

Subject: FW: Your story re NVD finances;

Date: Sun, 10 Mar 2002 09:50:33 -0800

From: Ernie Crist <CristE@dnv.org>

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

> *The Editor:*

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> *I wish to congratulate you on the story on the NVD finances as headlined
> in the NEWS Sunday Mar. 10. I think it was indeed responsible journalism
> on your part to present both sides of this rather shocking story.*

>

> *However, the claims about surpluses made by a District spokesmen may
> have done little to clarify the central issue of this rather shocking
> revelation about dwindling District reserve Funds to a point where they
> are virtually non-existent. Such claims may be compared to a farmer on the
> verge of bankruptcy who sells half his farm thus claiming a surplus.*

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> *Nonetheless, thanks mainly to the diligence of Mr. David Sadler, a
> District resident and Mayoralty candidate during the last municipal
> election, we now have additional official data.*

>

> *According to the official "District of North Vancouver Reserve Fund
> Transactions" for the years 1996 to the year 2000 inclusive, the picture
> about the District's fiscal reality is worse than could be anticipated by
> even the most extreme or cynical pessimist.*

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> *In 1996 the District Reserve Funds stood at \$ 91 million. This translates
> to over \$ 1200 per capita for every man woman and child in the District.
> In 1997 the figure had dwindled to \$ 66 million, in 1998 to \$ 48
> million, in 1999 to \$ 15 million and in 2000 to \$ 16 million or a drop of
> \$ 75 million inside of 6 years. This is the very money which the District
> has taken from its reserve funds (set aside to pay for the failing
> infrastructure) to subsidize its operations. This is over and above the
> substantial tax increases for the same period, not to speak of all the
> other funds such as income from land leases or interests generated by the
> Heritage Fund now also virtually depleted.*

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> *To get a truly clear picture, it is crucial to keep the following in mind.
> Some 15 years ago at a time when we had an outstanding Director of
> Engineering Services we were told that the life span of the District
> infrastructure was roughly 50 years and that 35 of those 50 years were
> already behind us. Since we are talking about hundreds of millions of
> dollars, a frugal municipality will, he said, put funds aside for that
> day. It is for this reason that we diligently increased the reserves over
> the years to over \$ 1200 per capita or \$ 91 million in 1996. All
> Municipalities have such reserve funds. Notwithstanding statements made by
> District spokesmen as quoted in the News, the criteria used by the
> Province which published these figures annually is the same for all
> municipalities.*

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> *In West Vancouver these fund are \$ 1700 per capita and in the City of*

> North Vancouver over \$ 1600, to use as an example. In the District, on
> the other hand the funds have been reduced from over \$ 1200 per capita
> in 1996 as mentioned to \$ 317 in the year 2000. We have not as yet been
> given the figures for the year 2001. It stands to reason, however, that
> they are even lower for the simple reason that during the 2001 budget
> deliberations, Council was told by management, without blushing that it
> was safe to access some of these reserves. Now, one year later, we are
> told the very opposite.

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> These recent revelations, in my opinion are so staggering in their
> implications for the District taxpayers that it is absolutely essential
> to conduct a full outside forensic audit. The audit should be conducted
> by an out of Province firm. I deem it my duty to make a motion to that
> effect except it would more than likely be an exercise in futility. You
> may remember that no sooner was the present CCA Concerned Citizens
> endorsed Council elected when they decreed that no motion submitted by a
> member of Council may be introduced and explained prior to debate unless
> it is seconded by one of the CCA endorsed members of Council first.

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> Since I am the only member of the present Council not endorsed by the CCA,
> it is unlikely that such a motion on my part would be seconded to allow me
> to explain it, much less to have it endorsed for approval. To insure that
> such a vital step is undertaken by Council is now the duty of the
> Citizens of the District of North Vancouver. The stakes are considerable.

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> Ernie Crist.

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