

**MUNICIPAL GAS TAX FUND AGREEMENT -
TRANSFER OF FEDERAL GAS TAX REVENUES
UNDER THE GAS TAX PROGRAM**

made as of the _____ day of _____ 20__.

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN**, as represented by the Minister of Government Relations ("Saskatchewan")

AND: **«municipality_type_desc» of «municipality_description»**
in the Province of Saskatchewan ("Municipality")

WHEREAS HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Infrastructure, Communities and Intergovernmental Affairs ("Canada") and Saskatchewan entered into an administrative agreement respecting the roles and responsibilities of Canada and Saskatchewan for the administration of the GTF under the Administrative Agreement on the Federal Gas Tax Fund effective **April 1, 2014**; and

WHEREAS Saskatchewan agrees to administer the Administrative Agreement on behalf of Canada and allocate to Municipalities any GTF funding that may be transferred by Canada under the Administrative Agreement for the purposes described in the Administrative Agreement; and

WHEREAS the parties agree that any GTF funding allocated to Municipalities is to help Saskatchewan communities build and revitalize their public municipal infrastructure that supports national objectives of productivity and economic growth, a clean environment and strong cities and communities; and

THEREFORE, the parties agree as follows:

1. PURPOSE

This Agreement sets out the roles and responsibilities of Saskatchewan and the Municipality for the administration of the GTF.

2. CONTEXT

With the Administrative Agreement, Canada and Saskatchewan wish to help communities build and revitalize their public infrastructure that supports national objectives of productivity and economic growth, a clean environment and strong cities and communities, building on:

- The success of the First Agreement;
- Section 161 of the *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24, under which the Government of Canada makes up to \$2 billion per year available for allocation by the Government of Canada for the purpose of municipal, regional and First Nations infrastructure starting in 2014-2015;
- *Economic Action Plan 2013*, through which the Government of Canada announced a renewed GTF which included the indexation of the gas tax funding at two per cent per year, with increases to be applied in \$100 million increments (confirmed through section 161 of the *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24 as amended by section 233 of the *Economic Action Plan 2013 Act, No. 1*, S.C. 2013, c. 33);
- *Economic Action Plan 2013* which encouraged provinces, territories, cities and communities to support the use of apprentices in infrastructure projects receiving federal funding. Canada recognizes that Saskatchewan has developed and implemented its own initiatives with regards to the use of apprentices in infrastructure projects;
- *Economic Action Plan 2013*, through which the Government of Canada announced an expanded list of GTF eligible project categories and encouragement for asset management planning;
- *Saskatchewan Plan for Growth 2013* which supports municipal and regional planning efforts to address economic growth opportunities and challenges.

3. PRINCIPLES

Saskatchewan and the Municipality acknowledge that this Agreement is based on the following principles:

- Principle 1 – Respect for jurisdiction:** The GTF was designed to leverage the strengths of each level of government and is based on the principle that each has areas of jurisdiction and is accountable to its population. Saskatchewan respects the jurisdiction of its municipalities and their autonomy.
- Principle 2 – A flexible approach:** In recognition of the diversity of Saskatchewan municipalities, the GTF recognizes the need for a flexible approach to program delivery. Wherever possible, the GTF aims to employ regionally adapted delivery mechanisms, including the leveraging of existing delivery mechanisms and reporting structures.

- c. **Principle 3 – Equity between jurisdictions:** The GTF recognizes the importance of ensuring that the inter-provincial/territorial allocation is equitable while supporting meaningful infrastructure investments within the least populated jurisdictions.
- d. **Principle 4 – Long-term solutions:** The GTF provides predictable, long-term funding for communities, where communities choose projects locally and prioritize them according to their needs, while respecting the principle of incrementality and not displacing current infrastructure investments.
- e. **Principle 5 – Transparency:** The GTF is administered via an open and transparent governance process which recognizes and communicates Canada’s contribution to communities’ infrastructure priorities and includes regular program evaluations and progress reporting to Canadians.

4. ANNEXES AND SCHEDULES

The following annexes and schedules are attached to and form part of the Agreement:

- Annex A: Definitions
- Annex B: Terms and conditions, including:
 1. Allocation Formula
 2. Delivery Mechanism
 3. Infrastructure Investment Plan
- Schedule A: Municipality Requirements
- Schedule B: Eligible Project Categories
- Schedule C: Eligible and Ineligible Expenditures
- Schedule D: Reporting
- Schedule E: Communications Protocol
- Schedule F: Asset Management

5. DEFINITIONS

Unless defined elsewhere in this Agreement, capitalized words used throughout this Agreement are defined in Annex A (Definitions).

