Welcome to the Our Towns, Our Future Findings Report. I am delighted to invite each Yukon resident to explore almost a year’s worth of community consultation, research and debate around the challenge of municipal sustainability. We called this important review last year in response to concerns, challenges and successes presented by Yukon municipal leaders and citizens. We heard that Yukon government and municipalities need to be exploring what matters when it comes to the long-term sustainability and health of our towns – everything from finance to operations.

This process has been strengthened by the partnerships between Yukon government, Association of Yukon Communities, and officials in our Yukon communities. New channels for open communication have been opened and a precedent set for future opportunities to work together and support one another.

The findings included here can help us define the next steps in our work toward municipal sustainability. In these findings, we hear the voice of citizens, entrepreneurs, First Nation contributors, public service employees and our town councils and Local Advisory Councils. There is still more work to be done as we discuss implementing the possibilities listed here. I look forward to working with each one of you on “Our Towns and Our Future”.

Archie Lang
Minister of Community Services
A Message from the Association of Yukon Communities

The Our Towns, Our Future review reminds all Yukon citizens how important municipal health is to their own. Residents rely on solid governance from civic governments to assist them in meeting basic human needs such as water, waste water, and emergency services, but also in providing avenues for those quality of life elements we so enjoy in the Yukon—recreation and community activity.

AYC is proud to be a part of the review process initiated by Yukon government in response to concerns it raised over the past decade. Our municipal employees and elected leaders put forth a shared voice that indicates we need to tackle these challenges head on and with determined intention to begin shaping a future that will carry us into the next decades and beyond.

AYC’s desire is to continue on the course of implementing changes from these findings in a continued partnership with all governments and stakeholders. AYC is pleased with the achievements so far in terms of the community visits and documentation as part of this review, but also recognizes the significant work all our members will be called upon to assist with on the road ahead. I believe we are ready for the challenge.

Bev Buckway,
President, Association of Yukon Communities
A Message from Our Towns, Our Future

A review as broad in scope as this one demanded a team that could rise to the challenge. It was not a simple feat to meet regularly - we met weekly since we formed - as each member is a respected leader and valuable member of a team that supports municipal affairs in some way. We come from Community Services (YG), Finance (YG), the Association of Yukon Communities, Whitehorse and Carmacks.

The approach taken by the committee toward transparent conversations and collaboration has utilized new technologies to reach out for information as well as to share ideas with others. The OTOF blog, website, Community Visits Summary and survey contributed to an atmosphere of openness and productive debate.

We have been encouraged and challenged by the voices we heard during our community visits in Fall 2010 and also impressed by the research we read and collected over the course of the review. We hope the findings and research that helped inform this review will be a valued resource. They are a testament and a product of true team effort. We know this spirit of collaboration between all those invested in municipal success will and must continue.

Paul Moore
Assistant Deputy Minister, Community Development
Chair, Our Towns, Our Future Review Committee
# Contents

## Volume 1: Findings Report

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>5</td>
</tr>
<tr>
<td>Findings with Contexts</td>
<td>10</td>
</tr>
<tr>
<td>Yukon Government and Municipal Relations</td>
<td>11</td>
</tr>
<tr>
<td>First Nation and Municipal Relations</td>
<td>13</td>
</tr>
<tr>
<td>Regionalization and Governance</td>
<td>15</td>
</tr>
<tr>
<td>Municipal Act Review Process</td>
<td>17</td>
</tr>
<tr>
<td>Community Development Teams</td>
<td>18</td>
</tr>
<tr>
<td>Municipal Sustainability Indicators</td>
<td>20</td>
</tr>
<tr>
<td>Climate Change Adaptation</td>
<td>22</td>
</tr>
<tr>
<td>Yukon Municipal Resources Website</td>
<td>24</td>
</tr>
<tr>
<td>Provision of Local Services</td>
<td>26</td>
</tr>
<tr>
<td>Municipal Infrastructure Deficit and Asset Management</td>
<td>30</td>
</tr>
<tr>
<td>Revenue Generation</td>
<td>32</td>
</tr>
<tr>
<td>Lot Development and Land Availability</td>
<td>35</td>
</tr>
<tr>
<td>Comprehensive Municipal Grant</td>
<td>37</td>
</tr>
<tr>
<td>Increasing Cost and Burden of Regulations</td>
<td>39</td>
</tr>
<tr>
<td>Impacts of Peripheral Residents, Businesses, &amp; Industries on Municipal Services</td>
<td>41</td>
</tr>
<tr>
<td>Energy Costs</td>
<td>43</td>
</tr>
<tr>
<td>Employee Recruitment and Retention</td>
<td>45</td>
</tr>
<tr>
<td>Training: Building Local Capacity</td>
<td>47</td>
</tr>
<tr>
<td>Our Towns, Our Future: Next Steps</td>
<td>50</td>
</tr>
<tr>
<td>Findings List</td>
<td>51</td>
</tr>
</tbody>
</table>

Please see Volume II: Supporting documents, which consists of reports and further research.
Introduction

The Context

We in the Yukon are fortunate to share a colorful and inspiring history. One of the important legacies of this history and the people who created it, are the eight municipalities that are home to the majority of Yukoners. Each of these municipalities is as unique as the people who make these communities their homes. Yukon municipalities with the support of Yukon Government have done extraordinarily well to create vibrant and healthy communities and we should recognize and celebrate that success.

It takes dedication, skill, effort, and money to keep municipalities viable. The Municipal Act, which established many of the fiscal and government frameworks for municipalities in the Yukon, dates to the 1980s and we all recognize that the Yukon has changed substantially over the past twenty-five years. Many municipal leaders feel that the governance and financial systems established decades ago are no longer able to ensure continued municipal resilience. That is why in April 2010 Minister Archie Lang announced the creation of a process that became Our Towns, Our Future: Supporting Municipal Success from Finance to Operations.

The Challenge

In today’s world, expectations and pressures on municipalities are intense. Accountability and regulatory standards continue to expand. There are new increasing demands for improved infrastructure, enhanced programming, additional services, and more reporting.

Governance and financial systems established twenty years ago need to be modernized to meet the requirements of the new municipal fiscal framework. Modernization does not always mean more money. Modernizing can be an opportunity for innovative thinking, including using new technologies. Leveraging economies of scale can offer opportunities, not only in the purchase of capital assets but in support mechanisms like capacity building and the sharing of systems, best practices and expertise.

While this changing world has meant rising operational costs, the ability to generate municipal revenues has not kept pace. Aside from Whitehorse (and Dawson to some degree), property taxes are not a substantial portion of revenue. Over the past four years Yukon government has significantly increased the Comprehensive Municipal Grant, (the fund paid to municipalities to support operational and capital expenses) which has been a tremendous benefit. Federal and territorial infrastructure
programs have also been developed to help address problems with aging and failing infrastructure which has helped as well. Many other initiatives continue to be developed and implemented; however, there has not been a systematic full review of the challenge. Such a comprehensive, systematic approach was the objective of this review process, and is the subject of this report.

**The Committee**

Minister Lang established the Municipal Fiscal Framework Review Committee (MFFRC) and tasked them to report back to him with findings that gave a comprehensive, complete picture of the challenges facing municipal success. Of course it's not enough to just say here is the problem; the Committee was also tasked with providing both historic context and ideas about how similar issues are being experienced and addressed across Canada.

In order to understand this challenge, MFFRC was directed to work with municipal leaders, interested First Nation governments and members of the public. The Committee’s full Terms of Reference and Mandate can be found in Volume II of this report. The Committee was told to report back to the Minister within a year so the Minister could deliver the report at the Association of Yukon Communities’ Annual General Meeting in the spring of 2011.

MFFRC is made up of equal numbers of Yukon government and Association of Yukon Communities representatives.

- Paul Moore, Assistant Deputy Minister of Community Development;
- Clarke LaPrairie, Assistant Deputy Minister, Department of Finance;
- Christine Smith, Director of Community Affairs;

and three Association of Yukon Community representatives:

- John Pattimore, Executive Director of AYC;
- Robert Fendrick, City of Whitehorse, Director of Administrative Services; and
- Rose Price, Chief Administrative Officer, Village of Carmacks.

**The Process**

Once MFFRC was established and began meeting it was quickly recognized that the success of the process depended upon getting public support and being able to productively engage each
municipality. One of the early decisions was to develop an open, transparent process that would appeal to a wide variety of Yukoners. This process became *Our Towns, Our Future*.

In October 2010, *Our Towns, Our Future* hosted Mayors, Councilors and Chief Administrative Officers at a meeting in Whitehorse, where they reviewed the mandate and ensured that the Committee was on the right track. With added direction from municipal leaders, the Committee began its Community Visits through November and December.

*Our Towns, Our Future (OTOF)* visited each municipality, holding meetings with mayors and councils, the public and interested First Nations. Meeting notes were posted on OTOF’s interactive website and in January 2011, the Committee released an interim report, the *Community Visits Summary*. This summary recapped the key concerns that were heard in each community throughout the territory. Many issues were raised at these meetings. Some were outside the mandate of the Committee to address and were passed along to other agencies. Most others were described in this report and it was from this summary that the 18 key themes in the findings report began to emerge.

**Principles**

The need to actively and productively engage in an open process led the Committee to adopt nine guiding principles. These principles defined how the Committee worked together and how it would make decisions throughout the process.

