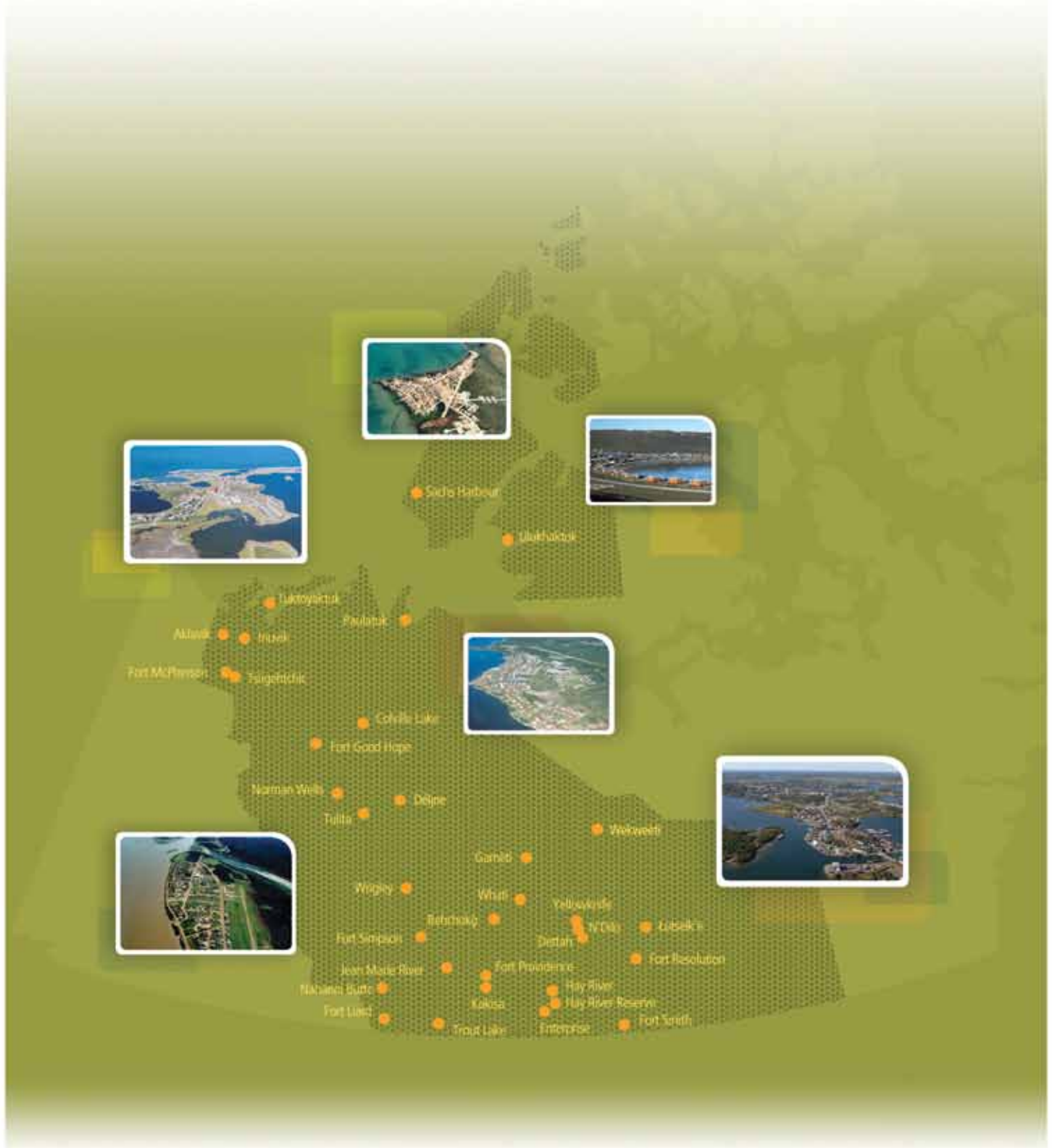


# LOCAL GOVERNMENT ADMINISTRATORS HANDBOOK





## Table of Contents

Introduction .....	1
Information For New Local Government Administrators .....	2
<b>1. Levels Of Government In The NWT .....</b>	<b>2</b>
1.1 Federal/Provincial/Territorial Division of Powers .....	2
1.2 Department of Aboriginal Affairs and Northern Development .....	3
1.3 Government of the NWT .....	3
1.4 Aboriginal Land Claims and Self-Government Agreements .....	6
1.5 Community governments .....	7
<b>2. Community Governments and the LGA .....</b>	<b>8</b>
2.1 History .....	8
2.2 Elected Officials and Administration .....	8
2.3 LGA Role and Responsibilities .....	9
2.4 Important Legislation .....	11
2.4.1 Municipal Legislation .....	11
2.4.2 Other Legislation .....	12
<b>3. Resource Management .....</b>	<b>14</b>
3.1 Mackenzie Valley Resource Management Act (MVRMA) .....	14
3.2 Resource Management Boards and Agencies .....	14
PART 2: LGA Duties and Responsibilities .....	16
<b>4. Governance .....</b>	<b>16</b>
4.1 Planning .....	17
4.1.1 Strategic Planning .....	17
4.1.2 Integrated Community Sustainability Plan .....	18
4.1.3 Human Resources Planning .....	18
4.1.4 Community Infrastructure (or Capital) Planning .....	19
4.1.5 Land Use Planning .....	19
4.1.6 Energy Planning .....	20
4.1.7 Other Types of Planning .....	20
4.2 Council Meetings .....	20
4.2.1 Preparation .....	21
4.2.2 Meetings .....	21
4.2.3 Minutes .....	22
4.3 Making Decisions .....	23
4.3.1 Policies .....	23
4.3.2 Bylaws .....	23
4.3.3 Resolutions .....	24
4.4 Conflict of Interest .....	24

<b>5.</b>	<b>Human Resources .....</b>	<b>25</b>
5.1	Role of the LGA .....	26
5.2	Human Resource Planning .....	26
5.3	Attracting and Retaining Staff .....	27
5.3.1	Job Descriptions .....	27
5.3.2	Pay and Benefits .....	28
5.3.3	Job Competitions .....	28
5.3.4	Orientation for New Staff .....	29
5.3.5	Performance Management and Evaluation .....	29
5.3.6	Training and Development .....	30
5.3.7	Dispute Resolution .....	31
5.4	Terminations .....	31
5.5	Personnel Records .....	32
5.6	Human Resource Policies .....	32
5.7	Union Agreements .....	33
<b>6.</b>	<b>Financial Management .....</b>	<b>34</b>
6.1	Types of Funding .....	34
6.2	Sources of Funding .....	34
6.3	Other Revenues .....	36
6.4	Budget .....	36
6.4.1	Setting a Budget .....	36
6.4.2	Monitoring the Budget .....	37
6.5	Financial Statements .....	38
6.6	Financial Policies .....	38
<b>7.</b>	<b>Infrastructure .....</b>	<b>39</b>
7.1	New Deal for NWT Community Governments .....	39
7.2	Capital Assets .....	40
7.3	Capital Planning .....	41
7.3.1	Capital Planning Process .....	41
7.4	Project Management .....	46
7.4.1	Project Initiation .....	46
7.4.2	Planning .....	46
7.4.3	Design and Construction .....	47
7.4.4	LGA Duties .....	48
7.4.5	Commissioning and Evaluation .....	49
7.5	Procurement and Contracting .....	49
7.5.1	Procurement .....	49
7.6	Infrastructure Maintenance .....	52

<b>8.</b>	<b>Program and Service Delivery .....</b>	<b>54</b>
8.1	Land Management .....	54
8.1.1	Acquisition and Disposal of Land .....	55
8.1.2	Land Use Planning and Development .....	55
8.1.3	Land Administration .....	56
8.2	Water Treatment and Wastewater .....	57
8.3	Public Safety and Protection .....	58
8.3.1	Fire Protection .....	59
8.3.2	Bylaw Enforcement .....	59
8.3.3	Risk Management .....	60
8.3.4	Insurance .....	61
8.3.5	Emergency Planning .....	62
8.4	Recreation and Culture .....	62
8.5	Energy and Environment .....	63
8.5.1	Community Energy Planning .....	63
8.5.2	Environment .....	64
<b>9.</b>	<b>Other Duties .....</b>	<b>65</b>
9.1	Communications .....	65
9.2	Proposal Writing .....	65
9.3	Elections.....	66
9.4	Environmental Assessment Process .....	68
9.5	Economic Development .....	69
<b>Appendices .....</b>	<b>.....</b>	<b>71</b>
	Appendix A: Sample Financial Procedures Manual .....	73
	Appendix B: Sample Budget Policy.....	89
	Appendix C: Sample Borrowing Bylaw .....	99
	Appendix D: Differences in Community Government Structures.....	103
	Appendix E: Sample Human Resource Plan.....	107
	Appendix F: Mandatory Bylaws .....	111
	Appendix G: Discretionary Bylaws.....	115



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## Introduction

In most NWT communities, the municipal government is responsible for providing a variety of programs and services to local residents. The top job in a municipal government is usually called the City Manager, a Town Manager, a Senior Administrative Officer, Chief Administrative Officer, or Band Manager depending on the community. For simplicity, this Handbook refers to all of these positions as a Local Government Administrator:

The Local Government Administrator (LGA) is an essential position within a municipal government. As such, the LGA should be:

- knowledgeable about all relevant acts, regulations and policies,
- able to advise and support Council and
- capable of managing the day-to-day operation of the municipal government, including staff and finances.

### Purpose of the Handbook

The purpose of this Handbook is to assist LGAs understand the key aspects of their jobs and provide up to date resource materials to assist them.

There are 33 communities in the NWT ranging from the City of Yellowknife to First Nations such as Kakisa. Given this diversity, it is not possible to address all the topics and issues that may be of concern to a specific community or LGA. However, municipal governments do share many similarities in terms of their roles, responsibilities and practices.

Readers seeking more information or reference materials on specific topics are encouraged to also check out the on-line version of the Handbook which can be found at [www.lgant.ca/wiki/](http://www.lgant.ca/wiki/)

### How to Use the Handbook

Part 1 of the Handbook is intended for LGAs that are new to their jobs or new to working in the NWT. It provides general information on how political power and authority is organized within the NWT and an orientation to what a municipal government and the LGA position is all about.

Part 2 of the Handbook covers the main responsibilities of the LGA position. These include governance, human resources, finances, infrastructure, program and service delivery as well as other duties.

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# Information For New Local Government Administrators

## 1. Levels Of Government In The NWT

This section provides a snapshot of how political power and authority is organized in the NWT. This is useful information for LGAs to have as other levels of government (federal, territorial or regional) are the source of legislation, regulations, policies and programs that affect municipal governments.

Canada is a federation made up of 10 provinces and three territories. The Constitution of Canada is the supreme law of the country. Under the Constitution, political authority comes from the Crown which, in turn, is divided between the federal government and the ten provincial governments. Generally, these powers of the Government of Canada and the provincial governments are separate and independent of each other, but they do overlap in some areas.

### 1.1 Federal/Provincial/Territorial Division of Powers

The Government of Canada ([www.canada.gc.ca](http://www.canada.gc.ca)) is responsible for matters that are of national importance. Some examples include citizenship, defence, law, finance, external relations, trade, transportation, unemployment insurance and postal service. Using its legislative powers and equalization payments (i.e. funding transfers), the Government of Canada also tries to make sure that all Canadians get fair and equal treatment regardless of where they live in Canada.

Each of the 10 provinces is responsible for managing its own affairs in areas such as social programs like health, education and social assistance, ownership and management of natural resources and environmental management. Provinces also have other responsibilities in areas such as taxation, transportation, the administration of justice and property and civil rights.

The three northern territories have political power but unlike the provinces, which derive their sovereignty from the Crown, their power is delegated to them by Parliament. Generally, the territories have similar powers as the provinces – in areas such as social programs, taxation, transportation, administration of justice and property and civil rights.

Within the NWT, the Department of Aboriginal Affairs and Northern Development (AANDC) ([www.aadnc-aandc.gc.ca](http://www.aadnc-aandc.gc.ca)) the Government of the Northwest Territories (GNWT) ([www.gov.nt.ca](http://www.gov.nt.ca)), Aboriginal governments and municipal governments share political authority and responsibilities.

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## 1.2 Department of Aboriginal Affairs and Northern Development

AANDC's overall responsibility is to balance the need for development of the North's economic potential with the need to protect and preserve the environment. As a result, AANDC is the lead agency for many of the Government of Canada's roles in the North, including sovereignty, economic and social development, environmental and land management and improving northern governance (i.e. land claims, self-government and devolution).

In the NWT, AANDC's regional office is in Yellowknife. AANDC areas of activity relevant to municipal governments include:

- **Aboriginal and Territorial Relations** – this unit is involved in the negotiation and implementation of land, resource and governance agreements. Other duties include NWT political development, intergovernmental matters and resource management board relations.
- **Board Relations Secretariat** – this unit helps implement land claim agreements and supports working relationships and partnerships with the NWT's various resource management boards
- **Contaminants and Remediation** – this unit is responsible for managing contaminated sites in the NWT. Activities undertaken include monitoring, care and maintenance and remediation (clean-up of a contaminated site). More than 25 contaminated sites are currently being managed through different stages of remediation.
- **Indian and Inuit Services** – this unit is responsible for supporting First Nation and Inuit organizations in their efforts to obtain control and accountability for the delivery of programs and services in their communities.
- **Mineral and Petroleum Resources** – this unit administers mineral and oil and gas resources in the NWT and promotes environmentally sustainable resource development. It monitors activity levels in these sectors and provides advice and guidance on various matters to industry, Aboriginal organizations, communities and other levels of government.
- **Renewable Resources and Environment** – this unit manages the delivery of environmental programs, implements environmental management measures and operates an environmental laboratory. It also has federal responsibility for water resources (onshore and offshore) and conducts water quality studies.

## 1.3 Government of the NWT

From the 1900s to the 1960s, Ottawa governed and managed the NWT, appointing a Commissioner and naming members to the Northwest Territories Council. By 1966, elected members from the NWT formed the majority on the council with its seat still in Ottawa. At the time, political awareness in the North was increasing, and the dissatisfaction with the existing system grew.

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In the late 1960s, the federal government moved the seat of government from Ottawa to Yellowknife and began devolving (transferring) many of its responsibilities to the Government of the NWT. As a result, a local civil service was developed and, by 1975, the first fully-elected Council was established, which became known as the Legislative Assembly ([www.assembly.gov.nt.ca](http://www.assembly.gov.nt.ca)). The remaining powers of the Commissioner continued to be transferred to the Legislative Assembly into the 1980s, accelerating the move towards responsible government at the territorial level. In 1994, the title of Government Leader was officially changed to Premier. On April 1, 1999, Nunavut was created resulting in a smaller Northwest Territories.

The NWT and Nunavut are the only two jurisdictions at the Territorial/Provincial level in Canada that operate under a consensus system of government rather than party politics. After a territorial election, the 19 Members of the Legislative Assembly (MLAs) hold the Territorial Leadership Committee to elect the Speaker, the Premier and six Cabinet Ministers. The remaining 11 MLAs are referred to as Regular Members and serve as the unofficial opposition in the Assembly. Under the consensus system, decisions are made by a simple majority vote. Given that Cabinet only has 7 of the 19 Members, the 11 Regular Members exert considerable influence on the decisions and direction of the government.

The GNWT ([www.gov.nt.ca](http://www.gov.nt.ca)) has thirteen departments and thirteen agencies. The ones that are most relevant to the communities and municipal governments are described below:

### **Municipal and Community Affairs (MACA)**

The Department of Municipal and Community Affairs ([www.maca.gov.nt.ca](http://www.maca.gov.nt.ca)) is the most important GNWT department for municipal governments and their LGAs. One of MACA's roles is to support municipal governments in their efforts to deliver good government and services to community residents. MACA also has other responsibilities including youth development, sport and recreation, compliance with safety standards and coordination of emergency services.

Examples of MACA's areas of responsibility include:

- **Community training and development** – provision of funding, services, programs, information training, tools and advice to municipal governments.
- **Land** – administration of Commissioner's Lands, community planning, land purchases, property assessments, land development, surveys and mapping and supports community infrastructure.
- **Capital planning and infrastructure** – provides funding, advice, training and support to municipal governments in their capital and infrastructure project development.
- **Safety** – promotion of fire safety and prevention and undertakes building code reviews.

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- **Emergency services** – responsible for NWT emergency preparedness and response activities (in partnership with the RCMP).
  - **Sports and Recreation** – supports territorial games, travel assistance, training, coaching programs and youth programs.
  - **Consumer affairs** – responsibility for consumer protection.
  - **Licensing** – issuance and regulation of lottery licenses, business licenses, realtor licenses and other licenses.
  - **Legislation** – statutes that govern MACA's mandate and operations include the *Cities, Towns and Villages Act*, the *Hamlets Act*, the *Charter Communities Act*, the *Tłı̨chǫ Community Government Act* and numerous others.

### **Public Works & Services (PWS)**

The Department of Public Works and Services ([www.pws.gov.nt.ca](http://www.pws.gov.nt.ca)) is involved in building, designing and maintaining government structures; supplying fuel to some communities and managing the GNWT's Technology Service Centre. Some key services include:

- **Asset Management** – this division provides technical support in areas such as:
  - estimating the cost of building construction and renovation,
  - assisting in the planning and design of buildings,
  - managing GNWT leases and property,
  - advising about procurement and contracting,
  - coordinating supplies of gravel for construction and
  - advising on the maintenance of GNWT buildings.
- **Petroleum Products** – this division manages fuel supply to 15 communities not served by the private sector.

### **Transportation (DOT)**

The Department of Transportation ([www.dot.gov.nt.ca](http://www.dot.gov.nt.ca)) is responsible for designing, constructing, operating and maintaining the public transportation system in the NWT, which includes the highway and winter road systems, 27 community airports and five ferry and ice crossings. DOT also regulates and licenses drivers and vehicles operating in the NWT.

### **Environment and Natural Resources (ENR)**

The Department of Environment and Natural Resources ([www.enr.gov.nt.ca](http://www.enr.gov.nt.ca)) promotes and supports the sustainable use of natural resources in the NWT.

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Key responsibilities include:

- **Environment** – this division works to protect and enhance environmental quality through a number of different programs and activities including biodiversity, Protected Areas Strategy, land conservation, water strategy, hazardous substance management, recycling, climate change, energy efficiency and alternative energy systems and environmental assessment and monitoring.
- **Forestry** – this division is involved in planning and regulatory activities to ensure the protection and sustainable management of forest resources in the NWT. Specific programs and services include wildland fire management and protection, forest education, forest health and silviculture.
- **Wildlife** – this division is responsible for the management of wildlife resources. Key activities include collection of baseline information, assessing and monitoring the status of wildlife and wildlife habitat, protecting species at risk and assessing impacts on wildlife from human activities.

### **NWT Housing Corporation (NWTHC)**

The NWT Housing Corporation ([www.nwthc.gov.nt.ca](http://www.nwthc.gov.nt.ca)) is a GNWT-owned corporation that delivers public housing programs through Local Housing Organizations (LHOs) and some municipal and First Nation governments. In many communities, the LHO is the largest consumer of municipal services and land.

### **NWT Power Corporation (NTPC)**

The NWT Power Corporation ([www.ntpc.com](http://www.ntpc.com)) is a GNWT-owned utility company responsible for generating and delivering power to most NWT communities. NTPC also sells wholesale power to Northland Utilities for distribution to customers in Hay River and Yellowknife.

### **NWT Public Utilities Board (PUB)**

The Public Utilities Board ([www.nwtpublicutilitiesboard.ca](http://www.nwtpublicutilitiesboard.ca)) is an independent agency of the GNWT. It is responsible for regulating public utilities in the NWT, including setting power rates and terms and conditions of service. The PUB deals with most issues using an application and decision process.

## **1.4 Aboriginal Land Claims and Self-Government Agreements**

In much of Canada, the relationship between Aboriginal people and the federal Crown was originally defined by numbered treaties. In the NWT, the Dene First Nations signed Treaty 8 Adhesion (in 1900) and Treaty 11 (in 1921). The Inuvialuit were never offered a treaty, and Métis individuals who did not sign onto a treaty were offered “scrip” payments.

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In the 1970s, the Government of Canada began negotiating modern-day treaties (referred to as “land claims agreements”) with Aboriginal groups to deal with disagreements or uncertainties resulting from original historic treaties. Topics usually addressed include land ownership and management; money; wildlife harvesting rights; participation in land, resource, water, wildlife and environmental management; and measures to support economic development and protect culture. In addition, land claims agreements may also include provisions relating to Aboriginal self-government or provide for future negotiations of self-government.

In the NWT, the following Aboriginal rights agreements have been settled:

- The Inuvialuit Final Agreement (1984) ([www.jointsecretariat.ca](http://www.jointsecretariat.ca)).
- The Gwich'in Comprehensive Land Claim Agreement (1992) ([www.gwichin.nt.ca](http://www.gwichin.nt.ca)).
- The Sahtu Dene and Métis Comprehensive Land Claim (1993) ([www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/sahmet\\_1100100031148\\_eng.pdf](http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/sahmet_1100100031148_eng.pdf)).
- The Salt River First Nation Treaty Settlement Agreement (2002) ([www.daair.gov.nt.ca/live/documents/content/Salt\\_River\\_Treaty\\_Agreement.pdf](http://www.daair.gov.nt.ca/live/documents/content/Salt_River_Treaty_Agreement.pdf)).
- The Tłı̨chǫ Agreement (2003) is the first combined comprehensive land claims and self-government agreement in the Northwest Territories ([www.tlicho.ca](http://www.tlicho.ca)).

