

Working For You – Municipal Budget Report Card 2012
April 4th, 2012

Category	Grade
Competitiveness	C-
Fiscal Responsibility	B-
Effective Investing and Spending	B-
Leadership and Accountability	B+
Overall Grade	B-

This Municipal Report Card for the Halifax Regional Municipality’s 2012-13 budget was created by the Halifax Chamber of Commerce in collaboration with the Chamber’s Municipal Affairs Committee. The ultimate objective in releasing this report is to provide coherent feedback from the business community to the municipality on the recently approved budget.

After analyzing the budget documents, the Chamber committee assigned grades based on the following guidelines:

- A:** Very much reflects the Chamber’s position; no major elements missing
- B:** Reflects the Chamber’s position to a large extent; some elements missing
- C:** Reflects the Chamber’s position to some extent; most elements missing

D: Does not reflect the Chamber's position, but does not move the business community backward

F: Does not reflect the Chamber's position and represents a step backward for the business community

1. Competitiveness

What we looked for...

- The City to rework the commercial tax system gradually; the end result must be a more equitable and justifiable commercial tax rate.
- Public acknowledgement from Council that there is a significant discrepancy between the commercial tax burden and the residential tax burden.
- A reduction in the commercial tax rate that is directly proportionate to the continued increases in commercial property assessments.
- Spending which revitalizes business districts (incentive plans, etc).
- Streamlining the development approval process to create and support the message that we're 'open for business'.

What we saw...

On the plus side, the Chamber gave the city good marks for:

- No commercial tax rate increase.
- Significant investments in public infrastructure without tax rate increases (this is a strategic objective of the Economic Strategy).
- RP+5; conducting a comprehensive and well-managed consultative review of the City's Regional Plan is an important step to prioritizing development, expenditures, and investment in order to revitalize our community and plan for future growth.

On the minus side, the Chamber saw room for improvement in the following areas:

- Reworking the system of taxation for commercial properties; commercial sector taxes are about four times the size of homeowner's, and with far less services. In many cases, homeowners are not paying for their full scope of services because they are subsidized by the commercial taxpayer. This must be acknowledged and addressed.

- Commercial property assessments; this is a municipal problem that grows in size as time goes on. Although the Chamber has been informed that commercial tax rates will drop by more than the average commercial property assessment increase, there are still some small businesses that will see enormous assessment increases, depending on their location. This creates a highly unpredictable environment for business owners and negatively impacts the overall competitive environment of Halifax.

2. Fiscal Responsibility

What we looked for...

- Continued progress on the City's Multi-Year Financial Strategy (MYFS). An important part of this policy is the debt strategy.
- Continuing to live within our means, pay down our debt, and focus on a long-term financing plan to replace and renew infrastructure.

What we saw...

On the plus side, the Chamber gave the city high marks for:

- A continued commitment to live within our means, despite rising costs, and decrease the proportion of the budget allocated to debt reduction through the MYFS. Since 2008/09, HRM Outstanding Debt has been declining consistently.
- Streamlining and merging the city's business units. 50 jobs will be cut through attrition; this demonstrates a solid commitment to finding greater internal efficiencies as opposed to once again turning to the outside (taxpayer) for financial aid.
- Plans for expenditure restraint and efficiencies, such as cutting back strictly on overtime expenditures for next fiscal year. This should be an attainable goal, with the new collective bargaining agreement between the City and Metro Transit signed in March 2012.

On the minus side, the Chamber saw room for improvement in the following areas:

- Some small and medium-sized businesses in Halifax will be paying more this year due to the increased value of their properties – and while this is not an explicit tax rate increase, the effect is the same and just as financially painful.
- The sustainability of our spending remains a concern; spending has increased 3.9% over last year's budget, although this is a smaller year over year increase than the previous budget.

3. Effective Investing & Spending

What we looked for...

- Prioritizing expenditures, favoring areas that will grow our economy, attract more businesses and people, and decrease the costs of doing business in Halifax.

What we saw...

On the plus side, the Chamber gave the city high marks for:

- Strategically focusing investment in Metro Transit to improve public transportation and make living and working in Halifax more appealing.
- A strong emphasis on spending in order to maintain our assets in a state of good repair.
- Acknowledgement that using funds in the best possible way and re-allocating resources to reflect shifting priorities will require key decisions to be made, and that strategic documents such as the Regional Plan and the Economic Strategy will be the guiding documents for these decisions.

On the minus side, the Chamber saw room for improvement in the following areas:

- Limiting the costs of doing business in Halifax; Council could soften the blow for those businesses facing considerable and, in some cases, unmanageable property assessment increases by moving towards a commercial tax rate that more appropriately reflects municipal services received.

4. Leadership & Accountability

What we looked for...

- Supporting the work of the Auditor General and continuing to thoroughly examine procedures at HRM for greater efficiencies.
- Continuing the implementation of the recommendations made thus far by the Office of the Auditor General.
- Leveraging our smaller council size for more focused and efficient council meetings.

What we saw...

On the plus side, the Chamber acknowledged in its marking that:

- 266 recommendations have been made thus far to HRM, along with 16 reports. HRM Administration is in agreement with all of the 266 recommendations, and their implementation is tracked by the Chief Administrative Officer, Richard Butts. The Chamber was pleased to learn that many of the Auditor General's recommendations have been implemented thus far.

On the minus side, the Chamber saw room for improvement in the following areas:

- Leadership is needed for commercial tax reform. We have not seen this necessary leadership yet.

Overall Grade: B-

The Halifax Chamber of Commerce's Municipal Budget Report Card is based on the Chamber's Municipal-Pre Budget Submission 2012-2013 and the Municipal Budget 2012-2013.

To access these documents, go to:

2012-13 Municipal Pre-Budget Submission:

http://halifaxchamber.com/files/66/15/municipal_prebudget_submission_20122013_FINAL.pdf

Halifax City Budget 2012-2013

<http://www.halifax.ca/budget/index.html>

A list of members of the Chamber's Municipal Affairs Committee can be found at:

http://halifaxchamber.com/content/Municipal_Government_Affairs

More information about the Chamber and its advocacy work can be accessed by contacting the office or visiting the Chamber web site at www.halifaxchamber.com.

This submission has been created in collaboration with the Chamber's Municipal Affairs Committee, as well as input from Chamber members. The mandate of the Chamber's Municipal Affairs Committee is to support the development of policies on issues of importance to our members that are within the purview of the Municipal Government.

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