



# Corporate Report

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General Committee

JUN 26 2013

**DATE:** June 11, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Paul A. Mitcham, P.Eng., MBA  
Commissioner of Community Services

**SUBJECT:** **Contract Increase for Architectural Services for Meadowvale Community Centre and Library Redevelopment, Procurement No. FA.49.694-11 (Ward 9)**

**RECOMMENDATION:** That the Purchasing Agent be authorized to increase the existing contract with Perkins and Will Canada Inc. from its original amount of \$1,995,000 to \$2,695,000 for architectural and design fees related to the Meadowvale Community Centre & Library Project as outlined in the Corporate Report dated June 11, 2013 from the Commissioner of Community Services.

**BACKGROUND:** In July 2011, Perkins and Will Canada were awarded a contract for architectural and engineering services for the Meadowvale CC and Library Redevelopment Project through a competitive RFP process. The fees in that proposal were based on an assumed project budget, to be finalized upon an approved project program.

**COMMENTS:** The capital budget for this project has been determined to be \$37,000,000 based on approved project program. This project budget was approved by the Budget Committee on October 3, 2012 and subsequently by Council and is inclusive of the cost of design services to be provided by Perkins and Will Canada

As a result of the project budget increase and as per the provisions of the RFP, the existing contract for the architectural and engineering services is required to be increased by \$700,000.

This increased fee exceeds 20% of the current contract value with Perkins and Will. The Purchasing By-law provides for contract increases under these circumstances, under Section 18 (d) which states: *For amendments to High Value Acquisition Commitments, Council approval is required if the amendment is of a value that, on its own or if added together with any and all previous amendments made to the Original Commitment, the cumulative value of all amendments are (i) greater than 20% of the Original Commitment and greater than \$100,000.*

Accordingly, this report requests that the Purchasing Agent be authorized to amend the existing contract to a revised contract value of \$2,695,000.00.

**FINANCIAL IMPACT:** No additional capital funds are required as the increase to the budget accounted for the adjustment in the design fees. Consultant PO to be revised as follows:

Original award	\$1,995,000
Increase	\$700,000
Revised contract value	\$2,695,000

**CONCLUSION:** The increase to the contract with Perkins + Will Canada Inc. is necessary to complete the work required for the redevelopment of Meadowvale Community Centre and Library. The original RFP allowed for an increase based on a percentage of the construction budget. The increase in the architect's scope of services is directly related to the construction scope, for which the budget has already been approved.

**ATTACHMENTS:** N/A



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Paul A. Mitcham, P.Eng., MBA  
Commissioner of Community Services

*Prepared By: Lalita Goray, Project Manager, F&PM*



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General Committee

JUN 26 2013

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**DATE:** May 29, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Paul A. Mitcham, P.Eng, MBA  
Commissioner of Community Services

**SUBJECT:** Single Source Contract Award for Library Materials Recovery  
Service File Ref: Procurement No. FA.49.320-13

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**RECOMMENDATION:** That the Purchasing Agent be authorized to execute an agreement with Unique Management Services, Inc. for the recovery of library materials and fine collections for the term July 1, 2013 to June 30, 2018, with an estimated upset limit of \$370,000 subject to annual review of vendor performance and ongoing need for the service as outlined in the Corporate Report dated May 29, 2013 from the Commissioner of Community Services.

**REPORT  
HIGHLIGHTS:**

- Seek approval to continue to retain Unique Management Services, Inc. for the recovery of library materials and fine collections for the July 1, 2013 to June 30, 2018 in accordance with By-law 374-06, Schedule 'A'1.(a) (iv).

**BACKGROUND:** The Mississauga Library System endeavours to recover materials and collect outstanding fines. At its meeting of June 27, 2007, Council approved a single source contract award to Unique Management Services, Inc. (UMS) for the term July 1, 2007 to June 30, 2013.

Unique Management's Services are undertaken through a software interface with the Library's Integrated System (ILS) provided by SirsiDynix. This system contains the database used to manage patron records and the catalogue. The Library's Integrated System has a built-in Debt Collect module which enables debt and materials recovery to occur on a regular, timely and automated basis through an authorized third party recovery service.

The Library assigns accounts to UMS that have an outstanding balance of \$40.00 or more. UMS charge a collection fee of \$12.80 per each delinquent account, which is added to the overdue amount before collection.

Unique Management Services, Inc. is the only third party service authorized by SirsiDynix. Accordingly, they are a single source.

**PRESENT STATUS:**

UMS continues to effectively recover materials and collect fines on behalf of the Library and continues to be the only third party authorized by SirsiDynix to interface with their system.

Collection Process and Timeline

- After 60 days past due on a balance owing of \$40 or more, a customer's account is submitted to UMS and a Past Due fee of \$12.80 is added to their user record.
- At this time, the customer receives Letter #1 (Library letterhead) reminding them about their account and encouraging them to respond within 21 days of the date of the letter, allowing plenty of time to return their items or pay the outstanding fines.
- After 21 days, and a balance owing remains, the customer receives Letter #2 (UMS letterhead) encouraging the customer to contact the library to clear their account and/or return materials.
- After 35 days, and a balance owing remains, UMS places a courtesy phone call to customer, encouraging them to clear their account.
- After 65 days, UMS sends a Final Notice to the customer, stating that they may be credit reported if their account is not cleared with the Library.
- After 78 days, UMS places a courtesy phone call to customer,

indicating they are scheduled to be credit reported.

- After 120 days, the customer is credit reported.

Interest is not charged as part of the collection program. The program has been very successful, resulting in the recovery of \$1,657,728 at a cost of \$372,888 from 2007 to 2012. It is therefore beneficial to the City to continue with this program.

UMS is currently providing service on an interim basis, pending Council approval of this request.

**COMMENTS:**

The Purchasing By-law No.374-2006 provides for single source contract awards, ref. Schedule 'A', Section 1, "(a) The Goods and/or Services are only available from one supplier by reason of: (iv) the complete item, service, or system is unique to one vendor and no alternative or substitute exists within Canada".

It is therefore recommended, subject to finalizing contract terms, that Unique Management Services, Inc. be retained to provide services related to the recovery of library materials and fine collections for the 5 year term July 1, 2013 to June 30, 2018, subject to annual review of vendor performance and ongoing need for the service. Appendix 1 outlines the scope of this service.

**FINANCIAL IMPACT:** The cost of services to recover outstanding library materials is cost neutral.

\$1,600,000 - Estimated Recoveries for years 2013 – 2018

\$ 370,000 - Estimated Total UMS Fees 2013 – 2018

\$1,230,000 - Estimated Net Recovery 2013 - 2018

**CONCLUSION:**

The Library requires collection agency services for the recovery of library materials and collection of outstanding fines. Unique Management Services, Inc. is a single source due to their exclusive access to the Library's Dynix system. UMS has provided an acceptable offer and is recommended to implement this contract on a single source basis.

**ATTACHMENTS:** Appendix 1: Scope of Services



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Paul A. Mitcham, P.Eng, MBA  
Commissioner of Community Services

*Prepared By: Debbie MacDonald, Manager, Shared Services*

## APPENDIX 1

### SCOPE OF SERVICES

- Automatic assignment by Dynix Software – Debt Collection Module (licensed to the City and the Library) of accounts on a regular basis, as determined by the Library official, having a value of \$40.00 (CDN) or more
- Collection methodology performed by the Consultant, in accordance with the *Collection Agencies Act*, R.S.O. 1990, c. C.14 and pertinent regulations for a period of no more than 120 days from the date of assignment.
- In the event of partial recoveries, the Consultant shall pursue the account until it is paid in full, or waived by the Library.
- Fee of \$12.80 CDN per account invoiced by the Consultant to the Library official in the month after assignment, or a percentage fee of 22.5% of a recovery which includes outstanding fines, value of materials (as determined by the Library's Information System) and amounts waived by the Library.
- Reconciliation of accounts, quarterly, in order to ensure budget neutrality in accordance with section 3.2
- Remittances with respect to overdue accounts are made by Library patrons directly to the Mississauga Library System
- Annual review by the Library to determine the necessity of collection services and to evaluate Consultant's performance
- Mutual right of termination upon 60 days' notice in accordance with section 8.3



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General Committee

JUN 26 2013

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**DATE:** June 6, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Janice M. Baker, FCPA, FCA  
City Manager and Chief Administrative Officer

**SUBJECT:** Corporate Policy and Procedure – Global Cities Partnerships

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**RECOMMENDATION:** That the proposed Corporate Policy and Procedure - Global Cities Partnerships, attached as Appendix 1 to the report dated June 6, 2013 from the City Manager and CAO, be approved.

**REPORT  
HIGHLIGHTS:**

- Staff were asked to research how the City would approach the issue of fostering and developing partnerships with respect to trade, economic development, and foreign direct investment attraction
- Benchmarking revealed challenges for municipalities to measure the economic value of the partnership
- The Global Cities Partnerships policy applies to requests that are initiated by a national or international city and allows the City to respond to formal partnership requests with a framework that benefits both parties
- These partnerships are not part of the Twin-City program, but are focused on generating economic opportunities for Mississauga.



**BACKGROUND:**

The City of Mississauga occasionally receives requests for Twinning and Sister City relationships. The Twin-City Program policy was formally adopted by Council in 1991 and since that time the City has continued to decline requests for new relationships. The most recent review of the policy in 2011 affirmed the City's commitment to maintain only one Sister City partnership.

In Spring of 2012, Mayor McCallion requested that City Staff evaluate Mississauga's Twin-City program and bring forward information on how the City would consider new opportunities and partnerships.

Staff presented a report entitled: "Twinning of Cities: Review of Current Policy & New Opportunities" to the Leadership Team (LT) on August 9, 2012. The report examined the relationship between the City of Mississauga and Kariya City, Japan, and outlined the benefits, costs, constraints, and opportunities for additional Twinning/Sister City relationships.

The Leadership Team gave direction to Staff to explore economic development opportunities that would generate benefits for both parties and demonstrate a Value-for-Money for new relationships. LT requested that a policy be drafted that focused on the "clear strategic advantage for Mississauga, with clear and measureable goals".

This policy will not apply to the signing of agreements between the City of Mississauga and a visiting delegation, where there is a broad commitment to cooperate but no defined expectations to attain specific goals and objectives.

**COMMENTS:**

Research across Canadian municipalities reveals a wide variety of city-to-city relationships. "Twinning" and "Sister City" are terms used interchangeably to describe formal agreements and exchanges between two cities. On the other hand, "Friendship", "Accord of Cooperation", and signings of Memorandum of Understandings, are used to describe less formal exchanges. Both forms of relationship arrangements are goodwill exchanges between partnering cities and used to foster peace and common understanding. These formal and informal agreements typically involve: cultural exchanges, sharing of municipal governance and development, student and official delegation visits, and promise of

economic development.

In recent years, requests for city-to-city relationships have shifted in focus from cultural and educational exchanges to an emphasis on partnerships that generate economic development. The shift in the global landscape for these partnership requests can be attributed to the increased pressure from Chinese cities and visiting delegations to secure an agreement with the hopes that building twinning relationships will yield economic development and trade benefits for their respective communities.

In the municipal context, economic benefits are measured in the form of foreign direct investment, tourism, and job creation. However, benchmarking revealed difficulties in finding direct correlations between Twinning and economic benefits to the municipality.

The challenges involved with Sister City and Twinning agreements are that they are often formal obligations with no exit provision. The agreements themselves may be vague, with undefined benefits and no clear mutual understanding of the expected outcomes.

Understanding those challenges, a policy that clearly articulates the City's purpose in pursuing global partnerships has been created. The Global Cities Partnership policy, attached as Appendix 1, allows the City to respond to formal economic partnership opportunities, to assess the value of those partnerships and to create a structure that allows for mutual cooperation and for outcomes that can be measured. (The Twin-City Program that outlines the City's relationship with Kariya City, Japan is not impacted by this policy and will remain unchanged.)

Global Cities Partnerships is a merit-based program. The policy is used as a screening tool to ensure that all prospective partnerships demonstrate value and create mutually beneficial opportunities.

The three levels to the screening tool are:

#### **1. Program Screen Assessment**

A prospective partnership city submits a formal request for partnering with the City through the Economic Development Office (EDO). EDO

staff will screen the application to determine if it meets all the eligibility requirements and demonstrates economic potential. Requests that meet the requirements will move onto the next stage of assessment.

## **2. Strategic Assessment**

The prospective city will be asked to produce a business case that demonstrates the economic benefits to both cities: potential opportunities for tourism, investment, jobs, and growth. EDO will conduct the assessment to ensure Value-for-Money is demonstrated and there are quantitative and qualitative benefits to partnering.

## **3. Detailed Work Plan Assessment**

Working in partnership with the prospective city, EDO will create a work plan to outline the goals and objectives of the partnership, including: specific performance measures and returns on investment; budget and resource allocation; timelines, including an end date and a provision to review the objectives and performance measures of the relationship at regular intervals; and deliverables.

Should the original request fail the screening process in any of the three level screens, the policy leaves the door open for other mutually beneficial opportunities to be explored.

**STRATEGIC PLAN:** The policy aligns with the Prosper pillar of the Strategic Plan - Cultivating Creative and Innovative Businesses, the principle being that "Mississauga is a city that values a strong global business future, fostering a prosperous and sustainable economy that attracts and grows talent." The policy also reflects the Strategic Goal: Attract Innovative Business – to be a dynamic, urban environment that is the preferred location for innovative, creative and knowledge-based businesses and emerging industries.

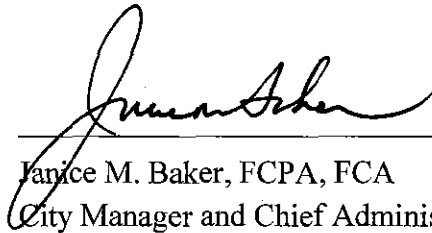
**FINANCIAL IMPACT:** The Economic Development Office will establish a budget for the maintenance and operation of the Global Cities Partnership program. Should EDO require financial or other resources, it will seek Council authorization, complete with a work plan.

**CONCLUSION:**

The new Global Cities Partnerships policy outlines a three-level screening process for partnership requests by interested cities. The policy protects the City from entering into partnerships where the cost-benefit is uncertain. It ensures both parties receive mutually beneficial economic opportunities while ensuring measurable objectives are met. This policy provides a long-term solution and allows the Economic Development Office to achieve their strategic goals.

**ATTACHMENTS:**

Appendix 1: Proposed Draft Policy – Global Cities Partnerships



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Janice M. Baker, FCPA, FCA  
City Manager and Chief Administrative Officer

*Prepared By: Susan Amring, Ec.D., Director, Economic  
Development*

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# Corporate Policy and Procedure



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TAB: PUBLIC RELATIONS

SECTION: PROMOTION

SUBJECT: GLOBAL CITIES PARTNERSHIPS

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## POLICY STATEMENT

The City of Mississauga is open to developing formal global city partnerships for the purposes of creating mutually beneficial relationships by fostering and creating economic development opportunities for business, investment, tourism, and jobs.

## PURPOSE

Global Cities Partnerships (GCP) is a merit-based program. The purpose of this policy is to provide the selection and evaluation criteria for reviewing requests for Global Cities Partnerships. The assessments will assist both parties in achieving the maximum benefits while minimizing risks.

## SCOPE

This policy applies to Global City Partnership requests that are initiated by a national or international city. Requests by the City of Mississauga to enter into a partnership with another city are not covered by this policy.

The signing of agreements between the City of Mississauga and a visiting delegation, where there is a broad commitment to cooperate but no defined expectations to attain specific goals and objectives, are not governed by this policy.

This policy is not associated with Corporate Policy and Procedure - Twin-City Program, which is a stand-alone program.

## BACKGROUND

The City of Mississauga is a dynamic global city with a large and diverse international business community. It has the ability to attract significant levels of investments through its key assets: community organizations, businesses associations, infrastructure, and human capital. The City's vision is to establish itself as

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Canada's global investment destination. By partnering with global cities that reflect complementary goals and values, the City of Mississauga can showcase its global brand and generate economic opportunities for its citizens and communities.

## Global Cities Partnerships Goals

### Goals for Global Cities Partnerships include:

- positioning Mississauga as a world-class and global business magnet with local economic assets: a growing population of creative and talented human capital; established business sectors and industries; and a stable political, economic, and social environment for economic opportunities;
- fostering economic development, such as foreign direct investment (FDI), tourism, capacity building, and developing mutually beneficial opportunities between partnership cities;
- attracting business and investment opportunities and working with local business associations to capitalize on the economic potential; and
- ensuring all initiatives align with the City of Mississauga's Economic Development Office (EDO), long-term strategic objectives and key policy documents, such as the International Marketing Strategy and the City of Mississauga Strategic and Master Plans.

## ACCOUNTABILITY

### The Economic Development Office is responsible for:

- managing partnership requests initiated by global cities, including processing and responding to requests;
- consulting with City staff, members of the business community, and other stakeholders as appropriate and as required;
- ensuring both parties are held accountable to their mutually agreed upon framework and specific performance objectives;
- acting as liaison for all City departments and the Mayor and Members of Council; and
- periodically reporting to Council with an update on the status of all City Global City Partnerships.

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## PARTNERSHIP AGREEMENT

A Partnership Agreement is an arrangement between the City of Mississauga and a partner city expressing the intention of both cities to maintain close contact and communicate with one another for the purposes of fostering investment, jobs, tourism, the exchange of information and best practices with regard to economic development.

Successful cities will sign a Partnership Agreement, in a form satisfactory to Legal Services, with the City of Mississauga to signify the relationship between both cities. The agreement may focus on certain opportunities (e.g. encouraging growth and development of a specific industry; fostering foreign direct investment; enhancing tourism) but this is not required.

The Agreement will specify an end date and include a provision to review at regular intervals the objectives and performance measures of the relationship.

The Agreement will not include specific details on formal visits or exchanges by dignitaries; however, as the relationship grows, business, trade, educational and cultural exchanges between the two cities may occur.

The partnership will be maintained by the Manager of Global Business Investment.

## SELECTION AND EVALUATION PROCESS

New Partnership Requests. The Global Cities Partnership evaluation employs a multi-phase process where successful applicants will undergo a three level assessment. As a merit-based program, all partnership requests must meet the eligibility requirements prior to moving onto the next phase. Partnership requests that meet the eligibility requirements in the program screen assessment but not in the merit stage during the strategic assessment review will be

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considered for other opportunities. The process is outlined below and in Appendix A - Process Map.

## Program Screen Assessment

### Program Screen Assessment

- a prospective partnership city submits a request for Global Cities Partnership to the EDO;
- EDO, in consultation with applicable City staff, will screen the request and determine whether it meets the eligibility requirements of the program and demonstrates economic development potential; and
- applicants are notified of the results and, if declined, the applicant will be informed of the City's decision to not pursue the partnership; if endorsed, the City proceeds to the next stage of assessments.

## Strategic Assessment

### Strategic Assessment

- a business case will then be requested from the applicant to demonstrate that the partnership would meet the merit criteria of the program;
- the case should demonstrate: economic benefits to both cities; potential opportunities for tourism, investment, jobs, and growth; alignment with City strategic objectives; and if possible, the qualitative and quantitative benefits to partnering;
- EDO will conduct the assessment, along with an adhoc committee comprised of applicable City staff;
- if declined, the applicant will be informed of the City's decision to not pursue the partnership at this time (other, less formal collaborations may be recommended); and
- if endorsed, EDO will proceed to the final stage of the assessment.

## Detailed Work Plan Assessment

### Detailed Work Plan Assessment

- working in partnership with the prospective city, EDO will create a detailed work plan to outline the goals and objectives



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of the partnership, including: specific performance measures and returns on investment (ROI) – this can be quantitative or qualitative; budget and resource allocation; timelines and deliverables;

- a final recommendation will be referred to Council by EDO for their approval; and
- if endorsed, the City signs a Partnership Agreement with the applicant.

## CRITERIA

Prospective partnership cities will be evaluated based on the eligibility criteria (Program Screen Assessment) and the merit criteria (Strategic Assessment). The following criteria will be used for consideration:

### Eligibility Criteria

- Are there existing business relationships and ventures, economic affiliations, and interest in the local business environment?
- Is the partner city situated in a key target market, able to influence EDO investment targets or otherwise provide clear strategic advantages for economic development in Mississauga?
- Does the industry cluster analysis (similarities, differences, priorities, level of export activity, investment opportunities; private sector support with business interests in the proposed area, etc.) suggest that economic opportunities exist that may be furthered through a partnership agreement?
- Are there opportunities for knowledge and/or information exchanges between the partners?
- Is the prospective partnership city an entry point to a greater economic region?
- Are there local business and industry association champions (e.g. Chamber of Commerce, Board of Trade, industry and trade associations, regional business associations) that would, through the commitment of meaningful resources, support this partnership?

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## Merit Criteria

- Economic Potential – What are the goals and objectives? What are the net benefits to the partnership? Can they be measured?
- Financial Considerations – Will the partnership generate economic opportunities for both cities? What are the costs involved in managing this relationship?
- Partnership Capacity – Are there appropriate resources (staffing, external stakeholders) dedicated to the creation and maintenance of the partnership?
- Has the prospective partner city demonstrated the capacity and resources to commit to a partnership that would enhance economic development in Mississauga?
- Stakeholder Involvement – Does the partnership have the potential to involve third-party organizations such as community associations, businesses, and non-profit organizations?
- Partnership Readiness – Are both cities ready to engage in this partnership agreement?
- Implementation Plan – How would both cities participate and ensure performance objectives are met?

## BUDGET

The Economic Development Office will determine the required budget and/or additional resources for the maintenance and operation of the Global Cities Partnership once a detailed plan is completed and will seek Council authorization to proceed.

