



CITY OF
Lethbridge

City of
Lethbridge

Annual Report

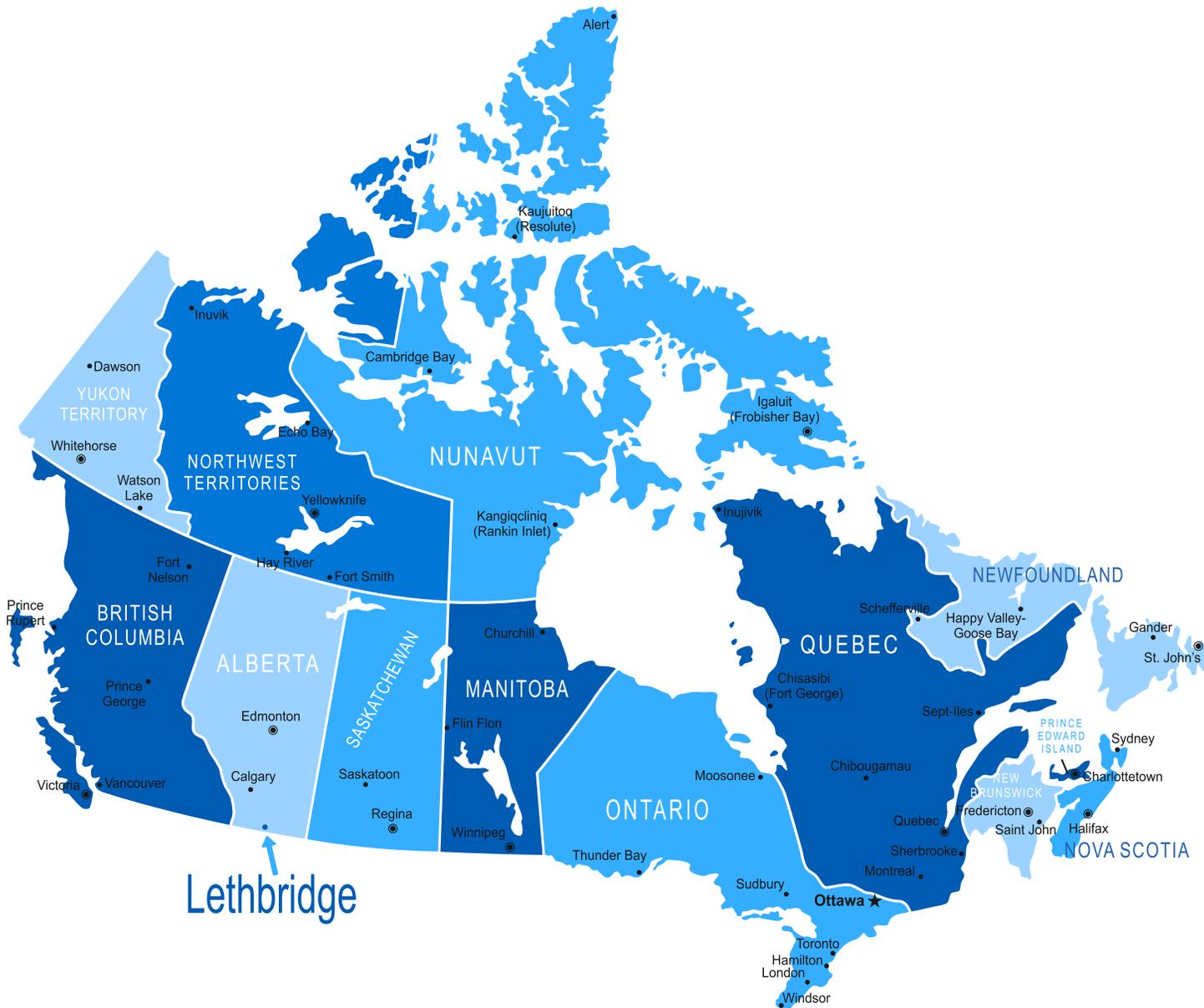
HIGHLIGHTS
2019



Photo: ATB Centre

Alberta, Canada • December 31, 2019

Lethbridge is in southern Alberta and has a population of 101,482. 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.



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On the cover: After eight years of planning and construction of a new leisure centre in west Lethbridge, ATB Centre Phase 2, home to the Cor Van Raay YMCA opened on May 4, 2019. The final phase of this project included an aquatics area with amenities such as: waterslides, Lethbridge's first Flow Rider, a lazy river, and lap and leisure pools. The facility also includes an indoor track looking down on six full-sized courts, a large fitness area with group class space, childminding, a child care centre and an indoor playground.

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The City of Lethbridge's 2019 Annual Report Highlights is designed to simplify and communicate financial information, operating results, achievements and successes to the citizens of Lethbridge.

The condensed financial information presented in this report has been collected from the City of Lethbridge's 2019 Annual Report. For more information, the 2019 Annual Report can be found at www.lethbridge.ca.

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



City of Lethbridge
910 - 4th Avenue South
Lethbridge, Alberta, T1J 0P6

lethbridge.ca
[facebook.com/cityoflethbridge](https://www.facebook.com/cityoflethbridge)
twitter.com/LethbridgeCity

MAYOR'S MESSAGE



“This report brings an opportunity to review and to appreciate all of the work and effort that went into the past year.”

Mayor Chris Spearman

My City Council colleagues and I are pleased to bring you the 2019 Annual Report Highlights. As the City prepares to publish this report, it brings an opportunity to review and to appreciate all of the work and effort that went into the past year. As I reflect on 2019, I am proud of the work the organization has completed and look forward to continuing this work into 2020.

A major highlight during 2019 was seeing our population grow to more than 100,000 residents, making Lethbridge the third largest city in the province. Our stable economy and steady growth has proven to be a consistent attractor for those looking to make a move and build a life in Lethbridge.

We saw the completion of capital projects like Phase II of the ATB Centre and the Regional Park 'N' Ride Transit Terminal plus the launch of the curbside recycling program and our Lethbridge 311 service. These facilities and programs have added significantly to the quality of life in our community and we continue to see the benefits of investing in these services every day.

Another source of pride is the work that has been done to further Reconciliation in our community. Earlier this year City Council unanimously voted to adopt the traditional Blackfoot greeting, Oki, as the official greeting of Lethbridge. This motion was brought forward to Council by the hard work being done by the Reconciliation Lethbridge Advisory Committee and is something I encourage all residents to learn more about.

At the same time, social issues and safety have also been on the minds of many residents who have been directly and indirectly affected by the drug crisis impacting our city. While our residents and businesses are sharing these concerns, City Council are listening carefully, meeting with our partners in other levels of government and advocating for Lethbridge.

City Council has made significant investment in public safety and addressed increased demand on Lethbridge Police Services by asking the Lethbridge Police Commission to look at what resources may be needed. Council also recently approved additional funding for the Downtown Clean and Safe Strategy through to 2022 which has a direct focus on maintaining a clean and safe environment for our downtown businesses, residents and visitors to continue to thrive in.

As I reflect back on 2019 and the challenges we've faced as a community, I am encouraged by the fact we continue to keep proving we are a strong, resilient, vibrant, passionate, hardworking and unwavering community. It is those qualities that have helped us rally together, focus on what is important to us and ensure that Lethbridge comes out the other side, better than ever. It is also those qualities that highlight the positivity in our community and that positivity will help us to move forward into another banner year for our city in 2020.

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 Jeffrey Coffman
Councillor Belinda Crowson
Councillor Blaine Hyggen

Councillor Mark Campbell
Councillor Joe Mauro
Councillor Rob Miyashiro
Councillor Ryan Parker

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

CITY MANAGER

Bramwell Strain
Jody Meli (Jan 2020)

**Director of City
Manager's Office**
Jody Meli

- Supporting Council's Strategic Priorities & Communications
- Corporate Communications & Marketing
- Corporate Strategic Planning
- Information Technology
- Downtown Redevelopment
- Economic Development & Tourism Liaison
- Lethbridge Airport

**Land Development/
Real Estate Manager**
Michael Kelly

City Solicitor
Brian Loewen

**Human Resources
Manager**
Jason Elliott

City Clerk
Bonnie Hilford

**Director of Treasury &
Financial Services**
Hailey Pinksen

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

**Director of
Community Services**
Tony Vanden Heuvel

- 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

CITY COUNCIL 2017-2021



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.

