Dear [Redacted],

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act, 2015 [Our File #: MA/11/2017]

On February 10, 2017, the Department of Municipal Affairs received your request for access to the following records/information:

"5. Item from PCSP Council Minutes of January 31, 2017 – Admin and Finance Committee
3. Correspondence from Municipal Affairs, Gas Tax Secretariat
"The letter dated January 13, 2017, states the Town has $427,821.77 remaining in gas tax funds to March 31, 2019. To ensure the Town receives timely payments of gas tax funds, a Capital Investment Plan application along with a resolution of Council and a quote for the proposed cost of eligible project(s) will need to be submitted. The Director of Financial Operations will follow-up on this item.

Request copy of correspondence from Municipal Affairs. Request documentation to date re (a) initial amount in this gas tax fund (if not included in the correspondence) and (b) itemized expenditures to date from this gas tax allocation."

I am pleased to inform you that a decision has been made by the Deputy Minister for the department to provide access to the requested information. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act, 2015. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me by telephone at 729-6528 or by e-mail at scottwinters@gov.nl.ca.

Sincerely,

Scott Winters
Manager of Accountability / ATIPP Coordinator
December 3, 2009

Town of Portugal Cove-St. Phillips
1119 Thorburn Road
Portugal Cove-St. Phillips, NL A1M 1T6

Dear Mayor and Councilors:

The Government of Newfoundland and Labrador has recently signed an amendment to the Gas Tax Agreement with the Federal Government securing gas tax funds for municipalities and Inuit Community Governments from 2010 to 2014. I am pleased to inform you that the four year allocation for the Town of Portugal Cove-St. Phillips is $1,120,887.84. This will be paid out in eight equal instalments starting October 2010.

The 2010-2014 allocation formula provides $40.6M allocated toward the implementation of the Provincial Solid Waste Management Strategy, and $82.65M allocated to each of the 276 municipalities and five Inuit Community Governments. Each municipality and Inuit Community Government will receive a base amount plus an amount based on the 2006 census data.

Over the coming months, the Department of Municipal Affairs, in cooperation with Municipalities Newfoundland and Labrador, will be finalizing the Federal-Provincial Agreement with Infrastructure Canada. Once finalized, the Department will develop the corresponding amendments to your Local Government Gas Tax Funding Agreement. Please note that the Department will not issue approvals to borrow against 2010-2014 funds, or approve Capital Investment Plans for projects using the 2010-2014 funding prior to the signing of these new agreements. It is anticipated that by February 1, 2010 the amended agreements will be available for municipalities and Inuit Community Governments’ review.

We are currently in the final year of the 2006-2010 funding. By now, you should have submitted your 2008 Audited Financial Statements and 2008 Audited Annual Expenditure Report. I would like to remind you of the following upcoming deadlines to ensure continued compliance with your Local Government Gas Tax Funding Agreement and your transition to the 2010-2014 funding:

1. All loans borrowed against gas tax funds must be repaid by March 31, 2010.
2. 2009 audited Financial Statements must be PSAB compliant
3. 2010 balanced budget must be submitted by January 31, 2010
4. Integrated Community Sustainability Plans must be submitted to the Department by March 31, 2010
Under your Local Government Gas Tax Funding Agreement, all 2006-2010 gas tax projects must be completed and paid for by March 31, 2010. Gas Tax funds can only be spent on eligible projects which have been pre-approved by the Department. Please note that the Department of Municipal Affairs is working with Infrastructure Canada to assess the ability to carry forward 2006-2010 unused gas tax funds to the 2010-2014 funding period. The Department anticipates having this resolved by mid January 2010 and will advise you of the results. Please advise the Gas Tax Secretariat immediately if you will not have your 2006-2010 gas tax funding spent by March 31, 2010.

Should you have any questions or concerns regarding your gas tax funds or any of the above mentioned deadlines, please contact the Gas Tax Secretariat at 1-877-729-4393. The Gas Tax Secretariat is committed to working with municipalities and Inuit Community Governments to conclude the 2006-2010 Funding Agreement and to ensure a smooth transition to the 2010-2014 Funding Agreement.

Yours sincerely,

[Signature]

Lori Anne Companion
Assistant Deputy Minister
Department of Municipal Affairs

cc. Honorable Dianne Whalen
Mr. Bob Ridgley
Dear Mayor and Council,

We are pleased to inform you that the Federal-Provincial Administrative Agreement on the Federal Gas Tax Fund for 2014-2024 has been finalized. In the coming weeks, you will be receiving an information package, along with your Local Government Gas Tax Administrative Agreement. Once your Local Government Gas Tax Administrative Agreement is signed and returned to the Department of Municipal and Intergovernmental Affairs, you can begin applying for your new Gas Tax Funds.

For your information, below are your allocations for 2014-2019. Please note, the allocation formula for the new agreement uses the same base plus per capita formula as before but the allocations are based on the updated 2011 census population data. Also, these allocations do not include any unused Gas Tax funds that you may be carrying forward from allocations under the previous agreement.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Distribution of Gas Tax with Base Allocation + Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal Cove-St. Phillip's</td>
<td>304,820</td>
</tr>
</tbody>
</table>

We look forward to working with you on this new Agreement.

Sincerely,
Gas Tax Secretariat
Department of Municipal and Intergovernmental Affairs
January 13, 2017

Moses Tucker, Mayor
Town of Portugal Cove - St. Philip's
1119 Thorburn Road
Portugal Cove - St. Philip's, NL A1M 1T6

Dear Mayor,

Re: Gas Tax Funds Availability

The Town has $427,821.77 remaining in gas tax funds to March 31, 2019 to be allocated towards a project(s). To ensure the Town receives timely payments of gas tax funds, please submit a Capital Investment Plan application, resolution of council, and a quote for the proposed cost of the eligible project(s). Should the Town have any questions, please contact the Gas Tax Secretariat by phone: 1-877-729-4393; or by email: gastax@gov.nl.ca.

Sincerely,

Paul Tucker
Director of Municipal Finance
First Amending Agreement to the Local Government Gas Tax Funding Agreement

This Amending Agreement made at St. John's, in the Province of Newfoundland and Labrador dated at this 25 day of June, 2010

BETWEEN:
HER MAJESTY THE QUEEN, in right of the Province of Newfoundland and Labrador, as represented by the Minister of Municipal Affairs (the "Province")

OF THE FIRST PART
- and -

The Town of Portugal Cove-St. Phillip's, in the Province of Newfoundland and Labrador (the "Local Government")

OF THE SECOND PART

WHEREAS Canada and Newfoundland and Labrador have signed the Canada – Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues on August 1, 2006; and;
WHEREAS Canada and Newfoundland and Labrador have signed the First Amending Agreement on August 6, 2009; and;
WHEREAS the Province and the Local Government entered into a Local Government Gas Tax Funding Agreement on January 7, 2008; and
WHEREAS the purpose of the amendment is to confirm the Local Government's allocations to 2014, thereby allowing them to undertake long-term infrastructure planning.

NOW THEREFORE the Parties hereby agree as follows:

1. Section 3.1 is deleted and replaced with the following:

3.1.1 The Local Government agrees that Funds provided under this Agreement and income earned will be used only for Eligible Projects identified in Schedule A and solely in respect of Eligible Costs identified in Schedule B.

In order to access funds, the Local Government agrees to submit a Capital Investment Plan that is supported by a Resolution of Council that includes:

a. summary description of Eligible Projects for which the Eligible Recipient intends to use the Funds;
b. the Infrastructure investment categories of the Eligible Projects;
c. the Outcomes and outputs the Eligible Recipient expects will result from the use of Funds and the proposed method the Eligible Recipient will use for measuring the Outcomes;
d. a general description of how the use of the Funds will contribute to environmental and other sustainability efforts of the Eligible Recipient; and

1 a rationale as to why these projects are deemed to be priorities.
3.1.2 In 2006 and each year thereafter submit not later than December 31, its annual Local Government budget for the upcoming year.

3.1.3 For the fiscal year ended December 31, 2007, and each year thereafter until December 31, 2009, submit, not later than June 30th, the required Audit Report and Annual Expenditure Report for the previous fiscal year as well as any updates required to the Capital Investment Plan. For the fiscal year ended December 31, 2010 and each year thereafter submit, not later than March 31, the required Audit Report and Annual Expenditure Report in a form prescribed by Department of Municipal Affairs for the previous fiscal year as well as any updates required to the Capital Investment Plan.

3.1.4 In 2011 and each year thereafter submit, the required Audited Financial Statements in accordance with the Municipalities Act 1999, City of St. John's Act, City of Corner Brook Act, and the City of Mount Pearl Act.

3.1.5 No later than March 31, 2010 submit an Integrated Community Sustainability Plan and, if required by the Province, an Outcomes Report. Any substantial changes to the Integrated Community Sustainability Plan within the period of the agreement must be submitted to the Department of Municipal Affairs as an information item.

3.1.6 Resolve any impediments that might interfere with the Funds being used in respect of eligible costs on eligible projects.

3.1.7 The Local Government may spend its allocation of Funds in the year received, accumulate the Funds for use by March 31, 2015 or obtain a loan to a maximum of the Funds less interest, to undertake Eligible Project(s) on the basis that the loan including interest, will be re-paid in full by March 31, 2015.

