



ROTHESAY

SPECIAL SESSION COUNCIL MEETING

Rothesay Town Hall Common Room

Thursday, October 31, 2019

8:15 a.m.



PRESENT: MAYOR NANCY GRANT
DEPUTY MAYOR MATT ALEXANDER
COUNCILLOR GRANT BRENNAN
COUNCILLOR PETER J. LEWIS
COUNCILLOR TIFFANY MACKAY FRENCH
COUNCILLOR DON SHEA
COUNCILLOR MIRIAM WELLS

TOWN MANAGER JOHN JARVIE
DIRECTOR OF OPERATIONS (DO) BRETT McLEAN
DIRECTOR OF PLANNING/DEVELOPMENT (DPDS) BRIAN WHITE
DIRECTOR OF REC/PARKS (DRP) CHARLES JENSEN
TREASURER DOUG MacDONALD
ADMINISTRATIVE ASSISTANT LIZ POMEROY

ABSENT: COUNCILLOR BILL McGUIRE
TOWN CLERK MARY JANE BANKS

Mayor Grant called the meeting to order at 8:20 a.m.

2. PRESENTATIONS

2.1 EDGSJ (Economic Development Greater Saint John)

Presentation Ron Gaudet, CEO for EDGSJ

Mayor Grant welcomed EDGSJ CEO Mr. Gaudet, EDGSJ Board member Andy McPherson, Sue Crozier Executive Assistant to Mr. Gaudet, and EDGSJ Director of Business and Community Development Janet Scott.

Mr. Gaudet reported it has been two years since his return to New Brunswick. He gave a brief history of his prior experience with economic development in Moncton and southern Ontario. He noted he is proud of the progress the organization has made thus far in identifying challenges and developing a three year strategy to address these issues. Implementation of the three year plan began in January 2019 and adjustments are made accordingly with the creation and evolution of new and existing partnerships. EDGSJ strives for consistent economic growth in the region; however some challenges are workforce development, entrepreneur development, business investment and innovation, and marketing. He commented that innovation is not limited to information technology (IT) or information communication technology (ICT) and can be applied to service provision. The three year plan is designed to increase employment, the labour force, GDP, and consumer confidence.

Mr. Gaudet spoke of the efforts underway to market the quality of life and opportunities available in the region, which is intended to attract job seekers and improve regional consumer confidence. EDGSJ tracks ongoing progress and informs stakeholders through a monthly progress dashboard, and quarterly as well as annual reports (2018 Dear GSJ available online). He noted each initiative is progressing positively but at different rates. He further stressed the importance of promoting regional attributes to attract new investment, and encourage retention of the local labour force, talent recruitment, and capacity building and training. Mr. Gaudet highlighted EDGSJ's role working with the University of New Brunswick Saint John to relocate the MBA program to the uptown Saint John area and provide a business incubation center. He explained the purpose of the ASK GSJ marketing campaign is to change perspectives of the region by showcasing the reasons individuals in different industries choose to live and work in the Greater Saint John region.

Mayor Grant commended EDGSJ for their work with UNB and the MBA program, implementation of successful marketing campaigns, and effective use of additional funds provided by Rothesay. Mr. Gaudet added registration for the MBA program is over capacity, and the reach of the marketing campaigns has extended to western Canada.

Council inquired about: seniors, measuring consumer confidence, the impact of declining disposable income, the 2.5% increase in employment relative to annual job loss, strategies to attract and retain younger generations and immigrants, anticipated impacts of restructuring within the city of Saint John, and the possibility of poverty reduction as a result of strategy implementation.

