air-Supported Structures, O. Reg. 213/07: Fire Code, made under *Fire Protection and Prevention Act, 1997, S.O. 1997, c. 4*.
9. The Licencee warrants that it will comply with all elements of the Road Closure Plan designed by the City's Public Works & Transportation Department as set forth in "Appendix 2" to this Licence Agreement.

10. The Licencee shall be liable for all taxes, permits, licences or assessments of every nature and kind whatsoever, in any way arising from the Queen Street Cruise Programming.
11. The Licencee shall indemnify and save harmless the City from all costs and expenses caused to or incurred by the City and from all claims and demands, awards, losses, costs, damages, actions, suits or other proceedings, by whomsoever made, brought or prosecuted, in any manner based upon, arising out of or connected with the Queen Street Cruise Programming, the intent being that the City shall be at no risk or expense to which it would not have been put had the Queen Street Cruise Programming not occurred.
12. The Licencee shall not assign, transfer or make any other disposition of this Licence Agreement, or of the rights conferred thereby, without the prior written consent of the City.
13. If, at the sole discretion of the City and/or emergency personnel, the City and/or emergency personnel requires access to any portion of City Property, such that removal of any portion or the entirety of the Queen Street Cruise Programming is required, the Licencee shall in no way restrict such access and the City and/or emergency personnel shall in no way be responsible for restoring the Queen Street Cruise Programming to its condition prior to such access by the City and/or emergency personnel.
14. The Queen Street Cruise Programming shall terminate at 11:00 p.m. on June 17, 2016 and at 3:30 p.m. on June 18, 2016. The Licencee shall promptly remove the Queen Street Cruise Programming and complete all necessary cleanup activities at their sole cost and expense by the hour of 11:00 p.m. on June 17, 2016, subject to the temporary structures and Show Cars permitted to remain as per Section (2) herein, and 5:00 p.m. on June 18, 2016 and leave the City Property in a condition satisfactory to the City, provided that if the required cleanup activities are not completed and/or the Queen Street Cruise Programming is not removed by the Licencee by 11:00 p.m. on June 17, 2016 and/or 5:00 p.m. on June 18, 2016, the City may complete such cleanup and removal of the Queen Street Cruise Programming as it deems necessary at the expense and risk of the Licencee.
15. This Licence Agreement shall terminate at 5:00 p.m. on June 18, 2016. The provisions of paragraphs 5-12 inclusive and paragraph 14 of this Licence Agreement survive the termination of this Licence Agreement.
16. The Licencee will not use or permit the use of the City Property for any purpose other than the purpose herein set out, namely the Queen Street Cruise Programming. No buildings, structures or other programming shall be erected or conducted on the City Property by the Licencee unless the City provides its prior express written consent to same.
17. The Licencee shall keep in force during the term of this Licence Agreement, property damage insurance and personal injury insurance against claims for bodily injury, death or property damage occurring on the City Property in an amount not less than Two Million (\$2,000,000.00) Dollars and name the City as "Additional Insured" to same. Proof of said insurance shall be filed with the Legal Department of the City of Sault Ste. Marie on or before June 13, 2016.



Date: 06/03/16 **Author:** A. Starzomski **Project:** Queen Street Cruise

Comments:

Temporary traffic setup for Queen Street Cruise

Dates: June 17 & 18

Time: 4:00pm

March Street will be closed on Friday night only. PWT to provide barricades and road closed signs. They will be placed at designated locations. It will be the responsibility of the event staff to erect and remove barricades and signs. If PWT has staff working these can be picked up anytime on Saturday

*****Friday & Saturday**

Additional barricades will be required at Essar Centre. Dennis St, north entrance to be closed. Bay St, east entrance to be closed. The barricades can be picked up any time after 3:00pm on Saturday

March St between Queen St and Albert St - vehicles exiting March St will need to north onto Albert St. Access to local businesses will need to be allowed.

March St between Bay St and Queen St - vehicles will exit onto Bay St, access to local businesses will need to be allowed.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-90

AGREEMENT: (AG114) A by-law to authorize the execution of an agreement between the City and 1927417 Ontario Inc. o/a Pink Chandelier and The Barrel House Wine & Whiskey Bar Inc. for the use of a portion of Queen Street East from Spring Street to March Street for an outdoor fashion show and a pop up patio.

