



For Immediate Release

Runaway municipal spending under the microscope

(September 20, 2011 - Vancouver) The Independent Contractors and Businesses Association of B.C. has released its special report into rapidly increasing municipal spending in B.C. in its latest edition of *The Construction Monitor*.

“Civic spending in B.C. has become unsustainable. If people want to see what unsustainable spending buys they need look no further than TV news reports on the economies in the United States, Greece, and the rest of Europe,” said ICBA President Philip Hochstein. “Municipal spending in B.C is going up twice as fast as inflation and growth rate – something cities, towns, villages, and taxpayers just can’t afford.”

ICBA combed through the contracts a number of municipalities had signed with their workers and found grossly inflated wages and benefits are burdening taxpayers with high costs. On average, a municipal worker in B.C. gets pay and benefits 35 per cent higher than a private-sector counterpart doing the same job. Gold-plated contract terms like gratuity days (time off on top of regular holidays and sick time, just for coming to work), defined benefit pensions, and extra-generous holiday provisions have ratcheted costs sky high.

“These rich municipal packages are subsidized by taxpayers who don’t get anything close to this. If non-government employers tried to offer these rich benefits, they’d be out of business,” Hochstein added. “What really adds insult to injury is the fact that civic politicians handed out pay increases as much as double the rate of inflation in the middle of the worst recession in a generation that everyone else feared would consume their jobs.”

Municipal salaries and taxes aren’t the only things going up, the ICBA report found. Municipalities have also hiked the numerous permit and special fees charged on construction projects. Those civic charges have been going up an average of more than seven percent since 2000. Inflation during that period was less than two per cent. This makes housing, commercial construction, and ultimately retail prices higher than they need to be.

“British Columbia is reaching the point where taxpayers – be they builders, investors, or homeowners – can’t afford to meet the spiralling spending demands of municipalities,” said Hochstein. “The time has come for municipalities to find places to reduce rather than increase spending. Looking at the rich pay and benefits for workers with iron-clad job security would be the right place to start.”

You can download the entire ICBA report at www.icba.ca.

About ICBA (www.icba.ca) ICBA services and represents B.C.'s construction sector. ICBA's 1,100 members – who include both the Industrial, Commercial and Institutional (ICI) and residential construction sectors - are involved in virtually all major capital projects in British Columbia.