

# **Study on the Costs of the Legislative Components of Governance**

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**Final Report**  
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*Price Waterhouse*



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# I. Note to Readers

## Background

As negotiations move toward implementation of the inherent right of self-government, Aboriginal interests will increasingly exercise jurisdiction over issues that affect their communities. The development of, and support for, accountable decision-making bodies to govern these communities is an essential component of self-government.

It is important to recognize that governance is a complex concept that can mean different things to different people. Given the challenge of defining governance in a widely agreed upon manner, and examining all aspects in one large and comprehensive study, this study focuses on selected components of governance. This report should therefore be viewed as one step in a body of research dealing with this topic.

The research in this study focused on costs related to legislative components of governance required for the operation and maintenance of decision-making bodies. It did not address other governance matters such as start-up costs, dispute resolution, policing, enforcement and judicial systems or liability issues. These areas could usefully be examined as part of a series of reports that work toward estimating the full costs of implementing self-government.

## Purpose

An earlier study, entitled *Study of Governance Costs in Smaller Scale Municipal and Provincial/Territorial Governments* (hereafter referred to as *Phase I*), developed and tested a methodology for determining the costs of legislative components of governance. The report noted that municipal governments are more appropriate for comparison purposes than provincial or territorial governments, as their cost structures are likely to be more similar to those of Aboriginal governments.

This study uses the methodology developed in *Phase I* to expand the sample size and estimate the cost of legislative components of governance, as a proportion of total expenditures, in sixteen municipalities across Canada, including the Sechelt Indian Government District.

Jurisdictional differences between municipalities and First Nations will exist, and it is not clear to what extent these will affect governance costs. This will require further research. However, this study does represent a valuable step towards understanding governance costs, and how they may vary in relation to total expenditures.



# I. Note to Readers

## Methodology

Sixteen municipalities across four provinces, including the Sechelt Indian Government District, were invited to participate in the study. Participating governments provided financial data for the 1995 fiscal year and agreed to be interviewed. As outlined below, all interviews were conducted, and data were analyzed, in a rigorous manner.

Prior to the interview, a copy of the working definition of governance was provided to the municipal contact. Care was taken to ensure that the participants understood the definition of governance and the scope of the study. The interview entailed a line-by-line review of the municipality's financial data to:

- ▶ identify political and staff members involved in governance related activities
- ▶ determine the proportion of staff activities carried out in support of governance
- ▶ determine the proportion of related expenditures incurred in support of governance
- ▶ clarify line items that were not clear.

The proportion of expenditures allocated to governance activities represents the professional opinion of a senior municipal employee. Differences in percentage allocations across municipalities (see Appendix D: Detailed Spreadsheets) may be explained by many factors including:

- ▶ differences in organizational structure (i.e., there is no predefined or standard structure for municipal organizations. They are structured to meet the specific needs of their communities, and governance responsibilities are assigned accordingly.)
- ▶ differences in cost structure (e.g., similar activities may be captured under different headings)
- ▶ the duties associated with particular positions (e.g., people with similar titles may have different responsibilities and different levels of involvement in governance activities).

The interview process and review of detailed cost data enabled us to understand these differences, and ensure that the analysis was conducted in a consistent manner.

## **I. Note to Readers**

### **Results**

The report concludes that the cost of legislative components of governance for the municipalities studied for the fiscal year 1995 ranged between 3% and 8% of total municipal expenditures.

### **Next Steps**

This report represents a step toward estimating the cost of implementing self-government. Additional research is required to refine and further our understanding of these and related governance costs. This will serve to support the negotiating process that will foster First Nations advancement towards self-government.

## II. Background

The Government of Canada has formally launched the negotiating process which will enable Aboriginal peoples to implement their inherent right of self-government. To facilitate negotiations, federal negotiators and First Nations need measures of the costs of the legislative components of governance.

In October of 1996, a *Study on Governance Costs in Smaller Scale Municipal and Provincial/Territorial Governments* (also referred to as *Phase I*) was completed by Price Waterhouse. The project objectives were twofold:

- ▶ to develop and test a methodology for determining governance costs in smaller provinces, territories and municipalities, and
- ▶ to determine the costs of legislative components of governance in four small governments.

The study confirmed the methodology developed by Price Waterhouse, and identified governance costs for four sample governments: the Yukon Territory, the province of Prince Edward Island and the Ontario municipalities of Smooth Rock Falls and Jaffrey Melick. In these cases, the legislative component of governance costs ranged from 0.5% to 7% of total expenditures. Due to the small sample size of the study, however, no trends or relationships between costs and other factors were able to be identified (e.g., the relationship between governance costs and population size, tax base, total expenditures, and so on). However, the study did note that municipalities are more appropriate for comparison purposes than provincial or territorial governments, as their cost structures are likely to be more similar to those of Aboriginal governments. It was also recognized that additional information on the costs of Aboriginal governments would be useful for conducting cost comparisons and applying the results of this and other governance studies to negotiations.

Thus, while the results of the study were informative, the applicability of the study is limited by the small sample size and the nature of the governments studied. An expanded study was therefore proposed to look at governance costs of other municipal governments in selected provinces and territories across Canada, including the Sechelt Indian Government District in British Columbia.

### III. Project Purpose and Objectives

#### Purpose

As with the *Phase I* study, the purpose of this study was to develop a quantifiable range of the governance portion of costs as a percentage of total expenditures. It is our understanding that this range may subsequently be used to determine the new costs that Aboriginal governments will incur as they expand their authority to cover functions currently performed by other governments.

#### Objectives

The objective of this study was to expand on the *Phase I* study, to determine the costs of legislative components of governance for a sample of fourteen small scale municipal governments, including the existing Aboriginal government of Sechelt in British Columbia. The statement of work indicated that the study should include:

- ▶ a review of the definition of governance contained in the Royal Commission on Aboriginal Peoples (RCAP) to note similarities or differences between it and the definition used in this and the previous Price Waterhouse study
- ▶ quantitative data on governance costs
- ▶ a qualitative analysis of the results of the study
- ▶ a discussion of relevant contextual factors for future work (e.g., the applicability of this study for Aboriginal communities and self-government negotiations)
- ▶ a short section laying the groundwork for future work (e.g., the potential for extrapolating from the results of this study).

## IV. Project Scope

### Governance

For the purpose of this study, governance costs are defined as those associated with the exercise of law making powers. They include support for the law making body or core institution, and the development and maintenance of laws, regulations and standards.

Municipal service costs (e.g., protective services, public works and environmental services) are not in the scope of this definition. Municipal services costs are considered operational costs and are not a part of governance per se.

A detailed description of the definition of governance used for the purposes of this study is provided in the following section.

### Municipalities included in the study

The statement of work indicated that fourteen municipalities meeting a specific set of criteria should be selected for inclusion in the study. These criteria are listed below, along with a discussion of the rationale for each.

#### *Population of less than 5,000*

- Aboriginal communities have an average population of less than 500 residents. The need for a sample of small municipalities was therefore identified. However, some variation in the population of municipalities selected was felt to be desirable, as this would enable us to begin to test whether there is any relation between population and governance cost.
- In the initial study, municipalities were selected from Ontario only. In Ontario, municipal statistics are provided for a range of population figures, depending on the type of municipality (city, town, village or township), and the location of that municipality in a region, country or district. The population range of “less than 5,000” was a reasonably consistent description across all variables, and was therefore selected as a criterion. This criterion was extended to this second study.

#### *Mature governments*

- Assuming that mature governments have established governance practices and structures, selection of mature governments for the study would ensure that the range of governance costs identified do not include start-up costs. It was understood that issues and costs related to start-up activities would be dealt with separately, and were not expected to be addressed through this study.



## IV. Project Scope

*Combination of municipalities in rural remote and urban areas (or in proximity to urban areas)*

- This would enable us to begin to test whether there is any relation between location of the municipality and governance costs.

*Located in not more than four provinces and territories*

- Selection of municipalities across provinces was needed to begin to test whether there is a relation between governance costs and the provinces in which municipalities are located. At the same time, we felt it was important to limit the number of provinces to ensure that at least three to four municipalities could be selected from within each province.

*Located in provinces/territories where there are on-going negotiations*

- If a relationship between governance costs and location was found, selecting municipalities from provinces in which there are on-going negotiations would ensure that the range of governance costs would be relevant to negotiators.

*Located in provinces/territories for which there is standardized municipal reporting of financial information*

- This would facilitate data collection and analysis activities.

*Include the Sechelt Indian Government District in British Columbia*

- This would provide a better understanding of governance costs for an Aboriginal community, and would enable us to begin to identify the factors that should be considered when applying the range of governance costs to negotiations.

## V. Defining Governance

Governance is a complex concept that can mean different things to different people and organizations. For the purposes of this study, governance costs have been defined as costs associated with the exercise of law making powers. This includes support for the law making body or core institution, and the development and maintenance of laws, regulations and standards.

This approach to the definition of governance has been taken for the reasons outlined below.

- ▶ The purpose of this project was to contribute to determining the extra cost required to permit Aboriginal governments to expand their authority to cover functions currently performed by other governments. The definition of governance therefore focuses on law making activities.
- ▶ It was also important in this study to approach the concept of governance in a manner consistent with that taken in the *Phase I* study. This would enable direct comparisons to be made with the first set of results, and would expand the sample size.
- ▶ It was suggested that adopting a narrow definition of governance early on may make it easier to compare results between governments, and identify reasons for discrepancies. The study can subsequently be expanded to cover other related costs.

It is important to understand that this definition of governance does not address issues related to corporate governance, the management or “governing” structure of the organization, provisions for legal costs that may result from legal action against the organization, capital costs associated with overseeing the organization, or any other costs that may be associated with the term “governance” under a different context. It is recognized that these costs are of interest to federal government and First Nations negotiators, however they have not been addressed in this study.

The remainder of this section identifies the cost areas that relate to this definition of governance at a municipal level, and the specific cost items that were included and excluded from the analysis. This is followed by a discussion of the definition of “good government” as described in the Royal Commission on Aboriginal Peoples, and how this relates to the concept of governance assessed in this study.

## V. Defining Governance

### Costs included in the analysis

Governance costs identified included the salaries, wages and expenses associated with the municipal council, administrative support provided to the council, the cost of holding elections and the provision of legal advice in relation to the making of laws. Each of these areas is discussed below.

#### *Council*

- This included 100% of salaries, wages, benefits and expenses associated with the Municipal or Band Council, as well as all costs associated with the office of the Mayor or Band Chief.

#### *Administration*

- This included costs associated with municipal or Band staff, to the extent that they provide procedural support to the Council.
- The identification of these costs generally involved identifying a portion of salaries, wages and benefits of staff, based on the amount of support provided to council or time spent carrying out governance related activities. A similar portion was then applied to expenses incurred by these staff (e.g., phone, fax, supplies, etc.). For example, if it was determined that 20% of the cost of administrative staff in a selected municipality was devoted to governance, 20% of the administrative expenditures for that municipality were also allocated to governance.

#### *Elections*

- No costs associated with the election process were identified in the *Phase I* study. The municipalities under study were not in election years, and therefore did not report any election costs. A proxy for elections costs was developed in this study where they were not incurred in the year under review.

## V. Defining Governance

*Legal and other professional advice related to “law making”*

- For example, this included costs for the provision of legal advice related to legislation to council, but did not include costs related to the drafting of legal papers for road construction. These costs are usually incurred in the form of professional services.
- In the *Phase I* study, by-laws for the municipalities involved were patterned after the by-laws of other municipal governments, so no significant legal costs related to the drafting of laws were incurred. It was agreed that legal costs would be further explored in this study.

All of these costs are typically included under line items related to “Municipal Council” and “administration” in municipal financial reporting.

### **Costs not included in the analysis**

As identified on the previous page, a portion of administrative expenses (e.g., phone, fax, supplies, etc.) is related to governance, and was included as part of governance costs. Some items identified under administrative expenditures, however, were backed out of our calculations before any proportions were applied. Administrative costs that were not included in this study are as follows:

- ▶ costs or percentages of costs that did not support the governance function, and/or that were not consistently incurred by most municipalities (e.g., tax rebates and donations)
- ▶ costs that reflected one time expenditures (e.g., capital expenditure of machinery and equipment)
- ▶ legal costs not related to governance, as defined for the purposes of this study (e.g., dispute resolution).

A comprehensive list of the various types of costs included and not included in the study is provided on the following page.

