



City of Prince Albert

RPT 2025-335

TITLE: 2026 Long-Term Debt Summary

DATE: November 19, 2025

TO: Budget Committee

PUBLIC: X

INCAMERA:

RECOMMENDATION:

That this report be received as information and used for discussion during the 2026 Budget deliberations.

EXECUTIVE SUMMARY:

This report summarizes all existing external debt owed by the City. Principal and interest payments are funded from a combination of taxation, revenues and reserves. The annual budget must be sufficient to cover the principal and interest payments required by the City.

PROPOSED APPROACH AND RATIONALE:

Long Term Debt – External Funding

Table 1.0 lists the unaudited loan balances as of December 31, 2025 and the 2026 budgeted payments and interest for all funds.

Table 1.0 - 2026 Budgeted Payments by Fund

Purpose of Loan	Unaudited Loan Balance at December 31, 2025	Interest Rate	2026 Budgeted Principal Payment	2026 Budgeted Interest Payment
General Fund				
Transit Buses	\$571,000	3.40%	\$282,000	\$15,832
Irrigation at Golf Course	\$1,695,000	3.40%	\$74,000	\$56,694
10% of West Hill Development	\$50,500	3.40%	\$24,900	\$1,402
Arena and Aquatic Centre (\$16M)	\$15,247,574	3.45%	\$268,310	\$518,330
Arena and Aquatic Centre (\$30M)	\$29,232,091	4.40%	\$409,477	\$1,274,201
Arena and Aquatic Centre (\$18M)	\$14,693,273	4.25%	\$3,447,263	\$526,790
General Fund Totals	\$61,489,439		\$4,505,950	\$2,393,249
Land Fund				
90% of West Hill Development	\$454,500	3.40%	\$224,100	\$12,620
Marquis Road West Extension	\$3,127,179	3.45%	\$97,286	\$105,090
Land Fund Totals	\$3,581,679		\$321,386	\$117,710
Water Utility Fund				
Water Reservoir on River Street	\$5,373,000	3.40%	\$237,000	\$179,687
Upgrades to Water Reservoirs on 2nd Avenue West and Marquis Road	\$5,028,000	3.40%	\$222,000	\$168,144
Waste Water Treatment Plant-Design	\$2,287,136	3.45%	\$40,246	\$77,750
Raw Water Pump House	\$12,200,918	3.45%	\$214,698	\$414,760
Water Utility Fund Totals	\$24,889,055		\$713,945	\$840,342
Sanitation Fund				
Waste Cell Construction	\$4,575,223	3.05%	\$596,192	\$124,390
Sanitation Fund Totals	\$4,575,223		\$596,192	\$124,390
Total for all Funds	\$94,535,395		\$6,137,473	\$3,475,691

Long-Term Debt Internally Funded

Table 2.0 shows capital projects internally funded by the General Fund. Principal and interest payments are transferred to the General Fund on an annual basis.

Table 2.0 - Internal Financing Balances Owing to General Fund

	2026	2027	2028
Water Utility Fund			
Water Meter Replacement	\$ 1,070,192	\$ 543,523	\$ -
BALANCES AT YEAR END	\$ 1,070,192	\$ 543,523	\$ -

Debt Limit

The City has a debt limit of \$120 million dollars approved by the Saskatchewan Municipal Board. The accessible debt limit available after consideration of the existing long-term debt and line of credit is estimated to be \$7.6 million.

Debt Limit	\$	120.0 M
Line of Credit	\$	(18.0) M
Loan Balance December 31, 2025	\$	(94.5) M
Accessible Funds	\$	<u>7.5 M</u>

Therefore, it is estimated that the City will have additional debt capacity of \$7.5 million, combined with the \$18 million line of credit, resulting in \$25.5 million available.

Debt Per Capita

Table 3.0 lists the long-term debt levels and interest per capita

Table 3.0 - Historical Debt per Capita

	Estimate 2026	Estimate 2025	2024	2023	2022
Gross external debt	\$88,397,922	\$94,535,396	\$100,444,735	\$85,649,709	\$58,388,591
Capita per census	37,756	37,756	37,756	37,756	37,756
Debt per capita	\$2,341	\$2,504	\$2,660	\$2,269	\$1,546
Interest expense on long term debt	\$3,475,691	\$3,711,584	\$3,734,856	\$2,900,699	\$1,899,902
Interest per capita	\$92	\$98	\$99	\$77	\$50

BUDGET/FINANCIAL IMPLICATIONS:

The interest portion of the loan payments are reported on the statement of operations (income statement). The principal payments reduce the long-term liability on the statement of financial position (balance sheet). Therefore, the City budgets for the interest portion of the loan payments as an operating expense and must also budget an operating surplus that is sufficient to cover the principal portion of the outstanding loans.

Any reserve funding used for principal and interest payments are reflected in the reserve projections included in the budget.

Debt Ratio: The debt ratio is a comparison of total debt (liabilities) to total assets. This ratio shows the proportion of an entity's assets that are financed by debt. A ratio greater than 1 (or 100%) shows that a considerable amount of assets are funded through debt and can be an indicator of potential issues in defaulting on loan payments. A ratio below 1 means that a larger portion of assets are funded through equity (i.e. funded by the City).

	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-21
Total Debt	136,379,188	129,259,595	93,497,880	44,205,282
Total Assets	568,304,680	557,755,462	484,296,598	426,628,240
Debt Ratio	0.24	0.23	0.19	0.10
Other Municipalities:	31-Dec-24	31-Dec-23	31-Dec-22	
Moose Jaw	0.16	0.17	0.18	
Swift Current	0.42	0.44	0.48	
Saskatoon	0.10	0.10	0.10	
North Battleford	0.19	0.23	0.22	

PUBLIC NOTICE:

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

ATTACHMENTS:

1. Appendix A – Long-Term Debt - 5 Year Annual Payment Schedule and Appendix B – Long-Term Debt - 5 Year Loan Balance Schedule

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Approved by: Director of Financial Services & City Manager