



Sustainability: Addressing the Deficit 2021-2022

Common Council
October 7, 2019





Background

Recommendations endorsed by Council – Reference “Sustaining Saint John – A Three Part Plan”

- 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 29 July 2019**
- 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.
- Common Council create an ad-hoc three-member Committee of Council to be named at a later date, to continue the communication with appropriate Provincial elected officials regarding potential future amendments to the Plan.

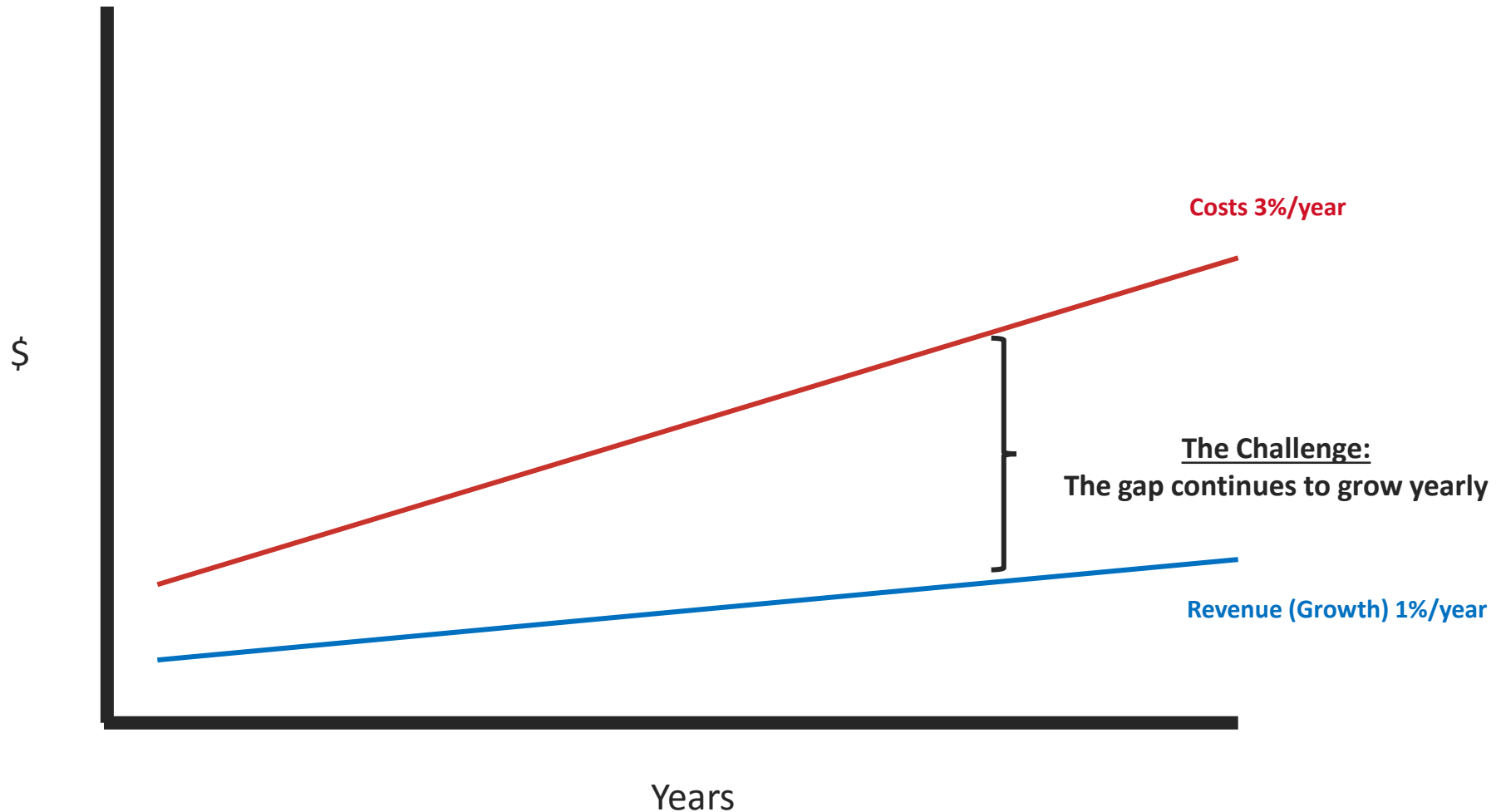
Motion Passed by Council – 29 July 2019

- Moved by Mayor Darling, seconded by Councillor Hickey:
- RESOLVED that the Finance Committee be directed in collaboration with staff to **develop a restructuring plan**, which commences implementation in budget 2020 (January) at the latest and **addresses the structural deficit** currently outlined in the City's current financials. Furthermore, that this plan be broad and consider the 11 major barriers identified in the December budget 2018 documents. **Progress on this plan shall be presented to a full meeting of council, as part of the budget 2020 deliberations by the end of September 2019.**

