



The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

October 14, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Susan Hamilton Beach, P. Eng. DCAO
DEPARTMENT: Public Works and Engineering Services
RE: Winter Control – Maintaining Services – Budget Requirement

Purpose

The purpose of this report is to present to Council an update regarding the budget requirement for maintaining the current level of service in the area of Winter Control.

Background

On February 24, 2025, City Council passed the following resolution:

Whereas due to our geographic location, Sault Ste Marie tends to receive more snow than most Ontario municipalities with the 2024/2025 winter season being an exceptional year for snowfall with precipitation totaling over 400cm; and

Whereas due to Sault Ste Marie often receiving exceptional amounts of snowfall, residents have been left to clear large chunks of snow and ice resulting from City plows or graders leaving the excess snow and ice chunks in the end of their driveways; and

Whereas other Ontario municipalities have advanced with service delivery and equipment with such things as real-time tracking of equipment, plow guards that protect driveways from being snowed in, and windrow clearing extensions that follow plows to clear snow and ice chunks left at the mouths of residents' driveways;

Now Therefore Be It Resolved that staff be requested to report back to Council on current snow removal service delivery models;

Further Be It Resolved that said report include possible improvements to service and equipment, communication with Council and residents, costs of upgrading service and equipment, and labour force impacts on adding additional equipment.

Previous winter control budgets have not been sufficient to meet winter control service standards. Several budgetary requests have been made over the years regarding winter control. In January 2023, the conclusions of the *Winter Control Budgeting and Operational Approach* study by Maclaren Municipal Consulting Inc. included a number of recommendations that focused on addressing budgetary issues related to this area. Those recommendations can be found in Appendix A to this report. The years included in the study noted above were 2013 – 2021.

Based on the recommendations, one key change was to adopt the budgeting practice of averaging. Examining the past five years of budget versus actual expenditures reveals a deficit of approximately \$916,000 per year. This includes the years 2021 through 2025. This includes the estimated 2025 deficit of \$2.1 million as presented to Council earlier this year. These deficits include all aspects of winter control operations by Public Works.

It should be noted that there has been no transfer to the Winter Control reserve in over 10 years, as no surpluses have occurred in winter control during that time. From 2020 to 2025, deficits have existed every year, with the range being approximately \$48,000 to the estimated \$2.1 million in 2025. Even in years with significant gapping and less severe winter weather conditions, the winter control budgets were exceeded. (Some weather facts are presented in Appendix A of this report.)

Until this year, the deficit has been offset by Department and/or Corporate surpluses. Reliance on surpluses in other areas is not recommended, as they are not guaranteed, and this budgeting practice may prevent other programs or initiatives from being funded.

The recommendations from the Maclaren study also included considering inflation adjustments, which Finance has done in recent years. Reporting to Council annually with an assessment of an allowance for any additional lane kilometres of roadway and sidewalks maintained was also recommended to be a sustainable approach for budgeting and ensuring the service level commitment is kept current by Council.

Analysis

Given the strong correlation with weather conditions and the variability of annual conditions (such as snowfall and freezing rain), the five-year average expenditure is the recommended approach for setting an adequate budget figure. This will enable a sustainable budget approach for the Corporation, ensuring that extreme winter seasons do not result in a burden on taxpayers, while allowing surplus years (generally those with milder, less severe conditions) to fund the reserve.

Adopting the five (5) year averaging approach, the preliminary budget will include a total of **\$945,617** in the winter control portion of the operating budget. That value is made up of the following:

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- **\$445,200** – Budget increase to maintain services (operating supplies, hired equipment, etc.);
- **\$205,417**– Increases for inflation, contractual obligations, revenue adjustment due to loss of MTO service provision, and general salary and benefits adjustment; and
- **\$295,000** – This value is the fleet adjustment portion due to a combination of repair parts increase, fuel allowance decrease and capital increase. (this value is subject to change and will be updated prior to budget.

The Public Works winter control budget is broken down into the following main job categories:

- Street Plowing
- Snow Removal
- Snow Ditching/Drainage
- Sanding and Salting
- Sidewalk Maintenance
- Winter Potholes/Damage
- Sweeping

Each of those jobs is further broken down by activities including fees, salaries and benefits, hired equipment, City-owned equipment, operating supplies, purchased services and recoverables/revenue.

Overages have occurred in several of the categories listed above, and it is recommended that staff allocate the ‘maintaining service’ amount (\$445,200) to the areas most consistently underfunded. This allocation assessment will be ongoing work with Finance.

For further clarification on why a fleet allocation (\$295,000, as noted above) is itemized in relation to winter control, it is essential to understand that fleet has a significant impact on this area. Critically, the expenditures associated with fleet (i.e., acquisition, repair, fuel, etc.) are apportioned to the respective areas within Public Works. Council is aware of the recent support provided to Public Works for modernizing their fleet, aligning with best practices, and aiming to reduce parts and maintenance expenditures. Staff are recommending a phased-in allocation (over two years) to allow for a confident trend analysis by monitoring the influence of the newer equipment on maintenance items (i.e., repair parts, fuel usage, etc.). An additional increase will be proposed in 2027 for the remaining funds needed for the fleet.

The increase of \$205,417 reflects the inflationary adjustment, contractual obligations previously approved by Council (sand, salt, etc.), a revenue adjustment due to loss of MTO service provision, and general salary and benefits adjustment.

While the background and finances discussed up until this point are essential for maintaining the existing level of service, staff are aware of Council's resolution to consider and price enhancements to the winter control program. Until the current level of service is adequately budgeted, it is recommended that enhancements be considered at a later date. Staff will return to Council in the future with this report and estimated enhancements.

Financial Implications

An increase in operational costs of \$945,617 will directly impact the 2026 operating budget. The requirements for Winter Control will be included in the 2026 Preliminary Budget, as they reflect the actual cost of maintaining the service.

Moving forward, it is recommended that the five-year average financials be reviewed annually and that the transfer to the Winter Control reserve be reported to Council on a regular basis.

The Winter Control Reserve is currently at \$880,385. It is anticipated that the reserve will be fully utilized with the estimated \$2 million plus budget deficit for winter control in 2025 (as indicated in the Q2 financial report). The Q3 report will provide a status update on this item and the total corporate deficit.

Strategic Plan / Policy Impact / Climate Impact

This report focuses on funding winter maintenance of existing infrastructure, specifically Focus Area 3: Infrastructure, of the Corporate Strategic Plan.

Winter maintenance is performed in compliance with Ontario's Minimum Maintenance Standards and the City's Winter Control Policy.

Without adequate funding, the Corporation will continue to face challenges in meeting the current service level within the budgetary allocation.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO, Public Works and Engineering Services concerning winter control budgeting be received and that Council support the recommendation that the five-year average expenditure be the basis for budget allocation for winter control starting with the 2026 budget; further that Public Works staff report back to Council regarding winter control enhancements with the cost to implement such enhancements at a later date.

Respectfully submitted,

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