



“Cost of Community Services” Study for Red Deer County

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“Cost of Community Services” studies:

What are they?

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Outline

- Why this tool is needed
- What is a *Cost of Community Services (COCS)* study
- Conducting a COCS study
- The American experience



Why this tool is needed



Municipal financial categories

Revenues	
• Property taxes	• User fees and sale of goods
• Provincial grants	• Business taxes
• Other grants	• Other
Expenditures	
• General government	• Health and social care
• Protective services	• Planning and development
• Transportation and utilities	• Recreation and culture
• Environmental use and protection	• Other



Land use decisions in a rural municipality

WORKING LANDSCAPES

RESIDENTIAL

COMMERCIAL

INDUSTRIAL



Land use decisions in a rural municipality



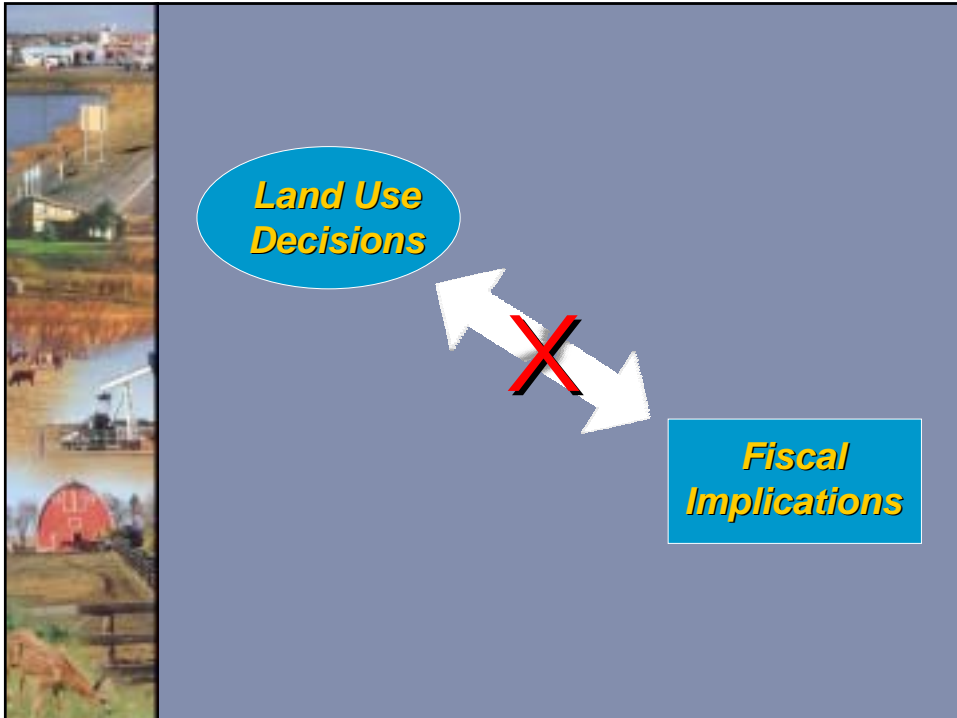
Land use planning

Expenditures

- Country residential
- Agriculture
- Light industrial
- Highway commercial



- Waste management
- Utilities
- Community services
- Patrol
- Fire



-
- ### The debates rage ..!
- “Increasing the residential tax base will lower overall municipal service costs ...”
 - “Differential assessment for agriculture is inherently unfair ...”
 - “County governments pander to commercial interests at the expense of private residents ...”



The debates rage ..!

- “Increasing the residential tax base will lower overall municipal service costs ...”
- “Different treatment for agricultural interests is inherently unfair ...”
- “Many governments pander to commercial interests at the expense of private residents ...”

NO DATA !



What is a Cost of Community Services (COCS) study



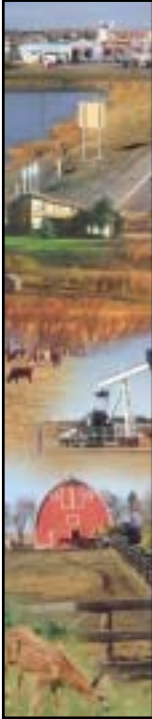
What is a *Cost of Community Services* study?

