

A panoramic view of the City of Yellowknife skyline at sunset. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. The city buildings, including several tall, modern structures with glass facades, are silhouetted against the bright sky. In the foreground, a calm body of water reflects the sky and the city. The water is surrounded by lush green and yellow vegetation, including tall grasses and shrubs. The overall scene is peaceful and scenic.

CITY OF Yellowknife

ANNUAL REPORT 2016



The City of Yellowknife, Northwest Territories Canada
For the year ending December 31, 2016

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Our Yellowknife at a Glance

Yellowknife means long summer days, crisp winter activities, a gateway into the North, endless horizons to explore, spectacular views of the aurora borealis, neighbourhood parks just around the corner, and a place we call home.

Founded in 1934, the city is located on Chief Drygeese Territory, the traditional territory of the Yellowknives Dene. On the northern shore of Great Slave Lake, Yellowknife has its origins in gold mining and was designated as the capital of the Northwest Territories in 1967.

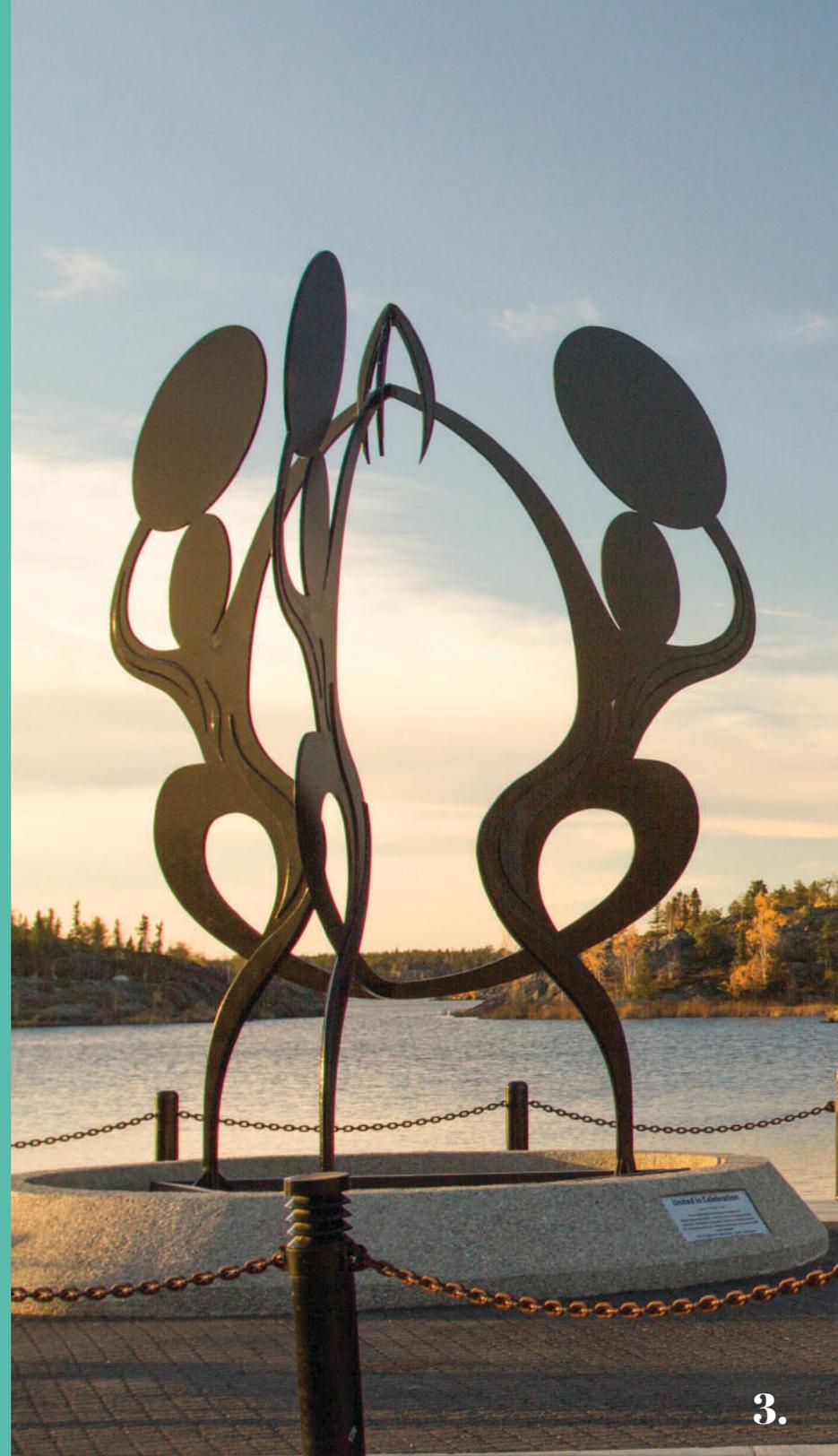
The City of Yellowknife employs over 200 staff who, together, build the foundation for a strong and vibrant community for residents and visitors alike. We engage with our local businesses and our residents to ensure we uphold a common vision for future development. Local, regional and territorial partnerships form an important base for our long-term sustainability and success.

The most valued resource Yellowknife offers is our community spirit, reflected through art, festivals, events, sports and a wide array of service and cultural associations. Our Yellowknife has a thriving economy, a multitude of job opportunities and one of the highest family incomes in the country.

Find us online!



www.yellowknife.ca





Yellowknife By the Numbers

239 Development permits issued

375 Building permits issued for residential construction

103 Building permits issued for non-residential construction

\$203+ million Total estimated 2016 construction value

15+ kilometers of public trails for use by residents

17 playgrounds

28 parks

11 sport fields

10 sport courts

6 outdoor skating rinks

4 off-leash dog areas

20,960 Population

\$71,051 Average personal income

\$153,303 Average family income

50,233 Visitors to Northern Frontier Visitor Centre (up 23% from 2015)

155,011 Hits to visityellowknife.com (up 15% from 2015)

700+ recreation and leisure programs offered year-round

\$59,120,000 total O&M expenditure budget 2016

\$20,492,000 infrastructure investment 2016

Mayor's Message

This past year, city staff, residents, businesses, and community organizations alike have come together to take part in many events, engagements and improvement projects that make Yellowknife a special place to live. That synergy shows when looking back on our 2016 milestones in this annual report.

Council adopted its new goals and objectives in 2016 to guide the next years of our term, and we look forward to continuing to work on our top priorities.

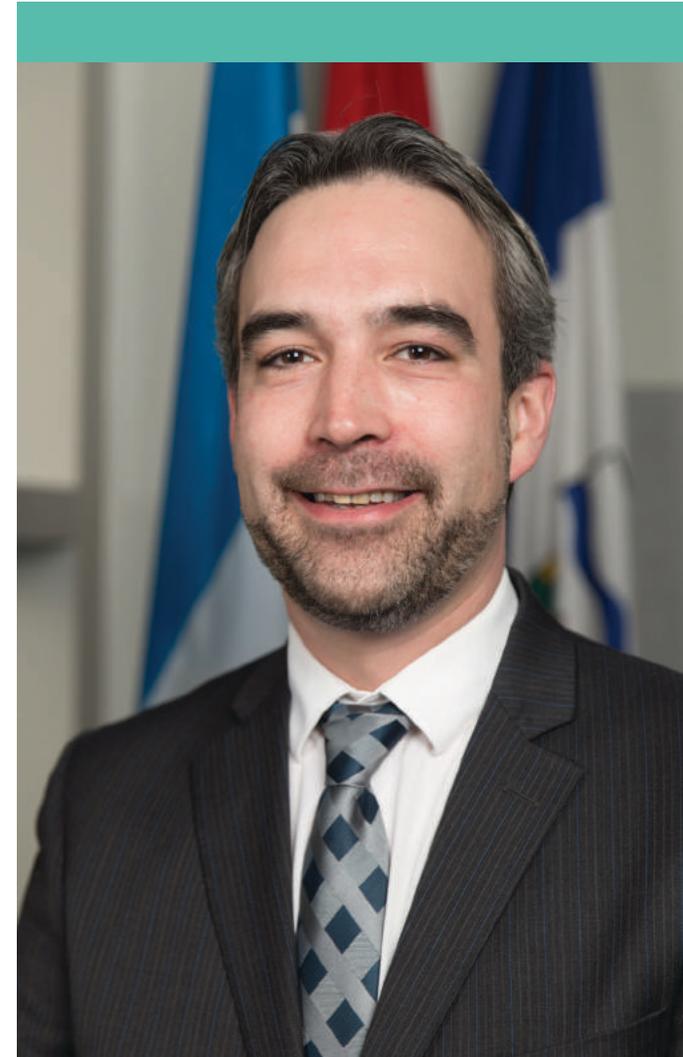
Addressing homelessness is a top priority for the City of Yellowknife. I was a member of the Yellowknife Homelessness Working group that has developed a Yellowknife Homelessness Road Map Action Plan to guide and implement the recommendations brought forward at the Homelessness in Yellowknife Partnership Forum that took place in April of 2016. In August, the City entered into partnership with the Government of Canada and the Yellowknife Women's Society to implement the Housing First model, and by the end of the fall the first new tenants under this program had been housed.

