

# Calgary City Council hesitant to slash budget

## Deliberations begin with tax increase pegged at 4.8%

BY JASON MARKUSOFF AND KIM GUTTORMSON, CALGARY HERALD NOVEMBER 23, 2009 6:56 AM

If last year's tax revolt had aldermen bringing out the knives during budget debates, this year's round has council coming in with scalpels for a less controversial spending plan that's already cut city jobs to keep the tax hike below five per cent.

While the politicians hope minor surgery can find cost savings in deliberations that start today, many are intent on using any budgetary wiggle room to boost transit security or fund other council initiatives, rather than trimming the 2010 property-tax increase further.

Ald. Ray Jones said he's heard some Calgarians demanding less of a tax pinch.

But as many people have told him, they're glad the city already reduced the hike to 4.8 per cent--or about \$4.50 a month for the average homeowner-- from the previously set 6.1 per cent.

Beyond that, the city also had to cover a \$44-million shortfall caused by investment losses and other recessionary revenue crunches.

City officials have warned aldermen that cutting further from an already lean budget will force the city to scale back public services.

"People are fairly understanding of what we're going through, because their investments and RRSPs have gone down, too," Jones said.

"Do we truly want to get it down so far that we're laying more people off? I'm even sorry that we had to lay the 31 off that was in the budget."

For the first time in recent memory, the budget also proposes a cut in transit service hours, albeit a slight one that only trims a few buses from some under-used suburban routes.

That's been the trigger for most of the relatively few budget comments Mayor Dave Bronconnier said his office has received.

"This is a tough budget," he said.

"It comes with things that city hall hasn't seen for a long time. It comes with layoffs. It comes with program changes. We cannot deliver all things we would like to do."

Bronconnier will ask council to spend up to an extra \$1 million a year for a new snow-clearing trial that

involves private contractors. But he's suggesting that come out of the city's fiscal reserves, not from its tax proceeds.

Ald. Ric McIver also wants his colleagues to OK a dip into the rainy-day fund for \$620,000 annually over five years in city work necessary to keep Race City speedway from being closed to make way for Shepard landfill expansion.

It's a relatively small amount but could trigger the week's hottest debate.

Early approval of that expenditure passed by only one vote, with many aldermen arguing it was a \$3-million bailout of a private company.

McIver is looking to bring the tax hike down to three per cent or even zero, although he said he can't pinpoint any specific cuts to make, adding city administration didn't offer any suggestions.

Other aldermen's reluctance to aggressively slash spending has made McIver somewhat of a lonely council voice this year.

"I don't hear enough of my colleagues saying that they're unhappy with the five per cent," the rumoured 2010 mayoral contender said. "I don't hear many Calgarians saying it's OK.

"It takes eight votes to make a positive difference. I don't think there's that much support for a positive difference."

McIver admitted he hasn't heard as much anger this year but wonders if that means fiscally conservative Calgarians have simply given up.

Ald. Diane Colley-Urquhart agreed that cuts can likely be found.

But she called musing about a zero target "ridiculous," especially since last week's move against \$1-million in hikes to parking fines further constrains the budget.

"Unless we support the increase to parking, we have more problems than we realize," Colley-Urquhart said.

Ald. Andre Chabot, who like Colley-Urquhart was alongside McIver in voting against last year's three-year spending and tax plan, has said this year the tax increase is set at a reasonable amount given the city's economic situation.

His priority is to find at least enough budget savings to support the transit safety audit's recommendations for \$1.3-million worth of extra security officers and control-centre staff.

Administration is suggesting that might not be needed because surveys suggest Calgarians already

feel safer on buses and trains, but many aldermen say that's worth adding into the budget.

"There's always a risk when things improve to ease up because memories are short," Ald. Druh Farrell said.

"There was a problem with transit that we don't have now because of an investment. We certainly don't want to go back in time."

During the budget adjustment debates--which could last anywhere from one day to five -- council will also ponder spending an additional \$350,000 or more to scrub graffiti from private property, and tackling the much-criticized \$3 fee for park-and-ride lots.

Ald. Bob Hawkesworth has already walked away from his own motion to offer \$20 monthly parking passes at the transit lots, since he's been told that would cost \$4 million a year.

"I don't think there's anywhere to find that money other than raising taxes," Hawkesworth said.

And for all the varying opinions within council, nobody wants to do that.

Instead, Hawkesworth has a more modest proposal: eliminate the parking fee at bus rapid transit (BRT) lots, which raises less than \$100,000 anyway.

jmarkusoff@tHeHerald. Canwest.Com kguttormson@tHeHerald. Canwest.Com

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#### Five Watchwords In This Year's Budget Debates

Taxes: Will the proposed 2010 tax hike of 4.8 per cent go up, down or stay in place?

Services: Will council lay off more staff, or cut more transit routes or public services?

Security: Will there be money to hire extra peace officers for the transit system?

Snow: Will aldermen beef up the snow-removal program?

Vroom: Will Race City be saved, at public cost?

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