

Words for Valerie Payn  
Annual General Meeting  
April 22, 2003  
WTCC  
(as of April 10, 2003)

*(At approximately 4:02 pm)*

(PowerPoint slide 1 - Title page)

Good afternoon everyone. Thank you for joining us today at the Chamber's Annual General Meeting. I am very pleased to see so many Chamber members and volunteers have made the choice to join us for this year-end report.

Near the end of this hour-long agenda, we will have a question and answer period. As always, we welcome your input. So please, ask any questions you may have regarding the information presented to you today by myself, Jeff, Larry LeBlanc, or Gracey Southwell.

This AGM marks the conclusion of our eighth operational year as the merged Metropolitan Halifax Chamber, and it was an exciting and challenging year for our almost 2,000 members, over 400 volunteers and 14 staff.

To help you as I deliver my operational report, the presentation that accompanies this address is also included in the information package that was distributed prior to the meeting.

Please, use the written material included in your package to take notes and write down any questions you might have. I would also like to mention that the presentation will be available on our web site following this meeting.

*(Pause)*

As we enter our ninth year as the amalgamated Chamber, I am happy to report that 2002 was a successful year for us. I would like to take this time to highlight some of our operational developments and achievements over the past year.

*(Pause)*

(PowerPoint slide 2 – Chamber Profile)

Our corporate membership mirrors the diverse business community found in Metro Halifax, and it illustrates why we provide such a strong voice for small business.

More than 73% of member companies are small businesses with 25 or fewer employees. (*Valerie, that's 1,395 members of the total 1,911.*)

It is worthwhile noting that this representation extends to our senior volunteer officers – in fact, Jeff, the Chamber's outgoing Chair of the Board – is responsible for a small business and is intimately familiar with the particular joys and challenges of running a small operation.

We have strong member representation in industries traditionally found in Halifax, such as the military, transportation, and manufacturing, but also in emerging commercial sectors such as the energy sector. Our incoming Chair, Larry LeBlanc, is a wonderful example of the Chamber's representation in this sector.

However, we must also not forget about the other sectors, like healthcare, where the Chamber has become involved. Taking direction from our strategic plan, the Chamber has addressed the important issue of healthy work places in HRM. We continued that push in 2002 and will go even farther in 2003.

(PowerPoint slide 3 - Chamber Membership)

The Chamber enjoyed another strong year in 2002, thanks to significant growth in membership revenues, strong attendance at our 70-plus events, and overwhelming support from our more than 400 volunteers.

As of December 31st, the Chamber had 1,911 members and 2,762 representatives, the largest of any mid-sized Canadian city.

Perhaps a more significant figure for the Chamber, however, is the total number of employees whom we represent across HRM – 93,000 men and women. This number represents almost half of our city's work force.

As part of our overall strategic plan, the Board identified the goal of Chamber representation of 100,000 HRM employees by 2005. Well, at 93,000, our goal will definitely be achieved before our 2005 deadline – one of our early Membership achievements.

In the future, you will see these numbers more often as they more accurately reflect the extent of our influence and representation in HRM's business community.

*(Pause)*

(PowerPoint slide 4 – Chamber Finances)

Our financial picture mirrors the Chamber's role as the rock-solid foundation for the business community in HRM.

Our total operating budget for 2002 was slightly over \$800,000, up 9.4 % from 2001. Very welcome news. This increase is due to growth in net membership revenues, which saw a gain of almost \$72,000.

The Chamber's robust event offering, which meets the needs of our very diverse membership, held its steady pace during the year and other source revenues grew by almost 9%.

*(Pause)*

(PowerPoint slide 5 – Expenses)

Expenditures did experience an increase of \$41,000 in 2002. The increase was spread across a number of areas, such as official chamber business, audit and professional services and amortization. This increase was budgeted in 2002. And, it is important to note, that we did come in *under* our projected budget for expenses and exceeded our projected revenues for last year. All in all, a great year financially for the Chamber.

(PowerPoint slide 6 – Revenue Sources)

Gracey Southwell, the Chamber's Vice Chair of Finance & Administration, will speak more to the Chamber's finances shortly.

For now, I will highlight the Chamber's various sources of revenue.

Membership fees make up 70% of overall revenue.

Attendance and sponsorship of our events, like our Distinguished Speaker luncheons, the Business to Business Expo and the Golf Tournament generate another 19%.

And other revenue streams, such as group insurance and certificates of origin, account for the remaining 11%.