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

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

- RESPECT & UNDERSTANDING
- GOOD GOVERNANCE
- ENGAGING ALL VOICE
- STRATEGIC & VISIONARY
- INNOVATIVE & CREATIVE
- WORKING IN PARTNERSHIPS

STRATEGIC GOALS

- ACCOUNTABLE LEADERSHIP
- FINANCIAL STEWARDSHIP & ECONOMIC PROSPERITY
- LIVEABLE COMMUNITIES
- COMPASSIONATE COMMUNITY
- PEOPLE PLACES FOR ALL

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

CITY MANAGER'S MESSAGE



Within these pages of our Annual Report Highlights, we demonstrate to residents our ongoing commitment to creating a welcoming and inclusive community for all."

Jody Meli - City Manager

On behalf of the City of Lethbridge Administration, I am pleased to present the 2019 Annual Report Highlights.

We experienced steady growth in Lethbridge in 2019 as well as some great milestones for our community.

June 2019 brought with it the confirmation we had officially become a city of more than 100,000 residents, making Lethbridge the third largest city in Alberta. This is a significant milestone in our history and it's encouraging to know we're a city that continues to steadily grow and more importantly, retain those people and families who choose to make Lethbridge their home.

According to the Conference Board of Canada's mid-sized cities report released late last year, our local economy has fired on all cylinders over the past two years. We've expanded by 5.8 per cent in 2017 and 5.1 per cent in 2018.

Our strong economic performance locally is partially due to having a diversified economy which makes us a stable city in which to live, work and play.

It is noted that quality of life is one of the biggest advantages to doing business in Lethbridge. Investment in facilities like the ATB Centre help to attract and retain talent in our city. Stable economic conditions also play a role here. We ended 2019 with the lowest unemployment rate in the province according to Statistics Canada.

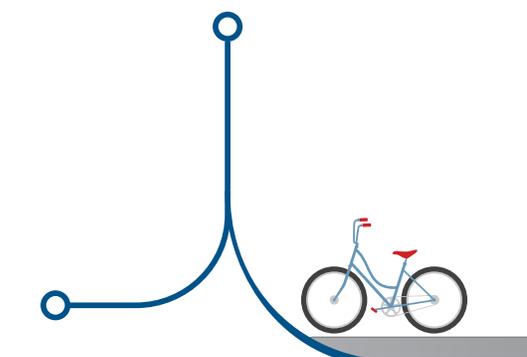
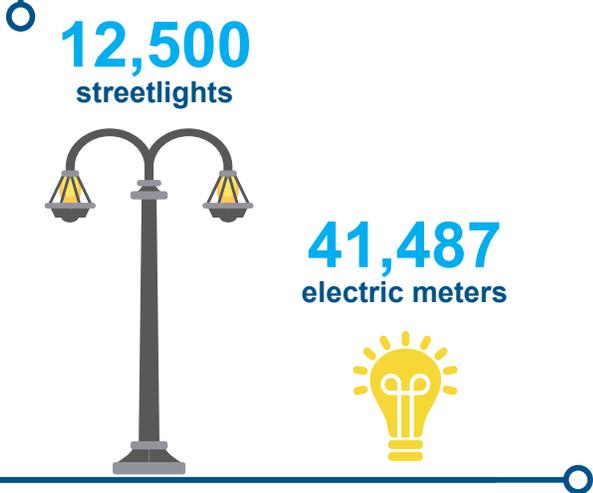
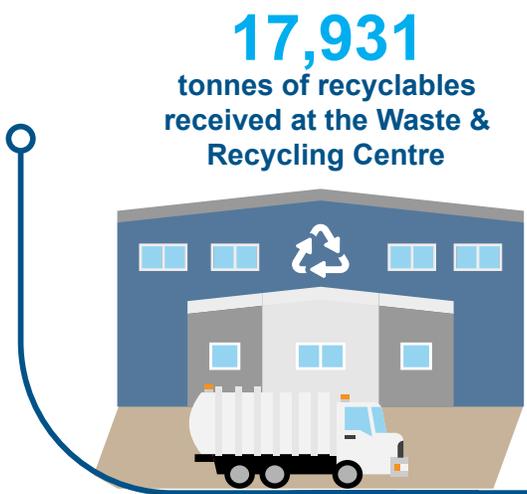
From a City of Lethbridge organizational perspective, we continued to do our part in improving local social and economic infrastructure in 2019 with the completion and grand opening of some major capital projects including ATB Centre Phase 2 – the Cor Van Raay YMCA, the completion of the Regional Park 'n' Ride Transit Terminal and the Yates Theatre renovation. In late December, construction began for a new fire station in west Lethbridge, and we are nearing the completion of the twinning of University Drive from the Community Stadium to SunRidge Blvd West. In addition to creating new jobs in our community, we are ensuring the priorities of our community are heard and taken seriously when planning for our future.

Within these pages of our Annual Report Highlights, we demonstrate to residents our ongoing commitment to creating a welcoming and inclusive community for all, with a focus on our future and the opportunities and promise that 2020 will bring.

