



City of Thorold Capital and Operating Budget 2011

A Presentation to Budget Committee of the Whole
Director of Policy and Government Relations Remarks

Prepared by the St. Catharines – Thorold Chamber of Commerce

March 22, 2011

Thank you Walter,

- 1. There were deficits and overruns in a number of areas in from 2008, 2009 and 2010 City of Thorold budget. Deficits and in-year budget overruns indicate a need to change budgeting mechanisms, we commend council and staff for their initiative to work towards a multi-year budgeting. This has to be supported by a long term fiscal plan that is matched by a strategic plan and in-line with the soon to be completed economic development and official plans. This fiscal plan would also allow Thorold to adequately plan to close its 10 year \$19.6 million infrastructure gap.**
- 2. With Thorold's long history, there have been several buildings that have served as the primary City government operations building. This has led the City of Thorold to accumulate approximately 5 City Hall buildings. A number of them have been deemed surplus, in addition there are other city buildings and properties that can be deemed as surplus. By deeming them surplus, the city can divest themselves of these buildings and properties. The funds earned from these sales would allow the city to sustainably finance its infrastructure renewal and reduce current deferred costs. Thorold has a golden opportunity to encourage private investment by seeking viable private sector use for under-utilized public lands and buildings. We strongly recommend that Thorold move quickly and decisively towards this, in doing so this council will send a power signal to the business community that Thorold is open for business.**

- 3. It is the Chamber position that city council should reconsider using the Hydro Reserve interest to continue to reduce tax rates. Based on a review of the Operations Budget, the City will be using Hydro Reserve interest to reduce the tax rate by 2%. When the Hydro Reserve was created by the sale of Thorold Hydro to Hydro One, city council at the time committed to strategically deploy the funds to support community and business development. Unless the policy has changed, the use of the interest from the funds should not be used to reduce taxes – it isn't the purpose of the fund, and it should not be a solution to lower taxes. If taxes are increasing beyond the rate of inflation, council should direct staff to take a more detailed review of overall city expenses. From our perspective, the use of reserves to cover structural deficits will cost the taxpayer more in the end.**

- 4. Thorold has been a leader in Niagara in developing innovative service deliver models. This has been demonstrated by the model of Thorold's service agreement with St. Catharines Transit as a means to efficiently provide public transit for the community. We urge the city to develop a similar model for economic development with Welland, Niagara Falls or St. Catharines Economic Development Offices. Already the St. Catharines Small Business Enterprise Centre is mandated to serve Thorold businesses and we have been working actively on their behalf to ensure that this centre does regular outreach in Thorold. Expanding on this model by developing an integrated economic development agreement between Thorold and one of its neighbours will create an effective and efficient system that will benefit local businesses and attract much needed investments to the city.**

5. In closing, though not specifically related to the City of Thorold Budget, we would like to take this opportunity to request Councils support for the Chamber's initiative to establish the Office of the Auditor General at the Region. An 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 are fully aware of the difficulty of budget development during difficult economic times. As you can see the proposals we have brought forward this evening are strategic investments that we believe will be able to generate net new tax revenue. In achieving this, an important step would be taken in creating an environment in which business can grow and thrive, creating jobs, prosperity and growth.

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

Thank you