



Community Public Infrastructure Funding Policy

1. Statement of Policy

Pursuant to the *Community Government Funding Policy*, the Department of Municipal and Community Affairs (MACA) may provide funding to community governments to assist with the costs of capital assets required to support community government programs and services.

2. Principles

The Department of Municipal and Community Affairs will adhere to the following principles when implementing this policy:

- (1) Community governments should set priorities and plan for the sustainable development of their communities.
- (2) Community governments should assess their needs and consider the lifecycle cost and feasibility of community public infrastructure.
- (3) Community governments should exercise full authority and responsibility for the provision of community public infrastructure in their communities.
- (4) Community governments should leverage funding from a variety of sources.
- (5) Community governments should use a prudent and reasonable approach to the operations and maintenance of community public infrastructure to maximize its useful life.
- (6) Community governments should develop an asset management plan to manage the needs and priorities of community government infrastructure.
- (7) Community governments should ensure community public infrastructure that protects public health and safety, such as water treatment plants, sewage and solid waste sites, and fire protection assets are given priority when planning for community public infrastructure.

3. Scope

This policy guides the allocation of funding to assist community governments with the provision of community public infrastructure that is required to support community government programs and services.



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4. Definitions

The following terms apply to this policy:

Asset management plan – a strategic document, approved by the Community Government Council, that describes the process of maintaining, developing, and operating assets over a period of time to achieve the service objectives of the community government.

Canada Community-Building Funding – a permanent source of funding provided to provinces and territories, who in turn flow this funding to community governments to support local infrastructure priorities. Community governments can pool, bank, and borrow against this funding, providing financial flexibility.

Capital Investment Plan – a strategic document, approved by the Community Government Council, that details the anticipated use of Community Public Infrastructure Funding, Canada Community-Building Funding, and other Federal or Territorial infrastructure funding for the next 5-year period.

Community Public Infrastructure (CPI) – non-financial assets having physical substance that meet all of the following criteria:

- (i) are in the care and custody of the community government;
- (ii) are required to support a community government program or service;
- (iii) have useful economic lives extending beyond one fiscal year; and
- (iv) have been acquired to be used on a continuing basis.

Community Government – a corporation established under or continued by the *Charter Communities Act*, the *Cities, Towns and Villages Act*, the *Hamlets Act*, the *Tłı̄chǫ Community Government Act*, or any Designated First Nations Council.

Community Public Infrastructure Funding – A contribution, as defined by the Financial Administration Manual, which provides funding to community governments to assist with the capital costs of community public infrastructure.

Designated First Nations Council – a First Nations Council designated by MACA as the community government with prime public authority for the provision of municipal services, where a municipal corporation is not established in the area.



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5. Authority and Accountability

(1) General

This policy is issued in accordance with Financial Management Board direction to delegate to Ministers the authority to establish grants and contribution programs. Authority and accountability are further defined in the Financial Administration Manual 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) The Minister may:

- (i) Approve changes to this policy;
- (ii) approve standards, guidelines, and standard operating procedures as may be necessary for the implementation of this policy;
- (iii) approve grants and contributions according to the terms and conditions outlined in this policy;
- (iv) delegate the authority to approve, reduce, or withhold all or a portion of grants and contributions to the Deputy Minister; and



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- (v) reduce or withhold a grant or contribution that the Minister would otherwise have provided to a community government or take other action as allowed for under the Government of the Northwest Territories' community government legislation if, in the opinion of the Minister, a community government fails to comply with the provisions of this policy or another GNWT policy.
- (b) The Deputy Minister has the following authority and accountability, which they may delegate to a Director or a Regional Superintendent:
 - (i) approve grants and contributions in accordance with the terms and conditions outlined in this policy.

6. Provisions

(1) Funding Eligibility

The funding provided under this policy is intended to assist with the costs of capital assets required to support community government programs and services.

To be eligible for this funding, community governments must be recognized by MACA as the prime authority responsible for the provision of municipal services.

(2) Eligible Expenditures

Eligible projects must have a total cost greater than \$10,000 and are restricted to:

- (a) costs associated with the construction or purchase of Community Public Infrastructure under the following categories:
 - i. Local roads and bridges
 - ii. Public transportation
 - iii. Drinking water
 - iv. Wastewater
 - v. Solid waste
 - vi. Cultural
 - vii. Sport and recreation
 - viii. Public Works buildings and equipment
 - ix. Tourism



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- x. Energy improvements
- xi. Land development
- xii. Community government administration
- xiii. Natural assets
- xiv. Climate change adaptation
- xv. Climate change mitigation
- xvi. Disaster mitigation
- xvii. Capacity building
- xviii. Granular material

(b) projects with a total cost greater than \$10,000 in the following categories:

- i. Climate change adaptation
- ii. Climate change mitigation
- iii. Disaster mitigation
- iv. Capacity building
- v. Community plans
- vi. Granular material
- vii. Water licenses
- viii. Asset Management

(c) With approval, deferred maintenance expenses not exceeding 10% of annual community public infrastructure funding.

