

2019 CITY OF CAMBRIDGE

BUDGET

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2019 Draft Budget Projections

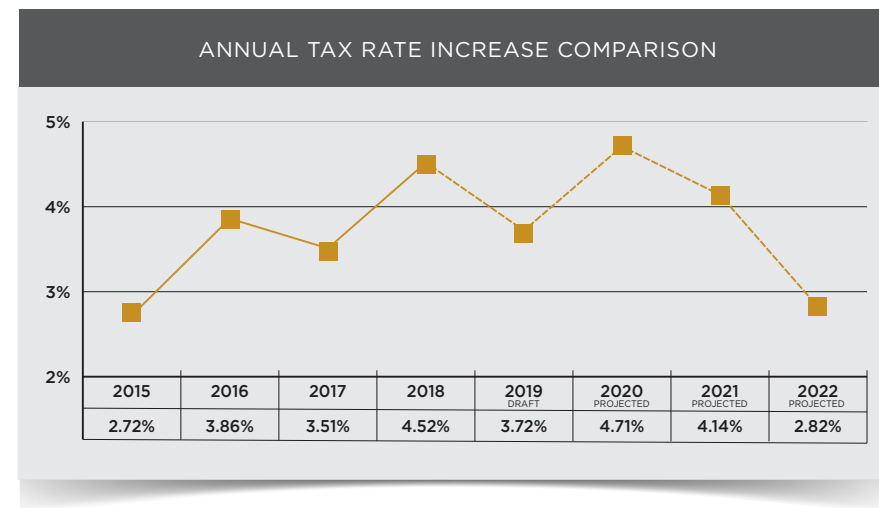


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Budget Projection

Tax-Supported Operating

Staff have prepared a multi-year budget with projections for the four-year term of Council. The draft 2019 and projected tax rate increases for 2020, 2021, and 2022 are shown on the following graph as a dotted line.



As the twenty new firefighters needed to operate Fire Station 6 advance from probationary to first class firefighter, there will continue to be impacts in the coming three years. The projected impacts for the approved fire-related capital projects are 0.47 per cent in 2020, 0.30 per cent in 2021, and 0.19 per cent in 2022.

The 2020 and 2021 projections also include the operating impacts from capital for a new recreation complex. As the timing, location, and details of the facility are yet unknown, staff have maintained the same operating cost projections that had been included in the 2018 budget process. Assuming the project is approved and launched in 2020 as noted in the ten-year capital investment plan, debt costs for the project would have a tax rate impact of 1.85 per cent in 2020 and 1.75 per cent in 2021. The actual operating costs of running the facility including programming would have an estimated tax rate increase of 0.78 per cent in 2021 and 1.80 per cent in 2022.

Another project included in the ten-year capital investment plan that may have operating impacts is the Riverside Dam. Based on the current capital investment forecast, the project would be debt-financed and the debt charges would have a tax rate increase of 0.36 per cent in 2020 and 0.34 per cent in 2021.

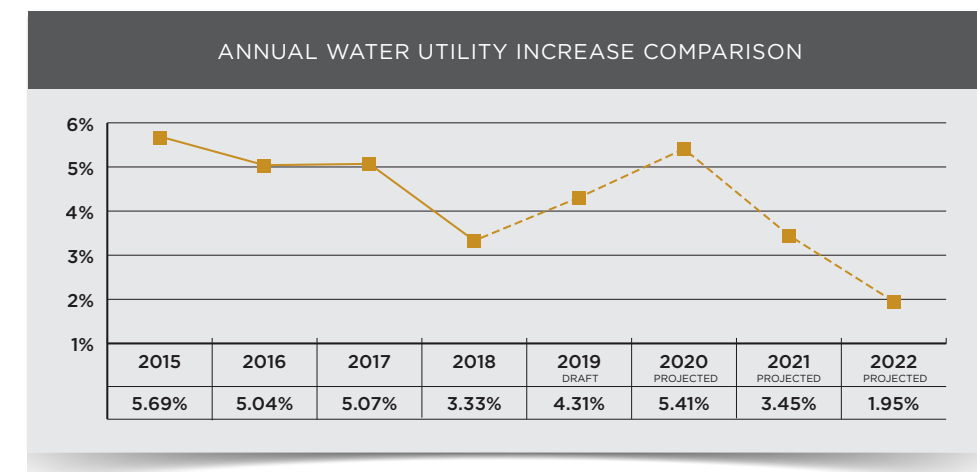
Budget Projection

A breakdown of the projected tax rate increases is shown in the following table.

Budget component	2020	2021	2022
Maintaining existing service levels - City	1.42%	0.21%	0.18%
Fire Station 6 and Fire CAD impacts	0.47%	0.30%	0.19%
Multiplex - debt charges	1.85%	1.75%	
Multiplex - operating costs		0.78%	1.80%
Riverside Dam - debt charges	0.36%	0.34%	
Other Impacts from Capital	0.24%	0.49%	0.37%
Idea Exchange	0.37%	0.28%	0.28%
Projected Tax Rate Increase	4.71%	4.14%	2.82%

Water Utility

The draft 2019 and projected water utility rate increases for 2020, 2021, and 2022 are shown on the following graph as a dotted line. In accordance with provincial legislation, the City will complete an



update to its water and wastewater long-range financial plan in 2019. This update will provide an important check into the sustainability of the city's water and wastewater infrastructure, and will help guide the projected future rates.