Lethbridge is in southern Alberta and has a population of 98,198. 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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The City of Lethbridge's 2017 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 2017 Annual Report. For more information, the 2017 Annual Report can be found at [www.lethbridge.ca](http://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](http://lethbridge.ca)
[facebook.com/cityoflethbridge](http://facebook.com/cityoflethbridge)
[twitter.com/LethbridgeCity](http://twitter.com/LethbridgeCity)
On behalf of City Council, I am proud to present the City of Lethbridge 2017 Annual Report Highlights. This document showcases accomplishments in our community over the last year.

I want to thank all City staff and my City Council colleagues for their dedicated work over the past year. I also want to recognize the more than 98,000 Lethbridge residents who contribute to making our community welcoming and inclusive for everyone.

Our city’s pattern of steady, sustainable growth continued in 2017. According to our 2017 municipal census, the overall Lethbridge population grew by 1.4 per cent over the previous year. With three-per-cent population growth, west Lethbridge continued to be the fastest growing area of our city.

One of the fastest-growing segments of our population is the 30-39 age group, which has increased by 20 per cent between 2012 and 2017. Overall, Lethbridge has a well-balanced demographic profile and a healthy mix of youth, adult workforce and seniors in the community.

Construction began in April 2017 on two key arterial road projects in west Lethbridge: the twinning of the west end of Whoop-Up Drive and the new section of Métis Trail between Walsh Drive West and Whoop-Up Drive. City Council fast-tracked these projects to deal with the increasing pressure this strong growth has put on our transportation network in west Lethbridge. Construction on both of these vital arterial roads was advanced by five years and should be complete by fall 2018. Meanwhile construction continued on ATB Centre-Phase 2, which will become a regional destination for leisure and recreation activities when it opens in spring 2019.

A highlight for 2017 was Cavendish Farms breaking ground on their $350-million investment in a new, state-of-the-art, frozen potato processing plant in our city. This is the largest private investment in Lethbridge’s history!

Highlights of the many local Canada 150 celebrations in 2017 were the visit by Her Imperial Highness Princess Ayako of Takamoda from Japan in July for the 50th anniversary of the Nikka Yuko Japanese Garden and the exchange of public art between Lethbridge and Saint-Laurent, QC, to recognize the 50th anniversary of the twin-city relationship between our communities.

Within this Annual Report Highlights you will read about growth, opportunity and progress in our community. In part, this report tells a story of our city not only growing, but also growing up. As Lethbridge approaches the 100,000 population threshold, I am confident that our economic diversity and our collaborative spirit will continue to make us strong and resilient moving forward.

Chris Spearman
Mayor
### Legislative & Administrative Organization Chart

**RESIDENTS**

**CITY COUNCIL**
(Elected October 2017)

- Mayor Chris Spearman
- Councillor Jeff Carlson
- Councillor Jeff Coffman
- Councillor Belinda Crowson
- Councillor Blaine Hyggen
- Councillor Mark Campbell
- Councillor Joe Mauro
- Councillor Rob Miyashiro
- Councillor Ryan Parker

**CITY MANAGER**
Garth Sherwin

- **Director of City Manager’s Office**
  - Jody Meli

  - Supporting Council’s Strategic Priorities & Communications
  - Corporate Communications & Marketing
  - Regional & Intergovernmental Relations
  - Corporate Strategic Planning

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

- **Acting City Solicitor**
  - Shari Shigehiro

- **City Clerk**
  - Aleta Neufeld

- **Director of Corporate Services**
  - Corey Wight

- **Director of Community Services**
  - Tony Vanden Heuvel

- **Director of Infrastructure Services**
  - Doug Hawkins

- **Director of Planning & Development Services**
  - Jeff Greene

  - Lethbridge Transit
  - Helen Schuler Nature Centre
  - Recreation & Culture
  - Community & Social Development
  - ENMAX Centre
  - Fire & Emergency Services
  - Public Safety Communications Centre
  - Cemeteries
  - Facility Services
  - Regulatory Services
  - Transportation Planning
  - Public Operations
  - Water Treatment Plant
  - Wastewater Treatment Plant
  - Utilities (Water, Wastewater, Electric Distribution, Sanitation, Landfill, Waste & Recycling)
  - Stormwater
  - Utilities Customer Care
  - Urban Construction
  - Asset Management
  - Parks
  - Fleet Services

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

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**LEGISLATIVE & ADMINISTRATIVE ORGANIZATION CHART**

**CITY OF LETHBRIDGE | 2017 ANNUAL REPORT HIGHLIGHTS**

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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. City Council is currently preparing their Strategic Plan for 2018-2021.