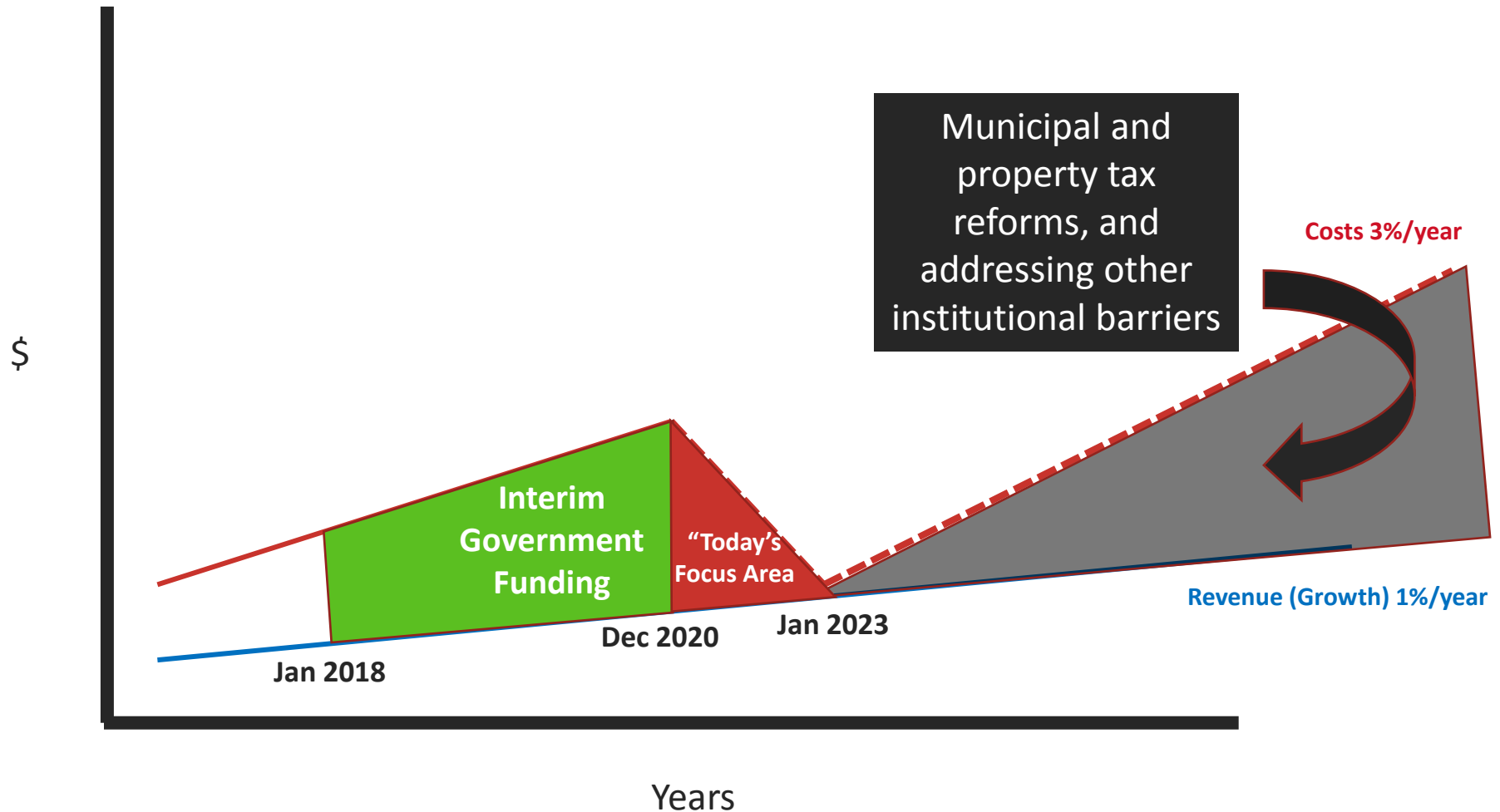
Aim Today

- **Introduce** ideas/initiatives being explored by City staff
- Every initiative must be **further developed** before presentation to Council for decision
- Each initiative will be **presented for decision** once fully refined
- Therefore, staff recommendation at this time is
 - “Receive and File”

The Financial Challenge – “The Structural Deficit”

