

Calgary Taxpayers are Hooped!

2 messages

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Calgary taxpayers are hooped!

Weeks into the water main disaster, a catastrophic event that significantly damaged Calgary's water system, we can only guesstimate the cost of the new pipes from San Diego and related repairs.

Experts estimate that repairing the damaged main line could cost \$400 million or more. That doesn't include money for mitigation and backup systems.

At the same time, City Council will approve its ever-shorter Green Line in July. It's common knowledge, consistent with every other rail project in Canada, that the project is facing \$billions in cost overruns.

The financial burden on Calgary taxpayers will be daunting.

The looming costs of water main repairs will affect the ballooning Green Line budget. Rumours are swirling that the City will again downsize the route, starting at Eau Claire and ending at the Ogden Rail Yards instead of Shepard, the City's southeast landfill. City departments and subsidiaries are scrambling to reallocate budgets to

fund increasing Green Line costs in light of the water system disaster.

As predicted, city officials are asking for more financial help from the province and the feds.

Premier Smith is adamant that provincial taxpayers will not bail out Calgary. She repeated this warning to the Edmonton City Council, which is struggling to cover its LRT cost overruns. Under its new legislation, the province will likely insist that Ottawa does not interfere by funding municipal projects.

Billions could be saved by rejecting the high-risk, high-cost tunnels and underground stations that add no value to taxpayers and only appease Eau Claire developers. But the Mayor and others who influence decision-making continue digging in their heels. The Mayor repeatedly claims, "We wouldn't have had to increase property taxes for Calgarians at all if we had the support from both the provincial and federal governments that we needed."

Calgarians already face compounding tax increases of 3.9 percent in 2022, 3.7 percent in 2023, and 8.6 percent in 2024, followed by 5.5 percent in 2025 and five percent in 2026.

Where will the money come from?

Jim Williams, a corporate-commercial and tax lawyer and a chartered professional accountant, sheds light on the City's 2023 audited financial statements. He helpfully cuts through layers of the 50-page document to provide critical insights. [Opinion: | Calgary Herald](#).

"Cash deposits at the end of 2023 were \$1.1 billion, compared to \$633 million at the end of 2020, an increase of about \$470 million in three years. In addition to cash deposits, the city's marketable securities are \$5.76 billion, an increase of more than \$1.1 billion since Dec. 31, 2020.

While we repeatedly hear that the city has \$billions in reserve funds, Williams confirms "four operating reserves, 10 capital reserves, and 10 sustainment reserves totaling \$4 billion, including a fiscal stability reserve of \$876 million." However, these reserves are allocated to specific projects and can't be redirected to new ones. They are not a financial 'quick fix' to upgrade the water system or fund Phase 1 of the Green Line.

So, it's no surprise that Council will rely on Calgary taxpayers and raise property taxes to fund these projects. Let's be clear about Calgary's finances before that happens.

2023 revenues decline despite adding \$200 million in taxes

Williams raises a critical question. “How did excess revenues decline from \$361 million in 2022 to negative \$52 million in 2023, given the \$200 million increase in net taxes?”

While the expense budget was \$4.12 billion, expenses were \$4.65 billion—\$530 million higher in 2023 and \$314 million higher than in 2022.

Williams concludes that “the City is very bad at preparing budgets or no one pays attention to the money spent during the year. Neither of those possibilities is comforting to taxpayers.”

Something is amiss! No more bafflegab or political platitudes. Council must come clean before we accept any new tax increases. It’s our money, after all.

Time for an independent audit of the Green Line?

As city officials launch an independent review of the water crisis, the province should also conduct an independent audit of how the City of Calgary plans to shore up the ever-shorter Green Line.

When former Mayor Nenshi promoted his legacy project in 2016, he promised a Green Line that connected communities from the northeast to the southeast through downtown. The 44 km and 17 stations cost \$4.65 billion, funded by federal, provincial, and municipal taxpayers.

Fast-forward to July 2024, as Council reviews the latest costs based on the Green Line Board's recommendations: \$8+ billion for a 10-km line with nine stations that connect Eau Claire to Ogden. And no plan of funds to reach commuters in the northeast or southeast communities around the South Health Campus.

Preposterous! What will it take for Council to realize they’ve reached the end of the line?

Act now. This may be your last chance to influence your Councillor's vote on the Green Line!

As the window on this decision closes, you still have time to urge your Councillor to rethink Phase 1 before they commit to this disastrous use of taxpayers' money.

Please send your concerns to the Mayor, City Council, the Green Line Board, and the City Administration. You can also follow our social media posts and like or add comments.

[Contact the Mayor, City Council and the Green Line Board](#)

We sincerely thank you for your continued support!

[The Green Line Ad Hoc Citizens' Committee](#)

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