

Municipal Budget 2013 – Public Participation Remarks

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- Thank you for having me
- First, I'd like to say that I fully support all of the efforts that have been taken to maintain a 0% tax increase, as was promised in the last election
- I understand that someone appeared before Council last month and told you that “zero is nothing”
 - And that the city should return to its past spending habits
- I would like to respectfully say that this would not be a prudent course to take

CONTEXT / Real Operating Spending Growth

- The chart you see on the screens in front of you is one you should become familiar with
 - It compares London to itself
 - And specifically looks at how London is managing its core operations compared to how fast our population is growing
- As you can see from the slide, the city has been outspending both inflation and population growth by a significant amount
- Between 2000 and 2012:
 - London's population grew by nearly 11%
 - While the city's operational spending, after accounting for inflation, grew by 40%, over three-and-a-half times faster than the population grew over this period
 - And more than twice the rate of real disposable income per capita
- In the last couple of years this has started to taper off, but as you can see, even with last year's 0% increase, the line is stubbornly beginning to trend upwards

- It shows that even with a 0% tax increase there are other factors involved that influence the growth in operational spending and whether it outpaces inflation, population, and the disposable incomes of Londoners

CLEAR MEDIUM-TERM BLUEPRINT

- So how do we avoid returning to these unsustainable spending patterns?
- You have to stay the course and keep your 0% tax promise now
- But you also need a strong, medium-term plan
 - A politically-driven one
 - Steal one and reshape it however you want to
- One of the best examples of this type of plan is the political blueprint that the federal government put out in 2006 called “Advantage Canada”
- I stumbled upon two similar documents titled “Advantage London” on the city hall and London Economic Development Corp website the other day
- But neither one charts a course for making the city more competitive
 - Instead, they are more like sales pitches
- A few ideas that could go into such a plan would be:
 - Lay out a clear stance about the direction of city tax policy and what principles will guide it
 - What about “assessment growth”; is it just a budgeting tool to fund runaway spending, or is it a badge of honour that speaks to the economic vibrancy of our city?
 - Come up with a system for an ongoing core services review that reverses the onus and takes the pressure off last-minute budget meetings

- Set up a red-tape reduction working group to consult widely and eliminate all redundancies suffered by city staff and local entrepreneurs
- Don't be afraid to talk about collective bargaining agreements and how they're affecting core services and the ability lay out a predictable tax plan. If the Police Chief shares your concern, maybe he will co-sign a letter to the Province with you
- Consider the parameters of what can or cannot be out-sourced and further broaden the tender process
- What is our statement on shared-service opportunities with surrounding mayors; are we looking to deal, or are we not open for business?
- State what you want to do about the debt, whether paying it down or setting a specific target that you would like to achieve
- And setting up a Corporate Asset Management Review. There are many assets that aren't core services and would free up cash to keep property taxes low
- Budgets don't always need to go up, especially when there are so many options available
- It's not as simple as your department, division, or board submitting a 0% plan
- There's a hole in the city's pocket and you can't fix it by stuffing more money in