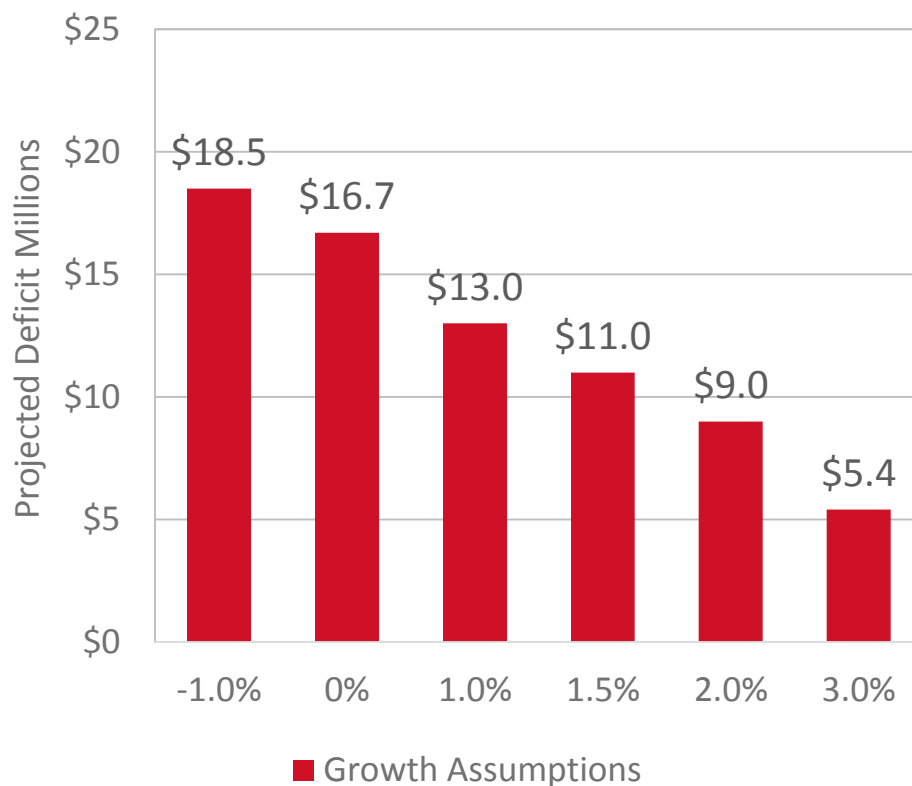


Just “Cutting” does not solve “Structural Deficit”



What is the Deficit in 2021-2023?

Deficit Projects Based on
Growth Assumptions Average over
Three Years



Model Assumptions:

- Various growth scenarios
- Status quo expenditures
- Accommodation levy, transit exemption, RFC changes

Values show **importance of growth**, or lack thereof

Saint John Sustainability Plan Objectives

- Focus on putting Saint John on the path to a financially sustainable future
- Urgent and responsible actions to ensure the delivery of core municipal services now, and in the long-term
- Balanced approach to addressing the deficit - all service areas affected
- Build on the momentum of growth – Cannot eliminate impact of cuts to growth but must minimize them

Saint John Sustainability Plan Guidance

- Address **entirety of deficit in 2021 and 2022**
 - Too many unknowns for 2023 and beyond, with respect to reforms and growth
- Growth rate of 1.5% (as approved by Finance Committee);
 - Projected deficit **\$11 Million per year**
 - Adjust as required
- Phased implementation
 - Plans approved by Council by 15 November 2019 for 2020 budget
 - All implementation plans approved by Common Council by March 2020
 - Implementation for all initiatives must be no later than Jan 2021

Four Major Assumptions

- Growth rate of 1.5%
- Municipal reforms and property tax reforms will provide relief to financial situation by 1 Jan 2023
- CPI (inflation) and interest rates will remain low
- No significant change to unconditional grants

Note: If any of the above major assumptions become invalid, plan becomes invalid and must be reconsidered

Three-Pronged Approach

PART 1

Effectiveness and Efficiency Reviews

- May or may not yield direct financial savings, but will improve effectiveness and efficiency

PART 2

Sustainability Initiatives

- Some initiatives implemented regardless of deficit
- Major transformational initiatives to address entirety of deficit
- Sustainability Implementation (SI) Team formed to manage/support plan
- Senior Leadership Team (SLT) fully engaged, City-wide effort to achieve plan objectives

PART 3

Transformational Reforms

- Continue efforts on longer-term (2023 and beyond) municipal and property tax reforms



Effectiveness and Efficiency Reviews

Reviews and Strategic Actions

Reviews

- Fundamental review of Agencies, Boards and Commissions (ABCs)
- Fundamental review of economic development framework
- Fundamental review of City organizational structure
- Third party operational audit

Strategic Actions

- Finalize long-term financial plan
- Complete next phase of Asset Management Plan





Sustainability Initiatives

Sustainability Initiatives



Revenue



Service Level Changes



Grants and Incentives



City Facilities



Workforce



Continuous Improvement



SAINT JOHN

Sustainability Initiatives

Description – Overview what will be evaluated and potential changes

Service Impact – Outline how the public and other stakeholders will be affected by any implemented changes

Target – Estimated amount of revenue or cost reductions the initiative is aiming to achieve

Note: Initiatives are in the early stages of analysis. Targets may be exceeded, met, or fall short. Initiatives may also be deemed not feasible as analysis is completed and work will be stopped to ensure resources are used wisely.