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 June 13, 2016 between the City and 1927417 Ontario Inc. o/a Pink Chandelier and The Barrel House Wine & Whiskey Bar Inc., a copy of which is attached as Schedule "A" hereto. This agreement is a Licence to Occupy City Property for the use of a portion of Queen Street East from Spring Street to March Street for an outdoor fashion show and a pop up patio.

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 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

LICENCE TO OCCUPY CITY PROPERTY

THIS LICENCE made in duplicate this 13th day of June, 2016.

B E T W E E N:

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

(herein referred to as the "City")

- and -

1927417 ONTARIO INC. O/A PINK CHANDELIER

(herein referred to as the "Pink Chandelier")

- and -

THE BARREL HOUSE WINE & WHISKEY BAR INC.

(herein referred to as the "Barrel House")

The City grants to Pink Chandelier and Barrel House (collectively referred to as the "Licencees") the right to occupy the property of the City ("the City Property") identified as a section of Queen Street East from Spring Street to March Street, Sault Ste. Marie, specifically as shown and identified on Schedule "A" attached to this Licence. This Licence is subject to the conditions set out in Schedule "B" attached.

In this Licence, the "City" means the "Council" of the City of Sault Ste. Marie and any person authorized to act on its behalf.

This Licence shall enure to the benefit of and be binding upon the parties hereto, their heirs, successors and assigns.

In witness thereof the parties hereto have affixed their hands and seals on the date written above.

SIGNED, SEALED AND DELIVERED

Date: _____

**BRENT MILLARD – PRESIDENT,
1927417 ONTARIO INC. O/A PINK CHANDELIER**

**SHAYNE BELL - PRESIDENT,
THE BARREL HOUSE WINE & WHISKEY BAR
INC.**

***WE HAVE THE AUTHORITY TO BIND THE
CORPORATIONS***

Date: _____
**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

**SCHEDULE "A" TO
LICENCE TO OCCUPY CITY PROPERTY**

City Property

The following structures and programming are permitted to be set up and/or conducted at the following locations on the City Property:

1. "Pop Up Patio" operated by Barrel House.
 - a. One (1) pop-up tent with dimensions of twenty (20') feet by twenty (20') feet may serve alcohol and be located on Queen Street East approximately in the vicinity of civic number 492 Queen Street East; and
 - b. Eight (8) stand-up cocktail tables may serve alcohol located to the immediate west of the pop-up tent.
2. Pink Chandelier Fashion Show.
 - a. Four (4) pop-up tents, each with the dimensions of twenty (20') feet by twenty (20') feet placed in consecutive order with three (3m) metres of spacing between each structure, approximately in the vicinity of civic number 495 Queen Street East continuing westward to civic number 472 Queen Street East;
 - b. Approximately two hundred fifty (250) plastic folding chairs for spectator seating; and
 - c. Outdoor speaker system for the purposes of broadcasting pre-recorded music.

The above is collectively referred to as the "Programming" in this Licence Agreement.

**SCHEDULE "B" TO
LICENCE TO OCCUPY CITY PROPERTY**

This Licence is subject to the following conditions:

1. The City hereby grants permission to the Licencees to set up and conduct the Programming specifically enumerated in Schedule "A" to this Licence Agreement on June 24, 2016 as part of the Programming on Queen Street East, between Spring Street and March Street, Sault Ste. Marie, as identified in Schedule "A" to this Licence Agreement (the "City Property"), and subject to the following schedule for June 24, 2016:
 - a. between the hours of 4:00 p.m. to 6:00 p.m., the Licencees may setup the Pop Up Patio, Pink Chandelier Fashion show and other Programming as necessary;
 - b. between the hours of 6:00 p.m. and 9:00 p.m., the Programming shall carry on;
 - c. between the hours of 6:00 p.m. and 9:00 p.m. Barrel House may serve alcoholic beverages at the Pop Up Patio, in accordance with their Liquor Permit acquired from the Alcohol and Gaming Commission of Ontario ("AGCO"); and
 - d. by the hour of 11:00 p.m., the Licencees shall have completed the removal of the Pop Up Patio and Pink Chandelier Fashion Show Programming and other items related directly or indirectly to the Programming from City Property at their sole cost, liability and expense.

The above is collectively referred to as the "Event" in this Licence Agreement.