1. **Inclusive**: The review process will strive in its design and implementation to engage all governments, stakeholders and individuals who have interest in the review.
2. **Engaging**: The review will provide multiple, flexible and creative avenues for two-way communications and meaningful dialogue.
3. **Practical**: The review will strive to develop findings that can be realistically accomplished.
4. **Accountable**: The MFFRC will regularly report on its activities to the partners, other interested stakeholders and individuals. It will also be fiscally accountable for its work.
5. **Evidence-based**: The review will draw from best available research and analyses and will involve subject-area experts to inform decision-making throughout the review.
6. **Partnership-led:** The Yukon government and AYC will work collaboratively towards a common purpose while respecting the autonomy and mandates of each party.

7. **Innovative:** MFFRC will encourage and apply innovative thinking and actions in the review.

8. **Inspirational:** The review will strive to inspire people to think long-term about local governance.

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

The Committee dedicated itself to conducting all its business according to these principles throughout the review process.

In order to ensure **open communication** one of the first initiatives was to hold a forum where mayors and councilors, along with the Minister of Community Services, could set the stage to ensure that the mandate met their needs. The forum was attended by representatives from every municipality.

Furthermore, when the Committee received feedback that some municipal leaders wanted more information about what was happening at the committee’s meetings, from January onwards, all Committee meetings were opened up to observation by mayors and councilors, either in person or through an open teleconference line.

To support **open-communication, innovation, and engagement,** a website was created early in the process and all OTOF minutes were regularly placed here and updated so everyone could read them. When municipal visits began, the minutes from each of meetings (public, mayor and council, and First Nation) were placed on the website as well.

**Being innovative** and **practical** was used in both process and outcome. In the review the Committee took stock of existing resources and practices and looked at ways of doing things without the addition of new resources.

The Committee’s findings attempted to be **inspirational** by offering new ways of thinking about municipal issues and reframing limiting assumptions and perceptions. In the municipal visits, discussion began with the idea that the Committee wanted to talk about what people wanted to see in their communities in the next twenty-five years, allowing for participants to imagine the future of their town in the best possible way.

In addition to the information that was gathered during the municipal visits, research was conducted to provide **evidence-based** data. A number of research consultants were asked to provide reports from their expertise in a number of areas (comprehensive municipal grant, sustainable indicators, training, and financial). All reports are available, as well as a References and Resources section, in Volume II.
In order to be accountable the Committee regularly reported to the Association of Yukon Communities, and the Minister of Community Services, and made publicly available the minutes from its meetings, its Terms of Reference and its Mandate. Financially, the Committee used in-house research where possible and issued contracts only on more complex issues. It conscientiously car-pooled, used private accommodations and strategically scheduled community visits for efficient use of time and funds.

The establishment of the Committee demonstrated the commitment to being partnership-led. The Committee was made up of equal partners from Yukon government and the Association of Yukon Communities (AYC). The committee also made presentations to the AYC Board at meetings in December and in March. The Committee met with the public, and with mayors and councils in each municipality. The Committee also met with the five First Nations who expressed interest in meeting with us and with the local advisory councils.

Operating in this principle-based manner created high standards for the Committee. It also allowed the Committee to develop and model the kind of values that any community might look at in its own success and sustainability.

**What is a “Findings Report?”**

The findings in this report are not recommendations, they are observations. These observations are based on what was seen and heard during the municipal visits, the opinion and experience of the committee members, and the research conducted by experts in a variety of fields.

This distinction is important. The Committee’s mandate states that its findings are not binding on the AYC or the Yukon government. The Committee does not make decisions; instead it reports to the Minister of Community Services. The power to make decisions based on the findings of the *Our Towns, Our Future* report rests in the hands of the political powers: the mayors, councilors, Minister and the Yukon government.
In order to inform future steps, further analysis may be conducted on findings that decision-makers are interested in exploring. The purpose of this Findings Report is to provide a clear picture of the challenges and opportunities related to municipal success - from operations to finance.

The Findings with Contexts

The 75 findings fall into 18 theme areas. These themes are overlapping and interrelating and the value in describing them in this way is to give clarity to the presentation of the material. Within each theme linkages with other themes are identified. The municipal environment is a dynamic system and this interconnectedness is important to acknowledge. It helps create equilibrium which is a good thing for long term sustainability, but it can also make change very difficult.

1. Yukon Government and Municipal Relations
2. First Nation and Municipal Relations
3. Regionalization and Governance
4. Municipal Act Review Process
5. Community Development Teams
6. Municipal Sustainability Indicators
7. Climate Change Adaptation
8. Yukon Municipal Resources Website
9. Provision of Local Services
10. Municipal Infrastructure Deficit and Asset Management
11. Revenue Generation
12. Lot Development and Land Availability
13. Comprehensive Municipal Grant
14. Increasing Cost and Burden of Regulations
15. Impacts of Peripheral Residents, Businesses, & Industries on Municipal Services
16. Energy Costs
17. Employee Recruitment and Retention
18. Training: Building Local Capacity
Yukon Government and Municipal Relations

Context

It is sometimes forgotten that in Canada municipalities are created for a reason by senior levels of government, including Yukon. They are expected to deliver services to property and provide good government to their residents and taxpayers. To serve this purpose well, municipalities require the active support of senior governments. Having strong local governments that sustain resilient communities serves the interests of all the people of Yukon.

For Yukon to build and support a viable municipal sector respectful, collaborative, cooperative and transparent working relationships must continue to be developed between the Yukon government, the eight municipalities and the Association of Yukon Communities (AYC).

Discussion

A Memorandum of Understanding (MOU) between AYC and Yukon government was signed September 2009 to promote cooperation, foster timely consultation, share information, encourage understanding, enhance the relationship between the parties and identify where cooperation can be improved. The MOU has strengthened this working relationship, significantly benefited both parties and has led in part to the establishment of the *Our Towns, Our Future* review. The terms of the MOU will be regularly reviewed to ensure the working relationship between the two parties continues to be productive and effective.

Yukon government also works directly with municipalities. Community Affairs staff regularly attend municipal council meetings and work with Chief Administrative Officers (CAOs) as required. The Community Affairs Branch holds quarterly teleconferences with all municipal CAOs and other interested government officials. Many other Yukon government departments also work directly with municipalities and on a regular basis Yukon government officials are meeting with staff, mayors and councillors, over the phone and in their own communities, on a myriad of issues and concerns.

AYC advocates on behalf of its members: the eight municipalities and local advisory councils in Yukon. AYC speaks with one voice to represent municipal interests with the Yukon government and across the country as a member of the Federation of Canadian Municipalities. It also serves an important function as a consulting body to Yukon government on areas of general municipal interest such as legislative reviews and program delivery changes. In more recent years AYC has expanded its mandate to include provision of training for local government officials and municipal staff. The committee heard concerns
about AYC’s role (e.g. should it be involved in delivering training) and there may be value in revisiting its focus. AYC receives funding of one hundred thousand dollars per year from the Yukon government.

The relationships between Yukon government, the Association of Yukon Communities and the municipalities are vital to maintain healthy communities. Over the last few years, these parties have been able to come together to celebrate many municipal milestones. Opportunities to recognize success and encourage municipal accomplishments are important and need to continue.

Findings

- The recent Memorandum of Understanding between Yukon government and the Association of Yukon Communities has been a successful, ongoing collaboration. It should be regularly reviewed to ensure it is relevant and understood by the parties.
- Improved information sharing is essential for continued strong relationships. There is a direct link between sharing information, building trusting relationships and being able to ensure municipal resilience.
- Meetings between elected municipal and Yukon government officials are extremely important to enhance the continued flow of information and the sharing of concerns.
- It is essential that Yukon government works not only bilaterally with the Association of Yukon Communities but continues to foster direct relationships with municipalities to understand their unique concerns and interests.

Linkages

- Community Development Teams
- Training: Building Local Capacity
- Yukon Municipal Resources Website
First Nation and Municipal Relations

Context

Municipalities have valuable working relationships with First Nation governments. In many Yukon communities, municipalities and First Nations collaborate, cooperate and work hard to find opportunities for their citizens to succeed. Some municipalities and First Nations leaders have seasoned working relationships, optimizing resources and supporting their citizens with a common approach. Other municipalities and First Nations are in the earlier stages of figuring out how to work better together. Yukoners have pride in where they live and a desire to work together to create sustainable and resilient communities.

Discussion

Many municipalities have First Nation settlement land within their boundaries and this creates many opportunities for close working relationships. For example, First Nation and municipal governments report having good working relationships when they:

- Have regular, joint council meetings;
- Share the provision of a program or service;
- Undertake joint project development;
- Undertake joint planning (Official Community Planning, Integrated Community Sustainability Planning); and
- Develop joint working and/or services agreements.

Community members identify a number of factors they believe contribute to a community with strong working relationships and/or effective sharing of programs and services. These include:

- The mutual valuing of a service/program
- Making the time to listen to each other, such as creating opportunities where each party is comfortable to discuss and share information
- Having patience and the understanding that a good relationship takes time
- Having opportunities to profile joint successes, such as project specific celebrations

Many of these attributes of successful collaborative working relationships come from unique local experiences arising from people who live together and know each other well. In other words local characteristics determine how these relationships arise, when they work and when they don’t. In many cases, Yukon government has a small role to play except to respectfully stay out of the way.
However, there are other times and situations when Yukon government provides opportunities for collaboration. Joint workshops, training, networking and funding can bring these different levels of government together in a productive way. In rare circumstances, Yukon government is directly asked to help build community consensus or act as a liaison on the community’s behalf. In these situations, requests must come from a community and Yukon government is careful to respect the values and wishes of the local governments.