Revenue Initiatives



Development & Building Permit Fee Structure

Description

- Index current fee structure for permits, licenses, and services to align with CPI
- Introduce new fees for activities where costs are currently not recovered (e.g., standard research, resubmissions, heritage permits)

Service Impact

- Increased cost to developers for a higher level of service

Target

- Revenue – \$75,000



Administrative Penalties

Description

- The Local Governance Act allows the Municipality to impose Administrative penalties that are in direct proportion to an offence and respond quicker
- Recover fees without resorting to the court system, a process which generally involves longer time-frames and greater costs for all involved
- Develop a process for the City to issue and receive the revenue from Administrative penalties rather than expend resources for PNB to collect revenue through the court process

Service Impact

- Should encourage individuals and companies to comply with by-laws
- Negativity from non-compliant personnel and organizations

Target

- Revenue – To Be Determined (*Dependent on capacity to enforce property standards as it related to the Non-Compliance Program Project*)



Vacant and Undeveloped Property Assessments

Description

- Work with Service New Brunswick to ensure vacant land is assessed at the appropriate value, with the assumption that current assessments for these properties are lower than their true value
- Initial focus South Central Peninsula and then implementing model across the city

Service Impact

- Potential increased cost to property owners of vacant land
- Indirect incentive to develop properties

Target

- Revenue – TBD (*Dependent on Province; Request submitted for review and awaiting results*)



In-sourcing Building Demolitions & Unsightly Property Clean Up

Description

- In-source demolitions of vacant and dangerous buildings and clean-up of unsightly buildings utilizing City staff and equipment during non-peak season
- Recover costs for demolition by own resources from the Province
- Limit contracted services for complex and emergency demolitions when City resources are not available

Service Impact

- Possible delays for demolition due to resource availability

Target

- Target – \$50,000 (*Dependent on capacity to enforce property standards as it related to the Non-Compliance Program Project*)

Public Safety Fees for Service (Fire and Police)

Description

- Recognize that current budget for emergency services covers costs of preparedness but not costs for response
- Some fees for response already introduced. Explore applying “fee for service” model more broadly, including occupancy load approvals, false alarms, nuisance calls, major response, etc (i.e., similar to Ambulance NB)

Service Impact

- Negativity from those affected
- Minor administrative costs

Target

- Revenue – \$50,000 (*Dependent on the number of eligible incidents and ability to collect fees*)

Non-Resident Recreation User Fees

Description

- Determine the right balance of user versus City taxpayer contributions for use of City-owned recreation facilities
- Develop process for charging non-resident user fees for arenas, fields, parks, and tennis courts

Service Impact

- No financial impact on Saint John residents

Target

- Revenue – \$150,000 to \$300,000 (*Depending on success of the Recreation Card program currently underway and retention of arenas*)

Recreation Subsidies

Description

- Reduce recreation subsidies by 30% through assessing the gap between full cost recovery for service and revenue generated through usage

Service Impact

- Increased costs to all users

Target

- Revenue – \$300,000 (*Depending on number of users of recreation facilities*)

Reduction of LBR Subsidy

Description

- Board of Trustees of Lord Beaverbrook Rink to review business plan to reduce City's operating subsidy to this rink

Service Impact

- Board of Trustees of Lord Beaverbrook Rink to determine impact
- May include higher rental rates paid by LBR users

Target

- Cost reduction of \$48,000 (*Represents 30% reduction of approximate \$160,000 annual subsidy*)



Adelaide Street Facility

Description

- Work with an external organization to rent out portions of the Adelaide Street facility
- Fit-up parks and recreation operations into a small space, ensuring efficient operations and timely customer service

Service Impact

- Change in public access for service

Target

- Revenue – \$30,000 (*Dependent on external organization's acceptance of lease terms*)

Monthly and Metered Parking Rates

Description

- Increase monthly parking fees and hourly metered rate
- Investigate value of Saturday metering

Service Impact

- Increased costs for parkers
- Potential to lose monthly parkers to other lots
- May promote alternate forms of transportation such as Transit
- Some lease revenue share agreements have restrictions that prices cannot be increased without the third party's authorization

