

March 23, 2011  
For Submission to  
March 28, 2011  
Finance Committee Meeting

Members of the Finance Committee

**Re: Unaudited 2010 Year End Financial Information**

**Introduction:**

This report provides Finance Committee with highlights of the 2010 General Fund, Utility Fund and Reserve Funded operations for the year ended December 31, 2010. The narrative in this report has been prepared by the managers of each respective Business Unit.

Attached for your information are:

- a) Attachment A – Summary of Operations (lime sheets)
  - i) General Fund – Corporate Accounts
  - ii) General Fund – Business Unit Operations
  - iii) Utility & Reserve Funds
- b) 2010 Budget Appropriation Unexpended (Carry Overs) - (yellow sheet)
- c) Summary of Subdivision Surplus and Offsite Account (blue sheets)
  - i) Residential Subdivision Funding Analysis
  - ii) Industrial Subdivision Funding Analysis
  - iii) Offsite Levies Analysis
- d) Investment Summary
- e) Statement of Reserves (green sheets)
- f) External and Internal debt (golden rod sheets)
- g) Downtown Redevelopment Fund and Social Housing (grey sheet)
- h) GST Rebates
- i) Corporate Budget Contingencies (pink sheet)
- j) 2009 – 2011 Budget Initiatives (peach)

As Finance Committee is aware, 2010 was the second year of a three-year operating budget (2009 - 2011). To accommodate the three-year budget cycle, Business Units are expected to operate within their 36 month budget. If there is a shortfall in the first or second years, Business Units are expected to overcome the deficit by adjusting expenditures in the third year of the three-year budget (2011); and similarly if a net under expenditure results, the Business Units have the ability to roll over the net under expenditure to assist their operations during 2011.

## **Background Information:**

### **Corporate Accounts**

**Corporate Account Surplus of \$990,000** - similar to the process used in prior years, when calculating the actual year-end results for each business unit, specific positive and negative budget variances resulting from factors not attributable to the business unit management (e.g. windfall revenues and utility costs on city facilities) have been reported as a corporate responsibility.

By policy, the corporate surplus will be transferred to the Municipal Revenue Stabilization Reserve.

### **Within the Corporate Accounts, areas of significance include:**

- a) **Property tax and general revenues** were in excess of budget by \$730,000 (about 0.8% of budget).
  - i) **Property tax** - The property tax revenue surplus of \$570,000 (about 0.67% of budget) was due to a combination of factors including slightly higher than anticipated property tax growth and a sizeable reduction in assessment appeals. In addition, the cost of the Downtown Redevelopment Incentive Program ended the year in a surplus position of \$105,000 due to less participation in the program than budgeted.
  - ii) **General Revenues** – net surplus of \$55,000. The surplus was due to greater than budgeted penalties on property taxes of \$295,000, a surplus in transfers to the General Fund from the Landfill of \$115,000 and partially offset by a shortfall in provincial grants (\$320,000) and deficits in other miscellaneous accounts (\$35,000).
  
- b) **Inspection permit and development fee revenues** –shortfalls in these revenues have been covered by reductions in operating expenditures as described below:
  - i) **Inspection permit fee revenues** - were lower than projected (\$293,000) due to lower commercial/industrial activity. This shortfall was partially offset through the reduction of expenditures by \$119,000. Overall department activity in 2010 did not decline due to steady residential permit volumes along with high volumes of inspections and compliance issues resulting from previous years' growth. For 2011, permit activity is expected to increase due to an improved economic outlook.
  - ii) **Planning and development revenues** - were lower than projected (\$132,000) due to a return to more modest growth in the community. This was offset by administrative decisions in regards to expense reductions of \$312,000. Although activity remained on par with average annual activity the department was able to adjust activities and work closely with Inspection Services, to ensure service delivery within a balanced budget for 2010.
  
- c) **Business licenses revenues** - have exceeded the budget amount by \$105,000 for 2010.

- d) **Corporate fuel costs** – fuel prices for Transit and Access-A-Ride were lower than budgeted resulting in a year end surplus of approximately \$227,000.
- e) **Utility costs for tax supported City facilities** – were over expended (\$115,000). Natural gas costs were higher than budgeted (\$113,000); this was primarily due to the Province’s decision to cancel the natural gas rebate program. Electricity and City Utility accounts were over expended (\$2,000).

