

**Amendment to the Agreement concerning  
Block Funding for the Kativik Regional Government**

**Between** the **Kativik Regional Government**, constituted under Section 239 of the *Act respecting Northern Villages and the Kativik Regional Government* (R.S.Q., Chapter V-6.1), represented by its Chairman, Mr. Johnny N. Adams, and by its Secretary, Ms. Ina Gordon

hereinafter referred to as “KRG”

**And** the **Gouvernement du Québec**, represented by the ministre délégué aux Affaires autochtones, Mr. Geoffrey Kelley

Hereinafter referred to as “Québec”

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**PREAMBLE**

**Whereas** the Gouvernement du Québec and Kativik Regional Government signed, on March 31<sup>st</sup>, 2004, the Agreement Concerning Block Funding for the Kativik Regional Government, hereinafter the “Sivunirmut Agreement”;

**Whereas** Section 4 of the Sivunirmut Agreement provides that on April 1<sup>st</sup>, 2005, Québec undertakes to add to the amount initially provided for in 2004-2005 the funding allocated to the Kativik Regional Development Council (KRDC) and to the Kativik Local Development Center (KLDC) for the 2004-2005 financial year, and any new funding envelope related to new programs concerning local and regional economic development, providing Makivik Corporation gives Québec, under the Sivunirmut Agreement and for all its duration, a full and complete discharge, with regard to paragraphs 23.6.7 and 23.6.11 of the *James Bay and Northern Quebec Agreement*, such discharge having been provided on November 2004;

**Whereas** Section 5 of the Sivunirmut Agreement provides that if, during its term, Québec wishes to transfer to the KRG the management of an existing program or measure, and if the KRG accepts the responsibility for delivering this measure or program according to the terms and conditions of the Sivunirmut Agreement, Appendix B of the latter and the funding of the KRG can be amended during the current financial year of the KRG or, at the latest, during the following financial year of the KRG;

**Whereas** Section 8.1 of the *Service Contract concerning Logistic Support for Guard Services for the Territory of the Kativik Region*, signed in August 2004 by the ministère de la Sécurité publique (MSP) and the KRG, provided that the obligations of the KRG and for the funding provided for 2004-2005 by the MSP under this agreement shall be incorporated into the Sivunirmut Agreement;

**Whereas** Section 8.1 of this service contract provides, for the 2004-2005 fiscal year, a financial envelope of a hundred thirty three thousand and two hundred and three dollars (\$133,203) for KRG, envelope that will be indexed by a percentage equivalent to the one agreed between the Secrétariat aux affaires autochtones and the KRG for the block funding envelope of January 1<sup>st</sup>, 2005;

**Whereas** this percentage is of 3.83% and means an additional amount of five thousand one hundred and two dollars (\$5,102) bringing the total envelope for 2004-2005 to a hundred thirty eight thousand and three hundred and five dollars (\$138,305);

**Whereas** the funding granted to the KRG in 2004-2005 by the ministère du Développement économique et régional et de la Recherche (MDERR) for the KLDC and for the KRDC within the creation of the Conférence régionale des élus (CRÉ) totals respectively four hundred eighty seven thousand and six hundred and thirty eight dollars (\$487,638) and nine hundred thirty five thousand and eight hundred and two dollars (\$935,802).

**Therefore the Parties agree as follows:**

1. Section 4 of the Sivunirmut Agreement is replaced by the following one:

“ Section 4: Obligations of Québec

Québec, represented by the ministre délégué aux Affaires autochtones, subject to the approval of the required annual appropriations by the Assemblée nationale and based on the respect of the undertakings of the KRG described in Section 3 herein, undertakes to pay an amount of twenty-seven million, four hundred and ninety nine thousand and forty-four dollars (\$27,499,044) during its 2004-2005 financial year for the mandates and activities described herein in Appendix B. This amount represents the total sums of the subsidies and programs that initially make up the Block Funding of the KRG as indicated in Appendix A.

For the duration of the Agreement, the amount indicated in the first paragraph shall be adjusted annually from January 1<sup>st</sup>, 2005, according to a formula which takes into account the growth of the population in the Kativik Region and Québec's per capita program expenditures as stipulated under Section 3.2.1 of the *Sanarrutik Agreement* and as described in Appendix D.