Downtown revitalization efforts included engaging our talented local artists to paint 12 transformer boxes around our downtown, and to give the 50th Street sidewalk a facelift. I invite you to take a walk around the downtown area to see these unique creations.

We have brought new residential land onto the market in the Hordal Bagon area, as well as waterfront properties in Grace Lake South, increasing options for families wanting to build a home in our community.

Partnerships are crucial to the success of our community, and we find that the best way to invest in our city is to support the many not-for-profit organizations that contribute to Yellowknife's vibrancy. In 2016, the City of Yellowknife was proud to award \$418,000 in Multi-year, Sponsorship and Community Grants to fantastic organizations that impact all of us.

I invite you to look back on 2016 in the annual report and to get in touch with us. Visit us at City Hall or at one of our open houses, connect with us on our social media, or send us an email. As residents, you are our first priority and we want to hear from you.



Mayor Mark Heyck

City Council Members

COMMUNITY VISION:

A welcoming, inclusive, vibrant and family-oriented City with a strong sense of community pride. We will strive to be self-sufficient while actively promoting economic development and tourism and protecting our unique history, culture and natural beauty.

CORPORATE VISION:

To be an inclusive and well-managed community.

COUNCIL MISSION:

Council will provide leadership, vision and direction in responding to the needs and aspirations of the community by working cooperatively with staff and residents to provide municipal infrastructure, programs and services that are fiscally responsible and sustainable.



ADRIAN BELL



JULIAN MORSE



LINDA BUSSEY



NEILS KONGE



REBECCA ALTY



ROMMEL SILVERIO



SHAUNA MORGAN



STEVE PAYNE

Council's Goals & Objectives

2016-2018

1. Better Engagement with Stakeholders, including public engagements that follow a process based on structured decision-making, and establishing a Council Communications Protocol (email, etc.)

2. Downtown Revitalization, including presentation of 50th Street revitalization concepts, providing direction on the long and short term plan for public lands on 50th Street, development of a critical path document and updating this strategic plan annually.

3. Strengthen and Diversify the Economy, including a review of the Business Licence By-law, a review of procurement policies and procedures, undertaking business incubation, positioning Yellowknife as a knowledge center, lobbying the GNWT for a Hotel Levy, and discussions with the GNWT regarding airport improvements to allow for international travel.

4. Community Sustainability, including investigating strategies to incorporate non-market housing in densification strategies, lobbying for changes to GNWT legislation for LIC implementations, implementation and support for the Community Energy Plan, lobbying for Utility Credits and legislative or policy changes to support Net Metering, completing a new waste audit/strategy, and developing an agricultural strategy.

5. Stronger Internal Working Relationships and Accountability, including building upon the Governance Review and holding a facilitated workshop with Council and Administration to establish a common vision of leadership/management within the organization and clarifying decision-making roles and information sharing, establishing facilitated collaborative processes involving Council and Administration to address department-specific challenges, establishing and implementing follow-up processes with timelines in order to address recommendations from Operational Reviews, and implementing an annual staff survey.

Message from the City Administrator

Welcome to the City of Yellowknife's 2016 Annual Report and thank you for your interest in the City of Yellowknife.

As City Administrator, it is my responsibility, and goal, to inspire and lead the way for City employees to continuously improve the way our local government delivers programs and services to residents, visitors and business owners.

The scope of our work is broad and our responsibilities touch many lives in many ways. We often find ourselves in the fortunate position to see the direct impact of our actions and to hear first-hand from Yellowknifers, investors and newcomers about your needs and issues. Our work is truly all about you, and that is what makes working for municipal government so rewarding. While we serve Yellowknife residents daily, we also provide a range of services to international investors and business owners seeking new opportunities, as well as tourism operators searching for ways to engage in our growing tourism industry.

In 2016, Council confirmed its key priorities for 2016 – 2018 based on citizen engagement, current issues and emerging opportunities. This means that, within Administration, our marching orders are clear and we are working to advance these priorities, as well as continuing to deliver excellent core programs and services that you deserve and have come to expect.

City employees continue to work hard to implement Council's vision in our everyday action. Whether it's ensuring the delivery of quality essential services, asking you for your input on how we plan our city, injecting new life into our economy by supporting local entrepreneurs or by making sure you and your family have plenty of recreational activities to choose from now and in the future – we are committed to providing our best for you.

Thanks for checking out our 2016 Annual Report. Your feedback is important to me, so please connect with us, tell us how we did last year and continue to share with us in 2017 so that, together, we can continue to ensure Yellowknife remains a wonderful place to call home, now and into the future.

Sheila Bassi-Kellett
Senior Administrative Officer



Meet the City of Yellowknife: Departmental Overview

ADMINISTRATION

The City Administrator's Office has overall responsibility for the administration of the Municipal Corporation. This function includes developing corporate policy as well as providing policy advice to Council about the City's organization and operating procedures. Also part of the City Administrator's Office is the City Clerk's Office, Human Resources and Legal Services. The City Administrator provides strategic advice to Council, administrative leadership, coordinates interdepartmental activities, directs the implementation of Council approved policies, recommends a capital and current budget to Council on an annual basis and administers the appropriate policy controls to ensure that all City programs are delivered within the Corporate budget. In addition, the City Administrator also explores and develops new, more effective ways of administering City programs and is ultimately responsible for the smooth and efficient operation of the Municipal Corporation.

Senior Administrative Officer – Sheila Bassi-Kellett, effective March 6, 2017; Dennis Kefalas (until October 10, 2016)

Director, Community Services – Grant White

Director, Corporate Services – Jeff Dalley

Director, Communications and Economic Development – Nalini Naidoo

Director, Planning and Development – Jeffrey Humble

Director, Public Safety – Dennis Marchiori

City Director, Public Works and Engineering – January 1-October 9, 2016: Chris Greencorn/October 10-December 31, 2016: Dennis Kefalas

COMMUNITY SERVICES

Community Services works to foster a sense of community spirit unique to Yellowknife through the delivery of its programs and special events. It contains three divisions - Programs, Facilities, and Library - that together, provide diverse and high-quality recreation and leisure opportunities. The Department maintains a close working relationship with the many volunteer organizations, groups, individuals, and the private sector who continue to provide programs, services, and events, and administers a variety of grant programs and service contracts. Many capital upgrades and developments to the facilities are managed through Department resources. These projects ensure that City facilities continue to meet the needs of the community, achieve or exceed their full life expectancy, and attain a high level of energy conservation to reduce energy costs. The Department also works with partner agencies throughout the city to address homelessness.

CORPORATE SERVICES

Corporate Services has four divisions: Financial Services; Taxation, Budgeting and Evaluation; Corporate Services and Risk Management; and Information Technology. The managers who head each of these divisions report to the director, who sets the course for the Department, and provides a level of advice and support to the Mayor and Council, Senior Administration and the municipality that is typically associated with the role of chief financial officer.

COMMUNICATIONS AND ECONOMIC DEVELOPMENT

Communications and Economic Development oversees economic development programs and all corporate communication including media relations. Their primary responsibility is to provide leadership to advance all strategic communication initiatives of the City. The Department has many initiatives that promote and enhance the local economy, draw investment to Yellowknife, enhance community engagement and work to bridge communication amongst all residents, groups, agencies and the City of Yellowknife.

PLANNING AND DEVELOPMENT

Planning and Development consists of two divisions: Planning and Lands, and Building Inspections. Together, they have a broad range of policy, regulatory, and program responsibilities. The Department administers the permitting process, as well as ensures planned development meets the requirements of local regulations. The Planning and Lands Division coordinates and facilitates the planning, development, and disposition of lands within the City of Yellowknife. This includes the preparation and realization of long-range land use plans, the provision of information and policy recommendations on land-related subject, and the administration of the Zoning By-law and all of the City's land-related transactions, including purchases, sales, leases, agreements and the by-laws required for each. The Building Inspections Division conducts inspections to maintain the safety and standards of all buildings within the City of Yellowknife.



