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For Immediate Release

Cambridge Staff Present Starting Point for 2012 Budget Deliberations Proposed Service Enhancements include NO Library Shutdowns

Cambridge, Ontario, January 12, 2012...The City of Cambridge staff today kicked off the public budget process with a review of the starting points, key considerations and challenges for community dialogue. Next week, the municipal corporation will begin a series of public meetings including the Budget Task Force deliberations which will examine the finite details of line items related to the operating and capital budgets for this fiscal year in Cambridge.

For Cambridge citizens, the proposed budget brings forward service improvements for consideration this year that include eliminating the one week shutdown imposed in 2011 for Cambridge Libraries and Galleries, increasing the funding for neighbourhood associations, and adding to the services offered at the new W.E Pautler Centre, co-located in the Langs Health Services hub.

The budget process has two components: one involves the routine maintenance and operations of the municipality known as the operating budget; and, the other deals with capital planning referred to as the capital budget. This also takes into account a 10-year capital forecast which states capital priorities for the City.

"Staff was directed to offer a starting point for these budget discussions. Based on approximately 3 percent inflation rate for 2011, the starting point for a proposed tax increase is 5 percent. This is not the final percentage of tax increase, rather a starting point in which to evaluate service priorities and proposed enhancements, along with how they impact the overall financial position," said the Chair of the Budget Task Force, Gary Price.

In preparing for the 2012 budget, Cambridge City Council directed staff to plan a budget that reflects the same service levels as those offered in 2011; to set aside about \$300,000 to address base service adjustments (potential increases in service levels); and to take into account a further \$300,000 to address new corporate initiatives such as those approved in a number of corporate master plans and strategies.

"These guidelines help set the objectives of the internal process with a view to offering council options during the deliberations," he noted. Much work has been done over the last two years through the service review process to shave expenses including introducing cuts of 24-full time positions. This three phase

review laid the groundwork for a 9.2 percent overall budget reduction to help the corporation continue to trim the bottom line in 2011.

There are a number of key issues that will be part of the mix this year that need to be addressed, according to Jim King, the City's Chief Executive Officer (CAO). These include:

- o The potential phase out of a provincial grant through the Ontario Municipal Partnership Fund that awarded the city \$547,200 in 2011, \$608,000 in 2010, and \$760,000 in both 2009 and 2008.
- o Mandated increases of 1 percent to the Ontario Municipal Employees Retirement System (OMERS) that began in 2011 and continue for 2012 and 2013. This equates to an impact of \$382,000 on the 2012 operating budget.
- o Addressing the funding gap for the capital budget by re-introducing \$547,000 into this year's operating budget. This helps the corporation address current and future needs.
- o Employee compensation increases, particularly those awarded through recent arbitration, progression through the pay scale grid, movement through recognition (retention) pay, and including an increase in 2012 of costs related to fire personnel that cumulatively equates to \$589,400 and,
- o Escalating electricity costs now projected at \$354,000 more for 2012.

While the final tax increase has not been set, it's important to share the projected impact on the average household based on the starting point of 5 percent; there would be a potential increase of \$56.46 per year based on the average household value of \$254,000.

Delegation night, the opportunity for public delegations to bring forward budget requests, happens at the Cambridge City Council meeting slated for Monday, January 16th, 7:00pm. Following this, the Budget Task Force review will take place between 8:30am - 4:30pm on January 20th, 26th and February 2nd. Cambridge City Council will approve the final budget on March 5th at its regular council meeting beginning at 7:00pm. All meetings take place in Council Chambers, 2nd floor, Historic City Hall, 46 Dickson Street.

The draft operating and capital budgets may be found online at:
http://www.cambridge.ca/corporate_services/accounting_and_finance

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The City of Cambridge is one of the fastest growing areas in the country. It is strategically located astride highway 401 in southwestern Ontario, part of Canada's Technology Triangle. In 2010, the population reached over 130,000 people. With a multicultural mix and a strong foundation of support services, Cambridge has a diverse economic base with leading industries in advanced manufacturing, automotive, high technology, pharmaceutical, business and financial services and hospitality/retail. The Corporation of the City of Cambridge is an employer with a progressive work environment that offers the opportunity to provide service to the community through creativity and innovation, and with opportunities for career growth and advancement.

You meet the nicest people in Cambridge. It's a place that understands all about coming together. There is so much more to Cambridge than the beautiful lands created at the convergence of two rivers or its logistically perfect location in the heart of Ontario's economic corridor. Cambridge is the coming together of people from diverse, close-knit and proud communities. The people of Cambridge 'do the right thing' by respecting history, family values, a sound work ethic, the arts, environment and advancement. A young city, Cambridge is a master of balancing the excitement and promise of the new with the historical significance and stability of the old. A place where coming together is just the start. Uniting together is what sets Cambridge apart. Undiscovered-Cambridge families and entrepreneurs get more for less, and sacrifice nothing.

The Corporation of the City of Cambridge is an employer with a work environment that offers the opportunity to provide service to the community through creativity and innovation, and with potential for career growth and advancement. For more information on the area or the corporation visit www.cambridge.ca. The City of Cambridge press room is located at <http://www.cambridge.ca/pressroom>. To opt out of the news release distribution, please send an email to Linda Fegan feganl@cambridge.ca.