3.1.8 The Local Government acknowledges that the Oversight Committee may redirect the Funds to other Local Governments if the Funds will not be expended or committed to an Eligible Project by the Local Government by March 31, 2009.

3.1.9 Infrastructure projects must be completed in accordance with the Municipalities Act, 1999, as amended, or any successor legislation. These projects must be completed using the latest revision of the Municipal Water, Sewer and Road Specifications as published by the Province of Newfoundland and Labrador, Department of Municipal Affairs.

3.1.10 Funds can only be used on projects deemed eligible and approved by the Department of Municipal Affairs.

2. Section 3.2 is deleted and replaced with the following:

The Local Government shall ensure the Funds will result in net incremental capital spending on Environmentally Sustainable Municipal Infrastructure or Capacity Building Projects over the period April 1, 2006 to March 31, 2014 by continuing to invest in capital municipal infrastructure projects. The Local Government commits that the Funds will not displace or be used to claw back any capital infrastructure funding that is currently being made available for infrastructure. Funds provided under this Funding Agreement cannot be used as the municipal share or contribution to Provincial or Federal Infrastructure Programs, except for the specific water quality improvements, wastewater quality improvements or regional cooperation initiatives as outline in Schedule H.
3. Subsection 4.3 (a) is amended by inserting the words “and bank account” after the word “accounting”.

4. Subsection 4.3(g) is deleted and replaced with:

4.3(g) have developed an Integrated Community Sustainability Plan by March 31, 2010, that provides direction to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity and make them available to the public;

5. Section 4.3 is amended by adding Subsection 4.3 (k) and 4.3 (l):

4.3(k) Each fiscal year, beginning in 2011, one representative of the Local Government's administration and one representative of the Local Government's elected officials must attend at least one designated training session offered by the Department of Municipal Affairs, Professional Municipal Administrators and/or Municipalities Newfoundland and Labrador. The designated sessions will be identified in a circular to each municipality in January of each year.

4.3(l) Infrastructure projects must be completed in accordance with the Municipalities Act, 1999, as amended, or any successor legislation. These projects must be completed using the latest revision of the Municipal Water, Sewer and Road Specifications as published by the Province of Newfoundland and Labrador, Department of Municipal Affairs.

6. Subsection 5.2.1 (a) is deleted and replaced with:

5.2.1(a) prepare and deliver to the Province no later than March 31 of each fiscal year its Annual Audit which will include an Annual Expenditure Report accompanied by certification by the Local Government that it has complied with this Agreement and an Audit Report confirming the Local Government's Auditor's concurrence. The Annual Expenditure Report will be completed in accordance with Schedule D.

7. Section 5.2. is amended by adding:

5.2.1(f) prepare and deliver in 2011 and each year thereafter submit, the required Audited Financial Statements in accordance with the Municipalities Act 1999, City of St. John's Act, City of Corner Brook Act, and the City of Mount Pearl Act.

8. Section 9 is added as follows:

9. Survival

The Parties' rights and obligations, set out in Section 5 and subsections 4.3 and 8.4, and Schedule C, will survive the expiry or early termination of this Agreement and any other Section or Schedule which is required to give effect to the termination or to its consequences shall survive the termination or early termination of this Agreement.

9. In Schedule C, Section 1 is appended with the words"except as otherwise specified in Section 3.2 and outlined in Schedule H."

10. In Schedule C, Section 4, the word "2010" is deleted and replaced with "2014".

11. In Schedule C, Section 5, the word "2010" is deleted and replaced with "2014".

12. In Schedule C, Section 16 the following words are added thereafter and the period deleted:
"provided that to the extent it is receiving money under an Infrastructure Program in respect of an Eligible Project to which the Eligible Recipient wished to apply Funds, the maximum federal contribution limitation set out in any Infrastructure Program contribution agreement made in respect of the Eligible Project shall continue to apply, and Funds paid to the Eligible Recipient shall be deemed to be a federal contribution under the said contribution agreement.

13. In Schedule D, Section 1, Reporting, Annual Expenditure Report, the following words are added at the end:

"The Annual Expenditure Report will be completed in a form prescribed by the Department of Municipal Affairs."

14. Schedule G is appended with the following:

<table>
<thead>
<tr>
<th></th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>4 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Town of</td>
<td>$280,221.96</td>
<td>$280,221.96</td>
<td>$280,221.96</td>
<td>$280,221.96</td>
<td>$1,120,887.84</td>
</tr>
<tr>
<td>Portugal Cove-St. Phillip's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. Schedule H is added as follows:

Schedule H: Use of Funds

1. Municipalities may use their gas tax allocation as the municipal share of a cost-shared infrastructure project in either of the following scenarios:

   a. The project is eligible under the "Water" or "Waste Water" Category in Schedule A of the Gas Tax Agreement; and
   b. The project will improve drinking water quality or improve waste water quality; and
   c. The project is applied for after April 1, 2010; and
   d. The municipality receives approval for funding the project under a cost-shared program administered by the Department of Municipal Affairs.

Scenario B: Regional Cooperation Initiatives.
   a. The project is eligible under Schedule A of the Gas Tax Agreement; and
   b. The project is applied for after April 1, 2010; and
   c. The municipality receives approval for funding the project under a cost-shared program administered by the Department of Municipal Affairs; and
   d. Two or more communities are cost sharing through a formal arrangement.

Please Note: Section 2.2c) of the Canada – Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues states that Funds cannot be used as the municipal contribution to any Multi Year Capital Works Program project.
2. The following projects that are considered eligible and ineligible projects include:

A. Eligible Projects
a) Water:
   i. Disinfection Systems: e.g. chlorination, ultra violet
   ii. Water Treatment Systems: e.g. ozone, reverse osmosis, filtration
   iii. Water intake Systems where water quality improvements are obtained; i.e. infiltration galleries, micro screening

b) Waste Water:
   i. Waste Water Treatment: e.g. primary, secondary or tertiary
   ii. Outfall Improvements where effluent and environmental improvements are achieved

c) Regional Cooperation Initiatives:
   i. Projects where two or more communities are cost sharing through a formal arrangement for integration of water and/or sewer infrastructure; and active transportation infrastructure. All such projects would have to meet the eligibility requirements of the Gas Tax Agreement.
   ii. Projects that are not integrated from a community perspective where two or more communities joining to form a new entity. All such projects would have to meet the eligibility requirements of the Gas Tax Agreement.

B. In-eligible Projects
a) Water:
   i. Standard Water Servicing
   ii. Distribution and Transmission Main Improvements or replacement
   iii. Basic Infrastructure improvements or replacements such as booster stations, pressure reducing valve stations, valves

b) Waste Water:
   i. Standard Sewer Servicing
   ii. Distribution Line improvements or replacement
   iii. Force main Replacement
   iv. Basic infrastructure improvements or replacements such as lift stations/pumps, manholes, catch basin
The Parties have therefore executed this Agreement, each by its duly authorized representative(s), on the respective dates shown below.

**HER MAJESTY THE QUEEN**
In right of the Province of Newfoundland and Labrador as
Represented by the Minister of Municipal Affairs
Honourable Dianne Whalen

underline

Date: June 25, 2010

The Town of Portugal Cove-St. Phillip's
As Represented by the Mayor

underline

Print Name: WILLIAM EABAN
Date: June 16, 2010
June 23, 2010

Robyn Bursey,
Manager Gas Tax Administration
Gas Tax Secretariat, Dept. of Municipal Affairs
P.O. Box 8700
St. John’s, NL
A1B 4J6

Re: Amendment to Local Government Gas Tax Funding Agreement

Dear Ms. Bursey:

Enclosed are both copies of the ‘First Amending Agreement to the Local Government Gas Tax Funding Agreement’ signed by the Mayor, William Fagan on June 16, 2010.

We have also attached a copy of the resolution of Council from the meeting held on June 22, 2010, approving the Amendment.

Yours truly,

Judy Squires, CMC
Town Clerk

cc: Hon. Dianne Whalen, MHA
Minister of Municipal Affairs

Encl: 2 signed copies of Amendment
1 certified copy of resolution
From the Public Council meeting of June 22, 2010:

1. Local Government Gas Tax Funding Agreement Amendment

2010-199 J.Tucker/Duggan

MOTION: Resolved that Council sign and approve the Amendment to the Local Government Gas Tax Funding Agreement and submit this Agreement to the Dept. of Municipal Affairs by the deadline date of June 30, 2010.

Carried Unanimously
Ultimate Recipient Gas Tax Agreement

This Ultimate Recipient Gas Tax Agreement made as of [Signature], 2014

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Newfoundland and Labrador, as represented by the Minister of Municipal and Intergovernmental Affairs (the “Province”)

OF THE FIRST PART

- And -

Town of Portugal Cove-St. Phillip’s, in the Province of Newfoundland & Labrador (the “Ultimate Recipient”)

OF THE SECOND PART

WHEREAS Canada and the Province have signed the Canada - Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund on July 15, 2014; and

WHEREAS the Province agrees to transfer to the Ultimate Recipient a portion of federal gas tax revenues received to be used for eligible costs on eligible projects as outlined in Schedule B of the Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund based on the terms and conditions contained herein; and

WHEREAS the Province and the Ultimate Recipient have signed the First Agreement and have signed the First Amending Agreement to the Local Government Gas Tax Funding Agreement;

WHEREAS the Province agrees to provide such funds, to the Ultimate Recipient subject to the receipt of funds from the Government of Canada; and

WHEREAS the Ultimate Recipient agrees to accept these funds based upon the terms and conditions contained herein;

NOW THEREFORE in consideration of the mutual terms and conditions hereinafter specified, the Parties agree as follows:

1. INTERPRETATION

1.1. Definitions

“Agreement” means this Newfoundland and Labrador – Ultimate Recipient Gas Tax Agreement, 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 Investment Plan” means a project application in a format acceptable to the Province supported through a resolution of the Local Government.
"Contract" means an agreement between an Ultimate Recipient and a Third Party whereby the latter agrees to supply goods or service or a public work in return for financial consideration and in compliance with the Newfoundland and Labrador Public Tender Act.