Findings

- When opportunities arise and interest is expressed, Yukon government can facilitate municipal/First Nation discussions in areas of mutual interest. Local relationships are the most important factor for communities to develop productive ways to work together.
- Clear understanding of the roles and responsibilities of each level of government can help in the development of service agreements and relationship building.
- There are many examples of First Nation and municipal collaborative successes at providing direct, on the ground programming in areas such as recreation, public works and planning.

Linkages

- Regionalization and Governance
- Community Development Teams
- Impacts of Peripheral Residents, Businesses & Industries on Municipal Services
Regionalization and Governance

Context

In many jurisdictions around the country, municipalities are looking at regionalization as a possible approach to reduce costs by sharing the provisions of local services. Regionalization allows a number of municipalities to share the costs of facilities or services (e.g. solid waste facilities, emergency protection, animal control or recreation centres) rather than each community having to provide these services individually.

While regionalization may have potential in areas where municipalities are located more closely together, most municipal leaders in Yukon feel that it is not a viable solution here. Not only are our communities too far apart, there is a concern that regionalization would just create another level of government and a larger bureaucracy.

While a structural change to adopt regional governance is not seen as viable in Yukon at the present time, some municipalities and First Nations were supportive of exploring regional governance in the future.

Discussion

While the creation of a regional level of governance was not supported during the discussions with municipalities, it was generally agreed that the provision of certain services at a regional level may be helpful. There is some interest in combining forces on professional services, (e.g. legal, engineering) joint procurement and project management, but these would be done on an as needed, case by case basis. Solid waste management and emergency services are two areas where there is interest in talking about possible regionalization.

Solid waste management across Yukon already transcends municipal boundaries. For many reasons, including cost benefits and improved environmental management, the recent Yukon Solid Waste Action Plan set Yukon on a path towards regional circuits where satellite transfer stations feed into regional landfills.

Emergency services are a significant financial and capacity burden on smaller municipalities. In many cases mutual aid agreements already exist. A regional model may relieve municipalities of potentially significant financial liabilities.

Partnering with other municipalities or governments on the provision of municipal services may offset some of the increased costs but each municipality has unique engineering and infrastructure needs.

~Village of Carmacks and Little Salmon Carmacks First Nation joint meeting
Other cost-sharing possibilities may exist between communities that are geographically close (Ross River and Faro, Haines Junction and Champagne/Aishihik First Nation, Mayo and Keno, etc.)

Yukon municipalities’ interest in regionalization is such that it should only happen in certain areas of service provision, should not create more government and should serve to benefit their citizens.

Findings

- There is minimal support for creating a new level of regional government but there are opportunities for shared-use agreements and cost-sharing of existing infrastructure and services on a case-by-case basis.
- Solid waste management may benefit from a more regional approach as many of the challenges are generated by the regional nature of this service.
- Fire protection and other emergency services challenge available resources in some rural municipalities. There may be significant value in considering a more regional approach in the provision of fire and emergency services.
- Shared contracting and procurement may help attain better economies of scale.

Linkages

- Provision of Local Services
- First Nation and Municipal Relations
- Yukon Municipal Resources Website
- Community Development Teams
- Revenue Generation
Municipal Act Review Process

Context

As citizens and municipal governments test and implement the Municipal Act their experiences reveal areas where the Act can be improved. This awareness is informed by the evolution of related case law, changing public needs and opinions, and the development of best practices in other jurisdictions in Canada.

Municipalities would like a better understanding of when and how the Municipal Act will be reviewed.

Discussion

In the Our Towns, Our Future review, municipalities raised questions about a number of issues directly linked to the Municipal Act. Examples of areas where changes in the Act might be considered include revenue generation opportunities, investments, local improvement charges and public votes.

Keeping the Municipal Act current has significant value. When the Act becomes outdated due to any number of reasons, costly and sometimes divisive court cases can be the outcome. Section 371 of the Act states that within 10 years after this Act comes into force, the Minister shall establish a process for the review of this Act. Processes have been established and the Municipal Act was reviewed and amended in 2003, and in 2008, however, there is no formalized understanding or agreement of when and how future reviews will occur.

The lessons learned from the Municipal Act review process that took place in 2008 will inform the development of a review process. A Memorandum of Understanding between Yukon government and the Association of Yukon Communities could define a process to ensure clarity, transparency and predictability for future reviews.

Findings

- The Municipal Act review process is not formalized and leads to confusion and misunderstanding. Municipal officials and citizens would benefit from a clear understanding of the process and timeline for future Municipal Act reviews.

Linkages

- Revenue Generation
- Yukon Government and Municipal Relations
Community Development Teams

Context

Community development can be defined as the initiative to empower individuals and groups within a community to create change. The need for a comprehensive, partnership-based approach to community development was heard throughout the review process. Community challenges often transcend municipal capacity as well as the mandates of individual Yukon government departments. The need for strategic, coordinated planning and investment was viewed as essential to long-term sustainability.

A community development approach will help bring the right people together to tackle complex sustainability issues in a pro-active, long-term and locally relevant way.

Discussion

Over time, issues that arise in municipalities can be very complex and difficult to solve. Infrastructure investment, resource management, land planning, recreation, health and economic development are all examples of important community programs and services that are multi-dimensional and need a team-based approach.

Successful efforts to resolve these complex issues may involve significant resources and time. When relevant information is unavailable, important considerations can be left off the table and valuable resources may be missed. A team approach can help a municipality overcome these challenges and more effectively address long-term community needs.

A community development team approach will enhance relations between Yukon government and local government officials. Some examples of a multiple departmental approach exist in places like the Northwest Territories and Manitoba. Models like these and the Yukon Regional Roundtable Table have helped communities become more resilient and develop opportunities to improve the overall quality of life of their citizens.
Findings

- The development of a comprehensive team approach has worked in a number of jurisdictions and may be a way to overcome the multi-dimensional challenges to sustainability that municipalities face. A group made up of YG representatives, municipal representatives, and potentially FN representatives, dedicated to each municipality or region may be a way to tackle issues, overcome silos, and create efficiencies. Other stakeholders may include community non-government organizations.
- By taking a community development approach, Community Development Teams can build relationships with key people and organizations to empower communities to create change.

Linkages

- Regionalization and Governance
- Increasing Cost and Burden of Regulations
Municipal Sustainability Indicators

Context

The *Our Towns, Our Future* review emerged, in part, to find out if Yukon municipalities are sustainable, and if not, what changes might be required to get there. One of the observations that quickly emerged was the question of how we measure municipal sustainability. While many municipal statistics are gathered, and reports and audits are conducted, there is no comprehensive instrument in Yukon for objectively making this sort of determination. Developing a measuring tool for municipal sustainability would provide an ongoing way to assess the state of our municipalities.

Municipal sustainability reporting would need to reflect principles of practicality, accountability and evidence-based input. The outcome of using such a measuring tool would be an improved understanding of the overall health of the community and other “quality of life” factors. A primary goal in conducting a municipal sustainability assessment is that the result is a simple, representative and relevant tool that aids planning and program development.

Discussion

In reviewing other jurisdictions across Canada the value of gathering municipal sustainability indicators becomes apparent. Such an assessment can:

- measure efficiency;
- give an early warning system to provide an alert to problems before a crisis arises;
- identify barriers to success;
- enable the prioritization of critical issues; and
- help focus efforts and clarify strategic approaches to improving viability and sustainability.

Improved planning capacity is expected to be one of the most significant outcomes from this process. A shortage of this kind of indicator information means that local government officials are often responding reactively to situations rather than proactively addressing the challenges.

Research conducted in this area found that other jurisdictions in Canada have developed simple tools to gather and provide this information. The provision of a tool for assessment based on readily available information would be a major step forward in long-term sustainable management.

Municipal administrators will need a process that is not burdensome, yet is comprehensive enough to provide an accurate picture of a community. The reporting process could draw on existing data to evaluate issues like population, public participation, age demographics, the economy, assessment and...
taxation, governance, service and infrastructure. Projects undertaken in other provinces have helped to:

- shed light on the true costs of providing services;
- increase understanding and engagement in local governance;
- build partnerships;
- find decisions in solid and current data; and
- inspire people to think long-term.

As a leader in statistical information, Yukon government could provide the support required to implement this type of reporting. This includes the development of an assessment template, data retrieval training and offering workshops on how to make it work. It is understood that most tool kits and checklists of this kind are completed on a voluntary basis.

**Findings**

- There are few standardized measures to understand municipal sustainability in the Yukon.
- The value of a municipal sustainability toolkit would be to better evaluate the current situation of communities, measure efficiency, provide an early warning system, improve strategic planning, prioritize critical issues and provide data to improve planning for the future.
- The list of indicators should provide a whole picture of the community.
- A sustainability indicators toolkit would be useful for municipalities and given the readily available data would not impose a burden on Yukon communities.

