



CITY OF YELLOWKNIFE

## GOVERNANCE AND PRIORITIES COMMITTEE REPORT

**Tuesday, October 12, 2021 at 12:05 p.m.**

Report of a meeting held on Tuesday, October 12, 2021 at 12:05 p.m. via videoconference. The following Committee members were in attendance:

Chair: Mayor R. Alty,  
Councillor S. Morgan,  
Councillor J. Morse,  
Councillor C. Mufandaedza,  
Councillor S. Payne,  
Councillor R. Silverio,  
Councillor S. Smith, and  
Councillor R. Williams.

The following members of Administration staff were in attendance:

S. Bassi-Kellett,  
D. M. Gillard,  
C. Greencorn,  
L. MacLean,  
J. Hunt-Poitras,  
K. Thistle,  
C. White,  
G. White,  
S. Woodward, and  
S. Jovic.

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<u>Item</u>	<u>Description</u>
1.	(For Information Only) Mayor Alty read the Opening Statement.
2.	(For Information Only) There were no disclosures of pecuniary interest.



(For Information Only)

3. Committee agreed unanimously to amend the agenda to include an in camera matter still under consideration.

(For Information Only)

4. Committee heard a presentation regarding the milestones for the Aquatic Centre. Administration noted that this has been a long time coming and that is the culmination of a significant amount of work by Council Members, by the Aquatic Centre Advisory Committee and Administration. Administration provided a summary of progress to date; Design Build methodology, due diligence, formal procurement process, next steps and why the City should build an Aquatic Centre.

(For Information Only)

5. Committee read a memorandum regarding whether to seek Voter Approval for the borrowing of funds to finance the development of the Aquatic Centre, and to authorize the City to enter into a contract with Clark Builders in the amount of \$67,735,329 excluding GST, for the development of the Aquatic Centre.

Committee noted that the Aquatic Centre project has been underway since 2016 when Council provided direction for Administration to pursue the Building Canada Fund specifically for an Aquatic Centre. Since that time Council has provided key guidance to ensure the project addressed the needs of the community. An Aquatic Centre Advisory Committee was appointed by Council in 2018 which recommended a Pre-Design Plan that was adopted by Council later that year. Council subsequently provided direction to Administration on the construction methodology; a design plan that includes options for a 25m and a 52m lap pool for Council's consideration; and, eventually approving the project to proceed to the Request for Proposal stage with a project that includes an 8 lane, 25m lap pool with an amusement park type water slide.

To accomplish Council's direction, Administration prequalified three Design Build teams through a competitive process: PCL Construction Management Inc., Clark Builders and Bird Design Build Construction. These three teams were invited to submit proposals on the project which had a timeline from mid-July to early September. The City received a proposal from each of the teams. This process was supported by Colliers International, acting as the City's project manager. The proposals received were reviewed and rated by the review team comprised of the City Manager and staff from Public Works & Engineering and Community Services. Taylor Architect Group (TAG) was contracted to act as the City's Advocate to review the technical components of each of the proposals. The project manager, Colliers, also provided technical assistance during the review of the proposals.

The consensus scores were as follows:

<b>Clark Builders</b>	<b>69.63</b>
PCL Construction Management Inc.	66.35
Bird Design Build Construction	61.55



The successful Design Build proponent must hold their proposed project cost up to January 30, 2022. If the contract is not awarded by this time, the proposed prices are no longer guaranteed.

Committee noted that Council's policies, resolutions or goals include:

Council Goal #1 Growing and diversifying our economy

Council Goal #2 Delivering efficient and accountable government

Council Goal #3 Ensuring a high quality of life for all, including future generations

Motion #0273-16 That Council accept the funding provided to the City of Yellowknife by the Government of the Northwest Territories under the Building Canada Fund, Provincial-Territorial Infrastructure Component in the amount of \$12,900,000 by committing a minimum contribution of \$4,300,000 upon successful notification of the grant application.

Motion #0119-18 That Council appoint members to serve on the Aquatic Centre Advisory Committee.

Motion #0332-18 That Council:

1. Adopt for information the Aquatic Centre Pre-Design Plan as prepared for the Aquatic Centre Advisory Committee by Stantec Architecture Ltd.; and
2. Direct Administration to bring forward funding consideration in the 2019-2021 Budget for Architectural and Engineering design phase of the project.

Motion #0360-18 That Council conditionally approve a capital expenditure of \$1.75M in 2019 to advance the Aquatic Centre design pending Council review and approval of:

- Construction methodology;
- Project milestones and timelines; and
- Terms of Reference for an Aquatic Centre Development Committee.

