



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE REPORT

Tuesday, November 12, 2024 at 12:05 p.m.

Report of a meeting held on Tuesday, November 12, 2024 at 12:05 p.m. in the City Hall Council Chamber. The following Committee members were in attendance:

Chair: Mayor R. Alty,
Councillor G. Cochrane,
Councillor R. Fequet,
Councillor B. Hendriksen,
Councillor C. McGurk,
Councillor T. McLennan,
Councillor S. Payne, and
Councillor R. Warburton.

The following members of Administration staff were in attendance:

S. Van Dine,
D. Gillard,
C. Greencorn,
R. Johnson,
C. MacLean,
K. Pandoo,
C. White,
G. White, and
S. Jovic.

<u>Item</u>	<u>Description</u>
1.	(For Information Only) Mayor Alty read the Opening Statement.
2.	(For Information Only) Councillor McGurk declared a conflict of interest with Item No. 6 on the agenda, a memorandum regarding determining how to respond to the Integrity Commissioner Report dated October 10, 2024.



(For Information Only)

3. Committee heard a presentation regarding the Draft Budget 2025.
4. **Committee read a memorandum regarding whether to implement the Home Energy Financing Program as designed by Dunsky Energy + Climate Advisors.**

Committee noted that in 2015, the City of Yellowknife (the City) retained the Pembina Institute to recommend innovative ways to finance energy efficiency and renewable energy retrofits in the residential sector. A turnkey approach for the City of Yellowknife was recommended^{1,2}. Following that recommendation, the City's Corporate and Community Energy Action Plan (CCEAP) set targets of:

- 1,250 homes adopting a Local Improvement Charge (LIC)-based retrofit financing by 2025,
- 4,688 tonnes GHG emissions reduction.

In 2021, the City engaged a consultant (Dunsky Energy Limited) to conduct a feasibility/program design study, which would serve as a precursor to an implementation plan, anticipating 100 eligible homes¹ to participate in the financing of deep-energy retrofits, light energy retrofits and potentially renewable energy retrofits. Dunsky designed a four-year home energy retrofit Program, called the Home Energy Financing (HEF) Program. The primary goals of the HEF Program are to reduce energy and Green House Gas (GHG) emissions and increase renewable energy use in single-family existing homes. Dunsky designed an LIC financing mechanism, using a turnkey delivery approach.

The HEF Program model shows that it could attract 40 – 220 participants over the first four years, with an average of 120 homes adopting the LIC mechanism over the four years. There are 7,515 residential dwellings in the City³. Out of this, 4,700 single-family homes (detached, semi-detached, attached, row/townhouse, and mobile homes) would be eligible for home energy financing under this proposed program. By the fourth year, the average program uptake predicted is only 2.5% of the total eligible homes, while expecting significant financial implications to the program operation.

Program features involve:

- Making homes energy efficient with insulation and air sealing;
- Increasing renewable energy use e.g., installing solar panels, biomass-based heating systems; and
- Implementing non-energy improvements such as health and safety measures.

¹ Pembina. 2015. [Loans for Heat – Towards a Yellowknife Energy Savings Program](#).

² LIC programs fall between 'hands-off' and 'turnkey'. In a hands-off approach, the program provides the loan, and it is up to the homeowner to figure out which retrofit to undertake, how much the energy and cost savings will be, whether the savings will be worth the expense, and which contractor to choose. In a turnkey approach, the City retains more control over which retrofits are eligible but providing a more complete package of services along with the loan itself.

³ Statistics Canada. 2022. [2021 Census of Population](#).



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

Strategic Direction #3: Sustainable Future

Key Initiative 3.1.1 Advancing energy initiatives, including district energy options to energy retrofits.

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

1. *Cities, Towns and Villages Act SNWT 2003, c.22*; and
2. Corporate and Community Energy Action Plan (2015-2025)

Territorial Legislation Overview

Section 121 of *Cities, Towns and Villages Act* (the Act) permits municipal corporations to use local improvement charges for financing local improvements. The Act requires that: (1) the City and property owner(s) enter into an agreement where the owner(s) consent to their properties being subject to a local improvement charge; and that (2) the authorization of the work takes place through City bylaw. The bylaw may authorize undertakings of energy efficiency works or renewable energy works which satisfy the requirements of a program of the municipal corporation. The Act is largely silent on the nature and components of such a program, allowing it to be tailored to meet municipal objectives.

