

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2024

**A Bylaw to Establish the Five Year Financial Plan
For the Years 2016 - 2020**

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 2016 to 2020.
2. This bylaw may be cited, for all purposes, as the "**Year 2016 – 2020 Financial Plan Bylaw**".


INTRODUCED this 14th day of March, 2016.

Read a **FIRST** time this 29th day of March, 2016.

Read a **SECOND** time this 29th day of March, 2016.

Read a **THIRD** time this 29th day of March, 2016.

FINALLY ADOPTED on this 11th day of April, 2016.



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. 2024,
as adopted by the Municipal Council of the City of Grand Forks
on this ___ day of _____.

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

**City of Grand Forks
Appendix "A" to Bylaw 2024
Year 2016 - 2020 Financial Plan Bylaw**

	2016	2017	2018	2019	2020
<u>Revenue</u>					
Property taxes , grants in lieu & franchise Fees	\$ 3,588,404	\$ 3,675,400	\$ 3,764,500	\$ 3,855,800	\$ 3,949,500
Parcel taxes	240,858	240,858	240,858	240,858	240,858
User levies	1,956,967	1,994,169	2,032,120	2,070,738	2,110,131
Fees and charges	5,182,465	5,326,884	5,475,453	5,628,411	5,785,787
Grants and other	1,690,365	1,394,530	1,405,535	1,416,614	1,427,770
Total Revenues	12,659,059	12,631,840	12,918,465	13,212,422	13,514,047
<u>Expenses</u>					
Purchases for resale	3,460,253	3,564,061	3,670,982	3,781,112	3,894,545
Operating	7,308,043	7,489,869	7,679,224	7,873,729	8,073,532
Debt interest	95,105	95,024	95,017	95,017	95,017
Amortization	1,656,491	1,669,615	1,681,883	1,695,298	1,708,863
Total Operating Expenses	12,519,892	12,818,568	13,127,107	13,445,156	13,771,957
Net Revenue (loss)	\$139,167	(\$186,728)	(\$208,641)	(\$232,734)	(\$257,910)
<u>Allocations</u>					
Debt proceeds	4,252,914	500,000	515,000	530,450	546,350
Capital expenditures	(6,436,020)	(3,497,783)	(3,499,416)	(3,501,081)	(3,502,780)
Debt principal repayment	(230,150)	(252,862)	(254,794)	(256,752)	(258,731)
Transfers from (to) reserves / surplus	617,597	1,767,758	1,765,969	1,764,819	1,764,209
Reserve fund in excess of amortization	1,656,491	1,669,615	1,681,883	1,695,298	1,708,863
Financial Plan Balance	\$0	\$0	\$0	\$0	\$0

**City of Grand Forks
Financial Plan 2016 to 2020 Bylaw 2024
Operations Summary
Supporting Schedule A**

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
General					
Revenue					
Property Taxes	3,408,705	3,493,900	3,581,200	3,670,700	3,762,500
Parcel Taxes	234,817	234,817	234,817	234,817	234,817
Payments in Lieu of Taxes	179,699	181,500	183,300	185,100	187,000
Solid Waste Levies	197,000	199,000	201,000	203,000	205,000
Slag Sales	235,000	237,350	239,724	242,121	244,542
Fees and Charges	519,185	524,400	529,600	534,900	540,200
Government Grants - Operations	508,060	513,141	518,272	523,455	528,689
Government Grants - Capital	297,639	297,639	297,639	297,639	297,639
Other Sources	343,000	346,400	349,900	353,400	356,900
Restricted Investment Income	-	-	-	-	-
	5,923,105	6,028,147	6,135,452	6,245,131	6,357,287
Expenses					
Airport Cost of Sales	45,900	47,277	48,695	50,156	51,661
Operations Expense	4,835,533	4,980,599	5,130,017	5,283,917	5,442,435
Community Support	323,400	323,400	326,634	329,900	333,199
Debt Interest	23,347	23,268	23,261	23,261	23,261
Amortization	990,719	995,673	1,000,651	1,005,654	1,010,682
Total Expenses	6,218,899	6,370,216	6,529,258	6,692,889	6,861,239
Net Income (Loss) before Other Income	(295,794)	(342,070)	(393,807)	(447,758)	(503,951)
Other Income					
Contributions from Electrical	437,330	441,703	446,120	450,582	455,087
Gain (Loss) on Disposition of Assets					
Net Income (Loss)	141,536	99,634	52,314	2,824	(48,864)
Allocations					
Debt proceeds	1,108,043	500,000	515,000	530,450	546,350
Capital Expenditures	(1,523,699)	(1,000,000)	(1,030,000)	(1,060,900)	(1,092,700)
Debt principal repayment	(163,913)	(187,366)	(189,298)	(191,256)	(193,235)
Transfers from (to) reserves	(552,687)				
Transfers from (to) surplus	(0)	(407,940)	(348,666)	(286,772)	(222,233)
Reserve fund in excess of amortization	990,719	995,673	1,000,651	1,005,654	1,010,682
Surplus (Deficit)	-	-	-	-	-

