

CITY COUNCIL HOLDS TAX INCREASE TO 3.9 PERCENT

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After months of deliberations, numerous meetings with various City departments, affiliated Boards and Agencies, including a public participation session, London City Council approved the budget on February 11, 2003. City Manager George Duncan and the senior leadership team were directed by Council to come in with a 3% to 5% budget increase. Much credit should be given to the City Manager and his staff for meeting the targets set by Council.

“Budget effort effective,” The London Free Press titled its Feb. 13, 2003 editorial. They wrote “Given the increased cost of servicing debt for needed projects and an inflation rate of 2.7 percent, London City Council did reasonably well to keep 2003 tax increases to 3.9 per cent.”

With inflation, increased energy costs, down loading from the provincial government of social housing and legally mandated service standards for the police, fire department and land ambulance, the budget task was daunting. The goal was to hold the tax increase to the lowest level possible, while maintaining a high standard of service and meeting objectives for improving the quality of life for London residents. New challenges like West Nile Virus also had to be dealt with and a serious short fall, discovered at the last minute in the London Housing budget, had to be covered.

The 2003 Operating Budget will total almost \$550 million, up \$11.4 million over 2002. This will result in a tax increase of \$67 and a Sewer Improvement Tax increase of \$20 for a tax bill of a home assessed at \$134,000. The Community and Protective Services budget is \$54,854,538.

City Council tried a new approach in the budget deliberations. Rather than separate committee meetings, the whole council met together to look at all areas of responsibility. This approach allowed for the participation of all City Council members on each of the different budget areas. In the past, each committee of Council would review their own area, then submit the budget to Board of Control for scrutiny, before approval by full Council. The new process allowed everyone on Council to have full input on every part of the budget and enabled us to reach a speedy conclusion.

Producing a fair budget and holding property tax increases to a minimum, is a difficult balancing act. Money was allocated to areas such as homelessness, para transit and bus passes for the blind. Money was also allotted for an industrial land strategy to help attract new industry to London to create high paying jobs and to build our industrial tax base. Major new capital projects such as the John Labatt Centre, the Western Fair arena, the Byron Fire Hall, the new Libraries including Westmount, the Oxford Street Bridge, and the extensive work on Commissioners and Springbank roads, all added to our capital carrying costs. New facilities also increased our operating costs.

The good news for south-west London is that, in the new Recreation Master Plan, the area has been identified as first priority construction of a two-pad arena and community centre. Last minute interventions by Councillors and various groups saved the Civic Gardens Greenhouses.

The Police budget was the subject of considerable debate. They were given an additional \$3 million representing a 6.2% increase. Virtually all other budget areas met the 3% to 5% target

set by Council. However, due to improved service standards a 7.35% increase was requested by the London Police Services Board. City Council recognized the special needs of the Police by giving them a substantial increase. Recognizing the need to hold tax increases to a minimum and to treat all budget areas fairly, Police Services did not get the full amount they requested. However, they received one of the largest budget increases in the entire city administration. It will support the hiring of 15 new officers.

Council was able to restore several proposed reductions. With the addition of \$125,000 of new money from the Western Fair slot machines, and reductions in Corporate Services and the Elected Officials budget, last minute changes restored \$250,000 to the Wood Lot Acquisition Fund, \$135,000 to fight West Nile Virus (with provincial matching funds and money from the Middlesex London Health Unit West Nile Virus will have \$325,000), \$35,000 for promoting the voluntary phasing out of cosmetic pesticides, \$175,000 for improving transit for the disabled and \$15,000 for Neighbourhood Watch. The Air Quality Energy manager position was also saved by transferring the position to the City Engineering Department from the Health Unit. All this was done without further increasing the budget.

I would like to hear your views on the budget and other City related matters. I thank the hundreds of people who have contacted me on City related issues over the last few weeks. You can reach me by email at ecorriga@city.london.on.ca, by phone at City Hall 661-1558 or at home 652-0973.