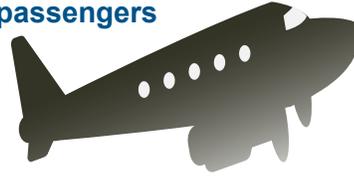
Jody Meli

City Manager

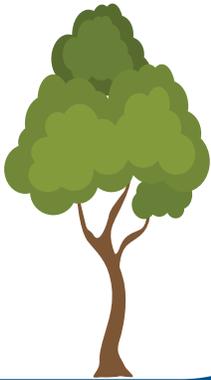
2019 LETHBRIDGE AT A GLANCE



104,078
YQL passengers



47,000
planted trees



101,482
Lethbridge
population

64,347
9-1-1 calls
received

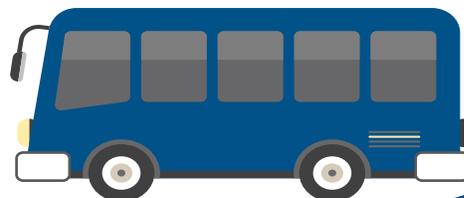


Lethbridge Police
Service responded to
35,993
calls for service

9,000
dogs licensed



1,605,053 Transit ridership



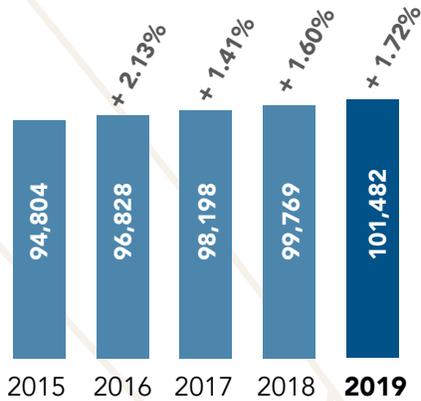
583 kms of roads

ECONOMIC OVERVIEW

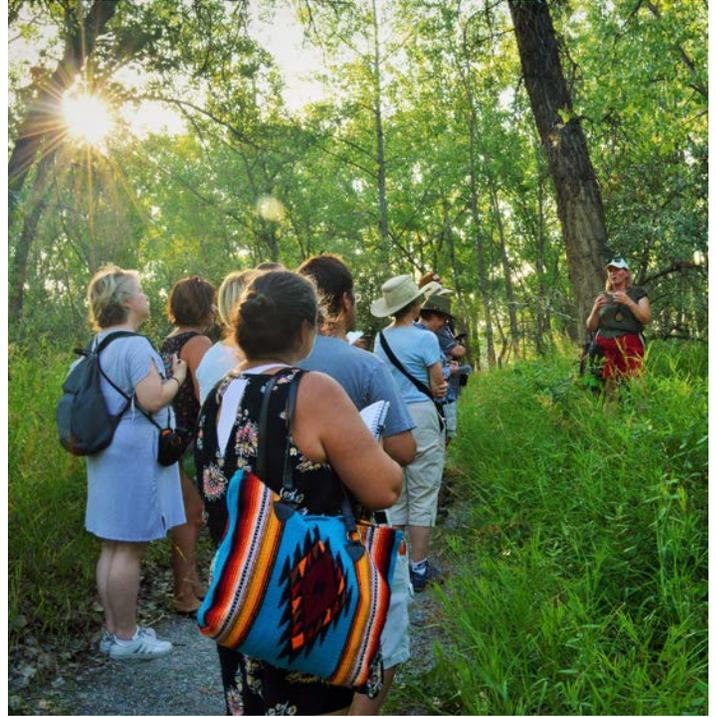
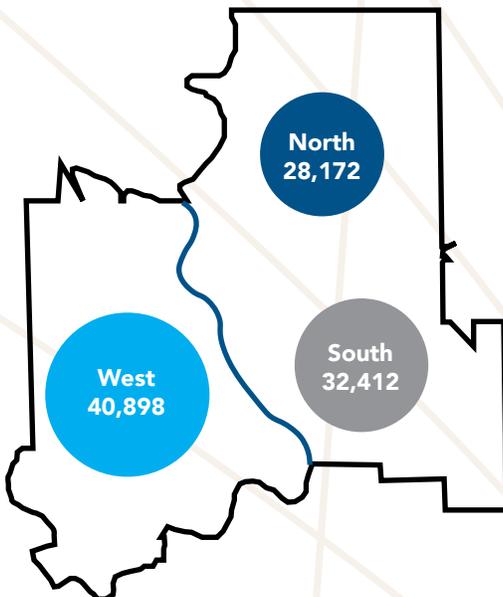
POPULATION

Lethbridge broke the 100,000 threshold in 2019 and currently has a population of 101,482. This was an increase of 1.7% over the 2018 municipal census numbers and exceeded both the provincial (1.6%) and national (1.4%) comparatives. The strongest growth was again in west Lethbridge with an additional 938 new residents. Lethbridge consistently demonstrates a sustainable, healthy rate of growth. Population growth is correlated with an expanding workforce, which should lead to greater prosperity. Education and training provide the population with the skills to innovate and increase productivity, ultimately leading to wealth generation and job growth.

Total Population



Population by Location in 2019



RESIDENTIAL ASSESSMENTS

Your property assessment is an estimate of the price your property may have sold for on the open market by a willing seller to a willing buyer as of July 1 of the previous year. Assessed values reflect the physical condition of the property as of December 31, of the previous year.

Your property assessment is used to determine your share of the total property taxes your City needs to provide the services and infrastructure, as established in the annual budget.

Median Property Assessment for Single Family Residential Properties



ECONOMIC OVERVIEW

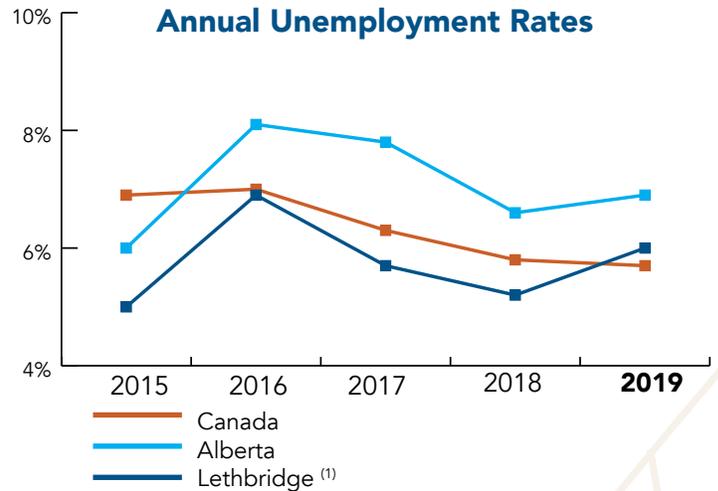
UNEMPLOYMENT RATE

Lethbridge's economy continues to be stable. The annual unemployment rate in the Lethbridge region is low at 6.0% versus the Alberta rate of 6.9 % and was close to the national average of 5.7%.

DEVELOPMENT AND CONSTRUCTION

Building permits are an important leading indicator as to where the construction market is headed. Development and construction highlights for the 2019 include:

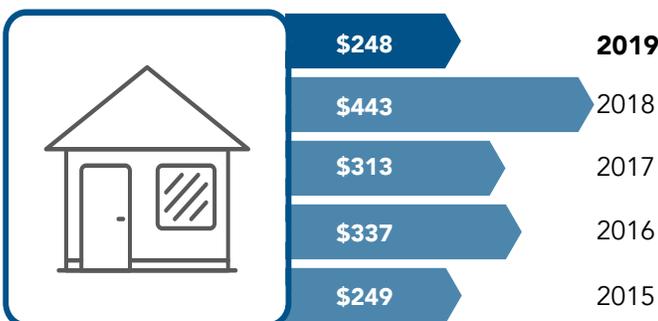
- Industrial permit values totaled \$11 million in the most recent calendar year, a significant decrease over 2018 of \$235 million.
- Commercial permit values were similar at \$32 million in 2019, versus \$34 million in 2018.
- Residential permits for single detached dwellings were down in 2019 with 269 permits issued versus 298 in 2018.
- Growth was reported in the government and institutional areas, where permits totaled \$31 million in 2019, up from the year prior when they totaled \$8 million. The bulk of the figure in 2019 includes two large permits, one for the new Fire Station in west Lethbridge and the other for a new elementary school in southeast Lethbridge.



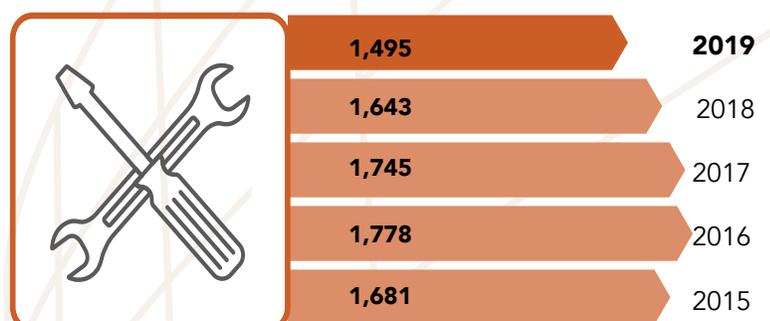
Source: Statistics Canada
(1) The unemployment rates include Lethbridge & Medicine Hat regions.



Building Permit Values (in millions of dollars)



Number of Building Permits Issued



FINANCIAL HIGHLIGHTS

CITY TREASURER'S MESSAGE



Lethbridge is resilient and responsive to the needs of our community.”

Hailey Pinksen - City Treasurer

The City of Lethbridge's 2019 Annual Report Highlights is designed to simplify and communicate our financial information, operating results, achievements and successes to the citizens of Lethbridge.

The financial information in this report has been summarized from the audited financial statements in the City's 2019 Annual Report that was prepared in accordance with Canadian public sector accounting standards. The detailed Annual Report can be found on the City's website at lethbridge.ca.

The City provides many services to our citizens such as water, streets, transit, police, fire, ambulance, parks, recreation and culture facilities, just to name a few. You may ask, where does the City get the money to pay for these services? To find out, take a peek at page 14, there you will see that the City collected \$459 million of revenue in 2019. Of this revenue collected, 42% was from sales and user charges which comes from the fees on your utility bill and user fees for recreation and culture facilities.

