

TEN-YEAR CAPITAL PLAN

10-YEAR CAPITAL PLAN (2026-2035)

The 10-Year Capital Plan ("Plan") reflects the capital expenditures that the City is forecasting for the period 2026-2035. The plan identifies the investments that will be required to maintain infrastructure, address environmental issues, and manage growth.

Crucial to the success of any forecasting exercise are the key assumptions used in preparing the Plan.

KEY ASSUMPTIONS

To develop the Plan, information was compiled utilizing the following assumptions:

- The 2026, 2027 and 2028 capital expenditures are based on the draft budgeted expenditures as outlined in this budget document. 2029 – 2035 expenditures are based on the best estimates of required future investments and anticipated funding levels.
- Formula funding and infrastructure funding from the GNWT are expected to remain stable over the ten-year period. Inflationary increases are expected in the formula funding.
- Canada Community Building Fund Funding will continue as promised by the federal government and as outlined in the renewed Canada Community Building Fund Agreement.
- Any additional infrastructure or stimulus grant funding from other orders of government will be used to supplement the annual core funding levels.
- Development costs for new subdivisions and infill of existing subdivisions are included in this Plan and the future development costs will be recovered from the Land Fund and Housing Accelerator Fund (2026 to 2027).

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There are three primary grant sources used for capital funding:

Funding	Source	Description
Formula Funding	GNWT	The Government of the Northwest Territories uses the City's population, property assessment values, and inflation rate to calculate its community points. These points are compared to those of all other Northwest Territories communities to distribute the available funding. The 10-Year Financial Plan is based on the City receiving \$8.3 million in Formula Funding in each year of the plan.
Canada Community-Building Fund	Federal Government	This long-term indexed funding is determined on a per capita basis. It is assumed that the City will receive \$5.3 million plus inflation annually for the next ten years.
Community Public Infrastructure Funding (CPI)	GNWT	This territorial funding is calculated using a base-plus approach. The City is allocated 2% of the total funding available – the base. The City's population and current replacement value of its public infrastructure are used to calculate its community points relative to the total of all communities' points in the NWT. The community points are then used to determine the balance of the CPI allocated to each community. It is estimated that the City will receive \$5.6 million annually for the next ten years.



INFRASTRUCTURE INVESTMENT

The City plans to invest \$231 million over the next ten years to sustain the infrastructure it depends on to deliver services and programs. This will help ensure that the City can safely and sustainably provide core services to protect the health and safety of its citizens, as well as the recreational opportunities that residents

have come to value. This investment will also create a projected capital reserve – expected to total approximately \$122 million by 2035 – for unexpected or unbudgeted costs. These amounts are based on currently-available asset data and may be subject to change.

