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INSIDE

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ANNOUNCEMENTS PAGE B10

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 See Page B5

CITY & REGION

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MONDAY, DECEMBER 4, 2006

Costs erase budget cushion

City uses up \$100 million for capital projects in hot market

KIM GUTTORMSON
 CALGARY HERALD

The added costs of building in Calgary's booming construction market have eaten up a \$100-million cushion the city built into its capital budget, leaving no ability to add new projects to its schedule.

While not every job came in higher than the original estimates, some ran 20 per cent over and others were reduced in size to stay within budget.

"We had set a global contingency available to deal with cost escalation . . . a very prudent move recognizing the market was moving quite quickly," said Mayor Dave Bronconnier. "And thankfully we did that

because, in fact, that is what ensured there were no project cuts during the budget."

The standard 10 per cent contingency — about \$100 million on next year's \$1.1-billion capital budget — was spent covering the final price of already-approved projects, leaving little room for any other much-needed building.

"There were some additional

ones, but not as significant as we would like," Bronconnier said.

During its budget talks last week, council agreed to find \$4 million to help renovate the Pumphouse Theatre and to allow a group trying to build a community centre in the northeast to continue with its planning.

SEE BUDGET, PAGE B4



Mayor Dave Bronconnier

Bar reopens after shooting

SHERRI ZICKEFOOSE
 CALGARY HERALD

Just a day after a masked gunman opened fire on a doorman, the Yardhouse Restaurant reopened for business Sunday.

Investigators are continuing to determine whether an early-morning shooting at the southwest bar that sent one man to hospital was a targeted attack.

Police were called out around 1:30 a.m. Saturday to the trendy bar on 17th Avenue S.W. for a 33-year-old man suffering from gunshot wounds.

A lone gunman opened fire on the doorman, who was shot several times, in his abdomen and arm.

The shooter remains at large.

The victim is recovering from surgery in Foothills Hospital.

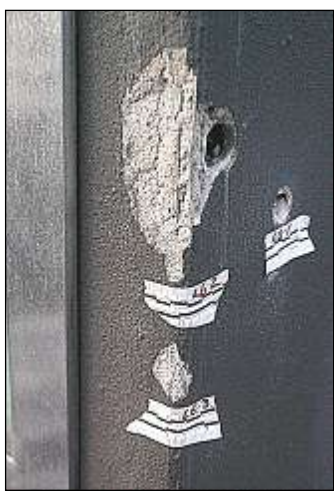
It's the second shooting in a week. David Ngheim is recovering after robbers shot him at his food store at 1208 14th Avenue S.W. The Loonie Plus Dollar Food Store remains closed for business.

Investigators have not said whether the Yardhouse shooter was a disgruntled patron or may be known to the injured doorman.

Doormen face the fury of patrons turned away, and threats to their safety are not uncommon, according to bar owners.

In 2004, two nightclub bouncers were sent to hospital after one was stabbed and the other knocked unconscious after being swarmed by a group of men who may have been bent on revenge.

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Ted Rhodes, Calgary Herald
 Bullet holes are visible at the Yardhouse Restaurant on 17th Avenue S.W., where a doorman was shot.

Fire tears through dream homes

PETER GREEN
 AND SHERRI ZICKEFOOSE
 CALGARY HERALD

Two high-end homes under construction in Evergreen went up in flames late Saturday, forcing neighbours out into the cold night air.

Homes at 12 and 15 Evergreen Row S.W. were dream homes in the making. But, by early Sunday morning, they were a homeowner's worst nightmare, with damages estimated at \$1 million.

Neighbours say they heard a blast before smoke and flames filled the sky shortly after 11:30 p.m.

The fire quickly spread to an adjacent home. Both were under construction and unoccupied.

The sound of an explosion could be heard blocks away.

"We heard a big boom. It felt like the house almost shook, and then I thought someone had hit the house, and I was looking around to make sure it wasn't a hit and run," said Russell Padgham, who lives a couple of blocks away.

