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

Monday, May 29, 2017
4:30 pm
Council Chambers
Civic Centre

Pages

1. ADOPTION OF MINUTES 19 - 40

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the Minutes of the Regular Council Meeting of 2017 05 08 be approved.

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

3. DECLARATION OF PECUNIARY INTEREST

4. APPROVE AGENDA AS PRESENTED

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that the Agenda for 2017 05 29 City Council Meeting as presented be approved.

5. PROCLAMATIONS/DELEGATIONS

5.1 Spina Bifida and Hydrocephalus Awareness Month

Troy and Annette Chandler

5.2 Why Do You Love Canada Elementary School Contest

Alexander Webb

5.3 Downtown Association Strategic Plan 41 - 51

Bryan Hayes, Chair, Downtown Association

5.4 Historic Sites Board Annual Report

Kathy Fisher, Curator, Ermatinger Clergue National Historic Site

5.5 Sault Cycling Club

André Riopel, regarding Agenda item 7.3.1

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

Mover Councillor F. Fata
Seconder Councillor S. Hollingsworth

Resolved that all the items listed under date 2017 05 29 – Agenda item 6 – Consent Agenda be approved as recommended.

6.1 Correspondence 52 - 54

Mayor Provenzano to City Council

6.2 Street Closing Requests 55 - 71

Letters of request for temporary street closures are attached for the consideration of Council.

Henry Street Block Party / Canned Food Drive

- 455 Henry Street to 460 Henry Street and 468 Henry Street to 476 Henry Street – Saturday, July 15 – 4 p.m. to 11 p.m..

96th Rotary Community Day Parade

- Queen Street East from Elizabeth Street to Church Street – July 15, 2017 – 9:30 a.m. to 1 p.m.
- Simpson Street from Queen Street East to Wellington Street East – July 15, 2017 – 9:30 a.m. to 1 p.m.
- Queen Street East from Pim Street to Gore Street – July 15, 2017 from 10:30 a.m. to 1 p.m.

Run the Great Lakes

- St. Mary's River Drive from Railroad Tracks to Foster Drive – Sunday, June 11, 2017 – 9 a.m. to 10:30 a.m.

The relevant By-laws 2017-106, 2017-107 and 2017-114 are listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.3 Tender for Ready-Mix Concrete (2017PWE-PWT-10-T) 72 - 74

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that the report of the Manager of Purchasing dated 2017 05 29 be received and that the tender submitted by Lafarge for the supply of Ready-Mix Concrete for the 2017 construction season commencing June 1, 2017 at the tendered pricing, HST extra, be approved.

6.4 Tender for Four (4) Para-Transit Mini Buses 75 - 77

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the Manager of Purchasing dated 2017 05 29 be received and that the tender for the supply and delivery of Four (4) Para-Transit Mini Buses, as required by the Transit and Parking Division, be awarded to Star Bus Sales Inc. at the total tendered price of $342,000.00 plus HST, be approved.

6.5 RFP – Finger Dock Replacement at Marinas 78 - 79

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

The relevant By-law 2017-113 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.6 Property Tax Appeals 80 - 82

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the Manager of Accounting/City Tax Collector dated 2017 05 29 concerning Property Tax Appeals be received and the recommendation that the tax records be amended pursuant to Section 357 of the *Municipal Act* be approved.

6.7 Police Contingency Reserve 83 - 84

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

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Chief Financial Officer and Treasurer dated 2017 05 29 regarding the establishment of a new Police Contingency Reserve be received and that :

- A Police Contingency Reserve with a target level of $300,000 be approved
- $93,422 be transferred from the Police Capital Reserve to the Police Contingency Reserve for 2016
- Ongoing year end transfers from the Police Capital Reserve for amounts in excess of the target level of $750,000 to the Police Contingency Reserve, until its target level of $300,000 is achieved

are approved.

6.8 New Multi-Residential Property Class 85 - 86

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

The relevant By-laws 2017-102 and 2017-103 are listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.9 Council Composition – Ward Boundary Review 87 - 88

A report of the Deputy CAO / City Clerk – Corporate Services is attached for the consideration of Council.

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Deputy CAO / City Clerk – Corporate Services dated 2017 05 29 regarding Council Composition – Ward Boundaries be received as information.

6.10 Community Development Award Committee 89 - 93

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that the report of the Senior Planner dated 2017 05 29 concerning the Community Development Award Committee be received and that the terms of reference be approved.

6.11 2017 Downtown Community Improvement Plan 94 - 112

A report of the Project Co-ordinator, Downtown Development Initiative is attached for the consideration of Council.

The relevant By-law 2017-101 is listed under item 11 of the Agenda and will be read with all by-laws under that item

6.12 Designated Heritage Property Grant – Ermatinger Clergue National Historic Site 113 - 120

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that the report of the Manager of Recreation and Culture dated 2017 05 29 concerning a designated heritage property grant received from the Historic Sites Board and the recommendation of the Sault Ste. Marie Municipal Heritage Committee that a grant of $3,000 be provided toward the restoration of the shutters on the Ermatinger Old Stone House and the Clergue blockhouse door and side panels;

Further that payment be rendered upon submission of the paid contractor's invoices and final approval of the project by the Sault Ste. Marie Municipal Heritage Committee;

Further that the funds come from the Designated Heritage Property Grant budget,

be approved.

6.13 Reconstruction of Grace Street – Bruce Street to Elgin Street 121 - 123

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

The relevant By-laws 2017-116 and 2017-117 are listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.14 Reconstruction of Franklin Street – Henrietta Avenue to Laura Street 124 - 126

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

The relevant By-laws 2017-120 and 2017-121 are listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.15 McNabb Street to Pim Street Drainage Improvements 127 - 136

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

The relevant By-laws 2017-118 and 2017-119 are listed under item 11 of the Agenda and will be read with all by-laws under that item.

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Design and Construction Engineer dated 2017 05 29 concerning the Revised McNabb Street to Pim Street Drainage Improvements, be received and that Contract 2017-3E be awarded to Boyer Construction Ltd., conditional on the Provincial and Federal Governments announcing the City is to receive its formula-based share of the CWWF funding of $3,296,751.

6.16 East End Sewage Treatment Plant Primary Clarifiers and Bioreactor Engineering Agreement 137 - 138

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

The relevant By-law 2017-115 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.17 Catalina Motel Gazebo Licence of Occupation 139 - 140

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

The relevant By-law 2017-110 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.18 POA Wawa Satellite Court Licence of Occupation 141 - 142

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

The relevant By-law 2017-111 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.19 CP Limited Welcome Sign Agreement 143 - 144

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

The relevant By-law 2017-109 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

6.20 Scent Policy 145 - 154

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

Mover Councillor F. Fata
Seconder Councillor S. Hollingsworth

Resolved that the report of the Director of Human Resources dated 2017 05 29 concerning Scent Policy be received as information.

6.21 Millennium Fountain 155 - 157

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

Mover Councillor M. Bruni
Seconder Councillor S. Myers

Resolved that the report of the Manager of Equipment and Building Maintenance dated 2017 05 29 regarding costs for the millennium fountain be received, and that all further effort be directed into planning a land-based water fountain due to technical issues, corporate risk, maintenance costs, and electrical costs.

6.22 Municipal Law Enforcement Officers 158 - 161

A report of the Manager of Transit and Parking is attached for the consideration of Council.

The relevant By-law 2017-105 is listed under item 11 of the Agenda and will be read with all by-laws under that item.

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.1.1 Fire Chief Recruitment Process 162 - 167

A report of the Chief Administrative Officer is attached for the consideration of Council.

Mover Councillor F. Fata
Seconder Councillor S. Hollingsworth

Resolved that the report of the Chief Administrative Officer dated 2017 05 29 concerning Fire Chief Recruitment Process be received and that Council authorize the filling of the vacancy by selection process (in accordance with the City's Policy and Guidelines for the Recruitment of Senior Staff) and appoint Councillor _____ to the selection committee.

7.2 COMMUNITY SERVICES DEPARTMENT

7.2.1 Annual Report 2016 Ermatinger Clergue National Historic Site 168 - 183

A report of the Curator, Old Stone House is attached for the consideration of Council.

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the Curator, Old Stone House dated 2017 05 29 concerning the Annual Report 2016 for the Ermatinger•Clergue National Historic Site be received as information.

7.3 ENGINEERING

7.3.1 Bike Path on Second Line 184 - 186

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

Mover Councillor F. Fata
Seconder Councillor S. Hollingsworth

Resolved that the report of the Director of Engineering dated 2017 05 29 concerning the bike path on Second Line be received as information.

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.6.1 A-2-17-Z - 413, 417, 421 Old Garden River Road 187 - 188

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that the report of the Senior Planner dated 2017 05 29 concerning Rezoning Application A-2-17-Z be received and that Council postpone this matter indefinitely.

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

7.8.1 PUC Inc. and PUC Services Inc. Shareholders Meeting 189 - 345

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

Mover Councillor M. Bruni
Seconder Councillor S. Myers

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

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

7.8.1.1 PUC Recruitment

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Whereas the PUC President and CEO has announced his intention to retire; and

Whereas the Board of Directors of PUC has announced that they will commence their search for a new President and CEO immediately; and

Whereas the PUC is wholly owned by the City of Sault Ste. Marie; and

Whereas a new hire allows for new terms of employment to be part of any new hire;

Now Therefore Be It Resolved that the Council of the City of Sault Ste. Marie, as the shareholder, request that the Board of PUC include within their posting and conditions of employment for a new President and CEO, a public salary disclosure provision if said salary is $100,000 annually or more.

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

8.1 Construction Labour Cost-Benefit Report

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Whereas since 1987, the City of Sault Ste. Marie has been limited by the Ontario Labour Relations Board to accepting bids for City infrastructure from only two unions; and

Whereas such restrictive practices limit fair competition; and

Whereas such restrictive practices unfairly prohibit Sault Ste. Marie businesses, both union and non-union, who are not associated with those two unions from bidding and working on City infrastructure; and

Whereas on April 24, 2017 a report before City Council advised that there would be an up-front cost associated with any effort by the City of Sault Ste. Marie to achieve a non-construction employer designation under *Ontario's Labour Relations Act, 1995*, so that this unfair restriction might be lifted;

Whereas a number of sizable infrastructure projects are projected in the City in the next several years, including but not limited to, a major refurbishing of the west end sewage-treatment plant and a potential biosolids plant; and

Whereas it is in the City's best interest to have competitive bids from qualified contractors for the prospective work, and so that all qualified businesses, both union and non-union, are eligible to submit bids and work on such projects;

Now Therefore Be It Resolved That staff be requested to report to Council with:

1. The estimated cost of any upcoming City infrastructure projects that would require that the City only accept bids from the two unions currently allowed to submit bids;
2. The anticipated cost of making an application to the Ontario Labour Relations Board to be granted a non-construction employer designation;
3. A report outlining actions the City would have to take to achieve a non-construction employer designation at the Labour Relations Board;
4. The timeframe within which the City would be able to achieve a non-construction employer designation;
5. If known or determinable, the time it would take to recover the costs associated with acquiring a non-construction employer designation from the savings that would be achieved by allowing bidding from all qualified contractors for City infrastructure projects;
6. Any other relevant information.

8.1.1 Correspondence *346 - 355*

8.2 Splash Pad

Mover Councillor S. Myers
Seconder Councillor P. Christian

Whereas on August 22, 2016 City Council passed a resolution brought forward on behalf of the Mayor's Committee on Canada 150 asking staff to look at various means of funding to build a Splash pad as the City's community legacy project for Canada 150; and

Whereas in the staff report to Council dated March 20, 2017 it was indicated that the project cost is approximately $575,000 and the timeline for construction of a splash pad would be dependent upon fund-raising and submitting applications to various funding opportunities; and

Whereas to date there is about $60,000 committed to this project including $25,000 of City funds previously approved and with applications underway for additional funding; however, timelines of all funding possibilities are such that it would take at least one year to align the total funding envelope and thus no longer be a Canada 150 legacy project

Now Therefore Be It Resolved that should Council wish to proceed with building a splash pad in 2017, staff be directed to report back within one month and identify all possible sources of City funds including Parks reserves and include identifying any City assets that could be liquidated with funds used to support the splash pad project;

Further be it resolved that all fund-raising efforts and applications for funding continue as planned.

8.3 Cost Recovery for Fire Services

Mover Councillor M. Shoemaker

Seconder Councillor P. Christian

Whereas fire departments across Ontario have cost recovery by-laws that charge the end user of the fire department's service for the cost of said service; and

Whereas such cost recovery model typically applies to fire service attendance at motor vehicle collisions, fire investigations, among others; and

Whereas to varying degrees, the following municipalities all have fire services cost recovery by-laws: Thunder Bay, Mississauga, Oshawa, Barrie, Niagara Falls, London; and

Whereas in many cases, the responsible party's insurance company is responsible for the payment of the fire services invoice;

Now Therefore Be It Resolved that appropriate staff report to Council outlining:

1. A list of cities in Ontario that have cost-recovery fire services by-laws;
2. A compilation of what services are charged for in which cities and how much each service is charged out at;
3. An analysis of what percentage of calls from those municipalities with cost-recovery by-laws that are chargeable calls versus non-chargeable calls;
4. What the revenue has been for municipalities who charge for such services, broken down by service;
5. Any limitations imposed by law on what types of services can be cost-recovered by the municipality and the amounts that may be charged;
6. An estimate of the potential revenue the City of Sault Ste. Marie could expect if it imposes a by-law similar to those in other municipalities in Ontario that have cost-recovery fire services by-laws in effect.

8.4 NorOnt Resources Visit

Mover Councillor M. Shoemaker
Seconder Councillor S. Butland

Whereas on May 10, 2017, executive from NorOnt Resources were in Sault Ste. Marie to discuss development of the Ring of Fire mineral deposits and their desire to build a smelter in Northern Ontario; and

Whereas Sault Ste. Marie is grateful that NorOnt is considering it as a potential location for the ferrochrome plant; and

Whereas the Council of the City of Sault Ste. Marie thanks the Economic Development Corporation for their pursuit of this project;

Now Therefore Be It Resolved that the Council of the City of Sault Ste. Marie thanks NorOnt Resources for their interest in our community;

Further Be It Resolved that the Council of the City of Sault Ste. Marie looks forward to working with NorOnt to ensure that Sault Ste. Marie is their location of choice for their smelter.

8.5 Tax Incentives

Mover Councillor P. Christian
Seconder Councillor S. Butland

Whereas the population of Northern Ontario continues to decline; and

Whereas the net out-migration of young people and skilled labour will negatively impact the long term economic viability and general social conditions of the north; and

Whereas areas within Southern Ontario, particularly in and around the Greater Toronto area, continue to experience unprecedented growth and sky-rocketing real estate values; and

Whereas it has become very expensive and virtually impossible for many to live and work in these areas of explosive growth; and

Whereas Northern Ontario has surplus infrastructure and represents an affordable alternative for residents, business, and, governments;

Now Therefore Be It Resolved that City Council propose that the Provincial Government undertake appropriate actions through tax reductions, tax exemptions, and relocation initiatives to stop the continuing population decline in Northern Ontario by creating incentives for business, institutions, and government departments to operate in Northern Ontario;

Further that staff be directed to forward this resolution to the Premier's office, the three local provincial by-election candidates, FONOM, and NOLUM representatives.

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 M. Bruni
Seconder Councillor S. Myers

Resolved that all By-laws under item 11 of the Agenda under date 2017 05 29 be approved.

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

11.1.1 By-law 2017-100 (Street Assumption) 356 - 357

Mover Councillor M. Bruni

Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-100 being a by-law to assume for public use and establish as public streets various parcels of land conveyed to the City be passed in open Council this 29th day of May, 2017.

11.1.2 By-law 2017-101 (Planning) Downtown Community Improvement Plan 358 - 375

A report from the Project Coordinator, Downtown Development Initiative is on the Agenda.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-101 being a by-law to designate the Downtown area of the City of Sault Ste. Marie as a Community Improvement Project Area and to implement and adopt the Sault Ste. Marie Downtown Community Improvement Plan be passed in open Council this 29th day of May, 2017.

11.1.3 By-law 2017-102 (Taxes) Property Tax Rates for 2017 376 - 377

A report from the Chief Financial Officer/Treasurer is on the Agenda.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-102 being a by-law to provide for the adoption of property tax rates for 2017 be passed in open Council this 29th day of May, 2017.

11.1.4 By-law 2017-103 (Taxes) Adoption of Tax Ratios 378 - 379

A report from the Chief Financial Officer/Treasurer is on the Agenda.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-103 being a by-law to provide for the adoption of tax ratios be passed in open Council this 29th day of May, 2017.

11.1.5 By-law 2017-104 (Development Control) 1025 McNabb Street Dick's Garage Limited 380 - 382

Council Report was passed by Council resolution on May 8, 2017.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-104 being a by-law to designate the lands located at 1025 McNabb Street an area of site plan control (Dick's Garage Limited) be passed in open Council this 29th day of May, 2017.

11.1.6 **By-law 2017-105 (Parking) Municipal Law Enforcement Officers By-law 90-305** 383 - 385

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

Mover Councillor S. Myers
Seconder Councillor F. Fata

Resolved that By-law 2017-105 being a by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305 be passed in open Council this 29th day of May, 2017.

11.1.7 **By-law 2017-106 (Temporary Street Closing) Henry Street Block Party/Canned Food Drive** 386 - 386

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-106 being a by-law to permit the temporary closing of Henry Street from 455 Henry Street to 460 Henry Street and from 468 Henry Street to 476 Henry Street on July 15, 2017 to facilitate a Block Party/Canned Food Drive be passed in open Council this 29th day of May, 2017.

11.1.8 **By-law 2017-107 (Temporary Street Closing) Rotaryfest 2017** 387 - 387

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-107 being a by-law to permit the temporary closing of various streets to facilitate Rotaryfest 2017 from July 8th until July 16th, 2017 be passed in open Council this 29th day of May, 2017.

11.1.9 **By-law 2017-108 (Licencing) Rotaryfest 2017** 388 - 390

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-108 being a by-law to prohibit vendors from locating on or near the grounds of Rotaryfest 2017 be passed in open Council this 29th day of May, 2017.

11.1.10 **By-law 2017-109 (Agreement) Canadian Pacific Railway Welcome Sign** 391 - 435

A report from the City Solicitor is on the Agenda.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-109 being a by-law to authorize the execution of the Agreement between the City and Canadian Pacific Railway Company to

permit the City to maintain a welcome sign on Canadian Pacific Railway's property be passed in open Council this 29th day of May, 2017.

11.1.11 By-law 2017-110 (Agreement) Elmer Kars – Catalina Motel Gazebo 436 - 441

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

Mover Councillor S. Myers
Seconder Councillor F. Fata

Resolved that By-law 2017-110 being a by-law to authorize the execution of the Licence of Occupation between the City and Elmer Kars, owner of Catalina Motel, to permit a gazebo on a portion of City owned property be passed in open Council this 29th day of May, 2017.

11.1.12 By-law 2017-111 (Agreement) POA Wawa Satellite Court 442 - 447

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-111 being a by-law to authorize the execution of the Agreement between the City and The Corporation of the Municipality of Wawa for the City's use of office space to conduct Provincial Offences Court be passed in open Council this 29th day of May, 2017.

11.1.13 By-law 2017-112 (Agreement) Sault Ste. Marie Museum Grant 448 - 456

Council Report was passed by Council resolution on April 24, 2017.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-112 being a by-law to authorize the execution of the Agreement between the City and Sault Ste. Marie Museum for a grant for up to One Hundred Eighty-One Thousand and Ninety-One ($181,091.00) Dollars to assist with the collection, preservation, study and exhibits of the history of the people and the development of Sault Ste. Marie and immediate surrounding area be passed in open Council this 29th day of May, 2017.

11.1.14 By-law 2017-113 (Agreement) Stem Engineering Finger Dock Replacement 457 - 479

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-113 being a by-law to authorize the execution of the Agreement between the City and Stem Engineering Group Incorporated to provide Engineering services for Finger Dock Replacement at the City's

Marinas be passed in open Council this 29th day of May, 2017.

11.1.15 By-law 2017-114 (Temporary Street Closing) St. Mary's River Drive – Run the Great Lakes Running Event 480 - 480

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-114 being a by-law to permit the temporary street closing of St. Mary's River Drive from the railroad crossing to Foster Drive on June 11, 2017 to facilitate the Run the Great Lakes running event be passed in open Council this 29th day of May, 2017.

11.1.16 By-law 2017-115 (Agreement) East End Sewage Treatment Plant 481 - 496

A report from the Land Development and Environmental Engineer is on the Agenda.

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-115 being a by-law to authorize the execution of the Agreement between the City and Tulloch Engineering Inc. for the East End Sewage Treatment Plant Primary Clarifiers and Bioreactor engineering services be passed in open Council this 29th day of May, 2017.

11.1.17 By-law 2017-116 (Agreement) Avery Construction Limited – Grace Street (Contract 2017-4E) 497 - 499

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

Mover Councillor S. Myers
Seconder Councillor F. Fata

Resolved that By-law 2017-116 being a by-law to authorize the execution of the Contract between the City and Avery Construction Limited for the reconstruction of Grace Street from Bruce Street to Elgin Street (Contract 2017-4E) be passed in open Council this 29th day of May, 2017.

11.1.18 By-law 2017-117 (Temporary Street Closing) Grace Street 500 - 500

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2017-117 being a by-law to permit the temporary closing of Grace Street from Bruce Street to Elgin Street from May 30, 2017 until October 31, 2017 to facilitate the Grace Street reconstruction be passed in open Council this 28th day of May, 2017.

11.1.19 By-law 2017-118 (Agreement) Boyer Construction McNabb to Pim Street 501 - 503

Drainage Improvements (Contract 2017-3E)

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2017-118 being a by-law to authorize the execution of the contract between the City and 1531161 Ontario Inc., operating as Boyer Construction, for the McNabb Street to Pim Street drainage improvements (Contract 2017-3E) be approved in open Council this 28th day of May, 2017.

11.1.20 **By-law 2017-119 (Temporary Street Closing) Gladstone Avenue and Pim Street** 504 - 504

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

Mover Councillor F. Fata
Seconder Councillor S. Myers

Resolved that By-law 2017-119 being a by-law to permit the temporary closing of Gladstone Avenue at approximately 100m north of MacDonald Avenue and Pim Street at approximately 200m north of MacDonald Avenue from May 30, 2017 until October 31, 2017 to facilitate the McNabb Street to Pim Street drainage improvements be passed in open Council this 28th day of May, 2017.

11.1.21 **By-law 2017-120 (Agreement) Palmer Construction Franklin Street (Contract 2017-5E)** 505 - 507

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-120 being a by-law to authorize the execution of the Contract between the City and Palmer Construction Group Inc. for the reconstruction of Franklin Street from Henrietta Avenue to Laura Street (Contract 2017-5E) be passed in open Council this 29th day of May, 2017.

11.1.22 **By-law 2017-121 (Temporary Street Closing) Franklin Street** 508 - 508

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

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

Resolved that By-law 2017-121 being a by-law to permit the temporary closing of Franklin Street from Henrietta Avenue to Laura Street from May 30, 2017 until October 31, 2017 to facilitate the Reconstruction of Franklin Street be passed in open Council this 29th day of May, 2017.

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

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

12. QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA

13. CLOSED SESSION

Mover Councillor M. Bruni
Seconder Councillor S. Hollingsworth

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

Municipal Act R.S.O. 2002 – section 239(2)(f) – advice that is subject to solicitor/client privilege

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

14. ADJOURNMENT

Mover Councillor F. Fata
Seconder Councillor S. Hollingsworth

Resolved that this Council now adjourn.

REGULAR MEETING OF CITY COUNCIL

MINUTES

Monday, May 8, 2017
4:30 pm
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
Absent:	Councillor J. Krmpotich, Councillor R. Romano
Officials:	A. Horsman, M. White, L. Girardi, T. Vair, N. Kenny, S. Schell, P. Niro, D. Elliott, D. McConnell, F. Coccimiglio, J. Bruzas, V. McLeod, V. Prouse

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1. ADOPTION OF MINUTES

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

Resolved that the Minutes of the Regular Council Meeting of 2017 04 24 be approved.

Carried

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

3. DECLARATION OF PECUNIARY INTEREST

3.1 Councillor M. Bruni – Economic Development Corporation 2016 Activities and Results/Economic Development Week

Family member employed by EDC.

3.2 Councillor M. Bruni – Economic Development Update Report

Family member employed by EDC.

4. APPROVE AGENDA AS PRESENTED

Moved by: Councillor F. Fata
Seconded by: Councillor S. Hollingsworth

Resolved that the Agenda and Addendum for 2017 05 08 City Council Meeting as presented be approved.

Carried

5. PROCLAMATIONS/DELEGATIONS

5.1 Royal Purple Week

Elsie Conley, Honoured Royal Lady, was in attendance.

5.2 Economic Development Corporation 2016 Activities and Results/Economic Development Week

Councillor M. Bruni declared a conflict on this item. (Family member employed by EDC.)

Tom Dodds, CEO – SSMEDC, was in attendance.

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

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that all the items listed under date 2017 05 08 – Agenda item 6 – Consent Agenda and Addendum be approved as recommended save and except items 6.17 and 6.20.

Carried

6.1 Communications

6.1.1 Algoma Public Health

Moved by: Councillor F. Fata
Seconded by: Councillor S. Hollingsworth

Whereas on June 25, 2012 Sault Ste. Marie City Council, upon receiving correspondence from the Ontario Convenience Stores Association, passed a resolution to support provincial budget commitments to eradicate contraband tobacco through implementation of additional regulatory, enforcement and other provisions in Bill 186 and amendments to the *Tobacco Tax Act* to increase fines, give more authority for law enforcement officials and strengthen strategies to address the manufacture and supply of contraband tobacco; and

Whereas additional information found in a 2012 slide deck from Imperial Tobacco Canada Ltd. (ITCL has recently come to light suggesting that the National Coalition Against Contraband Tobacco (NCACT) and the Ontario Convenience Store Association (OCSA) worked on behalf of ITCL to convince Ontario municipalities of the importance of the contraband tobacco problem; and

Whereas the 2012 ITCL slide deck makes clear that the anti-contraband campaign pursued by the NCACT and the OCSA in Ontario is designed in part to block tobacco excise tax increases and regulation of tobacco products generally; and

Whereas these other campaign objectives were not communicated to municipalities by either the NCACT or the OCSA during meetings with municipal staff or councilors; and

Whereas tobacco excise tax increases are proven to be an effective means of encouraging tobacco cessation; and

Whereas contrary to tobacco industry messaging, impartial research by the Ontario Tobacco Research Unit at the University of Toronto has shown that tobacco excise tax increase do not lead to large increases in contraband; and

Whereas the City of Sault Ste. Marie passed a 2015 resolution to support the 5 in 5 Algoma district strategy to reduce smoking rates by 5% in 2020; a target that requires the protection of our youth from tobacco industry products, tobacco tax increases to encourage smokers to quit and to raise revenue to offset the healthcare costs of tobacco use, which are more than double the current revenue raised from provincial tobacco taxes, to be achieved.

Now Therefore Be It Resolved that the City of Sault Ste. Marie rejects the tobacco industry anti-contraband campaign; and

Further that that the City of Sault Ste. Marie express to the Provincial Government its support of measures to encourage the cessation of smoking, thereby decreasing the significant healthcare costs associated with smoking and its support of measures to

enhance enforcement activities designed to reduce the presence of contraband tobacco in Ontario communities.

Carried

6.1.2 Petition – Build a Bike Path on Second Line

Moved by: Councillor J. Hupponen
Seconded by: Councillor M. Shoemaker

Resolved that the petition to build a bike path on Second Line be referred to staff for review and report back to Council at the May 29, 2017 Council meeting.

Carried

6.1.3 Correspondence from Councillor R. Romano

Intention to take leave of absence until June 1, 2017

6.1.4 Correspondence from Councillor J. Krmpotich

Intention to take leave of absence until June 1, 2017

6.2 Why Do You Love Canada

Elementary school stories draw

6.3 Noise By-law Exemption

Letters of request for noise by-law exemptions were received by Council.

Downtown Association Street Party

- Queen Street East from Pim Street to Dennis Street – Thursday, July 13, 2017 – 3 p.m. to 11:59 p.m.

Korah Relay for Life

- Korah Collegiate and Vocational School – 636 Goulais Avenue – June 2, 2017 – 7 p.m. to June 3, 2017 – 7 a.m.

The relevant By-laws 2017- 95 and 2017-97 are listed under item 11 of the Minutes.

6.4 Street Closing Requests

Letters of request for temporary street closures were received by Council.

Downtown Association Street Party

- Queen Street East from Pim Street to Dennis Street – Thursday, July 13, 2017 – 3 p.m. to 11:59 p.m.

Car Free Saturday

- Queen Street East from Pim Street to Dennis Street – Saturday, July 29, 2017 – 8 a.m. to 1 p.m.

The relevant By-laws 2017-88 and 2017-89 are listed under item 11 of the Minutes.

6.5 Council Travel

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that Mayor Provenzano be authorized to travel to Ottawa for 2 days in May to attend the CANSEC Tradeshow 2017 at an estimated cost to the City of $775.

Carried

6.6 Committee of Adjustment Appointment

The report of the Deputy City Clerk was received by Council.

The relevant By-law 2017-94 is listed under item 11 of the Minutes.

6.7 Tender for Asphalt (2017PWE-PWT-11-T)

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 2017 05 08 be received and the recommendation that the tender submitted by Palmer Construction for the supply of Asphalt for the 2017 Construction Season commencing June 1, 2017 at the tendered pricing, HST extra, be approved.

Carried

6.9 First Quarter Financial Report – March 31, 2017

The report of the Manager of Audits and Capital Planning was received by Council.

Moved by: Councillor M. Bruni
Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Audits and Capital Planning dated 2017 05 08 concerning the First Quarter Financial Report to March 31, 2017 be received as information.

Carried

6.10 2018 Budget Formula Guideline

The report of the Chief Financial Officer and Treasurer was received by Council.

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that the report of the Chief Financial Officer and Treasurer date 2017 05 08 concerning 2018 Budget Formula Guideline be received as information.

Carried

6.11 2018 Budget Timeline

The report of the Chief Financial Officer and Treasurer was received by Council.

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that the report of the Chief Financial Officer and Treasurer dated 2017 05 08 concerning 2018 Budget Timeline be approved.

Carried

6.12 Carbon Monoxide Monitoring at City Facilities

The report of the Deputy CAO, Community Development and Enterprise Services was received by Council.

Moved by: Councillor M. Bruni
Seconded by: Councillor S. Myers

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated 2017 05 08 regarding carbon monoxide monitoring within City facilities be received as information.

Carried

6.13 Sault Ste. Marie Slo-Pitch League Agreement

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

The relevant By-law 2017-82 is listed under item 11 of the Minutes.

6.14 Request for Financial Assistance for Cultural Competitions – Sault Theatre Workshop

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

Moved by: Councillor M. Bruni
Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Recreation and Culture dated 2017 05 08 concerning the request for financial assistance be received and that the recommendation of the Cultural Advisory Board that City Council approve a $1,000 financial assistance grant for the Sault Theatre Workshop's participation at Theatre Ontario Festival competition taking place May 17-21, 2017 in Ottawa, Ontario be approved.

Carried

6.15 Cemetery Beautification and Enhancement Program

The report of the Deputy CAO, Community Development and Enterprise Services was received by Council.

Moved by: Councillor F. Fata
Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Deputy CAO, Community and Enterprise Services dated 2017 05 08 regarding the creation of a Cemetery Beautification and Enhancement Program be approved.

Carried

6.16 Economic Development Update Report

Councillor M. Bruni declared a conflict on this item. (Family employed by EDC.)

The report of the Deputy CAO, Community Development and Enterprise Services was received by Council.

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated 2017 05 08 regarding economic development be received as information.

Carried

6.18 Sault Youth Soccer Club Agreement

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

The relevant By-law 2017-81 is listed under item 11 of the Minutes.

6.19 Trans Canada Trail – Great Lakes Waterfront Trail – Signage Installation

The report of the Senior Planner was received by Council.

Moved by: Councillor F. Fata
Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Senior Planner dated 2017 05 08 be received and that Council authorize the re-allocation of $41,000 of previously approved funding to implement the Trans Canada Trail/Great Lakes Waterfront Trail, as described in this report.

Carried

6.21 East End Sewage Treatment Plant Primary Clarifiers and Bioreactor Engineering Services

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

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

Resolved that the report of the Land Development and Environmental Engineer dated 2017 05 08 concerning the East End Sewage Treatment Plant primary clarifiers and bioreactor engineering services be received and that Tulloch Engineering be retained with an Engineering Agreement to be brought forward at a future Council meeting.

Carried

6.22 Yates Avenue – Additional Acre – Sale to 1753495 Ontario Limited

The report of the City Solicitor was received by Council.

The relevant By-law 2017-87 is listed under item 11 of the Minutes.

6.23 Child Care Algoma Lease Agreement

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

The relevant By-law 2017-83 is listed under item 11 of the Minutes.

6.24 Superior 7 Advertising Licence of Occupation for 331 Queen Street East

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

The relevant By-law 2017-84 is listed under item 11 of the Minutes.

6.25 Ditching Program – 2017

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

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

Resolved that the report of the Director of Public Works dated 2017 05 08 concerning Public

Works 2017 ditching program be received as information.

Carried

6.8 Tender for Ready-Mix Concrete (2017PWE-PWT-10-T)

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 2017 05 08 be received and the recommendation that the tender submitted by Lafarge for the supply of Ready-Mix Concrete for the 2017 Construction Season commencing June 1, 2017 at the tendered pricing, HST extra, be approved.

Officially Read and Not Dealt With

6.17 Community Garden – Forest Heights Park

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

The relevant By-law 2017-93 is listed under item 11 of the Minutes.

6.20 Active Transportation Infrastructure Implementation Strategy

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

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that the report of the Project Co-ordinator, Downtown Development Initiative dated 2017 05 08 concerning Active Transportation Infrastructure Implementation Strategy be received and that Council approve the proposed implementation strategy in principle.

Carried

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.1.1 Appointment of Additional Members – Finance Committee

Moved by: Councillor M. Bruni
Seconded by: Councillor S. Myers

Resolved that Councillors F. Fata and S. Hollingsworth be appointed to the Finance Committee from May 8, 2017 to November 30, 2017.

Carried

7.2 COMMUNITY SERVICES DEPARTMENT

7.3 ENGINEERING

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.6.1 A-5-17-Z.OP – 1025 McNabb Street – Site Plan Control Designation

The report of the Senior Planner was received by Council.

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

Resolved that the report of the Senior Planner dated 2017 05 08 be received and that Council designate the subject property as an area of Site Plan Control.

Carried

7.6.2 A-6-17-Z.OP – 677 MacDonald Avenue

The report of the Senior Planner was received by Council.

The relevant By-laws 2017-91 and 2017-92 are listed under item 11 of the Minutes.

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

7.8.1 Immigration Action Committee

This item was tabled until following the upcoming Provincial by-election.

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

Resolved that the report of Councillor R. Romano, Chair, Immigration Action Committee dated 2017 05 08 be received and that a second phase task force be struck with participation from the following organizations: City of Sault Ste. Marie, Local Immigration Partnership, SSM Economic Development Corporation, SSM Innovation Centre, Sault College, Algoma University, Chamber of Commerce, AWIC, Community Development Corporation, the Sault Ste. Marie Career Centre, the Sault Ste. Marie and District Social Services Administration Board and the private sector to execute the following deliverables:

1. Benchmark other communities and success stories; and

2. Explore a workforce development strategy engaging job seekers, employers and post-secondary institutions to affirm the skill requirements and the ability to fulfill these positions; and
3. Coordinate existing immigration attraction and support efforts that currently exist and are ongoing in the community; and
4. Apply for funding through the available programs at all three levels of government; and
5. Quantify and detail the current job opportunities and skill gap that exists in our community as well as forecast future need; and
6. Create a branding and awareness campaign to promote the opportunities and quality of life in Sault Ste. Marie, leveraging existing materials and creating new where gaps exist; and
7. Engage recruitment professionals who specialize in filling vacant positions that require specialized skills; and
8. Work with the SSMEDC to creation of an immigrant investment attraction and entrepreneurial program to remove barriers and create a support process and network; and
9. Creation of a newcomer support service which aims to connect newcomers with job openings in and business opportunities in our community.

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

8.1 2018 Budget

Moved by: Councillor M. Shoemaker
Seconded by: Councillor R. Niro

Whereas the community is facing extreme economic anxiety due to non-payment of taxes by the City's largest employer; and

Whereas the community has recently learned that continued non-payment of taxes by our largest employer could result in either a dramatic increase in taxes or significant layoffs; and

Whereas Council will need to avoid measures that would exacerbate the pain the community is already feeling; and

Whereas it is prudent to mitigate some of those measures to the greatest extent possible;

Now Therefore Be It Resolved that the five City departments, being: Public Works and Engineering, Emergency Services, Legal, Corporate Services and Community Development and Enterprise Services be directed to present to City Council 2018 preliminary budgets with a 0% increase over their 2017 approved budgets, including a list of cost saving options for Council to consider in achieving that 0% budget change; and

Further Be It Resolved that each City department provide a further list of cost saving options for Council's consideration to achieve a 1% overall reduction from their respective 2017 approved budgets.

Recorded	For	Against	Absent
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 J. Krmpotich			X
Councillor R. Romano			X
Results	**6**	**5**	2
Carried			

8.2 Revenue Generating from Advertising

Moved by: Councillor M. Shoemaker
Seconded by: Councillor J. Hupponen

Whereas the City of Sault Ste. Marie maintains park benches, garbage cans, bus stops and other permanent structures and objects throughout the City of Sault Ste. Marie; and

Whereas many municipalities in Ontario use their permanent structures and objects as advertisement revenue generators; and

Whereas the City of Sault Ste. Marie must look at every opportunity to generate new revenues to offset future municipal tax increases;

Now Therefore Be It Resolved that staff be requested to investigate using permanent objects and structures in the City of Sault Ste. Marie as revenue generating tools.

Recorded	For	Against	Absent
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 J. Krmpotich			X
Councillor R. Romano			X
Results	**10**	**1**	**2**

Carried

8.3 Algoma University Scholarships

Moved by: Councillor M. Shoemaker
Seconded by: Councillor F. Fata

Whereas children of employees of the City of Sault Ste. Marie are eligible for funding from scholarships with money provided to Algoma University by the City; and

Whereas all taxpayers should be eligible for scholarships funded by taxpayer dollars;

Now Therefore Be It Resolved that Council request that Algoma University change their criteria for granting the scholarships funded by the City of Sault Ste. Marie to allow all residents of the City to be eligible for said scholarships.

Carried

8.4 Red Pine Drive

Moved by: Councillor M. Shoemaker
Seconded by: Councillor M. Bruni

Whereas building permits are no longer being issued to homeowners on Red Pine Drive given concerns over fire access and the lack of a municipally maintained roadway to service the said lots, notwithstanding that building permits have been issued in past years; and

Whereas the residents of Red Pine Drive are residents of Ward 6 and Sault Ste. Marie and contribute significantly to the City tax base and ought to enjoy the same services as all other city taxpayers

Now Therefore Be It Resolved that staff be requested to review and report back regarding all options, including those not utilized to date, to construct a City owned and maintained roadway to service the said properties that will ensure that residents in this area are afforded the same level of service as the rest of the City tax base and to ensure that building permits can once again be issued on this street.

Carried

8.5 Des Chenes Drive, Pine Shores Drive and Channelview Drive

Moved by: Councillor M. Shoemaker
Seconded by: Councillor M. Bruni

Whereas Des Chenes Drive, Pine Shores Drive and Channelview Drive are streets within Ward 6 and the City of Sault Ste. Marie and are made of gravel and not pavement; and

Whereas the residents of these three streets contribute to and make up a large portion of the City tax base and as such ought to be afforded the same level of service as the rest of the tax base, specifically a paved road;

Now Therefore Be It Resolved that staff be requested to review these streets and report to Council as to the cost of updating to pavement and possible funding options to complete these projects at the earliest opportunity.

Carried

8.6 Report on Community Improvement Plans and Tax Increment Equivalent Grant Programs for Commercial and Industrial Property Classes

Moved by: Councillor P. Christian
Seconded by: Councillor S. Butland

Whereas the *Planning Act, 1990* enables single-tier Ontario municipalities to enact by-laws

respecting the creation of Community Improvement Project Areas and the adoption of Community Improvement Plans; and

Whereas Tax Increment Equivalent Grants are a grant available under Community Improvement Plans, and are used to return the full or partial amount of the property tax increase arising from the redevelopment or improvement of a property within a Community Improvement Project Area to the property owner, so as to encourage development and investment; and

Whereas the City of Sault Ste. Marie's Downtown Community Improvement Plan has utilized Tax Increment Equivalent Grants for several years and over the course of the plan has seen considerable new investment flow into the downtown for improvements; and

Whereas the Long Term Tax Policy report received by Council on November 21, 2016 recommended that staff be directed to investigate the feasibility of developing a Community Improvement Plan for industrial properties; and

Whereas the City of Sault Ste. Marie is conscious of the need to provide a competitive environment for all current and potential new businesses and is desirous of exploring avenues to encourage business growth and expansion in the City;

Now Therefore Be It Resolved that staff review and report on the feasibility, costs and potential benefits of implementing Community Improvement Plans for all properties in the City in the industrial and commercial classes.

Carried

8.7 Downtown Sault Ste. Marie

Moved by: Councillor P. Christian
Seconded by: Councillor S. Butland

Whereas Sault Ste. Marie has undertaken the task of redeveloping its downtown core; and

Whereas upon completion, "Downtown Sault Ste. Marie will be the geographic focal point of the City's transition from a predominately industrial economy to one focused on knowledge and creative sectors", and will serve as a true destination for our citizens and tourists alike; and

Whereas Sault Ste. Marie has a rich and storied history, due in large part to our proximity to the St. Mary's River and the St. Mary's River Rapids which have played a significant role in Canada's history; and

Whereas the City has an opportunity to celebrate and promote this history as part of the redevelopment of its downtown;

Now Therefore Be It Resolved that Council ask the Downtown Association, Tourism Sault Ste. Marie and appropriate City staff to investigate the possibility of incorporating our City's history into the overall theme of the downtown area;

Further Be It Resolved that Council invite the Downtown Association, Tourism Sault Ste. Marie and appropriate City staff to a future council meeting to advise on possible planning elements and features that can be incorporated into the redevelopment of the area so that we can take advantage of our City's history and reputation as a gathering place by the rapids.

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. Hollingsworth

Resolved that all By-laws under item 11 of the Agenda under date 2017 05 08 be approved.

Carried

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

11.1.1 By-law 2017-81 (Agreement) The Sault Youth Soccer Club

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-81 being a by-law to authorize the execution of the Agreement between the City and The Sault Youth Soccer Club in reference to their financial donation in the amount of $30,000 towards the purchase of materials and labour to extend the parking lot and pathways at Strathclair Sports Comple to improve accessibility be passed in open Council this 8th day of May, 2017.

Carried

11.1.2 By-law 2017-82 (Agreement) Sault Ste. Marie Slo-Pitch League Funding

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-82 being a by-law to authorize the execution of the Agreement between the City and Sault Ste. Marie Slo-Pitch League for the donation of funds in the

amount of Twenty Thousand ($20,000.00) Dollars to the City for the exclusive purpose of purchasing material and labour to install lights on Slo-Pitch Field 'A' at Strathclair Sports Complex be passed in open Council this 8th day of May, 2017.

Carried

11.1.3 By-law 2017-83 (Agreement) Child Care Algoma

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-83 being a by-law to permit the execution of the Agreement between the City and Child Care Algoma to permit a play enclosure to be part of City property known as Part of Parkland Park be passed in open Council this 8th day of May, 2017.

Carried

11.1.4 By-law 2017-84 (Agreement) Superior 7 Advertising Limited

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-84 being a by-law to authorize the execution of the Agreement between the City and Superior 7 Advertising Limited for the billboard sign located on a portion of the City's property at 331 Queen Street East be passed in open Council this 8th day of May, 2017.

Carried

11.1.5 By-law 2017-85 (Taxes) Recovery Percentage for the 2017 Taxation Year

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-85 being a by-law to provide for the adoption of recovery percentage for the 2017 taxation year be passed in open Council this 8th day of May, 2017.

Carried

11.1.6 By-law 2017-86 (Agreement) Public Transit Infrastructure Fund

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-86 being a by-law to authorize the execution of the Agreement between the City and Her Majesty the Queen in right of Ontario as represented by the Minister

of Transportation for the Province of Ontario for the Public Transit Infrastructure Fund Phase One Payment Agreement be passed in open Council this 8th day of May, 2017.

Carried

11.1.7 By-law 2017-87 (Property) Yates Avenue Sale to 1753495 Ontario Limited Additional Acre

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-87 being a by-law to authorize the sale to 1753495 Ontario Limited of one (1) additional acre of land on Yates Avenue abutting the four (4) acres of land which were previously purchased from the City be passed in open Council on this 8th day of May, 2017.

Carried

11.1.8 By-law 2017-88 (Temporary Street Closing) Queen Street East – Car Free Saturday

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-88 being a by-law to permit the temporary closing of Queen Street East from Pim Street to Dennis Street on July 29, 2017 to facilitate the Car Free Saturday Event be passed in open Council this 8th day of May, 2017.

Carried

11.1.9 By-law 2017-89 (Temporary Street Closing) Queen Street East – Downtown Street Party

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-89 being a by-law to permit the temporary closing of Queen Street East from Pim Street to Dennis Street on July 13, 2017 to facilitate the Downtown Association Downtown Street Party be passed in open Council this 8th day of May, 2017.

Carried

11.1.10 By-law 2017-90 (Agreement) Comprehensive Review of Conventional Transit Operation

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-90 being a by-law to authorize the execution of the Agreement between the City and Transit Consulting Network to provide a Comprehensive Review of the

Conventional Transit Operation for Sault Ste. Marie be passed in open Council this 8th day of May, 2017.

Carried

11.1.11 By-law 2017-91 (Official Plan Amendment) 677 MacDonald Avenue (677M Limited)

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-91 being a by-law to adopt Amendment No. 219 to the Official Plan for the City of Sault Ste. Marie (677 MacDonald Avenue (677M Limited)) be passed in open Council on this 8th day of May, 2017.

Carried

11.1.12 By-law 2017-92 (Zoning) 677 MacDonald Avenue (677M Limited)

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-92 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 677 MacDonald Avenue (677M Limited) be passed in open Council on this 8th day of May, 2017.

Carried

11.1.13 By-law 2017-93 (Agreement) Sault Ste. Marie Horticultural Society

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-93 being a by-law to authorize the execution of the Agreement between the City and Sault Ste. Marie Horticultural Society for a license of occupation to permit the former Allard Street Community Garden to relocate to the southern portion of Forest Heights Park located at 1 Princess Crescent, behind St. Bernadette's School be passed in open Council this 8th day of May, 2017.

Carried

11.1.14 By-law 2017-94 (Local Boards) Committee of Adjustment Appointment

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-94 being a by-law to appoint Sean Meades to the Committee of Adjustment be passed in open Council this 8th day of May, 2017.

Carried

11.1.15 By-law 2017-95 (Regulations) Exemption to Noise By-law 80-200 The Downtown Association

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-95 being a by-law to amend Noise Control By-law 80-200, to exempt from the By-law the street party hosted by The Downtown Association from 3:00 p.m. to 12:00 a.m. on July 13, 2017 be passed in open Council this 8th day of May, 2017.

Carried

11.1.16 By-law 2017-96 (Agreement) Wide Area Network Services Ontera

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-96 being a by-law to authorize the execution of the Agreement between the City and Ontera for the renewal of the Wide Area Network Services contract for a period of Five (5) years commencing May 1, 2017 be passed in open Council on this 8th day of May, 2017.

Carried

11.1.17 By-law 2017-97 (Regulations) Exemption to Noise By-law 80-200 Korah Relay for Life

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-97 being a by-law to amend Noise Control 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 2, 2017 to 7:00 a.m. on June 3, 2017 be passed in open Council this 8th day of May, 2017.

Carried

11.1.18 By-law 2017-99 (Agreement) Soo Pee Wee Arena Grant

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-99 being a by-law to authorize the execution of the Agreement between the City and Soo Pee Wee Arena for a grant equal to the total annual municipal and education property taxes for the Residential class assessed value once taxes are paid in full be passed in open Council this 8th day of May, 2017.

Carried

11.1.19 By-law 2017-98 (Agreement) Operating Service Agreement - Physician Recruitment

Moved by: Councillor F. Fata
Seconded by: Councillor S. Myers

Resolved that By-law 2017-98 being a by-law to authorize the execution of an Operating Service Agreement between the City, Group Health Association, Sault Area Hospital and Algoma West Academy of Medicine for Physician Recruitment Funding be passed in open Council on this 8th day of May, 2017.

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:

1. a proposed acquisition of property
2. an issue under the *Companies' Creditors Arrangement Act*
3. labour relations or employee negotiations

Municipal Act R.S.O. 2002 – section 239(2)(c) – a proposed or pending acquisition or disposition of land by the municipality; section 239(2)(f) - advice that is subject to solicitor/client privilege; section 239(2)(d) – labour relations or employee negotiations

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

Carried

14. ADJOURNMENT

Moved by: Councillor M. Bruni
Seconded by: Councillor S. Myers

Resolved that this Council now adjourn.

Carried

_____

Mayor

_____

City Clerk





CREATE EMPOWER

engagement , market , passion , opportunity , welcoming , economic , relavance.

Sault Ste. Marie
Downtown Association

STRATEGIC PLAN

2017 - 2020

DOWNTOWN ASSOCIATION

WHAT IS A BIA?

Our Business Improvement Area (Queen St E –from Pim to Dennis) in an organization that allows business people and commercial property owners and tenants to join together to organize, finance, and facilitate physical improvements and promote economic development in our BIA with the support of the City of Sault Ste. Marie.

MISSION

The Sault Ste. Marie Downtown Association will deliver value to its membership, be a catalyst for, and support, them in creating a self-empowered downtown that thrives through the activation of its spaces, places and people.

EMPOWER – ENGAGEMENT



Priority Initiative: create an exclusive member online portal.
Expected Outcome: development of an exclusive asset to members.
Membership ready: January 2018.



Priority Initiative: ensure informal opportunities exist for all members to communicate and connect.
Expected Outcome: advancement of the downtown and the Association programs and services that the membership values.



Priority Initiative: identify priority needs of its members.
Expected Outcome: build capacity for their success.



Priority Initiative: measure engagement success.
Expected Outcome: successful methods of communication, engagement and cohesion.

eMPOWER – MARKET



Priority Initiative: conduct market research to activate the downtown.
Expected Outcome: economic stability and prosperity



Priority Initiative: best practices review, competitive analysis and benchmarking.
Expected Outcome: create a successful downtown economic engine



Priority Initiative: create a branding initiative.
Expected Outcome: downtown branding strategy.



Priority Initiative: promote vacant properties.
Expected Outcome: zero vacancy rate.



Priority Initiative: create a downtown that is more active.
Expected Outcome: a vibrant downtown with more people and more opportunity.

EMPOWER – PASSION

P1

Priority Initiative: consolidated voice for a solutions based approach.
Expected Outcome: inspired to make the vision reality.

P2

Priority Initiative: make the downtown an outstanding destination.
Expected Outcome: investment, improvement, new business growth and creation.





EMPOWER – OPPORTUNITY

01

Priority Initiative: work with the City of Sault Ste Marie and Stakeholders.
Expected Outcome: increased events and extended season to bring more people downtown.

02

Priority Initiative: seek more funding opportunities.
Expected Outcome: build capacity and market events.

03

Priority Initiative: partner with the community to advance the activation of downtown.
Expected Outcome: dedicated resources and commitment to the downtown.

EMPOWER – WELCOMING EXPERIENCE



Priority Initiative: lead development o f a mobile and connected downtown for all ages.
Expected Outcome: removal of barriers, red tape, streamlining of processes.



Priority Initiative: assist in the implementation of a 'downtown trolley'
Expected Outcome: A connected downtown to align with the City of Sault Ste. Marie.



Priority Initiative: use of all funding opportunities to enhance downtown.
Expected Outcome: visually a more attractive Downtown, parking improvements, beautification.



Priority Initiative: develop a market based approach to enhance service levels, hours of operation, accessibility and tourism services.
Expected Outcome: increased positive response from local consumers and tourists.



Priority Initiative: resolve issues of parking and maintenance.
Expected Outcome: enhanced use of downtown.



EMPOWER – ECONOMIC OPPORTUNITY

E1

Priority Initiative: To develop a Memorandum of Understanding with the City of Sault Ste. Marie, Economic Development Corporation and the Sault Ste. Marie Public Utilities Commission.
Expected Outcome: define Roles, relationships and responsibility.

E2

Priority Initiative: provide means to all the membership to enhance their business.
Expected Outcome: greater opportunity.

E3

Priority Initiative: provide opportunity for all members to take advantage of the activation of downtown.
Expected outcome: increased economic success.

EMPOWER – RELEVANCE



Priority Initiative: advance the Downtown Associations Strategic Plan, Mission and Vision.
Expected Outcome: greater influence and impact.



Priority Initiative: bring prioritization to the issues that affect the wellbeing of the downtown.
Expected Outcome: downtown will be a place of community pride.



Priority Initiative: define value and return on investment.
Expected Outcome: a tool that measures outcomes and identifies opportunities for continuous improvement.



Priority Initiative: investigate extending the DTA boundaries.
Expected Outcome: consideration by the membership.



Priority Initiative: the Downtown Association will engage the First Nations in the fulfillment of its Mission, Vision and Values.
Expected Outcome: the recognition of an inclusive downtown community.

HOW WE KNOW IT'S WORKING...

for the purpose of this legend all capitol E's represent: *ENGAGEMENT* all lower case e's represent: *ECONOMIC OPPORTUNITY.*

MEMBER READY JANUARY 2018	E1
SOCIAL EVENTS	E2
EVENT SURVEY	E2
MEMBERSHIP SURVEY	E2 , E3 , P1 , e1 , R1 , R2 , R4
COMMUNITY SURVEY	E2 , E4 , P1 ,e1 , R1 , R2 , R4 , R5
TOWN HALLS & OPEN HOUSES	E2
MONTHLY REPORTS	E2
EVENT ATTENDANCE	E4 , P1 , O1
STATISTICS (HARDWARE, DAILY BUSINESS, TOURISM SSM, CUSTOMER , ETC)	E4 ,M5 , W4
EMAIL MARKETING	E4 , e3 , R4
ORGANIC MEDIA HITS	E4
DATA COLLECTION, GOOGLE ANALYTICS, LOCAL GDP, JOB NUMBERS, VACANT RATES, COMMERCIAL RATES	M1 , M2 , M3 , M4 , e1 , R4
PROGRAM STUDIES (RENT THIS SPACE, ETC)	M2 , M4 ,e2 , R4
CONSULTANT FUNDING, NOHFC FUNDING, DTA BRAND, LEVERAGING CURRENT INVESTMENT	M3 , P2 , O2 , W3 , W4 , e2
COMPARATIVE ANALYSIS OF OTHER BUSINESS IMPROVEMENT AREA'S	P1 , R3 , R4
UPTAKE ON IMPROVEMENTS, REDUCED VACANCY, FULL SECTOR GROWTH	P2
CITY & STAKEHOLDER PARTICIPATION	O1
COMMUNITY PARTICIPATION	O2
RED TAPE REDUCTION	W1
EASE OF MOBILITY	W1 , W2
PARKING , SNOW REMOVAL IMPROVEMENT & BEAUTIFICATION	W5
BOARD APPROVED MOU (OCTOBER 31, 2017)	e1 , R4
EXPANSION OF GEOGRAPHY	R1
TO CONNECT WITH ALL AGES, FIRST NATIONS, HERITAGE, TOURISM ETC & CHANGE THE ATTITUDE OF DOWNTOWN	R2



VISION:

DOWNTOWN SAULT STE. MARIE:
A UNIQUE PLACE TO EXPERIENCE
DYNAMIC COMMUNITY
THAT IS VIBRANT, HEALTHY AND
A PROSPEROUS DESTINATION
WHERE PEOPLE WANT TO BE
AND WANT TO INVEST.

THANK YOU

DOWNTOWN ASSOCIATION 496 QUEEN ST E. 705-942-2919 INFO@SAULTDOWNTOWN.COM

OFFICE OF THE
MAYOR



CORPORATION OF THE
CITY OF SAULT STE. MARIE

May 24, 2017

City Council Members
Corporation of the City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, Ontario

Council:

I have been thinking for some time about the nature, tone and scope of our Council agenda, debate and discussion. I have met with a number of you one – on – one and we have had some discussion about the topic and you are, in the main, also interested in raising the level of dialogue. I thought it appropriate that I make an effort to articulate some of my own thoughts for your collective consideration.

We all recognize that our community is in the midst of a very challenging period. The Essar Steel Algoma process has taken longer than we would have hoped or expected. As a result of Essar's insolvency, our community has lost a significant amount of GDP and consumer confidence has been weakened. The City is short a significant amount of tax revenue and it will have to take steps to address the resulting cash flow challenges. This has created some additional anxiety both within our staffing ranks and the community at large.

We all agree that the community looks to us for leadership at all times but even more so when things are difficult. I suggest that we should be mindful of the reality that if we are not positive ourselves, we cannot expect our community to be. If we speak negatively about our own efforts, our budget or our municipal levy, we can expect other people to feel negatively. Additionally, doing so undermines our collective effort and a lot of the good and earnest work that we have done. This has been a very busy term and I believe this City Council should be proud of what it has accomplished in challenging circumstances. Collectively and with the support of staff we have:

- Worked through a significant period of senior administrative transition;
- Reviewed all of the city spending;
- Kept the increase of our core city spending below inflation for the last two years (1.29% in 2016 and 0.73% in 2017);
- Implemented new budget cycles that give Council more information and control over budgeting;
- Finalized the daycare matter;

- Improved the emergency medical service response times;
- Supported many positive quality of life developments including the Gore Street reconstruction, the Pump Track completion, the Strathclair Dog Park opening, the Community Orchard planting and Hub Trail continuation at Etienne Brule and the opening of the Sensory and Adventure playground at Bellevue Park;
- Decreased energy and maintenance costs re: streetlights;
- Decreased cost of living and business costs by reducing both electricity and water/wastewater burden (SSM is now third lowest energy cost in Ontario and 6th lowest water/wastewater cost);
- Decreased our average municipal burden (combined residential taxes and water/wastewater costs) to the 5th lowest in the province;
- Updated the Corporation`s vision, mission and strategic plan to include community development as a core function;
- Established a Youth Advisory Council;
- Restructured the senior city staff to introduce a community development capacity;
- Undertook a review of our economic development activities and funding decisions;
- Froze our own honorariums;
- Reviewed our own Council's composition and voted to decrease our own numbers beginning with the 2018 municipal election;
- Implemented a number of measures to improve Council transparency and accountability;

I note that this list is not exhaustive. Many of you have started a number of really progressive and important initiatives that are completed or in progress (ie. establishment of William H. Hearst Day, Canada 150 and the splash pad project). Many of you have ensured that our ongoing projects and efforts kept going (ie. Christmas lighting award, Walk of Fame and the Green Committee). I respect your initiative, your effort and your commitment.

At the same time, there are undoubtedly some actions that have been taken that fairly deserve scrutiny and criticism. We have to make sure that we address problems as they arise and that senior administration is clear about our expectations and is accountable for their conduct as we for ours. I have been mindful and respectful of your concerns which I have often shared and I have always expressed the same to administration, as per my role, and I will continue to do so. Just as we have to do our job, they have to do theirs.

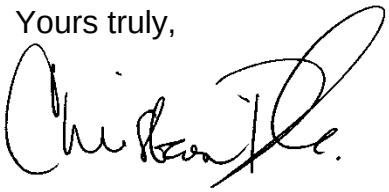
To my last point, I think we do our job best when we raise the level of discussion and discourse. I believe Council has to make a concerted effort to focus on the broader, more substantial issues that affect the direction of our community. You will soon have an opportunity to do that with two matters very shortly due before Council: the community adjustment report and the recommendations on the future of our economic development. I am hopeful that each of you will see projects or recommendations from the community adjustment committee that you believe in and want to work on.

With respect to economic development, I am hopeful that we will have some good and substantial discussions that will lead to a productive decision on our economic development efforts. They are, in my opinion, central to the future development of our community and precisely the type of discussion we need to be having.

While things are challenging, let's acknowledge that they have improved. Just a year ago, Tenaris was idle and we didn't know what the privatization of OLG's lottery operations would mean to their employees. Today, Tenaris is again running with a healthy work force and OLG's path forward is clearer. We will continue to work with both employers to ensure that they continue to play a healthy role in our economy.

I look forward to working with all of you through the remainder of our term to continue to improve our community. There is a lot more important work to do and challenges to meet. I am confident that we have the collective ability to do the work, meet the challenges and continue to put our community on a positive path forward.

Yours truly,



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

/cp

Cc: Malcolm White
Al Horsman

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: KATIE LYONS **TELEPHONE:** 705-257-0714

ORGANIZATION (if applicable) N/A

ADDRESS: 455 HENRY STREET **POSTAL CODE:** P6C 2W7

The above person hereby makes application for the closing of

HENRY STREET

(Name of street to be closed)

from 455 HENRY ST **to** 460 HENRY ST

(reference points - street numbers, cross streets, etc.)

from 468 HENRY ST **to** 476 HENRY ST.

(reference points - street numbers, cross streets, etc.)

on the 15th **day of** JULY, **20** 17 **from** 1600 **am/pm to** 2300 **am/pm**

on the _____ **day of** _____, **20** ___ **from** _____ **am/pm to** _____ **am/pm**

for the purpose of BLOCK PARTY / CANNED FOOD DRIVE

APPROVAL SECTION:

1. **Police Services, Traffic Dept.**
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East

MAY 10 2011 4209

Signature of Official

2. **Fire Services/Emergency Medical Services (EMS)**
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street

Signature of Official

3. **Public Works & Transportation Dept.**
Telephone 541-7000
Fax 541-7010
128 Sackville Road

Signature of Official

4. **Transit/Parking**
Telephone 759-5320
Fax 759-5834
111 Huron Street

Signature of Official

5. **Central Ambulance Communication Centre (C.A.C.C.)**
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road

Signature of Official

6. **Downtown Association**
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

N/A
Signature of Official

7. **Community Services Department**
Telephone 759-5310
Fax 759-6605
99 Foster Drive
(CLOSINGS AFFECTING CITY PARKS/FACILITIES)

N/A
Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____, _____
(date) (By-law No.)

ROTARY CLUB OF SAULT STE. MARIE

"SERVICE ABOVE SELF" "HE PROFITS MOST WHO SERVES BEST"

CLUB 2776, DISTRICT 6280 ROTARY INTERNATIONAL
P.O. BOX 272
SAULT STE. MARIE, ONTARIO
CANADA P6A 5L8

TELEPHONE (705) 945-1279 ~ FAX (705) 945-5228
EMAIL: cboconnor@rotarysault.com ~ WEBSITE: www.rotarysault.com

Mayor Provenzano and Council
The Corporation of the City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, ON
P6A 5N1

May 4, 2017

Dear Mayor Provenzano and Councilors:

The Rotary Club of Sault Ste. Marie would like to request the following pertaining to the operation of ROTARYFEST 2017 for July 13 - 15, 2017 and the 96th Rotary Community Day parade.

A) Use of
1. Clergue and Rowswell Parks for July 8-17,
2. the Civic Centre north green space from July 8 – 16 for the midway,
3. the Civic Centre south parking lot for Friday evening, July 15 beginning at 4:30 pm (the lot must be clear of all vehicles)
4. the north 50' of the Civic Centre north parking lot from July 8-16 for the midway (due to the loss of space due to the flower garden)

B) Road Closures:

For the 96th Rotary Community Day Parade:

1. Closure of Queen Street East from Elizabeth Street to Church Street
   Hours: 9:30 am to 1:00 pm 15 July 2017

2. Closure of Simpson St. from Queen St. East to Wellington St. East
   Hours: 9:30 am to 1:00 pm 15 July 2017

3. Closure of Queen St. East from Pim St. to Gore St.
   Hours: 10:30 am to 1:00 pm 15 July 2017

For the festival:
Ken Danby Way
July 8, 2017 7:00 am through July 16, 2017 2:00 pm

C) By-law
Control of what takes place on the festival grounds, adjacent sidewalks and streets during the operation of the festival, especially pertaining to vendors. Anyone wishing to sell or demonstrate products on the grounds must first receive permission to do so from the ROTARYFEST committee. A fee may apply.

1) Russ Ramsay Way south of the entrance to the Senior Drop In Centre;
2) Foster Drive from Russ Ramsay Way to the east entrance to the south Civic Centre parking lot;
3) On the south side of Bay Street between Brock and East Streets, including the sidewalk;
4) Lower East Street south of Bay Street and Ken Danby Way

On behalf of Rotary, I would like to thank you for your cooperation in this matter.

Sincerely,

Carolyn Bunting O'Connor
Events Manager

cc: David K. Marshall, Parade Chairperson
Margaret Hazelton, CSD

Attachments: Temporary Street Closure – sign off forms

APPROVAL SECTION:

1. **Police Services, Traffic Dept.**
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East

Sgt. P. Meghan #209
MAY 04 2017
Signature of Official

2. **Fire Services/Emergency Medical Services (EMS)**
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street

Signature of Official

3. **Public Works & Transportation Dept.**
Telephone 541-7000
Fax 541-7010
128 Sackville Road

Signature of Official

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Fax 759-5834
111 Huron Street

Signature of Official

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Telephone 946-1227
Fax 945-6883
65 Old Garden River Road

Signature of Official

6. **Downtown Association**
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

Signature of Official

7. **Community Services Department**
Telephone 759-5310
Fax 759-6605
99 Foster Drive
(CLOSINGS AFFECTING CITY PARKS/FACILITIES)

Signature of Official

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Signature of Official

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Signature of Official

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128 Sackville Road

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Fax 759-5834
111 Huron Street

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Fax 945-6883
65 Old Garden River Road

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Signature of Official

6. **Downtown Association**
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

_____
Signature of Official

7. **Community Services Department**
Telephone 759-5310
Fax 759-6606
99 Foster Drive
(CLOSINGS AFFECTING CITY PARKS/FACILITIES)

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Signature of Official

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Fax 945-6883
65 Old Garden River Road

D. Spearman

Signature of Official

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City Council approval was received on _____ (date) _____ (By-law No.)

APPROVAL SECTION:

1. **Police Services, Traffic Dept.**
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East

_____
Signature of Official

2. **Fire Services/Emergency Medical Services (EMS)**
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street

_____
Signature of Official

3. **Public Works & Transportation Dept.**
Telephone 541-7000
Fax 541-7010
128 Sackville Road

_____
Signature of Official

4. **Transit/Parking**
Telephone 759-5320
Fax 759-5834
111 Huron Street

_____
Signature of Official

5. **Central Ambulance Communication Centre (C.A.C.C.)**
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road

_____
Signature of Official

6. **Downtown Association**
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

_____
Signature of Official

7. **Community Services Department**
Telephone 759-5310
Fax 759-6605
99 Foster Drive
(CLOSINGS AFFECTING CITY PARKS/FACILITIES)

_____
Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____, _____
(date) (By-law No.)

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1. **Police Services, Traffic Dept.**
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CITY CLERK SECTION:

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(date) (By-law No.)

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: DOUG RICHARDSON **TELEPHONE:** 542-2248

ORGANIZATION (if applicable) RUN THE GREAT LAKES

ADDRESS: 55 CENTENNIAL AVE **POSTAL CODE:** P6A 5B2

The above person hereby makes application for the closing of

ST MARY'S RIVER DRIVE

(Name of street to be closed)

from ~~BAY ST WALMART~~ **to** ~~FOSTER DRIVE~~

(reference points - street numbers, cross streets, etc.)

from RR CROSSING **to** FOSTER DRIVE

(reference points - street numbers, cross streets, etc.)

on the 11 **day of** JUNE, **20** 17 **from** 9 **am/pm to** 10:30 **am/pm**

on the _____ **day of** _____, **20** ___ **from** _____ **am/pm to** _____ **am/pm**

for the purpose of RUNNING EVENT

APPROVAL SECTION:

1. **Police Services, Traffic Dept.**
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line West
Sgt. R. Megnan #209
MAY 10 2017
Signature of Official

2. **Fire Services/Emergency Medical Services (EMS)**
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street

Signature of Official

3. **Public Works & Transportation Dept.**
Telephone 541-7000
Fax 541-7010
128 Sackville Road

Signature of Official

4. **Transit/Parking**
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Fax 759-5834
111 Huron Street

Signature of Official

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65 Old Garden River Road

Signature of Official

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Signature of Official

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(date) (By-law No.)

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Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____ _____
(date) (By-law No.)

759-2310

APPROVAL SECTION:

1. **Police Services, Traffic Dept.**
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580 Second Line East

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Signature of Official

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(QUEEN STREET CLOSINGS ONLY)

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(CLOSINGS AFFECTING CITY PARKS/FACILITIES)

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Signature of Official

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_____
Signature of Official

CITY CLERK SECTION:

City Council approval was received on _____, _____
(date) (By-law No.)

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Tim Gowans, Manager of Purchasing**

DEPARTMENT: **Finance Department**

RE: **Tender for Ready-Mix Concrete (2017PWE-PWT-10-T)**

PURPOSE

Attached hereto for your information and consideration is a summary of the tenders received for the supply of Ready-Mix Concrete required during the 2017 Construction Season. Staff is seeking Council approval of the tender recommendation.

BACKGROUND

The tender was publicly advertised and tender documents forwarded to all firms on our bidders list. A public opening of the tenders was held April 24, 2017 with the Deputy City Clerk in attendance.

ANALYSIS

The tenders received have been thoroughly evaluated and reviewed with the Superintendent of Public Works and the Director of Public Works, and the low tendered prices, meeting specifications, have been identified on the attached summary.

FINANCIAL IMPLICATIONS

A maximum limit of $180,000.00 has been established for the purchase of Ready-Mix Concrete under this tender. Funding for the purchase of this material will be drawn from various Public Works Street Maintenance accounts as set in the budget.

STRATEGIC PLAN / POLICY IMPACT

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

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2017 05 29 be received and the recommendation that the tender submitted by Lafarge for the supply of Ready-Mix Concrete for the 2017 Construction Season commencing June 1, 2017 at the tendered pricing, HST extra, be approved.

Respectfully submitted,



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

FINANCE DEPARTMENT
PURCHASING DIVISION

RECEIVED: April 24, 2017
FILE: #2017PWE-PWT-10-T

SUMMARY OF TENDERS
READY-MIX CONCRETE

Firm Prices for One Year Period (H.S.T. extra) - June 1, 2017 to May 31, 2018

Description	2016 QUANTITY	Caswell Concrete Sault Ste. Marie, ON		Fisher Wavy Inc. Sault Ste. Marie, ON		Lafarge Sault Ste. Marie, ON	
		Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
32Mpa Ready-Mix Concrete (CSA 23.1)	649.85	$206.00	$ 133,869.10	$209.00	$ 135,818.65	$206.00	$133,869.10
Unshrinkable Fill	8.00	$159.00	$ 1,272.00	$158.00	$ 1,264.00	$155.00	$1,240.00
Additional Heating	68.00	$30.00	$ 2,040.00	$30.00	$ 2,040.00	$30.00	$2,040.00
Use of Truck with Conveyor	7.00	$165.00	$ 1,155.00	$180.00	$ 1,260.00	$175.00	$1,225.00
Underload Charges for loads of 2 cubic metres or less (as bid)	52.00	$100.00	$ 5,200.00	$115.00	$ 5,980.00	$110.00	$5,720.00
Underload Charges for loads of under 3 cubic metres but greater than 2 (as bid)	131.00	$100.00	$ 13,100.00	$115.00	$ 15,065.00	N/C	N/C
Total:			**$ 156,636.10**		**$ 161,427.65**		**$ 144,094.10**
Remarks:		Underload charges apply to loads of less than 3.0 cubic metres		Underload charges apply to loads of less than 3.0 cubic metres		Underload charges apply to loads of less than 2.0 cubic metres	

Note: The low tendered prices, meeting specifications, are boxed above.
Underload Charges for loads under 3 cubic metres but 2 cubic metres or greater are at No Charge in the Lafarge bid; therefore they are the lowest bid.
The above quantities represent a projection of anticipated usage based on actual ordering for the 2016 season.
It is my recommendation that the low tendered prices submitted by Lafarge be accepted.

Tim Gowans
Manager of Purchasing

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Tim Gowans, Manager of Purchasing**

DEPARTMENT: **Finance Department**

RE: **Tender for Four (4) Para-Transit Mini Buses**

PURPOSE

Attached hereto for your information and consideration is a summary of the tenders received for the supply and delivery of Four (4) Para-Transit Mini Buses required by the Transit & Parking Division of the Community Development & Enterprise Services. Staff is seeking Council approval of the tender recommendation.

BACKGROUND

The tender was publicly advertised and tender documents forwarded to all firms on our bidders list. A public opening of the tenders was held April 25, 2017 with the Deputy City Clerk in attendance.

ANALYSIS

The tenders received have been thoroughly evaluated and reviewed with the Shop Foreman – Transit Division and the Manager of Transit & Parking, and the low tendered prices, meeting specifications, have been identified on the attached summary.

FINANCIAL IMPLICATIONS

A maximum limit of $380,000.00 has been established for the purchase of Para-Transit Mini Buses under this tender of which 50% will be funded from the Public Transit Infrastructure Fund (PTIF). Funding of the City's 50% share of the equipment cost was approved in the 2017 Capital from the Transit Equipment Reserve.