On April 1<sup>st</sup>, 2005, Québec undertakes to add to the amount of the first paragraph the funding of nine hundred thirty five thousand and eight hundred and two dollars (\$935,802) allocated to the Kativik Regional Development Council (KRDC) and of four hundred eighty seven thousand and six hundred and thirty eight dollars (\$487,638) to the Kativik Local Development Center (KLDC) for the 2004-2005 financial year, and any new funding envelope related to new programs concerning local and regional economic development, providing Makivik Corporation gives Québec, under the Agreement and for all its duration, a full and complete discharge, with regard to paragraphs 23.6.7 and 23.6.11 of the *James Bay and Northern Quebec Agreement* (JBNQA). Moreover, on April 1<sup>st</sup>, 2005, Québec undertakes to add to the amount of the first paragraph the funding of a hundred thirty eight thousand and three hundred and five dollars (\$138,305) allocated to the KRG for logistic support for guard services for the territory of the Kativik Region during the 2004-2005 financial year. The overall funding to be added on April 1<sup>st</sup>, 2005, to the Block Funding of the KRG, totals one million five hundred sixty one thousand and seven hundred and forty five dollars (\$1,561,745) for the mandates and activities described in Appendix B.

On January 1<sup>st</sup> 2006, and for the duration of the Agreement, the sum obtained by adding the amounts indicated in the first, second and third paragraphs shall be adjusted annually according to the formula described in Appendix D.

The amounts scheduled annually will be paid in four equal installments to be made on April 15<sup>th</sup>, July 15<sup>th</sup>, October 15<sup>th</sup> and January 15<sup>th</sup> of each year. For the last year of the Agreement, the last installment will be made on January 15<sup>th</sup>, 2028. Continuity in paying the subsidy is conditional to the fulfillment, by the KRG, of the obligations mentioned in the Agreement.

Québec's financial year, which extends from April 1<sup>st</sup> to March 31<sup>st</sup>, is the reference year for the payment of the amounts to be paid and the financial year of the KRG, which extends from January 1<sup>st</sup> to December 31<sup>st</sup>, is the reference year for the reports (annual reports, budget and financial reports) to be produced by the KRG.”

2. The second paragraph of Section 15 of the Sivunirmut Agreement is replaced by the following one:
- “ However, the fifth paragraph of Section 4 remains in force until January 15<sup>th</sup>, 2028.”
3. The first paragraph of Sub-section E of Section 6 of the Sivunirmut Agreement is replaced by the following one:
- “ The KRG must treat the Goods and Services Tax (GST) and Québec Sales Tax (QST) linked to the amount indicated in Section 4 and the mandates of Appendix B in compliance with the Letter of interpretation issued by the ministère du Revenu du Québec dated November 27<sup>th</sup>, 2003, amended on January 29<sup>th</sup>, 2004, March 30<sup>th</sup>, 2004 and on February 24<sup>th</sup>, 2005, and sent by the deputy minister of the ministère du Revenu du Québec.”
4. Appendix B of the Sivunirmut Agreement is amended by adding the mandates described in the appendix of this Agreement.

In accordance with the Letter of interpretation mentioned in Section 3 of this Agreement, the order in which the mandates of Appendix B of the Sivunirmut Agreement appear is as follows:

**Appendix B – Mandates et Obligations of the KRG  
Part One**

Mandates provided within the context of services to be carried out for the government of Québec:

- B.1 Community reintegration officers
- B.2 Northern airports – Operations and maintenance
- B.3 Northern airports – Marking system
- B.4 Wildlife protection assistants
- B.5 Pingualuit Park Operation
- B.6 Development of parks
- B.7 Income security
- B.8 Manpower training and development services and measures adapted to the Kativik Region
- B.9 Daycare centers – Management of the program and operation of childcare centers
- B.10 Environment follow-up in the Northern villages of the Kativik Region
- B.11 Logistic support for guard services

**Appendix B – Mandates et Obligations of the KRG  
Part Two**

Mandates for which the KRG receives a subsidy:

