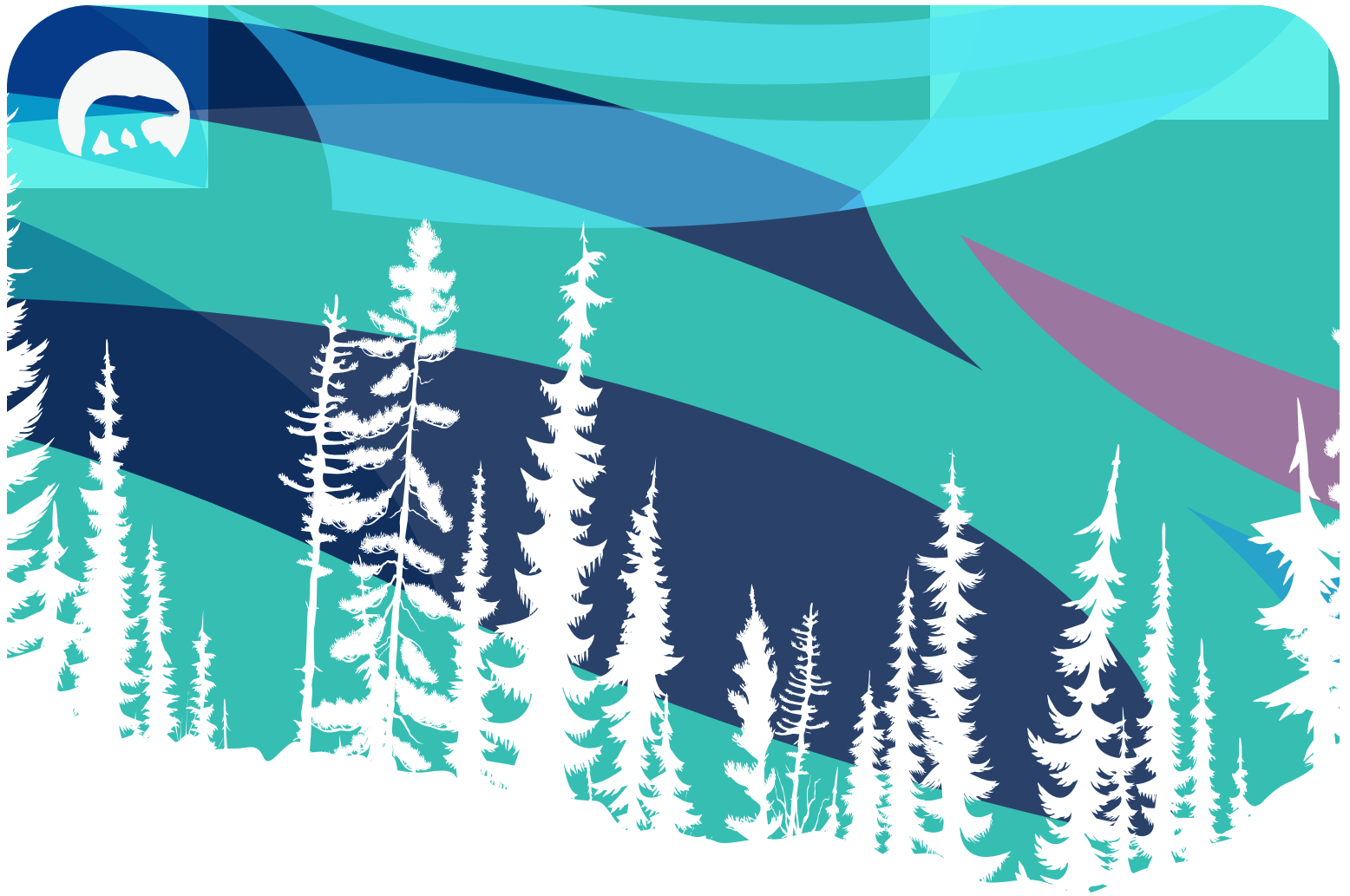




MACA UPDATE

Summer 2016

Government of
Northwest Territories

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Introduction

Every year, the Department of Municipal and Community Affairs (MACA) publishes and distributes the MACA Update to community governments. The purpose of the MACA Update is to provide community governments with an indication of the level of funding they can anticipate for the coming year.

