



**Presentation to the Budget Review Committee of the Whole  
2010 Regional Municipality of Niagara Operating Budget  
Thursday November 19, 2009**

**Prepared by the St. Catharines – Thorold Chamber of Commerce**

**Good Evening,**

**Chair of the Budget Review Committee of the Whole, Regional Councillors, and members of Regional staff, my name is Rob DePetris, and I am President of the Board of Directors of the St. Catharines – Thorold Chamber. I am joined by Walter Sendzik, Executive Vice President and General Manager of the Chamber and Kithio Mwanzia the Chamber’s Policy Coordinator.**

**As the voice of business, the St. Catharines – Thorold Chamber of Commerce is committed to ensuring that there is a vibrant business environment in Niagara. It is also our responsibility as a member driven organization representing over 1125 businesses and 28,000 employees to provide input on items such as city and regional budgets to ensure that tax dollars – many of which are paid by businesses, business owners and their employees – are spent in a fiscally responsible and transparent way.**

**Tonight, we are here to provide input into the 2010 Regional Budget. Let me be clear – we are not a tax coalition group that conducts a line by line review of the budget. We believe that the Region has capable senior management that should conduct such reviews, and we believe that council and the executive management of the Region is responsible for such detailed accounting for an \$800 million budget.**

**The Chamber’s role is to provide input and guidance at a more macro level. For example, we have made submissions on Regional budgets that have addressed issues such as:**

**1. The use of provincial uploading to influence tax policy related to industrial and commercial tax classes. To date, there has been little action taken on this issue. The only action that has been taken is the directing of staff to remove the total upload cost for 2010 approximately \$14.3 million from the previous year's base. This step provides for some level of transparency in this year's budget process. However moving forward there are no principles on which policy can be developed that transparently leverages uploading.**

**2. A more meaningful public engagement opportunity supported by timely accurate information. To date, few steps have been taken to address this issue. For example, at the Capital Budget Public Meeting, new information regarding the capital budget was distributed at the public meeting – leaving no time for the public to react.**

**Or, the complete lack of predictability with respect to the budget process. Each year, the dates vary widely, and the moving of the dates prevents meaningful reviews of the budget as information is not widely distributed in a timely manner, preventing organization like the Chamber from being fully prepared.**

**Bearing this in mind, we continue to work towards establishing a stronger partnership, we have engaged Regional Councillors from across municipalities and have received positive response on the issues of concern that we have raised. Most recently we have also had some initial good discussions with Regional Staff. Similarly, we are beginning to see greater dialogue in these areas and we hope that this will continue to allow us to provide you with our views and suggestions based on relevant and timely information.**

**This year, the Chamber's approach to commenting on the Regional Budget has been informed by a newly formed committee called the Regional Budget Working Group. The Regional Budget Working Group (RBWG) is a committee comprising representatives of the Chambers' of Commerce across Niagara. Chambers represented included:**

- The Greater Fort Erie Chamber of Commerce**
- The Grimsby & District Chamber of Commerce**
- The Lincoln Chamber of Commerce**
- The Niagara Falls Chamber of Commerce**
- The Niagara-on-the-Lake Chamber of Commerce**
- The Port Colbourne – Wainfleet Chamber of Commerce**
- And the Welland – Pelham Chamber of Commerce**

**The purpose of the committee was to review the principles of the Regional Budget, gain an understanding of the underlying philosophies of the budget and determine its overall impacts on business. Through thorough analysis of information provided by Regional staff, and the attendance of Chamber staff to Regional budget committee meetings, the committee developed a series of recommendations that have formed the basis of our presentation here tonight.**

**The following are the recommendations:**

- 1. The links between the 2010 Regional Budget and the 2007 – 2011 Regional Council Business Plan are not clear. Through our examination of the budget, we cannot create clear lines that are linked back to a plan approved by council. It's our position that the links must be made**

**explicit in all budget documents and tax policy developments in order for both council and the community at large to better understand the implications of the annual budget.**

**2. As already mentioned, the Chamber urges Council to adopt a more predictable budget development timeline that is consistent year over year. Therefore, the Chamber recommends that the Region formally change the budget presentation format to include:**

**a. An information session that brings forward key findings, relevant data at which point a public presentation can be made based on the data. This information session should be prior to staff recommending budget direction**

**b. A committee input schedule should be made available at the start of the budget process. This will allow those interested in providing budget related input at the committee level to make presentations at the relevant committee(s).**

**3. The current approach to budget setting by the Region, which is driven by guidance, does not provide the required detail to better understand how policy decisions will impact the taxpayer – which includes business. Therefore, the Region should make the following changes to budget setting moving forward:**

**a. Budget setting must be based on increasing real assessment growth.**

**b. Performance measurement and benchmarking that provide taxpayers with a comparative evaluation of service delivery. This should also clearly identify the impact of the previous year's**

**policy decisions and their budgetary implications. Without the explicit measurement of policy decisions against Council's Business Plan, it is not clear how one policy decision over another will make Niagara more prosperous, provide better service or maintain status quo.**

- 4. The Chamber stated over the last two years that the Region must formally establish uploading principles – and this has been largely ignored. So, we are asking again – the Region must develop principles in which to allocate the revenue from provincial uploading. Simply allocating the funds to artificially keeping the tax rate increase low is not a solution – its a band-aid solution to a larger issue that will have long term impacts on the region and its 12 municipalities.**
  
- 5. Again, much like Regional Council – the Chamber has been active in addressing the issue of Capping and Clawback. As more commercial and industrial properties in Niagara reached their CVA value, it provides an opportunity to re-examine the program. The Chamber urges the Region to fully fund the cap under the Capping and Clawback program rather than the current process of “claw back” from area municipalities. This would streamline the system, and allow those businesses that are currently within the clawback areas to re-invest in their respective business. It only makes sense that those areas which have not seen growth would need more investment so why clawback relief to the businesses who are trying to reinvigorate our communities.**

- 6. As the Chamber has previously recommended, the Region must undertake a complete review of its services as a means to ensure efficiencies within its operations, and to seek areas in which the private sector can play a role in the delivery of services. We have been informed that this is done on a continuous basis, but a review of the budget material doesn't illustrate this process. This information should be made public as part of the budget process.**
  
- 7. Finally, as an important fiscal planning tool, the Region must develop a Long Term Budget Strategy that is matched to the Regional Council Business Plan. This would be a fundamental shift in budget setting philosophy at the Region, and would be an important predictability tool for the business community.**

**Thank you for the opportunity to present this evening, we look forward to your questions**