



Media Release

For Immediate Release

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NOW IS THE TIME FOR CITY COUNCIL TO GET SERIOUS ABOUT COST CONTROL

THUNDER BAY – Today, the Thunder Bay Chamber of Commerce released a report, prepared by Lakehead University's Small Business Consulting Services, which utilizes information from the city's financial statements and the BMA Management Consulting Inc. Municipal Study 2012 to analyze the state of the city's finances and forecast property taxes for the next four years. The report predicts that property taxes will reach alarming levels if municipal spending continues to increase at the current rate.

"The business community is supportive of City Council's strategic vision for a Thunder Bay that is connected, healthy, vibrant and strong – achieving that vision is dependent in many ways on the competitiveness of the municipality. This report provides proof that Thunder Bay lags in efficiency when compared to other Ontario cities. As such, we believe that City Council needs to reduce municipal operating costs to improve attractiveness and affordability," says Charla Robinson, Chamber President.

The report highlights the following issues:

- Property tax rates are among the highest in Ontario
- Thunder Bay ranks last against eight comparative cities in overall performance
- Operating costs are above both the Provincial and Northern average and are higher in 20 of 27 categories
- Total operating expenses have increased from \$346 million in 2002 to \$505 million in 2012
- General government category expenses have almost doubled, from 14.3 million in 2002 to 27.3 million in 2012

The report also forecasts annual taxes for the next four years based on historical data and projected current value assessments:

Property Category	Projected Tax Increase Per Year
Residential	7.93%
Multi-residential	8.70%
Commercial	5.17%
Industrial	8.53%
Large Industrial	4.90%

In addition, the report indicates how a minimal variance in revenues or expenses (plus or minus 1% & 2%) could impact tax rates. The full report is available at: www.tbchamber.ca

Robinson continues, "Unless Council takes immediate serious action to cut costs, residential taxes will continue to rise by nearly 8% each year, commercial taxes by over 5% and industrial taxes by over 8.5%. Inaction will continue to make Thunder Bay one of the most expensive places in Ontario to live, work, play and raise our families."

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For further information:

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