

## News Clips/Journal

Date: MARCH 27, 2004

# Province raises school tax

Typical homeowners could pay \$50 to \$60 more this year despite cut in tax rate

SARAH O'DONNELL  
Civic Affairs Writer  
EDMONTON

Edmonton property owners will pay \$16 million more in school taxes this year, despite the Klein government's boast this week about a tax-rate cut.

The increase could cost the owner of a typical home an extra \$50 to \$60, if the impact of a similar increase last year is an indication.

"It's underhanded and deceitful," Coun. Michael Phair said. "Especially since it's advertised and promoted as a reduction in education property taxes."

Across Alberta, the province will reap an extra \$77 million in school property taxes in 2004-2005, officials confirmed Friday. The total take will rise to \$1.4 billion.

The city was told Friday it must collect \$247 million from local property owners as Edmonton's share of education funding in 2004. That's up 6.9 per cent from last year.

The province had announced in its budget Wednesday that it will cut the school property tax rate—also known as the mill rate—by 2.3 per cent.

Finance Minister Pat Nelson pointed to the reduction in her budget speech. "If the mill rate had not been reduced, the province would be collecting \$20 million more in property taxes than it will this year," Finance officials said.

Province should collect the tax, Mayor Smith says

But city officials say any increase in the amount of property tax collected to fund schools violates former provincial treasurer Steve West's promise three years ago to cap the amount the province collects from the tax at \$1.2 billion.

By law, municipalities must collect education property taxes on the province's behalf, though they have no role in setting that rate. School taxes make up about 40 per cent of a homeowner's property tax bill.

Property tax notices combine school taxes with city taxes; because of that, many people think the city is responsible for the entire bill.

"One of the reasons I want to let the province collect it is because of all of this," Mayor Bill Smith said when he heard about the increase to Edmonton's requisition.

"People don't understand it. Let them collect their own and take it right off us. People still look at it as one tax."

The provincial Finance Department insists there is no tax increase.

The province is netting more property tax revenue because Alberta is growing, spokeswoman Tracy Balash said. New houses have been built while the value of existing homes has increased.

But Michael Chibuk, the city's manager of assessment and taxation, said Edmonton has not grown by 6.9 per cent. The city will calculate the exact impact on property owners next week.

As for the pledge to hold school property tax revenue at \$1.2 billion, Balash reiterated the province's admission that it lifted the cap in its 2002.

"That was the first budget we had after Sept. 11. It was also the first budget we had after we had to make some reductions in our budget the previous year because natural gas prices fell dramatically in the fall," she said.

"It was a time of real global uncertainty. Energy resources were extremely volatile at the time. We needed the revenue."

Today, even with high gas and oil prices, the province sees property taxes as a stable funding source for education, she said, an issue Albertans have identified as a priority.

School taxes account for about 36 per cent of the province's education funding, down from about 50 per cent when the government took over setting the mill rate from school boards in 1994.

Coun. Ron Hayter said the entire system of funding education through property taxes must be reviewed.

"If we did that kind of smoke and mirrors approach, (taxpayers) would be lynching us," Hayter said.

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## News Clips/Sun

Date: MARCH 27, 2004

# Cops keep hooker probe under wraps

**Civil libertarians call for more disclosure** Annette Bidniak  
Case is closed

By RAQUEL EXNER  
Staff Writer

City police won't reveal details about what a 20-year-old internal affairs investigation looked at regarding allegations of police misconduct with prostitutes.

However, the Alberta Civil Liberties Association insists the police have an obligation to be more open about the details.

"I think they have an obligation to satisfy the public," said association spokesman Stephen Jenuth.

"They have an obligation to be open regarding all of these things. And to the extent that they aren't open, we're left hanging and left questioning this."

Edmonton police spokesman Annette Bidniak said no details will be released about what the 1980s internal affairs investigation entailed.

And when asked if police did a photo lineup during the investigation, she said she wasn't aware of that and to ask the police commission instead.

"The case is closed unless more information comes forward. That has been stated by the police commission and by the Edmonton Police Service.

"You can try to piecemeal this story every day for the next year, but we've told you that it's over unless more information comes forward that can be investigated."

Retired city vice cop Vern Colley worked the probe 20 years ago into allegations that police were shaking down hookers for sex and money, but he was called off the case.

In an affidavit, Colley claimed one of the prostitutes identified ex-police chief Bob Wasylyshen, through a photo, "as being one of the culprits."

Police said this month that a "very senior" internal affairs investigator reviewed the file but could not identify any suspects, and that records of the internal affairs probe would have been destroyed after 10 years under a police policy.

A lawyer and a retired Mountie who recently conducted separate reviews of the 20-year-old Edmonton police corruption case concluded allegations of improper conduct by cops with prostitutes in the 1980s could be true, but there was not enough evidence to identify suspects, and further investigation was not warranted.

The reviews were done for the city police and the police commission. The police commission announced after the reviews that it won't take further action into the Colley file.

Citing the two reports, Solicitor General Heather Forgyth dismissed calls for a public inquiry into the furor, saying "the subject is finished."

# Province's police grant to city slashed by half

The provincial budget that pledged more than \$10 million in new cash for cops is also taking a big bite out of the city's budget, says Edmonton's finance branch manager.

Roger Rosychuk said yesterday the city is really only about \$5 million ahead despite Wednesday's provincial budget commitment to deliver about \$10.7 million in new police money to Edmonton cops.

That's because the province slashed an \$8.8-million unconditional grant the city was expecting by \$5.3 million.

The \$8.8-million grant had already been factored into the city's

2004 budget, so the change leaves municipal coffers suddenly \$5.3 million short, Rosychuk noted.

City council will have to adjust the cops' \$176-million budget to account for the new \$10.7 million in police cash, plus grapple with the funding shortfall, Rosychuk noted.

"The key thing to remember is we have to look at it likely from a net basis," Rosychuk said.

"I don't think the province would have expected police to get this money and the city then would have to find \$5 million somewhere else because they reduced the grant. But that's something that will have to get sorted out through city council."

The city does not yet know what conditions the province will attach to the police money, Rosychuk added.

City councillors could inject the \$10.7 million into the police budget and then pare it back in other areas.

Edmonton Police Commission chairman Martin Ignasiak said commission members will meet and discuss the funding with city officials next week.

But he added he's not at all disappointed to learn police might not get the entire \$10.7 million.

"Overall, I think we're quite pleased to see the focus on policing," Ignasiak said.

## EDMONTON

## News Clips

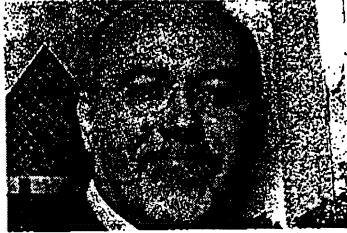
DATE: March 29, 2004

EDMONTON JOURNAL

## Council's silence on international flights is deafening

*We're doomed to be Alberta's second city — and a distant second at that*

Scott McKeen



Grist for the mill. Thoughts for the day. Words of wisdom, or what passes for wisdom in this space on a Monday.

► University of Alberta physicist Don Page, who once worked with superstar cosmologist Stephen Hawking, has made a major discovery. The universe, Page now believes, will exist for at least another 26 billion years.

Page explained the theory to me in a long-distance phone call from Texas, where he's doing research. His calculations involve string theory, dark matter,

scalar fields and fluctuations in the microwave background.

Funny, but when I ran the numbers, I came up with only 24 billion. Knowing that the universe will exist for billions and billions of years should give Alberta Liberals hope.

► Sherwood Park, you're out of the club. You host a major conference on regional economic development last week and — let me get this straight — you don't bother to invite Edmonton city council?

The snub put numerous noses out of joint at city hall and proves again that regional co-operation is more myth than reality.

► Speaking of regional co-operation, the Nisku Business Association is hosting a luncheon this spring with this title: What Annexation Would Mean to Nisku Busi-

ness Park.

Wow. Nisku is doing something our skittish city council never does — discuss annexation in public.

► Edmonton is doomed to be Alberta's second city — a distant second — if council continues to sit back while others decide the fate of our airports.

National and international air service is critical to Edmonton's economy. We need to fully consolidate air service at the international airport to attract more long-haul service.

Edmonton's MLAs don't get it. One of them tried to convince me last week that Edmonton must accept its fate as an air-service spoke to Calgary's hub. Another Edmonton MLA, Economic Development Minister Mark Norris, seems to agree, with the way he's publicly cam-

paigned against consolidation.

The actions of the local MLAs support the theory that the Klein government plans for only one international airport in this province, in Calgary.

Meanwhile, where is council on all this? The silence is frightening.

► Any regular reader of this space knows that city hall is cash-strapped. Edmonton doesn't have the money to maintain existing services and facilities, let alone expand them to new neighbourhoods.

I keep raising this point because I want Edmonton, my hometown, to be a great city. I don't want to see asphalt patches on concrete sidewalks, potholed roads or neighbourhoods without proper transit or recreational facilities.

Some of the oft-discussed financial solutions — amalgamation, a sales tax, re-

gional water surcharges — cannot be implemented by city council and instead rely on provincial approval.

Reader Ron MacLeod has come up with a novel idea.

"As an Edmonton property owner, I am unwilling to wait for such hoped-for resolutions to our civic woes," MacLeod wrote in a recent e-mail.