These revenues are used to deliver services directly back to members, including conducting policy and advocacy work on your behalf, providing networking opportunities and events, and a variety of other programs and activities.

*(Pause)*

(PowerPoint slide 7 – Chamber Events)

On the events side . . .

The Chamber hosted 73 events in 2002. This slide shows only the most visible events that appeared on our calendar, but we also organized many networking events and seminars. In fact, more than half of all events offered in 2002 were free for members.

Attendance at Chamber events in 2002 remained high, with over 10,000 HRM business men and women frequenting our luncheons, seminars and networking sessions.

*(Pause)*

(PowerPoint slide 8 – Policy & Advocacy Wins)

On the policy and advocacy front, the Chamber was active on many issues.

The Chamber's over 400 hard-working volunteers kept the Chamber front and centre on the key issues of the day as we worked to make our community an even more vibrant and healthy place in which to live, work and play.

2002 was a great year for Chamber members in terms of advocacy. Your opinions were expressed to Chamber staff and volunteers and we made your concerns and opinions ours.

Your concerns and questions were delivered into the hands of key decision-makers. And the results were very

encouraging. Some of our policy wins for 2002, included:

??A reduction, by half, in the air security tax as detailed in the last federal budget;

??The number of commercial airlines servicing our community increased to 21;

??The tabling of the Province's second balanced budget in as many years;

??The establishment of an Energy Department and the appointment of a dedicated Minister and Deputy Minister;

??The endorsement of the Chamber's Kyoto policy submission by the Minister of Energy, Ernie Fage;

??Adoption of the Chamber's air access policy by the Canadian Chamber of Commerce;

??Beginning work towards the establishment of a Capital District Transportation Authority;

??Establishment of the Office of Health Promotion to deal specifically with healthy living in Nova Scotia;  
and

??The decision by the Province to begin addressing the skills gap as identified by the Chamber.

*(Pause)*

(Powerpoint slide 9 – Operational highlights)

In late 2002, the Chamber's annual membership survey was conducted. As always the feedback received from the survey was plentiful and, for the fourth year, members ranked satisfaction with Chamber events, communications and advocacy at over 90%. An accomplishment of which we are very proud.

The overall results of the member survey provided the Chamber with a rich pallet of information and prompted the Board to re-examine and re-focus the Chamber's key priorities in relation to the overall strategic plan.

The results are very exciting and bode well for the future of the Chamber and for you, our members. Larry will speak to the re-focusing of the key priorities in the latter

stages of this meeting.

As we have already seen, the Chamber's financial position was strong again in 2002. The Chamber continues to successfully set budgets and keep within these budgets each year. And, as always, the Chamber enjoyed a healthy bottom line.

In 2002, we began planning for a total reorganization of Chamber communications and re-branding of the Chamber's public face.

This process was begun under the direction of Chamber Board Members Rick Emberley and Donna Alteen.

It is our goal to deliver a revitalized advertising and promotional campaign that will raise the Chamber's

profile, aiding us in our advocacy work and membership recruitment.

Overall, our communications to you were well received in 2002. For example, according to the fall membership survey, 94% of respondents indicated that they read *Business Voice* on a regular basis. This was up from 65% in 2001.

On the Chamber staff side, I am happy to report that the Chamber was re-certified and upgraded to the next ISO level, ISO 9001:2000, in 2002.

As many of you know, ISO Certification implies professionalism, dependability and efficiency of service. These have been our goals at the Chamber when it comes to serving you, our Members.

Halifax was the first Chamber to be ISO-certified in North America and, even now, we are still the only organization

of our kind with that designation. The ISO standard is not easy to attain, nor maintain.

And I am proud of the effort put forth by Chamber staff members and volunteers to keep the Chamber operating at a level and manner suiting of our ISO designation.

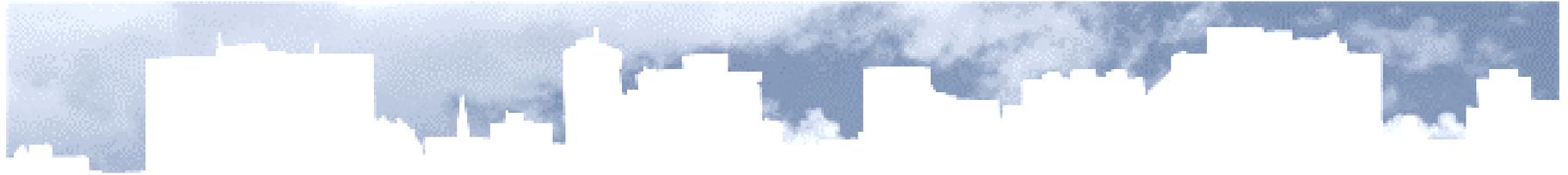
*(Pause)*

I anticipate that 2003 will be another challenging, busy and successful year for the Chamber and its members.