2. The tent structures and Programming described in Schedule "A" to this Licence are to comply with the following conditions:
 - a. The tent structures must be no less than three (3m) metres (9.8 feet) away from any building or other tent structure;
 - b. The tent structures must be at ground level and must not be raised in any way;
 - c. The tent structures and Programming must provide for access and clear passage by persons using mobility aides and strollers; and
 - d. The tent structures and Programming must comply with section 2.9 Tents And Air-Supported Structures, O. Reg. 213/07: Fire Code, made under *Fire Protection and Prevention Act, 1997, S.O. 1997, c. 4.*
3. The Licencees warrant that in carrying out the Programming described in Schedule "A" to this Licence, they will comply with the following conditions regarding the temporary road closure of Queen Street East:
 - a. The street closure must conform to the procedures as presented in the Ontario Traffic Manual Book 7 including, but not limited to, all signage and emergency services notification requirements;
 - b. Ensure that pedestrian traffic will not be impeded; and
 - c. Undertake to supply, setup and take down all signage and/or barricades required for the street closure as per Section (3) (a) herein.

4. Pink Chandelier and Barrel House represent and warrant that they have obtained any and all required permits from Algoma Public Health with respect to the Programming prior to the commencement of the Event.
5. Barrel House represents and warrants that it is the holder of a valid liquor sales licence with a catering endorsement attached to its sales licence. Barrel House further represents and warrants that it has submitted a written form of notification of the Event to the AGCO, Algoma Public Health, the City Fire Department, the City Police Department and the City Building Department as required under Ontario Regulation 719, made under the *Liquor Licence Act, R.S.O. 1990, c. L. 19*. Barrel House is presently awaiting the AGCO's approval to operate the Pop Up Patio component of the Programming.
6. Barrel House acknowledges and agrees that it shall provide and serve alcohol for the Event at the Pop Up Patio only if the Pop Up Patio component of the Programming is approved by the AGCO and the requirements set out in Section 6 below are satisfied. The Pink Chandelier represents and warrants that it is the sponsor for the Pop Up Patio and the Programming.

Prior to the commencement of the Programming, Barrel House shall provide the City with written confirmation by facsimile or email from the AGCO that Barrel House has received approval for the Pop Up Patio Programming. In the event that such confirmation of approval has not been received by the City by noon on June 20, 2016, the Licencees acknowledge and agree that the Programming shall not proceed on June 24, 2016 with respect to the Pop Up Patio component and this Licence is hereby terminated as it pertains to the Pop Up Patio. Such written confirmation shall be sent as follows:

CITY:

Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior Litigation Counsel
The Corporation of the City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, ON P6A 5N1
Tel: (705)759-5403
Fax: (705)759-5405
Email: m.borowiczsibenik@cityssm.on.ca

7. At no time shall the City be responsible for setting up, maintaining, removing or otherwise dealing with the Pop Up Patio, Pink Chandelier Fashion Show or any other matters related to the Programming and/or the Event. The Licencees shall be responsible for all costs, expenses and liabilities relating to the setup, presence and removal of the Pop Up Patio, Pink Chandelier Fashion Show and all other matters related directly or indirectly to the Programming and/or the Event located on City Property. The Licencees shall indemnify and save harmless the City from any costs and expenses incurred by the City that may result from the tent structures and Programming.
8. All matters related to the Event are the responsibility of the Licencees. At no time shall the City be responsible for any matters related directly or indirectly to the Programming and/or the Event, and

the Licencees acknowledge and agree that they shall each indemnify and save harmless the City from any costs (including solicitor costs on a substantial indemnity scale basis and disbursements), liabilities and expenses incurred by the City that may result directly or indirectly from the Programming and/or the Event.

