

Subject: RE: Response to letter from Brad Eshleman V. P. Finance & Administration, addressed to Mayor Harris with copy to Ernie Crist re Assessment Appeal.

Date: Thu, 9 Jun 2005 23:22:07 -0700

From: "Ernie Crist" <ernie_crist@dnv.org>

To: "K Brad Ewing" <kbewing@atlasmeridian.com>

CC: <fonvca@fonvca.org>

Dear Mr. Ewing:

I fully appreciate your position which, if I understand you correctly is that you need action now to stay alive. What I was saying is that to do so, will require changes in attitude including by the business community.

What I also said is that there was no need for this situation to become as serious as it has, that the District has been mismanaged, that one of the reasons for this is because the public including the business community, despite repeated warnings paid little heed and that unless this changes, the situation will get worse. The principles of government are no different at the local government level, then they are at any other level. Apathy, no matter how you slice it, always extracts a price.

You are right of course in inferring that a possible solution might be to simply pack up and leave - I agree. However, to do so in my book amounts to capitulating in the face of incompetence.

As to the constitutional changes, albeit you deem this issue to be of marginal importance, in the opinion of every expert and every graduate of first class institutions of learning, this matter stands nonetheless at the center of issues in this country. This is another way of stating that if you want to climb Mount Everest you must for starters have the right equipment.

That is the message I was trying to convey.

Thank you,

Ernie Crist

From: K Brad Ewing [<mailto:kbewing@atlasmeridian.com>]

Sent: Thursday, June 09, 2005 8:52 PM

To: Ernie Crist

Subject: RE: Response to letter from Brad Eshleman V. P. Finance & Administration, addressed to Mayor Harris with copy to Ernie Crist re Assessment Appeal.

Dear Mr. Crist,

Thank-you for the forwarded response you wrote to Brad Eshleman. It was interesting and informative for your views although I wonder if the municipal arena is the best venue to be effective with constitutional issues.

One could hardly dispute your proposition that small business owners might well take more responsibility for some version of political activism. At the same time, when I refer to myself as a small business owner, it comes from the perspective of a "quite small" business - the

10-or-less employee kind, and while I remain fully capable of comprehending and appreciating the Big Picture, the more immediate issues for me revolve around things like how NVD's 40+% business property tax increase confounds my plans to grow my little company into a bigger little company. My small business is pretty big for me.

The inordinate tax increase confounds small things like how I might be able to keep my company on the "Shore", the place where I did most of my growing up, like more than half of my employees. It confounds small things like plans to be able to hire more people because just as things are starting to look up a bit, this tax increase just delivered a personal \$6,000 pay cut. (It's popular to point out how businesses can write some things off as business expenses. Eminently true, however businesses first need to make a profit before there's anything to write off. Up till then, it's all just expenses.) It confounds my confidence in NVD's business environment to such an extent that plans I'd developed to invest in a business property in North Van (with new partners) rather than continue to lease are now entirely off the table because I just don't know that the NVD's professed interest in promoting a healthy small business climate here, like the OCD says, is honest and sincere, or more like a National Enquirer headline.

Again, while I found what you had to say interesting, I confess my small business has more immediate needs, and I'm a tad light on time to dance about with pointy finger time. I'm not interested in blame. Small business needs action now.

This is not just an issue about my own personal plight as a small business owner. The bulk of small businesses on the North Shore are small, quite small. Most of us all have a similar story and a similar problem that needs a business property tax revision before it creates a longer term trend and damage. I'm hoping that you and the rest of the NVD Council are willing to support our issues with action rather than just words. A reduction of the mill rate for business property tax would be a good start.

Yours truly,

ATLAS MERIDIAN GLASSWORKS INC.

K. Bradley Ewing

From: Ernie Crist [mailto:ernie_crist@dnv.org]
Sent: June 9, 2005 4:07 PM
To: kbewing@atlasmeridian.com; wayne@nvchamber.bc.ca;
donropel@telus.net; kkerr@telus.net; a-buch@eecind.com
Subject: FW: Response to letter from Brad Eshleman V. P. Finance &
Administration, addressed to Mayor Harris with copy to Ernie Crist re
Assessment Appeal.

