

KEVIN O'REILLY—MLA FRAME LAKE
Municipal Funding Gap
Committee of the Whole—2021-2022 Capital Budget Review
Dept. of Municipal and Community Affairs—October 28, 2020

MR. O'REILLY: Thanks, Madam Chair. The mandate commitment from Cabinet is to reduce the municipal funding gap by \$5 million. I'm just wondering, the \$5 million, is that the total funding gap, or is it just on the capital side, the O and M, the water and sewer, which I guess I was calling environmental? Where is the intention to make up \$5 million? Thanks, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Member. Minister.

HON. PAULIE CHINNA: Thank you, Madam Chair. What Ms. Young had explained is that this was not a part of our budget that we last had put forward. We did speak about this just prior. I'll have her just elaborate on the \$5 million and how it's calculated and what funding would be used for. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Minister. Deputy Minister Young.

MS. YOUNG: Thank you, Madam Chair. The intention is to reduce the total gap by \$5 million, and then we've engaged with the NWTAC, as I've said, for the first portion of that, the \$2.5 million that was approved in April, to have a conversation about where to put the priority. Just for sake, we mentioned the number of \$20.4 million in the capital gap, that's roughly 60 percent of the gap currently. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, deputy minister. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. What is the total funding gap right now, then? I'm sorry. I don't have a calculator in front of me. Thanks, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Member. Minister of MACA.

HON. PAULIE CHINNA: Thank you, Madam Chair. I'll revert this question to Ms. Young again. Thank you.

CHAIRPERSON (Ms. Semmler): Thank you, Minister. Deputy Minister Young.

MS. YOUNG: Thank you, Madam Chair. The total gap is currently \$40.4 million per year.

CHAIRPERSON (Ms. Semmler): Thank you, deputy minister. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. Wow. That's a lot of money. Forty point four million dollars a year that we're shortchanging our community governments and we have a mandate commitment to help reduce that by \$5 million. Not terribly ambitious, in my point of view. I was in the last Assembly. I know the work that went into the municipal funding gap review. There were GNWT people on it; there was NWTAC; there were people from the tax base communities, the non-tax base communities. There was a lot of work that went into that, too. Try to move us away from a per-capita funding formula to something that's more evidence-based and needs-based. We've got to

change the policy that's in place. The question for the Minister is: all we're going to achieve in four years is to reduce the funding gap by \$5 million when it's actually \$40 million? We can't get a little more ambitious than that? Thanks, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Member. Minister of MACA.

HON. PAULIE CHINNA: Thank you, Madam Chair. I'm going to revert this to Ms. Young again. Yes, I hear that. It's just only \$5 million. The municipal gap, like she had said. Is \$40.4 million. It's a large number. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, Minister. Deputy Minister Young.

MS. YOUNG: Thank you, Madam Chair. We are using all of the processes available to us to try to seek additional funding. I do recognize that we're competing against many other departments, as you're aware, for limited funding. As you know from the past government, we did struggle to even keep pace with the gap. If we can achieve \$5 million that's a significant accomplishment compared to what we have done, although there is a long way to go. Thank you, Madam Chair.

CHAIRPERSON (Ms. Semmler): Thank you, deputy minister. Member for Frame Lake.

MR. O'REILLY: Thanks, Madam Chair. I guess I'll try to find a diplomatic way to say this. When I ask a political question, I'd like to get a political answer from the Minister. I appreciate that her staff work very hard. I appreciate all the work that they do, but that was really more of a political question. I'm worried though. With inflation and so on, we're probably still losing ground at this rate. If we could only get an increase of \$5 million in the gap by the end of this Assembly, I think we may still be losing ground. I'm already on the public record saying I'm going to find it very difficult to support the capital estimates without an increase in funding to our community governments. That's a political statement. I don't expect an answer. We just can't continue to underfund our community governments and expect that our residents are going to have the quality of life that people deserve. Not quite sure what else I can say at this point, Madam Chair. Cabinet needs to find more money to put into the capital estimates to support our community governments. Thanks, Madam Chair.