9. Barrel House shall have full responsibility to ensure that it has satisfied all liquor licence requirements for the Pop Up Patio. At no time shall the City be responsible for any matters related to liquor licence requirements or approvals for the Pop Up Patio. The Licencees shall save harmless and fully indemnify the City from and against all losses, costs (including solicitor costs on a substantial indemnity scale basis and disbursements), damages and expenses of every kind or nature which the City may suffer, be at or be put to by reason of or in consequence of the noncompliance by Barrel House of such liquor licence requirements and/or approvals.
10. The Licencees shall comply with all Laws, By-Laws, Rules and Regulations of any governing body respecting the Event and the Programming, and shall save harmless and fully indemnify the City from and against all losses, costs, damages and expenses, of every kind or nature which the City may suffer, be at or be put to by reason of or in consequence of the noncompliance by the Licencees with such Laws, By-Laws, Rules and Regulations.
11. The Licencees shall be liable for all taxes, permits, licences or assessments of every nature and kind whatsoever, in any way arising from the Event and/or the Programming.
12. The Licencees shall indemnify and save harmless the City from all costs and expenses caused to or incurred by the City and from all claims and demands, awards, losses, costs, damages, actions, suits or other proceedings, by whomsoever made, brought or prosecuted, in any manner based upon, arising out of or connected with, the Event and/or the Programming, the intent being that the City shall be at no risk or expense to which it would not have been put had the Event and/or the Programming not occurred.
13. The Licencees shall not assign, transfer or make any other disposition of the Licence, or of the rights conferred thereby, without the prior express written consent of the City.
14. If, at the sole discretion of the City and/or emergency personnel, the City and/or emergency personnel requires access to any portion of Queen Street East, such that removal of any portion or the entirety of the Event and/or the Programming is required, the Licencees shall in no way restrict such access and the City and/or emergency personnel shall in no way be responsible for restoring the Event and/or the Programming to its condition prior to such access by the City and/or emergency personnel.
15. The Event shall terminate at 11:00 p.m. on June 24, 2016. The Licencees shall promptly remove the Event and the Programming, and any matters related directly or indirectly thereto from the City Property and complete all necessary cleanup activities at their sole cost and expense by the hour of 11:00 p.m. on June 24, 2016, and leave the City Property in a condition satisfactory to the City; provided that if the required cleanup activities are not completed by the Licencees by 11:00 p.m. on June 24, 2016, the City may complete such clean up and removal of the items as it deems necessary at the expense, liability and risk of the Licencees.

16. The Licencees shall not use or permit the use of the City Property for any purpose other than the purpose herein set out, namely only that Programming or components thereof that have complied with the terms and conditions of this Licence. The Licencees shall not erect any other buildings or other structures, or conduct any other programming on the City Property unless expressly set out and approved by the City in writing in advance of the Event.
17. This Licence Agreement shall terminate at 11:00 p.m. on June 24, 2016. The provisions of Paragraphs 6-14 inclusive and 15-16 inclusive of this Licence survive the termination of this Licence.

The Licencees each shall keep in force during the term of this Licence, property damage insurance and personal injury insurance against claims for bodily injury, death or property damage occurring on the City Property in an amount not less than Five Million (\$5,000,000.00) Dollars and name the City as "Additional Insured" to same. Proof of said insurance shall be filed with the Legal Department of the City of Sault Ste. Marie on or before June 20, 2016.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-91

AGREEMENT: (C2.13(12)) A by-law to authorize the execution of an agreement between the City and Morrison Hershfield Limited for professional services for the assessment, design and contract administration for replacement of exterior cladding and windows at the Civic 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 an agreement dated June 3, 2016 between the City and Morrison Hershfield Limited, a copy of which is attached as Schedule "A" hereto. This agreement is for professional services for the assessment, design and contract administration for replacement of exterior cladding and windows at the Civic 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 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

Morrison Hershfield Limited
STANDARD SHORT FORM AGREEMENT FOR SERVICES

Project Name ("Project"): The Civic Centre - Cladding and Window Upgrades

Proposal No. ("Proposal"): 2160292.99

Date of Proposal: February 24, 2016

Project Location ("Site"): Sault Ste. Marie, ON

CLIENT INFORMATION

Client Name: The Corporation of the City of Sault Ste. Marie

Attention: Tim Gowans, Manager of Purchasing - Finance Department

Address: 99 Foster Drive, Sault Ste. Marie, ON P6A 5X6

Email Address: t.gowans@cityssm.on.ca

Telephone Number: 705-759-5298

Fax Number: 705-541-7094

The scope of authorized services ("Services") is specified in Schedule A attached to and forming part of this agreement ("Agreement") or such additional Services as may be agreed by the Parties in a similar schedule to be appended to this Agreement is accepted by the Parties.

This Agreement is effective this 16th day of May, 2016 ("Effective Date") by and between The Corporation of the City of Sault Ste. Marie, with offices at the location set forth above, ("Client") and Morrison Hershfield Limited, with offices at 2440 Don Reid Drive, Ottawa, ON K1H 1E1, ("MHL") (individually, "Party" and, collectively, "Parties"). In consideration of the promises hereof and the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto intending to be legally bound agree as follows:

1. CLIENT DEFINITION

Client, as used herein, shall include and apply to all parties equally, be they individuals, corporations, partnerships, associations, government agencies, or other entities, whether acting alone or collectively as a group where the services of this Agreement are being provided to, or on behalf of, the group.

