

CITY OF
LETHBRIDGE
UNAUDITED FINANCIAL
INFORMATION

December 31, 2020

December
2020



CITY OF
Lethbridge

Prepared by:
Financial Services
March 23, 2021

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Executive Summary - Unaudited 2020 Year End Financial Information

For Submission to the March 23 City Council Meeting

This Unaudited 2020 Year End Financial Information provides City Council with highlights of the 2020 General Fund, Utility Fund and Reserve Funded Operations and an update on the City's financial position for the year ended December 31, 2020. The supporting Variance Discussion and Analysis has been prepared in cooperation with all Business Units.

December 31, 2020 marks the end of the second year of the City's multi-year budget cycle (2019-2022). Typically, to accommodate the four-year budget cycle, Business Units are expected to operate within their 48 month budget. If there is a shortfall after the second year, Business Units are expected to overcome the deficit by adjusting expenditures in the remaining years (2021-2022); and if the experience after the second year results in net under expenditures, the Business Units have the ability to roll the amounts over to assist operations during 2021-2022. At the end of the four-year budget cycle, any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

In 2020, the unprecedented event of the COVID-19 outbreak caused significant impact on the City and its citizens, this report will outline the overall financial impacts of decisions that were made in response.

As part of the significant COVID-19 impact, the Province of Alberta and the Government of Canada entered into an agreement with the City on September 28, 2020, for the Municipal Operating Support Transfer (MOST) Grant. The MOST grant provided \$11.3 million in operating funding to be used for incremental operating costs incurred due to COVID-19 response and restart, as well as other operating losses or deficits incurred as a result of COVID-19 impacts on revenues and operations from April 1, 2020 to March 31, 2021. This unbudgeted grant was allocated within the Business Units that incurred an incremental COVID Costs or replacement of reduced revenues. Where the allocation of MOST funding resulted in an increase of operating surplus for the Business Unit, the corresponding amount of the increase was transferred to corporate general revenues and reserves to help assist in future COVID-19 community pressures expected to occur in 2021. MOST funding has been fully claimed against eligible incremental operating costs and replacement of reduced revenues in 2020 as shown within the 2020 MOST Grant Funding Schedule on page 6.

The Unaudited Report is organized into the General Fund, Corporate Accounts and Business Unit Operations as well as Utility and Reserve Fund Operations.

Corporate Accounts Surplus ended the year with a positive variance of \$4,821,000. Specific positive and negative budget variances resulting from factors not attributable to the business unit management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility.

Significant corporate variances include:

- 1) Property tax revenue positive variance of \$1.89 million - due to higher than anticipated growth of \$2.4 million in commercial properties and partially offset by a \$(525,000) shortfall due to the Provincial Government's announcement to reduce payment on property taxes on Crown property by 50%. Administration anticipates lower than budgeted assessment growth in 2021.
- 2) General Revenues positive variance of \$1.7 million – primarily due to the increased operating surplus for Business Units from the MOST funding of eligible incremental operating costs or reduced revenues due to COVID. These increased surplus amounts were transferred to corporate general revenues to help assist in future COVID-19 community pressures expected to occur in 2021.

- 3) Corporate fuel costs \$919,000 - primarily due to lower than budgeted fuel prices and COVID related service changes.
- 4) Utility costs for tax supported City facilities \$784,000 - primarily relating to electricity, City utilities and natural gas.
- 5) Employee benefit accounts \$752,000 - due to savings in payroll source deductions resulting in temporary workforce reductions.
- 6) Permit, development & license revenues \$(1.88 million) shortfall - due to revenue shortfalls in Inspection & Permit \$(1.5 million) and Planning & Development \$(347,000). Inspection, Permit, Planning, and Development revenues were 15% below 2019 actuals due to slower than anticipated residential and commercial construction activity. Job loss and uncertainty stemming from COVID-19 is expected to impact individuals and businesses ability to purchase and renovate. This shortfall is partially mitigated by savings within the Development and Inspection Services Business Units (described below).

The corporate surplus will be transferred to the MRSR in 2021 in accordance with City policy.

General Fund Business Unit Operations ended the year with a positive variance of \$3,274,000 which represents 1.85% of the Business Units' budgets. Significant areas contributing to the tax supported Business Unit variances are summarized below and described in more detail in the Variance Discussion and Analysis.

- 1) Development and Inspection Services \$777,000 - includes associated expense savings related to slower than anticipated residential and commercial construction activity due to the market and COVID-19 and manager restraint in spending due to anticipated downturn in revenue.
- 2) Recreation & Culture \$645,000 - primarily due to cancelled events, grants savings, and facility closures of \$1,145,000. This was offset by a Directional Operating Funding transfer of \$(500,000) for Budget Initiative N-98 Airport Governance & Operation.
- 3) Emergency Coordination Centre (ECC) Response (balanced) - this relates to the direct incremental revenues and expenditures associated with COVID-19 decisions made by the ECC through the Incident Command System. Direct expenditures associated with the City of Lethbridge's response to COVID-19 in 2020 resulted in a negative variance of \$(2,081,000). This negative variance is offset by approved funding from allocation of the MOST grant of \$1,351,000 and \$730,000 from other government sources.
- 4) ENMAX Centre \$(588,000) - the variance is entirely due to impact of COVID-19 on ENMAX operations including loss of revenue related to cancelled / rescheduled events and hockey games, food and beverage revenue shortfall, and lower suite revenue due to the timing of the contract renewals. The shortfall has been funded through the MOST grant.
- 5) Lethbridge Transit & Accessible Transportation \$(1,063,000) - primarily due to revenue losses as a result of COVID-19 decisions to offer the transit service at no charge. The shortfall has been funded through the MOST grant.

Utility Funded operations ended the year with a negative variance of \$(58,000). Significant variances include:

- 1) Water \$362,000 - Water revenues had a positive variance of \$1,816,000 primarily due to higher than budgeted Residential, Regional & Irrigation revenues, and general revenues. Operating expenses are in a positive variance of \$1,743,000 mainly due to less than budgeted expenditures in raw water supply, reservoirs and residuals management at the water treatment plant. These surpluses were offset by \$(3,197,000) in operating funds being applied to 2018-2027 Capital Improvement Projects.
- 2) Wastewater \$143,000 - Revenues finished higher than budgeted by \$2,045,000 due to higher

than budgeted industrial revenues as well as \$501,000 from lower than anticipated debenture debt payments and treatment expenditures. These surpluses were offset by \$(2,403,000) in operating funds being applied to 2018-2027 Capital Improvement Projects.

3) Electric \$(1,376,000) – mainly related to increases in systems operations, linear property tax, cost of capital and depreciation in Transmission operations

Reserve funded operations that have been significantly impacted as a result of COVID-19 during the year include:

1) Airport \$108,000 - This is due to a \$190,000 positive variance in operating costs due to reductions and deferrals. This positive variance is offset by a decline in revenues of \$(1,274,000) as a result of a reduction in passenger traffic and flights as a result of COVID-19 travel restrictions. In 2020, the Airport was allocated \$1,192,000 of the MOST grant for the April 1, 2020 to December 31, 2020 portion of these reduced revenues.

2) Parking \$262,000 - This is due to an under expenditure in parking operations of \$169,000. Parking revenue from both on-street and off-street parking had reduced revenues of \$(673,000) due to COVID-19. In 2020, on-street parking operations was allocated MOST Grant funding of \$766,000 to offset this reduced revenue.

2020 One-Time Operating Budget Amendment:

On May 11, 2020, City Council directed the City Manager to amend the 2020 operating budget on a one-time basis by eliminating the scheduled 1.82% (approximately \$2.83 million) municipal tax increase. The Municipal Government Act requires the budget to be balanced. The City Manager has therefore directed that the following one-time transactions be used to accommodate Council's resolution:

1) Prior year surplus of \$2.02 million – in accordance with City policy, Business Units are expected to operate within the four-year budget, and therefore 2019 net under expenditures are normally available to assist with operations during the following years of the budget cycle. The City Manager has directed that \$2.02 million of the 2019 Business Unit Carryover be used to partially offset the \$2.83 million (as allowed under City Policy).

2) Fire & Emergency Services \$437,000 – under expenditure attributable to the delay in opening the new West Side Fire Station.

3) Lethbridge 311 \$370,000 – under expenditure attributable to the delay in the Customer Relationship Management (CRM) system enhancements as well as lower than anticipated training and education costs.

The table on page 5 and the narrative in Section A-5 provides the budget amendments by Business Unit.

2020-2022 Directional Operating Funding for Budget Initiative N-98:

The 2019-2022 Operating Budget included Budget Initiative N-98 Airport Governance & Operation relating to the unknown aspects of acquiring and owning the Lethbridge Airport. City Council allocated \$1 million per year from 2020-2022 for Airport Governance and Operation. The initiative was referred to the City Manager to identify sources of funding. COVID-19 has severely impacted airport operations and therefore applicable funding sources have been identified as follows:

1) Recreation and Culture \$500,000 – under expenditures related to COVID-19 including cancelled events (for example Canada Day) and wage savings due to facility closures.

2) Parks Maintenance & Management \$300,000 – under expenditures related to COVID-19 including wage savings as a result of scaled back crews and staggered start dates, cancellation of spring tree planting and less than normal fertilizer purchases.

3) Financial Services \$100,000 – under expenditures due to position vacancies from retirements and position restructuring that have been put on hold due to COVID-19 and contingent on

recommendations from the upcoming operational review.

4) City Clerk \$100,000 – under expenditure due to the cancellation of the Municipal Census.

5) Corporate General Revenues \$2.0 million - due to the transfer of increased operating surpluses from Business Unit operations as a result of the unbudgeted receipt of the MOST grant funding for incremental COVID-19 costs and replacement of reduced revenues.

To conclude, 2020 was an unprecedented year that required a state of local emergency, compliance with provincial closures and prudent operational management of the COVID-19 response. The fiscal management and unbudgeted MOST funding has contributed positively to the overall 2020 financial results.

We would like to acknowledge our staff across the organization for their commitment in compiling and analyzing the information required to produce this report.

For additional details, please contact the City Treasurer or the Controller.

Respectfully submitted,



Hailey Pinksen CPA, CA, CIA
City Treasurer



Darrell Mathews CPA, CMA, CIA
Controller



Craig Dalton
City Manager

CITY OF LETHBRIDGE 2020 BUDGET AMENDMENT SCHEDULE



	2020 Original Budget	2019 BU Carryover Amendment	OneTime Budget Amendment	2020 Amended Budget
Boards and Commissions				
Galt Museum	\$ 1,902,611	\$ (15,000)	\$	\$ 1,887,611
Lethbridge Police Services	37,241,539	(502,900)	`	36,738,639
Lethbridge Public Library	6,406,345	(15,399)	`	6,390,946
General Government				
City Clerk	848,822	(1,042)	`	847,780
City Manager's Office & Communication	1,205,044	(39,568)	`	1,165,476
City Solicitor	383,923	10,107	`	394,030
Economic Development	1,180,808	(1,386)	`	1,179,422
Mayor & City Council Office	795,781	(1,920)	`	793,861
Pay-As-You-Go	13,493,000		`	13,493,000
Corporate Services				
Assessment & Taxation	1,788,645	(164,870)	`	1,623,775
Financial Services	3,288,023	(16,816)	`	3,271,207
Human Resources	1,952,603	175,609	`	2,128,212
Information Technology	3,874,712	(11,072)	`	3,863,640
Community Services				
Community Social Development	1,099,900		`	1,099,900
Community Services Support	883,086	622	`	883,708
ENMAX Centre	1,801,814	26,787	`	1,828,601
Facility Services	6,266,049		`	6,266,049
Fire & Emergency Services	27,089,454	(96,791)	(437,188)	26,555,475
Helen Schuler Nature Centre	736,803	(8,287)	`	728,516
Public Safety Communications Centre	4,807,263	(28,944)	`	4,778,319
Recreation & Culture	12,836,345		`	12,836,345
Regulatory Services	1,529,240	(54,822)	`	1,474,418
Lethbridge Transit & Accessible Transportation	12,198,506	(2,756)	`	12,195,750
Infrastructure Services				
Development Services	2,319,141	(512,429)	`	1,806,712
Inspection Services	3,344,043	(119,371)	`	3,224,672
Infrastructure Services Administration	614,783	(610)	`	614,173
Parks Maintenance & Management	13,789,150	(5,045)	`	13,784,105
Storm Sewer Maintenance	561,824		`	561,824
Transportation	14,583,147	(176,087)	`	14,407,060
Lethbridge 311	948,781	(466,878)	(369,601)	112,302
Total	\$ 179,771,185	\$ (2,028,868)	\$ (806,789)	\$ 176,935,528

CITY OF LETHBRIDGE
2020 MOST GRANT FUNDING SCHEDULE



	Eligible Costs		Funding Allocated		
	Direct COVID Costs	Replacement of Reduced Revenues	Allocated to Corporate (A1)	Allocated to Business Units (A2)	Allocated to Reserves (A4)
Boards and Commissions					
Galt Museum	\$ (2,557)	\$ (181,634)	\$ 184,191	\$ -	\$ -
Lethbridge Police Services	(33,360)	(155,880)	189,240	-	-
Lethbridge Public Library	(31,307)	(168,897)	200,204	-	-
General Government					
City Clerk Department	(3,995)	-	3,995	-	-
City Manager & Communications Dept.	(3,920)	-	3,920	-	-
City Solicitor Department	(47)	-	47	-	-
Economic Development	-	-	-	-	-
Mayor & City Council Office	(3,786)	-	3,786	-	-
Corporate Services					
Assessment & Taxation	(5,434)	-	5,434	-	-
Financial Services	(99,660)	-	99,660	-	-
Human Resources	(1,041)	-	1,041	-	-
Information Technology	(302)	-	302	-	-
Community Services					
Community Services Support	(236)	-	236	-	-
ENMAX Centre	(79,491)	(4,516,317)	3,561,862	588,002	-
Facility Services	(122,873)	(57,375)	122,873	57,375	-
Fire & Emergency Services	(308,647)	-	308,647	-	-
Helen Schuler Nature Centre	(3,346)	-	3,346	-	-
Recreation & Culture	(199,551)	(1,242,152)	1,441,703	-	-
Regulatory Services	(5,250)	(34,746)	39,996	-	-
Public Safety Communications Centre	(96,519)	-	96,519	-	-
Lethbridge Transit & Accessible Transportation	(79,723)	(1,574,921)	591,154	1,063,490	-
Infrastructure Services					
Development Services	(26,595)	-	26,595	-	-
Inspection Services	(1,563)	-	1,563	-	-
Infrastructure Services Administration	(489)	-	489	-	-
Parks Maintenance & Management	(25,225)	(44,709)	69,934	-	-
Transportation	(21,078)	-	21,078	-	-
Lethbridge 311	(5,388)	-	5,388	-	-
Utility & Reserve Funds					
Electric (Utility Fund)	(4,292)	-	4,292	-	-
Waste Collection (Utility Fund)	(115,546)	-	115,546	-	-
Waste Processing (Utility Fund)	(35,825)	-	35,825	-	-
Wastewater (Utility Fund)	(4,779)	-	4,779	-	-
Water (Utility Fund)	(8,376)	-	8,376	-	-
Fleet Services (Reserve Fund)	(19,182)	-	19,182	-	-
Airport (Reserve Fund)	(215)	(1,191,932)	215	-	1,191,932
Cemeteries (Reserve Fund)	(405)	-	405	-	-
Parking (Reserve Fund)	(113)	(765,098)	113	-	765,098
Real Estate & Land Development (Reserve Fund)	(738)	-	738	-	-
Risk Management (Reserve Fund)	(391)	-	391	-	-
Corporate Accounts					
Permit, development & license revenues	-	(423,667)	423,667	-	-
	\$ (1,351,245)	\$ (10,357,328)	\$ 7,596,732	\$ 1,708,867	\$ 1,957,030
Total Eligible	\$	(11,708,573)	Total Funding Allocated	\$	11,262,629

Notes:

(1) Municipal Operating Support Transfer (MOST) represents a collaboration between the Province of Alberta and the Government of Canada to support municipalities in safely restarting their local economies by providing operating funding for incremental costs and compensation for replacement of reduced revenues resulting from the COVID19 pandemic.

CITY OF LETHBRIDGE
Unaudited 2020 Summary of Operations
General Fund - Corporate Accounts



	Budget (Net Revenue) Net Expenditure	Actual (Net Revenue) Net Expenditure	Variance Pos (Neg)
General Fund			
Corporate Accounts			
Property tax	\$ (153,882,342)	\$ (155,768,698)	1,886,356
General Revenues	(29,870,509)	(31,565,672)	1,695,163
Permit, development & license revenues	(5,348,100)	(3,465,965)	(1,882,135)
Employee benefit accounts	-	(752,296)	752,296
Grants to organizations	1,338,195	1,215,459	122,736
	(187,762,756)	(190,337,172)	2,574,416
Non-discretionary business unit variances			
Corporate fuel costs	1,929,500	1,010,756	918,744
Utility costs for tax supported City facilities	4,947,100	4,162,778	784,322
Ineligible Grant Funding	-	414,809	(414,809)
Contractual Agreement Reimbursement	-	(957,920)	957,920
	6,876,600	4,630,423	2,246,177
Total Corporate Surplus (Note 1)	\$ (180,886,156)	\$ (185,706,749)	4,820,593

Note 1: The corporate surplus will be transferred to the MRSR in the following year in accordance with City policy.



