



2025 Budget & Business Plan

City of Cambridge

November 7, 2024

John B. Waylett
Chair and CEO
Property Taxpayers Alliance

Opening Remarks

The Property Taxpayers Alliance would like to thank the Councillors, the Mayor and City staff for their good work on behalf of the residents of Cambridge.

Further, we would like to express our appreciation for the monumental effort put in by the Mayor and City staff in preparing the 2025 draft Budget document.

The observations and suggestions made in this presentation are intended to be constructive and are offered with the best of intentions.

City 2025 Budget Increase

- The 2025 budget proposes a 4.68%¹ increase in cost (net property tax plus storm water) to the average Cambridge household.
- The increase is 2.34 times the 2% inflation² rate projected for 2025.
- The increase significantly exceeds avg household income growth.
- The 4.68% increase is lower than 2024's 7.17% increase showing a slight year over year improvement in inflation multiples (from 2.87 times in 2024 to to 2.34 times in 2025).

Note 1: 3.42% shifted to storm water plus remaining 1.26%
Note 2: BOC of Canada projects average 2% inflation in 2025

City 2025 Budget Increase cont'd

- However monies were take from City reserves to reduce the reported 2025 increase to 4.68%. So we can't really be sure if there's been an improvement over 2024.
- The non-subsidized 2025 cost increase and the extent of reserves drawn should be reported in the Executive Summary of the budget document.
- Future tax increases may be required to top back up the reserves.

Mayor and council please continue to work hard at finding ways to reduce costs through tougher budgeting decisions and improved operating efficiencies. Thank you.

Cost Control & Efficiency Ideas

(see appendix for more suggestions)

- Studies show municipal worker SWB's to be consistently higher than those of private sector workers with the same type jobs.
- The City Human Resources dept should use this reality to negotiate more reasonable SWB settlements. Its time to get municipal wage increases back in line with what taxpayer's get.
- High wages of municipal workers provide the City with a strong argument to stop hiring and seek delivery of services from private sector operators.

Budget Transparency & Disclosure

- Budget Executive Summary
 - add section describing progress on funding of our infrastructure deficit
 - add section disclosing the use of reserves³ to subsidize the 2025 tax increase
- Remove all non-statistically valid survey results from the Budget.
- Page 18 of Budget should show both current and prior year “Gross Revenues & Expenditures” charts side by side for ease of comparison.
- Why no apparent economies / efficiency gains are resulting from the City’s rapidly growing tax base should be clearly explained in the Budget.

Note 3: 2025 draw from the “Core Area Transformation” and “Municipal Accommodation Tax” reserve funds to lower tax increase

Budget Transparency & Disclosure

	Total Percent Wage Increase By Year			
	2022	2023	2024	2025
CUPE 1882 Inside Workers	tbd	tbd	tbd	3.30%
CUPE 32 Outside Workers	tbd	tbd	tbd	2.50%
Fire	tbd	tbd	tbd	2.85%
Non-Union Management	tbd	tbd	tbd	3.30%
Non-Union Non-Management	tbd	tbd	tbd	tbd
City COLA	tbd	tbd	3.50%	0.00%
BOC Inflation	6.80%	3.62%	2.50%	2.00%

The budget document should clearly disclose on one page the last 4 years of annual wage increases of City work groups along with City COLA and BOC inflation information.

Budget Transparency & Disclosure

- The Infrastructure deficit section should include a description of the City's asset management model and the projected costs to maintain/replace the assets from 2025 through 2033 broken down into categories.
- Page 41 of the budget should show property tax impact on not just on average household incomes but also on low-income households struggling to pay the tax increases.

Budget Transparency & Disclosure

- The Engage Cambridge⁴ survey is not statistically valid as stated in the 2025 budget document. The results have no informational value and can be misleading.
- The City's commitment to include a statistically valid survey in future budgets is a welcome one. The 2022 Deloitte⁵ survey is a good example of such a survey.
- The Engage Cambridge survey should be discontinued and not just supplemented by the statistically valid survey.

Note 4: See 2022 Engage Cambridge survey results in appendix

Note 5: See 2022 Deloitte survey results in appendix



*Advocating for the efficient and effective use
of your hard-earned property tax dollars.*

Thank You!

