

**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**

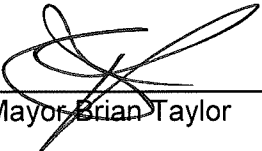
---

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 25<sup>th</sup> day of March, 2019.

Finally adopted on this 8<sup>th</sup> day of April, 2019.

  
\_\_\_\_\_  
Mayor Brian Taylor

  
\_\_\_\_\_  
Corporate Officer Daniel Drexler

**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, 2019-2023, No. 2055", as adopted by the Municipal Council of the City of Grand Forks on this 8<sup>th</sup> 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.

| <b>Revenue Source</b>   | <b>Amount</b>        | <b>% of Total Revenue</b> |
|-------------------------|----------------------|---------------------------|
| 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         | 6,130,537            | 14.7%                     |
| <b>TOTAL</b>            | <b>\$ 41,643,135</b> | <b>100.0%</b>             |

**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%                   |
| <b>TOTAL</b>             |               | <b>100.00%</b>          |

**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<br>Budget         | 2020<br>Budget         | 2021<br>Budget        | 2022<br>Budget         | 2023<br>Budget        |
|---|------------------------|------------------------|-----------------------|------------------------|-----------------------|
| <b>Revenues</b>                         |                        |                        |                       |                        |                       |
| 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               |
| <b>Total Revenues</b>                   | <b>34,621,482</b>      | <b>25,323,888</b>      | <b>21,250,347</b>     | <b>22,715,175</b>      | <b>21,150,536</b>     |
| <b>Expenses</b>                         |                        |                        |                       |                        |                       |
| 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 | 1,251,824              | 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               |
| <b>Total Expenses</b>                   | <b>15,102,917</b>      | <b>14,198,777</b>      | <b>14,154,612</b>     | <b>14,398,244</b>      | <b>14,722,076</b>     |
| <b>Surplus (Deficit) for the year</b>   | <b>\$ 19,518,565</b>   | <b>\$ 11,125,111</b>   | <b>\$ 7,095,735</b>   | <b>\$ 8,316,931</b>    | <b>\$ 6,428,460</b>   |
| <b>Adjusted for non-cash items</b>      |                        |                        |                       |                        |                       |
| Amortization                            | 1,975,420              | 2,250,511              | 2,272,720             | 2,283,379              | 2,309,455             |
| <b>Total Cash from Operations</b>       | <b>\$ 21,493,985</b>   | <b>\$ 13,375,622</b>   | <b>\$ 9,368,455</b>   | <b>\$ 10,600,310</b>   | <b>\$ 8,737,915</b>   |
| <b>Adjusted for Cash Items</b>          |                        |                        |                       |                        |                       |
| Proceeds from Borrowing                 | 891,116                | -                      | -                     | -                      | -                     |
| Capital Expenditures                    | (26,967,471)           | (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                  | 6,130,537              | 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                     | (41,224)               | (7,400)                | (69,304)              | (43,741)               | (21,416)              |
|   | <b>\$ (21,493,985)</b> | <b>\$ (13,375,622)</b> | <b>\$ (9,368,455)</b> | <b>\$ (10,600,310)</b> | <b>\$ (8,737,915)</b> |
| <b>Financial Plan Balance</b>           | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>           | <b>\$ -</b>            | <b>\$ -</b>           |

**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      |                |                |                  |               |        |
|--|------------|------------------|------------------|----------------|----------------|------------------|---------------|--------|
|  |            |                  | Description      | Fund           | Amount         | Land Sales       |               | Debt   |
| Reserves   | Reserve    |                  |                  |                |                |                  |               |        |
| <b>2018 Carry Forward Projects</b>                 |            |                  |                  |                |                |                  |               |        |
| 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           |                |                |                  |               |        |
| <b>Subtotal 2018 Carry Forward Projects</b>        |            | <b>8,500,000</b> | <b>2,948,105</b> | <b>142,432</b> | <b>891,116</b> | <b>4,506,347</b> | <b>12,000</b> |        |

**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      |                    |                |                   |                |
|-----------------------------------|------------|-------------------|------------------|--------------------|----------------|-------------------|----------------|
|                                   |            |                   | Reserves         | Land Sales Reserve | Debt           | Grants            | Other          |
| Description                       | Fund       | Amount            |                  |                    |                |                   |                |
| <b>2019 New Projects</b>          |            |                   |                  |                    |                |                   |                |
| Library Roof Repairs              | General    | 250,000           | 250,000          |                    |                |                   |                |
| Library Feasibility Study         | General    | 16,000            | 16,000           |                    |                |                   |                |
| 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        |                |
| <b>Subtotal 2019 New Projects</b> |            | <b>18,467,471</b> | <b>3,040,000</b> | <b>-</b>           | <b>-</b>       | <b>15,127,471</b> | <b>300,000</b> |
| <b>TOTAL CAPITAL EXPENDITURES</b> |            | <b>26,967,471</b> | <b>5,988,105</b> | <b>142,432</b>     | <b>891,116</b> | <b>19,633,818</b> | <b>312,000</b> |