

Our Towns, Our Future:

supporting municipal success
from finance to operations

FINDINGS REPORT

SUPPORTING DOCUMENTS
VOLUME II



Our Towns, Our Future: Supporting Documents

Volume II

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MUNICIPAL FISCAL FRAMEWORK REVIEW COMMITTEE

MANDATE

1.0 Background

The current municipal fiscal framework model has been in place since the 1980's and does not always reflect current and evolving challenges such as infrastructure deficit, fiscal management, recruitment and retention, governance and funding levels/models.

While federal and other funding programs assist with some infrastructure capital costs, an infrastructure deficit has begun. This is because Yukon municipalities and Yukon Government have struggled with managing the costs of replacing decades old infrastructure and with creating and maintaining existing and new infrastructure. And if new and existing infrastructure is not better maintained, it will all need to be replaced at a cost that no municipality or the Yukon Government can possibly afford.

In addition and in large part due to increasing regulatory requirements, Yukon municipalities are financially and operationally challenged with providing more services at a higher standard for their residents. The increased workload and high level expertise required to manage municipalities makes recruiting and retaining qualified senior staff very difficult; rural locations are significantly impacted. Municipalities have also indicated that changes to the current Comprehensive Municipal Grant may be warranted.

Unless solutions to these problems and others are explored, municipal governance will continue to require significant and un-sustainable amounts of time, energy, financial and human resources to maintain.

The Yukon Government and the Association of Yukon Communities (AYC) have a Cooperation and Consultation Memorandum of Understanding (MOU) that establishes the mutual value of working together to support the development of vibrant, healthy and sustainable Yukon communities. In response to these challenges and in the spirit of that MOU, the Minister of Community Services has established the Municipal Fiscal Framework Review Committee ("the Committee" or MFFRC) with three representatives each from AYC and Yukon government to undertake a technical and administrative review of these challenges and to report back on its findings.

2.0 Mandate

2.1 The mandate of the MFFRC is to review following:

- 2.1.1 Management of the existing municipal infrastructure deficit and infrastructure maintenance
- 2.1.2 Strategies around recruitment and retention of senior managers in rural Yukon
- 2.1.3 Provision of municipal services
- 2.1.4 Fiscal management
- 2.1.5 Funding levels and administration, and
- 2.1.6 Local governance.

- 2.2 The findings of the MFFRC are not binding on the Association of Yukon Communities or the Yukon Government.
- 2.3 The Minister may make revisions to the mandate based on information received from the MFFRC.

3.0 Principles

In completing its review and rendering its findings, the MFFRC shall consider and address the following principles:

- 3.1 **Maximizing Use of Resources:** Municipal and Yukon Government financial resources are limited and solutions must look beyond funding increases.
- 3.2 **Improved Efficiency:** Opportunities to reduce service duplication and increase operational efficiencies are to be explored.
- 3.3 **Sustainability:** Findings must balance and integrate the social, economic and environmental components of Yukon communities and meet the needs of existing and future generations.

4.0 Process and Reporting

The MFFRC will:

- 4.1 Establish terms of reference consistent with this document within two weeks of its initial meeting;
- 4.2 Establish a committee work plan and process overview for approval by the Minister within one month of its initial meeting;
- 4.3 Follow the Yukon Government approved consultation and communications strategy;
- 4.4 Involve expert advice as required;
- 4.5 Meet with municipal governments, local advisory councils, interested stakeholders and members of the public in order to gather relevant information;
- 4.6 Provide opportunities for input from First Nations;
- 4.7 Respectfully and efficiently collaborate and coordinate its efforts throughout the review;
- 4.8 Carefully consider and examine information and input;
- 4.9 Generate practical, efficient and concrete findings that are intended to help Yukon municipalities over the long term;
- 4.10 Communicate regularly with the Association of Yukon communities and municipalities;
- 4.11 Communicate regularly with the Minister of Community Services;
- 4.12 Make recommendations to the Director of Community Affairs on the priority work of the Policy Research Coordinator;
- 4.13 Work within their budget; and
- 4.14 Work within Yukon government spending authorities.

5.0 Delivery of Results

At a midpoint during the work of the MFFRC, the MFFRC will present preliminary findings to the Minister. The Minister will then meet with the Association of Yukon Communities for a discussion on the preliminary MFFRC findings. The findings of the MFFRC will be presented to the Minister by the end of March 31, 2011. The Minister will share the findings with elected municipal officials for

comment and present the findings to the Association of Yukon Communities at the Annual General Meeting in 2011.

Once a full review of the findings is complete, an assessment of implementation options will begin.

MUNICIPAL FISCAL FRAMEWORK REVIEW COMMITTEE

TERMS OF REFERENCE

1.0 PURPOSE & TIMING

- 1.1 With the intent of supporting the sustainability of Yukon municipalities the Municipal Fiscal Framework Review Committee, (MFFRC), has been established by the Minister of Community Services (the Minister).
- 1.2 MFFRC will complete and summarize its research and findings on municipal sustainability in a written report to the Minister no later than March 31, 2011.

2.0 MANDATE OF THE MFFRC REVIEW

- 2.1 The mandate of the MFFRC is attached as Appendix A to this Terms of Reference.
- 2.2 The term of the MFFRC is set by the Minister.

3.0 GUIDING PRINCIPLES

- 3.1 When performing its duties, the MFFRC will consider the following principles:
 - 3.1.1 *Inclusive*: The review process will strive in its design and implementation to engage all governments, stakeholders and individuals who have interest in the review.
 - 3.1.2 *Engaging*: The review will provide multiple, flexible and creative avenues for two-way communications and meaningful dialogue.
 - 3.1.3 *Practical*: The review will strive to develop findings that can be realistically accomplished.
 - 3.1.4 *Accountable*: The MFFRC will regularly report on its activities to the partners, other interested stakeholders and individuals. It will also be fiscally accountable for its work.
 - 3.1.5 *Evidence-based*: The review will draw from best available research and analyses and will involve subject-area experts to inform decision-making throughout the review.
 - 3.1.6 *Partnership-led*: The Government of Yukon and AYC will work collaboratively towards a common purpose while respecting the autonomy and mandates of each party.
 - 3.1.7 *Innovative*: MFFRC will encourage and apply innovative thinking and actions in the review.
 - 3.1.8 *Inspirational*: The review will strive to inspire people to think long-term about local governance.

- 3.1.9 *Open communications:* The review will ensure consistent communications to all stakeholders to facilitate engagement and help to generate shared understanding.

4.0 MEMBERSHIP

- 4.1 The MFFRC will be comprised of:
 - 4.1.1 Three representatives selected by the Association of Yukon Communities (AYC).
 - 4.1.2 Three Yukon Government (YG) representatives selected by the Minister.
- 4.2 Alternates:
 - 4.2.1 Each representative may, at their discretion, name an alternate to represent them at MFFRC when the representative is unavailable.
 - 4.2.2 Each representative is responsible for briefing and being briefed by their alternate.
 - 4.2.3 Alternates may attend all meetings of MFFRC but will have no decision-making authority if the principal representative is present.
- 4.3 The ADM of Community Development will be the Chair of the MFFRC.
- 4.4 If the Chair is absent from a meeting the representatives present shall select an alternate Chair from amongst AYC representatives present to preside over that meeting.

5.0 QUORUM

- 5.1 Four of the six representatives must be present for quorum, and those 4 must represent two AYC and two YG representatives. The Chair does not need to be present to establish quorum.

6.0 RESPONSIBILITIES OF REPRESENTATIVES

- 6.1 Representatives are expected to actively participate in all aspects of the MFFRC process, purpose and mandate.
- 6.2 Representatives will conduct themselves in a professional, respectful and ethical manner and operate according to the MFFRC's collectively developed Working Agreements.
- 6.3 Representatives are expected to regularly report back and seek input from those they represent.
- 6.4 The Chair shall oversee the conduct of the meetings and provide draft minutes for final approval by the committee.

7.0 REPORTING

- 7.1 MFFRC will provide its research and findings to the Minister. Its findings are not binding on the Minister or the Government of Yukon.

- 7.2 MFFRC will present preliminary findings to the Minister at the midpoint in the review process.
- 7.3 MFFRC will generate no less than bi-monthly reports to be provided to the Minister, AYC and municipalities.

8.0 INTERNAL COMMUNICATIONS & MINUTES

- 8.1 MFFRC will develop procedures to guide the effective sharing of information among its members.
- 8.2 Minutes of MFFRC meetings:
 - 8.2.1 will summarize discussion and provide a clear record of decisions;
 - 8.2.2 will be circulated to MFFRC representatives within one week following the meeting; and
 - 8.2.3 will be formally approved at the following meeting of MFFRC.

9.0 THE ADMINISTRATIVE & POLICY SUPPORT

- 9.1 YG will provide administrative, secretarial, research and policy support to the MFFRC.

10.0 FREQUENCY & LOCATION OF MEETINGS

- 10.1 MFFRC meetings will be held a minimum of monthly, or as required.
- 10.2 Meetings shall be held in Whitehorse or, during consultations, in Yukon communities. When meetings are held in Whitehorse, representatives may choose to attend (at YG expense) or participate by teleconference or video conference.

11.0 BUDGET & FINANCIAL AUTHORITY

- 11.1 The MFFRC is a YG Committee without authority to spend. Any costs associated with the Committee will be approved in advance of expenditure and the bills will be paid by Yukon Government.

12.0 REMUNERATION OF MEMBERS

- 12.1 YG will pay accommodation, per diems and travel expenses to all the representatives, in accordance with the YG Travel Rates Policy.
- 12.2 YG and AYC representatives will not receive any additional remuneration for their participation on MFFRC.

13.0 DECISION-MAKING & DISPUTE RESOLUTION

- 13.1 MFFRC will make decisions by consensus.
- 13.2 If MFFRC cannot resolve a matter, it will be referred to the Minister who will have complete discretion regarding the resolution of the dispute.

14.0 PUBLIC COMMUNICATIONS

- 14.1 MFFRC will follow the communications strategy developed for the review.
- 14.2 MFFRC will establish procedures for managing public communications.
- 14.3 Media requests shall be directed to the Chair, unless otherwise delegated.



Our Towns, Our Future:

COMMUNITY VISITS SUMMARY

January 2011

Municipal Fiscal Framework Review Committee



1. Introduction

Welcome to the *Our Towns, Our Future* Community Visits Summary. This document is the interim report of the Municipal Fiscal Framework Review Committee and sets the stage for our Findings Report, which will be publicly released at the beginning of May 2011.

What you hold is a summary of comments, issues, and opinions gathered through November and December of 2010 from the *Our Towns Our Future* Review. We were extremely excited to listen to and participate in the varied and vibrant discussions held across Yukon last fall as we visited each community. Thanks to all the Yukoners who shared their opinions with us.

In this report you will read about the most commonly discussed concerns raised throughout the territory. Other issues were certainly heard by the committee - some outside of our mandate and some which will be addressed in other ways. For the actual minutes of each of the 25 meetings throughout the 8 municipalities and discussions from the Local Advisory Councils, please see the specific link for direct access http://www.community.gov.yk.ca/ourtown/municipal_tour_minutes.html or refer to the *Our Towns Our Future* website www.ourtownourfuture.gov.yk.ca.

Thanks for your interest and your support as we work together towards creating vibrant, healthy and sustainable Yukon communities, now and for the future.

2. Background

The idea for *Our Towns, Our Future* emerged as a response by the Minister of Community Services to concerns raised by Yukon's municipal officials over the past several years. It is a way to answer the questions of how municipalities can increase their resilience and ensure their sustainability in the face of current day pressures. The review is meant to address urgent challenges including aging infrastructure, the recruitment and retention of municipal employees, provision of local services, rising operations costs, and changing regulatory requirements.

Our Towns, Our Future has given municipalities, the Association of Yukon Communities and Yukon government an opportunity to work together to explore new ways to address old and emerging problems. The Committee, as established by the Minister, consists of 3 Yukon government members and 3 Association of Yukon Communities members. This initiative clearly demonstrates that both the Yukon government and the Association of Yukon Communities (AYC) recognize the mutual value of working together to find solutions to ensure that our towns and communities are resilient and sustainable for years to come.

3. Community Visit Process- Methodology

Our Towns, Our Future is designed to capture the voice and concerns of all Yukon communities facing challenges around municipal sustainability and to listen to their frustrations, solutions and unique perspectives. In the fall of 2010, the review committee traveled to each municipality to facilitate discussions related to municipal sustainability. The results of these discussions are summarized in the tables under section 4 below. The information from these meetings, as well as investigations currently being undertaken to look at best practices in the municipal sector across Canada, will form the basis of the Committee's final report to be released in May 2011.

Schedule of Meetings:

Municipality or LAC	Council Meeting	Public Meeting	First Nation Meeting
Haines Junction	Friday, November 5	Friday, November 5	Attended public meeting
Watson Lake	Monday, November 8	Monday, November 5	
Teslin	Friday, December 3	Tuesday, November 9	Tuesday, November 9
Carmacks	Monday, November 15	Tuesday, November 16	Monday, November 17 (Joint council meeting)
Faro	Wednesday, November 17	Wednesday, November 17	
Mayo	Thursday, November 25	Friday, November 26	Thursday, November 25
Dawson City	Monday, November 29	Tuesday, November 30	Tuesday, November 30
Whitehorse	Thursday, December 2	Monday, December 6	
Southern Lakes LAC	Tuesday, December 14		
Mt. Lorne LAC	Wednesday, January 5th		
Ibex Valley LAC	Thursday, January 18th		
Tagish LAC	Wednesday February 5th		

4.0 Community Visits Summary- Tables

HAINES JUNCTION (VHJ)

Issue	Description
Provision of local services	<ul style="list-style-type: none"> • Recreation programs have suffered because of the cost of providing essential services; need to find O&M funds to help cover the cost of delivering a comprehensive recreational program that meets the community's needs. • Peripheral users continue to benefit from the provision of local services but pay no municipal taxes • Concern about services for older population • Debate about whether legislation effectively anticipates what municipalities must provide for service delivery
Revenue generation	<ul style="list-style-type: none"> • Revenue generation could be developed through municipal service and energy potential such as bio-fuel, and landfill operation • Local food markets, products and services are areas that could be supported and grown for increased revenue and entrepreneurial opportunities • Local recreational services are desired (land is available) but more resources are needed to get them off the ground • Long –range planning considered a priority for municipality operations – what do we need to get there?
CMG formula	<ul style="list-style-type: none"> • Current system penalizes successful financial management • Interested in a 5 year lag applied to CMG • Concerned about how new housing and property assessment effects VHJ's CMG • One –time payment at beginning of fiscal year preferred over instalments • Discussion as to whether variable portion might be taken out and instead a set block amount given to each municipality
Developing partnerships and local solutions	<ul style="list-style-type: none"> • YG relationship: Downloading of regulations consume 23% of the budget and needs to be addressed; large infrastructure projects are well supported by YG; Can a better relationship be encouraged between VHJ and NGO's (non-government organizations) by creating an atmosphere of non-competition for funding (i.e. CDF – Community Development Fund)?

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| | <ul style="list-style-type: none"> • Interest in discussion around other academic opportunities in Haines Junction (e.g. Climate Change school) • VHJ would like explore economies of scale by combining and sharing resources with other municipalities but they are skeptical about whether a regional structure for O&M would work • VHJ and CAFN interest in partnerships on recreation and housing • Public interested in assembling a different paradigm to evaluate municipal sustainability – interested in food, social, community sustainability as well. |
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4.1 WATSON LAKE (TWL)

Issue	Description
Provision of local services	<ul style="list-style-type: none"> Interested in possible energy production as a way to build capacity and generate revenue There has been an increase in costs for municipally managed infrastructure (parks and rec) but O&M funds are not meeting these additional costs Only a third of TWL citizens are tax-paying yet <i>all</i> community members use services. TWL hesitant to increase taxes on already small tax-paying population Need to explore strategies for addressing local resistance for fees for local services Local capacity of time and staff is strained due to training and resource deficits
CMG formula and delivery	<ul style="list-style-type: none"> General agreement that the formula needs to be more predictable; inflation needs to be accounted for in the CMG
Partnerships	<ul style="list-style-type: none"> Large capital infrastructure projects could benefit from sharing resources (i.e. engineering and legal expertise) with other municipalities Downloading of regulations might be better managed by municipalities if there is consistent training from YG on how to enforce the regulations cost effectively In partnership with YG, there needs to be a commitment to examine the impact of increased regulations at the local level Appreciating the unique needs and requirements of each municipal administration while offsetting O&M costs through partnering for economies of scale (i.e. standardize accounting practices) Expertise needed to develop municipal confidence to negotiate commercial/industry contributions to local services (i.e. mines on the periphery) Investigating possible partnerships between private industry and TWL around landfill operations –feasibility study is a good start
Municipal Act review	<ul style="list-style-type: none"> Clarification desired around grey areas in the Municipal Act as it concerns energy production and revenue generation – a top priority for TWL Explore possibilities for TWL to invest; does the Municipal Act allow for this?

4.3 TESLIN (VOT)

Issue	Description
Infrastructure deficit in essential services	<ul style="list-style-type: none"> • An expansion to Teslin's boundaries may be beneficial to increase tax base • Funding available for Capital but not for O&M is affecting important services including museum hours and heritage programming which may in turn affect economic development in VOT • Increased regulation requires more from strained VOT administration • Over-subscribed volunteers burn themselves out in key service areas (i.e. Fire fighting training, recreation)
CMG and revenue generation	<ul style="list-style-type: none"> • Concern that CMG uses outdated information for the formula – desire for accurate calculation taking into account population movement and the creation of new lots. • Agreement that that the CMG should be a fixed based amount (take out variable portion) and should increase with inflation • VOT wants sustainable mechanism for collecting revenue for services rendered in the periphery; acknowledged by the public
Municipal human resources	<ul style="list-style-type: none"> • Local governments unable to recruit and keep expert staff • Investigate a system that decreases competition with other levels of government (i.e. stronger contracts, increased pay?) • Partnerships between municipalities and YG should be explored to increase cost-effectiveness • Investigate if some services should be provided by YG (i.e. landfill?) • Decentralized YG administration could be explored as a way to increase availability of professional expertise in the communities (and increase revenue through YG presence in smaller towns)
Regionalization and partnerships	<ul style="list-style-type: none"> • Public not yet in favor of a regional system • VOT and TTC both ready to continue working towards a more effective partnership and increased opportunity for shared management and operation of certain services (recreation partnerships) • Achieving local resilience is a combination of citizen empowerment and YG support
Property /lot development	<ul style="list-style-type: none"> • Real interest in developing lots for commercial and residential sale to increase economic stability and entrepreneurial opportunities

4.4 CARMACKS (VOC)

Issue	Description
Challenges to achieving sustainability	<ul style="list-style-type: none"> • Increase in municipal responsibilities and risk management presents an increased need for both fiscal and human resources • Concern about current and future downloading of municipal responsibilities in service (fire safety and service, waste) • VOC provides and maintains infrastructure that is not only used by tax-payers but also by periphery users • Only a third of VOC citizens pay municipal taxes yet <i>all</i> community members use services. VOC hesitant about increasing taxes on already small tax-paying population
Infrastructure and increased usership	<ul style="list-style-type: none"> • New mining developments should be asked to provide money for services such as: roads, health care, water landfill. • Extra money often ends up in Whitehorse infrastructure while the communities remain underserved • Uncertainty around whether regional structure would solve financial stresses due to service provision in the periphery • The community values volunteers, and volunteers should not be used for what should be regularly funded programming for youth and recreation • Bypass road is a priority: it will reduce risk to children and pedestrians, and improve VOC quality of life
CMG formula and delivery	<ul style="list-style-type: none"> • General agreement that the CMG formula needs to be more predictable; posed solution of increasing lag time • VOC favours lump sum grant delivery of money to lessen reliance on reserves
Property /lot development	<ul style="list-style-type: none"> • Land features of Carmacks area make land availability and service provision complicated (hills, flat lands, accessibility); a future subdivision and new local business potential would also benefit from a bypass road