2. STANDARD OF CARE

Services performed by MHL will be conducted in a manner consistent with that level of care and skill ordinarily exercised by other members of the engineering profession currently practicing under similar conditions subject to the time limits and financial, physical or any other constraints applicable to the Services. No other warranty, express or implied is made or intended, and the same are specifically disclaimed.

3. INVOICES AND PAYMENT TERMS

MHL will submit monthly invoices to the Client and a final bill upon completion of Services. The Client shall notify MHL within ten (10) days of receipt of invoice of any dispute with the invoice. The Client and MHL will promptly resolve any disputed items. Payment on undisputed invoice amounts is due upon receipt of invoice by the Client and is past due thirty (30) days from the date of the invoice. The Client agrees to pay a finance charge of one and one-half percent (1-1/2%) per month, or the maximum rate allowed by law, on past due accounts. If any invoice amount is past due, MHL shall have the right to suspend all work under this Agreement, without prejudice. The Client will pay all reasonable demobilization and other suspension costs. ~~The Client agrees to pay legal costs and all other collection costs incurred by MHL in pursuit of past due payments.~~



4. AMENDMENTS

The Client and MHL recognize that it may be necessary to modify the scope of Services, the schedule, and/or the cost estimate proposed in this Agreement. Such changes shall amend the scope of Services, schedule, and/or the cost, as may be equitable under the circumstances. MHL shall notify the Client in a timely manner when it has reason to believe an amendment to the Agreement is warranted. MHL shall prepare a change order request outlining the amendments to the scope, schedule, and/or cost of the project. The Client has a duty to promptly consider the change order request and advise MHL in a timely manner in writing on how to proceed. If after a good faith effort by MHL to negotiate modifications to the scope of Services, the schedule, and/or the cost estimate, an agreement has not been reached with the Client, then MHL shall have the right to terminate this Agreement, without liability to MHL, upon written notice to the Client.

5. DELAYS AND FORCE MAJEURE

If site conditions prevent or inhibit performance of the Services or if unrevealed hazardous waste materials or conditions are encountered, the Services under this Agreement may be delayed. Delays within the scope of this Article shall, at the option of either Party, make the Agreement subject to renegotiation or to termination. The Client shall not hold MHL responsible for damages or delays in the performance of the Services caused by acts of God, acts and/or omissions of Federal, Provincial and local governmental authorities and regulatory agencies or other events that are beyond the reasonable control of MHL. For this purpose, such acts or events shall include, but not be limited to, storms, floods, epidemics, war, riot, strikes, lockouts or other industrial disturbances, and inability of MHL with reasonable diligence to supply personnel, information, or material to the project. Should such acts or events occur, it is agreed that MHL shall use reasonable efforts to overcome difficulties arising and to resume as soon as reasonably possible the normal pursuit and schedule of the Services covered by this Agreement.

6. DATA AND INFORMATION

MHL shall be entitled to rely upon the reports, data, studies, plans, specifications, documents and other information provided by Client or others in performing the Services and, MHL assumes no responsibility or liability for the accuracy or completeness of such. The Client waives any claim against MHL, and agrees to defend, indemnify and hold MHL harmless from any claim or liability for injury or loss allegedly arising from errors, omissions, or inaccuracies in reports, data, studies, plans, specifications, documents or other information provided to, or used by, MHL by the Client

or others. MHL will not be responsible for any interpretations or recommendations generated or made by others, which are based, whole or in part, on MHL's data, interpretations or recommendations.

7. OWNERSHIP OF DELIVERABLES AND RELATED DOCUMENTS

Subject to Section 15 of this Agreement and any other written agreement between the Parties, all deliverables including but not limited to, reports, drawings, plans, designs and other documents, (collectively, "Deliverables") prepared by MHL pursuant to this Agreement including all intellectual property rights therein, remain the property of MHL until MHL is fully compensated under the terms of this Agreement, at which time all Deliverables shall become the property of the Client.