"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 1, 2006 by the Government of Canada and the Government of Newfoundland and Labrador, as amended on July 28, 2008 and August 6, 2009, with an expiry date of March 31, 2015.

"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 Newfoundland and Labrador.

"Integrated Community Sustainability Plans" means a long-term plan, developed in consultation with community members that provides direction for the Ultimate Recipients to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity.

"Local Government" means a town or region pursuant to the Municipalities Act, 1999, S.N.L. 1999, c. M-24; the City of St. John's pursuant to the City of St. John's Act, R.S.N.L. 1990, c. C-17; the City of Corner Brook pursuant to the City of Corner Brook Act, R.S.N.L. 1990, c.C-15; the City of Mount Pearl pursuant to the City of Mount Pearl Act, R.S.N.L. 1990, c.C-16; a Regional Service Board pursuant to the Regional Service Boards Act, 2012 S.N.L. 2012, c. R-8.1 and an Inuit Community Government established in respect of an Inuit Community under the Labrador Inuit Constitution pursuant to subsection 17.3.3(b) of the Labrador Inuit Land Claims Agreement.

"Municipal Allocation" means the portion of any GTF funding that is allocated among Ultimate Recipients based on the funding formula included in Section 1 of Annex B, Terms and Conditions of the Canada-Newfoundland Administrative Agreement on the Federal Gas Tax Fund.

"Outcomes Report" means the progress report to be delivered annually by the Ultimate Recipient to the Province and made available to the public, which reports on how GTF investments (projects) are supporting progress towards achieving the program benefits, more specifically described in Schedule D (Reporting).

"Third Party" means any person or legal entity, other than Canada, Newfoundland and Labrador or an Ultimate Recipient, who participates in the implementation of an Eligible Project by means of a Contract.

"Ultimate Recipient" means:
(a) a Local Government or its duly authorized agent (including its wholly owned corporation);
(b) a non-municipal entity on the condition that the Local Government has indicated support for the Eligible Project through a formal resolution of its council. A non-municipal entity includes:
• for-profit organizations (such as P3), or
• non-governmental organizations, or
• not-for-profit organizations.

ii. (c) Newfoundland and Labrador entities in the form of departments, corporations and agencies where they provide core municipal services in municipalities; and in the unincorporated areas of Newfoundland and Labrador. For greater clarity, providing core municipal services includes the provision of infrastructure and capacity building projects.

“Ultimate Recipient Annual Report” means a report prepared by the Ultimate Recipient in the format prescribed by the Province which includes financial, project and outcome information outlined in Schedule D and information on the progress capital asset management plans.

“Ultimate Recipient Gas Tax Agreement” means the agreement between Newfoundland and Labrador and the Ultimate Recipient which outlines the terms and conditions of the receipt of gas tax funds and the Annexes and Schedules attached hereto. (The Agreement)

“Unspent Funds” means the amount reported as unspent by the Province and by Eligible Recipients (as defined under the First Agreement) in the 2013 Audited Annual Expenditure Report (as defined under the First Agreement).

1.2 Entire Agreement

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which the Parties may have made either orally or in writing prior to the date hereof, and all of which will become null and void from the date this Agreement is signed.

1.3 Schedules

The following schedules are attached to form part of this Agreement:

Schedule A - Ultimate Recipient Requirements
Schedule B - Eligible Project Categories
Schedule C - Eligible and Ineligible Expenditures
Schedule D - Reporting
Schedule E - Communications Protocol
Schedule F - Funds Allocated

2. Purpose

This Agreement sets out the roles and responsibilities of the Province and the Ultimate Recipient for the administration of the Gas Tax Fund (GTF).

3. Access and Use of Funds

3.1 Allocations in Schedule F of this Agreement will be paid out in accordance with the time frames set out in Schedule F up to the maximum of gas tax funds approved projects, subject to compliance:

3.1.1 Ultimate Recipients will submit a Capital Investment Plan for each project.

3.1.2 The Province will review and consider Capital Investment Plans, and will confirm the eligibility.
3.2 Any GTF funding that may be received by the Province from Canada may be withheld by the Province until such time as Ultimate Recipients address and correct, to the satisfaction of the Province, matters of non-compliance.

3.3 If during the term of this Agreement an Ultimate Recipient ceases to be a Local Government, or the Ultimate Recipient fails to resolve non-compliance issues to the satisfaction of the Province, the Ultimate Recipient will return any funds to the Province.

3.4 Any GTF funding that may be transferred by the Province to the Ultimate Recipient will be treated as federal funds with respect to other federal infrastructure programs.

4. RESPONSIBILITIES

4.1. Provincial Responsibilities
The Province agrees to provide funds to the Ultimate Recipient over the term of this Agreement in accordance with Schedule F, subject to the following:

(a) receipt of funds from the Government of Canada as agreed to in the Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund;

(b) execution of this Agreement by the Parties;

(c) there being no impediments that will prevent the Ultimate Recipient from spending the Funds on Eligible Costs of Eligible Projects; and

(d) Ultimate Recipient compliance with all terms and conditions of this Agreement.

4.2. Flow of Funds
a) The Province agrees to pay each Ultimate Recipient its 2014-2019 allocations as detailed in Schedule F of this Agreement, in two payments per year no later than ninety (90) days after which the Province receives payment of the funds from Canada, subject to all conditions of this Agreement being met by the Ultimate Recipient satisfactory to the Province.

b) The Province agrees to upon signing, make available to the Ultimate Recipient any GTF funding allocated to the Ultimate Recipient under the First Agreement and not paid out as detailed in Schedule F of this Agreement. These funds are subject to the terms and conditions of this Agreement.

4.3. Ultimate Recipient Responsibilities
The Ultimate Recipient agrees that it will:

(a) comply with the terms of this Ultimate Recipient Gas Tax Agreement and the requirements in Schedule A;

5. PLANNING, REPORTING AND AUDITS

5.1. Capital Investment Plan
A Capital Investment Plan supported by a resolution of council and a detailed cost estimate shall be prepared with respect to the use of Funds, which includes the following information;

- a summary description of the Eligible Project for which the Ultimate Recipient intends to use Funds;
- the infrastructure investment category of the Eligible Project;
• a description of how the project will help achieve the following outcomes:
  • Beneficial impacts on communities of completed Eligible Projects;
  • Enhanced impact of GTF as a predictable source of funding including incrementality; and
  • Progress made on improving Local Government planning and asset management

5.2. Reporting and Audits

5.2.1. The Ultimate Recipient will, at its cost:

(a) prepare and deliver to the Province annually its Annual Audit which will now accompany the PSAB Financial Statements including a certification by the Ultimate Recipient that it has complied with this Agreement and an Audit Report confirming the Ultimate Recipient Auditor's concurrence. The Ultimate Recipient Annual Report will be completed in accordance with Schedule D.

(b) prepare and deliver to the Province, annually an Outcomes Report in accordance with Schedule D;

(c) prepare and deliver to the Province, annually a Progress Report on Asset Management in accordance with Schedule D;

(d) complete at its cost and provide to the Province or Canada, an audit of any one or more Eligible Projects, if requested; and

(e) share with the Province or Canada the results of any compliance or performance audit that it may carry out beyond the Audit Report that examines the use of Funds to a specific extent.

5.2.2. The Province or Canada may incorporate all or any part or parts of the said reports into any report that they may prepare for their own purposes, including any reports that may be made public.

6. ENFORCEMENT

6.1. The Parties agree that the Province can enforce this Agreement if the Ultimate Recipient does not comply with the terms and conditions of this Agreement and the methods of enforcement may include withholding of payment, requiring the return of payment, or non-renewal of this Agreement. The Ultimate Recipient will cooperate with any request made pursuant to this clause, within the time provided in the request, and any amount owed to the Province under this Agreement will constitute a debt due to the Province, which the Ultimate Recipient will reimburse forthwith, on demand, to the Province.

6.2. The rights, remedies and privileges of the Province under this Agreement are cumulative and any one or more may be exercised.

7. GENERAL

7.1. This Agreement will be effective on April 1, 2014 and will be in effect until March 31, 2024 unless the Province and the Ultimate Recipient 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 Ultimate Recipient, 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 Canada and Newfoundland and Labrador.

7.2 This Agreement will be reviewed by the Province March 31, 2018 and may be amended to incorporate changes, if any, agreed to by the Province and the Ultimate Recipient.

7.3. Either party may terminate this Agreement on two (2) years written notice.

7.4. This Agreement is binding upon the Parties and their successors.

7.5. The Parties agree that the laws of the Province of Newfoundland and Labrador will govern this Agreement and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador subject to any right of appeal.
7.6. Any notice, demand or other document required or permitted to be given under the terms of this Agreement shall be sufficiently given to the Party to whom it is addressed if personally delivered, sent by prepaid registered mail or sent by facsimile transmission.