(3) Ineligible Expenditures

The following are ineligible expenditures:

- (a) Costs that recur every year;
- (b) Projects or community public infrastructure costing less than ten thousand dollars (\$10,000);
- (c) Investments in health infrastructure;
- (d) Crushing and stockpiling of granular material for O&M purposes;
- (e) Investments in housing;
- (f) Investments primarily used for profit; and
- (g) Costs that the community government is reimbursed by another party.



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(4) Funding Calculations

Community public infrastructure costs are calculated by dividing the current replacement values of assets by their respective useful lives to determine the annualized capital costs. A community government’s proportionate share of funding is identified by comparing those costs to the sum of community public infrastructure costs for all community governments. The community public infrastructure funding amount is determined by multiplying a community government’s proportionate share by MACA’s community public infrastructure funding budget.

Relevant factors and standards will be updated every 3 years.

(a) Community Public Infrastructure Cost Calculation

$$\boxed{\text{Community Public Infrastructure Cost}} = \boxed{\text{Current Replacement Value of Assets}} \div \boxed{\text{Average Useful Life of Assets}}$$

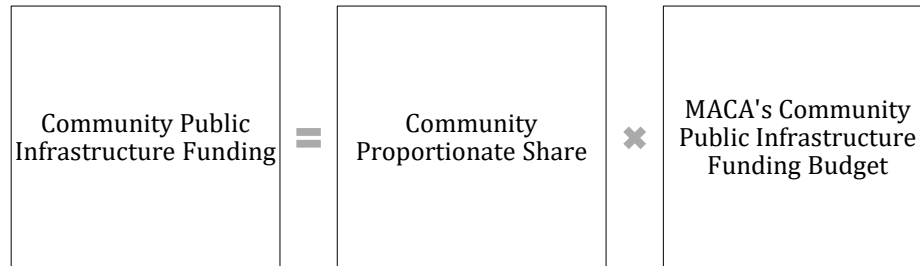
(b) Community Proportionate Share Calculation

$$\boxed{\text{Community Proportionate Share}} = \boxed{\text{Community Community Public Infrastructure Cost}} \div \boxed{\text{Sum of all Community Public Infrastructure Costs}}$$



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(c) Community Public Infrastructure Funding Formula



(5) Accounting and Reporting Requirements

- (a) Prior to April 1, community governments must submit a Council-approved 5-year capital plan that details projects using CPI funding and any Federal infrastructure funding.
- (b) Community governments must record unspent CPI funds as deferred revenue.
- (c) The deferred revenue balance must have a corresponding, separate, verifiable, and restricted cash equivalent with an approved financial institution.
- (d) Unaudited quarterly reports that detail how this funding was spent must be submitted to MACA within 30 days of September 30th and December 31st.
- (e) Community governments must submit an audited schedule of projects in the prescribed format.

(6) Terms and Conditions

- (a) Community public infrastructure shall be designed and built appropriately for NWT conditions and climate.
- (b) Payments of CPI will not be made if the community government has not submitted the required reporting or has ineligible spending.
- (c) Community governments should have a council-approved procurement process.



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- (d) Analysis of climate change impacts must be considered for community plans, new infrastructure, or retrofits exceeding five million dollars.
- (e) Community governments must perform a feasibility analysis on all assets over one million dollars that are not used for the provision of water, waste, or community works services. The analysis should include:
 - (i) options analysis;
 - (ii) lifecycle costing; and
 - (iii) the community government's ability to sustain on-going operations and maintenance costs.
- (f) Infrastructure funded using CPI must adhere to the GNWT's Good Building Practices for Northern Facilities.
- (g) Community Public Infrastructure should be developed using applicable guidelines and best practices issued by the Northern Infrastructure Standardization Initiative.
- (h) Community governments that have not resolved prior issues with CPI Funding within three (3) years will have funding reduced or reallocated.
- (i) Where violations of the terms and conditions of this policy result in a reduction of funding, this reduction, at the discretion of the Deputy Minister, may be applied to funding under any of the three Ministerial community government funding policies.

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 a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.



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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.

Shane Thompson
Minister

October 03, 2023

Date