## V. Defining Governance

| Costs Included   | Costs Not Included   |
|--|--|
| <b>Council</b>   |  |
| 100% of Council costs <ul style="list-style-type: none"> <li>- salaries and wages</li> <li>- benefits</li> <li>- travel and accommodations</li> <li>- conventions and delegations</li> <li>- workshops</li> <li>- mileage</li> <li>- materials and supplies</li> <li>- per diem expenses</li> </ul>  |  |
| <b>Administration</b>  |  |
| Percentage of costs captured under General Administration, as they relate to governance activities <ul style="list-style-type: none"> <li>- salaries</li> <li>- benefits</li> <li>- travel</li> <li>- personal expenses (e.g., out-of-pocket expenses while on business)</li> <li>- printing, stationery, photocopying and postage</li> <li>- telephone and fax</li> <li>- tax billing forms</li> <li>- conventions and delegations</li> <li>- membership and dues</li> <li>- insurance</li> <li>- equipment maintenance</li> <li>- building maintenance</li> <li>- contract cleaning services</li> <li>- audit fees</li> <li>- financial consultations</li> <li>- accounting fees</li> <li>- subscriptions</li> <li>- rent</li> <li>- utilities (heat, light, power, fuel, water)</li> <li>- office expenses</li> <li>- professional services (technical expertise)</li> <li>- advertising</li> </ul> | Costs captured under general administration that do not support governance, are not consistently incurred by most municipalities, or that reflect one time expenditures. <ul style="list-style-type: none"> <li>- grants</li> <li>- staff housing O&amp;M</li> <li>- senior citizens tax forgiveness</li> <li>- homeowners tax rebate</li> <li>- recreation subsidy</li> <li>- utilities subsidies</li> <li>- community transfer review</li> <li>- donations</li> <li>- marina lease</li> <li>- interest on loans</li> <li>- transfer payments</li> <li>- tax write offs</li> <li>- tax enforcement</li> <li>- capital expenditures (machinery and equipment)</li> <li>- SAMA levy (Saskatchewan Assessment Management Agency)</li> <li>- property appraisals</li> <li>- recruiting</li> <li>- economic development</li> <li>- farm land exemptions</li> <li>- E.M.O. (emergency measures organization)</li> <li>- miscellaneous (e.g., plaques, gifts, awards, etc.)</li> </ul> |
| <b>Elections</b>   |  |
| 1/3 of total election costs, assuming election every 3 years, for most recent election year  |  |

## V. Defining Governance

| Costs Included   | Costs not Included   |
|--|--|
| <b>Legal</b>   |  |
| Percentage of legal costs, as they relate to governance<br>- drafting of by-laws | Legal costs not related to governance<br>- dispute resolution, policing and judicial systems, etc. |

### The definition of ‘good government’ outlined in the Royal Commission on Aboriginal Peoples

The Royal Commission on Aboriginal Peoples (RCAP) discusses the concept of good government in detail in its report. The Steering Committee for this study felt that it was important to understand how the concept of good government described in the RCAP relates to the definition of governance for the purposes of this study. The similarities and differences are described in the remainder of this section.

The RCAP indicates that to be effective, any government must have three basic attributes; legitimacy, power, and resources. These are described below.

- ▶ Legitimacy is defined as public confidence in and support for the government. Factors affecting legitimacy are:
  - the way the structure of the government was created
  - the process for choosing leaders
  - the extent to which government advances public welfare and honours basic human rights.
  
- ▶ Power refers to the acknowledged legal capacity to act. It includes:
  - the authority to make laws
  - the capacity to execute laws and carry on public administration
  - judicial jurisdiction to resolve disputes.
  
- ▶ Resources are deemed necessary to exercise governmental power. They consist of:
  - financial, economic and natural resources
  - information technology resources
  - human resources.

Accountability is also recognized as an important element of good government in the RCAP, but is discussed separately. Accountability refers to the extent to which those in power must justify, substantiate, and make known their actions and decisions.

## V. Defining Governance

### The relationship between ‘governance’ and ‘good government’

The definition of ‘good government’ outlined on the previous page is much broader than the definition of governance for the purposes of this study. The extent to which the costs of ‘good government’ attributes are captured in this study are outlined in the table below.

It is important to understand that this study does not address the extent to which any of the participating municipal governments or governance activities are “good”, or to what extent the characteristics of good government exist. This study focused on identifying a range of governance costs for a set of municipal governments given their structures and traits as they exist.

| Characteristics of ‘good government’                | Cost included in the study   |
|---|--|
| <b>Legitimacy</b>                                   |  |
| The way the structure of the government was created | This study did not look at the historical cost of creating the government structure.   |
| The process of choosing leaders                     | The cost of the election process was included in this study.   |
| Advance public welfare and basic human rights       | This is considered to be a value judgement and was not costed in this study.   |
| <b>Power</b>  |  |
| The authority to make laws                          | This cost was captured in the salary costs of the people making the laws (i.e., the Mayor and council members) and any related legal costs.  |
| The capacity to execute laws                        | This cost included the salary costs of the Council members involved in executing the laws but did not include the cost of executing the laws incurred by policing services or courts |
| Judicial jurisdiction to resolve disputes           | Dispute resolution (i.e., court disputes and settlements) is not considered a governance activity and was not costed in this study.  |
| <b>Resources</b>                                    |  |
| Financial, economic and natural resources           | Only resources that support governance activities/functions as defined were included in this study (e.g., the Mayor’s salary was included but the salary of program staff was not)   |
| Information technology resources                    |  |
| Human resources                                     |  |
| <b>Accountability</b>                               |  |

## VI. Project Approach

This section of the report outlines our methodology and the steps taken to carry out this project. It describes how we developed the definition of governance, selected potential participants, confirmed the participants, obtained financial information, conducted interviews, determined governance costs and total expenditures, and assessed “central agency like” costs.

### Developed the definition of governance

The detailed definition of governance that was developed for the *Phase I* study was revisited and updated to make it more relevant to this study. This involved excluding references applicable only to provincial/territorial governments and adding terminology that is more relevant to Aboriginal governments. It is important to note that we did not change the broad definition of governance, we simply revised some of the terminology to make the definition more meaningful for participants in the study. We then presented this working definition to the Steering Committee, who expressed agreement on this approach.

The definition of good government provided in the report on the Royal Commission on Aboriginal Peoples (RCAP) was then compared to the working definition of governance, and similarities and differences were noted.

The definition of governance was refined as the project progressed to include more specific descriptions of costs included and excluded from the analysis, based on the financial information received from municipalities. Again, the broad definition developed earlier was used as the basis for applying the definition, and remained unchanged. We simply added more detail to the definition as the project progressed. The approach used in applying the definition was again confirmed with the Steering Committee.

The definition of governance used in this study was described in detail in the previous section.

### Selected potential participants

As outlined in the criteria for selecting municipalities in the Project Scope section of this report (Section IV), municipalities were selected from four provinces/territories for which there is standardized financial reporting and where there are on-going negotiations. The Steering Committee was involved in identifying the provinces which would be most relevant to current negotiations. The table on the following page lists the provinces from which municipalities were selected, the distribution of municipalities by province, and any rationale or other comments, where relevant.





## VI. Project Approach

| Province/Territory selected | Number of municipalities | Comments  |
|-----------------------------|--------------------------|---|
| Ontario                     | 3                        | Fewer municipalities were selected in Ontario than in Saskatchewan and British Columbia because 2 Ontario municipalities were included in the previous study.                                     |
| Saskatchewan                | 4                        |   |
| British Columbia            | 4                        | Including the Sechelt Indian Governance District  |
| Northwest Territories       | 3                        | Fewer municipalities were selected from the Northwest Territories than in Saskatchewan and British Columbia due to the small number of municipalities to choose from relative to other provinces. |

In order to determine the specific municipalities that would be included in the study, an initial list of 26 potential participants from the four provinces/territory was established, based on the criteria outlined earlier (see Section IV, Project Scope). This list also reflected the suggestion from the Steering Committee to try to include municipalities closest to Aboriginal communities where negotiations are currently being held. This included UAC in southern Ontario, Meadow Lake Tribal Council in northern Saskatchewan, Nisga'a in British Columbia and non-Nunavut municipalities in the Northwest Territories. The list of potential participants was agreed to by the Steering Committee. We then collected audited financial statements for each of the potential participants from the ministry involved in municipal activities in each province, and conducted preliminary interviews with each municipality to explain the study and assess their interest in participating.

### Confirmed the participants

After obtaining preliminary data and conducting the initial set of interviews, we assessed each municipality against criteria such as population of the municipality, location (rural remote versus those in proximity to urban centres), interest in the study, and willingness and availability to participate in the study, in order to put together the final list of participants.

It was initially our intention to achieve a balanced distribution by population (half of the municipalities below 2,500 residents and half larger than 2,500). However, in the end, the key factor in selecting participants was the interest and availability of municipal staff, as the cooperation of participants was essential to the success of the study. As a result, there are a greater number of municipalities at the smaller end of the population range. There is also a mix of rural remote and semi-urban municipalities, but with a greater proportion of rural communities than initially envisioned.

## VI. Project Approach

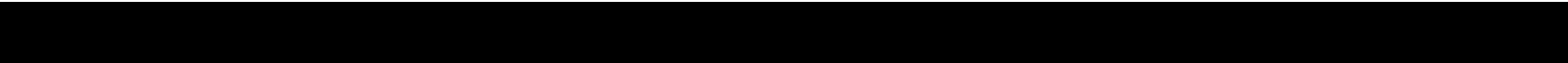
Through discussions with the Steering Committee it was determined that the selection of municipalities and mix of traits was appropriate. In fact, it was felt that an emphasis on the smaller municipalities was more reflective of Aboriginal communities, which have an average population of less than 500 residents.

A map identifying the 14 municipalities included in this study is provided on the following page. This map also includes the towns of Jaffrey Melick and Smooth Rock Falls, which participated in the *Phase I* study, and which are included later in this study for analysis purposes. Appendix A contains a list of the initial 26 municipalities contacted. This list also identifies the municipalities who chose not to participate, and any rationale, where provided.

### Obtained financial information

We obtained several types of data from various sources. Data collected included:

- ▶ 1995 standardized audited financial statements for all municipalities. These were obtained from the Ministry of Municipal Affairs in Ontario, the Ministry of Municipal Government in Saskatchewan, the Ministry of Municipal and Community Affairs in the Northwest Territories, and the Ministry of Municipal Affairs in British Columbia .
- ▶ 1995 detailed financial information for all municipalities. These were obtained directly from each municipality and were provided in the form of general ledgers, annual budgets, and operating statements. The specific format and type of information provided varied, depending on the manner in which the information we needed was collected within each municipality.
- ▶ 1994/95 Public Accounts from the ministries responsible for municipal affairs for each provinces.





## VI. Project Approach

- ▶ spreadsheets were created to capture relevant costs and to generate appropriate calculations (i.e., governance costs as a percentage of total expenditures)
- ▶ follow-up interviews were conducted where required in order to clarify cost items and government activities, and ensure consistency of the data.

### Determined total expenditures

Information on total expenditures was obtained from the standardized municipal financial statements. Total expenditures include:

- ▶ total capital expenditures
- ▶ total municipal operations expenditures, including transfers back to boards and agencies. These budgets are set out by the municipality and paid for through taxes raised by the municipality.
- ▶ allocation of costs from the Ministry of Municipal Affairs that are not part of the budget of the municipalities.

Total expenditures for all municipalities are outlined in Appendix C.

### Assessed “central agency like” costs

In the *Phase I* study, costs related to “central agency like” functions were included but identified separately. This was done mainly for the purpose of exploring central agency costs at a provincial/territorial level. This included the cost of activities related to the development of administrative policy for the government as a whole, but not for the provision of common services to government departments (e.g., it included a Comptroller or Management Board function, but not support services such as cheque cutting or printing).

## VI. Project Approach

This activity was then extended to the municipal level by including a portion of costs from the Policy and Planning Division of the Ontario Ministry of Municipal Affairs, which sets “blanket” policies for all municipalities in Ontario (e.g., the required number of council members, the minimum number of council meetings that should be held, the manner in which standardized financial information should be submitted to the province, etc.). This was done by dividing the total expenditures of the branch responsible for setting municipal policy by the total number of municipalities in the province. This was felt to be a reasonable approach in apportioning costs for policy related activities as these policies are developed for all municipalities, regardless of population, location or other factors.