In 2015, the people of the Northwest Territories (NWT) elected the 18th Legislative Assembly and I am pleased to have been re-elected and re-appointed the Minister for MACA. The Government of the Northwest Territories (GNWT) committed to a new mandate, which describes the strategic direction that will be taken to obtain their established priorities.

Please note that unlike previous editions of the MACA Update, this document contains actual funding amounts for the 2016-2017 year, as opposed to projections. The 2016-2017 Main Estimates were approved by the Legislative Assembly in late June 2016.

The information contained in this document can be very useful for community governments, especially in those cases where the fiscal calendars of the GNWT and the community government are different. Therefore, MACA strives to include as much information as possible to assist community governments with their planning.

The information provided in the MACA Update also includes actual funding amounts, new and existing programs, services and initiatives, and information on MACA policies and legislation that have recently been changed or are currently under review.

I hope that you find this year's MACA Update useful. If you have questions about the information included in this document, please contact your Regional Superintendent for more information.

Robert C. McLeod
Minister of Municipal and
Community Affairs

Approved Financial Budget and Information

The 2016-2017 Main Estimates were passed by the Legislative Assembly in late June 2016, providing formal approval of the financial information contained in this document.

MACA adheres to the provisions of the Community Government Funding Policy, an Executive Council policy, to allocate funding to community governments for operations and maintenance, water and sewer services, and community public infrastructure.

In support of the 18th Legislative Assembly's priority to build stronger relationships with community governments and stakeholders, MACA has committed to developing a strategy that will close the gap in funding levels to meet municipal core needs. The Funding Review recommended a needs-based approach for all of its core funding programs.



In addition to the funding described above, MACA also annually provides community governments with funding to support specific costs; refer to page 4 for projected 2016-2017 funding for the following purposes:

- **Utility and Insurance Funding** – Additional funding has been provided to designated first nations authorities (DFNA) to assist with utilities and insurance since the implementation of the 2007 New Deal for NWT Community Governments to support. This funding was intended to support the transition to full authority for community public infrastructure in these DFNA communities. Through the 2014 Municipal Funding Review, it became apparent that some communities were already receiving operations & maintenance funding appropriate to their needs, and that this additional funding was redundant. As a result, some DFNAs will see a reduction to their funding in this area in 2016-2017.
- **Seniors/Disabled Property Tax Rebate** – support for rebates to ratepayers who are senior citizens or disabled.
- **Grants-in-Lieu of Property Taxes** – provides a grant-in-lieu of property taxes for GNWT infrastructure located within cities, towns and villages.
- **Property Tax Revenue Grant Program** – provides a grant to most non-tax-based community governments equivalent to the amount of property taxes actually paid by residents in the prior taxation year.

In addition to the above programs, MACA administers the Gas Tax Agreement (GTA) and the Provincial Territorial Infrastructure Component (PTIC) on behalf of the Government of Canada. The PTIC includes the Small Communalities Fund.

Operations and Maintenance Funding

COMMUNITY	2015-16	2016-17
Aklavik	1,603,000	1,640,000
Behchokò	1,933,000	2,051,000
Colville Lake	828,000	828,000
Déline Got'ine	1,488,000	1,491,000
Dettah	547,000	570,000
Enterprise	827,000	827,000
Fort Liard	1,275,000	1,333,000
Fort McPherson	1,543,000	1,600,000
Fort Providence	1,314,000	1,350,000
Fort Resolution	1,039,000	1,039,000
Fort Simpson	1,511,000	1,606,000
Fort Smith	1,813,000	1,920,000
Gamètì	1,221,000	1,221,000
Hay River	2,022,000	2,088,000
Inuvik	2,527,000	2,562,000
Jean Marie River	539,000	554,000
Kakisa	442,000	458,000
K'asho Got'ine (Fort Good Hope)	1,500,000	1,539,000
Kátl'odeeche (Hay River Reserve)	667,000	692,000
Lutsel K'e	762,000	785,000
Nahanni Butte	580,000	594,000
Norman Wells	1,171,000	1,171,000
Paulatuk	1,679,000	1,679,000
Sachs Harbour	1,521,000	1,528,000
Trout Lake	582,000	588,000
Tsiigehtchic	1,439,000	1,439,000
Tuktoyaktuk	1,738,000	1,782,000
Tulita	1,668,000	1,668,000
Ulukhaktok	1,644,000	1,679,000
Wekweètì	1,039,000	1,058,000
Whatì	1,542,000	1,559,000
Wrigley	654,000	654,000
Yellowknife	7,639,000	7,713,000
TOTAL	48,297,000	49,266,000

