

Schedule "A"

MEMORANDUM OF UNDERSTANDING

BETWEEN:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter referred to as "the City")

AND

SAULT STE. MARIE POLICE SERVICES BOARD

WHEREAS the parties have had a collaborative relationship since the City of Sault Ste. Marie was enacted by statute in 1912;

AND WHEREAS the parties seek to improve collaboration in administrative areas, particularly in Finance and Human Resources;

AND WHEREAS the parties completed a Shared Services Feasibility Review conducted by KPMG which made recommendations to improve operations and information sharing between the parties;

NOW THEREFORE the parties hereby agree that this Memorandum of Understanding ("MOU") or ("Agreement") sets out the roles, functions and information sharing of each of the parties hereto:

1. THE TERM

The Memorandum of Understanding (MOU) between the parties is a three (3) year agreement, effective August 1, 2025, renewable for an additional 3 years, unless notified by either party prior to the end of the initial term. No changes will be made to the MOU, except in writing and approved by both parties. Approval by the City will be by approval from the Council of the City of Sault Ste. Marie ("City Council").

2. ROLES AND FUNCTIONS OF THE PARTIES

SAULT STE. MARIE POLICE SERVICE (SSMPS) BOARD ROLES AND FUNCTIONS

- (i) The SSMPS Board and Chief of Police are responsible for the management and operation of the SSMPS as governed by the *Community Safety and Policing Act, 2019* (CSPA).
- (ii) As per the CSPA, Section 11(1) Adequate and Effective Policing, the SSMPS Board shall provide policing services in accordance with the statutory requirements for "adequate and effective policing" as defined in the *Community Safety and Policing Act, 2019*. This includes delivering core functions such as crime prevention, law enforcement, maintaining public peace, emergency response, and assistance to victims of crime, as well as any additional prescribed policing functions. These services must meet all applicable regulatory standards, including those related to conflict of interest, and shall be delivered in a manner consistent with the Canadian Charter of Rights and Freedoms and the Ontario Human Rights Code.

- (iii) As per the CSPA, Section 41(3), The SSMPS Board shall enter into an information sharing protocol with the municipality to address the sharing of information, including the type of information to be shared and the frequency of sharing such information.
- (iv) As per Section 50 (2) of the Act, the SSMPS Board shall submit operating and capital estimates annually to the municipality that will show, separately, the amounts that will be required to comply with the Act and the regulations, including the amounts required to provide the police service with required equipment and facilities and pay the expenses of the board's operation, other than the remuneration of board members. Upon receiving the estimates, the City shall establish an overall budget to enable the SSMPS Board to meet its obligations under the Act. While the City is not required to adopt the estimates as submitted, it must ensure sufficient funding for statutory compliance and operations. In establishing this budget, the City does not have the authority to approve or disapprove individual line items within the submitted estimates, consistent with Section 50 (5) of the Act. The form of budget submission and timing will be provided by the City to the SSMPS Board at the Q1 meeting prior to the budget fiscal year.
- (v) SSMPS Board provides quarterly written reports to Council for inclusion in their agendas for information. Reports are to include metrics as required by legislation for the SSMPS Board Corporate Strategic Plan and the financial report, including the forecast of any budget variance for the fiscal year.
- (vi) The SSMPS Board will make every effort to ensure its expenditures are within the established overall budget estimate notwithstanding the requirement to provide adequate and effective policing. The SSMPS Board may, at its discretion, share its monthly reports with City Council where it deems it appropriate or necessary to support transparency, accountability, or informed municipal decision-making. In the event the SSMPS Board forecasts a significant budget deficit (over \$100,000) from which it cannot address with in-year adjustments, it shall notify City Council as soon as possible. In addition, the SSMPS Board shall provide a year-end report to City Council outlining the Service's overall financial position, including an explanation of any year-end deficit or surplus incurred, its contributing factors, and any actions taken or planned to address any deficit or surplus funds.
- (vii) SSMPS Finance staff will participate in quarterly meetings with City Finance staff to improve coordination of budgeting, financial reporting and estimates, as well as share practices and policy. An example of quarterly agendas is provided in Appendix A.
- (viii) SSMPS Human Resources staff will participate in quarterly meetings with City Human Resources staff to share perspectives and strategies related to ongoing challenges, trainings, practices, and changes to the current environment. An example of quarterly agendas is provided in Appendix B.
- (ix) SSMPS staff will explore an opportunity for SSMPS to provide dispatch services to the City.
- (x) SSMPS is accountable to ensure the proper financial systems, training and procedures are in place to maintain, monitor and manage financial administration.

- (xi) Any surpluses incurred by SSMPS will be applied to repay deficits incurred from 2024 onwards that have been funded by the City. Once deficits are recovered by the City, surplus funds will be transferred to the designated Police Reserve.

Notwithstanding financial pressures, the Board will continue to contribute to its capital reserve fund and facilities reserve fund to support long-term infrastructure sustainability and service readiness.

