



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE REPORT

Monday, November 25, 2024 at 12:05 p.m.

Report of a meeting held on Monday, November 25, 2024 at 12:05 p.m. in the City Hall Council Chamber. The following Committee members were in attendance:

Chair: Mayor R. Alty,
Councillor S. Arden-Smith,
Councillor G. Cochrane,
Councillor R. Fequet,
Councillor B. Hendriksen,
Councillor C. McGurk,
Councillor S. Payne, and
Councillor R. Warburton.

The following members of Administration staff were in attendance:

S. Van Dine,
D. Gillard,
C. Greencorn,
C. MacLean,
K. Pandoo,
K. Thistle,
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) There were no disclosures of conflict of interest.
3.	(For Information Only) Committee read a memorandum regarding whether to adopt Tourist Accommodation Tax By-law No. 5099.



Committee noted that in 2018, the Government of the Northwest Territories adopted enabling legislation to allow municipalities to implement a tourist accommodation tax. These types of fees have been used to raise funds for destination marketing worldwide for many years but have not yet been implemented in the Northwest Territories.

As a popular destination, the City of Yellowknife welcomes thousands of visitors every year. Between 2018-2019 over 120,000 people visited the Northwest Territories spending more than \$210 million dollars¹. Visitors to the City of Yellowknife have a significant economic impact locally injecting approximately \$90 million into our local economy on an annual basis.

Administration recommends the implementation of a 4% Tourist Accommodation Tax effective April 1, 2025. Based on the number of available rooms and current occupancy rates, it is estimated that this could generate up to \$1.5 million annually². Phased implementation of the mandatory by-law will provide the City sufficient time to notify and prepare all accommodation operators who will be expected to collect the levy. This new by-law will be a tremendous addition to the City's economic growth efforts and offers a new revenue tool for the city to support tourism promotion and development.

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

Strategic Direction #3:

Sustainable Future

Focus Area 3.3

Robust Economy

Doing our part to stimulate and amplify economic development opportunities.

Key Initiative 3.3.1

Supporting all aspects of tourism and visitor services, including the accommodation levy and creation of the destination marketing organization.

Council Motion #0128-23

iii. That in 2024, \$100,000 from the General Fund balance be withdrawn and allocated to the startup and initial funding for the Destination Market Organization (DMO); and that once established, the Hotel Levy fees pay back the \$100,000 to the General Fund. If the Hotel Levy Bylaw and DMO do not receive Council approval, the \$100,000 remains in the General Fund balance.

¹ <https://www.gov.nt.ca/en/newsroom/record-breaking-tourism-numbers-surpass-strategy-goals#:~:text=Tourism%20numbers%20in%20the%20Northwest,NWT%20Tourism%20Conference%20in%20Yellowknife.>

² <https://www.yktourism.ca/frequently-asked-questions#n-17>



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

1. *Cities, Towns and Villages Act* S.N.W.T. 2003, c.22; and
2. Economic Development Strategy 2020-2024.

Territorial Legislation

Section 70.1 of the *Cities, Towns and Villages Act* permits council of a municipality to impose a tourist accommodation tax upon a person who provides remuneration for accommodation at a tourist accommodation facility within a municipality. The maximum amount of tax that may be imposed is 4% of the daily accommodation rate.

Section 70.1(5) outlines that the tourist accommodation tax shall not apply if:

- (a) the accommodation is remunerated for more than 30 continuous days;
- (b) the daily accommodation rate is less than \$20 per night; or
- (c) the subject of the tax is
 - (i) the Government of the Northwest Territories,
 - (ii) a public agency or an other reporting body as defined in subsection 1(1) of the *Financial Administration Act*,
 - (iii) a person or his or her family, being accommodated as a result of medical travel,
 - (iv) a person staying at a hospital or health care facility, or
 - (v) any other class of prescribed persons or bodies.

Financial Considerations

Initial annual revenue projections were developed for the new accommodation levy, and based on a comparable accommodation occupancy of past years, the levy is projected to yield approximately \$1.5 million dollars annually. These additional funds will be used for the promotion of Yellowknife as a tourist destination.

Comparative Information

Across Canada, levies on accommodation vary from 3% to 6%³. Administration of the levy is not uniform from province to province. In some cases it is administered by the province, while in other it is administered by municipalities. In the Northwest Territories, the legislation dictates that a municipality pass a bylaw to impose a tourist accommodation tax.

Province	Amount of Levy
British Columbia	Provincial Sales Tax – 8% Municipal and Regional District Tax (MRDT) – up to 3% (i.e. Vancouver 3% + 1.5% Destination Marketing Fee (DMF) + 2.5% Major Event MRD)
Alberta	Alberta Tourism Levy – 4% Municipal – 3% (i.e. Calgary – 7%)

³ <chrome-extension://efaidnbmnnnibpcajpcgclefindmkaj/https://www.yktourism.ca/sites/default/files/ctac.pdf>; chrome-extension://efaidnbmnnnibpcajpcgclefindmkaj/https://tiac-aitc.ca/_Library/Resources/DMAC_-_Visitor_Based_Assessment_Study_Final_last_draft.pdf



Saskatchewan	Regina – 3% Saskatoon – 3% (voluntary levy)
Manitoba	Winnipeg - 6%
Ontario	Toronto – 6% Ottawa – 5% Sudbury – 4%
Quebec	3.5%
New Brunswick	Saint John – 3.5% Moncton – 3.5%
Nova Scotia	Maximum of 3% (in provincial legislation)
Prince Edward Island	Charlottetown – 3%
Newfoundland & Labrador	St. John’s – 4%

Economic Development

The City’s Economic Development Strategy 2020-2024 recognized that the Yellowknife economy has strengths upon which it can build to promote and diversify the economy. Although small relative to the mining industry, the tourism sector has shown consistent growth and in 2019 visitors travelling to the Northwest Territories spent just over \$210 million. Implementation of a tourist accommodation tax to support further development of the tourism sector is an important step the City can take to achieve new levels of employment and tax base growth and was reflected in Goal #5 of the Strategy which recommended that the City “develop and pass bylaws to implement the hotel levy”.

