

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 2036

A Bylaw to Establish the Five Year Financial Plan For the Years 2017 - 2021

WHEREAS in accordance with Section 165 of the *Community Charter*, the Council is required to adopt a Five Year Financial Plan annually before the adoption of the annual property tax bylaw;

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

1. 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 2017 to 2021.
2. Schedules "B" and "C" attached hereto and forming part of this bylaw are hereby adopted as the Financial Plan schedules of proposed funding sources, expenditures, and transfers between funds for the years 2017 to 2021.
3. This bylaw may be cited, for all purposes, as the "Five Year Financial Plan Bylaw, 2017-2021, No. 2036".

INTRODUCED this 13th day of March, 2017.

Read a **FIRST** time this 27th day of March, 2017.

Read a **SECOND** time this 27th day of March, 2017.

Read a **THIRD** time this 27th day of March, 2017.

FINALLY ADOPTED on this 10th day of April, 2017.



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. 2036,
as adopted by the Municipal Council of the City of Grand Forks
on this 10th day of April, 2017.

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

**CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw 2036
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 policies 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

- After an initial correction period, 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	\$ 3,816,587	17.6%
Parcel Taxes	161,226	0.7%
Fees and Charges	7,512,874	34.6%
Other Sources	5,435,392	25.0%
Proceeds from Borrowing	1,428,784	6.6%
Reserve Funding	3,383,800	15.6%
TOTAL	\$ 21,738,663	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 2017 distribution of property taxes rates among the different classes has not yet been determined. The following distribution is based on rate multiples consistent with prior years:

Property Class	Rate Multiple	% of Property Value Tax
01 Residential	1.00	54.20%
02 Utilities	7.95	1.32%
04 Major Industry	8.63	22.07%
05 Light Industry	2.93	1.43%
06 Business	2.39	20.95%
08 Recreation/Non Profit	0.80	0.03%
09 Farm	1.08	0.01%
TOTAL		100.00%

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.

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
5 Year Financial Plan Bylaw 2036
Schedule "B" Five Year Financial Plan 2017-2021

	2017	2018	2019	2020	2021
	Budget	Budget	Budget	Budget	Budget
Revenues					
Property Taxes	\$ 3,698,273	\$ 3,827,713	\$ 3,961,683	\$ 4,100,342	\$ 4,243,854
Parcel and Frontage Taxes	161,226	161,226	161,226	161,226	5,826
Grants in Lieu of Taxes	15,780	16,332	16,904	17,496	18,108
Percentage of Revenue Tax	102,534	104,000	104,000	104,000	104,000
Sales of Services and User Fees	7,512,874	7,779,026	8,037,607	8,305,239	8,582,238
Grants	5,116,179	999,000	965,000	970,000	975,000
Other Revenues	319,213	244,500	507,248	507,248	507,248
Total Revenues	16,926,079	13,131,797	13,753,668	14,165,551	14,436,274
Expenses					
Purchases for resale	3,505,300	3,575,406	3,646,914	3,719,852	3,794,249
General Government	1,182,590	1,083,602	1,099,524	1,120,864	1,142,631
Protective Services	928,111	821,794	798,381	814,178	830,292
Transportation Services	1,196,464	1,220,393	1,244,801	1,269,697	1,295,091
Environmental & Health Services	220,300	224,706	229,200	233,784	238,460
Public Health Services	94,202	96,086	98,008	99,968	101,967
Planning and Development	564,333	370,193	376,627	383,190	389,884
Parks, Recreation and Cultural Services	1,294,800	1,260,386	1,279,107	1,298,202	1,289,379
Water Services	814,413	830,701	847,315	864,261	881,546
Electrical Services	701,766	715,801	730,117	744,719	759,613
Wastewater Services	720,547	734,958	749,657	764,650	779,943
Amortization	1,859,889	2,042,696	2,113,317	2,136,467	2,210,701
Debt Interest	120,786	162,319	313,756	288,969	287,502
Total Expenses	13,203,501	13,139,041	13,526,724	13,738,801	14,001,258
Surplus (Deficit) for the year	\$ 3,722,578	\$ (7,244)	\$ 226,944	\$ 426,750	\$ 435,016
Adjusted for non-cash items					
Amortization	1,859,889	2,042,696	2,113,317	2,136,467	2,210,701
Total Cash from Operations	\$ 5,582,467	\$ 2,035,452	\$ 2,340,261	\$ 2,563,217	\$ 2,645,717
Adjusted for Cash Items					
Proceeds from Borrowing	1,428,784	5,100,000	-	-	-
Capital Expenditures	(8,702,250)	(7,175,000)	(2,234,000)	(2,187,000)	(1,847,000)
Debt Principal Repayments	(314,789)	(370,007)	(479,261)	(433,200)	(311,310)
Transfer from Reserves	3,383,800	2,075,000	2,234,000	2,187,000	1,847,000
Transfer to Reserves	(1,100,000)	(1,400,000)	(1,600,000)	(1,900,000)	(2,100,000)
Transfer to Surplus	(278,012)	(265,445)	(261,000)	(230,017)	(234,407)
	\$ (5,582,467)	\$ (2,035,452)	\$ (2,340,261)	\$ (2,563,217)	\$ (2,645,717)
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

