

Consolidated agreement incorporating:

- *Administrative Agreement*
- *Amending Agreement No. 1*

**ADMINISTRATIVE AGREEMENT
ON THE FEDERAL GAS TAX FUND**

BETWEEN: **HER MAJESTY THE QUEEN IN RIGHT OF CANADA**, as represented by
the President of the Queen's Privy Council for Canada, Minister of
Infrastructure and Communities ("Canada")

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

1. PURPOSE

This Administrative Agreement sets out the roles and responsibilities of Canada and Saskatchewan for the administration of the Gas Tax Fund (GTF).

2. CONTEXT

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

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

3. PRINCIPLES

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

- a. **Principle 1 – Respect for jurisdiction:** The GTF was designed to leverage the strengths of each level of government and is based on the principle that each has areas of jurisdiction and is accountable to its population. Canada respects the jurisdiction of provinces and territories over municipal institutions.

- b. **Principle 2 – A flexible approach:** In recognition of the diversity of Canadian provinces, territories, regions and communities, the GTF recognizes the need for a flexible approach to program delivery. Wherever possible, the GTF aims to employ regionally adapted delivery mechanisms, including the leveraging of existing delivery mechanisms and reporting structures.
- c. **Principle 3 – Equity between jurisdictions:** The GTF recognizes the importance of ensuring that the inter-provincial/territorial allocation is equitable while supporting meaningful infrastructure investments within the least populated jurisdictions.
- d. **Principle 4 – Long-term solutions:** The GTF provides predictable, long-term funding for communities, where communities choose projects locally and prioritize them according to their needs, while respecting the principle of incrementality and not displacing current infrastructure investments.
- e. **Principle 5 – Transparency:** The GTF is administered via an open and transparent governance process which recognizes and communicates Canada's contribution to communities' infrastructure priorities and includes regular program evaluations and progress reporting to Canadians.

4. ANNEXES AND SCHEDULES

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

- Annex A: Definitions
- Annex B: Terms and conditions, including:
 - 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: Asset Management

5. DEFINITIONS

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

6. FEDERAL GAS TAX FUND

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

7. OVERSIGHT COMMITTEE

- 7.1 An Oversight Committee established by Canada and Saskatchewan will monitor the overall implementation of this Administrative Agreement, and will serve as the principal forum to address and resolve issues arising from the implementation of this Administrative Agreement.
- 7.2 The Oversight Committee will be co-chaired by two (2) members, one of whom is to be appointed by Canada, and designated as Federal Co-Chair, and one of whom is to be appointed by Saskatchewan, and designated as Provincial Co-Chair. Replacement members from either Canada or Saskatchewan may, from time to time, be appointed. Canada and Saskatchewan agree to keep each other informed in writing of new appointments.
- 7.3 The Co-Chairs will examine together any issue that arises, and will, in good faith and reasonably, attempt to resolve potential disputes.
- 7.4 Canada and Saskatchewan agree that, in addition to the requirements set out in Section 2.3 of Schedule E (Communications Protocol), any communications working group or subcommittee that is established by the Co-Chairs will report on the working group or subcommittee's plans and achievements on a frequency defined by the Oversight Committee Co-Chairs.

8. DISPUTE RESOLUTION

- 8.1 Canada and Saskatchewan will work together to resolve any issues which may arise in relation to this Administrative Agreement.
- 8.2 It is understood that failure by Saskatchewan to meet the following requirements are of particular interest and will be addressed as a priority:
 - a) ensuring that Ultimate Recipients comply with Schedule B (Eligible Project Categories) and Schedule C (Eligible and Ineligible Expenditures) of Annex B (Terms and Conditions);
 - b) submitting an Annual Report to Canada by December 31st of each year and an Outcomes Report, as outlined in Schedule D (Reporting) of Annex B (Terms and Conditions);
 - c) conducting communications activities in accordance with the requirements outlined in Schedule E (Communications Protocol) of Annex B (Terms and Conditions).
- 8.3 An escalating dispute resolution approach would begin with an Oversight Committee discussion followed by senior official-level discussions and ultimately Ministerial-level discussions for resolution, within a reasonable timeframe, to the satisfaction of Canada and Saskatchewan.
- 8.4 In the event of any unresolved issue, if the above resolution mechanisms fail to achieve a resolution it is understood that the final decision with respect to such issue will rest solely with Canada, only if all other resolution mechanisms fail to achieve sufficient results.