Water & Sewer Services Funding¹

COMMUNITY	2015-16	2016-17
Aklavik	617,000	625,000
Behchokò	1,143,000	1,169,000
Colville Lake	327,000	368,000
Déłı̨ne Got'ı̨ne	589,000	633,000
Dettah	233,000	233,000
Enterprise	199,000	211,000
Fort Liard	651,000	681,000
Fort McPherson	905,000	983,000
Fort Providence	561,000	570,000
Fort Resolution	601,000	609,000
Fort Simpson	1,051,000	1,129,000
Fort Smith	432,000	494,000
Gamètì	362,000	379,000
Hay River	855,000	952,000
Inuvik	1,061,000	1,179,000
Jean Marie River	461,000	489,000
Kakisa	211,000	219,000
K'asho Got'ı̨ne (Fort Good Hope)	609,000	659,000
Kátl'odeeche (Hay River Reserve)	306,000	326,000
Lutsel K'e	426,000	450,000
Nahanni Butte	464,000	498,000
Norman Wells	732,000	829,000
Paulatuk	351,000	351,000
Sachs Harbour	319,000	331,000
Trout Lake	400,000	426,000
Tsiigehtchic	417,000	428,000
Tuktoyaktuk	701,000	701,000
Tulita	573,000	608,000
Ulukhaktok	582,000	600,000
Wekweètì	301,000	323,000
Whatì	610,000	654,000
Wrigley	408,000	438,000
Yellowknife	131,000	224,000
TOTAL	17,589,000	18,769,000

¹ Actual amounts per community in 2015-2016 dependent on actual activity of communities.

Community Public Infrastructure Funding

COMMUNITY	2015-16	2016-17
Aklavik	823,000	823,000
Behchokò	1,036,000	1,036,000
Colville Lake	675,000	675,000
Déline Got'ine	809,000	809,000
Dettah	708,000	708,000
Enterprise	646,000	646,000
Fort Liard	815,000	815,000
Fort McPherson	864,000	864,000
Fort Providence	866,000	866,000
Fort Resolution	799,000	799,000
Fort Simpson	943,000	943,000
Fort Smith	1,114,000	1,114,000
Gamètì	735,000	735,000
Hay River	1,260,000	1,260,000
Inuvik	1,231,000	1,231,000
Jean Marie River	640,000	640,000
Kakisa	620,000	620,000
K'asho Got'ine (Fort Good Hope)	805,000	805,000
Kátl'odeeche (Hay River Reserve)	736,000	736,000
Lutsel K'e	768,000	768,000
Nahanni Butte	665,000	665,000
Norman Wells	869,000	869,000
Paulatuk	740,000	740,000
Sachs Harbour	668,000	668,000
Trout Lake	646,000	646,000
Tsiigehtchic	696,000	696,000
Tuktoyaktuk	899,000	899,000
Tulita	789,000	789,000
Ulukhaktok	772,000	772,000
Wekweètì	675,000	675,000
Whatì	788,000	788,000
Wrigley	692,000	692,000
Yellowknife	2,210,000	2,210,000
TOTAL	28,002,000	28,002,000

