

**Subject: [Fwd: Fiscal Principles and Civic Governance]**

**Date:** Thu, 09 May 2002 18:56:52 -0700

**From:** Brian Platts <brian\_platts@telus.net>

**To:** Corrie Kost <kost@triumf.ca>

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**Subject: RE: Fiscal Principles and Civic Governance**

**Date:** Thu, 9 May 2002 15:37:48 -0700

**From:** "Douglas Mackay-Dunn" <macdunn@uniserve.com>

**To:** "FONVCA \ (E-mail)" <fonvca@fonvca.org>

**CC:** "Mayor and Council" <Council@district.north-van.bc.ca>

For the record: I have been misquoted.

What I did say was that the Municipality is not a business. However there are several things that we do which should be done in a business like way. In addition, both the Management Control Audit and the call for an independent audit of our surpluses and reserves were my initiatives...because they both made sense from a business perspective and were the right thing to do.

Doug MacKay-Dunn

> -----Original Message-----

> *From:* Ernie Crist [<mailto:CristE@dnv.org>]

> *Sent:* Thursday, May 09, 2002 2:32 PM

> *To:* FONVCA (E-mail)

> *Cc:* Mayor and Council - DNV

> *Subject:* Fiscal Principles and Civic Governance

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> *A MESSAGE FROM ERNIE CRIST:*

> *May 9, 2002*

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> *The District Council debate on the 2002 budget during last*

> *Monday's Council*

> *meeting revealed that some Concerned Citizen (CCA) endorsed Councillors*

> *still do not understand even the simplest fiscal and civic governance*

> *principles.*

>

> *During the debate on the Heritage Fund, one Councillor revealed that, in*

> *her opinion, there is no difference between using the interest*

> *generated by*

> *the Heritage Fund to pay for capital projects and using the principle of*

> *the Fund itself, which is what the CCA endorsed Council is doing. I*

> *sincerely hope that there was noone present who understands basic*

> *economics*

> *for if there were, they must have left in utter astonishment.*

>

> *On the other hand, such ignorance of basic economic factors explains why*

> *the District Heritage Fund has been mismanaged to the point of oblivion*

> while in the City of North Vancouver, theirs is still intact. When the  
> Heritage Fund was set up in 1986 it was to contribute between 12 and 15  
> million dollars annually in generated interest after the year  
> 2000. It also  
> explains why City Councillors pour cold water on the idea of amalgamating  
> with the District. Not knowing the difference between the  
> principle and the  
> interest generated by such a principle was one such astonishing  
> revelation  
> last Monday, the other was when another CCA endorsed Councillor with  
> Mayoralty ambitions told the world that running a municipality  
> was not like  
> running a business because running a business is done to make a profit  
> while a municipality is run to provide services.  
>  
> Truly an amazing statement by someone with aspirations to be  
> Mayor? The  
> CCA endorsed Councillor, despite numerous books, including the famous  
> "Re-Inventing Government" by Osborne and Gabler, and despite countless  
> reports, letters to the editor, lectures at conventions paid for by the  
> taxpayers etc, clearly still does not understand that although managing a  
> municipality is indeed not done to make a profit but to provide services,  
> it must still be run along the same fundamental business principles, which  
> is to say it must be run in the most efficient and economical manner.  
>  
> This is what the KPMG Report, which cost the taxpayers tens of  
> thousands of  
> dollars, stated. It is also what the VAT report said must be done  
> and it is  
> also what I attempted to introduce a thousand times but to no avail. It is  
> subsequently no wonder why the District Manager recently informed the  
> Council that, despite criticism at the apparent lack of benchmarks in the  
> past, a comprehensive policy measuring the efficiency of the  
> District still  
> does not appear to be in place. He indicated that a report will  
> be coming to  
> Council soon. It is little wonder, therefore, that despite the  
> highest taxes  
> in the region, not only has the District Heritage Fund all but  
> disappeared  
> but the infrastructure reserve funds as well. But when people in  
> charge of  
> the District don't know that in both a business run for profit and a  
> business run to provide services the principles are the same, it  
> is little  
> wonder that the City of North Vancouver does not want to discuss  
> amalgamation. As one City Councillor said " we may have problems but you  
> have a disaster".  
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