4.5 FARO (TOF)

Issue	Description
Municipal human resources	<ul style="list-style-type: none"> • Compliance with YG or federal initiatives or processes (i.e. PSAB, tax lien) increasingly burdensome and beyond the reach of smaller municipalities' resources • There is a need for a boost to training support and follow-up on current programs to see greater citizen involvement in management of municipalities • Revisit Municipal Act as it is difficult to interpret, and too general and vague in many instances – there is a need to increase it's relevance to communities now • Healthcare supports (doctor, regular care) needed for aging population
Property and Infrastructure deficit	<ul style="list-style-type: none"> • Housing – property assessment expertise and resources are slim but TOF is eager to address multiple housing concerns and opportunities • O&M costs do not have a reliable funding source and therefore services are often compromised (i.e. recreation centre, curling centre) • Real interest in developing lots for commercial and residential sale to increase economic stability and entrepreneurial opportunities • Mine was a direct contributor to housing challenge and it also might be part of solution
CMG and property assessment	<ul style="list-style-type: none"> • Concern around the CMG implications based on local realities like dilapidated building demolition and TOF responsibility for empty housing units • General agreement that the formula needs to be more predictable; posed solution of increasing lag time; quarterly payments would not work • General desire for increased understanding of CMG formula
Regionalization and partnerships	<ul style="list-style-type: none"> • YG could review downloading of regulations in light of impacts these changes may have on municipalities in terms of cost • Exploration of possible information-sharing system between municipalities for accounting, policy etc. templates and resources so as not to reinvent the wheel • Cost-sharing of some services (legal and professional) between close municipalities (Ross River, Faro); a potential benefit of a new interface for information sharing

	<ul style="list-style-type: none"> • Continued desire to maintain its ability to govern the community
Recreation	<ul style="list-style-type: none"> • Recreation increasingly viewed as an essential service; needs to be present to attract and keep families

4.6 MAYO (VOM)

Issue	Description
Challenges to sustainability	<ul style="list-style-type: none"> Population realities outside the village (200 inside, 600 outside) increase VOM service area and financial responsibilities Mining may attract money but may not increase quality of life Volunteerism/participation is down due to decrease in local business/recreation/festivals and other quality of life indicators – residents' extra time is often spent in Whitehorse (hard to recruit firefighters on weekends) YG centralization in Whitehorse is taking residents away from Mayo and can result in blanket solutions applied in the communities from the capital Quality of life is more than water, sewage, etc; other services become vital to sustainability (recreation, local boutique businesses)
Provision of local services	<ul style="list-style-type: none"> Outdated service mechanisms and the feasibility studies required to improve them are a financial burden that the VOM is having difficulty sustaining Local knowledge (well sites, depth of water) has been marginalized/discouraged in favour of costly contract work from outside professionals
CMG formula	<ul style="list-style-type: none"> Capital use of CMG funds feels like an impossibility right now; O&M continues to use bulk of funds
Human resources infrastructure deficit	<ul style="list-style-type: none"> Downloading of responsibilities add stresses to municipal operations and presents difficult financial expectations on VOT <p>Training must be offered on a continual basis taking into account staff turnover and movement, as well as the need for maintaining a good knowledge base at all times</p>
Developing partnerships and local solutions	<ul style="list-style-type: none"> Partnering with local FN (NND) happens frequently with good results (i.e. support for the aged, dealing with contaminated sites, youth centre, ballpark) but consistent joint planning is difficult Training Trust Fund a good YG project, more success when administered locally VOM sees value in partnership on large projects with YG/FN (i.e. community centre) – VOM skeptical of regional structure Mines identified as possible partner for housing projects, medical equipment, and services; a workable strategy to achieve this is needed

4.7 DAWSON CITY (DC)

Issue	Description
Barriers to achieving sustainability	<ul style="list-style-type: none"> • Centralization of resources and personnel in Whitehorse prevents growth of population in communities and the infrastructure that would come with YG services based locally; decentralization welcomed • Public wants more access and opportunities to provide feedback to municipal government • Need to indicate qualities of sustainability to evaluate the health of the municipality (i.e. to include recreation, youth programming, age diversity, business diversity) • New creativity needed around revenue generation that may require revisiting legislation around energy operation and management
Provision of local services	<ul style="list-style-type: none"> • Complicated issues concerning waste services arising from, local industry (regulated to use city dump that cannot handle the load), FN, municipality, citizens as well as YESAA; • Recreation is understood as an integral service alongside sewage, water, and waste, as well as part of valuable youth programming; public feels recreation is undervalued • Energy discussed as an area of possible revenue generation but questions remain around whether it would be sustainable for DC to pursue this; legal concerns are a top priority
CMG	<ul style="list-style-type: none"> • Desire to see CPI used increasingly as a primary factor in calculating CMG; YG buildings (in communities) must be assessed accurately
Training	<ul style="list-style-type: none"> • CTTTS was a valuable exercise and could be repeated –CAO training ineffective as they always change; floating CAO proposed • Invest in training for volunteers
Regionalization and partnerships	<ul style="list-style-type: none"> • Regulations downloaded from YG are becoming increasingly burdensome to fund and manage by the municipality and also stresses staff availability for other concerns and interests • DC and FN both ready to continue working towards a more effective partnership and definition of the skills each can bring to the table (i.e. FN open to focusing on construction expertise and recreation support) • Local resilience a combination of citizen empowerment and YG support
Lot development	<ul style="list-style-type: none"> • Lot development and staking issues need to be coordinated between FN, municipality and YG

4.8 WHITEHORSE (CoW)

Issue	Description
Provision of local services	<ul style="list-style-type: none"> • Suggestion that a YG study, paired with municipal statistics, may help bring more clarity and urgency to the use of local services by the Whitehorse periphery • Transit and parking are challenge areas that could be used to increase revenue stream taking into account peripheral usership • A check system on the downloading of regulations is needed to ascertain cost implications of new regulations on service provisions (waste, water, etc.) • Demand-side management is proving effective but can be enhanced, and citizens would like complimentary avenues for increasing their voice and participation
Revenue Generation	<ul style="list-style-type: none"> • Peripheral usership can be a strain on municipal services – various solutions include boundary expansion discussions as well as acquiring crown land for the municipality. Land development and revenue generation could be facilitated if the City could acquire Crown land at zero or low cost • Desire for ability to generate new tax revenue such as sales tax, hotel tax, and/or percentage of fuel tax • Some taxes have remained the same for many years and may be worth revisiting in discussion with the public (i.e. territorial property taxes) • Independent Power Production (IPPs) and operation is a possibility but certain aspects of legislation and risk must be considered (i.e. City not to compete with private industry)
CMG formula and delivery	<ul style="list-style-type: none"> • Recognition that the capital provided by CMG is very important for the City • Suggestion to help communities in the calculation of CMG by having two formulas (one for Whitehorse and one for the rest of the municipalities) possibly incorporating CPI • Certain service responsibilities negate some of the financial advantage give by CMG such as the Canada Games Centre and regulatory changes to transit that significantly increase operational budget.
Training	<ul style="list-style-type: none"> • Whitehorse able to offer some training to the communities but ultimately the space left by CTTs could be filled substantially with something else that carries some professional weight (certification course) • Concern expressed around employee turn-over in the communities

Partnerships and regionalization	<ul style="list-style-type: none"> • Whitehorse and YG continue to have overlap in terms of municipal services and governance and the challenge is coordinating and allocating resources effectively • YG could help provide an enhanced platform for municipal/FN relations and process on service challenges • Positive experiences between councils (FN/City) continue to be on a case-by-case basis and are built on upon existing examples (i.e. Chillax'n Lounge) • A regional structure could increase costs for Whitehorse municipal administration and a cost-sharing system would be important – the idea of regionalization brings up the question of long-term sustainability of the communities
Land development	<ul style="list-style-type: none"> • Continued interest in land development should continue as discussion between YG, FN and the City to find solutions to availability challenges outside and in city boundaries • Affordable land to rent and buy remains a salient issue for residents and practical solutions are still expected from the public
<i>Municipal Act</i>	<ul style="list-style-type: none"> • Certain changes to the <i>Municipal Act</i> regarding referendum decisions, liability and Local Improvement change should be investigated

4.9 LOCAL ADVISORY COUNCILS – Ibex Valley, Carcross, Mt. Lorne

Issue	Description
Challenges to achieving sustainability	<ul style="list-style-type: none"> • Building interest in keeping LAC as a "community" rather than "municipal" organization; residents are content not to live in municipality but still want resident buy-in to community management and operations • Concern about aging population with fewer young people living in the LACs • Fewer employment and revenue generating opportunities • Indecision about whether LACs are capable of operating as municipalities but there is an interest among residents to have greater investment and responsibility for the future of their communities
Provision of local services	<ul style="list-style-type: none"> • Water and safety (emergency planning) challenges are of primary importance; general interest to mimic services in other periphery communities like Marsh Lake • Volunteers continue to be the mainstay of local service planning and expertise – building volunteering incentives was discussed and there are concerns around aging volunteers and local populations • Interest in clarifying the role of LACs for locals and neighbouring municipalities; LACs commonly looked to as local government
Partnerships and regionalization	<ul style="list-style-type: none"> • An AYC/LAC forum a possible platform for increasing LAC involvement in regional partnerships and planning – deliberation requested about having a LAC vote at the AYC table • Lot development is successfully negotiated among and between residents through the LACs • Further dialogue opportunity needed between LACs and local FNs • Desire to match fiscal year of the LAC with YG for better planning process
Property /lot development	<ul style="list-style-type: none"> • In Carcross, land is needed to open lots for potential residents • In Mt. Lorne, want to revisit community plan

5.0 Next Steps

Our Towns, Our Future has a survey currently available on our website www.ourtownourfuture.gov.yk.ca The survey is open for comments until February 4, 2011.

For the next several months we will be conducting research in the following areas of interest.

1. Provision of Local Services
2. Revenue Generation
3. Increasing costs and burden of regulations
4. CMG/ Funding
5. Regional Integration/ Governance
6. FN / Municipal Government Relations
7. Infrastructure Deficit and Management
8. Lot Development and Land Availability
9. Sustainability Indicators, definition, and status
10. Training and Recruitment/ Retention
11. Municipal resource share-site internet
12. Impact on municipalities by peripheral residents and businesses

The *Our Towns, Our Future* Findings Report will be released May 2011 at the Association of Yukon Communities Annual General Meeting. The Minister will share the findings with elected municipal officials for comment prior to the AGM.

We look forward to hearing feedback on this report as well as any other questions or concerns you would like to bring to our attention over the next several months.

Thank you for your participation in this process.

We can be contacted at ourtownourfuture@gov.yk.ca or at 867-667-8334.

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Email Invites 0

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Our Towns, Our Future Survey Results Overview



Date: 2/21/2011 11:52 AM PST

Responses: Completes

Filter: No filter applied

1. What do you think the biggest challenges are facing your municipality? Use the scale of 1 - 5, with number 1 being the highest and number 5 being lowest.

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	1	2	3	4	5
Infrastructure	48 33%	45 31%	31 22%	14 10%	6 4%
Not enough money	44 31%	32 23%	40 28%	16 11%	10 7%
Energy costs	29 21%	56 40%	35 25%	12 9%	8 6%
Recruitment & retention of staff	35 25%	30 21%	40 29%	21 15%	14 10%
Recruitment & retention of council members	13 9%	17 12%	51 37%	33 24%	25 18%
Public participation in municipal affairs	28 20%	22 16%	65 46%	17 12%	9 6%
Housing/land development	68 49%	30 21%	25 18%	13 9%	4 3%
Increasing population	26 19%	33 24%	42 30%	22 16%	15 11%
Decreasing population	16 12%	18 13%	27 20%	26 19%	51 37%
Climate change	12 9%	32 23%	46 33%	25 18%	24 17%
Increasing cost of regulations	26 19%	37 27%	43 31%	17 12%	15 11%

3. Which of the following municipal services do you feel are the most important? Use the scale of 1 - 5, with number 1 being the highest and number 5 being the least lowest.

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	1	2	3	4	5	6
Drinking Water	112 77%	15 10%	8 5%	2 1%	5 3%	4 3%
Sewage	92 64%	25 17%	13 9%	4 3%	6 4%	4 3%

Recreation programming	23 16%	33 23%	45 31%	24 17%	12 8%	7 5%
Recreation facilities	28 20%	44 31%	31 22%	16 11%	13 9%	8 6%
Roads (maintenance and plowing)	37 26%	55 39%	28 20%	12 8%	8 6%	2 1%
Fire protection	64 45%	37 26%	23 16%	7 5%	5 4%	5 4%
Transit	14 10%	28 20%	32 22%	28 20%	18 13%	23 16%
Animal control	10 7%	21 15%	53 38%	28 20%	16 12%	10 7%
Garbage removal	39 27%	44 31%	32 23%	12 8%	10 7%	5 4%
Community beautification	17 12%	20 14%	45 32%	35 25%	14 10%	11 8%
Economic development	29 21%	37 26%	39 28%	21 15%	6 4%	9 6%
Tourist info services	10 7%	29 21%	41 30%	28 20%	18 13%	12 9%
Bylaw enforcement	18 13%	36 26%	42 30%	23 17%	11 8%	8 6%





5.

The cost of providing services is increasing, what should be done about it? Rank the following options in order of importance, using the scale of 1 - 6, using number 1 being the most important and number 6 as being the least important.










Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	1	2	3	4	5	6
Raise municipal taxes	23 16%	33 23%	45 31%	18 12%	14 10%	11 8%
Raise territorial taxes	29 20%	28 19%	41 28%	19 13%	15 10%	12 8%
Raise existing fees or add new ones	25 18%	36 26%	36 26%	20 14%	14 10%	7 5%
Reduce services	6 4%	18 13%	31 22%	18 13%	30 22%	36 26%
Partner with other governments to provide services	43 30%	48 33%	29 20%	12 8%	4 3%	9 6%
Privatize services	6 4%	14 10%	26 18%	21 15%	26 18%	51 35%

DEMOGRAPHICS: (optional)





7. You are:

a member of the public		71	49%
a municipal representative		69	48%
other government representative		4	3%
member of First Nations		1	1%
Total		145	100%



8. You live in:

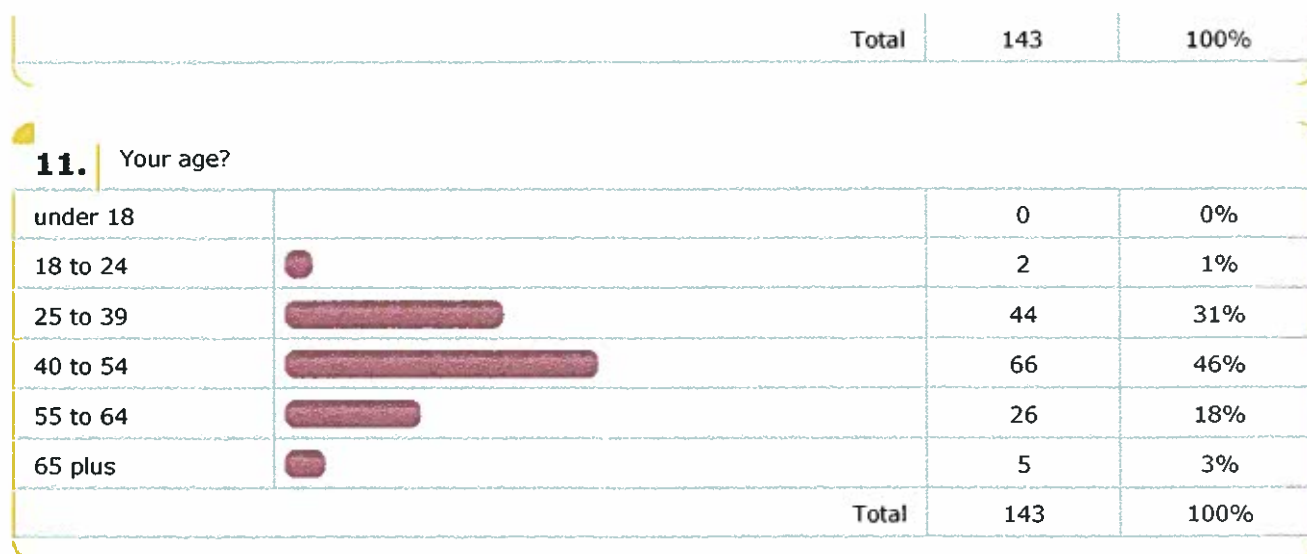
Whitehorse		98	68%
Haines Junction		3	2%
Watson Lake		11	8%
Teslin		3	2%
Carmacks		6	4%
Mayo		2	1%
Faro		3	2%
Dawson City		9	6%
Outside of municipal boundaries		10	7%
Total		145	100%

9. How long have you lived in the Yukon?

0 to 5 years		19	13%
5 to 10 years		16	11%
10 to 20 years		35	24%
over 20 years		75	52%
Total		145	100%

10. Are you?

Male		81	57%
Female		62	43%



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Our Towns, Our Future Survey

Results Overview



Date: 2/21/2011 12:59 PM PST

Responses: Completes

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2. Other, please specify:

#	Response
1	Lack of planning to take into account rising costs due to regulations, and rising energy costs which will drive the cost of everything up
2	inability to chart own future. i.e. allowing communities to pursue own source revenue opportunities.
3	More could be accomplished if municipal and first nation governments worked together to benefit the whole community.
4	The cost of the regulatory burden is ever increasing. Whomever is responsible for the regulatory requirement should be compelled to provide sufficient money to enable compliance.
5	Managing green space with land development interests. Providing good trail connections with the downtown.
6	Food Costs are very high.
7	Housing due to population is the biggest issue in the City of Whitehorse. I beleive this is an issue in the North in General Yukon and NWT).
8	Inability of council to set appropriate priorities for expenditures and to let the minority special interest groups dictate direction
9	structure of finances - capital de-coupled from O&M; poverty; environmental degradation
10	Public service oriented leadership is hurting groath and efficiency
11	I believe Whitehorse offers some of the best services in the country. Unfortunatley citizens have come to expect this and more.
12	Underground Infrastructure maintenance & replacement.
13	The needless spending of money on staff related projects. The money I see wasted is hard to take.
14	Our municipal grant is increasingly being used to maintain old infrastrucure. Some services such as recreation are limited to funding pots. Recreation needs to be deemed as a essential service as it speaks to community well being.
15	Cost Recovery, roi
16	Housing is number one - high demand, almost 0% occupancy rate and cost is astronomical. Many more people with decent jobs have been pushed out of the housing market.
17	in this little town we do not need traffic circles they cause many problems
18	Bending over backwards on single issues (ie: Trevor...)
19	transit system, its not user friendly. and it would cost a lot to make it so. if needs to be thought of like the parks and rec. department. its there for the betterment of the community and won't turn a profit ever for its citizens. but its BETTER FOR THE COMMUNITY and, obviously, the environment.
20	Reduction of poverty
21	Public Transportation needs to be addressed. An extension of service ours would be excellent.
22	I think it's a shame that the COW keeps trying to be like other towns. Whitehorse was a town of character and now resembles any other town or small city.How can you possibly call this the 'Wilderness City' when there are laws about grass not being more than four inches tall in the boulevard or a 'sustainable' city when you don't even allow chickens to eat scraps that would otherwise fill the city dump.
23	People living outside municipal boundaries using facilities without paying taxes for them.
24	the city is all for elargement, to increase their tax base, but are not willing to hire more people to take care of the increasing influx of their tax base, such as needed equipment, and said personal to operate and maintain it for one example.
25	Inadequate regulation and enforcement of off-road-vehicles (i.e. snowmobiles & ATVs).
26	Quality, credentials, credibility of mayor and council. Elected officials and senior administrators ignore public input even when they ask for it, especially when it does not fall into pro-development dogma. They pay lip service to the environment but rarely do anything for the environment.