Public Consultation

Initially, the proposal to request authority to implement an accommodation levy was developed by the Yellowknife Hotel Association in conjunction with the City. It was later supported by both the NWT Association of Communities and NWT Tourism⁴.

Tourism

Prior to the pandemic, tourism was one of the fastest growing sectors of the Yellowknife economy. And, current numbers at the Yellowknife Visitor Information Centre indicate that trend has been re-established. The revenue raised through this by-law will be used to promote and develop tourism, which benefits the City’s economic growth as well as accommodation operators and the tourism sector in general.

Destination Marketing/Management Organization (DMO)

DMO’s have become the standard and best practice for promoting the tourism industry. DMOs provide a comprehensive approach to marketing, promotion, and destination development. The primary sources of revenue are hotel taxes, followed by municipal and provincial/territorial grants. Once the levy is established, the City will engage with

⁴ [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.ntlegislativeassembly.ca/sites/default/files/legacy/18-10-30_cr_9-183_report_on_the_review_of_bill_18_-_an_act_to_amend_the_cities_towns_and_villages_act_hotel_tax_final.pdf](https://www.ntlegislativeassembly.ca/sites/default/files/legacy/18-10-30_cr_9-183_report_on_the_review_of_bill_18_-_an_act_to_amend_the_cities_towns_and_villages_act_hotel_tax_final.pdf)



stakeholders to create a DMO, a non-profit entity established to market Yellowknife and optimize the economic activity generated by the tourism industry. Preliminary work was done in 2018 that outlines the steps and decision-making process to establish a DMO⁵. Administration will use that information as a guide to establishing a DMO in the first quarter of 2025.

Application of Levy

The Tourist Accommodation Tax By-law will apply to any premises “where accommodation is provided for remuneration”. In accordance with Business Licence By-law No. 3451, short term rental accommodations are required to obtain a business licence and include the business licence number in any material used to market the accommodation. The City has contracted resources to compile a list of short term rental providers in the city to enable staff to ensure that accommodation providers are in compliance with the Business Licence By-law. This list of accommodations will also provide the City with current data on the premises that will be required to collect and remit the levy.

Communications Plan

Traditional accommodation providers, such as hotels, are accustomed to collecting and remitting levies at properties located in other provinces. However, there are a group of operators with short term rentals who will be required to collect and remit the levy for the first time when the by-law becomes effective on April 1, 2025.

In October 2024 a letter was sent to all accommodation providers with current business licences advising that the Tourist Accommodation Tax By-law would be brought forward in November. Once the Tourist Accommodation Tax By-law is adopted, Administration will reach out to all accommodation operators and offer information sessions on how to prepare for the collection of levies from their customers. In addition, a fact sheet has been prepared that outlines what the levy is, who pays for it, and how to remit levy revenue and reports. The fact sheet will be provided directly to accommodation operators. The city’s website will be updated with all relevant information and simplified online reporting forms will be available. This communication will be sent once the Tourist Accommodation Tax By-law is fully approved and in effect, giving the City the months of January-March to communicate to the group before the obligation to collect commences on April 1, 2025.

Timeline and Next Steps

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| (i) November 25, 2024 | Presentation of draft Tourist Accommodation Tax By-law to Governance & Priorities Committee |
| (ii) December 9, 2024 | 1 st and 2 nd Reading of draft Tourist Accommodation Tax By-law |
| (iii) January 13, 2025 3 rd | Reading of draft Tourist Accommodation Tax By-law |
| (iv) January-March 2025 | Information session for accommodation operators in preparation of collection and reporting of the levy |

⁵ <https://www.yktourism.ca/resources>



- (v) **February/March 2025** Administration will present Destination Marketing/Management Organization structure to Governance and Priorities Committee for consideration
- (vi) **April 1, 2025** First day of new Tourist Accommodation Tax By-law

Committee noted that in 2018, the GNWT adopted enabling legislation to provide authority under the *Cities, Towns and Villages Act* to permit municipalities to establish and collect a Tourist Accommodation Tax. In 2023 Council adopted a set of Strategic Directions to guide its work over the course of the 2022-2026 Council term and implementation of an accommodation levy was identified as a key initiative under the heading 'Sustainable Future'.

The City is now equipped with a new revenue source to support economic development efforts. Throughout the process leading up to adoption of the territorial legislation, accommodation providers, Northwest Territories Tourism, and Northwest Territories Association of Communities were supportive of the proposal by the Yellowknife Hotel Association and the City to establish a revenue source that could be used to attract more visitors to Yellowknife for longer periods of time.

Committee recommended that By-law No. 5099, a by-law to impose a 4% Tourist Accommodation Tax in the City of Yellowknife, be presented for adoption.

4. **Committee read a memorandum regarding whether to accept the recommendations for funding by the Community Advisory Board on Homelessness (CAB).**

Committee noted that on November 7, 2024, the Community Advisory Board on Homelessness (CAB) discussed unallocated funds from the 2025-2026 Reaching Home budget, leading to a vote to allocate these funds to the Street Outreach Program. CAB members highlighted the program's significant role in supporting vulnerable community members by connecting them with essential services, medical care, and shelter.

This decision aims to enhance the reach and effectiveness of the current Street Outreach Program, aligning with CAB's commitment to responsive, community-based support for homelessness prevention and intervention in Yellowknife.

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

Strategic Direction #1: Focus Area 1.3	People First <u>Liveable Community</u> Supporting all residents to participate in the social fabric and physical space of our community.
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Strategic Direction #2: Focus Area 2.2	Service Excellence <u>Capacity</u> Balancing service levels with human and fiscal resources.
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Key Initiative 2.2.2

Aligning organizational service capacity with service levels.

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

Everyone is Home – Yellowknife’s 10 Year Plan to End Homelessness; and
Yellowknife Street Outreach – Program Evaluation and Design Recommendations.