"That first house went (fast) — it was gone by 11:30, I think. And then it caught on the next house on all the bare wood."

Two other houses were damaged by the heat and smoke. Crews at the two-alarm fire brought the blaze under control before it spread any further.

SEE FIRE, PAGE B4



Jenelle Schneider, Calgary Herald
 Damages to the two dream homes destroyed by fire on Evergreen Row S.W. are estimated at \$1 million.

Colleen De Neve, Calgary Herald

Firefighters work to extinguish flames late Saturday night at two homes that were under construction in Evergreen. Neighbours said they heard a "big boom" before the blaze broke out.

Roundabout urged for southwest intersection

Resident tired of seeing near misses

SARAH CHAPMAN
 CALGARY HERALD

Kaari Autry often hears the sound of brakes squealing as drivers on her Mount Royal street try to avoid crashing into other motorists.

Autry says it's because the intersection of 10th Street and Cameron Avenue S.W. isn't safe.

"Every time I hear a car coming, I tense up," she said only days after two cars collided

outside her window when one ran a stop sign.

"You hear near misses every day. I'm always ready to call 911 or an ambulance."

Autry believes the intersection could be improved with a roundabout, or traffic circle.

"I don't know what the city is waiting for," she said. "Please, give us a roundabout."

But the City of Calgary says that intersection is not a concern. "I'm not aware of any complaints," said Derek Heric, a spokesman for the city.

He said a community traffic study was conducted on the area earlier this year, and that particular intersection was not identified as a concern.

The studies take into consideration speed, traffic volume and collision data.

Heric suggested anyone worried about the street call the city phone line at 311 and lodge a complaint.

If the need for change is determined to be immediate, traffic engineering crews would get cracking to find a solution he said.

If the need isn't urgent, the complaints would be compiled for future studies.

■ **Who's in charge?** Derek Heric, communications strategist, 311.

■ **On the Watch List:** Bylaw officers are watching out for sidewalks that haven't been cleared of snow, but so far this winter,



Lorraine Hjalte, Calgary Herald

Kaari Autry says the intersection at 10th Street and Cameron Avenue S.W. isn't safe and needs a roundabout.

there haven't been many warnings doled out, said Bill Bruce, manager of animal and bylaw services.

Notices require homeowners to clear their snow or pay the cost to have it done for them.

Bruce said fewer notices have been issued compared with

other years.

■ **What's wrong with Calgary?** If you see something that needs to be improved in your city, call the Herald at 235-7433 or e-mail us at citywatch@theherald.canwest.com.

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FROM BI BUDGET: 'There just wasn't a whole lot of flexibility left'

Four million dollars in a \$1.1-billion budget shouldn't be difficult to find. But with such limited flexibility, any changes were confined to smaller projects, not high-priority items such as extending the LRT line to the west.

"The flexibility, operating and capital, has been used up," the mayor said.

"There's not only cost escalation, but pressure for new staff, police, fire, EMS, transit hours.

"There just wasn't a whole lot of flexibility left in the budget, and the contingency had been used to ensure the capital projects that were previously identified still moved forward without any falling off the table."

Brad Stevens, general manager of asset management and capital works, said it's difficult to pull together the total impact that cost escalation had on the city's overall budget.

How it affected those bottom lines was tied to the material and labour each project required, what stage they were at in the process or whether they were able to make changes to stay within budget.

"Depending upon the nature of the project, if you need a lot of asphalt, a lot of concrete, lot of rebar or you're labour intensive, then your increases were much more," he said.

"There's not a good way to give an overall impact on the budget."

The fire department, for example, saw projects and the accompanying apparatus cost about 24 per cent more, while the price for the emergency operations centre has climbed by \$10 million to \$42.6 million.

"When we put out expressions of interest this summer, we were quite surprised by how much difference

there was," Erika Hargesheimer, general manager of community and protective services, said of capital projects.