I would like to thank you for your ongoing support and investment in our community. The Chamber will continue to build on our solid reputation as your voice of business.

Thank you for your attention. I will now pass things over to Jeff to continue with the business of the day.

*(Valerie, at this point you are finished.)*



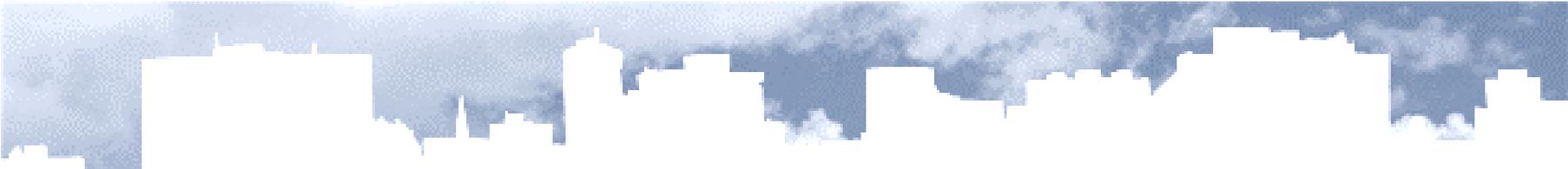
**Metropolitan Halifax  
Chamber of Commerce**

**Annual General Meeting**

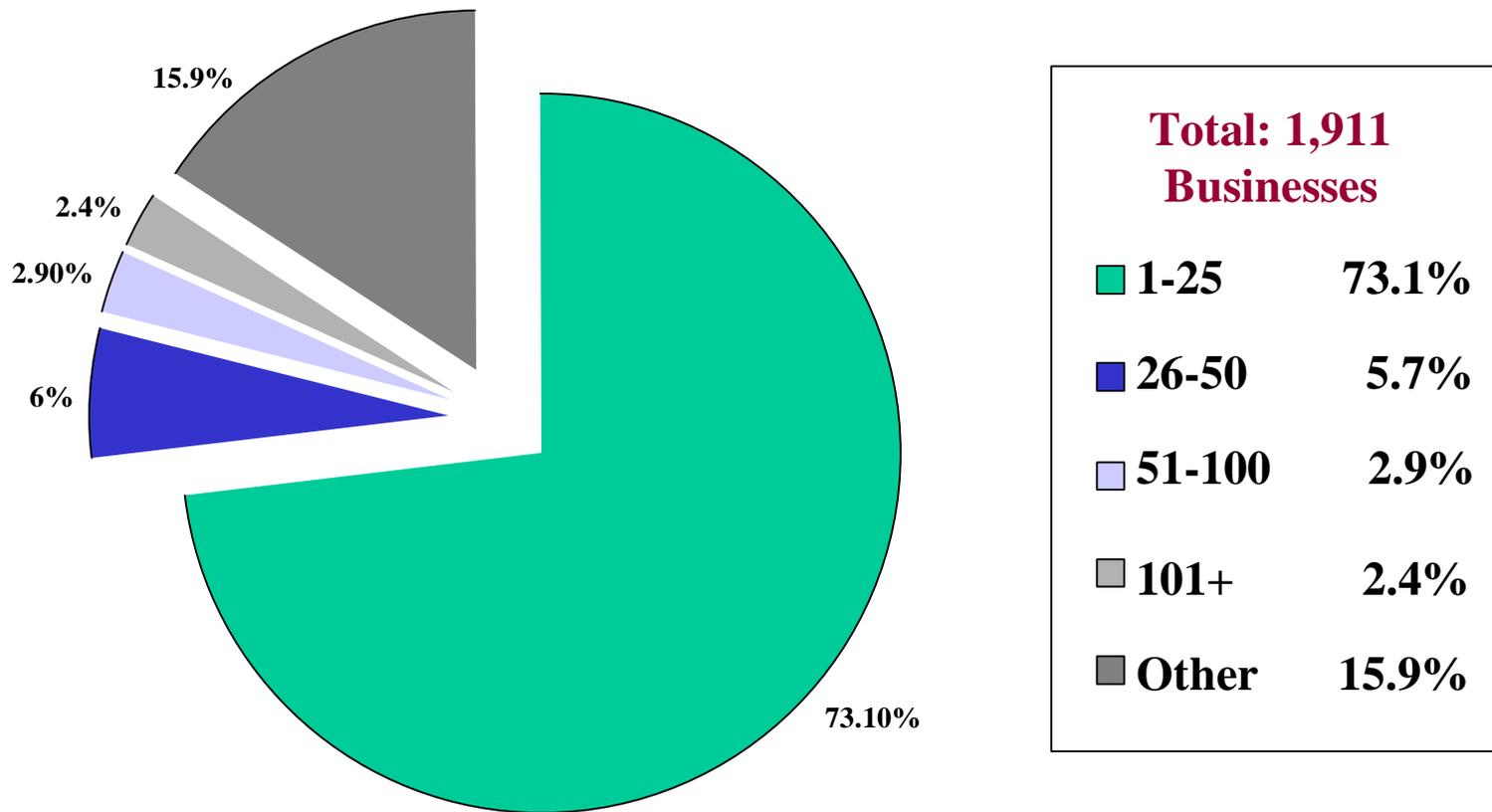
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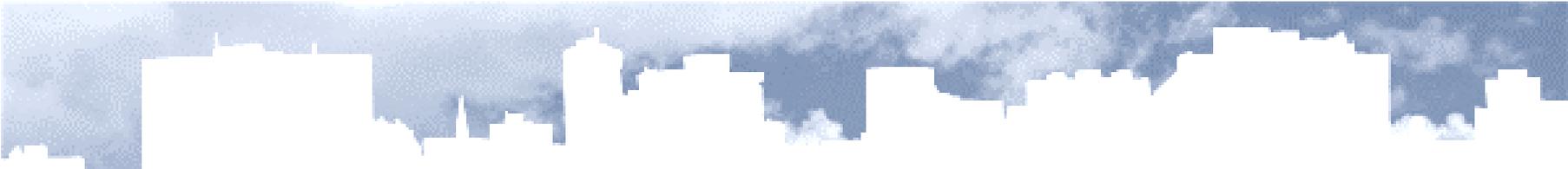