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

Front Row (L-R):
Councillor Mark Campbell
Councillor Belinda Crowson
Mayor Chris Spearman
Councillor Jeff Carlson
Councillor Rob Miyashiro
STRATEGIC PLAN 2014–2017

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.

MISSION

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

- Strong leadership
- Decisiveness
- Measurable actions

VALUES

Values are the enduring principles or beliefs that guide individual and collective behaviour and relationships. These are the norms that guide the actions of City Council. These principles are essential to how Council members interact with each other, with administration and with the community.

- Respect
- Citizen Focused
- Open and Accessible
- Accountable
- Leadership

If we live by these values, we build a foundation of integrity and trust.

To view the complete 2014–2017 Lethbridge City Council Strategic Plan, visit our website www.lethbridge.ca
On behalf of the City of Lethbridge Administration, I am pleased to present the 2017 Annual Report Highlights.

Looking back over the year, Lethbridge found much success and steady growth. Our population grew to 98,198 and offers a well-balanced demographic profile with a healthy mix of youth, students, workforce and seniors in the community.

This year we celebrated alongside fellow Canadians and visitors our nation’s 150th anniversary. Events and activities throughout the year included free recreational opportunities for families and cultural & entertainment events. The City planted 150 trees in three groves of 50 trees each located at Henderson Park, Legacy Park and Nicholas Sheran Park to mark this significant part of our history.

Residents and visitors had the pleasure this year of attending terrific local events boasting huge community spirit including the 2017 World Seniors & Mixed Doubles Curling Championship, and the Nikka Yuko Japanese Garden’s 50th anniversary celebration with a visit from the Japanese Royal Family. In addition to celebrating the anniversary of our Nation, 2017 marked the 50th Anniversary of our twinning with Saint-Laurent, QC and the strong bonds we share, the 50th Anniversary of the University of Lethbridge, 60th Anniversary of Lethbridge College and the 120th year of operations for Exhibition Park.

It takes a tremendous amount of work to operate a city on a day-to-day basis, not to mention the planning required to meet the community’s needs in 10, 20, 30 years and beyond. I wish to thank the professional and dedicated City of Lethbridge staff who work diligently to ensure we have the services we need while engaging residents for feedback on our future.

With my retirement pending early 2018, I am keenly aware this is the last annual letter I have the pleasure of writing, and as such I wish to thank the professional and dedicated City of Lethbridge staff. Our employees work diligently to ensure residents are heard, served and cared for. I am confident I am leaving the organization in good hands.

As we close in on a population of 100,000 people, I am proud to share our 2017 Annual Report Highlights with the citizens of Lethbridge. It is my hope, that within these pages we demonstrate our ongoing commitment to earn the trust, respect and confidence of our community.

Garth Sherwin, FCPA, FCA
City Manager
The City of Lethbridge’s 2017 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 2017 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 16, there you will see that the City collected $438 million of revenue in 2017. 42% of this revenue was collected 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 18, there you will see that City expenses cost $345 million in 2017. 23% of the City expenses is for Protective Services which includes police, fire and ambulance.

This document also highlights many of the City’s major projects for 2017. Starting on page 21 you will see reference to the various celebrations that occurred around the City for Canada’s 150 anniversary. In the pages that follow, you can read about other highlights and achievements that demonstrate the City’s dedication to serving our community.

We continuously monitor our financial performance and strategies to address growth and increased demand for services. We also have to balance that with other economic impacts throughout the province.

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 is devoted to providing services to the residents of our growing community. I hope you enjoy reading this report and find its content useful.

