



CITY OF
Lethbridge

City of Lethbridge

2020 ANNUAL REPORT

December 31, 2020
Alberta, Canada



City of Lethbridge
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The Annual Report is produced by the
Communications & Financial Services
departments of the City of Lethbridge
in cooperation with all civic
departments and agencies.



The traditional Blackfoot greeting, Oki has been adopted as the official greeting of Lethbridge.

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MAYOR'S MESSAGE



“Our Annual Report is an opportunity to reflect and appreciate all of the effort that has went into getting us through the past year.”

Mayor Chris Spearman

My City Council colleagues and I are pleased to bring you the 2020 Annual Report.

In a year that had been dominated by the challenges of managing a global pandemic, our annual report is an opportunity to reflect and appreciate all of the effort that has went into getting us through the past year.

The COVID-19 pandemic created an entirely new set of challenges in 2020, some which will continue to have effects for months and years to come. Despite this, our community has shown tremendous resiliency and determination and I am extremely proud of the opportunities that have been created through the challenges we have faced. Business owners, teachers, frontline health care workers and our own City staff have persevered to continue providing essential services to our community. For that, we are all extremely grateful.

Two major highlights of 2020 were the announcements of \$11 million in provincial funding for airport pavement rehabilitation and lighting upgrades, as well as \$900,000 for the development of a Festival Square Market Plaza. These are both part of an ambitious strategy to create jobs with shovel-ready projects in Lethbridge. This financial commitment from the Province ties directly to the goal of creating positive economic development for a post-pandemic world.

City Council is also investing in airport terminal improvements to enhance accessibility and security. These investments speak to the importance of the airport in our ability to grow our economic potential and create a catalyst for other projects and partnerships. We are thrilled to be moving forward on these improvements.

Another positive announcement came from the governments of Alberta and Canada to provide approximately \$3.4 million through the Investment in Affordable Housing Agreement for a new affordable 64-unit seniors housing project. A much needed initiative in our community.

2020 also saw the addition of our new City Manager Craig Dalton and our new Police Chief Shahin Mehdizadeh. These individuals bring a wealth of experience and knowledge to our organization and are already making great strides. We are very fortunate to have these seasoned leaders guiding our city. The Alberta Health Services decision to remove local EMS Dispatch was a change that will significantly impact how we provide our integrated Fire and Emergency Services in Lethbridge. It was an issue we advocated strongly against along with other impacted cities. We continue to watch and respond to any issues in the transition of this service to ensure the very best emergency services are being provided to our residents.

In one of the biggest tasks of the year, Council amend the City of Lethbridge 2021-2022 Operating Budget reducing spending to see an average annual change in municipal tax rate of 0% per year for the next two years and a 0% utility rate increase in 2021. This was important to council recognizing the economic situation we are facing coming out of COVID-19.

There is plenty of reason to be optimistic for 2021. The vaccine rollout has started in Alberta and we can now see a way through the pandemic. The health and safety of our community will always be our top priority as we look forward to brighter days ahead.

A handwritten signature in black ink that reads "Chris Spearman".

Chris Spearman
Mayor



Legislative & Administrative Organization Chart

RESIDENTS

CITY COUNCIL

Mayor Chris Spearman

Councillor Jeff Carlson	Councillor Mark Campbell
Councillor Jeffrey Coffman	Councillor Joe Mauro
Councillor Belinda Crowson	Councillor Rob Miyashiro
Councillor Blaine Hyggen	Councillor Ryan Parker

Lethbridge Police Commission
Lethbridge Public Library Board
Sir Alexander Galt Museum Board

CITY MANAGER

Craig Dalton (June 2020 - Current)

Jody Meli (Jan 2020 - May 2020)

Chief of Staff
Carly Kleisinger

City Solicitor
Brian Loewen

- Supporting Council's Strategic Priorities & Communications
- Corporate Communications & Marketing
- Corporate Strategic Planning
- Information Technology
- Downtown Redevelopment
- Human Resources
- Real Estate & Land Development
- Economic Development & Tourism Liaison
- Indigenous Relations

City Clerk
Bonnie Hilford

Interim Director of Community Services
Greg Adair

- Lethbridge Transit
- Helen Schuler Nature Centre
- Recreation & Culture
- Community Social Development
- ENMAX Centre
- Fire & Emergency Services
- Public Safety Communications Centre
- Cemetery Services
- Facility Services
- Regulatory Services

Director of Infrastructure Services
Doug Hawkins

- Transportation Planning
- Public Operations
- Water Treatment Plant
- Wastewater Treatment Plant
- Utilities (Water, Wastewater, Electric Distribution, Sanitation, Landfill, Waste & Recycling)
- Stormwater
- Utility Services
- Lethbridge 311
- Urban Construction
- Asset Management
- Parks
- Fleet Services
- Intermunicipal Planning
- Community Planning
- Development Services
- Building Inspection Services

Director of Treasury & Financial Services
Hailey Pinksen

- Treasury
- Payroll
- Purchasing & Stores
- Financial Reporting & Budget
- Long-term Financial Planning
- Risk Management/ Insurance
- Assessment & Taxation
- Lethbridge Airport

Director of Organizational Performance & Continuous Improvement
Tony Vanden Heuvel

CITY COUNCIL

2017-2021



Back Row (L-R):
 Councillor Joe Mauro
 Councillor Ryan Parker
 Councillor Blaine Hyggen
 Councillor Jeffrey Coffman

Front Row (L-R):
 Councillor Mark Campbell
 Councillor Belinda Crowson
 Mayor Chris Spearman
 Councillor Jeff Carlson
 Councillor Rob Miyashiro

About City Council:

City Council consists of nine members: the Mayor and eight Councillors, who are elected at large. Lethbridge City Council was elected in October 2017 and will serve a four-year term.

STRATEGIC PLAN 2017-2021

VISION

We will continue to work together to ensure that Lethbridge demonstrates active leadership in environmental stewardship and innovation and is recognized as being a safe, healthy, vibrant, prosperous, economically viable place where all people can fully participate in community life.

Community Vision from the Integrated Community Sustainability Plan/Municipal Development Plan 2010.

MISSION

Respecting the framework of the Community Vision, City Council will serve and inspire the community through:

- Strong leadership
- Decisiveness
- Measurable actions

GUIDING PRINCIPLES



To view the complete 2017-2021 Lethbridge City Council Strategic Plan, visit our website www.lethbridge.ca

CITY COUNCIL PRIORITIES

City Council participated in facilitated planning sessions with the intention of setting the direction for the community of Lethbridge. With the future of the City's citizens and business in mind, Council has prepared a strategic plan with these five strategic goals:

1 Accountable Leadership

- Reimagined Council
- Deliberate Community Engagement
- Develop and Leverage Relationships
- Corporate Culture

2 Financial Stewardship & Economic Prosperity

- Financial Stewardship
- Build and Diversify Our Economy

3 Liveable Communities

- Community Plan and Vision
- Leading in Development of Neighbourhoods that are People Centric and Innovative
- Connecting Neighbourhoods through Effective multi-modal Systems

4 Compassionate Community

- Enrich our Community through Diversity and Inclusivity
- Resilient Local Food System
- Safe and Secure Housing for Everyone

5 People Places for All

- An Active and Easily Accessed Community
- Enrich our Community through Culture
- People Centred Development

CITY MANAGER'S MESSAGE



“

I am proud that during such a challenging year, the City of Lethbridge has continued our dedication to continuous improvement.”

Craig Dalton - City Manager

On behalf of the City of Lethbridge Administration, I am pleased to present the 2020 Annual Report. It will come as no surprise that this year presented significant challenges, and we know that Lethbridge has not been immune to the economic impact of COVID-19. In 2020 however, we also were able to realize the benefits of our diverse and adaptable economy, leaving us in a far stronger position than many others as we enter 2021.

In the face of an unprecedented year, our businesses in Lethbridge showed themselves robust. Small and medium businesses have worked hard to adapt and the City itself is committed to adapting our own processes to best support businesses moving forward. Notwithstanding these challenges, Lethbridge has experienced a significantly lower drop in business activity than that of Alberta, or even Canada as a whole (a 4% drop locally compared to an 8% drop across Alberta and a 7% drop nationally). I am sure that this steady foundation will be our strength as we continue to feel the economic effects of COVID-19.

Lethbridge once again displayed itself as a competitor in investment, drawing \$336.8 million in ongoing major projects. This includes exciting large projects such as the Exhibition Park Agri-Food Hub and the University of Lethbridge's District Heating & Cooling Centre. We are also seeing the repurposing of several downtown buildings - the J.D.Higginbotham Building Renewal of the Canada Post building, and the Six 08 Health projects will breathe new life

into these two properties. These investments not only bring additional funds and jobs to our local economy, but also display Lethbridge as an innovative and attractive City in which to bring and build business.

Setting up Lethbridge for future success, City Council approved the capital budget in December for the design and construction of Festival Square Market Plaza and the renovations of the Lethbridge Airport Terminal and Airfield. Both projects will be made possible through grants, and will strengthen Lethbridge as a city to live in and visit. In addition to this, as part of the ongoing commitment to revitalizing the Lethbridge Downtown, in November City Council approved incentive packages to support investors, business owners and their employees. This incentive program saw an impressive uptake, and \$135,000 in local funding has already been approved.

Also in November, Administration presented expenditure reduction opportunities to Council to meet Council's goal of a 0 per cent tax increase for 2021. Across our organization, departments rose to the challenge, and worked diligently to find the best options possible to reduce the pressure on public funding, whilst maintaining the integrity of excellent customer service. This was not an easy task, but with Council's approval we were able to meet this goal successfully.

I am proud that our Administration did not allow 2020 to deter us from our task of serving the citizens of Lethbridge. Our employees worked

CITY MANAGER'S MESSAGE



Crossings Playground

incredibly hard to ensure that our residents experienced high levels of customer service. In the face of COVID-19 restrictions, our 311 centre responded to a record number of requests and inquiries. Administration adapted quickly and swiftly to working from home, dedicated to playing our part in the prevention of the spread of COVID-19. Despite what was such an unprecedented year, our projects continued wherever possible and the completed Crossings playground was a particular success; an accessible destination playground set to keep children, from toddler to teen, engaged in physical activity, and fun.

Post-secondary education remained a strength of our City as 2020 saw a 2 per cent increase in post-secondary graduates in Lethbridge, a

combined 3,448 graduates between The University of Lethbridge and Lethbridge College. With strong investment in our local economy, I am confident that these graduates will have more reasons than ever to stay local once graduating and be part of building a better City for all.

I am proud that during such a challenging year, the City of Lethbridge has continued our dedication to continuous improvement. We have worked diligently to implement the innovation and efficiencies recommended in phase one of the operational review, and with phase two presented to City Council in June, we have embraced the areas of operation that need to be strengthened. These recommendations highlight

opportunities to enhance efficiency and effectiveness and to set up a stronger operational foundation for the future of the City of Lethbridge.

Within the page of this report you will see our dedication to customer service, and our commitment to building upon the great work of Lethbridge past, together moving forward into a stronger and brighter city for all.

Craig Dalton

City Manager



FINANCIAL INFORMATION

AUDIT COMMITTEE REPORT

Lethbridge City Council is responsible for ensuring that City Administration fulfils its responsibilities for financial reporting, internal control and risk management. To assist City Council with these responsibilities, a City Council appointed Audit Committee has been established, primarily to:

- Monitor the Internal Controls over Financial Reporting (ICFR) including the policies, procedures and internal control mechanisms in place to ensure the accuracy, completeness and timely preparation of the City's financial reports and financial statements
- Monitor the independence and performance of the external Auditors
- Provide an avenue of communication among City Council, Administration and the Independent Auditors
- Identify and monitor the principal risks that could impact financial reporting of the City
- Oversee risk management including risk identification, analysis and managements procedures to minimize the City's exposure to loss

The City's Audit Committee oversees the activities of the external auditors to help ensure Administration's accountability to Council. The Audit Committee reviews the audit plan, year-end audit results, summary of audit differences, the Independent Auditors' report and the management letter. To fulfill the City's provincially legislated audit requirements, the Committee engaged the external

auditor, KPMG LLP who carried out the audit of the City of Lethbridge's financial statements, in accordance with generally accepted auditing standards. The external auditors have full and unrestricted access to the Audit Committee to discuss their audit and related findings, as to the integrity of the City's financial statements and related processes.

Other key activities completed by the Audit Committee during the year included:

- Considered internal controls and financial risks facing the City
- Reviewed the Audit Findings Report prepared by KPMG LLP. Reviewed annual financial statements, discussed these with Administration and Independent Auditors and recommended approval to City Council
- Discussed the appropriateness of accounting principles, critical accounting policies and management judgments and estimates
- Reviewed legal matters with the City Solicitor
- Reviewed Year End Unaudited Financial Information and Schedules
- Modified the Terms of Reference for the Committee
- Conducted the review of the Investment Policy
- Changed the Signing Authority for banking purposes
- Recommended the adoption of a Facility Divestiture Policy and a Financial Reserves Policy

- Reviewed a number of Financial Services Administrative policies
- Evaluated the criteria for selection and approval of investment firms and representatives
- Conducted a review of the insurance program
- Considered the creation of an Integrity Commissioner position
- Participated in education sessions related to the roles and duties of audit committees and the City of Lethbridge's internal control program

The Audit Committee membership consists of the Mayor and four Council members, one of whom acts as an alternate.

2020 Audit Committee Members:

Mayor C. Spearman
Councillor B. Crowson
Councillor R. Miyashiro
Councillor J. Coffman
Councillor J. Mauro (alternate)

April 20, 2021

CITY TREASURER'S FINANCIAL STATEMENT DISCUSSION & ANALYSIS



“During these difficult times, it reminds us how strong, resilient and responsive the City of Lethbridge is to the needs of our community.”

Hailey Pinksen - City Treasurer

The 2020 Annual Report of the City of Lethbridge (the “City”) provides information to all members of the public about the City’s 2020 financial performance. In addition, this report describes some of the City’s major financial policies, provides an assessment of the City’s general economic condition and highlights some of our accomplishments.

The Annual Report includes the City’s consolidated financial statements, prepared by management in accordance with Canadian public sector accounting standards. Entities included in the Annual Report are the City, its Utilities, the Lethbridge Public Library, the Lethbridge Police Service, and the Galt Museum.

The City’s auditor KPMG LLP has audited the 2020 consolidated financial statements and their Independent Auditors’ Report is included in this Annual Report.

The following financial statement discussion and analysis (FSD&A) is the responsibility of management and should be read in conjunction with the audited consolidated financial statements and accompanying statistical information section.

The consolidated financial statements consist of:

- **Consolidated Statement of Financial Position:**

This statement is a snapshot as at December 31, 2020 of the City’s municipal equity. Municipal equity is the excess of assets over debt and other liabilities.

- **Consolidated Statement of Operations:**

This statement consists of revenue reflecting the operating and capital funds that were acquired and how the expenses were allocated, including

the annual costs for owning and using capital assets (depreciation).

- **Consolidated Statement of Net Financial Assets (Debt):**

This statement reconciles the excess of revenue over expenses to the net financial assets (assets that are not for consumption in normal day to day operations). Positive net assets are an indicator that the City is able to meet its liabilities and obligations out of existing assets and has resources to use in the future. Negative net assets (net debt) is an indicator that future resources are required to pay for past transactions events.

- **Consolidated Statement of Cash Flows:**

This statement outlines the details of the change in cash and cash equivalents (short-term investments). The sources and uses of cash are presented in four different categories: operating, capital, investing and financing (new debt issued and debt repayments).

2020 FINANCIAL HIGHLIGHTS

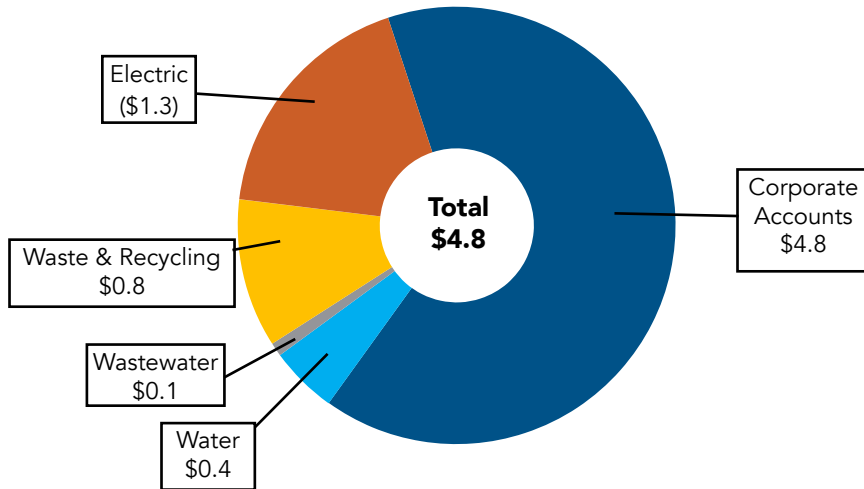
2020 was the second year of the four-year 2019-2022 Operating Budget. The Business Units within our organization continue to do an admirable job of providing service to our community and managing budget funds responsibly within our overall operating budget, particularly in 2020 an unprecedented year of operations during the COVID-19 pandemic.

During 2020, the City realized a consolidated annual unrestricted surplus of \$4.8 million, (2019 - \$3.1 million) as shown on Schedule 1.

The City of Lethbridge will continue to monitor our financial performance and strategies over the 2019-2022 operating budget period to address

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2020 ANNUAL UNRESTRICTED SURPLUS (millions)



growth and increased demand for services. The City also has to balance that with other economic impacts throughout the province. An expanded discussion of these challenges are included in the Economic Conditions portion of this document.

SIGNIFICANT BUDGET VARIANCES

The following is an analysis of the 2020 General and Utility operations for the period ended December 31, 2020. As noted above in the 2020 Annual Unrestricted Surplus graph, the City ended the year with a \$4.8 million unrestricted surplus (as shown in Schedule 1). This surplus consists of a \$4.8 million corporate surplus, a \$0.8 million surplus in Waste and Recycling Utility, a \$0.1 million surplus in the Wastewater Utility, a \$0.4 million surplus in the Water Utility, and a \$(1.3) million deficit in the Electric Utility.

General Operating Results

Corporate Accounts ended the year with a \$4.8 million surplus. For 2020, specific budget variances resulting from factors not attributable to the business unit management (e.g. corporate revenue and utility costs on City facilities) are reported as a corporate responsibility.

By City Council resolution, this \$4.8 million Corporate Account surplus will be transferred to the Municipal Revenue Stabilization Reserve in the following year. Significant corporate account variances from budget are as follows:

Property tax ended the year with a positive variance of \$1.9 million due to higher than anticipated growth in commercial properties of \$2.4 million and partially offset by a \$0.5 million shortfall due to the Provincial Government's reducing its payment on property taxes paid on Crown property by 50%.

General revenue ended the year with a positive variance of \$1.7 million.

This positive variance included transfers from business units of \$7.6 million due to increased business unit operating surpluses as a result of receiving the unbudgeted Municipal Operating Support Transfer (MOST) Grant funding for eligible incremental COVID-19 costs and reduced revenues, as well as higher than budgeted transfers from the Water and Landfill Utilities to General Operations, higher than budgeted penalties on taxes and general revenue accounts of \$0.3 million. These were offset by transfers to reserves for future COVID-19 related expenses and reduced revenues and include a \$3.5 million transfer to Budget Appropriation reserve, and \$0.7 million to Acquire Off-street Parking reserve as well as a \$2 million transfer to Airport reserve for a 2019-2022 budget initiative.

Permit, development and license revenue ended the year with a negative variance of \$1.9 million. The revenue shortfall is due to slower than anticipated residential and commercial construction activity due to market and COVID-19 impacts.

Employee Benefit accounts ended the year in a positive variance of \$0.8 million. The most significant contributing factors were lower than anticipated rates for medical and dental coverage, and reduced staffing levels.

Corporate fuel costs ended the year with a positive variance of \$0.9 million, primarily due to lower than budgeted Transit fuel prices and COVID-19 related service changes.

Utility costs for tax supported City facilities ended the year with a surplus of \$0.8 million, primarily due to lower than budgeted rates for electricity, natural gas and City utility costs.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

A positive variance of \$0.9 million due to specific conditions within the operating agreement for the ATB Centre and \$0.3 million negative variance in the remaining other corporate accounts.

Business Unit Results

Typically, to accommodate the four-year budget cycle, Business Units are expected to operate within the 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 of the operating budget (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 with operations during 2021-2022. General Fund Business Unit results are therefore transferred to the Budget Appropriations Unexpended Reserve (shown on the Consolidated Schedule of Unrestricted Surplus - Schedule 1 as part of the transfer to reserves) and therefore are not part of the \$4.8 million Consolidated Annual Unrestricted Surplus.

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 \$2.8 million) municipal tax increase. The Municipal Government Act requires the budget to be balanced. One-time funding of \$2.0 million of the 2019 Business Unit carryover, \$0.8 million from business unit operational under expenditures was used to accommodate the Council's resolution.

On March 18, 2020 the City of Lethbridge declared a State of

Local Emergency which remained in effect up until June 18, 2020. The direct expenditures associated with COVID-19 decisions made by the Emergency Coordination Centre (ECC) through the Incident Command System during this process as well as managing the required response for Provincial health guidelines during the remainder of 2020 resulted in a negative variance of \$2.1 million. This negative variance was offset by \$1.4 million of MOST funding and \$0.7 million from other Government funding sources. In addition, COVID-19 related reduced revenues resulted in a \$10.4 million negative variance for Business Units. This amount was partially offset by \$9.9 million of the MOST grant funding.

Utility Operating Results

Utility operations include the Waste and Recycling Utility, the Wastewater Utility, the Water Utility and the Electric Utility.

Overall, the Waste and Recycling Utility (comprised of the Waste Collection and Waste Processing services) ended the year with a surplus of \$0.8 million. This was primarily due to Landfill revenues being greater than budgeted from higher than budgeted tonnage and a surplus in residential and commercial waste collection revenues.

Wastewater Utility ended the year with a positive variance of \$0.1 million. Revenue finished the year with a \$2.0 million positive variance primarily due to industrial revenues. Additionally, lower than anticipated treatment costs and debt servicing payments resulted in a positive variance of \$0.5 million. These positive variances were offset by a negative variance of \$2.4 million as a result of early advances of operating funds applied to 2018-2027

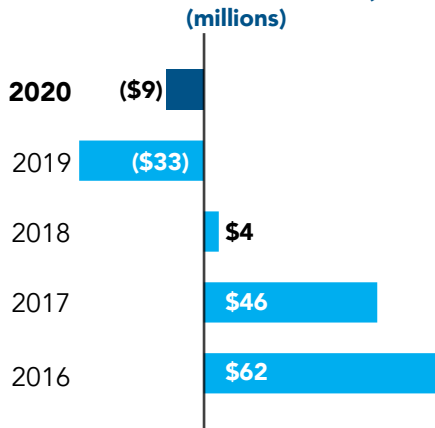
Capital Improvement Projects.

Water Utility ended the year with a small positive variance of \$0.4 million. This was primarily due to water revenue which ended the year with a positive variance of \$1.8 million as a result of higher residential, regional & irrigation and general revenues. In addition, a surplus of \$1.7 million resulted from lower than budgeted expenses at the water treatment plant. This was offset by a negative variance of \$3.1 million as a result of early advances of operating funds applied to 2018-2027 Capital Improvement Projects.

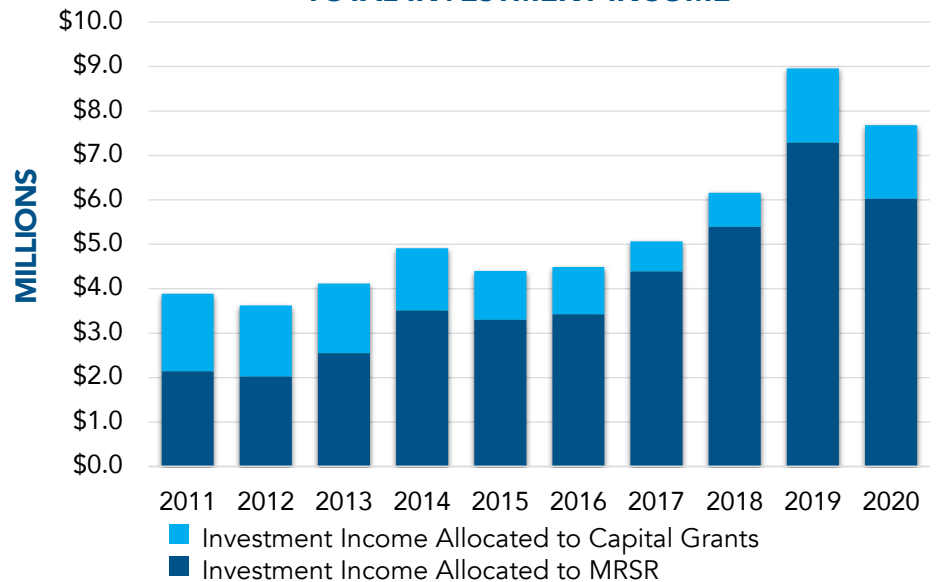
The Electric Utility ended the year with a \$1.3 million negative variance from operations. Fibre Operations ended the year with a small positive variance due to cost of capital and system operations expenses being lower than budgeted. The Distribution tariff ended the year with a positive variance of \$0.4 million primarily due to the Transmission Access (Wire Services Provider) component of the Distribution Tariff and an increase in collection of the Distribution component of the tariff to cover an increase in depreciation and system operations expenses for the year. The Regulated Rate tariff experienced a small negative variance due to fluctuations in price to purchase energy and managing the energy for our customers. The prices are set monthly to cover the costs for energy purchases and Electric uses hedges to reduce risk on energy purchases as well. These positive variances were offset by a \$1.7 million negative variance in the Transmission Tariff primarily due to increases in depreciation, cost of capital, linear property tax, debenture debt and system operations.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET FINANCIAL ASSETS (DEBT)



TOTAL INVESTMENT INCOME



FINANCIAL POSITION

The overall financial position of the City of Lethbridge ended 2020 with year-end net financial debt totaling \$9.5 million (2019 net financial debt of \$33.2 million). Net debt is an indicator that future resources are required to pay for past transactions and events.