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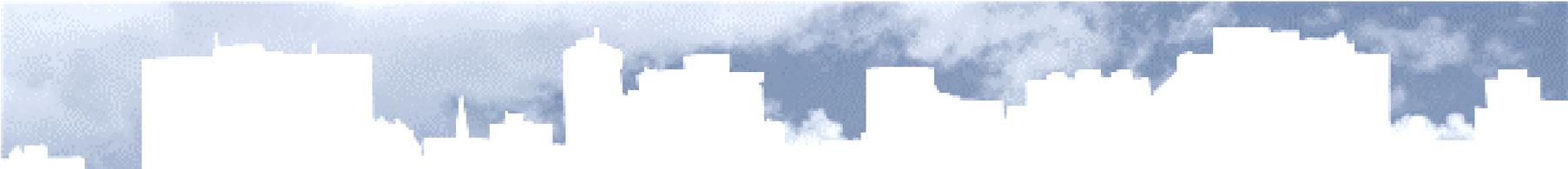
# Chamber Profile





# **Chamber Membership**

- **Total number of businesses represented: 1,911**
- **Total number of employees represented: 93,000**
  - **Represents almost half of HRM's total workforce**
  - **Signifies Chamber's new direction, in terms of membership accounting**
  - **Strategic goal: 100,000 employees represented by 2005 – early achievement**



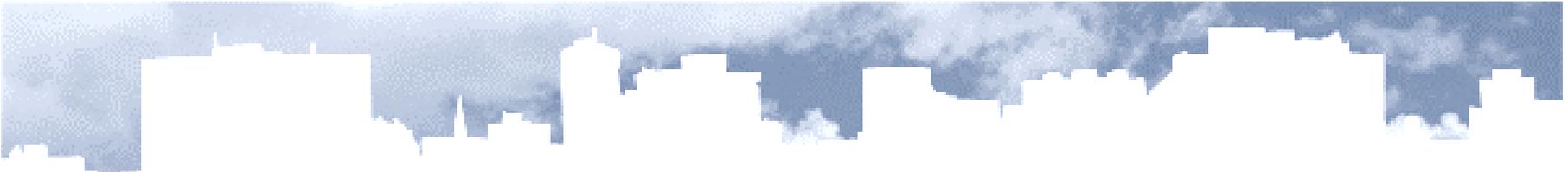
# Chamber Finances

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Revenues</b>	639,796	688,726	738,144	808,116
<b>Expenses</b>	602,052	657,250	726,404	767,059
<b>Surplus</b>	37,744	31,475	11,740	41,057

