



January 15, 2019

His Worship Mayor Ed Holder and Members of City Council  
The City of London  
300 Dufferin Avenue  
London, Ontario, N6A 4L9

Dear Mayor Holder and Members of Council:

Re: City Budget 2019 – Recommendations

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At the request of the Chamber's Board of Directors, a Task Force of our Government Affairs Committee has been closely studying the City's budget process. We would like to express our appreciation to the City Treasurer, Anna Lisa Barbon, and the Director, Financial Planning & Business Support, Kyle Murray, for taking the time to visit the committee, share their thoughts about the budget and answer the committee's questions.

The Chamber understands the financial pressures that the City will be facing navigating the transition between multi-year budget plans with the uncertainty presented by the change in provincial government and the understandable enthusiasm of newly elected city councilors.

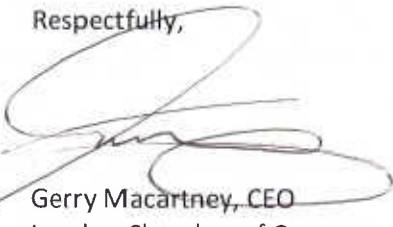
The London Chamber of Commerce, in consultation with our Government Affairs Committee and with approval of the Board of Directors, offers the following recommendations regarding the City's draft budget, scheduled for council review January 24, 2019.

1. As you are aware, it has been the Chamber's long standing position that a tax increase formula that takes into account both population growth and inflation will best serve our municipality. This has consistently fallen in the 2-3% range. We maintain that this formula remains relevant and in keeping with current economic conditions. We applaud Council for achieving a target tax levy increase below the upper limit. Anything in excess of this range could not be supported by the Chamber.
2. In so far as Council may consider additions of unbudgeted items, the Chamber recommends they not result in an increase beyond the current target of 2.7%. Newly elected councilors bring a welcome passion and enthusiasm for change however accelerating initiatives may conflict with initiatives under consideration that have gone through careful evaluation and due diligence. Should Council wish to add new items, they should balance those by finding other areas of savings.
3. Consider dispensing unused or unproductive properties or holdings or possibly repurposing them. This could include golf courses and other recreational holdings.

4. The Chamber sees the value of the multi-year budgeting process Council has adopted and championed. We are entering the final year of this cycle. Preparations will soon be underway for the next cycle. By adopting this 4 year start-and-stop multi-year process, the City, through the cycle-to-cycle transition, runs the risk of removing or compromising benefits that have otherwise been achieved. The Chamber therefore recommends Council consider a rolling multi-year process as the next evolution of our process and would be happy to help with the understanding and adoption of this approach.

We trust that Council will make decisions that will have a positive impact on our long term economic health and have the interests of our City in mind. The Chamber looks forward to Council's response and we welcome comments on any and all of the above noted recommendations.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Gerry Macartney', is written over the word 'Respectfully,'.

Gerry Macartney, CEO

London Chamber of Commerce

Copies: Chamber Board of Directors, Government Affairs Committee