



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

C O U N C I L R E P O R T

August 11, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Tom Vair
DEPARTMENT: Chief Administrative Officer
RE: Sault Ste. Marie Police Services MOU

Purpose

The purpose of this report is to seek Council approval to enter into a Memorandum of Understanding with Sault Ste. Marie Police Services.

Background

The City previously engaged KPMG to complete a Shared Services Review Feasibility Study. The City and the Sault Ste. Marie Police Services Board (SSMPSB) sought opportunities to share services in order to minimize pressures on taxes while maintaining or improving service levels.

KPMG worked to identify shared service opportunities to deliver finance, human resources, procurement, and dispatch services more efficiently or at an improved service level. From the recommendations of the report, City staff worked with Sault Ste. Marie Police Services to develop a Memorandum of Understanding (MOU).

The MOU sets out the roles and functions of both organizations, in light of the Community Safety and Policing Act, 2019, and focuses on addressing the recommendations of the KPMG Shared Services report relating to:

- Formalizing communications and establishing service level agreements between the respective Finance and Human Resources departments of each organization
- Outlining procurement support from the City to the Police Services for high-value purchases

The MOU also outlines that the SSMPSB is to provide quarterly written reports to Council for inclusion in their agendas for information. Reports are to include metrics as required by legislation for Police Services' Corporate Strategic Plan and the financial report, including the forecast of any budget variance for the fiscal year. The SSMPS Board will make every effort to ensure its expenditures are within the established overall budget estimate, notwithstanding the requirement to provide

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adequate and effective policing. In the event the SSMP 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 SSMP 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.

The MOU further outlines that SSMPB is accountable to ensure the proper financial systems, training and procedures are in place to maintain, monitor and manage financial administration. Any surpluses incurred by SSMP 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.

Analysis

The MOU addresses the recommendations of the KPMG Shared Services Review Feasibility Study and formalizes existing services provided by the City to Police Services.

In light of the recent budget deficits, the MOU also seeks to implement reporting practices that will improve communications with the City under the current legislative framework of the Community Safety and Policing Act, 2019. Within this legislation, it is clearly stated that the SSMPB and Chief of Police are responsible for the management and operation of Police Services.

The SSMPB submits operating and capital estimates annually to the municipality that show the amounts required to comply with 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.

Staff will continue to work collaboratively with Police Services and look forward to providing further support and communications as outlined in the MOU.

Financial Implications

There are no financial implications directly contemplated within this report.

Strategic Plan / Policy Impact / Climate Impact

This is an operational item not contemplated in the Corporate Strategic Plan.

Recommendation

It is therefore recommended that Council take the following action:

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The relevant By-law 2025-115 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

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