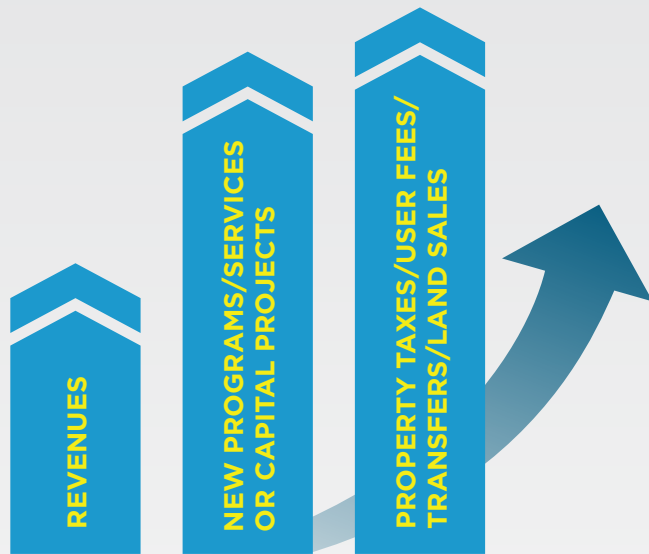




OUR YELLOWKNIFE BUDGET

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 its municipality, or even to keep what they already have. But every year, as costs increase, more money is needed to maintain the current service level.

To make things harder – similar to other communities 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, just over one-third of 2017's \$80.6 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 a service, such as water and sewer and some recreational programming, such as the Ruth Inch Memorial Pool.
- 3. Increasing Government Transfers** – the City could lobby 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 GNWT, through Municipal and Community Affairs (MACA) and has been receiving capital infrastructure funding as well from the federal government. In the 2017 budget, these contributions formed about 32% 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 the 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 analyze community government funding in the NWT in 2014 and concluded that community governments are underfunded by approximately \$40million 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. .

*Source: www.nwtac.com/wp-content/uploads/downloads/2014/08/MACA-Funding-for-Workshop-4.pdf

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