"Until the political resolve emerges, on the part of all levels of government, to create enduring and sustainable solutions, I believe Edmonton property owners should take matters into their own hands."

MacLeod suggests setting up a sustainability fund — he calls it the \$100-Solution Initiative — to help pay for civic repairs and upgrades. He calls on Edmontonians to donate at least \$100 to civic coffers or, better yet, to a citizen-directed fund.

See McKEEN / B2

# News Clips/Journal

Date: March 29, 2004

## Civic politicians don't get it

McKEEN

Continued from B1

"This would place more power in the hands of citizens, while also creating a vibrant Edmonton and a politically charged citizenry.

"I thereby offer the first \$100," adds MacLeod. "I ask other concerned Edmontonians to do likewise."

MacLeod's idea won't fly, not in 26 billion years. But I hope council listens. Some Edmontonians are willing to pay higher taxes to cover this city's bills and make it a better community.

► If you're a cosmology nut, e-mail me and I'll fill you in on Don Page's theory on the end of time. I'll forward you Page's lengthy e-mail in which he tries to explain it to me. I tried to read it, honest, but oh, my aching head.

► If you are sympathetic to MacLeod's campaign, don't send \$100 to city hall. Instead, challenge all the civic candidates next fall who promise to "build Edmonton," while holding the line on taxes and fees. You don't have to be a theoretical physicist to realize the numbers don't add up.

► Coming soon to this space: A primer for rookie civic candidates, including a handy-dandy home psychology test.

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## Local company wants your dead and dying e-garbage

Journal Business Staff  
EDMONTON

Every computer contains about two kilograms of lead and small quantities of other dangerous materials such as cadmium and mercury.

So InterSpots Inc. owner Michael Verhoeven wants people to drop off unwanted or dead computers and other electronics at his downtown premises instead of sending them to a landfill site.

The e-waste will be picked up by the non-profit Electronic Recycling Association of Alberta. Still-working or repairable items will go back into circulation, while the remaining metals and plastics will be melted down and recycled.

There's no charge for dropping items off.

"We had arranged for ERA to pick up some of our old equipment, and we

asked what more could we do for them," said Verhoeven, whose company provides web hosting services.

"We have some space for temporary storage, so we offered to act as a collection centre."

There is no e-waste recycling centre in the Edmonton area, so the Calgary-based ERA makes regular trips up here, Verhoeven said.

The provincial government is planning to launch a provincewide e-waste recycling network later this year, with a point-of-sale environmental fee similar to the one on tires.

Meanwhile, Verhoeven hopes people will start thinking more about how they can reduce the huge amount of toxic e-waste going to landfills.

He will take any kind of electronic equipment, including computers, VCRs and DVD players at his office at 10510 107 Ave.

## News Clips/Sun

Date: March 25, 2004

# Cities are left with fiscal crumbs



Kerry Diotte

**S**o Edmonton and other communities finally wrested a bit more cash from the two other levels of government.

As the province swims in a sea of record-high resource revenue, it doled out a few crumbs to Edmonton and other municipalities.

The provincial budget that was rolled out yesterday will give Edmonton almost \$10.7 million more for policing this year.

It also appears the province is finally heeding the rational arguments of municipal leaders who have long said

ambulance service is a type of health care – and health care, of course, is a provincial responsibility and not a civic one. The province intends to take over full responsibility for ambulance service in a couple of years from cities such as Edmonton.

The news from the province follows hot on the heels of Tuesday's federal budget that also tossed a few bones to Edmonton, chiefly, an extra \$12 million this year from a larger-than-before GST rebate to Canadian cities.

There was only a brief mention in the budget of more cash coming this way, possibly from the at least \$4.5 billion the feds collect annually from gasoline tax.

According to a Fraser Institute analyst, the feds last year raised \$5.9 billion in transportation-related revenue (largely the gasoline tax) but spent a paltry \$405 million across Canada on roads.

Excuse me for being thoroughly underwhelmed by the lack of largesse from both levels of government.

The province, and especially the feds, sucks an obscene amount of tax money out of us, yet gives us almost nothing back on the municipal level.

If you don't mind feeling a little queasy, take a gander at some federal taxation and spending figures.

The federal government will collect a whopping \$187.2 billion in revenue from Canadians in the fiscal year 2004-05, including \$86.9 billion in personal income taxes.

But we get only a paltry amount back from the province and feds to build infrastructure in Edmonton and run city services – everything from police to fire to transit.

Although the feds will take \$116.5 billion in all forms of income tax from Canadians (including corporate income tax),

politicians are hardly generous to cities.

In this current year – prior to yesterday's provincial budget – the city was slated to get just \$26.4 million in operating grants from the province.

As for capital projects, the city is slated to get \$31.3 million in provincial grants and another \$77 million by being given five cents of the province's gasoline tax from gas purchased in Edmonton.

That is not exactly chump change but city officials rightly point out they wind up having to pay an estimated \$88 million annually for services that they feel are a provincial responsibility.

Some might accuse the province of being tight-fisted with the city but the federal contribution to running Edmonton or building infrastructure here is positively Scrooge-like.

City of Edmonton finance department brass say the feds will give only about \$2 million in 2004 toward city operations.

The feds' main contribution to capital projects in Edmonton totals just \$36.5 million over the six years from 2001 to 2006.

Isn't that incredibly stingy considering the feds will pull in \$187.2 billion from Canadians through various sky-high taxes?

Somehow, when you see how much the province and feds gouge out of our hides, their gift of a few million extra bucks to Edmonton is hardly very generous.

– kdlotte@edm.sunpub.com



– File photo

Road work: Lots of money taxed, little spent.

# City folk finally get a break

By ANDREA SANDS  
City Hall Bureau

New provincial cash announced yesterday for police and ambulance service will finally take some pressure off Edmonton taxpayers, say city officials.

"It's money that we're not going to have to spend ... taxpayers' money," noted Mayor Bill Smith after Alberta Finance Minister Pat Nelson delivered her budget speech yesterday.

"Following on the tail end of the federal budget, I think it's very positive. In two days we got more attention than we ever have since I've been mayor."

The budget held good news for cities, including a commitment to spend about 50% more in this budget for policing programs "to a total of \$174 million," said Nelson.

A total of \$13.5 million in police funding will flow into Edmonton's metro area, and city cops will get almost \$10.7 million of that under a per-capita formula.

It's a "welcome infusion of funds" likely to put more cops on the street, interim police Chief Mike Bradshaw told reporters. But Edmonton Police Association executive director Bob Claney cautioned that hiring new recruits will only be possible with ongoing provincial cash.

"You can't hire people one year and then turn around and lay them off because you can't afford to pay them," he said.

About 20 Alberta communities with populations of less than 5,000 people will no longer pay for policing.

The province will also spend \$13 million to design a system where health authorities - not

municipalities - will be responsible for Alberta's \$110-million-a-year ambulance service, Nelson announced.

"By 2005-06, funding to health regions for ambulance services will increase by \$55 million. And the good news for municipalities is this will free up money they can spend to meet other pressing needs."

Nelson also pledged \$6.5 billion for capital projects such as roads, parks, housing and sewers over the next three years and a 2.3% cut to education property tax rates.

The president of the union representing Edmonton paramedics said he's pleased to see the province recognizes ambulance service as health care.

But Randy Littlechild is anxious for more details about how the new system will work.

The president of the Canadian Union of Public Employees Local 3197 said he expects the City of Edmonton will continue running the service on contract to the health authority.

But he noted some municipalities could "shrug their shoulders" and dump their ambulance service.

"Health authorities could end up contracting to a private vendor, and that's scary. A private operator is in it for the money."

The province will likely fund only basic service through health authorities, which means city taxpayers would still top up ambulance-service budgets, Littlechild added.

"The big question is, is the money coming with it?"

"Show me the money - I want to see how much we're going to get."

## News Clips/Sun

Date: March 25, 2004

# Taxes slashed

By TIMOTHY le RICHE  
Business Editor

The Ralph Klein government cut \$142 million from business taxes in yesterday's provincial budget while promising new legislation to make income trusts more attractive to investors.

"We also will take steps to enhance Alberta's reputation as a business-friendly jurisdiction," Finance Minister Pat Nelson told the legislature. "Legislation dealing with income trusts and unlimited liability companies will be introduced this year."

Corinne Pohlmann, director of provincial affairs for Canadian Federation of Independent Business, bemoaned the slow pace of business tax cuts.

"What we're really concerned about is the fact spending has gone up," said Pohlmann. "For every \$1 we're seeing in tax cuts, we see almost \$10 in increased program

spending."

But the budget garnered top marks from Irene Pfeiffer, president of the Alberta Chamber of Commerce, pointing at the business tax cuts: "It's hard to criticize when they're going in that direction."

Nelson said the general corporate tax rate will drop from 12.5% to 11.5%, with a continued commitment to eventually fall to 8%. Also, the small business rate will drop from 4% to 3%.

"Together, these reductions amount to savings of \$142 million this year for businesses that drive Alberta's economy and create lasting jobs."

Income trusts dodge corporate taxes by flowing income directly to



investors, who are then responsible for the applicable dues. Legislation would ensure operations liability remains with the corporate operator and not the individual investor.

Such protection would increase investment, the province says. Income trusts are growing in popularity, particularly in Alberta's oilpatch.