Existing Programs/Services

Under Reaching Home: Canada’s Strategy to End Homelessness, the Street Outreach Program is eligible to be funded. This additional allocation of funding to the identified program is an eligible expense under the current Reaching Home directives.

Street Outreach Funding Sources

There should be a consideration to view the additional Reaching Home funding as a supplement to the funding currently allocated by the City of Yellowknife for the Street Outreach Program.

Committee noted that additional funding for the Street Outreach program would enhance its capacity to meet rising demand, improve community safety, and reduce strain on emergency services by providing timely support to vulnerable individuals. This aligns with Council’s strategic goals and promotes a coordinated response to homelessness, fostering partnerships and accountability to ensure measurable community impact.

Committee recommends that Council allocate \$260,780 in Reaching Home funding for the 2025-2026 fiscal year to enhance the Street Outreach program, as recommended by the Community Advisory Board on Homelessness (CAB).

MOVE APPROVAL

5. **Committee read a memorandum regarding whether to approve increased levels of service for the Yellowknife Street Outreach Program for 2025, as detailed in the Street Outreach Program (SOP) Evaluation & Design Recommendations report.**

Committee noted that the purpose of the SOP is to deliver intervention-based non-emergency response to vulnerable people in Yellowknife, and ultimately help free up law enforcement and medical responders by diverting social issues back to community resources.

Current service levels for the SOP have been in place since 2017 when the SOP began operating with the intent of addressing service gaps for individuals experiencing homelessness.

Historically, the SOP has been funded and operated on an annual basis, through an RFP process that only ever receives a response from the current service provider. The annual



budget for the SOP is approximately \$380,000 and is set by Council annually in the budget approval process.⁶

In 2024, Triage Metrix Associates completed a review of the SOP and set out their findings in the Evaluation. The scope of the Evaluation included an exploration of the critical components and activities carried out by the SOP, identification of barriers, successes, and resources of the program, and recommendations for a revised program to focus on client and community needs and safety. In the result, a key finding of the Evaluation is that the current SOP and levels of service are inadequate to address community need.

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

Strategic Direction #1:	People First
Focus Area 1.3	<u>Liveable Community</u> Supporting all residents to participate in the social fabric and physical space of our community.
Key Initiative 1.3.5	Advocating for enhanced outreach and social support services.
Key Initiative 1.3.6	Working with all partners towards a safe, supportive and compassionate community for all.
Motion #0129-23	That Council confirm for inclusion in draft Budget 2024, the following proposed budget initiatives submitted by Council members: ii. \$100,000 for a consultant to review, provide an operating model recommendation, and draft a multi-year funding proposal to be presented to the Federal and Territorial government for a Street Outreach program.

Challenges with the Current Program

Adequate funding for the program remains an ongoing concern.

The conclusion reached by the Evaluation is that the SOP is an invaluable and well-trusted, low-barrier service provider. However, key findings of the Evaluation reveal the SOP could be updated to better address service gaps for individuals experiencing homelessness. Challenges with the current SOP include:

- challenges related to hours of service, reliability, and consistent policies and procedures;

⁶ \$373,077 in 2024 Budget, \$380,000 is proposed in draft 2025 Budget.



- some clients experience barriers accessing the SOP, including barriers related to program availability, communication challenges, and inconsistent service;
- several internal and external factors that impact service delivery, including inconsistent policies and procedures, resource and staffing challenges, lack of coordinated service delivery, lack of inter-agency communication, and lack of available services in Yellowknife.

Evaluation Recommendations

The Evaluation divides its recommendations into three components:

1. revised program goals;
2. proposed criteria needed to implement the revised program goals; and
3. a two-phased approach to operational changes required for strengthening the core program and enhancing outreach service capacity.

The Evaluation further divides its recommendations between the City (as program funder) and program operations, as follows:

City/Funder

- consider multi-year funding;
- support development of governance and managerial infrastructure; and
- integration of working groups into coordinated response.

Program Operations

- ensure reliable transportation;
- operational hours 12pm to 12am;
- increase public awareness of SOP mandate;
- increase visibility of SOP staff;
- ensure ongoing data collection, sharing and program evaluation;
- increase staff training in key areas;
- increase staff compensation to livable wage;
- establish training, communications and low call procedure; and
- implement consistent program policies.

Financial Considerations

Historically, the SOP has been funded by an annual City budget allowance of approximately \$380,000. This is the amount currently budgeted for the SOP in 2025. According to the Evaluation, based on current funding and service levels, there is an annual operating short fall of approximately \$54,000. To offset some of the shortfall, the program operator contributes approximately \$50,000 toward program operation.

Based on a three-year phased approach to the recommendations, the Evaluation estimates approximate annual operating costs between \$822,000 - \$950,000.



The Community Advisory Board on Homelessness (CAB) recently recommended that Council allocate \$260,780 in Reaching Home funding for the 2025-2026 fiscal year to enhance the SOP. If approved by Council, total funding for 2025 operation of the SOP will be approximately \$640,000, without any contribution from the operator.

There may be additional sources of funding for a revised SOP. First, given the SOP now meets qualification criteria for Federal Reaching Home funding, and the recent increase in Reaching Home funding available, there may be additional future allocation opportunities through CAB. Second, Administration recently submitted an application to fund the SOP through a Health Canada funding program. If that application is successful, those funds may be sufficient to fund a revised SOP for the remainder of 2024/2025 and 2025/2026. Finally, there may be other sources of funding available through the Territorial or Federal government.

Regarding the Evaluation recommendation for multi-year funding, this is contingent on the City having access to funds sufficient to provide a multi-year contract. To date, there are not sufficient funds to support this recommendation.

Administration Considerations

The City has limited financial resources and administrative capacity to update the SOP per the Evaluation recommendations within current resources.