Financial Assets

The City's 2020 total financial assets of \$379 million increased by \$2 million from the prior year (2019 \$377 million). There was an increase in cash investments of \$7.2 million and a decrease in receivables of \$7.8 million. The change in investment and receivables was due to the timing of receipt of funds from other levels of government as well as the funding associated with the construction of capital projects. There was also a \$3.1 million increase in deposits for land transactions and land held for resale. The City experienced a decrease of \$0.2 million in loans and advances.

The City uses investments to provide a return on public funds while they are held by the City. These funds consist of reserves, capital funds, Provincial and Federal grants, and operating funds. The 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. The average size of the portfolio in 2020 was \$300 million (2019 \$291 million).

The investment activities of the City are governed by the Municipal Government Act (MGA) and an investment policy which has been adopted by City Council.

The 2020 gross interest income earned from the portfolio was \$7.7 million (2019 \$8.9 million). The City's 2020 average portfolio yield of 2.56% (2019 3.08%) was higher than the Government of Canada 3-year Benchmark yield of 0.5% (2019 1.55%).

There was also a \$3.1 million increase in deposits for land transactions and land held for resale. The City experienced a decrease of \$0.2 million in loans and advances.

Liabilities

The City's 2020 total financial liabilities of \$388.9 million decreased by \$21.4 million compared to the prior year results (2019 \$410.3 million), primarily due to decrease in accounts payable and accrued liabilities of \$11.1 million, a decrease in deferred revenue of \$7.4 million and a decrease in debenture debt of \$3.6 million. These decreases were offset by an increase in other liabilities of \$0.7 million.

Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balance of \$44.9 million at the end of 2020 has decreased by \$11.1 million over the prior year balance of \$56 million.

Trade accounts payable decreased by \$9.5 million primarily due to the release of large holdback payments related to the timing of construction and capital expenditures during 2020.

Accrued liabilities decreased by \$1.6 million primarily due to a decrease in payroll and benefits, debenture

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

interest accrual and landfill post closure costs.

Employee Benefit Obligations

Employee benefit obligations ended the year with a balance of \$14.3 million which was an increase of \$1.1 million from the previous year (2019 \$13.2 million). This is primarily due to increases in vacation and overtime liabilities.

Deferred Revenue

Deferred revenue is made up of contributions from other levels of government, prepaid taxes and other revenue deferrals. The \$7.4 million decrease in deferred revenue is primarily due to the timing of government contributions received versus the recognition of revenue based on eligibility requirements.

Deposits and Other Liabilities

Deposits and other liabilities are collected by the City in various forms, including land sale deposits, architectural control deposits, funds

in lieu of letters of credit, utility customer deposits, and conditional funding requirements. These deposits are held by the City until the service or conditional requirements are completed. During 2020, deposits and other liabilities decreased by \$0.4 million primarily due to a decrease in trust fund deposits.

Debenture Debt

In 1989, City Council adopted a policy of Pay-As-You-Go financing for general municipal (non-utility) capital expenditures, which provides for a fixed amount to be applied to taxation supported debt payments and funding of capital projects. A complementary policy was that of utilizing City reserves to internally finance larger capital works. These policies have allowed the City to restrict the amount of taxation supported borrowings to one major capital improvement project (ATB Centre Phase 2 Leisure Complex).

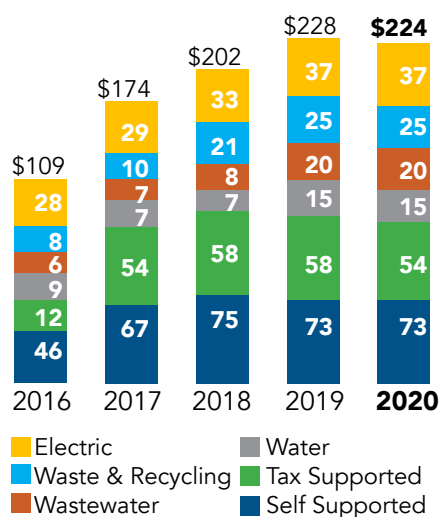
Since the beginning of this program in 1989, the level of capital expenditure

has been controlled; however, because maintenance is recognized as a high priority, the City's existing infrastructure and facilities have not been compromised.

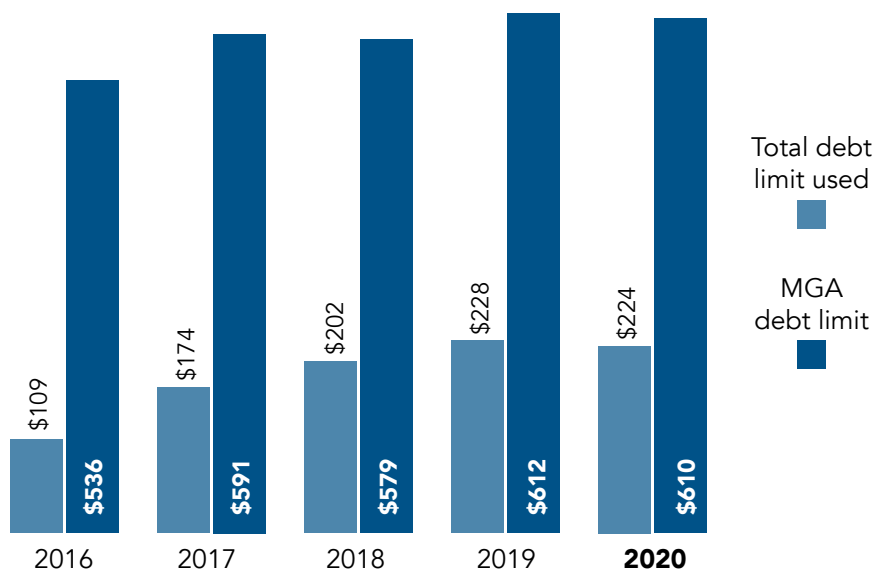
The general fund continues to require external borrowing for "self-supported" activities such as Land Development and Developer Offsite Levy projects. Its activities are termed self-supported because the debt repayments are made directly from the revenue of these activities and are not paid from property taxes. Significant Offsite Levy borrowings have been required to fund projects that will support growth in the community for coming decades. The payments on these borrowings will be funded by Offsite Levies.

Section 276(2) of the MGA establishes limits for municipal debt levels and annual debt servicing costs. The City's debt limit, as defined by this regulation, is calculated as 1.5 times the consolidated revenue net of capital grant revenue, contributed

DEBENTURE DEBT
(millions)

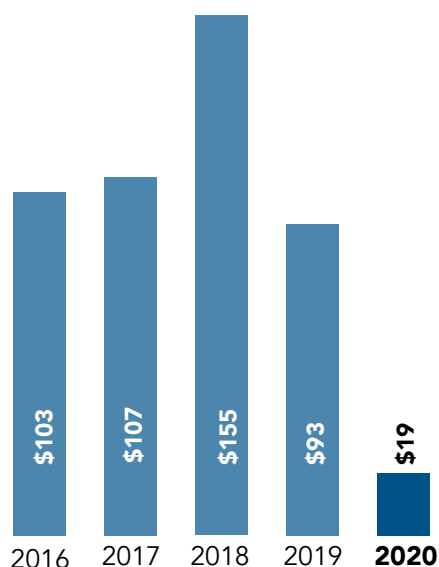


DEBENTURE DEBT VS DEBT CAPACITY
(millions)



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET INCREASE IN TANGIBLE CAPITAL ASSETS (millions)



asset revenue and loans to non-profit organizations and controlled corporations.

In 2020, the City's debenture debt was \$224.4 million. This was a decrease of \$3.6 million, -1.6% from the 2019 balance. The debenture debt decrease was primarily due to the timing of major capital projects. The 2020 borrowings for capital projects included the Wastewater Treatment Plant Clarifier Replacement, Water Treatment Plant Residuals Management, Electric Distribution Extension & Improvement, Waste & Recycling Centre Site Enhancements, Waste & Recycling Centre Disposal Cell Development and Closures and University Drive.

The City carries levels of debt and debt servicing well below the legislated limit.

Net Financial Assets (Debt)

As demonstrated on the Consolidated Statement of Net Financial Assets, the City of Lethbridge has net financial debt of \$9.5 million (2019 net financial debt of \$33.2 million). This decrease in net debt of \$23.7 million relates to the timing of major capital projects. During 2020, the City was in the planning stages of capital projects. This is the reason for the decrease in acquisitions of tangible capital assets as well as the decreases in deferred revenue, accounts payable and debenture debt. These all factor into the overall decrease in net debt.

Non-Financial Assets

Non-financial assets include tangible capital assets, land held for resale, inventories held for consumption, and prepaid expenses.

Tangible Capital Assets

The single largest item within non-financial assets is tangible capital assets which ended 2020 with a balance of \$1.831 billion (2019 \$1.812 billion) which was an increase of \$19 million.

Tangible capital assets are assets managed and held for use in production or supply of goods and services and have economic lives that extend beyond a year and are not for sale in the ordinary course of operations. The most significant investments in tangible capital assets during 2020, include the Fire Station #5 of \$5.8 million, University Drive (Community Stadium to SunRidge Blvd W) of \$3.6 million, Legacy Park Community Pavilion of \$3 million, Electric Transformer Upgrade and replacement of \$2 million, 3 Avenue Reconstruction of \$1.8 million and Wastewater Treatment Plant Headworks & Clarifier of \$1.7 million.

Other Non-Financial Assets

Other non-financial assets include land held for resale, inventories held for consumption, and prepaid expenses. Overall other non-financial assets ended 2020 with a balance of \$45 million in 2020 which was an increase of \$1.1 million from the prior year (2019 \$43.9 million). This was primarily due to an increase in inventories offset by a decrease in the non-financial portion of land held for resale due to the timing of sales within subdivision activities.

Municipal Equity (Net Assets)

As reflected in Note 15 to the financial statements, municipal equity consists of restricted and unrestricted amounts, including the accumulated unrestricted surplus, reserves, equity invested in tangible capital assets and the capital fund. The 2020 municipal equity total is \$1.87 billion which is an increase of 2.4% from the previous year.

FINANCIAL OPERATIONS

The Consolidated Statement of Operations outlines revenue earned by the City and the expenses incurred to provide municipal services.

Revenue

The overall revenue had an overall decrease of \$18.2 million or 3.9% with total revenue of \$440.7 million (2019 \$458.9 million).

REVENUE (millions)	
2020 Actual	\$ 440.7
2019 Actual	458.9
Variance	\$ (18.2)
% Variance	(3.9)%

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

The majority of this decrease came as a result of a decrease in contributed assets of \$10.9 million, a decrease in sales and user charges of \$8.8 million, a decrease in return on investments of \$6.4 million, a decrease in fines and penalties of \$2.9 million. These decreases were offset by an increase in government transfers of \$4.2 million, an increase in net taxes of \$4 million, and an increase in sale of land of \$2.5 million an increase in other revenue categories of \$0.1 million.

Contributed assets had a decrease in 2020 of \$10.9 million. Contributed assets are those typically contributed from other developers. Contributed amounts will fluctuate from year to year, since they are largely dependent on some of the following:

Market conditions - if housing markets are thriving, subdivision development will increase to meet demands and in turn, contributions to the City for roadways, parks, etc. will increase.

Weather conditions - will cause construction completion dates to fluctuate.

Parks and amenity features - dependent on the size of parks and amenities (e.g. playground equipment, pergolas and decorative fencing) that the developer installs and will correspondingly change the value of the assets and contributed asset revenue for the City of Lethbridge.

Sales and user charges decreased by \$8.8 million or -4.4% from 2019 primarily due to decreases in revenues related to operational changes due to the pandemic, recreational facilities and programs decrease of \$5.5 million, Transit revenue decrease of \$2.4 million, Airport revenue decrease of \$1.2 million and other revenues of \$1.9 million as well as offsite

development decrease of \$3.3 million. These decreases were offset by utility revenue increases; waste & recycling revenues of \$2.5 million, wastewater increase of \$1.5 million, water increased \$1.4 million and electric increased \$0.1 million.

Return on investments was \$6.3 million which was a \$6.4 million decrease from the previous year (2019 \$12.7 million). The overall decrease was due to a decrease of \$5 million primarily as a result of decreased grant interest revenue due to the timing difference in recording interest revenues associated with grants and \$1.4 million decrease in investment income.

Fines and penalties revenue decreased by \$2.9 million from 2019 primarily due to a decrease in traffic safety act revenues. This is an area that was impacted by provincial budget, with the province retaining 40% of fine revenue and the impact of the pandemic on court enforcement and cancelled tickets.

Government Transfers increased by \$4.2 million from 2019 due to timing of government transfers provided to fund operating or capital expenses. These revenues are externally restricted and recorded as a deferred revenue until used for the purpose intended. The increase in government transfers was primarily due to increases in funding transfers from the Municipal Operating Support Transfer (MOST) of \$11.2 million, Municipal Sustainability Initiative (MSI) of \$2.4 million, and Federal Gas Tax Fund (FGTF) of \$1.6 million as well as increases in other government transfers of \$0.7 million. These increase were offset by decreases of the following \$6.5 million in the Green TRIP (Green Transit Incentives

Program), a decrease in the Clean Water and Wastewater Fund (CWWF) of \$4.1 million, and a decreases of \$1.1 million in Social Housing in Action funding.

Property tax is a primary revenue source available to the City to pay for municipal services. In 2020, net taxes available for municipal services of \$155.8 million was \$4 million or 2.65% higher than 2019, and accounted for 35.4% (2019 33.1%) of gross revenue. The net tax increase was primarily a result of commercial property growth as council eliminated the budgeted property tax increase of 1.82%. The Schedule of Net Taxes - Schedule 2 of the consolidated financial statements provides further detail with respect to net taxes.

During 2020, the City received land sales of \$6.2 million which was an increase of \$2.5 million from the previous year (2019 \$3.7 million). The majority of the increase is related to the timing of residential subdivision development which had an increase of \$0.4 million from The Crossings subdivision and an increase of \$0.1 million in the RiverStone subdivision. Additionally, industrial development activities in the Sherring Industrial Park resulted in an increase in revenues of \$2 million. Fluctuations from year to year occur due to timing differences created through the development process with residential and industrial subdivisions.

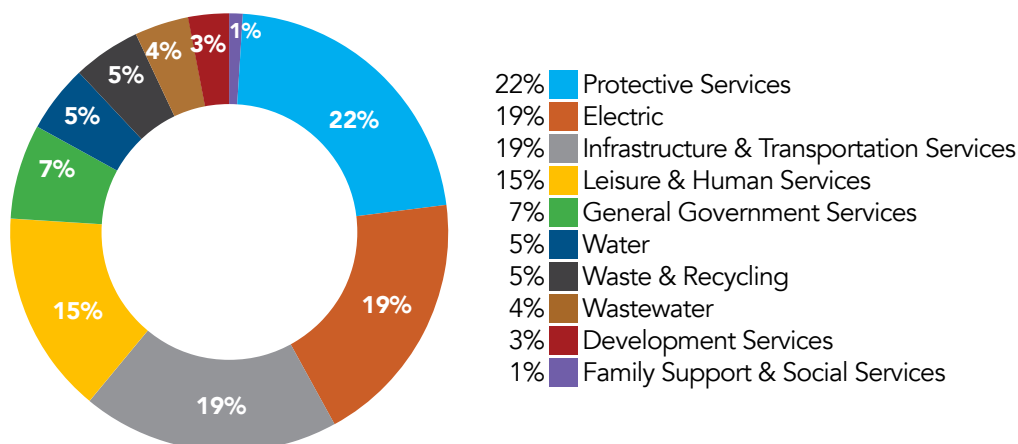
The City experienced an overall increase of \$0.1 million in the remaining revenue categories.

Expenses

The Consolidated Statement of Operations summarizes the City's expenses by function. A further description of what each of these

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2020 Expenses by Function



functions include is provided within note 27 – Segmented Disclosures.

In 2020, the consolidated expenses of \$396.9 million were \$3.7 million or 0.9% lower than the previous year.

EXPENSES (millions)	
2020 Actual	\$ 396.9
2019 Actual	400.6
Variance	\$ (3.7)
% Variance	(0.9)%

Expenses by Function

The major segments that make up the \$3.7 million change are a decrease of \$11.9 million in Leisure and Human Services, and a decrease of \$1.6 million in Infrastructure and Transportation. These decreases are offset by an increase of \$3.9 million in General Government Services, a \$2.9 million increase in Protective Services, a \$2.1 million increase in the Waste and Recycling Utility, a \$0.8 million increase in the Electric Utility, a \$0.7 million increase in the Wastewater Utility, and a \$0.6 million decrease in other expense categories.

Leisure and Human Services ended the year with \$56.8 million in expenses. This segment was impacted by facility closures and programming changes due to pandemic restrictions. The decrease of \$11.9 million from 2019 was due to a decrease in expenses from COVID-19 related restrictions for recreation facilities and programs of the following: ENMAX Centre decrease of \$4.8 million, aquatics decrease of \$1.8 million, a decrease in capital project expenses of \$1.6 million, arenas decrease of \$0.5 million, and a decrease in other recreation of \$1.4 million. In addition to a decrease of \$1.8 million in cultural facilities expenditures.

Infrastructure and Transportation expenses decreased by \$1.6 million to \$74.1 million from \$75.7 million in 2019. This decrease is primarily a result of a decrease in materials and supplies expenses related to milder winter months and lower expenses in graveled roadway maintenance and lane maintenance programs.

General Government Services increased by \$3.9 million to \$29.2 million in 2020 from \$25.3 million in 2019. This was due to an increase

of \$2 million in Wages & Corporate Benefits, an increase of \$2.7 million in contractual services related to facility maintenance, operational reviews and studies, offset by a \$1 million decrease in transfer to other agencies, and a \$0.2 million increase in other expense areas.

Protective Services expenses increased by \$2.9 million to \$88.4 million from \$85.5 million in 2019. This was primarily due to additional personnel costs of \$2.9 million, and an increase of \$1.1 million in other expense areas, offset by a decrease of \$1.1 million in contractual services.

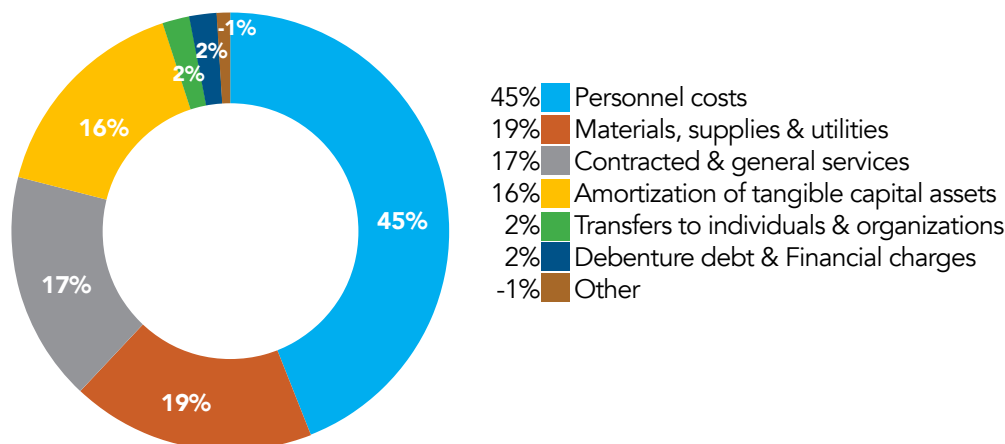
The Waste and Recycling Utility had a \$2.1 million increase in expenses from \$16.7 million in 2019 to \$18.8 in 2020. This is primarily due to an increase in contractual services related to capital projects.

The Electric Utility expenses increased by \$0.8 million from \$76.5 million in 2019 to \$77.3 million in 2020. The increase is primarily due to a decrease in contractual services and changes in expenses recovered related to capital projects.

The Wastewater Utility ended the year

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2020 Expenses by Object



with \$16.8 million in expenses which was a \$0.7 million increase in from the previous year (2019 \$16.1 million). The increase is attributed to \$0.4 million increase in materials, supplies, utilities and contractual services related to capital underground work in Sherring Industrial Park and a \$0.3 million increase in operating expenses.

Expenses by Object

The Schedule of Segmented Reporting – Schedule 4 and note 21 – Expenses by Object provide an alternate view of the City's expenses. The expenses by object provides another insight into the overall decrease of \$3.7 million from 2019.

Contributing factors to this decrease include a decrease in materials, supplies and utilities of \$5.9 million, and a decrease in contracted and general services of \$1.6 million. These decreases are offset by increase in personnel costs of \$1.7 million, amortization of tangible capital assets of \$1.4 million, and an increase of \$0.7 million in other expense categories.

Materials, supplies and utilities expense of \$75.1 million have decreased by \$5.9 million or 7.3% from the previous year. This is primarily due to a decrease of \$2.7 million in Leisure and Human Services due to the closure of Recreation and Culture facilities, a decrease of \$1.4 million in transportation operations expenses, a decrease of \$1.1 million in fuel costs, a decrease of \$1 million in electric energy, transmission charges and rider costs, and a decrease of \$0.6 million in project related materials and supplies, offset by a \$0.9 million increase in all other materials and supplies accounts.

Contractual and general services decreased by \$1.6 million to \$67.7 million from \$69.3 in 2019. Contractual service costs for projects increased by \$2.6 million, and Special Services and Studies increased by \$0.4 million, offset by a decrease of \$1.2 million in equipment rental and maintenance, a decrease of \$1.2 million in Travel & Training costs, operating contractual services decreased \$0.7 million and a decrease of \$1.5 million in other contracted services.

Personnel costs increased by \$1.7 million in 2020. This is primarily due to the approved Capital Improvement Program and operating initiatives in Fire and Police as well as increases in negotiated collective agreement costs and associated benefits. These increases are offset by decreases in costs due to recreation and cultural facility closures.

In 2020 amortization of tangible capital assets expenses totaled \$65.3 million which was an increase of \$1.4 million from the previous year. This was primarily due to a \$1.0 million increase in depreciation for building assets due to a full year of amortization on ATB Centre Phase 2 and the Park 'n Ride facilities. Equipment and furnishing depreciation increased by \$0.7 million primarily due to water utility additions and a full year of the Materials Recycling Facility, and ATB Centre Phase 2 (Leisure Complex) assets. Land improvements depreciation costs increased by \$0.2 million predominantly due to an increase in parks improvements. Depreciation for engineering structures related to roadways, underground pipes, and electric line assets decreased

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

by \$0.3 million. Depreciation costs also decreased in vehicle assets by \$0.2 million from Transit fleet vehicle assets.

Other expense categories have increased by \$0.7 million. This is primarily due to a \$4 million decrease in expenses recovered from capital and other expenses, an increase of \$0.3 in debenture debt interest and a decrease of \$3.6 million in transfers to agencies and organizations

Excess of Revenue Over Expenses

During 2020, the City realized an excess of revenue over expenses of \$43.9 million. As summarized on the Consolidated Schedule of Unrestricted Surplus – Schedule 1, the bulk of these funds were reduced by the change in the equity in tangible capital assets of \$22.6 million (represented by the net increase in tangible capital assets of \$19.0 million and the net decrease of debenture debt of \$3.6 million), by the \$1 million in transfers from the capital fund, an increase of \$19.1 million in transfers to reserves and by the \$1.6 million decrease related to changes in other equity balances. Once these changes and transfers were completed it leaves the consolidated annual unrestricted surplus of \$4.8 million discussed previously.

CASH FLOWS

The City's cash and cash equivalents decreased from the prior year by \$10.2 million to a balance of \$16.6 million. During the year, \$89.1 million was raised from operating activities. This was offset by the use of cash and cash equivalents for net debt repayments of \$3.6 million, investment portfolio purchases of \$17.4 million (net) and \$78.3 million

(net) was spent to acquire tangible capital assets, a reflection of the City's commitment to the maintenance and improvement of capital infrastructure and facilities.