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												10-Year
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Planned Expenditures (\$000):												
General Government	295	2,186	1,940	1,860	600	600	600	600	600	600	600	10,186
Technology Investments	-	1,500	1,500	1,500	-	-	-	-	-	-	-	4,500
Others	-	126	-	-	100	100	100	100	100	100	100	826
Information Technology Infrastructure Renewal	295	560	440	360	500	500	500	500	500	500	500	4,860
Public Safety	2,386	1,048	865	865	458	458	458	458	458	458	458	5,984
Safety Equipment	77	58	58	58	58	58	58	58	58	58	58	580
Firehall Renovations / Expansion	2,309	-	-	-	-	-	-	-	-	-	-	-
Public Safety Other	-	-	-	-	400	400	400	400	400	400	400	2,800
Wildfire Preparation	-	740	807	807	-	-	-	-	-	-	-	2,354
Wildfire Protection Equipment	-	250	-	-	-	-	-	-	-	-	-	250
Community Services	1,245	3,398	4,051	3,240	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,689
Aquatic Centre	-	170	-	-	-	-	-	-	-	-	-	170
Ruth Inch Memorial Pool Repurposing	-	200	2,500	2,500	-	-	-	-	-	-	-	5,200
Fuel Tank Replacement	100	1,215	-	-	-	-	-	-	-	-	-	1,215
Cooler Replacement Multiplex	675	-	-	-	-	-	-	-	-	-	-	-
Outdoor Recreation	-	760	100	-	-	-	-	-	-	-	-	860
Parks	170	510	1,151	740	-	-	-	-	-	-	-	2,401
City Hall Retrofit	300	-	-	-	-	-	-	-	-	-	-	-
Community Services Others	-	543	300	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	14,843
Public Works	31,868	23,232	24,047	5,585	12,030	12,864	31,289	30,593	10,097	11,173	14,735	175,645
Water & Sewer Capital Replacement	7,400	2,475	-	500	4,000	1,300	4,000	1,300	4,000	1,300	4,000	22,875
Other Water & Sewer Projects	600	150	50	-	3,100	1,600	3,100	1,600	2,000	2,000	2,000	15,600
Submarine Water Supply Line	-	-	-	1,000	2,000	2,000	20,000	20,000	-	-	-	45,000
Liftstation Upgrades / Replacement	15,900	12,900	19,724	2,600	300	300	300	300	300	300	300	37,324
Roads & Sidewalks	629	3,455	400	430	668	4,945	740	5,280	761	5,602	808	23,089
Transportation Plan	300	958	958	-	-	-	-	-	-	-	-	1,916
Solid Waste Management	225	241	126	-	440	440	440	440	440	440	440	3,447
Snowblower	-	350	-	-	-	-	-	-	-	-	-	350
New Landfill / Landfill Expansion	4,500	-	-	-	-	-	-	-	-	-	-	-
Fleet Management	2,314	2,703	2,789	1,055	1,522	2,279	2,709	1,673	2,596	1,531	7,187	26,044
Planning and Development	1,740	1,657	2,134	2,500	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,691
Land Fund Projects	-	-	500	500	500	500	500	500	500	500	500	4,500
Land Surveying (Commissioners)	-	-	-	-	200	200	200	200	200	200	200	1,400
Housing Accelerator Fund (HAF)	1,740	1,657	1,634	-	-	-	-	-	-	-	-	3,291
Climate Action Plan	-	-	-	2,000	500	500	500	500	500	500	500	5,500
Total	37,535	31,521	33,037	14,050	16,288	17,122	35,547	34,851	14,355	15,431	18,993	231,195
Total Available	46,867	37,760	39,058	26,296	40,122	29,542	43,772	35,148	29,259	28,494	34,460	343,912
Surplus (Deficit)	9,332	6,239	6,021	12,246	23,834	12,420	8,225	297	14,904	13,063	15,467	
Closing Balance	9,890	16,129	22,150	34,394	58,228	70,648	78,873	79,170	94,074	107,137	122,604	



MAJOR CAPITAL PROJECTS

General Government

The City plans to invest a total of \$4.5 million in Information Technology over the next ten years. This outlay will help build digital resilience to allow the organization connect more effectively with residents, streamline business processes, and increase efficiency across the board.

Public Safety

In the coming years, the City will undertake a comprehensive upgrade of its safety equipment infrastructure. In addition to routine safety enhancements, a strategic investment will be made in wildfire prevention and protection measures.

Through the Northwest Territories Association of Communities (NWTAC), the City has secured pre-allocated funding of \$2.3 million dedicated to wildfire prevention. This funding must be utilized by March 31, 2033. Eligible expenditures will be reimbursed through semi-annual reporting mechanisms established by the NWTAC. Wildfire prevention and protection initiatives are scheduled to commence in 2026 and will continue on an ongoing basis throughout the ten-year period.

The combined investment in safety equipment upgrades and wildfire prevention and protection is projected to total around \$6 million over the next ten years.

