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Send the budget back for cutting

City hall can find more to trim if it starts from scratch

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This week's budget backtracking by Mayor Dave Bronconnier and Ald. Gord Lowe is proof an angry electorate can make a difference.

In less than a week, the two -- who helped develop the initial three-year budget -- have done a major flip-flop, from adamantly defending the 25.1 per cent tax hike compounded over three years to bringing it down to 20.8 per cent compounded over three years with two easy changes.

What happened to Lowe's threat last week that essential services would be affected if the tax increase was cut any further?

Pressure from the public is what happened. Enough people called the bluff, jamming phone lines all week to the extent receptionists had to take written messages because all lines in aldermanic offices were full.

It's a good day for democracy when enough aldermen respond, uniting to do what's in the best interest of the people they represent. A majority have said they will send the budget back to administration when they meet on Monday, with clear direction to find a minimum of \$38 million in expenditure cuts.

The eight aldermen -- Andre Chabot, Joe Connelly, Dale Hodges, Ray Jones, John Mar, Ric McIver, Jim Stevenson and Diane Colley-Urquhart -- should still push forward with that agenda, even though Bronconnier and Lowe, the chairman of the city's finance committee, have bowed to the pressure. Their counterproposal, which would lower next year's increase to a reasonable 6.8 per cent, from 9.6 per cent, is a good start but still only a slight compromise. They can and must do more.

The recommendation calls for taking another \$8 million in revenue from the publicly owned Enmax, and removing the \$20 million allocated for EMS, which should never have been in the budget in the first place. The province has already said it is taking over the expense.

So in fact, Bronconnier and Lowe's compromise hasn't even begun to address real spending cuts. No wonder Calgarians are cynical and angry by this game that gets played every three years -- one of managing expectations so taxpayers are grateful when tax increases are finally lowered from initial projections. It was only April when the original proposal called for a 33.5 per cent tax hike.

The 25.1 per cent, by comparison, would have looked pretty good, had the economy not taken a downward spiral. With business and consumer confidence in the tank, the spend, spend attitude at city hall, by comparison, hammers home the sense council is out of touch with reality.

The responsible course of action for council is to hold off on making budget decisions beyond 2009. The economy exposes serious flaws in the city's three-year budgeting process -- brought in for the 2006 to 2008 cycle. No one can predict what will happen

in the short-term, never mind the next three years, making all spending expenditures based on false assumptions. The cost of construction and labour, alone, will surely come in lower than budget estimates and should be revised downward to reflect that reality, before further tax hikes are brought in.

Council needs to give itself enough wiggle room to review and modify the assumptions made today, as they will be outdated tomorrow. Bronconnier and Lowe have aptly demonstrated the budget projections are moving targets. Now it's time to find real cuts in spending. The eight courageous aldermen must refuse to back down Monday, but push for more compromise. They must maintain their resolve to send the budget back, and prove citizens really can take on city hall and win.

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