

## **1. Statement of Policy**

The Department of Municipal and Community Affairs (MACA) may provide funding to support community governments with the provision of community government programs and services.

## **2. Principles**

The Department of Municipal and Community Affairs will adhere to the principles of the Government of the Northwest Territories' *Community Government Funding Policy* and the following principles when implementing this Policy:

- (1) Funding should reflect the differences in governing responsibilities and authorities;
- (2) Community governments should exercise full authority and responsibility for the provision of community government services in their communities;
- (3) Community governments should plan for the development of their communities; to assess their needs and set priorities for community government services;
- (4) Community governments should develop financial plans to finance their needs and priorities for community government services;
- (5) Community governments should leverage funding from a variety of sources; and
- (6) Community governments should use a prudent and reasonable approach to operations.



### **3. Scope**

This Policy guides the allocation of funding to eligible community governments to assist with the operations and maintenance of community government programs and services.

### **4. Definitions**

The following terms apply to this policy:

Community Government Programs and Services – those programs and services which are provided by community governments, including but not limited to: the provision of water, the collection, treatment and disposal of sewage and garbage, fire protection, road maintenance, recreation, by-law enforcement, land use planning and administration.

Eligible Community Governments – are community governments as defined in the Government of the Northwest Territories' *Community Government Funding Policy*.

Infrastructure Indicator (II) – the assessed value of all properties within a community boundary from the Assessment Roll. Where assessment is not done, the Infrastructure Indicator will be determined using a statistically valid estimate.

Northern Cost Index (NCI) – a factor that is specifically designed to determine community governments' relative costs. The NCI adjusts funding allocation to reflect the differing costs of community government goods and services in NWT communities.

Operations and Maintenance (O&M) Funding – a grant, as defined by the Financial Administration Manual Directive 401, which provides funding to community governments to assist with the costs of providing community government programs and services.

Percentage of Population (POP) – the community’s population expressed as a percentage of the total population of the Northwest Territories (NWT), as determined by NWT Bureau of Statistics estimates, rounded to four decimal places.

## **5. Authority and Accountability**

### (1) General

This Policy is issued in accordance with Financial Management Board (FMB) direction to delegate to Ministers authority to establish grants and contribution programs. Authority and accountability is further defined in Financial Administration Manual Directives, 401, 401-1, 401-2, and 401-4 and as follows:

#### (a) Minister

The Minister of Municipal and Community Affairs (the Minister) is accountable to the Financial Management Board for the implementation of this Policy.

#### (b) Deputy Minister

The Deputy Minister of Municipal and Community Affairs (the Deputy Minister) is accountable to the Minister and responsible to the Minister for the administration of this Policy.

### (2) Specific

#### (a) Minister

The Minister may:

- (i) approve changes to this Policy;
- (ii) approve grants or contributions according to the terms and conditions outlined in this Policy; and

- (i) delegate the authority to approve grants and contributions to the Deputy Minister.
- (b) Deputy Minister

The Deputy Minister has the following authority and accountability, which he or she may delegate to the Director responsible or to Regional Superintendents:

- (i) approve grants or contributions according to the terms and conditions outlined in this Policy;
- (ii) approve the calculations performed under this Policy; and
- (iii) approve any further adjustments in accordance with this policy as stated in 6(2) and 6(3).

## **6. Provisions**

The funding allocated to eligible community governments under this Policy is calculated using two formulas, one for Settlements and Recognized First Nations Councils and another for all other eligible community governments. The two formulas use three factors (the community's percent population, an infrastructure indicator and a NCI) to calculate the community points for each community. The funding allocated to each community government is based on the community's points relative to the total of all communities' points.

- (1) Calculation of the Operations and Maintenance funding amounts:
  - (a) To determine the community points for each community:
    - (i) For Settlements and Recognized First Nations Councils

$$\text{Community Points} = [14,534,779 \times \text{POP} + 0.00425 \times \text{II} + 222,982] \times \text{NCI}$$



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- (ii) For Hamlets, Charter Communities, Tlicho Community Governments, Cities, Towns and Villages

$$\text{Community Points} = [13,458,723 \times \text{POP} - 0.00130 \times \text{II} + 482,672] \times \text{NCI}$$

- (b) To determine the community's proportionate share (expressed as a percentage):

$$\text{Community's Proportionate Share (\%)} = \frac{\text{Community Points}}{\text{Sum of All Communities Points}}$$

- (c) To determine Operations and Maintenance funding amount:

$$\text{Community's O\&M Amount} = \text{Proportionate Share} \times \text{MACA's O\&M Funding Budget}$$

- (2) Determination of Forced Growth recommendations under this Policy

Forced growth costs are the "hard-to-control" increases in the community government's costs of providing its programs and services. These costs are usually due to factors such as population increases, utility cost increases, and additional operational or maintenance costs because of new community government infrastructure. Forced Growth will be expressed as a change to the Department's total formula-based funding budget. The percentage will be determined by analyzing the change in a set of indicators relevant to community governments' costs. The Department will prepare Forced Growth recommendations for funding related to this Policy every two years.



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(3) Adjustments to factors

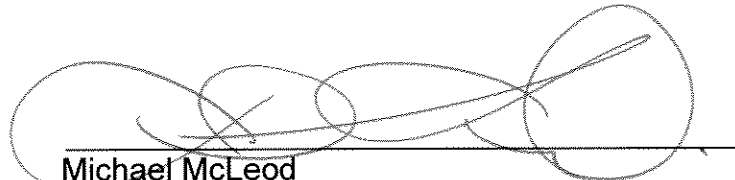
The factors in the formula will be reviewed at least every two years, to reflect changes in the data. The best data that is available in April of each year will be used to determine the formula-based funding for the next year.

**7. Financial Resources**

Financial resources required under this Policy are conditional on approval of funds in the Main Estimates by the Legislative Assembly and there being sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.

**8. Prerogative of the Minister**

Nothing in this Policy shall in any way be construed to limit the prerogative of the Minister to make decisions or take actions respecting grants or contributions. In this regard, the Minister may make a special exception to the rules set out in this policy. Any exception will require substantiation in writing and must be recorded with the Department of Municipal and Community Affairs.

  
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Michael McLeod  
Minister

DEC 12 2007

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Date