



May 22, 2020

MS. CAITLIN CLEVELAND  
MLA, KAM LAKE

**Oral Question 104-19(2): Closing the Municipal Funding Gap**

This letter is in follow up to the Oral Question you raised on February 27, 2020, regarding the Government of the Northwest Territories (GNWT) activities to reduce the municipal funding gap.

The Department of Municipal and Community Affairs (MACA) updated the municipal funding gap in 2019 to review progress against inflation and cost increases:

	<b>2014 Total Need</b>	<b>2019 Total Need</b>	<b>Increase</b>	<b>2019- 2020 Funding</b>	<b>2019 Funding Gap</b>	<b>2014 Funding Gap</b>
O&M	53.599	59.407	5.808	49.853	9.555	7.400
Environmental	23.404	26.690	3.286	19.887	6.813	8.038
Capital (including Gas Tax)	64.617	69.268	4.651	44.723	24.545	23.122

The GNWT's Mandate 2019-2023 committed MACA to taking steps to reduce the municipal funding gap. Pending the outcome of the Legislative Assembly's decision regarding investment in the Mandate, MACA will provide approved funding to community governments, refine the funding models to ensure continued fairness and transparency, and providing communities with new opportunities to raise additional revenue and reducing or stabilizing the cost of delivering core programs and services.

In addition to core funding, MACA identified the need to support community governments to both find other revenue generating opportunities as well as ways to mitigate core expenditures. These opportunities are also included in the mandate.

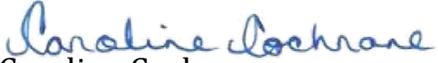
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Community governments are essential partners in delivering programs and services to meet the needs of the Northwest Territories residents, and they require adequate resources for this work. One way to seek revenue opportunities is by enabling the transfer of vacant lands within community boundaries to community governments. MACA is collaborating with GNWT Departments to develop a process guide to enable the transfer of these lands.

In an effort to mitigate expenditures related to the cost of delivering core programs and services, MACA is also working closely with the Department of Environment and Natural Resources through the GNWT Waste Management Strategy.

MACA will continue to work with all levels of government to seek funding opportunities to address the gap as well as finding other ways to either increase revenue generation or reduce operating costs.

Thank you for your continued interest on this important topic.

  
Caroline Cochrane  
Minister  
Municipal and Community Affairs

c. Mr. Tim Mercer  
Clerk of the Legislative Assembly

Mr. David Hastings  
Legislative Coordinator  
Executive and Indigenous Affairs

Ms. Eleanor Young  
Deputy Minister  
Municipal and Community Affairs