



City of Guelph

Budget Formula Guidelines

Monday July 20, 2015

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.

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.

Therefore the discussion this evening is particularly timely as it will kick off how this and future budgets are set.

The Chamber continues to urge for the City to take concrete and strategic steps to implement systems that balance the cost of doing business with the on-going municipal budget pressures.

To that end there is a need to move towards utilizing long-term budgeting more strategically and utilizing new tactics that leverage the private sector to manage the City's capital budget programme.

A greater level of predictability in defining the specific indexing metric for budget setting is particularly important in ensuring the ability for businesses to plan to invest and expand in Guelph.

To that end the Chamber is recommending a formula that includes a 5 year average for Ontario CPI plus a 5 year average of MPAC's Market Change.

Under this scenario it is clear how municipal budgets are set and the indexing metrics used. It is an important budget starting point and allows both Council and stakeholders to have a clear and predictable view of how budgets will evolve. Businesses don't simply plan year to year – but long into the future. Their municipal tax contribution is a key factor in decision making, particularly given the size of most businesses physical square footage as well as how tax ratios are applied.

By taking the approach we have outlined and further infusing additional predictability enhancements to the budget process, businesses in Guelph gain a competitive edge over their competitors in other jurisdictions. Ultimately making Guelph a leading business centre and jurisdiction of choice to locate.

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