CITY OF LETHBRIDGE

Unaudited 2020 Summary of Operations

General Fund - Business Unit Operations

	2020	2020	2020	2019	2019-2020
	Amended Budget	Actual	Variance	Roll Over Remaining	Balance
	(Net Revenue)	(Net Revenue)	Pos (Neg)	Pos (Neg)	Pos (Neg)
	Net Expenditure	Net Expenditure			
Boards and Commissions					
Galt Museum	\$ 1,887,611	\$ 1,875,662	\$ 11,949	\$ 16,754	\$ 28,703
Lethbridge Police Services	36,738,639	36,738,639	-	-	-
Lethbridge Public Library	6,390,946	6,115,934	275,012	-	275,012
General Government					
City Clerk	847,780	788,534	59,246	-	59,246
City Manager's Office & Communication	1,165,476	1,164,522	954	-	954
City Solicitor	394,030	400,492	(6,462)	-	(6,462)
Economic Development	1,179,422	1,002,990	176,432	-	176,432
Mayor & City Council Office	793,861	591,749	202,112	-	202,112
Pay-As-You-Go	13,493,000	13,493,000	-	-	-
Corporate Services					
Assessment & Taxation	1,623,775	1,479,771	144,004	-	144,004
Financial Services	3,271,207	3,172,009	99,198	-	99,198
Human Resources	2,128,212	2,145,679	(17,467)	-	(17,467)
Information Technology	3,863,640	3,857,304	6,336	-	6,336
Community Services					
Community Social Development	1,099,900	1,099,900	-	-	-
Community Services Support	883,708	855,275	28,433	-	28,433
ENMAX Centre	1,828,601	2,416,603	(588,002)	-	(588,002)
Facility Services	6,266,049	6,266,049	-	-	-
Fire & Emergency Services	26,555,475	26,191,008	364,467	-	364,467
Helen Schuler Nature Centre	728,516	668,268	60,248	-	60,248
Public Safety Communications Centre	4,778,319	4,775,457	2,862	-	2,862
Recreation & Culture	12,836,345	12,191,547	644,798	-	644,798
Regulatory Services	1,474,418	1,431,438	42,980	-	42,980
Lethbridge Transit & Accessible Transportation	12,195,750	13,259,240	(1,063,490)	-	(1,063,490)
Infrastructure Services					
Development Services	1,806,712	1,159,540	647,172	-	647,172
Inspection Services	3,224,672	3,095,262	129,410	-	129,410
Infrastructure Services Administration	614,173	589,105	25,068	-	25,068
Parks Maintenance & Management	13,784,105	13,778,084	6,021	-	6,021
Storm Sewer Maintenance	561,824	647,531	(85,707)	-	(85,707)
Transportation	14,407,060	13,976,185	430,875	-	430,875
Lethbridge 311	112,302	85,714	26,588	-	26,588
MOST Grant Funding	-	(1,651,492)	1,651,492	-	1,651,492
Total	\$ 176,935,528	\$ 173,660,999	\$ 3,274,529	\$ 16,754	\$ 3,291,283

Notes:

Significant variances are explained within Section A-5 Variance Discussion and Analysis

At the end of the four-year budget cycle, any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

CITY OF LETHBRIDGE
Unaudited 2020 Summary of Operations
Summary of Utility Funds



	Budget	Actual	Variance Pos (Neg)
Utility Funded Operations			
Electric			
Revenue	\$ 82,681,340	\$ 84,832,529	\$ 2,151,189
Expenses	82,681,340	86,208,159	(3,526,819)
Deficit	-	(1,375,630)	(1,375,630)
Waste Collection			
Revenue	11,749,898	11,965,332	215,434
Expenses	11,749,898	11,649,649	100,249
Surplus	-	315,683	315,683
Waste Processing			
Revenue	11,335,500	12,556,803	1,221,303
Expenses	11,335,500	12,059,511	(724,011)
Surplus	-	497,292	497,292
Wastewater			
Revenue	17,701,500	19,746,904	2,045,404
Expenses	17,701,500	19,603,539	(1,902,039)
Surplus	-	143,365	143,365
Water			
Revenue	24,176,000	25,992,011	1,816,011
Expenses	24,176,000	25,630,450	(1,454,450)
Surplus	\$ -	\$ 361,561	\$ 361,561



CITY OF LETHBRIDGE

Unaudited 2020 Summary of Operations

Summary of Reserve Funds

	Budget	Actual	Variance Pos (Neg)
Reserve Funded Operations			
Airport			
Revenues	\$ 2,371,400	\$ 1,097,771	\$ (1,273,629)
Less expenditures	2,717,100	2,527,715	189,385
Plus MOST Grant Funding	-	1,191,932	1,191,932
Plus tax supported funding	343,200	343,200	-
Transfer to the Reserve	(2,500)	105,188	107,688
Cemeteries			
Revenues	927,500	879,865	(47,635)
Less expenditures	1,471,201	1,190,869	280,332
Plus tax supported funding	543,701	543,701	-
Transfer to the Reserve	-	232,697	232,697
Community Lighting			
Revenue	9,500	644,976	635,476
Less expenditures	3,208,227	3,568,420	(360,193)
Plus tax supported funding	3,198,727	3,198,727	-
Transfer to the Reserve	-	275,283	275,283
Fleet Services			
Revenue	14,041,900	13,712,654	(329,246)
Less expenditures	9,222,579	8,714,083	508,496
Transfer to the Reserve	4,819,321	4,998,571	179,250
Parking			
Revenue	1,383,100	711,043	(672,057)
Less expenditures	795,403	626,730	168,673
Plus MOST Grant Funding	-	765,098	765,098
Transfer from reserve to operations	(135,000)	(135,000)	-
Transfer to the Reserve	452,697	714,411	261,714
Real Estate & Land Development Operations			
Expenditures	1,218,669	1,169,246	49,423
Transfer from Subdivision Surplus	(1,218,669)	(1,169,246)	49,423
Risk Management			
Revenue	3,565,000	3,576,071	11,071
Less expenditures	3,560,126	3,883,825	(323,699)
Transfer from the Reserve	\$ 4,874	\$ (307,754)	\$ (312,628)

The following provides City Council with an overview of the operations of the City of Lethbridge:

1) a) General Fund - 2020 Corporate Accounts

Corporate Accounts Surplus of \$4,820,593 - Specific positive and negative budget variances resulting from factors not attributable to the business unit management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility.

The corporate surplus will be transferred to the MRSR in the following year in accordance with City policy. The major areas are summarized as follows:

Property Taxes - ended the year with a positive variance of \$1,886,000. The surplus is mainly due to higher than anticipated growth in commercial properties of \$2,411,000 and partially offset by a \$(525,000) shortfall due to the Provincial Government's announcement that the Province will reduce its payment on property taxes paid on Crown property by 50%.

General Revenues - ended the year with a positive variance of \$1,695,000. The surplus was due to the transfer from Business Units of \$7,597,000 from increased operating surpluses as a result of the unbudgeted receipt of the MOST grant funding for incremental COVID costs and replacement of reduced revenues, higher than budgeted transfers from the Water and Landfill Utilities to General Operations of \$154,000 and \$68,000 respectfully as well as other corporate revenues of \$56,000. Per the requirements of the 2019-2022 Operating Budget, \$(2,000,000) of this surplus was allocated towards the Airport reserve for N-98 Airport Governance & Operation. To offset the expected reduced revenues in 2021 from COVID-19, \$(3,490,000) was transferred to BAU for Transit and ENMAX as well as other COVID related expenditures. Additionally, \$(690,000) was transferred to the Acquire Off Street Parking reserve for expected reduced revenues in 2021 from COVID-19.

Permit, development & license revenues - ended the year with a negative variance of \$(1,882,000). The revenue shortfall is due to slower than anticipated residential and commercial construction activity. Surpluses in Planning & Development operations were incurred to control expenditures to match decreased volumes, which offset a portion of the revenue shortfall.

A total of \$424,000 of MOST grant funding is to be applied to the department for COVID-19 reduced revenues. A resulting transfer of \$(424,000) to general revenues is for purposes of reducing the pressures from COVID-19.

Employee benefit accounts - ended the year with a positive variance of \$752,000. The most significant contributing factors were reduced staffing levels and lower medical and dental expenses. The surplus was offset by a BAU transfer of \$(20,000) for long-term service recognition events.

Corporate fuel costs - ended the year with a positive variance of \$919,000. This is primarily due to lower than budgeted Transit fuel prices and COVID related service changes.

Utility costs for tax supported City facilities - ended the year with a positive variance of \$784,000. There are overall utility surpluses of \$27,000 for the new Fire Station #5, and \$10,000 for the new community centre at the Japanese Gardens, as these facilities are still under construction. Throughout all remaining corporate facilities there are overall surpluses of \$393,000 for electricity, \$181,000 for city utilities, and \$173,000 for natural gas.

Ineligible Grant Funding - ended the year with a negative variance of \$(415,000). Project for ENMAX Centre - Led Light Replacements (Ice Surface) was approved by Alberta Infrastructure, as an energy efficiency upgrade to a municipally owned building, the project was completed in 2018 and funded with Gas Tax Funding (GTF). When Infrastructure Canada (INFC) reviewed our final submission of project costs they determined the project was ineligible for the GTF program. This 2018 project will be funded from corporate surplus and the GTF funding will be applied to a future project.

Contractual Agreement Reimbursement - ended the year with a positive variance of \$957,900. The operating agreement for the ATB Centre requires a reimbursement to the City if the contractor has a net profit in any year. This positive variance is a result of the net operational profit from the beginning of the agreement.

1) b) General Fund - 2020 Business Unit Operations

Business Units ended the year with a positive variance of \$3,274,529 which represents 1.85% of the Business Units' budgets. At the end of the four-year budget cycle any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

Significant areas contributing to the tax supported Business Unit variances are described below:

Boards and Commissions

Galt Museum - ended the year with a positive variance of \$12,000. The variance was due to a shortfall in revenue as a result of a decrease in revenues generated from the museum gift shop, admissions, facility rentals, school program fees & Fort Whoop-Up, for a total of \$(215,000). Grants & sponsorships revenue were \$35,000 more than the budget amount. The revenue shortfall was partially offset by decreases in cost of goods sold, \$55,000 and casual labour costs, \$51,000. Other cost savings resulting from COVID-19 restrictions, facility closures and lower than normal activity were delays in hiring a Community Programs Coordinator, \$39,000, decreases in supplies, \$67,000, contractual services, \$88,000, advertising costs, \$20,000, training & travel, \$20,000 and board of directors expenses, \$7,000. The positive variance was further offset by BAU requests which include accessibility improvements, \$(45,000), videos production contract, \$(30,000), projector equipment at Fort Whoop-Up, \$(30,000), strategic planning consultation, \$(40,000) and succession planning, \$(10,000).

A total of \$184,000 of MOST grant funding was applied to the department for costs or revenues reduced by COVID-19. A resulting transfer of \$(184,000) to general revenues for purposes of reducing future pressures from COVID-19.

Lethbridge Police Services (LPS) - ended the year in a balanced position. This variance is due to unspent funds in salaries and benefits as a result of the hiring timeline of the unfilled vacancies for Police Officers and Civilians \$1,300,000, Community Peace Officers (CPO) \$360,000. We are currently recruiting for the Police Officers (Cadets and Experienced) to fill the vacant positions including the vacancies open due to unexpected resignations and projected retirements in 2021. This includes hiring a class of experienced officers that was completed in June. The start date of cadet training class is January 2021. We anticipate being fully staffed by June 2021.

Operating expenses have a negative variance of \$(1,095,000) including police range upgrade, uniform, security contract, computer supplies and cell phone costs offset by saving in Training due to COVID-19 of \$370,000.

Boards and Commissions

Revenues had additional cost recovery through grants and external billing of \$488,000 offset by lost revenue caused by COVID-19, including Police compound \$(117,000), and police records checks \$(34,000).

The positive variances were offset by transfers to BAU for the following projected expenses: Budget Short fall \$(1,053,000), Funeral funds \$(50,000), Provincial mental health program \$(50,000) and Police Commission \$(3,000) and to lifecycle accounts for a total of \$(116,000) for building repairs, storage, Police Impound, Range and Police Gym.

A total of \$189,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(189,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Lethbridge Public Library - ended the year with a positive variance of \$275,000. Due to COVID the Library was closed to the public for over 3 months with limited operations throughout the year. This closure resulted in under expenditures in equipment & supplies \$58,000, advertising \$7,000, and special services \$25,000, (all due to programming changes), contractual services \$190,000, (security), vehicle maintenance \$6,000, travel, education and convention \$46,000, (all travel suspended) and wages & benefits \$492,000 (layoffs/reduced operating hours). These positive variances were offset by over expenditures in library materials \$(28,000) (additional digital resources), Information Technology (\$11,000), building materials and supplies \$(36,000) (COVID supplies) and a shortfall in revenues in book fines and fees \$(49,000) (fine suspension due to closure, quarantining procedures and room rental cancellations), general revenue from other sources \$(133,000) (e.g. WOTS, grants, donations and miscellaneous revenue) as well as not allocating the MRSR OTA for security \$(90,000). This was partially offset by Budget Appropriation Unexpended (BAU) transfer \$28,000 (succession planning). The Library Board has approved funds from the 2020 surplus be transferred to the BAU for 2021 memberships \$(100,000), 2022-2026 plan of service strategic planning process \$(40,000), and fine elimination \$(90,000).

A total of \$200,000 of MOST grant funding was applied to the department for costs or revenues reduced by COVID-19. A resulting transfer of \$(200,000) to general revenues for purposes of reducing future pressures from COVID-19.

General Government and Corporate Services

City Clerk - ended the year with a positive variance of \$59,000. The cancellation of the Municipal Census resulted in a positive variance of \$159,000. Per the requirement within the 2019-2022 Operating Budget \$(100,000) of this surplus will be allocated towards the Airport Reserve for N-98 Airport Governance & Operation.

A total of \$4,000 of MOST grant funding was applied to the department for costs or revenues reduced by COVID-19. A resulting transfer of \$(4,000) to general revenues for purposes of reducing future pressures from COVID-19.

Economic Development - ended the year with a positive variance of \$176,000. This surplus is due to a temporary position vacancy and a decrease in memberships (Canadian Badlands), as per Council direction.

General Government and Corporate Services

Mayor & City Council Office - ended the year with a positive variance of \$202,000. This surplus is due to less travel, receptions and promotional events as a result of COVID-19. \$36,000 of the unused travel budget was allocated to the 6 month extension for Crown Strategic Consulting, as per the July 13, 2020 Council resolution. The surplus was offset by a BAU transfer of \$(60,000) for the consulting and unexpended OEG budget.

A total of \$4,000 of MOST grant funding is to be applied to the department for COVID-19 costs. A resulting transfer of \$(4,000) was done to general revenues for purposes of reducing the pressures from COVID-19.

Assessment & Taxation - ended the year with a positive variance of \$144,000. This is due to a \$143,000 surplus in wages due to unrealized accreditation allowances, a temporary vacancy, unused overtime, as well a \$26,000 surplus in travel & training. This surplus is offset by an estimated \$(25,000) deficit in revenues from tax certificates and mortgage fees. Further, the 2020 revenue budget is likely overstated as it was set at 10% above 2018 actuals, which was the prevailing market sentiment at the time of budget formation.

A total of \$5,400 of MOST grant funding is to be applied to the department for COVID-19 reduced revenues. A resulting transfer of \$(5,400) to general revenues is for purposes of reducing the pressures from COVID-19.

Financial Services - ended the year with a positive variance of \$99,000. A positive variance of \$300,000 is primarily due to position vacancies from retirements and position restructuring. While the department has a definitive plan for the vacancies, the timing for hiring positions is contingent on the recommendations of the upcoming operational review. The surplus was offset by a BAU transfer of \$(100,000) for special services & studies associated with long-term agreements.

Per the requirement within the 2019-2022 Operating Budget, \$(100,000) of this surplus was allocated towards the Airport Reserve for N-98 Airport Governance & Operation.

A total of \$100,000 of MOST grant funding was applied to the department for COVID-19 costs. A transfer of \$(100,000) was done to general revenues for purposes of reducing future pressures from COVID-19.

Information Technology - ended the year with a with a positive variance of \$6,000. The operating variance was \$406,000 due to position vacancies and lower than anticipated licensing and maintenance costs. Of this amount \$(400,000) was transferred to capital lifecycle.

Community Services

ENMAX Centre - ended the year with a negative variance of \$(588,000). The negative variance is an improvement over the estimated September forecast of \$(650,000). The negative variance is due entirely to COVID-19 impacts resulting in gross revenue deficits of \$(5,120,000) which includes the Ticket Center of (\$788,000) due to loss of revenue from cancelled and rescheduled events, and no additional sale of new events. Food and Beverage deficit of (\$1,819,000) due to cancellation of events, banquets and meetings and not opening outside concessions, loss of new suite revenue resulted in (\$457,000). Event revenue loss of \$(1,769,000), Junior Hockey revenue loss of \$(147,000) and marketing deficit of (\$140,000). This revenue loss is offset by a strategic reduction in operations creating gross savings of \$4,399,000, which includes a reduction in wages of \$538,000, a savings of

\$637,000 in Junior Hockey due to no games in the 2020 new season time period and no suite revenue shared, Food and Beverage savings of \$1,157,000, Event savings of \$1,869,000 and various other Building operation savings of \$198,000. Other operational savings not COVID related of \$133,000.

A total of \$4,150,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(3,562,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Facility Services - ended the year in a balanced position. Over the four year operating budget cycle, Facility Services manages their total four year operating budget based on the building fleets' needs determined through their four year Implementation Plan.

A total of \$180,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(122,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19 and a transfer of \$(57,000) was completed to the Acquire Off Street Parking reserve for replacement of reduced revenues related to the Park N Ride.

Fire & Emergency Services - ended the year with a with a positive variance of \$364,000. This is due to positive variances arising from a combination of lower than budgeted wage expense relating to staff attrition, cyclical recruiting of new hires and other wage related costs of \$1,534,000, a surplus in EMS revenues of \$320,000 and a surplus in travel and training indirectly related to COVID-19 of \$210,000. These are offset by a deficit in Fire and EMS supplies and contractual services of \$(186,000), operational equipment and building maintenance expenses of \$(385,000), Capital Lifecycle transfers of \$(100,000) for future equipment replacement, BAU transfers of \$(720,000) for new recruit equipment and EMS dispatch contingency, as well as \$(309,000) in expenses directly related to COVID.

COVID-19 – Indirect COVID charges include Fire Prevention and other revenue deficits of \$(15,000) as well as travel and training surplus of \$230,000 which can mostly be attributable indirectly to COVID-19 as Fire, EMS and specialty team training were postponed.

A total of \$309,000 of MOST grant funding was applied to the department for COVID-19 costs. A transfer of \$(309,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Helen Schuler Nature Centre - ended the year with a with a positive variance of \$60,000. The variance is due to wage surplus of \$24,000 from vacant summer programming positions not hired due to COVID-19, \$24,000 marketing, supplies and training surplus due to facility closure and associated programming changes, and a surplus of \$12,000 from sponsorship/grant funding which reflects approved and pending eligible expense change requests for existing grants. These requests are due to COVID-19.

A total of \$3,000 of MOST grant funding was applied to the department for COVID-19 costs. A transfer of \$(3,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Public Safety Communications Centre - ended the year with a positive variance of \$3,000. This is due to an increase in 911 wireless and dispatch revenues of \$40,000, a surplus in wages and training of \$164,000 as well as a decrease in contractual services of \$100,000. These are offset by capital lifecycle transfers of \$(17,000) for future equipment replacement as well as \$(23,000) over budget in infrastructure and equipment, \$(165,000) in computer aided dispatch charges as well as \$(96,000) in expenses directly related to COVID.

COVID-19 – Indirect COVID charges includes travel and training surplus of \$72,000 which can mostly be attributable indirectly to COVID-19 as travel, training and recruitment were postponed.

A total of \$96,000 of MOST grant funding was applied to the department for COVID-19 costs. A transfer of \$(96,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Recreation & Culture - ended the year with a positive variance of \$645,000. This variance is due primarily to net savings in Aquatics of \$791,000 due to contractual savings and pool operations, Arena savings of \$64,000 due to utilities and wages, and Yates & Nikka Yuko savings \$128,000 all due to facility closures. These surpluses include revenue losses \$(1,242,000) in Arenas \$(824,000), Gyms, Picnic Shelters, Fields & City Hall \$(173,000), Yates \$(164,000), and Fritz \$(81,000) due entirely to COVID-19 facility closures. The revenue losses are offset by savings in utilities \$100,000 and wages \$404,000 as a result of COVID-19 facility closures.

There are also \$326,000 savings in Special Maintenance due to scheduling, \$195,000 in savings for Canada Day, the Fee Assistance Program & Community Event Support Grant, \$124,000 due to Legacy Park not opening until the fall and \$38,000 of General savings. The identified savings of \$(195,000) from Canada Day, the Fee Assistance Program & Community Event Support Grant has been transferred to a BAU for future use in these specific areas. A transfer of \$(326,000) to capital lifecycle replacement for future lifecycle and maintenance requirements.

Per the requirement within the 2019-2022 Operating Budget, \$(500,000) was allocated towards the Directional Operating Funding for N-98 Airport Governance & Operation.

A total of \$1,442,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(1,442,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Regulatory Services - ended the year with a positive variance of \$43,000. The surplus is primarily the result of savings in wages due to the timing of open positions \$24,000, reduced spending on training \$19,000 partially due to COVID-19 travel restrictions, increased revenues in cat adoptions \$21,000 along with increased revenue in dog licenses \$16,000 by reason of previous collection efforts and an enlarged base of owners registered in the system. These surpluses are offset by a deficit in veterinary services \$(34,000) as a result of increased spending on veterinary services, decreased revenue in dog adoptions \$(3,000).

A total of \$40,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(40,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Lethbridge Transit & Accessible Transportation - ended the year with a negative variance of \$(1,063,000). This variance is due primarily to revenue losses as a result of COVID-19 decisions to offer the transit service at no charge early in the year and reduced ridership \$(1,575,000). Lethbridge Transit resumed normal routes in August and experienced low ridership due to COVID-19 related restrictions. This low ridership continued for the remainder of the year.

