

His Worship Peter Kelly and Municipal Councillors
Halifax Regional Municipality
P.O. Box 1749
Halifax, N.S. B3J 3A5

January 31, 2006

Mayor Kelly and Councillors:

As you may know the Municipal Affairs Committee of the Chamber of Commerce carefully follows the municipal budgeting process and yearly provides feedback and commentary on the budget from the perspective of the business community. As you enter the next phase of budget discussions, the committee would like to take this opportunity to bring up a few of the issues it considers to be important to businesses in our community and the business community as a whole.

We know the Council is sensitive to the level of commercial taxation in HRM. It is essential to the health of our city to have a strong business climate. We will be pleased to provide feedback and input into the process of tax reform that HRM has undertaken. This is an excellent undertaking and one that will surely pay dividends for our city in the future.

The committee's review of HRM spending shows flat levels of per household spending by HRM over the past number of years. Last year however, the committee noticed a sharper than average increase in spending (7%) that caused some concern. We are aware the municipality faces different cost pressures than residents and most businesses, however incomes have not increased at the same rate as municipal costs (per capita income in Nova Scotia rose 3% last year and business income as measured by GDP rose by just 1.4% in Nova Scotia last year). We urge you to resist the temptation to raise taxes to cover increased costs.

We are pleased that Council has identified and discussed its priorities for the upcoming year, and hope these discussions will lead to targeted and focused spending and that this will allow you to move expeditiously on your budget deliberations. Not only will this provide residential and business taxpayers with greater certainty, it is also essential to having a competitive tendering process. With sufficient lead-time, capital and maintenance construction tenders can be let

before contractors have filled their calendars. Sufficient lead-time also allows the tendering process to be undertaken without the pressure of completing construction during peak season just prior to winter.

We look forward to working with you on these and other shared areas of importance to our city.

Sincerely,

A handwritten signature in cursive script that reads "Valerie".

Valerie A. Payn
President

Cc.: Mr. Dan English, CAO, Halifax Regional Municipality
Ms. Dale MacLellan, Director, Financial Services–Halifax Regional Municipality
Mr. Bruce Fisher, Manager, Financial Planning–Halifax Regional Municipality
Municipal Affairs Committee, Halifax Chamber of Commerce
Board of Directors, Halifax Chamber of Commerce