

**Subject: The 2003 proposed Draft Budget.**

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The 2003 District Budget - business as usual or a fundamental change?

The 2003 Draft Budget was recently presented to Council. It calls for a 5.84% tax increase over 2002. Not included in the increase again are various transfers from Reserve Funds and from the Heritage Fund which, in the case of the Heritage Fund in the 2002 - 2005 Year Financial Plan, was listed as close to \$ 9 million but was reduced to \$ 1.4 million for 2003 on the grounds that \$ 7 million of the \$ 9 million will be used for the Lynn Valley Library. My position that it should have been included in the 2003 budget was confirmed by senior staff. This instance is of more than passing interest since it provides an example as to how the District operates. The Lynn Valley Library is to cost \$13.5 million. \$ 6 million was allocated in the referendum. Another \$ 4 million will come from the sale of the old Library site. This leaves a balance of \$ 3.5 million dollars, to pay for the difference. But the money earmarked from the Heritage Fund in the 5 year plan for 2003 was not \$3.5 million but over \$ 7 Million. Clearly the plan is to use the \$ 4 million from the sale of the old library site for other purposes. The cost of the Library is not to be confused with the estimated cost of \$ 26 million for the planned Lynn Valley Town Centre.

On the whole the budget process is a repetition of previous processes which has seen a budget prepared by Staff without any meaningful input from Council. That tack has been repeated year after year with the result that only 5 % of the actual budgeted is discussed by the elected representatives more or less while the rest is outside any meaningful political directive. This makes the whole budget process a formality, if not a charade.

It is my position and has been for many years that the first task in the budget process is to have a strategic session in which this new Council outlines its fiscal strategy for the coming year. If this is not done, the big issues will be avoided. The past scenario of effectively sidelining Council has been ideal for someone who is unwilling and/or is incapable of providing any kind of leadership. It also explains why the District today finds itself on the brink of a fiscal abyss.

There is no need for any tax increase in the District. I not only believe that this is possible but I am firmly convinced that it can be achieved without any cut in the existing level of services. Indeed I want to go one step further. Not only can we avoid any tax increase altogether but, with the same money or even less, we can do far more than we are presently doing. My comments are based on many years of experience and an intimate knowledge of the extent of the District's resources.

To achieve this the following steps are necessary.

1) Restructure the Recreation Commission in line with the Parkgate model. This step alone will eliminate much if not all of the \$ 6 million subsidy to the Commission from the 2003 budget without impacting the District's preventive health care posture. It will bring both facilities and programming closer to the needs of neighborhoods since they will be run by an elected board of neighborhood volunteers. Parkgate is a "Society" and as such has access to private as well as government funds. Another benefit of "Parkgate" is that it will be more in tune with providing programs tailored to provide maximum benefits to the maximum number of people at minimum cost. To achieve this, the Commission, unwieldy and top heavy, at present, needs to be disbanded and replaced with a District Recreation Director. This will also close the door to subsidizing the City of North Vancouver including the use of District playing fields. This step will not prevent establishing co-operative agreements between the District and the City based on mutual benefits.

2) The Arts is another area where savings can be made or to put it another way where far more can be done with the same money inadequate as it is. The Arts play a crucial role in the North Shore quality of life and its economy, especially tourism. The potential benefits are monumental. This has never been adequately recognized by the political establishment of the North Shore.

At present we have a North Shore Arts Commission, an Arts Council and the North Shore

Rec Commission. These are all separate bureaucracies in charge of the Arts. In addition we have an in house District Arts manager. Apart from the enormous waste of money in administration cost, this structure also detracts from the necessary focus. Here too great savings can be achieved through reorganization without in any way shape or form sacrificing the objective. Indeed the very opposite is the case. The per capita contribution to the Arts by the two North Shore Councils is a meager \$ 1 whereas for Recreation it is close to \$ 50.

3) The recent Northlands embezzlement case has once again pointed out that the District Management and its political leadership is simply incapable of running anything in a businesslike fashion. The embezzlement has apparently been going on since 1997 without anybody, so it is claimed, being aware of it. This speaks for itself. I propose that Northlands be turned over to a private operator based on a lease contract which will see the interests of the District taxpayers taken into account. This should include special rates for District residents especially seniors and youth. I envision large savings and a greatly enhanced income for the District especially if we expand, as a private operator will, the banquet and pre play (warm up) facilities of Northlands as is possible.

4) Large savings can also be made in our Planning Department by abolishing some of the make work projects including DVP's. Processing of DVP's has become an expensive and time consuming industry. It has undermined the neighborhood planning and participation process and has made a mockery out of the bylaws in place to protect neighborhoods. Huge savings can be achieved by allowing changes only if they are based on hardship which comes under the jurisdiction of the Board of Variance. What is more the application process can be made more transparent, cheaper and faster.

Large additional savings in the Planning Departments can also be made by adhering to sound community planning principles. The Lynn Valley Pedestrian Oriented Community Plan is a first class example of a colossal waste of money not to mention the absence of any progressive vision in line with new community and sustainable living development concepts. This is in addition to the betrayal of public trust.

What the public got is contrary to what was promised; namely, a pedestrian oriented town center. The fiscal aspect of this process was completely mismanaged with the result that instead of achieving tangible benefits from the large scale development of the Lynn Valley Core, the District now owes \$2.5 million dollars for the necessary infrastructure.

