

The City of Yellowknife (City) Budget lays out where, how, and through which funds, the City's money will be spent. It provides the goals and objectives of each Department, Division and Program.

It provides financial information going back one year, the budget and forecast for the current year and the recommended budget for next three years. A first draft of the annual budget is made three years beforehand. Over the next two years, this draft changes as cost estimates and other planned projects, programs or services are revised, cancelled or expanded.

Understandably, there are many different ideas about the best way to meet the needs of Yellowknife residents and businesses through programs, services and long-term investments in infrastructure. Every year, starting in mid-May, the draft budget for the following year is discussed and eventually changed to reflect comments provided by Council and the public. After further discussion and revision, it is approved by Council in mid-December. Council approves a budget for all funds which are consolidated into an annual municipal budget. Council, by resolution, must adopt an annual budget before a fiscal year begins.

This budget document discusses the seven Funds that the City operates:

- **Water and Sewer Fund:** This fund is used for everything related to the supply, processing, and distribution of potable water, as well as the collection, treatment and disposal of sewage. These costs are recovered through charges to service users.
- **Solid Waste Management Fund:** This fund is used for collection, processing and recycling, including the operation of the landfill and baling facility. These costs are recovered through user fees.
- **Land Development Fund:** This fund is used for acquiring, developing and disposing of municipal lands. Including planning and design, land appraisal and surveying, engineering and

constructing infrastructure, and sale of lands, as well as utility infrastructure on public right-of-way in new development areas and subdivisions until it is accepted by the City.

- **Service Connection Failure Assistance Fund:** This fund is used for the repair and maintenance of water supply and sewage lines from City mains to customer buildings.
- **General Fund:** This is used for activities not accounted for in other funds. These costs are recovered through municipal property taxes, user fees and grants from other levels of government. Each of the other funds pays an administration fee to this fund to pay for costs such as the billing and collection of revenues.
- **Capital Fund:** This fund accounts for capital projects related to the delivery of services and programs in all Operating Funds such as amenities and infrastructure like parks arenas, sidewalks and underground piping.
- **Reserve Fund:** This is a fund of money set aside that is either not needed for the coming year and is earmarked for a specific future use. Examples are the Samuel Colley Donation Reserve that provides for the Yellowknife Public Library, as well as the Heritage Reserve.

The City of Yellowknife Organizational Structure

The City of Yellowknife is organized into **Departments and Divisions**. There are seven **Departments**: Administration, Community Services, Corporate Services, Policy, Communications & Economic Development, Public Safety, Planning and Development, and Public Works and Engineering.

These Departments are then subdivided into **Divisions**, according to the work that they do. An example is the Building Inspections Division within the Department of Planning and Development.

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The Divisions are sometimes further subdivided into **Programs**. A Program is a specific public service within a Division and aims to accomplish a specific service or regulatory program. Programs can then be further divided into **activities**, which is an effort of the Department to achieve a set of program objectives. For example, Capital Planning Activities is a program managed by the Department of Public Works and Engineering.

City Council establishes civic **policies** that determine levels of services. A policy is a plan or guiding principle that sets parameters for decisions and actions. Every Council, at the beginning of its three-year term, also sets goals, objectives and priorities.

Administration establishes operations and maintenance services and capital projects based on this and sets **goals** and **objectives**. Goals are long-term targets, while objectives are specific and measurable results of activities that bring the City closer to its goals.

In creating this document, the following assumptions were used:

- Projected population figures are based on the GNWT's Bureau of Statistics population projections.
- Property tax revenue is calculated using management's best estimation of construction during these periods.
- Expenditures are based on managements' current estimate of the costs of providing the same level of services, using a series of indices.

Definitions

Accrual Basis Accounting: Revenues and expenses are accounted for at the time they are incurred (instead of when cash is spent or received)

Assessed Valuation: A value placed on property (land and building) used to calculate property taxes

Budget: A document which plans how much money will be needed to provide programs and services and how the City will spend money over the next three years

Capital Lease: A lease that transfers both the benefits and risks of ownership of property to the lessee. The lessee should account for a capital lease as an asset and an obligation (debt)

Consumer Price Index (CPI): A statistical description of price levels provided by Statistics Canada used as a measure of the increase in the cost of living (i.e. economic inflation)

Debt Service: Money paid to reduce a financial obligation entered into by the City

Deficit: Expenses (money out) are greater than revenue (money in) over the budgeted period

Environmental Service: All activities related to solid waste management, mosquito abatement and related activities

Evergreen Policy: A policy under which 25% of the City's computer workstations are replaced each year

Expenditure: Money spent by the City on a particular project, program or service

Fiscal Policy: A set of principles for the planning and programming of government budgets and their funding, related to revenues, spending and debt management

Fiscal Year: The 12 months which the year's budget covers. In the City's case, this is the calendar year from January 1 to December 31



Formula Funding: Money transferred to the City by the territorial government, according to a specific formula

Full-time Equivalent Position (FTE): A part-time position converted to the equivalent of a full-time position. For example, a casual secretary who works three weeks full-time would be equivalent to 0.06 of a full-time position

Function: A group of related activities aimed at accomplishing a major service or regulatory program (e.g. public safety)

Gas Tax Refund Program: A federal program, administered through the GNWT, which provides a partial rebate on gasoline taxes to communities for environmentally friendly programs

Generally Accepted Accounting Practices (GAAP): The uniform minimum standards for financial accounting and recording

GNWT: Government of the Northwest Territories (GNWT)- It is our territorial government which governs our city through legislative acts and regulations.

GFOA: Government Finance Officers Association of the United States and Canada

Infrastructure: Roads, buildings, water and sewer systems and parks are all counted as infrastructure for the City of Yellowknife

Levy: Taxes that support government activities

Mill Rate: This is the method through which property taxes are calculated. All commercial and residential properties are assigned a mill rate, which is then multiplied by the Assessed Valuation (see definition) to determine the amount of property tax paid

Object of Expenditure: A classification that details a cost (e.g. office, labour, and operations and maintenance)

O&M: Operating and Maintenance

Program: A series of activities which deliver something to residents that the City is responsible for, such as various recreational programs, maintenance of roads and sidewalks or providing public safety

Services: Paid for through taxes, such as property taxes and user fees (e.g. water, wastewater, solid waste management, recreation, fire protection)

Tangible Capital Expenditure: Costs that have all of the following qualities:

- exceed \$50 000
- are useful and functional for more than three years
- can be permanently identified as a unit of property
- a permanent addition to the value of City assets
- isn't repair or maintenance
- isn't likely to be lost

Examples include the planning, acquisition and installation of items such as land, buildings, and equipment

User Charges: Payment of a fee by the user of a specific service provided by the City, such as water and sewer services or access to recreational facilities

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