**City of Grand Forks
Financial Plan 2016 to 2020 Bylaw 2024
Operations Summary
Supporting Schedule A**

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Equipment					
Recoveries	\$ 446,260	\$ 449,972	\$ 454,472	\$ 459,017	\$ 463,607
Operations Expense	445,517	449,972	454,472	459,017	463,607
Net Recoveries	743	-	-	-	-
Debt Interest	2	-	-	-	-
Amortization	266,172	268,834	271,522	274,237	276,979
Net Recoveries (Loss)	(265,431)	(268,834)	(271,522)	(274,237)	(276,979)
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Recoveries (Loss)	(265,431)	(268,834)	(271,522)	(274,237)	(276,979)
Allocations					
Debt proceeds	-	-	-	-	-
Capital Expenditures	-	-	-	-	-
Debt principal repayment	(741)	-	-	-	-
Transfers from (to) reserves	-	-	-	-	-
Transfers from (to) surplus	0	-	-	-	-
Reserve fund in excess of amortization	266,172	268,834	271,522	274,237	276,979
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Financial Plan 2016 to 2020 Bylaw 2024
Operations Summary
Supporting Schedule A**

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Electrical					
Revenue					
User Fees	\$ 4,602,243	\$ 4,740,310	\$ 4,882,520	\$ 5,028,995	\$ 5,179,865
Fees and Charges	52,757	53,812	54,888	55,986	57,106
	4,655,000	4,794,123	4,937,408	5,084,982	5,236,971
Expenditure					
Purchases for resale	3,414,353	3,516,784	3,622,287	3,730,956	3,842,884
Operations Expense	683,317	697,000	710,900	725,100	739,600
Amortization	42,000	42,000	41,000	41,000	41,000
Expenditure	4,139,670	4,255,784	4,374,187	4,497,056	4,623,484
Net Income (loss) before Contributions to General	515,330	538,339	563,221	587,926	613,487
Contributions to General	437,330	441,703	446,120	450,582	455,087
Net income (loss)	78,000	96,636	117,101	137,344	158,399
Allocations					
Capital Expenditures	(80,043)	(81,644)	(83,277)	(84,942)	(86,641)
Transfers from (to) reserves	(39,957)	(58,356)	(76,723)	(75,058)	(73,359)
Transfers from (to) surplus	(0)	1,364	1,899	(18,344)	(39,399)
Reserve fund in excess of amortization	42,000	42,000	41,000	41,000	41,000
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Financial Plan 2016 to 2020 Bylaw 2024
Operations Summary
Supporting Schedule A**

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Water					
Revenue					
Parcel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
User Levies	860,390	877,600	895,200	913,100	931,400
Fees and Charges	4,200	4,200	4,200	4,200	4,200
Government Grants - Capital	-	-	-	-	-
	864,590	881,800	899,400	917,300	935,600
Operations Expense	683,090	693,300	703,700	714,300	725,015
Preventative Maintenance Program	83,500	85,170	86,873	88,611	90,383
Debt Interest	-	-	-	-	-
Amortization	193,200	197,064	201,005	205,025	209,126
Total Expenses	959,790	975,534	991,579	1,007,936	1,024,523
Net Income (Loss)	(95,200)	(93,734)	(92,179)	(90,636)	(88,923)
Allocations					
Debt proceeds	2,036,827	-	-	-	-
Capital Expenditures	(3,112,314)	(1,556,157)	(1,556,157)	(1,556,157)	(1,556,157)
Debt principal repayment	-	-	-	-	-
Transfers from (to) reserves	977,487	1,556,157	1,556,157	1,556,157	1,556,157
Transfers from (to) surplus	0	(103,330)	(108,827)	(114,389)	(120,202)
Reserve fund in excess of amortization	193,200	197,064	201,005	205,025	209,126
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**City of Grand Forks
Financial Plan 2016 to 2020 Bylaw 2024
Operations Summary
Supporting Schedule A**