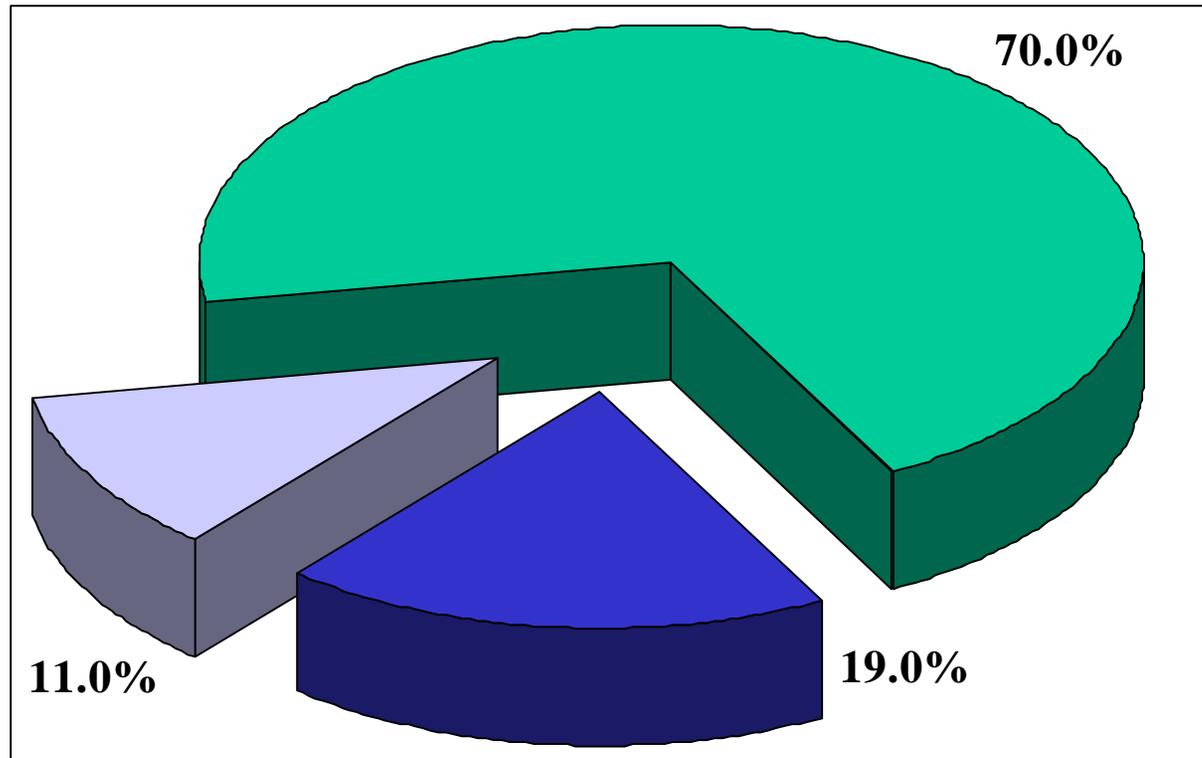


# Expenses

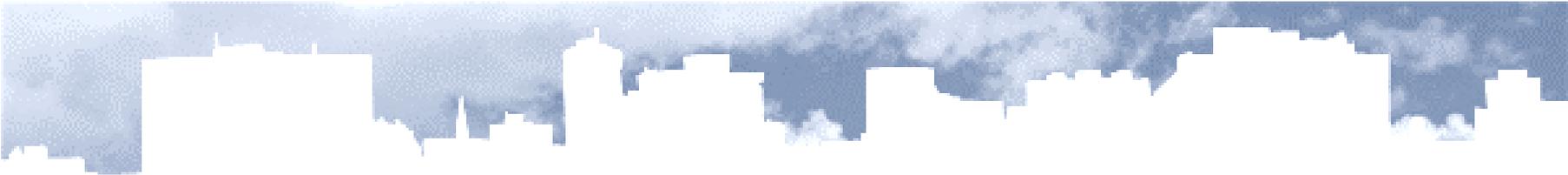
- **Chamber expenses rise for 2002: \$41,000**
- **Increase spread across numerous areas**
  - official chamber business
  - audit and professional services
  - amortization
- **Increase budgeted for in 2002; came in below target**