Target

- Revenue – \$200,000, based on a 10% increase in rates (*Dependent on the number of parkers and revenue sharing agreements for leased lots*)

Non-Resident Parking Differential Fee

Description

- Set a differential fee for non-residents purchasing monthly off-street parking spaces
- Develop process for implementing fees and collecting revenue

Service Impact

- Potential to lose monthly parkers to other lots
- Some lease revenue share agreements have restrictions that prices cannot be increased without the third party's authorization
- Possible additional cost as a result of the migration to Transit plus revenue loss to Parking
- No financial impact to Saint John citizens

Target

- Revenue – \$200,000 (*Dependent on number of non-resident parkers and ability to collect fee differential*)

Saint John Energy

Description

- Leverage the growth potential of Saint John Energy
- Work with the appropriate stakeholders to establish processes to flow revenue and/or benefits through to the City

Service Impact

- Increased revenue through to the City

Target

- Revenue – TBD (*Dependent on legislation to flow revenue through to the City and the solution implementation*)

Note: If unable to receive significant revenue through the growth agenda of Saint John Energy, then explore possible sale of the entity to invest the capital gain

Fees for Use of Municipal Parks

Description

- Evaluate feasibility of implementing daily parking rates at Municipal Parks (i.e., Rockwood Park, Dominion Park, Little River Reservoir)
- Develop process for collecting fees and enforcement

Service Impact

- May drive usage to parks owned and maintained by others
- May increase on-street parking around parks

Target

- Revenue – \$100,000 (*Dependent on the number of parkers and the ability to enforce fee payment*)



Event Levy

Description

- Introduce levy on events hosted in Saint John (e.g., concerts, trade shows, festivals)

Service Impact

- Potential loss of event sales with increase costs associated with hosting an event

Target

- Revenue – To be determined

TD Station (Harbour Station) Parking

Description

- Review opportunity to subdivide building from parking lot
- Set competitive parking rates (considering access during events)
- Collect revenue through Parking Commission on parking spaces

Service Impact

- Potential for increased rate for parkers
- Decrease in revenue for facility with RFC to cover loss

Target

- Revenue – \$50,000 (*Depends on ownership of the facility*)

Tolls and/or Heavy Vehicle Permits on City Streets

Description

- Evaluate feasibility of implementing tolls on City streets for non-residents during weekly business hours
- Evaluate feasibility of implementing heavy vehicle permits to recover wear and tear costs to roadways
- Select most feasible option for implementation and establish process for collecting tolls and/or fees and enforcement

Service Impact

- Drive traffic to streets not covered by tolls or permit restrictions
- Potential for loss of some competitive advantage in Saint John
- Negativity to the concept of tolls

Target

- Revenue - \$500,000 + (*Dependent on option pursued*)

Revenue Initiatives Summary

Initiative	Target
Development & Building Permit Free Structure	\$75,000
Administrative Penalties	TBD
In-sourcing Building Demolitions and Property Cleanup	\$50,000
Vacant and Undeveloped Property Assessments	TBD
Public Safety Fees for Service (Fire and Police)	\$50,000
Non-Resident User Fees	\$150,000 to \$300,000
Recreation Subsidies	\$300,000
Reduction to LBR Subsidy	\$48,000
Adelaide Street Facility	\$30,000
Monthly and Metered Parking Rates	\$200,000
Non-Resident Parking Differential Fee	\$200,000
Saint John Energy	TBD
Parking Fees at Municipal Parks	\$100,000
Tolls and/or Heavy Vehicle Permits on City Streets	\$500,000+
Event Levy	TBD
TD Station Parking	\$50,000
Target for Revenue Initiatives	\$1,603,000 to \$1,753,000



Service Level Change Initiatives



Winter Street Maintenance

Description

- Redesign winter street salting and plowing routes that reduces fleet
- Align shift schedules to optimize use of remaining fleet (i.e., balance day and night shifts)
- Adjust service levels for priority streets to align with fleet availability, while focused on public safety on main roadways

Service Impact

- Reduction in peak snow plowing capacity
- Potential increased timelines to meet service level objectives on all streets in City

Target

- Reduction – \$100,000 (*May be higher; must consider summer operations*)

Winter Sidewalk Maintenance

Description

- Reduce Sidewalk Maintenance Program with an emphasis on priority areas, such as the Central Business District, Business Improvement Area (Uptown), and School Zones (from sign to sign)
- Investigate other options for clearing other sidewalks (i.e., by-law) and investment required (i.e., enforcement)

Service Impact

- Reduce sidewalks that are serviced by the City below the current 61% down to 10% of total sidewalk inventory
- Potential to decrease service levels on sidewalks that will be maintained