- B.12 General administration of the KRG, municipal mandates, land use planning and assistance to Northern villages
- B.13 Civil security and fire prevention
- B.14 Regional recreational and sports units, and vacation camps
- B.15 Regional Conference of Elected Officers
- B.16 Local Development Center

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED:

**For the Gouvernement du Québec:**

\_\_\_\_\_  
GEOFFREY KELLEY,  
Ministre délégué aux Affaires autochtones

\_\_\_\_\_  
Signed in  
on 2005

**For Kativik Regional Government:**

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JOHNNY N. ADAMS,  
Chairman

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Signed in  
on 2005

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INA GORDON,  
Secretary

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Signed in  
on 2005

## APPENDIX

## **B.11 LOGISTIC SUPPORT FOR GUARD SERVICES**

### **PURPOSE OF THE MANDATE**

The ministère de la Sécurité publique (MSP) is responsible for guard services and escort activities to the Court in the territory of the Kativik Region. The MSP does not have a detention house in the Kativik Region, particularly the Direction général des services correctionnels (DGSC), and the KRG wishes to define a cooperation contract with regard to logistic support for guard services in the Kativik Region.

This mandate aims to specify the responsibilities of MSP and KRG with respect to logistic support services to persons kept in custody under a notice of reference and persons kept in custody under a warrant of committal, before their transfer to Québec's detention facilities, during the sessions of the Itinerant Court in the Kativik Region. The Parties agree that mutual responsibilities apply during regular sessions of the Itinerant Court for a maximum of 28 weeks.

The Parties agree that there are additional non-recurring guard services outside regular sessions of the Itinerant Court which require KRG logistic support services. For these additional services, KRG will charge MSP according to the rate agreed upon following discussions on July 2<sup>nd</sup>, 2004 between the Parties represented by Mr. Lucien Brassard for KRG and by Mr. Michel Falardeau for the Direction régionale des services correctionnels de l'Abitibi-Témiscamingue et du Nord-du-Québec (DRATNQ) and confirmed in the letter of February 22<sup>nd</sup>, 2005.

### **OBLIGATIONS OF THE KRG**

KRG agrees to offer the following basic logistic support services for 28 weeks during the sessions of the Itinerant Court in the Kativik Region:

- Meals and delivery of meals to detainees to the living quarters in Kuujjuaq, Kuujjuarapik and Puvirnituk and police stations of the villages where the Itinerant Court is required to go;
- Laundry and care-taking services resulting from the MSP's use of the living quarters in Kuujjuaq, Kuujjuarapik and Puvirnituk and cells at police stations in the other villages of the Kativik Region;
- Access to police station cells in the villages of the Kativik Region;
- Transport of the MSP personnel and clientele within the limits of the villages of the Kativik Region, particularly between airports, police stations and the court;
- Within the limits of legal provisions applicable for such matters, the KRG agrees to authorize the personnel of the MSP to use its radio frequencies that are designated for the exclusive use of the Kativik Regional Police Force in order to facilitate and optimize communications between organizations concerned.

### **OBLIGATIONS OF THE DGSC**

- To bear the costs of supplies required for guard services, including: mattresses, sheets, toiletry products, response equipment in case of suicide attempt, games, coffee, etc. for the living quarters in Kuujjuaq and Kuujjuarapik, and for the cell blocks of the Puvirnituk police station. The MSP also agrees to purchase these items and to ship them to the Kativik Region.
- To send a written report to KRG outlining its observations and recommendations with regard to the fitness and safety of the guard premises used in the Kativik Region at least once a year.

### **SPECIAL DISPOSITION**

The present mandate does not apply to the clientele of the Cree village of Whapmagoostui.

## **B.15 REGIONAL CONFERENCE OF ELECTED OFFICERS**

### **1. PURPOSE OF THE MANDATE**

The purpose of the following mandate is to define the role and responsibilities that the ministre des Affaires municipales et des Régions (MINISTER) is entrusting to the KRG as Regional Conference of Elected Officers (CRÉ).

