

## Mayor calls for tax revolt

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It's not out of the ordinary to hear from disgruntled taxpayers each year at city budget time, but how often has the mayor led calls for a tax revolt?

"Rise up, the public are getting screwed," Mayor Walter Jakeway said after council's Finance Committee narrowly approved a 13.6 per cent property tax increase Tuesday night.

"Get out there and make a noise. This is the time. The public is being screwed. They need to speak up. I want them yelling and screaming.

"The process is flawed. The financial management of the whole group is weak. All we've done is condemn Campbell River to circling the drain for another three years. Where we are is wrong. We've done a disservice to the public."

Councillors and city staff went into this year's budget process facing a \$3.6 million shortfall made up of increased operating costs, the loss of \$1.8 million in tax revenue from the Catalyst mill site, and a \$1.1 million draw from reserves in 2011. In the end, they were able to eliminate just over a third of that shortfall, leaving the taxpayers to pick up the remaining \$2.02 million. The 13.6 per cent increase translates to an annual city tax hike of \$160.76 to the owner of the average valued home in Campbell River, assessed at \$268,000.

While the residential property tax increase comes to 13.6 per cent, other city taxes, such as the Parks Parcel Tax and other user fees were reduced in an effort to decrease the total damage. That, the city argues, brings the total increase down to 7.1 per cent, or an increase of \$136 to the owner of the average assessed value home.

In the end, the final vote found council split between those wanting to protect city services and those looking to cut into staffing and operations to reduce spending.

"Facing historic challenges, council has come up with a frugal budget plan to maintain service levels over the long-term in our community," Laura Ciarniello, the City's general manager of corporate services, said in a news release Wednesday. "They have settled the question of how to address the loss of major industry taxation and recognized the value Campbell River residents and businesses place on city services."

The release did not mention that Ciarniello is already projecting an 8.3 per cent tax increase for next year.

The release did not include the usual quotes of endorsement from the mayor and the Finance Committee chair, Coun. Andy Adams, because both voted against the increase Tuesday night along with Coun. Ron Kerr.

"I'm extremely disappointed in this budget," Kerr said. "This budget sends the wrong message. It says that council is not prepared to put its own house in order. It expects the Campbell River taxpayer just to continue paying and financing it."

"What is clearly evident is that there is philosophical differences amongst council,

and that's what democracy is," Adams said. "My concern is that - similar to comments that I made last year and the year before - the balancing of the budget has been done on the backs of reserves. I can't support the motion. My intent was to get to a more palatable number."

Those three fell one vote shy of stopping the increase as Councillors Claire Moglove, Ryan Mennie, Mary Storry and Larry Samson voted in favor.

"I made the motion because overall I've been very confident in the information that we received and the democratic process that we undertook," Storry said. "Certainly this year the citizen input was greater than we've ever experienced. We've all made motions that have not passed. However, the process from the start has been reasonable."

Mennie said the percentage increase "isn't a number that any of us like, but it's a number that a lot of us in the community realize we have to accept because we want to continue with the community that we have, the way we have it."

Mennie said he spends more on electricity than he does in city taxes, which provide so many services.

Moglove reminded everyone where the process started.

"We were looking at a \$3.6 million shortfall, which is unheard of in my time on council," she said.

"When you look at it in that respect, going from \$3.6 million down to just over \$2 million shortfall, I think that we have made significant changes in the way we are conducting business.

We've had extensive debate on services and what we, as councillors, feel are the core services. Every council member here had an opportunity to bring forward whatever cuts they thought were appropriate to bring the shortfall down and we've had debate on every single one of them.

So is this a perfect solution? No. It is a balance between what each member of council has come to the table with.

"Each one of us are property owners. Do I want a 13.6 tax increase? No. But I want to have the services that we have that those taxes pay for. It's either cutting those services or it's raising taxes at this point."

The same four councillors then poured salt in the wound, voting down Jakeway's call for a public forum to allow the public to speak out about the tax increase.

"They've heard us," Jakeway said. "We've had phone calls, but I think they deserve a voice. Regardless of what the bureaucracy's doing, the public deserves a chance to speak."

"They already have that because our delegation procedure would allow for that anyway," Moglove said.

Those wishing to appear before council as a delegation must fill out a form "and submit it to the City Clerk's office prior to 3 p.m. on the Wednesday prior to the council meeting explaining the issue that is to be addressed," city policy states.

"What's council afraid of?" Jakeway asked after the meeting. "The public deserved a chance to speak out."

Jakeway doesn't expect the 13.6 per cent increase to go over well.

"I hope it doesn't," he said. "The whole thing's unsatisfactory. It's just wrong."

He said council didn't go far enough and the end result was an unrealistic and unfair

budget.

"It's not very hard to balance it, but we've got to cut costs," he said. "We haven't cut costs. We're preserving projects that don't need to go ahead. UNDE More irrigation, \$250,000 for a rubber track at Robron Park, all sorts of projects - pages of them - that are going ahead but don't need to happen. There's so much stuff that doesn't need to happen.

"The theme I get out of it? 'At all costs preserve the bureaucracy and keep going the way we've always gone.' That's wrong. We can't keep doing what we've been doing. The bureaucracy can't be allowed to stay intact and function the way it is. I'm not into laying mass people off but we've got to start cutting our costs.

The bureaucracy is being maintained at the cost of the public. I relate to the pensioner who's having to eat tuna to try to pay their taxes and lick the can because they've got to come up with a few hundred dollars more.

"That's wrong. We need to look after everybody. If we look after the person who's at the bottom end of the scale as far as finances, we'll look after everybody above."

Indeed, the battle may not be over. While the budget was approved at the Finance Committee stage Tuesday night, a budget bylaw must still be drafted and approved by at least two more council votes in the weeks to come.

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