



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE REPORT

Tuesday, May 20, 2025 at 12:05 p.m.

Report of a meeting held on Tuesday, May 20, 2025 at 12:05 p.m. in the City Hall Council Chamber. The following Committee members were in attendance:

Chair: Mayor B. Hendriksen,
Councillor S. Arden-Smith,
Councillor G. Cochrane,
Councillor R. Fequet, (via teleconference)
Councillor C. McGurk,
Councillor T. McLennan, (via teleconference)
Councillor S. Payne.

The following members of Administration staff were in attendance:

S. Van Dine,
C. Caljouw,
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 Hendriksen read the Opening Statement.
2.	(For Information Only) There were no disclosures of conflict of interest.
3.	Committee read a memorandum regarding whether to accept the recommendations of the Audit Committee to adopt the 2024 Audited Financial Statements.



Committee noted that the preparation and filing of annual Financial Statements are a regulatory requirement and it is critical for the City to meet this statutory obligation on a yearly basis.

Every year, the City goes through a rigorous process to ensure that the Financial Statements are accurate and free of any material misstatement. As part of this process, the 2024 Financial Statements were (1) prepared by Administration, (2) audited by Crowe Mackay LLP and, (3) reviewed by the Audit Committee.

As a concluding step, a motion of Council adopts the Audited Financial Statements.

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

Strategic Direction #2:

Service Excellence

Focus Area 2.2

Capacity

Balancing service levels with human and fiscal resources.

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

1. *Cities, Towns and Villages Act*; and
2. Audit Committee By-law No. 4127, as amended.

Financial Considerations

The Government of the Northwest Territories (GNWT) and the Government of Canada require Audited Financial Statements to support the City's funding requests. The City is also required to provide the Audited Financial Statements to financial institutions to stay in compliance with its loan and credit agreements.

Legislation

The *Cities, Towns and Villages Act* requires that Audited Financial Statements be submitted to the Department of Municipal and Community Affairs (MACA), GNWT within 120 days of the end of the fiscal year. However, due to extenuating circumstances this year, Administration requested and received an extension from MACA to submit its 2024 Audited Financial Statements by May 30, 2024. Once adopted by Council, the 2024 Audited Financial Statements will be filed with MACA accordingly.

Economic Context

The Funds Stabilization component of the City's Budget Policy guides that "*the General Fund will maintain a balance of no less than 10.0% and no more than 15.0% of budgeted expenditures*" in any given year.

However, at year end, the General Fund balance was oscillating at \$17.70 million which equated to 33.45% and hence not in compliance with the above referenced Policy. As a result, the following transfers and adjustments are being recommended to keep the General Fund in compliance:



- a) \$1.6 million transfer to the Water and Sewer Fund as the latter has been traditionally underfunded and is trending towards deficit;
- b) \$4.0 million transfer to the Land Fund to allow the City capitalize on any strategic land acquisition opportunities that could present themselves that align with the Strategic Directions of Council.
- c) \$3.5 million to remain in General Fund for the Emerging Issues Reserve (EIR) as the latter nears completion.
- d) \$3.31 million to be kept in General Fund for the 2023 wildfire costs. **

The above adjustments and transfers will position the General Fund at 22.87% of the 2024 budgeted expenditures net of amortization; but after the transfer of \$3.5 million to the EIR, the General Fund balance will close at 16.32%.

It is worth noting that a closing General Fund balance of \$5.29 million would equate to 10.0%.

*** Kindly note that the City incurred a total of \$13.34 million of expenses due to these wildfires and we hope to recover the full costs, except some ineligible expenses, from other orders of Government.*

To date the City has already received \$2.74 million. Since a large number of the claims are still under review by the GNWT, Administration has estimated that it would be prudent at this point in time to recognize only \$7.26 million as receivables in our books and to keep \$3.31 million in the General Fund to mitigate any timing differences due to the slow pace of cost recovery.

Committee noted that the Audit Committee reviewed the 2024 Audited Financial Statements at its meeting held on May 7, 2025 and has recommended the adoption of the 2024 Audited Financial Statements.

Committee recommends that Council:

1. **Adopt the 2024 Audited Financial Statements as recommended by the Audit Committee.**
2. **Approve the Inter-Fund and Reserve transfers as outlined in the 2024 Audited Financial Statements; and**
3. **Agree to keep the General Fund balance at \$12.10 million as at December 31, 2024.**

MOVE APPROVAL

4. **Committee read a memorandum regarding whether to fill a vacancy on City Council and whether to appoint a Deputy Mayor.**

Committee noted that on March 21, 2025 Mayor Rebecca Alty took leave of absence from City Council in order to declare her candidacy in the upcoming Federal Election. The election



took place on April 28, 2025 and she was successfully elected as the new Member of Parliament for the Northwest Territories. Mayor Alty tendered her resignation on April 29, 2025, and Councillor Ben Hendriksen was appointed as Mayor at the Special Council meeting of May 5, 2025. Council must now determine whether to fill the remaining vacancy on Council and who to appoint as Deputy Mayor.

