

# THE CORPORATION OF THE CITY OF GRAND FORKS

## BYLAW NO. 2071

### A Bylaw to Establish the Five Year Financial Plan For the Years 2020 - 2024

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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, 2020-2024, No. 2071".
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 2020 to 2024.
3. Schedule "B" attached hereto and forming part of this bylaw is hereby adopted as the Financial Plan schedule of proposed funding sources, expenditures, and transfers between funds for the years 2020 to 2024.


Read a first, second and third time by the Municipal Council this 20th day of April, 2020.

Authority for final adoption on the same day was given by Ministerial Order M083 Section 9 on March 26, 2020.

Finally adopted on this 20th day of April, 2020.



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, 2020-2024, No. 2071", as adopted by the Municipal Council of the City of Grand Forks on this 20<sup>th</sup> day of April, 2020.

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

**CORPORATION OF THE CITY OF GRAND FORKS  
5 Year Financial Plan Bylaw 2071  
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	\$ 4,071,573	10.6%
Parcel Taxes	153,808	0.4%
Fees and Charges	7,935,019	20.6%
Other Sources	21,344,808	55.3%
Reserve Funding	5,041,339	13.1%
<b>TOTAL</b>	<b>\$ 38,546,547</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 2020 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	57.01%
02 Utilities	8.70	1.45%
03 Supportive Housing	1.00	0.00%
04 Major Industry	9.33	20.95%
05 Light Industry	2.93	1.26%
06 Business	2.39	19.29%
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. 2071  
Schedule "B" Five Year Financial Plan 2020-2024**

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
<b>Revenues</b>					
Property Taxes	\$ 3,881,399	\$ 4,017,248	\$ 4,157,852	\$ 4,303,377	\$ 4,453,995
Parcel and Frontage Taxes	153,808	5,826	5,826	5,826	5,826
Grants in Lieu of Taxes	45,315	46,674	48,074	49,516	51,001
Percentage of Revenue Tax	144,859	144,859	144,859	144,859	144,859
Sales of Services and User Fees	7,935,019	8,167,539	8,410,267	8,660,620	8,918,843
Grants	20,579,009	19,477,370	9,355,894	7,111,773	1,915,283
Other Revenues	765,799	354,159	354,159	354,159	354,159
<b>Total Revenues</b>	<b>33,505,208</b>	<b>32,213,675</b>	<b>22,476,931</b>	<b>20,630,130</b>	<b>15,843,966</b>
<b>Expenses</b>					
Purchases for resale	3,469,396	3,538,784	3,609,560	3,246,308	3,311,234
General Government	1,708,359	1,539,864	1,564,169	1,533,653	1,563,727
Protective Services	1,066,684	1,047,237	1,067,182	1,087,526	1,108,276
Flood Response & Recovery	120,800	123,216	125,680	128,194	130,758
Transportation Services	1,279,779	1,319,450	1,345,838	1,372,755	1,400,210
Environmental & Health Services	267,152	272,495	277,945	283,504	289,174
Public Health Services	97,746	89,501	91,291	93,117	94,979
Planning and Development	1,133,383	568,408	579,276	590,362	601,669
Parks, Recreation and Cultural Services	1,251,247	1,281,584	1,306,816	1,332,552	1,358,803
Water Services	669,024	682,404	696,052	709,973	724,172
Electrical Services	806,341	802,068	818,109	834,471	851,160
Wastewater Services	747,599	762,551	777,802	793,358	809,225
Amortization	2,013,762	2,418,171	2,667,977	2,836,812	2,907,951
Debt Interest	111,359	108,615	108,500	212,500	212,500
<b>Total Expenses</b>	<b>14,742,631</b>	<b>14,554,348</b>	<b>15,036,197</b>	<b>15,055,085</b>	<b>15,363,838</b>
<b>Surplus (Deficit) for the year</b>	<b>\$ 18,762,577</b>	<b>\$ 17,659,327</b>	<b>\$ 7,440,734</b>	<b>\$ 5,575,045</b>	<b>\$ 480,128</b>
<b>Adjusted for non-cash items</b>					
Amortization	2,013,762	2,418,171	2,667,977	2,836,812	2,907,951
<b>Total Cash from Operations</b>	<b>\$ 20,776,339</b>	<b>\$ 20,077,498</b>	<b>\$ 10,108,711</b>	<b>\$ 8,411,857</b>	<b>\$ 3,388,079</b>
<b>Adjusted for Cash Items</b>					
Proceeds from Borrowing	-	-	4,000,000	-	-
Capital Expenditures	(24,343,143)	(21,318,881)	(14,205,031)	(7,780,205)	(2,180,619)
Inventory Expenditures	(240,000)	-	-	-	-
Debt Principal Repayments	(266,576)	(154,498)	(119,918)	(276,507)	(276,507)
Transfer from Reserves	5,041,339	3,102,491	2,120,933	1,951,187	1,559,196
Transfer to Capital Reserves	(900,000)	(1,650,000)	(1,850,000)	(2,250,000)	(2,400,000)
Transfer to/from Operating Reserves	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Transfer to Surplus	(52,959)	(41,610)	(39,695)	(41,332)	(75,149)
	<b>\$ (20,776,339)</b>	<b>\$ (20,077,498)</b>	<b>\$ (10,108,711)</b>	<b>\$ (8,411,857)</b>	<b>\$ (3,388,079)</b>
<b>Financial Plan Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>