STRATEGIC PLAN / POLICY IMPACT

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

RECOMMENDATION

Resolved that the report of the Manager of Purchasing dated 2017 05 29 be received and the recommendation that the tender for the supply and delivery of Four (4) Para-Transit Mini Buses, as required by the Transit & Parking Division be awarded to Star Bus Sales Inc. at their total tendered price of $342,000.00 plus HST, be approved.

Respectfully submitted,



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

FINANCE DEPARTMENT
PURCHASING DIVISION
Budget Amount: $380,000.00

RECEIVED: April 25, 2017
File #2017CDE-CS-TR-01-T

SUMMARY OF TENDERS
FOUR (4) PARA-TRANSIT MINI BUSES

Firm	Chassis/ Coach Body	Delivery	Warranty	Tendered Price For Four (4) Buses (H.S.T. Extra)	Remarks
Crestline Coach Ltd. Saskatoon, SK	2017 Ford E450 (176"WB) 2017 Goshen Impulse	120 w/days	3 yrs/60,000 kms Basic (Chassis) 1 yr/20,000 kms Basic (Body) 6 yrs/96,500 kms Structural (Body)	**$359,495.40**	Meets Specifications
Girardin Bluebird Brantford, ON	2017 Chevrolet G4500 (177"WB) 2017 Girardin G5	100 w/days	3 yrs/60,000 kms Basic (Chassis) 1 yr/20,000 kms Basic (Body) 3 yrs/160,000 kms Structural (Body)	**$354,800.00**	Does Not Meet Specification
Leeds Transit Inc. Elgin, ON	2016 Chevrolet CG33903 (177"WB) 2017 Diamond Coach VIP2500	90-120 w/days	Not stated	**$359,964.00**	Does Not Meet Specifications
Overland Custom Coach (2007) Inc. Thorndale, ON	2017 GMC G4500 (158"WB) 2017 Glaval Bus Titan II	65 w/days from receipt of chassis	3 yrs/60,000 kms Basic (Chassis) 5 yrs/166,000 kms Basic (Body)	**$357,200.00**	Meets Specifications
Star Bus Sales Edmonton, AB	2017 Ford E450 (176"WB) 2017 Starcraft Allstar	60-80 w/days	3 yrs/60,000 kms Basic (Chassis) 1 yr/20,000 kms Basic (Body) 5 yrs/166,000 kms Structural (Body)	**$342,000.00**	Meets Specifications

NOTE: The low tendered price, meeting specifications, is boxed above.
The total cost to the City will be $342,000.00 plus H.S.T.
It is my recommendation that the low tendered price, meeting specifications, submitted by Star Bus Sales, be accepted.

Tim Gowans
Manager of Purchasing

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Tim Gowans, Manager of Purchasing**

DEPARTMENT: **Finance Department**

RE: **RFP – Finger Dock Replacement at Marinas**

PURPOSE

The purpose of this report is to seek Council approval of the By-law concerning an Agreement with Stem Engineering Group to provide Engineering Services for Finger Dock Replacement at the City's Marinas.

BACKGROUND

A Request for Proposal was circulated to the pre-qualified firms on the City's Vendor of Record List for Professional Engineering Services – Buildings, Architectural, Mechanical, Electrical category. The RFP closed on February 3, 2017.

ANALYSIS

Proposals from three (3) proponents were received prior to the closing date:

Kresin Engineering, Sault Ste. Marie, ON
Stem Engineering Group, Sault Ste. Marie, ON
WSP Canada, Sault Ste. Marie, ON

The fees proposed were within the staff approval levels as authorized in the Purchasing By-law. Subsequent to the proposal evaluation, Engineering Services for the project were awarded to the Stem Engineering Group at an upset limit of $15,300.00 plus HST.

FINANCIAL IMPLICATIONS

Funding in the amount of $381,000.00 for the project was approved in the 2017 Capital Budget. The fees associated with the Engineering Services can be accommodated within this amount.

STRATEGIC PLAN / POLICY IMPACT

Engineering Services associated with Finger Dock Replacement at the City's Marinas are not articulated in the Corporate Strategic Plan.

RECOMMENDATION

The relevant By-law 2017-113 is listed elsewhere on the agenda and is recommended for approval.

Respectfully submitted,



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

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Christine Pascall, Manager of Accounting/City Tax Collector**

DEPARTMENT: **Corporate Services**

RE: **Property Tax Appeals**

PURPOSE
Staff is seeking Council approval of property tax appeals as required pursuant to Section 357 of the *Municipal Act*.

BACKGROUND
A listing of applications received for adjustment of realty taxes pursuant to Section 357 of the *Municipal Act* is attached to this report.

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

FINANCIAL IMPLICATIONS
There is an annual budget allocation for tax write-offs. The decreased revenue of $2,949.65 can be accommodated within the existing budget allocation.

STRATEGIC PLAN / POLICY IMPACT
Not applicable.

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

Resolved that the report of the Manager of Accounting/City Tax Collector dated 2017 05 29 concerning Property Tax Appeals be received and the recommendation that the tax records be amended pursuant to Section 357 of the *Municipal Act* be approved.

Respectfully submitted,



Christine Pascall
Manager of Accounting/
City Tax Collector
705.759.5276
c.pascall@cityssm.on.ca

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

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

DATE: 2017 05 29

2016

ROLL NUMBER	PROPERTY ADDRESS	PERSON ASSESSED	TAX CLASS	REASON	APPEAL NO.	TAXES	INTEREST	TOTAL
010-051-055-00	00050 Glenwood Avenue	Ambeault Leo	RT	D	16-040	310.05	3.89	313.94
020-002-034-00	00510 MacDonald Avenue	Roess Margaret Ellen	RT	D	16-041	155.03		155.03
020-030-076-00	00026 Rosedale Place	Pickering William Arthur	RT	D	16-042	479.90		479.90
020-032-020-00	00110 Grosvenor Avenue	Algoma Telephone Systems Inc.	RT	D	16.043	689.87		689.87
040-022-018-00	00125 Gore Street	City of Sault Ste. Marie	RT	B	16.044	70.32	5.55	75.87
040-022-023-00	00143 Gore Street	City of Sault Ste. Marie	CT/RT	B	16-045	138.87	10.76	149.63
060-090-036-00	00278 Pine Shore Drive	Deluco Richard Louis	RT	D	16-046	1,085.41	-	1,085.41
					REPORT TOTAL	**2,619.40**	**20.20**	**2,949.65**

A. REALTY TAX CLASS CONVERSION
B. BECAME EXEMPT AFTER RETURN OF ROLL
C. RAZED BY FIRE AFTER RETURN OF ROLL
D. DEMOLISHED AFTER RETURN OF ROLL
E. OVERCHARGED BY REASON OF GROSS OR MANIFEST CLERICAL ERROR
F. REAL PROPERTY THAT COULD NOT BE USED FOR A PERIOD OF AT LEAST 3 MONTHS DUE TO REPAIRS OR RENOVATIONS

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

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

DEPARTMENT: **Corporate Services**

RE: **Police Contingency Reserve**

PURPOSE

As per the Reserves and Reserve Fund Policy, establishing a new reserve requires a recommendation for approval to Council from the Chief Financial Officer & Treasurer. Staff is seeking Council approval for a new Police Contingency Reserve.

BACKGROUND

The Police Services Board passed the following motions at their April 27, 2017 meeting:

Moved By: J. Bruno
Seconded By: M. Bruni

Resolved that the Board approve the establishment of the Police Contingency Reserve to be funded from any unspent funds in the Police Capital Reserve in excess of the $750,000 limit for the purpose of funding.

Moved By: M. Bruni
Seconded By: J Bruno

Resolved that the Board approve the transfer of any excess currently in the Police Capital Reserve to the newly established Police contingency Reserve.

ANALYSIS

The establishment of a Police Contingency Reserve with a target level of $300,000 is recommended to address various contingencies that occur outside of normal operations and in addition to the Police Services annual operating budget. The Police Capital Reserve is funded with $165,000 annually as part of

the Police Services budget. Funding for the new reserve would be allocated from this same allocation when the Police Capital Reserve exceeds the funding target. Under the current Reserves and Reserve Fund Policy, the Police Capital Reserve has a target level of $750,000. As of December 31, 2016 the reserve balance was $843,422, $93,422 in excess of the target level.

The use of the Police Contingency Reserve will be approved by the Police Services Board, as is the current Police Capital Reserve. City staff will review the Police Capital Reserve annually at year end and transfer any amounts in excess of $750,000. Once the target level of both the Police Contingency and the Police Capital reserves are reached, excess funds will become general corporate surplus.

FINANCIAL IMPLICATIONS
The creation of the new Police Contingency Reserve will have no impact on the Police Services operating budget as the funding is coming from the current annual operating budget allocation.

STRATEGIC PLAN / POLICY IMPACT
This is an operational matter not articulated in the Corporate Strategic Plan.

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

Resolved that the report of the Chief Financial Officer & Treasurer dated May 29, 2017 regarding the establishment of a new Police Contingency Reserve be received and that :

- A Police Contingency Reserve with a target level of $300,000 be approved
- $93,422 be transferred from the Police Capital Reserve to the Police Contingency Reserve for 2016
- Ongoing year end transfers from the Police Capital Reserve for amounts in excess of the target level of $750,000 to the Police Contingency Reserve, until its target level of $300,000 is achieved

are approved.

Respectfully submitted,

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

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

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

DEPARTMENT: **Corporate Services**

RE: **New Multi-Residential Property Class**

PURPOSE

The Province has implemented a mandatory New Multi-Residential property class thus requiring municipalities to set a tax ratio in 2017 for the new class. Staff is seeking Council approval of the revised tax rate and tax ratio by-laws for 2017.

BACKGROUND

According to the recent Fair Housing Plan, the Province is implementing a mandatory New Multi-Residential property class province wide to ensure that municipalities tax new multi-residential buildings at a similar rate as other residential properties. This measure is to further support and encourage development of new multi-residential apartment units.

The Province is responding to concerns about the significantly higher tax burden for multi-residential apartment buildings and its effect on housing affordability.

ANALYSIS

The Province's concern regarding the tax burden for multi-residential apartment buildings does not apply to the same degree in Sault Ste. Marie (the City) as it does to larger centres such as Toronto. The tax ratio for multi-residential properties in the City is 1.194, very close to the allowable range of 1.0 to 1.1. The City also currently has an incentive plan for new rental properties though a Community Improvement Plan (CIP) which provides a rebate of taxes for eligible new rental properties. This plan was to address the need in the City for additional rental housing. Staff is recommending the ratio be set to 1.1 as it is closer to the current multi-residential class and also the fact that new rental housing projects are already receiving a significant rebate of their taxes through the CIP.

FINANCIAL IMPLICATIONS
Only properties with a building permit date of April 20, 2017 or later would be classed under the new mandatory property class. We do not have any properties in the class on the current assessment roll and thus there will not be any implications to the setting of the new tax ratios and rates.

Going forward any new construction in this class will be taxed at a slightly lower rate. Using 2017 tax rates, the difference is approximately $130 per $100,000 of assessment.

STRATEGIC PLAN / POLICY IMPACT
This is an operational matter not articulated in the Corporate Strategic Plan.

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

The relevant by-law appears elsewhere on the agenda and is recommended for approval.

Respectfully submitted,



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

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Malcolm White, Deputy CAO/City Clerk – Corporate Services**

DEPARTMENT: **Corporate Services**

RE: **Council Composition – Ward Boundary Review**

PURPOSE

The purpose of this report is to advise Council regarding the council composition – ward boundary review timeline.

BACKGROUND

The following resolution was passed on March 6, 2017:

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

Resolved that the report of Mayor Provenzano as Chair of the Council Review Committee dated 2017 03 06 be received and that Council approve in principle a change in Council composition from a twelve member, six ward system to a ten member, five ward system effective the 2018–2022 term of Council;
Further that appropriate staff be directed to make the necessary adjustments to the ward boundaries in accordance with the governing legislation and report back to Council on said adjustments.

ANALYSIS

As Council is aware, both Ward 6 Councillors are candidates for the June 1, 2017 provincial by-election.

In order that all wards have representation regarding any decision impacting ward boundaries and Council composition, a proposed by-law to adjust ward boundaries will not be presented to Council until after the by-election.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC PLAN / POLICY IMPACT
The timeline to present a proposed by-law to adjust ward boundaries is an administrative issue not articulated in the corporate Strategic Plan.

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

Resolved that the report of the Deputy CAO / City Clerk – Corporate Services dated 2017 05 29 regarding Council Composition – Ward Boundaries be received as information.

Respectfully submitted,



Malcolm White
Deputy CAO / City Clerk
Corporate Services
705.759.5391
m.white@cityssm.on.ca

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Peter Tonazzo, RPP, Senior Planner**

DEPARTMENT: **Community Development and Enterprise Services**

RE: **Community Development Award Committee**

PURPOSE

This Report proposes the terms of reference for a new Community Development Award Committee to recommend future community development award winners to City Council.

BACKGROUND

On December 12, 2016, Council passed the following Resolution:

Resolved that the report of the Director of Planning and Enterprise Services dated 2016 12 12 concerning Community Engagement and the Planning Advisory Committee be received, and that City Council:

1. *Dissolve the Planning Advisory Committee and thank past members for their service;*
2. *Request staff to develop a terms of reference for a new Community Development Award Committee, specifically to recommend future development awards to City Council; and*
3. *Request staff to create a community engagement protocol for all types of development approvals.*

This report does not speak to an overall community engagement protocol for development approvals. This significant undertaking will be part of the Shape The Sault! New Official Plan Project, which will be launched later this summer.

ANALYSIS

The attached terms of reference for the Community Development Award Committee is intended to provide general background information for those wishing to apply for the Committee. Once the Committee is formed, the terms of reference and community development award criteria can be refined by committee members.

FINANCIAL IMPLICATIONS

The 2017 budget provides $1000 towards the Community Development Award Program, which includes advertising costs and the purchase of a plaque to be presented to the annual recipient. The current funding for the program is appropriate for this year.

This funding is already part of the Planning Division budget, and therefore, no additional resources are required.

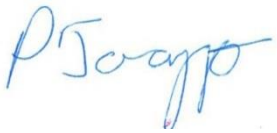
STRATEGIC PLAN / POLICY IMPACT

The Community Development Award Program is linked to the 'Quality of Life' Focus Area within the Corporate Strategic Plan. This program, which recognizes high quality developments that go above and beyond, helps to promote quality of life advantages

RECOMMENDATION

Resolved that the report of the Senior Planner dated 2017 05 29 concerning the Community Development Award Committee be received and that the terms of reference attached thereto be approved.

Respectfully submitted,



Peter Tonazzo, RPP
Senior Planner
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p.tonazzo@cityssm.on.ca

Attachment

The Corporation of the
City of Sault Ste. Marie

COMMUNITY DEVELOPMENT AWARD COMMITTEE

TERMS OF REFERENCE

Purpose

The purpose of this Committee is to recognize exceptional community development by administering the Community Development Award, which has been awarded annually since 1998.

For the purposes of the award, 'Community Development' is development or redevelopment of property that represents a significant contribution to the historic, social, cultural, economic or environmental fabric of Sault Ste. Marie. Development may include buildings, structures or facilities.

The Community Development Award is specifically intended to:

- **Recognize** significant achievement in community development.
- **Highlight** successful development ideas that others can use.
- **Inspire** other projects to meet the standards set by successful projects.

The Community Development Award, in the form of a recognition plaque, is presented annually at a regular Council meeting.

Membership

The Community Development Award Committee will consist of five persons appointed by City Council. Membership is for a term of two years, although members may be reappointed to provide continuity.

Member Responsibilities

Committee members are responsible for:

- Attending and actively participating in all meetings.
- Declaring any conflict of interest regarding specific agenda items.
- Keeping confidential any information which is identified by the Committee as such.

Chair Responsibilities

A Chair and Vice Chair shall be selected by the Committee members at their first meeting of each year. The responsibilities of the Chair include:

- In consultation with others, determine the agenda and ensure that appropriate materials are distributed one week in advance of the meeting.
- Chair all meetings of the Committee.
- Monitor members' participation on the Committee.
- Guide the Committee in addressing issues and concerns as they arise.
- Act as the official spokesperson for the Committee as required.

The Vice Chair will undertake these responsibilities in the absence of the Chair.

Decision Making

Administrative matters are decided upon via consensus.

The final determination of a Community Development Award winner will be decided upon through a vote, with the majority prevailing.

Conflict of Interest

Where a member has a direct or indirect pecuniary interest, the member shall:

- Disclose the interest and its general nature before the matter is considered at the meeting.
- Not take part in the discussion of, or voting on the matter.
- Not attempt to influence the discussion before, during or after the meeting

See the Municipal Conflict of Interest Act for further information.

Frequency of Meetings

The Community Development Award Committee will meet on an as needed basis, generally two to three times per year.

The Community Development Award winner will be identified in the spring, with a report to Council identifying the award winner during the summer and an awards presentation in the fall.

Quorum

The required quorum for holding meetings is four members.

Remuneration

Committee members will not be remunerated for serving on the Community Development Award Committee.

Open to the Public

Community Development Award meetings are open to the public. Notice of meeting dates and times will be posted, at least one week in advance of the meeting date, on the corporate calendar within the City's website.

There may however be times where it is appropriate for the Committee to hold closed sessions which are not open to the public, pursuant to the provisions contained in the Municipal Act.

Delegations

Where members of the public wish to address the Committee, a request must be made in writing, at least one week prior to the scheduled meeting. It is the Chair's responsibility to grant or deny the request.

Where members of the public attend open meetings, they may only participate at the Chair's discretion.

Staff and Resources

Planning Division staff will provide both administrative and technical resources to the Committee as required.

Planning Division Staff will also act as Secretary(s) to the Committee, keeping minutes of meetings, providing notice of meetings and posting minutes on the City's website.

Procedures By-law 2013-100

Procedures By-law 2013-100, governs aspects of meeting procedure for the Community Development Award Committee.

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Victoria Prouse, Project Coordinator, Downtown Development Initiative**

DEPARTMENT: **Community Development and Enterprise Services**

RE: **2017 Downtown Community Improvement Plan**

PURPOSE

The purpose of this report is to request Council's approval of the attached Downtown Community Improvement Plan (DCIP).

BACKGROUND

The 2016 Downtown Strategy was developed to achieve the following objectives:

- Preserve downtown as commercial, administrative, and cultural core
- Develop a vibrant residential neighbourhood
- Facilitate beautiful streets and open spaces
- Improve mobility and linkages
- Ensure strong, cohesive leadership and collaborative action

The strategy presented five primary tools for implementation: incentive programs, operational considerations, studies, public realm projects, and the Downtown Community Improvement Plan. On November 21, 2016, Council approved the Downtown Strategy and authorized staff to develop a Community Improvement Plan.

ANALYSIS

Section 28 of the *Planning Act* and Section 365.1 of the *Municipal Act* permits municipalities to offer financial incentives to landowners through a Community Improvement Plan.

The DCIP includes the following components:

- Delineation of the CIP area
- Downtown vision, goals, and objectives
- Incentive programs

    - Tax equivalent increment grant
    - Matching grants
        - Building Activation Grant for Vacant Spaces
        - Façade Improvement Grant
        - Second Floor Conversion Grant
        - Rear-Yard Patio Grant
- Framework for implementation and monitoring

Planning staff will conduct an evaluation of the program following one year of implementation and will update Council with any recommended amendments.

FINANCIAL IMPLICATIONS
The DCIP is an enabling tool. There is no commitment of any financial grants at this time. Rather, the DCIP enables consideration of future granting opportunities on a case-by-case basis.

Tax rebates involve a cost to the city in that they temporarily reduce the size of the overall tax base.

The implementation of the matching grant program is contingent on receiving FedNor and NOHFC funding.

STRATEGIC PLAN / POLICY IMPACT
The Corporate Strategic Plan's priorities were taken into account throughout the development of this CIP. The CIP is critical to implementing the Downtown Strategy. Its holistic approach enhances the Corporate Strategic Plan's focus areas – Quality of Life, Infrastructure, Community Partnerships, and Service Delivery.

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

Resolved that the report of the Project Coordinator, Downtown Development Initiative dated 2017 05 29 be received and that City Council approve the Downtown Community Improvement Plan.

The relevant By-law 2017-101 appears elsewhere on the agenda and is recommended for approval.

Respectfully submitted,

Victoria Prouse, MPl, MSc
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OUR DOWNTOWN



DOWNTOWN COMMUNITY IMPROVEMENT PLAN 2017

City of Sault Ste. Marie

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1.0 Introduction

1.1 Purpose

This Downtown Community Improvement Plan (DCIP) has been prepared to allow the City of Sault Ste. Marie to use authorities legislated through Section 28 of the *Planning Act* and Section 365.1 of the *Municipal Act* to use grants, loans, and tax increment financing to registered or assessed owners of lands and building within the designated area. This authority allows the City to develop innovative approaches and financial incentives to spark redevelopment, and leverage private sector investment.

The DCIP provides detail to incentives identified in the City of Sault Ste. Marie *Downtown Strategy*, which was approved by City Council on November 21, 2016. The DCIP is identified as one of several implementation tools for achieving the action items and objectives identified in the Downtown Strategy.

1.2 Background

The City of Sault Ste. Marie launched Phase 1 of the Downtown Development Initiative (DDI) in 2006 as a response to declining assessment values, perceptions of crime, and commercial growth in other areas of the city. Phase 2 began in 2014. Over the past ten years of renewed municipal focus on downtown development, over $84 million in private investment has occurred in the downtown, with approximately $40 million of this directly related to the DDI's incentive programs.

Despite significant progress – including the development of strategic underutilized sites – enduring challenges hinder long-term prosperity.

1.2.1 The Downtown Strategy

The Downtown Strategy reflects the community's vision for the downtown. It is a comprehensive action plan to address the downtown's systemic challenges and build on the growing momentum of downtown investment. The strategy is organized by the following key directions identified by City staff and the public as overarching objectives that, when combined, will foster resiliency and prosperity within the downtown and the city overall:

- Preserve downtown as commercial, administrative, and cultural core
- Develop a vibrant residential neighbourhood
- Facilitate beautiful streets and open spaces
- Encourage active use of downtown spaces
- Improve mobility and linkages
- Ensure strong, cohesive leadership and collaborative action

1.2.2 Community Feedback

The development of the Community Improvement Plan was endorsed as part of Sault Ste. Marie's Downtown Strategy, approved by Council on November 21, 2016. The Downtown Strategy was created with significant community input. The engagement program included

social media and online opportunities for feedback, pop-up booths, and multiple open house events.

The approval of this CIP will occur at a public meeting of City Council – an opportunity for additional community input. This meeting has been publicly advertised and the draft CIP was available in advance of the meeting.

1.3 Legislative Authority

Section 28 of the Planning Act and Section 365.1 of the Municipal Act allows municipalities to issue grants or loans, or provide property tax assistance to registered owners, assessed owners, or tenants of lands within a Community Improvement Project Area (CIPA).

Section 28(2) of the Planning Act and Part VII (Implementation) of the City's Official Plan allows City Council to designate the whole or any part of the area covered by the Official Plan as a CIPA. On February 6, 2006 City Council approved By-law 2006-32 to designate the entire municipality as a CIPA.

Powers available to municipalities for community improvement purposes, as legislated by the Planning Act and the Municipal Act include:

- Acquiring, holding, clearing, grading, or otherwise preparing land for community improvement (s. 28[3])
- Constructing, repairing, rehabilitating, or improving buildings on municipal land (s. 28[6]a)
- Selling, leasing, or otherwise disposing of municipal land (s. 28[6]b)
- Providing grants or loans to owners, tenants, and their assignees within the community improvement area to pay the whole or any part of identified eligible costs (ss. 28[7] and [7.1])
- Providing property tax assistance for redevelopment purposes (s.28[7.3] by reference to s. 365.1 of the Municipal Act, 2001)

The DCIP is consistent with Section 106(3) of the *Municipal Act*.

1.4 Policy Context/Supporting Policy and Strategy

1.4.1 Provincial Policy Statement

The Provincial Policy Statement (2014) establishes the policy foundation for regulating the development and use of land in Ontario. The PPS provides a framework for building strong healthy communities and efficient use and management of land and infrastructure. The DCIP addresses many Provincial interests identified in the PPS, specifically:

- Promote opportunities for intensification and redevelopment (1.1.3.3)
- Accommodate residential growth through residential intensification and redevelopment (1.4.1)

- Optimizing the use of existing infrastructure and public service facilities and long-term economic prosperity (1.6.3 and 1.7.1a)
- Maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets (1.7.1c)
- Promoting the redevelopment of brownfield sites (1.7.1e)
- Conservation of significant building heritage resources and significant cultural heritage landscapes (2.6.1)

1.4.2 Places to Grow – Growth Plan for Northern Ontario

The Growth Plan for Northern Ontario, 2011, guides provincial decision-making and investment to diversify Northern Ontario's traditional industries, stimulate new investment, and cultivate new sectors. It provides direction to municipalities for managing infrastructure and planning for future growth. The DCIP strongly supports the following policies:

- Contribute to a long-range planning framework for all communities (4.2) designed to achieve the following: economic, social, and environmental sustainability (a); a high quality of place (d); a vibrant, welcoming, and inclusive community identity that builds on unique local features (e)
- Facilitate growth in Strategic Core Areas (4.4) that allows them to function as vibrant, walkable, mixed-use districts (a)
- Undergo targeted approaches to support the revitalization and intensification of the strategic core areas, including:
    - Identification and prioritization of opportunities for the redevelopment of brownfield sites within the strategic core areas
- Strategic core areas with a revitalization strategy in place and incorporated into an OP should be the preferred location for major capital investments

1.4.3 The City of Sault Ste. Marie Official Plan

The City of Sault Ste. Marie Official Plan (OP) places high priority on the enhancement of the Downtown. Section 6.9 describes specific community improvement policies. The OP identifies the Downtown Area (as illustrated in s. 1.5) is designated as a CIPA.

The following OP sections outline specific policies relevant to the Downtown:

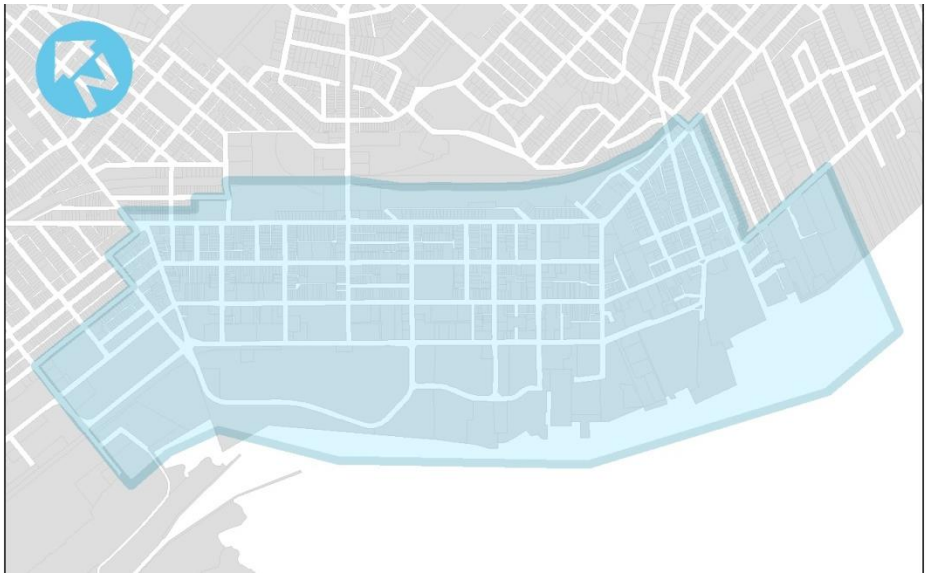
- Part III – Economic Development: Marketing
- Part VI – Social Development: Housing
- Part VII – Physical Development: Built Environment, Urban Design, and Commercial Land Use

1.4.4 The Corporation of the City of Sault Ste. Marie Corporate Strategic Plan

The Corporate Strategic Plan identifies vibrant downtown areas as a priority in the "Quality of Life" focus area. Specifically, the CSP identifies "creat[ing] a vibrant and attractive downtown that contributes to the vitality and resiliency of our City."

1.5 Community Improvement Project Area

The City of Sault Ste. Marie Downtown Community Improvement Plan applies to the downtown area as defined under the City of Sault Ste. Marie Official Plan. The downtown is defined as those properties bounded by or with frontage on **the north** – Wellington Street, including properties on Bruce Street south of Huron Central Railway; **the east –** Church Street and Queen Street East and the easterly property line of the former hospital lands; **the south** – St. Mary's River waterfront; and **the west** – North Street, Cathcart Street, Albert Street West, and Huron Street, including the developments at the old St. Mary's Paper site.



1.6 Companion Urban Design and Façade Improvement Guidelines

The Downtown CIPA is an area of the community that is unique in terms of both built form and function. The Downtown Urban Design and Façade Guidelines will be enforced as a companion document to this CIP to accentuate the unique character of this area. The Guidelines are a tool to establish a design framework for new development and restoration of historic buildings. They establish a shared vision for the look and feel of downtown, including provisions for building form and construction materials and treatments. The guidelines will also direct property owners interested pursuing a façade improvement grant to appropriate materials and general architectural principles.

2.0 The Downtown Community Improvement Plan

2.1 Downtown Vision

In 2007, the City and Downtown Association developed the following vision for the downtown, which remains relevant today:

i) More than a main street – a 'true' neighbourhood:

The downtown is more than a main street (Queen Street). It is more than a place to shop or work; it is a desirable place to live, a place to come from: a 'neighbourhood' in the most traditional sense. The downtown neighbourhood is home to many generations, young and old. It is a desirable and welcoming place for all demographics; families, young professionals, and retirees.

ii) An authentic place:

The downtown neighbourhood is a showpiece in the community yet is also an authentic place that embraces and balances its natural and built heritage and history while accommodating the changing needs and preferences of the community.

iii) A 24/7 neighbourhood

The downtown is a neighbourhood that lives beyond office hours; the streets are not 'rolled up' after 5pm. The new downtown neighbourhood will be alive and active during the day, in the evening, on weekends, and throughout all seasons.

iv) The entertainment and cultural centre of the city

The downtown neighbourhood is the place that the community and its visitors go to entertain and be entertained. It is home to Sault Ste. Marie's premier visitor/tourist and cultural attractions as well as a variety of complementary services, facilities, and events to entertain and fulfill individuals, families, and couples for an afternoon or evening.

v) A marketplace shopping experience

The commercial offerings of the downtown neighbourhood provide a unique experience for Sault Ste. Marie residents. It contrasts the impersonal and corporate nature of big box stores and the Station Mall. Downtown merchants are independent, investing in the neighbourhood, and purveyors of high quality goods and services.

vi) A well-connected place

The physical and visual connections of the downtown neighbourhood are prominent and easy to understand. There are logical and convenient means for pedestrians and vehicles to move into and within the downtown and its various activity and land use nodes.

vii) A safe place

People feel safe downtown. The new downtown neighbourhood is known for its low incidence of crime and accidents. It feels safe and is safe to be out at night, to cross the street and walk along side streets and alleyways.

2.2 The Downtown Strategy

The Downtown Strategy was developed as a comprehensive action plan to achieve the community vision. It is structured around the following six strategic directions, which build on growing investment and address the downtown's systemic challenges:

i) Preserve downtown as commercial, cultural, and administrative core – physically concentrating services, sectors, and industries creates a definable district and generates synergies
ii) Develop a vibrant residential neighbourhood – a critical mass of people living downtown is fundamental to achieving sustainable prosperity. Residents should reflect diverse income levels, ages, and household types.
iii) Encourage active use of downtown spaces – ensuring continual activity and programming in public spaces helps establish a connection to the space and make people feel safe and more comfortable
iv) Facilitate beautiful streets and open spaces – our downtown public realm is what makes Sault Ste. Marie unique. Enhancing the public realm is beneficial for attracting newcomers, specifically youth, and making our city more livable
v) Improve mobility and linkages – making the downtown a more comfortable place for walking and cycling increases accessibility to amenities and services for individuals who do not use vehicles. This is especially critical considering the growing number of seniors living downtown.
vi) Ensure action and collaborative leadership – for the strategy to achieve success, the City must rely on support from community partners. Furthermore, continual dialogue with downtown stakeholders is fundamental to maintain accountability and continual action.

2.3 Goals and Objectives

The DCIP's goals and objectives are based on the strategic directions established in the Downtown Strategy to achieve the community vision. The following goals reflect the targeted nature of the incentive programs incorporated in the DCIP:

- Attract commercial and residential investment to the downtown core that increases commercial and dwelling densities
- Decrease vacancies
- Increase the amount of entertainment, food, and cultural opportunities in the downtown
- Monitor the performance of the DCIP on an ongoing basis as evidence that the goals of the Downtown Strategy are being met

3.0 Incentive Programs

Figure 1: Riverwalk Condominiums



3.1 Municipal Tax Increment Grant for Major Developments

3.1.1 Intent and Eligibility

This program seeks to support the redevelopment of underutilized, vacant, and brownfield sites in Downtown Sault Ste. Marie through a rebate of the Municipal portion of property taxes. Developers are less likely to invest in large-scale projects without incentives. Major investment catalyzes further economic activity and advances DCIP goals including residential intensification, high quality urban design, and promoting mixed use development.

To be eligible for a major development MTIR, an applicant must be:

- Registered owner or assessed owner (or their assignee/agent) of a property
- Located within the CIPA
- Demonstrate investment of over $500,000 in the rehabilitation of an existing downtown property

3.1.2 Funding

The value of the TIEG is equal to the difference between the current tax level of a property – before any redevelopment work – and the future tax level after development is complete and the property is reassessed. This grant is provided on a declining rate basis for a

maximum four year period. When an approved project is complete, a grant will be paid annually by the City to the eligible applicant following the full payment of property taxes.

Year	Percentage of tax increment that is rebated
1	100%
2	75%
3	50%
4	25%
5	0%

3.2 Grant Programs

3.2.1 General Eligibility Requirements

To be eligible for a grant, an applicant must be a registered owner (or their assignee/agent) of a commercially-zoned property within the CIPA **or** tenant of a property within the CIPA with registered owner's written permission to undergo renovations. Properties must not be in tax arrears nor possess any outstanding Building/Fire code violations.

All applications must include a comprehensive design strategy and layout/concept plan for proposed renovations developed by a certified design professional. Applicants must demonstrate the comprehensive nature of their proposed renovations with cost estimates and a proposed timeline for the project. Enforcing a high standard of design for successful grant applicants will contribute to the Downtown Strategy's overarching objectives.

3.2.2 Building Activation Grant for Vacant Spaces

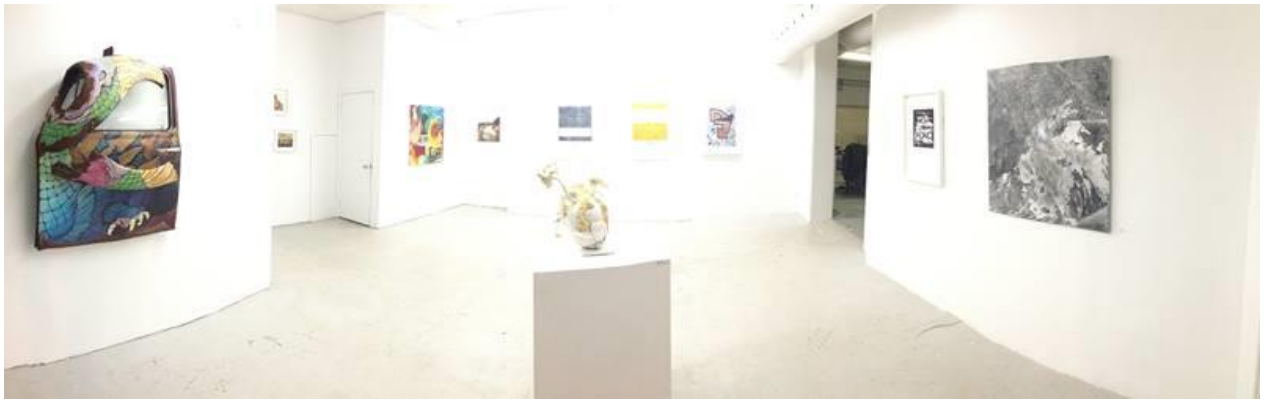


Figure 2: 180 Projects

3.2.2.1 Intent and Eligibility

This grant seeks to increase vibrancy of the downtown core through a target focus on the rehabilitation of vacant commercially-zoned properties. Properties are considered vacant if they qualify for a vacant unit rebate, where the building has been unoccupied for 90 days.

The grant provides developers and property owners with financial support to convert and/or rehabilitated vacant properties into viable commercial and/or residential uses for prospective tenants.

Renovation projects must be comprehensive to quality for the grant; one-off projects and/or piecemeal individual improvements that are not visible, significant transformations will not be considered. Eligible costs for the grant include expenses borne by the applicant relating to materials, labour, equipment, and professional fees associated with building restoration, improvement, and barrier free improvements to the interior of the building. Mechanical and structural upgrades (e.g., roof repair and HVAC replacement) are basic responsibilities of building owners and are therefore ineligible for funding as standalone projects.

3.2.2.2 Funding

Grants are allocated on a matching funds basis up to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant. The grant amount will be determined on the overall investment, quality, and significance of the improvement to the Downtown Area.

3.2.3 Façade Improvement Grant



Figure 3 Arturo Ristorante

3.2.3.1 Intent and Eligibility

This program seeks to enhance the appearance of downtown commercial properties, acknowledging the significant role main street facades play in contributing to a unique identity and character for the downtown. The proposed project must be a comprehensive redesign of the existing façade, not a collection of individual improvements.

Proposed renovations must conform to design parameters identified in the Downtown Urban Design Guidelines. Applications that do not conform to these guidelines will not be successful in obtaining the grant.

An application must include a conceptual drawing from a registered design professional demonstrating colours, materials, signage, lighting, windows, doors, etc. as a precondition for approval.

3.2.3.2 Funding

This grant is administered on a matching funds basis, to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant.

3.2.4 Upper Floor Residential Conversion Grant



Figure 4 Upper Floor Apartments

3.2.4.1 Intent and Eligibility

This grant encourages residential intensification along Queen Street and increase the range of housing options in the downtown core. It assists property owners with the cost of building improvements required to convert upper-storey nonresidential units to residential dwelling units.

Eligible costs include design work, materials, equipment, and contracted labour.

Prior to submitting an application, a consultation meeting with Planning and Building Division staff must occur to identify the scope and any remediation studies required to facilitate a residential conversion. If a Record of Site Condition is required for conversion, the applicant may not submit an application until the RSC is completed.

3.2.4.2 Funding

This grant is administered on a matching funds basis, to a maximum of $15,000.

3.2.5 Rear-Yard Patio Conversion Grant



Figure 5 Rear-yard Patio

3.2.5.1 Intent and Eligibility

This grant encourages businesses to capitalize on underutilized rear yard space by establishing permanent patio infrastructure. Patios are critical components of a vibrant street life.

Eligible costs include materials, labour, and design work required to prepare the patio space. Applications for grants for patios on City property are not eligible.

3.2.5.2 Funding

Grants are allocated on a matching funds basis up to $5,000.

4.0 Implementation and Monitoring

4.1 General Conditions

To be eligible for the program, the applicant must:

- Not be in tax arrears
- Have no outstanding work orders from the City's Building Division and Fire Department – requests to comply must be addressed prior to grant approval

4.2 Activation

This Plan shall come into effect the day after the approval of the adopting by-law, contingent upon securing NOHFC and FedNor funding. The DCIP will remain in effect for three years but may be extended by City Council subject to appropriate review and notice.

4.3 Administration Process

The financial incentive programs offered through this DCIP will be administered by the Planning Division. Grant applications will be reviewed and recommended for Council approval by the Downtown Community Improvement Committee, consisting of representatives from the City's Planning, Building, Engineering, Public Works, and Finance Departments and a certified design professional. Final decisions shall be made by City Council. The City will develop a guide for each incentive program that will assist with interpretation and administration by applicants and staff.

The grant application will require applicants to identify goals and a vision for their proposed project. If the outcome of renovations is not deemed congruent with the works proposed in the initial application for which the grant was approved, the applicant will not be reimbursed. The incentive program guide will provide more information on the application procedure and requirements.

4.4 Amending Policies

City Council will review this CIP at regular intervals to ensure that the intent and project objectives are being met. City Council may discontinue or modify all or part of the program incentives without a formal amendment to the CIP. The addition or increase in value of a grant or loan program shall likewise require an amendment to this Community Improvement Plan.

The monitoring results (empirical, qualitative, and feedback from applicants) will be used to improve the program by recommending adjustments such as eligibility requirements, evaluation, and the administration process. The City may review and adjust the level, terms, and requirements of the financial incentive programs and make adjustments as required.

4.5 Marketing

Program success is contingent upon a comprehensive marketing strategy. The following techniques will be used to raise awareness of the program and achieve desired objectives:

- Harness BIA to serve as community champion for CIP
- City staff outreach to downtown businesses and property owners
- Utilize social media, specifically Facebook and Twitter
- News releases for distribution to local media outlets and the city's webpage
- Information and resource hub on City web page

4.6 Monitoring

Performance measurements are based on the CIP's stated goals and objectives. These indicators align with the strategic objectives identified in the Corporate Strategic Plan. The following are examples of statistics that will be monitored for the evaluation of the DCIP:

- Number of successful applicants
- Project details as proposed by application
- Municipal assessment and taxes prior to commencement of approved project
- Square footage of habitable floor space created
- Square footage of industrial or commercial space rehabilitated or constructed
- Acreage of land remediated and/or redeveloped
- Vacancy rates
- Total value of investment; public vs. private investment; capital works, facilities investment
- Increase in assessed value of property and municipal property taxes upon completion of project
- Total dollar amount granted by tax increment annually
- Number of new businesses created, maintained, expanded, modernized
- Number of new jobs
- Number of new residential units created within the CIPA
- Types of new businesses, e.g., knowledge base, information technology, communication, service, retail, etc.

All successful grant holders will be required to complete a follow-up questionnaire one year following project completion to assist in identifying the impact of grants on individual businesses and the downtown overall.

5.0 Appendices

5.1 Grant Program Summary Table

Name	Objective	Funding
Building Activation Grant for Vacant Spaces	Provides support to convert and or rehabilitate vacant properties into viable commercial and/or residential uses for prospective tenants	Allocated on a matching funds basis to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant.
Façade Improvement Grant	Support to enhance the appearance of downtown commercial properties and the public realm	Allocated on a matching funds basis to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant.
Upper Floor Residential Grant	Encourage residential intensification by incentivizing conversion of upper floor space of commercially-zoned buildings to residential	Allocated on a matching funds basis to a maximum of $15,000
Rear Yard Patio Conversion Grant	Encourages permanent patio infrastructure in the rear yards of commercially zoned properties	Allocated on a matching funds basis to a maximum of $5,000
Municipal Tax Increment Rebate	Support the large-scale redevelopment of underutilized, vacant, and brownfield sites through rebating a portion of municipal property taxes	The value of the rebate is equal to the difference between the current tax level of a property – before any redevelopment work – and the future tax level after development is complete and the property is reassessed. The grant is provided on a declining rate basis.

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Virginia McLeod, Manager of Recreation and Culture**

DEPARTMENT: **Community Development and Enterprise Services**

RE: Designated Heritage Property Grant – Ermatinger Clergue National Historic Site

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PURPOSE

The purpose of this report is to seek Council's approval of a grant of $3,000 toward the cost of work to be completed on the Ermatinger•Clergue National Historic Site which is a designated heritage property.

BACKGROUND

The Sault Ste. Marie Municipal Heritage Committee (S.S.M.M.H.C.) received a Designated Heritage Property Grant application (attached) in April of 2017 from the Historic Sites Board on behalf of the Ermatinger•Clergue National Historic Site to assist with the restoration of the shutters for the Ermatinger Old Stone House, and to also restore the front door and side panels of the Clergue Blockhouse.

The Ermatinger Old Stone House is a heritage building designated under Part IV of the Ontario Heritage Act in 1957 and the Clergue Blockhouse was designated in 1991.

The Sault Ste. Marie Municipal Heritage Committee is a committee of City Council committed to the identification and preservation of buildings, structures and lands that are of cultural and/or historical value or interest, and to initiate and promote a conservation ethic and a climate of responsible stewardship of the community's cultural heritage assets.

The grants do not exceed 67% of the approved project cost and generally limited to a maximum of $3,000 per application, however exceptions have been made.

ANALYSIS

Built by Charles Ermatinger of the North West Company between 1814 and 1823, is the oldest surviving house in North Western Ontario. Constructed when Sault Ste. Marie was still a small fur trading post on the Upper Lakes, this fine house soon became the centre of the districts business and social life, and was noted by such visitors as Lord Selkirk, Anna Jameson, Sir John Richardson, Paul Kane and George Catlin

At their meeting on May 3, 2017 the S.S.M.M.H.C. reviewed the application from the Historic Sites Board which is attached. Restorative intervention is required on half of the shutters for the Ermatinger Old Stone House, and to also restore the front door and its side panels of the Clergue Blockhouse. All of these sections are extremely weather worn, dried out, cracked, and need restoration.

The two restoration projects have been priced at the following:

Shutters – rebuild, paint, and install	$4900
Blockhouse door & side panels restoration	$2000
Total project cost	$6900

The following resolution was passed at the May 3, 2017 meeting of the S.S.M.M.H.C:

Moved by: C. Tossell
Seconded by: S. Meades

"Resolved that the Sault Ste. Marie Municipal Heritage Committee endorse a designated heritage property grant in the amount of $3,000 to the Ermatinger•Clergue National Historic Site for the replacement of shutters and the Blockhouse wood door and side panels according to the application submitted on May 3, 2017 and further that payment of the grant be based upon the paid invoices submitted upon completion of the project and upon final approval of the work by the S.S.M.M.H.C. and further that the funds come from the Designated Heritage Property Grant account and further that a report be sent to City Council for their approval."

CARRIED

FINANCIAL IMPLICATIONS

The 2017 budget for designated heritage property grants is $12,000. This is the first grant application that has been received for the 2017 budget year.

STRATEGIC PLAN / POLICY IMPACT

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

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

"Resolved that the report of the Manager of Recreation and Culture dated 2017 05 29 concerning a designated heritage property grant received from the Historic Sites Board and that the recommendation of the Sault Ste. Marie Municipal Heritage Committee that a grant of $3,000 be provided toward the restoration of the shutters on the Ermatinger Old Stone House and the Clergue blockhouse door and side panels and further that payment be rendered upon submission of the paid contractor's invoices and final approval of the project by the Sault Ste. Marie Municipal Heritage Committee and further that the funds come from the Designated Heritage Property Grant budget, be approved."

Respectfully submitted,



Virginia McLeod
Manager of Recreation and Culture
705.759-5311
v.mcleod@cityssm.on.ca



Sault Ste. Marie Historic Sites Board
Committee of Council
for the
Ermatinger•Clergue National Historic Site

Application for a Designated Property Grant

Applicant:

Historic Sites Board is applying on behalf of the Ermatinger•Clergue National Historic Site

Property for which application is being made:

1) Ermatinger Old Stone House (831 Queen St. E. / part of Site at 800 Bay St.)
2) Clergue Blockhouse (part of Site at 800 Bay St.)

Provide a description of the project and cost breakdown. Include details such as materials to be used, sizes, mortar mixes, etc. Enclose all drawings, project photos and/or other material necessary for a complete understanding of the proposed work (use additional sheets as required). Please include any available historic photographs.

The request for restoration purposes totals $3500 approximately half of the restoration price quoted by the City's PWT carpentry department at $7000.

The work required to be completed is the following:

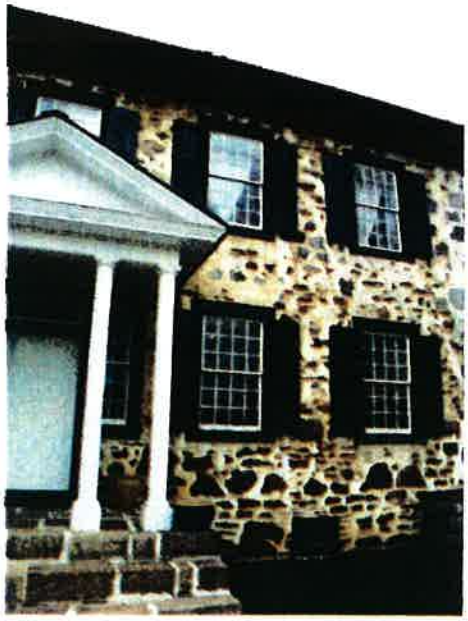
Restorative intervention is required on half of the shutters for the Ermatinger Old Stone House, and to also restore the front door of the Clergue Blockhouse and its side panels. All of these sections are extremely weather worn, dried out, cracked and in the case of the shutters are almost falling apart, and could collapse.

The Clergue Blockhouse front door has only had somewhat of preventative maintenance over the years in which an application of a clear coat marine urethane was used.

Pricing for these two restoration projects have been priced at the following:

- Shutters – rebuild, paint, and install = $4900
- Blockhouse door & side panels – sanded, restored, clear coated, and labour = $2000.

Photos of these two projects:

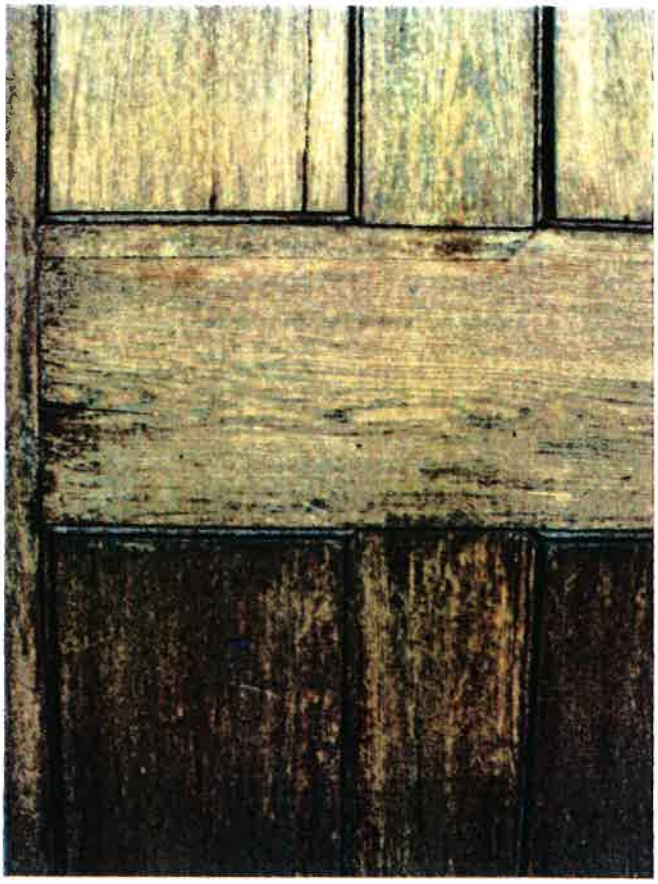


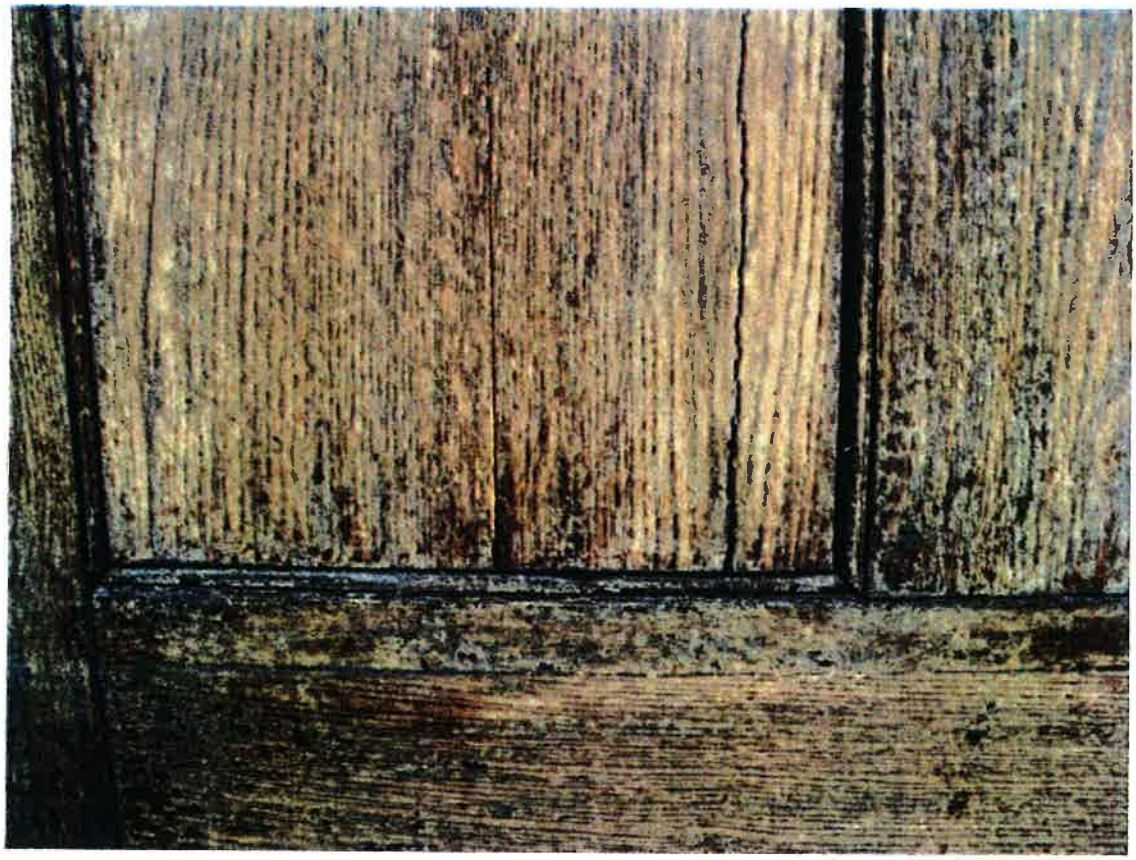












The Historic Sites Board passed a resolution at the April Board meeting to submit this application, in hopes of some financial assistance in maintaining this public historic site.

Moved by: D. Conyers
Seconded by: J. van Haaften

"Resolved that the Historic Sites Board recommend that the Curator, pursue the application to the Municipal Heritage Committee – Designated Property Grant, to request financial assistance in the restoration of the shutters of the Ermatinger Old Stone House, and the front door of the Clergue Blockhouse."

All in Favour
CARRIED

The Ermatinger Old Stone House:
Built by Charles Oakes Ermatinger in 1812-1814, the Ermatinger Old Stone House is a two-storey stone structure built on the north bank of the St. Mary's River near the rapids in Sault Ste. Marie. It has been recognized for its heritage value by the City of Sault Ste. Marie, By-Law 80-112. It has also been recognized by the Historic Sites and Monuments Board of Canada as a National Historic Site of Canada.

Character-Defining Elements
Key elements of the house that reflect its value as an early example of vernacular Georgian architecture include:

- symmetrical facade, hipped roof and multi-pane sash windows
- projecting entrance pavilion with columns and pediment

Key elements of the house that reflect its value as an early example of Quebec house construction techniques include:

-rough cut fieldstone construction in the Quebec masonry style of applying stone of varying sizes to both faces of the walls and covering, un-pointed, with lime mortar
-interior features such as the framing of interior partitions with roughly dressed vertical timbers in a style of framing known as "en colombage"

Significance of Clergue Blockhouse :
In the report for designation, these excerpts were stated:
"the first storey magazine is by far the most important section, and all efforts should be made, at least, to protect this part. The first storey is one of the last surviving Northwest Fur Co. buildings in this province and is the only way of marking the original location of the Fort. Its early date (1819) makes it the second oldest surviving building in the Sault. Stark and simple as this magazine was, and is even now, it is a prime example of an early unadorned, wilderness architecture used by the early fur companies who could not afford nor contend with architectural frills."

"The powder magazine has been greatly altered, but even with these problems in mind, the history of the building, and the history of Sault Ste. Marie makes this building very eligible for designation. The significance of Clergue's arrival in the Sault cannot be underrated."

Attached to this, please find the application form for a designated property grant.

Should you have any further questions or concerns please feel free to contact me on behalf of the Historic Sites Board.

Kathy Fisher
Curator, Ermatinger•Clergue National Historic Site



Sault Ste. Marie Municipal Heritage Committee

APPLICATION FOR A DESIGNATED PROPERTY GRANT

To be completed by the applicant and returned to the Sault Ste. Marie Municipal Heritage Committee, c/o the Manager Recreation & Culture.

Note: In order to be eligible for this grant, properties must be within the City of Sault Ste. Marie and designated under The Ontario Heritage Act, 1975. **For specific criteria refer to the document "Guidelines for the Application of a Designated Property Grant."**

1. Applicant

Name	Telephone (include area code)
Ermatinger Clergue National Historic Site	(705) 759 5443
Address	**Postal Code**
831 Queen St East, Sault Ste Marie, PO BOX 580	P6A 5N1

2. Property for which application is being made:
Ermatinger Old Stone House and the Clergue Blockhouse

3. Have you previously received a Designated Property Grant for this property?

☒ Yes ☐ No (If "Yes, give date and amount)
Front Steps of Old Stone House and Portico

Date	Amount
	$3500

4. Provide a description of the project and cost breakdown. Include details such as materials to be used, sizes, mortar mixes, etc. Enclose all drawings, project photos and/or other material necessary for a complete understanding of the proposed work (use additional sheets as required). Please include any available historic photographs.

Description	Cost
Restoration of Shutters on Ermatinger Old Stone House	$ 4900
Restoration of Front Door – Clergue Blockhouse (quote by P.W.T.)	$ 2000 apx

5. List all sources and amounts of funding requested for project

		Amount
Heritage Grant Amount		$ 3500
Other Level of Government Funding	Municipal Historic Sites Board Operating Budget	$ 3400
Private Funds		$ aproximate

I certify that to the best of my knowledge the information provided in this application for a Designated Property Grant is accurate and complete.

Applicant [signature] on behalf of the Historic Sites Board **Date** April 26, 2017

Nothing contained in this application relieves the applicant from obtaining required Municipal Permits. All work must be carried out in accordance with the requirements of the Ontario Building Code, Municipal By-laws and the City of Sault Ste. Marie Purchasing Policy.

To be completed by the applicant and returned to the Sault Ste. Marie Municipal Heritage Committee c/o the Manager of Recreation and Culture

Personal information on the Application for a Designated Property Grant is collected under the authority of the Municipal Freedom of Information and Protection of Privacy Act R.S.O. 1990 M.C.M. 56 and will be used solely to determine applicable information necessary for application. Questions about this collection should be directed to the Sault Ste. Marie Municipal Heritage Committee, c/o the Manager of Recreation & Culture Division.

jb/lacac/forms/application for a designated property grant 2009

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

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

DEPARTMENT: **Public Works and Engineering Services**

RE: **Reconstruction of Grace Street – Bruce Street to Elgin Street**

PURPOSE

The purpose of this report is to obtain approval to award Contract 2017-4E. The project includes the reconstruction of Grace Street from Bruce Street to Elgin Street.

BACKGROUND

In the current Five Year Capital Road Reconstruction Plan, the reconstruction of Grace Street is planned for 2017.

Tenders received for Contract 2017-4E were opened at a public meeting Thursday, May 11, 2017 in the Plummer Room of the Civic Centre. Present at the opening was Deputy City Clerk Rachel Tyczinski as well as City staff and contractor representatives.

ANALYSIS

A total of five (5) tenders were received. All tenders submitted were found to be complete and are summarized on the attached summary. The low tender of $1,192,539.56 (including HST) was received from Avery Construction Limited. This is below the City's pre-tender estimate of $1,500,000.

FINANCIAL IMPLICATIONS

When recoverable HST and PUC costs are removed, the City's cost to complete this project is projected to be $792,583. This is below the allocation in the 2017 capital budget of $915,000. When individual budget allocations are considered, the project is under the urban only allocation by $34,298, it is under the overall capital allocation by $96,293 and over the sanitary sewer budget by $8,174.

STRATEGIC PLAN / POLICY IMPACT
This report is linked to the new infrastructure focus area of the strategic plan.

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

Resolved that the report of the Design & Construction Engineer dated 2017 05 29 concerning the reconstruction of Grace Street, be received and the recommendation that Contract 2017-4E be awarded to Avery Construction Ltd., be approved.

By-law 2017-116 authorizing execution of Contract 2017-4E and By-law 2017-117 authorizing the road closure of Grace Street from Bruce Street to Elgin Street from May 30, 2017 until October 31, 2017 appear elsewhere on the Agenda and are recommended for approval.

Respectfully submitted,



Carl Rumiel, P. Eng.
Design & Construction Engineer
705.759.5379
c.rumiel@cityssm.on.ca

Attach.

The Corporation of the City of Sault Ste. Marie

Public Works & Engineering Services

2017 05 15
Our File: Contract 2017-4E

CONTRACT 2017-4E

RECONSTRUCTION OF GRACE STREET

SUMMARY OF BIDS

CONTRACTOR	TOTAL BID PRICE
Avery Construction	$1,192,539.56
Palmer Construction Group	$1,247,107.09
Ellwood Robinson Limited.	$1,325,462.08
**Trimount Construction Group	~~$1,461,965.41~~ $1,460,776.70
**Belanger Construction	~~$1,587,258.34~~ $1,958,463.34
Pre-Tender City Estimate	$1,500,000.00

** Note : Belanger Construction and Trimount Construction Group bid price was corrected by Engineering Staff due to mathematical errors which were not consistent with unit prices-- Unit Price Govern as per Special Provision)

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

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

DEPARTMENT: **Public Works and Engineering Services**

RE: **Reconstruction of Franklin Street – Henrietta Avenue to Laura Street**

PURPOSE

The purpose of this report is to obtain approval to award Contract 2017-5E. The project includes the reconstruction of Franklin Street from Henrietta Avenue to Laura Street.

BACKGROUND

In the current Five Year Capital Road Reconstruction Plan, the reconstruction of Franklin Street is planned for 2017.

Tenders received for Contract 2017-5E were opened at a public meeting Thursday, May 18, 2017 in the Korah Room of the Civic Centre. Present at the opening was Deputy City Clerk Rachel Tyczinski as well as City staff and contractor representatives.

ANALYSIS

A total of five (5) tenders were received. All tenders submitted were found to be complete and are summarized on the attached summary. The low tender of $1,667,107.09 (including HST) was received from Palmer Construction Group Inc.

FINANCIAL IMPLICATIONS

When recoverable HST and PUC costs are removed, the City's cost to complete this project is projected to be $1,154,248. This is below the allocation in the 2017 capital budget of $1,440,000. When individual budget allocations are considered, the project is under the urban only allocation by $65,532, it is under the overall capital allocation by $178,087 and over the sanitary sewer budget by $42,132.

STRATEGIC PLAN / POLICY IMPACT
This report is linked to the new infrastructure focus area of the strategic plan.

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

Resolved that the report of the Design & Construction Engineer dated 2017 05 29 concerning the reconstruction of Franklin Street, be received and the recommendation that Contract 2017-5E be awarded to Palmer Construction Group Inc., be approved.

By-law 2017-120 authorizing execution of Contract 2017-5E and By-law 2017-121 authorizing the road closure of Franklin Street from Henrietta Avenue to Laura Street from May 30, 2017 until October 31, 2017 appear elsewhere on the Agenda and are recommended for approval.

Respectfully submitted,



Carl Rumiel, P. Eng.
Design & Construction Engineer
705.759.5379
c.rumiel@cityssm.on.ca

Attach.

The Corporation of the City of Sault Ste. Marie

Public Works & Engineering Services

2017 05 19
Our File: Contract 2017-5E

CONTRACT 2017-5E

RECONSTRUCTION OF FRANKLIN STREET

SUMMARY OF BIDS

CONTRACTOR		TOTAL BID PRICE
Palmer Construction Group		$1,667,107.09
**Avery Construction	~~$1,967,791.10~~	$1,967,745.90
**Trimount Construction Group	~~$2,056,553.15~~	$2,057,863.52
**Ellwood Robinson Limited.	~~$2,096,844.78~~	$2,060,784.79
**Belanger Construction		$2,167,100.44
Pre-Tender City Estimate		$2,500,000.00

** Note : Avery Construction, Trimount Construction Group and Ellwood Robinson Limited bid price was corrected by Engineering Staff due to mathematical errors which were not consistent with unit prices-- Unit Price Govern as per Special Provision)

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

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

DEPARTMENT: **Public Works and Engineering Services**

RE: **McNabb Street to Pim Street Drainage Improvements**

PURPOSE

The purpose of this report is to obtain approval to award Contract 2017-3E. The project includes the replacement of a storm sewer from Pim Street to Poplar Park as well as construction of a storm water management pond in the ravine between Pim Street and Gladstone Avenue.

BACKGROUND

The 2017 Capital Construction Plan includes the McNabb Street to Pim Street Drainage Improvements. At the meeting of Council on 2016 10 11, Council designated this project as the candidate for formula based Clean Water and Waste Water Fund (CWWF) program announced by the Provincial and Federal Governments. The City is currently waiting for an announcement that it will receive the funds for this project.

Tenders received for Contract 2017-3E were opened at a public meeting Tuesday, April 25, 2017 in the Steelton Room of the Civic Centre. Present at the opening was Deputy City Clerk Rachel Tyczinski as well as City staff and contractor representatives.

ANALYSIS

A total of three (3) tenders were received. All tenders submitted were checked by the consultant and found to contain minor mathematical errors which were corrected. Otherwise they were all complete and are summarized on the attached report from Tulloch Engineering. The low tender of $7,660,728.78 (including HST) was received from Boyer Construction Limited. This is well above the City's total project budget of $5,300,000, and the consultants estimate of $6,871,515.

While it is difficult to explain why there is such a variance between the budget allowance and the tendered price, there are some reasons worth noting. Tulloch Engineering completed the Environmental Assessment (EA) for this project in

2016 and prepared a preliminary construction estimate at approximately $4.6M. Below are some reasons for the overrun:

1) During the EA process, it was determined that the sewer to be replaced was originally constructed in the 1960s at the bottom of an old ravine and possibly filled with refuse and “spring clean-up”. It was not until the detailed design phase of the project was underway that the geotechnical investigation commenced and confirmed the presence of significant amounts of refuse which will require disposal at the City landfill and replacement with clean fill.
2) During the geotechnical investigation it was also discovered that there was an unusually high water table for this area and there may be significantly increased construction costs to manage groundwater conditions throughout the deep excavation.
3) Utility relocations and support costs to accommodate the deep excavation crossings exceeded the EA estimate by $75,000. This overrun is also attributed in part to the points made in 1 and 2.
4) The required project schedule to meet the funding requirement deadline of March 31, 2018 is also attributable to the escalation in costs.

The Engineering Division does not recommend awarding this project as is. In an attempt to fit this project in the 2017 budget, the Engineering Division and Tulloch Engineering entered into a negotiation with Boyer Construction to reduce the scope of work to a point that would fit into the budget.

The resulting reduced scope of work for this project will include all storm water management work in the ravine, replacement of the box culvert under Gladstone Avenue, replacement of the storm sewer from Pim Street to 40 meters north into Poplar Park and replacing the failed corrugated steel pipe that drains the Monterey Gardens Subdivision from Poplar Avenue through the Canadian Motor Hotel property. The storm sewer northerly through Poplar Park will not be replaced as part of this project and will be re-prioritized in future Capital Plans for replacement. This reduced scope of work will result in a total tender value of $4,790,259 (incl. non-recoverable HST).

During construction, a six week closure of Pim Street will be required at which time a detour will be in place.

FINANCIAL IMPLICATIONS

When allowance for engineering, utility relocations and property acquisitions are added, the cost to complete this project is projected to be $5,538,542. It is anticipated that the City will receive CWWF funding of $3,296,751, leaving a City share of $2,241,791. This is above the allocation in the 2017 capital budget of $2,013,250. The Finance Department has confirmed that the overage of $198,257 can be accommodated within the 2017 capital construction budget.

STRATEGIC PLAN / POLICY IMPACT
This report is linked to the new infrastructure focus area of the strategic plan.

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

Resolved that the report of the Design & Construction Engineer dated 2017 05 29 concerning the Revised McNabb Street to Pim Street Drainage Improvements, be received and the recommendation that Contract 2017-3E be awarded to Boyer Construction Ltd., be approved conditional on the Provincial and Federal Governments announcing the City is to receive their formula-based share of the CWWF funding of $3,296,751.

By-law 2017-118 authorizing execution of Contract 2017-3E and By-law 2017-119 authorizing the road closure of Gladstone Avenue at approximately 100m north of MacDonald Avenue and Pim Street at approximately 200m north of MacDonald Avenue from May 30, 2017 until October 31, 2017 appear elsewhere on the Agenda and are recommended for approval.

Respectfully submitted,



Carl Rumiel, P. Eng.
Design & Construction Engineer
705.759.5379
c.rumiel@cityssm.on.ca

Attach.

TULLOCH ENGINEERING

71 Black Road
Unit 8
Sault Ste. Marie, ON
P6B 0A3

T. 705 949.1457
F. 705 949.9606
TF. 866 806.6602
saultstemarie@TULLOCH.ca
WWW.TULLOCH.ca

May 12, 2017
16-1173

The Corporation of the City of Sault Ste. Marie
Engineering Department - Level V
99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

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

Re: **Contract 2017-3E**
McNabb Street Drainage Improvements
Tender Report

Dear Sir:

Provided herein is our Tender Evaluation Report and recommendations for the tenders received for City Capital Project 2017-3E, McNabb Street Drainage Improvements.

Project Description

The tendered work generally consists of the replacement of storm sewer from the Canadian Tire driveway entrance on McNabb Street, crossing McNabb Street and traversing southerly through the parking lot of Algoma Family Services, Poplar Park, the parking lot of the Canadian Motor Hotel and crossing Pim Street before discharging to the ravine south of Great Lakes Honda. In order to reduce the risk of flooding to areas within the downtown, the ravine will be used as a stormwater management area and thus requiring the replacement of the culvert under Gladstone Avenue and the construction of an outlet flow control structure.

Tendering of the Works

The call for tenders was advertised in the City Information Column of the Sault Star on Saturday March 25th, 2017 and with the Sault Ste. Marie Construction Association. The call for tenders was picked up by National Tender Advertising websites such as MERX. Copies of the Contract Documents were available at the City of Sault Ste. Marie Engineering Department, the Sault Ste. Marie Construction Association and the office of the Consultant.

Four (4) Addenda were issued to the contract on April 17th, 19th, 21st and 23rd respectively. Tenders closed at the Civic Centre on April 25th, 2017 at 3:00 pm and were opened publically by representatives of the City and TULLOCH Engineering Inc. at approximately 3:15 pm on the same day.

Tender Prices

Three (3) tenders were received for the works. The tender prices including HST, as read at the tender opening were as follows:

Contractor	Total Tender Price	Rank
Boyer Construction Ltd.	$7,659,508.38	1
Avery Construction Ltd.	$8,204,790.59	2
R.M. Belanger Construction Ltd.	$8,219,292.98	3

The tenders were checked for arithmetic accuracy, and minor errors were noted in all three (3) tenders. The table below lists the corrected tender prices including HST. Note that the corrections changed the ranking of the second and third bids received.

Contractor	Total Tender Price	Rank
Boyer Construction Ltd.	$7,660,728.78	1
R. M. Belanger Construction	$8,122,677.98	2
Avery Construction Ltd.	$8,204,831.33	3

All the tenders were submitted with the appropriate Tender Deposit in the amount of $250,000.00, Agreements to Bond and other required documentation. The Tender Deposit cheques were retained by the City for safe keeping. The submitted tenders all included a Contingency Allowance in the amount of $200,000.00.

The pre-tender estimate for the work was $6,871.514.59. To our understanding, the City of Sault Ste. Marie's budget for this project is approximately $5,300,000.00.

Tender Evaluation

Pricing Evaluation

TULLOCH Engineering completed the Environmental Assessment for this project in February of 2016. Within, a preliminary pre-design cost estimate based on 2015 and other historical construction prices was prepared estimating the total construction cost at $4,598,850.00, excluding HST, substantially below our pre-tender estimate of $6,080,986.26 (excl. HST) and the low bid of $6,779,406.00 (excl. HST). In recent years we have seen significant inflation in construction costs far exceeding CPI inflation rates, however; while inflation in construction costs would affect the cost estimates, other far more significant considerations have affected the submitted pricing, as follows:

- Refuse Used as Fill Material within Old Ravine

  During the EA process, it was identified that an existing ravine (being the extension of the ravine west of Honda) was filled during the early to mid-1960's. The pipe proposed for replacement is assumed to have been placed at the bottom of the ravine prior to filling operations. Further, it was suspected that the fill material could contain refuse material

from the 'Spring Clean-up Program' the City used to participate in. The actual existence, extent and nature of the fill could not be determined to any degree of accuracy during the EA process until a subsurface geotechnical investigation was completed during the design phase of the project. The completion of the geotechnical investigation, which included advancing both boreholes and test pits, confirmed the presence of significant amounts of refuse which, when excavated, requires disposal at the landfill and thus also requires the importation of 'clean' fill back to the site, adding significant construction costs.

- Water Table

A surprising finding also noted during the subsurface geotechnical investigation was the elevation of the water table within the fill areas. Water table elevations typically found in and around ravine areas along the perimeter of the Sault's escarpment have water tables at or below the bottom of the ravines and rising to within 3 m of the ground surface at relatively short distances past the crests of the tops of the ravines. Our expectation was that these groundwater conditions would remain despite the disposition of fill, however; we encountered water within the fill areas near the surface. Possible explanations for this condition include localized perched water (water located within an impermeable tub caused by fill operations) or an area of impermeable fill near Pim Street that is acting as a dam and preventing the draining of the water within the filled ravine. The dewatering, management and control of groundwater has resulted in a significant increase in construction costs.