6. FEDERAL GAS TAX FUND

- 6.1 Any GTF funding that may be transferred by Saskatchewan to the Municipality, when transferred, will be administered by the Municipality in accordance with this Agreement, including the terms and conditions set out in Annex B (Terms and Conditions).
- 6.2 Any Unspent Funds, and any interest earned thereon, will be subject to the terms and conditions of this Agreement and will no longer be governed by the terms and conditions of the previous Municipal Funding Agreement.

7. GENERAL

- 7.1 Saskatchewan and the Municipality acknowledge the financial contribution by Canada under this Agreement and, in consideration of that contribution and notwithstanding that Canada

is not a signatory to this Agreement, the parties agree that the terms of this Agreement applicable to, or with respect to, Canada are for her sole benefit.

- 7.2 Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as an agent for the other. Nothing in this Agreement is to be construed as authorizing the Municipality or any Third Party to contract for or to incur any obligation on behalf of either Party or to act as an agent for either Party.
- 7.3 This Agreement is subject to *The Freedom of Information and Protection of Privacy Act* and *The Local Authority Freedom of Information and Protection of Privacy Act*.
- 7.4 The parties agree to give this Agreement a fair and reasonable interpretation and, when required, to negotiate with fairness and candour any modifications or alteration thereof for the purpose of carrying out the intent of the Agreement and or rectifying any omission in any of these provisions.
- 7.5 If there is a conflict between this Agreement and the Administrative Agreement, the provisions of the Administrative Agreement will apply.

8. DURATION, TERMINATION, AMENDMENT AND DEFAULT

- 8.1 This Agreement will be effective as of April 1, 2014, and will be in effect until March 31, 2024, unless Saskatchewan and the Municipality agree to renew it. In the event where this Agreement is not renewed, any GTF funding and Unspent Funds, and any interest earned thereon held by the Municipality, that have not been expended on Eligible Projects as of March 31, 2024, will nevertheless continue to be subject to this Agreement until such time as may be determined by Saskatchewan and the Municipality.
- 8.2 This Agreement may be amended at any time in writing as agreed to by Saskatchewan and the Municipality.
- 8.3 This Agreement may be terminated at any time and for any reason by either Saskatchewan or the Municipality on two (2) years written notice. In the event where this Agreement is so terminated, any GTF funding and Unspent Funds, and any interest earned thereon held by Saskatchewan or the Municipality, that have not been expended on Eligible Projects as of the date of termination will nevertheless continue to be subject to this Agreement until such time as may be determined by Saskatchewan and the Municipality.
- 8.4 Saskatchewan may declare an Event of Default if the Municipality:
- a) has failed to comply with any condition, undertaking or material term of this Agreement;
 - b) fails to implement or operate the project within the term of the Agreement;
 - c) changes the scope or nature of a project without written approval of Saskatchewan;
 - d) fails to obtain the necessary licenses, permits or approvals required to implement a project;

- e) fails to implement any environmental mitigation requirements; or
 - f) fails to meet the reporting requirements of this Agreement.
- 8.5 Saskatchewan will not declare an Event of Default has occurred unless it has consulted with and given notice in writing to the Municipality of the occurrence which, in the opinion of Saskatchewan, constitutes an Event of Default.
- 8.6 The Municipality shall, within 30 days of receipt of the notice, either correct the condition that has led to the serving of notice or demonstrate to the satisfaction of Saskatchewan, that it has taken such steps as are necessary to correct the said condition.
- 8.7 If an Event of Default occurs, Saskatchewan may inform the Municipality by notice in writing that Saskatchewan's obligation to transfer funds, or the balance of funds, to the Municipality is hereby terminated and if requested in writing the Municipality agrees to reimburse Saskatchewan for the amount dispersed.
- 8.8 In addition to any other remedy available at law, Saskatchewan reserves the right of set-off to recover any overpayments made to, or amounts owing by, the Municipality under this Agreement.
- 8.9 The Municipality will indemnify and save harmless each of Canada and Saskatchewan and each of their respective ministers, servants, officers, employees and agents from and against all claims, liabilities, and demands of any kind with respect to any injury or death to a person, or damage to or loss or destruction of property, economic loss or infringement of rights by or arising directly or indirectly from:
- a) the Administrative Agreement and this Agreement;
 - b) the performance of this Agreement or the breach of any term or condition of it by the Municipality, its officers, servants, employees and agents, or by a Third Party, and any of its officers, employees, servants or agents;
 - c) the ongoing operation, maintenance and repair of the municipal Infrastructure resulting from the project(s);
 - d) any omission or other wilful or negligent act of the Municipality, a Third Party, their respective employees, officers, servants or agents.
- 8.10 The parties' rights and obligations respecting access to records, liability for projects, and retaining title will survive the expiry or early termination of this Agreement.