Now that you know a little bit about where the City's money comes from, you may ask how much do these services cost? Flip over to page 16, there you will see that City expenses cost \$400 million in 2019. Of the total City expenses, 21% is for Protective Services which includes police, fire and ambulance.

This document also highlights many of the City's major projects for 2019. Starting on page 19 you can read about various highlights, achievements and celebrations that occurred around Lethbridge that demonstrate the City's dedication to serving our community.

The City of Lethbridge is resilient and responsive to the needs of our community. We must all come together in partnership to ensure we continue to thrive and help make Lethbridge a great place to live, learn, work and play. I am confident the City is well positioned to face any challenge and to make the most of its opportunities in the future.

As you review our Annual Report Highlights, I hope it helps to enhance your understanding of the City of Lethbridge finances. The City takes pride in being fiscally responsible and continues to achieve a strong financial position. I hope you enjoy reading this report and find its content useful.

Respectfully submitted,

A handwritten signature in black ink that reads "Hailey Pinksen".

Hailey Pinksen, CPA, CA, CIA
City Treasurer

UNDERSTANDING & INTERPRETING CITY OF LETHBRIDGE FINANCIAL STATEMENTS

On an annual basis, the City of Lethbridge Financial Statements are prepared in accordance with provisions set out in the Municipal Government Act (MGA) and must comply with Canadian public sector accounting standards, which provides guidance for financial and other information reported by public sectors.

The condensed financial information presented in this report has been collected from the City of Lethbridge's 2019 Annual Report and is for highlight purposes only.

There are four main components to the City's Financial Statements:

1. Statement of Financial Position:

The Statement of Financial Position reports on the City's assets, liabilities and municipal equity at the end of each year. This statement will give the reader an indication whether or not the City has the necessary assets to provide services to its citizens in the future and meet its current financial commitments.

2. Statement of Operations:

The Statement of Operations reports on revenues, expenses and results of operations for the entire year.

3. Statement of Net Financial Assets (Debt):

The Statement of Net Financial Assets (Debt) reconciles the excess of revenue over expenses to the net financial assets (financial resources available to finance future transactions). 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.

4. Statement of Cashflows:

The Statement of Cashflows identifies where the City's cash came from and how it was used. This statement explains the change in cash and cash equivalents since the previous reporting period.

Notes to the Financial Statements

The notes to the Financial Statements contain important information and explanations, some of which are required by legislation and regulation. The notes highlight various aspects and provide background information on the impacts of specific values in the Financial Statements.

Additional Details

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.

The Audit Committee oversees the activities of the external auditors to help ensure Administration's accountability to Council. The 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 engages the external auditor, KPMG LLP who carries 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 annual Consolidated Financial Statements and related processes.

Based on the Committee's recommendation, City Council approved the 2019 City of Lethbridge Annual Report at its meeting on April 20, 2020.

WHO USES THE CITY OF LETHBRIDGE FINANCIAL STATEMENTS AND WHY?

City Residents:

Lethbridge residents use the City's Financial Statements to help them understand how financial resources have been used to provide services to their community.

City Council:

The City's Financial Statements provides information to City Council on its financial position. This information has been validated by a professional, independent auditor.

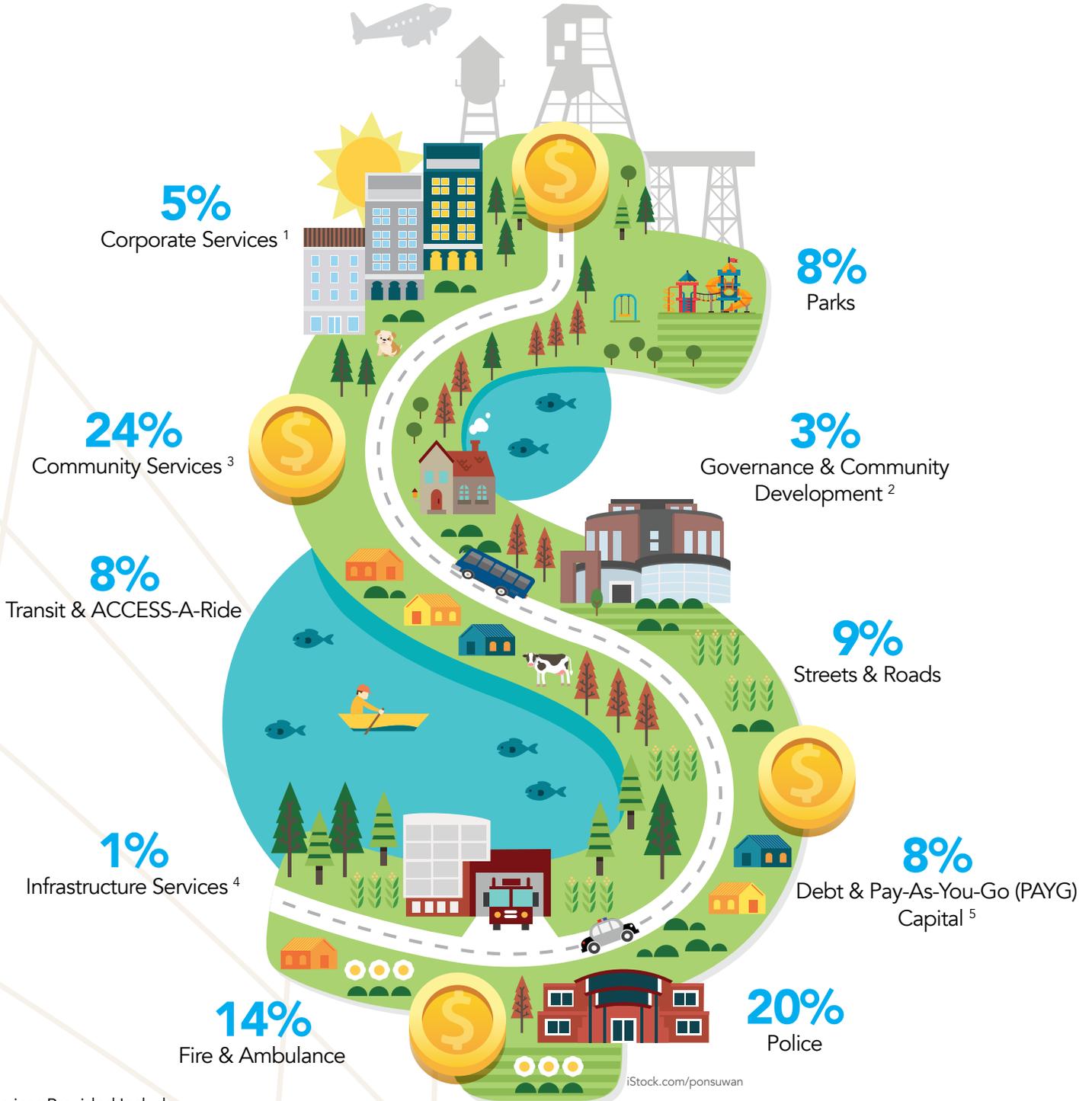
Governments:

Senior levels of government use the City's Financial Statements to determine if funds were used in accordance with the funding requirements.

