

Calgary budget: City managers' poison pill 3-year plan stirs debate over police, transit, road-clearing services

BY JASON MARKUSOFF, CALGARY HERALD NOVEMBER 10, 2011 8:17 AM

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The Bow, the soon-to-be-completed headquarters for Encana and Cenovus, looms over the Calgary skyline, November 9, 2011.

Photograph by: Grant Black, Calgary Herald

City hall's managers have released a 2012-14 budget laced with poison pills that council will have to swallow if it wants to keep tax increases around five per cent a year.

Mayor Naheed Nenshi said he wants to avoid any further budget bulge and even higher property taxes, but several veteran colleagues warn Calgarians won't like what that means for transit, police, snow-clearing or other services.

Even though the proposed tax increases were meant to match population growth and inflation, the inadequacy of the tax base to cover service needs triggered a hunt for savings in the operations budgets that will reach \$3 billion by 2014. Managers were unable to slice \$140 million in three years

from that total without some politically toxic impacts.

Those include fewer police officers and district offices, a freeze on new transit service outside the west LRT route, and a contentious \$20-a-year bump to the price of seniors' annual transit passes, which politicians have for years kept at a severely discounted \$35.

How important is it to limit the municipal property tax increase to around 5% over the next three years, as planned by city hall?

Hold the line at 5%, no matter the impact on services

It's okay if the increase goes higher than 5%, but less than 10%

Realistically, we could afford a hike of 10%-15%

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The fire department was largely spared, but that came at the expense of an 11 per cent cut to parks maintenance,

Aldermen are downright befuddled by the roads division's surprising proposed budget cuts: to stop clearing snow from residential side streets, despite council's longawaited embrace of spending more to plow more.

"Ask me how I feel when it's minus-30 and I can't dig my car out," said Jenn Lutz, a writer who lives in Sundance.

Crysta Olson, a Chaparral stay-at-home mom, said she'd be willing to pay much more than the \$66 average yearly tax hike that's on the table ahead of council's Nov. 21 budget debates.

"Even if they had to double it, I would rather there be services there when I need them."

One of council's most aggressively anti-spending members noted that further potential increases will also come to the budget table.

"Trying to keep it at 5.0, 5.1 and 5.5 (per cent) is not going to happen," said Ald. Andre Chabot, referring to the three years of increase council directed at a June meeting.

Ald. Diane Colley-Urquhart has firmly abandoned the fiscal hawks' camp, with her advocacy to expand

transit increases and for \$10 million extra to bolster police ranks instead of thinning them through attrition.

She used Calgary's pricey pre-budget consultations as ammo for her cause. They showed police, transit and roads in the public's top four civic priorities.

"They said they were willing to pay for these things if it was reasonable and we can justify it, and I'm saying we can justify it," she told reporters.

To cancel out the police, transit and roads reductions, council would have to bump up the mill rate at least another 1.5 percentage points.

Nenshi tried to downplay what he called "minimal impacts" on service, but acknowledged he'll be in for tough debates over a few proposed cuts.

He'll try to find more places to snip that don't harm frontline services, but said there doesn't seem to be much "gravy" in the spending mix.

"In the past, it was a bit of theatre. We came out with a very large tax increase, knowing that council was going to whittle it down," he said.

"This year, we actually asked administration to bring us back an honest budget."

When the proposed tax levels were set in June, nine aldermen at first said they supported hikes of eight per cent in 2012 then six in the following two years. Some balked after Nenshi's insistence that managers could find enough "efficiencies."

Ald. Gord Lowe, the finance committee chairman, signalled he wants it back at those higher rates to stave off cuts.

Other members, most notably the rookies, reserved their comments, arguing they haven't yet combed the 724page budget. They'll wait to hear the public's tolerance for taxes and spending.

"I'm willing to hear from Calgarians, if they say, 'We'll pay a little more for improved snow removal, for the transit service that (council) already voted for,'" said Ald. GianCarlo Carra.

"If people say, 'You're still spending too much,' that's another answer," said Ald. Richard Pootmans.

Perennially, somebody pitches a major dip into council's stability reserve to avoid a hefty tax increase. But for 2012, chief financial officer Eric Sawyer already proposes to take \$38 million - 17 per cent of its balance - to shore up the city's books.

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