Other aboriginal rights negotiations are underway in all NWT regions. Details and current updates can be found at:

[www.daair.gov.nt.ca/live/pages/wpPages/CurrentNegotiations.aspx](http://www.daair.gov.nt.ca/live/pages/wpPages/CurrentNegotiations.aspx)

## 1.5 Community governments

Whether a community government is a municipal corporation or a Designated Authority, it is in the business of providing programs, services and good government to all of the residents of the community. Elected politicians, the LGA and the staff all play important roles within community governments. Once a Council has set directions or made decisions, the LGA implements the direction or decisions and oversees day-to-day operations. Under the LGA's supervision, staff carries out the daily tasks necessary for delivering programs and services to the residents.

As a result of the GNWT's evolution over the last 40 years, there are now different types of community governments in the NWT, including:

- Charter Communities
- Hamlets
- Tłı̨chǫ Community Governments

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- Cities, Towns and Villages
  - First Nations/Designated Authorities

Additional information on the role, responsibilities and structure of community governments is provided in Section 2 below.

## 2. Community Governments and the LGA

This section provides an overview on the history of the development of municipal governments in the NWT, explains the different roles within a municipal government, describes the LGA's role responsibilities and highlights the legislative framework that municipal governments operate within.

### 2.1 History

For as long as there have been communities in the NWT, people have found ways to organize themselves to assist each other. Some communities originated as fur trading posts and mission sites while others originated from activities such as mining, transportation and government. As these new communities grew, the first incorporated municipalities were formed. Over time, as aboriginal people moved into permanent communities and settlements, models of municipal and band government were put in place.

Starting in the 1960's, programs were established to assist these emerging communities with some of the basic skills and authorities needed for community governance. This took the form of advisory councils. In the 1970's and 1980's, following the move of the GNWT to Yellowknife, new efforts were made to find forms of community governments that would work in the smaller communities. These efforts resulted in the *Hamlets Act*, the *Settlements Act* and the *Charter Communities Act*. More recently, the *Tłıchǫ Community Government Act* was created to provide a bridge between the municipal models and the desire to have municipal governments with specific Tłıchǫ characteristics. No NWT community operates any longer as a settlement and the *Settlement Act* has been repealed in the 16th Legislative Assembly.

### 2.2 Elected Officials and Administration

The people involved in a municipal government fall into one of three different roles. These are the Mayor or Chief, Councillors and Administration. To work well together, each group needs to understand and fulfill its role and respect the roles of the others. The basic roles of each are as follows:

The Mayor or Chief has three roles to fill:

- As a member of Council, the Mayor/Chief has the same responsibilities as other Councillors.

- 
- The Mayor/Chief is responsible for chairing meetings, signing official papers, ensuring Council's work is done in accordance with adopted bylaws, rules and policies and supervising the LGA.
  - The Mayor/Chief also represents the community to other levels of government, hosts special visitors, attends meetings outside the community and speaks on behalf of Council.

An individual Councillor does not possess any authority to make decisions or provide instructions. As a member of Council, a Councillor has several duties to perform, including:

- understanding current issues and staying in touch with what people in the community want (and don't want),
- representing the interests of the public (all people in the community),
- gathering and considering information (reports, documents, expert advice etc),
- taking time to think about decisions and making decisions based on what has been heard and what has been learned,
- following proper procedures in making policies, bylaws and resolutions,
- setting policies (which are then administered by staff) and
- supporting the decisions of Council once they are made.

The Administration is made up of the LGA and the staff that work for the municipal government. The LGA is hired by the Council to manage the day-to-day affairs of the municipal government.

Depending on the size of the community, the number of staff working for the municipal government can range from a few people to hundreds of people. Regardless of the community, it is important to note that the staff are hired by, and report to, the LGA. It is the LGA, not the Chief, Mayor or Councillors, who is responsible for directing and managing staff.

Additional information is available in the Community Councillors Handbook ([www.nwtac.com/Files/Community%20Councillor%20Handbook.pdf](http://www.nwtac.com/Files/Community%20Councillor%20Handbook.pdf)).

### **2.3 LGA Role and Responsibilities**

The basic role of the LGA is to make sure that the municipal government is meeting its obligations in keeping the community healthy and safe and providing the programs and services residents need. As such, the LGA essentially works as a manager within a political setting.

To fulfill their role, LGAs are expected to perform three critical functions:

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## Advise

The LGA serves as an advisor to Council. To do so, the LGA needs to be knowledgeable and up to date on rules, best practices and laws. If Council relies on incorrect information or poor advice, it may make mistakes that can have serious legal, financial or operational consequences for the community.

Different types of laws and best practices that an LGA must be aware of include:

- **Legislation** – legislation (also referred to as Acts or Statutes) is usually broader in scope and general. It is passed by a legislative body and contains directives that must be complied with to remain within the law or delegates power and authority. Legislation typically provides a general framework that requires, allows or prohibits certain actions, either by industry, communities or people.
- **Regulations** – after legislation is passed, the details of how the legislation will work, be implemented and enforced are often developed as regulations. A regulation refers to a specific requirement that can take various forms. While legislation often takes years to develop or revise, regulations can be created or changed within a shorter timeframe as they are not passed by a legislative body.
- **Policies**– policies are written statements that provide direction in an organization and assist in decision-making. Policies often contain rules or thresholds that indicate what is allowed or not allowed.
- **Procedures** – procedures are a particular way of accomplishing something. Procedures are usually a series of steps that are to be followed to achieve a result.

## Support

An LGA provides information to Council so it can make informed decisions. The LGA does not tell Council what to decide but can point out whether Council has the authority to do something or how something must be done to ensure compliance with legislation, regulations, established policies and procedures, agreements or contracts.

An LGA also supports Council by conducting research on various issues, talking with officials in other levels of government and generally providing advice and guidance based on their experience.

## Manage

An LGA serves as an administrator, carrying out Council's instructions and managing the daily operations of the municipal government.

In this capacity, the LGA makes daily operational decisions in the following areas of responsibility:

- council and governance,
- human resources,

- 
- finances,
  - infrastructure and
  - program and service delivery

Much more detail on these topics is provided in Part 2 of the Handbook.

## 2.4 Important Legislation

In order to know what powers and responsibilities a community government has, the Council and the LGA must be familiar with relevant legislation. This includes municipal legislation as well as numerous other statutes that influence or impact different aspects of municipal operations.

### 2.4.1 Municipal Legislation

Municipal legislation includes the various acts that define the powers, authorities and responsibilities for each different type of community.

The legal status of a community is usually determined either by public request or on the initiative of the Minister of MACA. This means that a community can decide to alter its status. The four Tłıchǵ communities are the exception as their statuses are now fixed *Tłıchǵ Community Government Act*.

Each type of community government is established by, and gets its authority from, specific legislation. The acts mentioned below and their associated regulations spell out a municipal government's authority and how it may operate. It is essential that a Council and the LGA be familiar with the provisions of the act and regulations that apply to their community.

- *Cities, Towns and Villages Act* (<http://www.justice.gov.nt.ca/PDF/ACTS/Cities%20Towns%20and%20Villages.pdf>) – applies to Yellowknife, Hay River, Inuvik, Fort Smith, Norman Wells and Fort Simpson. These larger municipalities have extensive powers including raising substantial revenues through municipal taxation, ability to borrow money, full bylaw authorities and ability to acquire Commissioner's Lands and administer lands within the municipal boundary.
- *Hamlets Act* ([www.justice.gov.nt.ca/pdf/ACTS/Hamlets.pdf](http://www.justice.gov.nt.ca/pdf/ACTS/Hamlets.pdf)) – applies to smaller municipalities including Aklavik, Enterprise, Fort Liard, Fort McPherson, Fort Providence, Fort Resolution, Paulatuk, Sachs Harbour, Tuktoyaktuk, Tulita and Ulukhaktok. Hamlets have similar powers as Cities, Towns or Villages but none are currently municipal taxing authorities.
- *Tłıchǵ Community Government Act* ([www.justice.gov.nt.ca/pdf/ACTS/Tlicho\\_Community\\_Gov.pdf](http://www.justice.gov.nt.ca/pdf/ACTS/Tlicho_Community_Gov.pdf)) – applies to the four Tłıchǵ communities (Behchokǵ, Wekweètì, Gamètì and Whatì). This Act is very similar to the *Hamlets Act* but has been modified in certain ways to be consistent with the provisions of the Tłıchǵ Agreement.

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- *Charter Communities Act* ([www.justice.gov.nt.ca/pdf/ACTS/Tlicho\\_Community\\_Gov.pdf](http://www.justice.gov.nt.ca/pdf/ACTS/Tlicho_Community_Gov.pdf)) – applies to the municipalities of Délı̄ne, Fort Good Hope and Tsiigehtchic. Charter communities have similar powers as Hamlets except that the details in the charter determine the leadership. Generally, the Chief of the First Nation Council is appointed to head the municipal government.
  - *First Nations / Designated Authorities* – these communities include Behdzi Ahda First Nation (Colville Lake), Jean Marie River First Nation, K’atlodeeche First Nation (Hay River Reserve), Ka’a’gee Tu First Nation (Kakisa), Łutselk’e First Nation, Nahanni Butte First Nation, Sambaa K’e Dene Band (Trout Lake), Pehdzeh Ki First Nation (Wrigley) and Yellowknives Dene First Nation (Detah). These Bands or First Nations recognized under the *Indian Act* ([www.laws-lois.justice.gc.ca/eng/acts/I-5/](http://www.laws-lois.justice.gc.ca/eng/acts/I-5/)) are recognized as the primary authority in the community responsible for delivery of municipal services. Funding to deliver specific services is provided by federal or GNWT departments. Bands may borrow in areas where the federal government guarantees lending. They may also set their own election practices based on their custom practices.

See Differences in Community Government Structures

([www.maca.gov.nt.ca/resources/Differences\\_in\\_Comm\\_Govt\\_Structure.pdf](http://www.maca.gov.nt.ca/resources/Differences_in_Comm_Govt_Structure.pdf)) for more information.

## 2.4.2 Other Legislation

In addition to the acts that define a community government’s authority, there are a number of other GNWT Acts (<http://www.justice.gov.nt.ca/Legislation/SearchLeg&Reg.shtml>) that influence different aspects of municipal operations, including:

Legislation from which municipalities draw authority:

- *All Terrain Vehicles Act* – governs the use of all terrain vehicles. Part 2 of the Act outlines how a Council can, through a bylaw, control the use and operation of all terrain vehicles within the community.
- *Curfew Act* – section 3 outlines how a municipal government can establish and enforce a curfew in its community.
- *Dog Act* – outlines procedures for the appointment of dog officers, defines prohibitions and provides for seizures and destruction of dogs. Section 7 allows for a municipal bylaw to supersede the provisions of the Act regarding impounding, selling and destroying dogs.
- *Liquor Act* – outlines the rules and procedures for the distribution and sale of liquor. Section 54 sets out authorities where municipal governments can exercise bylaw authority.
- *Lotteries Act* – governs the operation of lotteries. The responsibility for administering lotteries may be delegated to a municipal government.

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- *Motor Vehicles Act* – governs motor vehicle use. Sections 343 to 248 outline how a Council may make bylaws controlling the use of motor vehicles within the community.
  - *Planning Act* – outlines what a Council may do in preparing general plans, development schemes and zoning bylaws for the development of the community and how enforcement and arrears should be handled.
  - *Property Assessment and Taxation Act* – explains the process for property assessment and taxation in the NWT. Of specific interest are sections 75 to 79 which deal with issues such as establishing mill rates, municipal taxation areas and property taxes.

Legislation that imposes responsibilities on municipalities:

- *Civil Emergency Measures Act* – section 7 outlines the powers and duties of a local authority in dealing with local states of emergency.
- *Conflict of Interest Act* – outlines what a conflict of interest is, the procedure that must be followed for elected officials to declare conflict and what the penalty is for failure to disclose conflict.
- *Employment Standards Act* – applies to most employers and employees and sets out minimum standards that employers must follow for their employees in areas such as hours of work, overtime, minimum wage, holidays etc.
- *Environmental Protection Act* – outlines standards for dealing with contaminants and unsightly lands and the remedies that can be applied. In particular, LGAs should be familiar with the basics for reporting spills. The 24 hour Spill Report Line is (867)-920-8130.
- *Fire Prevention Act* – outlines mandatory requirements on how fire prevention and protection services are provided. If there is not a Fire Chief or Acting Chief in a community, Council must designate a municipal employee (often the LGA) to be the local assistant to the Fire Marshal.
- *Local Authorities Elections Act* – outlines the process for elections for municipal governments and local education authorities. It should be noted that if a returning officer isn't appointed within the guidelines of the Act, the LGA automatically becomes the returning officer (see s. 27(2)).
- *Public Health Act* – sets out standards and rules to protect the health of the public. In particular, municipalities need to be aware of, and compliant with, new Water Supply System Regulations that came into effective on April 1, 2010.
- *Safety Act* – outlines the responsibilities of an employer to provide a safe work place for its employees.
- *Workers Compensation Act* – establishes a system of compulsory, no-fault mutual insurance for workers and employers that provides for the sustainable payment of compensation to injured or diseased workers.

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## 3. Resource Management

The NWT is rich in natural resources as well as non-renewable resources. The land, waterways and wildlife, which have sustained Aboriginal peoples for countless generations, continue to be vitally important to the economic and cultural well-being of all NWT residents. The NWT has many economic resources such as oil, natural gas, mineral deposits and hydro-electric with potential for future development.

There are two main sets of acts that govern resource management in the NWT. The *Mackenzie Valley Resource Management Act* (MVRMA) applies throughout the NWT with the exception of the Inuvialuit region and the Wood Buffalo National Park.

For the Inuvialuit region, the Inuvialuit Final Agreement establishes the various regulatory and co-management agencies that serve the region.

### 3.1 Mackenzie Valley Resource Management Act (MVRMA)

The MVRMA is federal legislation that created an integrated co-management system for public and private lands and waters throughout the Mackenzie Valley. The Gwich'in, Sahtu and Tłı̨chǫ land claims agreements lay the foundation for the system by establishing various co-management boards and advisory groups. Key responsibilities of the boards include:

- land-use planning,
- regulation of the use of land and water through the issuance of land use permits and water licenses,
- environmental assessments of proposed projects and
- management of wildlife and habitats.

Administration, inspection and enforcement duties on Crown lands are the responsibility of AANDC. The GNWT is responsible for these activities on Commissioner's lands. Other federal agencies also involved in resource management in the NWT include Fisheries and Oceans (DFO), Environment Canada (EC), Parks Canada (PC) and the National Energy Board (NEB).

### 3.2 Resource Management Boards and Agencies

Numerous regulatory and co-management boards and agencies are in existence in the NWT. The NWT Board Forum provides general information about the land and resource management system in the Northwest Territories. The website ([www.nwtboardforum.com](http://www.nwtboardforum.com)) explains how the system works and provides a single entry point to get access to all individual boards.

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These are listed on the next page according to their mandates:

### **Preliminary Screening (of proposed development activities)**

- Gwich'in Land and Water Board - [www.glwb.com](http://www.glwb.com)
- Sahtu Land and Water Board - [www.slwb.com](http://www.slwb.com)
- Wek'eezhii Land and Water Board - [www.wlwb.ca](http://www.wlwb.ca)
- Mackenzie Valley Land and Water Board - [www.mvlwb.ca](http://www.mvlwb.ca)
- NWT Water Board (ISR only) – [www.nwtwb.com](http://www.nwtwb.com)
- Government of the NWT - [www.gov.nt.ca](http://www.gov.nt.ca)
- Aboriginal Affairs and Northern Development – [www.aadnc-aandc.gc.ca](http://www.aadnc-aandc.gc.ca)
- Department of Fisheries and Oceans - [www.dfo-mpo.gc.ca](http://www.dfo-mpo.gc.ca)
- Environment Canada - [www.ec.gc.ca](http://www.ec.gc.ca)
- National Energy Board - [www.neb-one.gc.ca](http://www.neb-one.gc.ca)
- Parks Canada - [www.pc.gc.ca](http://www.pc.gc.ca)

### **Environmental Assessment (of proposed development activities)**

- Mackenzie Valley Environmental Impact Review Board - [www.reviewboard.ca](http://www.reviewboard.ca)
- Environmental Impact Screening Committee (ISR only) – [www.screeningcommittee.ca](http://www.screeningcommittee.ca)
- Environmental Impact Review Board (ISR only) – [www.eirb.ca](http://www.eirb.ca)

### **Wildlife Management**

- Gwich'in Renewable Resources Board - [www.grrb.nt.ca](http://www.grrb.nt.ca)
- Sahtu Renewable Resources Board - [www.srrb.nt.ca](http://www.srrb.nt.ca)
- Wek'eezhii Renewable Resources Board - [www.wrrb.ca](http://www.wrrb.ca)

### **Land Use Planning**

- Gwich'in Land Use Planning Board - [www.gwichinplanning.nt.ca](http://www.gwichinplanning.nt.ca)
- Sahtu Land Use Planning Board - [www.sahtulanduseplan.org](http://www.sahtulanduseplan.org)

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## PART 2: LGA Duties and Responsibilities

Sections 4 to 9 of the Handbook focus on the main responsibilities that most LGAs are required to deal with.

### 4. Governance

Governance generally refers to how a municipal government organizes and manages itself. Examples of common governance practices include how a municipal government exercises its political authority, how it establishes directions and how it reaches and implements decisions. Basically, following good governance practices is an important part of keeping a municipal government on-track and out of trouble.

The topic of governance can be a bit tricky to understand as some governance practices are mandatory (legislative or contribution agreement requirements for example), while others are either recommended or optional.

Governance practices that are mandatory for all municipal governments include:

- Ensuring that a municipal government does not exceed its authority (as set out in its municipal legislation).
- Using a bylaw to enact policy where required by legislation. Examples of mandatory bylaws include Rules of Procedure for Council, appointment of a Senior Administrative Officer and adoption of a corporate seal. In many instances where Council wants to exercise its authority there needs to be a bylaw such as Honoraria, Municipal Service Rates, Borrowing and Long-term debt. In addition, there are specific procedures that a Council must follow to adopt a bylaw.
- Developing necessary long-term plans such as a Strategic Plan, Capital Plan, or Community Energy Plan, etc.

Areas where a Council has the flexibility to decide how it wants to organize and manage the community and the municipal government's operations include:

- **Discretionary bylaws** – areas in which a Council has the choice to adopt a wide range of bylaws include setting a term of office (two or three years), making rules for public meetings, developing code of ethics for Councillors, setting terms of employment for staff, animal control, regulating snowmobiles and other vehicles, undertaking local improvements, delegating authorities and establishing a board or commission.
- **Certain types of planning** – a Council can choose to develop and implement a variety of plans depending on its circumstances. Some common examples include a land use plan, recreation plan, wellness plan, economic development plan, etc.

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- **Policies and procedures** – when a Council decides to provide guidance and direction to its administration or to itself and a bylaw is not required to exercise this authority, Council may, by resolution, adopt policies and procedures. As policies only bind the municipal government and not the residents, most policies deal with the internal operation of the municipal government in areas such as financial and human resource procedures.

Sections 4.1 to 4.4 below provide information on best practices a municipal government can follow to ensure good governance.

## 4.1 Planning

Planning is an essential part of good governance. Planning involves setting goals, developing plans for achieving the goals and allocating resources (money, people, skills, time) to implement the actions within a plan.

Planning helps a Council and Administration be proactive, not reactive. Managing in a proactive way involves anticipating problems, assessing risks and taking actions before difficulties occur. To be proactive, a Council needs to plan and set priorities.

The LGA's role in any planning exercise is to support Council by:

- gathering required information to provide background of the current situation and pressures,
- providing advice, options and alternatives,
- identifying resources (financial and human) available to help facilitate planning work,
- leading the implementation of a plan once it is approved by Council and
- encouraging monitoring of progress achieved and regular reviews and revisions to a plan based on results, new priorities, changes in resources, etc.

The most common types of planning for municipal governments are summarized below:

### 4.1.1 Strategic Planning

A strategic plan is the “big picture” plan for a community and usually contains the following:

- A long-term vision for what the community will be like in five or 10 years.
- Key values, such as maintaining culture, protecting the environment and building local capacity that are important to the community.
- Specific goals and actions that will help the community achieve its vision.

Some steps often involved in creating a strategic plan include:

- taking stock of what needs to be done to improve the quality of life in the community,

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- holding public meetings and other ways to communicate to help determine community priorities and wishes,
  - hiring consultants or other specialists to provide advice and support and
  - consulting with stakeholders such as the NWTAC, LGANT or MACA staff or other municipalities to identify what has worked (and not worked) in other municipalities.

Once a strategic plan is in place, it should serve as a guide to Council in making decisions and allocating resources (setting priorities, establishing budgets, initiating projects etc). Council should review the plan on a regular basis to see whether progress is being made or if changes are needed.

### **4.1.2 Integrated Community Sustainability Plan**

Similar to a strategic plan, an Integrated Community Sustainability Plan (ICSP) is a long-term plan that helps a community with the sustainable development of its cultural, social and economic goals and objectives. Under the terms of the Canada – NWT Gas Tax Fund Agreement, all NWT municipalities were required to complete an ICSP by March 31, 2010. In doing so, municipalities were required to include the following four components in their ICSP:

- Strategic plan
- Human resources plan
- Energy plan
- Capital plan

A community ICSP is intended to be a “living document” that needs to be reviewed and updated on a regular basis.

