

BASE BUDGET STAFFING POLICY – GROWTH RELATED
Council Policy No. 130/18

PURPOSE:

The purpose of this policy is to provide adjustments to staffing levels as necessary to deliver municipal services during periods of growth, contraction and stabilization. City services are primarily provided by City employees. The policy facilitates the budget process by aligning budget adjustments to the City's goals and objectives and ensures cost effective service delivery and administration.

OBJECTIVES:

The objectives for the policy are:

- Maintain current service levels in a growing economy
- Align formula with core municipal authority and reliable third party data
- Align timing of costs with related revenue sources
- Allow for growth, stabilization and contraction
- Assured, stable and sustainable funding source for required resources
- Affordability and achievability of resource additions

STAFFING LEVELS:

Staffing levels vary from organization to organization and may be dependent on a number of factors, including:

- Range of services provided
- Contracting out of services (e.g. garbage pickup)
- Contracting in of services (e.g. for a regional district or other municipality)
- Level of service (e.g. extensive recreation programs)
- Being a service hub for a much larger population area
- Community experiencing rapid growth versus stable/no growth
- Incorporating additional land into the existing boundary

Therefore the formula begins with current staff levels as deemed appropriate for the City and provides for adjustments as the City grows. Contraction is considered independent of the formula on a case by case basis.

FORMULA:

The factor for calculating the annual staff adjustment is non-market assessment growth. Assessments determine the level of property taxation; align stable revenues with ongoing costs; are sustainable, assured and stable; and are determined by an independent third party.

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FORMULA: (continued)

General Fund Calculation

Annual Staffing Level Increase (A) = (B – C – D) * E
= (total staff (B) – staff funded from utilities (C) – pool staff (D)) * % annual assessment growth (E)
* Council members are not included in the formula.

Staff adjustments in the utility funds are funded from utility revenues as follows:

Utility Funds Calculation

Annual Utilities Staffing Level Increase (UA) = UB * UC
= staff funded from utilities (UB) * % annual meter growth increase (UC)

Staff adjustments in the capital fund are funded from property taxation and recovered from government transfers as received through the Peace River Agreement.

CAP: If the number of staff calculated by the formula is greater than 5% of the fund's Full Time Equivalent (FTE) employees in a given year, the difference will be set aside in a separate fund for future growth related needs. These funds may be applied when needs are identified including staffing for: a new facility, expansion of services, boundary extension and/or other similar purposes.

PHASE-IN: In 2016, one-third of calculated value above the CAP will be applied to offset property taxes as the first year of a three-year phase-in. In 2017 two-thirds of the calculated value above the CAP will be applied to offset property taxes as the second year of a three year phase-in. The full calculated value will be applied in 2019 and in future years.

PROCEDURE:

1. As a component of the annual budget process, the City Manager will review and approve the draft staffing plan for the next year based on growth estimations and the mandate for staffing levels as outlined in this policy. The revised staffing levels will be incorporated in the next year's budget for consideration by Council as part of the overall budget process.
2. Council recognizes that increasing and/or decreasing services, or changing the levels of services, impacts staffing. Where unusual factors apply, staff growth may exceed the numbers as established above. Factors leading to this outcome may include:

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PROCEDURE: (continued)

2.
 - a. Council direction to add a new service (e.g. economic development)
 - b. Council direction to increase service levels (e.g. increase hours of operation)
 - c. Council direction to carry out formerly contracted out services in house
 - d. Bringing a new facility into operation (e.g. new recreation facility)
 - e. Temporary projects requiring additional staff for a specified time period (e.g. water metering conversion, construction of major capital project)
 - f. Council direction that results in the incorporation of additional land within the City (boundary extension)

As part of Council's approval process in making changes to levels of service provision, or instituting or discontinuing a service, administration will provide a report to Council that includes recommendations regarding any temporary or permanent adjustments to staffing levels.

3. To ensure the formula remains reasonable and relevant, this policy will be reviewed again in 2020.
4. Boundary extensions pose a unique challenge since the incorporation of land impacts staff capacities throughout the organization that may be realized over time. In recognition of this, a full review of staff capacities throughout the organization will be completed in 2021.