

## **Municipal Budget Presentation**

**Wednesday, February 17, 2010**

**-Check against delivery-**



Good evening Mayor Laughren and Councillors,

I am Fred Gibbons, 2009-2010 Chamber President and with me is Phil Barton, Chair of the Chamber Municipal Affairs Committee.

Tonight I speak to you as a long-standing member of this community. I, like you, have been a proud Timmins resident for the majority of my life. The events in recent months have set the stage for some challenging times ahead for our city. However, where some see challenges, others see opportunity. The economic highs and lows of our city have been weathered with a hearty northern spirit and an attitude of perseverance – and I believe that we will face this challenge in a manner like no other. We have the opportunity before us to respond as a community and emerge stronger than ever before.

Now more than ever will our northern pride allow us to adapt, evolve and persevere. We, as a community, have upon us the opportunity to define who we want to be in the coming years – what we want this community to be for us, our children and our children's children. In September of 2009, the Timmins Chamber of Commerce established five strategic priorities:

1. Advocating for competitive energy rates for northeastern Ontario businesses;
2. Advocating for continued development of post-secondary education opportunities, including the development of a Centre of Excellence in Timmins;
3. Promoting and advocating for business development and support programs;
4. Assisting in the development and promotion of Timmins as a regional centre; and finally,
5. Advocating for the development of a municipal vision for our community.

### **Municipal Vision Setting**

When we established 'municipal vision setting' as one of our strategic priorities for the year, we did not do this with any special insight into the future. Every successful organization needs a vision of what it wants to be to have a clear goal to work towards. Working together to define a common vision for our city means creating the framework that helps you, our city leaders reach your common goal. It means that we have defined the strategies and meaning and context that drive our decisions. Well developed and executed visions, missions and values make their way throughout an organization – so that eventually every person – from the employees at city hall to the councilors around this table – are making decisions with the ultimate vision and strategy in mind. And as such, I would like to express the business community's willingness to support the city in a vision-setting or strategic planning process.

## **Economic Diversification**

Our context has dramatically changed since December 7, 2009.

We have so much to thank for mining and mining exploration, for it is the reason this town, like many others in northern Ontario, exist. How ironic that upon our 100<sup>th</sup> anniversary of the community, businesses and residents alike will see reductions in the workforce of a major player in the local economy. However, we must all remind ourselves that mines open to close; we must capitalize on the immediate benefits provided through finite industries, such as mining, to leverage and nurture the development of sustainable industries. While we agree that the current situation is not optimal, we do believe that within it lies our opportunity to define our vision of who we want to be in one year, two years, 10 years and even 20 years time. I believe that at our 150<sup>th</sup> anniversary as a municipality, the leaders of the City of Timmins will look back at today's leaders and admire their resilience, creativity and desire to continue to nourish business opportunities and economic development in this community.

The reality is that within the next 18-24 months, we may face challenging times. It has been stated that the municipality will, eventually face a direct loss of \$3.9 million in tax revenues. We understand that the City has been taking calculated budget amendments in light of the recent Xstrata announcement to a zero percent increase, and for that we commend you. It is not an enviable task. We recognize that there are hard decisions to be made now, to prevent harder times in the future.

There is value to be found in this situation. We as a municipality and as a community can work with foresight and vision. We recognize that budget limitations are being put in place. Here are some suggestions I bring forth from our members to you:

- Conduct a core services review to evaluate what the municipalities essential services are;
- Consider alternate service delivery models for specific services – where it will save the municipality money;
- Continue to aggressively pursue valuable economic development opportunities that result in significant job creation for the community;
- Continue the work to identify and pursue attracting industry and business to Timmins
- Identify opportunities for savings and efficiencies;
- The city could consider looking at departmental expenditures and identifying which services could be contracted out – in order to both save money and support the local economy.
- Small business is the engine of the economy; consider what you can do at the municipal level to make the operation of new and existing businesses easier – whether that is through financial incentives or support programs administered through the TEDC.

- Something that has been suggested around our table is the evaluation of municipally-owned properties, whether they are assets or liabilities – and whether they should be divested; we have learned through our talks with city staffers that this is underway and we congratulate the city for undertaking this review.

These are just some of the ideas that have been suggested around our table. We do not know your business, we are not here to make specific recommendations and focus on minute details. I do however urge you to look within your corporation for the solutions to achieve savings. I urge you to take the lead by welcoming creative and innovative solutions.