### **4.1.3 Human Resources Planning**

Without competent staff, a municipal government cannot deliver programs and services to residents or take care of its business. Given the competitive job market that exists in the NWT and elsewhere, human resource planning is an important tool for attracting and retaining qualified staff.

MACA developed the Community Government Human Resource Development System to assist municipal governments with human resource development. The elements of the system include:

- Planning
- Job descriptions
- Recruitment and selection
- Orientation
- Training and development
- Performance evaluation

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Additional information on human resource development and staffing is provided in Section 5.

#### **4.1.4 Community Infrastructure (or Capital) Planning**

Community infrastructure planning (or capital planning) is an important tool that can help a municipal government minimize operating costs and maximize the delivery of programs and services to residents.

Infrastructure includes all the physical assets a municipal government owns and operates such as buildings, water and waste systems, mobile equipment (heavy equipment, trucks, vehicles), recreational facilities and earthworks (roads, gravel pits).

Ensuring the community infrastructure is in good shape and has sufficient capacity is essential for the delivery of programs and services. Typically, a capital plan helps a municipal government answer the following questions:

- How long will our existing equipment and facilities last?
- What upgrades or renovations are needed and when will they be needed?
- What are the priorities for new infrastructure and why?
- How will we pay for these projects?
- When do these projects need to be done?

Additional information on capital planning is provided in Section 7.

#### **4.1.5 Land Use Planning**

A community land use plan sets out how Council wants the physical development of the community to proceed. Often, this type of plan is created in the form of a map that shows key features in the community, including:

- boundaries of geographic areas,
- legal descriptions of parcels of surveyed land,
- ownership of parcels of land (legal authorities),
- buildings footprints and the outline of structures,
- important cultural and historic sites (to be protected),
- current (and future) transportation routes,
- appropriate areas for residential, commercial / industrial and recreational development and
- potential areas for future expansion or growth.

MACA's Lands Administration Division supports community land use planning by arranging and managing aerial and topographic mapping of each community in the NWT. These maps are available to the public through a system called ATLAS. An Atlas User Tutorial is also available.

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### 4.1.6 Energy Planning

A community energy plan identifies ways to reduce energy use, energy costs and environmental impacts within the community.

More information on energy planning is provided in section 8.5

### 4.1.7 Other Types of Planning

There are also other types of plans a municipal government may decide to develop and implement, including:

- **Recreation Plan** – creates an inventory of recreation facilities, identifies goals and actions to achieve the goals.
- **Emergency Plan** – identifies people and resources that can help in the event of an emergency. Municipalities are required to prepare for emergencies like forest fires, floods, extended power outages or extreme weather events.
- **Economic Development Plan** – sets goals and objectives for local economic development and identifies strategies, programs and projects to be implemented to reach these goals and objectives.

## 4.2 Council Meetings

How meetings are organized and conducted can affect a Council's success and the public's perception of its effectiveness.

Some key points about Council meetings:

- A meeting must be held at least once per month and be properly advertised.
- Council is required to develop and pass a Rules of Procedure Bylaw that contains the rules for the setting and conduct of all Council and committee meetings and the behaviour of Council members.
- Meetings should begin on time.
- A quorum must be maintained at all times during the meeting.
- All regular, special and committee meetings are held in public. The exception to this is when a resolution has been passed by two-thirds of the members present to move to close the meeting and hold a private (in-camera) meeting. This can only be done in very limited and specific situations, for example, to deal with confidential topics such as legal, personnel or real property issues.
- Administration must make a written record, or minutes, of all Council and committee meetings and minutes must be adopted by Council.

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### 4.2.1 Preparation

A Council meeting should be well-organized and Council members should be well prepared.

Key tasks for the LGA usually include:

- **Drafting the agenda** – this should be prepared using input from the Mayor/Chief and may include input from Councillors, staff, outside advisors, and others. The agenda items should be organized carefully so the Council can address items in a logical and efficient manner. The format for the agenda is often specified in the Rules of Procedure by-law (see below). Often, the more important items are placed at the beginning.
- **Preparing an information package** – any supporting materials, such as letters, reports, memos, draft motions, etc. should be organized in a package and distributed to all Council members well in advance of the meeting. For their part, all Council members should review the agenda and materials and come to the meeting prepared.
- **Translation** – if translators are participating in the meeting, they should be given a copy of the agenda and all supporting materials to assist them in providing quality translation services. This is particularly important if technical terms are likely to be used.
- **Public participation** – residents should feel welcome to participate in meetings. If residents want to address Council, there should be clear rules on how residents can get on the agenda.
- **Guests** – often government officials, consultants and other individuals from outside the community are invited to participate in a Council meeting. In these instances, it is important that the LGA communicate with the visitors in advance to ensure they are available when Council needs them. It should also be clear what is expected of them by Council or, conversely, what their purpose and objectives are in addressing Council.

### 4.2.2 Meetings

Several factors that contribute to a well-run, effective Council meeting:

#### 1. Rules of Procedure Bylaw

It is mandatory that a municipal government establish and follow rules of procedure for Council meetings. This must be done by bylaw and should include rules outlining:

- the calling of meetings of Council and its committees,
- the procedure of Council,
- the attendance of Council members at meetings of Council and its committees,
- the conduct of meetings by electronic means,
- the procedures for voting at meetings of Council and its committees,
- the Mayor's or Chief's voting rights,

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- the behaviour of Council members and other persons present at meetings of Council and its committees and
  - the establishment, appointment and duties of committees of council and the general transaction of its business.

Some optional rules are:

- Deemed resignation for lack of attendance.
- Code of Conduct or Code of Ethics.
- Holding of Private Meetings.
- Appointment of Acting Mayor or Chief.
- Process for filling a vacant council seat.

## **2. Role of Chair**

The Mayor or Chief normally chairs all meetings of Council and is responsible for making sure the meeting runs smoothly and that Council procedures are followed. The Chair is also responsible for:

- keeping order in the meeting,
- encouraging participation,
- asking questions to ensure all points are covered and understood,
- summarizing discussions and noting areas of agreement or disagreement and
- calling for votes on an issue once there has been adequate discussion.

## **3. Role of LGA**

The LGA can contribute by providing a well-designed agenda and all necessary supporting documents. During the meeting, the LGA supports Council by providing guidance on policies, bylaws, procedures, issues, potential solutions and making sure Council doesn't do something inappropriate. The LGA is also required to ensure that notes are taken, that decisions are recorded and that minutes of the meeting are prepared.

### **4.2.3 Minutes**

Minutes are the official record of the meeting and are required by law. They must be made available to the public. Minutes should include:

- a record of the Council members in attendance as well as those absent from the meeting and

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- a brief summary, by agenda item, of key points made during the meeting, who moved and seconded a motion and whether the motion was carried. If a statute, bylaw or policy was relied upon or referred to in a motion, this should be recorded.

It should be noted that meeting minutes are considered to be in “draft form” until they are reviewed and approved by Council (which usually occurs at the following Council meeting).

## **4.3 Making Decisions**

Another aspect of good governance is how a Council makes and records its decisions. This can be done in several different ways, such as a policy, a bylaw or a resolution.

### **4.3.1 Policies**

Policies are written statements that Council and Administration use when making future decisions. Common examples include financial policies, purchasing policies, human resource policies, travel policies and facility rental policies. Policies provide direction and authority to the LGA to act in a predictable manner in specific situations without having to seek Council approval.

Council and the LGA usually develop a policy together. In developing a new policy, the LGA should conduct research to make sure the municipal government has the proper authority. As well, public input should be sought if the policy will affect community residents in some way. A policy doesn't take effect until it has been approved by Council in a regular or special meeting, either through bylaw or as a resolution.

Once in place, it is the Administration's job to see that the policy is carried out. Often, a policy is supported by rules or procedures which are used to explain how the policy is applied.

### **4.3.2 Bylaws**

Bylaws are community laws that set out the municipal government's authority. Bylaws are passed by Council and usually involve exercising control on items or activities that Council is responsible for according to legislation. Common examples of issues addressed through bylaws include:

- safety, health and welfare of people and their property,
- public order, peace and safety,
- people, activities or things occurring in a public place,
- public nuisances, including unsightly property,
- transport, motor vehicles and pedestrians,
- management, use and protection of lands, including land use planning,

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- businesses and business activities,
  - public utilities,
  - programs, services and facilities provided or operated by the municipal government,
  - internal management of the municipal government and
  - enforcement of bylaws.

Putting a bylaw in place is more formal than implementing policies. There are specific procedures that must be adopted, including:

- must be in writing before first reading is given,
- must have three separate readings by resolution,
- may require the approval of the electorate in the community or may require the approval of the Minister of MACA,
- may require public hearing or minimum public notice before proceeding to second or third reading and
- all bylaws must be sent to the Minister of MACA not later than 10 days after it receives third reading. Bylaws are the correct way to make decisions when it is required by legislation or when the decision binds the public to behavior in certain ways or where the public will be impacted. When there is a question whether a decision should be done by bylaw or by policy, it is always wiser to do it by bylaw.

### **4.3.3 Resolutions**

Resolutions represent Council's position or decision on a specific question, such as an event or short-term issue. Council passes resolutions to provide direction to the LGA. In order to approve a resolution, it must be moved and seconded and is either adopted or defeated by a majority vote of the members present during the meeting (there must be a quorum present).

## **4.4 Conflict of Interest**

Community government leaders need to be aware of, and avoid, conflict of interest or the appearance of bias. Council members are public figures entrusted to lead the community. It is important that members of Council are not influenced improperly or making decisions that benefit a specific person or firm but are not in the public's interest. Similarly the LGA and staff need to be aware of their obligations to make decisions in the best interest of public and not be influenced by private interests or give the appearance of bias.

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A conflict of interest situation can arise in two ways:

- **Actual conflict** – a member has a direct or indirect interest, or is affected in some way, by a matter that is currently before a Council for consideration.
- **Perception of conflict** – a member of the public may reasonably perceive that a member of Council could have a conflict of interest, even if such a conflict doesn't actually exist in law.

In accordance with the *Conflict of Interest Act*, any member of Council with a conflict of interest is required to disclose the full nature and extent of the interest and cannot vote on the matter or attempt to influence other members' consideration of the matter at hand.

In these situations, many Councils have adopted, either through bylaw or practice, that the member leaves the room while the matter at hand is dealt with by the remaining members.

Section 3 of the Act specifies that if the remaining members of Council would then not make a quorum as a result of the absence of the member(s) in conflict, the remaining members shall, if they number at least two, be considered to constitute a quorum and can continue the meeting.

The disclosure of a conflict of interest must be recorded in the Council meeting minutes.

## 5. Human Resources

The people that work in municipal governments are essential for the delivery of programs and services and day-to-day operations.

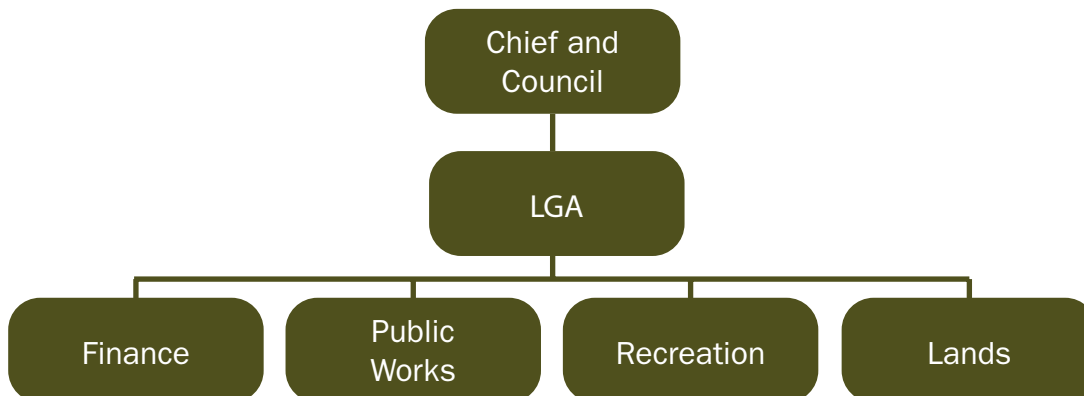
In recent years, some municipal governments have experienced difficulties in attracting and retaining qualified personnel to work in key positions such as the LGA, Finance or Public Works. Some reasons for this include ongoing changes in the NWT economy, increasing responsibilities for municipal governments, a shortage of qualified workers and a general inability of municipal governments to provide competitive wage and benefits packages (compared to government and industry).

In light of these challenges, MACA developed the Community Government Human Resources Development System (CGHRDS) to help assist municipal governments. Much of the information in this section has been summarized from the CGHRDS Manual (which is available on MACA's website).

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## 5.1 Role of the LGA

The LGA is hired by Council and reports to Council. All other municipal staff are hired by, and report to, the LGA or another staff member as delegated by the LGA. This is illustrated in the organizational chart below:



Most municipal governments are responsible for a wide range of programs and services. As a result, the LGA is required to manage a wide variety of professional, semi-skilled and entry-level employees. Key LGA duties include hiring, orientation, developing work plans and budgets, supervising and supporting staff, disciplinary matters and terminations.

To ensure that a municipal government has the qualified staff it needs, the Council and LGA should:

- develop and implement a Human Resources Plan,
- follow good practices for attracting and retaining staff and
- adopt suitable human resource policies.

## 5.2 Human Resource Planning

Given the competitive job market that exists in the NWT, human resource planning is essential for attracting and keeping good staff (all municipalities were required to have approved Human Resource Plans by March 31, 2010 under the terms of the Gas Tax Agreement).

Human resource planning involves taking a look at current staff capacity, determining future staffing needs and taking steps to ensure that the municipal government's staffing needs (i.e. capacity, required skills, knowledge, attitude, etc.) can be met.

Human resource planning is not done in isolation. A municipal government's staffing needs are closely linked to the programs and services it already delivers as well any plans it may have to take on new program or service responsibilities.

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The LGA should be the lead person in developing the Human Resource Plan but will need to receive input on the plan from the Council, other senior managers and staff.

A Human Resources Plan should be tailored to the specific needs of the municipal government. While there is no particular format for writing an HR Plan, typical elements usually include:

- the municipal government’s Vision and Mission Statements,
- key principles and values that employees are expected to follow,
- a summary of the current programs and services delivered by the municipal government and any new programs or services planned for the future,
- an analysis that identifies various factors (changes in funding, changes in priorities, changes in technology, needed skill sets etc) that may impact on the municipal government’s current and future human resource needs,
- an organizational chart that shows current and future staffing requirements and
- a work plan outlining the strategies and actions that the municipal government will take to address any identified issues or gaps. These could include capacity, skill sets, training needs, succession planning etc.

More information on the process of human resource planning is available in chapter 2 of the CGHRDS Manual.

### **5.3 Attracting and Retaining Staff**

Community governments need qualified employees to carry out all the different activities that occur within a community. Individuals interested in working in municipal governments can obtain more information here. There are a number of best practices that a municipal government should follow to maximize its ability to attract and keep qualified staff. These include:

#### **5.3.1 Job Descriptions**

Effective and meaningful job descriptions are essential. A job description is the “blueprint” that specifies what needs to be done and the type of person needed for the job. Job descriptions also provide the basis for several other aspects of a human resource management system including recruitment and selection, performance evaluation and training and development.

Examples of job descriptions for more than 90 different jobs are available. Chapter 3 of the CGHRDS Manual provides step-by-step instructions for developing a job description.

The LGA (or other senior managers) should also review job descriptions every few years to keep them up to date and incorporate any changes that may have occurred in job duties or the training needed to perform a job.

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### 5.3.2 Pay and Benefits

A typical municipal government spends 25 to 35 per cent of its annual operating budget on staff salaries and benefits. While this is a very significant portion of the overall budget, it is important that municipal governments offer a competitive pay and benefits package. Competitive salaries or wages is one of the most effective tools that a municipal government has to attract and keep qualified staff.

A municipal government should have detailed policies and procedures for pay administration including salary and wage rates, other allowances, overtime, pay periods and deductions.

Benefits are very important to most employees and can help the municipal government attract and retain employees. Examples of the different types of benefits that some municipal governments (and other types of employers) may support include:

- extended health care insurance(s),
- pension plan,
- dental plan,
- disability insurance,
- clothing allowance,
- medical travel assistance,
- northern living allowance and
- staff housing

### 5.3.3 Job Competitions

Hiring the right person for the job is extremely important. This means hiring someone that has the necessary qualifications and that fits well with the culture of the municipal government and the community. It is also very important that a municipal government hires its staff in accordance with established bylaws, policies and procedures to avoid accusations of discrimination or favoritism.

Whenever possible, it is recommended that the LGA use job competitions to fill vacant positions. Typically a job competition takes about 4 to 8 weeks to complete but helps to ensure that the municipal government is hiring the most suitable and qualified candidate available.

With an up-to-date job description in hand, the process usually involves the following steps:

**Step 1** – Create a competition file

**Step 2** – Form a selection committee

**Step 3** – Establish the selection criteria

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**Step 4** – Advertise the position

**Step 5** – Screen the applicants

**Step 6** – Interview candidates

**Step 7** – Complete reference checks, including criminal records checks

**Step 8** – Make an offer and contact unsuccessful candidates

**Step 9** – Provide the successful candidate with an appointment letter

Chapter 5 of the CGHRDS Manual covers all the details involved in recruitment and selection.

### **5.3.4 Orientation for New Staff**

Providing an effective orientation for a new employee assists with staff retention, builds employee commitment and helps the individual become familiar with their new job and the workplace. Effective staff orientation is a gradual process that can take several weeks up to six months.

Basic orientation activities should include:

- introductions to other staff,
- familiarization with the office or workplace,
- explaining the purpose and structure of the organization,
- explaining basic rules and procedures (particularly health and safety) and
- providing job-specific information such as expectations, work plans, challenges etc.

Chapter 6 of the CGHRDS Manual provides more suggestions on what should be covered in an orientation process.

### **5.3.5 Performance Management and Evaluation**

Performance management and evaluation are related processes for letting an employee know what he/she is doing well and what areas need improvement. Both processes should be conducted on an annual basis.

Performance management involves setting clear expectations for employees and providing frequent feedback on their performance. Performance expectations come directly from the job or work environment and should be consistent with the information in the employee's job description. Having employees create and follow work plans is one way to make sure the employee knows what they are expected to do in their job.

Employee behaviour is another aspect of performance. Employees should be aware of, and follow, key employment policies such as a code of conduct and understand what the consequences are if they do not perform their duties or are engaging in inappropriate behaviour. Employee behaviour that does not meet expectations or

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is in violation of the code of conduct should be addressed immediately by the LGA using a progressive discipline system. More information on how to manage employee behaviour is available in Chapter 9 of the CGHRDS Manual.

The purpose of performance evaluation is to let employees know what they are doing well and what areas need improvement. This type of evaluation is usually done once or twice a year.

The suggested steps for a performance evaluation include:

- Define performance expectations. Employees need to know what they are being rated on.
- Evaluate the employee's performance. Both the supervisor and the employee should complete an evaluation separately then meet to discuss the results.
- Meet to discuss the employee's performance. The supervisor should have documented evidence on what the employee is doing well and what needs improvement. In turn, the employee should be encouraged to provide input on their performance by explaining their self-appraisal. A key outcome of the meeting should be the establishment of clear goals and objectives for the employee for the next year.
- Finalize the evaluation. Both the supervisor and the employee should sign the appraisal and a copy should be placed on the employee's file. The employee should also be given a chance to provide written comments on the appraisal, particularly if he/she does not agree with it.

More information on performance evaluation is available in Chapter 7 of the CGHRDS Manual. Copies of performance evaluation forms for more than 90 positions are also available on the MACA web site.

### 5.3.6 Training and Development

Ongoing training and development of employees is necessary to make sure they have the knowledge and skills needed to do their current jobs and to prepare them to take on more challenging jobs in the future.

Training and development can be achieved in several ways, including:

- **Workshops** – training that lasts for a few hours or days
- **Courses** – a series of studies or lectures
- **Conferences** – a formal meeting on a specific topic or issue
- **Distance learning** – courses completed via the Internet or correspondence
- **On the job** – learning practical skills or knowledge in the actual work environment using the tools and equipment necessary for the position
- **Mentoring** – learning directly from an experienced individual
- **Practicum** – a post-secondary course in which a student is supervised while gaining work experience in their field of study

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The LGA, the supervisor and the employee should work together to determine an employee's training needs and select the form of training that best suits the employee and is cost-effective for the municipal government. Training needs are often identified during the performance evaluation process.

More information on training and development is available in Chapter 8 of the CGHRDS Manual.

### **5.3.7 Dispute Resolution**

Dispute resolution is important for maintaining a professional, fair and safe work environment for all employees. It is also important to have an established process for dealing with grievances and complaints in case something should arise. If there is a collective bargaining agreement in place, the process for dispute resolution may be spelled out in the agreement.

The first option for resolving a disagreement between the municipal government and an employee is to meet and discuss the situation. This should involve the LGA, the supervisor and the employee. Most disputes can be resolved through discussion.

If a dispute cannot be resolved through discussions, it may lead to the filing of a grievance. A grievance is a written statement of dissatisfaction (prepared either by the employee, management or the union) that summarizes the situation involved in the context of relevant employment terms, policies, regulations, Collective Agreement provisions etc. and seeks some type of remedial action.

A grievance arbitration process involves the use of an independent person who, acting under the authority of both parties, hears both sides of the dispute and issues a written award or finding that is binding on both parties.

More information on dispute resolution processes is available in Chapter 10 of the CGHRDS Manual.

