

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2008

**A Bylaw to Establish the Five Year Financial Plan
For the Years 2015 - 2019**

WHEREAS the Community Charter requires that Council adopt a Five Year Financial Plan annually before the adoption of the annual property tax bylaw;

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

1. Appendix "A", Appendix "B", and Appendix "C" 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 2015 to 2019.
2. This bylaw may be cited, for all purposes, as the "**Year 2015 – 2019 Financial Plan Bylaw**".

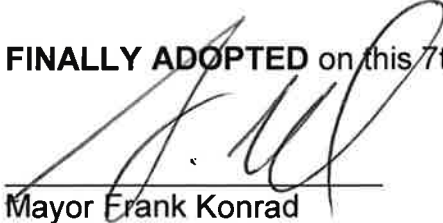
INTRODUCED this 9th day of March, 2015.

Read a **FIRST** time this 23rd day of March, 2015.

Read a **SECOND** time this 23rd day of March, 2015.

Read a **THIRD** time this 23rd day of March, 2015.

FINALLY ADOPTED on this 7th day of April, 2015.



Mayor Frank Konrad



Corporate Officer Diane Heinrich

C E R T I F I C A T E

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 2008,
as adopted by the Municipal Council of the City of Grand Forks
on this 7th day of April, 2015.

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

**City of Grand Forks
Appendix "A" to Bylaw 2008
Year 2015 - 2019 Financial Plan Bylaw**

	2015	2016	2017	2018	2019
<u>Revenue</u>					
Property taxes , grants in lieu & franchise Fees	\$ 3,159,535	\$ 3,221,600	\$ 3,284,900	\$ 3,349,400	\$ 3,415,300
Parcel taxes	91,075	91,075	91,075	91,075	91,075
User levies	1,839,211	1,873,999	1,909,411	1,945,553	1,982,432
Fees and charges	5,186,351	5,329,040	5,475,866	5,627,000	5,782,468
Grants and other	3,435,951	899,885	908,887	917,967	927,125
Total Revenues	13,712,122	11,415,599	11,670,139	11,930,995	12,198,400
<u>Expenses</u>					
Purchases for resale	3,314,000	3,413,470	3,515,882	3,621,325	3,729,988
Operating	7,130,037	7,235,107	7,341,730	7,449,862	7,559,695
Debt interest	95,537	95,026	95,017	95,017	95,017
Amortization	1,607,204	1,619,816	1,632,568	1,645,460	1,658,497
Total Operating Expenses	12,146,778	12,363,419	12,585,197	12,811,664	13,043,197
Net Revenue (loss)	\$1,565,344	(\$947,820)	(\$915,058)	(\$880,669)	(\$844,797)
<u>Allocations</u>					
Debt proceeds	1,047,056	-	-	-	-
Capital expenditures	(5,188,208)	(2,714,104)	(2,719,408)	(2,724,818)	(2,730,337)
Debt principal repayment	(154,556)	(68,735)	(65,496)	(65,496)	(65,496)
Transfers from (to) reserves / surplus	1,123,160	2,110,844	2,067,395	2,025,523	1,982,133
Reserve fund in excess of amortization	<u>1,607,204</u>	<u>1,619,816</u>	<u>1,632,568</u>	<u>1,645,460</u>	<u>1,658,497</u>
Financial Plan Balance	\$0	\$0	\$0	\$0	\$0

**City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A**

	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
General					
Revenue					
Property Taxes	3,047,841	3,108,800	3,171,000	3,234,400	3,299,100
Parcel Taxes	85,034	85,034	85,034	85,034	85,034
Payments in Lieu of Taxes	111,694	112,800	113,900	115,000	116,200
Solid Waste Levies	199,000	201,000	203,000	205,000	207,100
Slag Sales	235,000	237,350	239,724	242,121	244,542
Fees and Charges	605,151	611,200	617,300	623,500	629,700
Government Grants - Operations	527,658	532,935	538,264	543,647	549,083
Government Grants - Capital	136,851				
Other Sources	128,300	129,600	130,900	132,200	133,500
Restricted Investment Income	-	-	-	-	-
	5,076,528	5,018,719	5,099,121	5,180,901	5,264,259
Expenses					
Airport Cost of Sales	45,000	46,400	47,800	49,200	50,700
Operations Expense	4,588,336	4,657,200	4,727,100	4,798,000	4,870,000
Community Support	303,011	306,041	309,101	312,192	315,314
Preventative Maintenance Program	125,830	127,717	129,633	131,578	133,551
Studies & Planning	-	-	-	-	-
Debt Interest	23,347	23,268	23,261	23,261	23,261
Amortization	991,000	995,955	1,000,935	1,005,939	1,010,969
Total Expenses	6,076,524	6,156,581	6,237,830	6,320,170	6,403,796
Net Income (Loss) before Other Income	(999,996)	(1,137,862)	(1,138,709)	(1,139,269)	(1,139,537)
Other Income					
Contributions from Electrical	433,000	439,495	446,087	452,779	459,570
Gain (Loss) on Disposition of Assets					
Net Income (Loss)	(566,996)	(698,367)	(692,621)	(686,490)	(679,966)
Allocations					
Debt proceeds	1,047,056	-	-	-	-
Capital Expenditures	(2,030,399)	(1,000,000)	(1,030,000)	(1,060,900)	(1,092,700)
Capital Planning					
Debt principal repayment	(47,153)	(2,498)	-	-	-
Transfers from (to) reserves	321,493	1,000,000	1,030,000	1,060,900	1,092,700
Transfers from (to) surplus	285,000	(295,090)	(308,313)	(319,449)	(331,003)
Reserve fund in excess of amortization	991,000	995,955	1,000,935	1,005,939	1,010,969
Surplus (Deficit)	-	-	-	-	-