The revenue shortfall is partially offset by increased fare revenues before COVID-19 and other revenue streams including advertising and the sale of decommissioned buses \$280,000. There were COVID-19 related charges incurred for barriers and security \$(80,000) and also a net deficit in wages

of \$(223,000) due to:

- i) the hiring of a consultant to assist with the operational review \$(100,000),
- ii) Access-A-Ride driver wages \$(108,000) due to absences during full operational periods, attrition, overtime and premiums paid on Statutory Holidays \$(218,000). This is offset by unfilled positions during COVID-19 \$110,000.
- iii) Overtime paid for service personnel on statutory holidays, extra bus cleaning due to COVID-19 \$(55,000), and Administration due primarily to the implementation of Transit by Reservation \$(105,000),
- iv) Conventional transit wages have a surplus of \$145,000 as a result of unfilled positions during COVID-19 of \$430,000. This is offset by increased overtime, attrition, and Statutory Holiday service \$(285,000).

These deficits are offset by savings in equipment and supplies of \$315,000 due to less mileage on the buses as a result of COVID-19, travel and training partially due to COVID-19 related restrictions on travel and gatherings of \$120,000, computer hardware of \$100,000 by not purchasing the extended warranty on the Transit farebox system and Access-A-Ride hand held readers.

A total of \$1,654,000 of MOST grant funding has been applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(591,000) has been made to corporate accounts for purpose of reducing future pressures from COVID-19.

Infrastructure Services

Development Services - ended the year with a positive variance of \$647,000. This surplus is the result of retirements, staff position transitions and associated expense savings related to slower than anticipated residential and commercial construction activity. This surplus was offset by a BAU transfer of \$(105,000) to accommodate timing differences in the execution of various downtown planning programs.

A total of \$27,000 of MOST grant funding is to be applied to the department for COVID-19 reduced revenues. A resulting transfer of \$(27,000) to general revenues is for purposes of reducing the pressures from COVID-19.

Inspection Services - ended the year with a positive variance of \$129,000. This surplus was generated due to staff transitioning, associated savings related to slower than anticipated residential and commercial construction activity and decreased spending in response to a downturn in revenue.

Parks Maintenance & Management - ended the year with a positive variance of \$6,000. Parks Planning, Development and Environmental Services ended with a surplus of \$194,000. This surplus was partially offset by a deficit in Parks operation accounts of \$(188,000).

Per the requirement within the 2019-2022 Operating Budget, \$(300,000) has been allocated to the Airport Reserve for N-98 Airport Governance & Operation.

A total of \$70,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(70,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Storm Sewer Maintenance - ended the year with a negative variance of \$(86,000). This was primarily due to a large lateral storm main collapse and higher than budgeted catch basin maintenance (cleaning of debris, thawing of frozen catchbasin leads) expenses in 2020.

Transportation - ended the year with a positive variance of \$431,000. Administration accounts ending the year with a \$36,000 surplus due to under expenditures in transportation studies. Traffic Operations ended the year in a surplus position \$93,000 due primarily to under expenditures in Traffic Signals maintenance. Transportation maintenance accounts ended the year with a surplus of \$302,000 due primarily to under expenditures to the Street Cleaning, Graveled Roadway maintenance and Lane maintenance programs.

A total of \$21,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(21,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

MOST Grant Funding:

MOST Grant Funding - This is unbudgeted grant funding received that was allocated to departments that had incremental COVID costs or supplement reduced revenues due to COVID. Where funding was eligible and the allocation of MOST funding would increase the departments operating surplus the corresponding amount of the increase was allocated to corporate general revenues. Departments that were significantly impacted by COVID-19 and required MOST funding to remain in their department were Enmax \$588,000 and Transit \$1,063,000.

COVID-19 Direct Costs:

COVID-19 ECC Response - Ended the year in a balanced position. On March 18, the City of Lethbridge declared a State of Local Emergency which remained in effect up until June 18. The direct incremental revenues and expenditures associated with COVID-19 decisions made by the Emergency Coordination Centre (ECC) through the Incident Command System process are shown as a corporate expenditure. Revenues and expenditures that are indirectly affected by COVID-19 are reported within the business unit operations against their existing 2019-2022 operating budgets. The total direct expenditures associated with the City of Lethbridge's response to COVID-19 resulted in a negative variance of \$(2,081,000). These expenditures include expenditures of \$(364,000) for Rapid Housing costs, \$(228,000) for the Self-Isolation Unit, \$(17,000) for Community Response, Cleaning and Disinfecting Costs of \$(186,000), Security costs of \$(93,000), Temporary Shelter costs of \$(121,000) as well as operational costs for personal protective equipment of \$(302,000), direct wages of \$(697,000) and other ECC related operating costs of \$(73,000). This negative variance is offset by approved funding of \$1,351,000 from MOST and \$730,000 from other Government funding sources.

CITY OF LETHBRIDGE
2020 COVID-19 COST & FUNDING SCHEDULE



	COVID-19 COSTS	MOST GRANT FUNDING ⁽¹⁾	OTHER FUNDING SOURCES ⁽²⁾
Boards and Commissions			
Galt Museum	\$ (2,557)	2,557	
Lethbridge Police Services	(33,360)	33,360	
Lethbridge Public Library	(31,307)	31,307	
General Government			
City Clerk Department	(3,995)	3,995	
City Manager & Communications Dept.	(3,920)	3,920	
City Solicitor Department	(47)	47	
Mayor & City Council Office	(3,786)	3,786	
Corporate Services			
Assessment & Taxation	(5,434)	5,434	
Financial Services	(99,660)	99,660	
Human Resources	(1,041)	1,041	
Information Technology	(302)	302	
Community Services			
Community Social Development	(729,835)		729,835
Community Services Support	(236)	236	
ENMAX Centre	(79,491)	79,491	
Facility Services	(122,873)	122,873	
Fire & Emergency Services	(308,647)	308,647	
Helen Schuler Nature Centre	(3,346)	3,346	
Recreation & Culture	(199,551)	199,551	
Regulatory Services	(5,250)	5,250	
Public Safety Communications Centre	(96,519)	96,519	
Lethbridge Transit and Accessible Transportation	(79,723)	79,723	
Infrastructure Services			
Development Services	(26,595)	26,595	
Inspection Services	(1,563)	1,563	
Infrastructure Services Administration	(489)	489	
Parks Maintenance & Management	(25,225)	25,225	
Transportation	(21,078)	21,078	
Lethbridge 311	(5,388)	5,388	
Utility & Reserve Funds			
Electric (Utility Fund)	(4,292)	4,292	
Waste Collection (Utility Fund)	(115,546)	115,546	
Waste Processing (Utility Fund)	(35,825)	35,825	
Wastewater (Utility Fund)	(4,779)	4,779	
Water (Utility Fund)	(8,376)	8,376	
Fleet Services (Reserve Fund)	(19,182)	19,182	
Airport (Reserve Fund)	(215)	215	
Cemetaries (Reserve Fund)	(405)	405	
Parking (Reserve Fund)	(113)	113	
Real Estate & Land Development (Reserve Fund)	(738)	738	
Risk Management (Reserve Fund)	(394)	394	
	(2,081,080)	\$ 1,351,245	\$ 729,835

Notes:

⁽¹⁾ Municipal Operating Support Transfer (MOST) represents a collaboration between the Province of Alberta and the Government of Canada to support municipalities in safely restarting their local economies by providing operating funding for incremental costs and compensation for replacement of reduced revenues resulting from the COVID-19 pandemic.

⁽²⁾ Other funding sources consists of grants provided as COVID-19 assistance from provincial and federal levels of government.

2) 2020 Utility Funded Operations

Utility Services - ended the year in a balanced position. Systems metering and billing accounts ended the year under expended by \$283,000. Utility Services systems management accounts ended the year in a positive position of \$24,000. Customer Care and Administration finished the year with a surplus of \$17,000. Utility Services Revenue ended the year lower than budgeted \$(91,000) due to lower than budgeted community growth. Bad debts, penalties and disconnect / reconnect activities finished the year in a deficit position of \$(233,000).

Electric Utility - ended the year with a negative variance of \$(1,376,000) from operations, compared to its balanced budget, broken down as follows:

Fibre Operations - positive variance	\$ 34,000
Distribution Tariff - positive variance	387,000
Regulated Rate Tariff - negative variance	(51,000)
Transmission Tariff - negative variance	(1,746,000)
Total Electric Operations - negative variance	<u>\$ (1,376,000)</u>

Fibre Operations - Fibre Operations has resulted in a positive variance of \$34,000 due to a reduction in Cost of Capital expenses.

Distribution Tariff - Distribution Tariff has resulted in a positive variance of \$387,000 due to positive variance of \$327,000 from Transmission Access (the component of the Distribution Tariff which collects the funds required to cover fees from the AESO DTS invoices, and Rider C is used to match the costs and revenue). Another positive variance of \$60,000 from Distribution Access (the component of the Distribution Tariff which collects funds required to pay for the distribution infrastructure required to connect Lethbridge customers to the provincial transmission system).

Regulated Rate Tariff - Regulated Rate Tariff has resulted in a negative variance of \$(51,000) due to this year that saw a few months where the average purchase price was higher than the selling price. Another pressure is when the actual amount (MW) purchased is less than our forecasted amount (MW), which happened several months this year.

Transmission Tariff - Transmission Tariff has resulted in a negative variance of \$(1,746,000) due to increase costs in depreciation, Cost of Capital, Linear Property Tax, debenture debt, system operations. The increase in depreciation is coming from an increase in the replacement and addition of assets from 2016 until present. Additionally, a review of our Transmission assets resulted in a reclassification of assets to a shorter useful life. This has led to depreciation expense increases in the current year which will be collected in future years via payments from the Alberta Electric System Operator (AESO).

The 2020 Electric Operations actual negative variance of \$(1,376,000) will be transferred in 2021 to the Electric Utility Reserve in accordance with City Policy.

Waste & Recycling Services

Waste Collection - ended the year with a positive variance of \$316,000.

Recycling Collection ended the year in a deficit position of \$(38,000). Recycling revenues finished the year in a deficit \$(174,000) due to a shortfall in Multi-Family Condominium recycling material collection revenue. The program was in place to roll out in 2020 but the pandemic has slowed the process of making service changes. The single family residential and commercial recycling collection programs finished the year with a surplus of \$156,000. There was also a surplus in Recycling Debenture debt of \$67,000. These surpluses were offset by deficits \$(44,000) in the Waste Diversion programs (organic waste diversion, household hazardous materials, and diversion

depots). Waste prevention education programs finished the year in a deficit \$(43,000) position.

Garbage Collection operations ended the year in a surplus position of \$354,000. Garbage collection revenues (both residential and commercial) finished the year with a \$389,000 surplus. Residential and Commercial garbage collection ended the year the year in surplus position of \$18,000. Clean City programs (Large Item Service, Clean Lanes and Free Saturday's) ended the year in a deficit position \$(53,000).

A total of \$116,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(116,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

The accumulated surplus as at December 31, 2020 is \$2,358,000; 2019 was \$2,042,000.

Waste Processing - ended the year with a positive variance of \$497,000.

The Landfill ended the year in a surplus position of \$712,000. Landfill revenues finished the year in a surplus position of \$749,000. Mixed solid waste, construction and demolition debris tonnages have increased in the later months of 2020. Landfill operations finished the year in a surplus position of \$31,000. Consistent with the higher than budgeted revenue there is an increase in the 10% transfer to the general fund of \$(68,000).

The Material Recovery Facility (MRF) operations ended the year in a deficit position of \$(215,000). The collection of revenues for regional tonnage is not as high as expected and the market price of commodity sales is lower than anticipated resulting in a forecasted deficit of \$(294,000) for MRF revenue. This deficit is partially offset by surplus debenture debt payments for the MRF of \$65,000 and a surplus in MRF operations of \$14,000.

A total of \$36,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(36,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

The accumulated surplus as at December 31, 2020 is \$3,553,000; 2019 was \$3,056,000.

Wastewater Operations - ended the year with a positive variance of \$143,000. Revenues finished the year higher than budgeted by \$2,045,000. This increase was due primarily to higher than budgeted Industrial \$2,360,000, and Residential consumption \$413,000, offset by lower than budgeted revenues of \$(208,000) in Regional revenues, and \$(520,000) in General revenues.

Expenditures finished the year in a deficit position of \$(1,902,000). Wastewater Utility Debenture Debt ended the year with a surplus of \$444,000. The Wastewater Treatment Plant finished the year in a surplus position of \$328,000. Wastewater administration and technical support ended the year in a deficit position of \$(5,000). Waste Water collections finished the year in a deficit position \$(266,000) as crews worked on more maintenance related projects this year than capital jobs with primary focus on complicated Sanitary Mains and Service Connections repairs.

Additional operating funds have been applied to 2018-2027 Capital Improvement Project E-11– Wastewater Treatment Plant Headworks Upgrade \$(634,000), 2018-2027 Capital Improvement Project E-12 – Wastewater Treatment Plant Primary Clarifier Replacement \$(529,000) and to 2018-2027 Capital Improvement Project E-13 – Wastewater Treatment Plant Biosolids Treatment Upgrade \$(1,240,000).

A total of \$5,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(5,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

The accumulated surplus as at December 31, 2020 is \$5,304,000; 2019 was \$5,161,000. Funding of \$471,000 has been committed to the 2018-2027 CIP Project E-12 Wastewater Treatment Plant Clarifier Replacement and future anticipated commitments in the 2022-2031 Capital Improvement Program.

The balance of this amount has been identified as a short-term financing option for the potential Off-Site Account shortfall in the 2020-2021 period

Water Operations - ended the year with a positive variance of \$362,000. Revenues finished the year greater than budgeted by \$1,816,000. This increase was due primarily to higher than budgeted Residential revenues of \$1,154,000, Regional & Irrigation revenues of \$370,000 and General Revenues of \$292,000.

Operating expenditures finished the year in a deficit position of \$(1,454,000). The Water Treatment Plant finished the year with a \$1,690,000 surplus as a result of less than budgeted expenditures in Raw Water supply, Reservoirs and Residuals Management which came on line partway through the year with much lower than budgeted expenditures. The Water Utility Debenture Debt ended the year with a surplus of \$705,000. Administration and Technical Support accounts ended the year in a deficit position of \$(103,000). As well, consistent with an increase in revenues is an increase to the 8% contribution to the general fund of \$(154,000). Distribution accounts also ended the year in a deficit of \$(395,000) as crews focused more on maintenance work than capital projects with a focus on valve repairs.

Additional operating funds have been applied to 2018-2027 Capital Improvement Project E-18 – WTP Residuals Management \$(706,000), 2018-2027 Capital Improvement Project D-19 West Lethbridge Operations Depot - Phase 3a \$(891,000) and 2018-2027 Capital Improvement Project E-20 – Process Redundancy \$(1,600,000).

A total of \$8,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(8,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

The accumulated surplus as at December 31, 2020 is \$4,953,000; 2019 was \$4,591,000. There are future anticipated commitments in the 2022-2031 Capital Improvement Program.

The balance of this amount has been identified as a short-term financing option for the potential Off-Site Account shortfall in the 2020-2021 period.

3) 2020 Reserve Funded Operations

Airport Operations - ended the year with a positive variance of \$108,000. This positive variance is largely due to cost reductions and deferrals identified in contractual services \$175,000, special services and studies \$107,000, wages and training \$120,000, fuel and airfield supplies \$78,000 and repairs and maintenance \$70,000. These positive variances are offset with a transfer to BAU of \$(120,000) for equipment and repairs and maintenance and \$(240,000) to lifecycle for vehicle replacements and facility maintenance. The Airport also had a significant decrease in revenues of \$(1,274,000) as a result of reduced passenger traffic and flights due to COVID-19 and travel restrictions related to it. In addition, Air Canada also withdrew services from Lethbridge Airport as of March 31, 2020. These decreased revenues were offset by \$1,192,000 received from the MOST grant.

Traffic Safety Act Revenues - ended the year with a negative variance of \$(2,117,000). This is an area that was impacted by the Provincial Budget. Starting in 2020, the Province retained a greater share of fines and penalties revenue (increase to 40% from 27%), this reduced municipal traffic safety act revenue by approximately \$800,000 to \$1.1 million per year. COVID -19 also played a role in the negative variance as there was an increase in the number of cancelled tickets.

Revenues include photo radar for the City of Lethbridge, Provincial violation fines (tickets for speeding, failing to stop, going through red lights, etc.) and revenue from Taber for delivery of Photo Radar Enforcement. In accordance with City Council policy, The Traffic Safety Act revenues will be directed to the Municipal Revenue Stabilization Reserve and do not impact the year end operating surplus.

Cemeteries - ended the year with a positive variance of \$233,000. The 2020 net transfer to the Cemeteries Reserve comprised of \$34,000 interest revenue and \$199,000 of operating surplus. The major factors that contributed to the operating surplus are as follows:

- i) Rights to Interment and Interment Services revenues were lower than budget by \$(48,000) due to families postponing or not conducting interment services due to the Pandemic and social distancing.
- ii) Surplus in various operational expenditures of \$247,000 due to lack of demand at this time (pandemic or otherwise).

Community Lighting - ended the year with a positive net transfer of \$275,000. Roadway Lighting distribution and consumption charges ended the year in a surplus position of \$89,000 due primarily to lower than budgeted transmission and distribution charges to the street lighting network. Roadway lighting maintenance programs also finished the year under budget by approximately \$186,000 due to decreased maintenance required on the network's 13,000 streetlights. This surplus will be transferred to the Community Lighting Reserve.

In 2020, \$635,000 of the Municipal Sustainability Initiative (MSI) operating grant was allocated to eligible costs within Community Lighting. This resulted in a corresponding tax supported surplus. This amount was transferred to the Facility Services capital lifecycle account.

Fleet Services - ended the year with a positive net transfer of \$179,000. Revenues ended the year in deficit \$(329,000) (approximately 2.3% of budget) due to deferred additions to the fleet. Garage operations finished the year under expended by \$508,000 due primarily to lower than budgeted fuel prices.

A total of \$19,000 of MOST grant funding was applied to the department for COVID-19 costs and reduced revenues. A transfer of \$(19,000) was done to corporate accounts for purposes of reducing future pressures from COVID-19.

Parking Operations - ended the year with a positive variance of \$262,000. Parking revenues from both on-street and off-street collections finished the year lower than budgeted by \$(672,000). On-Street Parking Revenues fell short of budget by approximately \$(765,000). Expenditures in parking operations ended the year in a surplus of \$169,000 due to lower than budgeted expenditures in parking meter system operating costs. This shortfall in revenue is being offset by MOST grant funding of \$765,000. This surplus will be transferred to the Off-Street Parking Reserve.

Risk Management - ended the year with a negative variance of \$(313,000). This is due to higher than anticipated insurance premiums. Several insurers have pulled out of municipal underwriting due to hardening market, which is defined by an upswing in the market cycle (premiums increasing, with the capacity for most types of insurance decreasing).

Snow Clearing - ice control and snow removal operations ended the year in a surplus position of \$195,000. In accordance with City Council policy, any annual surplus/deficit from sanding, snow and ice removal operations will be transferred to / funded from the MRSR.

Glossary of Terms

Budget Appropriation Unexpended (BAU) - where, in a given year's budget, the City provides for specified expenditures which at year end are not expended/received, the Business Unit may transfer the unexpended funds with City Manager's approval. Such transfers are recorded in a reserve for budget appropriations unexpended.

Business Unit Operations Roll Over - prior year(s) tax supported budget variance between the approved budget and actual revenue or expenditures for the fiscal period. To accommodate the four year budget cycle, Business Units are expected to operate within the 48 month budget allocation. If there was a shortfall after the first three years, Business Units are expected to overcome the deficit by adjusting expenditures in the final year of the four-year budget (2022); and if the experience after the third year resulted in net under expenditures, the Business Units had the ability to roll over the amounts to assist with operations during the last year of the budget cycle. At the end of the four year budget cycle any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

Business Unit Operation Variance - the specific Business Unit budgeted variance between the approved budget and actual net expenditure for the fiscal period. These variances are the responsibility of the Business Unit.

