



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE REPORT

Monday, November 3, 2025 at 12:05 p.m.

Report of a meeting held on Monday, November 3, 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,
Councillor R. Foote,
Councillor C. McGurk, and
Councillor R. Warburton.

The following members of Administration staff were in attendance:

S. Van Dine,
C. Caljouw,
D. Gillard,
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.	(For Information Only) Committee heard a presentation from Tanya Tourangeau regarding the “Walking Forward Together: Yellowknife’s Reconciliation Roadmap Report”.



4. **Committee read a memorandum regarding whether to direct Administration to commence engagement with Indigenous partners on the recommendations to advance Reconciliation set out in the “Walking Forward Together: Yellowknife’s Reconciliation Roadmap Report”.**

Committee noted that Council identified Reconciliation with Indigenous peoples as one of its core values in Council’s 2022-2026 Strategic Directions¹. Prior to that, Council had adopted the United Nations Declaration on the Rights of Indigenous Peoples in 2015 as part of its response to the Truth and Reconciliation Commission of Canada’s Calls to Action (Motion #0324-15).

The City developed the Reconciliation Framework² and the Reconciliation Action Plan³ as part its commitment to reconciliation. The Framework is a high level policy document which lays out the City’s broad goals and principles for reconciliation. The Action Plan is a living document that is updated regularly, providing concrete actions on the City’s journey towards reconciliation. Subsequent to Council approval in April 2022, the Framework and Draft 2022 Reconciliation Action Plan were sent to a broad range of partners and stakeholders across the NWT for review, input and comments. The City also hosted a public gathering on August 31, 2022 to provide residents with the opportunity to engage on reconciliation in Yellowknife.

The information and ideas received throughout the engagement process were used to inform the actions contained in the 2023 Reconciliation Action Plan. Some of these actions included Elders programming, Dene and Tłıchǫ language learning, support to YKDFN cultural events, and the joint economic strategy with YKDFN.

While Yellowknife has made real progress towards reconciliation, the City required a clear look at what has been done, what is not yet in place, and recommendations for future meaningful actions. Administration engaged the services of a consultant to assist the City in moving reconciliation from strong intent to durable, shared outcomes.

Council Strategic Direction/Resolution/Policy include:

Strategic Direction #1

Value – Reconciliation: The City is committed to reconciliation with Indigenous peoples

People First: Reconciliation

Continuing to nurture positive and respectful relations with Indigenous governments, organizations and peoples

Council Motion #0324-15

That Council adopt the following recommendations on how to move forward on the actions recommended by the

¹ See https://www.yellowknife.ca/en/city-government/resources/City_Council_and_Mayor/Council-Strategic-Directions-2023-2026/Council-Strategic-Directions-2023---2026.pdf

² See <https://www.yellowknife.ca/en/living-here/resources/Reconciliation/Reconciliation-Framework.pdf>

³ See <https://www.yellowknife.ca/en/living-here/resources/Reconciliation/Reconciliation-Action-Plan.pdf>



Truth and Reconciliation Commission of Canada: Calls to Action:

Article 43: Adopt the *United Nations Declaration on the Rights of Indigenous Peoples*

Article 47: The Mayor corresponds with the GWNT to ensure that any and all laws that rely upon the Doctrine of Discovery and terra nullius are repudiated.

Article 57: That funding be identified for the provision of skill-based training for all City staff to undergo that will provide a learning experience on the history of Aboriginal peoples relating to residential schools; UN Declaration on the Rights of Indigenous Peoples; Treaties and Aboriginal Rights, Indigenous Law; and, Aboriginal–Crown relations. Articles 75, 76,

and 77: The Mayor correspond with the GNWT and School Boards encouraging them to ensure that they provide any and all information pertaining to identification, documentation, maintenance, commemoration, and protection of residential school cemeteries/sites where residential school children are buried, and for them to provide all known records to the National Centre for Truth and Reconciliation.

Council Motion #0167-19

That:

1. Council direct Administration to undertake community engagement, using the “Reconciliation: Starting the Conversation” document, as the first step in developing a reconciliation action plan.
2. Council direct Administration to undertake community engagement through various means including:
 - i. Attending meetings/assemblies hosted by Indigenous governments and organizations;
 - ii. Proactive outreach to Indigenous governments and organizations;
 - iii. Hosting gatherings in Yellowknife over the summer; and
 - iv. Providing opportunities for online and written submissions.

