The Corporation of the City of Sault Ste. Marie

Regular Meeting of City Council

Agenda

Monday, July 13, 2026

5:00 pm

Council Chambers and Video Conference

As a courtesy, meetings are available for viewing on the City's YouTube channel https://www.youtube.com/user/SaultSteMarieOntario

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6. Presentations

Oscar Poloni, Partner, KPMG

6.2 YMCA

James Chan, Chief Executive Officer, Sault Ste. Marie YMCA

Peter Dinsdale, Chief Executive Officer, YMCA Canada

Paul Skeggs, Vice-Chair, and Robert Brewer, President and CEO

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

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach
Resolved that all the items listed under date July 13, 2026 – Agenda item 7 – Consent Agenda be approved as recommended.

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that the Report of the Manager of Finance dated July 13, 2026 concerning the 2025 Audited Financial Statements be received and that the financial statements be approved.

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

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach
Resolved that the report of the Manager of Purchasing dated July 13, 2026 concerning the supply of Screened Street Sand for the 2026-2027 and 2027-2028 winter seasons be received and that the supply be awarded to Pioneer Construction Inc. at the tendered pricing, plus HST.

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that the report of the Manager of Purchasing dated July 13, 2026 concerning PVC Membrane Roof Replacement at No.1 Fire Hall be received and that the contract be awarded to Maverick & Son Exteriors and Consulting Services Inc. in the amount of $373,900 plus HST.

7.4 Intelligent Transportation System – Automated Vehicle Location 111 - 112

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

The relevant By-law 2026-111 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.5 Foreign Direct Investment Attraction Strategy 113 - 114

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

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach
Resolved that the report of the Manager of Purchasing dated July 13, 2026 concerning Foreign Direct Investment Attraction Strategy as requested by Community Development and Enterprise Services be received and that the proposal submitted by IMK Strategies UG in the amount of $160,000 plus HST be approved.

7.6 Transit Tariff Update 115 - 117

A report of the Director of Community Services and Manager of Purchasing is attached for the information of Council.

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach
Resolved that the report of the Director of Community Services and the Manager of Purchasing dated July 13, 2026 concerning Transit Tariff Update be received as information.

7.7 Mayor’s Youth Advisory Council – Youth Conference 118 - 119

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni

Resolved that the report of the Director of Community Services and Director of Tourism and Community Development dated July 13, 2026 concerning Mayor's Youth Advisory Council – Youth Conference be received as information and that City staff collaborate with MYAC to host a Youth Conference.

7.8 Northern Community Centre Capital Funding Reallocation

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

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach

Resolved that the report of the Manager of Recreation and Culture dated July 13, 2026 concerning Northern Community Centre Capital Funding Reallocation be received and that the scope of the 2026 carpet replacement be changed to include the installation of additional security cameras with a budget of $12,957 funded from the 2026 Northern Community Centre carpet replacement project.

7.9 Tourism Development Fund Applications – June 2026

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni

Resolved that the report of the Director of Tourism and Community Development dated July 13, 2026 concerning Tourism Development Fund Applications – June 2026 be received and that the recommendation of the Tourism Sault Ste. Marie Board of Directors to allocate $16,000 as detailed below be approved:

1. Algoma Rod and Gun Club – 2026 Ontario Field Archery Championships – $4,000; and
2. Soo Minor Baseball – Ontario Baseball 11U Provincial Championships – $12,000.

7.10 Growing Canada's Community Canopies Fund

A report of the Sustainability Coordinator is attached for the consideration of Council.

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach

Resolved that the report of the Sustainability Coordinator dated July 13, 2026, concerning the Federation of Canadian Municipalities Green Municipal Fund Growing Canada's Community Canopies Fund be received and that:

- Council authorize staff to submit an application to the FCM GMF

Growing Canada's Community Canopies Fund for $250,000 in grant funding; and

- Approve the City of Sault Ste. Marie's matching cash contribution of $250,000 over five years, funded through the City's existing annual operating budget allocation of $50,000 for tree planting subject to annual budget approval.

7.11 Economic Development Program Application – Edge Entertainment

A report of the Cultural Industries Coordinator and the Manager of Business Development is attached for the consideration of Council.

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that the report of the Cultural Industries Coordinator and Manager of Business Development dated July 13, 2026 concerning Economic Development Program Application – Edge Entertainment be received and that the application for $22,500 be approved.

7.12 Five-Year Capital Transportation Program (2027–2031)

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

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach
Resolved that the report of the Director of Engineering, dated July 13, 2026 concerning 2027–2031 Five-Year Capital Transportation Program be received and that Council approve:

- the 2027–2031 programs in principle;
- the Engineering Division proceeding with any local improvement notices for 2027 works;
- the procurement of consulting engineering services for projects not to be completed by in-house staff; and
- that the resurfacing of Second Line East between Great Northern Road and North Street be the designated project for the City's application to the 2027 Connecting Link Program.

7.13 Black Road Ditching – Agreement with Ministry of Transportation

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

The relevant By-Law 2026-119 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.14 Contract 2026-10E Miscellaneous Paving

A report of the Manager of Design and Transportation Engineering is attached for the consideration of Council.

The relevant By-law 2026-118 is listed under item 12 of the Agenda item and will be read with all by-laws under that item.

7.15 Pine Street Road Closure 142 - 143

A report of the Manager of Design and Transportation Engineering is attached for the consideration of Council.

The relevant By-law 2026-120 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.16 Property Declared Surplus – 561 Queen Street West, 572 and 608 Portage Lane, 62 James Street (Access to Land Program) 144 - 147

A report of the Assistant City Solicitor/Senior Litigation Counsel and Planner is attached for the consideration of Council.

The relevant By-law 2026-112 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.17 Property Sale – 184-188 James Street (Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe) 148 - 151

A report of the Assistant City Solicitor/Senior Litigation Counsel is attached for the consideration of Council.

The relevant By-law 2026-105 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.18 1000518153 Ontario Inc. (Steel Speed) Extension Request Yates Avenue Property 152 - 155

A report of the Assistant City Solicitor/Senior Litigation Counsel and Director of Economic Development is attached for the consideration of Council.

The relevant By-law 2026-114 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.19 Housekeeping – Discharge of Firearms in the Municipality By-law 156 - 157

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

The relevant By-law 2026-117 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

7.20 Reallocation of Housing Accelerator Funds 158 - 160

A report of the Administrative Clerk – Housing Support is attached for the consideration of Council.

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that the report of the Administrative Clerk – Housing Support dated July 13, 2026 concerning Reallocation of Housing Accelerator Funds be received, and that the following reallocations of HAF funds to the Per-Door Grant Program be approved:

1. $70,000 from the Additional Dwelling Unit initiative;
2. $80,000 from new and enhanced processes;
3. $15,000 from marketing; and
4. $900,000 from the unallocated portion of HAF funding.

8. Reports of City Departments, Boards and Committees

8.1 Administration

8.2 Corporate Services

8.3 Community Development and Enterprise Services

8.3.1 YMCA Progress Update

161 - 163

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated July 13, 2026 concerning YMCA Progress Update be received as information.

8.4 Public Works and Engineering Services

8.5 Fire Services

8.6 Legal

8.6.1 Steel Speed

8.7 Planning

8.8 Boards and Committees

8.8.1 PUC Annual Meeting of Shareholder

Mover Councillor L. Dufour

Seconder Councillor S. Kinach
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 Matthew Shoemaker as Council's proxy to vote on the resolutions of the shareholder of PUC Inc. and PUC Services Inc.

8.8.1.1 Resolution of Shareholder – PUC Inc.

Financial Statements
Be It Resolved that the financial statements of PUC Inc. (the Corporation) for the fiscal year ended on December 31st, 2025, 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.

Appointment of Board Members
Be It Resolved that the following individual(s) are recommended for election:

- Paul Skeggs is recommended for election to commence a second 3-year term on the Board
- Carla Barone is recommended for election to commence a second 3-year term on the Board
- Danielle Baker was appointed in September 2025 and is recommended for a 3-year term on the Board.

Also Be It Resolved that:

- Board members currently within their term limits are Ila Watson, Bob Giroux, Scott Seabrook, David Zuccato, Ron Gagnon.
- Following By-law #1 Sec. 2.04, Andy McPhee is recommended for election to serve the second (and final) of the maximum 2-year term.

8.8.1.2 Resolution of Shareholder – 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, 2025, 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.

Appointment of Board Members
Be It Resolved that the following individual(s) are recommended for election:

- Paul Skeggs is recommended for election to commence a second 3-year term on the Board.
- Carla Barone is recommended for election to commence a second 3-year term on the Board
- Danielle Baker was appointed in September 2025 and is recommended for a 3-year term on the Board

Also Be It Resolved that:

- Board members currently within their term limits are Ila Watson, Bob Giroux, Scott Seabrook, David Zuccato, Ron Gagnon.
- Following By-law #1 Sec. 2.04, Andy McPhee is recommended for election to serve the second (and final) of the maximum 2-year term.

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

9.1 Landfill Community Consultation

Mover Councillor R. Zagordo

Seconder Councillor C. Gardi
Whereas the City of Sault Ste. Marie owns and operates the municipal landfill located on Fifth Line, which serves as a critical piece of municipal infrastructure for the collection, management, and disposal of residential, commercial, and industrial waste; and

Whereas Council has received recommendations from a Waste Management Business and Implementation Plan (Waste B&I Plan) setting out the financial recommendations for all current and future capital and operational needs for municipal waste management for ten years; and

Whereas the B&I Plan includes the Environmental Assessment process for landfill expansion, waste mining, biosolids management, and source-separated organics processing, some of which is required by Provincial legislative changes, and some of which is required because the capacity at our landfill is nearing the end of its useful life; and

Whereas City Council has been presented with annual landfill operations reports confirming that the City’s existing landfill site has only approximately 2.5 years of remaining capacity and while this estimate has historically proven somewhat conservative, it nonetheless signals that the City is rapidly approaching a point where it must consider the best capital funding and operational models; and

Whereas Council has also received reports identifying the need for a biosolids and source-separated organics processing facility to meet current and future environmental and regulatory requirements; and

Whereas the March 23, 2026 report entitled "Landfill and Composting Operations RFP" identified a minimum of $95M in future capital requirements relating to waste management infrastructure, including:

- an estimated cost of $56 million for a biosolids and source-separated organics facility
- an estimated cost of $39.4 million for the initial phases of expansion of the landfill, that would provide an additional 12-20 years of landfill capacity, depending on waste disposal/recycling levels; and

Whereas there is approximately $16 million set aside in the Landfill Reserve to cover some of the costs set out above, which is insufficient to fully fund the anticipated future capital requirements associated with landfill expansion, biosolids management, organics processing, and related waste management infrastructure without a substantial increase to the annual allocation to that reserve, or otherwise debt-financing those projects; and

Whereas extensive community consultation took place throughout the EA process and staff is awaiting the final approval from the Province on the EA;

Whereas Council wishes to ensure that residents are provided with meaningful opportunities to receive information and provide input regarding the future of waste management services in the community following completion of the Environmental Assessment approval process and as the project advances through the Environmental Compliance Approval stage;

Now Therefore Be It Resolved that staff be directed to undertake a public engagement process on the Landfill Business and Implementation Plan consisting of public open houses and other appropriate consultation opportunities to:

- Inform residents regarding the projected lifespan of the existing landfill, the need for landfill expansion and waste mining, and the anticipated costs associated with those projects;
- Inform residents regarding the projected costs and regulatory requirements associated with biosolids management and source-separated organics processing;

Further Be It Resolved that staff be directed to report back to Council at or before any budget deliberations during which landfill funding is before Council, or at such other time as financial decisions relating to the Landfill are due to be made, with:

- an updated financial analysis of landfill expansion, waste mining, biosolids management, and organics processing requirements;
- options for landfill operations and waste management services and procurement that considers the required reserve funding requirements to undertake landfill expansion internally, as well as alternatives that balance environmental responsibility, service levels, affordability, and long-term financial sustainability for the residents of Sault Ste. Marie.

9.2 Soccer Field Improvement Plan

Mover Councillor A. Caputo

Seconder Councillor C. Gardi

Whereas soccer is one of the most widely participated in sports locally, with more than 2,200 players registered through the Greater North Soccer Association alone, including approximately 1,600 youth; and

Whereas safe, well maintained playing surfaces reduce the risk of injury to athletes and may reduce municipal risk exposure and liability; and

Whereas ongoing drainage and field condition issues have negatively impacted local soccer fields, including the removal of some fields from service, disrupting scheduling and limiting access for participants; and

Whereas predictable, tournament-ready fields support community partnerships and local fundraising, and can attract repeat visitation and spending in Sault Ste Marie businesses and hotels; and

Whereas improving field conditions supports equitable access to recreation for residents, particularly those who rely on affordable community recreation;

Now Therefore Be It Resolved that staff be requested to work with local service clubs and relevant soccer stakeholders to bring forward recommendations for an improvement plan for Strathclair Soccer Complex in advance of the 2027 budget deliberations, including

- A summary of current field conditions and key deficiencies;
- Recommended short-, medium-, and long-term improvements and a proposed phasing plan;
- Preliminary cost estimates and potential funding /partnership opportunities; and
- An outline of ongoing maintenance requirements.

9.3 Deputy Mayor

Mover Councillor S. Kinach

Seconder Councillor R. Zagordo

Whereas section 242 of the *Municipal Act, 2001* authorizes municipalities to appoint a Deputy Mayor to exercise the powers and perform the duties of the Mayor when the Mayor is absent, refuses to act, is unable to act, or the office is vacant; and

Whereas Council recognizes the importance of ensuring continuity of leadership, effective governance, integrity, transparency, and the uninterrupted conduct of municipal business; and

Whereas Council has experienced regular occasions where the Mayor has been unable to participate in Council proceedings, both open and closed, due to declared conflicts of interest, absences, or other circumstances, resulting in the need for alternate leadership during those matters; and

Whereas the current Acting Mayor rotation provides for temporary chairing of meetings but was not designed to serve as a permanent governance support mechanism where recurring conflicts or other circumstances require regular delegation of the Mayor's duties; and

Whereas a number of Ontario municipalities have established Council-appointed Deputy Mayor positions to strengthen governance, provide continuity of leadership, and support the efficient conduct of Council business;

Now Therefore Be It Resolved that staff be requested to report back to Council on the of establishment of a Council-appointed chair committee Deputy Mayor position to be implemented following the next election.

9.4 Port of Sault Ste. Marie

Mover Councillor C. Gardi

Seconder Councillor M. Scott
Whereas the City of Sault Ste. Marie has entered into a strategic partnership with the Hamilton-Oshawa Port Authority (HOPA Ports) to develop the "Sault to the South Trade Corridor," a transformative $250 million multimodal infrastructure initiative designed to unlock Northern Ontario's resource sectors and enhance national supply chain resilience; and

Whereas the successful development of a modernized commercial port facility at the heart of the Great Lakes is projected to generate massive regional economic benefits, including up to 1,800 construction jobs and over 2,400 long-term logistics and industrial positions; and

Whereas maximizing our competitiveness for major capital funding from senior levels of government—including the Government of Canada’s National Trade Corridors Diversification Fund and the Province of Ontario—requires an equally clear, long-term financial partnership from our municipality; and

Whereas the City of Sault Ste. Marie must balance this vital economic development project with prudent long-term stewardship of the municipal tax levy and local infrastructure assets;

Now Therefore Be It Resolved that the City of Sault Ste. Marie commit to a funding envelope of up to $15,000,000 toward the Port of Sault Ste. Marie, with the final amount to be determined based on the project's final funding structure to be structured in a way that may include, but shall not be limited to: contribution of land to the project, rebates through the tax increment program, contribution of capital infrastructure improvements to support the Port development, contribution of a monetary grant, or other such method as may be recommended by administration;

Further Be It Resolved that this entire financial and asset commitment be strictly conditional upon the City of Sault Ste. Marie, HOPA Ports, and industrial anchor partners successfully securing the remaining balance of the required capital funding from the Provincial and Federal governments; and

Further Be It Resolved that City Staff be directed to prepare a comprehensive implementation report once grant application/funding decisions are known and report to Council with a recommended structure for the total approved contribution.

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

11. Adoption of Report of the Committee of the Whole

12. Consideration and Passing of By-laws

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that all By-laws under item 12 of the Agenda under July 13, 2026 be approved.

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

12.1.1 By-law 2026-105 (Property Sale) 184-188 James Street (Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe) 164 - 166

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-105 being a by-law to authorize the sale of surplus property being civics 184-188 James Street, legally described in PART PIN 31578-0007 (LT) to Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe or as otherwise directed be passed in open Council this 13th day of July, 2026.

12.1.2 By-law 2026-111 (Agreement) Automated Vehicle Location (AVL) Renewal (Consat Canada Inc.) 167 - 213

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-111 being a by-law to authorize the execution of the Purchase Agreement Schedule E to the Master Agreement between the City and Consat Canada Inc. for the renewal of the Automated Vehicle Location (AVL) system technology software for a five (5) year term to expire on September 30, 2031 be passed in open Council this 13th day of July, 2026.

12.1.3 By-law 2026-112 (Access to Land Program – Surplus Property) 561 Queen Street West, 572 and 608 Portage Lane, 62 James Street 214 - 215

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-112 being a by-law to declare the City owned property legally described as PIN 31578-0206 (LT) LT 8 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S EXCEPT RY696 & T266499; PT LT 8 S/S SUPERIOR ST, 9 S/S SUPERIOR ST, 9 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S PT 1 & 4 1R4140 & AS IN T213085 & T221238; PT LANE PL 3974 ST. MARY'S; PT LT 1-5 PL 3974 ST. MARY'S PT 2 1R4437 & PT 1, 2 & 6 1R5114; SAULT STE. MARIE, being comprised of civics 561 Queen Street West, 572 and 608 Portage Lane, and 62 James Street, as surplus to the City's needs and to authorize the disposition of the said property be passed in open Council this 13th day of July, 2026.

12.1.4 By-law 2026-114 (Property) 1000518153 Ontario Inc. Steel Speed Extension to build Yates Avenue 216 - 218

A report from the Assistant City Solicitor/Senior Litigation Counsel and Director of Economic Development is on the Agenda.

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-Law 2026-114 being a by-law to approve the extension of time for 1000518153 Ontario Inc. ("Steel Speed") to fully construct a building at 167 Yates Avenue, Sault Ste. Marie legally described as PIN 31609-0386(LT) Part Section 34, Korah, Part 2, Plan 1R-14070; Sault Ste. Marie ("Subject Property") by January 31, 2027 be passed in open Council this 13th day of July, 2026.

12.1.5 By-law 2026-115 (User Fee) Amend Schedule D Municipal Support Resolution IESO 219 - 219

Council report was passed by Council resolution on June 22nd, 2026.

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-Law 2026-115 being a by-law to amend certain fees and charges in Schedule "D" to User Fees By-law 2025-153 be passed in open Council this 13th day of July, 2026.

12.1.6 By-law 2026-117 (Regulation) Amend Firearms By-Law 2008-168 220 - 220

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-Law 2026-117 being a by-law to amend By-Law 2008-168 being a by-law to prohibit the discharge of firearms in the Municipality be passed in open Council this 13th day of July, 2026.

12.1.7 By-law 2026-118 (Engineering) Avery Construction Limited Miscellaneous Paving (Contract 2026-10E) 221 - 226

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-118 being a by-law to authorize the execution of the Contract between the City and Avery Construction Limited for miscellaneous paving (Contract 2026-10E) be passed in open Council this 13th day of July, 2026.

12.1.8 By-law 2026-119 (Agreement) Black Road Ditching (MTO) 227 - 232

A report from the Director of Engineering is on the Agenda.

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-119 being a by-law to authorize the execution of the Licence Agreement between the City and His Majesty the King in Right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario to allow the City to enter upon Ministry lands described as Lot 10, RCP H-745, designated as Part 1 on Plan 1R-10310 for the purposes of monitoring and maintaining a ditch and berm, be passed in open Council this 13th day of July, 2026.

12.1.9 By-law 2026-120 (Temporary Street Closing) Pine Street 233 - 233

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

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-120 being a by-law to permit the temporary closing of Pine Street between MacDonald Avenue and Garrison Way from August 4, 2026 to October 16, 2026, where and if necessary, to facilitate a cured-in-place (CIPP) watermain lining project within the Pine Street hill as conducted by PUC Services Inc. be passed in open Council this 13th day of July, 2026.

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

12.2.1 By-law 2026-99 (Streets) Name Change For A Portion of Anita Boulevard 234 - 234

Council Resolution passed by Council on April 13, 2026.

Mover Councillor L. Dufour

Seconder Councillor M. Bruni
Resolved that By-law 2026-99 being a by-law to rename a portion of Anita Boulevard described as PIN 31559-0054 (LT), being Part 1 Plan 1R-14352 and Part PIN 31559-0056 (LT), being Part 2 Plan 1R-14352, to Team Jacobs Way be read a FIRST and SECOND time in open Council this 13th day of July, 2026.

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

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

14. Closed Session

Mover Councillor L. Vezeau-Allen

Seconder Councillor M. Bruni
Resolved that this Council move into closed session to discuss one item concerning labour relations or employee negotiations;

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

Municipal Act R.S.O. 2001 – 239 (2)(d) labour relations or employee negotiations

15. Adjournment

Mover Councillor L. Vezeau-Allen

Seconder Councillor S. Kinach

Resolved that this Council now adjourn.

REGULAR MEETING OF CITY COUNCIL

MINUTES

Monday, June 22, 2026
5:00 pm
Council Chambers and Video Conference

Present:	Mayor M. Shoemaker, Councillor S. Hollingsworth, Councillor S. Spina, Councillor L. Dufour, Councillor L. Vezeau-Allen, Councillor A. Caputo, Councillor R. Zagordo, Councillor M. Bruni, Councillor S. Kinach, Councillor C. Gardi, Councillor M. Scott
Officials:	T. Vair, R. Tyczinski, S. Hamilton Beach, B. Lamming, S. Schell, J. King, N. Thibault, P. Tonazzo, C. Rumiel, D. Perri, N. Ottolino, N. Maione, F. Coccimiglio, T. Anderson, M. Borowicz-Sibenik, M. Zuppa, T. Vecchio, K. Pulkkinen

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1. Land Acknowledgement

2. Adoption of Minutes

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

Resolved that the Minutes of the Regular Council Meeting of May 25, 2026 and Special Joint Council Meeting of June 15, 2026 be approved.

Carried

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

4. Declaration of Pecuniary Interest

4.1 Mayor M. Shoemaker – Deeming By-law – Sault Ste. Marie Park Subdivision Plan 7602, Kingsford Road and Brunswick Avenue (Neilo Delbianco)

Property owners are clients of the law firm in this matter.

4.2 Mayor M. Shoemaker – By-law 2026-109 (Subdivision Control) Sault Ste. Marie Park Subdivision 262 Kingsford Road and 626 Brunswick Avenue **(Neilo Delbianco/Matthew Battisti)**

Property owners are clients of the law firm in this matter.

4.3 Councillor L. Vezeau-Allen – Tourism Development Fund Applications – April/May 2026

Family member is employed by Canadian Bushplane Heritage Centre.

5. Approve Agenda as Presented

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

Resolved that the Agenda for June 22, 2026 City Council Meeting as presented be approved.

Carried

6. Presentations

6.1 Mayor for a Day – Adelynn Somme

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

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

Resolved that all the items listed under date June 22, 2026 – Agenda item 7 – Consent Agenda save and except Agenda items 7.9 and 7.23 be approved as recommended.

Carried

7.1 Dolly Parton's Imagination Library Sault Ste. Marie Expansion

The report of the CAO was received by Council.

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

Resolved that the report of the CAO dated June 22, 2026 concerning Dolly Parton's Imagination Library Sault Ste. Marie Expansion be received as information.

Carried

7.2 New Housing Community Improvement Plan Reserve

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

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

Resolved that the report of the Chief Financial Officer and Treasurer and the Director of Planning dated June 22, 2026 concerning New Housing Community Improvement Plan Reserve be received and that access to the reserve as required to fund the Housing Community Improvement Plan CIP agreements be approved.

Carried

7.3 Tenders for Equipment Purchase – Public Works

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

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

Resolved that the report of the Manager of Purchasing dated June 22, 2026 concerning equipment purchases as required by Public Works be received and that the tenders for the supply and delivery of various pieces of equipment be awarded at the low bid price meeting specifications as follows:

- One detachable loader mounted snowblower – Commercial Truck Equip. Corp. – $305,000
- One platform lift truck – Allan Fyfe Equipment Ltd. – $337,590
- One flat trailer (sanitary) – All North Truck Centre – $131,083

for a total amount of $773,673.00, plus HST.

Carried

7.4 Tender for Seasonal Rental of Four Loader/Backhoes

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

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

Resolved that the report of the Manager of Purchasing dated June 22, 2026 concerning the seasonal rental of four Loader/Backhoes as required by Public Works be received and that the rental be awarded to Toromont Industries Ltd. at their weekly rate of $1,562.50 plus HST per machine, for the three-year term commencing April 30, 2027, with an option to extend for two additional years by mutual consent.

Carried

7.5 Third Party Cost Recovery Services – Fire Services

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

The relevant By-law 2026-110 is listed under item 12 of the Minutes.

7.6 Municipal Public Engagement Solution

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

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

Resolved that the report of the Manager of Purchasing dated June 22, 2026 concerning Municipal Public Engagement Solution as requested by the Planning Division and Corporate Communications be received and that the project be awarded to Social Pinpoint Software Inc. at the fixed annual pricing rates quoted for a term of three years, with the option to extend up to an additional five one-year periods by mutual agreement.

Carried

7.7 Security Services Transit Terminal – Transit Division

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

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

Resolved that the report of the Manager of Purchasing dated June 22, 2026 concerning Security Services for the Transit Terminal at 160 Queen Street East as required by Transit and Parking Division of Community Development and Enterprise Services be received and the contract be awarded to North East Regional Security Services at the rates quoted commencing August 1, 2026 for three years, with the option to extend up to two additional years by mutual agreement.

Carried

7.8 Equipment Purchase – Vacuum Body Sewer Cleaning Truck

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

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

Resolved that the report of the Manager of Purchasing dated June 22, 2026 concerning purchase of a Vacuum Body Sewer Cleaning Truck with extended warranty as required by Public Works and Engineering Services be awarded to FST Canada Inc. O/A Joe Johnson Equipment, at the quoted amount of $843,033.09 plus HST.

Carried

7.10 Designated Property Grant – 10 Kensington Terrace

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

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

Resolved that the report of the Manager of Recreation and Culture dated June 22, 2026 concerning the Designated Heritage Property Grant – 10 Kensington Terrace be received and that a grant in the amount of $3,000 to support chimney repairs at 10 Kensington Terrace be approved.

Carried

7.11 2026 Arts and Culture Assistance Grants – Late Intake

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

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

Resolved that the report of the Manager of Recreation and Culture dated June 22, 2026 concerning 2026 Arts and Culture Assistance Program Grants – Late Intake allocation of funds be approved as follows:

1. La Casa – $2,535;
2. Paarth Pandey – Bollywood Novella – $1,985;
3. Skye Smith – Sault Indie Theatre Collective – $1,835;
4. Caio Schuurhuis – Queer Dance – $2,815;
5. Hallie Piche – Queer Choir – $2,120;
6. Mario Gionet – A Walk Among the Trees – $6,355;
7. Sarah Skagen – She 2026 – $6,155;
8. Sault Ste. Marie Metis Heritage Centre – $5,885;
9. Friends of Ermatinger Clergue National Historic Site – $6,580;
10. Sault Malayalee Association – $6,155;
11. Living History Algoma – $6,350;
12. Algoma Arts Festival Association – $7,505;
13. Algoma Festival Choir – $4,735;
14. Musical Comedy Guild – $6,785;
15. Over the Rainbow – $3,455;
16. Sault Symphony Orchestra – $7,325; and
17. Sault Theatre Workshop –$6,425.

Carried

7.12 2026 Ditching Program

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

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

Resolved that the report of the Director of Public Works dated June 22, 2026 concerning 2026 Ditching Program be received as information.

Carried

7.13 2026 Curb and Sidewalk Program

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

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

Resolved that the report of the Director of Public Works dated June 22, 2026 concerning the 2026 Curb and Sidewalk Program be received as information.

Carried

7.14 Reserve Funding Request for Engineering Traffic Equipment

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

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

Resolved that the report of the Manager of Design and Transportation Engineering dated June 22, 2026 be received and that the use of up to $22,000 from the Engineering Equipment Reserve for the procurement of engineering traffic equipment be approved.

Carried

7.15 By-Law Enforcement Officer Appointment and Removal

The report of the Chief Building Official was received by Council.

The relevant by-law 2026-106 is listed under item 12 of the Minutes.

7.16 Building Inspector Appointment and Removal

The report of the Chief Building Official was received by Council.

The relevant By-law 2026-107 is listed under item 12 of the Minutes.

7.17 Replacement of Extrication Tools

The report of the Fire Chief was received by Council.

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

Resolved that the report of the Fire Chief dated June 22, 2026 concerning Replacement of Extrication Tools be received and that the use of Fire reserve funds for the purchase of e-draulic extrication tools up to $75,000 be approved and that the 2026 capital budget be amended to reflect the purchase.

Carried

7.18 POA Wawa Court Licence of Occupation

The report of the Court Liaison Supervisor was received by Council.

The relevant By-law 2026-101 is listed under item 12 of the Minutes.

7.19 Access to Land – 89, 0 and 0 Hudson Street – Property Sale

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

Leslie Bellingham and Paul Watson, Raise the Roof Chez Toi were in attendance by video.

The relevant By-law 2026-102 is listed under item 12 of the Minutes.

7.20 Access to Land – 84-94 Park Street – Property Sale

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

The relevant By-law 2026-103 is listed under item 12 of the Minutes.

7.21 Access to Land – 72 Corey Avenue – Property Sale

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

The relevant By-law 2026-104 is listed under item 12 of the Minutes.

7.22 Deeming By-law – Dave Brown Subdivision Plan 1703, 603 and 605 Shafer Avenue

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

The relevant By-law 2026-108 is listed under item 12 of the Minutes.

7.24 Property Sale – Part 746 Shafer Avenue (Christopher Caldwell and Nicole Caldwell)

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

The relevant By-law 2026-100 is listed under item 12 of the Minutes.

7.25 Process for Obtaining Municipal Support Resolutions (MSRs) for Independent Electrical System Operator (IESO) applications

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

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

Resolved that the report of the Director of Planning dated June 22, 2026 concerning Process for Obtaining Municipal Support Resolutions for Independent Electrical System Operator applications be received and that Council:

1. Adopt the attached 'Process for Obtaining a Municipal Support Resolution for an IESO Application'; and
2. Amend User Fees and Service Charges By-law 2025-153 by adding a new $4,000 application fee for an MSR in support of an IESO application.

Carried

7.9 Tourism Development Fund Applications – April/May 2026

Councillor L. Vezeau-Allen declared a conflict on this item. (Family member is employed by Canadian Bushplane Heritage Centre.)

The report of the Director of Tourism and Community Development was received by Council.

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

Resolved that the report of the Director of Tourism and Community Development dated June 22, 2026 be received and that the recommendation of the Tourism Sault Ste. Marie Board of Directors to allocate $361,500 as detailed below, be approved:

1. Warhammer Battle at the Bridge 40K ($2,000);
2. Sault Ste. Marie Kennel Club Dog Show ($4,000);
3. Sault Cycling Club XCM National Championships ($30,000);
4. 38th Annual IBEW Baseball Tournament ($12,000);
5. Coppa Giovanni Soccer Tournament ($8,500);
6. Align Yoga Festival ($5,000); and
7. Canadian Bushplane Heritage Centre ($300,000).

	For	Against	Conflict	Absent
Mayor M. Shoemaker	X			
Councillor S. Hollingsworth	X			
Councillor S. Spina	X			
Councillor L. Dufour	X			

Councillor L. Vezeau-Allen			**X**	
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni	X			
Councillor S. Kinach	X			
Councillor C. Gardi	X			
Councillor M. Scott	X			
Results	**10**	**0**	**1**	**0**

Carried

7.23 Deeming By-law – Sault Ste. Marie Park Subdivision Plan 7602, Kingsford Road and Brunswick Avenue (Neilo Delbianco)

Mayor M. Shoemaker declared a conflict on this item. (Property owners are clients of the law firm in this matter.)

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

The relevant By-law 2026-109 is listed under item 12 of the Minutes.

8. Reports of City Departments, Boards and Committees

8.1 Administration

8.2 Corporate Services

8.3 Community Development and Enterprise Services

8.4 Public Works and Engineering Services

8.5 Fire Services

8.6 Legal

8.7 Planning

8.8 Boards and Committees

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

9.1 Mayor's Youth Advisory Council

Moved by: Councillor L. Vezeau-Allen
Seconded by: Councillor L. Dufour

Whereas the Mayor's Youth Advisory Council (MYAC) was established to provide a voice for the youth of Sault Ste. Marie, and its purpose is to advise City Council of important issues that concerns the City's younger population; and

Whereas MYAC is composed of only 12 youth from Sault Ste. Marie, representing a small percentage of youth voices; and

Whereas there are multiple youth organizations across the community; including: Thrive Teens on the Move, Youth Odena, Algoma Youth Wellness Hub Youth Advisory Committee, Youth Councils from all school boards and post-secondary institutions and others; and

Whereas priority and investment in our youth is underway from recommendations from the Community Safety and Wellbeing Plan; and

Whereas an outcome from those recommendations is the Planet Youth initiative being led by Algoma Public Health; and

Whereas there is no mechanism or method for all the various stakeholder groups to have a shared voice;

Now Therefore Be It Resolved that the Mayor's Youth Advisory Council and appropriate City staff be requested to report back to Council by July 13, 2026 regarding planning and hosting a Youth Conference within the City of Sault Ste. Marie and incorporate all local youth groups to come together and report on the real issues for our young people in Sault Ste. Marie.

	For	**Against**	**Conflict**	**Absent**
Mayor M. Shoemaker	X			
Councillor S. Hollingsworth	X			
Councillor S. Spina	X			
Councillor L. Dufour	X			
Councillor L. Vezeau-Allen	X			
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni	X			
Councillor S. Kinach	X			
Councillor C. Gardi	X			
Councillor M. Scott	X			
Results	**11**	**0**	**0**	**0**

Carried

9.2 Canadian Flag

Moved by: Councillor C. Gardi
Seconded by: Councillor M. Scott

Whereas Sault Ste. Marie occupies a unique and historic position as a prominent Canadian border city, situated directly on the international boundary of the St. Mary's River; and

Whereas the Sault Ste. Marie waterfront boardwalk serves as one of the City's most significant public spaces, serves as a driver for tourism, and the primary visual gateway viewed by international maritime traffic, International Bridge traffic, visitors, and our neighbours in the United States; and

Whereas displaying the national flag of Canada in a prominent, large-scale format fosters profound civic pride, celebrates our national identity, and serves as a powerful symbol of welcome and Canadian sovereignty at a critical international crossing; and

Whereas the St. Mary's River boardwalk currently features two smaller flag installations, including a dual Canadian-American display symbolizing our close international bond, and a separate single Canadian flag located on the western stretch near the Delta Hotel; and

Whereas replacing the existing smaller Canadian flag near the Delta Hotel with a landmark, large-scale ("Garrison-style") Canadian flag and engineered flagpole would dramatically enhance the visual landscape of our waterfront without duplicating or altering existing international displays;

Now Therefore Be It Resolved that the City Council requests City staff to investigate the feasibility, logistical requirements, and estimated costs of installing a large-scale Canadian flag landmark on the boardwalk; and

Further Be It Resolved that staff specifically evaluate and include the following in their report back to Council:

- Engineering and geotechnical requirements: The structural and footing specifications required for a high-wind waterfront installation (evaluating an appropriate landmark height range, such as 60 to 100 feet);
- Flag protocol and lighting: A costing for potential dedicated LED or solar-powered uplighting to enhance visibility at night; and
- Financial framework: Capital costs for installation, ongoing lifecycle maintenance (including regular flag replacement due to waterfront weathering), and potential opportunities for corporate sponsorships or federal/provincial heritage grants to offset the municipal taxpayer impact.

	For	Against	Conflict	Absent
Mayor M. Shoemaker	X			

Councillor S. Hollingsworth	X			
Councillor S. Spina	X			
Councillor L. Dufour	X			
Councillor L. Vezeau-Allen	X			
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni	X			
Councillor S. Kinach	X			
Councillor C. Gardi	X			
Councillor M. Scott	X			
Results	**11**	**0**	**0**	**0**

Carried

9.3 Economic Development Community Improvement Program

Moved by: Councillor L. Dufour
Seconded by: Councillor C. Gardi

Whereas there are projects being proposed across the municipality that would, if approved, spur significant economic development and re-shape the local economy; and

Whereas the projects being proposed range in the investment required from tens of millions of dollars to multiple billion dollars; and

Whereas the Economic Development Community Improvement Program (CIP) does not currently distinguish the incentives available based on the value of the investment to be made; and

Whereas it would be prudent to ensure the Economic Development CIP incents projects to as great of a degree as similar programs in other Ontario municipalities, all while ensuring compliance with the *Municipal Act*; and

Whereas a graduated incentive, based on the value of the investment to be made is one way in which the City of Sault Ste. Marie may be able to better compete for any number of projects being proposed both within the municipality, and within Ontario more broadly;

Now Therefore Be It Resolved that staff be directed to review the Economic Development CIP and report back to City Council on any proposal that:

- Ensures Sault Ste. Marie's Economic Development CIP is competitive with CIP programs across other Ontario municipalities, recognizing that Sault Ste. Marie has other incentives such as a lack of development charges;
- Looks to have a graduated tax increment level, and/or a longer term, for projects that require greater investment, and create greater long-term benefits; and
- Examines any other changes required to our Economic Development CIP as staff may recommend or bring forward for Council's consideration.

	For	Against	Conflict	Absent
Mayor M. Shoemaker	X			
Councillor S. Hollingsworth	X			
Councillor S. Spina	X			
Councillor L. Dufour	X			
Councillor L. Vezeau-Allen	X			
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni	X			
Councillor S. Kinach	X			
Councillor C. Gardi	X			
Councillor M. Scott	X			
Results	**11**	**0**	**0**	**0**

Carried

9.4 Highway 17 Safety

Moved by: Councillor S. Hollingsworth
Seconded by: Councillor S. Spina

Whereas within the last several years Highway 17 has been closed in all four seasons due to severe transport accidents, washouts and heavy snowfall; and

Whereas in 2025 to the present an alarming 10 and greater accidents and over 10 closures have taken place, reinforcing that Highway 17 is unsafe; and

Whereas Highway 17 is the lifeline for several communities from Sault Ste. Marie past White River. Closure of this important highway is significant to the economy of the area and those that live along it; and

Whereas with the port of Sault Ste. Marie hopefully being built, which will rely on Highway 17, an engineering review needs to be conducted immediately, followed by significant upgrades to ensure that all those that rely on the highway are safe;

Now Therefore Be It Resolved that the City of Sault Ste. Marie, along with key communities in conjunction with Algoma District Municipalities Association, form a campaign to lobby for improvements to this corridor. The campaign should include a delegation of Algoma mayors to sit directly with local MPs, MPPs and the Ministry of Transportation to create a plan to improve Highway 17 within an appropriate time frame.