Community Services

The Ruth Inch Memorial Pool officially reached the end of its operational lifespan in 2025, coinciding with the opening of the City's new Aquatic Centre on May 5, 2025. The new facility features:

- A 25-metre, 8-lane lap pool
- A therapy pool
- A splash pad
- Enhanced accessibility features

Following its closure, planning has commenced to repurpose the Ruth Inch Memorial Pool building. The 2026 municipal budget allocates funding to initiate a comprehensive community engagement process aimed at identifying potential future uses for the facility. This phase will also include assessment and preliminary planning to determine viable options for redevelopment. Estimated cost of repurposing project is currently \$5.7 million and Community engagement and planning to begin in 2026.

Over the next ten years, the City of Yellowknife anticipates a total investment of \$24.5 million in municipal facilities, parks, trails, and other public amenities that contribute to residents' quality of life

Public Works

Underground Water and Sewer Infrastructure:

The City initiated the replacement of deteriorated corrugated metal sewer pipes (CMP) in 1984, completing the project in 2018. Building on this foundational work, further investment is planned to address aging underground infrastructure, including water and sewer

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systems. Between 2026 and 2035, the City will allocate \$38.4 million toward:

- Replacement of aging underground water and sewer infrastructure
- Upgrades to complex assets such as potable water pump houses and sewage lift stations

Water Delivery System Assets:

In addition to underground infrastructure, the City continues to invest in the buildings and equipment that support the municipal water delivery system. Key milestones include:

- Expansion of the water reservoir (completed in 2008)
- Completion of the Water Treatment Plant (2015)
- Financing: \$23.8 million borrowed for the Water Treatment Plant, with full repayment scheduled by 2028

Lift Station #1 Replacement:

Construction of the new Lift Station #1 began in 2025 to replace the original 1967 facility, which had exceeded its anticipated lifespan. The new station will accommodate increased demand from upcoming multi-residential developments. Project details include:

- Completion expected by 2028
- Decommissioning of the existing lift station upon completion
- Total project cost: \$54.7 million
- Funding: 75% provided by the Canada Housing Infrastructure Fund

Water Source Expansion:

Following a 2023 water source study, the City identified the need for a new Submarine Water Supply Line to enhance flow capacity from Yellowknife Bay. Project highlights:

- Funding secured: \$25 million through the Disaster Mitigation and Adaptation Fund
- Deadline for expenditure: March 31, 2032
- Scope development and planning to begin in 2028

Road Rehabilitation Program:

The City's road rehabilitation efforts are now funded through targeted initiatives rather than long-term borrowing. Funding sources include:

- Canada Community-Building Fund (CCBF)
- Community Public Infrastructure Funding (CPI)
- Formula Funding

Projected expenditure for road rehabilitation from 2026 to 2035 is \$23 million. Additional funding from the Water and Sewer Infrastructure Replacement Program will support road repairs following underground infrastructure upgrades.

Fleet Renewal Program:

To maintain reliable service delivery, the City manages a fleet of mobile equipment valued at \$27 million. A total of \$20.8 million will be invested in fleet renewal between 2026 and 2035 to ensure operational continuity.



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Landfill Expansion and Capacity Planning:

The City continues to implement its long-term strategy to ensure sufficient landfill capacity at the Solid Waste Facility. Construction of a new landfill cell is scheduled for completion in 2025. This expansion is projected to extend the facility's operational lifespan by an additional five years.

Strategic Waste Management Plan:

In alignment with the Strategic Waste Management Plan adopted in 2018, the City remains committed to reducing overall waste generation. The plan sets a target to decrease per capita waste from the current range of 1,200–2,000 kilograms to 500 kilograms by 2030.

Investment Forecast (2026–2035):

To support safety improvements, extend landfill lifespan, and advance waste reduction initiatives, the City has allocated \$3.5 million in funding for the Solid Waste Facility over the next ten years.