Respectfully submitted,

Hailey Pinksen, CPA, CA, CIA
City Treasurer

The City takes pride in being fiscally responsible and is devoted to providing services to the residents of our growing community.”
2017 AT A GLANCE

- 2.9 million lethbridge.ca website views
- 25,592 views of the Legacy Park construction video on Facebook
- 53 million litres of drinking water processed on a daily basis
- Peak electricity capacity was July 7 at 169 megawatts
- Over 225 km of pathways
- 150 trees were planted to mark Canada’s 150th anniversary
- 5,700 businesses
- Fort Whoop-Up welcomed 8,449 visitors
- The strongest growth occurred in west Lethbridge with 1,156 new residents
- 150 trees were planted to mark Canada’s 150th anniversary
- 5,700 businesses
2017 AT A GLANCE

- 4,475 hours of sunlight
- 25,592 views of the Legacy Park construction video on Facebook
- 12,365 streetlights
- 2.9 million lethbridge.ca website views
- The Nature Centre offered more than 1,000 different programs and activities designed to get the community outside

2017

- Lethbridge population: 98,198
- 1.41% population increase over 2016
- The strongest growth occurred in west Lethbridge with 1,156 new residents
- Fort Whoop-Up welcomed 8,449 visitors
- 514 km of paved roads
- Peak electricity capacity was July 7 at 169 megawatts
- 150 trees were planted to mark Canada’s 150th anniversary
- Over 225 km of pathways
- 5,700 businesses
- 53 million litres of drinking water processed on a daily basis
- 25,592 views of the Legacy Park construction video on Facebook
- 514 km of paved roads
POPULATION AND RESIDENTIAL ASSESSMENTS

Lethbridge continues to grow with the official 2017 census results at 98,198, an increase of 1.4% over the 2016 municipal census numbers. The strongest growth continues to be in west Lethbridge with an additional 1,156 new residents. Lethbridge consistently demonstrates a sustainable, healthy rate of growth.
UNEMPLOYMENT RATE

The annual unemployment rate in the Lethbridge region is the lowest in Alberta at 5.7% versus the Alberta rate of 7.8% and consistently lower than the national average of 6.3%.

DEVELOPMENT AND CONSTRUCTION

Building permits are an important leading indicator as to where the construction market is headed. When permit values increase, it is a sign that developers have confidence in the local economy and its ability to generate growth. In terms of new construction, Lethbridge continues to have very steady, sustainable growth. Lethbridge experienced another outstanding year in terms of the value of construction:

- Total value of building permits were $313.4 million, the second highest on record.
- Institutional permits comprised the largest share of the overall total, accounting for 54% of the annual figure. The 2017 value of $168.3 million was the largest on record and represents an increase of 88% from the comparative figure one year ago. It should be noted that the bulk of this figure was concentrated, as one large permit (for the new construction at the University of Lethbridge) accounted for 75% of the annual total.
- Industrial permit values totaled $14.8 million, an increase of 31% on an annual basis.

### Annual Unemployment Rates

<table>
<thead>
<tr>
<th></th>
<th>Lethbridge (1)</th>
<th>Alberta</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.7%</td>
<td>7.8%</td>
<td>6.3%</td>
</tr>
<tr>
<td>2016</td>
<td>6.9%</td>
<td>8.1%</td>
<td>7.0%</td>
</tr>
<tr>
<td>2015</td>
<td>5.0%</td>
<td>6.0%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2014</td>
<td>3.8%</td>
<td>4.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2013</td>
<td>4.3%</td>
<td>4.6%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

Above information obtained from Statistics Canada.
(1) The unemployment rates include Lethbridge and Medicine Hat regions.
CAPITAL BUDGET 2014-2023
The City develops a ten-year Capital Improvement Program (CIP) for Community, Transportation and Utility projects. The 2014-2023 CIP was approved by City Council for the years 2014-2017.

The CIP includes design, development, implementation, operating and maintenance costs as well as associated funding sources. Specific funding sources include debt, off-site levies, Pay-As-You-Go financing and capital grants from the Province of Alberta and the Government of Canada.

More detailed information on the 2014-2023 CIP is available online at: www.lethbridge.ca

OPERATING BUDGET 2015-2018
On November 24, 2014, City Council approved the City of Lethbridge 2015 to 2018 Operating Budget. The four-year 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, 2015 to December 31, 2018.

In the weeks and months preceding budget approval, residents and stakeholders provided feedback through telephone surveys, online surveys, open houses and citizen presentations to Finance Committee. Submissions were made to Finance Committee about service levels, past performance, and anticipated future changes.

The operating budget includes the required revenue to fund the City's delivery of desired programs and services to the community, as well as all operating costs included in the CIP.