9. AUDITS AND EVALUATION

- 9.1 Canada may, at its expense, carry out any audit in relation to this Administrative Agreement. Saskatchewan will provide Canada and its designated representatives with reasonable and timely access to all documentation, records and accounts that are held by Saskatchewan, its agents or Third Parties, that are related to this Administrative Agreement and the use of GTF funding, and any interest earned thereon, and to all other relevant information and documentation requested by Canada or its designated representatives for the purposes of audit and evaluation.
- 9.2 Canada may, at its expense, complete a periodic evaluation of the GTF to review the relevance and performance (i.e. effectiveness, efficiency and economy) of the GTF. Saskatchewan will provide Canada with information on program performance and may be asked to participate in the evaluation process. The results of the evaluation will be made publicly available.
- 9.3 Saskatchewan will 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 will, upon reasonable notice, make them available to Canada.
- 9.4 Sections 9.1 to 9.3 will remain in effect beyond the expiration or termination of this Administrative Agreement until such time as may be determined by Canada and Saskatchewan.

10. DURATION, TERMINATION, REVIEW AND AMENDMENT

- 10.1 This Administrative Agreement will be effective as of April 1, 2014 and will be in effect until March 31, 2024 unless Canada and Saskatchewan agree to renew it. In the event where this Administrative Agreement is not renewed, any GTF funding and Unspent Funds, and any interest earned thereon held by Saskatchewan or Ultimate Recipient, that have not been expended on Eligible Projects as of March 31, 2024 will nevertheless continue to be subject to this Administrative Agreement until such time as may be determined by Canada and Saskatchewan.
- 10.2 This Administrative Agreement will be reviewed by Canada and Saskatchewan by March 31, 2018 and may be amended to incorporate changes, if any, agreed to by Canada and Saskatchewan.
- 10.3 This Administrative Agreement may be amended at any time in writing as agreed to by Canada and Saskatchewan.
- 10.4 This Administrative Agreement may be terminated at any time and for any reason by either Canada or Saskatchewan on two (2) years written notice. In the event where this Administrative Agreement is so terminated, any GTF funding and Unspent Funds, and any interest earned thereon held by Saskatchewan or Ultimate Recipient, that have not been expended on Eligible Projects as of the date of termination will nevertheless continue to be subject to this Administrative Agreement until such time as may be determined by Canada and Saskatchewan.

11. SIMILAR TREATMENT

If Canada concludes an Administrative Agreement with respect to the GTF for similar purposes with any other province or territory of Canada, and that Administrative Agreement when taken as a whole is materially different from this Administrative Agreement, Saskatchewan may ask Canada to agree to amend this Administrative Agreement so that, taken as a whole, it affords similar treatment to Saskatchewan as the other Administrative Agreement affords to the other province or territory. In the event of any such request, Canada and Saskatchewan agree to discuss the request and any agreement reached between them to amend this Administrative Agreement will be effected in accordance with Section 10.3 (Duration, Termination, Review and Amendment).

12. COUNTERPART SIGNATURE

This Administrative Agreement may be signed in counterpart and the signed copies will, when attached, constitute an original Administrative Agreement.

13. CORRESPONDENCE

Any correspondence under this Administrative Agreement may be delivered in person, sent by electronic mail, sent by facsimile, or sent by mail addressed to:

Canada:

Assistant Deputy Minister
Program Operations Branch
Infrastructure Canada
180 Kent Street
Ottawa, ON K1P 0B6
Email: info@infc.gc.ca
Fax: (613) 960-9423

or to such other address or facsimile number or addressed to such other person as Canada may, from time to time, designate in writing to Saskatchewan; and

Saskatchewan:

Assistant Deputy Minister
Ministry of Government Relations
1020 – 1855 Victoria Avenue
REGINA SK S4P 3T2
Email: sheldon.green@gov.sk.ca
Fax: (306) 787-1987

or to such other address or facsimile number or addressed to such other person as Saskatchewan may, from time to time, designate in writing to Canada.