FINANCIAL CONTROL AND ACCOUNTABILITY

The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

Financial Governance

Notwithstanding that the City's management is responsible for the preparation of the financial statement discussion and analysis and financial statements, City Council requires a review of policies, procedures and internal control mechanisms. In 2020, this included the additional April operating forecast for COVID-19 related impacts to the organization as well as the regular review of the June and September operating forecast reports, annual unaudited financial report, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council is responsible for ensuring that City Administration fulfills its responsibilities for financial reporting, internal control and risk management. To assist City Council with these responsibilities, a City Council appointed Audit Committee has been established. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

Budgeting

The City of Lethbridge uses two separate budgets, the Capital Improvement Program (CIP) and the Operating Budget. On December 10, 2018 City Council approved the City of Lethbridge 2019-2022 Operating Budget. The Operating Budget is the financial plan that provides the foundation for the corporation to implement business plans and operationalize City Council's priorities from January 1, 2019 to December 31, 2022.

In the weeks and months preceding budget approval, City staff and City Council considered customer and stakeholder feedback through telephone and online surveys, in person at open houses, online with an engagement website, presentations to Finance Committee and sharing of information through social media. Direction was given by City Council to maintain service levels but to absorb inflation and growth. City Council also gave direction to conduct operational reviews over the next three years, which will focus on innovation, efficiencies, cost-containment and re-investment opportunities. The 2019-2022 Operating Budget addresses several strategic priorities, while building in financial accountability and limiting the tax impact on residents.

This Operating Budget includes the required revenue to fund the City's delivery of desired programs and services to the community, and represents City Council's priorities as identified in the City's Strategic Plan, Business Plan, and other sources.

Note that the Operating Budget is also prepared on the modified cash flow basis. Based on this method the City uses tax revenue, reserve transfers and government transfers to balance its operating budget.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

The Operating Budget does not include revenue from contributed assets.

On May 11, 2020, City Council directed that the 2020 operating budget be amended on a one-time basis by eliminating the scheduled 1.82% municipal tax increase (\$2.8 million decrease). In addition, City Council members met as Finance Committee from November 23-27, 2020 to review the 2021-2022 Operating Budget for the City of Lethbridge. Changes to the 2021-22 Operating Budget received final approval from City Council on December 14, 2020.

The 2018-2027 CIP was approved by City Council for the years 2018-2021. Projects included in the CIP are projects with specific funding sources including debt, off-site levies, Pay-As-You-Go financing (explained previously) and capital grants from the Government of Alberta and the Government of Canada. The Operating Budget includes items that are ongoing in nature and have specific funding sources including property taxation, utility rates, user fees, and operating grants.

Accounting Process

The City of Lethbridge is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. All business areas reporting to the City Manager share a common accounting and reporting system, and financial and accounting services are administered within the Financial Services business unit and delivered to each business area based on their needs.

The Lethbridge Public Library, Galt

Museum, and Lethbridge Police Service utilize the common accounting system but report through their respective board or commission.

Internal Controls

The City utilizes financial policies, procedures and continuous controls monitoring software to ensure appropriate financial internal controls are in place. Policies and procedures are reviewed, as required, to comply with the Municipal Government Act (MGA) and the Canadian public sector accounting standards.

Auditing Process

As required by the Municipal Government Act, City Council appointed KPMG LLP as the external auditor. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. Based on the Committee's recommendation, City Council approved the 2020 Consolidated Financial Statements at its meeting on April 20, 2021.

RISK MANAGEMENT

The City of Lethbridge is committed to an Integrated Risk Management (IRM) approach. IRM provides strategies and tools that promote a corporate-wide and systematic approach to manage and mitigate risks.

Normal Operating Risk

In the usual course of business, the City is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with the City's services

and programs, as well as social, legal, regulatory, environmental and economic issues and changes to the economy that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

Revenue Volatility

Since revenues are sensitive to both local and regional economic conditions, revenue estimates must be conservative. To address the risk, the City uses an objective, analytical process utilizing trend, judgmental and a statistical analysis as appropriate. This determines a reasonable conservative estimate of revenue.

Infrastructure Replacement and Sustainable Asset Management

Infrastructure and City services are a key component of the quality of life that is enjoyed by the citizens of Lethbridge. In order to minimize borrowing and maintain City services and infrastructure the City has two key components; its Pay-As-You-Go program (previously discussed) and the Asset Management program. In 2005, the Asset Management program introduced processes and utilized resources which ultimately leads to managing the lifecycle of corporate assets in the most cost effective manner.

ECONOMIC CONDITIONS

Lethbridge's economy didn't decline as much as the provincial or national economy in 2020. The annual unemployment rate in the Lethbridge region is low at 7.8% versus the Alberta rate of 11.4% and was close to the national average of 9.5%.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

In terms of new construction, Lethbridge experienced a decrease in terms of the value of construction in the community at \$194 million, versus \$248 million in 2019. Industrial permit values totaled \$7.4 million in the most recent calendar year, a decrease over 2019 of \$11 million. Commercial permit values also saw a decrease to \$25 million in 2020, from \$32 million in 2019.

Residential permits for single detached dwellings were down in 2020 with 218 permits issued versus 269 in 2019. Building additions, renovations and garage sectors saw an increase in activity this year with 909 permits issued, up from the prior year of 798 permits.

Taking a look at the business activity in the Lethbridge area, Statistics Canada estimates that the number of active businesses (those businesses that reported having one or more employees in a given month) in the Lethbridge census metropolitan area (CMA) declined by 4% between September and February 2020 (the last complete month prior to the onset and emergence of COVID-19 and its residual effects). The comparable figures at the provincial (-8%) and national (-7%) levels suggest that the local situation has been relatively resilient, all things considered.

Lethbridge broke the 100,000 threshold in 2019 and had a population of 101,482. The City of Lethbridge did not conduct a census in 2020.

There are many concrete reasons Lethbridge is a great location. With its low cost of living, mild climate, short commute times and wide range of recreation and culture opportunities, Lethbridge has something for everyone to achieve a perfect balance of work and life. The



combination of city amenities and small-town charm, the easy lifestyle it affords and the sense of community it fosters continues to demonstrate that Lethbridge is the place to live.

CONCLUSION

The 2020 Annual Report for the City of Lethbridge provides detailed information of the organization's financial condition and how financial resources have been allocated to provide services to the community. The City continues to achieve a strong financial position as a direct result of City Council's ongoing commitment to financial stewardship. This report also includes operational highlights and achievements that demonstrates the dedication to serving our community. I would like to acknowledge the combined effort of City Council, Administration and our staff to successfully conclude the year 2020.

At the beginning of 2020, we couldn't have imagined the social and economic challenges we were faced with during the COVID-19 pandemic. During these difficult times, it reminds us how strong, resilient and responsive the City of Lethbridge is to the needs of our community. We came together in partnership to ensure we continued to help make Lethbridge a great place to live, learn, work and play. I am proud of the collaboration between the City and the community during a year of challenges and uncertainty and I am confident the City is well positioned to make the most of its opportunities in the future.

Respectfully submitted,

Hailey Pinksen, CPA, CA, CIA
City Treasurer
April 20, 2021

RECOGNITION FOR ACHIEVEMENTS

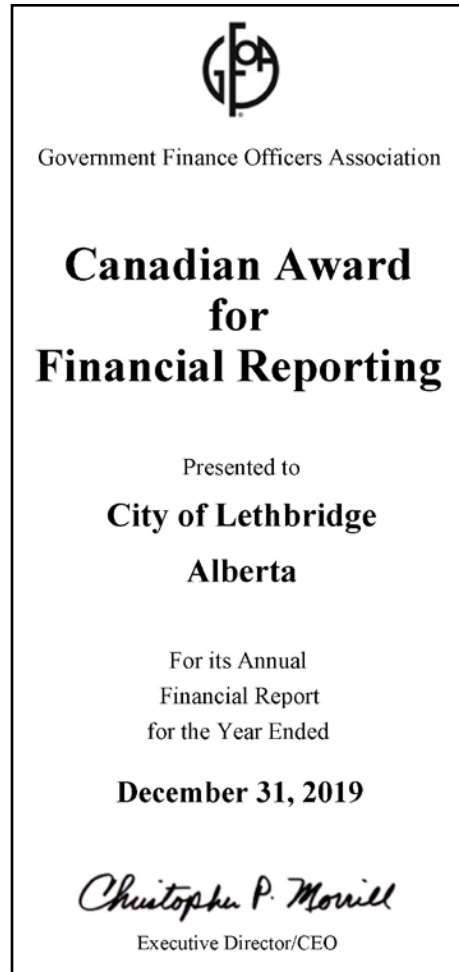
Recognition for Achievements

Canadian Award for Financial Reporting

The City of Lethbridge annual financial report for the year ended December 31, 2019, was awarded the Canadian Award for Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.



Popular Annual Financial Report Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Lethbridge for its Popular Annual Financial Report for the fiscal year ended December 31, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



AUDITED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The City of Lethbridge's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2020 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The City Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of management. The City Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by the independent firm of KPMG LLP Chartered Professional Accountants. Their report to His Worship the Mayor with the members of Council of the City of Lethbridge, outlines the scope of their examination and provides their opinion on the consolidated financial statements.



Craig Dalton
City Manager
April 20, 2021



Hailey Pinksen, CPA, CA, CIA
City Treasurer
April 20, 2021

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of the City of Lethbridge

Opinion

We have audited the consolidated financial statements of City of Lethbridge (the City), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2020, and its consolidated results of operations, changes in net financial assets (net debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the *Annual Report*. The *Annual Report* is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Lethbridge, Canada
April 20, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(in thousands of dollars)

		2020	2019
FINANCIAL ASSETS			
Cash and cash equivalents	Note 3	\$ 16,572	\$ 26,724
Investments	Note 4	305,192	287,801
Receivables	Note 5	44,326	52,138
Loans and advances	Note 6	3,592	3,782
Deposits	Note 7	7,851	5,257
Land held for resale		1,928	1,404
		379,461	377,106
LIABILITIES			
Accounts payable and accrued liabilities	Note 8	44,908	56,021
Employee benefit obligations	Note 9	14,392	13,248
Deferred revenue	Note 10	91,211	98,647
Deposits and other liabilities		14,031	14,441
Debenture debt	Note 11	224,395	227,990
		388,937	410,347
NET FINANCIAL ASSETS (DEBT)		(9,476)	(33,241)
NON-FINANCIAL ASSETS			
Inventories held for consumption		13,432	11,437
Prepaid expenses		2,149	2,099
Land held for resale		29,459	30,366
Tangible capital assets	Schedule 3 & Note 13	1,831,730	1,812,776
		1,876,770	1,856,678
MUNICIPAL EQUITY		\$ 1,867,294	\$ 1,823,437
Commitments (Note 22)			
Contingent liabilities (Note 26)			

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

		2020	2020 Budget (Note 29)	2019
REVENUE				
Sales and user charges		\$ 189,420	\$ 198,139	\$ 198,218
Net taxes	Schedule 2	155,822	153,882	151,801
Government transfers	Note 20	50,466	39,753	46,262
Contributed assets		7,725	-	18,640
Return on investments		6,325	5,351	12,693
Sale of land		6,297	6,243	3,752
Gas company franchise fee		5,994	5,814	5,937
Fines and penalties		5,097	7,699	8,021
Licenses and permits		3,073	4,710	3,678
Other		10,519	11,674	9,927
		440,738	433,265	458,929
EXPENSES				
	Note 21			
Protective Services		88,474	90,827	85,556
Electric		77,218	75,408	76,473
Infrastructure & Transportation Services		74,116	80,859	75,698
Leisure & Human Services		56,831	68,587	68,769
General Government Services		29,175	35,837	25,267
Water		18,841	21,615	18,353
Waste & Recycling		18,810	21,239	16,663
Wastewater		16,821	17,228	16,089
Development Services		12,131	12,981	12,885
Family Support & Social Services		4,464	5,099	4,841
		396,881	429,680	400,594
EXCESS OF REVENUE OVER EXPENSES	Schedule 1 & 4	43,857	3,585	58,335
MUNICIPAL EQUITY, BEGINNING OF YEAR		1,823,437	1,823,437	1,765,102
MUNICIPAL EQUITY, END OF YEAR	Note 15	\$ 1,867,294	\$ 1,827,022	\$ 1,823,437

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS (DEBT) FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

	2020	2020 Budget	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 43,857	\$ 3,585	\$ 58,335
Change related to tangible capital assets			
Acquisition of tangible capital assets	(79,550)	(62,303)	(139,691)
Contributed assets	(7,725)	-	(18,640)
Proceeds on disposal of tangible capital assets	1,291	71	502
Loss on disposal of tangible capital assets	1,740	-	849
Amortization of tangible capital assets	65,290	65,454	63,904
	(18,954)	3,222	(93,076)
Change related to other non-financial assets			
Acquisition of inventories held for consumption	(25,158)	-	(19,903)
Use of inventories held for consumption	23,163	-	18,291
Acquisition of prepaid expenses	(4,961)	-	(1,883)
Use of prepaid assets	4,911	-	2,127
Use of land held for resale	907	-	(712)
	(1,138)	-	(2,080)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	23,765	6,807	(36,821)
NET FINANCIAL (DEBT) ASSETS, BEGINNING OF YEAR	(33,241)	(33,241)	3,580
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ (9,476)	\$ (26,434)	\$ (33,241)

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

	2020	2019
NET INFLOW (OUTFLOW) OF CASH		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 43,857	\$ 58,335
Items not involving cash		
Amortization of tangible capital assets	65,290	63,904
Loss on disposal of tangible capital assets	1,740	849
Tangible capital assets received as contributions	(7,725)	(18,640)
Changes to financial assets		
Decrease (increase) in receivables	7,812	8,264
Decrease (increase) in other financial assets	(2,928)	(2,036)
Changes to non-financial assets		
Decrease (increase) in inventory held for consumption	(1,995)	(1,612)
Decrease (increase) in prepaid expenses	(50)	244
Decrease (increase) in land held for resale	907	(712)
Changes to liabilities		
Increase (decrease) in accounts payable and accrued liabilities	(11,113)	(8,317)
Increase (decrease) in employee benefit obligation	1,144	(604)
Increase (decrease) in deferred revenue	(7,436)	(7,056)
Increase (decrease) in deposits and other liabilities	(410)	645
	89,093	93,264
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(79,550)	(139,691)
Proceeds on disposal of tangible capital assets	1,291	502
	(78,259)	(139,189)
INVESTING ACTIVITIES		
Decrease (increase) in investments	(17,391)	22,014
FINANCING ACTIVITIES		
Debenture borrowings	16,964	44,137
Debenture debt principal redeemed	(20,559)	(18,027)
	(3,595)	26,110
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	(10,152)	2,199
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	26,724	24,525
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 16,572	\$ 26,724

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED SCHEDULE OF UNRESTRICTED SURPLUS

AS AT DECEMBER 31, 2020

(in thousands of dollars)

Schedule 1

	2020	2020 Budget	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 43,857	\$ 3,585	\$ 58,335
Unrestricted balances			
Transfer from prior year unrestricted surplus	-	-	354
Transfer from prior year surplus	1,173	-	3,639
Unfunded			
Change in unfunded vacation pay	-	-	(1,757)
Transfer to (from) equity in inventories held for consumption	1,995	-	1,612
Transfer to (from) equity in prepaid expenses	50	-	(244)
Restricted balances			
Transfer (to) from reserves	(19,117)	(3,853)	(11,360)
Transfer (to) from capital fund	1,016	(17,085)	21,472
Equity in non-financial assets			
Change in inventories held for consumption	(1,995)	-	(1,612)
Change in prepaid expenses	(50)	-	244
Change in land held for resale	383	-	(640)
Change in tangible capital assets	(22,549)	17,353	(66,966)
CONSOLIDATED ANNUAL UNRESTRICTED SURPLUS	\$ 4,763	\$ -	\$ 3,077

SCHEDULE OF NET TAXES

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

Schedule 2

	2020	2020 Budget	2019
TAXATION			
Real property taxes	\$ 195,092	\$ 191,348	\$ 189,528
Business taxes (BRZ)	-	195	172
Grants in lieu of taxes			
Provincial	632	1,209	945
Federal	67	274	264
	195,791	193,026	190,909
Less special requisition transfers			
Alberta School Foundation Fund	32,735	32,278	31,872
Holy Spirit RCSR 4	5,229	4,675	5,125
Green Acres Foundation	1,985	1,976	1,893
Downtown Lethbridge Business Revitalization Zone	-	206	198
Designated Industrial Properties	20	8	20
	39,969	39,143	39,108
NET TAXES	\$ 155,822	\$ 153,883	\$ 151,801

SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2020

(in thousands of dollars)

Schedule 3

	Land	Land Improvements	Buildings	Infrastructure	Equipment & Furnishings	Vehicles	Assets Under Construction	2020	2019
COST									
BALANCE, BEGINNING OF YEAR	\$ 134,479	\$ 113,082	\$ 547,744	\$ 1,454,880	\$ 139,771	\$ 83,631	\$ 80,931	\$ 2,554,518	\$ 2,414,811
Acquisition of tangible capital assets	1,094	4,874	(18)	34,072	6,753	9,395	23,380	79,550	139,691
Contributed assets	352	149	-	7,155	69	-	-	7,725	18,640
Disposal of tangible capital assets	(40)	(462)	(275)	(5,439)	(2,385)	(3,651)	-	(12,252)	(18,624)
BALANCE, END OF YEAR	135,885	117,643	547,451	1,490,668	144,208	89,375	104,311	2,629,541	2,554,518
ACCUMULATED AMORTIZATION									
BALANCE, BEGINNING OF YEAR	-	(41,700)	(131,963)	(461,716)	(65,943)	(40,420)	-	(741,742)	(695,111)
Annual Amortization	-	(4,233)	(11,579)	(35,144)	(7,594)	(6,740)	-	(65,290)	(63,904)
Accumulated amortization on disposals	-	275	159	4,630	2,187	1,970	-	9,221	17,273
BALANCE, END OF YEAR	-	(45,658)	(143,383)	(492,230)	(71,350)	(45,190)	-	(797,811)	(741,742)
TOTAL NET BOOK VALUE	\$ 135,885	\$ 71,985	\$ 404,068	\$ 998,438	\$ 72,858	\$ 44,185	\$ 104,311	\$ 1,831,730	\$ 1,812,776

SCHEDULE OF SEGMENTED REPORTING

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

Schedule 4

	General Municipal Revenue	Protective Services	Infrastructure & Transportation Services	Leisure & Human Services
REVENUE				
Sales and user charges	\$ -	\$ 10,921	\$ 10,379	\$ 4,522
Net taxes	155,822	-	-	-
Contributed assets	-	-	10,223	2,246
Government transfers	-	9,842	16,951	13,960
Sale of land	-	-	-	-
Fines and penalties	-	98	458	-
Return on investments	6,112	2	30	-
Gas company franchise fee	5,994	-	-	-
Licenses and permits	-	2,974	98	1
Municipal Consent and Access Fee	9,598	-	-	-
Other	61	2,942	39	1,408
	177,587	26,779	38,178	22,137
EXPENSES				
Salaries, wages and benefits	-	58,159	25,033	18,433
Materials, supplies and utilities	-	2,600	12,324	4,741
Contracted and general services	-	4,294	12,644	8,948
Amortization of tangible capital assets	-	2,208	27,275	10,523
Transfers to individuals and organizations	-	56	-	2,138
Debenture debt interest	-	-	1,461	1,637
Financial charges	-	276	541	112
Interdepartmental transfers (net)	-	21,015	(2,807)	10,694
Expenses recovered from capital	-	(342)	(4,065)	(544)
Other	-	208	1,710	149
	-	88,474	74,116	56,831
EXCESS OF REVENUE OVER EXPENSES	177,587	(61,695)	(35,938)	(34,694)
Change in unrestricted balances	2,145	850	(225)	(418)
Transfer from (to) reserves	(8,531)	(2,295)	3,127	(3,011)
Transfer from (to) internal segments	11,046	(615)	9,058	782
Transfer from (to) capital fund	-	(358)	6,199	1,183
Change in equity in non-financial assets	-	(6,255)	(15,499)	(3,274)
UNRESTRICTED SURPLUS (DEFICIT)	\$ 182,247	\$ (70,368)	\$ (33,278)	\$ (39,432)

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)
Schedule 4

General Government Services	Development Services	Family Support & Social Services	Utilities	2020	2019
\$ 242	\$ 1,996	\$ 847	\$ 160,513	\$ 189,420	\$ 198,218
-	-	-	-	155,822	151,801
-	(8,278)	-	3,534	7,725	18,640
1,082	5,373	2,446	812	50,466	46,262
-	6,297	-	-	6,297	3,752
4,541	-	-	-	5,097	8,021
7	140	34	-	6,325	12,693
-	-	-	-	5,994	5,937
-	-	-	-	3,073	3,678
-	-	-	(9,598)	-	-
4,268	1,387	33	381	10,519	9,927
10,140	6,915	3,360	155,642	440,738	458,929
50,462	3,042	1,121	23,515	179,765	178,061
3,739	243	44	51,343	75,034	80,961
17,809	3,854	2,190	17,988	67,727	69,319
2,094	39	113	23,038	65,290	63,904
610	3,683	499	-	6,986	10,609
-	631	-	2,660	6,389	6,041
471	-	9	1	1,410	1,386
(47,514)	(675)	803	18,484	-	-
(197)	(932)	(315)	(6,269)	(12,664)	(14,523)
1,701	2,246	-	930	6,944	4,836
29,175	12,131	4,464	131,690	396,881	400,594
(19,035)	(5,216)	(1,104)	23,952	43,857	58,335
454	18	(10)	404	3,218	3,604
(1,132)	219	(320)	(7,174)	(19,117)	(11,360)
(5,243)	(8,425)	820	(7,423)	-	-
(9,486)	8,046	384	(4,952)	1,016	21,472
1,992	3,962	(274)	(4,863)	(24,211)	(68,974)
\$ (32,450)	\$ (1,396)	\$ (504)	\$ (56)	\$ 4,763	\$ 3,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Lethbridge (the "City") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the City are as follows:

a. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity which comprises all the organizations and committees that are accountable to City Council for the administration of their financial affairs and resources and are owned or controlled by the City.

Interdepartmental and inter-entity accounts and transactions and balances are eliminated on consolidation.

The statement of taxes levied also includes requisitions collected on behalf of and transferred to educational and other external organizations that are not part of the municipal reporting entity.

Interests in joint ventures and other government enterprises are accounted for using the proportionate consolidation method.

b. Basis of Accounting

The City follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of goods or services and/or the creation of a legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

c. Tax Revenue

Tax revenue results from non-exchange transactions that are paid to governments in accordance with the laws and regulations established to provide revenue to the government for public services. The revenue is recognized when the tax has been authorized and the taxable event has occurred.

d. Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events given rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be determined.

e. Investments

Investments are comprised of investments in qualifying institutions as defined in the City's investment policy and consist primarily of money market instruments such as Guaranteed Investment Certificates (GICs), government bonds, financial institution bonds, notes, and term receipts.

All investments held are purchased with the intention to hold to maturity, or until market conditions render alternative investments more attractive.

Investments are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of investments. Where impairment in value is other than a temporary decline, a valuation allowance is recorded. Gains on principal protected notes are recognized as income when sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Loans and Advances

Loans and advances are recorded at cost less any allowances for doubtful accounts. Allowances for doubtful accounts are recognized when collection is in doubt. Loans and advances are reviewed on an annual basis by management.

g. Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Inventories held for consumption

Inventories of materials and supplies are valued at the lower of cost or net realizable value with cost determined by the average cost method.

(ii) Land held for resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes cost for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads and street lighting are recorded as tangible capital assets under their respective function. Land held for resale is classified as a financial asset when the land is in a condition to be sold, is marketed for sale and is reasonably anticipated that the land will be sold within one year.

(iii) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over the estimated useful lives as follows:

Asset	Years
Land improvements	15 - 40
Buildings	25 - 75
Infrastructure	
Roadways	20 - 75
Water system	45 - 75
Wastewater system	45 - 75
Storm system	45 - 75
Electricity system	20 - 35
Equipment and furnishings	5 - 40
Vehicles	5 - 25

Tangible capital assets under construction or development are reported as assets under construction with no amortization recorded until the asset is available for productive use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Non-financial Assets (continued)

(iv) **Equity in tangible capital assets**

Equity in tangible capital assets represents the City's net investment in its total capital assets, after deducting the portion financed by debentures.

(v) **Contributed assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Contributed assets are comprised mainly of contributions from privately developed subdivisions including water systems, wastewater systems, storm systems, roads and parks.

(vi) **Tangible capital assets disclosed at nominal value**

Land under roads that is acquired other than by a purchase agreement is valued at a nominal amount.