## **5.4 Terminations**

People leave work for a number of reasons; sometimes termination is planned and sometimes it is not. It is important for a municipal government to be prepared for terminations as the consequences can have a major impact on its ability to deliver programs and services and take care of its business.

There are many reasons why employees are terminated, including:

- dismissal with cause,
- rejection of probation,
- layoffs,
- medical termination,

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- resignation,
  - retirement or
  - death.

If a municipal government has wrongful dismissal insurance coverage, it must first obtain a legal opinion supporting the proposed termination before it proceeds.

It is important to conduct an exit interview with a terminating employee to obtain information on what the municipal government is doing well and what or where it needs to improve.

Details on each of these situations and the steps that the LGA should follow are provided in Chapter 11 of the CGHRDS Manual. For further information, refer to the NWT and Nunavut Termination Guide and these tools, templates and policies.

## **5.5 Personnel Records**

Personnel records are official records of an employee's employment relationship with an organization. For administrative and legal reasons, a file should be set up and maintained for each employee throughout their employment with a municipal government. The LGA should designate a staff member (often the Finance Officer) to maintain the records.

The personnel file should contain all original documents related to an employee's hire, employment and termination. Examples of what should be placed on an employee's file include the letter of offer, paperwork related to payroll and benefits, performance expectations, performance appraisals, training and development information, disciplinary letters, letters of commendation, forms and paperwork related to termination etc.

Chapter 12 of the CGHRDS Manual has additional information on the creation and management of personnel records.

## **5.6 Human Resource Policies**

Human resource policies are vital for any organization. These policies outline the terms and conditions of employment relating to pay, hours of work, employee benefits and other general working conditions. Such policies are important so that employees know how to conduct themselves, what benefits they are entitled to and how the municipal government operates. HR policies also assist the LGA and other managers by defining areas of authority and describing how different situations should be handled. Community governments are encouraged to have a human resource policy or bylaw. The policy or bylaw should:

- outline the terms of employment,
- establish the remuneration and benefits of employees,

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- establish hours of work and terms of employment,
  - provide for the manner of appointment, promotion, discipline and dismissal of employees and officers and
  - on behalf of the municipal corporation, enter into collective or other agreements with employees.

Municipalities that are Designated Authorities do not have bylaw making authority. They can only provide their direction through an employment policy or a policy adopting a union agreement.

More information on human resource policies is available in Chapter 13 of the CGHRDS Manual.

## 5.7 Union Agreements

In some NWT communities, the staff that work for municipal governments are members of a union. As such, the terms and conditions of employment (and other related matters) for staff are spelled out in a collective agreement between the union and the municipal government.

In these instances, the LGA must be very familiar with the collective agreement and ensure that all the provisions in the agreement are respected and followed at all times.

Some of the basic terms or issues that the LGA should be aware of include:

- **Collective Bargaining** – a collective agreement is effective for a certain period of time after which it must be renewed. Collective bargaining refers to the direct negotiations that occur between the union and the municipal government in order to determine the wages, hours and other conditions of employment that should be included in a new collective agreement. Typically, this process occurs every few years.
- **Mediation** – if labour negotiations on a new collective agreement become bogged down or acrimonious, the parties may decide to enlist the participation of a third party to assist them in trying to reach an agreement.
- **Strike** – this refers to a decision by employees to cease work, usually as a result of employee grievances or in an attempt to put pressure on the employer during the collective bargaining process.
- **Wages, Benefits, Policies and Procedures** – when a collective agreement exists, it specifies all the employment terms that apply to both the employees and the municipal government as the employer. In this instance, the municipal government needs only to pass a bylaw that adopts the collective agreement.
- **Job Descriptions** – if a job description is being re-written, the draft job description may need to be reviewed by a union representative before being approved by Council.

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- **Discipline and Termination** – the LGA needs to be familiar with, and follow, the procedures outlined in the Collective Agreement related to the discipline and/or termination of an employee.

## 6. Financial Management

This section provides an overview of the various types of funding, the sources of funding as well as the process involved in financial management.

In order to meet its responsibilities, a municipal government must know how much money it has to operate and how much it costs to provide programs and services.

Council and the LGA need to work together to manage money effectively. Setting clear and accurate budgets and following them is the most important step in this process. Other important activities include accurate book-keeping and record-keeping and completion of an annual audit.

### 6.1 Types of Funding

The funding provided to most municipal governments from other levels of government can be divided into two types: operating and capital. It is very important that Councillors, the LGA and the staff know and respect the difference between each type.

**Operating Funding** – sometimes referred to as Operations and Maintenance money, this is provided to municipal governments to cover day-to-day operating expenses and the cost of delivering programs and services. Typical operating expenses include salaries, Council honorariums, utility costs, travel costs and the various costs incurred for programs and services such as recreation, cultural activities, water treatment and delivery, waste management and maintenance.

**Capital Funding** – is provided to help cover the cost of acquiring a physical asset that is used to provide a service or to do something. Capital assets typically last for long periods of time (more than one year) and are included as part of inventory. Common examples include buildings, facilities, utility systems and mobile equipment such as trucks, graders, loaders, etc. Expenditures that improve or extend the useful life of an existing asset are also considered capital expenditures. Certain major renovation/improvement projects on existing infrastructure may be classified as capital.

### 6.2 Sources of Funding

Following is an overview of the different sources of funding typically available to NWT municipalities:

**Operations and Maintenance Funding** – operational funding provided annually by MACA to support municipal governments in delivering programs and services. The amount of funding provided is determined by a formula that takes into account three factors – the

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community population, community infrastructure assessed value and a northern cost index.

There are two formulas in use. One is applicable to Designated Authorities. The other formula is applied to all other eligible municipal governments.

**Community Public Infrastructure Funding** – capital funding provided annually by MACA to support municipal governments with the provision of community public infrastructure required to deliver community programs and services. The amount of funding provided is calculated using a base-plus approach. Each municipal government receives two per cent of the total budget available plus an additional amount determined by a formula. The formula takes into account the current replacement value of a community's public infrastructure relative to the community's population size.

**Gas Tax Funding** – capital funding provided annually by the Government of Canada through an agreement with the GNWT. Municipalities share \$15 million per year. The amount of funding provided to a community is calculated using a one per cent base plus an additional amount based on population. It is important that an LGA is aware of the types of projects and expenditures that are eligible under this program. Under the terms of the Gas Tax Agreement, municipal governments are required to maintain a separate bank account for these funds and must provide quarterly reports to MACA in order to continue receiving their gas tax funding.

**Water and Sewer Services Funding** – operational funding MACA may provide to an eligible municipal government to assist with the costs of providing water and sewer services. This funding does not include the capital costs associated with water and sewer treatment facilities. The amount of funding provided to a municipal government is determined by calculating the standard costs for the applicable type of water delivery system (piped, trucked or blended) and sewer treatment facility and comparing these costs to the potential revenues the municipal government could collect. The actual water/sewer rates charged in each community are set at the sole discretion of the municipal government.

**Extraordinary Funding** – MACA may, at its discretion, provide funding to municipal governments to assist with extraordinary funding requirements to deal with events that are beyond what a municipal government could reasonably and prudently plan for. This funding can only be accessed by providing MACA with a written application explaining the circumstances and amount of funding required.

**Property Taxation** – For municipal governments that have authority to tax real property such as cities, towns and villages, this revenue has an important role both in providing funding and in encouraging residents to become more interested in the setting of priorities and the development of budgets, plans, programs and services. Other municipalities have the option to charge and collect such taxes.

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## 6.3 Other Revenues

Most municipal governments obtain other revenues by undertaking contract services and other miscellaneous activities. Common examples of contract services include airport, road and facilities maintenance.

For the larger municipalities in the NWT, a significant portion of their annual revenues are derived from other sources such as taxation, user fees, private-public partnerships (P3s), debenture financing, contribution agreements and investments.

## 6.4 Budget

A municipal government's annual budget effectively contains several important types of information, including:

- the community's overall goals and priorities,
- a financial plan that estimates the monies to be received and spent,
- an operational guide that describes activities, services and functions,
- a communications guide that highlights significant budget issues and trends and
- a planning guide that sets a framework for future financial activities.

In accordance with GNWT legislation, each municipal government must prepare and submit an annual budget to the Minister of MACA. It should be noted that the administration is not authorized to receive or spend any funds if Council does not have an approved budget.

The budget must show all monies to be received and spent and must be balanced – a municipal government cannot pass a deficit budget. If a deficit exists at the end of a fiscal year, the budget for the next fiscal year must show how the deficit will be eliminated.

A typical municipal government's annual budget is organized as follows:

- A table, for each program area, showing all forecast revenues and expenditures.
- A table showing all forecast revenues and expenditures for the water/sewer program.
- A table showing all forecast capital funding and planned capital spending.
- A summary table showing the total forecast revenue / expense balance for the year.

### 6.4.1 Setting a Budget

Both the Council and the LGA play an important role in setting an annual budget. Councillors should focus on the “big picture”, rather than the details. The LGA and finance staff are responsible for providing the financial information that a Council needs to set priorities and make decisions.

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Council's role in setting a budget is to:

- identify community priorities,
- set goals, objectives and standards for service delivery (e.g. water deliveries),
- make bylaws, resolutions or policies that set fees for services (user fees, garbage collection, water rates etc.) and
- adopt a budget that assigns financial resources to meet local needs and priorities.

The LGA's role in supporting Council includes:

- providing information about the actual costs incurred to provide programs and services in the previous year,
- identifying areas where significant changes in revenues or expenses are expected compared to previous years (e.g. salary increases, new programs, new revenue sources ) and
- being aware of new potential sources of funding and the process to follow to access such funding.

### 6.4.2 Monitoring the Budget

Monitoring the state of a municipal government's finances is a key part of the LGA's job. Two basic steps are involved: book-keeping and variance reporting.

**Book keeping** - Is the recording of the day-to-day financial transactions of an organization. Accurate book-keeping can provide a Council and LGA with up-to-date information on the general state of the municipal government's finances and identify trends (e.g. revenue shortfalls, over-spending) that Council needs to address to keep the overall budget on track. Good book-keeping practices also make the audit process and preparation of financial statements much easier at year-end.

Once Council adopts a budget for a new year, it is important that the LGA, working with the finance staff and/or an accountant, reviews the chart of accounts to ensure it closely resembles the way in which the budget is organized. A chart of accounts is the system of accounts and sub-accounts used in accounting software to code revenue and expenditure transactions into organized categories. The way the transactions are recorded and organized in the accounting software should match the overall structure of the annual budget.

Normally, items such as salaries or utility bills don't change much from year to year. New programs, capital projects and other one-time initiatives can lead to big budget changes. If the accounting books are not set up to reflect how money is coming into and flowing out of the municipal government, it becomes very difficult for the LGA and Council to track the state of the finances.

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**Variance Reporting** - It is the LGA's job to stay on top of the finances and provide updates to Council. Each month, the LGA should ensure that interim financial reports are produced and reviewed to compare year-to-date revenue and expenses balances against the budget. Such reports can be easily produced from the accounting software as long as the accounting books have been set up properly at the start of the year and staff is diligent in recording transactions properly.

These interim reports, known as variance reports, show where a municipal government's revenues and expenses to date are varying compared to what was forecast in the Council-approved budget.

Regular variance reporting and review can help a Council understand where financial problems may be developing and enable it to make decisions that will address the problems.

## 6.5 Financial Statements

Community governments are required to provide audited financial statements to the Minister of MACA within 120 days of the end of the fiscal year.

An annual financial statement is a summary of the state of a municipal government's finances for one year. It contains a Statement of Financial Operations that shows the total revenues, expenses and surplus or deficit for the year and a Statement of Financial Position that lists a municipal government's current assets, liabilities and equity position. Other information usually shown in a financial statement includes reserve fund balances, a statement of cash flow and other detailed notes.

An audit is an independent evaluation of the validity and reliability of a community's financial information. Council must appoint an auditor once a year to review the financial records and comment on management practices. The auditor must be appointed by Council and Council must advise the Minister of the name of the auditor within 30 days of being selected.

Funding from other levels of government always comes with the obligation to provide reports on how the money was spent. A failure to produce an audited financial statement on time can have serious consequences for a municipal government, including the possibility of having subsequent-year funding suspended.

## 6.6 Financial Policies

As noted in section 4.3.1, a policy can delegate authority from Council to the LGA to take specific action in specific situations. Financial policies (or bylaws) often cover a variety of topics including spending authority, signing authority, contract and procurement authorities, short-term investment and borrowing authorities, cash management and collections.

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## 7. Infrastructure

Community public infrastructure refers to all the physical assets that a municipal government develops and uses to provide programs and services to its residents. Buildings, recreation facilities, garages, water and sewage systems, roads and mobile equipment (loaders, graders, trucks etc) are all examples of community public infrastructure.

LGAs should note that other types of public infrastructure, such as highways, airports, schools, hospitals, territorial parks etc., are the responsibility of the GNWT, not municipal governments.

A municipal government must take care of two key responsibilities in managing its infrastructure.

The first major responsibility is the maintenance and repair of existing infrastructure. A typical NWT community with a population of 500 people can easily have \$10-\$15 million (or more) invested in its existing community infrastructure, depending on its circumstances. Given the high cost to replace facilities and the fact that they are essential to providing programs and services to the public, it is extremely important that regular maintenance and periodic refurbishments be done to keep facilities and other assets in good working condition for as long as possible.

The second major responsibility that municipal governments have is to plan and construct new community infrastructure. This involves several steps including deciding what services are to be provided, identifying community needs, careful planning, determining priority investments, figuring out how to finance projects and good management to ensure projects are completed on time and on budget.

This section covers the basics of what a municipal government must do to manage its infrastructure over time.

### 7.1 New Deal for NWT Community Governments

Historically, the GNWT was responsible for determining what infrastructure would be built in NWT communities, including setting priorities and deciding on the scope of projects. Over time, this situation evolved to where municipalities were better able to decide and meet their infrastructure needs without direct GNWT involvement. As a result, the GNWT transferred the capital funding and the responsibility that accompanied it to the municipal governments.

On April 1, 2007, the GNWT began providing capital funding for infrastructure development directly to the municipal governments under the terms of the “New Deal for NWT Community Governments”.

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In exchange for this funding, municipal governments assumed responsibility for the ownership, and management of community public infrastructure, including:

- establishing capital investment plans,
- making decisions about priority projects,
- determining the scope and timing of projects,
- determining how to finance them and
- managing the construction of new community infrastructure.

This new approach represents a major change in how municipalities do business and requires that Councils and their staff learn new skills.

## **7.2 Capital Assets**

Before discussing capital planning, it is helpful to first consider what is meant by a “capital asset”. Typically, a municipal government manages four types of assets, including land, infrastructure, buildings and equipment. Each type is considered a “capital” asset which means that it has the following characteristics:

- Is held for the purposes of delivering a program or service or to produce something.
- Is to be used on a continuing basis and is not intended for sale.
- Has a life expectancy of greater than one year.
- Has a value greater than a certain minimum threshold (as established in a capitalization policy).

Common examples, such as buildings, land and mobile equipment, all meet these criteria and are considered capital assets from a planning and financial perspective.

Other types of expenses, such as salaries, purchased services (e.g. janitorial), consumable items (coffee, office supplies etc) or regular maintenance, do not meet these criteria and are categorized as expenses. These types of expenditures are paid for from operations budgets and must not be confused with capital spending.

Additional information on how a community can use its capital funding is available on the MACA web site.

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## 7.3 Capital Planning

For a municipal government to meet current and future needs in a community, it is very important that:

- existing infrastructure be maintained in good working order,
- future community needs are identified and prioritized and
- sufficient capital funding is available to service existing infrastructure and build new infrastructure.

To meet these challenges, municipal governments are required to develop and implement a long term Capital Plan. A Capital Plan is simply a process for making good decisions about the acquisition and management of land, buildings and equipment. The Council and key staff, such as the LGA, Works Foreman and Recreation Coordinator, all play a role in the process.

It should also be stressed that capital planning is not done in isolation from other types of planning processes and Council approved policies and programs. For example, any Council plan to do with housing, transportation, the environment, economic development, recreation etc. will involve infrastructure planning. Proper capital planning starts with a good understanding of the programs and services provided to residents and the infrastructure required for their delivery.

### 7.3.1 Capital Planning Process

There are several basic steps in the capital planning process:

#### 1. Identifying Services and Evaluating Community Needs

As noted earlier, capital planning starts with a good understanding of what the municipal government needs to do and what infrastructure it requires. Some key questions to consider include:

**What services need to be delivered to provide a good quality of life for community residents?** Basic needs include survival, food and safety. More advanced needs include recreation, leisure and social development. Service decisions lead to infrastructure requirements. Examples include:

- Fire protection – requires a fire hall and fire truck
- Solid waste system – requires roads, landfill site, garbage truck and loader

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**What is the condition of our existing facilities and equipment?** To determine how much money should be allocated to existing infrastructure, the LGA and Works Foreman need to consider the following factors:

- Inventory – keep an up-to-date inventory of all physical assets that the municipal government owns or manages including fixed assets (buildings, facilities etc) and mobile assets (heavy equipment, trucks, smaller equipment).
- Condition rating – complete an assessment of the condition of each significant asset and determine what needs to be repaired and when.
- Upgrades – existing facilities may need to be upgraded to meet new standards or legislative requirements (i.e. water treatment plant) or to meet increasing demands due to population growth or new programming.

**What does the community need for new infrastructure?** This can be a tricky subject to resolve as a Council and community residents may have very different opinions about what the community needs most. This stage of the process requires community consultation which can include meetings, surveys etc. One approach is to organize needs starting with the basics (survival, safety, shelter) and moving to more advanced needs (recreation, social / cultural, leisure). Once an initial list of potential projects is identified, it can be further refined on the basis of urgency:

- Immediate or short term – these are needs that won't wait such as water shortages, equipment breakdowns etc.
- Predictable growth– these are needs driven by population growth and increasing demands on infrastructure that will need to be addressed in the next few years. Examples include housing supply, water treatment and delivery capacity, need for expanded recreation facilities etc.
- Future – these are long term needs that will occur in the next 5-10 years, often as a result of priorities established in other community plans (Strategic Plan, Recreation Plan, Land Use Plan etc). An example may be the development of new residential lots or the refurbishment or replacement of an old building.

## **2. Project Substantiation**

Some of the capital project ideas identified in step 1 (e.g. equipment purchases) will be well understood and may not require much additional work in order for a Council to consider them. However, some capital project ideas, such as the construction of a new building, will need to be “fleshed out” on paper so that a Council has some solid information on which to make a decision. This involves documenting the “what”, “why”, “when” and “how much” of a project starting with a conceptual idea or design and rough cost estimate which are then refined as more information is obtained.

This type of preliminary planning is referred to as project substantiation and can be very formal or informal depending on the circumstances. The information gathered is summarized in a document known as a Project Brief. A Project Brief will usually

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describe the type of facility, provide details on important design features, identify size or capacity requirements, note any relevant issues that need to be addressed and provide some type of cost estimate.

### **3. Prioritizing Projects**

Any proposed capital project is a response to an identified need. A big challenge that municipal governments face is figuring out what the priority projects should be as there is never enough money to satisfy all needs and wants. Things to think about when setting capital planning priorities include:

- Focusing on essential programs and services. Clearly, essential items such as water delivery or road maintenance or building houses should receive priority over other choices such recreational or cultural facilities.
- Legislative requirements or standards. Some projects must be done by a certain deadline to keep the community in compliance with applicable health or safety legislation, regulation or standards.
- Maximum benefits received. One way to set priorities is to consider the benefits that the community will receive for the amount of capital funding it will spend. Projects that yield the biggest “bang for the buck” should be considered first.
- Operating and maintenance expenses. One area that is often overlooked is the impact of new infrastructure on a municipal government’s current operating budget. Once a new facility is built, it usually requires additional operational spending also. Common examples include staff and other costs to deliver programs and basic operating expenses such as heat, power and general upkeep.
- Public support. To the extent possible, a Council should be focused on projects for which there is strong support from the public.

### **4. Developing Cost Estimates**

Once a list of priority projects is established, the next step is to estimate the cost of acquiring or building the infrastructure and the operational costs associated with it:

- Capital costs – these typically include planning and design costs, material and equipment purchases, transportation costs, building costs and commissioning costs.
- Operations costs – these normally include utility costs (heat, power, water), maintenance costs, insurance costs etc. If the infrastructure will be used for the delivery of new programs and services, there may also be costs associated with increased staff levels, equipment and materials purchases etc. These costs will occur each year for the life of the asset.

The basic idea is to estimate as accurately as possible all related costs so that there are no surprises later once the project is done. Similar to the project substantiation stage, cost estimates may range from very preliminary to very advanced depending

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on the level of information available. Most project cost estimates are described as follows:

- Class A – this is the most precise type of estimate and is usually based on unit price estimates which require full specifications and working drawings. The accuracy expected is plus or minus 5-10%
- Class B – this is usually based on a systems approach that reflects how a facility is constructed. The expected accuracy is plus or minus 10-15%
- Class C – this is based on limited site knowledge and probable conditions such as costs per square foot. This type of estimate is accurate within plus or minus 15-20% and is often used for preliminary planning purposes.
- Class D – this is a very preliminary cost estimate that usually reflects little or no site information. It is considered a rough estimate only and may be accurate within plus or minus 25-35%.

## **5. Identifying Funding Sources**

Once the estimated cost of a capital project is known, the next step is to consider the funding sources available to the municipal government to pay for the project.

LGAs should be aware that different funding sources come with different rules on the types of projects and expenditures that are considered to be eligible.