You also have at your disposal, a report completed some years ago by BMA Management Consulting. While this report is dated and getting older every day, there remain *valuable* insights into how our municipality can be run *better*. While some of these recommendations have been implemented, and we commend you for those, there are many more that should be thoroughly and critically considered.

In May 2008, the City of Timmins issued a Strategic Report Card based on Council priorities set in 2007. The report card communicated to the community what the city was working on and where it stands with each initiative – something that is not immediately apparent to the average business owner and taxpayer. This sort of feedback loop to your taxpayers is invaluable – it lets us know what you are doing to lead our community. I *suggest* that this be made into an annual or living document that is continuously updated and posted online to track *our* progress as a community. Once again, we have very recently learned through our talks with city administrators that this is underway. We look forward to the end results and congratulate the city for taking such measures to communicate your progress with the stakeholders in our community.

Over the summer of 2009 we conducted a member survey in which over 30% of our members participated. We heard an abundance from our members regarding the City of Timmins. Here is a snapshot of what we heard:

- the cost of hydro electricity is too high; we need to continue to lobby as a group
- the desire for economic diversity and long-term planning for the municipality;
- the need for a municipal strategic plan with performance measures.

We recognize these are not always easy tasks, but are confident that they will have immeasurable benefits to our community if completed.

I would also like to *suggest* that council consider instating a Public Council of Accountability. This is a progressive, forward thinking way of engaging members of the community, gaining deeper insight into the city's internal processes and ensuring that there is an independent body

of interested citizens responsible for accountability at City Hal and working with the City to communicate those messages to the residents. I strongly urge you to consider this suggestion.

With respect to hydro costs: the chamber has been advocating for lower energy costs for years. We know from our lobby efforts that the Ontario government will not lower energy costs due to the type of power sources it is pursuing. Considering our location, our proximity to hydro resources, we have the potential to capitalize: create our own energy, sell it to the grid and use competitive energy pricing as an economic driver for our region. The City must explore this avenue.

For many years we have heard the full spectrum of opinions regarding Tourism and Culture in Timmins. We have seen positive movement with the City in regards to tourism and encourage you to continue to seek out the partnerships with local businesses and organizations, which are so vital to develop a comprehensive, sustainable tourism industry *while reducing* the tax burden on individuals and businesses. With respect to the Shania Twain Centre we encourage council to continue to find new and diverse uses for this space to maximize its use without increasing the tax burden on businesses and residents.

I would like to touch briefly on the value of strategic spending. As a business community, we appreciate that there are opportunities that, if handled properly, can pay off in dividends. Economic diversification is paramount and crucial to our survival as a municipality. The caveat is that we need to know which spending opportunities are strategic in nature before the dollars are spent. Which will give us the most benefit for our dollar? To that end, I return to the value of developing a vision for our city, which in turn would help to guide council's decision making processes. Lobbying the federal and provincial governments for royalties and resource revenue sharing – shared revenue that is reinvested in the community are other avenues that could be pursued.

The number-one cited challenge in the membership survey (that I spoke of earlier) was the challenges posed by a cyclical economy. It is easy to placate ourselves with the notion that we are and will only ever be a resource-based economy. However, I believe that the opportunity now lies in re-inventing our community. Is it an optimum situation in which we find ourselves? Probably not. Would we rather be in a position of action rather than reaction? You bet. That being said, what we DO have is the opportunity in which you, our municipal leaders, can make some profound changes in the way City Hall operates that will reduce the pressures on business and tax payers alike. You can set a strategic vision that sets out what we want to be as a community, as an economy and put the necessary policies, groups and supports in place to make this a reality.

In closing, I would like say that we recognize that the only way to lead our community through the forthcoming times is by leading together. I would like to thank a number of representatives from the city for working with the chamber and the business community throughout the past year: Thanks to the Culture, Recreation & Visitor Services department for working with our Tourism & Community Outreach Committee; Mark Jensen for meeting with our Transportation Committee; Joe Torlone and the Purchasing Department for working with our Municipal Affairs Committee; Mayor Laughren and Joe for meeting with us and listening to our concerns; and countless others who have responded to our inquiries, participated in our meetings and roundtables and worked with us to better our community. I also extend my thanks to Mayor and Council for establishing the Xstrata Working Group and providing the opportunity for the Chamber to be involved as a partner.

I sincerely thank you for taking the time to listen to us today as I have shared the concerns of business in our community. On behalf of the chamber, we welcome the opportunity to continue to work with you to make this city the best place in which to live and do business.

Thank you.

We will now do our best to respond to any questions you may have.

---