27	overpaid City workers
28	capacity of staff both from ability perspective and amount of available time
29	this survey was an obvious waste of time and money
30	I believe there is funding for infrastructure but not enough information on O&M is considered before undertaking new development. The cost of O&M in small communities is reflected in less services.
31	Despite the fact that our population has been decreasing, there is a lack of affordable housing in the community, there is nothing to rent and property values seem to be falsely inflated. The community needs a strong economic development plan to address lack of business, employment & housing opportunities.
32	Controlling ORVs in our community!
33	Lack of clear focus of City Council

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Our Towns, Our Future Survey

Results Overview



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Responses: Completes

Filter: No filter applied

4. Other, please specify:

#	Response
1	Recycling needs to be on the list
2	In our community I ranked recreation as a fairly low priority. We have a lovely large rec facility and the programming has been stepped up. That's all good, and I feel that is adequate, since some individuals here (myself being one), who still prefer to do a more natural type of exercise/recreation. There's a lot of great wilderness out there to picnic and play in and many wonderful trails and places to walk or run. For that reason I don't see large amounts of money for recreation as a huge need right now.
3	solid waste management beyond just thinking about garbage - composting, e-waste, ERP, hazardous waste; mobility (beyond cars and transit to include active transportation); agriculture and local food production
4	consistant services for the entire City. No water, sewer, garbage, transit for country res.
5	I have a well and septic so don't really need these services.
6	Many of these programs exist but with tight budgets revising them to suit the public's needs is difficult.
7	Curbside recycling Local policing
8	Preventative maintenance on our buildings and equipment. We keep wasting money on our little staff projects, we never get to maintenance the stuff we already have.
9	We need a better way to advertise recreation programing in the winter especially.
10	Lack of funding to offer the services that are expected by us.
11	i have been wondering when composting will be as mandatory as quitting smoking in restaurants? I understand its not mandatory for more than one reason, but the biggest one is the lack of space to maintain such compost and the equipment to break it down with. these things take time. also, with all the street repairs and new pipes planned for many parts of whitehorse and the current climate crisis, should we not be thinking very seriously about renewable energy in a waste form? to my uneducated self it seems to me that this could be a very smart and bold move forward in our evolving lives.
12	Subsidized and seniors Housing planning, using land presently used by City and YTG governments for storing and maintainig equipment.
13	I don't think we need any more dog catchers?! just enforce the bylaws you have now instead of creating new headaches, especially with atv/snowmobile enforcement will not fly in this city.
14	There's a housing crisis in Whitehorse, and the municipality needs to address this.
15	trail protection
16	I have been involved in sustainability work in other municipalities. WL is broken in this regard. We need significant help with econ/enviro/social issues!!!! I feel people don't get involved because of past mun/terr failures to act in an orderly, cost efficient way. No one wants to step up if elected people/govt workers step away. Thanks.
17	sewer and water upgrades
18	this survey was a waste of time and money
19	Too much infrastructure is happening with gas tax money and no essential services are being put as high priority. It is too lucrative for local contractors to keep making money off our municipality than it is to fix the streets, stop the sewer from smelling up the neighbourhoods, no snow removal, limited dump access because there is no money to pay staff but we have a 4 million dollar plus facility that is underutilized and costs tons to operate. Seems simple to me. Money should be redirected to roads, sewer, water, etc. ESSENTIAL SERVICES. Increased taxes within the municipality equals less services in my opinion.
20	Too many bylaw person's, not enough City Council Members Speaking with Business

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6. Comments:

#	Response
1	Being sustainable means affording the services that are provided. Services have to be prioritized as current levels are unsustainable in the Yukon
2	Reduce services, or eliminiae them? YG has not increased taxes in many years, particulary those for people on the periphery of municipalities.
3	We could raise taxes & fees but to what end. We wouldn't gain much other than the headache from residents' complaints. We can also reduce services, but then we'd have to wonder why we're here. History has shown that we cannot count on local government partnerships being effective or efficient or stable. Privatization of water services scares me knowing what kind of contractors are out there and how they operate. I do not want to have to depend on the lowest bidder to ensure that the quality of my water is sufficient.
4	I believe that if communities get their thinking caps on they could come up with some ideas for fundraising to somewhat ease the burden on the federal and territorial governments.
5	I still percieve inequities in assessments and feel they need to be adressed before raising municipal taxes. Any new fees should be restricted to users of the service. Economies of scale should explored. Privatization is not always an option but alternate service delivery mechanisms may be.
6	Provide more housing (more tax payers), concentrate on economic development and tourism - let that be our cash cow.
7	Become more efficient!
8	The City of Whitehorse Financial information is very weak mainly due to the sever delay with getting results. Annual Reports are still not available for 2009. Why is it that are allowed to spend my tax dollars but are not accountable for getting results to the public in a timely fashion. Enough with the excuses!!!!!!
9	Revise fees to set two tier system for those who pay municipal taxes and for those who do not
10	evaluate efficiencies prior to raising taxes; institute more user fees that are work towards full cost accounting
11	There is a large population living outside city boundaries who basically use the city facilities as residents. They work here, use parking,rec facilities, fill up their water jugs etc...
12	be more responsible with our operational and capital dollars. paying consultants fees twice when we don't like the first answer, high priced lawyer fees to resolve issues that perhaps should be handled internally by well paid management staff etc etc.
13	As I noted, we waste to much money on our in house projects- alot are not essential. On our capital projects we always take over letting contractors of the hook, which costs the City alot of money for something that is brand new.
14	The makeup of the community will not allow for raising taxes. Privatize service will affect your quality. Lack of funds will mean we are forced to cut our services.
15	We are in s small community but want everything big city. We have to expect to pay for it from somewhere. Allow for building over 4 storeys in the downtown area. If someone needs a view, drive up the hill.
16	I believe in paying taxes for various services. Looking at Scandinavia as an example, they have incredibly high taxes but they have premium services including free university education. It's a necessary evil.
17	In a lot of cases privatization has proven more expensive in the long run.
18	never privatize. who are we kidding? municiple and territorial jobs are part of the reason why we can afford to live like this.
19	Beter use of NGO social entrepreneurial organizations to plan and to deliver services, including joint NGO/private sector partnerships.
20	I think taht if the city shared with YTG and helped spread out its work load, things would run a lot smoother, and people would be accountable for their actions!
21	This is a tough situation for all levels of government since no one wants to pay for services but everyone thinks they should be readily available. I'm not sure there's going to be an easy answer but it may help to inform the public of the costs involved in "simple" services like snow removal and garbage pick up.

22	Paying more in taxes now to improve important things saves a lot of grief and money down the line caused by inadequate systems breaking down. And government services paid by taxes means better quality and control.
23	Get rid of "optional" services like recreational services. Focus on essential services, i.e. water, garbage, sewage, roads. Get rid of all the fluff and legacy projects like the Canada Game Center and hosting big events that we can't afford!
24	lower public sector wages, focus spending on key services only
25	Yukoners need to recognize that you need to pay for services and thus territorial property taxes should be increased and appropriate user fees applied to pay for services. It may not be what politicians and Yukoners want, but it is the right thing to do.
26	this survey was a waste of time and money
27	Cost increases are unavoidable, but with decreasing population if we want to maintain the level of services provided we have to look to new partnerships and realistic service expectations. again sound economic development plans to assess future needs and to attract business to improve tax base.
28	Reduce municipal spending..stop adding/hiring new staff.
29	Get rid of redundancy in employee's. Government is the biggest cost.

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Comprehensive Municipal Grant Analysis

Prepared for:

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The logo for Vector-Research, featuring the company name in a stylized font with horizontal lines above and below it.

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February 25, 2011

Comprehensive Municipal Grant Analysis

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Introduction

The Municipal Fiscal Framework Review Committee was established by the Minister of Yukon Community Services to investigate how the Yukon Government can support the success of Yukon municipalities. Specifically, the overall mandate of the Municipal Fiscal Framework Review Committee is to review the following:

- Management of the existing municipal infrastructure deficit and infrastructure maintenance;
- Strategies around recruitment and retention of senior managers in rural Yukon;
- Provision of municipal services;
- Fiscal management;
- Funding levels and administration; and,
- Local governance.

The purpose of this project is to inform the Committee's work on the 'funding levels and administration' mandate element by undertaking an analysis of the Comprehensive Municipal Grant (CMG).

Comprehensive Municipal Grant: An Overview

The Comprehensive Municipal Grant was established in Yukon law in 1991 with passage of the *Municipal Finance and Community Grants Act*. Now 20 years old, the CMG still represents the first attempt to introduce a transparent and stable mechanism for transferring base funding from the Yukon Government to incorporated Yukon municipalities.

Prior to the introduction of the Comprehensive Municipal Grant, the Yukon Government provided five different grants to Yukon municipalities.¹ Two of the grants were unconditional block grants – the Municipal Operating Grant and the Municipal Infrastructure Grant. The other three grants were conditional (they could be spent only for specific purposes) – the Water & Sewer Deficit Grant, Public Transit deficit grant (aka the Whitehorse Transit grant) and Recreation Grants. The five grants were combined into one comprehensive municipal grant fund with each municipality receiving a single annual comprehensive grant out of the fund.

The introduction of a comprehensive grant approach coincided with the elimination of school taxes. Municipal grants were reduced by an amount equal to the value of the vacated school tax room.

The design of the CMG recognized for the first time that a minimum amount of funding is required to operate a given municipality regardless of its location, population or the economic conditions of the day. It was intended that the CMG be implemented for five years and then reviewed. The work of the Municipal Fiscal Framework Review Committee's on 'funding levels and administration' represents the first-ever review of the design of the CMG.

¹ The discussion in this and the following paragraph is based on personal communication with Richard Lloyd, 'CMG architect', January 24, 2011 and a briefing paper *Comprehensive Block Funding for Yukon Municipalities: The New Grant Distribution Formula*, dated January 25, 1991.

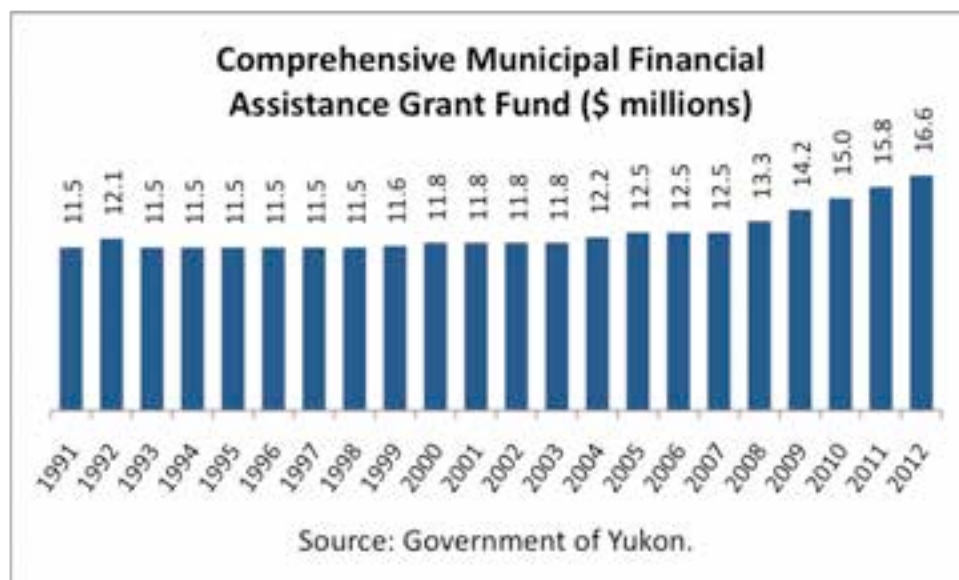
The CMG is a crucial source of funding for Yukon municipalities (though to a lesser extent for the City of Whitehorse). As shown in the table to the right, the CMG's share in total municipal revenues for municipalities located outside of Whitehorse ranged between 24% for Dawson and 65% for Carmacks.

	Comprehensive Municipal Grant (2009)	Share of Total Municipal Income (%)
Whitehorse	5,617,463	7
Faro	1,528,930	53
Dawson	1,439,926	24
Watson Lake	1,692,519	41
Haines Junction	957,139	42
Mayo	1,012,161	60
Teslin	1,009,258	48
Carmacks	895,612	65

Mechanics of the Comprehensive Municipal Grant

The Comprehensive Municipal Financial Assistance Grant Fund

The Comprehensive Municipal Grants paid to each incorporated municipality in the Yukon are funded through an annual Yukon Government appropriation called the Comprehensive Municipal Financial Assistance Grant Fund (CMFAGF). As can be seen from the chart below, the value of the CMFAGF was essentially constant for the first 13 years of its existence. The Fund amount increased slightly in 2004² and 2005 and was constant again for another 3 years. In the 2008 fiscal year, the CMFAGF increased by the increase in the Consumer Price Index for Whitehorse between 1991 and 2007. For years after 2008, annual increases in the CMFAGF were specified in the *Municipal Finance and Community Grants Act* to 2012.



² The months included in the Yukon Government fiscal year are different than the months included in the fiscal year of incorporated municipalities. The fiscal year of the Yukon Government runs April 1 to March 31 and the fiscal year of incorporated municipalities runs January 1 to December. This paper adopts the style of the *Municipal Finance and Community Grants Act* which references the municipal calendar year. Thus 2012 refers to the 2012/13 fiscal year, 2011 refers to the 2011/12 fiscal year, and so on.

The Comprehensive Municipal Financial Assistance Grant Fund is a *closed-ended* appropriation. This means that the comprehensive municipal grant calculations cannot be done in such a way to cause the annual appropriation to exceed the amount specified in the *Municipal Finance and Community Grants Act*. While the allocation of funding among the eight incorporated municipalities in the Yukon may change from year to year, the sum of the eight community municipal grants must always be equal to the value of the Comprehensive Municipal Financial Assistance Grant Fund.³ How the funding is allocated among Yukon's incorporated municipalities is the subject of the next section of this paper.

Comprehensive Municipal Grant

The Comprehensive Municipal Grant (CMG) for each Yukon municipality is calculated each year according to the formula shown below:

$$\text{Comprehensive Municipal Grant} = \text{BG} + \text{LCS} + \text{AE} + \text{BF}$$

The four components of the comprehensive municipal grant are listed below:

Component	Fixed or Variable
BG = base grant	fixed
LCS = local cost of services adjustment	variable*
AE = assessment equalization	variable
BF = balance of CMFAGF**	variable
* except for Whitehorse for which the LCS is fixed at zero	
**CMFAGF is the Comprehensive Municipal Financial Assistance Grant Fund	

One of the four components, the base grant, is fixed in a given year. The other three components can (and do) change from year to year. Each of the four components, is described in more detail below.

Base Grant

Intent of the BG: The base grant component of the CMG recognizes that a minimum amount of funding is required to operate a given municipality regardless of its location. The value of the base grant for each community is specified in the *Municipal Finance and Community Grants Act*.

The base grant is supplemented by three additional factors:

- local cost of services adjustment;
- assessment equalization; and,
- the balance of the comprehensive municipal assistance grant fund allocated by a measure of community population size.

In plainer language, the three adjustment factors are used to divide up what is left over from the municipal grant funding pot after taking out the legislated base funding amounts. The “left over” amount is divided up according to proxies for price inflation relative to Whitehorse, the ability of the municipality to raise revenues on its own and the population of the community.

³ This is in contrast to the *open-ended* Territorial Formula Financing approach where the value of one territory's TFF grant is independent of another territory's grant. For example, if Nunavut's TFF grant increases it does not mean that the NWT or Yukon TFF grants must necessarily decrease.

Local Cost of Services Adjustment (LCS)

Intent of the LCS factor: to adjust for differences in the cost of purchasing goods and services in a given municipality relative to the cost of purchasing goods and services in Whitehorse.

The cost of goods and services is proxied by three elements:

- electricity prices (weight = 10%);
- fuel prices (weight = 20%); and,
- a spatial price index for other goods and services (weight = 70%).

Assessment Equalization (AE)

Intent of the AE factor: to adjust for differences in the property tax revenue potential of a given municipality relative to Yukon-wide property tax revenue potential.

The assessment equalization adjustment is calculated as the difference between a municipality's average per-dwelling unit property tax assessment and the Yukon-wide average per-dwelling unit property tax assessment. The calculation is fine-tuned to incorporate a downward adjustment for the number of apartment buildings (more than four units) in a given municipality.

Balance of Fund (BF)

Intent of the BF factor: to distribute the remaining balance of the annual CMG appropriation among Yukon municipalities.

The BF distribution is made according to municipality size as proxied by:

- the population of the municipality relative all Yukon municipalities; and,
- the number of apartment-adjusted dwelling units in the municipality relative to the apartment-adjusted number of dwelling units in all Yukon municipalities.

While the *Municipal Finance and Community Grants Act* does provide for project-specific infrastructures grants, the CMG calculation does not include a provision intended to address ongoing municipal requirements for infrastructure replacement.

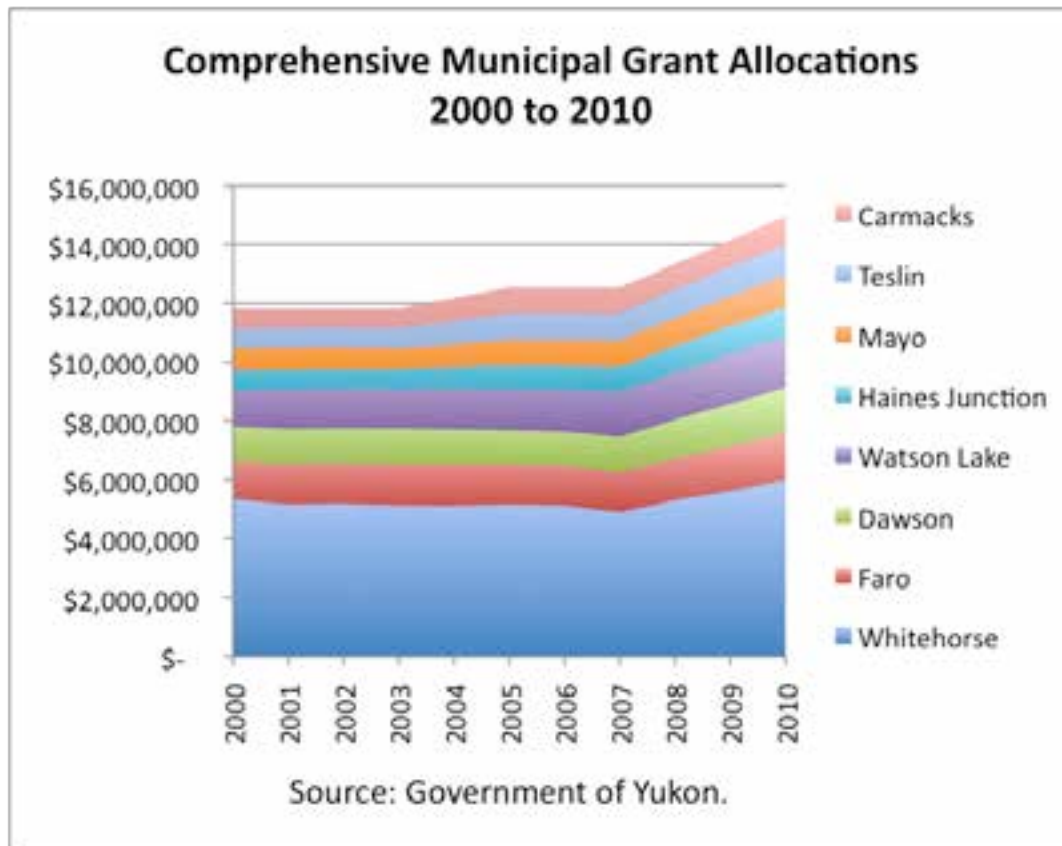
A Note on Conditionality

Note that while the Comprehensive Municipal Financial Assistance Grant Fund is a *closed-ended* appropriation, the Comprehensive Municipal Grants which are paid out of the Fund are *unconditional*.⁴ This means that the recipient governments may spend their CMGs as they see fit, subject only to the spending authority granted in the Yukon's *Municipal Act* and in accordance with public sector accounting requirements. In other words, the purposes for which CMG funding may be spent are not specified by the Yukon Government.

⁴ While subsection 13(1) of the *Municipal Finance and Community Grants Act* requires that at least 50% of a municipality's comprehensive municipal grant be directed to capital expenditures, subsection 13(3) enables a municipality to spend as little as 0% of its comprehensive municipal grant on capital expenditures with passage of a bylaw.

A Graphical Analysis of the Comprehensive Municipal Grant

The chart below presents a history of CMG allocations by municipality over the period 2000 to 2010. As can be seen from the chart, CMG allocations among the eight incorporated municipalities in the Yukon were quite steady over the 2000 to 2010 time period – there was little variation in the relative allocation of the community municipal grant between communities.



In 2010, the City of Whitehorse was allocated the largest CMG, worth \$6.0 million, which represented 40% of total CMG allocations.

Watson Lake, Faro and Dawson were each allocated between 10% and 12% of total CMG spending, with allocations of \$1.8 million, \$1.6 million and \$1.5 million, respectively.