To remain consistent with the *Phase I* study, we agreed to explore costs related to “central agency like” functions in this study. This involved contacting the Ministry of Municipal Government in Saskatchewan, the Ministry of Municipal Affairs in British Columbia and the Ministry of Municipal and Community Affairs in the Northwest Territories to gain an understanding of their structures and the role that they play in setting “blanket” policies (i.e., administrative policy and the administrative framework) for municipalities. We then obtained financial information for the branch involved in establishing policy for municipalities, as well as information on the total number of municipalities in each province, to calculate the “central agency like” cost per municipality.

## VII. Sechelt Indian Government District

For the most part, we found that the municipalities under review are structured in a similar fashion and incur similar types of costs. This includes costs related to both governance and total expenditures. The structure of the Sechelt Indian Government District, however, is unique in the context of this study, and is worthy of discussion. The following information was obtained through a document entitled *Evaluation of the Funding Agreement between the Government of Canada and the Sechelt Indian Band*, which was produced and issued by the Audit and Evaluation Branch of the Department of Indian Affairs and Northern Development in September 1995, and through discussions with the Treasurer of the Sechelt Indian Government District.

The Sechelt Indian Band consists of just over 900 persons, with roughly half living on Band lands. The community also leases land to approximately 500 non-native people. The Sechelt Indian Band is governed by the *Sechelt Indian Band Self-Government Act*, which received Royal assent in 1986, and largely replaces the Indian Act. The purposes of the new act are to “enable the Sechelt Indian Band to exercise and maintain self-government on Sechelt lands and to obtain control over the administration of resources and services available to its members.” The Band also has a constitution which defines a framework for community decisions and administration. Specifically, it:

- ▶ establishes guidelines for band council composition and rules regarding its election procedures
- ▶ establishes council operating procedures
- ▶ provides for financial accountability
- ▶ establishes a membership code
- ▶ establishes rules for referenda
- ▶ establishes rules and procedures for land disposition
- ▶ sets out general legislative powers according to federal and provincial statute
- ▶ sets out other residual powers of governance.



## VII. Sechelt Indian Government District

The Sechelt governing structure contains the Sechelt Indian Band Council, and the Sechelt Indian Government District Council and related Advisory Council. This structure creates a band government and a local government. Each of these components are described in more detail below.

- ▶ The Sechelt Indian Band Council represents Band members only and is responsible for social development, education, housing, public works, resource management, community health, economic development, culture and recreation. The Band Council consists of five representatives elected by Band members according to the Band constitution.
- ▶ The Sechelt Indian Government District operates under municipal legislation, and is responsible for services such as zoning and land use, public order and safety and other services that affect all residents. It provides services to all residents, but the Government District Council is composed of band members only. In fact, the Band Council automatically becomes the Government District Council.
- ▶ The Advisory Council consists of five representatives elected by all members of the community (band members and non-members). Responsibilities include setting a plan for the provision of district services, estimating service costs, recommending proposed financing of services, and listening to community ideas about ways to improve service provision for the District.

In this study, we focused on the costs of governance for the Sechelt Indian Government District, as it is most similar in structure and responsibilities to the other municipalities we studied, and because financial information was readily available. Given its municipal status, the District is required to file financial statements with the British Columbia Ministry of Municipal Affairs.

The unique structure and circumstances within which the Government District operates does not significantly impact on the cost of governance as a percentage of total expenditures, compared to the other municipalities we examined. However, the following differences were noted between the Sechelt Indian Government District and the other municipalities:

- ▶ both the Advisory Council and Indian Band participate in Government District council meetings. This results in costs for two sets of councils with 5 members each, compared to other municipal councils, which are composed of 3 to 6 members on average. The Government District therefore incurs higher costs related to municipal council.

## VII. Sechelt Indian Government District

- ▶ total expenditures for the Government District may be under represented because:
  - some expenditures typically paid for by other municipalities are paid for by the Indian Band (e.g., parks and recreation), and were not included in our calculations
  - there is little infrastructure/roadways for the Government District to maintain
  - the Government District is not obligated to contribute to certain facilities that other municipalities may be required to contribute to (e.g., libraries).

While we did not examine costs related to the Band Council, we offer the following points for consideration.

- ▶ We did not obtain any information on governance activities for the Sechelt Indian Band. However, we know that the Indian Bands do have added responsibilities compared to the municipalities reviewed related to programs such as education, forestry, health, etc. Governance costs for Indian Bands will be higher than those of the municipalities we studied if there are associated governance costs with running these programs. This could therefore serve to increase the cost of governance, as a percentage of total expenditures, compared to the municipalities reviewed.
- ▶ Total expenditures for Indian Bands will be substantially higher than those of the municipalities studied to date, given their additional responsibilities for activities such as education, forestry, etc. This could serve to lower the cost of governance, as a percentage of total expenditures, compared to the municipalities reviewed.
- ▶ It is not clear what the cumulative affect of these inverse impacts will have on the cost of governance as a percentage of total expenditures.
- ▶ Insurance premiums were believed to be higher for Indian Bands. According to the treasurer of the Government District, however, their insurance premiums are on par with other municipalities of similar size, and are based on standard criteria for all municipalities. Certain Bands may incur higher premiums, though, where there is greater risk (e.g., due to remoteness, etc.).

## VIII. Findings and Analysis

*Governance costs identified range from 3.09% to 7.29% of total expenditures.* This includes costs identified in the original study for the towns of Jaffrey Melick and Smooth Rock Falls in Ontario. Some other findings are highlighted below.

- ▶ Governance costs as a percentage of total expenditures do not appear to be affected by population of the municipality. For instance, Jaffrey Melick and Sandfield represent the largest and smallest municipalities studied, in terms of population. Their governance costs are both at the high end of the range at 7.18% and 7.29% of total expenditures respectively. This is illustrated in the graph on page 24.
- ▶ Governance costs as a percentage of total expenditures do not appear to be affected by location, both in terms of the province of which the municipality is a part, or remoteness/population density of the surrounding area. This is illustrated in the map on page 25.
- ▶ Governance costs and total expenditures appear to increase as the population increases. Governance costs also appear to increase as total expenditures increase. These trends are illustrated in the graphs on pages 26 and 27.
- ▶ There is limited data upon which to determine any conclusive relationships. These points should be considered observations only.

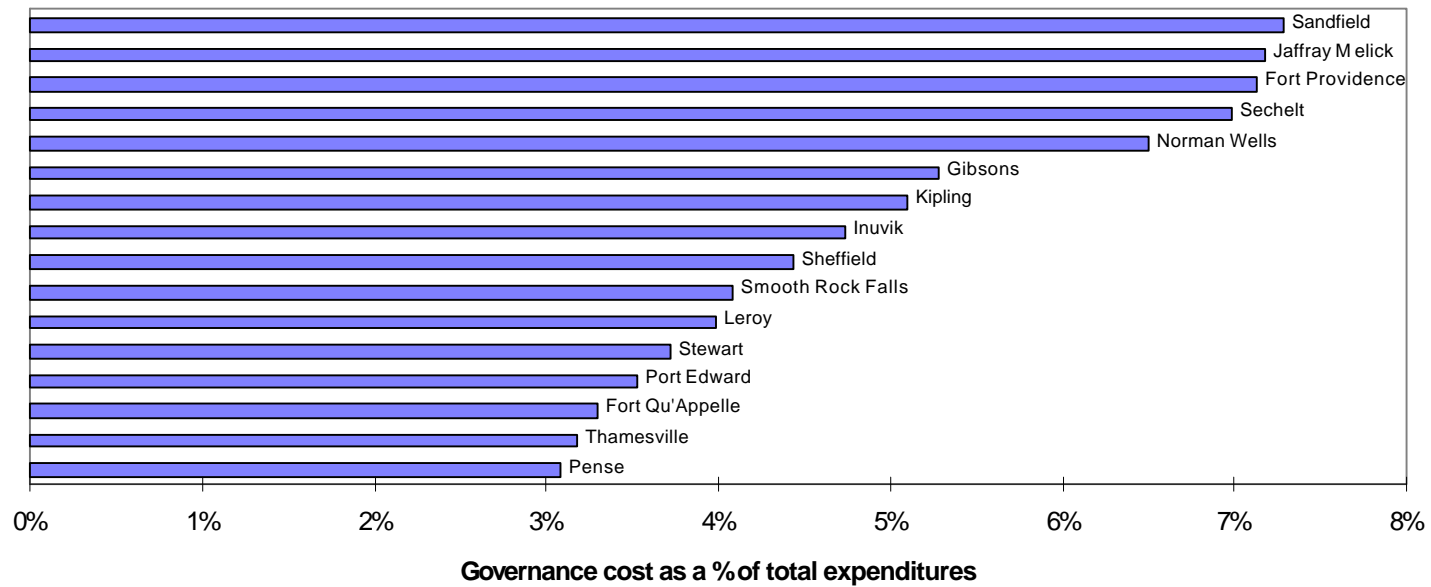
A summary table outlining the results of the study is provided on the following page. This includes a breakdown of governance and total costs for each municipality, including costs for the two municipalities involved in the previous study. A graph illustrating governance costs as a percentage of total expenditures is provided on the page following the table. Detailed spreadsheets showing how we arrived at these calculations are provided in Appendix D.

