

A scenic landscape of a valley with a rainbow arching over a village and mountains. The scene is captured from an elevated perspective, showing a lush green valley with a small village of houses and barns. The background features rolling hills and mountains under a dramatic, cloudy sky. A vibrant rainbow is visible, stretching across the sky from the left side towards the center-right. The overall atmosphere is serene and picturesque.

WHAT MUNICIPAL VISION FOR THUNDER BAY?

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PANDEMICS AND CHANGE

- Pandemics generate change.
- in Thunder Bay these changes coincide with *an increasing sense of disquiet* many residents feel with respect to the direction the City has been taking.
 - high rates of crime
 - racism
 - mental illness
 - lineups at food banks
 - slow growing tax base
 - stagnant population
 - aging population

TRENDS

Figure 1: Thunder Bay, Homicides Per 100,000, 1981 to 2020 (with polynomial trend)

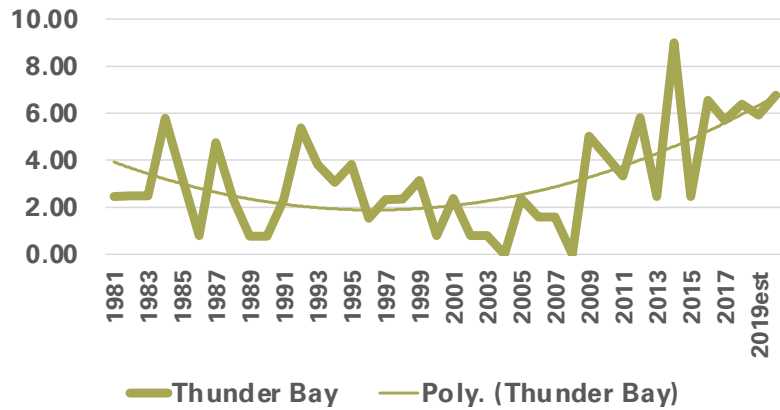
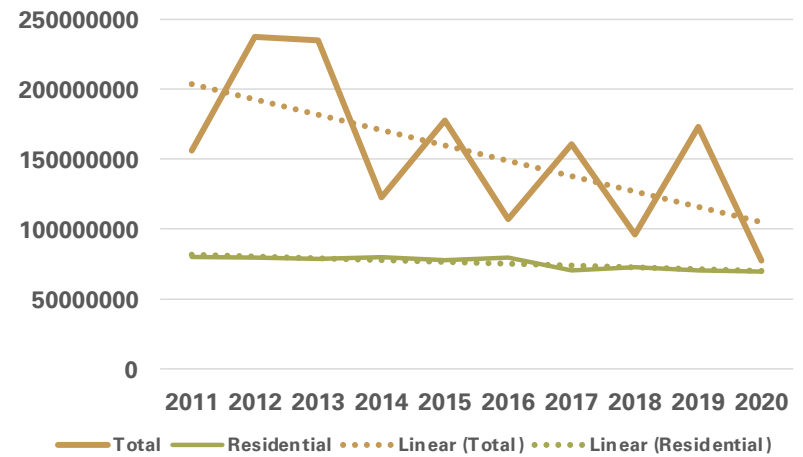


Figure 2: Thunder Bay, Building Permit Values (\$), 2011 to 2020



MORE TRENDS...

Figure 3: Total Annual Housing Starts, Thunder Bay, 1970 to 2019

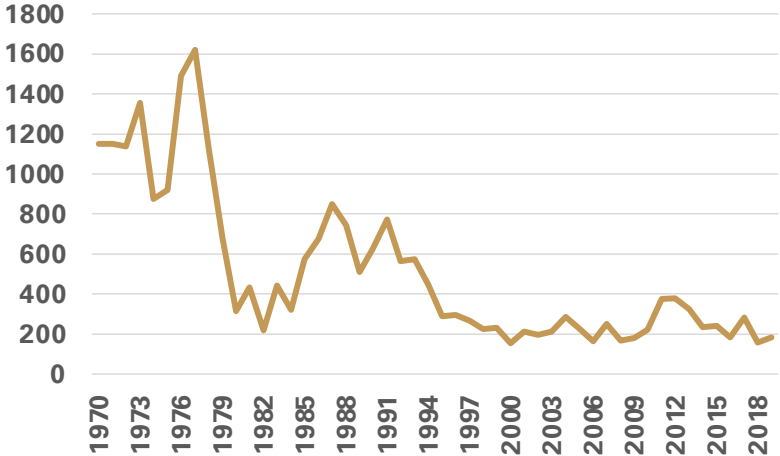
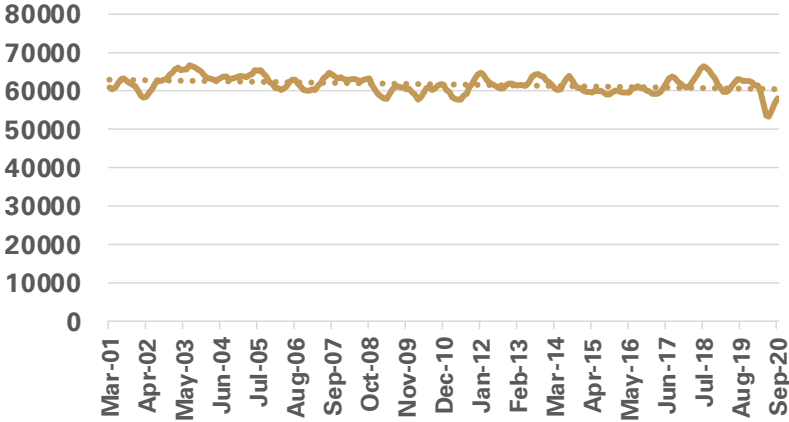


