

Revenue Budgeting Policy

Committee of the Whole

March 7, 2023

Benefits of Revenue Budgeting Policy

- Current practice is documented in policy
- Municipal best practice
- Increased transparency, accountability, consistency
- Promotes sustainability
- Provides clarity in direction for user fee reviews and budget development

Key principles

- Revenue increases offset related costs
- One-time revenue supports one-time expenses
- Ongoing revenue is used for ongoing operating expenses
- Aligning “who benefits” with “who pays”
- Subsidies or discounts should be linked to policy or strategy

Schedule A – User fees, rates, and charges

Funding Category	Who Benefits	Type of Service	Cost Recovery Ratio Guidance
General service / fully tax supported	Community	General	0% to 5% (primarily taxes)
Mixed service / partially tax supported	Primarily the community	General/Individual	5% to 50% (primarily taxes, some user fees)
Mixed service / partially tax supported	Primarily the individual	Individual/General	50% to 95% (primarily user fees, some taxes)
Private service / non-tax supported	Individual benefit only	Individual	95% to 100% (primarily user fees)

Schedule B – Property tax assessment growth

- Should be used to fund growth-related service costs
- Prescribes basis for allocating assessment growth revenue
- Outlines how to handle assessment growth revenue in comparison to budgeted revenue or budgeted growth expenses

Schedule C – Grants

- Linked to specific program or service
- Assesses long-term implications
- Prescribes approval thresholds
- Outlines reallocation of displaced funds

Schedule D – Other forms of new revenue

Fundraising and donations

- Program specific reserve, collected for specific purpose
- Cost of fundraising covered through proceeds
- Minimum threshold received before funds can be spent
- Multi-year fundraising campaigns may require Council approval

Sponsorship and advertising

- 100 per cent revenue allocated to facility, program or event for which it was received
- Expenses aligned with duration of agreement
- Policy only addresses the financial side (revenue/expenses)
- Additional policy on sponsorship is needed

Recommendation

- That the Revenue Budgeting Policy be approved

Questions