



November 3, 2011

Common Council
City of Saint John
15 Market Square
P.O. Box 1971
Saint John, NB E2L 4L1

Your Worship and Councillors,

On behalf of the members of the Saint John Board of Trade I respectfully submit this letter outlining our view and recommendations for the 2012 pre-budget consultation process. Our Government Affairs Committee, comprised of various member organizations, has focused on this issue and provided our Board of Directors with several recommendations. Following discussion of the recommendations, our Board of Directors agrees that the recommendations listed should be considered by Common Council and City staff during deliberations for the City's 2012-2013 Budget.

The Saint John Board of Trade recognizes the important step already taken by Common Council over the past few years with the creation of the new Municipal Plan and is encouraged by its potential to help our City grow and develop through careful and measured implementation. The benefits from moving in this direction will be recognized in the long term.

Presently, Saint John has the highest tax rate in the Province which puts Saint John and its businesses at a competitive disadvantage. Our members have expressed their concern regarding the impact the current and future pension deficit will have on the city's tax rate and subsequently the impact on Saint John's economy and its potential for growth.

The Saint John Board of Trade feels that actions must be taken immediately to alleviate the pressure on core services without raising the tax rate as Saint John faces increasing economic pressure on the budget. Part of the long-term solution is to develop a long-term vision for our City. A significant portion of this vision has already been accomplished with PlanSJ. However, the identification of the necessary steps to achieve the vision requires further clarification. We feel this budget and future budgets should be drafted with this in mind.

The following are a number of recommendations for the City to consider in preparation of the 2012-2013 Budget that could potentially help alleviate the current situation.

- Fiscal Responsibility/Sustainability – We see a need for the City to consider potential funding cut backs by weighing the long-term impact of each item in the budget. Strategic investments must be carefully considered with the Return On Investment calculated into the decision for funding different projects and operations. Also, there is a
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need to identify/reconfirm Council's priorities and look at cutting anything that does not fall within those priorities including capital projects and infrastructure.

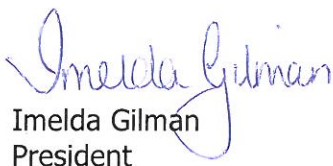
- Regional Cooperation – We encourage the City of Saint John to adopt a policy of exploring regional cooperation as a means to reduce costs through efficiencies, reduced duplication, and economies of scale. This cooperation has the potential to stimulate business through maximizing regional attributes.
- Pension Deficit – We feel all options must be fully considered and the long-term impacts weighed. There is concern by the Board of Trade Members the current pension plan is not sustainable without a significant increase to the municipal tax rate. The businesses that contribute to our economy require predictability, especially with respect to the tax rate. Measures must be implemented to ensure a competitive tax rate for our City for the next 5-10 years to encourage growth, development and investment.
- Outsourcing/Insourcing – We encourage you to examine the long-term costs and benefits of outsourcing and in-sourcing various services as they come up for discussion. Benefits and cost cutting opportunities may be found in either outsourcing or in-sourcing certain services.
- Transparency – We encourage you to implement a reporting mechanism back to Council that tracks the overall benefits and costs of changes made to determine if the savings predicted were realized. The clear, transparent reporting mechanism would provide an easily understood benchmark to monitor our City's growth and development.

We feel that these recommendations should be taken into consideration and implemented. The budget created for the 2012-2013 year should help sustain new business and remove roadblocks to further economic development in our City. Saint John needs more than tax increases and service cuts to address and reverse the economic pressure. We need wealth creation and investment in our City. To achieve this Common Council and City staff must work with the citizens and businesses to make Saint John a vibrant, attractive place for business to develop, grow and invest.

The Saint John Board of Trade is a nationally accredited business organization dedicated to fostering an economic climate that enhances growth, prosperity, and an improved quality of life in the community. With more than 1,000 members, representing 600 small, medium, and large businesses and organizations and therefore, the interests of more than 30,000 citizens, the Board is a dynamic advocate and the principal voice for the business community of Greater Saint John. The elected Board of Directors is representative of the diversity of the membership and their concerns.

We would welcome the opportunity to discuss this with you further.

Sincerely,


Imelda Gilman
President