## REPORTING

Periodic reports will be delivered to Council on the Global Cities Partnerships, including costs of the program; updates on any delegations/visits/related activities; economic or related benefits; and recommendations for reviewing any partnerships that have reached the end of their term.

## REFERENCE:

## LAST REVIEW DATE:

## CONTACT:

For additional information contact the Economic Development Office, City Manager's Department.

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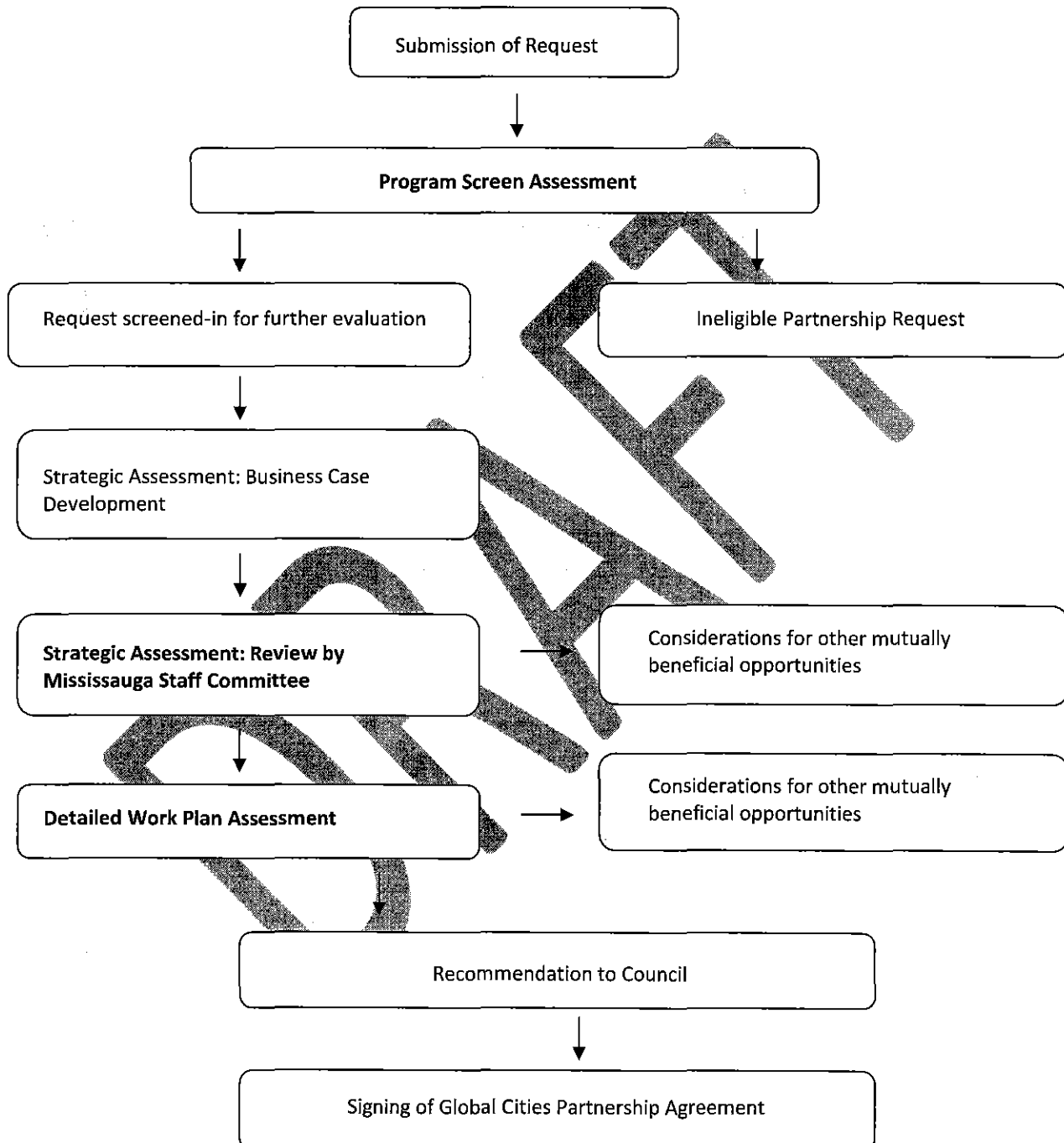
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## APPENDIX A: Process Map - How will Global Cities Partnership requests be assessed?





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**DATE:** June 5, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services & Treasurer

**SUBJECT:** **Collection of Outstanding Provincial Offences Fines**  
**Adding Unpaid Fines to Other Municipalities Property Tax Rolls**

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- RECOMMENDATION:**
1. That the City of Mississauga participate in an 18 month pilot project with the City of Toronto, City of Ottawa, City of Belleville, City of Kawartha Lakes and County of Hastings for the collection of outstanding *Provincial Offences Act* fines.
  2. That the Commissioner of Corporate Services and Treasurer be authorized to enter into an agreement, and all ancillary documents necessary to give effect thereto, in a form satisfactory to Legal Services, with the Cities of Toronto, Ottawa, Belleville, Kawartha Lakes and the County of Hastings to allow unpaid *Provincial Offences Act* fines to be added to the tax roll in those municipalities for collection purposes and to collect such amounts on behalf of the other municipalities on a reciprocal basis.
  3. That staff report to Council at the end of the pilot project to recommend continuation of the program and the addition of municipalities or termination of the agreement.

4. That the Fees and Charges By-law 240-12, as amended be amended to increase the "Addition to Tax Roll" fee for adding fines and other charges to the tax roll from \$32 to \$50.
5. That all necessary by-laws be enacted.

**REPORT  
HIGHLIGHTS:**

- As of April 2013, defaulted POA fines in Mississauga total \$37.9 million of which \$20 million relates to persons and companies with an address outside Mississauga. Of the \$37.9 million, approximately \$12.5 million are fines that were outstanding at the time of transfer of the POA administration from the Province.
- Legislation provides municipalities with the ability to add defaulted POA fines to the tax roll for collection purposes under certain circumstances.
- Approximately \$70,000 of unpaid fines have been added to Mississauga tax accounts with 70% collected to date.
- An inter-municipal POA collection pilot project is being undertaken for the addition of fine amounts owing in one municipality to the tax roll in another municipality where a POA offender owns property.
- It would be beneficial for the City to participate in the pilot project for 18 months and report back to Council at the end of this time.

**BACKGROUND:**

In November 2011, the Ontario Association of Police Services Boards released a white paper, *Provincial Offences Act Unpaid Fines: A Billion Dollar Problem*, which identified that as of July 2010, there were over 2.5 million outstanding *Provincial Offences Act* (POA) fines worth a total value of almost \$1 billion in Ontario. The majority of fines were related to the *Highway Traffic Act* and the *Compulsory Automobile Insurance Act*. Examples of offences under these Acts include not wearing a seat belt, speeding, careless driving and driving without insurance. Other fines levied were for infractions under various other provincial statutes such as the *Liquor License Act*, *Occupational Health and Safety Act* and *Trespass to Property Act* as well as municipal by-law infractions. The report recommended that the Province institute stronger collection sanctions including a broader ability for driver's licence suspension and licence plate denial, vehicle impoundment and garnishment of income tax refunds as well as measures to enhance municipal efforts to collect fines.

The total outstanding unpaid fines in Mississauga as of April 2013 is \$37.9 million of which approximately \$12.5 million are fines outstanding since prior to the provincial transfer of responsibility for POA administration in 1999. Approximately \$20 million of the defaulted fines relates to persons and companies with an address outside Mississauga.

**COMMENTS:**

Defaulted fines are those that remain unpaid for 91 days after the offence date and all trial and appeal dates have passed. The City issues a Final Notice upon receipt each month of a list of fines from the Ministry of the Attorney General that have gone into default. If the fine remains unpaid after 30 days, it is forwarded to a first placement collection agency and approximately 13% is added as a collection fee as allowed by legislation. If the fine is not collected by the first placement collection agency within 8 months, it is sent to a second placement agency and the collection fee increases to approximately 23%. If the fine remains unpaid after two years, the City ceases active collection efforts. However, the unpaid fine amount remains collectable and the unpaid amount continues to affect the individual or companies credit rating, so the City does continue to collect some fines after they have moved to inactive collection. Penalty or interest cannot be applied on defaulted fines due to legislation although a \$20 court administration/default charge is added at the time of default as specified by regulation.

In 2009, section 441.1 of the *Municipal Act* was added which provides municipalities with the ability to add defaulted POA fines to the tax roll for collection purposes. The fine may only be added to the property tax account if the ownership of the property is identical to the name of the offender. Where a property is jointly owned by two or more parties and only one party is responsible for paying the fine, the fine cannot be added to the tax account.

Once added to the tax account, POA fines, like other amounts added to the tax roll (e.g. water arrears, clean up charges, etc.), attract interest at 1.25% per month as long as they remain unpaid. A fee of \$32 is also levied for each charge added to the tax roll.

Adding unpaid fines to an account to be collected as taxes is an effective collection tool. Fees and interest charges can quickly cause

the original fine amount to escalate which acts as a strong incentive for offenders to make payment and the legislated tax payment application rules ensure payment of old fines prior to more recent taxes.

Last year the Revenue Section within the Corporate Services Department undertook a review of defaulted POA fines to identify outstanding fine amounts which could be added to Mississauga property tax accounts for collection within the strict criteria set out in the legislation. 133 fines with a total value of \$70,202 were identified and added to the tax roll. 91 fines, amounting to \$48,960 or 70% of the total value, have been collected to date.

#### Inter-Municipal POA Collection Pilot Project

The Ontario Municipal Tax and Revenue Association (OMTRA) undertook a project to develop a process whereby municipalities could improve on the collection of unpaid POA fines through the addition of fine amounts owing in one municipality to the tax roll in another municipality where the POA offender owns property. A number of OMTRA's member municipalities, including Mississauga, devised a protocol and procedures to allow for the inter-municipal tax rolling of defaulted POA fines.

Municipalities participating in the pilot project include the cities of Toronto, Ottawa, Belleville, Kawartha Lakes, County of Hastings and Mississauga with Council's approval of this report. The collective population of these municipalities represents 35% of Ontario's total population.

An inter-municipal agreement was developed to establish the terms, procedures and responsibilities of the parties, incorporating input from each of the respective property tax, collections and legal departments including Mississauga's Revenue, Material Management & Business Services and Legal Services divisions.

The agreement establishes the framework for reciprocal arrangements to:

- Identify outstanding POA defaulted fine amounts within the originating municipality;

- Confirm that a POA fine amount is owed by a resident or company within a participating municipality and that the property is owned solely by the POA offender responsible for paying the fine;
- Add the POA fine amount to the tax roll in the municipality in which the offender owns a property and to collect such amounts;
- Add the municipality's own fees for adding charges to the tax account for collection purposes as well as late payment charges and any other applicable fees in accordance with the municipality's existing by-laws and processes, and to collect same (fees are at the discretion of the municipality and vary amongst them);
- Remit the POA fine amounts once collected to the municipality that requested the amount to be added to the tax roll. The collecting municipality retains any penalty, interest or fees charged to the taxpayer to offset collection costs.

It is projected that Mississauga may receive between 25 and 75 requests to add unpaid fines from other municipalities per year and approximately 50 City of Mississauga fines could be added to tax rolls in other municipalities for collection.

To date, the inter-municipal agreement has been executed by four participating municipalities (Ottawa, Belleville, Kawartha Lakes and Hastings County) and POA fine amounts owing in several jurisdictions have been added to the tax rolls in other jurisdictions and successfully collected. Toronto has recently joined the pilot and is in the process of executing the agreement.

Staff have reviewed the \$32 fee charged for adding a fine or other charge to the tax roll and propose increasing the fee to \$50. Toronto and Brampton charge \$50.

**FINANCIAL IMPACT:** Increasing the fee to \$50 from \$32 will increase revenues by \$32,000. Based on the City's experience to date in adding charges to the tax roll, staff anticipates additional fine revenue of \$50,000 annually as a result of entering into this pilot project with the other participating municipalities. Interest revenue will be nominal. No additional staffing costs are expected.



**CONCLUSION:**

Provincial legislation which allows defaulted POA fines to be added to the tax roll for collection purposes provides an effective tool for collection of unpaid fines. In the City of Mississauga approximately \$70,000 in outstanding POA fines have been added to Mississauga tax accounts and 70% has been successfully collected to date.

The inter-municipal POA collection pilot project offers the opportunity for municipalities to improve collection of defaulted POA fines through the addition of fine amounts owing in one municipality to the tax roll in another municipality where the POA offender owns property. It is recommended that the City participate in a pilot project for 18 months.

**ATTACHMENTS:**

Appendix 1: Inter-municipal POA Collections Agreement



Brenda R. Breault, CMA, MBA

Commissioner of Corporate Services & Treasurer

*Prepared By: Connie Mesih, Manager, Revenue & Taxation*

This agreement ("Inter-municipal Agreement") made this xxth day of Month, 2012

**Between**

**THE CORPORATION OF THE CITY OF BELLEVILLE**

-and-

**THE CORPORATION OF THE CITY OF KAWARTHA LAKES**

-and-

**THE CORPORATION OF THE CITY OF MISSISSAUGA**

-and-

**CITY OF OTTAWA**

-and-

**CITY OF TORONTO**

-and-

**THE CORPORATION OF THE COUNTY OF HASTINGS**

WHEREAS section 441.1 of the *Municipal Act, 2001* permits a local municipality to add any part of a fine for a commission of a provincial offence that is in default under section 69 of the *Provincial Offences Act* to the tax roll for any property in the local municipality for which all of the owners are responsible for paying the fine and collect it in the same manner as municipal taxes at the request of a municipality that has entered into a transfer agreement under Part X of the *Provincial Offences Act*;

AND WHEREAS the Corporation of the City of Belleville, the Corporation of the City of Kawartha Lakes, the Corporation of the City of Mississauga, the City of Ottawa, the City of Toronto, and the Corporation of the County of Hastings ("the Municipalities") wish to formalize arrangements so that they may add defaulted fines to the tax rolls in their respective municipalities at each other's request and appropriately share any collected revenue;

NOW THEREFORE the Municipalities agree as follows:

**Requests**

1. Subject to applicable law, a municipality ("the requesting municipality") that wishes to request that another municipality ("the tax rolling municipality") add any part of a fine for a commission of a provincial offence that is in default under section 69 of the *Provincial Offences Act* to the tax roll for any property in the tax rolling municipality for which all of the owners are responsible for paying the fine ("defaulting property owners") may do so by providing the tax rolling municipality details on the fine and the property including:
  - (a) A copy of the ticket or summons, and
  - (b) The address of any property owned by the defaulting offenders.

2. A tax rolling municipality that receives a request to add to its tax roll any part of a defaulted fine shall add the amount to the tax roll of any property in the local municipality for which the tax rolling municipality confirms that all of the owners are responsible for paying the fine.

### **Payments, Fees and Interest**

3. A tax rolling municipality may add any fee to the tax roll that the tax rolling municipality charges under its by-law for adding amounts to the tax roll and may charge any interest that the tax rolling municipality charges under its by-law for amounts collected in the same manner as municipal taxes.
4. The tax rolling municipality shall, within 30 days of adding the defaulted fine to the tax roll, provide written notice to the property owners responsible for paying the defaulted fine, of the amount added to the tax roll, and of any fees and interest that may accrue under the tax rolling municipality's by-law.
5. The tax rolling municipality shall review tax rolled accounts quarterly to report and remit any fine amounts paid to the requesting municipality.
6. The requesting municipality shall review tax rolled accounts quarterly to report fine amounts paid which may be removed from the tax roll.
7. The tax rolling municipality may retain any of its fees charged for adding the amount to the tax roll and may retain any of its interest charges on the amount.

### **Recovery and Short-fall**

8. A tax rolling municipality may apply amounts it receives on behalf of defaulting property owners or through a tax sale to outstanding property taxes, fine amounts and other charges on the tax roll in accordance with applicable legislation and with the tax rolling municipality's by-laws and policies.
9. If a requesting municipality receives any payment for a fine after receiving payment for the fine from a tax rolling municipality, the requesting municipality shall pay the amount to the tax rolling municipality and the tax rolling municipality shall apply the payment to the amount tax rolled.

### **Accounting**

10. The Municipalities shall, during the term of this agreement and for four years following the termination of this agreement, maintain detailed and accurate accounts, records, books and data of all financial transactions undertaken by it pursuant to this Agreement, prepared in accordance with generally accepted accounting principles. Such records shall be available for review or audit by any municipality party to this agreement, during the term of the agreement and for four years following the termination of this agreement.

## **Errors and Omissions**

11. In the event that a municipality becomes aware of an error, inaccuracy or omission in any transaction, report or notice, the municipality shall correct the transaction, report or notice and shall provide written notice of such correction to the other municipality or property owners. In no event will a municipality be liable or responsible for any damages resulting from the errors, inaccuracies or omissions of another municipality.

## **Notice**

12. Any notice required in this agreement shall be in writing and shall be effective if:
- (a) delivered personally;
  - (b) sent by mail; or
  - (c) sent by facsimile or e-mail.
13. All notices and other communications shall be given to the parties at the following addresses:

### **The Corporation of the City of Belleville**

Manager of Revenue and Taxation  
 The Corporation of the City of Belleville  
 169 Front Street  
 Belleville, Ontario K8N 2Y8

### **The Corporation of the City of Kawartha Lakes**

Corporate Services Manager, Revenue & Taxation Deputy Treasurer  
 The Corporation of the City of Kawartha Lakes  
 P.O. Box 9000,  
 26 Francis Street  
 Lindsay, Ontario K9V 5R8

### **The Corporation of the City of Mississauga**

Manager, Revenue & Taxation  
 The Corporation of the City of Mississauga  
 300 City Centre Drive  
 Mississauga, ON L5B 3C1

**City of Ottawa**

Manager, Customer Service and Collections

City of Ottawa  
100 Constellation Cres  
Ottawa, Ontario K2G 6J8

**City of Toronto**

Director, Revenue Services Division

City of Toronto  
North York Civic Centre, Lower Level  
5100 Yonge St  
Toronto, Ontario M2N 5V7

**The Corporation of the County of Hastings**

County of Hastings Collections Supervisor

The Corporation of the County of Hastings  
235 Pinnacle Street  
Belleville, Ontario K8N 3A9

14. Any party may change any particulars of its address for notice by written notice to the others.

**Termination**

15. This agreement shall continue as long as the arrangement provided for is permitted by provincial legislation.
16. A municipality may terminate its participation in this agreement for convenience by providing thirty days (30) written notice to the other municipalities.
17. Any amounts that are added to the tax roll for any property pursuant to this agreement prior to the date of termination shall continue to be owed to the requesting municipality after termination of this agreement. For greater certainty, the rights and obligations under section 5 and section 9 shall survive upon termination of this agreement.

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IN WITNESS WHEREOF the parties have caused this Agreement to be executed the above indicate date.

**The Corporation of the City of  
Belleville**

**The Corporation of the City of Kawartha  
Lakes**

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Name  
Position

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Name  
Position

**The Corporation of the City of  
Mississauga**

**City of Ottawa**

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Name  
Position

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Marian Simulik  
City Treasurer

**City of Toronto**

**The Corporation of the County of  
Hastings**

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Name  
Position

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Name  
Position



## Corporate Report

Clerk's Files

Originator's  
Files

PO.11.ALE

General Committee

JUN 26 2013

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**DATE:** June 11, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

**SUBJECT:** **Proposed Surplus Land Declaration - southeast corner of Third Street and Alexandra Avenue, designated as Plan B21 Part lot 26 (Ward 1)**

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- RECOMMENDATION:**
1. That the City owned parcel of land located on the southeast corner of Third Street and Alexandra Avenue, containing an area of approximately 197 square metres (2,119 square feet), be declared surplus to the City's requirements. The City owned parcel is designated as Lot 26 on Registered Plan B-21, Except BL841 & TT151593, deposited in the Land Registry Office for the Land Titles Division of Peel, in the City of Mississauga, Regional Municipality of Peel, Ward 1.
  2. That Realty Services staff be authorized to proceed to dispose of the subject lands to be declared surplus at fair market value to the abutting owner.
  3. That all steps necessary to comply with the requirements of Section 2.(1) of City Notice By-law 215-08 be taken, including giving notice to the public by posting a notice on the City of Mississauga's website at least three weeks prior to the execution of an agreement for the sale of the subject lands under delegated authority.

**BACKGROUND:**

A request was received from Mr. Algert Qordja to acquire the subject lands located on the southeast corner of Third Street and Alexandra Avenue. Mr. Qordja, is the owner of 1075 Alexandra Avenue, which is the property abutting the lands to be declared surplus.

Mr. Qordja, the only potential purchaser of the subject lands, has been using and maintaining the subject lands since he purchased his property at 1075 Alexandra Ave in 2009. The subject lands, with an area of approximately 197 square metres (2,119 square feet), are considered non-viable on a stand-alone basis and may create potential maintenance concerns if retained. Given the above, the lands should be considered surplus to the City's needs for the purpose of a potential sale.

**COMMENTS:**

Realty Services has completed its circulation and received confirmation from all City departments that they have no concerns with the subject lands being declared surplus for the purpose of a potential sale to the abutting owner.

Prior to completion of this proposed transaction under Delegated Authority, public notice will have been given by the posting of a notice of proposed sale on the City of Mississauga's website for a two week period, where the expiry of the two week period will be at least one week before the execution of the agreement for the sale of the said land. This notice satisfies the requirements of the City Notice By-law 0215-2008 as amended by By-law 0376-2008.

