

**THE CORPORATION OF THE CITY OF GRAND FORKS**

**BYLAW NO. 2005**

**A Bylaw to Revise the Five Year Financial Plan  
For the Years 2014 - 2018**

---

**WHEREAS** the Community Charter requires that Council adopt a Five Year Financial Plan annually before the adoption of the annual property tax bylaw and that the financial plan may be amended by bylaw at any time;

**NOW THEREFORE** Council for the Corporation of the City of Grand Forks, in open meeting assembled, **ENACTS**, as follows:

1. Appendix "A" and Appendix "B" attached hereto and made part of this Bylaw is hereby declared to be the Five Year Financial Plan of the Corporation of the City of Grand Forks for the Years 2014 to 2018.
2. This bylaw may be cited, for all purposes, as the "**Year 2014 – 2018 Financial Plan Bylaw Amendment No 1**".

**Introduced** this 6<sup>th</sup> day of October, 2014

Read a **FIRST** time this 20th day of October, 2014

Read a **SECOND** time this 20th day of October, 2014

Read a **THIRD** time this 20th of October, 2014

**FINALLY ADOPTED** this 3rd day of November, 2014

  
Mayor Brian Taylor

  
Corporate Officer Diane Heinrich

**CERTIFICATE**

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 2005, as adopted by the Municipal Council of the City of Grand Forks on the 3rd day of November, 2014.

---

Clerk of the Municipal Council of the  
City of Grand Forks

**City of Grand Forks**  
**Appendix "A" to Bylaw 2005**  
**Year 2014 - 2018 Financial Plan Bylaw Amendment No 1**

	2014	2015	2016	2017	2018
<b>Revenue</b>					
Property taxes , grants in lieu & franchise Fees	\$ 3,002,062	\$ 3,061,100	\$ 3,121,300	\$ 3,182,700	\$ 3,245,300
Parcel taxes	91,041	6,041	6,041	6,041	6,041
User levies	1,808,210	1,842,500	1,877,400	1,913,000	1,949,200
Fees and charges	4,972,787	5,203,052	5,444,468	5,697,528	5,862,300
Grants and other	3,617,294	742,146	747,371	752,721	758,097
<b>Total Revenues</b>	<b>13,491,394</b>	<b>10,854,839</b>	<b>11,196,580</b>	<b>11,551,990</b>	<b>11,820,938</b>
<b>Expenses</b>					
Purchases for resale	3,294,066	3,390,619	3,559,125	3,736,082	3,848,200
Operating	7,084,145	7,189,333	7,296,146	7,404,521	7,514,512
Debt interest	100,961	86,477	81,477	76,477	71,477
Amortization	1,539,874	1,556,513	1,573,366	1,590,434	1,607,722
<b>Total Operating Expenses</b>	<b>12,019,047</b>	<b>12,222,943</b>	<b>12,510,114</b>	<b>12,807,514</b>	<b>13,041,911</b>
<b>Net Revenue (loss)</b>	<b>\$1,472,347</b>	<b>(\$1,368,104)</b>	<b>(\$1,313,534)</b>	<b>(\$1,255,524)</b>	<b>(\$1,220,973)</b>
<b>Allocations</b>					
Debt proceeds	4,040,978	577,500	577,500	577,500	367,500
Capital expenditures	(9,710,179)	(1,139,000)	(1,014,000)	(830,000)	(619,500)
Debt principal repayment	(197,886)	(183,001)	(171,092)	(161,566)	(153,945)
Transfers from (to) reserves / surplus	2,854,866	556,091	347,761	79,156	19,196
Reserve fund in excess of amortization	1,539,874	1,556,513	1,573,366	1,590,434	1,607,722
<b>Financial Plan Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**City of Grand Forks  
Five Year Plan 2014 to 2018  
Operations Summary  
Supporting Schedule A**