9. CORRESPONDENCE

- 9.1 Any notice or communication authorized or permitted with respect to this Agreement shall be effectively given if:
- a) delivered by hand; or
 - b) sent by letter; or
 - c) sent by electronic mail; or
 - d) sent by facsimile (FAX); or
 - e) prepaid to the address or FAX number, as given in this Agreement.

9.2 Any notice or communication required or permitted by this Agreement to be made by the Municipality shall be provided to:

Gas Tax Fund
Ministry of Government Relations
410 – 1855 Victoria Avenue
REGINA SK S4P 3V7
Phone (306) 787-8912
Fax (306) 787-3641
Email: gastaxprogram@gov.sk.ca

9.3 Any notice or communication that is required or authorized by Saskatchewan to be made to the Municipality may be addressed to:

«municipality_type_desc» of «municipality_description»
«address1»
«city» «province_code» «postal_code»
Phone: «Office_Phone»
Fax: «Office_Fax»
Email: «Office_Email»

SIGNATURES

Government of Saskatchewan

Original signed by:

Per: Minister of Government Relations

Date

«municipality_type_desc» of

«municipality_description»

Original signed by:

Mayor/Reeve/CEO

Date

Administrator/Clerk

Date

ANNEX A DEFINITIONS

“Administrative Agreement” means the Canada-Saskatchewan agreement on the federal gas tax fund which sets out the roles and responsibilities of Canada and Saskatchewan for the administration of the GTF, including attached Annexes and Schedules.

“Agreement” means the Municipal Gas Tax Fund Agreement entered into by Saskatchewan and the Municipality which sets out the roles and responsibilities of Saskatchewan and the Municipality for administration of the GTF, including the Annexes and Schedules attached hereto.

“Asset Management Plans” means documents that support integrated, lifecycle approaches to effective stewardship of infrastructure assets in order to maximize benefits, and manage risk. Plans can include:

- an inventory of assets;
- the condition of infrastructure;
- level of service or risk assessment;
- a cost analysis;
- community priority setting;
- financial planning.

“Capital Plan” means a plan approved by Municipal Council which describes anticipated investments in capital assets by a Municipality over a five year period, along with a rationale for the selection of these investments.

“Contract” means an agreement between a Municipality and a Third Party whereby the latter agrees to supply a product or service to an Eligible Project in return for financial consideration.

“Eligible Expenditures” means those expenditures described as eligible in Schedule C (Eligible and Ineligible Expenditures).

“Eligible Projects” means projects as described in Schedule B (Eligible Project Categories).

“First Agreement” means the agreement for the transfer of federal gas tax revenues entered into on August 23, 2005 by the Government of Canada and Saskatchewan, with an expiry date of 2015, as amended on January 12, 2007, September 3, 2008, and September 4, 2008.

“Fiscal Year” means the period beginning April 1 of a year and ending on March 31 of the following year.

“Fiscal Year Amount” means the annual transfer of funds received from Canada under the Administrative Agreement less any amounts as Canada has approved or may approve through a business case justifying such use of the funding for provincial administration expenses.

“Municipal Annual Expenditure Report” means the duly completed annual report to be prepared and delivered by the Municipality to Saskatchewan, as described in Schedule D (Reporting).

“Municipal Funding Agreement” means the agreement entered into by Saskatchewan and a Municipality pursuant to the First Agreement.

“GTF” means the Gas Tax Fund, a program established by the Government of Canada setting out the terms and conditions for the administration of funding that may be provided by Canada to recipients under section 161 of the *Keeping Canada’s Economy and Jobs Growing Act*, S.C. 2011, c. 24 as amended by section 233 of the *Economic Action Plan 2013 Act, No. 1*, S.C. 2013, c. 33, or any other source of funding as determined by Canada.

“Ineligible Expenditures” means those expenditures described as ineligible in Schedule C (Eligible and Ineligible Expenditures).

“Infrastructure” means municipal or regional, publicly or privately owned, tangible capital assets primarily for public use or benefit in Saskatchewan.

“Infrastructure Investment Plan (IIP)” means a plan submitted by the Municipality to Saskatchewan which includes a description of the Eligible Project for which the Municipality intends to use its GTF funding, and the outcomes and benefits the Municipality expects to achieve as a result of the Eligible Project.

“Municipality” means a municipality as defined in *The Interpretation Act, 1995* (Saskatchewan), or any equivalent successor legislation and includes the Saskatchewan portion of the City of Lloydminster, and the City of Flin Flon, Manitoba for the boundary area as defined in *The Flin Flon Extension of Boundaries Act, 1952*.

“Oversight Committee” means the committee established under Section 7 of the Administrative Agreement, and includes federal, provincial and municipal representatives.