## VIII. Findings and Analysis

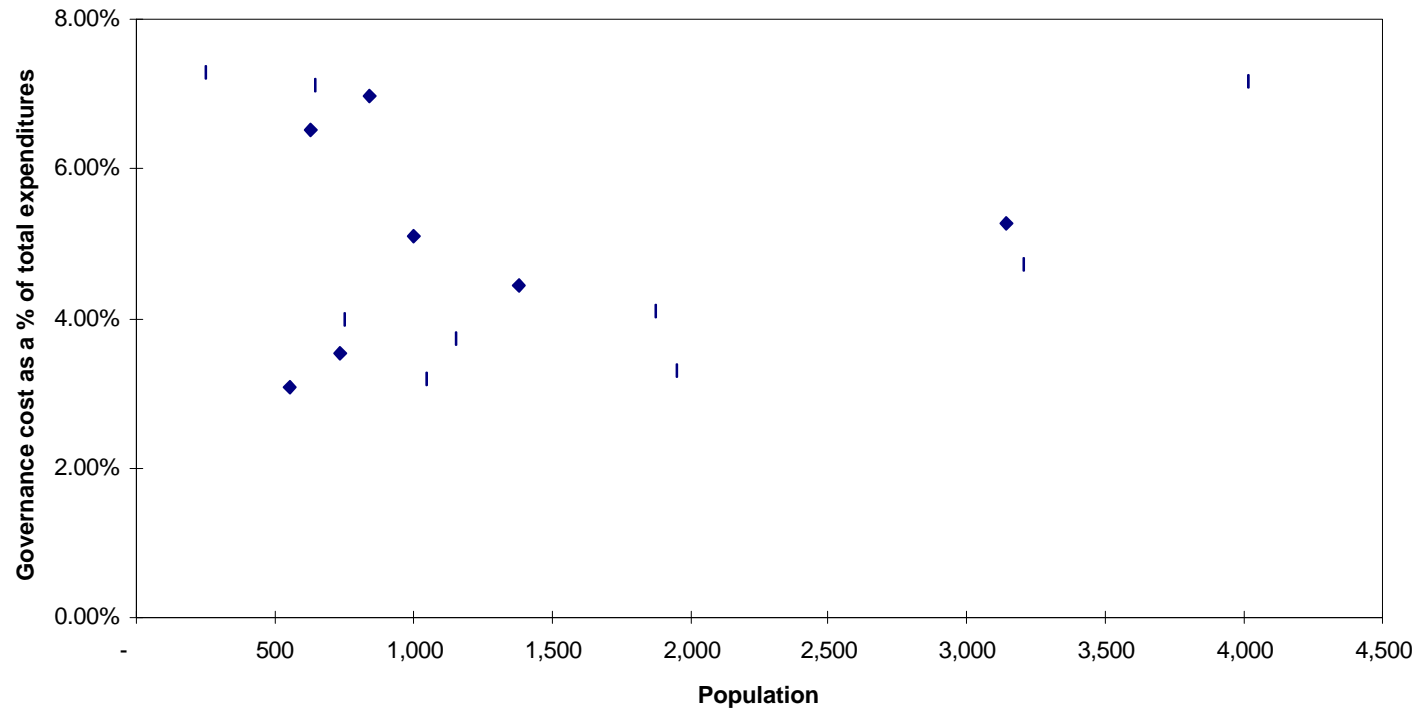
|                              | Expenditures (1995 Actuals) |                        |           |          | Total Governance Cost | Total Expenditures | Governance as % of Total | Population |
|------------------------------|-----------------------------|------------------------|-----------|----------|-----------------------|--------------------|--------------------------|------------|
|                              | Council                     | General Administration | Elections | Legal    |                       |                    |                          |            |
| <b>Ontario</b>               |                             |                        |           |          |                       |                    |                          |            |
| Jaffray Melick               | \$66,911                    | \$137,417              | \$1,980   | \$0      | \$206,308             | \$2,874,359        | 7.18%                    | 4,012      |
| Smooth Rock Falls            | \$40,252                    | \$70,509               | \$1,650   | \$0      | \$112,411             | \$2,749,491        | 4.09%                    | 1,877      |
| Sheffield                    | \$20,586                    | \$12,866               | \$330     | \$200    | \$33,982              | \$766,331          | 4.43%                    | 1,380      |
| Thamseville                  | \$12,633                    | \$11,963               | \$396     | \$1,004  | \$25,996              | \$817,838          | 3.18%                    | 1,046      |
| Sandfield                    | \$7,603                     | \$14,682               | \$330     | \$323    | \$22,938              | \$314,742          | 7.29%                    | 248        |
| <b>British Columbia</b>      |                             |                        |           |          |                       |                    |                          |            |
| Gibsons                      | \$42,641                    | \$119,253              | \$2,310   | \$4,460  | \$168,664             | \$3,196,301        | 5.28%                    | 3,139      |
| Stewart                      | 27,000                      | \$50,200               | \$726     | \$1,000  | \$78,926              | \$2,122,986        | 3.72%                    | 1,151      |
| Sechelt                      | 31,755                      | \$14,571               | \$330     | \$839    | \$47,495              | \$679,625          | 6.99%                    | 842        |
| Port Edward                  | 44,671                      | \$30,135               | \$330     | \$1,386  | \$76,522              | \$2,165,132        | 3.53%                    | 739        |
| <b>Saskatchewan</b>          |                             |                        |           |          |                       |                    |                          |            |
| Fort Qu' Appelle             | \$21,506                    | \$28,866               | \$447     | \$0      | \$50,819              | \$1,540,672        | 3.30%                    | 1,953      |
| Kipling                      | \$20,106                    | \$17,666               | \$330     | \$433    | \$38,535              | \$756,221          | 5.10%                    | 1,005      |
| Leroy                        | \$15,854                    | \$19,376               | \$330     | \$100    | \$35,660              | \$893,995          | 3.99%                    | 750        |
| Pense                        | \$16,259                    | \$10,895               | \$227     | \$0      | \$27,381              | \$887,087          | 3.09%                    | 556        |
| <b>Northwest Territories</b> |                             |                        |           |          |                       |                    |                          |            |
| Inuvik                       | \$67,839                    | \$131,325              | \$2,244   | \$12,814 | \$214,221             | \$4,523,432        | 4.74%                    | 3,206      |
| Fort Providnce               | \$37,799                    | \$66,369               | \$473     | \$0      | \$104,641             | \$1,467,979        | 7.13%                    | 645        |
| Norman Wells                 | \$79,402                    | \$156,853              | \$99      | \$0      | \$236,354             | \$3,636,546        | 6.50%                    | 627        |

## VIII. Findings and Analysis

The following presents the range of governance costs graphically.

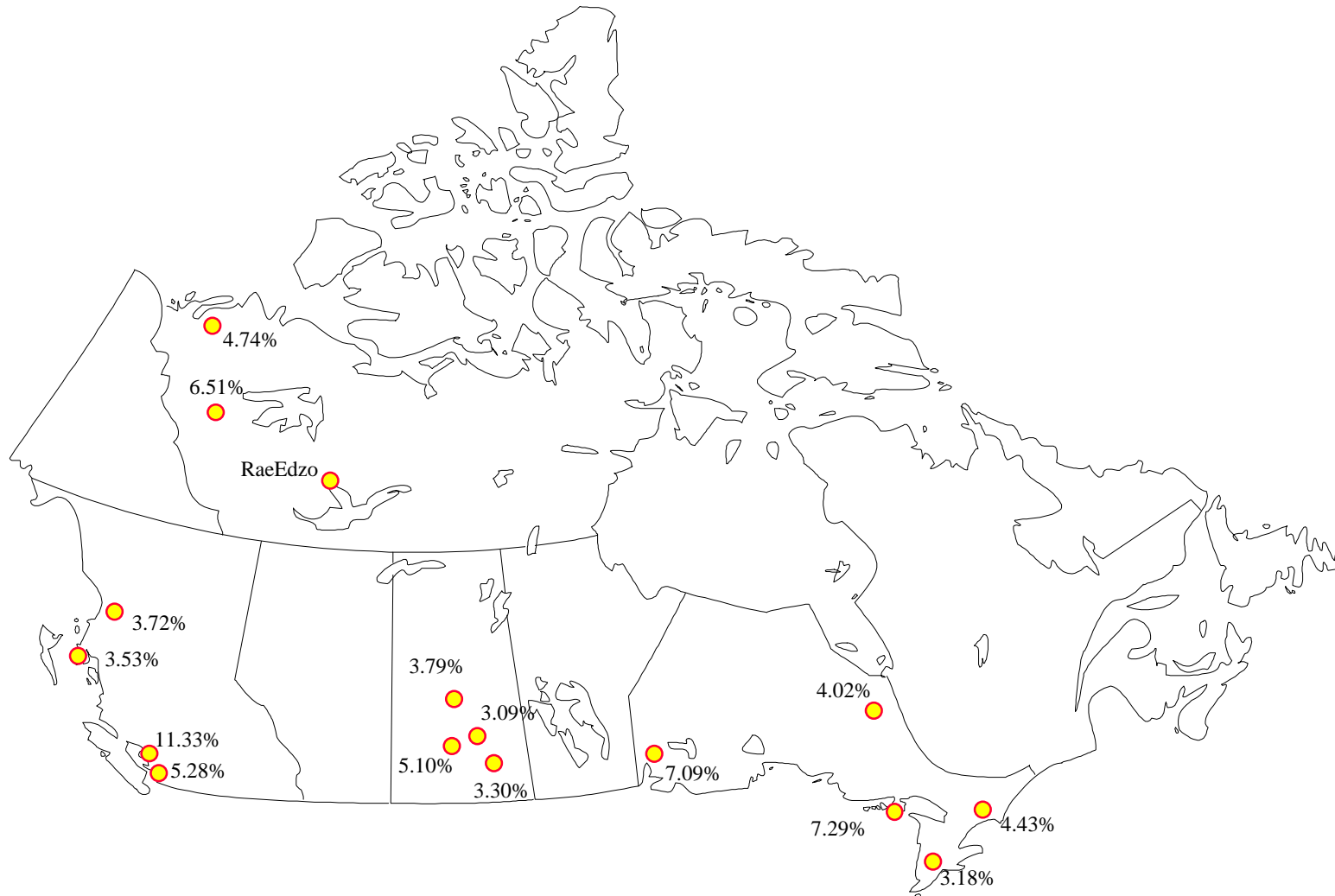


## VIII. Findings and Analysis



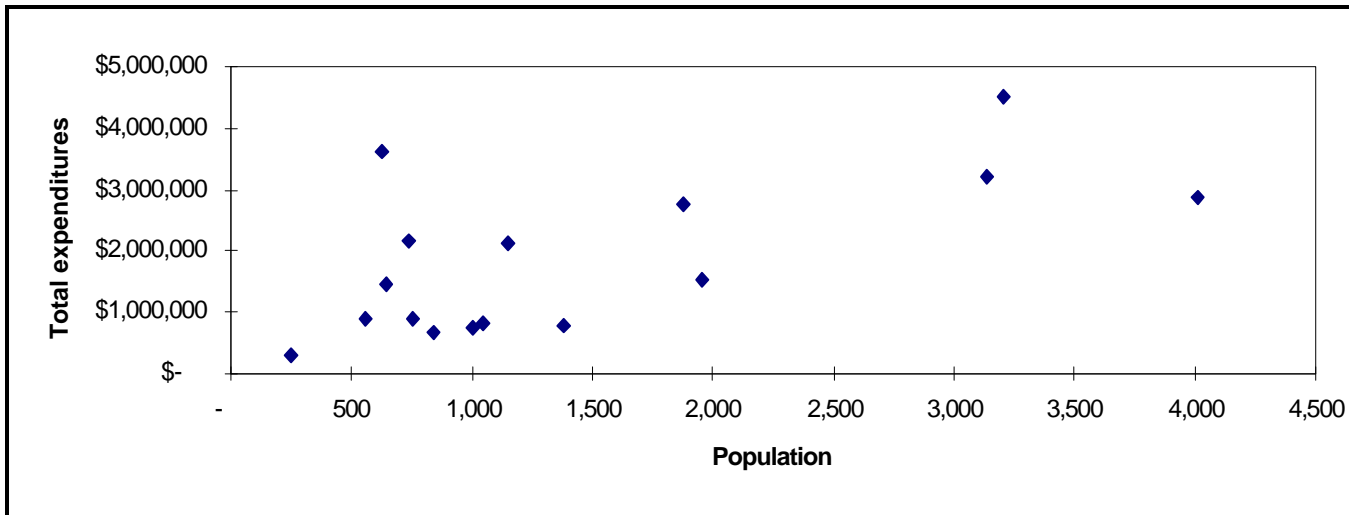
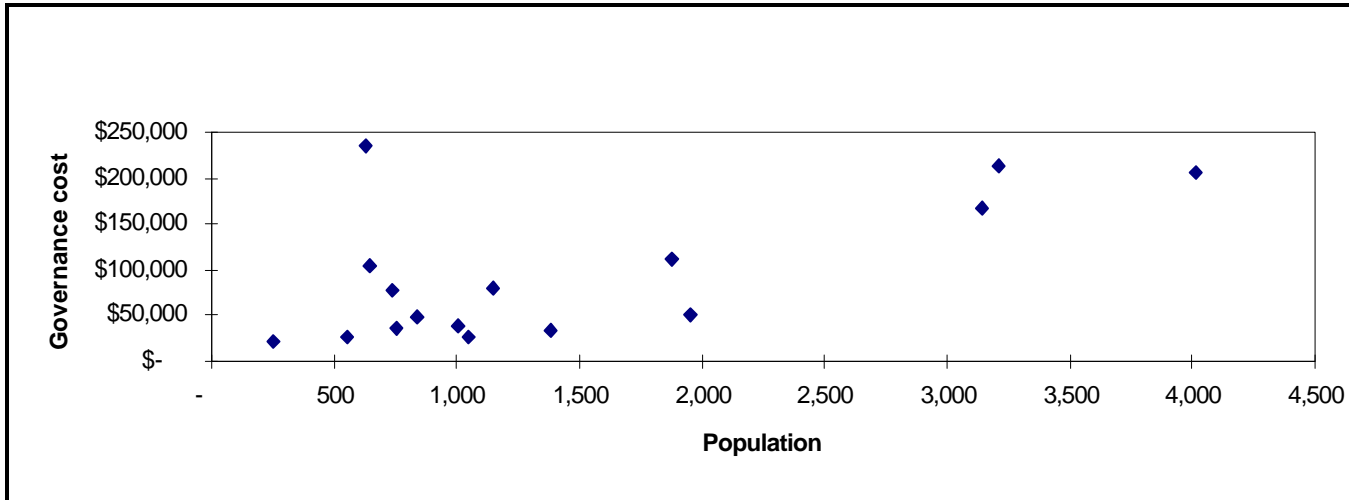
Governance costs as a percentage of total expenditures does not appear to be related to population.

## VIII. Findings and Analysis



Governance costs as a percentage of total expenditures does not appear to be related to location of the municipality.