- Third Party Costs

PUC electrical costs for the temporary works of disconnecting and relocation of plant and for the upgrading of plant for span purposes exceeded 2014 Environmental Assessment estimates by $75,000. Further, due to redundancy and risk considerations, neither of Pim Street, McNabb Street, nor Gladstone Avenue's watermain can be temporarily capped at the project's extent while storm sewer replacement occurs thus requiring large diameter temporary watermain 'looping'. Further, an additional hydrant was required on Pim Street to meet National Fire Protection Association (NFPA) spacing requirements and the watermain on McNabb Street required relocation to meet current separation standards dictated by MOECC.

- Project Risk

At least one Contractor cited concerns with the existing structural conditions of at least two of the structures in the general vicinity of the work areas, and the potential for both substantial additional shoring/protection requirements and insurance claims. The costs of both were incorporated into the bid value. This specific example was a common theme among the bidding contractors with respect to overall project risk. Accordingly, the general opinion of bidders is that the project carried substantial monetary risks with it.

Another bidder provided correspondence to us generally explaining their construction methodology considering the difficulties of the project such as; the depth of excavations, variability of fill soils/refuse and its impacts to volume of excavation and health and safety (Ministry of Labour) requirements, the size and weights of the proposed pipe and manhole structures and the proximity to private property. The methodology described to mitigate the risks played a significant part and was a major escalator to the bid value.

- Schedule

The final cost escalator we wish to bring attention to is the project duration or schedule completion dates. The project completion dates are provided later in the report. This is a very large project for any one local contractor to complete. As we noted from last year's reconstruction of Second Avenue, a $4.5 million dollar contract is generally the limit of what can be accomplished within a single construction season. As reported by contractors, this project was going to require 2-3 concurrent controlling operations in order to meet completion dates.

Revisions to Project Scope

In order to meet City budget requirements, TULLOCH Engineering and City staff entered into formal negotiations with the low bidder, Boyer Construction to:

i. Reduce the scope of the project for this year and retender the remaining work when additional capital is available;
ii. Identify cost saving items and measures; and,
iii. Revise design to suit project staging with appropriate pricing.

The resulting revised scope of the project includes all stormwater management works, the replacement of the box culvert under Gladstone Avenue, and the replacement of storm sewer from the Pim Street ravine outfall across Pim Street, through the Canadian Motor Hotel and ending approximately 40 m north into Poplar Park. The failed corrugated steel pipe draining the Monterey Gardens Subdivision from Poplar Avenue through the Canadian Motor Hotel property also remains within the proposed scope of work. The storm sewer replacement from within Poplar Park northerly to the north side of McNabb would remain and require replacement when capital funds permit.

Revised Pricing

After revision to the project scope, item quantity revisions, inclusion of identified cost savings items, design changes and adjustments due to overhead, the total revised tender price including HST is $5,319,371.49.

Completion Dates

The contract documents require that all work be completed by November 30th, 2017 with the exception of restoration work and work within Poplar Park. However, the contract also states that the above completion date is in effect provided the official order to start work is issued on or before May 12th. For every calendar day delay in issuing the written order to start work for the contract beyond May12, one calendar day extension will be added to the specified completion date. Based on our discussions with the contractor with respect to the revisions in scope and delay in award of contract, the Contractor has agreed to complete all work and maintain specified schedules and deadlines provided the official order to start work is issued on or before June 2nd, 2017.

Due to the revised limits of construction, only limited work within the park is required. All work within both the road allowance of Gladstone Avenue and Pim Street must be completed by October 29th, 2017. We also note that Pim Street may only be closed to through traffic for a

maximum duration of six (6) weeks. A bonus/penalty clause exists within the contract to motivate the contractor to meet this schedule obligation.

TULLOCH Engineering's Experience with the Low Bidder

TULLOCH Engineering is very familiar with Boyer Construction and has worked with them on several projects. Boyer Construction's Tender Submission – Statement Sheet CD1, Tenderer's Experience on Similar Projects listed ten (10) projects exceeding 1.4 million dollars in value dating back to the year 2008. Of the ten (10) projects listed, eight (8) projects are for the City of Sault Ste. Marie and Boyer is listed as the General Contractor on seven (7) of these.

As part of our due diligence in assessing the qualifications of Boyer Construction, we have solicited comments from the Contract Administrators of each of the past three (3) projects, being the City of Sault Ste. Marie for both the reconstruction of Francis Street and McMeeken Street and AECOM for the reconstruction of Queen Street. As of the date of this report, we have received comments from City staff only. Comments with respect to the reconstruction of Queen Street are based on the Report to Council for the award of Contract 2014-3E Reconstruction of London Street dated May 12, 2014.

City Staff is no doubt aware of the reported performance of Boyer Construction on the 2013 Queen Street Reconstruction project. As a result, TULLOCH Engineering requested and subsequently received from Boyer Construction written assurances addressing the potential paucity of commitments to the project. TULLOCH Engineering is satisfied that the methodology proposed by Boyer Construction is reasonable to complete the project within the specified completion dates.

With respect to the Reconstruction of McMeeken Street and Francis Street, the following comments were supplied by the Contract Administrators:
"Boyer was the general contractor on City Contract 2016-3E – Reconstruction of Francis Street. Boyer's overall performance on the project was good and the City's objectives were all met. Any delays experienced on the project were all outside the control of the contractor."

And with respect to Boyer as a subcontractor to Ellwood Robinson Construction Ltd. for the reconstruction of McMeeken Street – City Contract 2015-3E;
"Their (Boyer) performance was satisfactory on this project. There were some delays in their production that I would say consistent with performance of other contractors in the City".

Based on the aforementioned, the assurances provided to us by Boyer Construction and with due consideration to the City's Contractor Prequalification requirements per By-Law 2016-143, TULLOCH Engineering is of the opinion Boyer Construction has sufficient experience, equipment and manpower to complete the project satisfactorily in the allotted timeframe.

Tender Validity

The tender contract documents stipulated that tenders be held open for acceptance for a period of 60 days following the closing date, or until June 24th, 2017.

Approvals

Two (2) Environmental Compliance Approvals (ECA's) from the Ministry of Environment and Climate Change (MOECC), under the Ontario Water Resources Act are required on this project prior to commencing with the applicable scope of construction. The first ECA application is required for sewer works and has been submitted under the Transfer of Review Program through City staff, and we expect to receive the approval shortly. The second application is required for stormwater management works and as required, has been directly submitted to the MOECC. The application has been received and we are currently awaiting completion of their review. Work within the ravine cannot proceed until this approval has been received.

The waterworks portion of the contract is pre-approved under PUC's Drinking Water Works Permit (DWWP) and the appropriate documentation is on file with PUC Services Inc.

Recommendation

TULLOCH Engineering Inc. recommends that the City award the tender to 1531161 Ontario Inc. operating as Boyer Construction for a revised Total Tender Price of $5,319,371.49 (inclusive of HST) subject to funding availability and receipt of Certificates of Approvals for both sewage works and stormwater management works from the Ministry of Environment and Climate Change.

Tender Deposit Cheques

We recommend that the tender deposit cheques of 1531161 Ontario Inc. O/A Boyer Construction and R.M. Belanger Ltd, the two low bidders be retained until such time as a contract has been executed between the City and Boyer Construction. The remaining tender deposit cheque from Avery Construction Ltd. should be returned.

Conclusion

Enclosed with this report, please find the original copies of the submitted Tenders, a copy of the revised Schedule of Prices, together with a completed Agreement for your use at Council. Contract documents for execution are being finalized and will be forwarded to Boyer Construction once official award of contract has been determined.

The above is respectfully submitted. If you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,
TULLOCH Engineering Inc.



John V. McDonald, P.Eng.
Project Manager

JVM/bt

Encls.

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

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

DEPARTMENT: **Public Works and Engineering Services**

RE: **East End Sewage Treatment Plant Primary Clarifiers and Bioreactor Engineering Agreement**

PURPOSE

The purpose of the report is to request approval for the Engineering Agreement with Tulloch Engineering for the East End Sewage Treatment Plant Primary Clarifiers and Bioreactor engineering services.

BACKGROUND

Council approved retaining Tulloch Engineering at the May 8, 2017 Council meeting for the above noted work.

ANALYSIS

It is routine procedure for Public Works and Engineering Services to seek Council's approval to authorize agreements for engineering services.

FINANCIAL IMPLICATIONS

The recommended consultant's $275,000 fee (excluding HST) for the project can be accommodated within the annual emergency fund budget allowance.

STRATEGIC PLAN / POLICY IMPACT

The report links to the Strategic Plan focus area of infrastructure, and specifically maintaining existing infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

The relevant By-law 2017-115 is listed elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

C. Taddo

Catherine Taddo, P. Eng.
Land Development and Environmental Engineer
705.759.5380
c.taddo@cityssm.on.ca

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Jeffrey King, Solicitor/Prosecutor**

DEPARTMENT: **Legal Department**

RE: **Catalina Motel Gazebo Licence of Occupation**

PURPOSE

The purpose of this report is to request Council's approval of a Licence of Occupation (the "Agreement") between the City and Elmer Kars, owner of the Catalina Motel (the "Licencee"), to permit the Licencee to keep a gazebo on a portion of City property.

BACKGROUND

On November 1, 2000 the City entered into an agreement with Elmer Kars to permit him to erect a gazebo that is partly on City property adjacent to the Catalina Motel located at 259 Great Northern Road. A new agreement is necessary to satisfy the City's new insurance requirements.

ANALYSIS

In order for the Licencee to continue to use City property for its gazebo, a new agreement with updated insurance requirements is necessary.

The Agreement requires that the Licencee carry a minimum of Five Million ($5,000,000.00) Dollars insurance and provide proof of same in a form that is satisfactory to our Risk Manager.

FINANCIAL IMPLICATIONS

Not applicable.

STRATEGIC PLAN / POLICY IMPACT

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2017-110 authorizing the execution of a Licence of Occupation between the City and Elmer Kars, owner of the Catalina Motel, appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

Jeffrey King
Solicitor/Prosecutor

JK/md

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The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Melanie Borowicz-Sibenik**

DEPARTMENT: **Legal Department**

RE: **POA Wawa Satellite Court Licence of Occupation**

PURPOSE

The purpose of this report is to request Council's approval for a Licence of Occupation (the "Agreement") between the City and The Corporation of the Municipality of Wawa (the "Municipality") for the City's use of office space to conduct Provincial Offences Court.

BACKGROUND

As Council is aware, the City is responsible for Provincial Offices administration and prosecution. In addition to the court facility at the Civic Centre in Sault Ste. Marie, the City operates a satellite court in Wawa. Since March 21, 2001 the City has entered into Licence of Occupation agreements with the Municipality to lease space in its Municipal Office to hold court approximately once per month.

The Agreement is now due to be renewed.

ANALYSIS

The Agreement is for a term of five (5) years, commencing June 19, 2017 and terminating on June 18, 2022 (the "Term"). The cost of renting the facility is $3,130.08 annually for a maximum fifteen (15) days usage per year. If additional court days are required, the City is required to pay to the Municipality $207.04 for each extra day.

The Agreement requires that the City's Court Liaison and the Clerk of the Municipality arrange court dates and times as soon as same are provided by the Senior Regional Justice of the Peace. The Agreement also requires that the Municipality make reasonable efforts to accommodate the City in the event that the Agreement is terminated.

FINANCIAL IMPLICATIONS
The financial impact of the Agreement is as set out above and funded through POA revenues.

The annual rental amount and fee for additional days shall increase by the annual change in the Consumer Price Index (CPI) for Canada from the previous year on March 16th of each year of the Term.

In 2016, the City's rent was $3,017.51. The fees are therefore consistent with fees paid by the City to the Municipality in previous years.

STRATEGIC PLAN / POLICY IMPACT
Not applicable.

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

By-law 2017-111 authorizing the execution of a Licence of Occupation between the City and The Corporation of the Municipality of Wawa appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,



Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior Litigation Counsel

MBS/md

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The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Nuala Kenny, City Solicitor**

DEPARTMENT: **Legal Department**

RE: **CP Limited Welcome Sign Agreement**

PURPOSE

The purpose of this report is to request Council's approval for a Licence Agreement (the "Agreement") between the City and Canadian Pacific Railway Company ("CP Railway") to permit the City to maintain a welcome sign on CP Railway's property.

BACKGROUND

Since 1966, the City has leased from CP Railway property at the east entrance to Sault Ste. Marie upon which is located the City's "Welcome" sign (the "Sign"). The current lease has expired.

ANALYSIS

In order for the City to continue to maintain the Sign, a new lease agreement is necessary.

The Agreement is for a term of four (4) years and contains minimum safety provisions that must be satisfied by the City. Both CP Railway and the City may terminate the Agreement at any time on 90 days' notice.

FINANCIAL IMPLICATIONS

The Agreement requires that the City pay CP Railway annual rent in the following amounts: $695.57 for 2016, $716.44 for 2017, $737.93 for 2018, and $760.07 for 2019. This is consistent with payment increases in previous years.

STRATEGIC PLAN / POLICY IMPACT

This Agreement supports the Quality of Life element of the City's Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

By-law 2017-109 authorizing the execution of a Licence Agreement between the City and CP Railway appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

Nuala Kenny
City Solicitor

NK/md

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The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO:	**Mayor Christian Provenzano and Members of City Council**
AUTHOR:	**Peter Niro, Director of Human Resources**
DEPARTMENT:	**Corporate Services**
RE:	**Scent Policy**

PURPOSE

The purpose of this report is to advise regarding the City's Scent Sensitivity Guideline.

BACKGROUND

The following resolution was passed on April 10, 2017:

Moved by: Councillor M. Shoemaker
Seconded by: Councillor S. Myers

Whereas many suffer from various respiratory illnesses that can be triggered by scents, air quality and other environmental factors; and

Whereas those who suffer from various respiratory illnesses can experience shortness of breath, lightheadedness, drowsiness and many other symptoms; and

Whereas it is prudent for the City of Sault Ste. Marie to review and ensure its policies are appropriate and in line with those of other municipalities in Ontario;

Now Therefore Be It Resolved that staff be directed to determine if the City of Sault Ste. Marie has a policy on scents, air quality and environmental factors for City owned properties, and if so, to review it to ensure conformity with best practices across Ontario

Further Be It Resolved that if staff determine the City of Sault Ste. Marie has no policy on scents, air quality and environmental factors for City owned properties, that they be directed to draft and recommend a policy for approval.

ANALYSIS
Human Resources Policy #5-41, *Scent Sensitivity Guideline* (last revised in 2013) is attached. This guideline recognizes that some workers may experience health effects from exposure to manufactured scented products in the workplace and ensures that all workers act in a respectful manner and whenever possible refrain from using chemical-based products that can place other workers at risk for health problems and reactions. The guideline was developed referencing best practices of other municipalities and local public sector organizations. The current policy was developed based on existing policies from Halton Region, York Region, City of London, City of Kitchener, Near North District School Board (North Bay) and York Catholic School Board.

The Northern municipalities were canvassed and we found that the following:

- City of Sudbury is currently revising their former policy that was not manageable, therefore no policy at the present time.

- City of Timmins found the policy unmanageable and decided to do away with it similar to Sudbury, therefore no current policy

The Municipalities of Thunder Bay and North Bay have not responded.

The guideline details supervisor and worker responsibilities related to scented products and describes the procedure for addressing concerns.

Signage is posted at City facilities asking workers, contractors and visitors to refrain from using scented products when attending these sites.

With respect to air quality and environmental factors, the City of Sault Ste. Marie takes steps to remain compliant with all regulations related to indoor air quality such as the Ministry of Labour's *Occupational Health & Safety Act* and Health Canada's *Exposure Guidelines for Residential Indoor Air Quality* along with generally accepted standards such as the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) *Thermal Environmental Conditions for Human Occupancy Standard.*

FINANCIAL IMPLICATIONS
There is no financial impact.

STRATEGIC PLAN / POLICY IMPACT
The policy aligns with our corporate values of respecting employees and valuing employees through initiatives/policies ensuring a healthy workplace.

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

Resolved that the report of the Director of Human Resources dated 2017 05 29 concerning Scent Policy be received as information.

Respectfully submitted,



Peter Niro
Director of Human Resources
705.759.5366
p.niro@cityssm.on.ca

SUBJECT:	**SCENT SENSITIVITY GUIDELINE**	
File in Section:	**HEALTH AND SAFETY**	
Revision Date:	January 22, 2013	**Page 1 of 7**
Supersedes Date:	NIL	
Approved by:	Senior Management Team	

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1.0 Purpose

1.1 To recognize that some workers may experience health effects from exposure to manufactured scented products in the workplace.

1.2 To ensure that every reasonable precaution is taken to provide a healthy and safe work environment for all workers.

1.3 To ensure that all workers act in a respectful manner and whenever possible refrain from using chemical-based products that can place other workers at risk for health problems and reactions.

1.4 To heighten awareness of the increasing issue of workplace sensitivities.

1.5 To ensure that scent free products are used whenever possible.

2.0 Scope

2.1 This guideline applies to all workers, contractors and visitors in City of Sault Ste. Marie worksites.

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File in Section:	**HEALTH AND SAFETY**	
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3.0 Background

3.1 Chemical/fragrance sensitivity is the inability to tolerate even low levels of exposure to chemicals in the environment.

3.2 Chemicals and fragrances in the workplace, such as perfumes, aftershave, colognes, air fresheners, scented candles, hair products, nail polish, paints, flowers, scented body lotions, hand creams, sanitizers, aerosol sprays and cleaning products can trigger a variety of reactions for a sensitive worker.

3.3 Some chemicals are respiratory irritants, and may trigger sensitivities or aggravate asthma and / or allergies in certain workers. Symptoms and reactions can range from mild to severe, such as:

- Watery eyes
- Sneezing
- Coughing
- Wheezing
- Airway constriction
- Sore throat
- Migraines
- Dizziness
- Nausea
- Fatigue
- Shortness of breath
- Breathing difficulties

4.0 Responsibilities - Supervisors

4.1 Investigate and document all reports of worker sensitivity to workplace scents.

4.2 Communicate all sensitivity issues to workers in his / her work area and request cooperation in the restriction of scented product use.

4.3 Communicate all scheduled renovation or construction work to workers and, if necessary, make arrangements to have environmentally sensitive workers temporarily relocated.

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4.4 Post signage asking workers, contractors and visitors to refrain from using scented products when attending City of Sault Ste. Marie worksites. ***Signage is available from the Health and Safety Coordinator.***

4.5 Obtain Material Safety Data Sheets (MSDS) for all cleaning and construction products and review with workers.

4.6 Ensure that scent free products are used whenever possible.

5.0 Responsibilities – Workers

5.1 Inform others in your work area of your health concerns, if you have allergies or sensitivities.

5.2 Show consideration for other workers by replacing the use of scented products with unscented ones.

5.3 Avoid wearing scented products, such as perfume and colognes in the workplace.

5.4 Report immediately to your supervisor, the areas or situations that appear to trigger an adverse physical reaction to scents.

5.5 Report immediately to your supervisor if the cleaning solutions, washroom air fresheners, and other products used by building maintenance staff affect you.

6.0 Procedure – Workers

6.1 If it is clearly identified that the source of the symptoms can be isolated to a particular scent or individual;

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- Approach the individual wearing the scented product in a respectful and positive manner and share your concerns about the scented product being used in your area.

- Express how the use of the scented product is causing discomfort and affecting your health. Kindly request that the individual not use scented products.

- Endeavour to create environment of co-operation and understanding between you and the individual in order to resolve your concern.

- Seek support and advice from your supervisor to address the problem if you are not comfortable addressing the individual using the scented products.

- In the case of contractor products, your concerns should be addressed with your supervisor who will contact the appropriate corporate contract administrator.

6.2 If the scent problem is more generalized and / or the source cannot be identified or you are unable to resolve your concerns with your co-worker or you do not feel comfortable approaching the individual:

- Report your concerns to your supervisor.

- If you have previously spoken to your co-worker, explain to your supervisor what you tried to do in an attempt to resolve the issue.

6.3 If your reaction to scented products in the workplace is sufficiently severe that you feel disabled from performing your normal work and you seek health care and / or lose time from work;

- Report the health care and / or lost time immediately to your supervisor

- Obtain medical documentation from your health care provider and provide the documentation to your supervisor.

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NOTE: The decision on whether to compensate or approve the incident as work-related will be made by the Workplace Safety and Insurance Board (WSIB).

- If your ongoing reaction to scented products is severe so that you are unable to perform the essential duties of your job, an accommodation may be required.

6.4 For workers who are approached about their use of a scented product(s):

- Be aware that exposure to scented products can cause symptoms in certain individuals.

- Even if surprised and / or taken aback when approached, listen and respond to your co-worker in a non-defensive way.

- Learn as much as possible about the type of scented products that caused your co-workers to experience symptoms. Clarify the type and form of scented product believed to be the issue.

- Be understanding of the concern and willing to reach a resolution in a cooperative manner.

7.0 Procedure – Supervisors

7.1 When first approached by a worker who reports that scented products are adversely affecting his / her health.

- Document the worker's concerns thoroughly.

- Communicate with workers under your supervision any concerns with respect to the use of scented products that have been raised in their work area.

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- Advise workers, contractors or visitors that individuals can be adversely affected by exposure to scented products.

- Ask workers, contractors or visitors to reduce the use of scented products.

- Discuss the issue in a non-disciplinary manner with the worker(s) that have been identified as the user of the scented product that triggers the reaction(s). Any discussion should be held separately and privately.

- Post signs in the work area to raise awareness of specific environment sensitivities. ***Signage is available from the Health and Safety Coordinator.***

- Demonstrate respect for the worker's right to confidentiality and exclude worker-identified information in communications with other workers if the worker so wishes.

- Communicate with surrounding supervision to request that their workers be asked not to apply scented products in common areas such as washrooms and elevators.

7.2 If the subsequent reduction in scented product use is insufficient to address the worker's concern or health care is obtained and / or lost time results, or an accommodation is required:

- Respond to each situation separately based on the specific circumstances involved and endeavour to resolve the issue in a way that is respectful of the feelings and dignity of all concerned.

- Be guided by management's responsibility to provide workers with a safe work environment that does not compromise the worker's health or well-being.

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- Direct the offending worker(s), where necessary, that a scented product not be worn or used in the workplace and that failure to comply could result in further disciplinary actions as per ***Human Resources Policy and Procedure, 6-1 Discipline Policy.*** The offending worker is entitled to have a union representation.

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Mike Blanchard, Manager of Equipment and Building Maintenance**

DEPARTMENT: **Public Works and Engineering Services**

RE: **Millennium Fountain**

PURPOSE

To provide Council with a detailed breakdown of the annual cost to keep the current water based fountain with the potential of seeking sponsorship for various aspects of the cost. This report is a part 1. response to a March 6, 2017 Council resolution – Millennium Fountain.

BACKGROUND

On an annual basis commencing in 2001, Public Works and Engineering Services has maintained and installed/removed the water front millennium fountain. The annual estimated cost of $24,700 to operate the millennium fountain was eliminated from the 2017 budget.

ANALYSIS

The Corporate responsibility and details affecting the operation of the millennium fountain are as follows:

- Ministry of Labour Regulations 629/94 amended by O Reg 32/14 requires notification of the Ministry of Labour when diving operations occur due to the hazards associated with diving;
- All divers and persons associated with the dive operation must meet competency requirements set out in CSA Z275.4-12;
- The employer, constructor and owner must ensure that a written operational plan and a contingency plan for the diving operation are prepared before any dive operation;
- There is a limited availability of trained divers in Sault Ste. Marie to install and remove the fountain;

- The Corporation of the City of Sault Ste. Marie must apply for an annual license from Transport Canada to operate the fountain in the St. Marys River;
- Great Lakes compensating gates greatly vary the water level in the river which adversely affects the operation and anchoring of the fountain;
- The current fountain was designed and manufactured to be installed in a small pond such as those found in a golf course. Efforts have been made over the years to modify the fountain to survive in the St. Marys River environment;
- Pleasure watercraft have been known to circle the fountain which causes waves that affect the operation. In addition, members of the public have been spotted climbing on the fountain while in operation;
- Algae growth has plugged the pump inlet affecting summer operation and must be cleaned by qualified divers;
- The annual estimated electrical costs to operate the fountain is $13,500. The fountain has a 30 hp – 90-amp pump and (4) four 1000 watt lights that are controlled by timers;
- Electrical cables must be run from shore, under water to power the pump and lights. These cables are prone to damage and must be regularly changed;
- At times the fountain must be shut down to allow Canadian Fisheries and Oceans to complete lamprey surveys;
- There is currently a list of components that need replacing including: electric cables, connectors, buoy, buoy anchor, and possibly the hermetically sealed pump and motor;
- Lead time for a new pump and motor is approximately 6 – 8 weeks after order.

It is therefore recommended that all further effort be directed into planning a land based water fountain due to technical issues, corporate risk, maintenance costs and electrical costs.

FINANCIAL IMPLICATIONS
Estimated annual costs to operation the millennium fountain is approximately $24,700. The estimated cost to repair the fountain to prepare it for the upcoming season is estimated at an additional $25,000. The 15 year operational cost (2001 – 2016) for the fountain is estimated to be $340,000.

STRATEGIC PLAN / POLICY IMPACT
This is an operational matter not articulated in the strategic plan.

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

Resolved that the report of the Manager of Equipment and Building Maintenance dated 2017 05 29 regarding costs for the millennium fountain be received, and the recommendation be supported that all further effort be directed into planning a land based water fountain due to technical issues, corporate risk, maintenance costs, and electrical costs.

Respectfully submitted,



Mike Blanchard
Manager of Building and Equipment
Maintenance
705.541.7000 ext. 235
m.blanchard@cityssm.on.ca

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Don Scott, Manager of Transit & Parking**

DEPARTMENT: **Community Development and Enterprise Services**

RE: **Municipal Law Enforcement Officers**

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

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

ANALYSIS
Not applicable.

FINANCIAL IMPLICATIONS
There is no budgetary impact.

STRATEGIC PLAN / POLICY IMPACT
This is an operational activity not articulated in the strategic plan.

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

By-law 2017-105 appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

Don Scott
Manager of Transit and Parking
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The Corporation of the
City of Sault Ste. Marie

Community Development and
Enterprise Services
Don Scott
Manager of Transit & Parking

2017 05 09

Nuala Kenny, City Solicitor
Legal Department
Civic Centre

RE: MUNICIPAL -LAW ENFORCEMENT OFFICERS

In November 1990 City Council approved By-law 90-305.Please amended Schedule "A" to By-law 90-305, being a by-law to appoint Municipal Law Enforcement officers for the issuing of parking infractions on private property.

Schedule "A" of this by-law lists all officers that are eligible to issue tickets. The following individuals have applied to be a Municipal Law Enforcement Officers in regards to parking and have been approved by the Police Services and the Parking Section for this position.

We request that Schedule "A" be amended to include:

NO.	NAME	EMPLOYER	PROP. LOCATION
708	Powley, Chad	North East Security	Sault College/Algoma University/Tenaris Essar Group/Group Health Centre
709	Schmidt, Alex	City of Sault Ste. Marie	Bondar Park & Bellevue Marina
710	Hotchkiss, Robert	SP Plus Corportation	503 Bay Street

Would you please amend By-law 90-305 with the new attached Schedule "A".

Thank you.

Yours truly,

Don Scott
Manager of Transit and Parking

SCHEDULE "A"

BADGE	SPECIAL CONSTABLE	EMPLOYER	PROPERTY LOCATION
26	MCLEOD,ROD	FLEMING & SMITH	378 QUEEN ST E.& APARTMENTS & 27 KING ST.
30	RENDELL,VERN	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
109	SEBECIC,JOHN	DENTAL BUILDING	946 &216 QUEEN ST E
151	PARR,DEREK	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
153	TASSONE,VITO	TASSONE CHIROPRATIC	673 QUEEN ST E
163	BUMBACCO,PHILIP	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
196	MCGRAYNE,LAURA LEE	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
241	COGHILL,ROBIN	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
253	TRAVSON,TERRANCE	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
267	CORBIERE,JOHN(TED)	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
276	SMITH,DENNIS,ROBERT	G4S SECURE SOLUTIONS	SAULT HOSPITAL
321	LORENZO,COREY	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
334	MILLER,BRADLEY	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
335	GROSSO,DONALD	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
344	HARPE,KEN	HOLIDAY INN.	320 BAY ST.
346	HAZLETON,MARGARET	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
366	TROINOW,VICTORIA	G4S SECURE SOLUTIONS	SAULT HOSPITAL
369	CARMICHAEL,MARY	ONT.FINNISH HOME ASS.	725 NORTH ST.
370	HANSEN,LOUIS	ONT.FINNISH HOME ASS.	725 NORTH ST.
372	BENOIT,ALAIN	ONT.FINNISH HOME ASS.	725 NORTH ST.
374	TAAVEL,ANDRE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
391	MCLEOD,HEATHER	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
397	LAFRAMBOISE,YVON	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
400	JOHNSON,MICHAEL	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
410	POYNER,HAROLD	G4S SECURE SOLUTIONS	SAULT HOSPITAL
411	MOORE,ROBERT	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
420	FABIANO,ANTONIO	G4S SECURE SOLUTIONS	SAULT HOSPITAL
435	TRAMBLE,GEORGE	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
441	WILSON,DAVID	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
442	MACCLENNAN,MATTHEW	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
443	MARCIL,MARK	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
446	HALLIDAY,DANA	SAULT COLLEGE	443 NORTHERN AVE
456	CONEYBEARE,KEVIN	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
459	SLEEMAN,RAY	G4S SECURE SOLUTIONS	SAULT HOSPITAL
460	BOUGIE,DAN	G4S SECURE SOLUTIONS	SAULT HOSPITAL
463	MORIN,ALEX	CORPS. OF COMM.	
464	DITOMMASO,RYAN	2220917 ONT. INC.	489 BAY ST/535 QUEEN ST E
465	DELAVALLE,DON	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
484	MCLEOD,VIRIGINIA	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
486	LONGO,NADIA	GT.NORTH RETIREMENT	760 NORTHERN RD.
487	ROUGEAU,MARISA	GT.NORTH RETIREMENT	760 NORTHERN RD.
488	LEFLEUR,MARILYN	GT.NORTH RETIREMENT	760 NORTHERN RD.
489	MCQUEEN, WANDA	GT.NORTH RETIREMENT	760 NORTHERN RD.
490	LUXTON,JEFF	GT.NORTH RETIREMENT	760 NORTHERN RD.
493	BROWN,FRASER	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
516	GAY,JAMES	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
517	ROY,BRENDA	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
522	MCNAMA,STEVEN	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
523	MCBRIDE,GUY	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
526	JOHNSTON,CORY	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
537	GRAWBARGER,KYLE	G4S SECURE SOLUTIONS	SAULT HOSPITAL
541	DIMMA,WILLIAM	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
547	LIEPA,MATTHEW	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
548	CARON,ROGER	CITY OF SAULT STE MARIE	99 FOSTER DR. (CIVC CENTRE)
556	ARCAND,SCOTT	G4S SECURE SOLUTIONS	SAULT HOSPITAL
565	LISCUMB,GERALD	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
566	SWEET,WILLARD	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
568	PICK,DENNY	CORPS OF COMM	SAULT AIRPORT
574	BOUCHARD,DARYL	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
580	CHARETTE,ROBERT	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
587	GIULETTI,MATTHEW	G4S SECURE SOLUTIONS	SAULT AIRPORT / HOSPITAL
589	TWENTYMAN,DANIEL	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QUEEN ELILZABETH COMPLEX/JOHN RHODES
596	WAGNER,TODD	G4S SECURE SOLUTIONS	SAULT HOSPITAL
599	BUMBACCO,CARL	CB HOME INSTALLTIONS	321 JOHN ST /342,346 ST GEORGE'S AVE.
601	HART,JASON	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
602	GREENWOOD,LESLIE	GREENWOOD HARDWARD	41 ALBERT ST W
603	LAMMING,DAVE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
604	WAGNER,MATTHEW	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
607	FROST,CHRISTIAN	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
608	ALISAT,THOMAS	ALISATS RUST PROOFING	24 QUEEN ST W
609	ROBINSON,SHAWN	ALISATS RUST PROOFING	24 QUEEN ST W
611	MIZZI,PRESTON	WENDY'S	1 QUEEN ST W
617	SAVAGE,SAMUEL	G4S SECURITY	SAULT HOSPITAL

619	BERTO,DEBORAH	GATEVIEW REALTY INC.	304-310 ALBERT ST/420A&B MCNABB/715 DOUGLAS/67 ELGIN/47 PRINCESS
620	FERA,NORMAN	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
622	PROULX,PATRICK	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
623	AYTON,BENJAMIN	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
624	MIHAILIUK,JASON	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
626	CHARRON,ROBERT	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
627	BAKER,WILLIAM	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E/BREWERY BLOCK
632	SAVAGE,MATT	G4S SECURITY	SAULT HOSPITAL
633	HILL,MICHAEL	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
634	TIBBLES,COLLEEN	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E/BREWERY BLOCK
636	KLYM,TIMOTHY	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
637	TOMASONE,LUIGI	LOU'S AUTOMOTIVE	317 ALBERT ST E
638	SICOLY,TERESA	AIRPORT	1-475 AIRPORT RD.
639	PANITTILA,KIM	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
643	SHAW,KEVIN	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
644	SANTA MARIE,ROBERT	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
646	BOOTH,ABBY	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
647	DAFOE,TRUDY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
648	ELWGREN,STEPHEN	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
649	GRAHAM,STEVEN	FENGATE PROPERTY	248 NORTHERN AVE
650	LANG,RICHARD	G4S SECURITY	SAULT HOSPITAL
651	HUTCHINSON, HILLARY	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
653	BIOCCHI,CHRISTOPHER	AIRPORT	1-475 AIRPORT RD.
654	PAVONI,JAKE	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
659	MARCIL,BONNIE	STRICTLY CONFIDENTIAL INC	THE TECH/ RJ'S MARKET
660	SANDIE,KEVIN	STRICTLY CONFIDENTIAL INC	THE TECH/ RJ'S MARKET
661	MONK,AUSTIN	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
664	HAMMERSTEDT,ERIC	STRICTLY CONFIDENTIAL INC	THE TECH/ RJ'S MARKET
665	MATTHEWS,SUANNE	NORTHLAND ANIMAL HOSP	695 TRUNK RD.
666	AITKEN,ANDREW	G4S SECURITY	SAULT HOSPITAL
667	MCLAUGHIN,RYAN	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
669	BOREAN,RICK	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
670	MCGUIRE,STEVE	REGENT PROPERTY	402/302 BAY ST.
671	MCGUIRE,PATRICK	REGENT PROPERTY	402/302 BAY ST.
672	LEWIS,RYAN	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
673	CARTER,SHAWN	G4S SECURITY	SAULT HOSPITAL
674	DERASP,RICHARD	CORPS OF COMM	SAULT AIRPORT
675	KELLY,MATTHEW	G4S SECURITY	SAULT HOSPITAL
676	THOMPSON,JOHN	CORPS OF COMM	SAULT AIRPORT
677	MACMILLAN,TYLER	CORPS OF COMM	SAULT AIRPORT
678	PERRON,JENNIFER	CORPS OF COMM	SAULT AIRPORT
679	CHATEAUNEUF,YVON	CORPS OF COMM	SAULT AIRPORT
680	MACGREGOR,CHRIS	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
681	SCHMIDT,KEATON	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
682	HALFORD,KEVIN	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
683	SEMENYEI, ADAM	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
684	RICKARD,EVAN	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
685	HORNBY,BRANDON	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
686	ASH,KEITH	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
687	POSSAMAI,MIKE	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
688	KING,MICHAEL	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
689	SUBRAMANIAM,DASA	DAYS INN	332 BAY ST
690	VANDERKLIFT, RENE	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
691	ADDISON, ERIN	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
692	RHEAUME, DANIEL	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
693	O'SHAUGHNESSY, CONOR	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST. PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE. ECOMPLEX/JOHN RHODES/726 QUEEN ST
694	LIPPE, ANDREW	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
695	LAURICELLA, DIEGO	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
696	CLARIDA, JEFF	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
697	OLAR, GREG	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
698	DEPLONTY, HERBERT	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
699	QUARELL, ROBERT	SKYLINE LIVING	621, 627, 631 MACDONALD AVE
700	FORD, BRIAN	G4S SECURITY	SAULT HOSPITAL
701	CHIMFWEMBE, CHILUFYA	NORTH EAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
702	CARRICATO, CHELSEA	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
703	DIAS, CODY	G4S SECURITY	SAULT HOSPITAL
704	GLOVER, LAURA	G4S SECURITY	SAULT HOSPITAL
705	DEGILIO, JOEY	G4S SECURITY	SAULT HOSPITAL
706	GAGNON, JACQUES	G4S SECURITY	SAULT HOSPITAL
707	FINN, ROBERT	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
708	POWLEY, CHAD	NORTHEAST SECURITY	S.COLLEGE/A.UNIVERSITY & RES./ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
709	SCHMIDT, ALEX	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
710	HOTCHKISS, ROBERT	SP PLUS CORPORATION	503 BAY ST

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Al Horsman, Chief Administrative Officer**

DEPARTMENT: **Chief Administrative Officer**

RE: **Fire Chief Recruitment Process.docx**

PURPOSE

To obtain City Council's formal approval to fill the vacancy of Fire Chief (by selection process) and appoint a member of council to the selection committee.

BACKGROUND

The Fire Chief position plays an integral role in leading the Emergency Services Delivery model as it pertains to Fire Suppression, Fire Prevention, Fire Education, EMS Operations and Emergency Preparedness.

ANALYSIS

As directed by Council in its Caucus meeting of May 8, 2017 the recruitment process will undertake a thorough search (internal and external) to attract and retain the most qualified candidate available. The process will follow those procedures and practices outlined in Section II of Policy No: 1-9, Guidelines for the Recruitment and Selection of Senior Staff.

The City identifies and recognizes this position as a key role in fostering change through challenging and on-going service adjustments while developing positive Labour/Management relations. Per the policy, a Selection Committee will be created as including the CAO, a representative from Human Resources, the Mayor and a member of Council to be appointed at the City Council Meeting of May 29, 2017. Approval to fill the vacancy when a candidate is recommended by the Selection Committee must be done in an open City Council Meeting to have the appointment confirmed. This will occur at a future date once the interviews have been completed and a successful candidate is identified.

FINANCIAL IMPLICATIONS
The actual recruitment process including advertising costs is projected to cost approximately five thousand dollars ($5,000) which will be funded through the departmental operating budget.

STRATEGIC PLAN / POLICY IMPACT
This is an operational matter not articulated in the strategic plan.

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

In accordance with the City's Policy and Guidelines for the Recruitment and Selection of Senior Staff, it is recommended that Council authorize the filling of the vacancy by selection process and appoint Councillor _____to the selection committee.

Respectfully submitted,



Al Horsman
Chief Administrative Officer
cao.horsman@cityssm.on.ca

SUBJECT: Guidelines for the Recruitment and Selection of Senior Staff	
File in Section: **EMPLOYMENT PRACTICES**	
Effective Date: Nov. 16, 1998	Page 1 of 4
Revision Date: August , 2011	
Approved by: City Council	

PURPOSE:

Provide guidelines to be used in the recruitment of the Chief Administrative Officer and the Senior Staff positions identified in the Scope section.

SCOPE:

These guidelines apply to the Chief Administrative Officer and Senior Staff positions. Senior Staff positions consist of Department Heads (Commissioners, City Solicitor, City Clerk, Fire Chief), Assistant Department Heads and Division Heads.
Note: Division Heads are defined as the following: Manager of Ontario Works, Manager of Community Childcare, Manager of Housing Operations, Transit Manager, Manager Recreation & Culture, Manager Community Centres & Marine Facilities, Manager of Cemeteries, Manager Day Care Services, Manager of Parks, Planning Director, Tax Collector.
Assistant Department Heads are Assistant City Clerk, Assistant City Solicitor, Deputy Commissioner of Public Works, Assistant Fire Chief, Director of Engineering Services.

PROCEDURES:

I Chief Administrative Officer (C.A.O.)

1. City Council shall authorize the filling of a C.A.O. vacancy in an open Council meeting.

2. Upon approval of the filling of the vacancy City Council shall appoint a Selection Committee consisting of the Mayor and two (2) Councillors.

Note: The Commissioner of Human Resources or his designate shall act as a resource to the Selection Committee as may be required throughout the recruitment and selection process.

3. The Selection Committee shall carry out the recruitment and selection process and keep City Council advised throughout the process.

SUBJECT: Guidelines for the Recruitment and Selection of Senior Staff	
File in Section: **EMPLOYMENT PRACTICES**	
Effective Date: Nov. 16, 1998	Page 2 of 4
Revision Date: August , 2011	
Approved by: City Council	

The recruitment and selection process may consist of some or all of the following:

A) Use of Consultants in the Recruitment Process
- R. F. P.
- Selection of the Consultant
- Contract and costs

B) Establish Criteria for the Positions
- Review the job descriptions
- Update as necessary
- Establish qualifications and criteria for position

C) Advertising of the Position
- Internal posting only
- Internal posting and external advertising
- Local, Provincial or National advertising
- Prepare posting/advertisement

D) Receipt and Processing of Resumes
- Resumes received by whom
- Acknowledgment of receipt
- Establish time frame for further contact

E) Long Listing of Resumes
- Establish criteria for "long list" of resumes
- Establish a long list of applicants
- Respond to all applicants regarding status of application

F) The Interview Process
- Determine the participants in the interview process.
- Establish interview questions and interview process

G) Recommend "Short List" of Candidates to City Council

H) City Council interview of "Short List Candidates"
- Determine the participants in the interview process
- Establish the interview process and conduct interviews.

SUBJECT: Guidelines for the Recruitment and Selection of Senior Staff	
File in Section: **EMPLOYMENT PRACTICES**	
Effective Date: Nov. 16, 1998	Page 3 of 4
Revision Date: August , 2011	
Approved by: City Council	

I) Selection of successful candidate by City Council
- Offer of Employment and Acceptance
- Prepare Announcement

J) Appointment by By-Law

The Selection Committee may amend this recruitment process as necessary with the approval of Council.

II Senior Staff

1. Council shall authorize the filling of a Senior Staff vacancy. City Council may approve filling such vacancy through appointment or through a selection process.

Note:
For Department Head positions, inclusive of the City Solicitor, City Clerk and Fire Chief, the approval to fill such vacancy shall be in an open City Council meeting.

2. a) If filled by appointment, the appointment is confirmed through passage of a By-law and by confirming to the employee such appointment in writing.
   b) If approved to be filled by a Selection Process, a selection committee will be formed consisting of:
      - A member of Council appointed by Council, in the case of filling a Department Head position.
      - Chief Administrative Officer or his designate
      - Commissioner of Human Resources or his designate
      - Respective Department Head in Division Head selections
      - Others as determined appropriate by the Chief Administrative Officer.

3. The Selection Committee shall carry out the recruitment and selection process which may consist of the following:

   A) Use of Consultants in the Recruitment Process
      - R. F. P.
      - Selection of the Consultant
      - Contract and costs

SUBJECT: Guidelines for the Recruitment and Selection of Senior Staff	
File in Section: **EMPLOYMENT PRACTICES**	
Effective Date: Nov. 16, 1998	Page 4 of 4
Revision Date: August , 2011	
Approved by: City Council	

B) Establish Criteria for the Positions
- Review the job descriptions
- Update as necessary
- Establish qualifications and criteria for position

C) Advertising of the Position
- Internal posting only
- Internal posting and external advertising
- Local, Provincial or National advertising
- Prepare posting/advertisement

D) Receipt and Processing of Resumes
- Resumes received by whom
- Acknowledgment of receipt
- Establish time frame for further contact

E) Short Listing of Resumes
- Establish criteria for "short list" of resumes
- Establish a short list of applicants
- Respond to all applicants regarding status of application

F) The Interview Process
- Determine the participants in the interview process
- Establish interview questions and interview process

G) 1. Department Head - Recommendation to Council
   a) CAO recommends successful candidate to Council
   b) Offer of Employment and selection
   c) Prepare Announcement

   2. Division Head - Advise Council
   a) Advise Council of candidate selected
   b) Prepare Announcement

H) Approve appointment by By-law.

The Selection Committee may amend this recruitment process as necessary with the approval of Council.

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Kathy Fisher, Curator Old Stone House**

DEPARTMENT: **Community Development and Enterprise Services**

RE: **HISTORIC SITES BOARD: Annual Report 2016 Ermatinger Clergue National Historic Site**

PURPOSE

The purpose of this report is to provide City Council with an update as per by-law 2001-229 section 6 (v), the Historic Sites Board (Local Board & Committee of Council) is required to submit an annual report to Council.

BACKGROUND

At the May 10, 2017 meeting, staff presented the final draft of the 2016 Annual Report for the Ermatinger•Clergue National Historic Site. The following resolution was passed.

> Moved by: D. Conyers
> Seconded by: S. Casola
>
> "Resolved that the Historic Sites Board approve the final draft of the 2016 Annual Report on the operations of the Ermatinger•Clergue National Historic Site, and that the Curator submit the report to Council as per the HSB by-law requirements on management."

An annual report is required on the operations of the Ermatinger•Clergue National Historic Site as per the Local Boards by-law, and as a requirement of the Grants Ontario: Community Museums Operating Grant, each year. This requirement meets Provincial museum standards.

ANALYSIS

The annual report assists the Board to reflect on the programs, services, and statistics, in order to continue to meet the mandate of the Site, strategic goals and sustainability.

FINANCIAL IMPLICATIONS
The report is for information, there are no financial implications.

STRATEGIC PLAN / POLICY IMPACT
This is an operational matter not articulated in the strategic plan.

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

"Resolved that the report of the Curator, Old Stone House dated 2017 05 29 concerning the Historic Sites Board: Annual Report 2016 for the Ermatinger•Clergue National Historic Site be received as information."

Respectfully submitted,



Kathy Fisher
Curator, Old Stone House
705.759. 5443
k.fisher@cityssm.on.ca

ANNUAL REPORT 2016



ERMATINGER•CLERGUE NATIONAL HISTORIC SITE



Kathy Fisher, Curator / Supervisor
Will Hollingshead, Programmer

May 2017

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Executive Summary

2016 was a year of growth and development. Services were evaluated and new programs planned in order to engage local residents, partners, and tourists. Attendance increased dramatically, resulting in the highest visitation in a decade.





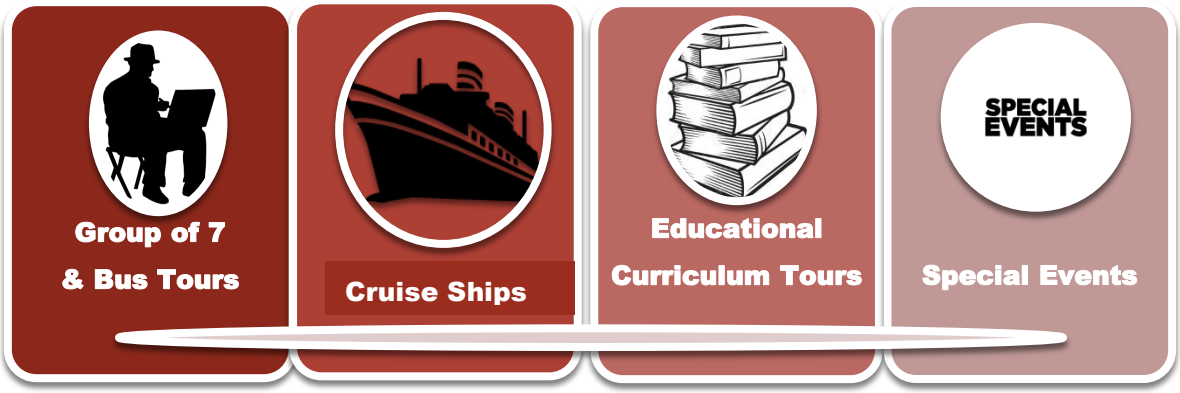
From the development of the Group of Seven package to the 100th commemoration for the Suffragettes, the programs offered welcomed new partners and new audiences.

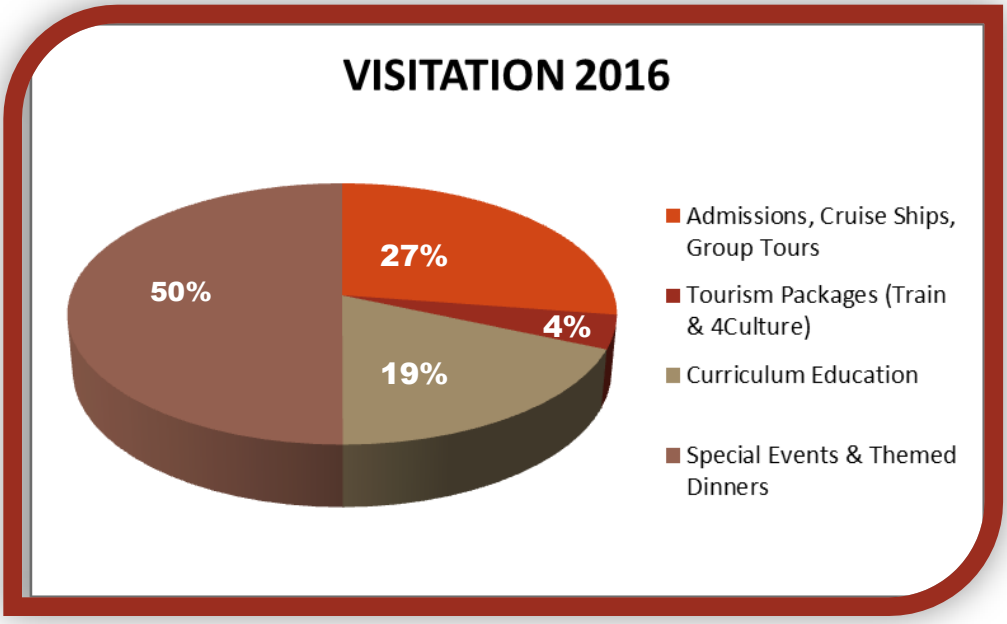
MANDATE

"The Ermatinger•Clergue National Historic Site provides visitors and residents of Sault Ste. Marie with an opportunity to experience the history of our community through the preservation and historic interpretation of artifacts related to the Site; within the Ermatinger Old Stone House, the Clergue Blockhouse, the Heritage Discovery Centre, and including the heritage gardens and grounds."

VISITATION

General Visitors - General Site Visitors - Cruise Ships and Bus Tours	**Total:** 4248
Packages sold by Tourism Sault Ste. Marie - Train Tours Passes - On line tickets / Passes	**Total:** 647
Educational Programs - Curriculum	**Total:** 2860
Special Events (Rendezvous, Lilac & Lavender) & Themed Dinners & non-paying visitors to Gift Shop or using 4Culture / Memberships	**Total:** 7764
GRAND TOTAL	**15,519**





Visitation does not include “outreach” programs / booths - see statistics for this on page 4.

EDUCATIONAL PROGRAMMING ON SITE

Program Name	Number of Programs	Number of Participants
Long Ago (SK & Grade 1)	3	70
Pioneer Living (Grade 3 & 4)	9	250
Native Life (Grade 5 & 6)	1	25
Fur Trade (Grade 7) **	3	2160
Yuletide (Grade 1 to 4)	10	225
General Programming	5	130
Total:	**31**	**2860**

** Fur Trade Program includes Fall Rendezvous and Culture Days

Junior Gardener

From May to October, our Junior Gardener Program offered youth ages 8 to 14 years an opportunity to learn about gardening, horticulture, composting, harvesting, and preserving. The Group also participated in growing and entering the Giant Pumpkin contest.



PROGRAMMING / OUTREACH

Outreach for the Ermatinger•Clergue National Historic Site includes the following:

- Tourism Week – Ontario Tourist Information Centre
- Festival of Trees – Sault Ste. Marie Public Library
- Hello Spring – New North Greenhouses
- Seedy Saturday – Horticultural Society / Sault College
- Classroom Programming in Schools
- Classroom Mentoring with White Pines C&VS – grade 12 History Class
- Culture Days – Sault Ste. Marie Public Library
- Sault College – Tourism & Event Planning Class Project mentoring

Total: 4852

EVENTS: Planned and Implemented on Site

1. FALL RENDEZVOUS
    - Annual Fall Rendezvous was combined with Culture Days this year allowing for a four day event at the site – in partnership with 'Friends of ECNHS'
2. Evening in the Summer Kitchen
    - Christmas themed Heritage Culinary Experience with produce from the Heritage Gardens on site. This is a four course meal with historical interpretation and entertainment.
3. Moonlight Magic
    - The downtown core was open late for an evening of Christmas shopping and festivities. Our gift shop, The Post, featured sales and refreshments and freshly baked gingerbread men served by the hearth.
4. Bonkers for Blueberries
    - Mad Hatter Tea and Blueberry Pancake breakfast with an Alice in Wonderland theme
5. Strawberry Social
    - Event planned in conjunction with Downtown Street Party in July
6. Suffragette: Lilac and Lavender
    - Lilac and Lavender Tea with guest speakers and theatre movies of Suffragettes
    - Exhibit in the front room of the Ermatinger Old Stone House
    - Partnership & Sponsorship from Zonta Club of Sault Ste. Marie Area
7. Fridays by the Fire
    - Every Friday during January through March, a lunch & learn program was offered, 12:00 to 1:00 time frame, with a fire in the hearth. This program took off and quite often was sold out.
8. Easter Egg Hunt & Sensitive Egg Hunt
    - The Site offered an egg hunt day, where children 1 to 5 years were to arrive with their baskets and hunt for coloured eggs, while children 6 to 12 years were to go on an eggscavenger hunt. Treats, cookies and juice followed.
    - Sensitive Egg Hunt was offered to the Autism Society – as a private function, with the same activities and treats.







Every now and again we get a request to host dignitaries, and in 2016 The Lieutenant Governor of Ontario came to visit the Ermatinger•Clergue National Historic Site. The visit allowed us to showcase the Group of Seven program: theatre and dinner.





THE LIEUTENANT GOVERNOR OF ONTARIO
LA LIEUTENANTE-GOUVERNEURE DE L'ONTARIO

August 9, 2016

Dear Ms. Fisher:

I thoroughly enjoyed the dinner of heritage foods prepared and served at the Ermatinger-Clergue National Historic Site on July 27. It was a fitting end to a day filled with local culture and history.

The dedication and finesse your ensemble of staff and volunteers displayed in the execution of both the reception prior to the show and the dinner afterwards are surely to be admired. I would therefore like to thank you for all of your work in organizing this delightful event, and particularly for your gift of jelly and coffee.

Please extend my thanks likewise to your servers and kitchen staff. Their skill and geniality ensured that an excellent time was had by all.

I look forward to meeting you again soon. In the meantime, please accept my best wishes.

Yours sincerely,

Elizabeth Dowdeswell

Ms. Kathryn Fisher, Curator
Ermatinger-Clergue National Historic Site
800 Bay Street
Sault Ste. Marie, Ontario
P.O. Box 580
P6A 5N1

QUEEN'S PARK TORONTO ONTARIO M7A 1A1 WWW.LGONTARIO.CA

ADULT EDUCATIONAL PROGRAMMING ON SITE

Road Scholar Bus Tours	Group of Seven Program & Dinner	8 Bookings
Great Canadian Holiday Tours	Group of Seven Program & Dinner	2 Bookings
Upper Peninsula Seniors	Turkey Dinner with Tour	1 Booking
Fall Rendezvous Speakers	Fly Fishing 1812, Turkish Marbling, Fenian Raids	

The Ermatinger•Clergue National Historic Site has partnered with Theatre in Motion to present a series of Group of Seven themed programming to the site. The Group of Seven program involves a performance within the Heritage Discovery Centre Theatre which features a one man theatrical production of Lawren Harris, followed by a Heritage Culinary Dinner themed on the foods the men ate while in Algoma. Historic interpretation and promotion for travelling in Algoma reflects on the Group of Seven and their experiences while painting our great landscapes. This iconic Canadian Program is offered to bus / tour groups as well as to those doing drive tours, or fly and drive tours, for their "Moments in Algoma".

MOMENTS of ALGOMA
GROUP OF SEVEN



VENUE RENTALS

The Heritage Discovery Centre provides the Ermatinger•Clergue National Historic Site with a unique opportunity to rent out the theatre and/or foyer. We are able to book in receptions, small conferences, weddings, showers, and annual meetings, all of which have been very well received.

The summer kitchen in the Ermatinger Old Stone House still is a popular venue for any occasion.

Venue rentals for 2016 included:

- Economic Development Corporation
- The Tourism Company
- Algoma Power training conference
- Ontario Trillium Foundation information session
- Breast Cancer Awareness celebration
- Sexual Assault Care Centre function
- North Star Travel destination presentation



GIFT SHOP – "The Post"

The Gift Shop within the Heritage Discovery Centre had been leased to a private operator. In 2016 the lease was up for renewal and the operator chose not to renew. A new RFP was issued, however, there were no businesses interested.

In order to continue with the plan, the gift shop then began mid-June as a gift shop totally owned and operated by the Site. Staff and volunteers quickly coordinated merchandise from "consignors" and were able to purchase other items from distributers for brands such as Hudson Bay Product.

During Moonlight Magic, an event to entice sales in the gift shop, we faired relatively well, and thus by year end, had made the equivalent in net revenue to the lost rental.



COLLECTION MANAGEMENT – New Items received into the collection of artifacts in 2016.

- Chamber pot, pitcher and bowl set.
- Hudson Bay Blanket – white with signature stripes
- Medalta Crock with Lid - Size 3 Imperial

With the addition of a new staff person, a graduate of the Museums Certificate program, who was hired in the fall through funding with Sault Community Career Centre, the Collection Management program of the Site, began to be reviewed, updated, and goals established for continuous management and data basing. The archival room was cleaned, and RH levels monitored.

EXHIBITS

1867

- Travelling exhibit from Canadian Museum of History
- M.A.P. grant approved to assist in funding

HOLODOMOR

National Awareness Tour

- Travelling exhibit on a bus
- Free to host

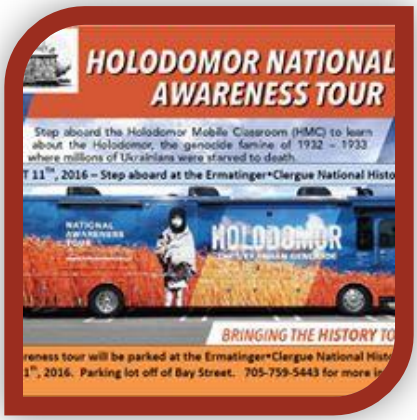
SUFFRAGETTES

100th Anniversary

- Curated on Site
- Event sponsorship with Zonta Club of Sault Ste. Marie Area











VOLUNTEERS

Volunteers, who assist in activities, events, and programming, are a mix of individuals from the following areas:

- Members of the Friends of Ermatinger•Clergue National Historic Site
- Members of the Historic Sites Board
- Adult and Youth Re-Enactors
- High school Students
- Adults & Seniors (55+) who individually want to assist in many capacities

The site is managed by a volunteer Board which is comprised of **8 members** contributing a total of approximately **475 hours** in addition to formal board meetings once a month. Members for the Sault Ste. Marie Historic Sites Board are appointed by City Council every 2 years. The Ermatinger•Clergue National Historic Site has **32 volunteers** contributing **1785 hours** of volunteer work – not including the Board members.

Grand total - 40 volunteers donated 2260 hours of work.

Volunteer Recognition – Provincial Recognition for Years of Service



STAFFING in 2016

The Ermatinger•Clergue National Historic Site consists of 3 buildings and heritage gardens, operated year-round, since the 2014 opening of the Heritage Discovery Centre.

Staffing at the Ermatinger•Clergue National Historic Site breaks down as follows:

Regular year-round staff:

- 1 Full Time Permanent Curator
- 1 Full Time Permanent Heritage Programmer
- 1 Part Time Garden / Grounds / House Keeper (28 hrs / wk - seasonal)
- 1 Part Time Historic Interpreter (28 hrs / wk)
- 1 Part Time Cook (28 hrs / wk)
- 1 Part Time Administrative Assistant/Receptionist (28 hrs./wk)
- 1 Part Time Interpreter / Collections – 6 week funded placement (SCCC)

Students:

- 1 Young Canada Works Summer Student (Federally Funded) & City of SSM
- 1 Provincial SEP Summer Student (Provincially Funded) & City of SSM
- 2 Municipal Summer Students (Funded through the City of Sault Ste Marie)
- 1 Metis Nation of Ontario SEP Student (Funded through Metis Nation of Ontario)

SOCIAL MEDIA

With the Museum Standards for CMOG (Community Museums Operating Grant) and the Ministry of Culture – "Social Media" became a project in the forefront in 2016. The Ermatinger•Clergue National Historic Site operates a Facebook Page in order to engage and interact with the community. Along with starting this social media page, a written policy was also required for the Standards. The Site took on operating the Facebook Page in May of 2016 and it has proven to assist in both promotion and engagement.

The following statistics show the engagement and interaction with the community via our page.

- The page is the most popular among women aged 25-55 with a spike in 25-34
- The page is the most popular among men aged 18-44 with a spike in 25-34.
- The page performs well with engagement and reports post clicks or views in the 200 range.
- The page performs well with posting photos and shows and average of 100 views per post.
- Total Page likes as of December 2016 = 229 likes.

Through incorporating more photo and video posts the site aims to reach more of the targeted age group and generate further engagement and interaction with the page. This same goal has been set for our Website content as well.

POLICIES

In accordance with the Ministry of Culture standards for Museums in Ontario, we completed and met with success the following policies and submission requirements:

1) Community Policy
2) Social Media Policy & Social Media Plan
3) Exhibit Policy & 5 year Exhibit Plan
4) Strategic Plan for 3 to 5 years

MAINTENANCE REVIEW & Asset Management

City of Sault Ste. Marie Asset Management – Facility Condition Assessments identified the following critical items and are still outstanding issues:

- Correct basement leakage: the exposed walls in the basement of the EOSH show, parging at grade level & efflorescence on walls from grade level to floor, – excavation, waterproofing, and drainage required.
- Repair log cladding at summer kitchen - Summer Kitchen log walls – localized deterioration in some logs. Last repair completed in 2005. Localized repairs should be completed to decrease future costs to repair. Issue is that this is a laborious job and takes a specialized skill for mixing the log filler.
- Repoint summer kitchen fireplace / hearth and chimney – cracks have occurred
- Repaint & putty windows and other wood trim elements (mutton bars & re-putty) on both the Ermatinger Old Stone House and the Clergue Blockhouse. Many windows seem to look as if the putty and mutton bars are not supporting the glass.
- Replace basement furnace – ***Completed in 2016.***

An annual review of the Site is conducted by one or two board members and staff. The checklist guides all on what to look for in maintenance or restoration requirements. This checklist is also compared to the full 'asset management assessment' provided to the City in 2013.

1) Ermatinger Old Stone House – Basement exhibit room: The main level flooring of wood boards is supported by the original wood beams (trees), which are supported at the ends on the exterior stone walls. The log ends are showing deterioration due to minor moisture. Some posts were reinforced in 2010 as per recommendations by STEM Engineering. These should be reviewed and monitored with possible corrections taken sooner than later.
2) Link way exterior – clad with painted vertical wood board siding. Boards are rotting at bottom edges and some require replacing and painting.
3) Summer Kitchen log walls – localized deterioration in some logs. Last repair completed in 2005. Localized repairs should be completed to decrease future costs to repair. Issue is that this is a laborious job and takes a specialized skill for also mixing the log filler.
4) Exterior stone walls: rock pieces & mortar pieces continue to fall from stone walls and chimney. Will require an inspection further to determine any areas requiring intervention.

5) Shed at Auxiliary Kitchen door – softwood shed requires replacing. Wood siding needs replacing, roof needs repair, and building has shifted. Inside floor needs replacing.
6) Roof(s): Cedar shakes on Blockhouse and Ermatinger house are showing signs of curving and drying. Will require an inspection to further determine if maintenance is required.
7) Exterior Shutters on EOSH are in need of repairs and /or replacing. Last done in 2006. Some completed again in 2012.
8) Front door of EOSH – threshold has dried out and is cracking. Wood needs to be restored or replaced, and painted.
9) Front steps & porch of the EOSH are solid stone. Minor repointing is usually required approximately every 2 to 3 years. Railing for climbing assistance should be evaluated or considered. Porch pillars at base have been repaired and bottom base made of cement in order to avoid rotting. Continuous monitoring on this required.
10) Exterior boardwalks: Continuous maintenance required annually, to repair or replace. Boardwalks pose a Health & Safety risk, for people walking off edges, and the main issue is that people find boards very slippery when they are not totally dry. They must be treated with a sand or grit in a clear coat on each. Anti-slip strips worked, however, did not last due to winter shoveling.
11) Exterior period pieces: wood benches and barrels. These items are showing their wear from weathering and sun exposure. Barrels require replacement, and benches refurbished.
12) Queen Street white picket fence. Annual spring inspection will be required to determine which boards require replacing and what requires painting. Gate and latch will also need maintenance work.
13) Split rail fence around the south and east perimeter requires some posts to be re-wired, and split rails to be fixed.
14) Front lawn – sign posts –under orange pylons. These are the post bases left from the exterior sign that was removed from the front gate entrance when the HDC was built and a new entrance determined. These posts must be removed from the front lawn and the pylons returned to PWT.

THE END

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Don Elliott, Director of Engineering**

DEPARTMENT: **Public Works and Engineering Services**

RE: **Bike Path on Second Line**

PURPOSE

The purpose of this report is to address the following resolution from the meeting of 2017 05 08:

> Resolved that the petition to build a bike path on Second Line be referred to staff for review and report back to Council at the May 29, 2017 Council meeting.

BACKGROUND

The City has received approval from MTO for Connecting Link funding to resurface Second Line between Great Northern Road and Old Garden River Road in 2017. There is a gap in the sidewalk network on the south side of Second Line on this section of road. For many years, it has been the intention of the Engineering Division to complete the construction of this sidewalk together with the resurfacing project. Local improvement by-law 2010-56 for the construction of the sidewalk was approved by Council at the 2010 03 08 meeting. The project was tendered on May 13th, and is scheduled to close on May 31st. Recommendation for award is planned for the June 12th meeting of Council. It is noted that this is a road resurfacing project, not a reconstruction project.

An on-line petition for the provision of a multiuse trail instead of a sidewalk on the south side of Second Line was submitted to Council and subsequently referred to staff for review and to report back.

ANALYSIS

This portion of Second Line forms part of the TransCanada Highway, and it leads to the busiest intersection in the City. While it is true that this road is legally a cycle route, it is also true that it is not good engineering judgment to direct cyclists of all skill levels to such an intersection. A multiuse trail is not recommended in this situation at this time for the following reasons:

1. The Cycling Master Plan (CMP), under the engineering section states that the goal is “to provide a safe, friendly and convenient cycling environment for recreational and utilitarian cyclists through improvement and development of the existing road and trail network, and **designation of alternative routes to major arterial roads in order to better meet the needs of cyclists and accommodate riders of all ages, skill levels and abilities”**. A principle in the CMP states “the cycling routes in this Comprehensive Cycling Network **should primarily provide safe alternatives to the major arterial roads** in Sault Ste. Marie…” This portion of Second Line is one of the busiest arteries in the City, therefore in accordance with the CMP, designers are not in a position to recommend a multiuse trail be provided. Rather, efforts are ongoing to provide alternative routes.
2. The Active Transportation plan was brought to Council at the 2017 05 08 meeting, and a multiuse trail at this location was not identified as a priority.
3. Engineering staff determined that the provision of the 1.5 m wide sidewalk is proving problematic due to the necessary relocation of utility poles for streetlights. The provision of a wider, multiuse trail at this location requires much more extensive utility relocation and associated costs given available boulevard width and location of existing utilities.

Staff appreciates the desire to provide accessible active transportation facilities in addition to, or in place of sidewalks in this area. Nevertheless, staff respects the recommendations of the CMP. The provision of off-road multiuse paths will no doubt require property acquisitions, or at least significant utility relocations. A proper study of the provision of multiuse trails in this area may suggest that the north side of Second Line is more appropriate for a multiuse trail. If Council wishes to pursue the matter further, it would best be accomplished by revisiting the Cycling Master Plan, or completing a detailed study with recommendations for providing off-road multiuse trails in the Second Line and Great Northern Road area.

In summary, it is staff’s recommendation that a 1.5m sidewalk be provided on the south side of Second Line.

FINANCIAL IMPLICATIONS
There are sufficient funds in the 2017 capital works budget for the City’s share of the resurfacing, and for the 1.5 m sidewalk on the south side. There are funds in the capital portion of the streetlights budget to cover the cost of the relocation of the streetlights required for the sidewalk. If the provision of an off-road multi-use trail is to be provided, additional capital funds must be identified, assuming it is feasible given the current configuration of lanes and boulevards.

STRATEGIC PLAN / POLICY IMPACT
This report is linked to the infrastructure component of the strategic plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering dated 2017 05 29 concerning the bike path on Second Line be received as information.

Respectfully submitted,



Don Elliott, P. Eng.
Director of Engineering
705.759.5329
d.elliott@cityssm.on.ca

The Corporation of the
City of Sault Ste. Marie

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

May 29, 2017

TO: **Mayor Christian Provenzano and Members of City Council**

AUTHOR: **Peter Tonazzo, RPP, Senior Planner**

DEPARTMENT: **Community Development and Enterprise Services**

RE: **A-2-17-Z - 413, 417, 421 Old Garden River Road (4)**

PURPOSE

The applicant is seeking Council's approval to permit the development of one (1) 4-plex on each of the three (3) vacant properties, resulting in a total of twelve (12) dwelling units. A reduction to the required frontage and interior side yards is also being requested.

PROPOSED CHANGE

The applicant, John Notte is requesting Council's approval to rezone the subject properties from "R2" (Single Detached Residential Zone) to "R2.S" (Single Detached Residential Zone with a Special Exception) to permit a single storey 4-plex on each of the three (3) subject properties, with the following setback reductions:

1. To reduce the required frontage from 23m to 20.8m;
2. To reduce the east interior side yards from 7.5m to 4.2m;
3. To reduce the west interior side yards from 7.5m to 1.82m.

Subject Properties:

- Location – The subject properties are located on the south side of Old Garden River Road, approximately 21m (69') east of its intersection with Millcreek Drive, civic no. 413, 417, 421 Old Garden River Road.
- Size – Individually, each of the 3 subject properties that make up this application have approximately 20m of frontage by 61m depth (66' x 200'), totalling 1,220m^2 (13,132sq.ft.). Together, the three subject properties have 60m of frontage by 61m depth (198' x 200'), totalling 0.366ha (0.9acres)
- Present Use – Vacant land
- Owners – John Notte, Aldo Notte & Teresa Carmina Notte

BACKGROUND
Council has postponed this application on three separate occasions, to allow the applicant to prepare a detailed drainage plan and address neighbour concerns.

ANALYSIS
The applicant has yet to obtain a drainage plan from a qualified professional, which is required to address some of the neighbours' concerns.

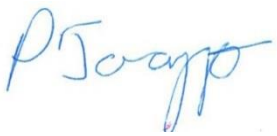
Given the number of previous postponements, it is recommended that this application be postponed indefinitely. As per Planning Division policy, when the applicant decides to proceed, new public notices will be required, in accordance with the Planning Act. If the applicant does not proceed within one year, the application will be closed and a new application (and fees) will be required.

FINANCIAL IMPLICATIONS
There are no financial impacts associated with the recommended postponement. If the applicant proceeds within one year, there is a $300 fee which will cover the costs associated with providing new notices.

STRATEGIC PLAN / POLICY IMPACT
Postponing this application is not linked to any policies contained within the Corporate Strategic Plan.

RECOMMENDATION
Resolved that the report of the Senior Planner dated 2017 05 29 concerning Rezoning Application A-2-17-Z be received and that Council postpone this matter indefinitely.

Respectfully submitted,



Peter Tonazzo, RPP
Senior Planner
705.759.2780
p.tonazzo@cityssm.on.ca

PT/ps

MEMORANDUM

DATE: May 18, 2017

TO: Mayor Provenzano and Members of City Council, City of Sault Ste. Marie

FROM: Jim Boniferro, Board Chair, PUC Services Inc. & PUC Inc.

SUBJECT: Annual General Meeting of the Shareholder

The Ontario Business Corporation Act requires a minimum of 10 days of notice for a shareholder's meeting. In accordance with the Act, please find attached official notice of the annual meeting for both PUC Services Inc. and PUC Inc. The meeting is scheduled for May 29, 2017 so as to coincide with the regular Council meeting of the same date.

Jim Boniferro

c.c. C.A.O., City of Sault Ste. Marie
City Clerk, City of Sault Ste. Marie
PUC Services Inc. Board of Directors
PUC Inc. Board of Directors
KPMG

Attachment: Notice of Annual Meeting, Shareholders of PUC Inc. and PUC Services Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF PUC INC. and PUC Services Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of the holders of the Common Shares of PUC Inc. and PUC Services Inc. will be held at the Civic Centre, 99 Foster Drive, Sault Ste. Marie, Ontario, on **May 29, 2017** for the purpose of:

(1) receiving and considering the annual report and financial statements for the year ended December 31st, 2016 and the report of the auditors thereon;

(2) ratification of By-law #1, By-law#2, and Board of Directors Terms of Reference;

(3) appointing auditors;

(4) election of directors; and

(5) transacting such further and other business as may properly come before the meeting or any adjournment thereof.