Tenders, RFQs and Standing Offer Agreements by the City of Yellowknife in 2016

19 Tenders at a total value of **\$14,509,445**

27 RFPs at a total value of **\$4,319,97.39**

2 RFQs at a value of **\$27,894**

Completed 14 Standing Offer Agreements (SOAs)

2017 Budget includes revenues of \$81,506,000, debt repayment of \$1,507,000 and expenditures of \$93,644,000 including Capital Investment of \$31,627,000 and amortization of \$13,010,000.



PUBLIC SAFETY

Public Safety is responsible for providing several essential services to ensure residents are safe, healthy, and secure. This includes emergency services and dispatch such as fire and emergency response, ambulance, public education, Hazardous Materials Response (HAZMAT), and rescue services such as water/ice rescue and confined space rescue. In addition to emergency services, the Department is responsible for Municipal Enforcement and works to ensure that Yellowknife remains a safe, clean, enjoyable place to work, live, and visit by enforcing by-laws and traffic laws. The Department also works to keep citizens safe by raising awareness of the importance of Emergency Preparedness and conducting Fire Smart activities as part of the City of Yellowknife's Wildfire Mitigation Plan.

PUBLIC WORKS AND ENGINEERING

Public Works and Engineering works to provide cost-effective and responsive municipal services to the public within the policies, objectives and budget outlined by City Council. The Department delivers programs in three areas: Engineering, Works, and Solid Waste. The Engineering Division delivers and administers the City's capital works programs, which include major construction under the water and sanitation program (such as water treatment and sewage disposal facilities), the roads and sidewalks program (new road construction, paving and concrete work), the land development program and major and minor capital works for other City departments. The Works Division carries out the operations and maintenance programs which cover the delivery of basic municipal services, including: piped or trucked water and sewer services to all City residents, garbage collection, maintenance and repair of the City's roadways and sidewalks, and vehicle servicing for all City departments. The Solid Waste Division carries out the disposal of waste in accordance with regulations and facilitates recycling.

City of Yellowknife Recognized for Excellence in Financial Reporting



In 2016, the City of Yellowknife received the Canadian Award for Financial Reporting (CANFR) for the 17th time.

The Government Finance Officers Association (GFOA) established the Canadian Award for Excellence in Financial Reporting Program to encourage and assist Canadian local governments to go beyond the minimum requirements of generally accepted accounting principles, as set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

In 2016, the City of Yellowknife received the Canadian Award for Popular Annual Financial Reporting Award Program for the 11th time.

The Government Finance Officers Association established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.

City of Yellowknife 2016 Highlights

- Enhanced citizen engagement and interaction with the City through several initiatives including: PlaceSpeak, a public consultation platform that garners citizen input and discussion on development issues; the Cemetery and Notification Centre tiles on PingStreet that improve access to information; the Waste Sorting Game that educates by entertaining, and LyndaLibrary.com that provides a wealth of learning opportunities.
- Introduced eSend to improve utility billing notifications.
- Continued to provide and maintain healthy land inventory for residential, commercial and industrial development in Yellowknife. In 2016 the City brought to market 53 new residential lots, sold the last 11 industrial lots in Engle Business District Phase 1, and started working on the Engle Business District Phase 2 subdivision.
- Fire Smart Initiative: Last summer, City crews conducted Fire Smart activities to mitigate the current and future risk of a wildland fire such as trimming branches, removing deadfall, pruning and clearing underbrush in public areas and partnered with the Department of Environment and Natural Resources to promote how to Fire Smart your home and property.
- Improved Yellowknife's trails, waterfront parks and open space network in accordance with the Smart Growth Development Plan, 2011 General Plan and Yellowknife Harbour Plan. Notable projects include Hank Koenon Park construction in Old Town and Twin Pine Hill Trails and Amenities Concept Design.

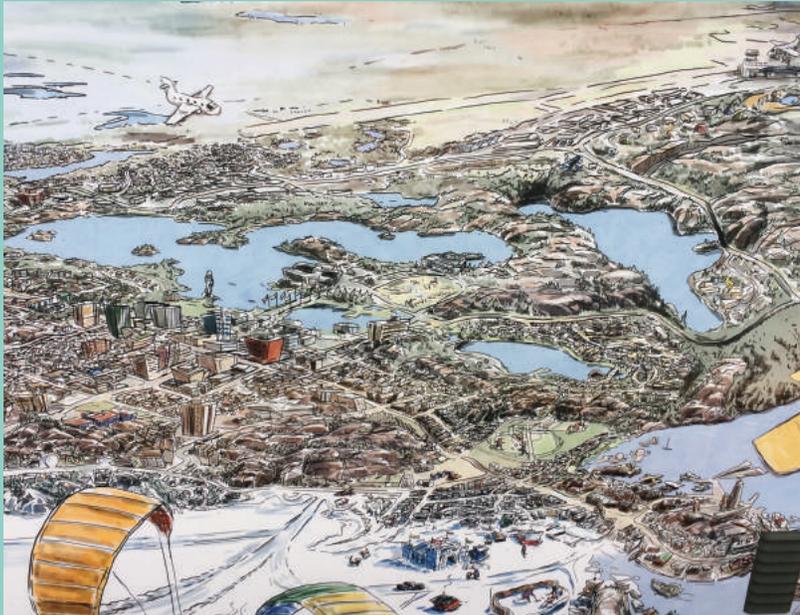




- The 32nd City of Yellowknife Municipal Enforcement Division Bike Rodeo had more than 400 children come through with 21 local organizations and sponsors, including Diavik Diamond Mine's Community Grant providing 350 helmets distributed by Diavik staff, mechanics from Joint Task Force North (DND) and Canadian Tire and Westjet providing a grand prize with the 'gift of flight'.
- Increased capacity of landfill cells and added leachate collection system and ground water monitoring wells.
- Implementation and roll out of the third and largest phase of the City's centralized composting program, including the expansion of the compost pad and expanded compost collection services to residents.
- Established wireless connectivity for traffic light management to heighten safety.
- Created an automated tracking process for the City's black and green carts.
- In partnership with the Yellowknife Chamber of Commerce, launched successful #shopyk initiative, growing participating businesses to 54 and total value of dollars spent at Yellowknife businesses was \$969,600.
- Revitalized downtown with beautification of transformer boxes and traffic light boxes with original and colourful designs. Worked together with Northland Utilities and local artists and transformed surfaces into original works of art.
- Offered 26 events including new ones such as Movies in the Park, Memoir writing for seniors, Live stream of the Tragically Hip's last concert, and family-friendly New Year's Eve Canada 150 celebration.
- Upgraded parks and trails including new playground structure installed in Grace Lake North, playground structure and park upgraded at Doornbos Park and irrigation system upgraded at Lakeview Cemetery.

Downtown Revitalization

LOCAL ARTISTS LIVEN UP TRANSFORMER BOXES IN THE DOWNTOWN CORE



Local Spending

Every year, local businesses provide a significant amount of services to the City of Yellowknife.

IN THE PAST 5 YEARS **76%**

of the contracts were awarded (by \$ value) to companies with a local presence. This means companies have local offices or storefronts, employees, pay property taxes and conduct regular business in Yellowknife.

OVER THE PAST **5** YEARS, THE CITY OF YELLOWKNIFE SPENT A TOTAL OF **\$201,618,571** SUPPORTING LOCAL BUSINESSES.

	'11	'12	'13	'14*	'15*	Total
TOTAL	\$59,863,181	\$64,764,529	\$66,822,000	\$97,136,893	\$63,216,697	\$351,803,299
EXCLUDED	\$16,567,844	\$13,290,922	\$18,673,513	\$17,563,875	\$19,844,107	\$85,940,261
NON-LOCAL	\$6,469,733	\$7,767,149	\$5,464,015	\$30,365,195	\$14,178,374	\$64,244,467
LOCAL	\$36,825,604	\$43,706,457	\$43,706,457	\$49,207,823	\$29,194,215	\$201,618,571
%LOCAL	85%	85%	89%	62%	67%	76%

* The years 2014 and 2015 have a lower than average local expenditure, due to a contract with a non-local contractor for the water treatment plant.

Corporate Services

GOALS:

1. Accurate and timely taxation and financial information provided both internally and externally;
2. Reliable, sustainable, proactive information technology infrastructure;
3. Efficient, effective, and timely geomatics services;
4. Streamlined revenue collection processes; and
5. Established partnerships and excellent customer service.

