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PLATTE CHAT

Proposed budget means more government spending, higher taxes in Omaha

Omaha Mayor Jim Suttle is poised today to present a tax and spending increase in his 2010 budget to the city council. This comes a week after a press conference during which the mayor stated that Omaha was at the “bottom of the barrel” for potential cuts.

The proposed budget calls for the city to increase its expenditures by roughly \$4 million in 2010. Certainly, increasing health insurance costs will be cited as a large burden to the city. Yet, at the same time, no meaningful change is proposed to help reduce that expense. In fact, the proposed budget will call for increasing the size of labor in the city by a total of 28 civilian and sworn positions.

There is a proposed property tax increase in the 2010 budget which will produce an additional burden of \$24 a year for \$100,000 in assessed home value. A quick retort may very well center on how low Omaha’s property tax rate is in comparison to others. It is true that Omaha’s property tax rate is significantly lower than the much smaller communities around it. It is also true that Omaha’s property tax rate is significantly higher than

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Lincoln's, which might be the truest apple-to-apple comparison. It's doubtful that point will be mentioned. While it is true that there are many units of government which share the blame for an excessive property tax burden in Nebraska, it does not diminish the fact that Omaha is compounding the problem with an increase during recessionary times.

Omaha says it will generate more than \$10 million a year from a proposed 2% entertainment tax in the city. Examples are likely to be given which show the new tax only amounts to a few quarters here and a couple dollars there. It's doubtful any examples will be given which shows how people will make conscious decisions to be entertained outside of Omaha, which hurts city businesses and leads to layoffs, which only deepens the city's economic tailspin.

At a time when Nebraska businesses are enacting layoffs at a level not seen in more than 20 years in order to survive, Omaha is proposing an increase in its labor force. While consumer spending has decreased over the past calendar year, Mayor Suttle proposes to increase spending. The proposed 2010 budget calls for increases in the spending for the Mayor's office (1.9%), city council (1.7%), finance department (15.3%), planning department (10.8%), fire (4.0%) and police (5.3%) while calling for a decrease in the amount of money left in the pockets of taxpayers.

There are a few spending reductions in the proposed 2010 budget for Omaha which take a superficial approach to deep issues, but an increase in overall spending supersedes any minor attempts at controlling the growth of government and the overall tax burden of residents.

We find these issues troublesome. Nebraskans as a whole cannot continue to see government grow larger while their paychecks get smaller. The 2010 budget being proposed by Mayor Suttle does just that and fails to pass muster.

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