

**Chamber Speech**  
**November 15, 2010**

Thank you all for being here today, to talk about what your Council is working on in the first weeks of this new term and what some of our key opportunities and challenges will be over the next three years.

We are just four weeks after the election and for the most part that means that we are now well into the work of the term.

In fact, it means that we've just been handed Administration's budget and are now all pouring over more than 1000 pages of information about how our City plans to spend about 1.5 billion dollars on services and programs in 2011.

If ever there was a clear message that the work has begun, it comes with the budget documents.

But I do want to reflect for a moment on the campaign. There is a significant degree of consistency in the new Council team – with all incumbents returned and with two new Councillors who both have a remarkable degree of City experience.

And I wonder about the message that this level of consistency sends. Is it "stay the course, everything is great"? I don't think it is.

And don't get me wrong – I believe the election delivered some strong messages endorsing the work of the past Council and the overall positive agenda it crafted over.

Receiving our citizens' endorsement of our work and our priorities is significant and humbling and not to be taken for granted.

And it's on this final point that I pause and reflect on the true message of the campaign, because yes, I believe we have a mandate to carry forward on our agenda.

But I also think there is a strong message that we must carry forward by honouring our promise that the solutions we have chosen will really work for Edmonton.

So when we build LRT – our task is not just to build it, but to deliver on its promise in how it integrates with our communities, how it makes our overall transit system more efficient and how we deliver it without placing unsustainable debt or tax burden on our citizens.

When we talk about airport lands, we are not only talking about effective transition work but we are asking our citizens to help shape a new core community and choose what comes next.

And when we talk about making this a sustainable community, we are seeing the potential to not only incorporate new green technologies but for our city to work with partners at NAIT to be the innovators.

And when we talk about EXPO – we aren't just talking about a great event, but about a transformational activity that will boost the position of our region on the economic, social and political agenda of our nation.

We are talking about impacts both in how our City is presented, seen through what we build here, and we are talking about transformational impacts in how our region – right at the centre of the world's most promising energy stage – delivers on its vision.

So far from a "you're great, keep going" message, what I and my Council colleagues have heard is really, simply, that we have a lot of work to do and that expectations are high.

**Chamber:**

Which is why I am especially pleased to have the chance to speak with the Chamber today.

Because when we look at what's ahead, we are going to need partners.

Over six years I have grown strong admiration for the potential of this organization to help lead this community.

In key areas I think the Chamber has been a leader. When we were advocating for regional change, the Chamber helped to galvanize the support of businesses across the entire region in support of a regional plan.

When we focus on the North, the Chamber is a constant leader.

Over the last number of months there have been those who have called the strength and importance of our northern relationships into question.

This is something that we have to address, with our partners, to reaffirm the importance of relationships that so strongly serve all of us, both in Edmonton and the North. Again I believe that the Chamber will have an important role to play here.

I've said in recent weeks that the key takeaway lesson of the campaign has been a clear message that we need to do a better job in how to engage and inform our community.

This is one important area where I believe we can do much better.

But in as much as I think there is more the City can do, so too do I believe we need to hear more from our business community as much as we hear from all of our communities on key issues, on policy direction and on the ways that our City can work better with our businesses to support your competitiveness and growth.

We need an active partner.

And let's be clear, engagement isn't a zero sum game. It doesn't mean that consensus will be possible on every issue, but true engagement will require that we do a better job with a full range of voices across our city.

And it will mean that all voices help to shape our decisions. It means providing continuous avenues for involvement as we make decisions, and as we implement these decisions.

So as we work to frame an EXPO bid, as we place structure around our vision for the airport lands, as we consider ways of re-energizing our core communities, as we seek to find more ways to make Edmonton a truly sustainable city, we will need to hear more about the business role in these efforts.

I hope you will take up this challenge and look for more ways in which you can be a positive force as a partner on these many initiatives.

**Budget:**

And as we all know, we're now into one of those regular cycles now, budget.

On the surface you might say our 2011 budget looks reasonable, a five per cent increase including 2% for neighbourhood capital improvements, so a 3 per cent increase in the operating budget overall.

And for people like me who don't think we need to charge the 5% this year, there are clear paths to apply short-term solutions that will bring us more into line with a total increase of 3% for the year (including neighbourhoods). It is imminently do-able and I am confident we can get there, but I will have to work with Council to make it happen.