CORPORATION OF THE CITY OF GRAND FORKS
5 Year Financial Plan Bylaw 2036
Schedule "C" Five Year Financial Plan 2017-2021

CORPORATION OF THE CITY OF GRAND FORKS FINANCIAL PLAN BYLAW NO. 2036

CAPITAL EXPENDITURES - 2017			FUNDED FROM										
			RESERVES										
Description	Fund	Amount	General Capital	Electrical Capital	Water Capital	Sewer Capital	Equipment	Land Sales	Gas Tax	Slag	DEBT	GRANTS	OTHER
2016 Carry Forward Projects													
Silver Kettle Sidewalk	General	150,000	150,000										
Public Works Fuel Tanks	General	75,000	75,000										
Whispers of Hope Roof	General	15,000	15,000										
5 tonne Dump Truck	General	250,000					250,000						
T-Tech trailer	General	13,679					13,679						
GIS Phase 2	General	2,759	2,759										
Riverside Reconnector	Electrical	7,395		7,395									
Electrical Substation Engineering	Electrical	48,709	48,709										
West Side Fire Protection	Water	928,784									928,784		
Water/Sewer Scada	Water	5,575						5,575					
Residential Water Meter Project	Water	22,538							22,538				
Well #3 Pump and Motor	Water	13,981	13,981										
5th Street Watermain Replacement	Water	312,428							312,428				
Wastewater Treatment Plant UV	Sewer	457,675						151,009				306,666	
Headworks Grinder	Sewer	34,343						34,343					
Water/Sewer Scada	Sewer	5,575						5,575					
3rd Street Sewer Main Repair	Sewer	35,309	35,309										
2017 New Projects													
Public Works Upgrades	General	20,000	20,000										
JD Park Stadium Padding	General	15,000								15,000			
Service Truck Replacement	General	60,000	60,000										
PW Photocopier	General	15,000	15,000										
Expo Sign changes	General	35,000								35,000			
Library HRV	General	12,000											12,000
Public Works - 22nd Street	General	750,000	250,000								500,000		
Wayfaring Signs	General	65,000								65,000			
LED Lighting	General	50,000								50,000			
Emergency Repair Fund	General	50,000	50,000										
Flood Plain Mapping & Dike Restoration	General	50,000	50,000										
Holder Replacement	General	200,000					200,000						
Airport AWOS Upgrade	General	220,000	55,000									165,000	
Transformer Replacement Programs	Electrical	80,000	80,000										
Substation Engineering	Electrical	500,000	500,000										
City Park Lift Station Upgrade	Sewer	15,000	15,000			15,000							
Bio-Solids Land Application Plan	Sewer	25,000											
Sewer Main Relining	Sewer	25,000	25,000										
Wastewater Treatment Plant Upgrades	Sewer	4,010,000	682,000									3,328,000	
Sewer Phasing Plan	Sewer	100,000	17,000									83,000	
Sewer Lift Station Pumps	Sewer	15,000	15,000			15,000							
Water Supply & Conservation	Water	11,500			11,500								
GRAND TOTAL		8,702,250	2,174,758	7,395	11,500	30,000	463,679	196,502	334,966	165,000	1,428,784	3,882,666	12,000