



**City of Guelph Budget**

**Delegation Night**

**Wednesday November 30, 2016**

**President & CEO Speech**

**Good evening Mayor Guthrie, City Councillors, and members of City staff. My name is Kithio Mwanzia and I am the President & CEO of the Guelph Chamber of Commerce. We are pleased to be here today to offer the business voice and to play an active role as a dynamic solutions provider so as to build a stronger more robust economy and community here in Guelph. So, to that end we have been following the budget process closely.**

**The Guelph Chamber of Commerce is a member driven organization with over 900 members representing more than 30,000 employees. We have received the National Accreditation with Distinction and are proud to be the champion of the business community here in Guelph.**

**Tonight's presentation has been informed by the Chamber's research and consultation with business professionals with backgrounds in finance, accounting and business management as well as the membership-at-large.**

**In addition, it has been informed by the robust commentary and input we heard at the Regional Economic Summit, our Economic Leadership forums as well as direct company visits and tours. At each of these instances we posed a key question, how municipal costs impact business decision making, business proformas and play a role in their overall strategy building.**

**The answers typically centered around that:**

- They would delay hiring**
- They would delay technology investments that would impact their competitiveness both within and outside of Guelph**
- They would scale back production as a means to offset input costs**

**Each of these poses real challenges for the capacity for business to remain competitive in a globally competitive business environment. The decisions made around this horseshoe around the budget carry important weight and the impacts, timing and intensity of the policy decisions made must be considered carefully. They may make the difference over weather or not a person in our community gets a job or not.**

**As we proceed forward it is important to note that both City staff and members of Council have continued to be forthcoming and timely with information related to the budget as the Chamber has developed its positions, demonstrating on-going commitment to support meaningful stakeholder engagement. The business community is encouraged to see a budget starting point at approximately inflation and a variety of proposed expansions related to economic development.**

**In addition, Staff and Council are to be commended for implementation on a number of vital policy decisions that will help bolster the City's fiscal position, these include:**

- The introduction of a continuous improvement program**
- The Corporate Asset Plan**
- The Project management office**

**The finances of municipal governments play an important role in building a competitive environment that retains and attracts businesses.**

**A central objective of the Chamber's continued involvement in the municipal budget process is to ensure that the municipal public finance decisions are made with a lens of sound financial principles that balance a community's range of services and a community's ability to pay and remain competitive as an investment and growth location.**

**It is with this in mind that the Chamber is recommending the following for consideration:**

- 1. The City has made significant changes to the both its water & waste fees and its approach to storm water fees. Both will have significant costs implication on Industrial and Commercial Users.**

**While this approach has been used to address the historic underfunding in infrastructure in our community it also means that there is a need to consider the totality of municipal costs that will be imposed on end users.**

**It is with that in mind that we believe that the .5% proposed infrastructure tax be delayed till next budget and that the .5% be further considered. Since the introduction of the idea of the infrastructure tax we have gone from a 2% to .5%.**

**In addition, there may be identified savings as part of the continuous improvement program that can be dedicated to closing the infrastructure gap.**

**As I mentioned, there is a need to consider the impact of municipal costs and take a balanced approach to introduction, timing and intensity of these costs given the other pressure that businesses in particular face.**

**2. As part of the on-going commitment by the City to be *open for business*, there is a need to examine closely the overall cost of doing business in Guelph. As budget preparations are being completed and stakeholder engagement is being invited it is important moving forward that contest is offered to the impact that any proposed budget would have on businesses.**

**In each budget, it is clearly articulated what the average residential cost would be and it would be valuable moving forward to also provide analysis of how the average industrial or commercial ratepayer would be impacted.**

**The decisions made on budget in the coming weeks will play an important role in creating an environment that attracts business investment and fosters a stronger and more prosperous local economy.**

**Thank you again for providing the Chamber with the opportunity to speak this evening, and I look forward to your questions.**