Council Motion # 0060-20

That Council direct Administration to initiate the following actions, using the \$50,000 allocated within Budget 2020,



for the purpose of continuing to advance reconciliation until the Reconciliation Plan is prepared in draft for consideration and Indigenous partner/public consultation:

- Elder in Residence
- Intercultural & Placemaking Plan
- MOU with YKDFN
- Paint North
- Wilideh language on Stop signs
- Community Blanket Exercise

Council Motion # 0063-21

That:

1. The Community Energy Plan Committee be dissolved and that the City conduct a Community Roundtable annually to report on implementation of the City's Community Energy Plan;
2. The University Post Secondary Advisory Committee be dissolved and that the City support a network of stakeholders;
3. The Terms of Reference for the Heritage Committee be amended to change frequency of meetings;
4. The City conduct a Community Roundtable annually with respect to Reconciliation; and
5. Council direct Administration to draft and bring forward a Framework for Public Engagement that utilizes various approaches to engagement.

Council Motion #119-21

That Council direct Administration to release the Reconciliation Framework and Reconciliation Action Plan for broad public engagement and feedback from Indigenous partners, governments and members of the public.

Council Motion #060-22

That Council approve the draft 2022 Reconciliation Action Plan for public review and engagement.

Applicable legislation, by-laws, studies, plans include:

1. *Truth and Reconciliation Commission of Canada: Calls to Action*; and
2. Reconciliation Framework.

Several factors make this the right time for Yellowknife to adopt a renewed approach to reconciliation:

- **Maturity of the journey:** The City has already created a Framework and Action Plan. Building upon the work done to date, the City can take steps to co-create systems that truly reflect the commitment to to nurture positive and respectful relations with Indigenous governments, organizations and peoples.



- **Transition in the economy:** With diamond mines winding down, the City can use this opportunity to work with partners on joint initiatives in housing, workforce, and tourism.

Next Steps

Engaging proactively with Indigenous partners on reconciliation actions supports and strengthens the relationship between our governments and contributes to the foundation of mutual trust and respect.

As such, the City will engage with partners on the recommendations contained in the Roadmap.

Committee noted that seeking to engage is a key part of the foundation of reconciliation.

In response to a question from Committee, Administration undertook to enquire with the RCMP on what they do for cultural awareness.

Committee recommends that Council direct Administration to commence engagement with Indigenous partners on the recommendations to advance Reconciliation set out in the “Walking Forward Together: Yellowknife’s Reconciliation Roadmap Report”.

MOVE APPROVAL

5. **Committee read a memorandum regarding whether to adopt the Tax Ratio Approach to draft the Mill Rate Policy and to keep the tax ratio between the Residential and Commercial/Industrial classes at 1:2.**

Committee noted the following the previous General Assessment in 2018, City Council (‘Council’) of the time chose to adjust the respective mill rates ratio of properties within the city to generate the required taxation revenue. This ratio shift created some sharp increases in certain property classes and there was a public outcry following these changes.

Consequently, on December 12, 2022, Council passed motion #0181-22 to “direct Administration to draft a Mill Rate Policy”. Since then topics like the High-Density parking and vacant land tax have also been raised and linked to the Mill Rate Policy at various times by members of the Governance and Priorities Committee (‘Committee’).

As a result, on May 26, 2025, Administration brought forward a presentation to the Governance and Priorities Committee (‘Committee’) enumerating the different approaches that Council could use to introduce a Mill rate Policy (‘Policy’).

By establishing a clear philosophical framework, Council can ensure future tax decisions and the way property tax burden is distributed are consistent, defensible and aligned with the community’s long-term interests.



Committee noted that Property taxes are a vital source of income that supports City’s operations and any adjustments made to this funding mechanism should be undertaken with the utmost care. While the legal framework established by territorial legislation and City’s bylaws sets the non-negotiable parameters for a new Policy, there is flexibility for Council to consider the philosophical principles that will guide its development.

Current State

Following the requirements of the *Property Assessment and Taxation Act* (“PATA”), City Council sets municipal mill rates annually by bylaw to generate the required revenue in relation to the approved budget.