Mr. Gaudet responded with the following: seniors are viewed as a resource to assist different industries with their accumulated knowledge and experience; seniors also help gauge the quality of life in the region for the demographic; consumer confidence is measured by collecting data through surveys completed by organizations such as Corporate Research Associates Inc. (CRA); as of January 2019 consumer confidence for Saint John was 99.1% (Moncton was roughly 103%); consumer confidence helps areas determine the level of satisfaction with the performance of local governments; disposable income is declining however goods and services are also adversely impacted by individuals travelling outside the area to make purchases; there is a formula that calculates the increase in employment that incorporates the number of jobs lost and gained; individuals retiring (roughly 120,000) outweigh the number of individuals preparing to enter the work force (roughly 82,000); EDGSJ is working with various agencies and levels of government to provide desirable amenities and reduce barriers to attract and retain younger generations and immigrants; changes such as those proposed in the Saint John sustainability plan can help a region evolve, however stakeholder support is crucial; there is a focus to shift marketing the area as a tourist destination to a long-term destination to attract students and immigrants; consumer confidence increased within a group of youth once they were informed of all the opportunities the region has to offer; different methods are being explored to spread the message to target audiences; and EDGSJ's three year plan is intended to improve the quality of life in the region which may indirectly reduce poverty.

Mayor Grant thanked Mr. Gaudet, Mr. McPherson, Ms. Crozier, and Ms. Scott. The group thanked Council and left the meeting.

2.2 Saint John Sustainability Plan: Addressing the Deficit 2021-2022

Presentation Saint John Mayor Don Darling

Mayor Grant welcomed Mr. Cal Cipolla as a representative of Minister Flemming, and Saint John Mayor Don Darling.

Mayor Darling thanked Council and highlighted the following: the importance of regional collaboration in addressing Saint John's fiscal trouble; formally addressing issues means progress is underway; population growth is needed to generate revenue to offset ever-increasing expenses; expenses are increasing 3% annually while annual revenue growth is only 1%; 9 of 10 financial policies identified in the City's ten year financial plan were implemented; restructuring and municipal reforms for revenue, taxation, arbitration, and regionalization are needed; cutting costs is a short term solution as expenditure growth must align with revenue growth to achieve sustainability; return on investment must also be considered for taxpayers; a wage escalation policy is needed as wage increases have outpaced tax based growth; arbitration reform is necessary for affordability; the sustainability plan was developed with the assistance of the Provincial government; City staff identified 61 options to combat the deficit; City Council is tasked with prioritizing the options; implementation may occur as soon as 2020 and interruptions to services are expected; the tax rate in Saint John has remained the same for the past 11 years; a fundamental review of organizational structure, agencies, boards, and commissions, economic development framework, and a third party operational audit will occur – all areas of City operations will

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be scrutinized; there is a focus on innovation and communication to promote growth, convey the City's progress, and foster collaboration; and the long-term goal is to create a thriving region of Greater Saint John to benefit all surrounding municipalities.

Mayor Grant thanked Mayor Darling and noted Council's interest is to provide input with respect to matters that may impact surrounding municipalities rather than interfere with the City's budget. She agreed that reforms are necessary to benefit all municipalities.

Deputy Mayor Alexander expressed concern regarding the interest in generating revenue from neighbouring municipalities rather than raising the tax rate in Saint John. Mayor Darling advised Saint John has one of the highest tax and utility rates in the province combined with a lower median family income than surrounding areas; thus increasing the tax burden on residents is likely to negatively impact population growth necessary to achieve sustainability. Deputy Mayor Alexander noted Rothesay may have a lower tax rate than Saint John but residents experience a higher tax burden. There was a brief discussion with respect to property assessment values in the region.

Counc. Shea questioned the City's position regarding public opinion that the City should bear full responsibility for addressing the deficit rather than sharing the burden with neighbouring municipalities. Mayor Darling stressed the importance of communicating the underlying issues that contribute to the deficit such as barriers to revenue growth, and unsustainable escalating expenses. He noted all municipalities in the region are impacted by provincial constraints therefore it is important local governments unite to apply pressure for municipal reforms.

