



## *“Sustaining Saint John – A Three Part Plan”*



SAINT JOHN

John Collin  
City Manager  
19 Aug 2019

# Aim

To provide an updated staff recommendation on the question of support for  
***“Sustaining Saint John – A Three Part Plan”***

# General Observations of Council Members

- Positivity expressed for the longer-term initiatives
  - Most notably – comprehensive property tax reform
- Recognition of some short term financial relief
  - But does not address the entirety of the deficit (the “gap”)
- Concerns
  - **Plan does not address the gap for 2021 and 2022.** This is recognized within the Plan
  - Skepticism on likelihood of success of Regional Management Task Force
  - Due date for Regional Management Task Force too late
  - Some action items are non-committal and/or not definitive. Examples include:
    - Binding Arbitration
    - Unlocking growth potential of Saint John Energy
  - No implementation plans (lack of detail). This is recognized within the Plan
  - Timing of Province’s re-engagement in May 2020 problematic (too late and during municipal election)

# Suggestions to Address (some of) Council's Concerns

- Initiate (by 2021) CSJ's proposal for "Phase 1 of Property Tax Reform"
  - Transfer HEAVY industry (not all industry) provincial property tax collected to the applicable municipalities
  - Recognizes the burden "heavy" industry places on services and infrastructure
- Change composition of Regional Task Force to "blue ribbon commission" and accelerate due date
- Advance Province's date from May 2020 for re-engagement (Part 3 of the Plan)
- Be more definitive on Saint John Energy. Suggest...
  - "The province commits to enabling the permissive legislation to unlock the growth potential of Saint John Energy, subject to due diligence"
- Be more definitive on binding arbitration legislation
- Accelerate timeline for comprehensive tax reform, or at least specify some interim milestones
- Tolls on Roads – but only "inbound" and only for morning commute
  - Tax experts suggest that tolls are a "fair" levy in that they charge only those who use the service
- Allow City to retain revenue from motor vehicle traffic violations (tickets). Approximately \$500k

# Financial Implications of Suggestions

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# City's Ongoing Activity – Related to Plan

- Review of Economic Development Framework
  - Strategic Economic Development Advisory Council formed. Option development complete. Option analysis ongoing. New framework by 1 Jan 2020
- Organizational Structure review
  - First level (senior leadership team) redesign complete. Subordinate levels now under review
- Operating Budget reduction/increase revenue by \$3 million
  - 6 strategic planning sessions completed. “Tiger Team” formed through dedicated secondment of personnel. List of \$4 million developed. Refinement ongoing
- Pension Contributions
  - Contract awarded to third party to develop options. Report expected by 5 Sep
- Valuation of Saint John Energy growth agenda
  - RFP being drafted for third-party valuation. Valuation to be complete by end September
- Facilitate growth through enhanced collaboration with industry
  - Two day-long workshops held with developers, consultants. Corresponding improvement initiatives ongoing
- Develop and execute long-term financial plan
  - Final draft near completion. To be approved by Finance Committee and Council in Oct 2019
- Develop and execute Debt Management Policy and Wage Escalation Policy
  - Debt Management Policy approved by Council. Wage Escalation Policy approved by Finance Committee. Council to approve Sep 2019
- Fundamental Review of all agencies, boards and commissions (ABCs)
  - Data gathering complete end Aug 2019. Option development has begun for select ABCs. Full review Oct-Nov 2019.



# Next Steps

- On the question of support for “Sustaining Saint John – A Three Part Plan”
  - To be removed from “table” at Open Session of Council 19 Aug
- Developing plan to address entirety of deficit forecasted for 2021 and 2022
  - \$12 million annually is forecasted deficit average for 2021 and 2022
  - \$3-4 million in “just do it” initiatives....with significant impact
  - \$8-9 million in major initiatives ....with significant impact
- Council direction
  - Present broad parameters of plan to Council by end Sep 2019
  - Budgetary adjustments (implementation) to commence as early as 1 Jan 2020, where appropriate
- Intent is to have this Council approve all implementation plans prior to March 2020....or earlier as necessary



# Proposed Provincial Changes to the Plan

- More definitive wording/commitment to consider changes to binding arbitration legislation for police and firefighters
- More definitive wording/commitment to enabling Saint John Energy's growth agenda
- An interim report requirement for the Regional Management Task Force and recognition of the requirement for outside expertise/advice to the Task Force
- Advancing the Province's re-assessment of outcomes (Part Three of the Plan) from May to March 2020



# Analysis

- Plan still does not address the financial gap of 2021 and 2022
- Tremendous potential in longer-term initiatives ... and now with some more definitive wording
- Some short-term financial relief
- External assistance to Regional Management Task Force is a positive enhancement
- A clear commitment from Province to re-assess before next municipal election

# Recommendation

- Common Council endorse the report while continuing to voice its reservations over:
  - Failure to solve the financial gap for the years of 2021 and 2022
  - Lengthy timelines and uncertainty for the significant reforms
  - Lack of detailed implementation plans for the significant reforms
- Common Council formally re-consider in March 2020, in Open Session, their endorsement of this Plan based on the progress made. This date would be concurrent with the Provincial commitment to re-assess in Part Three of the Plan, and also be concurrent with the City's commitment to have all implementation plans for financial restructuring approved.
- City Staff, working through Finance Committee, continue with their efforts/plans to address the entirety of the deficit for 2021 and 2022; respecting the motion passed by Common Council on this issue on
- Common Council request to the Province that detailed implementation plans be produced for each of the 20 Action Items.
- That the working committee established to produce this Plan remain extant and assist in the coordination and implementation of the entire Plan.
- City staff provide a report to Council every two months as a minimum (and more often if deemed necessary) on the progress on the 20 Action Items, and on Parts Two and Three of the Plan, through the creation of a ***Sustaining Saint John*** Report Card. Furthermore, that this report card be provided to Saint John Common Council, Members of the Legislative Assembly from the Greater Saint John Region, the Premier's Office, and all four political parties currently represented in the Provincial Legislature in order to ensure broad situational awareness.





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