More detailed information on the 2015-2018 Operating Budget is available online at: www.lethbridge.ca
FINANCIAL HIGHLIGHTS

WHAT YOUR 2017 TAX DOLLARS WERE USED FOR

- 23% Provincial Education
- 7% Debt & Pay-As-You-Go (PAYG) Capital
- 16% Police
- 11% Fire & Ambulance
- 16% Community Services
- 6% Parks Management
- 6% Transit & ACCESS-A-Ride
- 5% Streets & Roads
- 1% Green Acres Foundation
- 5% Corporate Services
- 2% Governance & Community Development
- 2% Infrastructure Services

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. 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.
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 2017 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:
The Statement of Net Financial Assets reconciles the excess of revenue over expenses to the net financial assets (financial resources available to finance future transactions). Positive net assets (as opposed to net debt) is a good indicator the City is able to meet its liabilities and obligations and has resources to use in the future.

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 2017 City of Lethbridge Annual Report at its meeting on April 16, 2018.

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 provide 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 2017 Annual Report can be found at: www.lethbridge.ca.
### FINANCIAL HIGHLIGHTS

**2017 SUMMARY OF FINANCIAL POSITION** (in thousands of dollars)

Source: City of Lethbridge Consolidated Statement of Financial Position for the year ended December 31, 2017

#### Financial Assets (what we own)
- Cash and Cash Equivalents $399,661
- Investments
- Receivables
- Loans and Advances
- Deposits
- Land Held for Resale

#### Liabilities (what we owe)
- Accounts Payable and Accrued Liabilities
- Employee Benefit Obligations
- Deferred Revenue
- Deposits and Other Liabilities
- Debenture Debt

#### Net Financial Assets
46,286

#### Non-Financial Assets
1,599,777

#### Municipal Equity
$1,646,063

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**Notes:**

1. Cash includes cash on hand, balances with financial institutions and short term investments with original maturities less than three months.
2. Investments consist primarily of money market instruments such as Guaranteed Investments Certificates (GIC’S), government bonds and term receipts. These investments are in qualifying institutions as defined in the City's investment policy.
3. Employee benefit obligations include vacation, overtime and sick pay.
4. 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.
5. Net Financial Assets - this positive balance is an indication that the City is able to meet its obligations and has resources to use in the future.
6. 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.
7. 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.
WHERE THE MONEY CAME FROM: 2017 GROSS REVENUE

Source: City of Lethbridge Consolidated Statement of Operations for the year ended December 31, 2017

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, road maintenance (frontage) levies and grants in lieu of taxes levied or collected.

Government Transfers are essentially grants from senior levels of government.

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

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

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.

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.

Return on Investments is the net revenue resulting from investments.

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.

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.

Recovery of Investment Allowance is the return of funds previously held as an adjustment for any difference in the settlement amount on Asset Backed Commercial Papers.
2017 Revenue Changes:

- The overall operating revenue remained fairly consistent with an overall increase of $8.7 million or 2% with total revenue of $437.7 million (2016 $429.0 million).

- During 2017, the City received land sales of $25.3 million which was an increase of $9.1 million from the previous year (2016 $16.2 million). The majority of the increase is related to the increase in sale of land within the Sherring Industrial Park for $10.1 million as well as an increase in timing of residential development activities within the Crossings subdivision of $2.2 million and SunRidge subdivision of $1.9 million. These increases were offset by a decrease of $5.1 million in other residential subdivisions.

- Contributed assets had a decrease in 2017 of $23.5 million or 68%. Contributed assets are those contributed from other developers.

- Property tax is a primary revenue source available to the City to pay for municipal services. In 2017, net taxes and special municipal levies available for municipal services of $138 million was $7.7 million or 6.1% higher than 2016, and accounted for 30.6% (2016 29.5%) of gross revenue. The net tax increase was a result of a combination of a budgeted property tax increase of 3.2% and community growth.

- Government Transfers decreased by $8.4 million from 2016 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.

- Sales and user charges increased by $13.2 million or 7.8% from 2016 due to an increase in utility user charges of $11.8 million, an increase in customer contributions of $0.9 million and an increase in developer contributions of $0.5 million.
WHAT THE MONEY WAS USED FOR: 2017 EXPENSES BY FUNCTION

Source: City of Lethbridge Consolidated Statement of Operations for the year ended December 31, 2017

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 4,500 transformers, 2,300 km of underground lines and 500 km of overhead lines.