Corporate Accounts - specific revenues and expenses are considered corporate in nature since variances are not attributable to operational decisions. These include employee benefits, property taxes and general revenues, permits, development and license revenues and grants to organizations. By City policy, the corporate portion of the General Fund surplus accrues to the Municipal Revenue Stabilization Reserve.

Corporate Fuel - variances due to market price fluctuations versus budgeted fuel costs for tax supported services (price variances for Fleet Service's units are offset against the Fleet Reserve).

Directional Operating Funding – These amounts have been identified by the City Manager as one time sources of funding for initiatives that were approved by City Council during the 2019 – 2022 budget deliberations.

Electric Utility Operating Surplus/(Deficit) - the City of Lethbridge electric utility's residual operating surplus/ (deficit) is applied to/ (from) the Electric Reserve.

Lifecycle Funds - Lifecycle funds are allocated to maintain high-priority capital assets. Examples of high priority maintenance items included in the operating budget are bridge maintenance, street upgrading, sidewalk/boulevard renewals, planning and overlay of arterials, storm sewer maintenance, utility infrastructure maintenance, parks/trails maintenance, irrigation automation, building maintenance and technology infrastructure.

Non-discretionary Business Unit Variances - specific positive and negative budget variances resulting from factors not attributable to the Business Unit management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility. Similar to corporate accounts, the surplus or deficit accrues to the Municipal Revenue Stabilization Reserve.

Reserve Funded Operations -City services where the expenditures of the related operations are funded from specific revenue sources that are legally restricted for specified purposes.

Utility Costs for Tax Supported City Facilities - variances due to utility price fluctuations versus budgeted City facility utility costs. These variances are not attributable to management decisions.

Utility Funded Operations - the City sets fees and user charges for each utility operation at a level that fully supports the total direct and indirect cost of the utility. Therefore, these operations are accounted for separately from taxation supported operations.

Water, Wastewater and Waste Accumulated Surplus - the primary purpose of the surpluses is to set aside funds to provide for unanticipated or emergency expenditures that could not be reasonably foreseen during the preparation of the budget and/or for down payments on the utility's capital projects.

Corporate Budget Contingency 2019-2022

	2019	2020	2021	2022
Contingency Included in 2019-2022 Budget	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000
Allocated by City Council:				
Ongoing:				
A-87 Corporate Contingencies (Budget Reduction)			(1,000,000)	(1,500,000)
One-time:				
Transfer to Major Capital Project Reserve for 2022-31 CIP Planning Projects		(500,000)		
	\$ -	\$ -	\$ -	\$ -

Note: As per Council resolution on November 25, 2019, the identified operational efficiencies from the Fiscal and Operational Performance Review Report with a realized net reduction will be identified as one-time or ongoing within the Corporate Contingency.

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2020

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES		RESULTS ACHIEVED (TO DEC. 31, 2020)	STATUS
				2019	2020		
N-1	Community - Council Referral	Adaptive Reuse Initiative	Budget	\$ -	\$ 300,000	Applications are currently being received.	In Progress
			Actuals	-	2,363		
			Surplus/(Deficit)	\$ -	\$ 297,637		
N-3	Information Technology	Disaster Recovery Business Impact Analysis	Budget	\$ 80,000	\$ 80,000	This initiative has begun with internal activity, but has not expended funds as of Dec 31, 2020.	Not Started
			Actuals	-	-		
			Budget Remaining	\$ 80,000	\$ 80,000		
N-5	Lethbridge Public Library	Free Library Memberships 2019	Budget	\$ 106,000	\$ -	Memberships to the citizens of Lethbridge were provided for free for 2019.	Complete
			Actuals	106,000	-		
			Budget Remaining	\$ -	\$ -		
N-7	Planning & Development	Growth & Annexation Assessment & Application	Budget	\$ -	\$ 200,000	Scope has not yet been determined.	Not Started
			Actuals	-	-		
			Surplus/(Deficit)	\$ -	\$ 200,000		
N-8	Economic Development & Tourism	Lethbridge Destination Management Organization (LDMO)	Budget	\$ 30,000	\$ 10,000	Amount paid to LDMO in the 1st quarter of 2020.	Complete for 2020
			Actuals	30,000	10,000		
			Budget Remaining	\$ -	\$ -		
N-9	Economic Development & Tourism	EDL - Agrifood Corridor Strategy	Budget	\$ 5,000	\$ 5,000	Amount part of 1st quarter EDL payment.	Complete for 2020
			Actuals	5,000	5,000		
			Budget Remaining	\$ -	\$ -		
N-10	Economic Development & Tourism	EDL - Foreign Direct Investment Program	Budget	\$ 7,500	\$ 7,500	Amount part of 1st quarter EDL payment.	Complete for 2020
			Actuals	7,500	7,500		
			Budget Remaining	\$ -	\$ -		
N-11	Economic Development & Tourism	EDL - Lethbridge Brand Implementation	Budget	\$ 45,000	\$ -	Amount paid to EDL to support the implementation of the Lethbridge brand endorsed by Council in June 2018.	Complete
			Actuals	45,000	-		
			Budget Remaining	\$ -	\$ -		
N-12	Economic Development & Tourism	EDL - Identify Opportunities & Barriers to Business	Budget	\$ 20,000	\$ 17,000	Amount part of 1st quarter EDL payment.	Complete for 2020
			Actuals	20,000	17,000		
			Budget Remaining	\$ -	\$ -		
N-13	Community - Council Referral	Blackfoot Confederacy & Reconciliation Lethbridge Flags at City Hall	Budget	\$ 150,000	\$ -	In 2019 a design competition with RLAC and Lethbridge College students was complete. In 2020, project was put on hold due to COVID-19. Currently engaging Blackfoot Confederacy with a targeted completion of September 2021.	In Progress
			Actuals	318	-		
			Budget Remaining	\$ 149,682	\$ -		
N-14	Community - Council Referral	Environment Lethbridge	Budget	\$ 75,000	\$ 70,000	Amount paid to Environment Lethbridge as part of the 4 year funding agreement.	Complete for 2020
			Actuals	75,000	70,000		
			Budget Remaining	\$ -	\$ -		
N-15	Electric Utility	Electric Accounting Technician	Budget	\$ 81,800	\$ 83,500	Position has been posted and hired. Expenses are being incurred as the year progresses.	Complete for 2020
			Actuals	81,800	83,500		
			Budget Remaining	\$ -	\$ -		
N-16	Electric Utility	Information Systems & Communications Technologist	Budget	\$ 148,960	\$ 152,190	Position has been posted and hired. Expenses are being incurred as the year progresses.	Complete for 2020
			Actuals	148,960	152,190		
			Budget Remaining	\$ -	\$ -		
N-17	Electric Utility	Power Systems Electrician	Budget	\$ 59,720	\$ 61,040	Position has been posted and hired. Expenses are being incurred as the year progresses.	Complete for 2020
			Actuals	59,720	61,040		
			Budget Remaining	\$ -	\$ -		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2020

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES		RESULTS ACHIEVED (TO DEC. 31, 2020)	STATUS
				2019	2020		
N-18	Fleet Services	Continuous Service (24/7 Shop Operations) - CSR's	Budget	\$ 296,200	\$ 307,800	Positions have been hired.	Complete for 2020
			Actuals	296,200	307,800		
			Budget Remaining	\$ -	\$ -		
N-19	Fleet Services	Continuous Service (24/7 Shop Operations) - Utility Worker II	Budget	\$ 77,200	\$ 78,900	Position has been hired.	Complete for 2020
			Actuals	77,200	78,900		
			Budget Remaining	\$ -	\$ -		
N-20	Infrastructure Administration	Urban Construction	Budget	\$ -	\$ -	Position has been hired.	Complete for 2020
			Actuals	-	-		
			Budget Remaining	\$ -	\$ -		
N-22	Waste Processing	Implementation of the Industrial, Commercial & Institutional (ICI) Support Staff & Technology	Budget	\$ -	\$ -	Positions have been hired.	Complete for 2020
			Actuals	-	-		
			Budget Remaining	\$ -	\$ -		
N-23	Waste Processing	Climate Adaptation & Environmental Sustainability Specialist	Budget	\$ 97,000	\$ 97,220	Position has been hired.	Complete for 2020
			Actuals	97,000	97,220		
			Budget Remaining	\$ -	\$ -		
N-25	Community Social Development	Syringe Collection Program	Budget	\$ 155,000	\$ -	Program not funded by the City. The Government of Alberta has secured funding for 2019 - 2021.	Complete for 2020
			Actuals	-	-		
			Budget Remaining	\$ 155,000	\$ -		
N-26	Community Social Development	Diversion Outreach Team (DOT) Program	Budget	\$ 143,935	\$ -	The second team fully operational permitting expanded hours.	Complete for 2020
			Actuals	78,183	-		
			Budget Remaining	\$ 65,752	\$ -		
N-28	ENMAX Centre	Ticket Technician	Budget	\$ -	\$ -	The Ticket Center Technician position was fully implemented by July 2019. This position was self-funded.	Complete
			Actuals	-	-		
			Budget Remaining	\$ -	\$ -		
N-30	Facility Services	Corporate Security Program	Budget	\$ 130,000	\$ 222,600	Awaiting Corporate direction on operational review recommendations regarding security and required Corporate Facility Security Assessment scope.	Not Started
			Actuals	-	-		
			Budget Remaining	\$ 130,000	\$ 222,600		
N-35	Helen Schuler Nature Centre	Natural Leaders Program	Budget	\$ 46,880	\$ 50,491	948 students and 52 families participated in 2020 with 182 additional students place on a waitlist. 75 City of Lethbridge employees participated in 5 environmental education and Indigenous Knowledge and Wisdom workshops.	Complete for 2020
			Actuals	46,880	50,491		
			Budget Remaining	\$ -	\$ -		
N-36	Information Technology	Safe & Resilient Community: Digital Threats	Budget	\$ 186,000	\$ 303,000	No new funds have been identified or expended as of December 31, 2020. Internal resources have been redeployed in support in this initiative.	Funding Source to be Determined
			Actuals	-	-		
			Budget Remaining	\$ 186,000	\$ 303,000		
N-38	Lethbridge Police Service	Special Constables/Community Peace Officer	Budget	\$ 1,660,500	\$ 1,366,500	CPO funding was provided for 15. CPO additional recruitment efforts to commence in 2021.	In Progress
			Actuals	1,187,815	1,000,603		
			Budget Remaining	\$ 472,685	\$ 365,897		
N-39	Lethbridge Police Service	The Ambassador/Watch Program	Budget	\$ 554,272	\$ 601,722	The WATCH was fully implemented and teams are currently deployed daily from 10 am to 10 pm to patrol the downtown core.	In Progress
			Actuals	533,209	601,450		
			Budget Remaining	\$ 21,063	\$ 272		
N-40	Lethbridge Police Service	Police and Crisis Team (PACT)	Budget	\$ 124,000	\$ 127,300	PACT-funded provided for the 1 officer, which were used for wages and benefits.	In Progress
			Actuals	117,719	143,923		
			Budget Remaining	\$ 6,281	\$ (16,623)		
N-48	Lethbridge Public Library	Public Safety Security	Budget	\$ 82,064	\$ 90,000	Additional security guard was implemented at Main Branch during all open hours- due to Covid this funding was not required in 2020	Complete for 2020
			Actuals	82,064	-		
			Budget Remaining	\$ -	\$ 90,000		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2020

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES		RESULTS ACHIEVED (TO DEC. 31, 2020)	STATUS
				2019	2020		
N-51	Lethbridge Public Library	Free Library Memberships Ongoing	Budget	\$ -	\$ 106,000	Memberships to the citizens of Lethbridge were provided for free for 2020 - due to covid funding not required	Complete for 2020
			Actuals	-	106,000		
			Budget Remaining	\$ -	\$ -		
N-55	Lethbridge Transit	Increase Statutory Holiday Service	Budget	\$ 162,500	\$ -	Service for Statutory Holidays has continued and is funded from Transit Operations.	Complete for 2020
			Actuals	139,275	23,225		
			Budget Remaining	\$ 23,225	\$ (23,225)		
N-57	Accessible Transportation	Access-A-Ride Improvements	Budget	\$ 202,600	\$ -	Bus was purchased in 2019	Complete
			Actuals	202,600	-		
			Budget Remaining	\$ -	\$ -		
N-58	Parks	Invasive Pest Management Urban Forest Disease Reserve	Budget	\$ 2,000,000	\$ -	No Expenditures incurred in 2019 and 2020.	Not Started
			Actuals	-	-		
			Budget Remaining	\$ 2,000,000	\$ -		
N-59	Parks	Accessible Playgrounds	Budget	\$ 208,700	\$ 208,700	Some work done at Dr. Probe School.	In Progress
			Actuals	28,446	410		
			Budget Remaining	\$ 180,254	\$ 208,290		
N-65	Recreation & Culture	Recreation & Culture Security	Budget	\$ 42,500	\$ 42,500	This initiative allowed an increased security presence in and around City owned partner operated facilities and was effective in preventing negative traffic in those areas.	Complete for 2020
			Actuals	42,500	42,500		
			Budget Remaining	\$ -	\$ -		
N-66	Recreation & Culture	Minimum Wage Increase Fee For Service	Budget	\$ 55,570	\$ 55,570	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete for 2020
			Actuals	55,570	55,570		
			Budget Remaining	\$ -	\$ -		
N-72	Economic Development & Tourism	SouthGrow Regional Initiative	Budget	\$ 7,500	\$ 7,500	Paid February 2020 for an Associate Membership.	Complete for 2020
			Actuals	7,500	7,500		
			Budget Remaining	\$ -	\$ -		
N-73	Community - Council Referral	Reconciliation Lethbridge Advisory Committee of City Council	Budget	\$ 50,000	\$ 50,000	Expenses for honorariums, promotional materials, sponsorships and meetings have been incurred.	In Progress
			Actuals	41,661	16,195		
			Budget Remaining	\$ 8,339	\$ 33,805		
N-74	Community - Council Referral	Lethbridge Sport Council Fee For Service	Budget	\$ 55,000	\$ 55,000	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete for 2020
			Actuals	55,000	55,000		
			Budget Remaining	\$ -	\$ -		
N-75	Community - Council Referral	Allied Arts Council Fee For Service	Budget	\$ 139,535	\$ 140,185	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete for 2020
			Actuals	139,535	140,185		
			Budget Remaining	\$ -	\$ -		
N-76	Community - Council Referral	Southern Alberta Art Gallery Fee For Service	Budget	\$ 76,000	\$ 76,000	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete for 2020
			Actuals	76,000	76,000		
			Budget Remaining	\$ -	\$ -		
N-77	Community - Council Referral	Southern Alberta Ethnic Association Fee For Service	Budget	\$ 136,160	\$ 136,160	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete for 2020
			Actuals	136,160	136,160		
			Budget Remaining	\$ -	\$ -		
N-78	Community - Council Referral	Nord-Bridge Senior Citizens Association	Budget	\$ 75,000	\$ 75,000	Funding was for its intended purpose. Annual report and financial statements to follow in 2021.	Complete for 2020
			Actuals	75,000	75,000		
			Budget Remaining	\$ -	\$ -		
N-79	Community - Council Referral	Nikka Yuko Japanese Garden Fee For Service	Budget	\$ 171,190	\$ 171,190	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete for 2020
			Actuals	171,190	171,190		
			Budget Remaining	\$ -	\$ -		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2020

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES		RESULTS ACHIEVED (TO DEC. 31, 2020)	STATUS
				2019	2020		
N-80	Japanese Gardens	Nikka Yuko Japanese Garden Maintenance	Budget	\$ 78,508	\$ 79,578	Garden maintenance staff season was extended and recalled earlier for install & removal for winter lights. The event continues to be extremely popular.	Complete for 2020
			Actuals	66,129	66,814		
			Budget Remaining	\$ 12,379	\$ 12,764		
N-81	City Council	Mitigate the Feral Cat Problem	Budget	\$ 10,000	\$ 10,000	The Animal Welfare Committee previously funded five colonies. There are however, only four colonies as one colony no longer possesses cats. Committee work was hindered due to COVID-19.	In Progress
			Actuals	10,000	6,371		
			Budget Remaining	\$ -	\$ 3,629		
N-82	City Council	Non-Veterinary Funding for Animal Rescue	Budget	\$ 10,000	\$ 10,000	Two applications were received with one awarded to PAWS Society and another awaiting approval.	In Progress
			Actuals	10,000	5,000		
			Budget Remaining	\$ -	\$ 5,000		
N-84	City Council	Energy Efficiency Master Plan & Strategy	Budget	\$ 300,000	\$ -	An Energy Conservation Plan was started in 2020 and will be presented to City Council in April of 2021. Implementation of the plan will begin in 2021.	In Progress
			Actuals	-	64,800		
			Budget Remaining	\$ 300,000	\$ (64,800)		
N-85	City Council	Youth Advisory Council	Budget	\$ 5,000	\$ 5,000	Expenses include meals and cards.	In Progress
			Actuals	1,967	969		
			Budget Remaining	\$ 3,033	\$ 4,031		
N-87	City Council	Implementation of Governance Review Recommendations	Budget	\$ -	\$ 250,000	Review completed in 2020, implementation to commence 2021	Not Started
			Actuals	-	-		
			Surplus/(Deficit)	\$ -	\$ 250,000		
N-88	City Council	Yates Theatre Management & Programming	Budget	\$ 85,000	\$ 85,000	The position was filled in 2019 and has worked to optimize bookings and relationships. Facility bookings for 2020 were set to exceed average numbers until the COVID-19 shutdown.	Complete for 2020
			Actuals	85,000	85,000		
			Budget Remaining	\$ -	\$ -		
N-92	City Council	Income Tax Adjustment	Budget	\$ 101,000	\$ 103,000	Council wages were increased in 2019.	Complete for 2020
			Actuals	101,000	103,000		
			Budget Remaining	\$ -	\$ -		
N-97	Community - Council Referral	Lethbridge Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD)	Budget	\$ 26,046	\$ -	Expenses for strategic planning report and public awareness campaign have been incurred.	Complete for 2020
			Actuals	20,832	-		
			Budget Remaining	\$ 5,214	\$ -		
N-98	City Council	Airport Governance & Operation	Budget	\$ -	\$ 1,000,000	In 2020, \$3 million was moved to the Airport Reserve for this initiative.	In Progress
			Actuals	-	-		
			Surplus/(Deficit)	\$ -	\$ 1,000,000		

STATEMENT OF RESERVES AS AT DECEMBER 31, 2020



	December 31 2020	December 31 2019
Acquire Off Street Parking	\$ 1,501,627	\$ 1,027,293
Airport	3,867,071	471,751
Cemeteries	1,626,958	1,397,167
Central Business District Land Acquisition	685,726	684,726
Community Lighting	4,226,458	4,722,262
Electric	10,065,510	4,322,771
Fleet Services	19,799,259	22,753,720
Insurance	4,658,344	4,966,099
Major Capital Projects	12,165,117	7,128,828
Mayor Magrath Drive Beautification	114,924	113,046
Municipal Reserve Fund	313,730	306,368
Municipal Revenue Stabilization	34,860,528	33,331,311
Real Estate Holdings	6,180,780	5,641,307
Transit Bus	1,043,159	1,043,159
Urban Parks	3,242,767	2,566,314
Total Reserves	\$ 104,351,958	\$ 90,476,122
 Total Committed Funds	 \$ 31,662,472	 \$ 29,704,210
 Current Internal Funding Requirements:		
ATB Centre - Phase 1 & 2 (Ice & Leisure Complex)	1,722,000	1,722,000
Total Committed Funds and Internal Funding Requirements	\$ 33,384,472	\$ 31,426,210

In addition to the above noted commitments, each reserve has been created by City Council for a specific purpose and will be applied to that purpose over future periods.

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Acquire Off Street Parking

The purpose of the Acquire Off Street Parking Reserve is to provide funding necessary to develop additional off-street parking and fund other parking related expenditures. Established: 1978.