# Revenue Sources



■ Membership 70%   ■ Events 19%   ■ Other 11%



# Chamber Events

- Over 10,000 attended 73 events in 2002
- Spring/Fall Dinner (May/Nov.)
- Golf Tournament (June)
- Metro Halifax Business Awards (Sept.)
- B2B Expo (Oct.)
- Distinguished speakers with strategic focus



# **Policy & Advocacy Wins**

- **Air security tax reduced by half**
- **Airlines increased to 21**
- **Air Access Policy adopted nationally**
- **Department of Energy established**



# **Policy & Advocacy Wins**

- **Second balanced, provincial budget**
- **Kyoto Policy endorsed by Minister Fage**
- **Capital District Transportation Authority est.**
- **Office of Health Promotion established**
- **Skills gap being addressed**



# **Operational Highlights**

- **90% satisfaction rating from members**
- **Member survey instructs Board; re: key priorities**
- **Reorganization of communications and re-branding**
- ***Business Voice* readership increases from 65% to 94%**
- **ISO 9000 re-certification and upgrade**

Speaking Points for John Tory  
Annual Spring Dinner 2003  
April 22, 2003  
WTCC  
7:42 pm

I am delighted to be here to address the Annual Dinner of the Metropolitan Halifax Chamber of Commerce.

I come at a time when your population is growing, economic activity is increasing and becoming more diverse. Halifax is emerging from age old traditions as a government town to become an energy centre, and increasingly an IT centre, a centre of education and research and a focal point for the life sciences.

areas gravitating to urban areas in search of jobs, opportunities and city life.

It's a shift which has taken place across North America, but in Canada it has a more profound effect in that we were already a heavily urbanized country with about 80 per cent of our population living in cities.

This is the century of cities. Not since the glory days of renaissance Venice and Rome have cities been so important to our future. And yet, we are still run by outdated economic policies and outdated politics.

If the reality is that 80 per cent of all Canadians live in cities and if we believe that our cities are the building blocks of local, national and international economies, then we should all be concerned about the state of many

As you sit here tonight, do you know what state or province of Japan Tokyo is in, or indeed whether Japan has a federal system at all? Probably not, but you all know Tokyo.

Well, the same is true when people overseas look at us. Toronto is known internationally, but Ontario less so.

Cities are also the building blocks of the Canadian economy. Canada's 7 largest metropolitan areas now generate almost 45% of the country's entire wealth. Halifax represents 47% of the entire economic output of Nova Scotia.

And with the demographic trends I referred to earlier, combined with the fact that our cities are magnets for the thousands of newcomers who arrive in Canada each year,

And yet, our cities are troubled. They are not yet troubled to the extent we saw happen south of the border, but in a way that's the point. If we want our cities to thrive, not to decline, then we are going to have to take a very hard look at the arrangements we have in place and the lack of focus on cities from the other levels of government.

And we are going to have to demand action from governments in Ottawa, Ontario and Nova Scotia, just to name three, who must think the geese will just keep on laying the golden eggs no matter how badly they are treated.

Well, if the status quo is allowed to prevail, the golden eggs will stop coming, the geese will start to run down and we will find it will be too late to act in advance of serious economic and social dislocation.

themselves in recent years, and the consequent loss of faith in the governments by those who are governed.

All of our institutions have suffered a loss of credibility and legitimacy in recent years, mostly as a result of their own actions or in many cases their inaction.

Business misconduct has called the free enterprise system into question. Churches have been rocked by scandals. But nowhere has the loss of faith been more profound than with governments at all levels.

While occasionally we chuckle about this, mainly at the expense of politicians and public servants (the vast majority of whom are trying to make a positive difference) the stakes are too high for cynicism or sarcasm to rule the day.

connection between their agendas and the agendas of their governments is just a coincidence, and an infrequent one at that.

They see provinces fighting with provinces, federal government announcements which don't jive with provincial policies and programs, and vice versa, and they wonder how this could be.

They see governments arguing with one another over who will finance a needed initiative, whether transit or affordable housing, harbour cleanups or immigrant settlement.

And it is those arguments, which are the most discouraging of all. And that is because it seems as if the only people in the world who haven't figured out that there

constitution says about who should do this or that, it only matters that the money is treated with respect, is not wasted, and that somehow, the governments will figure out a way to work together and to maximize the impact they can have on Canadian priorities.

Alas, it isn't really so, and the biggest orphan of all when it comes to these episodes of the blame game, the shell game and the pass the buck game are cities, and the 80 per cent of Canadians who live in them.