Motion #0085-19 That Council direct Administration to:

1. Pursue the Design-Build construction methodology for the development of the Aquatic Centre in addition to undertaking a Request for Proposal process to secure the services of a qualified Bridging Consultant to carry out the design aspects for the Aquatic Centre for Design-Build Request for Proposals; and



2. Proceed with the evaluations of the land adjacent to the Ruth Inch Memorial Pool and Fieldhouse sites including a transportation study, geotechnical evaluation and environment assessment.

Motion #0086-19

That Council:

1. Adopt the Terms of Reference for the Aquatic Centre Development Committee for the purpose of providing input to Council on the design elements of an Aquatic Centre; and
2. Direct Administration to undertake the necessary steps to recruit members to the Committee.

Motion #0239-19

That Council direct:

1. Administration to not proceed with the appointment of members to the Aquatic Centre Development Committee; and
2. Administration to proceed with a public consultation methodology that includes focus groups, surveys and public meetings. Motion #0253-19 That Council direct Administration to bring forward, in early January, a memorandum to Committee outlining the cost implications of changing the scope of work for the Aquatic Centre to consider options within the pre-design report.

Motion #0021-20

That Motion #0085-19 be amended as follows:

That Council direct Administration to

1. Pursue the Design-Build construction methodology for the development of the Aquatic Centre in addition to undertaking a Request for Proposal process to secure the services of a qualified Bridging Consultant to carry out the design aspects for the Aquatic Centre for Design-Build Request for Proposals for both the recommended concept in the Aquatic Centre Pre-Design Plan (52m lap pool) and a similar concept with a 25 m lap pool; and
2. Proceed with the evaluations of the land adjacent to the Ruth Inch Memorial Pool and Fieldhouse sites including a transportation study, geotechnical evaluation and environment assessment.

Motion #0010-21

That Council:

1. Adopt the Aquatic Centre Design Plan as prepared by Taylor Architect Group;



2. Direct Administration to proceed with the completion of the Design Build process that includes a 25m, 8 lane Aquatic Centre, and;
3. Confirm that an amusement park style water slide not be considered in the development of the Aquatic Centre.

Motion #0011-21 That the motion be amended by amending Part 3 as follows:  
Confirm that a large amusement park style water slide be Included in the development of the Aquatic Centre.

Committee noted that applicable legislation, by-laws, studies or plans include:

1. *Cities, Towns and Villages Act, S.N.W.T. 2003, c.22* (CTV Act)
2. *Local Authorities Elections Act, R.S.N.W.T. 1988, c.L-10*
3. Elections By-law No. 5043
4. Aquatic Centre Pre-Design Plan (DM#534279)
5. Aquatic Centre Concept Design Report (DM#629683)

#### Aquatic Centre Components

Through the public consultation process which led to the development of both the Pre-Design Report and subsequently the Design Report, various user groups, stakeholders, the public and Council have been key in determining the scope of the project. Motions 0010-21 and 0011-21 detail the adoption of the Design Plan and the inclusion of the amusement park type water slide. The Design Build RFP documents specified the various facility components, as was determined through these processes, including:

- 25m, 3 lane leisure pool with beach entry
- 25m, 8 lane lap pool
- Amusement park type water slide and a tot slide
- Lazy river
- Storage/office space for youth groups
- Splash pad
- 1m and 3m diving board
- Steam room & therapy pool
- Lease space
- Canteen/Concession space
- Multipurpose rooms
- Office space
- Universal change rooms
- Spectator seating

#### Legislative

Sections 110 through 115 of the *CTV Act* specify the procedures that a municipality must follow in order to incur long-term debt for the acquisition of capital assets.



### Procedural Considerations

The City has historically borrowed to fund major community facilities such as the Multiplex and Water Treatment Plant. In accordance with the *CTV Act*, long-term debt may only be incurred to acquire capital assets, and the specifics of the debt must be outlined in a by-law that has been approved by the Minister and the Voters.

Once the by-law receives First Reading, it must be approved by the Voters at a referendum which is scheduled for November 23, 2021. In order for the borrowing to proceed, the majority of the Voters who participate in the referendum must vote in favour of enactment of the by-law. If the majority of the Voters approve of the by-law it will be presented for Second Reading, following which the by-law will be forwarded to the Minister of Municipal and Community Affairs for Approval. Once approved, the by-law can receive Third Reading.

### Referendum

In order to maximize flexibility and ease of voting during COVID, the City will be proceeding with mail-in balloting. This means that a ballot will be mailed to each eligible Voter who is on the Voters List. The ballots may be returned by pre-paid mail, dropped off at City Hall or taken to one of the two Voter Assistance locations that will be available on November 23, 2021. If an eligible voter does not receive a ballot or requires assistance in voting, they may attend a Voter Assistance location and be sworn in to vote or receive assistance with their ballot. All ballots must be received by 7:00 p.m. on Tuesday, November 23, 2021. A majority of ballots cast is required for approval.