Therefore, Administration proposes incremental increases in SOP levels of service with additional funds accessed through Reaching Home, to partially address the recommendations of the evaluation:

Street Outreach Program Proposed Level of Service Improvements

1. Awarding greater weight to proposals that can increase hours of service beyond 12 hours up to 7:00 am to midnight. Services beyond 12 hours can better serve clients at their time(s) of need, not just when facilities are open.
2. Including an additional dedicated team of two staff (a dedicated outreach worker and peer support worker) completing foot patrols of the downtown core for 7 days a week, for up to 5 hours per day;
3. Providing, at minimum, compensation of a Living Wage;
4. Considering provision and cost of personal health services, for example: naloxone kits, condoms, hygiene products.
5. Considering food and water to clients for driving service and the foot patrols without diminishing Outreach service hours.
6. Supporting access to improved training for the SOP staff.



7. Supporting improved integration of the Street Outreach Program into the established Coordinated Access program;
8. Demonstrating the ability to scale service levels closer to the model recommended in the Evaluation in the event additional funding is available after the awarding of the contract.

Committee noted that the following support Administration's recommendation for Council to approve a broad service level increase in 2025:

- Council's strategic direction to work with all partners towards a safe, supportive and compassionate community supports an improved SOP and increased services levels.
- Program improvements and increased levels of service are tied to funding availability. Without certainty on future funding, Administration recommends continuing with an annual SOP contract in 2025.
- Totalling over \$640,000, current budgeted amounts and proposed allocations from CAB will result in improved ability to incrementally improve level of service for the SOP in 2025.
- By basing the 2025 RFP on meeting the service level recommendations in the Evaluation as a minimum standard, Administration has the capacity to work with the successful proponent on what is achievable within the current proposed program budget, providing additional funding for additional service increases as and when possible.
- Additional potential funding allocations or approvals through CAB or Health Canada will assist with funding an improved SOP in 2025 and likely future years.
- In the meantime, Administration continues to seek further funding opportunities through the Territorial and Federal governments.

Committee recommends:

1. **That Council approve incremental increased levels of service for the Yellowknife Street Outreach Program for 2025, towards meeting the recommendations contained in the Street Outreach Program Evaluation & Design Recommendations report, by:**
 - **Awarding greater weight to proposals that can increase hours of service beyond 12 hours up to 7:00 am to midnight. Services beyond 12 hours can better serve clients at their time(s) of need, not just when facilities are open.**



- Including an additional dedicated team of two staff (a dedicated outreach worker and peer support worker) completing foot patrols of the downtown core for 7 days a week, for up to 5 hours per day;
- Providing, at minimum, compensation of a Living Wage;
- Considering provision and cost of personal health services, for example: naloxone kits, condoms, hygiene products.
- Considering food and water to clients for driving service and the foot patrols without diminishing Outreach service hours.
- Supporting access to improved training for the SOP staff.
- Supporting improved integration of the Street Outreach Program into the established Coordinated Access program;
- Demonstrating the ability to scale service levels closer to the model recommended in the Evaluation in the event additional funding is available after the awarding of the contract.

MOVE APPROVAL

6. **Committee read a memorandum regarding whether to adopt a resolution in support of NORAD (North American Aerospace Defence Command) and Department of National Defence (DND) investments in Yellowknife.**

Committee noted that the Federal Government is committed to the safety, security and defence of all Canadians. Partnerships, cooperation and shared leadership are essential to promoting security and safety of citizens and the Federal Government has established an Arctic and Northern Policy Framework.

The City believes that it and the Yellowknife Airport play an ongoing and growing role in advancing Canada's and North America's sovereignty and security. To that end, Mayor Alty forwarded correspondence to Minister Bill Blair inviting the Canadian Armed Forces, the Government of Canada and the North American Aerospace Defence Command to choose Yellowknife and the Yellowknife Airport as a strategic centre for enhanced security and military capability.

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

Strategic Direction #3: Sustainable Future

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



Community Plan & Background Report (2020)

Committee noted that since the April 2024 Government of Canada launch of “Our North Strong and Free,” the City of Yellowknife has been mobilizing to update our by-laws and create incentives to support more housing, which would benefit additional military personnel and their families. Moreover, City work to secure additional public land to accommodate anticipated housing growth is underway.

Committee noted that the passage of the proposed resolution could create a receptive environment to engage Territorial Ministers, GNWT officials, the Yellowknives Dene First Nation (YKDFN) and the business community on land use surrounding the airport. Additionally, it will allow for better coordination of City of Yellowknife service delivery and expansion at the airport itself.

Committee recommends that the following resolution be presented for adoption:

YELLOWKNIFE - A PLACE OF CHOICE FOR NEW DND & NORAD INVESTMENTS

WHEREAS the City of Yellowknife recognizes the importance and responsibility for all Canadians to advance Canada’s sovereignty and security;

AND WHEREAS the City of Yellowknife has been home for both the Canadian Forces Northern Area Headquarters since May 1970, and the Joint Task Force North since February 2006;

AND WHEREAS the Government of Canada released “Our North, Strong and Free: A Renewed Vision for Canada’s Defence” and an investment of \$8.1B on April 08, 2024, to enhance Arctic and Northern capability;

AND WHEREAS the North American Aerospace Defence Command (NORAD) is preparing a strategy to modernize its infrastructure across the Canadian Arctic and North with investments of \$38.6 billion over 20 years;

AND WHEREAS the City of Yellowknife is investing in new housing and infrastructure to support sustainable and long-term growth;

AND WHEREAS and the Mayor and Council of the City of Yellowknife are bringing forward new By-laws and By-law amendments to support more housing construction that can accommodate new military personnel and their families;

NOW THEREFORE BE IT RESOLVED:

- i. That the Mayor and Council invite the Honourable Bill Blair, Minister of National Defence, the Canadian Armed Forces, the Government of Canada and the North American Aerospace Defence Command to choose Yellowknife and the Yellowknife Airport as a strategic centre for enhanced security and military capability.**



- ii. That an administrative Working Group be struck to address land use and capital investment needs for enhanced airport, security and military capabilities.
- iii. That Administration work closely with their counterparts within the Government of the Northwest Territories, the Department of National Defence, the Canadian Armed Forces, the Government of Canada and NORAD to help ensure Yellowknife remains a competitive site of choice for new strategic defence investment.