Balance as at January 1, 2020		\$ 1,027,293
Add:		
Parking Revenues		
- Parking meters: MOST (COVID-19 replacement of reduced revenues in 2020)	765,098	
- Parking meters	587,172	
- Park 'n Ride revenue	95,494	
- Park 'n Ride: MOST (COVID-19 replacement of reduced revenues in 2020)	57,375	
- Parking fines	33,096	
- Parking lots	28,377	
Funding from Operations		
- COVID-19 replacement of reduced revenues in 2021*	<u>690,000</u>	
		2,256,612
Less:		
Park 'n Ride operations	500,848	
Parking enforcement	425,652	
Administration	341,857	
Parking meter operations	176,677	
Transit Terminal and Regional Park 'n Ride (CIP 2018-27 D-15)	142,576	
Enhance downtown maintenance (snow clearing, street sweeping etc.)	135,000	
Parking lot operations	<u>59,668</u>	
		<u>1,782,278</u>
Balance as at December 31, 2020		<u><u>\$ 1,501,627</u></u>

As at December 31, 2020 there is a future commitment from this reserve required to repay the internal advance from the MRSR in the amount of \$3,630,000.

* This is the estimated amount needed to cover the loss of revenue in 2021.

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Airport

The reserve was established July 1, 2018 when the City of Lethbridge acquired ownership of the airport. The future purpose of the reserve will be to provide capital financing of airport projects and support the general operations of the airport. Established: 2018.

Balance as at January 1, 2020	\$ 471,751
Add:	
Allocation from corporate & general operations for N-98	\$ 3,000,000
Allocation from general operations	298,158
Allocation from Airport operations*	<u>105,187</u>
	3,403,345
Less:	
Sand Storage Shed ACAP Grant (Council Aug 24, 2020)	<u>8,025</u>
Balance as at December 31, 2020	<u><u>\$ 3,867,071</u></u>

Committed Funds:

- Airport & Governance Operation (Budget 2019-22 N-98)	\$ 3,000,000
- Sand Storage Shed ACAP Grant (Council Aug 24, 2020)	<u>4,043</u>
	\$ 3,004,043

* Includes MOST funding of \$1,191,932 for replacement of reduced revenues in 2020.

Cemeteries

The purpose of the Cemeteries Reserve is to provide for and make provision for the improvement, maintenance, management, control and operation of public cemeteries. Established: 1961.

Balance as at January 1, 2020	\$ 1,397,167
Add:	
Allocation from Operations	199,125
Interest earnings	<u>33,572</u>
	232,697
Less:	
Cemeteries Perpetual Care	<u>2,906</u>
Balance as at December 31, 2020	<u><u>\$ 1,626,958</u></u>

Funding commitments from this reserve are included in the 2019-2022 Operating Budget under Cemetery Reserve Projects.

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Central Business District Land Acquisition

The purpose of the Central Business District Land Acquisition Reserve is to establish a source of funding for parcels of land in the Central Business District. Established: 1976.

Balance as at January 1, 2020	\$ 684,726
Add:	
Patio rental	1,000
Balance as at December 31, 2020	<u>\$ 685,726</u>

Committed Funds:

- Urban Core Housing Incentive Program (Council Nov 2, 2020)	<u>\$ 684,726</u>
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Community Lighting

The purpose of the Community Lighting Reserve is to fund the replacement of community lighting assets. Established: 1997.

Balance as at January 1, 2020	\$ 4,722,262
Add:	
Allocation from operations	275,283
Less:	
Metis Trail debt paydown - principal (Council Aug 22, 2016)	546,159
Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	<u>224,928</u>
	<u>771,087</u>
Balance as at December 31, 2020	<u>\$ 4,226,458</u>

Committed Funds:

- Metis Trail debt paydown - principal (Council Aug 22, 2016)	\$ 1,142,438
- Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	<u>522,145</u>
	<u>\$ 1,664,583</u>

Future advances from the Community Lighting reserve related to the committed funds above, will be repaid to the reserve from the Offsite Account over ten years commencing in approximately 2023.

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Electric

The purpose of the Electric Reserve is to provide capital financing of Electric Utility projects and to stabilize the effects of fluctuating operation surpluses and deficits. Established: 2016.

Balance as at January 1, 2020		\$ 4,322,771
Add:		
Allocation from Electric Capital	12,624,946	
Return on Equity	8,003,583	
	<u>20,628,529</u>	20,628,529
Less:		
Allocation to Electric Capital Projects	11,925,786	
Return on Investment to the General Fund	1,988,386	
2019 Electric Operating Deficit	<u>971,618</u>	
		<u>14,885,790</u>
Balance as at December 31, 2020		<u><u>\$10,065,510</u></u>

Funding commitments from this reserve are included in the 2018-2027 CIP Electric Utility Projects and future anticipated commitments in the 2022-2031 CIP Electric Utility Projects.

Fleet Services

The purpose of the Fleet Services Reserve is to provide for a self-sufficient pool of funds to allow for the ongoing replacement of fleet assets. Established: 1976.

Balance as at January 1, 2020		\$ 22,753,720
Add:		
Allocation from fleet operations	4,998,571	
Asset replacement contributions	857,800	
Disposal Proceeds	169,642	
Vehicle Donation	<u>8,000</u>	
		6,034,013
Less:		
Purchase of equipment		<u>8,988,474</u>
Balance as at December 31, 2020		<u><u>\$19,799,259</u></u>

Committed Funds:

- Equipment Purchases (Budget 2019-2022)	\$ 11,438,120
- Equipment Purchases (Budget 2015-2018)	<u>899,670</u>
	<u>\$ 12,337,790</u>

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Insurance

The purpose of the Insurance Reserve is to stabilize the effects of rising and unpredictable insurance premiums.
 Established: 1985.

Balance as at January 1, 2020	\$ 4,966,099
Less:	
Allocation to Operations	<u>307,755</u>
Balance as at December 31, 2020	<u><u>\$ 4,658,344</u></u>

Major Capital Projects

The purpose of the Major Capital Projects Reserve is to fund capital projects and buffer the effects of the short-term fluctuations in debt payments and capital expenditures on the Pay-As-You-Go plan. Established: 1989.

Balance as at January 1, 2020	\$ 7,128,828
Add:	
Pay-As-You-Go	3,209,350
Interest Earnings	205,406
Project Surplus:	
Whoop Up Drive (McMaster to Mauretania Blvd W)	1,342,533
SAAG Facility Enhancements D-39 (Council Feb 24, 2020)	<u>279,000</u>
	<u>5,036,289</u>
Balance as at December 31, 2020	<u><u>\$12,165,117</u></u>

Note: Potential future draws on this reserve include a matching portion of the Investing in Canada Infrastructure Program (ICIP) grant in the amount of up to \$3,280,000, CIP D-42, Lethbridge & District Exhibition Agri-Food Hub project depending on grant approvals from other levels of government and the 2022-2025 Capital Improvement Program.

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Mayor Magrath Drive Beautification

The purpose of the Mayor Magrath Drive Beautification Reserve is to provide funds to allow for beautification of Mayor Magrath Drive. Established: 1984.

Balance as at January 1, 2020	\$ 113,046
Add:	
Parking Lease Revenue	3,007
Patio Lease Revenue	<u>250</u>
	3,257
Less:	
Land Lease Taxes	<u>1,379</u>
Balance as at December 31, 2020	<u><u>\$ 114,924</u></u>

Municipal Reserve Fund

The Municipal Reserve Fund can only be used for prescribed purpose such as public parks and public recreation areas. Established: 1980.

Balance as at January 1, 2020	\$ 306,368
Add:	
Interest Earnings	<u>7,362</u>
Balance as at December 31, 2020	<u><u>\$ 313,730</u></u>

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Municipal Revenue Stabilization

The purpose of this reserve is to stabilize the effects of fluctuating interest revenue and General Operation surpluses and deficits on annual taxation requirements. All General Operation surpluses of prior years, return on investments, municipal consent and access fee/franchise fee and by-law enforcement revenue surpluses, internal financing recoveries, and other allocations from General Operations are added to the reserve. Budgeted allocations to General Operations are charged to the reserve and include municipal consent and access fee/franchise fee, by-law enforcement revenue shortfalls, and return on investments. Other charges to the reserve include any General Operation deficits of prior years, one time expenses, internal financing advances, and other allocations to General Operations. Established: 1985.

Balance as at January 1, 2020	\$ 33,331,311
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Add:

Electric Municipal Consent and Access Fee (MCAF)	9,660,755	
Investment and Interest Income (net of Trust Allocations)	5,860,199	
ATCO Franchise Fee	5,994,283	
By-law enforcement	3,291,455	
MRSR Internal Financing Recoveries	3,285,967	(Schedule 1)
2019 General Operating Surplus	2,145,126	
Return on Investment (Electric ROI)	1,988,386	
Commercial land lease revenue	917,451	
Snow Removal	195,013	
	33,338,635	

Less:

Budget Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,631,600	
By-law enforcement	5,510,900	
Allocation to General Operations	5,450,000	
ATCO Franchise Fee	5,410,000	
Return on Investment (Electric ROI)	2,598,400	
Commercial land debenture payment	1,000,315	
Allocation for TIPP discounts	507,479	
MRSR One Time Allocations	1,700,724	(Schedule 2)
	31,809,418	

Balance as at December 31, 2020

\$ 34,860,528

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Municipal Revenue Stabilization

Schedule 1: MRSR Internal Financing Recoveries (year of final payment):

- Lethbridge Police Headquarters (2029)	\$ 1,284,200
- Sherring Industrial Park (2020)	555,700
- ENMAX building (2027)	467,800
- Police technology (2022)	430,200
- ATB Centre - Phase 1 (Ice Complex) (2029)	278,600
- Parks Asset Management (2028)	204,400
- Local Improvements Prior Years	56,505
- Whoop-Up Drive Extension - interest only (CIP 2011-20 C-36)	<u>8,562</u>
	<u>\$ 3,285,967</u>

Schedule 2: MRSR One Time Allocations:

- Downtown Clean & Safe Strategy (Council Dec 9, 2019)	\$ 411,820
- School Gym Upsizing (CIP 2018-27 D-17)	283,333
- Nikka Yuko Japanese Garden Fee for Service (Budget 2019-22 N-79)	171,900
- Adaptive Reuse Initiative (Budget 2019-22 N-1)	147,184
- Allied Arts Council FFS (Budget 2019-22 N-75, amended Nov 25, 2019)	107,000
- Yates Management & Programming (Budget 2019-22 N-88)	85,000
- Southern Alberta Art Gallery FFS (Budget 2019-22 N-76, amended Nov 25, 2019)	76,000
- Nord-Bridge Senior Citizen Association (Budget 2019-22 N-78)	75,000
- Nikka Yuko Japanese Garden Maintenance (Budget 2019-22 N-80)	66,814
- Lethbridge Sport Council Fee for Service (Budget 2019-22 N-74)	55,000
- Natural Leaders Program (Budget 2019-22 N-35)	50,491
- Recreation & Culture Security (Budget 2019-22 N-65)	42,500
- Heart of the City Housing (Budget 2015-18 N-4)	45,964
- Increase Statutory Holiday Service (Budget 2019-22 N-55)	23,225
- EDL Identify Opportunities & Barriers to Business (Budget 2019-22 N-12)	17,000
- Lethbridge Destination Management Organization (Budget 2019-22 N-8)	10,000
- EDL Foreign Direct Investment Program (Budget 2019-22 N-10)	7,500
- SouthGrow Regional Initiative (Budget 2019-22 N-72)	7,500
- Mitigate the Feral Cat Problem (Budget 2019-22 N-81)	6,371
- EDL Agrifood Corridor Strategy (Budget 2019-22 N-9)	5,000
- Non-Veterinary Funding for Animal Rescue (Budget 2019-22 N-82)	5,000
- Youth Advisory Council (Budget 2019-22 N-85)	969
- Blackfoot Confederacy & Reconciliation Flags at City Hall (Budget 2019-22 N-13)	<u>153</u>
	<u>\$ 1,700,724</u>

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Municipal Revenue Stabilization

Committed Funds:

2015-2018:

- Heart of Our City Housing (Budget 2015-18 N-4, amended Jul 4, 2017)	\$ 856,722
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2018-2021:

- School Gym Upsizing (CIP 2018-27 D-17)	1,133,333
- PGA Tour Canada 2018-19 & 2021 (Council Aug 28, 2017, amended Jun 1, 2020)	250,000
- University Dr (Community Stadium to SunRidge Blvd W) (CIP 2018-27 CO-4)	137,000

2019-2022 (Conditional Resolutions):

- Invasive Pest Management Urban Forest Disease Reserve (Budget 2019-22 N-58)	2,000,000
- Directional Resolution (Budget 2019-22 D-1 & D-9)	581,645

2019-2022:

- EMS Dispatch in Lethbridge (Budget 2021-22 A-2)	2,400,000
- Downtown Clean & Safe Strategy (Council Dec 9, 2019)	1,272,180
- Modified Targeted Redevelopment Incentive Program (Council Nov 2, 2020)	1,000,000
- 2022 Brier Bid (Council Jun 15, 2020)	644,155
- Rent Supplement (Council Dec 14, 2020)	500,000
- Missing & Murdered Indigenous Women & Girls Work Plan (Council Jan 12, 2021)	435,000
- Nikka Yuko Japanese Garden FFS (Budget 2021-22 A-142)	442,242
- Corporate IT Lifecycle Reduction (Budget 2021-22 A-13)	(400,000)
- Adaptive Reuse Initiative (Budget 2019-22 N-1)	302,685
- Energy Efficiency Master Plan & Strategy (Budget 2019-22 N-84)	300,000
- Allied Arts Council Fee For Service (Budget 2021-22 A-139)	172,020
- Southern Alberta Ethnic Association Fee For Service (Budget 2021-22 A-141)	150,800
- Special Constables/Community Peace Officer (Budget 2019-22 N-38)	149,885
- Blackfoot Confederacy & Reconciliation Flags at City Hall (Budget 2019-22 N-13)	149,530
- Southern Alberta Art Gallery Fee For Service (Budget 2021-22 A-140)	136,800
- Natural Leaders Program (Budget 2019-22 N-35)	54,144
- Lethbridge Sport Council FFS (Budget 2021-22 A-143)	99,000
- Public Library Security (Council Jan 13, 2020)	90,000
- EDL - Identify Opportunities & Barriers to Business (Budget 2019-22 N-12)	34,000
- Non-Veterinary Funding for Animal Rescue (Budget 2019-22 N-82)	25,000
- Mitigate the Feral Cat Problem (Budget 2019-22 N-81)	23,629
- Youth Advisory Council (Budget 2019-22 N-85)	17,063
- EDL - Foreign Direct Investment Program (Budget 2019-22 N-10)	15,000
- SouthGrow Regional Initiative (Budget 2019-22 N-72)	15,000
- EDL - Agrifood Corridor Strategy (Budget 2019-22 N-9)	10,000

\$ 12,996,833

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Municipal Revenue StabilizationCurrent 2019/20

Internal Loan Requirements:

ATB Centre - Phase 1 (CIP 2014-23 D-7) & Phase 2 (CIP 2018-27 D-6)	\$ 1,722,000
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As at December 31, 2020 internal advances amounting to approximately \$28,400,000 were outstanding from this reserve. These amounts will be recovered, with interest, in future years.

In addition, amounts to the following community groups remain committed against this reserve. These amounts have been recorded as receivables by the City at December 31, 2020.

	Year	Maturity	Original Amount	Balance as at December 31 2020	Annual Payment
SLP Skate Park naming	2014	2023	\$ 100,000	\$ 25,000	\$ 10,000
Lethbridge Hurricanes*	2012	2029	2,500,000	1,666,667	166,667
Lethbridge & District Exhibition** (CIP 2014-23 D-9)	2017	2032	4,673,000	3,816,283	311,533

Notes: *As per the City Council resolution on September 21, 2020, Council approved the deferral of the Lethbridge Hurricanes Hockey Club annual contribution of \$166,667 towards the ENMAX Centre renovation for 2020; and Council approved the lease contract between the City of Lethbridge and the Lethbridge Hurricanes Hockey Club be amended to add one additional year that includes the payment of the deferred annual contribution of 2020.

**As per the City Council resolution on August 24, 2020, City Council approved that the City of Lethbridge provide debt forgiveness for the remaining value of the CIP Loan (\$3,816,283), in exchange for the title to the 155.71 acres of owned land by Lethbridge & District Exhibition, legally described as 0310215, Lot 3, Block 1. The land transfer occurred on February 2, 2021.

Real Estate Holdings

The purpose of the Real Estate Holdings Reserve is to provide a source of funding for land acquisitions within the city. Established: 1929.

Balance as at January 1, 2020	\$ 5,641,307
Add:	
Net proceeds from sale of land in River Valley to Honey Holdings Ltd.	536,050
Net proceeds from sale of 643 11 Street South	3,700
Rental Income	2,059
Land Lease Tax Recovery	691
	542,500
Less:	
Land Lease Taxes	3,027
Balance as at December 31, 2020	\$ 6,180,780

Reserve Analysis
For the period January 1, 2020 to December 31, 2020

Transit Bus

The purpose of the Transit Bus Reserve is to provide funding for the City portion of new transit equipment including maintenance and replacement of Lethbridge Transit and ACCESS-A-Ride (AAR) technology and equipment. Established: 1985.

Balance as at January 1, 2020 \$ 1,043,159

Balance as at December 31, 2020 \$ 1,043,159

Urban Parks

The purpose of the Urban Parks Reserve is to provide funds for the ongoing operation and maintenance of the Urban Parks system. Established: 1983.