Pursuant to territorial legislation, the City currently applies established mill rates uniformly to all properties within a given class. The 2025 mill rates that are in effect are as follows:

Property Class	Mill Rates	Mill Rate Ratio
Residential	6.99	1.000
Multi-Residential	7.62	1.090
Commercial & Industrial	14.85	2.124
Mining & Quarrying	18.50	2.647
High-Density Parking	8.63	1.235
Agricultural	6.80	0.973

Table 1.

As depicted above, the current tax ratio between the Residential class and Commercial & Industrial class is 1:2.124. In addition, the historical relationship between the Residential property class and the Commercial/Industrial property class are as shown below:

Mill Rate Ratio	2020	2021	2022	2023	2024	2025
Commercial/Industrial to Residential	2.2616	2.2604	2.1294	2.1274	2.1258	2.1245
Year over Year Change		-0.0012	-0.1310	-0.0020	-0.0016	-0.0013

Table 2.

Further, the number of assessable properties and their total assessed value in the city have remained consistent between 2017 and 2025 with only marginal increases. It is expected that in light of the ongoing challenges with land availability this trend will continue:



Total No. of Assessed Properties	2017	2018	2019	2020	2021	2022	2023	2024	2025*
	6,687	6,745	6,795	6,795	6,819	6,860	6,860	6,859	6,860
Year over Year Change		0.87%	0.74%	0.00%	0.35%	0.60%	0.00%	-0.01%	0.01%

*2025 as at July 03, 2025

Table 3.

Year	Residential (\$)	Multi-Residential (\$)	Commercial/Industrial (\$)	Mining & Quarrying (\$)	High-Density Parking (\$)	Agricultural (\$)	Total Assessment
2017	1,579,209,680	429,353,340	1,124,154,120	10,203,720	4,765,800	4,264,100	3,151,950,770
2018	1,610,667,130	418,703,600	1,151,006,360	10,390,160	4,765,800	4,264,110	3,199,797,160
2019	1,890,311,600	455,208,550	1,480,225,120	11,817,890	4,698,300	5,141,910	3,847,403,370
2020	1,913,820,480	455,926,850	1,481,624,490	11,783,800	4,698,300	5,141,910	3,872,995,830
2021	1,933,956,520	457,660,020	1,476,066,970	9,691,860	4,698,300	5,141,910	3,887,215,580
2022	1,948,961,100	464,633,730	1,487,552,700	9,691,860	4,698,300	6,740,190	3,922,277,880
2023	1,967,134,140	466,667,190	1,499,557,910	9,691,860	4,698,300	6,740,190	3,954,489,590
2024	1,974,261,720	486,358,570	1,507,404,080	9,898,080	4,698,300	7,477,740	3,990,098,490
2025*	1,982,763,010	512,050,540	1,513,755,760	9,898,080	4,698,300	7,477,740	4,030,643,430

Table 4.

