

## Get ready to pay extra year's taxes with proposed increase

### Budget battle looms at city council

**Don Braid**

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Somehow the mammoth city budget book fails to include this alarming fact -- many Calgarians will pay the equivalent of an extra year of property tax over the next three years.

These are whopping tax and fee increases at the very moment nearly everyone fears shrunken savings and lower home values.

The council fight between the spenders and slashers is going to be a monumental. Already, a new bitterness is creeping into the debate, as the two sides form up for battle.

As the proposals stand, here's what happens to the beleaguered owners of a Calgary home of median value, pegged at \$430,000.

The city portion of tax on that home is now about \$1,100 (if we forget provincial education property tax for a moment, always a pleasure.)

Under the proposed city tax hikes, the compounded extra payments over three years will be \$537.

On top of that, higher fees for water, garbage, sewer and recycling will be \$211.92 in 2009, with smaller increases in the two following years.

This means an extra \$672.72 in payments over three years.

Add the tax and fee increases, and the new levy on the home over three years is an astonishing \$1,209.72 -- considerably more than a full year of current city property tax.

This could get a lot worse if the province decides to raise the education levy, which it might be tempted to do as revenues begin to wither.

The first-year city tax hike will be 9.6 per cent, a politically sneaky move, since 2009 is the middle year of the election cycle.

The 2010 election year would look "better" with a hike of 6.8 per cent. The increase would rise again in 2011, after the election, to 6.9 per cent.



CREDIT: Ted Jacob, Calgary Herald

Some city aldermen, including Ric McIver, who voiced concern over the 2009-11 budget Thursday, plan to defeat spending proposals, threatening to throw city government into chaos.

City hall likes to paint this as a three-year tax increase of 23.3 per cent. The tax insurgents on council point out that the real compounded increase is actually above 25 per cent. And they're correct.

Befuddled Calgarians trying to track all this are sure to be confused by the three-year budget process, which is said to be good for planning, but actually makes it almost impossible to track how spending approvals relate to each year's budget.

Astonishingly, the result is that only about 10 per cent of the \$2.5 billion 2009 operating budget is even up for voting during budget debates.

The other 90 per cent has already been approved in a series of votes held months before the budget documents were even released.

Some aldermen now complain they weren't aware of the implications. They don't deserve much sympathy; it's their job to know these things.

But if they didn't know, who could? Certainly not the taxpayers? The insurgents -- Diane Colley-Urquhart, Ric McIver and others -- now say their only option is to defeat the major spending proposals, and then force reconsideration of earlier approvals one by one.

That would throw the city government into chaos because some of the earlier approvals relate to union contracts.

Inevitably, the majority of these hikes will be forced through after fierce and angry debate.

The collision of rising operating costs and slowing growth is finally upon us, and the wreckage is going to hit every Calgary household.

dbraid@shaw.ca

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