Under the terms of the New Deal, municipal governments have several potential sources of funding for capital projects:

**Community Public Infrastructure Funding** – capital funding provided annually by MACA to support municipal governments with the provision of community public infrastructure required to deliver community programs and services. The following expenditures are considered eligible:

- Direct costs (materials, equipment and construction)
- Project management costs that are directly relevant to the project
- Crushing and stockpiling gravel materials for road maintenance (subject to some rules)
- Capital leases
- Community land use planning
- Feasibility, engineering or planning studies for community public infrastructure
- Purchase costs for water and sewer vehicles (subject to some rules)
- Land development projects

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**Federal Gas Tax Funding** – capital funding provided by the Government of Canada which must be used for environmentally sustainable community infrastructure, including:

- water and wastewater treatment and distribution,
- solid waste sites,
- active transportation infrastructure, including trails and sidewalks,
- dust control,
- community energy systems and
- capacity building.

**Borrowing** – with the legislative changes that were made when the New Deal was introduced, most municipal governments have the ability to borrow money to help finance capital projects. This ability to borrow and the fact that the CPI and Gas Tax funding is predictable provides a municipal government with the flexibility to pay for a capital project by using a combination of available funding and loans, thus spreading out the costs over a period of years.

**Private/Public Partnerships** – known as a P3 arrangement, this is a partnership between a municipal government and a private sector business that is established for the purposes of completing a capital project. P3s can take a variety of forms but the basic goal is to combine the strengths of both partners and share risks. Usually, the municipal government remains in control as the decision-maker on a project but relies on the private company to handle the commercial functions such as project design, construction, finance and operations. In return, the municipal government makes monthly payments to the company to enable it cover all capital and operating costs for the facility and earn a profit.

## **6. Preparing the Capital Plan**

With the list of priority projects in hand, it is time to assemble the Capital Plan. Using the cost estimates and schedules developed for each project, an initial plan can be developed that summarizes the project work planned for each year. Projects in the near future will normally have much more precise cost estimates and project schedules while projects that are contemplated for 5-10 years in the future may be much less precise.

The basic purpose in assembling the plan is to make sure that the municipal government has the resources (money, staff, capacity) required to complete the amount of work involved. If not, some projects may need to be deferred or reduced in scope or even cancelled. Once the plan is done, it needs to be updated each year to reflect new information and new project ideas.

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## 7.4 Project Management

Once a Capital Plan is approved and in place, the municipal government needs to implement the projects in the plan. On occasion, a municipal government may also decide to proceed with a capital project that is not already included in the Capital Plan.

Completion of a specific capital project usually involves several stages including planning and design, tendering and contracting, managing construction and ensuring project completion. This overall process is referred to as project management.

In essence, project management involves directing and coordinating people and resources (materials and equipment) throughout the life of a project. Key skills involved in project management include:

- planning and scheduling,
- directing and managing people,
- having knowledge of the technical aspects of the project,
- being a good communicator and
- managing money

Larger municipal governments often have internal staff that can manage capital projects. In smaller communities, a project manager or consultant is often hired to complete a capital project.

The LGA, finance staff and the Works Foreman all need to understand the project management process and how consultants and contractors work. This is best illustrated by looking at the different stages involved in a typical capital project. If a project is already included in the community's Capital Plan, the first two steps should already be done and the project would start at the design step. If a capital project is not included in the Capital Plan, it is probably being started from scratch (i.e. just an idea with little or no planning having been done).

### 7.4.1 Project Initiation

Project initiation occurs once a Council recognizes there is a need for something and decides to take action such as a building a new facility, expanding an existing building or repairing a road. This is basically the same point as step 1 in the capital planning process. Once a decision is made to proceed with a project, it then needs to be planned out to make sure it is a good idea that will achieve what Council intends.

### 7.4.2 Planning

Project planning is basically the same process as project substantiation. A consultant or architect or engineer is usually hired to develop the basic outline for the project

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including a description of what will be built, a schedule for completing it and an estimate of the total cost involved. This type of information is normally summarized in a document known as a Project Brief.

The Council, the LGA and the Works Foreman may all become involved during the planning step. For example, Council may have specific requirements on what is intended in terms of the project size, its functions and capability, where in the community it will be located, how much money should be spent and when it is to be completed. The Council may also want to make sure that the consultant is aware of certain local conditions or things that need to be respected. Once the intended building site is known, the LGA may have some responsibilities in ensuring that surveying, rezoning or any other matters involving site access are addressed. The Works Foreman may need to be involved with the consultant to deal with technical questions or issues involving integration of the new facility with the community's existing infrastructure.

### 7.4.3 Design and Construction

This is where the real action begins. Starting with the information contained in the Project Brief, the municipal government now needs to get a detailed design done and find a contractor to build the project (information on tendering and contract management is provided in section 7.5 below.)

There are several basic approaches that a municipal government can use to design and build a project:

**Traditional Design-Tender** - For many years, the traditional approach has been for a project owner to contract with an architect to produce a design. Once the design is done, design documents are produced and used to secure competitive bids from contractors. The project owner reviews the bids received and hires a contractor to build the project for an agreed-upon fixed cost.

There are a few things to be aware of using this approach. One is the fact that all design and construction details must be worked out in advance and recorded in complete contract documents (i.e. drawings, specifications and supporting information) before asking contractors to bid. Contractors must have a full understanding of the project prior to submitting a fixed price bid. Another potential problem is the fact that the designer and the contractor are hired separately.

**Design-Build** - The design-build approach has been described as the "best-value" project delivery model. Under this approach, the designer and builder work as an integrated team under a single contract with the owner which provides the owner with a single point of responsibility for the project.

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The design-build approach reduces the amount of information needed at the outset and enables projects to be “fast-tracked” as the construction can start before all design work is finalized. Most design-build arrangements involve a fixed price for the completion of the design and construction of a facility.

**Maximum Upset Price** - A variation on the design-build approach that helps to reduce a project owner’s risk involves establishing a maximum upset price for the project at the start. Under this method, the design-build contractor provides the project owner with a maximum price and takes responsibility for any cost overruns. To provide an incentive for the contractor to carefully manage the costs, if the project is completed under budget, the savings may be shared between the project owner and the contractor.

#### 7.4.4 LGA Duties

Regardless of the approach used for the project, the LGA needs to work closely with the contractor or project manager during the construction phase. Key tasks for the LGA may include:

**Pre-construction meeting** – the LGA should organize a meeting before construction starts to establish the ground rules that will be followed in administering the project. Items for discussion may include:

- roles and responsibilities for all key players such as municipal staff, contractor, consultant etc.,
- lines of communication,
- authorities for progress payments, change orders and extra work,
- schedules and cash flow requirements,
- payment procedures and timing and
- safety procedures, site security, on-site requirements etc

**Communications** – the LGA needs to communicate regularly with the contractor or project manager to track progress. The LGA should keep a correspondence file with plans, sketches, notes to the project manager, copies of letters sent etc. The LGA should also provide Council with regular updates as the project is built.

**Documentation** – either the project manager or the LGA should maintain a written record of what happened on the project. Components of good documentation include keeping notes for meetings and phone calls, updating drawings to illustrate changes, maintaining an accurate work plan and schedule and requiring the site superintendent to keep a daily diary of what is being done. All of this information may become critically important if problems occur on the project and there is a possibility of litigation.

**Budget Tracking** – the LGA (or finance staff) should record actual project expenditures in a spreadsheet to compare the actual with what was budgeted. This should be done

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on a line item basis and in total. If the project is going over-budget, the LGA should inform Council and meet with the project manager or contractor to see what corrective actions can be taken to keep the project on budget.

### **7.4.5 Commissioning and Evaluation**

Once a new facility or building has been constructed, it normally goes through a commissioning and start-up phase to ensure that all systems and components of the building have been correctly installed, have been tested and are operating properly in accordance with the owner's requirements and expectations. A final inspection should be done to ensure there are no deficiencies. If problems or deficiencies are identified, these need to be fixed before the contractor receives final payment.

In addition, the municipal government should evaluate how well the project went during the design and construction process and identify any areas where improvements could be made, particularly if difficulties were experienced with the contractor or the project was not delivered on time or on budget.

## **7.5 Procurement and Contracting**

With the implementation of the New Deal in 2007, municipal governments are responsible for managing the construction of community public infrastructure. This means that a Council and municipal staff, including the LGA, finance people and the Works Foreman all need to learn new skills related to procurement and contracting.

Good procurement and contracting practices are essential to managing capital projects.

### **7.5.1 Procurement**

Procurement is a general term that refers to the process by which the resources (goods and services) required for a project may be acquired.

The CPI funding used by municipal governments for capital projects is public money provided by taxpayers. It is important that good policies and procedures are in place to ensure municipal governments receive good value for the money spent. Many municipalities have a procurement by-law outlining their procurement and contracting procedures.

Following are some of the more important aspects of procurement that the LGA (and Council) should be aware of:

#### **Competitive Bids**

For projects over \$5,000, GNWT rules stipulate that municipal governments should follow a competitive bidding process.

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A competitive process involves seeking written bids in the form of tenders or proposals. This can be done in two different ways:

- Giving public notice of the opportunity to bid. This is an open process, any company or individual may bid. Different means of advertising that can be used include newspaper ads, public notices or the Internet.
- Inviting bids from certain firms. Using this approach, certain qualified proponents are contacted directly and invited to bid, and there is no public notice or advertisement. When this process is used, it is customary to seek at least three different bids.

Bids can be obtained in the form of a proposal or tender, depending on the nature of the project.

A Request for Proposals (RFP) is used when the purchaser is looking for the best value solution to resolve a problem or acquire goods and services but isn't sure how to achieve it. Examples of when the RFP method should be used include:

- if the good or service needed is not well defined,
- if there is no detailed material or performance specification,
- a general solution to a problem is sought or
- the bidders' solutions are likely to be varied or difficult to evaluate.

An RFP is usually used to hire professionals such as an architect, engineer, lawyer or consultant.

Another process that is related to RFPs is a Request for Qualifications (RFQ). To avoid potentially struggling with a large number of proposals to evaluate, a municipal government can run a RFQ to pre-qualify proponents for a particular requirement. This is usually used when there are many contractors likely to bid and it would be helpful to quickly get to a short list of qualified proponents that could be invited to respond to a full RFP.

A tender is used when the purchaser knows exactly what good or service they want and is looking to acquire it for the best price. Tenders should be used when:

- the good or service required is clearly defined (e.g. equipment) or
- there is a detailed methodology, procedure or material and performance specification available.

It is important to note that there are legal obligations on a municipal government when it uses a tendering process. Once tenders come in, contracts are formed between the municipal government and the bidders. As a result, care must be taken by the municipal government to follow due process.

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An overview of the main steps in a typical tendering process is as follows:

- Preparing tender documents that contain detailed information regarding design and specifications.
- Placing ads and notices to solicit responses from contractors.
- Designating one official spokesperson to field bidders' questions and ensure all relevant information is communicated to all bidders.
- Receiving tenders up to the closing date.
- Opening and reviewing the tenders. This should be done as soon as possible after the closing date. In reviewing the tenders, the review committee should:
  - make sure each tender contains all information requested,
  - ensure that a bidder is qualified to provide the good or service,
  - make sure the bids meet the specifications requested,
  - evaluate the tenders to determine the lowest price quote that is responsive to the tender requirements and
  - award the contract to the lowest price bidder that was responsive to all tender specifications and requirements.

The complicated nature of tendering may require that municipal governments hire project managers to assist.

### **Sole Sourcing**

Sole sourcing involves the direct awarding of a contract to one firm or individual without using a competitive bidding process. There are several instances where sole sourcing is considered acceptable:

- When a contract is worth less than \$1,000.
- When the work is an emergency and there is no time to run a competitive bidding process.
- There is clearly only one qualified firm available.

Sole sourcing should not be used unless necessary. Potential negatives associated with sole sourcing include the possibility that the municipal government isn't receiving good value for money (as there are no competing bids) and the possible perception by other firms that the municipal government is showing favouritism or bias towards one firm.

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## Contracting

Contracting refers to the preparation and award of contracts and the activities involved in contract administration. A contract is considered to be in place and binding once it has been signed by authorized representatives from the contractor and the municipal government.

To help protect the municipal government, it is recommended that all procurement documents and activities be reviewed by an independent legal counsel retained by the municipal government.

Several items for the LGA to note regarding contract administration include:

- Have a pre-construction meeting (see section 7.4.3 above).
- Ensure that any required securities and insurance certificates are in place.
- Payments to the contractor or consultant are usually made on a monthly basis and are referred to as Progress Payments.
- Changes in the scope of work for the project will result in change orders. A change order is a written agreement between the municipal government and the contractor to modify, add to or alter the work from that originally specified in the contract. When approved by both parties, a change order becomes part of the contract.
- Holdback funds. In accordance with the *NWT Builder's Lien Act*, 10% of all construction contract payment is held back by the project owner. The holdback is released to the contractor 45 days after substantial completion of the project unless someone files a claim (i.e. a lien) for money owed to them.
- Completion certificates. Once the project is basically done, the contractor, an engineer and the LGA and Works Foreman typically conduct an inspection to note any uncompleted work or missing equipment. This is called an Interim Certificate of Completion. Once any deficiencies are corrected, the contractor will request that the municipal government do a final inspection which results in a final certificate of completion. After this is achieved, any holdback funds should be released to the contractor based on a final invoice and a statutory declaration that the contractor has paid all his obligations to sub-trades and suppliers.

## 7.6 Infrastructure Maintenance

The maintenance and upkeep of existing community infrastructure is vitally important. Without regular maintenance, municipal facilities, systems and equipment will not perform properly and will eventually need major repairs or replacement (at very high costs).

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To properly manage community infrastructure and assets, a municipal government should keep a working record of the following:

- The assets owned by the community.
- The location of each asset.
- The services delivered with that asset.
- The current replacement value of the community's assets.
- The condition of the existing assets.

A key asset management practice that all municipalities across Canada must now comply with (effective January 1, 2009) is to report the value of their “tangible capital assets” on their Financial Statements. This is required by the Public Sector Accounting Board (see PS 3150) and was introduced to help ensure municipal governments publically recognize the assets they have and the condition that those assets are in.

The type of infrastructure or asset that a municipal government owns usually includes the following:

**Mobile equipment** – this may include heavy trucks (water, sewage, garbage, fire etc.), heavy equipment (dozer, loader, backhoe, bobcat etc.), light vehicles (ambulance, cars, pick-ups etc) and equipment (machinery, shop tools etc.).

**Fixed assets** – these include buildings (Community Government office, recreational facilities, fire hall, garages, warehouses, cultural centre, day care centre, staff housing etc.) and other assets such as the roads, ditches and culverts, street-lighting, solid waste site, sewage treatment facilities, gravel pit and crusher, docks etc.

Each asset owned and operated by a municipal government has its own distinct maintenance requirements, which are based on the level of service that the asset provides. For example, a water truck operating seven days a week needs more frequent maintenance than one operating a few days each week. Another example involves the components of a building – the boiler or furnace will require annual maintenance but usually lasts 20 years or more before needing replacement.

In summary, the LGA needs to work closely with the Public Works Foreman to ensure that the useful life and maintenance requirements of all assets are identified, kept track of (using a log book / calendar or computer software) and that regular maintenance and refurbishments are completed on schedule.

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## 8. Program and Service Delivery

This section of the Handbook provides an overview of the various programs and services that most municipal governments are responsible for and the role of the LGA in managing these activities.

### 8.1 Land Management

Community land management is a complex topic. The LGA needs to have an understanding of how land can be acquired and disposed of, what land use planning is about and the practices involved in land administration. Detailed information is available in the SAO Land Management Guide.

A variety of legislation exists to deal with the various types of land ownership in the NWT. The federal government has its own laws to deal with federal crown land, the GNWT has laws dealing with Commissioner's Land, and Aboriginal governments have laws to deal with their land.

Land management requires that Council make decisions on:

- acquisition of land,
- disposal of land (selling or leasing),
- terms and conditions of land contracts and permits,
- use and development of land and
- land pricing

To support Council, the LGA needs to have an understanding of:

- legislative authorities,
- community planning,
- land development,
- property and contract law and
- surveying.

Federal crown land in and around communities that has been transferred to the GNWT is referred to as "Commissioner's land". It is controlled and managed by MACA in accordance with the *Commissioner's Land Act* and Regulations. The Regulations contain the details on how MACA administers Commissioner's land. Basically, MACA uses the regulations to prepare and assign leases, surrender or cancel leases and issue quarry and land use permits.

Much of the land that MACA administers is within community boundaries. MACA involves municipal governments in land matters through consultation. It is important that the LGA brings applications for Commissioner's land to the Council's attention for

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review and comment so that MACA can utilize Council input in making decisions on permits and leases.

### **8.1.1 Acquisition and Disposal of Land**

Territorial municipal legislation provides municipal governments with the opportunity to own, manage and dispose of land. To do so, a Council must adopt a land administration bylaw.

The GNWT's Municipal Lands Policy sets out the conditions under which the GNWT will transfer Commissioner's land to municipal governments or allow municipal governments to act in disposing of Commissioner's land to the public. Disposal of land to an individual or business is done either as a sale or through a lease. It should be noted that Tłıchǫ community lands may only be disposed by lease until 2025 and then only sold if the community has voted in favour of a bylaw allowing sales.

The *Land Titles Act* and Regulations apply to all titled lands in the NWT. It is critical that the LGA and Council understand that before land owned by the municipal government can be leased, sold or mortgaged, a legal survey must be done and there must be a Certificate of Title registered in the Land Titles office in Yellowknife. The Land Titles Office is responsible for issuing a Certificate of Title for a parcel of land but cannot do so without a legal survey.

### **8.1.2 Land Use Planning and Development**

A community land use plan helps Council organize and control the use and development of land within the community boundary. A good land use plan anticipates future community needs, establishes goals and priorities for development, specifies the location of new development and helps avoid land use conflicts. As such, it serves as a guide to assist Council in making land-related decisions.

The *Planning Act* provides quite a bit of detail on how land use planning and development control must be done in the NWT. This legislation specifies that if a municipal government adopts a General Plan (often referred to as a community plan), it must also adopt a zoning bylaw. A zoning bylaw carries with it the requirement that all proposals for development must receive a development permit before proceeding. 'Development' as defined by the *Planning Act*, includes 'a change in land use or any construction, excavation or other change to land'. Council must appoint a development officer in order to be responsible for the day-to-day administration of the zoning bylaw.

Smaller municipalities, Designated Authorities or those that do not have significant development pressures, may not want to use the General Plan / zoning bylaw approach. Instead, a community can adopt a land use plan. A land use plan is adopted by resolution of council and represents council's view of how and where development should proceed in the community. It is not passed under the *Planning Act*, so as to

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avoid the need for the further adoption of a zoning bylaw. Enforcement of a land use plan is a less formal process as it is closely linked to land application procedures and the municipal government's recommendations.

Typically, land development occurs in several stages including planning, approvals, construction and lot sales or leases. Community governments, where they have taken on full responsibility for land development, should price lots at a level that will recover the development costs.

Typical land development activities include:

- Subdivision design and engineering
- Clearing of right of ways
- Drainage work
- Provision of public roads
- Power and telephone servicing
- Other utilities (water and sewer, gas etc)
- Legal survey of the lots

### 8.1.3 Land Administration

Tools that can help a municipal government track and manage land include:

**Land Inventory** - The most basic requirement is to keep an up-to-date listing of all parcels of land organized by the legal description. This allows staff to answer questions about the availability and status of any parcel of land in the community.

**Mapping** - The creation of community maps is a specialized task. MACA has developed the ATLAS system which uses different layers of information to create digital maps that can be used on a computer or printed.

**Land Application Process** - The process that a municipal government uses needs to be able to deal with the types of applications for parcels of land that come from the public, government agencies and businesses. Key steps in the process typically include:

- assisting applicants select an available parcel and fill in the land application form,
- confirming the application is complete and correct,
- collecting the application fee and providing a receipt,
- recording the application,
- consulting with other agencies,
- preparing a recommendation to Council and

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- advising the applicant of the Council decision. Training in land management and administration is available from the School of Community Government.

## 8.2 Water Treatment and Wastewater

The management of drinking water is a shared responsibility of all levels of government:

- Community governments are responsible for providing safe drinking water to residents by owning, operating and maintaining water treatment plants and distribution systems.
- The GNWT is responsible for the regulation of water supply systems and providing certification for water treatment plant operators. The GNWT completes infrastructure reviews on the majority of water treatment plants in the NWT and provides training and support to water treatment plant operators.
- Health Canada publishes the Canadian Drinking Water Quality Guidelines that the Department of Health and Social Services has adopted under the Water Supply System Regulations.
- Inspections to ensure compliance with the terms and conditions of community Water Licenses are done by AANDC and are regulated under the *Mackenzie Valley Resource Management Act* and the *NWT Waters Act*. The inspection reports are provided to the Land and Water Boards for posting on their public registries.

Safe drinking water is a matter of public health. It is essential that the LGA work closely with the water treatment plant staff to ensure water quality standards are maintained at all times. The LGA must report immediately to the Environmental Health Officer and Chief and Council if there are any concerns that the water is not safe to drink.

The GNWT approved Water and Wastewater Operator Certification Guidelines in 2006. The guidelines set standards for classifying water treatment plants and certifying water treatment plant operators. In the NWT there are four (4) different water treatment plant classifications: Small Systems, Class I, Class II, and Class III. Classifications are based on a number of criteria. Until April 1, 2010 operator certification was voluntary; however, with the changes to the Water Supply System Regulations, WTP operator certification is now mandatory. The GNWT Water and Wastewater Certification Committee approved an option for restricted certification of operators. Restricted certification may be issued on a case by case basis by the Certification Committee to an operator who is able to meet some, but not all of the certification components.