Planning and Development

Commissioner's Land Transfer Discussions:

The City of Yellowknife continues to engage in active discussions with the Government of the Northwest Territories (GNWT) Department of Lands and the Yellowknives Dene First Nation regarding the bulk transfer of all available Commissioner's lands located within the municipal boundary. These discussions aim to support long-term planning and development. Any additional resources secured from other orders of government for related initiatives will be used to supplement departmental budgets and project funding.

Climate Action and Energy Planning:

To advance the City's environmental sustainability goals, the ten-year Climate Action Plan was presented to Council in November 2025. This plan outlines key mitigation and adaptation strategies designed to strengthen both municipal operations and community-wide resilience to climate change.

- The original Corporate and Community Energy Plan (CEP) milestones were completed and subsequently updated in 2017 to guide efforts through 2027.
- The new Climate Action Plan builds on this foundation, fostering partnerships and implementing impactful solutions to reduce emissions and enhance climate resilience.
- Planned investment in CEP initiatives from 2026 to 2035: \$5.5 million.

FINANCING CAPITAL PROJECTS

Capital Funding Strategy and Reserve Management

Funding Sources for Capital Projects:

The City of Yellowknife utilizes a diversified funding strategy to support capital projects and reserve contributions. Primary sources include:

- GNWT formula funding
- Government grants
- Property tax revenue
- Water and sewer fees and levies

Also note that a portion of property tax revenue is currently allocated to debt servicing obligations. To ensure long-term sustainability, the

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City's Ten-Year Capital Plan recommends an annual transfer of around \$2 million from the General Fund to support capital investment. This transfer supplements funding received from other orders of government.

Reserve Fund Management:

The City maintains several reserve funds to allocate resources for specific capital priorities. For example, in fiscal year 2022–2023, \$3.18 million was budgeted from the Major Community Facility Reserve (MCFR) to partially fund the Aquatic Centre. Given current economic volatility and fluctuating costs, it is essential to maintain adequate reserve contributions to avoid rapid depletion and ensure financial resilience.

Grant Funding for Infrastructure Replacement:

Grant funding remains a critical component of the City's strategy for replacing aging infrastructure and facilities. Notable examples include:

- \$10.4 million secured in 2021 from the Investing in Canada Infrastructure Program (ICIP) for paving and landfill cell design/construction
- \$41 million secured in 2025 under the Canada Housing Infrastructure Fund for the Lift Station #1 replacement

Strategic Pursuit of External Funding:

To maintain momentum in infrastructure renewal and address the needs of aging municipal assets, the City must continue to proactively identify and pursue all available grant-funding opportunities from federal and territorial sources.

LONG-TERM DEBT

The City has used debt strategically to fund major infrastructure projects:

- 2013: Borrowed \$23.9 million over 15 years for the Water Treatment Plant. This freed up Canada Community-Building Fund dollars for other capital projects and enabled completion of the CMP program by 2018.
- 2022: Borrowed \$10 million to construct the Aquatic Centre.

Current Debt Constraints:

The above referenced two loans have maxed out the City's debt service limit, restricting further borrowing. In addition, as such, the City has no capacity for new loans at this time.

As such, the City plans to avoid borrowing for the next three years to improve its debt service ratio.

SUMMARY

The City of Yellowknife stands at a pivotal moment—not only in how it delivers services and conducts business, but also in its urgent need to renew aging and critical infrastructure. This transformation is made more complex by macroeconomic pressures such as:

- Volatile market conditions
- The accelerating impacts of climate change
- A stagnating tax base



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These forces demand bold, forward-thinking action. To meet the moment, the City is readying its today for a stronger tomorrow to ensure Yellowknife remains a top destination to live, work, and visit.

Capital Investment Commitment:

To support this vision, the City plans to invest an average of \$23.2 million annually in capital expenditures over the next ten years.

These investments will:

- Modernize essential infrastructure
- Enhance community services
- Stimulate economic growth
- Reinforce Yellowknife's reputation as a vibrant northern capital

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