Balance as at January 1, 2020 \$ 2,566,314

Add:

Allocation from operations 725,800

Less:

Accessible Playgrounds (Budget 2019-22 N-59) 28,011

Urban Forest Management Plan (Budget 2015-18 N-8) 21,336

49,347

Balance as at December 31, 2020 \$ 3,242,767

Committed Funds:

- Accessible Playgrounds (Budget 2019-22 N-59) \$ 778,343

- Urban Forest Management Plan (Budget 2015-18 N-8) 96,154

- River Valley Accessibility Study (CIP 2018-27 D-38) 100,000

\$ 974,497

TOTAL RESERVES as at December 31, 2020 \$ 104,351,958

TOTAL COMMITTED FUNDS \$ 31,662,472

TOTAL CURRENT INTERNAL LOAN REQUIREMENTS 1,722,000

TOTAL FUNDING REQUIREMENTS \$ 33,384,472

CITY OF LETHBRIDGE
BUDGET APPROPRIATION UNEXPENDED
AS AT DECEMBER 31, 2020



	2020 Balance	2019 Balance
Boards and Commissions		
Galt Museum	\$ 162,000	\$ 43,500
Lethbridge Police Services	2,068,290	911,106
Lethbridge Public Library	282,075	79,624
General Government		
City Clerk	612,129	482,829
City Manager's Office & Communication	934,829	931,155
City Solicitor	359,329	429,142
Economic Development	22,194	21,120
Corporate Services		
Risk Management	150,193	57,518
Assessment & Taxation	40,762	40,762
Financial Services	192,817	92,820
Airport	120,000	-
Human Resources	1,233,811	1,288,761
Community Services		
Community & Social Development	364,384	269,945
ENMAX Centre	6,774	-
Fire & Emergency Services	2,180,241	1,985,241
Public Safety Communications Centre	465,700	522,130
Recreation & Culture	275,415	82,213
Regulatory Services	4,839	4,839
Infrastructure Services		
Development Services	486,614	829,398
Infrastructure Services Administration	622,791	1,055,987
Electric	91,248	66,000
Waste Processing	49,873	632,030
	<u>\$ 10,726,308</u>	<u>\$ 9,826,120</u>
Directional Operating Funding	2,872,809	3,267,906
Operational Review Funding	540,361	540,361
Future COVID-19 Pressures	3,490,000	-
Current Year Unexpended (Note 1)	3,274,529	2,045,622
Prior Year Unexpended (Note 1)	<u>\$ 16,754</u>	<u>\$ -</u>
Total	<u><u>\$ 20,920,761</u></u>	<u><u>\$ 15,680,009</u></u>

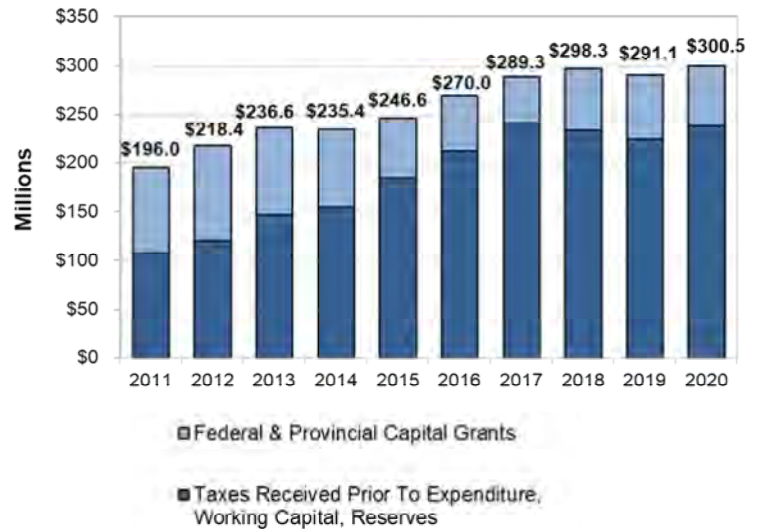
Note 1 - At the end of the four year budget cycle, any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution

Investment Summary

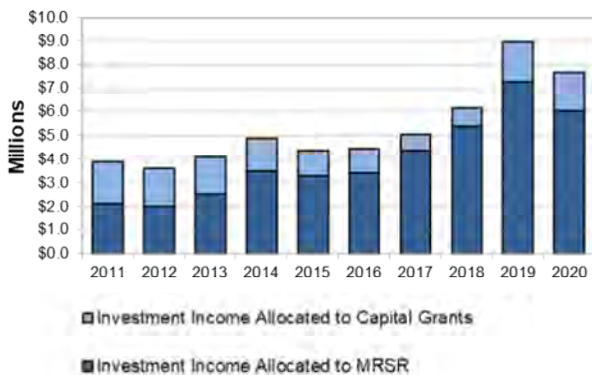
As at December 31, 2020

The City of Lethbridge maintains a significant investment portfolio. This investment portfolio consists of reserves, capital funds, Provincial and Federal grants, and operating funds. These funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio.

Average Portfolio Size

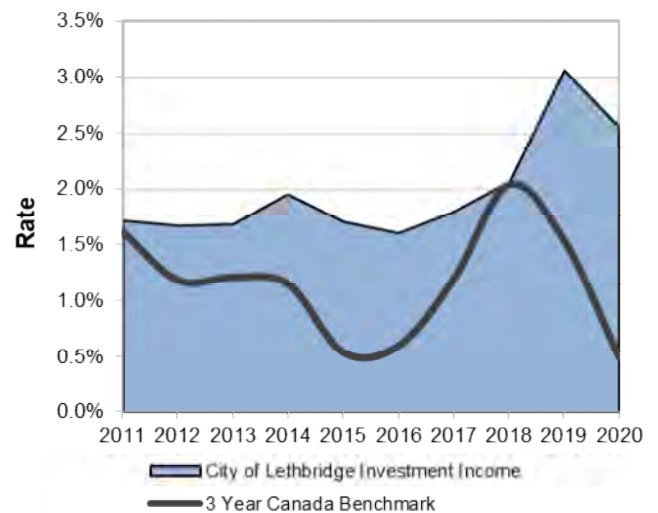


Total Investment Income



Total investment income decreased to \$7,679,345 in 2020 from \$8,956,449 in 2019. There has been a decrease in global investment rates of return due to the COVID pandemic and economic conditions. We continue to monitor our short-term and long-term investment strategy to meet our investment income target. The City of Lethbridge 2020 average portfolio yield of 2.56% (2019:3.08%). The 2020 average Government of Canada 3-Year Benchmark¹ yield of 0.50% (2019:1.55%).

Average Portfolio Yield

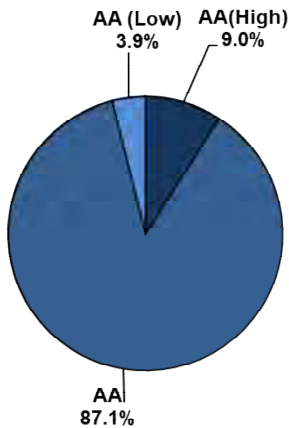


¹ Benchmark based on actual mid-market closing yields of selected Canada bond issues that mature approximately in the three-year term. This is a reasonable benchmark for the City of Lethbridge given our average portfolio term and our risk restrictions

Investment Summary

As at December 31, 2020

Portfolio Distribution by Rating
December 31, 2020

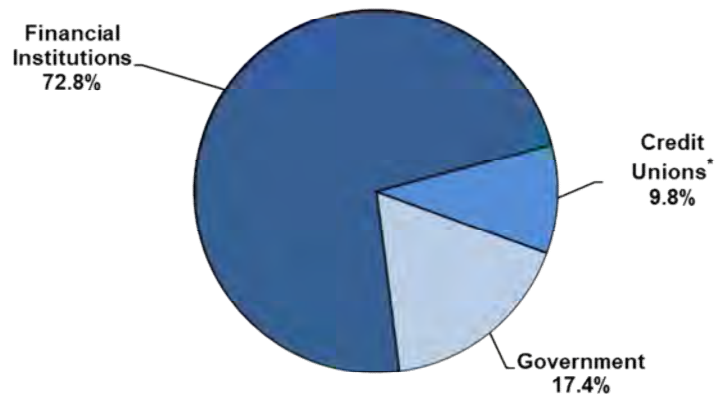


The City of Lethbridge's first investment objective is safety of principal, and accordingly the City invests only in institutions with a minimum credit rating of R1 or A.

A Company having an R1 rating is considered high-grade prime credit. Its ability to repay current liabilities as they come due is very high. The R1 rating is further broken down into High (R1H), Middle (R1M) and Low (R1L). The short-term ratings of R1H, R1M, and R1L are roughly equivalent to the long term ratings of AAA, AA, and A respectively.

Portfolio Distribution by Type
December 31, 2020

Our current portfolio is diversified among 6 different brokerage firms and 11 different institutions from the Government and Financial Institution sectors.



*Principal is guaranteed by the Provinces of Alberta or BC

SUMMARY OF SUBDIVISION SURPLUS
For the period January 1, 2020 to December 31, 2020

	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>
INDUSTRIAL	\$ (8,147,106)	\$ (5,994,232)
RESIDENTIAL	8,357,236	9,258,857
NET SUBDIVISION SURPLUS	<u>\$ 210,130</u>	<u>\$ 3,264,625</u>

**INDUSTRIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**

For the period January 1, 2020 to December 31, 2020

Development Operations Funding

Funds Received from Subdivision Development		
Sherring Industrial Park - Phase 1	\$ 2,089,220	
Total Funds Received from Subdivision Development		2,089,220
Funds Used for Subdivision Development		
Sherring Industrial Park - Phase 1	1,393,718	
Sherring Industrial Park - Phase 2	731,884	
Sherring Industrial Park Common	<u>244,767</u>	
Total Funds Used for Subdivision Development		<u>2,370,369</u>
Net Funds Used for Subdivision Development Operations		(281,149)

Other Activity Funding

Funds Received:		
Lease Revenue	15,574	
Funds Used:		
Debt Payment - ACFA	(Note 1) 1,037,799	
Debt Payment - MRSR	(Note 2) 555,700	
Allocation in Lieu of Property Taxes	<u>293,800</u>	
	1,887,299	
Net Funds Used for Other Activities		<u>(1,871,725)</u>
Net decrease in Industrial Subdivision Surplus		(2,152,874)
Industrial Subdivision Surplus Balance January 1, 2020		(5,994,232)
Total Industrial Balance December 31, 2020		<u>\$ (8,147,106)</u>

Funds Committed for Future

Sherring:	
Sherring Expansion	(Note 3) \$ 6,833,000
Asphalt Overlays	150,500
Landscaping	<u>33,400</u>
	7,016,900

Notes:

- 1 In December 2016 council approved additional debenture borrowing through Alberta Capital Financing Authority (ACFA) to finance the expansion costs associated with Sherring Industrial Park. As at December 31, 2020 the remaining balance of ACFA loans is \$6,242,000
- 2 To finance the deficit balance in the Industrial Subdivision Surplus Account related to the startup costs associated with the Sherring Industrial Park, Council approved a "line of credit loan" of up to \$5,500,000 as well as a \$6,000,000 loan for prepayment of the Offsite Levies from the Municipal Revenue Stabilization Reserve (MRSR). Loan payments will be based on cashflow availability within the Industrial Subdivision Surplus. As at December 31, 2020 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on this line of credit loan is \$5,500,000 while the interim financing has been fully repaid.
- 3 In 2018-2019, Industrial Subdivision Surplus has a commitment to fund a portion of the expansion of the Sherring Industrial Park. This is an extensive project which began in 2016 and is comprised of various components (canal relocation, siphon twinning, underground and surface work) and involves various funding sources (Clean Water and Wastewater Fund (CWWF) grant, Alberta Agriculture Grant, Off-site Levies, Transportation Capital as well as Industrial Subdivision Surplus). The majority of construction was completed in 2019. ^{Page 47}

**RESIDENTIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**

Section C-1 (cont'd)

For the period January 1, 2020 to December 31, 2020

Development Operations Funding

Funds Received from Subdivision Development

Crossings:

Phase 6	\$ 1,779,606
Commercial	426,734
Phase 4	367,560
Phase 7	235,536
Phase 3	85,260
	<u>2,894,696</u>

RiverStone:

Phase 21	841,301
Phase 22	418,565
	<u>1,259,866</u>

Total Funds Received from Subdivision Development

4,154,562

Funds Used for Subdivision Development

Crossings:

Common	2,123,879
Phase 6 & 7	278,037
Phase 1-4	14,994
Phase 5	7,627
	<u>2,424,537</u>

RiverStone:

Common	122,166
Phase 21	65,818
Phase 22	5,100
Phase 11-17,20	4,050
	<u>197,134</u>

SunRidge:

Common	31,993
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Watermark:

Common	378,728
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Total Funds Used for Subdivision Development

3,032,392

Net Funds Received from Subdivision Development Operations

1,122,170

Other Activity Funding

Funds Received:

Whoop Up Drive - Repayment from Offsites	391,342
Great Bear Blvd Road Right of Way	74,393
Rental Revenue	3,243
	<u>468,978</u>

Funds Used:

Real Estate & Land Development Operations	1,168,892
Debt Payment ACFA - Watermark	854,084
Adaptive Reuse Initiative (N-1)	147,184
Allocation in Lieu of Property Taxes	108,900
Affordable Housing	100,000
Operational Review - RELD	58,000
Heart of Our City (N-4)	45,964
Weed Control	9,000
Vacant School Site Development (D-36)	745
	<u>2,492,769</u>

Net Funds Used for Other Activities

(2,023,791)

Net decrease in Residential Subdivision Surplus

(901,621)

Residential Subdivision Surplus Balance January 1, 2020

9,258,857

Total Residential Subdivision Surplus Balance December 31, 2020

\$ 8,357,236

**RESIDENTIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**

Section C-1 (cont'd)

For the period January 1, 2020 to December 31, 2020

Funds Committed for Future

Projects:

Crossings:

Underground Utilities and Surface Works	\$ 501,200
Sportsfield/Playground	225,800
Engineering Consulting Services	226,800
Architectural Controls	120,000
	<u>1,073,800</u>

RiverStone:

Underground Utilities and Surface Works	397,500
Architectural Controls	193,500
Engineering Consulting Services	5,800
	<u>596,800</u>

SunRidge:

Architectural Controls	17,100
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Watermark:

Sportsfield Development	197,700
Underground Utilities and Surface Works	66,600
Engineering Consulting Services	58,500
Landscaping	33,500
	<u>356,300</u>

Other Projects (including 2019-2022 Operating Budget Funding):

Land Purchase 160 Acres from College Farms Ltd.	(Note 1) 9,600,000
Affordable Housing	(Note 2) 1,671,000
Parks Capital	1,046,500
Heart of Our City Housing Incentive Program (N-4)	856,600
Adaptive Reuse Initiative (N-1)	302,800
Parks Maintenance	135,000
Pest Control	72,100
Weed Control	18,000
	<u>13,702,000</u>

CIP Projects (2018-2021):

Bark Park (D-16)	554,400
New School Site Development (D-18)	450,000
	<u>1,004,400</u>

Total Committed Funds

\$ 16,750,400

Notes:

- 1 Land Banking – In October 2017 City Council approved the purchase of 160 acres of land from College Farms Ltd. for \$9,600,000. The payment terms of the agreement are \$2.4 million per year beginning in 2018 with the final payment and transfer date January 31, 2021. Payments have been made in January 2018-2020. The full amount will be funded from Subdivision Surplus in 2021 when final payment is made and land title transfers to the City.
- 2 Affordable Housing - as at December 31, 2020, \$1,431,000 has been committed to the Affordable Housing Fund. An additional \$120,000 per year will be committed in the next 2 years (2021-2022)
- 3 On July 8, 2013, City Council approved the sale of approximately 66.5 acres in the Crossings commercial area. As at December 31, 2020, \$16,840,700 has been received with the final payment of \$16,991,000 now due December 31, 2022 (originally December 31, 2019). Due to slowed markets conditions the extension was requested and approved by Council December 9, 2019.

2) FSITE ACCOUNT A1\$ /< 6,6
For the period January 1, 2020 to December 31, 2020

5HYHQXHV**Net Offsite Levies**

Blackwolf Phase 7	\$ 669,904
Country Meadows Phase 3B	653,044
Legacy Ridge Stage 3 Phase 15	90,763
7RW Net Levies	<u>1,413,711</u>

Other Revenues

Debenture Debt Funded Projects	5,999,650
General Interest	189,432
7RW Other Revenues	<u>6,189,082</u>

7RW Revenues

7,602,793

\$ORFDWLRQV**Offsite/Oversize Credits**

Great Bear BLVD	74,393
Blackwolf Phase 7	2,310
7RW Oversize Credits	<u>76,703</u>

Other Costs

Debt Payment - ACFA	5,609,253
University Dr - Community Stadium to Sunridge BLVD (CIP 2018-27 CO-4)	3,604,511 *
Metis Trail - Temple Blvd to Coalbrook Gate (CIP 2018-27 CO-6)	1,684,915 *
North Siphon Twinning (Council Dec 12, 2016)	710,224 *
Whoop Up Drive - Coalbanks to Mauretania (RELD)	399,904
Metis Trail - Walsh to Whoop-Up (Council Aug 22, 2016)	21,395
	<u>12,030,202</u>

7RW Allocations12,106,905**Net Decrease LQOffsite Account**

(4,504,112)

Add: Offsite Account Balance January 1, 2020

9,661,378

Offsite Account Balance December 31, 20205,157,266

* project spending is funded by Offsite Levy borrowing

2) FSITE ACCOUNT A1\$ /< 6,6
For the period January 1, 2020 to December 31, 2020

Funds Committed for Future

Projects (2020 and prior) Funded El Debentures (external borrowLQs):

Metis Trail - Temple Blvd to Coalbrook Gate (CIP 2018-27 CO-6)	5,215,085
North Scenic Drive - Uplands Blvd N to 40 Ave N (CIP 2018-27 CO-3)	4,650,000
University Dr - Community Stadium to Sunridge BLVD (CIP 2018-27 CO-4)	2,170,489
Metis Trail Underground - Country Meadows to Tartan (Wastewater)	2,080,975
North Siphon Twinning (Council Dec 12, 2016)	1,882,958
West Siphon Screen Relocation (CIP 2018-27 EO-2)	1,700,000
	17,699,507

Projects (2020 and prior) Funded by Offsite Levies:

Whoop Up Drive - Coalbanks to Mauretania (RELD)	395,600
Watermain Loop Metis Trail - Coalbanks Link to Temple Blvd (CIP 2018-27 EO-1)	250,000
13 St N - Crowsnest Tr to 26 Ave N Design (CIP 2018-27 CO-2)	62,500
5th Ave N - Stafford Dr to MMDr N Design (CIP 2018-27 CO-2)	62,500
	770,600