	For	Against	Conflict	Absent
Mayor M. Shoemaker	X			
Councillor S. Hollingsworth	X			
Councillor S. Spina	X			
Councillor L. Dufour	X			
Councillor L. Vezeau-Allen	X			
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni	X			
Councillor S. Kinach	X			
Councillor C. Gardi	X			
Councillor M. Scott	X			
Results	**11**	**0**	**0**	**0**

Carried

9.5 Allocation of Municipal Accommodation Tax Revenue

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

Whereas section 400.1 of the *Municipal Act, 2001* and Ontario Regulation 435/17 authorize municipalities to impose a Municipal Accommodation Tax (MAT) on short-term accommodations; and

Whereas the MAT applies to accommodations of 30 days or less, including hotels, motels, and short-term rentals, and is collected as a direct tax from visitors; and

Whereas provincial legislation requires that a minimum of fifty percent (50%) of MAT revenues be remitted to an eligible tourism entity for the exclusive purpose of promoting tourism; and

Whereas the remaining fifty percent (50%) of MAT revenues retained by the municipality may be allocated at the discretion of Council and has been used by other municipalities to support infrastructure, healthcare recruitment, and community improvements; and

Whereas investments in physician recruitment, accessible infrastructure, and parks and public spaces contribute to both resident well-being and the overall attractiveness of the municipality to visitors and investors;

Now Therefore Be It Resolved that staff be requested to report back to Council on the impact of allocating fifty percent (50%) of the municipal portion of Municipal Accommodation Tax revenues, after the required transfer to the eligible tourism entity, and the other fifty percent (50%) allocated towards priority community investments, such as physician recruitment and retention initiatives, accessibility upgrades to municipal roads and sidewalks and infrastructure, park equipment upgrades and hub trail maintenance as recommended by a Council-led committee.

	For	**Against**	**Conflict**	**Absent**
Mayor M. Shoemaker		X		
Councillor S. Hollingsworth		X		
Councillor S. Spina	X			
Councillor L. Dufour		X		
Councillor L. Vezeau-Allen		X		
Councillor A. Caputo		X		
Councillor R. Zagordo	X			
Councillor M. Bruni	X			
Councillor S. Kinach	X			
Councillor C. Gardi		X		
Councillor M. Scott	X			
Results	**5**	**6**	**0**	**0**

Defeated

9.6 High Speed Broadband

Moved by: Councillor C. Gardi
Seconded by: Councillor M. Scott

Whereas reliable, high-speed broadband internet is an essential utility required for modern economic participation, remote work, equity in education, and emergency communications; and

Whereas certain residential pockets within the western extremes of Sault Ste. Marie, predominantly in the areas surrounding the Sault Ste. Marie Airport, including Pointe Aux Pins, Alagash Drive, and Red Pine Drive, continue to suffer from significant service gaps or a total lack of reliable high-speed internet infrastructure; and

Whereas the province of Ontario's *Building Broadband Faster Act* mandates accelerated deployment of high-speed infrastructure, and senior levels of government have made historic funding allocations to bridge the digital divide in Northern Ontario, notably through the joint federal-provincial Universal Broadband Fund and Infrastructure Ontario's Accelerated High-Speed Internet Program (AHSIP); and

Whereas public geospatial data maps utilized by senior levels of government often rely on aggregate telemetry that can misrepresent actual neighbourhood-level coverage, thereby leaving unserved local streets invisible to active broadband buildout contracts and subsidy programs;

Now Therefore Be It Resolved that staff be requested to identify potential partners who might conduct an audit of current high-speed internet availability within the western extremes of the City, focusing specifically on the pockets around, but not limited to, Pointe Aux Pins, Alagash Drive, Pointe Des Chenes Crescent, Red Pine Drive and Pointe Louise Drive, to formally identify infrastructure gaps; and report back to City Council with their findings, including estimated costs to conduct such an audit.

	For	**Against**	**Conflict**	**Absent**
Mayor M. Shoemaker	X			
Councillor S. Hollingsworth	X			
Councillor S. Spina	X			
Councillor L. Dufour	X			
Councillor L. Vezeau-Allen	X			
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni				X
Councillor S. Kinach	X			
Councillor C. Gardi	X			

Councillor M. Scott	X			
Results	**10**	**0**	**0**	1

Carried

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

11. Adoption of Report of the Committee of the Whole

12. Consideration and Passing of By-laws

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

Resolved that all By-laws under item 12 of the Agenda under date June 22, 2026 save and except By-law 2026-109 be approved.

Carried

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

12.1.1 By-law 2026-100 (Property Sale) Part 746 Shafer Avenue (Christopher Caldwell and Nicole Caldwell)

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

Resolved that By-law 2026-100 being a by-law to authorize the sale of surplus property being part of civic 746 Shafer Avenue, legally described in PIN 31570-0165 (LT) to Christopher Caldwell and Nicole Caldwell be passed in open Council this 22nd day of June, 2026.

Carried

12.1.2 By-law 2026-101 (Agreement) POA Wawa Court Licence of Occupation

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

Resolved that By-law 2026-101 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 22nd day of June, 2026.

Carried

12.1.3 By-law 2026-102 (Property Sale) 89 Hudson Street, 0 Hudson Street, and 0 Hudson Street (Raising the Roof Chez Toit)

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

Resolved that By-law 2026-102 being a by-law to authorize the sale of surplus property being civic 89 Hudson Street, civic 0 Hudson Street, and civic 0 Hudson Street, legally described in PIN 31578-0239 (LT), PIN 31578-0278 (LT) and PIN 31578-0279 (LT) to Raising the Roof Chez Toit be passed in open Council this 22nd day of June, 2026.

Carried

12.1.4 By-law 2026-103 (Property Sale) 84-94 Park Street (BT Construction Group (SSM) Ltd.)

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

Resolved that By-law 2026-103 being a by-law to authorize the sale of surplus property being civic 84 Park Street, civic 90 Park Street, and civic 94 Park Street, legally described in PIN 31494-0098 (LT) to BT Construction Group (SSM) Ltd. be passed in open Council this 22nd day of June, 2026.

Carried

12.1.5 By-law 2026-104 (Property Sale) 72 Corey Avenue (Gary and Marla Fahrer)

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

Resolved that By-Law 2026-104 being a by-law to authorize the sale of surplus property being civic 72 Corey Avenue, legally described in PIN 31504-0364(LT), to Gary Fahrer and Marla Fahrer be passed in open Council this 22nd day of June, 2026.

Carried

12.1.6 By-law 2026-106 (By-law Enforcement Officers)

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

Resolved that By-law 2026-106 being a by-law to appoint By-law Enforcement Officers to enforce The Corporation of the City of Sault Ste. Marie Property Standards By-law as Property Standards Officers and enforce various other by-laws of The Corporation of the City of Sault Ste. Marie as By-law Enforcement Officers be passed in open Council this 22nd day of June, 2026.

Carried

12.1.7 By-law 2026-107 (Appointments) Building Inspector

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

Resolved that By-law 2026-107 being a by-law to appoint Inspectors under the *Building Code Act, 1992* and Municipal Law Enforcement Officers under the *Police Services Act* be passed in open Council this 22nd day of June, 2026.

Carried

12.1.8 By-law 2026-108 (Subdivision Control) Dave Brown Subdivision 603 and 605 Shafer Avenue (Newman)

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

Resolved that By-law 2026-108 being a by-law to deem not registered for purposes of subdivision control certain lots in the Dave Brown Subdivision, pursuant to section 50(4) of the Planning Act, be passed in open Council this 22nd day of June, 2026.

Carried

12.1.10 By-law 2026-110 (Agreement) Fire Services Third Party Cost Recovery Services (Fire Marque Inc.)

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

Resolved that By-law 2026-110 being a by-law to authorize the execution of the Agency Agreement between the City and Fire Marque Inc. for the provision of Third Party Cost Recovery Services of insured perils be passed in open Council this 22nd day of June, 2026.

Carried

12.1.9 By-law 2026-109 (Subdivision Control) Sault Ste. Marie Park Subdivision 262 Kingsford Road and 626 Brunswick Avenue (Neilo Delbianco/Matthew Battisti)

Mayor M. Shoemaker declared a conflict on this item. (Property owners are clients of the law firm in this matter.)

Councillor Dufour assumed the Chair as Acting Mayor.

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

Resolved that By-law 2026-109 being a by-law to deem not registered for purposes of subdivision control certain lots in the Sault Ste. Marie Park Subdivision, pursuant to section 50(4) of the Planning Act, be passed in open Council this 22nd day of June, 2026.

	For	**Against**	**Conflict**	**Absent**
Mayor M. Shoemaker			**X**	
Councillor S. Hollingsworth	X			

Councillor S. Spina	X			
Councillor L. Dufour	X			
Councillor L. Vezeau-Allen	X			
Councillor A. Caputo	X			
Councillor R. Zagordo	X			
Councillor M. Bruni				X
Councillor S. Kinach	X			
Councillor C. Gardi	X			
Councillor M. Scott	X			
Results	**9**	**0**	**1**	**1**

Carried

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

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

12.3.1 By-law 2025-28 (Street Closing and Conveyance) Gladwyn Road (Nancy Pinelli, Mandy Lemieux, Sergio Iacoe and Frank Spina)

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

Resolved that By-law 2025-28 being a by-law to stop up, close and authorize the conveyance of Gladwyn Road in the Giuliani Subdivision, Plan H475 be read a THIRD time in open Council and passed this 22nd day of June, 2026.

Carried

12. Consideration and Passing of By-laws

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

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

14. Closed Session

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

Resolved that this Council move into closed session to discuss:

- two items concerning the potential acquisition of land;
- two items concerning the potential disposition of land;
- one item concerning labour relations or employee negotiations; and
- one item concerning information explicitly supplied in confidence to the municipality by the Province of Ontario

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 without the need for a further authorizing resolution.

Municipal Act R.S.O. 2001 – 239 (2)(c) a proposed or pending acquisition or disposition of land by the municipality or local board; (d) labour relations or employee negotiations; and (h) information explicitly supplied in confidence to the municipality or local board by Canada, a province or territory or a Crown agency of any of them.

Carried

15. Adjournment

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

Resolved that this Council now adjourn.

Carried

____

Mayor

____

City Clerk

City of Sault Ste. Marie

Year-End Audit Report
2025 Fiscal Year

Presentation to City Council

—

Prepared on July 6th, 2026 for presentation on July 13th, 2026

Audit Highlights

- Our audit procedures were executed in accordance with Canadian Auditing Standards and are based on a materiality of $4.4 million
  - Calculated as 2% of prior year's expenses
  - Results in a posting threshold of $220,000

- We are prepared to issue an unqualified audit opinion on the City's financial statements pending:
  - Council approval of the financial statements
  - Receipt of the management representation letter
  - Completion of any remaining audit procedures to the date of Council approval of the financial statements

Audit Highlights

New accounting standards	• No new accounting standards have impacted the City's financial reporting during the current year. • *PSAS 1202: Financial Statement Presentation* (effective April 1, 2026) will impact the City's financial statements for the year ended December 31, 2027.
New auditing standards	• Changes to CAS 260: Communication with Those Charged with Governance requires a new engagement letter signed by management and a representative of Council.
Disagreements or difficulties with management	• No matters to report.
Internal control findings	• No matters to report.
Indicators of contravention of legislation or regulation	• No matters to report.
Scope limitations	• No matters to report.
Uncorrected audit differences	• No matters to report.
Corrected audit differences	• No matters to report.
Significant unusual transactions	• No matters to report.

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MOMENTUM THROUGH MODERNIZATION

PUC GROUP OF COMPANIES
REPORT TO THE SHAREHOLDER | JULY 13, 2026

MODERNIZING FOR LONG-TERM SUCCESS

PUC's 2025 results reflect the deliberate steps we are taking to strengthen the utility today while building a more **resilient**, **innovative**, and **sustainable** future.

We are:

- Driving reliability and efficiency through **strategic investments** in technology, infrastructure, and Sault Smart Grid modernization;
- Increasing financial returns through **disciplined growth**, including PUC (Transmission) LP expansion, enabling reinvestment here at home; and
- Advancing **sustainability** with EV adoption, net-zero carbon goals, and strong community partnerships.

Transforming Infrastructure Management

We integrated **RTK satellite positioning** with our **GIS platform**, transforming field operations and positioning PUC as a leader in delivering on Ontario's provincial mapping goals.

This is a true **game-changer for Sault Ste. Marie**. With better field data, our ability to pinpoint hidden infrastructure has gone from several metres to **2.5 centimetres**.

Benefits

- Captures data once, shares instantly, stores forever
- Smarter planning with reliable data
- Protects workers from excavation-related risks
- Safeguards critical infrastructure from damage
- Fewer customer disruptions

PUC

Sault Smart Grid

2024

SAIDI / SAIFI:
2.14 / 2.17

Customers saved from outages:
6,038

Outage minutes saved:
638,639

Momentary outages prevented (<1 min):
17,991

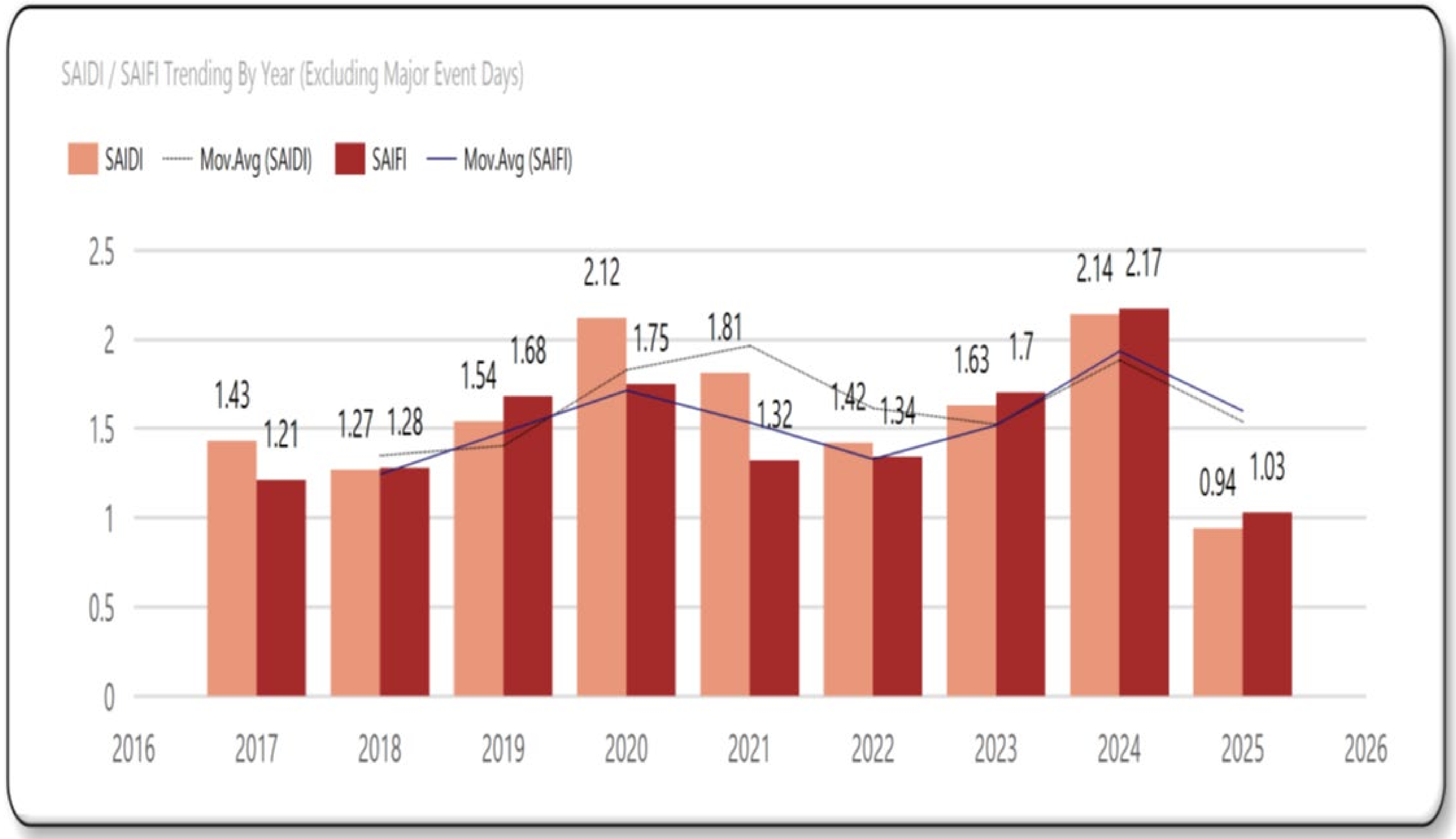
2025

SAIDI / SAIFI:
0.94 / 1.03

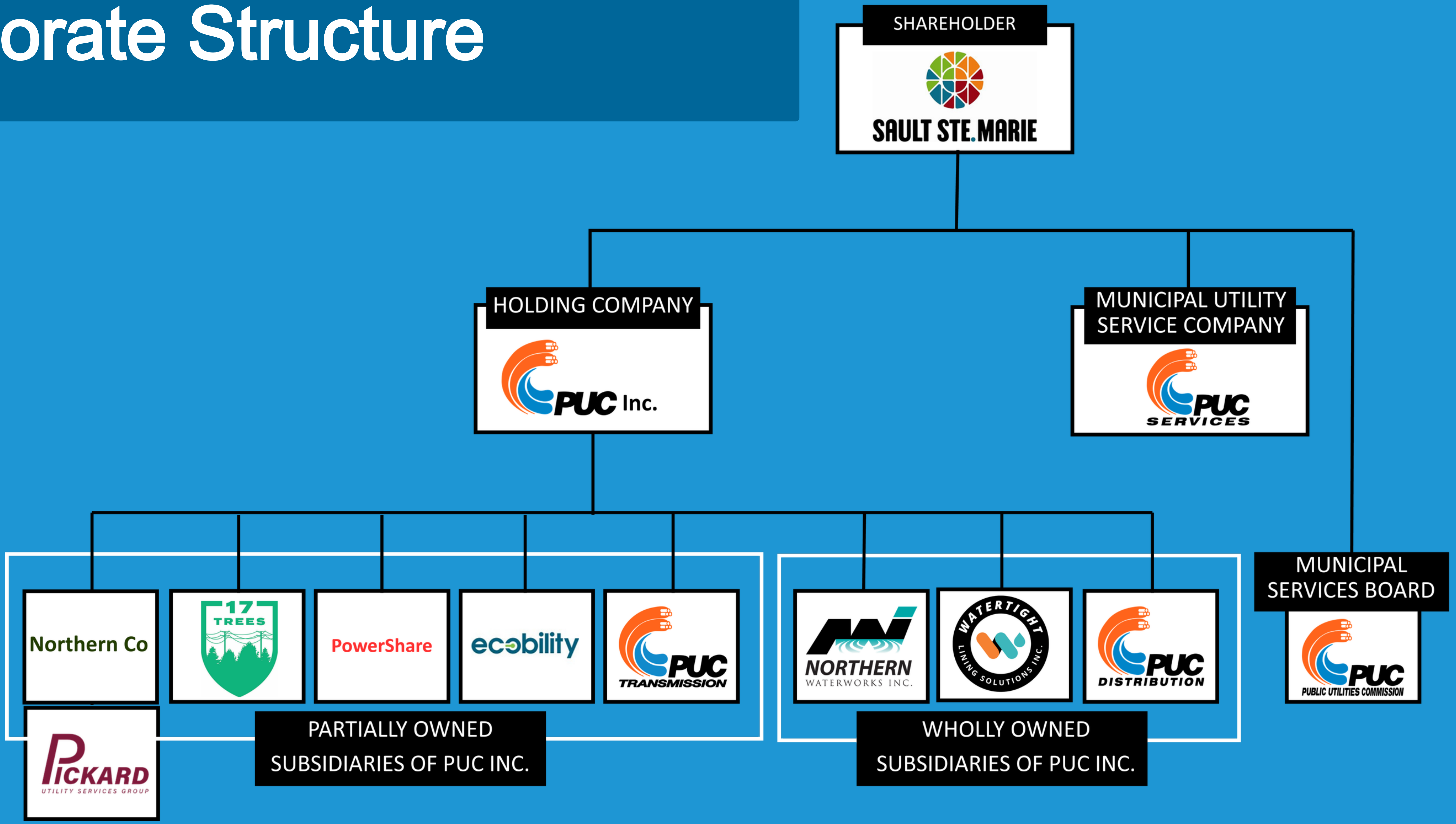
Customers saved from outages:
10,310

Outage minutes saved:
906,021

Momentary outages prevented (<1 min):
29,532



PUC Group of Companies Corporate Structure



PUC (Transmission) LP

Foundations for the Future

Delivering Local Solutions

- PUC (Transmission) LP continues to make strong progress on the **Sault Ste. Marie 230 kV Facilities Initiative**, which will power Algoma Steel's new Electric Arc Furnace operations.
- In 2025 the project advanced through **key development** and **construction readiness milestones**, positioning the project to move into its next phase of construction.
- On track for **in-service date** in **2028**.

Lasting Shareholder Value

- Will increase electricity **capacity**, system **reliability** and energy **security**, enabling further long-term industrial and economic growth.
- Building knowledge PUC can apply to projects like Essex Transmission, increasing province-wide returns that can be reinvested in Sault Ste. Marie.

Partnerships Driving Sustainable Progress

We continue to prioritize strong, strategic partnerships as a key driver of sustainable growth and innovation.

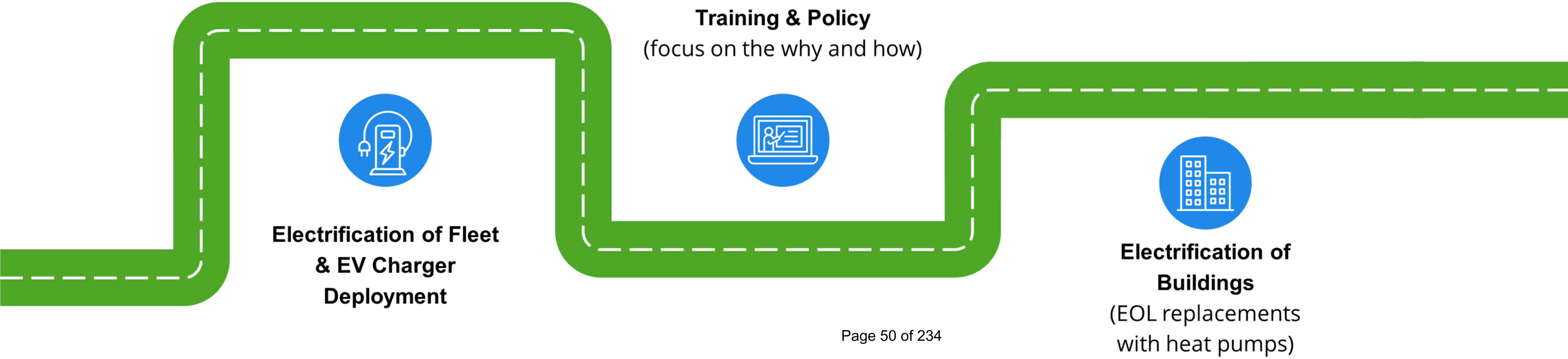
2025 highlights:

- **PowerShare**. PUC became a founding partner, working alongside peer distribution companies to accelerate the development of local energy markets.
- **Northern Hold Co**. This partnership between PUC Inc., North Bay Hydro and Greater Sudbury Utilities, enables us to pursue shared investment opportunities. In 2025, it made a strategic investment in **Pickard Construction**, a company specializing in telecom and electric utility infrastructure services.

Net -Zero Strategy

In 2025 PUC introduced a **Net-Zero Roadmap** anchored in our **2025–2027 Strategic Plan** and aligned with municipal, provincial, and federal climate goals. The roadmap **integrates sustainability into core operations** such as capital planning, fleet management, and policy development.

- Expanding electric vehicle infrastructure across our organization
  - **36%** of PUC's light-duty fleet is now electric; estimated 20% savings in annual operating costs per vehicle while reducing emissions
  - **25** EV chargers across PUC's facilities
  - **31** residential and commercial chargers supported throughout the city
- Retrofitting buildings
- Supporting Algoma Steel's EAF transition to electric arc steelmaking, which will reduce GHG emissions by 70%
- **Future focus**: Scaling renewable energy (e.g., solar generation), expanding EV infrastructure, leveraging carbon credits



Safety

PUC's health and safety program exceeds industry standards by holding **100 per cent** of employees, union and management alike, accountable for safety outcomes.

2025 key outcomes:

- **100 per cent employee participation** in mandatory, field-based safety observations, with **900+ observations** completed.
- **Public safety leadership** through targeted **training** and rigorous **contractor oversight**.
- PUC's Contractor Management Program is a strong driver of contractor safety performance, resulting in a **92% compliance score** on safety audits.

Public Outreach Programs

Community-owned, community-minded.

In **2025**, PUC's programs reached the entire city:

- **Caution & Chance Electrical Safety Program**. Celebrated 30 years , reaching all elementary schools in Sault Ste. Marie and engaging approximately 2,500 students in Grades 3 to 5.
- **Annual Grade 8 Safety Awards**. Recognized a student at every city elementary school for demonstrating safety leadership, reinforcing positive behaviours at a critical age.
- **High school art partnership**. Ran a design competition where students created original artwork used to beautify utility infrastructure, enhancing public spaces.
- **School Tours**. Students of all ages received hands-on learning experiences, career exploration, and insight into essential water and wastewater services.
- **Community Events.** Engaged residents through Rotaryfest, Science North Science Festival, Touch-A-Truck, and more.




Donations

In 2025, PUC supported more than 50 local grassroots organizations, contributing $126,000 to programs that make a meaningful difference in the region.

Sault Ste. Marie Soup Kitchen

"Without the continued support from PUC and other organizations, we could not continue to meet the needs of so many in our community, as those facing food insecurity and food inflation continue to climb to record numbers. Thank you for helping us to help so many."

- Ron Sim, General Manger, Soup Kitchen Community Centre

Long Live Connor Dunn Memorial Fund

"PUC's support of the Long Live Connor Dunn Fund is helping ensure that no child in our community is left out of sport due to financial barriers. Its contribution is creating real opportunities for young athletes to participate, grow, and feel a sense of belonging. We are sincerely grateful for PUC's partnership in carrying forward Connor's legacy of kindness, inclusion, and leadership."

-Ross Romano, Spokesperson for the Dunn family

Supporting Other Communities

2025 emergency storm response in Northern Michigan and Eastern Ontario

- **Strengthened emergency planning and response**, applicable in Sault Ste. Marie
- **Elevated crews at home**, which adapted to operate safely and effectively with fewer crew members
- **Strengthened mutually beneficial partnerships**:
    - Michigan utilities and residents thanked “Canada” for coming; received formal recognition from U.S. House of Representatives
    - First Canadian utility to cross the border in this capacity since 2024
    - In Eastern Ontario and Michigan, earned respect from larger utilities for vast technical expertise

2025 Financial Results (in $000's)

PUC Inc.	2023	2024	2025
Revenue	$3,990.7	$3,101.5	$3,258.0
OM&A	$2,678.1	$2,568.5	$2,547.1
Income	$1,414.6	$613.0	$754.9

PUC Services Inc.	2023	2024	2025
Revenue	$26,890.4	$26,149.2	$29,019.0
OM&A	$20,922.3	$21,213.6	$23,196.3
Income	$1,930.2	$1,104.1	$1,445.7
Capital Expenditures	$3,699.1	$3,764.0	$2,431.5

2025 Financial Results (in $000's)

PUC Distribution Inc.	2023	2024	2025
Revenue	$27,890.8	$29,045.8	$31,151.1
OM&A	$13,751.0	$13,790.4	$14,122.0
Income	$4,378.8	$4,369.4	$6,297.4
Capital Expenditures	$11,524.5	$7,715.8	$9,916.5

Public Utilities Commission	2023	2024	2025
Revenue	$27,358.1	$29,315.7	$30,635.9
OM&A	$16,602.3	$16,779.4	$17,367.7
Annual Surplus	$7,430.1	$8,789.0	$9,417.0
Capital Expenditures	$11,481.0	$9,119.8	$11,458.3

2025 Financial Summary Slide

Our ratio of costs to revenue continues to improve, demonstrating increased efficiency.

Total Capital Expenditures = $23.8 Million

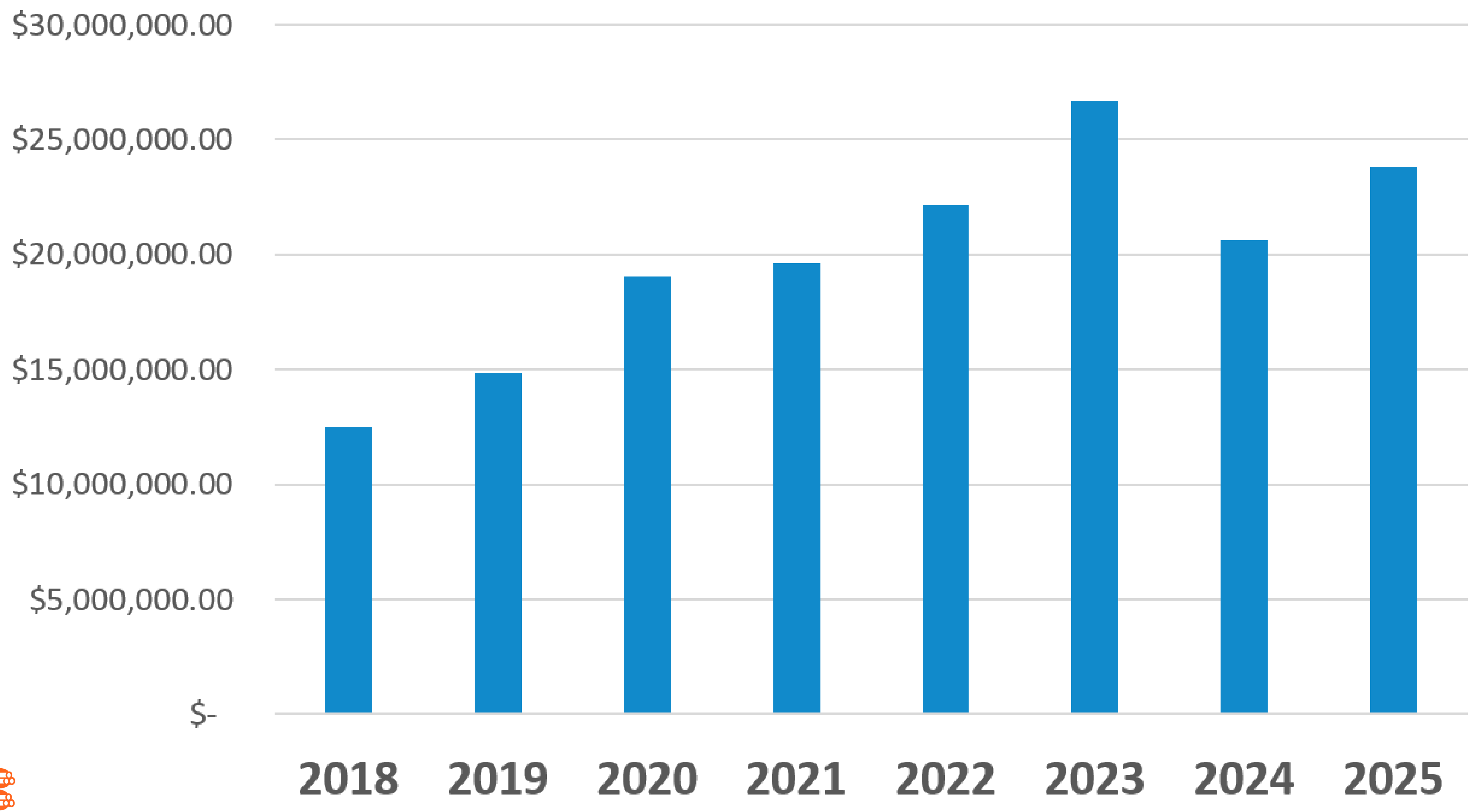
- Demonstrates our commitment to renewing and modernizing critical infrastructure that supports our community

Income/Surplus = $17.9 Million

- Supports PUC's financial resilience, enabling ongoing investment in infrastructure renewal, service excellence, and community programs

PUC's Capital Program

Increasing investments in infrastructure to better serve our customers



PUC

Thank You

Questions?

The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Steve Facey, Manager of Finance
DEPARTMENT:	Corporate Services
RE:	2025 Audited Financial Statements

Purpose

The purpose of this report is to request approval of the attached draft Audited Consolidated Financial Statements and Trust Fund Statements for the year ended December 31, 2025.

Background

The *Municipal Act, 2001*, section 294.1, requires a municipality to prepare annual financial statements for each fiscal year in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The *Municipal Act, 2001* also requires the City of Sault Ste. Marie is to appoint an independent auditor to express an opinion on whether the financial statements present, in all material respects, the financial position and operating results.

On September 19, 2023 Council appointed KPMG as the municipal auditor for five years, effective with the 2022 fiscal year. The 2025 fiscal year is year four of the five-year appointment.

Analysis

The 2025 consolidated financial statements have received a clean audit opinion from the municipal auditor.

Financial Implications

There are no financial implications associated with this report.

Strategic Plan / Policy Impact / Climate Impact

This financial reporting is not an activity directly related to the strategic plan or climate action plan.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the Report of the Manager of Finance dated July 13, 2026, concerning the 2025 Audited Financial Statements be received and that the financial statements be approved.

Respectfully submitted,

Steve Facey, CPA, CMA
Manager of Finance
705.759.5356
s.facey@cityssm.on.ca

Consolidated Financial Statements of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Year ended December 31, 2025

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
Consolidated Financial Statements

Year ended December 31, 2025

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

Chief Administrative Officer	Chief Financial Officer / City Treasurer

KPMG LLP
480 Pim Street, Unit 1
Sault Ste. Marie, ON P6B 2V4
Canada
Tel 705 949 5811
Fax 705 949 0911

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada

July 13, 2026

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

		2025		2024
Financial assets				
Cash and cash equivalents	$	82,272,219	$	75,814,621
Temporary investments (note 2)		23,899,048		22,971,863
Taxes receivable (note 3)		7,391,280		8,281,306
Other current assets		-		384
Accounts receivable		53,185,082		51,521,984
Investment in government business enterprises (note 8)		105,082,844		98,173,018
		271,830,473		256,763,176
Financial liabilities				
Accounts payable and accrued liabilities		34,824,084		39,860,636
Temporary advances from trust funds		17,250		10,475
Deferred revenue - obligatory reserve funds (note 4)		10,212,789		8,991,955
Net long-term liabilities - The Corporation of the City of Sault Ste. Marie (note 5)		12,685,298		13,434,739
Net long-term liabilities - Public Utilities Commission of the City of Sault Ste. Marie (note 6)		3,956,715		5,016,442
Net long-term liabilities - Sault Ste Marie Public Library (note 7)		2,045,075		2,174,348
Employee future benefit obligations (note 14)		40,576,175		39,486,498
Asset retirement obligations (note 15)		47,335,678		46,506,956
		151,653,064		155,482,049
Net financial assets		120,177,409		101,281,127
Non-financial assets:				
Tangible capital assets (note 16)		689,911,223		658,583,683
Prepaid expenses		584,699		613,031
Inventories		4,333,009		8,871,130
		694,828,931		668,067,844
Contingent liabilities (note 13)				
Accumulated surplus (note 17)	$	815,006,340	$	769,348,971

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 9)	2025 Actual	2024 Actual
Revenue:			
Property taxation	$ 148,521,347	$ 149,096,080	$ 144,053,458
Taxation from other governments	5,054,728	5,016,284	4,929,052
Fees and user charges	64,876,585	69,965,620	63,785,017
Government grants (note 18)	49,347,530	49,207,472	37,605,952
Interest income	7,889,000	9,615,605	11,035,979
Other	2,204,851	8,732,850	6,437,690
Developer contributions (note 16)	-	176,713	105,729
Gain on disposal of tangible capital assets	-	69,428	172,119
Net income of government business enterprises (note 8)	-	7,819,906	5,855,467
Total revenue	277,894,041	299,699,958	273,980,463
Expenses:			
General government	19,958,663	22,246,381	20,762,803
Protection services	64,423,967	62,904,841	61,299,822
Transportation services	39,917,547	40,874,360	45,017,967
Environmental services	32,784,831	32,066,442	25,398,259
Health services	4,716,310	4,762,870	4,433,322
Social and family services	22,575,758	22,546,379	22,059,029
Recreation and cultural services	29,734,168	31,408,958	27,887,077
Planning and development	3,553,260	4,047,779	5,579,236
Amortization of tangible capital assets	27,441,593	27,601,734	26,484,698
Loss on disposal of tangible capital assets	-	4,754,123	-
Total expenses	245,106,097	253,213,867	238,922,213
Annual surplus before the undernoted	32,787,944	46,486,091	35,058,250
Asset retirement obligation accretion expense (note 15)	-	828,722	2,426,700
Annual surplus	32,787,944	45,657,369	32,631,550
Accumulated surplus, beginning of year	769,348,971	769,348,971	736,717,421
Accumulated surplus, end of year	$ 802,136,915	$ 815,006,340	$ 769,348,971

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 9)	2025 Actual	2024 Actual
Annual surplus	$ 32,787,944	$ 45,657,369	$ 32,631,550
Acquisition of tangible capital assets	(56,547,201)	(59,127,960)	(43,900,806)
Amortization of tangible capital assets	27,441,593	27,601,734	26,484,698
Gain on sale of tangible capital assets	-	(69,428)	(172,119)
Proceeds on sale of tangible capital assets	-	268,114	235,516
	3,682,336	14,329,829	15,278,839
Change in prepaid expenses	-	28,332	38,396
Change in inventories	-	4,538,121	(4,883,342)
Change in net financial assets	3,682,336	18,896,282	10,433,893
Net financial assets, beginning of year	101,281,127	101,281,127	90,847,234
Net financial assets, end of year	$ 104,963,463	$ 120,177,409	$ 101,281,127

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 45,657,369	$ 32,631,550
Items not involving cash:		
Amortization of tangible capital assets	27,601,734	26,484,698
Gain on sale of tangible capital assets	(69,428)	(172,119)
Developer contributions	(176,713)	(105,729)
Change in future employee benefit obligations	1,089,677	868,349
Change in landfill closure and post-closure liability	647,004	2,240,426
Change in facility retirement obligation	181,718	186,274
Net income of government business enterprise	(7,819,906)	(5,855,467)
	67,111,455	56,277,982
Change in non-cash assets and liabilities:		
Taxes receivable	890,026	(210,909)
Accounts receivable	(1,663,098)	(9,906,648)
Other current assets	384	(384)
Prepaid expenses	28,332	38,396
Inventories	4,538,121	(4,883,342)
Accounts payable and accrued liabilities	(5,036,552)	8,637,891
Deferred revenue - obligatory reserves	1,220,834	1,324,709
Temporary advances from (to) trust funds	6,775	(561,109)
	67,096,277	50,716,586
Capital activities:		
Proceeds on sale of tangible capital assets	268,114	235,516
Cash used to acquire tangible capital assets	(58,951,247)	(43,795,077)
	(58,683,133)	(43,559,561)
Investing activities:		
Dividends received from government business enterprises	910,080	610,080
	910,080	610,080
Financing activities:		
Proceeds from long-term liabilities	-	1,025,000
Repayment of long-term liabilities	(1,938,441)	(1,732,171)
	(1,938,441)	(707,171)
Net change in cash	7,384,783	7,059,934
Cash and cash equivalents, beginning of year	98,786,484	91,726,550
Cash and cash equivalents, end of year	$ 106,171,267	$ 98,786,484
Cash position consists of:		
Cash and cash equivalents	$ 82,272,219	$ 75,814,621
Temporary investments	23,899,048	22,971,863
	$ 106,171,267	$ 98,786,484

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

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

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities:

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

These entities and organizations include:

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

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

(ii) Investment in Government Business Enterprises:

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

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Related entities:

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

Algoma Public Health
District of Sault Ste. Marie Social Services Administration Board
Board of Management of Queenstown
Sault Ste. Marie Region Conservation Authority

(iv) Trust funds:

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

(b) Basis of accounting:

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

(c) Revenue recognition:

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

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

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

(d) Temporary investments:

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

(e) Inventories:

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

1. Significant accounting policies (continued):

(f) Deferred revenue:

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

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

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less (if applicable) residual value of the tangible capital assets excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

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

Half year amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions for tangible capital assets:

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

(iii) Leased tangible capital assets:

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

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(iv) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value.