Counc. Brenan commented that the problems facing Saint John did not occur overnight. He suggested the City set an example by resolving issues internally before seeking assistance from other municipalities or levels of government. He expressed concern increasing shared costs for surrounding municipalities may be considered "amalgamation by stealth". He suggested reviewing the feasibility of operating all regional facilities. Mayor Darling advised: City Council recognizes the need to restructure City operations and is in the process of analyzing the 61 options presented; a business case for amalgamation does not exist at this time, and amalgamation should be entered into as a collective decision; regional facilities should be operating efficiently, effectively, and the cost shared equitably amongst regional municipalities; the City has implemented some strategies and are exploring others to achieve sustainable operations; and all areas including regional facilities are under review.

In response to an inquiry, Mayor Darling noted there are roughly 300 vacant or dilapidated/dangerous lots in Saint John. He added City Council addresses close to 80 files annually; and reinvestment occurs in roughly 60% of these properties. Counc. Lewis noted as a developer he was hesitant to purchase land in Saint John due to a concern there wouldn't be public interest. He reported he was pleasantly surprised and commended Saint John on a creating a positive experience for individuals securing building permits. He suggested it may be advantageous to encourage housing options for seniors in the City to allow seniors to downsize in the area. Mayor Darling agreed and advised all assets owned by the City, including properties, are under review. He added an economic development agency was dissolved and Develop Saint John was established to focus on tax based growth. Counc. Lewis questioned if the third party audit is underway. Mayor Darling noted the scope was determined and the audit is expected to begin in the new year.

Counc. Wells expressed the following concerns: cutting expenses will impact the quality of life available to Saint John residents; increasing costs such as parking may deter non-residents from visiting Saint John; and regional facilities draw individuals to the area thus closing or selling the facilities may also negatively impact tourism and population growth. She inquired if EDGSJ will be consulted prior to implementing cost-saving strategies. Mayor Darling advised consultation has begun with respect to

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EDGSJ's role, directly and indirectly, improving Saint John. He commented on his recent trip to Toronto and noted the issues facing Saint John are not as troublesome as those experienced by other municipalities. He expressed concern that without municipal reforms options available to Saint John are limited. He added there is a misconception that surrounding municipalities are viewed as "piggybanks". He clarified the strategies are designed as opportunities to improve the region as a whole and encourage equitable cost sharing. There was a brief discussion with respect to the need to reevaluate cost sharing formulas.

Mayor Grant noted she is pleased to hear the City's interest in regional collaboration. She expressed concern that neighbouring municipalities were not included in previous discussions regarding solutions that may impact the entire region. Mayor Darling noted the challenges facing Saint John are opportunities to address barriers to all municipal operations, and improve the quality of life and return on investment for all individuals within the region.

Council. Shea questioned the impact of fluctuating equalization grants on Saint John. Mayor Darling advised in 2016 Saint John lost the distinction of largest city in New Brunswick due to a population decline of 2,457 individuals. Subsequently, the equalization grant available to Saint John was reduced by roughly \$3 million dollars. He added Saint John will see a total reduction of roughly \$18 million dollars of property tax revenue before census numbers are updated. He reported the Provincial government declined a recent request to allow municipalities to retain the Provincial portion of industrial property taxes as a first phase of tax reform until comprehensive tax reform occurs.

Mayor Grant thanked Mayor Darling, and Mayor Darling left the meeting.

3. NEXT MEETING

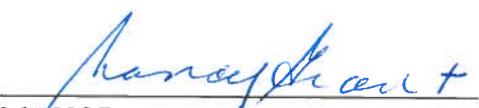
The next meetings are scheduled as follows:

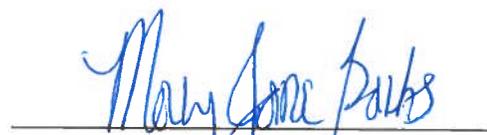
Public Hearings (2)	TUESDAY, November 12, 2019 commencing at 7:00 pm
Regular Meeting	TUESDAY, November 12, 2019 following public hearings
Special Budget Meeting	TUESDAY, November 26, 2019 at 7:00 pm

4. ADJOURNMENT

MOVED by Deputy Mayor Alexander and seconded by Council. Wells the public hearing be adjourned.
CARRIED.

The meeting adjourned at 10:00 a.m.


MAYOR


CLERK