OBJECTIVES:

1. Prepare audited financial report annually;
2. Prepare multi-year budget document annually incorporating the asset management plans for next 10 years that reflects the goals and objectives of Council;
3. Supply ongoing leadership to support and sustain the City's information technology infrastructure;
4. Continue to develop and improve sound financial procedures for the utilities, accounts receivable, accounts payable and cash receipt functions to improve customer service, facilitate training of staff and streamline processes between departments; and
5. Schedule involvement in capital purchases with all departments so that projects can be looked after in a timely manner that meets the needs of all.

Community Services

GOALS:

1. To provide robust cultural, educational, and information opportunities and resources;
2. To provide fair, equitable, and accessible programs and services which promote participation for people of all ages and demographics;
3. Offer safe and comfortable environments for patrons and visitors to participate, spectate and learn;
4. The provision of adaptable and responsive services, programs, and resources, according to the ever-changing trends and needs of the community; and
5. To provide an expanded resource collection and multi-use recreation and leisure opportunities to a wide range of demographic, including those most in need.

OBJECTIVES:

1. Continue to support and collaborate on City initiatives by working with committees of Council such as the Community Advisory Board on Homelessness, the Grant Review Committee and the Combative Sports Committee to provide the best possible services to the community.
2. Ensure that all of the facilities, programs and services operated by the Department are provided in an effective, efficient and safe manner.
3. Develop additional and strengthen existing partnerships to further enhance available recreation, leisure and learning opportunities.
4. Maximize opportunities to develop programming and services by accessing outside resources to carry out and improve programs and events; and,
5. Continue to ensure that the services, programs, facilities and resources available for the public remain current, meaningful, and relevant

Planning and Development

GOALS:

- 1.** Streamlined division operations with improved customer service and better utilization of CityView Online Permitting system;
- 2.** Increased public awareness and appreciation of energy-efficient building standards;
- 3.** Continued progress on implementation of key plans including the Smart Growth Development Plan, 2011 General Plan, Yellowknife Harbour Plan and Capital Area Development Plan;
- 4.** Increased engagement with stakeholders and the general public for planning and development projects; and
- 5.** Strategic acquisitions made through the Land Development Fund and in line with the Smart Growth Development Plan and the 2011 General Plan.

OBJECTIVES:

- 1.** Update specific section of Building By-law, Zoning By-law and Land Administration By-law to meet the City's goals and effectively convey this information to the public and developers; and initiate the review of the 2011 General Plan in accordance with the NWT Community Planning and Development Act requirements;
- 2.** Continue public input and incorporate various consultation methods in land development, site improvement capital projects and planning projects;
- 3.** Explore alternatives to complete the Eco-housing project;
- 4.** Provide a framework and options for tiny home development in the City; and
- 5.** Continue public engagement on 50th Street revitalization including the redevelopment of the 50/50 lot and the three lots adjacent Smart Bee and the Raven Pub.

Public Works and Engineering

GOALS:

1. Effective management of solid waste with emphasis on waste diversion through expansion of existing recycling and composting practices;
2. Development and implement an aggressive linear infrastructure replacement program;
3. High-quality, reliable potable water provided with efficient and responsible waste water disposal;
4. Cost-effective, safe, and reliable municipal transportation systems provided and promoted all year; and
5. A fleet of well- maintained vehicles and equipment.

OBJECTIVES:

1. Work to implement the key elements of Community Energy Plan and the Community Waste Management Strategic Plan in an effort to become less depended on fossil fuels, to reduce the City's overall carbon footprint and to extend the useful life span of our second generation landfill cells;
2. Manage the City's contract for the provision of public transit and monitor service provided (quality of service, invoicing, timing, condition of equipment, etc.) and create initiatives that will make the system even more accessible to all residents;
3. Provide the community with potable water that meets or exceeds national standards and local requirements, and treat and dispose of waste water to meet or exceed requirements;
4. Remove snow from major thoroughfares and intersections before ice and snow accumulations cause the roadway to become unsafe, and remove snow from residential streets, sidewalks and alleys at least once a year and remove snow from the downtown streets and sidewalks at least twice a year; and
5. Provide preventative and service maintenance to City vehicles on a timely and cost-effective basis; provide priority maintenance to emergency vehicles and incorporate viable recommendations from Fleet Management Study.

Public Safety

GOALS:

1. Efficient, competent, responsive emergency response;
2. Consistent, fair and timely by-law enforcement;
3. Educated public on fire safety and emergency prevention;
4. A safe community for residents and visitors; and
5. Continued partnerships developed as the City continues work toward positive change in relation to various social issues

OBJECTIVES:

1. Continue to work with other City Departments and government agencies to ensure that the City provides services and programs to our residents, and provide support to other communities when possible, within our financial abilities;
2. Provide responsive, professional, competent emergency aid and fire protection services;
3. Provide comprehensive administration of City by-laws, territorial statutes and regulations towards the safe operation of all motorized vehicles, mobile equipment and bicycles;
4. Continue to work with other agencies to improve effectiveness through training and continuous improvement of all emergency services; and
5. Continue to work on mitigation, awareness and preparation to ensure that Yellowknife is ready in the rare case of a local emergency

Communications & Economic Development

GOALS:

1. A business-friendly city with a vibrant downtown;
2. Yellowknife is an attractive tourist destination;
3. A diversified economy with expanded education and job opportunities;
4. Engaged and informed residents; and
5. Communication and information provided to residents is accessible, accurate and timely.

OBJECTIVES:

1. Work with the Northern Frontier Visitors Association and Northwest Territories Tourism to market Yellowknife as a tourist destination and provide customer service training to tourism operators to ensure Yellowknife is a great place to visit;
2. Work to attract business tourism to Yellowknife with groups such as northern mining companies, climate change events, and Circumpolar conferences, and work to identify and address infrastructure gaps that may have previously prevented large business audiences from holding events in Yellowknife;
3. Continue to work with Council to revitalize 50th Street and spur business development in the Downtown area and partner with the Planning and Development Department to engage in the 50th Street Revitalization project;
4. Work with the Government of the Northwest Territories to levy a hotel tax and establish a Destination Marketing Organization (DMO) for Yellowknife; and
5. Develop innovative and engaging campaigns and channels to effectively communicate with city residents and businesses.

Special Events

FUN FOR THE WHOLE FAMILY ORGANIZED BY THE CITY OF YELLOWKNIFE



Promotions & Initiatives

REGISTER FOR
#shopyk
PASSPORT



YELLOWKNIFE BUSINESSES!

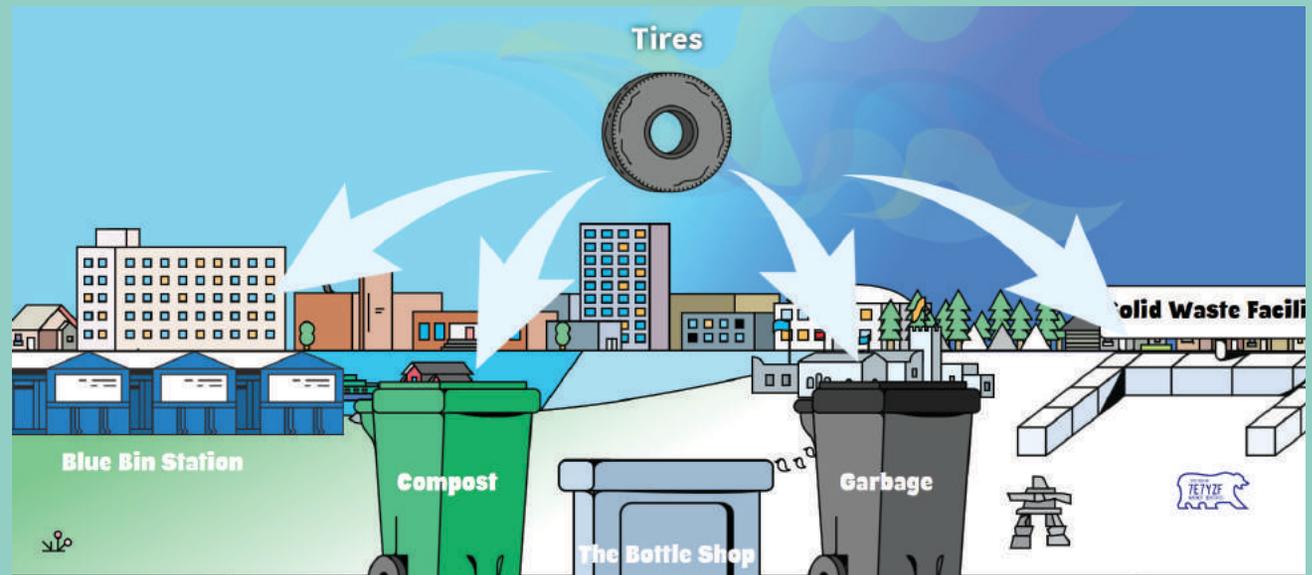
From October 15, 2016 to December 7, participate in the **#Shopyk Passport** campaign – an interactive shop local program offered by the City of Yellowknife and Yellowknife Chamber of Commerce.