(v) Works of art and historical treasures:

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

(h) Use of estimates:

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

Actual results could differ from these estimates.

(i) Employee future benefits:

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

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

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service.

Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

1. Significant accounting policies (continued):

(i) Employee future benefits (continued):

(i) (continued):

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

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

(j) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and recognized in the statement of operations. Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded at fair value, as described below:

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

1. **Significant accounting policies (continued):**

(k) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

(i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

(ii) The past transaction or event giving rise to the liability has occurred;

(iii) It is expected that the future economic benefits will be given up; and

(iv) A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in note 1(g) i.

2. **Temporary investments:**

Temporary investments consist of GIC’s with interest rates between 3.50% and 3.75% with maturity dates ranging from February 2026 to June 2026.

3. **Taxes receivable:**

Property tax billings are prepared by the City based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the City were established based on a common valuation date which was used by the City in computing the property tax bills for 2025. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of significant appeals submitted by ratepayers have yet to be heard.

The City has established an allowance for tax appeals and other items in the amount of $3,169,200 (2024 - $2,210,000). Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

4. Deferred revenue – obligatory reserve funds:

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

	2025	2024
Canadian Community-Building Fund (Federal Gas Tax)	$ 1,641,194	$ 1,203,681
Other programs	469	454
Parkland	451,555	379,678
Building permits Bill 124	2,546,575	2,027,401
Provincial Gas Tax	30,123	28,787
Ontario Community Infrastructure Fund	3,402,396	2,761,529
Northern Ontario Resource Development Support Fund	–	6,751
Housing Accelerator	2,076,708	2,156,253
Building Faster Fund	17,025	427,421
Housing-Enabling Water Systems Fund	46,744	–
	$ 10,212,789	$ 8,991,955

Continuity of deferred revenue is as follows:

	2025	2024
Balance, beginning of year:		
Canadian Community-Building Fund (Federal Gas Tax)	$ 1,203,681	$ 3,438,126
Other programs	454	454
Parkland	379,678	586,733
Building permits Bill 124	2,027,401	1,957,443
Provincial Gas Tax	28,787	26,434
Ontario Community Infrastructure Fund	2,761,529	1,637,504
Northern Ontario Resource Development Support Fund	6,751	20,552
Housing Accelerator	2,156,253	-
Building Faster Fund	427,421	-
	8,991,955	7,667,246
Contributions received	14,222,045	12,966,246
Interest earned	493,206	422,347
Total revenue	14,715,251	13,388,593
Contributions taken into revenue	(13,494,417)	(12,063,884)
Balance, end of year	$ 10,212,789	$ 8,991,955

5. Net long-term liabilities – The Corporation of the City of Sault Ste. Marie:

	2025	2024
Net long-term liabilities incurred by:		
The Corporation of the City of Sault Ste. Marie	$ 12,685,298	$ 13,434,739

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

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

The above long-term debt was approved through Ontario Infrastructure and Lands Corporation for the twin pad. The loan was approved on May 15, 2023, at an interest rate of 4.36% over 15 years, resulting in a semi-annual draw of $663,557, which includes both principal and interest payments.

Interest paid on long-term debt in the year and included in current expenditures was $577,674 (2024 - $609,311).

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

2026	$ 782,473
2027	816,960
2028	852,968
2029	890,563
2030	929,815

6. Net long-term liabilities – Public Utilities Commission of the City of Sault Ste. Marie:

	2025	2024
Net long-term liabilities incurred by:		
Public Utilities Commission of the City of Sault Ste. Marie:		
(i) Line of credit facility	$ 3,802,219	$ 4,025,000
(ii) Term loan	154,496	991,442
	$ 3,956,715	$ 5,016,442

(i) Public Utilities Commission of the City of Sault Ste. Marie 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, 2025, $3,802,219 (2024 - $4,025,000), was drawn or outstanding under the facility.

(ii) The term loan is non-revolving, repayable in blended monthly principal and interest payments of $77,600 at 3.11% and matures in February 2026.

The City guarantees payment to the lender of all present and future debts and liabilities, including interest due at any time by the Commission to the lender. Under the guarantee, the City shall be limited to the sum of $8,000,000 together with interest from the date of demand for repayment.

Principal repayments recoverable are as follows:

2026	$ 154,496

7. Net long-term liabilities – Sault Ste. Marie Public Library:

	2025	2024
Net long-term liabilities incurred by:		
Sault Ste. Marie Public Library	$ 2,045,075	$ 2,174,348

The Sault Ste. Marie Public Library has entered into a 20-year lease with extension options for a branch location. Capital lease repayments are due as follows:

2026	$ 219,062
2027	223,443
2028	227,912
2029	148,159
2030	123,018
2031 - 2044	1,882,045
Total minimum lease payments	2,823,639
Less amount representing interest at 4%	(778,564)
Present value of net minimum capital lease payments	$ 2,045,075

The current minimum monthly lease payments increase up to 2% per year during the first 10 years of the lease and are currently $17,418 plus harmonized sales tax. During the final 10 years of the original lease term minimum monthly lease payments reset at $10,100 plus harmonized sales tax increasing annually up to 2% per year thereafter. The lease expires in March 2044 after one 5-year renewal period with options for two additional 5-year extensions.

8. Investment in government business enterprises:

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

8. Investment in government business enterprises (continued):

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

Financial Position:

	2025	2024
Current assets	$ 57,327,069	$ 50,761,108
Notes receivable	43,256,224	12,677,926
Future income tax assets	8,004,000	5,986,000
Capital assets	179,097,453	177,419,496
Goodwill	3,596,271	3,596,271
Regulatory assets	(127,505)	1,110,610
Total assets	$ 291,153,512	$ 251,551,411
Current liabilities	$ 44,539,077	$ 47,595,281
Deferred revenue	9,763,863	9,857,662
Deferred tax liability	5,883,000	4,400,000
Employee future benefit obligation	1,132,832	1,101,216
Long-term debt	1,156,842	2,038,174
Deferred revenue	143,878,670	105,269,602
Lease liabilities	259,616	350,611
Regulatory liabilities	16,484,060	14,485,847
Total liabilities	223,097,960	185,098,393
Shareholders' equity	73,362,844	66,453,018
Total liabilities and equity	$ 296,460,804	$ 251,551,411

Results of operations:

	2025	2024
Revenues	$ 153,980,343	$ 142,949,931
Expenses	(144,731,191)	(137,193,048)
Provision for payment in lieu of taxes	(1,456,743)	(325,602)
Other comprehensive income	27,497	424,186
Net income for the year	$ 7,819,906	$ 5,855,467

8. Investment in government business enterprises (continued):

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

	2025	2024
Common shares	$ 15,668,248	$ 15,668,248
Special shares	15,513,300	15,513,300
Accumulated other comprehensive income	1,381,747	1,354,250
Retained earnings	40,799,549	33,917,220
Equity, end of year	73,362,844	66,453,018
Notes receivable	31,720,000	31,720,000
Investment in government business enterprises	$ 105,082,844	$ 98,173,018

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

Related Party Transactions:

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

(i) At December 31, 2025, the City has the following amounts included in the consolidated statement of financial position:

A receivable of $4,642,809 (2024 - $10,995,137) for sewer surcharges, interest and dividends.

A payable of $975,834 (2024 - $3,576,884) for street lighting and various electricity and water invoices.

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

	2025	2024
Interest on note receivable	$ 1,934,937	$ 1,934,920
Other interest	256,673	497,273
Dividends	910,080	610,080
Property taxes	345,736	341,623
	$ 3,447,426	$ 3,383,896

8. Investment in government business enterprises (continued):

Related Party Transactions (continued):

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

	2025	2024
Management fees charged	$ 7,939,565	$ 7,680,314
Electricity and electricity services	4,153,236	4,180,879
Water and wastewater services	5,295,202	4,671,866
Electricity charged for streetlights	626,415	642,810
Streetlight maintenance	533,702	344,258
Sewer administration charge	453,505	402,932
	$ 19,001,625	$ 17,923,059

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

9. Budget information:

The Budget By-law adopted by Council for the 2025 year was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves to reduce current year expenses in excess of current year revenues to $Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Consolidated statements of operations and accumulated surplus and change in net financial assets represent the financial plan adopted by Council with adjustments as follows:

	2025
Adopted budget by-law for the year	$ –
Adjustments to adopted budget:	
Debt principal repayments	874,596
Investment in tangible capital assets	56,547,201
Amortization of tangible capital assets	(27,441,593)
Net transfer to/from reserves and other	2,807,740
Budget surplus per consolidated statement of operations and accumulated surplus	$ 32,787,944

10. Pension agreements:

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

The amount contributed to OMERS for 2025 was $8,153,415 (2024 - $7,890,191) and is included as an expense on the consolidated statement of operations and accumulated surplus.

11. Operations of school boards:

During 2025, the City collected and transferred property taxes totaling $18,702,242 (2024 - $18,615,730) on behalf of area school boards.

12. Trust funds:

The trust funds administered by the City amounting to $10,546,626 (2024 - $10,218,501) are presented in a separate financial statement of trust fund balances and operations. Balances are held in trust by the City for the benefit of others, and as such they are not presented as part of the City's financial position or financial activities. At December 31, 2025, the trust fund balances are comprised of:

	2025	2024
Cemetery Care and Maintenance funds	$ 7,116,700	$ 6,935,958
Pre-need assurance	3,177,129	3,055,967
Transit employees' pension	94,712	91,643
Historic Sites	107,799	86,574
Heritage Sault Ste. Marie	34,705	33,635
Ontario Home Renewal Program	(2,803)	(2,803)
Cultural Endowment	18,384	17,527
	$ 10,546,626	$ 10,218,501

13. Contingent liabilities:

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

14. Employee future benefit obligations:

Employee future benefits are liabilities of the City to its employees and early retirees earned but not taken as at December 31, 2025 are as follows:

	2025	2024
Future payments required to WSIB	$ 14,304,284	$ 12,441,218
Post-employment and post-retirement benefits	13,057,186	14,024,962
Vacation pay	10,438,061	10,360,570
Non-vesting sick leave benefits	2,776,644	2,659,748
Employee future benefit obligations	$ 40,576,175	$ 39,486,498

(a) Post employment and post retirement benefits

The City provides non-pension benefits to employees and retirees until they reach 65 years of age. The values that follow have been estimated based upon employee data available during the actuarial review which was completed as at December 31, 2025.

The benefit liability continuity is as follows:

	2025	2024
Accrued benefit liability, January 1	$ 14,024,962	$ 14,610,762
Expense	488,300	528,800
Payments	(1,456,076)	(1,114,600)
Accrued benefit liability, December 31	$ 13,057,186	$ 14,024,962

Significant assumptions:

Discount rate	4.50%
Health cost increase	4.00% - 5.50%

(b) Non-vesting sick leave benefits:

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

(c) Accrued vacation pay:

Accrued vacation pay represents the liability for vacation entitlements earned by employees but not taken as at December 31, 2025.

14. Employee future benefit obligations (continued):

(d) Future payments required to WSIB:

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

15. Asset retirement obligation:

The City's asset retirement obligation consists of several obligations as follows:

(a) Landfill closure:

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

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The City owns and operates one primary landfill site, the 5th Line Landfill. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 Asset Retirement Obligation. The reported liability is based on estimates and assumptions with respect to events extending over a sixty-year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The site has capacity of approximately 3,000,000 metric tons with approximately 186,000 metric tons of remaining capacity. At current average fill rates, the site has a remaining operating life of approximately 3.1 years.

Post-closure care for the landfill sites is estimated to be required for 25 years from the date of site closure. These costs were discounted to December 31, 2025 using a discount rate of 3.0% per annum.

(b) Asbestos removal obligations:

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove or remediate these items. The City recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2022. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

15. Asset retirement obligation (continued):

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2025
Opening balance	$ 37,756,396	$ 8,750,560	$ 46,506,956
Accretion expense	647,003	181,719	828,722
Closing balance	$ 38,403,399	$ 8,932,279	$ 47,335,678

Asset Retirement Obligation	Landfill closure	Asbestos removal	Balance at December 31, 2024
Opening balance	$ 35,515,969	$ 8,564,287	$ 44,080,256
Accretion expense	2,240,427	186,273	2,426,700
Closing balance	$ 37,756,396	$ 8,750,560	$ 46,506,956

Obligations related to landfill closure will be funded from future taxation revenues. The City has established a reserve to contribute to the cost of closing and maintaining the landfill site of $15,465,684 (2024 - $13,858,802).

16. Tangible capital assets:

2025

	Land	Landfill and Land Improvements	Buildings and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Assets under Capital Lease	Assets under Construction	Total
Cost									
Balance, beginning of the year	$ 29,066,907	$ 31,693,571	$ 156,503,589	$ 725,209,944	$ 43,332,425	$ 56,423,665	$ 2,933,127	$ 51,063,831	$ 1,096,227,059
Additions	1,294,809	6,053,667	1,028,847	29,729,257	5,379,755	5,218,725	-	22,565,161	71,270,221
Disposals	(55,034)	-	-	(8,320,249)	(758,147)	(1,857,811)	-	(12,142,261)	(23,133,502)
Balance, end of year	30,306,682	37,747,238	157,532,436	746,618,952	47,954,033	59,784,579	2,933,127	61,486,731	1,144,363,778
Accumulated Amortization									
Balance, beginning of the year	-	(21,496,808)	(60,048,506)	(301,132,116)	(24,212,271)	(30,077,782)	(675,893)	-	(437,643,376)
Disposals/ transfers	-	-	-	8,311,931	756,621	1,724,003	-	-	10,792,555
Amortization expense	-	(2,214,106)	(3,034,357)	(15,508,727)	(2,783,586)	(3,943,699)	(117,259)	-	(27,601,734)
Balance, end of year	-	(23,710,914)	(63,082,863)	(308,328,912)	(26,239,236)	(32,297,478)	(793,152)	-	(454,452,555)
Net book value, end of year	$ 30,306,682	$ 14,036,324	$ 94,449,573	$ 438,290,040	$ 21,714,797	$ 27,487,101	$ 2,139,975	$ 61,486,731	$ 689,911,223
Net book value, beginning of year	$ 29,066,907	$ 10,196,763	$ 96,455,083	$ 424,077,828	$ 19,120,154	$ 26,345,883	$ 2,257,234	$ 51,063,831	$ 658,583,683

16. Tangible capital assets:

									2024
	Land	Landfill and Land Improvements	Buildings and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Assets under Capital Lease	Assets under Construction	Total
Cost									
Balance, beginning of the year	$ 29,061,202	$ 25,650,189	$ 151,448,602	$ 701,424,469	$ 39,830,091	$ 50,693,282	$ 2,939,891	$ 53,531,558	$ 1,054,579,284
Additions	10,116	6,043,382	5,054,987	23,785,475	3,879,136	7,602,202	-	12,632,440	59,007,738
Disposals	(4,411)	-	-	-	(376,802)	(1,871,819)	(6,764)	(15,100,167)	(17,359,963)
Balance, end of year	29,066,907	31,693,571	156,503,589	725,209,944	43,332,425	56,423,665	2,933,127	51,063,831	1,096,227,059
Accumulated Amortization									
Balance, beginning of the year	-	(20,356,553)	(56,839,060)	(285,620,781)	(22,033,803)	(27,939,537)	(558,578)	-	(413,348,312)
Disposals/ transfers	-	-	-	-	375,975	1,813,659	-	-	2,189,634
Amortization expense	-	(1,140,255)	(3,209,446)	(15,511,335)	(2,554,443)	(3,951,904)	(117,315)	-	(26,484,698)
Balance, end of year	-	(21,496,808)	(60,048,506)	(301,132,116)	(24,212,271)	(30,077,782)	(675,893)	-	(437,643,376)
Net book value, end of year	$ 29,066,907	$ 10,196,763	$ 96,455,083	$ 424,077,828	$ 19,120,154	$ 26,345,883	$ 2,257,234	$ 51,063,831	$ 658,583,683
Net book value, beginning of year	$ 29,061,202	$ 5,293,636	$ 94,609,542	$ 415,803,688	$ 17,796,288	$ 22,753,745	$ 2,381,313	$ 53,531,558	$ 641,230,972

16. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of $61,486,731 (2024 - $51,063,831) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Developer contributions:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year was $176,713 (2024 - $105,729) comprised of water infrastructure, land and roads infrastructure.

17. Accumulated surplus:

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

	2025	2024
Surplus:		
Invested in tangible capital assets	$ 689,911,223	$ 658,583,683
Invested in government business enterprises	105,082,844	98,173,018
Sanitary sewer	–	–
Operating fund	12,802,614	18,875,282
Unfunded		
Net long-term liabilities	(14,884,869)	(16,600,529)
Asset retirement obligations	(47,335,678)	(46,506,956)
Employee benefits	(40,576,175)	(39,486,498)
Total surplus	704,999,959	673,038,000
Reserves set aside for specific purpose by Council:		
Acquisition of tangible capital assets	5,070,465	4,002,172
Planning and development	486,750	406,750
Other programs	49,032,724	44,859,422
Waste disposal site	15,465,684	13,858,802
Total reserves	70,055,623	63,127,146
Reserve funds set aside for specific purpose by Council:		
Seniors Advisory Council	112,946	112,946
Cemetery development	943,578	745,755
Industrial land	1,992,412	953,830
Property purchases	1,234,096	1,097,791
Hospital development	195,497	151,289
Sanitary capital	35,472,229	30,122,214
Total reserve funds	39,950,758	33,183,825
	$ 815,006,340	$ 769,348,971

18. Government grants:

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

	2025	2024
Provincial grants	$ 42,106,443	$ 29,086,055
Federal grants	7,100,029	8,422,817
Other grants	1,000	97,080
Total	$ 49,207,472	$ 37,605,952

19. Subsequent events:

During 2025, the City approved the dissolution of the Board of Management of Queenstown, The Sault Ste. Marie Central Business District Improvement Area (operating as “The Downtown Association”) through the enactment of By-Law 2025-138 repealing the Downtown Business Improvement Area effective at the end of the day December 31, 2025. Following the dissolution, the operations, assets and liabilities of The Downtown Association have been integrated into the City and The Downtown Association ceased to exist as a separate board.

As the transfer occurred after year end, the financial statements do not reflect the impact of this transaction. The transfer of net assets amounted to $86,085 less $66,594 of cash amounts owing from the City to The Downtown Association at December 31, 2025.

20. Segmented information:

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

(a) General Government:

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

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

(b) Corporate Services:

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

20. Segmented information (continued):

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

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

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

(c) Legal Services:

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

(d) Fire Services:

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

(e) Public Works and Engineering:

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

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

20. Segmented information (continued):

(f) Community Development and Enterprise Services:

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

(g) Outside Agencies:

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

(h) Levy Boards:

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

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

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

20. Segmented information (continued):

2025	General Government	Corporate Services	Legal Services	Fire Services	Public Works and Engineering	Community Development and Enterprise Services	Outside Agencies	Levy Boards	Government Business Enterprises	Total
Revenue:										
Taxation	4,657,781	12,966,353	2,789,638	14,996,789	37,224,659	19,168,021	36,928,908	25,380,215	-	154,112,364
Fees and user charges	-	163,219	1,507,433	1,069,465	52,789,445	13,485,940	950,118	-	-	69,965,620
Government grants	669,079	1,985,997	475,231	1,845,996	28,460,881	6,754,512	9,015,776	-	-	49,207,472
Interest income	8,710,727	-	58,139	-	980,842	(134,103)	-	-	-	9,615,605
Gain on disposal of tangible capital assets	69,428	-	-	-	-	-	-	-	-	69,428
Other	5,439,795	163,048	-	12,608	1,290,078	1,328,274	675,760	-	-	8,909,563
Net income of government business enterprise	-	-	-	-	-	-	-	-	7,819,906	7,819,906
	19,546,810	15,278,617	4,830,441	17,924,858	120,745,905	40,602,644	47,570,562	25,380,215	7,819,906	299,699,958
Expenses:										
Salaries, wages and employee benefits	1,192,626	7,433,754	1,790,790	16,160,832	30,119,779	22,711,393	40,149,355	-	-	119,558,529
Materials	2,058,616	567,524	79,797	1,207,165	25,912,611	10,612,324	3,361,413	-	-	43,799,450
Contracted services	167,445	2,394,003	241,849	255,559	12,641,383	4,277,642	3,248,523	-	-	23,226,404
Rents and financial	1,224,181	5,014,962	71,222	5,850	21,431	589,311	220,286	-	-	7,147,243
Grants to others	46,023	675	-	-	-	235,347	1,464,124	25,380,215	-	27,126,384
Loss on disposal of tangible capital assets	4,754,123	-	-	-	-	-	-	-	-	4,754,123
Amortization of tangible capital assets	91,774	69,077	-	578,155	22,590,039	2,653,861	1,618,828	-	-	27,601,734
	9,534,788	15,479,995	2,183,658	18,207,561	91,285,243	41,079,878	50,062,529	25,380,215	-	253,213,867
Accretion expense	6,896	-	-	16,800	723,741	54,829	26,456	-	-	828,722
Annual surplus (deficit)	10,005,126	(201,378)	2,646,783	(299,503)	28,736,921	(532,063)	(2,518,423)	-	7,819,906	45,657,369

20. Segmented information (continued):

	General Government	Corporate Services	Legal Services	Fire Services	Public Works and Engineering	Community Development and Enterprise Services	Outside Agencies	Levy Boards	Government Business Enterprises	Total 2024
Revenue:										
Taxation	$ 2,424,108	$ 10,674,897	$ 2,372,821	$ 14,934,444	$ 38,639,452	$ 18,456,155	$36,811,400	$ 24,669,233	$ -	$ 148,982,510
Fees and user charges	-	149,090	1,611,214	1,052,875	48,055,115	12,308,809	607,914	-	-	63,785,017
Government grants	827,047	1,951,960	404,392	1,615,436	18,092,383	6,321,558	8,393,176	-	-	37,605,952
Interest income	9,508,379	-	31,524	-	1,495,173	903	-	-	-	11,035,979
Gain on disposal of tangible capital assets	172,119	-	-	-	-	-	-	-	-	172,119
Other	2,371,300	184,825	-	54,269	1,172,467	1,547,130	1,213,428	-	-	6,543,419
Net income of government business enterprise	-	-	-	-	-	-	-	-	5,855,467	5,855,467
	15,302,953	12,960,772	4,419,951	17,657,024	107,454,590	38,634,555	47,025,918	24,669,233	5,855,467	273,980,463
Expenses:										
Salaries, wages and employee benefits	1,265,278	7,011,936	1,722,322	15,661,261	29,999,935	21,416,490	38,331,409	-	-	115,408,631
Materials	1,293,829	618,070	77,898	1,229,315	23,895,748	10,622,085	6,583,845	-	-	44,320,790
Contracted services	85,807	2,482,078	213,107	261,613	11,790,422	3,694,107	2,703,084	-	-	21,230,218
Rents and financial	1,353,760	2,889,611	71,079	6,044	15,421	570,360	158,674	-	-	5,064,949
Grants to others	58,893	509	-	-	-	102,288	1,582,004	24,669,233	-	26,412,927
Amortization of tangible capital assets	53,645	159,949	-	592,100	21,222,920	2,684,194	1,771,890	-	-	26,484,698
	4,111,212	13,162,153	2,084,406	17,750,333	86,924,446	39,089,524	51,130,906	24,669,233	-	238,922,213
Accretion expense	7,069	-	-	17,221	2,319,087	56,203	27,120	-	-	2,426,700
Annual surplus (deficit)	$ 11,184,672	$ (201,381)	$ 2,335,545	$ (110,530)	$ 18,211,057	$ (511,172)	$ (4,132,108)	$ -	$ 5,855,467	$ 32,631,550

Financial Statements of

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

And Independent Auditor's Report thereon

Year ended December 31, 2025

KPMG LLP
480 Pim Street, Unit 1
Sault Ste. Marie, ON P6B 2V4
Canada
Tel 705 949 5811
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at December 31, 2025
- the statement of continuity for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada

July 13, 2026

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	Care and Maintenance	Pre-need Assurance	Ontario Home Renewal Plan	Historic Sites	Heritage SSM	Transit Employees Pension	Cultural Endowment	2025 Total	2024 Total
Assets									
Cash and investments (note 3)	$ 7,137,200	$ 3,158,336	$ 12,221	$ 120,437	$ -	$ 94,719	$ -	$ 10,522,913	$ 10,195,931
Receivable from other funds	-	18,793	-	122,067	34,705		18,394	193,959	174,251
Loans receivable (note 2)	-	-	10,682	-	-	-	-	10,682	10,682
	$ 7,137,200	$ 3,177,129	$ 22,903	$ 242,504	$ 34,705	$ 94,719	$ 18,394	$ 10,727,554	$ 10,380,864
Liabilities and Fund Balance									
Payable to other funds	$ 20,500	$ -	$ 25,706	$ 134,705	$ -	$ 7	$ 10	$ 180,928	$ 162,363
Fund balance	7,116,700	3,177,129	(2,803)	107,799	34,705	94,712	18,384	10,546,626	10,218,501
	$ 7,137,200	$ 3,177,129	$ 22,903	$ 242,504	$ 34,705	$ 94,719	$ 18,394	$ 10,727,554	$ 10,380,864

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Trust Funds

Statement of Continuity

Year ended December 31, 2025, with comparative information for 2024

	Care and Maintenance	Pre-need Assurance	Ontario Home Renewal Plan	Historic Sites	Heritage SSM	Transit Employees Pension	Cultural Endowment	2025 Total	2024 Total
Fund balance, beginning of the year	$ 6,935,958	$ 3,055,967	$ (2,803)	$ 86,574	$ 33,635	$ 91,643	$ 17,568	$ 10,218,542	$ 9,847,968
Revenue:									
Capital receipts	180,742	158,287	-	570	-	-	-	339,599	462,867
Interest earned	244,125	149,070	441	2,825	1,070	3,069	816	401,416	342,065
Contributions from revenue fund	-	-	-	17,830	-	-	-	17,830	-
	424,867	307,357	441	21,225	1,070	3,069	816	758,845	804,932
Expenditures:									
Contributions to revenue fund	244,125	186,195	441	-	-	-	-	430,761	434,399
	244,125	186,195	441	-	-	-	-	430,761	434,399
Fund balance, end of year	$ 7,116,700	$ 3,177,129	$ (2,803)	$ 107,799	$ 34,705	$ 94,712	$ 18,384	$ 10,546,626	$ 10,218,501

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

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
Trust Funds
Notes to Financial Statements

Year ended December 31, 2025

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

1. Summary of significant accounting policies:

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

(a) Basis of accounting:

The financial statements are prepared by management and are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial instruments:

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

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

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

1. Summary of significant accounting policies (continued):

(c) Use of estimates

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

2. Ontario Home Renewal Program:

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

Ontario Home Renewal Program loans receivable at December 31, 2025 comprise repayable loans of $5,804 (2024 - $5,804) and deferred loans of $4,878 (2024 - $4,878). Loan forgiveness is earned and recorded at a rate of up to $600 per year of continuous ownership and occupancy. The deferred portion of the loan is deferred for a five year period. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the loans immediately become due and payable by the homeowner.

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

3. Cash and investments:

Total investments by the trust funds of $5,727,218 (2024 - $5,529,599) included in cash and investments on the statement of financial position at cost, have a market value of $5,923,904 (2024 - $5,733,845).

The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Karen Marlow, Manager of Purchasing
DEPARTMENT:	Corporate Services
RE:	Tender for Screened Street Sand

Purpose

The purpose of this report is to obtain Council approval for the supply of Screened Street Sand as required by Public Works and Engineering Services for the 2026-2027 and 2027-2028 winter seasons.

Background

The tenders were publicly advertised and notification provided to all firms on the bidders list. Opening of the tenders took place after closing on June 24, 2026 within the e-bidding system.

Analysis

The tenders received have been thoroughly evaluated and reviewed by the Superintendent, and Director of Public Works. The tendered pricing has been indicated on the summary attached.

Financial Implications

Public Works utilizes up to an estimated 25,000 tonnes of screened sand annually.

The 2026 budget for this requirement is $235,000, funded through the Winter Control Operating Supplies budget. Based on the cost per tonne, a budgetary operational increase will be applied in 2027 and 2028.

Strategic Plan / Policy Impact / Climate 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 Manager of Purchasing dated July 13, 2026, concerning the supply of Screened Street Sand for the 2026-2027 and 2027-2028 winter seasons be received and that the supply be awarded to Pioneer Construction Inc. at the tendered pricing, HST extra.

Respectfully submitted,

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

FINANCE DEPARTMENT
PURCHASING DIVISION

Received: June 24, 2026
File: 2026PWE-PWT-13-T

SUMMARY OF TENDERS
SCREENED STREET SAND

To supply, load and weigh material to trucks under the employ of the City

Firm	**Location of Source Material**	**Tendered Price per tonne (HST extra)** Year 1 Commencing Oct. 1,2026	Year 2 Commencing Oct. 1,2027
Pioneer Construction Inc. Sudbury, ON	McQueen Pit (7626) Sault Ste. Marie	$11.30	$11.75
Kairos Hills Services Burlington, ON	*Identifed as:* Recognized licensed aggregate source	$13.17	$13.57

NOTE: The low tendered prices, meeting specifications, are boxed above.
It is my recommendation that the low tendered prices, meeting specifications, submitted by Pioneer Construction Inc., be accepted for a two (2) year period.

Karen Marlow
Manager of Purchasing

The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Karen Marlow, Manager of Purchasing
DEPARTMENT:	Corporate Services
RE:	PVC Membrane Roof Replacement No.1 Fire Hall

Purpose

The purpose of this report is to obtain Council approval to award the supply and installation of PVC Membrane Roof Replacement at No.1 Fire Hall, 72 Tancred Street, as required by Fire Services.

Background

The tender was publicly advertised through the bidding system. Opening of the tenders took place after closing on June 12, 2026 within the e-bidding system.

Analysis

Submissions from two bidders were received prior to the closing deadline.

The tenders received have been thoroughly reviewed by a committee comprised of staff from Fire Services. The low tendered price, meeting specifications, has been indicated on the summary attached.

Financial Implications

Maverick & Son Exteriors and Consulting Services Inc. submitted pricing in the amount of $380,481 including non-rebateable HST to complete the PVC Membrane roof replacement.

During 2026 Budget deliberations, Council approved the allocation of $381,600 for this project. The purchase amount can be accommodated within this funding allocation.

Strategic Plan / Policy Impact / Climate Impact

This project aligns with the Corporate Strategic Plan in the Infrastructure focus area for upgrades of existing infrastructure.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Purchasing dated July 13, 2026 concerning PVC Membrane Roof Replacement at No.1 Fire Hall be received and that the contract be awarded to Maverick & Son Exteriors and Consulting Services Inc.in the amount of $373,900 plus HST.

Respectfully submitted,

Karen Marlow
Manager of Purchasing
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FINANCE DEPARTMENT
PURCHASING DIVISION

Received: June 12, 2026
File: 2026FIR-01-T

SUMMARY OF TENDERS
PVC MEMBRANE ROOF REPLACEMENT NO.1 FIRE HALL

Firm	Total Tendered Price (HST extra)	Remarks
Maverick & Son Exteriors and Consulting Services Inc. Sault Ste. Marie, ON	$373,900.00	Meets Specifications
1372055 Ont. Limited - Pro North Roofing Sault Ste. Marie, ON	$442,000.00	Meets Specifications

Note: The low tendered price, meeting specifications, is boxed above.
The total cost to the City will be $380,481 including the non-rebatable portion of the HST
It is my recommendation that the tendered prices, submitted by Maverick & Son Exteriors and Consulting Services Inc., be accepted.

Karen Marlow
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

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Karen Marlow, Manager of Purchasing
DEPARTMENT:	Corporate Services
RE:	Intelligent Transportation System-Automated Vehicle Location

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Purpose

The purpose of this report is to obtain Council approval to renew the Automated Vehicle Location (AVL) system technology software for a five-year term commencing October 1, 2026 through to September 30, 2031 as required by the Transit Division of Community Development and Enterprise Services (CDES).

Background

Transit Services entered into a multi-year governance agreement for joint Transit Procurements facilitated by Metrolinx by By-Law 2024-18 for a five-year term expiring March 31, 2029.

The existing AVL system was installed in transit fleet in 2021 by Consat Canada Inc. as approved at Council on March 8, 2021. The 5-year service support expires September 30, 2026.

Analysis

Pursuant to the terms and conditions set out in the multi-year governance agreement, Metrolinx facilitated the joint procurement for supply and delivery of ITS-AVL system. A single-source for supplier NC-2024-PROC-637 was conducted forming a master agreement between Metrolinx and Consat Canada Inc. dated March 27, 2025.

City staff have reviewed the 2026 service and support fees provided by Consat Canada Inc. under Schedule E to the master sgreement NC-2024-PROC-637, which reflects the advantages of leveraging the buying power through Metrolinx and are satisfied that it is fair and equitable.

This request is in accordance with Purchasing By-law item 28) Cooperative Purchasing, where a single-source process was conducted under accepted policy and participation is in the best interest of the City.

Financial Implications

Consat Canada Inc. quoted Year 1 annual service and support fee of $42,555 including non-rebatable HST. Years 2 through 5 fees may be adjusted once annually, based in part on the number of buses within the fleet receiving services and support, and in accordance with annual CPI change (increase or decrease) as established within the master agreement.

Sufficient funds to accommodate these fees have been budgeted within the Transit and Parking Division operational budget.

Strategic Plan / Policy Impact / Climate Impact

While this is of an operational matter, this request also supports the Service Delivery focus area of the Corporate Strategic Plan as the purchase continues to assist in delivery excellent customer service to citizens.

Recommendation

It is therefore recommended that Council take the following action:

The relevant By-law 2026-111 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Karen Marlow
Manager of Purchasing
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The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Karen Marlow, Manager of Purchasing
DEPARTMENT:	Corporate Services
RE:	Foreign Direct Investment Attraction Strategy

Purpose

The purpose of this report is to obtain Council approval to award professional services for implementation of a Foreign Direct Investment (FDI) Attraction Strategy, as requested by Community Development and Enterprise Services.

Background

This strategy is expected to build on the City's existing economic development capacity and is designed to attract companies to the City that complement and expand the existing industrial ecosystem and develop new economic diversity. This strategy aims to support the export of manufactured goods within Canada and to international markets beyond the United States.

The proposal was publicly advertised and notification provided to all firms on the bidders list. Proposals were required to be submitted for consideration no later than 4 p.m. on June 8, 2026.

Analysis

Proposals from six proponents were received prior to closing deadline:

Beyond Borders Development Group, Chicago, IL
T&A Consulting Americas, Mississauga, ON
IMK Strategies UG, Berlin, Berlin
Evely Consulting Corporation Inc., Ottawa, ON
Qatalyst Research Group Inc., Vancouver, BC
NorthGuide Inc., Kitchener, ON

The proposals received have been reviewed and evaluated by a committee comprised of staff from Economic Development and Tourism and Community Development departments. It is the consensus of the evaluation committee that the proponent scoring the highest in the evaluation process is IMK Strategies UG.

IMK Strategies has partnered with Sequence and together provide a specialized economic development strategy, branding, and marketing that supports municipalities, economic development organizations, and tourism agencies across Canada and internationally with their FDI programs.

Financial Implications

IMK Strategies submitted pricing in the amount of $162,816 including non-rebateable HST for implementation of the FDI Attraction Strategy.

Funding for the Foreign Direct Investment Initiative was approved by Council May 4, 2026, under By-Law 2026-53 Foreign Direct Investment Agreement with the Province of Ontario.

The purchase amount can be accommodated within this funding source.

Strategic Plan / Policy Impact / Climate Impact

This strategy aligns with Economic Development Program and the Corporate Strategic Plan in the Community Development focus area, creating social and economic activity, maximizing economic investment, diversifying local economy, and attracting investment.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Purchasing dated July 13, 2026 concerning Foreign Direct Investment Attraction Strategy as requested by Community Development and Enterprise Services be received and that the proposal submitted by IMK Strategies UG in the amount of $160,000 plus HST be approved.

Respectfully submitted,

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The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Nicole Maione, Director of Community Services and Karen Marlow, Manager of Purchasing
DEPARTMENT:	Community Development and Enterprise Services
RE:	Transit Tariff Update

Purpose

The purpose of this report is to provide Council with an update on the additional costs incurred by the Transit Division as a result of the implementation of U.S. tariffs.

Background

At the February 3, 2025, Council meeting the following resolution was approved;

> Resolved that By-law 2025-6 being a by-law to authorize the execution of the Agreement with New Flyer Industries Canada ULC for the acquisition of two (2) twelve-metre diesel buses be passed in open Council this 3rd day of February, 2025.

As a result of the implementation of U.S. tariffs in early 2025, the City received an invoice from New Flyer Industries Canada ULC (New Flyer) in the amount of $98,009.

Analysis

Effective March 12, 2025, the United States imposed a 25% tariff on steel and aluminum, resulting in increased costs for Canadian supply chains that rely on steel/aluminum, including components used in the manufacturing of transit buses. In June of 2025, these tariffs were further increased from 25% to 50%, further intensifying cost pressures.

The City of Sault Ste. Marie has participated in Metrolinx's Joint Procurement Program since 2021 and has worked closely with Metrolinx and partner transit agencies to navigate the uncertainty, interpretation, and implementation impacts associated with these tariffs as they pertain to the purchase of transit buses through the agreement with New Flyer.

Metrolinx has taken the following steps to ensure that any tariff-related costs are fully transparent, auditable, and properly tracked, including for potential reimbursement should a tariff payback be issued.

Contractual Measures – Extraordinary Tariff Clause

Metrolinx introduced an Extraordinary Tariff clause into the contracts. In summary, Section 8.5 requires vendors to:

- Actively mitigate the costs and delays associated with any new Extraordinary Tariffs and provide full transparency regarding affected goods, cost impacts, and schedule implications.
- Provide detailed lists of impacted items and tariff calculations prior to import so that Metrolinx can assess potential price or schedule impacts and explore viable substitutes.
- Apply for all available tariff refunds, exemptions, or duty remissions, and return any purchaser-entitled refunds.
- Follow the contract's Change Management Process for any tariff-related price adjustments, ensuring vendors are not placed in a better position than before the tariff change.

Current Work with New Flyer

Metrolinx has implemented an amendment to the contract agreement with New Flyer to formalize the tariff invoicing process. This amendment defines invoicing timelines, payment terms, and the requirement for detailed, auditable tariff documentation.

RFP Evaluation Measures

In parallel, Metrolinx has strengthened their procurement evaluation criteria. Recent RFPs now include evaluated sections requiring proponents to demonstrate:

- The measures they have taken, or are taking, to reduce tariff impacts for Canadian transit agencies.

- Their level of Ontario and Canadian content, aligned with the Buy Ontario Act and the mandatory 25% Canadian Content requirement. By making this an evaluated component of the submission, Metrolinx creates a stronger incentive for vendors to enhance domestic content and reduce tariff exposure.

Sault Ste. Marie Transit is one of five partner agencies that have received invoices for these fees, and all required documentation has been provided to Metrolinx as per the contract.

Financial Implications

The impact of U.S. tariffs on Canada remains extremely volatile, and short-term and long-term impacts are unknown. The U.S. Supreme Court struck down a number of tariffs on February 20, 2026, but some remain in place because they were enacted under different Acts. The new tariffs implemented after the court ruling allow temporary tariffs of up to 15% for 150 days, unless the U.S. Congress approves an extension. Canada-United States-Mexico Agreement (CUSMA) compliant exemptions will still be exempt. The direction of U.S. policies cannot be predicted, and thus, ongoing impacts are unknown.

The transit bus procurement was under different tariff Acts; however, it still has an impact financially. Capital funds are available to cover the cost of the tariffs of $98,009 (plus HST), with the City's share being 26.67% or $29,537 from the previously approved reallocation of capital funds of seven passenger vans from the 2022 and 2023 budget years. The change order will be approved at staff financial approval levels, as it falls within the CAO's approval limit and represents less than a 20% change.