MOVE APPROVAL

7. **Committee read a memorandum regarding whether to adopt a Sponsorship and Naming Rights Policy.**

Committee noted that the City of Yellowknife has been desirous of exploring innovative ways of generating revenue to offset the costs of operating facilities, programs and events for many years. Commencing in the latter part of the last century the City has been successful in generating revenue through the sales of advertising within facilities. As the number of facilities grew so did the success of the sales of advertising space. In the early stages of the current century with the addition of the Multiplex a community based organization, Facilities For Kids undertook the sales of advertising space on behalf of the City to generate funds to assist in offsetting the capital costs of the facility. This spawned a large interest in other City facilities including broader sponsorship opportunities. As these requests expanded, it became clear that the sophistication of the work and the workload made it impossible to be done off the side of a staff's desk. This resulted in securing a contractor to carryout the work on behalf of the City. This contract was terminated in 2023.

The desire to continue to explore and expand innovative ways of generating revenue for the City was revived with the development of the Aquatic Centre. Utilizing the experience gained through past sponsorship contractors, and with input from other City Departments, including Economic Development and Strategy (EDS) and City Clerk, a Request for Proposals process was launched to continue seeking revenue. To ensure that the draft Sponsorship and Naming Rights Policy reflected current and up-to-date practices within other municipalities, the City Clerk carried out research of similar policies from other municipal jurisdictions. In addition, EDS staff provided input into the development of the contract for the sponsorship contractor, as well as assisting in the review/development of the draft Policy.

Through a competitive process, the City has recently awarded a contract to Arts & Communication Counselors Inc. (A&C) for the purpose of selling sponsorship and naming rights for City facilities, programs and events with a primary focus on the Aquatic Centre. The scope of work includes, among many other items, a review of the draft Sponsorship and Naming Rights Policy. The purpose of the review is to provide comments and recommend changes to the draft to ensure that it is current, meets industry standards among municipalities and reflects a professional approach to securing and retaining sponsors and naming rights for City facilities, programs and events.



A&C have proposed a work plan that includes:

Asset & Policy Review	1 month
Development of Pricing & Benefit Strategy	1.5 months
Prospecting & Packaging	2 weeks
Sales and Negotiations	4 to 6 months

Following the final approval of the Sponsorship and Naming Rights Policy, the remaining key activities listed in the A&C work plan will be undertaken.

This matter was discussed at the November 18, 2024 Governance and Priorities Committee meeting and referred back to Administration with feedback from Committee members. Subsequently changes were made to ensure that the Policy clearly states that the City Manager is the authority to grant or deny sponsor approvals as well as the acceptance of the contractors valuation of City assets. These changes can be found in articles 5.13, 5.14, 5.17. Additionally, article 5.3 was changed to provide clarity that when a City asset includes a commemorative name it will not be included on the asset list for potential sponsorship. Article 15.5 was altered to include specific reference to the City's Acquisition and Disposal policies. And finally, Article 5.19.2 was altered to include the NWT *Human Rights Act* wording.

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

Strategic Direction #1: Key Initiative 1.3.1	People First Providing affordable and diverse recreation and arts opportunities for residents.
Strategic Direction #3: Focus Area 3.1	Sustainable Future <u>Resilient Future</u> Enhancing Yellowknife as a great place to live, visit, work and play now and into the future.
Focus Area 3.3	Robust Economy Doing our part to stimulate and amplify economic development opportunities.

Financial Considerations

Over the past 6 years, the City has generated a net profit of \$435,879 in advertising sales and sponsorship in City facilities including the Ruth Inch Memorial Pool, Community Arena, Multiplex and Fieldhouse.

Corporate Impact

With Council's approval of the Sponsorship and Naming Rights Policy the City's reputation will be protected through the Guiding Principles contained in the Policy. There are specific Guiding Principles contained in the policy to ensure that the City's goals, objectives, values and mandate are upheld to the highest standards.



Departmental Consultation

The City Clerk and the Department of Economic Development and Strategy have been key in the development of the revamped process of securing a contractor to solicit sponsors and those interested in pursuing naming rights for City facilities, programs and events.

Committee noted that the Sponsorship and Naming Rights Policy will allow the City to generate funds by providing opportunities within City of Yellowknife recreation facilities for potential partners to be recognized in exchange for financial considerations. The Policy will ensure that all sponsorship and naming rights arrangements will be carried out in a clear and consistent manner with set guidelines and procedures.

Staff from several City Departments have provided key input into the research and development of the proposed policy. Arts & Communication Counselors Inc. have also reviewed the proposed policy, and both have provided key input to ensure that the Policy reflects the current trend with similar policies in municipal settings and a modern approach to securing sponsors.

With the development of the Aquatic Centre near completion, the City has been approached by members of the business community expressing interest in pursuing sponsorship type opportunities. The Sponsorship and Naming Rights policy will allow for these opportunities to be further explored.

Committee recommends that Council adopt the Sponsorship and Naming Rights Policy.

MOVE APPROVAL

(For Information Only)

8. Committee accepted for information a memorandum regarding the minutes of the Community Advisory Board on Homelessness meeting of November 7, 2024.

(For Information Only)

9. Committee accepted for information a memorandum regarding 2023 Annual Local Spending Report as required by the Local Procurement Policy.

Committee noted that on February 12, 2018, Council Motion #0028-18 established a Local Procurement Policy in an attempt to promote, prioritize, and increase local spending by the City of Yellowknife (City). The City's main objective was to purchase at least eighty-five percent (85%) of its total annual expenditures from businesses operating in Yellowknife as long as the goods and services were of an acceptable quality and available at competitive prices.