(vii) **Works of art and cultural and historic assets**

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

h. **Employee Future Benefits**

The City is a member of defined benefit multi-employer pension plans covering substantially all of its employees. Pension contributions are accounted for using defined contribution accounting, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

i. **Use of Estimates**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

k. Landfill Closure and Post-Closure Care

The Alberta Environmental Protection and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

l. Liability for Contaminated Sites

The City has implemented Public Sector Accounting Standards Board ("PSAB") section PS 3260 Liability for Contaminated Sites. Section 3260 establishes general reporting requirements for the disclosure of contaminated sites in government financial statements. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. City of Lethbridge:
 - a. is directly responsible; or
 - b. accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

2. FUTURE ACCOUNTING PRONOUNCEMENTS

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). The accounting pronouncements below are effective for fiscal years ranging from 2020-2022. The City will continue to assess the impact and prepare for the adoption of these standards.

PS 1201 - Financial Statement Presentation

The implementation of this standard requires a new statement of remeasurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in a foreign currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

2. FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

PS 3450 - Financial Instruments

This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the City. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS 1201. As the City does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact to the City.

PS 2601 - Foreign Currency Translation

This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currency.

PS 3041 - Portfolio Investments

This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments.

PS 3280 - Asset Retirement Obligations

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

PS 3400 - Revenue

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions.

3. CASH & CASH EQUIVALENTS

	2020	2019
Cash	\$ 11,572	\$ 20,724
Cash equivalents	5,000	6,000
	<u>\$ 16,572</u>	<u>\$ 26,724</u>

Cash includes cash on hand and balances with financial institutions.

Cash equivalents are comprised of short term deposits and guaranteed investment certificates with original maturities less than three months. The cash equivalents shown above have an average effective annual yield of 0.92% (2019 2.01%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

4. INVESTMENTS

	2020		2019	
	Carrying Value	Market	Carrying Value	Market
Short term investments	\$ 96,440	\$ 96,534	\$ 125,849	\$ 125,518
Long term investments	208,752	214,888	161,952	161,683
	\$ 305,192	\$ 311,422	\$ 287,801	\$ 287,201

Investments mature at various dates between January 7, 2021 and September 23, 2035 and have an average effective annual yield of 2.41% (2019 3.05%).

Investments include \$51,104 (2019 \$56,305) in externally restricted amounts which must be used for specified capital projects.

5. RECEIVABLES

	2020	2019
Trade accounts receivable	\$ 43,423	\$ 45,243
Taxes receivable	3,550	3,136
Receivables from other governments	2,925	8,872
	49,898	57,251
Allowance for doubtful amounts	(5,572)	(5,113)
	\$ 44,326	\$ 52,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

6. LOANS AND ADVANCES

	2020	2019
Lethbridge Exhibition	\$ 3,816	\$ 3,998
Non-interest bearing, payable in monthly installments over a period of 15 years by way of equal consecutive monthly payments commencing on the first day of the month following the final draw down date		
Less: Imputed interest	(249)	(249)
Net Lethbridge Exhibition	3,567	3,749
SLP Industries Ltd.	25	33
Non-interest bearing, payable in an installment of \$30 on June 30, 2013 and quarterly installments of \$2.5 from June 30, 2016 to March 31, 2023		
	\$ 3,592	\$ 3,782

7. DEPOSITS

	2020	2019
Deposits on land ⁽¹⁾	\$ 7,200	\$ 4,800
Transmission line deposit	350	350
Other	301	107
	\$ 7,851	\$ 5,257

⁽¹⁾ Deposits on land

On October 10, 2017, City Council approved the purchase of 160 acres of land for \$9.6 million. The payment terms of the purchase agreement are \$2.4 million per year beginning in 2018 with a final payment and transfer date of January 31, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

8. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2020	2019
Trade accounts payable	\$ 28,675	\$ 38,129
Accrued liabilities	9,775	10,709
Environmental liabilities ⁽¹⁾	5,284	5,757
Other government	1,174	1,426
	\$ 44,908	\$ 56,021

(1) Environmental liabilities - landfill closure and post-closure costs

Included in accounts payable and accrued liabilities is the estimated total landfill closure and post-closure care costs. The estimated total liability for these expenses is based on the sum of discounted future cash flows for closure and post-closure costs discounted at the City's average long term borrowing rate and assuming annual inflation of 2.66%.

The accrued environmental liability is based on the cumulative capacity used at year end compared to the estimated total capacity of the landfill site.

Closure will involve covering the site with topsoil and vegetation, drainage control, and installing ground water monitoring wells. Post-closure care activities for phases currently under operation is expected to occur for 50 years after closure and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and landfill cover maintenance. The reported liability is based on estimates and assumptions with respect to events using the best information available to management. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability. The changes would be recognized prospectively, as a change in estimate, when applicable.

The remaining capacity of the approved phases is estimated at 21.3 (2019 21.4) million cubic meters which will be reached in approximately 60-70 years. The remaining closure costs and post-closure costs to be recognized have been estimated at \$16,169 (2019 \$18,121). The following summarizes the total net present value of the estimated costs of closure and post-closure care:

	2020	2019
Estimated closure costs	\$ 15,822	\$ 17,322
Estimated post-closure costs	5,631	6,556
Total estimated costs	21,453	23,878
Amount accrued to December 31	(5,284)	(5,757)
Balance of estimated costs to accrue over the remaining life of the landfill	\$ 16,169	\$ 18,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

9. EMPLOYEE BENEFIT OBLIGATIONS

	2020	2019
Vacation and overtime	\$ 12,804	\$ 11,842
Sick pay	1,474	1,296
Other	114	110
	\$ 14,392	\$ 13,248

Vacation and Overtime

The vacation and overtime liability is comprised of vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Sick Pay

The sick pay liability is comprised of sick pay that police employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to them within the next budgetary year.

10. DEFERRED REVENUE

	2020	2019
Deferred revenue	\$ 2,641	\$ 3,361
Government contributions ⁽¹⁾	51,104	56,305
Prepaid taxes	37,466	38,981
	\$ 91,211	\$ 98,647

⁽¹⁾ Government contributions in deferred revenue consist of the following:

	2019 Balance	Grants Received & Net Interest	Government Transfer Revenue	2020 Balance
Municipal Sustainability Initiative Grant	\$ 25,851	\$ 574	\$ (11,391)	\$ 15,034
Basic Municipal Transportation Grant	10,186	214	(6,013)	4,387
Federal Gas Tax Fund	14,621	17,627	(5,921)	26,327
Other Grants ⁽¹⁾	5,647	26,850	(27,141)	5,356
	\$ 56,305	\$ 45,265	\$ (50,466)	\$ 51,104

⁽¹⁾ Included in other grants is \$11,262,629 of grant received from the Province of Alberta for the Municipal Operating Support Transfer ("MOST"). The amount received during the year was recognized in full as government transfer revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

11. DEBENTURE DEBT

	2020	2019
General - self supported	\$ 72,814	\$ 73,018
Utilities	97,320	96,966
General - tax supported	54,261	58,006
	\$ 224,395	\$ 227,990

Principal and interest repayments are as follows:

	Principal	Interest	Total
2021	\$ 19,469	\$ 6,091	\$ 25,560
2022	18,679	5,532	24,211
2023	18,833	4,990	23,823
2024	18,123	4,445	22,568
2025	18,462	3,946	22,408
2026 to maturity	130,829	14,591	145,420
	\$ 224,395	\$ 39,595	\$ 263,990

During the year the Alberta Capital Finance Authority ("ACFA") was dissolved with the Province of Alberta assuming all rights, obligations, liabilities, and duties of ACFA. As a result of this change the debenture debt is repayable to the Province of Alberta. Existing debentures mature in annual amounts to the year 2038. Interest rates on these debentures range from 1.24% to 5.81% per annum. Debenture debt is issued on the credit and security of the City at large.

Interest expense on long-term debt amounted to \$6,389 (2019 \$6,041).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

12. DEBT LIMITS

Section 276 (2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2020	2019
Total debt limit	\$ 609,794	\$ 612,482
Debtenture debt	(224,395)	(227,990)
Debt limit unused	385,399	384,492
Percentage of debt to debt limit	36.80 %	37.22 %
Service on debt limit	101,632	102,080
Service debt (principal and interest payment)	(25,560)	(26,586)
Service on debt limit unused	76,072	75,494
Percentage of service on debt limit used	25.15 %	26.04 %

The debt limit is calculated at 1.5 times the revenue of the City as defined in Alberta Regulations 255/2000 (consolidated revenue less capital grant revenue, less contributed asset revenue, less loans to non-profit organizations and controlled corporations) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

13. TANGIBLE CAPITAL ASSETS

	2020	2019
Net Book Value		
Land	\$ 135,885	\$ 134,479
Land improvements	71,985	71,382
Buildings	404,068	415,781
Infrastructure		
Roadways	487,878	481,075
Water system	193,572	192,962
Wastewater system	166,216	167,388
Waste Services system	4,328	4,246
Electrical system	146,444	147,493
Equipment and furnishings	72,858	73,828
Vehicles	44,185	43,211
Assets		
Under Construction	104,311	\$ 80,931
	1,831,730	1,812,776

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$7,726 (2019 \$18,640). This amount is comprised of land in the amount of \$352 (2019 \$462), land improvements in the amount of \$149 (2019 \$257), infrastructure in the amount of \$7,155 (2019 \$17,434), buildings in the amount of \$0 (2019 \$304), and equipment and furnishings in the amount of \$69 (2019 \$183).

The City capitalized \$90 (2019 \$167) in interest during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

14. ANNUAL UNRESTRICTED SURPLUS

As is common for municipal governments, the General Operations and the individual Utility Operations budgets are prepared on a balanced basis. Details of surpluses and deficits are disclosed as follows:

	2020 Surplus	2019 Surplus
General	\$ 4,821	\$ 2,145
Utilities		
Water	362	710
Wastewater	143	1,120
Waste & Recycling	813	74
Electric	(1,376)	(972)
Total Utilities	(58)	932
	\$ 4,763	\$ 3,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

15. MUNICIPAL EQUITY

Municipal equity consists of unrestricted and restricted balances and equity in non-financial assets as follows:

	2020	2019
Unrestricted balances		
Unrestricted surplus (Note 16)	\$ 19,614	\$ 16,024
Unfunded		
Inventories held for consumption	(13,432)	(11,437)
Prepaid expenses	(2,149)	(2,099)
Restricted balances		
Reserves (Note 17)	125,273	106,156
Capital fund	87,047	88,063
Equity in non-financial assets		
Inventories held for consumption	13,432	11,437
Prepaid expenses	2,149	2,099
Land held for resale	28,025	28,408
Tangible capital assets (Note 19)	1,607,335	1,584,786
	\$ 1,867,294	\$ 1,823,437

16. ACCUMULATED UNRESTRICTED SURPLUS

General Operations and Electric Utility accumulated surpluses and deficits of the prior year are transferred to the Municipal Revenue Stabilization Reserve and Electric Utility Reserve respectively, in the current year. The 2020 General Operations accumulated surplus of \$4,821 will be transferred to the Municipal Revenue Stabilization Reserve and the 2020 Electric accumulated deficit of \$(1,376) will be transferred to the Electric Reserve in 2021.

	2019 Balance	Appropriations & Adjustments	2020 Surplus (Deficit)	2020 Balance
City general	\$ 2,145	\$ (2,145)	\$ 4,821	\$ 4,821
Water	4,590	-	362	4,952
Wastewater	5,161	-	143	5,304
Waste & Recycling	5,100	-	813	5,913
Electric	(972)	972	(1,376)	(1,376)
	\$ 16,024	\$ (1,173)	\$ 4,763	\$ 19,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

17. RESERVES

Reserves are established at the discretion of City Council to set aside funds for future operating and capital expenses.

	2020	2019
Municipal Revenue Stabilization (Note 18)	\$ 34,861	\$ 33,331
Budget Appropriations	20,921	15,680
Fleet Services	19,799	22,754
Major Capital Projects	12,165	7,129
Electric	10,066	4,323
Real Estate Holdings	6,181	5,641
Insurance	4,658	4,966
Community Lighting	4,226	4,722
Airport Reserve	3,867	472
Urban Parks	3,242	2,567
Cemeteries	1,627	1,397
Acquire Off Street Parking	1,502	1,027
Transit Bus	1,043	1,043
Central Business District Land Acquisition	686	685
Municipal Reserve Fund	314	306
Mayor Magrath Drive Beautification	115	113
	\$ 125,273	\$ 106,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

18. MUNICIPAL REVENUE STABILIZATION RESERVE

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 one time expenses, internal financing advances, and other allocations to General Operations. The transactions affecting the reserve for the year ended December 31, 2020 are as follows:

	2020	2019
Balance, beginning of year	\$ 33,331	\$ 28,746
Add: Electric Municipal Consent and Access Fee (MCAF)	9,661	9,083
Gas company franchise fee revenue	5,994	5,937
Investment and interest income (net of trust allocations)	5,860	7,299
By-law enforcement	3,292	5,748
Recovery of internal financing	3,286	3,960
Prior Year General Operating Surplus	2,145	5,475
Return on Investment (Electric)	1,988	2,119
Commercial land lease revenue	918	839
Snow Removal	195	-
	66,670	69,206
Less:		
Budgeted Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,632	9,367
By-law enforcement	5,511	5,513
Allocation to General Operations	5,450	5,350
Gas company franchise fee	5,410	5,410
Return on Investment (Electric ROI)	2,598	2,623
One time allocations	1,701	2,013
Commercial land debenture payment	1,000	1,001
Allocation for Tax Installment Payment Plan discounts	507	483
Internal financing advances	-	3,752
Snow Removal	-	363
	31,809	35,875
Balance, end of year	\$ 34,861	\$ 33,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

19. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible capital assets (Schedule 3)	\$ 2,629,541	\$ 2,554,518
Accumulated amortization (Schedule 3)	(797,811)	(741,742)
Debtenture debt (Note 11)	(224,395)	(227,990)
	\$ 1,607,335	\$ 1,584,786

20. GOVERNMENT TRANSFERS

	2020	2019
Operating		
Provincial	\$ 24,453	\$ 15,472
Federal	3,123	2,605
Capital		
Provincial	18,474	20,907
Federal	4,416	7,278
	\$ 50,466	\$ 46,262

21. EXPENSES BY OBJECT

	2020	2019
Salaries, wages and benefits	\$ 179,765	\$ 178,061
Materials, supplies and utilities	75,034	80,961
Contracted and general services	67,727	69,319
Amortization of tangible capital assets	65,290	63,904
Transfers to individuals and organizations	6,986	10,609
Debtenture debt interest	6,389	6,041
Financial charges	1,410	1,386
Other ⁽¹⁾	(5,720)	(9,687)
	\$ 396,881	\$ 400,594

⁽¹⁾ The majority of other expenses relate to the recovery of costs charged to capital projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

22. COMMITMENTS

a. Contracts

As at December 31, 2020 the City has committed funds on various capital projects in progress and capital assets. The funds committed by contract and the estimated costs to complete those projects are as follows:

	Funds Committed	Estimated Cost to Complete
Buildings		
ATB Centre - Phase 2 (Leisure Complex)	\$ 1,271	\$ 1,271
Environmental Utilities		
Landfill Gas & Leachate Management System	2,105	4,873
Water Treatment Plant Residuals Management	1,207	1,680
Wastewater Treatment Plant Headworks & Clarifier	1,117	1,543
Infrastructure		
3rd Ave South Reconstruction	6,421	6,421
Metis Trail	4,937	5,215
Lethbridge Airport Renovations	4,618	16,835
Nikka Yuko Japanese Gardens Community Facility	2,061	2,226
Legacy Park Amenities	1,491	3,381
Shooting Sports Facility Safety Enhancements	1,345	1,563
University Drive Twinning	1,109	2,447
Crossings Subdivision	1,074	10,395
Scenic Drive North Design and Construction	839	4,408
Vehicles		
Waste and Refuse Trucks	1,764	1,764
	\$ 31,359	\$ 64,022

In addition to the above, the City has projects planned in its Capital Improvement Program for which no funds have been committed by contract as at December 31, 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

22. COMMITMENTS (CONTINUED)

b. Regional Water Agreement

As approved by City Council on June 14, 1999 the City has entered into an agreement to supply water to the Lethbridge Regional Water Services Commission. Under the terms of the agreement in effect, as amended, until January 31, 2030 the City has agreed, subject to specified events deemed to be beyond the control of the City, to supply a maximum of 18.5 million litres per day at a pressure of 55 pounds per square inch at the point of delivery to the water feedermain.

c. Fee for Service Contracts

The City has entered into various contracts whereby third party agencies provide services to the community on behalf of the City. These fee for service contracts vary in their length, terms and conditions.

23. PENSION AND RETIREMENT PLANS

Employees of the City qualify to belong to one or more of the following defined-benefit pension or retirement plans:

a. Local Authorities Pension Plan

Employees of the City, with the exception of police officers, participate in the Local Authorities Pension Plan (LAPP), a multi-employer plan covered by the Alberta Public Sector Pension Plans Act. The Plan serves about 274,000 people and 420 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the LAPP funds.

The City is required to make current service contributions to the LAPP of 9.39% (2019 9.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 13.84% (2019 13.84%) for the excess. Employees are required to make current service contributions of 8.39% (2019 8.39%) to the YMPE and 12.84% (2019 12.84%) for any portion of pensionable salary over the YMPE.

Total current and past service contributions by the City to the LAPP were \$11,718 (2019 \$11,619). Total current and past service contributions by the employees of the City were \$10,511 (2019 \$10,810).

At December 31, 2019 the LAPP disclosed an actuarial surplus of \$7,913 million (2018 \$3,469 million); the 2020 LAPP actuarial balance was not available at the date of this report.

b. Special Forces Pension Plan

Police officers employed by the City participate in the Special Forces Pension Plan (SFPP), a multi-employer plan covered by the Alberta Public Sector Pension Plans Act. The plan serves about 7,506 people and 7 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the SFPP funds.

The contribution rates for 2020 were 14.55% (2019 14.55%) of pensionable earnings for the City and 13.45% (2019 13.45%) of pensionable salaries for police officers.

Total current and past service contributions by the City to the SFPP were \$2,929 (2019 \$2,695). Total current and past service contributions by the police officers to the SFPP were \$2,562 (2019 \$2,407).

At December 31, 2019 the SFPP disclosed an actuarial surplus of \$185 million (2018 deficit of \$(191) million); the 2020 SFPP actuarial balance was not available at the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

23. PENSION AND RETIREMENT PLANS (CONTINUED)

c. APEX Supplementary Pension Plan

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. Employees and the City are required to make current service contributions to APEX of 2.61% (2019 2.84%) and 3.85% (2019 3.78%) respectively of pensionable earnings up to \$155 (2019 \$151).

Total current service contributions by the City to APEX in 2020 were \$709 (2019 \$728). Total current service contributions by the employees of the City were \$485 (2019 \$545).

d. MuniSERP Supplementary Employee Retirement Plan

In December 2002, City Council approved the participation of the City in the MuniSERP program, a plan available through the Alberta Urban Municipalities Association (AUMA). This plan is a supplemental employee retirement plan (SERP) that provides supplementary benefits to a prescribed class of employees whose retirement income would be affected by the Income Tax Act cap on pension contributions. The supplementary benefit takes the form of a lump sum cash payment upon retirement or death. MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered defined benefit employee retirement plan. The retirement benefit expense recorded by the City in the year is \$73 (2019 \$193).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. An actuarial valuation was completed on December 31, 2020. The significant actuarial assumptions in measuring the accrued benefit obligation are as follows: expected discount rate of 4.45%, expected salary escalations of 2.75% per year and inflation rate of 2.25%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

24. SALARY & BENEFITS

Disclosure of salaries & benefits for elected officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	Number of Persons	Salary	Benefits & Allowances	2020	2019
Mayor					
Spearman, C	1	\$ 146	\$ 10	\$ 156	\$ 157
Councillors					
Campbell, M	1	60	9	69	70
Carlson, J	1	60	9	69	73
Coffman, J	1	63	9	72	70
Crowson, B	1	62	8	70	71
Hyggen, B	1	60	9	69	75
Mauro, J	1	60	9	69	69
Miyashiro, R	1	61	9	70	71
Parker, R	1	60	9	69	73
	8	486	71	557	572
City Manager	1	258	35	293	307
Designated Officers ⁽¹⁾	4	\$ 766	\$ 184	\$ 950	\$ 915

⁽¹⁾ Designated Officers include the City Assessor, City Clerk, City Solicitor, and the City Treasurer.

Councillors who perform the duties of Deputy Mayor on a rotational basis have their salaries adjusted accordingly. Salary includes regular base pay, per diem amounts and any other direct cash remuneration. Benefits and allowances include the employer's share of all employee benefits, contributions or payments made on behalf of employees, and the employer's share of the costs of any additional taxable benefits.

25. FINANCIAL INSTRUMENTS

Unless otherwise noted, the fair value of the financial instrument approximates their carrying value and it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

26. CONTINGENT LIABILITIES

The City of Lethbridge owns properties that may contain environmental contamination and may require site reclamation. The amount of any such obligations are not practically estimable.

27. SEGMENTED DISCLOSURES

The Schedule of Segmented Reporting – Schedule 4 has been prepared in accordance with PS 2700 Segmented Disclosures. Segmented disclosures are intended to help users of the financial statements identify the resources allocated to support major governments activities and allow the user to make more informed judgments regarding the government reporting entity.

Segmented information has been identified based upon functional activities provided by the City. For each reported segment, revenue and expenses represent amounts directly attributable to the functional activity and amounts allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follows:

a. General Municipal Revenue

General Municipal Revenue includes net taxes, fines and penalties, return on investments, government transfers and franchise fees.

b. Protective Services

Protective Services includes dispatch, police, fire, disaster services, ambulance, inspection services, business licenses, parking enforcement, regulatory services and animal control.

c. Infrastructure & Transportation Services

Infrastructure & Transportation Services includes engineering services, fleet, roadway and parking services, storm sewers, transit, and airport.

d. Leisure & Human Services

Leisure & Human Services includes recreational and cultural facilities and programs. Also includes library, museum, and parks maintenance.

e. General Government Services

General Government Services includes council, legislative and general administration.

f. Development Services

Development Services includes economic development, planning, public housing and land development.

g. Family Support & Social Services

Family Support & Social Services includes community and family support, cemeteries and other public health support.

h. Utilities

Utilities includes water, wastewater, electric and waste services, the latter of which encompasses recycling and landfill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (in thousands of dollars)

28. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

29. BUDGET INFORMATION

The 2019 - 2022 Operating Budget was approved by City Council on December 10, 2018. The reconciliation between the approved budget and the budget presented in these consolidated financial statements are as follows:

	2020 Budget
Revenue	
Approved budgeted revenue	\$ 434,755
Expenses	
Approved budgeted expenses	362,553
Less: Budget adjustments	68,617
Excess of Revenue Over Expenses	\$ 3,585

Adjustments are primarily amortization of tangible capital assets that were not included in the approved budget.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of dollars)

30. CONTRACTUAL RIGHTS

Contractual rights are rights of the City to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating leases	Other contracts	Total
2021	\$ 459	\$ 18,882	\$ 19,341
2022 ⁽¹⁾	401	25,097	25,498
2023	391	1,904	2,295
2024	216	214	430
2025	170	50	220
Thereafter	207	893	1,100
Total at December 31, 2020	\$ 1,844	\$ 47,040	\$ 48,884
Total at December 31, 2019	\$ 2,382	\$ 67,309	\$ 69,691

⁽¹⁾ The City has rights to \$16,991 in 2022 (2019 \$17,418) for the sale of land to a commercial developer. The City holds a contract to sell the developer a total of 66 acres of land with 38 acres remaining to be sold by December 31, 2022.

The City has entered into a number of property development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground networks. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution, which cannot be determined with certainty at this time.

31. COVID-19 IMPACT AND CONTINGENCY

The World Health Organization declared a global pandemic for the COVID-19 disease on March 11, 2020. On March 17, 2020, the Government of Alberta, declared a state of public health emergency over the COVID-19 pandemic and enacted measures for its citizens and businesses to follow, intended to minimize the impact of the disease. Consequently, on March 18, 2020, the City declared a State of Local Emergency that remained in effect until June 18, 2020.

COVID-19 relief was provided to the City in the form of Municipal Operating Support Transfer ("MOST") grant received from the Province of Alberta in the amount of \$11,262,629. The MOST grant has been fully claimed against eligible incremental operating costs and replacement of reduced revenues experienced in 2020.

There are factors which may present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect of these items is not practicable at this time.

32. APPROVAL OF FINANCIAL STATEMENTS

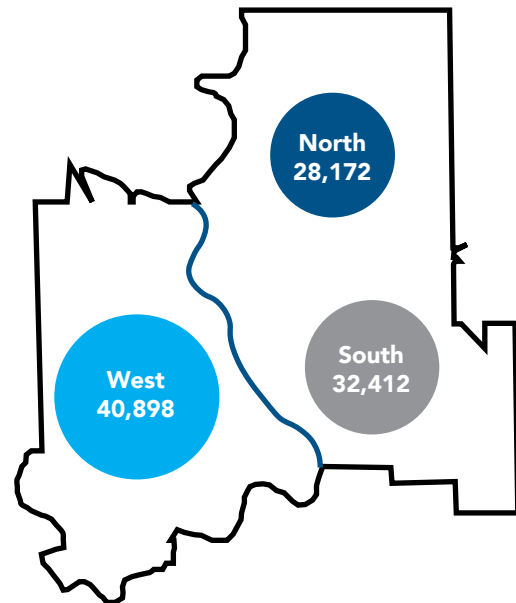
These financial statements have been approved by City Council.