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

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 22 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 Services 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

2017 Expense Changes:

- In 2017, the consolidated expenses of $344.8 million were $24.3 million or 7.6% higher than the previous year.

- Protective Services expenses increased by $5.2 million to $78.4 million from $73.2 million in 2016. This was primarily due to an increase in Lethbridge Police Service expenses of $2.5 million, an increase of $1.0 million in Fire & EMS services, an increase of $1.0 million in dispatch services and an overall increase of $0.7 million in other protective service expenses.

- The Electric Utility expenses increased by $11.5 million from $54.4 million in 2016 to $65.9 million in 2017. The increase is primarily due to a $6.2 million increase in transmission tariff charges, contractual services and amortization costs, an increase of $4.5 million in the distribution system for contractual services related to the transition in the Load Settlement Agent contract from ENMAX to Cognera, decrease in interdepartmental charges recovered from capital, as well as an increase in amortization, materials and personnel costs. Other electrical costs increased by $0.8 million.

- General Government Services increased by $2.5 million to $23.7 million in 2017 from $21.2 million in 2016. This was due to an increase in general administration costs of $2.4 million and a $0.1 million increase in Council and legislative costs.

- Development Services ended the year with $14.3 million in expenses. This was an increase of $2.4 million from 2016. This was primarily an increase in subdivision development activities of $2.2 million and an increase in transfer to other agencies of $0.2 million.
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 2017 was $591 million.

In 2017, the City’s debenture debt was $173.9 million. This was an increase of $64.4 million (59%) over the 2016 balance. The debenture debt increase was primarily due to an increase in borrowings for capital projects including the ATB Centre - Phase 2 (Leisure Complex), Park Place Mall land purchase and the Watermark Phase I Middle School Site.

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

THREE YEAR SUMMARY OF DEBENTURE DEBT
Source: City of Lethbridge Five Year Summary of Debenture Debt
(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>GENERAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax supported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation &amp; Culture Facilities</td>
<td>$54,207</td>
<td>$12,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Self supported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offsites</td>
<td>46,033</td>
<td>44,310</td>
<td>49,054</td>
</tr>
<tr>
<td>Park Place Mall Land</td>
<td>12,222</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Industrial park servicing</td>
<td>9,109</td>
<td>2,075</td>
<td>2,520</td>
</tr>
<tr>
<td>Local improvements</td>
<td>50</td>
<td>74</td>
<td>509</td>
</tr>
<tr>
<td></td>
<td>121,621</td>
<td>58,459</td>
<td>52,083</td>
</tr>
<tr>
<td>UTILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>7,175</td>
<td>8,027</td>
<td>6,541</td>
</tr>
<tr>
<td>Wastewater</td>
<td>6,266</td>
<td>6,485</td>
<td>5,694</td>
</tr>
<tr>
<td>Waste Services</td>
<td>10,344</td>
<td>8,650</td>
<td>9,390</td>
</tr>
<tr>
<td>Electric</td>
<td>28,588</td>
<td>27,905</td>
<td>16,541</td>
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<tr>
<td></td>
<td>52,373</td>
<td>51,067</td>
<td>38,166</td>
</tr>
<tr>
<td>TOTAL DEBT</td>
<td>$173,994</td>
<td>$109,526</td>
<td>$90,249</td>
</tr>
<tr>
<td>POPULATION</td>
<td>98,198</td>
<td>96,828</td>
<td>94,804</td>
</tr>
<tr>
<td>DEBENTURE DEBT PER CAPITA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General - mill rate supported</td>
<td>$552</td>
<td>$124</td>
<td>$ -</td>
</tr>
<tr>
<td>General - self supported</td>
<td>687</td>
<td>480</td>
<td>549</td>
</tr>
<tr>
<td>Utilities</td>
<td>533</td>
<td>527</td>
<td>403</td>
</tr>
<tr>
<td></td>
<td>$ 1,772</td>
<td>$ 1,131</td>
<td>$ 952</td>
</tr>
<tr>
<td>DEBT LIMIT (as per MGA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt limit</td>
<td>$591,103</td>
<td>$535,924</td>
<td>$506,631</td>
</tr>
<tr>
<td>Total debt (above)</td>
<td>173,994</td>
<td>109,526</td>
<td>90,249</td>
</tr>
<tr>
<td>DEBT LIMIT UNUSED</td>
<td>$417,109</td>
<td>$426,398</td>
<td>$416,382</td>
</tr>
<tr>
<td>Percentage of debt limit used</td>
<td>29.4%</td>
<td>20.4%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>
**Canada 150 Celebrations**