Target

- Reduction – \$200,000

Solid Waste Management Service Redesign

Description

- Modernize the City's Solid Waste Service by implementing automated cart pick up service for regular household refuse resulting more efficient routing and use of resources
- Introduce bag limits and tagging system to influence resident's habits with regards to waste and diversion from the landfill
- Introduce curb-side recycling

Service Impact

- Promotes environment stewardship
- New service to support waste diversion (Curbside Recycling)
- New costs to residential customers who do not compost or recycle

Target

- Reduction – \$100,000 (*Requires capital investment to implement*)

Transit Service Redesign

Description

- Redesign transit service to significantly reduce the subsidy provided by the City
- Focus design on main routes, accessible transport, and cost-effective service to priority neighbourhoods
- Evaluate innovate cost-effective approaches to delivering service (i.e., on demand or flex service)

Service Impact

- Reduce service hours
- May impact growth in the short term

Target

- Reduction – \$2,000,000

Lifeguards

Description

- Eliminate lifeguards at Fisher Lakes (one of four locations currently guarded)
- Promote activity at nearby Lily Lake

Service Impact

- Reduced availability to guarded swimming locations
- Support building for Fisher Lakes (A-Frame) at end of its useful life and will be demolished

Target

- Reduction – \$20,000 (*11.5% of total contract*)



Community Centres

Description

- Evaluate funding model for primary community centres to identify options for reductions

Service Impact

- Potential reduction in access to free recreation programming at community centres
- Currently invest approximately \$588,000 in to community centre programming, proposed initiatives represents a 12% reduction

Target

- Reduction – \$70,000

Playground Program

Description

- No longer fund the City of Saint John Summer Program

Service Impact

- No availability of free City Playground Program; other options for residents through other organizations (some at a cost)
- No support of other non-City playground programs in the form of training/supplies

Target

- Reduction – \$90,000

Passport to Parks Program

Description

- No longer fund Passport to Parks events at City parks

Service Impact

- Reduced availability of free recreational programming/events at City Parks; but there are opportunities offered throughout the year hosted by other organizations

Value

- Reduction – \$30,000



Third Party Contract Services

Description

- Review current third-party contracted services to determine if there are alternative options or potential for reductions in services that will provide savings
- Implement changes to contract services to achieve savings

Service Impact

- Changes in service delivery model and/or response time

Targets

- Reduction – \$100,000

Fire Light Vehicle Response to Medical Calls

Description

- Evaluate the feasibility of introducing light vehicles in the fleet to respond to fire medical calls

Service Impact

- Changes in service delivery model with no impact to citizens

Target

- Reduction – TBD (*Requires investment in equipment*)

Freeze Inflationary Adjustments on Goods & Services

Description

- Remove traditional increase to “goods and services” budget for inflation (CPI)
- Adjust service levels to reflect amount of materials, equipment, and support is available with funding

Service Impact

- Reduced service in areas requiring materials and equipment, particularly in roadway and sidewalk maintenance, parks and recreation facility maintenance, stormwater maintenance

Target

- Reduction – \$300,000

Leverage Uptown Saint John

Description

- Work with Uptown Saint John to sustain service levels in the City's core

Service Impact

- Partnership with a key stakeholder to support service delivery

Target

- Reduction – TBD (*Dependent on partnership with Uptown Saint John*)



Infrastructure Deficit

Description

- Delay the target approved by the Finance Committee to reduce the infrastructure deficit by 25% in the short term

Service Impact

- Increased risk of infrastructure failure and/or costly renewal

Target

- Reduction – \$1,400,000

Service Level Change Initiatives Summary

Initiative	Target
Winter Street Maintenance	\$100,000
Winter Sidewalk Maintenance	\$200,000
Solid Waste Management Service Redesign	\$100,000
Transit Service Redesign	\$2,000,000
Lifeguards	\$20,000
Community Centres	\$70,000
Playground Program	\$90,000
Passport to Parks Program	\$30,000
Third Party Contract Services	\$100,000
Fire Light Vehicle Response to Medical Calls	TBD
Freeze CPI adjustments for Inflation	\$300,000
Leverage Uptown Saint John	TBD
Infrastructure Deficit	\$1,400,000
Target of Service Level Change Initiatives	\$4,410,000

Community Grants & Incentives

Description

- Significant reduction in remaining community grants and incentives including special event, parks, neighbourhood development incentives, urban development incentives, heritage grants, arts and culture, and other requests to support events

Service Impact

- Reduced investment in social development and recreation at the neighbourhood level
- Reduced capacity to support growth through development

Target

- Reduction 25% – \$187,500
- Reduction 50% – \$375,000
- Reduction 100% – \$750,000