But is it a solution?

The year over year challenges of meeting the needs of a growing city can't be solved with short-term adjustments, nor can we just decide not to grow, or not to respond to the needs of our citizens.

And the year over year trends which suggest that we are solving our budget challenges with shifts of some costs to utility structures, and paying for more operating costs through fees are not long-term strategies for a city that ranks fiscal sustainability as a primary goal.

There are some challenges that Council is going to have to show some courage and tackle.

Like the fact that our wage costs are taking up an ever escalating portion of our budget every year. We have to be able to work cooperatively but deliberately with our employees and unions to bring these costs into line.

And there's the size of our bureaucracy which is growing to take on new challenges without rationalizing tasks that have grown redundant. It always assumes it should look for new resource first, rather than reallocating what we have now.

It's a simple principle of balance, we have a vision and city plan that is taking us in new directions. We have to find the redundancies that are being left behind and re-task resource first before just assuming the solution is always to grow.

Which leads into the fourth and hardest problem of all, that we are trying to run an elastic organization on the back of an inelastic and fundamentally unfair property tax system.

I have never been a fan of property tax. It is regressive, it simply doesn't match economic output as a fair system would.

Edmonton is not alone here. This is a tough issue for every major City in Canada that our primary revenue source does not grow with the economy.

And again, I don't think the solution here is to apply more taxes.

I fundamentally believe that Canadians pay a fair tax dollar, but the sharing of that dollar is grossly out of line with a federal system and provincial system taking a 95% share and leaving us to run Cities on the nickel that is left over.

So while there are things our City can and must do to bring our costs into line, the fundamental challenge is still one of imbalance and we will have to look for solutions here too.

And we have to find solutions because we want to do the big things, like LRT and EXPO. We need to have the resources to allow us to ready our structure to realize some of the biggest projects we have ever undertaken.

We have to be ready to respond and be the kind of City our citizens have told us overwhelmingly that they want to be.

### **EXPO:**

And we see this taking shape through EXPO. We are continuing to work on our EXPO bid, supported by the tireless efforts of our volunteer board.

I have been so impressed by the passion and energy that so many in our City have undertaken both to bring this opportunity forward and to support our efforts.

In April 2009, when Ottawa issued the call for Cities to submit proposals to be Canada's 2017 EXPO bid City, it was these people who stepped forward.

They convinced our City and our Province to be supporters and they put forward the only strong, achievable, affordable proposal to welcome the world to Canada through EXPO.

Our drive for EXPO says a lot about the kind of City Edmonton is today, one of growing ambition and confidence. A city that thinks its time has come and it's time for others to take notice.

And they have noticed. Our bid has won support of our Province and Canada's Capital Cities. It is supported by Western Provinces and the Northwest Territories. Our Alberta MPs have come on board and offered their support.

Site visits from the Federal Government have gone well, demonstrating the strength and achievability of our plan.

This support, all of it, reflects understanding that Canada wins if Edmonton wins.

So when the Prime Minister talks about the growing importance of Canada as an energy superpower, we know he is talking about us, our Province and Region, and we are anxious to show the role that our region plays everyday in delivering

for Canada. We know that EXPO is the best possible vehicle to deliver this message to the world.

And when Canada contemplates its 150<sup>th</sup> birthday and thinks about its future, we know that now, more than ever, it is us and it is here.

And we think it's time for all of Canada to not only notice but to join us in celebrating our Nation from Edmonton's beautiful river valley.

And when the world wants to talk about a balanced future and the real, responsible potential of our energy sector we know that the best place to have these discussions is here, where our researchers are at the forefront of the innovation that will make it happen and our business sector is applying new solutions every day.

And we know that if we are truly going to engage in this discussion it will be by showing what we can do, right here, to make it real.

We have been so pleased with the support we have received from our community, the business and community leaders who make up our EXPO team, and from the Province and our neighbours, with the clear message that they share our enthusiasm and ambition around this opportunity.

We are now anxious and excited for our Federal partners, ultimately the ones who kicked off this process, to meaningfully come to the table to deliver on what it says it wants for Canada and to show that it understands and supports the role that Edmonton can play in this process.

And while EXPO represents a brash new external ambition of our City, there are a number of other initiatives underway that show how a more proactive, ambitious Edmonton is making a difference for itself.