City Council has recently approved By-law No. 5043, a by-law to repeal and replace Elections By-law No. 4705. By-law No. 5043 authorizes the use of mail-in balloting and the use of tabulators. The City's goals are to maximize voter turnout for this important decision, and to ensure voters are able to base their decision on a suite of information including the short and long-term financial impacts, and the implications of approving/declining the City's proposal to borrow for the Aquatic Centre.

### Voter Eligibility

A person is eligible to vote if they:

- Are a Canadian citizen;
- Have attained 18 years of age; and
- Have resided within the municipal boundary of Yellowknife for 12 consecutive months immediately preceding the day on which they vote.

### Communications

A detailed communication plan has been developed in order to lay out a process that will provide information to voters so that they can make an informed decision. Comprehensive information is essential so that Yellowknife voters understand what they are being asked to vote on and the implications of a yes or no vote, and are sufficiently knowledgeable to be able to make an informed decision on the referendum.



### Cost Considerations

The chart below details the projected annual operational and maintenance costs for the proposed Aquatic Center as detailed in the Aquatic Centre Design Plan, approved by Council in January 2021. The expenses include the anticipated staffing, utilities, program costs, etc. based on engineers' estimates as provided from the Design Build proposal. Revenues are based on the number of programs and services that can be offered in the facility. The Aquatic Centre development schedule indicates completion in the third quarter of 2024. The initial estimated tax rate will be prorated for 2024 and the full 1.27% tax increase will be incurred in 2025.

<b>Estimated Annual O&amp;M</b>	
Revenue	\$974,446
Expenses	\$2,729,540
Net Operating Expenses	\$1,755,094
Recovery Rate	36%
Estimated Tax Rate Increase	1.27%

### Sources of Funding

To date, Council has allocated the following resources to this project:

- \$75,000 in 2018 for the purpose of engaging a consultant to carry out the public consultation, in conjunction with the Aquatic Centre Advisory Committee. The result of this allocation culminated with Council adopting the Aquatic Centre Pre-Design Plan.
- \$1.75M in 2019 for the purpose of engaging an Architectural and Engineering team to complete the detailed design of facility. This funding provided for the major work that has been completed to-date including the contracting of TAG as Bridging Consultants & Owner's Advocate; Colliers Project Leaders; due diligence studies for site analysis; project communications; referendum; and, the stipend allocated to the Design Build teams.

The City was successful in obtaining \$12.9M from the Federal Small Communities Fund (a component of the federal New Building Canada Fund). The Contribution Agreement that was executed to receive the \$12.9M of Federal funding commits this amount to development of a new Aquatic Centre.

Construction of the project will be funded by money received from the Small Communities Fund, Community Public Infrastructure, Funding, Gas Tax Funding, and Formula Funding, as well as the City's Major Community Facility Reserve and Capital Fund. The balance will be obtained by borrowing up to \$10,001,000.

The City has, and will continue to seek out various funding grants that become available for the project.

### Project Budget

Cash flow will be determined in relation to project schedule. The project budget is comprised of the Design and Construction fee as per the successful proposal; the consulting fee including the Project Manager and the Owners Advocate; and contingency fees as described in the following chart.



	<b>% Contingency</b>	<b>Total</b>
Design Build Contract		67,735,329
Consultant Contracts		640,226
Contingency	5%	3,386,766
<b>Project Total</b>		<b>71,762,321</b>

### Project Schedule

The project schedule includes key dates for the project to move forward and will ensure that the parameters of the RFP documents in relation to the timing of the project being awarded by February 6, 2022 is achieved. In accordance with the RFP documents, the Design Build contractor must guarantee their price for 150 days / February 6, 2022. If the schedule is delayed and a contract has not been awarded by this date, the required amount of funding to be borrowed may be inaccurate resulting in the project not proceeding.

- October 12 GPC Consideration of Borrowing By-law
- October 18 Special Council for 1st Reading of Borrowing By-law
- November 23 Referendum for voter approval to borrow funds for the project
- \*December 6 -13 2nd Reading of Borrowing By-law
- \*December 23 Minister Approval
- \*January 10, 2022 3rd Reading of Borrowing By-law
- \*January 30, 2022 Deadline to Award Contract with held prices
- \*July 2024 Project Completion
- (\*Pending Voter Approval)

### Benefits of an Aquatic Centre

Physical activity plays a critical role in developing skills in children and youth and in maintaining good health for all ages. Physical activity also provides an increase in energy, decrease in stress, promotes social interaction, and can extend independence with advancing age. The City's Access for All program enables all residents, regardless of economic means, to be able to enjoy the City's recreational facilities.

