

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2055

A Bylaw to Establish the Five Year Financial Plan For the Years 2019 - 2023

The Council for the Corporation of the City of Grand Forks, in open meeting assembled, enacts as follows:

1. This bylaw may be cited, for all purposes, as the “Five Year Financial Plan Bylaw, 2019-2023, No. 2055”.
2. Schedule “A” attached hereto and forming part of this bylaw is hereby adopted as the Statement of Objectives and Policies for the Five Year Financial Plan for the years 2019 to 2023.
3. Schedules “B” and “C” attached hereto and forming part of this bylaw are hereby adopted as the Financial Plan schedules of proposed funding sources, expenditures, and transfers between funds for the years 2019 to 2023.

Read a first, second and third time by the Municipal Council this 25th day of March, 2019.

Finally adopted on this 8th day of April, 2019.

Mayor Brian Taylor

Corporate Officer Daniel Drexler

CERTIFICATE

I hereby certify the foregoing to be a true and correct copy of the “Five Year Financial Plan Bylaw, 2019-2023, No. 2055”, as adopted by the Municipal Council of the City of Grand Forks on this 8th day of April, 2019.

Corporate Officer of the Municipal Council of the
City of Grand Forks

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw 2055
Schedule "A" Statement of Objectives and Policies**

In accordance with Section 165 (3.1) of the Community Charter, The City of Grand Forks is required to include in the Five Year Financial Plan, objectives and polices regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

Funding Sources

Objective:

- For operations, to maintain annual increases to a level that approximates the annual increase in inflation unless a specific program or project is identified that requires tax revenue funding.
- For capital and fiscal, to review and address annually the long term needs for capital infrastructure.

Policies

- After an initial correction period, ensure that property tax increases remain as stable as possible over time and within 2 percent above inflation.
- Increase utility rates consistently over time, between 3 and 4 percent, to fund the asset management capital reserves.
- Evaluate and set user fees and charges fairly for the services received.
- Set taxes, fees and charges to achieve full cost recovery, where appropriate, for operating costs.
- Periodically review fees and charges to ensure that they account for inflation and changes in the level of service provided.
- Encourage the use of alternate revenue resources instead of property taxes.

Revenue Source	Amount	% of Total Revenue
Property Value Taxes	\$ 3,928,690	9.4%
Parcel Taxes	161,041	0.4%
Fees and Charges	7,804,998	18.7%
Other Sources	22,726,753	54.7%
Proceeds from Borrowing	891,116	2.1%
Reserve Funding	6,114,537	14.7%
TOTAL	\$ 41,627,135	100.0%

Distribution of Property Taxes

Objective:

- To ensure property taxes and rates are sufficient to meet the City's short and long-term needs.
- To ensure equity among the property classes by reviewing the ratios of property class allocations annually.

Policies:

- Conduct periodic reviews of taxes paid by individual classes.
- Consider tax shifts or redistributions only where a full comprehensive analysis and impact is undertaken.
- Where a tax shift is required, consider a gradual phase-in to allow the properties in the class to adjust their budgets accordingly.
- In establishing property tax rates, take into consideration:
 - The amount of property taxes levied as compared to other municipalities.
 - The property class conversion ratio as compared to other municipalities.
 - The tax share borne by each property class.
 - The tax ratios of each property classification.

The 2019 distribution of property taxes rates among the different classes has not yet been determined. The following distribution is based on rate multiples consistent with prior years:

Property Class	Rate Multiple	% of Property Value Tax
01 Residential	1.00	56.86%
02 Utilities	8.62	1.42%
03 Supportive Housing	1.00	0.00%
04 Major Industry	9.11	21.08%
05 Light Industry	2.93	1.33%
06 Business	2.39	19.27%
07 Managed Forest	3.00	0.00%
08 Recreation/Non Profit	0.80	0.03%
09 Farm	1.08	0.01%
TOTAL		100.00%

Permissive Tax Exemptions

Objective

- Optimize the provision of charitable and not for profit services for the benefit of Grand Forks residents.
- Provide property tax exemptions as permitted under the Community Charter in a consistent and fair manner.
- Restrict the provision of exemption to those providing an extension to City services and minimize the impact on City revenues.
- Consider the development of a revitalization tax exemption program as a means of encouraging commercial investment and increasing the availability of housing in the community.

Policies

- Grand Forks residents must be primary beneficiaries of the organization's services and the services provided must be accessible to all members of the public.
- In guiding and approving permissive tax exemptions, Council will take into consideration:
 - Not-for-profit occupiers of City property for the duration of their occupancy.
 - Land and improvements surrounding a statutorily exempt building for public worship.

