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## 2019 Preliminary Business Plan and Budget FTE Overview

### Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated November 26, 2018, be received as information.

### Topic and Purpose

The purpose of this report is to provide City Council with an overview of the Full Time Equivalent (FTE) resources that are included in the 2019 Preliminary Business Plan and Budget (2019 Preliminary Budget).

### Report Highlights

1. The 2019 Preliminary Budget includes a net increase of 53.9 FTEs funded from a variety of sources, including the property tax, capital programming, user rates and reductions. Positions brought forward were evaluated and deemed to be the most effective way to deliver the service, compared with overtime or contract costs, or were the only reasonable approach to service delivery.
2. There are a total of 53.9 net new positions which includes a reduction of 2.15 FTE from various service lines and capital programming.
3. The 2019 Preliminary Budget also includes several transfers between service lines that have no net impact on the overall FTE budget. Transfers are required in order to align resources with current operational needs and reporting.
4. It is important to note that the FTEs included in this report and the associated 2019 Preliminary Budget document do not include any FTE requirements as part of the Business Plan and Budget Options.
5. If the recommended FTEs are approved, the City of Saskatoon FTEs per 1,000 population would still continue to decline. Through ongoing efficiency improvements and a balance of contract and in-house service delivery, the Administration will continue to meet expected service levels.

### Strategic Goal

The proposed FTEs within this report support the Strategic Goal of Continuous Improvement as these additional positions are required to continue providing high-quality services to meet the dynamic needs and high expectations of citizens.

### Background

The 2019 Preliminary Budget was released on October 24, 2018, which included a net increase of 53.9 FTEs for 2019 including late revisions from the Saskatoon Police Service.

### Report

#### 2019 Preliminary Budget FTEs

The 2019 Preliminary Budget includes a net increase of 53.9 FTEs over 2018. This figure is comprised of a variety of activity within the City of Saskatoon's (City) staffing budget:

- new FTEs;
- reduced FTEs; and
- transferred FTEs between service lines.

The attachments to this report have separated the 53.9 new FTEs into three distinct sections to explain the reasoning behind each recommended position, as well as how the City is proposing that these positions be funded.

Attachments 1 to 3 provide a detailed breakdown of all new and reduced FTE activity included in the 2019 Preliminary Budget as follows:

- Attachment 1 outlines 30.75 new positions at a cost of \$2.18 million that are funded solely by new property tax dollars. These positions are largely required due to growth. In general, these positions are required in order to maintain current service levels and mitigate the erosion in service that would be realized should the impacts of growth not be accounted for.
- Attachment 2 outlines 16.71 new positions and a reduction of 0.42 positions, at a total net cost of \$1.39 million. These positions are funded by sources other than new property tax dollars. This includes funding sources such as reduced overtime, contractor and consultant costs, and utility or other user fees from self-funded programs. If these positions are not approved, the funding of \$1.39 million will still be required in order to deliver the services through less efficient manners such as overtime and contractors or consultant costs. These positions include:
  - 4.80 utility funded FTEs;
  - 4.00 FTE from self-funded programs;
  - 1.00 Police FTE funded from the Combined Forces Special Enforcement Unit Saskatchewan;
  - 6.11 FTE funded from reductions in overtime or contractor costs; and
  - 0.80 FTE funded by the Saskatoon Public Library.
- Attachment 3 provides an overview of 8.60 new positions and a reduction of 1.73 positions at a total net cost of \$664,400. These positions are funded via capital programming and are required in order to deliver the City's capital programs in the most efficient and effective manner. If these positions are not approved, there will be no impact to the property tax, or there would be an increase, as alternative forms of resources would need to be found in order to deliver the work.

If all recommended FTEs are approved, the City's operating FTEs per 1,000 population would still continue to decline as shown in Attachment 4. Through ongoing efficiency improvements and a balance of contract and in-house service delivery, the Administration will continue to meet expected service levels.

Each attachment also provides an overview of the risk and impact of not approving each individual position. The majority of the positions are required in order to address growth and previously approved initiatives. The risks associated with not approving these positions generally centre around:

- Declining service levels as resource allocations have not kept up to growth requirements, resulting in existing resources being spread over a larger area. For example, green/park space is expected to grow by 69 hectares in 2019. Without additional resources, Parks Maintenance, Urban Forestry and Pest Management services would be reduced by an equivalent amount in these areas as existing staff would be able to provide less coverage.
- The inability to meet requested service levels in the most cost effective manner. For example, Transit and Street Sweeping are proposing new FTEs and additional service hours with a corresponding offset in overtime charges or contractor costs.

### New FTEs

A total of 53.9 new FTEs are included in the 2019 Preliminary Budget. It is important to note that these new FTEs are funded from a variety of sources, including:

- property tax;
- utilities;
- capital projects;
- government funding; and/or
- reductions to other costs such as consultants or overtime.

The total cost of all new staff is estimated at \$4.24 million; however, \$2.06 million, or 48.6% of this, is funded from sources other than new property tax dollars. While City Council may approve or eliminate individual FTE requests, it is important to note that an elimination or reduction of FTEs not funded by the property tax would have no impact on the currently proposed property tax increase of 4.50%.

City Council will have a variety of options during its Business Plan and Budget Review to approve or adjust service levels and corresponding resource allocations during specific business line reports. Once a business line report is approved, all associated resource dollars and FTEs will also be approved.

### FTE Transfers

The 2019 Preliminary Budget includes a variety of transfers between divisions and departments. Transfers result in no new net FTEs and are typically required in order to move similar or exactly the same positions between service lines in order to

accommodate reorganizations or business operations. Examples of transfers in the 2019 Preliminary Budget include:

- Corporate Support includes a transfer of 1.0 FTE to the Service Saskatoon service line in order to align customer support functions with the Corporate Strategy.
- Assessment and Taxation includes a transfer of 1.0 FTE to the Corporate Revenue service line in order to recognize the movement of staff as a result of the Corporate Revenue Division reorganization.

As noted, these transfers have no net impact on the FTE budget as a whole, although individual service lines may show increases or decreases as a result of transfers.

### Business Plan and Budget Options

It is important to note that the FTEs included in this report and the associated Preliminary Business Plan and Budget document do not include any FTE requirements as part of the Business Plan and Budget Options. These FTEs have not been included, as the list of initiatives that City Council wishes to implement as part of the 2019 Business Plan and Budget to achieve its Strategic Priorities has yet to be finalized. The 2019 Business Plan and Budget Options report included in this agenda outlines the required FTEs under each initiative that are in addition to the currently tabled 53.9.

### **Due Date for Follow-up and/or Project Completion**

Once the 2019 Preliminary Budget is approved, the Administration will report back in early 2019 with the approved 2019 Business Plan and Budget.

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Attachments**

1. Property Tax Funded 2018 Operating FTE Summary
2. Non-Property Tax Funded 2018 Operating FTE Summary
3. Capital Program Funded FTE Summary
4. Operating FTEs/1,000 Population

### **Report Approval**

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Approved by: Jeff Jorgenson, City Manager

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