**Linkages**

- Municipal Infrastructure Deficit and Asset Management
- Community Development Teams
Climate Change Adaptation

Context

Quality of life is increasingly listed as a key indicator in municipal and regional sustainability planning. It is generally accepted that climate change may seriously affect the ability of local governments to offer reliable and resilient services. The public are also becoming more conscious that they have a role to play in addressing and managing climate change challenges. Municipalities will require resources, knowledge and support in facing real-world implications of climate change.

At present, many municipalities facing immediate infrastructure deficits, financial concerns and other urgent issues have difficulties prioritizing long-term climate change challenges.

Discussion

Canada’s north is one of the most vulnerable areas to changing climates. Municipalities and First Nation governments are already responding to serious issues like melting permafrost, particularly as housing and in-ground infrastructure is affected. Whitehorse and Dawson have both undertaken Climate Change Adaptation Plans that engage government leaders and citizens alike. Other municipalities will follow with their own plans.

The Association of Yukon Communities and Yukon government have been in discussions on how they can support municipal planning with respect to climate change. The Department of Community Services participated in a pilot project set up with the Climate Change Secretariat and the Northern Climate ExChange. The purpose of the project is to train community advisors on climate change so they can inform and assist municipal leaders on building climate change considerations into their decision-making.

Community members and environmental professionals have growing concerns about potential climate change effects such as increased forest fire activity, infrastructure damage from permafrost melting, flooding due to changes in precipitation patterns, and increases in numbers and composition of pest and invasive species. Municipalities want to understand how to adapt emergency management, for example flood control and fire protection, to unpredictable weather phenomenon that may be caused
by climate change. Other communities are engaging in conversations around food production possibilities and zoning for agricultural land. There are many opportunities for adaptation discussions and actions by municipal and territorial leaders.

Any actions that attempt to mitigate or address the problems and possibilities presented by climate change may require scientific or engineering expertise not always available in the communities. For many Yukon communities this may require additional financial and human resources. Cities and towns around the globe have seen increased regulation due to climate change. Carbon taxes or cap and trade systems may have a significant financial impact on municipalities.

Yukon government’s Climate Change Secretariat and the Northern Climate ExChange are excellent resources for Yukon communities. The Cold Climate Innovation Centre offers support to industry in our northern towns and Yukon College has opportunities to help build the knowledge of municipal leaders regarding the potential impacts, mitigation and adaptations that a changing climate may require.

Findings

- Climate Change adaptation practices are built into some, but not all, long-range planning and infrastructure development processes in Yukon municipalities.
- Yukon government continues to support municipal leaders to incorporate climate change considerations into their decision making.
- Community adaptation projects, similar to those recently done in Dawson and Whitehorse, are providing many innovative ideas for adapting to changing climates. There may be value in additional community adaptation projects in other Yukon communities.
- Further environmental monitoring and regulation may become a prerequisite over time and municipalities will need increased capacity to meet this demand.
- There are many opportunities for municipal leaders to work with citizens, community groups and businesses in relation to climate change adaptation.

Linkages

- Municipal Infrastructure Deficit and Asset Management
- Energy Costs
- Municipal Sustainability Indicators
Yukon Municipal Resources Website

Context

Many municipal officials articulate the need for an information sharing system that can improve administration, build capacity and establish the sharing of best practices among all municipalities. There are many advantages to municipalities learning from each other and modern information sharing technologies can be used to facilitate this process.

Discussion

Yukon municipalities generally have their own websites that house items such as by-laws, minutes and upcoming events. Most Yukon municipal officials contact other municipalities when they need help. However, the current process of gathering information can be cumbersome. There would be great value in creating a resource website where expertise held by civic administrators and managers throughout the Yukon can be stored, shared and used.

Other jurisdictions across Canada have implemented user-friendly websites that allow officials and citizens to learn from their municipal colleagues. Yukon municipalities have identified a number of potential areas for increased collaboration and shared information. Some of these include:

- Contract Samples
- Election Processes
- Training
- RFPs
- Job Postings
- Discussion Forum
- AYC Programs & Services
- Accounting
- Policies and Procedures
- By-laws
- MOUs
- Grants/funding
- Events
- Municipal Calendar
- Best Practices
- Links
- Open Data

Based on similar projects undertaken in British Colombia and Alberta, a municipal resources website would have a variety of effects. It would offer a greater degree of transparency between municipal processes and the public and information would remain accessible online after long-serving staff members retire. The project would bring together key stakeholders in the municipal sector; the Association of Yukon Communities, Yukon government, individual municipal governments and local advisory councils who could all benefit from this opportunity.

User considerations and management oversight are keys to the success of a development like this and it will be vital to work out requirements such as user security, training and accessibility. The site will also have to be kept up-to date to be relevant and useful.
The website is a project widely supported across municipalities and is seen as a project that would be relatively easy to set up. Yukon government’s access to the Share-point system may provide an opportunity to initiate such a project.

Findings

- Across Canada, municipalities are working hard to engage the public. Sharing practices, information and projects with each other and the public could enhance public engagement, transparency and accountability.
- The development of a municipal resource website to serve as a database of best practices, bylaws, reports and policies would provide a user-friendly forum to improve the exchange of information and increase the capacity of Yukon municipalities.

Linkages

- Provision of Local Services
- Community Development Teams
- Training: Building Local Capacity
- Employee Recruitment and Retention

_We don’t want to reinvent the wheel. All municipalities need to write by-laws, policies, contracts, etc. Can we find a way to share this information?_

~ Faro Council meeting
Provision of Local Services

Context

One of the most fundamental purposes of municipalities is to provide local services to residents. There is a long list of these services that municipalities in Yukon are responsible for providing including: drinking water, waste-water treatment, fire protection, solid waste management, roads, bylaw services, development control and recreation.

In many cases the cost of providing these services has increased over the past number of years. Municipalities give a number of reasons for this increase which includes changes in standards and regulatory compliance, higher expectations from the public, reduced volunteerism, rising energy costs and increased expenses for professional services (e.g. engineering, legal, accounting).

Most municipalities feel that they are being asked to provide more services without an offsetting increase in revenue. Councils can experience a public who do not always understand this challenge and who often want to maintain or increase levels of services without being aware of the corresponding financial implications. Municipalities are required to have balanced budgets and must make difficult and sometimes unpopular decisions when they can’t fund every service a diverse population wants.

Outside of Yukon’s eight municipalities the Yukon government provides municipal-type local services.

Yukon residents were given the opportunity to fill in a survey in order to identify what they felt were the most pressing issues facing municipalities today:

![OTOF SURVEY: Public View of Most Significant Municipal Challenges](image-url)
Municipalities require significant skills, resources, staff time and finances to be able to respond to the needs of their citizens. However, given the increased costs of providing these services, difficult choices are often required. Some municipalities have borrowed from reserves to keep budgets balanced while others have not maintained sufficient reinvestment in infrastructure - creating an infrastructure deficit. Some have been able to invest in capital items because of territorial and federal capital funding programs, however many of these programs are set to expire in the next few years. More recently, some municipalities have had to prioritize the provision of services, meaning that water and waste-water services may be working well while recreation services are being reduced.

There are two sides of balancing budgets when costs are increasing - reducing services or increasing revenue. Local governments face serious public criticism when considering raising taxes or setting fees-for-service. Often residents and businesses feel they are challenged by high costs of living in the north and are resistant to paying higher taxes or fees for these services. In communities with smaller tax bases raising taxes would only minimally increase revenue.

Innovative solutions are being considered. Some municipalities have expressed interest in pooling funds and resources to create better economies of scale for certain services. An example of where municipalities have succeeded with this model is in the insurance liability reciprocal administered by the Yukon Communities Insurance Association.

The scale and scope of the challenge of providing local services is at the heart of community sustainability because it reflects how the community meets the needs and wants of their citizens. The question is, without significant tax bases to afford the basic provision of these services, where does a municipality draw the line in providing services? What is a core service and how do municipalities deal with the need for services that are not deemed to be essential?

A key example of the difficulty in answering these questions is in the provision of recreation services. Recreation, especially facility-based
recreation, can be hugely expensive and in many municipalities this area is where tough discussions are taking place every day. Members of the public identify recreation as an essential service for healthy northern communities; it is not seen as a luxury. Yet municipal leaders, making tough decisions, have had to focus on services like water, waste-water and solid waste management. These are areas where there is little room for discretion and recreation programs have often suffered because of the increasing costs of providing these essential services.

The public perception is that recreation is undervalued. Many local governments are over-burdened by expensive maintenance issues or expertise associated with operating recreation complexes. Increasing costs in this area and in general mean that some municipalities are unable to afford valuable programming to offer to their citizens. Anecdotal information suggests that citizens from some smaller municipalities have relocated to Whitehorse so children can have access to recreation programming.

