



**GUELPH
CHAMBER**
OF COMMERCE

City of Guelph Budget

Delegation Night

November 30, 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 voice for business 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.

The Guelph Chamber of Commerce is a member-driven organization with over 900 members representing more than 30,000 employees. We represent employers both large and small, and medium-sized enterprise. Our membership includes both for profit and not-for-profit organizations – all of whom play an important role in the economic vibrancy of our community.

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. Through an extended consultation period with numerous Chamber Committees and the Board of Directors, we have been able to arrive at this point with the aim of offering meaningful solutions to the budget process.

It is worth noting that the innovations to the budget process this year that included an evening dedicated to robust discussions on reductions and expansion was a valuable component toward better understanding the approach to budgeting this year and we look forward to it being an ongoing commitment to support meaningful stakeholder engagement.

The finances of municipal governments play an important role in building a competitive environment that retains and attracts businesses. To this end, we continue to be concerned about the continuous significantly above inflation water and wastewater charges that have been prevalent in both this year's and last year's budget. This increase is despite businesses that are large water users implementing conservation measures both as stewards and to reduce their net municipal costs.

This is closely linked to the City's growing infrastructure gap and we continue to be concerned about how this gap impacts our ability to grow as well as the implications it will have on our debt position and credit rating.

With both federal and provincial government making commitment to robust infrastructure programmes in the near term, it is incumbent on us to find ways to partner with them on these programmes.

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. We welcomed the initial budget starting point of just below inflation at 1.58% and with combined expansions being just over inflation at 2.8% approximately.

We have reiterated the need to ensure budget remain within the range of inflation and both staff and council have diligently worked towards that this year, making tough but important choices such as the efficiencies and right-sizing proposed to Transit Services, with capital investments to enhance ridership as well as the implementation of data and deployment technologies that will optimize decision-making on long term operations.

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

- 1. Commitment to the investment in a thorough Service Rationalization Review. This will be an important element of ensuring that service delivery and investment matches desired goals and**

objectives. A review of this nature has served as an important guide to decision-making and agenda focus in numerous municipalities.

This will also offer the opportunity to more effectively utilize long-term budgeting more strategically as well as utilize new tactics that leverage the private sector to manage the City's capital budget programme. Similarly, this will offer the City the opportunity to implement strategies that will ensure a greater level of predictability in its budgeting process from year to year. Predictability sends a powerful signal to the business community that gives them the tools they need to make long term investments.

2. As part of the ongoing commitment by the City to be *open for business* and remaining competitive, there is a need to further reduce the industrial and multi-residential tax ratios.

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.