### **Business Unit Accounts**

**Business Unit accounts** – ended the year with a **positive variance of \$1,307,700** (which represents 1.2% of the business units’ budgets). This amount along with the roll over remaining from 2009 of \$1,664,700 totals \$2,972,400 as shown in detail by Business Unit in Attachment A-2.

All significant positive and negative variances have been reviewed with the business units. For those operations in a positive variance position, the reasons are quite diversified – revenue increases, staffing, timing of purchases, etc. Regarding those operations which ended 2010 in a shortfall, we are comfortable with the explanations surrounding the shortfall, and more importantly, their plan to overcome same in 2011.

Within the **Business Units Operations**, areas of significance include:

### **Boards and Commissions**

- a) **Galt Museum and Archives** - ended the second year of their three year budget with \$110,000 unexpended; \$45,000 designated to compact storage units, \$45,000 of specific projects deferred to 2012 and \$20,000 in unbudgeted earned income (designated to the landscape development).
- b) **Lethbridge Regional Police Service** – ended 2010 in a surplus position of \$256,000 (1% of budget). The major factors contributing to the year end result are further explained as follows:
  - i) Revenues – greater than budgeted by \$195,000. Surplus revenues were generated through Police Compound Revenues of \$122,000. In addition surpluses of \$38,000 were experienced in revenue received from contracts; Police record checks and alarm fines of \$35,000.
  - ii) Other – surpluses in Travel & Convention, Training, Uniforms, Cellular Telephones, & Vehicle Leasing and Maintenance of \$176,000 have been partially offset by deficits in Special Services & Studies, Computer Services, & Supplies totaling (\$115,000).
- c) **Lethbridge Public Library** - ended with a deficit of (\$2,600), to which the 2009 surplus of \$1,800 was applied resulting in a net deficit (\$800). Major factors contributing to the deficit were:

- i) Under expended wages due to vacancies filled later in the year - \$83,300
- ii) Under expended supplies, special services and other - \$22,300
- iii) Deficit in Fines, Fees and General revenues - (\$50,300)
- iv) Deficit in Grants - (\$36,000)
- v) Over expenditure in Recruitment - (\$21,900)

### **General Government**

- a) **Human Resources** – is projected to be in a surplus position of \$59,000 mainly due to under expenditure in recruitment activity. The surplus is a result of changes in advertising practice (website versus newspaper) which has resulted in a significant cost reduction, as well as a change to marketing practices due to changing economic conditions.

### **Community Services**

- a) **Community & Social Development** - Family and Community Support Services (FCSS) Grant - on December 13, 2010, City Council approved one time funding allocations to fully expend the grant as recommended by the CSD Committee of Council.
- b) **Facility Services** - building expenditures are averaged over the three year budget and annual balances are carried forward.
- c) **Fire & Emergency Services** - ended the year in a \$222,500 surplus (1.3% of budget). Hazardous Material and Environmental Release Mitigation project of \$55,000 will be completed in 2011. The balance was due to market hiring conditions, as approved staffing levels were not achieved during the first half of 2010. In 2011, it is once again the intention to advance hire to avoid gaps created through attrition.
- d) **Public Safety Communication Centre** – Ended the year in a balanced position.
- e) **Fritz Sick Memorial Centre** - Fritz Sick Centre was over budget (\$47,800) due to increased caretaking and supply costs; therefore activity related to these increased costs will be managed more closely and/or lease fees increased to offset these operational costs.
- f) **Recreation, Culture and ENMAX Centre operations** – net surplus \$52,500

Due to the expansion and renovation project, the ENMAX Centre was closed during the months of May to September. The event activity in 2010 also suffered a decline due to the downturn of the economy and the number of available professional touring acts decreased plus the attendance at Hurricane hockey games declined. This resulted in a deficit of (\$718,400). This deficit was covered through operating reserves of \$266,000; Recreation and Culture 2009 operating surplus of \$222,800; and 2010 net surplus in Recreation and Culture \$282,100 detailed below:

