

Memorandum

Date: February 15, 2023

To: Members of Council

From: Hillary Bryers, Acting Treasurer, Finance

Subject: Supplemental Information regarding 2023 Proposed Changes in Service Levels

This memo is to provide supplemental information regarding the funding for the 2023 Proposed Changes in Service levels.

Changes in service levels are new service requests or improvements that are part of the operating budget. They are put forth for Council consideration as part of the budget report to be considered on the February 15 agenda. Staff have received questions regarding the funding source for some of these positions when they have been identified as being funded from a source other than property taxation. As such, staff have prepared the schedule attached to identify the source of revenues that is paying for each of the non-tax funded new positions in the proposed budget.

One-time asks are funded from the operating contingency reserve. This is to reflect their one-time ask in nature or if they are a pilot program that a future ask will be made of Council to convert to tax funding. One-time asks in the budget are funded from the operating contingency reserve to eliminate their impact on the property taxpayer and prevent fluctuations in the tax rate that are not permanent in nature. Any further funding for these types of asks must be made to Council as the funding will be limited to the amount identified in the budget request to be withdrawn from reserves.

Certain positions within departments work on tasks that are directly related to an application or project that has another source of revenue, other than property taxation. For example, the building department is required by legislation to be self-funding. That is, the building department must recover their costs from fees related to the building permit applications they work on. Similarly, staff in the Engineering Services and Planning departments work on planning applications that also have fees associated with them. To ensure that this type of work is funded from the revenues associated with it and not from the property tax base, these funds are collected within a reserve for each service level and the costs of the departments are funded from that reserve. This keeps their revenues and costs separated from the property taxation base to ensure that property taxpayers are not bearing the costs of providing these types of services. It also ensures that funds are available to maintain these services if revenues fluctuate from year to year due to cycles in the economy. The reserves for each of Building, Planning and Engineering are healthy and any development slowdowns have not resulted in these fees supported groups to rely on tax supported funding.

In addition, other positions can be funded from capital projects. For example, a capital project manager spends most of their day working on capital projects. The cost of the project manager is then funded from the capital projects they would work on. This ensures the cost of the project is complete and that if

it is eligible for grant funding, then the capital project manager could be included in the costs eligible for the grant. This again lowers the impact of these types of projects on the taxpayer by ensuring it is being funded from the correct source.

As the Town continues to grow, these positions related to facilitate growth within our Planning, Engineering Services and Building departments are required. As growth increases, related fee revenues will also increase, ensuring that funds will continue to be available for these positions in the future. This is a best practice amongst growth municipalities and helps to ensure that growth pays for growth, not the existing taxpayer.

Attachments

Schedule A: Funding Sources for Non-tax Funded Proposed Changes in Service Levels