Any Notice to the Province Must be sent to:
Gas Tax Secretariat
Department of Municipal and Intergovernmental Affairs
4th Floor, West Block, Confederation Building
P.O. Box 8700
St. John’s NL A1B 4J6
Fax: 729-3605

Any Notice to The Ultimate Recipient Must be sent to:

TOWN OF PORTUGAL COVE-ST. PHILIP’S
1119 THORBURN ROAD
PORTUGAL COVE-ST. PHILIP’S, NF
A1M 1T6

or to such other addresses as either Party may furnish in writing to the other from time to time.

8. MISCELLANEOUS

8.1. Binding Obligations

Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

8.2. Precedence

In the event of a conflict, the part of this Agreement that precedes the signatures of the Parties will take precedence over the Schedules. In the event of a conflict between this Agreement and the Agreement on the Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund, the latter shall prevail.

8.3. Amendments to the Ultimate Recipient Gas Tax Agreement

This Agreement may be amended from time to time on the written agreement of the Parties.

8.4. Indemnity

The Ultimate Recipient agrees at all times to indemnify and save harmless the Province and Canada including their officers, servants, employees or agents, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted 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) All Eligible Projects;
b) The performance of this Agreement or the breach of any term or condition of this Agreement by the Province, its officers, employees and agents, or by a third party, its officers, employees, or agents;

c) The performance of an Agreement or the breach of any term or condition of an Agreement by an Ultimate Recipient, its officers, employees and agents, or by a third party, its officers, employees, or agents;

d) The design, construction, operation, maintenance and repair of any part of an Eligible Project; and

e) Any omission or other wilful or negligent act of the Province or an Ultimate Recipient or third party and their respective employees, officers, or agents; except to the extent to which such claims and demands, losses, costs, damages, actions, suits, or other proceedings relate to the act or negligence of an officer, employee, or agent of the Province or Canada in the performance of his or her duties.

The Parties have therefore executed this Agreement, each by its duly authorized representative(s), on the respective dates shown below.

HER MAJESTY THE QUEEN
In right of the Province of Newfoundland and Labrador as
Represented by the Minister of Municipal and Intergovernmental Affairs
Honourable Dan Crummell

Date: Sept 16/14

In Right of the Ultimate Recipient of: Portugal Cove - St. Philip's
As Represented by the Mayor

Date: 27 August 2014
SCHEDULE A - Ultimate Recipient Requirements

Ultimate Recipients will be required to:

1. Be responsible for the completion of each Eligible Project in accordance with Schedule B (Eligible Project Categories) and Schedule C (Eligible and Ineligible Expenditures).
2. Comply with all Ultimate Recipient requirements outlined in Schedule E (Communications Protocol).
3. Develop and/or implement asset management in accordance with Schedule D (Asset Management).
4. Invest, in a separate bank account, GTF funding it receives from the Province in advance of it paying Eligible Expenditures.
5. With respect to Contracts, award and manage all Contracts in accordance with their relevant policies and procedures and, if applicable, in accordance with the Newfoundland and Labrador Public Tender Act, the Agreement on Internal Trade and applicable international trade agreements, and all other applicable laws.
6. 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.
7. Allow Canada 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 its designated representatives for the purposes of audit, evaluation, and ensuring compliance with this Agreement.
8. 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.
9. Agree their 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 Ultimate Recipient, or between Canada and a Third Party.
10. Agree that they do not represent themselves, including in any agreement with a Third Party, as a partner, employee or agent of Canada.
11. Agree 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.
12. Agree that they will not, at any time, hold the Government of Canada, 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, 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.
13. Provide to the Province the required applications, forms, plans, and reports or other documentation, in a format acceptable to the Province, including outstanding reports and ICSPs and Outcomes Reports committed to under the First Agreement.
14. Submit a Capital Investment Plan to the Province for proposed Eligible Projects before construction is initiated.
15. Submit to the Province an Ultimate Recipient Annual Report in a format prescribed by the Province on or before the date determined by the Province.

16. Work with the Province to resolve any non-compliance issues in a timely manner to the satisfaction of Newfoundland and Labrador.

17. Where it chooses to invest any GTF funding it may receive, invest in accordance with the Newfoundland and Labrador Municipalities Act, 1999, R.S.N.L. 1999, c. M-24; the City of St. John's Act, R.S.N.L. 1990, c. C-17; the City of Corner Brook Act, R.S.N.L. 1990 c.C-15; the City of Mount Pearl Act, R.S.N.L. 1990, c.C-16; the Regional Service Boards Act, 2012 SNL2012, or any other applicable legislation or regulation.

18. Ultimate Recipients must complete Eligible Projects in accordance with Newfoundland and Labrador's Municipalities Act, 1999, as amended, or any successor legislation. These projects must be completed using the latest revision of the Municipal Water, Sewer and Road Specifications as published by the Province, Department of Municipal and Intergovernmental Affairs.

19. Agree that the above requirements which, by their nature, should extend beyond the expiration or termination of this Agreement will extend beyond such expiration or termination.

20. Be responsible for the management of all funds received, disbursements made and completion of approved gas tax projects.

21. Ensure that all approved projects are completed in accordance with all applicable legislation, rules and regulations, relevant policies and procedures.

22. Any Gas Tax funding that the Ultimate Recipient may receive from the Province is not intended to replace or displace existing sources of funding for Local Government tangible capital expenditures. Ultimate Recipients will decide which Eligible Projects will receive GTF funding in accordance with the Ultimate Recipient's allocation. Ultimate Recipients may spend their GTF allocation in the year received, accumulate the allocation for use by March 31, 2024 or obtain a loan from a financial institution to undertake Eligible Projects provided the loan and interest charges are paid by March 31, 2024.

23. Ultimate Recipients will inform the Province of proposed changes, including cancellations, of any Eligible Project that receive GTF funding.

24. Allow the Province and its agents, including but not limited to, the Auditor General of Newfoundland and Labrador, and representatives of the Department of Municipal and Intergovernmental Affairs, access to an Eligible Project site, any engineering drawings or documents, and any other such project related documents as deemed necessary by the Province in performing an audit of the projects undertaken under this Agreement;

25. Ultimate recipients will bring forward any GTF funding and Unspent Funds, and any interest earned thereon held by the Local Government, that have not been expended on Eligible Projects as of December 31, 2013. These funds are now subject to the terms and conditions of this agreement.

26. The Ultimate Recipient will ensure that all outstanding compliance issues under the First Agreement are resolved to the satisfaction of NL, prior to the receipt of funds under this Agreement.

27. Funds can only be spent by Ultimate Recipients on projects approved by the Department of Municipal and Intergovernmental Affairs.

28. Each fiscal year, one representative of the Local Government's administration and one representative of the Local Government's elected officials must attend at least one designated training session offered by the Department of Municipal and Intergovernmental Affairs, Professional Municipal Administrators and/or Municipalities Newfoundland and Labrador. The designated sessions will be identified in a circular to each municipality in January of each year.
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 affordable and sustainable access to broadband for 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 (e.g. 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.
18. **Capacity building** — includes investments related to strengthening the ability of Local Governments to develop long-term planning practices.

**Notes:** Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible;

*: Municipalities including cities in Newfoundland and Labrador are not permitted to acquire airports, to give finances to airports or to give financing undertakings to bodies which may acquire airports.
SCHEDULE C - Eligible and Ineligible Expenditures

1. Eligible Expenditures

1.1 Eligible Expenditures of Ultimate Recipients 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 (GAAP), including emergency generators, 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 Local Governments to improve local and regional planning including Capital Investment Plans, municipal 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 Ultimate Recipient’s employees or leasing of equipment may be included as Eligible Expenditures under the following conditions:
   a) the Ultimate Recipient is able to demonstrate that it is not economically feasible to tender a contract;
   b) the employee or equipment is engaged directly in respect of the work that would have been the subject of the contract; and
   c) the arrangement is approved in advance and in writing by Newfoundland and Labrador.

1.3 Interest earned on Gas Tax funds will only be applied to Eligible Expenditures for Eligible Projects more specifically on the basis set out in Schedule B and Schedule C.

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. short-line rail;
      iii. short-sea shipping;
      iv. disaster mitigation;
      v. broadband connectivity;
      vi. brownfield redevelopment;
      vii. cultural infrastructure;
      viii. tourism infrastructure;
      ix. sport infrastructure;
      x. recreational infrastructure; and
      xi. regional and local airports.
   c) the cost of leasing of equipment by the Ultimate Recipient, any overhead costs, including salaries and other employment benefits of any employees of the Ultimate Recipient, its direct or indirect operating or administrative costs of Ultimate Recipients, 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 Ultimate Recipient 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, monthly banking fees, audit fees and evaluation costs; and
g) routine repair and maintenance costs;
SCHEDULE D – Reporting

Reporting requirements under the Agreement consists of an Ultimate Recipient Annual Report which includes an Outcomes Report, a progress report on Asset Management and Financial Statements which will be submitted to the Province for review and acceptance. The reporting year is January 1 to December 31.