**FINANCIAL IMPACT:** The sale of the subject lands will generate extra revenue for the City and reduce potential maintenance concerns.

**CONCLUSION:** It is appropriate to declare the subject City lands surplus for sale at fair market value to the abutting owner, pursuant to an appraisal completed by Realty Services staff. The sale of the subject lands will be subject to any easement protection that may be required.



**ATTACHMENTS:**

Appendix 1: Approximate location of the proposed lands to be declared surplus, located on the south east corner of Third Street and Alexandra Avenue (Ward 1).

Appendix 2: Sketch of lands to be declared surplus.



Brenda R. Breault, CMA, MBA

Commissioner of Corporate Services and Treasurer

*Prepared By: Erny Ferreira, Real Estate Analyst-Appraiser*



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Appendix 2

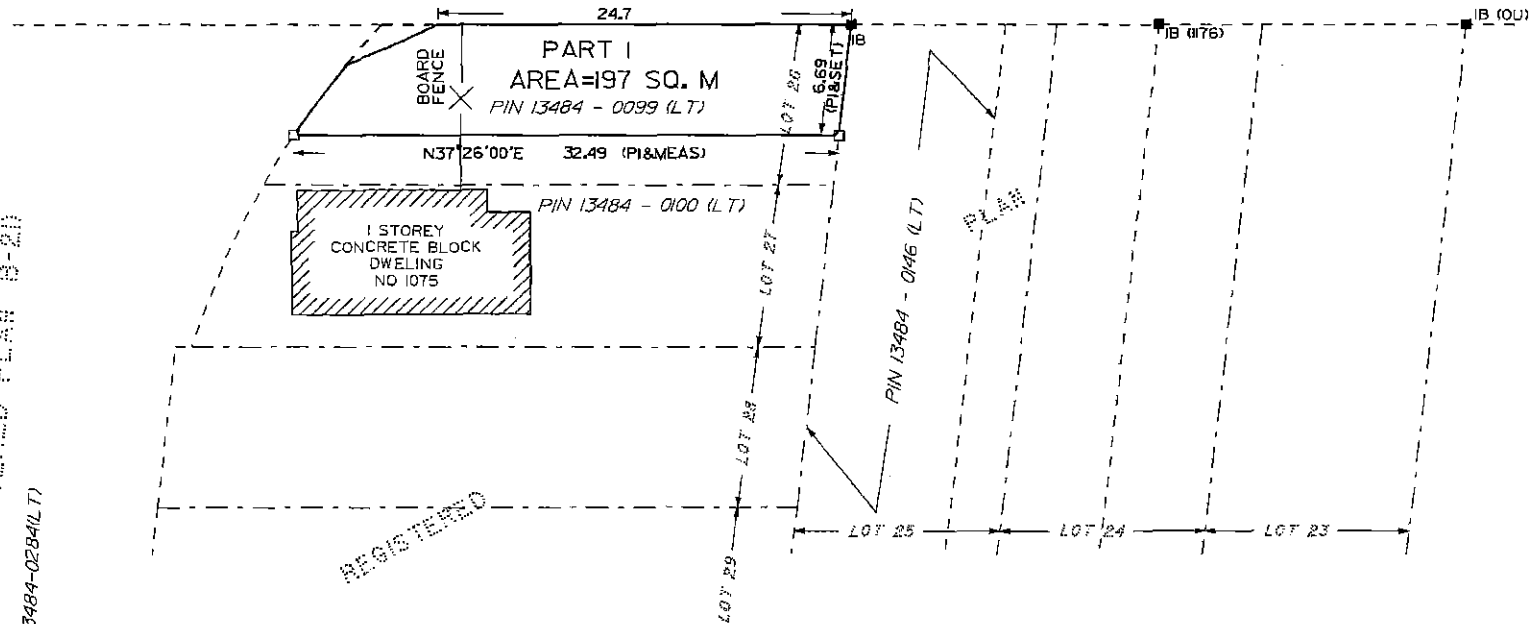
Sketch Showing Surplus Lands  
File: PO-11.ALE

ALEXANDRA AVENUE  
BY REGISTERED PLAN B-20  
PIN 13484-0284(LT)

THIRD STREET  
(BY REGISTERED PLAN B-20)

PIN 13484 - 0295 (LT)

B-21



SKETCH SHOWING SURPLUS LANDS  
1075 ALEXANDRA AVE

 <b>MISSISSAUGA</b> Leading today for tomorrow		<b>TRANSPORTATION &amp; WORKS DEPT</b> ADMINISTRATION DIVISION LAND INFORMATION SECTION 3185 MAVIS ROAD MISSISSAUGA, ONTARIO L5C 1T7 PHONE 905-896-5000
Plotted \$DATE\$	\$FILE\$	



## Corporate Report

Clerk's Files

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PO.11.THO

General Committee

JUN 26 2013

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**DATE:** June 14, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

**SUBJECT:** **Surplus land declaration part of 3600 Thomas Street (vacant lands abutting Fire Station #122) for the purpose of disposition (Ward 10)**

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- RECOMMENDATION:**
1. That a portion of City owned land located on the southwest corner of Thomas Street and Tenth Line, south of Britannia Road West and west of Winston Churchill Blvd., municipally known as 3600 Thomas Street, be declared surplus to the City's requirements. The subject lands contain an area of approximately 3,522.5 square metres (0.87 acres) and are legally described as Block 2, Registered Plan 43M-1493 and Block 248 Registered Plan 43M1495, designated as Part 3, on the draft reference plan prepared by Alnashir Jeraj, OLS, in the City of Mississauga, Regional Municipality of Peel, in Ward 10.
  2. That Realty Services staff be authorized to submit an application to the Planning and Building Department (Development and Design Division) to facilitate the lifting of the "H" holding provision on the lands to be declared surplus, as set out in Recommendation 1 of this report.
  3. That Realty Services staff be authorized to proceed to dispose of the lands to be declared surplus at fair market value by way of sale on the open market, and report to Council seeking approval of an

Agreement of Purchase and Sale for the disposal of the surplus lands.

4. That all steps necessary to comply with the requirements of Section 2.(1) of City Notice By-law 215-08 be taken, including giving notice of the proposed sale on the City of Mississauga's website for a two week period, where the expiry of the two week period will be at least one week before the execution of the agreement for the sale of subject lands.
5. That the funds derived from the sale of the subject lands on the open market be credited to the Capital Reserve Fund (Account 33121).

**BACKGROUND:**

Following an extensive search for available sites suitable for a fire station to service the Churchill Meadows Planning District, in 2002 the City purchased an available .79 ha (1.7 acres) parcel on the southwest corner of Thomas Street and Tenth Line in order to construct Fire Station #122. The fire station construction was subsequently completed in April 2003 and has been in service since May 2003.

As Fire Station #122 was constructed on the westerly portion of the City property municipally known as 3600 Thomas Street, it has since been determined that the vacant easterly portion of this property, containing an area of approximately 3,522.5 square metres (0.87 acres), is not required for any additional Fire and Emergency Services' needs and may therefore be deemed to be surplus.

**COMMENTS:**

The proposed surplus declaration and sale of the subject lands has been circulated to all City departments, and no objections were received as the lands are not required to support any other City service areas.

The subject lands are currently zoned H-RA2-28, with the "H" holding provision imposed to ensure that written confirmation is provided by the City of Mississauga indicating that the lands are not required for an essential emergency service (Fire Station). No other use is permitted until such time as the 'H' is removed. The underlying zone (RA2-28) permits an Apartment Dwelling, a Long Term Care Dwelling and a Retirement Dwelling. In order to facilitate lifting the "H" holding provision an application must be submitted to the

Planning and Building Department (Development and Design Division) with a cover letter explaining how the conditions for the removing of the "H" have been fulfilled (i.e. Council declaring the lands surplus). It has been determined that it would be prudent for Realty Staff to make application for the removal of the "H" holding provision, once the lands have been declared surplus, in order to make the lands more marketable for disposition.


Prior to any potential sale of the subject lands public notice will have been given by the posting of a notice of the proposed sale on the City of Mississauga's website for a two week period, where the expiry of the two week period will be at least one week before the execution of the agreement for the sale of said lands. This notice satisfies the requirements of the City Notice By-law 0215-2008 as amended by By-law 0376-2008.

**FINANCIAL IMPACT:** Revenue generated by the sale of the subject lands will be credited to the Capital Reserve Fund (Account 33121). The sale proceeds will be used to offset a funding transfer being requested from the Capital Reserve Fund to enable the purchase of land for a new fire station in the Winston Churchill Boulevard/Burnhamthorpe Road area to proceed at this time.

**CONCLUSION:** It is reasonable to declare the subject lands surplus to the requirements of the City of Mississauga for sale on the open market, at a fair market value to be determined by an independent appraisal.

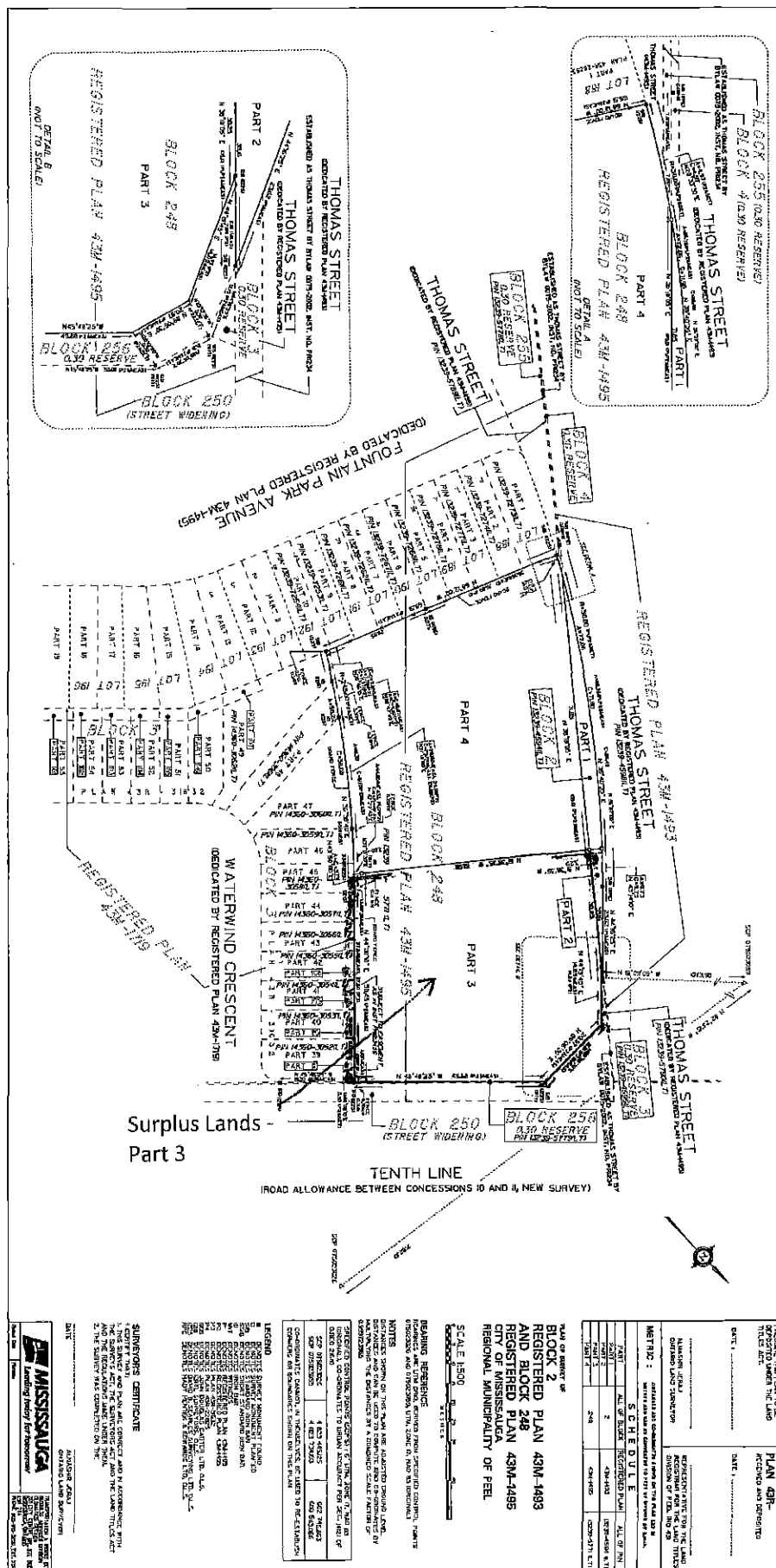
**ATTACHMENTS:**

- Appendix 1: Copy of the draft Reference Plan prepared by Alnashir Jeraj, OLS (Ward 10).
- Appendix 2: Approximate location of the proposed lands to be declared surplus. (Ward 10).



Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

*Prepared By: Kevin Nutley, Supervisor Project Leader*









# Corporate Report

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General Committee

JUN 26 2013

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**DATE:** June 7, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

**SUBJECT:** **Single Source Procurement for 2014 to 2022 Election Equipment  
Rental and Support Services from Election Systems & Software  
(ES&S)**  
**File Ref: FA.49.831-12**

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- RECOMMENDATION:**
1. That the Purchasing Agent be authorized to execute the necessary contracts and agreements with Election Systems & Software (ES&S) on a single source basis to provide elections equipment rental, software upgrade, maintenance and other support services in the estimated amount of \$630,000 exclusive of taxes, over a ten year term ending June 30, 2023 and covering the 2014, 2018 and 2022 elections and any by-elections that may be set by Council or by the School Boards.
  2. That the Purchasing Agent be authorized to issue contract amendments to increase the value of the contract where necessary to accommodate additional equipment rental and support services needed as a result of population changes, changes in polls or advance polls, reducing queues, to comply with accessibility or other mandated requirements or for by-elections and recounts.
  3. That Election Systems & Software continue to be designated as a "City Standard" for the duration of the contract term.

**REPORT  
HIGHLIGHTS:**

- In 2000, a competitive bidding process was conducted to acquire election software, equipment and services, and Election Systems and Software (ES&S) was awarded the contract. As a result of the procurement, the City purchased 200 Optical Scan Tabulators as well as a Voters' List/Election Worker module (Power-profile) to conduct its Municipal Elections.
- Over time, it has become necessary to upgrade the existing software and add rental tabulators to meet additional capacity and accessibility requirements.
- ES&S Election proprietary software used by both the City owned and rented tabulators provides for an integrated system for recording and tabulating election results.
- This report proposes to single source from ES&S for election equipment rental and support services to conduct municipal elections (2014, 2018 and 2022) and any by-elections and recounts that may be needed over a ten year term, until June 30, 2023.

**BACKGROUND:**

Since 1981, Election Systems & Software (ES&S) has been the City's vendor and partner in conducting municipal elections in Mississauga. In 2000, through a competitive procurement process, ES&S was the successful bidder and the City proceeded to purchase 200 Optical Scan Tabulators as well as a Voters' List/Election Worker module (Power-profile). As the City's population has increased and additional tabulators have been required, the City has rented additional tabulators to supplement the tabulators owned by the City.

The last contract with ES&S expired in December 2010 and the City entered into a one-time rental and services agreement with ES&S in 2011 for the Ward 5 by-election.

ES&S provides support, maintenance and software upgrades for the City owned tabulators and provides rental tabulators which they support and maintain to the same standard.

**COMMENTS:**

It is cost effective for the City to maintain its existing 200 tabulators as they are not obsolete and continue to work well, and to supplement these tabulators with rental tabulators to meet additional poll station

and accessibility requirements. The use of rental equipment provides flexibility to the City and is less expensive than the purchase of additional tabulators. Since the software is proprietary to ES&S and they are the only supplier able to provide software upgrades, maintenance and support, it is proposed that the City enter into a new contract with ES&S for this purpose. The City has had a good relationship with ES&S in the past.

Staff have negotiated a ten year agreement with ES&S covering the 2014, 2018 and 2022 elections and have obtained firm pricing for additional work that may occur over that period such as a by-election or vote recount. A long term relationship contract is advantageous to the City as it has been able to negotiate favourable pricing and to ensure existing equipment can be maintained and used over that period. The contract also provides for the rental of additional equipment if required.

The proposed contract with ES&S has been reviewed by Legal Services, Materiel Management and Information Technology Staff.

The recommendations in this report are made in accordance with Schedule A of the Purchasing By-law items 1(b)(xi) "A need exists for compatibility with, or for the maintenance and support of a City Standard and there are not reasonable alternatives, substitutes, or accommodations:"

**FINANCIAL IMPACT:** ES&S election systems and services total cost for all three Municipal Elections (2014, 2018 and 2022) are as follows:

I)	Hardware Rental and Accessories	\$ 320,000
II)	Services including installation, configuration, training, maintenance and support in election years	\$ 310,000
	Total Cost for 2014, 2018 and 2022 elections (before taxes)	<u>\$ 630,000</u>

Funding for 2014 in the amount of \$210,000 has been approved under PN#22450. The balance of \$420,000 will be split between the 2018 and 2022 elections and will become part of a budget request for each respective year.


Firm pricing has been included in the Agreement with ES&S to accommodate any by-election or recount that may occur during the ten year period.

**CONCLUSION:**

Elections Systems and Services (ES&S) has been the City's Vendor of Record for Municipal Elections and has been declared as a City Standard. This report proposes to enter into a ten year agreement with ES&S for the rental of election equipment and the provision of support services in the estimated amount of \$630,000 exclusive of taxes on a single source basis and provides firm pricing for rentals and services in the event of a by-election or recount.

**ATTACHMENTS:**

Appendix 1: Scope of Work



Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

*Prepared By: Shawn Slack, Director, Information Technology*

Scope of Work, Provisions and Description of Services  
(between City of Mississauga and Election Systems and Software (ES&S))

- 1) Installation: Section 1 of agreement specifies the items of Rental Equipment or Software, if any, which ES&S' employees, agents or authorized representatives ("Representatives") will install at City's designated site. City shall pay ES&S a fee for such installation services, as set forth in Section 1. City will provide, at its own expense, a site adequate in space and design for installation and operation of the Rental Equipment and Software. City shall be responsible for providing a site that is temperature and humidity controlled, has all necessary electric current outlets, circuits, and wiring for the Rental Equipment and Software, and has electric current of sufficient quality and quantity to operate the Rental Equipment and Software, all as specified in the Rental Equipment Documentation or the Software Documentation. ES&S may, but shall not be required to, inspect the site and advise on its acceptability before any Rental Equipment or Software is installed. City shall be responsible for installing all items of Rental Equipment or Software not installed by ES&S, in accordance with the instructions furnished in the Documentation. ES&S shall have no liability for actual site preparation or for any costs, damages or claims arising out of the installation of any Rental Equipment or Software by City unless such costs, damages or claims were a direct result of any errors or omissions in the Documentation.
- 2) Training: ES&S shall provide training on the ES&S AutoMARK, ES&S Model 100 and the ES&S Model DS200 as defined in the project plan mutually developed and agreed to by ES&S and City. City shall pay ES&S a fee for such training, if applicable, as set forth in Section 1 of agreement.
- 3) Additional Professional Services: If requested in writing by City, ES&S will provide additional Professional Services support to City in accordance with the terms set forth in Section 1 of agreement. Without limiting the foregoing, upon a request in writing by the City during the Rental Term and upon mutual written agreement by the parties, ES&S agrees, to either (i) build an interface to facilitate internet voting transfer, between the ES&S Equipment and ES&S Software and such mutually agreed upon ES&S or other third party internet voting software upon terms, conditions and pricing as mutually agreed upon, in writing, by the parties or (ii) provide a currently existing interface to facilitate internet voting transfer between the ES&S Equipment and ES&S Software and such mutually agreed upon ES&S or other third party internet voting software upon terms, conditions and pricing as mutually agreed upon, in writing, by the parties. The parties acknowledge that the foregoing obligation constitutes a material inducement for the City to enter into this Agreement. Without limiting the foregoing and any other rights the City has under this Agreement, in the event that ES&S is unable to provide those Services specifically related to internet voting as stipulated in Section 2(c) of agreement either the City or ES&S may terminate this Agreement for convenience by providing the other party with sixty (60) days prior written notice.
- 4) Hardware Maintenance Services: During the Rental Term ES&S shall provide Hardware Maintenance Services to the City under this Agreement for the ES&S proprietary equipment which includes the ES&S Model DS200, the ES&S Model M100 and the ES&S AutoMARK equipment listed in Section 1 of the agreement.
- 5) Software Maintenance Services: During the Rental Term, ES&S shall provide the following Software Maintenance Services to the City under this Agreement for the ES&S proprietary software which includes ES&S' ERM and DAM software listed in Section 1 of the agreement.
  - i. Replace or repair any defective Software component of the Product or any Software that (1) does not, while under normal use and service, function or meet all quality standards as listed in the ES&S Software Documentation set forth in agreement, or (2) is defective in material or workmanship;

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- ii. if any defects are discovered in the physical media upon which the Software or Third Party Software has been delivered, provide a replacement copy of the Software or Third Party Software, as applicable, to the Customer;
  - iii. develop, test, provide, and install all applicable software "patches" or upgrades that become necessary, as determined by ES&S in its sole discretion, to remedy faults or "bugs" in respect of the Software that may be identified;
- 6) Updates: During the Rental Term, ES&S may provide new releases, upgrades or maintenance patches to the ES&S Software, along with appropriate documentation ("Updates"), on a schedule defined by ES&S.
- 7) Service Records: ES&S shall create and maintain reasonably accurate, complete and current records concerning ES&S' performance of the Services. For greater certainty, Service Records shall include all operational and business records, plans, reports, analyses, all notices, performance reports that are maintained, or otherwise created by ES&S, in any connection with this agreement. All Service Records shall be reliable and shall be created and maintained in accordance with generally accepted accounting practices and principles in Canada.