The benefits of accessible aquatic programs that target residents and visitors of all ages and socio-economic means are considerable and point to aquatic centres being a foundational for a healthy community. As a Winter City, with a wide array of activities indoor and out to support healthy active living all year round, an aquatic centre provides that essential escape from the cold for residents. Swimming pools, spas, and therapeutic pools contribute greatly to the physical, mental and social wellbeing of residents and therefore the community overall.

Aquatic facilities can also offer a variety of other features and programs for individuals of all ages. Programming that includes recreation, competitive swim and diving opportunities; fitness classes including aqua classes; rehabilitation classes for sport and other injuries; and classes specifically geared to ensure people of all ages can learn to swim in order enjoy the water safely.





As a key piece of infrastructure for a community, an aquatic facility blends the need for social interactions with recreational/sport pursuits and provides key instructional programs for the overall safety of residents. Recreation amenities are a key driver in attracting newcomers to communities as well as providing for additional economic benefits, including opportunities for tourism and employment across a variety of age groups.

#### Programming Demand

Demand for aquatic programming currently exceeds capacity at the Ruth Inch Memorial Pool. An annual average of 2,736 people were enrolled in courses from 2017 – 2019 and an additional 825 were waitlisted. In 2020, 450 people were enrolled with 800 people waitlisted; and in 2021 there were 1,400 people enrolled and 1,100 waitlisted.

The proposed Aquatic Centre will enhance access and opportunities with the expansion in programming space and the addition of key components like the water slide, splash pad and two basins (8 lane lap pool and leisure pool). An expanded facility, will be able to meet needs, both for existing programming, such as lessons, as well as provide more diverse aquatic activities such as the lazy river and water slide and allow for growth in the community over the life of the facility.

Committee noted that following a comprehensive public consultation process that led to the development of the Pre-Design and Design Plan, and after consideration of many issues by Council, direction was provided to Administration to pursue the development of an Aquatic Centre facility utilizing the Design Build construction methodology. Clark Builders' proposal addresses the needs outlined by Council in the Design Plan and the proposed facility will address programming needs, alleviate the large waitlists for swimming lessons and water safety training; generate revenue for the City and alleviate the current overcrowding within City Hall.

If Council decides not to proceed with the Borrowing By-law, Administration will seek Council direction, at a future Governance and Priorities Committee meeting, with respect to increased O&M and Capital expenditures for the Ruth Inch Memorial Pool. These expenditures will be necessary to address accessibility and to ensure that the facility remains operational for the foreseeable future.

It is also important to note that the \$12.9M Federal Small Communities Fund grant awarded to the City of Yellowknife stipulates that the funding may only be used to fund a new Aquatic Centre and the project must be completed and the money expended by 2024. If the City does not proceed with an Aquatic Centre at this time, the City will forfeit this funding.

(For Information Only)

4. Councillor Silverio left the meeting at 1:10 p.m.

(For Information Only)

5. Committee continued its discussion regarding a memorandum regarding whether to seek Voter Approval for the borrowing of funds to finance the development of the Aquatic Centre, and to



authorize the City to enter into a contract with Clark Builders in the amount of \$67,735,329 excluding GST, for the development of the Aquatic Centre.

In response to questions from the Committee, Administration undertook to provide a detailed breakdown of funding and anticipated long-term debt payment.

Committee recommended that Council proceed with First Reading of By-law No. 5044, a by-law to authorize the City of Yellowknife to borrow up to \$10,001,000 on the security of new debentures to be issued by the City of Yellowknife for the purposes of financing the development of an Aquatic Centre.

Committee recommended that:

2. Council direct Administration to seek Voter Approval of By-law No. 5044, a by-law to authorize the City of Yellowknife to borrow up to \$10,001,000 on the security of new debentures to be issued by the City for the purposes of financing the development of an Aquatic Centre.
3. Pending Voter Approval to enact By-law No. 5044 and the approval of the Minister of Municipal and Community Affairs, Council authorize the City to enter into a contract with Clark Builders in the amount of \$67,735,329 excluding GST, for the development of the Aquatic Centre.

### MOVE APPROVAL

- (For Information Only)
6. Councillor Payne moved,  
Councillor Smith seconded,

That Committee move in camera at 1:26 p.m. to discuss a personnel matter and a matter still under consideration.

### MOTION CARRIED UNANIMOUSLY

- (For Information Only)
7. Committee discussed a personnel matter.

(For Information Only)

  8. Committee discussed a matter still under consideration.

(For Information Only)

  9. Councillor Payne moved,  
Councillor Smith seconded,

That Committee return to an open meeting at 2:14 p.m.

### MOTION CARRIED UNANIMOUSLY



(For Information Only)

10. There was no business arising from the in camera session.
11. The meeting adjourned at 2:15 p.m.