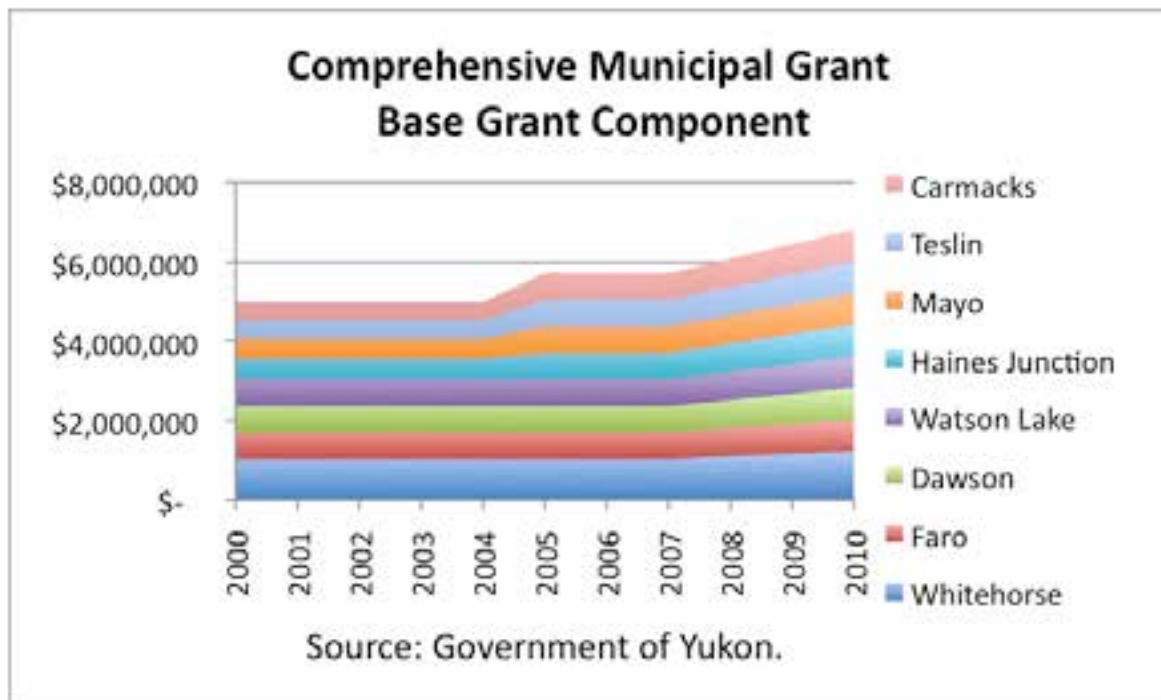
The four remaining municipalities – Teslin, Mayo Haines Junction and Carmacks – were each allocated approximately 6% to 7% of total CMG spending, with allocations of \$1.1 million, \$1.1 million, \$1.0 million and \$0.9 million, respectively.

Municipality	2010 CMG (\$ million)	2010 CMG (%)
Whitehorse	6.0	40.2
Faro	1.6	10.7
Dawson	1.5	10.1
Watson Lake	1.8	11.7
Haines Junction	1.0	6.7
Mayo	1.1	7.1
Teslin	1.1	7.1
Carmacks	0.9	6.3
Total	15.0	100.0

Source: Government of Yukon.
Note: figures are “proposed dollars”.

Base Grant Component

The chart below presents a history of the base grant component of CMG allocations by municipality over the period 2000 to 2010. As can be seen from the chart, CMG base grant allocations among the eight incorporated municipalities in the Yukon were quite steady over the 2000 to 2010 time period – there was little variation in the relative allocation of the base grant component of the community municipal grant between communities.



Base grant amounts for 2010 for each of the eight incorporated communities in the Yukon are shown in the table to the right.

In 2010, the City of Whitehorse was allocated the largest base grant amount, worth \$1.2 million, which represented 18.0% of total CMG base grant allocations.

Each of the seven other Yukon municipalities were allocated 11.7% of the remaining base grant funding in 2010, worth \$0.8 million for each municipality.

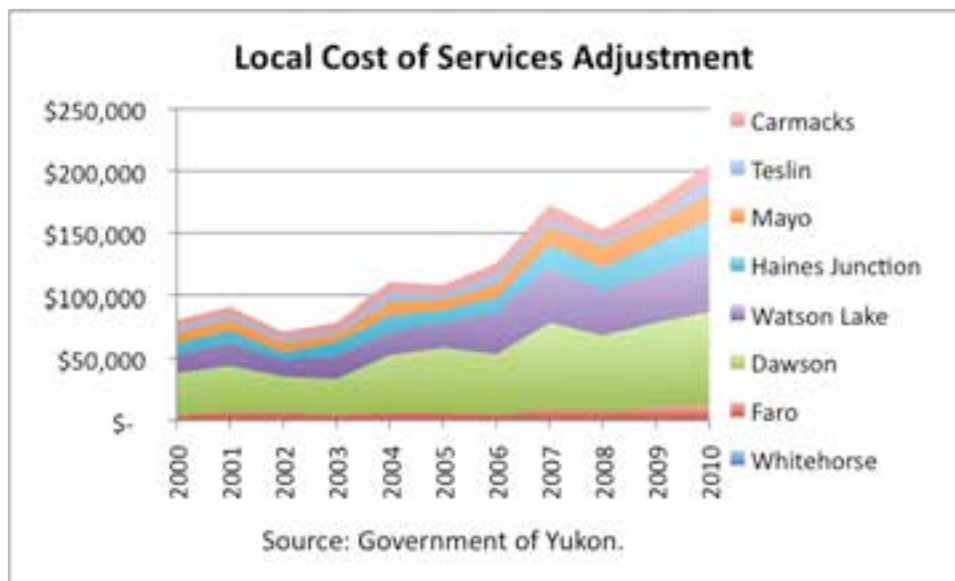
	2010 Base Grant (\$ million)	2010 Base Grant (%)
Whitehorse	1.2	18.0
Dawson City	0.8	11.7
Faro	0.8	11.7
Watson Lake	0.8	11.7
Haines Junction	0.8	11.7
Mayo	0.8	11.7
Teslin	0.8	11.7
Carmacks	0.8	11.7
Total	6.8	100.0

Source: Government of Yukon.
Note: figures are "proposed dollars".

Local Cost of Services Adjustment

The intent of the local cost of services adjustment is to adjust for differences in the cost of purchasing goods and services in a given municipality relative to the cost of purchasing goods and services in Whitehorse. The effect of the local cost of services adjustment in the overall CMG allocation is very small. In 2010, the value of the local cost of services adjustment was \$205,544 representing 1.4% of total CMG grant allocations.

The pattern of the application of the local cost of services adjustment over the 2000 to 2010 period is illustrated in the chart below. Note that Whitehorse receives zero local cost of services adjustment dollars as it is the benchmark community in the calculation.



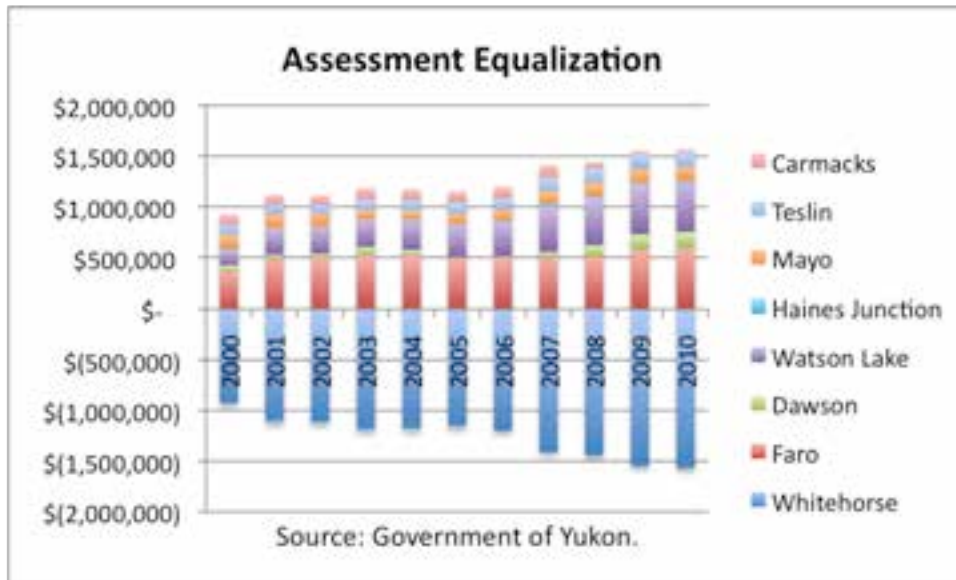
Assessment Equalization

The intent of the assessment equalization factor is to adjust for differences in the property tax revenue potential of a given municipality relative to Yukon-wide property tax revenue potential. As can be seen from the chart below, the assessment equalization factor essentially constitutes a transfer from the City of Whitehorse to the other seven incorporated municipalities in the Yukon. In 2010, Whitehorse's comprehensive municipal grant was reduced by \$1.6 million, and that amount was shared between the other seven municipalities with Faro being allocated the largest share (\$586,997). The smallest share (\$2,961) was allocated to Haines Junction.

	2010 Assessment Equalization (\$)
Whitehorse	-1,566,737
Dawson City	586,997
Faro	164,631
Watson Lake	504,186
Haines Junction	2,961
Mayo	135,817
Teslin	145,480
Carmacks	26,665
Total	zero

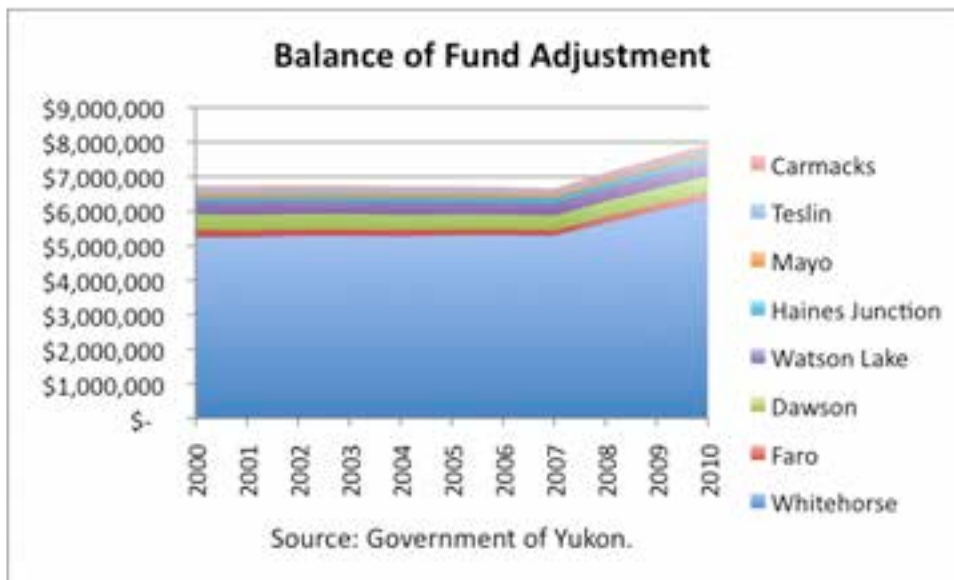
Source: Government of Yukon.
Note: figures are "proposed dollars".

The assessment equalization factor has a moderate effect on the overall CMG allocation. As noted above, the absolute value of the factor is \$1.6 million, which represents 10% of total CMG grant allocations.



Balance of Fund Adjustment

The intent of the balance of fund adjustment factor is to distribute the remaining balance of the annual CMG appropriation among Yukon municipalities. As shown in the chart below, out of the three adjustment factors, the balance of fund adjustment has the largest effect on the overall CMG allocation. This should not be surprising given that the factor is highly reflective of municipal population sizes and that 81% of the total population of incorporated municipalities in the Yukon are resident in a single community – Whitehorse. In 2010, Whitehorse was allocated \$6.3 million via the balance of fund adjustment and the seven other Yukon municipalities shared the remaining \$1.6 million.



Altering the CMG Formula: Implications

Before looking at ways to “improve” the CMG through the mechanics of the formula, it is worth pausing to consider the CMG circumstances at hand (lest an attempt be made ‘to craft a silk purse from a sow’s ear’).

Comprehensive municipal grants are paid from a close-ended fund. The aggregate value of the CMGs paid to the eight incorporated municipalities in the Yukon in a given year cannot exceed the value of Comprehensive Municipal Financial Assistance Grant Fund, an amount that is set in legislation. Changes in the adjustment factors which determine the allocation the comprehensive municipal grant among communities *do not* cause changes in the value of the Comprehensive Municipal Financial Assistance Grant Fund. With a fixed Comprehensive Municipal Financial Assistance Grant Fund, whether the mechanics of allocating the money within the fund are complex or simple, the aggregate payout from the fund remains the same.

In terms of principles, the key principles which apply to close ended grants are those of fairness, transparency and accountability. With reference to the CMGs:

- did each municipality gets its “fair” share?;
- can each municipality easily see that it and the other municipalities received their “fair” share?; and,
- was the money paid out in accordance with generally accepted accounting principles (as they apply to public bodies) and relevant provisions of the *Financial Administration Act*?

Principles which typically apply to open-ended transfers like territorial formula financing grants – principles such as adequacy, fiscal equity, comparability, affordability, neutrality, flexibility, risk-sharing, responsibility, sound incentives and stability⁵ – are all concepts more meaningfully applied to open-ended transfers. Should the Yukon Government choose to make the Comprehensive Municipal Financial Assistance Grant Fund an open-ended transfer fund, all of the principles listed above should be considered in its design.

Should the Comprehensive Municipal Financial Assistance Grant Fund remain a closed-ended fund, the focus of efforts to improve the CMG system should be on the three principles noted above – fairness, transparency and accountability – perhaps with the addition of one more normally implicit principle, administrative simplicity.

Note that the suggestion to focus improvements to the CMG on a short list of four principles is not meant to diminish the importance of the CMG to Yukon municipalities as a funding source. As noted in the introduction of this paper, the comprehensive municipal grant is a crucial piece of the funding puzzle, especially for communities located outside of Whitehorse.

⁵ Adapted from O'Brien, A. et al. (May 2006). *Achieving a National Purpose: Improving Territorial Formula Financing and Strengthening Canada's Territories*. Expert Panel on Equalization and Territorial Formula Financing. p. 42.

Comprehensive Municipal Grant Analysis

The table below considers the implications of a series of potential modifications to the comprehensive municipal grant formula and a series of potential modifications to the Comprehensive Municipal Financial Assistance Grant Fund.

Potential Modification	Effect on CMG	Strengths / challenges
Alter weighting of the local cost of services adjustment factors.	Very small (the local cost of services adjustment factor accounted for 1.4% of total CMG grant allocations in 2010).	Likely no effect on fairness or transparency. Potential improvement in administrative simplicity.
Lag the assessment equalization factor by one or more years.	None	Likely no effect on fairness or transparency. Small improvement in administrative simplicity.
Granting of a fixed annual amount to each municipality (one flat base).	None if mapped to past practice.	Significant improvement in administrative simplicity. Given that the CMG system has not been altered since inception 20 years ago, determining what constitutes a “fair” annual amount may be challenging if some municipalities gain funding at the expense of others.
Index CMG allocations by the Consumer Price Index for Whitehorse.	No effect on allocation of CMG among municipalities.	Without a corresponding increase in the Comprehensive Municipal Financial Assistance Grant Fund, CMG payments cannot be increased. Would newly allow the City of Whitehorse to have its CMG adjusted for the effects of price inflation. Not possible within current grant structure.
“Rebase” the Base Grant to reflect current demographic circumstances (i.e., alter base grant amounts to correspond to current community populations rather than community populations as they were in 1991).	Medium	Given that the CMG system has not been altered since inception 20 years ago, determining what constitutes a “fair” rebased based amount may be challenging if some municipalities gain funding at the expense of others.
Substitute a measure of “remoteness” (e.g., isolated post allowance, geographic distance) for the local cost of services factor and apply once to the base grant.	Very small	The relative cost of services between different communities is relatively stable over time (i.e., Mayo will always be further from Whitehorse than Carmacks). If remoteness factor is considered to be fair, CMG allocations will also be fair. Improvement in administrative simplicity.

The options below apply to the Comprehensive Municipal Financial Assistance Grant Fund (CMFAGF) from which municipality-specific Comprehensive Municipal Grants are paid. All of the options described below would involve changing the CMFAGF structure from closed-ended to some form of open-ended structure.		
Potential Modification	Effect on CMFAGF/CMG	Strengths / challenges
Continue to escalate the CMFAGF after 2012 with a measure of price inflation such as FDDIPI – final domestic demand implicit price index or Whitehorse consumer price index. (i.e., continue the 2007- 2012 approach).	CMFAGF will increase in years of positive price inflation. Some or all communities may experience an increase in annual CMG allocation.	Familiar option, same as 2007-2012 approach. Does not address existing transparency and fairness issues with current CMG calculation
Make a one-time adjustment to the CMG base grant amount for each community according to a measure of its “remoteness” and escalate the base grant amount annually using a national (e.g., FDDIPI – final domestic demand implicit price index) or Whitehorse (CPI - consumer price index) measure of price inflation.	One time increase in CMFAGF (remoteness) and ongoing annual increases in CMFAGF in years of positive price inflation. Some or all communities may experience an increase in annual CMG allocations.	Annual CMG payments more reflective of geography-based cost of services on an ongoing basis, improved fairness. Population and property tax assessment changes in one municipality continue to impact CMG payments in other communities.
Alter the CMG formula so that: a) changes in property tax assessments; and, b) changes in population in one municipality do not affect the value of the CMG in another community (i.e., make the calculation of CMG of one municipality independent of the calculation of CMG for all other municipalities).	CMFAGF may increase or decrease by different amounts each year depending on changes in property tax assessments and population. CMG payment to a municipality in a given year may decrease if property tax assessments increase or population declines.	Annual CMG payments more reflective of geography-based cost of services on an ongoing basis, improved fairness. Population and property tax assessment changes in one municipality no longer impact CMG payments in other communities. Annual CMG payment to a given municipality could increase or decrease.
Change the conceptual design of CMFAGF to an “expenditure gap filling” approach (similar to design of Territorial Formula Financing).	Likely need for a significant increase in the CMFAGF appropriation from the Yukon Government. Depending on how the “gap filling” formula is specified, CMG payments could increase or decrease with changing economic and demographic circumstances of each municipality.	CMG system would better reflect the evolving economic circumstances of Yukon communities. Annual CMG amounts can increase or decrease. Since municipal budgets must balance each year, municipalities would be exposed to having to hike/cut tax rates on short notice. Increase in administrative complexity.

ANALYSIS OF MUNICIPAL INDICATORS

PREPARED FOR

YUKON GOVERNMENT

DEPARTMENT OF COMMUNITY SERVICES

FEBRUARY 2011

ACKNOWLEDGMENTS

This document has been produced for use by the Community Affairs Branch of Yukon Government Department of Community Services, the Yukon Municipal Fiscal Framework Review Committee and Yukon municipalities only and is not intended for general publication, sale or circulation beyond these parties. It has benefited greatly from a number of excellent publications produced by other Canadian jurisdictions and these are listed below. Readers with an interest to learn more should reference these.

The assistance of Carolyn Moore, Senior Community Advisor and project manager was much appreciated.

REFERENCE DOCUMENTS

- Municipal Sustainability Self-Assessment Toolkit, Community Cooperation Resource Centre, Municipalities Newfoundland and Labrador
- Municipal Health Checklist, Association of Manitoba Municipalities
- Alberta Municipal Sustainability Self-Assessment Toolkit, Government of Alberta Municipal Affairs
- Sustainability Checklist for Municipalities, Saskatchewan Ministry of Municipal Affairs
- Municipal Government Sustainability Self-Assessment Tool Project Concept Paper, Saskatchewan Ministry of Municipal Affairs
- A Sustainability Planning Toolkit for Municipalities in Ontario, Association on Municipalities of Ontario
- Integrated Community Sustainability Plan Template, Yukon Government Department of Community Services
- The Edmonton 2008 Genuine Progress Indicator Report, Anielski Management Inc.
- Yukon Sustainable Progress Indicators: Framework, Indicators and Implementation Approach for Reviewing the Yukon Economic Strategy, Pembina Institute for Appropriate Development
- Quality of Life Reporting System Indicator Grid, Federation of Canadian Municipalities
- Dawson Climate Change Adaptation Plan, Northern Climate Exchange, Yukon College
- Yukon Government Climate Change Action Plan, Yukon Government

CASE STUDY WEB SITES

Municipalities Newfoundland and Labrador

<http://www.municipalitiesnl.com/?Content=CCRC/Self-Assessment>

Association of Manitoba Municipalities

http://www.amm.mb.ca/res_tools.html

Government of Alberta Municipal Affairs

<http://municipalaffairs.alberta.ca/1330.cfm>

Government of Saskatchewan Municipal Affairs

<http://www.municipal.gov.sk.ca/MID/Sustainability>

Service Nova Scotia and Municipal Relations

<http://www.gov.ns.ca/snsmr/muns/indicators/public/default.asp>

Association of Municipalities of Ontario

<http://www.amo.on.ca/Content/NavigationMenu/SustainableMunicipalities/FederalGasTax/IntegratedCommunitySustainabilityPlan/default.htm>

Yukon Government Department of Community Services

<http://www.infrastructure.gov.yk.ca/icsp.html>

Federation of Canadian Municipalities

<http://www.fcm.ca/english/View.asp?mp=1115&x=1043>

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INTRODUCTION

The Municipal Fiscal Framework Review Committee was established by Yukon Government (YG) to review:

- Management of the existing municipal infrastructure deficit and infrastructure maintenance
- Strategies around recruitment and retention of senior managers in rural Yukon
- Provision of municipal services
- Fiscal management
- Funding levels and administration, and
- Local governance.