### **2. OBLIGATIONS OF THE KRG**

- a) Evaluate local and regional planning and development bodies funded in whole or in part by the Québec Government, promote concerted action among partners in the region and, where warranted, give advice to the MINISTER on the region's development;
- b) Submit a five-year development plan to the MINISTER, as well as any amendments to the plan, defining, in a sustainable development context, the region's general and specific development objectives, giving priority consideration to the participation of young people and, in accordance with principles of equality and parity, of women in the region's democratic life.
- c) Advertise the dates on which meetings of the Board of Directors are to be held to the population of the KRG's territory and allow citizens who want to attend to be present.
- d) Carry out, as a CRÉ, and at the request and on behalf of a government department or agency, with the agreement of the MINISTER, consultation or co-ordination mandates or any other mandate, according to terms and conditions to be determined between the KRG, the MINISTER, and the department or agency.
- e) Participate actively in the mechanism of harmonization between the Cree Regional Authority, acting as CRÉ, the CRÉ for the territory of the James Bay Municipality and of the towns of Chapais, Chibougamau, Lebel-sur-Quévillon and Matagami and the KRG, acting as a CRÉ, which has been put in place for the benefit of the Nord-du-Québec administrative region.
- f) Ensure a proper financing of the KRG's activities as a CRÉ in order to exercise its role and responsibilities and, when needed, to finance specific agreements and to carry on other activities according to the five-year development plan. For that purpose, subsidies may be granted to any organization except to profit-making private businesses. The KRG fixes the level of financial support to be given. However, the government financial assistance including the KRG's one shall not exceed 80 % of all projects accepted.
- g) Look after monitoring and paying the subsidies for projects that were authorized under the Regional Development Fund (RDF) by the Kativik Regional Development Council, including those relating to the regional economic diversification component, before the integration of this Appendix B.15 to the Block Funding of the KRG;
- h) Submit to the MINISTER, at the latest on September 30<sup>th</sup> of each year, its activity report on the role and responsibilities as a CRÉ;
- i) Include in the financial statements of the KRG a section concerning the activities carried on within the present mandate and the financing of the specific agreements and other activities.

### **3. JOINT RESPONSIBILITIES OF THE PARTIES**

Hold an annual meeting with the representatives of the ministère des Affaires municipales et des Régions in order to present the results of the realizations of the preceding year and the action plan of the KRG acting as a CRÉ for the next year.

**4. REPRESENTATIVES OF THE PARTIES**

The MINISTER, for purposes of the application of this agreement, appoints the sous-ministre du ministère des Affaires municipales et des Régions, as his representative. If a replacement becomes necessary, the MINISTER will notify the KRG as soon as possible.

The KRG appoints its director of the Research and Economic Development Department as its representative. If a replacement becomes necessary, the KRG will notify the MINISTER as soon as possible.



## B.16 LOCAL DEVELOPMENT CENTER

### 1. PURPOSE OF THE MANDATE

The purpose of the following mandate is to define the role and responsibilities that the ministre du Développement économique, de l'Innovation et de l'Exportation (MINISTER) is entrusting to the KRG in terms of local development as well as the conditions under which they are exercised.

### 2. OBLIGATIONS OF THE KRG

- a) The KRG undertakes to promote local development and entrepreneurial support within its territory. It entrusts the following mandates in particular to the Local Development Center, hereinafter referred to as LDC, that it designates to act as such:
  - To offer a full range of front-line services to businesses, including by grouping them together or coordinating them; this offer of services can be made, if applicable, in partnership with other people or organizations, including from the private sector.
  - To develop a local action plan to stimulate the economy and create employment, particularly taking into consideration the five-year development plan established by the regional conference of elected officers of its territory and to see to the implementation of that local action plan.
  - To formulate a strategy for the development of entrepreneurship, including social economy entrepreneurship, taking into consideration national and regional orientations, strategies, and objectives.
  - To act as an advisory body for the benefit of the local employment center serving its territory.
- b) The KRG undertakes to contribute to the financing of the LDC, for the following activities:
  - Operating expenses for the LDC, including costs related to studies and research;
  - Financial assistance for enterprise development and for support to local development projects, including financial assistance for young entrepreneurs for economic diversification and for the development of social economy enterprises;
  - Any other activity that is part of the mandates entrusted to the LDC.
- c) The amount of financial assistance provided for enterprise projects will be determined by the LDC according to its investment policy. Moreover, the combined financial assistance from the governments of Québec and Canada and from the LDC may not exceed 50 % of the costs in the case of a profit-making business and 80 % in the other cases, including a non profit-making enterprise and a cooperative.
- d) The KRG undertakes to turn over to the LDC all uncommitted amounts, as at March 31<sup>st</sup>, 2004, from the *economic diversification activity component* of the Regional Development Fund.
- e) The KRG must ensure that the LDC used the government contributions awarded under the loan agreement between the government and the LDC to establish the Local Investment Fund (LIF) according to the following modalities:
  - **General Component**