Financial Considerations

Under a moderate scenario modelled for the Program, the estimated total funding required is \$3.5 million, of which \$1 million is for administrative costs and \$2.5 million is for home retrofit project loan capital. Funding for the program may come from the following two Federation of Canadian Municipalities (FCM) grant programs:

- Pilot Grant:
 - Grant for up to 50% of eligible cost; up to \$500,000 is available from FCM, which would require the City to make a contribution of \$523,000, and the 3rd party lender to make a contribution of about \$2.5 million.
- Capital Program:
 - Option 1: Capital loan combined with a grant. Funding for up to 80% of eligible cost; up to \$10 million in loans.
 - Option 2: Credit enhancement of \$2 million to support third-party financing. Grant up to \$5 million; not to exceed total start-up and operating costs. City contribution is estimated around \$248 thousand and the rest would be covered by either a 3rd party lender or FCM.

FCM applications are competitive and the above models will be assessed and approved on a case by case basis by FCM. No other funding sources are known to be available at this time.

Comparative Information

Example municipalities, in Nova Scotia, implemented a Property Assessed Clean Energy (PACE) Program. One town employed a third party company to execute the program. Their feedback included: (1) consider the return on investment before implementing such a



program, (2) consider co-benefits such as GHG reduction, and (3) make it accessible to people with a lower-income background, because it was identified the program only benefitted people with a high income background. Additional information can be found in the attached report.

Energy & Greenhouse Gas Emissions

GHG emissions savings were estimated to be 900 – 5200 tonnes over a four-year period based on estimated program uptake, with an average GHG emission savings of 2,900 tonnes over the four years. If implemented, the program would contribute to climate mitigation efforts in Yellowknife.

Social

Social impacts include improved homeowner comfort, and improved health and safety.

Committee noted that Implementation of the HEF Program at this time is not recommended due to the following reasons:

- Additional staff capacity is required to facilitate the energy-concierge service, guide homeowners to contractor directory, leverage third-party lenders, and coordinate with internal and external stakeholders;
- Capacity of energy contractors and auditors is limited with years long wait lists;
- Budget of approximately \$248,000 – \$523,000 over four years will need to be allocated to cover part of the Program costs. These are currently not accounted for in budget considerations. Moreover, contingency will need to be planned for, in case federal funding is not granted to cover the \$3.5 million required;
- With an average program uptake prediction at 2.5%, the implementation of an LIC program will benefit small population of Yellowknife. Due to program eligibility requirements, uptake is expected to be lower;
- Homeowners most likely to participate in this program are those who have a moderate to high income;
- Many financing options are available to qualified homeowners to retrofit their home through the private sector and federal government;
- The Program may need to be expanded to consider climate adaptation in home retrofits; and
- The average Program model does not meet the targets set by the Corporate and Community Energy Action Plan (CCEAP) 2015 – 2025.

Future implementation of the Program may be considered with:

- A revision to the Corporate and Planning and Development Departmental work plan incorporating implementation of the Program;
- Staff and budget allocation for successful execution of the Program;
- Program expansion to include climate adaptation-related home retrofits to benefit a larger population;
- Program designed to benefit segments of the population without the means to obtain third party financing;



- Strategies for benefitting lower to moderate income populations;
- Program design to benefit larger multi-unit dwellings not focused on Single Detached Homes; and
- Overall GHG reduction may be better served through promotion of District Energy options.

The new Climate Action Plan 2026 – 2036 may consider and plan for a more suitable LIC mechanism beneficial to Yellowknife in the future.

Committee noted that they are not able to accept the Dunsky Energy + Climate Advisors, Program Design Report for information as they are not able to implement it at this time.

Committee recommended that Council not direct Administration to implement the Home Energy Financing Program at this time.

MOVE APPROVAL

(For Information Only)

5. Councillor McGurk declared a conflict of interest and excused herself from the meeting at 12:55 p.m.
6. **Committee read a memorandum regarding determining how to respond to the Integrity Commissioner's Investigation Report dated October 10, 2024.**

Committee noted that the Integrity Commissioner's Report dated October 10, 2024 sets out the results of an investigation by the City of Yellowknife Integrity Commissioner into a complaint in which it is alleged that Council Member Cat McGurk attempted to use City of Yellowknife funds to obtain reimbursement for a laptop she had borrowed from an individual and misplaced.