Subsequent to an initial round of meetings, stakeholder consultations and research, the Committee identified a need to consider just how the overall health of a municipality could be measured in Yukon.

Yukon municipalities currently have very few prescriptive reporting requirements on their overall health, performance or sustainability, either to the public or Yukon Government. Individual regulatory agencies place demands for testing and reports in sectors such as environment, safety and financial affairs but these tend to be snapshots of compliance providing few insights into the long-term issues of a municipality.

Municipal versus Community Sustainability

The Canada-Yukon Gas Tax Fund agreement does require municipalities to prepare Integrated Community Sustainability Plans (ICSP) in order to access funds. These mandate sustainability assessments of the community and ongoing monitoring through interim reviews every two years and complete reviews every five years. However, these are complex planning tools that frequently require outside and costly assistance to complete. Additionally, an ICSP is intended to address the community as a whole whereas the focus of the Committee work is the sustainability of municipal governments.

Indeed, being clear about measuring municipal rather than community sustainability is imperative. An assessment should concentrate on a municipality's roles and responsibilities, rather than broader community aspects, tracking services and factors that municipal officials can influence. This implies that:

- Reliance on the social and cultural factors will be less than normally associated with sustainability.
- Social and cultural factors should only be included if they address demographics and municipal revenues directly relevant to the ability to provide services and engender economic growth.
- Environmental component of sustainability will predominately relate to municipal water, sewer, waste collection/disposal and park services.

Municipal Sustainability Definition

The Community Cooperation Resource Centre of Municipalities Newfoundland and Labrador defines a sustainable municipality as one that is able to:

- Govern and democratically represent the interests of its community with community support and involvement;
- Satisfy the responsibilities for municipal administration, services and infrastructure in accord with the relevant legislation;
- Provide necessary services and infrastructure at a cost residents are willing and able to pay;
- Fund services from local resources or partnerships; and
- Actively contribute to the demographic, social, cultural, environmental and economic well being of its residents.

Municipal Sustainability Self-Assessment Tool Kit, Municipalities Newfoundland and Labrador, p.2

Numerous other jurisdictions in Canada employ indicators of municipal health and sustainability including:

- Newfoundland and Labrador - Municipal Sustainability Self-assessment Project
- Manitoba - Municipal Health Checklist
- Alberta – Alberta Municipal Sustainability Self-Assessment Toolkit
- Saskatchewan – Sustainability Checklist for Municipalities
- Nova Scotia – Municipal Indicators

This report is centred largely on adapting learning from these jurisdictions to the Yukon scenario.

BENEFITS OF INDICATORS

Generally, demands upon municipalities have been growing in excess of the capacity to deliver. Naturally, the benefits of monitoring indicators, the information gained and value added, must be worth the investment of time and money required. It must be shown to be necessary.

In light of the accepted definition of municipal sustainability in Newfoundland and Labrador, the Saskatchewan Sustainability Checklist for Municipalities sets out to answer the following key questions:

- 1) Can the municipality's population and economy be sustained and even grow?
- 2) Can council represent the interests of the community?
- 3) Can the municipality meet its responsibilities for administration and services, and satisfy legislation?
- 4) Is the municipality able to provide needed services to residents at a cost they can afford?
- 5) Can the municipality provide services from the available financial resources?

First and foremost, indicators provide information and a tool for self-evaluation, for local people and officials to assess their condition. Critical outcomes include:

- An evaluation and better understanding of the current situation and its challenges
- A measure of efficiency
- A quantified assessment of sustainability
- An early warning system to provide an alert to problems before a crisis arises
- A better understanding and awareness of current and future municipal viability and sustainability
- Identified:
 - Areas of strength to continue building upon
 - Barriers to success
 - Areas where improvement may be desirable or even necessary.
 - Ideas or options to address problems
- Prioritization of critical issues
- Steps towards determining an approach to meet the issues
- Focused efforts and strategic approaches to improving viability and sustainability.

Specific results will include a better understanding of population changes, the economy, assessment and taxation, fiscal strength, governance and service and infrastructure strengths and weaknesses. Examples of the use of demographic indicators across Yukon municipalities and the striking stories they can tell are shown on the next page.

Consistent use of appropriate indicators would meet a number of the needs and achieve some of the potential of the MFFRC project that the Committee identified at its inaugural meeting, including:

- Showing the full and true costs of providing services in the northern and remote context
- Increasing understanding and engagement in local governance from the ground up
- Increasing awareness of local governance
- Building partnerships
- Founding decisions in solid and current research
- Learning from the past to move forward
- Inspiring people to think long-term, for the long-term

CAPACITY! CAPACITY! CAPACITY!

The single most important benefit would be enhanced professional and administrative capacity. Unless municipal officials, both Council and administrators, have the tools and ability to assess their circumstances and make appropriate decisions, achievement of sustainability will be greatly restrained.

The size and existing capacity of Yukon municipalities engenders real-world challenges every day that limit opportunities for officials and their citizens to pause, reflect and see 'the big picture'. The provision of a simple tool for in-house assessment based on readily available information would be a major leap forward in long-term sustainable municipal management.

DEMOGRAPHIC INDICATOR EXAMPLES

Population by Age 2002-2010

	0-14	14-24	24-54	Over 54	Total
Whitehorse	-2.6%	16.4%	9.0%	64.0%	16.1%
Carmacks	-2.7%	41.5%	20.9%	41.8%	20.5%
Yukon	-6.6%	15.4%	8.6%	66.6%	15.6%
Teslin	-11.0%	1.9%	3.6%	50.0%	9.2%
Faro	-15.1%	-35.9%	2.2%	89.4%	7.6%
Haines Junc.	-15.9%	16.3%	0.8%	50.3%	9.3%
Dawson City	-20.8%	-9.9%	-6.2%	71.5%	2.1%
Watson Lake	-30.0%	21.6%	-9.6%	49.6%	-0.6%
Mayo	-40.4%	8.5%	4.0%	53.1%	4.1%

Population by Age 1996-2010

	0-14	14-24	24-54	Over 54	Total
Carmacks	-12.0%	15.4%	0.5%	55.7%	6.4%
Teslin	-15.2%	-20.9%	-11.7%	55.4%	9.2%
Whitehorse	-22.6%	12.1%	-4.7%	120.0%	6.4%
Yukon	-25.2%	8.9%	-4.5%	122.9%	6.3%
Haines Junc.	-32.7%	5.6%	-9.2%	143.9%	5.3%
Watson Lake	-36.8%	-13.6%	-25.9%	105.2%	-12.5%
Dawson City	-40.0%	-8.7%	-16.9%	122.6%	-6.7%
Mayo	-56.9%	6.7%	-11.9%	55.0%	-10.7%
Faro	-79.0%	-80.8%	-73.5%	47.1%	-68.0%

Natural Retiree Replacement Ratio

Age	50-59/10-19
Whitehorse	1.4
Carmacks	1.0
Yukon	1.4
Faro	2.2
Teslin	1.5
Haines Junc.	1.6
Dawson City	2.3
Watson Lake	1.4
Mayo	1.5

INDICATOR REPORTING

Characteristics of Good Indicators

MFFRC members have indicated a preference that indicators should not:

- Require new statistics or data
- Create additional workload that is a burden on the municipality
- Be difficult for municipalities to manage
- Be just another reporting mechanism
- Be difficult to use

Perhaps unsurprisingly this resonates with experiences elsewhere. The Association of Municipalities of Ontario notes two key elements of indicator success:

- Keep it simple (or they won't be used)
- Rely on existing reporting and data where possible

Criteria for good sustainability indicators are:

- Issue Relevance (validity, soundness, representativeness, etc.)
- User Relevance (intuitive or understandable, unambiguous, useful and representative of social, economic and environmental factors); and
- Data Reliability (data availability and cost-effectiveness).

Source: Sustainability Planning Toolkit for Municipalities in Ontario, Integrated Community Sustainability Plan: Association of Municipalities of Ontario, p. sec12: 43, 40

Generally accepted principles:

- Required data should be easily accessible or provided
- Municipalities with limited capacity must be equally able to perform the analysis
- External resources (i.e. consultants) other than the community advisor should not be required

Voluntary versus Mandatory

Indicators have mostly been developed as the first step in efforts by provinces and associations of municipalities to assist their constituents with self-assessments of their status and needs. They are tools to be used voluntarily by municipalities interested in bettering themselves and learning how to achieve this.

Newfoundland and Labrador did require municipalities to undertake a sustainability indicator assessment but this was part of the Gas-Tax ICSP process, much as has been done in Yukon already. Alberta can require the assessments to be undertaken in situations where a municipality has failed key criteria or citizens request a viability assessment by petition.

Confidential versus Shared

Municipalities, and not provinces or territories, use the Indicators first and foremost and reporting is usually voluntary. However, municipalities might accrue benefits from sharing, such as peer comparison and a better understanding of their issues and challenges by both the public and Yukon Government.

Various options for Yukon Government or AYC to share and distribute results for comparative purposes could be considered, including:

- 1) Collecting, maintaining and disseminating all results.
- 2) Maintaining results on a voluntary submission basis for subsequent dissemination to municipalities.
- 3) Maintaining a list of municipalities that have completed the self-assessment and are prepared to share their results and then provide that list of participants for municipal-to-municipal follow-up.
- 4) Requiring municipalities to first submit their results before getting comparable results from others

If any comparison is envisaged, development of a mechanism to do so should be carefully considered.

Quantitative versus Qualitative

While many indicators of the health of a municipality and its community, primarily demographic, economic and financial, are quantitative, the majority of them are not. These questions commonly invite a yes or no answer. Indeed, even those indicators that can be quantified need interpretation as to their meaning in terms of health, demanding another qualitative yes or no answer.

Yes or no answers provide value but are blunt. Many municipalities will instinctively feel they are somewhere between these yes and no, on many points. Some jurisdictions have moved to add more sophistication to evaluations, introducing further options such as:

- Yes/To some degree/No/Not applicable
- Positive and Negative Scores
- Variable Indicator Score Sizes (e.g. population =10, council acclamation =3)

Quantified scores can be aggregated to provide an overall picture of health, although this requires careful development of an interpretive scale. The primary advantage of this approach is that some indicators clearly represent more critical health issues than others and this allows for the prioritization of challenges.

Data Availability

All the data required to complete and report the possible Yukon indicators brought forward in this report is available from the following sources:

- Audited municipal financial statements
- Property assessment rolls
- Statistics Canada census data
- Yukon Bureau of Statistics
- Government of Yukon Socio-Economic Web Portal www.sewp.gov.yk.ca
- Municipal bylaws and policies
- Municipal officials

This may be initially intimidating to smaller municipalities. However, it would be a relatively simple one-off task for a Yukon Government administrator or contractor to construct a database and spreadsheets that would automatically download and calculate the data. This could be delivered to municipalities for plug-in use on an annual basis, possibly assisted by the Community Advisor.

Scope

Yukon municipalities are diverse and various indicators will be more informative to some than others. While consistent core indicators would allow valuable comparisons, if the intent were the betterment of each and every municipality rather than competition, assessments could vary. Cities, towns and villages could have progressively simpler indicators or even programs developed and attuned to their own unique needs. While all the assessments are the same, Alberta Municipal Affairs for instance, does provide comparative data that distinguishes and separates results by community size.

Frequency

Indicators change at varying paces. While some such as budget deficits and debt levels should be monitored constantly and reported regularly, many others will barely change on a yearly basis. If concerns about management and workload are prevalent, consideration could be given to monitoring some indicators less regularly where appropriate.

Costs

While there would be necessary and very important tasks and associated costs to set-up the assessments, and data collection, analysis and distribution system this would be a one-off capital investment. If done well, and assisted by appropriate training and the expertise of the community advisors, it should be possible to limit the costs to the in-kind time of municipal professionals and incur no new cash costs. Indeed, this should be considered an essential criterion for indicator development.

EXISTING YUKON INDICATOR POSSIBILITIES

A total of 194 different indicators are in use across the five jurisdictions. Filtering these by Yukon data availability and applicability and consolidating similar indicators that essentially measure the same key factors leads to a list of 155 existing Yukon indicator possibilities. Six of these require data availability confirmation from particular municipalities. These are grouped into eight broad areas and a number of sub-areas. The full list can be found on the following three pages.

1) Population and the Economy

Population and age profile are leading indicators of community change and the overall well being of a municipality. They impact the local economy, financial strength and the ability to deliver services affordably. Declining and ageing populations alter the required services and reduce tax and volunteer bases. The diversity and depth of the economic base and its ability to pay the costs of municipal services is directly related to the self-reliance and independence of a community and its government.

2) Assessment and Taxation

A stable and diverse tax base provides revenue needed to deliver services on an ongoing basis at a cost that residents can afford. Trends in assessment indicate the likely future revenue-raising potential and changes in commercial assessment are key indicators of economic conditions. The diversity of the tax base indicates how well a municipality will deal with socio-economic change. Large potentially unstable taxpayers may pose a risk to the sustainability of tax revenues.

3) Finance (Administration, expenditures, revenues, debt, reserves and utilities)

Good financial management that ensures resources are properly managed is essential to the ability to confront challenges and deliver services the residents can afford. Following principles of fiscal responsibility, performing ongoing monitoring of financial health and risks, and following best practices in accounting, budgeting, and the preparation and presentation of financial statements are essential.

4) Community Interest (Local democracy, citizen engagement and sense of community)

Interest by citizens in municipal affairs and an active volunteer/non-profit sector make a community a viable and vibrant place to live. This also requires contested elections rather than wide spread acclamations for council positions. Municipalities need leadership, interest and support from residents.

5) Governance (Council, human resources, record keeping, technology, planning and inter-municipal)

Good governance is a requirement for sustainability. Councils must be complying with the requirements of provincial legislation and practicing principles of good governance. One of the most significant factors in sustainability is the capacity of the municipal administration, particularly its ability to provide council with accurate and reliable information and carry out responsibilities required by statute. Inter-municipal cooperation is increasingly likely to become an essential component and the extent of involvement in regional and neighbour strategies and partnerships is a key yardstick.

6) Service Delivery (Performance monitoring, cost and services)

Basic services to property such as solid waste collection and disposal, water supply, sewage collection and treatment and roads remain the core municipal mandate. Determining whether a municipality is providing these services in a satisfactory, affordable manner and in compliance with all legal requirements is fundamental.

The availability of recreational and cultural facilities, as well as health and education services, impacts the long-term viability of a community. However, Yukon municipal governments have very limited or no control over health and education services so direct control is limited to recreation and cultural activities, primarily limited to the establishment of recreational facilities, infrastructure and programs.

7) Infrastructure

Access to service infrastructure may be variable and extending services impacts population and user fee revenues. Commonly, much existing infrastructure is aging and may be inadequate to meet current service and environmental standards. The use of asset management practices such as preventive maintenance and accurate projections of timing and cost of replacements is needed.

8) Risk Management

Undertaking regular assessment of vulnerability to unexpected events and good contingency planning.

SPECIAL NOTE ON CLIMATE CHANGE

Climate change and the impact on municipalities is a very complex subject. Northern Climate Exchange (NCE) attempted to project the impacts on Dawson City during its Community Adaptation Plan project there (2008-10) and discovered an almost complete absence of coherent environmental monitoring data at the local level. However, NCE has developed and applied an extensive approach to assessing Yukon community vulnerabilities, mapping hazards and planning adaptations thereto. In terms of this project, questioning whether these have been undertaken has been included as an indicator under risk management and the finer details of how communities can measure, evaluate and continue to monitor this, are left to the experts on that larger initiative.

FINANCIAL INDICATORS

AREA	SUB-AREA	INDICATOR	DATA AVAILABILITY		DATA SETUP		DATA TYPE	
			Yukon	Municipal	Existing	Calculable	Quantitative	Qualitative
POPULATION & ECONOMY	Population	Total and change (0,5&15 years)	YES			YES	YES	
		Age profile: 0-19,20-54,55+ (0,5&15 years)	YES			YES	YES	
		Under 19 change (0,5&15 years)	YES			YES	YES	
		Change in proportion over 55 (0,5&15 years)	YES			YES	YES	
	Economy	Unemployment rate	YES		YES		YES	
		Youth unemployment rate	YES		YES		YES	
		Average household income	YES		YES		YES	
		Change in development permits (5 years)		YES		YES	YES	
ASSESSMENT & TAXATION	Assessment Base	Change in business licenses (5 years)		YES		YES	YES	
		Total assessment and change (0,5&15 years)	YES			YES	YES	
		Total residential assessment and change (0,5&15 years)	YES			YES	YES	
		Total non-residential assessment and change (0,5&15 years)	YES			YES	YES	
		Residential proportion (0,5&15 years)	YES			YES	YES	
		Non-residential proportion(0,5&15 years)	YES			YES	YES	
		Total assessment per dwelling unit	YES		YES		YES	
	Taxation	Is the largest ratepayer over 20% and unstable?		YES		YES		YES
		Average tax per residential dwelling (0-5 years)		YES		YES	YES	
		Average residential tax per dwelling (0-5 years)		YES		YES	YES	
		Average residential tax/average household income	YES			YES	YES	
		Tax collection rate (0-5 years)		YES		YES	YES	
FINANCE	Administration	Is the current proportion unpaid over 10%?		YES		YES		YES
		Is there an outstanding tax account collection process?		YES	YES			YES
		Are the major tax base industries stable or growing?		YES	YES			YES
		Is an annual budget adopted and followed?		YES	YES			YES
		Is there a formal link between budget and annual plan?		YES	YES			YES
		Is there a multi-year capital budget?		YES	YES			YES
		Is there regular financial reporting to council?		YES	YES			YES
		Is budget monitoring at least quarterly?		YES	YES			YES
	Expenditures	Was the last audit opinion satisfactory?		YES	YES			YES
		Are legislated deadlines met? (tax, budget etc)		YES	YES			YES
		Was there an annual deficit in 2 of 3 or 5 of 10 last years?		YES	YES			YES
		Is spending generally within 5% of operating budget?		YES		YES		YES
		Is there flexibility of expenditures to offset revenue loss?		YES		YES		YES
	Revenues	General government spending proportion		YES		YES	YES	
		Non-discretionary expenditure proportion		YES		YES	YES	
		Expenditure per dwelling		YES		YES	YES	
		Tax revenue proportion (5 years)		YES		YES	YES	
		Total own source revenue proportion (5 years)		YES		YES	YES	
		Comprehensive grant proportion (5 years)		YES		YES	YES	
	Debt	Change in tax revenue relative to CPI (5 years)		YES		YES	YES	
		Change in other revenue relative to CPI (5 years)		YES		YES	YES	
		Is revenue growth tracking community growth?		YES		YES		YES
		Does use of grant funding generally consider future O&M?		YES	YES			YES
		Debt outstanding proportion of regulated limits (5 years)		YES		YES	YES	
	Reserves	Debt service spending proportion (5 years)		YES		YES	YES	
		Ratio of current assets to current liabilities		YES		YES	YES	
		Do cash flows require short-term debt use?		YES	YES			YES
		Are accounts payable paid on time?		YES	YES			YES
	Utilities	Total reserves and change (0-5 years)		YES		YES	YES	
		Total reserves proportion of expenditure		YES		YES	YES	
		Are financial reserves used for long-term needs?		YES		YES		YES
		Is the capital reserve fund adequate?		YES		YES		YES
		Cost recovery rate		YES		YES	YES	
		Fees collection rate		YES		YES	YES	
		Is there an outstanding fee collection process?		YES	YES			YES