1. Ultimate Recipient Annual Report

Annually, the Ultimate Recipient will provide to the Province an Ultimate Recipient Annual Report in a format and date deemed acceptable by the Province. The Province will provide the required template each year. This report will consist of two parts:

Part 1 Two (2) Schedules to accompany your PSAB Financial Statements, which will consist of:
   a) A financial table accounting for the gas tax funds spent and gas tax funds held by the Ultimate Recipient;
   b) A project list detailing the expenditures against each approved project; and
   c) A paragraph in the Audit Report commenting on the accuracy of the financial information and the compliance with the Agreement;

Part 2
   a) The outcomes (in accordance with Section 2 below) for each project completed;
   b) A narrative on the how Asset Management Plans are being used to guide infrastructure planning and investment decisions;
   c) Any other reporting that is requested by the Province or Canada;
   d) A listing by project of all sources of funding spent on each project; and
   e) A certification signed by the Mayor or Deputy Mayor.

2. Outcomes Report

The Outcomes Report shall outline, in a manner to be provided by the Province, the degree to which investments in each project are supporting progress towards achieving the following program benefits:
   a) Beneficial impacts on communities of completed Eligible Projects;
   b) Enhanced impact of GTF as a predictable source of funding including incrementality; and
   c) Progress made on improving Local Government planning and asset management.

3. Asset Management Outcomes - Progress Report

On a date and in a manner to be determined by the Province, the Ultimate Recipient will provide a report to the Province demonstrating that Asset Management Plans are being used to guide infrastructure planning and investment decisions.
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 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 Inform Canada on allocation and intended use of GTF funding for communications planning purposes

2.1. The Ultimate Recipient agrees to provide to Newfoundland and Labrador upfront information on planned Eligible Projects and Eligible Projects in progress on an annual basis, prior to the construction season. Canada and Newfoundland and Labrador will agree, in the joint communications approach, on the date this information will be provided. The information will include, at a minimum:

   - Ultimate Recipient name;
   - Eligible Project name;
   - Eligible Project category, a brief but meaningful Eligible Project description;
   - total amount of GTF funds being used toward the Eligible Project; and
   - anticipated start date.

3 Project signage

3.1 Canada, Newfoundland and Labrador and Ultimate Recipients may each have a sign recognizing their contribution to Eligible Projects.

3.2 At Canada's request, Newfoundland and Labrador or Ultimate Recipients 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.

3.3 Where an Ultimate Recipient 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.

3.4 The Ultimate Recipient is responsible for the production and installation of Eligible Project signage, or as otherwise agreed upon.

3.5 The Ultimate Recipient agrees to inform Canada of signage installations on a basis mutually agreed upon in the joint communications approach.
4 Media events and Announcements for Eligible Projects

4.1 Canada and Newfoundland and Labrador and the Ultimate Recipients agree to have regular announcements of Eligible Projects that are benefiting from GTF funding that may be provided by Canada. Key milestones may be marked by public events, news releases and/or other mechanisms.

4.2 Media events include, but are not limited to, news conferences, public announcements, official events or ceremonies, and news releases.

4.3 Canada, Newfoundland and Labrador or an Ultimate Recipient may request a media event.

4.4 Media events related to Eligible Projects will not occur without the prior knowledge of Canada, Newfoundland and Labrador and the Ultimate Recipient.

4.5 The requester 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, Newfoundland and Labrador and the Ultimate Recipient will have the opportunity to participate in such events through a designated representative. Each party and the Ultimate Recipient will choose their own designated representative.

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

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

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

5 Program communications

5.1 Canada, Newfoundland and Labrador and Ultimate Recipients may include messaging in their own communications products and activities with regard to the GTF.

5.2 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.

5.3 Canada and Newfoundland and Labrador 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, Newfoundland and Labrador or Ultimate Recipients, or, if web-based, from linking to it.

5.4 Notwithstanding Section 5 (Communications Protocol), 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.

6 Operational Communications

6.1 The Ultimate Recipient 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.
6.2 Canada, Newfoundland and Labrador or the Ultimate Recipient will share information promptly with the other parties to this Agreement should significant emerging media or stakeholder issues relating to an Eligible Project arise. Canada and Newfoundland and Labrador will advise Ultimate Recipients, when appropriate, about media inquiries received concerning an Eligible Project.

7 Communicating Success Stories

Newfoundland and Labrador agrees to facilitate communications between Canada and Ultimate Recipients 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.

8 Advertising campaigns

Recognizing that advertising can be an effective means of communicating with the public, Canada, Newfoundland and Labrador or an Ultimate Recipient 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 this Agreement. In the event of such a campaign, the sponsoring party or Ultimate Recipient 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- Funds Allocated

Town of Portugal Cove-St. Phillip's

<table>
<thead>
<tr>
<th></th>
<th>Year 9</th>
<th>Year 10</th>
<th>Year 11</th>
<th>Year 12</th>
<th>Year 13</th>
<th>Total</th>
</tr>
</thead>
</table>

- Canada will provide the level of 2020-2024 funding based on the results of the 2016 census.
- Payment of federal funding is conditional upon the receipt of funds from Canada.
- If any other funding becomes available throughout the term of this Agreement, this schedule will be amended to reflect this extra funding. Any extra funding will be subject to the terms and conditions of this Agreement.
August 27, 2014

Gas Tax Secretariat
Dept. of Municipal & Intergovernmental Affairs
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Sir/Madam:

Please find enclosed the Ultimate Recipient Gas Tax Agreement 2014-2024 signed by Mayor Mose Tucker on behalf of the Town of Portugal Cove-St. Philip's.

Also, please note that we have attached a certified true copy of the Resolution of Council, Motion #2014-293 authorizing same.

Please do not hesitate to contact Mr. Tony Pollard, Director of Financial Operations, for any further information regarding this agreement and/or applications regarding same.

Sincerely,

[Signature]

Judy A. Squires, CMC
Town Clerk
From the Council Minutes of August 26, 2014:

Motion: Will/Collins
2014-293 Resolved that the Mayor be authorized on behalf of the Town of Portugal Cove-St. Philip's to sign the Ultimate Recipient Gas Tax Agreement 2014-2024 with the Province of Newfoundland and Labrador.

Carried Unanimously
Local Government Gas Tax Funding Agreement

This Local Government Gas Tax Funding Agreement made as of , 20C

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Newfoundland and Labrador, as represented by the Minister of Municipal Affairs (the "Province")

OF THE FIRST PART

and -

Town of Portugal Cove, St. Philips, in the Province of Newfoundland & Labrador (the "Local Government")

OF THE SECOND PART

WHEREAS Canada and Newfoundland and Labrador have signed the Canada - Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues on August 1, 2006; and

WHEREAS the Province agrees to transfer to the Local Government a portion of federal gas tax revenues to be used for eligible costs on eligible projects as outlined in Schedule G of the Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues based on the terms and conditions contained herein; and

WHEREAS the Province agrees to provide such funds, to the Local Government upon receipt of funds from the Government of Canada; and

WHEREAS the Local Government agrees to accept these funds based upon the terms and conditions contained herein;

NOW THEREFORE in consideration of the mutual terms and conditions hereinafter specified, the Parties agree as follows:

1. INTERPRETATION

1.1. Definitions

"Agreement" means this Local Government Gas Tax Funding Agreement.

"Annual Expenditure Report" means the annual report to be prepared and delivered by the Local Government to the Province, more particularly described in Schedule D.

"Audit Report" means an audit report prepared, at the Local Government's cost, by a provincially licensed auditor, as more particularly described in Schedule D.

"Base Amount" means the average annual expenditures budgeted for Municipal Infrastructure projects over the April 2001-March 2006 period, excluding amounts spent for the Multi-Year Capital Works Program and Canada Strategic Infrastructure Fund projects.

"Capacity Building Projects" means projects and activities that strengthen the ability of Local Governments to develop and implement integrated community sustainability plans, as more particularly described in Schedule A.

"Capital Investment Plan" means a public document supported through a resolution of the Council that provides multi-year details of planned investments of the Funds into tangible capital assets, including the cost and benefit implications of these investments along with the rationale as to why these are deemed to be priorities.
"Environmentally Sustainable Municipal Infrastructure (ESMI) Projects" means Municipal Infrastructure projects that:

(a) improve the quality of the environment and contribute to reduced greenhouse gas emissions, cleaner water, or cleaner air; and,

(b) fall within the category of projects described in Schedule A hereto.

"Eligible Costs" means those costs described in Schedule B, incurred in respect of Eligible Projects.

"Eligible Projects" means Capacity Building Projects and ESMI Projects as described in Schedule A.

"Eligible Recipient" means a Local Government.

"Eligible Recipient Requirements" means those requirements described in Schedule C.

"Fiscal year" means the period beginning January 1 of a year and ending December 31 of that year.

"Funding Agreement" means this agreement made between the Province and an Eligible Recipient pursuant to which Funds are paid to the Eligible Recipient.

"Funds" means the funds made available to the Local Government for Eligible Projects as defined in the Agreement between Canada and Newfoundland and Labrador and as indicated in Schedule C attached. It is understood that these Funds may be reallocated as per the terms outlined in the Agreement between Canada and Newfoundland and Labrador on the Transfer of Federal Gas Tax Revenues.

"Infrastructure Programs" means Canada's or the Province's infrastructure programs in existence at the time of the execution of this Agreement, including the Canada Strategic Infrastructure Fund, the Municipal Rural Infrastructure Fund, the Infrastructure Canada Program, the Multi-Year Capital Works Program and the Municipal Capital Works Program.