In 1976, the Canadian Federation of Mayors and Municipalities prepared a report which they called "Puppets on a Shoestring" in which the Federation cited a growing gap between local revenues and expenditures.

They pointed out that this was not due to waste or

access to a variety of revenue sources most of which are driven higher by economic growth.

Proving this point with more up to date numbers, federal and provincial revenues grew 35 and 48 per cent respectively during the period 1992 to 2001, while municipal revenues showed very little growth.

The city governments have thus been faced with relatively flat revenues at a time when they are the engine of growth and when maintenance of the quality of life is more essential than ever, and there is nothing they themselves can do about it.

This is largely due to the fact that our cities are governed by a completely outdated constitutional set up which made them completely dependent on the provinces, not just for

We simply can't go on this way but change is not going to happen because we wish it to be so. The federal and provincial governments seem very comfortable with the status quo, and only if we collectively rattle some chains and insist on some action are we likely to see anything actually happen.

Let me be clear. I am not advocating some kind of massive constitutional gabfest to look at changing how cities are treated. That would only lead to an even greater loss of faith and would likely be unproductive in any event.

I am suggesting that we commit ourselves to a series of pragmatic changes in the way we do business, government to government.

We want and need these changes so that we can maintain

the brightest, and the jobs and investment they bring with them.

We have often worried about our cities being boring and that this might mean people wouldn't come to visit. While tourism is a vitally important industry, both here in Halifax and in Toronto, our major concern must be to make our cities attractive places to live and to invest.

This means safe, clean and beautiful streets. It means excellent schools and universities. It means investments in infrastructure in areas such as transportation and a clean environment.

Many of these investments are too expensive for cities like Halifax or Toronto to afford on their own. We look to the other levels of government to invest in these cities both

Canada's top cities are net exporters of wealth to the federal government. Cities pay in more in taxes than they get back out.

While we have all accepted as another value of Canadian citizenship that those who create more wealth contribute to the development and well being of those who create less, there is a need for a fundamental realignment between the responsibility to pay and the ability to pay, always remembering the importance of cities to our quality of life and to our prosperity, and always keeping in mind there is only one taxpayer.

The federal and provincial governments have tended to treat our cities the way lumber companies used to treat forests: like a resource for exploitation. in the lumber

Professor Richard Florida of the Carnegie Mellon University School of Public Policy and Management has written a book called "The Creative Class" in which he discusses how the new economy works and how cities can prosper.

He says those cities which thrive best will be those which pay attention to the three T's, technology, talent and tolerance.

Technology is the new industrial base you attract to your city, whether its internet-based, arts-based or resource-based. Toronto is blessed in many of these areas, as is Halifax, being at the endpoint of the trans-Atlantic fibre optic cable networks and with your emerging status as an energy capital.

talent and a tremendous educational infrastructure, with Halifax also a leader with six degree granting institutions within its borders.

Tolerance is the linchpin. People want to live where there is no distinction made on the basis of race, colour, gender, sexual orientation or physical challenges.

Whether Professor Florida's prescription is exactly right or not, the message is clear. Each city must map out its assets and determine its reasonable possibilities. In Toronto, the richness of our culture and the diversity of our population (the two being very much linked) make us a city of culture and a city of ideas. But in order to ensure this is a reality, we simply have to change our ways.

With some variation from province to province, the situation is much the same. Municipalities have to deliver a lot of programs but They don't get to set the rules. Those rules are often imposed by the feds or by the province. The cities have to pay a big share of the cost of those programs, sometimes all, sometimes 50/50, sometimes less, but significant obligations to pay are imposed on the government least able to do so.

Property taxation is the weakest and most regressive tax tool in the government toolbox, but cities are forced to over-rely on it for revenues at a time when the other levels of government are engaged in a debate about surpluses, tax cuts or both.

The result is a crumbling infrastructure and a failure to get things done. You have been talking about your harbour

That waiting has contributed a great deal to the loss of faith, and its time to end the waiting and to get on with some serious change. Cities, our urban quality of life and our ability to compete are simply too important to be left to an endless set of negotiations, posturing and politics. We have to get some results, and we have to get them now.

It really is time to get beyond talking about a new relationship and to sit down and get one done. I'm not just talking about a new deal between cities, the provinces and the federal government. I am talking about a new deal between Canadians and their governments, all of their governments.

We need to put results for people at the centre of this. We need a binding contract between our governments and their citizens. A contract which sets out priorities, requires

In Toronto, some of the decline taking place in the city can be laid at the doorstep of the city government itself.