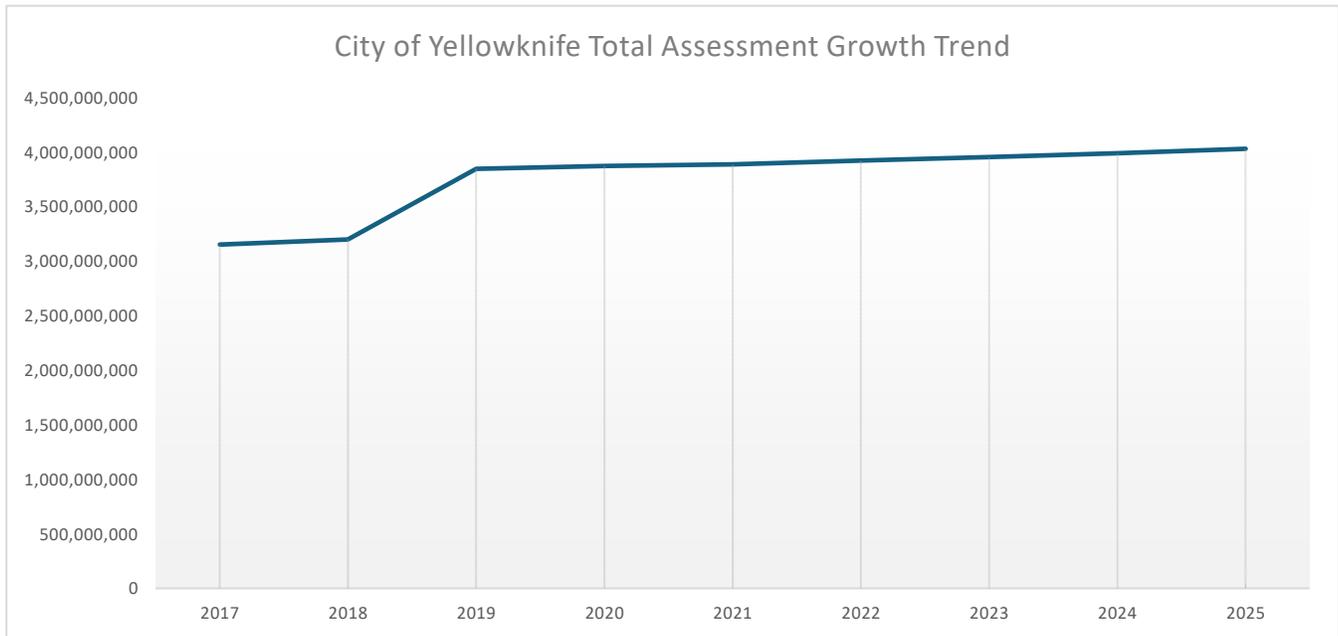


Table 5.

Mill Rate Policy: Guiding Principles

When formulating the recommendation for this policy, Administration has considered the following fundamental principles:



a) Tax Fairness or Equity

Tax fairness or equity requires a consideration of how to share the burden of taxes fairly amongst the different tax classes. A consideration of fairness/equity normally includes an 'ability to pay' or 'benefits received' approach.

The 'ability to pay' principle aligns with progressive taxation. In terms of property taxes, this is generally reflected by imposing taxes based on assessed values, under the principle that those who can afford more valuable property can also afford to contribute more in taxes. This can, however, place a higher burden on high-value properties, potentially affecting investment.

Conversely, the "benefits received" approach links cost directly to service consumption. This can be seen as more transparent but may disproportionately affect properties that require more services, regardless of their market value. However, it is almost impossible to quantify the exact benefit being received by each individual property class. This near impossibility of precise measurement is the reason as to why Administration has given more weight to the more operational principles of (i) Stability and predictability, and (ii) Simplicity.

b) Stability and predictability

This principle is a core strategic choice about managing expectations. For the City, prioritizing this principle secures a stable revenue stream essential for long-term financial planning. For taxpayers, it offers the ability to anticipate and plan for their annual tax obligations, avoiding disruptive shocks. Stability and predictability also considers past taxation requirements of the City. Hence, there is an interest in maintaining similar taxation practices to past years to avoid causing uproar in the community.

c) Simplicity

A simple property tax system is both efficient and transparent. The strategic trade-off for simplicity is that it may preclude more complex or nuanced policies designed to achieve specific economic or social goals. However, Administration believes that the benefits of a system that is straightforward for the City to administer and easy for taxpayers to comprehend outweigh the potential for more targeted policy instruments.

Mill Rate Policy: Alternative Models

Administration has translated the above guiding principles into five distinct, practical policy models. In doing so, Administration undertook a jurisdictional scan of policy models implemented in select Canadian municipalities.



a) Tax Ratio Approach

This model establishes and maintains a fixed tax ratio between residential and non-residential property classes. The ratio is mostly informed by historical data, stakeholder input, jurisdictional comparisons, and/or service distribution analysis. This approach directly elevates both the principles of Stability and Predictability and Simplicity by locking in the relative tax burden between classes from one year to the next.

Alberta and Saskatchewan, both through regulation, have mandated that municipalities in their jurisdictions follow strict tax ratio limits. For example, Alberta has set a maximum ratio between the lowest and the highest-taxed property class rates at 1:5, while Saskatchewan uses 1:7. Additionally, it would appear that Nunavut, which deals with property taxes for the entire Territory outside of Iqaluit, operates in a similar manner.

At present, the City appears to be currently using this method despite not having a formalized policy in place. When deciding as to how the tax burden is shared between property tax classes, the City has been following a clear rationale of collecting almost an equal amount of property taxes from the residential tax class and the commercial/industrial tax class by having consistently applied a mill rate ratio of 2. (Table 2)

b) Budget Based Approach or Fixed-Shares Approach

Under this model, tax rates are set to achieve a pre-determined proportion of total tax revenue from different property classes (e.g., a 50/50 split between residential and non-residential). This model provides strong Stability and Predictability for the City's fiscal planning and clearly sets an easily communicated target for revenue distribution.