The provincial government expects Alberta's economy to pump out another 3.6% worth of goods and services this year, create 43,000 new jobs and notch the lowest unemployment rate in Canada.

However, total provincial revenue for the year was estimated at \$23 billion, down \$2.4 billion on an expectation of lower energy prices. The budget is based on \$26 US per barrel of West Texas Intermediate benchmark oil and \$4.20 Cdn per

million cubic feet of natural gas.

Energy revenues are expected to decline by \$2.7 billion to \$4.8 billion, assuming declining prices, lower natural gas production and a higher Canadian dollar.

The province's Agriculture, Food and Rural Development department is budgeted for \$908 million, down from \$1.62 billion, but that included \$776 million in one-time disaster funding. The province said agriculture spending is expected to exceed \$1 billion in the next two years, but some of that will be offset by federal funding.

The Economic Development department budget was set at \$57.5 million, which includes \$24 million for tourism and marketing.

The province also increased the film development fund by \$1 million to \$11 million a year.

John Carpenter, executive director of the Certified General Accountants Association of Alberta, said more and more groups are lining up to get a piece of the province's ongoing surpluses. "It's about time that they started to budget again reductions in income taxes, so that we're at the front of the line," said Carpenter.

## News Clips/Sun

Date: March 25, 2004

# Spending spree

**More money for programs and services, some tax cuts, in budget****By JERRY WARD  
Legislature Bureau**

In what may be the final budget prior to the next provincial election in 2005, Premier Ralph Klein's government has ramped up spending for the next fiscal year.

In its 2004-05 budget - the 11th consecutive balanced budget - the government is forecasting to spend \$22.6 billion, a 6.1% increase, on programs and services, said Finance Minister Pat Nelson.

"When you look at the economy and the growth we have in Alberta ... the pressure on infrastructure is huge for us," Nelson said yesterday. "Yes. Our spending is higher."

"But we are investing in the future by doing that, by having a place that attracts people to come here, to invest here, raise their family here and to live here."

Revenues are predicted to be \$23 billion or 9% less. That includes projected resource revenues of \$4.8 billion. A year ago, the province planned to spend \$22 billion on revenues of \$25.3 billion.

The government plans to lower education tax rates by 2.3%, and maintain the province's 10% single-rate personal income tax, expected to save Albertans \$150 million against inflation.

Increased funding is also directed at health (8.4% to \$8 billion), education (5.7% to \$5.3 billion), policing (50% to \$174 million) and infrastructure (a \$900-million increase to \$6.5 billion over three years).

"This is a cynical and tired budget from a cynical and tired government," said Liberal MLA Kevin Taft.

"What an Alberta Liberal government

would do would be specific things - eliminate health-care premiums, reduce classroom sizes, take steps to reduce electricity costs, reduce auto insurance costs. We have none of that in here.

"This is a budget for accountants, for the government itself and for spin doctors. It's certainly not a budget for ordinary Albertans."

The government also acknowledged its governance and funding responsibility for ground ambulance services, setting aside \$13 million for the transition this year and increasing that commitment to \$55 million a year in 2005-06.

The Conservatives are estimating the province's economic growth will increase by 3.6% in the coming year, with 42,700 new jobs being created.

The general corporate income tax rate is

to be reduced to 11.5% from 12.5%, while the small business rate will be cut to 3% from 4%.

Both are effective April 1.

Of the \$23 billion in projected revenues, 43% is to come from two areas - personal incomes taxes (\$5.1 billion) and non-renewable resource revenue (\$4.8 billion).

One notable increase on the revenue side is in gaming and lottery, where it is expected the government will collect \$1.16 billion in 2004-05 versus \$1.1 billion this year.

Insurance taxes are expected to bring in \$165 million - up from \$157 million in 2003-04.

**Pat Nelson****'Investing in the future'**



## News Clips/Sun

Date: March 25, 2004

# Cash for cops but not for net perv plan

By SHANE HOLLADAY  
Staff Writer

The province backed up tough talk on fighting crime with \$58 million in new cash for policing – but left out specific funding to fight Internet child exploitation.

Yesterday's provincial budget announcement pledged \$37 million in new funds through a per-capita grant for municipalities, said Solicitor General Heather Forsyth.

Another \$12 million will go to maintain the level of RCMP service in Alberta, sustain the integrated response to organized crime and fund other programs.

The province also raised the bar on how

large a town can grow and still qualify for free policing – up to 5,000 residents from 2,500, with \$9 million set aside to cover the cost.

"There is not a municipality in this province that will not be affected by funding," Forsyth said.

But RCMP and city police had been hoping for at least \$4 million in funding for a joint unit aimed at fighting child pornography, Internet luring and child exploitation in Alberta.

For months cops have had a request before the provincial cabinet for a massive funding boost to cover the creation of 12

officer Integrated Child Exploitation (ICE) units in Edmonton and southern Alberta.

Yesterday, Forsyth said there was no specific funding for the plan – but cops can spend their boosted budgets as they please.

"It's up to them to determine the priorities of their city, but we will continue to lobby the (federal) government and look at this as a national strategy," she said.

"When you're looking at child pornography, you're talking about Internet crime and we believe that it has no boundaries."

But without cash specifically budgeted for an ICE team, the government is blowing

hot air, said Liberal solicitor general critic Laurie Blakeman.

"They don't really mean it," she said. "I think they're floundering here."

Det. Randy Wickins, a city cop working on an ICE pilot project, said it's too early to say if hopes for a provincially funded unit are sunk.

"I know it's a priority both for the government and for us. What that translates to, time will tell."

Edmonton's metro area will see a total of \$13.5 million in police funding flowing into the region, with city cops getting almost \$10.7 million of that under a per-capita formula.

**News Clips/Journal**

Date: March 24, 2004

# Measures welcome but leave mayors hungering for more

SARAH O'DONNELL  
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and The Canadian Press  
EDMONTON

## AID FOR CITIES

Cash-strapped cities received a few small benefits in Tuesday's budget, with the promise of more help to come.

The federal budget included the previously announced GST exemption for municipalities, worth at least \$580 million annually, and a plan to spend \$1 billion on construction and repairs within five years, rather than 10.

Finance Minister Ralph Goodale said the GST break — retroactive to last month — will save municipalities about \$7 billion over 10 years.

"This is real money for improved roads, better transit, clean water and expanded local services," Goodale said in his budget speech.

The money was not the major cash injection local leaders are seeking from Prime Minister Paul Martin, who has repeatedly promised a new deal for cities.

For Edmonton, the GST rebate will mean an extra \$10 million to \$15 million a year.

"I want to caution everybody and I want to say to all the mayors that our work is just now beginning," Mayor Bill Smith said. "And that work is to make sure that (fuel-tax sharing) is in the 2005 budget."

A piece of the lucrative federal fuel tax is the big

prize municipalities have hungered for in recent years. Smith said he is confident Martin is committed to brokering such a deal.

Smith, who previously suggested the city might consider using the GST rebate to lower property taxes, said Tuesday he no longer believes that is an option.

The budget was warmly received by Ernie Patterson, president of the Alberta Urban Municipalities Association and mayor of Claresholm.

"In all the years I have been mayor, and that's a lot of years, I have never heard a federal budget that places so much emphasis on assistance to municipalities," Patterson said. "It's a nice switch."

St. Albert's Mayor Richard Plain was less enthusiastic, saying the help municipalities need is not coming soon enough.

"We live and die in the short run," Plain said. "We've got to have roads that work. We've got to have pipes that carry water. We've got to be able to meet our transportation responsibilities and we need the help as much as we can conceivably get it now to deal with the old crumbling infrastructure and deal with the new growth."

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“Very clearly I’m pleased with a couple of things. There is the recognition of a new deal for cities.”



Mayor Bill Smith

## News Clips/Journal

Date: March 25, 2004

# Mayors applaud ambulance aid

KEITH GEREIN  
Civic Affairs Writer  
EDMONTON

## CITIES

Mayor Bill Smith and other municipal leaders say the provincial budget finally offers cities and towns some relief from financial distress.

In addition to more money for policing, including up to \$10.7 million for Edmonton, the province is moving to take over responsibility for funding ambulances. That could free up about \$10 million in tax money for Edmonton by 2005.

“I would call it a responsible budget,” Smith said. “Very clearly, I’m pleased with a couple of things. There is the recognition of a new deal for cities.”

The change in attitude is striking compared with past provincial budgets, when municipal leaders often complained their communities were being neglected.

“On the whole, I’m quite happy, because this is the first time in three years we’ve actually got anything,” said Ernie Patterson, president of the Alberta Urban Municipalities Association.

Municipal Affairs Minister Guy Boutilier said the “mayors and councillors have done a very good job in terms of bringing to our attention the pressures they are facing every day, and we’ve tried to take action on that.”

While the additional money for policing is expected immediately, ambulance funding will have to wait until at least 2005. The

province will spend the next year studying how to transfer responsibility for the service from municipalities to health regions.

The process is not likely to be simple, considering the variety of ambulance programs around Alberta. Some cities, such as St. Albert, use staff who are trained as both firefighters and emergency medical technicians. Other municipalities use volunteers or contractors.

“That’s a big door with a question mark on it and once it’s opened it could either unleash a wall of problems or it might not be too bad,” St. Albert Mayor Richard Plain said.