<b>General</b>	<b>2014 Plan</b>	<b>2015 Plan</b>	<b>2016 Plan</b>	<b>2017 Plan</b>	<b>2018 Plan</b>
Revenue					
Property Taxes	\$ 2,897,537	\$ 2,955,500	\$ 3,014,600	\$ 3,074,900	\$ 3,136,400
Parcel Taxes	\$ 85,000				
Payments in Lieu & Franchise Fees	104,525	105,600	106,700	107,800	108,900
Solid Waste Levies	195,000	197,000	199,000	201,000	203,000
Slag Sales	250,000	252,500	255,025	257,575	260,151
Fees and Charges	576,588	588,100	599,900	611,900	624,100
Government Grants - Operations	352,846	352,846	352,846	352,846	352,846
Government Grants - Capital	1,387,889				
Other Sources	134,114	136,800	139,500	142,300	145,100
Restricted Investment Income	-	-	-	-	-
	<b>5,983,499</b>	<b>4,588,346</b>	<b>4,667,571</b>	<b>4,748,321</b>	<b>4,830,497</b>
Expenses					
Airport Cost of Sales	49,000	50,500	52,000	53,600	55,200
Operations Expense	4,503,334	4,570,900	4,639,500	4,709,100	4,779,700
Community Support	302,920	307,464	312,076	316,757	321,508
Preventative Maintenance Program	144,258	146,422	148,618	150,847	153,110
Studies & Planning	-	-	-	-	-
Debt Interest	44,484	30,000	25,000	20,000	15,000
Amortization	900,000	909,000	918,090	927,271	936,544
<b>Total Expenses</b>	<b>5,943,996</b>	<b>6,014,286</b>	<b>6,095,284</b>	<b>6,177,575</b>	<b>6,261,062</b>
<b>Net Income (Loss) before Other Income</b>	<b>39,503</b>	<b>(1,425,940)</b>	<b>(1,427,713)</b>	<b>(1,429,254)</b>	<b>(1,430,565)</b>
Other Income					
Contributions from Electrical	420,000	432,600	445,578	458,945	465,830
Gain (Loss) on Disposition of Assets	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>459,503</b>	<b>(993,340)</b>	<b>(982,135)</b>	<b>(970,309)</b>	<b>(964,736)</b>
Allocations					
Debt proceeds	2,128,778	-	-	-	-
Capital Expenditures	(4,555,666)	-	-	-	-
Capital Planning					
Debt principal repayment	(74,484)	(74,484)	(74,484)	(74,484)	(74,484)
Transfers from (to) reserves	739,000	(252,500)	(255,025)	(257,575)	(265,300)
Transfers from (to) surplus	402,870	411,324	393,554	375,097	367,976
Reserve fund in excess of amortization	900,000	909,000	918,090	927,271	936,544
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

City of Grand Forks  
 Five Year Plan 2014 to 2018  
 Operations Summary  
 Supporting Schedule A

	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
<b>Equipment</b>					
<b>Recoveries</b>	\$ 471,443	\$ 477,100	\$ 482,800	\$ 488,600	\$ 494,500
Operations Expense	461,518	468,400	475,400	482,500	489,700
<b>Net Recoveries</b>	<b>9,925</b>	<b>8,700</b>	<b>7,400</b>	<b>6,100</b>	<b>4,800</b>
Debt Interest	1,603	1,603	1,603	1,603	1,603
Amortization	232,874	234,038	235,209	236,385	237,567
<b>Net Recoveries (Loss)</b>	<b>(224,552)</b>	<b>(226,941)</b>	<b>(229,412)</b>	<b>(231,888)</b>	<b>(234,370)</b>
Gain (Loss) on Disposition of Assets	-	-	-	-	-
<b>Net Recoveries (Loss)</b>	<b>(224,552)</b>	<b>(226,941)</b>	<b>(229,412)</b>	<b>(231,888)</b>	<b>(234,370)</b>
<b>Allocations</b>					
Debt proceeds	-	-	-	-	-
Capital Expenditures	-	(50,000)	(50,000)	(50,000)	(50,000)
Debt principal repayment	(74,426)	(59,541)	(47,633)	(38,106)	(30,485)
Transfers from (to) reserves	-	(40,000)	(40,800)	(41,616)	(42,448)
Transfers from (to) surplus	66,104	142,444	132,636	125,225	119,736
Reserve fund in excess of amortization	232,874	234,038	235,209	236,385	237,567
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Grand Forks**  
**Five Year Plan 2014 to 2018**  
**Operations Summary**  
**Supporting Schedule A**