18,470,107

City of Lethbridge
External Borrowings (ACFA)
As At December 31, 2020

Section C-3

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2020	Per Capita 101,482	Year of Maturity
Self Supported								
Airport								
Security Cameras	\$ 27,624	2018	4	1.597%	\$ 8,147	\$ 8,050		2021
Tractor	6,297	2018	6	2.512%	1,137	3,787		2024
CFC Unit	58,926	2018	16	3.239%	4,748	51,593		2034
Entrance Sign	47,904	2018	16	3.239%	3,860	41,943		2034
Parking Lot	254,357	2018	16	3.239%	20,496	222,704		2034
Runway Signs	24,588	2018	16	3.239%	1,981	21,528		2034
Fence, Garage, Tanks, Roof	167,708	2018	17	2.765%	12,432	147,676		2035
Underground Fuel Tanks	75,365	2018	20	3.108%	5,088	68,284		2038
Land Development								
Sherring Industrial Park	1,800,000	2006	15	4.600%	83,723	81,840		2021
Watermark - Phase 1 Middle School	7,500,000	2017	10	2.671%	859,562	5,454,966		2027
Commercial Land Servicing	12,222,000	2017	15	2.768%	1,001,170	10,163,316		2032
Sherring Industrial Park	2,000,000	2018	15	3.046%	167,100	1,726,340		2033
Sherring Industrial Park	2,900,000	2018	15	3.201%	244,962	2,588,351		2033
Sherring Industrial Park	1,900,000	2020	15	2.033%	147,598	1,845,514		2035
Offsite Levy								
South East Water Reservoir	3,000,000	2006	15	4.584%	278,775	269,475		2021
South Siphon Upgrade	1,500,000	2011	10	2.485%	170,334	167,211		2021
Mayor Magrath Drive	624,000	2016	5	1.238%	64,544	64,147		2021
SE Regional Lift Station	156,100	2016	5	1.238%	16,146	16,047		2021
43rd Street North	325,000	2016	5	1.597%	67,889	67,084		2021
Garry Drive West	150,554	2016	5	1.597%	31,449	31,076		2021
South East Water Reservoir	1,000,000	2007	15	4.614%	93,113	175,962		2022
South Siphon Upgrade	500,000	2012	10	2.226%	56,048	109,045		2022
South Siphon Upgrade	1,000,000	2010	15	3.885%	88,595	399,107		2025
West Lethbridge Water Reservoir	2,300,000	2010	15	3.885%	203,769	917,947		2025
Garry Drive Reservoir	5,700,000	2011	15	3.013%	475,124	2,590,161		2026
SE Regional Lift Station	3,600,000	2014	15	2.814%	295,865	2,337,925		2029
Northwest Lethbridge Utility Servicing	1,000,000	2010	20	4.124%	73,909	600,658		2030
Metis Trail	1,800,000	2015	15	2.569%	145,362	1,218,443		2030
Metis Trail	2,800,000	2015	15	2.459%	224,337	1,978,123		2030
Metis Trail Deep Utilities	2,000,000	2015	15	2.569%	161,513	1,353,825		2030
Metis Trail Deep Utilities	2,200,000	2015	15	2.459%	176,264	1,554,240		2030
Northwest Lethbridge Utility Servicing	600,000	2011	20	3.292%	41,190	377,545		2031
Northwest Lethbridge Utility Servicing	15,000,000	2011	20	3.145%	1,016,134	9,387,363		2031
Northwest Lethbridge Utility Servicing	2,900,000	2012	20	2.922%	192,500	1,868,730		2032
Metis Trail (Walsh to Whoop Up Dr)	5,000,000	2017	15	3.023%	417,071	4,171,477		2032
Whoop Up Dr (McMaster to Mauretania)	2,500,000	2017	15	3.023%	208,536	2,085,739		2032
Metis Trail (Walsh to Whoop Up Dr)	2,500,000	2018	15	3.046%	208,875	2,157,924		2033
Whoop Up Dr (McMaster to Mauretania)	1,500,000	2018	15	3.051%	125,370	1,337,111		2033
Metis Trail (Walsh to Whoop Up Dr)	1,400,000	2018	15	3.201%	118,257	1,249,549		2033
Sherring Industrial Park	4,300,000	2018	15	3.201%	363,219	3,837,900		2033
Metis Trail (Walsh to Whoop Up Dr)	800,000	2019	15	2.443%	64,020	732,462		2034
Sherring Industrial Park	4,200,000	2019	15	2.552%	338,762	3,966,941		2034
University Drive (Common Stadium to Sunridge)	1,000,000	2020	15	2.033%	77,683	971,323		2035
Metis Trail (Walsh to Whoop Up Dr)	217,470	2020	15	1.789%	16,595	217,470		2035
North Scenic Dr (Uplands Blvd N to 40 Ave)	241,559	2020	15	1.789%	18,432	241,559		2035
University Drive (Common Stadium to Sunridge)	3,500,000	2020	15	1.789%	267,075	3,500,000		2035
Whoop Up Dr (McMaster to Mauretania)	434,548	2020	15	1.789%	33,159	434,548		2035
Total Self Supported					8,691,918	72,814,009	717.51	
Taxation Supported								
General								
ATB Centre - Phase 2 (Leisure Complex)	12,000,000	2016	15	2.798%	985,091	9,271,876		2031
ATB Centre - Phase 2 (Leisure Complex)	5,000,000	2017	15	2.420%	399,476	3,989,230		2032
ATB Centre - Phase 2 (Leisure Complex)	38,000,000	2017	15	3.023%	3,169,740	31,703,226		2032
ATB Centre - Phase 2 (Leisure Complex)	6,950,000	2018	15	3.051%	580,879	6,195,279		2033
ATB Centre - Phase 2 (Leisure Complex)	3,387,182	2019	15	2.443%	271,059	3,101,227		2034
Total Taxation Supported					5,406,245	54,260,838	534.68	
Utility Supported								
Water								
South East Water Reservoir	3,250,000	2006	15	4.267%	295,579	286,382		2021
Public Operations Site	1,500,000	2012	15	2.627%	121,640	773,162		2027
Public Operations Site	1,250,000	2013	15	2.959%	103,796	693,566		2028
Public Operations Site	500,000	2013	15	3.586%	43,389	299,450		2028
Public Operations Site	1,000,000	2013	15	3.295%	85,030	593,707		2028
Public Operations Site	550,000	2015	15	2.235%	43,358	369,264		2030
Public Operations Site	1,071,500	2016	15	2.351%	85,182	788,491		2031
Water Reservoir Upgrades	800,000	2016	15	2.151%	62,683	611,103		2031
Water Reservoir Upgrades	500,000	2016	15	2.798%	41,045	386,328		2031
Water Treatment Plant Residuals Management	7,000,000	2019	15	2.298%	554,358	6,604,241		2034
Water Treatment Plant Residuals Management	2,500,000	2019	15	2.552%	201,644	2,361,274		2034
Water Treatment Plant Residuals Management	1,000,000	2020	15	2.033%	77,683	971,323		2035
					1,715,387	14,738,291	145.23	

City of Lethbridge
External Borrowings (ACFA) Continued
As At December 31, 2020

	Original Principal	Year of Borrowing	Term	Interest Rate	Annual Payment	Year End Balance 2020	Per Capita	Year of Maturity
							101,482	
Utility Supported (Continued)								
Wastewater								
Sewer Relief	1,350,000	2006	15	4.584%	125,449	121,264		2021
Public Operations Site	1,500,000	2012	10	2.177%	167,731	326,529		2022
Plant Outfall Twinning	782,000	2008	15	4.565%	70,965	196,872		2023
Public Operations Site	1,250,000	2013	10	2.499%	142,042	342,173		2023
Public Operations Site	500,000	2013	10	3.079%	58,473	166,341		2023
Public Operations Site	1,450,000	2015	10	1.779%	158,922	684,354		2025
WWTP Headworks & Clarifier	500,000	2011	15	3.013%	41,678	227,207		2026
Public Operations Site	1,071,500	2016	10	1.860%	117,920	613,781		2026
WWTP Headworks & Clarifier	500,000	2016	10	1.782%	54,809	310,575		2026
WWTP Headworks & Clarifier	700,000	2017	15	2.420%	55,927	558,492		2032
WWTP Primary Clarifier Replacement	2,200,000	2018	15	3.201%	185,833	1,963,577		2033
WWTP Primary Clarifier Replacement	4,000,000	2019	15	2.443%	320,100	3,662,309		2034
WWTP Primary Clarifier Replacement	3,500,000	2019	15	2.298%	277,179	3,302,121		2034
WWTP Headworks and Clarifier Upgrade	3,700,000	2019	15	2.552%	298,433	3,494,686		2034
WWTP Primary Clarifier Replacement	2,400,000	2019	15	2.552%	193,578	2,266,823		2034
WWTP Primary Clarifier Replacement	3,100,000	2020	15	2.033%	240,818	3,011,103		2035
					<u>2,509,857</u>	<u>21,248,207</u>	<u>209.38</u>	
Waste & Recycling								
Landfill Royalty Buyout	6,250,000	2003	20	5.813%	664,621	1,782,721		2023
Landfill Construction & 28 St N	2,300,000	2003	20	5.625%	194,463	523,431		2023
Landfill Approval Compliance	2,100,000	2008	15	4.565%	194,892	540,672		2023
Landfill Approval Compliance	900,000	2009	15	3.973%	80,221	293,999		2024
Curbside Recycling	4,600,000	2018	10	3.007%	536,046	3,786,433		2028
Curbside Recycling	3,000,000	2019	10	2.208%	335,984	2,590,900		2029
Curbside Recycling	500,000	2019	10	2.397%	56,530	455,189		2029
Recycling Depot	1,000,000	2016	15	2.798%	82,091	772,656		2031
Perimeter Berms & Fencing	800,000	2017	15	2.420%	63,916	638,277		2032
Recycling Depot	420,000	2017	15	3.023%	35,034	350,404		2032
Construction & Demolition Processing Area	765,800	2017	15	2.768%	62,731	636,808		2032
Perimeter Berms & Fencing	1,000,000	2017	15	2.768%	81,915	831,559		2032
Gas & Leachate Management Systems	400,000	2017	15	2.768%	32,766	332,624		2032
Waste & Recycling Centre Site Enhancements	1,000,000	2019	15	2.298%	79,194	943,463		2034
Gas & Leachate Management Systems	500,000	2019	15	2.552%	40,329	472,255		2034
Waste & Recycling Centre Site Enhancements	700,000	2019	15	2.552%	56,460	661,157		2034
Waste Processing Facility Upgrade	450,000	2019	15	2.552%	36,296	425,029		2034
Waste & Recycling Centre Site Enhancements	770,000	2020	15	1.789%	58,757	770,000		2035
Waste & Recycling Centre Disposal & Cell Dev	800,000	2020	15	1.789%	61,046	800,000		2035
Curbside Recycling	5,000,000	2018	20	3.209%	340,682	4,630,768		2038
Curbside Recycling	2,400,000	2018	20	3.254%	164,194	2,223,556		2038
					<u>3,258,168</u>	<u>24,461,901</u>	<u>241.05</u>	
Electric								
Secondary Metering (AMI)	990,000	2016	5	1.597%	206,799	204,349		2021
Electric Infrastructure Replacement	2,000,000	2011	15	3.013%	166,710	908,829		2026
Electric Infrastructure Replacement	3,000,000	2012	15	2.627%	243,280	1,546,324		2027
Electric Infrastructure Replacement	4,000,000	2015	15	2.385%	318,775	2,821,245		2030
Northwest Substation	4,500,000	2015	15	2.459%	360,541	3,179,126		2030
Northwest Substation	4,400,000	2016	15	2.351%	349,792	3,237,854		2031
Northwest Substation	1,200,000	2016	15	2.151%	94,025	916,655		2031
Electric Infrastructure Replacement	5,500,000	2016	15	2.351%	437,240	4,047,317		2031
Electric Infrastructure Replacement	1,110,000	2016	15	2.798%	91,121	857,649		2031
Electric Infrastructure Replacement	3,155,000	2017	15	2.768%	258,443	2,623,569		2032
Distribution Extension & Improvement	1,900,000	2018	15	3.051%	158,801	1,693,673		2033
Distribution Extension & Improvement	5,500,000	2018	15	3.201%	464,583	4,908,942		2033
Substation Transformer Upgrades	1,500,000	2019	15	2.443%	120,038	1,373,366		2034
Substation 13.8kV Switchgear Upgrades	1,800,000	2019	15	2.443%	144,045	1,648,039		2034
Distribution Extension & Improvement	3,200,000	2019	15	2.298%	253,421	3,019,082		2034
Distribution Extension & Improvement	4,000,000	2020	15	2.033%	310,733	3,885,294		2035
					<u>3,978,347</u>	<u>36,871,313</u>	<u>363.33</u>	
Total Utility Supported					<u>11,461,759</u>	<u>97,319,712</u>	<u>958.98</u>	
Total External Borrowings December 31, 2020					<u>\$ 25,559,922</u>	<u>\$ 224,394,559</u>	<u>\$ 2,211.17</u>	

City of Lethbridge
Internal Borrowings
As At December 31, 2020

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2020	Per Capita	Year of Maturity
Taxation Supported							101,482	
General								
ENMAX Expansion	\$ 5,392,000	2010	15	3.488%	\$ 467,761	\$ 2,493,474		2026
Parks Asset Management	1,666,000	2012	15	2.599%	135,539	857,355		2027
Parks Asset Management	833,000	2014	15	2.814%	68,842	540,692		2029
ATB Centre - Phase 1 (Ice Complex)	2,904,000	2014	15	2.814%	239,997	1,946,071		2029
Lethbridge Police Headquarters	13,125,000	2014	15	2.814%	1,084,698	9,341,149		2029
ATB Centre - Phase 1 (Ice Complex)	240,000	2016	15	2.151%	18,890	183,293		2031
Lethbridge Police Headquarters	1,276,000	2016	15	2.151%	100,431	974,510		2031
ATB Centre - Phase 1 (Ice Complex)	234,000	2017	15	3.023%	19,634	195,169		2032
Lethbridge Police Headquarters	940,000	2017	15	3.023%	78,872	784,012		2032
Lethbridge Police Headquarters	240,000	2018	15	3.051%	20,178	213,896		2033
Transit Park 'n Ride	3,630,000	2019	15	2.298%	288,843	3,630,000		2035
Police Technology	line of credit			float	430,200	-		n/a
Total General					<u>2,953,885</u>	<u>21,159,621</u>	<u>208.51</u>	
Self Supported								
Local Improvement								
2011 Lane Paving	107,064	2011	10	2.485%	12,224	11,927		2021
2012 Lane Paving	89,408	2012	10	2.226%	10,072	19,490		2022
Land Development								
Sherring Industrial Park	5,500,000	2007	n/a	float	n/a	5,500,000		n/a
Total Self-Supported					<u>22,296</u>	<u>5,531,417</u>	<u>54.51</u>	
Total Internal Borrowings December 31, 2020					<u>\$ 2,976,181</u>	<u>\$ 26,691,038</u>	<u>\$ 263.02</u>	
Funding from:								
Municipal Revenue Stabilization Reserve						<u>\$ 26,691,038</u>		

Capital Improvement Program Summary 2018 - 2027

Section C: Infrastructure Transportation Projects

Projects status during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Intersection Improvements-Non-Growth *	C-5	\$ 4,790,000	\$ 3,082,652	\$ 1,707,348	In 2021, work will continue on two intersections that began in 2020, the 6th Ave S Curb Extensions and the 28 Ave and 28 St. S intersection improvement. Both of these projects are substantially complete with the exception of line painting and landscaping. New projects commencing in 2021 will include 28 Ave St and 32 St. S and 7 Ave S and Mayor Magrath Dr. intersection. It is expected that all 4 of these projects will be completed by the Fall of 2021.
Bikeways/Pathways/Sidewalks Along Roadways *	C-6	\$ 3,095,000	\$ 820,736	\$ 2,274,264	The City of Lethbridge Cycling Corridors Functional Planning Study was completed in 2020. The construction of cycling lanes along both 4 Avenue S and 7 Street S are expected to begin in spring 2021. The engineering design of a pedestrian bridge over Highway 3 along Scenic Dr. is 95% complete and will be tendered in early 2021 followed by construction in the spring and completion in the fall of 2021. This pedestrian bridge/pathway projects is cost shared 50/50 with the Alberta Transportation.
Gravelled Roadway Upgrading	C-7	\$ 1,100,000	\$ 300,590	\$ 799,410	Upgrades to Scenic Drive North between 44th and 62nd Ave North were completed in 2019. This program is now complete.
Accessibility Improvements *	C-8	\$ 1,578,000	\$ 1,286,490	\$ 291,510	The 2021 accessibility ramp program has identified approximately 100 locations in various neighbourhoods throughout the city to improve accessibility and safety for all residents.

Capital Improvement Program Summary 2018 - 2027

Section C: Infrastructure Transportation Projects

Projects status during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Annual Overlay Program *	C-9	\$ 9,402,000	\$ 9,436,706	\$ (34,706)	The 2020 Asphalt Overlay Program saw the overlay of approximately 29 roadway segments and are proposing to complete 37 in 2021. This involves the rehabilitation of segments of arterial, collector and local roadways within the City's transportation network. This project will be complete within the 4-year (2018-2021) approved budget.
Bridge Rehabilitation Program *	C-10	\$ 6,320,000	\$ 5,239,887	\$ 1,080,113	No bridge work in 2020 but in 2021 we will be designing and tendering replacement of expansion joints for Bridge No 3 (Scenic Drive over Whoop-Up Drive) and Bridge No. 16 (Scenic Drive N over 5 Avenue N). In addition, in 2021 we will be completing the following various repairs including sealing of barriers, piers, and decks for six identified structures.
Railway Rehabilitation Program *	C-11	\$ 2,018,000	\$ 1,054,145	\$ 963,855	All scheduled 2020 rail rehabilitation location upgrades have been completed. Industrial Rail rehabilitation for 2021 includes road/rail crossings upgrades at 5 Ave & 9 Ave North on the D Lead and 6 Ave North on the G Lead. As well, other locations throughout the city will be upgraded with new rail ties, track surfacing and adjustments, joint bar replacements and many other updates to maintain safety on the City's 9 km (approximately) of track.

Capital Improvement Program Summary 2018 - 2027

Section C: Infrastructure Transportation Projects

Projects status during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Traffic Signals Replacement *	C-12	\$ 2,200,000	\$ 964,918	\$ 1,235,082	In 2020, camera detection equipment was replaced at 20 intersections due to age, deterioration and a need to update the pedestrian crossing equipment, wiring, and detection at Stafford and 4 Ave North. Starting 2021 and over the next three years, eight traffic signal poles will be replaced that were identified through the condition assessment program. Also in 2021 there will be development of a 10 year signal LED bulb replacement program and which will include the replacement of approximately 550 traffic signal bulbs in 2021.
Major Sidewalk Rehabilitation Program *	C-13	\$ 844,000	\$ 808,984	\$ 35,016	Major sidewalk block to block rehabilitation projects identified for 2021 include the east & west side of 22 St. N. 23-25 Ave. N., west side of the 500 block of Columbia Blvd. W., east side of 12 'A' St. S. 7-8 Ave. S., Erminedale Blvd. N. Erminedale Bay to Bluefox Blvd. N. and the west side of Columbia Blvd. W. Oxford Rd. to Columbia Bay W.
Paved Lane Rehabilitation Program	C-14	\$ 1,053,000	\$ 927,876	\$ 125,124	In 2020, 12 paved lane rehabilitations (including laneway drainage improvements) were completed. . The 2021 program will see reconstruction of 2 more lanes as well as the design, tender and reconstruction of another two additional lanes.

Capital Improvement Program Summary 2018 - 2027

Section C: Infrastructure Transportation Projects

Projects status during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Community Lighting - Rehabilitation *	C-15	\$ 580,000	\$ 570,975	\$ 9,025	In 2020, a Traffic Signal and Streetlight condition inspection program was undertaken. This condition assessment identified 25 street lights that needed to be replaced right away and are scheduled for replacement in early 2021. In addition, the condition assessment program identified 234 poles that need replacement. This work will also start in 2021.
Arterial Sign Replacement	C-16	\$ 500,000	\$ 153,934	\$ 346,066	This program started in 2020 with completing the side mounted ground signs replacements and in 2021 will complete the overhead sign portion of this project. The tender is out right now and work is expected to be completed by September, 2021.
Transportation Master Plan	C-17	\$ 1,050,000	\$ 197,582	\$ 852,418	Background work and community engagement planning has begun on the Transportation Master Plan. Project visioning is expected to begin in the spring of 2021.
Functional Planning & Design 62 Ave N	C-18	\$ 400,000	\$ 151,039	\$ 248,961	This study was completed in November of 2019.
5 Avenue North & 13 Street North (Preliminary Design)	CO-2	\$ 629,000	\$ 398,640	\$ 230,360	Planning continues on the 13 Street and 5 Avenue N corridors. Various options had been considered and refined, with final recommendations anticipated in the first half of 2021.
North Scenic Drive (Uplands Blvd to 40 Ave N)	CO-3	\$ 4,850,000	\$ 441,559	\$ 4,408,441	This project was cancelled in 2020 due to a lack of development in this area. Low traffic usage and low developer interest resulted in this project being delayed.

Capital Improvement Program Summary 2018 - 2027

Section C: Infrastructure Transportation Projects

Projects status during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
University Dr (Community Stadium to Sunridge Blvd W)	CO-4	\$ 10,887,000	\$ 8,440,498	\$ 2,446,502	The first phase of this project, twinning of University Dr, from Stadium Dr W to Grand River Blvd was completed in 2019. In 2020, the final phase of construction work was completed and in 2021 only minor clean up, deficiency repairs and landscape maintenance is scheduled.
Metis Trail (Temple Blvd to Coalbrook Gate)	CO-6	\$ 6,900,000	\$ 1,684,915	\$ 5,215,085	In 2020, the detailed design and construction tender were completed with construction work on this project starting in the fall with the electric duct bank and deep utilities (sanitary sewer and water distribution loop). In 2021, the deep utilities will continue and be completed as well as the surface works.
Total		\$ 58,196,000	\$ 35,962,126	\$ 22,233,874	

*Note 1: Projects are considered to be annual programs and include budget up to 2020. All other projects include budget up to 2021.

