



## MEDIA RELEASE

**Vancouver: October 20, 2005**

### **Study Shows Very Large Potential Tax Savings with Voluntary Combining of Services by North Vancouver Municipalities**

The North Shore Waterfront Industrial Association, representing major industry located in North Vancouver, today released a study prepared by MMK Consulting, "*Potential for Cost Savings Through Voluntary Combining of Services by the City of North Vancouver and the District of North Vancouver*", evaluating the potential for cost efficiencies from the voluntary combining of certain City and District operations. It can be downloaded from [www.nswia.com](http://www.nswia.com)

The study compares the City and District's separate and combined costs with two similar sized Greater Vancouver communities—Coquitlam and Delta. The intent of this comparison is to identify and assess potential opportunities for cost savings, if the City and District were to achieve some of Coquitlam and Delta's generally lower cost levels by voluntarily combining operations in certain areas.

"We are releasing this study at this time in the hope that it becomes the subject of wide and informed public debate leading up to the municipal elections November 19. We will be suggesting to North Shore residents that they ask candidates to commit themselves to finding better ways to spend tax monies through the cooperative sharing of services on the North Shore," said NSWIA chair Malcolm McLaren. He added, "The study results show the magnitude of the potential savings to all North Vancouver taxpayers to be as high as \$45 million dollars, or about 25%."

The study concludes that the potential cost savings through the voluntary combining of services is significant for all taxpayers in North Vancouver. The study indicates that the overall magnitude of potential cost savings:

- If the City/District could achieve cost levels similar to those of Coquitlam through the joint provision of services and/or other efficiencies, cost savings in the range of \$37.6 million to \$45.7 million (approximately 23%-28% of tax-supported municipal services costs, on a per capita basis) would result. The budget items studied for the City [population 44,303] total \$61,358,725, and for the District [population 82,310] total \$99,746,109.
- If the City/District could achieve cost levels similar to those of Delta through combined services and/or other efficiencies, cost savings in the range of \$18.6 million to \$22.8 million (approximately 12%-14% of tax-supported municipal services costs, on a per capita basis) would result.

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"It seems to cost about \$10 million to operate a 'city hall' —that is, 'general governmental costs' whether the population served is that of the City of North Vancouver, or Coquitlam [population 112,890]," said McLaren. "It surprised us that it cost more to run 'city hall' in the City of North Vancouver, than in the other three municipalities studied. The cost, per resident, is \$248 in the City, and \$82 in Coquitlam. The cost for providing the five public service areas studied amount to \$1,385 per resident in the City of North Vancouver, but only \$881 per resident in Coquitlam. These and other costs should be of interest to the North Shore's voters, who could potentially see tax reductions of, minimally, 10 to 15%, with a combining of services and more cost-sensitive administration."

"The NSWIA sponsored the study because," McLaren said, "for years taxes have been increasing out of proportion to inflation—over 5% per year, recently. We felt as good corporate citizens that the issue of the two municipalities working more closely together to reduce the costs of government should be examined and then debated during the municipal election."

"I should add that industrial waterfront activity contributes greatly to the sustainability of the north shore community. As world trade in products and commodities increases, business for North Shore waterfront industries and our suppliers can also expand if the environment is competitive, significantly enlarging the tax base. We hope that candidates seeking election in the City and District of North Vancouver will see this study and the potential cost savings as an opportunity to work together to benefit all who live and work on the north shore," concluded McLaren.

The study was undertaken by examining the budgets of the four municipalities, each of which are hundreds of pages thick, to try to identify comparable cost drivers. Each municipality provides different levels of financial information to its residents and, using this publicly available information, comparisons are sometimes difficult. Nonetheless, the overall per resident and per household costs indicate that there are clear opportunities for savings.

NSWIA is an association of companies employing more than 3,000 people, and representing major industrial waterfront infrastructures located on the north shore of Vancouver harbour. Members include grain terminals, pulp and paper/lumber facilities, mineral export terminals, chemical producers, wood chip transfer facility and marine services such as shipyards, tug and barge operators. NSWIA's objective is to contribute to community sustainability by improving both the economic viability and understanding of the importance of waterfront industries on the North Shore.

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