Budget Overview
Cambridge at a Glance

A MODERN AND INCLUSIVE CITY

The City of Cambridge was officially formed by the Province of Ontario on January 1, 1973.

Made up of the former communities of Galt, Preston, Hespeler and Blair, the history of this area dates to a far earlier period.

Today, Cambridge is a modern, inclusive city with a rich architectural heritage providing a window to that past.

Economic diversity, natural beauty, and a vibrant culture have helped to make Cambridge the second largest community within the fast-growing Waterloo Region.

PROPERTY VALUES

The average household assessment value used to calculate property taxes is $333,200.

POPULATION

A 2019 year-end population of 139,350 within an estimated 50,420 households.

WORKFORCE

Cambridge continues to build a skilled and diverse workforce of 77,500 with over 11,522 businesses.

INTERNATIONAL ACCESS

Just 50 minutes to Toronto Pearson International Airport and 20 minutes to Region of Waterloo International Airport.

LOGISTICS

Convenient access to Highway 401 for direct routes to major cities throughout Canada and the United States.
GET TO KNOW YOUR 2018-2022 ELECTED COUNCIL

The City of Cambridge is governed by an elected Council of nine members: the Mayor and eight Councillors who serve a four-year term.

The Mayor and Council are responsible for developing a long-range vision for the future of the community. Council establishes policies that affect the overall operation of the community and are responsive to residents’ needs and wishes.

To ensure that these policies are carried out and that the entire community receives equitable service, Council appoints a City Manager who is directly responsible for the City’s administration.
City Administrative Structure

The Corporate Leadership Executive Team is led by the City Manager and includes the Deputy City Managers of each city department.

The Corporate Leadership Executive Team is responsible for implementing the direction set out by City Council. This includes the provision of community-focused services of the highest quality, overseeing the responsible and sustainable management of resources, and monitoring progress for optimal operations.

The City is committed to the core values of Integrity, Respect, Inclusiveness and Service. These values guide the Corporate Leadership Team as they implement the goals and objectives outlined in the strategic plan under three themes: People, Places and Prosperity.

* Due to an organizational restructure in September 2020, the information presented in this document is presented under the previous Administrative Structure. Under the former structure Environmental Services and Operations were under the responsibility of Community Development and Project Management Office/Asset Management were under the responsibility of Corporate Enterprise.
Message from the City Manager

Earlier in 2020, when COVID-19 first emerged, we had little idea of the challenges we would face.

Since then, our internal task force and the regional pandemic control group, have been working non-stop with Public Health to protect our community and slow the spread of the virus.

We have learned how to serve our community under a “new normal” of social distancing, remote work, limited social gatherings, unpredictable revenue sources and evolving public health restrictions.

The pandemic has had major financial impacts on the City, across almost every sector, and we know our local businesses and residents have been struggling.

This budget reflects our financial reality. Our goal is to help lessen the tax burden on our residents and to support economic recovery. It is why we are recommending a modest 1 per cent tax increase, which is less than the cost of inflation.

The 2021 Budget is a conservative one. It represents a balance between meeting the needs of our growing community, delivering excellent service levels, and working within the constraints of our resources – all during a public health emergency. I am particularly proud to deliver this budget under the current circumstances.

Most of the initiatives contained in the 2021 Budget are the continuation of important multi-year projects that will have a positive impact on the community. This includes the design of the recreation complex, construction of the Preston Auditorium and Fountain Street Soccer Complex, trail improvements, stormwater infrastructure, the Beverly Street pedestrian underpass design and other road work. These taxpayer funded community investments will assist with increasing private sector job creation and local economic recovery.

In 2021, we will continue to focus on emergency and pandemic preparedness, community well-being and safety, and supporting our local businesses. We will be launching our revised strategic plan in the months ahead which will further define and guide City Council’s priorities.

I believe this is a prudent budget with a sensible approach moving forward. I encourage you to review the projects outlined in this document to gain a better understanding of our objectives for 2021.

Take Care,

David Calder,

City Manager
Message from the Chief Financial Officer

The COVID-19 pandemic created significant financial pressures globally and across all sectors of the City of Cambridge throughout 2020.

Due to the ongoing pandemic, the City lost revenues and incurred unexpected costs as measures were put in place to control the spread of the virus. As a proactive measure, the City implemented an aggressive Cost Containment Plan to control the financial impact to the greatest extent possible. Financial support to municipalities from the Province of Ontario’s Safe Restart Funding will also assist with minimizing the financial burden of the pandemic in 2021.

The Provincial funding in combination with the cost containment efforts, has resulted in a 2021 Operating Budget that continues to provide service levels to the community with a modest tax rate increase of 1.27 per cent, below the rate of inflation at the time Council approved the budget. The Water Utility Budget includes a 0 per cent rate increase for 2021 and a Capital Budget of $61.6 million provides new infrastructure to meet the needs of a growing community and rehabilitation of existing infrastructure so that assets are maintained in a good state of repair.