Another particularly challenging area is the provision of fire protection and emergency services. From time to time municipalities have found themselves without enough volunteers, effectively putting their citizens at risk. It also appears the culture is changing and volunteers are requesting certain forms of compensation because the associated risks are beyond the scope of what would be asked of a volunteer. On occasion there is a difference between what Yukon government provides in compensation for their volunteers and the amount a municipality provides. It is likely that cost savings will need to found by the improved utilization of existing resources to continue to provide these services.
Findings

- At times there is a disconnect between the services a municipality wants to provide and what it can afford. Understanding the cost of services more accurately as well as improved Integrated Community Sustainability Planning can help make choices about the services municipalities want to see in their communities and reflect community long-term interests.
- Efficiencies can be gained by looking at the provision of local services from a whole of Yukon approach. All four orders of government in Yukon provide some local services. Finding ways to maximize the use of existing resources will become more important if costs of services continue to rise.
- In terms of delivering local services, costs and opportunities vary tremendously from municipality to municipality, depending on local factors. Local solutions are important and one size does not fit all.
- Linking Yukon government funding to core services may provide a better system for ensuring that these services are maintained to an adequate level.
- Fire protection is becoming particularly challenging and developing a shared-provision model with YG may help Fire Services overcome concerns about increased liability and rising costs.
- Recreation is viewed by most Yukoners as an essential service.

Linkages

- Regionalization and Governance
- Training: Building Local Capacity
- First Nation and Municipal Relations
- Increasing Cost and Burden of Regulations
Municipal Infrastructure Deficit and Asset Management

Context

Across Canada, and including Yukon, many municipalities are in a dire situation with respect to their infrastructure. Much of the municipal infrastructure in the Yukon is at least 40 years old. Recent efforts to become compliant with new Public Sector Accounting Board rules have given municipalities better knowledge of their asset inventory, but a full understanding of the condition of that infrastructure is not completely known. Regular maintenance and replacement is sometimes deferred when budgets are tight.

Due to aging infrastructure, Yukon municipalities are at risk of spending their well-planned budgets on unplanned emergency repairs and replacements. Higher regulatory standards have also meant increased capital costs for improvements or replacements. These expenditures are sometimes hard to justify when a council is aware that their 40 year old infrastructure needs repair.

Municipalities look to the Yukon and federal governments to help them sustain their infrastructure through various funds and specific project assistance.

Discussion

Canada has responded to this national concern by establishing infrastructure funds like the Build Canada Fund (BCF) and the Gas Tax Fund (GTF). Municipalities are appreciative of infrastructure projects happening in their communities and remain focused on the costs of operation and maintenance into the future. Infrastructure projects have put pressure on smaller municipalities to enhance their project management skills. In the case of the BCF, Yukon has offered project advisory partnerships to support municipal participation on BCF funded projects.

One of the ways to understand the deficit situation and to remove the guesswork from asset management is to establish an understanding of the condition of infrastructure, its life cycle, projected cost and projected maintenance cycles and costs. In order to be effective, this more comprehensive
approach requires background knowledge and willing partners. The value of having more information on municipal assets is that municipalities can plan and predict capital expenditures more accurately. For example, they can forecast when multiple major projects will happen at the same time and therefore prepare their funding requests, set aside reserves and look for alternative project timing options in advance of the situation. This kind of knowledge would empower municipalities to make informed decisions and govern responsibly.

An effective asset management system would require significant commitment from Yukon government to work with its partners to ensure a system is user-friendly, is populated with the appropriate data, reports on the right information, gives all levels of government relevant and useful information, respects confidential information, incorporates an ongoing capacity building approach, involves a development process that is reviewed through testing and evolves to reflect the needs of its users.

Findings

- In some municipalities there is a lack of clarity and/or accurate data regarding the condition of municipal infrastructure.
- More capacity is needed to manage municipal infrastructure projects in communities outside of Whitehorse. There may be an opportunity to engage Yukon government internal engineering services to assist municipalities to meet this need on an ongoing basis.
- An asset management database establishes a baseline for all municipal and community infrastructure and there is some discussion across the country that this may be a prerequisite for future funding programs.
- Municipalities outside of Whitehorse would benefit from participating in an asset management system supported and developed by Yukon government.
- Public Service Accounting Board changes have moved municipalities some distance towards improved asset management.

Linkages

- Provision of Local Services
- Municipal Sustainability Indicators
- Yukon Municipal Resources Website
- Increasing Cost and Burden of Regulations
- Lot Development and Land Availability
- Training: Building Local Capacity
- Employee Recruitment and Retention
**Revenue Generation**

**Context**

Municipal councils continue to look for options to increase revenue. Currently, only property taxation and the Comprehensive Municipal Grant (CMG) provide a stable income stream for municipalities. Service fees (e.g., water and sewer) can provide revenue but the amount varies substantially from community to community.

However, fixed operational costs and capital investment requirements continue to rise and programs like Build Canada, Municipal Rural Infrastructure Fund, and the Canada Strategic Infrastructure Fund are coming to an end in the next few years. Municipal leaders are aware that alternative and innovative sources of revenue are needed to continue to provide and enhance local services for community members.

![Chart: Aggregate Revenue and Expenditure](chart.png)

Municipalities were able to meet rising costs by the accessing of reserves and increased borrowing

**From Yukon municipal financial statements, analyzed by Steve Spalding, September 2010.**
Discussion

Municipal officials want to explore new ideas related to revenue generation. Opportunities that some Yukon municipalities have talked about include:

- Independent power production
- Boundary expansion for increased tax revenue
- Sale of land
- Fee for service
- For the use of municipal services by peripheral residents, businesses and industry
- For enhancing or continuing municipal services that have costs beyond existing tax rates
- Broadening municipal tax options (eg. hotel, fuel, excise tax)
- The formation of municipal development corporations
- Impact benefit agreements
- Intergovernmental service agreements to maximize resource sharing

The discussion around municipal revenue generation raises difficult questions and reveals important trends across Canada. Movement towards developing alternative revenue sources is slow as municipal officials are concerned about heading into uncharted territory and potentially testing unused sections of the Municipal Act.

Yukoners need to recognize that you need to pay for services and thus territorial property taxes should be increased and appropriate user fees applied to pay for services. It may not be what politicians and Yukoners want but it’s the right thing to do.

~OTOF survey comment

While the Municipal Act allows municipalities to provide services for the needs of their citizens including operating a public utility, there is a desire to review the relevant sections for potential modernization, improved clarity and greater flexibility. A balance needs to be maintained so as to not adversely impact private industry while exploring these opportunities.

Revenue generation solutions are likely to be as diverse and unique as the communities of the Yukon.
Findings

- Municipalities are interested in exploring options related to increasing revenue. Some are particularly interested in creating development corporations and/or local power production companies.
- Some revenue generating options already exist within the Municipal Act. Clarification is needed to address possible misunderstandings.
- There is a lack of understanding as to how to implement reasonable “fee-for-service” policies (such as local improvement charges) and potentially more revenue could be generated this way.

Linkages

- Energy Costs
- Impact of Peripheral Residents, Businesses & Industries on Municipal Services
- Lot Development and Land Availability
- Provision of Local Services
Lot Development and Land Availability

Context

A lack of affordable lots and housing in many Yukon municipalities is seen as one of the most significant challenges to long term municipal sustainability. Municipalities see the economic development occurring around their borders and feel unable to take advantage of it because of the lack of affordable land available for housing, industrial and commercial use.

The *Our Towns, Our Future* review also heard municipal leaders express concern that land development practices lead to housing lots on the market that are too expensive for locals.

Land availability is fundamental to economic development and sustainable communities.

Discussion

Municipalities want to have land available for the right purpose, at the right time and for the right cost. Outside of Whitehorse, municipalities depend significantly on Yukon government to make this happen. Yukon government wants to support municipalities in subdivision development that achieves long-term, sustainable municipal growth. Citizens want straightforward, affordable and fair processes.

Given these diverse interests, it is easy to see why land related issues are fundamentally complex problems. It is further complicated by the fact that there are multiple land authorities in the Yukon (First Nations, municipal governments and Yukon government) and that the data used to determine demand for land, e.g. demographics and the state of the Yukon economy, are not 100% predictable.

Solutions are not simple. Any improvements in this area require an integrated and flexible approach. In particular on issues where two or more governments retain authority for areas like land tenure, land availability and land development, they are likely to be more successful when they establish clear roles and responsibilities. It is important that they communicate goals and values, develop working frameworks that reflect these values, identify fair and consistent methods of working together and review and evaluate their values, frameworks and methods regularly to ensure the outcomes of their decisions are on track with their goals.
There are also key considerations related to the operational aspects of land development, for example making sure planning data is current, incorporates community input and is relevant. To do this Official Community Planning processes need to be undertaken regularly, using best practices that fully engage the public.

We live in a fast paced world and citizens expect quick responses to these complex issues. On first glance, the solution appears easy – *simplify and speed up the process* – however, the root of an effective lot development and land availability process requires citizen engagement, long term thinking and detailed trend and pattern analysis. These aspects require time.

### Findings

- There is significant frustration regarding the availability of affordable housing and land development in Yukon. Some see this as partially the cause of shrinking populations and limited economic development in the smaller municipalities.
- The land tenure system is seen as slow, difficult to understand and overly complicated to access.
- Successful land development processes take time to achieve public engagement and participation.
- Some municipal governments have limited capacity with respect to planning. Robust planning checklists and/or guidelines may help planning processes.
- Yukon municipalities have a number of options available to them in terms of encouraging land availability including infill, zoning changes and taxation practices.
- More readily available recreational land would create economic benefits in rural Yukon.
- The development of land planning strategies on a regional level ensures that land development initiatives in unincorporated communities complement objectives of municipal Official Community Plans and helps the Yukon as a whole attain strategic priorities.

