

## COUNCIL REPORT

M&C No.	2019-327
Report Date	November 26, 2019
Meeting Date	December 02, 2019
Service Area	Growth and Community Development Services

His Worship Mayor Don Darling and Members of Common Council

***SUBJECT: Growth Reserve Elimination – Sustainability Item***

***OPEN OR CLOSED SESSION***

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

***AUTHORIZATION***

Primary Authors	Commissioner/Dept. Head	City Manager
<b><i>Phil Ouellette</i></b>	<b><i>Jacqueline Hamilton</i></b>	<b><i>John Collin</i></b>

***RECOMMENDATION***

The City Manager recommends that Common Council:

Endorse the proposed Growth Reserve Elimination – Sustainability Item as an option to be considered in addressing the entirety of the deficit in 2021 and 2022.

***REPORT***

Background

Saint John Common Council has made growth a central facet of their 2016-2020 priorities, which has resulted in a variety of enhancements in how the City enables economic growth. One of these enhancements was the establishment of a growth reserve, which was originally developed to support the transition of a variety of changes as a result of the Roadmap for Smart Growth. The intention of the Reserve was to enhance the City's ability to more comfortably respond to unforeseen economic obstacles or accelerate opportunities. This would then equip Common Council with the decision-making authority to grant the funds (via recommendations from the Growth Committee) and play a more active role in stimulating economic growth.

Since that time, the Growth Reserve has been replenished annually with a \$350,000 investment, and has been accessed for a variety of initiatives, including, among others: introduction of population growth function and support towards the Succeed and Stay Program; enhancements to vacant and dangerous building efforts; enhancements to improved community

enhancements program; transition into Develop Saint John; support towards the Neighborhood Plan for the Central Peninsula; and additional support towards the Heritage Development Grant.

### Elimination

The process to eliminate the Growth Reserve would result in no longer replenishing the annual \$350,000 investment into the fund for 2021 and 2022. While this may reduce the City's ability to respond to unforeseen challenges and opportunities, it is important to note that the fund has an existing balance of uncommitted funds.

As of November 20<sup>th</sup>, 2019, the Growth Reserve holds a total of \$278,356.24 of uncommitted funds, which are expected to roll-over into 2020. With a projected investment of \$350,000 to the Growth Reserve in 2020, the Reserve will hold a total of \$628,356.24 of uncommitted funds to continue to support growth-related opportunities and challenges into the future.

Once the City has responded to the financial challenges due to the structural deficit, the re-institution of a growth reserve remains an important tool in the City's ability to support growth programming and opportunities, which in turn, supports a long-term revenue strategy that enables reliable and quality municipal service delivery to Saint John residents.

### ***PREVIOUS RESOLUTIONS***

On October 7, 2019, it was resolved by Council to receive and file M&C 2019-249: 'Sustainability: Addressing the Deficit 2021-2022'.

### ***STRATEGIC ALIGNMENT***

The savings realized by Growth Reserve Elimination – Sustainability Item supports Council's Priority to be Fiscally Responsible by contributing to the overall Sustainability effort.

### ***SERVICE AND FINANCIAL OUTCOMES***

All sustainability initiatives have been evaluated against criteria based on Council's Priorities and ability to implement to address the deficit of 2021 and 2022. In addition to Feasibility, criteria include Growth & Prosperity; Vibrant, Safe City; Valued Service Delivery; and Fiscally Responsible (see Initiative Criteria Evaluation Appendix).

With respect to Growth and Prosperity, potential minor impacts could occur due to reduced support for growth programming and opportunities.

Elimination of the Growth Reserve investment would result in annual savings to the general operating budget of \$350,000.

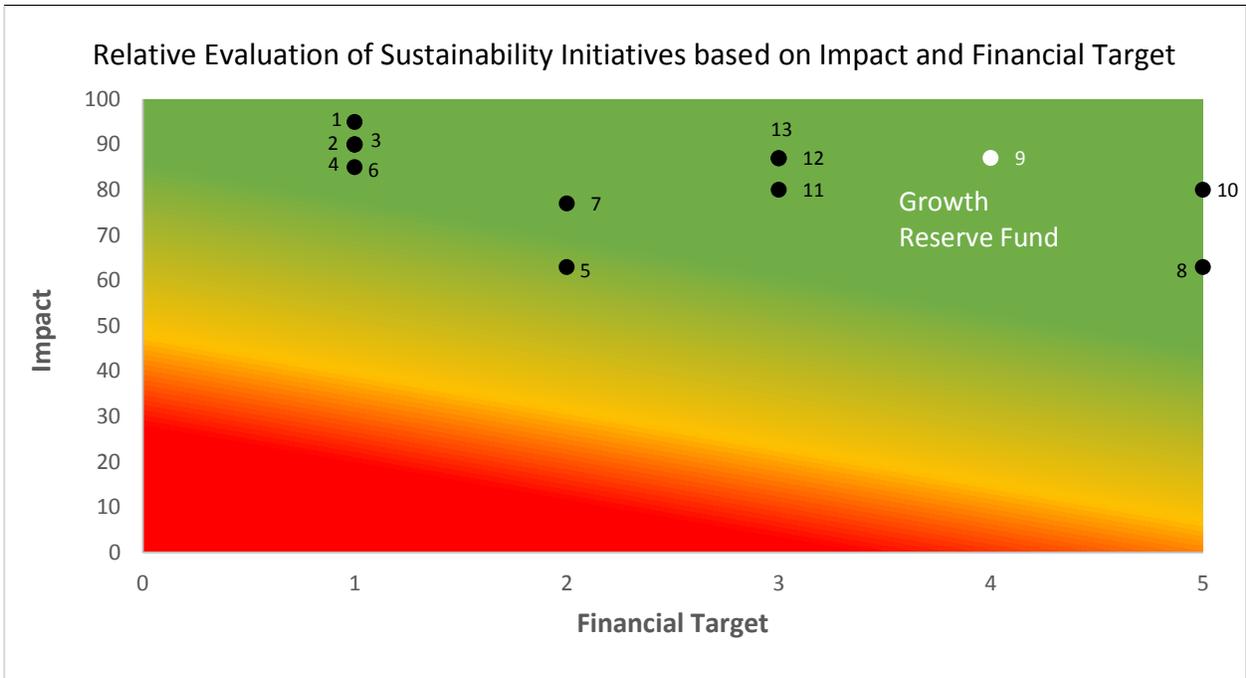
***INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS***

N/A

***ATTACHMENTS***

N/A

## Appendix: Initiative Criteria Evaluation



### Evaluation Notes on Growth Reserve Fund:

- Growth – Reduced support to growth programming and opportunities

*Note: Evaluated initiatives that fall within the yellow and green areas should be considered as options to address the 2021 and 2022 deficit. Initiatives that fall close to the red should only be considered if there are no other options to address the deficit.*

### Sustainability Initiatives Evaluated as of December 2, 2019 (Not including Continuous Improvement Items)

1. Passport to Parks
2. Lifeguards
3. Rightsizing Recreation Facilities - Rainbow Park Ice Surface
4. Rightsizing Recreation Facilities - Seaside Park Lawn Bowling
5. Playground Program
6. Fire Service Fee Recovery
7. Permit and Development Approval Fees Increases
8. Community Grants & Incentives
9. Growth Reserve Fund
10. Non-Resident Differential Parking Fees
11. Monthly Parking Increase
12. Parking Ticket Increase
13. On-Street Parking Increase