



St. Catharines City Budget 2010

A Presentation to City Council

Prepared by the St. Catharines – Thorold Chamber of Commerce

March 8, 2010

Good Evening Mayor McMullan, City Councillors, city staff and members of the public, my name is David DiFelice, and I am the First Vice President of the Board of Directors of the St. Catharines – Thorold Chamber of Commerce. I am joined here by Walter Sendzik the Executive Vice President and General Manager and in the gallery by Kithio Mwanzia, the Chamber Policy Coordinator.

On behalf of the Chamber, I would first like to thank you for the opportunity to comment on the 2010 city budget.

As I am sure you are well aware, the Niagara economy has been in transition for the better part of the past decade. Given the number of jobs lost due to the decline in large-scale manufacturing and a difficult tourism environment, unemployment rates are among the highest in the country at just over 10 per cent.

This is an important time to give priority to the needs of private enterprise. A healthy business environment not only helps create employment, it also reduces the burden on current tax payers by growing the tax base. The St. Catharines – Thorold Chamber of Commerce is a member driven organization representing over 1150 businesses and 28,000 employees. We view it as a responsibility to our members to provide input and direction on municipal and regional budgets to ensure that our members are able to operate in an environment that fosters prosperity and opportunity.

As members of the Budget Committee are aware, the St. Catharines – Thorold Chamber of Commerce has been present throughout the budget

process and has provided input during budget open house sessions. We would like to acknowledge that city staff and members of the budget committee have been forthcoming and timely with information related to the budget as the Chamber has developed its position. This process, along with input from the Chamber's Finance and Taxation Committee and its Board of Directors, has formed the basis of our comments tonight.

Before commenting on the 2010 budget, we would like to briefly comment on outstanding issues that the Chamber presented last year.

- 1) In past years, the Chamber has requested a Comprehensive Services Review. To date, two departments have conducted reviews – Economic Development & Tourism and Recreation & Community Services –in each case, savings were found. We recommend that Council direct all remaining departments to undertake a services review this year to ensure that the city is moving forward in a cost-effective manner. We would also request that Council create a policy that ensures comprehensive service reviews are conducted on a defined schedule moving forward.**

- 2) It was asked last year that staff conduct a municipal land asset report to identify lands that could be sold. To date, there has been little action. We urge Council to take a leadership role in ensuring that the city is maximizing the use of its assets, and selling those that are no longer within the mandate of the city's core services.**

- 3) The Chamber also advocated for the development of a surplus management policy that guides the city in its allocation of annual surpluses. This year, there is approximately \$4 million in surplus. Without the guidance of a policy, it is unclear as to whether the surplus is excessive,**
- 4) Finally, the recently announced provincial arbitration for increases in wages and benefits for Fire Services is placing even more pressure on the city's ability to manage costs. It is the Chamber's position that this Council must support the other Councils in Niagara, and across Ontario, who are calling for the arbitration process to be changed going forward to include a community's ability to pay as one of the factors in the decision process. It is not sustainable for costs to be set without any consideration for our ability to pay for them.**

We mention these items because they impact future budgets and relate to our comments on the 2010 budget. We are asking for action to be taken on these items.

With respect to the current budget, a 1.33 per cent increase is commendable. It is evident that city staff and the Budget Committee have worked exceptionally hard to contain costs in the city – and for that you are to be applauded.

With a full appreciation for the importance of managing expenditures, we are asking for the following considerations:

- 1) Include full implementation funding for the AMANDA Tracking System in the 2010 Budget. This was a core part of the Mayor's Open for Business**

Report – a report that the Chamber fully endorsed. This software allows developers and city staff to track and manage development projects from start to finish – saving time and money. Phase 1 of AMANDA has been implemented, and phase 2 and 3 should be included in 2010 rather than be deferred. With major projects currently underway, this is the time to manage existing projects effectively and to encourage further private developments in the city. Because of its potential to make development projects easier to initiate, we identify this as an important investment in productivity and Customer Service.

- 2) While the Chamber understands the challenges of public transit, we recognize that St. Catharines has one of the most affordable and cost efficient systems in Ontario. This year, the St. Catharines Transit included additional costs for expanding its Sunday services from 10 a.m. – 6 p.m. to 8 a.m. – 8 p.m. While the extended hours mean additional operating costs, we believe those costs are offset by an identified need in the community. We have spoken to our members and there are a number of businesses that operate on Sunday who would benefit from the extended hours because it will assist employees in getting to their place of work. Sitel has 1,100 employees. It operates seven days a week and the limited Sunday transit service has become a challenge for many of its workers who don't have another mode of transportation. Many retail outlets are now open at 9 a.m. on Sundays as well. It is the Chamber's position that public transit must be modified to meet the growing need for Sunday transportation. With the arrival of GO Transit, the city must also look to link the systems providing integrated transportation. As such, we support a transit shuttle connecting to GO Transit during summer months.**

We recommend a portion of the municipal funds cut from the transit budget over the past three years be restored to enable these service improvements.

- 3) We would like to see a Deferred Maintenance Policy developed by the city to guide decisions around the deferred maintenance of property. While budget constraints have made the deferral of maintenance necessary, we believe that these decisions should be made with a full understanding of the impacts to future costs. It is possible that decisions made to defer maintenance and achieve short term savings represent costlier choices in the longer term.**

We believe that these recommendations will make St. Catharines a stronger place for private enterprises to grow and prosper. Making strategic investments and divesting of excess city property signal a willingness to attract private enterprise. Tackling affordability issues, accelerating service reviews, and introducing prudent policy tools for budgeting demonstrate a commitment to respect tax dollars. These are achievable steps that Council can take to ensure we are moving down a path towards greater prosperity for everyone.

We thank you again for providing us the opportunity to speak this evening and we look forward to your questions.

Thank you