

Subject: FW:**Date:** Sun, 16 Dec 2001 21:12:41 -0800**From:** Ernie Crist <CristE@district.north-van.bc.ca>**To:** "FONVCA (E-mail)" <fonvca@fonvca.org>

-----Original Message-----

From: Ernie Crist

Sent: Sunday, December 16, 2001 9:11 PM

To: (name kept anonymous)

Cc: Mayor and Council - DNV; Directors Team

Subject: RE:

Dear Mr. and Mrs. G...

The provincial government has cut all grants to municipalities. It is called downloading. At the same time we, at the local Government level, are constitutionally deprived of accessing other sources of taxation such as tobacco or liquor or even gasoline, for example, even though we have to deal with all the staggering problems of the "Modern City".

While the burden on local government is getting heavier, the only source of taxation we really have is the property tax.

You are absolutely right in stating that taxing secondary suites is not fair, I agree. But most people think it is even more unfair to put an increased tax burden on residential units who do not have secondary suites. Owners of secondary suites, it has been argued at least derive an income from their properties. I fully appreciate that this is not so in your case.

The financial problems which made this policy necessary in many municipalities, have in the District been exacerbated by the mismanagement of the District's finances. This has been pointed out in the press on numerous occasions. It includes the mismanagement of the District's Heritage Fund set up in 1986 with a 2001 goal of \$ 150 million in mind.

Instead of putting the income from land sales into the Heritage Fund and allowing it to accumulate, as was planned however, the District, unlike the City of North Vancouver for instance, has used up this money more or less without much to show for it. Indeed despite the use of these funds, our taxes are at the top of all municipalities in the Region. What is more, this practice, if anything, has corrupted accepted business standards.

The result is that instead of deriving an annual income of between 12 and 15 million dollars annually from interest generated by this Fund to pay for much needed renewal of infrastructure and other capital expenditures to keep the Municipality running, the Fund is virtually depleted and we have in fact become addicted to the sale of land which will soon be depleted. All

efforts to change this un-business like practice which, I might add, has made the District the laughing stock of the Region have failed.

Another area of losing revenue is in the application of rents for the use of District property. While some citizens pay the going rate of 7.5 % which is lease value for the use of District land, some pay nothing or only a fraction of that. To put it bluntly, the District is applying two different laws based on what I personally perceive to be political favoritism. This too has been the subject of considerable publicity but without much outcry from the public.

Yet another area of seriously impairing the interest of District taxpayers lies in the present arrangement with the City of North Vancouver in regards to public recreation and playing field use. For many years including the present, the District is heavily subsidizing the City by making its Rec Facilities available to City residents without demanding any corresponding charge for the capital maintenance required for these facilities.

What is true for Recreation Facilities, of which there are three in the District for every one there is in the City, is even more true when it comes to playing fields. Even though we have a surplus of playing fields in the District, we continue to build more for the benefit of the City which has a desperate shortage. All this is possible through the Recreation Commission which is in charge of these areas. This too has been pointed out in the local press.

All District property owners have recently received a notice as to the status of their secondary suites (or otherwise) which they are obliged to sign for purposes of record. There is no question that some, in fact many people, will provide false and misleading information. Whether it is worth the risk to circumvent the law on their part is something each and every individual will have to decide for themselves.

Your personal case may be reviewed by staff upon request. The definition of a secondary suite is one which among others contains a cooking facility and is self contained.

I cannot further comment since I do not know the exact circumstances but I CAN ASSURE YOU THAT OUR STAFF WILL DILIGENTLY LOOK AT ALL THE FACTORS should you so desire AND ADVISE YOU ACCORDINGLY.

Please do not take my comments as being relevant to your particular case. Regardless, you need not worry that you will be obliged to pay for something which is contrary to District policy. That many people circumvent existing policies at the expense of others is something I do not personally condone. I have consistently argued for a more stringent enforcement of existing District policies. This is not only the case for secondary suites but also for other areas where we are lax.

I will pass a copy of this e-mail to Mr. Don Sigston our Manager of properties and Bylaw enforcement so he may get in touch with you to review your case.