Canada turned 150 in 2017, and Lethbridge celebrated for the entire year with a number of activities:

- **Canada 150 Swims** took place at all five City pools with 17 free swimming events and 1,950 people swimming free.
- **Canada 150 Skates** took place at four City arenas with 89 free skating opportunities.
- Indigenous Awareness Week celebrations including Opening Feast, Elders Tea, National Indigenous Awareness Day dance performance and a Kainai High School Art exhibit.
- **Canada Day celebrations** at Galt Gardens and Henderson Park.
- **Canada 150 Pavilion** was offered for five days in August at Whoop-Up Days in partnership with Exhibition Park and over 20 local organizations who had displays sharing their history.
- Planted 150 maple trees of differing species in three regional parks.
- **Rick Mercer’s Canada Coast to Coast tour.**

**Nikka Yuko Japanese Garden Celebrations**

On July 14 and 15, the Lethbridge and District Japanese Garden Society partnered with the City of Lethbridge to help celebrate Canada’s 150th birthday, the 50th anniversary of the Nikka Yuko Japanese Garden and the Japanese Royal visit with the community. It was an honour to have Princess Ayako of Takamado visit and to see the enthusiastic participation of so many dignitaries, community organizations, supporters of the Nikka Yuko and the community.

**Celebrating 100 Exhibits**

During the spring and summer season the Nature Centre celebrated its 100th exhibit. *The 100 Reasons To Go Outside* exhibition focused on the growing body of research that supports the known benefits of spending time outdoors in nature. During this exhibit the Centre also celebrated its 1,000,000th visitor.

**Hydration Stations**

Two Hydration Stations were available at multiple events from May until September. The Hydration Stations encouraged the community to refill their water bottles with Lethbridge tap water for free at these events.
Environmental Initiatives

Special Events Waste Reduction
The Special Events Waste Reduction Pilot Project was a huge success following a ban on all Styrofoam products at City run events. The City’s efforts have been bolstered with the aid of independent events such as Love n’ Records and Wide Skies Music Festival. These events implemented recycling/compost collection as part of their festivities, diverting more than half of the materials that would have otherwise ended up in the landfill.

Waste Diversion
Business Waste Diversion staff focused effort on increasing the awareness of diversion options in the roofing sector. The efforts were well received with the majority of companies recycling most jobs by the end of the season. Roughly half of all asphalt roofing shingles were recycled in 2017 (nearly 2,800 tonnes), and recycling is continuing to grow. Additionally, residents looking to get rid of roofing shingles can now take them to the new drop off at the Waste and Recycling Centre instead of disposing them to the landfill.

Environmental Leadership
The Natural Leader’s Project Program coordinated the planting of 242 wildflowers and 48 trees, covering more than 5,000 square feet of our city with landscaping projects that support urban wildlife.

Recycling Initiative
The ENMAX Centre replaced the seat bottoms on all permanent and retractable seats throughout the facility. Approximately two thirds of old seats by weight were recycled, including all metal components, plastics and cardboard packaging. In all, over fifteen tonnes of valuable metal and plastic resources were kept out of the landfill.

Corporate Environmental Sustainability Initiative
The Corporate Environmental Sustainability Initiative (CESI) has flourished this past year, providing opportunities for City employees to model positive behaviors that improve the corporate environmental footprint. Employees at the City of Lethbridge have an opportunity to work together to make a difference for themselves and the people they serve.
Recycling Baskets
Recycling baskets were designed and developed to be added to existing trash receptacles throughout City parks. The design features encourage the collection of beverage containers outside of the trash. This allows easy access for those wishing to collect the containers. This design eliminates the need for operations to collect and process the containers, thereby saving collection expenses.

