



St. Catharines City Budget 2011

A Presentation to City Council

Prepared by the St. Catharines – Thorold Chamber of Commerce

March 21, 2011

Good Evening Mayor McMullan, City Councillors, city staff and members of the public, my name is Nancy Diamond, and I am the First Vice Chair of the Board of Directors for the St. Catharines – Thorold Chamber of Commerce. I am joined here by Walter Sendzik our CEO and in the gallery by Kithio Mwanzia, the Chamber’s Director of Policy and Government Relations.

On behalf of the Chamber, I would like to thank you for the opportunity to comment on the 2011 operating budget.

As this is our first presentation to council since the election, I would like to extend our congratulations to those who were re-elected and to those newly elected members of council. We look forward to working with you over the next four years as we work together to build a stronger, more robust and sustainable economy in Niagara.

As the voice of business, the St. Catharines – Thorold Chamber of Commerce is committed to ensuring that there is a vibrant business and investment environment in our community. One of our responsibilities as a member driven organization representing over 1200 businesses and 28,000 employees is to provide input on the annual city budget.

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 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 Board of Directors, has formed the basis of our comments tonight.

The four areas we would like to address are:

- 1. Use of Reserves to Cover Operation Expense Increases**
- 2. Need for a Five Year Financial Projection**
- 3. Support for Expanded Sunday Public Transit**
- 4. Development of Deferred Maintenance Policy**

1. Use of Reserves to Cover Operation Expense Increases

This year the initial budget increase was 4.28%, after use of reserves and the deferment of certain projects, the increase was reduced to 2.8%. The use of reserves to cover increasing operation expenses only delays larger tax increases in the coming years.

Each of the past four years, the Chamber has requested a Comprehensive Services Review. To date, only two departments have conducted reviews – Economic Development & Tourism and Recreation & Community Services – and in each case savings were found. The process has taken too long.

As a new council – we ask that you commit to accelerating the Services Reviews through a formal motion and set a hard deadline for its completion by the end of 2011.

In addition to the departmental service reviews, we continue to urge Council to direct city staff to engage the private sector in providing contracted services. Last year's pilot project for lawn care maintenance demonstrated the

cost saving benefits through private sector engagement. This pilot should be expanded, and council should challenge city staff to find additional ways in which to utilize the services of the private sector in our community.

2. Need for a Five Year Financial Projection

The Chamber is recommending that the city develop a five-year financial projection that will guide the city's financial planning. With the current infrastructure renewal taking place – from new libraries, swimming pools and artificial sports turf facility to new roads and bridges combined with aging arenas and civic centres, it is important for the city to have a five-year financial projection that includes the rationalization of existing reserves.

3. Support for Expanded Sunday Public Transit

Expanding Sunday public transit is good for the economy. Last year, we stood before council, along with other businesses and community groups, and requested additional investments into Sunday transit. The decision was deferred – and we are here again requesting that Council support the recommendations from St. Catharines Transit to increase its funding to provide expanded services on Sunday.

While the extended hours mean additional operating costs, we believe those costs are offset by an identified need in the community. The Transit Commission has presented a pragmatic phase in of extended Sunday service that will be able to effectively manage any increased costs.

4. Development of Deferred Maintenance Policy

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 urge Council to establish a deferred maintenance policy to come into effect for the 2012 budget year.

In closing, though not specifically related to the City of St. Catharines Budget, we would like to take this opportunity to request Council's support for the Chamber's initiative to establish the Office of the Auditor General at the Region. An independent Auditor General would conduct audits that focus on efficiency, effectiveness, and value for money of municipal operations, program delivery, and compliance with applicable laws and regulations. It would have legislated powers, privileges and immunities that provide the necessary tools to conduct thorough audits with little or no external impediments. The business community believes that this role would greatly strengthen the relationship between business and government in Niagara and help establish more efficient municipal operations.

We believe that these recommendations will make St. Catharines – Niagara a stronger place for private enterprises to grow and prosper. Making strategic investments and strengthening the administration of public finances send a powerful signal to the business community. 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