“Other” Community Government Funding

COMMUNITY	Utility Funding	Insurance Funding	Grant-in- Lieu ²	Property Tax Revenue Grant Program ³	Seniors/ Disabled Rebate ²
Aklavik	-	-	-	44,560	-
Behchokò	-	-	-	77,858	-
Colville Lake	-	-	-	-	-
Déłı̨́ı̨́ Got'ı̨́ı̨́	-	-	-	36,896	-
Dettah	49,000	23,000	-	1,368	-
Enterprise	-	-	-	17,011	-
Fort Liard	-	-	-	26,611	-
Fort McPherson	-	-	-	48,710	-
Fort Providence	-	-	-	41,826	-
Fort Resolution	-	-	-	30,221	-
Fort Simpson	-	-	343,734	-	18,000
Fort Smith	-	-	705,565	-	99,000
Gamè̀tì	-	-	-	-	-
Hay River	-	-	576,696	-	165,000
Inuvik	-	-	1,763,806	-	65,000
Jean Marie River	120,000	-	-	-	-
Kakisa	33,000	20,000	-	-	-
K'asho Got'ı̨́ı̨́ (Fort Good Hope)	-	-	-	36,460	-
Kátl'odeeche (Hay River Reserve)	44,000	32,000	-	-	-
Lutsel K'e	104,000	56,000	-	14,072	-
Nahanni Butte	99,000	-	-	-	-
Norman Wells	-	-	54,048	-	14,000
Paulatuk	-	-	-	18,820	-
Sachs Harbour	-	-	-	9,734	-
Trout Lake	22,000	22,000	-	-	-
Tsiigehtchic	-	-	-	11,333	-
Tuktoyaktuk	-	-	-	81,955	-
Tulita	-	-	-	30,960	-
Ulukhaktok	-	-	-	23,894	-
Wekweètì	-	-	-	-	-
Whatì	-	-	-	12,243	-
Wrigley	-	-	-	-	-
Yellowknife	-	-	3,518,318	-	196,000
TOTAL	471,000	153,000	6,962,167	564,533	557,000

² Budgeted amount; actual amounts will be invoiced from the eligible community governments.

³ Budgeted amount based on historic experience; actual amounts provided in 2016-17 may be different depending on property tax payment activity of community residents.

New Programs, Services and Initiatives

Derelict Properties

All communities in the NWT have derelict and abandoned buildings which pose a significant threat to the safety of residents. Community fire officials in the north need a plan to address structures that are unsecured and accessible in their communities. In support of the 18th Assembly's stated priority to increase the availability of safe, affordable housing and create solutions for addressing homelessness, MACA is working with key stakeholders to support community-based planning aimed at addressing derelict properties.

In summer 2015, MACA worked with the Hamlet of Tuktoyaktuk to pilot a derelict building management strategy, which contains assessments for fire-risk structures, recommendations for immediate and future action, and a detailed description of available measures. The purpose of this work is to ensure adequate support and guidance is available to municipal officials implementing measures that will address derelict and abandoned properties.

Working with key partners, MACA is now offering communities help and tools in developing a similar strategy. Addressing derelict structures takes time and a community plan is necessary to ensure municipal decision-making and priority-setting guide municipal efforts to solve the problem. Ultimately, the goal is to reduce the risk of fire, crime, trespass, to improve the municipal landscape and free up potential lands for future development.



Community governments are able to use annual operations and maintenance funding to secure, demolish and remove structures. If the project involves the construction of municipal infrastructure in place of the derelict structure, community governments can also use annual gas tax funding to cover the cost of demolition and removal.

For more information, please contact MACA's regional office in your area.

Expanded training opportunities for First Nations Communities

MACA's School of Community Government (SCG) is partnering with Indigenous and Northern Affairs Canada (INAC) to develop and deliver online governance workshops for First Nations governments in the NWT with municipal-like responsibilities.

Resources are under development in the areas of governance, finance, legal responsibilities, planning and team work. Essential job descriptions and council self-assessment tools are also being developed. First Nations community governments will benefit from the capacity building efforts of this partnership between the SCG and INAC.

Clean Water Wastewater Fund

In Budget 2016, the federal government announced a new funding program called the Clean Water Wastewater Fund (CWWF). The CWWF is intended to accelerate short term investment in new or rehabilitation of water, wastewater and storm water infrastructure as well as providing opportunities to fund the planning and design of future facilities.

Under the CWWF, NWT community governments can apply for federal funding towards a range of eligible projects. Key elements of the CWWF include:

- It is a cost-share program. Community governments must provide at least 25% of the project costs from their own funds. The community government's share of funding can be provided from either their Community Public Infrastructure (CPI) funds they receive from GNWT or from other own source revenue (no more than 75% of the project cost can come from federal funding sources).
- Projects must be approved by Canada before construction begins, and construction must be completed by March 31, 2019.
- Project applications will be submitted to MACA. MACA will then facilitate the review of the projects and facilitate the advancement of applications to the Federal Minister for approval.
- The federal funding is provided on a reimbursement basis. Once community governments have a project approved, they must submit quarterly claims for their project. MACA will submit claims for reimbursement of federal funds by Canada.
- NWT community governments do not receive an allocation under this program. NWT community governments are invited to submit applications for proposed projects that they feel meet program categories, objectives and outcomes. Applications will be evaluated to determine successful projects with the funding available to the NWT.
- Criteria that will be considered when reviewing projects include project eligibility, incrementally, demonstrated ability of the community government to cost share the project, and whether or not the project impacts the infrastructure deficit in the community.

