

Subject:

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P R E S S R E L E A S E; Ernie Crist

Outgoing Councillor Ernie Crist, who served on District Council for 25 years and is the recipient of many awards and recognitions for outstanding community work, issued the following statement in connection with the information provided by members of the present District Council seeking re-election in the upcoming municipal election on November 19.

According to Richard Walton, Janice Harris. Alan Nixon and Lisa Muri, the District's finances have never been better and we even have a sizable Heritage Fund in place. Statements of that nature are simply at variance with the facts, said Crist.

They are being made by the incumbents despite several loans which had to be effected by District Council to meet its financial obligations. It includes not just one but two loans to complete the Lynn Valley Library project alone, which has been reduced from a combination community and Library project of 80,000 square feet to 40,000 square foot, while the cost has escalated from \$21,4 million to over \$ 40 million.

Lisa Muri is quoted in the press as stating that the reason we do not have a bigger Heritage Fund is because we did not sell enough land to feed the Heritage Fund. Look at the mountains, this is where your Heritage Fund is, she said.

This is a brazen falsehood, said Crist. It is perpetrated to mislead the public and divert attention from the disastrous fiscal policy which has brought the District to the brink of fiscal disaster.

As someone who was instrumental in setting up the District Heritage Fund as well as the Infrastructure Reserve Fund in 1986 and 1984 respectively, I am deeply disturbed by such misleading statements, said Crist. The misuse of the District Heritage Fund constitutes one of the most scandalous violations of public trust.

The District Heritage Fund was set up in 1986 to allow it to accumulate to at least \$ 200 million dollars so that its generated interest could be used to cover capital expenditures in the District rather than pay for them through taxes in perpetuity. But this is exactly what the District Council under Don Bell with the acquiescence of people like Harris, Walton, Muri and Nixon did.

They used the money from land sales on an ongoing basis to cover operating expenses instead. This is illegal but they got around this irresponsible action by calling road maintenance, reconstruction, by way of example, thus inferring that it is a new capital project when in reality it is nothing more than maintenance of the existing infrastructure.

Following the setting up of the Heritage Fund in 1986 land sales were extraordinarily good and the original target of 2005 of \$200 million dollars would have been reached before the year 2000 at the very latest. This is not counting monies taken from the Heritage Fund for genuine capital projects said Crist.


If all the proceeds from land sales, land leases and the interest

generated by these funds had been kept in the Fund it would now be close to \$ 400 million. Enough, said Crist, to cover all capital expenses from the interest generated by this Fund. Instead it was used as a slush Fund.

For the present members of Council to say otherwise is a brazen falsehood of the facts. It can only prove one of two things, either they do not understand the very principles of finance and/or they are deliberately misleading the public. Either way they are responsible for the present difficulties in the District said Crist.

Do not forget that during a time when hundreds of millions dollars were used as a slush fund, more or less, District taxes went from the lowest in the region to the highest. Also let us not forget, he said, that despite all proceeds from land sales, the District allowed its capital assets to deteriorate with the result that today it would cost a minimum of five hundred million dollars to upgrade these facilities at a time when there is no money.

The denial of these facts by the incumbents and some aspirants to District Council will do little to rectify this situation or save aging facilities from having to be turned over to the private sector, said Crist.

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