

Full-Time Equivalent Municipal Comparison

ISSUE

Like all city governments, the City of Saskatoon uses staff to deliver services and achieve Council-approved service levels. Staffing levels are frequently measured as Full-Time Equivalents or (FTEs) whereby the number of employees is converted to an FTE based on a standard workweek hours. Comparisons between cities are often made based on a per capita basis, such as FTEs per 1,000 persons. The major challenges with these comparisons are that (a) cities have widely different governance structures, expenditure responsibilities, and service levels; and (b) there is no standard measure to indicate the optimal ratio. With that in mind, how does the City of Saskatoon compare with other Western Canadian Cities?

BACKGROUND

At the June 14, 2023, regular Governance and Priorities Committee meeting, when considering [2024/2025 Budget Status Update](#) committee resolved in part:

“That the Administration report on the number of staff per capita at COS compared to other western cities”; and

“That the Administration include specific detail regarding the following within reporting from the June 14, 2023, Administration PowerPoint “2024/2025 Budget Status Update”, the data used to create slides 14, 15 & 16 related to Property Tax Supported FTEs”

CURRENT STATUS

At the June 14, 2023, Governance and Priorities Committee meeting as an introduction to the 2024/2025 Budget Status Update report a PowerPoint presentation was delivered which included slides related to FTE comparisons at the City of Saskatoon. These slides included:

1. Slide 14 - Property Tax Supported FTE Municipal Comparison;
2. Slide 15 - Property Tax Supported FTE plus Saskatoon Capital Positions Municipal Comparison; and
3. Slide 16 - City of Saskatoon FTE Per Capita (per 1,000 Persons).

A copy of the slides presented as well as the data used to develop the slides can be found in Appendix 1.

DISCUSSION/ANALYSIS

As noted, Appendix 1 provides a comparison of FTEs per 1,000 population for selected Western Canadian cities as reported in their 2023 budget document. Several measures were taken to standardize the comparisons:

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- The sample size (N=9) includes cities with populations of at least 100,000 persons and are the largest or core cities in the Census Metropolitan Area (CMA), known as a Census Subdivision (CSD).¹
- Population data for each sample is based on estimates as at July 1, 2022, as reported by Statistics Canada's CSD population estimates in Table 17-10-0142-01.²
- The comparison is based on property tax-supported services as reported in each City's relative budget documents (see Appendix 1 for the sources). The reason for this is that FTEs can influence property tax-supported expenditures and thus the residual property tax increase to fill the budget revenue gap. Non-tax-supported FTEs are fully recovered by various user fees and/or regulatory charges and thus do not influence the property tax. An FTE is considered tax-supported if it is paid for either fully or partially from property tax revenue.

Despite those attempts at standardization, comparison across municipalities can be challenging and have several factors and/or limitations that affect the results:

1. **Contracted vs. in-house delivery** – Cities differ in how they deliver services to residents. While service levels and costs may be similar, the FTEs it takes to deliver the service can vary dramatically if a city has chosen an in-house model versus a contracted model. A couple of key examples are:
 - a. A municipal police service will include an FTE count while contracted RCMP services will not.
 - b. Some cities run their own water and wastewater utility which will result in FTEs while others contract out the service resulting in no FTEs. While this does not affect the tax-supported FTEs it does affect the overall FTE count of city.
 - c. Snow and ice services are done differently throughout municipalities with some relying more heavily on in-house FTEs while others may rely more heavily on contractors.
2. **Service Levels** – Cities have varying service levels which can drive FTE requirements. Understanding the service levels between them can help inform a useful comparison. Examples can include a city that has more FTEs for park maintenance if they are mowing park space twice a week versus a city with a lower FTE count because they set their service level at a lower frequency, such as mowing once every two weeks. Aggregate FTE counts will not be able to determine this.
3. **Local vs Regional vs Provincially delivered services** – When comparing municipalities/cities across provinces it is important to note differences in their mandated or legislated responsibilities. While municipalities within the same

¹ A CMA is formed by one or more adjacent municipalities centred on a population centre (known as the core). A CMA must have a total population of at least 100,000 based on data from the current Census of Population Program. A CSD is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes (e.g., Indian reserves, Indian settlements, and unorganized territories).