SIGNATURES

**HER MAJESTY THE QUEEN IN RIGHT
OF CANADA:**

The Honourable François-Philippe
Champagne
Minister of Infrastructure and
Communities

Date

**HER MAJESTY THE QUEEN IN RIGHT
OF SASKATCHEWAN:**

The Honourable Lori Carr
Minister of Government Relations

Date

ANNEX A DEFINITIONS

“Administrative Agreement” means this Canada-Saskatchewan agreement which sets out the roles and responsibilities of Canada and Saskatchewan for the administration of the GTF, including the Annexes and Schedules attached hereto.

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

“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.

“Base Amount” means an amount established over a time-period, reflecting non-federal investments in Infrastructure and against which GTF investments will be measured to ensure that GTF investments are incremental as described in Section 4, Incrementality of Annex B (Terms and Conditions).

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

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

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

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

“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 Canada.

“Municipal Gas Tax Fund Agreement” means the agreement entered into by Saskatchewan and each Ultimate Recipient.

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

“Outcomes Report” means the report to be delivered by March 31, 2018 and again by March 31, 2023 to Canada which reports on how GTF investments are supporting progress towards achieving the program benefits in Saskatchewan, more specifically described in Schedule D (Reporting).

“Oversight Committee” means the committee established under Section 7 of this Administrative Agreement.

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

“Ultimate Recipient” means:

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

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

ANNEX B TERMS AND CONDITIONS

1. ALLOCATION FORMULA

- 1.1 Any GTF funding that may be received by Saskatchewan from Canada will be distributed in accordance with the following formula:
- a) Each Municipality will be allocated, on a conditional basis, shares of any GTF funding received from Canada, by dividing the Municipality's 2011 Statistics Canada Census population by the total 2011 Census population for all Municipalities and multiplying the resulting quotient by each fiscal year amount. Beginning with 2019-20, allocations for any GTF funding received from Canada will be based on the 2016 Statistics Canada Census results.
 - b) Before determining GTF funding allocations to Ultimate Recipients, Saskatchewan may deduct from any GTF funding received from Canada, such amounts as Canada has approved or may approve through a business case justifying such use of the GTF funding for administration expenses, as per Section 5.
 - c) The portion of Unspent Funds distributed or committed to a Municipality or other recipient under the First Agreement will remain allocated to the respective Municipality or other recipient.
- 1.2 Any Unspent Funds held by Saskatchewan, any interest earned on Unspent Funds held by Saskatchewan, or any interest earned on GTF funding that Saskatchewan may receive from Canada shall be used only for the purposes of Eligible Projects or for capacity building efforts of the Saskatchewan Urban Municipalities Association and/or the Saskatchewan Association of Rural Municipalities and/or New North-Saskatchewan Association of Northern Communities Services Inc. as approved by Saskatchewan.
- 1.3 Saskatchewan agrees to provide to Canada, upon request, a table detailing the Ultimate Recipient allocations, and promptly provide to Canada updates to the table upon any revision to the allocations.

2. DELIVERY MECHANISM

- 2.1 Saskatchewan will allocate any GTF funding received from Canada to Ultimate Recipients once Municipal Gas Tax Fund Agreements are signed. The distribution of said GTF funds to Ultimate Recipients will be subject to the Ultimate Recipient meeting significant terms and conditions of the Municipal Gas Tax Fund Agreement.
- 2.2 Where an Ultimate Recipient has failed to meet any significant GTF programming requirement, term or condition, the Oversight Committee will review and consider options regarding that Ultimate Recipient's allocation.

3. USE AND RECORDING OF FUNDS

- 3.1 Saskatchewan will ensure that any GTF funding that may be transferred to it by Canada, Unspent Funds, and any interest earned thereon, is used solely in accordance with the terms and conditions set out in this Administrative Agreement.
- 3.2 Saskatchewan will ensure that any GTF funding that may be transferred to it by Canada, Unspent Funds, and any interest earned thereon is used by Ultimate Recipients in accordance with this Administrative Agreement and specifically Schedule A (Ultimate Recipient Requirements).
- 3.3 Pending payment to Ultimate Recipients in accordance with the terms and conditions of this Administrative Agreement, Saskatchewan will record, separately and distinctly, any GTF funding it may receive from Canada and any interest earned thereon.
- 3.4 Any GTF funding that may be transferred by Canada to Saskatchewan, will be treated as federal funds with respect to other federal infrastructure programs.