Community governments should contact their MACA Regional Superintendent if they have questions regarding the CWWF program, or the application process.

Updates to Existing Programs, Services and Initiatives

Community Formula Funding Review

The Funding Formula Review completed in 2014, recommends that MACA adopt a needs-based approach to funding community governments for Operations and Maintenance (O&M) and CPI, similar to the existing W&S formula. Total need amounts for CPI replacement and O&M have been developed, as well as an estimate of the amount of Own Source Revenue (OSR) each community is capable of generating. OSR is a calculation of how much potential revenue each community can generate from their population base through user fees and property taxes.

MACA is working to develop a comprehensive strategy which will address the department's mandate: to develop a strategy to close the gap in funding levels to meet municipal core needs.

As part of the work being done to ensure that community governments are funded according to their identified needs, there have been some changes to the funding programs available to designated authorities. In 2016-2017, MACA will see the elimination of the \$274,000 budget previously distributed to designated authorities to support the purchase of mobile equipment. Designated authorities are funded consistently with other community governments, in that they receive capital funding through MACA's CPI funding, in addition to an allocation of Gas Tax Funding. Both of these budgets support the acquisition of mobile equipment.

2016-2017 will also see a decrease in utility and insurance funding previously allocated to designated authorities (see table on page 7 for funding details). The funding formula review indicated that the present funding model already considers the need for this funding in the existing funding policies.

As work progresses on the approach to address the gap in funding levels for community governments, MACA will continue to engage with the NWT Association of Communities (NWTAC), the Local Government Administrators of the NWT (LGANT) and community governments.



Asset Management Strategy for NWT Community Governments

The 18th Legislative Assembly has mandated MACA to continue to pursue new federal funding for the enhancement of community government infrastructure by implementing the asset management framework through the GTA. The framework is intended to ensure that the lifespan of CPI is extended and new infrastructure is delivered in a manner that takes into account, new building technologies that assist in climate change adaptation and efficiencies.



In order to meet these mandated objectives, MACA is currently collaborating with the NWTAC, LGANT, and community governments on the development and implementation of an Asset Management Strategy for NWT community governments.

In the fall of 2016, MACA will begin implementing the maintenance management phase of the Strategy. Ten pilot communities will be chosen this year to install asset management software and have

staff trained. MACA will be supporting the initial cost of the software purchase and training costs. The plan also includes repeating this process in the remaining communities of the next few years.

For community government not interested in this technology, asset management software will not be mandatory. MACA will also work to support a low-tech option for community governments that do not feel they have the need or capacity for a computer based system. Through either option, asset management is a key indicator in the community accountability framework.

Accountability Framework

The Accountability Framework (AF) provides an assessment tool for community governments using a range of key indicators that represent core areas of community government operations determined to be critical to their success. Use of the AF will help to increase transparency in the management of public funds and provide a focus for MACA engagement with community governments.

MACA has already begun the work of updating the Framework in preparation for the 2015-2016 data collection. This work includes clarifying some the questions asked under certain key indicators which were still causing problems for community governments.

The use of the electronic tool was successful in 2014-2015 and MACA is enhancing that tool by adding text boxes so that community governments will have the ability to expand on their response and identify actions underway to address a “no” response as opposed to waiting for MACA’s validation exercise.

MACA found the validation exercise useful to help clarify answers with community governments but the time required needs to be built into the reporting cycle in a way that it does not delay the provision of individual reports to community governments. MACA recognizes the need for the AF reports to be provided to community governments in sufficient time to allow for any required engagement to be built into annual work plans and meeting/training cycles.

In addition, MACA will need to establish and implement tracking tools that will support the continued implementation of the AF tool and will also allow for tracking the department's engagement with community governments on specific indicators. These types of tools will also allow MACA to do a better job of engaging with community governments on some of the operational reports (such as quarterly reports and minutes) that should regularly be received by the Department.

MACA is very pleased with what the AF tool has done in terms of allowing the Department to build baseline information on the status of community governments and then to engage with community governments based on their own unique needs. The Department looks forward to continued delivery of the tool and ongoing enhancements to make it as useful as possible to community governments and to the Department in future.