MACA provides funding to support municipal governments in providing water and sewage services through the Water & Sewer Services Funding Policy. Community governments are funded according to a standard cost model. This model assumes a due diligence approach to operations, that municipal governments will charge

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consumers for water and sewage services through the enactment of a water and sewage rates bylaw, and recognizes that there is a “fixed” cost of operations, regardless of consumption.

Key LGA responsibilities with respect to water delivery include:

- overseeing the operation and management of the water supply, treatment and distribution systems (This includes ensuring that water license terms and conditions are met and that operations are in compliance with the Water Supply System Regulations),
- recommending to Council an adequate budget for O&M and capital,
- recommending to Council the economic, residential, commercial and government rates for water and sewer services,
- responsibility for the maintenance of the water license,
- approving the work plan for the water treatment plant operator, including training,
- ensuring the purchase of chemicals and spare parts,
- ensuring trained operators are available to operate the system,
- report immediately to the Environmental Health Officer and Chief and Council if there are any concerns that the water is not safe to drink and
- ensure residents are advised to periodically clean their house water tanks.

Most GNWT municipalities are required to have a water license under the *NWT Waters Act*. Water licenses help to protect community drinking water sources. They define how much raw water the community can take from the source and how to dispose of waste so it doesn't harm water bodies.

Water licenses are a regulatory requirement and are issued by one of five regulatory boards in the NWT (see section 3.2).

Aboriginal Affairs and Northern Development Canada (AANDC) Resource Management Officers inspect the water, wastewater and solid waste facilities to make sure water license requirements are followed. Common water license requirements include annually reporting water use and sewage disposal volumes, sampling sewage effluent and landfill leachate, reporting sampling results and spills and developing operations and maintenance manuals.

### **8.3 Public Safety and Protection**

One of the essential responsibilities of municipal governments is to protect community residents by providing a safe, stable and healthy community. While risks can never be eliminated completely, Council, the LGA and staff have a responsibility to minimize those risks as much as possible.

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### 8.3.1 Fire Protection

The LGA and Council play an important role in a community's fire protection and prevention. The LGA and the Council work in partnership with the community's Fire Chief/Local Assistant, Fire department and the Office of the Fire Marshal.

Council, with support from the LGA, is responsible for:

- adopting a fire protection bylaw that states the levels of fire services (i.e. fire response, dangerous goods response) that are available, the cost of the services and the protection area covered by the community's fire department,
- setting the budget for the community fire department based on levels of fire service provided and
- planning and budgeting for major expenditures such as fire halls and replacing fire apparatuses.

The LGA, Council and the Fire Chief/Local Assistant are encouraged to meet regularly to discuss the activities and status of the community's fire department. It is important for the LGA to have a firm understanding of the fire department and its operations as the LGA is the alternate for the Fire Chief/ Local Assistant should he/she be absent.

The Fire Chief/Local Assistant should be prepared to advise Council on the current activities and status of the fire department.

### 8.3.2 Bylaw Enforcement

Bylaw enforcement varies widely from community to community. While there are no "hard and fast" enforcement rules in GNWT legislation, it is important that the LGA be familiar with the structure of bylaws (see Section 4.3) in order to understand the details of enforcement within their community.

Each bylaw requiring enforcement should contain within it provisions detailing the scope of the bylaw as well as any consequences for not adhering to the bylaw. A useful example is a dog control bylaw which usually outlines specific restrictions, such as the number of dogs allowed to be tethered outside a residence or local licensing requirements. The bylaw will also detail consequences and penalties – in this case fines, dog seizure or dog destruction, etc. – for those who fail to comply with the bylaw, as well as who has the authority to enforce it.

In many municipalities, there is a bylaw enforcement officer. In smaller municipalities, the LGA or other municipal staff may be required to take on these duties. Regardless of who does the job, bylaw officers must be appointed by bylaw.

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### 8.3.3 Risk Management

Risk can be defined as the possibility of a loss or adverse event occurring that will interfere with normal operations. Types of risks that are relevant to municipal governments include property risks, auto risks, liability risks and crime risks.

Risk management is a process that helps a municipal government identify, understand and reduce the risks that it is exposed to. Having a clear understanding of all potential risks enables a municipal government to take appropriate actions to reduce or prevent losses. Such actions may include finding ways to reduce potential risks, reduce the severity of a loss or purchase some form of insurance.

A good risk management plan can be developed by answering three questions:

- **What Can Go Wrong? (risk identification)** – this involves identifying and analyzing what could go wrong and what would happen if a loss occurs. Key questions to consider include identifying the types of losses that could occur, determining the impacts if a loss occurs and assessing how often a loss might occur and how severe it may be.
- **How Can We Stop it From Going Wrong? (risk control)** – once potential losses and the resulting impacts are understood, the next step is to identify actions that can be taken to reduce risks. Actions for managing risks include minimizing the possibility of a loss occurring, reducing the frequency or severity of a loss or reducing the impacts that result from a loss. Appropriate policies, bylaws and operating procedures are ways to control risks and lower the chances of incurring a loss.
- **If Something Goes Wrong, How Do We Pay For It? (risk financing)** – not all risks can be avoided or managed. Risk financing involves looking at different ways to pay for losses.

The main areas where a municipal government may be exposed to risk include:

- property
- auto
- liability and
- crime.

It is important that the LGA maintain up-to-date asset inventories and review insurance policy schedules to make sure all property is listed on the schedule. In addition, policies, bylaws, and procedures for all areas of operation are important tools for risk management and control. This includes, for example, the bonding of employees and contractors.

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### 8.3.4 Insurance

All incorporated municipalities in the NWT are members of an insurance program offered by the NWT Association of Communities (NWTAC) called the Northern Communities Insurance Program (NCIP). Within NCIP the member municipalities self-insure a significant portion of their risks through a licenced Insurance Reciprocal Exchange called the Northern Communities Insurance Exchange (NORCIX). This community owned reciprocal exchange insures the first \$1,000,000 of all Property, General Liability, Auto Liability losses and 100 % of all Auto Physical Damage losses.

The NCIP and NORCIX offices are operated by experience insurance professionals employed by the NWTAC office in Yellowknife. All insurance services to the member municipalities are provided by the NCIP office and include:

- managing all Community property/auto schedules and certificates,
- invoicing all municipalities for their portion of the Insurance premiums,
- collecting premiums from all members,
- receiving all claims and assign them to a Northern Insurance Adjuster,
- co-ordinating the appraisal services for each member,
- delivering loss prevention program to the members,
- providing contract review to all members from a risk management perspective,
- providing general insurance council and advise to all members and
- arranging any specialized insurance requirements for community members.

Loss Prevention is the key to a successful self-insurance program. To assist municipalities NCIP has implemented a Loss Prevention Incentive Program to help reduce losses and save municipalities money. In 2010 NCIP committed annual incentives of \$500,000 to be returned to its members for the overall good claims experience of the program and loss prevention activities performed by municipalities over the next three years. 25% is being returned as a credit for the good claims experience of the program. The remaining 75% is available for loss prevention activities performed by each community. How much each community is eligible to receive is based upon the percentage of their insurance premiums paid into the overall program. For a community to receive 100% of their annual incentives, they must perform three mandatory activities.

- Take the one day Loss Prevention Work Shop offered by NCIP in their community
- Inspect their buildings to identify liability and any property hazards
- Eliminate or reduce the hazards identified from the inspection

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Loss prevention is closely linked to risk management. Therefore, the one day workshop offered by NCIP offers Risk Control Training to staff and council in all NWT municipalities.

For more information on the insurance program please contact the NCIP office at 1-866-973-8359 or visits their website at [www.nwtac.com/ncip.html](http://www.nwtac.com/ncip.html).

### **8.3.5 Emergency Planning**

Any community is vulnerable to potential emergencies caused by technology failures, extreme weather events or exposure to hazardous materials. The *Civil Emergencies Measures Act* requires that all municipalities have an Emergency Plan in place.

An Emergency Plan ensures that a community is prepared to deal with an emergency or hazard. It identifies the role and responsibilities of the various agencies involved, specifies the chain of command for handling an emergency and lists the resources available that a community can mobilize in the event of an emergency.

Additional resources are available on preparing a community emergency plan and on how households can prepare for emergencies. For more information, go to the Emergency Planning Tool for Communities. ([www.maca.gov.nt.ca/emergency\\_management/emergmanage/documents/emergency\\_plan\\_comm.htm](http://www.maca.gov.nt.ca/emergency_management/emergmanage/documents/emergency_plan_comm.htm))

## **8.4 Recreation and Culture**

Sport, recreation and cultural activities are all essential to the health and well-being of individuals and communities in general.

Recreation refers to programs or services which serve to promote the physical or mental health and well being of community residents. Recreation programs and services are funded through the municipal government and usually administered by a recreation coordinator.

Under MACA's Recreation and Sports Contribution Policy, municipal governments can obtain funding to support the delivery of sport and recreation activities. Eligible activities include:

- participation in recreation and sport events,
- development and delivery of recreation and sport activities including a public aquatics program and traditional Aboriginal recreation and sport activities,
- development and delivery of recreation training, skills workshops or clinics,
- to obtain sport and recreation equipment for public programs and
- to develop recreation and sport plans.

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There are a variety of organizations in the NWT involved in promoting sport and recreation that may be of assistance to community recreation coordinators in the development and delivery of sport and recreation programs and events. These include:

- NWT Sport and Recreation Council ([www.nwtsrc.com](http://www.nwtsrc.com)),
- Sport North ([www.sportnorth.com](http://www.sportnorth.com)),
- Aboriginal Sport Circle of the NWT ([www.ascnwt.ca](http://www.ascnwt.ca)) and
- NWT Recreation and Parks Association ([www.nwtrpa.org](http://www.nwtrpa.org)).

Most municipalities have a Recreation Coordinator position that takes care of recreational facilities and organizes and delivers recreational and cultural activities. Under the general supervision of the LGA, the Recreation Coordinator is typically involved in:

- ensuring that recreation facilities are maintained,
- planning and developing sport and recreation programs and activities,
- planning and delivering cultural activities such as special events, feasts, festivals etc.,
- scheduling and promoting upcoming activities and events to the community,
- leading or supervising recreational and cultural activities and events, particularly for youth and elders and
- administering recreation and cultural programs by developing plans, preparing and monitoring budgets and preparing regular and yearly reports.

## **8.5 Energy and Environment**

In most NWT communities, the cost of energy services, such as electricity, heating fuel and transportation fuels, is very high. In addition, the NWT's heavy dependence on the combustion of fossil fuels results in high per-capita emissions of greenhouse gases which contribute to climate change. Other potential environmental issues that may exist at the community level include the local landfill and community concerns about impacts associated with development.

Community governments, which control community planning processes and deliver programs and services, can help lead efforts to address local energy and environmental concerns.

### **8.5.1 Community Energy Planning**

Community energy planning is a process that allows municipalities to identify opportunities to reduce energy use or improve local energy supply options. The basic idea is to examine how a community is supplied with, and uses energy, in order to identify ways to make improvements. Specific actions that can be considered include making improvements in energy efficiency, reducing dependence on imported fuel by switching to renewable energy technologies and encouraging residents to manage their energy use wisely.

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The development and implementation of a community energy plan is one of the four main components of an Integrated Community Sustainability Plan (discussed in section 4.1.2)

Additional information on community energy planning can be obtained from the Arctic Energy Alliance. In addition, the GNWT Department of Environment and Natural Resources (ENR) has funding programs that can assist municipal governments, local businesses and residents offset the cost of completing energy-related projects.

### 8.5.2 Environment

Some common environmental issues that an LGA may need to deal with include:

**Landfill Site** - The *Public Health Act* and its General Sanitation Regulations require that adequate solid waste facilities be provided and maintained. Some key issues for the LGA to be aware of include:

- Open burning is not acceptable. Open burning can release toxic substances into the local atmosphere, potentially causing immediate health and environmental effects. Only clean wood and paper can be burned and this should be done in an area separate from the working landfill.
- Handling of hazardous wastes. Hazardous wastes can include paints, oils, solvents, acids, industrial sludge (containing heavy metals) or pesticides. Hazardous waste must not be allowed to enter the landfill. ENR has guidelines and programs that can assist communities and households with the proper handling, storage and disposal of hazardous waste. Further information can also be found in Municipal Solid Waste Guidelines

Additional information is available on the website of the Department of Environment and Natural Resources:

[www.enr.gov.nt.ca/live/pages/wpPages/Our\\_Environment.aspx](http://www.enr.gov.nt.ca/live/pages/wpPages/Our_Environment.aspx)

[www.enr.gov.nt.ca/live/pages/wpPages/water.aspx](http://www.enr.gov.nt.ca/live/pages/wpPages/water.aspx)

**Recycling** - Another way to reduce environmental impacts and extend the life of the landfill is through recycling. Current GNWT recycling efforts include a beverage container program, a single-use retail bag program and a waste paper products initiative. More information on these programs can be obtained at [www.icarenwt.ca](http://www.icarenwt.ca).

**Protected Areas** - The NWT Protected Areas Strategy is a community-based process for establishing a network of protected areas across the NWT. The intent is to balance conservation and economic development while respecting Aboriginal rights, third party interests and land use planning processes. More information on current candidate areas and the steps involved in creating a protected area can be found at [www.nwtpas.ca](http://www.nwtpas.ca).

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## 9. Other Duties

Often the LGA is also required to deal with matters that go beyond their traditional job duties or may be outside their comfort zone. Examples include dealing with media, running an election, writing a funding proposal etc. This section provides information on some of the more unusual activities that the LGA may become involved in.

### 9.1 Communications

Strong communication skills are essential for any LGA. The LGA often represents the municipal government in dealing with the public, businesses, government officials, other municipalities and other organizations. The LGA needs to develop good verbal and written communications skills as they may be asked to speak during meetings, make presentations, draft written materials and correspondence and discuss matters over the telephone.

Regular LGA duties that require good written communications skills include:

- drafting bylaws, policies and motions,
- preparing briefing notes and summaries for Council,
- preparing accountability and activity reports and
- writing memos, letters, emails etc.

Regular LGA duties that require good verbal communications skills include:

- interactions with community residents to explain programs, policies, decisions etc,
- providing background information, guidance and recommendations to Council during meetings,
- interacting via telephone or in meetings with government officials, contractors, consultants, suppliers etc and
- issuing instructions and providing guidance to staff.

### 9.2 Proposal Writing

Community governments are often required to submit proposals to government, not-for-profit organizations and foundations seeking funding for a particular program or project. The job of writing the proposal usually falls to the LGA.

The first thing to recognize is that fund-raising is competitive. Most often, the funding agency receives more proposals than it has money for. This means the best proposals get approved for funding and the others get partial or no funding.

Another key issue involves suitability. Most funding opportunities, particularly in government, are quite specific about the type of project that is eligible and the type

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of expenditures that are eligible. Before writing a proposal, it is helpful to gather all available information about what the funding organization or program will fund and what types of projects it is most interested in funding. This information can then be used to evaluate whether the community's specific project is eligible or likely to get funded. If the LGA has questions, try to speak directly with the program officer or someone from the organization to discuss your community's project.

In writing the proposal, there may be specific information that the funder wants to see or a specific format that is to be followed. These types of requirements are usually spelled out in written instructions that the funding agency can provide. Common elements found in most funding proposals include:

- **Organizational Information** – provide a brief summary of your community and all relevant contact information.
- **Issue or Problem Statement** – describe the issue that is being addressed and explain how the community's proposed project or program will help fix the problem.
- **Background** – any additional information that is helpful for context or background should go here or in an appendix.
- **Proposal** – provide an overview of the proposed project or initiative. Key aspects to cover include the overall goal and objectives, the expected outcomes or results and how the proposed project or initiative lines up with the funder's objectives or criteria.
- **Work Plan or Activities** – provide sufficient details about the proposed project so the funder can see that it is feasible and has been well planned. Information about timelines or schedules should also be included.
- **Budget** – clearly indicate all sources of funding available (or applied for) and show a detailed breakdown of the proposed expenditures for the project.
- **Partners** – provide information on any partners that may be involved in the project or initiative.
- **Evaluation** – some funding agencies want to know how the success of the proposed project or initiative will be measured and evaluated.

### 9.3 Elections

Each municipal government is established under specific legislation. Details on the number of elected officials, the terms of office, election dates, etc. that applies to a specific community can be found by referring to the appropriate municipal legislation. Information on the election calendar for most municipalities can be obtained from the MACA web site.

Municipal government elections are governed by the *Local Authorities Elections Act*. This legislation sets out the eligibility criteria for voters and candidates, establishes the

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election calendar, sets out the election process and addresses other related matters such as recounts, judicial reviews, election offenses etc.

Municipalities established under the *Charter Communities Act* have their own election dates, eligibility criteria for members of Council and length of term as set out in their charter. The election calendars for charter communities may be obtained from the Chief Municipal Electoral Officer.

The Returning Officer plays an important role in the running of elections. The Returning Officer's goal is to run a fair election. This person guards against any corruption or breaking of the rules. Key duties include:

- organizing the election,
- giving notice to the general public of important procedures and dates in the elections process,
- ensuring that eligible voters are on the list of voters,
- supervising other election officials,
- ensuring the proper and peaceful conduct of elections,
- setting up and supervising the running of voting stations and the counting of ballots and
- writing reports about the election results.

Resources available on the MACA website to assist the Returning Officer include:

- *Local Authorities Elections Act*
- *Local Authorities Elections Act* – Returning Officer's Manual
- *Local Authorities Elections Act* – Municipal Candidates Manual
- Chief Municipal Elections Officer

The Returning Officer and the Registrar are appointed by Council. If Council doesn't appoint a Returning Officer or Registrar, the LGA is required to perform the duties of the Returning Officer and Registrar.

If the LGA is required to act as the Returning Officer, this should be determined well in advance of any municipal election so you have time to review the relevant Acts and manuals and get prepared.

The Chief Municipal Electoral Officer, located within MACA, is available to help all Returning Officers with their duties. Detailed election information and resources can be found at [www.maca.gov.nt.ca/resources/election\\_information/index.html](http://www.maca.gov.nt.ca/resources/election_information/index.html)

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## 9.4 Environmental Assessment Process

On occasion, a municipal government may have concerns about a proposed resource development project. This section summarizes the environmental assessment process established by the *Mackenzie Valley Resource Management Act*.

The purpose of an environmental assessment is to consider the potential impacts of a project before decisions are made to proceed. This ensures that any negative effects arising from the project can be avoided or minimized.

Before a proposed development project, such as an oil well, mine or hydro-electric facility, can be built, the developer (or project proponent) must usually apply for licenses, permits and authorizations. In the application, the developer must demonstrate that the proposed project:

- will not cause a significant negative impact on the environment or on the economic, cultural and social well-being of NWT residents and
- will not cause public concern.

There are three stages that a project may have to go through to determine if negative impacts or public concern will exist:

### **Stage 1: Preliminary Screening**

Preliminary screening is a quick review of a proposed project. A land and water board or other regulating authority runs this type of review and usually seeks comments from interested or affected groups to help it reach a decision. If no significant potential impacts or public concerns are found, the project proceeds to the regulator to obtain permits and licenses. If it is determined that there may be significant potential impacts or public concerns as a result of the project, it is referred to the second stage of review.

### **Stage 2: Environmental Assessment**

The Mackenzie Valley Environmental Impact Review Board (MVEIRB) is responsible for conducting environmental assessments. Only about 5 per cent of all projects that go through preliminary screening are referred to environmental assessment. At this stage, a project goes through a much more thorough review, which can often last for months or even years. Depending on the outcome of the assessment, MVEIRB can decide to recommend (to the federal minister of Aboriginal Affairs and Northern Development Canada) that:

- a project can proceed to regulatory permitting and licensing, either with no changes or subject to some conditions,
- the project should be rejected or

- 
- the project proceeds to the environmental impact review stage for further evaluation.

### **Stage 3: Environmental Impact Review**

Very few projects proceed to this stage. This type of review is very in-depth and is conducted by an independent panel appointed by MVEIRB. The purpose of an environmental impact review is to enable a more focused examination of the issues raised during the environmental assessment stage.

## **9.5 Economic Development**

In the NWT, key economic activities include minerals, oil and gas extraction, tourism, traditional harvesting (trapping, fishing and hunting), agriculture and arts and crafts. Additional information on relevant programs and services can be obtained from the Department of Industry, Tourism and Investment web site ([www.iti.gov.nt.ca](http://www.iti.gov.nt.ca)).

At the community level, many municipal governments employ a Community Economic Development Officer to help promote and facilitate business development and increase local employment.

Under the supervision of the LGA, key duties of a Community Economic Development Officer typically include:

- identifying opportunities for community economic development,
- facilitating community economic development planning,
- securing funding for economic development activities and programs and
- providing assistance to local organizations, businesses and individuals with establishing economic development plans, businesses and projects.



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## Appendices

Appendix A: Sample Financial Procedures Manual .....	73
Appendix B: Sample Budget Policy.....	89
Appendix C: Sample Borrowing Bylaw .....	99
Appendix D: Differences in Community Government Structures.....	103
Appendix E: Sample Human Resource Plan.....	107
Appendix F: Mandatory Bylaws .....	111
Appendix G: Discretionary Bylaws .....	115



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# Appendix A: Sample Financial Procedures Manual

This document is intended as a guide only. All policies, procedures, or bylaws drafted should reflect the needs of each particular community. Adoption, in whole or in part of the document does not absolve the community government of their responsibilities to review such and seek legal counsel wherever necessary.