4. INCREMENTALITY

Any GTF funding that Saskatchewan may receive from Canada is not intended to replace or displace existing sources of funding for Municipal tangible capital expenditures. As such, the average annual tangible capital expenditures by Saskatchewan and Municipalities will not be less than the following Base Amounts:

- a) for Saskatchewan, average annual capital funding by Saskatchewan for Infrastructure is no less than average annual capital funding in the five (5) fiscal years of 2000-01 to 2004-05;
- b) for Municipalities, average annual capital expenditures by Municipalities from their own sources on Infrastructure for:
 - i. the City of Regina;
 - ii. the City of Saskatoon; and
 - iii. an agglomeration of all other Municipalities with a population of more than two thousand (2000) peopleis no less than average annual capital expenditure on Infrastructure by Regina, Saskatoon, and the agglomeration, as applicable, from their own sources in the five (5) municipal fiscal years of 2000 to 2004.

5. ADMINISTRATION EXPENSES

Upon the review and acceptance by Canada of a detailed business case, which must be submitted by April 1, 2015, Saskatchewan may apply a portion of any GTF funding it may receive from Canada for administration expenses related to program delivery and implementation of this Administrative Agreement, including expenditures associated with communication activities such as public project announcements and signage.

6. ELIGIBLE PROJECT CATEGORIES

Eligible Project categories under the GTF will continue to include: public transit, local roads and bridges, short-line rail, wastewater, water, solid waste and community energy infrastructure and non-capital investments in capacity building initiatives. As announced in *Economic Action Plan 2013*, new eligible project categories have been added to include highways, local and regional

airports, short-sea shipping, disaster mitigation, broadband and connectivity, brownfield redevelopment, culture, tourism, sport, and recreation infrastructure. Schedule B (Eligible Project Categories) provides further details regarding Eligible Project categories.

7. ELIGIBLE EXPENDITURES

Eligible Expenditures are those associated with: the acquiring, planning, designing, constructing, or renovating a tangible capital asset; the strengthening of the ability of Municipalities to; improve local and regional planning and asset management as well as joint federal communication activities and federal signage. Schedule C (Eligible and Ineligible Expenditures) sets out specific requirements for eligible and ineligible expenditures.

8. REPORTING

Saskatchewan will provide to Canada an Annual Report reporting on expenditures as well as project-level information. Furthermore, Saskatchewan will provide to Canada periodic Outcomes Reports indicating progress and results of the GTF in order to demonstrate overall GTF progress toward the national objectives. Schedule D (Reporting) sets out specific reporting requirements.

9. COMMUNICATIONS

This Administrative Agreement formalizes clear requirements to support federal communications objectives. Schedule E (Communications Protocol) sets out specific communications requirements, including:

- providing upfront project information on an annual basis for communications purposes;
- including the federal government in local project communications; and
- installing federal project signs.

10. ASSET MANAGEMENT

Saskatchewan will ensure that Municipalities make progress towards developing and/or implementing an Asset Management Plan, prior to March 31, 2018 and continue to work towards achieving the asset management goals as approved by the Oversight Committee Co-Chairs pursuant to Schedule F. Schedule F (Asset Management) provides more details on the approach agreed upon between Canada and Saskatchewan.

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. Make progress towards developing and/or implementing an Asset Management Plan prior to March 31, 2018 and continue to work towards achieving the asset management goals as approved by the Oversight Committee Co-Chairs pursuant to Schedule F.
4. Record, separately and distinctly, GTF funding it receives from Saskatchewan 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 applicable international and interprovincial 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 Administrative 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. Ensure 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. Ensure that they do not represent themselves, including in any agreement with a Third Party, as a partner, employee or agent of Canada.
11. Ensure that no current or former public servant or public office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes or policies of Canada applies will derive direct benefit from GTF funding, Unspent Funds, and interest earned thereon, unless the provision or receipt of such benefits is in compliance with such legislation, guidelines, policies or codes.
12. Ensure 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. Agree that the above requirements which, by their nature, should extend beyond the expiration or termination of this Administrative Agreement, will extend beyond such expiration or termination.

