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Backgrounder

City of Cambridge Municipal Operations Service Review Status

Cambridge, Ontario. September 23, 2010… The following is a capture of the brief from Jim King, Chief Administrative Officer for the City of Cambridge, provided to media representatives at the press conference today.

WHY A SERVICE REVIEW?

The economic downturn has impacted the municipality's revenue stream in the following ways:

1. Tax assessment growth (average of 1 percent per annum) – low
2. Investment income (significantly below projections)
3. Reduced use of water; and lower resident participation in various programs/activities (i.e. Ice rentals, recreation)
4. Inability to continue to support activities from reserves

SERVICE REVIEW (PHASE I) – 2009 RESULTS

- Reduction in staffing (3 positions) - $200,000
- Gapping Policy (12 week gap in filling positions/hiring)- $200,000 (Annual revenue)
- Addressed $1.5 million shortfall in interest income through general expense reductions (city-wide)
- Generated a $540,000 surplus (put into reserve to assist 2011 Budget preparations)

SERVICE REVIEW (PHASE II) – FALL 2009 TO DEC 2010

Process approved by Council in October 2009:

KEY FUNDAMENTALS OF REVIEW

- Review undertaken internally
- Council involvement throughout the process (updates in June, September) (with new Council in December)
- Provide Service Delivery options for 2011 budget process that attempts to address revenue challenges and other budget issues

MAJOR COMPONENTS OF SERVICE REVIEW

- Service delivery options (cost reduction)
- Specific Task Forces seeking effectiveness/efficiencies (i.e. Advisory Committees; Works Management Operations; Fire Dispatch; Legal Services; Productive Work time; and, Parking Master Plan)
- Communications with staff (March/September presentations; Employee Suggestion Program)

MANAGEMENT COMMITTEE (Library) SERVICE REVIEW OBJECTIVES

Build a financial strategy for the new Council (2011–2014) which attempts to address:

1. Acceptable tax/service levels for the term

2. Re-building of reserves
3. Identification of new sources of revenue (user fees)
4. How to move forward on approved Council strategies – (Economic Development Strategic Plan; Arts/Culture Master Plan; Heritage Master Plan; Master Plan for Leisure Services/Facilities; Core Area Parking Master Plan; and Library/Gallery Strategic Plan)
    - Initial target – net reduction of $3,000,000
        1. Attempt to minimize impact on service delivery
        2. Attempt to avoid any lay-offs/job loss of employees
    - Staff reductions through attrition
    - Initial target of $3,000,000 cost reduction – A minimum reduction (A STARTING POINT FOR 2011 BUDGET PROCESS)

2011 BUDGET ISSUES AND ASSUMPTIONS

- Limited assistance from Reserve Funds
- Salary adjustments as per Collective Agreements
- Inflationary increase only where absolutely required to sustain base level services
- Flat line one-time and Council Member Requests
- Assessment Growth of 1 percent
- No expectations for Provincial Grants
- Flat-line Capital Levy at 2010 Funding Level

2011 BUDGET – FINANCIAL IMPACTS

Description	2010 Budget	2011 Forecast	2011 Impact (Shortfall)
Draw on Reserves	$ 4,616,100	$ 540,000	($ 4,075,500)
Provincial Grant	$608,000	0	(608,000)
New Debt Servicing	(506,000)	$1,462,000	($956,000)
OMERS Increase 1% (2011 Through 2013)	0	($500,000)	($500,000)
Capital Levy Increase	$ 9,567,500	$9,567,600	0
2011 Major Budget Challenges			**($6,139,500)**

PROPOSED REDUCTIONS TO 2011 BUDGET (Status – As of September 2010)

Reduction of Full-Time Equivalents (FTE's)	-	20.9 FTE's
FTE Reduction (Dollars – Phase I & II)	-	$1,082,000
Other Service Reductions (Dollars)	-	$1,218,000
Total Reductions to-date	-	$2,300,000

Notes:

1. In 2010 Budget, a 1 percent across the board increase equaled $631,000.

2. Planned reductions for 2011 (as of September 2010) = 3.6 percent across the board decrease.
3. Management Committee objective is to find a minimum reduction of $3,500,000 in cost reductions before beginning the 2011 budget process.
4. Project a proposed reduction of 25 -30 FTE's prior to beginning the formal 2011 Budget process.

NEXT STEPS / TIMETABLE

1. Presentations to Staff - September 23rd & 28th
2. Budget Orientation/training for new Council - December 2010
3. 2011 Budget Meetings/Approval - January – March 2011

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About the Corporation of the City of Cambridge

The Corporation of the City of Cambridge is a dynamic organization filled with dedicated people who deliver vital municipal services to you. Services that residents, businesses, visitors and people like your family and friends enjoy. We're a comprehensive team of professionals: engineers, financial specialists, skilled trades, administrative experts, customer service, communications - and the list goes on.

We're proud to be part of the systems that bring you the array of services that citizens in Cambridge need:

- Parks and recreation
- Activities and programs like pools, seniors' centres, community centres, arenas and other facilities
- Sports programs and all the needs related to playing fields, like indoor soccer, baseball diamonds and other amenities
- Events
- Farmers' Market
- Cemetery services
- Road programs
- Leaf pick up services
- Winter maintenance services
- Water and sewer services
- Fire, emergency and related services
- By-laws and enforcement
- Tax administration
- Licensing for businesses, lotteries, marriage, dogs, and other services like applications for birth, death and marriage certificates, notarizing or commissioning of documents
- Archival research
- Economic Development and business support programs
- Tourism support to share opportunities to showcase the festivals and help bring visitors in to support retail and other elements of the economy
- Administration of committees, steering groups and advisory groups
- Planning and development services
- Traffic and parking services
- Ensuring the best security, police, transit, garbage, water processing service, utilities, animal control are in place.
- Libraries and galleries
- Centre for the arts
- Accessibility matters
- Council services including things like supporting the up coming needs of our residents for the Oct 2010 municipal elections

It's a multitude of services and we continue to refine and review them to ensure we deliver the services in the most effective, efficient, and proactive ways.

In 2010 we are undergoing a corporate service review. This is a further check and balance system to seeking improvements - like better technologies to simplify processes or realigning how we operate. The comprehensive review is happening this year with a view to providing a report to Council for consideration. The report will be available by year end and will be addressed by the newly elected council for the 2011 budget.

For more information on the area or the corporation visit www.cambridge.ca
The City of Cambridge press room is located at www.cambridge.ca/pressroom

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