“Third Party” means any person or legal entity, other than Canada, Saskatchewan or an Ultimate Recipient, who participates in the implementation of an Eligible Project by means of a Contract.

“Ultimate Recipient” means:

- (i) a Municipality or its agent (including its wholly owned corporation);
- (ii) a non-municipal entity, including for profit, non-governmental and not-for-profit organizations, on the condition that a/the Municipality(s) has (have) indicated support for the project through a formal resolution of its (their) council(s); or
- (iii) Saskatchewan entities in the form of departments, corporations and agencies where they provide core municipal services in municipalities; and in the unincorporated areas of a jurisdiction.

“Unspent Funds” means the amount reported as unspent by Saskatchewan and by Municipalities and other recipients in the 2013-14 Annual Expenditure Report (as defined under the First Agreement).

ANNEX B
TERMS AND CONDITIONS

1. ALLOCATION FORMULA

- 1.1 Any Unspent Funds held by Saskatchewan and any GTF funding that may be received by Saskatchewan from Canada will be distributed in accordance with the following formula:
- a) Each Municipality will be allocated, on a conditional basis, shares of any GTF funding received from Canada, by dividing the Municipality's 2011 Statistics Canada Census population by the total 2011 Census population for all Municipalities and multiplying the resulting quotient by each Fiscal Year Amount. Beginning with Fiscal Year 2019-20, allocations for any GTF funding received from Canada will be based on the 2016 Statistics Canada Census results.
 - b) The portion of Unspent Funds distributed or committed to a Municipality or other recipient as approved under the First Agreement will remain allocated to the respective Municipality or other recipient.
- 1.2 Interest earned on any Unspent Funds held by Saskatchewan or on any GTF funding that Saskatchewan may receive from Canada, shall be used only for the purposes of Eligible Projects which may include the capacity building efforts of the Saskatchewan Urban Municipalities Association and/or the Saskatchewan Association of Rural Municipalities and/or New North-Saskatchewan Association of Northern Communities Services Inc., where established as Ultimate Recipients and in accordance with Schedule B.

2. DELIVERY MECHANISM

- 2.1 Payments to the Municipality shall not be made unless Saskatchewan is in receipt of GTF funds from Canada.
- 2.2 Saskatchewan will distribute any GTF funding received from Canada to the Municipality, in accordance with this Agreement and the Administrative Agreement. The distribution of said GTF funds to the Municipality will be subject to the Municipality meeting significant terms and conditions of the Agreement.
- 2.3 The Municipality agrees that GTF funding shall be used only for Eligible Projects as identified in Schedule B to this Agreement and solely in respect of Eligible Expenditures as identified in Schedule C of this Agreement.
- 2.4 Any GTF allocation will be treated as federal funds with respect to other federal Infrastructure programs. GTF funding may be used to pay up to 100 per cent of Eligible Expenditures of an Eligible Project.

- 2.5 Consistent with the policies and directives approved by the Oversight Committee, Saskatchewan may redirect all or a portion of a Municipality's allocation for use by other Municipalities for Eligible Projects when:
- a) the Municipality has failed to meet significant GTF programming requirements, terms or conditions; or
 - b) the Municipality's estimated allocation of GTF funding has not been triggered for payment by March 31, 2016, as per Section 3.3.

3. INFRASTRUCTURE INVESTMENT PLAN

- 3.1 The Municipality agrees to submit at least one Infrastructure Investment Plan (IIP) by June 1, 2015, in a format, as determined by Saskatchewan, which includes the information consistent with the requirements of the Administrative Agreement. The Municipality will be advised, in writing, of the approval of the IIP(s).
- 3.2 A Municipality may establish access to all or any of its estimated allocation under a single IIP or through several IIPs.
- 3.3 If the Municipality does not have a signed Agreement and an approved IIP in place by March 31, 2016, Saskatchewan may redirect the Municipality's allocation as per Section 2.5(b).
- 3.4 The Municipality shall expend the GTF funds towards the project identified in the approved IIP in a timely and effective manner.
- 3.5 The Municipality shall not alter the scope of an IIP without the prior written consent of Saskatchewan.
- 3.6 The Municipality shall inform Saskatchewan promptly in writing of any reduction in approved IIP(s) costs or of any additional financial assistance, including federal, provincial, municipal or third party assistance, with respect to an approved IIP(s), and Saskatchewan shall have the right to adjust the amount of the funds applicable to that IIP to take into account the amount of any such additional assistance that is to be received.
- 3.7 In the event that the Municipality decides to terminate an IIP, the Municipality shall advise Saskatchewan in writing within 30 days of the termination.