COMMUNITY INTEREST AND GOVERNANCE INDICATORS

AREA	SUB-AREA	INDICATOR	DATA AVAILABILITY		DATA SETUP		DATA TYPE	
			Yukon	Municipal	Existing	Calculable	Quantitative	Qualitative
COMMUNITY INTEREST	Local democracy	Council acclamation level		YES		YES	YES	
		Frequency of council vacancies		YES		YES	YES	
		Voier turnout and trend (3 elections)		YES		YES	YES	
	Citizen Engagement	Is there a citizen engagement strategy?		YES	YES			YES
		Is there ongoing communication with the public?		YES	YES			YES
		Does the annual report include more than finances?		YES	YES			YES
		Are citizens engaged in the budget process?		YES	YES			YES
		Is the budget and other information made public?		YES	YES			YES
		Is there a strong sense of community pride?		YES	YES			YES
	Sense of community	Is citizen participation on committees strong?		YES	YES			YES
		Is the number of volunteer organizations strong and growing?		YES	YES			YES
		Are volunteer organizations strong?		YES	YES			YES
		Does Council actively support community pride?		YES	YES			YES
		Are there public facilities for community meetings?		YES	YES			YES
		Are there volunteer recognition programs?		YES	YES			YES
GOVERNANCE	Council	Is there a minimum of one scheduled meeting per month?		YES	YES			YES
		Are dates and times of meetings made public?		YES	YES			YES
		Councillor meeting attendance rate		YES		YES	YES	
		Do sub- and advisory committees exist?		YES	YES			YES
		Do Councillors serve on committees?		YES	YES			YES
		Do Committees report regularly?		YES	YES			YES
		Is there a Council meeting procedural bylaw?		YES	YES			YES
		Is Council awareness of Municipal Act satisfactory?		YES	YES			YES
		Council training expenditure		YES		YES	YES	YES
		Is there a policy and procedures manual?		YES	YES			YES
		Is Council familiar with municipal plans?		YES	YES			YES
	Human Resources	Is succession planning in place for CAO?		YES	YES			YES
		Are qualified administrators commonly recruited?		YES	YES			YES
		Do all staff have job descriptions?		YES	YES			YES
		Are human resources policies and practices satisfactory?		YES	YES			YES
		Training expenditure per employee		YES		YES	YES	
	Record Keeping	Are staff familiar with municipal plans?		YES	YES			YES
		Are minutes kept for all council meetings?		YES	YES			YES
		Are minutes kept for all committee meetings?		YES	YES			YES
		Is there a records management policy?		YES	YES			YES
	Technology	Is there an access to information policy?		YES	YES			YES
		Is information technology adequate?		YES	YES			YES
		Is there information technology support?		YES	YES			YES
	Planning	Is there high-speed internet access?		YES	YES			YES
		Is there access to professional planning expertise		YES	YES			YES
		Is the ICSP up to date? (5 years)		YES	YES			YES
		Is the OCP up to date? (10 years)		YES	YES			YES
		Is the zoning bylaw up to date? (10 years)		YES	YES			YES
		Is there a Council approved strategic plan?		YES	YES			YES
		Is there an up to date 5-year capital plan?		YES	YES			YES
		Is there an up to date annual plan?		YES	YES			YES
		Economic development plan		YES	YES			YES
		Emergency management plan		YES	YES			YES
	Intermunicipal	Are citizens regularly involved in planning?		YES	YES			YES
		Do plans include performance measures?		YES	YES			YES
		Are there intermunicipal service agreements?		YES	YES			YES
		Is there participation in regional strategies?		YES	YES			YES
		Is there regular communication with neighbours?		YES	YES			YES

SERVICE DELIVERY, INFRASTRUCTURE AND RISK MANAGEMENT INDICATORS

AREA	SUB-AREA	INDICATOR	DATA AVAILABILITY		DATA SETUP		DATA TYPE	
			Yukon	Municipal	Existing	Calculable	Quantitative	Qualitative
SERVICE DELIVERY	Performance Monitoring	Are there established service standards?		YES	YES			YES
		Is there a process to review compliance to standards?		YES	YES			YES
		Are services generally in legislative compliance?		YES	YES			YES
		Are health and safety codes generally met?		YES	YES			YES
		Complaint numbers					YES	
	Cost	Fire service members per dwelling		YES		YES	YES	
		Fire service cost per \$1,000 assessment		YES		YES	YES	
		Recycling cost per \$1,000 assessment		YES		YES	YES	
		Solid waste per \$1,000 assessment		YES		YES	YES	
		Water treatment & distribution cost per litre				YES	YES	
		Sewer cost per km				YES	YES	
		Street maintenance cost per km		YES		YES	YES	
	Services	Satisfactory water consumption reduction program?		YES	YES			YES
		Satisfactory energy consumption reduction program?		YES	YES			YES
		Satisfactory waste reduction program?		YES	YES			YES
		Satisfactory recycling program?		YES	YES			YES
		Satisfactory composting program?		YES	YES			YES
		Satisfactory hazardous waste program?		YES	YES			YES
		Satisfactory greenhouse gas reduction programs?		YES	YES			YES
		Satisfactory recreation program?		YES	YES			YES
		Satisfactory cultural program?		YES	YES			YES
INFRASTRUCTURE		Is there a complete infrastructure inventory?		YES	YES			YES
		Is there an up to date condition assessment?		YES	YES			YES
		Is there an infrastructure management system?		YES	YES			YES
		Is there a preventative maintenance program?		YES	YES			YES
		Is the water system less than 20 years old?		YES	YES			YES
		Is the sewer system less than 20 years old?		YES	YES			YES
		Water testing and quality		YES	YES			YES
		Is there a water source protection plan?		YES	YES			YES
		Water main breaks per km				YES	YES	
		Sewer main backups per km				YES	YES	
		Are major capital projects generally affordable?		YES	YES			YES
		Are reserves set aside for replacements?		YES		YES	YES	
		Is there a funded maintenance plan?		YES	YES			YES
		Waste management facility?						
		Satisfactory streets?		YES	YES			YES
		Satisfactory greenspace, trails and parks?		YES	YES			YES
		Satisfactory recreation facilities?		YES	YES			YES
		Satisfactory fire department?		YES	YES			YES
		Satisfactory town hall?		YES	YES			YES
RISK MANAGEMENT		Has a corporate risk assessment been undertaken?		YES	YES			YES
		Is there a corporate risk management plan?		YES	YES			YES
		Is funding reserved for emergencies?		YES	YES			YES
		Is there a service continuity plan?		YES	YES			YES
		Has the effect of major change been projected?		YES	YES			YES
		Is there a climate change vulnerability assessment?		YES	YES			YES
		Is there a climate change hazard mapping?		YES	YES			YES
		Is there a climate change adaptation plan?		YES	YES			YES

ADDITIONAL NEEDED YUKON INDICATORS

The minutes of the MFFRC meetings and the community tour discussions with municipal and First Nation officials and the public identify common issues to which indicators could be usefully applied. Many matters raised, such as community engagement, most financial affairs, governance, service delivery, infrastructure and inter-governmental partnerships are common to municipalities across Canada and hence needed indicators have already been brought forward from the cross-jurisdiction research.

However, a number of concerns came forward that do seem especially important to Yukon municipalities that are not being commonly measured elsewhere and for which indicators are needed and should be developed in addition to those already suggested:

Financial

- Proportion of total revenues sourced from:
 - Own-sources (non-transfers)
 - Taxes
 - Service fees
 - Comprehensive Municipal Grant
- Proportion of expenditures attributable to various key services including, but not limited to:
 - Operating budget
 - Capital budget
 - Employee wages and benefits
 - Energy (total, heating fuel, vehicle fuel and electricity)
 - Legal
 - Contractors and professional services
 - Individual service delivery categories
- Total expenditures per taxpayer
- Ratio of number of taxpayers to total population
- Demography and Economy
 - Peripheral residency and cost of service

One especially important matter is life affordability. The cost of living in a community relative to average income will be an important driver of population attraction and retention, especially how it compares to nearby communities. A Community Spatial Affordability Index is relatively straightforward to compose and example results are shown in the table on the next page.

Governance

- Employee wage and benefit rates

Service Delivery

- Energy efficiency
- Solid waste reduction

An undeniably common concern is land development and the availability of housing. Current indicators are poor outside of Whitehorse (only two rental properties are surveyed in Dawson City for instance) and cannot be relied upon as benchmarks whether for decision makers or for the funding of affordable housing initiatives (Source: Yukon Housing Corporation Affordable Housing Program 2010). This is a key component of both a healthy community and its municipality, with services to property still the primary mandate. Developing reliable indicators for these matters should be a priority, such as:

Land and Housing Development

- Land (by sector being urban, country and rural residential)
 - Availability – Numbers and ratio to sales
 - Affordability - Price and average income ratio
- Housing (by sector being number of bedrooms)
 - Availability – Rental vacancy rate
 - Affordability – Rent and average income ratio

Lastly, investing in an improved Municipal Price Index to compare revenues against rather than CPI is needed as items such as eggs, dairy, personal care and cigarettes have little bearing on municipal costs.

INDICATORS OF RELATIVE LIFE AFFORDABILITY

		Carmacks	Dawson	Faro	Haines Junction	Mayo	Teslin	Watson Lake	Whitehorse
Community Spatial Price Index	2002	108.6	111.6	107.4	109.5	107.8	105.6	112.8	100
	2005	112	116.4	107.7	108	118.2	108	111.9	100
	2009	114.7	121.3	119.9	120.5	125.7	117.6	118.1	100
Change in Relative Cost of Living	2002-2009	71%	84%	169%	116%	229%	214%	41%	0%
Median After-Tax Income Community Spatial Income Index	2005	21,024	26,000	24,896	27,328		24,416	21,760	31,109
		67.6	83.6	80.0	87.8		78.5	69.9	100.0
Mean Gross Income Community Spatial Income Index	2007	30,978	39,463	36,348	38,710	37,583	34,870	34,315	46,895
		66.1	84.2	77.5	82.5	80.1	74.4	73.2	100.0
COMMUNITY SPATIAL AFFORDABILITY INDEX	2009	58%	69%	65%	69%	64%	63%	62%	100%

NEXT STEPS

This analysis was only an initial scan of possibilities and was presented to the MFFRC on February 3, 2011. While the Committee includes three AYC representatives, resources limited the ability to communicate with individual municipalities directly. Hence, consideration should be given to a pilot project in order to gain a real-world perspective. Ideally this should be with a mid-sized municipality that has not recently undertaken significant strategic planning as this and/or large or small size may skew findings.

Pilot Project

Lessons from other jurisdictions, and the Committee members, both emphasized the need for an indicator assessment that is true to five principles:

- 1) Low to no cost to the municipality
- 2) Simple to complete with existing human resources
- 3) Based on readily available data
- 4) Not time intensive
- 5) Relevant

The pilot project should focus on measuring performance to these five principles as the municipality makes its way through the process. A Yukon Government Community Services official or contractor should start with the full indicator list suggested in this research and:

- Create a draft indicator questionnaire (hard copy and online where feasible)
- Source all the required quantitative data external to the municipality
- Assist the municipality with sourcing internal quantitative data where required
- Develop the spreadsheets required to execute the calculations where required
- Assist the municipality in executing the calculations where required
- Assist individual municipal officials in answering qualitative indicators where required
- Facilitate a group discussion of municipal officials to answer qualitative indicators where required
(Note that the use of quick-fire online surveys within a discussion forum is a very effective and highly illuminating methodology to accomplish this)
- Facilitate a group discussion to gather feedback from the municipality
- Report measurements and municipal feedback
- Evaluate the indicators and any additions suggested against each of the five principles listed above
- Develop a final draft indicator questionnaire for consideration by the MFFRC.

The project outcome would be a 'Year-One' self-assessment toolkit that meets the five principles, including:

- Methodology
- Data sources
- Calculation spreadsheets
- Questionnaires for individual municipal officials
- Format and agenda for discussion forums
- Financial and human resource requirements

It should be expected that the assessment would continue to evolve based on further learning subsequent to all the municipalities trialing the process.

Municipal Resource Share-Site Internet

Indicators must not only be relevant, they should lead to action – the municipality should not be left floundering with a fresh list of problems but nowhere to go next. This could quickly bring the self-assessment process into disrepute if it does not lead to solutions and advancement. A common, valued and highly recommended feature of municipal self-assessment programs in other jurisdictions is a direct link from the conclusions of the assessment to tools and resources that allow municipalities to begin addressing the identified challenges. The *Our Towns, Our Future Community Visits Summary* document notes research on a 'Municipal Resource Share-Site Internet' as a next step. Development of this site and the indicator self-assessment toolkit should be coordinated to ensure that the resources the site provides align with, and are segmented in a manner that blends with, the assessment categories and common conclusions.

February 14, 2011

Carolyn Moore
Senior Advisor, Community Affairs
Department of Community Services
Government of Yukon

Re: Interjurisdictional Scan of Municipal Training Programs

Dear Carolyn Moore,

Please find attached two matrices detailing the components of various municipal training programs across Canada. This research points to two very different approaches to municipal capacity building that are being deployed by various provinces and territories.

The first approach, more common amongst larger jurisdictions, is for the provincial government to provide support to municipalities in the form of manuals and information sharing. Online manuals on elections, financial reporting, and the like are available to municipal employees and elected officials. Beyond this, the province sometimes acts as a clearing house for information about training opportunities that they may or may not be hosting. Generally speaking, municipal capacity building is handled through professional associations and organizations like the Federation of Ontario Municipalities. These organizations hold regular conferences, meetings, and provide training opportunities. Sometimes these training opportunities include the possibility of certification. These programs tend to emphasize retention in a municipal career, as opposed to recruitment, as, for the most part, people undertaking the training must already have a job in a municipal government.

A second approach to municipal training and capacity building is apparent in Saskatchewan, Northwest Territories, and Nunavut. In these jurisdictions government is taking the lead in providing training opportunities. From a municipal perspective, these governments offer a one-window approach for training. These programs have been highlighted in the matrix as they met the most categories in the table. They tend to include a recruitment and retention emphasis, and present a career in municipal administration as an exciting, meaningful way to work in rural or northern Canada.

Manitoba has taken a third approach to municipal training. They provide some training and information-sharing services, but also provide consultant services to municipalities. Generally the consultant services include a capacity building or training component.

Thank you for the opportunity to work on this project.



Christine Cleghorn

Interjurisdictional Scan of Municipal Training Programs

		NL	Nova Scotia	PEI	NB	ON	MB	SK	AB	BC	NWT	NU	YT
Target	Territorial Employees							X					
	Municipal Employees	X	X	X	X	X	X	X	X	X	X		X
	Elected Officials	X	X	X	X	X	X	X	X	X	X		X
Stable funding		50% cost shared	X				X	X				X	
Certification Opportunities								X			X	X	
Recruitment Focus			X					X	X		X		
Retention Focused						X	X	X	X		X	X	
Low cost		X	X	X	X	X				X			
Subsidized		X					X				X	X	
Local delivery		X					X	X	X	X	X	X	X
Private Delivery													
Peer to Peer learning						X					X		
Reflects greater definition of 'public service'		X		X	X	X	X	X	X	X	X	X	X
Utilizes different delivery systems								X		X	X		
Maximizes resources we already have						X				X	X	X	

Interjurisdictional Scan of Municipal Training Programs

Captures interest and personal investment of individuals	X				X	X	X	X		X	X	
Could lead to 'school of governance' or board	X					X	X	X	X	X	X	
Open to partnerships	X			X	X	X	X	X	X	X	X	X
Responsive to continue with essential training services that can respond to urgent needs	X			X	X	X	X					X
Builds local capacity for expertise	X			X	X	X	X	X		X	X	
Other comments	Few modules developed to date	On-line Workbooks + manuals	On-line Resource manuals	On-line Resource Manuals	On-line Resource Manual, conferences + customized training	Advisory, training & consulting services provided by MB gov.		Leadership focus	Information sharing			OTOF underway

Other Training Options

[illegible]

Other Training Options

Utilizes different delivery systems				X	X				online		
Maximizes resources we already have			X								X
Captures interest and personal investment of individuals	X	X	X	X	X	X	X	X	X		
Open to partnerships				X	X	X		X		X	X
Builds local capacity for expertise	X	X	X	X	X	X	X	X	X	X	X
Other comments						Conferences + customized training			2-4 years part time online	Aboriginal leadership focus	

Land Availability & Lot Development within Yukon Municipalities
Community Affairs Branch, Department of Community Services
Government of Yukon
February 2011

Introduction

During the Our Towns Our Future consultation, almost all communities identified some sort of challenge they were experiencing with the process of developing land and/or the need to provide residential land and affordable housing to their residents.

In Carmacks, Dawson, Mayo and Teslin, the municipalities advised that they currently had shortages of residential land and in some cases other categories of land. Although there were a number of planned development initiatives underway in each community, each of these seemed to be complicated by various factors. For instance, the Village of Carmacks noted that most of the vacant land within their municipality was either privately owned or unsuitable for development. In Dawson, it was noted that the process for moving forward with a planned country residential subdivision had been complicated by the presence of mining claims. In both Mayo and Dawson, residents suggested that it may be difficult for government to develop and sell lots on a cost recovery basis since the price of land may more than what people were prepared to pay or could afford.

In many communities, residents indicated that they did not understand the process for developing land and wondered why it took so long to put lots on the market. Some felt that things could be improved by providing a greater level of local control over the process. Others suggested that land development could be used as a way to stimulate economic growth through new home construction and increased commercial development. Some were concerned that there may not be enough lots in some communities in the event of an economic boom, such as one that could result from a new mining project.

In many communities, people suggested that First Nations could play a role in resolving land and housing shortages through planned development projects on Settlement Land. It was noted that many First Nations have already successfully completed a number of these projects and several more are currently underway.

The intent of this paper is to look at the specific issues and concerns that were raised through the consultation process and examine what is currently being done in municipalities with respect to land development and the need to accommodate for future growth.

Identifying Areas for Future Development

The identification of candidate areas for future development is carried out by a municipality as part of the development of its Official Community Plan (OCP). The Yukon Municipal Act Part 7, Division 1, sections 277-285 set out the parameters on what OCPs must contain, which includes the requirement to address future development and the use of land.

The anticipated demand for various types of land uses is determined through an analysis of population growth rates and trends and the supply of existing housing and other categories of land. (This process is explained in more detail later in the document)

The selection of candidate areas to accommodate future growth involves a number of technical considerations including an analysis of soil and terrain conditions. Essentially areas of high potential for development are those having relatively low development and servicing costs. Consequently, areas with high development constraints as determined by the presence of bedrock, permafrost, susceptibility to flooding and erosion, or important environmental values, are normally avoided. The selection of preferred locations for new development is also done through a public process, having regard for the compatibility of proposed uses with surrounding land uses.

Once candidate areas are designated for future development within an OCP, they essentially serve as a “land bank” for the municipality. In other words, they can be developed if and when there is sufficient demand to warrant proceeding with a planned development project.

It is important to note that beyond the process of simply identifying large tracts of public lands for multi-lot residential development, the municipality has other options at its disposal to accommodate the demand for residential development. In particular, the municipality can pursue infill development or amend its OCP and Zoning Bylaws to promote the intensification or redevelopment of existing developed areas. A municipality can do so in the following ways:

- Lowering the minimum lot size in some residential areas to encourage private land subdivision;
- Amending its Zoning Bylaws to allow for additional flexibility on living suites, which would allow for more residential units in existing neighbourhoods
- Adopting development standards and zoning bylaws that promote compact development;
- Identify specific areas as target areas for intensification and mixed use – eg. designating a location within the community as a key mixed use node or corridor;

Among other things, the intensification of existing built up areas contributes to more efficient use of land, infrastructure and public service facilities. The results of these efficiencies can be cost savings for municipalities with respect to infrastructure; a reduction of negative environmental impacts; and, reduced energy consumption.

It is understood that municipalities cannot guarantee that intensification of existing developed land will take place as it relies on the decisions of individual property owners (eg. decision to pursue private land subdivision). However, the municipality can ensure that its OCP and comprehensive Zoning Bylaw support and encourage this type of development.

In examining the OCPs that have been completed by the eight municipalities, it is noted that many have identified candidate areas for future development. In some instances these areas have simply been described in text (eg. Dawson), however in most cases they are clearly outlined in the future land use maps that are contained within the OCPs.

It is also noted that many of the municipalities have included policy statements within their OCPs to promote a compact community form by encouraging infilling as a way to meet land demand before larger land developments are pursued outside of the community core. In the case of the City of Whitehorse, the municipality has gone the extra step of identifying an “Urban Containment Boundary” for this purpose. Despite this, it is recognized that a portion of the population does have an interest in lower density residential development and therefore many municipalities have included provisions in their OCP to facilitate low, medium and higher density developments.

Who develops land into residential lots and how?

Most of the existing residential development within Yukon municipalities has been planned and developed by public bodies. This contrasts with the majority of Canadian cities, where private companies develop and supply most residential land to the market. Despite this, the demand for new residential development in municipalities can be satisfied through a number of different sources or ways as outlined below.

Yukon Government led Planned Development Projects

The Department of Community Services, Yukon government carries out planned land-development projects on Yukon Land in cooperation with local municipalities. As noted above, existing Official Community Plans are used to determine where these developments may take place. In cases where the OCP has not identified sufficient areas for residential growth, it may be necessary to complete this step and amend the OCP before proceeding further.

Usually the selection of candidate areas for development is focused on public lands, however the Yukon Government and Municipalities do have the option of acquiring private land for this purpose.

In order to confirm the need for new lots, the Department completes a lot inventory and an analysis of the market demand. From there, the Department seeks support from the Yukon Government and the municipality to proceed with the project. It may also be necessary at this stage for the Department to secure funding for planning, engineering and technical studies if this has not already been identified in the Department’s capital budget.