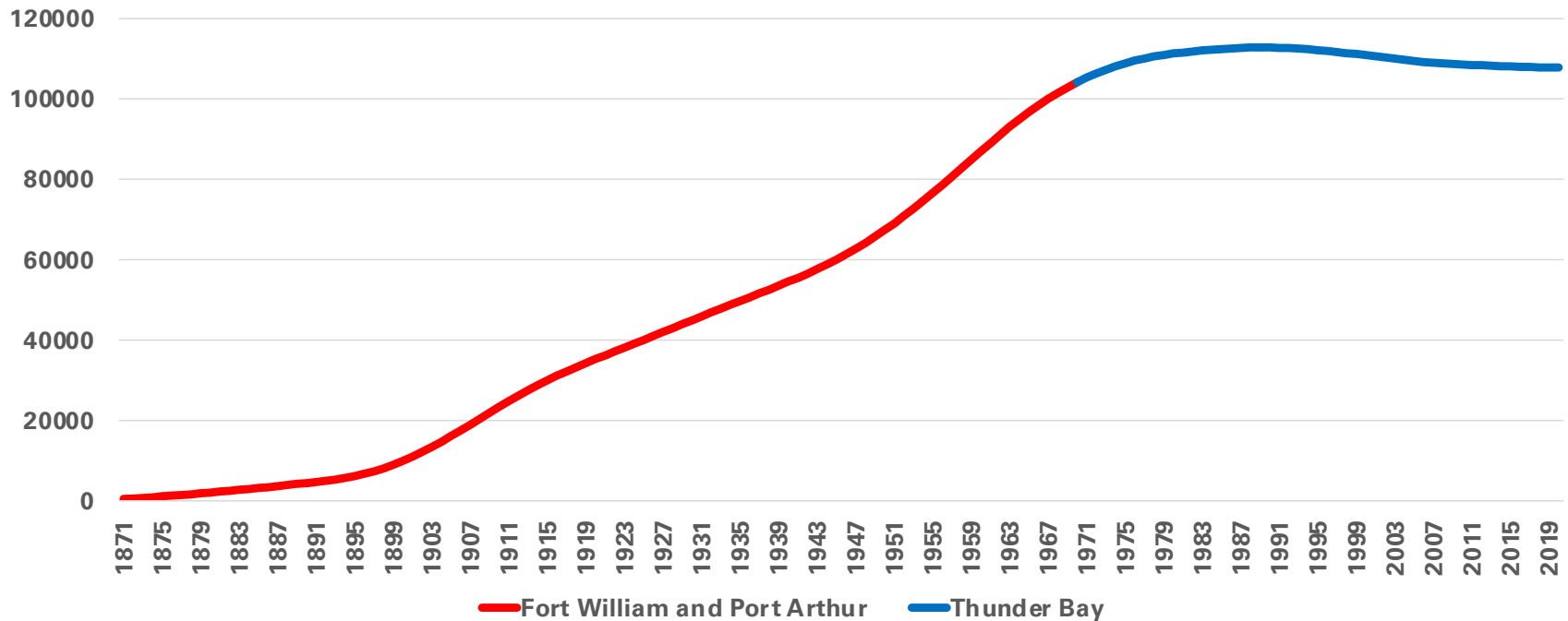
Figure 4: Thunder Bay, Total Monthly Employment, All Industries (3 month moving average), 2001 to 2020



THUNDER BAY'S SLOWDOWN STARTS IN THE 1970S

Figure 5: Population of Fort William-Port Arthur/City of Thunder Bay, 1871 to 2020

(Source: Census of Canada, LOWESS SMOOTH 0.2 bdwidth)



MORE AND MORE TRENDS....