	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Wastewater					
Revenue					
Parcel Taxes	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041	\$ 6,041
User Levies	\$ 899,577	917,569	935,920	954,638	973,731
Fees and Charges	4,080	4,162	4,245	4,330	4,416
Government Grants - Capital	306,666				
	1,216,364	927,771	946,206	965,009	984,188
Operations Expense	699,946	710,400	721,100	731,900	742,900
Preventative Maintenance Program		-	-	-	-
Debt Interest	71,756	71,756	71,756	71,756	71,756
Amortization	164,400	166,044	167,704	169,381	171,075
Total Expenses	936,102	948,200	960,561	973,038	985,732
Net Income (Loss)	280,262	(20,429)	(14,355)	(8,029)	(1,543)
Allocations					
Debt proceeds	1,108,043				
Capital Expenditures	(1,719,964)	(859,982)	(429,991)	(214,995)	(107,498)
Debt principal repayment	(65,496)	(65,496)	(65,496)	(65,496)	(65,496)
Transfers from (to) reserves	232,755	859,982	429,991	214,995	107,498
Transfers from (to) surplus	(0)	(80,119)	(87,854)	(95,857)	(104,036)
Reserve fund in excess of amortization	164,400	166,044	167,704	169,381	171,075
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Appendix B to Bylaw 2024
Year 2016 - 2020 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 2016 Revenue
Property taxes , grants in lieu & franchise Fees	28.35%
Parcel taxes	1.90%
User levies	15.46%
Fees and charges	40.94%
Grants and other	13.35%

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 2024
Year 2016 - 2020 Financial Plan
Revenues, Property Taxes and Exemptions

The City will receive the Revised Assessment Roll for 2016 in April and will set the property tax rates based on the assessment before May 15, 2016. The 2016 distribution of property tax rates amongst all the property classifications will not be known until then.

The distribution for 2015 were as follows:

Property Class	% of General Revenue Taxation
Residential	49.9593%
Utility	1.4968%
Major Industry	27.1390%
Light Industry	1.3574%
Business and Other	20.0228%
Recreation / Non-profit	0.0091%
Farm	0.0156%

Objective

To ensure equity among property classes by reviewing the ratios of property class allocations annually. In 2015, the industry conversion ratio was 10.52, the business conversion ratio was 2.39, and the light industry ratio was 2.93. In 2015, the ratios remained similar to 2014 except the utilities rate, as it is at the maximum set by BC Reg 329/96. For 2016, consideration for class conversion ratios will be considered in April when tax rates are set.

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 all members of the public.

City of Grand Forks
Bylaw 2024 - Financial Plan 2016-2020
Schedule C

CAPITAL PROJECT	2016 Budget	Capital	Electrical	Waste	Equipment	Slag	Land Sales	Gas Tax	Grants	Debt	DCC	Surplus
2016 transfers - Asset Management Financial Plan												
from surplus		\$ 1,000,000	\$ (500,000)	\$ (500,000)								
from slag reserve		\$ 1,000,000				\$ (1,000,000)						
from land sales reserve		\$ 200,000					\$ (200,000)					
from tax sale land reserve		\$ 63,184										
2015 CARRY FORWARD PROJECTS												
GENERAL OPERATIONS												
1 Works Yard Fuel Pump Replacement	\$ 1,190						\$ (1,190)					
2 Spray Park	\$ 53,876					\$ (47,626)			\$ (6,250)			
3 Generator 525 Central	\$ 5,232						\$ (5,232)					
4 Airport Beacons	\$ 60,000						\$ (15,000)		\$ (45,000)			
5 Playground Equipment	\$ 45,000					\$ (12,030)			\$ (32,970)			
6 1995 Ford Pick-up Replacement	\$ 30,000				\$ (30,000)							
7 Silver Kettle Sidewalk	\$ 212,500										\$ (212,500)	
ENGINEERING												
8 West Side Fire Protection	\$ 928,784									\$ (928,784)		
9 Eastside Reservoir Structure Study	\$ 1,210	\$ (1,210)										
10 Wastewater Treatment Plant UV	\$ 455,900						\$ (149,234)		\$ (306,666)			
11 Multi Utility - 3rd St & 22nd St	\$ 3,324,130										\$ (3,324,130)	
ELECTRICAL												
12 System & Voltage Conversion	\$ 20,666		\$ (20,666)									
13 Electrical - Recloser controls	\$ 23,522		\$ (23,522)									
14 Electrical System Upgrades	\$ 5,759		\$ (5,759)									
15 Riverside Reconductor	\$ 30,096		\$ (30,096)									
WASTE WATER												
16 Headworks Grinder	\$ 50,446						\$ (50,446)					
17 Water/Sewer Scada	\$ 11,149						\$ (11,149)					
WATER												
18 Residential Water Meter Project	\$ 302,353								\$ (302,353)			
19 Water System Locates	\$ 91,349								\$ (91,349)			
2016 NEW CAPITAL PROJECTS												
1 Well #3 Pump and Motor	\$ 100,000	\$ (100,000)										
2 3rd Street Sewer Main Repair	\$ 100,000			\$ (100,000)								
3 5th Street Watermain Replacement	\$ 575,000							\$ (575,000)				
4 Vadim Software E3 upgrade	\$ 7,857											\$ (7,857)
TOTAL CAPITAL	\$ 6,436,020	\$ (101,210)	\$ (80,043)	\$ (100,000)	\$ (30,000)	\$ (59,656)	\$ (232,251)	\$ (968,702)	\$ (390,886)	\$ (4,252,914)	\$ (212,500)	\$ (7,857)