In February 2020, the City retained Forum Research Inc. to conduct a community satisfaction survey that would provide information to inform and update to the City’s strategic plan. Through the survey we heard that residents are satisfied with quality of life, quality of services and value of services. The survey also indicated that citizens would like to see improvement in roads and transportation services, economic development and development services. To address this, the capital budget includes investment in road rehabilitation on a number of City streets, as well as, increased operating budget investment in each of these service areas.

The 2021 Budget aligns with our strategic plan and demonstrates how we are meeting our goals according to seven themes: Community Wellbeing; Governance and Leadership; Arts, Culture, Heritage and Architecture; Environment and Rivers; Economic Development and Tourism; Parks and Recreation; and Transportation and Infrastructure. It is the result of ongoing engagement on public priorities throughout the year, and was guided by community input and direction from City Council.

Sheryl Ayres,
Chief Financial Officer
Community Satisfaction Survey

In February 2020, the City retained Forum Research Inc. to conduct a community satisfaction survey that would provide vital statistics to inform the creation of the City’s strategic plan, Cambridge Connected, which is currently underway. The purpose of the survey was to gauge residents’ satisfaction with City services and overall quality of life, to provide a benchmark for future work, and to identify current community priorities.

Forum used a random digit dial (RDD) methodology, which means that everyone in Cambridge had an equal chance of being contacted, regardless of whether they use a landline or cell phone.
Community Satisfaction Survey

**HIGHLIGHTS OF THE SURVEY RESULTS INCLUDE:**

- 72% of respondents say that the quality of life in Cambridge is good.
- 73% of residents who have contacted the City were satisfied with the service they received.
- 75% of respondents are happy with the value provided by City programs and services.
- 87% of residents describe Cambridge as a welcoming community.
- 78% feel that Cambridge is inclusive.
- 79% are proud to say they live in Cambridge.
- The following service areas were ranked high in both importance and satisfaction: Emergency Services, Water & Storm Water and Parks, Forestry, Horticulture & Cemeteries.

As summed up by its residents when asked to come up with one word to describe Cambridge, the City remains “beautiful” and “growing.”

**SATISFACTION SNAP SHOT**

The survey indicates the large majority of the population was very pleased with the following:

- **Quality of Life**
- **Quality of Service**
- **Value of Services**
- **Inclusive City**
- **Proud Citizens**
Community Satisfaction Survey

The survey also highlighted opportunities for development. "Roads and Transportation Services, Economic Development and Development Services" are all areas that were identified as important services that could use improvement. This information is for the strategic planning process because it allows the City to identify priorities, objectives and actions to improve in these areas. The full report from Forum Research Inc. can be found on the City’s strategic plan project page.

SATISFACTION SNAP SHOT

The survey indicates Cambridge citizens would like to see improvement in the following:

Roads & Transportation  Economic Development  Development Services

EngageCambridge also conducted an online survey that provided supplementary information to frame the conversation moving forward.
Budget at a Glance

The 2021 budget has been prepared based on Council direction through the 2021 Budget Timeline and Guidelines report to the Budget & Audit Committee in June 2020. The budget includes three components: the tax-supported operating budget, the water utility budget; and the capital budget.

<table>
<thead>
<tr>
<th>TAX-SUPPORTED OPERATING</th>
<th>WATER UTILITY</th>
<th>CAPITAL INVESTMENT PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.27%</td>
<td>0.00%</td>
<td>$61.6 MILLION</td>
</tr>
<tr>
<td>$17</td>
<td>$0</td>
<td>of capital investments</td>
</tr>
<tr>
<td>$1430</td>
<td>$1190</td>
<td></td>
</tr>
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</table>

2021 tax rate increase
Increase per average household
Total City portion per household

2021 water utility increase
Increase per average household
Average total per household

TAX-SUPPORTED OPERATING BUDGET

The tax-supported operating budget covers the daily costs of running city services, excluding water and sewer services. The 2021 operating budget includes total gross expenditures of $124.7 million, an increase of $0.6 million over 2020, and a proposed tax rate increase of 1.27 per cent. This equates to an annual increase of $17 for the average household with an assessment value of $333,200 or $5 per $100,000 of residential assessment value.
Budget at a Glance

The City’s portion of the tax bill is 36 per cent, with the Region of Waterloo and local School Board portions making up the remainder. When the potential tax levy increases for the Region of Waterloo and Education are included, the combined overall tax increase is $17 or 0.46 per cent for the average household.