Register by September 30, 2016
admin@ykchamber.com
(867) 920.4944
www.ykchamber.com

find my BUS Why wait?
Track your bus in real time and on-the-go!
Find it on www.yellowknife.ca/findmybus or on our **Ping Street** app

www.yellowknife.ca/findmybus



LEARN ALMOST ANYTHING
FROM YOUR COUCH FOR FREE!
yellowknife.ca/lyndalibrary



What goes in the kitchen catcher and green cart?

YES



Yard Waste

- Leaves & grass clippings
- Plant trimmings

Food Soiled Paper

- Pizza boxes
- Napkins & facial tissues
- Wax-coated cardboard

Food Waste

- Fruits & vegetables
- Dairy products
- Eggs & egg shells
- Fish & shellfish
- Bones, grease, fat & cooked meat
- Small amounts of raw meat (trimmings only)
- Bread, pasta, cereal, rice & flour
- Coffee grounds, filters & tea bags

*Use only certified compostable bags, newspaper, and/or brown paper bags to line the kitchen catcher and green cart.

Financial Statements

Completed 2016 audited financial statements can be viewed at www.yellowknife.ca.

During 2016, the City recorded total revenues from all sources of \$58.19 million (2015 - \$50.05 million). Recorded expenses for the same period were \$58.71 million (2015 - \$55.79 million). The budgeted revenues were \$51.65 million with budgeted expenses of \$59.78 million. Financial highlights with details of revenues and expenses are presented below.

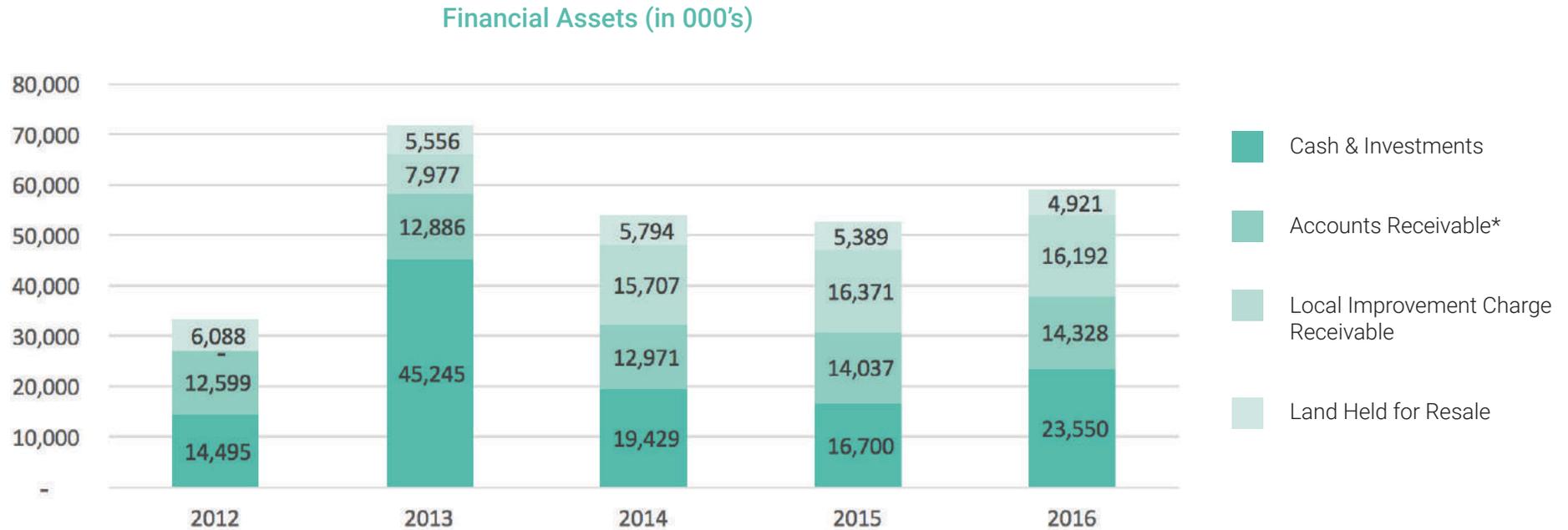
Financial Highlights

Key financial highlights for 2016 are as follows:

- The City had an annual surplus of \$17.1 million which is \$13.0 million higher than budgeted. Revenue from **contributed tangible capital assets** and increases in **land sales** and **user fees, licences and permits** revenue are the primary reasons that the surplus balance is higher than budgeted.
- During the year, ownership of the water and sewer infrastructure in Phases 1, 2 and 3 of Block 501 (“Hall Crescent”) transferred from the developer to the City. The water and sewer infrastructure is valued at \$5.8 million of which the City invested \$0.8 million with the remaining \$5.0 million recorded as **contributed tangible capital assets revenue**.
- **Land sales** revenue was higher due to several factors. During the year, the City developed land in Kam Lake (Grace Lake South) and Frame Lake (Hordal-Bagon) to be sold as individual residential lots. Fifty-three new residential lots became available for sale in the fall of 2016 of which ten lots sold by December 31st. All eleven remaining lots in Engle District Phase 1 sold during the year which exceeded expectations. Purchase incentives and an increase in market demand can explain the increase in sales in this area. As no lots remained in Engle District Phase 1, the City sold two lots in Engle District Phase 2 and will begin development of this area in 2017.
- **User fees, licences and permit** revenue increased due to higher fees for water and sewer and solid waste services and an increase in development. Construction of a new hospital and hotel buildings resulted in higher permit revenue.
- During the year, a new reserve, called the **Revitalization Initiative Reserve**, was established. The purpose of the reserve is to target land assembly that supports revitalization initiatives within targeted areas. The targeted areas include Downtown, Old Town, Old Airport Road and Kam Lake. 30% of all land sales from the date the reserve was established are to be put into the reserve. As of December 31st, \$2.0 million has been transferred to the reserve.

Consolidated Statement of Financial Position

FINANCIAL ASSETS



*Includes grants receivable, taxes receivable, water and sewer receivable and other receivable.

The City's financial assets are comprised of **cash and investments, accounts receivable, local improvement charge receivable** and **land held for resale**. Financial assets increased \$6.5 million (12.4%) from the previous year primarily due to an increase in cash and investments.

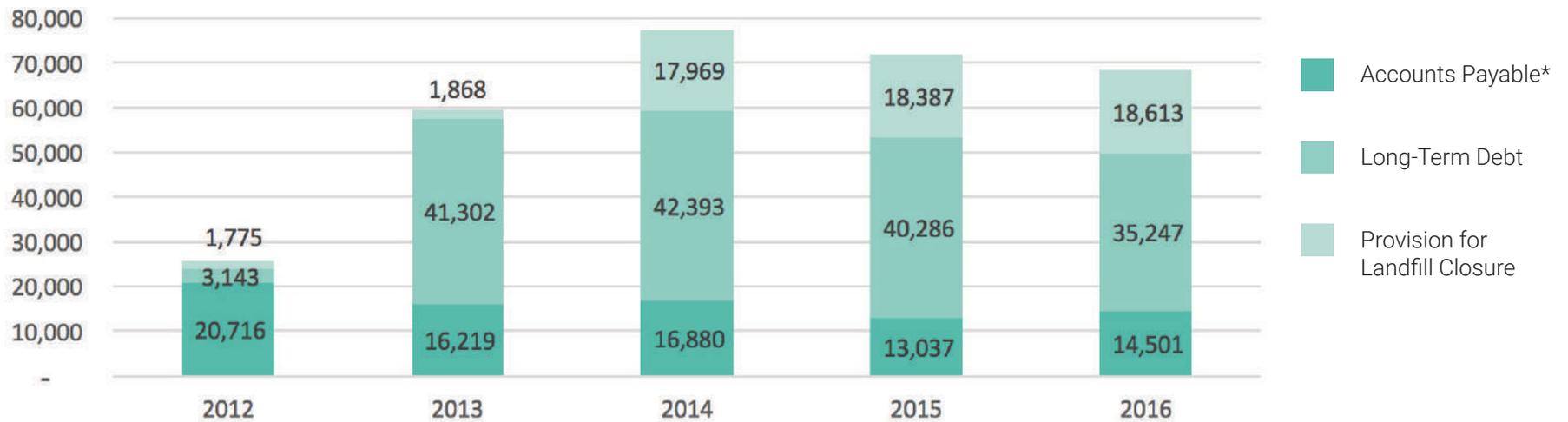
Financial assets increased significantly in 2013 primarily as a result of an influx of cash from debt proceeds for loans taken out to finance the construction of the water treatment plant and the water and sewer infrastructure upgrades in Northlands. A local improvement charge receivable was also recorded for upgrades to properties in Niven Lake Subdivision and for the work completed on the water and sewer upgrades in Northlands.