Once a system is worked out, the province expects to spend \$55 million annually on ambulances.

Edmonton currently spends about \$22 million to operate ambulances. About \$10 million is covered by property taxes while the rest is recouped by billing customers.

Smith said he doesn’t mind waiting a year. He’s just glad there is a recognition that ambulances are part of the provincial health system and should not be the responsibility of municipalities. “I’ve always said health care starts at the curb,” he said. “This will obviously free up money for us. How much that really will equate to we don’t know yet, but it’s very, very positive.”

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**News Clips/Journal**

Date: March 25, 2004

# \$479 million in capital projects to be unveiled over next two weeks

## Opposition not impressed by piecemeal pronouncements

TOM BARRETT  
Provincial Affairs Writer  
EDMONTON

Albertans can expect a flurry of announcements soon as the provincial government makes political capital over a host of new capital projects.

A new three-year plan announced in Wednesday's budget calls for nearly \$6.5 billion in spending on transportation and infrastructure projects. Most of that money will be spent to complete 158 projects already announced, such as the Edmonton ring road.

Altogether \$479 million in new infrastructure funding was unveiled in Wednesday's budget, including \$71 million for new health projects, \$42 million for new schools and \$53 million for post-secondary school buildings.

The details of the new projects will be released over the next two weeks, said

### INFRASTRUCTURE

Finance Minister Pat Nelson.

The first announcements may come tonight in a speech Premier Ralph Klein is scheduled to deliver in Edmonton, Nelson said.

Klein didn't wait for the budget, however. He announced in Calgary earlier this week that two new hospitals will be built. The details, such as cost and completion date, will likely have to wait for his next Calgary speech or press conference.

Other ministers and some MLAs are expected to make announcements about the construction of new schools, roads, bridges and interchanges and health facilities.

The opposition parties aren't impressed by the government approach.

"The money is welcome," said Liberal infrastructure critic Bill Bonner.

"But when they have almost half a billion dollars that hasn't been itemized and projects that haven't been identified, then I think it leaves the question: is this just a slush fund that can be used for the next election?"

New Democrat Leader Raj Pannu called the whole process an election cycle, in which the government creates a massive infrastructure debt, promises a huge spending spree, then reneges after the next election. "There's no doubt in my mind that these are not permanent commitments."

Infrastructure Minister Ty Lund brushed off those suggestions.

"There's going to be an awful lot of activity," he said. "We've got a lot of work to do yet, but we're making a good start on it."

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# News Clips/Journal

Date: March 25, 2004

## Police funding boost cheers just about everyone

Expect to see more constables on the streets

TOM BARRETT  
Provincial Affairs Writer  
EDMONTON

Expect to see more police officers on the streets of Edmonton and more services of all kinds in medium-sized towns where policing costs are being picked up by the province.

Edmonton police will receive \$10.7 million from the provincial government under a new funding formula announced in Wednesday's budget. It will take effect April 1.

Every community with more than 5,000 people gets \$16 per capita, while every smaller town or village has the entire cost of policing covered, in exchange for giving the province all traffic fine money it collects.

Until Wednesday the government only paid the costs for municipalities of 2,500 or fewer.

The total tab is \$58 million, including \$41.5 million in new money. The rest comes from a reallocation of unconditional grants to municipalities.

"This is certainly a welcome infusion of funds into policing the city," said Edmonton's interim police chief Mike Bradshaw.

"It's going to enable us to examine some of our policing programs and see where there's been some gaps or shortfalls, and deal with that. I can anticipate that we will see some additional policing on the streets of Edmonton."

Bradshaw says he and the police commission will review the department's needs before determining how to spend the



LARRY WONG, THE JOURNAL, FILE  
Constables were pictured on recruiting billboards in 2002: New money could mean more police will be hired this year.

money most effectively.

Edmonton Mayor Bill Smith was pleased to hear about the new money and suggested it would likely mean more police recruits.

"We've got a somewhat aging force," he said. "This is going to be a real boost."

The happiest man at the legislature, Wednesday may have been Ernie Patterson, president of the Alberta Urban Municipalities Association.

Patterson and the mayors and councils of towns that spend nearly 50 per cent of their property tax revenue on policing could hardly believe their fight for more funding was finally won.

Towns with small populations and high crime rates, such as High Level, High Prairie and Lac

### POLICING

La Biche, have been financially crippled by the past policy, he said.

"I'm very, very pleased," Patterson said.

"One of the things that worried me is that there wouldn't be fairness and equity for the municipalities over 5,000. I believe that with the \$16 per capita grant that they've done a pretty good job. This is wonderful news for the 20 municipalities that are not going to have to pay for policing anymore."

Solicitor General Heather Forsyth called the budget a good news story.

"There is not a municipality in this province that will not benefit from the funding."

Forsyth said conversations with many municipal officials convinced her government help was required.

"Over the past year I've crisscrossed the province and continually heard about the need for more money for policing."

Both opposition parties said the new funding for policing was the right move but was long overdue.

"Frankly, I think it's good news for municipalities," said New Democrat Leader Raj Pannu.

"Small towns have been starved of funds on all fronts."

Unfortunately the government is only solving a problem it created in the first place, Pannu and Liberal MLA Laurie Blakeman said.

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## EDITORIALS

EDITOR: DAVID EVANS, 429-5207; editorial@thejournal.canwest.com

Date: March 25, 2004

# Cautious plans for banner year

Finance Minister Pat Nelson prudently loosened the purse strings to find more cash for the core services of education, health care and policing in her Wednesday budget.

A \$250-million increase in education spending will go a long way to meeting the recommendations of the Learning Commission to hire more teachers and reduce class sizes.

Regional health authorities battling deficits will receive an eight-per-cent increase, and cash-starved municipalities a modest break with a long-awaited, 50-per-cent increase in police grants.

Albertans will also get a ramped-up capital construction budget, thanks to the current year's surplus that pumped \$800 million more into the \$6.5-billion capital fund.

More badly needed roads, schools, hospitals and highway construction will be announced by the government in the next few weeks. This, too, is welcome in a province with an infrastructure deficit in the billions of dollars.

In all, Nelson's 6.1-per-cent increase in spending is modest and measured in a prosperous province — as one would expect from the cabinet's hard-line fiscal conservative; and from a government with an eye on an election in the next 12 months.

But for a province on the doorstep of its second century, and flush with cash, her new budget is surprisingly devoid of vision or bold initiatives for the future.

(The only hint of major change comes in health care, where Nelson's plan warns that Alberta is "willing to act on its own" with reforms aimed at reining in health spending.)

In her budget speech to the legislature, Nelson invited Albertans to take a look ahead on the eve of the "landmark" birthday and "envision Alberta's next century." Because of our rich natural resources, "we have choices that are simply out of the question in many other parts of the country," she says.

That's absolutely correct, which makes it rather odd that she doesn't propose any of those inspired choices, such as a forward-looking strategy for sustainable cities or tuition relief for post-secondary students.

Even the much-touted 20-year economic strategy comes down to a vague program "to help develop innovative ideas."

When Nelson contemplates the province's centennial, her idea of the perfect birthday present is to finish pay-

ing down the debt a year from now and ahead of schedule.

"If, and I say if, resource revenues are considerably higher than our forecast, my vote and the premier's vote will be to seize the opportunity and hand Albertans the best gift we could provide — the gift of a debt-free province."

Nelson may well be setting herself up to do exactly that. By basing the budget on remarkably low forecasts for oil and gas, there's a good chance the surplus will be much higher than Wednesday's modest forecast of \$303 million for the 2004-05 fiscal year.

Admittedly, budgeting in Alberta is always partly guesswork because of the volatility of fossil fuel prices. But this budget predicts oil prices will average \$26 U.S. a barrel when they are currently at \$38 U.S., and estimates natural gas prices will average \$4.20 per mcf when they are currently at \$5.53.

On that basis, energy revenues are forecast to be only \$4.8 billion this fiscal year. That's 40 per cent less than the \$7.4 billion expected from the current fiscal year that ends March 31 — but just enough to meet the government's requirement of \$4 billion in oil and gas royalties to be transferred into the general-revenue fund for spending.

(Any royalties above \$4 billion go into the sustainability fund, which is already at its \$2.5-billion maximum and is expected to overflow to \$3.8 billion by the end of the year.)

There's one clear lesson from this first year under a new system of capped royalty spending: a sustainability fund capped at \$2.5 billion isn't a big enough container for all that surplus oil and gas revenue.

If we're that close to paying off the debt, the province needs to have another look at its fiscal plan before the millions that now pour into debt repayment come flooding back into the treasury. Under the current rules, some can go into capital spending. But where else? Is it time, perhaps, to put some back into the Heritage Fund as a gesture to future generations?

Ten years ago the debt was \$24 billion. Today it stands at \$3.7 billion, and is expected to drop at least to \$2.7 billion by the end of fiscal 2004-05.

Paying off the debt would be a major accomplishment, one the premier and Nelson could certainly be proud of. But the prudence Nelson says is "bred in the bones of Albertans" also demands that the province have a sound plan for the impending post-debt bonanza.

