NWT Association of Communities
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MY COMMUNITY MATTERS

GOVERNMENT'S RESPONSE TO THE COVID-19 PANDEMIC
Senate Committee on National Finance

Presentation by Mayor Lynn Napier
President, Northwest Territories Association of Communities

Thank you so much for the opportunity to share with you our thoughts regarding the Government's response to the COVID – 19 Pandemic.

I am Lynn Napier, the Mayor of Fort Smith and President of the NWT Association of Communities. We proudly represent all 33 communities of the NWT who vary in size from 52 to 21,000. Our members are both Indigenous Communities and traditional municipalities but all are northern and remote to varying degrees.

We have been fortunate enough to present to this committee in the past and have highlighted our 4 main federal priorities as:

- Infrastructure
- Climate Change
- Housing
- Broadband

The current Pandemic has really highlighted the importance of these priorities and how much they impact on the resilience of Northern Communities.

We have been very pleased to hear of the programs announced to date to mitigate the economic impacts on both individuals and businesses. Further the more recently announced Health and Social Services Support for Northern Communities was very welcome. When our Territorial Government, residents and businesses are doing better economically, so are our communities. Despite the program name, little or none is actually going to local communities. We are, however, going to need additional programs to support local governments.

As you know, local governments are relied upon to keep essential services running. We have 33 communities that deliver water, sewer and landfill services, provide fire protection, planning and building services, transit and recreation services and protect our most vulnerable populations. We are working tirelessly to ensure that we maintain these services but we are very concerned. COVID -19 has led to not only many additional tasks for communities, it is also compromising their ability to raise revenues whether they are taxes or user fees. This poses a particular challenge due to the size of our communities and especially when they cannot legally carry a deficit budget. We are going to require particular support from the Territorial and Federal Governments.

I would like to highlight some unique areas of challenge in the North which make us particularly vulnerable to the virus and its impacts:

- We have a large cohort of vulnerable populations including those on income support, homeless and those with mental health and addiction challenges.
- Well in excess of 50% of our housing is over crowded and insufficient.
- The last month of self isolation has really highlighted the inadequate broadband connectivity in our communities and proven a barrier for education, work from home, telehealth and participation in the digital economy on an unprecedented level.

- The lack of proximity to healthcare services due to our community remoteness is making community leadership very anxious.
- This is further compounded by the fact that we are over 50% Indigenous which is a particular risk factor with respect to COVID -19.
- We are already seeing significant impacts on our two main industries - the Mining, Oil and Gas Industry and Tourism.
- And last but not least, our existing supply chain issues are only likely to become worse.

Our communities will require support for the immediate response to COVID-19. This funding should be provided as quickly as possible. Community governments are already experiencing significant impacts. To get this funding out the door as quickly as possible, it should be allocation based and distributed on a base plus basis.

Direct Municipal Financial Impacts will also need to be addressed as well, whether they relate to reduction in tax revenues, user fees or additional costs. We hear estimates that 1 in 4 businesses may not survive the pandemic. That would mean a significant loss of tax revenue. Closed Recreation Facilities cannot generate user fees. Without these financial supports, communities will be forced to reduce services even more or those that can, will have to raise taxes at a time of such economic instability. With Northerners already having been subject to a very high cost of living even pre-COVID-19, this will have significant impact and may in fact put some residents into insolvency or force them to leave.

With respect to planning for the critical Economic Stimulus Recovery Phase, I am pleased to let you know that Local Governments are agile enough to be important partners. We commissioned a report by the Conference Board of Canada's Centre for the North which clearly demonstrated that community government expenditures have the largest impact on the NWT economy. For example, local government

expenditures generate 13 jobs per million dollars expended while Territorial and Federal projects generate 7 and 6 jobs per million respectively. Local Government are absolutely the best bang for the buck.

The use of the expansion of the Gas Tax Fund with a continued allocation based distribution across Canada on a base plus basis, is the best way to get stimulus dollars to our communities.

Although not funded to communities, it is incumbent upon us to highlight as well, the critical importance of increasing the funding for housing in the NWT. This will serve not only as economic stimulus but will address many of the social determinants of health in the communities and in the long run make communities more resilient.

We would be very pleased to provide advice as to how best design the various funding programs to be the most effective in the North. We are best positioned to help various programs navigate the challenges in the North. Don't wait until there is little or no uptake on a program to contact us. We do it so much, we even have a brochure on it.

We would like to request an invitation to present to you and hope you will continue to consult with us, the Government of the Northwest Territories, our sister organizations across Canada and the Federation of Canadian Municipalities.

Thank you.

"We isolate ourselves so that when we get back together, no one is missing!"