Financial assets decreased in 2014 and 2015 as the cash from the debt proceeds was used to pay for the projects discussed above. The decrease in **cash and investments** was partially offset by an increase in the **local improvement charge receivable**.

The increase in **cash and investments** in 2016 is a due to the higher **land sale and user fees, licences and permits** revenues.

FINANCIAL LIABILITIES

Financial Liabilities (in 000's)

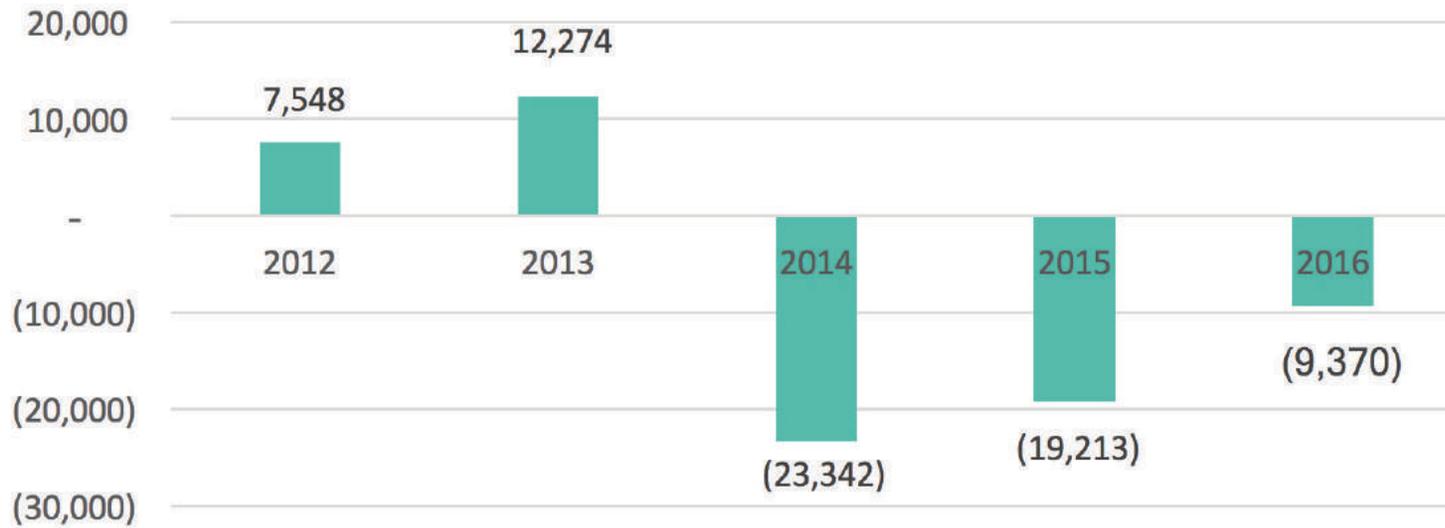


*Includes accounts payable and accrued liabilities, wages and compensated absences payable, retirement benefits liability, school taxes payable, deposits payable and deferred revenue.

The City's financial liabilities are comprised of **accounts payable**, **long-term debt** and **provision for landfill closure**. Financial liabilities decreased \$3.3 million (4.7%) from the previous year primarily due to repayment of **long-term debt**. The \$5.0 million reduction in **long-term debt** was partially offset by an increase of \$1.5 million in **accounts payable** of which a significant portion of the increase is due to an increase in deferred revenue.

Financial liabilities increased significantly in 2013 primarily as a result of **long-term debt** borrowed to finance the construction of the water treatment plant and the water and sewer infrastructure upgrades in Northlands. There was another significant increase in financial liabilities in 2014 primarily as a result of an increase to the **provision for landfill closure**.

Net Financial Assets (Liabilities) (in 000's)



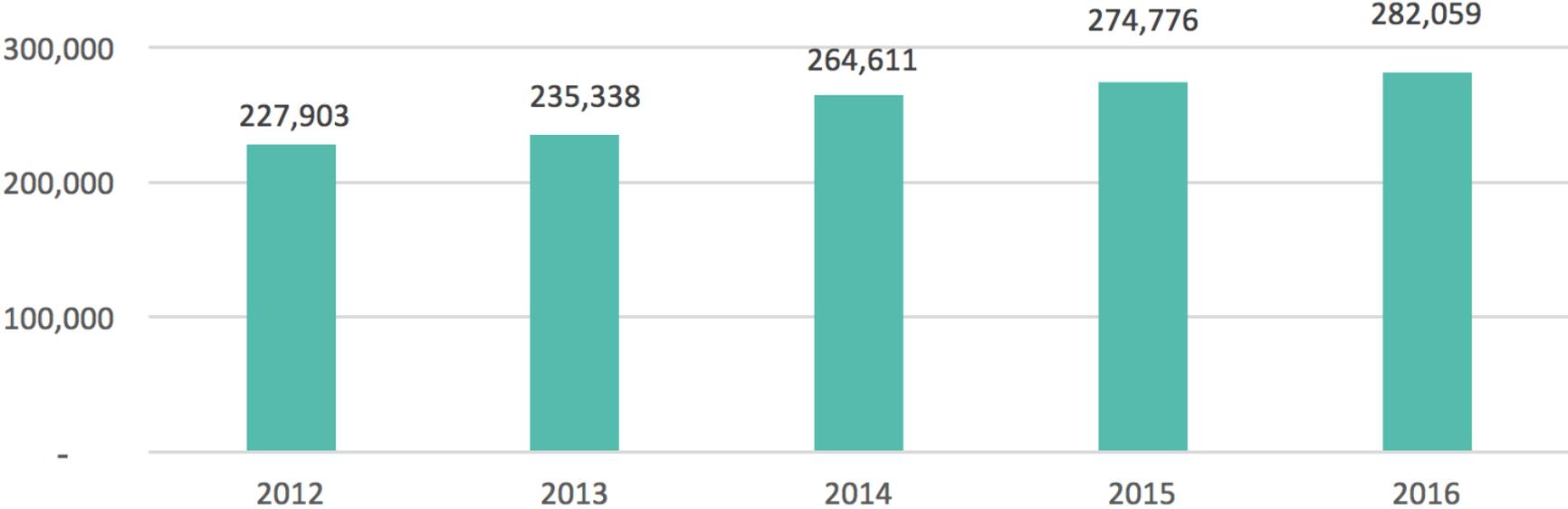
NET FINANCIAL ASSETS (LIABILITIES)

The City went from a net asset position of \$12.2 million in 2013 to a net liability position of (\$23.3) million in 2014, a change of \$35.5 million. \$19.1 million of the \$35.5 million change is due to financing the construction of the water treatment plant to meet the City's current and future needs. The remaining \$16.1 million is a result of the increase to the landfill closure liability.

Net financial liabilities have declined in 2015 and 2016 as a result of debt repayment and operating surpluses.

NON-FINANCIAL ASSETS

Non-financial Assets (in 000's)



The City's non-financial assets are comprised of **tangible capital assets (99.6%)** and **inventories, prepaid expenses and deferred expenses (0.4%)**. Non-financial assets increased by \$7.3 million (2.7%) over the previous year primarily due to tangible capital asset additions.

Net **tangible capital asset additions** were \$19.9 million and included:

- \$1.0 million for fleet and equipment upgrades
- \$3.6 million to expand the Landfill
- \$3.8 million on road and sidewalk improvements
- \$3.7 million on general water and sewer upgrades
- \$5.8 million for Hall Crescent water and sewer infrastructure including \$5.0 million in contributed tangible capital assets
- \$2.0 million on other capital improvements.