SCHEDULE B - Eligible Project Categories

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

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

15. Cultural Infrastructure – infrastructure that supports arts, humanities, and heritage.
16. Tourism Infrastructure – infrastructure that attracts travelers for recreation, leisure, business or other purposes.
17. Disaster mitigation – infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.

Eligible Projects also include:

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

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

SCHEDULE C - Eligible and Ineligible Expenditures

1. Eligible Expenditures

1.1 Eligible Expenditures of 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), and any related debt financing charges specifically identified with that asset;
- b) for capacity building category only, the expenditures related to strengthening the ability of Municipalities to improve local and regional planning including capital investment 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 Saskatchewan.

1.3 Administration expenses of Saskatchewan related to program delivery and implementation of this Agreement, in accordance with Section 5 (Administration Expenses) of Annex B (Terms and Conditions).

1.4 Expenses of the Saskatchewan Urban Municipalities Association and/or the Saskatchewan Association of Rural Municipalities and/or New North-Saskatchewan Association of Northern Communities Services Inc. related to capacity building efforts, in accordance with the terms and conditions as approved by Saskatchewan and set out by agreement with said associations.

2. Ineligible Expenditures

The following are deemed Ineligible Expenditures:

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

- iv. disaster mitigation;
 - v. broadband connectivity;
 - vi. brownfield redevelopment;
 - vii. cultural infrastructure;
 - viii. tourism infrastructure;
 - ix. sport infrastructure; and
 - x. recreational infrastructure.
- c) the cost of leasing of equipment by the 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; and
 - g) routine repair and maintenance costs.

SCHEDULE D - Reporting

Reporting requirements under the GTF consist of an Annual Report and an Outcomes Report which will be submitted to Canada for review and acceptance. The reporting year is April 1st to March 31st.

1. Annual Report

By December 31st of each year, Saskatchewan will provide to Canada an Annual Report in an electronic format deemed acceptable by Canada consisting of the following:

1.1 Financial Report Table:

The financial report table will be submitted in accordance with the following template.

Saskatchewan in aggregate		
Annual Report Financial Table	Annual	Cumulative
	Apr 1 20xx - Mar 31 20xx	2014-2015 to 20xx-20xx
Opening Balance ¹	\$xxx	
Received from Canada	\$xxx	\$xxx
Interest Earned	\$xxx	\$xxx
Administrative Cost	(\$xxx)	(\$xxx)
Transferred to Ultimate Recipients	(\$xxx)	(\$xxx)
Closing Balance of unspent funds	\$xxx	
Ultimate Recipients in aggregate		
Annual Report Financial Table	Annual	Cumulative
	Jan 1 - Dec 31, 20xx	2014 to 20xx
Opening Balance ²	\$xxx	
Received from Saskatchewan	\$xxx	\$xxx
Interest Earned	\$xxx	\$xxx
Spent on Eligible Projects	(\$xxx)	(\$xxx)
Closing Balance of unspent funds	\$xxx	

¹ For the 2014-2015 Annual Report this means the amount reported as unspent by Saskatchewan in the 2013-2014 Annual Expenditure Report (as defined under the First Agreement).

² For the 2014-2015 Annual Report this means the amount reported as unspent by Municipalities and other recipients in the 2013-2014 Annual Expenditure Report (as defined under the First Agreement).

1.2 Independent Audit or Audit Based Attestation:

Saskatchewan will provide an independent audit opinion, or an attestation based on an independent audit and signed by a senior official designated in writing by Saskatchewan, as to:

- a) the accuracy of the information submitted in the Financial Report Table; and
- b) that GTF funding and Unspent Funds, and any interest earned thereon, were expended for the purposes intended.

1.3 Project List

Saskatchewan will maintain, and provide to Canada a project list submitted in accordance with the following template.

