

The City of Yellowknife working for you!

Perched along the northern arm of Great Slave Lake, the City of Yellowknife is located on Chief Drygeese traditional territory of the Yellowknives Dene. We are an active, eclectic and inclusive community, home to over 21,000 residents. As the capital city of the Northwest Territories, we are a crossroads for people from across the NWT and work hard to serve all people who live, work and visit our community. City of Yellowknife Council and staff work hard to ensure that residents and visitors can count on the best possible municipal programs and services.

COVID-19 – Adapt and be Resilient

Preparing Budget 2021 has presented more of a challenge than ever as the City prioritizes and adapts to the impacts made by the Covid-19 pandemic. The last few months have taken everyone and every activity into unprecedented territory. Health and safety have always been important for the City of Yellowknife, but since the advent of COVID-19, the challenges to ensuring this for residents and staff have escalated to unparalleled levels and have impacted all City operations. Yet in the midst of this, the City of Yellowknife has maintained and delivered on its commitment to provide essential services to its citizens and businesses. When the pandemic hit, the City opted to focus on public safety, staff safety and the continuity of core essential programs and services.

At times like these, the work of providing critical services is more important than ever. In the face of these extraordinary challenges, City Administration has responded nimbly and demonstrated resilience and adaptability in ensuring programs and services continue to meet needs. Staff from across the organization have stepped up and found innovative ways to continue providing critical programs and services.

As we look ahead to 2021 and beyond, the focus will remain on safely delivering core municipal services: water and sewer, roads and

sidewalks, fire and ambulance. Barring a second or subsequent wave of COVID-19 and the need to revert to containment restrictions, the City will strive to continue reopening its facilities, resuming some of its other programs and services that contribute so much to the quality of life in Yellowknife, and explore creative recreation options that can ensure Yellowknifers stay safe. This will all be done within the parameters of the GNWT's Emerging Wisely and best practices for community health and safety.

At the best of times, the City's budgeting process is a delicate balancing act, and this year it's even more difficult. The final outcome of this balancing act is the Budget, which is one of Council's most important policy documents. This imminent promise of a return to some sense of normalcy – or what may be a “new normal” – adds another level of complexity to the City's financial management. COVID-19 has introduced added uncertainty around revenues and expenditures – in 2020 and heading into 2021 - and heightened awareness of the financial challenges facing many residents and businesses.

The revenue shortfalls we have faced as a result of COVID-19 have been significant, particularly from fees and charges which typically form approximately one third of our incoming resources. While the City has begun to see the magnitude of the lost revenues, it is not possible to predict the length and depth of these revenue losses into 2021. Budget 2021 reflects this through conservative revenue projections and limited expenditures where feasible, including proposed zero position growth in the City's public service.

Council Sets the Direction

The annual budget cycle continues to respond to Council's Goals and Objectives, and is based on a foundation of our legislative responsibilities and core business. Council's big picture direction forms and shapes the policy direction which flows into corporate planning and resource allocation which in turn informs the budget.

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Budget recommendations were also guided by the Goals and Objectives that Council established for their 2019-2022 term:

- Growing and diversifying our economy
- Delivering efficient and accountable government
- Ensuring a high quality of life for all, including future generations
- Driving strategic land development and growth opportunities

Budget 2021 weaves together strategies for progress towards these goals with plans for maintaining core services at the level that Yellowknifers expect, and with plans for making the right investments for continued sustainability, to create an approach that takes into account the importance of managing today, tomorrow, and the future.

A Balancing Act

The City of Yellowknife's population growth may have slowed in recent years, but its infrastructure growth has not. New neighbourhoods, facilities, roads, parks, and trails have been developed over the past decade, and they contribute positively to the fabric of life in Yellowknife. However, they also contribute to increasing maintenance and replacement costs, which are also facing upwards pressure from older, aging assets.

There has also been continued growth in external pressures, especially from a regulatory perspective. The City takes the safety of our staff and residents very seriously, particularly in these pandemic times, and willingly implements the increasingly rigorous safe work practises; however, these add time and cost to many routine activities. For example, the Giant Mine Remediation project promises to contribute to the City's economy and will benefit area residents in the long run, but for the foreseeable future, it will also

consume considerable City resources as staff work to ensure that the project's progress is consistent with the best interests of our citizens and businesses. Additionally, essential undertakings like renewal of the City's water license are being done within the most stringent regulations to date.

There are also ongoing citizen concerns with social issues, heightened in these times of physical distancing, particularly in the downtown core. While these are not within the City's municipal government mandate, their impact requires the City to find new and innovative ways to collaborate on solutions.

Counterbalancing all these growth pressures is the reality that development has slowed in recent months and the City's total taxable assessment is expected to be only about 0.26% larger than it was in 2020, which is the most modest increase in many years. So, while the City strives to respond to emerging growth and pressure, without an increased assessment base, even minor cost increases can translate more directly to a property tax increase.