November 7, 2024

www.propertytaxpayer.ca

10

Appendices

November 7, 2024

www.propertytaxpayer.ca

11

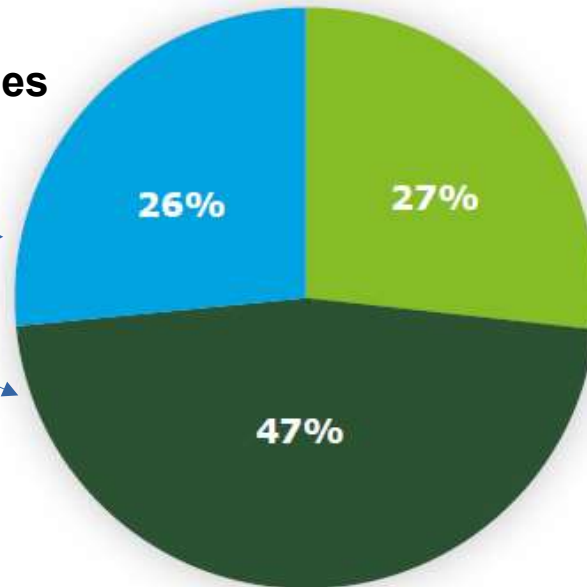
2022 Deloitte Survey

What Property Taxpayers Said

Which of the following options would you most prefer for Cambridge to balance increasing costs?

73% wanted tax increases kept at inflation or less even if services had to be cut

Statistically Significant survey accurate to +/- 5%.



- Increase taxes a little above the rate of inflation to provide for enhanced service levels such as expanded recreation amenities, without the need to cut services elsewhere to offset.
- Increase taxes by the rate of inflation; if services are enhanced in one area, these should be offset by a reduction to services elsewhere
- Reduce existing service levels to have a tax increase below the rate of inflation.

2022 Engage Cambridge Survey

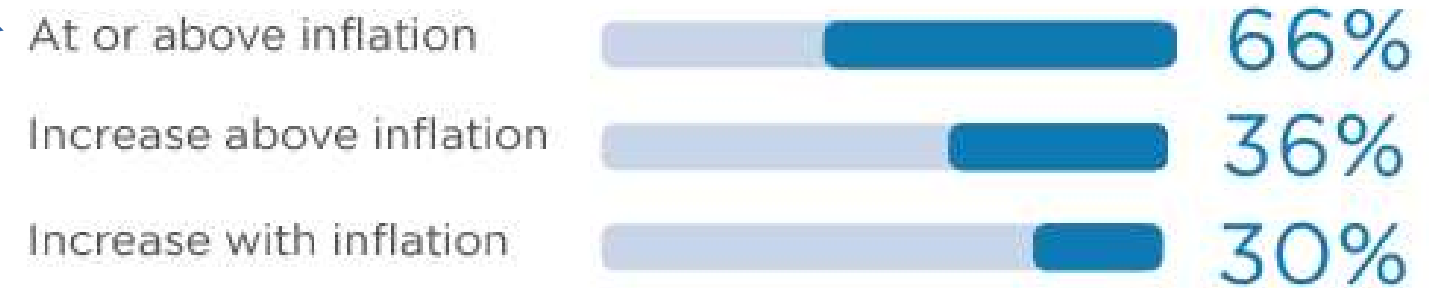
What They Were Told

**66% support tax increases
at or above inflation to
maintain or enhance
services**

**Engage Cambridge survey
results are misleading
and can't be used to
determine what residents
want**

Tax Increase

Majority of respondents agree with some level of tax increase to maintain or enhance services



Cost Control & Efficiency Ideas

More Suggestions #1

- Review all City discretionary programs for possible elimination, modification and/or consolidation.
- Start a reward campaign inviting residents to submit City efficiency improvement ideas.
- Create a City culture that rewards cost control and saving.
- Measure and act upon “Value for Money” perceptions of residents.

Cost Control & Efficiency Ideas

More Suggestions #2

- Bench-mark municipal wages against the general labour market and not other municipalities - support labour market competition and stop stifling it.
- Establish KPI's with real teeth and accountability by assigning names along with hard dollar saving targets. Disclose performance results to taxpayers in the annual budget document.
 - For Example: track new development infrastructure costs and report on percentage recovered through DC's each year. Make maximizing this a management objective.

Cost Control & Efficiency Ideas

More Suggestions #3

- Stop City-sponsored charity-based type initiatives. Charitable giving is a personal choice.
- Outsource menial work. Stop hiring “sidewalk checkers”.
- Outsource menial work. Stop hiring “sidewalk checkers”. Stop City-sponsored charity-based type initiatives. Charitable giving is a personal choice. Outsource menial work. Stop hiring “sidewalk checkers”.
- Discontinue the Engage Cambridge survey

Cost Control & Efficiency Ideas

More Suggestions #4

- Non-Obligatory Reserve funds are projected to reach \$127+ million at YE 2024. We believe there is limited benefit in spreading these funds across 33 accounts.
- This distributes and dilutes the financial fiduciary duty of Council to staff.
- PTA suggests the City reduce non-obligatory reserve accounts to 1 and determine the appropriate dollar amount to hold in it (for example x% of the current Operating + Capital Budget).
- Excess / unused funds from budget line items should be returned to the non-obligatory reserve account and council should decide on their use.
- Any need for the use of the reserve funds should be pre-approved at council as part of the regular financial status update cycle.