

copy for secretary

Thank you Mayor, council. My name is Mary Lou Ambrogio. I'm with the Forest City Institute, a not-for-profit which studies issues of civic governance, proposes free market solutions and critiques the usual statist solutions.

Five years ago we addressed council, the lone voice calling for fiscal prudence. We asked them to resist the pleas of groups asking for more taxpayer money. We urged them not to cater to special interests in favour of the *common* interest and reminded them of their duty to *all* taxpayers.

Since that time the *electorate* has spoken and council was given a clear mandate in 2010, confirmed more recently in an Environics poll noting that 50% of Londoners want a tax freeze or tax cuts. Towards keeping their promise, council has so far delivered two years of tax freezes.

To *dissuade* you from *fully* keeping your promise, Levin says "zero is nothing". We disagree. *Less is more* if less results in more growth, more opportunity for individuals to thrive, and more prosperity. Government does not create wealth, it consumes wealth, yet, we agree, there are essential core services that responsible governments provide. But it's the private sector and small businesses, freed from heavy taxation and high regulatory costs that *create* jobs which expand the tax base that *pays* for those core services we all want.

Some trying to throw you off course say that a modest increase would only cost the average taxpayer the price of a cup of coffee a day. But this very myopic view is willful blindness at best and deceit at worst because it ignores **the total property tax burden and** all other cost increases taxpayers face. A Canadian think tank recently reported that taxes from all levels of government have increased by 1,738% since 1961. This is an unconscionable, unsustainable burden to place on hard working taxpayers and creates conditions where only the wealthy and those dependent on tax dollars do well while the majority of the **working poor and** middle class, suffer.

We're talking about real taxpayers, homeowners, fed up with the constant financial drain on their families' income – an unwarranted, punishing drain on income, long past being justified. We're here today to remind councilors, and bureaucrats in the treasury, 'you need to get serious about fiscal prudence.' At least two councilors have shouted loudly, "show me the cuts." Well, here is our well-considered, fully justifiable list; a list that doesn't play silly bureaucratic games with cuts to popular services, and doesn't cut into core basic and essential services.

1) The Tech Services Dept is over-staffed with 73 personnel and a 2013 budget of \$15.9 million. At least half these positions could be out-sourced. We conservatively estimate a minimum savings of \$1-2 million given known redundancies in staffing.

2) The HR Dept has 40 positions and costs taxpayers \$5.2 million annually. We recommend at least one third of staff positions could be out-sourced - conservatively estimated savings of \$500,000.

3) The recently formed Corporate Investment Office has already built up a coterie of 6 positions which costs taxpayers \$644,000 in staff salaries. At least 3 positions are redundant. To date this department has only produced two reports. Why did the City hire an MBA as Director if he can't write his own reports? Estimated saving \$300,000.

4) Far too few City Hall departments are keeping their budgets at 0%; indeed 0.7% seems to be the magic number. Too few are looking for productivity gains. Example, why are those in garbage services not making use of automated pick-up trucks with just one attendant/driver per truck? If the Municipality of South Huron can do it, why can't we?

5) On the capital budget we need to stop construction of two brand new large and elaborate Recreation Centres in the Southeast and Southwest, at \$40 million a pop. These facilities are far too expensive in the current economic climate. And stop contributions to the reserve fund immediately.

6) The Police Dept? They're just irresponsible on budget matters. Another 3.6% increase on a \$91.2 million budget. And they even do their own internal "workload analyses" – hardly a neutral, independent review. Council should reject their budget; tell them to come back at 0%. If they refuse, take them to a provincial tribunal. Savings: \$2.5 million conservatively estimated

7) Council should consider selling off its golf courses. The municipality shouldn't be in this business. The current budget for golf services is \$3.6 million, and yes we know they break-even. But it is an inappropriate municipal function, full stop.

8) Other capital budget reductions should focus on the \$7.2 million Open Space purchase. We should also be selling off capital stock in the public housing area; expenses far exceed our capacity to sustain the current housing stock -- now the size of the Town of Goderich.

Total savings: A minimum of \$5 million.

The belief that a budget must increase every year is a relic from an age awash in illusions of abundance. Resist the siren call of reckless spenders. We can get to prosperity if we **stay the course**.