## General

Council approves financial policies, delegates administration of the financial policies to the SAO, and reviews operations and activities.

The SAO has management responsibility including financial management.

Current job descriptions will be maintained for all employees, indicating duties and responsibilities.

Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.

All employees involved with financial procedures shall take vacations or leave of 5 consecutive work days each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.

Wherever practicable, pre-numbered documents shall be used (e.g. purchase orders, cash receipts, cheques, invoices, etc.)

Documentation is required for each financial transaction.

A blanket employee dishonesty coverage in the amount of \$\_\_\_\_\_ shall be maintained.

Professional financial service providers will be established annually. For \_\_\_\_\_ (year) these include \_\_\_\_\_ (accounting software), \_\_\_\_\_ (payroll services), the \_\_\_\_\_ (insurance), \_\_\_\_\_ (banking), \_\_\_\_\_ (restricted investments and retirement services), and \_\_\_\_\_ (auditors).

The \_\_\_\_\_ (staff position) will maintain a current and accurate log of the chart of accounts, job accounts and accounting classes.

These policies and procedures will be reviewed bi-annually by the \_\_\_\_\_ (Council Committee)

## **Cash Receipts (includes cheques)**

Cash or cheques are received either directly from customers and other departments (e.g., Recreation) or in the mail. The \_\_\_\_\_ (staff position) opens any mail addressed to \_\_\_\_\_ (organization name) or without specific addressee.

The receipt of cheques or cash will be recorded in the accounting system. All other cheques or cash will be immediately forwarded to the \_\_\_\_\_ (staff position)

The \_\_\_\_\_ (staff position) writes up the cash receipt in a numbered receipt book, and gives the original to the customer (or other department).

If the cash/cheque was received in the mail, leave the completed receipt in the book.

### **Receipt of Cash:**

Enter the details on a separate Cash Summary Sheet showing date, receipt number, and amount.

Put the cash in the locked cash box.

### **Receipt of Cheques:**

The \_\_\_\_\_ (staff position) will endorse all cheques by rubber stamp to read as follows:

PAY TO THE ORDER OF

\_\_\_\_\_ Bank

Account #

FOR DEPOSIT ONLY

Organization Name

Account Number

The endorsement stamp will specify into which corporate account (savings, chequing) the deposit will be made.

If the cheque has a detailed advice slip attached, detach the advice slip and file it in the customer file.

Put all receipts in the cash box until time to prepare deposit to the bank or Co-op/Northern Store. The deposit will be preformed by \_\_\_\_\_ (staff position).

## **Cash Deposits to Co-op or Northern Store**

(Note: Cash deposits to Co-op/Northern Stores are not necessary if banking facilities are available in the community.)

Once cash (excluding cheques) reaches the limit that must be deposited to Co-op or Northern store, total the amounts on the Cash Summary Sheet and agree to amount of cash in cash box.

If cash does not balance, report the difference to the Finance Officer (FO) or Senior Administrative Officer (SAO) and record the overage/shortage on the Cash Summary Sheet. The FO or SAO must initial the Cash Summary Sheet.

If cash does balance, prepare cash deposit and take to the Co-op/Northern Store.

Attach the deposit receipt to the Cash Summary Sheet. Record the deposit on the Cash Summary Sheet and file in date order in the Cash Deposit file.

Record the draft received from the Co-op/Northern Store as “exchange for draft” on the Cash Summary sheet and file in date order in the Cash Deposit file. Stamp endorsement on the back of the draft and put in the locked cash box for eventual deposit to the bank account.

When the amount of the cheques (and drafts) in the cash box equal or exceed the limit determined by Administration, or at least once each week, a Bank Deposit must be prepared and sent to the bank.

## **Bank Deposits**

Once the amount of all cheques, drafts (and cash if the community has a bank) has reached the limit (determined by Administration) that must be deposited, prepare the bank deposit. If possible, note receipt numbers beside each cheque/draft on the duplicate deposit slip. Documentation for all receipts will be attached to the duplicate slip and filed by date.

All receipts will be deposited intact. No disbursements are to be made from cash or cheque receipts prior to deposit.

Send the original and one copy of the deposit slip to the bank with the cheques and drafts (and cash if the community has a bank).

File the bank receipt in the Bank Deposit file in date order.

Return the deposit book to fireproof storage in the vault.

The SAO receives a copy of all deposit reports for review.

## Purchase Orders

The community should maintain a purchase order (PO) book that is used for the purchase of goods on behalf of the community. The SAO can delegate spending limits for POs to other staff. However, the SAO should delegate this authority by Policy that is approved by Council.

The steps in the purchasing system are as follows:

- Verify the need to purchase an item.
- Determine whether the purchase is authorised under the budget.
- Identify the description and amount of the goods required.
- Determine and compare possible sources of supply.
- Determine the price and terms of the purchase.
- Prepare and issue the purchase order.
- Arrange for the delivery of the goods.
- Receive and inspect the goods.
- Arrange for the payment of the supplier's invoice.
- Maintain the records of the transaction.

A copy of the signed PO should accompany the invoice in the payment file to show that the above steps have been followed and the purchase of the item was approved.

The community should also consider a purchasing policy that determines minimum limits over which the SAO should solicit quotes for prices. This practice helps ensure that competitive prices are obtained. These quotes can be taken verbally (so long as they are documented) or written, and should be attached to the purchase order to verify the process. This procedure is known as informal tenders.

## Cash Disbursements

### Invoices from Creditors (Suppliers)

All invoices will be stamped for the date received and immediately forwarded to the \_\_\_\_\_ (staff position) who will review all invoices for mathematical accuracy, validity, conformity to the budget (or other Council authorization) and compliance with bid requirements.

Any supporting documentation is matched to the invoice. If there is no supporting documentation, the invoice will be forwarded to the SAO for approval and coding. Invoice details will be checked against the PO to ensure that they agree. Receipt of goods or services will be verified.

\_\_\_\_\_ (staff position), will initial the invoice to indicate approval for payment, and will code the invoice with an appropriate expense or other chart of accounts line item number, class and job number (where applicable).

By approving an invoice, the \_\_\_\_\_ (staff position) indicates that it has been reviewed by the \_\_\_\_\_ (staff position) and authorizes a cheque.

The \_\_\_\_\_ (staff position) will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts. The \_\_\_\_\_ (staff position) is responsible for timely follow-up on discrepancies and payment.

Approved invoices will be entered into the accounting system. The Accounts Payable listing is prepared, showing allocation to general ledger (G/L) accounts. Once entered, all copies of the invoice are stamped as "Posted" and the posting details are indicated (i.e., batch number, creditor's A/P account number) on the Approval Stamp/Sheet. Sign off the steps on the Approval/Stamp sheet.

### File in Accounts Payable Payment file ("To be Paid" file).

Invoices are held for payment at regularly scheduled intervals or as otherwise instructed by the Finance Officer or SAO. The \_\_\_\_\_ (staff position) will prepare cheques on a weekly basis.

Authorized signers on \_\_\_\_\_ (organization's) accounts include the Executive Director, Chair and Treasurer of the Board.

### Payment of Creditors'/Suppliers' Invoices

On the regularly scheduled payment date, or as otherwise instructed by the Finance Officer or SAO, \_\_\_\_\_ (staff position) retrieves Creditors' Invoices filed in the Accounts Payable "For Payment" file.

\_\_\_\_\_ (staff position) ensures the A/P payment detail has been received

from the FO or SAO. If not, verification is sought and, if invoices are not to be paid this time, they are returned to the A/P “For Payment” file.

Payment instructions are matched to the actual invoices to be paid.

If instructions are to make a partial payment only, note the amount paid this time on the invoice approval area and “flag” the invoice for return to the A/P “For Payment” file.

If a statement has been received from the creditor, reconcile invoices received and payments made to the statement.

The \_\_\_\_\_ (staff position) will be responsible for all blank cheques.

The \_\_\_\_\_(staff position) will generate cheques for approved invoices through the accounting system.

Prepare cheques and cheque payment batch. The batch must include each creditor’s individual A/P account number or G/L expense code if not recorded through Accounts Payable.

Sign off all applicable steps on Approval stamp/sheet.

Return cheques and paid invoices for signing and distribution. Once signed, the cheques should not be returned to the same person who prepared them. They should go to a separate person (e.g., receptionist) for separation, mailing of original and filing of office copies.

Creditors’ invoices are sorted and stapled in proper sequence for filing.

Voided cheques will have “VOID” written boldly in ink on the face and have the signature portion of the cheque torn out. Voided cheques will be kept on file.

In no event will:

- invoices be paid unless approved by an authorized signer
- blank cheques (cheques without a date or payee designated) be signed in advance
- cheques be made out to “cash”, “bearer”, “petty cash”, etc.
- cheques be prepared on verbal authorization, unless approved by the Executive Director.

In the event that it is necessary to issue a duplicate cheque for cheques in an amount over \$15, a stop payment will be ordered at the bank on the original cheque.

## **Month-End Accounting Procedures**

- All payroll deductions shall be remitted to the Receiver General, GNWT etc. by required deadlines.
- Make sure all Source Documents are recorded in Source Journals up to end of month.
- Make sure all Source Journals (batches) are posted to the General Ledger.
- Make all necessary adjustments in General Journal and post to General Ledger.
- Ensure Subsidiary Ledger trial balances agree with General Ledger control accounts. Also review Subsidiary Ledger reports to ensure that individual accounts are reasonable, aging is correct (i.e., payments have been properly matched with invoices) and for follow-up of outstanding amounts.
- A separate payroll benefit accrual account should be maintained for each type of payroll benefit. Payroll benefit accrual accounts and the wage accrual account should be reconciled each month.
- Print Accounts Payable reports, Accounts Receivable reports and Payroll reports.
- Print Trial Balance of General Ledger and General Ledger Listings.
- Prepare and print monthly Financial Statements.
- When bank statements are received, reconcile bank balance to General Ledger account. Month end procedures should not be delayed while waiting for the bank statement.
- Send any required monthly information to MACA.

### **Accounts Payable Reports**

File the following reports together by month, i.e., all reports for January, all reports for February, etc.

- Aged A/P Detail
- Aged A/P Summary
- Manual Cheque Register
- Cheque Register

Maintain a binder for each of the following reports. File the reports in numerical order for the entire year.

- Adjustment Batch List
- Adjustment Posting Journal
- Invoice Batch List
- Invoice Posting Journal
- Reconciled Cheques Posting Journal
- G/L Transactions

## **Accounts Receivable Reports**

File the following reports together by month, i.e., all reports for January, all reports for February, etc.

- Aged A/R Detail
- Aged A/R Summary

Maintain a binder for each of the following reports. File the reports in numerical order for the entire year.

- Adjustment Batch List
- Adjustment Posting Journal
- Cash Batch List
- Cash Posting Journal
- Invoice Batch List
- Invoice Posting Journal
- G/L Transactions

## **Payroll Reports**

File the following reports together by pay period, i.e., all reports for pay period #1, all reports for pay period #2, etc.

- Time Sheets
- Payroll Register
- Cheque Register
- Audit Trail
- G/L Transactions

## **Bank Reconciliations**

Keep a separate file for each bank account. File the bank reconciliations in date order.

## Bank Reconciliations

Bank statements will be received directly and opened by the \_\_\_\_\_ (staff position).

The \_\_\_\_\_ (staff position) will reconcile the bank statement monthly. The bank reconciliation should be prepared immediately upon receipt of the bank statement and any bank errors should be immediately resolved with the bank.

### Procedures:

Cancelled cheques returned with the bank statement are checked off against the bank statement.

Charges on the bank statement for which cheques were not issued are circled, e.g., service charges, debit memos, NSF cheques. If these items have not been recorded in the Cheque Journal, prepare a journal entry to record them.

The journal entry is recorded in the General Journal and then posted to the General Ledger.

Cleared cheques and items added during Step 1 are then checked off to the current month's Cheque Journal and Payroll Journal and also to items outstanding from the previous month's bank reconciliation.

From the Cheque Journal and Payroll Journal, prepare a list of outstanding cheques (those that are not ticked off as cleared). Make sure the outstanding cheques from the previous month's reconciliation are cleared or carried forward to the new outstanding list.

From the duplicate deposit slips recorded in the Deposit Journal, check off the deposits that have cleared the bank.

Also clear any outstanding deposits from the previous month's reconciliation to the bank statement.

Circle any items on the bank statement for which a bank deposit was not prepared. If these items are not recorded in the Deposit Journal (such as grants deposited directly by the funding agency), prepare a journal entry to record them.

Referring to the uncleared deposits in the Deposit Journal, prepare the list of outstanding deposits. This will usually be only the last one or two deposits of the month. (Also list any deposits still outstanding from the previous month's reconciliation.)

Enter the bank errors, if any, on the bank reconciliation form and add the reconciliation. The bank reconciliation must agree with the general ledger balance.

The Finance Committee will receive monthly statements of cheques paid on all accounts.

The SAO shall verify the reconciliation of the bank accounts.

On all cheques outstanding over 90 days, the \_\_\_\_\_ (staff position) should take appropriate action.

If any outstanding bank deposits do not appear on the next month's bank statement, or if bank errors have not been corrected, contact the bank and resolve the problem. After six months, a cheque is considered stale-dated and must be cancelled and reissued, if appropriate.

Once the cancelled cheques have been checked to the bank statement, they may be sorted into number order so that it is easier to check them to the Source Journals; however, once the bank is reconciled, keep the cancelled cheques and bank statement together.

Do not separate all the cancelled cheques from the bank statements for each month for filing in numerical order. It is very important to keep each month's bank statements and cheques together.

### **Year-End Accounting Procedures**

If all month end procedures have been performed on a regular and timely basis, year end accounting procedures should not be a burden.

Some additional items that must be attended to at year-end are:

- Deposit all cash on hand by noon on March 31st, even though a deposit would not normally be made according to routine policy.
- To ensure accurate year-end cut-off, make sure that all transactions recorded at the end of the day on March 31st are properly recorded in all subsidiary records and that any transactions made the following day (April) are not recorded as March transactions.
- Review all accounts for adjustments that are normally required only at year-end, e.g., allowance for doubtful collections on accounts receivable, accrued wages and expenses, possible additional accounts or accrued receivables.
- Review revenue and expense accounts that have regular monthly charges to ensure that all transactions have been recorded for the full twelve months and that all necessary accounts receivable and payable have been accounted for.
- Confirm A/R, A/P and bank balances at year-end.
- Review the "Instructions to Auditors" prepared by MACA and ensure all required accounting functions are completed.
- Contact the auditor to see if any other year-end requirements or working papers can be completed by community government staff prior to the auditors' arrival.

## **Preparing for the auditor**

To help prepare for an audit and reduce year-end costs, the following tasks should be performed:

- Review the Management Letter from the previous year. Make sure the recommendations have been followed wherever possible.
- File all Source Documents neatly in their proper files.
- Label and file all Source Journals in proper monthly order.
- Make sure the General Ledger is posted up to the year-end date and is balanced.
- Print aged trial balance listings of the subsidiary ledgers. Ensure their totals agree to the proper control accounts in the General Ledger.
- Make sure copies of all Bank Reconciliations are available for the year.
- Ensure all usual year-end receivables and accruals have been accounted for and recorded, i.e., grants or subsidies not yet received.
- Ensure all Council Minutes and By-laws are up to date and properly signed.

Some auditors will send a Schedule of Tasks to the SAO before they arrive for their year-end examination. The Schedule of Tasks outlines the items the auditor expects will be completed in preparation for the audit. If a Schedule of Tasks is not received, contact the auditor and ask for advice, in writing, about what additional work could be done by community government staff to help the auditor.

### **Year-end schedule of Tasks**

- Complete all month-end procedures for the twelfth month (March). Print, or prepare, month-end reports.
- Ensure that all journals (e.g., Accounts Receivable, Accounts Payable, Payroll, Cash Receipts) have been totalled, allocated in accordance with the standard chart of accounts and cross-balanced or the equivalent computerized batch reports have been filed in an orderly manner.
- Ensure all usual year-end receivables and accruals have been accounted for, and recorded, i.e., grants or subsidies not yet received.
- Ensure that all necessary postings to the General Ledger are complete, with clear posting references.
- Deposit all cash on hand by noon on March 31st.
- Prepare a bank reconciliation as at March 31st. Ensure that all outstanding bank deposits are properly identified with specific deposits. Reverse any stale-dated or cancelled outstanding cheques.
- Ensure the balances on all Accounts Receivable listings are correct. Correct any errors.

- Print, or prepare, a complete, detailed listing of Accounts Receivable at March 31st. Review individual account balances for proper matching of payments to invoices and provide explanations for any long-outstanding invoices.
- Ensure the balances on all Accounts Payable listings are correct. Correct any errors. Include all amounts for services received prior to April 1st, even if the invoices have not yet been received.
- Print, or prepare, a complete, detailed listing of Accounts Payable at March 31st.

**Ensure filing is complete:**

- Each journal or batch in a binder or file in date order.
- All bank statements and cancelled cheques on hand.
- Community government invoices for each month (copy 2 in numerical order, copy 3 in customer file).
- Paid invoices filed in date order, one file per supplier.
- Suppliers' monthly statements in date order, attached in front of the invoices filed above.
- Store bulky supplier files in date order, in box files rather than folders.
- Ensure Council Minutes and By-laws are up to date, signed and filed in proper order.

**Print, or prepare, the following reports:**

- Trial Balance at March 31st,
- Chart of Accounts (if changed from last year),
- Statement of Financial Position (Balance Sheet) at March 31st,
- Statement of Financial Activities for each fund for the year ended March 31st, and
- General Ledger detail for the entire year.

If the following reports were not printed at the end of every month, they must be printed at year-end and filed in numerical order.

- General Ledger Posting Journals for the entire year,
- Aged Overdue Payables Detail,
- Aged Overdue Payables Summary,
- All Accounts Payable Posting Journals for the entire year,
- Accounts Payable General Ledger transactions,
- Overdue Receivables Detail,
- Overdue Receivables Summary,
- All Accounts Receivable Posting Journals for the entire year,
- Accounts Receivable General Ledger transactions,
- Payroll Registers,
- Cheque Registers,
- Payroll General Ledger transactions

## Invoicing

The community government prepares invoices on a regular basis, usually once each month, for services such as water and sewage charges and garbage collection.

Requests for community government services may also come from outside work orders, written or telephone requests or Government Service Contracts. Once these requests have been filled, file the paper in a temporary Billing file until invoices are prepared.

Three-part invoices are normally prepared for all services provided. References will be made to by-laws, minutes and internal equipment or payroll charges to ensure proper rates and amounts are billed. When available, back-up information is attached to the invoice for further reference.

Invoices are checked by the Senior Administrative Officer, Assistant SAO or Finance Officer to ensure the amounts and rates charged are correct. The SAO, ASAO or FO must also ensure the general ledger codes are recorded on Part 2 of the invoice. The three-part invoice is distributed as follows:

**Part 1:** original is mailed to the customer.

**Part 2:** filed in number order. If an invoice is ruined or cancelled, all three copies are filed in number order.

**Part 3:** attached to work orders, written requests or Service Contracts and filed in separate files for each customer in alphabetical order.

From Part 2, the invoice date, invoice number and amount of the invoice is recorded in the customer's individual Accounts Receivable (A/R) listing.

## **Backup**

Use three sets of back-up and alternate them as follows:

Back-up the accounting data on Day 1 (e.g., Monday) on the first set;

Back-up the accounting data on Day 2 (e.g., Tuesday) on the second set;

Back-up the accounting data on Day 3 (e.g., Wednesday) on the third set. You should now have back-ups for Days 1, 2 and 3.

On Day 4 (e.g., Thursday), back up on the accounting data on the first set, overwriting the data from Day 1. You should now have back-ups for days 2, 3 and 4.

Use the second set for Day 5 and the third set for Day 6, etc.

Controls should be implemented to ensure the information provided by the system is complete, authorized and accurate. For example,

Source documents should be posted in numeric sequence and the posting of each document should be verified, coded and initialled by the person doing the posting. Once the document is posted, it should be stamped "Posted".

Control totals on reference numbers, account numbers and dollar totals should be used. This feature is available on many accounting systems and is sometimes referred to as the "hash total".

Different levels of password security should be implemented. Only normal users of the accounting software should have access to it. Users should only have access to those portions of the accounting software they use or are responsible for.

Only one individual in the office, normally the SAO or senior Finance Officer, should have access to all parts of the accounting software. This individual should also be familiar with the day to day, monthly and annual operations of all parts of the accounting software.

Period End Reports should be printed and filed to ensure the adequacy of management and audit trails.

# Appendix B: Sample Budget Policy



## Sample Budget Policy

Date of Approval by Council:

Resolution No:

Last Review Date:

Next Review Date:

Administrative Responsibility:

### 1. Policy Statement

Council shall before each fiscal year, adopt a budget for the fiscal year.

The budget shall follow any guidelines issued by MACA, and is prepared in accordance with Council's goals and objectives. Once approved, the budget provides the SAO with the authority to incur expenditures and carry out the community government's activities within the framework of the budget.

### 2. DEFINITIONS

Budget Year means the financial year of the municipality for which an annual budget is to be approved.

Investment, in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

### 3. BUDGETING PRINCIPLES

Notwithstanding that the Charter Community may have an accumulated surplus, the Charter Community shall not approve a deficit budget in any given year.

The Charter Community should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.

The Charter Community shall eliminate any deficit at the end of a fiscal year, by the end of the next fiscal year, unless the deficit is authorized by its debt management plan.

Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

#### **4. BUDGET PREPARATION PROCESS**

December:

- the SAO reviews the latest variance and other reports
- The SAO discusses priorities with Council; Council establishes 3-5 major goals for the year
- The SAO estimates revenues for the upcoming year.

January:

- the SAO meets with Department heads, and allocates revenue to the Departments
- The SAO helps department heads prepare draft budgets that reflect Council goals and priorities for the year
- The SAO, department heads, and the Finance committee meet to prepare proposed budget.

February:

- the SAO presents the draft budget to Council
- Council reviews the budget in light of their goals, to ensure they understand the implications of each.
- Once satisfied, Council approves the budget and goals. Council may hold a public meeting to explain their goals, or distribute a brochure explaining them.

April:

- the budget is implemented
- Feedback commences through monthly variance reporting.

December:

- the SAO may recommend budget adjustments for Council.
- Major adjustments to Council goals should not be made.

#### **5. Approval of the budget**

Council shall approve the budget before the start of the fiscal year.

The budget presented to Council for approval shall include the following supporting documents:

- approved Council goals and objectives for the year
- draft resolutions approving the budget, water/sewer rates, and other rates, fees, and penalties for the financial year concerned;
- measurable performance objectives for each Council goal and objective;

- the projected cash flows for the financial year by revenue sources and expenditure items;
- any proposed amendments to budget-related policies;
- the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers;
- particulars of the municipality's investments; and

The Charter Community shall make a copy of the current budget available to the public.

The SAO shall forward a copy of the budget to MACA within 10 days after its adoption.

### **Major components of the budget**

The budget must include estimates of all expenditures to be incurred by the charter community, including:

- payments in respect of debts
- operating expenditures
- capital expenditures, and
- grants
- all revenues to be received by the charter community, including
- fees and charges for services public utilities and facilities, and
- grants and contributions
- any sum required to met a deficit incurred by the charter community in the preceding fiscal year; and
- any taxes that may be collected by the charter community and forwarded under the Property Assessment and Taxation Act.

### **Funding of the Budget**

The budget may be financed only from:

- realistically expected revenues, based on current and previous collection levels;
- cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
- borrowed funds in respect of the capital budget only.

## **Capital Budget**

A capital expenditure must be budgeted for in the capital budget. Expenditure for a project shall be included in the capital budget if it meets the asset definition as set out in the Capitalization Policy.

Capital asset replacement shall comply with the Capital Asset Disposal Policy. The budget for capital assets shall distinguish between replacement and new assets.

A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.

The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

Before approving a capital project, Council must consider:

- the projected cost of the project over all the ensuing financial years until the project becomes operational,
- future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).

Before approving the capital budget, Council shall consider:

- the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
- depreciation of fixed assets,
- maintenance of fixed assets, and
- any other ordinary operational expenses associated with any item on such capital budget.

Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

Interest earned on investments of conditional funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated the interest can then be allocated directly to the revenue accounts.

A capital expenditure may be funded from current year revenue, prior year surplus, external loans, or a combination of the three. If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project. Grant funding does not need to be cash backed but cash should be secured before spending can take place.

## **External loans**

The Charter community may obtain a loan from an approved lending institution only if:

- the loan is to finance a capital project; and
- all other sources of funding have been examined and used to full advantage.

Such a loan must be procured in compliance with the relevant policies and legislation, such as the Debt Management Policy and Charter Community Debt Regulations.

A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;

The loan redemption period must not exceed the estimated life expectancy of the asset.

## **Operating Budget**

When considering the annual budget, Council shall consider the impact the proposed increases in rates and service fees will have on the monthly municipal accounts of households.

The operating budget shall reflect the impact of the capital component on:

- depreciation charges
- repairs and maintenance expenses
- interest payable on external borrowings
- other operating expenses.

## **Unspent Funds/Budget Carryover Items**

The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, except for funds relating to

- capital expenditure, and
- budget carryover items.
- The allocation of lapsed funds will be made in accordance with the Allocation of Year-end Operating Surplus Policy.

## **Adjustment Budget**

The SAO must assess the budgetary performance of the municipality for the first half of the financial year, taking into account the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the budget.

The SAO may make recommendations for adjusting the annual budget and for revising the projections of revenues and expenses, based on the results of the assessment.

The SAO shall ensure that the adjustments budget reflects Council priorities and complies with all budget-related policies, and shall make recommendations to Council on the revision of priorities and budget-related policies where these are indicated.

Council may revise its annual budget via an adjustments budget once per year

The SAO must promptly adjust budgeted revenues and expenses in the year-end projection of the variance report, if a material under-collection of revenues arises or is apparent. The SAO must also notify Council of this change promptly.

The SAO shall appropriate additional revenues which have become available, but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council

Savings on allocations earmarked for specific operating and capital projects may not be used for other purposes except with the approval of Council, and subject to any external funding restrictions.

Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure.

The Council shall in an adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the SAO.

An adjustments budget must contain all of the following:

- an explanation of how the adjustments affect the approved annual budget;
- appropriate motivations for material adjustments; and
- an explanation of the impact of any increased spending on the current and future annual budgets.

In regard to unforeseen and unavoidable expenditure, the following apply:

- the Mayor may authorise such expenses in an emergency or other exceptional circumstances, when they are clearly in the municipality's best interest;
- the municipality may not exceed 3 % of the approved annual budget in respect of such unforeseen and unavoidable expenses;
- these expenses must be reported to the next Council meeting;
- the expenses must be appropriated in an adjustments budget.

The SAO and department managers are responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

The Finance Comptroller and the SAO must prepare any adjustments budget when such budget is necessary and submit it to Council for consideration and approval.

The SAO must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

The SAO shall submit quarterly interim statements to Council within 30 days of the end of each quarter, in accordance with the policy on Financial Reporting to Council.

Xref:

- Capital Asset Disposal Policy
- Debt Management Policy
- Charter Community Debt Regulations
- Allocation of Year-end Operating Surplus
- Expenditure Proposals Exceeding Approved Budget
- Financial Reporting to Council



# Appendix C: Sample Borrowing Bylaw



CHARTER COMMUNITY OF K'ASHO GOT'INE, NT.

BY-LAW # 812-07

BEING A BY-LAW OF THE MUNICIPAL CORPORATION OF THE CHARTER COMMUNITY OF K'ASHO GOT'INE IN THE NORTHWEST TERRITORIES TO AUTHORIZE THE CREATION OF ALONG TERM DEBT FOR THE PUROSES ON CONTRUSTING A NEW COMMUNITY COMPLEX PURSUANT TO PROVISIONS OF TH CHARTER COMMUNITIES ACT, S.N.W.T., 2003.

**WHEREAS** it is deemed expedient and proper pursuant to the provisions of the Charter communities Act that the council shall issue a by-law to authorize financing, undertaking the construction of a new community complex;

**AND WHEREAS** plans, specifications and estimates for such work have been made whereby the total cost for the said project is estimated to be **\$5,750,000.00**.

**AND WHEREAS** it is estimated by the Council of the said Charter Community that certain funds will be available from the Charter Communities Deposited Funds being the amount of **\$2,700,000.00** received from Municipal and Community Affairs of the Government of the Northwest Territories under the New Deal for NWT Community Governments.

**AND WHEREAS** in order to undertake the proposed construction and installation of the facilities and equipment it will be necessary to borrow the sum of **\$3,500,000.00** on the credit of the Charter Community of K'asho Got'ine.

**AND WHEREAS** the said indebtedness is to be repaid over a twelve year period in monthly installments, with interest not exceeding 10 per centum per annum (10%);

**AND WHEREAS** the Municipality has no existing debt.

**AND WHEREAS** the estimated lifetime of the project is 25 years.

**NOW THEREFORE**, the Council of K'asho Got'ine, in a meeting duly assembled, enacts as follows;

1. The Charter Community of K'asho Got'ine is hereby empowered and authorized to enter into contracts for the purpose of constructing a new community complex.
2. The long-term debt to be incurred under this by-law shall not exceed the sum of #3,500,000.00 and may be in any denomination not exceeding the amount authorized by this by-law and shall be dated having regard to the date of the borrowing.
3. The debt service payments on the long-term debt to be incurred under this by-law shall not exceed the sum of \$450,000.00 annually and may be in any denomination not exceeding the amount authorized by the by-law.

4. The long-term debt shall bear interest during the term of the debt at a rate not exceeding ten percentum per annum (10%).
5. The long-term debt shall be acquired in such a manner that the principle and interest will be combined and be made payable in, as nearly as possible, equal monthly installments over a period twelve (12) years, in accordance with the schedule attached and forming a part of debt instrument.
6. The repayment of the debt instrument shall be payable in lawful money of Canada at the Canadian Imperial Bank of Commerce in the City of Yellowknife, Northwest Territories or at such other bank of financial institution as the council may authorize as its banking agency during the term of the long-term instrument.
7. The said long-term debt instrument shall be signed by the Mayor and the Senior Administrative Officer of the Charter Community of K'asho Got'ine and the Senior Administrator Office shall affix thereto the corporate seal of the said community.
8. The said indebtedness is contracted on the credit and security of the Charter Community of K'asho Got'ine.
9. That this by-law shall come into effect immediately upon the passage hereof.

Read a first time this 26th day of November 2007, A.D.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Senior Administrative Officer

Read a second time this 28th day of April 2008, A.D.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Senior Administrative Officer

This By-Law approved by the Minister of Municipal and Community Affairs this 12 th Day of May, 2008

\_\_\_\_\_  
Minister of Municipal Affairs

Read a third time and finally passed this \_\_\_\_\_ day of \_\_\_\_\_ 2008, A.D.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Senior Administrative Officer

It is hereby certified that this By-Law No. 812-07 has been made in accordance with the requirement of the Charter Communities Act and the By-Laws of the Charter Community of K'asho Got'ine.

\_\_\_\_\_  
Senior Administrative Officer

# Appendix D: Differences in Community Government Structures



## DIFFERENCES IN COMMUNITY GOVERNMENT STRUCTURES

Body and Authorities	Charter Communities	Hamlets	Tlicho Community Governments	Cities, Towns and Villages	First Nations (Designated Authorities)
<b>WHO</b>	Deline, Fort Good Hope, Tsitsigehtichic	Aklavik, Enterprise, Fort Liard, Fort McPherson, Fort Providence, Fort Resolution, Paulatuk, Sachs Harbour, Tuktoyaktuk, Tulita, Ulukhaktok	Behchoko, Gameti, Wekweeti, Whati	Fort Simpson, Fort Smith, Hay River, Inuvik, Norman Wells, Yellowknife	Colville Lake, Dettah, Jean Marie River, Kakisa, K'atlodechee First Nation, Lutsel k'e, Nahanni Butte, Trout Lake, Wrigley
<b>LEGAL STATUS</b>	Municipal Corporation established under <i>Charter Communities Act</i>	Municipal corporation established under <i>Hamlets Act</i>	Municipal corporation established under the <i>Tlicho Community Government Act</i> .	Municipal corporations established under <i>Cities, Towns and Villages Act</i>	Where the First Nations (Bands) are primary authority in community to deliver municipal services
<b>CRITERIA FOR STATUS</b>	Public request with minimum of 25 persons eligible to vote or Minister's initiative. 90 days notice to change municipal status with 60% voter approval required.	Public request with minimum of 25 persons eligible to vote or Minister's initiative. 90 days notice to change municipal status	Implements obligations under the Tlicho Agreement to create four Tlicho community governments. See Establishment of new communities below.	Council request or Minister's initiative and minimum assessment base. 90 days public notice. 180 days to change municipal status	First Nations through application of <i>Indian Act</i> .  Self-Government by Act of Parliament
<b>ESTABLISHMENT</b>	By Minister's Order following community vote (60 % approval) on Charter.	By Minister's Order	By agreement of the parties and amendment to the <i>Tlicho Community Government Act</i> and <i>Tlicho Agreement</i>	By Minister's Order	First Nations established by Order-in- Council (OIC)  Self-government agreements by Act of Parliament
<b>LANDS</b>	Generally lands within municipal boundary – except lands set aside for Indians. Commissioner's Land available; in unsettled claims area, after consultation period with affected claimant group	Generally lands within municipal boundary – except lands set aside for Indians. Commissioner's Lands available; in unsettled claims area, after consultation period with affected claimant group.	All community lands transferred to community governments to manage on effective date of Tlicho Agreement.	Generally lands within municipal boundary – except lands set aside for Indians. Commissioner's Lands available; in unsettled claims area, after consultation period with affected claimant group.	Lands set aside for Indians OR reserve lands under Indian Act OR lands set aside by Act of Parliament under self-government agreement or land claim. May advise on disposal of Commissioner's Lands
<b>TAXATION</b>	Property taxes paid to GNWT. <b>Option</b> to become Municipal Taxing Authority by Ministerial Order – no taxing Charter Communities at present.	Property taxes paid to GNWT. <b>Option</b> to become Municipal Taxing Authority by Ministerial Order– no taxing Hamlets at present.	Property taxes paid to GNWT. The Community Governments the option to exercise rights of property taxation if they so choose.	Municipal Taxing authorities. Municipal Mill Rate Bylaw passed by all communities. Education mill rates set by GNWT, except Yellowknife.	<i>Indian Act</i> allows taxation of reserve. Claimant group may negotiate various taxation authorities.



# Appendix E: Sample Human Resource Plan



## Appendix E: Sample Human Resource Plan

HR Needs	HR Supply	Gaps	Strategies/Priority/Lead	Implementation/Cost
SAO	Position Filled	Job description is outdated  Third SAO in seven years	<b>Short Term/High/Council &amp;SAO with Contractor support</b> Update job description  <b>Medium Term/Low/Council &amp;SAO</b> Complete Training Needs Assessment  <b>Long Term/High/Contractor</b> Develop Succession Plan for SAO by creating ASAO position	<b>Short/\$1000.00 Contractor</b> Job description has been updated  <b>Medium/\$2000.00 workshop</b> Training Needs Assessment completed. Requires Strategic Planning: SCG 2008-2009 Registered in Cmty Govt Occup Certification  <b>Long/\$1000.00 Contractor</b> Succession Plan developed - Finance Officer promoted to ASAO May 2010
Finance Officer	Position Filled	Incumbent in position for ten years  Job description is outdated and needs to be revised due to the introduction of new duties  Incumbent requires training in administration of the Gas Tax, Capital Planning and local property taxes	<b>Short Term/High/SAO</b> Update job description Provide training in administration of the Gas Tax and Capital Planning  <b>Medium Term/Medium/ F.O. &amp; SAO</b> Complete Training Needs Assessment  <b>Long Term/Low/SAO</b> Develop succession plan for Finance Clerk	<b>Short/\$2000.00 workshop</b> Job description has been updated Capital Planning workshop May 2008  <b>Medium/\$4200.00 course</b> Training Needs Assessment completed: Requires Payroll training (SCG Nov 2008) Registered in Cmty Govt Occup Cert  <b>Long/\$42,000 Finance Program</b> Three year Succession Plan developed. Finance Clerk enrolled in SCG Finance Program (10 courses)
Community Works Foreman	Position Filled	Job description is outdated  The incumbent is expected to retire within four years  The incumbent requires training and certification	<b>Short Term/High/SAO</b> Update job description  <b>Medium Term/Medium/ SAO &amp; CWF</b> Complete Training Needs Assessment  <b>Long Term/Medium/SAO &amp; CWF</b> Develop succession plan for CWF	<b>Short</b> Job description has been updated  <b>Medium/\$4200.00 course</b> Training Needs Assessment completed : requires MMOS (SCG May 2009) Registered in Cmty Govt Occup Certification  <b>Long/\$29,400.00</b> Two year Succession plan developed for HEO. HEO enrolled in SCG Infrastructure Maintenance Program ( 7 courses)
Heavy Equipment Operator	Position Filled	Job description is outdated  The incumbent is well qualified for his present position but may require training to operate bull dozer  CWF retiring in three years. HEO will require training to move into the CWF position	<b>Short Term/High/CWF</b> Update job description  <b>Medium Term/High/CWF</b> Contact SCG for HEO and Equipment Maintenance courses  <b>Long Term/Medium/CWF &amp; HEO</b> Develop Succession Plan for HEO	<b>Short</b> Job description has been updated  <b>Medium/ \$5500.00 courses</b> Training complete – Nov 2008  <b>Long/ \$40,000</b> 3 <sup>rd</sup> year apprentice identified for succession. Hired as Assistant HEO in training position and will be offered position upon successful completion of apprenticeship
Water Treatment Plant Operator	Position Vacant	Job description is outdated – new water treatment system  The position is vacant and it is anticipated that the position cannot be filled from within the community.	<b>Short Term/High/CWF &amp; SAO</b> Update job description Ensure back-up until incumbent is hired Recruit for the position from within and outside the community  <b>Medium Term/High/CWF</b> Conduct Training Needs Assessment for new incumbent  <b>Long Term/Low/CWF</b> Hire and provide training to a Water Treatment Operator Trainee from within the community	<b>Short/\$3000.00 recruitment</b> Cmty resident working for mine will back fill for three months until incumbent hired Job description has been updated to reflect changes in water treatment system Recruitment is currently underway NWT and Canada wide to find an incumbent  <b>Medium/\$4200.00</b> Incumbent requires Solid Waste Management training: SCG Nov 2008  <b>Long/\$21,000 5</b> Trainee will be permanent offered position upon successful completion of SCG Water and Waste program ( 5 courses)
Recreation Coordinator	New Position	Funding available to hire Recreation Coordinator for two years	<b>Short Term/High/SAO</b> Develop job description Recruit for position through NWTAC, College and High School  <b>Medium Term/High/SAO &amp; RC</b> Complete Training Needs Assessment  <b>Long Term/High/RC</b> Hire a Cmty Recreation Coordinator Trainee from within the community	<b>Short/\$50,000</b> Intern Recreation Coordinator has been hired  <b>Medium/\$1500.00</b> Training Identified requires SCG Pool Level 1 Nov 2008  <b>Long/\$35,000</b> Trainee will be hired once the Recreation Coordinator is in place and familiar with the position



# Appendix F: Mandatory Bylaws



## Appendix F: Mandatory Bylaws

Section Title	Section	Section No.			
		Charter Communities Act	Cities, Towns and Villages Act	Hamlets Act	Tiicho Community Government Act
Rules of procedure for council	<p>Council shall, by bylaw, make rules respecting</p> <ul style="list-style-type: none"> <li>(a) the calling of meetings of council and its committees;</li> <li>(b) the procedure of council;</li> <li>(c) the attendance of council members at meetings of council and its committees;</li> <li>(d) the conduct of meetings by electronic means;</li> <li>(e) the procedures for voting at meetings of council and its committees;</li> <li>(f) the behaviour of council members and other persons present at meetings of council and its committees;</li> <li>(g) the establishment, appointment and duties of committees of council; and</li> <li>(h) the general transaction of its business.</li> </ul>	33	29	31	27
Entitlement of Mayor's/Chief's to Vote	<p>Council shall, in the bylaw referred to in [Rules of Procedure for Council] section, specify whether the [mayor/chief] or other presiding council member has</p> <ul style="list-style-type: none"> <li>(a) the right to vote only in order to break a tie vote among the councillors; or</li> <li>(b) the same right to vote as a councillor, either generally or only in specific circumstances.</li> </ul>	40	36	38	34
Senior Administrative Officer	Council shall, by bylaw, appoint a senior administrative officer.	45	41	43	38
Corporate Seal	Council shall, by bylaw, adopt a corporate seal for the community government.	55	51	53	48



# Appendix G: Discretionary Bylaws



## Appendix G: Discretionary Bylaws

Bylaw	Purpose	Section No.			
		Charter Communities Act	Cities, Towns and Villages Act	Hamlets Act	Tiicho Community Government Act
Term of Office	Subject to this Act, the mayor and councillors hold office for two years, unless council, by bylaw, increases the term of office to three years or with voter approval increases the term of office to four years.	-	17	18	-
Staggered terms of office	Council may stagger the terms of office of councillors by providing, by bylaw, that councillors elected at the next general election hold office as follows: (f) half of the successful candidates who receive the highest number of votes hold office for the full term of office; (g) the balance of the successful candidates hold office for a term of one year less than the full term of office.	-	18	19	-
Rules for public meetings	Council may, by bylaw, make rules respecting (a) the calling of public meetings by the community government; (b) the procedure at the public meetings; and (c) the behaviour of persons at the public meetings.	34	30	32	28
Code of ethics	(1) Council may adopt a code of ethics for council members. (2) A code of ethics may provide that council, by a 2/3 majority, may publicly censure or remove from a meeting any council member who it determines has breached the code of ethics.	39	35	37	33
Deemed resignation for non-attendance	Council may, by bylaw, provide that a council member who is absent from regular meetings of council, without the consent of council, more than a certain number of times specified in the bylaw, is deemed to have resigned.	41	37	39	35
Other Officers	Council may, by bylaw, appoint officers in addition to the senior administrative officer, and may authorize them to perform (a) any duty or power assigned to the senior administrative officer by this Act, other than those referred to in subsection 47(1); or (b) any other duties council considers necessary or advisable.	46	42	44	39
Holding multiple offices or positions	Council may, by bylaw, allow one person to hold two or more offices or positions.	50 (2)	46 (2)	48 (2)	43 (2)
Terms of Employment	Council may, by bylaw, (a) establish the remuneration and benefits of employees; (b) establish hours of work and terms of employment; (c) provide for the manner of appointment, promotion, discipline and dismissal	52 (1)	48 (1)	50 (1)	45 (1)

