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HRM braces for financial uncertainty

Mayor: Last year's growth will lessen blow

By AMY PUGSLEY FRASER City Hall Reporter

City hall will have to look for potential cuts in its next budget to address these challenging economic times, says Halifax Mayor Peter Kelly.

"We have to be watchful . . . because we know that these are not ordinary times," Mr. Kelly said in an interview Sunday.

He stopped short of saying that councillors will need to slash programs or services in the 2009-2010 budget.

"I don't think there is a need to carte blanche state that there will or may be cuts because we have some capacity to deal with some of those issues through the growth from last year."

Metro homeowners have been hit with an increase in their property assessments for the year, which could translate into higher municipal taxes.

"We know that with an average (property) assessment increase of 4.3 per cent, we have to be mindful that it's just that much more challenging for families as well," he said.

As a result, the city will have to "reduce where possible" to at least offset that average growth in assessment, Mr. Kelly said.

On Tuesday, council will get a debriefing on the world economic situation from local economist Fred Morley, an executive with the Greater Halifax Partnership.

Council wants to know what potential impact the global recession will have on the city, the mayor said.

"They wanted to get a feel for any issues that may be coming to the forefront," Mr. Kelly said.

The effects of the recession are cropping up all over Halifax, he said.

"There have been layoffs, and you guys know that more than most," he said, referring to recent job cuts and buyouts at media stalwarts like CTV, the Globe and Mail, The Chronicle Herald and Transcontinental.

Mr. Kelly said city hall is taking a "proactive step" to get a snapshot of where the economy

might be headed.

"We're looking around and seeing what some possible cost factors might be, if any at all," he said.

Councillors will likely table council's 2009-10 budget on April 21. Councillors are looking to hold the line on the tax rate. City departments have been told not to increase spending.

In recent interviews, councillors Gloria McCluskey (Dartmouth Centre) and Sue Uteck (Northwest Arm-South End) said their residents are taxed enough.

"I'm a taxpayer and I can't take another hit either," Ms. Uteck said.

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