

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 1948

**A Bylaw to Establish the Five Year Financial Plan
For the Years 2013 - 2017**

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" 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 2013 to 2017.
2. This Bylaw may be cited, for all purposes, as the "Year 2013 – 2017 Financial Plan Bylaw".

Read a **FIRST** time this 18th day of March, 2013

Read a **SECOND** time this 18th day of March, 2013

Read a **THIRD** time this 18th day of March, 2013.

Rescinded **THIRD** this 2nd day of April, 2013

Reread a **THIRD** time this 15th day of April, 2013

FINALLY ADOPTED on this 6th day of May, 2013


Mayor Brian Taylor


Corporate Officer Diane Heinrich

CERTIFICATE

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1948, as adopted by the Municipal Council of the City of Grand Forks on this 6th day of May, 2013.



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

City of Grand Forks
Appendix "A" to Bylaw 1948
Consolidated 5 Year Financial Plan 2013 - 2017

	2013	2014	2015	2016	2017
<u>Revenue</u>					
Property taxes , grants in lieu & franchise Fees	\$ 2,872,799	\$ 2,929,200	\$ 2,986,800	\$ 3,045,500	\$ 3,105,400
Parcel taxes	81,565	107,133	107,133	107,133	107,133
User levies	1,682,700	1,714,600	1,747,100	1,780,200	1,813,900
Fees and charges	4,862,243	5,044,600	5,234,100	5,430,800	5,635,200
Grants and other	2,468,317	870,650	876,526	882,427	888,454
Total Revenues	11,967,624	10,666,183	10,951,658	11,246,060	11,550,087
<u>Expenses</u>					
Purchases for resale	3,162,134	3,288,100	3,419,100	3,555,300	3,696,900
Operating	6,674,450	6,531,307	6,628,364	6,726,801	6,826,812
Debt interest	140,168	225,180	225,181	225,182	221,108
Amortization	1,355,668	1,380,224	1,405,242	1,430,732	1,456,703
Total Operating Expenses	11,332,420	11,424,811	11,677,887	11,938,016	12,201,523
Net Revenue (loss)	\$635,203	(\$758,628)	(\$726,229)	(\$691,956)	(\$651,436)
<u>Allocations</u>					
Debt proceeds	3,273,027	1,241,010	1,241,010	1,241,010	1,031,010
Capital expenditures	(6,735,127)	(1,633,700)	(1,638,494)	(1,639,384)	(1,422,772)
Debt principal repayment	(180,568)	(197,211)	(164,687)	(123,530)	(73,270)
Transfers from (to) reserves / surplus	1,651,797	(31,694)	(116,842)	(216,872)	(340,236)
Reserve fund in excess of amortization	1,355,668	1,380,224	1,405,242	1,430,732	1,456,703
Financial Plan Balance	\$0	\$0	\$0	\$0	(\$0)