8. LIMITATION OF LIABILITY

To the maximum extent permitted by law, the Client expressly agrees, for itself and anyone claiming by, through or under it, that the liability of MHL, its parent, subsidiaries, affiliates and subcontractors, including their respective officers, directors, employees, successors and assigns for any and all causes of action whatsoever, including, without limitation, tort, contract, strict liability, indemnity or otherwise, arising out of, or in connection with, this Agreement or the Services provided by MHL, shall be limited to the fee paid to MHL for Services under this Agreement.

The Client acknowledges that (i) without the inclusion of liability provision, MHL would not have performed the Services, (ii) it has had the opportunity to negotiate the terms of this limitation of liability as part of an "arms-length" transaction, (iii) the limitation amount may differ from the amount of professional liability insurance required of MHL under this Agreement, and (iv) the limitation of liability provision is merely a limitation of, and not an exculpation from, MHL's liability.

9. INDIRECT DAMAGES

Each Party hereby waives its rights to recover from the other party any consequential, indirect, or incidental damages (including, but not limited to, loss of use, income, profits, financing or reputation), arising out of, or related to, this agreement or the performance of the Services, or both.

10. INSURANCE

MHL will carry insurance coverage during the performance of this Agreement, as required by law. In addition, MHL maintains the following insurance coverage:

- a) Commercial General Liability Insurance
- b) Professional Errors & Omissions

11. SITE RESPONSIBILITY

If MHL is providing services on site or sites, the Client will provide MHL with access to the site and all available site information deemed necessary by MHL. The Services do not include supervision or direction of the means, methods or actual work of other consultants, contractors

and subcontractors not retained by MHL. The Client agrees that each such other party will be solely responsible for its working conditions and safety on the site. MHL's monitoring of the procedures of any such other party is not intended to include a review of the adequacy of its safety measures. It is agreed that MHL is not responsible for safety or security at the site, other than for MHL's employees, and that MHL does not have the right or duty to stop the work of others.

12. NOTIFICATION OF HAZARDOUS MATERIALS

Prior to commencing the Services, the Client shall furnish to MHL all documents and information known to the Client that relates to the identity, location, quantity, nature or characteristics of any hazardous materials, suspected hazardous materials, and all known and identifiable contaminants or other conditions existing on, under or near the Site that are known to present a potential danger to health, the environment, or MHL's equipment or personnel. The Client hereby warrants that, if it knows or has any reason to assume or suspect that hazardous materials may exist at the project site, it has so informed MHL.

13. UNANTICIPATED CONDITIONS

Prior to commencing the Services, the Client shall furnish to MHL all documents and information known to the Client that relates to the identity, location, quantity, nature or characteristics of any hazardous materials, suspected hazardous materials, and all known and identifiable contaminants or other conditions existing on, under or near the Site that are known to present a potential danger to health, the environment, or MHL's equipment or personnel. The Client hereby warrants that, if it knows or has any reason to assume or suspect that hazardous materials may exist at the project site, it has so informed MHL.

Should MHL encounter such conditions for which notification has not been furnished by the Client or which increase the risk or cost, or both, involved in MHL's performance of the Services, upon notice to Client, MHL, in its sole discretion, may (i) suspend the performance of Services and submit a change order as outlined in Paragraph 4, AMENDMENTS to be signed by Client prior to proceeding or (ii) discontinue the performance of Services and terminate this Agreement. If the unanticipated condition presents an immediate or potential threat to health, safety, the environment, or MHL's equipment or personnel, MHL will immediately inform Client, so that Client can notify the appropriate government authorities. If Client fails to do so, Client will hold MHL harmless if MHL provides such notice.

13. TERM AND TERMINATION

The term shall commence on the Effective Date and shall terminate in accordance with this Agreement (the "Term").

This agreement may be terminated by either party upon written notice in the event of a substantial breach by the other party to perform in accordance with terms hereof.

Such termination shall not be effective if that substantial breach has been remedied before expiration of the period specified in the written notice, such period shall not be less than thirty (30) calendar days. In the event of termination, MHL shall be paid for Services performed to the termination notice date, reasonable termination costs and a portion of its anticipated profits not less than the percentage of the Services performed as of the termination notice date. MHL may complete such analyses and records as are necessary to complete their files and may also

complete a report on the Services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of MHL in completing such analyses, records and reports.

This Agreement may be terminated by either Party, without further liability, if the other Party ceases to conduct business in the normal course, becomes insolvent or bankrupt or makes an assignment for the benefit of its creditors, or if a receiver is appointed in respect of the other Party's property, or if the other Party is otherwise unable to carry on business.

