

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2045

A Bylaw to Establish the Five Year Financial Plan For the Years 2018 - 2022

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, 2018-2022, No. 2045”.
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 2018 to 2022.
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 2018 to 2022.

Read a first, second and third time by the Municipal Council this 26th day of March, 2018.

Finally adopted on this 9th day of April, 2018.

Mayor Frank Konrad

Corporate Officer Diane Heinrich

C E R T I F I C A T E

I hereby certify the foregoing to be a true and correct copy of the “Five Year Financial Plan Bylaw, 2018-2022, No. 2045”, as adopted by the Municipal Council of the City of Grand Forks on this 9th day of April, 2018.

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

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw 2045
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 policies 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	\$ 3,921,566	16.0%
Parcel Taxes	161,226	0.7%
Fees and Charges	7,786,866	31.9%
Other Sources	6,618,666	27.0%
Proceeds from Borrowing	1,484,854	6.1%
Reserve Funding	4,462,583	18.3%
TOTAL	\$ 24,435,761	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 2018 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	55.31%
02 Utilities	7.92	1.39%
04 Major Industry	8.64	21.11%
05 Light Industry	2.93	1.45%
06 Business	2.39	20.70%
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.

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
5 Year Financial Plan Bylaw No. 2045
Schedule "B" Five Year Financial Plan 2018-2022

	2018	2019	2020	2021	2022
	Budget	Budget	Budget	Budget	Budget
Revenues					
Property Taxes	\$ 3,804,524	\$ 3,918,660	\$ 4,036,220	\$ 4,157,307	\$ 4,282,026
Parcel and Frontage Taxes	161,226	161,226	161,226	5,826	5,826
Grants in Lieu of Taxes	17,147	17,661	18,191	18,737	19,299
Percentage of Revenue Tax	99,895	104,000	104,000	104,000	104,000
Sales of Services and User Fees	7,786,866	8,006,106	8,234,649	8,470,049	8,712,511
Grants	6,291,366	1,022,879	1,037,667	1,052,591	1,067,653
Other Revenues	327,300	327,300	327,300	327,300	327,300
Total Revenues	18,488,324	13,557,832	13,919,253	14,135,810	14,518,615
Expenses					
Purchases for resale	3,490,408	3,560,216	3,631,420	3,704,049	3,778,130
General Government	1,296,871	1,266,728	1,291,063	1,315,884	1,341,202
Protective Services	926,782	899,218	917,003	935,143	953,646
Transportation Services	1,256,315	1,225,341	1,249,848	1,274,845	1,300,341
Environmental & Health Services	236,145	240,868	245,685	250,599	255,611
Public Health Services	84,823	86,519	88,249	90,014	91,814
Planning and Development	445,400	406,768	404,173	411,726	419,430
Parks, Recreation and Cultural Services	1,390,940	1,298,771	1,317,520	1,309,645	1,329,152
Water Services	822,067	787,508	803,258	819,323	835,709
Electrical Services	674,674	688,167	701,930	715,969	730,288
Wastewater Services	700,468	714,477	728,767	743,342	758,209
Amortization	1,867,611	2,177,750	2,292,854	2,316,959	2,344,098
Debt Interest	132,727	188,987	163,262	161,015	160,926
Total Expenses	13,325,231	13,541,318	13,835,032	14,048,513	14,298,556
Surplus (Deficit) for the year	\$ 5,163,093	\$ 16,514	\$ 84,221	\$ 87,297	\$ 220,059
Adjusted for non-cash items					
Amortization	1,867,611	2,177,750	2,292,854	2,316,959	2,344,098
Total Cash from Operations	\$ 7,030,704	\$ 2,194,264	\$ 2,377,075	\$ 2,404,256	\$ 2,564,157
Adjusted for Cash Items					
Proceeds from Borrowing	1,484,854	-	-	-	-
Capital Expenditures	(11,197,382)	(2,344,000)	(2,259,000)	(2,364,000)	(2,429,000)
Debt Principal Repayments	(324,105)	(373,961)	(328,837)	(213,837)	(181,656)
Transfer from Reserves	4,462,583	2,344,000	2,259,000	2,364,000	2,429,000
Transfer to Reserves	(1,400,000)	(1,800,000)	(2,000,000)	(2,100,000)	(2,300,000)
Transfer to Surplus	(56,654)	(20,303)	(48,238)	(90,419)	(82,501)
	\$ (7,030,704)	\$ (2,194,264)	\$ (2,377,075)	\$ (2,404,256)	\$ (2,564,157)
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw No. 2045
Schedule "C" - Five Year Financial Plan 2018-2022