For more information, the 2019 Annual Report can be found at:
www.lethbridge.ca

FINANCIAL HIGHLIGHTS

WHAT YOUR 2019 MUNICIPAL PORTION OF YOUR TAX DOLLARS WERE USED FOR



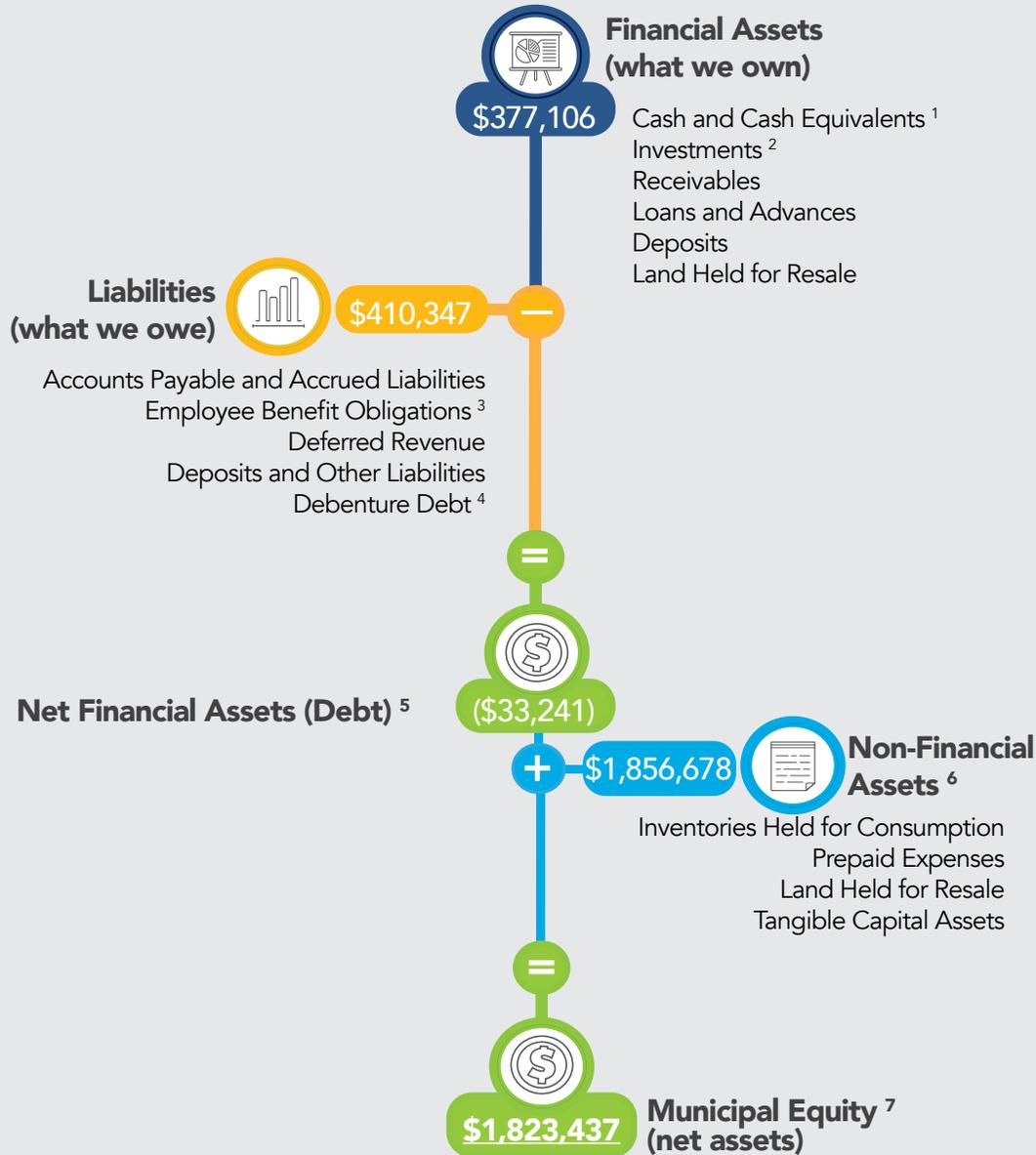
Services Provided Include:

1. Information Technology, Financial Services, Human Resources, Assessment & Taxation, Risk Management, etc.
2. City Council, City Manager, City Solicitor, Economic Development, Planning & Development, etc.
3. Recreation & Culture, ENMAX Centre, Regulatory Services, Cemetery Services, Lethbridge Public Library, Galt Museum & Archives, etc.
4. Airport, Community Lighting, Storm Water, Asset Management, Urban Construction, Parking, etc.
5. PAYG - costs associated with capital projects that are recurring, relatively small scale or for short lived improvements.

FINANCIAL HIGHLIGHTS

2019 SUMMARY OF FINANCIAL POSITION (in thousands of dollars)

Source: City of Lethbridge Consolidated Statement of Financial Position for the year ended December 31, 2019



iStock.com/_human

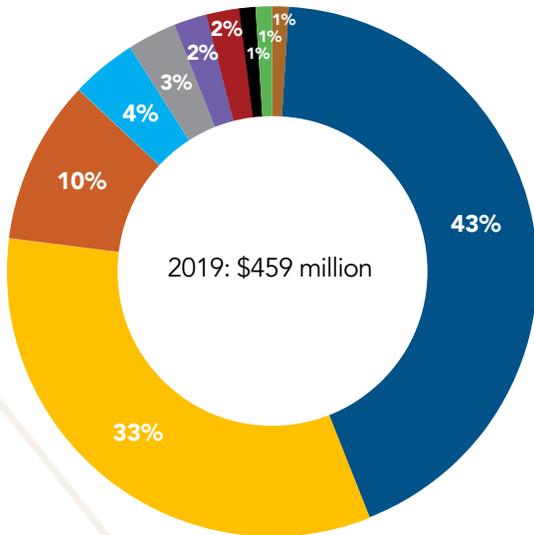
Notes:

- Cash includes cash on hand, balances with financial institutions and short term investments with original maturities less than three months.
- Investments consist primarily of money market instruments such as Guaranteed Investments Certificates, government bonds, financial institution bonds and term receipts. These investments are in qualifying institutions as defined in the City's investment policy.
- Employee benefit obligations include vacation, overtime and sick pay.
- Debenture debt is an external borrowing from the Alberta Capital Finance Authority that is used for capital funding. A by-law must be authorized by City Council prior to any external borrowing.
- Net Financial Debt - this negative balance is an indication that future resources are required to pay for past transactions events.
- 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.
- Municipal equity reflects the net assets that have accumulated over time. Municipal equity consist of restricted and unrestricted amounts, including the accumulated unrestricted surplus, reserves, equity invested in tangible capital assets and the capital fund.

FINANCIAL HIGHLIGHTS

WHERE THE MONEY CAME FROM: 2019 GROSS REVENUE

Source: City of Lethbridge Consolidated Statement of Operations for the year ended December 31, 2019



- 43% Sales & User Charges
- 33% Net Taxes & Special Municipal Levies
- 10% Government Transfers
- 4% Contributed Assets
- 3% Return on Investments
- 2% Other
- 2% Fines & Penalties
- 1% Gas Company Franchise Fee
- 1% Sale of Land
- 1% Licenses & Permits

Sales & User Charges are the revenue from the sales of goods and services to individuals, organizations or other governments. This includes utility service charges and user fees for recreation and culture facilities.

Net Taxes and Special Municipal Levies are the net municipal portion of all property taxes and grants in lieu of taxes levied or collected.

Government Transfers are essentially grants from senior levels of government.

Contributed Assets are tangible capital assets recorded at their fair market value that have been transferred to the City. These contributions are from privately developed subdivisions and include assets such as water systems, wastewater systems, storm systems, roads and parks.

Return on Investments is the net revenue resulting from investments.

Other includes revenues which are not included in the revenue categories defined above.

Fines & Penalties are revenue collected from the violation of a law or a bylaw. This includes fees for impounded animals, overdue charges for library books and fines generated by the province on behalf of the City.