## Corporate Report

Clerk's Files

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Files

General Committee

JUN 26 2013

**DATE:** June 11, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

**SUBJECT:** **Single Source Procurement for Claim & Event Management software upgrade and Support Services from Computer Science Corporation (CSC) - File Ref: FA.49.752-12**

- 
- RECOMMENDATION:**
1. That the Purchasing Agent be authorized to execute the necessary contracts and agreements with Computer Science Corporation (CSC) to procure additional user licences and provide software upgrade, maintenance and other support services for the City's insurance events and claims management system in the estimated amount of \$295,000 exclusive of taxes, over a ten year term ending June 30, 2023.
  2. That the Purchasing Agent be authorized to issue contract amendments to adjust the value of the contract where necessary to accommodate new goods or services as needed to accommodate growth and development of the Risk Management Program including other City business areas who report new claims and events and where funds have been approved in the budget.
  3. That Computer Science Corporation continue to be designated as a "City Standard".

**REPORT  
HIGHLIGHTS:**

- Riskmaster, the system provided by CSC to manage the City's insurance claims and events, has reached its 'end of life', is no longer supported by the vendor and must be upgraded or re-procured.
- Presently, the City owns five licenses. 15 more are needed to accommodate growth in the business area. As well, some consulting services are required to implement the upgrade.
- Staff considered going to market and conducted research into similar vendors and products. Through benchmarking, staff found that both City of Brampton and the Region of Peel use Riskmaster.
- Based on the research, the next closest product solution is more expensive. More importantly, no other vendor has had experience transferring files from Riskmaster into their system. This lack of experience, coupled with the complexity of the City's claims history data represents a very high risk approach.
- Competitive pricing, including lower fixed annual maintenance has been negotiated with the present supplier (CSC).
- This report proposes to single source a software upgrade and related services from CSC for the Riskmaster system known as a "Claim & Event Management" system.
- The cost of additional licenses and software upgrade is \$75,000.
- The annual average maintenance cost over the next ten years is approximately \$22,000 per year.

**BACKGROUND:**

The Risk Management Section of the Legal Services Division is responsible for the City's Insurance Program. This Section manages roughly 3,000 events per year of which roughly 1,200 become insurance claims.

In 1997, a competitive bidding process was conducted on behalf of Risk Management to obtain a system for managing the City's insurance program. CSC, (then called "Dorn Technology Group Canada Inc.") was awarded the contract for supply of a product called "Riskmaster". The original value of the award was \$67,000. A total of five user licenses are provided under this contract. The solution has reached end of life and must be replaced or upgraded.



Risk Management now needs a total of 20 licenses to provide access to staff in other departments who are involved in the claims process.

**COMMENTS:**

Staff researched the market and three possible vendors were identified. Costing information was requested from all three including migration of files and 'start-up', training, building an interface to the City's "InfoPath" forms, software, hardware and annual maintenance. Detailed pricing was also secured from CSC.

Based on the research information and an analysis of current conditions and options, procuring an upgrade solution from CSC represents the most cost effective and risk free solution for the following reasons:

- The City already owns five CSC licenses; upgrading, training and implementation services cost less than switching to a new solution. Only minimal additional hardware is required to support the new architecture. Fixed annual maintenance and support prices have been negotiated with CSC at approximately \$22,000 per year annual average cost for the 20 user licenses that would be required.
- None of the competing vendors have any experience migrating a Riskmaster database to their system and they could not provide assurance that the data could be successfully fully mapped. Any loss of data integrity by the Risk Management Section could jeopardize its ability to manage and settle claims effectively. Risk Management's business plan is based on developing statistical trending of historical claims, settlement and expenses paid per claim type. If a new IT solution was implemented and the data could not be transferred, we would have to start from scratch. Historical data and trends are required when negotiating rates for renewal of the City's Insurance Program and serve as a guide for Risk Management in the development of risk reduction, loss control and mitigation measures.

- Within the last four years the City of Brampton, the Region of Peel and the Region of Durham have each completed a competitive procurement process and have chosen CSC Riskmaster. The Toronto Transit Commission and the City of Hamilton also use Riskmaster. The fact that the City of Brampton and the Region of Peel use the same software means that the City of Mississauga may be able to increase efficiency by sharing report templates.
- The newest version of CSC Riskmaster will allow collaboration between the Risk Management section and other City business areas who report claims and events such as vandalism and resident complaints of injury or damage. It will also increase speed and accuracy of claim data processing.

The proposed contract with CSC has been reviewed by Legal Services, Materiel Management and Information Technology Staff.

The recommendations in this report are made in accordance with Schedule A of the Purchasing By-law items 1(b)(xi) which states that a single source procurement method may be applied when, "A need exists for compatibility with, or for the maintenance and support of a City Standard and there are not reasonable alternatives, substitutes, or accommodations."

**FINANCIAL IMPACT:** The estimated total cost to upgrade the CSC Riskmaster system (excluding HST) is:

I)	Additional Licenses	\$ 40,000
II)	Services including installation, configuration, training and expenses	\$ 35,000
III)	Maintenance and support for ten years	\$ 220,000
	<b>Total</b>	<b><u>\$ 295,000</u></b>

Sufficient funding is available in the existing IT Capital project budget PN 12546 for the additional licenses and services for the Risk Management System upgrade, including first full year of maintenance. The ongoing annual maintenance and support will be funded through the annual IT operating budget.

**CONCLUSION:**

Computer Science Corporation (CSC) is the City's Vendor of Record for its Risk Management Program and the Riskmaster product (IT solution) is an approved City Standard. This report recommends an award and an agreement with CSC to upgrade the software, plus associated professional services and support and maintenance for the ten year life-cycle in the estimated amount of \$295,000.

**ATTACHMENTS:**

Appendix 1: Scope of Work



Brenda R. Breault, CMA, MBA

Commissioner of Corporate Services and Treasurer

*Prepared by Shawn Slack, Director, Information Technology*

## **Scope of Work**

CSC Riskmaster software and services upgrade includes the following scope:

1. Consulting Services for the Upgrade (software upgrade and user training)
2. Consulting Services to assist in mapping data from InfoPath into CSC Riskmaster database
3. New Licenses for expanded user base
4. New License for new reporting model
5. Maintenance and Support

### **Professional Services**

The Risk Management section of the City requires:

Professional Services to assist City staff in the software upgrade of CSC Riskmaster to the latest vendor release on the market. Professional services will assist City staff in moving the application from client/server 2-tier architecture to a web based 3-tier architecture. It will run on the most up-to-date architecture supported by the City.

- Professional Services includes assistance in upgrading our development, test and production environments, user acceptance testing and quality assurance, training Risk Management section staff on the features of the new user interface and the new report module.
- Professional Services are also required to assist City Information Technology Staff with the mapping of InfoPath data into the CSC Riskmaster database structure.

### **License Requirements**

The Risk Management section of the City requires new licenses to accommodate the expanding user base. The number of users is increasing from five to twenty.

### **Report Module License**

The latest version of the CSC Riskmaster supports an expanded reporting module. We require the one time purchase of the Universe report module license.

**Additional Professional Services Hours**

The Risk Management section of the City requires additional professional service hours to be provided remotely (e.g. web meeting) and to be utilized over a ten year period.

Scope of work includes:

1. Configure User Custom Power Views (screen views by job role) utilizing full power of Power Views)
2. Report writing (new reports)
3. Configuring new Business Unit Power Views
4. Training new users
5. Refresher on functions for existing users



# Corporate Report

Clerk's Files

Originator's  
Files

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General Committee

JUN 26 2013

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**DATE:** June 7, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Edward R. Sajecki  
Commissioner of Planning and Building

**SUBJECT:** **Greenfield South Power Corporation/Loreland Eastern Power Plant**

---

**RECOMMENDATION:** That the Corporate Report dated June 7, 2013 from the Commissioner of Planning and Building entitled Greenfield South Power Corporation/Loreland Eastern Power Plant, be received.

**REPORT  
HIGHLIGHTS:**

- Resolution 0240-2011 moved by Councillor Jim Tovey and seconded by Councillor Chris Fonseca, which reads:  
*That the Council of The Corporation of the City of Mississauga request the Premier of Ontario to take immediate action to fulfill their election promise and cancel the contract for the Loreland Eastern Power Plant; and*  
*That as part of the cancellation of the project, the necessary actions be taken to halt construction and return the site to its pre-construction condition; and*  
*That this request be forwarded to the Premier of Ontario and all Mississauga and southwest Etobicoke MPPs.*  
was adopted by Council on October 12, 2011.

- Greenfield South Power Corporation remains the owner of 2315 Loreland Avenue.
- The Building Code Act does not provide the authority to the City of Mississauga to require the owner to comply with Council resolution 0240-2011.

**BACKGROUND:**

The Office of the Auditor General of Ontario report, dated April 2013, identified that Greenfield South Power Corporation/Eastern Power has retained title of 2315 Loreland Avenue, which is the location of the Loreland Eastern Power Plant that was subsequently cancelled. The Auditor General's report states that the Ontario Power Authority (OPA) allowed Greenfield to retain title to the Mississauga Plant Site and an adjoining warehouse to avoid the work and expense of restoring these properties.

This is confirmed in a letter dated May 10, 2013 (Appendix 2) from the Premier to Mayor McCallion, stating that the City of Mississauga should discuss any plans for the property with the owner.

At the request of the Mayor, the Commissioner of Planning and Building contacted the President of Eastern Power, who indicated that Eastern Power is not in a position to comment at this point in time. Eastern Power further indicated that the site had been secured, in compliance with the Building Code Act.

**PRESENT STATUS:**

Construction activity has ceased as of November 21, 2011. Subsequent site inspections confirm construction has ceased. The site remains safe and secure.

**COMMENTS:**

Legal Services has confirmed that the Chief Building Official does not have the power to force the remediation of the lands. The Chief Building Official is of the opinion that the structures do not pose a threat to the health or safety of the public.

**FINANCIAL IMPACT:** None.

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**CONCLUSION:** The City of Mississauga does not have the authority to require Greenfield South Power Corporation/Eastern Power to return the site of the Loreland Eastern Power Plant to its original preconstruction condition.

**ATTACHMENTS:** Appendix 1: Mississauga Power Plant Cancellation Costs, Special Report, Office of the Auditor General of Ontario, April 2013.

Appendix 2: Correspondence dated May 10, 2013 from Premier Wynne to Mayor McCallion.



---

Edward R. Sajecki  
Commissioner of Planning and Building

*Prepared By: Ezio Savini, Chief Building Official*



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# Mississauga Power Plant Cancellation Costs

Special Report  
April 2013



Office of the  
Auditor General  
of Ontario



Office of the Auditor General of Ontario

To the Honourable Speaker  
of the Legislative Assembly

I am pleased to transmit my Special Report on  
the Mississauga Power Plant Cancellation Costs,  
as requested by the Standing Committee on  
Public Accounts under Section 17 of the *Auditor  
General Act*.

A handwritten signature in black ink, appearing to read 'Jim McCarter', is positioned above the printed name.

Jim McCarter  
Auditor General

April 2013

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*Ce document est également disponible en français.*

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of Ontario



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## Special Report

# Mississauga Power Plant Cancellation Costs

## Background

Upon taking office in 2003, the Liberal government faced some challenges with respect to Ontario's future electricity needs. At the time, the province had about 30,000 megawatts (MWs) of "installed capacity" (that is, it could produce up to 30,000 MW at full capacity) from the following five sources:

- nuclear (10,061 MW);
- renewables—hydroelectric (7,880 MW);
- coal (7,546 MW);
- gas (4,364 MW); and
- renewables—wind, solar, bioenergy (155 MW).

Coal-fired power, which was about one-quarter of total installed capacity, was produced by five plants that were aging and polluting the air. The government therefore planned to phase out coal-fired generation altogether, originally by 2007, but later moved to 2014. This, along with an expected increase in the demand for electricity, meant there would be a supply shortfall. The first of several processes for procuring more power involved a request for proposals (RFP) issued by the Ministry of Energy in September 2004. It was for about 2,500 MW of new electricity from cleaner sources.

There was no requirement for the proposed power sources to be located in the same general area as any of the coal-fired plants scheduled to be closed. For example, the Lakeview coal station, which supplied about 15% of the province's

coal-fired capacity and was shut down in 2005, was located in Mississauga, but the RFP specified only that any proposed new plant be located in Ontario. However, the evaluation process for the RFP favoured bidders who were proposing a plant located in the GTA.

On December 9, 2004, the government passed the *Electricity Restructuring Act, 2004*, which established the Ontario Power Authority (OPA) as the province's long-term energy planner. As such, the OPA signed the contracts that the Ministry of Energy awarded in 2005 from the RFP. In total, seven contracts were awarded to supply a combined generating capacity of 2,515 MW.

The five largest projects were for "combined-cycle natural-gas-fired" facilities. Compared to coal-fired power plants, gas-fired plants pollute less and have lower capital costs. Also, given the government's plan to increase the use of wind and solar renewable energy, the province's electricity supply mix would have to include a source like natural gas that can be more quickly turned on and off to "fill in the gaps" of these intermittent electricity sources. Combined-cycle generation, where heat produced during the combustion of natural gas turns a gas turbine and steam produced from the excess heat of combustion turns a steam turbine, is considered the most efficient way of generating electricity from natural gas.

One of the bidders to the RFP was Eastern Power Ltd., owned by the Vogt family. In the 1990s,

Eastern Power had built two small power plants that generate electricity from methane in landfills (a 30-MW facility in the Keele Valley landfill in Vaughan and a 27-MW facility in the Brock West landfill in Pickering). Because it was among the lowest bidders, Eastern Power was awarded three of the seven contracts, including one for the Greenfield South Power Plant. This was proposed as a 280-MW combined-cycle gas-fired facility to be located in

Mississauga and to operate over a 20-year period. Ultimately, it was the only contract Eastern Power executed. For various reasons, including Eastern Power's challenges in securing financing, the other two projects were terminated. The Greenfield South contract was signed in April 2005.

A detailed chronology of events relating to the Mississauga plant from 2004 to 2012 is provided in Figure 1.

**Figure 1: Chronology of Key Events Relating to the Mississauga Power Plant Cancellation**

Prepared by the Office of the Auditor General of Ontario

April 2004	Independent Electricity System Operator releases 10-year outlook regarding Ontario's energy needs; states that new electricity generation needed in the GTA by 2006
September 2004	Ministry of Energy (Ministry) releases a request for proposals (RFP) for clean energy supply
December 2004	Ontario Power Authority (OPA) created through the <i>Electricity Restructuring Act, 2004</i>
March 2005	Ministry directs OPA to execute and deliver seven contracts awarded from RFP, three of them to Eastern Power
April 2005	OPA and Greenfield South Power Corporation, a subsidiary of Eastern Power, sign contract for Mississauga plant
August 2005	One of Eastern Power's other contracts from the 2004 RFP terminated (third proposal never reached contract stage)
September 2005– July 2008	City of Mississauga, Region of Peel Medical Officer of Health, City of Toronto Medical Officer of Health and various citizens and citizens' groups request that Ministry of the Environment carry out further environmental assessments on siting Greenfield's plant at proposed site; Ministry eventually denies these requests  City of Mississauga passes amendments to zoning by-laws that do not allow plant to be built at proposed site  Greenfield appeals amendments to Ontario Municipal Board, which approves building the plant at the site
March 2009	OPA amends contract with Greenfield, extending completion date and providing a significantly higher monthly payment for the electricity produced once the plant is operational
March 2010	Greenfield obtains the required building permits for the Mississauga plant
May 2011	Greenfield secures project financing for construction
June 2011	Construction begins at the Mississauga site, with target completion of July 2014
September 2011	Liberal Party announces that Mississauga plant will be relocated if Liberal Party re-elected
October 2011	Liberal party wins a minority government in Ontario election  Minister of Energy requests that OPA begin discussions to effect cancellation of Mississauga plant
November 2011– July 2012	OPA negotiates with Greenfield to cancel construction of Mississauga plant and relocate gas plant elsewhere. Construction stops November 21, 2011  OPA/Ministry enter into 10 side and interim agreements granting concessions to Greenfield to suspend work on the plant while the terms of a final agreement are negotiated
July 2012	Facility Relocation and Settlement Agreement reached and becomes effective  Minister of Energy announces that the plant will be relocated to Ontario Power Generation's Lambton Generating Station site and that the total cost of relocation is \$180 million (later revised to \$190 million)
September 2012	Standing Committee on Public Accounts requests that the Auditor General examine Greenfield South/Eastern Power Mississauga plant contract, focusing specifically on the cost of cancellation to taxpayers

## Audit Objective and Scope

On September 5, 2012, the Standing Committee on Public Accounts (Committee) passed the following motion:

The Standing Committee on Public Accounts immediately request the Auditor General examine the contract between the Ontario Power Authority and Greenfield South Power Corp./Eastern Power regarding the cancelled Mississauga gas plant, focusing specifically on the cost to taxpayers, and that the Auditor General report back to the committee in the form of a special report before September 1, 2013, notwithstanding any prorogation of the House.

We accepted this assignment under Section 17 of the *Auditor General Act*, which states that the Committee can request that the Auditor General perform special assignments.

Our audit was mainly conducted at the OPA's Toronto office. We reviewed documents relating to the initial procurement of the Greenfield plant in 2004, all agreements between the OPA and Greenfield South Power Corporation (Greenfield), including contract amendments, and related documentation both from the OPA and the Ministry of Energy. We interviewed key personnel within the OPA involved in the negotiation and settlement of the cancellation costs. We also conducted a search for any payments that the OPA or the Ministry of Energy may have made to Greenfield or Eastern Power to ensure that they had been considered as possible cancellation costs.

We also discussed the relocation of the Greenfield plant with officials at Hydro One, the Independent Electricity System Operator and Ontario Power Generation to understand how it would affect the province's electricity system. We discussed the relocated plant's natural-gas con-

nection and management costs with the Ontario Energy Board and the gas distributor in Lambton.

The OPA retained an independent engineer to certify the expenses Greenfield claimed it incurred in the cancelled plant's development and construction. We met with the independent engineer to determine the due diligence conducted on the amounts that the OPA reimbursed to Greenfield for these expense claims. The independent engineer also accompanied us when we viewed the equipment purchased for the Mississauga plant, which is anticipated to be used at the relocated plant.

## Summary

We estimate that the decision to cancel the Mississauga power plant and relocate it cost about \$275 million. This is the amount that we think the public will be "out of pocket" as a result of the cancellation and relocation. All told, there were about \$351 million in costs associated with the cancellation and relocation, but the move also results in around \$76 million in savings, leaving a cost to the public of \$275 million. Of this, \$190 million is being paid by taxpayers and the remaining amount is being paid by electricity ratepayers.

The \$275 million consists of the following:

- Payments amounting to \$72.4 million were made to Eastern Power, the parent company of the company contracted to build the plant, Greenfield South Power Corporation (Greenfield). The payments comprised:
  - Greenfield's sunk costs not paid directly by the OPA to its suppliers—\$43.8 million;
  - the cost of an interest-free loan provided to Eastern Power for the construction of the relocated plant—\$16 million;
  - the cost of settling a dispute Eastern Power had with the Ontario Electricity Financial Corporation (OEFC) (Eastern Power demanded this settlement before it would negotiate with the OPA to permanently



- stop construction of the Mississauga plant and relocate it)—\$8.4 million; and
- the OPA's reimbursement to Eastern Power of the purchase price of the cancelled plant's site and an adjacent warehouse—\$4.2 million.
- The OPA paid \$149.6 million to the lender that was financing Greenfield's construction of the Mississauga plant, \$90 million of which related to penalties and fees for cancelling the project.
- The OPA paid Greenfield's suppliers \$64.6 million for equipment and other sunk costs.
- A total of \$4.4 million in legal fees and other professional fees was incurred as a result of the cancellation-and-relocation decision.
- We estimated there will be about \$60 million in extra future costs for delivering power from Lambton County, the site of the relocated plant, rather than from Mississauga.
- The total of the preceding payments, costs and fees of \$351 million is likely to be reduced by about \$76 million in savings. The savings are in two areas:
  - The contract for the relocated plant specifies a price for the electricity to be produced that is lower than the price in the former contract for the Mississauga plant's electricity. The price reduction amounts to about \$20 million (present-value dollars) over the 20-year term of the contract and was negotiated to reflect the fact that some of the equipment, supplies and other items relating to the Mississauga plant can be used in the construction of the relocated plant. The price reduction partially offsets the cost of the items that the OPA paid for.
  - The OPA contends that none of the power that the Mississauga plant would have produced (presumably starting in July 2014) would have been needed until at least 2018. Not having to make payments for power that is not needed is a 100% saving in the OPA's view because there are no offsetting

costs to replace the lost Mississauga power. Although the reason for the plant in the first place was the shortage of power in the southwest GTA, the OPA advised us that the power supply situation has changed considerably since 2009 when the Mississauga plant was given the go-ahead for construction. Aside from the uncertainty over whether there will actually be any offsetting costs to replace the lost Mississauga power, there is also uncertainty over when the Mississauga plant would have actually been completed. We do nevertheless acknowledge that there will be savings relating to the fact that no payments for electricity from a Greenfield plant will likely be made until at least 2017 and have included estimated savings of \$56 million, about three-quarters of the OPA's estimate.