CAPITAL EXPENDITURES - 2018		FUNDED FROM									
		RESERVES					Climate Action				
Description	Fund	Amount	General Capital	Electrical Capital	Water Capital	Equipment	Land Sales	Gas Tax	Debt	Grants	Other
2017 Carry Forward Projects											
Silver Kettle Sidewalk	General	181,141	181,141								
Public Works Fuel Tanks	General	53,826	53,826								
Public Works Upgrades	General	20,000	20,000								
Public Works - 22nd Street	General	556,070							556,070		
Wayfaring Signs	General	65,000									
Airport AWOS Upgrade	General	42,298	10,574							31,724	
Expo Sign changes	General	35,000									
Library HRV	General	12,000									12,000
Emergency Repair Fund	General	10,914	10,914								
Flood Plain Mapping & Dike Restoration	General	117,500	50,000								
5 tonne Dump Truck	Fleet	250,000				250,000					
T-Tech trailer	Fleet	11,325				11,325					
Service Truck Replacement	Fleet	15,305	15,305								
Holder Replacement	Fleet	40,541				40,541					
Electrical Engineering	Electrical	30,367	30,367								
Electrical Voltage Conversion	Electrical	535,767	535,767								
Wastewater Treatment Plant UV	Sewer	437,932									
Headworks Grinder	Sewer	38,679						145,977		291,955	
Water/Sewer Scada	Sewer	2,854						38,679			
3rd Street Sewer Main Repair	Sewer	35,309	35,309					2,854			
Wastewater Treatment Plant Upgrades	Sewer	2,748,751	467,288								
Bio-Solids Land Application Plan	Sewer	25,000	25,000							2,281,463	
Sewer Phasing Plan	Sewer	78,500	13,345								
Water/Sewer Scada	Water	3,219						3,219		65,155	
5th Street Watermain Replacement	Water	41,152						41,152			
West Side Fire Protection	Water	923,932									
Water Supply & Conservation	Water	10,000			10,000						
Subtotal 2017 Carry Forward Projects		6,322,382	1,448,836	-	10,000	301,866	190,729	41,152	1,484,854	2,737,797	7,148

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Schedule "C" - Five Year Financial Plan 2018-2022

CAPITAL EXPENDITURES - 2018			FUNDED FROM												
Description	Fund	Amount	RESERVES					CLIMATE			Slag	DEBT	GRANTS	OTHER	
			General Capital	Electrical Capital	Water Capital	Equipment	Land Sales	Gas Tax	Action						
2018 New Projects															
City Park Campground Upgrade	General	20,000													
Data Collection Equipment	General	30,000													
Ball Diamond Rebuild to baseball specs	General	10,000													
LED Street Lighting	General	400,000													
Public Works Upgrades	General	45,000													
Facilities Review	General	10,000													
Annual Facility upgrades and replacement plan	General	15,000													
Annual Emergency Facility Fund	General	30,000													
Renewable energy program	General	25,000													
Replace Crosswalks in City Core	General	50,000													
Central Ave Sidewalk Replacement	General	40,000													
Bridge Approach Paving	General	20,000													
Annual Water and Sewer Emergency Repair Fund	General	50,000													
7th Street Storm Sewer	General	10,000													
SolarNow Solar Panel Installation	General	65,000													
Fleet replacement	Fleet	300,000													
Electric Mower	Fleet	20,000													
Annual Low Impact Storm water Program	General	25,000													
Annual Electrical System Upgrade Programs	Electrical	100,000													
Fuse Coordination Study and Implementation	Electrical	15,000													
Electrical Master Plan	Electrical	35,000													
Granby Water Crossing/ Yale Bridge water main	Water	10,000													
Interfor Property Isolation	Water	150,000													
Well 5 VFD	Water	50,000													
Shared Property (strata, trailers) Water Meters	Water	50,000													
Water service upgrade - City Park, 7th St., etc...	Water	125,000													
136 Sagamore/Airport Water Line Extension	Water	25,000													
Airport Water Main Looping	Water	75,000													
Water Main Airport	Water	2,480,000													
Sewer Main Relining	Sewer	60,000													
Lift Station Pumps	Sewer	25,000													
Granby River Force Main Crossing	Sewer	10,000													
MWR Discharge Requirements	Sewer	500,000													
Subtotal 2018 New Projects		4,875,000	1,680,000	35,000	35,000	20,000	-	560,000	40,000	-	-	2,505,000	-	-	-
TOTAL CAPITAL EXPENDITURES		11,197,382	3,128,836	35,000	45,000	321,866	190,729	601,152	40,000	100,000	1,484,854	5,242,797	7,148		