**News Clips/Journal**

Date: March 24, 2004

**Martin team pledges accountability****\$1 billion saved by cancelling flabby programs;  
focus on reducing \$500 billion-plus debt**ERIC BEAUCHESNE  
CanWest News Service  
OTTAWA**OVERVIEW**

The new Liberal government tried to paint itself as prudent and caring in a pre-election budget Tuesday, which contained a relatively modest \$2.2 billion in new spending and tax relief in the coming fiscal year and a promise of stricter controls over all future expenditures.

"I am presenting a focused budget plan ... to demonstrate unequivocally the principles of financial responsibility and integrity; and ... begin to give tangible shape to the goals presented in the speech from the throne," Finance Minister Ralph Goodale said.

The pre-election goodies will be sprinkled mostly among areas of provincial jurisdiction — municipalities, education and health care — as well as businesses, the military and foreign aid.

The increase in spending by the Paul Martin government, at \$1.49 billion, however, is less than half that in the last "legacy" budget of the Chretien Liberals.

The Martin government's first budget, which sets the stage for an election call as early as next month, will also "re-establish" the office of comptroller general to "rigorously oversee" all spending to try to restore trust in the wake of repeated Liberal expenditure scandals.

The budget, meanwhile, announced \$1 billion in savings from existing programs, including \$160 million from the cancellation of projects launched by the Chretien government — the political history museum, Via Rail's capital expansion, the tainted sponsorship program and a secret national unity reserve fund, which a senior Martin official called an unaccountable "honeypot."

And it promised to find a further \$3 billion in savings over the coming four years from a review of how the government spends money, such as on contracting out work, which is in addition to the \$1 billion annual reallocation of spending to high-priority programs from lower priority ones.

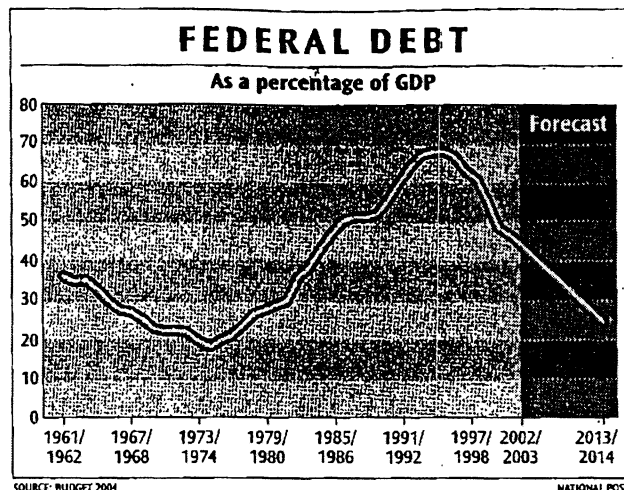
"What we will do is balance the books and better control spending," Goodale said, apologizing for past fiascos.

"As a government, we not only accept our responsibility for what went wrong, we also accept our responsibility to get it right."

The budget sets a goal of reducing the debt, still at more than \$500 billion, to 25 per cent of GDP within 10 years from 42 per cent. To do that, it sets aside \$3 billion a year in a contingency fund

# News Clips/Journal

Date: March 24, 2004



which, if not needed for unexpected emergencies, automatically goes to debt reduction.

NDP Leader Jack Layton was critical of the government's debt-reduction plans.

"It's like paying down the mortgage when you've got a leaky roof, a sick grandmother and your child is trying to go to university. I don't know a single family who would do what Paul Martin's doing with our economy."

The promise of restraint follows a \$3.5-billion year-end spending spree on health care for the provinces and aid for farmers, which cut the federal surplus to only \$1.9 billion.

And total spending, which will rise by 2.3 per cent in the new fiscal year to \$183 billion, following a five-per-cent jump last year, will increase again by 4.7 per

cent in 2005 to \$191.8 billion.

While Goodale promised balanced or better budgets in the future, the government is depending on the roughly \$3 billion it expects from the sale of its shares in PetroCanada to help keep it out of the red, an accounting move questioned by Don Drummond, chief economist

at the TD Bank and a former senior Finance Department official.

The government is also depending on some improvement in the economy to boost tax revenues. It projects a modest recovery in growth this year to 2.7 per cent from 1.7 last year and to 3.3 in 2005.

But it cautions there are risks to the outlook, especially from the strong dollar.

There were a few surprises, including an exemption from income tax for soldiers and police on high-risk foreign missions, a reduction in the air-traveller security tax, and restoration of the Canadian Television Fund. But some of the tax relief comes with a pre-election catch. The GST rebate will not be paid out until the budget legislation has passed, which could be dependent on the Liberals winning the election.



# News Clips/Journal

Date: March 24, 2004

## Kyoto left out of federal budget, environmentalists say

HANNEKE BROOYMANS  
Journal Staff Writer  
EDMONTON

With Canada's greenhouse gas emissions still increasing, the federal budget does not reflect the urgency of tackling the problem, say environmentalists.

Pierre Sadik of the Green Budget Coalition said he could find no reference to the Kyoto protocol in the 390-page budget. The document does say \$1 billion of the \$2 billion from the sale of Petro-Canada will support development and commercialization of new environmental technologies over the next seven years.

But none of that money was specifically directed to existing technology, such as wind and solar power, that could im-

government would provide some incentive funding or put in place regulations encouraging development of existing renewable energy technology.

Currently, the country's installed wind energy capacity of 327 megawatts provides enough power for 115,000 Canadian households. The federal government's goal of 1,000 MW by 2007 is dwarfed by the provinces' ambitions of 4,000 MW, but those plans may falter if the federal government does not show more partnership support, said Robert Hornung, president of the Canadian Wind Energy Association.

"We're really quite disappointed with the budget," said Marlo Raynolds, executive director of the Pembina Institute.

"It really doesn't seem to be a budget

## ENVIRONMENT

mediately help the government meet its Kyoto accord commitment in the years 2008 to 2012, Dale Marshall, an analyst with the David Suzuki Foundation said Tuesday.

About \$200 million was directed to Sustainability Development Technology Canada for 2004 - 2005. The rest of the money has not been allocated.

The sustainability foundation helps develop new technologies that address climate change and air quality issues.

But the wind power sector says it will be ready almost immediately to cut emissions substantially, if only the federal

that reflects the urgency of implementing the Kyoto protocol."

Raynolds said the attitude seems to be "let's put the money into fun and fast R&D (research and development) and hope that solves all our problems."

He said he is not sure why the budget does not acknowledge the Kyoto accord.

"Whether that's a sign that the government is abandoning Kyoto or it's a signal to not mention Kyoto to keep the West happy, I'm not really sure."

Canada has the dubious distinction of being the G-8 country that has increased its greenhouse gas emissions most since 1990, Marshall said. That includes the United States, which did not ratify the Kyoto accord.

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## BUDGET MEASURES

Environment and the budget:

► \$3.5 billion over 10 years to accelerate the ongoing cleanup of contaminated sites for which federal departments are responsible. Up to \$500 million over 10 years to help clean up sites where the federal government shares liability.

- The cancellation of GST on community services and municipal infrastructure will free up money in municipalities for such things as public transit services.
- Some of the \$800 million to be spent over five years on environmental technologies could be invested in fuel efficient and alternative fuel vehicles.

## News Clips/Sun

Date: March 24, 2004

Smith lauds GST relief for cities • Federal budget coverage

# A GREAT REBATE JUST A DOWN PAYMENT

GST rebate a start, but new deal for cities remains elusive, Mayor Smith says

By ANDREA SANDS  
City Hall Bureau

A federal-budget pledge yesterday to fully refund cities' GST money - about \$12 million extra for Edmonton this year - is a promising down payment on a "new deal" for cities, says Mayor Bill Smith.

But the real deal is "very clearly somewhere down the road," once municipalities win a set share of federal fuel taxes, Smith said.

"I want to caution everybody and I want to say to all the mayors that our work is just now beginning, and that work is to make sure (fuel-tax money) is in the 2005 budget," Smith warned, after the federal government delivered its budget.

As expected, federal Finance Minister

Ralph Goodale announced cities will get "full relief" from their GST payments - \$7 billion across Canada over the next 10 years.

"This is real money for improved roads, better transit, clean water and expanded local services," Goodale said.

But there is no money yet for municipalities that have been demanding a permanent and stable source of federal cash to fix crumbling infrastructure.

Goodale said his government "remains committed to working with the provinces to share with municipalities a portion of (federal) gas-tax revenues, or to determine other fiscal mechanisms which achieve the same goals."

That means municipal leaders must band together in a "continual push" to ensure

communities get five of the 10 cents collected federally at gas pumps inside their boundaries, Smith said.

City manager Al Maurer noted such a deal would mean about \$75 million in federal gas-tax money each year for Edmonton.

And the GST rebates announced yesterday will allow Edmonton to recoup roughly \$27 million in total this year. That's about \$12 million more than the city already gets in GST rebates, Maurer said. The city could earmark the extra cash for capital projects like neighbourhood infrastructure, street lighting, sidewalks, and major roads, he said.

But city finance branch manager Roger Rosychuk noted the federal government still has to pass legislation detailing exactly

how the rebates will work. "I don't know if there are any strings attached to (spending) the GST funding."

The GST rebate along with a promise to speed up \$1 billion in federal infrastructure spending is great news for Alberta communities, said Ernie Patterson, president of the Alberta Urban Municipalities Association. "I have never seen a federal budget come down that so much recognizes the needs of municipalities," said Patterson, mayor of Claresholm for the past 35 years.

