

# Norton supportive of tax cut

APRIL CUNNINGHAM | Telegraph-Journal  
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Mayor Mel Norton delivers the State of the City address at the Delta Brunswick Hotel on Thursday.  
Photo: Cindy Wilson/Telegraph-Journal

**SAINT JOHN** – Mayor Mel Norton wants to see a property tax reduction in Saint John but only if it's sustainable, he says.

“I wouldn't want to see a tax decrease one year and an increase in the following year,” he said this week.

Common Council will soon determine its budget and the tax rate for 2014. Taxes in the city are now the highest in the province at \$1.785 per \$100 of assessed property value.

The city's \$148-million operating budget is expected to increase by about \$2 million, but officials are still waiting for final data on assessment values and a provincial grant that would determine how much money the city has to work with.

City manager Patrick Woods said he would not bring forward a proposed budget that includes a tax increase.

Norton referred to the city's budget process during a question-and-answer session after his State of the City speech at a Saint John Board of Trade event this week.

The mayor was asked how council is strengthening its budget decisions in light of the tough economy that is putting pressures on small businesses.

Norton responded that council is achieving results by focusing on its priorities, including roads, water and recreation.

"Your council is focused on doing a few things at world-class standards," Norton told the crowd.

He added that there may also be an opportunity for tax savings and "sustainable tax reductions."

After the speech, Norton explained he's heard from the business community that tax reductions are not always the most important thing.

"They'd much rather see value for dollar, so the key priority is making sure we're realizing value for current taxes paid," he said. "If there's an opportunity to sustainably reduce taxes, that is something that council would very warmly receive."

Norton said the likelihood of a tax decrease in 2014 would depend on the finances that are not yet known. He said for the most part, officials are expecting the budget to be fairly similar as this year.

"It's always tough when you're working with similar dollars to find savings, but if there's an opportunity, and it's sustainable, that's the key, and council would be very supportive of that," Norton said.

In October, Woods reinforced the importance of a growing local economy to the city's budget.

He said one per cent growth can generate \$2 million toward the city budget.

By comparison, a one cent change to the tax rate impacts the budget by \$672,000.