Notwithstanding the foregoing, MHL may immediately terminate this Agreement upon written notice to the Client, and without further liability:

- a) in the event the Client is in breach of the confidentiality or intellectual property obligations hereunder, whether the breach is material or not; or
- b) where termination is required due to independence rules, rules of professional conduct or other applicable laws, rules and regulations in effect or hereafter adopted that govern the profession or the business of MHL

Unless otherwise agreed in writing, upon expiry, or upon the effective date of any notice of termination, of this Agreement:

- a) the Client shall provide all reasonable co-operation to MHL in good faith in the orderly wind down of such work in which the Client is involved under this Agreement; and
- b) the Client's rights and licenses to use the intellectual property of MHL are unconditionally revoked and each Party shall cease using the intellectual property of the other and shall not publicly hold itself out as having authorization to use the intellectual property of the other without the prior written consent of the other.

14. DISPUTES

All disputes, claims, and causes one Party makes against the other, at law or otherwise, including third party or "pass-through" claims for indemnification and/or contribution, shall be initiated, determined, and resolved by the following process:

- a) The Parties will endeavour to resolve any dispute between them on any matter in this Agreement by negotiation between themselves personally and, unless there is an emergency, neither party will initiate any other procedure until negotiations have exhausted all reasonable possibility of resolution.
- b) In the event that the Parties are unable to resolve any dispute between them regarding any matter in this Agreement between themselves, the Parties agree to seek the services of a mediator for an appointment within two weeks of acknowledging in writing that an agreement about the issue requiring resolution is not possible without assistance.
- c) The Parties shall not be obliged to attend more than a single session with the mediator in an attempt to resolve their dispute unless additional sessions with the mediator are mutually agreed upon.
- d) The Parties agree that the cost of mediation sessions shall be shared equally between the Parties unless the Parties agree otherwise in writing.
- e) The Parties agree that if they fail to resolve their dispute with the assistance of a mediator, either Party may bring an application to a court of competent jurisdiction to resolve the outstanding dispute.

In the event that one party makes a claim against the other, at law or otherwise, and then fails to prove such claim, then the prevailing party shall be entitled to all costs, including legal costs incurred in defending against the claim.

15. INTELLECTUAL PROPERTY

All pre-existing rights to patents, trademarks, copyrights, and trade secrets owned by MHL (hereinafter "Intellectual Property") as well as any modifications, updates or enhancements to said Intellectual Property during the performance of the Services remain the property of MHL, and MHL grants the Client an irrevocable, perpetual, world-wide, non-exclusive, royalty-free right and license to (i) use, execute, display, perform, reproduce, distribute copies of, and prepare derivative works based on such pre-existing rights and any derivative works thereof, and (ii) authorize others to do any of the foregoing.

16. NO RECRUITMENT OR SOLICITATION

During the term of this Agreement and for a period of one (1) year thereafter, the Client will not directly or indirectly, either alone or in conjunction with any individual, firm, corporation, association or other entity, without the prior written consent of MHL, solicit or attempt to solicit the employment of, or hire, employ, contract, hire, retain or engage, or make an offer in respect of same to, any officer, director, partner, employee, affiliate or consultant of MHL, other than following a general offer of employment in the usual media.

For all other clients of MHL, the Client agrees that during the term of this Agreement and for a period of one (1) year thereafter, it will not directly or indirectly, either alone or in conjunction with any individual, firm, corporation, association or other entity, without the prior written consent of MHL, solicit, or attempt to divert to any competitor of MHL, any client or customer of MHL by direct or indirect inducement or otherwise.

The Client acknowledges and agrees that monetary damages would not alone be an adequate remedy to compensate MHL for any breach of the Client's obligations under this section. Accordingly the Client agrees that, in addition to any and all other remedies available to MHL under this Agreement or at law or in equity MHL shall be entitled to obtain relief by way of a temporary or permanent injunction to enforce such obligations.

17. NOTIFICATION

All notices, demands or requests hereunder shall be in writing and shall be delivered by hand delivery or facsimile transmission to the following addresses or such other address as either Party may designate by written notice to the other Party. Delivery shall be deemed to have occurred on the date of such hand delivery or facsimile transmission, as the case may be.

