

**Subject: [Fwd: COSTS OF SERVICES: DISTRICT OF NORTH VANCOUVER]**

**Date:** Wed, 08 Jan 2003 15:35:23 -0800

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

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

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**Subject: COSTS OF SERVICES: DISTRICT OF NORTH VANCOUVER**

**Date:** Wed, 8 Jan 2003 21:41:29 +0000 (GMT)

**From:** Elizabeth James <cagebc@yahoo.com>

**To:** FONVCA <fonvca@fonvca.org>

8 January, 2003

Mayor Bell, Members of Council  
DISTRICT OF NORTH VANCOUVER  
Box 86218,  
NORTH VANCOUVER, B.C. V7L 4K1

RE: COSTS OF SERVICES: DISTRICT OF NORTH VANCOUVER

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Dear Mayor Bell and Members of Council:

In today's morning editorial, CKNW host Rafe Mair questioned how it is that governments are able to state quite confidently what revenues they expect from a given decision or action, yet seem unable or unwilling to make an accurate assessment of costs. Further, they seem unable to understand or predict what effect a decision in one department might have by way of increasing costs in another.

Rafe's excellent editorial reminded me of the recent Council discussion relevant to Staff recommendations for District fee increases and, in particular the points raised by Clr. Nixon, as to evaluation of costs and regular use of the CPI as a benchmark.

A scant half-hour later, upon opening up my email, I found a copy of Clr. Crist's response to a Mr. William Cassidy re property assessments in the municipality.

I linked these items to the fact that a mere 5% of the District's multi-million budget is open to close public scrutiny, and also to the serious deficiencies in fiscal controls recently exposed by the "Northlands Golf Course Affair".

It goes without saying that businesses which expect to survive and be successful must acquire a knowledge of - and implement - the sound principles of controlling the 'costs of doing business'. This leads me to believe that, as with most other governments, the District could benefit from the advice of outside experts as to the manner in which detailed, automatic analysis of the costs of individual services can be built into its blueprint of financial records. I suggest it is **only** by means of such analysis that Council can establish appropriate priorities and be successful in its management and provision of District services.

Before replying that the District has its own trained accounting officers who could do the job themselves, I would like you to consider the following:

During the past term of Council I, along with members of staff, tried to identify the specific costs of various projects associated with "closure" of the Premier Street Landfill. What resulted - for both Staff and myself - was that the more the subject was looked at, the more questions were raised and the less clear the picture became. District records, it seemed, could not isolate the costs of work performed *solely to close* the landfill, from those related to upgrading the work/site to changing provincial environmental standards, from those projects specifically associated with playing field design and preparation, or from the costs of other work at the site.

About all that was achieved by my enquiry was an admission by staff - to a councillor not to me - that not all monies requisitioned for "closure" of the landfill had actually been spent on closure - even though the \$1.5 million amount originally requested in 1979 or so, has been supplemented over the intervening years to the tune of - depending on who is discussing the subject - a total of between \$8 and \$14 million! Is this year's \$300,000 the final request? Is the amount, even, \$300,000?

The only reason I raise this topic in the context of the above discussion is to demonstrate that either the 'waters were being muddied' in an effort to circumvent my questions or, more likely, current District accounting procedures do not allow efficient allocation of specific costs to specific projects. Neither eventuality is acceptable - particularly when we are talking about a project costing multi-millions of dollars.

Council has available to it the outside expertise of KPMG, of BDO Dunwoody and/or similar consulting firms. There is no doubt that such advice will cost taxpayers still more dollars. However, if that advice were to provide the District with better-defined financial reporting, which would allow for improved cost:benefit analysis of individual projects, then I suggest it would be money well spent and could pay for itself in cost savings.

In summary, as with my previous letter which called for a forensic audit at the District, the question is not, "Can taxpayers afford to do it?" but, rather, "Can they afford **not** to do it?"

Sincerely,

Liz James,  
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