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

Strategic Direction #2: Service Excellence

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

1. *Cities, Towns and Villages Act*;
2. *Local Authorities Elections Act*; and
3. Council Procedures By-law No. 4975, as amended.

Overview

There are 18 months remaining in the current Council's term of office. The next Municipal General Election will take place on October 19, 2026, with nominations opening on September 7, 2026.

Council has several scenarios/options available with regard to the vacancy on Council which are outlined below.

Legislative

Section 7(3) of Council Procedures By-law No. 4975, as amended, states that the appointment of the Deputy Mayor shall be made, on the recommendation of the Mayor, at the first meeting of Council following a General Election and is reviewed annually thereafter.

Section 47.(1) of the *Local Authorities Elections Act* states that where the office of a member of a local authority becomes vacant for any reason before the term of office expires, the local authority shall fill the vacancy at the next general election or before then by:

- (a) Appointing a person who is eligible as a candidate; or
- (b) Holding a by-election.

Therefore the following options are available to Council:

CARRY VACANCY	Leave the vacancy for Councillor vacant
FILL VACANCY BY APPOINTMENT	Appoint a person who is eligible as a candidate to the office of Councillor
BY-ELECTION	Conduct a by-election for Councillor



Eligibility Requirements

A person is eligible to be nominated and stand as a candidate if he or she:

- (a) Is a Canadian citizen;
- (b) Has attained 18 years of age;
- (c) Has, for at least 12 consecutive months immediately preceding the day nominations close, been ordinarily resident within the city of Yellowknife;
- (d) And not otherwise disqualified under the *Local Authorities Elections Act*.

Term of Office

A person elected at a by-election or appointed by Council will hold office for the balance of the term.

Appointing a Member of the Public

In determining whether to appoint a member of the public to the office of Councillor, consideration should be given to: public sentiment given that 30 months has passed since the election; the person's ability to serve on Council and Committees of Council; and whether it is in the best interests of the City to fill the vacancy. The current Council has experienced a number of disruptions during their term of office, including the Wildfire Evacuation and labour disruption at the City of Yellowknife. The addition of a new member of Council more than half way through this Council's mandate would require time for that new member to come up to speed with Council's Strategic Priorities and current issues. Onboarding a new Council Member would also need to consider the individual's ability to adapt to the team building investments achieved working with STRAAD consultants.

By-election

The *Local Authorities Elections Act* states that the procedure for a by-election must follow, as closely as possible, the procedure at a general election. There are many factors that go into the conduct of a by-election, including the creation of the Voters List, hiring of staff, rental of equipment, printing of ballots, notice requirements to the public etc. It is anticipated that the conduct of a by-election will take up to four (4) months and require an adjustment to the Work Plan to accommodate.

The *Cities, Towns and Villages Act* imposes a limitation on Council's powers from the date of the election and until the swearing in of the new member. These limitations include:

No council or council member may:

- (a) Make a resolution or by-law that will result, directly or indirectly, in an expenditure not set out in the budget for the current fiscal year;
- (b) Enter into a contract or obligation on behalf of the municipal corporation; or
- (c) Appoint or dismiss any officer.



Financial Considerations

The conduct of a by-election was not anticipated during the development of the 2025 Budget and the current Budget allocation is to prepare for the 2026 Election. It is estimated that a by-election will cost \$100,000 - \$150,000.

A Councillor's salary is \$36,328.05 per year.

Committee noted that the appointment of a Deputy Mayor will ensure that there is coverage during the Mayor's absences.

Public sentiment of appointing an eligible person is unknown as the overall political environment in Canada has become polarized and divided in recent months. Given that a quorum of Council is the majority of Council Members then holding office, the number of Council Members would have to diminish to five (5) before a loss of quorum would become a concern. Council must therefore determine whether the appointment of a member of the public to City Council, or a by-election, is in the best interest of the community, given public sentiment and the potential disruption that will occur, or whether to leave the position of either the mayor or councillor vacant.