Mark Lucuik Morrison Hershfield Ltd. 2440 Don Ried Dr. Ottawa, ON, K1H 1E1 fax: 613-739-4926 phone: 613-739-2910 mlucuik@morrisonhershfield.com	Jerry Dolcetti, Commissioner of Engineering and Planning The Corporation of the City of Sault Ste. Marie 99 Foster Drive Sault Ste. Marie, ON P6A 5X6 705-759-5298 (telephone) 705-541-7094 (fax)
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18. GENERAL CONDITIONS

- a) This Agreement supersedes all other agreements, oral or written, and contains the entire Agreement of the Parties. No cancellation, modification, amendment, deletion, addition, waiver or other change in this Agreement shall have effect unless specifically set forth in writing signed by the Parties to be bound thereby. Titles in this Agreement are for convenience only.
- b) This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns provided that it may not be assigned by either Party without the written consent of the other. It is expressly intended and agreed that no third party beneficiaries are created by this Agreement, and that the rights and remedies provided herein shall inure only to the benefit of the Parties to this Agreement.
- c) No waiver of any of the provisions or a breach of this Agreement shall constitute a waiver of any other provision or other breach of this Agreement. No waiver shall be binding unless executed in writing.
- d) All representations and obligations shall survive indefinitely the termination of the Agreement.
- e) Any provision, to the extent it is found to be, unlawful or unenforceable shall be stricken without affecting any other provision of the Agreement, so that the Agreement will be deemed to be a valid and binding agreement enforceable in accordance with its terms.
- f) Each of the Parties has had an opportunity to obtain independent legal advice and negotiate the terms and conditions expressed herein; therefore, this Agreement will not be construed more strictly against either Party as the drafter.
- g) The Parties shall with reasonable diligence do all things and provide all reasonable assurances as may be required to complete the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to give effect to this Agreement and to carry out its provisions.
- h) This Agreement shall be governed by the laws of the Province in Canada in which MHL executes the Agreement, as evidenced below.

The following sections are added to section 8 above:

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."



Signed this 03 day of June, 2016

In the Province of Ontario, Canada

Morrison Hershfield Limited

Marie



Signature of Authorized MHL Representative
having authority to bind the Company

Signed this 13 day of June, 2016

The Corporation of the City of Sault Ste.

Signature of Authorized Client Representative
having authority to bind the Client

Mark Lucuik, Principal
Print Name and Title

Print Name and Title

Mayor - Christian Provenzano

Clerk - Malcolm White

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2016-93

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of March Street at Albert Street East and March Street at Queen Street East and March Street at Bay Street to facilitate the Queen Street Cruise.

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 MARCH STREET**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of March Street at Albert Street East and March Street at Queen Street East and March Street at Bay Street to facilitate the Queen Street Cruise from 4:00 p.m. to 11:00 p.m. on June 17, 2016.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO 2016-88

STREET CLOSING: (Map 46) A by-law to stop up, close and authorize the conveyance of part of Corey Avenue as described in PIN 31504-0349 and part of Jean Avenue as described in PIN 31504-0351.

WHEREAS the street more particularly described in Schedule "A" attached hereto were established as public streets and assumed for public use by By-law 2016-87;

NOW THEREFORE the Council of The Corporation of the City of Sault Ste. Marie, pursuant to *the Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

1. **STREETS CLOSED**

The streets more particularly described in Schedule "A" to this by-law, having been assumed by the Corporation for public use, are hereby stopped up and closed.

2. **STREETS DECLARED SURPLUS**

The streets more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

3. **EXECUTION OF DOCUMENTS**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to give effect to this by-law.

4. **EASEMENTS TO BE RETAINED**

The street is subject to the retention of easements if required. The Corporation shall stop up, close and authorize the conveyance of the street more particularly described in Schedule "A" to this by-law.

5. **SCHEDULE "A"**

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

6. **EFFECTIVE DATE**

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

READ the **FIRST** and **SECOND** time in open Council this 13th day of June, 2016.

MAYOR – CHRISTIAN PROVENZANO

DEPUTY CITY CLERK – RACHEL TYCZINSKI

SCHEDULE "A" TO BY-LAW 2016-87 AND 2016-88

COREY AVENUE

PIN 31504-0349 COREY AV PL H436 RANKIN LOCATION/TARENTORUS;
SAULT STE. MARIE

JEAN AVENUE

PIN 31504-0351 JEAN AV PL H436 RANKIN LOCATION/TARENTORUS;
SAULT STE. MARIE