

COMMON COUNCIL REPORT

Report Date	March 27, 2022
Meeting Date	April 04, 2022

Mayor Donna Noade Reardon and Common Council

SUBJECT: Canada Emergency Wage Subsidy

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Kevin Fudge</i>	<i>Kevin Fudge</i>	<i>John Collin</i>

RECOMMENDATION

It is recommended that Common Council receive and file this report.

EXECUTIVE SUMMARY

In response to the impact COVID-19 was having on businesses, the Federal Government launched the Canada Emergency Wage Subsidy (CEWS) program in 2020. The purpose of the program was to provide financial assistance to eligible businesses who have seen a decline in revenue to offset the costs of employee wages. This would allow businesses to rehire workers, help prevent further job losses and ease business back into normal operation.

On March 3rd, 2022, the Canada Games Aquatic Centre Commission (CGACC) received notices of determination from the Canada Revenue Agency (CRA) that approximately \$350,000 was due to be repaid. The amount represents approximately \$325,000 in CEWS claims paid to the Aquatic Centre that have been deemed ineligible in addition to \$25,000 in interest. Charitable organizations are eligible (the basis for the claim) however public institutions (government owned entities) are not eligible. As part of the Federal Government's stimulus program, verification vetting occurred after funds were distributed.

Upon review of the CRA notices the CGACC determined there is a low likelihood appealing would be successful and a high risk of incurring further interest charges if the amounts are not repaid. The Canada Games Aquatic Centre Commission plan to make a request to the Canada Revenue Agency to waive the interest.

The CGACC recorded the loss in its 2020 Audited Financial Statements. The City's proportionate share of the liability has also been accrued in 2020 as well. The General Manager will be making a request to present to the Regional Facilities

Commission, as well as the Towns of Rothesay, Quispamsis, and Grand Bay Westfield to contribute their proportional share of this liability as well.

PREVIOUS RESOLUTION

N/A

STRATEGIC ALIGNMENT

N/A

REPORT

SERVICE AND FINANCIAL OUTCOMES

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

N/A

ATTACHMENTS