



POLICY UPDATE

News and views from the Metropolitan Halifax Chamber of Commerce December 11, 1998

No New Municipal Taxes - A New Direction Instead

At his first annual "Address to the Business Community" on November 26, Halifax Regional Municipality (HRM) Mayor Walter Fitzgerald committed himself to the goal of no tax increases for 1999-2000. This announcement is an example of the positive steps being taken at HRM to resolve the municipality's ongoing fiscal difficulties.

The recently released HRM bench-marking study, however, provides continuing cause for concern. Our municipal debt has been spiralling out of control at a time when other municipalities have been holding the line on debt growth and, in some cases, seeing debt levels fall.

The only real long term solution to this problem is to get our expenditures under control. Tax increases are short term solutions - they are inappropriate as a long term fiscal tool.

The Chamber believes that continuing increases in spending and taxation will eventually

stifle business growth and economic development in HRM. This will obviously 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. HRM does not have a revenue problem, it has an expenditure problem.

The Mayor's commitment reflects this reality and he and Council are to be commended if they can achieve the goal of no tax hikes for 1999.

Council recently took a critical step towards this objective when they approved a set of Management Principles which were developed by HRM in consultation with Chamber volunteers.

These principles commit Council to a conservative fiscal approach based on business planning and corporate efficiency and

innovation.

These management principles, along with a new policy on financial reserves, represent a sound basis for fiscal decision making.

These principles will be put to the test in the next few weeks as HRM moves into another budget cycle. It will be critical for Council to follow the path they have set for themselves and continue to make the hard fiscal choices that are in the long term best interests of the people they represent.

The Chamber applauds Council and staff for taking these first steps towards predictable fiscal management. We offer our continued support as they move through the budgeting process for 1999-2000. Together, we can build a strong community with a high level of services which are delivered in a cost effective way.

Editor's Note: It is equally critical that you, our members, as individual residents and business people who live and work in this community,

METROPOLITAN HALIFAX CHAMBER OF COMMERCE

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*continue to support Council as
it makes the hard financial*

*choices necessary to place our
community on a sound financial*

footing.