<table>
<thead>
<tr>
<th>SHARE OF TAX BILL</th>
<th>2020 TAX BILL</th>
<th>2021 INCREASE</th>
<th>2021 TAX BILL</th>
<th>IMPACT ON TOTAL TAX BILL $</th>
<th>IMPACT ON TOTAL TAX BILL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>36%</td>
<td>$1,413</td>
<td>1.27%</td>
<td>$1,430</td>
<td>$17</td>
</tr>
<tr>
<td>Region*</td>
<td>51%</td>
<td>$2,004</td>
<td>0.00%</td>
<td>$2,004</td>
<td>$0</td>
</tr>
<tr>
<td>School Boards**</td>
<td>13%</td>
<td>$492</td>
<td>0.00%</td>
<td>$492</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>$3,909</td>
<td></td>
<td>$3,926</td>
<td>$17</td>
</tr>
</tbody>
</table>

* As directed by the Region of Waterloo Administration and Finance Committee on September 23, 2020 via report COR-FSD-20-27 Regional staff were directed to prepare the preliminary 2021 Tax Supported Operating Budget with a total target property tax impact of 0% inclusive of Police Services, with options for a total property tax impact up to the rate of projected 2021 inflation.

** Consistent with recent experience, the 2020 education rate is presented in alignment with the prescribed rate currently outlined in O.Reg. 400/98 and is subject to change through the approval of final 2021 rates by the Province.
Budget at a Glance

WATER UTILITY BUDGET

The water utility budget determines the City’s water and wastewater rates, paid on Cambridge water bills. The 2021 water utility budget includes gross expenditures of $70.9 million, an increase of $0.5 million over 2020. For the 2021 budget, the average annual household water utility bill is $1,190 based on an average consumption of 204 cubic meters. This represents an annual increase of $0 or 0.00 per cent. The Region of Waterloo sets the cost for purchase and treatment of water and sewer. These costs get passed down to the City’s water bill and will remain unchanged in 2021. Due to the economic challenges of COVID 19 pandemic, the overall utility rate increase was lowered to 0 per cent by adjusting contributions to the City’s water reserves.

CAPITAL BUDGET

The 2021 capital budget includes $61.6 million of capital investment towards rehabilitation and renewal of existing assets, as well as building new assets to support future growth of the city. These investments are allocated across the City’s strategic priorities outlined in the plan.

<table>
<thead>
<tr>
<th>CAPITAL INVESTMENT BY STRATEGIC PLAN GOAL</th>
<th>MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks and Recreation</td>
<td>$23.5</td>
</tr>
<tr>
<td>Transportation and Infrastructure</td>
<td>$20.6</td>
</tr>
<tr>
<td>Economic Development and Tourism</td>
<td>$13.2</td>
</tr>
<tr>
<td>Environment and Rivers</td>
<td>$1.5</td>
</tr>
<tr>
<td>Community Wellbeing</td>
<td>$1.1</td>
</tr>
<tr>
<td>Governance and Leadership</td>
<td>$0.9</td>
</tr>
<tr>
<td>Arts, Culture, Heritage and Architecture</td>
<td>$0.8</td>
</tr>
</tbody>
</table>
TOTAL HOUSEHOLD IMPACT

The City’s 2021 budget has a combined annual impact for the average household of $17, based on an average assessment value of $333,200 and estimated annual water consumption of 204 cubic meters.

<table>
<thead>
<tr>
<th></th>
<th>AVERAGE HOUSEHOLD IMPACT</th>
<th>RATE IMPACT %</th>
</tr>
</thead>
<tbody>
<tr>
<td>City portion of tax bill</td>
<td>$17</td>
<td>1.27%</td>
</tr>
<tr>
<td>Water bill - City portion</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Water bill - Region portion</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total water bill impact</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total annual increase per household</td>
<td>$17</td>
<td></td>
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</table>

The overall increase for the City of Cambridge has traditionally been in line with increases in the City of Kitchener and City of Waterloo. This is based on annual water consumption of 204 cubic meters and the respective average residential assessment for each city for that year, and includes the separate stormwater user rates for Kitchener and Waterloo.
Budget at a Glance

The average property taxes and water utility bills remain competitive within the Region of Waterloo and the province, as shown in the below table. In addition to property taxes and water utility rates, the cities of Kitchener and Waterloo also include a separate storm utility charge not shown in the table below, which further demonstrates Cambridge’s overall affordability of municipal taxes and fees.