### Linkages

- Provision of Local Services
- Municipal Sustainability Indicators
- First Nation and Municipal Relations
- Community Development Teams
- Revenue Generation
Comprehensive Municipal Grant

Context

The Comprehensive Municipal Grant (CMG) was established in 1991 with passage of the *Municipal Finance and Community Grants Act*. Now 20 years old, the CMG represents the first attempt to introduce a transparent and stable mechanism for transferring base funding from the Yukon government to incorporated Yukon municipalities. It was intended that the CMG be implemented for five years and then reviewed.

The CMG is a crucial source of funding for Yukon municipalities, making up to 65% of the revenue in smaller municipalities. Yet, despite the importance of the CMG for municipalities, especially outside of Whitehorse, in the first 16 years of the CMG it only increased from 11.5 million to 12.5 million dollars. More recently, the CMG fund has grown from 12.5 million in 2007 to 16.6 million dollars in 2012. This 5 year CMG increase program expires at the end of the fiscal year 2012-13.

Discussion

There are four main components of the CMG; the base grant, the local cost of services adjustment, the assessment equalization and the balance of fund calculation. The total amount of the CMG fund and the formula for its distribution are defined in the *Municipal Finance and Community Grants Act*. The formula doesn’t affect the size of the fund but rather how the total fund is distributed to each municipality. There are two key considerations when it comes to the CMG - the total amount of the CMG fund and the variables of the formula that determine how this fund is distributed.

The formula that distributes the fund itself is complex. Regardless of its location, a municipality receives a base grant that is intended to fund the basic operations of a municipality of that given size. The other components of the formula are determined through statistical surveys and assessment figures from each year. This data informs the variable elements of the grant. While the grant is generally within the same range each year, it is not 100% predictable and because of the closed-ended formula, what happens in one municipality affects the grant received by others. Furthermore, the data being used in the formula is not confirmed until just prior to issuance of the grant.
Another issue of concern is the payment of the CMG. Until recently the payment of the CMG occurred once a year in early April. Most municipalities have strongly urged Yukon government to maintain this once a year payment schedule, however, changes in the Yukon government’s transfer payment policy have raised questions about how the payment of the CMG will be issued in the future.

Findings

• There is no consensus on revising the CMG formula at this time.
• There is agreement that a new CMG program related to the overall size of the fund is required to replace the current program which expires at the end of fiscal year 2012-13. A new 5-year CMG program needs to be developed with the input of AYC and the municipalities over the next year.
• Defining the services for which municipalities are, at a minimum, responsible and must deliver as well as ensuring that funding is provided to keep these services at a level that meets the standard, should be the basis of future CMG discussions.
• The development of an escalation factor for the CMG Fund, similar to the CPI but more relevant to the actual cost of providing local services (e.g. a MCI – Municipal Cost Index) would ensure Yukon municipal funding keeps pace with increasing costs in the future.
• Most municipalities would like the one time per year, lump sum payment of the CMG to continue.
• Yukon government’s new transfer payment policy, adopted to increase financial accountability and transparency, requires that all transfer payments, including the CMG, are made quarterly and furthermore, that increased reporting may be required. The Municipal Finance and Community Grants Act states that in each financial year the Yukon government will pay a CMG to each municipal government.
• Greater predictability can be achieved by lagging the payment calculation of the CMG by a year which would assist municipalities in budget planning.
• A recurring, five year review of the CMG will ensure relevant, sustainable funding for municipalities.

Linkages

• Increasing Cost and Burden of Regulations
• Provision of Local Services
Increasing Cost and Burden of Regulations

Context

There is a common perception among municipalities in Yukon that over the past decade or so there has been significant growth in regulations regarding a number of local services that they are responsible for providing. This increased regulatory burden has directly impacted the cost of providing these services.

These areas of increasing costs include environmental health, occupational health and safety, and professional services (engineering, accounting, and legal). Municipalities are concerned about changing rules and feel that they are required by territorial and federal governments to do too much with too little. Municipalities have highlighted specific areas of concern such as the costs of moving to no open-burning in landfills, pending waste water effluent regulations, new Public Sector Accounting Board reporting and the increasing engineering and legal requirements of construction projects.

Municipalities want a way to manage the costs of increasing regulations. New regulations require municipalities to meet increased services and costs, sometimes with inadequate time for planning or budgeting.

Discussion

While the actual costs of increased regulations are difficult to calculate, particular examples illustrate the problem. Increased reporting requirements obviously demand extra staff and associated costs - such as auditing services. Some municipalities stated that the cost of managing landfills has doubled and in other municipalities engineering costs for projects that would have been managed by the municipality in the past have increased the cost of projects by 30%. Municipalities are required to meet new responsibilities but do not necessarily have the capacity or resources to meet them.
Some of these challenges can be moderated by better communication. Senior governments can ensure that municipalities are aware of pending regulatory changes. Yukon government can work with the Association of Yukon Communities to ensure northern municipal interests are heard at the federal level. Yukon government can work interdepartmentally to communicate more effectively on issues that impact municipalities. Municipalities need to be proactive in their relationships with regulatory bodies and take initiative to ensure there is a clear understanding of the issues involved. Citizens also have a role in regulations, as it is often in response to public pressure that more stringent regulations are enacted.

Changing communication patterns and establishing resourcing mechanisms to deal with the financial aspects of regulatory change may take time and a commitment to evolve a different working relationship between senior governments and municipalities.

Findings

- Municipalities believe that the continued growth of regulations is a challenge to municipal sustainability. Increasing reporting and regulatory requirements means municipalities have less to spend on the operation and maintenance of facilities and in the provision of services.
- In order to improve communication and better understand the impacts that potential regulatory changes might have on municipalities, Yukon government systems for interdepartmental discussions could be reviewed to make sure the Department of Community Services is aware of impending regulatory changes that would affect municipalities.
- Wherever possible the cost of implementing new regulations by municipalities should be determined prior to making regulatory changes.
- A forced growth factor in the Comprehensive Municipal Grant calculation relating to the cost of implementing changing regulations could be considered.
- The Yukon government and municipalities can work together in regard to federal guidelines and legislation that will have cost implications for municipalities.

Linkages

- Community Development Teams
- Provision of Local Services
- Training: Building Local Capacity
- Comprehensive Municipal Grant
Impacts of Peripheral Residents, Businesses, & Industries on Municipal Services

Context

Those who live or work outside the borders of municipalities may benefit from the provision of municipal local services (e.g. recreation centres, landfills, fire protection etc.) and pay no municipal taxes. These users are sometimes referred to as peripheral users of municipal services. People living outside of municipal boundaries pay property taxes to Yukon government who is responsible for providing local services to residents living in unincorporated regions of the Yukon.

There is a large population living outside city boundaries that basically use the city facilities like they are residents. They work here, use parking, rec facilities, fill up their water jugs, etc.

~OTOF survey comment

Discussion

There is little disagreement that peripheral users benefit from services that cost municipalities to provide. Examples of this include mining companies using municipal landfills and rural residents who use municipal recreation centres. Some municipalities think Yukon government should collect increased taxes from those outside the municipality and transfer a portion to the municipality for providing services. However, others argue that the Comprehensive Municipal Grant serves that purpose.

Some municipalities have considered possible solutions to address this challenge, including boundary expansion and two-tier service fees. Yukon government is supportive of exploring new and creative suggestions to address this old and complicated problem.

Findings

- This is a long-standing concern shared by all Yukon municipalities. Much work has been done over the past decade to try to understand this challenge and come up with solutions, but there is no consensus on the best approach at this time.
- Some municipalities want to explore a two-tier system for services, where local residents pay one fee and those from outside the municipality pay more (e.g. access to recreation facilities or landfills).
Linkages

- Provision of Local Services
- Lot Development and Land Availability
Energy Costs

Context

Across Canada rising energy prices have increasingly stretched municipal budgets and Yukon municipalities are looking for a way to manage these costs as a means to reduce operational expenditures and sustain their communities.

During the Our Towns, Our Future review many ideas were heard regarding the possibility of local energy production to deal with these concerns. Yukon is only beginning to explore the range of options for local energy. As discussions around peak oil and climate change circulate in our northern communities, public and private organizations are deeply concerned about what more expensive fossil fuel may mean for northern cities and towns. While the idea of sourcing new and alternative energy supplies is readily embraced by many, local governments are also beginning to recognize their role in educating citizens about consumption patterns, conservation and other demand side management tools that may better suit long-term resilience planning.

Discussion

There are a number of Yukon organizations that can assist communities to explore energy related opportunities and challenges. Yukon government’s Energy Solutions Centre can serve communities in many ways. The development of energy projects require skilled technical expertise that is costly to obtain. The Yukon Energy Corporation has assisted in educating the public and municipalities about demand side management (ways that customers can decrease their consumption) as well as funding pilot projects like the LED street light project in Dawson City.