"We've used all the dollars we had to accommodate the cost escalation. Other projects we would've done are left on the unfunded list."

In the parks department, she said, the rising costs meant buying less land.

Work on the renovations at the Southland and Village Square leisure centres — which received a total of \$8 million last year — will be adjusted "looking at what the highest priorities are," Hargesheimer said.

Higher prices for material and labour added \$53 million to next year's transportation budget, and another \$47 million in 2008.

Transportation general manager John Hubbell said it meant funding the top priority projects and having to leave others on their to-do list.

Stevens said the city approved a centralized project management office in this budget, so that it can identify overall market trends and try to manage its construction within those parameters.

"If there's some capacity out in an industry in one specific area and bids are coming in and they're coming in good, then that information should be distilled across the entire organization," he said.

"If you have a project, go to tender now, because you'll get favourable pricing."

In January, council will hold a strategic planning session, which Bronconnier said will include direction on where the city goes with critical issues such as infrastructure and affordable housing.

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OH DEER, OH DEER



Deer browse for food along Highway 1A, just north of Banff in an old prescribed burn area, on Sunday.

Mikael Kjellström, Calgary Herald

Woman in hospital after crash

CALGARY HERALD

A woman was fighting for her life in Foothills Hospital on Sunday after a head-on collision near Red Deer.

The 62-year-old Innisfail woman was driving a 2002 Chrysler Sebring northbound on Highway 2 north of the Highway 42 overpass when she was struck by a pickup truck spinning through the centre median Sunday morning.

The 21-year-old Airdrie man behind the wheel of a 2006 GMC suffered minor injuries.

Both drivers were transported to Red Deer hospital by ambulance.

The woman was stabilized and flown by STARS to Foothills with life-threatening injuries, said Innisfail RCMP Const. Doug Dewar.

Alcohol was not a factor in the crash, and both drivers were wearing seatbelts, he said.

Icy roads due to frost are to blame, Dewar said.

FROM BI FIRE

Fire officials were still on scene late Sunday trying to determine the cause of the blaze.

There were no injuries reported. "Because the homes are under construction, the speed of the fire was very quick," said fire department spokesman Rob Zimich.

"Residents were good and got out of the way, which is good and really important."

Another fire in the city's southeast had crews battling to save a strip mall.

Shortly after 11 a.m. on Sunday, firefighters found flames inside the mall at 4909 17th Avenue S.E.

The fire crews forced their way inside and quickly extinguished the blaze.

No one was in that part of the building when the fire began, but occupants on either side were evacuated.

The fire prevention bureau is investigating the cause of the fire.

There was no damage estimate.

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City spending \$93,000 to explain taxes

CALGARY HERALD

The city is spending more than \$93,000 to give Calgarians a detailed explanation of how soaring real estate prices will affect their 2007 property tax assessment.

The brochure, from the city's assessment department, outlines how market value assessment works and explains

the city's revenue neutral formula.

That means homes whose values increased by more than the average — estimated to be 40 per cent in 2006 — will see their bills go up, while those below enjoy a drop.

Preliminary estimates this fall found property value increases ranging from 30 per cent in areas such as Cranston and McKenzie Towne (a 13 per cent tax

decrease) to 60 per cent in the core (a 17 per cent increase).

Questions about property assessments have increased this year, since they were done in the summer, just as the city's housing market reached its peak.

"I believe assessment's straight talk brochure will clear up any misunderstanding Calgarians may have and I

hope it eases their misgivings about how this current Calgary market could affect them," city assessor Ian McClung said in a news release.

The pamphlet is being sent to 375,000 homes, at a cost of 25 cents a copy.

Taxpayers will be sent their property assessment notice at the end of January.

City council has approved a four per cent property tax increase for 2007.

Thank You!

Thank you to everyone who worked so diligently to make the 'Big League Experience' Charity Hockey Event on Thursday, November 30th at the Pengrowth Saddledome a huge success.

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