Strategic Plan / Policy Impact / Climate Impact

While this is an operational matter, this request supports the Corporate Strategic Plan through the Service Delivery Focus Area as this supports to assist in continued excellent customer service to citizens and supports the values of the corporation through integrity and financial transparency.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Community Services and the Manager of Purchasing dated July 13, 2026 concerning Transit Tariff Update be received as information.

Respectfully submitted,

Nicole Maione
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Manager of Purchasing
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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

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Nicole Maione, Director of Community Services, and Travis Anderson, Director of Tourism and Community Development
DEPARTMENT:	Community Development and Enterprise Services
RE:	Mayor's Youth Advisory Council – Youth Conference

Purpose

The purpose of this report is to respond to a resolution passed by City Council regarding planning and hosting a Youth Conference.

Background

The following resolution was passed at the June 22, 2026, Council meeting:

> Now Therefore It Be Resolved that the Mayor's Youth Advisory Council and appropriate City staff be requested to report back to Council by July 13, 2026 regarding planning and hosting a Youth Conference within the City of Sault Ste. Marie and incorporate all local youth groups to come together and report on the real issues for young people in Sault Ste. Marie.

Analysis

The Mayor's Youth Advisory Council (MYAC) is composed of up to twelve youth from Sault Ste. Marie and provides a voice for youth, while advising City Council of important issues that concern the City's younger population. The MYAC term runs from September to June, with meetings held on the first Wednesday of each month. Within the reporting period, members were unable to convene a special meeting to consider this resolution.

Applicable City staff will attend the next MYAC meeting to discuss and recommend the organization and hosting of a Youth Conference for local youth groups, including, but not limited to: Thrive Teens on the Move, Youth Odena, Algoma Youth Wellness Hub Youth Advisory Committee and Student Councils from school boards and post-secondary institutions as well as relevant agencies to identify and report on the real issues affecting young people in Sault Ste. Marie, with consideration given to the youth initiatives identified in the Community Safety and Well-Being Plan and Planet Youth as part of the conference planning.

City staff will recommend to MYAC that the City host this event in fall 2026, aligning with the MYAC term and the school year to maximize participation from youth groups, community partners, and relevant agencies, while also ensuring the availability of applicable City staff. Staff will also work with MYAC to develop the conference agenda to support an open and collaborative session in which all voices are heard on youth issues in Sault Ste. Marie.

Financial Implications

The estimated cost of the Youth Conference is $500, which would cover food, beverages, snacks, and tokens of appreciation for attendees. These costs can be accommodated within either the MYAC budget, subject to approval, or the CDES budget.

Strategic Plan / Policy Impact / Climate Impact

The recommendation supports the Corporate Strategic Plan 2024-2027 in a number of ways:

- Through the Community Development focus area as it is a collaborative approach towards a healthy and safe community for youth and supports equitable access and opportunities for everyone;
- Through the Service Delivery focus area as it builds collaborative relationships with community partners.

The initiative also aligns with the Community Safety and Wellbeing Plan 2026-2030.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Community Services and Director of Tourism and Community Development dated July 13, 2026 concerning Mayors Youth Advisory Council – Youth Conference be received as information and that City staff collaborate with MYAC to host a Youth Conference.

Respectfully submitted,

Nicole Maione
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Community Development and Enterprise Services
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Travis Anderson
Director of Tourism and Community Development
Community Development and Enterprise Services
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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

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Virginia McLeod, Manager of Recreation and Culture
DEPARTMENT:	Community Development and Enterprise Services
RE:	Northern Community Centre Capital Funding Reallocation

Purpose

The purpose of this report is to request Council approval to reallocate funds from the Northern Community Centre carpet replacement to support the installation of security cameras in the community space and on turf.

Background

The Northern Community Centre recreational facility includes two indoor turf pitches, two ice pads, walking track, meeting rooms, and is home to Active 55+ and community programming.

The 2026 capital budget approved the replacement of the carpeting in the Active 55+ and community programming space. The replacement of the carpeting will be taking place in July.

Analysis

The carpet replacement was approved as part of the 2026 budget process, and $55,000 in capital funding was allocated. The project has come in under budget, and $15,000 is remaining.

Staff are requesting that $12,957 be transferred from the carpet replacement project to support the cost to install additional cameras on turf 1 and 2 and in the community programming space.

Financial Implications

There is $15,000 remaining from the 2026 approved capital budget for the Northern Community Centre carpet replacement installation which can be utilized to support the installation of security cameras at the Northern Community Centre which costs $12,957.

Strategic Plan / Policy Impact / Climate Impact

This report is linked to the Quality of Life focus area: Invest in recreational infrastructure.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Recreation and Culture dated July 13, 2026 concerning Northern Community Centre Capital Funding Reallocation be received and that the scope of the 2026 carpet replacement be changed to include the installation of additional security cameras with a budget of $12,957 funded from the 2026 Northern Community Centre carpet replacement project.

Respectfully submitted,

Virginia Mcleod
Manager of Recreation and Culture
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The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Travis Anderson, Director Tourism and Community Development
DEPARTMENT:	Community Development and Enterprise Services
RE:	Tourism Development Fund Applications – June 2026

Purpose

The purpose of this report is to provide recommendations to Council from City staff and the Tourism Sault Ste. Marie Board of Directors for the distribution of Tourism Development Funds.

Background

The Tourism Development Fund (TDF) was implemented on June 1, 2021, to provide financial support to the broader tourism sector in two different streams - Festivals and Special Events, and Attractions and Product Development. The funds for both streams of the TDF are generated from a visitor accommodation fee collected from hotel night stays.

Consideration is given to support initiatives that produce positive results in at least one of the following criteria:

- Development of quality tourism products and events;
- Increase in overnight stays and visitor spending in Sault Ste. Marie;
- Enhancement of the Sault's tourism product offerings;
- Support of the city's reputation and position as a first-rate visitor destination;
- Fulfill a gap in the tourism visitor experience landscape; and
- Encourage private sector tourism investment in Sault Ste. Marie.

Upon receipt of a TDF application, Tourism staff review it for eligibility and assessment criteria and makes recommendations to the Tourism Sault Ste. Marie Board of Directors. The Tourism Sault Ste. Marie Board of Directors further evaluates the applications and makes recommendations to Council for the distribution of grant funds.

Analysis

Tourism Development Fund applications are permitted on an ongoing intake and are reviewed monthly at the Tourism Sault Ste. Marie Board of Directors meetings.

The recipient expends the funds and claims them through the Tourism Development Fund after the event or project is completed.

At the Tourism Sault Ste. Marie Board of Directors meeting held on June 23, 2026 two applications were reviewed and approved with the following recommendations:

1. Ontario Field Archery Championships ($4,000); and
2. Ontario Baseball 11U Provincial Championships ($12,000)

Ontario Field Archery Championships

The Ontario Field Archery Championships is an annual archery competition sanctioned by Archery Ontario. The Algoma Rod and Gun Club has successfully won the bid to host the 2026 Championship from August 21–23, 2026 at their range on 226 Connor Road in Sault Ste. Marie.

The event begins on August 21 with athlete arrivals and practice, followed by two days of individual competition on August 22 and 23. Archers from across the province, many traveling with their families, will attend. In addition to competition, local coaching business Arrows in Motion will offer a carnival-style archery activity, giving spectators and beginners an opportunity to try the sport.

The event will be supported by volunteers and Archery Ontario staff, including judges, Range Safety Officers, a Director of Shooting, event management, and grounds crew.

As the final event of the outdoor archery season, the championship builds on the momentum of the provincial target championships held the previous month. With its invitational format, the competition welcomes archers of all skill levels.

Previous Tourism Development Fund Support
2024: $3,000 to support the Ontario Junior Archery Challenge field rental, security, targets, and event rentals (porta-potty).

2026 Ontario Field Archery Championship Visitor Projections
(based on previous competitions)
Local Participants: 80
Regional Participants: 33
Ontario Visitors:106

Economic Impact
106 out-of-town visitors x 2 days x $175 per person per day = $37,100

Recommendation
In support of the successful bid to host the Ontario Field Archery Championships, the Tourism Sault Ste. Marie Board of Directors passed the following resolution: “Be it resolved that the Tourism Sault Ste. Marie Board of Directors recommend a

contribution of $4,000 through the Tourism Development Fund – Conferences and Special Events Stream to support the Ontario Field Archery Championship to be hosted August 21st to 23rd, 2026 and that a report be submitted to City Council for consideration and approval."

Soo Minor Baseball- Ontario Baseball 11U Provincial Championships
The Ontario Baseball Association has awarded Soo Minor Baseball the opportunity to host the 11UA Rep Provincial Tournament. The event is expected to bring 11 out-of-town teams along with their families from across Ontario to Sault Ste. Marie over Labour Day weekend. Soo Minor Baseball has been awarded this event for two consecutive years. The application reflects funding for $6,000 per year over two years for 2026 and 2027.

This year marks the fifth consecutive time the city has hosted an Ontario Baseball Provincial Championship demonstrating a proven track record of success. (Prior to resuming hosting in 2022, the Sault hadn't hosted since 1993). Delivering another well-executed event will further strengthen the relationship with Ontario Baseball and enhance opportunities to host additional divisions and larger-scale tournaments in the future. Additional funds are included to upgrade the bases (as per Baseball Ontario) and invest in a proper sound system to announce the games. These valuable additions will bring the event to a higher standard.

Previous TDF Support
2022: $3,500 to support the cost of umpires
2023: $3,000 to support cost of baseballs and umpires
2024: $3,500 to support the cost of baseballs and umpires

Attendance Projections (per year/event)
Local: 153
Ontario: 930

Economic Impact (per year)
930 out of town visitors x 3 days x $175 per person per day = $488,250

Recommendation
In support of Soo Minor Baseball's efforts to bid and host significant large scale events in the community, the Tourism Sault Ste. Marie Board of Directors passed the following resolution "Be it resolved that the Tourism Sault Ste. Marie Board of Directors recommend a contribution of $12,000, through the Tourism Development Fund – Conferences and Special Events Stream to support the 2026 and 2027 Ontario Baseball Provincial A Tournaments ($6,000 per year) and that a report be submitted to City Council for consideration and approval."

Financial Implications

No new funds would be required. The Tourism Development Fund currently has $588,822 uncommitted for the purposes of financial assistance within the tourism sector

Strategic Plan / Policy Impact / Climate Impact

This item supports the Corporate Strategic Plans Focus Area:

- Community Development and Partnership focus of Maximizing Economic Development and Investment with the commitment to maintain financial viability.
- Community Development – Develop partnerships with key stakeholders and reconciliation.

There are no climate change-related impacts associated with this report.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Tourism and Community Development dated July 13, 2026 concerning Tourism Development Fund Applications – June 2026 be received and that the recommendation of the Tourism Sault Ste. Marie Board of Directors to allocate $16,000 as detailed below be approved:

1. Algoma Rod and Gun Club – 2026 Ontario Field Archery Championships – $4,000; and
2. Soo Minor Baseball – Ontario Baseball 11U Provincial Championships – $12,000.

Respectfully submitted,

Travis Anderson
Director, Tourism and Community Development.
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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

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Emily Cormier, Sustainability Coordinator
DEPARTMENT:	Community Development and Enterprise Services
RE:	Growing Canada's Community Canopies Fund

Purpose

The purpose of this report is to seek Council authorization for the City of Sault Ste. Marie to apply to the Federation of Canadian Municipalities (FCM) Green Municipal Fund (GMF) Growing Canada's Community Canopies (GCCC) – Tree Planting stream for up to $250,000 in grant funding and to confirm the City's matching cash contribution of $250,000 over five years ($50,000 annually) through the City's existing operating budget.

Background

The City of Sault Ste. Marie currently allocates $50,000 annually through its operating budget for tree planting on City lands. This funding typically supports the planting of approximately 150 trees per year, generally during the spring planting season.

Staff have identified the FCM GMF Growing Canada's Community Canopies – Tree Planting stream as a strong opportunity to build on this existing investment and significantly expand the City's annual planting capacity. If successful, the grant would match the City's existing annual contribution and effectively double the tree planting program over the five-year project period.

Public Works staff have confirmed that they have the operational capacity to support an expanded planting program. While the City's current planting program is typically concentrated in the spring, the proposed funding would allow the City to add a fall planting program, increasing the number of trees planted annually and improving flexibility for implementation.

Analysis

The proposed application would leverage the City's existing annual tree planting budget rather than requiring a new municipal funding source. By matching the City's current $50,000 annual investment with external funding, the City would be able to substantially increase tree planting on municipal lands while building on an established operational program.

The proposed project would support planting on suitable City lands such as parks, boulevards, open spaces, and other municipal properties. The addition of a fall planting season would improve the City's ability to deliver more trees each year and take advantage of suitable planting windows for tree establishment. This expanded approach would allow the City to move from its current annual planting level of approximately 150 trees toward roughly double that amount, depending on species, stock type, site conditions, and annual implementation planning.

The project would also support a range of municipal objectives, including climate adaptation, urban canopy expansion, biodiversity enhancement, improved public spaces, and long-term environmental resilience.

Council authorization is required in order to submit the application and confirm the City's municipal contribution.

Financial Implications

The City's contribution to the proposed project would be $250,000 in cash over five years, funded through the existing annual operating budget allocation of $50,000 for tree planting. This contribution is already part of the City's ongoing operational commitment and would be used to leverage an equal amount of external funding.

If the application is successful, the City would receive up to $250,000 in grant funding from FCM GMF for a total project value of up to $500,000 over five years. If unsuccessful, the City would continue its existing tree planting program within the approved operating budget.

Strategic Plan / Policy Impact / Climate Impact

The proposed project supports the City's strategic priorities related to environmental sustainability, climate resilience, and enhancement of public spaces. By doubling the City's current planting capacity, the project would accelerate urban canopy growth and strengthen the City's investment in green infrastructure.

Urban forests provide a range of environmental benefits, including carbon sequestration, reduction of urban heat island effects, improved stormwater management, enhanced air quality, and increased biodiversity. The project also supports the City's broader sustainability and climate objectives by scaling up an existing municipal program in a practical and cost-effective way.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Sustainability Coordinator dated July 13, 2026, concerning the Federation of Canadian Municipalities Green Municipal Fund Growing Canada's Community Canopies Fund be received and that:

- Council authorize staff to submit an application to the FCM GMF Growing Canada's Community Canopies Fund for $250,000 in grant funding; and

- Approve the City of Sault Ste. Marie’s matching cash contribution of $250,000 over five years, funded through the City’s existing annual operating budget allocation of $50,000 for tree planting subject to annual budget approval.

Respectfully submitted,

Emily Cormier
Sustainability Coordinator
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The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Josh Rogers, Cultural Industries Coordinator
	Graham Atkinson, Manager of Business Development
DEPARTMENT:	Community Development and Enterprise Services
RE:	Economic Development Program Application – Edge Entertainment

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Purpose

The purpose of this report is to provide a recommendation to City Council from City staff and the Economic Development Corporation for the distribution of funds from the Economic Development Program to support the attraction of Edge Entertainment's ROCKET FUEL film production.

Background

The Economic Development Program (EDP) is a stream within the Community Development Fund designed to support job creation, increase tax assessment, and the implementation of strategic economic development projects.

Consideration is given to initiatives that would result in positive results in the following Key Performance Targets:

- Net Job creation: Projects that create sustainable jobs that diversify the economy, bring new monies into the community, and focus on the creation of new products and services;
- Increase Tax Assessment: Projects that increase new tax assessment or investment in existing facilities; and
- Economic Development Projects: Projects that advance community and economic development strategies and/or support the creation of new economic engines.

Approved funds are issued on a reimbursement basis, and approval includes expectations of accountability, monitoring, and reporting through the project's lifecycle.

Upon receipt of an EDP application, City staff review it for eligibility and assessment criteria and make recommendations to the Economic Development Committee's Board of Directors. The board further evaluates the project and decides whether it should be presented to City Council for final approval.

Analysis

Edge Entertainment is requesting support from the City of Sault Ste. Marie to host their latest Feature Film, “Rocket Fuel”. Last fall Edge Entertainment scouted both Sault Ste. Marie, and Sudbury as potential filming locations for this project. Providing support through the Economic Development Program helps bring this production and the associated economic benefit to Sault Ste. Marie.

Edge Entertainment requests support from the City of Sault Ste. Marie in the form of a one-time grant of $22,500 to help offset costs incurred, such as costs of city services and additional costs for crew travel, per diem, and accommodations.

This support is crucial in the absence of full film crews in Sault Ste. Marie, as compared to North Bay or Sudbury. If approved, the funds will also help to offset increased transportation costs for the additional distance from Toronto to Sault Ste. Marie (compared to Sudbury and North Bay) and minimizes the monetary impact to the producer when selecting our community as their filming destination.

The local economic impact of the production is significant, with a direct spend of $979,153.38 locally, resulting in combined direct and indirect economic impact of approximately $1.55M. Primary benefactors from the production include hotels, restaurant/bars, car rentals, location and office rentals, security, construction, and equipment rentals companies.

Additionally, the production has hired 45 full-time temporary jobs across all departments, including technical crew, office staff, and director assistants over a 10-week period, resulting in increased salaries and spending injected into the local economy.

The Economic Development Committee Board of Directors approved a motion to issue a letter of support for the production’s application so that it may be presented to Council.

Financial Implications

No new funds would be required. The Economic Development Fund currently has $2,074,570 for the purpose of providing financial assistance for the implementation of strategic economic development projects and tourism-related initiatives.

Strategic Plan / Policy Impact / Climate Impact

This would align with the Corporate Strategic Plan’s goals to support and grow the creative economy and further supports the growth of a diversified economy here in Sault Ste. Marie. Accommodations being used to support the production increase occupancy rates.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Cultural Industries Coordinator and Manager of Business Development dated July 13, 2026 concerning Economic Development Program Application – Edge Entertainment be received and that the application for $22,500.00 be approved.

Respectfully submitted,

Josh Rogers
Cultural Industries Coordinator
705.989.5741
j.rogers@cityssm.on.ca

Graham Atkinson
Manager Business Development
705.759.5928
g.atkinson@cityssm.on.ca

The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Carl Rumiel, Director of Engineering
DEPARTMENT:	Public Works and Engineering Services
RE:	Five-Year Capital Transportation Program (2027–2031)

Purpose

The purpose of this report is to present an updated five-year Capital Transportation Program.

Background

The Five-Year Capital Transportation Program is a rolling five-year plan that is updated annually. Each year the first year of the plan is presented to Council for approval as part of the annual budget process, following completion of a capital priorities assessment. The program attempts to address the rehabilitation and reconstruction needs of the overall road network including underground infrastructure, and streetscaping. The program also addresses the needs of bridges and aqueducts, active transportation, and traffic signal infrastructure.

Council is not being asked to approve the 2027 Capital Roads Budget at this time; however, staff are seeking Council's approval in principle to proceed with engineering and design work for potential 2027 road projects. Beginning this work now will allow projects to be prepared for tendering on schedule in the new year, while Council retains the authority to consider and approve the actual 2027 road construction budget through the normal budget process.

Analysis

Road sections are recommended for the Capital Transportation Program based primarily on pavement condition index scores, which are tabulated based on road condition in the Asset Management program. All road sections considered for reconstruction are also evaluated and scored based on factors, including, but not limited to, surface condition, structure, drainage, etc. Age and condition of water mains, sanitary and storm sewers, level of maintenance, and traffic volumes are also considered when selecting a road section for reconstruction. An attempt is made to keep the mix between arterials, collectors, and local streets balanced. In the 2027-2031 plan, there are some unique improvements recommended through previous environmental assessments and improvements to the downtown and waterfront.

This plan is presented based on three funding assumptions. The Ministry of Transportation (MTO) Connecting Link fund is applied for on a yearly basis, and this years assumed project allocation is $2.7M ($2.35M MTO and $0.35M City). The MTO announces this program annually in the spring. The City also anticipates receiving Northern Ontario Resource Development Support (NORDS) in the amount of $400k per year which we allocated to resurfacing of truck routes as well as the ongoing, and assumed consistent, investment by the province with the Ontario Community Infrastructure Fund.

Bridges and Aqueducts

Municipalities are legislated to perform detailed bridge inspections every two years, and the City follows that inspection frequency for major aqueducts as well. A professional structural engineer evaluates aqueducts and bridges every two years and makes recommendations for capital improvements, rehabilitation, and maintenance. The Herkimer Street bridge was closed to traffic recently then reopened after reinforcing of the bridge piers was completed allowing it to be reopened to traffic temporarily until a decision is made on replacement or removal. If the bridge is to be reconstructed, a Municipal Class Environmental Assessment (EA) may be required. Staff will report back to Council with recommendations within the next few months regarding the Herkimer Street bridge. If the EA recommendation is to replace the bridge, an allowance will be carried in a future update to the Capital Transportation Program.

Active Transportation – Hub Trail and Future Spokes

In past capital programs, cycling lanes, segments of off-road trails, and paved shoulders have been constructed under capital road projects. The intention is to include the construction of active transportation components in tenders for capital projects if they are within the construction limits or in the near vicinity of a project. Queen Street Improvements includes new cycling facilities being included in the design.

Update – 2026 Program

The following projects are currently underway:

- East Street – Bay Street to Wellington Street
- Peoples Road Phase 2 – Penno Road to Third Line
- Sackville Road Extension – north limit to Third Line
- Great Northern Road – 500m north of Wigle Street to the City limits
- 2026 Road Resurfacing and Miscellaneous Construction

The Sackville Road project has encountered challenges with the side slopes above the culvert crossing the deep ravine. As a result, the project has been delayed while design modifications are made to improve slope stability. These changes have also increased construction costs. To support project completion, additional funding has been allocated from the 2027 Capital Transportation Program, allowing the project to be completed in 2027.

Recommended 2027 Program

The attached Five-Year Transportation Program represents the proposed 2027–2031 programs.

Program costs are based on preliminary estimates. Detailed road design may reveal additional expenditures or cost savings that are not possible to identify at this preliminary stage.

The proposed list of 2027 projects is as follows:

Elgin Street – Bay Street to Queen Street: This road section requires full replacement of underground services and road structure. This section of road requires extensive streetscaping improvements to meet the recommendations of a pedestrian corridor identified in the Waterfront Master Plan. This project has been prioritized higher because there is underground infrastructure in the Queen Street intersection that must be replaced prior to Phase 2 of the Queen Street Improvements which is scheduled for 2028. The 2027 work between Bay and Queen will be a relatively small project and will close Queen for approximately one month. The intention is to complete everything in the intersection ahead of Queen Street starting in 2028, which will only be surface work and will not require a road closure. Queen will be worked on one lane at a time in 2028, while maintaining traffic flow.

The Drive – The Crescent to Simpson Street: This road section requires full replacement of underground services and road structure.

Putney Road – The Drive to Forest Avenue: This road section requires full replacement of underground services and road structure.

Second Line East – Great Northern to North Street: This section of road is the City’s next highest Connecting Link priority and will be the project that is applied for in the 2027 Connecting Link program application.

Peoples Road – Stormwater Management Ponds: During the Peoples Road Drainage Environmental Assessment, several alternatives were considered to mitigate flooding in the Peoples Road area. The introduction of four new stormwater management ponds was selected as the preferred option to address flooding in this area. Two of these ponds are being included in the 2026 program.

Bridges and Aqueduct: Continue with small sections of aqueduct replacement and other priorities recommended in the biennial bridge and aqueduct reports. Further, unused bridge and aqueduct allowances will be carried forward for future bridge replacements.

Engineering 2028: An allocation for 2028 engineering must be included in the 2027 budget to allow preliminary work to commence in 2027 prior to passing of the 2028 budget which will ensure tenders are on schedule in early 2028.

Resurfacing – Various Roads: An allocation is required in the 2027 capital roads budget for resurfacing. Arterial roads such as Wellington Street East and Bennett Boulevard are in need of a new asphalt surface. Roads are prioritized and annual programs are brought to Council for approval each spring.

Traffic Signal Upgrades: An allocation is required in the 2027 capital roads budget for replacement of aged traffic signal controllers.

Financial Implications

The Five-year Capital Transportation Program is based upon the recommended priorities within the City's asset management plans. Funding availability will be assessed along with other corporate capital priorities and presented to Council with the 2027 Capital Budget. This report has no impact on the approved 2026 capital transportation program. An allowance of $400,000 was allotted in the 2026 budget for the purposes of commencing design work for 2027 projects. Additional funds for completion of design and contract administration, and for construction of 2027 projects, will be brought to Council with the 2027 capital budget.

Strategic Plan / Policy Impact / Climate Impact

Improvements to capital infrastructure including roads, storm and sanitary sewers, aqueducts, and bridges are 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 July 13, 2026 concerning 2027–2031 Five-Year Capital Transportation Program be received and that Council approve:

- the 2027–2031 programs in principle;
- the Engineering Division proceeding with any local improvement notices for 2027 works;
- the procurement of consulting engineering services for projects not to be completed by in-house staff; and
- that the resurfacing of Second Line East between Great Northern Road and North Street be the designated project for the City's application to the 2027 Connecting Link Program.

Respectfully submitted,

Carl Rumiel, P. Eng.,
Director of Engineering
705.759.5379
c.rumiel@cityssm.on.ca

2027-2031 CAPITAL TRANSPORTATION PROGRAM					
Year	Street	From	To	Cost	Comments
2027	Elgin Street	Bay Street	Queen Street		Reconstruction with Streetscaping
2027	The Drive	The Crescent	Simpson Street		pair with Putney Road - full reconstruction
2027	Putney Road	The Drive	Forest Avenue		pair with The Drive - full reconstruction
2027	Connecting Link	Second Line	North Street to GNR		Resurfacing - assume 90% CL grant
2027	Bridges and Aqueducts				Rehabilitation - aqueducts, bridges and culverts
2027	Engineering - 2028				Engineering for next year capital
2027	Various Roads				Road Resurfacing
2027	Traffic Signal Upgrades				Traffic Signal Controller Replacements
2027	Peoples Road EA SWM Facilities				SWM Facilities - assumes HSWF
2027	Sackville additional funding				
			Total	$ 24,348,514	
2028	Queen Street - Phase 2	Elgin Street	Dennis Street		Queen Street Streetscaping
2028	Sackville Road	Second Line	Niagara Drive		Class B to Class A
2028	Connecting Link	TBD			Resurfacing - assume 90% CL grant
2028	Bridges and Aqueducts				Rehabilitation - aqueducts, bridges and culverts
2028	Engineering - 2029				Engineering for next year capital
2028	Various Roads				Road Resurfacing
2028	Traffic Signal Upgrades				Traffic Signal Controller Replacements
2028	Peoples Road EA SWM Facilities				SWM Facilities - assumes HSWF
			Total	$ 26,562,984	
2029	Church Street	Queen Street	Wellington Street		Reconstruction
2029	Sackville Road	Niagara Drive	Mary Avenue		Class B to Class A
2029	Local Road Reconstruction	TBD			full road reconstruction
2029	Connecting Link	TBD			Resurfacing - assume 90% CL grant
2029	Bridges and Aqueducts				Rehabilitation - aqueducts, bridges and culverts
2029	Engineering - 2030				Engineering for next year capital
2029	Various Roads				Road Resurfacing
2029	Traffic Signal Upgrades				Traffic Signal Controller Replacements
			Total	$ 26,792,033	
2030	Queen Street - Phase 3	TBD	TBD		Queen Street Streetscaping - Phase 2
2030	Brown Street	Cathcart Street	Wellington Street		Reconstruction
2030	Connecting Link	TBD			Resurfacing - assume 90% CL grant
2030	Bridges and Aqueducts				Rehabilitation - aqueducts, bridges and culverts
2030	Engineering - 2031				Engineering for next year capital
2030	Various Roads				Road Resurfacing
2030	Traffic Signal Upgrades				Traffic Signal Controller Replacements
			Total	$ 25,250,053	
2031	Connecting Link	TBD			Resurfacing - assume 90% CL grant
2031	Bridges and Aqueducts				Rehabilitation - aqueducts, bridges and culverts
2031	Engineering - 2031				Engineering for next year capital
2031	Various Roads				Road Resurfacing
2031	Traffic Signal Upgrades				Traffic Signal Controller Replacements
2031	Pilgrim Street	Herrick St	Wellington St		Reconstruction
2031	Cumberland Ave	Third Ave	EOP		Reconstruction
2031	Spring Street Streetscaping				Streetscaping
2031	Elgin Street	Queen Street	Albert Street		Reconstruction
			Total	$ 25,403,978	

The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Carl Rumiel, Director of Engineering
DEPARTMENT:	Public Works and Engineering Services
RE:	Black Road Ditching – Agreement with Ministry of Transportation

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Purpose
The purpose of this report is to seek Council approval to enter into an agreement with the Ministry of Transportation (MTO) for a drainage ditch located on MTO property on Black Road.

Background
At the March 23, 2015 Council meeting the City entered into an agreement with the MTO to construct a drainage ditch and berm on MTO lands on 567 Black Road. This was a five-year agreement which was renewed for an additional five years on March 29, 2021. This ditch was intended to be a temporary solution until a permanent solution was implemented during the reconstruction of Black Road.

Analysis
Work on Black Road was completed in 2020, and despite design efforts made to find a better solution, the ditch is still required. The previous agreement with the MTO expired on March 14, 2026. This agreement is for a five-year term from March 15, 2026 – March 14, 2031.

The MTO has requested that the City submit a formal written request for the purchase of the lands (all or part for easement) or easement over the affected lands. Staff will work towards acquiring the property or an easement before the agreement expires in 2031.

Financial Implications
The renewal cost for this agreement will be $2,000 and can be accommodated in the allowance for ditching in the Public Works 2026 Operations Budget.

Strategic Plan / Policy Impact / Climate Impact
This is an operational matter and is not articulated in the Corporate Strategic Plan.

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

The relevant By-Law 2026-119 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Carl Rumiel, P. Eng.
Director of Engineering
705.759.5379
c.rumiel@cityssm.on.ca

The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Maggie McAuley, Manager of Design and Transportation Engineering
DEPARTMENT:	Public Works and Engineering Services
RE:	Contract 2026-10E Miscellaneous Paving

Purpose

The purpose of this report is to obtain approval to award Contract 2026-10E. The work generally consists of supplying all materials, labour, and equipment necessary for the resurfacing, or partial resurfacing, of:

- Wellington Street (East Street to Gore Street)
- Albert Street (East Street to Gore Street)
- Pim Street (Oakwood Drive to MacDonald Avenue)
- North Street (Wellington Street to St. Georges Avenue)
- Chambers Avenue (South Market Street to Boundary Road)
- Allen's Side Road (Second Line to Third Line)
- Allard Street (McNabb Street to Chapple Avenue)
- McNabb Street (Great Northern Road to Canadian Tire entrance)
- Connor Road (Sixth Line to end)
- Falldien Road (Queen Street to River Road)
- Langdon Road (Korah Road to Murton Avenue)
- Sixth Line (railroad tracks to Connor Road)
- Wireless Avenue (Ravina Street to Lake Street)

Background

At the May 4, 2026 meeting Council approved the 2026 resurfacing program.

Tenders were received via the City's electronic bidding system. Submissions for Contract 2026-10E were opened on Monday, June 29, 2026. Tender results were made public on the project page in the electronic bidding system.

Analysis

A total of two tenders were received. All tenders submitted were checked. The low tender was found to be complete and valid, and second tender was found not to have met the bonding requirement. This did not alter the bid selection.

In accordance with Municipal Buy Ontario Directive, a bidder with the highest domestic content receives a 10% evaluation advantage applied to this bid. This advantage did not alter the bid selection. The low tender of $3,494,365.79 (excluding HST) was received from Avery Construction Limited.

Financial Implications
A budget of $3,845,276 was allocated for the 2026 resurfacing program.

When utility costs and non-recoverable HST are added, the cost to complete this project is projected to be $3,566,045, which can be covered by the funds outlined above.

Strategic Plan / Policy Impact / Climate Impact
This report is linked to the Infrastructure focus area of the Corporate Strategic Plan.

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

The relevant By-law 2026-118 is listed under item 12 of the Agenda item and will be read with all by-laws under that item.

Respectfully submitted,

Maggie McAuley, P.Eng.
Manager of Design and Transportation Engineering
705.759.5385
m.mcauley@cityssm.on.ca

The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Maggie McAuley, Manager of Design and Transportation Engineering
DEPARTMENT:	Public Works and Engineering Services
RE:	Pine Street Road Closure

Purpose

The purpose of this report is to obtain Council approval to temporarily close Pine Street between MacDonald Avenue and Garrison Way for a period of 12 weeks, if necessary.

Background

This summer, PUC Services Inc. is undertaking a cured-in-place pipe (CIPP) watermain lining project with the assistance of a contractor. As part of this work, they will be rehabilitating a watermain within the Pine Street hill.

Analysis

The current plan is to complete the work within the limits of the hill while maintaining traffic flow. However, unforeseen circumstances during construction may require temporary closure of this section of the road to improve safety for both the travelling public and workers on site. As per the Road Cuts By-law 2020-70, road closures exceeding five business days require a by-law approved by City Council. This request is intended to secure the necessary approvals in advance should a road closure become necessary during construction.

PUC Services, Inc. and their contractor will be responsible for traffic control throughout the project, including notification of the public should they close the road.

Financial Implications

There are no financial implications to this report.

Strategic Plan / Policy Impact / Climate Impact

Closure of a public road in order to facilitate building construction is not related to a specific area of the strategic plan.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Design and Transportation Engineering dated July 13, 2026 concerning the closure of Pine Street be received and that the road closure of Pine Street between MacDonald Avenue and Garrison Way from August 4, 2026 to October 16, 2026 be approved.

The relevant By-law 2026-120 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Maggie McAuley, P.Eng.
Manager of Design and Transportation Engineering
705.759.5385
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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

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior Litigation Counsel and Steve Zuppa, Planner
DEPARTMENT:	Legal Department
RE:	Property Declared Surplus – 561 Queen Street West, 572 and 608 Portage Lane, 62 James Street (Access to Land Program)

Purpose

The purpose of this report is to recommend to Council that the property described in PIN 31578-0206 (LT) LT 8 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S EXCEPT RY696 & T266499; PT LT 8 S/S SUPERIOR ST, 9 S/S SUPERIOR ST, 9 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S PT 1 & 4 1R4140 & AS IN T213085 & T221238; PT LANE PL 3974 ST. MARY'S; PT LT 1-5 PL 3974 ST. MARY'S PT 2 1R4437 & PT 1, 2 & 6 1R5114; SAULT STE. MARIE, being comprised of civics 561 Queen Street West, 572 and 608 Portage Lane, and 62 James Street, be declared surplus and offered for sale by the City in accordance with the City's Access to Land program.

Attachment

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

Background

On September 2, 2025 Council endorsed the Access to Land program and authorized staff to bring forth requests to Council to declare City-owned properties as surplus for the purposes of the program.

The Property was identified by the Planning Division as being suitable for inclusion in Round 1B of the program. The Property was circulated to various City Departments, the Sault Ste. Marie Region Conservation Authority ("SSMRCA") and the District of Sault Ste. Marie Social Services Administration Board ("DSSMSSAB") for comment.

The Public Works and Engineering Services Department had no comments.

The Engineering Department reviewed the request and identified numerous encroachments onto the properties. The Legal Department has forwarded this information on to the Building Department for review and to take any enforcement action necessary.

The Engineering Department noted that 572 Portage Lane and 608 Portage Lane do not appear to have access to a maintained municipal right-of-way. It was noted that 572 Portage Lane may have access to the 200mm diameter sanitary sewer main from James Street.

The Engineering Department also circulated the request to various utilities for comment. There are several easements required by the utilities prior to a sale.

The Planning Division had no comments or concerns. The Building Department had no objections.

The SSMRCA advised that the Property is not located within the regulated area regarding *Ontario Regulation 41/24: Prohibited Activities, Exemptions and Permits* under the *Conservation Authorities Act, R.S.O. 1990, c. C.27*. SSMRCA had no objections or concerns.

The Community Development and Enterprise Services Department had no concerns and is in support. The Committee of Adjustment had no objections or comments for 561 Queen Street West or 62 James Street but noted that 572 and 608 Portage Lane do not have frontage on a municipally owned, year-round maintained street.

Economic Development had no issues. The DSSMSSAB did not provide a response

Analysis

If Council declares the Property surplus, the City will market the Property by the real estate firm obtained through the RFP process, specifically EXIT Realty True North.

Financial Implications

On September 2, 2025 Council approved the Access to Land Program and authorized $200,000 from the Housing Accelerator Fund funding to be spent on the necessary expenses for the properties designated in Rounds 1 and 2 of the Access to Land Program. The addition of this Property can be covered by that amount.

Strategic Plan / Policy Impact / Climate 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 2026-112 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

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

and

Steve Zuppa
Planner
705.759.5279
s.zuppa@cityssm.on.ca

sd\\citydata\LegalDept\Legal\Staff\LEGAL\P - PROPERTY FILES\8. Access to Land Program Several Properties\Access to Land Round 1b Circulation\561 Queen St W, 572 & 608 Portage Lane, 62 James Street

Schedule "A"

SERVICEONTARIO

PRINTED ON 28 MAY, 2026 AT 10:03:29
FOR SDAVEY01

SCALE

0 10 20 30 40 meters

PROPERTY INDEX MAP

ALGOMA(No. 01)

LEGEND

- FREEHOLD PROPERTY
- LEASEHOLD PROPERTY
- LIMITED INTEREST PROPERTY
- CONDOMINIUM PROPERTY
- RETIRED PIN (MAP UPDATE PENDING)
- PROPERTY NUMBER 0449
- BLOCK NUMBER 08050
- GEOGRAPHIC FABRIC
- EASEMENT

THIS IS NOT A PLAN OF SURVEY

NOTES

REVIEW THE TITLE RECORDS FOR COMPLETE PROPERTY INFORMATION AS THIS MAP MAY NOT REFLECT RECENT REGISTRATIONS

THIS MAP WAS COMPILED FROM PLANS AND DOCUMENTS RECORDED IN THE LAND REGISTRATION SYSTEM AND HAS BEEN PREPARED FOR PROPERTY INDEXING PURPOSES ONLY

FOR DIMENSIONS OF PROPERTIES BOUNDARIES SEE RECORDED PLANS AND DOCUMENTS

ONLY MAJOR EASEMENTS ARE SHOWN

REFERENCE PLANS UNDERLYING MORE RECENT REFERENCE PLANS ARE NOT ILLUSTRATED

LICENSE TERMS

SOME OF THE INFORMATION IS PROVIDED BY THE ONTARIO ROAD NETWORK UNDER OPEN GOVERNMENT LICENSE AND SUBJECT TO LICENSE TERMS.

Ontario

The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior Litigation Counsel
DEPARTMENT:	Legal Department
RE:	Property Sale – 184-188 James Street (Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe)

Purpose

The purpose of this report is to advise Council of the offer received for the sale of property described as PT PIN 31578-0007 SAULT STE. MARIE, being civics 184-188 James Street.

ATTACHMENT

Attached as Schedule “A” is the legal description of the Subject Property. Attached as Schedule “B” is a map of the Subject Property highlighted in yellow and labelled with “Subject Property”.

Background

On March 17, 2025, By-law 2025-46 declared the Property surplus to the City’s needs and approved the disposition of same.

Valuations were then obtained by both Isnize Living Development Ltd. and the City. Negotiations then ensued. The Legal Department has negotiated the sale of the Subject Property for the sum of $70,000 and recommends same.

Isnize Living Development Ltd. has advised that the intended use of the Subject Property is a parking lot for the tenants of the apartment building next door at 196 James Street.

Analysis

If the City decides to dispose of the Property, it would be consistent with the City’s plan to dispose of surplus property.

Financial Implications

There would be a tax benefit to the City.

Strategic Plan / Policy Impact / Climate Impact

Not applicable.