Nation-wide, municipalities are keeping a close eye on energy trends and taking action to note and analyze the data. Municipal officials and their citizens would benefit from having access to more data and resources to make informed decisions, perform feasibility studies, develop independent energy production projects and to inform relevant and useful community energy plans.
Findings

- Rising energy costs are viewed as a serious risk to long-term municipal sustainability.
- Municipalities are interested in exploring options for meeting the challenge of rising energy costs including utilizing local sources of power, enhancing demand side management opportunities and developing community energy plans to guide sustainable decision making.
- Some municipalities have expressed interest in forming local power production companies or utilities to address this issue.
- Many municipalities lack the financial and technical capacity for meeting this challenge and partnerships with other governments and organizations will be important.
- As a potential outcome of rising energy costs addressing food security is seen as a valuable component of sustainability planning particularly in isolated northern jurisdictions.

Linkages

- Revenue Generation
- Climate Change Adaptation
- Regionalization and Governance
- Municipal Act Review Process
Employee Recruitment and Retention

Context

In recent years municipalities have had challenges recruiting and retaining technical staff and senior managers. Senior municipal staff require a broad range of skills that allow them to work directly with members of the public, interface regularly with political leaders, manage financial planning and systems, understand legal reviews and legislative development and advice, undertake municipal development and planning, understand engineering requirements for municipal infrastructure, project management, maximize funding to ensure municipal liquidity and provide administrative oversight. It is a challenging and broad list requiring a wide-ranging skill-set.

Hiring less experienced senior administrators and technical staff can provide a learning opportunity. However without proper training and supervision this can increase risk in an environment with significant accountability and a high level of public scrutiny.

While the issues may seem fewer and farther between in smaller municipalities than in larger ones, the knowledge and skills required to deal with these issues remain the same.

Discussion

Smaller Yukon municipalities are finding it difficult to offer competitive salaries and/or benefits in comparison to Yukon government, the City of Whitehorse and sometimes First Nation governments. Municipal leaders believe that they lose good staff for this reason. Certainly it is generally acknowledged that due to Canada-wide demographic changes, skilled professionals are in high demand and harder to come by.

But salary dollars aren’t the only factor related to effective recruitment and retention of employees. Younger Canadians are often attracted to and stay in work situations where quality-of-life incentives like culture, recreation, wilderness and beauty are also available. Studies across Canada show that alongside wage expectations young professionals want creative workplace cultures and a purposeful focus for long-term employment. Fair compensation must be offered and if present, other “quality-of-life” indicators become the measurement for workplace choice and satisfaction.
However recruiting these individuals is not as easy as just putting up a “help wanted” sign. Developing an integrated HR strategy is essential. Developing such a strategy requires expertise, time and money that smaller municipalities are sometimes unable to provide.

In the absence of concrete sophisticated recruitment and retention strategies, municipalities continue to carry out HR related activities ad hoc as their work load permits. At present, there is no working procedure or policy that is used by any or all Yukon communities for gathering information on what works and what doesn’t for municipal employees. There are concerns that municipal officials do not have the capacity to assemble relevant data from incoming and outgoing staff. However, there are easy-access, paper-light systems for collecting data that can start the process toward establishing healthy workplace indicators that ultimately set the stage for recruitment and retention initiatives to pay off.

Findings

- Intergenerational and inter-cultural dialogue in the workplace can attract and retain young professionals and engage long-serving employees.
- Municipalities need to develop more sophisticated HR strategies and need support to do this.
- Rural municipalities across Canada have found that a solid branding initiative that emphasizes unique quality-of-life features can attract outside professionals.
- Housing is difficult to find in some municipalities, making it difficult to attract and retain staff.
- Modern technologies, like high speed broadband internet services, are important to attract and retain young professionals.
- Yukon government could enhance resources for improved municipal support during times of staffing transition.

Linkages

- Yukon Municipal Resources Website
- Training: Building Local Capacity
- Municipal Sustainability Indicators
- Provision of Local Services
Training: Building Local Capacity

Context

Yukon municipalities have been challenged for the past decade to establish a support structure that provides consistent, reliable and relevant training for municipal officials. Using various sources of funds (Yukon government, the Northern Strategy and own source budgets) municipalities and the Association of Yukon Municipalities have been able to patch together a system that made best efforts to provide operational and elected official training. Despite the dedicated volunteers with the Community Training Trust Society the current training regime is not meeting the needs of municipalities both in levels of funding and opportunities available.

The demand for training continues to increase. The changing regulatory environment means municipalities require more highly trained staff than has been required in the past. High turnover of municipal staff and the difficulty in filling vacancies often creates situations where training to build local capacity is the only option.

Discussion

Funded through Yukon government’s Department of Education, the Community Training Trust Society has provided many training opportunities over the past number of years. While this program had many successes it does not offer a comprehensive training solution and is unable to provide long-term funding to meet training requirements. The outcome of this is that there is a need for a training program that is more predictable, timely, builds local capacity and is collaborative and practical.

A successful municipal training program should be comprehensive and strategic and will have to satisfy a broad range of needs. To do this it will require stable funding, be able to provide scholarships and travel subsidies, provide certification opportunities, and explore partnerships to create economies of scale and take advantage of local expertise.

There are three distinct training streams that need to be addressed; municipal employees with specific operational needs (pool operators, water system operators, etc.), elected officials (governance, budget management, strategic planning, etc.) and Chief Administrative Officers (certification program in local governance). Given this scope there are many other potential partners who could benefit from this training, including Yukon government community development employees and First Nation government employees and elected officials.

Having well-trained staff is vital to having a strong administration and serving councillors well.

~Watson Public meeting
A training program that has these characteristics will develop capacity in municipal government and will require a supportive infrastructure to ensure it is consistent and stable in its operation. In provinces and territories with a significant number of rural constituencies, senior governments often take the lead to offer multi-dimensional training programs. Online manuals, conferences, certifications programs and even locally-customized training have been taken up across Canada and may provide practical solutions for Yukon.

A coordinated training effort will benefit from partnerships across the territory. Partnerships can optimize training opportunities while minimizing costs. Throughout Canada, professional associations and organizations like the Association of Yukon Communities are committed to making sure that rural officials are equipped to serve their constituencies. Professionals working for Yukon government and Yukon College may be able to assemble relevant curriculum and source local and external expertise for delivery.

Effective municipal training models include the following characteristics:

- Develop comprehensive local government employee training plans
- Design a curriculum that is tied to municipal election cycles
- Utilizes different delivery systems (online, peer education)
- Maximizes existing resources
- Gives freedom to continue with essential training services that can respond to urgent needs
- Is open to partnerships to maximize resources through collaboration
- Offers certification possibilities

Local authorities in the Northwest Territories have been able to increase participation in government sponsored programs (and thus increase local capacity) by creating a broader definition of the public service that includes municipal staff in existing training programs.
Findings

- Innovative and accessible training is an integral component of any strategy to motivate, retain and develop local municipal capacity.
- A comprehensive and coordinated approach, perhaps resembling a “School of Governance”, with the potential for increased certification options, could better meet existing and future training needs and most effectively make use of limited funds.
- Success in training for rural municipalities happens with the sponsorship of a senior government and with input from professional bodies and organizations (such as the Association of Yukon Communities and Yukon College)

Linkages

- Yukon Municipal Resources Website
- Employee Recruitment and Retention
Our Towns, Our Future: Next Steps

The presentation of this report at the Association of Yukon Communities (AYC) Annual General Meeting in May 2011 in Haines Junction is an exciting opportunity for the future of municipalities, AYC, and Yukon government.

Once the Findings Report is delivered MFFRC ceases to exist. Concerns have already been raised about what happens next. All parties will need the opportunity to read and digest the Findings Report. There has been some discussion that a valuable next step may be to hold a Municipal Summit, similar to the one that was held in October 2010, perhaps in June 2011, to talk about next steps.

At this Summit, the parties could decide on:

- the components of an implementation plan,
- a prioritization schedule, and
- roles and responsibilities.

Our Towns, Our Future emerged as a response by the Minister of Community Services to concerns raised by Yukon’s municipal leaders over the past several years. It is a way to understand the challenges of how municipalities can increase their resilience and ensure their sustainability in the face of current day pressures. Our Towns, Our Future has given municipalities, the Association of Yukon Communities and Yukon government an opportunity to work together to explore new ways to help ensure municipal success in the next twenty-five years.
Findings List

Yukon Government and Municipal Relations

1. The recent Memorandum of Understanding between Yukon government and the Association of Yukon Communities has been a successful, ongoing collaboration. It should be regularly reviewed to ensure it is relevant and understood by the parties.

2. Improved information sharing is essential for continued strong relationships. There is a direct link between sharing information, building trusting relationships and being able to ensure municipal resilience.

3. Meetings between elected municipal and Yukon government officials are extremely important to enhance the continued flow of information and the sharing of concerns.

4. It is essential that Yukon government works not only bilaterally with the Association of Yukon Communities but continues to foster direct relationships with municipalities to understand their unique concerns and interests.

First Nation and Municipal Relations

5. When opportunities arise and interest is expressed, Yukon government can facilitate municipal/First Nation discussions in areas of mutual interest. Local relationships are the most important factor for communities to develop productive ways to work together.

6. Clear understanding of the roles and responsibilities of each level of government can help in the development of service agreements and relationship building.

7. There are many examples of First Nation and municipal collaborative successes at providing direct, on the ground programming in areas such as recreation, public works and planning.

Regionalization and Governance

8. There is minimal support for creating a new level of regional government but there are opportunities for shared-use agreements and cost-sharing of existing infrastructure and services on a case-by-case basis.