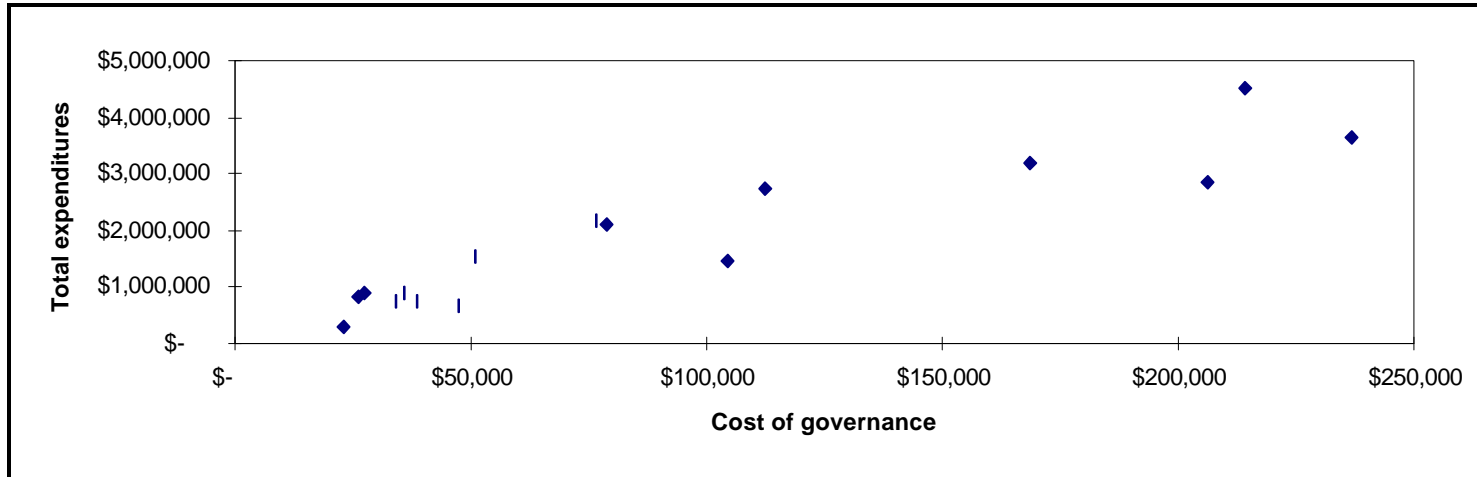
## VIII. Findings and Analysis



Governance costs and total expenditures appear to increase as the population increases.



## VIII. Findings and Analysis



Governance costs appear to increase as total expenditures increase, in a fairly linear fashion.

## VIII. Findings and Analysis

### Northwest Territories

For the municipalities in the Northwest Territories, the governance costs as a percentage of total expenditures fall within the range of all other municipalities in the study, with the exception of the Sechelt Indian Government District. However, through the interview process, differences were noted between the municipalities in the Northwest Territories and municipalities from the other provinces in this study. These differences are outlined below.

- ▶ The majority of municipalities in the Northwest Territories are non-taxed based. As a result, the municipalities generate very little of their own revenue and rely on funding from the territory. The territory allocates transfer payments to municipalities based on a standardized funding formula. Therefore, at the municipal level, there is little flexibility to move money around.
- ▶ The mayor's salary in the municipalities under review in the Northwest Territories is significantly higher than the mayor's salary of other municipalities under review. Based on discussions with municipal treasurers, the mayor's position is considered 'near' full-time. This is largely due to the mayor's involvement in land claim disputes in the territory and also the division of the territory.
- ▶ Many of the 'general administration' expenditures appeared higher than those in other municipalities. These expenditures included such things as telephone, fax, postage and travel. Based on discussions with the municipal treasurer's, this is primarily due to the remoteness of all municipalities in the Northwest Territories.

Although the above points were identified as differences between municipalities in the Northwest Territories and the other municipalities in the study, they do not affect the cost of governance as a percentage of total expenditures. The higher cost of governance is offset by higher total expenditures. This results in the cost of governance as a percentage of total expenditures being consistent with the other municipalities under review.

### “Central Agency Like” Costs

As explained in the Project Approach section of this report (section VII), we agreed to explore “central agency like” costs by reviewing the policy branch function of the ministry involved in municipal activities in each province, and dividing the cost of the branch's activities by the total number of municipalities in the province. It was initially felt that these costs may be relevant to Aboriginal governments who

## VIII. Findings and Analysis

join together for the purposes of negotiation. However, on further reflection, it was identified that these governments would not likely identify a need for a central policy function.

The “central agency like” costs per municipality ranged from \$1,927 to \$6,700, as presented in the table below. If applied to governance, on average, this would increase governance costs, as a percentage of total expenditures, by 0.5%.

|                       | Policy Branch Expenditures* | Number of Municipalities | Cost Per Municipality |
|-----------------------|-----------------------------|--------------------------|-----------------------|
| Ontario               | \$5,560,820                 | 830                      | \$6,700               |
| British Columbia      | \$739,000                   | 179                      | \$4,128               |
| Saskatchewan          | \$1,635,790                 | 849                      | \$1,927               |
| Northwest Territories | \$200,000                   | 48                       | \$4,167               |

\* Policy Branch is the term used to refer to the branch/division in each province/territory responsible for establishing municipal policy.

It is important to note that through the interview process with these provincial governments, we learned that there are other costs incurred at a provincial level that may be related to governance that have not been captured in this or the first study. These costs include activities related to advisory and support services provided by the provinces to the municipalities (e.g., advice for the drafting of by-laws), which are different from the policy setting costs that have been captured in this study.

## IX. Conclusions and Recommendations

### Applying the range of governance costs to Aboriginal governments

As discussed throughout this report, several points should be taken into consideration in applying the range of governance costs identified in this study to ongoing negotiations. These are outlined below.

- ▶ The definition of governance for the purposes of this study relates to legislative components of governance and is not inclusive of costs incurred outside the organization (e.g., policy setting or provision of advice by other government organizations) or other types of “governance” related activities. Further study may be required to better understand these additional cost areas.
- ▶ It is important to understand how governance activities and total expenditure requirements for Aboriginal governments differ from the municipalities reviewed in order to best apply the results of this study. These factors are not yet well understood.
- ▶ The range of governance costs has been based on municipalities which are mature. While start up costs for Aboriginal governments are expected to be dealt with as a separate issue, it is realistic to estimate that more “governance” effort will be required in the early years of the organization. It is interesting to note that Sechelt Indian Government District is a relatively new government body. It is not clear what affect this has had on the cost of governance identified.
- ▶ Only 16 municipalities (including the two municipalities from the *Phase I* study) have been studied, which still represents small sample size. The range of costs identified should be used with caution.
- ▶ Aboriginal governments tend to have smaller populations than the governments studied. While governance costs as a percentage of total expenditures do not appear to be related to population, this observation is based on a small sample size.

### Potential for further study

This and the previous study on the costs of governance form a critical step in identifying and understanding the magnitude of governance costs in existing governments, and how this information can be used in the negotiating process. Further study is recommended to expand on the information obtained to determine the costs of other governance related activities that are of interest to negotiators and First Nations, and the relevance of these costs in the context of Aboriginal self-government. Some possible additional analyses are outlined on the following page.

## **IX. Conclusions and Recommendations**

### **Expanding the definition of governance**

- ▶ A study, or series of studies, could be conducted to explore other costs related to the concept of governance which are important to negotiations. This could include costs related to corporate governance, other legal costs, advice and support from other government organizations, etc. The specific cost areas to be explored should be discussed in detail with stakeholders and potential users of the information in advance of such a study to ensure that all important cost areas are considered.
- ▶ It may be prudent to set up a series of consecutive studies to explore different aspects of governance costs, rather than conducting one large, lengthy and complex study at once. The former approach will enable pieces of information to flow to users in a more timely manner, and will build the collective understanding of governance costs in an iterative fashion.

### **Governance costs of Indian Bands**

- ▶ Information obtained from review of the Sechelt Government District indicates that there may be some marked differences in the governance structures for Indian Bands. Further study in this area would help to clarify these differences, and the manner in which the range of governance costs identified in this study can be applied to Indian Bands.
- ▶ As confirmed through this and the previous study, the interview process is critical to understanding the cost structures of the participating governments and the manner in which the definition of governance can be applied to their organization. Access to, availability of, and interest by Indian Bands will be critical to the success of such a study.

### **Extrapolation of this study to other municipalities**

- ▶ The range of governance costs identified is based on a small sample size. At the outset of this study, we were asked to determine whether a range of governance costs for a larger sample could be readily determined based on existing public data.
  - ▶ Our experience is that available public data does not provide information at a detailed enough level to be able to assess the costs associated with governance. Governance related costs are typically included in a line item called “General Government” in standard municipal financial reports. This also includes cost items such as capital expenditures and grants and serves as a “catch all” for other miscellaneous cost items that do not fit anywhere else. It is therefore not possible to identify governance costs without additional detailed information.

## **IX. Conclusions and Recommendations**

- ▶ However, an approach could be developed to determine governance costs for a larger sample of municipalities based on obtaining and reviewing detailed financial statements only (i.e., those held by municipalities, not the aggregation of this information collected by Ministries of Municipal Affairs). The portion of costs related to governance would be determined based on the detailed and in-depth understanding of municipal costs obtained through this study, and the interview process would be eliminated.

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**Appendix A**  
**List of municipalities contacted**

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## List of municipalities contacted

|  | Urban vs.<br>Rural* | Type of<br>Municipality | Population | General<br>Location                                    | Comments                                   |
|--|---------------------|-------------------------|------------|--|--|
| <b>British Columbia</b>  |                     |                         |            |  |  |
| Ladysmith  | Urban               | Town                    | 4,875      | SE coast of Van. Is.-between Nanaimo and Victoria      |  |
| Gibsons  | Rural               | Town                    | 3,139      | On the coast north of Vancouver                        |  |
| Port McNeil  | Rural               | Town                    | 2,641      | Northeast coast of Vancouver Island                    |  |
| Stewart  | Rural               | District                | 1,151      | Northern B.C. on Alaska border                         |  |
| Sechelt  | Rural               | Native Community        | 842        | On the coast just north of Vancouver and Gibsons       |  |
| Port Edward  | Urban               | District                | 739        | Northern B.C.-40 km SW of Prince Rupert                |  |
| Pemberton  | Rural               | Village                 | 502        | 50 km northeast of Whistler                            |  |
| <b>Northwest Territories (all proposed municipalities are outside and west of Nunavut)</b> |                     |                         |            |  |  |
| Inuvik   | Rural               | Town                    | 3,206      | Northern NWT - just east of Mackenzie River            |  |
| Rae-Edzo   | Rural               | Hamlet                  | 1,521      | Northern tip Great Slave Lake-just east of Yellowknife |  |
| Aklavik  | Rural               | Hamlet                  | 918        | Northern NWT - close to Yukon border                   |  |
| Fort Providence  | Rural               | Hamlet                  | 645        | Western tip of Great Slave Lake                        |  |
| Norman Wells   | Rural               | Town                    | 627        | Along Mackenzie River - east of Great Bear Lake        |  |
| Deline   | Rural               | Chartered Community     | 565        | Southwest tip of Great Bear Lake                       |  |
| <b>Ontario</b>   |                     |                         |            |  |  |
| Petrolia   | Urban               | Town                    | 4,598      | 30 km southeast of Sarnia                              | Declined due to nearby land claim disputes |
| Jaffrey Melick   | Rural               | Town                    | 4,012      | 5 km north of Kenora, Ont.                             | From previous study                        |
| Smooth Rock Falls  | Rural               | Town                    | 1,877      | 100 km north of Timmons, Ont.                          | From previous study                        |
| Onondoga   | Urban               | Township                | 1,519      | 10 km east of Brantford                                |  |
| Norwood  | Urban               | Village                 | 1,441      | 35 km northeast of Peterborough                        |  |
| Sheffield  | Urban               | Township                | 1,380      | 20 km south of Guelph                                  |  |
| Thamesville  | Rural               | Village                 | 1,046      | 50 km southwest of London                              |  |
| Carling  | Rural               | Township                | 951        | 20 km north of Perry Sound                             |  |
| Sandfield  | Rural               | Township                | 248        | Located on Manitoulin Island                           |  |
| <b>Saskatchewan</b>  |                     |                         |            |  |  |
| Meadow Lake  | Rural               | Town                    | 4,318      | Northern Saskatchewan 200 km east of Alberta border    | Declined due to time constraints           |
| Battleford   | Rural               | Town                    | 4,107      | 250 km northwest of Saskatoon                          | Declined due to time constraints           |
| Fort Qu'appelle  | Rural               | Town                    | 1,953      | 200 km northeast of Regina                             |  |
| Kipling  | Rural               | Town                    | 1,005      | 250 km north of US border - 150 km west of Manitoba    |  |
| Leroy  | Rural               | Rural Municipality      | 750        | 50 km west of Big Quill Lake                           |  |
| Pense  | Urban               | Village                 | 556        | 30 km west of Regina                                   |  |

\* Urban municipalities have been defined as those within 50 km of a major city centre.

