



City of Prince Albert

RPT 2025-61

TITLE: 2025 Sanitation Fund Operating and Capital Budget

DATE: January 20, 2025

TO: Special City Council

PUBLIC: X

INCAMERA:

RECOMMENDATIONS:

1. That the 2025 Sanitation Fund Operating Budget be approved as follows:

2025 Sanitation Budget

Operating Revenue	(\$6,287,890)
Operating Expenses	\$5,147,367
Operating Surplus	(\$1,140,523)

Allocations:

Interfund Transfers	\$354,563
Long Term Debt Principle Payment	\$578,550
Transfer to Improvement Fund	\$207,410
Total Allocations	\$1,140,523

Balanced Budget	\$0
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2. That the 2025 Sanitation Fund Loan Principal Payment of \$578,550 be approved;
3. That the motions from the 2025 Sanitation Fund Budget Committee deliberations be ratified and that Administration proceed as authorized; and,
4. That the 2025 Sanitation Fund budgeted expenditures be approved for disbursement effective January 1, 2025.

EXECUTIVE SUMMARY:

The City of Prince Albert's Budget Committee concluded deliberations on January 22, 2025 for the Utility, Sanitation, Airport and Land Fund Budgets, underscoring Council's commitment to supporting its growing population and addressing the rising costs of goods and services. This report is forwarding the 2025 Sanitation Fund Operating and Capital Budget to City Council for final approval along with the resolutions of the Budget Committee for a balanced budget with a net surplus increase of \$207,410 to the Sanitation Improvement Fund.

BACKGROUND:

The Sanitation Utility Fund was created in 2003 and was intended to be self-sustaining providing waste collection and recycling services, as well as operate a Landfill without being dependent on the City's tax base. In order to continue to ensure the ability to be self-sufficient and to meet future capital requirements, City Council passed Waste Collection and Disposal Bylaw No. 39 of 2020, setting the rates and fees for a period of five years (2022 to 2026).

On January 22, 2025, the Budget Committee considered the 2025 Sanitation Fund Operating and Capital Budgets and recommended that the 2025 Sanitation Operating and Capital Budget, along with the Resolutions of the Budget Committee, be forwarded to City Council for final approval.

PROPOSED APPROACH AND RATIONALE:

For Year 2025, as per the consolidated Waste Collection and Disposal Bylaw No. 39 of 2020, there will be a monthly increase of \$0.25 on the user's water bill.

Residential Utility Surcharge			
Year	Monthly Rate	Increase	% Increase
2022	\$19.50		
2023	\$19.75	\$0.25	1.28%
2024	\$20.00	\$0.25	1.27%
2025	\$20.25	\$0.25	1.25%
2026	\$20.50	\$0.25	1.23%

Attached is a copy of Bylaw No. 39 of 2020 – Waste Collection and Disposal Bylaw.

2025 Budgeted Revenues

The revenues for the Sanitation Fund have increased by \$89,240 from \$6,198,650 in 2024 to \$6,287,890 in 2025.

2025 Budgeted Expenses

Expenses for the Sanitation Fund have increased by \$197,820 from \$4,949,546 in 2024 to \$5,147,367 in 2025.

2025 Debt Loan Principal Payment

For 2025, Administration is requesting \$578,550 for the payment of principal payment for long term debt required for the construction of a new waste cell and expansion of existing cells.

CONSULTATIONS:

A media release notified the public that the Budget Committee meetings for the 2025 Water Utility, Sanitation, Airport, and Land Fund Budgets were scheduled January 22, 2025.

In addition, the budget submissions to the Budget Committee were available on the City's website for the public's review.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Once the 2025 Sanitation Fund Budget is approved by Council it will be posted on the City of Prince Albert website.

BUDGET/FINANCIAL IMPLICATIONS:

The City creates a balanced budget, which means that non-income statement related items such as principal debt repayment and improvement fund transactions (which sit on the balance sheet) are budgeted for in the year they occur:

- Principal debt repayment is reflected on the City's balance sheet and is demonstrated as a reduction to the liability amount. The City budgets to ensure these debt repayments are funded either through revenue sources or other means, such as reserves.
- Transfer to Improvement Fund relates to the projected surplus/deficit for the Sanitation Fund. The Improvement Fund is an equity account which has accumulated the surpluses/deficits of the Sanitation Fund since its inception.

Debt Principal

For 2025, Administration is requesting \$578,550 in for the repayment of principal payment for long term debt required for the construction of the new waste cell and expansion of existing cells. This amount is proposed to be funded by the surplus generated in 2025 in the Sanitation Fund.

The loan was originally borrowed in 2022 over a 10 year term at a rate of 3.05%. Annual interest payments amount to \$142,490, making the total loan payment in 2025 of \$721,040.

A summary of the 2025 Sanitation Fund Budget is as follows:

<u>2025 Sanitation Budget</u>	
Operating Revenue	(\$6,287,890)
Operating Expenses	\$5,147,367
Operating Surplus	(\$1,140,523)
<u>Allocations:</u>	
Interfund Transfers	\$354,563
Long Term Debt Principle Payment	\$578,550
Transfer to Improvement Fund	\$207,410
Total Allocations	\$1,140,523
Balanced Budget	\$0

A summary of the 2025 budget's impact on the Sanitation Improvement Fund Balance is as follows:

- The budgeted Sanitation Fund surplus from operations is \$1,140,523.
- A transfer of \$578,550 to the Capital Committed Reserve for 2025 long term debt principal payment.
- Interfund Transfers in the amount of \$354,563. This includes a transfer to the General Fund in the amount of \$307,450 for administrative services and \$46,290 for City Facilities. The Administration Fee paid to General Fund represents the cost of administrative services performed for the Sanitation Fund but incurred in the General Fund. The rate is calculated as 5% of the revenue in Sanitation Fund, less the transfer to the General Fund for City Facilities.
- This results in an estimated net surplus increase to the Sanitation Improvement Fund Balance in the amount of \$207,410.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no policy, privacy, legal, safety or environmental implications.

OPTIONS TO RECOMMENDATION:

There are no options to the recommendation.

STRATEGIC PLAN:

This budget supports the strategic priority of Building a Robust Economy by creating an equitable taxation structure that promotes community growth, developing and maintaining new and existing amenities and infrastructure, and promoting positive economic development outcomes so new residents will be attracted to Prince Albert.

OFFICIAL COMMUNITY PLAN:

Section 14 of the OCP highlights financial Goals and Policies aimed to “maintain effective management, efficiencies and accountability of the City’s fiscal budgets and operations”.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

ATTACHMENTS:

1. 2025 Sanitation Fund Operating and Capital Budget – Final for Council Approval.
2. January 22, 2025 Budget Committee Minutes (Unofficial).
3. Waste Collection and Disposal Bylaw No. 39 of 2020.

Written by: Melodie Boulet, Finance Manager

Approved by: Acting Senior Accounting Manager, Director of Financial Services and City Manager