

# Request for Decision



To: Committee of the Whole  
From: Financial Services  
Date: January 10, 2022  
Subject: 2021-2025 Financial Plan Amendment Bylaw No. 2078-A1  
Recommendation: **THAT the Committee of the Whole recommends to Council to give first three readings of the 2021-2025 Financial Plan Amendment Bylaw, No. 2078-A1 at the January 24, 2022 Regular Meeting**

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## Purpose

To refer the proposed 2021-2025 Financial Plan Amendment Bylaw to the January 24<sup>th</sup> Regular Meeting for first three readings.

## Background

Since the adoption of the five year financial plan on March 22nd, Council has passed various resolutions to reallocate or approve additional capital expenditures. An amendment to the financial plan is required to adjust for these, as well as anticipated additional expenses, and revenue shortfalls.

Staff has reviewed the year-to-date revenues and expenses, and is proposing revisions to the financial plan based on actual or a best estimate of projected amounts.

The following are details of the adjustments incorporated into this amendment:

### Revenues

- Property taxes and franchise – adjusted to actual	(10,921)
- Additional campground, airport and cemetery revenues	28,060
- Building permits and rental program income	221,900
- Slag sales – estimated decrease	(35,000)
- Insurance and other recoveries	62,150
- Investment income	39,360
- Utility revenues – decreased usage charges	(48,780)
- Gas tax and small communities grants - adjusted to actual	232,721
- Regional District rural fire recovery	(29,960)
- Rural Dividend, Tourism Dependent Communities and other grants	189,958
- Donations – flow-through	<u>66,300</u>
Total revenue adjustments (increase)	\$ 715,788

### Expenses

- General government - administration and elections	90,700
- Protective services – fire, security and transient liaison	(17,200)

- Disaster response and recovery - DMAF expenses	261,520
- Environmental and health services - solid waste collection	(17,000)
- Public health services – cemetery operations	26,500
- Development services – tourism dependent communities and housing rental programs	150,500
- Parks, recreation & cultural services	25,000
- Electrical utility – purchased electricity	(50,000)
- Electrical utility – operating expenses	(100,000)
- Water utility – operating expenses	(50,000)
- Wastewater utility – operating expenses	50,000
- Amortization (non-cash expense)	<u>165,000</u>
Total expense adjustments (increase)	\$ 535,020

### Capital Projects

New projects and/or increases to existing projects:

- Paving program	28,500
- Fire services command vehicle	52,500
- Donaldson Drive infrastructure upgrades	100,000
- Gallery2 masonry – Tourism Dependent Communities grant	60,000
- Cemetery storage – from operations, over capitalization threshold	35,000

Existing capital funds reallocated to the above projects:

- Donaldson paving assessment	(28,500)
- Public works roof	(38,000)
- SCBA air compressor	(2,500)
- Inflow & infiltration study	(50,000)
- Galvanized pipe replacement	(33,000)
- Sewer pipe engineering	<u>(20,000)</u>

Total capital project adjustments \$104,000

The net additions to capital consist of \$60,000 for the TDC grant funded Gallery2 masonry rehabilitation program, \$35,000 for the cemetery storage building which is funded by operations, but exceeds the threshold for capitalization, \$12,000 for the portion of the command vehicle funded by operating expense, and a decrease of \$3,000 arising from unallocated savings from the galvanized pipe replacement project.

Reserves are estimated to increase by \$231,081, primarily due to the receipt of \$235,721 of additional Gas Tax funding. This is offset slightly by the forecast decrease in slag revenues, increase in investment income, and the loss of revenue due to cancellation of the CARIP grant program.

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## Benefits or Impacts

### General

Amending the Financial Plan ensures that the City's additional expenditures are properly authorized and in compliance with provisions of the *Community Charter*.

## Finances

These financial plan amendments will increase the 2021 surplus by \$180,768, with \$122,018 of this representing operating surplus and \$58,750 for additional capital grants. The net transfer to reserves has increased by \$228,081 and the net transfer from reserves has decreased by \$3,000, while transfers to surplus are forecast to decrease by \$10,687.

## Strategic Impact

N/A

## Risk Assessment

### Compliance:

Section 173 of the *Community Charter* requires all expenditures to be included in the current year's financial plan. Section 165 (2) allows Council to amend the financial plan by bylaw at any time after adoption.

### Risk Impact:

Low

### Internal Control Process:

Staff will post notice of the proposed amendment to the financial plan on the City's website in order to give taxpayers an opportunity to review it and provide feedback prior to first three readings.

## Next Steps / Communication

This bylaw will be brought forward to the January 24<sup>th</sup> Regular Meeting for first three readings.

