

ADVOCATING FOR REFORMS

WHAT ARE THE OPPORTUNITIES?

The Province of New Brunswick is an important partner in making the fundamental changes needed to put Saint John on solid financial footing for 2023 and beyond. The City will continue to advocate for these changes, and commit to working with the Provincial Government, the Greater Saint John region and other New Brunswick municipalities to achieve success.



COMPREHENSIVE PROPERTY TAX REFORM

Tax reform is needed to better address the financial needs of municipalities and to modernize a **system that dates back to the 1960s**.

Tax reform is a key lever through which government can encourage economic growth and ensure that cities are able to keep more of the tax money generated within their community to deliver core municipal services.

Several current Provincial rules and exemptions erode City of Saint John property tax revenue. There are questions on whether industry is paying their fair share, as well as questions on tax revenue distribution, flexibility in setting differential rates, tax exemptions, and property assessment practices.

The eight cities of New Brunswick have joined the City in advocating for a modernized tax system that meets the needs of the 21st century.

If the Province were to follow other Canadian provinces and leave property tax as an economic tool for Saint John and other municipalities, residents would see more benefit from their property tax dollars, and could enjoy a more competitive property tax rate.

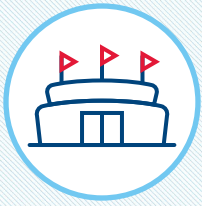


EMPOWERING MUNICIPALITIES TO GENERATE THEIR OWN REVENUES

Broadly speaking, the City can only generate more revenues by raising the municipal tax rate. Any opportunity to generate additional revenue through areas like renewable energy generation or professional service training is currently not allowed – meaning city taxpayers are forced to pay more for any new, enhanced or updated services or find corresponding offsets elsewhere.

Municipalities, particularly the eight cities of New Brunswick, are professional service organizations with the knowledge and ability to develop economic generation ideas to improve services without raising taxes. Saint John is not looking to be able to compete with the private sector, but would benefit from the opportunity to explore new revenue streams that could reduce the cycle of our citizens always having to pay more.

Removing the for-profit restrictions within the *Local Governance Act* would allow the City to explore and develop new revenue streams for growth.



REGIONAL COST-SHARING

Saint John is the region's anchor, with services and infrastructure that support the needs of residents living across the entire region:

- The City of Saint John is home to some of the most cherished and valued regional facilities, including the Imperial Theatre, TD Station, Canada Games Aquatic Centre, the Trade and Convention Centre, and Saint John Arts Centre.
- Almost **one-third** of the people who use Saint John's City-subsidized recreational facilities are non-residents who benefit from the subsidies although they do not pay City taxes.
- Saint John also welcomes close to **18,000 commuters** from across the Greater Saint John Region who come into the city each day.
- Saint John taxpayers cover **100% of the capital** costs required to maintain aging infrastructure.

Some method of regional cost-sharing must be put in place because Saint John's taxpayers cannot afford to continue paying for the needs of the entire region.

Legislation is needed so that Greater Saint John communities that benefit from these assets can share in the cost of major capital expenditures. Cost-sharing regionally-used and valued assets will improve their long-term sustainability and greatly reduce the City of Saint John's capital costs.



REGIONALIZATION OF SIMILAR SERVICES

The entire Greater Saint John Region has approximately **130,000 people** yet there is at least three of everything when it comes to providing services (fire, police, emergency management operations, waste management, road works, etc.). There are efficiencies to be found through regionalization of these overlapping services.

The benefits of shared services could include lower costs, increased efficiencies, improved access to collective resources and expertise, increased purchasing power and ultimately, improved services for citizens.



BINDING ARBITRATION REFORM

The City of Saint John emergency services staff are highly valued in our community and their compensation rightly reflects this.

Under the *New Brunswick Industrial Relations Act*, firefighters and police officers cannot go on strike. Instead, binding arbitration is used if they are not satisfied with the results of collective bargaining.

The unintended consequence has been that over a 15-year period, police and firefighters have received a cumulative pay raise of about **70%**. During that same period, CPI has increased by only **27.5%**.

The eight cities of New Brunswick have all advocated for legislative reforms to ensure that the original intent of the law is achieved. The amendment would require a single arbitrator, and ensure timely and efficient decisions that are more accountable and transparent. Importantly, decisions would be tied to meaningful assessments of a municipality's fiscal health and ability to pay for any awarded costs.

This list of transformational reforms is not intended to be exhaustive. The five reforms briefly described above would complete the transformation of the City's financial situation, leading to long-term sustainability.