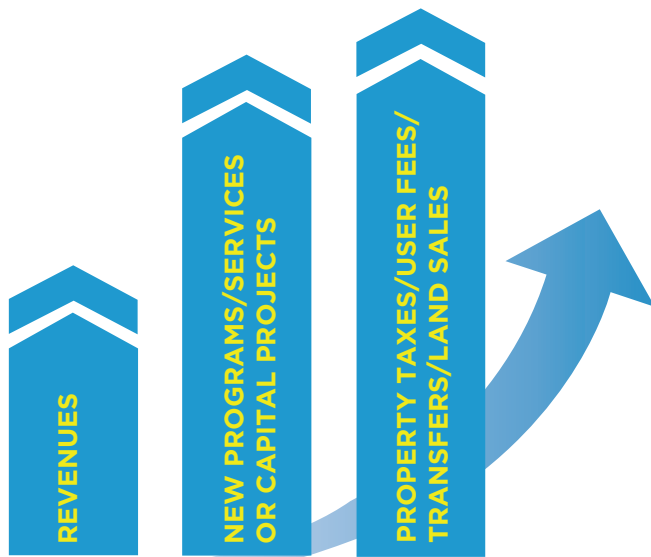


2023 Our Yellowknife Budget



THE CITY BUDGET: A BALANCING ACT



Just as it can be hard for a household to balance what it wants with what it can afford, the same is true for the City of Yellowknife. It's natural for residents to want additional programs or services from their municipality, or even to keep what they already have. But every year, as costs increase, more money is needed to maintain the current service levels. According to the all-items consumer price index (CPI) report from NWT Bureau of Statistics, the CPI for Yellowknife rose 8 per cent between July 2021 and July 2022 - the biggest year-over-year increase since January 1991. This inflationary pressure makes the City's balancing act much more challenging.

To make things harder - similar to other communities from across Canada - the City is facing an unavoidable, many-million dollar cost to replace old infrastructure, such as aging water pipes and road surfaces. In fact, about one-quarter of 2022's \$107.4 million in budgeted spending was on capital projects, and the majority of them could not be delayed. The reality is, as costs rise, the City can either cut other programs/services or bring in the money needed by:

1. Raising Property Taxes - paid by residential and commercial ratepayers based on the assessed value of their properties.

2. Adding/Raising User Fees - paid by people who use services, such as water and sewer, and recreational programming such as the Ruth Inch Memorial Pool.

3. Increasing Government Transfers - the City is lobbying the federal and territorial governments for a fairer share of government transfers.

4. Increase Land Transfers - the City is working with the territorial government to facilitate the transfer of much-needed land to boost economic opportunities and increase the City's tax base.

FEDERAL/TERRITORIAL FUNDING CHALLENGES

Each year, the City receives core funding from the Government of the Northwest Territories, through Municipal and Community Affairs (MACA). Some capital infrastructure funding has also been received from the federal government. In the 2022 budget, these contributions formed about 33.5% of the City's overall revenue. Much of this funding is targeted to specific projects, such as those which are environmentally friendly, or related to water and sewer infrastructure. If a program or project doesn't fit the specific criteria from funders, the money needed has to be raised through increased property taxes, user fees, reductions elsewhere or borrowing.

In 2014, the GNWT and the NWT Association of Communities partnered to analyze community government funding in the NWT and concluded that community governments were underfunded by approximately \$40 Million each year, and of this the City of Yellowknife was underfunded by \$11.4 Million annually. MACA recently made minor adjustments to the core funding and pledged some additional annual capital support to reduce the gap, however the City is still expected to be **underfunded by \$8.3 Million in 2023**.

For more details on the City Of Yellowknife's 2022 budget, please visit:

www.yellowknife.ca/budget