Economic Development Agency Funding

Description

- Reduce economic development agency funding by 10%

Service Impact

- Service provider to secure other sources of funding or reduce service offering
- May impact growth in terms of attracting development and employment opportunities

Target

- Reduction – \$240,000



Growth Reserve Fund

Description

- Eliminate all new funding into the growth reserve fund
- Strategically allocate current reserve funding to growth initiatives with the highest probability of success
- Work to secure grants from other levels of governments and organizations to support growth initiatives

Service Impact

- Reduced investment in growth initiatives

Target

- Reduction – \$350,000 (*Growth reserve is projected to be at approximately \$650,000 at end of 2020*)



Imperial Theatre

Description

- Eliminate contributions to the Imperial Theatre by removing it from the Regional Facilities Commission

Service Impact

- Service provider to secure funding from other sources
- Ability of the facility to attract entertainment and/or events
- Availability of the facility for entertainment, events or public use

Target

- Reduction – \$350,000 (*Dependent on legislative changes related to the Regional Facilities Commission*)

Grants & Incentives Initiatives Summary

Initiative	Target
Community Grants & Incentives	\$187,500 to \$750,000
Economic Development Agency Funding	\$240,000
Growth Reserve Fund	\$350,000
Imperial Theatre	\$350,000
Target of Grants & Incentives Initiatives	\$1,115,00 to \$1,690,000



City-Owned Facility Initiatives



Right-Size Recreation Facilities

Description

- Reduce services and potentially divest a number of facilities, including Rainbow Park ice surface, lawn bowling facility, and Rockwood Park stables

Service Impact

- Reduced access to free recreation facilities; divest of infrastructure that has reach end of useful life

Target

- Reduction – \$20,000

Consolidation of Municipal Depots

Description

- Decommission the North Works Depot to sell land
- Relocate fleet operations into the Transit Garage
- Fit-up Rothesay Avenue Garage for Works operations

Service Impact

- Potential changes in service levels with the relocation of Works to Rothesay Avenue (deployment of crews)

Target

- Reduction – \$35,000 (operating costs of North Depot)
- Reduction – TDB (efficiencies gained from moving Fleet and Works)
- Revenue – TBD (tax base assessment growth from development)



Arena Closure

Description

- Permanent closure and divestment of one of the City of Saint John's civic arenas (i.e., Stewart Hurley, Charles Gorman, Peter Murray, Hilton Belyea)
- Allocate facility bookings to remaining arenas

Service Impact

- Decrease in the number of hours and options available for those who make use of the arena; including ice and/or floor time

Target

- Reduction – \$200,000

Arena Inventory

Description

- Evaluate options for full-cost recovery of the City's remaining arena inventory versus divesting of these assets through sale
- Implement the more practical solution based on business case

Service Impact

- Loss of control of arena services
- Decreased accessibility to arena facilities
- Potential cost increase to arena facility users

Target

- Reduction – \$700,000 (*Less any subsidization for ice time for city residents*)



TD Station (Harbour Station)

Description

- Evaluate options to reduce funding to TD Station through the Regional Facilities Commission or sell the asset
- Implement the more practical solution based on business case

Service Impact

- Service provider to secure other sources of funding
- May impact availability of the facility to attract events or public use

Target

- Reduction – \$100,000 to \$500,000

Aquatic Centre

Description

- Evaluate options to reduce funding to Aquatic Centre through the Regional Facilities Commission or sell the asset. If not possible, close the facility.
- Implement the more practical solution based on business case.

Service Impact

- Availability of programming by divesting of the asset

Target

- Reduction – \$500,000 to \$700,000

City-Owned Facility Initiatives Summary

Initiative	Target
Right-Size Recreation Facilities	\$20,000
Consolidation of Municipal Depots	\$35,000+
Arena Closure	\$200,000
Arena Inventory	\$700,000
TD Station (Harbour Station)	\$100,000 – \$500,000
Aquatic Centre	\$500,000 – \$700,000
Target for City-Owned Facility Initiatives	\$1,555,000 to \$2,155,000



Workforce Initiatives



Human Resource Management

Description

- Maintain salary, wage and benefit budget envelopes at current levels (i.e., no increase for labour costs) in each of 2021 and 2022

Service Impact

- To be determined based on approach taken to maintain current budgets for two years

Target

- Reduction – \$2,000,000 +

Defer Special Pension Payment

Description

- Defer special pension payment for two years (5%)
- Agreement from all employee groups

Service Impact

- Costs associated with deferral in interest payments of approximately \$1,100,000

