

## COUNCIL REPORT

M&C No.	2019-136
Report Date	May 28, 2019
Meeting Date	June 03, 2019
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

***SUBJECT: Provincial Funding Agreement – 2018 Provincial Funding***

***OPEN OR CLOSED SESSION***

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

***AUTHORIZATION***

Primary Author	Commissioner/Dept. Head	City Manager
<b><i>Kevin Fudge</i></b>		<b><i>John Collin</i></b>

***RECOMMENDATION***

It is recommended that this report be received and filed.

***EXECUTIVE SUMMARY***

In 2018 the Province of New Brunswick entered into a Funding Agreement with the Saint John in recognition of the fiscal challenges the City was facing that included \$22,800,000 in short term financial assistance to be paid over 3 years (fiscal periods 2018, 2019 and 2020). With respect to the year 2018, the amount of financial assistance is capped at \$3,500,000 (representing the projected structural deficit for 2018). The agreement stipulates any surplus above 1% of the City's budget must be repaid to the Province.

As a condition to the agreement, the City must submit to the Province semi-annual reports that includes details on the City's actual wages and benefits, operating expenses, revenues and employment figures, in addition to the City's annual audited financial statements. The Province is allowed reasonable access to review the City's records and accounts pursuant to the agreement, in addition to the City being required to submit to the Province a financial compliance audit.

The Province has completed their review of the City's 2018 financial results and have finalized payment for the period ending December 31<sup>st</sup>, 2018. The adjusted total payment to the City, based on 2018 actual results, confirmed by the Province is \$3,316,473.

The City and the Province have also met in person to provide for disclosure of revenue and expenditure variances for the year as well as to discuss how the funds have been allotted and used in 2018. Based on those discussions, and subject to a final compliance audit, the Province has determined \$3,316,473 to be the final funding figure. The City supports their conclusion.

Attached is a letter from the Province confirming the second payment to the City for 2018 of \$1,566,473. The Province has previously made a first payment earlier in the year for \$1,750,000.

***PREVIOUS RESOLUTION***

[Click here to enter any previous relevant resolution.](#)

***STRATEGIC ALIGNMENT***

N/A

***REPORT***

[Click here to enter text.](#)

***SERVICE AND FINANCIAL OUTCOMES***

N/A

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

N/A

***ATTACHMENTS***

Letter from the Province – May 29, 2019