

Subject: [Fwd: The Smoking Gun?]

Date: Fri, 08 Mar 2002 14:53:48 -0800

From: Brian Platts <brian_platts@telus.net>

To: Corrie Kost <kost@triumf.ca>

Subject: RE: The Smoking Gun?

Date: Fri, 8 Mar 2002 17:46:02 +0000 (GMT)

From: Elizabeth James <cagebc@yahoo.com>

To: Ernie Crist <CristE@dnv.org>, "FONVCA \ (E-mail)" <fonvca@fonvca.org>

Would that we could persuade John Bremner to (1) return to the District; or, failing that, to take on a short consultancy for us. I think the Coalition could throw a couple of hundred into the pot for that.

Liz

Ernie Crist <CristE@dnv.org> wrote:

A Message from Ernie Crist

Reduction of the reserve funds was first discussed and approved during the 2001 Budget deliberations. At no time and to the best of my knowledge did staff ask nor was there any discussion about reducing the reserve funds prior to the 2001 Budget deliberations.

Indeed prior to 2001, Council was told the reserve Funds needed to be built up because of the deteriorating infrastructure. The policy of accelerating the buildup of these reserve funds commenced when John Bremner was Director of Engineering Services. The buildup was subsequently implemented over a period of many years.

Never in any of my statements and/or letters to the editor or indeed my e-mail messages did I mention this crucial point for the simple reason that it was never raised by either staff or by any member of Council. The first time I raised this matter, including through letters to the Editor, was following the 2001 Budget deliberations and ever since.

However, according to the recent statistics supplied by Staff (both before and after the adjustments made ostensibly for reasons of a faulty measuring method), the reserve Funds were steadily accessed between 1996 and the year 2000. The question is who gave permission to do so without bringing this to Council's attention? Are there any records to indicate otherwise and if so where are they?

What is the legality of this issue? Did the Mayor, who now blames previous Councils for this debacle, know about it and fail to inform Council?. If so is he in violation of the Local Government Act? Alternatively did the Mayor instruct staff to reduce those funds and/or did the Staff do so without informing either the Mayor and or Council prior to 2001?

Is my expose of this and other serious violations against the public interest, the serious violations of democratic procedure by the Mayor as

well as the allegations made against me the real reason why I have been consistently harassed by the Mayor and his CCA endorsed Council?

Message-----

From: Dave Sadler [mailto:davesadler@telus.net]

Sent: Friday, March 08, 2002 1:20 AM

To: eric_g_andersen@hotmail.com; Corrie Kost; Brian Platts; johnhunter@idmail.com; Liz James; ecrist@dnv.org; Cathy Adams

Subject: The Smoking Gun?

FYI - It is Other Statutory Reserve Fund Balance account which was depleted and the primary cause of reducing our reserves from \$1200 in 1996 to \$300 in 2000. In '99 the balance was reduced to only \$15,280,733 from \$62million in '97. This means we paid for \$47 million in capital projects in two years, which I don't understand. I look forward to receiving the District's explanation which I will share with you upon receipt. Cheers
Dave

Dear Stephen Fleming:

The 1997 BC Provincial Municipal Statistics 'Blue Book' Schedule #62 details Municipal Accumulated Surpluses, Reserve Accounts and Reserve Fund Balances as at December 31, 1997. For the DNV, under the Statutory Reserve Fund Balance component, the Other Statutory Reserve Fund Balance is \$62,705,608.

- 1) I would like to obtain the original detailed transaction entries of this account for 1997, including opening & closing balances.
- 2) I understand that during this year, the funding for 'work-in-progress' capital projects was temporarily placed in this account. In addition to the above request, I would like to obtain the corresponding detailed transaction entries where these capital fund entries are off-set or neutralized. I wish to identify each separate work-in-progress capital project.
- 3) I understand the entries in this account changed because of new accounting practices adopted by the District in 1999. Please provide the corresponding entries for the above transactions as they would appear in the

revised financial statement for 1997.

4) Lastly, according to Mr. McPherson, the District accounting practice of temporarily parking capital funds in the Other Statutory Reserve Fund Balance was unique to the District compared to the rest of the GVRD (with the exception of White Rock). I'm curious to know how the District learned of this anomaly. For example, did the District contact each Financial Officer for each municipality in the GVRD and ask the question or is the difference documented in a government report. If the latter, please provide the appropriate reference.

The reference to Schedule #62 is
<http://www.marh.gov.bc.ca/MUNFIN/MS1997/sch9762.xls>

I will greatly appreciate any help you & Mr. McPerson can give me in clarifying this situation.

Thanking you in anticipation, Dave Sadler

> ATTACHMENT part 2 application/ms-tnef

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