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A MESSAGE FROM ERNIE CRIST

It has been a tradition of long standing in North Van District that, notwithstanding regular procedure, members of Council may speak twice on the annual budget. That is to say in the past, members of Council have been allowed to speak once when the bylaw was introduced and a second time when it was adopted.

This should not be surprising - it being the single most important political event in any given year. Indeed, even on other occasions, the Mayor has allowed discussion of certain bylaws during adoption. Last Tuesday night when the budget was adopted, the Mayor was extremely shy however, ruling that there be no further debate.

What can be the reason? Could it be embarrassment or was it fear that Councillor Crist will use the opportunity to lambaste and expose the 2003 budget for what it is? The shoe may well fit. Facts are stubborn things. And it is a fact that within the span of ten years, which roughly coincides with Mayor Bell's mandate, the District has gone from a leading financial posture in the region to one of near bankruptcy.

Ten years ago District taxes were one of the lowest in the region - today they are the second highest. Infrastructure Reserves stood at \$ 91 million or \$ 1,300 per capita in 1996 today they are down to \$ 22 million. Indeed now we are boasting that by the year 2006 they will be \$ 8.5 million or \$ 100 per capita. By comparison, reserves in the City of North Vancouver are \$1600 per capita and in West Vancouver \$ 1700 per capita. Does the City and West Van know what they are doing? Apparently not.

Not having, according to the District Spin doctors, is better than having. Money in the bank is bad - debt is good. Accessing the principle of the Heritage Fund to pay for the Lynn Valley Library for example will be better than paying for it with the interest generated by this Fund as was originally planned. Using land sale money to supplement the budget is even better. That is the new District logic.

What is true for the Heritage Fund is true for the infrastructure reserve funds. The fund stood at \$ 91 million in 1996. In 2002 it was \$ 18 million. (I do not recall ever having a debate on this until it was a fait accompli). When the truth about this fiasco was finally revealed 3 million dollars was added to bring it up to \$ 22 million. Where did this \$ 3 million come from? Why from the Reserve Funds, of course. Which is to say first we nearly depleted the Fund of \$ 91 million and then we took \$ 3 million from that same fund or was it the Heritage Fund and put it back into the Reserve Fund so we could proudly proclaim as the Mayor did that we boosted the Reserve Fund by \$ 3 million to a spectacular \$ 22 million in 2003. He did so with a straight face.

This is how we do business in the District. That such practices are not necessarily taught in respectable economic institutions of learning goes without saying but so what, eh Mayor Bell.

Dr. Kost, a prominent District resident and community activist, had the following to say about the Budget. "The District said our 2003 taxes are to rise 3.98%. However, this does not convey the full story. The total budget is \$114,249,829 of which municipal taxes contribute \$56,183,625. The rest is made up in Service Charges and User Fees and some (net) \$13,276.165 from transfer fees from surplus, reserve, and Heritage Funds."

" In effect, if we did not use up these savings, the bulk of which came from selling district land, the taxes would need to increase a further 23.6%,. Clearly we are living beyond our means and the current situation is not sustainable", continued Dr. Kost.

I agree with Dr. Kost. Indeed, I have stated the same so often it sounds like a broken record. But to no avail. The District was bankrupt once before and it seems like we are fast moving in the same direction again. To avoid such a scenario there was a Strategic Council Meeting at the top of Grouse Mountain a few weeks ago. But it was NOT to change the current fiscal direction but (now that the reserves are virtually gone) to put a halo around the new "pay as you go philosophy".

To put all this into plain business language, it means the District will have to sell land to pay for expenses or raise taxes even more than has been the case in the last ten years which has put us near the top of the Regional tax level. It also means lack of funding to maintain our capital assets such as our recreation facilities. Dr. Kost put it this way. " In the worst case scenario we could once again see mass sell-off of public property with the eventual destruction of our forests, and ultimately, our way of life and the reasons we moved and stayed here".

I did not attend the session at the top of Grouse - I thought the District Hall was good enough for me.


Our "stunning success" in increasing taxes more than in any other municipality during the last ten years, needless to say, was on top of the millions of dollars siphoned off the Heritage Fund etc. Indeed, when we had to pay for the Parkgate Centre we had to go and borrow money. The present members of Council simply cannot get it into their heads that this is bad business. There is not even enough money for the proper upkeep of our rapidly deteriorating recreation facilities..

The District budget process itself can only be described as a farce. While the 2003 budget amounts to \$ 114 million there was no real debate. The discussion started when, to all intents and purposes, it was finished. It was pablum edition as usual. It went something like this. Here is the budget of \$114 million up from \$ 104 million last year but if you wish to add the desirable extras you identified in the course of the year, then this will be another \$ 400,000.

At that point the political posturing began, but not about the \$ 114 million but about the \$ 400,000. We must hold the line piped up one Councillor while another stated that we need to be responsible. This in front of the TV and for the benefit of the public who like to hear that our elected representatives are frugal and responsible.

Nary a word about the big ticket items. No mention of the subsidies to the City of North Vancouver nor about the need to reorganize the Recreation Commission with potential savings amounting to millions of dollars annually for instance. Not a word about the KPMG recommendations to make the District more efficient without cutting services. Even so the \$ 10 million increase from \$ 104 million to \$ 114 million in 2003 according to my math constitutes 10%. But Mayor Bell with a straight face and in front of the camera proudly announced that it is only a 3.9% increase.

The trick has been repeated once again. Miracles do happen. We are OK, however, because, with the exception of a few citizens, the public apparently does not care enough to bother and so we will carry on with business as usual, eh Mayor Bell? "Après moi le deluge".

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