- i) Due to resignations and unfilled staff positions (Facility Operations Manager, Recreation Development Manager) \$168,000 surplus.
  - ii) The Arenas had a surplus of \$133,300 due to a decrease in operational spending in the amount of \$52,900 and increased ice rental activity in the amount of \$80,400.
  - iii) Yates Memorial Centre \$27,500 surplus was due to increased event bookings and shows where the rental rate is based on a percentage of ticket sales.
  - iv) General surplus of \$10,300.
  - v) Picnic Shelters had a deficit (\$18,000) due to an over expended cleaning contract that could not be covered through the current fee structure, therefore rental rates for 2011 have been increased to absorb this increased operational cost.
  - vi) Aquatics was over budget by (\$39,000) due to utility cost increases at Henderson Pool (\$13,000) - water and Nicholas Sheran Pool (\$24,000) - water & gas.
- g) **Regulatory Services Operations** – ended the year in a balanced position.
- h) **Transit Operations** - ended 2010 with a surplus of \$139,300. Significant factors contributing to the year end surplus are as follows:
- i) Under expenditure in maintenance (parts and equipment) \$264,500
  - ii) Advertising surplus of \$96,400
  - iii) Charter revenue surplus of \$67,200
  - iv) General over expenditures (\$30,200)
  - v) Operational Wages shortfall (\$79,700)
  - vi) Fare revenue shortfall (\$178,900)

### **Infrastructure Services**

- a) **Parks Maintenance and Management** –finished the year in a surplus position of approximately \$270,000 (3% of budget). This surplus is attributable to an under expenditure in the repair and replacement of parks amenities.
- b) **Storm Sewer Maintenance** – ended the year in a deficit position (\$160,000). The numerous wet weather events that the city experienced in 2010 increased maintenance and repair expenses relating to the storm sewer outfalls, lift stations and distribution systems.
- c) **Transportation** - ended the year with a budget surplus of \$160,000. Transportation administration finished the year with a slight surplus of \$5,000. The Traffic Operations department ended the year in a surplus position of approximately \$120,000 and roadway maintenance operations ended the year with a surplus of \$75,000. However this surplus was partially offset by slight operating deficits in rail spur line maintenance (\$25,000) as well as transportation studies (\$15,000).

## Utility Funded Operations

The **Utility Funded Operations** are summarized for Finance Committee on **Attachment A – 3**

Within the Utility Fund, areas of significance include:

a) **Utility Services**

The Utility services operation ended the year in a deficit position (\$70,000), which will be covered through prior year's surplus.

i) Contracted service costs ended the year under spent by approximately 6.3% due to lower than budgeted growth.	\$160,000
ii) Utility Service Administration and System Maintenance accounts ended the year in a surplus position primarily due to the Utility Systems and Billing Manager position not filled in 2010.	60,000
iii) Customer Call Center and Collections ended the year in a slight deficit position.	(10,000)
iv) Penalty revenue collected was less than budgeted targets.	(70,000)
v) Bad debt expense –the bad debt write off was greater than expected.	(90,000)
vi) Deficit in Utility administration fee revenue - growth did not meet budgeted targets due to a lower than budgeted customer base.	(120,000)

b) **Waste and Recycling Services –**

<b>b1) Waste Services -</b>	Budgeted surplus	\$ 49,435
	Actual surplus	<u>808,351</u>
	Variance- positive	<u>\$ 758,916</u>

**Waste Services** ended the year in a **positive variance position of about \$758,916.**

The positive variance was due to a number of factors as follows:

i) Residential collection expenditures were under expended mainly due to savings in wages, equipment rental and the purchase of new carts to service new customers.	\$250,000
ii) The Clean City Programs finished the year in a positive position due to under expenditures in the Large Item Service program of \$230,000 and the City Property Clean-Up program of \$50,000. These surpluses were slightly offset by an over expenditure in the Fall Leaf collection program of approximately (\$40,000).	250,000
iii) Debenture Debt payments and financial charges were lower than budgeted.	140,000

iv) Revenues were greater than budgeted by \$70,000. Residential revenues ended the year in a surplus position of \$160,000, but were offset by a slight shortfall (\$90,000) in the Commercial class.	70,000
v) Waste Services Administration and Accounting finished the year off in a surplus position.	30,000
vi) Commercial collection expenses ended the year in a slight surplus position of \$20,000.	20,000

The accumulated unrestricted surplus in Waste Services as at December 31, 2010 is \$1,849,929 (2009: \$1,041,577)

<b>b2) Recycling Services –</b>	Budgeted surplus	\$32,375
	Actual surplus	<u>46,104</u>
	Variance - positive	<u>\$ 13,729</u>

