



# ***POLICY UPDATE***

News and views from the Metropolitan Halifax Chamber of Commerce April 21, 1998

## ***BUILDING A STRONGER MUNICIPALITY NEW DIRECTION NEEDED FOR HRM***

In October, 1997, a Task Force on Municipal Issues was established by the Chamber to look closely at HRM's processes and goals since amalgamation; and determine how and where the Chamber can offer further advice and assistance.

The Task Force spent approximately four months of extensive consultation with Chamber members, municipal staff, management and council regarding the issues and concerns surrounding the functioning of HRM. The result of their work was a Report on Municipal Issues entitled "Where do we go from here?"

Chamber representatives presented the Report and its key findings and recommendations to the HRM Council yesterday. The main message of both the Report and presentation to Council focused on the necessity for HRM to demonstrate leadership in getting its fiscal difficulties under control.

HRM is a large service provider with a diverse client base and there are no simple, short-term solutions to the challenges it is facing. However, HRM lacks a clear corporate vision and strategic plan to achieve that vision. There are no tools to manage corporate expenditures and costs continue to rise. The result - as with any business in this situation - is continual increases to the consumers of the cost of services being provided.

The Chamber believes that continuing increases in spending and taxation will eventually stifle business growth and economic development in HRM. This obviously will have a harmful effect on not just businesses in Metro but on our community in general.

HRM's top priority must be to get its expenditures under control. Increased taxation, even within an equitable tax structure, is **not** the answer. For the municipality to be successful, it is critical to have a clear, well-defined strategic plan for the future.

The Task Force focused on three key issues: leadership, accountability and expenditure and taxation control. In the absence of firm action on these issues, HRM will have significant requirements for spending controls, service evaluations and potential service reductions in the coming years. And HRM will be severely limited in its ability to make investments that may be in the best long-term interests of the region.

At the Council meeting, Chamber representatives outlined the four key recommendations of the Report:

1. HRM must engage in a long-term planning process over the next 12 months to set goals and objectives, service standards and targets to deal with the organization's debt and finances.
2. HRM needs to adopt a governance model and adhere to it.

3. HRM's top priority must be to get its expenditures under control and the municipality should look for new and innovative ways to deliver the services they believe the community needs while using the resources available within the community.

4. HRM must work with interested stakeholders to discuss and develop options for an improved tax structure for the municipality.

The Chamber of Commerce looks forward to continuing its work with HRM to assist them wherever possible in moving forward on the recommendations outlined in the Report. In addition, a joint group, led by HRM, that includes other community stakeholders such as the Chamber could supply valuable input into the issues and challenges facing HRM.

The Chamber believes that together, we can create and maintain an effective municipal government which delivers a high level of service in a cost effective way, thus creating a stronger community in which to live and work.

*The Chamber would like to extend thanks to all members of the Task Force on Municipal Issues, led by John Prentice of MT&T Business Communications, for their hard work and commitment to this project.*

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***METROPOLITAN HALIFAX CHAMBER OF COMMERCE***

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