

July 17, 2019

Members of Saint John Common Council  
Office of the Common Clerk  
15 Market Square  
P.O. Box 1971  
Saint John NB, E2L 4L1

Members of Saint John Common Council:

**Subject: Sustaining Saint John – A Three-Part Plan**

It was beneficial for me and my colleagues to hear first-hand the varying perspectives from Common Council with respect to the City's future sustainability at the July 11 meeting. We can all agree that Saint John is facing some difficult challenges, as is our province as a whole. Government is committed to supporting the City in overcoming its challenges but our support cannot solely be a cheque from taxpayers. We must work in partnership at the local, regional and provincial levels.

I wanted to begin by clarifying the financial aspects of the plan for the short-term as there was confusion and misinformation that circulated at the meeting and since.

Six of the 20 actions in Part 1 of the Plan with identified revenue or savings would be completed or underway by calendar year 2021 if the province and city fulfilled those actions. It is expected that these actions would generate savings or revenue for the City of nearly \$7 million as of 2020, and increase going forward.

Tax Exemption, Transit Facilities	\$ 306,000
Accelerated Population Growth	600,000
Revenue from Saint John Energy	1,000,000
Capital and Operating on Regional Facilities	632,000
Accommodation Levy	1,400,000
Operating Budget Initiatives	3,000,000
	6,938,000
	<u>-778,658 (current annual hotel levy)</u>
	\$6,159,342 Net Gain for City



An additional eight actions, including the remaining administrative actions proposed by city officials, will also be underway or completed by 2021. The City anticipates that most of these actions will also result in additional revenue or savings. As indicated in the Plan, they cannot be quantified until the work gets underway or is completed.

Key among these actions is an Operational Audit, paid for by the Province. The accountant or firm contracted to undertake this audit would have a specific mandate to identify both immediate and longer-term tangible revenue and savings for the City by March 31, 2020.

I also want to highlight that what was committed to in the funding agreement signed between the City and the former provincial government was to produce a report with recommendations. I am proud of the fact that we took that a step further and released an action plan that has been fully endorsed by Cabinet, is fiscally responsible and includes specific timelines for each action.

Part 2 of the Plan was added based on conversations between the City and provincial officials. The Regional Management Task Force is mandated to produce results related to service sharing and service use by March 31, 2020. As indicated in the Plan, these results must include financial benefits for the City.

I have publicly stated that we will not turn our back on Saint John. This is reinforced by the commitment by Government in Part 3 of the Plan to revisit the City's status in May of 2020. If the City endorses the Plan, many of the initiatives noted above will be well underway or completed and both the province and the City will be better positioned in advance of the City's budget planning for 2021 to determine what, if any, further measures should or could be undertaken at that time.

As you know, the 20 actions under Part 1 of the Plan are the result of the joint Government of New Brunswick and City Sustainability Working Group. The Working Group also consulted with one another on Parts 2 and 3 of the Plan and agreed on the version that would be brought forward prior to it being presented to City Council.

I would like to share a further observation I have made, both at recent council meetings and in ongoing interaction with the City. There appears to be a prevailing sense of gloom. I can appreciate that the City's current circumstances weigh heavily on leadership and staff. As a provincial cabinet minister, I know first-hand what it is to face fiscal and operational challenges and to feel disheartened by how steep the hill to climb can seem.

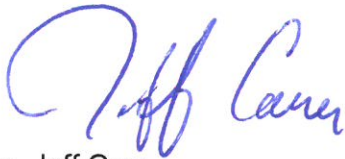
It is incumbent on leadership at all levels of government, however, to lead in the face of adversity and to do so with confidence and determination. If we project a winning outlook, we are part way to achieving a winning outcome.

I have confidence that the collective regional leadership can produce beneficial results. I believe that if we join forces, we can achieve stability and ultimately sustainability for the City of Saint John.

As I committed to the night of the Common Council meeting, if there are new ideas that the City wishes for the Province to consider, we remain open to doing so.

In the end, I am hopeful that we can cross the finish line with an endorsement from the City and begin the work of implementing the Three-Part Plan.

Sincerely,



Hon. Jeff Carr  
Minister

- C.     Hon. Blaine Higgs, Premier  
         Hon. Trevor A. Holder, MLA  
         Hon. Dorothy Shephard, MLA  
         Hon. Hugh J. A. (Ted) Flemming, Q.C., MLA  
         Hon. Bill Oliver, MLA  
         Hon. Andrea Anderson-Mason, Q.C., MLA  
         Mr. Gerry Lowe, MLA  
         Mr. Bruce Northrup, MLA  
         Mr. Glen Savoie, MLA  
         Mr. Gary Crossman, MLA  
         Mr. John Collin, City Manager, City of Saint John  
         Mr. Jonathan Taylor, Common Clerk, City of Saint John  
         Mr. Ryan Donaghy, Assistant Deputy Minister ELG