Figure 6: Thunder Bay Total Municipal Tax Levy (\$), 1990 to 2021f

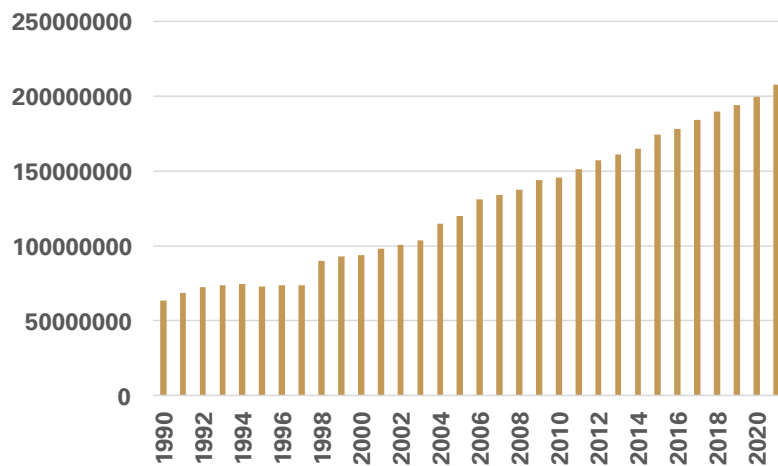
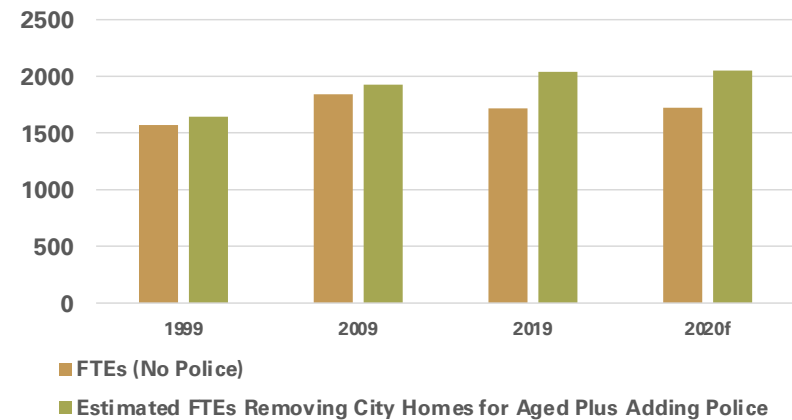


Figure 7: Employment (FTEs), City of Thunder Bay, 1999 to 2020f





PERCEIVED SENSE OF DETACHMENT FROM THE PUBLIC
BY THE MAYOR, CITY COUNCILORS AND
ADMINISTRATORS

RECENT ISSUES AND DECISIONS

- Expensive new capital projects,
- the silence on the epidemic of home plumbing issues linked to City water,
- Many problems are linked to water infrastructure - has generated lawsuits (2012- \$510 million & \$320 million; 2020 - \$350 million).
- preoccupation with what seem to be superficial issues like tourism signs and future sporting events,
- continual mention of budgetary issues and tax increases despite substantial pandemic aid
- program reviews that generate talk of cost savings but constant deferment of decisions
- a business-as-usual approach despite plethora of problems and growing criticism

THE PROBLEM

- Thunder Bay City Council and administration suffers from an increasingly stale 50-year old vision of what Thunder Bay needs. That vision could be summarized as follows:
- *"Thunder Bay is a regional center and strategically located full-service high-tech urban oasis set in a pristine natural wonderland with a wonderful quality of life on crucial east-west trade and transport routes whose full potential is unrealized. Indeed, the entire City's potential is unrealized and what Thunder Bay needs is continual infrastructure investment to attract people and effective communication of our potential to convey the message of how wonderful we are. While Thunder Bay may have social problems, they are not any worse than other places and have been blown out of proportion by the national media. City residents need to have a positive attitude, stay the course on this strategy, and we need to invest in the public services and infrastructure to make it all happen."*