DATED this 18th day of May, 2017.

Jim Boniferro, Board Chair

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, 2016, 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, each resident Canadians, are hereby elected directors of the corporation, to hold office until the close of the 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:

John Naccarato

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

Dated this 29th day of May, 2017

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, City Clerk

RESOLUTION OF THE SHAREHOLDER OF
PUC INC.

Ratification of By-law #1

BE IT RESOLVED THAT By-law #1 enacted by the Board of Directors of the Corporation on March 23, 2017 is hereby ratified.

Ratification of By-law #2

BE IT RESOLVED THAT By-law #2 enacted by the Board of Directors of the Corporation on March 23, 2017 is hereby ratified.

Ratification of Board of Directors Terms of Reference

BE IT RESOLVED THAT the Board of Directors Terms of Reference dated March 22, 2017 and approved by the Board of Directors of the Corporation are hereby ratified.

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

Dated this 29th day of May, 2017

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, City Clerk

BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of:

PUC INC.
(herein called the "Corporation")

CONTENTS

1. Interpretation
2. Directors
3. Meetings of Directors
4. Remuneration and Indemnification
5. Officers
6. Meetings of Shareholders
7. Shares
8. Dividends
9. Financial Year
10. Notices
11. Execution of Documents
12. Repeal

BE IT ENACTED as a by-law of the Corporation as follows:

1. INTERPRETATION

1.01 In this by-law and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:

(a) "Act" means the Ontario Business Corporations Act together with the Regulations made pursuant thereto and any statute or regulations that may be substituted therefor, as amended from time to time;

(b) "articles" means the articles of incorporation of the Corporation as amended or restated from time to time;

(c) "board" means the board of directors of the Corporation;

(d) "by-laws" means this by-law and all other by-laws of the Corporation as amended from time to time, and from time to time in force and effect;

(e) "Corporation" means this Corporation;

(f) "meeting of shareholders" means any meeting of shareholders, whether annual or special; and "special meeting of shareholders" means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue;

(g) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;

(h) "recorded address" means, in the case of a shareholder, his address as recorded in the shareholders' register; and, in the case of joint shareholders, the address appearing in the shareholders' register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address recorded in the records of the Corporation; and

(i) "unanimous shareholder agreement" shall have the meaning ascribed to such term under the Act.

1.02 In this by-law where the context requires, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.03 Save as aforesaid, all the words and terms appearing in this by-law shall have the same definitions and application as in the Act.

2. DIRECTORS

2.01 **Powers** - Subject to any unanimous shareholder agreement, the business and affairs of the Corporation shall be managed or supervised by a board of directors. Until changed in accordance with the Act, the board shall consist of ten (10) directors.

2.02 **Resident Canadians** – Notwithstanding any provisions of the Act to the contrary, all board members shall be resident Canadians.

2.03 **Qualifications** - No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt.

2.04 **Election of Directors in Rotation** – The directors of the Corporation shall be elected for a term as set out in this by-law and shall retire in rotation. At the first meeting of shareholders for the election of directors following the passing of this by-law, four (4) directors shall be elected to hold office until the third annual meeting of shareholders after that date, three (3) to hold office until the second (2) annual meeting after that date, and three (3) to hold office until the next annual meeting after that date. Subsequently, at each annual meeting, directors shall be elected to fill the positions of those directors whose term of office has expired and each director so elected shall hold office until the third annual meeting after that election. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected. A director shall be permitted to stand for election at the end of said director's term, to hold office until the third annual meeting after that election, provided that no director shall hold office for more than two consecutive terms, save and except where a majority of the directors not retiring in rotation determine that special circumstances warrant that a retiring director may stand for election for a third consecutive term. Following a break in the continuous service of at least one (1) year, a person may seek to stand for election as a director.

2.05 **Resignation** - A director may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later.

2.06 **Removal** - Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed at a meeting of shareholders, remove any director or directors from office before the expiration of his or their respective terms and may, by a majority of the votes cast at the meeting, elect any person in his place for the remainder of his term.

2.07 **Vacation of Office** - A director ceases to hold office when he dies, resigns, is removed from office by the shareholders, or becomes disqualified to serve as a director.

2.08 **Vacancies** - Subject to the provisions of the Act, where a vacancy occurs on the board, a quorum of the directors then in office may appoint a person to fill the vacancy for the remainder of the term. If there is not a quorum of directors or if there has been a failure to elect the number of directors required by the articles or in the case of a variable board as required by special resolution, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

3. MEETINGS OF DIRECTORS

3.01 **Place of Meetings** - Meetings of the board shall be held at the registered office of the Corporation, or at such other place within or outside of Ontario as the board from time to time determines.

3.02 **Meetings by Telephone** - Where all the directors present at or participating in the meeting have consented thereto, any director may participate in a meeting of the board or of a committee of the board by means of conference telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and a director participating in such a meeting by such means is deemed for the purposes of the Act and these by-laws to be present at the meeting. If a majority of the directors participating in such a meeting are then in Canada, the meeting shall be deemed to have been held in Canada.

3.03 **Calling of Meetings** - Meetings of the board shall be held from time to time at such place, at such time and on such day as the chairperson may determine, and the chairperson or their delegate shall call meetings. The chairperson and the President and Chief Executive Officer of the Corporation shall together set the agenda for each meeting. Notice of every meeting so called shall be given to each director not less than 48 hours (excluding any part of a Sunday and of a holiday as defined by the Legislation Act (Ontario)) before the time when the meeting is to be held, except that no notice of meeting shall be necessary if all the directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such meeting. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

3.04 **Regular Meetings** - The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meetings except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

3.05 **First Meeting of New Board** - Each newly elected board may without notice hold its first meeting immediately following a meeting of shareholders at which such board is elected, provided that a quorum of directors is present.

3.06 **Quorum** – A majority of the number of directors required by this by-law shall be required to constitute a quorum at any meeting of directors.

3.07 **Election of Chairperson and Vice-Chairperson** – At the first board meeting following the passing of this by-law, the directors shall elect, from among them, a chairperson and a vice-chairperson to hold office in such capacity for a term of two years. At the expiration of said two-year term, the directors elected as chairperson and vice-chairperson may each be re-elected for one additional term of two years. If the chairperson is not present at any meeting, the vice-chairperson shall act as chairperson for that meeting. If the chairperson and the vice-chairperson are not present at any meeting, the directors present shall choose one of their number then present to be chairperson for that meeting.

3.08 **Votes to Govern** - At all meetings of the board, every question shall be decided by a majority of the votes cast on the question.

3.09 **Casting Vote** - In the case of an equality of votes on any question at a meeting of the board, the chairperson of the meeting shall not be entitled to a second or casting vote.

3.10 **Disclosure of Interests in Contracts** – Notwithstanding anything contained in the Act, no director or officer of the Corporation shall, directly or indirectly, be a party to a contract or transaction or proposed contract or transaction with the Corporation during said director's term or said officer's appointment, as well as for a period of 12 months following the expiration of the said term or appointment.

3.11 **Resolution in Lieu of Meeting** - A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.

3.12 **Committees of the Board** – The board may appoint from their numbers one or more committees of the board, however designated, and delegate to any such committee any powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

3.13 **Procedure** – Unless otherwise determined by the board, each committee shall have power to fix its quorum, elect its chair and to regulate its procedure. Meetings of each committee shall be held at the head office of the corporation unless otherwise determined by the committee.

4. REMUNERATION AND INDEMNIFICATION

4.01 **Remuneration** - Subject to the provisions of the Act, the articles, and the by-laws of the Corporation or any unanimous shareholder agreement, the board may fix the remuneration of the directors. In addition, directors shall be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine.

4.02 **Limitation of Liability** - Every director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts,

receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

4.03 **Indemnity of Directors and Officers** - Subject to the provisions of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such Corporation or body corporate if

(a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

4.04 **Right of Indemnity not Exclusive** – The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders of directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

4.05 **Insurance** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the board may from time to time determine.

5. OFFICERS

5.01 **Appointment** - Subject to the provisions of the Act, the articles or any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers' powers to manage the business and affairs of the Corporation. Save for the chairperson of the board, an officer may but need not be a director and one person may hold more than one office.

5.02 **Chairperson of the Board** - Subject to the provisions of the Act, the chairperson shall have such powers and duties as may be specified by the board.

5.03 **President** - The board may from time to time appoint a president. The president shall be the chief executive officer of the Corporation and subject to the authority of the board, shall have the general supervision of the business and affairs of the Corporation and he shall have such other powers and duties as the board may specify.

5.04 **Vice-President** - The board may from time to time appoint one or more vice-presidents to serve as officers of the Corporation. A vice-president so appointed shall have such powers and such duties as the board or the chief executive officer may prescribe.

5.05 **Secretary** - The board may from time to time appoint a secretary. The secretary shall attend all meetings of the directors, shareholders and committees of the board and shall enter or cause to be entered in books kept for that purpose, minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and members of committees; he shall be the custodian of the stamp or mechanical devise generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

5.06 **Treasurer** - The board may from time to time appoint a treasurer. The treasurer shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit, or cause to be deposited, all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an accounting of all his transactions as treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

5.07 **Other Officers** - The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

5.08 **Variation of Duties** - From time to time and subject to the provisions of the Act, the board may vary, add to or limit the powers and duties of any officer.

5.09 **Agents and Attorneys** - The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

6. MEETINGS OF SHAREHOLDERS

6.01 **Annual Meetings** – The directors shall call an annual meeting of shareholders not later than fifteen months after holding the last preceding annual meeting. The annual meeting of shareholders of the Corporation shall be held at such time and on such day in each year as the board may from time to time determine, for the purposes of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and fixing or authorizing the board to

fix their remuneration, and for the transaction of such other business as may properly be brought before the meeting.

6.02 **Special Meetings** - The board may at any time call a special meeting of shareholders for the transaction of any business which may properly be brought before such meeting of shareholders. All business transacted at an annual meeting of shareholders except consideration of the financial statements, auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

6.03 **Place of Meetings** - Meetings of shareholders shall be held at the registered office of the Corporation, or at such other place within or outside of Ontario as the board from time to time determines.

6.04 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be sent not less than 10 days and not more than 50 days before the date of the meeting to the auditor of the Corporation, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. Notice of a special meeting of shareholders shall state:

(a) the nature of the business to be transacted at the meeting in sufficient detail to permit the shareholders to form a reasoned judgment thereon; and

(b) the text of any special resolution or by-law to be submitted to the meeting.

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of or otherwise consent to a meeting of shareholders.

6.05 **Persons Entitled To Be Present** - The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

6.06 **Quorum** - Subject to the provisions of the Act, the holders of a majority of the shares entitled to vote at a meeting of shareholders present in person or by proxy constitute a quorum for the transaction of business at any meeting of shareholders

6.07 **One-Shareholder Meeting** - If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

6.08 **Right to Vote** - At any meeting of shareholders, unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders, subject to the provisions of the Act.

6.09 **Proxies** - Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxy holder or one or more alternate proxy holders who are not required to be shareholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy shall be in writing and executed by the shareholder or by his attorney authorized in writing and shall conform with the requirements of the Act. The board may by resolution fix a time not exceeding 48 hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of shareholders, before which time proxies to be used at that meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in

the notice calling the meeting. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no time is specified in such notice, the proxy has been received by the secretary of the Corporation or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

6.10 **Scrutineers** - At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the chairperson with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

6.11 **Votes to Govern** - Subject to the provisions of the Act, the articles and the by-laws of the Corporation or any unanimous shareholder agreement, all questions proposed for the consideration of the shareholders at a meeting shall be decided by a majority of the votes cast thereon. In case of an equality of votes either on a show of hands or on a poll, the chairperson of the meeting shall not be entitled to a second or casting vote.

6.12 **Show of Hands** - Subject to the provisions of the Act, at all meetings of shareholders every question shall be decided by a show of hands unless a ballot thereon be required by the chairperson or be demanded by a shareholder or proxyholder present and entitled to vote. Upon a show or hands, every person present and entitled to vote has one vote regardless of the number of shares he represents. After a show of hands has been taken upon any question, the chairperson may require, or any shareholder or proxyholder present and entitled to vote may demand, a ballot thereon. Whenever a vote by show of hands shall be taken upon a question, unless a ballot thereon be so required or demanded, a declaration by the chairperson that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the question. The result of the vote so taken and declared shall be the decision of the Corporation on the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

6.13 **Ballots** - If a ballot is required by the chairperson of the meeting or is demanded and the demand is not withdrawn, a ballot upon the question shall be taken in such manner as the chairperson of the meeting directs.

6.14 **Adjournment** - The chairperson of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

6.15 **Resolution in Lieu of Meeting** - Except where a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act,

(a) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and

(b) a resolution in writing dealing with any matter required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of shareholders.

7. SHARES

7.01 **Allotment** - Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such time and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

7.02 **Lien for Indebtedness** - Subject to the provisions of the Act, the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation. Such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

7.03 **Share Certificates** - Every holder of one or more shares of the Corporation is entitled, at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, stating the number and class or a series of shares held by him as shown on the records of the Corporation. Share certificates and acknowledgments of a shareholder's right to a share certificate shall be in such form as the board shall from time to time approve.

7.04 **Replacement of Share Certificates** - Subject to the provisions of the Act, the directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.

7.05 **Transfer Agent and Register** - The board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch security registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

8. DIVIDENDS

8.01 **Declaration** - Subject to the provisions of the Act, the articles and to any unanimous shareholder agreement, the board may declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation or, subject to the provisions of the Act, may be paid in money or property.

8.02 **Payment** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared, and mailed by ordinary mail postage prepaid to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded addresses. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque be not paid on due presentation.

8.03 **Non-Receipt of Cheque** - In the event of the non-receipt of any cheque for a dividend by the person to whom it is so sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in a particular case.

9. FINANCIAL YEAR

9.01 **Financial Year** - The financial year of the Corporation shall end on the 31st day of December of each year, until changed by a resolution of the board.

10. NOTICES

10.01 **Method of Giving Notice** - Any notice, communication or other document required by the Act, the regulations, the articles or the by-laws to be given by the Corporation to a shareholder, director, officer, or auditor or member of a committee of the board of the Corporation under any provision of the Act, the articles or by-laws or otherwise shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary mail or if sent to him at his recorded address by any means of any prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or delivered to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer or auditor of the Corporation in accordance with any information believed by him to be reliable. The recorded address of a director shall be his latest address as shown in the records of the Corporation or in the most recent notice filed under the Ontario Corporations Information Act, whichever is the more current.

10.02 **Computation of Time** - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, "day" means a clear day and a period of days shall be deemed to commence on the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

10.03 **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor, or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.04 **Persons Entitled by Death or Operation of Law** - Every person who by operation of law, by transfer or the death of a shareholder or otherwise becomes entitled to shares is bound by every notice in respect of such shares which has been duly given to the registered holder from whom he derives title prior to his name and address being entered on the records of the Corporation (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

10.05 **Waiver of Notice** - Any shareholder (or his duly appointed proxy), director, officer or auditor may waive any notice or abridge the time required for any notice required to be given under any provision of the Act, the articles or by-laws of the Corporation or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

10.06 **Signatures to Notices** - The signatures to any notice to be given by the Corporation may be written, stamped, typewritten or printed or printed and partly written, stamped, typewritten or printed.

11. EXECUTION OF DOCUMENTS

11.01 **Signing Officers** - Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by any two officers or directors Notwithstanding this, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

12. REPEAL

12.01 **Repeal of By-law Number 1** - Upon this by-law coming into force, By-law Number 1, dated the 18th day of February, 2000 of the Corporation is repealed provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

ENACTED by the board the * day of *, 2017.

_____

President

CONFIRMED by the shareholders in accordance with the Act * the * day of *, 2017.

_____

Secretary

BY-LAW NO. 2

A by-law respecting the borrowing of money and the issuing of securities by:

PUC INC.
(hereinafter called the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

1. Without limiting the borrowing powers of the Corporation as set forth in the Ontario Business Corporations Act (the "Act"), any two Directors or Officers of the Corporation may, from time to time subject to any authorization required of the Shareholders pursuant to any Shareholders Agreement entered into from time to time:

   (a) borrow money upon the credit of the Corporation;

   (b) issue, re-issue, sell or pledge debt obligations of the Corporation;

   (c) subject to Section 20 of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

   (d) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

2. The Directors may, from time to time, by resolution delegate any or all of the powers referred to in paragraph 1 of this by-law to a director, a committee of directors or one or more officers of the Corporation.

ENACTED by the board the * day of *, 2017.

_____

President

CONFIRMED by the shareholders in accordance with the Act * the * day of *, 2017.

_____

Secretary

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1. Definitions

Act – means the Ontario Business Corporations Act

Corporation – means PUC Inc.,

Board or Board of Directors – means the board of directors of PUC Inc.

Director – means a director of PUC Inc.

Shareholder – means the Corporation of the City of Sault Ste. Marie

Shareholder Annual General Meeting (AGM) – means the annual meeting of the sole shareholder of the Corporation, typically held in the second quarter, as required under the Act.

2. Preamble

The PUC Group of Companies and their respective Directors are committed to corporate governance in a multi-utility, affiliate organization environment that meets all regulatory requirements while delivering optimized services to meet or exceed shareholder and customer expectations. Operational services are delivered through the mandate of PUC Services Inc. to the PUC Group of Companies under internal service agreements and external contracts. Being mindful that the common shareholder to all companies is the City of Sault Ste. Marie and of opportunities for cost efficiency, the Directors have agreed to governance with common policy directives wherever practical.

3. General

In general, a board of directors is responsible for the corporate governance of the entity it oversees. Directors are the stewards of the corporation's assets and their behavior should be focused on adding value to those assets to build a successful corporation and enhance shareholder value. Directors, through the actions of the board and committees guide and monitor the business and affairs of the corporation on behalf of the shareholder, by whom they are selected and to whom they are accountable.

The board has the statutory authority and obligation to protect and enhance the assets of the company in the interest of its shareholder. The board's authority is established under the Act, as well as the articles and bylaws of the corporation.

In general, a board should supervise, direct or oversee the business and affairs of a corporation, but does not manage them in a day-to-day sense. In most respects, directors monitor rather than actively manage the corporation's business and affairs. Directors are neither required nor expected to devote their full time and attention to the corporation's affairs.

4. Powers and Obligations

The Board exercises its powers through resolutions passed at meetings of the Board or, alternatively, in appropriate cases, through "consent resolutions", which are resolutions passed outside of meetings through unanimous consent where each Director signs off on the resolution. The powers of the Board are vested in the Board as a whole, not in individual directors.

4.1 Fiduciary Oversight

Directors and officers are fiduciaries of the Corporation and have obligations that include:

a. act honestly and in good faith in the best interests of the Corporation;
b. disclose conflicts of interest; and
c. maintaining confidentiality of the Board and the business that extends beyond any term on the Board as a Director.

In carrying out their fiduciary obligations, Directors and officers, through actions of the Board and committees, will ensure a corporate environment of strong internal controls, fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.

4.2 Standard of Care

Every director and officer of a corporation in exercising his or her powers and discharging his or her duties to the corporation shall,

(i) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
(ii) comply with the Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

4.3 Delegation of Responsibilities

The Board expects management to conduct the day-to-day affairs of the Corporation. The Chief Executive Officer (CEO) is responsible for the general supervision of the business of the Corporation and such other powers and duties as the Board may from time to time specify.

Notwithstanding the delegation to senior executives of very broad powers over a Corporation's affairs, the Board of Directors must reserve to itself the ability to intervene in management's decisions and to exercise final judgment on any matter that is material to the corporation. Although no bright line separates the duties of the Board from the duties of senior management, the overriding principle governing delegation is that the Directors must retain ultimate control over the Corporation.

Directors must be sufficiently familiar with the business and affairs of the Corporation to know that the Corporation is being managed in an appropriate fashion. They must exercise sufficient leadership to ensure that the Corporation is following a course that they have approved. Whether business decisions actually originate with the Directors is less central to the Board's function than whether the Directors are monitoring how these decisions are formulated and implemented.

4.4 Confidentiality

Directors and Officers are expected to protect the Corporation's confidential, proprietary and privileged information including information entrusted to the Corporation by third parties such as customers, suppliers and business partners, and refrain from using, disclosing or transmitting such information except for legitimate reasons.

5. Roles and Duties

5.1 Board

The Board's overarching role is the governance of the affairs of the Corporation. To this end, the Board delegates to management, through the CEO, the authority and responsibility for the day-to-day operations, and monitors and reviews management's performance in carrying out those responsibilities. The Board should coach the CEO and the executive team by providing advice but should not do management's job.

The Board therefore oversees the following key areas:

- board governance;
- strategic planning and strategic direction;
- risk identification and oversight;
- financial oversight;
- legal compliance;
- regulatory compliance;
- quality and performance measurement and monitoring;
- policy and procedure management;
- oversight of management; and
- stakeholder communication and accountability.

In addressing the key areas of responsibility, Board duties include:

- working with the CEO and executive management to establish a strategic direction for the corporation;

- ensuring systems and controls are in place to monitor business opportunities and manage corporate risk;
- providing assurance to shareholders about the integrity of the corporation's financial performance;
- communicating with shareholders and stakeholder;.
- providing for succession planning of the CEO;
- ensure that the CEO has a succession plan in place for executives and key personnel in the organization;
- developing the Corporation's approach to corporate governance;
- approving annual budgets and audited financial statements;
- accounting to stakeholders for the organization's performance; and
- participating in setting goals for the Corporation and the CEO, and monitoring and evaluating performance of the organization against Board expectations;

Other duties of the Board that involve periodic activities when and as required include:

- fulfilling responsibilities as outlined in the Shareholder Agreement;
- recruiting the CEO;
- appointing Board members to the subsidiaries that are consistent with the Shareholder Agreement, laws and regulations; and
- reviewing and approving Committee terms of reference and Committee work plans.

In carrying out its responsibilities, the Board's annual work plan includes at least the following activities:

- conduct an annual review of the strategic plan as part of the regular annual planning cycle;
- approve annual corporate targets and CEO targets;
- approve annual budgets;
- approve annual audited financial statements;
- conduct an annual review of the CEO's performance;
- review and approve annual Board and committee evaluation survey results;
- review and appoint membership of Board Committees and Committee Chairs;
- appoint officers;
- review and approve the Board annual work plan; and
- review and approve the corporate health and safety policy

5.2 Directors

Each director has a fiduciary duty to the Corporation, which includes the following obligations to:

- act honestly and in good faith with a view to the best interests of the Corporation;
- adequately prepare for, attend, and actively participate in Board and Committee meetings;
- exercise care and diligence in performing their duties as a Director;
- not make improper use of information gained in the position of Director;
- avoid conflicts of interest, real and perceived and to disclose any conflicts of interest in accordance with the Board's Code of Conduct and Conflict of Interest Policy;
- use independent judgment;
- ensure to the best of their ability that the Corporation is operating efficiently, effectively and legally towards achieving its goals;
- undertake diligent analysis of all proposals placed before the Board;
- contribute to the annual performance evaluation of the CEO;
- serve on committees and take on special assignments;
- accept and support decisions of the Board outside of the board room; and
- be committed to professional development as a Board member of the Corporation.

5.3 Board Chair

The Chair is elected in accordance with clause 3.07 of By-law 1.

The Chair oversees all Board meetings and will be:

- organized and follow all rules and regulations;
- open minded and encourage Board members to voice their views; and
- a trusted individual that gains the respect of the Board, Shareholder and executives.

The key duties and responsibilities of the Chair include:

- chairing Board meetings;
- providing effective leadership of the Directors;
- being the major point of contact between the Board and the CEO;
- with assistance from the CEO, setting the agenda for Board meetings;

- reviewing the effectiveness of Board functions and the performance of individual Board members;
- reviewing progress on important initiatives and significant issues with the CEO;
- reporting to the Shareholder; and
- along with the President and CEO, act as a spokespersons for the Corporation.

The Chair will be the contact/liaison person for third party consultants and legal counsel only when expressly approved by the Board.

5.4 Board Vice-Chair:

The Vice-Chair is elected in accordance with clause 3.07 of By-law 1. The Vice-Chair will assume the duties of the Chair whenever the Chair is absent or unable to fulfill the duties of the Chair.

5.5 Corporate Secretary

The Corporate Secretary's role is to provide administrative support to the Board and its Committees as required. The Secretary will ensure that all required minutes are properly recorded, approved and distributed to the Board and Committees of the Board. Draft minutes will be circulated to the Board as a whole only after their approval by the Chair.

It is important that minutes accurately reflect the meeting. Minutes need not contain a verbatim rendition of what was said at a meeting but they should contain sufficient description concerning the nature of the discussion to make it evident that the Board's consideration of an issue was thorough and thoughtful. Minutes should record decisions made.

Minutes should be circulated promptly after the meeting to ensure that directors who were present are able to confirm the accuracy of the minutes while the information discussed is relatively fresh in their minds. Prompt circulation will also allow Directors who were not present to register their dissent, if desired, as quickly as possible.

Every Director who is absent from a meeting and dissents to a resolution passed at such meeting may record his dissent, in writing, by immediately notifying the Secretary.

5.6 CEO

The CEO is responsible for the management of the Corporation to achieve the agreed corporate and CEO goals in accordance with the directions of the Board, and the strategy, policies and budgets approved by the Board.

The CEO responsibilities include:

- directing, managing and planning the business and affairs of the Corporation to achieve the Board's objectives;
- understanding the role of the Board and being openly supportive of building a healthy governance culture;
- working with the Board to develop corporate vision and direction, and implementing the directions of the Board;
- developing, with the management team and the Board, the programs to implement this vision;
- meeting all requirements of the Act, and other applicable regulations to ensure compliance;
- developing and maintaining appropriate policies and procedures necessary to carry out the business of the Corporation;
- building and supporting an effective management team;
- developing and maintaining a competitive wage and salary administration program to attract and keep high caliber employees including the negotiation of an appropriate collective agreement that seeks to achieve the goals of the Corporation;
- providing leadership and effective management in order to encourage cooperation and teamwork, build and maintain staff morale at a high level, and build and maintain a strong sense of staff identity with a sense of allegiance to the Corporation;
- carrying out the day-to-day management of the Corporation; and
- keeping the Board fully informed of the key activities and all important matters affecting the Corporation.

6. Board Committees

In accordance with By-law 1, clause 3.12, the Board may from time to time, by resolution of the Board, establish committees. Within limitations prescribed under the Act, the Board may delegate some of its duties and responsibilities to such committees, the specifics of which shall be captured in the committee's terms of reference. Except for the Executive Committee, all committees are advisory in nature, and serve only to provide the Board with support and advice in relation to making decisions. Only the Executive Committee has authority to act on behalf of the Board within its mandate, as determined from time to time.

7. Board Member Qualifications

Director Qualifications and Skills

The Board is committed to establishing and sustaining a skills-based board that is knowledgeable and experienced in a broad range of technical and societal skills. In addition to qualifications and requirements for Directors as set out in the Act and the by-laws of the corporation, the Board, as a whole, should possess most or all of the skills and knowledge areas identified in the company's Knowledge, Skills and Experience Matrix.

Board Chair Qualifications

To fulfill the responsibilities of the position, the Chair should possess the following qualities, skills and experience, in addition to the personal qualifications required of a Director:

- proven leadership skills;
- good strategic and facilitation skills, ability to influence and achieve consensus;
- ability to act impartially and without bias;
- tact and diplomacy;
- powerful communication skills;
- political acuity;
- leadership skills to build a strong relationship between the corporation and its stakeholders;
- ability to establish a trusted advisor relationship with the CEO and other Directors;
- board governance experience;
- outstanding record of achievement in one or several areas of skills and experience used to select Board Directors; and
- a minimum of two years of Board service for the Corporation, with a minimum of one year as either a Committee Chair or as Board Vice-Chair, unless otherwise approved by the Board.

Board Vice Chair Qualifications

The Vice-Chair, as the Chair's deputy, performs the same roles and responsibilities that are delegated to the Chair, when the Chair is not present. Skills and qualifications of Vice-Chair should be the same as those of the Chair, including, a minimum of two years of Board service at the corporation, with a minimum of one year as a Committee Chair, unless otherwise approved by the Board.

8. Election and Appointment of Directors

In accordance with the Act, the Shareholder has the authority to elect and appoint directors. The Shareholder has established its practice for electing directors.

To assist in this process, the Board may recommend candidates for election by the Shareholder. In selecting candidates for recommendation, the Board will ensure candidates possess the necessary skills required to fill existing gaps or to ensure the range of required skills is maintained.

9. Term of Office

The term of office for directors is specified in clause 2.04 and the terms of office for the Chair and Vice Chair are specified in clause 3.07 of By-law 1.

10. Vacancies

In accordance with By-law 1, clause 2.08, if a member of the board of directors ceases to be a director for any reason, the Board may determine whether the vacancy should be filled. If the Board determines that the vacancy should be filled, the Board may appoint a person to fill the vacancy for the remainder of the term or recommend candidates for election by the Shareholder.

In selecting persons for recommendation, the Board will ensure candidates possess the necessary skills required to fill existing gaps or to ensure the existing range of required Board skills is maintained.

11. Annual Work Plan

In order to support and facilitate performance of the Board's specific annual duties and responsibilities, an annual work plan will be developed.

12. Approval

These Terms of Reference were approved by resolution of the Board of Directors passed March 23, 2017

MEMORANDUM

DATE: May 18, 2017

TO: Mayor Provenzano and Members of City Council, City of Sault Ste. Marie

FROM: Jim Boniferro, Board Chair, PUC Services Inc. & PUC Inc.

SUBJECT: Annual General Meeting of the Shareholder

The Ontario Business Corporation Act requires a minimum of 10 days of notice for a shareholder's meeting. In accordance with the Act, please find attached official notice of the annual meeting for both PUC Services Inc. and PUC Inc. The meeting is scheduled for May 29, 2017 so as to coincide with the regular Council meeting of the same date.

Jim Boniferro

c.c. C.A.O., City of Sault Ste. Marie
City Clerk, City of Sault Ste. Marie
PUC Services Inc. Board of Directors
PUC Inc. Board of Directors
KPMG

Attachment: Notice of Annual Meeting, Shareholders of PUC Inc. and PUC Services Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF PUC INC. and PUC Services Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of the holders of the Common Shares of PUC Inc. and PUC Services Inc. will be held at the Civic Centre, 99 Foster Drive, Sault Ste. Marie, Ontario, on **May 29, 2017** for the purpose of:

(1) receiving and considering the annual report and financial statements for the year ended December 31st, 2016 and the report of the auditors thereon;

(2) ratification of By-law #1, By-law#2, and Board of Directors Terms of Reference;

(3) appointing auditors;

(4) election of directors; and

(5) transacting such further and other business as may properly come before the meeting or any adjournment thereof.

DATED this 18th day of May, 2017.

Jim Boniferro, Board Chair

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, 2016, 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, each resident Canadians, are hereby elected directors of the corporation, to hold office until the close of the 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:

John Naccarato

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

Dated this 29th day of May, 2017

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.

Ratification of By-law #1

BE IT RESOLVED THAT By-law #1 enacted by the Board of Directors of the Corporation on March 23, 2017 is hereby ratified.

Ratification of By-law #2

BE IT RESOLVED THAT By-law #2 enacted by the Board of Directors of the Corporation on March 23, 2017 is hereby ratified.

Ratification of Board of Directors Terms of Reference

BE IT RESOLVED THAT the Board of Directors Terms of Reference dated March 22, 2017 and approved by the Board of Directors of the Corporation are hereby ratified.

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

Dated this 29th day of May, 2017

The Corporation of the City of Sault Ste. Marie

Per: _____
Christian Provenzano, Mayor

Per: _____
Malcolm White, City Clerk

BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of:

PUC SERVICES INC.
(herein called the "Corporation")

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2. Directors
3. Meetings of Directors
4. Remuneration and Indemnification
5. Officers
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7. Shares
8. Dividends
9. Financial Year
10. Notices
11. Execution of Documents
12. Repeal

BE IT ENACTED as a by-law of the Corporation as follows:

1. INTERPRETATION

1.01 In this by-law and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:

(a) "Act" means the Ontario Business Corporations Act together with the Regulations made pursuant thereto and any statute or regulations that may be substituted therefor, as amended from time to time;

(b) "articles" means the articles of incorporation of the Corporation as amended or restated from time to time;

(c) "board" means the board of directors of the Corporation;

(d) "by-laws" means this by-law and all other by-laws of the Corporation as amended from time to time, and from time to time in force and effect;

(e) "Corporation" means this Corporation;

(f) "meeting of shareholders" means any meeting of shareholders, whether annual or special; and "special meeting of shareholders" means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue;

(g) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;

(h) "recorded address" means, in the case of a shareholder, his address as recorded in the shareholders' register; and, in the case of joint shareholders, the address appearing in the shareholders' register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address recorded in the records of the Corporation; and

(i) "unanimous shareholder agreement" shall have the meaning ascribed to such term under the Act.

1.02 In this by-law where the context requires, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.03 Save as aforesaid, all the words and terms appearing in this by-law shall have the same definitions and application as in the Act.

2. DIRECTORS

2.01 **Powers** - Subject to any unanimous shareholder agreement, the business and affairs of the Corporation shall be managed or supervised by a board of directors. Until changed in accordance with the Act, the board shall consist of ten (10) directors.

2.02 **Resident Canadians** – Notwithstanding any provisions of the Act to the contrary, all board members shall be resident Canadians.

2.03 **Qualifications** - No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt.

2.04 **Election of Directors in Rotation** – The directors of the Corporation shall be elected for a term as set out in this by-law and shall retire in rotation. At the first meeting of shareholders for the election of directors following the passing of this by-law, four (4) directors shall be elected to hold office until the third annual meeting of shareholders after that date, three (3) to hold office until the second (2) annual meeting after that date, and three (3) to hold office until the next annual meeting after that date. Subsequently, at each annual meeting, directors shall be elected to fill the positions of those directors whose term of office has expired and each director so elected shall hold office until the third annual meeting after that election. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected. A director shall be permitted to stand for election at the end of said director's term, to hold office until the third annual meeting after that election, provided that no director shall hold office for more than two consecutive terms, save and except where a majority of the directors not retiring in rotation determine that special circumstances warrant that a retiring director may stand for election for a third consecutive term. Following a break in the continuous service of at least one (1) year, a person may seek to stand for election as a director.

2.05 **Resignation** - A director may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later.

2.06 **Removal** - Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed at a meeting of shareholders, remove any director or directors from office before the expiration of his or their respective terms and may, by a majority of the votes cast at the meeting, elect any person in his place for the remainder of his term.

2.07 **Vacation of Office** - A director ceases to hold office when he dies, resigns, is removed from office by the shareholders, or becomes disqualified to serve as a director.

2.08 **Vacancies** - Subject to the provisions of the Act, where a vacancy occurs on the board, a quorum of the directors then in office may appoint a person to fill the vacancy for the remainder of the term. If there is not a quorum of directors or if there has been a failure to elect the number of directors required by the articles or in the case of a variable board as required by special resolution, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

3. MEETINGS OF DIRECTORS

3.01 **Place of Meetings** - Meetings of the board shall be held at the registered office of the Corporation, or at such other place within or outside of Ontario as the board from time to time determines.

3.02 **Meetings by Telephone** - Where all the directors present at or participating in the meeting have consented thereto, any director may participate in a meeting of the board or of a committee of the board by means of conference telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and a director participating in such a meeting by such means is deemed for the purposes of the Act and these by-laws to be present at the meeting. If a majority of the directors participating in such a meeting are then in Canada, the meeting shall be deemed to have been held in Canada.

3.03 **Calling of Meetings** - Meetings of the board shall be held from time to time at such place, at such time and on such day as the chairperson may determine, and the chairperson or their delegate shall call meetings. The chairperson and the President and Chief Executive Officer of the Corporation shall together set the agenda for each meeting. Notice of every meeting so called shall be given to each director not less than 48 hours (excluding any part of a Sunday and of a holiday as defined by the Legislation Act (Ontario)) before the time when the meeting is to be held, except that no notice of meeting shall be necessary if all the directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such meeting. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

3.04 **Regular Meetings** - The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meetings except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

3.05 **First Meeting of New Board** - Each newly elected board may without notice hold its first meeting immediately following a meeting of shareholders at which such board is elected, provided that a quorum of directors is present.

3.06 **Quorum** – A majority of the number of directors required by this by-law shall be required to constitute a quorum at any meeting of directors.

3.07 **Election of Chairperson and Vice-Chairperson** – At the first board meeting following the passing of this by-law, the directors shall elect, from among them, a chairperson and a vice-chairperson to hold office in such capacity for a term of two years. At the expiration of said two-year term, the directors elected as chairperson and vice-chairperson may each be re-elected for one additional term of two years. If the chairperson is not present at any meeting, the vice-chairperson shall act as chairperson for that meeting. If the chairperson and the vice-chairperson are not present at any meeting, the directors present shall choose one of their number then present to be chairperson for that meeting.

3.08 **Votes to Govern** - At all meetings of the board, every question shall be decided by a majority of the votes cast on the question.

3.09 **Casting Vote** - In the case of an equality of votes on any question at a meeting of the board, the chairperson of the meeting shall not be entitled to a second or casting vote.

3.10 **Disclosure of Interests in Contracts** – Notwithstanding anything contained in the Act, no director or officer of the Corporation shall, directly or indirectly, be a party to a contract or transaction or proposed contract or transaction with the Corporation during said director's term or said officer's appointment, as well as for a period of 12 months following the expiration of the said term or appointment.

3.11 **Resolution in Lieu of Meeting** - A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.

3.12 **Committees of the Board** – The board may appoint from their numbers one or more committees of the board, however designated, and delegate to any such committee any powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

3.13 **Procedure** – Unless otherwise determined by the board, each committee shall have power to fix its quorum, elect its chair and to regulate its procedure. Meetings of each committee shall be held at the head office of the corporation unless otherwise determined by the committee.

4. REMUNERATION AND INDEMNIFICATION

4.01 **Remuneration** - Subject to the provisions of the Act, the articles, and the by-laws of the Corporation or any unanimous shareholder agreement, the board may fix the remuneration of the directors. In addition, directors shall be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine.

4.02 **Limitation of Liability** - Every director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts,

receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

4.03 **Indemnity of Directors and Officers** - Subject to the provisions of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such Corporation or body corporate if

(a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

4.04 **Right of Indemnity not Exclusive** – The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders of directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

4.05 **Insurance** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the board may from time to time determine.

5. OFFICERS

5.01 **Appointment** - Subject to the provisions of the Act, the articles or any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers' powers to manage the business and affairs of the Corporation. Save for the chairperson of the board, an officer may but need not be a director and one person may hold more than one office.

5.02 **Chairperson of the Board** - Subject to the provisions of the Act, the chairperson shall have such powers and duties as may be specified by the board.

5.03 **President** - The board may from time to time appoint a president. The president shall be the chief executive officer of the Corporation and subject to the authority of the board, shall have the general supervision of the business and affairs of the Corporation and he shall have such other powers and duties as the board may specify.

5.04 **Vice-President** - The board may from time to time appoint one or more vice-presidents to serve as officers of the Corporation. A vice-president so appointed shall have such powers and such duties as the board or the chief executive officer may prescribe.

5.05 **Secretary** - The board may from time to time appoint a secretary. The secretary shall attend all meetings of the directors, shareholders and committees of the board and shall enter or cause to be entered in books kept for that purpose, minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and members of committees; he shall be the custodian of the stamp or mechanical devise generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

5.06 **Treasurer** - The board may from time to time appoint a treasurer. The treasurer shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit, or cause to be deposited, all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an accounting of all his transactions as treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

5.07 **Other Officers** - The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

5.08 **Variation of Duties** - From time to time and subject to the provisions of the Act, the board may vary, add to or limit the powers and duties of any officer.

5.09 **Agents and Attorneys** - The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

6. MEETINGS OF SHAREHOLDERS

6.01 **Annual Meetings** – The directors shall call an annual meeting of shareholders not later than fifteen months after holding the last preceding annual meeting. The annual meeting of shareholders of the Corporation shall be held at such time and on such day in each year as the board may from time to time determine, for the purposes of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and fixing or authorizing the board to

fix their remuneration, and for the transaction of such other business as may properly be brought before the meeting.

6.02 **Special Meetings** - The board may at any time call a special meeting of shareholders for the transaction of any business which may properly be brought before such meeting of shareholders. All business transacted at an annual meeting of shareholders except consideration of the financial statements, auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

6.03 **Place of Meetings** - Meetings of shareholders shall be held at the registered office of the Corporation, or at such other place within or outside of Ontario as the board from time to time determines.

6.04 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be sent not less than 10 days and not more than 50 days before the date of the meeting to the auditor of the Corporation, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. Notice of a special meeting of shareholders shall state:

(a) the nature of the business to be transacted at the meeting in sufficient detail to permit the shareholders to form a reasoned judgment thereon; and

(b) the text of any special resolution or by-law to be submitted to the meeting.

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of or otherwise consent to a meeting of shareholders.

6.05 **Persons Entitled To Be Present** - The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

6.06 **Quorum** - Subject to the provisions of the Act, the holders of a majority of the shares entitled to vote at a meeting of shareholders present in person or by proxy constitute a quorum for the transaction of business at any meeting of shareholders

6.07 **One-Shareholder Meeting** - If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

6.08 **Right to Vote** - At any meeting of shareholders, unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders, subject to the provisions of the Act.

6.09 **Proxies** - Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxy holder or one or more alternate proxy holders who are not required to be shareholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy shall be in writing and executed by the shareholder or by his attorney authorized in writing and shall conform with the requirements of the Act. The board may by resolution fix a time not exceeding 48 hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of shareholders, before which time proxies to be used at that meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in

the notice calling the meeting. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no time is specified in such notice, the proxy has been received by the secretary of the Corporation or by the chairperson of the meeting or any adjournment thereof prior to the time of voting.

6.10 **Scrutineers** - At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the chairperson with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

6.11 **Votes to Govern** - Subject to the provisions of the Act, the articles and the by-laws of the Corporation or any unanimous shareholder agreement, all questions proposed for the consideration of the shareholders at a meeting shall be decided by a majority of the votes cast thereon. In case of an equality of votes either on a show of hands or on a poll, the chairperson of the meeting shall not be entitled to a second or casting vote.

6.12 **Show of Hands** - Subject to the provisions of the Act, at all meetings of shareholders every question shall be decided by a show of hands unless a ballot thereon be required by the chairperson or be demanded by a shareholder or proxyholder present and entitled to vote. Upon a show or hands, every person present and entitled to vote has one vote regardless of the number of shares he represents. After a show of hands has been taken upon any question, the chairperson may require, or any shareholder or proxyholder present and entitled to vote may demand, a ballot thereon. Whenever a vote by show of hands shall be taken upon a question, unless a ballot thereon be so required or demanded, a declaration by the chairperson that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the question. The result of the vote so taken and declared shall be the decision of the Corporation on the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

6.13 **Ballots** - If a ballot is required by the chairperson of the meeting or is demanded and the demand is not withdrawn, a ballot upon the question shall be taken in such manner as the chairperson of the meeting directs.

6.14 **Adjournment** - The chairperson of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

6.15 **Resolution in Lieu of Meeting** - Except where a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act,

(a) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and

(b) a resolution in writing dealing with any matter required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of shareholders.

7. SHARES

7.01 **Allotment** - Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such time and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

7.02 **Lien for Indebtedness** - Subject to the provisions of the Act, the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation. Such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

7.03 **Share Certificates** - Every holder of one or more shares of the Corporation is entitled, at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, stating the number and class or a series of shares held by him as shown on the records of the Corporation. Share certificates and acknowledgments of a shareholder's right to a share certificate shall be in such form as the board shall from time to time approve.

7.04 **Replacement of Share Certificates** - Subject to the provisions of the Act, the directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.

7.05 **Transfer Agent and Register** - The board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch security registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

8. DIVIDENDS

8.01 **Declaration** - Subject to the provisions of the Act, the articles and to any unanimous shareholder agreement, the board may declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation or, subject to the provisions of the Act, may be paid in money or property.

8.02 **Payment** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared, and mailed by ordinary mail postage prepaid to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded addresses. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque be not paid on due presentation.

8.03 **Non-Receipt of Cheque** - In the event of the non-receipt of any cheque for a dividend by the person to whom it is so sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in a particular case.

9. FINANCIAL YEAR

9.01 **Financial Year** - The financial year of the Corporation shall end on the 31st day of December of each year, until changed by a resolution of the board.

10. NOTICES

10.01 **Method of Giving Notice** - Any notice, communication or other document required by the Act, the regulations, the articles or the by-laws to be given by the Corporation to a shareholder, director, officer, or auditor or member of a committee of the board of the Corporation under any provision of the Act, the articles or by-laws or otherwise shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary mail or if sent to him at his recorded address by any means of any prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or delivered to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer or auditor of the Corporation in accordance with any information believed by him to be reliable. The recorded address of a director shall be his latest address as shown in the records of the Corporation or in the most recent notice filed under the Ontario Corporations Information Act, whichever is the more current.

10.02 **Computation of Time** - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, "day" means a clear day and a period of days shall be deemed to commence on the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

10.03 **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor, or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.04 **Persons Entitled by Death or Operation of Law** - Every person who by operation of law, by transfer or the death of a shareholder or otherwise becomes entitled to shares is bound by every notice in respect of such shares which has been duly given to the registered holder from whom he derives title prior to his name and address being entered on the records of the Corporation (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

10.05 **Waiver of Notice** - Any shareholder (or his duly appointed proxy), director, officer or auditor may waive any notice or abridge the time required for any notice required to be given under any provision of the Act, the articles or by-laws of the Corporation or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

10.06 **Signatures to Notices** - The signatures to any notice to be given by the Corporation may be written, stamped, typewritten or printed or printed and partly written, stamped, typewritten or printed.

11. EXECUTION OF DOCUMENTS

11.01 **Signing Officers** - Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by any two officers or directors Notwithstanding this, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

12. REPEAL

12.01 **Repeal of By-law Number 1** - Upon this by-law coming into force, By-law Number 1, dated the 18th day of February, 2000 of the Corporation is repealed provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

ENACTED by the board the * day of *, 2017.

_____

President

CONFIRMED by the shareholders in accordance with the Act * the * day of *, 2017.

_____

Secretary

BY-LAW NO. 2

A by-law respecting the borrowing of money and the issuing of securities by:

PUC SERVICES INC.
(hereinafter called the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

1. Without limiting the borrowing powers of the Corporation as set forth in the Ontario Business Corporations Act (the "Act"), any two Directors or Officers of the Corporation may, from time to time subject to any authorization required of the Shareholders pursuant to any Shareholders Agreement entered into from time to time:

   (a) borrow money upon the credit of the Corporation;

   (b) issue, re-issue, sell or pledge debt obligations of the Corporation;

   (c) subject to Section 20 of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

   (d) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

2. The Directors may, from time to time, by resolution delegate any or all of the powers referred to in paragraph 1 of this by-law to a director, a committee of directors or one or more officers of the Corporation.

ENACTED by the board the * day of *, 2017.

_____

President

CONFIRMED by the shareholders in accordance with the Act * the * day of *, 2017.

_____

Secretary

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1. Definitions

Act – means the Ontario Business Corporations Act

Corporation – means PUC Services Inc.,

Board or Board of Directors – means the board of directors of PUC Services Inc.

Director – means a director of PUC Services Inc.

Shareholder – means the Corporation of the City of Sault Ste. Marie

Shareholder Annual General Meeting (AGM) – means the annual meeting of the sole shareholder of the Corporation, typically held in the second quarter, as required under the Act.

2. Preamble

The PUC Group of Companies and their respective Directors are committed to corporate governance in a multi-utility, affiliate organization environment that meets all regulatory requirements while delivering optimized services to meet or exceed shareholder and customer expectations. Operational services are delivered through the mandate of PUC Services Inc. to the PUC Group of Companies under internal service agreements and external contracts. Being mindful that the common shareholder to all companies is the City of Sault Ste. Marie and of opportunities for cost efficiency, the Directors have agreed to governance with common policy directives wherever practical.

3. General

In general, a board of directors is responsible for the corporate governance of the entity it oversees. Directors are the stewards of the corporation's assets and their behavior should be focused on adding value to those assets to build a successful corporation and enhance shareholder value. Directors, through the actions of the board and committees guide and monitor the business and affairs of the corporation on behalf of the shareholder, by whom they are selected and to whom they are accountable.

The board has the statutory authority and obligation to protect and enhance the assets of the company in the interest of its shareholder. The board's authority is established under the Act, as well as the articles and bylaws of the corporation.

In general, a board should supervise, direct or oversee the business and affairs of a corporation, but does not manage them in a day-to-day sense. In most respects, directors monitor rather than actively manage the corporation's business and affairs. Directors are neither required nor expected to devote their full time and attention to the corporation's affairs.

4. Powers and Obligations

The Board exercises its powers through resolutions passed at meetings of the Board or, alternatively, in appropriate cases, through "consent resolutions", which are resolutions passed outside of meetings through unanimous consent where each Director signs off on the resolution. The powers of the Board are vested in the Board as a whole, not in individual directors.

4.1 Fiduciary Oversight

Directors and officers are fiduciaries of the Corporation and have obligations that include:

a. act honestly and in good faith in the best interests of the Corporation;
b. disclose conflicts of interest; and
c. maintaining confidentiality of the Board and the business that extends beyond any term on the Board as a Director.

In carrying out their fiduciary obligations, Directors and officers, through actions of the Board and committees, will ensure a corporate environment of strong internal controls, fiscal accountability, high ethical standards and compliance with all applicable laws and regulations.

4.2 Standard of Care

Every director and officer of a corporation in exercising his or her powers and discharging his or her duties to the corporation shall,

(i) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
(ii) comply with the Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

4.3 Delegation of Responsibilities

The Board expects management to conduct the day-to-day affairs of the Corporation. The Chief Executive Officer (CEO) is responsible for the general supervision of the business of the Corporation and such other powers and duties as the Board may from time to time specify.

Notwithstanding the delegation to senior executives of very broad powers over a Corporation's affairs, the Board of Directors must reserve to itself the ability to intervene in management's decisions and to exercise final judgment on any matter that is material to the corporation. Although no bright line separates the duties of the Board from the duties of senior management, the overriding principle governing delegation is that the Directors must retain ultimate control over the Corporation.

Directors must be sufficiently familiar with the business and affairs of the Corporation to know that the Corporation is being managed in an appropriate fashion. They must exercise sufficient leadership to ensure that the Corporation is following a course that they have approved. Whether business decisions actually originate with the Directors is less central to the Board's function than whether the Directors are monitoring how these decisions are formulated and implemented.

4.4 Confidentiality

Directors and Officers are expected to protect the Corporation's confidential, proprietary and privileged information including information entrusted to the Corporation by third parties such as customers, suppliers and business partners, and refrain from using, disclosing or transmitting such information except for legitimate reasons.

5. Roles and Duties

5.1 Board

The Board's overarching role is the governance of the affairs of the Corporation. To this end, the Board delegates to management, through the CEO, the authority and responsibility for the day-to-day operations, and monitors and reviews management's performance in carrying out those responsibilities. The Board should coach the CEO and the executive team by providing advice but should not do management's job.

The Board therefore oversees the following key areas:

- board governance;
- strategic planning and strategic direction;
- risk identification and oversight;
- financial oversight;
- legal compliance;
- regulatory compliance;
- quality and performance measurement and monitoring;
- policy and procedure management;
- oversight of management; and
- stakeholder communication and accountability.

In addressing the key areas of responsibility, Board duties include:

- working with the CEO and executive management to establish a strategic direction for the corporation;

- ensuring systems and controls are in place to monitor business opportunities and manage corporate risk;
- providing assurance to shareholders about the integrity of the corporation's financial performance;
- communicating with shareholders and stakeholder;.
- providing for succession planning of the CEO;
- ensure that the CEO has a succession plan in place for executives and key personnel in the organization;
- developing the Corporation's approach to corporate governance;
- approving annual budgets and audited financial statements;
- accounting to stakeholders for the organization's performance; and
- participating in setting goals for the Corporation and the CEO, and monitoring and evaluating performance of the organization against Board expectations;

Other duties of the Board that involve periodic activities when and as required include:

- fulfilling responsibilities as outlined in the Shareholder Agreement;
- recruiting the CEO;
- appointing Board members to the subsidiaries that are consistent with the Shareholder Agreement, laws and regulations; and
- reviewing and approving Committee terms of reference and Committee work plans.

In carrying out its responsibilities, the Board's annual work plan includes at least the following activities:

- conduct an annual review of the strategic plan as part of the regular annual planning cycle;
- approve annual corporate targets and CEO targets;
- approve annual budgets;
- approve annual audited financial statements;
- conduct an annual review of the CEO's performance;
- review and approve annual Board and committee evaluation survey results;
- review and appoint membership of Board Committees and Committee Chairs;
- appoint officers;
- review and approve the Board annual work plan; and
- review and approve the corporate health and safety policy

5.2 Directors

Each director has a fiduciary duty to the Corporation, which includes the following obligations to:

- act honestly and in good faith with a view to the best interests of the Corporation;
- adequately prepare for, attend, and actively participate in Board and Committee meetings;
- exercise care and diligence in performing their duties as a Director;
- not make improper use of information gained in the position of Director;
- avoid conflicts of interest, real and perceived and to disclose any conflicts of interest in accordance with the Board's Code of Conduct and Conflict of Interest Policy;
- use independent judgment;
- ensure to the best of their ability that the Corporation is operating efficiently, effectively and legally towards achieving its goals;
- undertake diligent analysis of all proposals placed before the Board;
- contribute to the annual performance evaluation of the CEO;
- serve on committees and take on special assignments;
- accept and support decisions of the Board outside of the board room; and
- be committed to professional development as a Board member of the Corporation.

5.3 Board Chair

The Chair is elected in accordance with clause 3.07 of By-law 1.

The Chair oversees all Board meetings and will be:

- organized and follow all rules and regulations;
- open minded and encourage Board members to voice their views; and
- a trusted individual that gains the respect of the Board, Shareholder and executives.

The key duties and responsibilities of the Chair include:

- chairing Board meetings;
- providing effective leadership of the Directors;
- being the major point of contact between the Board and the CEO;
- with assistance from the CEO, setting the agenda for Board meetings;

- reviewing the effectiveness of Board functions and the performance of individual Board members;
- reviewing progress on important initiatives and significant issues with the CEO;
- reporting to the Shareholder; and
- along with the President and CEO, act as a spokespersons for the Corporation.

The Chair will be the contact/liaison person for third party consultants and legal counsel only when expressly approved by the Board.

5.4 Board Vice-Chair:

The Vice-Chair is elected in accordance with clause 3.07 of By-law 1. The Vice-Chair will assume the duties of the Chair whenever the Chair is absent or unable to fulfill the duties of the Chair.

5.5 Corporate Secretary

The Corporate Secretary's role is to provide administrative support to the Board and its Committees as required. The Secretary will ensure that all required minutes are properly recorded, approved and distributed to the Board and Committees of the Board. Draft minutes will be circulated to the Board as a whole only after their approval by the Chair.

It is important that minutes accurately reflect the meeting. Minutes need not contain a verbatim rendition of what was said at a meeting but they should contain sufficient description concerning the nature of the discussion to make it evident that the Board's consideration of an issue was thorough and thoughtful. Minutes should record decisions made.

Minutes should be circulated promptly after the meeting to ensure that directors who were present are able to confirm the accuracy of the minutes while the information discussed is relatively fresh in their minds. Prompt circulation will also allow Directors who were not present to register their dissent, if desired, as quickly as possible.

Every Director who is absent from a meeting and dissents to a resolution passed at such meeting may record his dissent, in writing, by immediately notifying the Secretary.

5.6 CEO

The CEO is responsible for the management of the Corporation to achieve the agreed corporate and CEO goals in accordance with the directions of the Board, and the strategy, policies and budgets approved by the Board.

The CEO responsibilities include:

- directing, managing and planning the business and affairs of the Corporation to achieve the Board's objectives;
- understanding the role of the Board and being openly supportive of building a healthy governance culture;
- working with the Board to develop corporate vision and direction, and implementing the directions of the Board;
- developing, with the management team and the Board, the programs to implement this vision;
- meeting all requirements of the Act, and other applicable regulations to ensure compliance;
- developing and maintaining appropriate policies and procedures necessary to carry out the business of the Corporation;
- building and supporting an effective management team;
- developing and maintaining a competitive wage and salary administration program to attract and keep high caliber employees including the negotiation of an appropriate collective agreement that seeks to achieve the goals of the Corporation;
- providing leadership and effective management in order to encourage cooperation and teamwork, build and maintain staff morale at a high level, and build and maintain a strong sense of staff identity with a sense of allegiance to the Corporation;
- carrying out the day-to-day management of the Corporation; and
- keeping the Board fully informed of the key activities and all important matters affecting the Corporation.

6. Board Committees

In accordance with By-law 1, clause 3.12, the Board may from time to time, by resolution of the Board, establish committees. Within limitations prescribed under the Act, the Board may delegate some of its duties and responsibilities to such committees, the specifics of which shall be captured in the committee's terms of reference. Except for the Executive Committee, all committees are advisory in nature, and serve only to provide the Board with support and advice in relation to making decisions. Only the Executive Committee has authority to act on behalf of the Board within its mandate, as determined from time to time.

7. Board Member Qualifications

Director Qualifications and Skills

The Board is committed to establishing and sustaining a skills-based board that is knowledgeable and experienced in a broad range of technical and societal skills. In addition to qualifications and requirements for Directors as set out in the Act and the by-laws of the corporation, the Board, as a whole, should possess most or all of the skills and knowledge areas identified in the company's Knowledge, Skills and Experience Matrix.

Board Chair Qualifications

To fulfill the responsibilities of the position, the Chair should possess the following qualities, skills and experience, in addition to the personal qualifications required of a Director:

- proven leadership skills;
- good strategic and facilitation skills, ability to influence and achieve consensus;
- ability to act impartially and without bias;
- tact and diplomacy;
- powerful communication skills;
- political acuity;
- leadership skills to build a strong relationship between the corporation and its stakeholders;
- ability to establish a trusted advisor relationship with the CEO and other Directors;
- board governance experience;
- outstanding record of achievement in one or several areas of skills and experience used to select Board Directors; and
- a minimum of two years of Board service for the Corporation, with a minimum of one year as either a Committee Chair or as Board Vice-Chair, unless otherwise approved by the Board.

Board Vice Chair Qualifications

The Vice-Chair, as the Chair's deputy, performs the same roles and responsibilities that are delegated to the Chair, when the Chair is not present. Skills and qualifications of Vice-Chair should be the same as those of the Chair, including, a minimum of two years of Board service at the corporation, with a minimum of one year as a Committee Chair, unless otherwise approved by the Board.

8. Election and Appointment of Directors

In accordance with the Act, the Shareholder has the authority to elect and appoint directors. The Shareholder has established its practice for electing directors.

To assist in this process, the Board may recommend candidates for election by the Shareholder. In selecting candidates for recommendation, the Board will ensure candidates possess the necessary skills required to fill existing gaps or to ensure the range of required skills is maintained.

9. Term of Office

The term of office for directors is specified in clause 2.04 and the terms of office for the Chair and Vice Chair are specified in clause 3.07 of By-law 1.

10. Vacancies

In accordance with By-law 1, clause 2.08, if a member of the board of directors ceases to be a director for any reason, the Board may determine whether the vacancy should be filled. If the Board determines that the vacancy should be filled, the Board may appoint a person to fill the vacancy for the remainder of the term or recommend candidates for election by the Shareholder.

In selecting persons for recommendation, the Board will ensure candidates possess the necessary skills required to fill existing gaps or to ensure the existing range of required Board skills is maintained.

11. Annual Work Plan

In order to support and facilitate performance of the Board's specific annual duties and responsibilities, an annual work plan will be developed.

12. Approval

These Terms of Reference were approved by resolution of the Board of Directors passed March 22, 2017

Financial Statements of

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Year ended December 31, 2016

PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE

Financial Statements

Year ended December 31, 2016

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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, 2016, 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

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, 2016, 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 26, 2017
Sault Ste. Marie, Canada

PUBLIC UTILITIES COMMISSION
OF THE CITY OF SAULT STE. MARIE

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial assets		
Cash	$ 4,152,778	$ 10,984
Accounts receivable	2,480,095	2,951,731
Unbilled service revenue	548,352	707,588
	7,181,225	3,670,303
Financial liabilities		
Accounts payable and accrued liabilities	3,866,780	3,257,495
Payable to related company, PUC Services Inc. (note 3)	2,622,934	2,856,907
Line of credit payable (note 4)	–	3,000,000
Loan payable (note 5)	7,365,679	–
	13,855,393	9,114,402
Net debt	(6,674,168)	(5,444,099)
Non-financial assets:		
Tangible capital assets (note 7)	85,525,500	82,026,407
Inventory	315,681	301,745
	85,841,181	82,328,152
Accumulated surplus (note 8)	$ 79,167,013	$ 76,884,053

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, 2016, with comparative information for 2015

	Budget (note 2)	2016	2015
Revenues:			
Service revenue:			
Residential	$ 9,788,495	$ 9,655,343	$ 9,812,131
General	7,250,003	6,452,885	6,736,023
Hydrants	1,115,000	1,166,989	1,145,143
	18,153,498	17,275,217	17,693,297
Other:			
Investment income	10,000	19,901	–
Non-service revenue	779,500	476,058	633,252
Developers contributions	–	198,458	11,027
Gain on sale of assets	–	98,032	–
	789,500	792,449	644,279
Total revenues	18,942,998	18,067,666	18,337,576
Expenses:			
Purification and pumping	4,250,328	4,292,209	4,332,996
Transmission and distribution	4,258,420	3,706,839	4,718,299
Amortization of tangible capital assets	2,300,000	2,304,853	2,239,907
Hydrants	456,341	441,446	497,604
Billing and collection	1,261,670	1,218,688	1,548,021
Interest on long-term debt	280,000	223,885	154,214
General and administration	3,722,054	3,596,786	3,847,497
Total expenses (note 6)	16,528,813	15,784,706	17,338,538
Annual surplus	2,414,185	2,282,960	999,038
Accumulated surplus, beginning of year	76,884,053	76,884,053	75,885,015
Accumulated surplus, end of year	$ 79,298,238	$ 79,167,013	$ 76,884,053

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, 2016, with comparative information for 2015

	Budget (note 2)	2016	2015
Annual surplus	$ 2,414,185	$ 2,282,960	$ 999,038
Acquisition of tangible capital assets	(6,951,856)	(6,432,679)	(4,205,774)
Amortization of tangible capital assets	2,300,000	2,304,853	2,239,907
Gain on sale of tangible capital assets	–	(98,032)	–
Proceeds from sale of tangible capital assets	–	726,765	–
	(2,237,671)	(1,216,133)	(966,829)
Acquisition of inventory	–	(315,681)	(301,745)
Use of inventory	–	301,745	251,481
Change in net debt	(2,237,671)	(1,230,069)	(1,017,093)
Net debt, beginning of year	(5,444,099)	(5,444,099)	(4,427,006)
Net debt, end of year	$ (7,681,770)	$ (6,674,168)	$ (5,444,099)

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, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used for):		
Operating activities:		
Annual surplus	$ 2,282,960	$ 999,038
Items not involving cash:		
Amortization of tangible capital assets	2,304,853	2,239,907
Developers contributions	(198,458)	(11,027)
Gain on sale of tangible capital assets	(98,032)	–
	4,291,323	3,227,918
Change in non-cash assets and liabilities:		
Accounts receivable	471,636	72,209
Unbilled service revenue	159,236	57,495
Inventory	(13,936)	(50,265)
Accounts payable and accrued liabilities	609,285	(2,842,698)
Net change in cash from operating activities	5,517,544	464,659
Capital activities:		
Cash used to acquire tangible capital assets	(6,234,221)	(4,194,747)
Proceed on sale of tangible capital assets	726,765	–
Net change in cash from capital activities	(5,507,456)	(4,194,747)
Financing activities:		
Proceeds of loan payable	8,000,000	–
Repayment of loan payable	(634,321)	–
Repayment of line of credit	(3,000,000)	–
Receivable from PUC Services Inc.	(233,973)	3,631,265
Net change in cash for financing activities	4,131,706	3,631,265
Net change in cash	4,141,794	(98,823)
Cash, beginning of year	10,984	109,807
Cash, end of year	$ 4,152,778	$ 10,984

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

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 measureable 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.

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.

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 $19,901 (2015 – $55,391) was paid during the year.

The Commission was charged management fees and operational fees by Services in the amount of $5,133,324 (2015 – $5,251,056). These transactions have been recorded at the exchange amount which is the agreed amount between the related parties.

4. Credit facility:

The Commission has an authorized line of credit facility available in the amount of $6,200,000. The credit facility bears interest at prime plus 0.5% and is secured by a general security agreement. At December 31, 2016, $Nil (2015 - $3,000,000) was outstanding under the facility.

5. Loan payable:

	2016	2015
Loan payable incurred by The Commission	$ 7,365,679	$ –

The loan is repayable $77,660 monthly including interest at 3.11% and matures on January 12, 2026.

The Corporation of the City of Sault Ste. Marie (the “Guarantor”) guarantees payment to the Bank of all present and future debts and liabilities, including interest due at any time by the Commission to the Bank. The Guarantor shall be limited to the sum of $8,000,000 together with interest from the date of demand for repayment.

5. Loan payable (continued):

Principal payments due on the loan payable for the next five fiscal years are as follows:

2017	$ 712,955
2018	735,446
2019	758,647
2020	782,581
2021	807,269

6. Expenditures by object:

Total expenditures by object are as follows:

	2016	2015
Salaries and benefits	$ 4,108,416	$ 4,733,917
Materials, supplies and services	9,371,437	10,364,714
Amortization of tangible capital assets	2,304,853	2,239,907
	$ 15,784,706	$ 17,338,538

7. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Land	$ 869,374	$ 7,074	$ (52,885)	$ 823,563
Buildings and building improvements	10,553,728	219,397	(1,511,468)	9,261,657
Water infrastructure	121,160,994	6,205,640	–	127,366,634
Work in progress	397,015	568	–	397,583
Total	$ 132,981,111	$ 6,432,679	$ (1,564,353)	$ 137,849,437

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Buildings and building improvements	$ 5,160,042	$ (935,620)	$ 152,686	$ 4,377,108
Water infrastructure	45,794,662	–	2,152,167	47,946,829
Total	$ 50,954,704	$ (935,620)	$ 2,304,853	$ 52,323,937

	Net book value December 31, 2015	Net book value December 31, 2016
Land	$ 869,374	$ 876,448
Buildings and building improvements	5,393,686	4,831,664
Water infrastructure	75,366,332	79,419,805
Work in progress	397,015	397,583
Total	$ 82,026,407	$ 85,525,500

7. Tangible capital assets (continued):

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

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 $198,458 (2015 - $11,027) comprised of water infrastructure.

8. Accumulated surplus:

Accumulated surplus is comprised of:

	2016	2015
Invested in tangible capital assets	$ 85,525,500	$ 82,026,407
Operating fund	(6,358,487)	(5,142,354)
	$ 79,167,013	$ 76,884,053

Financial Statements of

PUC DISTRIBUTION INC.

Year ended December 31, 2016

KPMG LLP
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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 statement of financial position as at December 31, 2016 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Distribution Inc. as at December 31, 2016, 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 26, 2017
Sault Ste. Marie, Canada

PUC DISTRIBUTION INC.

Statement of Financial Position

As at December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 3,899,721	$ 3,084,294
Accounts receivable (note 5)	6,620,270	5,900,335
Unbilled revenue	10,175,782	10,862,168
Due from related parties	100,201	436,883
Payment in lieu of taxes recoverable	550,032	603,021
Inventory (note 6)	1,486,453	1,493,197
Prepaid expenses	63,400	62,800
Total current assets	22,895,859	22,442,698
Non-current assets:		
Property, plant and equipment (note 7)	89,413,226	87,626,775
Deferred tax assets (note 8)	1,081,000	1,084,000
Total non-current assets	90,494,226	88,710,775
Total assets	113,390,085	111,153,473
Regulatory deferral account debit balances (note 9)	698,439	49,643
Deferred tax asset associated with regulatory deferral account balances (note 9)	390,000	390,000
	1,088,439	439,643
Total assets and regulatory deferral account debit balances	$ 114,478,524	$ 111,593,116

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

PUC DISTRIBUTION INC.

Statement of Financial Position (continued)

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 13,766,613	7,958,725
Current portion of long-term debt (note 10)	1,211,084	15,785,022
Customer deposits (note 11)	987,485	922,422
Deferred revenue	207,980	228,455
Total current liabilities	16,173,162	24,894,624
Non-current liabilities:		
Deferred revenue	1,847,591	1,436,876
Long-term debt (note 10)	63,947,191	50,380,538
Total non-current liabilities	65,794,782	51,817,414
Total liabilities	81,967,944	76,712,038
Shareholder's equity:		
Share capital (note 12)	20,062,107	20,062,107
Retained earnings	7,830,504	8,150,941
Total shareholder's equity	27,892,611	28,213,048
Total liabilities and shareholder's equity	109,860,555	104,925,086
Regulatory deferral account credit balances (note 9)	3,146,969	5,194,030
Deferred tax liability associated with regulatory deferral account balances	1,471,000	1,474,000
	4,617,969	6,668,030
Commitments and contingencies (note 15)		
Total equity, liabilities and regulatory deferral account credit balances	$ 114,478,524	$ 111,593,116

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, 2016, with comparative information for 2015

	2016	2015
Electricity sales	$ 82,764,200	$ 79,708,094
Distribution revenue	15,495,940	16,291,495
Cost of electricity sold	(81,410,411)	(73,275,057)
	16,849,729	22,724,532
Other operating revenue (note 13)	3,493,755	3,640,802
Net operating revenue	20,343,484	26,365,334
Expenses:		
Operations and maintenance	5,977,871	5,977,598
General and administrative	3,188,235	3,211,923
Billing and collection	1,572,173	1,417,758
Depreciation and amortization	4,202,174	4,139,746
Community relations	1,388,930	1,529,216
	16,329,383	16,276,241
Income from operating activities	4,014,101	10,089,093
Other expenses:		
Finance income (note 14)	33,313	26,460
Finance charges (note 14)	3,058,063	3,003,913
Net finance costs	3,024,750	2,977,453
Income before income taxes	989,351	7,111,640
Income tax expense (recovery)		
Current (note 8)	(44,000)	1,285,959
Deferred (note 8)	3,000	296,000
	(41,000)	1,581,959
Income for the year before movements in regulatory deferral account balances	1,030,351	5,529,681
Net movement in regulatory deferral account balances related to profit or loss	1,353,788	6,433,037
Income tax	3,000	1,791,357
	1,350,788	4,641,680
Net (loss) income, being total comprehensive (loss) income for the year	$ (320,437)	$ 888,001

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, 2016, with comparative information for 2015

	Share capital	Retained earnings	Total
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
Net loss, being total comprehensive (loss)	–	(320,437)	(320,437)
Balance at December 31, 2016	$ 20,062,107	$ 7,830,504	$ 27,892,611

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

PUC DISTRIBUTION INC.

Statements of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash flows from operating activities:		
Total comprehensive (loss) income for the year	$ (320,437)	$ 888,001
Items not affecting cash:		
Depreciation and amortization	4,202,174	4,139,746
Amortization of deferred revenue	(112,433)	(110,389)
Net finance costs	3,024,750	2,977,453
Income tax expense (recovery)	(41,000)	1,581,959
	6,753,054	9,476,770
Change in non-cash operating working capital:		
Accounts receivable	(719,935)	1,644,012
Unbilled revenue	686,386	(857,247)
Inventory	6,744	121,275
Prepaid expenses	(600)	(600)
Due from related parties	336,682	(436,883)
Due to related parties	–	(1,919,261)
Accounts payable and accrued liabilities	5,807,888	(2,833,114)
Customer deposits	65,063	67,661
Deferred revenue	(20,475)	(335,327)
Income tax paid	114,250	(49,428)
Net movements in regulatory balances	(2,609,928)	3,784,462
Net cash from operating activities	10,419,129	8,662,320
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,988,626)	(6,395,529)
Contributions relating to property, plant, and equipment	450,272	454,801
Net cash from investing activities	(5,538,354)	(5,940,728)
Cash flows from financing activities:		
Repayment of long-term debt	(1,007,285)	(752,049)
Interest paid	(3,058,063)	(3,003,913)
Net cash from financing activities	(4,065,348)	(3,755,962)
Change in cash and cash equivalents	815,427	(1,034,370)
Cash and cash equivalents, beginning of year	3,084,294	4,118,664
Cash and cash equivalents, end of year	$ 3,899,721	$ 3,084,294

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

1. Reporting entity:

PUC Distribution Inc. (the “Company”) is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Company is located in the City of Sault Ste. Marie. The address of the Company’s registered office is 500 Second Line East, Sault Ste. Marie, Ontario Canada.

The Company delivers electricity and related energy services to residential and commercial customers in Sault Ste. Marie. The Company is wholly owned by PUC Inc., which is itself wholly owned by The Corporation of the City of Sault Ste. Marie.

2. Basis of presentation:

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Approval of the financial statements:

The financial statements were approved by the Board of Directors on April 26, 2017.

(c) Basis of measurement:

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

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

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

2. Basis of presentation (continued):

(e) 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

(f) Rate regulation:

The Company is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The 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.

2. Basis of presentation (continued):

(f) 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 2016 is 2.1%, the Company's productivity factor is 0.0% and the stretch factor is 0.45%, resulting in an available net adjustment of 1.65%. The Company submitted a request to forego this adjustment, resulting in the OEB approving a 0% change from 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.

(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.

