

Subject: Fiscal Accountability and DNV By-election

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From: Corrie Kost <corrie@kost.ca>

To: northshore news <editor@nsnews.com>

CC: fonvca@fonvca.org

Dear Editor,

By law, both the Province and its Municipalities, are required to balance their budgets. Ironically both are allowed to go into debt so they can balance their budgets! In a recent District of North Vancouver staff report, released on August 26/2004, we are now told how much debt servicing the District is allowed - \$25,467,380/year. Thus for the District this means that about 50% of our tax dollars could, in principle, go to servicing the debt. At an interest rate of 6% and a 20 year term this amounts to a maximum debt of \$282 million. Currently our total servicing costs are running at \$2.6 million/year, representing some 4.5% of our municipal taxes of \$56.2 million/year. Prior to June 10/2004 it was required to have the approval of the electorate before the district could go further into debt. No more! Following the June 10th Order of the Lieutenant Governor in Council the District can have a yearly debt payment of 5% of total annual revenue (about 9% of every tax dollar) without even seeking elector approval. The "approval-free zone" can even be increased by another Order in Council at any time. So much for the accountability aspects of our new Community Charter. Our sole recourse now lies in the municipal elections. With at least a new Mayor and councilor to be elected for the November 6 by-election, fiscal accountability should be a priority on who to vote for.

Yours truly,

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