

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2078

**A Bylaw to Establish the Five Year Financial Plan
For the Years 2021 - 2025**

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, 2021-2025, No. 2078”.
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 2021 to 2025.
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 2021 to 2025.

Read a first, second and third time by the Municipal Council this 22nd day of March, 2021.

Authority for final adoption on the same day was given by Ministerial Order M192 Section 12 on June 17th , 2020.

Finally adopted on this 22nd day of March, 2021.


Acting Mayor Neil Kroeg


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, 2021-2025, No. 2078”, as adopted by the Municipal Council of the City of Grand Forks on this 22nd day of March, 2021.

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

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw 2078
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	\$ 4,102,131	16.4%
Parcel Taxes	5,826	0.0%
Fees and Charges	7,755,179	31.1%
Other Sources	11,892,006	47.6%
Reserve Funding	1,187,374	4.8%
TOTAL	\$ 24,968,630	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 2021 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	57.92%
02 Utilities	8.74	1.44%
03 Supportive Housing	1.00	0.00%
04 Major Industry	9.56	20.95%
05 Light Industry	3.02	1.28%
06 Business	2.36	18.37%
07 Managed Forest	3.00	0.00%
08 Recreation/Non Profit	0.86	0.03%
09 Farm	1.11	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. 2078
Schedule "B" Five Year Financial Plan 2021-2025

	2021	2022	2023	2024	2025
	Budget	Budget	Budget	Budget	Budget
Revenues					
Property Taxes	\$ 3,959,028	\$ 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	41,590	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	7,755,179	7,848,497	7,943,197	8,039,327	8,137,017
Grants	11,591,810	20,925,826	13,393,409	3,669,032	1,355,400
Other Revenues	300,196	296,810	297,585	313,376	329,183
Total Revenues	23,755,142	33,259,110	25,903,781	16,374,570	14,259,345
Expenses					
Purchases for resale	3,390,830	3,138,489	3,200,259	3,263,264	3,327,529
General Government	1,470,464	1,483,491	1,426,171	1,454,405	1,483,203
Protective Services	1,060,385	1,080,592	1,101,204	1,122,228	1,143,673
Flood Response & Recovery	-	-	-	-	-
Transportation Services	1,393,163	1,400,627	1,428,640	1,457,213	1,481,257
Environmental & Health Services	289,080	294,862	300,759	306,774	312,909
Public Health Services	77,134	78,677	80,251	81,856	83,493
Planning and Development	1,158,749	768,608	656,080	587,201	516,945
Parks, Recreation and Cultural Services	1,334,162	1,347,237	1,373,781	1,400,856	1,423,373
Water Services	780,694	757,548	772,699	788,153	803,916
Electrical Services	792,947	805,746	821,861	838,298	855,064
Wastewater Services	768,169	780,472	796,081	812,003	828,243
Amortization	1,799,564	1,895,829	1,894,710	1,914,557	1,941,337
Debt Interest	113,328	113,260	113,260	113,260	113,260
Total Expenses	14,428,669	13,945,438	13,965,756	14,140,068	14,314,202
Surplus (Deficit) for the year	\$ 9,326,473	\$ 19,313,672	\$ 11,938,025	\$ 2,234,502	\$ (54,857)
Adjusted for non-cash items					
Amortization	1,799,564	1,895,829	1,894,710	1,914,557	1,941,337
Total Cash from Operations	\$ 11,126,037	\$ 21,209,501	\$ 13,832,735	\$ 4,149,059	\$ 1,886,480
Adjusted for Cash Items					
Proceeds from Borrowing	26,114	-	-	-	-
Capital Expenditures	(12,837,488)	(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	1,187,374	898,589	1,463,593	786,118	56,578
Transfer to Capital Reserves	(658,142)	(821,500)	(560,000)	(589,300)	(607,900)
Transfer to/from Surplus	1,305,156	2,134,000	-	-	-
	(11,126,037)	(21,209,501)	(13,832,735)	(4,149,059)	(1,886,480)
Financial Plan Balance	-	-	-	-	-