## Attachments

2021-2025 Financial Plan Amendment Bylaw No. 2078-A1  
Revised Supplementary Schedule – 2021 Capital Projects

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## Recommendation

**THAT the Committee of the Whole recommends to Council to give first three readings of the 2021-2025 Financial Plan Amendment Bylaw, No. 2078-A1 at the January 24, 2022 Regular Meeting**

## Options

1. The Committee of the Whole could chose to refer this bylaw to a later meeting. However, Staff recommends that the budget amendment be adopted before the 2022 Five Year Financial Plan is introduced in early March.

## Report Approval Details

Document Title:	By2078-A1 Financial Plan Amendment COTW.docx
Attachments:	- By2078-A1 - Five Year Financial Plan Amendment 2021-2025.pdf - Revised Schedule - 2021 Capital Projects.pdf
Final Approval Date:	Jan 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Daniel Drexler

Duncan Redfearn

# THE CORPORATION OF THE CITY OF GRAND FORKS

## BYLAW NO. 2078-A1

### A Bylaw to Amend the Five Year Financial Plan For the Years 2021 - 2025

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Whereas pursuant to Section 165 of the *Community Charter*, "Five Year Financial Plan Bylaw, 2021-2025, No. 2078" was adopted on March 22, 2021, and

Whereas the financial plan may be amended by bylaw at any time;

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

1. Five Year Financial Plan Bylaw, 2021-2025, No. 2078 is hereby amended by deleting Schedule "B" and replacing it with Schedule "B" attached to and forming part of this bylaw.
2. This bylaw may be cited, for all purposes, as the "2021-2025 Financial Plan Amendment Bylaw, No. 2078-A1".

Read a first, second and third time by the Municipal Council this 24th day of January, 2022.

Finally adopted on this 14th day of February, 2022.

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Mayor Brian Taylor

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Corporate Officer Daniel Drexler

### CERTIFICATE

I hereby certify the foregoing to be a true copy of Bylaw No. 2078-A1 as adopted by the Municipal Council of the City of Grand Forks on this 14th day of February, 2022.

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

**CORPORATION OF THE CITY OF GRAND FORKS**  
**Five Year Financial Plan Amendment Bylaw No. 2078-A1**  
**Schedule "B" Five Year Financial Plan 2021-2025**

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<b>Revenues</b>					
Property Taxes	\$ 3,957,299	\$ 4,038,209	\$ 4,118,973	\$ 4,201,352	\$ 4,285,379
Parcel and Frontage Taxes	5,826	5,826	5,826	5,826	5,826
Grants in Lieu of Taxes	32,869	42,422	43,271	44,137	45,020
Percentage of Revenue Tax	101,513	101,520	101,520	101,520	101,520
Sales of Services and User Fees	7,872,488	7,848,497	7,943,197	8,039,327	8,137,017
Grants	12,014,229	20,925,826	13,393,409	3,669,032	1,355,400
Other Revenues	486,706	296,810	297,585	313,376	329,183
<b>Total Revenues</b>	<b>24,470,930</b>	<b>33,259,110</b>	<b>25,903,781</b>	<b>16,374,570</b>	<b>14,259,345</b>
<b>Expenses</b>					
Purchases for resale	3,340,830	3,138,489	3,200,259	3,263,264	3,327,529
General Government	1,561,164	1,483,491	1,426,171	1,454,405	1,483,203
Protective Services	1,043,185	1,080,592	1,101,204	1,122,228	1,143,673
Disaster Response & Recovery	261,520	-	-	-	-
Transportation Services	1,393,163	1,400,627	1,428,640	1,457,213	1,481,257
Environmental & Health Services	272,080	294,862	300,759	306,774	312,909
Public Health Services	103,634	78,677	80,251	81,856	83,493
Planning and Development	1,309,249	768,608	656,080	587,201	516,945
Parks, Recreation and Cultural Services	1,359,162	1,347,237	1,373,781	1,400,856	1,423,373
Water Services	730,694	757,548	772,699	788,153	803,916
Electrical Services	692,947	805,746	821,861	838,298	855,064
Wastewater Services	818,169	780,472	796,081	812,003	828,243
Amortization	1,964,564	1,895,829	1,894,710	1,914,557	1,941,337
Debt Interest	113,328	113,260	113,260	113,260	113,260
<b>Total Expenses</b>	<b>14,963,689</b>	<b>13,945,438</b>	<b>13,965,756</b>	<b>14,140,068</b>	<b>14,314,202</b>
<b>Surplus (Deficit) for the year</b>	<b>\$ 9,507,241</b>	<b>\$ 19,313,672</b>	<b>\$ 11,938,025</b>	<b>\$ 2,234,502</b>	<b>\$ (54,857)</b>
<b>Adjusted for non-cash items</b>					
Amortization	1,964,564	1,895,829	1,894,710	1,914,557	1,941,337
<b>Total Cash from Operations</b>	<b>\$ 11,471,805</b>	<b>\$ 21,209,501</b>	<b>\$ 13,832,735</b>	<b>\$ 4,149,059</b>	<b>\$ 1,886,480</b>
<b>Adjusted for Cash Items</b>					
Proceeds from Borrowing	26,114	-	-	-	-
Capital Expenditures	(12,941,488)	(23,305,432)	(14,621,170)	(4,230,719)	(1,220,000)
Debt Principal Repayments	(149,051)	(115,158)	(115,158)	(115,158)	(115,158)
Transfer from Reserves	1,184,374	898,589	1,463,593	786,118	56,578
Transfer to Capital Reserves	(886,223)	(821,500)	(560,000)	(589,300)	(607,900)
Transfer to/from Surplus	1,294,469	2,134,000	-	-	-
	<b>(11,471,805)</b>	<b>(21,209,501)</b>	<b>(13,832,735)</b>	<b>(4,149,059)</b>	<b>(1,886,480)</b>
<b>Financial Plan Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CORPORATION OF THE CITY OF GRAND FORKS**  
**SUPPLEMENTARY INFORMATION - 2021-2025 FINANCIAL PLAN AMENDMENT BYLAW NO. 2078-A1**  
**CAPITAL PROJECTS**