**City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A**

	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Equipment					
Recoveries	\$ 473,040	\$ 477,800	\$ 482,600	\$ 487,400	\$ 492,300
Operations Expense	430,700	437,200	443,800	450,500	457,300
Net Recoveries	42,340	40,600	38,800	36,900	35,000
Debt Interest	434	2	-	-	-
Amortization	222,204	224,426	226,670	228,937	231,226
Net Recoveries (Loss)	(180,297)	(183,828)	(187,870)	(192,037)	(196,226)
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Recoveries (Loss)	(180,297)	(183,828)	(187,870)	(192,037)	(196,226)
Allocations					
Debt proceeds	-	-	-	-	-
Capital Expenditures	(95,000)	(47,500)	(47,500)	(47,500)	(47,500)
Debt principal repayment	(41,906)	(741)	-	-	-
Transfers from (to) reserves	95,000	(39,857)	(38,800)	(36,900)	(35,000)
Transfers from (to) surplus	(0)	47,500	47,500	47,500	47,500
Reserve fund in excess of amortization	222,204	224,426	226,670	228,937	231,226
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A**

	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Electrical					
Revenue					
User Fees	\$ 4,510,000	\$ 4,645,300	\$ 4,784,659	\$ 4,928,199	\$ 5,076,045
Fees and Charges	63,000	64,260	65,545	66,856	68,193
	4,573,000	4,709,560	4,850,204	4,995,055	5,144,238
Expenditure					
Purchases for resale	3,269,000	3,367,070	3,468,082	3,572,125	3,679,288
Operations Expense	686,000	692,900	699,800	706,800	713,900
Amortization	41,000	41,000	41,000	41,000	41,000
Expenditure	3,996,000	4,100,970	4,208,882	4,319,925	4,434,188
Net Income (loss) before Contributions to General	577,000	608,590	641,322	675,130	710,050
Contributions to General	433,000	439,495	446,087	452,779	459,570
Net income (loss)	144,000	169,095	195,235	222,352	250,479
Allocations					
Capital Expenditures	(260,000)	(265,200)	(270,504)	(275,914)	(281,432)
Transfers from (to) reserves	75,000	265,200	270,504	275,914	281,432
Transfers from (to) surplus	-	(210,095)	(236,235)	(263,352)	(291,479)
Reserve fund in excess of amortization	41,000	41,000	41,000	41,000	41,000
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A**

	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Water					
Revenue					
Parcel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
User Levies	830,800	847,400	864,300	881,600	899,200
Fees and Charges	4,200	4,200	4,200	4,200	4,200
Government Grants - Capital	2,074,809				-
	2,909,808	851,600	868,500	885,800	903,400
Operations Expense	713,500	724,200	735,100	746,100	757,292
Preventative Maintenance Program	83,500	85,170	86,873	88,611	90,383
Studies & Planning		-	-	-	-
Debt Interest	-	-	-	-	-
Amortization	190,500	194,310	198,196	202,160	206,203
Total Expenses	987,500	1,003,680	1,020,170	1,036,871	1,053,878
Net Income (Loss)	1,922,308	(152,080)	(151,670)	(151,071)	(150,478)
Allocations					
Debt proceeds	-	-	-	-	-
Capital Expenditures	(2,115,309)	(1,057,654)	(1,057,654)	(1,057,654)	(1,057,654)
Capital Planning		-	-	-	-
Debt principal repayment	-	-	-	-	-
Transfers from (to) reserves	2,500	1,057,654	1,057,654	1,057,654	1,057,654
Transfers from (to) surplus	0	(42,230)	(46,527)	(51,089)	(55,725)
Reserve fund in excess of amortization	190,500	194,310	198,196	202,160	206,203
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Financial Plan 2015 to 2019 Bylaw 2008
Operations Summary
Supporting Schedule A**