The shaded lines indicate the municipalities that have been interviewed and have provided detailed financial information.



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**Appendix B**  
**List of government contacts**

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## List of government contacts

|   | Contact Name      | Title                               |
|---|-------------------|-------------------------------------|
| <b>British Columbia</b>                     |                   |                                     |
| Gibsons                                     | Ian Poole         | Treasurer                           |
| Stewart                                     | Brian Woodward    | Administrator                       |
| Sechelt                                     | Harold Fletcher   | Treasurer                           |
| Port Edward                                 | Robert Earl       | Treasurer                           |
| Ministry of Municipal Affairs               | Allan Osborne     | Manager, Policy and Research Branch |
| <b>Northwest Territories</b>                |                   |                                     |
| Inuvik                                      | Don Howden        | Senior Administrator                |
| Fort Providence                             | Susan Christie    | Senior Administrator                |
| Norman Wells                                | Marty McCrea      | Senior Administrator                |
| Ministry of Municipal and Community Affairs | Don McDonald      | Senior Municipal Consultant         |
| <b>Ontario</b>                              |                   |                                     |
| Jaffrey Melick                              | Jerry Labossiere  | Treasurer                           |
| Smooth Rock Falls                           | Pat Cyr           | Treasurer                           |
| Sheffield                                   | Anna Kirkpatrick  | Treasurer                           |
| Thamesville                                 | Violet Henry      | Treasurer                           |
| Sandfield                                   | Ruth Legge        | Treasurer                           |
| Ministry of Municipal Affairs               | Donna Mohan       | Financial Advisor                   |
| <b>Saskatchewan</b>                         |                   |                                     |
| Fort Qu'appelle                             | Sandra            | Administrator                       |
| Kilpling                                    | Dave Petz         | Administrator                       |
| Leroy                                       | Joan Fedak        | Treasurer                           |
| Pense                                       | Carolynne Meadows | Treasurer                           |
| Ministry of Municipal Government            | Paul Rath         | Director, Municipal Policy Services |

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**Appendix C**  
**Total expenditures**

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## Total Expenditures by Ontario Municipalities

| <b>Municipal Functions</b>       | <b>Jaffray<br/>Melick</b> | <b>Smooth<br/>Rock Falls</b> | <b>Sheffield</b> | <b>Thamesville</b> | <b>Sandfield</b> |
|----------------------------------|---------------------------|------------------------------|------------------|--------------------|------------------|
| General government               | \$538,232                 | \$569,859                    | \$145,359        | \$112,053          | \$75,555         |
| Protection services              | \$245,954                 | \$71,807                     | \$93,123         | \$88,583           | \$27,513         |
| Transportation services          | \$707,869                 | \$725,736                    | \$332,149        | \$199,387          | \$158,990        |
| Environmental services           | \$581,622                 | \$658,468                    | \$33,162         | \$367,753          | \$12,974         |
| Health services                  | \$58,986                  | \$38,889                     | \$20,026         | \$0                | \$3,694          |
| Social and family services       | \$478,327                 | \$210,890                    | \$0              | \$2,000            | \$25,343         |
| Recreation and cultural services | \$216,835                 | \$446,299                    | \$128,445        | \$45,731           | \$8,301          |
| Planning and development         | \$46,534                  | \$27,543                     | \$14,067         | \$2,331            | \$2,372          |
| <b>Total Expenditures</b>        | <b>\$2,874,359</b>        | <b>\$2,749,491</b>           | <b>\$766,331</b> | <b>\$817,838</b>   | <b>\$314,742</b> |

## Total Expenditures by British Columbia Municipalities

| <b>Municipal Functions</b>              | <b>Gibsons</b>     | <b>Stewart</b>     | <b>Sechelt</b>   | <b>Port Edward</b> |
|---|--------------------|--------------------|------------------|--------------------|
| General government                      | \$687,090          | \$250,393          | \$179,801        | \$367,232          |
| Protection services                     | \$369,851          | \$38,093           | \$24,278         | \$52,239           |
| Transportation services                 | \$449,041          | \$424,984          | \$80,190         | \$478,104          |
| Fiscal services                         |                    | \$75,472           | \$274            |                    |
| Health and environmental services       | \$115,546          | \$157,213          | \$21,845         | \$60,312           |
| Planning and economic development       | \$150,582          | \$181,555          |                  | \$6,798            |
| Recreation and cultural services        | \$401,855          | \$303,131          |                  | \$35,581           |
| Taxes to other governments              |                    | \$403,890          | \$345,840        | \$526,685          |
| Other services                          | \$1,022,336        |                    | \$27,397         |                    |
| Infrastructure and capital expenditures |                    | \$288,255          |                  | \$638,181          |
| <b>Total Expenditures</b>               | <b>\$3,196,301</b> | <b>\$2,122,986</b> | <b>\$679,625</b> | <b>\$2,165,132</b> |

## Total Expenditures by Saskatchewan Municipalities

| Municipal Functions              | Fort<br>Qu'Appelle | Kipling          | Leroy            | Pense            |
|----------------------------------|--------------------|------------------|------------------|------------------|
| General government               | \$218,027          | \$97,014         | \$93,282         | \$94,483         |
| Protection services              | \$317,538          | \$87,661         | \$11,911         | \$18,244         |
| Transportation services          | \$481,250          | \$167,231        | \$710,676        | \$540,359        |
| Environmental services           | \$86,904           | \$49,449         | \$8,799          | \$5,759          |
| Health services                  | \$3,085            | \$6,538          | \$5,041          | \$1,061          |
| Recreation and cultural services | \$121,645          | \$186,582        | \$13,129         | \$1,053          |
| Utilities services               | \$312,223          |                  |                  |                  |
| Fiscal services                  |                    | \$134,809        | \$45,210         | \$226,128        |
| Planning and development         |                    | \$26,709         | \$5,947          |                  |
| Payments to other governments    |                    | \$228            |                  |                  |
| <b>Total Expenditures</b>        | <b>\$1,540,672</b> | <b>\$756,221</b> | <b>\$893,995</b> | <b>\$887,087</b> |

## Total Expenditures by NWT Municipalities

| <b>Municipal Functions</b>       | <b>Inuvik</b>      | <b>Fort<br/>Providence</b> | <b>Norman<br/>Wells</b> |
|----------------------------------|--------------------|----------------------------|-------------------------|
| General government               | \$1,137,013        | \$390,129                  | \$736,001               |
| Protection services              | \$222,482          | \$32,723                   | \$84,704                |
| Transportation services          | \$879,051          | \$147,313                  | \$477,373               |
| Environmental services           | \$183,643          | \$31,986                   | \$88,681                |
| Fiscal services                  | \$326,133          |                            | \$90,386                |
| Water and sewage services        |                    | \$524,625                  | \$833,036               |
| Contract services                |                    | \$31,496                   |                         |
| Recreation and cultural services | \$568,087          | \$273,145                  | \$442,728               |
| Planning and development         | \$458,468          | \$36,562                   | \$175,569               |
| Utility services                 |                    |                            | \$213,741               |
| Other services                   | \$748,555          |                            | \$422,218               |
| Capital expenditures             |                    |                            | \$72,109                |
| <b>Total Expenditures</b>        | <b>\$4,523,432</b> | <b>\$1,467,979</b>         | <b>\$3,636,546</b>      |

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**Appendix D**  
**Detailed spreadsheets**

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**TOWN OF JAFFRAY MELICK, ONTARIO**

|                             | <b>1995<br/>Actual</b> | <b>% in Support<br/>of Governance</b> | <b>Governance<br/>Cost</b> | <b>Comments</b>   |
|-----------------------------|------------------------|---------------------------------------|----------------------------|---|
| <b>Members of Council</b>   |                        |                                       |                            |   |
| Salaries and wages          | \$32,771               | 100%                                  | \$ 32,771                  | 6 part-time elected positions and 1 part-time Mayor, includes benefits. |
| Material, rent and expenses | \$34,140               | 100%                                  | \$34,140                   |   |
| <b>Sub-Total</b>            | <b>\$66,911</b>        |                                       | <b>\$66,911</b>            |   |

## TOWN OF SMOOTH ROCK FALLS, ONTARIO

|                               | 1995<br>Actual     | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|--------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                    |                               |                    |   |
| Salaries and wages            | \$27,041           |                               |                    | 3 part-time elected positions and 1 part-time reeve, includes benefits.                             |
| Materials, rent and expenses  | \$22,508           |                               |                    |   |
| Less:                         |                    |                               |                    |   |
| Tax write-offs                | -\$2,586           |                               |                    |   |
| Interest on loans             | -\$1,527           |                               |                    |   |
| Student administration        | -\$563             |                               |                    |   |
| Retirement treasurer          | -\$4,621           |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$40,252</b>    | <b>100%</b>                   | <b>\$40,252</b>    |   |
| <b>General Administration</b> |                    |                               |                    |   |
| Salaries and wages            | \$189,469          | 25%                           | \$47,367           | 3 full-time positions, includes benefits. Based in discussions with the treasurer, it was           |
| <b>Sub-Total</b>              | <b>\$189,469</b>   |                               | <b>\$47,367</b>    | stated that for general administrative staff, only 25% of their time is related to governance.      |
| General expenses              | \$157,706          |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                    |                               |                    |   |
| Tax write-offs                | -\$18,121          |                               |                    |   |
| Interest on loans             | -\$10,699          |                               |                    |   |
| Student administration        | -\$3,941           |                               |                    |   |
| Retirement treasurer          | -\$32,379          |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$92,566</b>    | <b>25%</b>                    | <b>\$23,142</b>    |   |
| <b>Total</b>                  | <b>\$282,035</b>   |                               | <b>\$70,509</b>    |   |
| <b>Other</b>                  |                    |                               |                    |   |
| Election                      | \$5,000            | 33%                           | \$1,650            | this is the average cost for holding an election - usually every 3 years however.                   |
| Legal/professional advice     | \$0                | 0%                            | \$0                | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$5,000</b>     |                               | <b>\$1,650</b>     |   |
| <b>TOTAL</b>                  | <b>\$327,287</b>   |                               | <b>\$112,411</b>   |   |
| <b>Total Expenditures*</b>    | <b>\$2,749,491</b> | <b>4.09%</b>                  |                    |   |

\* includes capital expenditures. Total expenditures do not include "central agency like" costs and are therefore \$6700 less than in the first "costs of governance study". As a result, the governance cost as a percentage of total expenditures is 4.09%, as opposed to 4.02%.

