

Speaking Notes
Mayor Norm Boucher
Mayor's Breakfast
October 21, 2008

I would like to welcome my fellow City Council members, City staff and members of our small business community.

I would also like to extend my appreciation to the hosts, Community Futures – Entrecorp and the Sunrise Rotary Club, for the opportunity to speak with you today.

Small business is an integral and vital part of our community and we depend on small businesses and their owners to keep our economy strong. . Like Robert Frost said “By working faithfully eight hours a day you may eventually get to be boss and work twelve hours a day.

Here are some statistics on small businesses in the United States I thought you might find interesting, because they mirror us. It is an example of how vital small business is to the economy of all countries.

Small Businesses:

- Represent 99.7 percent of all employer firms.
- Employ half of all private sector employees.
- Pay 45 percent of total U.S. private payroll.
- Have generated 60 to 80 percent of net new jobs annually over the last decade.
- Produce 13 to 14 times more patents per employee than large patenting firms. These patents are twice as likely as large firm patents to be among the one percent most cited.
- Are employers of 41 percent of high tech workers (such as scientists, engineers, and computer workers).
- Are 53 percent home-based and 3 percent franchises.
- Made up 97 percent of all identified exporters and produced 26 percent of the known export value in FY 2002.

Information on this same website stated that the irony of small business is that during an economic crisis, more small businesses spring up - their numbers increase. As larger companies start to lay off employees, many people decide to go into business for themselves.

As one of our city's largest employers, my fellow City Council members and I are keeping our fingers on the pulse of our city and closely watching the events of the current economic crisis unfold. It affects small businesses, large corporations and governments. Neither the investor, nor the spender, is deemed safe from the effects of a market crisis.

Based on broadcasted and documented information in the media, I am confident that Canada and Alberta will not be as affected. China may take a harder fall! Medicine Hat so far has been able to remain safe from the crisis that has affected its neighbours to the south. Historically, Medicine Hat has typically weathered economic storms better than many other communities in the province or Canada.

City Council remains prudent in its decisions to make the best investments available in order to protect our residents, our city and our natural gas resource and to remain fiscally sound with City investments and decisions in our service delivery. I've been assured by our administration team that the City's investments, which are conservatively focused, performed well in the past quarter and would appear to be continuing to perform as expected for the current quarter.

It's interesting that as Council manages the affairs of the community we are not unlike small business. Like business there is a constant need and desire to improve, check our progress and ensure we are doing the right things in the best interest of our community.

It is with this frame of mind that we are currently undergoing a review of natural gas resources by consultants Ernst & Young. Under its Sustainable Utilities objective, City Council requested that we "conduct an external review of the Energy Division". Specifically of interest is Electric Generation and Gas Production, in order to maximize the City's energy value and future sustainability."

Ernst & Young has assisted the City with acquisitions and advised on tax matters over the years.

They will undertake an analysis of a number of strategic options; the risks associated with each and the financial implications. A report will be provided to Council by late December 2008, early January 2009. City Council will then be in a position to determine how we want to move forward with our Energy Services.

Administration continues to encourage investment in capital projects in the city to keep our infrastructure intact and ensure residents are receiving quality services efficiently and effectively.

As we move forward with these projects we encourage businesses, some of you present in the room, to bid on these projects so we can keep the jobs local and support our community.

It is our fundamental belief that an open competitive procurement process serves the taxpayer and provides the best opportunity for business and industry to provide its products and services to the community.

We treasure our vibrant community. Our bridges, roads and trails are continually monitored and repaired as required to maintain the quality of infrastructure Hatters have come to expect.

Municipal government and the province will continue partnerships on infrastructure projects as we see this as a huge investment in our community. Projects like these mean Medicine Hat is growing and the need is there for upgrades, repairs and preventative maintenance.

As these projects continue, however, we expect there is going to be an increase in the cost of these projects and the resources needed to carry them out. City Hall spending will need to be reviewed, as inflation continues and bearing in mind the condition of the economy as we speak here today we may be facing double digit tax increases unless some of the basic infrastructure and project obligations are put on hold.