9. Solid waste management may benefit from a more regional approach as many of the challenges are generated by the regional nature of this service.

51
10. Fire protection and other emergency services challenge available resources in some rural municipalities. There may be significant value in considering a more regional approach in the provision of fire and emergency services.

11. Shared contracting and procurement may help attain better economies of scale.

**Municipal Act Review Process**

12. The Municipal Act review process is not formalized and leads to confusion and misunderstanding. Municipal officials and citizens would benefit from a clear understanding of the process and timeline for future Municipal Act reviews.

**Community Development Teams**

13. The development of a comprehensive team approach has worked in a number of jurisdictions and may be a way to overcome the multi-dimensional challenges to sustainability that municipalities face. A group made up of YG representatives, municipal representatives, and potentially FN representatives, dedicated to each municipality or region may be a way to tackle issues, overcome silos, and create efficiencies. Other stakeholders may include community non-government organizations.

14. By taking a community development approach, Community Development Teams can build relationships with key people and organizations to empower communities to create change.

**Municipal Sustainability Indicators**

15. There are few standardized measures to understand municipal sustainability in the Yukon.

16. The value of a municipal sustainability toolkit would be to better evaluate the current situation of communities, measure efficiency, provide an early warning system, improve strategic planning, prioritize critical issues and provide data to improve planning for the future.

17. The list of indicators should provide a whole picture of the community.

18. A sustainability indicators toolkit would be useful for municipalities and given the readily available data would not impose a burden on Yukon communities.
19. Climate Change adaptation practices are built into some, but not all, long-range planning and infrastructure development processes in Yukon municipalities.

20. Yukon government continues to support municipal leaders to incorporate climate change considerations into their decision making.

21. Community adaptation projects, similar to those recently done in Dawson and Whitehorse, are providing many innovative ideas for adapting to changing climates. There may be value in additional community adaptation projects in other Yukon communities.

22. Further environmental monitoring and regulation may become a prerequisite over time and municipalities will need increased capacity to meet this demand.

23. There are many opportunities for municipal leaders to work with citizens, community groups and businesses in relation to climate change adaptation.

**Yukon Municipal Resources Website**

24. Across Canada, municipalities are working hard to engage the public. Sharing practices, information and projects with each other and the public could enhance public engagement, transparency and accountability.

25. The development of a municipal resource website to serve as a database of best practices, bylaws, reports and policies would provide a user-friendly forum to improve the exchange of information and increase the capacity of Yukon municipalities.

**Provision of Local Services**

26. At times there is a disconnect between the services a municipality wants to provide and what it can afford. Understanding the cost of services more accurately as well as improved Integrated Community Sustainability Planning can help make choices about the services municipalities want to see in their communities and reflect community long-term interests.

27. Efficiencies can be gained by looking at the provision of local services from a whole of Yukon approach. All four orders of government in Yukon provide some local services. Finding ways to maximize the use of existing resources will become more important if costs of services continue to rise.
28. In terms of delivering local services, costs and opportunities vary tremendously from municipality to municipality, depending on local factors. Local solutions are important and one size does not fit all.

29. Linking Yukon government funding to core services may provide a better system for ensuring that these services are maintained to an adequate level.

30. Fire protection is becoming particularly challenging and developing a shared-provision model with YG may help Fire Services overcome concerns about increased liability and rising costs.

31. Recreation is viewed by most Yukoners as an essential service.

**Municipal Infrastructure Deficit and Asset Management**

32. In some municipalities there is a lack of clarity and/or accurate data regarding the condition of municipal infrastructure.

33. More capacity is needed to manage municipal infrastructure projects in communities outside of Whitehorse. There may be an opportunity to engage Yukon government internal engineering services to assist municipalities to meet this need on an ongoing basis.

34. An asset management database establishes a baseline for all municipal and community infrastructure and there is some discussion across the country that this may be a prerequisite for future funding programs.

35. Municipalities outside of Whitehorse would benefit from participating in an asset management system supported and developed by Yukon government.

36. Public Service Accounting Board changes have moved municipalities some distance towards improved asset management.

**Revenue Generation**

37. Municipalities are interested in exploring options related to increasing revenue. Some are particularly interested in creating development corporations and/or local power production companies.

38. Some revenue generating options already exist within the *Municipal Act*. Clarification is needed to address possible misunderstandings.

39. There is a lack of understanding as to how to implement reasonable “fee-for-service” policies (such as local improvement charges) and potentially more revenue could be generated this way.
Lot Development and Land Availability

40. There is significant frustration regarding the availability of affordable housing and land development in Yukon. Some see this as partially the cause of shrinking populations and limited economic development in the smaller municipalities.

41. The land tenure system is seen as slow, difficult to understand and overly complicated to access.

42. Successful land development processes take time to achieve public engagement and participation.

43. Some municipal governments have limited capacity with respect to planning. Robust planning checklists and/or guidelines may help planning processes.

44. Yukon municipalities have a number of options available to them in terms of encouraging land availability including infill, zoning changes and taxation practices.

45. More readily available recreational land would create economic benefits in rural Yukon.

46. The development of land planning strategies on a regional level ensures that land development initiatives in unincorporated communities complement objectives of municipal Official Community Plans and helps the Yukon as a whole attain strategic priorities.

Comprehensive Municipal Grant

47. There is no consensus on revising the CMG formula at this time.

48. There is agreement that a new CMG program related to the overall size of the fund is required to replace the current program which expires at the end of fiscal year 2012-13. A new 5-year CMG program needs to be developed with the input of AYC and the municipalities over the next year.

49. Defining the services for which municipalities are, at a minimum, responsible and must deliver as well as ensuring that funding is provided to keep these services at a level that meets the standard, should be the basis of future CMG discussions.

50. The development of an escalation factor for the CMG Fund, similar to the CPI but more relevant to the actual cost of providing local services (e.g. a MCI – Municipal Cost Index) would ensure Yukon municipal funding keeps pace with increasing costs in the future.

51. Most municipalities would like the one time per year, lump sum payment of the CMG to continue.

52. Yukon government’s new transfer payment policy, adopted to increase financial accountability and transparency, requires that all transfer payments, including the CMG, are made quarterly and furthermore, that increased reporting may be required. The Municipal Finance and Community
Grants Act states that in each financial year the Yukon government will pay a CMG to each municipal government.

53. Greater predictability can be achieved by lagging the payment calculation of the CMG by a year which would assist municipalities in budget planning.

54. A recurring, five year review of the CMG will ensure relevant, sustainable funding for municipalities.

Increasing Cost and Burden of Regulations

55. Municipalities believe that the continued growth of regulations is a challenge to municipal sustainability. Increasing reporting and regulatory requirements means municipalities have less to spend on the operation and maintenance of facilities and in the provision of services.

56. In order to improve communication and better understand the impacts that potential regulatory changes might have on municipalities, Yukon government systems for interdepartmental discussions could be reviewed to make sure the Department of Community Services is aware of impending regulatory changes that would affect municipalities.

57. Wherever possible the cost of implementing new regulations by municipalities should be determined prior to making regulatory changes.

58. A forced growth factor in the Comprehensive Municipal Grant calculation relating to the cost of implementing changing regulations could be considered.

59. The Yukon government and municipalities can work together in regard to federal guidelines and legislation that will have cost implications for municipalities.

Impacts of Peripheral Residents, Businesses, and Industries on Municipal Services

60. This is a long-standing concern shared by all Yukon municipalities. Much work has been done over the past decade to try to understand this challenge and come up with solutions, but there is no consensus on the best approach at this time.

61. Some municipalities want to explore a two-tier system for services, where local residents pay one fee and those from outside the municipality pay more (e.g. access to recreation facilities or landfills).

Energy Costs

62. Rising energy costs are viewed as a serious risk to long-term municipal sustainability.
63. Municipalities are interested in exploring options for meeting the challenge of rising energy costs including utilizing local sources of power, enhancing demand side management opportunities and developing community energy plans to guide sustainable decision making.

64. Some municipalities have expressed interest in forming local power production companies or utilities to address this issue.

65. Many municipalities lack the financial and technical capacity for meeting this challenge and partnerships with other governments and organizations will be important.

66. As a potential outcome of rising energy costs addressing food security is seen as a valuable component of sustainability planning particularly in isolated northern jurisdictions.

**Employee Recruitment and Retention**

67. Intergenerational and inter-cultural dialogue in the workplace can attract and retain young professionals and engage long-serving employees.

68. Municipalities need to develop more sophisticated HR strategies and need support to do this.

69. Rural municipalities across Canada have found that a solid branding initiative that emphasizes unique quality-of-life features can attract outside professionals.

70. Housing is difficult to find in some municipalities, making it difficult to attract and retain staff.

71. Modern technologies, like high speed broadband internet services, are important to attract and retain young professionals.

72. Yukon government could enhance resources for improved municipal support during times of staffing transition.

**Training: Building Local Capacity**

73. Innovative and accessible training is an integral component of any strategy to motivate, retain and develop local municipal capacity.

74. A comprehensive and coordinated approach, perhaps resembling a “School of Governance”, with the potential for increased certification options, could better meet existing and future training needs and most effectively make use of limited funds.

75. Success in training for rural municipalities happens with the sponsorship of a senior government and with input from professional bodies and organizations (such as the Association of Yukon Communities and Yukon College).