



Presentation to Council – January 26, 2009

Good Evening your Worship and members of Council.

My name is Sean Lawlor and I am the President of the North Bay and District Chamber of Commerce, the Voice of Business in our region. Our membership is comprised of close to 900 businesses, of all sizes and sectors, from throughout the region.

I am here this evening to make a presentation to you regarding a municipally related concern, which was raised at our recent Business Leaders Forum, held on January 13.

I would like to thank those of you who attended. Your input was greatly appreciated.

The economic crisis, is of course, causing many businesses to take a critical look at their operations to determine what changes can be made, and to evaluate alternatives, such as layoffs, cutting staff hours and, in some cases, unfortunately, the consideration of closing up shop altogether.

I think it's important to remember that small business is the backbone of our economy, representing more than 85% of all employers in our region. Anything we can do to help out small business in tough times is a benefit to us all in the long term.

One of the biggest municipally related issues raised at our Business Leaders forum, was taxes.

Obviously the City has some challenging times ahead, with increased costs, unforeseen decreases in revenue and a mountain of infrastructure needs.

We understand these challenges and the effect that maintaining good services and infrastructure has on the competitiveness of our entire community in the long term. Nevertheless, we need to be cognizant of the ability of our business and residential taxpayers to shoulder additional costs in these difficult times.

I think that many people were alarmed when they first heard that the City was looking at a tax increase this year of more than 6%. Now it is reported to be down to 3.9%,..... which is a good direction to continue with, in order to assist our businesses and residents through these difficult times.

The challenge now, as you continue on with the goal of making further reductions, is to distinguish between that which is indispensable and that which is merely important.

I want to point out that I am not here tonight to criticize or to tell you what rate should be adopted. I am here to convey some of the concerns of the local business community, mainly in light of the fact that we are currently experiencing one of the most serious economic situations the world has ever seen, so that you can take these concerns into consideration, as you continue on with your budget deliberations, prior to setting a final rate in March.

I want to mention that the Chamber of Commerce is in full support of the City's position of the need for sustainable infrastructure funding, and we have conveyed that message to the Minister of Finance, through the Canadian Chamber of Commerce, a network of more than 175,000 member businesses across Canada.

Our businesses are faced with other challenges as well, many of which were discussed at our business forum, including the next round of minimum wage increases, scheduled for March 31, 2009. Our members are concerned that this will place a further burden on their businesses, requiring them, in many cases, to consider additional layoffs and in some cases, closure. We have already conveyed these concerns to our MPP, the Honourable Monique Smith.

Among the other challenges faced by our businesses are increased energy costs, the recent MPAC assessments, decreased consumer spending, the low cost of labour in other markets and general uncertainty regarding what the future holds, among many others.

The Chamber of Commerce is very concerned about these and many other issues affecting our business community at the present time, and we are committed to doing everything in our power to help our businesses through these challenging times.

You know, it was only a month, or so ago, that the Federal Government was projecting a surplus budget for 2008 and telling us, that Canada was somewhat insulated from the events affecting countries throughout the world, because our banking system was strong. These claims were supported by statements like, "Remember, Canada is not the United States. The fundamentals of the Canadian economy are sound". These statements were backed up with actions, such as including absolutely no stimulus in the federal economic plan, announced on November 19 of last year.

Now, we are faced with a certain federal deficit in 2008, combined with estimated deficits of more than 30 Billion dollars for each of the next 2 years, resulting from the greatly needed economic stimulus our country requires to pull us out of recession.

So now, indeed, Canada has followed suit, albeit reluctantly, with almost every other country in the world, in changing their game plan and agreeing to commit desperately needed dollars, to help our country's citizens and businesses through this critical period.

Sometimes history can provide us with some useful insights.

When the Titanic set sail for its maiden voyage on April 10, 1912, Canard Lines promised clear sailing ahead for the great ship. Nothing could stop them. Some remarks were even made, that even God could not sink this ship.

They chose to ignore the numerous and significant warnings of troubles ahead, thinking they were somehow immune to any potential threats, and as a result, they faced a remarkable disaster that no one would have predicted.

We understand that this Council has spent considerable time developing a focused, long term plan, and that you have a clear vision for the City of North Bay. We also understand that you have been committed to sticking with the plan over the past several years, with overall positive results.

What we're saying is, even though the plan has generated positive results to date, let's not ignore the ominous warnings of troubles ahead. Let's take a careful look at modifying our game plan, to bring it in line with what's necessary to deal with the situation at hand.

We hope that you will take these concerns into consideration, as you continue to work at further trimming this year's budget over the next month or so, recognizing the delicate position of the business community in the near term.

Thank you very much and I'd be pleased to answer any questions you might have.