SCHEDULE A – Municipality Requirements

The Municipality agrees to:

1. Records and Audit

- 1.1 Keep proper and accurate accounts and records in respect of all Eligible Projects for at least six (6) years after completion of the Eligible Project and, upon reasonable notice, make them available to Canada or Saskatchewan.
- 1.2 Record, separately and distinctly, GTF funding it receives from Saskatchewan in advance of it paying Eligible Expenditures.
- 1.3 Allow Canada or Saskatchewan reasonable and timely access to all of its documentation, records and accounts and those of their respective agents or Third Parties related to the use of GTF funding and Unspent Funds, and any interest earned thereon, and all other relevant information and documentation requested by Canada or Saskatchewan, or their designated representatives, for the purposes of audit, evaluation, and ensuring compliance with this Agreement.
- 1.4 Provide, if requested by Saskatchewan, an audited report of expenditures on the IIP(s), or allow a representative from Saskatchewan or Canada access to its books and records so an audit can be undertaken.

2. Investment and Earnings

- 2.1 If funds are paid by Saskatchewan to a Municipality in advance of the Municipality incurring Eligible Expenditures, invest such funds in accordance with provincial legislation respecting investments by Municipalities.
- 2.2 Ensure that any earnings on funds invested are used only for the purpose of paying for Eligible Expenditures incurred with respect to Eligible Projects.

3. Projects and Costs

- 3.1 Use funds only for the purpose of paying for Eligible Expenditures incurred with respect to Eligible Projects.
- 3.2 Be responsible for the completion of each Eligible Project in accordance with Schedule B (Eligible Project Categories) and Schedule C (Eligible and Ineligible Expenditures).
- 3.3 In accordance with Section 3.1, spend:
 - a) its Unspent Funds, by December 31, 2018;
 - b) its estimated five year allocation from 2014-15 to 2018-19, by December 31, 2023; and

c) its estimated five year allocation from 2019-20 to 2023-24, by December 31, 2024.

- 3.4 Complete all projects by December 31, 2024, without exception, and acknowledge that any costs incurred after that date are not Eligible Expenditures.
- 3.5 Acknowledge that any funds received by the Municipality that are not used for the purpose of paying for Eligible Expenditures incurred by December 31, 2024, with respect to Eligible Projects, shall be a debt due to Saskatchewan by the Municipality.
- 3.6 Be responsible for cost overruns if the actual total cost of the approved IIP(s) exceeds the Municipality's estimated total allocation of funds.

4. Non-Compliance

- 4.1 Acknowledge that Saskatchewan may, without limiting any of the remedies available to Saskatchewan, withhold payment to the Municipality, reduce payments to the Municipality, or demand the return of any payment or part thereof, if the Municipality does not comply with the terms and conditions of this Agreement. Any payment or part thereof demanded by Saskatchewan and not returned by the Municipality shall be a debt due to Saskatchewan.

5. Reporting

- 5.1 Comply with all requirements outlined in Schedule D (Reporting).

6. Communications

- 6.1 Comply with all Municipality requirements outlined in Schedule E (Communications Protocol).

7. Legislative/Environmental Compliance and Licensing

- 7.1 Comply with all legislated environmental assessment requirements and commit that no funds will be expended on Eligible Projects until all environmental assessment and legislative requirements have been met.
 - a) Disclose any environmental issues or concerns relating to the project(s) that are applicable to the Canadian Environmental Assessment Act and the Environmental Assessment Act (Saskatchewan).
 - b) Agree that all certificates, consents, permits, licenses and approvals required for compliance with applicable legislation have been or will be obtained; that the Municipality will otherwise comply with the requirements of such legislation; and will comply with any mitigating measures identified through the environmental assessment process.
 - c) Agree that failure to implement any mitigating measures identified through the environmental assessment process shall constitute an Event of Default.

7.2 Obtain all necessary licenses, permits, and approvals required for the approved IIP(s) by applicable legislation, regulations and by-laws.

7.3 Comply with all applicable labour and human rights legislation.

8. Ownership

8.1 Invest into Eligible Projects, any revenue that is generated from the sale, lease, encumbrance or other disposal of an asset resulting from an Eligible Project where such disposal takes place within five (5) years of the date of completion of the Eligible Project.

9. Indemnity

9.1 Ensure that they will not, at any time, hold the Government of Canada or Saskatchewan, its officers, servants, employees or agents responsible for any claims or losses of any kind that they, Third Parties or any other person or entity may suffer in relation to any matter related to GTF funding or an Eligible Project and that they will, at all times, compensate the Government of Canada or Saskatchewan, its officers, servants, employees and agents for any claims or losses of any kind that any of them may suffer in relation to any matter related to GTF funding or an Eligible Project.

10. Best practices

10.1 Ensure that, on any Eligible Project, the work shall be carried out in accordance with the rules, regulations and laws governing such works and in accordance with the best general practices then current at the time of construction of the project.