The challenge is amplified by the ongoing municipal funding gap. In 2014, the Government of the Northwest Territories identified and acknowledged that community governments are underfunded by a total of \$40 million. Of this \$40 million shortfall, the City of Yellowknife is underfunded by \$11 million annually, which significantly reduces the City's ability to deliver services, and build and maintain infrastructure. The City continues to pressure the GNWT to consider its fiscal allocations to better support strong communities and a diversified economy, and to develop a plan in writing to close this funding gap.

Working to Sustain Our Good Quality of Life

Reliable, safe, and cost-effective provision of essential services remains the City's core priority. These responsibilities also encompass seeking more efficient ways to provide services, and



proactively identifying new opportunities to improve how the community's infrastructure is acquired and maintained, and deliver more of what citizens expect.

Given impacts to our revenues as a result of COVID-19, the City will focus on maintaining our current staff complement. Program and service levels that Yellowknifers have come to expect happen because of the dedication of our hardworking employees. While there is demonstrated need for additional staff in some key areas, Administration has developed the draft Budget 2021 on the assumption of no new positions. Service levels may be impacted but in the volatile context of decreased and unpredictable revenue streams, the City will seek to manage within existing staff levels.

Infrastructure investment in 2021 is streamlined, enabling the City to focus on core and essential infrastructure, as well as the completion of carry over projects, as we prepare for the implementation of some significant multi-million dollar projects.

Top of mind for 2021 is advancing the proposed Aquatic Centre. In 2018, Council approved the Aquatic Centre Advisory Committee's Pre-Design Plan that outlined what could be included in the new facility, and committed 2019 funds to move the process through the Design-Build process. Early in 2020, Council adjusted the process to carry out the design aspects for the design-builds for both a 52 metre and a 25 metre lap pool, to further inform the choice between the two. A decision on this is expected by early 2021, taking into account both construction and operating costs. Once the design and costs are confirmed, decisions will be made on proceeding.

The City is preparing for the replacement of the current submarine water intake line which reaches from the mouth of the Yellowknife River to the water treatment plant on the shore below Tin Can Hill.

In 2019, the City was successful in securing \$25.8 million in federal funding towards the project, and staff continue to seek external support for the remaining \$8.6 million of the anticipated cost. In the meantime, 2021 will see ongoing design and preparation for this critical piece of infrastructure that ensures safe drinking water for area residents.

Citizens have entrusted the City with the care and maintenance of a significant array of assets. These assets are crucial to the reliable delivery of municipal services and programs, and represent significant investments. The City is formalizing its asset management processes in order to ensure that our buildings, roads, pipes, parks, trails, and technology are properly looked after to obtain maximum benefit from each investment.

Infrastructure investments proposed for 2021 will contribute to the quality of life we have come to expect in Yellowknife:

- Ongoing investment in implementation of the **accessibility audit** report recommendations;
- Funding for a study to examine the opportunities for the development of an **Arbour**, as part of the City's reconciliation plan;
- An allocation for the development of an **Arts and Culture Master plan** to directly address Objective 3.4 of Council's Goal #3 – Ensuring a high quality of life for all, including future generations;
- Money to complete construction of the second **Columbarium** in the Lakeview Cemetery;
- An investment to add **ammonia containment systems** at both the Multiplex and the YK Community Arena;

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- Funding to replace end-of-life components of the City's **Emergency Radio Infrastructure** that provides essential voice communications services for emergency personnel, and Public Works and Community Services staff;
- Investment in **fire protection** including the acquisition of key pieces of equipment to improve firefighter safety and efficiency and minor capital renovations to the Firehall;
- The annual **fleet management** allocation from the Mobile Equipment Reserve Fund to continue replacing and redeploying fleet units according to the City's Fleet Management practices;
- An annual allocation for planned and incremental investment to renew the City's **IT infrastructure**;
- Funding to replace the failing control structures on **Trapper's Lake** to maintain compliance with the City's water license;
- An annual allocation to advance the **removal of sludge from the Fiddler's Lake** sewage lagoon;
- The use of land fund money to develop a **new subdivision plan** for the remaining lots in Niven Phase V and to plan for commercial/industrial lots in the Kam Lake area;
- The investment required to design a **second-generation landfill cell** at the Solid Waste Facility;
- The annual **Paving and Water and Sewer Program** allocations;
- Funding to evaluate the City's current standalone **Permitting software** implementation and determine whether or not it continues to be a workable solution for the organization;
- An investment to improve safety at **Pumphouse # 4**;

- An annual investment to continue to refurbish and replace amenities at the **City's playgrounds**;
- An investment to improve the condition of the Force **Main pipeline**, which transports sewage to the Fiddler's Lagoon treatment system.

Looking to the Future

As Council's most important annual policy document, Budget 2021 proposes plans that are designed to achieve Council's strategic objectives, while at the same time ensuring that core and essential services are delivered in a reliable, cost-effective manner. There is a tremendous amount of uncertainty this year, given the immediate and longer term impacts of COVID-19, and the City is continuing its prudent, planned and conservative approach to fiscal management that has served us so well to date. We are in this together. We are strong, we are Yellowknife.