The Integrity Commissioner has concluded within the report that the complaint against Council Member McGurk under the Council Code of Ethics By-law is founded. Council must therefore, in accordance with the Council Code of Ethics By-law, consider and respond to the Integrity Commissioner's report within 90 days after the day the report is laid before it.

The Integrity Commissioner's report was presented to City Council at the October 28, 2024 Council meeting and must therefore be responded to by January 26, 2025. City Council determined at the October 28, 2024 Council meeting to refer this matter to the November 12, 2024 Governance and Priorities Committee to facilitate discussion on how to respond to the report.

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

Strategic Direction #2: Service Excellence

Focus Area 2.3

Organizational Culture



Providing a positive and productive workplace environment for effective governance and service excellence.

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

Cities, Towns and Villages Act; and
Council Code of Ethics By-law No. 4976.

Council Code of Ethics By-law

In accordance with Council Code of Ethics By-law No. 4976, where the complaint is sustained in whole or in part, the Integrity Commissioner shall report to Council outlining the findings, or recommended corrective action and Council shall consider and respond to the Integrity Commissioner's report within 90 days after the day the report is laid before it.

In responding to the report, Council may vary a recommendation that imposes a penalty, subject to Section 35, subsection (2) of the *Cities, Towns and Villages Act* but shall not refer the recommendation other than back to the Integrity Commissioner.

Upon receipt of recommendations from the Integrity Commissioner, Council may by resolution approved by at least 2/3 of the Members present, in circumstances where the Integrity Commissioner has determined there has been a violation of the Council Code of Ethics By-law, impose one or more of the following penalties:

- (a) Public censure; or
- (b) Removal of the member from a meeting.

Cities, Towns and Villages Act

Section 35 of the *Cities, Towns and Villages Act* states:

- 35. (1) Council may adopt a code of ethics for council members.
- (2) A code of ethics may provide that council, by a 2/3 majority, may publicly censure or remove from a meeting any council member who it determines has breached the code of ethics.

Committee noted that the Integrity Commissioner has concluded within his report dated October 10, 2024 that the complaint against Council Member McGurk under the Council Code of Ethics By-law is founded. Council must therefore, in accordance with the Council Code of Ethics By-law, consider and respond to the Integrity Commissioner's report within 90 days after the day the report is laid before it. Council must therefore respond to the report prior to January 26, 2025. Although the Council Code of Ethics By-law states that Council "may impose one or more of the following" the *Cities, Towns and Villages Act* is paramount and states "may publicly censure or remove from a meeting". Accordingly, this is reflected in the Alternatives noted above.



Committee recommended that Council:

- 1. Receives the Integrity Commissioner’s Investigation Report dated October 10, 2024 as presented;**
- 2. Accepts Councillor McGurk’s willingness to accept responsibility for the contraventions; and**
- 3. Censure Councillor McGurk for violating articles 4.6, 12.1 and 13.1 of the Council Code of Ethics By-law.**

MOVE APPROVAL

(For Information Only)

7. Councillor McGurk returned to the meeting at 1:05 p.m.

(For Information Only)

8. Councillor Cochrane moved,
Councillor Hendriksen seconded,

That Committee move in camera at 1:05 p.m. to discuss a memorandum regarding whether to appoint a member to serve on the Community Advisory Board on Homelessness and to discuss a memorandum regarding whether to appoint someone to fill a vacant position on the Audit Committee.

MOTION CARRIED UNANIMOUSLY

(For Information Only)

9. Committee discussed a memorandum regarding whether to appoint a member to serve on the Community Advisory Board on Homelessness.

(For Information Only)

10. Committee discussed a memorandum regarding whether to appoint someone to fill a vacant position on the Audit Committee.

(For Information Only)

11. Councillor Fequet moved,
Councillor Cochrane seconded,

That Committee return to an open meeting at 1:10 p.m.

MOTION CARRIED UNANIMOUSLY

12. **Committee read a memorandum regarding whether to appoint a member to serve on the Community Advisory Board on Homelessness.**

Committee noted that there is a vacancy on the Community Advisory Board (CAB) on Homelessness for a representative from an organization serving seniors.



It is the practice of the City of Yellowknife to advertise all vacancies for boards and committees. The City has advertised a vacancy on the Community Advisory Board (CAB) on Homelessness in the Capital Update, the City's website and social media sites.