As required by the Local Procurement Policy, this Annual Report provides details of local and non-local spending by the City over the course of calendar year 2023. Exceptionally information relating to the Wildfire Expenditures are also part of this reporting.



Our analysis shows that in 2023 the City purchased eighty-six percent (86%) of its total annual expenditures locally.

METHODOLOGY:

In preparing the Local Spending Report:

- a) Employee Costs (Salaries and benefits), debt and tax expenditures have been excluded from our analysis as the purpose of the Report is to show how the City spends discretionary funds processed through its payables system. These excluded items are totaled and shown in Table 1.
- b) Goods and services that are not available in Yellowknife and which have been procured from suppliers located outside of Yellowknife have been included in our analysis to calculate non- local spending. These goods and services include but are not limited to: specialty vehicles and equipment; software maintenance and support; traffic light equipment; ice rink and swimming pool equipment and maintenance; specialized consulting services, recruiting expenses; and chemicals used in municipal operations. These non-local expenditures also include many requests for goods and services which were posted as competitive bids (tenders or requests for proposals) open to the public, but for which the City did not receive successful bids from local suppliers. The non-local expenditures are depicted in Table 2.

REPORTS:

1) Local Spending

For the purpose of this report, local companies are defined as those having a local presence in the City of Yellowknife: they have offices or storefronts, employees, and generally participate in the local economy and conduct regular businesses in Yellowknife.

Committee was provided with a summary of the City's contract files handled through the Procurement and Supply Services Division in 2023. It provides basic information on the result of each contract file, including the procurement process used, the name of the contractor, the location of the contractor, a brief description of the goods or services that were acquired, and the total value of each resulting contract.

In 2023, the City awarded a total of around \$16M worth of contracts, out of which \$11.6M were paid to businesses based in Yellowknife. This is equivalent to seventy-three percent (73%) of the value of contracts that went to members of the Yellowknife business community. The remaining \$4.3M were paid to non-local vendors and mostly included specialized consulting services not available locally.

- a) 2023 Excluded Items



As highlighted in the methodology section, expenses deemed “Excluded” have not been taken into account when determining the local spending percentage and they are as follows:

Table 1 - Excluded items

Payer	Description	Amount
CRA - Receiver General	Payroll Tax	21,979
TD Canada Trust	Banking services and charges	4,073,420
WSCC	Payroll-Workers compensation	516,986
NEBS Group Insurance	Payroll-Employee Benefits - Insurance	1,323,602
YK Sep. Education Dist.	Payment of School tax collected	3,504,665
Manulife	Payroll-Employee Benefits - Pension	54,268
City YK Employee Rec	Payroll-Employee Benefits - Recreation	12,723
PSAC Social Justice Fund	Payroll-Contributions to PSAC	2,447
NEBS Pension Fund	Payroll-Employee Benefits - Pension	3,136,126
YK Education District 1	Payment of School tax collected	5,160,958
Total		17,807,172

A total of \$17.8 million have been excluded from the calculation of the Local Spending as they are non-discretionary in nature and includes the employee costs of health benefits, union dues and pension allotments. However, if these payroll expenses were to be considered into the computation, the local spending figure will increase to sixty-four million (\$64M) and correspondingly the percentage will rise to eighty-seven percent (87%)

- b) 2023 Spending on Goods and/or Services Not Available in Yellowknife
In 2023, goods and services that were not available in the City and had to be sourced from suppliers located outside of Yellowknife amounted to \$9.7M. In comparison to 2022, the non-local spending of the City in 2023 amounted to fourteen percent (14%) as compared to twelve percent (12%) the previous year. Interestingly, had these goods and services been available in Yellowknife and met the criteria as prescribed by the Local Procurement Policy, the local spending ratio would have increased to ninety-four percent (94%).

Table 2 below identifies some of the significant expenditures that were not available locally:

Table 2 - Non-Local (not available locally)

Description	Amount
Chemicals	165,040
Specialized Services	502,845
IT Services/Software	1,085,241
Wildfire Support	3,222,825
Specialized Equipment	716,054
Ice Rink & Pool Equipment/Maintenance	170,993
Firefighting Equipment	114,020
Total	5,977,018