<table>
<thead>
<tr>
<th>MUNICIPALITY</th>
<th>2019 EST. AVG. HOUSEHOLD INCOME</th>
<th>2019 AVERAGE RESIDENTIAL TAXES</th>
<th>2019 PROPERTY TAXES AS A % OF HOUSEHOLD INCOME</th>
<th>2019 AVERAGE RESIDENTIAL WATER BILL (200m³)</th>
<th>2019 WATER BILL AS A % OF HOUSEHOLD INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambridge</td>
<td>$100,582</td>
<td>$3,823</td>
<td>3.8%</td>
<td>$1,132</td>
<td>1.1%</td>
</tr>
<tr>
<td>Waterloo</td>
<td>$117,592</td>
<td>$4,191</td>
<td>3.6%</td>
<td>$908</td>
<td>0.8%</td>
</tr>
<tr>
<td>Kitchener</td>
<td>$93,523</td>
<td>$3,552</td>
<td>3.8%</td>
<td>$1,098</td>
<td>1.2%</td>
</tr>
<tr>
<td>Average of all Ontario Municipalities</td>
<td>$105,849</td>
<td>$3,928</td>
<td>3.7%</td>
<td>$1,100</td>
<td>1.0%</td>
</tr>
<tr>
<td>Median of all Ontario Municipalities</td>
<td>$99,645</td>
<td>$3,773</td>
<td>3.8%</td>
<td>$1,061</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Source: The information in this table is based on the 2019 Municipal Study data by BMA Management Consulting Inc. since the 2020 Municipal Study is not yet available.
Who Does What?

UNDERSTANDING MUNICIPAL VS. REGIONAL SERVICES

In addition to federal and provincial services, Cambridge residents and businesses receive services from two levels of local government: The City of Cambridge and the Region of Waterloo. Below is an outline of the general services provided by the City and regional levels of government.

### CITY OF CAMBRIDGE

- **COMMUNITY WELLBEING**
  - Accessibility and diversity services, Ambassador Program, animal control, bylaw enforcement, city-wide emergency planning, crossing guards, fire services, libraries, elderly adult services, youth programs.

- **GOVERNANCE AND LEADERSHIP**
  - Corporate administration, corporate finance, risk management, Service Cambridge, technology services.

- **ARTS, CULTURE, HERITAGE AND ARCHITECTURE**
  - Arts and culture programs, art centres, heritage conservation, policy planning, special events.

- **ENVIRONMENT AND RIVERS**
  - Environmental planning, forestry and horticulture services, natural areas, parks, trail maintenance.

- **PARKS AND RECREATION**
  - Aquatics, arenas, bike and skate parks, Cambridge Farmers’ Market, cemeteries, community centres, day camps, playgrounds, pools, recreation programs, splash pads, sports fields.

- **ECONOMIC DEVELOPMENT AND TOURISM**
  - Building permits and inspections, business attraction and retention, business licensing, employment land development, planning services, tourism promotion, visitor information.

- **TRANSPORTATION AND INFRASTRUCTURE**
  - Asset management, engineering services, facilities management, parking management, roads and winter maintenance, sidewalk maintenance, storm water, street lighting, traffic management, transportation, water and wastewater.

### REGION OF WATERLOO

- **PUBLIC HEALTH AND SOCIAL SERVICES**
  - Harm reduction and affordable housing.

- **REGIONAL POLICE AND EMERGENCY RESPONSE**
  - Paramedic and policing services.

- **REGIONAL PLANNING**
  - Environmental and economic development.

- **WASTE MANAGEMENT AND WATER TREATMENT**
  - Water collection services, water treatment and wastewater management.

- **REGIONAL TRANSPORTATION**
  - Waterloo Region International Airport, Grand River Transit, ION and regional roads.
How Are Property Taxes Used?

Property taxes are used to support local municipal services provided by the City, as well as regional services provided by the Region of Waterloo and an education portion for local School Boards. Only 36 per cent of residential property tax bills are used for City operations. A portion of every City property tax dollar is invested in the community to provide a wide range of programs and services to ensure a high quality of life for residents.
The Budget Process

The City’s budget takes into consideration community priorities and feedback. The 2021 budget process began in February 2020, with a Community Satisfaction Survey conducted by Forum Research Inc. to gauge residents’ satisfaction with City services. This was followed by Council direction to staff to prepare the 2021 operating budget with a target base budget increase generally in line with the Consumer Price Index inflation rate. Direction was also given to prepare a water utility rate increase in line with the long-range financial plan approved by Council in 2019.

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<tbody>
<tr>
<td>Community Satisfaction Survey</td>
<td>Direction</td>
<td>Preparation</td>
<td>Internal Staff Review</td>
<td>Municipal Fees and Charges Approved</td>
<td>Public Delegation</td>
<td>Council</td>
</tr>
<tr>
<td>The Community Satisfaction Survey is made available online to gather public opinion on what matters most in the upcoming year.</td>
<td>Budget direction is received from the Budget and Audit Committee.</td>
<td>The budget is prepared taking into consideration both community feedback and direction from City Council.</td>
<td>The budget is reviewed by senior management. The corporate executive team ensures the budget aligns with the strategic plan and Council direction.</td>
<td>The Municipal Fees and Charges schedule approved by Council.</td>
<td>Public delegation ensures the community has the opportunity to have their voices heard by Council.</td>
<td>After taking into consideration feedback gathered, the draft budget is presented to Council for approval.</td>
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