Municipalities like the cities of Vancouver, Nelson and Trail in British Columbia have utilized a budget-based or fixed/tax share approach in ensuring that roughly half of the property taxes come from residential properties and half of the property taxes come from commercial/industrial properties (or some other proportion of sharing, though half is the most commonly cited in this approach).

c) Revenue-Neutral Approach

This model decouples tax increases from assessment increases by triggering a corresponding decrease in tax rates when property values rise. Its primary function is to ensure the total tax dollars collected from each property class remain consistent, preventing automatic tax hikes. This model is also a powerful expression of taxpayer-focused Stability and Predictability. The City of Regina in Saskatchewan is a key municipality that uses this method.



The City currently uses a modified Revenue-Neutral approach around the time of General Assessments.

d) Base Services Approach

The base-services approach is built on the idea that everyone should pay a specific number of dollars to cover basic services that everyone has equal access to. This model is the clearest practical application of the "benefits received" principle of Tax Fairness or Equity directly linking it to Levels of Service. While this tax system has its supporters, it is not easy or simple to administer.

Moreover, this approach lacks the flexibility to adapt to changing community needs or to respond to new challenges that may arise.

e) Consumer Price Index (CPI) Approach

CPI is another method that is used by municipalities, albeit not a lot. For example, the City of Waterloo in Ontario uses a modified version of the CPI to provide what it believes is a more accurate version of the inflation that affects it. It does not rigidly peg its tax increases to this version of the CPI, but uses it as a guideline. Similarly, the entire Province of Nova Scotia uses the CPI to set its annual cap on municipal tax increases.

This model ties annual tax increases to the CPI, making tax adjustments predictable and broadly shared across all sectors of the tax base. This system strongly prioritizes financial responsibility above all others, and is a powerful tool available to Council to manage taxpayers' expectations. However, this model will limit the amount of tax revenue growth that the City would be able to rely on within a fiscal year; and any additional funding requirement for municipal operations will necessitate either increase in user fees or finding alternative sources of funding.

Legislative:

The City has authority to establish tax rates under s.76 of the *Property Assessment and Taxation Act, RSNWT 1988, c P-10* as follows:

- i) 76. (1) Every calendar year the council of a municipal taxing authority shall, by bylaw, establish a municipal mill rate for each property class in the municipal taxation area, for the purpose of raising a property tax for municipal or local purposes.
- ii) 76. (2) A municipal mill rate established for a property class under subsection (1) must be applied uniformly in respect of the assessed property liable to taxation to which that property class has been assigned.

Further, in accordance with the City's Tax Administration By-law No. 4207, the City has established six property classes, for which Council must have a mill rate established every calendar year:



- i) Class 1: Residential - made up of parcels which are predominantly used for residential purposes. This class includes land and associated single family, condominium, mobile unit, duplex and triplex improvements. This class also includes vacant residential property and undevelopable land which lies adjacent to a residential parcel;
- ii) Class 2: Multi Residential - made up of parcels used for residential purposes not described as part of Class 1, and where four or more dwelling units exist on a single parcel;
- iii) Class 3: Commercial and Industrial - made up of all parcels which are predominantly used for commercial and industrial purposes, which includes but is not limited to the production, development, manufacture or provision of goods or services. This class includes vacant land zoned for non-residential purposes, works and transmission lines, and parcels which are predominantly used for parking, except those which are described in Class 5. This class does not include parcels predominantly used for mining and/or quarrying activities as described in Class 4;
- iv) Class 4: Mining and Quarrying - made up of parcels which are predominantly used for the extraction of sand, gravel, and ore; and facilities directly related to milling, smelting, refining, sorting and grading of precious metals, gems and minerals;
- v) Class 5: High-density Parking - made up of any parcel which is predominantly used for parking vehicles, on which an improvement exists which enables the parcel to accommodate at least two times the number of vehicles that could be placed on the parcel without an improvement;
- vi) Class 6: Agricultural - made up of parcels predominately used for the planting, growing and sale of trees, shrubs or sod; the raising or producing of crops, livestock, fish, pheasants, poultry or eggs; horse stables; the raising of animals for fur; beekeeping; or dairying.