STATISTICAL INFORMATION (UNAUDITED)

STATISTICAL INFORMATION

Population by Location in 2020*

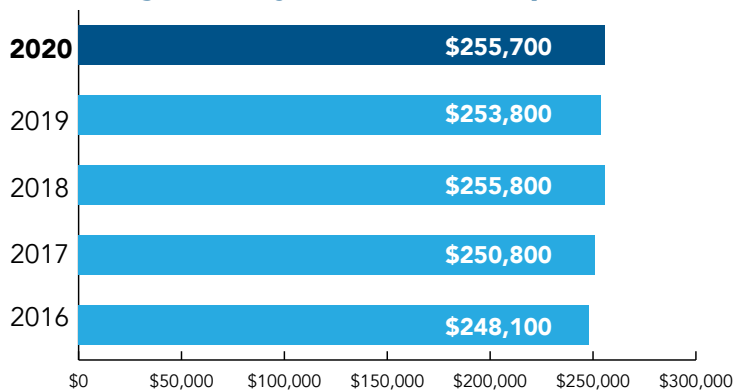


Total Population

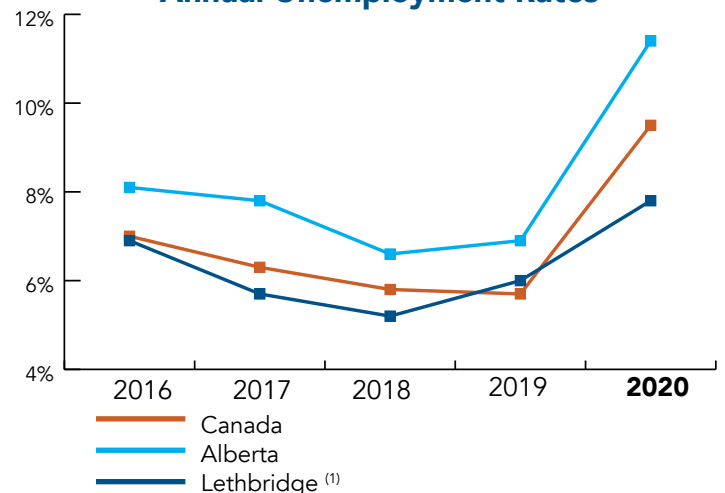


* The City of Lethbridge did not conduct a census in 2020.

Median Property Assessment for Single Family Residential Properties



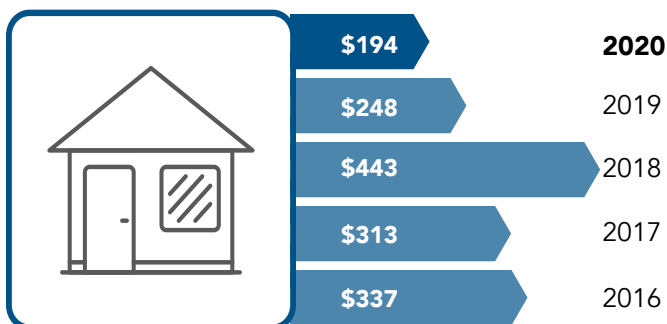
Annual Unemployment Rates



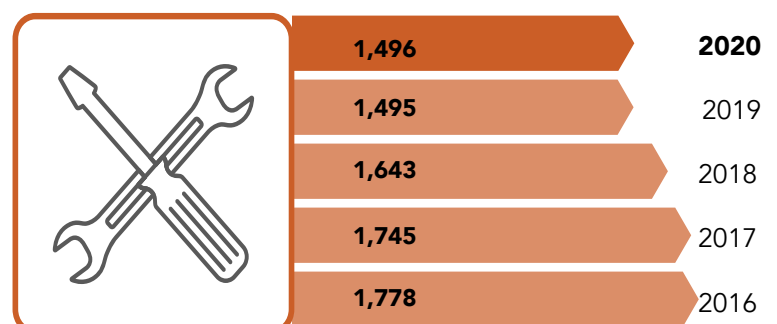
Source: Statistics Canada

(1) The unemployment rates include Lethbridge & Medicine Hat regions (for 2016-2019) and only includes the Lethbridge region for 2020.

Building Permit Values (in millions of dollars)



Number of Building Permits Issued



STATISTICAL INFORMATION

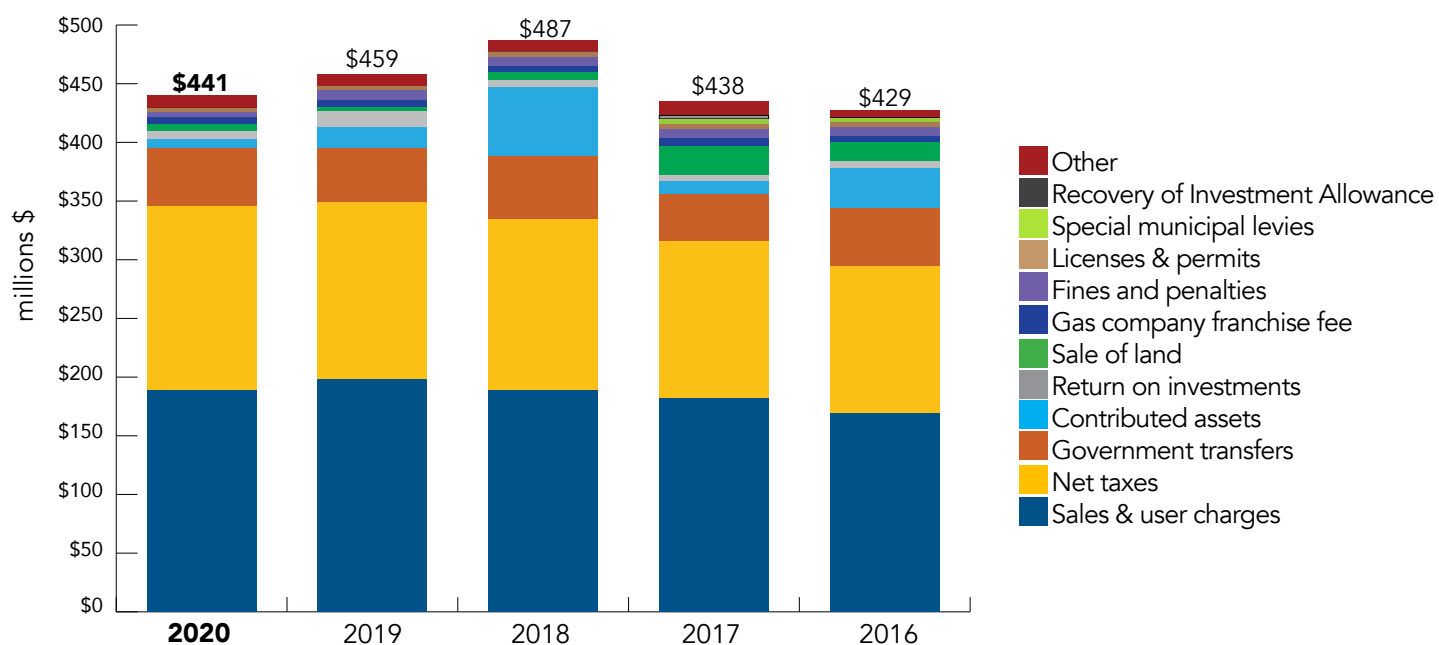
Five Year Summary of Consolidated Revenue

For the Years Ended December 31, 2016 to 2020

(in thousands of dollars)

	2020	2019	2018	2017	2016
REVENUE					
Sales and user charges	\$ 189,420	\$ 198,218	\$ 189,423	\$ 182,563	\$ 169,330
Net taxes	155,822	151,801	145,301	134,048	126,371
Government transfers	50,466	46,262	54,107	40,936	49,313
Contributed assets	7,725	18,640	59,046	11,194	34,644
Return on investments	6,325	12,693	5,866	5,076	5,712
Sale of land	6,297	3,752	7,240	25,322	16,236
Gas company franchise fee	5,994	5,937	5,244	6,063	5,470
Fines and penalties	5,097	8,021	6,733	7,882	7,944
Licenses and permits	3,073	3,678	4,743	5,339	4,511
Special municipal levies	-	-	-	3,877	3,725
Recovery of Investment Allowance	-	-	-	3,554	-
Other	10,519	9,927	9,754	11,851	5,776
TOTAL REVENUE	\$ 440,738	\$ 458,929	\$ 487,457	\$ 437,705	\$ 429,032

2016-2020 Gross Revenue

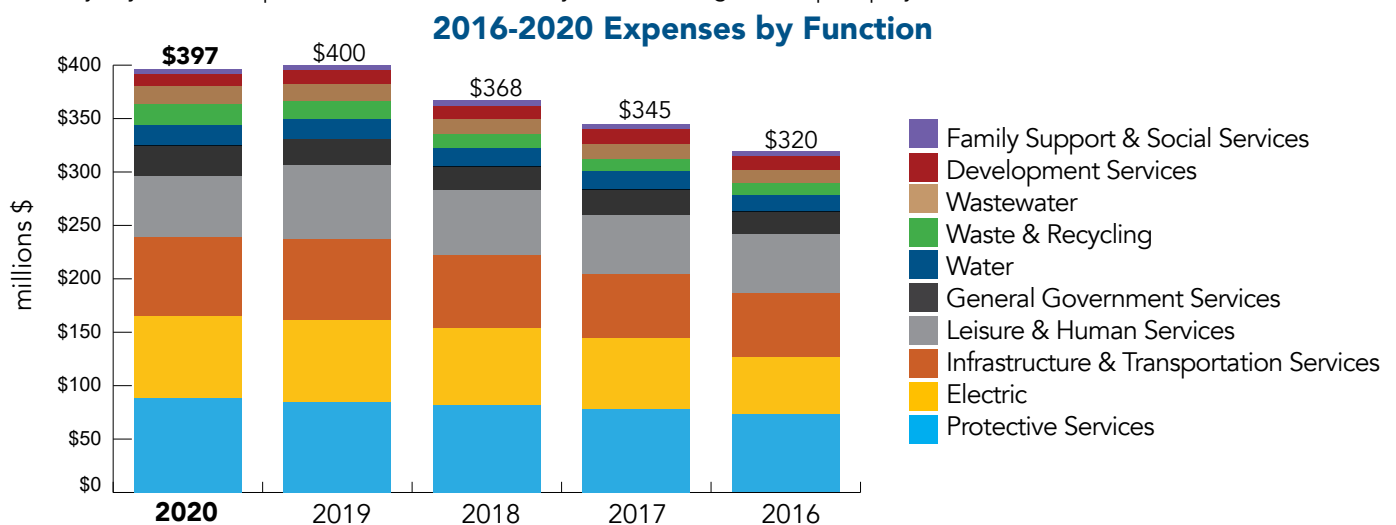


Five Year Summary of Consolidated Expenses

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

	2020	2019	2018	2017	2016
EXPENSES BY FUNCTION					
Protective Services	\$ 88,474	\$ 85,556	\$ 81,922	\$ 78,370	\$ 73,188
Electric	77,218	76,473	72,556	65,909	54,411
Infrastructure and Transportation Services	74,116	75,698	68,095	59,752	59,344
Leisure and Human Services	56,831	68,769	61,093	56,380	56,273
General Government Services	29,175	25,267	22,054	23,697	21,184
Water	18,841	18,353	16,772	16,738	15,116
Waste and Recycling	18,810	16,663	13,849	11,315	11,502
Wastewater	16,821	16,089	14,623	13,681	13,232
Development Services	12,131	12,885	12,245	14,372	11,939
Family Support and Social Services	4,464	4,841	5,209	4,624	4,392
TOTAL EXPENSES BY FUNCTION	\$ 396,881	\$ 400,594	\$ 368,418	\$ 344,838	\$ 320,581
EXPENSES BY OBJECT					
Salaries, wages and benefits	\$ 179,765	\$ 178,061	\$ 170,875	\$ 168,386	\$ 159,931
Materials, supplies and utilities	75,034	80,961	75,033	65,249	58,368
Contracted and general services	67,727	69,319	62,851	55,995	54,375
Amortization of tangible capital assets	65,290	63,904	55,939	49,105	46,323
Transfers to individuals and organizations	6,986	10,609	7,103	7,814	7,971
Debenture debt interest	6,389	6,041	5,086	3,568	2,778
Financial charges	1,410	1,386	2,293	1,279	1,175
Other ⁽¹⁾	(5,720)	(9,687)	(10,762)	(6,558)	(10,340)
TOTAL EXPENSES BY OBJECT	\$ 396,881	\$ 400,594	\$ 368,418	\$ 344,838	\$ 320,581

(1) The majority of other expenses relate to the recovery of costs charged to capital projects.



STATISTICAL INFORMATION

Five Year Summary of Debenture Debt

For the Years Ended December 31, 2016 to 2020

(in thousands of dollars)

	2020	2019	2018	2017	2016
GENERAL					
Tax supported					
Recreation & Culture Facilities	\$ 54,261	\$ 58,006	\$ 58,164	\$ 54,207	\$ 12,000
Self supported					
Offsites	50,388	50,191	50,253	46,033	44,310
Industrial park servicing	11,697	11,353	12,806	9,109	2,075
Commercial land servicing	10,163	10,869	11,555	12,222	-
Airport	566	605	644	-	-
Local improvements	-	-	25	50	74
	127,075	131,024	133,447	121,621	58,459
UTILITIES					
Water	14,738	15,120	6,411	7,175	8,027
Wastewater	21,248	20,011	7,564	6,266	6,485
Waste & Recycling	24,462	25,272	21,163	10,344	8,650
Electric	36,872	36,563	33,295	28,588	27,905
	97,320	96,966	68,433	52,373	51,067
TOTAL GENERAL AND UTILITIES DEBT	\$ 224,395	\$ 227,990	\$ 201,880	\$ 173,994	\$ 109,526
POPULATION	101,482	101,482	99,769	98,198	96,828
DEBENTURE DEBT PER CAPITA					
General - mill rate supported	\$ 535	\$ 572	\$ 583	\$ 552	\$ 124
General - self supported	718	720	755	687	480
Utilities	959	955	686	533	527
	\$ 2,212	\$ 2,247	\$ 2,024	\$ 1,772	\$ 1,131
DEBT LIMIT (as per Municipal Government Act)					
Total debt limit	\$ 609,794	\$ 612,482	\$ 578,773	\$ 591,103	\$ 535,924
Total debt (above)	(224,395)	(227,990)	(201,880)	(173,994)	(109,526)
DEBT LIMIT UNUSED	\$ 385,399	\$ 384,492	\$ 376,893	\$ 417,109	\$ 426,398
Percentage of debt limit used	36.8%	37.2%	34.9%	29.4%	20.4%
Service on debt limit	\$ 101,636	\$ 102,080	\$ 96,462	\$ 98,517	\$ 89,321
Service on debt (principal and interest payment)	(25,560)	(26,586)	(23,384)	(20,686)	(15,849)
SERVICE ON DEBT LIMIT UNUSED	\$ 76,076	\$ 75,494	\$ 73,078	\$ 77,831	\$ 73,472
Percentage of service on debt limit used	25.1%	26.0%	24.2%	21.0%	17.7%
Percentage of expenditures	6.4%	6.6%	6.3%	6.0%	4.9%

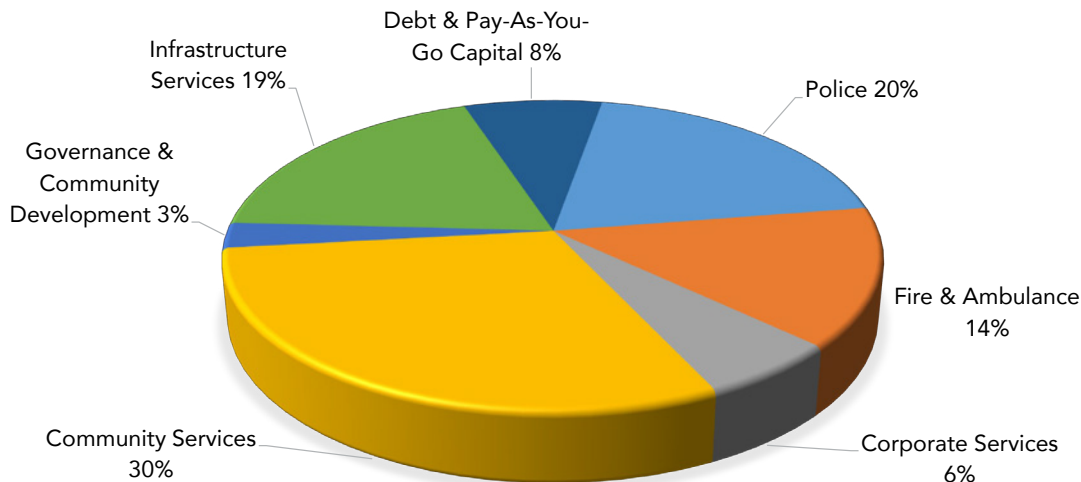
Five Year Summary of Property Tax Levy

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

	2020	2019	2018	2017	2016
REAL PROPERTY					
Municipal	\$ 155,300	\$ 150,931	\$ 144,296	\$ 133,023	\$ 125,616
Education	37,116	37,601	35,645	33,340	32,584
Other	2,676	996	1,418	1,470	1,000
TOTAL REAL PROPERTY	195,092	189,528	181,359	167,833	159,200
Special Assessments	-	-	-	3,877	3,725
Business Taxes (BRZ)	-	172	167	215	181
TOTAL CURRENT YEAR LEVY	\$ 195,092	\$ 189,700	\$ 181,526	\$ 171,925	\$ 163,106
Current Taxes Collected	\$ 192,203	\$ 187,191	\$ 179,186	\$ 169,526	\$ 161,195
% of Current Taxes Collected	98.5%	98.7%	98.7%	98.6%	98.8%

The ten largest corporate taxpayers account for \$12,320 (6.3%) of the 2020 total property tax levy.

2020 Allocation of Municipal Property Tax Dollars



Five Year Summary of Taxable Assessment

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

	2020	2019	2018	2017	2016
Residential	\$ 10,221,920	\$ 10,203,124	\$ 9,970,488	\$ 9,632,957	\$ 9,317,539
Apartments	523,578	474,762	452,532	449,165	450,068
Commercial and Industrial	2,924,047	2,774,900	2,742,410	2,647,657	2,536,468
TOTAL TAXABLE ASSESSMENT	\$ 13,669,545	\$ 13,452,786	\$ 13,165,430	\$ 12,729,779	\$ 12,304,075

STATISTICAL INFORMATION

Five Year Summary of Acquisition of Tangible Capital Assets

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

	2020	2019	2018	2017	2016
CAPITAL SPENDING					
Land	\$ 1,094	\$ 533	\$ 5,012	\$ 12,868	\$ 3,669
Land improvements	4,874	6,924	17,271	4,830	10,378
Buildings	(18)	130,979	24,052	36,368	46,877
Infrastructure	34,072	64,994	58,383	32,633	62,146
Equipment and furnishings	6,753	25,964	16,296	5,726	6,544
Vehicles	9,395	10,070	9,437	8,211	9,688
Change in assets under construction	23,380	(99,773)	25,152	46,403	(18,146)
TOTAL CAPITAL SPENDING	\$ 79,550	\$ 139,691	\$ 155,603	\$ 147,039	\$ 121,156

Five Year Summary of Net Financial Assets (Debt)

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

	2020	2019	2018	2017	2016
FINANCIAL ASSETS					
Excess of revenue over expenses	\$ 43,857	\$ 58,335	\$ 119,039	\$ 92,867	\$ 108,451
Change related to tangible capital assets	(18,954)	(93,076)	(155,440)	(107,223)	(103,875)
Change related to other non-financial assets	(1,138)	(2,080)	(6,305)	(1,317)	889
Increase (Decrease) in Net Financial Assets	23,765	(36,821)	(42,706)	(15,673)	5,465
Net Financial Assets, Beginning of Year	(33,241)	3,580	46,286	61,959	56,494
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ (9,476)	\$ (33,241)	\$ 3,580	\$ 46,286	\$ 61,959

Five Year Summary of Municipal Equity

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

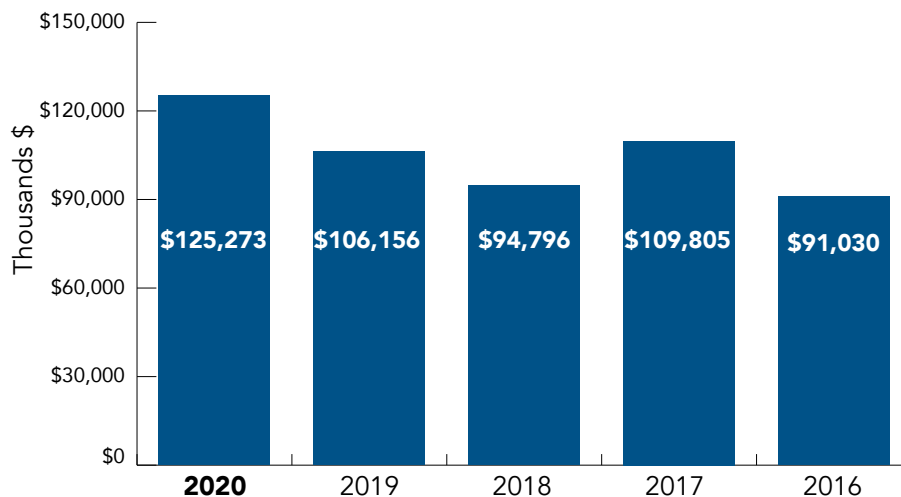
	2020	2019	2018	2017	2016
Revenue	\$ 440,738	\$ 458,929	\$ 487,457	\$ 437,705	\$ 429,032
Expenses	396,881	400,594	368,418	344,838	320,581
Excess of Revenue Over Expenses	43,857	58,335	119,039	92,867	108,451
Municipal Equity, Beginning of Year	1,823,437	1,765,102	1,646,063	1,553,196	1,444,745
MUNICIPAL EQUITY, END OF YEAR	\$ 1,867,294	\$ 1,823,437	\$ 1,765,102	\$ 1,646,063	\$ 1,553,196

Five Year Summary of Reserves

For the Years Ended December 31, 2016 to 2020
(in thousands of dollars)

	2020	2019	2018	2017	2016
RESERVES					
Municipal Revenue Stabilization	\$ 34,861	\$ 33,331	\$ 28,746	\$ 26,120	\$ 19,786
Budget Appropriations	20,921	15,680	12,450	16,639	16,793
Fleet Services	19,799	22,754	22,184	22,514	20,009
Major Capital Projects	12,165	7,129	3,673	20,149	13,012
Electric	10,066	4,323	4,595	771	230
Real Estate Holdings	6,181	5,641	5,469	5,392	4,813
Insurance	4,658	4,966	4,833	4,351	3,922
Community Lighting	4,226	4,722	5,253	5,715	5,017
Airport	3,867	472	-	-	-
Urban Parks	3,242	2,567	2,102	1,363	917
Cemeteries	1,627	1,397	1,347	1,385	1,448
Acquire Off Street Parking	1,502	1,027	2,018	3,415	3,197
Transit Bus	1,043	1,043	1,033	906	1,070
Central Business District Land Acquisition	686	685	684	683	421
Municipal Reserve Fund	314	306	298	292	287
Mayor Magrath Drive Beautification	115	113	111	110	108
TOTAL RESERVES	\$ 125,273	\$ 106,156	\$ 94,796	\$ 109,805	\$ 91,030

SUMMARY OF RESERVES (thousands \$)



STATISTICAL INFORMATION

Five Year Summary of Government Transfers

For the Years Ended December 31, 2016 to 2020 (in thousands of dollars)

	2020			2019	2018	2017	2016
	Provincial	Federal	Total				
UNCONDITIONAL TRANSFERS							
Grants in lieu of taxes	\$ 632	\$ 67	\$ 699	\$ 1,209	\$ 1,420	\$ 1,330	\$ 1,309
CONDITIONAL TRANSFERS							
Municipal Sustainability Initiative (MSI) ⁽¹⁾	18,040	-	18,040	15,599	22,487	13,552	29,103
Municipal Operating Support Transfer (MOST)	11,263	-	11,263	-	-	-	-
Federal Gas Tax Fund (FGTF)	-	5,922	5,922	4,314	3,245	2,269	3,372
Social Housing in Action (SHIA)	3,335	1,403	4,738	5,870	4,425	4,471	4,179
Green TRIP (Green Transit Initiatives Program)	2,497	-	2,497	9,038	7,726	1,695	3,911
Family and Community Support Services (FCSS)	2,446	-	2,446	2,462	3,017	1,859	2,446
Municipal Policing Assistance Grant (MPAG)	1,624	-	1,624	1,596	1,571	1,549	1,517
9-1-1 Program	685	-	685	684	649	625	613
Alberta Community Resilience Program	643	-	643	60	51	75	-
Lethbridge Public Library	537	-	537	537	537	537	526
Affordable Housing ⁽²⁾	387	-	387	55	-	65	71
Police Officers Grant	300	-	300	300	300	300	325
Victim/Witness Services Unit	300	-	300	225	150	150	150
Adult Literacy Program	247	-	247	265	268	264	143
COVID-19 Pandemic Emergency Response	243	-	243	-	-	-	-
Disaster Recovery	235	-	235	-	-	463	707
Airport Capital Assistance Program (ACAP)	-	152	152	-	-	-	-
Fetal Alcohol Spectrum Disorder (FASD)	135	-	135	125	93	90	132
Municipal Climate Change Action Centre (MCCAC)	56	-	56	-	-	-	-
Canada Heritage Program	-	53	53	4	15	15	15
Community Regional Economic Support (CARES)	48	-	48	-	-	-	-
Canada Day/Canada 150 Celebrations	-	9	9	8	36	14	80
ALERT Program	7	-	7	28	28	21	28
Alberta Community Partnership (ACP)	(49)	-	(49)	-	68	290	678
Municipalities for Climate Innovation Program (MCIP)	(57)	-	(57)	103	89	-	-
Clean Water & Wastewater Fund (CWWF)	-	-	-	4,118	5,478	1,604	-
Public Transit Infrastructure Fund	-	-	-	540	1,285	202	-
Municipal Cannabis Transition Program (MCTP)	-	-	-	321	-	-	-
Rural Development Division	-	-	-	-	1,800	7,200	-
Canadian Cultural Spaces Fund	-	-	-	-	350	2,899	252
Western Economic Diversification Canada (WEDC)	-	-	-	-	236	190	-
Alberta Seniors Housing	-	-	-	-	100	-	-
Summer Temporary Employment Program (STEP)	-	-	-	-	39	33	30
Refugee Language and Support Program	-	-	-	-	24	34	33
OHS Innovation & Engagement Grant	-	-	-	-	20	-	-
Community Partnership Enhancement Fund (CPEF)	-	-	-	-	17	34	-
Alberta Historical Resources Foundation	-	-	-	-	-	272	78
Regional Collaboration Program	-	-	-	-	-	64	85
Employment & Social Development	-	-	-	-	-	50	-
Alberta Sport Development Centre	-	-	-	-	-	40	120
Building Canada Fund (BCF)	-	-	-	-	-	-	526
Flood Recovery Erosion Control (FREC)	-	-	-	-	-	-	126
Alberta Culture & Tourism	-	-	-	-	-	-	61
Other	5	-	5	10	3	10	6
	42,927	7,539	50,466	46,262	54,107	40,936	49,313
TOTAL GOVERNMENT TRANSFERS ⁽²⁾	\$ 43,559	\$ 7,606	\$ 51,165	\$ 47,471	\$ 55,527	\$ 42,266	\$ 50,622

(1) Program components of this grant include MSI Capital, MSI Operating and Basic Municipal Transportation Grant.