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 Independent Electricity System Operator (“IESO”) are recognized as revenue in the period when they are determined by the IESO and the amount is communicated to the Company.

(c) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion 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.

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.

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.

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.

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 assess 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 2016 the rate was 1.1%.

(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.

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.

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.

3. Significant accounting policies (continued):

(l) New standards and interpretations not yet effective (continued):

iv) IAS 7 Disclosure Initiative:

In January 2016 the IASB issued Disclosure Initiative (Amendments to IAS 7). The amendments apply prospectively for annual periods beginning on or after January 1, 2017, earlier application is permitted.

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities.

The Company intends to adopt the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. The Company does not expect the amendments to have a material impact on the financial statements.

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 17.

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

4. Critical accounting estimates and judgments (continued):

adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome that the amount included in the PILs liabilities.

5. 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, 2016, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in note 7. 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:

	2016	2015
Trade receivables	$ 6,372,195	$ 5,664,419
Other receivables	248,075	235,916
	$ 6,620,270	$ 5,900,335

6. Inventory:

The amount of inventories consumed by the Company and recognized as an expense during 2016 was $344,489 (2015 - $260,058).

	2016	2015
Stores	$ 765,430	$ 761,951
Wire and cable	489,754	502,375
Poles	232,569	228,871
	$ 1,487,753	$ 1,493,197

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, 2016	$ 25,903,194	$52,662,822	$17,037,138	$ –	$ 95,603,154
Additions	89,694	5,243,415	655,517	–	5,988,626
Disposals/retirements	(737)	(103,741)	(1,553)	–	(106,031)
Balance at December 31, 2016	$ 25,992,151	$57,802,496	$17,691,102	$ –	$101,485,749

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2015	$ 25,830,986	$46,995,627	$16,367,884	$ –	$ 89,194,497
Additions	72,224	5,668,676	969,792	–	6,710,692
Disposals/retirements	(16)	(1,481)	(300,537)	–	(302,034)
Balance at December 31, 2015	$ 25,903,194	$52,662,822	$17,037,139	$ –	$ 95,603,155

(b) Accumulated depreciation:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2016	$ 1,324,399	$ 4,967,777	$ 1,684,203	$ –	$ 7,976,379
Depreciation charge	665,842	2,749,462	786,870	–	4,202,174
Disposals/retirements	(737)	–	(105,293)	–	(106,030)
Balance at December 31, 2016	$ 1,989,504	$ 7,717,239	$ 2,365,780	$ –	$ 12,072,523

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
Balance at January 1, 2015	$ 661,571	$ 2,337,388	$ 897,420	$ –	$ 3,896,379
Depreciation charge	662,844	2,631,870	845,032	–	4,139,746
Disposals/retirements	(16)	(1,481)	(58,249)	–	(59,746)
Balance at December 31, 2015	$ 1,324,399	$ 4,967,777	$ 1,684,203	$ –	$ 7,976,379

7. Property, plant and equipment (continued):

(c) Carrying amounts:

	Land and buildings	Transmission & distribution	Plant & equipment	Construction -in- Progress	Total
At December 31, 2016	$ 24,002,647	50,085,257	15,325,322	–	$ 89,413,226
At December 31, 2015	24,578,795	47,695,045	15,352,935	–	87,626,775

(e) Security:

At December 31, 2016 properties with a carrying amount of $89,413,226 (2015 - $87,626,774) are subject to a general security agreement.

8. Payments in lieu of income taxes:

Payment in lieu of taxes expense (recovery):

	2016	2015
Current	$ (44,000)	$ 1,285,959
Deferred	3,000	296,000
Income tax expense (recovery)	$ (41,000)	$ 1,581,959

Reconciliation of effective tax rate:

	2016	2015
Earnings before payments in lieu of income taxes	$ 989,351	$ 7,111,640
Statutory rate	26.5%	26.5%
Profit excluding income tax	262,178	1,884,585
Increase (decrease) resulting from:		
Permanent difference	823	838
Change in regulatory accounts impacting current tax	(359,000)	(296,000)
Adjustment to prior year's recovery	28,000	–
Other	26,999	(7,464)
	$ (41,000)	$ 1,581,959

9. Regulatory deferral account balance:

The following is a reconciliation of the carrying amount for each class of regulatory deferral account balances:

	2015	Balances arising in the period	Recovery/ reversal	2016	Remaining recovery/ reversal period (years)
Regulatory deferral account debit balances					
Regulatory Asset recovery Account Phase 6	$ 21,987	$ 9,976	$ –	$ 31,963	<1
Regulatory Asset recovery Account Phase 8	–	(116,319)	743,680	627,361	1
Deferred taxes	390,000	–	–	390,000	
Stranded Meters	3,908	(61)	–	3,847	<1
Smart Meter Entity Charges	23,748	313,637	(302,117)	35,268	3
Total amount related to regulatory deferral account debit balances	$ 439,643	$ 207,233	$ 441,563	$1,088,439	

	2015	Balances arising in the period	Recovery/ reversal	2016	Remaining recovery/ reversal period (years)
Regulatory deferral account credit balances					
Settlement Variance	$ (5,021,855)	$ 1,975,071	$ –	$ (3,046,784)	<1
Deferred Taxes	(1,474,000)	–	3,000	(1,471,000)	
Regulatory Asset Recovery Account Phase 5	(30,544)	(90)	–	(30,634)	<1
Regulatory Asset Recovery Account Phase 7	(58,402)	(9)	(640)	(59,051)	<1
CGAAP Accounting Changes	(72,874)	–	72,876	2	1
LRAMVA	(10,355)	(124)	(23)	(10,502)	<1
Total amount related to regulatory deferral account credit balances	$ (6,668,030)	$ 1,974,848	$ 72,213	$ (4,617,969)	

The regulatory deferral account balances are recovered or settled through rates set by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory deferral account balances.

Group 1 deferral and variance accounts (Group 1 accounts) track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Company has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Company's deferred tax balance fluctuates.

10. Long-term debt:

	2016	2015
Notes payable:		
(i) Ontario Infrastructure smart meter loan	$ 4,213,285	$ 4,485,507
(ii) Ontario Infrastructure building loan	19,633,212	20,146,013
(iii) Ontario Infrastructure construction loan	14,777,737	15,000,000
(iv) Note payable to parent company, PUC Inc.	26,534,040	26,534,040
	65,158,274	66,165,560
Current portion of long-term debt	1,211,084	15,785,022
	$ 63,947,190	$ 50,380,538

i) Smart Meter Loan with Ontario Infrastructure and Lands Corporation (OILC): Reducing Debenture Facility, amortization period of 15 years to July 15, 2028. The loan interest rate of 3.82%. Interest of $164,438 (2015 - $174,708) was paid and expensed during the year. The loan is payable in the amount of $220,496 semi-annual principal and interest. Security is in the form of a second ranking general security agreement.

ii) Land and Building Loan with OILC: Reducing Debenture Facility, amortization period of 25 years to October 1, 2038. The loan interest rate of 4.57%. Interest of $910,020 (2015 - $932,885) was paid and expensed during the year. The loan is payable in the amount of $118,568 monthly principal and interest. Security is in the form of a first charge over the Company's land and building and a third ranking general security agreement.

iii) Electric Distribution Infrastructure Loan with OILC: The construction loan was converted to long term debt in 2016, at an interest rate of 3.47%, repayable over 25 years by a blended principal and interest payment of $74,852 monthly. Interest of $394,071 (2015 - $212,884) 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 2016 was 6.1% (2015 – 6.1%). The balance outstanding for 2016 is $$26,534,040 (2015 - $26,534,040).

10. Long-term debt (continued):

Principal payments on the long-term debt are as follows:

2017	$ 1,211,084
2018	1,260,844
2019	1,312,680
2020	1,366,680
2021	1,422,937
2022 - 2035	58,584,049
	65,158,274
Less: current portion	(1,211,084)
Long-term portion of loan	$ 63,947,190

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, 2016 is $987,485 (2015 - $922,422).

12. Share capital:

	2016	2015
Authorized:		
Unlimited number of special shares, non-voting, non-cumulative		
Redeemable at $10,000 per share		
10,000 Common shares		
Issued and outstanding:		
8,612 common shares	$ 20,062,107	$ 20,062,107

13. Other operating revenue:

Other income comprises:

	2016	2015
Rendering of services	$ 3,238,358	$ 3,381,383
Other	142,964	149,030
Amortization of deferred revenue	112,433	110,389
Total other income	$ 3,493,755	$ 3,640,802

14. Finance income and expense:

	2016	2015
Interest income	$ 33,313	$ 26,460
Finance income	33,313	26,460
Interest expense on long-term debt	3,087,106	2,939,100
Other interest and carrying charges	(29,043)	64,813
	3,058,063	3,003,913
Net finance costs recognized in profit or loss	$ 3,024,750	$ 2,977,453

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, 2016, no assessments have been made.

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.

	2016	2015
Directors' fees	$ 7,827	$ 9,756

(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 $1,450,202 (2015 - $1,718,602) and for other electricity consumption is $4,275,882 (2015 - $3,668,401).

(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 $4,718,888 (2015 - $4,871,691).

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 $31,981 (2015 – $7,221) 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.

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, 2016 is $100,000 (2015 - $100,000).

The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2016, approximately $126,059 (2015 - $121,304) 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, 2016, the Company holds security deposits in the amount of $987,485 (2015 - $922,422).

(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.

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, 2016, 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, 2016, shareholder's equity amounts to $27,848,606 (2015 - $28,213,048) and long-term debt amounts to $65,158,275 (2015 - $66,165,560).

18. Comparative information:

Certain 2015 comparative information has been reclassified to conform to the financial statement presentation adopted for 2016. The changes made do not have an impact on the statement of comprehensive income.

Non-Consolidated Financial Statements of

PUC INC.

Year ended December 31, 2016

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 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, 2016 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

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, 2016, 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 26, 2017
Sault Ste. Marie, Canada

PUC INC.

Non-Consolidated Statement of Financial Position

December 31, 2016, with comparative information for December 31, 2015

	2016	2015
Assets		
Current assets:		
Accounts receivable	$ 1,883	$ 7,257
Receivable from subsidiary, PUC Services Inc. (note 9)	7,473,658	8,548,972
Payment in lieu of taxes recoverable	26,619	63,164
Total current assets	7,502,160	8,619,393
Non-current assets:		
Investments (note 5)	5,331	5,331
Notes receivable from related company (note 4)	8,310,000	8,310,000
Investments in and notes receivable with subsidiaries, at cost (note 6)	46,596,146	46,596,146
Total non-current assets	54,911,477	54,911,477
Total Assets	$ 62,413,637	$ 63,530,870
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,767	$ 2,112
Long-term debt (note 7)	31,720,000	31,720,000
Total liabilities	31,724,767	31,722,112
Shareholder's equity:		
Share capital:		
Authorized:		
Unlimited Special shares, non-voting, non-cumulative, redeemable at $10,000 per share		
100,000 Common shares		
Issued and outstanding:		
1,462 Special shares	14,620,000	14,620,000
21,632 Common shares	14,618,248	14,618,248
Retained earnings	1,450,622	2,570,510
	30,688,870	31,808,758
Total Liabilities and Shareholder's Equity	$ 62,413,637	$ 63,530,870

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, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Interest	$ 2,151,214	$ 2,151,214
Miscellaneous	78,860	147,013
	2,230,074	2,298,227
Expenses:		
Interest on long-term debt	1,934,920	1,934,920
Administrative	123,738	179,659
Business development	34,284	16,992
	2,092,942	2,131,571
Income before payment in lieu of taxes	137,132	166,656
Payment in lieu of taxes (note 8):		
Current	36,860	44,755
Net income, being total comprehensive income for the year	$ 100,272	$ 121,901

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Changes in Shareholders' Equity

Year ended December 31, 2016, with comparative information for 2015

	Share Capital	Retained Earnings	Total
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
Net income, being total comprehensive income	–	100,272	100,272
Dividends on common shares	–	(1,220,160)	(1,220,160)
Balance, December 31, 2016	$ 29,238,248	$ 1,450,622	$30,688,870

See accompanying notes to non-consolidated financial statements.

PUC INC.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash flows from operating activities:		
Net income, being total comprehensive income	$ 100,272	$ 121,901
Changes in non-cash operating working capital items:		
Accounts receivable	5,374	(6,597)
Payment in lieu of taxes recoverable	36,545	57,416
Accounts payable and accrued liabilities	2,655	(195)
	144,846	172,525
Cash flows from financing activities:		
Dividends on common shares	(1,220,160)	–
Cash flows from investing activities:		
Receivable from subsidiary, PUC Services Inc.	1,075,314	(172,525)
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	2,151,214

See accompanying notes to non-consolidated financial statements.

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 non-consolidated financial statements have been authorized for issue by the Board of Directors on April 26, 2017.

(b) Basis of measurement:

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

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

(c) Functional and presentation currency:

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

(d) Use of estimates and judgments:

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

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

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

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

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

(c) 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.

3. Significant accounting policies (continued):

(e) Financial instruments:

i) Financial assets and liabilities:

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 transactions costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets. The Company does not enter into derivative instruments.

ii) Share capital

Common shares

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

Special shares

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

(f) The following new standards and interpretations are not yet effective but are considered to be relevant to the Company's non-consolidated 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:

	2016	2015
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.

6. Investment in and notes receivable with subsidiary:

	Notes Receivable	Common Shares	2016 Total	2015 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 2016, the Company received interest income on this note receivable from PUC Distribution in the amount of $1,618,575 (2015 - $1,618,575).

7. Long-term debt:

	2016	2015
Note payable to shareholder, The Corporation of the City of Sault Ste. Marie, unsecured, with 6.1% (2015 - 6.1%) interest payable quarterly and principal payable one year after demand	$ 6,720,000	$ 6,720,000
Note payable to shareholder. The Corporation of the City of Sault Ste. Marie, unsecured, with interest payable quarterly at rates periodically negotiated and principal payable one year after demand, rate for 2016 was 6.1% (2015 – 6.1%)	25,000,000	25,000,000
	$ 31,720,000	$ 31,720,000

8. Payment in lieu of taxes:

Payment in lieu of taxes differs from the amount that would be computed by applying the federal and provincial statutory tax rates of 26.50% (2015 - 26.50%) to earnings before income taxes. The reasons for the differences and related tax effects are as follows:

		2016		2015
Earnings before payment in lieu of taxes	$	137,132	$	166,656
Tax at applicable tax rate	$	36,340	$	44,164
Other		520		591
Payment in lieu of taxes - current	$	36,860	$	44,755

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 $78,860 (2015 - $147,013) was received during the year. The Company receives interest income on its notes receivable from Services. Interest of $532,638 (2015 - $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% (2015 - 6.1%). Interest of $1,618,575 (2015 - $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, 2016.

The Company has purchased services relating to business development costs from Services in the amount of $34,284 (2015 - $16,992). The Company incurred interest of $1,934,920 (2015 - $1,934,920) payable to its shareholder. The Company paid a dividend of $1,220,160 (2015 - $Nil) 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.

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.

	2016	2015
Note payable to shareholder - 6.1% (2015 - 6.1%)	$ 6,720,000	$ 6,720,000
Note payable to shareholder - 6.1% (2015 - 6.1%)	25,000,000	25,000,000
Special shares	14,620,000	14,620,000
Common shares	14,618,248	14,618,248
Retained earnings	1,450,622	2,570,510
	$ 62,408,870	$ 63,528,758

The Company is subject to a shareholder's agreement which has restrictive covenants typically associated with such an agreement. At December 31, 2016, the Company is in compliance with all of the restrictive covenants and restrictions.

13. Financial risk management:

Overview

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

- credit risk
- market risk

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

Risk management framework

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

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

Credit risk management

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

Market risk

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

Financial Statements of

PUC SERVICES INC.

Year ended December 31, 2016

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

INDEPENDENT AUDITORS' REPORT

To the Shareholder of PUC Services Inc.

We have audited the accompanying financial statements of PUC Services Inc., which comprise the statement of financial position as at December 31, 2016 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PUC Services Inc. as at December 31, 2016, 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 26, 2017
Sault Ste. Marie, Canada

PUC SERVICES INC.

Statement of Financial Position

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	$ 7,586,260	$ 8,187,948
Accounts receivable (note 5)	5,742,568	5,461,260
Due from related party (note 18)	2,622,934	2,856,907
Inventories (note 6)	319,214	298,636
Prepaid expenses	18,712	–
Payment in lieu of taxes recoverable	–	31,223
Total current assets	16,289,688	16,835,974
Non-current assets:		
Deferred taxes (note 9)	650,000	544,000
Property, plant and equipment (note 7)	17,410,836	12,391,362
Intangible assets (note 8)	547,906	771,001
Total non-current assets	18,608,742	13,706,363
Total Assets	$ 34,898,430	$ 30,542,337
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,103,555	$ 4,363,910
Payment in lieu of taxes	29,199	–
Due to related parties (note 18)	7,573,859	8,985,855
Current portion of long-term debt (note 10)	85,656	85,656
Total non-current liabilities	11,792,269	13,435,421
Non-current liabilities:		
Long-term debt (note 10)	9,400,498	9,486,155
Deferred revenue	10,716,759	4,894,229
Employee future benefit obligation (note 11)	2,002,450	1,846,728
Total non-current liabilities	22,119,707	16,227,112
Total liabilities	33,911,976	29,662,533
Shareholder's equity:		
Share capital (note 14)	1,943,300	1,943,300
Accumulated other comprehensive income	87,835	118,929
Deficit	(1,044,681)	(1,182,425)
	986,454	879,804
Commitments and contingencies (note 17)		
Total Liabilities and Shareholder' Equity	$ 34,898,430	$ 30,542,337

See accompanying notes to financial statements.

On behalf of the Board: _____ Director _____ Director

PUC SERVICES INC.

Statement of Comprehensive Income

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Management fees	$ 9,886,496	$ 10,139,738
Contract services	5,132,802	4,993,303
Other operating revenue (note 15)	1,744,898	1,445,232
	16,764,196	16,578,273
Expenses:		
Contract service	4,580,946	4,443,294
Administrative	3,827,729	4,088,690
Facilities	2,793,312	2,572,975
Depreciation and amortization	2,229,024	1,997,627
Billing and collecting	1,195,654	1,273,342
Customer service	973,830	974,374
Street lights	370,600	450,440
Other business and maintenance	125,759	176,336
New business development	34,284	16,994
	16,131,138	15,994,072
Income from operating activities	633,058	584,201
Other expenses:		
Finance income (note 16)	(5,857)	(33,917)
Finance charges (note 16)	594,096	587,628
Net finance costs	588,239	553,711
Income before provision for payment in lieu of taxes	44,819	30,490
Payment in lieu of taxes (note 9):		
Current	1,864	6,037
Deferred (recovery)	(94,789)	355,987
	(92,925)	362,024
Income (loss) for the year	137,744	(331,534)
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)	(42,305)	60,425
Income tax on other comprehensive income (note 9)	11,211	(16,013)
	(31,094)	44,412
Comprehensive income (loss) for the year	$ 106,650	$ (287,122)

See accompanying notes to financial statements.

PUC SERVICES INC.

Statement of Changes in Shareholders' Equity

Year ended December 31, 2016, with comparative information for 2015

	Share capital	Acc. other comprehensive income (loss)	Deficit	Total
Balance, January 1, 2015	$ 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
Comprehensive income for the year	–	–	137,744	137,744
Other comprehensive loss	–	(31,094)	–	(31,094)
Balance, December 31, 2016	$ 1,943,300	$ 87,835	$(1,044,681)	$ 986,454

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

PUC SERVICES INC.

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash flows from operating activities:		
Comprehensive income (loss) for the year	$ 106,650	$ (287,122)
Items not affecting cash:		
Depreciation and amortization	2,229,024	1,997,627
Amortization of deferred revenue	(525,255)	(207,104)
Loss (gain) on disposal of property, plant, and equipment	(177,696)	409
Net finance costs	588,239	553,711
Income tax expense (recovery)	(92,925)	362,024
	2,128,037	2,419,545
Changes in other assets:		
Decrease (increase) in accounts receivable	493,692	(2,232,879)
Decrease in balances with related entities	(1,183,880)	(1,042,220)
Decrease (increase) in inventories	(20,578)	46,952
Decrease (increase) in prepaid expense	(18,712)	39,571
Decrease (increase) in accounts payable and accrued liabilities	(361,363)	1,436,366
Increase in employee future benefit obligation	195,152	28,366
Income tax paid	124,391	–
	1,356,739	695,701
Financing activities:		
Principal payments long-term debt	(85,657)	(69,494)
Contributions relating to property, plant, and equipment	6,347,786	2,648,007
Interest paid	(594,096)	(587,628)
	5,668,033	1,990,885
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	51,615	–
Purchases of property, plant and equipment	(7,581,952)	(4,449,232)
Purchases of intangible assets	(96,123)	(388,864)
	(7,626,460)	(4,838,096)
Net decrease in cash	(601,688)	(2,151,510)
Cash, beginning of year	8,187,948	10,339,458
Cash, end of year	$ 7,586,260	$ 8,187,948

See accompanying notes to financial statements.

1. Reporting entity:

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

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

2. Basis of preparation:

(a) Statement of compliance:

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

(b) Approval of the financial statements:

The financial statements have been approved and authorized for issue by the Board of Directors on April 26, 2017.

(c) Basis of measurement:

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

(d) Functional and presentation currency:

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

(e) Use of estimates and judgments:

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

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

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

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

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements unless otherwise indicated.

(a) Financial instruments:

All financial assets 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(f). The Company does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Management fee revenue:
The Company provides management services to related parties and recognizes revenues as services are rendered.

Streetlight revenue:
The Company is contracted by the City of Sault Ste. Marie to provide electricity for street lights to the city and provide maintenance services on the lights. Revenue is recognized in the period the billing services are rendered and as services are provided.

Contract revenue:
The Company is contracted by the City of Sault Ste. Marie to operate the water and wastewater plants. Revenue is recognized as services are rendered. Water billing revenue is recorded net of the water revenue paid to the City of Sault Ste. Marie and is recognized in the period the billing services are rendered.

CDM Revenue:
Performance incentive payments under CDM programs are recognized by the Company when there is reasonable assurance that the program conditions have been satisfied and the incentive payments will be received.

(c) Inventory:

Inventories consist of parts, supplies and materials held for the future capital expansion and operations and are valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the material and supplies and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

3. Significant accounting policies (continued):

(d) Property, plant and equipment:

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take a substantial period of time to construct.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of the item of property, plant and equipment and are recognized net within other income in profit or loss.

Major spare parts and standby equipment are recognized as items of property, plant and equipment.

The cost of replacing a part of an item of property, plant and equipment is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of property, plant and equipment is written-off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount and is recognized in profit or loss on a straight-line basis over the estimated useful life of each part or component of an item of property, plant and equipment. The depreciable amount is cost. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and in service.

The estimated useful lives are as follows:

Buildings	25 – 50 years
Plant and equipment	4 – 40 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

3. Significant accounting policies (continued):

(e) Intangible assets:

(i) Computer software:

Computer software that is acquired or developed by the Company, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated depreciation and accumulated impairment losses.

(ii) Amortization:

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives are:

Computer software	2 – 5 years

Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate.

(f) Impairment:

(i) Financial assets:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its current carrying amount (using prevailing interest rates), and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets (continued):

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Deferred revenue and assets transferred from customers:

Certain customers and developers are required to contribute towards the capital cost of construction in order to provide ongoing service. When an asset is received as a capital contribution, the asset is initially recognized at its fair value, with the corresponding amount recognized as deferred revenue. Deferred revenue represents the Company's obligation to continue to provide customers services related to the supply of electricity, and is amortized to income on a straight-line basis over the economic useful life of the acquired or contributed asset, which represents the period of ongoing service to the customer.

(i) Employee future benefits:

(i) Pension plan:

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (“OMERS”). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (“the Fund”), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under- funded position, additional contribution rates may be assessed to participating employers and members.

3. Significant accounting policies (continued):

(h) Employee future benefits (continued):

(i) Pension plan (continued):

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net income when they are due.

(ii) Post-employment benefits, other than pension:

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The cost of these benefits is expensed as earned by employees through employment service. The accrued benefit obligations and the current service costs are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and reported in retained earnings. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in net income on a straight-line basis over the average period until the benefits become vested. In circumstances where the benefits vest immediately, the expense is recognized immediately in net income.

(i) Finance income and finance charges:

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and on regulatory assets.

Finance charges comprise interest expense on borrowings. Finance charges are recognized as an expense unless they are capitalized as part of the cost of qualifying assets.

(j) 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.

3. Significant accounting policies (continued):

(j) 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.

(k) 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.

3. Significant accounting policies (continued):

(k) New standards and interpretations not yet effective

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.

iv) IAS 7 Disclosure Initiative:

In January 2016 the IASB issued Disclosure Initiative (Amendments to IAS 7). The amendments apply prospectively for annual periods beginning on or after January 1, 2017, earlier application is permitted.

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

The Company intends to adopt the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. The Company does not expect the amendments to have a material impact on the financial statements.

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.

4. Critical accounting estimates and judgments (continued):

Payment in lieu of taxes:

The Company periodically assesses its liabilities and contingencies related to PILs for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current PILs provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the PILs liabilities.

Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. At December 31, 2016, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in notes 7 and 8. Actual results, however, may vary due to technical obsolescence, particularly for software and electronic equipment.

Impairment:

An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

Employee retirement benefits:

The Company estimates the present value of employee retirement benefits, which depends on a number of assumptions including discount rates, expected salary and other cost increases, and mortality rates. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Refer to note 11 for information relating to these estimates.

5. Accounts receivable:

	2016	2015
Trade receivables	$ 4,868,291	$ 5,346,376
Other receivables	874,277	114,884
	$ 5,742,568	$ 5,461,260

6. Inventories:

	2016	2015
Stores	$ 105,041	$ 83,398
Fuel	28,193	28,193
Street lights	185,980	187,045
	$ 319,214	$ 298,636

The amount of inventories consumed by the Company and recognized as an expense during 2016 was $156,210 (2015 - $202,315).

7. Property, plant and equipment:

(a) Cost:

	Land	Building	Plant and equipment	Construction -in- Progress	Total
Balance at January 1, 2016	$ 70,368	$1,666,669	$31,967,750	$ 36,335	$33,741,122
Additions	–	–	7,581,952	–	7,581,952
Disposals/retirements	(70,368)	(1,403,965)	(589,476)	(9,361)	(2,073,170)
Balance at December 31, 2016	$ –	$ 262,704	$38,960,226	$ 26,974	$39,249,904

	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
Disposals/retirements	–	–	(315,468)	–	(315,468)
Balance at December 31, 2015	$ 70,368	$1,666,669	$31,967,750	$ 36,335	$33,741,122

7. Property, plant and equipment (continued):

(b) Accumulated depreciation:

	Land	Buildings	Plant and equipment	Construction -in- Progress	Total
Balance at January 1, 2016	$ –	$ 933,647	$20,416,113	$ –	$21,349,760
Depreciation charge	–	5,254	1,904,553	–	1,909,807
Disposals/retirements	–	(831,023)	(589,476)	–	(1,420,499)
Balance at December 31, 2016	$ –	$ 107,878	$21,731,190	$ –	$21,839,068

	Land	Buildings	Plant and equipment	Construction -in- Progress	Total
Balance at January 1, 2015	$ –	$ 928,393	$19,129,491	$ –	$20,057,884
Depreciation charge	–	5,254	1,601,682	–	1,606,936
Disposals/retirements	–	–	(315,060)	–	(315,060)
Balance at December 31, 2015	$ –	$ 933,647	$20,416,113	$ –	$21,349,760

(c) Carrying amounts:

	Land	Buildings	Plant and equipment	Construction -in- Progress	Total
December 31, 2016	$ –	$ 154,826	$17,229,036	$ 26,974	$17,410,836
December 31, 2015	70,368	733,022	11,551,637	36,335	12,391,362

(d) Security:

At December 31, 2016, properties with a carrying amount of $17,410,836 (2015 - $12,391,362) are subject to a general security agreement.

8. Intangible assets:

(a) Cost:

	Computer software
Balance at January 1, 2016	$ 1,953,455
Additions	96,123
Balance at December 31, 2016	$ 2,049,578
Balance at January 1, 2015	$ 1,564,592
Additions	388,863
Balance at December 31, 2015	$ 1,953,455

(b) Accumulated amortization:

	Computer software
Balance at January 1, 2016	$ 1,182,454
Amortization charges in 2016	319,218
Balance at December 31, 2016	$ 1,501,672
Balance at January 1, 2015	$ 791,763
Amortization charges in 2015	390,691
Balance at December 31, 2015	$ 1,182,454

(c) Carrying amounts:

	Computer software
December 31, 2016	$ 547,906
December 31, 2015	$ 771,001

9. Payments in lieu of income taxes:

Payment in lieu of taxes:

	2016	2015
Current	$ 1,864	$ 6,037
Deferred	(94,789)	355,987
Income tax expense	$ (92,925)	$ 362,024

Reconciliation of effective tax rate:

	2016	2015
Earnings before payments in lieu of income taxes	$ 44,819	$ 30,490
Statutory rate	26.5%	26.5%
Profit excluding income tax	11,877	8,080
Increase (decrease) resulting from:		
Permanent difference	2,505	3,902
Adjustment of prior years	(68,933)	175,793
Other comprehensive income adjustment	(11,211)	16,013
Investment tax credits	(31,562)	(5,949)
Other	4,399	164,185
	$ (92,925)	$ 362,024

Significant components of the Company's deferred tax balances are as follows:

	2016	2015
Deferred tax assets (liabilities):		
Plant and equipment	$ (2,720,000)	$ (1,148,000)
Employee benefits	531,000	489,000
Deferred revenue – contributed capital	2,839,000	1,203,000
	$ 650,000	$ 544,000

10. Long-term debt:

	2016	2015
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	626,667	680,000
(iv) Federation of Canadian Municipalities	549,487	581,811
	9,486,154	9,571,811
Less: current portion of long-term debt	85,656	85,656
	$ 9,400,498	$ 9,486,155

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 (2015 - $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 4.22% per annum and is payable in monthly principal and interest payments of $4,444, due September 16, 2028. Interest of $27,741 (2015 - $29,914) 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 $23,921 (2015 - $25,077) was paid and expensed during the year.

Principal payments on the long-term debt are as follows:

2017	$ 85,656
2018	85,656
2019	85,656
2020	85,656
2021	85,656
2022 - 2035	9,057,874
	9,486,154
Less: current portion	(85,656)
Long-term portion	$ 9,400,498

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, 2016 of $2,002,450 was based on an actuarial valuation completed in 2016 using a discount rate of 3.90%.

Changes in the present value of the defined benefit unfunded obligation and the accrued benefit liability:

	2016	2015
Defined benefit obligation, beginning of year	$ 1,846,728	$ 1,804,376
Current service cost	103,800	93,754
Interest cost	74,388	69,197
Benefits paid during the year	(64,771)	(60,174)
Actuarial (gains) losses recognized in other comprehensive income	42,305	(60,425)
Accrued benefit liability, end of year	$ 2,002,450	$ 1,846,728

Components of net benefit expense recognized are as follows:

	2016	2015
Current service cost	$ 103,800	$ 93,754
Interest cost	74,388	69,197
Net benefit expense recognized	$ 178,188	$ 162,951

The significant actuarial assumptions used in the valuation are as follows (weighted average):

	2016	2015
Accrued benefit obligation:		
Discount rate	3.90%	4.10%
Benefit cost for the year:		
Withdrawal rate	0.50%	0.50%
Assumed health care cost trend rates:		
Cost trend rate estimated to decline to 4.5% over 8 years.	6.50%	6.40%

11. Employee future benefits (continued):

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	$ 200,000	$ 80,000
1% decrease in health care trend rate	177,000	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 2016, and thereafter (2015 – 2%).

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 2016, the Company made employer contributions of $1,602,409 to OMERS (2015 - $1,562,693). The Company's net benefit expense has been charged to income.

13. Employee benefits:

	2016	2015
Salaries, wages and benefits	$ 16,240,016	$ 16,106,442
CPP and EI remittances	714,383	695,192
Contributions to OMERS	1,602,409	1,562,693
	$ 18,556,808	$ 18,364,327

14. Share capital:

	2016	2015
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:

	2016	2015
Streetlights	$ 566,428	$ 512,230
Miscellaneous	479,118	534,612
Amortization of deferred revenue	525,255	207,104
Generation revenue	174,097	191,286
Total other income	$ 1,744,898	$ 1,445,232

16. Finance income and finance charges:

	2016	2015
Interest income	$ 5,857	$ 33,917
Interest expense on amounts due to related party	532,638	532,638
Interest expense on long-term debt	61,458	54,990
	594,096	587,628
Net finance costs recognized in comprehensive income	$ 588,239	$ 553,711

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, 2016, 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.

	2016	2015
Directors' fees	$ 23,562	$ 17,982
Salaries and other short-term benefits	747,367	729,999
Post-employment benefits	10,601	10,708
	$ 781,530	$ 758,689

(c) Transactions with ultimate parent (the City):

In the year, the Company had the following significant transactions with its ultimate parent, a government entity:

The Company provides streetlight services and water and waste water services to the City. The amount charged to the City for streetlight maintenance is $566,428 (2015 - $512,230) and water and waste water services is $3,391,263 (2015 - $3,317,509).

(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:

	2016	2015
PUC Distribution Inc.	$ 4,718,888	$ 4,871,691
Public Utilities Commission of the City of Sault Ste. Marie	5,133,324	5,251,053
PUC Inc.	34,284	16,994
	$ 9,886,496	$ 10,139,738

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 $78,860, $31,981, and $19,901 (2015 - $147,013, $7,221, and $(55,391) respectively).

The Company paid interest on its long-term debt to PUC Inc. of $532,638 (2015 - $532,638).

New business development costs of $34,284 (2015 - $16,994) were charged to PUC Inc.

19. Financial instruments and risk management:

Fair value disclosure

Cash is measured at fair value. The carrying values of receivables, and accounts payable and accrued charges approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns in excess of 90% of its revenue from related parties and other municipal corporations.

(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, 2016, shareholder's equity amounts to $997,477 (2015 - $879,804) and long-term debt amounts to $9,400,498 (2015 - $9,486,155).

20. Comparative information:

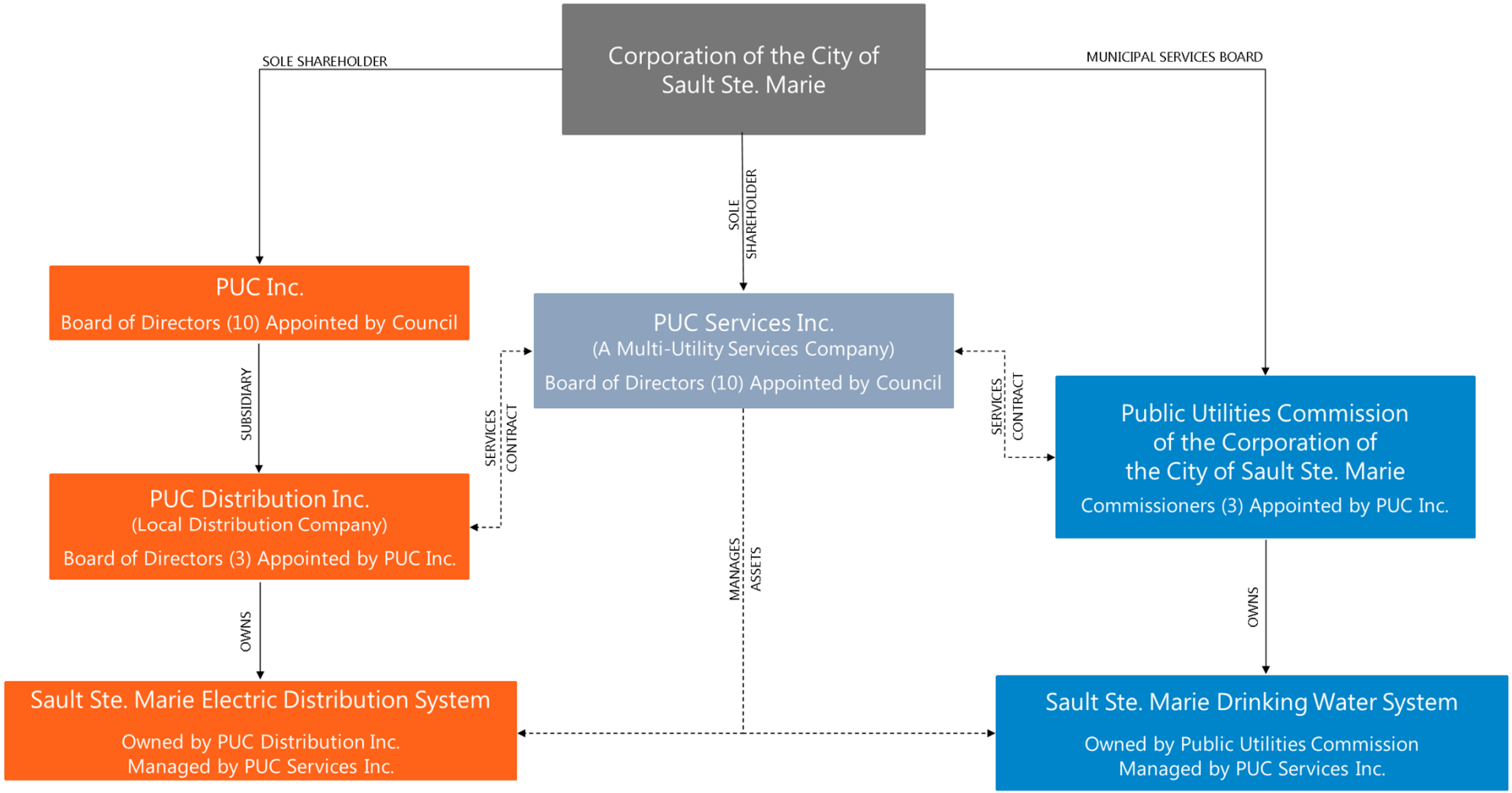
Certain 2015 comparative information has been reclassified to conform with the financial statement presentation adopted for 2016. The changes made do not have an impact on the statement of comprehensive income.

2016 Annual Report To The Shareholder

PUC Inc. • PUC Services Inc.

City of Sault Ste. Marie – Annual Shareholder Meeting – May 29, 2017

Corporate Structure



Interest & Dividends

$2,545,000 (Payments for 2016)

+ $37,130,000 (Total payments 2001 to 2015)

= $39,675,000 (Total paid to the City since 2001)

Income Statement

(Unaudited Consolidated Statement)

PUC Inc. & PUC Distribution Inc.	2015	2016
Energy Revenue	$89,566,552	$96,906,351
Cost of Energy	$73,275,057	$81,410,411
Gross Margin	$16,291,495	$15,495,940
Other Revenue	$4,320,453	$4,105,253
Expenses	$19,766,689	$19,828,499
Earnings Before PILS	$845,259	($227,306)
Net Income	**$1,009,902**	**($220,165)**
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**

‘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.

Provincial Bill Comparison

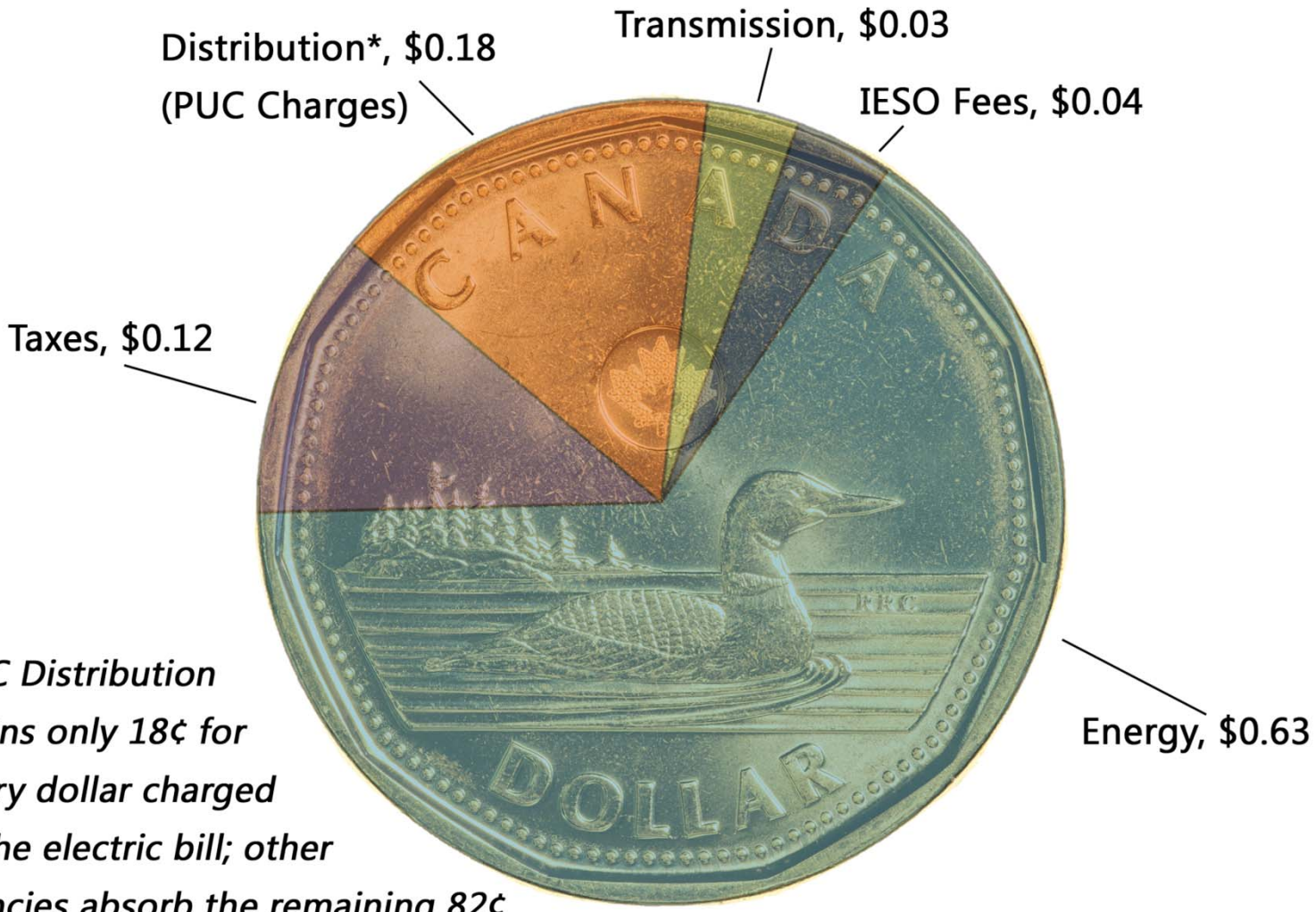
2016 Residential - 750 kWh Monthly Electric Bill

Rank	Utility	Average Bill
1/71	Hydro Hawkesbury Inc.	$133.31
3/71	SSM PUC Distribution	$137.47
5/71	Thunder Bay	$137.93
17/71	Greater Sudbury	$143.32
71/71	Algoma Power	$175.15

Data Published by Ontario Energy Board

Average Electric Bill-2016

750 kWh Residential Bill in SSM



**PUC Distribution retains only 18¢ for every dollar charged on the electric bill; other agencies absorb the remaining 82¢*

2016 Project Spotlight

LED Conversion Project

9,050

All of Sault Ste. Marie's HPS Streetlights were converted by early 2017. PUC is pleased to report that this aggressive infrastructure renewal project was completed **under** budget!

$

This project has a total estimated annual energy and maintenance saving of approximately $1 million, and as a result this $8 million conversion project has a payback period of just eight years!



The total annual energy savings from the conversion is enough to power **415** single family homes for a year!

2016 Project Spotlight

Voltage Conversion Project

In 2016 the PUC was busy with a substantial infrastructure renewal project in the; Chapple Street, Willow/Willoughby, Charlotte Drive, and Grand areas.

This upgrade will allow us to provide our customers with a more reliable and efficient supply of power.





Conservation & Demand Management

$355,192 In IESO Incentives Paid To PUC Customers In 2016

Save On Energy Programs – Commercial

The Save On Energy Lighting Retrofit Program is one of the most popular programs offered through the IESO, by PUC.

Heliene Inc. participated in that program in 2016 and was presented with $6,628 in incentives to assist with their retrofit project



Conservation & Demand Management

Residential

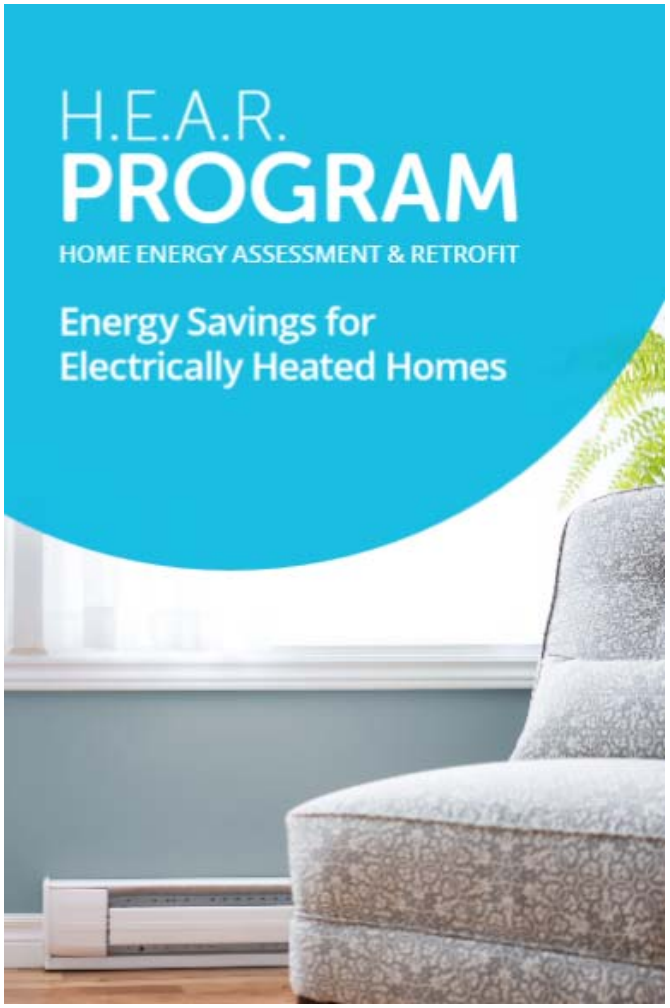
H.E.A.R. Pilot Program

The H.E.A.R. pilot program was designed to specifically help customers with electrically (baseboard) heated homes. The program aims to increase customer's home energy efficiency and help them conserve electricity.

Program participants received:

- Free Home Energy Assessment
- Free installation of Energy Saving Equipment
- A report on their expected energy savings

The local pilot program was very well received, originally the program was looking for 177 participants. By the time the registration period closed – over 300 customers registered!



Ontario's Fair Hydro Plan

The Fair Hydro Plan will reduce hydro bills by approximately 25%, this includes the previously announced 8% reduction. The remaining 17% reduction will be achieved through the following:

1. Refinancing the Global Adjustment (GA) over a longer time period for Time-of-Use (RPP) eligible consumers; including families, farms and small businesses.
2. Helping vulnerable electricity consumers by enhancing electricity support programs like the Ontario Electricity Support Program and conservation programs. Also, transition the funding of those program from the rate base to provincial revenues.
3. Enhancing competitiveness for small manufacturers and industrials by lowering the eligibility threshold for Industrial Conservation Initiative (ICI).
4. Improving sector efficiency and modernizing Ontario's electricity market, working in collaboration with the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB).

Highlights For 2016

PUC Services Inc.

774 Days free of any lost-time incidents

(As of May 29th)

Successfully Completed Annual Provincial Electrical Safety Audit. PUC found to be operating in full regulatory compliance with no "non-compliances" or "needs improvement" items identified

All Water & Wastewater facilities were operated in full regulatory compliance

Delivered the "Caution and Chance" electrical awareness program to **24** area elementary schools – approx. **1,874** students



2017 Project Spotlight

Sub-Station 16 Rebuild

This electrical distribution station on Third Line just west of Great Northern Road serves 2,500 customers in the growing north end of the city. After delivering power for 52 years, it will be replaced with a new, highly reliable, state of the art facility with 33% more capacity.

Pending approval, this two-year, multi-million dollar infrastructure renewal project could be completed as early as 2019.



Sault Ste. Marie Rates

2016 PUC Bill Impacts

Declined the allowable 1.65% increase in Electricity 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 were kept at the 2015 level

City Council reduced sewage rates

- 38% reduction in city sewage charge

"Sault Ste. Marie PUC customers have one of the lowest water rates among municipalities in the province, an independent firm reports. Sault Ste. Marie ranked as the sixth lowest municipality for its water and sewer rates, the 2016 BMA study reveals."



NEWS LOCAL

PUC customers pay among the lowest for water

By Elaine Della-Mattia, Sault Star
Thursday, March 16, 2017 6:32:07 EDT PM

(Postmedia Network)

Recommend 0

Tweet

Sault Ste. Marie PUC customers have one of the lowest water rates among municipalities in the province, an independent firm reports.
Sault Ste. Marie ranked as the sixth lowest municipality for its water and sewer rates, the 2016 MBA study reveals.

Provincial Bill Comparison

2016 Residential – 200 m3 **Annual** Water & Sewage Bill

Rank	Utility	Average Annual Bill
1/101	Brampton	$442
6/101	Sault Ste. Marie	$685
63/101	North Bay	$1,022
65/101	Greater Sudbury	$1,031
70/101	Thunder Bay	$1,079
101/101	Middlesex Center	$1,725

NOTE: % of total bill that is sewage is unknown (i.e. in 2016 SSM sewage was 62% of the water bill)

Data Published by BMA Management Consultants

Drinking Water System Inspection Report

PUC received its Annual MOECC Drinking Water Inspection Report for Sault Ste. Marie's drinking water system.

We are very pleased to report that PUC has received a **Final Inspection Rating of 100%**.

The inspection found no non-compliance issues and no best practice recommendations.

Maximum Question Rating: 774

Inspection Module	Non-Compliance Rating
Source	0 / 26
Permit To Take Water	0 / 12
Capacity Assessment	0 / 42
Treatment Processes	0 / 72
Process Wastewater	0 / 20
Distribution System	0 / 29
Operations Manuals	0 / 42
Logbooks	0 / 30
Certification and Training	0 / 65
Water Quality Monitoring	0 / 160
Reporting & Corrective Actions	0 / 135
Treatment Process Monitoring	0 / 141
TOTAL	**0 / 774**

Inspection Risk Rating	**0.00%**

FINAL INSPECTION RATING:	**100.00%**

2016 Project Spotlight: Watermain Relining

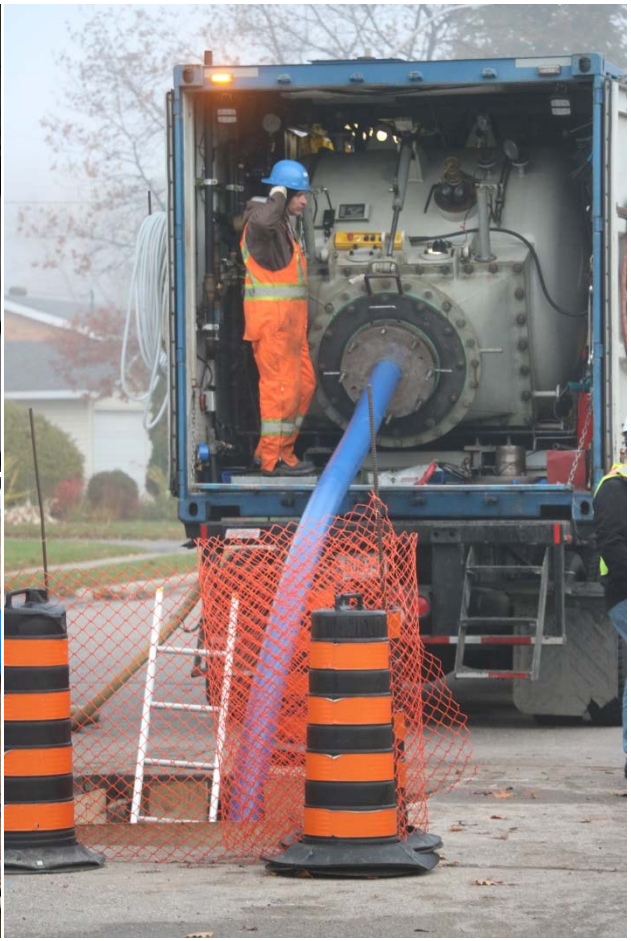
Irwin Avenue and Tuckett Street

PUC undertook a trial relining project in 2016 to evaluate the time, effectiveness, and cost of watermain relining in Sault Ste. Marie's local conditions. The project was a success, and PUC will be developing a long-term watermain relining program.







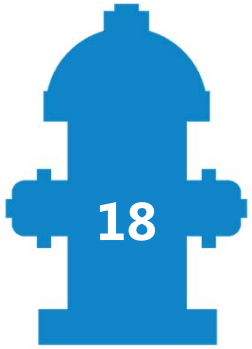


Water Infrastructure Renewal

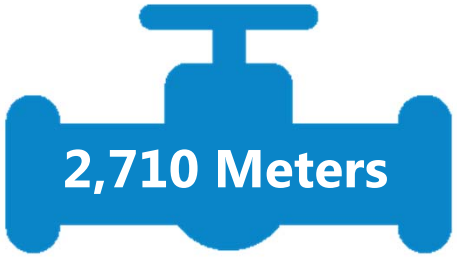
2016 Traditional Infrastructure Renewal Statistics

2016 Watermain Renewal Projects

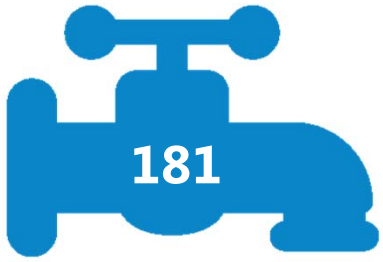
Francis Street	Second Avenue
Gore Street	John Street
Colson Street	Tuckett Street
Manor Road	Irwin Avenue



Hydrants Replaced in 2016



Watermain Replaced or Relined in 2016



Services Replaced in 2016

Outlook For 2017

Water Utility

Water SCADA Upgrade:

PUC is embarking on a 2-year multi-million dollar SCADA system upgrade.

The SCADA (supervisory control and data acquisition) system is a computerized system used to monitor and control the city's entire water treatment and supply infrastructure.

Invest $4.7 M in water system infrastructure

Watermain Relining Project:

With the successful completion of the relining pilot project, and the results of the east end survey, PUC will develop a long-term relining program to be introduced in 2018 and run concurrently with our traditional watermain replacement program

Board Governance

PUC Services Inc. | PUC Inc.





Thank You.
Questions?

YOUR UNION
HEAD OFFICE

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better together

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CLAC is a member of the
World Organization of Workers

May 26, 2017

City of Sault Ste. Marie Council and Staff
c/o Deputy CAO/City Clerk
99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

m.white@cityssm.on.ca
cityclerk@cityssm.on.ca

Dear Council Member and City Staff,

On behalf of CLAC, we are writing to support the motion put forward by Councillor Matthew Shoemaker to have the City of Sault Ste. Marie further consider the impact of closed tendering.

CLAC believes strongly that the present labour monopoly in Sault Ste. Marie, held by the International Brotherhood of Carpenters and Joiners and the Labourers International Union of North America (LIUNA), is not only unfair to the qualified workers who are prevented from working on publicly funded projects, but is also costing the city and taxpayers millions of dollars.

BACKGROUND

To understand the magnitude of the problem in Sault Ste. Marie, it is important to have a basic understanding of Ontario labour relations.

When a construction employer is unionized by a traditional construction craft union, that company becomes bound to a province-wide collective agreement. The terms for that agreement are not negotiated by the newly unionized employer, but rather by an employer bargaining agency that acts on behalf of all the employers bound to that agreement. Within each of these province-wide collective agreements are strict no-contracting-out provisions. These clauses monopolize work into the domain of one union—i.e., all carpentry belongs to the carpenters union, labouring to LIUNA, and so on. Non-union and alternative-union workers and the companies that employ them are prohibited from participating in such projects because they are not signatory to that trade's bargaining agreement.

Starting in the early 1980s, certain construction craft unions sought to unionize municipalities and school boards. A loophole in the *Ontario Labour Relations Act* allowed municipalities and school boards to be treated as construction businesses, and thus no different than for-profit private construction contractors.

What does this mean? The best way to illustrate the consequences of this loophole is through the stories of two municipalities in Ontario.

In 2005, the City of Hamilton was unionized by the carpenters union while directly employing three carpenters to erect a play structure at a city-owned park. Companies that were signatory to CLAC or were non-union—some of which had been building city projects for decades—were suddenly prevented from bidding on any work tendered by the city.

A similar incident occurred in the Region of Waterloo in 2012. In that case, the carpenters' application for certification was submitted on the strength of two employees who were erecting a plastic garden shed on a Saturday. The impact on local contractors has been devastating. During the four years prior to certification, the region tendered $140 million in waste and waste water treatment plant work. Twenty-seven firms had been deemed prequalified to bid on such projects under the region's procurement policy. After the region became unionized, that list was immediately reduced to two. The certification prevented local companies from working on high-profile projects, such as the police station renovations, and gave most of the work to Toronto-based companies. This situation discriminates against workers simply because of their union choice.

Construction labour monopolies not only cost companies and their workers who are preventing from working on these projects, they also cost taxpayers. Studies estimate that publicly-funded projects cost an additional 2 to 40 percent when there is a construction monopoly. According to an internal staff report commissioned by Hamilton City Council in 2006, the estimated cost increases in that city ranged from 10 to 40 percent. These increases are simply due to reduced competition and add no value to the projects.

WHY SHOULD SAULT STE. MARIE SUPPORT THE RESOLUTION?

We are asking Sault Ste. Marie to get behind Councillor Shoemaker's resolution and support fairness and cost effectiveness. We believe that it is in your community's best interest to explore whether a viable solution to the current construction tendering restrictions exists. There is precedent for such success.

In September 2016, the Greater Essex County District School Board was granted non-construction employer status. Like Sault Ste. Marie, the board had been bound to construction collective agreements and could not openly tender construction projects. After demonstrating to the Ontario Labour Relations Board (OLRB) that for a period of three years it performed no construction work for a third party for which it received a profit (or cost mark-up), the OLRB determined that the board was not a construction employer and was therefore no longer subject to the labour laws governing construction contractors.

The resolution before this council seeks only to assess what steps would be necessary to achieve that outcome, and whether the costs to succeed outweigh the savings on future municipal infrastructure construction. In our view, council and this community will be well-served by investing the time and resources to explore these questions.

DISPELLING MYTHS

We know that others will argue alternative viewpoints on this issue. One of the most common arguments is that competition and open tendering results in a "race to the bottom"—a race that some say will lead to unsafe work sites and inferior workmanship. We ask you to reject the logic of that argument.

This city, like most others in Ontario, has sophisticated procurement policies to vet bidders. These policies and the city's pre-qualified bidder lists are in place to ensure that the city awards construction projects to qualified, safe, experienced contractors. It is unreasonable to suggest that membership in a specific union is a more effective litmus test than Sault Ste. Marie's own carefully developed selection criteria. While unions can help raise the quality of worker training—just as CLAC does for its members—excluding all companies not tied to a specific craft union as a means of quality assurance is neither logical nor fair.

In closing, CLAC is asking that you support this resolution and that in doing so, you affirm that fairness and cost effectiveness are essential principles in your community.



Ian DeWaard
Regional Director

ABOUT CLAC

Formed in 1952, CLAC is one of Canada's fastest-growing unions. Operating through 15 member centres, it is the country's largest national, independent, multi-sector union representing over 60,000 workers in almost every sector. Based on values of respect, dignity, and fairness, CLAC is committed to building better workplaces, better communities, and better lives.

CARDUS | 905.528.8866
info@cardus.ca
www.cardus.ca

Mr. Malcolm White
Deputy CAO/City Clerk
99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

May 25, 2017

Re: Open Tendering Data in Sault Ste. Marie

Dear Sir,

We understand that Sault Ste. Marie is considering how best to serve the public interest with regard to its procurement practices. In particular we understand that it is considering the implications of opening construction tendering for its infrastructure projects over the next few years.

Cardus has conducted extensive research on this issue, and we wanted to share this research with you in the hopes of educating the public and those involved in this decision. To that end, we attach the following research papers:

1. *Cardus Construction Competitiveness Monitor* (2012)– this paper surveys the landscape of competitive tendering in Ontario's municipal construction markets, as well as the estimates provided by various parties as to the cost implications of closed tendering.
2. *Open Tendering Briefing Note (2013)* – an update of our first paper, produced in 2013, just prior to certification of the Region of Waterloo as a construction employer.
3. *Hiding in Plain Sight: Evaluating Closed Tendering in Construction Markets* (2014) – this paper, written by leading procurement expert, and author of the Lexis Nexus handbook on Municipal Procurement, Stephen Bauld on the contribution competitive tendering makes to ensuring best value for taxpayers, as well as preventing collusion and bid-rigging in the procurement process.
4. *Tuning Up Ontario's Economic Engine* (2015) – a briefing that provides a methodological analysis of the City of Toronto's estimate of the cost implications of closed tendering.
5. *Restrictive Tendering: Protection for Whom?* (2017) – this paper, written in partnership with University of Toronto Economist, Dr. Morley Gunderson, analyzes the academic literature pertaining to the cost implications of restricting competition, and outlines the academic methodology by which credible estimates about cost implications of restrictive bidding can be understood, and also analyzes the academic literature on broader implications to the public interest of limiting competition.

The almost universal consensus from procurement experts, economists, and indeed governments themselves suggests that closed tendering has deleterious effects on the public interest.

Research conducted by Cardus on closed tendering shows that closed tendering is at odds with global procurement best practices, including those of the city itself, and of the province of Ontario.

As leading procurement expert Stephen Bauld and I note in our paper *Hiding in Plain Sight: Evaluating Closed Tendering in Construction Markets*, "there is a universal preference for an open competitive bidding environment rather than one where competition is restricted." (Bauid, Dijkema, Ton, pg. 8) and that "the importance of competition is present in the procurement guidelines of almost every government and government agency." (Bauid, Dijkema, Ton, pg. 7)

This preference can be found in city's own policies, and the province's procurement directives. Those directives say: "organizations should use competitive procurement processes to get maximum value for money." (Procurement Guideline for Publicly Funded Organizations in Ontario. *Government of Ontario*, https://www.doingbusiness.mgs.gov.on.ca/ mbs/psb/psb.nsf/Attachments/BPSProc-Guideline-pdf-eng/$FILE/bps_procurement_guideline-eng.pdf.) Unnecessarily restricting who can bid on city work – which the city's designation as a "construction employer" does – gets the reverse: it prevents the city from getting best value for taxpayer's money.

Moreover, restricting bidding creates the conditions where corruption is more likely to occur. Cardus noted in 2014 that the structure of the bidding process in Sault Ste. Marie "is analogous to those which were present in Quebec that all parties suggest led to the culture of corruption traced in the Charbonneau report." (Bauld, Dijkema, Ton, pg. 12) The current OPP investigation into bid rigging in Toronto – which, like Sault Ste. Marie has closed tendering – is a case in point. When you restrict the number of bidders, you make it more likely that firms will collude to rig prices and increase costs for tax payers. A recent CBC report (http://www.cbc.ca/news/canada/new-brunswick/fear-of-collusion-behind-city-staff-reluctance-to-release-bidder-info-1.4105117) notes that Sault Ste. Marie is already more likely to see collusion because of its practice of publishing the names of companies taking tender documents. Restricted tendering is likely to increase the likelihood of corruption

Finally, as University of Toronto economist, Morley Gunderson, and I note in our recent paper *Restrictive Tendering: Protection for Whom? "*artificial restrictions on the bidding process reduces competition and leads to higher prices on construction projects." (Gunderson, Dijkema, pg. 23) This is backed up by economic research that show the effects of restriction on costs. A 2001 empirical study noted that municipal contracts with five bidders were 29 percent lower than contracts where there were only two bidders. Another, noted that bid prices fell by up to 25 per cent as the number of bidder increased from two to fifteen, and yet another noted that going from two to three bids reduced prices by 8 per cent, while going from two to eight bids resulted in a savings of 25 per cent. (Gunderson, Dijkema, pg 23)

While it is difficult to determine from public documents from Sault Ste. Marie the proportion of all projects that will or will not be subject to closed tendering, it is very likely that major projects related to wastewater construction, and miscellaneous construction in Sault Ste. Marie (because they involved a high quotient of carpentry work) will be restricted due to the city's construction employer status. Those costs, assuming that the entire remainder of the capital budget is open to competition, are as follows (numbers drawn from http://saultstemarie.ca/Cityweb/media/Finance/Budget/2017-19CapitalBudgetSummary.pdf):

Infrastructure-Large Wastewater:				
	2017	**2018**	**2019**	**Total**
West End Plant and MPS	$3,000,000	$11,000,000	$11,000,000	$25,000,000
East End Plant - - - -				$0
Pumping Stations	$583,000	$278,875	$275,000	$1,136,875
Biosolids Management Facility	$1,000,000	$9,000,000	$9,000,000	$19,000,000
Waste Water Treatment Plant Capital Maintenance	$2,627,080	$2,375,800	$2,368,250	$7,371,130
Aqueducts	$6,800,000	$6,000,000	$6,000,000	$18,800,000
Miscellaneous Construction	$1,300,000	$1,300,000	$1,300,000	$3,900,000
Total	**$15,310,080**	**$29,954,675**	**$29,943,250**	**$75,208,005**

While it is impossible to determine what proportion of the $75,208,005 will be subject to closed tendering, we can still provide a range of estimates using the estimated proportion of the total cost that are likely to be “construction” costs, and then estimate those costs against the estimated cost savings found by increasing competition that are drawn from the paper by Gunderson and Dijkema. Estimates are below:

If 50% is construction, then total $ under restriction =	$37,604,002.50
At 8%, savings =	$3,008,320.20
At 14%, savings =	$5,264,560.35
At 21 %, savings =	$7,896,840.53
At 25%, savings =	$9,401,000.63
If 75% is construction, then total $ under restriction =	$56,406,003.75
At 8%, savings =	$4,512,480.30
At 14%, savings =	$7,896,840.53
At 21 %, savings =	$11,845,260.79
At 25%, savings =	$14,101,500.94
If 100% is construction, total $ under restriction =	$75,208,005.00
At 8%, savings =	$6,016,640.40
At 14%, savings =	$10,529,120.70
At 21 %, savings =	$15,793,681.05
At 25%, savings =	$18,802,001.25

At the lowest estimate, the savings achieved from competitive tendering equate to more than the $2,727,000.00 budgeted in 2017-2019 for maintenance of the Sault Ste. Marie central library, the museum, the police building, and the administration board building combined.

The current question before council is whether the savings from open tendering will be more or less than the legal costs to change its status. However, there are three other more relevant questions to ask: is closed tendering fair? Does it serve the public interest? Is it likely to provide the best long-term environment for the city to build its infra-structure in a way that makes best use of taxpayers’ hard-earned money? In all three cases, there is an overwhelming consensus that the answer is “no”.

While there is much work to be done yet on this issue, we hope that our work can be of service to you as you work to best serve the citizens of Sault Ste. Marie. If there are any questions, or if you would like clarity on anything above, please do not hesitate to call.

Sincerely, and respectfully,



Brian Dijkema

Program Director, Work and Economics, Cardus

Rachel Tyczinski

From: Malcolm White
Sent: Friday, May 26, 2017 3:40 PM
To: Rachel Tyczinski
Subject: FW: Submission re: open tendering
Attachments: 2017-05- Sault Ste Marie Submission.pdf

From: Brian Dijkema [mailto:bdijkema@cardus.ca]
Sent: Thursday, May 25, 2017 4:55 PM
To: Malcolm White <m.white@cityssm.on.ca>
Subject: Re: Submission re: open tendering

Mr. White,

My initial email exceeded the size limits, so please find attached our submission, along with links (rather than attachments) to the papers mentioned in our submission. They can all be downloaded with a single click.

1. Cardus Construction Competitiveness Monitor - 2012: https://www.cardus.ca/research/workandeconomics/publications/3647/cardus-construction-competitiveness-monitor/
2. Open Tendering Briefing Note - 2013: https://www.cardus.ca/research/workandeconomics/publications/3908/cardus-construction-competitiveness-brief/
3. Hiding in Plain Sight: Evaluating Closed Tendering in Construction Markets - 2014: https://www.cardus.ca/research/workandeconomics/publications/4290/hiding-in-plain-sight-evaluating-closed-tendering-in-construction-markets/
4. Tuning Up Ontario's Economic Engine - 2015: https://www.cardus.ca/research/workandeconomics/publications/4450/tuning-up-ontarios-economic-engine-a-cardus-construction-competitiveness-monitor-brief/
5. Restricted Tendering: Protection for Whom? - 2017: https://www.cardus.ca/research/workandeconomics/publications/5011/restrictive-tendering-protection-for-whom/

Hopefully this one will go through. Could you please confirm receipt?

My thanks,

BD

On 25 May 2017 at 16:50, Brian Dijkema <bdijkema@cardus.ca> wrote:

> Dear Mr. White,

My name is Brian Dijkema and I am program director for work and economics at the think-tank Cardus (https://www.cardus.ca/research/workandeconomics/media/). We have conducted research on the topic of closed tendering, which I understand is being discussed presently in Sault Ste. Marie.

Pursuant to that, please find attached a submission pertaining to the city's discussion of its procurement practices, as well as our research papers. If there are any questions, or if you would like more information, please to not hesitate to contact me at the number below or via email. I hope this is of some service to you as you go about your work for the public interest.

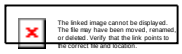
Thank you, and sincerely,

BD

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Brian Dijkema

Program Director

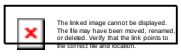


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--

Brian Dijkema

Program Director



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May 26, 2017

Mr. Malcolm White
Deputy CAO/City Clerk
99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

Re: Written Deputation on Opening Up Construction Tendering, City Council meeting May 29, 2017

Sent via email: m.white@cityssm.on.ca

Dear Members of Sault Ste. Marie City Council:

The Progressive Contractors Association of Canada (PCA) is writing in support of Councillor Mathew Shoemaker's resolution to review the high cost of municipal construction work and consider a potential challenge to the city of Sault Ste. Marie's "construction employer status."

PCA is the voice of progressive unionized employers in Canada's construction industry. Our member companies employ more than 25,000 skilled construction workers across Canada. As an organization, we promote fair and open tendering for ALL Ontario municipalities and publicly owned entities.

There is a growing and compelling body of evidence that shows local taxpayers, local companies and workers all benefit from open competition for municipal contracts.

A study published in the Journal of Construction Engineering and Management by Cornell professor Paul G. Carr concludes that competition is good for taxpayers. Carr notes that there is no credible evidence suggesting that less competition has any benefit whatsoever -- not lower prices and not better quality, especially when contractors must already adhere to strict standards and regulations. Carr is crystal clear.

"On taxpayer funded construction projects, government officials should be doing all they can to find savings and increase competition. It is in the public interest."

Opening up construction competition would translate into significant savings for Sault taxpayers. A report published by the Cardus think tank in September of 2014, titled

"Hiding in Plain Sight: Evaluating Closed Tendering in Construction Markets," found that in those cities where tendering is restricted, including Sault Ste. Marie, taxpayers are being over charged by as much as 20 to 30 percent each year for municipal construction work.

The $6.5 million civic centre facelift is a perfect example of just how unfair things are for taxpayers, local companies and workers in the Sault. Taxpayers will be overcharged by at least $1 million on this project and local companies and skilled workers will have no opportunity to bid or work on it, because they're not affiliated with two select unions.

The longer municipal construction projects are monopolized, the more costly it will be for taxpayers. Opening up construction tendering on the civic centre project alone would realize savings that far exceed any legal challenge.

The Progressive Contractors Association of Canada is urging members of council to support the resolution, which is a good first step in helping local taxpayers get far better value for their tax dollar.

While PCA continues to press for change in provincial labour laws that would allow for all public entities to openly tender construction projects, we suggest that Sault City Council consider doing the same and work with its new MPP after the June 1 provincial by-election to make this a priority provincial issue.

Sincerely,



Karen Renkema
Senior Manager, Public Affairs (Ontario)
Progressive Contractors Association of Canada (PCA)
krenkema@pcac.ca
416.768.4848

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2017-100

STREET ASSUMPTION: (PR4) A by-law to assume for public use and establish as public streets various parcels of land conveyed to the City.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001,* S.0. 2001, c. 25, **ENACTS** as follows:

1. **STREETS ESTABLISHED AND ASSUMED**

The streets or parts of streets more particularly described in Schedule "A" to this by-law are hereby established as public streets and are assumed for public use.

