



# Regional Ice Strategy Update

## City Staff Presentation to Common Council

March 25, 2019



SAINT JOHN

# Agenda

- Ice Strategy: Purpose and Process
- City of Saint John Guiding Principles
- Draft Ice Strategy
- History of Regional Resolutions
- Funding Formulas
- March 25 Regional Service Commission report
- Stigma of Term “User Fees”
- Recommendations

# Ice Strategy: Its Purpose

Improve collaboration between different jurisdictions in the management of similar facilities (arenas) used by similar customers for the benefit of all regional users and taxpayers through:

## **Sustainability**

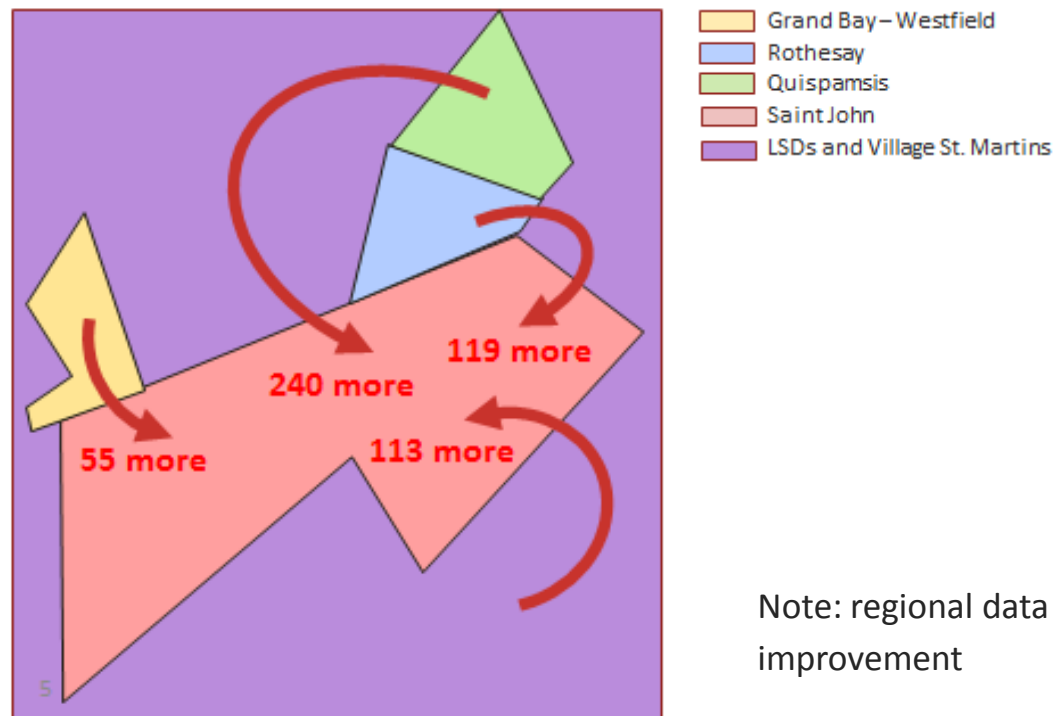
- Matching supply with regional demand
- Sharing for cost efficiencies

## **Fairness**

- Effectively aligning taxpayer contributions with regional use

# Regional Use of Arenas

- 1/3 of Saint John arena users are regional
- More residents from each town and LSDs use city arenas than vice versa



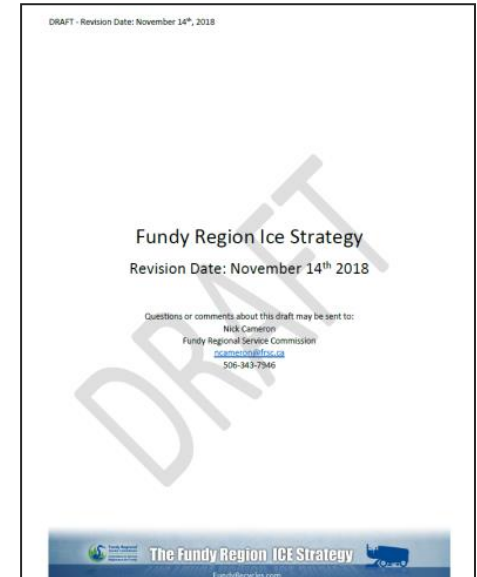
Note: regional data quality requires improvement

# Ice Strategy: How Did It Happen?

- Mandate of Regional Service Commission
- Regional Recreation Plan (2016)
- Saint John Council advocated for Ice Strategy
- Working Group of regional recreation staff leaders
- Checkpoints with Commission and Councils

# Draft Ice Strategy

- Released in Fall 2018
- Funding formula should be fair, data driven, financially sustainable
- Funding formulas options but no preference
- Municipalities requested to collect residency data and continue to explore funding formula
- Municipal response to requests mixed



# Seeking Regional Consensus

- 4 previous Regional Service Commission Board resolutions related to Ice Strategy
  - Receive and File updates July 2017, October 2018, December 2018
  - May 2018 – Consultant engaged for elected official engagement
  - March 25, 2019 report discussed further in presentation

# Funding Formulas Developed by Working Group

## Formula developed by City Representative

- Redistributes total current subsidization of regional arenas among taxpayers of municipalities and LSDs based on proportion of arena use

## Formula developed by other Working Group members

- Tax levy on LSDs residents only for broader access to recreation facilities, redistributed to municipalities based on number of arenas

Consensus on preferred funding formula could not be reached



# Challenges with Securing Accurate Data

- Only recent consensus to have all user data shared
- Concern from regional user groups
- City's practice of collecting customer data not shared regionally
- Differences in reporting financial data

# March 25 Commission Board Report

Two independent recommendations:

1. Proceed with funding formula that only targets LSD contributions (alternate to City proposed formula)
2. “Confirm commitment of Commission members to provide a resource for the working group going forward in this process”

# Conclusions from March 25 Commission Report

- Contextual information in report incomplete
  - Regional usage data not reported
- Limited opportunity to advance consensus
  - Solutions for LSDs and municipalities independent
  - Ambiguity of recommendation #2
  - Requires more City resource investment

# Stigma of Term “User Fees”

- Each municipality in region charges user fees
- Level of taxpayer subsidization reflection of degree of public good
- “Non-Resident User Fees”
  - Solution used in other jurisdictions
  - Achieves regional fairness in absence of regional co-operation
  - Not intended to be punitive
  - Difficult to administer
  - Common Council could reconfirm preference of co-operative approach

# Recommendations

1. Support Mayor Darling's motion at the March 25, 2019 Regional Service Commission Board meeting:
  - a) Commit by May 1, 2019 principles of a funding formula:
    - i. Redistribute operating cost deficits to taxpayers based on usage
    - ii. Exclude deficit costs not considered applicable
  - b) Approve consulting services to define applicable costs after regional commitment to principles
  - c) Provide resource for Staff Working Group for (b)
  - d) Commit to exploring further collaboration
2. Proceed with Plan B in absence of agreement by May 1, 2019
3. Reconfirm preference of co-operative regional approach over non-resident user fees