We also found that the circumstances surrounding the decision to cancel the plant—particularly the need to quickly halt construction of the project—weakened the OPA's negotiation position, which most likely resulted in some of the above costs being higher than they would otherwise have been. Once the Minister of Energy announced in fall 2011 that construction would stop and that the plant would move to another location, every day that construction continued put the government in a more untenable position. Continued construction by Greenfield would also have increased the amounts that would have to be paid to Greenfield in damages. We believe that Greenfield recognized this, and that by continuing construction after the government's decision it enhanced its negotiating position—it would have the upper hand in terms of what it could obtain to stop construction and renegotiate a new deal. At the same time, the OPA recognized that forcing a halt to construction through legislation or other legal mechanisms, rather than through negotiation, would have other undesirable consequences—lawsuits among them.

As a result, from the beginning of negotiations in November 2011 through to when a new settlement

was finalized in July 2012, Greenfield was in the position of strength. It was able to get the OPA to make concessions in return for its temporarily suspending construction and then stopping it altogether and relocating the plant. In particular:

- As noted earlier, Greenfield's parent company, Eastern Power, demanded a settlement of a longstanding dispute it had with the OEFC before it would even begin negotiating. Eastern Power had a contract to supply power through its Keele Valley landfill-gas plant. In 2009, Eastern Power appealed a 2008 court decision that refused to grant it \$121 million it claimed it was owed. Instead, the court ordered Eastern Power to pay the OEFC's court fees. The 2008 decision did say Eastern Power might be eligible for nominal damages of up to \$5 million relating to one issue, so in its 2009 appeal Eastern Power sought damages of \$8.5 million or a new trial. At the time of the cancellation decision, a new trial had been granted and was still pending. Eastern Power demanded \$15.4 million to resolve the matter and come to the bargaining table. The OEFC paid \$10 million of this amount and forgave \$700,000 in court fees Eastern Power had been ordered to pay it. The OPA paid the \$5.4 million difference.
- The OPA and the Ministry of Energy agreed to provide \$45 million as an upfront loan for the construction of the relocated plant. The loan is interest-free, repayment starts only after the new plant is finished (expected to be in 2017) and the repayment period extends over the following 13 years. Effectively, the only security the OPA received—and will be entitled to after the Lambton plant begins operations if Greenfield defaults on any of its obligations—is a \$1.4-million letter of credit. In comparison, in the original contract to build the Mississauga plant, Greenfield was not provided with any upfront loan and was required to provide initial upfront security of \$14 million to ensure it fulfilled its contractual obligations.
- The OPA paid Eastern Power about \$41 million in labour costs that Greenfield said it had incurred between 2004 and 2012 (we advised the OPA that \$5 million of this amount is HST and can probably be claimed back from the federal government by the OPA). Eastern Power initially claimed \$79 million for an average of 17 full-time employees as well as consultants who it claimed were working during this eight-year period. In support of these costs, Greenfield provided only a list of staff, the hours that employees worked and industry-average billing rates for the work being done. When pressed, it provided sworn statements of the hours selected employees had worked, as well as consultant invoices, but the rates actually charged were blanked out on those invoices. Neither we nor the independent engineer hired to certify Greenfield's costs were able to get copies of payroll, T4 or other information to support these costs.
- Although the OPA reimbursed Greenfield for the \$4.2 million it had paid for the Mississauga plant site and an adjoining warehouse (\$2.6 million for the site and \$1.6 million for the warehouse), it still allowed Greenfield to retain title to them. The OPA told us it did so to avoid the work and expense of restoring these properties, although it did not seek to find out what that expense would be. Infrastructure Ontario compared sales of undeveloped land in Mississauga in 2010 and 2011 and estimated the fair market value of the Mississauga site around the time of the settlement to be in the range of \$4.8 million to \$5.3 million.
- As part of a legal settlement, the OPA agreed to pay a U.S.-based company that was financing most of the Mississauga plant's construction all costs Greenfield was potentially liable for if the plant construction did not proceed. This settlement resolved the company's litigation against Greenfield, the province and the OPA, which involved damage claims

of \$310 million. Greenfield had arranged for this company, EIG Management, to give it an eight-year, \$263-million line of credit, with funds drawn at an interest rate of 14%, compounded quarterly. The lending agreement also included heavy penalties were Greenfield to back out of the arrangement. The OPA and the Ministry of Energy, in addition to repaying EIG the \$59 million that Greenfield had drawn from the line of credit over six months, also paid EIG an interest-payment/penalty fee of \$90 million, for a total outlay of \$149 million to EIG. When the OPA initially agreed to pay for any financing costs Greenfield would be liable for, it never expected the penalty costs to be anywhere near this amount. The OPA told us it had asked to see Greenfield's lending agreement with EIG, but Greenfield refused to provide it. The OPA went ahead and signed the agreement to take on Greenfield's financing liabilities. Undoubtedly, the urgency to have construction halted was an important factor in doing so.

- Some of the equipment bought and plans developed for the Mississauga plant, already paid for in full by the OPA, will be reused at no cost to Greenfield at the Lambton plant, thereby reducing Greenfield's construction costs. In recognition of this, the OPA negotiated a 4% reduction in the price paid for electricity generated by the new plant. We estimated that the items paid for by the OPA that Greenfield will be able to reuse are worth about \$100 million. However, the 4% price reduction is worth only about \$20 million (in present-value dollars).

There will be approximately \$60 million (in present-value dollars) in future additional costs incurred from:

- power loss resulting from the greater distance electricity now has to travel to the GTA and other areas;
- the net costs of upgrades to part of the province's electricity system that will be required

sooner because the plant is located in Lambton County instead of in Mississauga; and

- hydro and gas connection costs at the Lambton site (Greenfield would have covered these costs if the plant had been built in Mississauga, but the OPA agreed to pay them as part of the relocation agreement).

One financial benefit of relocation should have been the much lower pipeline cost to transport the natural gas needed to generate electricity at the Lambton plant, because the plant is located much closer to the natural-gas distribution hub near Sarnia. Under normal circumstances, the savings from lower natural-gas transportation costs would be passed on to electricity ratepayers through the negotiated or tendered electricity price to be paid. We estimated these potential savings to be about \$65 million (present-value dollars). The OPA told us that it was aware of these potential savings but had estimated them at the time of negotiations to be about \$36 million. However, the savings were not ultimately reflected in the price the OPA will be paying for the Lambton plant's electricity under the new deal and will therefore be kept by Greenfield.

#### THE ONTARIO POWER AUTHORITY'S ROLE IN THE RELOCATION

The Ontario Power Authority (OPA) appreciates the importance of providing a public accounting of the costs of relocating the Mississauga power plant to Sarnia. The OPA's role in the relocation was to negotiate an agreement that:

- halted construction in Mississauga;
- compensated Greenfield South for costs incurred; and
- relocated the power plant.

In complex legal and commercial circumstances and under intense pressure to have construction of the plant halted, the OPA aimed to balance fairness to the power-plant developer, who had a legally binding contract, with the short- and long-term interests of electricity ratepayers.

When evaluating the negotiations, it is important to look at the deal as a whole rather than trying to quantify each of the give-and-takes on matters like net revenue requirement (NRR) (the monthly amount that Greenfield will receive for plant-generated electricity, allowing it to recover its costs and earn a reasonable rate of return), provision of security and gas delivery costs. As with any complex negotiation, all parties made concessions and neither side was able to achieve all of its goals.

On balance, the OPA believes that a commercially reasonable deal was negotiated. The OPA notes that almost all of the upfront payments to Greenfield (approximately \$100 million) were accounted for in the reduction of the NRR (\$20 million) and in the unreduced savings related to the deferral of NRR payments (\$75 million). If the value in upfront payments was factored into the NRR it would increase to about \$17,200/MW/month, which reflects commercial conditions in 2012. The last competitive procurement process which the OPA ran for a combined-cycle plant resulted in an NRR of \$17,277 MW/month. Factoring in economies of scale, the cost to competitively procure a plant similar in size to the Greenfield facility is likely to be higher. Furthermore, if the plant is built for the cost that the OPA believes is typical for a plant of this type, Greenfield's rate of return will not be significantly different than Greenfield expected it would have been in Mississauga. Capital expenditure is the main driver of project costs, and hence returns.

The OPA respectfully disagrees with the audit's conclusion that only recognizes 75% of the savings for deferred NRR payments (the savings related to starting payments later because the relocated plant's in-service date is later than the original plant). The OPA believes that there is no basis to conclude that the already partially constructed Mississauga plant might have been delayed due to financing issues or that replace-

ment power will be necessary in the 2014 to 2017 time period.

The OPA notes that the previously reported \$190 million in costs, which cannot be reused at the new site, focused on contract-related costs as known at the time. Adding in system-related costs for bulk transmission and line losses largely accounts for the difference in relocation costs reported in the Audit.

In the end, the negotiations to relocate the Mississauga plant to Lambton concluded in a result that avoided potentially expensive litigation and delivered a plant that will help meet Ontario's electricity needs for decades, at a commercially reasonable price.

The OPA is referencing the cancelled Oakville plant as the example of its last procurement of a comparable gas plant that resulted in an NRR of \$17,277/MW/month. This NRR would have reflected significant gas transportation costs and GTA construction costs that Greenfield is not incurring at Lambton because that plant will operate much closer to the natural-gas distribution hub. For that reason, we question whether that procurement is directly comparable.

We do not agree with the OPA's conclusion that Greenfield's rate of return will not be significantly different than what it would have been in Mississauga. We believe Greenfield has the potential to earn a significantly higher rate of return in Lambton for the following reasons:

- Greenfield will benefit from an estimated \$65 million in savings due to lower natural-gas transportation costs.
- The OPA is funding upfront \$80 million in construction costs (consisting of \$100 million in payments that will benefit the Lambton plant minus the \$20-million reduction in the NRR payments for Lambton). If the cost of constructing the Lambton plant does not exceed the cost of the Mississauga plant by

this amount, any savings will be a benefit to Greenfield.

- Greenfield was incurring a 14% interest rate on its \$263-million credit facility for the Mississauga plant. As part of the negotiated relocation settlement, the Ministry of Energy is committed to helping Greenfield secure financing for constructing the Lambton plant. We believe this will help Greenfield obtain financing at a much lower interest rate, especially given the current low interest-rate environment.

## Detailed Audit Observations

### OVERVIEW OF MISSISSAUGA PROJECT BEFORE CANCELLATION OF PLANT

#### The Contract and Project Progress, 2005–2008

Under the 2005 contract, the project timeline was for a 280-MW gas-fired plant to be operational by February 2008. Greenfield was responsible for designing and constructing the plant, including securing its own financing. Once the plant was complete and generating power, the OPA would pay Greenfield a monthly amount over the 20-year life of the contract. This amount, called the Net Revenue Requirement (NRR), a standard component of the OPA's natural-gas power contracts, is intended to enable the developer, Greenfield, to recover its costs for building and operating the plant plus earn a reasonable rate of return, or profit. It is expressed as an amount per MW per month—under the contract, the amount was \$8,350/MW/month (this was also Greenfield's bid for the project in the 2004 RFP). For a 280-MW plant, that equates to about \$28 million a year, or about \$350 million (present-value dollars) over the 20-year life of the contract.

The contract also included “force majeure” provisions in case of extraordinary events occurring

beyond the control of the contracting parties. Such events would obligate the OPA to push back the date when the plant would have to be operational. If they were to continue for more than 36 months, the OPA could terminate the contract without costs or payments of any kind. As with other gas-fired power generation contracts the OPA has, this contract did not include a “termination for convenience” provision whereby the OPA could terminate the contract at any time without any reason (in return for a negotiated settlement with Greenfield).

Events beyond the control of Greenfield and the OPA did occur, beginning in September 2005, as detailed in Figure 1. They continued for 34 months, to July 2008, making it impossible for construction of the plant to begin. The OPA therefore extended the completion date to September 1, 2012. The delays prevented Greenfield from securing construction and major equipment supply contracts within its original budget, and Greenfield advised the OPA that it was unable to proceed under the original NRR rate of \$8,350/MW/month. Greenfield therefore asked the OPA to consider changing the contract's economic terms.

#### The Amended Contract and Project Progress, 2009–2011

In 2009, the OPA amended the contract to reflect the new September 2012 completion date of the plant (further delays extended that date to July 2014). Also, while not obligated to do so, the OPA agreed to raise the NRR. The new monthly payment, once the plant was operational, was set at \$12,900/MW/month or a 54% increase from the originally tendered price of \$8,350/MW/month. This increased the total 20-year amount to be paid from about \$350 million to about \$540 million (both in present-value dollars). In justification for the increase, the OPA told us that it believed Greenfield would not have been able to build the Mississauga plant at the original NRR it had proposed in 2005 and that the NRR for a replacement project would likely have been more than \$12,900/MW/month.

It also stated in a presentation to its board that the Greenfield plant in Mississauga was needed to help address local area supply concerns.

Greenfield secured financing for the project in May 2011 and obtained all necessary municipal and provincial approvals and permits. Construction of the plant began in June 2011.

## CANCELLATION AND RELOCATION NEGOTIATIONS

On September 24, 2011, an Ontario Liberal Party news release announced as an election-campaign promise that the Greenfield plant in Mississauga “would not go forward at its current location” and that “Ontario Liberals will work with the developer to find a new location for the plant.” The Liberal Party won the election on October 6, 2011.

On October 12, 2011, Mississauga City Council passed a resolution asking the government to take immediate action to fulfill its election promise, cancel the contract with Greenfield, stop construction of the plant and restore the site to its pre-construction condition. On October 24, the Minister of Energy requested that the OPA immediately start discussions with Greenfield.

As already noted, the OPA’s contract with Greenfield had no termination-for-convenience clause that the OPA could invoke to legally terminate the contract (paying whatever charges such a clause would have stipulated). In the absence of an “out” in the contract, the OPA and the Ministry of Energy considered a number of approaches, each with its own disadvantages:

- *Unilaterally terminate the contract anyway*—rejected because of the likelihood that this would trigger lawsuits by both Greenfield and the investment firm from which Greenfield had obtained financing of \$263 million for building and operating the plant (as discussed later, this firm still filed a claim for damages against the Crown and the OPA).
- *Pass legislation to terminate the contract and set the amount of compensation to be paid to*

*Greenfield*—rejected because participants in the electricity market would see this as an unfair way of doing business, and it could have a negative effect on the OPA’s and the province’s future tendering processes with the private sector.

- *Allow Greenfield to finish constructing the plant but do not allow it to operate*—the OPA considered this to be possibly the cheapest option but rejected it because of the difficulty of convincing the community that the plant would not operate and because the government would have been seen as having paid money for nothing.
- *Try to negotiate a settlement with Greenfield*—although this posed the risk of Greenfield refusing to co-operate and/or requiring possibly costly incentives to stop construction during negotiations, the OPA decided it was the best option.

The OPA was correct in expecting negotiations to be challenging, and construction continued on the plant. On November 10, 2011, the OPA board’s chairman informed the Minister of Energy that “to date the OPA’s preferred approach has been to reach an agreement with Greenfield South to stop construction and negotiate an arrangement to relocate the plant or terminate the contract. Since then it has become clearer that Greenfield South may not agree to such an approach. In light of this, the next logical step appears to be to notify Greenfield South that the OPA will not be proceeding with the contract. I wish to assure you that even after taking this step, the OPA will seek to continue discussions with Greenfield South to arrive at an agreement on appropriate compensation.”

The Minister responded on November 14 by reiterating the government’s commitment to have the Greenfield plant relocated. However, with construction continuing weeks after the government had announced the plant would not be built at that site, the media was paying more attention to the matter, heightening government pressure on the OPA to have Greenfield stop construction.

Beginning on November 18, the OPA reached the first of a series of interim agreements with Greenfield. Under these agreements, the OPA made various payments to Greenfield's parent company, Eastern Power (as incentives to suspend work on the plant while the terms of a final agreement were negotiated) as well as to Greenfield's suppliers. On November 21, the Minister of Energy announced that Greenfield had agreed to immediately stop construction. At that point, according to the OPA, construction of the plant was about 30% complete.

Negotiations on relocating the plant and the costs to be paid by the OPA continued after that date, and in May 2012, the Ministry of Energy hired an outside negotiator to represent it and help the OPA reach a final agreement with Greenfield. The final agreement, called the Facility Relocation and Settlement Agreement (FRSA), became effective July 9, 2012. Its key terms included the following:

- Greenfield would permanently stop construction work on the Mississauga plant.
- Greenfield and the OPA would relocate the plant under specified terms.
- The OPA would reimburse Greenfield for all design, development, permitting and construction costs incurred up to July 9, 2012.
- Greenfield would provide the OPA and an independent engineer with a detailed list of these costs along with the documentation the engineer needed to substantiate them.
- The OPA would become directly responsible for the costs associated with connecting the relocated plant to a gas source and the province's electricity grid.
- Once the relocated plant is operational, the OPA would pay Greenfield an NRR of \$12,400/MW/month. [This is less than the previous contract's \$12,900/MW/month. Over the 20-year life of the agreement, it totals about \$520 million, compared to the previous contract's \$540 million (both in present-value dollars). The NRR's reduction was meant to at least partially recoup the OPA's upfront reimbursement of certain of

the Mississauga plant's costs that will reduce Greenfield's construction costs for the new plant.]

On July 10, 2012, the Minister of Energy announced that the Greenfield South Generation Station would be relocated to Ontario Power Generation's Lambton Generating Station site, about 10 kilometres from Sarnia. He also stated that the total cost of the relocation would be approximately \$180 million. The Minister of Finance later stated that the cost would be \$190 million, which includes \$10 million for the settlement of litigation that Eastern Power had brought against the Ontario Electricity Financial Corporation (OEFC). The targeted date of commercial operation of the new plant in Lambton is September 2017.

## CANCELLATION AND RELOCATION COSTS

As shown in Figure 2, we estimate the total net cancellation and relocation costs to be about \$275 million. Details of these costs are provided in the following sections.

### Cost of Upfront Payments—\$291 Million

#### Payments to Eastern Power—\$72.4 Million

We calculate that the upfront payments to Greenfield and Eastern Power cost the public \$72.4 million, made up of:

- settlement of Eastern Power's dispute with the OEFC—\$8.4 million;
- Greenfield's sunk costs not paid directly by the OPA to its suppliers—\$43.8 million;
- reimbursement of site and warehouse purchase price—\$4.2 million; and
- loan costs consisting mainly of forgone interest and lost value of money over time—\$16 million.

**Figure 2: Costs of Cancelling Greenfield South Mississauga Plant and Relocating to Lambton (\$ Million)**

Source of data: Ontario Power Authority

	Amount
<b>Cost of Upfront Payments</b>	
To Eastern Power (Greenfield's parent company)	72.4
To EIG Management Ltd. (Greenfield's lender)	149.6
To Greenfield's suppliers	64.6
Legal and other professional fees	4.4
<b>Subtotal</b>	<b>291.0*</b>
Future extra costs for delivering power from Lambton vs. from Mississauga	60.0
<b>Subtotal – Upfront Payments and Future Extra Costs</b>	<b>351.0</b>
Reduction in NRR payments, 2017-36	(20.0)
Deferral of NRR payments	(56.0)
<b>Total</b>	<b>275.0</b>

\* Actual upfront payments totalled \$321 million. They included a \$45-million interest-free loan to be recovered over 13 years after the Lambton plant is operational. We calculated the cost of this loan to be \$16 million (primarily forgone interest and lost value of money over time). Subtracting the \$29-million difference brings the cost from \$321 million to \$292 million. Upfront payments also included a \$15.4-million out-of-court settlement of a 13-year-old dispute Eastern Power had with the Ontario Electricity Financial Corporation. Based on earlier comments from a court decision, we assumed a \$7-million award if the matter had gone to trial, making the net cost of the settlement \$8.4 million. Subtracting the \$7-million difference brings the cost from \$292 million to \$285 million. We have also included in the cost of upfront payments an amount of \$6 million still to be paid to settle a claim brought against Greenfield by one of its suppliers, which brings the cost from \$285 million to \$291 million. More details on the loan, the settlement and the supplier's claim are in the section Cost of Upfront Payments.

#### **Settlement of Eastern Power's Dispute with the OEFC—\$8.4 Million**

A power supply contract for Eastern Power's Keele Valley landfill gas plant had been in place since 1994, held and administered by the OEFC. Eastern Power had been disputing the interpretation of payment provisions of this contract for about 13 years. The dispute began with six claims brought by Eastern Power against the OEFC for a total of \$121 million. In a 2008 decision, the judge dismissed five of the six claims. The judge was unable to rule on the exact amount of the damages for the sixth, a claim for \$18.5 million, but indicated that Eastern Power might be eligible for nominal damages of up to \$5 million. This resulted in no damages awarded to Eastern. Moreover, the judge ordered Eastern to pay the OEFC \$1.1 million in court fees (later reduced on appeal to \$700,000). In a 2009 appeal, Eastern Power sought damages of \$8.5 million or a new trial for the outstanding claim. In 2010, the appeal judge, while agreeing with the conclusions reached by the original judge, estimated the amount for nominal

damages to be about \$7 million but ordered a new trial to resolve the issue.

Eastern Power demanded a settlement for the Keele Valley lawsuit of \$15.4 million as a precondition to beginning any negotiations regarding Greenfield South. The OEFC agreed to pay \$10 million, the absolute maximum amount it felt a court could have awarded, including interest (it also forgave the \$700,000 in court fees Eastern Power had been ordered to pay). Under a November 25, 2011, side agreement, the OPA agreed to pay the \$5.4 million difference to satisfy Eastern Power's demand so that negotiations on stopping construction at Mississauga could get started. The side agreement deemed this a prepayment toward a new power-supply contract with the Keele Valley plant—but also allowed Eastern Power to keep the money if Keele Valley was found not to be a viable site for providing power. Our review of documents found that the OPA had already questioned—before agreeing to the payment—whether it would be possible to extract methane gas from the site, much less negotiate a power supply contract for



it. No new power supply contract for this site ever materialized, and therefore Eastern Power kept the \$5.4 million.