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

Council Goal #1 People First

Motion #0459-96, as amended by #0460-96, #0462-96 and #0273-09:

"The following policy be adopted with respect to appointments to municipal boards and committees:

- i) The maximum consecutive years that an individual may serve on any one board or committee is six.
- ii) Individuals who have served the maximum six-year period on one municipal board or committee shall be eligible to be appointed to another board or committee.
- iii) No individual shall be precluded from serving concurrent terms on more than one municipal board or committee.
- iv) Notwithstanding that an individual appointee has served less than six years on a particular board or committee, Council may, after the expiration of the first or subsequent terms of that appointee, advertise for applicants to fill a vacancy on that board or committee.
- v) Notwithstanding clause (i.) of this policy, should the City receive no applications to fill a vacancy on any particular board or committee, the six year maximum limitation may, at the discretion of City Council, be waived.
- vi) Should the City receive no applications to fill a vacancy on any particular board or committee, City Council may appoint a member of the public at their discretion.

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

Council Procedures By-law No. 4975, as amended.

Legislation

Section 122 of Council Procedures By-law No. 4975 states:

Special Committees of Council

122. Where Council deems it necessary to establish a special committee to investigate and consider any matter, Council shall:
- (1) name the committee;
 - (2) establish terms of reference;
 - (3) appoint members to it;
 - (4) establish the term of appointment of members;
 - (5) establish requirements for reporting to Council or a standing committee; and
 - (6) allocate any necessary budget or other resources to it.



Procedural Considerations

All appointments to Special Committees must be approved by Council.

The composition of the Committee was structured so that various segments of the community are represented.

Committee noted that Committee members will assist the City in an advisory capacity regarding homelessness issues within the municipal boundaries of the City of Yellowknife. Appointing a full complement of Members will ensure that the work of the committee is completed in a timely fashion.

Committee recommended that Council appoint John Williston, a representative from an organization serving seniors, to serve on the Community Advisory Board on Homelessness (CAB) commencing November 29, 2024 and ending November 28, 2026.

MOVE APPROVAL

13. **Committee read a memorandum regarding whether to appoint someone to fill a vacant position on the Audit Committee.**

Committee noted there is a vacancy on the Audit Committee for an accountant.

It is the practice of the City to advertise all committee vacancies. The City advertised the vacancy, specifying that it be filled by an accountant in the City's newsletter and the City's website.

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

Council Goal #1 People First.

Motion #0459-96: "The following policy be adopted with respect to appointments to municipal boards and committees:

- i) The maximum consecutive years that an individual may serve on any one board or committee is six.
- ii) Individuals who have served the maximum six-year period on one municipal board or committee shall be eligible to be appointed to another board or committee.
- iii) No individual shall be precluded from serving concurrent terms on more than one municipal board or committee.
- iv) Notwithstanding that an individual appointee has served less than six years on a particular board or committee, Council may, after the expiration of the first or subsequent terms of that appointee, advertise for applicants to fill a vacancy on that board or committee.
- v) Notwithstanding clause (i.) of this policy, should the City receive no applications to fill a vacancy on any particular



board or committee, the six year maximum limitation may, at the discretion of City Council, be waived.

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

1. *Cities, Towns and Villages Act*, and
2. Audit Committee By-law No. 4217, as amended.

Consistency

The Audit Committee has recommended staggered terms for Committee members.

Legislation

Audit Committee By-law No. 4127 requires outside members to reside in Yellowknife and be independent from City Council, management, auditors, legal counsel and major contractors. Section 4.a.ii(1) states that the currently vacant position must be filled by an accountant.

Procedural Considerations

The Audit Committee helps to enhance the auditor's real and perceived independence by providing an intermediary link between the auditor and Council. The Audit Committee limits the reliance Council must place on the technical expertise of the independent auditor.

Committee noted that the Audit Committee is intended to function with a full complement of six members. Having the term of a new member expire in three years will conform to the staggered term recommendation.

Committee recommended that Council, pursuant to Audit Committee By-law No. 4127, appoint an accountant to serve on the City of Yellowknife (City) Audit Committee: Janet Toner from November 23, 2024 to June 30, 2025 and Christine Siu from July 1, 2025 to June 30, 2028.

MOVE APPROVAL

14. The meeting adjourned at 1:11 p.m.