Endless debate, study, referral and procrastination have replaced effective decision making and everything from waste to a complete lack of any decorum have led to a loss of faith in that government.

I am running for Mayor of Toronto because I believe a \$6.5 billion dollar city government simply must be managed better, and that someone who is not a career politician has a far better chance of getting over the divisions, the controversies and the old ways and bringing about some real change in the way that government is run.

I think I can make a difference in Toronto, and I am prepared as Mayor to offer the citizens of our city their own new deal which spells out what we're going to do and

But that deal will be dramatically more effective if it is accompanied by a commitment to give our cities different treatment, better treatment.

Let me set out some steps the provinces and the federal government could take, starting now, without getting bogged down with the constitution.

First, they can give the cities a place at the table. We see provinces meeting with provinces, the federal government meeting with the provinces, and cities even meet with other cities. But we just don't see all three levels of government sitting together to discuss their shared responsibility for our quality of life and our continued prosperity.

a national summit which includes cities is one of the

I can think of at least three areas in which I would bring the three levels of government together, and have them keep at it until they hammer out a deal.

While it isn't the only list nor is it complete, I would suggest that if the three levels of government tackled transportation, infrastructure and affordable housing, that would be a very good start. This is the same priority list contained in the Sgro report which I would recommend for your reading.

I am talking about those governments getting together, and staying together until, in each of those three areas, they can agree on who will do what, and agree on their respective financial contributions, over a minimum five year period. It would be a contract, which would set out what everyone has agreed to do, so they could then get on with doing it.

and will be put in place. In business, if you really want to make the deal, you just stay at it until you reach agreement, often 24 hours a day for days at a time. The same with labour negotiations. Maybe that's what we'll have to do in this instance.

Second, we have to re-examine, perhaps as part of these discussions, the lack of authority our cities have to act in a large number of areas without begging or pleading. They must be given reasonable latitude, and must be accountable. I suspect that authority and latitude would be more readily forthcoming if they managed better and behaved more responsibly, and that's one of the reasons I am running to be Mayor of Toronto.

This greater recognition of cities possibly by means of charters, would not be anything revolutionary. City

Canadian provinces such as British Columbia and Quebec.

Third, we must re-examine how municipalities finance themselves.

They have huge responsibilities and must actually deliver programs and services directly to people, and yet only 7% of the total tax dollar goes to municipal governments, compared to 51% to the federal government and 42% to the provincial governments.

In the case of Toronto, this means somewhere between \$10 and \$20 billion more flow out of the city in tax revenues to the other two governments than flow back in, and while I reiterate our continuing commitment to nation-building and to province building , we have nonetheless built up a huge physical and social deficit in Toronto which

to make sure the toronto goose can keep laying the golden eggs.

Canadian municipal governments need a sustainable, predictable financial framework within which to work, and this simply must include consistent funding arrangements committed to over a reasonable period of time, and access to tax revenues which grow along with the economy. I am not suggesting an increase in taxes, but rather a reallocation of existing dollars and accountabilities.

I am optimistic. The leaders of our governments and political parties both federally and provincially are finally talking about cities. They are talking about a new deal. That is a step forward, but, as they say, talk is cheap.

We need action, and we need it now. We need it because

We need to bring an end to the apathy and withdrawal which have become almost a way of life, especially when it comes to our level of engagement with municipal government.

We have a tremendous foundation to build on, featuring as it does diversity which we celebrate at street level and which works better than anywhere else in the world, and the flexibility born out of diversity which has helped us to build flexible institutions which bring together multiple social groups often with conflicted interests and make things work.

Our success in achieving continued prosperity will also allow us to maintain our cherished quality of life. That is more fundamental than anything else.

is the most multicultural city in the entire world, and yet people live peacefully and productively together.

In both cities and throughout Canada, we have all been able to focus together on hope and opportunity, a shared commitment to each other and to our quality of life.

That kind of social consensus is fragile, here in Halifax and in Toronto. It will be maintained and strengthened because we have the will and the determination to keep our cities strong and healthy.

That will and that determination is unlikely to come from the politicians and public servants alone, as well meaning as they might be. It will arise because we insist that it be so, because we engage ourselves in the debate, demand change, and insist that things be done differently.

labour, academics, social service agencies and individual taxpayers speak up for change, take action in favour of change and stay at it until they get change.

Canada's cities need your help. They need a new deal. A new deal will be good for the cities, good for the provinces, good for Canada and good for each and every one of us. Let's not wait too long before we act.