THIS VISION IS OUT OF DATE

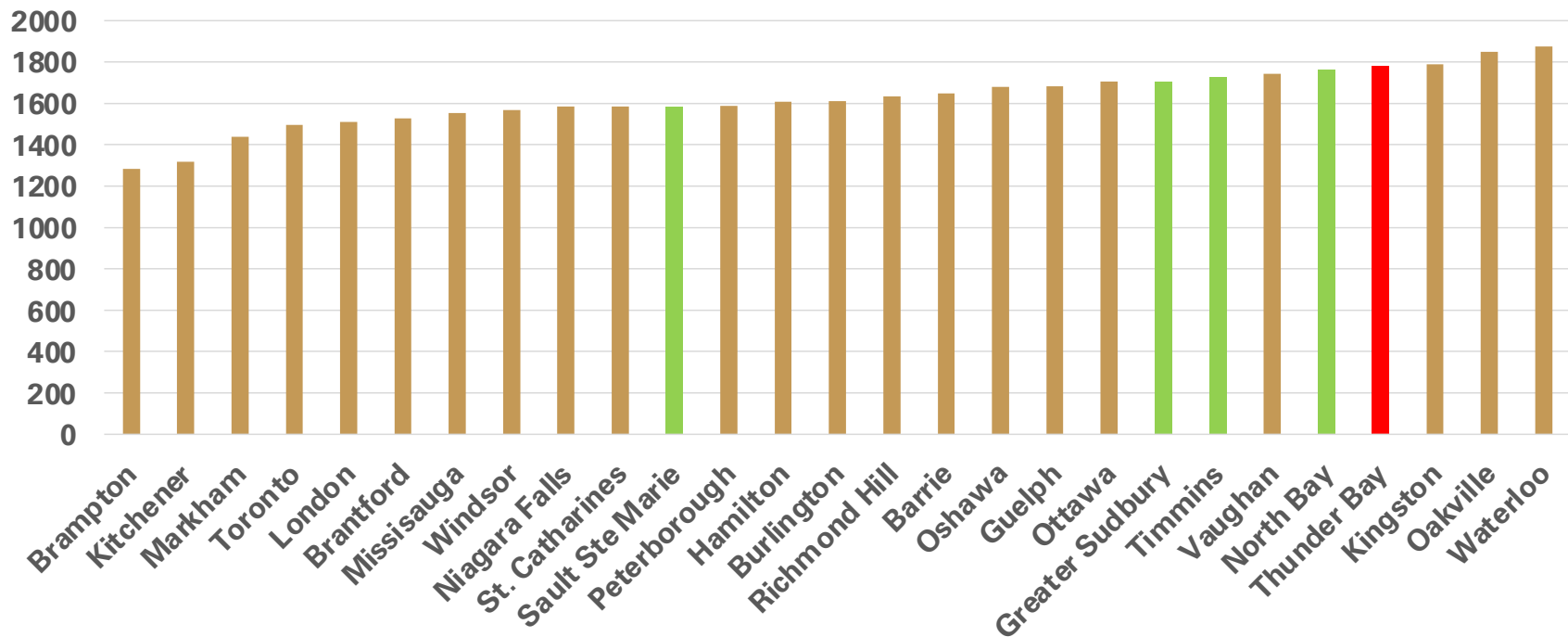
- Since 1970:
 - the City has stayed static in population, its industrial mainstays have largely disappeared, and its grain transportation role fallen to a shadow of its former glory.
 - the City has become a “dependency” given that over 30 percent of employment is now public sector – private sector wealth/employment generation has diminished relatively.
 - Job creation in the knowledge economy and the health and education sectors while important has been largely a rear-guard maintenance action that has had difficulty keeping pace with the employment losses.

MUNICIPAL SPENDING RELIES ON THIS OUTDATED VISION

- Key to this vision is the level of municipal spending, employment and infrastructure investment designed to keep the economy going via construction projects.
- This spending is financed by government grants and by tax increases levied increasingly on the residential tax base given the departure of the industrial mainstays who provided the base for the past development of a very generous level of municipal spending.
- Tax increases are justified by “a build it and they will come philosophy” even though after fifty years we have built a lot and population is still the same.
- When the high level of taxation is mentioned, the response is that yes, the tax rate is higher here but our cost of living is so much lower so it is “okay” to have local residents pay more on their property taxes to provide services comparable to other places.

TAXES IN THUNDER BAY ARE HIGH

2020 Municipal Tax Levy Per Capita (\$) (Source: BMA 2020)



SUMMARY OF THE PROBLEM

- So, we have an expensive vision of local and regional municipal government spending based on an economic base that no longer exists.
- That vision is justified by a “build it and they will come philosophy” which after 50 years, has yet to yield results.
- When faced with complaints, the Mayor and Council respond with dubious arguments about how our cost of living and property values are lower thereby resulting in lower taxes meaning they can be raised more because they are a bargain compared to Toronto.
- Thunder Bay needs a new vision and one that is sustainable given the current tax base.

STEPS TO GENERATING A VISION OF A SUSTAINABLE AND EFFECTIVE MUNICIPAL GOVERNMENT IN THUNDER BAY

- **Recognition**
 - **Of the problem**
- **Reorientation**
 - **Of priorities**
- **Reorganization**
 - **Of services**

THANK YOU AND QUESTIONS

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*Economic Analysis, Policy and
Insight from an Ontario
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