

Councillors must find \$35M to cap tax hike at 5 per cent

Arts, bus fares
and user fees
logical targets



RANDALL DENLEY
COMMENTARY

The budget city staff present today will challenge city councillors to eliminate some services and cut the scope of others. Staff realize that the city can't afford to do everything it does now without dramatic tax increases. The question is, will councillors?

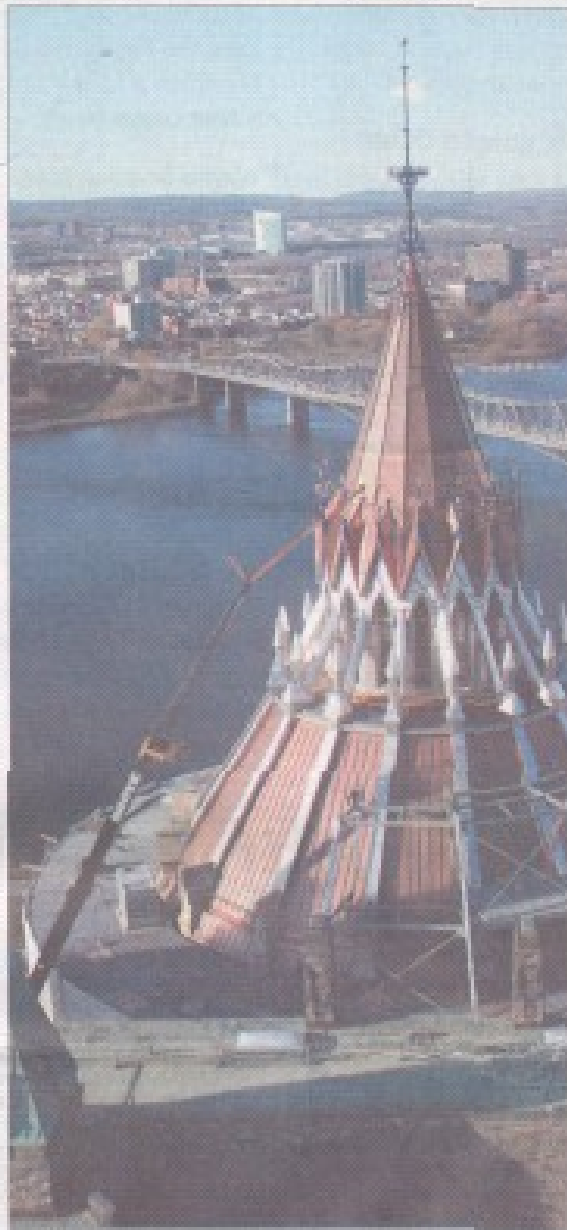
Councillors must find about \$35 million in spending reductions or higher user fees to balance the budget and keep a tax increase to five per cent. A big tax increase and service cuts are a politician's nightmare, but years of refusing to face reality have gotten councillors into this hole. With no substantial reserves left and no help coming from the provincial government, councillors have run out of tricks.

Three of the highly visible targets on the table will be arts spending, OC Transpo service and recreation user fees.

The city spends \$8 million on grants to festivals and arts and heritage groups. Strictly speaking, it doesn't need to spend any of that. Staff will put a substantial amount of that money on the cuts list, not because they don't like the arts, but because it is spending that doesn't meet the narrowest definition of basic services. That narrow definition is about all the city can afford.

OC Transpo is the city's biggest expenditure and increasing ridership is driving up the bill for the heavily subsidized service.

BEAUTIFUL FACELIFT, UGLY FIGHT: Renovation of the Library of Parliament sparks multimillion-dollar lawsuit



It could be more than two years before a lawsuit over who should pay for cost overruns on the Library of Parliament renovation is settled.

Everyone pointing fingers over who should pay cost overruns

BY LAURA PAYTON

The firms who gave the Library of Parliament an award-winning facelift are embroiled in court battles over who should pay for millions of dollars in cost overruns on the project.

One lawsuit that started as a claim between two construction firms has since spawned third, fourth and

fifth party claims, drawing in eight of the companies that worked on the project.

On top of that, the project's general contractor, Thomas Fuller Construction, has filed a separate \$215-million lawsuit against the federal government over delays in decision-making and hundreds of changes to the original scope of work.