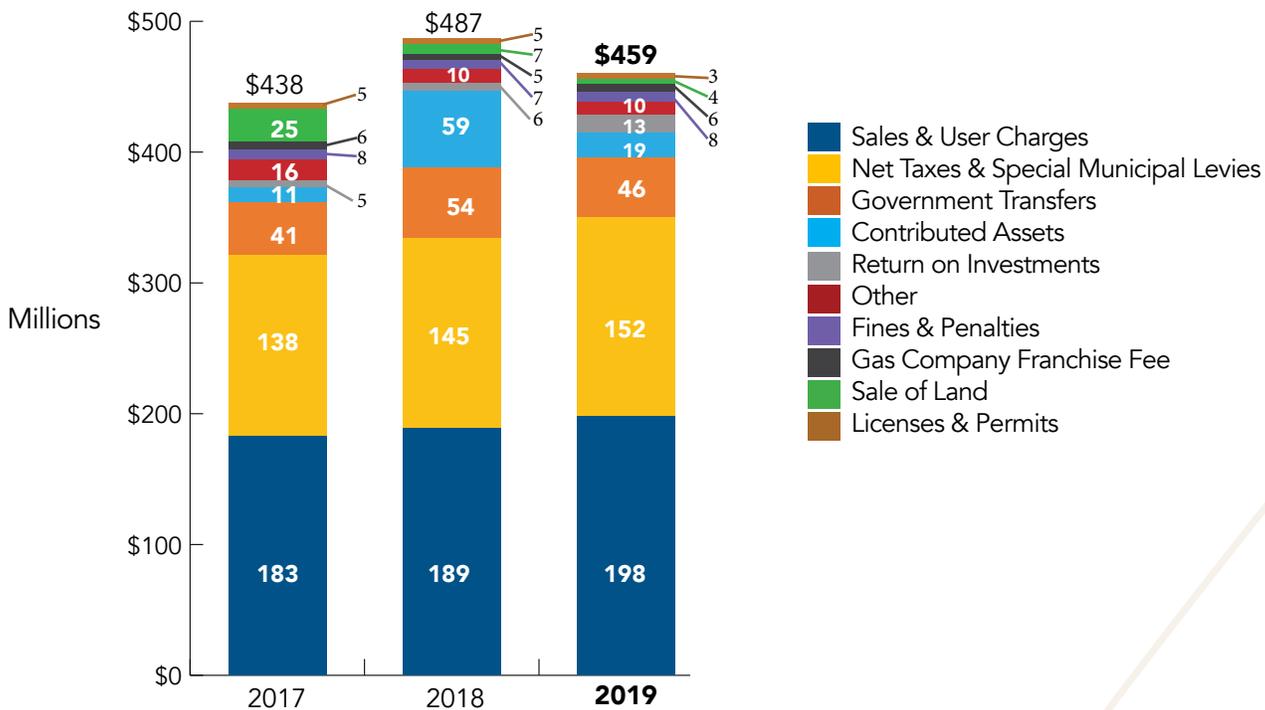
Gas Company Franchise Fee is revenue collected from a utility company that allows the exclusive right to provide services within city boundaries under an agreement and for the use of municipal land upon which the utility system is located.

Sale of Land includes revenue from lot sales of residential and industrial subdivisions that have been developed by the City.

Licenses & Permits include revenue collected from municipal licenses such as business, taxi, and animal licenses. It also includes revenue collected from permits such as building, construction, demolition, gas, plumbing and electrical permits.

WHERE THE MONEY CAME FROM: THREE YEAR COMPARISON OF GROSS REVENUE

Source: City of Lethbridge Five Year Summary of Consolidated Revenues



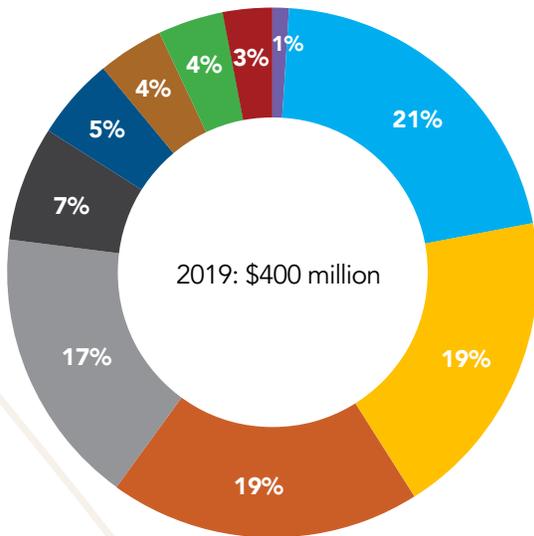
2019 Revenue Changes:

- The overall operating revenue had an overall decrease of \$28.6 million or 6% with total revenue of \$458.9 million (2018 \$487.5 million).
- Sales and user charges increased by \$8.8 million or 4.6% from 2018 primarily due to an increase in utility user charges.
- Property tax is a primary revenue source available to the City to pay for municipal services. In 2019, net taxes available for municipal services of \$151.8 million was \$6.5 million or 4.5% higher than 2018, and accounted for 33.1% (2018 29.8%) of gross revenue. The net tax increase was a result of a combination of a budgeted property tax increase of 1.82% and commercial property growth.
- Government Transfers decreased by \$7.8 million from 2018 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
- Contributed assets had a decrease in 2019 of \$40.4 million. Contributed assets are those typically contributed from other developers. During 2019, there was a \$8.8 million increase related to market conditions, weather conditions, parks and amenity features. The remaining is a \$49.2 million decrease related to the acquisition of the Lethbridge Airport assets in 2018.
- Return on investments was \$12.7 million which was a \$6.8 million increase from the previous year (2018 \$5.9 million). The overall increase was due to an increase of \$4 million primarily as a result of increased grant interest revenue due to the timing difference in recording interest revenues associated with grants and \$2.8 million in investment income.

FINANCIAL HIGHLIGHTS

WHAT THE MONEY WAS USED FOR: 2019 EXPENSES BY FUNCTION

Source: City of Lethbridge Consolidated Statement of Operations for the year ended December 31, 2019



- 21% Protective Services
- 19% Electric
- 19% Infrastructure & Transportation Services
- 17% Leisure & Human Services
- 7% General Government Services
- 5% Water
- 4% Wastewater
- 4% Waste & Recycling
- 3% Development Services
- 1% Family Support & Social Services

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

Electric 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. Distribution involves the final step of delivering electricity from one of the City's 6 substations to homes and businesses. The City is responsible for maintaining 4,800 transformers, 2,450 km of underground lines and 450 km of overhead lines.

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

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

General Government Services includes council, legislative and general administration.

Water distribution system consists of 590 km of water main and 6 storage reservoirs with pump stations. The water mains and pump stations deliver water to residences and businesses through the city and neighbouring communities. The water treatment plant draws the water supply from the Oldman River and it processes an average of about 53 million litres of high quality drinking water on a daily basis.

Wastewater collection system consists of 520 km of sewer and 23 lift stations. The sewer and lift stations convey wastewater from residences and businesses in all areas of the city to the wastewater treatment plant.