As a general practice, the Department also completes a “Project Charter” with the municipality (and any other government agencies that may be involved in the process) for the purpose of clarifying roles and responsibilities. In the case of the City of Whitehorse, the department has a signed Land Development Protocol Agreement with the municipality which addresses this issue.

The feasibility and planning stage of a new residential development begins in earnest with a public meeting that is held to inform residents about the project and to explain how they can provide input during the process. Following this, the Department completes contour mapping for the area and undertakes site-specific soils studies to determine the suitability of the land to support house foundations, road construction and site servicing. Environmental constraints are also identified at this time as well as any important features (such as trails) that need to be either avoided or considered in the development of concept options.

Preliminary engineering and subdivision design concepts are developed and then presented to the community for discussion and input. Based on the results of the consultation process, a final concept design is prepared which normally incorporates components of the various concept options that were considered as well as any additional features that may be suggested by the public.

The plan approval stage involves an endorsement of the plan by Council, followed by an environmental assessment screening under the Yukon Environmental and Socio-economic Assessment Act (YESAA). In order to proceed with the development, the municipality must amend its Zoning Bylaws (and in some cases the OCP) and obtain Subdivision Approval from the appropriate approval authority. Each of these steps involves additional public consultation as required under the Municipal Act and/or other pieces of legislation.

Prior to the detailed engineering design, tender and construction stages project implementation, approval is required from Management Board (Yukon Government) for projects exceeding one million dollars. Detailed engineering designs are then completed for the roads, sewer and water, curb, gutter and sidewalks, and power and telephone. The construction and project implementation stage involves a public tender call and the construction of the underground sewer and water, power, telephone, paving, concrete curbs, gutters and sidewalks, street lighting and legal survey of the lots. (Note: depending on the nature and size of the development, some of these features previously described may or may not be required)

The market and lottery/tender stage involves the establishment of lot sale prices, advertising and the lottery/tender process. Lots are first released to the public through a land lottery or by tender administered by the Lands Management Branch of Energy, Mines & Resources. Any lots not sold through the lottery or tender process may be made available for sale by another method, such as over the counter or through another scheduled lottery.

Community Services officials have indicated that the role of municipalities in the process described above can vary between communities. For instance in recent years, more municipalities have been taking an active or leadership role in the planning and public consultation components of land development process. In such instances, Community Services has only been responsible for the project implementation and construction phase. Community Services officials have indicated that they are very supportive of this approach as it fosters greater local control and involvement in the planning process.

Municipality led planned development projects

Municipalities have authority under the Municipal Act to undertake land development projects that adhere to Official Community Plans, zoning bylaws and other requirements specific to the project. Municipal governments may enter into joint development agreements with private land owners, developers, First Nation governments, or Yukon government in order to finance the development and hold the properties for sale.

As noted previously, the City of Whitehorse has signed a Land Development Protocol Agreement with the Yukon Government that sets out roles and responsibilities for land development in the City. Under the Protocol, the City is responsible for all consultation,

planning, preliminary engineering, zoning, subdivision and YESAB applications, and the Yukon Government is responsible for detailed engineering design, construction, and surveying. The protocol calls for the City to eventually take over the responsibility of marketing and handling the land lotteries/tender sale of lots of developed land within the City of Whitehorse. Both parties have indicated that this arrangement has been working quite well. The Department of Community Services is working on implementing a similar process with Dawson City for land development and is interested in discussing this approach with other municipalities.

Unlike the process that is followed by Community Services for planned land development in rural municipalities, the City of Whitehorse has in at least once instance used a design charrette as a way of engaging public participation in the development of concept designs for a new subdivision.

A charrette is about a four- to seven-day planning event that assembles an interdisciplinary team of all stakeholders to design and plan a project together. During the course of the charrette, planners, members of the public, engineers and other experts work together in brainstorming sessions, sketching workshops and other exercises designed to resolve issues and generate consensus. Throughout the charrette, participants work through specific planning problems. A design team then works around the clock to revise and update the plans. The “new” plans then become the focus for discussion among the participants. All of this occurs within a highly compressed time frame.

The advantage to this approach is that it brings speed and public trust to planning process, largely due to the inclusive and transparent nature of the process. As the process is carried out, the public can see how their ideas are being incorporated in the subdivision design by way of short feedback loops. When using conventional planning processes, planners typically involve the public by holding a series of single-evening meetings spaced a month or two apart. Depending on people’s availability or schedules, there can often be different members of the public showing up to each public meeting. This forces planners to spend more time explaining or revisiting items or issues discussed at previous meetings. It is important to note that the charrette process can be a very resource intensive and it can still take months to properly prepare for the charrette prior to the actual event. However, the most important part of the project—the planning of the basic subdivision design concept—happens quickly.

Infill Development

In addition to pursuing multi-lot residential development, a municipality or Community Services can also consider infill development. This provides a cost effective alternative to supplying residential lots to market due to the ability to take advantage of existing established utilities and road systems (infrastructure). The additional advantage to infill development is that it promotes a more contiguous and compact residential development pattern which reduces the consumption of land.

Rural Residential Spot Land Application Program

The Rural Residential Policy is a spot application policy administered by the Lands Management Branch of Energy, Mines & Resources which provides a mechanism for people to apply for an individual piece of vacant Yukon land outside of the developed

subdivision and lottery process. In most cases, the Land Management Branch does not accept individual applications to buy, lease, occupy or use other public lands in municipalities unless they are disposed of as part of a planned development process.

First Nations planned land development projects

First Nations are generally responsible for land use authorizations and disposition of interests on their Settlement Lands. First Nation governments have the right to enact laws in relation to use, zoning and development of Settlement Land; however these rights are somewhat limited on Settlement Lands within municipal boundaries.

Six settled First Nations have agreed not to exercise their land-based powers on most of their settlement land parcels within municipalities. In these communities, land use and development of settlement land parcels must comply with the existing municipal zoning, planning and public health and safety bylaws. These First Nations are Little Salmon Carmacks First Nation; Teslin Tlingit Council; Champagne Aishihik First Nations; Na-Cho Nyak Dun First Nation; Tr'ondek Hwech'in First Nation; and Taan Kwachan Council.

In the case of the City of Whitehorse, the Kwanlin Dun First Nation's ability to exercise law making powers with respect to planning, zoning and development depend on the specific designations of particular parcels. Essentially, KDFN Settlement Land is split into three land types:

Type 1 land: KDFN is able to exercise all of its self-government powers on settlement land that is Type 1. This includes "The Old Village" (Lot 226), located in present-day Marwell.

Type 2 land: The majority of settlement land within the City of Whitehorse is Type 2.

On these types of lands, KDFN may enact a law (in accordance with its legislative processes) in relation to planning, zoning and land development if it complies with the terms of the KDFN Self Government Agreement and is consistent with Yukon and City laws in relation to planning, zoning and land development. In such instance, KDFN is responsible for the administration of these laws.

Type 3 land: A small number of settlement land parcels are Type 3. These are within existing neighbourhoods or built-up areas. KDFN will need the agreement of the other concerned government, either the City of Whitehorse or Yukon, before enacting a law about public health and safety, planning, zoning or land development applicable to Type 3 parcels. KDFN will be able to exercise all the rest of its self government powers.

Within the parameters noted above, Yukon First Nations may undertake their own land development projects on Settlement Land within municipalities. While these lands can be subdivided, the individual lots that are created are only surveyed as a block as the larger parent parcel must remain collectively owned by the First Nation. A First Nation and non First person may be able to lease a parcel from a First Nation, but they cannot purchase it.

Yukon Government/First Nations Joint Land Development Projects

The Department of Energy, Mines and Resources has been working cooperatively with the Teslin Tlingit Council (TTC) on several joint development initiatives for public and TTC lands. The first of these projects resulted in the development of 19 recreational lots on Little Teslin Lake in 2009 - seven of which were created on TTC Settlement Land and twelve on Yukon Crown Land. The lots were offered to the public for lease in December 2009 through a joint lottery process.

This project was the first joint land development project in a post land claim era. The two governments are now turning their attention to other land development projects in the area. This includes the development of a residential subdivision east of the Sawmill Road in the Village of Teslin. The project is expected to enter the construction phase in the summer of 2011.

Private Land Subdivision

Private developers and property owners may apply to subdivide land within municipalities as a way of making more residential land available to the public. To date, most of these types of developments have been fairly small in scale – often resulting in the creation of just one or two lots per application. However, there have been cases where larger, multi-lot residential developments have been created.

The Yukon Government (Land Planning Branch, EMR) is the subdivision approval authority in all municipalities that have not otherwise enacted a bylaw to draw down this responsibility as per the Municipal Act – eg. Whitehorse and Dawson City.

The ability to subdivide land is based on a number of considerations including an examination of physical site characteristics, potential hazards, access and utilities, and compliance with the municipality's Official Community Plan and Zoning Bylaws with respect to permitted land use & minimum lot size requirements.

The process of private land subdivision can still involve a great deal of public consultation depending on the nature of the development proposed. For instance, if an OCP and Zoning Amendment is required to facilitate the development, there are provisions under the Municipal Act to ensure public input is considered. Similarly, if an environmental assessment screening under the Yukon Environmental and Socio-economic Assessment Act (YESAA) is required, members of the public can provide comments through this process.

Assessing Demand for Residential Lots & Housing

All land development by the Yukon government has been, and continues to be, demand driven. The Government of Yukon strives to make land of all classes available for sale to the public, based on a two-year supply principle. The challenge is to strike a balance between the demand for lots and the need to maintain an adequate lot inventory. More specifically, the supply of lots should have regard for the Yukon government's objective of having development costs recovered within a reasonable period of time. It has been pointed out in the past by the Auditor General of Canada that the Yukon government is not meeting this objective in instances where we have maintained a significant inventory of lots over several years.

The determination of demand for various types of land uses within a municipality is normally done as part of the development of an Official Community Plan. However, there appears to be considerable variability in the approach that is taken by municipalities in examining this issue. The analysis typically involves an examination of population composition/age, trends and patterns which are then used to determine possible population growth projections. In some instances, growth projections cover a period of 5-7 years (presumably corresponding to when the OCP may be updated) to as much as 20 years as in the case of the City of Whitehorse. Often these growth projections are presented as a range based on the possibility of a high or low growth scenario as a result of potential future economic conditions. From there, current land availability is analyzed by looking at the number of lots in the Government of Yukon inventory; number of vacant lots available in the private sector; number of lots surveyed by First Nations that are available for lease; and the number of social and staff housing units maintained by Yukon Housing Corporation.

In assessing where there is an adequate supply of residential land, it is important to differentiate between lots that currently exist and are identified in the current OCP for residential use and those lands that could be subdivided for the same purpose. For instance, it is possible to factor in an estimation of the potential lot yield that could result from the development of large tracts of vacant public land that have been designated for future residential purposes. However, it becomes more difficult (and perhaps less reliable) to factor in the potential development that could result from future First Nations land development initiatives or those undertaken by the private sector since the Yukon government and municipalities have little control over what may happen in this regard.

In analyzing the impacts of potential developments on the supply and demand for residential land in a community, it would be worthwhile to consider the implications of proposed developments on areas outside, but in close proximity to municipalities. For instance, a proposed country residential development near a municipality boundary may have significant effects on the supply and demand for land within the community or compromise the municipality's objectives in promoting a compact land development pattern. Consequently, there would be benefits in adopting a more coordinated or regional approach to addressing residential land demand issues where possible.

Actual residential housing demand tends to be based on a complex set of demographic and economic variables as demonstrated by the following table from Section 5.3 of the City of Whitehorse 2010 OCP.

Table 3: Factors Affecting Housing Demand	
Home Ownership Rate	As the rate of homeownership increases (more homeowners and fewer renters), housing demand will also increase.
Average Household Income	As average household incomes increase, housing demand will also increase.
Age Distribution	As the size of the home age buying population cohort increases, housing demand will also increase.
Population Growth	If the size of the home age buying population cohort increases, housing demand will also increase.
Housing Density	As the number of persons per dwelling decreases, housing demand will increase.
Mobility	As mobility rates decline (the population is more stable), housing demand is more likely to increase.
Housing Prices	As housing prices increase, housing demand will decrease.
Mortgage Rates	As mortgage (interest) rates increase, housing demand will decrease.
Housing Affordability	As housing becomes less affordable (the possible result of changes in a variety of factors), housing demand will decrease.

(Data Source: Vector Research)

Another approach to assessing the demand for residential land is by analyzing the market's response to a phased land development strategy. In recent years, the Land Planning Branch, EMR has been assisting municipalities in identifying suitable areas for planned residential development. In doing so, the Branch has worked with municipalities to develop strategies to accommodate future growth over the short, medium and long term. Initially, the Branch will identify infill opportunities as a way to supply a small number of residential lots to the market. From there, the municipality and Land Planning Branch will gauge the level of demand for land based on the public or market's response to the land offering. This information is ultimately used to guide the development of the medium and long term strategies for meeting land development needs.

Another methodology that has been used to gauge the level of interest or demand in land is through collection of territory wide statistics by the Land Management Branch, EMR on client inquiries related to land availability within various communities. In unincorporated areas, the Land Management Branch also tracks the number of spot land applications that may be submitted in a particular area as an indicator of rural residential land demand.

Lot Pricing and Affordability

The Department of Community Services is required under the Territorial Lands (Yukon) Act and regulations and Yukon Lands Act and regulations to price land at development

cost or such other amount (no greater than market value) as may be prescribed by the Commissioner in Executive Council. The land development program requires all development costs to be fully recovered and therefore the Department can only sell existing lots at a lower price with Cabinet and Management Board Approval.

In cases where the market value is higher than the development cost and lots are priced accordingly, it is understood that a proportion of the population will likely find the cost of the lots to be unaffordable. However, if the lots are sold below market value, then there is the potential for land speculation, although this could be controlled to some extent with the inclusion of a building requirement as a part of the conditions of purchase.

On one hand, it could be argued that providing lots at a price that is lower than market value will result in increased lot purchases which would promote economic growth while providing the municipality with additional property tax revenues. On the other hand, lower lot prices can negatively impact the market value of privately owned land and potentially cause economic instability. Land prices often impact pricing in other sectors and therefore lowering lot prices below market value could negatively impact other sectors of the economy. The availability of more land at lower prices could drive land prices down even further.

It is understood that housing supply, either through shortages or over-abundance, can have a significant impact on the market value of land and housing costs. Consequently, the challenge is to provide enough lots to meet the demand.

Factors affecting Development Costs

Development costs are influenced by such things as the type, density, and size of the lots being created as well as associated servicing requirements and development standards. For example if roads are BST chip sealed rather than built to the typical rural road gravel standard, the development costs are obviously higher.

The size of a planned development project also influences overall construction costs. As the number of lots within a proposed development increases, the per lot development costs become lower. According to Community Services officials, it is generally not economically feasible to develop subdivisions with less than 20 lots in rural communities on a cost-recovery basis.

Construction costs are also heavily influenced by physical & topographic constraints as well as the proximity of the proposed development to existing infrastructure and services.

In general, Community Services Officials have found that development costs for rural lots in the Yukon are usually significantly higher than existing market values.

Factors affecting the timing of Land Development Projects

According to Community Services Officials, it normally takes about two to five years to complete a land development project. This is based on the period from when a feasibility/planning study is initiated to when lots are made available to the public at the marketing and lottery/tender stage. However, the actual time required to complete a land development project often depends on the nature and complexity of the project.

Some of the key variables that may affect the timing include the level of support within the community and political support for land development and whether the municipality's OCP has clearly identified where future growth is to take place. It can be fairly straight forward to undertake developments in communities where growth is promoted and where an adequate amount of land has been set aside and/or designated for specific future uses within a municipality's OCP. However, even under these types of circumstances, subdivision developments can often be opposed by a least a few local residents and therefore time is required to reach consensus on how development can or should proceed.

Land Development and Mining Claims

Under the *Quartz Mining Act*, an individual who meets the requirements of the act and does not stake in an area prohibited by the act, can stake a quartz claim within any municipal boundary in Yukon. However, any claim staked under the *Quartz Mining Act* is subject to the municipality's Official Community Plan and its Zoning regulations.

Under the *Placer Mining Act*, the staking of new placer claims in Yukon municipalities is prohibited. However, placer claims that existed prior to municipal boundaries being established are "grandfathered" as allowable activities.

The process for mining activities on or near private land protects the rights of both the property owner with surface rights as well as the miner with sub-surface rights. In accordance with the Placer Mining Act, no exploration and mining activity may take place on lands occupied by a building or within the curtilage of a dwelling house. (Curtilage – that is the immediate area around homes and other private infrastructures).

Although the two activities can co-exist, it is recognized that there will be times when conflicts arise between surface and sub-surface users. A municipality and a mining project proponent have the option of meeting to work through the mitigation of any issues. Possible solutions could include: staging of the project, compensation options, and reclamation planning. In addition, the Quartz and Placer Mining Acts have a conflict resolution process for dealing with such matters on a case-by-case basis in accordance with the *Yukon Surface Rights Board Act*.

Summary of key findings:

- The identification of candidate areas for development is normally carried out by a municipality as part of the development of its Official Community Plan. In some cases, municipalities have not identified enough land to meet the demand and/or the situation in the community has changed since the OCP was completed.
- There is a considerable variability in the approach that is taken by municipalities to assess future land use needs and the potential demand for residential land within OCPs. For instance, some municipalities examine their land development needs on a 20 year basis whereas others consider this over a much shorter timeframe. There are also discrepancies in the types of variables that are considered or the depth at which they are analyzed – i.e. affordability and other economic factors. Consequently, municipalities would benefit from having a comprehensive set of guidelines to address this issue.

- Municipalities have the ability to address the demand for land in a number of ways beyond simply identifying large areas of public land for new multi-residential developments. For instance, the municipality can pursue infill development or amend its OCP and Zoning Bylaws to promote the intensification or redevelopment of existing developed areas.
- The demand for new residential development in municipalities can be satisfied through a number of different sources. Land development projects can be undertaken by Municipalities & Yukon government on public lands, First Nations on Settlement Land, and the private sector on privately-owned lands. Consequently, the opportunity may exist to coordinate efforts, recognizing that municipalities and the Yukon government have little control over the land development decisions of the private sector or First Nations.
- The completion of residential land development strategies on a regional basis would ensure that the objectives of land development initiatives in unincorporated communities complement the objectives of Municipal OCPs.
- The Yukon government develops land on a full cost-recovery basis and is required by legislation to price land at development cost for the subdivision or such other amount, no greater than market value, as may be prescribed by the Commissioner in Executive Council.
- All land development by the Yukon government has been, and continues to be, demand driven. The Government of Yukon strives to make land of all classes available for sale to the public, based on a two-year supply principle. The challenge is to ensure that the supply of lots does not significantly exceed the demand in order to ensure that development costs can be recovered within a reasonable period of time.
- Some of the key variables that may affect the timing of land development projects is the level of support within the community for land development and whether the municipality has clearly identified areas within its OCP for future growth.
- Some municipalities are now taking a more active or leadership role in the planning and public consultation components of the land development process. This approach is supported by the Yukon government as it enables more local control and involvement in the planning process.

ICURR Research – Grants to Small Municipalities

Question asked:

What are the ways and means that other provinces and territories provide grants to their communities?

Responses:

See following spreadsheet by jurisdiction.

Questions asked:

If grants are given to municipalities, how are the funds transferred (e.g. annually/quarterly/other)?

Are there reporting requirements specific to the grants (e.g. annual/quarterly/other)?

Responses:

Alberta:

- Municipal Sustainability Initiative grant (est. 2007). MSI includes \$15 million allocated to municipalities with population below 10,000 who meet qualification criteria (low assessment per capita and/or low assessment/km of road). Funding is provided automatically on an annual basis for “Sustainable Investments” as part of larger program allocation. Municipalities must submit project profiles for approval and report on expenditures each year.

British Columbia:

- Small Community Grants. Provided annually with no reporting requirements. SCG can be used to support ongoing operations of the local government, not just capital or infrastructure costs.

Manitoba:

- BMF – General Assistance Grant. Paid twice per year (approx. March 31 and July 31). Report due March 31st each year – 1 page outlining how the increase in General Assistance funding has been spent.
- Rural Community Development (VLT) Grant. Paid three times per year (approx. March 31, June 30, and Sept. 30). Report due March 31st each year – 1 page outlining how they spent the annual VLT grant.
- General Support Grant. Paid once per year on Oct. 31. No reporting requirements. (Payment is formula-based on 2.15% of actual payroll expenses for prior year for municipalities required to pay the MB Health & Post Secondary Education Levy)

Newfoundland:

- Operating Grants. Paid twice per year – April and October. Reporting requirement – recipients must submit PSAB financial statements for previous year prior to receiving payment.