- Case study approach to determine a municipality's public service costs versus revenues based on current land uses
- Unlike full-scale fiscal impact analyses, does not predict future costs/revenues, nor impacts of future growth
- Snapshot of costs vs. revenues for each broad land use type



Revenue/Expenditure Ratios

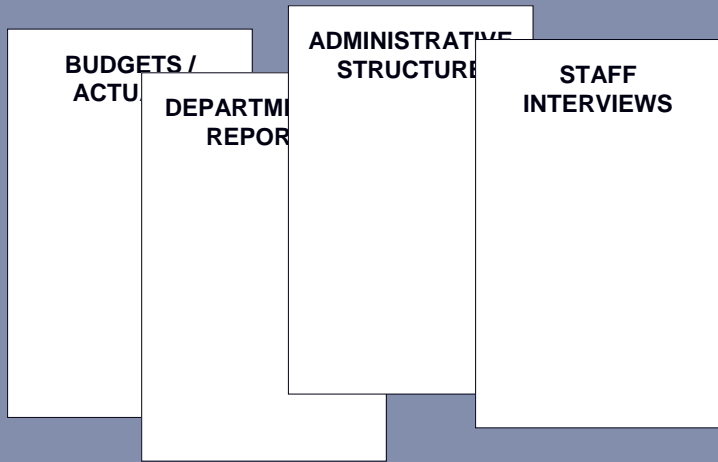
	<u>Revenues</u>	<u>Expenditures</u>
AGRICULTURAL	\$1	?
RESIDENTIAL	\$1	?
COMMERICAL	\$1	?
INDUSTRIAL	\$1	?



Conducting a COCS study



Reviewing the data





“Demand for Services”

vs.

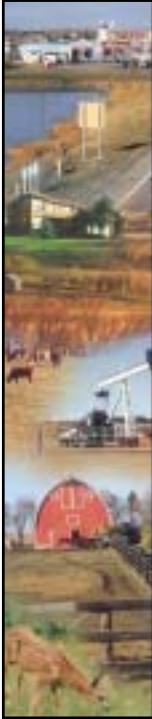
“Benefits to the community”

- Allocations based on ‘demand’ not ‘benefit’
- E.g., Agricultural services promote significant benefits for municipality, but only working landscapes demand those services
- E.g., education is a benefit to an entire community, but only residents demand that service



Fall-back percentages

- For some expenditures / revenues it may be impossible or inappropriate to divide between the land uses
- ‘Fall-back percentages’ are used, derived from municipality or department-wide ratios
- Fall-back percentages ‘wash out’ data, so are avoided

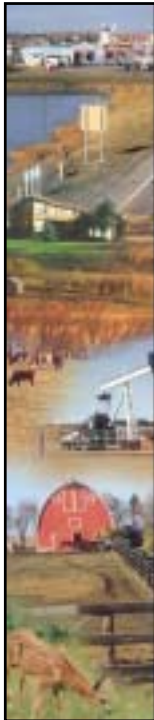


Challenges

- Categorizing land uses
- Lack of recorded data
- Allocating road expenditures
- Incorporating revenues from out of county
- Allocating multi-jurisdictional services (fire, health, etc.)
- Education revenues / expenditures

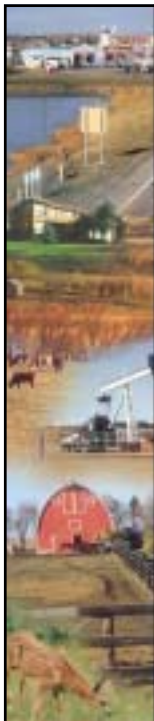


The American experience



102 studies in 22 states

Colorado	Connecticut	Georgia
Idaho	Kentucky	Maine
Maryland	Massachusetts	Michigan
Minnesota	Montana	New Hampshire
New Jersey	New York	Ohio
Pennsylvania	Rhode Island	Texas
Utah	Virginia	Washington
Wisconsin		



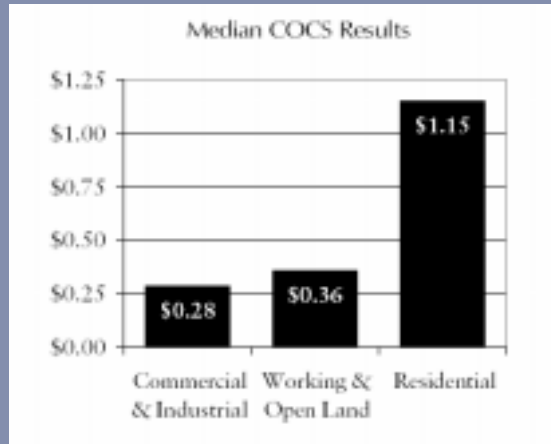
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Wisconsin		





Median results



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