The OEFC told us that if the government had not cancelled the Mississauga plant, it would have waited for a trial decision for a settlement. In the view of the OPA, whatever that settlement would have been should be offset against this \$15.4 amount, reducing it somewhat as a cost of the cancellation decision. Our calculation assumes a trial settlement that would have awarded Greenfield an amount in nominal damages that the judge in the 2010 decision felt Eastern Power might be eligible for. This amount—\$7 million—reduces the cost of this negotiated settlement to \$8.4 million.

#### **Greenfield's Sunk Costs—\$43.8 Million**

The OPA paid Eastern Power a total of \$43.8 million to cover Greenfield's sunk costs. Most of this amount was prepaid to Eastern Power during the settlement negotiations so that Greenfield would continue to suspend work on the Mississauga plant. Greenfield was expected to provide support for the costs at a later date. We found this support to be adequate for \$8 million of costs. However, we found that about \$36 million in reimbursements to Eastern Power for labour costs, including the cost of external consultants, was never properly supported (although the OPA did tell us when our report was being finalized that the engineer hired to certify Greenfield's costs had agreed to sign off on the labour costs, more than a year after the costs had been reimbursed). The details of the payments provided are as follows.

Once Greenfield signed its contract with the OPA in April 2005, it began incurring costs for things such as labour, goods and services, interest on the money drawn from its lenders, legal fees, and fees associated with letters of credit it issued. Under a December 14, 2011, side agreement, the OPA agreed to provide \$35 million as a prepayment to partially cover these sunk costs. Under a January 20, 2012, side agreement, the OPA provided a further \$6 million as prepayment for sunk costs.

The FRSA required that Greenfield provide detailed support for all of its costs and that these costs be independently verified. We found that this was done for \$8 million in non-labour-related costs.

Eastern Power initially claimed labour costs of \$79 million for 17 full-time equivalent employees as well as consultants it said had worked to develop the plant between 2004 and 2012. In support of these costs, Greenfield provided only a list of staff, the hours that employees worked and industry-average billing rates for the work being done. When pressed, it provided sworn statements of the hours selected employees had worked as well as consultant invoices, but the rates charged were blanked out on those invoices. In the end, Eastern Power received about \$36 million from the OPA for labour costs it said Greenfield had incurred. (This does not include \$5 million in HST; we advised the OPA that this \$5 million should be refundable from the Canada Revenue Agency. The OPA told us it would file the claim.)

Aside from the total amount of time being charged between 2004 and 2012, we also questioned the reasonableness of some of the purported labour costs. For instance, almost \$900,000 over eight years, or about \$110,000 annually, was reimbursed for an employee with the title of administrative assistant. Neither we nor the independent engineer hired to certify Greenfield's costs were able to get copies of payroll or T4 information to support costs like these, nor did Greenfield provide any further supporting information to the engineer. While payroll and T4 information might not contain all reimbursable benefits, it certainly would have enabled confirmation of most of the purported labour costs.

We did note that in a May 2011 plant budget that Greenfield submitted to its lenders, actual engineering and plant management costs incurred up to May 24, 2011, were listed as totalling only \$19 million, as compared to the \$28 million that the OPA paid to Greenfield to cover labour costs up to this date, which was later certified by the independent engineer.

The OPA estimated that only \$10 million of the \$43.8 million it paid Greenfield for sunk costs would be transferrable to the new plant and would reduce that plant's future costs. We discuss this further in the section Reduction in NRR Payments—\$20 Million in Savings.

#### **Reimbursement of Site and Warehouse Purchase Price—\$4.2 Million**

Under a March 26, 2012, side agreement, the OPA agreed to reimburse Eastern Power the price paid for the 10.5-acre site on which the cancelled plant was being built and an adjoining 17,000-square-foot warehouse used to store equipment. Greenfield adequately supported the purchase amounts—\$2.6 million for the site and \$1.6 million for the warehouse. However, the side agreement allows Eastern Power and Greenfield to retain title to the properties. The OPA advised us that it allowed Eastern Power and Greenfield to keep title to the site to save it from having to pay to restore the site. However, this would not have applied to the warehouse, which needed no restoration.

Around the time of the cancellation, Infrastructure Ontario, at the Ministry's request, estimated the fair market value of the site alone to be in the range of \$4.8 million to \$5.3 million (this amount was arrived at by reviewing the sales of comparable undeveloped industrial land in Mississauga in 2010 and 2011). With such an increase in the land's value since Greenfield purchased it, the OPA may have realized a net gain if it had chosen to restore the site, and we believe it should have assessed this option more formally. The OPA told us that it believes that Infrastructure Ontario was not able to take into account all the relevant factors in its assessment of the value of the site. In any event, the decision to cancel the plant resulted in a \$4.2-million expenditure that otherwise would not have been made.

At the time of our audit, Greenfield had not settled on a specific site for the Lambton plant, which it will be responsible for purchasing. The Ministry had offered Greenfield a site owned by Ontario

Power Generation (OPG) that it believed would be accepted by the community with little opposition (given that it is next to OPG's existing coal power plant). If Greenfield chooses this site, the purchase price is to be fair market value as determined by independent appraisals.

#### **Loan Costs—\$16 Million**

Under a July 9, 2012, side agreement, the OPA and the ministry negotiator agreed to provide Greenfield with a \$45-million loan for working capital for the construction of the relocated plant. The loan is interest-free, and repayment starts only after the new plant is finished (expected to be in 2017). The repayment period extends over the following 13 years. Assuming that Greenfield successfully constructs the new plant and repays the loan over the 13-year repayment period, the cost of providing Greenfield with this amount of interest-free working capital and not being fully repaid for it until 2030 at the earliest is about \$16 million (consisting largely of lost interest and the time value of money).

Not only did Greenfield not have OPA-supplied working capital in the original contract to build a plant in Mississauga, but it had to provide \$14 million in initial upfront security to ensure that it fulfilled its contractual obligations. Under the FRSA, the amount of the performance security for the Lambton plant was reduced to \$1.4 million.

The OPA can set off the repayment of the loan against the NRR payments if Greenfield defaults on the loan repayments. If the FRSA is terminated through default by Greenfield, Greenfield and Eastern Power must pay back the outstanding amount of the loan within seven days of the FRSA's termination (although no personal guarantees from the company shareholders were obtained as additional security to ensure that they do so). If the FRSA is terminated for any other reason than default by Greenfield, Greenfield can keep the \$45 million.

Internal correspondence shows that OPA staff were concerned that \$45 million approximates the amount of equity Greenfield would need to inject into constructing the relocated plant (that is, the

amount of its own money Greenfield would have to put up for the project). In the words of investment bankers, with the OPA providing this upfront money, Greenfield had “no skin in the game.” Normally, the contractor is required to put up a reasonable portion of its own money to give it an adequate incentive to successfully complete the project.

We believe that the \$16 million in forgone interest and other lost value is a cost of the cancellation because it would not have been incurred had the plant not been relocated.

#### **Payments to EIG Management Ltd.— \$149.6 Million**

Back in 2004, when Greenfield bid for this gas-plant project, it submitted letters of financing commitment from Canadian lenders. In the end, however, Greenfield secured financing from a U.S.-based investment firm, EIG Management Ltd., through a May 26, 2011, agreement. Under the agreement, EIG gave a Greenfield holding company an eight-year, \$263-million credit facility (a line of credit available as standby funding) for the engineering, construction, operation and maintenance of the gas plant. Greenfield was required to pay an interest rate of 14%, compounded quarterly, on funds drawn. Greenfield’s collateral for the credit facility consisted of warrants (which EIG could exercise for up to 24% of the equity in the Greenfield holding company), equipment, shares of Greenfield and an interest in the contract with the OPA.

Penalties for Greenfield’s defaulting on the agreement were heavy: Greenfield would have to immediately pay back all amounts drawn with interest, as well as interest on the full undrawn amount for the full eight-year term of the agreement. The interest rate would be 14%, discounted by the U.S. Treasury rate.

EIG informed Greenfield in a letter dated November 18, 2011, that if the OPA were to proceed with cancelling the plant, EIG would hold Greenfield in default of its agreement and would ask for compensation of about \$225 million for Greenfield’s backing out of the contract.

The OPA was unaware of any of these onerous penalty terms when it signed a November 25, 2011, interim agreement to pay the costs for releasing Greenfield from its lender. The OPA told us that it had asked Greenfield for its lending agreement but that Greenfield refused to provide it. The OPA still proceeded to sign the interim agreement, undoubtedly owing to the urgency of getting Greenfield to stop construction. At that point, Greenfield had drawn about \$59 million from the EIG credit facility over a six-month period. In December 2011, EIG followed through on what it had earlier told Greenfield and formally asked for a \$228-million settlement. In March 2012, EIG filed the claim against Greenfield in a court in the state of New York. At the same time, EIG also filed, in Ontario, a much higher \$310-million claim for damages against the Crown and the OPA.

The OPA asked two law firms for their opinion on whether a court would award EIG’s claim, given that the amount claimed was so significantly in excess of the \$59 million actually advanced. A key legal issue was whether paying the equivalent of 14% interest for eight years on the full \$263-million line of credit would exceed the legal maximum “criminal rate” of interest that could be charged (the Criminal Code of Canada defines a criminal rate as anything over 60%). Both felt there was a good chance a court would opt to set the award at a 60% interest rate on the actual amount of \$59 million drawn for the six-month period. The OPA estimated this to be about \$28 million in interest. One of the firms gave the \$28-million award a 70% probability of occurring.

The Ministry of Energy received approval from Treasury Board to settle EIG’s claim up to a maximum of \$98 million (on top of the \$59 million). This was based on the assumption that a \$28-million settlement was 70% likely, with a settlement of EIG’s request of \$310 million, minus the \$59 million drawn (\$251 million), to be 30% likely. The Ministry and the OPA arrived at the \$98-million amount by adding 70% of \$28 million (\$19.6 million) to 30% of \$251 million (\$75.3 million) and

throwing in \$3 million for legal fees, which totals about \$98 million. In the end, the ministry negotiator arranged to pay EIG \$90 million in penalty interest plus the \$59-million drawn amount—a total payment of \$149.6 million. As part of this settlement, EIG fully released the OPA, the province and Greenfield from all existing and future claims.

We noted that EIG alleged that Greenfield had breached 17 covenants of the lending agreement as of January 2012. These breaches included missing deadlines for providing financial information and permitting construction liens to be filed against the plant. Since some of these covenants had been breached prior to the cancellation of the plant, Greenfield may well have been potentially in default of the agreement and, if so, possibly subject to penalties at the time the plant was cancelled. The OPA told us it believes that those breaches that EIG alleges occurred before the plant was cancelled were minor.

We also noted that Greenfield did not provide the OPA and the independent engineer with adequate documentation on what it did with the \$59 million it received from EIG. We were able to determine that about half was used to buy equipment (our review of invoices showed that the OPA had paid equipment suppliers directly for all of the equipment except for about \$30 million in equipment purchases made during the six months Greenfield had the \$59 million). For the remaining \$29 million, the OPA gave us, at the time our audit was being finalized, a list of invoices that Greenfield claimed were also paid by EIG funds. About \$25 million of this came from invoices that Greenfield said it paid to outside suppliers for construction-related activity. The remaining \$4 million, however, was made up of amounts paid primarily to Eastern Power and another company related to Greenfield called North Green Limited.

A side agreement obligates the Ministry of Energy to also, if necessary, help Greenfield secure financing for constructing the Lambton plant.

#### **Payments to Greenfield's Suppliers— \$64.6 Million**

The OPA expects its payments to Greenfield's suppliers will total \$58.7 million: almost \$47 million is to be paid for equipment and about \$12 million has been paid to other suppliers. It also expects to pay \$6 million in future to one supplier to settle a claim. The details of these payments are as follows.

In accordance with the FRSA, the OPA expects to pay about \$77 million for equipment that will be relocated to the plant in Lambton. As just noted, about \$30 million of this amount was paid out of the \$59 million that Greenfield borrowed from EIG and that the OPA paid back to EIG. At the time of our audit, the OPA was in the process of paying the remaining almost \$47 million directly to the equipment suppliers, which have provided all necessary purchase orders and invoices. All of the equipment the OPA will pay for is expected to be used at the new plant, reducing Greenfield's future construction costs.

If Greenfield defaults on repaying the \$45-million loan for working capital or on any of its other commitments under the FRSA, a lien that the OPA registered against the equipment would allow it to take ownership of it up to the commercial operation date of the new plant. However, Greenfield will likely have to pledge the equipment as collateral to secure financing for the Lambton plant, in which case the OPA will have to reduce its security interest.

In addition to the almost \$47 million being paid to equipment suppliers, the OPA has paid \$12 million to other suppliers for goods and services. About \$4 million of this amount was for equipment rental. These costs could have been largely avoided if the equipment had been returned as soon as construction on the Mississauga plant stopped in November 2011. In March 2012 (when rental charges were at \$1 million), the independent engineer informed the OPA that this equipment was sitting idle at the site of the cancelled plant and continuing to incur rental charges. He also said that the idle equipment could get damaged, which would result in even higher costs. He offered to arrange for the equipment to

be returned. However, no action was taken until an additional \$3 million in rental costs was incurred. Most of the heavy equipment was finally returned by December 2012.

The OPA informed us shortly after our fieldwork was completed that it was in the midst of negotiating the settlement of a claim that had been brought against Greenfield by one of its major suppliers. The OPA expected that it will have to pay about \$6 million to settle the claim. We have therefore added this amount to the cancellation costs.

#### **Legal and Other Professional Fees—\$4.4 Million**

More than \$4 million in legal and other professional fees have been incurred as a result of the cancellation-and-relocation decision, mainly by the OPA and the Ministry of Energy. They include the cost of the independent engineer that the OPA retained to review the costs Greenfield claimed to have incurred in developing and constructing the Mississauga plant and the cost of the outside negotiator hired to assist the Ministry and the OPA in reaching a final agreement with Greenfield.

#### **Future Extra Power Delivery Costs—\$60 Million**

##### **Cost of Electricity Lost Travelling Over a Greater Distance—\$40 Million**

The Greenfield plant, regardless of its location, must meet the electricity demands of the southwest GTA. As a result of the relocation to Lambton, power will have to travel a considerable distance through transmission lines to reach its destination. Some energy will be lost along the way, mostly as heat. The OPA has estimated the cost of these losses to be about \$40 million over the 20-year term of the FRSA.

We reviewed this estimate and noted that it is based on several assumptions relating to, among other things, future growth in the demand for electricity in the southwest GTA, future developments in generation and transmission systems, and what will happen with all existing and future electricity-

generating facilities over the 20-year life of the FRSA. It therefore could well be higher or lower, but overall we concluded that it is reasonable.

#### **System Upgrades—\$13 Million**

At the time of our audit the Independent Electricity System Operator (IESO) had just completed an assessment of the impact of the relocation of the Mississauga plant to Lambton and had forwarded it to Hydro One. Hydro One confirmed to us that the assessment did not identify the need for significant upgrades to the electricity grid because of the relocation.

The OPA and Hydro One told us that the upgrades that were needed were limited to the following, both in the GTA:

- A set of transformers near Milton will have to be built one year ahead of schedule. The OPA estimates the cost of moving up the construction date of this \$270-million project to be about \$10 million.
- Transmission lines near the Manby Transformer Station in Etobicoke will have to be upgraded. At the time of our audit, Hydro One had not yet completed its review of the IESO assessment but expected this cost to be about \$3 million (Hydro One told us it would complete the review by April 2013 but had not yet done so at the time this report was finalized).

Consistent with what Hydro One told us, the OPA also said it did not expect the relocation to require any major electricity infrastructure upgrades west of the London area. This region is already served by other gas plants of about the same efficiency as the planned Greenfield plant. Once the Greenfield plant is operational, it will for the most part just be competing with those plants to provide the electricity to meet demand. In addition, the government's 2011 long-term energy plan had already set in motion a project to improve the area's transmission capacity to make room for more renewable electricity. Even if the Greenfield plant were to add to the area's transmission load,

these upgrades could likely handle it. The improvements are expected to be completed by the end of 2014, about three years before the Greenfield plant should be in service.

#### **Gas and Hydro Connections—\$7 Million**

Gas and hydro connection costs were the responsibility of Greenfield under the Mississauga-plant contract. Under the FRSA, they are the responsibility of the OPA.

The gas connection costs will vary depending on which site in Lambton Greenfield chooses for the plant. If it chooses the OPG site, the gas distributor estimates that connecting the plant to the gas source will cost from \$2 million to \$5 million. A second, privately owned site being contemplated by Greenfield at the time of our audit carries minimal connection cost. Accordingly, we have assumed a cost of \$3 million.

With respect to connecting the new power to the transmission grid, Hydro One could provide us with only a preliminary estimate of from \$3 million to \$5 million for this (irrespective of which Lambton site). A more exact cost will be available when Hydro One finishes its review of the IESO's assessment of the relocation's impact on the grid, which is expected by April 2013. The review was not completed at the time this report was finalized, and we have assumed a \$4-million cost for this connection cost.

#### **Savings Associated with New NRR Payments—\$76 Million in Savings**

There are two major areas of potential savings resulting from the cancellation of the Mississauga plant and the agreement to build a plant in Lambton:

- reduction in NRR payments, 2017 to 2036—\$20 million; and
- deferral of NRR payments to 2017—\$56 million.

#### **Reduction in NRR Payments, 2017 to 2036—\$20 Million**

The OPA, the Ministry-appointed negotiator and Greenfield recognized that some of the items that the OPA's upfront payments paid for can be used in the construction of the Lambton plant. Since these items have already been paid for, they will reduce the cost of the plant to Greenfield. Therefore, Greenfield's "net revenue requirements" (NRR) will be that much less than they were for the Mississauga plant (that is, its costs to build and operate the Lambton plant plus earn a similar rate of return will be lower). The OPA, together with the ministry negotiator, were able to bring the NRR for the Lambton plant down to \$12,400/MW/month from \$12,900/MW/month. We calculated that this reduction is worth about \$20 million (in present-value dollars) over the 20-year term of the FRSA and partially offsets the costs associated with cancelling and relocating the Mississauga plant.

However, adding up all the items that the OPA has paid for upfront that can be reused amounts to about \$100 million: \$77 million in equipment, \$10 million in engineering labour and the \$16-million cost of the OPA's interest-free working capital loan to Greenfield. Therefore, the \$20-million NRR reduction certainly does not recover the full value of the upfront items that the OPA has paid for, the shortfall being about \$80 million.

As noted earlier, the NRR is intended to enable Greenfield to recover its costs for building and operating the plant plus earn a reasonable rate of return, or profit. Consequently, the \$80 million in construction costs ultimately being funded by the OPA may be a significant benefit to Greenfield depending on what Greenfield's costs for building the Lambton plant turn out to be. Therefore, Greenfield may end up earning a much higher rate of return for the Lambton plant than it would have for the Mississauga plant. The OPA told us it believes that Greenfield's cost of constructing the plant in Lambton may be about \$100 million higher than the \$260 million Greenfield told its lender the Mississauga plant would cost. If so, according to the

OPA, the \$12,400/MW/month, combined with the upfront payments, will provide Greenfield with a rate of return similar to what it would have received for the Mississauga plant.

#### Deferral of NRR Payments—\$56 Million

Greenfield was targeting July 2014 as the completion date of the Mississauga plant. If Greenfield had met this deadline, the OPA would have then begun paying it the agreed-upon NRR of \$12,900/MW/month. The OPA contends that, with the cancellation and with the Lambton plant not being completed until 2017, three years of NRR payments have been deferred. The OPA estimates the resulting savings to be about \$75 million (present-value dollars), which are net of the present value of the NRR payments to be made over the three-year period between the end date of the Mississauga plant's contract (2033) and the end date of the Lambton plant's contract (2036).

However, there are uncertainties associated with this. For instance, if Greenfield would not have been able to complete the Mississauga plant on time, these payments would have begun later. One of the factors that could have delayed completion is Greenfield's violations of its lending agreement (as mentioned earlier in our report, EIG alleged that Greenfield had breached 17 covenants of the lending agreement as of January 2012; even if Greenfield were not already subject to penalties when the plant was cancelled, it may well have continued with infractions and run into financial trouble). In addition, the OPA believed that Greenfield would not have been able to complete the plant within its budget and available credit of \$260 million, further putting Greenfield at risk of running out of money and not being able to complete the plant on time if it could not quickly raise additional financing.

We also questioned why the savings envisioned by not paying for the power supplied by the Mississauga plant would not at least be partially offset by the cost of replacing this power, especially given that a key reason for the plant in the first place

was the need for power in the southwest GTA. The OPA told us that the province will have excess supply over this period and does not need any of the power the Mississauga plant would have produced. Therefore, according to the OPA, there are no other power costs associated with replacing the lost Mississauga power that would offset part of the avoided NRR payments.

The OPA told us that its position on the province's power supply needs has changed since 2009 when it voluntarily increased the Mississauga plant's NRR partially because it viewed the plant as a necessary source of supply starting in 2014. By contracting for the Lambton plant, it clearly believes additional gas-fired power will be needed, but now not until 2018, with no additional supply needed for the 2014–17 period. In the OPA's opinion, the main reason the province will run out of surplus supply by 2018 will be the need to refurbish elements of Ontario's nuclear fleet at that time.

