



THE PRINCE GEORGE CITIZEN/VANCOUVER SUN FILES

Unlike Penticton, which took the advice of a core services review, Prince George, above, rejected proposed cuts.

Cities right to reject bad ideas from consultants

Costly reviews: Experts don't ask citizens what services they want

MARK HANCOCK

Jordan Bateman from the self-proclaimed Canadian Taxpayers Federation (members: zero) has once again weighed in with advice for cities. (*Every city could use a revamp, June 27*). This time he is calling for so-called "core services reviews" to be led by outside consultants from the big consulting firms.

Bateman's poster child for core services reviews is Penticton. Prince George, he is not so happy about.

Let's begin by looking at Penticton. In 2010 the city was looking at a 7.8 per cent tax increase because it had nearly doubled its debt to build the South Okanagan Events Centre. Penticton citizens were paying some of the highest debt costs in the province.

Penticton responded not only with a review of its services, it also cut taxes and shifted the cost of city services away from businesses and on to homeowners.

With revenues largely frozen and continuing high debt costs, Penticton had to find money elsewhere, so it raided its reserves and surpluses. In 2013 the city's chief financial officer said the city was addressing a \$1.3-million shortfall by using the surplus from the previous year and reserve funds. One councillor objected, and said, "We should not be dipping into our savings account right now, I don't think this is a good time to do that."

The mayor — Dan Ashton — who initiated the core review, left Penticton

council in 2013 to run for the B.C. Liberals. (Ashton is now parliamentary secretary to the minister of finance.) The subsequent byelection to replace him as mayor was won by Penticton councillor Gary Litke.

In 2013 and 2014 Mayor Litke talked about declining city services and said more cuts would be like a doctor amputating limbs from a patient.

He acknowledged that Penticton had not been adequately funding services and said its "infrastructure is crumbling."

At the same time, Penticton was cutting taxes on business and shifting the cost to homeowners. Penticton now claims it will have the lowest general business tax rate in the province.

Vancouver Sun business columnist Don Cayo looked at the Canadian Federation of Independent Business' continuing call for lower business taxes and said, "But to automatically equate 'lower' ratios with 'fairer' tax policy in every instance, as this report appears to do, merely condones a race to the bottom."

It is a race Penticton appears determined to win at the cost of its homeowners.

Penticton paid for its high debt level by cutting services and raiding its reserves. It then lowered taxes for businesses and shifted them to homeowners. That's the kind of outcome that Jordan Bateman and the CTF are looking for.

Then there is Prince George. Bateman says a core services review failed there because of opposition from

CUPE. While we appreciate the credit for the community's opposition to some really bad ideas, the reality is a little more complex. Here's what really happened: an outside consulting firm was hired for \$350,000. The consultants arrived in Prince George with the template approach of cutting or privatizing services, and raising user fees. Some of the ideas simply couldn't be implemented and some simply enraged the citizens of Prince George.

Neil Godbout's March 13, 2014, opinion piece in the *Prince George Citizen*: "The long nightmare is over. Mayor Shari Green's not-so-brilliant idea to drag the city through a core services review finally died a quiet but well-deserved death Wednesday."

Bateman demands that every city ask itself, "does the city need to provide this specific service, or can it be delivered by another organization or business?", but he doesn't want cities to ask their citizens if they actually value the services the city is delivering — probably because he knows he won't like the answer.

In B.C., cities spend more on recreation services than they do in other provinces.

We do so because our citizens value the service and want it to continue. That is called democracy and that is something that real taxpayers, as opposed to the Canadian Taxpayers Federation, value.

Mark Hancock is president of CUPE BC, representing more than 85,000 workers in communities across British Columbia.