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November 28, 2019

His Worship Mayor Ed Holder and Members of City Council  
c/o The Clerk's Office  
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 monitoring the City's budget process since supporting reasonable and prudent budget decisions is a key priority for the continued success of our City's business community and our economy more generally.

The Chamber recognizes the financial pressures that the City will be facing given the increased downloading from the province. With the benefit of a full year working together, the City Council is well positioned to exercise fiscal restraint while at the same time positioning our city for further growth and prosperity.

The London Chamber of Commerce, in consultation with our Government Affairs Committee and with approval of the Board of Directors, wish to offer the following recommendations regarding the City's draft budget, scheduled for council review on December 17, 2019.

1. As you may be 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 reasonable in light of current economic conditions. We further note that a tax levy increase beyond this range, such as the 4% increase presently being discussed, is incompatible with the Chamber's longstanding formula and place an unnecessary economic burden on our members and the City's taxpayers.
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 2.8%. Should Council wish to add new items, they should balance those by finding other areas of savings.

3. As noted in the recent London Transit Commission report, there appears to be an \$8 million cost associated with the implementation of the planned lowering of speed limits in certain areas of the City. The Chamber seeks clarification on this suggested cost, specifically on the following:
  - Was there adequate consultation with the Board and Administration of LTC in determining what if any cost implications might occur should the City go forward with planned speed reductions in certain parts of the City?
  - If accurate, this cost has the potential of adding nearly two percentage points to the 2020 property tax hike. Can Council confirm that this may be the case?
  - Again, if accurate, would Council be willing to re-open the discussion of reducing speed limits in certain parts of the City until such time as all economic consequences, both intended and unintended are fully understood and made public?
  
4. Consider the disposal of unused or unproductive properties or holdings or possibly repurposing them to maximize taxpayer value from the City's assets. This could include, for example, golf courses and other recreational holdings.

We are confident that Council will make decisions that will have a positive impact on our City's long-term economic well-being. The Chamber looks forward to Council's response and we welcome comments on or the opportunity to engage in further dialogue on any of the above noted recommendations.

Respectfully,



Gerry Macartney, CEO

London Chamber of Commerce

Copies: Chamber Board of Directors, Government Affairs Committee