	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Wastewater					
Revenue					
Parcel Taxes	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041
User Levies	\$ 809,411	825,599	842,111	858,953	876,132
Fees and Charges	4,000	4,080	4,162	4,245	4,330
Government Grants - Capital	333,333				
	1,152,785	835,720	852,314	869,239	886,503
Operations Expense	635,750	645,300	655,000	664,800	674,800
Preventative Maintenance Program	36,450	37,179	37,923	38,681	39,455
Studies & Planning	-	-	-	-	-
Debt Interest	71,756	71,756	71,756	71,756	71,756
Amortization	162,500	164,125	165,766	167,424	169,098
Total Expenses	906,456	918,360	930,445	942,661	955,109
Net Income (Loss)	246,329	(82,640)	(78,131)	(73,422)	(68,606)
Allocations					
Debt proceeds					
Capital Expenditures	(687,500)	(343,750)	(171,875)	(85,938)	(42,969)
Capital Planning					
Debt principal repayment	(65,496)	(65,496)	(65,496)	(65,496)	(65,496)
Transfers from (to) reserves	344,167	343,750	171,875	85,938	42,969
Transfers from (to) surplus	0	(15,989)	(22,139)	(28,506)	(34,996)
Reserve fund in excess of amortization	162,500	164,125	165,766	167,424	169,098
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Appendix B to Bylaw 2008
Year 2015 - 2019 Financial Plan
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 2015 Revenue
Property taxes , grants in lieu & franchise Fees	23.04%
Parcel taxes	0.66%
User levies	13.41%
Fees and charges	37.82%
Grants and other	25.06%

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 2008
Year 2015 - 2019 Financial Plan
Revenues, Property Taxes and Exemptions

The City will receive the Revised Assessment Roll for 2015 in April and will set the property tax rates based on the assessment before May 15, 2015. The 2015 distribution of property tax rates amongst all the property classifications will not be known until then.

The distribution for 2014 were as follows:

Property Class	% of General Revenue Taxation
Residential	50.1769%
Utility	1.7140%
Major Industry	27.5703%
Light Industry	1.3431%
Business and Other	19.1716%
Recreation / Non-profit	0.0089%
Farm	0.0153%

Objective

To ensure equity among property classes by reviewing the ratios of property class allocations annually. In 2013, the industry ratio was lowered to 9.92 from 10.55, the business conversion ratio was lowered from 2.52 to 2.39 and the light industry class was lowered from 2.96 to 2.93. In 2014, the ratios remained the same as 2013. For 2015, 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.

**City of Grand Forks
Appendix "C" to Bylaw 2008
Year 2015-2019 Financial Plan**

2014 Carry Forward Capital Projects									
Fund Description	TOTAL COST	TO YE 2014	2015 REQUEST	Gas Tax General	Grant	Borrowing	Land	Slag	Surplus
GEN Fire Truck	1,300,000	399,277	900,723			900,723			
GEN Spray Park	300,000	23,149	276,851		76,851			200,000	
GEN Downtown Beautification Phase II	300,000	275,304	24,696				24,696		
GEN City Hall rebuild contingency	300,000	15,000	285,000						285,000
GEN MAAPS relocate storm sewer & water main	45,000	33,703	11,297				11,297		
WTR Water Meters	1,300,000	705,822	594,178	594,178					
WTR Water System Locates	121,000	29,651	91,349	91,349					
WTR West End Fire Protection - Phase II	1,300,000	370,718	929,282		929,282				
Multi 22nd Street (Hwy 3 to 78th Ave)		43,916							
68th Ave (Kettle River Dr to 19th St)		524,992							
3rd St (Hwy 3 to Market Ave)		43,919							
Asset Management		209,375							
GIS		53,668	46,332			46,332			
Subtotal Multi Utility	4,200,000	875,870							
GRAND TOTALS	9,166,000	3,604,365	3,159,708	685,527	1,006,132	947,056	35,993	200,000	285,000

**City of Grand Forks
Appendix "C" to Bylaw 2008
Year 2015-2019 Financial Plan**

2015 CAPITAL REQUESTS	AMOUNT	Library Trust	Grants	Borrowing	Equipment	Capital	Land	Slag
IT								
Generator at 525 Central	30,000						30,000	
Water & Sewer Scada	25,000						25,000	
FIRE								
Command Vehicle	60,000				60,000			
OPERATIONS								
1988 John Deer Mower	5,000				5,000			
1995 Ford pick up truck	30,000				30,000			
Airport Beacon	15,000						15,000	
JD bleacher	25,000							25,000
Library Lighting	20,000	20,000						
Playground replacement - see Note #1	45,000		10,000					35,000
Works yard fuel tanks	25,000						25,000	
Headworks Grinder	175,000						175,000	
ELECTRICAL								
Recloser controls	32,100					32,100		
Transformer PCB Mgmt Plan	26,750					26,750		
Riverside Dr Re-conductor	144,450					144,450		
System & Voltage Conversion	29,950					29,950		
System Upgrades	26,750					26,750		
ENGINEERING								
Long Term Strategic Financial Framework	50,000		50,000					
5th Street Watermain Replacement	460,000		460,000					
Eastside Reservoir Structure Study	28,000					28,000		
GIS - Phase II	100,000			100,000				
Silver Kettle Sidewalk	175,500							175,500
Wastewater Treatment Plant UV	500,000		333,333				166,667	
Current Year Requests	2,028,500	20,000	853,333	100,000	95,000	288,000	436,667	235,500

**Note #1 - this project will require approval from Council before proceeding