Committee recommends that Council:

- 1. Fill a vacancy on Council resulting from the resignation of Mayor Rebecca Alty and the appointment of Councillor Ben Hendriksen to the office of the Mayor by appointing Rob Foote, a person eligible as a candidate to the office of Councillor; and**
- 2. Appoint Rob Warburton as Deputy Mayor.**

MOVE APPROVAL

5. **Committee read a memorandum regarding whether to adopt the 2025-2026 Revised Work Plan.**

Committee noted that:

- In June 2023, Council approved the 2023-2026 Strategic Directions for its term in office.
- Subsequently, Council approved an implementation action plan for their Strategic Directions (the "Work Plan"), which considered challenges arising from the tumultuous year that was 2023.
- In May 2024, Council reviewed a revised 2024-2026 Work Plan and, among other things, directed Administration to use the Work Plan to prioritize initiatives and tasks.



- In November 2024, Administration provided an update to Council on Work Plan accomplishments and looking ahead to 2025.
- With less than two years left in Council's term of office, the intent of this memorandum is to provide an update to Committee on the status of 2025 – 2026 Work Plan initiatives, Administration's prioritization of those initiatives, and how such work is advancing Council's Strategic Directions.

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

Motion 0091-23 That Council approve the 2023-2026 Council Strategic Directions.

Motion 0153-23 That the 2023-2026 Council Strategic Directions Implementation Actions be referred back to Administration to be updated and incorporated into the 2024 work plan and be brought back to Governance and Priorities Committee in early 2024 to review and approve the administrative and strategic actions together.

Motion 0031-24 That Council approve the 2023 – 2026 Council Strategic Directions Implementation Action Plan.

Motion 0104-24 That Council:

1. Support the revised 2024 – 2026 Work Plan as presented and direct Administration to use the Work Plan to prioritize initiatives and tasks, and to inform Council during their deliberations of the impacts of any potential new initiatives and tasks;
2. Direct Administration to hire one(1) Communications Officer and one (1) Customer Service Outreach Coordinator as presented in the Work Plan;
3. Support the efficiency recommendations as presented in the Work Plan and direct Administration to implement each as soon as possible, including returning to Council with any necessary By-law amendments; and
4. Support in principle the advocacy efforts within the revised 2024 – 2026 Work Plan.

Committee noted that applicable legislation, by-laws, studies or plans include:
Council's Strategic Directions 2023-2026.

Committee noted that Council's Strategic Directions provide direction and focus for the future of the City of Yellowknife and will help guide Council decision-making regarding priority setting, resources and budget allocations. Council's Strategic Directions inform the



work of Administration as it works to advance and achieve Council's goals. This review and revision marks progress and ensures clear priorities for the upcoming year align with current context and emerging issues.

Note the following proposed changes in this revised work plan:

1. There are only three tiers:
 - a. **Tier 1:** Initiatives that have already commenced or will commence in 2025 and will be completed before the end of 2025;
 - b. **Tier 2:** Initiatives that have commenced or will commence as soon as practicable and will be completed before the end of 2026; and
 - c. **Tier 3:** Initiatives that will commence no later than 2026, and will be complete during the next Council term.
2. **Garden Plot** – initiatives under this heading will be undertaken as time permits, when other preconditions or work are met, or may be a consideration for future Council. Some of these initiatives are large projects that require dedicated resources. Those projects may need further analysis regarding scope and timeline or budget, prior to being undertaken by Administration.
3. **Proposed Retirement from Work Plan/Future Council Consideration** – Administration recommends these initiatives be considered retired or removed from the current work plan, subject to future Council's strategic planning.
4. **List of Completions** – For Council's awareness, a list of work plan initiatives completed since the November 2024 update.

Committee suggested several amendments and left it with Administration to finalize.

Committee recommends that Council approve the 2025 – 2026 Revised Work Plan, as presented.

MOVE APPROVAL

(For Information Only)

6. Councillor McGurk moved,
Councillor Cochrane seconded,

That Committee move in camera at 1:20 p.m. to discuss a land matter and a legal matter.

MOTION CARRIED UNANIMOUSLY

(For Information Only)

7. Committee recessed at 1:20 p.m. and reconvened at 1:30 p.m.



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- (For Information Only)
8. Councillor Arden-Smith left the meeting at 1:30 p.m.

- (For Information Only)
9. Committee discussed a land matter.

- (For Information Only)
10. Committee discussed a legal matter.

- (For Information Only)
11. Councillor McGurk moved,
Councillor Fequet seconded,

That Committee return to an open meeting at 2:22 p.m.

MOTION CARRIED UNANIMOUSLY

- (For Information Only)
12. There was no business arising from the in camera session.
13. The meeting adjourned at 2:22 p.m.