	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
<b>Electrical</b>					
<b>Revenue</b>					
User Fees	\$ 4,324,609	\$ 4,540,839	\$ 4,767,881	\$ 5,006,275	\$ 5,156,500
Fees and Charges	63,226	65,512	67,886	70,352	72,500
	<b>4,387,835</b>	<b>4,606,352</b>	<b>4,835,768</b>	<b>5,076,628</b>	<b>5,229,000</b>
<b>Expenditure</b>					
Purchases for resale	3,245,066	3,340,119	3,507,125	3,682,482	3,793,000
Operations Expense	628,604	634,900	641,200	647,600	654,100
Amortization	42,000	42,000	42,000	42,000	42,000
<b>Expenditure</b>	<b>3,915,670</b>	<b>4,017,019</b>	<b>4,190,325</b>	<b>4,372,082</b>	<b>4,489,100</b>
<b>Net Income (loss) before Contributions to General</b>	<b>472,165</b>	<b>589,332</b>	<b>645,443</b>	<b>704,546</b>	<b>739,900</b>
Contributions to General	420,000	432,600	445,578	458,945	465,830
<b>Net income (loss)</b>	<b>52,165</b>	<b>156,732</b>	<b>199,865</b>	<b>245,601</b>	<b>274,070</b>
<b>Allocations</b>					
Capital Expenditures	(320,000)	(375,000)	(250,000)	(70,000)	(100,000)
Transfers from (to) reserves	320,000	375,000	250,000	70,000	100,000
Transfers from (to) surplus	(94,165)	(198,732)	(241,865)	(287,601)	(316,070)
Reserve fund in excess of amortization	42,000	42,000	42,000	42,000	42,000
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Grand Forks  
Five Year Plan 2014 to 2018  
Operations Summary  
Supporting Schedule A**

	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
<b>Water</b>					
<b>Revenue</b>					
Parcel Taxes	\$ 793,650	\$ 809,500	\$ 825,700	\$ 842,200	\$ 859,000
User Levies	4,284	4,400	4,500	4,600	4,700
Fees and Charges	879,556				
Government Grants - Capital	<b>1,677,490</b>	<b>813,900</b>	<b>830,200</b>	<b>846,800</b>	<b>863,700</b>
Operations Expense	666,332	676,300	686,400	696,700	707,151
Preventative Maintenance Program	111,601	113,833	116,110	118,432	120,801
Studies & Planning	-	-	-	-	-
Debt Interest	-	-	-	-	-
Amortization	200,000	204,000	208,080	212,242	216,486
<b>Total Expenses</b>	<b>977,933</b>	<b>994,133</b>	<b>1,010,590</b>	<b>1,027,373</b>	<b>1,044,437</b>
<b>Net Income (Loss)</b>	<b>699,557</b>	<b>(180,233)</b>	<b>(180,390)</b>	<b>(180,573)</b>	<b>(180,737)</b>
<b>Allocations</b>					
Debt proceeds	1,572,423	367,500	367,500	367,500	367,500
Capital Expenditures	(3,857,846)	(469,500)	(469,500)	(469,500)	(469,500)
Capital Planning	-	-	-	-	-
Debt principal repayment	-	-	-	-	-
Transfers from (to) reserves	1,405,866	-	-	-	-
Transfers from (to) surplus	(20,000)	78,233	74,310	70,332	66,251
Reserve fund in excess of amortization	200,000	204,000	208,080	212,242	216,486
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Grand Forks  
Five Year Plan 2014 to 2018  
Operations Summary  
Supporting Schedule A**