**Recycling Services** ended the year with a **positive variance of about \$13,729**. The major factors that contributed to this variance are as follows:

i) Waste Reduction recycling revenues exceeded budget mainly as a result of residential growth.	\$70,000
ii) Waste prevention (education and green waste) accounts finished the year in a surplus position due to a decrease in budgeted transfers to both Waste Services and Environmental Services. This decrease was possible due to a reduction in costs relating to Environmental Week activities.	50,000
iii) The Commercial Recycling program ended the year in a surplus position due to decreased labour and equipment charges.	35,000
iv) Residential Waste Diversion programs finished the year in a deficit position. The Waste Diversion education programs ended the year in a surplus position of \$50,000 and the E-waste, Toxic waste and paint diversion accounts ended the year with a \$30,000 surplus. However, these surpluses were offset by a deficit (\$20,000) in recycling depots due to depot upgrades and increased container maintenance as well as a deficit (\$200,000) to the Green Waste program due primarily to site upgrades at the Green Waste drop off center.	(140,000)

The accumulated unrestricted surplus as at December 31, 2010 is \$290,960 (2009: \$244,856).

<b>b3) Landfill–</b>	Budgeted deficit	\$(49,000)
	Actual surplus	<u>60,836</u>
	Variance – positive	<u>109,836</u>

**Landfill** operations ended the year with a **positive variance of approximately \$109,836**. The major factors that contributed to this variance are as follows:

i) Net revenues were greater than anticipated due to increased activity in the oilfield waste industry.	\$1,180,000
ii) Landfill operating costs were under budget due to a reduction in landfill contractual service costs.	60,000
iii) Closed Landfills monitoring programs ended the year over expended by approximately (\$10,000).	(10,000)
iv) Consistent with the increase in revenues will be an increase in the 10% contribution to the general fund.	(110,000)
v) Financial charges and transfers were greater than budgeted. Contribution to the landfill post closure fund is calculated based upon revenues generated by tonnage. As landfill tonnages were greater than budgeted, the contribution to the post closure fund will also be greater than budgeted.	(260,000)
vi) A portion of unanticipated oilfield waste revenues were applied to 2011 CIP project E8 – Environmental Management at closed landfill sites – to avoid planned borrowing and its associated costs.	(750,000)

The accumulated unrestricted surplus as at December 31, 2010 is \$1,231,070 (2009: \$1,170,234).

**c) Wastewater operations –**

Balanced budget	\$ 0
Actual surplus	<u>67,761</u>
Variance – positive	<u>\$ 67,761</u>

The **Wastewater Utility** ended the year with a slight surplus position. The following major factors contributed to the year end position:

i) Revenues realized during the year were higher than budgeted. Surplus is the result of higher than usual solids (TSS) loading from industry. Customers can mitigate the additional costs through more diligent wastewater pre-treatment.	\$290,000
ii) Wastewater Engineering and Technical Support ended the year in a surplus position due to unexpended funds budgeted for the wastewater collection condition assessment (videoing of pipes) and wastewater sewer performance evaluation studies. This work will progress in 2011.	210,000
iii) Wastewater Collection accounts ended the year in a surplus position.	90,000



iv) Debenture Debt payments and financial charges were lower than budgeted due to a lower than budgeted amount of borrowing required for wastewater capital upgrades	80,000
v) Wastewater treatment plant maintenance and process operations ended 2010 in a deficit position due to an increased sludge removal program.	(80,000)
vi) A portion of the 2011 operating surpluses were applied to the 2011 CIP project D-7 (Public Operations Building) to avoid planned borrowing and it's associated costs.	(520,000)

The accumulated unrestricted surplus as at December 31, 2010 is \$829,880 (2009: \$762,120).

**d) Water operations**

Balanced budget	\$ 0
Actual deficit	<u>(573,489)</u>
Variance - negative	<u>\$ (573,489)</u>

The **Water Utility** ended the year in a deficit position. The following major factors contributed to the year end position:

i) Capital Program – to help mitigate a shortfall in water revenues, the allocation to the 2010 capital program was under expended.	\$250,000
ii) Water Engineering and Technical Support ended the year in a surplus position due to staff vacancies and unexpended funds budgeted for the water distribution condition assessment as well as water distribution system improvement studies.	130,000
iii) Debenture Debt payments and financial charges were lower than budgeted due to a lower than budgeted amount of borrowing required for water capital upgrades.	30,000
iv) Water Treatment Plant ended the year in a deficit position due primarily to increased chemical usage required to treat the unusually muddy water (caused by wet weather) drawn from the Oldman River in 2010.	(130,000)
v) Revenues were lower than budgeted due primarily to low residential water sales resulting from the unusually wet and cool summer weather.	(270,000)

