

To: Yellowknife City Council

PO Box 580
Yellowknife, NT X1A 2N4

February 2, 2024

Re: Budget 2024 Feedback from the Yellowknife Chamber of Commerce Board of Directors

Dear Mayor Alty and Members of Yellowknife City Council,

Thank you for the opportunity to provide feedback on the City of Yellowknife's proposed 2024 budget. Although timelines for feedback have been extremely compressed this year, we have worked quickly to assess the budget, and we hope that our feedback will assist you in making improvements to the draft budget prior to approval.

Summary

This year's budget lacks the transparency and "user-friendly" characteristics of past year's budgets.

- Substantiations of this year's proposed capital projects were not made available to the public, nor presumably to Council, until mid-afternoon on the last day of the publicized two-week period for public consultation, a mere four days before Council is scheduled to meet to deliberate the budget. These substantiations are a critical piece in allowing the public to understand the budget. Without them, there is very little to provide feedback on. We have been told that Council will still consider our comments if provided after the deadline, but the degree to which our comments will be considered depends on how quickly we submit them. As a volunteer board, we find this unworkable.
- Annex A, the project substantiation spreadsheet, contains two dozen references to project details from previous years (i.e. "refer to page 220 in Budget 2018 for original write-up"). So, these substantiations exist, they just weren't compiled and presented to the public. Readers must comb through seven different City budgets, none of which are indexed by page number, in order to gain a full understanding of how their tax dollars are being spent. And then there are all the other projects for which there are no public substantiations at all, or merely a line or two, despite the fact that these projects must have been substantiated internally.
- Capital budget projects that were approved in past years have been included alongside current year requests, making it difficult for the public to understand which items they are being asked to review.

- “Consultation” and “A Good Budget Process” were pillars of the 2023 Budget. We hope they return as pillars in 2025.
- “A lean budget focussing on core services and essential infrastructure” – we find this to be mainly true but there are some notable exceptions.

Capital Budget Comments

Land Fund Capital Projects

We have significant concerns about this budget item. We understand that the budget review process is not the perfect time to debate the City’s land development plans, but we have seen in the past that once items are approved in the budget they sometimes move forward even if it’s obvious that they require further thought. In other words, although this may not be the perfect time, we are not confident that another opportunity will present itself.

The substantiation in Annex A explains that “residential development will occur throughout the municipal service area through infill and densification projects” which we understand to be development of small sections of green space on Con Road, Niven Drive and School Draw. The 2019 Yellowknife Community Plan described those projects as taking place in 2020 through 2022. That did not happen, and demand for land has now grown too great to be addressed through these small, and undoubtedly controversial projects. What is needed now is the two far bigger “greenfield” projects, Taylor Road and Niven Phase 8. The City is far behind the eight ball and has neither the time nor the planning capacity to pursue these small and undoubtedly controversial projects without further delaying Taylor and Niven Phase 8.

This shift in priorities would be consistent with the City’s own Community Plan, which promised that the Con Redevelopment area (Taylor Road) would be brought to market “as demand requires.” We would argue that demand has required it since 2019 when Council cancelled Grace Lake South phases 2 & 3.

Fleet Management

While we can appreciate that the City is asking Council to assume more of a “macro-management” role with things like fleet management, we would appreciate assurances that this new approach is limited to the replacement of pre-existing fleet units only, and that the purchase of units that are not replacements will still be presented to Council in detail for review.

CS Land Fund Capital Project - Niven Ravine Trail



“This is a Land Fund project that will see the completion of the Niven Lake Ravine Trail with the addition of benches, litter containers, development of a lookout and addition of exercise equipment.”

This project is being funded by the \$1.9 million that a past Council agreed to set aside from land sales in Niven Phase V (Cavo, Lemay Drive Townhomes, etc.) for trail development in the area, but it is not clear that the residents who paid for it have been consulted on the trail design. It also appears to have been commenced in 2023 without having ever been approved by Council. There was no project substantiation included in the 2023 budget. We recommend that this project be paused until it has been substantiated and deliberated by Council, and we would hope Council will insist on conducting public consultation prior to any further construction.

City Hall Upgrade/Retrofit

“The initial phase of the project started in 2023 with a functional assessment of the building and comparison to modern office space standards. The 2024 phase of the project will be to advance the original assessment to the planning and design phases of the project and to complete a Class 4 (D) estimate for future budgeting and consideration.”

The project is described in Annex A as having been started in 2023, but it wasn't approved in the 2023 budget. While it may be work that needs to be done, we recommend that this project be paused until it has been appropriately substantiated and deliberated by Council.