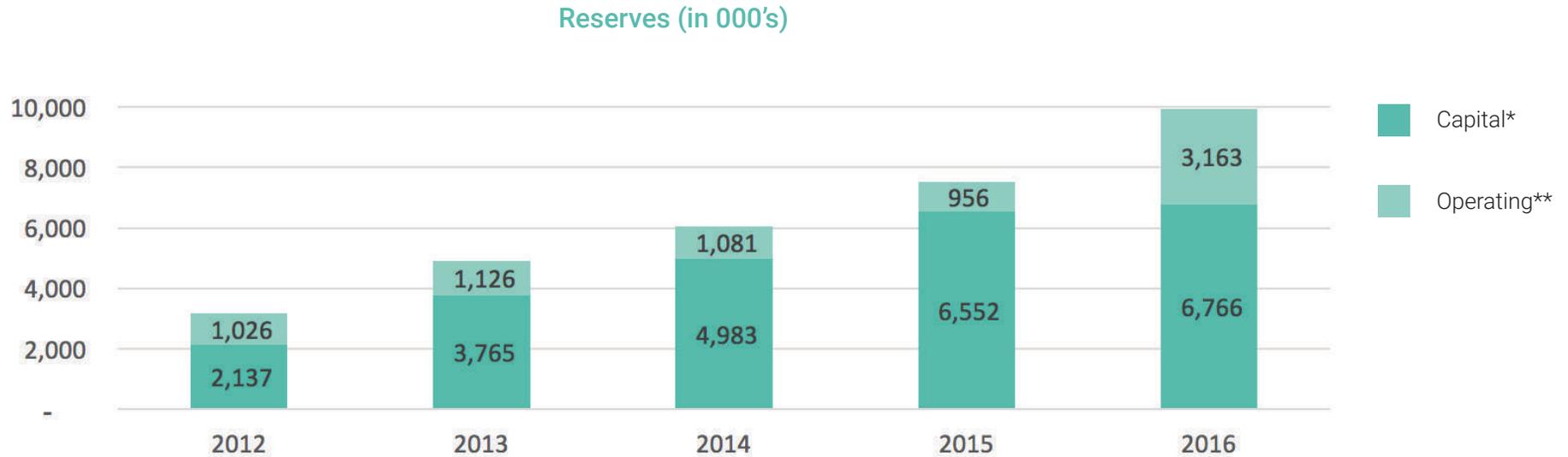
ACCUMULATED SURPLUS

(in 000's)	2016	2015	2014 (Restated)	2013	2012
Investment in TCA	\$260,876	\$252,204	\$240,645	\$209,844	\$225,107
Reserves	9,929	7,507	6,064	4,892	3,164
Net Surplus (Deficit)*	1,883	(4,148)	(5,440)	32,876	7,180
	\$272,688	\$255,563	\$241,269	\$247,612	\$235,451

*Comprised of surplus (deficit) from all funds.

95.7% of the City's accumulated surplus has already been spent through investment in tangible capital assets with the remaining 4.3% of the balance comprised of reserves and net surplus.

RESERVES



*Includes the Information Technology Reserve, Mobile Equipment Reserve and the Major Community Facility Reserve.

**Includes the Waterfront Development Reserve, Downtown Development Reserve, Heritage Reserve, Samuel Colley Donation Reserve, Twin Pine Hill Trail Reserve, and Revitalization Initiative Reserve.

The City allocates funds to reserves to meet future operating and capital requirements. There was a significant change in the **operating reserves** due to the establishment of the Revitalization Initiative Reserve. The Revitalization Initiative Reserve was set-up for the purpose of land assembly that supports revitalization initiatives within targeted areas of the City. The **capital reserves** have not increased significantly from the previous year but have increased by \$4.6 million over the past five years. This is primarily due to an increase in the **Major Community Facility Reserve** which had a balance of \$0.04 million in 2012 and has a balance of \$2.9 million as of the end of 2016. The **Mobile Equipment Reserve** has also increased by \$1.6 million since 2012 which is primarily due to delays in equipment purchases.

Consolidated Statement of Operations

REVENUES

Prior Year Comparison

(in 000's)	2016	2015	Variance	% change
Municipal Taxes	\$26,086	\$25,634	\$452	1.8%
User Fees, Licences and Permits	21,401	19,829	1,572	7.9%
Government Transfers – Operating	632	449	184	41.0%
Government Transfers – Capital	15,704	15,122	582	3.8%
Land Sales	7,602	1,779	5,823	327.4%
Contributed Tangible Capital Assets	4,990	8,599	(3,609)	(42.0%)
Other *	2,471	2,363	108	4.6%
	\$78,886	\$73,775	\$5,112	6.9%

*Other includes investment revenue, fines and penalties, and franchise fees.

Overall, revenue increased 6.9% over the previous year. If the **contributed tangible capital assets** revenue is excluded from the analysis, 2016 revenue is \$8.7 million (13.4%) higher than the previous year. This is primarily a result of higher **land sales** and **user fees, licences and permits revenue**.

Municipal taxes were 1.8% higher in 2016 than the previous year as a result of assessment growth as there was no increase in the tax rate.

User fees, licences and permits were 7.9% higher in 2016 than the previous year primarily due to an increase in fees for water and sewer and solid waste services, higher parking meter revenue and an increase in development permit revenue due to increased level of construction.

Government transfers – operating were 41.0% higher in 2016 than the previous year primarily due to an increase in water and sewer services funding from the GNWT and a one-time grant from the federal government for New Year's Eve Celebration.

Government transfers – capital were 3.8% higher in 2016 than the previous year primarily due to an increase in Gas Tax funding.

Land sales were 327.4% higher in 2016 than the previous year primarily due to sales in the Engle Business district being higher than anticipated and the introduction of new residential lots.

Contributed tangible capital assets in the current year are for water and sewer infrastructure in Hall Crescent. In the previous year, the revenue related to water and sewer upgrades in Northlands. These are not re-occurring revenue items.

Other revenue is 4.6% higher in 2016 than the previous year primarily due to an increase in investment income as a result of land sale arrangements that include an interest component.

COMPARISON TO BUDGET

(in 000's)	2016	Budget	Variance	% change
Municipal Taxes	\$26,086	\$25,933	\$153	0.6%
User Fees, Licences and Permits	21,401	20,004	1,397	7.0%
Government Transfers – Operating	632	422	210	49.9%
Government Transfers – Capital	15,704	15,202	502	3.3%
Land Sales	7,602	2,834	4,768	168.3%
Contributed Tangible Capital Assets	4,990	-	4,990	N/A
Other *	2,471	2,454	17	0.7%
	\$78,886	\$66,849	\$12,038	18.0%

*Other includes investment revenue, fines and penalties, and franchise fees.

Revenues were 18.0% higher than budgeted. The higher revenue is primarily a result of **contributed tangible capital assets**, and higher **land sales** and **user fees, licences and permits** revenue. If the **contributed tangible capital assets** revenue is excluded from the analysis, 2016 revenue is \$7.0 million (10.5%) higher than the previous year.

User fees, licences and permits were 7.0% higher than budgeted primarily as a result of increases to fees for water and sewer and solid waste services and an increase in development permit revenue due to increased level of construction.

Government transfers – operating were 49.9% and **Government transfers – capital** were 3.3% higher than budgeted as the City was able to secure additional funding during the year.

Land sales were 168.3% higher than budgeted as sales in the Engle Business district were higher than anticipated.

5 YEAR TREND (EXCLUDES CONTRIBUTED TANGIBLE CAPITAL ASSETS)

(in 000's)	2016	2015	2014	2013	2012
Municipal Taxes	\$26,086	\$25,634	\$25,372	\$23,588	\$23,415
User Fees, Licences and Permits	21,401	19,829	19,205	18,433	17,747
Government Transfers – Operating	632	449	351	291	500
Government Transfers – Capital	15,704	15,122	16,907	20,126	15,013
Land Sales	7,602	1,779	3,697	4,335	9,885
Other *	2,471	2,363	2,698	2,723	2,327
	\$73,897	\$65,176	\$68,230	\$64,496	\$68,887

*Other includes investment revenue, fines and penalties, and franchise fees.

Municipal taxes generally increase with growth and tax rate increases. Increases in 2013, 2015 and 2016 were related to growth as there was no increase in the tax rates. The increase in 2014 was a combination of growth and tax rate increases.

User fees, licences and permits have generally increased due to rate increases.

Government transfers – capital will fluctuate from year-to-year based on the capital projects in progress. 2013 and 2014 were higher because Gas Tax funding carried forward in deferred revenue was recognized against eligible expenditures for construction of the water treatment plant.

Land sales will fluctuate from year to year based on the lots available for sale. In 2012, a significant number of lots became available in Kam Lake (Grace Lake and Enterprise Extension) which resulted in higher sales. From 2013 to 2015 there was little development and no new lots came on the market. In 2016 new lots came available in Frame Lake (Hordal-Bagon) and Kam Lake (Grace Lake South and Engle Business District Phase 2) which resulted in higher sales in 2016. Purchase incentives introduced by the City in 2014 also had a positive impact on 2016 sales.