The budget also promised to disburse a \$1-billion fund for affordable housing more quickly.

## News Clips/Sun

Date: March 24, 2004

**Diotte**

Will city council  
fritter away good  
news from budgets

# As manna falls, let us pray

**Kerry Diotte**

*Our Father, Who art in heaven  
Hallowed be Thy Name;  
Thy kingdom come ...  
and lead us not into temptation,  
but deliver us from evil ...*

**I**t is a good time for Edmontonians to pray. All indications are the City of Edmonton will soon reap a windfall from both the province and the federal government.

The federal government budget, brought down by Finance Minister Ralph Goodale yesterday, contained a whack of good news for Canadian cities including a pledge of \$7 billion in GST

relief for municipalities of all sizes over the next 10 years, starting with \$580 million in 2004-05.

The feds also promised to accelerate a previously promised \$1-billion municipal rural infrastructure fund, with spending over the next five years instead of 10.

The budget made a brief, albeit obscure reference to another earlier promise by Prime Minister Paul Martin that municipalities could get a slice of the government's \$4.5-billion annual gasoline tax.

News leaking out of the provincial budget to be brought down today suggests Edmonton could get \$10 million more for policing and a whack of cash to pay for its ambulance service, a function city officials have long insisted should be the sole responsibility of the province.

With all this heavenly news for Edmonton and other municipalities, why then should we taxpayers be praying instead of giving thanks?

Well, we should be saying a prayer that our city council does not waste these new funds on goofy pet projects or by jealously hoarding them in rainy day funds.

Found money always seems to lead our council into those tempta-

tions. Bear witness to what happened when city bureaucrats discovered an \$8-million surplus left over from the 2003 budget.

Ratepayers are not likely to get back any of it despite the fact that it shows clearly we were overtaxed last year.

When Coun. Stephen Mandel had the nerve to suggest the money be used to cut the 2004 property tax hike from 5.3% to about 3.5%, he got little support.

"We've got all these policies about what to do with surpluses, and taxpayers never see a dime of it," Mandel correctly noted.

There was absolutely no support from Mayor Bill Smith when an editorial in this newspaper suggested citizens be issued refund cheques, pronto.

In a venomous attack at a council committee meeting, Smith called the refund notion "ridiculous," saying he was "appalled" a newspaper would suggest the approach.

As it stands the windfall cash was put into a stabilization fund and council will next month discuss if some, any or all of it should be used to cut the 2004 tax hike.

But judging from council's past performance, don't get your hopes up for tax relief even if Edmonton immediately gets extra cash from the province and feds.

There is no doubt we deserve a break today when you look at the long history of tax hikes in this city.

Since 1997, residential taxpayers have been hit with a 32.7% boost in property taxes along with increased user fees and service cuts.

Commercial property taxes have rocketed as well.

Amid all the good financial news from the province and feds, we truly have to loudly demand some tax relief from city hall or we do not have a prayer of getting it.

Indeed, saying a prayer might not hurt either.

Feel free to join in:  
"Our Father, Who art in heaven...."

- kdliotte@edm.sunpub.com



Goodale (left) and Martin: Cities get more money.

# News Clips/Sun

Date: March 24, 2004

## FEDERAL BUDGET 2004

### Federal budget highlights

- Seventh consecutive balanced budget with projected surplus of \$1.9 billion for 2003-04 which must go to the \$510-billion debt.
- Promise to improve accountability and integrity in government spending in wake of sponsorship scandal, and no deficits.
- Re-establish a comptroller general to oversee all government spending.
- Government to identify \$3 billion in annual savings within four years.
- Reduce the debt-to-GDP ratio to 25 per cent within 10 years.
- \$7 billion over 10 years for cities by rebating GST.
- \$4 billion over 10 years to clean up contaminated sites across Canada.
- \$1 billion for cash-strapped farmers; about \$680 million targeted at cattle producers hurt by the mad cow crisis.
- \$270 million to provide venture capital for start-up technology companies and help get private-sector financing for leading-edge technologies.
- \$250 million to cover Canadian Forces missions in Afghanistan and efforts to prevent terrorism.
- \$248 million more for international assistance in 2005-06.
- Canada Learning Bond to provide up to \$2,000 for children born after 2003 in lower-income families; grant of up to \$3,000 for first-year post-secondary dependent students from such families.
- Reduce the air travellers security charge for domestic and international air travel.
- Faster spending of \$1-billion in funding to cities and towns to repair roads and sewers, including \$350 million for Toronto transit.

Provincial budget announced today

# Cops, ambulances may cash in

By **ANDREA SANDS**  
and **JERRY WARD**  
Staff Writers

Alberta municipalities will notch "significant wins" in today's provincial budget, a *Sun* government source says.

According to the source, the province will announce a new funding formula for cops, act on recommendations to fully fund Alberta's \$110-million-a-year ambulance service and reduce the amount the province collects in education taxes.

"They should be very pleased," the source said.

Mayor Bill Smith said yesterday he expects the provincial police funding for Edmonton will be between \$13 million and \$15 million for this year, enough money to add extra recruit classes.

"I'll be very disappointed if we don't see money in the police bud-

get," Smith said. "Whether they're going to deal with ambulance, I don't know. I don't think so."

City manager Al Maurer was also skeptical about how far the province will go to fund ambulance service in this budget. The province will likely "embark on a process" to devise a new setup for the service that's currently delivered in a variety of ways across Alberta, Maurer said. "So you'd have to sort through that, and who's going to run it."

It will cost about \$22 million to run Edmonton's ambulance service this year - about \$10 million of that from city taxpayers.

In what could be the last budget before a 2005 provincial election, Finance Minister Pat Nelson is to outline today the Tories' spending plans for the next year.

- BRENDON DLOUHY, *Sun*

**Alberta Finance Minister Pat Nelson tantalizes the media with a copy of her budget, which comes down today. A source says municipalities will be the biggest beneficiaries.**

## Officer charged following unusual decision

A rare "private prosecution" has been approved against a city police officer.

Provincial court Judge M. Allen in a recent written judgment said a private citizen who appeared before him produced enough evidence to issue a summons to Const. Chris Edge "to appear to answer to the charge of assault."

After reviewing evidence from an internal police investigation, Crown prosecutors had previously refused to charge Edge.

He'll now be charged, but the judge's ruling does not mean he will actually be put on trial, said lawyer Tom Engel. "The Crown can still stay this. They (prosecutors) can appear in court and stay the charge."

The only difference, Engel said, is that the prosecutors can this time review more than just the internal investigation.

Edge was accused by Maurice Durand of beating him up outside a Whyte Avenue bar on June 6, 1998.

Charges against Durand - which included assaulting Edge and another officer - were dismissed after a trial, and the Law Enforcement Review Board later upheld his complaint against Edge.

Judge Allen noted that the court must balance two rights when considering a request for a private prosecution: "the right of a private informant to seek justice" and "that a person not be called before the court to respond to the charge without just cause."

Engel said he's been told the Calgary prosecutor's office will review the file.

- SANDS

## News Clips/Sun

Date: March 24, 2004

"The premier is the only one who knows the timing for an election," she said. "We carry on business as usual, and we work through our business planning process. And we are always ready to go."

New Democrat Leader Raj Pannu said he wants to see Premier Ralph Klein's government

ease the tax burden for the average Albertan by eliminating health-care premiums.

Moving in that direction would save families \$1,056 a year, said Pannu, MLA for Edmonton Strathcona. "Eliminating health-care premiums would be better for the economy than more corporate tax

cuts," he said.

Liberal finance critic Kevin Taft said "high-priced politics" will likely be the focus in the spending blueprint for 2004-05.

"This government plays politics with its budgets, making lots of big promises and breaking most of them."

## EDMONTON

## News Clips

EDMONTON JOURNAL

DATE: March 23, 2004

# Alberta set to bail out small towns for policing costs

Budget expected to include additional \$60 million for policing, new funds for health care, education

KELLY CRYDERMAN  
and TOM BARRETT  
Provincial Affairs Writers  
EDMONTON

Alberta municipalities struggling with high policing costs will be among the winners in a provincial budget to be unveiled Wednesday.

The government will announce up to \$60 million in new funding for policing, including about \$10 million each for Edmonton and Calgary, according to legislative sources. The new money will pay the full cost of policing for all towns with 5,000 or fewer people.

The budget is also expected to provide funding to fulfil recommendations of the learning commission, and for municipal infrastructure and health-care facilities. It will also detail the government's efforts to eliminate the last \$3.7 billion of debt, which Premier Ralph Klein expects to retire in 2005.

"If they raise the cap to 5,000, I'll be dancing in the streets on Wednesday night," vowed High Prairie mayor John Brodrick, whose town of 2,800 spends 42 per cent of its tax levy on policing. The additional money for communities with more than 5,000 people will be distributed according to a formula to be announced Wednesday, sources said.

Towns and municipal districts whose policing is paid for will no longer be able to keep the money from traffic tickets and fines, one source said. In addition, the municipal affairs department plans to contribute more than \$10 million for ambulance service across the province.

Many in the province are waiting for word on the government's financial response to the learning commission recommendations.

With a predicted surplus of more than \$3 billion from high oil and gas rev-

enues, Klein has already said an additional \$500 million will be made available in this year's budget, mostly for education and health.