Community Energy Program

“Program has now been reclassified as Climate Change Mitigation and Adaptation Plan.”

This is not a substantiation. This project should be deferred to 2025 when it can be properly substantiated to the public and to Council.

Weigh Out Scale at SWF

The benefits of this project are too small to justify the \$1.6 million expenditure, and that's why it was rejected by Council in 2018. Yes, it would be neat to be able to more accurately measure loads being dropped off, but it doesn't justify a \$1.6 million expenditure nor the future O&M and replacement costs, even of the lion's share comes from other levels of government.

Outdoor Recreation

“Projects include ... Niven Lake Trail resurfacing to match McMahon Frame Lake Trail.”

Paving of the Niven Lake Trail has been proposed to Council twice in the last decade and both times it was rejected. This is not mentioned in Annex A or anywhere else in the budget, which is a bit troubling.

It is not clear what the benefits of this project would be. Should it be paved, it will crack, shift and slump (like it always has) and the maintenance requirements will be frequent and substantial in cost.

Until 3pm on the last day for public feedback, the paving of the Niven Lake Trail, which is bound to be controversial, was described to the public only as “Outdoor Recreation.” This is a perfect example of why capital projects need to be substantiated in detail, both to Council and the Public, and well enough in advance of deliberations to count as actual “consultation.”

Operational Budget Comments

- Page 21 – The City is proposing to add 14 full-time staff positions this year, which represents growth of 6.1% - far in excess of either population or tax base growth. And the Aquatic Centre accounts for less than half of these positions. We have no way of knowing the amount of growth in city assets and programming commitments, so we can't know if that's the explanation for these additions, but if it's 6.1% in one year, Council needs to rein in asset and programming growth.

There is no doubt that some departmental divisions are in need of more staff (i.e. land planning), but every effort should be made to find and sunset other positions within the organization that have outlived their usefulness in order to add these important positions without net growth.

- Page 36 – “The 2024 Budget includes a one-time allocation of \$75,000 for upgrading City's records and information management system.” – For the sake of transparency and consistent budgeting practices, shouldn't this be in the capital budget (with an appropriate substantiation) instead of operational?
- Page 39 – 2023 assessment growth is only projected at 0.86%. This is worrying to the Yellowknife Chamber of Commerce. Growing the population and the tax base are the two best ways to lower the cost of living for Yellowknife residents (i.e. property taxes, facility fees, power, water and SWF fees, etc.) Demand for housing is high, as evidenced by low vacancy rates and growing pressure to approve temporary worker accommodations, yet the City has no residential land for sale, and, according to Annex A, is focussing on small infill projects at the expense of realistic solutions to the problem, like Taylor Road and Niven Phase 8.

We think Council needs to consider its own role in the stagnation of Yellowknife's tax base. This is an important discussion that Council should be having, and we would look forward to participating in that discussion.

- Page 42 – “A four-year term Asset Management Coordinator position was approved in 2022, and was funded by the Capital Fund” – for the sake of transparency, City staff should be funded by the General

Fund, not the Capital Fund. If this increases the required transfer from the General Fund to the Capital Fund, so be it – but burying staff costs in the Capital Budget is a slippery slope. See page 86 to see an example of a position (Environment & Climate Coordinator) that was originally funded by the Capital Fund but subsequently and appropriately moved to the General Fund.

- Page 52 – Why are the renewal of the economic development strategy and the start-up of the Destination Marketing Organization in the operational budget? If these are intended to be carried out by third party contractors, shouldn't they be capital projects? And shouldn't they be substantiated?
- Page 57 - The 2024 to 2026 Budget allocations include \$100,000 for the Downtown Clean-up Program, to be funded by the Downtown Development Reserve. – What is this program? In the past, it was associated with the Homelessness Employment Program, which is now defunct.
- Page 75 – “Starting in March 2024, parking fees will increase and magnitude of increases will vary depending on types of fees. On average, the increase is about 18%” – That's only a month from now, and it's a big increase. Will this be debated in a separate “fees and charges” bylaw or is approval of the 2024 budget considered approval of the parking rate increase?
- Page 75 – Municipal Enforcement User Fees have dropped from \$1,357,000 in 2012 to only \$847,000 in 2022. How much of this is related to parking revenue? Is this why parking fees are being raised?
- Page 79 – Council needs to have a fulsome discussion about whether or not to require development incentive grants and tax abatements to be reimbursed from the Downtown Development Reserve. We would look forward to participating in that discussion.

Reserve Fund Comments

- If parking meter rates are going up by 18% (see page 75), why isn't the annual allocation to the Downtown Reserve going up as well?

Thank you,



Adrian Bell, President
Yellowknife Chamber of Commerce