

THE CITY OF PRINCE ALBERT



LAND FUND - BUDGET REPORT FOR THE YEAR ENDING DECEMBER 31, 2015

TABLE OF CONTENTS
Consolidated Budget Document

	<u>Page</u>
Land Fund Budget Overview	3
Land Fund Operating Budget	4
Land Fund Development Expenditures and Reserve Projections	5

LAND FUND BUDGET OVERVIEW

For the Year Ending

The Land Fund was created via resolution of Council and set up as a combined capital-operating budget that would be run as a self-sustaining fund where all surpluses would be used for future land development. The City was, in the past, one of the largest land developers but, in the past few years, private entities have also been participating in this venture.

The Land Fund documents cash inflows from land sales and cash outflows for land development. Administration's mandate is to operate this fund on the basis that the price of developing land is sufficient to recover the costs incurred. In order to generate a profit, the City's prices are typically incremented above the break-even minimum value to ensure that reserves are created to fund future property development. Administration also tries to ensure that there is a balanced mix of properties priced to accommodate demands from low, middle or high income developers.

There are three primary sources of revenue for the Land Fund. They are:

1. Land Sales – which encompasses both residential and commercial/industrial land sales.
For 2015, it is projected that properties in Crescent Acres IV, Phase 4A, will be sold. There are 61 lots available for sale. Total combined sale of residential and commercial-industrial properties in 2015 is expected to be close to \$2.83 million dollars.
In 2014, the actual amount of land sales revenue totalled 3.28 million, slightly less than the \$3.433 million anticipated during 2014 budget deliberations last year.
2. Offsite Development Fees; and,
3. Rental/Lease Revenues – this is revenue that is generated from, the rental of vacant parcels of land.

2015 Land Fund Operating budget changes are a result of:

- * The re-assignment of budgetary funding between accounts;
- * Long Term Loan interest payment for the West Hill Infrastructure Improvements – \$86,380;
- * Removal of budget funding for projects no longer deemed to be a priority - net savings of \$241,000;
- *

Development projects for 2015 are as follows:

- > Construction of a fence to complete the terms of a Land Sale, at a cost of \$10,000;
- Completion of Delorme Bay - Southwood Parcel B - installation of second lift of asphalt plus boulevard-park construction at a projected cost of \$87,400;
- > Continuation of the development of Industrial Land between 40th and 42nd Street East, and 4th and 5th Avenue East - \$700,000; and,
- > Long-term Loan principal payments of \$350,700
(Land Development and the West Hill loan principal payment are funded by the operating surpluses that are allocated to the Land Development Fund Balance)

**LAND FUND
OPERATING BUDGET
For the year ending**

	2015	2014	Change
BUDGETED REVENUES			
User Charges and Fees	\$ 75,900	\$ 75,900	\$ -
Land sales	<u>2,906,000</u>	<u>3,433,000</u>	<u>(527,000)</u>
	<u>2,981,900</u>	<u>3,508,900</u>	<u>(527,000)</u>
BUDGETED EXPENDITURES			
Salaries, Wages and Benefits	134,620	134,620	-
Interest on Long Term Debt	86,380	96,200	(9,820)
Fleet Expenses	600	6,600	(6,000)
Maintenance, Materials and Supplies	<u>24,480</u>	<u>265,480</u>	<u>(241,000)</u>
	<u>246,080</u>	<u>502,900</u>	<u>(256,820)</u>
BUDGETED SURPLUS OF REVENUES OVER EXPENDITURES BEFORE CAPITAL	<u>2,735,820</u>	<u>3,006,000</u>	<u>(270,180)</u>
CAPITAL AND INTERFUND TRANSACTIONS			
Transfers to other funds	<u>(480,400)</u>	<u>(583,700)</u>	<u>103,300</u>
	<u>(480,400)</u>	<u>(583,700)</u>	<u>103,300</u>
BUDGETED SURPLUS OF REVENUES OVER EXPENDITURES	<u>\$ 2,255,420</u>	<u>\$ 2,422,300</u>	<u>\$ (166,880)</u>
To be allocated to Land Fund Reserves as follows:			
Development Levies Reserve	\$ 232,600	\$ 427,300	
Future Land Purchases Reserve	29,200	53,700	
Planning and Marketing Reserve	116,200	137,300	
Community Services Land Reserve (General Fund)	141,300	171,700	
Housing Reserve	113,000	137,300	
Land Development Fund Balance	<u>1,623,120</u>	<u>1,495,000</u>	
	<u>\$ 2,255,420</u>	<u>\$ 2,422,300</u>	

LAND FUND
DEVELOPMENT EXPENDITURES AND RESERVE PROJECTIONS
For the year ending

	2015	2014
DEVELOPMENT LEVIES RESERVE		
Budgeted Transactions		
Funding:		
Allocation from Operations	\$ <u>232,600</u>	\$ <u>427,300</u>
Expenditures:		
Budgeted increase to reserve	\$ <u>232,600</u>	\$ <u>427,300</u>

FUTURE LAND PURCHASES RESERVE		
Budgeted Transactions		
Funding:		
Allocation from Operations	\$ <u>29,200</u>	\$ <u>53,700</u>
Expenditures:		
No budgeted expenditures	—	—
Budgeted increase to reserve	\$ <u>29,200</u>	\$ <u>53,700</u>

PLANNING AND MARKETING RESERVE		
Budgeted Transactions		
Funding:		
Allocation from Operations	\$ <u>116,200</u>	\$ <u>137,300</u>
Expenditures:		
No budgeted expenditures	—	—
Budgeted increase to reserve	\$ <u>116,200</u>	\$ <u>137,300</u>

LAND FUND

DEVELOPMENT EXPENDITURES AND RESERVE PROJECTIONS

For the year ending

	<u>2015</u>	<u>2014</u>	<u>Change</u>
LAND DEVELOPMENT			
Budgeted Transactions			
Funding:			
Allocation from Operations	<u>1,623,120</u>	<u>1,495,000</u>	
Expenditures:			
Road Construction - 1st Street East - McIntosh Drive to Mattes Avenue	-	80,000	
Construction of Fence	10,000	-	
Delorme Bay - 2nd Lift of Asphalt/Boulevard/Park	87,400	-	
Crescent Acres Stage IV Phase 4A	-	1,460,800	
Crescent Acres Stage IV, Phases 4B and 5 (formerly 4A) - Underground	-	1,398,600	
Industrial Land Development between - 40th and 42nd Street East, and 4th and 5th Avenue East	700,000	-	
Central Avenue Sidewalk (3100 Block)	-	35,000	
Non-developmental expenditures			
Principal Portions of Long Term Debt	<u>350,700</u>	<u>340,900</u>	
	<u>1,148,100</u>	<u>3,315,300</u>	
Budgeted (decrease) to Funded Balance	<u>\$ 475,020</u>	<u>\$ (1,820,300)</u>	