Without implementing the learning commission recommendations for full day or junior kindergarten, which the government has yet to approve or reject, the first phase of the report calls for an infusion of about \$160 million. Given that the learning commission also called for \$136

million to deal with funding shortfalls, the 2004-05 budget should give \$300 million more to education than was in last year's budget, said Frank Bruseker, president of the Alberta Teachers' Association.

"The total comes to \$300 million more for September, which would translate, of course, into more teachers,

smaller classes, more resources for kids, especially those with special needs," Bruseker said. Svend Hansen, chairman of the Edmonton public school board, said he is optimistic about Wednesday's budget because the government said education was its No. 1 priority in the throne speech. Capital Health CEO Sheila Weatherill said she has yet to see what the province plans to do with approximately \$200 million worth of federal funding.

"We hope that they restore the shortfall that we incurred last year," Weatherill said.

She is also looking for funding to follow through with a plan announced in February to create 720 new acute-care beds and 1,000 more long-term care beds.

Municipalities are hoping for increased library funding, continuation of gas tax revenue sharing and for more property tax revenues to stay in municipalities, said Ernie Patterson, president of the Alberta Urban Municipalities Association.

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“If they raise the cap to 5,000, I'll be dancing in the streets on Wednesday night.”

High Prairie mayor  
John Brodrick

## News Clips/Sun

Date: March 23, 2004

# Budget day: hang onto your wallet



Greg Weston

**O**TTAWA — In the Liberal throne speech not even two months ago, a confident Paul Martin and his cocky government set out their vision for the next decade, a pre-election field of dreams that promised some-

thing for everyone and never would the font run dry.

Today, a severely harassed and humbled Liberal regime, under siege over spending scandals, is expected to announce there isn't much in the kitty for anything — or anyone.

Shortly after 2 p.m. Alberta time today, Finance Minister Ralph Goodale is scheduled to rise in the Commons to deliver his first (and quite possibly only) federal budget.

Here is sample of what to expect:

- Funding for some new federally run health programs, including national immunizations and the creation of a Canadian centre for disease control to manage outbreaks of potential epidemics such as SARS.
- A commitment of more than \$1 billion over the next decade to help low-income families build a nest egg for their children's post-secondary education.
- Cash for first-year college and university students, and a hefty increase in

their student loan limits.

- The previously announced GST rebate for cities at a cost to taxpayers of about \$600 million a year.
- The return of a built-in budget reserve of at least \$3 billion.

"This isn't a big-surprises kind of budget," one strategist assures me.

There is likely to be one surprise, though. When Martin and his crew took power last December, Goodale projected a surplus of barely \$300 million after the government had handed over an additional \$2 billion to the provinces for health care.

Surprise! The government has now found \$1 billion to give to cattle farmers, and another truckload of cash to pay down the debt — all from last year's accounts, without dipping into a dime of the money being announced in today's budget.

Liberal strategists insist the fiscal-conservative tone of the budget has nothing to do with the auditor general's poking a stick in their eye over the Adscam sponsorship scandal.

"This budget was always going to be an opportunity for us to market financial prudence," says one senior official involved in selling the budget to Canadian taxpayers.

Perhaps. But there is also no doubt the budget process has been different.

For one thing, this has been the least leaked budget since Martin first became finance minister in 1993.

For years, Martin had a trademark method of budget selling — leak the major news, one item at a time, over a pe-

riod of weeks ahead of the main event, followed by national speaking tours by the finance minister and his cabinet colleagues.

Not this time. Liberal strategists correctly figured out that nothing much short of the Second Coming was going to displace Adscam on the front pages — least of all with the parliamentary press corps in the capital.

That's one of the main reasons Martin headed out of town to an Alberta ranch near Lethbridge yesterday to announce the \$1 billion in aid to the beef industry.

**The farther Martin gets from Ottawa, the less likely he is to be peppered about Adscam.**

The farther he gets from Ottawa, the less he is likely to be peppered with questions about Adscam.

Finally, here's some good news in the budget. "From day one, we wanted this budget to be a contrast to the last one," a strategist tells me.

John Manley's budget a year ago, the last under Jean Chretien and the only one in a decade without Martin at Finance, was a cynical collection of expensive promises and no money to pay for them.

As a result, Martin and his finance minister inherited a giant heap of post-dated cheques for just about everything from health care to day care.

As always, hang onto your wallet.

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# CALGARY HERALD

## News Clips

DATE: March 22, 2004

### Show us the money: mayor

TONY SESKUS  
CALGARY HERALD

Alberta's cities — financially hamstrung from a decade of rapid growth — are looking to this week's provincial and federal budgets to help with the costs of building new roads and expanding transit systems.

Edmonton and Calgary are running up multimillion-dollar infrastructure deficits, but it's hoped Alberta's \$3-billion surplus and Paul Martin's first budget as prime minister will launch a sea change in municipal funding.

Still, with both senior levels of government trying to dampen expectations, Calgary's mayor is talking tough about getting the cities' share of the cash, particularly from the Alberta treasury.

"Both are very good at speaking to the importance of municipalities, the importance of reinvesting back in cities . . . and neither one of them is delivering," Dave Bronconnier said.

"I think the province has enough capacity to pave the streets with gold," the mayor said.

## FROM BI MONEY: Province may open wallet

Alberta's economic prosperity has seen Calgary and Edmonton rocket in size, but much of that growth has also coincided with an ebbing of federal and provincial funding.

Now, despite the province's relative wealth, Calgary's annual infrastructure deficit for 2003 was \$224 million, the largest in Western Canada outside of Edmonton, at \$320 million.

The two cities, along with other urban centres across the country, say they need a "new deal" that will deliver long-term, sustainable funding.

If not, cities face a troubling future, Bronconnier said.

"At some point, the system is going to break down," he said.

But Klein, in Calgary last week for his premier's dinner, tried to manage expectations that the province's bulging wallet is also bottomless.

While the Alberta surplus may amount to \$3 billion, Klein told reporters he has requests adding up to \$9 billion.

"I've often said sometimes it was easier dealing with a deficit back in the early and mid '90s because we then could just say no," Klein added.

There are hints, however, the province could deliver some cash Calgary's way.

Insiders say the province will deliver funds for policing and

EMS services.

It's been reported that Calgary could receive around \$16 million for police.

Observers say the province should deliver something Wednesday.

Todd Hirsch, chief economist at the Canada West Foundation, said

"At some point, the system is going to break down

MAYOR DAVE  
BRONCONNIER

He said the province would be wise to keep municipalities happy — and off Ottawa's doorstep — which could lead to a more complex relationship between the governments.

Federally, all Canadian cities on Tuesday will be hoping Martin will deliver on a throne speech pledge for a full rebate on the goods and services tax.

For Calgary, that would amount to \$19 million annually.

Mayors will also be looking for progress on a promised

share of the federal fuel tax, worth up to \$85 million a year to Calgary.

But with Ottawa in a cash crunch, officials have all but wiped out the chance of such a windfall this time.

Still, substantial funding for public transit in major cities is expected, though much of it appears destined for Ottawa, Toronto and Vancouver.

Also, money from a \$1-billion rural infrastructure program will be spent over five years rather than 10, allowing projects in smaller communities to be announced within weeks.

Ald. Ric McIver, who represents Calgary on the Alberta Urban Municipalities Association, said if Calgary doesn't start getting its share, the city should consider capping the amount of funding it puts into services senior governments should cover.

He lists parts of the ambulance service, social services and youth probation services as examples of programs for which other levels of government should be responsible.

"Everyone knows that all municipalities are being unduly burdened with infrastructure and service delivery expenses," he added.

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SEE MONEY, PAGE B4



## EDMONTON

## News Clips

EDMONTON JOURNAL

DATE: MARCH 15, 2004

Total: 7 pages

# Mid-sized cities seek government help

## Huge tax hike coming without federal, provincial aid for crumbling infrastructure

JEFF HOLUBITSKY  
Journal Staff Writer  
SPRUCE GROVE

The mayors of Alberta's 16 mid-sized cities are planning a joint spring meeting with provincial MLAs to lay out the problems they face over aging water and sewer pipes, roads and waste-water plants.

"We're looking at what involvement the provincial and federal governments have in our communities," Spruce Grove Mayor Ken Scott said Sunday.

"We have to see if there is somewhere we can improve the relationship with better understanding and more responsibility to hand down funds because we just can't keep going the way we are."

The mayors of all of Alberta's cities, except for Edmonton and Calgary, have held a series of informal meetings to discuss strategies of getting more money to deal with rapidly deteriorating infrastructure systems. Scott said if the cities decided to deal with the problems without increased help, property taxes would have to increase more than 30 per cent.

"As cities, we can't afford it because infrastructure costs are getting more and more every year."

He said about \$7 billion is required to deal with all of Alberta's infrastructure needs.

"It's a huge, huge amount of money," he said. "And the older the city, the bigger problem it is because, obviously, they have been established for a long time and their infrastructure needs a lot more."

Scott said the mayors also intend to take their message to federal politicians.

"If we have to keep on taxing, taxing,

“As cities, we can't afford it because infrastructure costs are getting more and more every year.”

Spruce Grove Mayor Ken Scott

taxing, where is the Alberta advantage?" he said.

"The advantage was there was lots of employment, good health care and affordable living, but if we don't start looking after our roadways and everything else in the infrastructure, it is going to disappear."

