



The City of Saint John

MINUTES – OPEN SESSION FINANCE COMMITTEE MEETING  
MARCH 13, 2019 AT 4:50 PM  
8<sup>th</sup> FLOOR COMMON COUNCIL CHAMBER (LUDLOW ROOM), CITY HALL

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Present: Mayor D. Darling  
Councillor D. Merrithew  
Councillor G. Sullivan  
Councillor S. Casey  
Councillor D. Reardon  
Councillor G. Norton

Also

Present: City Manager J. Collin  
Deputy City Manager N. Jacobsen  
Commissioner of Finance and Treasurer K. Fudge  
Commissioner Growth & Community Development J. Hamilton  
Commissioner Saint John Water B. McGovern  
Comptroller Finance C. Graham  
Senior Manager Financial Planning H. Nguyen  
Director Corporate Performance S. Rackley-Roach  
Assistant Comptroller Finance and Administrative Services C. Lavigne  
Deputy Commissioner Administrative Services I. Fogan  
Comptroller Finance C. Graham  
Deputy Commissioner Parks & Public Spaces T. O'Reilly  
Senior Financial Analyst J. Forgie  
Fire Chief K. Clifford  
Corporate Performance N. Moar  
Administrative Assistant K. Tibbits

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1. Meeting Called To Order

Councillor Merrithew called the Finance Committee open session meeting to order.

1.1 Approval of Minutes – January 30, 2019

Moved by Councillor Reardon, seconded by Councillor Casey:  
RESOLVED that the minutes of January 30, 2019, be approved.

MOTION CARRIED.

1.2 Debt Management Policy

Mr. Fudge reviewed the Debt Management Policy which will establish criteria for the issuance of debt to ensure acceptable levels of debt. The policy also communicates to the public that the City is committed to managing its long-term debt. It is a best practice for a municipality to have a Debt Management Policy. The policy excludes Saint John Water who will require a separate Debt Management Policy.

Moved by Councillor Reardon, seconded by Councillor Sullivan:

RESOLVED that the Finance Committee recommends that Common Council approve the Draft City of Saint John Debt Management Policy FAS-006.

MOTION CARRIED.

### 1.3 Wage Escalation Policy

Mr. Fudge reviewed the Wage Escalation Policy. Wages and benefits comprise the largest category of expense in terms of the percentage to the overall operating budget. Wages and benefits have increased from 55% to 58% of the overall operating budget since 2013. To address the structural deficit, it is necessary to address the escalation of wages and benefits. To be sustainable, expenditure growth must align with revenue growth. The Wage Escalation policy ensures that the ability to pay is considered when negotiating future wage arrangements.

In response to a question regarding binding arbitration, Mr. Fudge noted that changes to provincial legislation are very important and if arbitrated settlements result in higher than can be afforded increases, it poses serious challenges to the municipality. The policy states that the City does not want wage increases to cause tax increases or service reductions. The policy, for collective bargaining purposes, provides a mandate to the City Manager and senior staff that the City is striving to bargain within an affordable wage package framework.

Moved by Mayor Darling, seconded by Councillor Norton:

RESOLVED that the Finance Committee:

- approves the Draft Wage Escalation Policy
- recommends that Common Council approve the Wage Escalation Policy FAS-007
- recommends that if approved by Common Council that a copy of the Wage Escalation Policy be sent to Agencies, Boards and Commissions where the City is the majority funder with a request that those ABCs adopt the same policy

MOTION CARRIED.

### 1.4 Public Engagement

Mr. Fudge commented on the development of the long-term financial plan. On March 25<sup>th</sup> as part of the best practice of long-term financial planning, the public will be asked to provide feedback through a budget simulator tool. This feedback will be one of many inputs used in the development of the financial plan. It is hoped that themes in the overall responses can be identified, to determine how citizens want the City to prioritize tax dollars and service levels. This is also an opportunity to educate the public on the challenges in balancing the City's operating budget.

The structural deficit in 2021 is projected at \$12M. Through a number of initiatives and austerity projects, the City is targeting \$3M to address a portion of that gap. The public, through the budget simulator tool, is tasked at budgeting the City's 2021 budget shortfall of \$9M.

Moved by Mayor Darling, seconded by Councillor Sullivan:

RESOLVED that item 1.4 Public Engagement, be received for information.

MOTION CARRIED.

### **Adjournment**

Moved by Mayor Darling, seconded by Councillor Reardon:

RESOLVED that the open session meeting of the Finance Committee be adjourned.

Finance Committee Meeting  
Open Session  
March 13, 2019

MOTION CARRIED.

The Finance Committee open session meeting held on March 13, 2019 was adjourned at 6:05 p.m.