"Integrated Community Sustainability Plans" means a long-term plan, developed in consultation with community members that provides direction for the cities, towns and regions to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity.

"Local Government" means a municipality, city, town or region pursuant to the Municipalities Act, S.N.L. 1999, c. M-24; the City of St. John's pursuant to the City of St. John's Act, R.S.N.L. 1990, c. C-17; the City of Corner Brook pursuant to the City of Corner Brook Act, R.S.N.L. 1990, c. C-15; the City of Mount Pearl pursuant to the City of Mount Pearl Act, R.S.N.L. 1990, c. C-16; a Regional Service Board pursuant to the Regional Service Boards Act, R.S.N.L. 1990, c. R-8.

"Municipal Infrastructure" means tangible capital assets in Canada primarily for public use or benefit owned by an Eligible Recipient.

"Outcomes Report" means the report to be delivered by the Local Government to the Province and made available to the public, which reports on the outputs and outcomes of the use of the Funds, using the indicators set out in Schedule E.

"Oversight Committee" means the Committee established to manage the Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues.

"Parties" means the Province and the Local Government.

1.2 Entire Agreement

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which the Parties may have made either orally or in writing prior to the date hereof, and all of which will become null and void from the date this Agreement is signed.

1.3 Schedules

The following schedules are attached to form part of this Agreement:

Schedule A - Eligible Project Categories
Schedule B - Eligible Costs
Schedule C - Eligible Recipient Requirements
Schedule D - Reporting & Audits
Schedule E - Outcome Indicators
Schedule F - Communications Protocol
Schedule G - Funds Allocated

1.4 Accounting Principles
All accounting terms not otherwise defined herein have the meanings assigned to them; all calculations will be made and all financial data to be submitted will be prepared, in accordance with the generally accepted accounting principles (GAAP) in effect in Canada and in Newfoundland and Labrador. GAAP will include, without limitation, those principles approved or recommended from time to time by the Canadian Institute of Chartered Accountants, or any successor Institute, applied on a consistent basis.

2. PURPOSE

2.1. Purpose of the Agreement
The purpose of the Agreement is to:
(a) Provide a joint framework for the transfer of Funds to the Local Government for investment in Environmentally Sustainable Municipal Infrastructure and Capacity Building projects.
(b) Support Eligible Projects in Newfoundland and Labrador that will lead to the desired outcomes of cleaner air, cleaner water and lower greenhouse gas emissions.
(c) Promote effective local government and healthy and vibrant communities by assisting local Governments develop Environmentally Sustainable Municipal Infrastructure.

3. Access and Use of Funds

3.1 Accessing Funds
The Local Government agrees that Funds provided under this Agreement and income earned will be used only for capital expenditures of the general types of capital infrastructure projects listed in Schedule A - Eligible Project Categories and solely in respect of Eligible Costs identified in Schedule B.

In order to access funds, the Local Government agrees to submit a Capital Investment Plan that is supported by a Resolution of Council that includes:
a) summary description of Eligible Projects for which the Eligible Recipient intends to use the Funds;
b) the Infrastructure investment categories of the Eligible Projects;
c) the Outcomes and outputs the Eligible Recipient expects will result from the use of Funds and the proposed method the Eligible Recipient will use for measuring the Outcomes; and
d) a general description of how the use of the Funds will contribute to environmental and other sustainability efforts of the Eligible Recipient.

In 2006 and each year thereafter submit not later than December 31, its annual Local Government budget for the upcoming year.

In 2007 and each year thereafter submit, not later than June 30th, the required Audit Report and Annual Expenditure Report for the previous fiscal year as well as any updates required to the Capital Investment Plan.

No later than December 31, 2009 submit an Integrated Community Sustainability Plan and, if required by the Province, an Outcomes Report.
Resolve any impediments that might interfere with the Funds being used in respect of eligible costs on eligible projects.

The Local Government may spend its allocation of Funds in the year received, accumulate the Funds for use by March 31, 2010 or obtain a loan to a maximum of the Funds less interest, to undertake Eligible Project(s) on the basis that the loan including interest, will be repaid in full by March 31, 2010.

The Local Government acknowledges that the Oversight Committee may redirect the Funds to other Local Governments if the Funds will not be expended or committed to an Eligible Project by the Local Government by March 31, 2009.

3.2. Use of Funds
The Local Government shall ensure the Funds will result in net incremental capital spending on Environmentally Sustainable Municipal Infrastructure or Capacity Building Projects over the period from January 1, 2008 to March 31, 2010 by continuing to invest in capital municipal infrastructure projects. The Local Government commits that the Funds will not displace or be used to claw back any capital infrastructure funding that is currently being made available for Infrastructure. Funds provided under this Funding Agreement cannot be used as the municipal share or contribution to Provincial or Federal Infrastructure Programs.

4. RESPONSIBILITIES

4.1. Provincial Responsibilities
The Province agrees to provide Funds to the Local Government over the term of this Agreement in incremental payments subject to the following:

(a) receipt of Funds from the Government of Canada as agreed to in the Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Revenues;

(b) execution of this Agreement by the Parties;

(c) there being no impediments that will prevent the Local Government from spending the Funds on Eligible Costs of Eligible Projects; and

(d) Local Government compliance with all terms and conditions of this Agreement.

4.2. Flow of Funds
The Province agrees to pay each Eligible Recipient its two equal semi-annual payments no later than ninety (90) days after which Newfoundland and Labrador receives payment of the Funds from Canada, subject to all conditions of this Agreement being met by the Local Government.

4.3. Local Government Responsibilities
The Local Government agrees that it will:

(a) maintain a separate accounting for the Funds provided;

(b) invest the Funds provided, or unutilized portions thereof, in accordance with the terms of the Newfoundland Municipalities Act, 1999, City of St. John's Act, City of Corner Brook Act, City of Mount Pearl Act, and Regional Service Boards Act;

(c) determine and report the “actual income earned” on the unexpended Funds invested in the Annual Expenditure Report;

(d) comply with the requirements in Schedule C;
(e) carry out the work on any Eligible Project in accordance with the rules, regulations and laws governing such works and in accordance with the Public Tender Act;

(f) allow the Province and its agents, including but not limited to, the Auditor General of Newfoundland and Labrador, and representatives of the Department of Municipal Affairs, access to an Eligible Project site, any engineering drawings or documents, and any other such project related documents as deemed necessary by the Province in performing an audit of the projects undertaken under this Agreement;

(g) have developed an Integrated Community Sustainability Plan by March 31, 2009, that provides direction to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity;

(h) undertake communications activities in respect to projects funded by Funds in accordance with the terms of the communications protocol set out in Schedule F;

(i) have adopted and use the accounting rules of the Public Sector Accounting Board no later than March 31, 2009, and

(j) will maintain proper and accurate accounts and records, including invoices, statements, receipts and vouchers in respect of all Eligible Projects that receive Funds, for at least three (3) years after termination of this Agreement and will, upon reasonable notice, make them available to the Province or to Canada for inspection or audit.

5. PLANNING, REPORTING AND AUDITS

5.1. Capital Investment Plan

A Capital Investment Plan supported by a resolution of council shall be prepared with respect to the use of Funds, which includes the following information:

(a) a summary description over multiple years of Eligible Projects for which the Eligible Recipient intends to use Funds;
(b) the Infrastructure Investment categories of the Eligible Projects;
(c) the outcomes and output the Eligible Recipient expects will result from the use of Funds and the proposed method the Eligible Recipient will use for measuring the outcomes;
(d) a general description of how the use of Funds will contribute to environmental sustainability efforts and other sustainability efforts of the Eligible Recipient; and
(e) a rationale as to why these projects are deemed to be priorities.

5.2. Reporting and Audits

5.2.1. The Local Government will, at its cost:

(a) prepare and deliver to the Province no later than June 30 of each fiscal year its Annual Audit which will include an Annual Expenditure Report accompanied by certification by the Local Government that it has complied with this Agreement and an Audit Report confirming the Local Government's Auditor's concurrence. The Annual Expenditure Report will be completed in accordance with Schedule D;
(b) prepare and deliver to the Province no later than December 31st of each year its annual budget for the upcoming year;
(c) prepare and deliver to the Province no later than March 31, 2009, and periodically thereafter if required by the Province, an Outcomes Report;
(d) complete at its cost and provide to the Province or Canada, an audit of any one or more Eligible Projects, if requested; and
(e) share with the Province or Canada the results of any compliance or performance audit that it may carry out beyond the Audit Report that examines the use of Funds to a specific extent.

5.2.2. The Province or Canada may incorporate all or any part or parts of the said reports into any report that they may prepare for their own purposes, including any reports that may be made public.

6. ENFORCEMENT

6.1. The Parties agree that the Province can enforce this Agreement if the Local Government does not comply with the terms and conditions of this Agreement and the methods of enforcement may include withholding of payment, reduction of payment, requiring the return of payment, or non-renewal of this Agreement. The Local Government will cooperate with any request made pursuant to this clause, within the time provided in the request, and any amount owed to the Province under this Agreement will constitute a debt due to the Province, which the Local Government will reimburse forthwith, on demand, to the Province.

6.2. The rights, remedies and privileges of the Province under this Agreement are cumulative and any one or more may be exercised.