Target

- Defer – \$1,400,000



Public Works Casual Workforce

Description

- Reduce hiring of casuals/students during construction season

Service Impact

- Defer new traffic safety enhancement and safer school zone projects for the next two years
- Limit asphalt overlay program to rural roads
- Stop painting bike symbols on TransCanada Trail
- Above work supported through hiring of casuals to create capacity for these new initiatives

Target

- Reduction – \$150,000 (*Savings based on a 50% reduction of casual staffing levels*)



Parks & Recreation Casual Workforce

Description

- Reduce hiring of casuals during peak season

Service Impact

- Eliminate mowing of LPP, highway greenspaces, and street medians (outside of parks and South Central Peninsula); finding efficiencies/innovative solutions could assist in mitigating impacts
- Eliminate maintenance and lining school fields
- Close remaining 20 neighbourhood playgrounds, St. Peter's ballfield, and Lowell Street field

Target

- Reduction – \$350,000 (*Savings based on a 50% reduction of casual staffing levels*)



Customer Service Coordination

Description

- Create a single point of customer contact for citizens, businesses, and developers
- Pool resources through cross training and common job responsibilities to staff the customer service function

Service Impact

- Improved access to service requests and information

Target

- Reduction – \$50,000



Workforce Initiatives Summary

Initiative	Target
Human Resource Management	\$2,000,000
Defer Special Pension Payments	\$1,400,000
Public Works Casual Workforce	\$150,000
Parks & Recreation Casual Workforce	\$350,000
Customer Service Coordination	\$50,000
Target for Workforce Initiatives	\$3,950,000

Continuous Improvement Initiatives



Continuous Improvement Initiatives

Continuous Improvement Initiative	Target
Standardize Cell Phone	\$50,000
Reduce Goods & Services	\$500,000
Reduce Employee Travel Costs	\$100,000
Reduce Equipment Idling Time	\$50,000
Optimize Fleet	\$300,000
Implement New Process for Sports Field Lining	\$10,000
Implement Regional Fire Dispatch	\$200,000
Maximize Civilianization (Police) Opportunities	\$100,000
Reduce Police Fleet Maintenance	\$50,000
Reduce Police Headquarters Operating	\$75,000

Continuous Improvement Initiative	Target
Reduce Rental Vehicle (Fleet)	\$50,000
Implement External Service Agreements for IT Services	\$10,000
Launch Fire Training Academy	\$100,000
Recover Costs through Fire Insurance	\$80,000
Change Medical Call Response Criteria	\$50,000
Implement Fees for Advertising in Public Right-of-Ways	\$10,000
Review Trade & Convention Centre Rental Agreements	\$30,000
Renew West Library Agreement	\$30,000
Target for CI Initiatives	\$1,795,000

Property Tax Rate Increase (Revenue)

Description

- Increase property tax rate to close a portion of the deficit;
Current rate is \$1.785 per \$1,000 of property tax assessment

Service Impact

- Increase costs to all residents, business, and industry
- Potential impact on ability to attract growth in Saint John

Target

- Revenue – 1 cent increase = \$600,000
- Revenue – 5 cent increase = \$3,000,000
- Revenue – 10 cent increase = \$6,000,000

Sustainability Initiatives

Initiatives
~ 60

Estimated Target
Between \$14 and \$16
Million

- Not all projects will be feasible to implement (legislation, timing, investment cost)
- Must be implemented in time for 2021 budget
- Plus or minus depending on constraints, risks, and successful implementation



Summary

- By pursuing all initiatives, should be sufficient resiliency to address the sustainability challenge
 - \$14-\$16 Million to address \$11 Million forecasted deficit
- Ability to achieve long-term financial sustainability is dependent on four assumptions including **growth rate, cost containment, unconditional grants, and transformational reforms**
 - If any of the assumptions are invalid, then must rework the plan

Conclusion

- All three “prongs” are important
 - Fundamental Reviews
 - Short-term Sustainability Initiatives
 - Transformational Reforms
 - Comprehensive tax reform
 - Changes to workforce agreements
 - Regional services and regional cost sharing
 - Empowerment of municipalities through changes to Local Governance Act
 - Etc
- Staff effort will be on all three “prongs”
 - Solving our structural deficit demands success in all areas
- Must solve forecasted deficit for 2021 and 2022
 - Today’s focus is on short-term sustainability initiatives to get those years
- Initiatives are simply ideas to be pursued
 - No staff recommendations at this time
- Every initiative must be fully developed and then presented to Council for decision
 - Implementation details
 - Impacts
 - Accurate costing
- *Balancing the budget is required by law*
- *Balancing the budget and transformational reforms put us on sustainable path where growth, prosperity and our social fabric become the envy of others*





Sustainability: Addressing the Deficit 2021-2022

Common Council
October 7, 2019

