

Mayor seeks tax freeze for '09 budget

O'Brien aims to return to election promise in 'time of great economic uncertainty'

BY JAKE RUPERT
AND PATRICK DARE

Ottawa Mayor Larry O'Brien, who won office in 2006 on a promise of tax freezes and then raised taxes while in office, is again pursuing a tax freeze in the budget deliberations that begin next week.

Mr. O'Brien says he will work to chop the city's budget because citizens of Ottawa have seen huge losses in their retirement investments and are anxious about job losses, and there is a risk of deflation due to the severity of the global economic downturn. He says the last thing citizens need is an increase in their property-tax bills.

"We cannot justify taking a single penny from families and pensioners during a time of great economic uncertainty," said Mr. O'Brien.

Mr. O'Brien's first budget two years ago saw a tiny tax increase of 0.3 per cent, then last year he led a budget process that resulted in a 4.9-per-cent increase. That included a two-per-cent increase to bolster the city's spending on municipal infrastructure such as roads and sewers and more money for police.

Mr. O'Brien's 2009 budget strategy includes holding off on new initiatives, getting \$40 million in "efficiencies" out of the city administration, cutting some of the \$66 million in "strategic initiatives" that are in the capital budget, getting city staff to stick to core responsibilities and reducing projected wage costs.

Mr. O'Brien also says that the city will have to:

- increase user fees;
- consider having community sports organizations manage city sports facilities;
- focus transit service where demand and cost-recovery is

MAYOR'S 2009 BUDGET STRATEGY

- hold off on new initiatives;
- get \$40 million in 'efficiencies' from city administration;
- cut some of the \$66 million in 'strategic initiatives' in the capital budget;
- get city staff to stick to core responsibilities and reduce projected wage costs;
- increase user fees;
- consider having community sports organizations manage city sports facilities;
- focus transit service where demand and cost-recovery is best; and
- cap planned increases in spending for arts and culture.

and city treasurer Marian Simulik is scheduled to give an updated report on Sunday.

For instance, a \$10-million provincial grant the city was relying on isn't available anymore. This could be offset by lower estimated costs for fuel, the price of which has decreased dramatically recently, but that would mean the windfall would vanish before councillors ever saw it.

Ms. Simulik said other things have happened since the budget was tabled, and that they generally would affect the city's finances in a good way, but she declined to go into detail because she and her staff are still working out the revised numbers.

One possible source of budget relief is to delay implementation of the city's organics-diversion program, designed to keep organic waste out of landfills.

Orléans Councillor Bob Monette said he will be asking to defer the organics program for three months, into 2010,

city will have to:

- increase user fees;
- consider having community sports organizations manage city sports facilities;
- focus transit service where demand and cost-recovery is best; and
- cap planned increases in spending for arts and culture.

The city faces a tough budget as council begins to hear from public delegations on Monday.

Even with a five-per-cent tax increase, the draft budget calls for \$35 million in cuts and fee increases.

Some councillors have said cuts proposed by senior city staff, such as eliminating grants for outdoor rinks, are out of the question, which would mean more ground needs to be made up. Last year, the city was unable to find all of the efficiencies managers promised.

Since the budget was first presented, things have changed

organics program, designed to keep organic waste out of landfills.

Orléans Councillor Bob Monette said he will be asking to defer the organics program for three months, into 2010, which city staff say would save \$4.5 million in the 2009 budget. The councillor said with such a tall economic hurdle for city council to get over, he is confident the deferral will pass.

Postponing the organics diversion program will upset some city residents. A Harris/Decima citizen satisfaction survey just released by the city found that Ottawa residents are satisfied with garbage collection services.

Jeff Walker, senior vice-president of Harris/Decima, said the 13-per-cent increase in the satisfaction rate for that service is because people know that the city's organics diversion program is coming in 2009 and they want the service.