From: Ernie Crist
Sent: Thursday, June 09, 2005 3:54 PM
To: fonvca@fonvca.org; Mayor and Council - DNV; Senior Management Committee
Subject: Response to letter from Brad Eshleman V. P. Finance & Administration, addressed to Mayor Harris with copy to Ernie Crist re Assessment Appeal.

Dear Mr. Eshleman:

Thank you for your letter re taxes. As you are aware, property taxes are virtually the only source of income for municipalities. Canada is the only modern country where this is the case. To put it bluntly Canadian Municipalities and Cities where close to 90 % of the people of Canada reside and where all the staggering problems of a modern society are being played out, have no constitutional power. We are politically so backward that it defies the imagination. To put it bluntly, it is nothing short of astounding.

In other Countries municipalities are recognised under their relevant constitutions and they have powers that enable them to deal with the issues they face much more effectively. They either receive a portion of the gross national or state budgets or they receive guaranteed grants. In other cases their powers are such that they can tax gasoline, tobacco, liquor etc, as the case may be, which means they have more room to protect jobs in the community in a highly competitive world.

When it comes to fiscal policies the situation is especially serious in the District of North Vancouver for a number of reasons. During the Bell and Dykeman administrations literally hundreds of million of dollars received from land sales instead of being put into the Heritage Fund, as was suggested back in 1986 by me and by Councillor Craig Clark, these proceeds were used as a slush fund more or less.

The idea of an accumulated Heritage Fund was to use only the interest generated by this Fund and only for genuine capital projects. Needless to say this would have positively impacted taxes in the District. The issue was brought to the attention of the community a thousand times but nobody including the business community did anything to rectify this scandalous practise. What is true for the Heritage Fund is also true for the Infrastructure Reserve Fund. Some areas of municipal responsibility, including public recreation are mismanaged to such an extent that it is hard to believe. All this has been stated a hundred times by me as well as others.

Even today the District continues to subsidise the City of North Vancouver for purely political reasons, by that I mean purely stupid reasons. Suffice it to say that the Arts on the North Shore are administered by no less than 3 different administrations - talk about incompetence. Suggestions which would make the delivery of public recreation more efficient and save the taxpayers millions of dollars a year have been consistently ignored. Those are just a few examples. The revelation of the KPMG, the Northland, and the Canlan scandals have apparently done nothing to shake the apathy of this community, including the business community. One would think that somebody would have voiced some concern but there was total silence including from the Captains of Industry.

I believe the North Vancouver business community, including the Port industries, should use their clout to press the federal government to rewrite the Canadian constitution and give municipalities sufficient powers so local industries can compete with industries in other jurisdictions on the same level playing field.

I also urge you to make sure that the District is run based on sound business practises rather than in the irresponsible manner as has been the case in the past,


I have submitted countless proposals as to how this can be done. My suggestions have always been based on common sense business principles - principles I was taught in first class institutions of learning I might add. I can assure you that I fully understand the need for jobs and the creation of wealth in a highly completeive environment. I am sure you are also aware of our responsibilities to our residents who cannot write off taxes as can be done by business

The bottom line, Mr. Eshleman, is that the BUSINESS community will have to take local government far more seriously than is the case at present and not just around the question of taxation and during budget discussions. Local government is complex and requires the cooperation of all its members to face the issues including cultural, social, transportation, health, liveability, environment and, of course, employment and taxation.

A good start would be to help us push for a new constitution - one that recognises the realities of the modern world rather than one that is based ON AN ACT WHICH DOES NOT EVEN RECOGNISE MUNICIPALITIES AS LEGITIMATE LEVELS OF GOVERNMENT AND IS A HUNDRED YEARS OUT OF DATE.

Yours truly,

Ernie Crist

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