- vi) Water Distribution System operations ended the 2010 year in a deficit position due to a number of factors, including: (580,000)
- a) Water main repairs were over expended (\$50,000).
  - b) Hydrant maintenance and servicing accounts ended the year in a deficit position (60,000).
  - c) Service connection accounts ended the year in a deficit position (\$190,000). This was due to a larger than typical amount of failed residential service connections (curb stand repairs) repairs that the city experienced in 2010.
  - d) Meter shop operations finished the year in a deficit position of approximately (\$280,000). It should be noted that approximately \$190,000 of meter installation recovery was realized in the water revenue series.

The accumulated unrestricted surplus as at December 31, 2010 is \$1,102,746 (2009: \$1,676,235).

**e) Electric operations**

Balanced budget	\$ 0
Actual surplus	<u>935,123</u>
Variance – positive	<u>\$ 935,123</u>

The Lethbridge Electric Utility generated a \$935,000 surplus from operations for the 2010 fiscal year, broken down as follows:

Fibre Operations – surplus	\$ 308,000
Distribution Tariff – surplus	234,000
Transmission Tariff – deficit	(77,000)
Regulated Rate Tariff – surplus	<u>470,000</u>
Total Electric Operations – positive variance	<u>\$ 935,000</u>

The major factors that contributed to this positive variance are as follows:

**i) Fibre operations**

The Fibre operations generated a \$308,000 surplus. In the original budget process, depreciation was estimated at \$250,000, but during the process of identifying assets to meet legislated accounting requirements, it was determined that the assets had already been fully depreciated.

ii) **Distribution Tariff**

The Distribution operations ended the year in a surplus position of approximately \$234,000. The distribution tariff is comprised of a distribution access fee and a transmission access fee. The distribution access fee recovers the costs associated with operating the electric distribution system within the City of Lethbridge, including the overhead and underground wires. The distribution access fee component of the tariff ended the year in a surplus of \$234,000 (which is 1.4% of the budget).

The transmission access fee is a fee charged by the Alberta Electric System Operator (AESO) to the Electric Utility. The fee includes costs incurred by AESO to operate the provincial transmission system, and provides the means of getting electricity from the electric generation plants to the City's boundaries. Included in the transmission access fee is a component that is dependent on the market price of electricity. The Electric Utility budgeted this cost based upon a price of electricity of approximately \$80 per MWh, however since the actual market price averaged less than \$50 per MWh, AESO's charge to the Electric Utility resulted in an under expenditure of about \$2,505,000. It is anticipated that the transmission access fee will increase significantly in 2011, as the formula used by AESO to calculate the fee has changed. This amount has therefore been transferred to a deferred liability account which will be used to offset future AESO fee increases or reduce future rates through the use of a rate rider, and therefore the under expenditure has had no impact on current year's surplus.

iii) **Transmission Tariff**

The Transmission operations generated a small deficit (\$77,000). Even though the City originally approved a \$6.2 million revenue budget, the Alberta Utilities Commission (AUC) reduced this to \$5.5 million. The utility was able to reduce expenses by over \$600,000 as follows:

- a) postpone the hiring of a Transmission Engineer - \$120,000
- b) lower than budgeted depreciation and return on investment accounts due to slower approvals and completion of capital projects - \$220,000
- c) a reduction of linear property tax - \$100,000
- d) manpower originally budgeted for patrols & maintenance were instead used in capital projects - \$160,000

iv) **Regulated Rate Tariff (RRO)**

The Regulated Rate Tariff (RRO and RDS) function generated a \$470,000 surplus after estimated payment in lieu of taxes (PILOT). The Electric Utility is required (by legislation) to set the price of electricity based upon monthly futures market prices. In 2010, the average monthly futures price was approximately \$60/MW; however, the actual pool price average over the same time period was only \$50/MW. This effect, as well as a fairly stable year in terms of other inherent risks, resulted in a relatively small (3.5%) surplus. It should be noted that a 3.5% surplus is considered very small given the price and volume risk associated with providing this government mandated service.