And there is none that I could be more proud of than this morning's announcement that our homeless count showed a strong, real reduction in numbers this year. For the first time in many we have not only reversed course on increases, but we've seen real reductions in numbers.

This effort is a credit to the business and community partnerships behind our Homeless Commission who took on the audacious challenge of ending homelessness in 10 years and has now, working with Homeward Trust and other ground-level partners, to show it can be done.

And it's a credit to our provincial government that has matched promise with deliver on commitment to give our agencies the tools to do the work and get the results.

Don't get me wrong, our challenge isn't over, but real measurable results show us that we are on the right track.

We are seeing results in reduced pressure on our shelters and with less panhandling in our downtown core.

These results should strengthen our resolve as we move forward and begin to tackle the harder challenges of meeting the needs of those with addictions and mental challenges.

They also lend strength to my fundamental belief that the role of government is best played by empowering others to do what they know how to do.

So whether it's homelessness, community safety or a new effort that will begin to focus on the fundamental challenge of sustainability and revitalizing our core communities, the effort will be the same, we will look to create the conditions and apply the resources needed to allow our community and business leaders to work together and find success.

And as much as these are key community issues, the lessons on process and partnerships are no less valid when we consider the potential transformational impacts of a new downtown arena and entertainment district.

We are now well into our community-level discussions around the substance of a deal on an arena and entertainment district. It is an issue of interest to all Edmontonians and so far more than 18000 voices have been part of the process.

Hopefully even more will weigh in and then the challenge will be to work with the input of our citizens and with business and community partners who are part of the process to craft the best deal for Edmonton.

This is an exciting and important decision. It has the potential to change the shape of our downtown so I encourage you all, along with families, friends and co-workers to have your say.

### **Economic development**

I think we have come a long way in working with our communities to find solutions on issues of homelessness and safety and I think we need to do more to apply process to how we develop the business side of our City as well.

We've given a lot of focus to our efforts as a City to transition to transit-oriented development and to improve our record on urban sustainability and these are important efforts.

But they must be equal partners to understanding that we also need to build a sustainable and prosperous economy, and this is an integral part of our City's new Vision and strategic plan.

Under our new planning document "The Way We Prosper" we are focusing on how we can create a smarter and broader economic vision for our region's future.

And we can do this by better understanding that our long-term economic goals will need to build on grassroots efforts to expand economic development in the region and to provide better mentorship and direction to our innovators so they can succeed here.

We can't lose sight of the strength of opportunities here, the innovation coming out of our post-secondary institutions, our rapidly growing knowledge-based workforce, and of course our proximity to the Oilsands which continues to drive investment and entrepreneurs into our region.

We need to do more than capitalize on our current opportunities.

To do this, we can look at building on our core resource strength and to focus more on our most promising regional growth areas, like agrifood, advanced technology, green industries, and medical devices.

I am encouraged as more and more of this effort is going to happen on a regional scale – I know that we have strong partners in our neighbouring municipalities.

But we also need to look at our city structures and red tape to continue to improve how we partner with our business community and encourage new business to grow in our city and region.

We need to be a better business partner to our small businesses, working inside of our community revitalization efforts and understanding the role that small, local business offers to transform neighbourhoods and streetscapes and in promoting walkable communities bustling with the people they bring to their doors.

We need to think outside of traditional structures and harness the energy of our First Nation's communities as employees and business partners and as an important part of our creative class.

We need to think of our arts industry as an industry and important economic driver of more than \$100 million in annual economic benefit to this City. We need to be prepared to grow our investment in this sector in order to make our arts community a key community and economic differentiator for Edmonton.

**Conclusion:**

It is time for us to focus our attention on these directions as a primary part of our efforts to build a sustainable Edmonton. Because we simply can't achieve our major goals unless we sustain and grow the economic base that will, in turn allow us to be equal to our ambition.

If we are going to use the next three years to honour the expectations of our citizens, we must work on all of these fronts to deliver.

By using limited resources to the maximum ability, and constantly challenging ourselves to do better.

By working with communities, business and individuals across our City to address major community challenges and gain support for the directions we choose.

By being ambitious and aiming for broader goals than we ever have before.

And by widening the scope of what constitutes our economic base beyond our traditional roles and ideas.

And through all of these efforts we will fulfill our promise to Edmonton and we will all succeed.

Thank you all for being here today.