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REC'D - HALIFAX
06-04-2009
CHAMBER OF COMM.

April 2, 2009

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Nancy Conrad, V-P of Policy
Metropolitan Halifax Chamber of Commerce
656 Windmill Road, Suite 200
Dartmouth, NS B3B 1B8

Dear Ms. ^{Nancy}Conrad:

Thank you very much for the Chamber's Pre-Budget Submission of February 24, 2009. I appreciate your comments and your support. As demonstrated by the number of wide-ranging topics included in your submission, there are a great many initiatives underway within HRM. I can provide some direct comments on several of these topics.

We are now entering the second year of our five-year capital plan and we hope to again target the majority of our funds toward closing our infrastructure gap. This is a slow and methodical process. It took many years for the gap to widen to where it is, and it will take some time to narrow and eventually eliminate that gap. As you pointed out, transit investment is a critical component of our infrastructure and requires considerable investment, including additional funding from the senior levels of government.

With respect to our debt policy, in 2008-2009 we made two one-time changes to our debt policy and committed to return with revisions and with new debt targets. The changes to the debt policy that we will be recommending, continue to see a steady decline in our debt. This decline will be on a per dwelling unit basis, hence linked to the growth of the municipality. At the same time, we are targeting increases in Capital from Operating funding. This will help us both lower the debt, and increase our investment in infrastructure. We will continue to advocate the need for further federal/provincial investment in municipal infrastructure, and look forward to the Chamber's continued support for this.

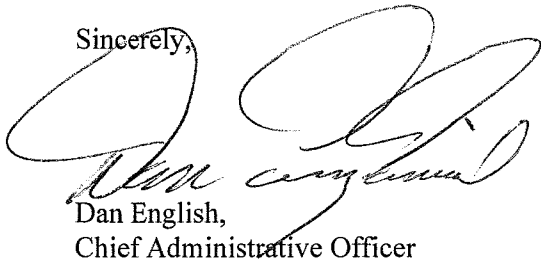
I appreciate your support for the Tax Reform Project. In setting their areas of focus, Council considered the progress that has been made on Tax Reform, and anticipated the Committee would return to Council with recommendations this Spring. Although the Tax Reform project is no longer a Council Focus Area, it is still recognized as a very important project. The identification of it as a CFA in 2006 brought it to the level in the organization that was to Council's satisfaction. To date, it has been a successful process. Details of the progress will be presented in Council by the Tax Reform Committee in the coming weeks, seeking direction on next steps and ensuring ongoing commitment. Because it has been a CFA for the past four years, it has been decided by Council that it no longer needs the focus we bring to support the CFAs, as it is well underway and nearing completion.

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This decision does not indicate that Tax Reform is not a priority; it simply means they expect the decisions to be made in the Spring/Summer. The exact date they wish to return with those recommendations is a decision of the Committee. I understand they have started work on a report to Council and I am encouraging them to return as soon as they can. Other than its review of transit taxation, Council has not had the opportunity to debate any of the proposals that the Committee has designed; nor has it been asked to do so by the Tax Reform Committee. This is an important debate and one that needs to happen. Obviously the involvement of the commercial sector in talks is a critical piece of tax reform. I hope the Chamber will help us find the discussion model that helps to encourage participation of the commercial sector.

Myself and staff will continue to be in touch on these issues and on many of the other suggestions and comments included in your submission. Again, thank you very much for your comments and your support.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Dan English', is written over a large, stylized circular flourish.

Dan English,
Chief Administrative Officer

Copy: Mayor Kelly and Members of Regional Council
Geri Kaiser, Deputy CAO of Corporate Services & Strategies
Cathie O'Toole, Director of Finance

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