2. **SCHEDULE "A"**

Schedule "A" hereto forms a part of this by-law.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

_____
MAYOR – CHRISTIAN PROVENZANO

_____
CITY CLERK - MALCOLM WHITE

da LEGAL\STAFF\BYLAWS\2017\2017-100 STREET ASSUMPTION.DOC

SCHEDULE "A" TO BY-LAW 2017-100

1) FOXBOROUGH TRAIL

(a) PIN 31511-0242 (LT)
BLOCK 39, PLAN 1M572; s/t T324987; SAULT STE. MARIE

(b) PIN 31511-0247 (LT)
BLOCK 44, PLAN 1M572; SAULT STE. MARIE

(c) PIN 31511-0248 (LT)
FOXBOROUGH TRAIL, PLAN 1M572; S/T T105625 & T324987; SAULT STE. MARIE

2) BRIDALPATH COURT

PIN 31511-0249 (LT)
BRIDALPATH COURT, PLAN 1M572; SAULT STE. MARIE

3) MARTINGALE COURT

PIN 31511-0250 (LT)
MARTINGALE COURT, PLAN 1M572; SAULT STE. MARIE

4) FOURTH LINE EAST

PIN 31566-0478 (LT)
FIRSTLY: PT SEC 24 KORAH PT 1 1R6468 SECONDLY: PT SEC 24 KORAH TRAVELLED RD BTN J11998 & W LIMIT OF OLD GOULAIS BAY RD BEING FOURTH LINE; SAULT STE. MARIE

5) CARPIN BEACH ROAD

PART PIN 31612-0039 (LT)
PT SEC 32 KORAH AS IN T134923 AND AS IN T392526 LYING W OF BASELINE RD

6) BACKCOUNTRY COURT

PIN 31509-0136 (LT)
BACKCOUNTRY COURT, PLAN 1M577, SAULT STE. MARIE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-101

PLANNING: (P1.10) A by-law to designate the Downtown Area of the City of Sault Ste. Marie as a Community Improvement Project Area and to implement and adopt the Sault Ste. Marie Downtown Community Improvement Plan.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to Sections 28(2) and (3) of the *Planning Act*, R.S.O. 1990, c.P.13 **ENACTS** as follows:

1. **COMMUNITY IMPROVEMENT PROJECT AREA**

The Council of the City of Sault Ste. Marie hereby designates as a Community Improvement Project Area the Downtown area (the boundaries of which are set out in section 1.5 to the attachment Schedule "A" to this by-law). This designation will allow City Council to consider grants, government loans, tax assistance or other incentives to encourage development or re-development in the Downtown area.

2. **SAULT STE. MARIE COMMUNITY IMPROVEMENT PLAN**

The Community hereby adopts and agrees to implement the Sault Ste. Marie Downtown Community Improvement Plan for. The Plan is attached as Schedule "A" hereto.

3. **SCHEDULE "A"**

Schedule "A" hereto forms a part of this by-law.

4. **BY-LAW 2014-49 REPEALED**

By-law 2014-49 is hereby repealed.

5. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

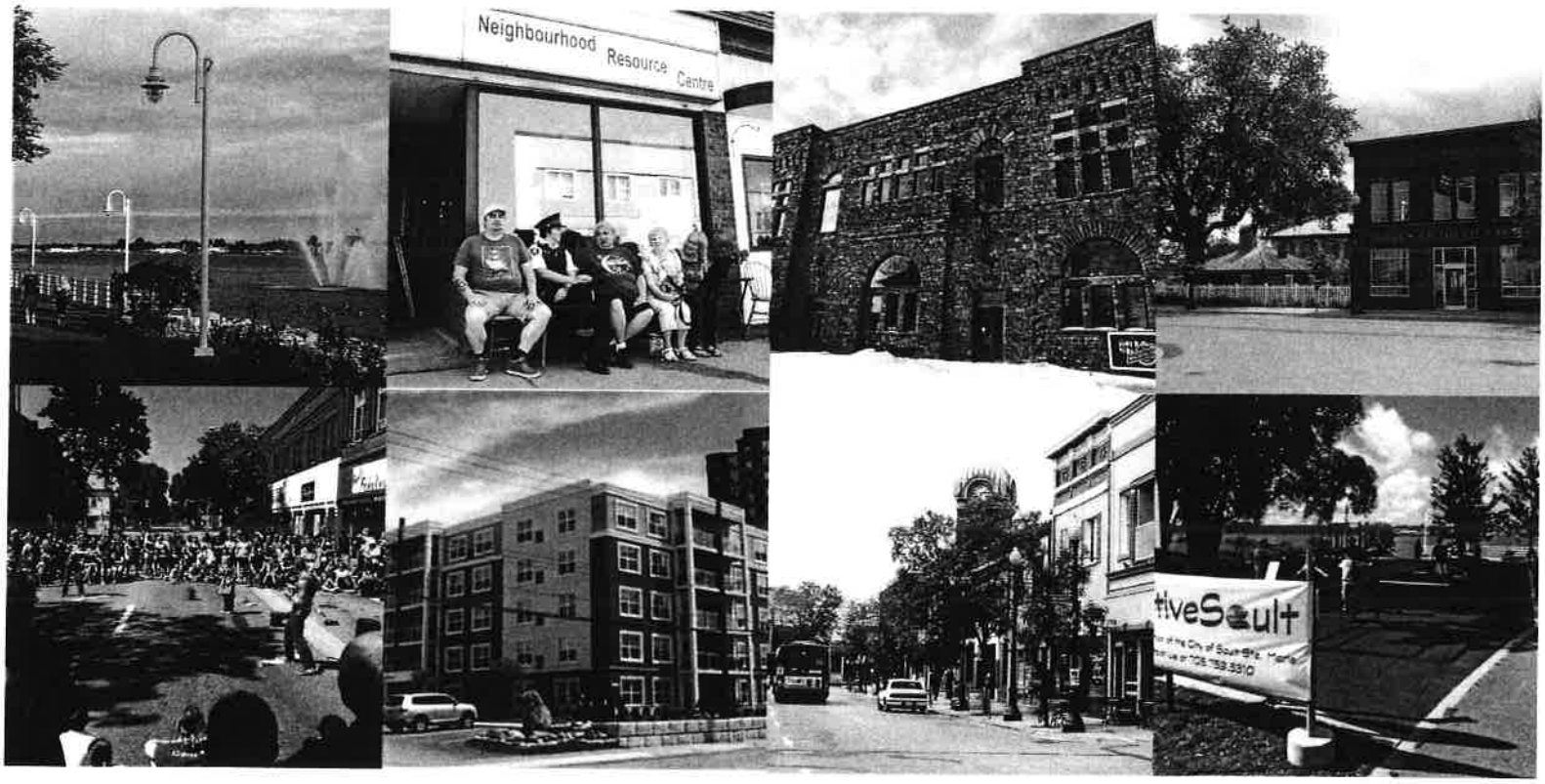
MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

mw \\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-101 - Downtown Community Improvement Plan.doc

Schedule "A"

OUR DOWNTOWN



DOWNTOWN COMMUNITY IMPROVEMENT PLAN

2017

SAULT STE. MARIE

Contents

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2.0 The Downtown Community Improvement Plan 5

3.0 Incentive Programs 7

4.0 Implementation and Monitoring 12

5.0 Appendices 14

1.0 Introduction

1.1 Purpose

This Downtown Community Improvement Plan (DCIP) has been prepared to allow the City of Sault Ste. Marie to use authorities legislated through Section 28 of the *Planning Act* and Section 365.1 of the *Municipal Act* to use grants, loans, and tax increment financing to registered or assessed owners of lands and building within the designated area. This authority allows the City to develop innovative approaches and financial incentives to spark redevelopment, leverage private sector investment, and strategically target municipal capital improvements.

The DCIP provides detail to incentives identified in the City of Sault Ste. Marie *Downtown Strategy*, which was approved by City Council on November 21, 2016. The DCIP is identified as one of several implementation tools for achieving the action items and objectives identified in the Downtown Strategy.

1.2 Background

The City of Sault Ste. Marie launched Phase 1 of the Downtown Development Initiative (DDI) in 2006 as a response to declining assessment values, perceptions of crime, and commercial growth in other areas of the city. Phase 2 began in 2014. Over the past ten years of renewed municipal focus on downtown development, over $84 million in private investment has occurred in the downtown, with approximately $40 million of this directly related to the DDI's incentive programs.

Despite significant progress – including the development of strategic underutilized sites – enduring challenges hinder long-term prosperity.

1.2.1 The Downtown Strategy

The Downtown Strategy reflects the community's vision for the downtown. It is a comprehensive action plan to address the downtown's systemic challenges and build on the growing momentum of downtown investment. The strategy is organized by the following key directions identified by City staff and the public as overarching objectives that, when combined, will foster resiliency and prosperity within the downtown and the city overall:

- Preserve downtown as commercial, administrative, and cultural core
- Develop a vibrant residential neighbourhood
- Facilitate beautiful streets and open spaces
- Encourage active use of downtown spaces
- Improve mobility and linkages
- Ensure strong, cohesive leadership and collaborative action

1.2.2 Community Feedback

The development of the Community Improvement Plan was endorsed as part of Sault Ste. Marie's Downtown Strategy, approved by Council on November 21, 2016. The Downtown

Strategy was created with significant community input. The engagement program included social media and online opportunities for feedback, pop-up booths, and multiple open house events.

The approval of this CIP will occur at a public meeting of City Council – an opportunity for additional community input. This meeting will be publicly advertised and the draft CIP will be available in advance of the meeting.

1.3 Legislative Authority

Section 28 of the Planning Act and Section 365.1 of the Municipal Act allows municipalities to issue grants or loans, or provide property tax assistance to registered owners, assessed owners, or tenants of lands within a Community Improvement Project Area (CIPA).

Section 28(2) of the Planning Act and Part VII (Implementation) of the City's Official Plan allows City Council to designate the whole or any part of the area covered by the Official Plan as a CIPA. On February 6, 2006 City Council approved By-law 2006-32 to designate the entire municipality as a CIPA.

Powers available to municipalities for community improvement purposes, as legislated by the Planning Act and the Municipal Act include:

- Acquiring, holding, clearing, grading, or otherwise preparing land for community improvement (s. 28[3])
- Constructing, repairing, rehabilitating, or improving buildings on municipal land (s. 28[6]a)
- Selling, leasing, or otherwise disposing of municipal land (s. 28[6]b)
- Providing grants or loans to owners, tenants, and their assignees within the community improvement area to pay the whole or any part of identified eligible costs (ss. 28[7] and [7.1])
- Providing property tax assistance for redevelopment purposes (s.28[7.3] by reference to s. 365.1 of the Municipal Act, 2001)

The DCIP is consistent with Section 106(3) of the *Municipal Act*.

1.4 Policy Context/Supporting Policy and Strategy

1.4.1 Provincial Policy Statement

The Provincial Policy Statement (2014) establishes the policy foundation for regulating the development and use of land in Ontario. The PPS provides a framework for building strong healthy communities and efficient use and management of land and infrastructure. The DCIP addresses many Provincial interests identified in the PPS, specifically:

- Promote opportunities for intensification and redevelopment (1.1.3.3)

- Accommodate residential growth through residential intensification and redevelopment (1.4.1)
- Optimizing the use of existing infrastructure and public service facilities and long-term economic prosperity (1.6.3 and 1.7.1a)
- Maintaining and, where possible, enhancing the vitality and viability of downtowns and main streets (1.7.1c)
- Promoting the redevelopment of brownfield sites (1.7.1e)
- Conservation of significant building heritage resources and significant cultural heritage landscapes (2.6.1)

1.4.2 Places to Grow – Growth Plan for Northern Ontario

The Growth Plan for Northern Ontario, 2011, guides provincial decision-making and investment to diversify Northern Ontario's traditional industries, stimulate new investment, and cultivate new sectors. It provides direction to municipalities for managing infrastructure and planning for future growth. The DCIP strongly supports the following policies:

- Contribute to a long-range planning framework for all communities (4.2) designed to achieve the following: economic, social, and environmental sustainability (a); a high quality of place (d); a vibrant, welcoming, and inclusive community identity that builds on unique local features (e)
- Facilitate growth in Strategic Core Areas (4.4) that allows them to function as vibrant, walkable, mixed-use districts (a)
- Undergo targeted approaches to support the revitalization and intensification of the strategic core areas, including:
    - Identification and prioritization of opportunities for the redevelopment of brownfield sites within the strategic core areas
- Strategic core areas with a revitalization strategy in place and incorporated into an OP should be the preferred location for major capital investments

1.4.3 The City of Sault Ste. Marie Official Plan

The City of Sault Ste. Marie Official Plan (OP) places high priority on the enhancement of the Downtown. Section 6.9 describes specific community improvement policies. The OP identifies the Downtown Area (as illustrated in s. 1.5) is designated as a CIPA.

The following OP sections outline specific policies relevant to the Downtown:

- Part III – Economic Development: Marketing
- Part VI – Social Development: Housing
- Part VII – Physical Development: Built Environment, Urban Design, and Commercial Land Use

1.4.4 The Corporation of the City of Sault Ste. Marie Corporate Strategic Plan

The Corporate Strategic Plan identifies vibrant downtown areas as a priority in the "Quality of Life" focus area. Specifically, the CSP identifies "creat[ing] a vibrant and attractive downtown that contributes to the vitality and resiliency of our City."

1.5 Community Improvement Project Area

The City of Sault Ste. Marie Downtown Community Improvement Plan applies to the downtown area as defined under the City of Sault Ste. Marie Official Plan. The downtown is defined as those properties bounded by or with frontage on **the north** – Wellington Street, including properties on Bruce Street south of Huron Central Railway; **the east –** Church Street and Queen Street East and the easterly property line of the former hospital lands; **the south** – St. Mary's River waterfront; and **the west** – North Street, Cathcart Street, Albert Street West, and Huron Street, including the developments at the old St. Mary's Paper site.



1.6 Companion Urban Design and Façade Improvement Guidelines

The Downtown CIPA is an area of the community that is unique in terms of both built form and function. The Downtown Urban Design and Façade Guidelines will be enforced as a companion document to this CIP to accentuate the unique character of this area. The Guidelines are a tool to establish a design framework for new development and restoration of historic buildings. They establish a shared vision for the look and feel of downtown, including provisions for building form and construction materials and treatments. The guidelines will also direct property owners interested pursuing a façade improvement grant to appropriate materials and general architectural principles.

2.0 The Downtown Community Improvement Plan

2.1 Downtown Vision

In 2007, the City and Downtown Association developed the following vision for the downtown, which remains relevant today:

i) More than a main street – a 'true' neighbourhood:

The downtown is more than a main street (Queen Street). It is more than a place to shop or work; it is a desirable place to live, a place to come from: a 'neighbourhood' in the most traditional sense. The downtown neighbourhood is home to many generations, young and old. It is a desirable and welcoming place for all demographics; families, young professionals, and retirees.

ii) An authentic place:

The downtown neighbourhood is a showpiece in the community yet is also an authentic place that embraces and balances its natural and built heritage and history while accommodating the changing needs and preferences of the community.

iii) A 24/7 neighbourhood

The downtown is a neighbourhood that lives beyond office hours; the streets are not 'rolled up' after 5pm. The new downtown neighbourhood will be alive and active during the day, in the evening, on weekends, and throughout all seasons.

iv) The entertainment and cultural centre of the city

The downtown neighbourhood is the place that the community and its visitors go to entertain and be entertained. It is home to Sault Ste. Marie's premier visitor/tourist and cultural attractions as well as a variety of complementary services, facilities, and events to entertain and fulfill individuals, families, and couples for an afternoon or evening.

v) A marketplace shopping experience

The commercial offerings of the downtown neighbourhood provide a unique experience for Sault Ste. Marie residents. It contrasts the impersonal and corporate nature of big box stores and the Station Mall. Downtown merchants are independent, investing in the neighbourhood, and purveyors of high quality goods and services.

vi) A well-connected place

The physical and visual connections of the downtown neighbourhood are prominent and easy to understand. There are logical and convenient means for pedestrians and vehicles to move into and within the downtown and its various activity and land use nodes.

vii) A safe place

People feel safe downtown. The new downtown neighbourhood is known for its low incidence of crime and accidents. It feels safe and is safe to be out at night, to cross the street and walk along side streets and alleyways.

2.2 *The Downtown Strategy*

The Downtown Strategy was developed as a comprehensive action plan to achieve the community vision. It is structured around the following six strategic directions, which build on growing investment and address the downtown's systemic challenges:

i) Preserve downtown as commercial, cultural, and administrative core – physically concentrating services, sectors, and industries creates a definable district and generates synergies
ii) Develop a vibrant residential neighbourhood – a critical mass of people living downtown is fundamental to achieving sustainable prosperity. Residents should reflect diverse income levels, ages, and household types.
iii) Encourage active use of downtown spaces – ensuring continual activity and programming in public spaces helps establish a connection to the space and make people feel safe and more comfortable
iv) Facilitate beautiful streets and open spaces – our downtown public realm is what makes Sault Ste. Marie unique. Enhancing the public realm is beneficial for attracting newcomers, specifically youth, and making our city more livable
v) Improve mobility and linkages – making the downtown a more comfortable place for walking and cycling increases accessibility to amenities and services for individuals who do not use vehicles. This is especially critical considering the growing number of seniors living downtown.
vi) Ensure action and collaborative leadership – for the strategy to achieve success, the City must rely on support from community partners. Furthermore, continual dialogue with downtown stakeholders is fundamental to maintain accountability and continual action.

2.3 *Goals and Objectives*

The DCIP's goals and objectives are based on the strategic directions established in the Downtown Strategy to achieve the community vision. The following goals reflect the targeted nature of the incentive programs incorporated in the DCIP:

- Attract commercial and residential investment to the downtown core that increases commercial and dwelling densities
- Decrease vacancies
- Increase the amount of entertainment, food, and cultural opportunities in the downtown
- Monitor the performance of the DCIP on an ongoing basis as evidence that the goals of the Downtown Strategy are being met

3.0 Incentive Programs

Figure 1: Riverwalk Condominiums



3.1 Municipal Tax Increment Rebate for Major Developments

3.1.1 Intent and Eligibility

This program seeks to support the redevelopment of underutilized, vacant, and brownfield sites in Downtown Sault Ste. Marie through a rebate of the Municipal portion of property taxes. The MTIR is a favourable incentive with little expense to the City. Developers are less likely to invest in large-scale projects without incentives. Major investment catalyzes further economic activity and advances DCIP goals including residential intensification, high quality urban design, and promoting mixed use development.

To be eligible for a major development MTIR, an applicant must be:

- Registered owner or assessed owner (or their assignee/agent) of a property
- Located within the CIPA
- Demonstrate impending investment of over $500,000 in ~~new development~~ or rehabilitation of an existing property

3.1.2 Rebate

The value of the TIEG is equal to the difference between the current tax level of a property – before any redevelopment work – and the future tax level after development is complete and the property is reassessed. This grant is provided on a declining rate basis for a

maximum six year period. When an approved project is complete, a grant will be paid annually by the City to the eligible applicant following the full payment of property taxes.

Year	Percentage of tax increment that is rebated
1	100%
2	75%
3	50%
4	25%
5	0%

3.2 *Grant Programs*

3.2.1 *General Eligibility Requirements*

To be eligible for a grant, an applicant must be a registered owner (or their assignee/agent) of a commercially-zoned property within the CIPA **or** tenant of a property within the CIPA with registered owner's written permission to undergo renovations. Properties must not be in tax arrears nor possess any outstanding Building/Fire code violations.

All applications must include a comprehensive design strategy and layout/concept plan for proposed renovations developed by a certified design professional. Applicants must demonstrate the comprehensive nature of their proposed renovations with cost estimates and a proposed timeline for the project. Enforcing a high standard of design for successful grant applicants will contribute to the Downtown Strategy's overarching objectives.

3.2.2 *Building Activation Grant for Vacant Spaces*

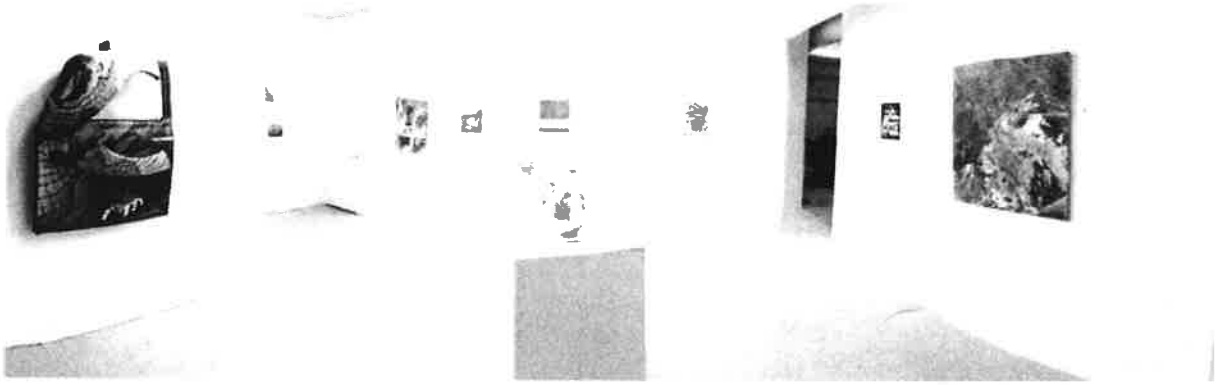


Figure 2: 180 Projects

3.2.2.1 *Intent and Eligibility*

This grant seeks to increase vibrancy of the downtown core through a target focus on the rehabilitation of vacant commercially-zoned properties.

The grant provides developers and property owners with financial support to convert and/or rehabilitated vacant properties into viable commercial and/or residential uses for prospective tenants.

Renovation projects must be comprehensive to quality for the grant; one-off projects and/or piecemeal individual improvements that are not visible, significant transformations will not be considered. Eligible costs for the grant include expenses borne by the applicant relating to materials, labour, equipment, and professional fees associated with building restoration, improvement, and barrier free improvements to the interior of the building. Mechanical and structural upgrades (e.g., roof repair and HVAC replacement) are basic responsibilities of building owners and are therefore ineligible for funding as standalone projects.

3.2.2.2 *Funding*

Grants are allocated on a matching funds basis up to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant. The grant amount will be determined on the overall investment, quality, and significance of the improvement to the Downtown Area.

3.2.3 *Façade Improvement Grant*

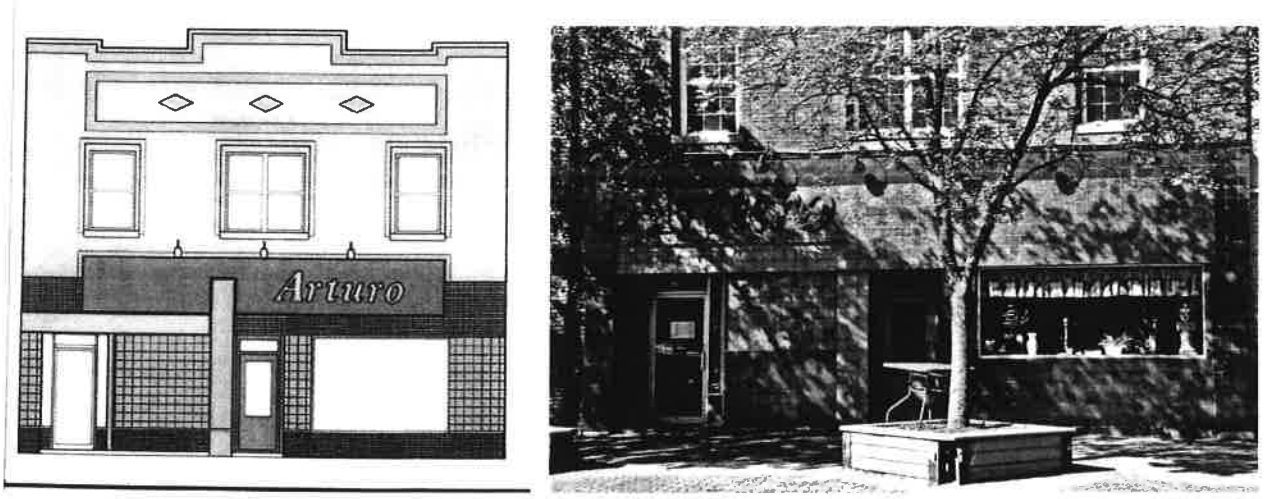


Figure 3 Arturo Ristorante

3.2.3.1 *Intent and Eligibility*

This program seeks to enhance the appearance of downtown commercial properties, acknowledging the significant role main street facades play in contributing to a unique identity and character for the downtown. The proposed project must be a comprehensive redesign of the existing façade, not a collection of individual improvements.

Proposed renovations must conform to design parameters identified in the Downtown Urban Design Guidelines. Applications that do not conform to these guidelines will not be successful in obtaining the grant.

An application must include a conceptual drawing from a registered design professional demonstrating colours, materials, signage, lighting, windows, doors, etc. as a precondition for approval.

3.2.3.2 Funding

This grant is administered on a matching funds basis, to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant.

3.2.4 Upper Floor Residential Conversion Grant



Figure 4 Upper Floor Apartments

3.2.4.1 Intent and Eligibility

This grant encourages residential intensification along Queen Street and increase the range of housing options in the downtown core. It assists property owners with the cost of building improvements required to convert upper-storey nonresidential units to residential dwelling units.

Eligible costs include design work, materials, equipment, and contracted labour.

Prior to submitting an application, a consultation meeting with Planning and Building Division staff must occur to identify the scope and any remediation studies required to facilitate a residential conversion. If a Record of Site Condition is required for conversion, the applicant may not submit an application until the RSC is completed.

3.2.4.2 Funding

This grant is administered on a matching funds basis, to a maximum of $15,000.

3.2.5 Rear-Yard Patio Conversion Grant



Figure 5 Rear-yard Patio

3.2.5.1 Intent and Eligibility

This grant encourages businesses to capitalize on underutilized rear yard space by establishing permanent patio infrastructure. Patios are critical components of a vibrant street life.

Eligible costs include materials, labour, and design work required to prepare the patio space.

3.2.5.2 Funding

Grants are allocated on a matching funds basis up to $5,000.

4.0 Implementation and Monitoring

4.1 General Conditions

To be eligible for the program, the applicant must:

- Not be in tax arrears
- Have no outstanding work orders from the City's Building Division and Fire Department – requests to comply must be addressed prior to grant approval

4.2 Activation

This Plan shall come into effect the day after the approval of the adopting by-law, contingent upon securing NOHFC and FedNor funding. The DCIP will remain in effect for three years but may be extended by City Council subject to appropriate review and notice.

4.3 Administration Process

The financial incentive programs offered through this DCIP will be administered by the Planning Division. Grant applications will be reviewed and recommended for Council approval by the Downtown Community Improvement Committee, consisting of representatives from the City's Planning, Building, Engineering, Public Works, and Finance Departments and a certified design professional. Final decisions shall be made by City Council. The City will develop a guide for each incentive program that will assist with interpretation and administration by applicants and staff.

The grant application will require applicants to identify goals and a vision for their proposed project. If the outcome of renovations is not deemed congruent with the works proposed in the initial application for which the grant was approved, the applicant will not be reimbursed. The incentive program guide will provide more information on the application procedure and requirements.

4.4 Amending Policies

City Council will review this CIP at regular intervals to ensure that the intent and project objectives are being met. City Council may discontinue or modify all or part of the program incentives without a formal amendment to the CIP. The addition or increase in value of a grant or loan program shall likewise require an amendment to this Community Improvement Plan.

The monitoring results (empirical, qualitative, and feedback from applicants) will be used to improve the program by recommending adjustments such as eligibility requirements, evaluation, and the administration process. The City may review and adjust the level, terms, and requirements of the financial incentive programs and make adjustments as required.

4.5 Marketing

Program success is contingent upon a comprehensive marketing strategy. The following techniques will be used to raise awareness of the program and achieve desired objectives:

- Harness BIA to serve as community champion for CIP
- City staff outreach to downtown businesses and property owners
- Utilize social media, specifically Facebook and Twitter
- News releases for distribution to local media outlets and the city's webpage
- Information and resource hub on City web page

4.6 Monitoring

Performance measurements are based on the CIP's stated goals and objectives. These indicators align with the strategic objectives identified in the Corporate Strategic Plan. The following are examples of statistics that will be monitored for the evaluation of the DCIP:

- Number of successful applicants
- Project details as proposed by application
- Municipal assessment and taxes prior to commencement of approved project
- Square footage of habitable floor space created
- Square footage of industrial or commercial space rehabilitated or constructed
- Acreage of land remediated and/or redeveloped
- Vacancy rates
- Total value of investment; public vs. private investment; capital works, facilities investment
- Increase in assessed value of property and municipal property taxes upon completion of project
- Total dollar amount granted by tax increment annually
- Number of new businesses created, maintained, expanded, modernized
- Number of new jobs
- Number of new residential units created within the CIPA
- Types of new businesses, e.g., knowledge base, information technology, communication, service, retail, etc.

All successful grant holders will be required to complete a follow-up questionnaire one year following project completion to assist in identifying the impact of grants on individual businesses and the downtown overall.

5.0 Appendices

5.1 Grant Program Summary Table

Name	Objective	Funding
Building Activation Grant for Vacant Spaces	Provides support to convert and or rehabilitate vacant properties into viable commercial and/or residential uses for prospective tenants	Allocated on a matching funds basis to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant.
Façade Improvement Grant	Support to enhance the appearance of downtown commercial properties and the public realm	Allocated on a matching funds basis to a maximum of $20,000. Pre-application design fees up to $2,500 will be eligible for reimbursement upon successful acquisition of the grant.
Upper Floor Residential Grant	Encourage residential intensification by incentivizing conversion of upper floor space of commercially-zoned buildings to residential	Allocated on a matching funds basis to a maximum of $15,000
Rear Yard Patio Conversion Grant	Encourages permanent patio infrastructure in the rear yards of commercially zoned properties	Allocated on a matching funds basis to a maximum of $5,000
Municipal Tax Increment Rebate	Support the large-scale redevelopment of underutilized, vacant, and brownfield sites through rebating a portion of municipal property taxes	The value of the rebate is equal to the difference between the current tax level of a property – before any redevelopment work – and the future tax level after development is complete and the property is reassessed. The grant is provided on a declining rate basis.

THE CORPORATION OF THE CITY OF SAULT STE MARIE

TAX RATE (LEVY) BY-LAW FOR 2017

BY-LAW 2017-102

TAXES: (T1.2) A by-law to provide for the adoption of property tax rates for 2017.

WHEREAS Section 312 of the *Municipal Act, 2001* provides that the Council of a local municipality shall, after the adoption of estimates for the year, pass a by-law to levy a separate tax rate on the assessment in each property class, and;

WHEREAS Sections 307 and 308 of the said Act require tax rates to be established in the same proportion to tax ratios, and;

WHEREAS the 2017 municipal tax levy for all purposes including debenture principal and interest payments has been set at $108,906,104 comprised of $104,740,816 for the overall (rural) area and an additional $4,165,289 for the urban area only including debenture principal and interest payments specific to the special area;

NOW THEREFORE the Council of the Corporation of the City of Sault Ste. Marie hereby **ENACTS** the tax rates for municipal purposes as set out in Schedule "A" hereto annexed, and forming part of this by-law.

1. **SCHEDULE "A"**

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

2. **BY-LAW 2017-70 REPEALED**

   By-law 2017-70 is hereby repealed.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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CITY OF SAULT STE. MARIE
2017 PROPERTY TAX RATES

Schedule A

URBAN AREA

Property Class	RTC/RTQ	Municipal
Residential	RT/RH	0.0139064
Multi-Residential	MT	0.0166096
Multi-Residential, New Construction	NT	0.0152971
Commpercial Occupied-New Construction	CT/CH/XT/XH	0.0305424
Commercial-New Construction-Excess Land	CU/XU	0.0213797
Commercial-Vacant Land-Parking Lots	CX/GT	0.0225809
General Rate Only (International Bridge Plaza)	CM	0.0305424
Shopping Centres Occupied-New Construction	ST/ZT	0.0324228
Shopping Centres-Excess Land	SU	0.0226959
Office Buildings Occupied-New Construction	DT/YH	0.0446087
Office Building-Excess Land	DU	0.0312261
Industrial Occupied-New Construction	IT/IH/JT	0.0656888
Industrial-New Construction-Excess Land-Vacant Land	JU/IU/IX/IJ	0.0426977
Large Industrial-Occupied	LT	0.1166651
Large Industrial-Excess Land	LU	0.0758323
Landfills	HT	0.0290686
Pipeline	PT	0.0291188
Farm-Managed Forests	FT/TT	0.0034766

RURAL AREA

Property Class	RTC/RTQ	Municipal
Residential	RT/RH	0.0133197
Multi-Residential	MT	0.0159088
Multi-Residential, New Construction	NT	0.0146516
Commercial Occupied-New Construction	CT/CH/XT/XH	0.0292230
Commercial-New Construction-Excess Land	CU/XU	0.0204561
Commercial-Vacant Land-Parking Lots	CX/GT	0.0216055
Shopping Centres Occupied-New Construction	ST/ZT	0.0310222
Shopping Centres-Excess Land	SU	0.0217155
Office Buildings Occupied-New Construction	DT/YH	0.0426817
Office Building-Excess Land	DU	0.0298772
Industrial Occupied-New Construction	IT/IH/JT	0.0628512
Industrial-New Construction-Excess Land-Vacant Land	JU/IU/IX/IJ	0.0408533
Large Industrial-Occupied	LT	0.1116253
Large Industrial-Excess Land	LU	0.0725565
Landfills	HT	0.0278421
Pipeline	PT	0.0278902
Farm-Managed Forests	FT/TT	0.0033299

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-103

TAXES: (T1.2(1)) A by-law to provide for the adoption of tax ratios.

WHEREAS Section 308 of the *Municipal Act*, 2001, as amended provides that the council of a local municipality shall pass a by-law to establish tax ratios for the 2017 Taxation Year.

Therefore **THE COUNCIL** of the Corporation of the City of Sault Ste. Marie pursuant to the *Municipal Act*, as amended **ENACTS** as follows:

1. **SCHEDULE "A"**

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

2. **BY-LAW 2017-71 REPEALED**

   By-law 2017-71 is hereby repealed.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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CITY OF SAULT STE MARIE
2017 TAX RATIOS

Schedule A

Residential	1.00000000
Multi-Residential	1.19438600
Multi-Residential New Construction	1.10000000
Commpercial Occupied	2.24867700
Commercial New Construction	2.24867700
Commercial Excess Land	1.57407390
Shopping Centres	2.38711700
Shopping Centres-New Construction	2.38711700
Shopping Centres-Excess Land	1.67098190
Office Building	3.28430200
Office Building-New Construction	3.28430200
Office Building-Excess Land	2.29901140
Parking Lots & Commercial Vacant Land	1.66251500
Industrial Occupied	4.83632100
Industrial-New Construction	4.83632100
Industrial-Excess Land	3.14360865
Industrial-Vacant Land	3.14360865
Large Industrial	8.58943200
Large Industrial-Excess Land	5.58313080
Landfills	2.09029900
Pipelines	2.09391000
Farmland	0.25000000
Managed Forests	0.25000000

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-104

DEVELOPMENT CONTROL: A by-law to designate the lands located at 1025 McNabb Street an area of site plan control (Dick's Garage Limited).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie **ENACTS** as follows:

1. **DEVELOPMENT CONTROL AREA**

The lands described on Schedule "A" attached hereto are hereby designated to be an area of site plan control pursuant to section 41 of the *Planning Act*, R.S.O. 1990, c. P. 13 and amendments thereto.

2. **SITE PLAN POWERS DELEGATED**

The Council hereby delegates to the Planning Director or his/her designate for the City of Sault Ste. Marie, Council's powers to enter into a site plan agreement dealing with any of the works or matters mentioned in Section 41 of the *Planning Act* as amended, for the lands shown as Subject Property on the map attached as Schedule "A" to this by-law.

3. **SCHEDULE "A"**

Schedule "A" hereto forms a part of this by-law.

4. **PENALTY**

Any person who contravenes this by-law including the obligations pursuant to the agreement entered into under the authority of this by-law is liable upon conviction therefore to penalty provisions as contained in the *Planning Act* and the *Municipal Act, 2001.*

5. **EFFECTIVE DATE**

This by-law takes effect from the date of its final passing.

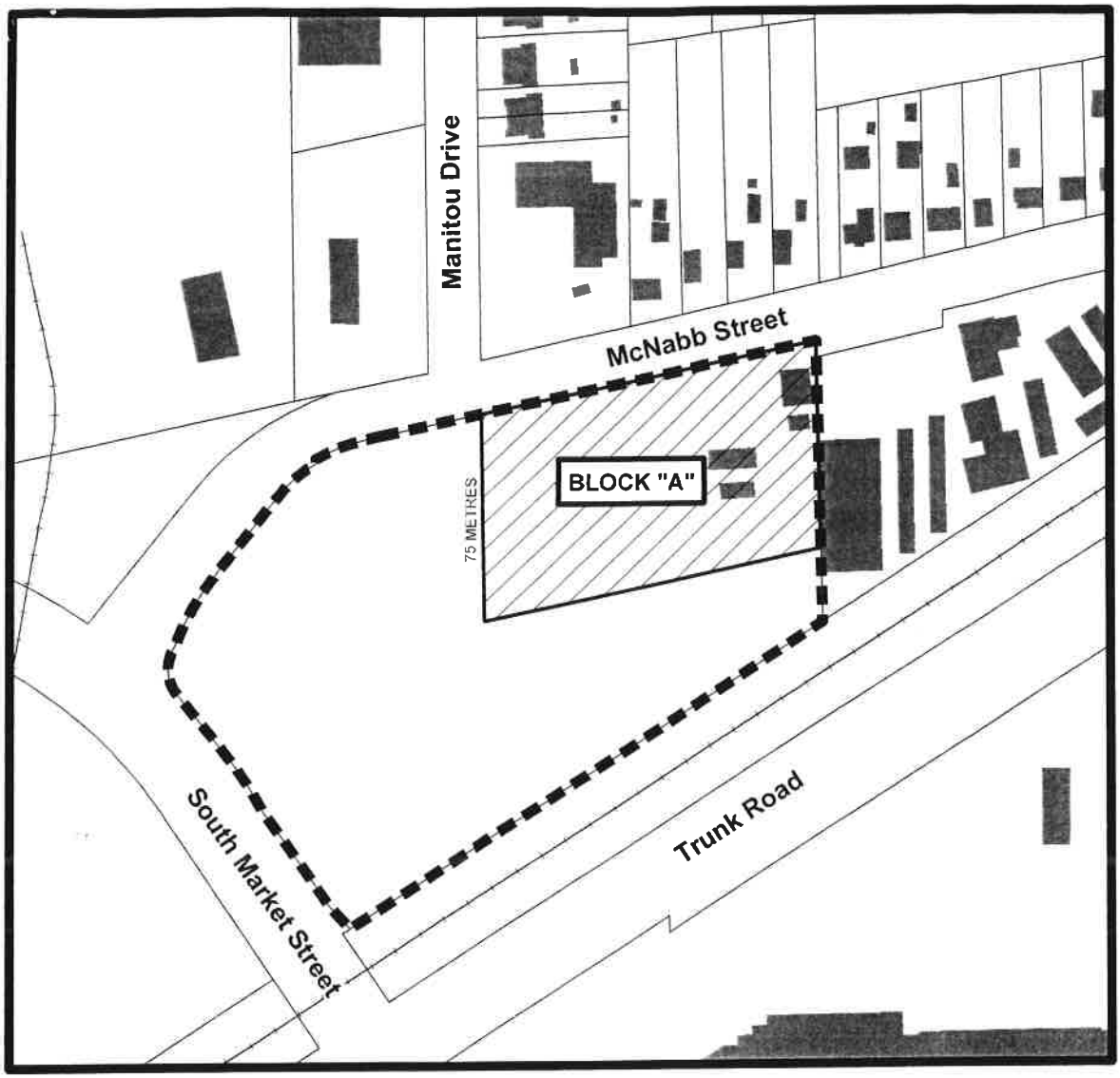
PASSED in open Council this 29th day of May, 2017.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – MALCOLM WHITE

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SCHEDULE "A" TO BY-LAW 2017-104



SUBJECT PROPERTY

PLANNING APPLICATION A-5-17-Z-OP
1025 MCNABB STREET

Legend

Subject Property = 1025 McNabb Street

Building Opening Restriction Area

N

METRIC SCALE
1 : 3700

ROLL NUMBER
030-005-009-00

MAP NUMBERS
31 & 1-34

MAIL LABEL
A-5-17-Z

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-105

PARKING: (P3.9(3)) A by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to Section 15 of the *Police Services Act,* R.S.O. 1990, chapter P.15 and amendments thereto, **ENACTS** as follows**:**

1. **SCHEDULE "A" TO BY-LAW 90-305 AMENDED**

   Schedule "A" to By-law 90-305 is hereby repealed and replaced with Schedule "A" attached to this by-law.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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SCHEDULE "A"

BADGE	SPECIAL CONSTABLE	EMPLOYER	PROPERTY LOCATION
26	MCLEOD,ROD	FLEMING & SMITH	378 QUEEN ST E & APARTMENTS & 27 KING ST
30	RENDELL,VERN	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
109	SEBECIC,JOHN	DENTAL BUILDING	945 &216 QUEEN ST E
151	PARR,DEREK	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
153	TASSONE,VITO	TASSONE CHIROPRATIC	673 QUEEN ST E
163	BUMBACCO,PHILIP	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
186	MCGRAYNE,LAURA LEE	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
241	COGHILL,ROBIN	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
253	TRAVSON,TERRANCE	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
267	CORBIERE,JOHN(TED)	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
276	SMITH,DENNIS,ROBERT	G4S SECURE SOLUTIONS	SAULT HOSPITAL
321	LORENZO,COREY	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
334	MILLER,BRADLEY	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
335	GROSSO,DONALD	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
344	HARPE,KEN	HOLIDAY INN	320 BAY ST
346	HAZLETON,MARGARET	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
366	TROINOW,VICTORIA	G4S SECURE SOLUTIONS	SAULT HOSPITAL
369	CARMICHAEL,MARY	ONT FINNISH HOME ASS	725 NORTH ST
370	HANSEN,LOUIS	ONT FINNISH HOME ASS	725 NORTH ST.
372	BENOIT,ALAIN	ONT FINNISH HOME ASS.	725 NORTH ST
374	TAAVEL,ANDRE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
391	MCLEOD,HEATHER	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
397	LAFRAMBOISE,YVON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
400	JOHNSON,MICHAEL	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
410	POYNER,HAROLD	G4S SECURE SOLUTIONS	SAULT HOSPITAL
411	MOORE,ROBERT	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
420	FABIANO,ANTONIO	G4S SECURE SOLUTIONS	SAULT HOSPITAL
435	TRAMBLE,GEORGE	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
441	WILSON,DAVID	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
442	MACCLENNAN,MATTHEW	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
443	MARCIL,MARK	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
446	HALLIDAY,DANA	SAULT COLLEGE	443 NORTHERN AVE
456	CONEYBEARE,KEVIN	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
459	SLEEMAN,RAY	G4S SECURE SOLUTIONS	SAULT HOSPITAL
460	BOUGIE,DAN	G4S SECURE SOLUTIONS	SAULT HOSPITAL
463	MORIN,ALEX	CORPS OF COMM	
464	DITOMMASO,RYAN	2220917 ONT INC.	489 BAY ST/535 QUEEN ST E
465	DELAVALLE,DON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
484	MCLEOD,VIRIGINIA	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
486	LONGO,NADIA	GT NORTH RETIREMENT	760 NORTHERN RD
487	ROUGEAU,MARISA	GT NORTH RETIREMENT	760 NORTHERN RD
488	LEFLEUR,MARILYN	GT NORTH RETIREMENT	760 NORTHERN RD.
489	MCQUEEN, WANDA	GT NORTH RETIREMENT	760 NORTHERN RD
490	LUXTON,JEFF	GT NORTH RETIREMENT	760 NORTHERN RD
493	BROWN,FRASER	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
516	GAY,JAMES	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
517	ROY,BRENDA	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
522	MCNAMA,STEVEN	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
523	MCBRIDE,GUY	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
526	JOHNSTON,CORY	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
537	GRAWBARGER,KYLE	G4S SECURE SOLUTIONS	SAULT HOSPITAL
541	DIMMA,WILLIAM	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
547	LIEPA,MATTHEW	ALGOMA CENTRAL PROP	STATION MALL/STATION 49/STATION TOWER
548	CARON,ROGER	CITY OF SAULT STE MARIE	99 FOSTER DR. (CIVC CENTRE)
556	ARCAND,SCOTT	G4S SECURE SOLUTIONS	SAULT HOSPITAL
565	LISCUMB,GERALD	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
569	SWEET,WILLARD	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
568	PICK,DENNY	CORPS OF COMM	SAULT AIRPORT
574	BOUCHARD,DARYL	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
580	CHARETTE,ROBERT	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
587	GIULETTI,MATTHEW	G4S SECURE SOLUTIONS	SAULT AIRPORT / HOSPITAL
589	TWENTYMAN,DANIEL	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QUEEN ELIZABETH COMPLEX/JOHN RHODES
596	WAGNER,TODD	G4S SECURE SOLUTIONS	SAULT HOSPITAL
599	BUMBACCO,CARL	CB HOME INSTALLTIONS	321 JOHN ST /342,346 ST GEORGE'S AVE
601	HART,JASON	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
602	GREENWOOD,LESLIE	GREENWOOD HARDWARD	41 ALBERT ST W
603	LAMMING,DAVE	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
604	WAGNER,MATTHEW	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
607	FROST,CHRISTIAN	CITY OF SAULT STE MARIE	TRANSIT SERVICE AREA
608	ALISAT,THOMAS	ALISATS RUST PROOFING	24 QUEEN ST W
609	ROBINSON,SHAWN	ALISATS RUST PROOFING	24 QUEEN ST W
611	MIZZI,PRESTON	WENDY'S	1 QUEEN ST W
617	SAVAGE,SAMUEL	G4S SECURITY	SAULT HOSPITAL

619	BERTO,DEBORAH	GATEVIEW REALTY INC	304-310 ALBERT ST/420A&B MCNABB/715 DOUGLAS/67 ELGIN/47 PRINCESS
620	FERA,NORMAN	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
622	PROULX,PATRICK	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
623	AYTON,BENJAMIN	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
624	MIHAILIUK,JASON	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
626	CHARRON,ROBERT	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
627	BAKER,WILLIAM	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E/BREWERY BLOCK
632	SAVAGE,MATT	G4S SECURITY	SAULT HOSPITAL
633	HILL,MICHAEL	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
634	TIBBLES,COLLEEN	STANDARD PARKING	ONTARIO REALITY CORP/ROBERTA BONDAR PLACE/426 QUEEN ST E/BREWERY BLOCK
636	KLYM,TIMOTHY	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
637	TOMASONE,LUIGI	LOU'S AUTOMOTIVE	317 ALBERT ST E
638	SICOLY,TERESA	AIRPORT	1-475 AIRPORT RD.
639	PANITTILA,KIM	NORPROP SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
643	SHAW,KEVIN	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
644	SANTA MARIE,ROBERT	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
646	BOOTH,ABBY	CITY OF SAULT STE MARIE	JOHN RHODES/ESSAR CENTREMCMEKKEN CENTRE/NORTHERN COMMUNITY CENTRE
647	DAFOE,TRUDY	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
648	ELWGREN,STEPHEN	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
649	GRAHAM,STEVEN	FENGATE PROPERTY	248 NORTHERN AVE
650	LANG,RICHARD	G4S SECURITY	SAULT HOSPITAL
651	HUTCHINSON, HILLARY	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
653	BIOCCHI,CHRISTOPHER	AIRPORT	1-475 AIRPORT RD.
654	PAVONI,JAKE	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
659	MARCIL,BONNIE	STRICTLY CONFIDENTIAL INC	THE TECH/ RJ'S MARKET
660	SANDIE,KEVIN	STRICTLY CONFIDENTIAL INC	THE TECH/ RJ'S MARKET
661	MONK,AUSTIN	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
664	HAMMERSTEDT,ERIC	STRICTLY CONFIDENTIAL INC	THE TECH/ RJ'S MARKET
665	MATTHEWS,SUANNE	NORTHLAND ANIMAL HOSP	695 TRUNK RD.
666	AITKEN,ANDREW	G4S SECURITY	SAULT HOSPITAL
667	MCLAUGHIN,RYAN	NORTHEAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
669	BOREAN,RICK	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
670	MCGUIRE,STEVE	REGENT PROPERTY	402/302 BAY ST
671	MCGUIRE,PATRICK	REGENT PROPERTY	402/302 BAY ST.
672	LEWIS,RYAN	NORTHEAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
673	CARTER,SHAWN	G4S SECURITY	SAULT HOSPITAL
674	DERASP,RICHARD	CORPS OF COMM	SAULT AIRPORT
675	KELLY,MATTHEW	G4S SECURITY	SAULT HOSPITAL
676	THOMPSON,JOHN	CORPS OF COMM	SAULT AIRPORT
677	MACMILLAN,TYLER	CORPS OF COMM	SAULT AIRPORT
678	PERRON,JENNIFER	CORPS OF COMM	SAULT AIRPORT
679	CHATEAUNEUF,YVON	CORPS OF COMM	SAULT AIRPORT
680	MACGREGOR,CHRIS	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
681	SCHMIDT,KEATON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
682	HALFORD,KEVIN	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
683	SEMENYEI, ADAM	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
684	RICKARD,EVAN	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
685	HORNBY,BRANDON	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
686	ASH,KEITH	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
687	POSSAMAI,MIKE	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
688	KING,MICHAEL	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
689	SUBRAMANIAM,DASA	DAYS INN	332 BAY ST
690	VANDERKLIFT, RENE	NORTHEAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
691	ADDISON, ERIN	NORTHEAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
692	RHEAUME, DANIEL	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
693	O'SHAUGHNESSY, CONOR	NORPRO SECURITY	DAVEY HOME/QUEENSCENTRE/HURON ST PROPERITES/ALGOMA PUBLIC HEALTH/556 QUEEN STRATHCLAIR DOG& SPORTS/QE ECOMPLEX/JOHN RHODES/726 QUEEN ST
694	LIPPE, ANDREW	NORTH EAST SECURITY	S COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
695	LAURICELLA, DIEGO	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
696	CLARIDA, JEFF	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
697	OLAR, GREG	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
698	DEPLONTY, HERBERT	CITY OF SAULT STE MARIE	PUBLIC WORKS PLOWING AREAS
699	QUARELL, ROBERT	SKYLINE LIVING	621, 627, 631 MACDONALD AVE
700	FORD, BRIAN	G4S SECURITY	SAULT HOSPITAL
701	CHIMFWEMBE, CHILUFYA	NORTH EAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
702	CARRICATO, CHELSEA	NORTHEAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
703	DIAS, CODY	G4S SECURITY	SAULT HOSPITAL
704	GLOVER, LAURA	G4S SECURITY	SAULT HOSPITAL
705	DEGILIO, JOEY	G4S SECURITY	SAULT HOSPITAL
706	GAGNON, JACQUES	G4S SECURITY	SAULT HOSPITAL
707	FINN, ROBERT	NORTHEAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
708	POWLEY, CHAD	NORTHEAST SECURITY	S.COLLEGE/A UNIVERSITY & RES /ESSAR CENTRE/GHC/CAMBRIAN MALL/TENARIS/JOHN RHODES/QE SPORTS COMPLEX
709	SCHMIDT, ALEX	CITY OF SAULT STE MARIE	BELLUVUE MARINA &PARK/ BONDAR MARINE & PARK/STRATHCLAIR DOG PARK&SPORTS COMPLEX/QE SPORTS COMPLEX
710	HOTCHKISS, ROBERT	SP PLUS CORPORATION	503 BAY ST

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-106

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of Henry Street from 455 Henry Street to 460 Henry Street and from 468 Henry Street to 476 Henry Street on July 15, 2017 to facilitate a Block Party/Canned Food Drive.

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 HENRY STREET**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of Henry Street from 455 Henry Street to 460 Henry Street and from 468 Henry Street to 476 Henry Street on July 15, 2017 from 4:00 p.m. to 11:00 p.m. to facilitate a Block Party/Canned Food Drive.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-107

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of various streets to facilitate Rotaryfest 2017 from July 8th until July 16th, 2017.

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 VARIOUS STREETS**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of the following streets to facilitate Rotaryfest 2017:

(a) Closure of Queen Street East from Elizabeth Street to Church Street on July 15, 2017 from 9:30 a.m. to 1:00 p.m.;

(c) Closure of Simpson Street from Queen Street East to Wellington Street East on July 15, 2017 from 9:30 a.m. to 1:00 p.m.;

(d) Closure of Queen Street East from Pim Street to Gore Street on July 15, 2017 from 10:30 a.m. to 1:00 p.m.; and

(e) Closure of Ken Danby Way on July 8, 2017 from 7:00 a.m. through to July 16, 2017 to 2:00 p.m.

2. **EFFECTIVE DATE**

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

PASSED in Open Council this 29th day of May, 2017.

_____
MAYOR – CHRISTIAN PROVENZANO

_____
CITY CLERK – MALCOLM WHITE

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-108

LICENSING: (L3) A by-law to prohibit vendors from locating on or near the grounds of Rotaryfest 2017.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **VENDORS PROHIBITED**

Without the prior written permission of Rotary Club of Sault Ste. Marie and despite the provisions of By-laws 3306 and 84-196, during July 8th - 16th, 2017 vendors licensed under those by-laws shall not locate on or near the grounds of Rotaryfest 2017 more particularly described on Schedule "A" to this by-law:

(a) Russ Ramsay Way south of the entrance to the Senior Drop In Centre;

(b) Foster Drive from Russ Ramsay Way to the east entrance to the south Civic Centre parking lot;

(c) South side of Bay Street between Brock and East Streets including the sidewalk; and

(d) Lower East Street south of Bay Street and Ken Danby Way.

2. **PENALTY**

Every person who contravenes any provision of this by-law is guilty of an offence and on conviction is liable to a fine as provided for in the Provincial Offences Act.

3. **SCHEDULE “A”**

Schedule “A” hereto forms part of its final passing.

4. **EFFECTIVE DATE**

This by-law is effective on the final date of its passing.

PASSED in open Council this 29th day of May, 2017.

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MAYOR – CHRISTIAN PROVENZANO

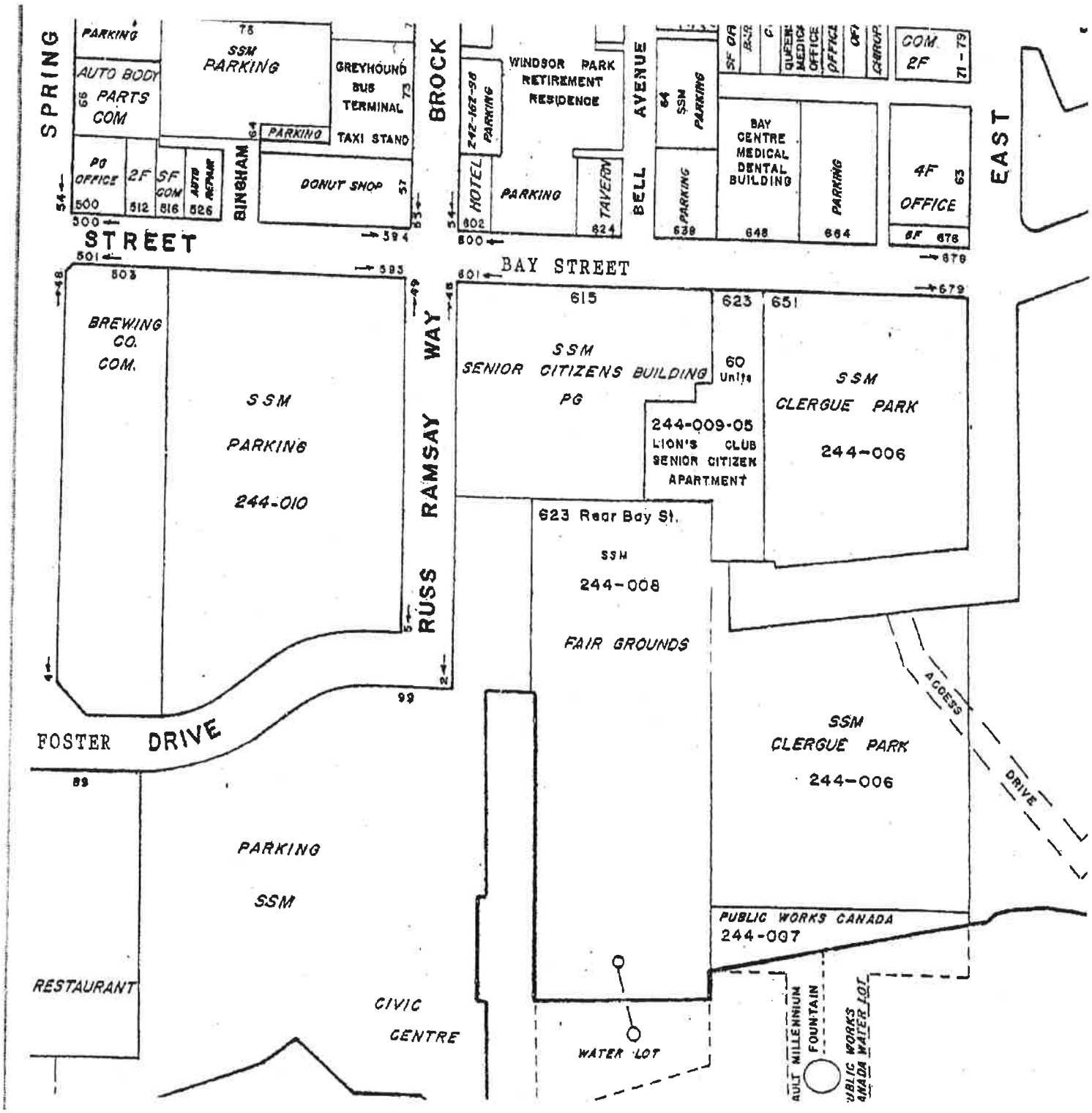
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CITY CLERK – MALCOLM WHITE

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SCHEDULE "A"

Vendors are prohibited from locating on or near the grounds of Rotaryfest 2017 as shown below.



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-109

AGREEMENT: (AG10) A by-law to authorize the execution of the Agreement between the City and Canadian Pacific Railway Company to permit the City to maintain a welcome sign on Canadian Pacific Railway's property.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated May 3, 2017 between the City and Canadian Pacific Railway Company, a copy of which is attached as Schedule "A" hereto. This Agreement is to permit the City to maintain a welcome sign on Canadian Pacific Railway's property.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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Schedule "A"

MASTER SIGN LICENSE AGREEMENT

THIS AGREEMENT, dated the 3rd day of May, 2017

BETWEEN:

CANADIAN PACIFIC RAILWAY COMPANY
(hereinafter called collectively "**CP**")

- and -

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
(hereinafter called the "**Licensee**")

WHEREAS the Licensee has requested the right to construct, repair and maintain Advertising Displays on CP's property located in the Province of Ontario on condition that each location receive CP's approval and otherwise complies with the other conditions stipulated herein. For purposes of this agreement, "**Advertising Displays**" is defined as any structure with one or more faces, designed for advertising purposes.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Permission**
CP hereby grants to the Licensee permission to maintain Advertising Displays on CP property within the Province of Ontario, at the locations and in the respective numbers of structures and advertising faces shown on Schedule "A" attached hereto, and which forms part of this Agreement, in accordance with the terms and conditions set out herein. Schedule "A" may be amended from time to time to reflect removals or additions of new Advertising Displays which have been approved according to the terms and conditions set out in Clauses 8 and 9 hereof.

2. **Compliance with Laws**
The Licensee shall comply with all applicable fire, safety, health, and environmental laws and regulations including all safety, health and environmental requirements pursuant to any government permit, license or authorization ("Laws By-Laws, Rules and Regulations") or any governing body respecting the installation and use of Advertising Displays erected and maintained on CP property under the terms of this Agreement, and will save harmless and fully indemnify CP, its affiliates, subsidiaries, officers, employees, servants, agents and representatives (collectively, the "Railway Parties") from and against all loss, costs, damage and expense, of every kind or nature the CP Parties may suffer, be at or be put to by reason or in consequence of the noncompliance by the Licensee with such Laws, By-Laws, Rules and Regulations.

3. **Access to CP Property**

(a) In order to provide proper access to each Advertising Displays, CP hereby grants a non-exclusive right to the Licensee, at the Licensee's own risk and expense, to enter upon CP's property and use any roads necessary to conduct their normal business as provided for herein; provided however that such right to access shall be effected at such time and in such manner as to not interfere with CP's operations in any respect. The railway reserves the right to change, modify or relocate any such access route at its discretion. It is agreed that CP is not obligated to maintain such routes.

(b) If, in CP's opinion, the presence of the Licensee's personnel on CP property poses a risk to CP's operations or operational efficiency, CP may ask the Licensee's personnel to leave the property and return at another time and Licensee shall comply with such direction immediately.

(c) All individuals entering upon each respective property or the adjacent lands must have received safety training as may be required by CP. The Licensee shall become eRailSafe certified, and shall cause its personnel, such as employees, agents, contractors, subcontractors and suppliers, to become eRailSafe badged and comply with any eRailSafe policies, any other security polices and any similar policies which may be adopted from time to time by CP.

(d) For each group of the Licensee's employees and/or contractors, a minimum of fifty per cent of these personnel are required to have a valid eRailSafe badge. Badged personnel are required to directly supervise those personnel without valid eRailSafe badges.

(e) Prior to entering CP property, the Licensee's personnel are required to inform CP that they are accessing CP's property by placing a call to the CP Police Control Center at 1-800-716-9132 to inform the CPCC of the supervisor's name and contact phone number, number of personnel, eRailSafe badge numbers of said personnel, name of the Licensee, location being accessed, approximate amount of time they will be there and any equipment they are using.

(f) The Licensee shall be solely responsible for their personnel's safety during each access to CP's property pursuant to this Agreement. Without limiting the generality of the foregoing, the Licensee shall ensure that all of the Licensee's Personnel who may be working on CP's property are aware of and fully understand the CP Minimum Safety Requirements as attached in Schedule "B" (as amended or replaced from time to time).

(g) Any work performed by the Licensee may require flagmen, inspectors or such other personnel as CP may deem appropriate, in its sole and absolute discretion, in accordance with the nature of the work to be performed. The cost of such flagmen or other personnel shall be at the Licensee's sole cost and expense.

(h) Fenced Enclosures. The Licensee may perform maintenance work on certain Advertising Displays to be determined by CP without requiring the presence of a CP employee to provide

flagging protection. The Licensee shall be entitled to erect fenced enclosures following CP's review and approval of to-scale site and construction plans for each fenced enclosure.

Specifications. As a condition precedent to granting the authorization referred to above, CP shall be entitled to specify the precise dimensions, location and minimum distance from the nearest railway track, for each fenced location.

Construction. Construction and installation of the fenced enclosures and all subsequent maintenance work shall be at the sole cost and expense of the Licensee, with all construction, installation and maintenance of the fenced enclosures to be conducted in a workmanlike manner, in accordance with the highest standards of quality and care and in conformity with all applicable laws and regulations.

Removal. In the event that CP is required, by any competent regulatory authority or level of government, to remove, modify or relocate all or any portion of the fenced enclosures, for any reason whatsoever within their jurisdiction, such request shall be satisfied by the Licensee, at its sole cost and expense, no later than within seventy-two (72) hours of receiving notice of same from CP or any such competent regulatory authority or level of government (the "Cure Period"). In such event, the Licensee shall have no recourse against CP, including, without limitation, no right to the abatement, reduction, compensation or set-off of any rent or other amount payable by the Licensee pursuant to this Agreement. Should the Licensee fail to satisfy such a request within the Cure Period, CP shall be immediately entitled to remedy same at the sole cost and expense of the Licensee. Any costs, expenses, losses or damages incurred by CP due to the failure of the Licensee to comply within the Cure Period, to any request regarding the fenced enclosures by any competent regulatory authority or level of government, shall be reimbursed to CP upon demand.

(i) The Licensee may, upon the consent of CP, remove any vegetation on CP's property that may obstruct the view of the Advertising Displays, at the Licensee's expense. In this regard, the Licensee shall contact CP's representative in advance to arrange to enter onto CP's property. At CP's discretion, the presence of a CP employee to provide "flagging protection" may be required and all flagging costs are to be borne by the Licensee. The Licensee's employees, agents or subcontractors shall be required to sign a liability release form prior to commencing this work on CP's property. The Licensee shall be required to remove all vegetation cut from CP's property.

4. **Assignment**

The Licensee shall not assign, transfer or make any other disposition of this Agreement, or of the rights conferred thereby, without the prior written consent of CP, which consent may be withheld in CP's sole discretion. Notwithstanding the foregoing, the Licensee shall have the right to assign this Agreement, provide such assignment is done in the ordinary course of business, to any of its affiliates which are at least as solvent as the Licensee, without the written consent of CP, but subject to the prior notification of such assignment, transfer or disposition, to CP at least fifteen (15) days preceding its effective date.

5. **Railway Removal of Advertising Displays**
Should CP desire the Licensee to remove any of the Advertising Displays during the term hereof, CP shall give the Licensee ninety (90) days' notice, in writing, to that effect and upon receipt of such notice, the Licensee agrees to remove the said Advertising Displays from the property of CP and leave the property in a condition satisfactory to CP. If the Licensee defaults on this condition, CP may, at its election, (i) have the Advertising Display removed at the risk and expense of the Licensee or (ii) declare the Advertising Displays as being abandoned and ownership of such Advertising Displays shall pass to CP.

6. **Licensee Removal of Advertising Displays**
Should the Licensee desire to remove any of the said Advertising Displays during the term hereof, the Licensee shall give CP ninety (90) days' notice, in writing, to that effect and remove said Advertising Display(s) within that period, leaving the property of CP in a condition satisfactory to CP.

7. If one or more Advertising Displays should be removed as per the conditions set out in Sections 5 and 6 above, the annual fee payable shall be reduced by the amount to be paid in respect of the Advertising Display(s) so removed in accordance with the rate schedule as set out in Clause 9 hereof.

8. The Licensee may, with consent of CP, erect and maintain Advertising Displays upon the following terms and conditions:

(a) The Licensee shall submit to CP, the form of application and consent as established by CP from time to time, duly completed together with a "to scale" site plan showing the exact location of the Advertising Displays in reference to CP's tracks and property boundaries. Each site plan shall reference structural detail drawings, which the Licensee shall submit to CP upon execution of this Agreement and from time to time as they are amended. The form and content of the 'to scale' site plan shall be in accordance with the sample, which is attached hereto as Schedule "C" and forms part of this Agreement.

(b) If CP is prepared to consent to the application, in CP's sole discretion, the Licensee will receive written consent signed by an authorized officer of CP, as well as the site plan prepared by the Licensee showing the exact location of the Advertising Displays.

(c) If written consent of CP is issued in response to the Licensee's proposed site plan, all terms and conditions of this Agreement shall apply to each authorized Advertising Display.

(d) If CP is not prepared to grant its consent to an application, the Licensee will be informed in writing that the application has been refused.

(e) The Licensee shall have six (6) months to erect the Advertising Display after receiving the necessary municipal permit. The Licensee will provide a copy of the municipal permit to CP. If an Advertising Display is not erected within this six (6) month period, CP will have the right to offer the location to another outdoor advertising firm.

(f) If one or more Advertising Displays are added to this Agreement, the annual fee shall be increased by an amount consistent with the rates as set out in Schedule "A" hereof or as

otherwise agreed to by the parties. Special displays and spectaculars will be rated on a site-specific basis.

(g) Upon completion of the construction of each Advertising Display, the Licensee shall submit to CP written confirmation approved and signed by a qualified professional engineer verifying the suitability of the design and construction methodology and that the Advertising Display has been constructed in accordance with the site plan approved by CP, together with a copy of the "as built" plans for the Advertising Display.

9. In consideration of the rights and privileges hereby granted, the Licensee shall pay to CP, in advance, on the first (1st) day of September in each year, during the continuance of this Agreement, an annual fee, in the amount or amounts specified in Schedule "A". In this regard, 60 days prior to such first (1st) day in each year, the Licensee shall furnish to CP or its Consultants an itemized statement of all Advertising Displays which the Licensee has upon the property of CP showing the most recent twenty-four average daily circulation (including secondary and tertiary counts) of each Advertising Display face, as reported by the Canadian Outdoor Measurement Bureau and:

(a) The Licensee agrees that Schedule "A" shall include all Advertising Displays faces, for which final CP approval has been granted. The fee for said Advertising Displays faces shall be the prevailing rates set out on Schedule "A" attached hereto for which payment shall commence on the earlier of the date of installation or ninety (90) days after the date of final CP approval.

(b) For each subsequent year of this Agreement, the annual rental fee for each Advertising Display will be increased by the greater of either the Consumer Price Index (CPI) or three (3%) percent.

(c) The Licensee will pay to CP, interest on all overdue amounts at a per annum aggregate rate equal to the prime rate of interest from time to time charged by any bank determined by CP to its prime commercial borrowers, plus four percent (4%), such rate to be compounded monthly. Such interest will be calculated from the due date until payment is made, the whole without the necessity of any demand being made therefore.

(d) The Licensee hereby grants to CP or its Consultants the right to obtain from the Canadian Outdoor Measurement Bureau (COMB) the total audited circulations of each Advertising Display located on CP's property. Said circulation figures may be requested by CP or its Consultants on or after February 1st of each year during the term of this Agreement. Circulations for any new Advertising Display(s) built during any year will be furnished to CP or its Consultants by the Licensee within a reasonable time after the erection of the Advertising Display(s).

(e) Notwithstanding the foregoing, if the Licensee is required to remove one or more Advertising Displays by virtue of new legislation or regulations instituted by any public authority with jurisdiction (and upon confirmation of such new legislation or regulations to CP), the Licensee may exercise its termination rights as described in Clause 6 hereof and CP agrees to repay any unearned portion of the prepaid annual fee from the date of removal until the end of such license year for such Advertising Displays at a rate equal to the per diem rate based on the Advertising Displays annual fee.

10. **Indemnity and Waiver**
Except to the extent of CP's own negligence, Licensee shall be liable to CP for and shall indemnify and save harmless CP from and against any and all claims, suits, demands, awards, actions, proceedings, losses, costs, damages or expenses (including legal costs on a solicitor and own client basis) suffered or incurred by CP that arise out of or result or are attributable to any act or omission under this Agreement, or any breach of this Agreement, by the Licensee, or its subcontractors.

Except to the extent of CP's own negligence, Licensee shall make no claim or demand against CP for any injury (including death), claim, expense, loss or damage to property suffered or sustained by Licensee or any other person which arises out of or is connected with this Agreement or anything done or not done as required hereunder, or any other errors or omission of Licensee, and hereby waives as against CP all such claims and demands.

This section shall survive the expiration or termination of this Agreement and shall in no manner limit or restrict the liabilities and obligations of Licensee under this Agreement.

11. All rents and other payments provided for in this Agreement shall be payable to "Canadian Pacific Railway Company" and shall be forwarded to Allvision Canada Company, 171 East Liberty Street, Suite 212, Toronto, ON M6K 3P6.

12. (a) CP agrees to pay, during the term hereof, all taxes and levies imposed by any competent authority relative to the land on which the Advertising Displays are located. Notwithstanding the foregoing, the Licensee agrees to pay all taxes and levies imposed by any competent authority relative to the existence of its Advertising Displays placed on CP's property, including, without limitation, the Goods and Services Tax applicable to the fees under this agreement. CP's HST/GST number is R100769694 and CP's QST number is 1000505257TQ0507.

(b) The Licensee agrees to pay all business taxes assessed against the Licensee or against CP by reason of the business of the Licensee carried on at the location or locations set out in Schedule "A" attached hereto.

13. **Insurance**: Licensee shall, at its own expense, obtain and maintain during the Term, in a form and with an insurance company satisfactory to CP, policies of:

(a) **Commercial General Liability** (C.G.L) insurance with a limit of not less than Ten Million Dollars ($10,000,000) for any one loss or occurrence for personal injury, advertising injury, bodily injury, or damage to property including loss of use thereof. This policy shall by its wording or endorsement include without limitation the following:

(i) CP and its associated or affiliated subsidiaries (and the Directors, Officers, employees, agents and trustees of all of the foregoing) as an additional insured with respect to obligations of the Licensee in this Agreement;

(ii) "cross liability" or "severability of interest" clause which shall have the effect of insuring each entity named in the policy as an insured in the same manner and to the same extent as if a separate policy had been issued to each;

(iii) blanket contractual liability, including the insurable liabilities assumed by the Licensee in this Agreement;

(iv) broad form products and completed operations;

(v) sudden and accidental pollution liability, if applicable;

(vi) non-owned auto liability;

(vii) shall not exclude property damage due to explosion, collapse, and underground hazards;

(viii) employer's liability; and

(ix) shall not exclude operations on or in the vicinity of the railway right of way, if applicable.

(b) **Automobile Liability** insurance covering bodily injury and property damage in an amount not less than Two Million Dollars ($2,000,000) per accident, covering the ownership, use and operation of any motor vehicles and trailers which are owned, leased or controlled by the Licensee and used in regards to this Agreement.

(collectively, the "**Insurance Coverage**").

The Licensee agrees that the insurance requirements set out herein shall not limit or restrict its liabilities pursuant to this Agreement.

The Insurance Coverage required to be maintained pursuant to this Agreement shall be primary and not in excess of any other insurance that may be available. Unless otherwise provided above, all insurance coverage shall take place in the form of an occurrence basis policy and not a claims made policy.

The Insurance Coverage shall be endorsed to provide CP with not less than thirty (30) days written notice in advance of cancellation, material change, or amendments restricting coverage.

Licensee shall provide CP with written notice and all reasonable particulars and documents related to any damages, losses, incidents, claims, and potential claims concerning this Agreement as soon as practicable after the damage, loss, incident, or claim has been discovered. Licensee is responsible for any deductible and excluded loss under any insurance policy. The deductible in any insurance policy shall not exceed such maximum amount that a reasonably prudent business person would consider reasonable.

If requested, Licensee agrees to provide CP, or a third party acting on CP's behalf, with written confirmation from the applicable workers' compensation authorities, or equivalent authorities, of the province(s) where the Advertising Display(s) will be installed that the Licensee and/or any related parties including subcontractors or agents involved in the installation, servicing or inspection of the Advertising Display, are in good standing with such authorities.