CAPITAL EXPENDITURES - 2021		FUNDED FROM										
		Capital	Electrical Capital	Water Capital	RESERVES				Slag	DEBT	GRANTS	SURPLUS OTHER
Description	Amount				Sewer Capital	Equipment	Land Sales	Gas Tax				
<b>2020 Carry Forward Projects</b>												
Wayfaring Signs	53,750								13,750		40,000	
Public Works Seacan Roof	20,000	20,000										
Silver Kettle Sidewalk	26,454	26,454										
Public Works - 22nd Street	26,114									26,114		
Firehall Vestibule Security	15,000	15,000										
Annual Low Impact Storm water Program	25,000	25,000										
Paving Assessment - Donaldson	11,500							11,500				
Downtown Sidewalk Drops	15,000	15,000										
Bridge Repairs	50,000	50,000										
IT Upgrades	33,670								33,670			
Flood Plain Risk Management	19,000										19,000	
Disaster Mitigation & Adaptation	7,000,000										6,500,000	500,000
Valley Heights - Transformers	10,500		10,500									
Sewer Main River Crossing	500,000							500,000				
Bio-Solids Land Application Plan	25,000	25,000			-							
City Park Pump Replacement	90,000	90,000										
<b>Subtotal 2020 Carry Forward Projects</b>	<b>7,920,988</b>	<b>266,454</b>	<b>10,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>511,500</b>	<b>47,420</b>	<b>26,114</b>	<b>6,559,000</b>	<b>500,000</b>
<b>2021 New Projects</b>												
Public Works Seacan Roof (additional)	20,000											20,000
Public Works Roof	362,000											362,000
Gallery2 Masonry - TDC Program	60,000										60,000	
IT Upgrades	45,000											45,000
Security System	30,000											30,000
Fire Department - SCBA replacements	100,000										50,000	50,000
Fire Department - SCBA Air Compressor	27,500										13,750	13,750
Fire Department - Command Vehicle	52,500											52,500
Airport Crack Sealing	40,000							40,000				
Paving Program	228,500							228,500				
Storm Drainage	100,000											100,000
Donaldson Drive Infrastructure Repair	100,000	50,000		30,000								20,000
Multi-utility Report Update	50,000											50,000
Fleet Replacement	115,000											115,000
East Side Reservoir	3,500,000										3,500,000	
Water/Sewer Scada	20,000											20,000
Wastewater Treatment Plant UV	35,000											35,000
Emergency Capital Repairs	100,000											100,000
<b>From Operations - Over Threshold</b>												
Cemetery Storage	35,000											35,000
<b>Subtotal 2021 New Projects</b>	<b>5,020,500</b>	<b>50,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268,500</b>	<b>-</b>	<b>-</b>	<b>3,623,750</b>	<b>1,048,250</b>
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>12,941,488</b>	<b>316,454</b>	<b>10,500</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>780,000</b>	<b>47,420</b>	<b>26,114</b>	<b>10,182,750</b>	<b>1,548,250</b>