

THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 1996

**A Bylaw to Establish 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;

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**".

Read a **FIRST** time this 10th day of March, 2014

Read a **SECOND** time this 10th day of March, 2014

Read a **THIRD** time this 7th day of April, 2014

FINALLY ADOPTED on this 28 day of April, 2014



Mayor Brian Taylor



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. 1996, as adopted by the Municipal Council of the City of Grand Forks on this ___ day of _____, 2014.

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

City of Grand Forks
Appendix "A" to Bylaw 1996
Consolidated 5 Year Financial Plan 2014 - 2018

	2014	2015	2016	2017	2018
Revenue					
Property taxes , grants in lieu & franchise Fees	\$ 2,942,062	\$ 2,999,900	\$ 3,058,900	\$ 3,119,000	\$ 3,180,300
Parcel taxes	6,041	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	3,781,734	706,586	711,811	717,161	722,537
Total Revenues	13,510,834	10,758,079	11,098,620	11,452,730	11,720,378
Expenses					
Purchases for resale	3,294,066	3,390,619	3,559,125	3,736,082	3,848,200
Operating	6,909,585	7,011,965	7,115,898	7,221,480	7,328,563
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
Total Operating Expenses	11,844,486	12,045,575	12,329,866	12,624,472	12,855,962
Net Revenue (loss)	\$1,666,347	(\$1,287,496)	(\$1,231,246)	(\$1,171,743)	(\$1,135,584)
Allocations					
Debt proceeds	3,551,978	577,500	577,500	577,500	367,500
Capital expenditures	(8,921,179)	(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	2,360,866	475,484	265,473	(4,626)	(66,193)
Reserve fund in excess of amortization	1,539,874	1,556,513	1,573,366	1,590,434	1,607,722
Financial Plan Balance	\$0	\$0	\$0	\$0	\$0

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

General	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Revenue					
Property Taxes	\$ 2,837,537	\$ 2,894,300	\$ 2,952,200	\$ 3,011,200	\$ 3,071,400
Parcel Taxes					
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	317,286	317,286	317,286	317,286	317,286
Government Grants - Capital	1,587,889				
Other Sources	134,114	136,800	139,500	142,300	145,100
Restricted Investment Income	-	-	-	-	-
	6,002,939	4,491,586	4,569,611	4,649,061	4,729,937
Expenses					
Airport Cost of Sales	49,000	50,500	52,000	53,600	55,200
Operations Expense	4,412,249	4,478,400	4,545,600	4,613,800	4,683,000
Community Support	301,420	305,941	310,530	315,188	319,916
Preventative Maintenance Program	141,258	143,377	145,528	147,710	149,926
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
Total Expenses	5,848,411	5,917,218	5,996,748	6,077,570	6,159,586
Net Income (Loss) before Other Income	154,528	(1,425,632)	(1,427,137)	(1,428,508)	(1,429,649)
Other Income					
Contributions from Electrical	420,000	432,600	445,578	458,945	465,830
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Income (Loss)	574,528	(993,032)	(981,559)	(969,563)	(963,819)
Allocations					
Debt proceeds	1,639,778	-	-	-	-
Capital Expenditures	(3,766,666)	-	-	-	-
Capital Planning					
Debt principal repayment	(74,484)	(74,484)	(74,484)	(74,484)	(74,484)
Transfers from (to) reserves	539,000	(252,500)	(255,025)	(257,575)	(265,300)
Transfers from (to) surplus	187,845	411,017	392,978	374,352	367,060
Reserve fund in excess of amortization	900,000	909,000	918,090	927,271	936,544
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

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
Equipment					
Recoveries	\$ 471,443	\$ 477,100	\$ 482,800	\$ 488,600	\$ 494,500
Operations Expense	461,518	468,400	475,400	482,500	489,700
Net Recoveries	9,925	8,700	7,400	6,100	4,800
Debt Interest	1,603	1,603	1,603	1,603	1,603
Amortization	232,874	234,038	235,209	236,385	237,567
Net Recoveries (Loss)	(224,552)	(226,941)	(229,412)	(231,888)	(234,370)
Gain (Loss) on Disposition of Assets	-	-	-	-	-
Net Recoveries (Loss)	(224,552)	(226,941)	(229,412)	(231,888)	(234,370)
Allocations					
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
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**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
Electrical					
Revenue					
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
	4,387,835	4,606,352	4,835,768	5,076,628	5,229,000
Expenditure					
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
Expenditure	3,915,670	4,017,019	4,190,325	4,372,082	4,489,100
Net Income (loss) before Contributions to General	472,165	589,332	645,443	704,546	739,900
Contributions to General	420,000	432,600	445,578	458,945	465,830
Net income (loss)	52,165	156,732	199,865	245,601	274,070
Allocations					
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
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

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
Water					
Revenue					
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	1,677,490	813,900	830,200	846,800	863,700
Operations Expense	666,332	676,300	686,400	696,700	707,151
Preventative Maintenance Program	81,601	83,233	84,898	86,596	88,328
Studies & Planning	-	-	-	-	-
Debt Interest	-	-	-	-	-
Amortization	200,000	204,000	208,080	212,242	216,486
Total Expenses	947,933	963,533	979,378	995,537	1,011,964
Net Income (Loss)	729,557	(149,633)	(149,178)	(148,737)	(148,264)
Allocations					
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	(50,000)	47,633	43,098	38,496	33,778
Reserve fund in excess of amortization	200,000	204,000	208,080	212,242	216,486
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

**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
Sewer					
Revenue					
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				
	1,442,570	846,241	863,041	880,241	897,741
Operations Expense	652,346	662,100	672,000	682,100	692,300
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
Total Expenses	907,920	920,863	934,004	947,396	960,942
Net Income (Loss)	534,650	(74,622)	(70,963)	(67,155)	(63,201)
Allocations					
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	(37,784)	(9,377)	(15,549)	(25,906)	(62,949)
Reserve fund in excess of amortization	165,000	167,475	169,987	172,537	175,125
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

City of Grand Forks
Appendix B to Bylaw 1996
Consolidated 5 Year Financial Plan 2014 - 2018
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	21.8%
Parcel taxes	0.0%
User levies	13.4%
Fees and charges	36.8%
Grants and other	28.0%

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 1996
Consolidated 5 Year Financial Plan 2014 - 2018
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.