

2016 Pre-budget deputation to City Council

Good evening. My name is Mark Mikulasik, 2016 Chair of the Thunder Bay Chamber of Commerce. With me tonight is Chamber President Charla Robinson and we have a number of our members here in the gallery. Thank you for the opportunity to present to you this evening.

The Thunder Bay Chamber of Commerce represents nearly 1,000 businesses and over 14,000 employees in our community.

These are challenging economic times. Global stock markets experienced the worst January on record, oil and commodity prices are weak, and emerging markets appear to be losing steam. The Bank of Canada is forecasting economic growth of a mere 1.5 percent this year and Ontario's business confidence has dropped to a five-year low of 30 percent.

Thunder Bay businesses and their employees are struggling to manage both a slowing business climate and rising costs.

In recent years, Thunder Bay has seen an increase in entrepreneurial spirit and the start-up of many new local retailers, restaurants, and service providers. Small business in general, but especially new businesses, are very sensitive to cost increases as they struggle to build market share and revenues to sustain operations and feed their families.

As the make-up of the economy has shifted from big industry to small business, the impacts of municipal cost increases are felt more keenly by all taxpayers, and particularly the small businesses driving our economy and comprising the bulk of our membership.

Once again this year we have seen that the 2015 BMA Municipal Study ranks Thunder Bay's taxes as "high". Whether comparing to our Northern neighbours of Sudbury and Timmins or to Ontario communities with populations of over 100,000 people, Thunder Bay's taxes trend above average which adds to the cost of living and doing business here and reduces the competitiveness of our community in trying to attract new business ventures.

Our members indicate that a net tax levy increase in the range of 2.5 percent would be manageable under current circumstances.

The Chamber of Commerce believes that it is vital to the growth of our city and the overall health of our community for City Council to look closely at the expense side of the ledger for solutions. This is a problem that we face together as a community and the Chamber wants to work with Council and all other community partners to find ways to deal with these challenges.

We sense, sometimes, that there is a feeling on council that we are needlessly negative and look for opportunities to be confrontational.

We want to assure you that is not the case. Thunder Bay is home to all of us. We all want the same thing – to see our community grow and prosper and continue to be an excellent place to live, work and raise a family. We are all fortunate to live here and we participate in this process wanting to do our best to contribute to strengthening our community and to help you in any way we can with this difficult task of budgeting.

All our futures depend on getting these things right. And we know you want to get it right as much as we do.

We congratulate Council on the foresight shown in the creation of the Enhanced Infrastructure Renewal Fund and the over \$31 million in additional investment to address our infrastructure deficit.

We also wish to acknowledge a very difficult decision by Council a few years ago to close two of Thunder Bay's long term care homes, Dawson Court and Grandview Lodge. This transfer of responsibility to the Province is finally being realized this budget year. This is an excellent example of Council's careful analysis of a service area that was not a core responsibility of the municipality and putting a plan in place to transition out of the provision of that service in the manner permitted by the Province.

We believe that there are other similar non-core services that should be reviewed to determine if and how the city should be involved in the future. We encourage you to be ever mindful of opportunities for public-private partnerships and alternate service delivery.

The Chamber has not, nor will it ever, advocate for the end of all non-core municipal services. We live, work and play here, and fully appreciate the challenges facing this community. However, the Chamber is, and will always, advocate for prudent financial scrutiny of non-core municipal services towards right-sizing the municipal budget.

Cutting expenses should not be automatically assumed to result in service reductions. The private and public sector provide examples of creative service delivery changes that have simultaneously reduced costs and improved services. The rhetoric that each dollar cut brings an equal reduction in services is simply not true and not acceptable. Chamber members don't manage their businesses that way and they do not accept that from any of their private or public sector suppliers.

Now is the time for an informed discussion on where increasingly scarce financial resources should be allocated to achieve our community's strategic objectives, to improve our competitiveness and to foster economic growth.

On behalf of the business community we offer our sincere thanks to Council and Administration for your service to our citizens. We all love this community and we want to achieve our shared vision of a city that is connected, healthy, vibrant, and strong. We look forward to working with you to reach that goal.

Thank you.