3. CITY'S ROLES AND FUNCTIONS

The City is providing support, specifically the following:

- (i) The City appoints three members to the Police Services Board. The composition of the board is determined as five. Board members include the head of the municipal Council or, if the head chooses not to be a member of the board, another member of the Council appointed by resolution of the Council; one member of the Council appointed by resolution of the Council; and one person appointed by resolution of the council, who is neither a member of the Council nor an employee of the municipality.
- (ii) The City provides the financial and budgeting software solution which SSMPS shall use to enter the budget estimate, track expenses and provide reports to the Police Board. The City shall ensure that SSMPS has full access to all relevant financial and budgeting systems to support timely and accurate financial analysis and reporting.
- (iii) The City Finance department currently provides services to the SSMPS (e.g., the City processes 1,200 payroll transactions for the Police Service bi-weekly and payment of invoices processed by SSMPS). More information regarding City Finance Service Level expectations is provided in Appendix C.
- (iv) City Human Resources staff processes SSMPS WSIB costs and mail weekly and collaborate on complex disability claims. More information regarding City Human Resources Service Level expectations is provided in Appendix D.
- (v) City Human Resources staff administers the pension plans, exclusive of offers of enrollment and completion of enrollment forms, and all retiree benefit plans. More information regarding City Human Resources Service Level expectations is provided in Appendix D.
- (vi) City procurement staff provide expertise and advice, share best practices and templates where possible to assist SSMPS with procurement initiatives, upon request. The City shall be requested to review of high-risk procurements (over \$125,000).
- (vii) City Finance staff will participate in quarterly meetings with SSMPS staff to improve coordination of budgeting, financial reporting and estimates, as well as share practices and policy. An example of quarterly agendas is provided in Appendix A.

- (viii) City Human Resources staff will participate in quarterly meetings with SSMPs Human Resources staff to share perspectives and strategies related to ongoing challenges, trainings, practices, and changes to the current environment.
- (ix) City staff will explore an opportunity for SSMPs to provide dispatch services to the City.

IN WITNESS WHEREOF the parties have affixed their corporate seal attested by the hands of its duty to authorized officers.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

SAULT STE. MARIE POLICE SERVICES BOARD



Nuala M. Kenny
Chair

Appendix A – Finance Meetings Draft Agenda

Meeting Date	Proposed Agenda Items
End of Q1 (Around the end of March/early April)	Review of the previous year's financial performance. Discussion on the budgets for the upcoming year. Updates on any changes in priorities. Updates on planned projects and goals for the upcoming year.
End of Q2 (Around the end of June/early July)	Review of the first quarter's financial performance. Discussion on budget preparation for the following year and deadlines. Updates on any changes in processes, policies, or technologies. Discussion on the progress of any projects, as required.
End of Q3 (Around the end of September/ early October)	Review of first half-year's financial performance. Finalization of budget for the next year. Discussion on any changes in the budgets or financial strategies for the second half of the year. Updates on any changes in processes, policies, or technologies. Discussion on the progress of any projects, as required.
End of Q4 (Around the end of December/ early January)	Review of third quarter's financial performance. Discussion of the budget presentation and approval process. Discussion on any changes in the budgets or financial strategies for the upcoming year. Updates on any changes in processes, policies, or technologies. Discussion on the progress of any projects, as required. Review of roles and responsibilities of the departments and their effectiveness of the year and defining the roles/ responsibilities for the upcoming year.

Appendix B – Human Resources Meetings Draft Agenda

Meeting Date

End of Q1
(Around the end of March/ early April)

Proposed Agenda Items

Review of the previous year's Human Resources policy, procedure & legislative changes.
Discussion of ongoing training available.
Discussion of the year's Human Resources strategies and current environment.
Updates on planned initiatives and goals for the upcoming year.

End of Q2
(Around the end of June/ early July)

Review/ discussion of completed and ongoing activities.
Updates on the Human Resources strategies and any changes to the current environment.
Discussions on leading practices, challenges faced and solutions implemented.

End of Q3
(Around the end of September/ early October)

Review/ discussion of completed and ongoing activities.
Updates on the Human Resources strategies and any changes to the current environment.
Discussions on leading practices, challenges faced and solutions implemented.

End of Q4
(Around the end of December/ early January)

Review/ discussion of completed and ongoing activities.
Updates on the Human Resources strategies and any changes to the current environment.
Discussions on leading practices, challenges faced and solutions implemented.
Discussion on any changes in the Human Resources strategies for the upcoming year.
Updates on any changes in processes, policies, or technologies.
Review of roles and responsibilities of the departments and their effectiveness of the year and defining the roles/ responsibilities for the upcoming year.

Appendix C – Finance Service Level

The City to provide full functional and reporting access for all financial and budgeting software solutions which SSMPS shall use to enter the budget estimate, track expenses, support timely and accurate financial analysis and reporting, and provide reports as required to the Police Board.

The City Finance department to provide bi-weekly payroll transaction services to the SSMPS and payment of invoices processed by SSMPS. This includes any applicable support for these functions.

City procurement staff to provide expertise and advice, share best practices and templates, where possible, to assist SSMPS with procurement initiatives.

City Finance staff will participate in quarterly meetings with SSMPS staff to improve coordination of budgeting, financial reporting and estimates, as well as share practices and policy.

Appendix D – Human Resources Service Level

Track the number of WSIB tasks the City processes for the Police Service. Quantifying this metric and continually monitoring any changes would allow both organizations to identify trends, measure any changes in demand and related required workload, and/or prompt follow-up.

Administer OMERS pension plan and year-end reporting, with the exception of new employee offer of enrollment and related forms.

Perform retirement processes, not exclusive to:

- Retirement meetings with employees, distribution of internal forms, notification to payroll, transfer of benefit plans, enrollment into pay direct benefits, and processing of OMERS form 143.
- Continued service and support of retirees, e.g., benefit questions, assisting with OMERS forms beyond retirement (TD1s, Beneficiary forms, change to direct deposit).

Benefit Administration, not exclusive to:

- Correspondence to retirees reaching age of reduction in coverage or termination of coverage, and providing the City and MROO benefit continuation options.
- Transferring or termination of Retiree benefit plans based on Collective Agreements.
- Notify Payroll/Finance Departments of termination of coverage or pay direct set up/cancellations.
- Quarterly/annual review of benefit claims/admin fees.
- Merging of benefit plans. Setting of annual budgeted rates (premiums).

City Human Resources staff will participate in quarterly meetings with SSMPS Human Resources staff to share perspectives and strategies related to ongoing challenges, trainings, practices, and changes to the current environment.