(2) Total government transfers including payments in lieu of taxes are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria and reasonable estimates of the amounts can be made.



DEPARTMENT HIGHLIGHTS & ACHIEVEMENTS

BOARDS & COMMISSIONS

Galt Museum & Archives

Lethbridge Public Library

Lethbridge Police Service



GALT MUSEUM & ARCHIVES

The Galt Museum & Archives engages and educates our community in the human history of southwestern Alberta by preserving and sharing collections, stories and memories that define our collective identity and guide our future.



KEY HIGHLIGHTS

Museums are institutions created in the public interest. The Galt Museum and Fort Whoop-Up are participatory organizations that focus on community engagement. The museum and fort offer public programs and experiences that feature hands-on opportunities to engage with local history and culture. The staff were able to pivot online quickly and creatively at the onset of the COVID-19 pandemic. This pivot was leading in our field and our region.

The outdoor location of Fort Whoop-Up helped visitors feel more comfortable engaging at the site. Staff launched new programs at the fort, including li'ethawaahkaa: Fort Whoop-Up Picnic Lunch Basket, a partnership with Nikka Yuko Japanese Gardens and Mocha Cabana; Trader Tales with New West Theatre; and special Halloween tours, which sold out days before the events.

Curatorial and archival staff partnered with local experts and community groups to prepare and display exhibits related to local art history, internment camps, swing music, youth culture, local landmarks, Terry Fox marathons, the evolution of pockets in women's fashion, the experience of refugees, and Blackfoot history and culture. Staff across the organization transitioned in-person presentations to online formats, which resulted in hundreds of hours of views over the year.

SIGNIFICANT PROJECTS

Awards Received

- Spirit of Reconciliation Award from the Lethbridge Chamber of Commerce.
- GLAMi Award from MuseWeb.

Community Collaborations

- Collections received over 30 offers of donations and conducted nearly 40 hours of interviews.
- Archives received over 80 offers of donations and over 500 research requests.
- Curatorial conducted about 50 hours of oral history interviews with exhibit and project participants.

Books Published

- Blackfoot Language Workbook for use in Blackfoot Language classes and by independent Blackfoot language learners.
- Fort Whoop-Up 150 commemorative book featuring the voices and stories of Blackfoot Elders and knowledge keepers and never-before-published archival images.

Digital Exhibits

- Renovated and relaunched the *Nikkei Tapestry* and *North-West Mounted Police* virtual exhibits.
- Uploaded the content of many in-person exhibits as online exhibits.

DID YOU KNOW?

- The Galt's online store sold nearly \$10,000 in products.
- The Galt's videos were watched for over 600 hours online.

LETHBRIDGE PUBLIC LIBRARY

Lethbridge Public Library (LPL) is committed to being the community's choice for the pursuit of literacy, leisure, learning and innovation. Serving our community since 1919, the Library offers print materials, e-resources, public computers, Wi-Fi, gathering spaces, and creative programming for all ages and abilities. There are three branches: the Main Branch located in downtown Lethbridge, the Crossings Branch located in west Lethbridge's Crossings community and the Bookmobile, which brings the Library to neighbourhoods throughout the city.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

2020 was a challenging year; however, Library staff rose to the challenge, and found new and innovative ways to offer Library services to the community throughout the COVID-19 pandemic, reaffirming the Library's commitment to being a welcoming, inclusive space that connects and strengthens community through equitable access to learning and leisure.

No Fee Membership

Fees provide a significant barrier to many, and eliminating fees ensures that all residents are able to access

Opening the Crossings Branch Toy Library the Library's physical and virtual services equally, which is why no fee memberships continued through 2020 and also into 2021. Now, more than ever, and in light of the COVID-19 pandemic, the community needs access to the Library as it is a lifeline for so many.

Crossings Branch Toy Library

Thanks to generous donations from Friends of the Lethbridge Public Library and FortisAlberta, the Crossings Branch became home to a new toy library in February. The Friends inspired the project with an initial donation, and further grant funds from FortisAlberta made it possible for Library staff to purchase toys made by companies

that have committed themselves to considering best environmental practices in the manufacturing of their products.

Commitment to Race & Social Equity

The City of Lethbridge Library Board approved an endorsement of the Canadian Urban Libraries Council's Statement on Race and Social Equity. The statement outlines the important role that public libraries have to play in advancing racial and social equity. The motion also required that Lethbridge Public Library incorporate these principles into its planning and approach to service development, and sign on to the original statement created by the Urban Libraries Council.

COVID-19 Response

Lethbridge Public Library's response to the COVID-19 pandemic was a commitment to ensuring a continuity of Library services and resources, keeping the health and safety of staff, customers, and community a priority. Highlights included:

- Shifting programming to the Library's online spaces: website (lethlib.ca), YouTube channel (youtube.com/lethlib), Kids Facebook page (facebook.com/LethlibKids), and Instagram (@lethlib), as well as onto Shaw TV.
- Offering Curbside Pick Up and Grab & Go services.
- Increasing investment in e-resources such as OverDrive/Libby and Creativebug.

- Offering The Word On The Street festival in a virtual format and extending it into the fall with a fall author series.
- Hosting a number of events with special guests throughout the year including: Dr. Jen Gunter, Linda Rakos, Terry Vulcano, Tanya Boteju, Eva Holland, Jesse Thistle, Jeff Rubin, Desmond Cole, Shari Lapena, Richard Van Camp, and Janie Chang.

Awards & Recognition

In keeping with its commitment for excellence in needs-based community programming, Lethbridge Public Library was recognized with the following awards in 2020:

- Minister's Award for Excellence in Library Service – 2019 Big Truck Petting Zoo (Government of Alberta, Municipal Affairs).
- Special Service Award – CEO, Terra Plato (Canadian Mental Health Association, Alberta Division).



Author, physician, and women's health advocate, Dr. Jen Gunter.



DID YOU KNOW?

In 2020:

- There were approximately 244,000 visits to the Library (Main and Crossings branches, and Bookmobile).
- There were 512,538 visits to the Library's website.
- 22,398 people held a Library card.
- There were a total of 696,284 checkouts.
- Library staff responded to over 81,000 questions.
- The Library hosted over 3,700 events and activities, in person and online, which attracted over 45,700 people.

A LPL card provides access to:

- More than 800,000 physical items through the regional catalogue, including fiction, non-fiction, large print, children's and teen materials, foreign language, reference materials, magazines and newspapers, music, video, software and games, and audiobooks.
- Digital content including eBooks, eAudiobooks, Flipster and PressReader, streaming content via Hoopla Digital, arts and crafts video classes with Creativebug, use of the Library Extension browser add-on, and educational content via Gale Courses, Pronunciator, and SOLARO.

LETHBRIDGE POLICE SERVICE

The **Lethbridge Police Service (LPS)** is proud to have a well-educated, well-trained and committed workforce. The Police Service recognizes the importance of balancing fiscal responsibility with the need to provide policing services that address crime and disorder, continue to meet changing demands and best serve our community.



Lethbridge Police held a Change of Command ceremony with the arrival of Chief Shahin Mehdizadeh in 2020

SIGNIFICANT PROJECTS

While 2020 featured many success stories, it certainly wasn't without its challenges for the Lethbridge Police Service. The realities of drug addiction and negative spin-offs in the community continued to tax Lethbridge Police resources, and there was no avoiding the elephant in the room – the COVID-19 pandemic. The coronavirus and resulting restrictions brought to a crawl several initiatives LPS had put into motion in 2020. Sworn and civilian staff were forced to

adapt to new realities and the potential was there for stress levels to rise accordingly.

Fortunately, Lethbridge Police made significant inroads to address the well-being of staff in 2020. The LPS became the first police agency in Canada to team up with Cordico and offer employees a wellness app with 24/7, on-demand access to resources on topics from depression to finances to sleep optimization. The Lethbridge Police Service Wellness App includes a public access portal with phone

contacts, safety and crime prevention tips, and links to social media. Police officer health and wellness is also one of the benefits of Project ABLE (Active Bystandership for Law Enforcement). In 2020, LPS became the first Canadian law enforcement agency accepted into the Georgetown University program. Training is already being provided to equip police officers with tools and strategies to intervene and prevent colleagues from causing harm or making costly mistakes, and in turn, reducing the stressful consequences of such behaviour.

LETHBRIDGE POLICE SERVICE

KEY HIGHLIGHTS

- LPS continued to free up officers for redeployment to frontline policing, and in its first, full-year The Watch proved its worth in that regard. Volunteers provide a visible presence on foot downtown, connect people with appropriate emergency or social service providers and manage issues previously requiring police intervention. The Watch dealt with 3,951 events in 2020 and with police involvement needed in only four per cent of those.
- LPS was authorized to provide in-house training for Community Peace Officers (CPOs) in its first full-year of operation. December's grad class included CPOs trained for the Siksika First Nation. CPOs perform duties that don't require a fully-trained police officer while providing an increased uniform presence downtown.
- The Police and Crisis Team (PACT) joined The Watch and CPOs in receiving permanent funding moving forward. PACT, consisting of an LPS officer and Alberta Health Services mental health professional, diverts calls for emergency services by connecting those in need with more appropriate community supports.
- LPS held a Change of Command ceremony in late August with Shahin Mehdizadeh sworn in as its 18th Chief of Police. Mehdizadeh, with more than 30 years of experience with the RCMP, assumed command from Interim Chief Scott Woods. The ceremony included the presentation of a ceremonial blanket by Elders, who gave Chief Mehdizadeh a Blackfoot name meaning 'Wolf Butte.'



Lethbridge Police held its first-ever Charity Checkstop with community partners to help those in need

- Community engagement opportunities were limited by COVID-19, but LPS did host its first-ever Charity Checkstop in November with the public donating \$8,127, as well as 1,357 unwrapped toys and 2,394 pounds of non-perishable items for the Lethbridge Family Services Angel Tree Christmas campaign and the Lethbridge Food Bank.
- LPS found new ways to encourage community involvement under the coronavirus. A virtual public hearing was held in place of the usual site-based assessment to verify LPS meets professional standards of the Commission on Accreditation for Law Enforcement Agencies in areas of policy and procedures, administration, operations and support services.
- The need to support victims and witnesses of crime didn't go away under COVID-19, but opportunities for the LPS Victim/Witness Services Unit to attract volunteers were limited. In place

of the usual information evening, a recruiting video provided potential volunteers with a feel for situations they might find themselves in with the VWSU, which spent more than 12,500 hours of volunteer time to assist 2,195 victims in 2020.

DID YOU KNOW?

- The LPS responded to 36,667 calls for service in 2020 – up from 35,993 in 2019.
- The Crime Suppression Team, which combines high visibility enforcement with covert investigative techniques, showed dividends in 2020 including: over \$471,000 in illegal drugs seized; over \$637,000 in stolen property recovered; over \$218,000 cash seized; and other proceeds of crime including over 100 weapons and 30 vehicles seized.

COMMUNITY SERVICES

Regulatory Services

ENMAX Centre

Lethbridge Transit

Lethbridge Fire & Emergency Services

Lethbridge Emergency Management

Public Safety Communications Centre

Cemetery Services

Recreation & Culture

Helen Schuler Nature Centre

Community Social Development



REGULATORY SERVICES

Regulatory Services performs a number of duties surrounding bylaw compliance. The bylaws overseen and administered by Regulatory Services include: animal control, dog licensing, parking enforcement, weed control, snow removal, minimum property standards, unsightly properties, taxi operator licensing and business licensing. The department also includes a full time, in-house prosecutor with the ability to provide legal guidance for bylaw related inquiries.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Departmental Modifications

Regulatory Services had to make changes to operations as a result of the pandemic. Online services were enhanced in the areas of business license applications and parking appeals. A virtual taxi inspection was implemented to test taxi meters, eliminating the need for officers to ride along with the taxi driver. Additionally, safety protocols were put in place so that officers would continue to provide full services, with respect to complaint investigations, while ensuring the safety of citizens and officers.

Animal Shelter Modifications

The pandemic further compelled changes to the way the municipal animal shelter operates. The shelter switched to a by appointment only process for individuals picking up lost animals or those seeking adoption. The volunteer program was suspended and protective barriers and enhanced cleaning protocols were put in place to protect both staff and customers. Animal Bylaw Officers also assisted City staff with pandemic related education and enforcement patrols.

Education and Enforcement

Parking enforcement downtown was suspended during the locally declared state of emergency and resources were shifted to other immediate enforcement needs. Regulatory Services, Fire Prevention and contractors facilitated the administration of new regulations



Regulatory Services and Fire Prevention staff who patrolled City parks and facilities during the state of emergency.

during this critical time. These combined efforts focused on educating and enforcing new City rules surrounding City parks, playgrounds and facilities. The adoption of a temporary face mask bylaw by City Council also required consultative and educational efforts with Lethbridge businesses in an effort to slow the spread of COVID-19.

Conversion Therapy Bylaw

The department worked alongside others to draft and present to City Council a Conversion Therapy Bylaw which was passed on July 13, 2020. This bylaw protects individuals from the harmful effects of conversion therapy while sending a message that this practice has no place in the community.

DID YOU KNOW?

- Over 16,000 park patrols were conducted, related to education and enforcement of pandemic guidelines, during the City's state of emergency.
- Pursuant to the Snow Removal Bylaw, the owner or occupant of any premise has 24 hours after a snowfall to clear away snow and ice from the front and flank of the abutting sidewalk.
- The department is the first point of contact to report any possible rat sightings in the City of Lethbridge.
- Pursuant to the Dog Bylaw you are allowed only two dogs over the age of six months, at a premises occupied by the owner, unless you apply for and are granted a dog fanciers license, wherein you are allowed to house up to an additional two dogs.

ENMAX CENTRE

The ENMAX Centre is a multi-purpose event facility that provides a broad spectrum of programs and services to Lethbridge and Southern Alberta citizens. It focuses on areas of sport, entertainment, culture, corporate and educational activities, banquet, meeting and tradeshow events. It is also home to the Western Hockey League's Lethbridge Hurricanes Hockey Club, the largest sport franchise in southwest Alberta. The ENMAX Centre adds to the quality of life for Lethbridge citizens with a significant impact to economic development, tourism and national/international event attraction.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The ENMAX Centre faced a challenging year in 2020, which was a reversal for what was to be a very promising year, with a series of successful events in the first quarter, and record breaking future bookings for the remainder of the year. This would have meant another successful year financially as well, however, with COVID-19 and health order to shut down taking place the ENMAX Centre moved quickly to make significant changes and reduce its losses as much as possible given the large requirement on business revenue generation that was not possible in these conditions.

The ENMAX Centre adjusted its operational requirements down to a minimum, reduced personnel, and adapted in every way possible to the impact experienced in all business segments within the business model.



New Video Scoreboard



In light of these challenges the ENMAX Centre still was successful in a number of areas throughout the year. The ENMAX Centre ensured its licensees, sponsors, vendors, and all those who support the ENMAX Centre were communicated with regularly, and changes made to contracts to accommodate the COVID-19 impact. Tickets sales were returned to those requested, or for cancelled shows, and ensured those still requiring ticket services were maintained throughout the year (i.e. Hurricane season tickets, Nikka Yuko events, and others). While COVID-19 disrupted the industry with large changes, the team ensured and maintained its partnerships and contacts throughout the year for future business opportunities and events.

Maintenance and special projects that had been halted or delayed due to limited periods of available time over the last two years were completed this past year. The full installation of

the new food and beverage point of sale system throughout the network was able to be installed, tested, and ready for operation, as well as new menu developments for the upcoming re-opening. A new score video scoreboard was developed for future games in a private-public partnership. This will enhance the patron experience at games and events throughout our programming. The installation of new security and health and safety products, and protocols, for the patrons and staff were all developed in 2020 that will be introduced in 2021. These will benefit all people that work with the facility and attend events or utilize our services for future years.

The ENMAX Centre looks forward to the year ahead in 2021, as things progress, events return, and future programming for patrons and vendors begin again.

Lethbridge Transit's vision is to pursue innovative ways to provide the best, customer focused, public transportation system that will meet the needs of our community. Transit's mission is to provide a safe and efficient public transportation system that allows our community access to economic, social, educational or leisure opportunities. This is done by providing services within the City of Lethbridge, with a fixed route, conventional service and a door-to-door paratransit service (ACCESS-A-Ride).

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- In response to the COVID-19 pandemic, Lethbridge Transit responded early and instituted a transit by reservation program to adequately manage social distancing requirements in a safe and responsible manner.
- Also related to COVID-19, Lethbridge Transit instituted expanded cleaning and safety protocols in order to ensure the safety of our customers and employees.
- In the fall of 2020, Lethbridge Transit took delivery of three Access-A-Ride vehicles. These vehicles provide safe, easy and comfortable access to those in the community with a variety of mobility challenges.
- Lethbridge Transit improved the accessibility of over thirty bus stops through infrastructure investments. These improved stops make accessibility possible and safer for persons with a variety of ability levels. Additionally, Lethbridge Transit worked a variety of stakeholders in order to improve transit access to the new Red Crow College Campus in the industrial park.
- The City replaced five full size transit buses that had reached their useful economic life with state of the art transit buses from NOVA, a Canadian based bus manufacturer. These new buses offer reduced emissions as well as a number of customer focused amenities.



Transit Park 'n Ride Terminal



Lethbridge Transit Driver

LETHBRIDGE FIRE & EMERGENCY SERVICES

Lethbridge Fire & Emergency Services is one of the leading, longest operating, fully integrated Fire and Emergency Medical Service (EMS) departments in the province. Every ambulance and every fire truck in Lethbridge is staffed with, at minimum, one advanced life support paramedic. There are also fully equipped water rescue, rope rescue and hazardous materials teams in Lethbridge. The fire suppression teams train to National Fire Protection Association accepted standards and the EMS division is fully accredited. The fire prevention bureau is a leader in public education and liaises with other government agencies to lobby for safer codes and a safer community.

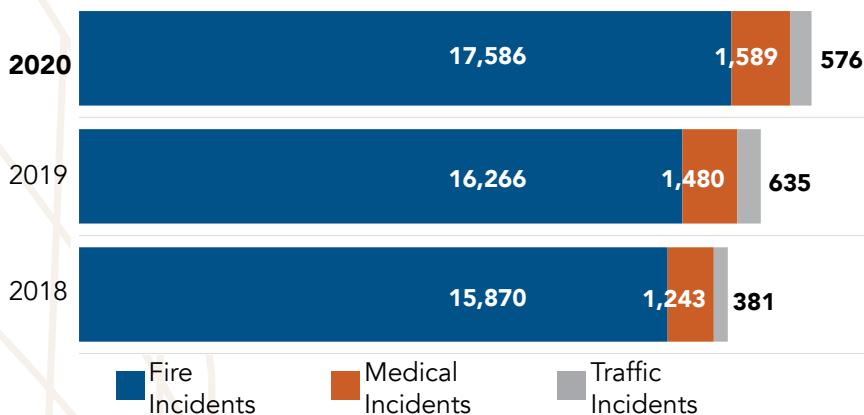
2020 has been a year of challenges. Managing multiple crises: opioid, economic and a global pandemic concurrently while maintaining crew and community safety was a challenge. Key in the ability to work through all of this has been the professionalism and adaptability of the staff to work through the usual and the unique issues/incidents faced on a daily basis. Staff stood with poise and tact working through some of the most confusing and challenging moments in history.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Fire Station #5 in west Lethbridge continues construction with an anticipated opening of June 2021.
- 12 new staff joined the ranks in the 2020 Recruit Class after completing a heavily modified training program due to COVID-19 restrictions.
- Replacement and additions of fleet units for Fire Station #5.
- Innovative practices for cleaning and disinfecting fleet units, equipment and staff brought into play during the pandemic.
- Mental and physical health continues to be a priority with strong recognition of the programs and initiatives to deal with concerns and issues. Whether it be the Critical Incident Management Team supported by professional psychologists or cancer mitigation activities, all are important in a long healthy career in the Fire/EMS service.



FIRE, MEDICAL AND TRAFFIC INCIDENTS



LETHBRIDGE EMERGENCY MANAGEMENT

Lethbridge Emergency Management resides within Fire and Emergency Services. It is tasked with coordinating supports relating to emergencies and disasters, serving as a link between stakeholders involved, to create a collaborative effort. The four pillars of focus include:

Preparedness

Mitigation

Response

Recovery

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

COVID-19

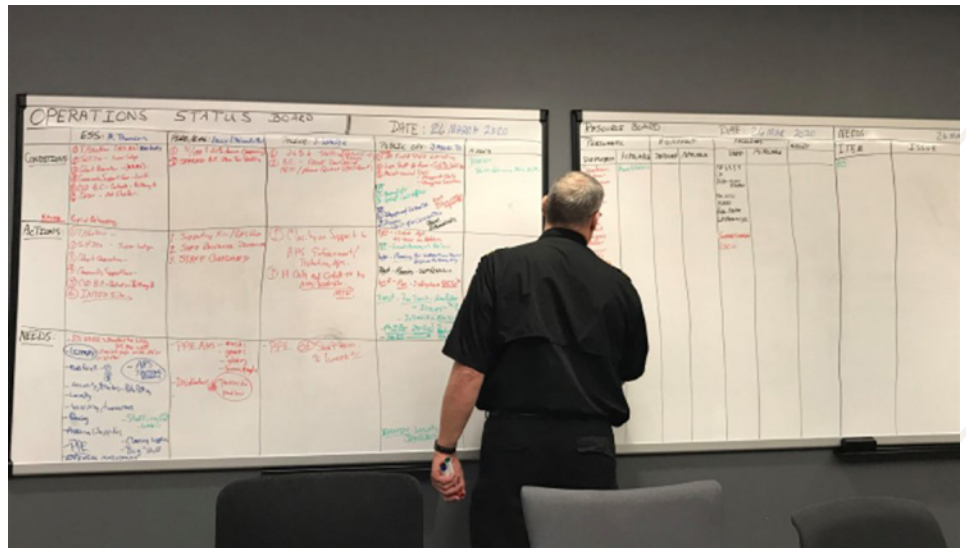
Emergency Management was front and centre in 2020, with the emergence of SARS-CoV-2, a Coronavirus more commonly known as COVID-19. The effects of COVID-19 were seen on a global scale classified as a:

- Public health emergency.
- Economic disaster.
- Mental health catastrophe.