Other revenue has been relatively stable with the exception of 2013 and 2014 which were higher as a result of increased investment income. Investment income was higher as the proceeds from debt received in 2013 for the water treatment plant and Northlands upgrades were invested. As these projects have been completed, investments have declined and investment income has returned to normal levels. 2016 investment income did see an increase as a result of land sale arrangements that have an interest component.

EXPENSES

Prior Year Comparison

(in 000's)	2016	2015	Variance	% change
Administration*	\$2,868	\$2,969	\$(101)	(3.4%)
Amortization	12,672	11,480	1,192	10.4%
Contracted and General Services	10,608	10,528	80	0.8%
Grants	418	415	3	0.7%
Interest on Long-Term Debt	660	707	(47)	(6.6%)
Land Expenses	1,586	639	947	148.2%
Landfill Closure and Post-Closure	596	418	178	42.6%
Minor Capital	3,047	3,689	(642)	(17.4%)
Salaries, Wages and Benefits	24,710	23,883	827	3.5%
Utilities	3,649	3,695	(46)	(1.2%)
Vehicle Operations & Maintenance	948	1,058	(110)	(10.4%)
	\$61,762	\$59,481	\$2,281	3.8%

*Administration includes bad debt, bank charges and short-term interest, construction and maintenance supplies, (gain) loss on disposal of TCA, insurance, office and administrative supplies, professional services and transfers to other organizations.

Overall, expenses increased 3.8% from the previous year. This is primarily a result of an increase in **amortization, land expenses and salaries, wages and benefits**.

Amortization was 10.4% higher in 2016 than the previous year as the expense continues to increase as the City's investment in tangible capital assets continues to grow.

Land expenses were 148.2% higher in 2016 than the previous year as the number of lots sold in the year was significantly higher.

Landfill closure and post-closure costs were 42.6% higher in 2016 than the previous year as the Landfill accepted more waste.

Minor capital expenses were 17.4% lower in 2016 than the previous year as overall capital expenditures decreased.

Salaries, wages and benefits expenses were 3.5% higher in 2016 than the previous year primarily due to annual pay increases of 1.5%-2.0% per the collective agreements and a decrease in vacant positions.

Vehicle operations and maintenance expenses were 10.4% lower than the previous year primarily due to a decrease in the number of repairs required.

Comparison to Budget

(in 000's)	2016	Budget	Variance	% change
Administration*	\$2,868	\$2,955	\$87	2.9%
Amortization	12,672	12,837	165	1.3%
Contracted and General Services	10,608	11,642	1,034	8.9%
Grants	418	418	-	0.1%
Interest on Long-Term Debt	660	662	2	0.4%
Land Expenses	1,586	1,241	(345)	(27.8%)
Landfill Closure and Post-Closure	596	94	(502)	(534.0%)
Minor Capital	3,047	2,975	(73)	(2.4%)
Salaries, Wages and Benefits	24,710	24,871	161	0.6%
Utilities	3,649	4,088	438	10.7%
Vehicle Operations & Maintenance	948	975	(28)	2.8%
	\$61,652	\$62,758	\$995	1.6%

*Administration includes bad debt, bank charges and short-term interest, construction and maintenance supplies, (gain) loss on disposal of TCA, insurance, office and administrative supplies, professional services and transfers to other organizations.

Actual expenses were lower than budgeted expenses by 1.6%.

Contracted and general service expenses were 8.9% lower than budgeted due to several factors. The SCFA program did not complete as many repairs, IT communication infrastructure and maintenance costs were lower than expected, contracted costs for transit were below budget, annual road patching and sidewalk maintenance was not completed, and costs for public relations and tourism development were not as high as projected.

Land expenses were 27.8% higher than budgeted as more land was sold than expected.

Landfill closure and post-closure expenses were 534.0% higher than budgeted as the budget number was based on previous closure requirement assumptions and not the 2016 report on the landfill closure and post-closure costs and activities.

Utilities expenses were 10.7% lower than budgeted due to lower fuel costs and lower than expected power costs for the Water Treatment Plant and Pumphouse #1.

5 Year Trend

(in 000's)	2016	2015	2014 (Restated)	2013	2012
Administration*	\$2,868	\$2,969	\$3,448	\$3,025	\$3,101
Amortization	12,672	11,480	10,791	10,491	8,942
Contracted and General Services	10,608	10,528	10,789	10,427	9,506
Grants	418	415	418	412	419
Interest on Long-Term Debt	660	707	758	463	113
Land Expenses	1,586	639	217	1,493	4,041
Minor Capital	3,047	3,689	4,538	4,620	3,466
Salaries, Wages and Benefits	24,710	23,883	22,784	22,129	21,721
Utilities	3,649	3,695	3,593	3,210	2,938
Vehicle Operations & Maintenance	948	1,058	1,135	971	997
Before Landfill Closure and Post-Closure	61,166	59,062	58,471	57,241	55,244
Landfill Closure and Post-Closure	596	418	16,100	94	444
	\$61,762	\$59,481	\$74,571	\$57,335	\$55,688

*Administration includes bad debt, bank charges and short-term interest, construction and maintenance supplies, (gain) loss on disposal of TCA, insurance, office and administrative supplies, professional services and transfers to other organizations.

The five year average annual increase in **expenses before landfill closure and post-closure care** is 2.6% and this is primarily due to general inflation.

Amortization expense has increased annually as the City's investment in tangible capital assets continues to grow.

Interest on long-term debt increased in 2013 as the City borrowed funds during the year to build the water treatment plant and complete the infrastructure upgrades in Northlands.

Land expenses fluctuate from year to year based on the number of sales as well as the value of the land inventory sold. Land inventory value varies significantly depending on what area the land is located. Some of the land available for sale has required significant development before it could be sold while other parcels of land required minimal development.

Minor capital expenses fluctuate from year to year and are influenced by both the level of capital expenditure as well as the type of capital projects taking place.

Significant fluctuations in the **landfill closure and post-closure** expenses are not expected going forward. Annual expenses are expected to be similar to 2015 and 2016 results.

ANNUAL SURPLUS

The annual surplus of \$17.1 million is \$13.0 million higher than budgeted. The large variance is primarily due to contributed **tangible capital assets revenue** and higher revenues from **land sales** and **user fees, licences and permits**. Of the 2016 annual surplus, \$8.7 million represents the net investment in tangible capital assets, \$2.4 million was designated to reserves and \$6.0 million contributed to the net surplus.

Summary of Funds

	Opening Fund Balance	Annual Surplus (Deficit)	Closing Fund Balance
General Fund	\$4,983,319	\$332,259	\$5,315,578
Land Development Fund	2,590,788	1,862,336	4,453,124
Solid Waste Management Fund	(16,629,637)	253,971	(16,375,666)
Water and Sewer Fund	(1,134,835)	341,364	(793,471)
Capital Fund	5,967,877	2,650,057	8,617,934
Service Connection Failure Assistance Fund	73,649	591,853	665,502
	(\$4,148,839)	\$6,031,840	\$1,883,001

The **General Fund** is in a healthy position with the closing fund balance equal to 15% of budgeted expenditures (net of expenses related to investment in tangible capital assets) which is in-line with the City's Stabilization Funds policy.

The **Land Development Fund** is in a healthy position with the ending balance being higher than projected primarily due an increase in land sales. The surplus will be used towards future development as well as to complete paving and development of trails in areas of town for which the lots have already been sold.

The **Solid Waste Management Fund** has a large deficit balance as a result of the \$16.1 million increase to the provision for landfill closure in the restated 2014 financial statements. The 2016 annual surplus was higher than budgeted because the transfer to the General Fund was reduced from \$318,000 to \$0 given the large deficit balance in the fund and the healthy position of the General Fund.

The **Water and Sewer Fund** improved its position from the previous year as a result of higher revenues and cost savings (excluding amortization). As a result of ongoing improvements to water meter reading accuracy, it is expected that the position of this fund will continue to improve.

The **Capital Fund** is in a healthy position with the ending balance being higher than projected primarily due to a delay in capital projects that will be completed in the subsequent year and an increase in property taxation revenue allocated from the General Fund.

The **SCFA Fund** improved its position from the previous year due to a decrease in the number of water and sewer service connection repairs completed. There is a back-log of water and sewer service connection repairs and it is expected that the surplus will decrease in future years.



CITY OF YELLOWKNIFE