Administration and Council are approving budget amendments for projects that were approved one or two years ago because of rising costs in the market. Fuel prices have increased, wages have increased, as have prices for supplies. Unfortunately, until the economy slows down and prices decrease, the implications for a substantial tax increase for 2009 will remain.

The Medicine Hat Airport is another source of infrastructure that Council feels is important to maintain and develop. A goal to provide opportunities for more frequent commercial flights and potentially larger aircraft is being developed as part of the approval of an Airport Plan.

The airport is in the final throws of the Air Travel Analysis with a final report anticipated in November or December. This survey will aid in understanding what potential opportunity there is for enhanced / additional air service. It will assist in developing a strategy to market that opportunity to air service providers.

Subject to Council approval, 30 acres of airport land will be serviced and placed on the market for development in the next 12 – 24 months. An area structure plan will be done for the airport to assist in guiding sustainable development for airport lands.

The economy is vital to the existence of small business and I welcome those that wish to bring feedback or concerns to my attention. My door is always open and we continue to offer Keith Crush, our Business Development Officer, as a key contact with the business community. For matters of business, industry and new market opportunities Keith is a link to economic development within the city.

To keep Medicine Hat vibrant and continue to be “a community of choice”, City Council made the decision to approve several new projects and studies over the past couple of years.

On Oct. 6, we launched many new Transit services, including holiday and Sunday service, as well as the introduction of scheduled evening service. In the New Year, we will be moving to more direct routes to get riders to their destinations even faster.

We continue to move ahead with our Affordable Housing strategy with the goal in mind that every resident will be allowed the dignity and security of a roof over their head and the ability to allow their children some peace of mind.

A Downtown Vision is in the Works. The City of Medicine is embarking upon a new plan that will envision the Downtown for the next 10 -20 and even 30 years. In October we asked residents and business owners to provide their input into what they feel that entails. Various proposed plans for the downtown were presented to the public, along with some immediate and medium term action plans to begin moving forward.

HAT Smart, the City's environmental initiatives, continues to grow and expand as new opportunities present themselves. HAT Smart allows us to showcase ways to help residents and businesses conserve and reduce energy. Solar and photovoltaic heating, energy efficient appliances and windows, reusing and recycling...there are many ways to save money on your energy costs and conserve for environmental reasons. In reality, Council is taking an ethical approach to help our people and the environment against a higher sale potential of energy.

HAT Smart continues to hold Home Energy Audit Seminars the first Wednesday of each month at City Hall. The seminars are free and are mainly geared for home owners, but there are helpful tips for small businesses as well. The HAT Smart website www.hatsmart.ca is another great source for tips and ideas to help you save money on your utilities.

City Council encourages public consultation processes for all projects that affect residents and / or businesses. We depend on you as small business owners and residents to support these public consultations. Administration and City Council depend on your input, feedback and support to make these projects as efficient and effective as possible,

whether it's an area redevelopment plan for the North Flats or a major construction project in your area of the city.

As we move forward with our vision of what we all want for Medicine Hat as we get closer to the second decade of the new millenium – a viable economy, a vital and thriving community, sustainable growth, a vast and economical alternative energy source and sound infrastructure - we ask for your continued support. Your support to our community is vital to the vision we all anticipate for our city.

You provide sponsorship to our baseball teams, our charities and our events. You provide resources and services to the city government, jobs for single mothers and single fathers and jobs for students working for their post-secondary education.

We hope in turn this supports your dreams and your goals. A dream of owning something of your own while providing for a community that supports you in that dream. Along with that is the feeling of pride and dignity that giving back provides both financially and spiritually.

We anticipate the future to be bright in Medicine Hat in the coming year. We have weathered financial downturns once and will weather them again. Each time we learn something new, we learn a better way to maintain and use our resources to save for a “rainy day”. As the famous saying goes “this too shall pass”.

Take care everyone and I wish you great health and success in the upcoming year!