COVID-19 Response

In response, the City activated the Emergency Coordination Centre (ECC) in March, to provide support to the corporation and community. During 2020, the ECC team organized and initiated the following:

- 71 personnel were dedicated to the ECC team.
- 10 individuals were trained in Incident Command Systems (ICS).
- 25 Incident Action Plans (IAPs) were drafted between March 12 and June 22.
- A Logistics team created a Personal Protective Equipment (PPE) plan with alternatives to ensure supplies met demand.
- A Finance team was activated early for accurate reporting.
- Community Social Development operations was integrated into ECC Operations.



Emergency Coordination Centre

Comprehensive Emergency Management

Throughout 2020, the emergency management team remained ready to manage other incidents in Lethbridge. The ECC was able to support two separate fire incidents during COVID-19:

- Coordinated air support needs for a fire in the river bottom in August.
- Mobilized Emergency Social Services (ESS) to support individuals affected by an apartment fire in October.

These responses saw the benefits of an active team at the ready, providing support to tactical resources at the incident site and life-safety support to the community.

Training

A number of key activities occurred in 2020:

- Completion of a full-scale exercise in March, requiring the evacuation of City Hall, testing the collaboration between first responders and employee notification.
- Completion of the Incident Command System (ICS) 300 train the trainer course, allowing for in-house course instruction.
- The new ICS forms course was announced by ICS Canada and delivered successfully using virtual platforms to ECC staff.
- Conducted a Pandemic Planning workshop in August, virtually for Business Unit Managers interested in improving internal plans.

PUBLIC SAFETY COMMUNICATIONS CENTRE

The **Public Safety Communications Centre (PSCC)** serves the public by answering 9-1-1 and dispatching the appropriate emergency service responders. The PSCC provides services to the City of Lethbridge, as well as Alberta Health Services (AHS), rural fire agencies and some rural community policing. The PSCC also manages and maintains the Alberta First Responders Radio Communication System (AFRRCS) for the City of Lethbridge and the Province's local portion.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Managed AHS Emergency Medical Dispatch transition to Calgary South Dispatch Centre.
- Replaced Emergency Services Radios with upgraded units and system.
- Maintained accreditation as an Emergency Medical Dispatch Centre with the International Academies of Emergency Dispatch (IAED).
- Continued preparations for completing the Commission on Accreditation for Law Enforcement Agencies (CALEA).
- Planned for Corporate radio and computer aided dispatch lifecycle replacement.
- Implemented recommendations from operational review of PSCC, improving efficiency and effectiveness of service delivery.
- Initiated preparations for the Next Generation 9-1-1 (NG 9-1-1) project.
- Upgraded Radio Loop and Tower systems to support all AFRRCS and Corporate systems.
- Began lifecycle replacement of Centre Consoles for more efficient space utilization.

DID YOU KNOW?

- 58,779 9-1-1 calls were received by PSCC staff in 2020 versus 54,347 in 2019.
- In 2020 there were a total of 186,346 Events Dispatched; 64,607 Police, 29,445 Fire, 26,489 EMS, and 65,805 PSCC.
- July and August are typically the largest 9-1-1 call volume months with roughly 5,700 calls each; about 190 per day.

Cemetery Services manages and maintains four municipal cemeteries including: Archmount, Mountain View, Royal View Memorial and St. Patrick's and provides essential services to those who have experienced the loss of a loved one. Cemetery Services also manages and maintains the grounds of the recently designated Municipal Historic Resource, Nikka Yuko Centennial Garden, built as a "Canadian garden in the Japanese style" to celebrate Canada's Centennial Anniversary (1967).

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Interments in the Grasslands Green Burial Site - Royal View Memorial Cemetery (RVMC)

The Grasslands project was first initiated in 2018 and opened in 2019, to offer families an environmentally friendly burial option in Lethbridge. This option is becoming more popular in other parts of Canada. The Cemetery Master Plan identified that City Cemeteries should consider offering a green burial area for those in our community who wish to leave a lesser environmental footprint.

The concept of the green burial at RVMC focuses on five principles:

- No Embalming
- Direct Earth Burial
- Ecological Restoration and Conservation
- Communal Memorialization
- Optimize Land Use

Rock Sign for the Grasslands - Royal View Memorial Cemetery (RVMC)

2020 saw the placement of a granite rock identification sign placed at the walk-in pathway entrance to the Grasslands. This along with the trees, pathways and communal memorials is a significant feature for the new interment site.



Rock Sign for the Grasslands - Royal View Memorial Cemetery

RECREATION & CULTURE

Recreation and Culture provides opportunities for residents to enhance their personal well-being and quality of life. This is achieved through both direct services (providing and operating facilities) and indirect services (partnership agreements) whereby community groups deliver programs and/or operate facilities. In addition, support is provided to community organizations who offer recreation and cultural opportunities in the community. This support includes expertise/advice in recreation and cultural programming, day-to-day organizational management and financial assistance.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

COVID-19 Response

With most of 2020 impacted by COVID-19 resulting in facility closures and restrictions it was a difficult time for the community in terms of available programming and activities. Recreation and Culture staff worked very hard in assisting the community service delivery partners to navigate the often confusing and difficult times. Working through facility closures, developing and assisting in developing re-opening plans and then working through another closure showed the strong commitment and passion that City staff and the community groups have for providing safe and healthy programming and opportunities for the community. Organizations were forced to think outside the box to re-imagine and redesign programming to be able to offer the services to the community. Recreation and Culture were committed to working with its partners to ensure programs were available and remained safe. This often resulted in changes on a weekly basis and sometimes even daily. The agility and adaptability of staff and all of our organizations was exciting to see.

Community partners such as Allied Arts Council (AAC) and Southern Alberta Art Gallery (SAAG) successfully pivoted during these difficult times to offer programs that followed the health and safety restrictions. Examples of this include:

- Live music concert series – AAC filmed six music concerts performed by local artists, to be released via social media.
- Weekly artist spotlights on social media connected artists to their community. Lethbridge artists, musicians, writers, poets, actors, singers across all disciplines are eligible to participate.
- Online YouTube classes aimed at kids 6-12, with accompanying free art kits were made available to help families who do not have supplies at home.

2020 Canada Day

Celebrate in Your Own Backyard included:

- 72-page activity booklet created and 10,000 copies printed. 2,500 copies distributed by the Lethbridge Herald, 7,500 distributed at City Hall, Helen Schuler Nature Centre and both Library locations. The publication was also placed online for public access.
- Staff filled 1,007 activity bags (beach ball, temporary tattoo, OKI pin, maple leaf pin as well as other items. These were distributed through City Hall, Helen Schuler Nature Centre and both Library locations. An additional 800 bags were filled for the Interfaith and Lethbridge Food Banks.
- Front windows at City Hall were painted with an interactive portrait

that had all scavenger hunt items (from the activity booklet scavenger hunt) included in the design.

- Several contests were run to inspire community celebration which had 2 businesses, 7 windows and 13 yards participate in the decorating contest. There were 96 entries in the coloring contest for youth aged 0-18.

Additional Online Services

Great strides were made in bringing convenience and ease of access to the public through online services in 2020. Newly implemented online services through the [Online Leisure Services](#) website included: access to online facility booking, online program and rental availability schedules, program registration including online skate registration, and online invoice payment ability.

Public Art Projects

- *Coyote2Coyote* created by artist Muse Atelier, was installed in Saint-Laurent, QC as part of a public art exchange. City Council initiated this in 2016 to celebrate Lethbridge's 50 year twinning relationship with Saint-Laurent.
- Utility box wrapping featuring the work of local artists started and one box was completed. In total, six boxes will be wrapped in Galt Gardens and outside Casa.



Coyote2Coyote created by artist Muse Atelier, photo credit: Jinny Montpetit

- *Art's Alive and Well in Our Schools* is a yearly art exhibit put on by all schools within Lethbridge. In 2020, this exhibition went virtual as *Art's Alive and Well in.... Our Homes!* This art was also displayed on construction fencing to enable greater public access amidst COVID-19 restrictions. The construction fencing public art project was implemented by the City of Lethbridge Public Art Program, Lethbridge School Division and the Southern Alberta Art Gallery.
- The Mural Support Pilot Project was initiated and enabled local artists and businesses to partner to create vibrant and accessible public artwork for the community to enjoy. Funding is provided by the City of Lethbridge Public Art

Program and Heart of Our City Committee. A maximum of ten murals will be funded, at least half of which will be located in the downtown.

Recreation and Culture Master Plan

Recreation and Culture worked with RC Strategies to develop a Master Plan. The plan included extensive engagement with the public, community partners as well as internal and external stakeholders. Work included:

- Input from 3,000 resident households via a household questionnaire.
- Input from over 70 community organizations, stakeholders and

partners via a community group questionnaire and discussion sessions.

- Input from over 45 City staff and a series of workshops with Council.
- Review of current service delivery practices and approaches.
- Analysis of population and demographics.
- Review of trends and leading practices.

The Master Plan will provide direction, recommendations and a plan for Recreation and Culture to ensure that people continue to have opportunities to be healthy, creative and connected to each other and to nature through meaningful public recreation and culture services.

HELEN SCHULER NATURE CENTRE

The Helen Schuler Nature Centre is located on a 200-acre nature preservation park in the Oldman River Valley. It is a popular community gathering space, offering a wide range of educational, recreation and cultural experiences to connect people with nature, while fostering a community of environmentally aware citizens.



Attendance across all Helen Schuler Nature Centre programs was 42,867, with record breaking number of visits in January and February.

SIGNIFICANT PROJECTS

Trail Adventures Across the Community

Nature is all around us! In an effort to foster more opportunities for self-directed, outdoor activities connecting people to nature, the Centre installed 25 unique temporary and interactive

displays across 12 City parks spanning 329 days. Using data from trail counters, staff and volunteer observations and direct public feedback, it's estimated that over 20,000 park users engaged with these exhibits. 307 volunteer hours were donated to assist and support these engaging projects.

Co-op Community Outdoor Classroom

After two years of dedicated fundraising activities, led by Friends of the Helen Schuler Nature Centre Society, November marked the completion of Lethbridge's premier outdoor classroom space! The dramatic transformation features breathtaking scenic views of coulees, cottonwood forest and the iconic High Level Bridge. Flexible seating is inviting for groups and individuals. The Co-op Community Outdoor Classroom also features full, universal accessibility as well as improved efficiencies for winter maintenance. This project was possible thanks to generous support from residents, businesses and local not-for-profits.

KEY HIGHLIGHTS

Allied Arts Council (AAC) Excellence Award

The Nature Centre was honoured to receive the Service Organization Award for outstanding contributions to the Lethbridge community through the arts. The award recognized the Community Art Gallery exhibition program and several partnerships with the Public Art Committee that engage and collaborate with local artists to provide opportunities for connection with nature through the arts.

Classrooms Without Walls!

Think Outside is an innovative local partnership between Lethbridge School Division and the Helen Schuler Nature Centre. Lesson plans, developed with Indigenous Education staff, provided immediate positive impacts of place-based, outdoor learning for students and teachers. Programs featured

HELEN SCHULER NATURE CENTRE

daily lessons in the schoolyard, where curriculum-based learning was combined with health and wellness outcomes of outdoor physical activity and connecting with nature. A total of 33 programs were delivered to 932 middle school students in the fall of 2020.

PROGRAM IMPACTS FOR THE COMMUNITY

Following provincial guidelines, the Nature Centre successfully adapted and delivered more than 275 interpreter-led programs in 2020. Programs included family fieldtrips, children's summer camp programs and virtual school fieldtrips. These programs reached 4,514 participants.

From March to June, Nature Centre programs were adapted as video productions and offered as weekly series on the Centre's YouTube Channel. 3,557 viewers enjoyed 258 hours of video viewing of *Discovery Walks*, *The Outdoor Adventure Club* and *the Natural Leader's Project: Home-Eco Challenge*.



The Co-op Community Outdoor Classroom became a vital outdoor public space for families and cohort groups when small outdoor gatherings were permitted.



More than 1,500 *Nature Play: Ideas for the Outdoors* resources were distributed to local families with young children this summer, providing practical ideas for outdoor fun. Made possible thanks to Emergency Community Support Fund, from the Community Foundation of Lethbridge and Southwestern Alberta.

DID YOU KNOW?

- Time-honoured traditions, like the 32nd Annual Nature Centre Christmas Crafts program, were reimaged to support both delivery and curb-side pick-up.
- *Ask-A-Naturalist* was a popular Facebook Live event. Programs featured live Q&As with well-known local naturalists. Wildlife documentary filmmaker Rick Andrews shared insights into his latest project *Avian Summer*; Ken Moore discussed *Living with Snakes*; and Ken Orich featured *Winter Birds*, building awareness for the annual Christmas Bird Count.

COMMUNITY SOCIAL DEVELOPMENT

Community Social Development (CSD) is responsible for working in the community and with the community to implement social policy in Lethbridge through the administration of social service contracts. The City of Lethbridge social policy envisions a city in which all individuals, families and communities have opportunities for healthy development leading to social wellbeing.



Building Brains staff and volunteers put together Mindful Munchies kits at the Lethbridge Food Bank as part of the Community Pandemic Social Response. Kits were delivered by MyCityCare volunteers to low income families in the community that were identified by both school divisions.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Community Pandemic Social Response

CSD facilitated the development of a digital community-led response to support Lethbridge residents during the COVID-19 pandemic. Made up of 146 members that represented approximately 50 local organizations, this network provided supplies, assistance and programming to address the emergent needs of those most susceptible to poverty, social isolation, homelessness and food scarcity. It is now a long-term, collaborative and sustainable solution to maximize community support that will be used in future city planning and emergency response.

Rapid Rehousing Program

To mitigate COVID-19 infection rates within the homeless population and address capacity restrictions at the Lethbridge Shelter and Resource Centre, CSD ramped up funding to house individuals experiencing homelessness the community.

Community Wellbeing & Safety Strategy (CWSS)

Developed in 2019, the CWSS provided the framework to align city-wide efforts to better address social issues in Lethbridge. It is founded on four key concepts: individual wellbeing, system integration, collective impact and community governance. In 2020, CSD led the administration of phase one of the strategy. This included the new Request for Supplier Qualifications (RFSQ) process where CSD integrated federal, provincial and municipal funding sources to maximize investment in the community.

CWSS Advisory Committee

In February 2020, the CWSS Advisory Committee was created to advise on community priorities to ensure funding decisions best addressed the diverse social needs of Lethbridge. Made up of cross-sector leaders, the advisory committee provided community governance that ensured the strategic allocation of City of Lethbridge funds to improve system-level coordination and maximize collective impact.

Addiction Recovery & Permanent Supportive Housing (PSH)

Working in collaboration with the Government of Alberta, CSD supported the implementation of Alberta's addiction recovery communities. Lethbridge will see an increase of 16 new treatment beds, with an additional 141 new beds created throughout southern Alberta. To further expand access to the continuum of care, CSD supported the administration of federal, provincial and municipal funds to develop a 42-bed supportive housing complex in Lethbridge. This will provide permanent, safe and stable housing with wrap-around supports for people experiencing homelessness, addiction or mental health issues.

DID YOU KNOW?

- The Community Social Pandemic Response received international recognition from the World Health Organization.
- Almost \$10 million in funding was allocated to social service providers in the community as a result of the new integrated Request for Supplier Qualifications process.
- A local Permanent Supportive Housing (PSH) Consortium was developed to streamline access, resources and cultural supports to community-wide housing services. The new local PSH Consortium will increase supportive housing beds from 9 to 65.
- 221 people experiencing homeless were housed in 2020, an increase of 44 per cent from 2019.

INFRASTRUCTURE SERVICES

Parks

Transportation

Waste & Recycling Utility

Waste & Recycling Utility Corporate Sustainability

Water, Wastewater & Stormwater

Lethbridge Electric Utility

Urban Construction

Planning & Development

Building Inspection Services

Customer Service & Business Support



PARKS

Parks aims to provide residents with a variety of recreational options that meet a broad range of needs. Maintaining 389 parks and natural areas, Parks staff manage playgrounds, 47,000 trees, sportsfields and over 250 kilometres of pathways. Our City parks are continually developed and maintained to enhance the quality of life of Lethbridge residents.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

River Valley Engagement

Parks completed stakeholder engagement and public consultation around recreation and preservation in the river valley. Originating from discussion around proposed pathway development, feedback was received on vision/values, recreation opportunities, concerns, and management strategies in the river valley.

River Valley Barbed Wire Fence Removal

This project facilitated the removal of approximately eight kilometers of derelict barbed wire fence throughout the River Valley. These fences posed safety hazards to the public and wildlife. Approximately 30% of the posts were left for birds who regularly use them.

Floating Islands - Storm Water Treatment

Following several years of declining water quality and increased community concerns about algae blooms, floating islands were installed in Ridge Park



Floating Islands in Ridge Park

storm water pond. 21 interlocking islands were launched in June 2020, planted with wetland plants specifically chosen to aid in the removal of nutrients from the water body.

Target Grazing

The goats returned to Indian Battle, Botterill Bottom and Alexander Wilderness Parks to continue combatting invasive weed species. Goats are selective grazers and are conditioned to graze only target weed species and leave native grasses and wildflowers. The goats spent an average of two weeks in each park throughout the summer grazing leafy spurge and wormwood while plants are flowering to reduce seed production and exhaust root energy.

Lethbridge College Partnerships

The following partnership projects with Lethbridge College continued through 2020:

- Development of an integrated management plan for Alexander Wilderness Park.
- Henderson Lake water quality monitoring.
- Environmental students volunteered to harvest approximately 350 willow and poplar wands from Botterill Bottom Park and transplant them to the northern river bank in Alexander Wilderness Park.

Henderson Park Irrigation

A new irrigation system was installed at Henderson Park irrigation system. With no booked events in the park in 2020, construction was accelerated



Lethbridge College Environmental Students in Alexander Wilderness Park

and completed ahead of schedule. This \$2.5 million project will increase efficiency and reduce future maintenance costs.

24 Avenue South Pathway

This new 3-metre-wide multi-use pathway is located in the greenspace along 24 Avenue South between Mayor Magrath Drive South and 43 Street South. It provides an important link between neighbourhoods and the City's regional pathway network.



Legacy Park

Drainage and Erosion Repairs

This project addressed recurring drainage and erosion issues in five locations: Blackwolf Park, Couleecreek Park, Elizabeth McKillop Park, Indian Battle Park, and Pavan Park. Treatments included re-construction of pathways; the installation of landscape catch basins, drain tile, and culverts; and the installation of a retaining wall. This resulted in the elimination of wet areas, erosion rills, foul smells and mosquitos.

St. Martha School and Cedar Park Playground Lights

New solar-powered lights were installed adjacent to the two playgrounds. This provides for adequate lighting throughout the

winter with reduced daylight hours, and increases the safety of the neighborhood by illuminating the play structures throughout the night.

COVID-19 Response

In response to the pandemic and restrictions, Parks implemented a number of changes to keep both the public and our staff safe and compliant with restrictions. These included:

- Staff reductions and changes in operating procedures including reporting to work, access to buildings and vehicles, and working remotely.
- Adjustments to the service delivery to match resources.
- Public signage to encourage safe use of outdoor areas.
- Modifications to all trash bins to be useable with no contact.
- Closing and reopening park amenities as required.
- Communication and promotion of safe use of the parks and pathway.

Legacy Park

Phased construction of Legacy Park continued and saw the completion of the Community Pavilion that contains the mechanical room for the future spray park, provides public washrooms, a food concession and space for community meetings and events. The picnic shelter was also completed to provide amenities for group picnic bookings.

DID YOU KNOW?

- Park and pathway use was over 45% higher in 2020 than the previous year.
- Parks manages irrigation systems with a central computer to optimize efficiency.
- 200 goats grazed approximately 230 acres of park space twice to maximize stress on weeds.
- About 40% of the irrigated turf in Lethbridge uses alternative water sources rather than City potable water.
- The 47,000 park and street trees have collected and store approximately 140,000 tons of atmospheric carbon.

TRANSPORTATION

Transportation's mission is to provide a safe and efficient transportation system for the general public, transit and emergency services and to maintain it to an acceptable level in perpetuity. "Keeping Lethbridge on the Move" safely and efficiently, whether it be walking, cycling, taking transit or driving a vehicle is Transportation's motto. This is done by developing a truly multi-modal transportation system for today and long into the future.



KEY HIGHLIGHTS

The Transportation Department performs many interrelated activities through three primary areas: operations & maintenance, planning & engineering and roads/infrastructure which also includes traffic signals & street lights. All these activities strive to provide excellent customer service and develop strong relationships both with public and within the organization.

The work of the Transportation Department includes:

- Managing transportation operations; snow removal/ice control, street sweeping, road/bridge maintenance, as well as sidewalk/pathway maintenance.
- Operating, constructing and maintaining traffic and rail signals.
- Managing all aspects of capital construction projects and transportation assets.

- Managing traffic and parking operations.
- Maintaining approximately 13,000 street lights and parks lighting.
- Managing an operating budget of approximately \$15 million and transportation assets worth over \$1 billion.

SIGNIFICANT PROJECTS

University Drive Construction

The University Drive Twinning project started in April 2019. This project includes the design and construction of the second two lanes of University Drive West from the existing four-lane section just south of the University of Lethbridge Stadium access to SunRidge Blvd and Riverglen Link West. It also includes new asphalt

University Drive Twinning Project

pathways, two new traffic signals and a new two-lane roundabout. This project has a budget of \$10.9 million and was completed in November 2020.

Intersection Improvements

Numerous intersection improvements were made this year to improve pedestrian/traffic safety and increase intersection capacity. Some improvements completed this year were:

- New pedestrian flashers, curb extensions and roundabout construction at 28 Street and 28 Avenue South.
- New bulb outs (curb extensions) at the intersections of 6 Avenue South at 12 Street and upgrades to those at 17 Street and 19 Street South.

TRANSPORTATION



Lane Paving Improvements (before and after)

Concrete and Accessibility Program

The 2020 sidewalk renewal program replaced approximately 3.6 kilometers of sidewalk, including five major block to block replacements.

The 2020 accessibility ramp program, installed 135 ramps at various locations throughout the city. This program, not only installed new ramps, but also replaced existing ramps to meet today's standards.

Lane Paving Improvements

The City completed \$2 million of lane rehabilitations across 13 locations. This program returns lanes in a state of disrepair back to new condition. This work included:

- Removal of old asphalt.
- Rework of the subgrade and rebuilding of lanes to the standard structure.
- Drainage and grade improvements.
- Installation of concrete swales.
- Extension of the storm system to assist with drainage improvements.



Sidewalk Renewal

DID YOU KNOW?

In 2020, the Transportation department maintained:

- 732 km of sidewalks.
- 586 km of paved roads.
- 218 km of back lanes.
- 149 traffic signals.
- 41 pedestrian actuated signals.
- 13 rail signals.
- 13,000 street lights.
- 1,900 parking stations and 170 parking kiosks.

WASTE & RECYCLING UTILITY

Waste & Recycling Utility (WRU) provides residents and businesses with collection, disposal and recycling services that are environmentally safe, timely and cost effective. Waste management systems have traditionally focused on collection and disposal, however there is a shift to environmentally sustainable waste management practices, focusing on waste prevention and waste diversion.



Curbside Recycling Collection Driver

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- In 2020, the WRU continued to provide uninterrupted, reliable waste collection and disposal services to residents of Lethbridge during the COVID-19 pandemic despite larger than usual amounts of waste generated and virus spread in the community.
- A mandatory recycling program was announced for all businesses and organizations with the intent to prevent landfilling of recyclable and reusable materials, beginning with wood, cardboard and paper. The program will start in 2021, pending a return to normal business operations.
- More than 22,300 tonnes of old concrete and asphalt was recycled. The recycled concrete aggregate was used in innovative pavements and roadway projects at the

Waste & Recycling Centre. Over 450 tonnes of glass was recycled and will be used as a base layer in future pathway projects. More than 13,000 tonnes of recyclable wood waste was processed into wood mulch for use in various composting operations in Alberta.

- The WRU began developing a comprehensive Waste Management Master Plan to guide the future of waste management in Lethbridge. The plan will be complete in 2021 and will leverage existing programs and propose new activities to increase Lethbridge's waste diversion potential.
- The WRU produced an educational video - Blue Cart Recycling: Sorting It Out, to help residents understand what happens to their recyclables. The video features the Material Recovery Facility's sorting equipment and the people who work there.
- Design and initial construction of a new Landfill Gas Extraction (LFG) system, including collection pipelines and extraction wells, was completed. The LFG project will be completed in 2021.

DID YOU KNOW?