**CORPORATION OF THE CITY OF GRAND FORKS
Five Year Financial Plan Bylaw No. 2055
Schedule "B" Five Year Financial Plan 2019-2023**

	2019	2020	2021	2022	2023
	Budget	Budget	Budget	Budget	Budget
Revenues					
Property Taxes	\$ 3,805,740	\$ 3,919,912	\$ 4,037,509	\$ 4,158,634	\$ 4,283,393
Parcel and Frontage Taxes	161,041	161,226	5,826	5,826	-
Grants in Lieu of Taxes	16,627	17,126	17,640	18,169	18,714
Percentage of Revenue Tax	106,323	106,323	106,323	106,323	106,323
Sales of Services and User Fees	7,804,998	8,032,202	8,260,885	8,496,431	8,737,015
Grants	21,867,510	12,676,856	8,454,421	9,562,049	7,637,348
Other Revenues	859,243	410,243	367,743	367,743	367,743
Total Revenues	34,621,482	25,323,888	21,250,347	22,715,175	21,150,536
Expenses					
Purchases for resale	3,419,715	3,488,109	3,557,871	3,629,028	3,701,608
General Government	1,409,487	1,294,217	1,319,441	1,345,169	1,431,412
Protective Services	921,416	894,560	912,251	930,296	948,702
Flood Response & Recovery	128,500	65,535	-	-	-
Transportation Services	2,628,684	1,350,157	1,377,160	1,404,704	1,432,798
Environmental & Health Services	259,160	264,343	269,630	275,023	280,523
Public Health Services	73,230	74,695	76,189	77,713	79,267
Planning and Development	726,900	697,968	507,217	517,161	527,304
Parks, Recreation and Cultural Services	1,238,689	1,380,914	1,381,612	1,408,844	1,436,621
Water Services	779,430	825,619	842,131	858,974	876,153
Electrical Services	664,700	728,994	743,574	758,445	773,614
Wastewater Services	701,960	726,199	740,723	755,537	770,648
Amortization	1,975,420	2,250,511	2,272,720	2,283,379	2,309,455
Debt Interest	162,491	156,956	154,093	153,971	153,971
Total Expenses	15,089,782	14,198,777	14,154,612	14,398,244	14,722,076
Surplus (Deficit) for the year	\$ 19,531,700	\$ 11,125,111	\$ 7,095,735	\$ 8,316,931	\$ 6,428,460
Adjusted for non-cash items					
Amortization	1,975,420	2,250,511	2,272,720	2,283,379	2,309,455
Total Cash from Operations	\$ 21,507,120	\$ 13,375,622	\$ 9,368,455	\$ 10,600,310	\$ 8,737,915
Adjusted for Cash Items					
Proceeds from Borrowing	891,116	-	-	-	-
Capital Expenditures	(26,951,471)	(14,001,374)	(9,298,852)	(10,991,253)	(8,551,183)
Inventory Expenditures	(50,000)				
Debt Principal Repayments	(352,847)	(310,848)	(199,299)	(164,316)	(164,316)
Transfer from Reserves	6,114,537	2,559,000	1,914,000	2,514,000	2,014,000
Transfer to Capital Reserves	(1,100,000)	(1,600,000)	(1,700,000)	(1,900,000)	(2,000,000)
Transfer to/from Operating Reserves	(4,096)	(15,000)	(15,000)	(15,000)	(15,000)
Transfer to Surplus	(54,359)	(7,400)	(69,304)	(43,741)	(21,416)
	\$ (21,507,120)	\$ (13,375,622)	\$ (9,368,455)	\$ (10,600,310)	\$ (8,737,915)
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw No. 2055
Schedule "C" - Five Year Financial Plan 2019-2023**