In our view, any estimate of savings relating to deferred NRR payments must reflect the uncertainties around the power supply situation and when the Mississauga plant would actually have been completed. But we do acknowledge that there will be some savings because the OPA will likely not be making any NRR payments to Greenfield before 2017. We further acknowledge that, just as the Mississauga plant may not have been completed on time, the Lambton plant may not be completed on time. This would further defer the start date of NRR payments and result in more savings. Given these uncertainties, we have included estimated savings of about three-quarters of the \$75 million estimated by the OPA, or \$56 million. These potential savings partially offset the costs associated with cancelling and relocating the Mississauga plant.

#### ALLOCATION OF CANCELLATION COSTS

Initially, all payments associated with the cancellation were paid through the Global Adjustment account funded by electricity ratepayers. Amounts that typically flow through this account arise mostly

from differences between the market price of electricity and the price actually paid to generators. Amounts paid through the Global Adjustment account are recovered through charges on ratepayers' monthly electricity bills.

An August 2012 Treasury Board order authorized \$190 million to pay for sunk costs associated with the Mississauga plant cancellation. Since payments made to date had already been charged to the Global Adjustment account, the order reimbursed the account for this amount. This \$190 million is therefore the amount of total costs that will be funded by taxpayers, with the remaining costs being paid by electricity ratepayers through the Global Adjustment charge.

### **OTHER BENEFITS TO GREENFIELD**

Most of the natural gas supplied to southwestern Ontario, including the GTA, originates at the Dawn Hub in Sarnia. It will be much less expensive to pipe this gas to a plant in Lambton County than it would have been to a plant in Mississauga. If the plant had remained in Mississauga, Greenfield would have had to pay a number of companies for the use of their pipelines—specifically, Enbridge Gas, Union Gas and TransCanada Pipelines. Now, Greenfield has to pay for using the pipelines of only one company (Union Gas) to deliver the gas over a relatively short distance.

We estimate that Greenfield will save about \$65 million (in present-value dollars) in pipeline charges over the 20-year life of the Lambton contract. The OPA told us that it was aware of these savings during its negotiations with Greenfield, although with the information available at the time it estimated them to be only about \$36 million. In any case, however, no amount of savings was able to be negotiated and reflected in the price the OPA will pay for the Lambton plant's electricity under the FRSA. As a result, Greenfield will earn a higher rate of return on its investment than it would have if the plant had remained in Mississauga. In essence, this represents savings that will not be passed on to either taxpayers or electricity ratepayers to offset some of the costs that the relocation has incurred.

Another area where Greenfield will reap savings relates to interest costs on its upfront security deposit. As noted earlier, Greenfield has had to provide only \$1.4 million in security for the Lambton plant, compared to the \$14 million it put up for the Mississauga plant. It will pay far less interest on this greatly reduced security amount. We estimate its savings in this area will total about \$4.8 million over the term of the agreement—again, savings not passed on to taxpayers or ratepayers.



4599

The Premier  
of Ontario

Legislative Building  
Queen's Park  
Toronto, Ontario  
M7A 1A1

La première ministre  
de l'Ontario

Édifice de l'Assemblée législative  
Queen's Park  
Toronto (Ontario)  
M7A 1A1



May 10, 2013

"I want to discuss with  
Ed + Bldg. Commissioner"

Her Worship Hazel McCallion, CM, LL.D  
Mayor  
City of Mississauga  
300 City Centre Drive  
Mississauga, Ontario  
L5B 3C1

Dear Mayor McCallion:

Thank you for your letter providing me with a copy of council's resolution regarding the Loreland Eastern Power site. The views of our municipal leaders are very important to me, and I appreciate your keeping me informed of council's activities.

I also appreciate your bringing council's resolution to my attention and your desire to have the site remediated. However, land and structures at the Loreland Avenue site remain the property of Eastern Power Limited. The City of Mississauga should discuss any plans for the property with the owner.

Thank you again for writing. Please accept my best wishes.

Sincerely,

A handwritten signature in cursive script, reading "Kathleen Wynne".

Kathleen Wynne  
Premier

c: The Honourable Bob Chiarelli

**RECEIVED**

REGISTRY No. 1425

DATE MAY 15 2013

FILE No. Q.14

**MAYORS OFFICE**



45 bb



OFFICE OF THE MAYOR

March 1, 2013

The Honourable Kathleen Wynne  
Premier of Ontario  
Main Legislative Building  
Room 281  
Toronto, Ontario  
M7A 1A1

Dear Madam Premier:

Re: Loreland Eastern Power Plant

The Council of the Corporation of the City of Mississauga at its meeting on October 12, 2011 adopted the enclosed Resolution 0240-2011 with respect to the Loreland Eastern Power Plant. The City of Mississauga strongly believes that as part of the cancellation of the project, the necessary actions must be taken to return the site to its pre-construction condition.

A letter was sent on October 13, 2011 to former Premier Dalton McGuinty and copies to Mississauga MPPs and Southwest Etobicoke MPPs and there has been no response. Given the importance of this issue, I am bringing Council's resolution to your attention.

Sincerely,

HAZEL McCALLION, C.M., LL.D.  
MAYOR

cc: The Honourable Bob Chiarelli, Minister of Energy  
Mississauga MPPs  
Southwest Etobicoke MPPs  
Members of Council  
Greenfield South Power Corporation

Enc.



THE CORPORATION OF THE CITY OF MISSISSAUGA  
300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO L5B 3C1  
TEL: (905) 896-5555 FAX: (905) 896-5879

45cc



**RESOLUTION 0240-2011  
adopted by the Council of  
The Corporation of the City of Mississauga  
at its meeting on October 12, 2011**

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**0240-2011 Moved by: Jim Tovey**

**Seconded by: Chris Fonseca**

**That the Council of The Corporation of the City of Mississauga request the Premier of Ontario to take immediate action to fulfill their election promise and cancel the contract for the Loreland Eastern Power Plant; and**

**That as part of the cancellation of the project, the necessary actions be taken to halt construction and return the site to its pre-construction condition; and**

**That this request be forwarded to the Premier of Ontario and all Mississauga and southwest Etobicoke MPPs.**



# Corporate Report

Clerk's Files

Originator's  
Files

46

General Committee

JUN 26 2013

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**DATE:** June 11, 2013

**TO:** Chair and Members of General Committee  
Meeting Date: June 26, 2013

**FROM:** Mary Ellen Bench, BA, JD, CS  
City Solicitor

**SUBJECT:** **Proposed Enbridge Line 9B Flow Reversal and Capacity  
Expansion Pipeline Project**

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**RECOMMENDATION:** 1. That the City of Mississauga maintain its status as an Intervenor in the National Energy Board hearing regarding the proposed Enbridge Line 9B Flow Reversal and Capacity Expansion Pipeline Project; and

2. That staff continue to work with other municipalities who are impacted by this pipeline project.

**REPORT  
HIGHLIGHTS:**

- Enbridge operates the Line 9 pipeline which flows from Sarnia to Montreal.
- In 2012, Enbridge filed an Application with the National Energy Board ("NEB") seeking to: reverse the flow of the Line 9B pipeline; increase the capacity of the Line 9B pipeline; and revise the tariff allowing the Line 9 pipeline to carry diluted bitumen.
- In December 2012, the NEB announced it would consider Enbridge's proposal through a hearing process.
- The Line 9B pipeline travels through the City of Mississauga making the City an interested party. The City has submitted comments on the List of Issues before the NEB.

- Based on a staff report, Council provided direction to participate in the hearing through a Letter of Comment rather than as an Intervenor, which was approved by Council Resolution 0087-2013.
- Subsequent to the direction from Council, the NEB released its decision granting status to the City of Mississauga to participate in the hearing as an Intervenor.
- The City currently maintains Intervenor status and may submit a request to the NEB requesting that the City proceed by way of Letter of Comment instead.
- Additional information has since come to the attention of City staff relating to concerns with respect to pipeline integrity, corrosivity of the new material and transporting it in an aging pipeline and emergency response and training. Accordingly, City staff is recommending a more fulsome participation in the hearing by way of an Intervenor rather than Letter of Comment. This would better ensure that the City's concerns are brought to the attention of the NEB and addressed by Enbridge.

**BACKGROUND:**

Enbridge operates the Line 9 pipeline (the "Pipeline") which flows from Sarnia to Montreal and traverses the City of Mississauga (the "City") along the hydro corridor adjacent to Hwy. 403 and Eastgate Parkway (Appendix 1).

The Pipeline has been in operation since 1976 and originally carried light crude from western Canada to Montreal. The flow of crude oil was reversed in 1999 and presently the flow of crude travels in a westerly direction with a current capacity of approximately 240,000 barrels per day (bpd).

On August 8, 2011, Enbridge Pipeline Inc. filed a project application with the NEB under section 58 of the *National Energy Board Act* (the "Act") for approval to reverse the flow of crude oil within a section of pipeline referred to as Line 9 phase I (Line 9A) which runs between Sarnia and North Westover, near Hamilton, Ontario. Enbridge obtained approval from the NEB, with certain conditions attached, for the reversal of the Line 9A pipeline in July 2012.

On November 29, 2012, Enbridge filed a further application under

section 58 of the Act asking the NEB to approve the following:

- Reverse the flow of the remainder of Line 9 between North Westover, Ontario to Montreal, Quebec, which is known as Line 9B;
- Increase the overall Line 9 capacity from 240,000 bpd to 300,000 bpd by using a “drag reducing agent”. This material is a waxy substance which increases the flow without changing operating pressure; and
- Revise the Line 9 tariff to allow for the transportation of heavy crude within Line 9, which may contain diluted bitumen or “dilbit”. Dilbit is a mixture of bitumen with a diluting material such as naphtha to facilitate its handling (the “Project”).

Subject to approval, Enbridge proposes to begin operation of the reversed Line 9 Pipeline in the spring of 2014.

On December 19, 2012, the NEB announced that it would use a hearing process to assess Enbridge’s request and on February 19, 2013, released Hearing Order OH-002-2013 which provides critical dates in the hearing process and a preliminary list of issues. Interested parties had until March 21, 2013 to provide the NEB with additional issues they felt should be considered.

On March 7, 2013, the City provided the NEB with correspondence setting out additional considerations the City would like the NEB to consider during the hearing. City staff from Transportation and Works had been corresponding directly with Enbridge to understand the Project in greater detail, and once responses were exchanged, the City used outstanding questions and concerns to formulate these additional considerations.

The NEB released the revised List of Issues and Application to Participate form on April 4, 2013, with a filing deadline of April 19, 2013. The City prepared an Application to Participate providing the rationale for its interest in the issues before the NEB. Given the time constraints, the City Solicitor submitted the Application to Participate under the authority delegated by Procedure By-law 421-03. This authority allows the City Solicitor to commence a proceeding to meet statutory or regulatory time limits on behalf of the City and then report

to Council at the earliest opportunity. The City has sought Intervenor status to preserve the most involved status before the NEB.

Subsequently, on May 8<sup>th</sup>, 2013, Council provided direction to participate in the NEB hearing through a Letter of Comment rather than as an Intervenor, and the authorization to retain external consultants as required to provide technical comments to the NEB. Both of these recommendations were approved by Council Resolution 0087-2013.

Documents associated with the application and the NEB's evaluation process can be found on their website at the following address:

<http://www.neb-one.gc.ca/clf-nsi/rthnb/pplctnsbfrthnb/nbrdgl9brvrsl/nbrdgl9brvrsl-eng.html>

The City is also participating in a working group with other municipalities including Hamilton, Burlington, Oakville, Toronto, Ajax and Kingston, as well as the Toronto and Regional Conservation Authority and the Credit Valley Conservation Authority. This working group has shared information and materials to better understand our roles as interested municipal parties.

**PRESENT STATUS:**

On May 22<sup>nd</sup>, 2013, the NEB issued Procedural Update No. 2, which included an Updated Timetable of Events, a List of Parties (which includes Intervenor) and a List of Commenters. A total of sixty (60) Intervenor and Government Participants have been approved by the NEB including First Nations, associations, companies, provincial and municipal levels of government and individuals. The City of Mississauga and the City of Toronto are the only Ontario municipalities that have been accepted as Intervenor in the hearing process.

The timing of certain events required by the NEB hearing process has also been revised. The exchange of information requests and responses and submission of letters of comment will take place over the summer. The written and oral hearings have not been scheduled but are expected to be held in early October.

At the time of writing this report, Enbridge announced a series of open

houses in Ontario to allow the public to learn about the Project. At Council's request, staff asked Enbridge to hold an open house in Mississauga. However, Enbridge took the view that an open house in Etobicoke on June 6, 2013 and in Oakville on June 20, 2013 were sufficiently close to Mississauga to allow interested residents to attend.

The City continues to work with other affected municipalities, as noted above, through participation in bi-weekly teleconferences. As approved by Council at its meeting of May 8, 2013, the City will also be working with the City of Toronto technical expert and sharing in its cost to provide assistance to City staff with respect to the technical aspects of the Project.

City staff also participated in two conference calls organized by the Great Lakes and St. Lawrence Cities Initiative (the "Cities Initiative") to discuss the Cities Initiative's participation in the hearing. City staff have shared information with the Cities Initiative regarding the issues and concerns identified by the City to date. City staff will continue to be involved in any conference calls convened by the Cities Initiative.

**COMMENTS:**

Staff have made two requests directly to Enbridge for information regarding the Project and we have received two responses. On June 11, 2013, through the NEB hearing process, the City filed its Information Request to Enbridge, which included questions relating to outstanding concerns of the City. At present, City staff has identified the following general areas of concern, which staff intend to bring to the attention of the NEB and seek to have addressed through the hearing process.

Adequacy of Public Consultation

In Enbridge's response to our question regarding public consultation, dated February 5, 2013, Enbridge indicated that they have held seven open houses for the Project, including one in Port Hope in June 2012. Despite repeated requests from staff, no open house is currently planned for Mississauga, as noted above, notwithstanding Mississauga is one of two Ontario municipalities to be granted Intervenor status by the NEB.



Pipeline Integrity and Valve Placement

Enbridge has indicated that subsequent to the Marshall, Michigan spill in 2010, Enbridge has implemented operational and procedural changes to ensure the safety and reliability of its pipeline systems. Further, Enbridge has indicated that state-of-the-art in-line inspection tools have recently been run through the system to determine the condition of the pipe. However, the results of this inspection have not been provided to the City.

Similarly, Enbridge has indicated that they have recently undertaken a Valve Placement Study to examine the potential for additional automated valves which can be shut off in the event of a leak or spill, however this study has not been provided to the City.

Corrosivity of Dilbit

Several organizations have claimed that heavy oil from the oil sands is more corrosive than conventional crude and that transporting heavy oil through pipelines will increase the likelihood of cracks and failures and therefore releases to the environment. Enbridge has provided the City with two reports, which examine this issue however both of these reports have been commissioned by industry.

The Pipeline and Hazardous Materials Safety Administration in the United States has formed the Dilbit Committee to examine whether transportation of this material results in an increased likelihood of release. The Committee's report should be released in July 2013.

Emergency Response and Training

The closest Enbridge response crew is located at Westover Terminal, near Hamilton. Enbridge has indicated that their response time in the event of an emergency is two to four hours. Enbridge has also indicated that local emergency responders would be on the scene quickly to control the area. A spill will impact municipal operations and require a municipal response. It is important that Enbridge provide municipalities with specific emergency plans to deal with pipeline spills.

In March 2013, the NEB issued an order to Enbridge regarding non-compliance with standards for pump stations. The non-compliance related to the lack of emergency shut-down buttons and back-up power systems at many of their pump stations. Enbridge has now installed emergency shut-down buttons at all of their pump stations and has submitted a plan to the NEB to install back-up power systems, however no timeline or schedule for this work has been provided to the City.

#### Financial Assurance

The alignment of Line 9B intersects with components of the City's Bus Rapid Transit (BRT) infrastructure currently under construction. Enbridge has indicated that they would be responsible for repairs should any damage be caused as a result of any pipeline incident.

Media coverage has indicated that the dilbit spill from Enbridge Line 6B in Marshall, Michigan in 2010 has cost in excess of \$800 million (U.S.) to clean up and that this amount may exceed Enbridge's insurance coverage. It is important that Enbridge has sufficient insurance coverage to repair and restore any damages caused by a pipeline incident.

On May 8, 2013, based on a staff report, Council provided direction to participate in the hearing through a Letter of Comment rather than the higher level of participation as an Intervenor. However, given new information that has come to light giving rise to concerns relating to pipeline integrity, corrosivity of dilbit and emergency response and training, City staff are of the view that a more fulsome participation, by way of an Intervenor rather than Letter of Comment, is warranted.

**FINANCIAL IMPACT:** Most of the work on this matter will be handled by City staff. City staff will be working with City of Toronto's expert to better understand the technical aspects of the Project and have committed to contributing \$15,000. Depending on the responses received from Enbridge, the City may require additional funds in the range of

\$15,000 to \$30,000 for further technical support not covered by the current retainer with the City of Toronto's expert.

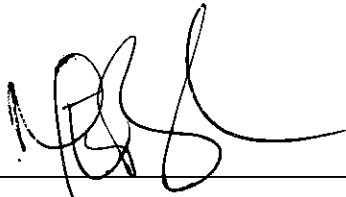
**CONCLUSION:**

The City of Mississauga is directly impacted by the application made by Enbridge to the NEB to reverse the flow of the Line 9B Pipeline; increase the capacity of the Line 9B Pipeline; and revise the tariff allowing the Line 9 pipeline to carry diluted bitumen. The City has been accepted by the NEB as an Intervenor in the hearing process for this Project.

Staff are recommending that the City maintain its status as an Intervenor, as this will provide the City with the opportunity to request information from Enbridge regarding the outstanding concerns noted above and to provide evidence to the NEB to support having these concerns addressed.

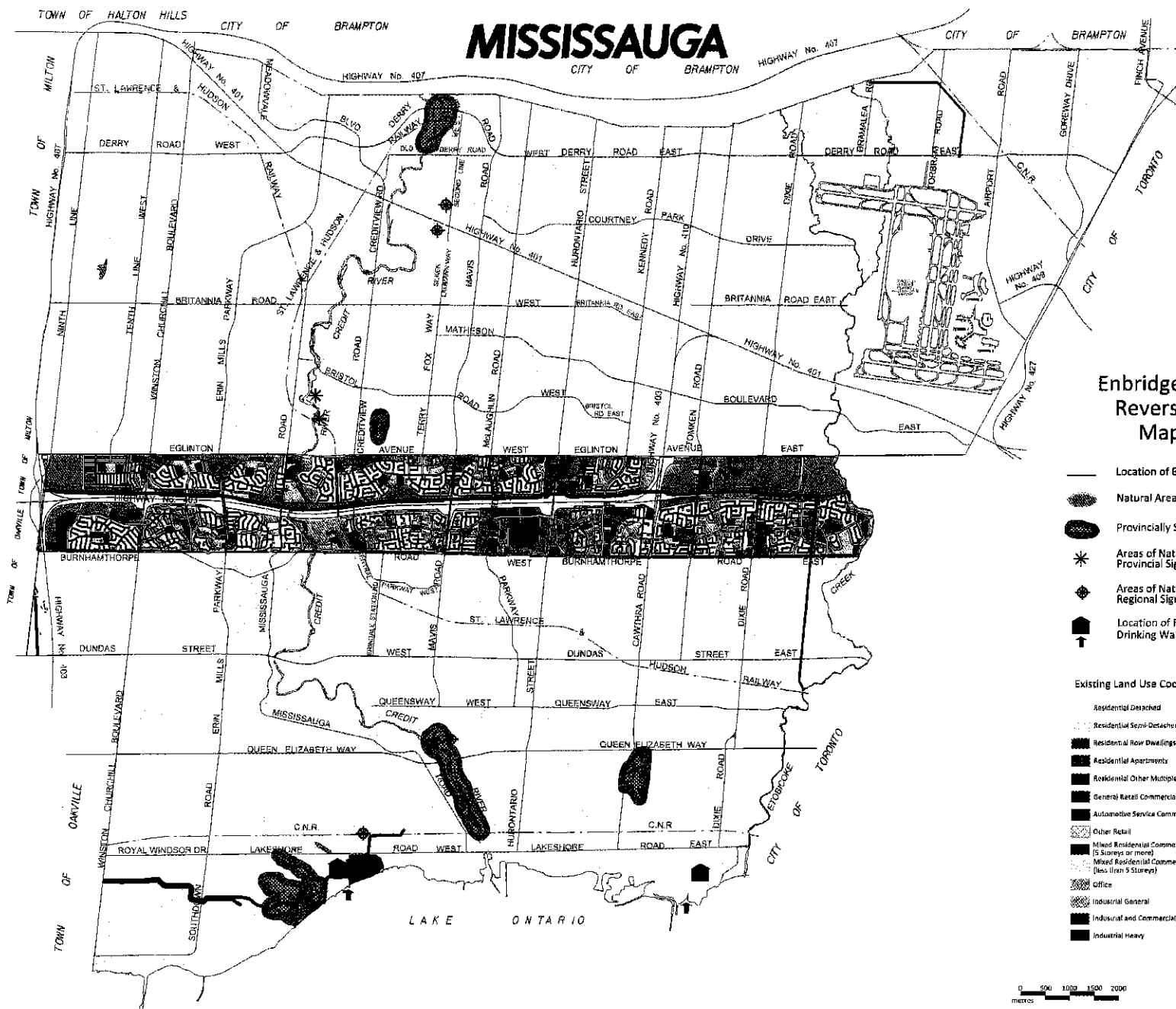
**ATTACHMENTS:**

Appendix 1: Map of Line 9B Pipeline

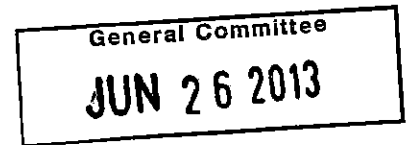


Mary Ellen Bench  
City Solicitor

*Prepared By: Jeff Smylie, Environmental and Drainage Engineer*



REPORT 2 - 2013



TO: CHAIR AND MEMBERS OF GENERAL COMMITTEE

The Towing Industry Advisory Committee presents its second report for 2013 and recommends:

TIAC-0005-2013

1. That Section 33(8) of the Tow Truck Licensing By-law 521-04, as amended, be deleted and replaced with the following:

have attached to or painted on both sides of the body of the Tow Truck in a location close to the middle of the body panels or as near as possible and as approved by the Licence Manager, in letters and figures of solid contrasting colour to the colour of the vehicle and not less than eight centimetres (approximately three inches) in height and a minimum two centimeters

(approximately .78 inch) in thickness the name and telephone number of the business as shown on the Owner's Business Licence and must be a material which will be visible in low light conditions from a distance of 15 metres (approximately 50 feet).