11. Tenders and Contracts

11.1 With respect to Contracts, award and manage all Contracts in accordance with their relevant policies and procedures and, if applicable, in accordance with the Agreement on Internal Trade and applicable international and interprovincial trade agreements, and all other applicable laws.

11.2 Act in accordance with the requirements of Schedule C, Section 1.2 if the Municipality chooses to utilize its employees and equipment for the project.

11.3 Include, in all of its calls for tendering of the project(s), the following wording:
“This project is partially funded by the Government of Canada through the Gas Tax Fund.”

11.4 Include the following clauses in any Contracts to construct or supply materials for projects funded in whole or in part by the funds:

“Indemnification

The Contractor agrees to indemnify and save harmless Canada, Saskatchewan, the Municipality, their officers, servants, employees, or agents from and against all claims, demands, loss, costs, damages, actions, suits or other proceedings by whomsoever brought or persecuted in any manner based upon, or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from:

- a) the Agreement between Saskatchewan and the Municipality required pursuant to the Administrative Agreement on the Federal Gas Tax Fund entered into between Canada and Saskatchewan;
- b) the performance of a contract or the breach of any term or condition of it by the Contractor, its officers, servants, employees, or agents; or
- c) any omission or other wilful or negligent act of the Contractor, a Third Party, their respective employees, officers, servants or agents.”;

and

“No Agency

The Contractor agrees that nothing in the Agreement between Saskatchewan and the Municipality required pursuant to the Administrative Agreement on the Federal Gas Tax Fund entered into between Canada and Saskatchewan is to be construed as authorizing the Contractor or any Third Party to contract for or to incur any obligation on behalf of the Municipality, Saskatchewan or Canada or to act as agent for them.”

12. Asset Management

- 12.1 Make progress towards developing and/or implementing an Asset Management Plan prior to March 31, 2018.

13. General

- 13.1 Ensure its actions do not establish or be deemed to establish a partnership, joint venture, principal-agent relationship or employer-employee relationship in any way or for any purpose whatsoever between Canada and the Municipality, or between Canada and a Third Party.
- 13.2 Ensure that they do not represent themselves, including in any agreement with a Third Party, as a partner, employee or agent of Canada.
- 13.3 Ensure that no current or former public servant or public office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes or policies of Canada applies will derive direct benefit from GTF funding, Unspent Funds, and interest earned thereon, unless the provision or receipt of such benefits is in compliance with such legislation, guidelines, policies or codes.
- 13.4 Acknowledge that the requirements of this schedule which, by their nature, should extend beyond the expiration or termination of this Agreement, will extend beyond such expiration or termination.

SCHEDULE B – Eligible Project Categories

Eligible Projects include investments in Infrastructure for its construction, renewal or material enhancement in each of the following categories:

1. Local roads and bridges – roads, bridges and active transportation infrastructure (active transportation refers to investments that support active methods of travel. This can include: cycling lanes and paths, sidewalks, hiking and walking trails).
2. Highways: highway infrastructure.
3. Short-sea shipping – infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean.
4. Short-line rail – railway related infrastructure for carriage of passengers or freight.
5. Regional and local airports – airport-related infrastructure (excludes the National Airport System).
6. Broadband connectivity – infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.
7. Public transit – infrastructure that supports a shared passenger transport system which is available for public use.
8. Drinking water – infrastructure that supports drinking water conservation, collection, treatment and distribution systems.
9. Wastewater – infrastructure that supports wastewater and storm water collection, treatment and management systems.
10. Solid waste – infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage.
11. Community energy systems – infrastructure that generates or increases the efficient usage of energy.
12. Brownfield Redevelopment - remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes:
 - the construction of public infrastructure as identified in the context of any other category under the GTF, and/or;
 - the construction of municipal use public parks and publicly-owned social housing.

13. Sport Infrastructure – amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams (ex. Junior A)).
14. Recreational Infrastructure – recreational facilities or networks.
15. Cultural Infrastructure – infrastructure that supports arts, humanities, and heritage.
16. Tourism Infrastructure – infrastructure that attract travelers for recreation, leisure, business or other purposes.
17. Disaster mitigation – infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.

Eligible Projects also include:

18. Capacity building – includes investments related to strengthening the ability of Municipalities to develop long-term planning practices.

Note: Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible.

SCHEDULE C – Eligible and Ineligible Expenditures

1. Eligible Expenditures

1.1 Eligible Expenditures of the Municipality will be limited to the following:

- a) the expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by generally accepted accounting principles, and any related debt financing charges specifically identified with that asset;
- b) for capacity building category only, the expenditures related to strengthening the ability of Municipalities to improve local and regional planning including Capital Plans, integrated community sustainability plans, life-cycle cost assessments, and Asset Management Plans. The expenditures could include developing and implementing:
 - i. studies, strategies, or systems related to asset management, which may include software acquisition and implementation;
 - ii. training directly related to asset management planning; and,
 - iii. long-term infrastructure plans.
- c) the expenditures directly associated with joint communication activities and with federal project signage for GTF-funded projects.