Recommendation

It is therefore recommended that Council take the following action:

The relevant By-law 2026-105 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior Litigation Counsel
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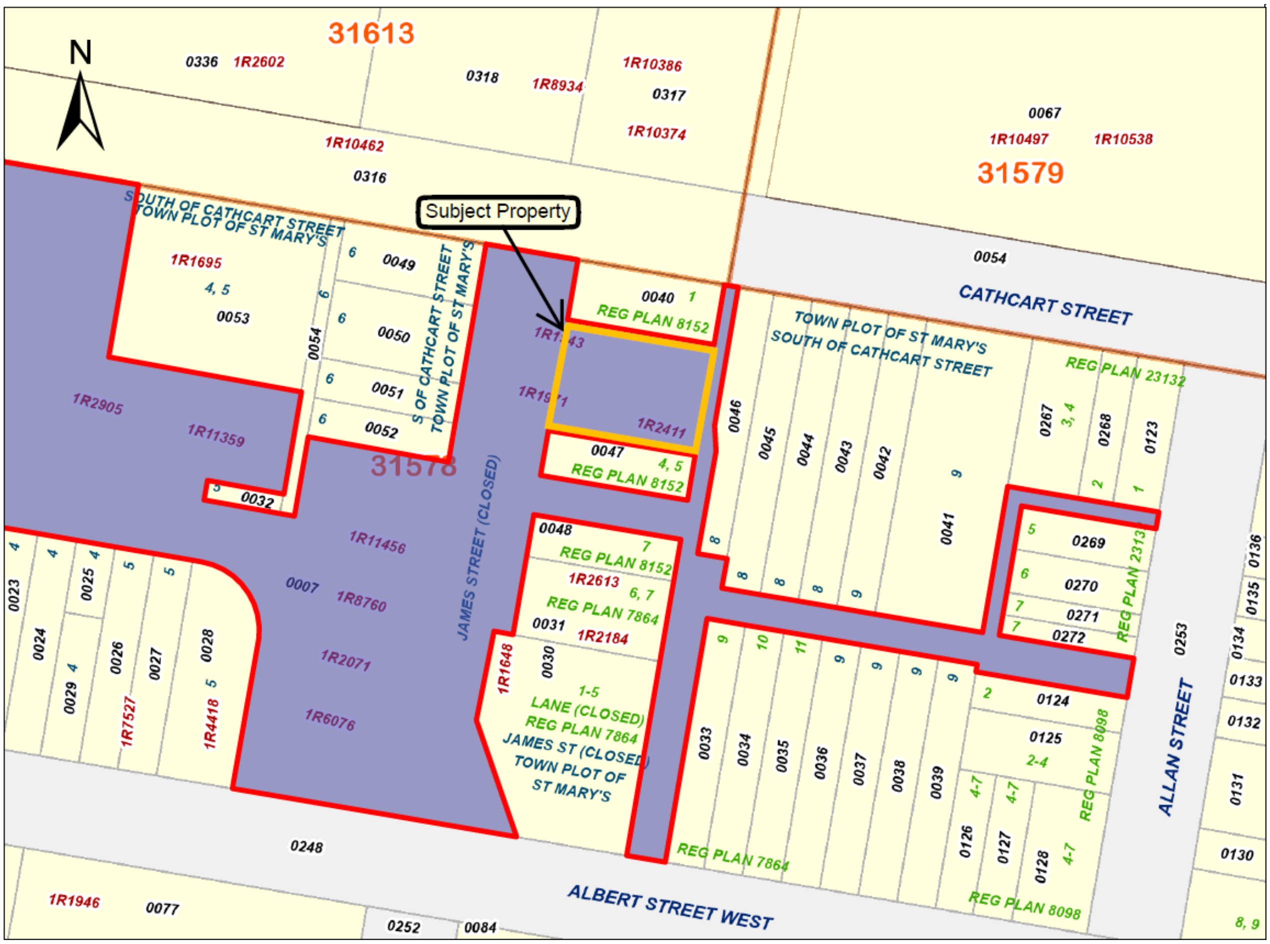
ep\\citydata\LegalDept\Legal\Staff\LEGAL\P - PROPERTY FILES\Property - James Street, 184-188

Schedule “A”

PART PIN 31578-0007(LT) LANE PL 21500 ST. MARY'S ABUTTING LOTS 1-13 PL 21500 CLOSED BY T161134; ROME ST PL 21500 ST. MARY'S CLOSED BY T168066; LT 1-16, 22-26 PL 21500 ST. MARY'S EXCEPT PT 9, 11 & 12 1R2411; LT 2-3, 6 PL 8152 ST. MARY'S; LANE PL 8152 ST. MARY'S; LT 1, 8 PL 7864 ST. MARY'S EXCEPT PT 2 1R1648; LT 1 PL 8098 ST. MARY'S; LANE PL 23132 ST. MARY'S; LT 4 S/S CATHCART ST, 5 S/S CATHCART ST, 6 N/S MURRAY ST PL TOWN PLOT OF ST. MARY'S EXCEPT PT 1-3 1R1695 & THE SLY 14 FT OF THE ELY 55 FT OF LT 5 S/S CATHCART ST PL TOWN PLOT OF ST. MARY'S; JAMES ST PL TOWN PLOT OF ST. MARY'S BTN MURRAY ST TOWN PLOT OF ST. MARY'S & CATHCART ST TOWN PLOT OF ST. MARY'S CLOSED BY T167808 EXCEPT PT 1 1R1648; PT LANE PL 21500 ST. MARY'S CLOSED BY T161134 PT 6 1R2411; PT LT 2 N/S MURRAY ST, 3 N/S MURRAY ST, 4 N/S MURRAY ST, 5 N/S MURRAY ST, 9 N/S MURRAY ST, 3 S/S CATHCART ST, 6 S/S CATHCART ST, 8 S/S CATHCART ST PL TOWN PLOT OF ST. MARY'S AS IN T109820 EXCEPT THE EASEMENT THEREIN, AS IN T112669, T114231, RY40650 & AS IN T133273 (3RDLY) EXCEPT T257335, PT 1 & 2 1R1851 & PT 14 1R2411, PT 3-5 1R8760, PT 6-9 1R1943, AS IN T114847, T110314 & RY40582, AS IN T107185 & T125541, PT 2 1R1943; PT LT 4 PL 8152 ST. MARY'S AS IN T123679; PT LANE PL 7864 ST. MARY'S PT 3 & 12 1R1943; S/T T125541, T112898, T111905, T109620; T/W T107185; S/T & T/W T127793; S/T LIFE INTEREST IN T99265; S/T BENEFICIARIES INTEREST IN T114230; S/T T152221; S/T EASEMENT IN GROSS OVER PT 1 1R11456 AS IN AL27956; SAULT STE. MARIE

Schedule “B”



N
31613
31579
31578
Subject Property
CATHCART STREET
ALBERT STREET WEST
ALLAN STREET
JAMES STREET (CLOSED)
SOUTH OF CATHCART STREET TOWN PLOT OF ST MARY'S
S OF CATHCART STREET TOWN PLOT OF ST MARY'S
TOWN PLOT OF ST MARY'S SOUTH OF CATHCART STREET
REG PLAN 8152
REG PLAN 7864
REG PLAN 23132
REG PLAN 2313
REG PLAN 8098
LANE (CLOSED) REG PLAN 7864 JAMES ST (CLOSED) TOWN PLOT OF ST MARY'S
1R2411
1R1695
1R2905
1R11359
1R11456
1R8760
1R2071
1R6076
1R1648
1R2613
1R2184
1R7527
1R4418
1R1946
1R10462
1R2602
1R8934
1R10386
1R10374
1R10497
1R10538

The Corporation of the City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior Litigation Counsel and Rick Van Staveren, Director of Economic Development
DEPARTMENT:	Legal Department
RE:	1000518153 Ontario Inc. (Steel Speed) Extension Request Yates Avenue Property

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Purpose

The purpose of this report is to advise Council of the request made by 1000518153 Ontario Inc. ("Steel Speed") to extend the time required to construct a building on the Yates Avenue property it purchased from the City in 2023 and recommend that a by-law authorizing the extension and property be held by the City in escrow to execute the buy-back (if necessary) be approved.

Attachment

Attached hereto as Schedule "A" is the Subject Property.

Background

A. Sale of Subject Property to Steel Speed

On March 20, 2023, City Council passed By-law 2023-33 which declared the City owned property legally described as PART SECTION 34 KORAH PART 2 PLAN 1R-14070; CITY OF SAULT STE. MARIE; PIN 31609-0386 (LT), specifically the four acre parcel depicted as the "Subject Property" in the attachment to this Report as surplus to the City's needs and authorized the disposition of the Subject Property to Steel Speed for the amount of $200,000. An Agreement of Purchase and Sale ("APS") was executed by the City and Steel Speed with the following condition:

> The Buyer will undertake on the closing of this transaction to construct a building of a minimum of 2,000 square feet on the Subject Property within three years of purchase. If the Buyer fails to build the building within the three year time period, the City may take back the Subject Property. The Buyer shall sign any necessary documentation to effect same on closing.

On July 4, 2023, the transfer of the Subject Property from the City to Steel Speed was completed.

As part of the Closing Documents, Steel Speed executed the required Undertaking and therefore, committed to construct a building of a minimum of 2000 square feet on the Subject Property within three years from the closing date, failing which, the City **may** take back the Subject Property. The requirement to build expires on July 4, 2026.

B. Steel Speed's Request to Extend Time to Construct

Steve Shoemaker, Counsel for Steel Speed, advised that their client was requesting an extension of the requirement to construct to January 31, 2027. The rationale being that his client supported the construction of the Electric Arc Furnace significantly which did not allow the advancement of construction within the predicted timetable. Mr. Shomaker confirmed that Steel Speed remains fully committed to the development and has made substantial progress toward completion which includes, site preparation work, purchasing the building and delivery to the property, and foundation work to commence immediately.

Analysis

Staff recommend that Council approve Steel Speed's requested extension of the requirement to construct to the end of January 2027 for the following reasons:

- Steel Speed has invested in the Subject Property and significantly advance construction to a point of pouring a foundation; and,
- The construction of the required building is not delayed due to financial difficulties or a lack of commitment but was caused by Steel Speed's major industrial projects involved, including the Electric Arc Furnace.

As such, staff recommends that Council approve the extension request subject to Steel Speed signing a written Undertaking to complete the construction of a building of a minimum of 2,000 square feet on the Subject Property by the end of January, 2027 and further, acknowledge in the said Undertaking that if it fails to meet this requirement, that Steel Speed undertakes to immediately execute any and all necessary documentation prepared by the City to transfer the Subject Property back to the City.

This recommendation strikes a balance between providing Steel Speed with the requested extension while protecting the City's right to take back the Subject Property if the development does not proceed in accordance with the amended timelines set by Steel Speed.

Financial Implications

Should Council approve Steel Speed's requested extension request, there will be a slight delay in the City receiving the tax revenue expected from the development of the Subject Property; however, should Council deny Steel Speed's requested extension and direct staff to take back the Subject Property if the building was not constructed by July 4, 2026, the City would see a greater delay in receiving tax revenue along with an increase in costs and staff resources to take back and remarket the Subject Property.

Strategic Plan / Policy Impact / Climate 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 2026-114 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

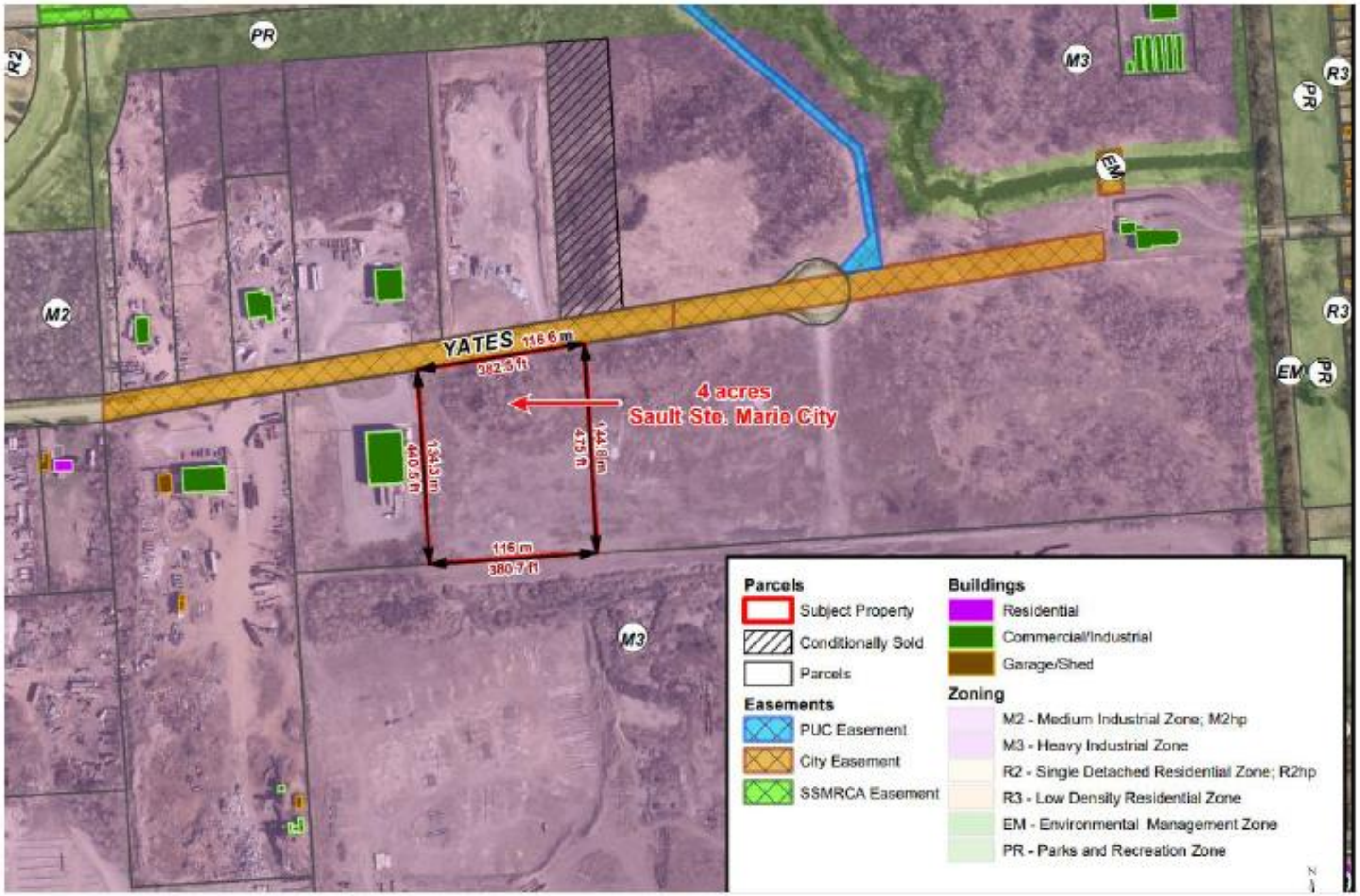
Respectfully submitted,

Melanie Borowicz-Sibenik
Assistant City Solicitor/Senior
Litigation Counsel
705.759-5403
m.borowiczsibenik@cityssm.on.ca

And

Rick Van Staveren
Director of Economic Development
705.759.5428
r.vanstaveren@cityssm.on.ca

Schedule “A”



PR
R2
M3
R3
PR
EM
M2
YATES
116.6 m
382.5 ft
4 acres
Sault Ste. Marie City
134.3 m
440.6 ft
144.8 m
475 ft
116 m
380.7 ft
R3
EM
PR
M3
Parcels
Subject Property
Conditionally Sold
Parcels
Easements
PUC Easement
City Easement
SSMRCA Easement
Buildings
Residential
Commercial/Industrial
Garage/Shed
Zoning
M2 - Medium Industrial Zone; M2hp
M3 - Heavy Industrial Zone
R2 - Single Detached Residential Zone; R2hp
R3 - Low Density Residential Zone
EM - Environmental Management Zone
PR - Parks and Recreation Zone

The Corporation of the City of Sault Ste. Marie

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

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Jenna Ricard, Solicitor/Litigator
DEPARTMENT:	Legal Department
RE:	Housekeeping – Discharge of Firearms in the Municipality By-law

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Purpose

The purpose of this report is to recommend that Council approve amendments to the Discharge of Firearms in the Municipality By-law 2008-168.

Background

Staff conducted a review of the Discharge of Firearms By-law and determined that administrative and housekeeping amendments are required.

Analysis

One proposed by-law amendment is to update the name of a corporation that currently holds an exemption to discharge a firearm under the Discharge of Firearms By-law. Section 1(e) of By-law 2008-168 permits the steelworks operation located at 105 West Street to discharge a firearm; however, the exemption is listed under the corporation's former legal name, Essar Steel Inc. It is recommended that the by-law be amended to reflect the corporation's current legal name, Algoma Steel Inc.

It is also recommended that an additional exemption be added to By-law 2008-168 to permit the discharge of firearms on the property grounds of the Ermatinger Clergue National Historic Site (ECNHS) located at 800 Bay Street. On an annual basis, the ECNHS requests a temporary exemption to permit the discharge of firearms for historical demonstrations. Adding this exemption to the by-law, would eliminate the requirement for annual exemption requests to be brought before Council.

Further, this additional exemption would permit ECNHS staff and volunteers to carry out period re-enactments, including black powder blank musket firings and ceremonial cannon firings, during operations and special events that occur on the ECNHS property grounds between May and December each year. The ECNHS will provide advance notice of demonstrations involving the discharge of firearms to the Sault Ste. Marie Police Service prior to scheduled special events.

Financial Implications

There are no financial implications to the City with respect to this report.

Strategic Plan / Policy Impact / Climate Impact

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

Recommendation

It is therefore recommended that Council take the following action:

The relevant By-law 2026-117 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Jenna Ricard
Solicitor/Litigator
705.759.5407
j.ricard@cityssm.on.ca

The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Joseph Cocchetto, Administrative Clerk – Housing Support
DEPARTMENT:	Community Development and Enterprise Services
RE:	Reallocation of Housing Accelerator Funds

Purpose

The purpose of this report is to request the reallocation of Housing Accelerator Funds (HAF) to the Per-Door Grant program.

Background

On August 12, 2024 Council approved the City of Sault Ste. Marie Housing Community Improvement Plan, which established the Per-Door Grant Program to provide funding for housing developments of up to four units. The Community Improvement Plan (CIP) Administrator (Director of Planning) has the authority to reallocate funds within CIP incentive programs, including:

- Per-Door Grant
- Sault Foundations
- Municipal Fees Rebate

There also remains a portion of HAF funding that was allocated to other non-CIP programs, such as:

- Marketing
- Additional Dwelling Units Initiative
- Access to Land program
- New and Enhanced Processes

Finally, a portion of HAF remains unallocated.

Analysis

Recent demand for per-door grant applications has been very strong. The Round 5 intake (closed on March 31, 2026) saw 18 applications totalling 43 new units, 35 of which will be affordable. Eleven of the 18 applications were in precinct 1, including a number of boarded-up buildings that have recently been sold to new owners as part of bankruptcy proceedings involving out-of-town developers who purchased numerous properties throughout the community.

All 18 applications were considered strong proposals, totaling $1.92 million in funding, exceeding this year's $715,000 budget for per door grants. Given the significant and immediate impacts that the per door grant projects are having, especially with regard to vacant, uninhabitable buildings in the downtown, staff are proposing to reallocate funds to approve all 18 applications from the last intake, as well as anticipated per door grant applications for the remainder of the year.

Staff has proceeded with the following measures:

- Closure of Sault Foundations grant program for the remainder of 2026 and reallocating $60,000 to per door grant programs;
- Allocating the proceeds from Access to Land sales (estimated $430,000) to per-door grant programs, as approved by Council on June 22, 2026;
- $600,000 in other Provincial funding sources; and
- Not permitting stacking of per-door grants with municipal fees rebates.

Staff is also recommending the following reallocations, which require Council approval:

- $70,000 from the Additional Dwelling Unit initiative which is up and running;
- $80,000 from new and enhanced processes, which is underway and funded;
- $15,000 from marketing; and
- $900,000 from the unallocated portion of HAF funding.

The measures and proposed reallocations will result in $2,155,000 of funds, in addition to $1,098,000 of existing funds, for a total of $3,253,000 of available 2026 funding for Housing CIP incentive programs. The majority of this funding will be allocated to the per-door grant program, with a smaller amount reserved for anticipated municipal fee rebates associated with larger apartment buildings.

Current unallocated funds consist of a combination of Building Faster Fund (BFF) and Housing Accelerator Funds (HAF), totaling $1,817,000. Another $2.1 million of HAF is anticipated to be received in early 2027, followed by a final HAF payment of $2.1 million in early 2028, should the City meet its housing targets. To date, the municipality is on track to meet these targets.

Financial Implications

Transferring funds between streams has no financial impact as the grants have been received, and overall funding amounts will not change.

Strategic Plan / Policy Impact / Climate Impact

The proposed reallocation of HAF funding to the Per-Door Grant Program aligns with the City's Corporate Strategic Plan and Housing Action Plan by supporting housing supply, neighbourhood revitalization, and the removal of barriers to residential development.

The Per-Door Grant Program is producing immediate and measurable housing outcomes, including new affordable units and the reinvestment in vacant and uninhabitable properties, particularly in the downtown. Unlike other programs or initiatives that may support housing over a longer timeframe or indirectly, the Per-Door Grant Program results in near-term unit creation.

This is particularly important given that Year 4 HAF funding is performance-based and contingent on the City meeting housing targets. Reallocating funds to a program with demonstrated demand and immediate unit delivery better positions the City to achieve those targets and maximize the impact of available funding.

Transferring funds between streams has no impact on the City's Greenhouse Gas Reduction Plan.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Administrative Clerk – Housing Support dated July 13, 2026, concerning Reallocation of Housing Accelerator Funds be received, and that the following reallocations of HAF funds to the Per-Door Grant Program be approved:

1. $70,000 from the Additional Dwelling Unit initiative;
2. $80,000 from new and enhanced processes;
3. $15,000 from marketing; and
4. $900,000 from the unallocated portion of HAF funding.

Respectfully submitted,

Joseph Cocchetto
Administrative Clerk –
Housing Support
705.541.5169
J.cocchetto@cityssm.on.ca

The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

July 13, 2026

TO:	Mayor Matthew Shoemaker and Members of City Council
AUTHOR:	Brent Lamming, Deputy CAO Community Development and Enterprise Services
DEPARTMENT:	Community Development and Enterprise Services
RE:	YMCA Progress Update

Purpose

The purpose of this report is to provide Council with an update regarding the current status of the Young Men's Christian Association of Sault Ste. Marie (YMCA), including organizational governance, membership trends, financial performance, fundraising efforts, capital projects, and operational activities.

Background

A contribution agreement from the NOHFC between the YMCA and City was approved at a Council meeting on October 1, 2024. The scope of the contribution agreement included supporting the costs related to the replacement of the boiler system at the YMCA. An amending agreement followed and was approved on August 11, 2025 which expanded the scope to include the installation of a new HVAC unit for the YMCA.

Analysis

The YMCA Board of Directors continues to strengthen its governance structure through the recruitment of qualified board members and ongoing committee work. Board committees remain active in the areas of governance, finance, and fundraising.

The senior leadership team has continued to mature with key positions now in place, providing greater organizational capacity and oversight. Staff continue to work collaboratively with YMCA Canada and regional YMCA partners to ensure organizational best practices are being followed and that the organization remains focused on long-term sustainability.

Current YMCA membership has reached approximately 2,808 members as of May 2026. In addition to membership growth, the YMCA continues to provide a wide range of community services, including:

- Childcare programs
- Summer day camps

• Aquatic programming
• Health and wellness programming
• Youth development initiatives and
• Community recreation opportunities.

Recent enrollment data

- 175 youth are enrolled in swim lessons
- 211 in certificate programs
- 230 in recreation programming and
- 516 in childcare

The YMCA is focusing on four priority areas to position for success.

1. Governance Leadership and Organizational Stability
2. Financial Efficiency and Effectiveness
3. Quality, Safety, and Staff Member Experience
4. Organizational Readiness and Future Growth

The City continues to work closely with the YMCA and maintains a seat on the Board of Directors. Staff are pleased to see the improved performance across key categories and the dedication of the YMCA team.

Financial Implications
There is no impact to the operating budget resulting from this report.

Strategic Plan / Policy Impact / Climate Impact
The recommendation supports the focus area of the Community Strategic Plan for 2021-2024 in several ways.

- Within the Service Delivery focus area, it supports a key focus area of creating areas to provide citizens with new and exciting activities.
- It demonstrates Fiscal Responsibility in managing municipal finances in a responsible and prudent manner.
- Collaboration with community partners and stakeholders is essential to our success.
- Further, it exemplifies communication and stakeholder consultation to create an environment that encourages engagement and the exploration of mutual goals to grow our community.

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

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated July 13, 2026 concerning YMCA Progress Update be received as information.

Respectfully submitted,

Brent Lamming. PFP, CPA, CMA
Deputy CAO, Community Development and Enterprise Services
705.759.5314
b.lamming@cityssm.on.ca

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2026-105

PROPERTY SALE: A by-law to authorize the sale of surplus property being civics 184-188 James Street, legally described in PART PIN 31578-0007 (LT) to Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe or as otherwise directed.

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. **LANDS DECLARED SURPLUS**

   The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. **SALE AUTHORIZED**

   The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in the attached Schedule "A" to Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe or as otherwise directed at the consideration shown and upon the conditions set out in Schedule "A".

3. **EXECUTION OF DOCUMENTS**

   The City Solicitor is hereby authorized by By-law 2018-55 for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to complete the sale.

4. **SCHEDULE "A"**

   Schedule "A" hereto forms a part of this by-law.

5. **EFFECTIVE DATE**

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

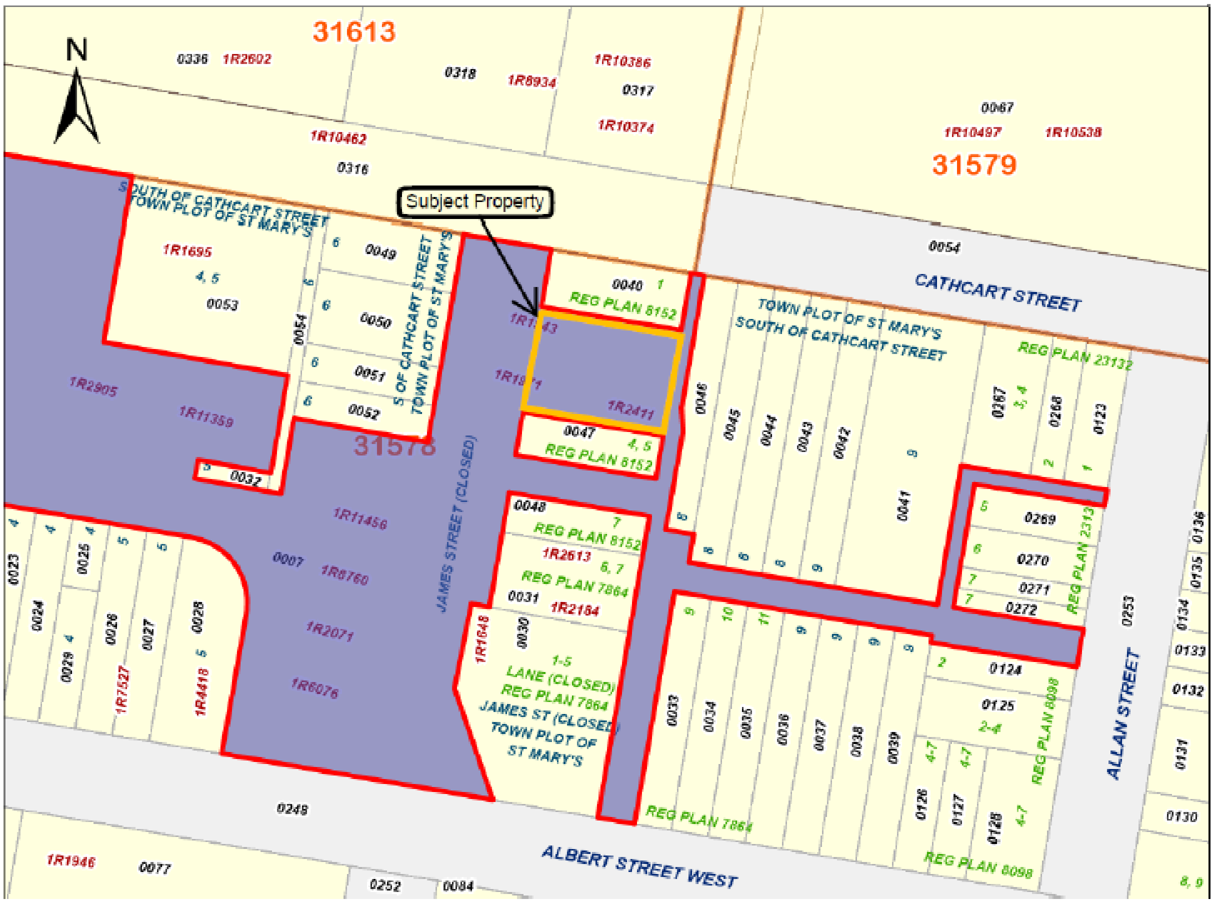
PASSED in open Council this 13th day of July, 2026.

____
MAYOR – MATTHEW SHOEMAKER

____
CITY CLERK – RACHEL TYCZINSKI

SCHEDULE “A” TO BY-LAW 2026-105

PURCHASER:	ISNIZE LIVING DEVELOPMENT LTD., TOPLINE ELECTRIC LIMITED – TONY STIRPE OR AS OTHERWISE DIRECTED
ADDRESS:	184-188 JAMES STREET SAULT STE. MARIE, ONTARIO
LEGAL DESCRIPTION:	PART PIN 31578-0007 (LT) LANE PL 21500 ST. MARY'S ABUTTING LOTS 1-13 PL 21500 CLOSED BY T161134; ROME ST PL 21500 ST. MARY'S CLOSED BY T168066; LT 1-16, 22-26 PL 21500 ST. MARY'S EXCEPT PT 9, 11 & 12 1R2411; LT 2-3, 6 PL 8152 ST. MARY'S; LANE PL 8152 ST. MARY'S; LT 1, 8 PL 7864 ST. MARY'S EXCEPT PT 2 1R1648; LT 1 PL 8098 ST. MARY'S; LANE PL 23132 ST. MARY'S; LT 4 S/S CATHCART ST, 5 S/S CATHCART ST, 6 N/S MURRAY ST PL TOWN PLOT OF ST. MARY'S EXCEPT PT 1-3 1R1695 & THE SLY 14 FT OF THE ELY 55 FT OF LT 5 S/S CATHCART ST PL TOWN PLOT OF ST. MARY'S; JAMES ST PL TOWN PLOT OF ST. MARY'S BTN MURRAY ST TOWN PLOT OF ST. MARY'S & CATHCART ST TOWN PLOT OF ST. MARY'S CLOSED BY T167808 EXCEPT PT 1 1R1648; PT LANE PL 21500 ST. MARY'S CLOSED BY T161134 PT 6 1R2411; PT LT 2 N/S MURRAY ST, 3 N/S MURRAY ST, 4 N/S MURRAY ST, 5 N/S MURRAY ST, 9 N/S MURRAY ST, 3 S/S CATHCART ST, 6 S/S CATHCART ST, 8 S/S CATHCART ST PL TOWN PLOT OF ST. MARY'S AS IN T109820 EXCEPT THE EASEMENT THEREIN, AS IN T112669, T114231, RY40650 & AS IN T133273 (3RDLY) EXCEPT T257335, PT 1 & 2 1R1851 & PT 14 1R2411, PT 3-5 1R8760, PT 6-9 1R1943, AS IN T114847, T110314 & RY40582, AS IN T107185 & T125541, PT 2 1R1943; PT LT 4 PL 8152 ST. MARY'S AS IN T123679; PT LANE PL 7864 ST. MARY'S PT 3 & 12 1R1943; S/T T125541, T112898, T111905, T109620; T/W T107185; S/T & T/W T127793; S/T LIFE INTEREST IN T99265; S/T BENEFICIARIES INTEREST IN T114230; S/T T152221; S/T EASEMENT IN GROSS OVER PT 1 1R11456 AS IN AL27956; SAULT STE. MARIE
CONSIDERATION:	SEVENTY THOUSAND ($70,000.00) DOLLARS



ep \\citydata\LegalDept\Legal\Staff\COUNCIL\BY-LAWS\2026\2026-105 Property Sale - 184-188 James Street (Isnize Living Development Ltd., Topline Electric Limited – Tony Stirpe).docx

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-111

AGREEMENT: A by-law to authorize the execution of the Purchase Agreement Schedule E to the Master Agreement between the City and Consat Canada Inc. for the renewal of the Automated Vehicle Location (AVL) system technology software for a five (5) year term to expire on September 30, 2031.

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 Purchase Agreement Schedule E to the Master Agreement dated September 1, 2026 between the City and Consat Canada Inc., a copy of which is attached as Schedule "A" hereto. This Purchase Agreement is for the renewal of the Automated Vehicle Location (AVL) system technology software for a five (5) year term to expire on September 30, 2031.

2. **SCHEDULE "A"**

   Schedule "A" forms part of this by-law.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of July, 2026.

MAYOR – MATTHEW SHOEMAKER

CITY CLERK – RACHEL TYCZINSKI

ep \\citydata\LegalDept\Legal\Staff\COUNCIL\BY-LAWS\2026\2026-111 Automated Vehicle Location (AVL) Renewal (Consat Canada Inc.).docx

Schedule “A”

Purchase Agreement

Schedule E to the Master Agreement

THIS PURCHASE AGREEMENT

For the Supply and Delivery of:	ITS-AVL System
Proposal Number:	NC-2024-PROC-637

September 1 2026

(the “**Effective Date**”)

BETWEEN:

The Corporation of the City of Sault Ste. Marie

(the “**Purchaser**”)

- and –

Consat Canada Inc.

(the “**Vendor**”)

In consideration of their respective agreements set out below and subject to the terms of the Master Agreement between Metrolinx and Consat Canada Inc., dated March 27, 2025, referencing NC-2024-PROC-637, the Parties covenant and agree to the terms as contained in this Purchase Agreement.

Table of Contents

General Conditions of this Purchase Agreement

1.0 Interpretation

1.1 Definitions

(a) Capitalized terms used in this Purchase Agreement shall have the respective meanings ascribed thereto in Schedule A - Definitions.

1.2 Time of the Essence

(a) Time is of the essence in the performance of a Party's respective obligations under this Purchase Agreement. Extension, waiver or variation of any provision of this Purchase Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

1.3 Currency

(a) All Prices and sums of money and all payments made under this Purchase Agreement shall be in Canadian dollars.

1.4 Units of Measure

(a) All dimensions, quantities, performance specifications, calibrations and other quantitative elements used in this Purchase Agreement shall be expressed in the International System of Units (SI), except where otherwise indicated.

1.5 Language

(a) All communication between the Purchaser and the Vendor and between the Vendor and each of the Subvendors with regard to the Work shall be in the English language.

1.6 Vendor Acknowledgement

(a) The Vendor and Purchaser acknowledge and agree that Metrolinx and its Successors shall not be liable or responsible to either the Vendor or the Purchaser for any matter arising under this Purchase Agreement or through the provision of the Deliverables and, without limiting the generality of the foregoing, the Vendor and Purchaser acknowledge and agree that Metrolinx and its Successors will not be liable or responsible for any payment or other obligation relating to the purchase of the Work or Deliverables provided under this Purchase Agreement, which obligations remain the sole and exclusive obligation of the Purchaser. The Purchaser agrees that this provision is for the benefit of Metrolinx and that Metrolinx is a third-party beneficiary of this provision and consequently, Metrolinx has the right to enforce this provision as if it was a party to this Purchase Agreement.

1.7 References

(a) Each reference to a statute in this Purchase Agreement is deemed to be a reference to that statute and to the regulations made under that statute, all as amended or re-enacted from time to time. Following any and all changes to Applicable Laws, the Vendor shall perform the Work in accordance with the terms of this Purchase Agreement, including in compliance with Applicable Laws.

(b) Unless specified otherwise, a reference in this Purchase Agreement to an agreement, document or Standard (including, for avoidance of doubt, this Purchase Agreement and any Ministry or Metrolinx safety standard) at any time refers (subject to all relevant Approvals) to that agreement, document or Standard as amended, supplemented, restated, substituted, replaced, notated or assigned at such time.

(c) Any provision establishing a higher standard of safety, reliability, performance, or service shall take precedence over a provision establishing a lower standard of safety, reliability, durability, performance or service.

(d) Each reference, whether express or implied, to a Standard of any technical organization or authority is deemed to be a reference, to that Standard as amended, supplemented, restated, substituted or replaced.

(e) Unless otherwise defined herein, words or abbreviations which have well-known trade meanings are used herein in accordance with those meanings.

(f) In this Purchase Agreement, “including” means including without limitation, and the terms “include”, “includes”, and “included” have similar meanings.

(g) In this Purchase Agreement, "herein", "hereby", "hereof", "hereto" and "hereunder" and words of similar import refer to this Purchase Agreement as a whole and not to any particular portion of it.

(h) Each reference to an Article or Section within this Purchase Agreement or Schedules shall refer to that Article or Section number in this Purchase Agreement or the Schedule in which the reference occurs unless otherwise specified.

(i) The headings in this Purchase Agreement are for convenience of reference only and in no manner modify, interpret or construe this Purchase Agreement.

(j) In this Purchase Agreement words in the singular include the plural and vice-versa and words in one (1) gender include all genders.

1.8 Time

(a) For purposes of this Purchase Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 4:00 p.m. (Eastern Standard Time or Eastern daylight time, as the case may be) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 4:00 p.m. (Eastern Standard Time or Eastern daylight time, as the case may be) on the next Business Day.

(b) Unless otherwise specified, references to time of day or date mean the local time or date in Toronto, Ontario. When any period of time is referred to in this Purchase Agreement by days between two dates, it will be calculated by excluding the first and including the last day of such period.

(c) If any action is required by this Purchase Agreement to be taken on or by a day which is not a Business Day, such action shall be valid if taken on or by the next succeeding Business Day.

(d) Unless otherwise specified, references to “day” shall mean calendar day.

1.9 Schedules

(a) The Schedules to this Purchase Agreement form a part of this Purchase Agreement and are as follows:

(i) Schedule A – Definitions

(ii) Schedule B – Financial Terms

(iii) Schedule C – Deliverables

(iv) Schedule D – Price

1.10 Order of Precedence

(a) In the event of discrepancies, inconsistencies, or ambiguities of the wording of the documents noted in the Table of Contents, the wording of the document that first appears in the Table of Contents shall prevail over the wording of a document subsequently appearing in the Table of Contents.

(b) In the event of a conflict or inconsistency in any provisions in this Purchase Agreement and the Master Agreement: (a) the main body of this Purchase Agreement shall govern over the Schedules to this Purchase Agreement; (b) subject to the last sentence in Section 2.3(c) (Purchase Agreements) of the Master Agreement, the Master Agreement (including its Schedules) shall govern over this Purchase Agreement.

2.0 Performance By Vendor

2.1 Vendor Representative

(a) The Vendor shall assign a Vendor Representative who will direct the provision of the Work. During the Term, the Vendor Representative will maintain ongoing contact with the Purchaser to ensure that issues are dealt with in an efficient, effective and timely manner. The Vendor Representative shall be the primary point of contact for the Purchaser for significant issues including commercial issues and Disputes and shall have overall responsibility for coordinating the performance of the Vendor obligations under this Purchase Agreement.

(b) The Vendor’s representative for purposes of this Purchase Agreement shall be:

Name: Roger Sauve
Title: CEO
Email: roger.sauve@consat.se
Telephone: +1 705 677-9228

(c) The Vendor acknowledges and agrees that the Vendor’s representative named above has authority to legally bind the Vendor.