## TOWNSHIP OF SHEFFIELD, ONTARIO

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$14,629         | 100%                          | \$ 14,629          | 3 part-time elected positions and 1 part-time reeve, includes benefits.                             |
| Conventions/General expenses  | \$5,957          | 100%                          | \$5,957            |   |
| <b>Sub-Total</b>              | <b>\$20,586</b>  |                               | <b>\$20,586</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            |                  |                               |                    | 3 full-time positions, includes benefits. The treasurer indicated the percentage of time each       |
| Clerk                         | \$30,900         | 20%                           | \$6,180            | for each staff member which is devoted to governance related activities.                            |
| Treasurer                     | \$27,500         | 10%                           | \$2,750            |   |
| Assistant Clerk Treasurer     | \$19,900         | 0%                            | \$0                |   |
| <b>Sub-Total</b>              | <b>\$78,300</b>  | <b>11%</b>                    | <b>\$8,930</b>     |   |
| General expenses              | \$38,962         |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                  |                               |                    |   |
| Transfer to own funds         | -\$498           |                               |                    |   |
| Interest on loans             | -\$1,632         |                               |                    |   |
| Miscellaneous                 | -\$1,054         |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$35,778</b>  | <b>11%</b>                    | <b>\$3,936</b>     |   |
| <b>Total</b>                  | <b>\$114,078</b> |                               | <b>\$12,866</b>    |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$1,000          | 33%                           | \$330              | this is the average cost for holding an election - usually every 3 years however.                   |
| Legal/professional advice     | \$830            | 24%                           | \$200              | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$1,830</b>   |                               | <b>\$530</b>       |   |
| <b>TOTAL</b>                  | <b>\$136,494</b> |                               | <b>\$33,982</b>    |   |

|                            |                  |              |
|----------------------------|------------------|--------------|
| <b>Total Expenditures*</b> | <b>\$766,331</b> | <b>4.43%</b> |
|----------------------------|------------------|--------------|

\* includes capital expenditures

## VILLAGE OF THAMESVILLE, ONTARIO

|                           | 1995<br>Actual  | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|---------------------------|-----------------|-------------------------------|--------------------|---|
| <b>Members of Council</b> |                 |                               |                    |   |
| Salaries and wages        | \$10,752        | 100%                          | \$ 10,752          | 4 part-time elected positions and 1 part-time reeve, includes benefits. |
| Meetings                  | \$600           | 100%                          | \$600              |   |
| Lieu Wages                | \$60            | 100%                          | \$60               |   |
| Mileage                   | \$257           | 100%                          | \$257              |   |
| Conferences               | \$964           | 100%                          | \$964              |   |
| <b>Sub-Total</b>          | <b>\$12,633</b> |                               | <b>\$12,633</b>    |   |

## TOWNSHIP OF SANDFIELD, ONTARIO

|                               | 1995<br>Actual  | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|-----------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                 |                               |                    |   |
| Salaries and wages            | \$7,290         | 100%                          | \$ 7,290           | 4 part-time elected positions and 1 part-time mayor, includes benefits.                               |
| Mileage                       | \$313           | 100%                          | \$313              |   |
| <b>Sub-Total</b>              | <b>\$7,603</b>  |                               | <b>\$7,603</b>     |   |
| <b>General Administration</b> |                 |                               |                    |   |
| Salaries and wages            |                 |                               |                    | 1 full-time position, includes benefits. Based on discussions with the treasurer, it was stated       |
| Treasurer                     | \$25,780        | 33%                           | \$8,507            | that for general administrative staff, 1/3 of their time is devoted to governance related activities. |
| <b>Sub-Total</b>              | <b>\$25,780</b> |                               | <b>\$8,507</b>     |   |
| General expenses              | \$19,433        |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc.   |
| Less:                         |                 |                               |                    |   |
| Tax write-off                 | -\$64           |                               |                    |   |
| Miscellaneous                 | -\$657          |                               |                    |   |

## DISTRICT OF GIBSONS, BRITISH COLUMBIA

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$34,500         | 100%                          | \$ 34,500          | 4 part-time elected positions and 1 part-time mayor, includes benefits.                             |
| Travel and conventions        | \$8,141          | 100%                          | \$8,141            |   |
| <b>Sub-Total</b>              | <b>\$42,641</b>  |                               | <b>\$42,641</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            |                  |                               |                    | 6 full-time positions, includes benefits. Based on discussions with the treasurer, it was           |
| Administrator                 | \$90,022         | 80%                           | \$72,018           | stated that of the general administrative staff, only 3 positions devote time to governance         |
| Treasurer                     | \$63,700         | 10%                           | \$6,370            | related activities.   |
| Deputy Clerk                  | \$47,851         | 5%                            | \$2,393            |   |
| Clerical Staff (3)            | \$145,739        | 0%                            | \$0                |   |
| <b>Sub-Total</b>              | <b>\$347,312</b> | <b>23%</b>                    | <b>\$80,780</b>    |   |
| General expenses              | \$297,137        |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                  |                               |                    |   |
| Miscellaneous                 | -\$1,232         |                               |                    |   |
| Grants                        | -\$111,974       |                               |                    |   |
| Recruiting                    | -\$11,656        |                               |                    |   |
| Marina Lease                  | -\$5,000         |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$167,275</b> | <b>23%</b>                    | <b>\$38,473</b>    |   |
| <b>Total</b>                  | <b>\$514,587</b> |                               | <b>\$119,253</b>   |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$7,000          | 33%                           | \$2,310            | this is the average cost for holding an election - usually every 3 years.                           |
| Legal/professional advice     | \$4,460          | 100%                          | \$4,460            | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$11,460</b>  |                               | <b>\$6,770</b>     |   |
| <b>TOTAL GOVERNANCE COST</b>  | <b>\$568,688</b> |                               | <b>\$168,664</b>   |   |

|                            |                    |              |
|----------------------------|--------------------|--------------|
| <b>Total Expenditures*</b> | <b>\$3,196,301</b> | <b>5.28%</b> |
|----------------------------|--------------------|--------------|

\* includes capital expenditures

## DISTRICT OF STEWART, BRITISH COLUMBIA

|                               | 1995<br>Actual     | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|--------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                    |                               |                    |   |
| Salaries and wages            | \$24,000           | 100%                          | \$ 24,000          | 6 part-time elected positions and 1 part-time mayor, includes benefits.                               |
| Supplies and travel           | \$3,000            | 100%                          | \$3,000            |   |
| <b>Sub-Total</b>              | <b>\$27,000</b>    |                               | <b>\$27,000</b>    |   |
| <b>General Administration</b> |                    |                               |                    |   |
| Salaries and wages            | \$187,000          | 20%                           | \$37,400           | 3 full-time positions, includes benefits. Based on discussions with the treasurer, it was stated      |
| <b>Sub-Total</b>              | <b>\$187,000</b>   |                               | <b>\$37,400</b>    | that for general administrative staff, 20% of their time is devoted to governance related activities. |
| General expenses              | \$64,000           | 20%                           | \$12,800           | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc.   |
| <b>Sub-Total</b>              | <b>\$64,000</b>    |                               | <b>\$12,800</b>    |   |
| <b>Total</b>                  | <b>\$251,000</b>   |                               | <b>\$50,200</b>    |   |
| <b>Other</b>                  |                    |                               |                    |   |
| Election                      | \$2,200            | 33%                           | \$726              | this is the average cost for holding an election - usually every 3 years however.                     |
| Legal/professional advice     | \$1,000            | 100%                          | \$1,000            | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$3,200</b>     |                               | <b>\$1,726</b>     |   |
| <b>TOTAL</b>                  | <b>\$281,200</b>   |                               | <b>\$78,926</b>    |   |
| <b>Total Expenditures*</b>    | <b>\$2,122,986</b> | <b>3.72%</b>                  |                    |   |

\* includes capital expenditures

## SECHELT (INDIAN GOVERNMENT DISTRICT), BRITISH COLUMBIA

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$22,386         | 100%                          | \$ 22,386          | 5 part-time elected positions (Advisory Council), 5 part-time Band elected positions (District        |
| Travel and accommodations     | \$9,369          | 100%                          | \$9,369            |   |
| <b>Sub-Total</b>              | <b>\$31,755</b>  |                               | <b>\$31,755</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            | \$102,558        | 10%                           | \$10,256           | 2 full-time positions, includes benefits. Based on discussions with the treasurer, it was stated      |
| <b>Sub-Total</b>              | <b>\$102,558</b> |                               | <b>\$10,256</b>    | that for general administrative staff, 10% of their time is devoted to governance related activities. |
| General expenses              | \$48,052         |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc.   |
| Less:                         |                  |                               |                    |   |
| Tax write-offs                | -\$505           |                               |                    |   |
| Donations                     | -\$4,400         |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$43,147</b>  | <b>10%</b>                    | <b>\$4,315</b>     |   |
| <b>Total</b>                  | <b>\$145,705</b> |                               | <b>\$14,571</b>    |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$1,000          | 33%                           | \$330              | this is the average cost for holding an election - usually every 3 years however.                     |
| Legal/professional advice     | \$839            | 100%                          | \$839              | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$1,839</b>   |                               | <b>\$1,169</b>     |   |
| <b>TOTAL</b>                  | <b>\$179,299</b> |                               | <b>\$47,495</b>    |   |
| <b>Total Expenditures*</b>    | <b>\$679,625</b> | <b>6.99%</b>                  |                    |   |

\* includes capital expenditures



## DISTRICT OF PORT EDWARD, BRITISH COLUMBIA

|                               | 1995<br>Actual     | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|--------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                    |                               |                    |   |
| Salaries and wages            | \$23,899           | 100%                          | \$ 23,899          | 4 part-time elected positions and 1 part-time mayor, includes benefits.                             |
| Seminars and conventions      | \$20,772           | 100%                          | \$20,772           |   |
| <b>Sub-Total</b>              | <b>\$44,671</b>    |                               | <b>\$44,671</b>    |   |
| <b>General Administration</b> |                    |                               |                    |   |
| Salaries and wages            |                    |                               |                    |   |
| Clerk/Treasurer               | \$59,528           | 25%                           | \$14,882           | 3 full-time positions, includes benefits. Based on discussions with the treasurer, it was stated    |
| Accounting Clerk              | \$44,452           | 0%                            | \$0                | that for the administrative staff, only 25% of the treasurer's time is devoted to governance        |
| Administrative Assistant      | \$42,283           | 0%                            | \$0                | related activities.   |
| <b>Sub-Total</b>              | <b>\$146,263</b>   | <b>10%</b>                    | <b>\$14,882</b>    |   |
| General expenses              | \$181,527          |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                    |                               |                    |   |
| Interest on loans             | -\$19,369          |                               |                    |   |
| Economic development          | -\$6,148           |                               |                    |   |
| Miscellaneous                 | -\$2,256           |                               |                    |   |
| Property appraisals           | -\$1,221           |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$152,533</b>   | <b>10%</b>                    | <b>\$15,253</b>    |   |
| <b>Total</b>                  | <b>\$298,796</b>   |                               | <b>\$30,135</b>    |   |
| <b>Other</b>                  |                    |                               |                    |   |
| Election                      | \$1,000            | 33%                           | \$330              | this is the average cost for holding an election - usually every 3 years however.                   |
| Legal/professional advice     | \$1,386            | 100%                          | \$1,386            | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$2,386</b>     |                               | <b>\$1,716</b>     |   |
| <b>TOTAL</b>                  | <b>\$345,853</b>   |                               | <b>\$76,522</b>    |   |
| <b>Total Expenditures*</b>    | <b>\$2,165,132</b> | <b>3.53%</b>                  |                    |   |

\* includes capital expenditures

## TOWN OF FORT QU'APPELLE, SASKATCHEWAN

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$15,675         | 100%                          | \$ 15,675          | 6 part-time elected positions and 1 part-time mayor, includes benefits.                               |
| Travel and workshop           | \$5,831          | 100%                          | \$5,831            |   |
| <b>Total</b>                  | <b>\$21,506</b>  |                               | <b>\$21,506</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            |                  |                               |                    | 2 full-time positions, includes benefits. Based on discussions with the administrator, it was stated  |
| Administrator                 | \$34,693         | 25%                           | \$8,673            | that for general administrative staff, 25% of their time is devoted to governance related activities. |
| Assistant Administrator       | \$23,128         | 25%                           | \$5,782            |   |
| <b>Sub-Total</b>              | <b>\$57,821</b>  | <b>25%</b>                    | <b>\$14,455</b>    |   |
| General expenses              | \$72,656         |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc.   |
| Less:                         |                  |                               |                    |   |
| SAMA levy                     | -\$15,014        |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$57,642</b>  | <b>25%</b>                    | <b>\$14,411</b>    |   |
| <b>Total</b>                  | <b>\$115,463</b> |                               | <b>\$28,866</b>    |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$1,356          | 33%                           | \$447              | this is the average cost for holding an election - usually every 3 years however.                     |
| Legal/professional advice     | \$0              | 100%                          | \$0                | no legal costs were identified.   |
| <b>Sub-Total</b>              | <b>\$1,356</b>   |                               | <b>\$447</b>       |   |
| <b>TOTAL</b>                  | <b>\$138,325</b> |                               | <b>\$50,819</b>    |   |

|                            |                    |              |
|----------------------------|--------------------|--------------|
| <b>Total Expenditures*</b> | <b>\$1,540,672</b> | <b>3.30%</b> |
|----------------------------|--------------------|--------------|