1.2 Employee and Equipment Costs: The incremental costs of the Municipality's employees or equipment may be included as Eligible Expenditures if the Municipality complies with the policy for self-tendering as established by Saskatchewan, which includes the following conditions:

- a) the self-tendering is approved in advance and in writing by Saskatchewan;
- b) the Municipality tenders the Eligible Project;
- c) the employee or equipment is engaged directly in respect of the work that would have been the subject of the contract; and
- d) the Municipality does not, under any circumstances, award the work to itself if it has not submitted the lowest valid tender as determined by industry standards.

2. Ineligible Expenditures

The following are deemed Ineligible Expenditures:

- a) project expenditures incurred before April 1, 2005;
- b) project expenditures incurred before April 1, 2014 for the following investment categories:
 - i. highways;
 - ii. regional and local airports
 - iii. short-sea shipping;
 - iv. disaster mitigation;
 - v. broadband connectivity;

- vi. brownfield redevelopment;
 - vii. cultural infrastructure;
 - viii. tourism infrastructure;
 - ix. sport infrastructure; and
 - x. recreational infrastructure.
- c) the cost of leasing of equipment by the Municipality, any overhead costs, including salaries and other employment benefits of any employees of the Municipality, its direct or indirect operating or administrative costs of the Municipality, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Expenditures above;
 - d) taxes for which the Municipality is eligible for a tax rebate and all other costs eligible for rebates;
 - e) purchase of land or any interest therein, and related costs;
 - f) legal fees; and
 - g) routine repair and maintenance costs.

SCHEDULE D – Reporting

1. Municipal Annual Expenditure Report

- 1.1 The Municipality shall submit a Municipal Annual Expenditure Report to Saskatchewan consistent with the requirements of the Administrative Agreement, which may include without limitation the following:
- a) any information necessary for Saskatchewan to report to Canada as required under the Administrative Agreement, including Schedule D (Reporting); and
 - b) certification by the Municipality that it is in compliance with the terms and conditions of this Agreement.

2. Incrementality

- 2.1 A Municipality with a population (Municipality's 2011 Statistics Canada Census) of more than 2,000 shall provide to Saskatchewan information on the Municipality's capital expenditures on municipal infrastructure, from its own sources and net of any other grants or funding, for the five year periods of:
- a) 2010 to 2014;
 - b) 2015 to 2019; and
 - c) 2020 to 2024
- for purposes of Annex B, Section 4 - Incrementality of the Administrative Agreement.
- 2.2 This incrementality report is due:
- a) for years 2010 to 2014, by March 31, 2015;
 - b) for years 2015 to 2019, by March 31, 2020; and
 - c) for years 2020 to 2024, by March 31, 2025.

3. Capital Plan

- 3.1 A Municipality considered a city or with a population greater than 5,000 (Municipality's 2011 Statistics Canada Census) shall provide to Saskatchewan a five-year Capital Plan, beginning in 2015 for the years 2015 through 2019, and continuing on an annual basis.
- 3.2 The five-year Capital Plan is due annually on March 31st. For example, the Capital Plan for 2015 to 2019 is due March 31, 2015.

4. Outcomes

- 4.1 A Municipality shall submit an outcomes report to Saskatchewan on each completed project, consistent with the requirements of the Administrative Agreement.
- 4.2 Supplementary reporting guidelines with respect to Outcomes will be issued by Saskatchewan and provided to the Municipality.

5. General

- 5.1 Reports must be in a format and include the content as determined by Saskatchewan, consistent with the requirements of the Administrative Agreement.
- 5.2 Supplementary reporting guidelines with respect to Asset Management will be issued by Saskatchewan and provided to the Municipality.

SCHEDULE E – Communications Protocol

1. Purpose

- 1.1 The provisions of this Communications Protocol apply to all communications activities related to any GTF funding, including allocations, and Eligible Projects funded under this Administrative Agreement. Communications activities may include, but are not limited to, public or media events, news releases, reports, web articles, blogs, project signs, digital signs, publications, success stories and vignettes, photo compilations, videos, advertising campaigns, awareness campaigns, editorials, awards programs, and multi-media products.