2.2 Purchaser Representative

(a) The Purchaser Representative is the individual who represents the Purchaser under this Purchase Agreement and is responsible for communicating with the Vendor regarding any issues with respect to Deliverables and, for greater certainty, as of the Effective Date, and until the Vendor receives notification for the Purchaser that there has been a change in representative, such representative shall be:

Name: Robin Miners
Title: Manager, Transit & Parking
Email: r.miners@cityssm.on.ca
Telephone: 705-759-5434

(b) The Purchaser Representative will represent the Purchaser until such time as all Deliverables have been accepted by the Purchaser. The Purchaser Representative's responsibilities include:

(i) being the one-window point of contact for the Vendor;

(ii) exchanging information between the Vendor and Purchaser;

(iii) identifying any issues related to the performance of the Deliverables in respect of this Purchase Agreement;

(iv) coordinating approval of "equivalent" requests as per Section 18.3 (Equivalent Materials and Equipment).

2.3 Notification by Vendor

(a) During the Term, the Vendor shall advise the Purchaser and Metrolinx promptly of

(i) any contradictions, discrepancies or errors found or noted in this Purchase Agreement;

(ii) supplementary details, instructions or directions that do not correspond with those contained in this Purchase Agreement;

(iii) any omissions or other faults that become evident and should be corrected in order to provide the Deliverables in accordance with this Purchase Agreement and Applicable Laws; and

(iv) any warranty information, product recall information or safety or security information related to a Deliverable or a component part of a Deliverable.

2.4 Condonation Not a Waiver

(a) Any failure by the Purchaser to insist in one or more instances upon strict performance by the Vendor of any of the terms or conditions of this Purchase Agreement shall not be construed as a waiver by the Purchaser or Metrolinx of its right to require strict performance of any such terms or conditions, and the obligations of the Vendor with respect to such performance shall continue in full force and effect.

2.5 No Subcontracting or Assignment

(a) The Vendor shall not subcontract or assign the whole or any part of this Purchase Agreement or any monies due under it without the prior written consent of the Purchaser. Such consent shall be in the sole discretion of the Purchaser respectively, as, and may be subject to the terms and conditions that may be imposed by the Purchaser. Without limiting the generality of the conditions which the Purchaser may require prior to consenting to the Vendor use of a Subvendor, every contract entered into by the Vendor with a Subvendor shall adopt all of the terms and conditions of this Purchase Agreement as far as applicable to those parts of the Deliverables provided by the Subvendor. Nothing contained in this Purchase Agreement, nor any consent granted under this paragraph, shall create a contractual relationship between any Subvendor or its employees and Metrolinx or the Purchaser.

2.6 Notice

(a) Notices shall be in writing and shall be delivered by registered mail, next day courier, personal delivery, e-mail or other electronic means and shall be addressed to, respectively, the Purchaser's Address to the attention of the Purchaser's Representative, to the Metrolinx Address to the attention of the Metrolinx Representative and to the Vendor Address to the attention of the Vendor Representative. Notices shall be deemed to have been given (a) in the case of registered mail, seven (7) calendar days after such notice is mailed; (b) in the case of next day courier, on the Business Day following the date it was sent by courier; or (c) in the case of personal delivery or e-mail one (1) Business Day after such notice is delivered. In the event of a postal disruption, notices must be given by next day courier, personal delivery, email or other electronic means. Unless the Parties expressly agree in writing to additional methods of notice, notices may only be provided by the methods contemplated in this paragraph. The Parties may amend their respective addresses by providing to the other at least fourteen (14) calendar days written notice of such change in compliance with the terms of this Section 2.6 (Notice).

2.7 Duty to Disclose Change of Control

(a) Except for any internal reorganization activities, such as mergers or intercompany changes, wherein the Master Agreement would be held by a party with as good or better financial position as the Vendor, in the event that the Vendor undergoes a change in control, either *de facto* or *de jure*, the Vendor shall immediately disclose such change in control to the Purchaser and shall comply with any terms and conditions subsequently prescribed by the Purchaser resulting from the disclosure.

2.8 Conflict of Interest Acknowledgement and Agreement

(a) For the purposes of this Purchase Agreement, a "Conflict of Interest" includes any situation or circumstances where, in relation to the performance of its contractual obligations in this Purchase Agreement, the Vendor's other commitments, relationships or financial interests:

(i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgment; or

(ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations.

(b) The Vendor acknowledges that participation (directly or indirectly) in any procurement process arising from or related to this Purchase Agreement (the "Prohibited Procurements") would constitute a Conflict of Interest with this Purchase Agreement, and the Vendor agrees that it shall not, and shall take reasonable steps (including obtaining covenants substantially similar to those set out in this Section 2.8 (Conflict of Interest Acknowledgement and Agreement)) to ensure that its Subvendors do not participate in or be involved with such Prohibited Procurements either directly or indirectly, including as a bidder or as a subvendor, subcontractor or advisor to any bidder.

(c) The Vendor shall:

(i) avoid any Conflict of Interest in the performance of its contractual obligations;

(ii) disclose without delay any actual or potential Conflict of Interest that arises during the performance of its contractual obligations to both the Project Officer and the relevant Purchaser; and

(iii) comply with any requirements prescribed by Metrolinx or the Purchaser to resolve any Conflict of Interest.

(d) In addition to all other contractual rights or rights available at law or in equity, the Purchaser shall have the right to immediately terminate this Purchase Agreement, by giving notice in writing to the Vendor, where:

(i) the Vendor fails to disclose an actual or potential Conflict of Interest;

(ii) the Vendor fails to comply with any requirements prescribed by the Purchaser and/or Metrolinx to resolve a Conflict of Interest; or

(iii) the Vendor's Conflict of Interest cannot be resolved.

(e) This Section shall survive any termination or expiry of this Purchase Agreement.

2.9 Exclusivity and Work Volumes

(a) The Vendor acknowledges that it is providing the Deliverables on an exclusive basis for Deliverables ordered during the Term of the Master Agreement. The Purchaser makes no representation regarding the volume of Deliverables or Work to be ordered under this Purchase Agreement for the Term of the Master Agreement.

3.0 Purchaser Responsibilities

3.1 Purchaser Responsibilities

(a) The Purchaser will be responsible for administering this Purchase Agreement.

(b) The Purchaser shall:

(i) inspect each Deliverable upon delivery for accuracy and damage prior to acceptance

(ii) receive invoices sent by the Vendor and shall be responsible for ensuring payment;

(iii) Deal directly with the Vendor with respect to any post-delivery issues specific to this Purchase Agreement including warranty and other repair issues. The Purchaser consents to the release of its usage information by the Vendor to Metrolinx during the Term of the Master Agreement.

(c) If there are multiple separate purchases for Deliverables by a Purchaser, the Vendor and Purchaser shall execute at least one Purchase Agreement. Any subsequent purchases may be through purchase orders issued under the original Purchase Agreement, or under another Purchase Agreement.

4.0 Health and Safety

4.1 All health and safety terms applicable to this Purchase Agreement and the Work are set out in Article 3.0 (Health and Safety) of the Master Agreement, and the Vendor shall comply with all such terms.

5.0 Financial Terms

5.1 All financial and payment terms applicable to this Purchase Agreement and the Work are set out in Schedule B - Financial Terms.

6.0 Right of Ownership and Use

6.1 Purchaser Intellectual Property Provided to Vendor

(a) The Vendor agrees that all Intellectual Property and every other right, title, and interest in and to all concepts, techniques, ideas, information and materials, however recorded, (including images and data) provided by the Purchaser to the Vendor shall remain the sole property of the Purchaser at all times.

6.2 No Use of Purchaser Trademarks

(a) The Vendor shall not use any trademarks, trade names, or logos of the Purchaser except where required to provide the Deliverables, and only if it has received the prior written permission of the Purchaser to do so.

6.3 Vendor Representation and Warranty Regarding Third-Party Intellectual Property

(a) The Vendor represents and warrants that the provision of the Deliverables shall not infringe or induce the infringement of any third-party Intellectual Property rights. The Vendor further represents and warrants that it has obtained assurances with respect to any Vendor Intellectual Property and third-party Intellectual Property that any rights of integrity or any other moral rights associated therewith have been waived.

6.4 Purchaser May Prescribe Further Compliance

(a) The Purchaser reserves the right to prescribe the specific manner in which the Vendor shall perform their obligations relating to this Article 6 (Right of Ownership and Use).

6.5 Survival

(a) The obligations contained in this Article 6 (Right of Ownership and Use) shall survive the termination or expiry of this Purchase Agreement.

6.6 Ownership of Purchaser IP

(a) Unless otherwise expressly agreed, the Purchaser is and will be the exclusive owner of, and shall retain all right, title, and interest (including Intellectual Property Rights) in and to all of the following Intellectual Property (collectively, the "**Purchaser IP**"):

(i) all Purchaser Materials;

(ii) all Deliverables;

(iii) all reports and other information created, generated, output, or displayed by the Deliverables or as a result of the performance of the Work; and

(iv) all modifications or enhancements made to the items listed in Sections 6.6(a)(i) to (iii) hereof.

(b) All right, title, and interest, including all Intellectual Property Rights, in Purchaser IP will vest in the Purchaser, following creation.

(c) The Vendor will acquire no rights to any Purchaser IP other than the licence rights expressly granted in Section 6.8 (Grant of Licences by the Purchaser to Vendor).

(d) The Vendor:

(i) hereby assigns and transfers to the Purchaser; and

(ii) agrees (to the extent required in the future) to assign and transfer to the Purchaser, as and when created, all right, title, and interest, including Intellectual Property Rights, throughout the world in and to all Purchaser IP (to the extent any right, title, interest or Intellectual Property Right in Purchaser IP does not automatically and immediately vest in the Purchaser).

(e) The Vendor shall obtain from Vendor's Personnel, as applicable, an assignment of any rights they have to the Purchaser IP and a waiver, for the benefit of the Purchaser and its respective Successors, assigns, licensees and contractors, of their respective moral rights (and any similar rights to the extent that such rights exist and may be waived in each and any jurisdiction throughout the world) in and to the Purchaser IP. The Vendor shall provide copies of such documentation to the Purchaser upon request.

(f) For certainty, the Vendor shall be free to use, without restriction, any Vendor Background IP and its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques within the scope of its business that are used or acquired in the course of providing the Work, so long as the Vendor does not disclose or use any Confidential Information, Purchaser IP, work product or proprietary information without the Purchaser's express written consent.

(g) Nothing in this Purchase Agreement shall prevent the Vendor from providing similar Work or Deliverables to other parties.

6.7 Ownership of Vendor Background IP

(a) The Vendor is and will be the exclusive owner of, and shall retain all right, title and interest (including Intellectual Property Rights) in and to all Vendor Background IP.

(b) The Purchaser will acquire no rights to the Vendor Background IP other than the licence rights expressly granted in Section 6.9 (Grant of Licences by the Vendor to the Purchaser) or otherwise under or in respect of this Purchase Agreement.

6.8 Grant of Licences by the Purchaser to Vendor

(a) The Purchaser grants to the Vendor, during the Term, a non-exclusive, non-transferable, royalty-free right and licence to:

(i) access, use, copy, support, maintain and, to the extent reasonably necessary to provide the Work, modify, the Purchaser IP solely for the purposes of fulfilling the Vendor's obligations under this Purchase Agreement; and

(ii) sublicense the Purchaser IP to Subvendors solely to the extent necessary to enable such Subvendors to fulfill the Vendor's obligations under this Purchase Agreement.

(b) Any exercise by the Vendor of the rights granted pursuant to Section 6.3(a) (Vendor Representation and Warranty Regarding Third-Party Intellectual Property) shall be subject to the terms and conditions of this Purchase Agreement, including the Vendor's obligations with respect to Confidential Information set out in Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights).

(c) If the Vendor desires to use the Purchaser IP other than as permitted under clause (a) hereof, such use must be set out in a separate license agreement (such licence to require the approval of the Purchaser, which may be withheld at the Purchaser's discretion).

6.9 Grant of Licences by the Vendor to the Purchaser

(a) The Vendor grants to the Purchaser a perpetual, irrevocable, fully paid-up, royalty-free, worldwide, non-exclusive right and licence to access, use, copy, support, maintain, modify, sublicense, assign, distribute or otherwise exploit any Vendor Background IP that is integrated with, embedded in, forms part of or is otherwise required to access, use, copy, support, maintain, modify, sublicense, assign, distribute or otherwise exploit any Purchaser IP; provided, however, that the foregoing licence does not permit the Purchaser to use the Vendor Background IP in its standalone form or for any purpose other than as part of or in conjunction with the Purchaser IP it is associated with.

(b) If the Vendor integrates with or embeds in any Deliverables any Intellectual Property provided by a third party Vendor, subcontractor, independent contractor, Subvendor or other Person, the Vendor shall obtain for the Purchaser the same license rights for the Purchaser in respect of such third party Intellectual Property as set forth in Section 6.9(a) (Grant of Licences by the Vendor the Purchaser) hereof.

7.0 Insurance

7.1 Insurance Requirements

(a) The Vendor agrees to purchase and maintain in force, at its own expense and for the duration of this Purchaser Agreement, the policies of insurance set forth in Schedule C – Insurance of the Master Agreement, which policies will be in a form and with an insurer or insurers acceptable to Metrolinx. A certificate of these policies originally signed by the insurer or an authorized agent of the insurer and copies of the policies must be delivered to Metrolinx and the Purchaser prior to the commencement of the Work.

8.0 Changes

8.1 Vendor to Comply with Reasonable Change Requests

(a) The Purchaser may request changes, in writing, to the Work to be performed under this Purchase Agreement, which may include altering, adding to, or deleting any of the Deliverables. The Vendor shall comply with all reasonable Purchaser change requests and the performance of such requests shall be in accordance with the terms and conditions of this Purchase Agreement. If the Vendor is unable to comply with the change request, it shall promptly notify the Purchaser and Metrolinx and provide reasons for such non-compliance. In any event, any such change request shall not be effective until a written amendment reflecting the change has been executed by the Parties to this Purchase Agreement.

(b) If the Vendor is of the reasonable opinion that it is necessary for reasons beyond the Vendor's control to alter, deduct from, add to or omit any part of the Deliverables to accomplish the result intended by this Purchase Agreement, it shall provide written notice of this requirement and details of same to the Purchaser. The Purchaser may in its sole discretion determine whether or not to accept such proposed change and such change request shall not be effective until a written agreement reflecting the change has been executed by the Parties to this Purchase Agreement. Subject to

Section 8.2 (Change Management Process), in no event will any such change result in an increase to the price.

8.2 Change Management Process

(a) Where a Purchaser change request revises the scope of the previously contemplated Work or Deliverables, the Purchaser shall set out, in its change request, the contemplated changes. The Vendor shall:

(i) include reasonable market pricing for the particular type of goods or services contemplated in the change request and the Vendor shall not unreasonably refuse to provide those goods or services. The Purchaser may request the Vendor to substantiate the pricing provided for engineering, materials, and labour through such documentation and other supporting information as it reasonably requires. The Vendor shall provide such documentation to the Purchaser within five (5) Business Days of receipt of any such request;

(ii) identify the full engineering costs that shall be adjusted when requests are used on subsequent purchases as non-reoccurring costs;

(iii) negotiate the price with the Purchaser within a reasonable period of time; or

(iv) if the Purchaser identifies that certain components may be supplied by the Purchaser (i.e. customer supplied components), in lieu of those provided by the Vendor, the Vendor shall design and install such items at a reasonable market price, and shall provide documentation demonstrating that such pricing is at market value and commercially reasonable. The Purchaser may request the Vendor to substantiate the pricing provided for engineering, materials, and labour, and to identify the full engineering costs that shall be adjusted when requests are used on subsequent purchases as non-reoccurring costs; and in any event, such change request shall not become effective until a written amendment reflecting the change has been executed by the Parties.

8.3 Rights and Remedies and Vendor Obligations Not Limited to Purchase Agreement

(a) The express rights and remedies of the Purchaser and obligations of the Vendor set out in this Purchase Agreement are in addition to and shall not limit any other rights and remedies available to the Purchaser or any other obligations of the Vendor at law or in equity.

8.4 Price Adjustments Due to Regulation and/or Statutory Changes

(a) If the Vendor is of the opinion that at any time after the Effective Date of this Purchase Agreement that the Prices have to be adjusted as a result of any change in Applicable Laws or regulations occurring subsequent to the Purchase Agreement Effective Date, it shall forward to Metrolinx and the Purchaser written notice of the rationale for the change (including a description of the law requiring the change), the nature of the change, the timing and required price adjustment. These Price adjustments shall be treated by the Parties as the new prices, subject to written approval of Metrolinx and the Purchaser, acting reasonably.

8.5 Obsolete Components

(a) If the Vendor is unable to offer a component due to obsolescence a replacement, of equal value, must be identified and shared with the Purchaser at no additional cost or delay to delivery.

8.6 Set Off

(a) The Purchaser shall have the right to satisfy any amount from time to time owing by it to the Vendor under this Purchase Agreement by way of a set-off against any amount from time to time owing by the Vendor to the Purchaser under this Purchase Agreement, including but not limited to any amount owing to the Purchaser pursuant to the Vendor's indemnification of the Purchaser in this Purchase Agreement.

9.0 Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights

9.1 Confidential Information

(a) The Vendor shall keep all Confidential Information confidential. Without limiting the generality of the foregoing, the Vendor shall:

(i) not disclose, reveal, publish, or disseminate any Confidential Information to anyone, except as permitted pursuant to this Purchase Agreement;

(ii) use Confidential Information only in connection with this Purchase Agreement and the performance of the Work;

(iii) take all reasonable steps required to prevent any unauthorized reproduction, use, disclosure, publication, or dissemination of the Confidential Information;

(iv) not copy, reproduce in any form or store the Confidential Information in a retrieval system or database, without the prior written consent of the Purchaser, and, in respect of any Confidential Information about any third-party, the written consent of such third-party; and

(v) immediately notify the Purchaser in the event that it becomes aware of any unauthorized disclosure of Confidential Information.

(vi) return all Confidential Information to the Purchaser before the termination or expiry of the Term, with no copy or portion kept by the Vendor.

9.2 Restrictions on Copying

(a) The Vendor shall not copy any Confidential Information, in whole or in part, unless copying is essential for the provision of the Deliverables. On each copy made by the Vendor, the Vendor must reproduce all notices which appear on the original.

9.3 Permitted Disclosure

(a) Notwithstanding the obligations set out in Section 9.1 (Confidential Information), the Vendor may disclose the Purchaser's Confidential Information to those of its Subvendors and Vendor's Personnel who need to know such Confidential Information in connection with this Purchase Agreement, and to third party service providers who need to know such Confidential Information for regulatory compliance purposes, provided that such persons are subject to obligations of confidentiality substantially similar to those contained in this Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights).

9.4 Exceptions

(a) The obligations of confidentiality set out in Section 9.1 (Confidential Information) shall not apply to Confidential Information which:

(i) becomes generally available to the public through no fault of the Vendor;

(ii) prior to receipt from the Purchaser, was known to the Vendor on a non-confidential basis and is not subject to another obligation of secrecy and non-use, as documented by written records possessed by the Vendor;

(iii) was independently developed by the Vendor prior to receipt from the Purchaser, as documented by written records possessed by the Vendor; or

(iv) becomes available to the Vendor on a non-confidential basis from a source other than the Purchaser that is not under other obligations of confidence.

(b) If the Vendor or any of its directors, officers, employees, agents, representatives or advisors become legally compelled to disclose any Confidential Information, the Vendor will provide the Purchaser and/or Metrolinx with prompt notice to that effect in order to allow the Purchaser and/or Metrolinx to seek protective orders or other appropriate remedies to prevent or limit such disclosure, and it shall co-operate with the Purchaser and/or Metrolinx) and their legal counsel to the fullest extent. If such protective orders or other remedies are not obtained, the Vendor will disclose only that portion of Confidential Information which the Vendor are legally compelled to disclose, only to such Person or Persons to which the Vendor is legally compelled to disclose, and the Vendor shall provide notice to each such recipient (in co-operation with legal counsel for the Purchaser and/or Metrolinx) that such Confidential Information is confidential and subject to non-disclosure on terms and conditions equal to those contained in this Purchase Agreement and, if possible, shall obtain each recipient's written agreement to receive and use such Confidential Information subject to those terms and conditions.

(c) Without limiting the generality of Section (a) and notwithstanding Section (b), the Parties acknowledge and agree that the treatment and disclosure of Confidential Information shall in all cases be subject to the requirements of MFIPPA, and, in the case of Metrolinx, FIPPA.

9.5 Security Measures

(a) The Vendor shall select, implement (prior to the commencement of the Work), use and maintain the most appropriate products, tools, measures and procedures to ensure the security of all Confidential Information, as determined with reference to and generally in compliance with Applicable Laws, Industry Standards, and the security requirements specified in Scope of Work – Technical Specifications and best practices, or as otherwise prescribed by the Purchaser during the Term. Without limiting the generality of the foregoing, such practices shall include:

(i) privacy due diligence safeguards; and

(ii) physical and electronic security measures and confidentiality enhancing technologies to guard against unauthorized disclosures, access and use, such as firewalls, encryption, the use of user identification and passwords, software or other automated systems to control and track the addition and deletion of users, and software or other automated systems to control and track user access to areas and features of information systems.

(b) For greater certainty, the Purchaser reserves the right to prescribe the specific manner in which Vendor shall perform its obligations relating to this Section 9.5 (Security Measures).

9.6 Return or Destruction of Confidential Information

(a) Immediately upon expiration or termination of this Purchase Agreement or at any other time upon the request of the Purchaser, and subject to Section 9.10 (Audit Rights), the Vendor agrees to:

(i) promptly return all Confidential Information (other than the Contract Records) to the Purchaser; or

(ii) promptly delete or destroy the Confidential Information (other than the Contract Records) and all copies thereof in any form whatsoever under its power or control and provide the Purchaser with a destruction certificate signed by an appropriate officer of the Vendor certifying such destruction.

(b) Notwithstanding the foregoing, the Vendor shall have no obligation to return or destroy:

(i) Confidential Information that is captured and retained within the Vendor's routine computer systems backup processes, provided that (a) no specific effort is made to retrieve such archived Confidential Information for purposes that would violate the confidentiality obligations under this Purchase Agreement and (b) the confidentiality obligations of under this Purchase Agreement shall continue to apply to such archived Confidential Information for so long as such information is retained; and

(ii) working papers or other documentation which it is required to retain pursuant to Applicable Law or any rules of professional conduct applicable to the Vendor or the Vendor Personnel.

9.7 MFIPPA and Personal Information

(a) The Purchaser and the Vendor acknowledge and agree the collection, use, retention and disclosure of Personal Information is governed by MFIPPA (and, in the case of Metrolinx, FIPPA). Purchaser acknowledges that the Vendor may also be subject to the requirements of PIPEDA. In the event of a conflict between the requirements of MFIPPA or FIPPA and the requirements of PIPEDA or any other legislation governing the treatment of Personal Information, the more onerous provision shall apply.

(b) The Vendor shall ensure that all collection, access, use, retention and disclosure of Personal Information under this Purchase Agreement, whether through the performance of the Work or otherwise, complies with Applicable Laws including MFIPPA, PIPEDA, Standards, and applicable requirements to collect, record and retain relevant consents pertaining to the collection, access, use, retention and disclosure of Personal Information in respect of the Work.

(c) At the Purchaser's request at any time during the Term, the Vendor shall fully participate in a Privacy Impact Assessment with respect to the performance of the Work. The Privacy Impact Assessment may be conducted by the Purchaser or its contractor at various times throughout the Term. The Vendor and all Vendor Personnel shall cooperate with the Purchaser and/or its contractor to provide the resources required to facilitate and fulfill this assessment. The Vendor shall implement any recommendations resulting from the Privacy Impact Assessment process.

(d) The Vendor shall ensure the security and integrity of any Personal Information collected by the Vendor and shall protect it against loss, unauthorized access, destruction, or alteration, in accordance with the following:

(i) The Vendor shall not directly or indirectly collect, use, disclose, store or destroy any Personal Information, or give, exchange, disclose, provide, or sell Personal Information to any third party, except as expressly permitted, and for a purpose(s) authorized, under this Purchaser Agreement or otherwise agreed to in writing by the Purchaser.

(ii) The Vendor shall ensure that access to Personal Information is restricted to those Vendor Personnel who have a need to know or use such information in the performance of the Work and who have been specifically authorized to have such access for the purposes of performing the Work. Access shall be limited to only that Personal Information which is required for the performance of the Work.

(iii) All Personal Information shall be kept in a physically secure location and separate from all other records and databases. The Vendor shall not place, input, match, insert or intermingle, nor shall it permit any Person to place, input, match or intermingle, any data or records in any form whatsoever into or with any records or database containing such Personal Information.

(e) For greater certainty, the Purchaser reserves the right to prescribe the specific manner in which the Vendor shall perform its obligations relating to this Section 9.7 (MFIPPA and Personal Information).

(f) The provisions of this paragraph shall survive any termination or expiry of this Purchase Agreement and shall prevail over any inconsistent provisions in this Purchase Agreement.

9.8 MFIPPA and Freedom of Information

(a) The Vendor acknowledges that the Purchaser is a municipal institution subject to MFIPPA (or, in the case of Metrolinx, FIPPA), and acknowledges and agrees as follows:

(i) All MFIPPA Records are subject to, and the collection, use, storage and treatment thereof is governed by MFIPPA. The Vendor agrees to keep all MFIPPA Records secure and available, in accordance with the requirements of MFIPPA. The Vendor acknowledges that all information, data, Records and materials, however recorded, that are held by the Vendor and/or created by the Vendor in the course of performing the Work are considered to be MFIPPA Records and subject to MFIPPA.

(ii) Section 9.6 (Return or Destruction of Confidential Information) shall apply to all MFIPPA Records (other than the Contract Records), which shall be returned and/or destroyed in accordance with that Section.

(iii) In the event of a conflict between the requirements of this Purchase Agreement and the requirements of MFIPPA, the requirements of MFIPPA shall take precedence.

(iv) In the event that a request is made under MFIPPA for the disclosure of any MFIPPA Records, the Purchaser shall provide prompt written notice thereof to the Vendor and the Vendor shall provide any and all relevant MFIPPA Records to the Purchaser on demand for the purposes of responding to an access request under MFIPPA. In these circumstances, the Vendor shall provide all MFIPPA Records requested to the Purchaser's Freedom of Information Coordinator (or equivalent) within seven (7) Business Days of receipt of the request from the Purchaser. Notwithstanding anything to the contrary in this Purchase Agreement and subject to the Vendor's rights pursuant to Section 21 of MFIPPA, the Purchaser shall determine what MFIPPA

Records will be disclosed in connection with any such request, in accordance with the requirements of MFIPPA (including, without limitation, the requirements with respect to affected persons set out in Section 21).

(v) Storage of MFIPPA Records (including the Contract Records) at a location outside Canada shall only be permitted with the Purchaser's express written consent.

9.9 Access

(a) The Vendor shall provide to the Purchaser the network access requirements and access level that will be required by the Vendor to perform the Work. All requests to access the Purchaser's network will be subject to the Purchaser's written approval.

(b) The Vendor shall aggregate all access into a central network access point before network access is granted to the Purchaser's information systems. The network controls used to facilitate access between the Vendor and the Purchaser will be subject to the Purchaser's written approval.

(c) Vendor Personnel shall not attempt to access, or allow access to, any Purchaser data to which they are not permitted access under this Purchase Agreement. If such access is attained, the Vendor shall immediately report such incident to the Purchaser, describe in detail any accessed Purchaser data, and return to the Purchaser any copied or removed Purchaser data.

(d) The Vendor is responsible for ensuring that Vendor Personnel do not access, or allow access, to any Purchaser data to which they are not permitted access under this Purchase Agreement. The Vendor shall utilize commercially reasonable efforts, including through the use of rigorous systems security measures, to guard against, identify and promptly terminate the unauthorized access, alteration or destruction of software and Purchaser data.

9.10 Audit Rights

(a) The Vendor shall, at its cost and expense, retain and maintain, for a period of [7] years from the date each record or document is created, in an organized, accurate and accessible mode and manner, all financial and other books, Records and documentation relating or pertaining to this Purchase Agreement and the performance of the Work, including (i) original invoices and accounts, along with related Records showing costs and expenses incurred, including but not limited to the cost to the Vendor of the Work and of all expenditures or commitments made by the Vendor in connection therewith; (ii) correspondence, e-mails, tenders, minutes of meetings, notes, reports, timesheets, memoranda and other documents associated with this Purchase Agreement; (iii) Records relating to any service level agreements and key performance indicators included in this Purchase Agreement, and (iv) Records related to matters of security and privacy (collectively, the "**Contract Records**", as defined in the Master Agreement).

(b) The Contract Records shall be retained and maintained in accordance with all generally acceptable accounting principles and Applicable Laws and Industry Standards, or as otherwise may be required to substantiate compliance with this Purchase Agreement and/or any payment to be made to the Vendor under this Purchase Agreement.

(c) During the Term and for a period of [7] years thereafter, the Purchaser or any third party acting on behalf of the Purchaser, shall have the right, upon no less than twenty-four (24) hours' notice in writing to the Vendor and during normal office hours, to inspect and audit, and to have access to, all Contract Records whether maintained by the Vendor or a Vendor Personnel, reasonably required to confirm the Vendor's compliance with the terms of this Purchase Agreement and Applicable Laws, and to make copies thereof. The Vendor shall make available or cause to be made available the Corporate Records that are requested by the Purchaser or that may be required given the scope of the audit (provided such scope is disclosed to the Vendor), and shall otherwise reasonably cooperate with the Purchaser and any third party acting on the Purchaser's behalf, including by providing reasonable access to all of the Vendor's premises and to the Vendor's employees. Where access is needed to a Vendor Personnel's employees or to Contract Records that are maintained by a Vendor Personnel, the Vendor shall use reasonable efforts to arrange for such access on a timely basis. Without limiting the generality of the foregoing, the rights set out in this Section 9.10 (Audit Rights) shall extend to any Authority exercising its right to audit pursuant to Applicable Law or any contract with the Purchaser.

(d) The Vendor shall maintain a competent and independent audit function to assess the internal controls over its environment and its compliance with Applicable Laws and Standards. The Vendor shall provide the Purchaser, upon request, the results of all internal controls and security audits performed by the Vendor's auditors.

(e) The Vendor shall upon advance written request, provided by e-mail or otherwise, provide the Purchaser with reasonable access to all premises that may reasonably be required to enable the Purchaser and/or the Purchaser's agents to monitor the progress of the Work. Any such monitoring or verifications shall be without prejudice to any other rights of the Purchaser under this Purchase Agreement and shall not relieve the Vendor from any of its obligations under this Purchase Agreement nor shall such verification be used by the Vendor as evidence of effective control of quality.

(f) The Vendor and the Purchaser shall meet to review each audit report promptly after the issuance thereof and to mutually agree upon the appropriate manner, if any, in which to respond to the changes suggested or issued identified by the audit report. Without limiting any remedies which may be available to the Purchaser, the Vendor shall promptly remedy any violations of this Purchase Agreement of which it becomes aware, pursuant to any audit or otherwise.

9.11 Vendor Compliance

(a) The Vendor shall advise all of its Vendor Personnel, all of its Subvendors, and all of its Subvendor's Vendor Personnel of the requirements of this Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights), and associated requirements set out elsewhere in this Purchase Agreement, and take appropriate action to ensure compliance by such persons with the terms of this Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights). In addition to any other liabilities of the Vendor pursuant to this Purchase Agreement or otherwise at law or in equity, the Vendor shall be liable for all claims arising from any non-compliance with this Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights) by the Vendor, any of its Vendor Personnel, any Subvendor and of its Subvendor's Vendor Personnel.

(b) The Vendor warrants that each of its Vendor Personnel, each of its Subvendors and each of its Subvendor's Vendor Personnel engaged by the Vendor to provide the Work pursuant to this Purchase Agreement is under a written obligation to the Vendor requiring such Person to comply with the terms of this Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights).

9.12 Publicity

(a) Any publicity or publications related to this Purchase Agreement shall be at the sole discretion of the Purchaser and Metrolinx. The Purchaser and Metrolinx may, in their sole discretion, acknowledge the Deliverables provided by the Vendor in any such publicity or publication. The Vendor shall not make use of its association with the Purchaser or Metrolinx without the prior written consent of both the Purchaser and Metrolinx as may be applicable in respect of this Purchase Agreement. Without limiting the generality of this paragraph, the Vendor shall not, among other things, at any time directly or indirectly communicate with the media in relation to this Purchase Agreement unless it has first obtained the express written authorization to do so by both the Purchaser and Metrolinx.

9.13 Damages

(a) The Vendor acknowledges and agrees that any breach or threatened breach of this Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights) or the obligations set out in this Purchase Agreement shall cause immediate and irreparable harm to the Purchaser or Metrolinx or to any third party to whom the Purchaser or Metrolinx owes a duty of confidence, for which damages alone are not an adequate remedy. The Vendor acknowledges and agrees that the Purchaser or Metrolinx shall be entitled to seek, in addition to any other legal remedies which may be available to it, such equitable relief as may be necessary and available to protect the Purchaser or Metrolinx against such breach or threatened breach. No failure or delay by a Purchaser or Metrolinx in exercising any right shall operate as a waiver or shall estop the Purchaser from obtaining permanent injunctive relief.

10.0 Representations, Warranties and Covenants of the Vendor

10.1 Representations, Warranties and Covenants of the Vendor

(a) The Vendor covenants and agrees with and represents and warrants to the Purchaser, and acknowledges and confirms that the Purchaser is relying on such covenants, agreements, representations and warranties, as follows:

(i) the Vendor is validly existing under the laws of the location of its head office and the Vendor has all necessary corporate power, authority and capacity to enter into this Purchase Agreement and to perform its obligations;

(ii) the Vendor represents and warrants that it has the full right and power to enter into this Purchase Agreement and there is no agreement with any other Person, which would in any way interfere with the rights of the Purchaser under this Purchase Agreement;

(iii) the entering into of this Purchase Agreement by the Vendor and the performance of its obligations has been authorized by all necessary corporate action;

(iv) the execution and delivery of this Purchase Agreement, the consummation of the transactions contemplated and compliance with and performance of the provisions of this Purchase Agreement does not and shall not:

(A) result in a breach of or constitute a default under, or create a state of fact, which after notice or lapse of time or both, or otherwise, would constitute a default under any term or provision of the constating documents of the Vendor, the by-laws or resolutions of the Vendor or any agreement or instrument to which the Vendor is a party or by which it is bound, or

(B) require the Vendor to obtain any approval or action of any other Persons and, if required, any such approvals have already been obtained as of the date of this Purchase Agreement;

(v) this Purchase Agreement constitutes a legally valid and binding obligation of the Vendor enforceable against it in accordance with its terms, subject only to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of the rights of creditors generally, the principles of equity and that equitable remedies such as specific performance and injunction are available only in the discretion of a court of competent jurisdiction;

(vi) the Vendor has carefully reviewed the whole of this Purchase Agreement, and all other documents made available to the Vendor by the Purchaser and Metrolinx, and, to the Vendor's knowledge, nothing contained herein or therein inhibits or prevents the Vendor from performing the Work in accordance with the Required Standard of

Care so as to achieve and satisfy the requirements of this Purchase Agreement;

(vii) the Vendor has engaged and shall engage only Vendor Personnel, including Subvendors that are qualified and competent to perform the portions of the Work they are responsible for and possess the requisite Domain Expertise;

(viii) the Vendor has available the resources and personnel to complete all of its obligations under this Purchase Agreement in a timely, efficient and professional manner in accordance with the Required Standard of Care;

(ix) the Vendor is not aware of any legal action instituted, threatened or pending against the Vendor that could have a material adverse effect on its ability to perform its obligations under this Purchase Agreement;

(x) the Vendor, its affiliates and its Subvendors, and any of their Vendor Personnel, are in compliance with all Requirements of Law related to economic and political sanctions. None of the Vendor, its affiliates or its Subvendors, or any of their Vendor Personnel, is, or has ever been, a Sanctioned Person or a Sanction Linked Person, or acts directly or indirectly for any Sanctioned Person or Sanction Linked Person, and no sanctioned Person or Sanction Linked Person has, directly, or indirectly, an Economic Interest in any of the Vendor, its affiliates or its Subvendors, or any of their Vendor Personnel, provided that, without derogating from the foregoing, if any of the Vendor, its affiliates or any Subvendors, or any of their Vendor Personnel, becomes a Sanctioned Person or a Sanction Linked Person, then the Vendor shall immediately notify the Purchaser and Metrolinx and the Purchaser or Metrolinx may, at their discretion (without incurring any liability of any nature whatsoever): (i) require that the Vendor remove such Sanctioned Person or Sanction Linked Person from the performance of the Work, or (ii) take any other action the Purchaser or Metrolinx deems necessary in order for the Purchaser or Metrolinx to comply with Requirements of Law relating to economic or political sanctions, including terminating or suspending all or any part of this Purchase Agreement with immediate effect by notice to the Vendor;

(xi) the Vendor is registered as an employer pursuant to the Workplace Safety and Insurance Act (Ontario) and has completed all filings and paid all assessments as required pursuant to that Act and the regulations thereunder;

(xii) the Vendor is familiar with the obligations imposed on an “employer” as defined in the OHSA, and that it has in place a health and safety program to ensure that it takes all steps reasonable in the circumstances to ensure the health and safety of all workers for which it has responsibility under that Act; and

(xiii) the Vendor represents, warrants and covenants to the Purchaser that the Vendor is and shall remain duly registered for the purposes of Part IX of the Excise Tax Act.

10.2 Continuing Effect of Representations, Warranties and Covenants

(a) The Vendor hereto agrees that its covenants, representations and warranties contained in this Article 10 (Representations, Warranties and Covenants of the Vendor) are continuing covenants, representations and warranties and shall apply and be true and correct at all times during the Term.

10.3 Representatives May Bind the Parties

(a) The Parties represent that their respective representatives have the authority to legally bind them to the extent permissible by the Applicable Laws.

10.4 Vendor Not a Partner, Agent or Employee

(a) The Vendor shall have no power or authority to bind the Purchaser or Metrolinx to assume or create any obligation or responsibility, express or implied, on behalf of the Purchaser or Metrolinx. The Vendor shall not hold itself out as an agent, partner or employee of the Purchaser or Metrolinx. Nothing in this Purchase Agreement shall have the effect of creating an employment, partnership or agency relationship between the Purchaser or Metrolinx and the Vendor (or any of Vendor Personnel) or constitute an appointment under the *Public Service of Ontario Act*, 2006, S.O. 2006, c. 35, Schedule A, as amended from time to time.

10.5 Responsibility of Vendor

(a) The Vendor agrees that it is liable for the acts and omissions of all Vendor Personnel. This paragraph is in addition to any and all of the Vendor liabilities under this Purchase Agreement and under the general application of law. The Vendor shall advise these individuals and entities of its obligations under this Purchase Agreement and, without limiting the generality of the foregoing, shall take appropriate action to ensure compliance with (a) this Purchase Agreement generally and (b) with the requirements of Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights) of this Purchase Agreement. Every contract entered into by the Vendor with a vendor or Subvendor shall adopt all of the terms and conditions of this Purchase Agreement as far as applicable to those parts of the Work and Deliverables provided by the Vendor and Subvendor, including but not limited to the document retention and audit rights contained in Section 9.10 (Audit Rights) of this Purchase Agreement. In addition to any other liabilities of the Vendor pursuant to this Purchase Agreement or otherwise at law or in equity, the Vendor shall be liable for all damages, costs, expenses, losses, claims or actions arising from any breach of this Purchase Agreement resulting from the actions of the above mentioned individuals and entities.