	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
<b>Sewer Revenue</b>					
Parcel Taxes	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041
User Levies	819,560	836,000	852,700	869,800	887,200
Fees and Charges	4,080	4,200	4,300	4,400	4,500
Government Grants - Capital	612,889				
	<b>1,442,570</b>	<b>846,241</b>	<b>863,041</b>	<b>880,241</b>	<b>897,741</b>
Operations Expense	701,321	711,800	722,500	733,300	744,300
Preventative Maintenance Program	35,700	36,414	37,142	37,885	38,643
Studies & Planning	-	-	-	-	-
Debt Interest	54,874	54,874	54,874	54,874	54,874
Amortization	165,000	167,475	169,987	172,537	175,125
<b>Total Expenses</b>	<b>956,896</b>	<b>970,563</b>	<b>984,504</b>	<b>998,596</b>	<b>1,012,942</b>
<b>Net Income (Loss)</b>	<b>485,674</b>	<b>(124,322)</b>	<b>(121,463)</b>	<b>(118,355)</b>	<b>(115,201)</b>
<b>Allocations</b>					
Debt proceeds	339,777	210,000	210,000	210,000	-
Capital Expenditures	(976,667)	(244,500)	(244,500)	(240,500)	-
Capital Planning					
Debt principal repayment	(48,975)	(48,975)	(48,975)	(48,975)	(48,975)
Transfers from (to) reserves	24,000	-	-	-	-
Transfers from (to) surplus	11,191	40,323	34,951	25,294	(10,949)
Reserve fund in excess of amortization	165,000	167,475	169,987	172,537	175,125
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Grand Forks**  
**Appendix B to Bylaw 2005**  
**Year 2014 - 2018 Financial Plan Bylaw Amendment No. 1**  
**Revenues, Property Taxes and Exemptions**

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 bylaw, objectives and polices regarding each of the following:

- the proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
- the distribution of property taxes among the property classes; and
- the use of permissive tax exemptions.

**Sources of Revenue**

Revenue source	% of Total 2014 Revenue
Property taxes , grants in lieu & franchise Fees	22.3%
Parcel taxes	0.7%
User levies	13.4%
Fees and charges	36.9%
Grants and other	26.8%

*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*

- The City will review the fees/charges annually to ensure that they keep pace with changes in the cost-of-living, as well as, changes in the methods or levels of service delivery.
- The City will encourage the use of alternate revenue resources instead of property taxes.
- User fees will be set to recover the full cost of services except where Council determines that a subsidy is in the general public interest.

**Distribution of Property Tax Rates**

In establishing property tax rates, Council will 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



**City of Grand Forks**  
**Appendix B to Bylaw 2005**  
**Year 2014 - 2018 Financial Plan Bylaw Amendment No. 1**  
**Revenues, Property Taxes and Exemptions**

The City will receive the Revised Assessment Roll for 2014 in April and will set the property tax rates based on the assessment before May 15, 2014. The 2014 distribution of property tax rates amongst all the property classifications will not be known until then.

The distribution for 2013 were as follows:

Property Class	% of General Revenue Taxation
Residential	51.9347%
Utility	1.6893%
Major Industry	26.0002%
Light Industry	19.0238%
Business and Other	1.3242%
Recreation / Non-profit	0.0097%
Farm	0.0181%

*Objective*

To ensure equity among property classes by reviewing the ratios of property class allocations annually. In 2009 the industry tax ratio was lowered to 17.06 from 20.52. In 2013, the industry ratio was lowered to 9.92 from 10.55 in 2012. As well, in 2013, the business conversion ratio was lowered from 2.52 in 2012 to 2.39. In 2013 the light industry class was lowered from 2.96 to 2.93. For 2014, consideration for class conversion ratios will be considered in April.

*Policies*

- The City will review and set tax rates and shift each property classification's tax share annually until such time as Council deems the property classifications' share to be equitable.

**Permissive Tax Exemptions**

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.

*Objective*

To optimize the provision of charitable and not for profit services for the benefit of Grand Forks residents, to provide property tax exemptions as permitted under the Community Charter in a consistent and fair manner, to restrict provision of exemption to those providing an extension to city services and to reduce the impact to city revenues.

*Policies*

Grand Forks residents must be primary beneficiaries of the organization's services and the services provided must be accessible to the public.