Financial:

Property taxes are the primary source of revenue for the City and its reliance on property taxes has grown steadily over the years. This shift has been exacerbated by the decline in the sustainability of self-funded services and the need for the City to assume growing expectations from the public and aging infrastructure replacement.

Within Budget 2025, approximately thirty seven percent (37%) or forty million (\$40M) of the City's revenues comes from property taxes. Of the forty million (\$40M), roughly nine point four million (\$9.4M) are derived from government and crown corporations.



Limitations:

It is crucial to note that while the alternative models for a Mill Rate Policy referenced in this memorandum provide valuable frameworks, the direct application of policies from other provinces is limited due to significant variations in provincial and territorial legislation.

Similarly, considering policies of other municipalities is a tool for strategic positioning. The goal is not necessarily to be competitive, but to ensure the City's approach does not deviate excessively from established norms. In other words, it provides a defensible benchmark for policy decisions and helps manage perceptions of City policies relative to other jurisdictions.

Guiding Values and Council Priorities:

Ultimately, the Mill Rate Policy is a primary lever for advancing Council's broader strategic vision. Council must deliberately consider how the distribution of the tax burden will influence:

- i) The climate for business and investment in the municipality.
- ii) The encouragement of residential development.
- iii) The overall cost of living for residents.
- iv) The philosophical position on whether non-residential properties should bear a higher tax burden on the basis that they represent an adventure or concern in the nature of trade.
- v) Accountability: Prioritizing accountability means committing to a policy that can be easily explained and justified to taxpayers. This is not merely a communications exercise; it is fundamental to building and maintaining public trust and securing the political capital necessary to sustain the policy over time.
- vi) Other key values or initiatives central to Council's mandate.

Public Engagement:

Public engagement is crucial for more effective governance and stronger communities. It leads to better, more legitimate and sustainable decisions especially if the policy decision will have a wider community impact. On the question of introducing a Mill Rate Policy, there has been limited public engagement. The Yellowknife Chamber of Commerce have been the only notable stakeholder who have actively been engaged on this issue since it was first raised.

Council Strategic Direction/Resolution/Policy include:

Strategic Direction #2:

Service Excellence

Focus Area 2.1

Asset Management

Planning, implementing and maintaining assets to reliably, safely and cost effectively deliver services for current and future community needs.



Key Initiative 2.1.1	Advancing the asset management framework, including long term funding strategies.
Strategic Direction #3:	Sustainable Future
Focus Area 3.1	<u>Resilient Future</u> Enhancing Yellowknife as a great place to live, visit, work and play now and into the future.
Focus Area 3.2	<u>Growth Readiness</u> Ensuring land development supports economic readiness and community priorities.
Key Initiative 3.2.2	Completing land development tools and strategies that support growth readiness.
Key Initiative 3.2.4	Sustaining infrastructure capacity for future growth.
Key Initiative 3.3	<u>Robust Economy</u> Doing our part to stimulate and amplify economic development opportunities.
Motion #0204-19	That Council approve the revised Budget Policy as proposed by the Budget Policies Task Force.
Motion #0181-22	That Council direct Administration to draft a Mill Rate Policy.

Committee noted that This memorandum has been prepared in direct response to Council's motion of December 12, 2022. By establishing a clear philosophical framework around how to share the burden of taxes among property classes, Council can ensure future tax decisions are consistent, defensible, and aligned with the community's long-term interests.

Committee recommends that Council direct Administration to:

- 1. Use the Tax Ratio Approach to develop a Mill Rate Policy;**
- 2. Keep the tax ratio in the Mill Rate Policy between the Residential class and Commercial & Industrial class at 1:2.**

MOVE APPROVAL

(For Information Only)

6. Committee heard a presentation regarding the Draft 2026 Budget. Committee noted that the Draft 2026 Budget will be released today.



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- (For Information Only)
7. Councillor Arden-Smith left the meeting at 1:05 p.m.
- (For Information Only)
8. Committee continued its discussion regarding the Draft 2026 Budget.
- (For Information Only)
9. Committee recessed at 1:32 p.m. and reconvened at 1:42 p.m.
- (For Information Only)
10. Committee continued its discussion regarding the Draft 2026 Budget.

In response to a question from Committee, Administration undertook to post the Strategic Communications Plan 2019 – 2021 on the Council Portal.

In response to a question from Committee, Administration undertook to provide information regarding the cost of a water break.

11. The meeting adjourned at 2:07 p.m.