Licensee shall provide a copy of the certificate(s) of insurance evidencing the above Insurance Coverage and may require the Licensee to annually provide CP with a copy of updated certificate(s) of insurance evidencing the renewal of the above-mentioned insurance coverage. All certificate(s) of-insurance, notice(s) and Workers' Compensation certificates shall be sent via email to cprail@ebix.com or via fax to (770) 325-6378.

CP shall have no obligation to examine such certificate(s) or to advise Licensee if its Insurance Coverage is not in compliance with this Agreement. Acceptance of any certificate(s) which are not compliant with the requirements set out herein shall in no way whatsoever imply that CP has waived its insurance requirements.

CP reserves the right to maintain the Insurance Coverage in good standing at Licensee's expense and to require Licensee to obtain additional insurance where, in CP's reasonable opinion, the circumstances so warrant. If the Licensee fails to maintain the Insurance Coverage required in this Agreement, CP may, at its option, terminate this Agreement without notice.

14. (a) The Licensee hereby accepts the land and premises pertaining to any Advertising Displays on an "as is" basis and hereby waives against CP, all rights and recourses of any nature whatsoever in respect to any defects therein. CP makes no representation or warranty with respect to the condition, nature, composition, use (past, present or future) of such land and premises.

(b) The Licensee shall comply with the provisions of any federal, provincial or municipal environmental laws which during the continuance of this Agreement shall become applicable to the land and premises pertaining to any Advertising Displays. If any governmental authority exercising jurisdiction with respect to environmental protection requires, in respect to any Advertising Displays, certain measures to be taken; then the Licensee shall promptly take such measures as may be required by such governmental authority. The Licensee shall be solely responsible for the cost of all work carried out to comply therewith.

(c) Upon termination of this Agreement with respect to any Advertising Displays, the Licensee shall leave the land and premises pertaining thereto free of any environmental contamination resulting from the Licensee's occupation or use thereof. The Licensee shall have the burden of proving that any environmental contamination has not resulted from its occupation or use of such land premises. In the event that the Licensee fails to comply with the above to the satisfaction of CP, CP may undertake any such work that it considers necessary to correct any environmental contamination which may have resulted from the Licensee's occupation or use of the land and premises pertaining hereto and all expenses incurred by CP, either directly or indirectly, shall be payable by the Licensee upon receipt of CP accounts therefor.

(d) The responsibility of the Licensee to CP with respect to these environmental obligations shall continue to be enforceable by CP notwithstanding the termination or expiry of this Agreement.

15. CP hereby reserves the right at all times and may, from time to time, upon written notice to the Licensee request the removal of any advertisement or poster which, in the reasonable opinion of CP, is of an offensive nature according to community standards, denigrates any persons or groups of persons, or is in any way detrimental to CP's interest. The Licensee hereby agrees to remove such advertisement within forty-eight (48) hours of receipt of such notice. Should the Licensee fail to do so, CP reserves the right to remove the advertisement at the risk and expense of the Licensee.

16. The Licensee agrees to remove, clean or repair any Advertising Displays damaged by vandalism, graffiti or mischief within ten (10) days of receiving notification of same.

17. With written consent from either party, CP or the Licensee may enter into an agreement with a third party, for purposes of installing upon the Licensee's sign structure consumer telecommunications equipment ("the equipment") provided that:

    (a) Such agreement is a licence in nature and is secondary to and does not conflict with, the terms of this Agreement;

    (b) Such agreement provides the Licensee indemnification, to the Licensee's satisfaction, against liability for any of the third party's activity at the locations.

    (c) Such agreement neither conveys nor purports to convey any legal interest by the third party in the Licensee's sign structure except as strictly set out in the agreement, notwithstanding that the equipment may be attached to the sign structure and notwithstanding that the third party may use the sign structure to access the equipment.

    (d) Such agreement neither conveys nor purports to convey to the third-party access to the Licensee's electrical equipment except as is strictly set out in the agreement.

    (e) The location of the equipment on the structure, whether such equipment is visible from the road or not be subject to the Licensee's approval;

    (f) In the event that such an agreement is entered, CP and the Licensee agree that each shall be entitled to an agreed upon percentage of the total compensation payable by the third party. For greater clarity, should the third-party offer "other consideration" in lieu of or in addition to monetary compensation, (e.g. assumption of utility expenses, taxes), such "other considerations" would be determined at market value and would be considered as part of the total compensation payable by the third party.

18. This Agreement shall remain in full force and effect for a period of four (4) years] from the effective date hereof being the 1st day of September 2016, and terminating on August 31st, 2020; provided, however, this Agreement may be terminated at any time by CP upon not less than ninety (90) days' written notice to the Licensee.

19. Notwithstanding any other provision of this Agreement, in the event that the Licensee fails to comply with any of the terms and conditions of this Agreement, CP shall have the right to terminate this Agreement in whole or in part on notification to the Licensee as follows: CP shall give to the Licensee written notice pursuant to Clause 20 setting out the details of such breach and CP's intent to cancel this Agreement in whole or in part. At the expiration of fifteen (15) days from the date of receipt of such notice, if the Licensee has failed to rectify the breach or to commence rectification of such breach in a reasonable and diligent manner that is acceptable to CP, CP may cancel this Agreement in whole or in part effective with further written notice to the Licensee. Upon such termination, the provisions of Clause 21 shall apply.

20. Any notice required to be given from one party to the other must be in writing and may be delivered either (i) in person, (ii) by overnight courier or (iii) registered mail to the following addresses:

If to CP:

CANADIAN PACIFIC RAILWAY COMPANY
1290 Central Parkway West, Suite 800
Mississauga, Ontario L5C 4R3
Attention: Manager, Real Estate
Email: kevin_paul@cpr.ca

With a copy to:

All Vision Canada Company
171 East Liberty Street, Suite 212
Toronto, Ontario M6K 3P6
Attention: Danielle Parent
Email: dparent@allvision.com

If to the Licensee:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
[99 Foster Dr., Civic Centre
Sault Ste. Marie, ON P6A 5X6
Attention: Ms. Nuala Kenny, Corporate Counsel
Email: n.kenny@cityssm.on.ca

Such notice shall be deemed to have been given or received by the other party: (i) on the date sent when sent by confirmed e-mail or, (ii) three (3) business days after being sent by registered mail to the address set forth in this Agreement. Notices may also be communicated by email, so long as such notice is also sent by one of the other means permitted above within one (1) day of such email transmission.

21. Upon the termination of this Agreement, the Licensee shall, within thirty (30) days of the effective termination date, remove all of the Advertising Displays, including any foundation thereof, covered by this Agreement from the property of CP leaving the said property in a condition satisfactory to CP, provided that if the Advertising Displays are not removed by the Licensee within the said thirty (30) days, then CP may either (i) remove them at the expense and risk of the Licensee or (ii) such Advertising Displays may be deemed abandoned and shall become the property of CP, and in either case the conditions embodies in Clause 13 hereof will remain applicable and effective until such time as all work to be performed by or at the risk and expense of the Licensee, as provided in this Clause 21, has been carried out to the entire satisfaction of CP.

22. This Agreement cancels and supersedes all prior agreements pertaining to the Advertising Displays listed in Schedule "A".

23. **Audit**
Licensee shall keep and maintain true and correct books, records and accounts with respect to the performance of the Licensee's obligations pursuant to this Agreement, along with invoices and monthly summaries, for a period of seven (7) years after the Licensee ceases to operate under this Agreement. Licensee shall, upon the request of CP or its Consultants, make available

and permit CP or its Consultants during such period to inspect, make copies of, and audit such records. If there is any revision to charges as a result of an audit, within thirty (30) days of audit, Licensee shall pay to CP the full amount of any credit or CP shall pay to Licensee the full amount of any shortfall as applicable. This section shall survive termination of this Agreement.

24. **Confidentiality**

(a) Licensee shall:

(i) not make use of any CP Confidential Information for its own personal gain or for any purpose other than is required to perform its obligations pursuant to this Agreement;

(ii) not disclose any CP Confidential Information to any person except Licensee's employees, consultants, subcontractors and agents who have a need to know such information consistent with the performance of Licensee's obligations pursuant to this Agreement, but only after such person has properly assumed obligations identical in principle to those in this Section and Licensee ensures that such person at all times complies with those obligations;

(iii) employ diligent efforts and exercise reasonable care to hold all CP Confidential Information in the strictest confidence;

(iv) not use CP's name for any marketing or promotional purposes and not make any public announcements or disclosure in respect of this Agreement or Licensee's relationship with CP without first obtaining written consent from CP; and

(v) be liable to CP and indemnify CP in accordance with Section 10 for any breach of this Section by Licensee or its employees, consultants, subcontractors or agents.

(b) Neither party shall:

(i) disclose the terms of this Agreement or amounts paid under it to any person without the other party's written consent, except to a party's employees, professional advisors and insurers who have a need to know such information, but only where the party ensures that such persons are under obligations of confidentiality identical in principle to those in this Section; or

(ii) disclose the terms of this Agreement or amounts paid under it, except in accordance with this Agreement and except as required by law, provided that the party from whom disclosure is demanded pursuant to law shall promptly notify the other party of such demand so that the other party has an opportunity to oppose the production.

For the purposes of this Agreement, "**CP Confidential Information**" shall mean: any and all information, material, or data disclosed to Licensee by CP or its affiliates, or obtained by Licensee in connection with performing its obligations in this Agreement, whether orally, or in any written, magnetic, or electronically recorded form, or by drawings, or inspection of parts or equipment, and including without limitation:

i. information, knowledge or data of an intellectual, technical, scientific, commercial or industrial nature, or of a financial, cost, pricing, or marketing nature relating to the business operations of CP;

ii. "personal information" as defined in the Personal Information Protection and Electronic Documents Act (Canada) (and any applicable similar information protected by provincial legislation that may be enacted); or

iii. any information supplied by CP that is clearly marked "Confidential";

but not including information in the public domain or information that at the time of disclosure was already known to Licensee on a non-confidential basis.

The parties agree that any violation of this Section is a material breach and that CP may avail itself of any legal or equitable remedies available in the event of such breach.

This Section shall not be replaced or modified by any terms contained elsewhere in this Agreement, including any schedules attached hereto or purchase orders issued in accordance with this Agreement.

This Section shall survive the expiration or termination of this Agreement.

25. **Binding Effect:** This Agreement shall be binding upon and enure to the benefit of each of CP and the Licensee and their respective successors and permitted assigns.

26. **Code of Business Ethics**: Licensee undertakes, as a condition of its engagement, to adhere to principles and standards of business conduct consistent with those set forth in CP's Code of Business Ethics, which is available for viewing at www.cpr.ca.

27. **No Waiver**: Neither party shall be deemed to have waived the exercise of any right that it holds pursuant to this Agreement unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of any such right shall be deemed to be a waiver with respect to any other instance involving the exercise of that right or with respect to any other right.

28. **Governing Law**: This Agreement shall be governed by and interpreted in accordance with the laws of the Province under which the Advertising Displays are located and the laws of Canada applicable therein, excluding any conflict of laws rules that may apply therein. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta, without prejudice to the rights of CP to take proceedings in any other jurisdiction. The parties hereby waive any right to a trial by jury.

29. **Time of the Essence**: Time shall be of the essence in this Agreement.

30. **Entire Agreement; Invoice Terms of No Effect**: This Agreement constitutes the entire agreement of the parties concerning its subject matter and no other representation, warranties or agreements, either oral or written, shall be binding upon the parties with respect to the subject matter. This Agreement supersedes and invalidates all prior agreements, understandings, negotiations, representations and warranties, whether oral or written, with respect thereto.

31. **Amendment**: This Agreement may not be varied, modified, amended, supplemented, or replaced except by written agreement executed by all parties to this Agreement.

32. **Counterparts**: The parties may execute this Agreement in separate counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or e-mail shall constitute effective delivery of this Agreement and may be used in lieu of the original Agreement for all purposes.

IN WITNESS WHEREOF, these presents have been duly executed on behalf of the parties hereto on this _____ day of _____, 20__.

WITNESS:

CANADIAN PACIFIC RAILWAY COMPANY

_____

By: _____
Name:
Title:

I have authority to bind the corporation.

WITNESS:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

_____

By: _____
Name:
Title:

I have authority to bind the corporation.

MASTER SIGN LICENSE AGREEMENT

SCHEDULE "A" – List of Advertising Displays

CANADIAN PACIFIC RAILWAY
TNMK 6901401
CITY OF SAULT STE. MARIE
SCHEDULE "A"

CP License	Location Description	Municipality	Subdivision	Mile	Payment Frequency	2015 Annual Rent	2016 Annual Rent	2017 Annual Rent	2018 Annual Rent	2019 Annual Rent
TNMK 6901401	Trunk Rd. NS - Sault Welcome Sign	Sault Ste. Marie	Webbwood	174.21	Annual	$ 675.31	$ 695.57	$ 716.44	$ 737.93	$ 760.07
						$ 675.31	**$ 695.57**	**$ 716.44**	**$ 737.93**	**$ 760.07**

Please Initial

CANADIAN PACIFIC

MINIMUM SAFETY REQUIREMENTS FOR CONTRACTORS WORKING ON CP PROPERTY IN CANADA



Effective September 15, 2010

No job on our Railway will ever be so important that we can't take the time to do it safely.

Work Smart, Stay Safe

INTRODUCTION

At Canadian Pacific, safety is an integral part of the way we do business. We expect everyone working on Canadian Pacific's property to be unconditionally committed to safety. Safety must be given top priority and will take precedence over deadlines, production schedules, and all other considerations.

1. APPLICATION

1.1 These Minimum Safety Requirements apply to all Contractors and other persons performing Work or otherwise providing services to Canadian Pacific on CP Property in Canada.

1.2 These Minimum Safety Requirements cannot be waived or altered, in whole or in part, without a prior risk assessment specific to the Work being conducted and written consent has been provided by Manager In Charge.

1.3 Notwithstanding the foregoing, these Minimum Safety Requirements do not apply to other federally certified railway companies, and provincial railway companies who come under federal jurisdiction through various agreements with Transport Canada, and who only operate trains on CP Property under various trackage or interchange agreements. However, these companies may be subject to CP's Minimum Requirements for Third Party Railway Operators on CP Property.

1.4 Further notwithstanding the foregoing, these Minimum Safety Requirements may not apply to Work or services provided in CP Property in Canada that are Office Premises, in which case, CP's Minimum Safety Requirements for Contractors Working in CP's Office Premises may apply.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Minimum Safety Requirements, the following capitalized terms shall have the ascribed meaning below:

(a) "**Applicable Legislation**" means all applicable legislation, regulations, by-laws, codes, rules, standards, policies, procedures, promulgated by any federal, provincial, and municipal governmental body, including those of its agencies, having authority over CP and, or Contractor in relation to the Work in the matter of health and safety of the person, property and, or the environment;

(b) "**Canadian Pacific**" or "**CP**" means Canadian Pacific Railway Company, and its subsidiaries and affiliates, and includes each of their respective directors, officers, employees, agent, and representatives;

(c) "**CP Personnel**" means CP's employees, agents, and representatives;

(d) "**CP Property**" means any building, facility, yard, track, right of way or other property owned or controlled by CP;

(e) "**Contractor**" means the company or person, and their respective employees and authorized agents, representative and subcontractors who are providing goods or services to CP;

(f) "**Contractor Personnel**" means the Contractor's employees, and authorized agents, representative and subcontractors;

(g) "**Co-mingled Work**" means Work where Contractor Personnel works directly with or in proximity (time or space) to CP Personnel;

(h) "**Foul of Track**" means being in proximity to a track such that the individual or equipment could be struck by a moving train or track unit, or in any case within 4 feet (1.2 meters) of the outside of the nearest rail;

(i) "**Hazardous Materials**" means any substance, which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

(i) radioactive, explosive, poisonous, or toxic substances;

(ii) any substance that if added to any water, would degrade or alter the quality of the water to the extent that it is detrimental to its use by man or by any animal, or plant;

(iii) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that endangers the health, safety, or welfare of persons, or the health of animal life, or causes damage to plant life or to property; and

(iv) substances declared to be hazardous, toxic or dangerous under any law or regulation now or hereafter enacted by any governmental authority having jurisdiction.

(j) "**Manager in Charge**" means a CP manager as designated or otherwise identified by CP as being responsible for overseeing the Work to be performed, such Manager in Charge may include, but is not limited to Local CP Management, Regional Superintendents, Division Engineers, and Project Managers.

(k) "**Mobile Equipment**" means any motorized and self-propelled equipment, excluding Railway Equipment and highway vehicles, but including, for example, forklifts, tractors, cranes, ATVs, mules, motorized scissor lifts, and similar equipment that are not designed to operate or move on railway tracks;

(l) "**Office Premises**" means any building, facility, or portion thereof, or other premises, whether owned or controlled by CP, which is used solely for clerical or administrative purposes and which does not contain heavy equipment or machinery, as designated by CP from time to time;

(m) "**Railway Equipment**" means trains, locomotives, railcars, track units, hi-rail vehicles and any other equipment designed to operate or move on railway tracks;

(n) "**Safety Management Plan**" means a documented plan which set out how Work is to be conducted in a safe manner, as required by Applicable Legislation and may also be referred to as Occupational Health and Safety Program, or Safety Management System;

(o) "**Work**" means the provision of products and services and related activities;

(p) "**Work Site**" means any CP Property where CP Personnel or Contractor Personnel are present, or permitted to be present, while engaged in any Work, including any Railway Equipment, Mobile Equipment and highway vehicles operated by or used to convey a person engaged in such Work.

2.2 Interpretation & Application

2.2.1 Where legislation is referred to in these Minimum Safety Requirements, it shall include all amendments and replacements thereto as promulgated from time to time.

2.2.2 Where standards, such as those of the Canadian Standards Association, are referred to in these Minimum Safety Requirements, they shall include all amendments and replacements thereof from time to time.

2.2.3 Where there is any ambiguity, inconsistencies, or omissions between or among any agreements with CP, expressed or implied; any Applicable Legislations; any applicable CP policies and practices; and any applicable industrial standards and practices, Contractor and Contractor Personnel shall adhere to that which is most stringent and current.

3. CONTRACTOR COMPLIANCE & RESPONSIBILITIES

3.1 General Compliance

3.1.1 Contractor shall be fully and solely responsible for ensuring the safety and health of Contractor Personnel and for ensuring that its Work and other activities do not compromise the health and safety of CP Personnel or any other party, the protection of the environment, the protection of CP's property and those of any other party, and do not interfere with the safety of CP's railway operations.

3.1.2 Contractor shall comply with and shall ensure all of Contractor Personnel are trained and qualified to safely perform the Work and that they comply with all Applicable Legislation pertaining to the protection against fire, safety, health, and environmental hazards, and with any licence, permits, authorizations issued by the respective authority.

3.1.3 Contractor shall comply with and shall ensure all of Contractor Personnel comply with all terms and conditions of all agreements, expressed or implied, between Contractor and CP, and all applicable CP policies and practices.

3.1.4 Contractor shall provide Contractor Personnel, at its own expense, any and all safety equipment required to protect against injuries during the performance of the Work and shall ensure that Contractor Personnel are knowledgeable of and utilize safe practices in performing the Work.

3.1.5 The Contractor shall have a copy of the following documents at the Work Site at all times, and shall produce them as and when requested by CP:

(a) These Minimum Safety Requirements for Contractors Working on CP Property;

(b) Licenses, Certifications, permits, training records or other documents required by Applicable Legislation or these Minimum Safety Requirements;

(c) Contractor's Safety Management Plan;

(d) Contractor's Emergency Information Sheet (see Attachment A); and

(e) Any additional documents required by Contract or by agreement with Manager In Charge.

3.2 Compliance Assurance

3.2.1 CP reserves the right to observe, inspect, test and audit Contractor and Contractor Personnel for compliance with all requirements herein, and to demand and receive all relevant records, documentation, and materials evidencing compliance, at any time, and from time to time.

3.2.2 Failure of the Contractor or Contractor Personnel to comply with any applicable provisions herein may be considered a material breach, and in addition to all other remedies available, CP may without prejudice:

(a) take over control of that Work or activity;

(b) order the Work to stop; and/or

(c) order Contractor Personnel to leave CP Property.

3.2.3 Upon the earlier of the completion of the Work, the expiration of the applicable agreement, or the request of a Manager In Charge, Contractor and Contractor Personnel shall return all identification, badges, access cards, and decals, issued or provided by CP to the Manager In Charge.

4. SAFETY MANAGEMENT PLANS

4.1 General Requirements

4.1.1 Prior to starting any Work on CP Property, the Contractor must have a written Safety Management Plan that identifies:

(a) all Applicable Legislation, rules, policies and work practices in relation to the Work being performed;

(b) specific hazards that are associated with the Work being performed for CP, for example:

(i) Construction, maintenance or inspections of buildings;

(ii) Working on or adjacent to railway tracks;

(iii) Maintenance or inspection or railway tracks, crossings or signal systems;

(iv) Operating Railway Equipment on CP tracks; or

(v) Co-mingled Work with CP Personnel; and

(c) methods of verifying compliance.

4.1.2 The Contractor will provide Manager In Charge with a copy of this Safety Management Plan on reasonable request.

5. SAFETY TRAINING

5.1 Minimum Training & Qualifications

5.1.1 At its sole cost and expense, Contractor shall ensure that all Contractor Personnel be fully trained and qualified for the Work they will be performing. Contractors and Contractor Personnel shall meet, or exceed, all Applicable Legislation requirements relating to training and qualification.

5.1.2 Additionally, Contractor Personnel training and qualification shall meet or exceed all applicable industry standards.

5.2 Proof of Training & Qualification

5.2.1 Contractor Personnel shall at all times have proof of such training and qualifications and shall produce them as and when requested by the Manager In Charge.

5.2.2 CP reserves the right to inspect qualification certificates, licenses, training records and/or Work-history records for any Contractor Personnel, and, or to be provided with copies thereof, on reasonable request.

6. SAFETY ORIENTATION

6.1 General Requirements

6.1.1 Prior to beginning Work, all Contractor Personnel shall participate in CP authorized safety orientation, including on-site orientation presented by the Manager In Charge or designate.

6.1.2 Any time the scope of Work, location, condition or supervision changes, Contractor Personnel may be required to attend additional safety orientation sessions.

6.1.3 In recognition of the successful completion of such safety orientation CP will provide Contractor Personnel with an identification card, or other form of proof of completion as determined by CP from time to time. This identification authorizes the Contractor Personnel access to CP Property for the purposes of conducting Work. The identification card or other form of proof issued by CP shall be worn or be made visible at all times, or produced upon request and cannot be transferred under any circumstances.

7. SAFETY JOB BRIEFING

7.1 Contractor Personnel shall attend all Job Briefings as and when conducted. Contractor Personnel shall be solely and fully responsible for understanding the content of the Job Briefing, and at a minimum shall:

(a) have an understanding of the scope of Work to be performed and an appreciation of the nature of the location, environment, and conditions where such Work is to be performed;

(b) be aware of specific or unusual hazardous condition, existing or potential and the control measures required to protect against, control, mitigate, or where possible, avoid said hazard; and

(c) have an emergency response plan/evacuation procedures.

7.1.2 Where Co-Mingled Work is being performed, job briefings must include both CP Personnel and Contractor Personnel, and any other third parties. The job briefing shall identify nature and extent of the interaction between the Work being performed by Contractor Personnel, and those performed

by CP Personnel or other third parties. Contractor Personnel shall inform CP Personnel, and any other third parties of known or potential unsafe conditions and hazards that may be created by, resulting from, or inherent in their Work and the corresponding preventative, mitigation, and/or control measures at all job briefings prior to commencing Work, or as soon as Contractor Personnel becomes aware of such conditions.

7.1.3 In all situations, all Contractor Personnel are expected to:

(a) continually identify hazards and assess risk of hazards and to continually and clearly communicate all hazards to the Manager In Charge and to all other parties that may be affected at job briefings, and at any other time as and when appropriate or necessary;

(b) take actions that are within their assigned responsibility to eliminate or control hazards and risks; and

(c) immediately notify their supervisor or the Manager In Charge of hazards that pose unacceptable risk that they are unable to eliminate or control.

7.1.4 Where Contractor Personnel are unable to eliminate or control a hazard, Contractor Personnel shall take interim measures to protect people, property, equipment and the environment until the hazard can be properly assessed and appropriate corrective actions taken.

8. APPLICABLE LEGISLATION

8.1 General Requirements

8.1.1 Contractor and Contractor Personnel shall be solely responsible for identifying and complying with all Applicable Legislation. CP is governed by federal legislations and therefore, Contractors and Contractor Personnel providing Work to CP are likewise required to comply with all Applicable Legislations. At a minimum, Contractor and Contractor Personnel shall comply with the federal legislations set out below which list is intended solely for general guidance, and not as a comprehensive list of all Applicable Legislation.

8.1.2 Additionally, the Railway Association of Canada (RAC) is an industry association which can provide support and guidance on matters related to railway safety and the transportation of dangerous goods.

8.2 Transportation of Dangerous Goods

8.2.1 When Work involves the handling or transportation of dangerous goods, that Work must comply with the federal *Transportation of Dangerous Goods Act*, (TDG). Contractor shall be solely responsible for ensuring that all Contractor Personnel who handles, offers for transport and/or transports dangerous goods by any transportation mode be trained and holds a valid training certificate or is working under the direct supervision of someone who is trained and holds a valid training certificate. The training must be based on the Work that the person is expected to perform and the DG that the person is expected to handle, offer for transport or transport.

8.3 Canada Labour Code

8.3.1 Where Work is being performed that may create a risk to the health and safety of CP Personnel, Contractor Personnel must comply with Part II of the *Canada Labour Code*.

8.3.2 Additionally, Contractor and Contractor Personnel shall comply with all applicable provisions of the Occupational Health and Safety Regulations (COHS) which are intended to prevent accidents and injuries to employees working for federally regulated companies. Compliance with these regulations may extend to Contractors, depending on the type of Work being done and their proximity to CP Personnel (i.e. Co-mingled Work). Alternatively, provincial occupational health & safety regulations will govern Contractors.

8.4 Railway Safety Act

8.4.1 The *Railway Safety Act* (RSA) governs all federally certified railways in Canada and some provincial railways through various agreements with Transport Canada. The RSA addresses all matters relating to the construction, alteration, operation, inspection and maintenance of railway works and railway equipment, and contains training and qualification requirements for certain types of Work. When applicable, Contractor and Contractor Personnel shall perform Work in accordance with the RSA, as if directly bound by it.

8.5 Environmental Protection Act

8.5.1 Where Work is being performed that may impact the environment, that Work must comply with all applicable federal and provincial environmental acts and regulations. Some examples of applicable legislations includes the Canadian Environmental Protection Act; Fisheries Act, Navigable Waters Protection Act; Species at Risk Act; Migratory Birds Convention Act; and all corresponding Regulations. Provincial requirements are normally set out in a general Environmental Protection Act which is complemented by numerous regulations addressing more specific areas of concern.

9. SECURITY

9.1 Access to CP Property

9.1.1 All Contractor Personnel must have the following identification in their possession at all times while on CP Property, and present them for review to any Manager In Charge, other CP managers and employees, Police Officer, security guard, or regulatory officer upon request:

(a) photo identification (e.g. driver's license);

(b) proof of employment document or card;

(c) identification card, or other proof of safety orientation issued by CP;

(d) access pass, issued and signed by a CP manager, where Work requires Contractor Personnel to ride in any locomotive or other non-passenger rolling stock;

(e) security identification card, where required by CP; and

(f) building access pass, where required by CP or by a third party having control of the premises.

9.1.2 Contractor shall conduct such background check as is necessary to ensure that Contractor Personnel do not pose a security risk to CP, such security risk includes the risk of the commission of terrorist activities, sabotage, vandalism, theft, and violence. CP reserves the right, at all times, to require that Contractor undertake certain security training and/or perform background checks of Contractor Personnel, prior to allowing such Contractor Personnel to enter onto CP Property.

9.2 Security Awareness

9.2.1 Each Contractor shall have a security awareness program that educates Contractor Personnel to:

(a) understand the railway security challenges, rules and procedures;

(b) monitor and report any suspicious persons, activities or objects; and

(c) stay alert to the environment.

9.2.2 On request CP can make available a copy of CP's Railway Security Awareness program for use by Contractor Personnel.

9.3 Firearms & Explosives

9.3.1 Firearms (loaded or empty) are not permitted on CP Property, except for Police officers and other designated government officials when authorized to do so.

9.3.2 No explosives will be permitted on CP Property without written approval by the Manager In Charge.

9.4 Reporting

9.4.1 Contractor Personnel must report any security concern, security incident, criminal activity (known or suspected), suspicious happenings and/or suspicious persons on CP Property to the Manager In Charge or to CP Police Services in accordance with Section 18.

10. PERSONAL CONDUCT

10.1 Drug and Alcohol Prohibition

10.1.1 Entry onto CP Property when in possession of, or under the influence of alcohol, intoxicants, narcotics, or controlled substances is strictly prohibited.

10.1.2 Additionally, Contractor Personnel shall be free of any condition which may in any way adversely affect alertness, concentration, responsiveness, or the ability react calmly and responsibly to safety hazards.

10.1.3 CP reserves the right to request drug tests for Contractor Personnel as and where permitted by law.

10.2 Inappropriate Behavior

10.2.1 CP is committed to maintaining a Work environment that supports the dignity of all individuals. No person working at CP may be subjected to any form of discrimination or harassment, including sexual harassment.

10.2.2 Acts or threats of violence are unacceptable at all times on CP Property. Uttering of threats or committing acts of violence will result in the removal of the responsible Contractor Personnel from CP Property, termination of the Contract, and/or criminal charges.

10.2.3 Horseplay, practical jokes, fighting or any other activity that may create a safety hazard will not be tolerated.

10.3 Electronic Entertainment and Communication Devices

10.3.1 The use of personal entertainment devices, including portable audio and video devices such as compact DVD, CD, and game players, I-pods & MP3 players, is prohibited:

(a) while Working on CP Property;

(b) while transporting CP Personnel, whether on and off CP Property; and

(c) while operating any CP highway vehicles, Railway Equipment or Mobile Equipment, whether on and off CP Property.

10.3.2 The use electronic communication devices, including radio, cell phones, Blackberries, walkie-talkies, PDAs, GPS navigation units, Palm Pilots, portable computers and similar devices, is prohibited:

(a) while operating a highway vehicle, unless it is stopped and parked in a safe location;

(b) while operating or assisting in the operation of any Railway Equipment or Mobile Equipment;

(c) while operating power tools, equipment or machinery;

(d) when Foul of Track for any reason; or

(e) whenever use of such a device creates an unsafe condition.

10.3.3 Notwithstanding the foregoing, radios, walkie-talkies, GPS units, and other communication devices authorized by CP Manager in Charge may be used solely for the conduct of business where not prohibited by municipal or provincial legislation, and any electronic communication device may be used when it is necessary to communicate an emergency condition.

10.4 Smoking

10.4.1 Smoking is prohibited on all CP Property, and in or on all highway vehicles, Railway Equipment, and Mobile Equipment, except for CP designated outdoor smoking areas.

11. PERSONAL PROTECTION

11.1 Work Clothing

11.1.1 The Contractor must ensure that Contractor Personnel wear clothing that meets Applicable Legislation and is suitable to perform the Work safely.

11.2 Personal Protective Equipment (PPE)

11.2.1 The Contractor shall ensure that Contractor Personnel wear personal protective equipment required by Applicable Legislation, regulations, codes and industry standards as necessary to protect against personal injuries while on Railway property. All personal protective equipment shall be approved by the Canadian Standards Associations (CSA) or by the American National Standards Institute (ANSI), and shall be in good condition and be properly fitted.

11.2.2 The following mandatory personal protective equipment ("PPE") shall be supplied by the Contractor at its own expense, and shall be worn at all times by Contractor Personnel while on CP Property:

(a) safety hard hat, meeting CSA standard Z94.1;

(b) safety boots with protective toe caps and soles, meeting CSA standard, Z195 (Green Triangle - Grade 1);

(c) safety glasses with permanently attached side shields, meeting CSA standard Z94.3;

(d) high visibility fluorescent outerwear with retro reflective striping (meeting CSA standard Z96 preferred), with such high visibility fluorescent outwear not covered by other clothing or equipment, except where necessary for safety reasons such as where fall protection or pole climbing equipment is being used; and

(e) any other PPE as required by Applicable Legislation, CSA standard or otherwise required to protect Contractor Personnel from injuries.

11.2.3 In addition to the foregoing minimum requirements, the following table contains further recommendations in relation to specific types of PPE:

Type of Protection	Additional Recommendations
Hard Hats	Have hi-visibility characteristics which are not obscure by markings or decals
Safety Eyewear	Tinted safety eyewear must meet Canadian Military Spec. J if operating Railway Equipment Transition lenses are discouraged and should be worn with caution when working in changing light conditions Personal sunglasses are discouraged and must not be worn when operating Railway Equipment

Type of Protection	Additional Recommendations
Safety Footwear	Have defined heels Be laced and tied securely for ankle support
High-Visibility Apparel	Lime-green is recommended when working on, or near tracks, or when performing Co-mingled Work

11.2.4 Contractor and Contractor Personnel shall be solely and fully responsible for assessing the risks related to the Work and determining whether additional PPE may be required such as:

(a) Nomex or Proban fire-retardant protective gear when performing certain TDG Work and or handling certain Hazardous Materials or performing specialized Work.

(b) hearing protection when working in any area where noise exposure levels:

(i) are consistently greater than 84 dBA (Lex, 8);

(ii) exceed 115 dBA at any time; and

(iii) any other Work areas where posted, or so notified by CP management.

(c) respiratory protection where Contractor Personnel may be exposed to occupational dusts/particulates, fumes, mists, gases and vapors, in which case, in which case Contractors must have a written Respiratory Protection Program that meets or exceeds Applicable Legislation;

(d) additional eye and face protection meeting CSA standard Z94.3 (i.e. face shields, impact/splash goggles, welding/cutting goggles and welding helmets); and

(e) fall protection systems and equipment meeting appropriate CSA standards as required by Applicable Legislation and appropriate for the related fall hazards.

12. RAILWAY TRACK PROTECTION

12.1 Contractor's Responsibilities for the Protection of Railway Traffic and Property

12.1.1 Where the Work Site is in close proximity to, or is located on, above, or below railway tracks, special attention, care and precautions shall be taken to ensure the safety of all Contractor Personnel, CP Personnel, all other third parties and to protect CP's property and railway operations.

12.1.2 Contractor shall ensure that Contractor Personnel is made aware of all unique and inherent hazards in working near, on, above or below railway tracks and shall ensure that all Contractor Personnel are fully trained and equipped to work safely.

12.1.3 Contractor Personnel shall at all times remain alert to the movement of trains, rolling stock and other Railway Equipment.

12.1.4 Contractor Personnel shall be especially alert in yards and terminal areas as:

(a) Railway Equipment that appears to be stationary may be moving;

(b) the rate of movement of Railway Equipment may be faster than it appears;

(c) Railway Equipment change tracks often; and

(d) movements may be occurring simultaneously on adjacent tracks.

12.2 50 Feet Clearance Requirement

12.2.1 All Work shall be performed as far away from railway tracks as possible.

12.2.2 Unless authorized by CP, Contractor Personnel, equipment, and vehicles are not permitted to be within 50 feet of the closest track centerline.

12.2.3 In the event Work must be carried out within 50 of the closet track centerline, written authorization must is obtained from the Manager in Charge, and Contractor Personnel must still remain at the maximum practicable distance from all railway tracks at all times.

12.2.4 When crossing tracks, Contractor Personnel shall ensure a minimum of 50 feet (approximately 15 metres) separation between standing Railway Equipment, stay at least 15 feet away from the end of the nearest equipment, and look both ways before crossing tracks, and if clear, walk at a right angle to the tracks.

12.3 Flagging Protection

12.3.1 When the Work requires Contractor Personnel to be within 50 feet (approximately 15 metres) of any railway tracks, Contractor or Contractor Personnel shall notify and obtain the written approval of the Manager In Charge in advance of the intended start date, and when approved, shall only perform Work strictly in accordance with all terms and conditions of that approval.

12.3.2 Unless otherwise indicated by the Manager In Charge, proper protection against the movement of trains, rolling stock and other Railway Equipment shall be deemed required at all times whenever Work or Contractor Personnel must be within 50 feet (approximately 15 metres) of the closet track centerline. Protection may be provided only by a qualified CP employee through use of a flag person, Canadian Railway Operating Rules (CROR) Track Occupancy Protection (TOP), mechanical blue flag protection or other protection methods designated by the Manager In Charge.

12.3.3 Where CP determines that flagging is required, then Work must be strictly conducted under the direction of a CP flag person or such other person designated by the Manager In Charge.

12.3.4 Contractor Personnel shall ensure that there is clear communication at all times between Contractor Personnel and any CP flag person. Contractor Personnel shall ensure that they are aware of:

(a) flagging distance limits;

(b) time limits; and

(c) any adjacent tracks where movement of Railway Equipment may still occur.

12.3.5 Contractor Personnel shall not assume that a train movement is being stopped or cleared unless clear communication is received directly from the CP flag person.

12.3.6 A job briefing between the CP flag person and all Contractor Personnel must occur before beginning any Work on or Foul of Track.

12.3.7 Blue flag protection is used to indicate that CP or Contractor Personnel are working on, under or between Railway Equipment and movement of trains or other Railway Equipment is prohibited. Blue flags must not be tampered with or obstructed. Blue flags can only be removed by the person or group of persons who originally applied it. Application, use, and removal of blue flags, when appropriate, may only be done under the authorization and guidance of the Manager in Charge.

12.3.8 Red flag protection is used to indicate that CP or Contractor Personnel are working on or Foul of Track, or the track is out of service and movement of trains or other Railway Equipment is prohibited. Red flags must not be tampered with or obstructed. Application, use, and removal of red flags, when appropriate, may only be done under the authorization and guidance of the Manager in Charge.

12.4 Working on or near Tracks

12.4.1 When authorized to perform Work Foul of Track or otherwise be near railway tracks, Contractor Personnel shall ensure at Contractor Personnel, equipment, and vehicles are kept as far away from railway tracks as practicable, and shall at all times:

(a) be alert to train movements and shall expect the movement of trains, engines, cars, or other mobile Railway Equipment at any time, on any track, and in any direction, even if they appear to be stationary or in storage;

(b) not rely on others to protect them from train movement;

(c) stay at least 15 feet (approximately 5 meters) away from the ends of Railway Equipment when crossing the track;

(d) ensure a minimum of 50 feet (approximately 15 meters) separation prior to crossing between Railway Equipment;

(e) look both ways before crossing tracks, and if clear, walk at a right angle to them;

(f) never climb on, under or between Railway Equipment;

(g) be aware of the location of structures or obstructions where track clearances are close;

(h) not stand on the track in front of an approaching engine, car or other equipment;

(i) when possible, stand at least 20 feet back from the track(s) when there is a passing movement of trains, engines, cars, or other mobile Railway Equipment, to prevent injury from flying debris or loose rigging and shall observe the train as it passes and be prepared to take evasive action in the event of an emergency;

(j) not stand on or between adjacent tracks in multiple track territory when a train is passing;

(k) not walk, stand or sit on the rails, between rails or on the end of ties, unless absolutely necessary. As the rail surface can be extremely slippery, personnel must step over the rails when crossing tracks. Personnel shall also be aware railway ties can also be slippery and that railway ballast can shift while walking on top of it. Situational awareness and use of proper footwear is important;

(l) not remain in a vehicle that is within 50 feet of a passing train unless specifically authorized, or where this is not possible, park the vehicle as far away from the tracks as possible and walk to as safe a distance whenever trains pass;

(m) keep away from track switches as remotely operated switch points can move unexpectedly with enough force to crush ballast rock. Personnel shall stay away from any other railway devices they are unsure of. Personnel shall not disturb or foul the ballast at any time.

12.5 Equipment on or near tracks

12.5.1 Contractor Personnel shall not be Foul of Track with any piece of equipment without a CP flag person or other authorized track protection;

12.5.2 Contractor Personnel shall not move equipment across the tracks except at established road crossings, or unless under the protection and authorization of a CP flagperson and only if the Work Site has been properly prepared for such a move. Tracked equipment will require a CP flagperson any time railroad tracks are crossed.

12.5.3 Contractor Personnel shall not move equipment across railroad bridges or through tunnels, except as expressly authorized and only under such conditions as stipulated by the Manager in Charge.

12.5.4 Contractor Personnel shall move equipment away from the tracks at least 50 feet, or where not possible, park the equipment as far away from the tracks as possible, and walk to a safe a distance whenever trains pass.

12.5.5 Buckets, shovels, and loads on cranes must be lowered to the ground to rest, and cranes without a load must have their load line tightened or retracted to prevent movement, whenever there are passing trains.

12.6 Railway Signs, Signals, Flags and other Communication Infrastructure

12.6.1 Signs, signals and flags shall not be obstructed, removed, relocated, disabled or altered in any way without proper authorization and qualification.

12.6.2 Only qualified Contractor Personnel who are authorized by CP are permitted to operate switches, derails, electric track mechanisms, signal and communication systems or other track control appliances.

12.6.3 Railway pole lines carry electric power and should be treated as any other power lines.

12.7 Excavation

12.7.1 Before starting excavation operations, the Contractor shall ascertain that there are no underground wires, fiber optic cables, pipelines or other utilities which could be damaged or, if present, that such installations are properly protected. Fiber optic cables are present on most segments of the right-of-way. Prior to commencing any excavation, the Contractor shall contact the proper authority to obtain the necessary permit and to locate and protect such cables or other underground utilities.

12.7.2 Excavations shall not be left unattended unless they are properly protected; and the Manager In Charge shall be notified.

13. WORKPLACE HAZARDOUS MATERIALS INFORMATION SYSTEM (WHMIS)

13.1 General Requirements

13.1.1 If at any time Contractor's Work involves the use, handling, storage, or disposal of Hazardous Materials ("Handling of Hazardous Materials"), Contractor Personnel must inform the Manager in Charge.

13.1.2 Contractors shall ensure that all Contractor Personnel are fully trained in the Handling of Hazardous Materials and that Contractor and Contractor Personnel are in full compliance with all Applicable Legislation, and as directed by the Manager In Charge.

13.1.3 Contractor Personnel shall have appropriate processes, systems and controls in place to prevent or otherwise mitigate potential environmental, health and safety risks associated with the Handling of Hazardous Materials.

13.2 Access to MSDS Documents

13.2.1 Prior to beginning any Work that may expose CP Personnel to Hazardous Materials, Contractor or Contractor Personnel shall:

(a) provide a copy of the respective Material Safety Data Sheet (MSDS) to the Manager In Charge; and

(b) keep a copy of the MSDS at the Work Site and shall such that it is readily available at all times.

13.3 Hazardous Material Incident or Spill

13.3.1 In the event of a hazardous material incident or spill, the Contractor must:

(a) ensure that no Contractor or CP Personnel have or will be exposed;

(b) take all reasonable actions to contain the spill;

(c) respond in accordance with its emergency response plan; and

(d) notify CP immediately in accordance with Section 18.

14. OPERATION OF HIGHWAY VEHICELS

14.1 Highway Vehicles

14.1.2 The following requirements apply to all highway vehicles, whether operated on CP Property; or used to transport CP Personnel.

14.2 Regulations and Inspection

14.2.1 Before using a highway vehicle, Contractor Personnel shall:

(a) complete a pre-trip inspection;

(b) maintain an inspection log;

(c) ensure periodic inspections are completed at official testing locations;

(d) ensure the vehicle is maintained and in safe operating conditions at all times; and

(e) ensure the vehicle is in compliance with applicable motor vehicle regulations and license requirements.

14.2.2 Vehicle maintenance, inspection records and logs must be made available to the Manager In Charge on request.

14.3 Vehicle Operator Requirements

14.3.1 Operation of highway vehicles is restricted to those Contractor Personnel who are licensed, qualified and authorized to do so. Such Contractor Personnel shall be responsible for the safety of all passengers at all time. For greater certainty, such Contractor Personnel shall:

(a) hold a valid license for the class of vehicle being operated, in accordance with local provincial requirements, and

(b) strictly comply with all posted traffic signs, signals, and all shall obey all Applicable Legislations; and

(c) maintain the required driver log, and make the log available to the Manager In Charge on request, and

(d) comply with the requirements on the use of electronic devices as set out in Section 11.

14.4 Driving on CP Property

14.4.1 In addition to the requirements set out above, while on CP Property, Contractor Personnel shall:

(a) travel only on designated roadways unless otherwise instructed;

(b) keep daytime running lights on (if so equipped);

(c) not exceed 25 km/h (15 mph) unless otherwise posted;

(d) come to a full stop at all blind corners, rail and roadway crossings;

(e) yield the right of way to all Mobile Equipment and other non-highway equipment or service vehicles;

(f) not operate vehicles (or any internal combustion equipment) inside buildings or enclosed structures unless adequate ventilation is provided;

(g) not park Foul of Track unless on-track protection is provided;

(h) not leave vehicles running unnecessarily;

(i) park only in pre-determined or designated areas;

(j) always use the parking brake (or wheel chocks) when leaving an unoccupied vehicle running; and

(k) where safe and practicable, back vehicles into marked parking spaces to avoid reverse collisions when exiting.

14.4.2 All Contractor Personnel who will be operating a highway vehicle or Mobile Equipment in any CP intermodal facilities must complete a Driver Safety Orientation program prior to first entry, and from time to time thereafter as directed by the Manager In Charge.

14.5 Seat Belts

14.5.1 Seat belts must always be worn while operating or riding in any equipped vehicle unless Contractor Personnel is actively engaged in inspections requiring said Contractor Personnel to be free of such restraint, and then only when the vehicle is operating at less than 25 km/h (15 mph).

14.6 Loads

14.6.1 Contractor Personnel shall ensure vehicles are loaded according to weight and dimensional requirements as authorized by provincial regulations and permits, and properly load and secure tools, material, equipment and freight to avoid shifting, falling, leaking or otherwise escaping from vehicles during operation.

14.7 Riding in CP Vehicles

14.7.1 Contractor Personnel are prohibited from operating or riding in any CP vehicles unless authorized to do so, or in case of emergency.

15. TOOLS EQUIPMENT AND MACHINERY

15.1 General Safety Requirements Respecting All Tools, Equipment and Machinery

15.1.1 Contractor Personnel shall ensure that all tools, equipment, and machinery used be:

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(l) in good working order, properly serviced and maintained;

(m) safe for their proposed use and used only for purposes specified by the manufacturer;

(n) if mobile, equipped with appropriate safety devices (e.g. lights, horns, back-up alarms, safety beacons), and prevented from moving through use of the hand brake, wheel blocking, wheel chocking and/or a derail where applicable.

15.1.2 Use of CP tools by Contractor Personnel is prohibited unless specifically authorized by local CP management.

15.2 Lockout – Hazardous Energy Control

15.2.1 Contractor Personnel shall employ such hazardous energy lockout procedure as required to eliminate the accidental or unexpected start-up, energizing, or release of stored (residual) energy during maintenance, repair and/or servicing activities.

15.2.2 All tools, equipment and machinery must be made safe and isolated from all energy sources rendering the machine, equipment, or process inoperative prior to performing maintenance, repair or servicing related tasks.

15.2.3 No Contractor Personnel can remove any CP applied lock or tag, including bad-order tag.

15.2.4 Notwithstanding the foregoing, if Contractor's Work may create an energy hazard to any CP Personnel, then all affected parties must follow the requirements set forth in CP's Lockout – Hazardous Energy Control Policy and Code of Practice.

15.2.5 If CP Personnel and Contractors are jointly performing maintenance, repair or servicing activities on the same machine, equipment or using the same energy source, then they must apply a multi-lock hasp and individual locks and tags (as per CP's Lockout – Hazardous Energy Control Policy and Code of Practice).

15.3 Electrical Safety Requirements

15.3.1 In addition to the hazardous energy control lockout requirements above, all electrical Work must comply with Applicable Legislation, CSA and National Fire Protection Association (NFPA) requirements.

15.3.2 Contractor Personnel Working on electrical systems must:

(a) if in proximity to CP Personnel, inform them of:

(i) existing or potential electrical hazards;

(ii) any specific additional personal protective equipment that may be required;

(iii) applicable safe Work practices;

(iv) applicable emergency and evacuation procedures; and

(v) apply lock out procedures as per section above on Lockout – Hazardous Energy.

(b) have practices, procedures and training that comply with:

(i) Applicable sections of CSA-Z462 Workplace Electrical Safety Standards;

(ii) Canadian Electrical Code Parts 1 and 2; and

(iii) Any other Applicable Legislation; and

(c) not operate or allow cranes or other mobile equipment to approach closer to any live electrical power line than is permitted by CSA Z150 Standards for mobile cranes.

15.4 Lifting Devices

15.4.1 All lifting devices, including but not limited to jacks, cranes, cables, slings and hooks shall:

(a) meet Applicable Legislation governing design, inspection, maintenance and operation;

(b) be safety certified and labeled or tagged with load capacity limits where required;

(c) have sufficient capacity for the planned lift;

(d) have sufficient footing or support area to properly distribute the load during a lift.

15.5 Welding and Torch Cutting

15.5.1 When welding or torch cutting, Contractor Personnel shall:

(a) be properly trained and qualified;

(b) ensure that all closed containers have been properly purged;

(c) direct flame or sparks away from other Workers, equipment and flammable material;

(d) have a fire extinguisher readily available;

(e) keep compressed gas and oxygen cylinders stored in a secure, vertical position, with regulators removed and caps applied, labeled properly and located in vented cabinets or other designated locations.

15.6 Explosive Actuated Tools

15.6.1 Only Contractor Personnel who are qualified and licensed in accordance with Applicable Legislation, and authorized by CP, may use explosives or explosive actuated tools.

15.7 Unattended Equipment or Machinery

15.7.1 Tools, Equipment and Machinery shall not be left unattended at any time and shall not be stored on CP Property, unless expressly permitted pursuant to a written agreement with CP or by the Manager In Charge in writing, and where so permitted, Contractor shall ensure that:

(a) storage shall be restricted to the designated area, or as otherwise specified by CP.

(b) all such tools, equipment and machinery shall be secured in a safe position well clear of all tracks to prevent accidental contact with trains and moving equipment and to not restrict train crew sightlines;

(c) as much as possible, tools, equipment and machinery shall be stored in locations out of public view.

16. EMERGENCY RESPONSE

16.1 Emergency Response Plan

16.1.1 The Contractor must maintain a current emergency response plan and make it available to CP on request. Emergency response plans must include at a minimum:

(a) contractor reporting procedures in the event of an incident or spill;

(b) emergency response contacts and phone numbers, including phone numbers for CP incident reporting and local CP managers (See Attachment A); and

(c) containment measures to be taken in the event of an incident or spill.

16.2 Initial Response

16.2.1 Initial response to any emergency condition must follow the following sequence:

(a) protect the safety and security of all individuals and communities

(b) provide environmental protection and mitigation

(c) conduct incident investigation & evidence preservation

(d) restore railway operations

16.3 First Aid

16.3.1 Contractor Personnel must have sufficient First Aid qualified personnel and the required First Aid kit and any other required First Aid equipment at the Work Site, suitable for the crew size, nature of Work being performed and location, all of which shall, at a minimum, comply with Part II of the Canada Labour Code.

16.4 Fire Protection

16.4.1 The Contractor must have appropriate fire extinguishers, suitable in type, size and quantity having regards to the nature of Work and Applicable Legislation, readily available at all times on:

(a) the Work Site; and

(b) all Contractor equipment, machinery and highway vehicles.

16.4.2 Contractor Personnel shall ensure that all necessary precautions are taken to prevent fires, including the following:

(a) storing flammable material (e.g. paper, rubbish, sawdust, oily or greasy rags, etc.) in proper containers;

(b) storing and transporting fuel, gasoline or other flammable liquids in approved containers. Use of unapproved containers is prohibited;

(c) proper disposal of flammable material daily;

(d) prevent static electricity when dispensing or transferring flammable liquids by using proper grounding and bonding techniques;

(e) avoid using cutting or welding torches during the last one-half hour of shifts, if possible;

(f) taking special precautions with fusees, including:

(i) store and transport in approved containers;

(ii) do not allow fusees to come in contact with any combustible material, including railway ties or wooden timbers; and

(iii) fully extinguish fusees before leaving the location where used;

(g) promptly advise CP management of any fire on CP Property; and

(h) fully extinguish or provide protection for any fire prior to leaving the Work Site.

16.4.3 Contractors Working on the CP right-of-way where a high risk of fire exists (e.g. during rail grinding, rail welding) must have:

(i) appropriate fire prevention and suppression plans (including emergency numbers for CP, local firefighters and fire control districts); and

(j) additional firefighting equipment and trained Contractor Personnel on site, as required by Applicable Legislation.

17. REPORTABLE ACCIDENTS, INCIDENTS AND INJURIES

17.1 Reportable Injuries

17.1.1 Reportable injuries include any personal injury to:

(a) Contractor Personnel;

(b) any CP Personnel; or

(c) to any third party on CP Property.

17.2 Reportable Accidents

17.2.1 Reportable accidents include any occurrence that results in:

(a) damage to railway tracks, right of way, buildings or other CP Property;

(b) damage to Railway Equipment;

(c) damage to CP highway vehicles;

(d) release of dangerous goods;

(e) spill or loss of transported commodities; and

(f) a threat to the environment.

17.3 Reportable Incidents

17.3.1 Reportable incidents include:

(a) unintended movement of Railway Equipment;

(b) failure to provide track protection for Workers when required;

(c) movement of Railway Equipment beyond authorized limits;

(d) operation of Railway Equipment by an unqualified person;

(e) unauthorized handling of a track switch;

(f) damage, vandalism or tampering with any railway signals, structures or railway safety device;

(g) seepage, leakage, spills of, or other contamination from, Hazardous Materials;

(h) actual, threaten or suspected security related incidents;

(i) slides, washouts or other on-track obstructions; or

(j) any occurrence that may disrupt the movement of trains or affect safe rail operations.

18. REPORTING

18.1 Emergency Reporting

18.1.1 In the case of an emergency, Contractor Personnel must call:

(a) 911, where this emergency response system exists, or

(b) the local police, fire or emergency department; and

(c) in all cases, also the CP Police Services Communication Center at toll free 1-800-716-9132 from any Canadian or U.S. location.

18.2 Accident, Incident, Injury Reporting

18.2.1 When an accident, incident or injury occurs on CP Property, the Contractor must:

(a) immediately report it to the Manager In Charge or to the NMC; and

(b) follow instructions given to protect the scene.

18.2.2 CP does not report Contractor Personnel injuries to WCB. Such WCB reporting remains the Contractor's responsibility.

18.3 Information to Report

18.3.1 Information required with the initial report includes:

(a) type of incident;

(b) date and time of occurrence;

(c) location (mileage, subdivision, building, yard or other physical description);

(d) identity of person(s) involved or injured (company & name);

(e) description of any dangerous goods or Hazardous Materials involved;

(f) type & unit number of any Railway Equipment or vehicle involved;

(g) description of occurrence, damage and/or injury, and cause if known;

(h) description of any emergency response;

(i) name and contact information of person making the report; and

(j) such other information that CP may require.

18.4 Environmental Incidents and Spills

18.4.1 In the event of an environmental incident or spill that could have a negative impact on the environment, the Contractor must immediately:

(a) report the incident to the NMC, the Manager In Charge, and the designated CP Contact as per the governing agreement relating to the Work;

(b) take all reasonable actions to contain the spill;

(c) respond in accordance with its emergency response plan; and

(d) provide CP with the following information;

(i) description of location and surrounding area, including any sensitive environmental areas nearby (e.g., rivers, parks, sewers);

(ii) type and quantity of substance released;

(iii) cause of spill or deposit, if known; and

(iv) details of any immediate action taken or action proposed to be taken to contain spill and recover substance.

18.5 Additional Contractor Requirements

18.5.1 Contractor and Contractor Personnel must:

(a) ensure an appropriate emergency response is initiated;

(b) protect any evidence until released by CP Manager In Charge;

(c) cooperate fully with any CP investigation;

(d) cooperate with any investigating government agency; and

(e) notify CP if information is requested by any investigating government agency.

19. CONTRACTOR & CONTRACTOR PERSONENEL ACKNOWLEDGEMENT

19.1 Acknowledgement

19.1.1 Contractor and Contractor Personnel who Work on CP Property shall be deemed to have read and understood the content of these Minimum Safety Requirements For Contractors While Working On CP Property, as amended from time to time, and to agree to be bound by them.

19.1.2 These Minimum Safety Requirements For Contractors While Working On CP Property are subject to change without prior notice. The most current version of these Minimum Safety Requirements can be viewed at www.cpr.ca or by contacting the Manager In Charge.

NOTES:

Work Smart, Stay Safe

20. EMERGENCY INFORMATION SHEET

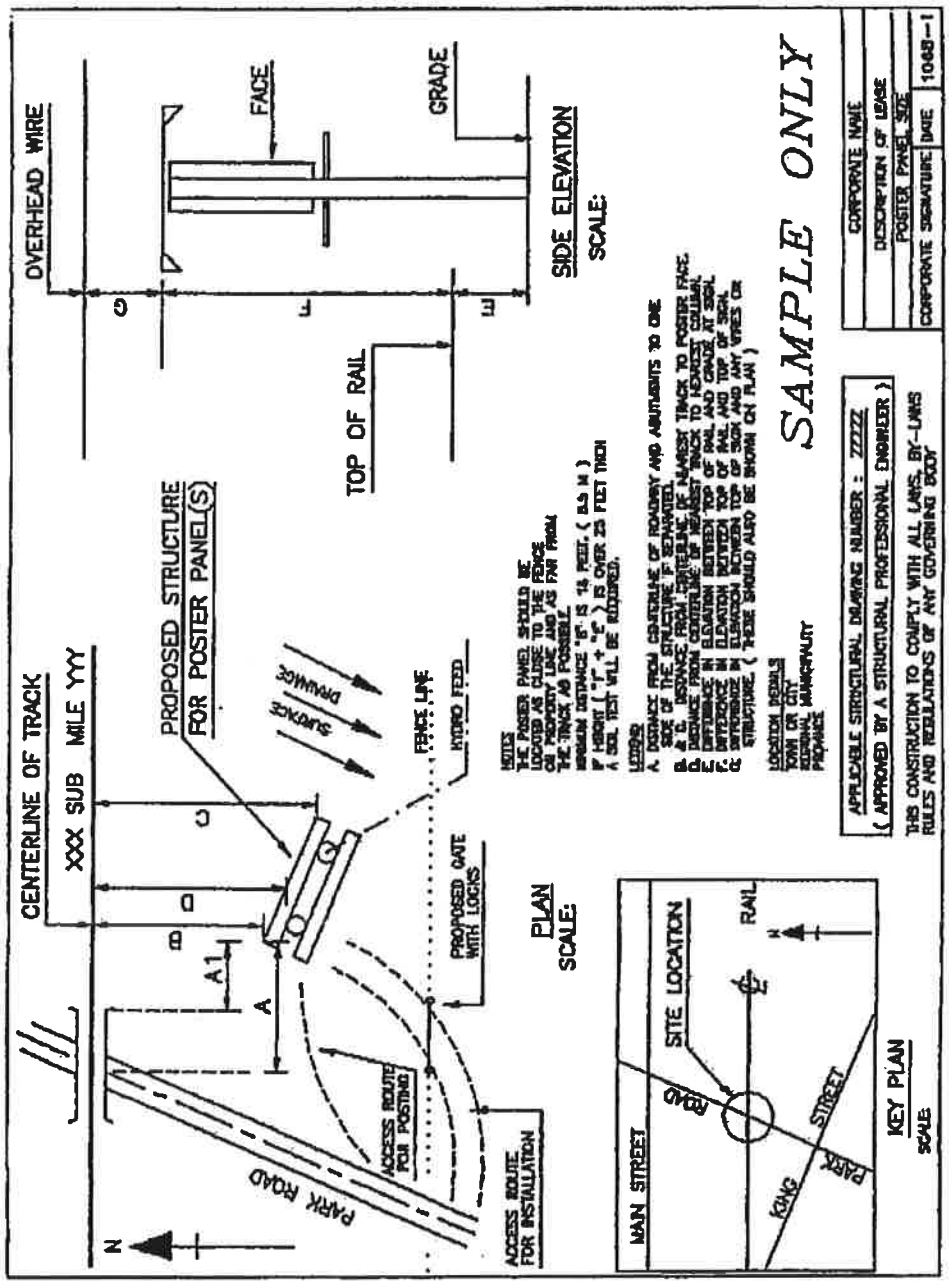
EMERGENCY CONTACT INFORMATION		
EMERGENCY CONTACTS	PHONE	LOCATION
CP Calgary Network Management Center	1-800-795-7851	West of and including Mactier, Ontario.
CP Montreal Operations Centre	1-800-363-3277	East of Mactier, Ontario plus southern Ontario
CP Police Services	1-800-716-9132	
CP Railway Traffic Controller Radio Channel		
Local Police Services		
Local Fire Services:		
Local EMS		
Hospital		
Physician		
Aircraft Service, (if applicable):		
Watercraft Service, (if applicable):		
Other Emergency Services		

Emergency Evacuation Route (Describe nearest evacuation assembly location OR Provide sketch on back)

WORK SITE INFORMATION		
	PHONE	LOCATION
Work Site Location Name		
Railway Subdivision & Mileage		
Address, Number and Street		
Nearest Town		
CP Manager in Charge		
Emergency Site Access Route (Describe route from nearest emergency services location in detail including access roads & physical landmarks OR provide sketch on back.)		
Contractor Supervisor		
Site Telephone		
Certified First Aid Attendant		
Location of First Aid Supplies at Site		
Location of Fire Extinguishing Equipment:		

Location of WHIMS data sheets		
UTILITY INFORMATION		
UTILITIES CONTACT	PHONE	LOCATION
Natural Gas:	( )	
Electrical:	( )	
Fiber Optic Line:	( )	
Water & Sewer:	( )	
Telephone:	( )	
Cable System:	( )	
Qualified employee(s) in:	( )	
Confined Space Entry, (if applicable):	( )	
Equipment requirements for Confined Space Entry, (if applicable):	( )	
Other:		

SCHEDULE "C"


SAMPLE ONLY
OVERHEAD WIRE
FACE
GRADE
TOP OF RAIL
SIDE ELEVATION
SCALE:
CENTERLINE OF TRACK
XXX SUB MILE YYY
PROPOSED STRUCTURE
FOR POSTER PANEL(S)
FENCE LINE
HYDRO FEED
PROPOSED GATE
WITH LOCKS
ACCESS ROUTE
FOR POSTING
ACCESS ROUTE
FOR INSTALLATION
PARK ROAD
PLAN
SCALE:
MAIN STREET
SITE LOCATION
RAIL
KEY PLAN
SCALE
APPLICABLE STRUCTURAL DRAWING NUMBER : ZZZZZ
(APPROVED BY A STRUCTURAL PROFESSIONAL ENGINEER)
CORPORATE NAME
DESCRIPTION OF LEASE
POSTER PANEL SIDE
CORPORATE SIGNATURE
DATE
1048-1

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-110

AGREEMENT: (AG 45) A by-law to authorize the execution of the Licence of Occupation between the City and Elmer Kars, owner of the Catalina Motel, to permit a gazebo on a portion of City owned property.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Licence of Occupation dated April 26, 2017 between the City and Elmer Kars, owner of the Catalina Motel, a copy of which is attached as Schedule "A" hereto. This Agreement is to permit a gazebo on a portion of City property.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

sp\\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-110 Licence of Occupation - Catalina Motel Gazebo.doc

Schedule "A"

LICENCE TO OCCUPY CITY PROPERTY

THIS LICENCE made in duplicate this 26 day of April, 2017.

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(herein referred to as the "City")

- and -

ELMER KARS

(herein referred to as the "Licencee")

The City grants to the Licencee the right to occupy the property of the City ("the City property") identified as a 12' by 12' portion of the City boulevard abutting 259 Great Northern Road as shown on Schedule "A", attached, for the purpose of keeping a gazebo.

This licence is subject to the conditions set out in Schedule "B" attached hereto for the period of one (1) year commencing on April 25, 2017 and thereafter from year to year until terminated as provided in Schedule "B", hereto attached.

In this Licence "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

Elmer Kars

ELMER KARS

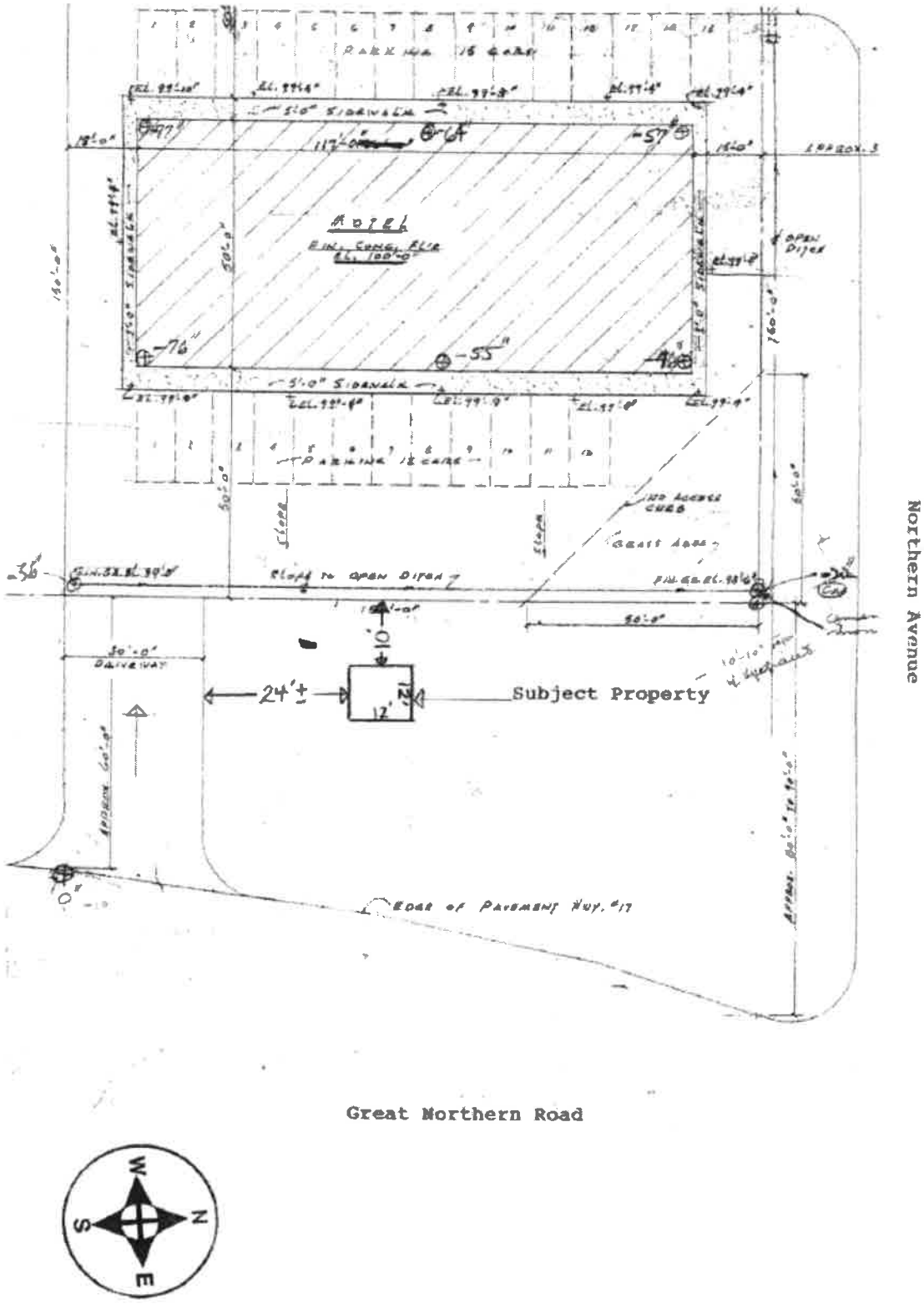
THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – MALCOLM WHITE

SCHEDULE "A"

ATTACHED TO AND FORMING PART OF A LICENCE OF OCCUPATION AGREEMENT BETWEEN THE CORPORATION OF THE CITY OF SAULT STE MARIE AND ELMER KARS



SCHEDULE "B"

This Licence is subject to the following conditions:

1. That the Lincencee has obtained Committee of Adjustment approval for the location of the gazebo.

2. The City has no obligation to make any improvements or provide any maintenance to the property described in this Licence Agreement. These obligations are the Licencee's.

3. The City or the Licencee may cancel this agreement on giving six (6) 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

Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior Litigation Counsel
The Corporation of the City of Sault Ste. Marie
P.O. Box 580
Sault Ste. Marie, Ontario, P6A 5N1

LICENCEE

Elmer Kars
Catalina Motel
259 Great Northern Road
Sault Ste. Marie, Ontario, P6B 4Z2

4. This Licence may not be assigned without the written permission of the City.

5. With respect to the City property, the Licencee will indemnify and save harmless the City from and against all claims including claims by the Licencee and including, without limiting the generality of the foregoing, all claims for personal injury or property damages regardless of the cause and from all costs, counsel fees, expenses, and liabilities incurred in or about such claim or any action or proceeding brought thereon.

6. The Licencee will not use or permit the use of the said land for any purpose other than the purpose herein set out.

7. The Licencee shall cause the City to be added as an Additional Insured to its general liability insurance policies, insuring all claims for damage to property, personal injury or death or any other losses or damages, both direct and indirect

including such other costs and expenses, howsoever and whatsoever incurred, suffered or sustained in relation to or in connection with this Agreement in an amount not less than five million ($5,000,000) dollars. Written proof of said insurance shall be provided to the City's Legal Department before the commencement of the Term. The Insurance Certificate shall be the CSIO Form and satisfactory to the City Risk Manager.

8. The Licencee agrees not to impede access to any utilities by the City.

9. If the City requires access to the property identified in Schedule "A" for any purpose the City shall not be responsible for restoring the property to its condition prior to access by the City. However the City shall leave the property in as neat and tidy a condition as possible.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-111

AGREEMENT: (AG51) A by-law to authorize the execution of the Agreement between the City and The Corporation of the Municipality of Wawa for the City's use of office space to conduct Provincial Offences Court.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated May 2, 2017 between the City and The Corporation of the Municipality of Wawa, a copy of which is attached as Schedule "A" hereto. This Agreement is for the City's use of office space to conduct Provincial Offences Court.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

mw \\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-111 POA Wawa Satellite Court Licence of Occupation.doc

LICENCE OF OCCUPATION

THIS LICENCE made this 2nd day of May, 2017.

~ BETWEEN ~

THE CORPORATION OF THE
CITY OF SAULT STE. MARIE
Hereinafter referred to as the "**City**"
OF THE FIRST PART

~ AND ~

THE CORPORATION OF THE
MUNICIPALITY OF WAWA
Hereinafter referred to as the "**Municipality**"
OF THE SECOND PART

WHEREAS the City has utilized facilities in the Municipality's Municipal Office to conduct Provincial Offences Court from time to time since March 21, 2001;

AND WHEREAS the parties desire to formalize an agreement for the utilization of such facilities upon certain terms and conditions;

NOWTHEREFORE the Municipality grants to the City the right to occupy the property of the Municipality (the "POA facilities") described as follows:

The Council Chambers, Committee Room and Mayor's Office
Municipality of Wawa Municipal Office
40 Broadway Avenue
Wawa, Ontario P0S 1K0

for a term of five years commencing June 19, 2017, and terminating on June 18, 2022, unless cancelled in accordance with Appendix "1" and for the purpose and subject to the terms and conditions set out in Appendix "1" attached (which to the extent each condition is or becomes applicable the City and Municipality covenant to observe).

The parties hereto hereby agree that this Licence of Occupation shall be effective the 19th day of June, 2017.

WITNESS the parties' corporate seals attested by its duly authorized officers.

SIGNED, SEALED AND DELIVERED

Dated at Sault Ste. Marie, this day of , 2017.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
PER:

CHRISTIAN PROVENZANO, MAYOR

MALCOLM WHITE, CLERK

Dated at Wawa, this 2nd day of May, 2017.

THE CORPORATION OF THE MUNICIPALITY OF WAWA
PER:

RON RODY, MAYOR

MANUELA BATOVANJA, ACTING CLERK

ATTACHED TO AND FORMING PART OF A LICENCE OF OCCUPATION AGREEMENT DATED MAY 2, 2017 BETWEEN THE CORPORATION OF THE CITY OF SAULT STE. MARIE AND THE CORPORATION OF THE MUNICIPALITY OF WAWA.

APPENDIX "1"

TERMS AND CONDITIONS

Purpose

To make available courtroom and chambers for Provincial Offences Court purposes by way of a Licence of Occupation agreement.

This Licence is subject to the following conditions:

1. Rent

The City shall pay to the Municipality rental amounts as follows:

(a) the sum of Three Thousand, One Hundred and Thirty Dollars and Eight Cents, ($3,130.08) payable annually, a maximum fifteen (15) days usage annually, ending March 15th each year, with any part year to be pro-rated;

(b) any extra days, over the maximum fifteen (15) days annual, shall be charged Two Hundred and Seven Dollars and Four Cents ($207.04), for each day; and

(c) the amounts quoted above shall be increased by the annual change in the Consumer Price Index (CPI) for Canada from the previous year on March 16th each year

2. Provincial Offences Court Dates

(a) The days and hours of the City's use of the POA facilities shall be as arranged from time to time between the City's Provincial Offences Court Liaison Supervisor and the Clerk of the Municipality. The Court Liaison Supervisor shall provide the Municipal Clerk with a list of scheduled POA court dates for the year as soon as it is provided by the Senior Regional Justice of the Peace.