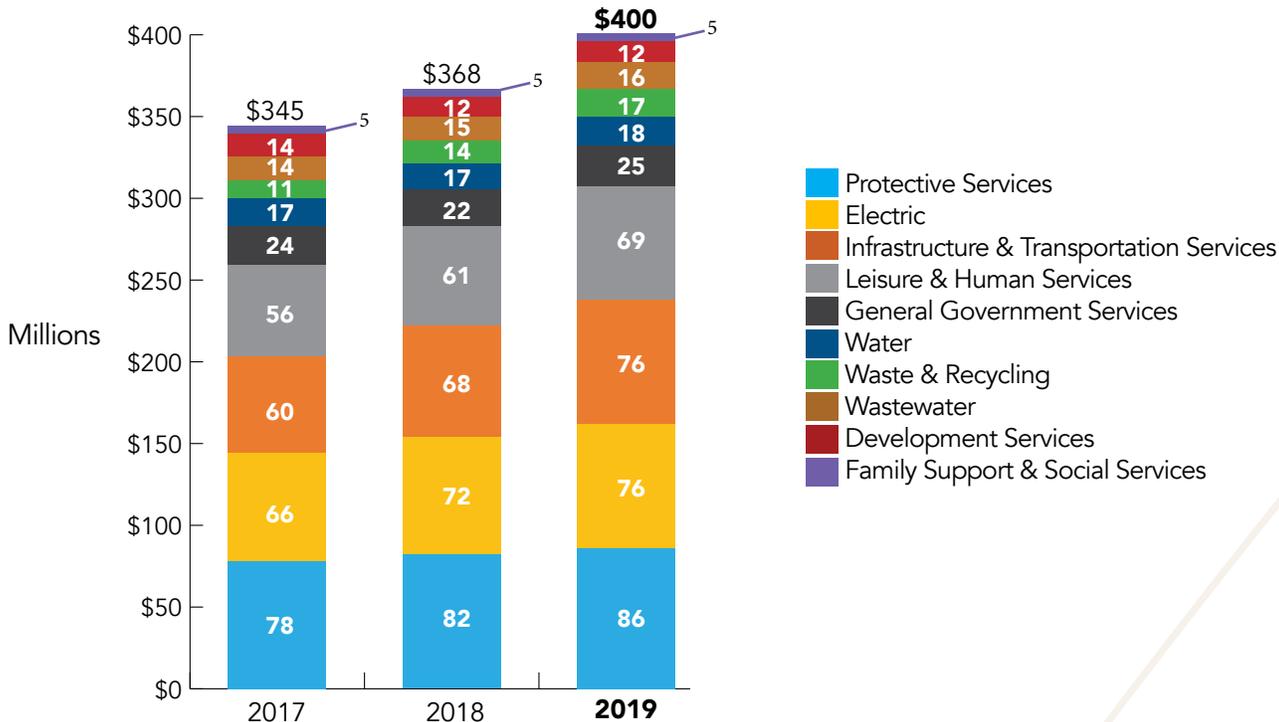
Development Services includes economic development, planning, public housing and land development.

Waste & Recycling provides environmentally safe, time responsive and cost effective collection, disposal and recycling services for residents as well as waste collection for commercial customers in Lethbridge.

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

WHAT THE MONEY WAS USED FOR: THREE YEAR COMPARISON OF EXPENSES

Source: City of Lethbridge Five Year Summary of Consolidated Expenses



2019 Expense Changes:

- In 2019, the consolidated expenses of \$400.6 million were \$32.2 million or 8.7% higher than the previous year.
- Protective Services expenses increased by \$3.6 million to \$85.5 million from \$81.9 million in 2018. This was primarily due to additional personnel costs of \$1.9 million, an increase of \$0.9 million in contractual services, an increase of \$0.6 million in materials, supplies and utilities and an increase of \$0.2 million in other expense areas. These increases are related to recruitment and hiring in preparation for opening new Fire Station in 2020, and new Police Initiatives introduced in 2019.
- The Electric Utility expenses increased by \$3.9 million from \$72.6 million in 2018 to \$76.5 million in 2019. The increase is primarily due to a \$2.8 million increase in energy charges, transmission tariff charges, contractual services as well as an increase of \$0.7 million in expenses within the distribution system, as well as \$0.4 million in general and administration expenses.
- Infrastructure and Transportation expenses increased by \$7.6 million to \$75.7 million from \$68.1 million in 2018. This increase comprises of road, pathway and parking expenses of \$2.2 million, Transit expenses of \$1.5 million, Urban Development expenses of \$1.5 million as well as an increase in expenses of \$2.1 million related to a full year of Lethbridge Airport operations and a \$0.3 million increase in Utility Services and Lethbridge 311 expenses.
- Leisure and Human Services ended the year with \$68.8 million in expenses, an increase of \$7.7 million from 2018. This is due to a \$6.1 million increase in expenses for recreation facilities and programs, and an increase of \$1.6 million in cultural facilities expenditures.
- General Government Services increased by \$3.2 million to \$25.3 million in 2019 from \$22.1 million in 2018. This was due to an increase of \$1.9 million in Wages & Benefits, an increase of \$1.4 million in Contractual Services, a \$1.1 million increase in Transfer to Other Agencies offset by a \$1.0 million decrease in Financial Charges; and a \$0.2 million decrease in other expense areas.

FINANCIAL HIGHLIGHTS

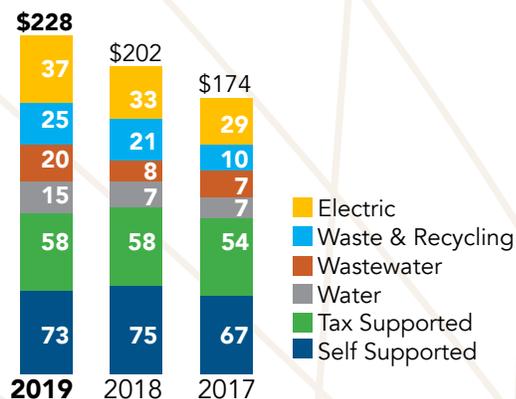
DEBENTURE DEBT

The City of Lethbridge borrows money to help finance capital projects. These loans called debenture debt are borrowed from the Alberta Capital Finance Authority (ACFA), a provincial authority. ACFA makes loans to Alberta municipalities, school boards and other local entities at interest rates based on the cost of its borrowings.

The Municipal Government Act (MGA) establishes limits for municipal debt levels and annual debt servicing costs. The City's debt limit in 2019 was \$612 million.

In 2019, the City's debenture debt was \$228 million. This was an increase of \$26.1 million (13%) over the 2018 balance. The debenture debt increase was primarily due to an increase in borrowings for capital projects including the Waste Water Treatment Plant Clarifier Replacement, Water Treatment Plant Residuals Management, the Sherring Industrial Park, Waste Water Treatment Plant Headworks & Clarifier Upgrade, Curbside Recycling, ATB Centre - Phase 2 (Leisure Complex), and the Electric Distribution Extension & Improvement.

DEBENTURE DEBT (millions)



THREE YEAR SUMMARY OF DEBENTURE DEBT

Source: City of Lethbridge Five Year Summary of Debenture Debt

(in thousands of dollars)

	2019	2018	2017
GENERAL			
Tax supported			
Recreation & Culture Facilities	\$ 58,006	\$ 58,164	\$ 54,207
Self supported			
Offsites	50,191	50,253	46,033
Industrial park servicing	11,353	12,806	9,109
Commercial land servicing	10,869	11,555	12,222
Airport	605	644	-
Local improvements	-	25	50
	131,024	133,447	121,621
UTILITIES			
Water	15,120	6,411	7,175
Wastewater	20,011	7,564	6,266
Waste & Recycling	25,272	21,163	10,344
Electric	36,563	33,295	28,588
	96,966	68,433	52,373
TOTAL DEBT	\$227,990	\$201,880	\$173,994
POPULATION	101,482	99,769	98,198
DEBENTURE DEBT PER CAPITA			
General - mill rate supported	\$ 572	\$ 583	\$ 552
General - self supported	720	755	687
Utilities	955	686	533
	\$ 2,247	\$ 2,024	\$ 1,772
DEBT LIMIT (as per MGA)			
Total debt limit	\$612,482	\$578,773	\$591,103
Total debt (above)	(227,990)	(201,880)	(173,994)
DEBT LIMIT UNUSED	\$384,492	\$376,893	\$417,109
Percentage of debt limit used	37.2%	34.9%	29.4%



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

SIGNIFICANT PROJECTS & HIGHLIGHTS

OKI - The Official Greeting of the City of Lethbridge

Oki – The Blackfoot word for “Greetings”, and the original greeting of the land where Lethbridge sits.

Council Members, at their September 16, 2019 Council Meeting, adopted Oki as the Official Greeting of the City of Lethbridge.

By adopting Oki as the City’s greeting, the City of Lethbridge proudly acknowledges the language, culture and heritage of the Blackfoot peoples, and all Indigenous peoples who call Lethbridge home, and hopes to continue fostering reconciliation and healing.

The adoption of the official greeting also celebrates the United Nations’ International Year of Indigenous Languages, and encourages the protection and revitalization of the language of the Niitsitapi, the original peoples of Blackfoot Territory.

There are more than 600 Indigenous Communities in Canada, speaking over 70 distinct languages across 12 language groups. Promoting the more widespread use of Indigenous languages is an effective tool to combat the racism and discrimination faced by Indigenous peoples, and creates a stronger connection between Indigenous peoples and the communities they live in.

