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.

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-third of 2018’s $76.6 million in budgeted spending is on capital projects, and the majority of them cannot 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 Sales** - Increased marketing of City-held land could result in an increase in sales.

**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 2018 budget, these contributions formed about 30% 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.

GNWT and the NWT Association of Communities partnered to analyse community government funding in the NWT in 2014 and concluded that community governments are underfunded by approximately $40 Million each year. Of this, they concluded that the **City of Yellowknife is underfunded by $11.4 Million annually**. MACA is a key partner and has recently made minor adjustments to the core funding to reflect annual increases in wages and other costs, however these not not address the bulk of the underfunding.