

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
8TH ASSEMBLY, 67TH SESSION

TABLED DOCUMENT NO. 9-67

TABLED ON Jan.25, 1979

TID # 9-67 (1979)

Tabled: January 25, 1979

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

STANDING COMMITTEE

ON

FINANCE

MINUTES OF MEETING HELD IN

ARTHUR LAING BUILDING

YELLOWKNIFE, N.W.T.

JANUARY 17, 1979

Tabled Document No. 9-67
Tabled *January 25/79*

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JANUARY 17, 1979

MEMBERS PRESENT

A.W. Lafferty (Chairman)
P. Fraser
W. Lyall
L. Pudluk
J. Steen
D.M. Stewart

IN ATTENDANCE

P. Ernerk	(Executive Committee Member for Natural & Cultural Affairs)
A. McCallum	(Executive Committee Member for Health, Local Government, Land Claims and Constitutional Development)
D. Nickerson	(M.L.A.)
J.H. Parker	(Deputy Commissioner)
W. Mearns	(Manager, Budget Planning and Co-ordination)
E. Nielson	(Director of Finance)
C.J. Vermeulen	(Chief, Supply Services Div.)
J. Stangier	(Acting Director of Social Services)
M. McManus	(Chief, Finance, Dept of Social Services)

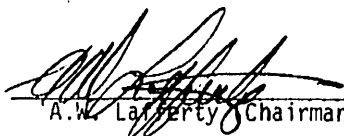
MEMBERS ABSENT


T.H. Butters, I. Kilabuk, B. Pearson, R. Whitford

ITEM #	SUB-ITEM	SUBJECT	ACTION BY
1	1	The purpose of the meeting was to review the 1979/80 Main Estimates.	
2	1	In an introductory statement Deputy Commissioner Parker explained that the Administration had instructed all operating Managers to submit as lean a budget as possible, bearing in mind the wishes of members and the priorities assigned to certain projects by the Assembly.	
	2	The Five Year Capital Plan had been refined to accommodate the Federal Restraint Program which had, and will have, repercussions down the line.	
	3	Expenditure on items over which the Administration has no control, fuel prices for instance, had risen by an average of 20% over the past year. The proposed increase of slightly more than 9% in Operation and Maintenance would be completely cancelled out by inflation. This was causing severe problems in the area of controllable expenditure.	
	4	It had been possible once again for the Administration to negotiate with the Federal Government on a formula basis and to assign its own priorities as far as detail expenditure was concerned.	
3	1	Mr. Mearns pointed out that the proposed budget could be termed a "Restraint Budget". The Administration had been allowed a 202.6 million dollar deficit budget of which 147.8 million dollars had been allocated for operational expenses and 54.8 million dollars for capital expenditures. The operational budget was expected to show a deficit of 4.5 million dollars, which figure would be decreased, however, by approximately one million dollars in additional Income Tax revenue.	
4	1	The Deputy Commissioner stated that, in view of the sharply increased "uncontrollable" expenditure, it would have been wise to decrease the proposed capital expenditure and increase the amount available for operation and maintenance. The Federal Government had not been prepared to accept such a step and he (the Deputy Commissioner) was of the opinion that it would likely be necessary to submit a representation to the Treasury Board later in the coming fiscal year to obtain permission for a redistribution (no increase) of approximately \$3,000,000 from capital funds to O & M.	
5	1	In view of the fact that the Legislative Assembly would be reviewing the proposed estimates in great detail, the committee <u>resolved</u> not to go through the budget item by item at this point in time but rather to look at a few items which members wanted clarified.	
6	1	In reply to a question by Mr. Stewart it was explained that severe	

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		restrictions had been imposed on man years. A net decrease of 8.3 man years had been achieved in circumstances of growing demand for services. Just maintaining the present position without an increase would have been an achievement.	
7	1	Mr. Lyall criticized the present system of levying rentals for public housing and said that the system favoured people who were not prepared to attempt to look after themselves financially while it provided no incentive at all to industrious tenants. He maintained that disproportionate rental increases were being applied in cases where tenants had greater earning power.	
	2	Deputy Commissioner Parker advised that the major housing program which affected the majority of residents, was the Federal scheme of public housing which called for rentals to be tied to income up to the point where economic rental was being recovered. The Administration could only obtain funding if it was prepared to abide by the rules of the scheme. It had to be borne in mind, though, that these programs were highly visible in the North because 70% of the people were on assisted schemes. This caused considerable criticism on the part of those who paid the economic rate.	
	3	The Deputy Commissioner said that he well understood Mr. Lyall's concern, especially in the light of the fact that the average loss to the Government on public housing amounted to \$600.00 per house per month.	
	4	The Government was putting on a campaign to get people to undertake some maintenance and to improve the houses they were living in.	
	5	The Board of the N.W.T. Housing Corporation was also developing a scheme whereby tenants who were presently getting their utilities free of charge, would have to pay on a subsidized basis. This would hopefully provide some incentive to tenants to save energy.	
8	1	Mr. Lyall raised the matter of the requests for a transit center in Cambridge Bay which had been made over a period of two to three years by residents of Pelly Bay, Spence Bay, and Gjoa Haven.	
	2	It was explained by the Acting Director of Social Services and his Chief of Finance that the department was trying to keep away from establishing institutions where it was possible to make use of private accommodation. The volume of people who would be using such a facility did not warrant a special building and staff and the department would much prefer to be advised of any specific complaints against the present system of billeting transients out with residents of Cambridge Bay. Specific complaints would be investigated and the problem could perhaps be solved.	

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9	1	The committee discussed the lack across the Northwest Territories, but specifically in Hay River, of adequate nursing care facilities for people who could not look after themselves but who did not qualify for chronic care units.	
10	1	<p>In response to information supplied by Mr. Fraser, the Chief of Supply Services, Mr. Vermeulen, explained that the Administration had no involvement in the supply and distribution of P.O.L. Products in Norman Wells and as such could not exercise control over the pricing policies of the private distributor.</p> <p>2 He pointed out that the Administration, when distributing P.O.L. Products, did not recover from the consumer the cost of providing tank farms and equipment, nor administration charges. On top of that the Government administered the distribution on a no-profit basis. This could very well be the reason why the product distributed by a private concern in Norman Wells was so much more expensive.</p> <p>3 Mr. Vermeulen undertook to examine the pricing structures of the distributor at Norman Wells to determine whether the prices charged were reasonable.</p>	
11	1	The meeting terminated at 15:20.	


A.W. Lafferty (Chairman)


P.F. de Vos (Secretary)