CAPITAL EXPENDITURES - 2019			FUNDED FROM				
			Land Sales		Debt	Grants	Other
Description	Fund	Amount	Reserves	Reserve			
2018 Carry Forward Projects							
Silver Kettle Sidewalk	General	26,454	26,454				
Public Works Fuel Tanks	General	92,754	92,754				
Public Works - 22nd Street	General	32,721	-		32,721		
Wayfaring Signs	General	53,750	53,750				
Airport AWOS Ugrade	General	8,377	2,095			6,282	
Expo Sign changes	General	23,000	23,000				
Library HRV	General	12,000	-				12,000
Flood Plain Mapping & Risk Assessment	General	90,160	38,366			51,794	
City Park Campground Upgrade	General	70,000	70,000				
Data Collection Equipment	General	24,661	24,661				
LED Street Lighting	General	139,700	139,700				
Public Works Upgrades	General	6,409	6,409				
Facilities Review	General	10,000	10,000				
Annual Facility upgrades and replacement plan	General	15,000	15,000				
Renewable energy program	General	25,000	25,000				
Central Ave Sidewalk Replacement	General	11,550	11,550				
7th Street Storm Sewer	General	10,000	10,000				
SolarNow Solar Panel Installation	General	38,500	22,232			16,268	
City Hall HVAC	General	7,500	7,500				
Flood Plain Risk Management & Protection	General	172,628	-			172,628	
Dike Reconstruction	General	2,406,000	682,000			1,724,000	
Annual Low Impact Storm water Program	General	25,000	25,000				
Annual Emergency Facility Fund	General	30,000	30,000				
Fleet replacement	Fleet	285,900	285,900				
Electric Mower	Fleet	20,000	20,000				
Service Truck Replacement	Fleet	15,300	15,300				
Electrical Engineering	Electrical	30,367	30,367				
Annual Electrical System Upgrade Programs	Electrical	100,000	100,000				
Fuse Coordination Study and implementation	Electrical	15,000	15,000				
Electrical Master Plan	Electrical	35,000	35,000				
5th Street Watermain Replacement	Water	25,600	25,600				
West Side Fire Protection	Water	858,395	-		858,395		
Water Supply & Conservation	Water	10,000	10,000				
Granby Water Crossing / Yale Bridge water main	Water	10,000	10,000				
Interfor Property Isolation	Water	150,000	150,000				
Well 5 VFD	Water	40,000	40,000				
Shared Property (strata, trailers) Water Meters	Water	28,130	28,130				
Water service upgrade - City Park, 7th St., etc...	Water	120,903	120,903				
136 Sagamore/Airport Water Line Extension	Water	25,000	25,000				
Airport Water Main Looping	Water	60,459	60,459				
Water Main Airport	Water	128,000	-			128,000	
Sewer Main Relining	Sewer	58,785	58,785				
Granby River Force Main Crossing	Sewer	7,160	7,160				
MWR Discharge Requirements	Sewer	100,000	100,000				
Wastewater Treatment Plant UV	Sewer	427,295	-	142,432		284,863	
3rd Street Sewer Main Repair	Sewer	35,300	35,300				
Wastewater Treatment Plant Upgrades	Sewer	2,557,242	434,730			2,122,512	
Bio-Solids Land Application Plan	Sewer	25,000	25,000				
Subtotal 2018 Carry Forward Projects		8,500,000	2,948,105	142,432	891,116	4,506,347	12,000

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw No. 2055
Schedule "C" - Five Year Financial Plan 2019-2023**

CAPITAL EXPENDITURES - 2019			FUNDED FROM				
			Land Sales				
Description	Fund	Amount	Reserves	Reserve	Debt	Grants	Other
2019 New Projects							
Library Roof Repairs	General	250,000	250,000				
Facility Security Systems	General	50,000	50,000				
Printers and IT Equipment	General	70,000	70,000				
Construction Fencing	General	15,000	15,000				
Downtown Sidewalk Drops	General	15,000	15,000				
Storm Water Management Plan	General	60,000	60,000				
Bridge Repairs	General	50,000	50,000				
Command Vehicle 2 Replacement	Fleet	80,000	80,000				
Recloser for FDR 5	Electrical	30,000	30,000				
Electrical System Upgrades	Electrical	50,000	50,000				
Valley Heights - Transformers	Electrical	60,000	60,000				
Pole Changes - FDR 3 & 5	Electrical	20,000	20,000				
Three Phase Meter Change	Electrical	40,000	40,000				
Galvanized Main Replacement	Water	50,000	50,000				
Inflow & Infiltration Study	Sewer	50,000	50,000				
Industrial Lift Station Rebuild	Sewer	300,000	300,000				
Inspection Chamber Installations	Sewer	10,000	10,000				
City Park Pump Replacement	Sewer	90,000	90,000				
Flood Alert Sewer Monitoring	Sewer	24,000	24,000				
Emergency Repair Funds	Sewer	160,000	160,000				
Emergency Gaps Funding	General	250,000	250,000				
SIIP Capital and Planning	General	1,100,000	800,000				300,000
National Disaster Mitigation Plan	General	300,000	300,000				
Disaster Mitigation & Adaptation	General	15,327,471	200,000			15,127,471	
Subtotal 2019 New Projects		18,451,471	3,024,000	-	-	15,127,471	300,000
TOTAL CAPITAL EXPENDITURES							
		26,951,471	5,972,105	142,432	891,116	19,633,818	312,000