\* includes capital expenditures

## DISTRICT OF KIPLING, SASKATCHEWAN

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$12,150         | 100%                          | \$ 12,150          | 6 part-time elected positions and 1 part-time mayor, includes benefits.                             |
| Travel                        | \$7,956          | 100%                          | \$7,956            |   |
| <b>Total</b>                  | <b>\$20,106</b>  |                               | <b>\$20,106</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            |                  |                               |                    | 1 full-time and 1 part-time position, includes benefits. The administrator indicated the percentage |
| Administrator                 | \$26,504         | 30%                           | \$7,951            | of time each staff member devotes to governance related activities.                                 |
| Administrative Assistant      | \$6,322          | 15%                           | \$948              |   |
| <b>Sub-Total</b>              | <b>\$32,825</b>  | <b>27%</b>                    | <b>\$8,899</b>     |   |
| General expenses              | \$44,182         |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                  |                               |                    |   |
| Tax enforcement               | -\$330           |                               |                    |   |
| Grants and donations          | -\$11,380        |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$32,472</b>  | <b>27%</b>                    | <b>\$8,767</b>     |   |
| <b>Total</b>                  | <b>\$65,297</b>  |                               | <b>\$17,667</b>    |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$1,000          | 33%                           | \$330              | this is the average cost for holding an election - usually every 3 years however.                   |
| Legal/professional advice     | \$433            | 100%                          | \$433              | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$1,433</b>   |                               | <b>\$763</b>       |   |
| <b>TOTAL</b>                  | <b>\$86,836</b>  |                               | <b>\$38,536</b>    |   |
| <b>Total Expenditures*</b>    | <b>\$756,221</b> | <b>5.10%</b>                  |                    |   |

\* includes capital expenditures

## DISTRICT OF LEROY, SASKATCHEWAN

|                               | 1995<br>Actual  | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|-----------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                 |                               |                    |   |
| Salaries and wages            | \$13,295        | 100%                          | \$ 13,295          | 6 part-time elected positions and 1 part-time mayor, includes benefits.                             |
| Benefits                      | \$809           | 100%                          | \$809              |   |
| Convention expenses           | \$1,750         | 100%                          | \$1,750            |   |
| <b>Total</b>                  | <b>\$15,854</b> | <b>100%</b>                   | <b>\$15,854</b>    |   |
| <b>General Administration</b> |                 |                               |                    |   |
| Salaries and wages            |                 |                               |                    |   |
| Treasurer                     | \$48,294        | 25%                           | \$12,074           | 1 full-time positions, includes benefits. Based on discussions with the treasurer, it was stated    |
| <b>Sub-Total</b>              | <b>\$48,294</b> | <b>25%</b>                    | <b>\$12,074</b>    | that 25% of the treasury function is devoted to governance related activities.                      |
| General expenses              | \$30,006        |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                 |                               |                    |   |
| Grants                        | -\$798          |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$29,208</b> | <b>25%</b>                    | <b>\$7,302</b>     |   |
| <b>Total</b>                  | <b>\$77,502</b> |                               | <b>\$19,376</b>    |   |
| <b>Other</b>                  |                 |                               |                    |   |
| Election                      | \$1,000         | 33%                           | \$330              | this is the average cost for holding an election - usually every 3 years.                           |
| Legal/professional advice     | \$100           | 100%                          | \$100              | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$1,100</b>  |                               | <b>\$430</b>       |   |
| <b>TOTAL</b>                  | <b>\$94,456</b> |                               | <b>\$35,660</b>    |   |

|                            |                  |              |
|----------------------------|------------------|--------------|
| <b>Total Expenditures*</b> | <b>\$893,995</b> | <b>3.99%</b> |
|----------------------------|------------------|--------------|

\* includes capital expenditures

## RURAL MUNICIPALITY OF PENSE, SASKATCHEWAN

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$12,803         | 100%                          | \$ 12,803          | 6 part-time elected positions and 1 part-time reeve, includes benefits.                             |
| Benefits                      | \$785            | 100%                          | \$785              |   |
| Convention expenses           | \$2,671          | 100%                          | \$2,671            |   |
| <b>Total</b>                  | <b>\$16,259</b>  |                               | <b>\$16,259</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            |                  |                               |                    |   |
| Office administrator          | \$35,781         | 20%                           | \$7,156            | 1 full-time and 1 part-time position, includes benefits. The treasurer stated that of the general   |
| Part-time assistant           | \$15,035         | 0%                            | \$0                | administrative staff, only the administrator devotes time to governance related activities.         |
| <b>Sub-Total</b>              | <b>\$50,816</b>  | <b>14%</b>                    | <b>\$7,156</b>     |   |
| General expenses              | \$27,408         |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                  |                               |                    |   |
| Grants                        | -\$700           |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$26,708</b>  | <b>14%</b>                    | <b>\$3,739</b>     |   |
| <b>Total</b>                  | <b>\$77,524</b>  |                               | <b>\$10,895</b>    |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$688            | 33%                           | \$227              | this is the average cost for holding an election - usually every 3 years however.                   |
| Legal/professional advice     | \$0              | 100%                          | \$0                | no costs were identified for legal advice.  |
| <b>Sub-Total</b>              | <b>\$688</b>     |                               | <b>\$227</b>       |   |
| <b>TOTAL</b>                  | <b>\$94,471</b>  |                               | <b>\$27,381</b>    |   |
| <b>Total Expenditures*</b>    | <b>\$887,087</b> | <b>3.09%</b>                  |                    |   |

\* includes capital expenditures

## TOWN OF INUVIK, NORTHWEST TERRITORIES

|                               | 1995<br>Actual     | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|--------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                    |                               |                    |   |
| Salaries and wages            | \$45,328           | 100%                          | \$ 45,328          | 10 part-time elected positions and 1 part-time mayor, includes benefits.  |
| Travel and accommodations     | \$22,511           | 100%                          | \$22,511           |   |
| <b>Total</b>                  | <b>\$67,839</b>    |                               | <b>\$67,839</b>    |   |
| <b>General Administration</b> |                    |                               |                    |   |
| Salaries and wages            |                    |                               |                    | 7 full-time positions, includes benefits. Based on discussions with the senior administrator, it was stated that for general administrative staff, only two positions devote their time to governance related activities. |
| Senior Administrative Officer | \$63,700           | 25%                           | \$15,925           |   |
| Executive Assistant           | \$42,587           | 100%                          | \$42,587           |   |
| Comptroller                   | \$45,120           | 0%                            | \$0                |   |
| 4 Accounting Clerks           | \$90,459           | 0%                            | \$0                |   |
| <b>Sub-Total</b>              | <b>\$241,866</b>   | <b>24%</b>                    | <b>\$58,512</b>    |   |
| General expenses              | \$621,618          |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc.   |
| Less:                         |                    |                               |                    |   |
| Recruiting                    | -\$13,420          |                               |                    |   |
| Economic development          | -\$6,571           |                               |                    |   |
| Town planner                  | -\$86,820          |                               |                    |   |
| Rec. Complex fund raising     | -\$103,807         |                               |                    |   |
| Assessment and collection     | -\$45,463          |                               |                    |   |
| Senior citizens tax rebate    | -\$34,755          |                               |                    |   |
| Homeowners rebate             | -\$27,394          |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$303,388</b>   | <b>24%</b>                    | <b>\$72,813</b>    |   |
| <b>Total</b>                  | <b>\$545,254</b>   |                               | <b>\$131,325</b>   |   |
| <b>Other</b>                  |                    |                               |                    |   |
| Election                      | \$6,799            | 33%                           | \$2,244            | this is the average cost for holding an election - usually every 3 years however.   |
| Legal/professional advice     | \$16,017           | 80%                           | \$12,814           | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$22,816</b>    |                               | <b>\$15,057</b>    |   |
| <b>TOTAL</b>                  | <b>\$635,909</b>   |                               | <b>\$214,221</b>   |   |
| <b>Total Expenditures*</b>    | <b>\$4,523,432</b> | <b>4.74%</b>                  |                    |   |

\* includes capital expenditures

## INCORPORATED HAMLET OF FORT PROVIDENCE, NORTHWEST TERRITORIES

|                               | 1995<br>Actual     | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|--------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                    |                               |                    |   |
| Salaries and wages            | \$25,173           | 100%                          | \$ 25,173          | 7 part-time elected positions and 1 part-time mayor, includes benefits.                             |
| Travel and expenses           | \$12,626           | 100%                          | \$12,626           |   |
| <b>Total</b>                  | <b>\$37,799</b>    |                               | <b>\$37,799</b>    |   |
| <b>General Administration</b> |                    |                               |                    |   |
| Salaries and wages            | \$110,918          | 25%                           | \$27,730           | 2 full-time positions, includes benefits. Based on discussions with the Financial Officer, it was   |
| <b>Sub-Total</b>              | <b>\$110,918</b>   | <b>25%</b>                    | <b>\$27,730</b>    | stated that for general administrative staff, 25% of their time is devoted to governance related    |
|                               |                    |                               |                    | activities.   |
| <b>Other</b>                  |                    |                               |                    |   |
| General expenses              | \$222,098          |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc. |
| Less:                         |                    |                               |                    |   |
| Capital expenditures          | -\$60,772          |                               |                    |   |
| Grants                        | -\$3,925           |                               |                    |   |
| Miscellaneous                 | -\$2,844           |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$154,557</b>   | <b>25%</b>                    | <b>\$38,639</b>    |   |
| <b>Total</b>                  | <b>\$265,475</b>   |                               | <b>\$66,369</b>    |   |
| <b>Other</b>                  |                    |                               |                    |   |
| Election                      | \$1,433            | 33%                           | \$473              | this is the average cost for holding an election - usually every 3 years however.                   |
| Legal/professional advice     | \$17,881           | 0%                            | \$0                | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$19,314</b>    |                               | <b>\$473</b>       |   |
| <b>TOTAL</b>                  | <b>\$322,588</b>   |                               | <b>\$104,641</b>   |   |
| <b>Total Expenditures*</b>    | <b>\$1,467,979</b> | <b>7.13%</b>                  |                    |   |

\* includes capital expenditures

## TOWN OF NORMAN WELLS, NORTHWEST TERRITORIES

|                               | 1995<br>Actual   | % in Support<br>of Governance | Governance<br>Cost | Comments  |
|-------------------------------|------------------|-------------------------------|--------------------|---|
| <b>Members of Council</b>     |                  |                               |                    |   |
| Salaries and wages            | \$54,208         | 100%                          | \$ 54,208          | 6 part-time elected positions and 1 part-time mayor, includes benefits.   |
| Travel and accommodations     | \$25,194         | 100%                          | \$ 25,194          |   |
| <b>Total</b>                  | <b>\$79,402</b>  |                               | <b>\$79,402</b>    |   |
| <b>General Administration</b> |                  |                               |                    |   |
| Salaries and wages            |                  |                               |                    | 5 full-time positions, includes benefits. The percentages of time related to governance activities are based on discussions with the Financial Officer. |
| Senior Administrator          | \$63,288         | 50%                           | \$31,644           |   |
| Financial Officer             | \$54,686         | 25%                           | \$13,672           |   |
| Development Officer           | \$47,900         | 20%                           | \$9,580            |   |
| Secretary                     | \$32,362         | 5%                            | \$1,618            |   |
| Administrative Assistant      | \$43,262         | 100%                          | \$43,262           |   |
| <b>Sub-Total</b>              | <b>\$241,498</b> | <b>41%</b>                    | <b>\$99,776</b>    |   |
| General expenses              | \$417,101        |                               |                    | e.g. supplies, insurance, rent, advertising, subscriptions, phone, postage, auditing services, etc.   |
| Less:                         |                  |                               |                    |   |
| Staff housing O&M             | -\$5,453         |                               |                    |   |
| Senior citizen tax rebate     | -\$856           |                               |                    |   |
| Homeowners tax rebate         | -\$12,746        |                               |                    |   |
| Recreation subsidy            | -\$174,849       |                               |                    |   |
| Emergency Measures Org.       | -\$989           |                               |                    |   |
| Utilities subsidy             | -\$37,467        |                               |                    |   |
| Community transfer review     | -\$45,529        |                               |                    |   |
| <b>Sub-Total</b>              | <b>\$139,212</b> | <b>41%</b>                    | <b>\$57,077</b>    |   |
| <b>Total</b>                  | <b>\$380,710</b> |                               | <b>\$156,853</b>   |   |
| <b>Other</b>                  |                  |                               |                    |   |
| Election                      | \$300            | 33%                           | \$99               | this is the average cost for holding an election - usually every 3 years however.   |
| Legal/professional advice     | \$0              | 100%                          | \$0                | legal advice for the drafting of by-laws.   |
| <b>Sub-Total</b>              | <b>\$300</b>     |                               | <b>\$99</b>        |   |
| <b>TOTAL</b>                  | <b>\$460,412</b> |                               | <b>\$236,354</b>   |   |

|                            |                    |              |
|----------------------------|--------------------|--------------|
| <b>Total Expenditures*</b> | <b>\$3,636,546</b> | <b>6.50%</b> |
|----------------------------|--------------------|--------------|

\* includes capital expenditures