7. GENERAL

7.1. This Agreement shall continue in effect until March 31, 2015, and may be renewed thereafter in five-year increments if mutually agreed in writing.

7.2. Either party may terminate this Agreement on two (2) years written notice.

7.3. This Agreement is binding upon the Parties and their successors.

7.4. The Parties agree that the laws of the Province of Newfoundland and Labrador will govern this Agreement and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador subject to any right of appeal.

7.5. Any notice, demand or other document required or permitted to be given under the terms of this Agreement shall be sufficiently given to the Party to whom it is addressed if personally delivered, sent by prepaid registered mail or sent by facsimile transmission.

Any Notice To The Province Must be Sent To:
Minister of Municipal Affairs
P.O. Box 8700
St. John's NL A1B 4J6
Fax: 729-4475

Any Notice to The Local Government Must be Sent To:

[Signature]
Town Manager Rodney Cumbly

or to such other addresses as either Party may furnish in writing to the other from time to time.
8. MISCELLANEOUS

8.1. Binding Obligations
Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

8.2. Precedence
In the event of a conflict, the part of this Agreement that precedes the signatures of the Parties will take precedence over the Schedules. In the event of a conflict between this Agreement and the Agreement on the Transfer of Federal Gas Tax Revenues, the latter shall prevail.

8.3. Amendments to the Local Government Funding Agreement
This agreement may be amended from time to time on the written agreement of the Parties.

8.4. Indemnity
The Local Government agrees at all times to indemnify and save harmless the Province and Canada including their officers, servants, employees or agents, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted 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) All Eligible Projects;

b) The performance of the Agreement or the breach of any term or condition of this Agreement by Newfoundland and Labrador, its officers, employees and agents, or by a third party, its officers, employees, or agents;

c) The performance of a Funding Agreement or the breach of any term or condition of a Funding Agreement by an Eligible Recipient, its officers, employees and agents, or by a third party, its officers, employees, or agents;

d) The design, construction, operation, maintenance and repair of any part of an Eligible Project; and

e) Any omission or other willful or negligent act of Newfoundland and Labrador or an Eligible Recipient or third party and their respective employees, officers, or agents;

except to the extent to which such claims and demands, losses, costs, damages, actions, suits, or other proceedings relate to the act or negligence of an officer, employee, or agent of the Province or Canada in the performance of his or her duties.
The Parties have therefore executed this Agreement, each by its duly authorized representative(s), on the respective dates shown below.

HER MAJESTY THE QUEEN
In right of the Province of Newfoundland and Labrador as
Represented by the Minister of Municipal Affairs

_________________________

Date: ____________________

_________________________

In Right of the Local Government of: Portugal Cove-St. Philip's
As Represented by the Mayor or Chairperson

_________________________

Date:  June 30, 2007
Schedule A – Eligible Project Categories

ESMI Projects examples Include the following:

a) Water, e.g.:

Drinking water supply; and storage systems, drinking water purification and treatment systems; drinking water distribution systems; water metering systems; regional systems and protection of water sources.

b) Wastewater, e.g.:

Wastewater systems including sanitary and combined sewer systems; and separate storm water systems, including outfalls and wastewater treatment facilities; flood proofing infrastructure, wastewater and storm water collection and treatment systems, including infrastructure to prevent cross contamination in water supply systems.

c) Solid Waste, e.g.:

Waste diversion; material recovery facilities; organics management; collection depots; waste disposal landfills; thermal treatment and landfill gas recuperation, regional waste management systems relating to items mentioned above including waste transport, onsite equipment, transfer stations, etc.

d) Community Energy Systems, e.g.:

i) Cogeneration or combined heat and power projects (where heat and power are produced through a single process);

ii) District heating and cooling projects where heat (or cooling) is distributed to more than one building.

e) Transportation infrastructure including local roads, arterial roads, regional roads, and bridges which enhance sustainability outcomes including construction, reconstruction, and rehabilitation of roads, bridges and other ancillary works, such as sidewalks, lighting, traffic control, various signals, etc.

2) Capacity Building includes the following activities:

i) Collaboration: building partnerships and strategic alliances; participation; and consultation and outreach;

ii) Knowledge: use of new technology; research; and monitoring and evaluation; including municipally-initiated or driven research into sustainable models for infrastructure such as regional water supply, regional sewage treatment, regional solid waste management and regional road systems plus water quality monitoring and evaluation, drinking water source protection and training for operation and maintenance of infrastructure.

iii) Integration: planning, policy development and implementation (e.g., environmental management systems, life cycle assessment). This can Include: Integrated sustainability planning, policy development and implementation including asset life cycle assessment, water supply system planning, waste water system planning, solid waste management planning, watershed planning and land use planning.
Schedule B- Eligible Costs

Eligible Costs

1 Project Costs
Eligible costs will be all direct costs that are properly and reasonably incurred and paid by an Eligible Recipient under a contract for goods and services necessary for the implementation of an Eligible Project. Eligible costs may include only the following:

a) the capital costs of acquiring, constructing or renovating a tangible capital asset and any debt financing charges related thereto;

b) the fees paid to professionals, technical personnel, consultants and contractors specifically engaged to undertake the surveying, design, engineering, manufacturing or construction of a project infrastructure asset and related facilities and structures;

c) the costs of environmental assessments, monitoring, and follow-up programs as required by the Canadian Environmental Assessment Act; or the Newfoundland Environmental Protection Act, Part X; and

d) costs related to strengthening the ability of Local Governments to develop Integrated Community Sustainability Plans (ICSPs). The fees paid to professionals, technical personnel, consultants, and contractors specifically engaged to undertake planning, management, research, monitoring, training, consultation, facilitation, policy development and program implementation relating to Municipal Capacity Building and ICSPs including costs of regional planning initiatives.

1.1 Employee and Equipment Costs
In the case of Eligible Recipients that are remote, the out of pocket costs (not overhead) related to employees or equipment may be included in its eligible costs under the following conditions:

a) the provision of such works or services by anyone other than the Eligible Recipient would be unduly costly;

b) employees or equipment are employed directly in respect of the work that would have been the subject of the contract, and

c) the arrangement is approved in advance and in writing by the Oversight Committee for the Canada – Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues via a written request to the Minister of Municipal Affairs.

1.2 Administration Costs
That portion of Funds representing interest earned may be used to pay for administration costs.

Ineligible Costs

Costs related to the following items are ineligible costs:

(a) Eligible Project costs incurred before April 1, 2006;
(b) services or works that are normally provided by the Eligible Recipient or a related party;
(c) salaries and other employment benefits of any employees of the community applicant except as indicated in section 1.1;
(d) an Eligible Recipient's overhead costs, its direct or indirect operating or administrative costs, and more specifically its costs related to planning, engineering, architecture, supervision management and other activities normally carried out by its applicant's staff;
(e) costs of feasibility and planning studies for individual Eligible Projects;
(f) taxes for which the Eligible Recipient is eligible for a tax rebate and all other costs eligible for rebates;
(g) costs of land or any interest therein, and related costs;
(h) cost of leasing of equipment by the Local Government except as indicated in section 1.1 above;
(i) routine repair and maintenance costs;
(j) legal fees;
(k) administrative costs incurred as a result of implementing this Agreement; and
(l) audit and evaluation costs.
SCHEDULE C- Eligible Recipient Requirements

Eligible Recipients shall:

1. Complete Capital Investment Plans as required and ensure that the Funds are not be used as the municipal contribution toward any cost-shared Federal or Provincial Capital Works projects.

2. Over the life of the Agreement, the Local Government will develop an Integrated Community Sustainability Plan, either by itself or as part of some higher level of agglomeration.

3. Prior to March 31, 2009, adopt and use the accounting rules of the Public Sector Accounting Board.

4. Local Governments, other than cities, ensure that the Funds will result in net incremental capital spending on Municipal Infrastructure over the period of April 1, 2006 to March 31, 2010.

5. For the cities of St. John's, Mount Pearl and Corner Brook, ensure that over the period of April 1, 2006 to March 31, 2010 each Local Government's capital spending on Municipal Infrastructure, excluding amounts spent on the Multi Year Capital Works Program and Canada Strategic Infrastructure Fund projects, does not fall below its Base Amount.

6. Permit the Province and Canada reasonable access to all records relating to all Eligible Projects that have received Funds.

7. Be responsible for the complete, diligent and timely implementation and completion of the Eligible Project.

8. Acknowledge that Newfoundland and Labrador may holdback Funds if the Eligible Recipient is in default under the Funding Agreement.

9. Comply, as necessary, with the Communications Protocol set out in Schedule F.

10. Comply with all legislated environmental assessment requirements and agree that no funds will be committed to an Eligible Project until all required environmental assessment requirements have been satisfied.

11. Implement all mitigation measures identified in any environmental assessment of the Eligible Project.

12. If Funds are paid by Newfoundland and Labrador to the Eligible Recipient in advance of the Eligible Recipient incurring and paying Eligible Costs, Invest such Funds in accordance with Newfoundland Municipalities Act, 1999, City of St. John's Act, City of Corner Brook Act, City of Mount Pearl Act, and Regional Service Boards Act.

