

Budget battles loom at Calgary City Hall

Council needs millions in cuts to fulfil wish list

BY JASON MARKUSOFF, CALGARY HERALD OCTOBER 5, 2009 6:56 AM



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Photograph by: Dean Bicknell, Calgary Herald

CALGARY - Aldermen will have to find millions more in cuts from the civic budget if they want to achieve the triple-crown goal of erasing the revenue shortfall, lowering the tax increase, and paying for a litany of add-on expenses they've thrown in in recent months.

November's council debates for the 2010 budget adjustments should be even more heated than last year's, predicted Ald. Diane Colley-Urquhart, one of the aldermen who is most vocal about scrubbing tax hikes.

City hall has already laid off dozens of contract staff and not filled vacancies to save as much as \$30 million to cover a recession-time drop in fees and other revenues that put city coffers \$50 million in the red.

But council will likely be cutting much deeper than that, since aldermen from across the ideological spectrum-- Colley-Urquhart to Druh Farrell--say they want to lower next year's planned property-tax increase of 6.1 per cent, the highest since 1983.

"Given the times Calgarians are facing, I get the impression we're all trying to keep it as low as possible," Farrell said.

Ald. Gord Lowe, who chairs the finance committee, said he'll push to lower it to "well below" six per

cent.

"We will achieve it," he said in an interview Friday. "What I don't know is what price in terms of services we'll pay, and where."

Even though he concedes he'd like better public transit in the evening rush hour, he suggested one way the city could cut costs is delay planned transit-service expansions to future years.

Lowe also cautioned that whatever services council decides to cut or "hollow out" will likely cause problems down the road.

Aldermen have complicated matters further themselves by repeatedly putting millions worth of extra initiatives into the mix.

Last month, they approved and justified three as worthwhile public expenditures-- more transit security, graffiti cleanup and to save the Race City track.

"We're going exactly in the wrong direction," said Ald. Bob Hawkesworth, who opposed spending \$3 million to keep the private race track open five more years.

More will come Wednesday. City officials will ask council to conditionally approve \$4.6 million more to assessment reviews, extra costs they say are being downloaded onto the city from the provincial government.

The city set a three-year budget last fall, but revisits it this November and next to adjust it to any economic shifts.

Last year, council slashed transit police, took extra from Enmax contingencies and found other small cuts to drop a proposed 9.6 per cent tax hike to 5.3 per cent.

If aldermen had cut further last year, attempts to do so next month wouldn't be so daunting, Colley-Urquhart said.

After hearing fierce anti-tax rhetoric during her recent failed bid to become an MLA, she said she'd like to bring the tax hike closer to zero, if possible.

"Our largest expenditure goes to employees, and how can we reduce staff other than public safety and security-- police and fire?" she said.

Council could also look at freezing management bonuses, a step she acknowledged as modest but helpful.

But she also said people are demanding better snow removal, although they don't want to pay more

taxes for it.

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Calgary's budget breakdown

\$1.3 million - Transit peace officers, dispatchers

\$3 million (cost spread over multiple years) - Plan to save Race City track

\$750,000 - Graffiti-removal Subsidies

\$4.6 million - Proposed increase to cover assessment reviews

\$2.177 million - Total tax-supported 2010 operating budget (approved)

\$25 million to \$30 million - Reported savings already found

\$50 million - Reported revenue shortfall

6.1% - Planned 2010 property-tax increase

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