PROJECTS & HIGHLIGHTS



The Alberta Birds of Prey is one of more than 100 community organizations the Nature Centre partners with each year.

Programs and Events at the Nature Centre

2019 was another successful year. Nature Centre staff and volunteers offered a wide range of programs and events that included:

- Nature, Art and Science: A wide range of themes were explored in 12 unique exhibitions that used highly interactive components and locally relevant content. 20,751 visitors were engaged.
- Stewardship, Care and Concern for our Environment: 1,706 volunteers removed 476 bags of garbage as part of the annual Coulee Clean-up Event. This is one of many restoration and naturalization projects coordinated by the Nature Centre's Conservation Team.
- Together with Nature: The Nature Centre's Education Team delivered a total of 671 registered and drop-in public programs. These programs provided 15,401 people the opportunity to connect with nature and other people in their community.

- Supporting Community Events: The Nature Centre's Outreach Team hosted fun and educational activities at 56 community events in 2019, promoting the benefits of nature and being outside to 7,658 people.
- Armchair Naturalists Need to Know: The Nature Centre's website, Facebook, Twitter and Instagram sites invite people to connect with nature and events happening in the Lethbridge river valley. The Centre's Information and Education Team interacts with more than 35,000 virtual visitors each year.

Opening of ATB Centre Phase 2

After eight years of planning and construction of a new leisure centre in west Lethbridge, ATB Centre Phase 2, home to the Cor Van Raay YMCA opened on May 4, 2019. The final phase of this project included an aquatics area with amenities such as: waterslides, Lethbridge's first Flow Rider, a lazy river, and lap and leisure pools. The facility also includes an indoor track looking down on six full-sized courts, a large fitness area with group class space, childminding, a child care centre and an indoor playground.

PROJECTS & HIGHLIGHTS

Grassland Wildfire Mitigation Pilot Project

- A goat grazing pilot project was developed to reduce the risk of wildfires by minimizing the amount of highly flammable brush in the undeveloped grassland areas within city limits.
- A \$20,000 grant from Forest Resource Improvement Association of Alberta (FRIAA) was used to fund the project.
- Goats are an environmentally friendly alternative compared to prescribed burns or mechanical thinning.



Grassland Wildlife Mitigation Pilot Project

Lethbridge Police Service

- Implementation of The Watch program consisting of volunteers who serve as a visible presence on foot in the downtown core. The Watch provides an additional layer of safety to citizens by offering services such as Safe Walks and helping to connect people with the appropriate emergency or social service providers.



Volunteers from The Watch Program

Transit Terminal and Regional Park 'n Ride

- In August 2019 Lethbridge Transit moved the downtown terminal off of 4 Avenue South to the new Regional Park 'n Ride terminal located on 5 Avenue South.
- This new Park 'n Ride parkade has increased the number of parking stalls from the 100 surface parking stalls to 301 with 206 available for monthly public rental.
- This building also houses the Red Arrow Intercity Bus Station and proposed retail and office spaces.

Logan Boulet Arena

- On March 30 2019, City Council voted to rename Adams Ice Centre to Logan Boulet Arena. Logan was a local hockey player who lost his life in the tragic 2018 Humboldt Broncos bus crash.
- Adams Ice Centre being his favourite rink, the renaming honours his memory and impact.
- The official unveiling of the exterior signage took place on October 26 with his family, community members and members of City Council in attendance.



The renaming ceremony of Adams Ice Centre to Logan Boulet Arena.

PROJECTS & HIGHLIGHTS

Waste and Recycling Highlights

Curbside Recycling Program

Phase 1 of the Curbside Recycling Program wrapped up in April and Phase 2 of the program began. Phase 2 saw the implementation of a city-wide roll out to all single family homes, including initiation of a program for multi-unit dwellings. Since launching Phase 2 in May, the City has collected good, clean residential material that was marketed into the North American recycling industry.

Materials Recovery Facility (MRF)

The 45,000 square foot Materials Recovery Facility (MRF) officially opened on May 8 at the Waste and Recycling Centre. The MRF sorts and processes the City's recyclables before they are baled and sold to other companies for processing into new products. The City's curbside recycling program boasts one of the lowest contamination rates across Canada due to the excellent citizen participation rates combined with the advanced new sorting facility.

Bee Hives at the Waste & Recycling Centre

In the summer of 2019, bee hives were added at the Waste and Recycling Centre. The facility is an ideal place for the bees as it has a large grassed footprint providing an environment where pollen and nectar can be readily collected. The City is in the process of enhancing this even further with a landscaping initiative that includes plants, grasses and trees that benefit the bees. All of the honey collected by the City will be donated.

Electric Vehicle Charging Stations

The City of Lethbridge is one of the founding partners of Peaks to Prairies initiative, a regional program that will see a network of electrical vehicle chargers installed across southern Alberta.

By adding City owned charging stations in conjunction with the Peaks to Prairies initiative, Lethbridge is demonstrating a commitment to supporting the transition to low-emission vehicles while enhancing tourism and economic development opportunities.

Electric vehicle charging stations supported by the City of Lethbridge are located at:

- ATB Centre (4 level 2 chargers): 74 Mauretania Rd West
- Alberta Health Services, Lethbridge Health Unit (2 Fast): 801 1 Avenue South



Curbside Recycling Blue Cart Delivery



Bee Hives at the Waste & Recycling Centre



Electric Vehicle Chargers at ATB Centre

AWARDS & ACHIEVEMENTS

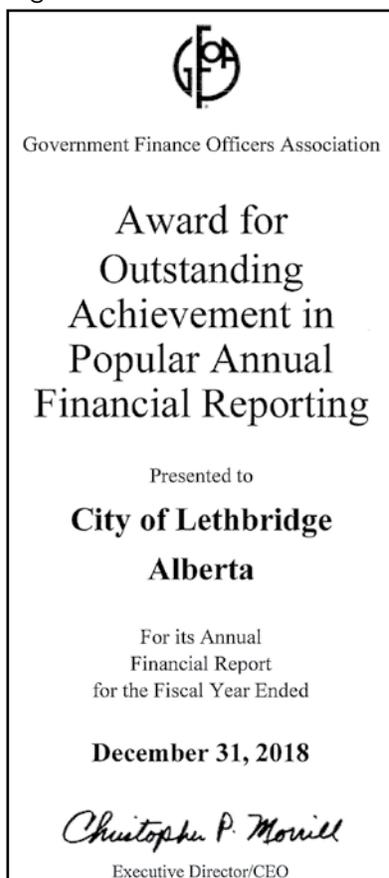
FINANCIAL RECOGNITION

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, 2018. 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.



Canadian Award for Financial Reporting

- The City of Lethbridge received a Canadian Award for Financial Reporting for the fiscal year ended December 31, 2018. This award is from the Government Finance Officers Association of the United States and Canada (GFOA).
- 2018 was the twenty-third consecutive year the City has received this award.
- 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.

Distinguished Budget Presentation Award (2019-22)

- The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Lethbridge for its four year budget beginning January 1, 2019.
- The budget conforms to the program requirements and the award is valid for a period of four years only.

OTHER RECOGNITION

Public Safety Communications Centre (PSCC)

- PSCC was accredited as an Emergency Medical Dispatch Centre for 1 year with the International Academies of Emergency Dispatch (IAED).

Lethbridge Public Library

- Reconciliation Champion (Reconciliation Lethbridge).
- Business Excellence Award (JobLinks Employment Centre).
- Runner up: READ Award – School Skillz (Chinook Arch Regional Library System).

Helen Schuler Nature Centre

- The Natural Leaders Project (NLP) program ranked top three in the province for Public Education and Outreach (Alberta Emerald Awards).



CITY OF
Lethbridge

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



ATB Centre
THANK YOU FOR VISITING. COME AGAIN SOON!



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