Nova Scotia:

- Equalization Grants. Paid in four equal payments quarterly, starting April 1st. No reporting requirement.
- NOTE: This is not really a “grant” program. Provincial Capital Assistance Program. Municipalities must submit written request for a project. Grant funds paid out over term of project upon receipt of progress claims (incl. invoices) and audited final statement of claim.

Northwest Territories:

- Operations and Maintenance funding. Paid in 9 equal installments (April to December).
- Water and Sewer funding. Paid in 9 equal installments (April to December).
- Capital funding. Paid once annually (April).
- All recipients of the funds listed above must report annually via their audited financial statements.

Nunavut:

- MFP and Equalization payments. Paid quarterly in equal installments. Communities must file monthly financial statements to remain on quarterly payments, otherwise goes to monthly payments (dependent on reporting).

Prince Edward Island:

- Grants transferred monthly to municipalities. No specific reporting requirements, however grants have been suspended due to failure to submit audits or financial statements.

Quebec:

- Grants paid once per year on June 30th. No specific reporting requirements for unconditional grants, however if municipalities have not submitted their financial report from the previous year the grant is based on the last one received.

Saskatchewan:

- Rural Revenue Sharing. Paid in four equal installments (June 15, Aug. 15, Oct. 15, Dec. 15). No reporting requirement as it is unconditional and can be used for anything the rural municipality desires.

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
British Columbia	<p>Small Communities Grant Program On-going unconditional grants to small municipalities (pop. < 19,000).</p> <p>Formula based, revised in 2006 to include 3 components:</p> <ul style="list-style-type: none"> - Basic grant: \$200.0 to those with pop < 15,000. Gradually phased-out as pop exceeds 15,000. - Population Grant: \$50 per capita for the first 5,000 residents, reduced by \$25 per capita for each resident over 5,000 (i.e. \$0 at pop. of 15,000) - Equalization grant: \$50.0 multiplied by the ratio of the average per capita assessment province-wide to the municipality's per capita assessment. <p>Note: If the amount calculated by the formula is less than \$100.0, the municipality does not receive a grant.</p>	Not Applicable. No capital grant programs target municipalities with limited financial capacity.	<p>Population</p> <p>Per capita municipal assessment vs. average per capita assessment province-wide</p>	<p>Community Transition Service – est. in 1998 to assist rural and remote resource based municipalities that experience an industry closure.</p> <p>CTS funds an assessment study to measure the financial capacity and determine appropriate support strategy.</p> <p>Support provided on a case-by-case basis depending on community needs:</p> <p>E.g. Tumbler Ridge – mine closed in 2000. Provincial support included:</p> <ul style="list-style-type: none"> - \$3.5M to retire 66% of the town's debt. - \$762.0 over 3 years to stabilize health services - 120.0 one-time grant to school division to offset declining enrollment. - \$40.0 Economic development study - \$12.0 worker counseling services and needs assessment.

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Alberta	<p>Targeted Investment Initiative - \$10M in one-time unconditional funding provided to 123 smaller urban and rural municipalities. Formula based on municipal assessment and tax rates:</p> <p>Urban Municipalities: \$80 per capita (min - \$50.0 max \$300.0) provided to those with</p> <ul style="list-style-type: none"> - Per capita assessment less than \$40.0 - 3-year average tax rate at least 10% above the prov. avg. for urban municipalities. <p>Partial grant of \$40 per capital are provided to urban municipalities with per capita assessment less than \$45.0</p> <p>Rural Municipalities: Point based system based on the municipality's per capita assessment relative to the average per capita assessment of all rural municipalities (i.e. point for every % below the avg.)</p> <ul style="list-style-type: none"> - Must have Min 40 points and 3-year average tax rate at least 10% above the prov. avg. for rural municipalities. - Grant equals point score times \$2,400 per point. (the lower a municipality's per capita assessment relative to the average, the larger the grant) <p>Partial grant equal to \$1,200 per point provided to rural municipalities with 40 min points and 3-year avg tax</p>	<p>Municipal Sponsorship Program – conditional grant funding for eligible projects provided to municipalities with pop < 20,000.</p> <p>Formula based on population:</p> <ul style="list-style-type: none"> - 1-1,000 Residents: Base grant of \$3.0 plus \$9.00 per capita - 1,001–5,000 Residents: Base grant of \$12.0 plus \$7.00 per capita for the pop. in excess of 1,000 - 5,001–20,000 Residents: Base grant of \$40.0 plus \$5.00 per capita for the pop. in excess of 5,000. <p>Bonus grants are provided to regional projects and projects in specific “priority” categories (e.g. energy efficiency, water / wastewater, emergency services,)</p>	<p>Operating grants: Per capita municipal assessment.</p> <p>3-year average municipal tax rate vs. prov. average tax rate for urban or rural municipalities.</p> <p>Capital grants: Population</p>	<p>Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure.</p> <p>E.g. Grande Cache – mine closed in 2000.</p> <p>Prov. support included:</p> <ul style="list-style-type: none"> - Support to displaced workers (job search, training, etc.) - \$139.1 from the Municipal Sponsorship Program to upgrade the town's Rec Centre and campground to encourage tourism development.

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Saskatchewan	<p>Rural Revenue Sharing – on-going unconditional funding provided to all rural municipalities to equalize their fiscal capacity. Formula based:</p> <ul style="list-style-type: none"> - Transportation Component – base grant plus grant per km of municipal road, adjusted based on the taxable assessment per km and cost of construction relative to other RM's. - Other Services Component – 3-year rolling avg of operating expenditures, adjusted based on taxable assessment per capita relative to other RM's. <p>Note: Urban Revenue Sharing is provided on a per capita basis - not based on the financial capacity of the municipality (funding formula is currently under review)</p>	<p>Northern Capital Grants Program – 5 year (2003 – 2008) \$8.3M cost-shared capital funding program (90% 10% provincial municipal) for northern municipalities for construction / upgrading of municipal facilities and purchase of equipment. Based on application.</p> <p>Northern Water / Sewer Program - cost-shared conditional funding for new or expanded water/sewer facilities in northern municipalities:</p> <ul style="list-style-type: none"> - New facilities – 100% Prov funding for water / sewer facilities where systems currently do not exist. - Upgrading Program – 85% Prov funding for expansion / upgrading of existing facilities. <p>Note: other than MRIF, there are no comparable capital grant programs for municipalities in southern Saskatchewan</p>	<p>Operating grants: Population</p> <p>3-year average of municipal expenditures (protective services, transportation, environmental health and development, public health, recreation and culture)</p> <p>Taxable assessment per km of municipal road vs. average for all RM's</p> <p>Taxable assessment per capita. vs. average for all RM's.</p>	<p>Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure.</p> <p>e.g. V. of Ogema – rural farming area impacted by rail line closure in 1996</p> <p>Prov. support included:</p> <ul style="list-style-type: none"> - Sask. Transportation served as chief negotiator for the village with CP Rail - \$178.0 loan to assist private company in purchasing rail line. - Prov. funding to establish new large scale hog operation through Crown Investment Corp.

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Manitoba	<p>Building Manitoba Fund - provides Manitoba municipalities with a share of provincial income tax and fuel tax revenues in support of municipal roads, recreation facilities, public transit, public safety and other municipal infrastructure and services.</p> <p>General Support Grants - Unconditional grants provided to 19 municipalities, intended to offset the cost of the Province's Health and Post Secondary Education Tax Levy (payroll tax). Funding is provided to municipalities with payrolls over \$1.25 million.</p> <p>Rural Community Development (Gaming) Grant - Provides municipalities and Northern Affairs communities with a share of video lot</p>	<p>General Assistance Fund (part of the Building Manitoba Fund) - The purpose of this fund is to address municipal service and infrastructure priorities. This funding is provided on an unconditional basis to assist municipalities in meeting their budget pressures.</p>	<p>General Support Grants - Calculation is based on a percentage of the municipality's eligible payroll costs in the previous year.</p> <p>Rural Community Development (Gaming) Grant - Funds are distributed on a per capita basis, plus a base grant of \$5,000 per municipality.</p>	<p>In addition, municipalities also receive funding support through other provincial programs such as the Manitoba Water Services Board and the Canada-Manitoba Infrastructure Program.</p>

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Ontario	<p>Ontario Municipal Partnership Fund (OMPF) – on-going unconditional grant funding intended to offset municipal costs for social programs transferred from the Province in 1998. Formula based Social Program grant:</p> <ul style="list-style-type: none"> - Paid to those with high social program costs relative to assessment and household income <p>Equalization Grant:</p> <ul style="list-style-type: none"> - Assessment Equalization - \$60 per household for every \$10,000 the municipality's taxable assessment / household is below the provincial avg. - Farmland and Forest Assessment – matching funding of up to 300% of the municipal tax revenues generated from farmland / forest property. Paid on a sliding scale to those with at least 5% of their taxable assessment comprised of farmland / forests. <p>Rural / Northern Municipalities Grant:</p> <p>Rural - \$153 per household Northern - \$230 per household (Additional funding provided if social program costs exceed 14% of municipal tax revenues and if the municipality would otherwise see a decrease of more than \$150 / household compared to their 2004</p>	<p>COMRIF – cost-shared conditional funding for eligible projects. Prov. share is \$298M of a total \$894M program.</p> <p>Funding is normally approved on a 1/3 federal / 1/3 provincial 1/3 municipal basis, however up to 90% federal / provincial funding can be provided to municipalities in financial difficulty, based on the need of the municipality.</p> <p>Municipalities must indicate on application they are applying for 90% cost-shared funding on the basis of financial hardship.</p> <ul style="list-style-type: none"> - Municipal Affairs staff review the municipality's financial position (i.e. taxable assessment, surplus / deficit position, reserve levels, debt position) and provide a recommendation to COMRIF for each request. - Final decision on cost-shared funding made by joint federal / provincial COMRIF review board. 	<p>Operating grants:</p> <p>Taxable assessment per household.</p> <p>Farmland / Forest property as a % of assessment base</p> <p>Social program costs as a % of:</p> <ul style="list-style-type: none"> - taxable assessment - household income - Municipal tax revenues. <p>Capital Grants</p> <ul style="list-style-type: none"> - Taxable assessment - Surplus / deficit position - Level of Municipal reserves - Debt servicing costs as a % of total revenues 	<p>Ad Hoc Support:</p> <p>Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure. E.g. Elliott lake – mines closed in 1996. Prov. support included:</p> <ul style="list-style-type: none"> - \$65M in regional economic development funded provided through the NOHFC <p>Other Support:</p> <p>Ontario Strategic Infrastructure Financing Authority (OSIFA) – Crown agency that provides low-cost and longer-term financing for municipal capital projects. Provides loans at lower rates than municipalities might otherwise be able to obtain.</p> <p>Northern Ontario Heritage Fund Corp Infrastructure Program (NOHFC) – conditional, 50/50 cost-shared funding to a max. of \$1.0M per project that support job creation in Northern Ontario</p>

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Quebec	<p>Equalization Grants – on-going unconditional grant funding (2006 - \$36M) provided to equalize the fiscal capacity of municipalities.</p> <p>Formula based grant based on a municipality's per capita assessment and average value of residential property:</p> <p>To be eligible, a municipality must have:</p> <ul style="list-style-type: none"> - Per capita assessment less than 90% of the median of all municipalities. - Avg. value of residential property less than the median of all municipalities. <p>Equalization grant is based on the difference between the municipality's per capita assessment and the provincial median per capita assessment (i.e. the lower the ratio of per capita assessment to the median, the larger the municipality's equalization</p>	<p>All Provincial capital grant programs provide for additional support to municipalities experiencing financial difficulties.</p> <p>Standard cost-sharing is 50/50, however a municipality can receive up to 95% provincial cost-sharing if as a result of undertaking the project:</p> <ul style="list-style-type: none"> • Long term debt is > 7% of taxable assessment and/or • Avg. tax / household is > 7% of the municipality's median household income <p>If by undertaking the project, either indicator would exceed 7%, the municipality receives additional provincial funding for the project sufficient to bring the indicator back to 7%</p>	<p>Operating grants: Population</p> <p>Per capita assessment vs. median per capita assessment for all municipalities.</p> <p>Avg. value of residential property vs. the median avg value for all municipalities.</p> <p>Capital grants: Long term debt as a % of taxable assessment</p> <p>Avg tax per household as % of median household income in the municipality.</p>	<p>Ad Hoc Support: Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure.</p> <p>E.g. Town of Murdochville – mine closed in 1998 and smelter closed in 2000 Prov. support included</p> <ul style="list-style-type: none"> - \$1.0M per year over 6 years to offset municipal deficits. - \$700.0 to repay municipal debt - In-kind support to the town to undertake a service restructuring plan. - Support for economic development <p>Other Support: New \$30M financial assistance program over 3 years starting in 2005 to provide support for economic recovery plans / economic development efforts for single industry town experiencing financial difficulties.</p>

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
New Brunswick	<p>Equalization Grants – annual unconditional grants (2006 \$65.3M) intended to equalize the fiscal capacity of municipalities</p> <p>Formula based grant paid to municipalities with per capita assessment less than the average for municipalities of a similar size and with similar service delivery responsibilities.</p> <p>2005 grant = 2004 grant x 1.005 x (per capita assessment / average per capita assessment x 100)</p> <p>2006 grant = 2004 grant x 1.01 x (per capita assessment / average per capita assessment x 100)</p> <p>2007 Grant = 2006 grant x 1.02</p> <p>2008 Grant = 2007 Grant x 1.02</p> <p>Note: municipalities with per capita assessment above the average receive the same level as in 2004. The 2004 grant level was determined by the Province (not formula based). Reductions in municipal operating grant levels starting in 1994 resulted in grants no longer being based on the original funding formula.</p>	Not Applicable. No capital grant programs target municipalities with limited financial capacity.	Per capita municipal taxable assessment vs. the average per capita assessment.	Support provided on a case-by-case basis to municipalities in financial difficulty in the form of a grant or loan.

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Nova Scotia	<p>Equalization Grants – annual unconditional grants (2006 \$32.1M) intended to equalize the fiscal capacity of municipalities to provide basic services.</p> <p>Formula based and provided as follows: Base grant- \$50.0 provided to towns only. Equalization grant – provided to municipalities where basic expenditure needs are greater than the municipality's ability to pay.</p> <p>Grants are calculated separately for rural and urban municipalities. Each municipality's grant level is based on the difference between: - The cost to provide police, fire, transportation and environmental services (based on the average cost per household for all rural / urban municipalities times the number of households in the municipality) and; - tax revenues that could be raised by applying an average tax rate calculated for all rural / urban municipalities by the municipality's taxable assessment.</p>	<p>Capital Assistance Program – conditional, 50/50 funding program for municipal water/sewer and solid waste capital projects.</p> <p>Special consideration may be given to increase the prov. share up to 75% for municipalities with financial difficulties, based on municipality debt servicing ratio (i.e. debt servicing costs exceeding 15% of total revenues)</p>	<p>Operating grants: Cost of providing basic municipal services vs. municipality's ability to raise tax revenues</p> <p>Capital grants: Debt servicing ratio – debt servicing costs as a % of total revenues.</p>	<p>Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure.</p> <p>e.g. Town of Canso – closure of fish processing plant in 2002 Prov. support included - Support for the development of a sustainable tourism development plan - Working with town and industry to facilitate the reopening of the fish plant.</p>

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
PEI	<p>Equalization grant – annual unconditional operating grants (2006 \$1.8M) provided to municipalities.</p> <p>Initially a formula based grant intended to equalize the fiscal capacity of municipalities based on population, per capita taxable assessment, and tax rates</p> <p>Equalization grant = (Per capita taxable assessment for Prov – Per capita taxable assessment of municipality) x municipal population x municipal residential tax rate</p> <p>Note: Since the formula was introduced in 1986, overall grant levels were reduced in the early 1990's and individual grants no longer change based on increases or decreases in municipal population or assessment.</p>	Not Applicable. No capital grant programs target municipalities with limited financial capacity.	Not Applicable	Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure.

Grants to Small Rural Communities

Province	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support								
Newfoundland	<p>Municipal Operating Grants- Annual unconditional operating grant (2006: \$17.6M).</p> <p>Formula based grant that includes:</p> <ul style="list-style-type: none">- Equalization grant – based on the municipality's taxable assessment- Local Revenue Incentive: - additional funding provided to encourage the creation of local revenues (the more revenues generated, the greater the grant)- Household grant: - \$85 per household- Roads grant: - \$500 per km of municipal roads. <p>Note: reductions in municipal operating grant levels starting in the mid 1990's have resulted in grants no longer being based on the original funding formula.</p>	<p>Water and Sewer Capital Works – funded under the Municipal Capital Works Program (MCWP) and the Canada-Newfoundland Infrastructure Program (CNIP).</p> <p>Variable cost-sharing formula is used based on population and the municipality's ability to pay.</p> <p>Standard cost-sharing is 50/50, but Prov/ Municipal share varies as follows:</p> <table><tr><td>Pop. < 1,000</td><td>80%/20%</td></tr><tr><td>Pop. 1001 -2000</td><td>70%/30%</td></tr><tr><td>Pop 2,001 -5,000</td><td>60%/40%</td></tr><tr><td>Pop 5,000</td><td>50%/50%</td></tr></table> <p>Municipalities with limited financial capacity in each population category can receive a greater share of prov. funding, based on an assessment of their financial stability (e.g. 90% / 10% cost sharing for Pop. < 1,000)</p>	Pop. < 1,000	80%/20%	Pop. 1001 -2000	70%/30%	Pop 2,001 -5,000	60%/40%	Pop 5,000	50%/50%	<p>Capital grants</p> <ul style="list-style-type: none">- Population- Municipal tax rate vs. avg tax rate for municipalities of comparable size with comparable services.- Debt servicing ratio, debt in arrears, credit rating, etc.- Operating Surplus / deficit position- Social and demographic factors: i.e. avg incomes, unemployment rate, etc.- Other factors as considered relevant.	<p>Ad hoc Support:</p> <p>Support provided on a case-by-case basis to municipalities in financial difficulty due to industry closure. Provincial support strategies are tailored to individual community needs and situations and have included:</p> <ul style="list-style-type: none">- Prov. tax incentives to encourage new businesses- Community closure w/ relocation assistance to residents (where closure is overwhelmingly supported residents) <p>Other Support:</p> <p>Special Assistance – one-time conditional grants (2006 \$2.5M) to assist with projects / programs which municipalities do not have the financial capacity to undertake on their own. Assistance is provided on a case-by-case basis based on the importance of the project and municipal need.</p>
Pop. < 1,000	80%/20%											
Pop. 1001 -2000	70%/30%											
Pop 2,001 -5,000	60%/40%											
Pop 5,000	50%/50%											

Grants to Small Rural Communities

Territory	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Northwest Territories	<p>Equalization Component - The equalization scheme is designed to help correct the imbalance created by differences in the tax base of municipalities.</p> <p>Extraordinary Funding Policy - The Department of Municipal and Community Affairs may provide funding to community governments to assist with extraordinary funding requirements for events beyond what a reasonable and prudent community government would plan for.</p> <p>Operations and Maintenance Funding - Community governments as defined in the Government of the Northwest Territories' Community Government Funding Policy are eligible for funding under the Operations and Maintenance Funding Policy. The funding provided under this policy is intended to assist with the operations and maintenance of community government programs and services.</p>	None.	<p>Equalization Component: The allocation formula for unconditional grants is based on three factors: population, which accounts for at least 75% of the total; assessed value of all properties within a community boundary or where assessment is not done, an estimate of assessment; and a factor designed to account for cost differentials in providing government services across communities in the NWT.</p>	None.

Grants to Small Rural Communities

Territory	Operating Grants	Capital Grants	Key Measures of Financial Capacity	Ad-Hoc / Other Support
Nunavut	<p>Municipal Funding Program - Contributions are provided to all non-tax-based municipal corporations to assist in the costs of delivering municipal programs and services. Community Development is responsible for administration and monitoring all funds contributed to municipalities under this program.</p> <p>Equalization Component - Equalization grants are provided to tax-based municipal corporations to assist them in maintaining effective levels of operating revenue and include a vast number of factors (approximately fifty-seven) that reflect the cost of providing municipal services in communities.</p>	<p>Small Communities Initiatives Fund - The Small Community Initiatives Program is a program administered by the Department of Economic Development & Transportation that targets investments to foster sustainable economic growth and job creation within small communities in Nunavut.</p>	<p>Municipal Funding Program - A formula is used to provide an equitable distribution of available funding for non-tax-based municipal corporations.</p> <p>Equalization Component - The calculation formula attempts to take into account many of the very high expenditure requirements in Nunavut. This is accomplished by basing the grant on the difference between the estimated expenditure needs and the estimated revenue raising ability of the Government of Nunavut.</p>	<p>None.</p>

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