

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2087

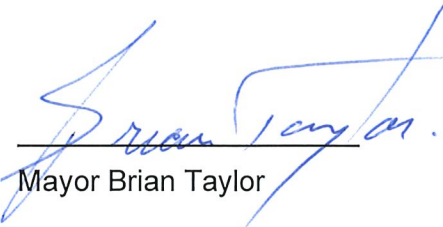
**A Bylaw to Establish the Five Year Financial Plan
For the Years 2022 - 2026**

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, 2022-2026, No. 2087”.
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 2022 to 2026.
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 2022 to 2026.

Read a first, second and third time by the Municipal Council this 28th day of March, 2022.

Finally adopted on this 11th day of April, 2022.



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, 2022-2026, No. 2087”, as adopted by the Municipal Council of the City of Grand Forks on this 11th day of April, 2022.

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

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw 2087
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

- 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	\$ 4,170,378	10.7%
Parcel Taxes	5,826	0.0%
Fees and Charges	7,967,652	20.4%
Other Sources	24,661,523	63.0%
Development Cost Charges	850,000	2.2%
Reserve Funding	1,476,260	3.7%
TOTAL	\$ 39,131,639	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 table below shows the proposed distribution of property tax revenue among the various classes, with the percentage of apportionment to each class being consistent with previous years:

Property Class	Rate Multiple	% of Property Value Tax
01 Residential	1.00	57.9%
02 Utilities	11.20	1.2%
03 Supportive Housing	1.00	0.0%
04 Major Industry	12.32	21.0%
05 Light Industry	3.37	1.3%
06 Business	2.61	18.6%
07 Managed Forest	3.00	0.0%
08 Recreation/Non Profit	0.93	0.0%
09 Farm	1.44	0.0%
TOTAL		100.0%

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. 2087
Schedule "B" Five Year Financial Plan 2022-2026

	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Revenues					
Property Taxes	\$ 4,038,209	\$ 4,158,973	\$ 4,242,152	\$ 4,326,995	\$ 4,413,535
Parcel and Frontage Taxes	5,826	5,826	5,826	5,826	5,826
Grants in Lieu of Taxes	33,700	34,374	35,062	35,763	36,478
Percentage of Revenue Tax	98,469	98,470	98,470	98,470	98,470
Sales of Services and User Fees	7,967,652	8,058,589	8,087,503	8,193,064	8,300,315
Grants	24,357,423	14,902,953	2,856,832	925,600	941,200
Development Cost Charges	850,000				
Other Revenues	304,100	361,063	362,817	379,603	396,426
Total Revenues	37,655,379	27,620,248	15,688,662	13,965,321	14,192,250
Expenses					
Purchases for resale	3,185,634	3,232,669	3,280,409	3,328,865	3,378,048
General Government	1,635,072	1,504,920	1,501,366	1,523,134	1,545,228
Protective Services	1,249,466	1,103,934	1,119,518	1,135,336	1,151,391
Transportation Services	1,324,819	1,324,391	1,344,257	1,364,420	1,379,812
Environmental & Health Services	270,250	274,304	278,419	282,595	286,834
Public Health Services	102,190	103,723	105,279	106,858	108,461
Planning and Development	1,408,463	725,988	635,078	563,103	490,050
Parks, Recreation and Cultural Services	1,343,394	1,329,058	1,348,694	1,368,624	1,383,778
Water Services	774,247	747,291	758,500	769,878	781,426
Electrical Services	967,291	978,755	993,436	1,008,338	1,023,463
Wastewater Services	805,675	814,715	826,936	839,340	851,930
Amortization	2,055,194	2,168,432	2,145,360	2,163,230	2,191,067
Debt Interest	113,260	113,260	113,260	113,260	113,260
Total Expenses	15,234,955	14,421,440	14,450,512	14,566,981	14,684,748
Surplus (Deficit) for the year	\$ 22,420,424	\$ 13,198,808	\$ 1,238,150	\$ (601,660)	\$ (492,498)
Adjusted for non-cash items					
Amortization	2,055,194	2,168,432	2,145,360	2,163,230	2,191,067
Total Cash from Operations	\$ 24,475,618	\$ 15,367,240	\$ 3,383,510	\$ 1,561,570	\$ 1,698,569
Adjusted for Cash Items					
Capital Expenditures	(27,487,857)	(16,656,042)	(3,868,287)	(1,275,000)	(1,300,000)
Debt Principal Repayments	(115,158)	(115,158)	(115,158)	(115,158)	(115,158)
Transfer from Land Sales Reserve	250,000	-	-	-	-
Transfer from Capital Reserves	1,226,260	621,700	618,300	-	-
Transfer to Capital Reserves	(1,196,770)	(528,845)	(543,577)	(316,145)	(335,445)
Transfer to/from Surplus	2,847,907	1,311,105	525,212	144,733	52,034
	(24,475,618)	(15,367,240)	(3,383,510)	(1,561,570)	(1,698,569)
Financial Plan Balance	-	-	-	-	-