The assistance provided by the LDC, out of amounts allocated by the government within the LIF, shall be for business startup or development projects, including social economy enterprises, whose objective complied with the investment policy of the LDC.

## Appendix B - Mandates and Obligations of the KRG

### Part Two

The assistance may take the form of a loan, equity-type loan, loan guarantee, security, acquisition of bonds or other debt instruments, investment in share-capital, capital stock, or other investments, excluding investment in the form of subsidies, waiving interest, waiving capital, sponsorships, donations, and other expenditures of the same nature, in compliance with the LDC's investment policy.

Capital expenditures (such as land, buildings, equipment, machinery, automotive equipment, incorporation fees, and any other expenditures of the same nature, except goodwill), the acquisition of technology, software or software packages, patents, and any other expenditures of the same nature (excluding research and development activities), as well as working capital needs strictly related to the business' operations calculated for the first year of operation are eligible expenditures.

The financial assistance may not be used for an organization's operations to finance debt servicing, to refund future loans, or to finance a project that has already been carried out. Expenditures allocated to carrying out a project made prior to the date that the official request for assistance is received by the LDC are not eligible.

The amount of the financial assistance will be determined by the LDC. Moreover, the combined financial assistance of the governments of Québec and Canada and from the LDC shall not exceed 50 % of eligible expenditures for each of the projects, except for social economy business projects, for which financial assistance may reach 80 %.

#### - **"Succeeding Generation" component**

This component is intended to encourage the transition in existing businesses and concerns any young entrepreneur under 35 years of age wishing to acquire a significant interest of at least 25 % of an existing business.

Expenditures for acquiring ownership of the business' property (voting stock or shares) as well as fees for professional services directly related to the acquisition transaction are eligible expenditures.

The assistance will take the form of an interest-free loan not exceeding \$25,000, which must be accompanied by deferred repayment of capital for the first year. The loan to a young entrepreneur under this component may amount to 80 % of eligible expenditures. Combined financial assistance from the governments of Québec and Canada and the LDC may not exceed 80 % of eligible expenditures.

Any transaction for acquiring the ownership rights of the business that is entered into prior to the date that the official request for assistance is received by the IDC is not eligible.

The financial assistance is subject to the young entrepreneur's obligation to work full-time in the business and to remain the owner of at least 25% of the value of the business for the term of the loan.

- f) The KRG must ensure that the LDC keeps appropriate accounts and records concerning the use of financial assistance awarded under this mandate.
- g) The KRG must submit to the MINISTER the LDC's annual report and a copy of the LDC's financial statements, accompanied by the auditor's report for the previous fiscal year. These reports must include results obtained with respect to front-line services to business as well as results obtained with respect to each of the expectations stated by the KRG to the LDC, and must include activities carried out under the Local Investment Fund and activities carried out as part of economic diversification.
- h) The KRG must enter into an agreement with the LDC to follow up on its obligations issuing from this agreement. The agreement must include provisions concerning the LDC's commitment to comply with the conditions of its designation as well as provision relating to the agreement's termination in case of default by the LDC.

**3. REPRESENTATIVES OF THE PARTIES**

The MINISTER, for purposes of the application of this agreement, appoints the directeur général de la région Nord-du-Québec, as his representative. If a replacement becomes necessary, the MINISTER will notify the KRG as soon as possible.

The KRG appoints its director of the Research and Economic Development Department as its representative. If a replacement becomes necessary, the KRG will notify the MINISTER as soon as possible.