**City of Grand Forks
Five Year Plan 2013 to 2017
Operations Summary
Supporting Schedule A**

General	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Revenue					
Property Taxes	\$ 2,768,320	\$ 2,823,700	\$ 2,880,200	\$ 2,937,800	\$ 2,996,600
Parcel Taxes					
Payments in Lieu & Franchise Fees	104,479	105,500	106,600	107,700	108,800
Solid Waste Levies	185,000	186,900	188,800	190,700	192,600
Slag Sales	255,000	257,550	260,126	262,727	265,354
Fees and Charges	593,043	604,900	617,000	629,300	641,900
Government Grants - Operations	352,846	450,000	450,000	450,000	450,000
Government Grants - Capital	491,844				
Other Sources	159,940	163,100	166,400	169,700	173,100
Restricted Investment Income	-	-	-	-	-
	4,910,472	4,591,650	4,669,126	4,747,927	4,828,354
Expenses					
Airport Cost of Sales	52,734	54,300	55,900	57,600	59,300
Operations Expense	4,288,867	4,353,200	4,418,500	4,484,800	4,552,100
Community Support	246,794	250,496	254,253	258,067	261,938
Preventative Maintenance Program	105,036	106,612	108,211	109,834	111,481
Studies & Planning	-	-	-	-	-
Debt Interest	67,937	100,910	100,911	100,912	96,838
Amortization	760,000	775,200	790,704	806,518	822,648
Total Expenses	5,521,368	5,640,717	5,728,479	5,817,731	5,904,306
Net Income (Loss) before Other Income	(610,897)	(1,049,067)	(1,059,353)	(1,069,804)	(1,075,952)
Other Income					
Contributions from Electrical	410,000	416,150	422,392	428,728	435,159
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Income (Loss)	(200,897)	(632,917)	(636,961)	(641,076)	(640,793)
Allocations					
Debt proceeds	663,511	663,510	663,510	663,510	663,510
Capital Expenditures	(2,340,257)	(630,000)	(630,000)	(630,000)	(648,900)
Capital Planning	(71,667)	-	-	-	-
Debt principal repayment	(94,657)	(139,923)	(139,923)	(139,923)	(90,408)
Transfers from (to) reserves	871,570	(257,550)	(260,126)	(262,727)	(270,600)
Transfers from (to) surplus	412,397	221,680	212,795	203,697	164,542
Reserve fund in excess of amortization	760,000	775,200	790,704	806,518	822,648
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Five Year Plan 2013 to 2017
Operations Summary
Supporting Schedule A**

	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Equipment					
Recoveries	\$ 491,742	\$ 497,600	\$ 503,600	\$ 509,600	\$ 515,700
Operations Expense	371,764	377,300	383,000	388,700	394,500
Net Recoveries	<u>119,978</u>	<u>120,300</u>	<u>120,600</u>	<u>120,900</u>	<u>121,200</u>
Debt Interest	3,203				-
Amortization	245,568	249,252	252,990	256,785	260,637
Net Recoveries (Loss)	<u>(128,793)</u>	<u>(128,952)</u>	<u>(132,390)</u>	<u>(135,885)</u>	<u>(139,437)</u>
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Recoveries (Loss)	<u>(128,793)</u>	<u>(128,952)</u>	<u>(132,390)</u>	<u>(135,885)</u>	<u>(139,437)</u>
Allocations					
Debt proceeds	-	-	-	-	-
Capital Expenditures	(210,000)	(50,000)	(50,000)	(50,000)	(50,000)
Debt principal repayment	(79,416)	(74,426)	(41,902)	(745)	-
Transfers from (to) reserves	210,000	(40,000)	(40,800)	(41,616)	(42,448)
Transfers from (to) surplus	(37,359)	44,126	12,102	(28,539)	(28,752)
Reserve fund in excess of amortization	245,568	249,252	252,990	256,785	260,637
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Grand Forks
Five Year Plan 2013 to 2017
Operations Summary
Supporting Schedule A**

	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Electrical					
Revenue					
User Fees	\$ 4,216,000	\$ 4,384,600	\$ 4,560,000	\$ 4,742,400	\$ 4,932,100
Fees and Charges	40,000	41,600	43,300	45,000	46,800
	4,256,000	4,426,200	4,603,300	4,787,400	4,978,900
Expenditure					
Purchases for resale	3,109,400	3,233,800	3,363,200	3,497,700	3,637,600
Operations Expense	607,400	488,500	493,400	498,300	503,300
Amortization	34,000	34,000	34,000	34,000	34,000
Expenditure	3,750,800	3,756,300	3,890,600	4,030,000	4,174,900
Net Income (loss) before Contributions to General	505,200	669,900	712,700	757,400	804,000
Contributions to General	410,000	416,150	422,392	428,728	435,159
Contributions to Electrical Capital	245,000	26,800	26,800	26,800	26,800
Contributions to Statutory Reserves	-				
Net income (loss)	(149,800)	226,950	263,508	301,872	342,041
Allocations					
Capital Expenditures	(235,000)	(239,700)	(244,494)	(249,384)	(254,372)
Transfers from (to) reserves	350,800	(21,250)	(53,014)	(86,488)	(121,669)
Reserve fund in excess of amortization	34,000	34,000	34,000	34,000	34,000
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Five Year Plan 2013 to 2017
Operations Summary
Supporting Schedule A**