Annual Report - GTF Project List Template

Project ID	Ultimate Recipient Name	Eligible Project Name	Eligible Project Description	Eligible Project Category	Total Project Cost	GTF Funding Spent in 20__	Completed (Yes or No)

- 1.4 In the case of Ultimate Recipients with a year end other than March 31, and with the prior approval of Saskatchewan, the Annual Report may include information in respect of Eligible Projects related to that Ultimate Recipient to the year end of that Ultimate Recipient.

2. Outcomes Report

By March 31, 2018 and March 31, 2023, Saskatchewan will provide to Canada and make publicly available, an Outcomes Report that will report in aggregate on the degree to which investments are supporting the progress in Saskatchewan 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 municipal planning and asset management.

The format and content of the Outcomes Report will be approved by the Oversight Committee Co-Chairs following consultation at the workshop which will reflect a national approach to ensure consistency across jurisdictions, and will include performance data and a narrative on how each program benefit is being met. Performance measurement methodology in respect of each program benefit will also be approved by the Oversight Committee Co-Chairs.

SCHEDULE E- Communications Protocol

1 Purpose

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

2 Joint communications approach

- 2.1. Canada and Saskatchewan agree to work in collaboration to develop a joint communications approach that identifies guiding principles, including those related to the provision of upfront project information, project signage, and planned communications activities throughout the year. This joint communications approach will have the objective of ensuring that communications activities undertaken each calendar year communicate a mix of Eligible Project types from both large and small communities, span the full calendar year and use a wide range of communications mediums.
- 2.2. Canada and Saskatchewan agree that the initial annual joint communications approach will be finalized and approved by the Oversight Committee Co-Chairs within 60 working days following the inaugural meeting of the Oversight Committee.
- 2.3. Canada and Saskatchewan agree that achievements under the joint communications approach will be reported on to the Oversight Committee once a year, or more frequently as requested by the Oversight Committee.
- 2.4. Canada and Saskatchewan agree to assess the effectiveness of the joint communications approach on an annual basis and, as required, update and propose modifications to the joint communications approach. Any modifications will be brought to the Oversight Committee Co-Chairs for approval.

3 Inform Canada on allocation and intended use of GTF funding for communications planning purposes

- 3.1. Saskatchewan agrees to provide to Canada upfront information on planned Eligible Projects and Eligible Projects in progress on an annual basis, prior to the construction season. Canada and Saskatchewan 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 funding being used toward the Eligible Project; and anticipated start date.

3.2 Canada and Saskatchewan agree that the above information will be delivered to Canada in an electronic format deemed acceptable by Canada. This information will only be used for communications planning purposes and not for program reporting purposes.

3.3 Canada and Saskatchewan agree that the joint communication approach will define a mechanism to ensure the most up-to-date Eligible Project information is available to Canada to support media events and announcements for Eligible Projects.

4 Project signage

4.1 Canada, Saskatchewan and Ultimate Recipients may each have a sign recognizing their contribution to Eligible Projects.

4.2 At Canada's request, Saskatchewan 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.

4.3 Where Saskatchewan or 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.

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

4.5 Saskatchewan agrees to inform Canada of signage installations on a basis mutually agreed upon in the joint communications approach.

5 Media events and Announcements for Eligible Projects

5.1 Canada and Saskatchewan 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.

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

5.3 Canada, Saskatchewan or an Ultimate Recipient may request a media event.

5.4 Media events related to Eligible Projects will not occur without the prior knowledge and agreement of Canada, Saskatchewan and the Ultimate Recipient.

5.5 The requestor of a media event will provide at least 15 working days notice to other parties of their intention to undertake such an event. The event will take place at a mutually agreed date and location. Canada, Saskatchewan and the Ultimate Recipient will have the opportunity to participate in such events through a designated representative. Parties to this Administrative Agreement and the Ultimate Recipient will choose their own designated representative.

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

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

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

6 Program communications

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

6.2 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.

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

6.4 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.

7 Operational Communications

7.1 Saskatchewan or 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.

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

8 Communicating Success Stories

Saskatchewan 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.

9 Advertising campaigns

Recognizing that advertising can be an effective means of communicating with the public, Canada, Saskatchewan 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 Administrative 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 – Asset Management

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

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

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

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