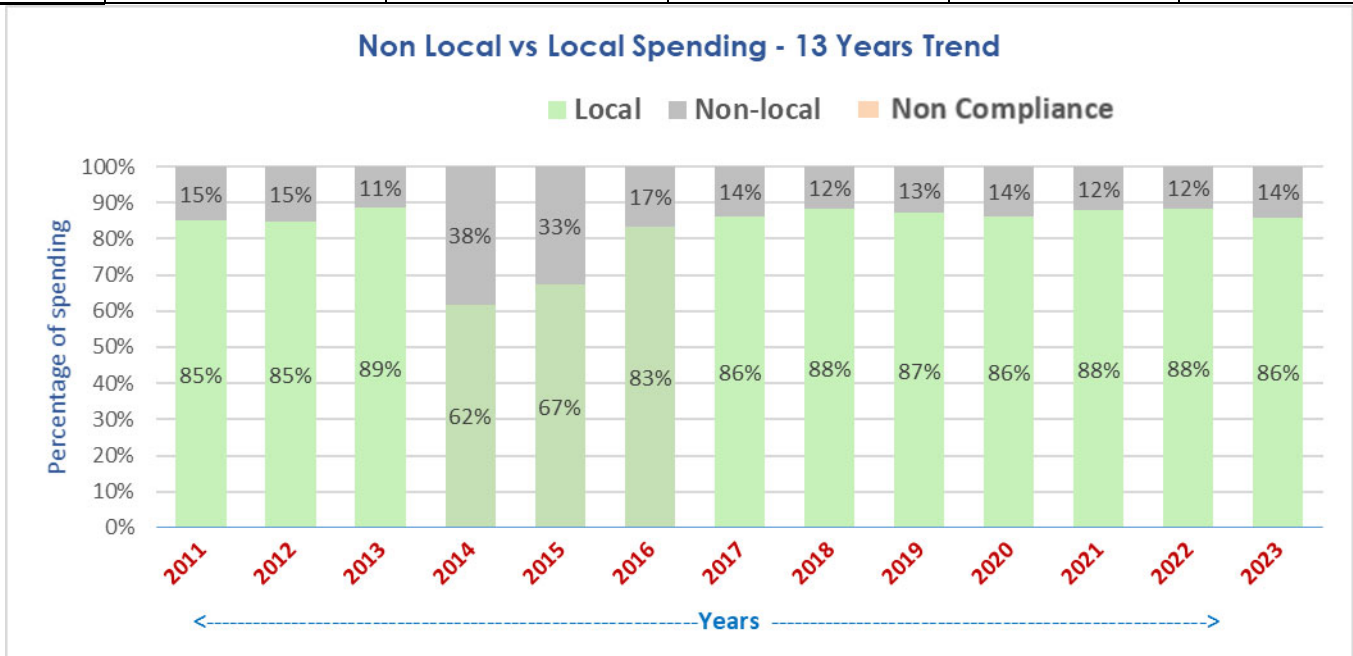


Finally it is worth noting that even if the payroll related expenses identified in Table 1 above are included, AND the expenditures on goods or services not available locally are removed from the analysis, the local spending percentile would still have been ninety-four percent (94%).

Local Including Payroll (Table 1)		Total	% Local
64,575,707	3,768,514	68,344,220	94%

c) Historical Trend Analysis

Year	Excluded	Local	Non-local	Total	% Local
2011	16,567,844	36,825,604	6,469,733	43,295,337	85%
2012	13,290,922	43,706,457	7,767,149	51,473,606	85%
2013	18,673,513	42,684,472	5,464,015	48,148,487	89%
2014	17,563,875	49,207,823	30,365,195	79,573,018	62%
2015	19,844,107	29,194,215	14,178,374	43,372,590	67%
2016	21,572,942	35,399,838	7,083,328	42,483,166	83%
2017	18,320,555	44,628,494	7,191,647	51,820,141	86%
2018	18,347,650	39,200,230	5,168,196	44,368,426	88%
2019	19,340,813	33,725,116	5,009,772	38,734,888	87%
2020	19,844,599	34,286,543	5,501,894	39,788,437	86%
2021	19,832,793	34,627,815	4,769,375	39,397,189	88%
2022	20,085,430	44,899,619	6,018,691	50,918,310	88%
2023	17,807,172	59,529,555	9,745,535	69,275,090	86%
Total	241,092,216	527,915,780	114,732,905	642,648,686	





Over the past thirteen years, more than six hundred and forty-two million (\$642M) have been spent by the City out of which five hundred and twenty seven million (\$527M) were expended locally; giving an annual average of eighty-two percent (82%).

As a reminder, between the years 2014 and 2016, the City did not meet the intent of its Local Procurement Policy as the percentages were lower than expected with showing of sixty-two (62%), sixty-seven (67%), and eighty-three percent (83%) respectively. The non-compliance in these years were caused by large payments made to the non-local vendor who was awarded the Water Treatment Plant project.

However, it would be accurate to highlight that apart from the three (3) years referenced above, the City has consistently been meeting the targeted eighty-five percent (85%).

2) 2023 Wildfire Expenditures

Committee was provided with details of expenditures incurred by the City of Yellowknife during the 2023 wildfires. The report shows the name of contractors including their home locations, a description of the services and/or goods that were provided, and the total amount paid to them.

Please note that the expenditures listed takes into account invoices received and paid during the period September 2023 to October 2024. As we are continuing to receive invoices in relation to this event, the figures provided are not finalized yet, even if based on the available information, the amounts that remain outstanding would not be material in nature.

To date, total wildfire spending was \$12.4M with payments to local companies amounting to \$8.1M while the remaining \$4.3M were paid to non-local vendors giving a split of 65% to 35%.

Particulars	Amount	Percentage
Local Expenses	8,116,769	65.18%
Non- Local Expenses	4,336,447	34.82%
Total Expenses	12,453,216	100%

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

Strategic Direction #3:
Focus Area 3.2

Sustainable Future
Growth Readiness

Key Initiative 3.3.3

Aligning with regional and territorial economic opportunities



Council Motion: #0028-18 That the City establishes a Local Procurement Policy to target to spend at least 85% of its total annual expenditures locally.



Committee noted that the City of Yellowknife is unable to procure goods and services under the guidelines set forth in the GNWT’s ‘Business Incentive Policy’, as this system of adjusting bids is a specific exclusion which the GNWT holds. It was grandfathered from the Agreement on Internal Trade, and has carried forward to the Canada Free Trade Agreement. There are common law legal risks associated with the disclosure and application of a local preference policy, and these risks increase along with the value of the procurement in question.

(For Information Only)

10. Committee accepted for a memorandum regarding an update on the City of Yellowknife After Action Assessment: 2023 North Slave Complex Wildfires Recommendations.


Committee noted the in December 2023, the City retained KPMG to complete an After-Action Assessment (AAA) of the 2023 North Slave Complex Wildfires Emergency Response. KPMG presented their findings in the independent, final report to Council in July 2024. As one of their key deliverables, KPMG’s report includes an after-action work plan that identifies and prioritizes 26 recommended follow-up actions for the City. The 26 recommendations address areas for future improvement prioritized in categories of Quick Wins, Major Projects, Incremental Tasks, and Future Opportunities.


Administration initiated many of the recommendations prior to receipt of the final AAA report. To date, 23 out of 26 recommendations have started. As demonstrated below, 5 recommendations are already complete, 15 are in progress, 3 are ongoing/evergreen, and 2 are not started. Details about the status of each recommendation were provided to Committee. A phased approach of further implementing viable recommendations from the Final AAA report is on Administration’s 2024 – 2026 Work Plan, with an estimated completion time of Q2 2025.

