

To: COUNCIL

Meeting Date: 4/29/2025

Subject: 2025 Final Tax Levy Report

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Report No.: 25-013-CRS

File No.: C11

Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 25-013-CRS 2025 Final Tax Levy Report be received;
AND THAT the 2025 Final Tax Levy By-law be passed.

EXECUTIVE SUMMARY:

Purpose

Section 312 of the Municipal Act, 2001, provides that a local municipality shall, each year, pass a by-law for the purpose of raising the general local municipal levy.

Key Findings

The tax levy will be billed across the assessment base by rates established for each property class as outlined in Schedule A of the Tax Levy Bylaw.

The last Provincial reassessment was completed in 2016 for the 2017 taxation year with properties valued as of January 1, 2016. Therefore, the overall taxation burden between property tax classes from 2024 to 2025 has remained unchanged.

Financial Implications

On December 9, 2024, Council adopted the 2025 Strong Mayor budget increase of 1.28% after the partial phased-in shift of the stormwater levy to water billing. This increase translates to an overall tax levy of \$121,933,800 (inclusive of a cumulative \$2,343,000 Infrastructure levy).

STRATEGIC ALIGNMENT:

☐ Strategic Action

Objective(s): Not Applicable

Strategic Action: Not Applicable

OR

☒ Core Service

Program: Revenue Collection

Core Service: Not Applicable

BACKGROUND:

Section 312 of the Municipal Act, 2001, provides that a local Municipality shall, each year, pass a By-law (Appendix A) that sets out the proposed tax rates. It directs the Treasurer (Chief Financial Officer) to establish the City tax rates and include tax rates established by the Regional Municipality of Waterloo for Regional purposes, and the tax rates established by the Ministry of Finance for educational purposes in order to determine the complete billing rates for the 2025 final levy.

As per section 345(3) of the Municipal Act, 2001, interest charges, not to exceed 1.25 per cent each month of the amount of taxes due and unpaid, will be imposed for the non-payment of taxes. The Final Tax Levy By-law provides that the default penalty and interest on tax arrears be set at 1.25 per cent each month in which default continues and gives the Chief Financial Officer (CFO) the discretion to determine the appropriate installment dates. The installment dates for the residential, farm and managed forest property tax classes are Tuesday, July 2, 2025 and Monday, September 2, 2025. Bills are required to be mailed before the demand date of June 11, 2025.

The installment payment date for the commercial, industrial and multi-residential property classes will be September 2, 2025.

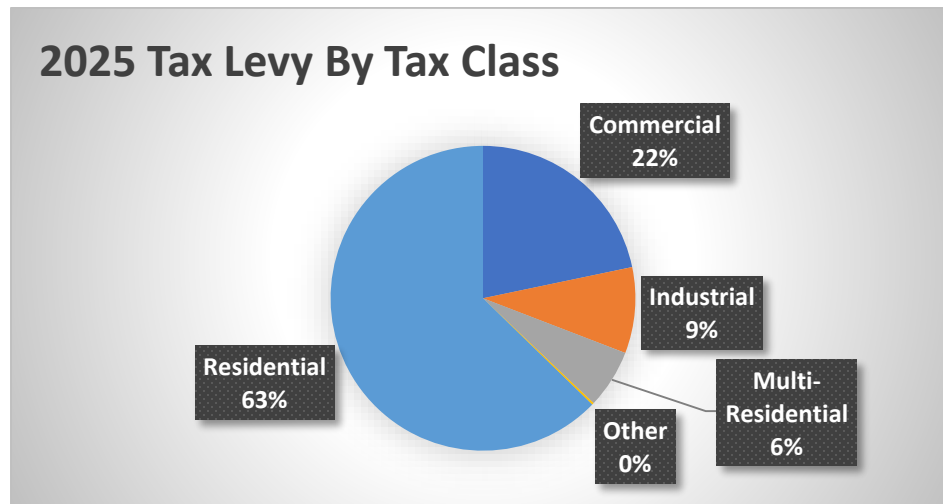
ANALYSIS:

The following charts provide the proportion of tax revenue the City of Cambridge derives from five broad categories of property tax classes.

