



November 24, 2009

Sharon MacPherson-Nemeth
Project Manager
City of Hamilton
55 John Street North – 6th Floor
Hamilton, ON L8R 3M8

Dear Ms. MacPherson-Nemeth:

I am writing today on behalf of the 2,100 members of the Hamilton Chamber of Commerce who represent 1,200 employers of all sizes and sectors who collectively employ some 75,000 Hamiltonians from all parts of this City. In response to the recently held Industrial, Commercial, Institutional Stakeholder Meeting held by the City of Hamilton regarding the Stormwater Rate Feasibility Study.

First and foremost, the Chamber acknowledges the requirement to invest in the improvement of both wastewater and stormwater infrastructure across the City of Hamilton. The need for these investments has never been more apparent than during the summer of 2009 when many Hamiltonians were dramatically impacted by severe storm surges and the absolute failure of these systems. However, as a matter of policy, the Chamber remains opposed to special taxation rates that result in an inequitable share of this investment being borne by the business and industry across Hamilton that continue to create jobs and wealth in our community.

Frankly, we are disappointed at the level of detail that was presented at the recent stakeholder meeting and find it difficult to provide any substantive comments on the current proposal in the absence of sufficient financial data or information regarding the criteria for credits and/or exemptions from the proposed tax.

Based on the information that was provided, the Chamber views this proposal as a new \$50 million tax – one that will be largely borne by the business community. We find this unacceptable and remain concerned that there will be no opportunity provided for a review of alternative options or detailed financial implications in advance of the final report and recommendation being presented to City Council.

During the course of the Stakeholder Meeting, several concerns were raised that we at the Chamber share, including (but not limited to):

- Despite the creation of a new fee structure for stormwater services, there is no commitment from the City to reduce the other fees (i.e. water rates, property tax) once the current \$26 million from the budget is moved to the new fee structure despite increases in recent years that were in part intended to cover these costs;
- The cost of stormwater services for city owned / public lands will be distributed across the remaining rate base and again be disproportionately borne by business;
- Publicly funded institutions (i.e. schools) that are subject to this fee will require increases to their budgets and ultimately an increase in education tax rates. The result will be an even greater share of this burden landing on the business community who already pay a disproportionate share of education taxes;
- Pass through costs to customers will be significant and may result in businesses in Hamilton being less competitive; and,
- The lack of exemptions and sufficient credits for stormwater diversion make this a pure tax and not a user fee. Both residents and businesses that invest in systems to divert stormwater from City systems should be credited accordingly or exempt from this tax altogether.

If the City truly wants to pursue a new funding arrangement with ratepayers for stormwater services in advance of the 2011 tax year, the Chamber believes there is still time remaining for a more thorough and informative debate about these concerns, the alternative options available to fund stormwater services and the long-term implications on the competitiveness of our businesses.

While the Chamber strongly agrees that the aging infrastructure that manages our stormwater is in pressing need of service and capital investment, we would encourage the City to provide more time for both the business and residential community to provide their comments once full details of this proposal are made available and in advance of any formal recommendation being made to City Council. This will result in a more informed and effective debate and allow appropriate consideration of options that are more equitable and share the burden of new taxes in a proportionate manner.

Thank you for your consideration of these comments and we look forward to future deliberations on this matter.

Yours truly,

Ruth Liebersbach BA, CMA, C.Dir, FCMA
President, Hamilton Chamber of Commerce

CC: All members of Council