Making Environmental Changes
The ENMAX Centre's food packaging system moved entirely towards recyclable products. Also, the ENMAX Centre continues to make environmental changes by composting organics and recycling plastics, cardboard and metal, substantially reducing waste from the facility.

Sand Recycling
In 2017, the City started recycling the sand that is picked up by street sweepers. Instead of disposing the sand and debris to the landfill, it is now cleaned and reused as fill in road maintenance work.

Kenow Fire
Lethbridge had one of the hottest and driest summers ever recorded. These extremes extended province wide and by the end of August a devastating forest and wildland fire ignited in southern Alberta. By September 13 the “Kenow” fire ripped through the Akamina valley in Waterton Lakes National Park, down the parkway and surrounded the townsit of Waterton.

Fire crews from across the province raced to the aid of the Park and under a unified command structure, the townsit was miraculously saved. Operating within 12 hour rotations, Lethbridge Firefigthers and Water Supply Technicians were part of the huge team involved in ‘saving’ this historic townsit.

Community Partnership
Lethbridge Police Service partnered with Lethbridge College to develop and implement a competency-based instructional model that was used to train and hire seven new, street-ready police officers. This model is the first in Alberta approved by the Ministry of Advanced Education to grant academic credentials.

Reconciliation Lethbridge
2017 was a year of reconciliation in Lethbridge, with the formation of Reconciliation Lethbridge, a collaboration between the Lethbridge Indigenous Sharing Network (LISN) and the City of Lethbridge. Highlighted activities include:

- Development of the Reconciliation Implementation Plan, endorsed by City Council in June 2017;
- Launching of Reconciliation Lethbridge (with a flag raising) and the first-ever Reconciliation Week; and
- First-ever raising of the Blackfoot Confederacy flag at City Hall.
Curling Championships

Lethbridge hosted the World Mixed Doubles and World Senior Curling Championships at the ATB Centre from April 22-29, 2017. This event included:

- Teams from 41 countries
- 350 volunteers and over 8,600 volunteer hours
- Medal rounds that were televised in Canada and internationally on The Sports Network (TSN)
- Live webstream coverage of the event

Whoop-Up Drive and Métis Trail Construction

Métis Trail provides a new direct arterial road link in northwest Lethbridge which greatly improves access to local neighborhoods and improves emergency response for the entire area. It also provides additional capacity to access schools, businesses, neighbourhoods and the newly constructed ATB Centre (ice complex and leisure centre). Construction of new lanes of Whoop-Up Drive have been completed to first lift of asphalt and the final asphalt lift will be completed in 2018.

Discovery Outline Plan

Discovery is a new neighbourhood proposed for southeast Lethbridge and its Outline Plan was approved in 2017. The Outline Plan provides a design basis for the future development of a school site, open spaces, residential uses and a village centre containing commercial uses. This will be the first new school built in south Lethbridge in over 50 years.

Bike Boulevard

The City completed its first bike boulevard on 7 Avenue South from 4 Street to Mayor Magrath Drive. The bike boulevard includes:

- Construction of eight mini-roundabouts to slow vehicle traffic while giving pedestrians and cyclists a continuous throughway
- Installation of two directional diverters
- A new permanent speed limit of 30km/hour on 7 Avenue South
- An uninterrupted flow of traffic
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, 2016. 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.

Canadian Award for Financial Reporting

• The City of Lethbridge received a Canadian Award for Financial Reporting for the fiscal year ended December 31, 2016. This award is from the Government Finance Officers Association of the United States and Canada (GFOA).

• 2016 was the twenty-first 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 (2015-18)

• 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, 2015.

• The budget conforms to the program requirements and the award is valid for a period of four years only.

OTHER RECOGNITION

Helen Schuler Nature Centre

• The Helen Schuler Nature Centre was named Attraction of the Year at the Southwest Services and Tourism Awards.

Lethbridge Public Library

• The Read On Adult Literacy Services Program received a national award for innovative achievements as it was named the Alberta recipient of the Council of the Federation Literacy Award.

Real Estate and Land Development

• The RiverStone Dog Park grand opening event, RiverStone Unleashed, was recognized by Canadian Home Builders’ Association - Lethbridge Region as the Best Community Event at their Building Best Awards.

Corporate Communications

• Corporate Communications was the recipient of International Association of Business Communicators Silver Leaf Award of Excellence for their Public Works Week Public Service Announcement.