



**The Corporation of the  
City of Sault Ste. Marie**

**C O U N C I L   R E P O R T**

May 12, 2025

TO: Mayor Matthew Shoemaker and Members of City Council  
AUTHOR: Steve Facey, Manager of Finance  
DEPARTMENT: Corporate Services  
RE: First Quarter Financial Report – March 31, 2025

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**Purpose**

The purpose of this report is to provide Council the first quarter financial report for 2025.

**Background**

Council reviews unaudited financial reports on a quarterly basis.

**Analysis**

The first quarter financial results, as highlighted in Appendix A, are presented for Council's information. The information included in the attached is preliminary and reflects only expenditures and revenues from January to March. The variances discussed below may contribute to the organization's year-end position; however, staff will inform the Council with improved information as it becomes available.

Winter control activities are overspent for the first quarter of the year. Based on the number of winter events and snow accumulation, staff anticipate a deficit of approximately \$1.4 million, predominantly related to snow removal for 2025. Should winter conditions remain the same for the year's final two months, this overspending can be expected to remain and contribute to the year-end position. Historically, the Corporation has been able to negate the impacts of harsher winters. Staff will report back to Council with second-quarter data to clarify where the organization stands.

Staff expenditure trends carried forward from 2024 will most likely continue into 2025 within the Sault Ste. Marie Police Services. Based on the communications from the Sault Ste. Marie Police Services Board, an estimated deficit of approximately \$1.9 million is anticipated for 2025. The same communications highlight cost mitigation efforts as well. Staff will continue to work with their counterparts and provide Council updates as they become available.

Similar to 2024, assessment growth reflects a zero-percentage change for the first quarter which is reflected in Appendix B. Staff will include an update with the second quarter results.

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Lastly, Appendix C presents what has been spent or committed of the 2025 capital budget. This data reflects an actual expenditure or commitment of 20% of the amended capital budget.

### **Financial Implications**

There are no direct financial implications associated with this report.

As additional information becomes available, staff will fine tune the estimates for year-end. Part of the City's year-end processes include balancing whether the City is in a surplus or deficit position. Staff may return to City Council in the future seeking direction to commit amounts from reserves, such as the Winter Control and Contingency Reserves, to ensure the deficit is funded, if applicable.

### **Strategic Plan / Policy Impact / Climate Impact**

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

### **Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Finance dated May 12, 2025 concerning First Quarter Financial Report to March 31, 2025 be received as information.

Respectfully submitted,

Steve Facey

Manager of Finance

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