13. (a) Retain title to, and ownership of, the Municipal Infrastructure resulting from the Eligible Project for at least ten (10) years after Project completion;

(b) If, at any time within ten (10) years from the date of completion of the Eligible Project the Eligible Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada under the terms of this Agreement, other than to Canada, Newfoundland and Labrador, a Local Government, or a Crown corporation of Newfoundland and Labrador that is the latter's agent for the purpose of implementing this agreement, the Eligible Recipient shall repay Newfoundland and Labrador on demand, a proportionate amount of the funds contributed by Canada, as follows:
1. Where Eligible Project asset is sold, leased, encumbered or disposed of:

2. Repayment of contribution (in current dollars)

<table>
<thead>
<tr>
<th>3. Within 2 Years after Eligible Project completion</th>
<th>4. 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Between 2 and 5 Years after Eligible Project completion</td>
<td>6. 55%</td>
</tr>
<tr>
<td>7. Between 5 and 10 Years after Eligible Project completion</td>
<td>8. 10%</td>
</tr>
</tbody>
</table>

14. (a) Award and manage all contracts for the supply of services and/or material to the Eligible Project ("Contracts") in accordance with the Newfoundland Public Tender Act.

(b) Award Contracts in a manner that is transparent, competitive, and consistent with value for money principles.

15. Indemnify and save harmless Canada and Newfoundland and Labrador, their officers, servants, employees or agents, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomever brought or prosecuted 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:

i) All Eligible Projects;

ii) The performance of this Agreement or the breach of any term or condition of this Agreement by the Parties, its officers, employees and agents, or by a third party, and any of its officers, employees, servants or agents;

iii) The performance of a Funding Agreement or the breach of any term or condition of the Funding Agreement by the Parties, its officers, employees and agents, or by a third party, and any of its officers, employees, servants or agents;

iv) The design, construction, operation, maintenance and repair of any part of an Eligible Project; and

v) Any omission or other willful or negligent act of the Parties or Eligible Recipient or third party and their respective employees, officers, servants or agents.

16. Acknowledge that it may use the Funds to pay up to 100% of Eligible Costs of an Eligible Project.
Schedule D- Reporting and Audits – Page 1 of 2

1. Reporting

   **Annual Expenditure Report**

   The Annual Expenditure Report will report on:
   - the amounts received under this Agreement;
   - amounts paid in aggregate for Eligible Projects;
   - the amount held at year end in aggregate to be paid for Eligible Projects.

   The Annual Expenditure Report will also indicate in a narrative the progress that the Local Government has made in meeting its commitments and contributions under this agreement.

   The Annual Expenditure Report will also include the following information:

   A listing of all Eligible Projects indicating the location, investment category, amount and identity of all sources of funding including the Initial Project Budget, Costs to Date, Estimated Cost to Complete and Anticipated Completion Date as well as the nature of the investment and expected outcomes, as identified in Schedule E.

   **Outcomes Report**

   The Outcomes Report will report on the cumulative investments made, including information on the degree to which these investments have actually contributed to the objectives of cleaner air, cleaner water and reduced Green House Gas emissions.

2. **Audit Report**

   The Audit Report, which includes the results of financial and compliance audits, will provide an opinion as to whether all of the information contained in the Annual Expenditure Report is complete and accurate and whether the Local Government has complied with all material provisions of this Agreement.
Schedule D, Continued – Page 2 of 2

ANNUAL EXPENDITURE REPORT – TEMPLATE REPORTING FORMAT FOR FUNDING FLOW

<table>
<thead>
<tr>
<th>Town/City of</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

Received from Newfoundland and Labrador in 2006/07  
Spent on Eligible Projects in 2006/07

Balance Available at Start of 2007/08 (Including interest earned)  
Received from Newfoundland and Labrador in 2007/08  
Spent on Eligible Projects in 2007/08

Balance Available at Start of 2008/09 (Including interest earned)  
Received from Newfoundland and Labrador in 2008/09  
Spent on Eligible Projects in 2008/09

Balance Available at Start of 2009/10 (Including interest earned)  
Received from Newfoundland and Labrador in 2009/10  
Spent on Eligible Projects in 2009/10

Balance Available at End of 2009/10 (Including interest earned)

* Details to be included as per the Requirements of an Annual Expenditure Report outlined on previous page.
SCHEDULE E- Outcome Indicators

The impact of the use of the Funds will be measured through a set of core indicators linked to the following outcomes and outputs:

Outcomes:

a) Cleaner Air:

b) Cleaner Water:

c) Lower Green House Gases:

Outputs: (indicators to be determined)

a) Community Energy Systems:

b) Water Infrastructure:

c) Wastewater Infrastructure:

d) Solid waste:

e) Local Roads and Bridges:

f) Capacity Building:
SCHEDULE F- Communications Protocol

Canada and Newfoundland and Labrador agreed that Canadians have a right to transparency and public accountability, which is best served by full information about the benefits of the Transfer of Federal Gas Tax Revenues. This communications protocol establishes the principles and practices that will guide all announcements and events related to the Agreement between Canada and Newfoundland and Labrador on The Transfer of Federal Gas Tax Revenues and the funding to Eligible Recipients.

Local Governments

Local Governments agree to follow the process outlined and agree to abide by the terms agreed to by Government of Canada and Newfoundland and Labrador regarding any communications associated with the use of these Funds.

General

1. The timing of public events shall be sufficient to allow for all orders of government to plan their involvement. Either Party shall provide a minimum of 21 days notice of an event or announcement.

2. The Parties agree that each will receive appropriate recognition in joint communications materials.

3. Joint communications material and signage will reflect Government of Canada communications policy, including the Official Languages Act, and federal-provincial/territorial identity guidelines.

Assessment

Communication results will be assessed as part of the evaluation process set out in the Canada and Newfoundland and Labrador on The Transfer of Federal Gas Tax Revenues Agreement.
### SCHEDULE G

Subject to each Eligible Recipient meeting the terms and conditions of its Funding Agreement, Newfoundland and Labrador agrees to pay the Eligible Recipient its Funds allocation for each Fiscal Year beyond 2006-07 in two equal semi-annual payments, with each payment to be received by the Eligible Recipient no later than ninety (90) days upon which Newfoundland and Labrador receives Canada's semi-annual payments.

<table>
<thead>
<tr>
<th>Community</th>
<th>Base + Per Capita Year 1</th>
<th>Base + Per Capita Year 2</th>
<th>Base + Per Capita Year 3</th>
<th>Base + Per Capita Year 4</th>
<th>Base + Per Capita 4 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal Cove-St.</td>
<td>$182,577.75</td>
<td>$120,710.48</td>
<td>$146,950.51</td>
<td>$272,244.34</td>
<td>$722,483.07</td>
</tr>
<tr>
<td>Phillip's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Allocation Amounts by Agreement (Initial Amount the Town of Portugal Cove-St. Philip’s can Access)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-10</td>
<td>$722,483.07</td>
</tr>
<tr>
<td>2011-14</td>
<td>$1,028,477.04</td>
</tr>
<tr>
<td>2014-19</td>
<td>$1,379,323.00</td>
</tr>
<tr>
<td>Total</td>
<td>$3,421,383.01</td>
</tr>
</tbody>
</table>

Approved Projects and Funding Spent by Project

<table>
<thead>
<tr>
<th>File #</th>
<th>Recipient</th>
<th>Project Number</th>
<th>Project Title</th>
<th>Description</th>
<th>GTF Allocated to Project</th>
<th>Total GTF spent to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>205</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2008-200</td>
<td>Road Upgrade</td>
<td>Sub-excavation, backfill compacting and Asphalt - Farm Road, Embassy’s Road, Coody’s Road, Princess Mountain Road and Loop Drive.</td>
<td>$722,483.04</td>
<td>$722,483.04</td>
</tr>
<tr>
<td>206</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2011-1800</td>
<td>Storm Sewer Upgrades</td>
<td>Installation of a Storm sewer network in the Jenny Lynn Drive area.</td>
<td>$1,379,323.00</td>
<td>$1,379,323.00</td>
</tr>
<tr>
<td>207</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2016-5411</td>
<td>Bridge Upgrades</td>
<td>Replace Roundel’s Road Bridge.</td>
<td>$15,679.00</td>
<td>$15,679.00</td>
</tr>
<tr>
<td>208</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2015-5412</td>
<td>Bridge Upgrades</td>
<td>Replace Miller’s Road Bridge.</td>
<td>$15,679.00</td>
<td>$15,679.00</td>
</tr>
<tr>
<td>209</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2015-5446</td>
<td>Western Point Curb Replacement</td>
<td>Replacement of a storm sewer curb.</td>
<td>$15,679.00</td>
<td>$15,679.00</td>
</tr>
<tr>
<td>210</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2015-5402</td>
<td>Asset Management</td>
<td>Conduct an asset management plan.</td>
<td>$24,000.00</td>
<td>$24,000.00</td>
</tr>
<tr>
<td>211</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2015-5506</td>
<td>Strategic Plan</td>
<td>Develop a strategic plan that will focus on operational and infrastructure priorities over 5-10 yrs.</td>
<td>$21,000.00</td>
<td>$21,000.00</td>
</tr>
<tr>
<td>212</td>
<td>Portugal Cove - St. Philip’s</td>
<td>205-2016-6004</td>
<td>Town Connectivity Plan</td>
<td>Bikeway system for school zone area of town.</td>
<td>$27,331.60</td>
<td>$27,331.60</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,150,050.04</td>
</tr>
</tbody>
</table>