He also criticized the province for dropping funding programs to help communities establish civic parks, which also make the province an attractive place to live. Now, cities and developers pick up the costs of open spaces and trails.

"We're not doing what we are supposed to be doing," he said. "We are developing neighbourhood parks, but not community parks."

St. Albert Mayor Richard Plain said mid-sized cities experience a number of different problems than those in Edmonton or Calgary. For instance, they usually don't have their own utility companies, such as Epcor, or issues such as social housing.

He also said mid-sized municipalities,

particularly near the big cities, are experiencing higher rates of growth than either of the two major cities, although the bigger places may attract more people.

"It's a similar but somewhat different message," he said. "We've got to have action."

The 16 smaller cities also have about the same number of MLAs as Edmonton and Calgary, he said.

"So you would start to see a third force in terms of representation starting to come forward." Plain said the federal government has already made some moves to help municipalities, such as a possible plan to share federal gasoline taxes with local governments.

"But when it comes to mid-sized municipalities, then we are looking at some type of response that is directed to them."

jholubitsky@thejournal.canwest.com

## News Clips/Journal

Date: MARCH 15, 2004

### Maintain control of ambulances

Re: "Health care system relies on selfless dedication of staff," Letters, March 8.

The excellent ambulance service we enjoy in Edmonton is because our city puts money into the emergency response department. If we were funded by Capital Health we would not have all advance life support ambulances on the road or the number of ambulances we need.

Look at the number of hospital beds they provide for the capital region.

I agree that the federal government and the provincial government should pay more into our health care system, but when it comes to the ambulance services they can just write us a cheque and allow the city to continue to choose the way they want to provide the service.

*Kathy Kelsey, Edmonton*

### SCARY CITY

## Prostitutes, drug dealers free to operate while honest citizens forced to retreat

I am a 26-year-old single mom of three beautiful girls. Two of my girls attend St. Alphonsus elementary school. I deliver papers in that area at 3 a.m. and I am scared about how many hookers, drug dealers, needles, broken light bulbs used for crack and used condoms there are all over that area and in the apartment building right across the street.

The hookers and drug dealers surround my van banging on the windows, trying to sell me weed and sex.

Now if criminals are working so openly from 3 a.m. to 6:30 a.m. when I finish my papers, then why are they not being arrested by the dozen?

I just quit my paper route this morning as it is no longer safe for me. My van window was smashed. The repairs will cost more than I make.

So now I am a single mom with no income, all because these hookers and dealers have more "rights" to carry on

free from harassment than I do.

*Suzanne Howard, Edmonton*

### Shootings make me afraid to leave house

This letter is something that I have had on my mind for some time now. After watching the news about the shooting at the intersection of 66th Street and Whitemud Drive I found myself with tears in my eyes. I keep thinking that I could have been in that intersection with my baby in the back seat of my car.

It breaks my heart and puts so much fear in me to hear of these things knowing that as I leave my house tomorrow with my 13-month-old daughter to buy diapers and milk, she and I could be in the wrong intersection at the wrong time. As I sit on my front porch watching the northern lights with my hus-

band, I tense up as each car comes around the corner.

Do these shooters not realize that there are innocent people in the cars and houses that surround these events? I am only 27 years old and I never thought that I would be afraid to leave my home.

I fear for my little girl and her future so much that I really can't bring another child into this world as much as my husband and I would like to give our daughter a brother or a sister. I just can't bear to put the lives of not one but two innocent babies at risk in a world where there is so much hatred and violence.

God, please help these people who do these things to remember that the next time they shoot or stab someone that the life they are taking is someone's child. And help them to remember that who they are aiming at may not be the only person they hit.

*Jodi Peterson, Edmonton*

# Mid-sized cities seek government help

JEFF HOLUBITSKY  
Journal Staff Writer  
SPRUCE GROVE

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deal with rapidly deteriorating infrastructure systems. Scott said if the cities decided to deal with the problems without increased help, property taxes would have to increase more than 30 per cent. "As cities, we can't afford it because infrastructure costs are getting more and more every year."

He said about \$7 billion is required to deal with all of Alberta's infrastructure needs.

"It's a huge, huge amount of money," he said. "And the older the city, the bigger problem it is because, obviously, they have been established for a long time and their infrastructure needs a lot more." Scott said the mayors also intend to take their message to federal politicians. "If we have to keep on taxing, taxing,

## Huge tax hike coming without federal, provincial aid for crumbling infrastructure

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"We're not doing what we are supposed to be doing," he said. "We are developing neighbourhood parks, but not community parks."

St. Albert Mayor Richard Plain said mid-sized cities experience a number of different problems than those in Edmonton or Calgary. For instance, they usually don't have their own utility companies, such as Epcor, or issues such as social housing.

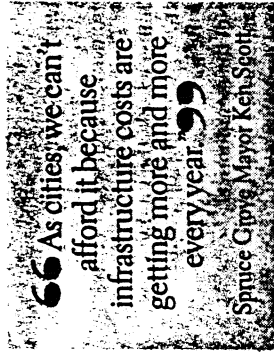
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Spruce Grove Mayor Ken Scott

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## EDMONTON

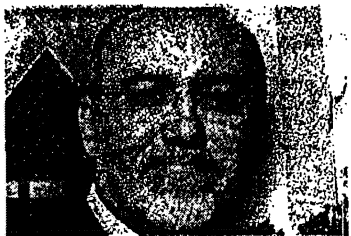
## News Clips

DATE: March 12, 2004

EDMONTON JOURNAL

Wheezing, corpulent city needs whipping into shape

Scott McKeen



Please read the following, because it matters.

I've waited years for the right moment to start a column that way.

It's simple, straightforward, catchy. No writerly frippery. No need for some icky editor to putter with it.

Yet it signals to the reader that something important this way comes. Something important like ... urban sustainability.

Forgive me, but those are *their* words, not mine. Personally, I'd like to shake every civil servant and politician by their off-the-rack lapels. Speak English, you fools!

What do these civic wonks mean by the

*Blubbery burbs putting huge strain on aging heart*

term urban sustainability? Part of the confusion stems from the fact they are really talking about urban un-sustainability.

What they're saying is: Edmonton, you're ill; you are a wheezing, corpulent, walking corpse of a city.

You need more than a pill, or Atkins, or 30 minutes on a treadmill four times a week. We're talking extreme makeover here if we want Edmonton to have a lean and muscular downtown, long and silky roadways, taut transit and pert burbs.

I know. You're saying Edmonton seems tickety-boo. We have festivals. We have the Oilers, the Eskimos. We have the Citadel, the Winspear, Whyte Avenue, the river valley.

But there are unseen forces at work. Call it civic hypertension. Edmonton sprawls obesely outward, further and further from the heart, city hall. As it sprawls, the heart finds it more and more difficult to deliver services to the blub-

“We're talking extreme makeover here if we want Edmonton to have a lean and muscular downtown, long and silky roadways, taut transit and pert burbs.”

bery burbs. Not just gee-it-would-be-nice-to-have-them services, but essential services such as fire, police, sewers, roads.

Extending those services further and further out each year puts new pressure on city hall to pump out more and more money.

The other essential problem for Edmonton is its multiple personality disorder. The capital region has more municipalities, 22, than Sybil had ID cards.

Edmonton loses badly under these conditions. As the urban core, it provides some key services and facilities to the entire region, but receives no taxes from outside its border.

In a nutshell, urban Edmonton can't sustain itself under these pressures. It doesn't have the money. Roads and sidewalks are crumbling. Public buildings aren't being maintained properly. And forget about any new pools, arenas, parks or cultural facilities.

So what might be done to better sustain Edmonton? More than any other city in Canada — and all cities in Canada face some of these same problems — Edmonton is tackling this unsustainability issue head-on.

City hall even produced a binder on it, titled *The Four Pillars of Urban Sustainability*. Over the coming weeks, council will meet regularly to discuss the issues it raises.

Here's a quick primer and a few ideas on how Edmonton could get financially fit.

See McKEEN / B7

# Property tax system contributes to urban sprawl

**McKEEN**

*Continued from B1*

► Eliminate property taxes. In their current form, property taxes discourage people from living in the urban core and encourage them to live in suburban or outlying areas where the houses are big, the taxes are low, but civic services are expensive to deliver.

► Replace property tax with a municipal sales tax. Such a tax would remove the suburban incentive mentioned above. It would also allow Edmonton to tax visitors from outlying communities like St. Albert. The good news for them? It would eliminate the need for any kind of annexation or amalgamation by Edmonton.

► Place some kind of electronic toll system on major roads. The further you live from downtown, the more you pay. If you live outside Edmonton, you pay for commuting to your city job. Tolls would

further discourage sprawl and encourage higher-density living in the urban core, where the city can deliver services more cost-effectively. It would also eliminate the hidden subsidy of the automobile. Those roads aren't cheap to build or maintain, you know?

► Encourage citizen participation with town hall meetings in every ward. The public must understand the sustainability problem before they'll buy into solutions.

► Organize similar meetings in every neighbouring town and city. Regional partners will likely co-operate if Edmonton stops talking annexation. Why? Everyone wins if the regional core is healthy and vibrant.

► Please read the reporting by my *Journal* colleagues on urban sustainability in the coming weeks. It really does matter.

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## News Clips/Journal

Date: March 12, 2004