



April 27, 2006

Mayor Anne Marie DeCicco  
Board of Control and Council Members  
The City of London  
c/o City Hall - 300 Dufferin Avenue  
P.O. Box 5035  
London, Ontario - N6A 4L9

Dear Mayor DeCicco and members of Council:

**Re: Revised Tax Rate Increase of 3.9% as reported in the London Free Press**  
**04/27/06**

The Board of Directors of the London Chamber of Commerce at their monthly Board meeting held earlier today expressed considerable concern over the 'revised' estimates to this year's property tax rate increases.

You will recall that earlier this year, the Board forwarded their congratulations to Council for having kept the annual rate increase to the Chamber's recommended rate of 3% per year or less. This annual target allows the municipality the flexibility to stay within the annual rate of inflation coupled with London's annual population growth numbers.

We are still of the view that Council and Administration indeed did adhere to those guidelines to the extent that they were able to control the expenditures directly under their purview. Regrettably, tax shifting, which is not under the purview of the City, has caused this unforeseen and unfortunate circumstance and places Council in the unenviable position of having to choose from a list of unpopular options.

Regardless of the probability that residential rates may rise to 3.9%, the Chamber nevertheless still stands by its position of targeting the overall annual property tax rate increases to 3% or less.

How you achieve this rebalancing will be difficult and we understand that. That being said we would respectfully recommend the following:

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**RECOMMENDATIONS:**

1. Do not shift more of the tax burden onto the commercial and industrial sector. This would be counterproductive in terms of our combined efforts to attract new investments and jobs particularly as we approach the development of “London’s New Economy”.
2. Do look for more ways to decrease program expenditures and increase municipal revenues (see our 2005 Budget Recommendations).
3. Do not use monies that have been earmarked for debt repayment to mitigate this year’s problems. That would only be postponing the inevitable and would damage our economy in the long run.
4. Continue to press the Province for property tax reforms so we don’t find ourselves in this same predicament year after year.

We would be pleased to answer any questions and would also be available for further consultation on this matter.

Sincerely;

Gerry Macartney, CEO and General Manager  
The London Chamber of Commerce

David Gurnham, President  
the Board of Directors