11.0 Indemnity

11.1 Indemnification

(a) The Vendor shall at all times indemnify and save harmless the Purchaser, its officers, directors, employees, members, agents, representatives, Successors and assigns (hereinafter the "**Indemnified Parties**"), from and against any and all Losses resulting from:

(i) the death of or bodily injury to any agent, employee, customer, business invitee, business visitor or other person, to the extent caused by the negligence or willful misconduct of the Vendor or any Vendor Personnel;

(ii) the damage, loss or destruction of any real or tangible personal property (excluding data), to the extent caused by the negligence or willful misconduct of the Vendor or any Vendor Personnel;

(iii) the unauthorized disclosure by the Vendor or any Vendor Personnel of any Confidential Information and/or Personal Information;

(iv) any acts performed by or on behalf of the Vendor beyond the authority of the Vendor hereby conferred;

(v) any breach of the terms and conditions set out in Article 4 (Health and Safety) or arising as a result of any illness, injury or death of any employee of the Vendor or any Subvendor, including:

(A) any resulting expenses incurred by the Purchaser as a result of stoppage of the Work on account of failure by the Vendor to meet its obligations under and/or with respect to the OHSA; and

(B) any resulting fine(s) levied against the Purchaser as a result of any breach of the responsibilities of the employer for the Work, to the extent attributable to the Vendor's failure to fulfil its obligations as described in this Purchase Agreement, and/or

(vi) any infringement or alleged infringement of any patent, trade secret, service mark, trade name, copyright, official mark, moral right, trade-mark, industrial design or other proprietary rights conferred by contract, common law, statute or otherwise in respect to the Work or any matter provided to the Purchaser or performed by the Vendor, or anyone else for whom at law the Vendor is responsible provided, however, the Vendor shall not be required to indemnify the Indemnified Parties pursuant to this sub-section if (i) the infringement or alleged infringement was caused by the modification of a Deliverable or Work product prepared pursuant to this Purchase Agreement by any Person other than the Vendor or a Vendor Personnel, (ii) the deliverable or Work product was based upon designs provided by the Purchaser, or (iii) the Work relating to the infringement or alleged infringement were used in a manner not permitted by this Purchase Agreement.

(A) If the Vendor is required to indemnify the Purchaser pursuant to this Section 11.1 (Indemnification), or if, in the Vendor's judgment, the Purchaser's use of the Intellectual Property is likely to be infringing, the Vendor may, at its option: (ii) secure the right to continue using such intellectual property, or (iii) replace or modify the such intellectual property to make it non-infringing, provided that any such replacement or modification will not degrade the performance or quality of the affected component of the Work in any material way. If neither course of action described in clauses (i) or (iii) is available to the Vendor, the Vendor will remove such intellectual property from the Work and equitably adjust the Vendor's charges to adequately reflect such removal.

(b) The Vendor shall pay all reasonable costs, expenses and legal fees that may be incurred or paid by the Indemnified Parties in connection with any demand, claim, execution, action, suit or Proceeding with respect to a matter for which the Vendor is obligated to indemnify the Indemnified Parties pursuant to this Article 11 (Indemnity), provided that the indemnity obligations of the Vendor under this Article 11 (Indemnity) shall not extend to Loss attributable to the negligence or willful misconduct of any Indemnified Parties to the extent that such Indemnified Parties' negligence or willful misconduct caused the Loss.

(c) In the event any Loss is asserted in respect to which an Indemnified Party is entitled to indemnification under this Article 11 (Indemnity), and without prejudice to any other right or remedy the Purchaser may have, the Purchaser shall be entitled to deduct or withhold a reasonable sum on account of such claim, action, suit, execution or demand, including legal costs, from monies owed or payable by the Purchaser to the Vendor under this Purchase Agreement pending the final determination or settlement of such claim, action, suit, execution or demand. In the event,

(i) the Vendor is, becomes, or is deemed to be bankrupt or an insolvent Person pursuant to the Bankruptcy and Insolvency Act (Canada);

(ii) the Vendor makes a general assignment for the benefit of creditors; or

(iii) a receiver or interim-receiver is appointed with respect to some or all of the Vendor's business, assets, or property, then the Purchaser shall be entitled, without prejudice to any other right or remedy the Purchaser may have, to further deduct or withhold a reasonable sum on account of such Loss, from any monies owed or payable by the Purchaser to the Vendor under any other agreement or account. The provisions of this Section 11.1(c) (Indemnification) shall not apply in the event that such Loss is otherwise provided for under any insurance provided by the Vendor to or for the benefit of the Purchaser.

12.0 Limitations on Liability

12.1 Limitation on Liability

(a) Subject to Section 12.1(c) below, in no event shall either Party be liable for indirect, consequential, exemplary, punitive or special damages relating to this Purchase Agreement even if such Party has been advised in advance of the possibility of such damages. The Vendor acknowledges and agrees that any damages awarded by a court of competent jurisdiction against the Purchaser as a result of a third-party claim are to be deemed to be direct damages.

(b) Subject to Section 12.1(d) below, each Party's aggregate liability to the other under this Purchase Agreement for direct damages for all events giving rise to liability hereunder shall not exceed an amount equal to the sum of the Total Contract Price plus any amount paid or payable under the insurance policies required to be maintained under this Purchase Agreement.

(c) The limitations of liability set forth in Section 12.1(a) above shall not apply with respect to:

(i) damages occasioned by the willful misconduct or gross negligence of the Vendor or any Vendor Personnel;

(ii) claims that are the subject of indemnification pursuant to Section 11.1(a)(iii) *[Unauthorized Disclosure]* or Section 11.1(a)(vi) *[IP Infringement]*;

(iii) the death of or bodily injury to any agent, employee, customer, business invitee, business visitor or other Person, including a member of the general public, to the extent caused by the negligence or willful misconduct of the Vendor or any Vendor Personnel;

(iv) damage, loss or destruction of any real or tangible personal property, to the extent caused by the negligence or willful misconduct of the Vendor or any Vendor Personnel;

(v) damage or loss arising from Article 9 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights) of this Purchase Agreement and/or Article 8 (Confidential Information, Personal Information, Freedom of Information, Access and Audit Rights) of the Master Agreement; or

(vi) damage or loss incurred by the Purchaser due to a third party alleging that any Deliverable violates, infringes or misappropriates any patent, trademark, copyright, industrial design, trade secret or any other rights in such third party's Intellectual Property.

(d) The limitations of liability set forth in Section 12.1(b) above shall not apply with respect to:

(i) damages occasioned by the willful misconduct or gross negligence of the Vendor or any Vendor Personnel; or

(ii) claims that are the subject of indemnification pursuant to Section 11.1(a) (Vendor Indemnity).

(e) Each party shall have a duty to mitigate damages for which the Vendor is responsible.

12.2 Survival

(a) This Article 12 (Limitations on Liability) shall survive the termination or expiry of this Purchase Agreement.

13.0 Termination

13.1 Termination for Cause by the Purchaser

(a) The Purchaser may, by ten (10) calendar days' written notice to the Vendor, suspend or terminate the whole or any part of the provision of the Work of or the entirety of this Purchase Agreement, for cause, in the event that the Vendor is in breach of any of its obligations under this Purchase Agreement; and it fails to cure such breach (which breach must be curable) within fifteen (15) calendar days of being notified thereof, and thereupon:

(i) The Purchaser may appoint officials of the Purchaser or any other Person or Persons in the place and stead of the Vendor to perform the Work or any portion thereof; and

(ii) the Vendor shall immediately discontinue the Work on the date and to the extent specified in the notice, and place no further orders for materials or Deliverables for the terminated portion(s) of the Work.

(b) Pursuant to Section 13.1(a) above, upon a third reoccurrence of the same kind of breach, which breach had been previously cured, the Purchaser shall have the right to immediately terminate this Purchase Agreement for cause, in whole or in part, by serving a notice of termination upon the Vendor.

(c) The Vendor acknowledges and agrees that if the Vendor has been found in breach, pursuant to Section 13.1(a) above, the Vendor’s Vendor Performance Rating (VPR) score will be revised accordingly.

(d) Nothing contained herein shall limit the rights of the Purchaser to recover damages from the Vendor arising from the failure of the Vendor to perform the Work satisfactorily in accordance with the Terms of this Purchase Agreement.

13.2 Termination for Safety Violation or Non-Curable Breach

(a) Notwithstanding Section 12.1(a) (Termination for Cause by the Purchaser), the Purchaser shall have the right to immediately terminate this Purchase Agreement effective on written notice to the Vendor upon the occurrence of a safety violation by the Vendor or for any non-curable breach, both of which shall be determined by the Purchaser in its sole and absolute discretion.

13.3 Termination for Convenience by the Purchaser

(a) The Purchaser may, by thirty (30) days' written notice to the Vendor, terminate this Purchase Agreement for convenience, and thereupon the Purchaser shall be liable for payment to the Vendor for those monies attributable to the part of the Work performed to the satisfaction of the

Purchaser to the date of termination stipulated in such notice. The Purchaser shall also be liable for any reasonable demobilization costs and the reasonable cost of cancellation of any contracts, but in no event will the Purchaser be liable for any loss of profits, loss of revenue or other consequential damages.

13.4 Termination and Dispute Resolution

(a) The Purchaser’s right to terminate this Purchase Agreement as provided hereinto shall not be subject to the Dispute resolution provisions of this Purchase Agreement except that the valuation of any damages or payments arising as a result of a default or termination may be referred to the Dispute resolution process set out in Section 13. (Bona Fide Efforts to Resolve Dispute).

13.5 Dispute Resolution by Rectification Notice

(a) Where the Vendor fails to comply with any of its obligations under this Purchase Agreement, the Purchaser may issue a rectification notice to the Vendor setting out the manner and time frame for rectification. Within seven (7) Business Days of receipt of that notice the Vendor shall either (a) comply with that rectification notice; or (b) provide a rectification plan satisfactory to the Purchaser. If the Vendor fails to either comply with that rectification notice or provide a satisfactory rectification plan, the Purchaser may immediately terminate this Purchase Agreement. Where the Vendor has been given a prior rectification notice, the same subsequent type of non-compliance by the Vendor shall allow the Purchaser to immediately terminate this Purchase Agreement.

13.6 Bona Fide Efforts to Resolve Dispute

(a) The Parties shall at all times during the Term make bona fide efforts to resolve any and all Disputes arising between them by amicable negotiations.

13.7 Continuance of the Work During Dispute

(a) Unless expressly directed otherwise by the Purchaser, the Vendor shall not stop or delay the performance of the Work, in whole or in part, on account of a Dispute between the Vendor and the Purchaser or between the Vendor and any other Person. Without limiting the generality of the foregoing, at all times during the course of a Dispute, the Vendor shall:

(i) continue with the Work in a diligent manner and without delay;

(ii) conform to the Purchaser’s decisions and directions; and

(iii) be governed by all applicable provisions of this Purchase Agreement.

(b) The Parties acknowledge and agree that the Vendor's compliance with this Section 13.7 shall not operate to waive any claim or contention that the Vendor may have in relation to any Dispute.

13.8 Vendor Obligations on Termination

(a) Upon termination, the Vendor shall, in addition to its other obligations under this Purchase Agreement and at law:

(i) provide the Purchaser with a report detailing (i) the current state of the provision of Deliverables by the Vendor Deliverables and performance of this Purchase Agreement;

(ii) execute such documentation as may be required by the Purchaser to give effect to the termination of this Purchase Agreement;

(iii) comply with any other instructions provided by the Purchaser; and

(iv) complete and supply any Deliverables in accordance with instructions from the Purchaser and for such purposes all of the provisions of this Purchase Agreement shall survive to the extent necessary to facilitate the completion and supply of the Deliverables.

13.9 Vendor's Payment Upon Termination

(a) The Purchaser shall only be responsible for the payments contemplated by this Purchase Agreement up to and including the Effective Date of any termination unless instructions for a later Effective Date have been provided in writing by a Purchaser to the contrary. Termination shall not relieve the Vendor of its warranties and other responsibilities relating to the Deliverables performed or money paid. The Purchaser may hold back payment or set off against any payments owed if the Vendor fails to comply with its obligations on termination.

13.10 Scope of Termination Rights

(a) The express rights of termination contained in this Article 13 (Termination) are in addition to and shall in no way limit any rights or remedies of the Purchaser under this Purchase Agreement, at law or in equity.

13.11 Expiry of Purchase Agreement

(a) This Purchase Agreement shall expire at the end of the Term.

13.12 Purchases Only During the Term of the Master Agreement, or Extension

(a) Vendor acknowledges and agrees that it is only permitted to accept the purchase order for a Deliverable (or changes to the quantity of Deliverables in any particular order) during the Term of the Master Agreement, or a further extension of the Term of this Purchase Agreement.

14.0 Master Agreement

14.1 The terms and conditions of the Master Agreement (other than Section 1.6 (Vendor Acknowledgement) of the Master Agreement and any other provision which when incorporated into this Purchase Agreement would result in this Purchase Agreement not being a binding obligation of the Parties hereto) are incorporated herein unless otherwise specified in this Purchase Agreement and for such purposes, the Purchaser shall be read as Metrolinx, and, without limiting this paragraph, the duties owing to Metrolinx under the Master Agreement shall also be owing to the Purchaser and the rights exercisable by Metrolinx shall also be exercisable by the Purchaser. Notwithstanding the foregoing it is agreed and acknowledged by the Parties to this Purchase Agreement that the contractual relationship between the Vendor and the Purchaser for any Deliverables is exclusively between those Parties.

15.0 Delivery, Acceptance and Title

15.1 Delivery Procedure

(a) Upon satisfactory completion of the tests required pursuant to the Technical Specifications, the Deliverables will be delivered to the Purchaser by the Vendor with:

(i) Any Defects or deficiencies from the Vendor corrected;

(ii) Any damage that occurred in transit from the Vendor corrected;

(iii) Completion of any additional work (such as application of paint/decals/etc., equipment installation, etc.), as jointly agreed to by the Vendor and the Purchaser and documented in Schedule A – Deliverables of this Purchase Agreement.

(b) The delivery of a Deliverable shall be determined by the Vendor's authorization signed by the Purchaser's designated agent(s), at the point of delivery specified in this Purchase Agreement. A visual inspection by the Purchaser's agent shall not constitute acceptance.

15.2 Delivery Schedule

(a) Unless otherwise specified by the Purchaser, all deliveries should be made on Business Days during Business Hours. The Vendor shall ensure that all specified delivery schedules provided by the Purchaser are strictly adhered to. The Vendor shall notify the Purchaser delivery contact a minimum of four (4) calendar days in advance of each delivery. No delivery or service charges are permitted.

(b) In all cases, the agreed to delivery date(s) shall be set out in writing and included in Schedule C - Deliverables, or subsequent Schedules. All delivery schedules as agreed to by the Purchaser, will be communicated to Metrolinx by the Vendor.

15.3 Title

(a) The Vendor warrants that, upon Purchaser's acceptance of each Deliverable, as described in this Purchase Agreement, the title shall pass to the Purchaser free and clear of all encumbrances.

15.4 Assumption Of Risk Of Loss

(a) The Vendor assumes risk of loss while Deliverables are being manufactured and delivered to the Purchaser. The Purchaser shall assume risk of loss of the Deliverables upon delivery, as defined above in Section 15.2 (Delivery Schedule). If the Deliverable is removed from the Purchaser's property by or on behalf of the Vendor for any reason, the Vendor shall assume risk of loss until the Deliverable is returned to the Purchaser at its delivery location.

15.5 Acceptance Of Deliverable

(a) The acceptance of the Deliverables shall be conducted in accordance with the Scope of Work – Technical Specifications, Section OR 1.1 Acceptance of ITS – AVL Provisions. If the Purchaser does not notify the Vendor of acceptance or non-acceptance, the Vendor may, after twenty-one (21) calendar-days, notify the Purchaser that the Deliverable is deemed to have been accepted.

15.6 Repairs After Non-Acceptance

(a) The Vendor, or its designated representative (which may in some instances be the Purchaser) shall correct any Defects identified by the Purchaser, within seven (7) calendar days after receiving the non-acceptance or conditional acceptance notification of the Deliverable from the Purchaser.

(b) The Vendor shall provide, at its own expense, all spare parts, tools, and space required to complete the repairs. At the Purchaser's option, the Vendor may be required to remove the Deliverables from the Purchaser's property while repairs are being affected. If the Deliverable is removed from the Purchaser's property, the Vendor’s representatives must diligently pursue repair procedures.

15.7 Repairs By Purchaser

(a) If the Purchaser is authorized by the Vendor to correct the Defects that caused the conditional acceptance or non-acceptance of the Deliverable, it shall use Vendor-specified parts available from its own stock or those supplied by the Vendor specifically for this repair.

(i) Vendor Supplied Parts: If the Vendor supplies parts for the Work being performed by the Purchaser, these parts shall be shipped prepaid to the Purchaser within twenty-four (24) hours after receipt of the Purchaser’s request for said parts.

(ii) Reimbursement for Parts: The Vendor shall reimburse the Purchaser for all parts and materials necessary to correct the Defect. The reimbursement shall be at the current replacement cost and shall include applicable taxes. Alternatively, the Vendor may replace the parts at no cost to the Purchaser.

(iii) Return of Defective Components: The Vendor may request that defective parts covered by this provision be returned to the manufacturing plant, at the Vendor’s cost.

(iv) Reimbursement for Labour: The Vendor shall reimburse the Purchaser for labour. The amount shall be determined by multiplying the number of person-hours actually required to correct the Defect by an all-inclusive shop rate as specified in Scope of Work – Technical Specifications, Section OR 8.4.5 (Reimbursement for Labour).

(v) Reimbursement for Warranty Labour and/or Parts: The Vendor shall reimburse the Purchaser by cheque for warranty labour and/or parts, within 60 (sixty) calendar days of receipt of warranty claim. The Purchaser will have the option of accepting reimbursement through parts credits, if applicable.

16.0 Delays

16.1 Vendor's Delay

(a) If the Vendor is delayed at any time during the progress of the Deliverables by the neglect or failure of the Purchaser or by a cause described below, then the time for completion of the relevant Deliverables and/or affected delivery date(s) may be extended by the Vendor for a commensurate period of time subject to the following conditions:

(i) The cause of the delay must arise after the Effective Date of this Purchase Agreement and neither was nor could have been anticipated by the Vendor by reasonable investigation before such date;

(ii) The Vendor demonstrates to the Purchaser that the completion of the Deliverables and/or affected delivery(ies) will be actually and necessarily delayed;

(iii) The effect of such cause cannot be avoided or mitigated by the exercise of all reasonable precautions, efforts and measures whether before or after the occurrence of the cause of delay; and

(iv) The Vendor makes written request and provides other information to the Purchaser as described in Section 16.2 (Notification of Vendor Delay).

(b) A delay that meets all of the conditions of this Section 16.1 (Vendor’s Delay) shall be deemed an excusable delay. Any concurrent delay that does not constitute an excusable delay shall not be the sole basis for denying a request hereunder.

(c) The Purchaser reserves the right to rescind or shorten any extension previously granted if, subsequently, the Purchaser determines that any information provided by the Vendor in support of a request for an extension of time was erroneous provided that such information or facts, if known, would have resulted in a denial of the request for an excusable delay. Notwithstanding the above, the Purchaser will not rescind or shorten any extension previously granted if the Vendor acted in reliance upon the granting of such extension and such extension was based on information which, although later found to have been erroneous, was submitted in good faith by the Vendor.

16.2 Notification Of Vendor Delay

(a) Notwithstanding any event of force majeure pursuant to Section 14.0 (Force Majeure) of the Master Agreement, and without limiting the application of Section 4.2 (Root Cause Analysis) of the Master Agreement, no extension or adjustment of time shall be granted by the Purchaser unless the Vendor provides the Purchaser (a) written notice of the delay within one (1) calendar days after the commencement of the delay and (b) a written application stating in reasonable detail the causes, the effect to date and the probable future effect on the performance of the Vendor under this Purchase Agreement, and the portion or portions of the Deliverables affected, within seven (7) calendar days after the commencement of the delay. No such extension or adjustment shall be deemed a waiver of the rights of either Party under this Purchase Agreement. The Purchaser shall make its determination within seven (7) calendar days after receipt of the Vendor's application.

17.0 Liquidated Damages

17.1 Liquidated Damages – Warranty Repairs

(a) It is mutually understood and agreed by and between the Parties to this Purchase Agreement that time is of the essence with respect to the completion of the Work and that in case of any failure on the part of the Vendor to complete the Work within the time specified in Scope of the Work - Technical Specifications Section OR 5.5 (Warranty Repairs Procedures), except for any delay as provided for in this Purchase Agreement, the Master Agreement (Section 14.0 (Force Majeure)), or any extension thereof, that the Purchaser will be damaged thereby. It being difficult if not impossible of definite ascertainment and proof, it is hereby agreed that the amount of such damages due the Purchaser shall be fixed at $200.00 (two hundred dollars) per calendar day per transit vehicle that is out of service for more than fifteen (15) Business Days after notification by the Purchaser of a Defect applicable to the manufacturer's warranty (see Scope of Work – Technical Specifications, Section OR 5.5.2 (Repairs by Vendor)). The damages will be calculated from the date that the Purchaser notified the Vendor.

(b) The Vendor hereby agrees to pay the afore stated amounts as fixed, agreed and liquidated damages, and not by way of penalty, to the Purchaser and further authorizes the Purchaser to deduct the amount of the damages from money due the Vendor under this Purchase Agreement, computed as aforesaid. If the monies due the Vendor are insufficient or no monies are due the Vendor, the Vendor shall pay the Purchaser the difference or the entire amount, whichever may be the case, within thirty (30) calendar days after receipt of a written demand by the Purchaser.

(c) The payment of aforesaid fixed, agreed and liquidated damages shall be in lieu of any damages for any loss of profit, loss of revenue, loss of use, or for any other direct, indirect, special or consequential losses or damages of any kind whatsoever that may be suffered by the Purchaser arising at any time from the failure of the Vendor to fulfill the obligations referenced in this clause in a timely manner, but shall not limit the Purchaser's right to seek any other legal or equitable relief (other than damages) for the Vendor's breach of the obligations referenced in this clause and shall not limit the Purchaser's right in respect of any other breach or default by the Vendor.

(d) Notwithstanding the foregoing, the Purchaser specifically reserves the right, without limitation of any other rights, to terminate this Purchase Agreement in accordance with Article 13 (Termination) in this Purchase Agreement, and seek any rights and remedies available to the Purchaser at law or in equity in the event of termination in accordance with Article 13 (Termination) of this Purchase Agreement.

17.2 Liquidated Damages - Parts Availability

(a) It is mutually understood and agreed by and between the Parties to this Purchase Agreement that time is of the essence with respect to the completion of the Work and that in case of any failure on the part of the Vendor to provide replacement parts within the time specified in Scope of Work - Technical Specifications Section OR 5.3 (Detection of Defects), except for any delay as provided for in this Purchase Agreement, the Master Agreement (Section 14.0 (Force Majeure)), or any extension thereof, that the Purchaser will be damaged thereby. It being difficult if not impossible of definite ascertainment and proof, it is hereby agreed that the amount of such damages due the Purchaser shall be fixed at $200.00 (two hundred dollars) per calendar day per transit vehicle that is out of service for more than fifteen (15) Business Days after notification by the Purchaser of the requirement for a replacement part (see Scope of Work – Technical Specifications, Section OR 5.5 (Warranty Repairs Procedure)). The damages will be calculated from the date that the Purchaser notified the Vendor.

(b) The Vendor hereby agrees to pay the afore stated amounts as fixed, agreed and liquidated damages, and not by way of penalty, to the Purchaser and further authorizes the Purchaser to deduct the amount of the damages from money due the Vendor under this Purchase Agreement, computed as aforesaid. If the monies due the Vendor are insufficient or no monies are due the Vendor, the Vendor shall pay the Purchaser the difference or the entire amount, whichever may be the case, within thirty (30) calendar days after receipt of a written demand by the Purchaser.

(c) The payment of aforesaid fixed, agreed and liquidated damages shall be in lieu of any damages for any loss of profit, loss of revenue, loss of use, or for any other direct, indirect, special or consequential losses or damages of any kind whatsoever that may be suffered by the Purchaser arising at any time from the failure of the Vendor to fulfill the obligations referenced in this clause in a timely manner, but shall not limit the Purchaser’s right to seek any other legal or equitable relief (other than damages) for the Vendor’s breach of the obligations referenced in this clause and shall not limit the Purchaser’s right in respect of any other breach or default by the Vendor.

(d) Notwithstanding the foregoing, the Purchaser specifically reserves the right, without limitation of any other rights, to terminate this Purchase Agreement in accordance with Article 13 (Termination) in this Purchase Agreement, and seek any rights and remedies available to the Purchaser at law or in equity in the event of termination in accordance with Article 13 (Termination) of this Purchase Agreement.

18.0 Materials and Workmanship

18.1 Materials and Workmanship

(a) All materials and workmanship including but not limited to the Work and Deliverables to be provided by the Vendor to the Purchaser hereunder will comply with the Technical Specifications, including without limitation, the warranty provisions set out in Scope of Work - Technical Specifications.

18.2 Quality of Materials

(a) The Vendor shall furnish all materials required to complete the Deliverables. The materials furnished shall be new and shall be free from impurities, Defects, and imperfections impairing strength, durability and appearance. They shall be of good commercial quality for the purposes specified, with structural properties to withstand the strains and stresses to which they will be subjected in normal service. Notwithstanding any prior inspection or approval, only materials conforming to the requirements of the Technical Specifications shall be incorporated into the item or items to be procured.

18.3 Equivalent Materials and Equipment

(a) The Vendor shall supply the Deliverables with the components and materials as proposed and agreed to in the Master Agreement and this Purchase Agreement unless substitutions become necessary. Any substitution of an article or material shall be of at least equal quality and suitable for the purpose intended. Substitutions will be permitted hereunder subject only to the following:

(i) Any such substitution shall require prior approval in writing by the Purchaser Representative and the Metrolinx Representative.

(ii) Any such substitutions shall not result in any additional cost to the Purchaser.

(iii) All requests by the Vendor for approval of substitutions shall be made to the Purchaser in writing and accompanied by supporting information.

(iv) The burden of proof of at least equal quality and of suitability for the purpose intended shall be upon the Vendor and all information and tests related to such proof shall be free of cost to the Purchaser.

(b) Whenever classification, rating or other certification by a body such as the Canadian Standards Association (CSA), the American Society for Testing and Materials (ASTM), or recognized National Standards is a part of the Technical Specifications for any material, any substitution of alternative materials shall be accompanied by certification from the appropriate body of compliance with the requirements of the Technical Specifications.

18.4 Defective Material

(a) Material or equipment intended for use on the Deliverables, or parts thereof, which is found to be not in conformance with this Purchase Agreement shall be clearly marked and so disposed of as to ensure that it will not be used or offered for use again unless and until proper material or equipment has been substituted or other corrective action taken to the satisfaction of the Purchaser.

18.5 Obsolescence Management

(a) The Vendor shall proactively monitor all parts, components, tools, consumables, or materials ("**Components**") used in the manufacture of the Deliverables or performance of the Work, or making up spare parts provided to Purchasers or maintained as a spare parts inventory by the Vendor ("**Spare Parts**") for impending obsolescence issues due to the Components or Spare Parts having been or that may be taken out of production, or the use of which has been or may be restricted or forbidden by any Authority ("**Obsolescence**", and "**Obsolete**" shall have a corresponding meaning). The Vendor shall promptly notify Metrolinx and applicable Purchasers in writing of any Component or Spare Part that may become Obsolete, and set out how that Obsolescence will be addressed by the Vendor.

(b) The Vendor shall, where reasonably possible, pre-store Components or Spare Parts which may become Obsolete. The Vendor shall during the Term replace any Obsolete Components or Spare Parts with Components or Spare Parts that meet the requirements of Section 18.5(c).

(c) Any Replacement Components or Spare Parts must have design parameters and specifications that are fully consistent with; be of comparable or better quality; and be of the same form, fit, and function as the Obsolete Component or Spare Part, and must comply with the Scope of Work – Technical Specifications.

(d) If any transit vehicle requires any modification as a consequence of the Obsolescence of a Component or Spare Part, the cost of such modifications shall be the responsibility of the Vendor.

(e) The Vendor shall update any documentation, including reports, Spare Parts lists, and training materials or requirements, as a result of Obsolescence of Components or Spare Parts. All costs incurred in connection with updating of documentation shall be the responsibility of the Vendor.

(f) The Vendor shall on an annual basis prepare a written obsolescence report and provide it to Metrolinx and the Purchasers within 30 days of each anniversary of the Master Agreement Effective Date. The report shall identify all Components or Spare Parts that may or will become Obsolete during the next year, and a detailed plan with time schedule defining how and when the Vendor intends to meet contractual requirements by replacing the obsolete item and/or performing modification to transit vehicles. This plan is subject to review and written approval of Metrolinx and the applicable Purchasers prior to being implemented. Metrolinx and the applicable Purchasers will provide any comments on the plan within 30 days of receipt of the draft report, and the Vendor shall revise the report for Metrolinx's and applicable

Purchasers' review and approval within fifteen days of receiving those comments.

18.6 Disposal of Obsolete/Defective/Unused Components or Spare Parts

(a) Upon removal or replacement of any Obsolete Components or Spare Parts, or upon the termination or expiration of this Purchase Agreement, the Purchaser shall return all components to the Vendor or dispose of them in accordance with the Vendor's instructions. In either method the Vendor shall ensure that any such disposal complies with all relevant environmental regulations and standards.

In consideration of their respective agreements set out below, the Parties covenant and agree as follows:

IN WITNESS WHEREOF the Parties hereto have executed this Purchase Agreement effective as of the date first above written.

The Corporation of the City of Sault Ste. Marie

Signature:

Name: Matthew Shoemaker

Title: Mayor

Signature:

Name: Rachel Tyczinski

Title: City Clerk

I/we have the authority to bind the Corporation.

Consat Canada Inc.

Signature:

Name:

Title:

I have authority to bind the Vendor.

Schedule A – Definitions

1.0 In this Purchase Agreement,

1.1 Unless otherwise specified or the context otherwise requires, for the purposes of this Purchase Agreement the following terms have the following meanings and all other capitalized terms used in this Purchase Agreement shall have the meanings ascribed to them in the Master Agreement which are incorporated by reference herein.

1.2 "**Effective Date**" means the date set out on the first page of this Purchase Agreement.

1.3 **"Intellectual Property"** means all intellectual and industrial property, including: (a) materials, images, reports, Software, applications, audio or video recordings, specifications, performance requirements, software development tools, technologies, content, data (including all information whether or not contained in or on any database or electronic information storage system or media owned by or in the custody or control of the Purchaser), technical information, interfaces, web portals, components, services, information, databases, and documentation; (b) patents, patent application rights, rights to file patents, inventions, trade-marks (whether registered or not), trade-mark applications, rights to file trade-marks, trade names, copyrights (whether registered or not), design registrations, trade secrets, confidential information, industrial and similar designs, rights to file for industrial and similar designs, processes, methodologies, techniques and know-how; and (c) all Intellectual Property Rights therein.

1.4 "**Master Agreement**" means the master agreement made as of March 27, 2025 between the Vendor and Metrolinx including all of the schedules attached thereto, as such master agreement maybe amended from time to time, for the provision of Work.

1.5 "**Parties**" means both of Metrolinx and the Vendor and a **"Party"** means either one of them.

1.6 "**Purchase Agreement**" means this purchase agreement entered into between the Vendor and the Purchaser.

1.7 "**Purchaser's Address**" means:
111 Huron St.
Sault Ste. Marie, ON

P6A 5P9

1.8 "**Purchaser IP**" has the meaning ascribed to it in Section 6.6(a) (Ownership of Purchaser IP).

1.9 "**Purchaser Materials**" means a) any methodologies, patterns, plans, procedures, software, algorithms, computer code, documentation, tools, business processes, scripts, interfaces, commands, technical information, know-how, techniques, specifications, technologies and/or other Intellectual Property that is proprietary to the Purchaser; (b) all procurement documents issued by Purchaser; (c) all documentation or source materials related to any of the foregoing; and (d) all copies, translations, improvements, modifications, enhancements, adaptations, or derivations made to these materials by Purchaser or any third party not performing work under this Purchase Agreement.

1.10 **“Term”** means, subject to any termination rights set out in the Master Agreement or this Purchase Agreement, the period of time from the Effective Date of this Purchase Agreement up to and including the later of

(a) ten (10) years from the Effective Date of the Master Agreement; or

(b) the date on which the last Deliverable ordered pursuant to this Purchase Agreement is delivered and accepted by the Purchaser.

1.11 “**Vendor Background IP**” means any methodologies, patterns, plans, procedures, software, algorithms, computer code, documentation, tools, business processes, scripts, interfaces, commands, technical information, know-how, techniques, specifications, technologies and/or other Intellectual Property that is proprietary to the Vendor or which Vendor has the right and licence to use and make available to Purchaser, in each case that was either: (a) created prior to the Effective Date; or (b) created, developed or produced independently of this Purchase Agreement and/or the performance of the Services.

Schedule B – Financial Terms

1.0 Deliverables

1.1 The Vendor agrees to provide the Deliverables to the Purchaser in compliance with the Master Agreement and this Purchase Agreement as more particularly specified in Schedule C (Deliverables) to this Purchase Agreement. Subject to the Master Agreement, the Price for the provision of the Deliverables shall be as specified in Schedule D (Price) to this Purchase Agreement. Unless otherwise specified in Schedule D (Price), the Vendor shall invoice the Purchaser for the Deliverables provided under this Purchase Agreement in accordance with the terms set out in this Schedule B - Section 2.1 (Invoicing and Payments).

2.0 Payment

2.1 Invoicing and Payments

(a) The Purchaser shall be invoiced in accordance with the following procedures unless otherwise specified elsewhere in this Purchase Agreement. Payment will be made only in Canadian funds. Terms for payment of invoices shall be net 30 calendar days from the date of acceptance of the Deliverables by the Purchaser in accordance with this Purchase Agreement.

(b) All invoices covering purchases by the Purchaser must:

(i) Itemize any applicable taxes owing separate from the basic cost of the Deliverables;

(ii) Indicate the number of Deliverables delivered to the Purchaser;

(iii) Indicate the unit price for the Deliverables and the total amount payable by Purchaser in respect of items delivered (for the avoidance of doubt, prices are based on the purchase order date and not the delivery date);

(iv) Include the purchase order number (if applicable), complete shipping and invoicing address (shipping costs are the responsibility of the Vendor); Vendor contract number (i.e. NC Number), Purchaser contact name, telephone and email address; Vendor name, address, telephone and email address; order date; delivery date; product code number; quantity; product description; unit Price; total dollar value of order/purchase; HST itemized separately; terms of payment: net 30 calendar days and signature of authorized Purchaser;

(v) Invoices that are not properly completed and signed, or which are lacking any of the information required in (v) above, or contain a billing error will not be processed and will be returned unpaid to the Vendor with a description of the billing error or missing information; and

(vi) Be supported by detailed Records maintained by the Vendor for a period of seven (7) years following completion or termination of the

Master Agreement and made available to the Purchaser upon request, notwithstanding such completion or termination.

2.2 Payment According to Contract Prices

(a) The Purchaser shall be exclusively responsible for the payment to the Vendor for the Deliverables in accordance with the terms and conditions of this Purchase Agreement. The Parties agree that Metrolinx shall not be responsible for any payment or other obligation under this Purchase Agreement.

2.3 Hold Back or Set Off

(a) The Purchaser may hold back or set off against payment twice the estimated cost of any Defect if, in the opinion of the Purchaser acting reasonably, the Vendor has failed to comply with any requirements of this Purchase Agreement. This amount will be paid immediately by the Purchaser upon rectification of the Defect by the Vendor.

2.4 No Expenses or Additional Charges

(a) There shall be no other charges payable to the Vendor under this Purchase Agreement other than the prices established under this Purchase Agreement and otherwise payable hereunder in respect of the Vendor’s provision of the Deliverables.

2.5 Payment of Taxes and Duties

(a) Unless otherwise stated, the Vendor shall pay all applicable taxes, including excise taxes incurred by or on the Vendor's behalf with respect to this Purchase Agreement.

2.6 Withholding Tax

(a) The Purchaser shall withhold any applicable withholding tax from amounts due and owing to the Vendor under this Purchase Agreement and shall remit it to the appropriate government in accordance with applicable tax laws.

2.7 Interest on Late Payment

(a) The interest rate for any late payment occurring only through no fault of the Vendor or on account of force majeure will prevail and shall not exceed the general rate of interest on overpayment of provincial taxes in effect on the date that the payment went into arrears.

3.0 Price Adjustments

3.1 Prices shall be subject to CPI adjustment for all orders placed following the first three years of the Term as described in Schedule B - Section 4.0 (Price Adjustments) of the Master Agreement.

4.0 Manuals and Drawings Hold Back

4.1 Pursuant to this Purchase Agreement and without limitation to any other remedies the Purchaser may have, the Purchaser shall hold back three percent (3%) of the price of the last Deliverable to be accepted hereunder until all of the applicable manuals, drawings, diagrams, special tools and diagnostic equipment have been delivered as per Scope of Work - Technical Specifications (Section OR 4.0 (Manuals, Documents and Drawings), OR 5.0 (Supplied Diagnostic Equipment and Software), and OR 6.0 (Special Tools)), as the case may be, it being understood that the release of any such holdback by a Purchaser to the Vendor shall not operate as a waiver of the Vendor's obligation to provide the Deliverables in accordance with this Purchase Agreement.

5.0 Program Cost Recovery Fee

5.1 All orders made by the Purchaser during the Term, as applicable, are subject to a Program Cost Recovery fee that will be paid to Metrolinx upon issuance of a purchase order.

5.2 The program cost recovery fee structure for this Purchase Agreement is structured as a 2% fee incurred on the total price of the Deliverable(s) for each purchase order.

5.3 The fee will be collected by the Vendor and remitted to Metrolinx quarterly. This fee is to be included on the final invoice as a separate line item, similar to the collection of HST. The fee should not be built into the price of the Deliverable(s).

5.4 For greater clarity, the Purchaser shall pay Program Cost Recovery Fees in accordance with Section 5.2 above for any amendments to purchase orders.

6.0 Exclusivity and Work Volumes

6.1 Notwithstanding Section 4.3(a) of the Multi-Year Governance Agreement for Joint Procurements Facilitated by Metrolinx, the Vendor acknowledges that it is providing the Deliverables on an exclusive basis for Deliverables ordered during the Term of the Master Agreement. The Purchaser makes no representation regarding the volume of Deliverables and Work to be ordered under this Purchase Agreement for the Term of the Purchase Agreement.

7.0 Survival

7.1 The obligations contained in this Schedule shall survive the termination or expiry of this Purchase Agreement.

Schedule C – Deliverables

The following information, as applicable, is to be provided by the Vendor in this Schedule prior to executing this Purchase Agreement or following execution of this Purchase Agreement, as agreed to by the Parties:

- Detailed description of the Deliverables selected identified in detailed Vendor quote and attached to the executed Purchase Agreement.
- Purchaser postal address where Deliverables are to be delivered. Can be included in the header of the detailed Vendor quote.
- Milestones, dates, timelines.
- Delivery schedule.

The Parties acknowledge and agree that the Purchaser previously purchased the Consat Intelligent Transportation System – Automated Vehicle Location Solution, including related hardware, software, and installation services, in 2021. The Deliverables were previously delivered to and accepted by the Purchaser under that prior agreement. Inclusion of this information in this Purchase Agreement is for continuity purposes only, and no physical re-delivery shall be required.

Schedule D - Price

The following information, as applicable, is to be provided by the Vendor in this Schedule prior to executing this Purchase Agreement or following execution of this Purchase Agreement, as agreed to by the Parties:

- Prices as per the Master Agreement - Contract Prices
- Invoicing process if different from Schedule B - Section 2.1 (Invoicing and Payments)

ADDITIONAL SCHEDULES TO SAMPLE PURCHASE AGREEMENT (if applicable)

- Subsequent orders and/or new purchase orders are to be added in to this Schedule.