	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Water					
Revenue					
Parcel Taxes	\$ 43,270	\$ 33,933	\$ 33,933	\$ 33,933	\$ 33,933
User Levies	752,700	767,800	783,200	798,900	814,900
Fees and Charges	4,200	4,300	4,400	4,500	4,600
Government Grants - Capital	716,844				-
	1,517,014	806,033	821,533	837,333	853,433
Operations Expense	738,968	750,100	761,400	772,800	784,392
Preventative Maintenance Program	80,000				
Studies & Planning		-	-	-	
Debt Interest	43,270	81,081	81,081	81,081	81,081
Amortization	186,100	189,822	193,618	197,491	201,441
Total Expenses	1,048,338	1,021,003	1,036,099	1,051,371	1,066,913
Net Income (Loss)	468,675	(214,970)	(214,566)	(214,039)	(213,480)
Allocations					
Debt proceeds	2,046,006	367,500	367,500	367,500	367,500
Capital Expenditures	(2,691,182)	(469,500)	(469,500)	(469,500)	(469,500)
Capital Planning	(131,667)	-	-	-	-
Debt principal repayment	-	47,148	47,148	47,148	47,148
Transfers from (to) reserves	-	-	-	-	-
Transfers from (to) surplus	122,068	80,000	75,800	71,400	66,892
Reserve fund in excess of amortization	186,100	189,822	193,618	197,491	201,441
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Five Year Plan 2013 to 2017
Operations Summary
Supporting Schedule A**

	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan
Sewer					
Revenue					
Parcel Taxes	\$ 38,295	\$ 73,200	\$ 73,200	\$ 73,200	\$ 73,200
User Levies	745,000	759,900	775,100	790,600	806,400
Fees and Charges	9,000	9,200	9,400	9,600	9,800
Government Grants - Capital	491,844				
	1,284,138	842,300	857,700	873,400	889,400
Operations Expense	692,362	702,700	713,200	723,900	734,800
Preventative Maintenance Program	35,000				
Studies & Planning	-	-	-	-	-
Debt Interest	25,758	43,190	43,190	43,190	43,190
Amortization	130,000	131,950	133,929	135,938	137,977
Total Expenses	883,121	877,840	890,319	903,028	915,967
Net Income (Loss)	401,018	(35,540)	(32,619)	(29,628)	(26,567)
Allocations					
Debt proceeds	563,511	210,000	210,000	210,000	
Capital Expenditures	(983,687)	(244,500)	(244,500)	(240,500)	-
Capital Planning	(71,667)	-	-	-	-
Debt principal repayment	(6,495)	(30,010)	(30,010)	(30,010)	(30,010)
Transfers from (to) reserves	-	-	-	-	-
Transfers from (to) surplus	(32,679)	(31,900)	(36,800)	(45,800)	(81,400)
Reserve fund in excess of amortization	130,000	131,950	133,929	135,938	137,977
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Appendix B to Bylaw 1948
Consolidated 5 Year Financial Plan 2013 - 2017
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 2013 Revenue
Property taxes , grants in lieu & franchise Fees	24.0%
Parcel taxes	0.7%
User levies	14.1%
Fees and charges	40.6%
Grants and other	20.6%

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
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Consolidated 5 Year Financial Plan 2013 - 2017
Revenues, Property Taxes and Exemptions

The City will receive the Revised Assessment Roll for 2013 in April and will set the property tax rates based on the assessment before May 15, 2013. The 2013 distribution of property tax rates amongst all the property classifications will not be known until then.

The distribution for 2012 were as follows:

3.46997496	Property Class	% of General Revenue Taxation
	Residential	53.1800%
	Utility	1.8000%
	Major Industry	23.1700%
	Light Industry	1.2300%
	Business and Other	20.5900%
	Recreation / Non-profit	0.0100%
	Farm	0.0200%

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 2010, the industry ratio was further lowered to 14.18, in 2011 it was lowered to 11.51, and in 2012 it was lowered to 10.55. As well, in 2011, the business conversion ratio was lowered from 3.47 to 2.75, and in 2012 it was lowered to 2.52. In 2010 the light industry class was lowered from 4.22 to 3.21, in 2012 it was lowered to 2.96. For 2013, 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.