

**Subject: The truth behind the subsidy.**

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A MESSAGE FROM ERNIE CRIST

The total operating budget of the Rec Commission for both City and District is roughly \$16 million. The District's portion is 70 % of this amount. Thus the District's portion is \$ 11.2 mill of which \$ 6,3 mill is recovered, mainly from fees. Thus the District's subsidy for the Commission's operations is \$ 4.9 mill or 44 % of the \$ 11.2 mill. The District's subsidy for capital maintenance for facilities located in the District is an additional \$ 600,000 this year ( low compared to other years). This brings the subsidy by the District to \$ 5.5 mill.

Add to this the cost of maintenance for playing fields and you get an annual subsidy by the District of roughly \$ 6 million for recreation. District fields, via the Shared Services agreement are free including to City residents. City fields in turn are free for District residents as well but the City has only 25 % of the District's number of fields while their population is more than half that of the District.

Subsequently there is a considerable shortage of playing fields in the City but they need not worry since they can use the District's fields free of charge via the Shared Services agreement, courtesy of the Council of the District. All this constitutes a huge subsidy to the City which does not access its own Heritage Fund nor its infrastructure reserves and has much lower taxes than the District.

Both the City and the District pay for the capital maintenance of recreations facilities within their own jurisdictions. Thus the City pays for its own and so does the District (\$ 600,000 this year). To maintain the facilities in a proper fashion the District would need \$ 1.2 mill annually but it contributes only half of that amount which means that the facilities are deteriorating to a point where, within a few years they will have to be turned over to the private sector. The District Council has failed to address this issue. I do not believe that they comprehend the situation.

I do not believe that their training is adequate to understand all this. But I also believe that to the extent that they do understand they do not want to touch it for fear of upsetting the Commission and subsequently the sport users who do not care who pays for what as long as they get what they need. Keep in mind too that the District, while subsidizing the City is short of money to maintain its own facilities. Although the City has only one major facility for every 3 in the District, it contributes more dollars for the capital maintenance of its fewer facilities than does the District for its facilities. This is another I.Q indicator. Thus my recent comments about lack of intelligence.


As 3 out of 4 major Recreation facilities in North Vancouver are located in the District and since the City does not contribute to those costs while its population is more than 50% of the District, the District is, in effect, subsidizing the City on a grand scale. The Rec. Commission gives the number of visitors from the City as 30% of the total. These figures are based on the annual passes, however, rather than the total number of visitors. Neither does it include visitors from Burnaby and/or the City of Vancouver.

On a percentage basis, the number of annual passes is far greater in the District since there are more families and more seniors in the District. In the City the makeup of the population is younger and mostly rental. This means fewer annual passes and more pay as you go fees. Single families residential makes for a population more likely to use annual passes. This means that the figures of 30 % ( City users ) on which the overall contribution towards the Commission's operating expenses are based on, are incorrect.

Under my plan all subsidies ( i.e. the Parkgate model) can be eliminated without raising fees and/or reducing the level of services including badly needed capital maintenance. This is because Parkgate operates as a non profit society and is subsequently able to access funding from other sources. Parkgate last year raised \$ 1.2 million from such sources.

All my efforts to address any of the above issues failed. This is one of the reasons why one of the City Councillors when I recently told him that we are subsidizing the City retorted "Ernie, it is not our fault that you people are so stupid". All figures used above are rough except the total amount of expenditures which in our 2002 budget under Recreation Commission expenditures is listed as \$ 11,153.628 while I have listed it as \$ 11.2 mill to round up the figures.

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