

Council dips into reserves for budget

Snow plowing, bike paths and transit benefit

BY JASON MARKUSOFF, CALGARY HERALD NOVEMBER 26, 2011



Council added crowdpleasing measures into the city budget that should improve commutes for bus users, cyclists, and residents used to plows rarely clearing their streets.

Through dipping into fiscal reserves and lifting the 2012 property tax hike to 6.1 per cent - it had started the day's budget debates at 5.9 per cent - aldermen approved:

- A \$1-million bump in each of the next three years for more frequent and reliable Calgary Transit routes;
- Creation of a \$7-million "snowy-day fund" to ensure snow clearing gets done on side streets, as it was last year;
- ! Enacting the city's cycling strategy to FUN add more on-street bike lanes and plan a much bigger network.

There was heavy pressure among cycling enthusiasts for the city to enact the muchlauded blueprint to make Calgary a safer and more enticing city for two-wheeled commuters.

Most of the improvements the plan envisioned will be funded, but not all at once.

"We were concerned and afraid it wasn't going to get funded at all," said Bike Calgary member Richard Zak, who missed most of the budget votes on the strategy because he was pedalling to City Hall.

Next year, the city will paint the first downtown bicycle lanes - one-way routes on 6th Street S.W. and 7th Street S.W. to align with the Peace Bridge, which crews have now pulled across the Bow River.

Residential snow clearing had been on the chopping block in the city's draft budget, to the anger of council members.

Instead of adding \$3.5 million annually to the roads budget, council decided to follow Mayor Naheed Nenshi's plan to dip into the city's main fiscal reserve to create a \$7-million special fund, to ensure the city can afford to regularly plows through all neighbourhood streets in bad-weather years.

ING "In the past what they were doing in years when there was a lot of snow was they were taking it

from summer maintenance, and especially from sidewalk maintenance," Nenshi said.

"And this protects those summer activities by giving them somewhere they can draw from and put into, depending on how the snow fluctuates."

Ald. Diane Colley-Urquhart, who again had a verbal sparring bout with Nenshi during Friday's council session, offered a goodwill gesture by sponsoring that snow budget amendment.

"It was in the spirit of being a team player," she explained.

The increase to bus and LRT operations will come on top of a virtually unprecedented increase in transit levels, coming with the introduction of the west LRT and line extensions in the northeast and northwest. But those expansions would force the city to hold back on service elsewhere, given the department's requirement to keep to its budget.

Transportation officials said the extra spending would go to increase route hours and reliability - but not substantially, since the budget already stood at \$336 million for 2012.

Colley-Urquhart had tried to lift the transit budget more aggressively. Nenshi pushed against what he termed "giant increases," and once again drew her ire by calling her pitch "foolish." A

mid the jousting, Ald. GianCarlo Carra forged a compromise for \$1-million increases, which the mayor supported.

Council veterans like Ald. Gord Lowe have long warned about tapping the city's Fiscal Stability Reserve as an alternative to hiking taxes for ongoing city operations. However, aldermen have reworked plans to claim parts of the bike strategy, parks maintenance plan and snow plan as "one-time" withdrawals on the fund - totalling \$4.8 million next year.

The reserve, primarily designed to buffer the city from a sudden plunge in revenue, stood this year at \$225 million. Thanks to some yearend civic surpluses, it is three times larger than it was four years ago.

Nenshi predicted budget debates will end Monday. And after council found virtually no extra cuts to offset extra dollars for social services, police and transportation, the mayor has expressed little confidence the 2012 tax hike will come down to 5.0 per cent, where it started this week.

His bitter tone has faded, however.

"Are there decisions that I don't love? Yeah," he said.

"Is there probably out of \$2.9 billion, \$10 million I probably wouldn't have spent? Yeah."

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