2. Project signage

- 2.1 Canada, Saskatchewan and the Municipality may each have a sign recognizing their contribution to Eligible Projects.
- 2.2 At Canada’s request, Saskatchewan or the Municipality will install a federal sign to recognize federal funding at Eligible Project site(s). Federal sign design, content, and installation guidelines will be provided by Canada and included in the joint communications approach.
- 2.3 Where Saskatchewan or the Municipality decides to install a permanent plaque or other suitable marker with respect to an Eligible Project, it must recognize the federal contribution to the Eligible Project(s) and be approved by Canada.
- 2.4 Saskatchewan or the Municipality is responsible for the production and installation of Eligible Project signage, or as otherwise agreed upon.
- 2.5 The Municipality agrees to inform Saskatchewan of signage installations on a basis as provided for in the joint communications approach.

3. Media events and Announcements for Eligible Projects

- 3.1 Key milestones may be marked by public events, news releases and/or other mechanisms. Media events include, but are not limited to, news conferences, public announcements, official events or ceremonies, and news releases.
- 3.2 Canada, Saskatchewan or the Municipality may request a media event.
- 3.3 Media events related to Eligible Projects will not occur without the prior knowledge and agreement of Canada, Saskatchewan and the Municipality.
- 3.4 The requestor of a media event will provide at least 15 working days notice to other parties of their intention to undertake such an event. The event will take place at a mutually agreed date and location. Canada, Saskatchewan and the Municipality will have

the opportunity to participate in such events through a designated representative. Canada, Saskatchewan and the Municipality will choose their own designated representative.

3.5 The conduct of all joint media events and products will follow the Table of Precedence for Canada as outlined at <http://www.pch.gc.ca/pgm/ceem-cced/prtcl/precedence-eng.cfm>.

3.6 All joint communications material related to media events must be approved by Canada and recognize the funding of the parties.

3.7 All joint communications material must reflect Canada's policy on official languages and the federal identity program.

4. Program communications

4.1 Canada, Saskatchewan and the Municipality may include messaging in their own communications products and activities with regard to the GTF.

4.2 The party undertaking these activities will provide the opportunity for the other parties to participate, where appropriate, and will recognize the funding of all contributors.

4.3 Canada, Saskatchewan and the Municipality agree that they will not unreasonably restrict the other parties from using, for their own purposes, public communications products related to the GTF prepared by Canada, Saskatchewan or the Municipality, or, if web-based, from linking to it.

4.4 Notwithstanding Section 3 of this schedule, Canada retains the right to meet its obligations to communicate information to Canadians about the GTF and the use of funding through communications products and activities.

5. Operational Communications

5.1 The Municipality is solely responsible for operational communications with respect to Eligible Projects, including but not limited to, calls for tender, construction, and public safety notices. Operational communications as described above are not subject to the federal official language policy.

5.2 The Municipality will share information promptly with Saskatchewan should significant emerging media or stakeholder issues relating to an Eligible Project arise. Canada and Saskatchewan will advise the Municipality, when appropriate, about media inquiries received concerning an Eligible Project.

6. Communicating Success Stories

Saskatchewan agrees to facilitate communications between Canada and the Municipality for the purposes of collaborating on communications activities and products including but not limited to Eligible Project success stories, Eligible Project vignettes, and Eligible Project start-to-finish features.

7. Advertising campaigns

Recognizing that advertising can be an effective means of communicating with the public, Canada, Saskatchewan or the Municipality may, at their own cost, organize an advertising or public information campaign related to the GTF or Eligible Projects. However, such a campaign must respect the provisions of the Administrative Agreement. In the event of such a campaign, the sponsoring party or the Municipality agrees to inform the other parties of its intention, and to inform them no less than 21 working days prior to the campaign launch.

SCHEDULE F – Asset Management

The Government of Saskatchewan acknowledges that the identification of best practises and prudent infrastructure management policies and procedures can strengthen both the province and its Municipalities. Recognizing the principle of local autonomy together with the vast range in Municipality sizes and capacity, Saskatchewan requires an approach that is determined and driven locally.

In principle, the broad and effective use of effective infrastructure management policies and procedures can:

- Maximize the effectiveness of public investment in municipal Infrastructure;
- Improve the ability to anticipate Saskatchewan’s municipal Infrastructure funding needs;
- Improve the capacity for, and quality of, local decisions with respect to the acquisition, operation and maintenance of municipal Infrastructure; and
- Increase the useful life of municipal Infrastructure assets.

Given that each Municipality’s progress to date on asset management planning practices has varied greatly and overall significant work is required to ensure continued progress towards achievable goals, a tiered approach to the establishment of goals is most effective in Saskatchewan. This tiered approach will reflect the local capacity of Municipalities and the current state of asset management planning in individual Municipalities, with more advanced goals set for larger communities. The specific asset management planning goals will be developed in collaboration with the Oversight Committee and the municipal sector. Canada and Saskatchewan agree that the asset management goals will be finalized and approved by the Oversight Committee Co-Chairs.