(b) The parties recognize and agree that from time to time additional Provincial Offences Court dates may be scheduled. It is hereby

understood and agreed that the City shall obtain the approval of the Municipality in advance of scheduling any additional court dates other than the regularly scheduled monthly court dates.

3. Repairs

The City shall be responsible for all repairs of damages that occur to POA facilities during scheduled Provincial Offences Court sessions provided that notice of such damage shall be made in writing by the Municipality to the City.

4. Indemnification

The City shall indemnify and save harmless the Municipality from and against all claims including claims by the City and including, without limiting the generality of the foregoing, all claims for personal injury or property damage, regardless of the cause and from all costs, counsel fees, expenses and liabilities incurred in or about such claims or any action or proceeding brought thereon.

5. The City shall not use or permit the use of the subject property for any other purpose other than Provincial Offences Court.

6. This agreement may not be assigned without the written permission of the Municipality, which permission may not be arbitrarily withheld.

7. The permission to utilize the subject property herein granted operates solely as a Licence and does not transfer any exclusive possessory right or leasehold interest to the City.

8. All notices given pursuant to this agreement 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
Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior Litigation Counsel
The Corporation of the City of Sault Ste. Marie
P.O. Box 580
Sault Ste. Marie, Ontario P6A 5N1
Fax No. 705-759-5405

MUNICIPALITY
Mr. Chris Wray
CAO/Clerk-Treasurer
The Corporation of the Municipality of Wawa
P.O. Box 500
Wawa, Ontario P0S 1K0
Fax No. 705-856-2120

provided that each party may from time to time change its address for service on written notice to the other. Any notice or statement shall be deemed to have been received on the third business day after the day on which the same is mailed as aforesaid.

9. In the event the rent hereby reserved or any part thereof should be in arrears, or in the case of default should be made in the fulfillment of any covenant on the part of the City and such condition endures for a space of one (1) calendar month, the Municipality shall give to the City a notice in writing requiring the City to remedy the default in the said notice within thirty (30) days and in the event that the City fails to remedy the default within such period, the Municipality may enter upon and take possession of the property in the name of the whole and the same repossess and enjoy as of its former estate and the term hereby granted shall thereupon cease and determine.

10. Termination

The Municipality may terminate this agreement prior to the end of the Term by providing one (1) years' written notice to the City. In the event that the Municipality terminates this agreement the Municipality shall forthwith inform the City's Provincial Offences Court Liaison Supervisor of same and make reasonable efforts to accommodate the City elsewhere.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-112

AGREEMENT: (C3.23) A by-law to authorize the execution of the Agreement between the City and Sault Ste. Marie Museum for a grant for up to One Hundred Eighty-One Thousand and Ninety-One ($181,091.00) Dollars to assist with the collection, preservation, study and exhibits of the history of the people and the development of Sault Ste. Marie and immediate surrounding area.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated January 1, 2017 between the City and Sault Ste. Marie Museum, a copy of which is attached as Schedule “A” hereto. This Agreement is for a grant for up to One Hundred Eighty-One Thousand and Ninety-One ($181,091.00) Dollars to assist with the collection, preservation, study and exhibits of the history of the people and the development of Sault Ste. Marie and immediate surrounding area.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

mw \\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-112 - SSM Museum Grant Agreement.doc

CITY OF SAULT STE. MARIE GRANT AGREEMENT

THE AGREEMENT is effective as of the 1st day of January, 2017.

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter referred to as the "City")

-and-

Sault Ste. Marie Museum

(hereinafter referred to as the "Recipient")

WHEREAS

The City provides a grant to the Recipient on an annual basis to assist with the collection, preservation, study and exhibits of the history of the people and the development of Sault Ste. Marie and immediate surrounding area,

NOW THEREFORE the parties hereto agree as follows:

1. TERM

The Agreement will commence on the Effective Date and will expire on December 31, 2017 (the "Term") unless terminated by the City pursuant to the terms contained herein.

For all subsequent annual Agreements, the Recipient shall follow the provisions of paragraph 6 of this Agreement and such Agreement(s) are to be negotiated between the Recipient and the City, such Agreement(s) subject to City Council approval.

2. USE OF FUNDS

The Recipient acknowledges and agrees to the following:

i. To use the Funds solely for the activities and/or services eligible for funding as set out in Schedule "A" and that the City retains the right to assess the Recipient's use of Funds at any time;
ii. That the Funds shall not be used to cover any expense that has or will be funded or reimbursed by a third party, ministry, agency, or other organization; and
iii. That the amount of Funds available to it pursuant to this Agreement is determined by calculating the actual costs to the Recipient and subtracting any income including taxes, rebates, credits or refunds, for which the Recipient has received, will receive, or is eligible to receive during the Term. The Recipient shall immediately notify the City of any

change to its costs or income.

3. FUNDS PROVIDED

The City shall:

i. Provide the Recipient up to $181,091, (the "Funds") for the purpose of operational requirements, as apportioned in Schedule "A";
ii. Provide the Funds to the Recipient in accordance with Schedule "A"; and
iii. Provide the Funds by depositing same into an account designated by the Recipient provided that the account:
    a) Resides at a Canadian financial institution; and
    b) Is in the name of the Recipient organization.

The Recipient acknowledges that it is not eligible to receive any funding or grants from any City source in addition to the Funds agreed to herein for the Term of the Agreement, save and except for Municipal Tax Rebate Programs and Council approved special grant programs. The Recipient further acknowledges that any and all amounts owing to the City must be paid in full before the Funds will be released.

3.1 Funds upon Expiry of Agreement

The Recipient shall, upon expiry of the Agreement, forthwith return to the City any remaining Funds in its possession using a method of payment that is agreeable to the City.

3.2 Repayment of Overpayment

If at any time the City provides Funds to the Recipient in an amount excess to that which the Recipient is entitled to under the Agreement, the City may:

i. Deduct an amount equal to the excess Funds from any further instalments; or
ii. Demand that the Recipient repay an amount equal to the excess Funds to the City, wherein the Recipient shall forthwith comply.

4. INDEMNITY

The Recipient agrees to indemnify the City, its respective officers, employees and agents of, from and against all actions, suits, claims, costs, damages, executions and demands of any nature whatsoever which may be brought against or made upon the City, its respective officers, servants and agents, by reason of or on account of loss or damage to property or injury (including death) occasioned by any party arising out of the activities or services listed in Schedule "A" to this Agreement and all activities or services ancillary thereto except such indemnification shall not extend to any and all liabilities, damages, costs, claims, loss or actions arising out of the negligence of the City.

5. ACCOUNTING RECORDS

The Recipient shall maintain accounting records that document the receipt of the City Funds and all expenditures related to same. The Recipient shall keep its accounting records for at least seven (7) years after the expiration of the Term. The City retains the right to review or audit the Recipient's accounting records at any time and the Recipient shall provide full access to any and all such records as requested by the City.

6. REPORTS

The Recipient shall:

i. Submit to the City all documents in accordance with Schedule "B";
ii. Ensure that all Reports are signed on behalf of the Recipient by an authorized signing officer; and
iii. Annually present to City Council in the last quarter of calendar year on a date specified by the City a summary of the Recipient's financial state, including but not limited to a summary of its funding, revenue and expenses, and a summary of the impact that the City funding has had, if any, on fulfilling the mandate of the organization.
iv. Submit by September 1 a written request for funding for the following fiscal year.

7. TERMINATION

The City may, at its sole discretion, cancel this Agreement on six (6) months' written notice to the Recipient. In the event of such early termination of this Agreement, the Recipient acknowledges that same shall result in the immediate stoppage of any future payment of Funds from the City up to the date of termination, provided however, that in the event that the City elected to terminate the Agreement as a result of a default of the terms and conditions of the Agreement, the sole determination of which shall be made by the City in its sole discretion, the remedies, terms and amounts set out in Section 9 herein shall apply.

8. INSURANCE

The building where the Sault Ste. Marie Museum is located is insured under the City of Sault Ste. Marie's umbrella insurance policy, with the exclusion of chattels and fixtures.

9. DEFAULT

The Recipient agrees that any default to the terms and conditions contained herein by the Recipient shall result in the immediate stoppage of payments from the City and immediate termination of the Agreement. The Recipient further agrees that a default arising from any use of Funds that is contrary to the terms of this Agreement as determined by the City may also result in the repayment of Funds to the City in an amount proportionate to the Funds that were improperly used in a method of payment specified by the City.

10. NOTICE

Any notice pursuant to any of the provisions of this Agreement shall be given in writing addressed:

In the case of notice to the City:

Chief Financial Officer/Treasurer
The Corporation of the City of Sault Ste. Marie
99 Foster Drive
Sault Ste. Marie, ON P6A 5N1

In the case of notice to the Recipient:

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day, month and year first above written.

EXECUTED IN THE PRESENCE OF

Ric Datson

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – MALCOLM WHITE

Sault Ste. Marie Museum

NAME ALLAN K. HACKETT

NAME PHILIP D MCCEA
(We have the authority to bind the corporation.)

SCHEDULE "A"

1. PROJECT DESCRIPTION

The Sault Ste. Marie Museum is a non-profit, charitable organization facilitated by the Sault Ste. Marie & 49th Field Regiment R.C.A. Historical Society for the citizens of Sault Ste. Marie and the District of Algoma, as well as visitors to the community. The City provides funding dollars to assist in the operating costs and to allow the Sault Ste. Marie Museum to collect, preserve, study and exhibit artifacts and archival materials which illustrate the history of the people and the development of Sault Ste. Marie and immediate surrounding area.

2. ELIGIBLE GRANT EXPENDITURES

Description of Expenditure	Cost
Salary & benefits for permanent staff	$100,000
Other operational expenses, including • minor capital • funds used to leverage upper levels of government funding to enhance program delivery including temporary/contract employee salary/benefits.	$ 81,091
Unused funding for salary and benefits may be used for other operational expenses as long as total grant approved is not exceeded	
Total:	$181,091

3. MAXIMUM FUNDS $ 181,091

4. INSTALLMENT SCHEDULE

The City shall deposit Funds into a satisfactory account in accordance with the following schedule:

January 3, 2017	$45,272.75
April 3, 2017	$45,272.75
July 3, 2017	$45,272.75
October 2, 2017	$45,272.75

Should any one of the above-mentioned dates or amounts require adjustment for any reason by the City, the City shall provide notice to the Recipient and specify the adjusted date or amount of the deposit.

5. EXPIRY DATE

December 31, 2017

SCHEDULE "B"

REPORTING

The following documents shall be filed with the Finance Department of the City by February 1 of the year following each year funding was received:

1) Annual financial statements for the Recipient organization, preferably accompanied by an auditor's report, if available;
2) Written summary of Eligible Expenses, in the form provided in Schedule "C".

SCHEDULE "C"

SUMMARY OF ELIGIBLE EXPENSES

Eligible Expense	Approved $	Actual (net of refundable HST)
Totals:		

I hereby confirm that all Funds received and reported in this Schedule were applied to an Eligible Expense as defined in Schedule "A" and that none have been reimbursed by another party.

Signature/Title

Date

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-113

AGREEMENT: (P5) A by-law to authorize the execution of the Agreement between the City and Stem Engineering Group Incorporated to provide Engineering services for Finger Dock Replacement at the City's Marinas.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement between the City and Stem Engineering Group Incorporated to provide Engineering services for Finger Dock Replacement at the City's Marinas.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

da LEGAL\STAFF\BYLAWS\2017\2017-113 EXECUTION STEM ENG AGREEMENT RE FINGER DOCK REPLACEMENT.DOC

AGREEMENT FOR PROFESSIONAL SERVICES (SHORT FORM)

This Agreement is made as of _____ between:

STEM Engineering Group Incorporated (herein called "STEM")

And

The Corporation of the City of Sault Ste. Marie

CLIENT ADDRESS: 99 Foster Drive
Sault Ste. Marie, ON
P6A 5X6

PROJECT NAME: Finger Dock Replacement of City of Sault Ste. Marie Marinas

STEM PROJECT NO.: 17069

1. SERVICES

The CLIENT requests and authorizes STEM, and STEM agrees, to perform the following Site Engineering Services in a professional, competent manner:

- Provide Engineering Services as described in the City's Request for Proposal (attached as Schedule 1).
- Provide Engineering Services as described in STEM Engineering Group's Proposal (attached as Schedule 2).

2. CLIENT SERVICES

The CLIENT will provide the following information required to complete the design:

- All survey, geotechnical, drawings, and other engineering information available which may be relevant to the project.

3. EXCLUSIONS

The following exclusions apply to this proposal since it is either unknown whether the service will be required or the cost associated with the service is beyond our control.

- Travel disbursement (billed @$0.55/kilometer)
- Printing of contract documents (drawings and specifications).
- Client will pay any fees associated with environmental permitting or approvals (MOECC, MNR, etc.).

4. COMPENSATION

The CLIENT will pay STEM for the services noted a fixed fee of: **$15,300 + HST**

5. ENTIRE PROPOSAL/AMENDMENT

This proposal is independent of all prior agreements and understandings between the parties respecting the above services. There are no other collateral warranties, representations or agreements. This agreement shall not be amended except by writing signed by the parties.

ACCEPTED BY STEM:	APPROVED BY CLIENT:
Per: _____	Per: _____
Date: _____	Date: _____

SCHEDULE 1

ORIGINAL MUNICIPAL RFP

The Corporation of the
City of Sault Ste. Marie

Corporate Services
Finance Department
Purchasing Division

Tim Gowans
Manager of Purchasing

Request for Proposal

Engineering Services for Finger Dock Replacement for City of Sault Ste. Marie Marinas

SECTION 1

INFORMATION TO PROPONENTS

1.1 Introduction

The City of Sault Ste. Marie is requesting proposals from Vendors of Record (VOR) within the Buildings, Architectural, Mechanical, Electrical Category to provide engineering services associated with the proposed replacement of finger docks B & E located at the Bellevue Marina, and the fuel dock at the Bondar Marina.

The docks identified as needing replacement are of floating wooden construction, and may include electrical and water connections for the use of boaters. They are 40 plus years old; were purchased used; and then refurbished at the time of installation.

It is anticipated that prefabricated modular replacement units with composite decking material, aluminum substructure and poly extruded floats will be specified and installed.

Onsite work is anticipated to be completed prior to freeze-up in the Fall of 2017.

1.2 Date and Place for Receiving Proposals

All proposals must be sealed in an envelope properly marked as to contents **("Proposal for Engineering Services for Finger Dock Replacement for Sault Ste. Marie Marinas – File 2017CDE-CS-01-T") and delivered to:**

The City of Sault Ste. Marie
Attn: Manager of Purchasing
99 Foster Drive – Level 2
Sault Ste. Marie, Ontario, P6A 5X6

By the following date and time:
Date: Friday, April 21, 2017
Time: **4:00 p.m., local (Eastern) time**
Late Proposals will not be accepted and will be returned unopened.

The Corporation reserves the right to reject any or all Proposals and the lowest or any Proposal will not necessarily be accepted.

The Contact Person for this RFP is Mr. Rick Borean; Supervisor – Community Services; telephone 705-759-5312; email r.borean@cityssm.on.ca.

It will be the Proponent's responsibility to clarify any questions before submitting a Proposal. A written addendum issued by the **City of Sault Ste. Marie** is the only means of changing, amending or correcting this RFP. In the process of responding to this RFP, the Proponent should not utilize any information obtained outside this protocol.

1.3 Errors, Omissions, Clarifications

During the period for Proposal preparation, any questions concerning the Terms of Reference requirements should be addressed ***by email*** to Mr. Rick Borean; Supervisor – Community Services; telephone 705-759-5312; email r.borean@cityssm.on.ca.

General bidding process inquiries should be directed (by email preferred) to Mr. Tim Gowans; Manager of Purchasing; telephone 705-759-5298; email t.gowans@cityssm.on.ca.

Proposals should be limited to ten (10) pages, single sided including appendices; including the Letter of Introduction. **The Letter of Introduction (required) must affirm that the Signee is authorized to bind the Proponent to the contents of the Proposal including pricing.**

1.4 Withdrawal/Decline of Proposal

Proponents will be permitted to withdraw their Proposal, unopened, after it has been deposited, if such a request is received by the City, prior to the time specified for the opening of Proposals.

Proponents on the City's VOR list for the Buildings, Architectural, Mechanical, Electrical Category are not required to submit a proposal if the proponent so elects. Declining to submit a proposal will not result in removal of the proponent from the VOR list. A letter to the City declining to submit a Proposal for this RFP would be appreciated.

1.5 Informal Proposals

Proposals are to conform to the terms and conditions set out herein. Proposals which are incomplete, conditional, or obscure, or which contain additions not called for, erasures, alterations, or irregularities of any kind, may be rejected as informal. All Proposals must be legibly signed in ink by an authorized officer of the Proponent's firm.

1.6 Proposal Evaluation

All proponents have been prequalified on the City's VOR list. The successful proponent will be selected based on evaluation of the proposal utilizing a rating system which considers the requirements mentioned below. A committee composed of City staff will be used in the selection process.

1) Consulting team's expertise in design of docks and other floating structures, and municipal engineering. Include relevant past experience on similar projects;

2) Detailed proposed work program methodology;

3) A detailed schedule recognizing critical deliverables, progress meetings and timelines; and

4) A fee schedule (showing HST as extra) indicating the name, role and rate of pay for each individual assigned to the project. The total cost of the engineering assignment shall include work up to and including the final installation. Cost of Disbursements must be itemized on the fee schedule. No further payment will be made above this figure unless authorized in advance by the City.

The City reserves the right, in its sole and absolute discretion to select a preferred Proponent with which to negotiate a final contract, terminate the proposal call or reject any and all Proposals.

The City will endeavor to complete the evaluation process within a reasonable time frame. The City reserves the right to contact Proponents to seek clarification of the proposals, as submitted, to assist in the evaluation process. Interviews may be required. **Please see Paragraph 1.10 concerning incurred costs associated with attendance at such interviews.**

IMPORTANT: The decision of the City of Sault Ste. Marie with respect to this Request for Proposals is considered final. In submitting a Proposal, Proponents agree that there is no recourse to the City of Sault Ste. Marie for its decision.

1.7 Conditions and Requirements of Work

Proponents are required to submit their proposals upon the conditions that they shall satisfy themselves by personal examination of the location of the proposed works, or by such other means, as they may prefer, as to the actual conditions and requirements of the work.

The successful Proponent is required to comply with the requirements of the City's Contractor Pre-Qualification Program prior to the start of any onsite work on this Contract. These requirements include but are not limited to WSIB Coverage, Liability Insurance Coverage, Accessibility Training, and Safe Work Practices. Details regarding compliance with this requirement may be obtained by contacting Aldo Iacoe, Health & Safety Coordinator, telephone 705-759-5367 or by email to a.iacoe@cityssm.on.ca.

1.8 Proposal Left Open

The Proponent shall keep their Proposal open for acceptance for sixty (60) days after the closing date.

1.9 Schedule

(A) Release of RFP: April 4, 2017
(B) Submission of Proposal: April 21, 2017
(C) Recommendation of Award: May, 2017
(D) Signing of Agreement: May, 2017
(E) Commencement of Services: May, 2017
(F) Construction Commencement: Summer/Fall 2017

The City reserves the right to alter the scheduling of items "C" to "F". Proponents are asked to designate one contact person to whom any additional information deemed to be relevant to the proposal may be communicated.

1.10 Incurred Costs

The City will not be liable for, nor reimburse any Proponent for costs incurred in the preparation of Proposals or any other costs such as preparation for, and attendance at interviews that may be required as part of the evaluation process.

Whenever possible, at the sole determination of the City, additional information and/or clarifications will be obtained by telephone or other electronic means.

1.11 Alterations to Documents

No electronic reproduction or alteration of the original document will be permitted under any circumstance. The Proponent shall not change the wording of the proposal after submission; and no words or comments shall be added to the general conditions or detailed specifications unless requested by the City for the purpose of clarification.

1.12 Confidentiality & Post-Award Comment

No Proponent shall have the right to review or receive any information with respect to a proposal, documentation, or information submitted by any other Proponent. The content of the proposal, and all documentation, and information shall be held in confidence by the City subject only to the provision of freedom of information and privacy legislation, including without limitation, the Municipal Freedom of Information and Protection of Privacy Act.

Post-Award Comment by the City regarding this Request for Proposal will be limited to written notification to all Proponents of the successful Proponent's name and address only – no further debriefing will be provided. **In submitting a Proposal, Proponents acknowledge and agree to this provision.**

1.13 Municipal Freedom of Information & Protection of Privacy Act

The Corporation of the City of Sault Ste. Marie is governed by the provisions of the Municipal Freedom of Information and Protection of Privacy Act. All documents submitted to the City in response to this Request for Proposal become the property of the City and as such will be subject to the disclosure provisions of the Act. The Act gives persons a right of access to information held by the municipality. The right of access is subject to exemptions contained in the Act.

1.14 Indemnification

The successful Proponent will indemnify and save harmless the City against and from all actions, causes of action, interest, claims, demands, costs, damages, expenses or loss which the City may bear, suffer, incur, become liable for, or be put to by reason of any damage to property or injury or death to persons by reason of, arising out of or in consequence of breach, violation of non-performance by the successful Proponent of any provision of the agreement, or by reason of or arising out of the use of the premises or in connection with the work covered by this contract, or by reason of or arising out of any act, neglect or default by the successful Proponent or any of its agents or employees or any other person or persons, in, on, or about the premises.

The rights to indemnity contained in this section shall survive any termination of the agreement, anything in this agreement to the contrary notwithstanding.

1.15 Agreement for Services

The successful consultant will be required to enter into a standard MEA/CEO agreement for engineering services with a fee limit established at the outset of the agreement.

Additional fees for unforeseen work which may be required must be approved in writing by the City prior to expenditure.

SECTION 2

TERMS OF REFERENCE

2.1 Introduction

The City of Sault Ste. Marie is seeking an engineering consultant or consulting team to provide engineering services required for replacement of finger docks B & E located at the Bellevue Marina, and the fuel dock at the Bondar Marina.

The docks identified as needing replacement are of floating wooden construction, and may include electrical and water connections for the use of boaters. They are 40 plus years old and were purchased used and then refurbished at the time of installation.

It is anticipated that prefabricated modular replacement units with composite decking material, aluminum substructure and poly extruded floats will be specified and installed.

The successful Proponent will collect and analyze information to develop recommendations, design, prepare tender documents, obtain permits and administer contracts for the construction of the proposed works.

2.2 Existing Documentation

Drawings of the Bellevue and Bondar Marinas are included with this RFP.

Additional drawings may be viewed at the City's Community Services Offices on Level 2 of the Civic Centre.

2.3 Project Notes and Design of the Proposed Improvements

Bellevue Marina:
E Dock to be replaced as per with Composite decking materials, mooring anchors;
Full 30 amp power service, Water service;
All Ramps should be marine accessible standards with double hand rails;
Emergency Water Access Ladder required at end of dock;
Pontoons should be able to withstand harsh winter ice buildup and extreme water fluctuations;
Jetties should be movable along rail system with 'Y' configuration for stability.

B Dock to be replaced less 2 jetties. Same material make up as per E Dock;
Dock is unserviced;
All Ramps should be marine accessible standards with double hand rails;
Emergency Water Access Ladder required at end of dock;
Pontoons should be able to withstand harsh winter ice buildup and extreme water fluctuations;
Jetties should be movable along rail system with 'Y' configuration for stability.

Bondar Marina:
Bondar Fuel dock to be approximately 39 meters and consist of only 2 staging jetties, the jetty before the 10 meter sections begin will not be put in service;
Dock and Ramp to be consistent with Bellevue Marina B & E Dock replacements;
Emergency Water Access Ladder required at end of dock;
Ramps should be marine accessible standards where applicable with double hand rails;
Pontoons should be able to withstand harsh winter ice buildup and extreme water fluctuations;
Jetties should be movable along rail system with 'Y' configuration for stability.

The successful Proponent will use sound engineering principles to design new dock systems that will replace the existing.

2.4 Project Requirements

The successful Proponent will determine the number of progress meetings and outline them in the proposal.

The minimum is expected to be:

- Design Meetings with City staff;
- Prepare High Level Budget and suggested Project Schedule;
- Complete required applications and obtain required permits – Ministry of the Environment & Climate Change (MOECC), Sault Ste. Marie Region Conservation Authority (SSMRCA), Ministry of Natural Resources & Forestry (MNRF), Fisheries & Oceans Canada (DOFO), and Transport Canada;
- Contract/ tender preparation;
- Contract administration.

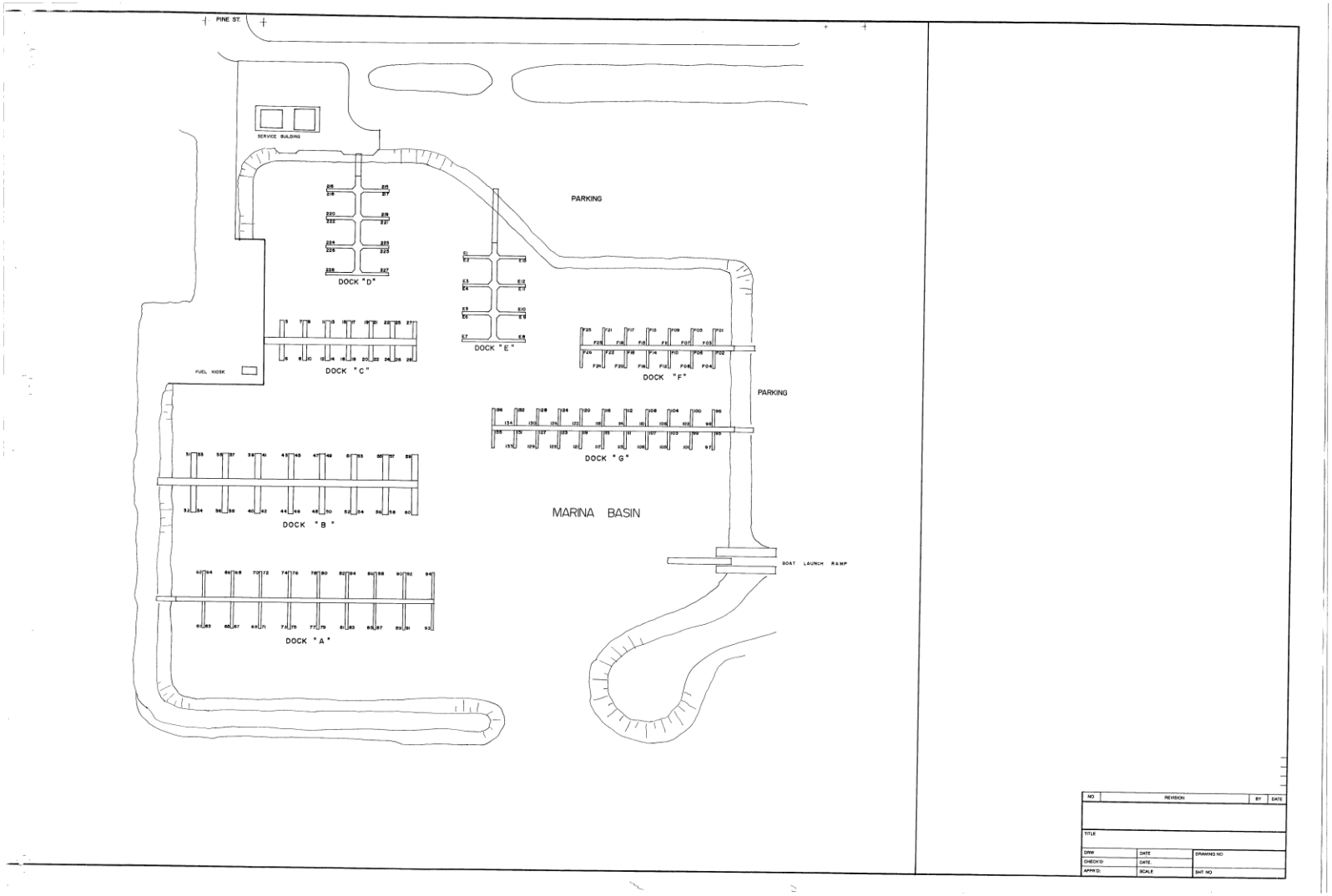
2.5 Project Timeframe

It is anticipated that the project will be tendered in June of 2017 with construction completed by November 2017. The successful Proponent will be able to start immediately following an agreement being approved by Council in May of 2017.

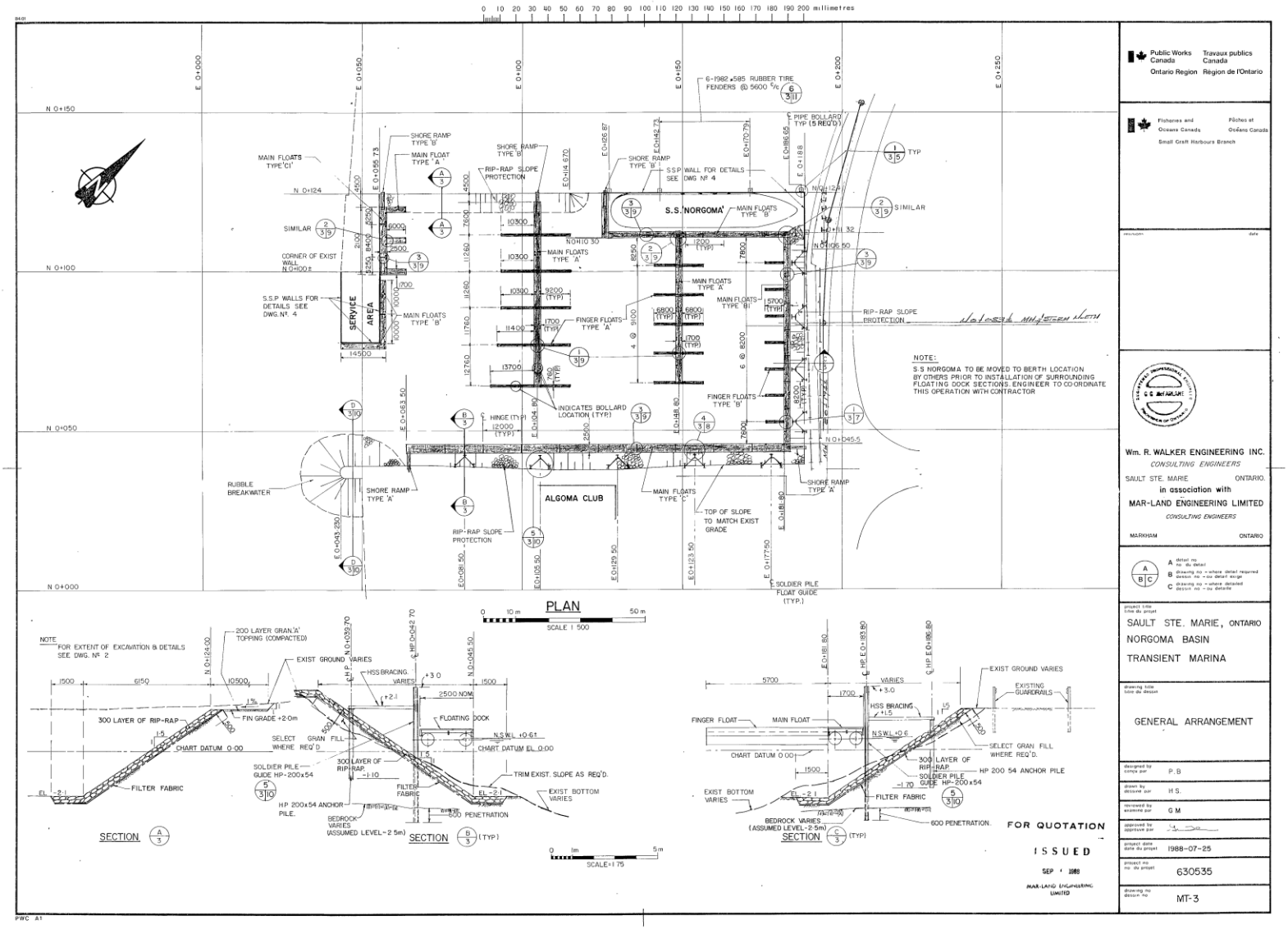
2.6 Project Deliverables

The project deliverables of the Finger Dock Replacement will include:

- Meetings with City and Approval Agencies (as required);
- Provide pre-engineering and construction field services, materials testing (as required);
- Preliminary Design Reports;
- Preparation of design and construction drawings;
- Obtain required permits;
- Preparation of all contract documents;
- Contract administration;
- Provision of post-construction record drawings.



Bellevue Marina



Bondar Marina

SCHEDULE 2

STEM PROPOSAL

Proposal

for

Engineering Services, Finger Dock Replacement – SSM Marinas

Prepared for: The City of Sault Ste. Marie

Date: April 21, 2017

Submitted by:

ENGINEERING GROUP
875 Queen Street, East, Suite 2
Sault Ste. Marie, Ontario
P6A 2B3

Project No.: 17069

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STEM
ENGINEERING GROUP

875 Queen Street East, Suite 2
Sault Ste. Marie, ON P6A 2B3
Canada

p. 705.942.6628
f. 705.942.7515

www.stemeng.ca
mail@stemeng.ca

April 21, 2017

STEM Project No. 17069

City of Sault Ste. Marie
Purchasing Division – Finance Department
99 Foster Drive, P. O. Box 580
Sault Ste. Marie, ON P6A 5N1

Attention: **Mr. Rick Borean**
Supervisor – Community Services

Subject: **Proposal for Engineering Services**
Finger Dock Replacement – SSM Marinas
File # 2017CDE-CS-01-T Engineering Services
Letter of Introduction

Thank you for inviting STEM to submit a proposal for the subject work. This is an interesting project for Sault Ste. Marie and STEM would be pleased to assist the City in this endeavour.

Our firm has a rich history of being involved in numerous dock related projects through the years as outlined in our proposal. We have several engineers and technicians with differing specialties and so are able to give this project the attention it will require to guarantee a successful conclusion. Our plan will be to engage the relevant individuals at the City in the initial stages of our design to ensure that we are heading in the direction that you are looking for in the ultimate solution.

This letter certifies that the undersigned is a signing member of STEM Engineering Group Incorporated (STEM) and that he has the authority to sign and bind STEM to the contents of this proposal.

We trust that the attached proposal is satisfactory; however, if you have any questions, please contact the undersigned.

Mark Coleman, P. Eng.
Principal

Project Methodology

OVERVIEW

STEM Engineering Group is proposing to perform engineering design work, project management, preparation of contract documents, and contract administration for the City of Sault Ste. Marie's Finger Dock Replacement at the Bondar and Bellevue Marinas as outlined in the City's request for proposal.

We feel that STEM is a good choice to do this work since we have extensive experience with docks ranging in scope from smaller private docks to large commercial docks such as those at Essar Steel.

METHODOLOGOY

In general, our approach to this work will be as follows:

For this project we will work closely with the City to determine the requirements for the new docks. Meetings will include Community Services and individual(s) responsible for operating the marina so that we are able to fully understand the requirements for the new docks.

We will evaluate and research several dock manufacturers in Ontario in order to find the optimal supplier for the new docks. We will also research various dock anchoring systems to determine the optimal anchoring system for each dock.

Permitting and environmental approvals will be addressed by meeting with the various regulating Ministries or organizations to determine what will be required. We anticipate at a minimum meeting with:

- Ministry of Environment and Climate Change
- Ministry of Natural Resources
- Fisheries and Oceans Canada
- Sault Ste. Marie Conservation Authority
- Transport Canada

SURVEY

It is not anticipated that a survey will be required since it appears that most of the work will be in the water and that there is adequate existing information. However if a survey is required STEM Engineering has the capability to do this work for both terrestrial and marine surveys. Survey work is not included in our proposal.

GEOTECHNICAL INVESTIGATION

Similarly, we do not anticipate that a geotechnical investigation will be required for this project. If such an investigation is required this work will be in addition to the scope of our proposal.

ELECTRICAL IMPROVEMENTS

If there are any required electrical improvements on this project we will work with David Barban, P. Eng. with Nor Mech Engineering for the design of these improvements. It is not anticipated that this will be required so this work is not within the scope of our proposal.

WATER SUPPLY IMPROVEMENTS

Any improvements to the water system will be done with full PUC approval and the required water service application. We are very familiar with this process due to our extensive experience with private development projects. It is not anticipated that this will be required so this work is not within the scope of our proposal.

MUNICIPAL CLASS ENVIRONMENTAL ASSESSMENT and PUBLIC COMMENT

We do not anticipate that a Class EA or public comments will be required for this project so this work is not included in our proposal.

DESIGN MEETINGS and PROJECT DELIVERABLES

With regard to design and coordination meetings with the City we anticipate a minimum of two meetings. These meetings will be at the 10 and 90 percent complete stages at a minimum.

We will act as the project manager on behalf of the City of Sault Ste. Marie on this project in order to effectively design, tender, and construct this project. This work will include all required coordination with various stakeholders and all regulatory approvals and permitting. Additionally, we will administer the contract on this project as required and provide intermittent site inspection during construction as required. Finally, as-built drawings will be provided at the completion of the project to document the work as constructed.

SCHEDULE

Design Start – May 23rd

10% Client Meeting – June 5th

90% Client Meeting – June 26th

Design Complete – July 4th

Tender Period – July 4th – July 27th

Construction Start – August 14th*

Construction End – September 15th*

*Alternately, if construction will be too disruptive to Marina operations construction start and end dates will be pushed back to a later date – possibly October and November, respectively, if that suits the City.

Project Team

Locally owned and operated, STEM has a staff of 14, including seven (7) engineers (5 senior) and support personnel, project managers, engineers, CAD technicians, and field technicians. Our experienced staff work together as a team and are able to quickly address the needs of our clients. Quality service with practical solutions and a timely, cost effective response is a priority on every project. Following is a brief description of our key project personnel that would be integral to this project:

- **Randy Beltramin, P. Eng., Principal**

Mr. Beltramin is a founding Principal and Senior Engineer with STEM. He is an experienced structural specialist, having acquired a broad field of expertise during his years in the consulting field. Randy has worked with timber, steel, concrete, and masonry structures ranging from apartments, churches and schools to industrial crane runways and mill buildings. His structural experience has also encompassed civil works such as retaining walls and bridges. Mr. Beltramin's responsibilities in these projects have included design, cost estimates, feasibility studies, project management, field review, reports, drawings, specifications, and assessments of damaged and deteriorated structures. He also provides structural and building envelope forensics for insurance companies, and building condition assessments for public and private clients.

- **Andrew Barnebey, P. Eng., Senior Engineer**

Andrew will head up our civil design team and be responsible for the direction in which the project proceeds. He will liaise with the City, and all other stakeholders, as our design proceeds and direct our technical staff on our design approach and modifications. Mr. Barnebey will carry out designs, and review designs of junior staff and technicians as they proceed. Andrew is familiar with environmental approvals and permitting, and will supervise this portion of the work, in addition to conducting consultations with all relevant environmental and permitting Ministries and organizations.

- **Karina Gagné, EIT., Civil Designer**

As an EIT, Karina's role on this project will be to carry out various design and drafting functions under the oversite of Mr. Barnebey, for all civil aspects of the project. Karina will also do much of the initial research work on dock suppliers and dock types. In addition, she will assist with contract document and specification preparation and field work as necessary during the construction period.

- **Dan Bertolo, Senior Technologist**

Dan joined STEM Engineering in February 2007 as a site Supervisor/Inspector. Dan has several years of experience in civil work encompassing supervision, material purchasing, cost coding, estimating, and quality control. Dan also has experience in monitoring and reporting on the ISO 9000 program and possesses an in-depth knowledge and understanding of construction procedures and industry standards, including health and safety policies and regulations. He has the ability to interact with Contractors, Clients, Government Representatives, Utility Representatives and the General Public. For this project Dan will assist with contract and specification preparation as well as the field review during construction if required.

Experience

STEM Engineering's work in municipal engineering is quite extensive having been involved in various municipal infrastructure projects since our inception. In addition, we have been involved in many private dock projects featuring significant structural challenges and rehabilitative efforts. The following is a brief description of similar projects completed in the past:

- **Bellevue Marina Floating Dock Repairs**

Dock repairs to boat launch floating dock. This project consisted of a review of the existing dock conditions and design of dock repairs. Dock repairs were done by the City's own forces.

- **Shunock Dock**

Environmental sampling and environmental permitting for dredging for boat slip at private dock.

- **Essar Steel Dock – Load Capacity Certification**

This project consisted of load analyses and structural capacity evaluation for an existing sheet pile dock with granular soil infill. The dock is used for staging of steel coils and plate steel prior to shipping by boat/ barge.

- **Essar Export Dock - Repairs**

Design and consultation for structural repairs to the Essar export dock. This work involved divers and pumping concrete into various voids in the dock to restore the structural integrity of the dock. This dock has an innovative construction involving the use of a decommissioned and scuttled freighter which served as the base for the dock when it was originally constructed. The innovative construction technique led to unusual engineering challenges in the repair of this dock.

- **Essar Commercial Dock – Stabilization & Bollards**

This work consisted of dock stabilization and design of new bollards to be used to moor ships. This dock features a timber pile support system with concrete floor slab.

- **Essar Commercial Dock – Stability Analysis**

This work was done after a failure of approximately 50% of the commercial dock. The work involved the load assessment of the portion of dock which had not failed to assess its safety and stability, and repairs and improvements to this portion of the dock. Ultimately a revised load rating was prepared for this dock.

Fee Schedule

We propose to offer our services to do the work as described in the municipal request for proposal and as described in our proposal for the fixed fee of:

$15,300 (before HST) plus disbursements*

Unit rates for the staff working on this project are as follows:

Randy Beltramin, P. Eng., Principal	$160/ hr.
Andrew Barnebey, P. Eng., Senior Engineer	$135/ hr.
Karina Gagné, EIT, Civil Designer	$85/ hr.
Dan Bertolo, Senior Technologist	$95/ hr.

*Disbursements will include travel and printing charges

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-114

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of St. Mary's River Drive from the railroad crossing to Foster Drive on June 11, 2017 to facilitate the Run the Great Lakes running event.

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 ST. MARY'S RIVER DRIVE**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of St. Mary's River Drive from the railroad crossing to Foster Drive on June 11, 2017 from 9:00 a.m. to 10:30 a.m. to facilitate the Run the Great Lakes running event.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

mw \\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-114 Run the Great Lakes - St. Mary's River Drive street closing.doc

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-115

AGREEMENT: (E2.3) A by-law to authorize the execution of the Agreement between the City and Tulloch Engineering Inc. for the East End Sewage Treatment Plant Primary Clarifiers and Bioreactor engineering services.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Agreement dated May 29, 2017 between the City and Tulloch Engineering Inc., a copy of which is attached as Schedule “A” hereto. This Agreement is for the East End Sewage Treatment Plant Primary Clarifiers and Bioreactor engineering services.

2. **SCHEDULE "A"**

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

3. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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Schedule "A"

M.E.A. / C.E.O.

CLIENT / ENGINEER AGREEMENT

FOR

Professional Consulting Services

2016

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AGREEMENT

FOR

PROFESSIONAL CONSULTING SERVICES

Dated the 29th day of May A. D. 2017

-BETWEEN-

Corporation of the City of Sault Ste Marie

Hereinafter called the 'Client'

THE PARTY OF THE FIRST PART

-AND-

TULLOCH ENGINEERING INC.

Hereinafter called the 'Engineer'

THE PARTY OF THE SECOND PART

WHEREAS the Client intends to complete an assessment of settlement issues at the East End Wastewater Treatment Plant including the primary clarifier and bioreactor as well as a review of other structures at the site,

Hereinafter called the 'Project' and has requested the Engineer to furnish professional services in connection therewith.

NOW THEREFORE WITNESSETH that in consideration of the covenants contained herein, the Client and the Engineer mutually agree as follows:

DEFINITIONS

a) Engineer - In this Agreement the word Engineer shall mean professionals and other specialists engaged by the Client directly and whose names are party to this Agreement.

b) Services – In this Agreement the word Services shall mean the performance of duties or the duties performed or the employment of any duties or work for a person, organization, government, etc.

c) RFP – Request for Proposal issued by Public Works and Engineering Services Department dated 2017-03-28 and entitled "Request for Proposal City of Sault Ste. Marie East End Wastewater Treatment Plant Settlement Review – Consulting Engineering".

d) Addenda – Addendums 1 and 2

e) Order of Precedence:

    i. Addendums

    ii. Request for Proposal issued

    iii. Proposal submission document including detailed Work Plan and Fee Estimate

ARTICLE 1 - GENERAL CONDITIONS

1.1 Retainer

The Client hereby retains the services of the Engineer in connection with the Project and the Engineer hereby agrees to provide the services described in Article 2 (The Services) for the Project under the general direction and control of the Client.

1.2 Compensation

The Client shall pay the Engineer in accordance with the provisions set forth in Article 3. For purposes of this agreement, the basis of payment shall be as specified in Article 3.2.

1.3 Staff and Methods

The Engineer shall perform the services under this agreement with the degree of care, skill and diligence normally provided in the performance of such services as contemplated by the agreement at the time such services are rendered and as required by the Professional Engineers Act (RSO 1990, Chapter P.28) and the regulations therein. The Engineer shall employ only competent staff who will be under the supervision of a senior member of the Engineer's staff. The Engineer shall obtain the prior agreement of the Client before making any changes to the staff list after commencement of the Project.

1.4 Drawings and Documents

Subject to Section 3.2.4 of Article 3, drawings and documents or copies thereof required for the Project shall be exchanged between the parties on a reciprocal basis. Documents prepared by the Engineer for the Client may be used by the Client, for the Project herein described, including "record" drawings. The Client has ownership of the drawings and the client indemnifies the Engineer for unauthorized use of the documents and deliverables.

1.5 Intellectual Property

All concepts, products or processes produced by or resulting from the Services rendered by the Engineer in connection with the Project, or which are otherwise developed or first reduced to practice by the Engineer in the performance of his Services, and which are patentable, capable of trademark or otherwise, shall be and remain the property of the Engineer.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Engineer in connection with the Project and for no other purpose or project.

1.6 Records and Audit

a) In order to provide data for the calculation of fees on a time basis, the Engineer shall keep a detailed record of the hours worked by staff employed for the Project.

b) The Client may inspect timesheets and record of expenses and disbursements of the Engineer during regular office hours with respect to any item which the Client is required to pay on a time scale or disbursement basis as a result of this Agreement.

c) The Engineer, when requested by the Client, shall provide copies of receipts with respect to any disbursement for which the Engineer claims payment under this Agreement.

d) For seven (7) years after the expiry date or any date of termination of the Agreement, the Engineer shall maintain all necessary records to substantiate i) all charges and payments under the Agreement and ii) that all deliverables were provided in accordance with the Agreement.

1.7 Changes and Alterations and Additional Services

With the consent of the Engineer, the Client may in writing at any time after the execution of the Agreement or the commencement of the Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the Engineer shall be paid in accordance with Section 3.2.2 for such additional staff employed directly thereon, together with such expenses and disbursements as allowed under Section 3.2.4, or as otherwise agreed in writing between the parties.

1.8 Delays

In the event that the start of the project is delayed for sixty (60) days or more for reasons beyond the control of the consultant, the Engineer shall have the right to renegotiate the agreement before the commencement of the project.

1.9 Suspension or Termination

The Client may at any time by notice in writing suspend or terminate the Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Engineer shall perform no further Services other than those reasonably necessary to close out his Services. In such an event, the Engineer shall be entitled to payment in accordance with Section 3.2 for any of the Engineer's staff employed directly thereon together with such expenses and disbursements allowed under Section 3.2.

If the Engineer is practicing as an individual and dies before his Services have been completed, this Agreement shall terminate as of the date of his death, and the Client shall pay for the Services rendered and disbursements incurred by the Engineer to the date of such termination.

1.10 Indemnification

The Engineer shall indemnify and save harmless the Client from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Client, his employees, officers or agents may suffer, to the extent the Engineer is legally liable as a result of the negligent acts of the Engineer, his employees, officers or agents in the performance of this Agreement.

The Client agrees to hold harmless, indemnify and defend the Engineer from and against any and all claims, actions, losses, expenses, costs or damages of every nature including

liability and costs of defense arising out of or in any way connected with the presence, discharge, release or escape of contaminants of any kind, excluding only such liability as may arise out of the negligent acts of the Engineer in the performance of consulting services to the Client within this project.

1.11 Insurance

The Client will accept the insurance coverage amount specified in this clause section (a) and (b) or as specified in the RFP as the aggregate limit of liability of the Engineer for Clients damages.

a) Comprehensive General Liability and Automobile Insurance

The Insurance Coverage shall be $5,000,000 per occurrence and in the aggregate for general liability and $2,000,000 for automobile insurance. When requested, the Engineer shall provide the Client with proof of Comprehensive General Liability and Automobile Insurance (Inclusive Limits) for both owned and non-owned vehicles.

b) Professional Liability Insurance

The Insurance Coverage shall be in the amount of $2,000,000 per claim and in the aggregate. When requested, the Engineer shall provide to the Client proof of Professional Liability Insurance carried by the Engineer, and in accordance with Professional Engineers Act (RSO 1990, Chapter P.28) and Regulations therein.

c) Additional Coverage

If the Client requests to have the amount of coverage increased from that detailed in the RFP, or requests other special insurance for this Project then the Engineer shall endeavour forthwith to obtain such additional or special insurance at the Client's expense as a disbursement allowed under Section 3.2.

It is understood and agreed that the coverage provided by these policies will not be changed or amended in any way nor cancelled by the Engineer until (30) days after written notice of such change or cancellation has been delivered to and acknowledged by the Client.

1.12 Force Majeure

The Client agrees that the Consultant is not responsible for damages arising directly or indirectly from any delays for causes beyond the Consultant's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labour disputes; severe weather disruptions or other natural disasters or acts of God; fires; riots, war or other emergencies; failure of performance by the Client or the Client's contractors or consultants; or discovery of any hazardous substances or differing site conditions.

In addition, if such delays resulting from any such causes increase the cost or time required by the Consultant to perform its services in an orderly and efficient manner, the Consultant shall be entitled to a reasonable adjustment in schedule and compensation.

1.13 Contracting for Construction

The Engineer or any person, firm or corporation associated or affiliated with or subsidiary to the Engineer shall not tender for the construction of the Project, or have an interest either directly or indirectly in the construction of the Project.

1.14 Assignment

Neither party may assign this Agreement or any portion thereof without the prior consent in writing of the other party.

1.15 Previous Agreements

This Agreement supersedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the Project.

1.16 Approval by Other Authorities

Unless otherwise provided in this Agreement, where the work of the Engineer is subject to the approval or review of an authority, department of government, or agency other than the Client, such applications for approval or review shall be the responsibility of the Engineer, but shall be submitted through the offices of the Client and unless authorized by the Client in writing, such applications for approval or review shall not be obtained by direct contact by the Engineer with such other authority, department of government or agency. Costs for all application fees shall be borne by the Client unless otherwise provided for by the Engineer. The foregoing in no way limits the Engineer's responsibility to identify, understand and coordinate any and all approvals and permits required for the Project unless otherwise specified in the RFP or agreed to by the Client.

1.17 Sub-Consultants

The Engineer may engage Sub-Consultants for specialized services provided that prior approval is obtained, in writing, from the Client and may add a mark-up of not more than 5% of the cost of such services to cover office administration costs when claiming reimbursement from the Client.

1.18 Inspection (Review by the Client)

The Client, or persons authorized by the Client, shall have the right, at all reasonable times, to inspect or otherwise review the Services performed, or being performed, under the Project and the premises where they are being performed.

1.19 Publication

The Engineer agrees to obtain the consent in writing of the Client before publishing or issuing any information regarding the Project.

1.20 Confidential Data

The Engineer shall not divulge any specific information identified as confidential, communicated to or acquired by him, or disclosed by the client in the course of carrying out the Services provided for herein. These obligations of confidentiality shall not apply to

information which is in the public domain, which is provided to the Engineer by a third party without obligation of confidentially, which is independently developed by the Engineer without access to the Client's information, or which is required to be disclosed by law or court order. No such information shall be used by the Engineer on any other project without the approval in writing of the Client.

1.21 Dispute Resolution

1) Negotiation

   a) In the event of a matter of difference between the Consultant and the Client in relation to the Contract, the grieved party shall send a notice in writing of dispute to the other party which contains the particulars of the matter in dispute and the relevant provisions of the Contract Documents. The responding party shall send a reply in writing to the dispute within ten (10) business days after receipt of the notice of dispute setting out particulars of this response and any relevant provisions of the Contract Documents.

   b) The Consultant and the Client shall make all reasonable efforts to resolve their dispute by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of any and all relevant facts, information, and documents to facilitate these negotiations.

   c) In the event of failure by the Consultant and the Client to reach agreement within ten (10) business days of receipt of the responding party's reply, or if either party concludes that further negotiation is unlikely to result in agreement, the matter shall be referred to mediation as provided in Section 2 herein.

2) Mediation

   a) The Consultant and the Client shall jointly select an impartial Mediator who shall be, preferably, properly qualified in the area of work as contemplated by this Contract. In the event that the parties, acting reasonably, cannot agree on a mediator, the candidates selected by the parties shall, acting reasonably, choose a third party to act as the Mediator.

   b) The Mediator shall meet with the parties within ten (10) business days after the selection of the Mediator to attempt to mediate and resolve the dispute. The Consultant and the Client shall observe such reasonable procedures for conducting the mediation as the Mediator may reasonably request.

   c) If no agreement is reached within twenty (20) business days of the selection of the Mediator or if either party concludes that further mediation is unlikely to result in agreement, then either the Consultant or the Client may request the Mediator to recommend (and only recommend) a basis, or bases, for resolution of the dispute. The Mediator shall, after consideration of the parties' positions and written submissions (if so requested), issue a written recommendation in this regard. Any recommended basis for resolution shall have absolutely no binding effect upon either party unless both parties agree to accept it and shall be without prejudice to the parties' positions in any further proceeding.

d) If no agreement is reached, either party may refer such matter as is arbitrable to arbitration as provided in Section 3 herein or exercise any legal rights it may have.

e) All meetings and proceedings shall be held in municipality of the Client or a reasonable alternate at a time and location as determined by the parties.

f) The costs and expenses of the Mediator shall be shared equally by the Consultant and the Client.

3) Arbitration

a) In the event that the parties are unable to settle any dispute between them which is under mediation, either party may refer such matter to arbitration as provided herein:

i. The Client and the Consultant shall select an arbitrator within ten (10) business days of the submission of a dispute to arbitration under this Section. If the parties are unable to agree on a neutral arbitrator, each party shall appoint an arbitrator within ten (10) business days, and the two (2) arbitrators so chosen shall select a third arbitrator acceptable to both of them within a further ten (10) business days.

ii. The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act, 1991*, S.O. 1991, C.17, unless the parties otherwise agree. If the issue in dispute is particularly time sensitive, the parties shall, in good faith, take such reasonable steps as may be required to expedite the arbitration process. In any event, all disputes shall be submitted to the arbitrator within thirty (30) calendar days of the selection of the arbitrator. All arbitration meetings and proceedings shall be held in municipality of the Client or a reasonable alternate, at a time and location determined by the parties, but in any event no later than thirty (30) calendar days following the submission of the dispute to the arbitrator.

iii. In addition to the examination of the parties by each other, the arbitration panel may examine, in the ordinary course, the parties or either of them and the witnesses in the matter referred to the arbitration panel, and the parties and witnesses, if examined, shall be examined on oath or affirmation.

iv. The arbitration panel shall, after full consideration of the issues in dispute, the relevant facts and applicable law, render a decision within thirty (30) calendar days after argument of the issue to the arbitrator, which decision shall be final and binding on the parties and not subject to appeal or challenge, except such limited relief provided under Subsection 45(1) (appeal on a question of law, with leave) or Section 46 (setting aside award) of the *Arbitration Act, 1991*.

v. Each party shall bear is own costs and expenses incurred in the arbitration, and the parties shall share equally in the costs and expenses of the neutral arbitrator.

vi. Any award of the arbitration panel may, at the instance of either of the parties to this Agreement and without notice to the other of them, be made an Order of the Superior Court of Ontario, pursuant to the *Arbitration Act, 1991* and the *Courts of Justice Act,* R.S.O. 1990, c.C-43.

1.22 Time

The Engineer shall perform the Services in accordance with the requirements of Article 2 and shall complete any portion or portions of the Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Engineer, and shall make any decisions which he is required to make in connection therewith within a reasonable time so as not to delay the work of the Engineer.

1.23 Estimates, Schedules and Staff List

1.23.1 Preparation of Estimate of Fees, Schedule of Progress and Staff List

When requested by the Client, and where payment is calculated on a time basis, the Engineer shall provide, for approval by the Client:

a) An estimate of the total fees to be paid for the Services.

b) A Schedule showing an estimate of the portion of the Services to be completed in each month and an estimate of the portion of the fee which will be payable for each such month.

c) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the Engineer will seek payment on a time basis. The Engineer shall relate such information to the particular type of work that such staff is to perform, while employed on the Project. Such list shall designate the member of the Engineer's staff who is to be the liaison person between the Engineer and the Client.

1.23.2 Subsequent Changes in the Estimate of Fees, Schedule of Progress and Staff List

The Engineer will require prior written approval from the Client for any of the following changes:

a) Any increase in the estimated fees beyond those approved under Subsection 1.23.1 (a).

b) Any change in the schedule at progress which results in a longer period than provided in Subsection 1.23.1 (b).

c) Any change in the number, classification and hourly rate ranges of the staff provided under Subsection 1.23.1 (c).

1.23.3 Monthly Reporting of Progress

When requested by the Client, the Engineer shall provide the Client with a written report showing the portion of the Services completed in the preceding month.

ARTICLE 2 – SERVICES TO BE PROVIDED

2.1 Consultant Services

The Services to be provided by the Engineer are generally described in the project proposal and includes the following:

Phase I – Project Initiation, Surveys and Investigations

- Project Initiation and Review of Background Information
- Site Visit and Field Review
- Development of Settlement Monitoring Program
- Settlement Topographic Survey of Primary Clarifier and Bioreactor
- Plant Topographic Survey of Structures
- Primary Clarifier Tank N° 3 Leakage Test
- Follow-up Investigation of Primary Clarifier Tank N° 3
- Detailed Investigation of the Pump Room for displacement/defects
- Bioreactor Investigation/Visual Assessment
- Yard Pipe Investigation
- Surveys and Investigations Technical Memo

Phase II – Geotechnical Analysis

- Formulate Geotechnical Scope of Work
- Geotechnical Field Investigation and Report
- Detailed Review of Alternatives to Arrest Tank Settlement

Phase III – Process and Structural Review and Report

- Process Review of Effluent Hydraulics and Process Functions
- Structural Review and Structural Assessment of Alternatives for the Support of Tanks
- Summary Report and Recommendations with Cost Estimates

2.2 Client Services

The Client shall provide the Consultant with the following services, notwithstanding that, should the client be unable to provide any of the services hereunder, services may be assigned to the consultant under Section 1.7.

1. Access to and, where necessary, copies of existing reports, plans, profiles or other pertinent information showing or pertaining to existing conditions within the Project area.
2. Registered land plans, legal documents and surveys, where necessary, defining the property limits of existing parcels of land affected by the Project, and as required in the acquisition of property and lands for the Project.

3. General direction of the Consultant in the provision of the services.
4. Arrange and make provision for the Consultant's entry and ready access to properties of the Project, as necessary, to enable the performance of services.
5. Any information regarding soils and utilities in the possession of the Client pertaining to conditions within the project area.
6. Designate, in writing, an individual to act as his Representative who will transmit instructions to and receive information from the Consultant.

The Consultant shall be entitled to rely upon the information, direction and approvals provided by the Client pursuant to Clauses 1 through 6 hereof, inclusive, as being accurate in the performance of the Consultant's services under this Agreement.

ARTICLE 3 - FEES AND DISBURSEMENTS

3.1 Definitions

For the purpose of this Agreement, the following definitions shall apply:

a) Cost of the Work:

i. The "Cost of the Work" shall mean the total construction cost of the Project including all materials, equipment, sales taxes, labour and contractor's overhead and profit, necessary to complete the work for which the Engineer prepares designs, drawings or specifications, for which he is responsible. Where sales taxes are not included in the cost of the work, the fee shall be adjusted upwards by the factor equivalent to the sales taxes. The adjusted fee may be computed to the nearest one-tenth of one percent (1/10%).

ii. Wherever the Client furnishes labour or other service which is incorporated in the work, the current price of labour or other service when the work was executed shall be used to compute the Cost of the Work.

iii. Whenever used materials or equipment is furnished by or on behalf of the Client, the fair market value of such materials or equipment, as though it was purchased new, shall be used to compute the Cost of the Work.

iv. In computing the Cost of the Work, no deductions shall be made on account of any penalties or damages claimed by the Client from any contractor or on account of any other sum withheld from any contractor.

v. The Cost of the Work shall not include any fees and disbursements due to the Engineer, the Client's engineering and office expenses, or cost of land.

b) Site:

Site includes the actual work site and other locations where the checking of materials, equipment and workmanship is carried out.

3.2 Basis of Payment

3.2.1 N/A

3.2.2 Fees Calculated on a Time Basis

3.2.2.1 Fees

The Client shall pay the Engineer a fee, calculated on a time basis, for that part of the Services described in Article 2.1. Fees on a time basis for all staff shall be hourly rates based on job classifications as shown in Schedule "A" attached.

For a project of over one (1) year duration, or for projects which become extended beyond one (1) year in duration, the Engineer may from time to time seek approval from the Client to adjust hourly rates and such approval shall not be unreasonably withheld.

3.2.2.2 Time Expended

All time expended on the assignment, whether in the Engineer's office, at the Client's premises, or elsewhere, and including travel time, shall be chargeable.

3.2.3 N/A

3.2.4 Reimbursable Expenses

In addition to the fee calculated in accordance with section 3.2.2 and for extra work, the Engineer shall be reimbursed at cost plus an administrative charge of 5%, for all expenses and disbursements properly incurred by the Consultant in connection with the project.

3.3 Payment

3.3.1 Fees Calculated on a Time Basis

The Engineer shall submit an invoice to the Client for all Services completed in the immediately preceding month. Interest at the annual rate of 12 percent (1.0 percent monthly) will be paid on the total outstanding unpaid balance commencing 30 days after the Client has received the Engineer's invoice.

3.3.2 N/A

3.3.3 Terms of Payment

The Client will compensate the Engineer in accordance with the fees and charges for services as set out in the proposal or as otherwise mutually agreed. All fees and charges will be payable in Canadian funds unless noted otherwise. Invoices will be due and payable, as presented and without hold-backs, by the Client upon receipt. Interest on overdue accounts will be charged at the rate of 12% per annum.

ARTICLE 4 – FORM OF AGREEMENT

ENGINEER: TULLOCH Engineering Inc.

The signatory shall have the authority to bind the corporation or company for the purposes of this agreement.

This th Day of May, 2017

Signature	
Name	Mr. Larry Jackson
Title	General Manager of Engineering

CLIENT: Corporation of the City of Sault Ste Marie

The signatory shall have the authority to bind the municipality or its agency for the purposes of this agreement.

This 29th Day of May, 2017

Signature		Signature	
Name		Name	
Title		Title	

SCHEDULE A

1. Fee Estimate

The estimated total fees for the assignment, including all expenses and disbursements are shown in the following table. The total fee is an estimate based on experience on similar projects. The Total Fee for the assignment is an Upset Limit for the specified Scope of Work and will not be exceeded without the approval of the Corporation of the City of Sault Ste. Marie.

Description of Services	Scope of Work	Estimated Fee
Phase I - Project Initiation, Surveys and Investigations	Agreement Section 2.1	$114,170.00
Phase II – Geotechnical Analysis	Agreement Section 2.1	$ 99,680.00
Phase III – Process and Structural Reviews and Report	Agreement Section 2.1	$ 55,560.00
Contingency		$5,590.00
	Total Upset Limit	**$275,000.00**

Fees do not include H.S.T.

2. Billing Rates

Billing rates for TULLOCH Engineering personnel assigned to this project, based on their job description / classification are provided in the following table.

Job Description / Classification	Billing Rate
General Manager / Principal	$160/hour
Project Manager / Design Engineer	$135 /hour
Structural Engineer	$150/hour
Engineering Intern/ Junior Engineer	$80 - $100/hour
Senior Technician / Designer	$85 - $105/hour
Junior Technician / Designer	$65 - $75/hour
Senior Inspector	$80 - $100/hour
Junior Inspector	$70 - $90/hour
CAD Operator	$60 - $80/hour
Administrative	$55 - $70/hour
Survey Control Specialist	$160/hour
Geomatics Project Manager	$135/hour
Survey Crew	$170/hour

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-116

AGREEMENT: (E2.2) A by-law to authorize the execution of the Contract between the City and Avery Construction Limited for the reconstruction of Grace Street from Bruce Street to Elgin Street. (Contract 2017-4E).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Contract between the City and Avery Construction Limited for the reconstruction of Grace Street from Bruce Street to Elgin Street (Contract 2017-4E), 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 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

sp\\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-116 Reconstruction of Grace Street.doc

Schedule "A"

CORPORATION OF THE CITY OF SAULT STE. MARIE

CONTRACT 2017-4E

FORM OF AGREEMENT

This Agreement made (in triplicate) this **29th** day of **May** in the year **2017** by and between **Avery Construction Limited** hereinafter called the "Contractor"

AND

The Municipal Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

RECONSTRUCTION OF GRACE STREET
CONTRACT 2017-4E

Which have been signed in triplicate by both parties and which were prepared under the supervision of Don Elliott, P. Eng., Director of Engineering Services acting as and herein entitled, the Owner.

2. The Contractor will do and fulfill everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions and the Drawings.

3. The Contractor will complete all the work to the entire satisfaction of the Owner within the period of time specified.

4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.

5. The Corporation shall pay the Contractor for work that is ordered in writing by the Owner and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.

6. The Contractor shall 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 Owner shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by facsimile as follows:

THE CORPORATION:
The Corporation of the City of Sault Ste. Marie
99 Foster Drive
Civic Centre
Sault Ste. Marie, ON P6A 5X6

THE CONTRACTOR:
Avery Construction Limited
940 Second Line West
Sault Ste. Marie, ON P6C 2L3
Facsimile: 705-759-6775

THE OWNER:
Mr. Don Elliott, P. Eng.
Director of Engineering
99 Foster Drive
Civic Centre
Sault Ste. Marie, ON P6A 5X6
Facsimile: 705-541-7165

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

_____

MAYOR - CHRISTIAN PROVENZANO

(seal)

_____

CITY CLERK – MALCOLM WHITE

THE CONTRACTOR

AVERY CONSTRUCTION LIMITED

COMPANY NAME

(seal)

_____

SIGNATURE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-117

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of Grace Street from Bruce Street to Elgin Street from May 30, 2017 until October 31, 2017 to facilitate the Grace Street Reconstruction.

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 GRACE STREET**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of Grace Street from Bruce Street to Elgin Street from May 30, 2017 until October 31, 2017 to facilitate the Reconstruction of Grace Street.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 28th day of May, 2017.

_____

MAYOR - CHRISTIAN PROVENZANO

_____

CITY CLERK - MALCOLM WHITE

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-118

AGREEMENT: (E2.2) A by-law to authorize the execution of the Contract between the City and 1531161 Ontario Inc., Operating as Boyer Construction, for the McNabb Street to Pim Street Drainage Improvements (Contract 2017-3E).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Contract between the City 1531161 Ontario Inc., Operating as Boyer Construction, for the McNabb Street to Pim Street Drainage Improvements (Contract 2017-3E), 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 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

sp\\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-118 McNabb Street to Pilgrim Street Drainage Improvements.doc

CORPORATION OF THE CITY OF SAULT STE MARIE

Contract No 2017-3E – McNabb St. to Pim St. Drainage Improvements

FORM OF AGREEMENT

This Agreement, made (in triplicate) this **29TH** day of **May** in the year **2017**, by and between;

1531161 Ontario Inc., Operating as Boyer Construction, hereinafter called the **"Contractor"**,

AND

The Municipal Corporation of the City of Sault Ste. Marie, 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 of the works shown and described in the Contract Documents entitled:

   Corporation of the City of Sault Ste. Marie
   Contract No 2017-3E
   McNabb St. to Pim St. Drainage Improvements

   which have been signed in triplicate by both parties and which were prepared by TULLOCH Engineering Inc., acting as Agent and Contract Administrator and herein entitled, "The Contract Administrator".

2. The Contractor will do and fulfill everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions, Information for 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 Contract Administrator 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 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 Contract Administrator 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, or as otherwise stipulated in Section FT.04 of the Form of Tender.

6. The Contractor shall indemnify and save harmless the Corporation and the Contract Administrator, their 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 them, 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 Contract Administrator 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 Civic Centre, 99 Foster Drive Sault Ste. Marie, Ontario P6A 5N1
The Contractor:	1531161 Ontario Inc. o/a Boyer Construction 53 Gran Street, Batchewana First Nations, Ontario P6B 0A3
The Contract Administrator:	TULLOCH Engineering Inc. 71 Black Road, Unit 8 Sault Ste. Marie, Ontario P6B 0A3

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

(seal)

MAYOR – Christian Provenzano

CITY CLERK – Malcolm White

THE CONTRACTOR

1531161 Ontario Inc. o/a Boyer Construction
COMPANY NAME

(seal)

SIGNATURE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-119

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of Gladstone Avenue at approximately 100m north of MacDonald Avenue and Pim Street at approximately 200m north of MacDonald Avenue from May 30, 2017 until October 31, 2017 to facilitate the McNabb Street to Pim Street Drainage Improvements.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to section 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. **TEMPORARY STREET CLOSING OF GLADSTONE AVENUE AND PIM STREET**

   The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of Gladstone Avenue at approximately 100m north of MacDonald Avenue and Pim Street at approximately 200m north of MacDonald Avenue from May 30, 2017 until October 31, 2017 to facilitate the McNabb Street to Pim Street Drainage Improvements.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 28th day of May, 2016.

_____

MAYOR - CHRISTIAN PROVENZANO

_____

CITY CLERK - MALCOLM WHITE

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-120

AGREEMENT: (E2.2) A by-law to authorize the execution of the Contract between the City and Palmer Construction Group Inc. for the reconstruction of Franklin Street from Henrietta Avenue to Laura Street (Contract 2017-5E).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Contract between the City and Palmer Construction Group Inc. for the reconstruction of Franklin Street from Henrietta Avenue to Laura Street (Contract 2017-5E), 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 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

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Schedule "A"

CORPORATION OF THE CITY OF SAULT STE. MARIE

CONTRACT 2017-5E

FORM OF AGREEMENT

This Agreement made (in triplicate) this **29th** day of **May** in the year **2017** by and between **Palmer Construction Group Inc.** hereinafter called the "Contractor"

AND

The Municipal Corporation of the City of Sault Ste. Marie, Ontario hereinafter called the "Corporation".

WITNESSETH: That the Contractor and the Corporation undertake and agree as follows:

1. The Contractor will provide all the materials and all the works shown and described in the contract documents entitled:

RECONSTRUCTION OF FRANKLIN STREET
CONTRACT 2017-5E

Which have been signed in triplicate by both parties and which were prepared under the supervision of Don Elliott, P. Eng., Director of Engineering Services acting as and herein entitled, the Owner.

2. The Contractor will do and fulfill everything indicated by the Agreement, the General Conditions, the Specifications, the Special Provisions and the Drawings.

3. The Contractor will complete all the work to the entire satisfaction of the Owner within the period of time specified.

4. The Corporation shall pay to the Contractor the contract price as set forth in the Form of Tender in accordance with the provisions as set forth in the General Conditions and the Special Provisions. The quantities contained in the Form of Tender are approximate only and the final payment shall be made for the actual quantities that are incorporated in or made necessary by the work covered by the contract.

5. The Corporation shall pay the Contractor for work that is ordered in writing by the Owner and that cannot be classified as coming under any of the contract units and for which no unit price, lump sum, or other basis can be agreed upon, on a time and material basis as set out in the General Conditions.

6. The Contractor shall 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 Owner shall be deemed to have been received by the Addressee if delivered to the individual, a member of the firm or an officer of the Corporation for whom they are intended or if sent by post or by facsimile as follows:

THE CORPORATION:
The Corporation of the City of Sault Ste. Marie
99 Foster Drive
Civic Centre
Sault Ste. Marie, ON P6A 5X6

THE CONTRACTOR:
Palmer Construction Group Inc.
845 Old Goulais Bay Road
Sault Ste. Marie, ON P6A 0B5
Facsimile: 705-946-0738

THE OWNER:
Mr. Don Elliott, P. Eng.
Director of Engineering
99 Foster Drive
Sault Ste. Marie, ON P6A 5X6
Facsimile: 705-541-7165

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the day and year first above written.

Signed, Sealed and Delivered
in the presence of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

_____

MAYOR - CHRISTIAN PROVENZANO

(seal)

_____

CITY CLERK – MALCOLM WHITE

THE CONTRACTOR

PALMER CONSTRUCTION GROUP

COMPANY NAME

(seal)

_____

SIGNATURE

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-121

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of Franklin Street from Henrietta Avenue to Laura Street from May 30, 2017 until October 31, 2017 to facilitate the Reconstruction of Franklin Street.

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 FRANKLIN STREET**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of Franklin Street from Henrietta Avenue to Laura Street from May 30, 2017 until October 31, 2017 to facilitate the Reconstruction of Franklin Street.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 29th day of May, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

mw \\citydata\LegalDept\Legal\Staff\BYLAWS\2017\2017-121 - Franklin Street - Road Closure.doc