Capital Improvement Program Summary 2018 - 2027

Section D: Community Projects

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
West Lethbridge Operations Depot (Ph 2)	D-5	\$ 5,130,000	\$ 4,398,016	\$ 731,984	Sand Salt Building completed. Small storage building construction and design for Vehicle storage building underway.
ATB Centre-Phase 2 (Leisure Complex)	D-6	\$109,550,000	\$ 108,279,438	\$ 1,270,562	Substantially completed. Deficiency work is ongoing.
Legacy Park	D-7	\$ 4,500,000	\$ 3,867,288	\$ 632,712	The pavilion building and picnic shelter construction began in 2019 and both sites were completed in the fall of 2020.
Yates Renewal	D-8	\$ 13,960,000	\$ 14,073,783	\$ (113,783)	Project completed. Surplus of \$150,000 from ATB Phase 1 was transferred to this project.
Parks Asset Management *	D-10	\$ 1,950,000	\$ 1,022,881	\$ 927,119	Construction is nearly complete for the Henderson Park irrigation replacement project. Estimated completion is spring of 2021.
Pathway System Connections and Extensions	D-11	\$ 200,000	\$ 83,258	\$ 116,742	Design of pathways 8, 17, 20, 24 & 103 are near completion or complete. Pathway construction began in 2020 on Pathway 17. Pathway 24 was cancelled on June 15, 2020 through City Council resolution. Pathway 8 is currently being designed.
Facility Assessment & Accessibility Upgrades *	D-12	\$ 300,000	\$ 211,803	\$ 88,197	Accessibility report received. Prioritizing projects to address Alberta Building code items. Program funded to end of 2021.
Facility Assessment & Energy Efficiency Upgrades *	D-13	\$ 900,000	\$ 119,334	\$ 780,666	Energy audit received. Project implementation underway. Program funded to end of 2021.
Transit Terminal and Regional Park 'n Ride	D-15	\$ 19,910,000	\$ 20,003,021	\$ (93,021)	Substantially complete. Lifecycle funding was transferred to this project to complete the North Infill wall for ramp protection. Deficiency work is ongoing.

Capital Improvement Program Summary 2018 - 2027

Section D: Community Projects

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Bark Park	D-16	\$ 600,000	\$ 45,600	\$ 554,400	Project work has commenced but has been delayed due to the Sherring Force Main Extension and North Siphon Twinning project. Once the ground cover has a chance to re-establish it is anticipated that the work can recommence in the spring of 2021.
School Gymnasium Upsize	D-17	\$ 1,700,000	\$ 566,667	\$ 1,133,333	The school in southeast Lethbridge is under construction and is scheduled to open in September 2021. The school in west Lethbridge has not received provincial funding to date. There is no indication of when that project will commence.
New School Site Development	D-18	\$ 3,400,000	\$ 850,000	\$ 2,550,000	Development of future school sites in the Southbrook subdivision (SE) and in the Crossings/Piers (West). The developer of the Southbrook subdivision constructed the school fields in 2019. RELD is developing the Crossings site and construction is expected to begin in 2022.
West Lethbridge Operations Depot (Phase 3a)	D-19	\$ 7,836,000	\$ 6,463	\$ 7,829,537	Not started (utility funded).
Galt Museum Parking Lot Upgrades	D-20	\$ 310,000	\$ -	\$ 310,000	The project is on hold.
3rd Avenue S (4th to 8th Street) Reconstruction	D-22	\$ 10,083,000	\$ 3,662,108	\$ 6,420,892	In the spring of 2021 the completion of Phase 1 and 2 will be a top priority and the remaining blocks from 7th Street to 8th Street and from 4th Street to 6th Street will follow. The project will be finalized with all surface works completed in the fall of 2021.

Capital Improvement Program Summary 2018 - 2027

Section D: Community Projects

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
3rd Avenue S (Stafford Dr to MMD) Beautification	D-23	\$ 300,000	\$ 121,067	\$ 178,933	The first and second rounds of community engagement have been completed. Ideas from the engagement combined with the existing background report, feasibility of implementation, and maintenance to start the functional design have been put on hold due to the pressures of COVID on businesses and stakeholders. The plan is to re-start the project and re-engage with the stakeholders and have the functional design completed by the end of 2021.
4 Ave S Enhancements	D-24	\$ 1,050,000	\$ 384,142	\$ 665,858	First projects include Transit Park 'n Ride street furniture, Parklets, and Tactical Small projects.
Nikka Yuko Japanese Garden Programming & Community Facility	D-25	\$ 2,920,000	\$ 694,497	\$ 2,225,503	Currently in construction. Completion anticipated in Q3 2021.
Crossings Branch Expansion & Enhancement	D-26	\$ 212,000	\$ 210,312	\$ 1,688	Substantially complete.
Legacy Park (Additional Amenities)	D-27	\$ 6,830,000	\$ 3,448,687	\$ 3,381,313	The parking lot and roadway are complete. Spray park and plaza designs were completed in 2019 and construction started in the fall of 2019. Plaza construction is complete and now that the plaza is complete, the spray park construction will resume in 2021 and is scheduled to be completed in 2021. Discovery playground design is complete with construction scheduled to begin in 2021. Completion for this amenity will be 2021.
New Fire Station #5 West	D-28	\$ 10,300,000	\$ 7,573,714	\$ 2,726,286	Planned to be substantially complete by end of January 2021.
Performing Arts Centre	D-34	\$ 375,000	\$ 228,355	\$ 146,645	Working on remaining project scope including initial site selection and business plan update.

Capital Improvement Program Summary 2018 - 2027

Section D: Community Projects

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Indigenous Cultural Centre Study	D-35	\$ 300,000	\$ 299,044	\$ 956	The study is complete and considerations for future capital investments will be presented to Council in 2021 as part of the next CIP cycle.
Recreation & Culture Master Plan Update	D-36	\$ 350,000	\$ 237,518	\$ 112,482	Project is complete. Presentation to the Governance SPC is planned for February 2021. Proposal to utilize remaining funds for a Civic Cultural Plan to supplement the Master Plan.
Accessibility Master Plan	D-37	\$ 350,000	\$ 354,225	\$ (4,225)	The accessibility master plan began in July 2018. Multiple stakeholder sessions were held throughout 2019 and 2020. The master plan document is complete and the project was presented to CIC in June 2020.
River Valley Accessibility Study	D-38	\$ 100,000	\$ -	\$ 100,000	Project has been delayed until 2022.
SAAG Facility Enhancements	D-39	\$ -	\$ -	\$ -	Project was cancelled and an application has been submitted for 2022-2031 CIP cycle.
Shooting Sports Facility Safety Enhancements	D-40	\$ 1,874,000	\$ 311,384	\$ 1,562,616	Currently in construction.
Henderson Lake Golf Club Upgrades	D-41	\$ 224,000	\$ 194,238	\$ 29,762	This project was complete in 2018.
Exhibition Park Trade, Convention Centre & Agriplex	D-42	\$ 72,824,000	\$ 1,100,000	\$ 71,724,000	On August 24, 2020 City Council approved the Lethbridge & District Exhibition EXolution project.
Lethbridge Airport Renovation	D-43	\$ 18,683,074	\$ 1,848,333	\$ 16,834,741	Contractor selected. Construction to begin in January 2021.
Festival Square Market Plaza	D-44	\$ 900,000	\$ -	\$ 900,000	Project to start in 2021.
Total		\$297,921,074	\$ 174,195,176	\$123,725,898	

*Note 1: Projects are considered to be annual programs and include budget up to 2020. All other projects include budget up to 2021.

Capital Improvement Program Summary 2018 - 2027

Section E: Infrastructure Environmental Utilities

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Curbside Recycling	E-6	\$ 16,300,000	\$ 15,637,340	\$ 662,660	The curbside collection and sorting of recyclables has been in effect for a full year. This project is expected to be complete with the purchase of additional equipment in 2021.
Waste & Recycling Centre Disposal Cell Development & Closure *	E-7	\$ 9,600,000	\$ 4,113,324	\$ 5,486,676	The North fill area has now been closed and Phase 2 regrading started has been completed. The sideline for Cell 5B was started in 2020 and will continue to be constructed until the cell is complete.
Landfill Gas & Leachate Management System	E-8	\$ 7,195,000	\$ 2,322,019	\$ 4,872,981	Both preliminary and detailed design are complete. Construction began in 2020 and is expected to be complete in last quarter of 2021.
Waste & Recycling Centre Site Enhancements	E-9	\$ 3,000,000	\$ 2,490,121	\$ 509,879	The landscaping, irrigation and paving has now been completed. Improvements to the fibre connection and security cameras was also completed in 2020. The Blue Sky Center project was started in 2020 and will be completed in 2021.
Waste Processing Facility Upgrade	E-10	\$ 3,120,000	\$ 246,678	\$ 2,873,322	Design and construction began in 2019 with the estimated completion in 2021.
Wastewater Treatment Plant Headworks	E-11	\$ 15,900,000	\$ 14,393,871	\$ 1,506,129	Commissioned and operating. Currently addressing deficiencies.
Waste Water Treatment Plant Primary Clarifier Replacement	E-12	\$ 16,200,000	\$ 16,163,205	\$ 36,795	Commissioned and operating. Currently addressing deficiencies.
Wastewater Treatment Plant Biosolids Treatment Upgrades	E-13	\$ 2,000,000	\$ -	\$ 2,000,000	Project has been deferred to the next CIP.
Lift Station Rehabilitation	E-14	\$ 1,000,000	\$ 450,959	\$ 549,041	Mostly complete, work on minor deficiencies in progress.

Capital Improvement Program Summary 2018 - 2027

Section E: Infrastructure Environmental Utilities

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Wastewater Treatment Plant Phosphorous Recovery	E-15	\$ 6,000,000	\$ -	\$ 6,000,000	Not started.
Water Treatment Plant Residuals Management	E-18	\$ 17,000,000	\$ 15,319,788	\$ 1,680,212	Commissioned and operating. Currently addressing deficiencies.
Water Treatment Plant Instrumentation Upgrade	E-19	\$ 1,500,000	\$ 581,963	\$ 918,037	Although there has been considerable delays due to the effects of COVID-19, it is expected to see further progress in 2021 that should bring it more on target for yearend completion of this project.
Water Treatment Plant Process Redundancy	E-20	\$ 12,100,000	\$ 84,280	\$ 12,015,720	Project has been deferred to the next CIP.
Water Reservoir Upgrades	E-21	\$ 9,400,000	\$ 2,467,014	\$ 6,932,986	Upgrades are ongoing and will be completed by the end of 2021.
Watermain Loop Metis Trail (Coalbanks Link to Temple Blvd)	EO-1	\$ 250,000	\$ 44,610	\$ 205,390	This part of project was added into Métis Trail construction which is schedule to resume by April, 2021. The water loop is scheduled to be completed by the fall of 2021.
West Siphon Screen Relocation	EO-2	\$ 1,700,000	\$ -	\$ 1,700,000	Project has been delayed.
Total		\$122,265,000	\$ 74,315,172	\$ 47,949,828	

*Note 1: Projects are considered to be annual programs and include budget up to 2020. All other projects include budget up to 2021.

Capital Improvement Program Summary 2018 - 2027

Section F: Infrastructure Electric Utility

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Substation Transformer Upgrade *	F-5	\$ 6,343,000	\$ 4,191,085	\$ 2,151,915	The replacement of 241S T2 was completed in 2019. Procurement of 241S T1 commenced in September of 2019, and project work got under way in August 2020. Despite COVID-19 setbacks the project was completed and in service by end of 2020 all while remaining underbudget.
Distribution Extension & Improvement Annual Program *	F-10	\$ 29,296,000	\$ 23,661,472	\$ 5,634,528	Extensions and renewals to the distribution system continue; with project spending being driven by the rate of community growth and development. There was a general slowdown in servicing new residential subdivisions at the start of 2020 proceeding through the onset of the COVID-19 pandemic. As a result the Lethbridge Electric Utility has focused efforts on design and construction to complete existing community growth projects for the remainder of 2020 and into 2021. This includes University Drive Twinning and Great Bear Boulevard.
Distribution Renewal Annual Program *	F-11	\$ 9,717,000	\$ 4,945,979	\$ 4,771,021	Throughout 2018-2019 resources were shifted away from this restorative project to concentrate on intensive new installations at Cavendish and Sherring Industrial Park. Now complete, operations crews can now focus work on restoration of overhead infrastructure which includes pole and transformer replacements. These upgrades are expected to keep resources fully engaged throughout 2021.

Capital Improvement Program Summary 2018 - 2027

Section F: Infrastructure Electric Utility

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Dark Fibre Communications System *	F-12	\$ 570,000	\$ 885,792	\$ (315,792)	Work to date has included duct extensions at 146S, University Drive Twinning fibre optic installation and running fibre optic cable to Legacy Park. This next year will see a fibre optic line installation from Fire Station #5 to the 674S substation. This project will be complete within the 4-year (2018-2021) approved budget.
Fleet Annual Program *	F-13	\$ 2,658,000	\$ 2,875,176	\$ (217,176)	Essential equipment continues to be purchased as required, delays in acquisition of purchases and the early replacement of a 40' bucket truck resulted in this budget being over at the end of 2020. This project will be complete within the 4-year (2018-2021) approved budget.
Support Plant Renewal Annual Program *	F-14	\$ 1,444,000	\$ 952,539	\$ 491,461	Purchases of specialized tools required to replace or upgrade old or outdated assets. During this CIP handheld metering units have been upgraded and construction began and was completed on the Electric laydown yard. Budget expenditure is progressing as expected. 2020 saw crucial upgrades to database servers essential to Electric operations and upgrades to existing furniture at Electric Operations.

Capital Improvement Program Summary 2018 - 2027

Section F: Infrastructure Electric Utility

Projects in progress during 2020

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2020)	BUDGET REMAINING	COMMENTS
Electric System Control *	F-15	\$ 654,000	\$ 647,722	\$ 6,278	Projects completed on budget to date include an updated video wall display and remote terminal units. 2019 saw the completion of a retrofitted backup control room for emergency purposes, which has proved to be invaluable in keeping essential Control Centre staff distanced, operational and safe during the COVID-19 pandemic.
Total		\$ 50,682,000	\$ 38,159,765	\$ 12,522,235	

*Note 1: Projects are considered to be annual programs and include budget up to 2020. All other projects include budget up to 2021.

Housing Fund

	2016	2017	2018	2019	2020
Opening Balance	\$ 1,472,157	\$ 1,579,806	\$ 1,669,705	\$ 1,544,882	\$ 1,608,233
Funding Approved in Operating Budget	150,000	150,000	150,000	150,000	150,000
	1,622,157	1,729,806	1,819,705	1,694,882	1,758,233
Allocations					
Upgrading Existing Secondary Suites	42,351	60,101	56,878	52,838	-
Affordable Housing Capital Projects:					
YWCA	-	-	35,029	13,487	-
SASHA House	-	-	182,916	20,324	-
Streets Alive	-	-	-	-	125,000
Total Capital Allocated	42,351	60,101	274,823	86,649	125,000
Closing Balance (Note 1)	\$ 1,579,806	\$ 1,669,705	\$ 1,544,882	\$ 1,608,233	\$ 1,633,233
Funds Committed for Future					
Development Based Incentive Program					\$ 1,430,749
Affordable Capital Housing - YWCA					202,484
Total Committed Funds					\$ 1,633,233

Note 1: As at December 31, 2020, \$1,431,000 of the 2020 closing balance remains in Residential Subdivision Surplus. Based on the Affordable Housing Committee submission to City Council on October 15, 2013, the annual contribution from Residential Subdivision Surplus will be used to fund the Affordable Housing Capital Project Grant.

Affordable Housing Program Funded by Provincial Grants

	2016	2017	2018	2019	2020
Opening Balance	\$ 1,453,624	\$ 1,406,726	\$ 1,365,085	\$ 1,393,001	\$ 1,720,230
Provincial Grants					
Affordable Housing - Municipal Block Funding (Note 2)	-	-	-	335,063	-
Trust Interest (Note 3)	24,220	23,099	27,916	46,965	40,079
	1,477,844	1,429,825	1,393,001	1,775,029	1,760,309
Allocations					
Administration Costs	-	-	-	-	29,756
Rent Supplement Program (Secure First Program)	71,118	64,740	-	-	-
Sobering/Intox Program	-	-	-	54,799	57,193
Streets Alive Family Support Association	-	-	-	-	300,000
Total Capital Allocated	71,118	64,740	-	54,799	386,949
Closing Balance	\$ 1,406,726	\$ 1,365,085	\$ 1,393,001	\$ 1,720,230	\$ 1,373,360
Funds Committed for Future					
London Road Project/Seniors Affordable Housing					\$ 655,000
Community Wellbeing & Safety Strategy					400,000
Sobering/Intox Program					188,008
Administration Costs					77,244
Total Committed Funds					\$ 1,320,252

Note 2: The City of Lethbridge received the remaining funding from the Provincial Government Affordable Housing Program - Municipal Block Funding Grant in 2019. The grant term ends December 31, 2021.

Note 3: Interest on the trust accounts will continue to be accrued until all allocations are complete and will be allocated to Affordable Programs at a later date.

Heart of Our City Committee

(Downtown Redevelopment Fund)

	2016	2017	2018	2019	2020
Opening Balance	\$ 183,533	\$ 38,762	\$ 53,325	\$ 42,201	\$ 108,165
Funding Approved in Operating Budget	490,000	515,000	515,000	540,000	540,000
	673,533	553,762	568,325	582,201	648,165
Allocations					
Governance and Administration	137,201	140,798	134,088	149,508	138,974
Design, Planning and Regulatory Processes	22,720	8,149	-	-	60,739
Championing, Marketing and Promotion	10,000	14,772	5	104	1,092
Downtown Life (Events)	97,856	127,272	108,936	124,965	43,129
Enhancement Works	105,939	10,326	24,658	4,215	7,508
Functional Works Maintenance and Upkeep	261,055	199,120	258,437	195,244	249,188
Total Allocated	634,771	500,437	526,124	474,036	500,630
Closing Balance (Note 1)	\$ 38,762	\$ 53,325	\$ 42,201	\$ 108,165	\$ 147,535

Note 1: Funds remaining at the close of 2020 are committed to ongoing projects and programs to be delivered in 2021 based on the 2019 -2022 approved operating budget.

GST Rebates

	2016	2017	2018	2019	2020
Opening Balance	\$ 1,698,635	\$ 1,920,728	\$ 2,387,002	\$ 2,632,027	\$ 3,275,778
GST Rebates	1,168,873	1,348,863	1,411,881	1,531,048	1,386,896
	2,867,508	3,269,591	3,798,883	4,163,075	4,662,674
Allocations					
Community Capital Grant Program	450,000	450,000	450,000	450,000	450,000
Community Capital Grant Program - one time allocation	64,888	-	-	-	-
Capital Asset Plan & Register	161,300	161,300	161,300	161,300	161,300
Strategic Building Asset Management	250,000	250,000	250,000	250,000	250,001
Capital Asset Management Maintenance Fees	20,592	21,289	21,988	25,997	120,580
Exhibition Park Trade, Convention Centre & Agriplex (CIP 2018-2027 D-42)	-	-	283,568	-	-
Total Capital Allocated	946,780	882,589	1,166,856	887,297	981,881
Closing Balance	\$ 1,920,728	\$ 2,387,002	\$ 2,632,027	\$ 3,275,778	\$ 3,680,793

Major Community Event Hosting Grant As of December 31, 2020

Background: This information is an update regarding the Major Community Event Hosting Grant including approved events and the remaining available funds. Please refer to City Council policy CC55 "Major Community Event Hosting Policy" for more information regarding this grant.

Total Budget 2015-2018	\$ 1,000,000	
Less Allocated:		
Tour of Alberta 2016	(275,049)	
Southern Alberta Summer Games 2016	(79,194)	
U16 Canadian National Soccer Championships 2016	(30,000)	
World Mixed Double & World Sr Curling 2017	(100,000)	
Japanese Garden Society: Canada 150 Celebration 2017	(73,700)	
Cdn Championships Trampoline Gymnastics 2018	(50,250)	
U of L 50th Anniversary Celebration 2017	(50,000)	
West Cdn U16 Football Championships 2017	(15,000)	
Exhibition Grandstand Anniversary Concert 2017	(37,587)	
Can-Am Police-Fire Games 2022 - Bid only	(10,875)	
	<hr/>	
2015-2018 Available		278,345
Total Budget 2019-2022	1,000,000	
Less Allocated:		
U Sports Men's Hockey (2019)	(125,000)	
World's Men's Curling Championships (2019)	(500,000)	
Alberta Summer Games (2021)	(150,000)	
National Association of Friendship Centres AGM (2019)	(47,500)	
Less Committed:		
Alberta Summer Games (2021)	(100,000)	
Brier Bid (2022)	(355,845)	
	<hr/>	
2019-2022 Overallocated		(278,345)
Total Available		\$ -