	4	Complete	Recommendations #6, 8, 9, 17
	7	In-progress	Recommendations #3, 5, 12, 13, 14, 19, 25
	1	Not yet started	Recommendation #20 – Establish and maintain continuity management program for City. Note - Business Continuity Planning is on the Work Plan Tier 4, targeted for Q4 2026, and involves all departments.
	3	In-progress	Recommendations #10, 11, 16



	1	Evergreen/ongoing	Recommendation #18
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	1	Complete	Recommendation #23
	4	In-progress	Recommendations #2, 7, 15, 24
	2	Evergreen/ongoing	Recommendations #1, 4
	1	Not yet started	Recommendation #21 - Develop a continuity plan for the City across all departments. <i>Note</i> - Business Continuity Planning is on the Work Plan Tier 4, targeted for Q4 2026, and involves all departments. May require consultant support. May be implications for Budget 2026.
	1	On hold	Recommendation #22 - Plan for the involvement of spontaneous volunteers during emergency response and recovery. <i>Note</i> - Community Emergency Plan identifies that there is no current capacity for spontaneous volunteers. The concept of volunteer management will be considered by having volunteers support the critical business partners.

	1	In-progress	Recommendation #26
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Committee noted that Council’s policies, resolutions or goals include:

Strategic Direction #1:

Focus Area 1.3

Key Initiative 1.3.6

Strategic Direction #3:

Focus Area 3.1

People First

Liveable Community

Working with all partners towards a safe, supportive and compassionate community for all.

Sustainable Future

Resilient Future

Enhancing Yellowknife as a great place to live, visit, work and play now and into the future.



Motion #0124-23

That Council direct Administration to seek external expertise to complete an After-Action Assessment (AAA): 2023 North Slave Complex Wildfires Emergency Response.

(For Information Only)

11. Committee read a memorandum regarding a report regarding Mayor Alty's travel to Banff, AB to attend the Disaster Forum from November 4 - 7, 2024.

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

#0365-93 It is the policy of the City of Yellowknife that:

1. All City sponsored travel by Yellowknife City Council members, inclusive of the Mayor, be approved by formal resolution of Council either prior to commencement of the travel, or at the first regular Council meeting after commencement of the travel; and
2. Yellowknife City Council members, inclusive of the Mayor, be required to table a detailed expense claim for City sponsored travel within three weeks of their return from City travel. This claim is to be supported by a daily diary detailing City business.

(For Information Only)

12. Committee read a memorandum regarding whether to enter into a three (3) year contract with Crowe MacKay LLP for the provision of financial audit services for the fiscal years ending December 31, 2024 – 2026, with the potential for a one-year mutual extension.

Committee noted that in July 2024, the City issued a Request For Proposals (RFP) for the provision of financial audit services for the three fiscal (3) years ending December 31, 2024 to December 31, 2026; two (2) proposals were received prior to the August 16, 2024 submission deadline.

The Bid Evaluation Committee comprising of three (3) Audit Committee members determined that the proposal of Crowe MacKay LLP presented the overall best solution for the City, and advised the Audit Committee accordingly.

On November 07, 2024 the Audit Committee met and recommended that Council authorize the Mayor and City Manager to enter into a contract with Crowe MacKay LLP for financial audit services for a three-year period commencing with the 2024 fiscal year, with the potential for a one-year mutual option to extend.

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

Strategic Directions **Service Excellence** with focus areas - Asset Management & Capacity building

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. City of Yellowknife, Audit Committee By-law No. 4127, as amended

Legislative

Section 104(1) of the *Cities, Towns and Villages Act* states that Council shall appoint an auditor for the municipal corporation.

Section 104(4) of the *Cities, Towns and Villages Act* states that the municipal corporation shall give written notice to the Minister of the appointment or revocation of an auditor, within 30 days after the appointment or revocation.

Section 9b. of the City of Yellowknife, Audit Committee By-law No. 4127, as amended, states that the Audit Committee shall recommend the external and internal auditor for appointment by Council.

Financial Considerations

Under the contract, the annual fee for financial audit services will be \$163,020 plus GST for the fiscal years ended December 31, 2024 to December 31, 2026. If the contract is extended for the option one years, the annual fee will be the same for the fiscal year 2027.

The above mentioned fees includes attendance at four (4) Audit Committee meetings annually and enquiry from Management regarding general information and/or clarifications of a technical nature. The fees do not take into account any travel cost which may be required. The estimated travel costs are \$19,000 and, if any, will be based on actual costs involved.

The City paid \$55,385 plus GST each year for the fiscal years ended December 31, 2021 to December 31, 2023.

Committee noted that an audit is a key feature of modern public administration which can enhance public confidence. City Council can fulfill its fiduciary responsibilities by making use of the audit as well as take this opportunity to improve management of resources and accountability. Moreover, the *Cities, Towns and Villages Act* requires Council to appoint an auditor for the City.

As a result, Administration followed a competitive process to solicit bids for financial audit services for the years 2024-26, and the Audit Committee determined that Crowe MacKay LLP met the intent of the RFP, including having the necessary resources to conduct an independent audit.

Committee recommended that Council authorize the Mayor and City Manager to enter into a three (3) year contract with Crowe MacKay LLP for the provision of financial audit services for the fiscal years ending December 31, 2024 – 2026, with the potential for a one-year mutual extension in the amount of \$163,020 plus GST per year.



Committee noted that this matter will be discussed under New Business at this evenings Council Meeting.

- (For Information Only)
13. Councillor Arden-Smith moved,
Councillor Fequet seconded,

That Committee move in camera at 12:53 p.m. to discuss a personnel matter.

MOTION CARRIED UNANIMOUSLY

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

- (For Information Only)
15. Councillor Cochrane moved,
Councillor Hendriksen seconded,

That Committee return to an open meeting at 2:05 p.m.

MOTION CARRIED UNANIMOUSLY

- (For Information Only)
16. There was no business arising from the in camera session.
17. The meeting adjourned at 2:05 p.m.