² <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710014201>

province are relatively consistent there are examples in some provinces where the provincial or regional body delivers services. In BC, for example, public transit is delivered by a provincial agency with regional satellites. Thus, transit FTEs will not be counted in the City's budget documents. Provincially provided services FTEs will not show up in a municipalities' budget books, therefore when comparing the FTE figures, it is important to understand these differences.

4. **TaxSupported vs. Non-TaxSupported** – Appendix 1 in this report focused on property tax-supported services. The City of Saskatoon delivers several services that are non-tax supported including utilities, Building and Plumbing, Parking, Licenses and Permits, Golf Courses, Impound Lot, Nutrien Playland, Gordon Howe Campsite and Land Development. The nature of tax-supported vs. non-tax-supported can vary amongst municipalities as a service provided in one municipality may be tax supported while another municipality may have it as a non-tax-supported service. The goal of the “less known adjustments for non-tax supported” column in the appendix as well as the corresponding notes is to focus this analysis on tax-supported services.
5. **Presentation Differences** – While the general definition of what an FTE is (1.0 FTE = approximately 1,900 to 2,080 annual working hours depending on collective agreement working hours) relatively consistent across municipalities, what is presented in a city's budget documents can vary considerably. There is no legislative or standardized way to present FTE information, therefore presentation is up to each city's discretion. The City of Saskatoon presents a total FTE complement regardless of funding source which includes civic services, utilities, capital, non-tax supported services, Library and Police FTEs, while some municipalities only report on civic and police FTEs. In addition, several municipalities do not report on their Utility or Capital FTEs. Understanding what is included in the published FTE figures between cities is necessary context to make reasonable comparisons.
6. **Governance/Operational Structures** – How city governments structure their operations can vary considerably. As alluded to in previous points, these structural differences can affect the reported number of FTEs a city has. While the general core of services (road maintenance, police, fire, etc.) are relatively consistent, there can be examples where a service is delivered in one city but not another. For example, Saskatoon has an electrical utility, Saskatoon Light and Power, and an in-house Land Development service, Saskatoon Land, while the City of Regina does not. While these services have provided significant returns on investment to lower the historical property tax burden in Saskatoon, they also require corresponding FTEs to run the operations and would thus be counted in the City's aggregate FTE count.

Given these factors and limitations, inter-city FTE comparisons should be treated cautiously. Appendix 1 does its best to standardize the FTE data by adjusting for all

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known differences between the sample cities to provide a tax-supported FTE perspective.³

Key observations from the analysis included in Appendix 1 are:

1. Saskatoon's Property Tax Supported FTEs of 10.3/1,000 persons, as well as Saskatoon's Property Tax Supported FTEs plus Capital FTEs of 11.5/1,000 persons, are in line with or lower than many comparable municipalities; and
2. Saskatoon's FTEs per Capita (Per 1,000 Persons) have steadily decreased since 2016. For example, Civic Operations (Tax Supported Less Police) in 2016 had 7.95 FTEs/1,000 persons whereas in 2023 it is estimated to be 7.68/1,000 persons.

A concluding point to make is there is no standard measure of what an optimal FTE per capita ratio should be. Is 10 FTEs per 1,000 persons too low or too high, or about right? Determining if a particular municipality has the right number of FTEs overall or within a specific program is difficult to do by simply looking at the FTE count. As this report explains, several nuances can impact the number of FTEs in a certain area such as service levels and outsourced vs. in-house delivery. A deep dive into a particular area to understand all these nuances and if the City is getting value for the resources provided is the best way to determine whether resources are being applied effectively and efficiently.

APPENDICES

1. June 14, 2023, FTE Comparison and Trending Slides and Data

REPORT APPROVAL

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³ there may be additional differences between the municipalities that the appendix does not adjust for since the adjustments were based on information available in public documents and there may be more nuances that could not be determined from these documents.