2. That Section 33(10) of the Tow Truck Licensing By-law 521-04, as amended, be deleted and replaced with the following:

have affixed to the Tow Truck rear window, on the driver's side, the Owner's Plate issued for that Tow Truck and have the municipal licence number painted or attached to both front fenders in letters and figures of solid contrasting colour to the colour of the vehicle and not less than eight centimetres (approximately three inches) in height and a minimum two centimeters (approximately .78 inch) in thickness and must be a material which will be visible in low light conditions from a distance of 15 metres (approximately 50 feet). The number shall include a designation of ML as a precursor to the number.

(TIAC-0005-2013)

TIAC-0006-2013

1. That a by-law be enacted to amend Section 4(1) of the Tow Truck Licensing By-law 521-04, as amended, to include driver experience and a grandfathering clause for existing Tow Truck Drivers.
2. That Section 4(1) of the Tow Truck Licensing By-law 521-04, as amended, shall be repealed and replaced as follows:

No Person shall be licensed under this by-law unless:

3. That Section 4(1)(a) of the Tow Truck Licensing By-law 521-04, as amended, be added and shall state the following:

he/she has at least seven years driving experience after completing the requirements of a full Ontario "G" driver's licence; is a citizen of Canada or a landed immigrant, or has a valid employment authorization issued by the Government of Canada to work as a Driver and has a working knowledge of English. Any applicant applying as a licensed driver shall supply at their expense a Driver's History from the Ministry of Transportation.

4. That Section 4(1)(b) of the Tow Truck Licensing By-law 521-04, as amended, be added and shall state the following:

Any existing Driver who does not meet the requirements as stated in Section 4(1)(a) on the date of passing of the amendment shall be grandfathered provided that they maintain a clear driver abstract until they have fulfilled the requirements of Section 4(1)(a).

(TIAC-0006-2013)

TIAC-0007-2013

That the action list of the Towing Industry Advisory Committee meeting held on February 19, 2013 provided to the Committee to update on the status of initiatives raised at prior meetings be received.

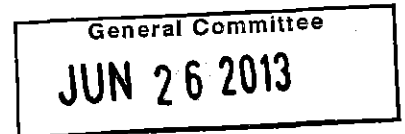
(TIAC-0007-2013)

**MISSISSAUGA CYCLING  
ADVISORY COMMITTEE**

**June 11, 2013**

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REPORT 6-2013



TO: CHAIR AND MEMBERS OF GENERAL COMMITTEE

The Mississauga Cycling Advisory Committee presents its sixth report for 2013 and recommends:

MCAC-0032-2013

That the Mississauga Cycling Advisory Committee Website Review discussion be deferred to the next Mississauga Cycling Advisory Committee meeting.  
(MCAC-0032-2013)

MCAC-0033-2013

That the 2013 Mississauga Cycling Advisory Committee Calendar of Events from the June 11, 2013 meeting be received as amended.  
(MCAC-0033-2013)

MCAC-0034-2013

That the 2013 Mississauga Cycling Advisory Committee Action List from the June 11, 2013 meeting was deferred to the next Mississauga Cycling Advisory Committee meeting.  
(MCAC-0034-2013)

MCAC-0035-2013

That the Peel Regional Police enforce cycling related infractions such as passing on the right and running red lights.  
(MCAC-0035-2013)

MCAC-0036-2013

That the following information items be received for information:

- (a) QEW Credit River Bridge Class Environmental Assessment Study - Notice of Filing of the Transportation Environmental Study Report

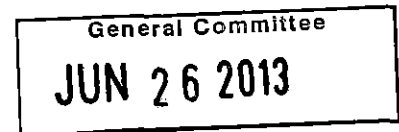
Mississauga Cycling Advisory Committee to review the letter dated June 3, 2013 regarding the QEW Credit River Bridge Class Environmental Assessment Study - Notice of Filing of the Transportation Environmental Study Report.

- (b) Bike Month 2013, Every Ride Counts – Cycling Safety Workshop - June 22, 2013

Mississauga Cycling Advisory Committee to review the posted regarding Bike Month 2013, Every Ride Counts – Cycling Safety Workshop being held on June 22, 2013 at Burnhamthorpe Community Centre.

(MCAC-0036-2013)

REPORT 3-2013



TO: CHAIR AND MEMBERS OF GENERAL COMMITTEE

The Public Vehicle Advisory Committee presents its third report for 2013 and recommends:

PVAC-0013-2013

That Councillor Iannicca be appointed as Chair and that Councillor Starr be appointed as Vice-Chair to the Public Vehicle Advisory Subcommittee.

PVAC-0013-2013

PVAC-0014-2013

That the comments provided at the April 29, 2013 Public Vehicle Advisory Subcommittee meeting with respect to issuance of taxi plates be received and referred to staff.

(PVAC-0014-2013)

PVAC-0015-2013

That a consultant be hired to study the 2014 plate issuance model for taxicab plates and accessible taxicab plates and that the 2010 and 2012 plate issuance resume under the current model of plate issuance.

(PVAC-0015-2013)

PVAC-0016-2013

1. That consideration be given to including \$100,000 for consulting services in the 2014 Budget for Regulatory Services to review the issuance model for taxi plates and accessible taxi plates.
2. That the existing model for the issuance of taxi plates, and related processes, as outlined in the Public Vehicle Licensing By-law 420-04, as amended, be used until such time as the consultant's final report and recommendations regarding the issuance of taxi plates and accessible taxi plates are approved by the Public Vehicle Advisory Committee and Council.

(PVAC-0016-2013)

(PVAC-0017-2013)

1. That a by-law be enacted to amend the following schedules of the Public Vehicle Licensing By-law 420-04, as amended, to include an optional run-flat free tire system or air compressor/tire sealant combination unit as an alternative to the traditional spare tire and jack required in all vehicles.
2. That Schedule 3, Section 14(9) of the Public Vehicle Licensing By-law 420-04, as amended, be repealed and replaced as follows:



*"is equipped with an extra tire, wheel and jack ready for use for that vehicle or be equipped with a run-flat free tire system or air compressor/tire sealant combination unit."*

3. That Schedule 4, Section 14(9) of the Public Vehicle Licensing By-law 420-04, as amended, be repealed and replaced as follows:

*"is equipped with an extra tire, wheel and jack ready for use for that Vehicle or be equipped with a run-flat free tire system or air compressor/tire sealant combination unit."*

4. That Schedule 6, Section 8(9) of the Public Vehicle Licensing By-law 420-04, as amended, be repealed and replaced as follows:

*"is equipped with an extra tire, wheel and jack ready for use for that Vehicle or be equipped with a run-flat free tire system or air compressor/tire sealant combination unit."*

5. That Schedule 7, Section 7(1)(j) of the Public Vehicle Licensing By-law 420-04, as amended, be repealed and replaced as follows:

*"is equipped with an extra tire, wheel and jack ready for use for that Vehicle or be equipped with a run-flat free tire system or air compressor/tire sealant combination unit."*

6. That Schedule 8, Section 41(1)(i) of the Public Vehicle Licensing By-law 420-04, as amended, be repealed and replaced as follows:

*"is equipped with an extra tire, wheel and jack ready for use for that Vehicle or be equipped with a run-flat free tire system or air compressor/tire sealant combination unit."*

(PVAC-0017-2013)

(PVAC-0018-2013)

That the email dated May 17, 2013 from Aisha Li, with respect to hotel shuttles Taxi License Plates Owner Monopoly be received and referred to staff.

(PVAC-0018-2013)

PVAC-0019-2013

That the Action List of the meeting held on March 25, 2013 provided to the Committee to update on the status of initiatives raised at prior meetings be received.

(PVAC-0019-2013)

REPORT 3-2013

General Committee <b>JUN 26 2013</b>
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TO: CHAIR AND MEMBERS OF GENERAL COMMITTEE

The Museums of Mississauga Advisory Committee presents its third report for 2013 and recommends:

MOMAC-0010-2013

That the report from J. Harvey, Chair, regarding the implications of the new Mandate for the Museums of Mississauga Advisory Committee, be received, and that he forward the Terms of Reference to Committee Members for comment prior to the September 23, 2013 meeting of MOMAC.

(MOMAC-0010-2013)

MOMAC-0011-2013

That the Collections and Storage Subcommittee report dated May 7, 2013, and the draft report dated June 4, 2013, be received.

(MOMAC-0011-2013)

MOMAC-0012-2013

That the Museums and Traditions Manager's Report, dated June 6, 2013, be received.

(MOMAC-0012-2013)

MOMAC-0013-2013

That the Capital Projects Report, dated June 6, 2013, from Annemarie Hagan, Museums and Traditions Manager, be received.

(MOMAC-0013-2013)

MOMAC-0014-2013

That the update, dated June 3, 2013, on the Benares Funds for the Fiscal Year 2012, from Paul Mitcham, Commissioner of Community Services, be received.

(MOMAC-0014-2013)

(MOMAC-0015-2013)

That the update, dated June 6, 2013, on the Collections Communications Strategy from Annemarie Hagan, Manager of Museums and Traditions, be received.

(MOMAC-0015-2013)

MOMAC-0016-2013

That the following Items for Information be received:

- (a) 2013 Maple Magic Survey Analysis;
- (b) Heritage Mississauga Awards – *the Credits*;
- (c) Article entitled *Engaging the Past*

(MOMAC-0016-2013)

MOMAC-0017-2013

- (d) That the notice of resignation from Tamara Pope from the Museums of Mississauga Advisory Committee, dated June 14, 2013, be received with regret, and that the City Clerk be requested to fill the resulting vacancy.

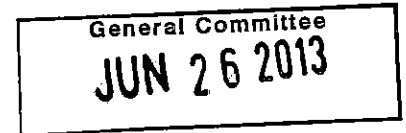
(MOMAC-0017-2013)

MOMAC-0018-2013

That the City Clerk be requested to ensure, if possible, that the 2014 MOMAC meeting schedule remain the 3<sup>rd</sup> Monday in March, June, September and November at 6:00 p.m.

(MOMAC-0018-2013)

REPORT 5-2013



TO: MEMBERS OF GENERAL COMMITTEE

The Heritage Advisory Committee presents its fifth report for 2013 and recommends:

HAC-0050-2013

That the property at 142 Queen Street South, which is listed on the City's Heritage Register, is not worthy of designation, and consequently, that the owner's request to demolish proceed through the applicable process.

Ward 11

(HAC-0050-2013)

HAC-0051-2013

That the property at 57 Inglewood Drive, which is listed on the City's Heritage Register, is not worthy of designation, and consequently, that the owner's request to demolish proceed through the applicable process.

Ward 1

(HAC-0051-2013)

HAC-0052-2013

That the property at 63 Veronica Drive, which is listed on the City's Heritage Register, is not worthy of designation, and consequently, that the owner's request to demolish proceed through the applicable process.

Ward 1

(HAC-0052-2013)

HAC-0053-2013

That the property at 1661 Blythe Road, which is listed on the City's Heritage Register, is not worthy of designation, and consequently, that the owner's request to demolish proceed through the applicable process.

Ward 8

(HAC-0053-2013)

HAC-0054-2013

That the Memorandum dated May 28, 2013 from Paula Wubbenhorst, Senior Heritage Coordinator, Culture Division, entitled "Heritage Impact Statement, 6, 8, and 10 Ann Street (Ward 1)," be received.

Ward 1

(HAC-0054-2013)

HAC-0055-2013

That the correspondence dated June 3, 2013 from Michael Chiu, P. Eng., Consultant Project Manager, McCormick Rankin, with respect to the Queen Elizabeth Way Credit River Bridge, Notice of Filing: Transportation Environmental Study Report, Preliminary Design and Class Environmental Assessment Study, be received.

Wards 1, 2, 7, and 8

(HAC-0055-2013)

HAC-0056-2013

That the chart dated June 18, 2013 from Julie Lavertu, Legislative Coordinator, Heritage Advisory Committee, with respect to the status of outstanding issues from the Heritage Advisory Committee, be received.

(HAC-0056-2013)

HAC-0057-2013

That the correspondence dated June 4, 2013 from James P. Holmes, Chairman, Meadowvale Village Heritage Conservation District Review Committee, with respect to the Chung residence located at 7004 Second Line West in Ward 11, be received.

Ward 11

(HAC-0057-2013)

HAC-0058-2013

That the correspondence dated June 7, 2013 from James P. Holmes, Chairman, and Mike Byrne, Vice-Chairman, Meadowvale Village Community Association, with respect to the Meadowvale Village Draft Heritage Guidelines, be received.

Ward 11

(HAC-0058-2013)

REPORT 4 - 2013

General Committee

**JUN 26 2013**

TO: CHAIR AND MEMBERS OF GENERAL COMMITTEE

The Traffic Safety Council presents its fourth report for 2013 and recommends:

TSC-0067-2013

That the Site Inspection Report for the inspection conducted on May 7, 2013 to review safety at the intersection of Kennedy Road and Wilderness Trail/Grand Highland Way for the students attending Barondale Public School and San Lorenzo Ruiz Catholic School be received.

(TSC-0067-2013)

TSC-0068-2013

1. That the request for a Crossing Guard at the intersection of Woodington Drive and Bishopstoke Lane for the students attending Sts. Peter and Paul Catholic School be denied as the warrants have not been met.
2. That Transportation and Works be requested to do the following at the intersection of Woodington Drive and Bishopstoke Lane for Sts. Peter and Paul Catholic School:
  - a) Replace the faded No Stopping signs.
  - b) Replace missing driveway entrance prohibition sign.
  - c) Install a 40 km/hr speed zone sign opposite the school.
  - d) Install No Stopping signs on the west side of Woodington Drive opposite the school as per general provisions in school zones.

(TSC-0068-2013)

TSC-0069-2013

That the Dismissal Report for the month of May 2013 be received.

(TSC-0069-2013)

TSC-0070-2013

1. That Parking Enforcement be requested to enforce the parking infractions in front of Plum Tree Park Public School between 3:30 – 3:50 pm.
2. That the Peel District School Board be requested to install a chain link fence along the east street line of Tenth Line West from the driveway entrance to the driveway exit.

(TSC-0070-2013)

## TSC-0071-2013

1. That Ellengale Public School be reviewed by representatives of Traffic Safety Council and Peel District School Board Maintenance staff to determine a suitable location for a Kiss and Ride at the school.
2. That Transportation and Works be requested to review installing No Stopping signs with hourly prohibitions for the arrival and dismissal times on the east side of Ellengale Drive opposite Ellengale Public School.

(TSC-0071-2013)

## TSC-0072-2013

That Parking Enforcement be requested to enforce the parking infractions on Edenwood Drive and Battleford Road between 2:50-3:15 pm for Meadowvale Secondary School.

(TSC-0072-2013)

## TSC-0073-2013

That Parking Enforcement be requested to enforce the parking infractions in front of Lancaster Public School between 3:05-3:25 pm.

(TSC-0073-2013)

## TSC-0074-2013

That Parking Enforcement be requested to enforce the fire route violations at St. Elizabeth Seton Catholic School between 8:30 – 9:00 am and 3:00 – 3:30 p.m. and that enforcement be continuous over 3 to 4 days.

(TSC-0074-2013)

## TSC-0075-2013

1. That representatives from Traffic Safety Council and Peel District School Board Maintenance staff review the Valley's Senior Public School driveway layout, pavement markings and utilizing the area east of the school at the June 11, 2013 Peel District School Board Maintenance meeting.
2. That the Valley's Senior Public School be placed on the Peel District School Board's painting program to define the Kiss and Ride location, bus lane, pedestrian crosswalk with hatched lines and one-way driving lanes.
3. That the Peel District School Board be requested to repair the broken swing gate at the end of the front parking lot at the Valley's Senior Public School.
4. That the Recreation Division in the Community Services Department be requested to review the traffic markings and signage at the Mississauga Valley Community Centre as soon as the asphalt repair program is complete.
5. That Transportation and Works be requested to review modifying the entrances off Mississauga Valley Boulevard for the Mississauga Valley Community Centre and the Valley's Senior Public School and report back to Traffic Safety Council.

(TSC-0075-2013)

## TSC-0076-2013

That the School Zone Safety (Kiss and Ride) Report from April to May 2013 be received.  
(TSC-0076-2013)

## TSC-0077-2013

1. That Parking Enforcement be requested to enforce the parking infractions in front of Derry West Village Public School between 8:15 – 8:45 am.
2. That the Peel District School Board be requested to repaint the Kiss & Ride pavement markings in the driveway at Derry West Village Public School during the summer 2013.
3. That the Principal at Derry West Village Public School be requested to have school staff spread out along the drop-off area to help move vehicles efficiently through the Kiss & Ride.

(TSC-0077-2013)

## TSC-0078-2013

That the Principal at The Valleys Senior Public School be requested to notify parents to utilize the Kiss and Ride at the school.

(TSC-0078-2013)

## TSC-0079-2013

That the Dufferin-Peel Catholic District School Board be requested to repaint the Kiss and Ride and review the fire route signage at Sts. Peter and Paul Catholic School.

(TSC-0079-2013)

## TSC-0080-2013

That the memorandum dated May 1, 2013 from the Manager of Parking Enforcement with respect to parking enforcement in school zones be received.

(TSC-0080-2013)

## TSC-0081-2013

1. That Transportation and Works be requested to construct two (2) 10 feet landing pads with 60 feet spacing on the boulevard on the west side of Ellengale Drive to accommodate the loading and unloading of the 3 large and 1 small school bus at Ellengale Public School and further that the Peel District School Board be requested to contribute 50% to the cost of constructing the 2 landing pads.
2. That Transportation and Works be requested to review the No Stopping signage opposite Ellengale Public School on Ellengale Drive and corner no stopping prohibitions on Chada Avenue.

(TSC-0081-2013)



## TSC-0082-2013

That the request for a second crossing guard at the south leg of the intersection of Cliff Road and The Queensway for the students attending St. Timothy Catholic School be denied as the warrants have not been met and that the Site Inspection Subcommittee of Traffic Safety Council be requested to re-inspect the intersection in September 2013.

(TSC-0082-2013)

## TSC-0083-2013

1. That the request for a crossing guard at the intersection of Kennedy Road and Bristol Road/Driftcurrent Drive for the students attending Barondale Public School and San Lorenzo Catholic School be denied as the warrants have not been met and that students at both schools be encouraged to cross Driftcurrent Drive south to north in the morning and reverse in the afternoon, utilizing the sidewalk on the east side of Kennedy Road to access the crossing guard to be placed at Kennedy Road and Wilderness Trail/Grand Highland Way in September 2013 once bussing is removed east of Kennedy Road.

2. That Transportation and Works be requested to ensure that the timing of the traffic signals at the intersection of Kennedy Road and Bristol Road/Driftcurrent Drive are set to slow walking speed and that the intersection is painted with zebra stripes.

(TSC-0083-2013)

## TSC-0084-2013

1. That the request for a crossing guard at the intersection of McBride Avenue and Westlock Road for the students attending Blessed John XXII Catholic School be denied as the warrants have not been met and the all-way stop provides protection for crossing students.

2. That Transportation and Works be requested to review the signage in front of Blessed John XXII Catholic School.

(TSC-0084-2013)

## TSC-0085-2013

That the request for a crossing guard at the intersection of Glen Erin Drive and Shelter Bay Road for the students attending Shelter Bay Public School be denied as the warrants have not been met and the traffic signals provide protection for crossing students.

(TSC-0085-2013)

## TSC-0086-2013

That the School Zone Safety (Kiss and Ride) Report from May 2013 be received.

(TSC-0086-2013)

## TSC-0087-2013

That the report submitted by Louise Goegan with respect to the Ontario Traffic Conference in Sarnia, June 2-4, 2013 be received.

(TSC-0087-2013)

TSC-0088-2013

That the minutes from the Peel District School Board Maintenance Meeting held on Tuesday, June 11, 2013 be received.

(TSC-0088-2013)

TSC-0089-2013

That the deputation by Rick Williams, Ward 5 Trustee, Peel District School Board with respect to the implementation of a crossing guard at Kennedy Road and Wilderness Trail/ Grand Highland Way and Item 9 on the agenda be received.

(TSC-0089-2013)

TSC-0090-2013

That the Memorandum dated June 1, 2013 from the Manager of Parking Enforcement with respect to parking enforcement in school zones be received.

(TSC-0090-2013)

TSC-0091-2013

1. That the Memorandum dated June 19, 2013 from the Legislative Coordinator with respect to a request from the Walk to School Subcommittee to purchase items for the School Walking Routes Program from the 2013 Committee budget be received.
2. That the amount of \$12,570 (excluding taxes) be allocated in the 2013 Traffic Safety Council budget to purchase the following items for the School Walking Routes Program:
  - a) School Walking Route T-shirts
  - b) Frequent Walker Cards
  - c) "We are a Walking School" signs
  - d) Pedometers
  - e) Walk to School Pencils

(TSC-0091-2013)