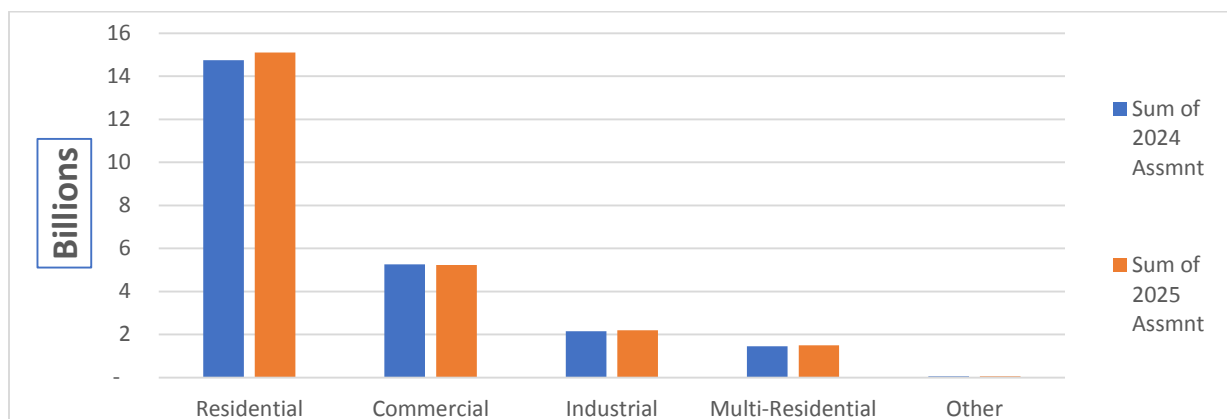
1. Residential
2. Multi-Residential
3. Commercial
4. Industrial

5. Other (Farm, Pipeline, Managed Forest)

The overall taxation burden between classes from 2024 to 2025 has remained stable.



The City of Cambridge experienced a 1.84% overall weighted assessment increase for billing in 2025. This annual increase is based on actual in year growth as a result of building activity and does not include increases based on assessment value changes. The Province has decided to extend the delay of the 4 year assessment cycle and continue using the 2016 current value assessment (CVA) into 2025 as a result of an ongoing Provincial review. Not all properties within tax classes or between tax classes increased at the overall average. In general terms, the result of unequal assessment change can be a shift of tax burden between classes or properties with some properties being apportioned more/less of the overall general levy.



As outlined in the graph above, the City of Cambridge experience has been relatively minor changes across property classes. The assessment for the Residential class increased by 2.44%, Multi-residential at 3.32%, Industrial at 2.24% and Other at 1.28%

whereas Commercial reduced by (0.40%). The result is a minor shift of taxation away from commercial to the other tax groups.

Taxpayers are encouraged to review the schedule (schedule 2 residential or schedule 3 commercial/industrial) provided on their final bill to see the specific impacts of assessment growth on their property.

EXISTING POLICY / BY-LAW(S):

The interim tax levy By-law 24-126 will be repealed upon approval of the final tax levy by-law.

FINANCIAL IMPACT:

The City's tax levy was approved through the 2025 Operating Budget at \$121,933,800 and provides funding for the daily costs of running City programs and services. The levy will be billed as required across the assessment base.

PUBLIC VALUE:

Property taxes provide the financial resources to in turn provide services and infrastructure to the community. The City's annual budget process provides transparency into how property taxes are utilized and ensures fiscal responsibility of the public's tax dollars. The City manages property tax revenues with integrity and accountability.

ADVISORY COMMITTEE INPUT:

Not Applicable

PUBLIC INPUT:

Public consultation is completed as part of the budget process

INTERNAL / EXTERNAL CONSULTATION:

Not Applicable

CONCLUSION:

In compliance with section 312 of the Municipal Act, 2001, the tax levy by-law has been prepared to levy the required funds to provide municipal services and establish tax rates and due dates by property class.

REPORT IMPACTS:

Agreement: **Yes**

By-law: **Yes**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 25-013-CRS Appendix A – 2025 Final Tax Levy By-law