

Dear Mayor Savage and City Councillors:

As you work through your 2018-19 budget deliberations – we are aware Council is feeling upward expense pressures from lower commercial tax revenue, increased labour costs and past spending decisions. While you have a 1.975% tax increase on the table and discussions have turned to possible a higher tax increase and that translates to an approximately \$33- 40 average tax increase for residents, it's only half the story.

As you know, the commercial taxpayer pays almost 3 times the residential rate, so this tax increase will mean thousands of dollars of increased costs for our local businesses. Given there is already lower commercial tax revenue it seems to me we may be creating a self-fulfilling prophecy. Increasing taxes for businesses will drive them out of the market so ultimately less tax revenue for the City. Businesses cannot automatically pass along increases to customers in a competitive business market.

Councillors, can you show increased value for increased taxes? Our commercial taxpayers must absorb the costs for many services that residents receive such as garbage removal. Our recommendation is Council should stick to their multiyear financial plan and start looking at what spending can be reduced rather than looking to tax increases. Are the administrators within city departments seeking cost reductions to offset the cost increases for labour costs?

Please find linked our previously submitted Pre-Budget Submission.

<http://halifaxchamber.com/wp-content/uploads/2018/02/2018-2019-Municipal-Pre-Budget-Submission-Halifax-Chamber-of-Commerce.pdf>

I look forward to your thoughts,

A handwritten signature in black ink, appearing to read 'P. Sullivan', written in a cursive style.

Patrick Sullivan
President & CEO
Halifax Chamber of Commerce