- 22,481 tonnes of curbside residential waste was collected in 2020, an increase of 429 tonnes from 2019.
- 101,599 tonnes of waste was received at the landfill, an increase of 1,155 tonnes from 2019.
- The Blue Cart Recycling program collected 3,816 tonnes of recyclables, an increase of 1,464 tonnes (over 62%) compared to 2019.
- 22,038 tonnes of organics, electronics, paint and hazardous waste were received at the Waste & Recycling Centre for recycling, an increase of 4,107 tonnes from 2019.
- The WRU engaged with over 2,000 residents and businesses through online surveys and virtual open houses, and an additional 473 community members and students through presentations and workshops.

WASTE & RECYCLING UTILITY CORPORATE SUSTAINABILITY

Corporate Sustainability is a cross functional team that works within the Waste & Recycling Utility to imbed environmental sustainability into City operations. Corporate Sustainability focuses on supporting City business units in meeting or exceeding environmental regulations, walk the talk, sustainable best practices and policy. Corporate Sustainability's work is divided into four focus areas: Air, Land, Water and Waste, with the overall goal of all areas increasing resiliency, adaption and mitigation for the organization.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Partners for Climate Protection (PCP) Milestone 2 was approved by City Council on March 9, 2020. The greenhouse gas emission reduction target for the corporation is set at 40%, using 2018 as the baseline and achieving this reduction by 2030. The City's reduction efforts need to be reported back to City Council before the end of 2022, along with new plans and initiatives.
- Started the Energy Efficiency Master Plan and Strategy for the Corporation. This should be completed in the first quarter of 2021.
- A Circular Economy Framework called Circular Cities was completed for the City of Lethbridge by the Recycling



Council of Alberta with a grant provided by Alberta Ecotrust.

- Completed a Corporate Sustainability baseline and recommendations were made to participating business units. The 12 areas of focus are: air, mobility, energy, climate change adaptation, nature & biodiversity, noise, governance, water, climate change mitigation, green growth & innovation, landuse and waste.
- Completed a Climate Change Vulnerability and Risk Assessment for City infrastructure that included a climate scenario for predicting what climate change looks like for Lethbridge.
- Lethbridge Air Quality Focused Study was released and published by Alberta's Environmental Monitoring and Science Program. It focuses on ambient air quality in the City of Lethbridge.
- The Green Fleet Policy was approved for the corporation. This is an administrative policy and will support fuel consumption efficiencies.
- The City continues to participate in a mixed recycling program that includes paper, cardboard, plastic, tin cans and deposit bottles. This material is collected and processed at the Material Recovery Facility, located at the Waste and Recycling Centre. To date the City has diverted 22,900 kgs of materials from the landfill from 31 facilities where employees are working.
- Six facilities were involved in the Corporate Organics Phase 1 to lead the way for the industrial, commercial and institutional (ICI) sector. To date, 3,200 kgs have been diverted from the landfill.



DID YOU KNOW?

An easy way to make an impact and reduce greenhouse gas emissions is to have the correct tire pressure in your vehicle. Check it frequently!

WATER, WASTEWATER & STORMWATER

Water Utility provides a clean, safe and reliable supply of drinking water to the community. **Wastewater Utility** collects, treats and disposes of wastewater to ensure that water is available and suitable for future use. **Stormwater** manages surface run-off water to protect the community and the watershed from damage.



Water Treatment Plant Residual Management Rotary Presses

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Infrastructure and Operations

Water Treatment Plant (WTP)

Construction wrapped up on the Residuals Management project. The rotary presses system is capable of dewatering up to 5,000 kg/hour of sludge.

Wastewater Treatment Plant (WWTP)

Construction was completed on the Headworks and Primary Clarifiers project, and the system is now in operation. The process is capable of providing primary treatment for up to 160 million L/day.

Operations

- Repaired 34 water main breaks with 5,000 man hours and a budget of \$500,000.
- Flushed 2,350 hydrants and winterized 2,600 hydrants.

- Completed 310 excavations, including repairs, blocked sewers, water and sanitary service replacements, water main breaks, valve repairs, curbside replacements, new services and hydrants.
- Responded to 1,180 sewer service requests (blocked sewers, video recording, tracing, smells).

Education and Outreach

Yellow Fish Road Program

This is a free program that involves painting yellow fish beside storm drains to remind the community that storm drains lead directly into the Oldman River, untreated! In 2020, there were 144 storm drains painted.

Adopt A Storm Drain

This is a free program that allows community members to adopt a storm drain in their neighbourhood, keeping it free of debris and clean year-round. Currently there are 32 adopted storm drains within Lethbridge.

DID YOU KNOW?

Water and Wastewater Operations initiated a Lead Action Plan to remove all known lead service lines in the City.

- More than 200 water samples were collected and analyzed for the presence of lead.
- As a result of field investigations, 43 properties within the City were confirmed to have lead water services. These water lines will be replaced as part of the ongoing lead action plan to eliminate lead water services within our water distribution system.
- In the last quarter of 2020, five lead water services were replaced. The replacement of all identified lead service lines will continue through 2021. www.lethbridge.ca/lead

LETHBRIDGE ELECTRIC UTILITY

Lethbridge Electric Utility (LEU) provides the community access to electric energy through a well-managed and dependable system. LEU provides several electrical utility services that can be segregated into two major functions: transmission and distribution. Transmission provides Lethbridge with access to the provincial electricity grid where distribution involves the final step of delivering electricity to homes and businesses.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The Lethbridge Electric Utility (LEU) is no stranger to working in adverse conditions to ensure continuous electric service to customers. Faced with unprecedented uncertainties in 2020, the LEU team rose to the challenge by:

- Initiating early adoption of COVID-19 safety protocols allowing field crews to continue with essential work throughout the pandemic.
- Office staff adapting to working from home, utilizing online platforms and support services to ensure critical behind the scenes operating tasks required for the electric utility remained operational.
- Establishing crew cohorts that have been maintained throughout the year to limit the number of contacts experienced by staff.
- Continuing the same level of service, while keeping each other, customers and the public safe in the process.

Capital Maintenance Program

With new construction business shifting slightly due to COVID-19, the LEU took advantage of the downshift in other capital projects to focus on maintaining and upgrading vital infrastructure:

- LEU crews continued with the Three Phase Mainline Renewal Program, concentrating on aging areas in north and south Lethbridge. The renewal of this

infrastructure is vital in maintaining the overall reliability of electricity distribution to all customers. A dedicated approach to assessing the state of this infrastructure helps to mitigate the occurrence of faults.

- An upgrade to a major power transformer (50 MW capacity) at Substation 241S was initiated and completed. Upgrades to this type of critical infrastructure ensures continued safe, reliable conversion of transmission voltages from 138,000 volts to a lower distribution voltage of 13,800 volts. The converted power is then used to provide power to all users within Lethbridge.

New Capital Projects

- LEU crews concentrated on Great Bear Boulevard and University Drive, installing new infrastructure to ensure efficient delivery of electric service to those growing residential neighbourhoods. This upgrade also facilitated the servicing of the new Fire Station #5 on Great Bear Boulevard. These projects were complete in tandem with other major transportation projects during 2020.



- Work was completed in Sherring Industrial Park. This project puts in place the foundation for delivery of bulk power to existing and future industrial processes that will occupy the area.
- To complete the last phase of the Outage Management System (OMS), a customer focused outage portal was implemented earlier this year. This provides residents with a self-serve portal for power outages information and status using a city wide interactive map.

DID YOU KNOW?

- On average, wildlife or “birds on a wire” cause six per cent of our power outages annually
- The LEU has 145 approved Microgen sites within the city, providing a total electric energy capacity of 1380.5 kW
- The LEU leads as the first utility in Western Canada to implement a Conservation Voltage Reduction System, allowing optimal operating voltage on a distribution system - leading to reductions in MW demand, consumption and savings
- Peak load capacity has steadily risen annually from 110 MW in 1995 to 182 MW in 2020.

URBAN CONSTRUCTION

Urban Construction connects the City of Lethbridge Infrastructure Departments and the development industry. This connection creates cost effective community growth and ensures the quality of municipal infrastructure meets residents' needs for safe, livable, affordable and sustainable communities.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Any work within existing right of ways (ROW) such as a road, lane, sidewalk or boulevard requires authorization and permits from the City. In 2020, the following permits were issued by Urban Construction:

- 529 excavation permits.
- 180 line assignments, which is the process of allocating space in the ROW for services such as electricity, gas and telephone lines.
- 133 street use (formerly hoarding) permits.

Planning

During 2020, the Right of Way Management unit of Urban Construction, continued process refinement and improvements. The Utility Location Assignments and Excavation guidelines were updated to reflect code changes. These continue to support utilities and other ROW users by creating efficiencies in the review and processing of permits. Permitting and utility installation remained steady.

Also in 2020, the review of the Offsite Levy Bylaw was finalized and a updated bylaw with rates for 2021 & 2022 was approved by City Council.

Residential Development

Development slowed in 2020 however new residential phases occurred this year in Blackwolf and Country Meadows. Through these new phases a total of five hectares was developed bringing 73 newly serviced lots to the home building industry.



Construction fencing protecting the public and contractor during an Atco Gas shallow utility installation.

PLANNING & DEVELOPMENT

Planning and Development services works with residents and businesses to ensure that their aspirations, goals and values are reflected in the natural and built environment. The department ensures the smart growth and development of Lethbridge by helping create places for residents to live, work and play. Planning and Development's work is guided by provincial legislation and City Council approved plans, policies and bylaws.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Regional Planning

A collaboration between City and Lethbridge County, the Inter-Municipal Collaboration Framework (ICF), was approved by both Councils in 2020. The ICF opens up discussions and formalizes agreements regarding the sharing or provision of services between municipalities.

Policy Planning

The current Municipal Development Plan (MDP) is under review and in the process of being updated. The MDP sets the community vision and is the overarching strategic plan, guiding future growth and development. City Council identifying the scope of the MDP review and topic areas to be further. The specific topic areas that were brought to stakeholders and the public included: local economy, Indigenous relationships, future growth and housing.

In addition to the specific topics explored with stakeholders and the public, general online engagement was completed on all the topics that make up the MDP: places, community well-being, arts culture and heritage, environment, utilities and servicing, relationships, housing, and local economy. In total, the MDP review reached 818 participants.

Existing Neighbourhoods

In 2020, the Westminster Area Redevelopment Plan (WARP) project team continued to engage with members of the Westminster neighbourhood community. In addition, an open house was held to showcase the WARP draft to the general public.

A draft was submitted to City Council for their review and approval in September 2020. Through this approval process which also included public feedback, Council identified several amendments to be made before the Plan can be adopted; the changes are expected to be completed by May of 2021.

Heritage Planning

In 2020, work commenced on a project to update the City's Heritage Management Plan (HMP). The project aims to implement the recommendation from the Reconciliation Implementation Plan that the HMP be updated "to incorporate policy language that specifically addresses Indigenous heritage." The project will be carried out in collaboration with Historic Places Advisory Committee, Reconciliation Lethbridge Advisory Committee, the urban Indigenous population, the Blackfoot Confederacy Nations, and Metis Local.

Jane's Walk

Every May, Jane's Walk Lethbridge allow residents to connect with the unseen and underappreciated aspects of the places they live and play. These walks bring together between 10 to 150 people per walk, however, due to COVID-19 this May looked very different. In alignment with COVID-19 public health measures, all the in-person walks were cancelled and one self-guided walk was delivered by the Southern Alberta Gallery.

Major Redevelopment

A highlight for 2020 was the start of a major redevelopment project on the historic Post Office building in Downtown Lethbridge. Following



more than a year of behind the scenes planning, the Sumus Property Group Ltd. began a major redevelopment and modernization project on this iconic building. Construction costs of the Post project are set to exceed \$12 million, making the commitment by Sumus the biggest single private investment in downtown Lethbridge in almost 20 years. The Post Office, also known as the J.D. Higinbotham Building, has both municipal and provincial heritage designation. The building's height, architectural detail, and unique character of the domed clock have made it a landmark building in the city. Sumus have described the goal of the project as creating a vibrant downtown hub for business, innovation, community and collaboration.

BUILDING INSPECTION SERVICES

Building Inspection Services provides Safety Code services to Lethbridge residents as well as professional home builders, commercial contractors, architects and professional engineers. The department ensures that minimum occupant and building safety requirements regulated by building codes are met. Building Inspection Services is regulated by Provincial Legislation, in the form of the Safety Codes Act, Building, Plumbing, Electrical, Propane and Natural Gas Codes and Standards.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- The residential market showed an decrease with only 218 permits issued for single family dwellings.
- Building additions, renovations and garage sectors saw some activity this year.
- Even though there were COVID-19 restrictions in place, the department was still able to issue 6,717 permits and conduct 22,293 inspections.
- In cooperation with the Customer Service and Business Support department, implementation and enhancement of the online eApply has continued. This year work began with accepting, reviewing and issuing commercial permits online which has enabled the Plans Examiner to work from home.
- Staff's computers/workstations were upgraded with the purchase of field devices and Panasonic Toughbooks, which will enable them to work from home and provide a better inspection process as the laptops are fully capable in the field.
- Building Inspection Services continues to forge strong relationships with the local construction industry. This is done by sitting on technical committees at the residential level, Building Industry and Land Development Alberta (BILD Alberta) and at the commercial level with the Lethbridge Construction Association.

DID YOU KNOW?

Building Permits are required for the following:

- Construction or additions to a new building.
- Reconstruction required due to damage caused by fire, earthquake or other cause.
- Construction of all covered decks.
- Construction of uncovered decks over 0.6 m (approx. 2'0") in height from the standing platform to grade.
- Hot tubs and swimming pools.
- Demolition of an existing building or structure.

CUSTOMER SERVICE & BUSINESS SUPPORT

Customer Service delivers information to customers, the construction industry, and the community regarding planning, zoning, development, building code, and permitting. Staff perform reviews to ensure permit applications are complete, and maintain detailed records for all development and building projects. **Business Support** provides analytical and technical expertise for the City's municipal software system and related online services. Analysts design, implement, and support these solutions for customers by applying a diverse knowledge of legislation, business processes and technical requirements.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Business Continuity through the Pandemic

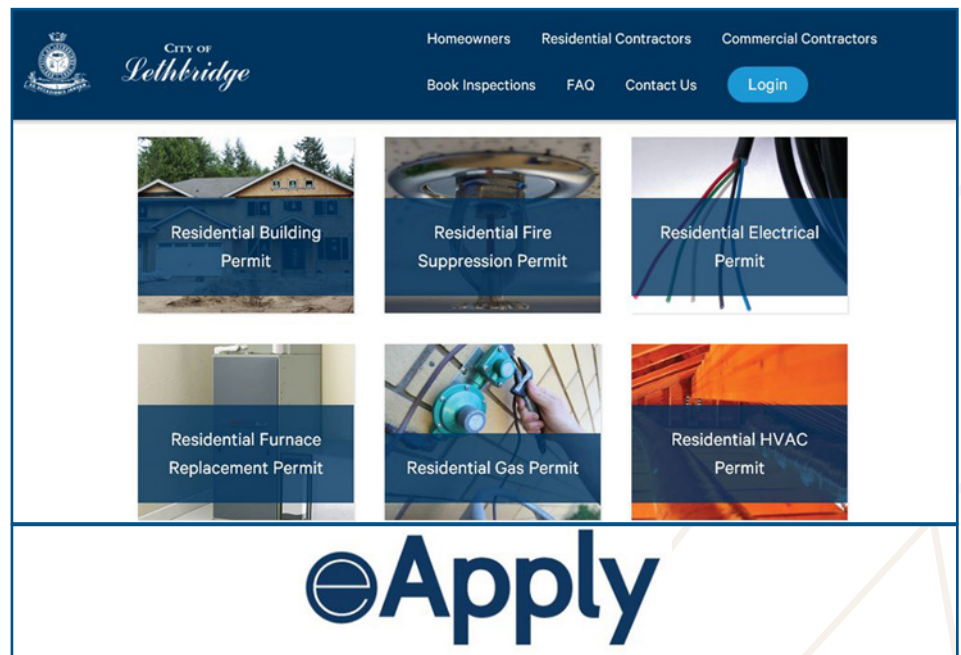
With City Hall closed to the public, virtually all permit applications were initiated online from March to June through the eApply permitting system, with payments handled through the eCommerce portal. Permit Technicians and Business Support staff provided guidance and setup for contractors and homeowners who transitioned to the online digital system rather than using paper-based applications in-person at City Hall.

Further Enhancements to Online Permit Applications

Several new application types were made available for the online eApply permitting system - commercial building permits, commercial electrical annual maintenance permits and commercial fire sprinkler permits. Technical design work also began for the next phase of eApply which will introduce development compliance letters, zoning letters, and file search requests for building permits, development approvals, and environmental information.

Secondary Suites

2020 saw a renewed focus on Secondary Suites from the community, and Development Services introduced several new tools to assist citizens with ensuring that potential suites are approved and constructed safely to code. A refreshed Secondary Suite



website was created, where necessary approval steps are outlined clearly and simply to provide guidance for property owners in achieving legal and safe suites for tenants. A Secondary Suite online look-up tool was

established, giving tenants a means to verify if a property has the appropriate approvals in place from the City.

DID YOU KNOW?

- 7,681 permit applications were processed and included:
 - 1,624 commercial applications.
 - 6,023 residential applications.
 - 34 demolition applications.
 - 249 addressing requests (secondary suites, subdivisions, corrections, etc.).
- Permit applications initiated online were:
 - 83% of all permits (development & safety codes).
 - 95% of all safety codes permits.
 - 97% of residential safety codes permits.
 - 83% of commercial safety codes permits.

GOVERNANCE

Real Estate & Land Development

Downtown Redevelopment

Indigenous Relations

Corporate Communications



REAL ESTATE & LAND DEVELOPMENT

Real Estate and Land Development provides land management and land development services. Land management entails acquiring, managing and selling the City's real estate holdings. Land development transforms vacant land owned by the City into serviced, developable parcels of land for residential, industrial, recreational and commercial use. This process includes storm and wastewater systems, utilities, construction of roads, curbs and sidewalks, the installation of road signs, street lights, benches and fences.



Crossings' Playground

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Crossings

Crossings is continuing to see plenty of housing construction activity in the subdivision. Lots in Phase one through four are sold out. Phases six and seven were developed in 2020, as well as a new future elementary school site.

A major highlight was the construction and opening of Crossings Playground, a large scale, accessible destination playground featuring a 25' climbing tower, a dual zip track, and many more

elements to keep large numbers of children, from toddler to young teen, active and engaged.

Sherring Business and Industrial Park

2020 saw the continued construction and expansion of Sherring Business and Industrial Park which will provide opportunity for economic development and job creation in Lethbridge.

Watermark

The finishing touches were completed on the newly constructed Great Bear Boulevard, which provides access to the new Fire Station #5. Roadway landscape design began and will be finalized and constructed in 2021.

RiverStone

The community of RiverStone is nearing completion with lot sales continuing in phases 22 and 21A.

DOWNTOWN REDEVELOPMENT

The City of Lethbridge is committed to the continuous improvement of downtown and adjacent areas. This is accomplished by the proactive leadership of the Heart of Our City Committee and the Urban Revitalization Department who leads engagement and coordination of internal departments, stakeholder groups, and public in the design, planning, transformation and overall revitalization initiatives of the downtown.



Outdoor Parklet the Downtown

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Public Realm Enhancement Program

Reinvestment in the downtown's public realm was undertaken including: installation of downtown branded streetlight banners, new self-watering planters, and expanded use of public spaces through the creation of parklets near existing eateries.

Revamped Festival Square

Concept designs were developed based on the vision to transform Festival Square into a year-round urban plaza that can host various events for community organizations and local business including a bigger and better Farmers' Market. In fall 2020, Municipal Stimulus Funding was secured from the Province and construction will begin in spring 2021.

Downtown Branding

The new 'downtown brand' was finalized, moving to place-based branding approach built on a common vision and narrative for downtown. The brand is grounded in the community brand 'Brighter Together' and is based around the essence – crafted, together, lively, open, and original.



Downtown Revitalization Governance Review

A comprehensive review of the governance structure of revitalization efforts in Lethbridge was completed. Following an extensive interview, research and analysis program, recommendations were presented to bring clarity to roles and responsibilities and make adjustments to structure and processes. The implementation of this review will occur throughout 2021.



Planters in the Downtown

DID YOU KNOW?

- 52 Main Street funded projects took place revitalizing building facades, signage, and security.
- Seven private redevelopment projects were completed leveraging funding from the Adaptive Reuse Program.
- Following the development of the Parklets, Patios, and Street Vending Program 20 permits were issued – a 122% increase over 2019.
- The new self-watering planters will reduce City operational efforts by over 80%.

INDIGENOUS RELATIONS

Indigenous Relations provides guidance and resources to Council Committees, City departments and community partners to advance reconciliation across the corporation and into the community. The City of Lethbridge is committed to advancing reconciliation and meaningful relationships with Indigenous peoples and Communities, including our Blackfoot Confederacy neighbours in Kainai, Piikani and Siksika First Nations, as well as the Lethbridge Métis Council. This important, transformational work is led by the Indigenous Relations Office with the advice and support of Council's Reconciliation Lethbridge Advisory Committee.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Indigenous Cultural Centre (ICC) Feasibility Study and Governance Review

This project analyzed the business case and governance models for an Indigenous Cultural Centre in Lethbridge, by reviewing existing programs and services in the community. One of the lasting legacies of this project was strong Indigenous community engagement for which this project was recognized internationally by the Commonwealth Association of Planners. Indigenous community members were actively involved in planning and delivering engagement, including through:

- Focus Groups
- Interviews
- Site Visits
- Workshops and,
- A Conference

National Inquiry into Missing and Murdered Indigenous Women and Girls

In 2019, the National Inquiry released its final report and 231 Calls for Justice. Shortly after its release, City Council referred it to the Reconciliation Lethbridge Advisory Committee. Throughout much of 2019 and 2020 Indigenous Relations has been working with the community to



Pamela Beebe, the Indigenous Relations Coordinator, in front of the SAGE Clan Patrol teepee during Reconciliation Week

review the Calls, and in October 2020 a list of 25 recommendations were presented to Council. They included:

- Exploring the adoption of the United Nations Declaration on the Rights of Indigenous Peoples.
- Economic and employment opportunities.
- Social and cultural program development.
- Toolkits and resources for allies.
- Public awareness and anti-racism campaigns.

Community Events

Indigenous Relations also supported a number of community events in 2020, including:

- National Indigenous Peoples' Day.
- The 4th annual Reconciliation Week.
- The 14th annual Sisters in Spirit Vigil and March.
- Orange Shirt Day.
- Indigenous Film Series with the Southern Alberta Art Gallery.

CORPORATE COMMUNICATIONS

Corporate Communications provides strategic support to all City of Lethbridge departments to ensure the creation of timely and informative public messaging that earns the trust, respect and confidence of the community. As stewards of the City of Lethbridge brand, Corporate Communications manages all external communication channels including media relations, social media and the City of Lethbridge website. The Corporate Communications mission is to tell the City of Lethbridge story and our vision is a proud and connected community.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

For a good portion of 2020, the Communications department was relied upon heavily to keep both staff and the community apprised of the ongoing and changing COVID-19 information. This included filling the role of Public Information Officer in the City's Emergency Coordination Centre (ECC) throughout the pandemic. In addition, ongoing support for messaging on road construction, water and wastewater maintenance, power outages, snow removal and street sweeping continued, as always.

Although much of 2020 was focused on COVID-19, the Communications department also worked hard to highlight the positive things happening in the community. This included assisting in the development of content and materials for:

- The first anniversary of the City's 311 service
- Start of construction of Fire Station #5 in west Lethbridge
- Start of 3 Avenue South Reconstruction Project
- A new Downtown Lethbridge brand
- Introducing the new City Manager
- Introducing the new Police Chief

Corporate Communications also provided regular support to City Council by coordinating media relations and social media as well as regularly updating website content from City Council meetings. In 2020, this also included extensive communication around the review



of the Operating Budget and the decisions made by Council throughout the process.

In 2020, the Communications department also took on a larger role in internal communications, ensuring all City staff are informed of events and activities that impact them both as employees and as Lethbridge residents.

DID YOU KNOW?

- Total page views on lethbridge.ca in 2020 = 2.67 million.
- 21,300 Twitter followers.
- Top Tweet was about street sweeping on Whoop-Up Drive which made 39,270 impressions
- 116,859 Facebook Page Likes
- 11,400 Instagram followers
- Top Facebook Post was about the passing of the Temporary Mandatory Face Cover Bylaw which reached of 166,700 people
- 42,600 minutes of video were viewed through our Facebook page and the top video was the story of the Fire and Emergency Services response to local resident, Tony Days.
- 396 public service announcements, news releases and media invitations sent to local media



CITY OF
Lethbridge

The Annual Report is produced by the
Communications & Financial Services departments of the City of Lethbridge
in cooperation with all civic departments and agencies.



CITY OF
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2020 ANNUAL REPORT

lethbridge.ca