The Heritage Fund should have been used for the large scale land assembly and subsequent, rezoning to higher density of the Lynn Valley Core. Under such a scenario community facilities can be obtained at no cost to the taxpayers. This is done by sharing the profits with the developers. At the very least it will pay for the full cost of the infrastructure. Instead, the District has nothing to show for the massive redevelopment of the Lynn Valley Core except more traffic while the developers have walked away with the profits.

The intelligent and business like use of the Heritage Fund is a key element in the redirection of District operations. The potential long term savings by using the Heritage Fund in line with its original intention are nothing less than staggering. On the other hand, continued misuse of the Fund is costing the District taxpayers between \$ 12 and \$ 15 million in interest annually not to speak of the social objectives which could be achieved through its proper use including community, recreation, arts and even nonprofit housing projects.

Addressing this issue is of the highest priority and will determine the outcome of the future business and fiscal viability of the District. It is also a question of ethics. The potential savings from a properly managed Heritage Fund spell the difference between living in a community where the quality of life can be sustained and even enhanced with the existing resources and one where these qualities will diminish while taxes rise.

5) Waste management is a GVRD responsibility. In the early eighties, along with other GVRD municipal leaders I made a trip to Europe studying waste management methods. The scenarios vary from country to country depending on their culture, environment, resources and national objectives. But there is one thing that all European countries have in common. Any and all waste management scenarios are based on recycling and on government legislation making this economically viable. As was pointed out on our trip time and time again and especially in Berlin, where our trip culminated in the international conference

on waste management. Any and all successful waste management scenarios must be based on Government legislation making the use of recyclable material in production of new products MANDATORY.

This is not the case in British Columbia. Subsequently instead of receiving compensation for the value of recyclable material put into Blue Boxes, the consumer receives nothing. In addition we have to pay to haul it away. The result is a large waste management bill essentially to pay a huge bureaucracy. This issue has not and will not be addressed by the GVRD since any and all attempts to change this would undoubtedly result in not being appointed to a level of government that is not accountable to the public and is subsequently out of control. Here too the potential to save taxpayers money is considerable. Just how isolated from the public the GVRD bureaucracy and its local contingent has become became evident in the recent change from plastic bags to paper bags which was patently absurd and unpopular.

What is true for waste is also true for water. The GVRD, in the course of its existence, has commissioned countless studies on drinking water but none one of them was comprehensive in terms of an overall analysis of the cost of drinking water to the consumer and not one of them dealt with the total and comprehensive water reserves of the region. Pitt Lake, for instance, would need no treatment and, in terms of volume, can easily supply a population of 20 million people in perpetuity. Subsequently all measures by the GVRD have been ad hoc and piecemeal. The result has been a waste of money and resources, including the Capilano water improvement measure. It has the worst water quality of all resources in the region and is constructed on a geological fault line. This must be mentioned since we are talking about the efficient delivery and dispensation of services to the public based on sound business principles.

In the same vein, we must mention transportation. This is a key element in maintaining a livable North Shore and indirectly saving taxpayers money. The priority is to base transportation on a Light Rail tunnel, enhanced bus service, minibuses and sea buses. The 2010 and 2021 Regional Transportation Plans must be changed to reflect this. The North Shore needs a semi autonomous transportation authority based on an extension of the West Vancouver Blue bus system.


During the vote on the allocation of 2003 Council committees and responsibilities it was agreed that I should be the North Shore representative on Translink but those plans were nixed by the GVRD bureaucracy at the last minute when it was announced that no elected representative is qualified to sit on Translink unless he/she is a GVRD Director, which I am not. Mayor Bell suggested he had no prior knowledge of this. Nonetheless, when I had indicated I wanted to be on the Recreation Commission he "cautioned" that if I insisted it would be put to a vote of Council. I do not anticipate any kind of leadership from Mayor Bell on this issue anymore now than in the past. Indeed any and all my attempts to reform the GVRD and/or Translink more in line with North Shore needs was nixed by the Mayor on previous occasions. Any other posture on his part would have made his appointment to the GVRD as Vice Chair unlikely. And this says it all. The ball is therefore in the public's court.

So what are the options? Since the present Council in my opinion, due to its present "political orbit", is unable and/or unwilling to make the changes necessary to avoid large scale tax increases, essentially only two options are open. One is to sell land on a massive scale to continue to pay for the District's "addictions" and/or raise taxes. In all likelihood it will be a combination of both. In other words, it will be business as usual. The third option is for the public to insist that the District reverse its headlong gallop into fiscal disaster by simply putting into place business principles that should never have been abandoned in the first place.

The things to watch for in the upcoming budget deliberations are the Heritage Fund, the Council Reserve Funds and various other creative columns. In the case of our Recreation Facilities, there will be a serious attempt to look into turning over the facilities to private operators. Shortage of funding for maintenance for years on end by the District on one hand, and the unwillingness to stop subsidizing the City on the other hand, make this an attractive if not the only option for politicians educated in the skills of political survival rather than the skills of leadership for the benefit of the public.

These are my preliminary thoughts on the 2003 Draft Budget courtesy District Management. The District taxpayers need help. I am looking towards the tested champions of the public cause of the Corrie Kost, Brian Platts, Maureen Bragg, Liz James, Alan Orr, Pat Higgs and David Sadler etc. kind to help out.

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