Annual Service Fees

The Purchaser shall pay the Vendor service and support fees for the Consat Intelligent Transportation System – Automated Vehicle Location Solution as defined below.

Service Level Agreement ("SLA") fees are payable annually each October for the duration of the Contract.

The Parties acknowledge that SLA fees are based, in part, on the number of buses within the Purchaser's fleet receiving services and support under this Agreement. Fees may be adjusted by the Vendor once annually, as required, to reflect additions to or changes in the number of buses in the Purchaser's fleet.

City of Sault Ste. Marie - Transit & Parking Division	Quantity, site	Unit price, site	Quantity, bus	Unit price, bus	Sum:
Central Hosting	1	$8,533.00			$8,533.00
AODA, equipment lic. and maintenance			27	$36.00	$972.00
AODA, SW lic. and suport	1	$1,983.00			$1,983.00
Data management system: Software license and support	1	$1,653.00	27	$60.00	$3,273.00
Regulatory Sub. lic. and support	1	$1,653.00	27	$60.00	$3,273.00
Data Analysis lic. and support	1	$1,653.00	27	$50.00	$3,003.00
Automatic Passenger Counter, equipment lic. and maintenance			27	$175.00	$4,725.00
Automatic Passenger Counter, SW lic. and support	1	$1,653.00			$1,653.00
Passenger Information lic. and support	1	$1,653.00	27	$55.00	$3,138.00
Advanced passenger Information, lic. and support	1	$2,480.00			$2,480.00
AVL Tracking, lic and support			11	$26.00	$286.00
Web Display: Software license and support	1	$2,500.00			$2,500.00
Consat 36 bronze (monthly reports)	1	$6,000.00			$6,000.00
Total Price service, year					**$41,819.00**

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2026-112

PROPERTY: A by-law to declare the City owned property legally described as PIN 31578-0206 (LT) LT 8 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S EXCEPT RY696 & T266499; PT LT 8 S/S SUPERIOR ST, 9 S/S SUPERIOR ST, 9 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S PT 1 & 4 1R4140 & AS IN T213085 & T221238; PT LANE PL 3974 ST. MARY'S; PT LT 1-5 PL 3974 ST. MARY'S PT 2 1R4437 & PT 1, 2 & 6 1R5114; SAULT STE. MARIE, being comprised of civics 561 Queen Street West, 572 and 608 Portage Lane, and 62 James Street, as surplus to the City's needs and to authorize the disposition of the said property.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.0. 2001, c. 25, **ENACTS** as follows:

1. **LANDS DECLARED SURPLUS**

   The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. **SALE AUTHORIZED**

   The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in Schedule "A" hereto.

3. **SCHEDULE "A"**

   Schedule "A" hereto forms part of this by-law.

4. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of July, 2026.

____

MAYOR – MATTHEW SHOEMAKER

____

CITY CLERK – RACHEL TYCZINSKI

sd\\citydata\LegalDept\Legal\Staff\COUNCIL\BY-LAWS\2026\2026-112 Property Declared Surplus 561 Queen St West, 572 and 608 Portage Lane, 62 James St.docx

Schedule "A"

ServiceOntario

PRINTED ON 28 MAY, 2026 AT 10:03:29
FOR SDAVEY01

SCALE

0 10 20 30 40 meters

PROPERTY INDEX MAP

ALGOMA(No. 01)

LEGEND

FREEHOLD PROPERTY
LEASEHOLD PROPERTY
LIMITED INTEREST PROPERTY
CONDOMINIUM PROPERTY
RETIRED PIN (MAP UPDATE PENDING)
PROPERTY NUMBER 0449
BLOCK NUMBER 08050
GEOGRAPHIC FABRIC
EASEMENT

THIS IS NOT A PLAN OF SURVEY

NOTES

REVIEW THE TITLE RECORDS FOR COMPLETE PROPERTY INFORMATION AS THIS MAP MAY NOT REFLECT RECENT REGISTRATIONS

THIS MAP WAS COMPILED FROM PLANS AND DOCUMENTS RECORDED IN THE LAND REGISTRATION SYSTEM AND HAS BEEN PREPARED FOR PROPERTY INDEXING PURPOSES ONLY

FOR DIMENSIONS OF PROPERTIES BOUNDARIES SEE RECORDED PLANS AND DOCUMENTS

ONLY MAJOR EASEMENTS ARE SHOWN

REFERENCE PLANS UNDERLYING MORE RECENT REFERENCE PLANS ARE NOT ILLUSTRATED

LICENSE TERMS

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-114

PROPERTY: A by-law to approve the extension of time for 1000518153 Ontario Inc. ("Steel Speed") to fully construct a building at 167 Yates Avenue, Sault Ste. Marie legally described as PIN 31609-0386(LT) Part Section 34, Korah, Part 2, Plan 1R-14070; Sault Ste. Marie ("Subject Property") by January 31, 2027.

WHEREAS 1000518153 Ontario Inc. is the registered owner of the "Subject Property";

AND WHEREAS 1000518153 Ontario Inc executed an Undertaking dated July 4, 2023, being the closing date of the acquisition of the Subject Property from the City, and thereby committed to construct a building of a minimum of Two Thousand (2000) square feet on the Subject Property within three years from the closing date and which requirement expires on July 4, 2026.

AND WHEREAS 1000518153 Ontario Inc. has requested an extension of the time to construct a building of a minimum of Two Thousand (2000) square feet on the Subject Property to January 31, 2027.

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. **TIME TO CONSTRUCT EXTENDED WITH CONDITIONS**

The Corporation of the City of Sault Ste. Marie hereby authorizes the extension request made by 1000518153 Ontario Inc., specifically extending the time required to complete the construction of a building of a minimum of Two Thousand (2000) square feet on the Subject Property from July 4, 2026 to January 31, 2027, subject to 1000518153 Ontario Inc. signing an Undertaking prepared by the City's Assistant City Solicitor/Senior Litigation Counsel with the following conditions:

(a) 1000518153 Ontario Inc. shall undertake to complete the construction of a building of a minimum of Two Thousand (2000) square feet on the Subject Property by January 31, 2027; and

(b) 1000518153 Ontario Inc. shall acknowledge and agree that if 1000518153 Ontario Inc fails to satisfy the requirements as set out in Section 1(a) to this By-law to the satisfaction of the City, acting reasonably, 1000518153 Ontario Inc. agrees the City shall take back the Subject Property in accordance with the requirements authorized pursuant to Section 2 of this By-law, and further, 1000518153 Ontario Inc. agrees to take all steps necessary to make the Subject Property free and clear from any encumbrances, if any, prior to Closing at 1000518153 Ontario Inc.'s sole cost, liability and expense.

2. **PROPERTY ACQUISITION AUTHORIZED IN ESCROW AND DELEGATED AUTHORITY**

(a) The Corporation of the City of Sault Ste. Marie hereby authorizes the acquisition by purchase the absolute right in fee simple to the lands more particularly described in Schedule "A" attached hereto, for the consideration as set in Schedule "A" attached hereto if the said conditions in Section 1 of this By-law are not met to the satisfaction of the City.

(b) The Assistant City Solicitor/Senior Litigation Council is hereby authorized by By-law 2018-55 for and in the name of the Corporation to execute and affix the seal of the Corporation to all documents required to complete the said acquisition. The Corporation further directs that such documents shall be held in escrow by the City until February 1, 2027, at which time the Corporation grants the City Solicitor, or his designate, delegated authority to determine if the conditions set out in Section 1 of this By-law have been met.

(c) The Corporation hereby directs that if, pursuant to Section 2(b) of this By-law, the City Solicitor or his designate determines:

a. that the Conditions in Section 1 of this By-law have been met, the property acquisition authorized in Section 2 of this By-law shall have no force or effect; or

b. that the Conditions in Section 1 of this By-law have not been met, the said escrow conditions shall be lifted and the property acquisition authorized in Section 2 of this By-law shall proceed with a closing date of March 3, 2027.

3. **SCHEDULE "A"**

Schedule "A" forms part of this by-law.

4. **EFFECTIVE DATE**

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

PASSED in Open Council this 22nd day of June, 2026.

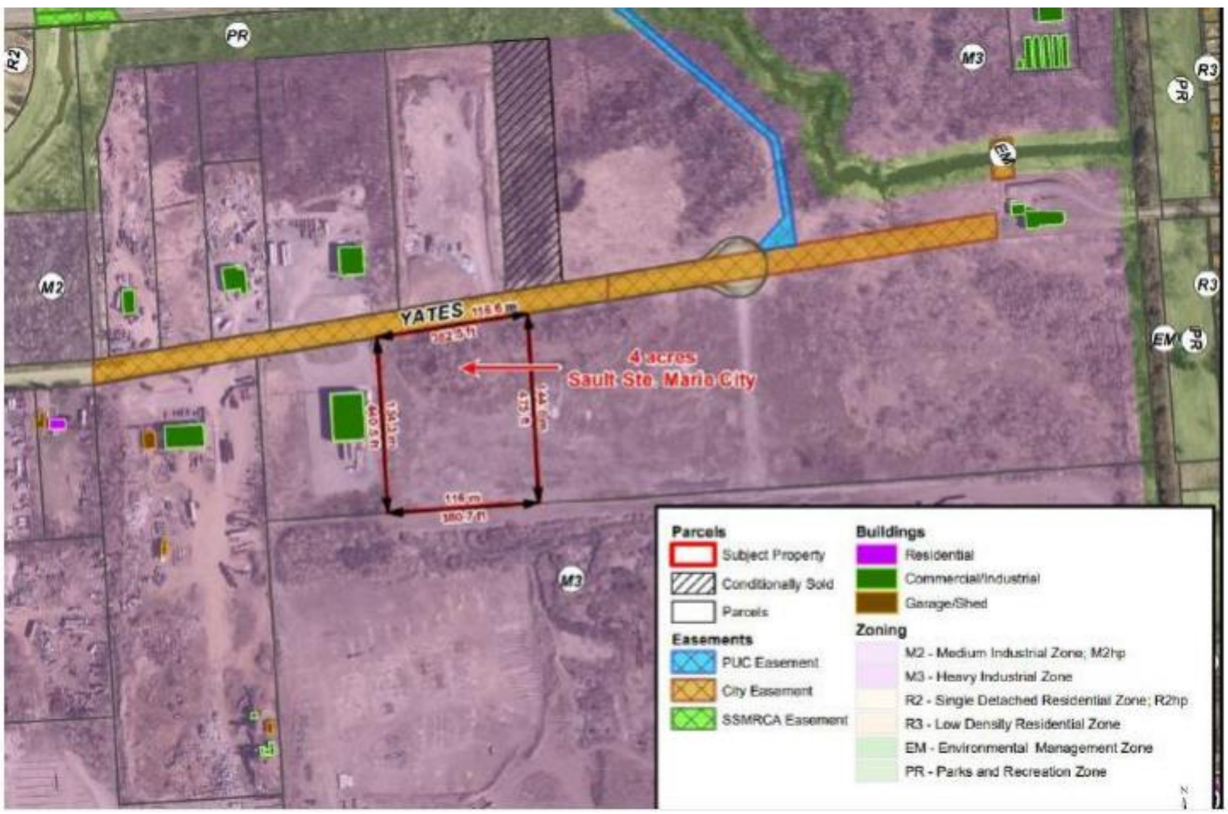
MAYOR MATTHEW SHOEMAKER

CITY CLERK RACHEL TYCZINSKI

lv\\citydata\LegalDept\Legal\Staff\COUNCIL\BY-LAWS\2026\2026-114 Yates extension to build 1000518153 Ontario Inc.(Steel Speed).docx

SCHEDULE "A"

PURCHASER:	The Corporation of the City of Sault Ste. Marie
VENDOR:	1000518153 Ontario Inc.
ADDRESS:	167 Yates Avenue
LEGAL DESCRIPTION:	PIN 31609-0386 (LT) PART SECTION 34, KORAH PART 2, PLAN 1R-14070; SAULT STE. MARIE
CONSIDERATION:	Two Hundred Thousand ($200,000.00) Dollars (subject to usual adjustments)



THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-115

USER FEES: A by-law to amend certain fees and charges in Schedule "D" to User Fees By-law 2025-153.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to the provisions of subsection 391(1) the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. **BY-LAW 2025-153 AMENDED**

   Schedule "D" to By-law 2025-153 is amended by adding a new heading "Municipal Support Resolution for Independent Electrical System Operator (IESO) application" with the 2026 Current Fee being $4,000.00.

2. **EFFECTIVE**

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

PASSED in open Council this 13th day of July, 2026.

____
MAYOR – MATTHEW SHOEMAKER

____
CITY CLERK – RACHEL TYCZINSKI

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-117

REGULATION: A by-law to amend By-Law 2008-168 being a by-law to prohibit the discharge of firearms in the Municipality.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001, S.O. 2001,* c.25, as amended, **ENACTS** as follows:

1. **SECTION 1 TO BY-LAW 2008-168 IS AMENDED**

Section 1 to By-law 2008-168 is amended as follows:

1. Remove and replace subsection 1(e) as follows:

"(e) the entire Algoma Steel Inc.'s steelworks operation located at 105 West Street."

Adding Section 1(g):

"(g) on the property grounds of the Ermatinger Clergue National Historic Site (ECNHS) located at 800 Bay Street for the ECNHS staff and volunteers to carry out period re-enactments, including black powder musters and cannon firings, during operations and special events that occur on the ECNHS property grounds between May and December each year."

2. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of July, 2026.

____
MAYOR MATTHEW SHOEMAKER

____
CITY CLERK – RACHEL TYCZINSKI

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-118

ENGINEERING: A by-law to authorize the execution of the Contract between the City and Avery Construction Limited for miscellaneous paving (Contract 2026-10E).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to the Contract dated July 13, 2026 between the City and Avery Construction Limited, a copy of which is attached as Schedule "A" hereto. This Contract is for miscellaneous paving (Contract 2026-10E).

2. **SCHEDULE "A"**

Schedule "A" forms part of this by-law.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of July, 2026.

____
MAYOR – MATTHEW SHOEMAKER

____
CITY CLERK – RACHEL TYCZINSKI

ep \\citydata\LegalDept\Legal\Staff\COUNCIL\BY-LAWS\2026\2026-118 Avery Construction Limited Miscellaneous Paving (Contract 2026-10E).docx

Schedule "A"

THE CORPORATION OF THE CITY OF SAULT STE. MARIE
MISCELLANEOUS CONSTRUCTION/PAVING
Contract No 2026-10E

FORM OF AGREEMENT

This Agreement, made (in triplicate) this **13th** day of **July** in the year 2026, by and between **Avery Construction Limited**, hereinafter called the **"Contractor"**,

AND

The Corporation of the City of Sault Ste. Marie, hereinafter called the **"Owner"**.

WITNESSETH: That the Contractor and the Owner 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:

MISCELLANEOUS PAVING
Contract No 2026-10E

which have been signed in triplicate by both parties and which were prepared by The City of Sault Ste. Marie, acting as Contract Administrator and herein entitled, "The Contract Administrator".

2. The Contractor will do and fulfill everything indicated by the Agreement (being this form of agreement), Addenda (if any), the Special Provisions, Contract Drawings, the Standard Specifications, Standard Drawings, Tender, Supplemental General Conditions, OPSS.MUNI 100 (November 2024 version or newest), and working drawings.

3. The Contractor will complete all work in accordance with the terms of the Contract. The Owner will have quality control on site to ensure same and work must be completed to the satisfaction of the Contract Administrator within the period of the time specified. Owners' quality control inspectors will not be responsible for any other roles on site except for quality control.

4. The Owner 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, Supplemental 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 Owner 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.

6. The Contractor, both during and after the term of this Agreement, shall at all times, and at its own cost, expense and risk, defend, indemnify and hold harmless the Owner and, its

elected officials, officers, employees, volunteers, agents, the Contract Administrator, all respective heirs and executors, successors and assigns, from all loss, damages, costs, charges and expenses of every nature and kind whatsoever which may be made or brought against them, their 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. Prior to the commencement of any work, the Contractor shall sign and deliver to the Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution Inc. and PUC Services Inc., the PUC Indemnity attached as Schedule “A” which forms part of this Agreement wherein.

8. All communications in writing between the Owner, 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 Owner for whom they are intended, or if sent by post addressed as follows:

Owner:	**The Corporation of the City of Sault Ste. Marie** **c/o Engineering Division** **99 Foster Drive** **Sault Ste. Marie, Ontario P6A 5X6**
The Contractor:	**Avery Construction Limited** **940 Second Line West** **Sault Ste. Marie, ON P6C 2L3**
The Contract Administrator:	**The Corporation of the City of Sault Ste. Marie** **Civic Centre** **99 Foster Drive** **Sault Ste. Marie, Ontario P6A 5X6**

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 –MATTHEW SHOEMAKER

____
MUNICIPAL CLERK –RACHEL TYCZINSKI

THE CONTRACTOR: AVERY CONSTRUCTION LIMITED

____
SIGNATURE

NAME:______________________________

I have authority to bind the corporation

Schedule “A” to Form of Agreement

PUC INDEMNITY

IN CONSIDERATION of the permission granted to the undersigned to enter upon the lands occupied by facilities, fixtures, equipment and appurtenances (the “**Facilities**”) owned and/or operated by the Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution Inc. and/or PUC Services Inc. (collectively “**PUC**”) to work or perform activity on or in the vicinity of the Facilities, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees to hold and save harmless and fully indemnify the Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution and PUC Services Inc., and their directors, officers, employees, agents and affiliates, from any and all suits, actions, payments, legal or administrative proceedings, claims, demands, damages, liabilities, losses, interest, legal fees, costs and expenses sustained by the Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution Inc. and/or PUC Services Inc. of every nature and description, whether arising before or after completion of any work or activity on or in the vicinity of the Facilities and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, error, omission or fault whether active or passive of the undersigned, its employees, contractors, sub-contractors, engineers, agents or anyone acting under the undersigned’s direction or control or on its behalf in connection with work or activity on or in the vicinity of the Facilities, including, without limitation, damages to the Facilities. This indemnity shall survive completion of the undersigned’s work and activity. For clarity, the intent is that PUC shall be at no risk or expense to which it would not have been put had the undersigned not performed work or activity on or in the vicinity of the Facilities.

Without restricting the generality of the requirement to indemnify the PUC, the undersigned shall obtain, maintain, pay for and provide evidence of insurance coverage, taken out with insurance companies licensed to transact business in the Province of Ontario, and in the form and limits required under the contract between the undersigned and the Corporation of the City of Sault Ste. Marie in connection with the work being performed by the undersigned.

Such insurance coverage must in all respects be satisfactory to PUC and shall be maintained continuously by the undersigned from the commencement of any work or activity on or in the vicinity of the Facilities. All insurance policies must be endorsed to provide PUC with not less than thirty (30) days’ written notice in advance of cancellation, or any change or amendment restricting coverage.

All insurance must be evidenced by the undersigned prior to commencement of any work or activity on or in the vicinity of the Facilities, on the C.S.I.O. standard Certificate of Insurance form or if on another form, one that is satisfactory to PUC, and in addition, all insurance must name the Public Utilities Commission of the City of Sault Ste. Marie, PUC Distribution Inc. and PUC Services Inc. as Additional Insureds under each such policy.

This indemnity is in addition to, and not superseded by, any other indemnity provided by the undersigned to any party.

THE UNDERSIGNED acknowledges and agrees having read this Indemnity carefully and fully understands the contents of same.

DATED this ____ day of __________________, 20___.

SIGNATURE BLOCK OF CONTRACTOR
[NAME OF CONTRACTOR]

Per:____________________________
Name:
Title:

I have authority to bind the Corporation

]

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-119

AGREEMENT: A by-law to authorize the execution of the Licence Agreement between the City and His Majesty the King in Right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario to allow the City to enter upon Ministry lands described as Lot 10, RCP H-745, designated as Part 1 on Plan 1R-10310 for the purposes of monitoring and maintaining a ditch and berm.

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 Agreement dated June 26, 2026 between the City and His Majesty the King in Right of the Province of Ontario, represented by the Minister of Transportation for the Province of Ontario, a copy of which is attached as Schedule “A” hereto. This Agreement is to allow the City to enter upon Ministry lands described as Lot 10, RCP H-745, designated as Part 1 on Plan 1R-10310 for the purposes of monitoring and maintaining a ditch and berm.

2. **SCHEDULE "A"**

Schedule "A" forms part of this by-law.

3. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of July, 2026.

MAYOR – MATTHEW SHOEMAKER

CITY CLERK – RACHEL TYCZINSKI

sd \\citydata\LegalDept\Legal\Staff\COUNCIL\BY-LAWS\2026\2026-119 Licence Agreement Black Road Ditching MTO.docx

Ministry of Transportation

Geomatics and Property
Management Office

Design and Engineering Branch
447 McKeown Avenue
North Bay ON P1B 9S9

Ministère des Transports

Bureau de la géomatique et gestion
des biens

Direction de conception et d'ingénierie
447 McKeown Avenue
North Bay ON P1B 9S9

Ontario

June 26, 2026

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

Attention: Carl Rumiel, Director Engineering

Dear Mr. Rumiel:

Re: Licence Agreement
Lot 10 RCP H-745
Designated as Part 1 on Plan 1R-10310
Township of Tarentorous, District of Algoma
Ditching and Berming on MTO lands

The City of Sault Ste Marie ("City") has made it known to the Ministry of Transportation Ontario ("Ministry") that it wished to enter upon Ministry lands for the purposes of constructing a ditch and berm on Ministry lands in order to address drainage/flooding concerns in the area.

In 2015, the City entered into a Licence Agreement with the Ministry for the construction and maintenance of the berm and ditch. The City has not yet found an alternative solution for the drainage/flooding concerns in the area and has request permission to leave the berm and ditch in place while the City's request for an easement or acquisition of Ministry lands is being reviewed.

Further to your request and by this letter, the Ministry grants the City a licence to enter upon Ministry property for the purpose of monitoring and maintaining a ditch and berm, at the City's own expense, at the location shown in Schedule A attached to this Agreement, upon the following terms and conditions:

1. The Ministry grants to the City a licence for a one-time fee of TWO THOUSAND DOLLARS ($2,000.00) plus H.S.T. to enter, or to have an agent of the City enter upon the Ministry lands located in the Township of Tarentourous, now City of Sault Ste Marie, District of Algoma, more particularly described as Lot 10, RCP H-745, Designated as Part 1 on Plan 1R-10310, a copy of which is attached hereto on Schedule A, which plan forms part of this Agreement, for the purpose of monitoring and maintaining a ditch and berm.

2. The City hereby acknowledges that it will be its responsibility to lay down, excavate, install, construct, maintain, open, inspect, add to, alter, repair and keep in good condition the ditch and berm to ensure property drainage at its own expense.

3. The City hereby acknowledges that the ditch and berm were constructed at the location shown on the City's plan dated February 2015, a copy of which is attached hereto as Schedule A, which plan forms part of this Agreement and at no other location.

4. The City further acknowledges that access to the Ministry lands to complete the subject works shall be from 567 Black Road and that if a temporary entrance/culvert is required for access purposes, it will be the City's responsibility to install the temporary culvert/entrance and remove it upon completion and the lands shall be returned to its original condition.

5. The City acknowledges that it will be its responsibility to ensure that the subject ditch and berm are monitored accordingly to ensure that they are kept in good condition and repair and clear of all brush, trees and other obstructions of any nature whatsoever, at its own expense.

6. The term of this licence shall commence upon this Agreement being executed by a Ministry representative and shall terminate on March 15, 2031. Should the City wish to continue with the licence agreement after the termination date, the City must submit in writing nine months prior to the termination of this Licence Agreement a request for a renewal at which time the Ministry will review the request and the Ministry will also have the right to increase the licence fee should approval be obtained for a renewal. Upon termination of this Agreement, the City shall remove the ditch and berm at its own cost and expense and shall restore the land to its prior condition. If the City fails to restore the Ministry's lands as required herein, the Ministry may do so a City's expense and this obligation shall survive the termination of this Agreement.

7. The City agrees that it does not have any right to use the Ministry's lands, except in accordance with the terms and conditions of this licence as contained herein, and that it accepts this licence subject to such limitations as contained herein.

8. It is understood and agreed that this Licence Agreement will be conveyed to the City, by this one document.

9. This licence is restricted solely to the City and to no other subsequent party. The City shall not assign or alienate in whole or in part, the Licence Agreement. The City shall only use the property for the purpose noted above and for no other purposes.

10. The City shall not undertake any construction, improvements, enhancements, or changes to the Ministry's lands without first obtaining the approval of the Ministry. Furthermore, all construction, improvements, enhancements, or changes to the Ministry's lands that are approved by the Ministry shall be at the City's sole expense. The City shall restore the land to its prior condition before the City entered the lands.

11. All such work under this licence agreement shall be in accordance with all rules and regulations and any necessary permits required shall be the responsibility of the City and the City shall comply with all laws that may be applicable.

12. The City acknowledges and agrees that all costs incurred in conjunction with this licence shall be at its sole expense.

13. The City acknowledges and agrees that this licence does not in any way whatsoever diminish the rights of the Ministry or any public utility company and their respective agents from entering upon the subject lands for the purpose of constructing, repairing and maintaining or installing or replacing utilities thereon.

14. The Minister, his servants, agents and contractors may enter upon the Ministry lands at any time and place.

15. It will be the responsibility of the City to arrange for any utility locates on the Ministry lands prior to commencing any construction or maintenance. Further the City shall be responsible for any damages caused to the works by the City or its agents.

16. The City, further agrees at its sole cost and expense to:

i. provide the labour necessary for the proposed works on the Ministry lands.
ii. provide technical and expert assistance during the term of this agreement for the proposed works on the Ministry lands.
iii. minimize disruption to the Ministry lands during access and if necessary remedy any physical or environmental damage that would result from same, and will ensure that mature vegetation is preserved and that no plant material will be removed that would contribute to erosion.
iv. Not to perform any acts or carry on any practice which may damage the land.
v. Be responsible for any damage to the adjacent roadways or properties, caused as a result of access on Ministry lands and the subject works.

vi. Be responsible for all necessary environmental assessments.
vii. Not store any equipment, nor dispense any class of chemical or petroleum products on Ministry lands.
viii. Not to commit or suffer to be committed any waste upon, or damage to, or any nuisance, other act or thing, which disturbs or interferes with any person on, or adjacent to the Ministry lands.
ix. Not to do, or permit anything to be done in, upon or about the Ministry lands which would in any way conflict with any Federal, Provincial laws, ordinances statutes rules and regulations or Municipal by-laws.
x. Obtain and keep in force, [and to deliver evidence thereof, if requested by the "Ministry" or its agents or representatives], Public Liability Insurance in the amount of $5,000,000.00. In all policies, the City agrees to name the Ministry of Transportation Ontario as an additional insured, ensure a cross-liability clause, not to be cancelled or altered except to giving not less than 30 days written notice to the Ministry.

17. The City shall indemnify and save harmless the Ministry and its representatives from and against all costs or actions, including legal and witness costs, claims, demands, civil actions, prosecutions or administrative hearings, fines, judgments, awards, including awards of costs that may arise as a result of the condition or use by the City of the Ministry lands, any order issued in connection with the condition of the Ministry lands, or any loss, damage, or injury caused either directly or indirectly as a result of the condition or use by the City of the Ministry lands. This provision is absolute and final and applies whether damages arise out of negligence or otherwise and whether they result in economic loss, injury, or damage to the property and it shall survive the termination of this Agreement.

18. The City hereby agrees to forever discharge and release the Ministry, its employees, agents and servants from any claims or demands of any kind whatsoever, past, present and future, arising from or in connection with the use of Ministry lands. This provision shall survive the termination of this Agreement.

19. Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

20. Any notice or documents ("notice") required under this Agreement is suffciently given if delivered personally or if sent by electronic mail, ordinary prepaid mail or prepaid courier or facsimile ("fax") to the Ministry or to the City. The Ministry electronic mail address is: laurie.lebeau@ontario.ca.

21. Notices or documents by ordinary mail shall be deemed to have been received on the third day after the date of mailing. Notice by personal delivery, fax, electronic mail or prepaid courier shall be deemed to have been received at the time of delivery or transmission, unless delivered or transmitted on a weekend or holiday, in which case such notice shall be deemed to have been received on the next business day or delivered or transmitted when the person is "out of the office", so indicated by the Outlook app or other electronic app, in which case such notice shall be deemed to have been received on the business day of the return. In the event of an interruption in postal service, notice shall be given by electric mail, personal delivery, fax, or prepaid courier.

22. The City's equipment shall not interfere with or cause any interference with the operations of the Ministry that may exist on the property, unless prior approval is given by the Ministry and shall not interfere with the Ministry's use of the balance of the Ministry owned land.

23. The City shall remove the ditch, berm and any entrances installed to access Ministry lands, at its own expense and shall restore the land to its prior condition, on the termination of this licence.

24. Either party may terminate this licence for any reason whatsoever upon giving the other party 90 days written notice of their intention to terminate the licence.

If you are satisfied with the terms and conditions of the Agreement, please sign both copies of the Agreement to indicate your acceptance of its terms and conditions of the licence for the use of the Ministry's lands. Return both copies to this office so that the appropriate Ministry official can execute the Agreement on behalf of the Ministry. Once the Ministry has officially executed this Licence Agreement, you will be provided a signed copy for your records, whereupon you can enter upon the Ministry lands.

Yours truly,

Laurie Lebeau
Real Estate Officer

Signed at Sault Ste. Marie ON, this day of , 2026

THE CORPORATION OF THE CITY OF SAULT STE MARIE

Per:______________________________
Name:
Title:

Per:______________________________
Name:
Title:

I/we have the authority to bind the corporation

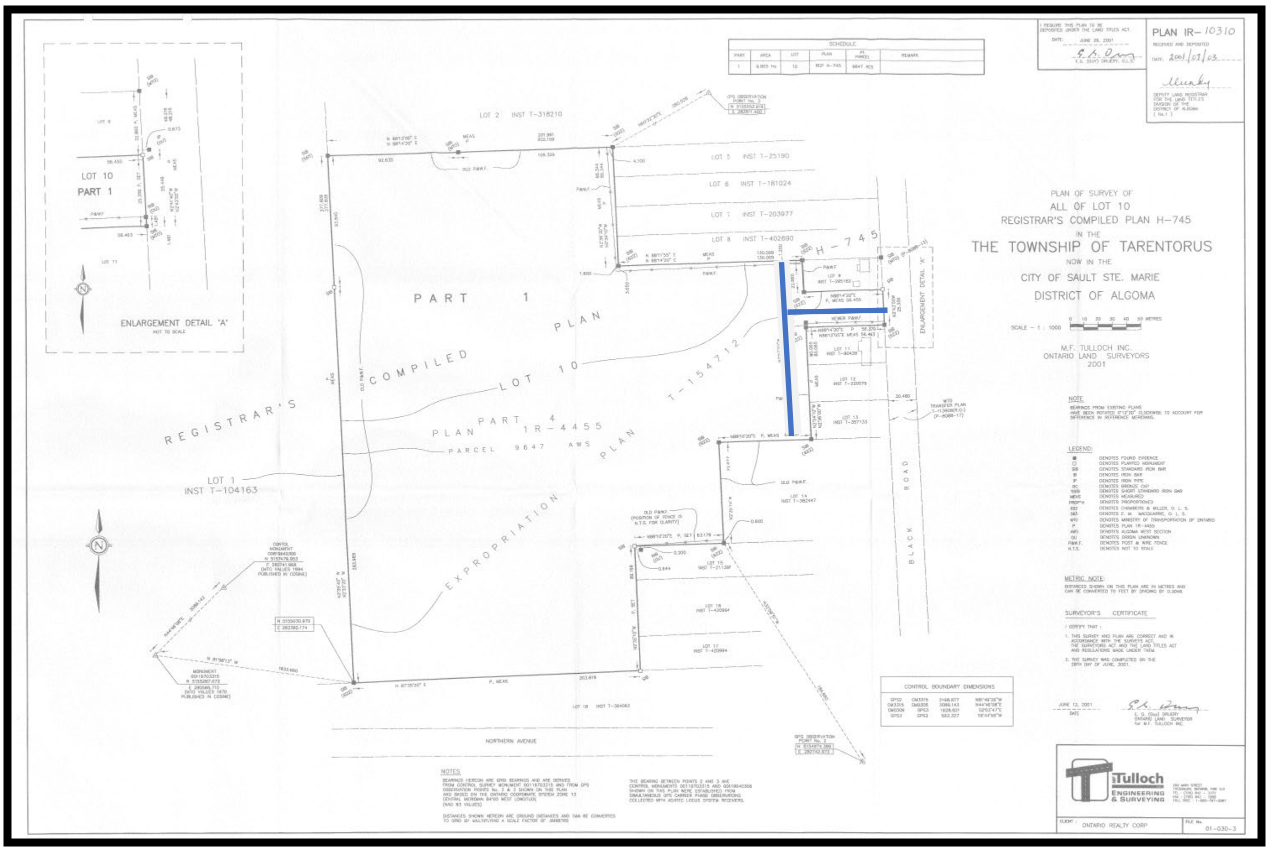
Signed at North Bay, ON , this day of , 2026

HIS MAJESTY THE KING in right of the
Province of Ontario, represented by the
Minister of Transportation for the Province of Ontario.

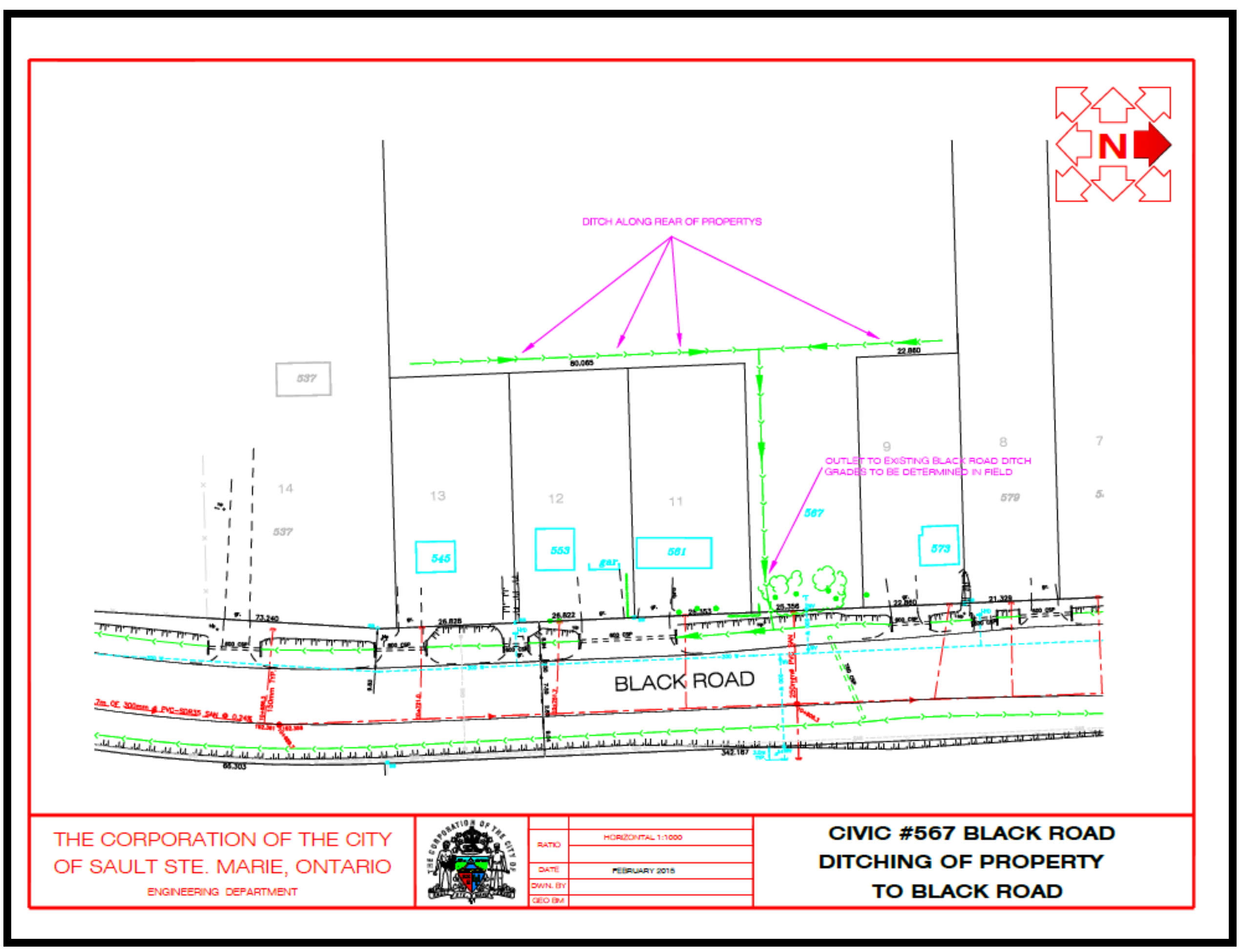
____

THE MINISTER OF TRANSPORTATION by delegation

SCHEDULE A



PLAN IR-10310
PLAN OF SURVEY OF
ALL OF LOT 10
REGISTRAR'S COMPILED PLAN H-745
IN THE
THE TOWNSHIP OF TARENTORUS
NOW IN THE
CITY OF SAULT STE. MARIE
DISTRICT OF ALGOMA
M.F. TULLOCH INC.
ONTARIO LAND SURVEYORS
2001
PART 1
REGISTRAR'S COMPILED PLAN
LOT 10
EXPROPRIATION PLAN
BLACK ROAD
ENLARGEMENT DETAIL 'A'
Tulloch



DITCH ALONG REAR OF PROPERTYS
OUTLET TO EXISTING BLACK ROAD DITCH
GRADES TO BE DETERMINED IN FIELD
BLACK ROAD
N
THE CORPORATION OF THE CITY
OF SAULT STE. MARIE, ONTARIO
ENGINEERING DEPARTMENT
RATIO
HORIZONTAL 1:1000
DATE
FEBRUARY 2015
DWN. BY
GEO BM
CIVIC #567 BLACK ROAD
DITCHING OF PROPERTY
TO BLACK ROAD

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-120

TEMPORARY STREET CLOSING: A by-law to permit the temporary closing of Pine Street between MacDonald Avenue and Garrison Way from August 4, 2026 to October 16, 2026, where and if necessary, to facilitate a cured-in-place pipe (CIPP) watermain lining project within the Pine Street hill as conducted by PUC Services Inc.

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 PINE STREET**

   The Council of The Corporation of the City of Sault Ste. Marie hereby authorizes the closing of Pine Street between MacDonald Avenue and Garrison Way from August 4, 2026 to October 16, 2026, where and if necessary, to facilitate a cured-in-place pipe (CIPP) watermain lining project within the Pine Street hill as conducted by PUC Services Inc.

2. **EFFECTIVE DATE**

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

PASSED in open Council this 13th day of July, 2026.

MAYOR – MATTHEW SHOEMAKER

CITY CLERK – RACHEL TYCZINSKI

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THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2026-99

STREETS: A by-law to rename a portion of Anita Boulevard described as PIN 31559-0054 (LT), being Part 1 Plan 1R-14352 and Part PIN 31559-0056 (LT), being Part 2 Plan 1R-14352, to Team Jacobs Way.

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to Section 27(1) of the *Municipal Act, 2001,* S.O. 2001, c. 25 **ENACTS** as follows:

1. **RENAMING PART OF ANITA BOULEVARD**

A portion of Anita Boulevard described as PIN 31559-0054 (LT), being Part 1 Plan 1R-14352 and Part PIN 31559-0056 (LT), being Part 2 Plan 1R-14352, to Team Jacobs Way.

2. **EFFECTIVE DATE**

This by-law takes effect on the date of its final passing.

READ the **FIRST** and **SECOND** time in open Council this 13th day of July, 2026.

MAYOR – MATTHEW SHOEMAKER

CITY CLERK – RACHEL TYCZINSKI

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