



**GUELPH
CHAMBER**
OF COMMERCE

City of Guelph

Corporate Services Committee

February 1, 2016

**President & CEO Speech on Proposed
Infrastructure Tax**

Good afternoon, 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 here today to speak against the consideration of the imposition of an Infrastructure Tax. Recognizing that the action requested from this committee is to receive the report for information we would like to offer the business voice and un-told economic impact associated with the imposition of an infrastructure tax under the current proposal parameters.

As an organization with over 900 members representing more than 35,000 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.

There will be negative implications for businesses and their capacity to remain competitive, expand, and generate jobs and economic growth under the proposed scenario.

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

Businesses in Guelph are planning their investments in this community 5 and 10 years into the future – it is incumbent upon this council and this committee to ensure that we are able to be evaluated competitively as businesses are looking for where it is that they will expand and set up new operations.

We recognize that there is an infrastructure gap—it is why the centrepiece of the business community’s budget presentation to council was to commit to investing in a through Service Rationalization Review this year. We indicated the importance of this as an 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 would also have offered the opportunity to more effectively utilize long-term budgeting strategically and utilize new tactics that leverage the private sector to manage the City's capital budget programme.

Policy decisions during the budget process meant that this council did not move forward with this and the knock-on effect will be a delay in determining how to effectively finance closing of the infrastructure gap.

The report to committee on the Infrastructure Tax cited a number of communities that have imposed a tax like this or similar to it – however in those communities there were two important guiding policy elements that offered key counter balances:

1. A full services review was conducted within a preceding period before the discussion of an infrastructure tax

2. Asset Management Plans had been completed, part of which included determining assets that would be considered excess and sold to the private sector as well as assets that could be developed through public private partnerships

As we look at the imposition of this tax here in Guelph – there has not been these vital policy background pieces to guide the fiscal framework. We are therefore recommending the following:

Institute an immediate hiatus on the discussion on a proposed infrastructure tax until such time as:

- a. An Asset Management Plan had been completed, that includes determining assets that would be considered excess and sold to the private sector as well as assets that could be developed through public private partnerships**
- b. A comprehensive outline of internal operational savings has been brought forward and approved for implementation.**

In closing – this council through this committee has a responsibility to ensure that we remain a competitive community in which to do business through municipal decision making.

Proposing an infrastructure tax in the absence of vital policy background work as outlined sends a powerful negative signal to the business community about how they can do business in Guelph and still remain competitive.

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