New Build Canada Plan

In 2014, the Government of Canada worked with all provinces and territories on the latest federal infrastructure suite of programs, called the New Build Canada Plan (NBCP). This suite of programs includes a permanent Gas Tax Fund, a new PTIC which includes a program called the Small Communities Fund, as well as numerous other components for major infrastructure initiatives.



The Small Communities Fund program under the NBCP is an application based program that is available to 32 NWT community governments. MACA has advised these communities of their allocation, which can be used to support up to 75% of the cost of an infrastructure project eligible under the NBCP. Regional offices will be available to support community governments to prepare and submit applications for the program.

Program guide and application forms have been mailed to community governments and are also available on

the MACA website. An initial application intake closed May 30, 2015, although no applications were received. MACA completed a second call for applications in October 2015. A total of 13 applications were received and have been approved by Canada. A subsequent call for applications had been

issued ending June 30, 2016. Any community government unable to submit their application will have their project advanced separately later in the year.

School of Community Government Online Training

With the advancements of online training, MACA is moving forward with a more varied delivery approach to all of its training. Courses will become more accessible on line and existing curriculum will be reviewed and revised to accommodate the new and varied delivery models. Students will soon be able to take a number of courses online.

Sport and Recreation Sector Review

In 2015-2016, MACA commissioned a review of the sport and recreation sector and what changes are necessary to accommodate the amalgamation of the Western Canada Lottery Program into the department. Decisions on changes are being made will be announced when appropriate.

2018 Arctic Winter Games

The 2018 Arctic Winter Games are being held in the South Slave communities of Hay River and Fort Smith in March 2018. Some cultural and preliminary events will also be held in Fort Resolution, K'atl'odeeche, Enterprise, Kakisa and Fort Providence.



Policy and Legislation

Civil Emergency Measures Act (CEMA)

MACA is undertaking a comprehensive review of *CEMA* to ensure it aligns with emerging and best practices elsewhere; that it reflects the NWT's operating environment; and that it allows the GNWT and community governments to respond effectively to disaster situations. In anticipation of a revised statute, MACA is also updating the NWT Emergency Plan and is considering the development of regulations and standard operating procedures to operationalize the new statute and form a more comprehensive framework for emergency management.



Fire Prevention Act (FPA)

MACA is reviewing the legislative framework that governs structural fire prevention in the NWT. This legislative framework relates to the investigation and reporting of structural fires, regulates fire hazards, and allows for the adoption of codes and standards for the prevention and extinguishment of structural fires. The legislative framework is made up of the *Fire Prevention Act* (FPA or Act), as well as the regulations established under it, which are the Fire Prevention Regulations, the Fireworks Regulations, and the Propane Cylinder Storage Regulations.

MACA intends to engage with stakeholders, including community governments, in the late summer and early fall of 2016 to solicit feedback that can assist MACA in clearly understanding what is and what is not working within the current legislative framework. This feedback will assist MACA in better understanding the issues, challenges, and opportunities with respect to the *FPA* and its Regulations.

Access to Information Protection of Privacy (ATIPP)

The Information and Privacy Commissioner of the NWT has recommended, supported by the Standing Committee on Government Operations (SCOGO) that the GNWT make every effort to ensure municipalities are covered under some form of access to information and protection of privacy legislation. MACA acknowledges the importance of this issue and is working with the Department of Justice to move it forward as a matter for consideration during the 18th Assembly.

Contact Information

Dehcho Region

Mike Drake, Regional Superintendent

E-mail: Mike_Drake@gov.nt.ca

Phone: 867-695-7220

Inuvik Region

Lorie Fyfe, Regional Superintendent

E-mail: Lorie_Fyfe@gov.nt.ca

Phone: 867-777-7120

North Slave Region

Yvonne Doolittle, Regional Superintendent

E-mail: Yvonne_Doolittle@gov.nt.ca

Phone: (867) 767-9167 ext. 21130

Sahtu Region

Barry Harley, Regional Superintendent

E-mail: Barry_Harley@gov.nt.ca

Phone: 867-587-7105

South Slave Region

Mary Blake-Moore, Regional Superintendent

E-mail: Mary_Blake-Moore@gov.nt.ca

Phone: 867-872-6531 or 867-874-5076