



## Chamber actions help reduce municipal taxes

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After an intense public and business backlash, and 45 hours of debate, City Council approved the contentious 2009 budget, lowering the projected property tax increase from 9.6 per cent to 5.3 per cent. The Chamber was a vocal advocate for the business community during the process, meeting with budget architect Alderman Gord Lowe, releasing immediate reaction and providing recommendations in a formal submission to Council.

"The Chamber was quick to label this budget as 'out of touch' with the reality of businesses and hard working families in the city," says Geoff Pradella, Vice-President of Public & Government Affairs with the Calgary Chamber of Commerce. "Everyone is having to cut back, and put expenditures on hold, so it made sense for City Council to do all it could to reduce the tax burden. This message resonated throughout the process."

In its budget submission, the Chamber recommended that City Council set a target to limit annual spending increases, conduct a comprehensive expenditure management review during the next three years and support the creation of a new provincial Municipal Auditor General.

The Chamber's ideas were featured in local media including the Calgary Herald, Calgary Sun, CTV News, Calgary Metro and CBC Radio. The idea of a Municipal Auditor General to conduct value for money analysis was well received with Calgary Sun Columnist Rick Bell suggesting the provincial government is considering its creation.

The 2009 property tax increase is now below the Chamber's target of 5.7 per cent, which was based upon the greater of population growth plus inflation or real GDP growth in the economy plus inflation. The Chamber argued that the target incorporates key growth factors and, when combined with development levies and revenues from new tax-paying households, should produce sufficient revenues for the City.

"This target is a fiscal anchor that ensures spending is prioritized," says Pradella. "We are glad to see the reduction from the initial proposal in 2009 and hope that an expenditure review process will produce further cuts to the proposed 2010 and 2011 property tax increases."

The Chamber is also pleased that two of the 2009 - 2011 City Council Priorities pertain to improving the efficiency and effectiveness of service delivery and the investigation of alternative delivery mechanism, both long-standing recommendations from the business community.

The Chamber conducts annual pre-budget surveys that inform budget reaction and recommendations. Members' priorities this year included ensuring value for taxes paid, setting a target to limit annual spending increases, smart growth management and prioritization of spending.