

15 June 2006

His Worship Peter Kelly  
Mayor of Halifax Regional Municipality  
PO Box 1749  
Halifax, NS B3J 3A5

Dear Mayor Kelly,

I am writing, on behalf of Chamber members, to provide comment on the recently proposed 2006/07 municipal budget. Overall, the budget shows good balance among the competing priorities of operating and capital spending, taxes, and other ongoing costs such as debt servicing.

On the spending front, we recognize that the Municipality faces significant cost pressures, such as mandatory education costs and high inflation, due to a relatively large component of spending attributable to items like construction, fuel, and road repair. Even so, we are concerned about the overall 6.8% increase in spending.

We commend the Municipality for having sought out and found efficiencies in the way it operates, and encourage you to seek efficiencies on an ongoing basis. As you debate the 2006/07 budget, we also encourage you to look critically at new spending.

Adherence to HRM's Multi-Year Financial Strategy, and continued reduction in the Municipality's debt, is commendable. The continuing attention to long-term fiscal health is necessary to a sustainable future for our community.

With respect to taxes, we were pleased to see the details of the first phase of the Business Occupancy Tax (BOT) phase out, and are pleased to see the follow-through on the promise that benefits from the elimination of the BOT will be realized by the commercial sector.

As we have pointed out in the past, the commercial sector bears a heavy burden of taxes and, in order to improve our competitive position, we must make Halifax an attractive place to do business. I believe the 2006/07 proposed budget brings us a step closer to this goal.

Thank you for the opportunity to present the views of the business community. I would be pleased to discuss this, or any other matter, at your convenience.

Yours truly,

A handwritten signature in black ink, reading "Valerie A. Payn". The signature is written in a cursive style with a large, looped initial 'V'.

Valerie A. Payn  
President

Cc: Councillors, Regional Council, Halifax Regional Municipality  
Mr. Dan English, CAO, Halifax Regional Municipality  
Ms. Cathie O'Toole, Acting Director of Finance, Halifax Regional Municipality  
Mr. Bruce Fisher, Manager, Fiscal and Tax Policy, Halifax Regional Municipality  
Ms. Jan Gibson, Municipal Clerk, Halifax Regional Municipality