By policy, the **Electric surplus** of approximately **\$935,000** will be added to the Municipal Revenue Stabilization Reserve (MRSR).

## **Reserve Funded Operations**

The **Reserve Funded Operations** are summarized for Finance Committee on **Attachment A – 3**.

- a) **Cemeteries** – The 2010 operating surplus of \$159,600 was transferred to the Cemetery Reserve.
- i) Surplus in revenue of \$134,000
    - a) An increase of 43% from 2009 sales of burial rights (plots/niches).
    - b) There were 323 burial rights sold (an increase of 37% over 2009).
  - ii) Interment services had a surplus in revenue of \$53,000
    - a) An increase of 16% from 2009 due to increases in the number of interments and higher fees.
    - b) A total of 507 interments occurred in 2010, a 9% increase over 2009.
  - iii) General overexpenditures (\$27,400).
- b) **Fleet Services operations** – in accordance with City Policy, the positive variance of \$683,400 is transferred to the reserve for fleet replacement. Fleet Operations ended the year in a surplus and as a result, the net transfer to the reserve of \$3,119,800 was \$683,400 more than the budgeted amount of \$2,436,400. This surplus was due primarily to lower than budgeted fuel prices of \$670,000. This will be used to mitigate future fuel rate pressures.
- c) **Parking Operations** – ended the year in a deficit position of approximately (\$150,000) due primarily to a decrease in parking meter revenue. Throughout the year, approximately 300 of the city’s 1600 parking meters have been out of service due to vandalism. In the 2<sup>nd</sup> half of 2010, approximately 100 new meters were ordered and installed. Additionally, and as a result of audit committee discussions, a parking technician position was hired in early 2010 to ensure proper process and controls could be implemented to secure the City’s assets and for the employee’s protection.
- d) **Snow Clearing** – Snow removal, sanding and ice control operations ended 2010 in a deficit position (\$1,548,997). Snow clearing operations spent \$2,087,200 alone in the months of November and December 2010. Effective January 1, 2008, the Snow Removal Reserve was merged with the Municipal Revenue Stabilization Reserve (MRSR), and any annual surplus / deficit from sanding, snow and ice removal operations will be funded from the MRSR. The snow clearing deficits funded from the MRSR since January 1, 2008 total approximately (\$5.7 million). This is not sustainable over the long term, and snow clearing budgets and/or service levels should be addressed in the upcoming budget.
- e) **Traffic Safety Act Revenues** – experienced a surplus of \$193,000 due to increased revenue through increased enforcement and the introduction of Intersection Safety Devices. Revenues include photo radar for the City of Lethbridge, and provincial violation fines (tickets for speeding, failing to stop, going through red lights, etc.). In accordance with City Council policy, the Traffic Safety Act revenue shortfall will be absorbed by the Municipal Revenue Stabilization Reserve and do not impact the year end surplus.

## **Capital Works**

City Council has approved a number of projects, the majority through the Capital Improvement Program. These projects, by their nature, are often completed over a number of years. The most significant expenditures for the 12 month period were as follows:

ENMAX Facility Enhancement	\$	12,360,000
Fire & EMS Headquarter Facility		6,686,000
Community Arts Centre		5,458,600
Public Operations Facility Project		5,064,600
Rebuild Transmission Lines 734L 813L 667L		4,204,000
Residential Subdivisions (SunRidge, RiverStone, The Crossings)		3,461,400
Stafford Centre Project		2,674,000
West Lethbridge Center - Library		2,299,700
Garry Drive Reservoir		2,169,700
SAAG Building Rehabilitation and Upgrade		1,962,600
Nicholas Sheran Addition		1,749,300
Traffic & Pedestrian Signals		1,698,500
28 St N (Mayor Magrath Drive to 26 Ave)		1,631,500
Arterial Roadways		1,436,400
Water Main Renewals		1,270,000
Garry Dr 600M West of Metis Trail		1,226,200
South Syphon Upgrade		971,900
Add 138KV Circuit Breaker @ 146S Macdonald Substation		937,300
Upgrade Substations 146s-5 & 146S-6 Lines		922,800
North Lethbridge Sports Park Picnic Shelter		901,300
West Lethbridge Center		871,000
Street Upgrading		746,800
13.8KV Line Cleanup-Line Shop		616,600

For the most part, projects have a construction period which expands beyond the calendar year. These cost figures only represent expenditures made in 2010.

## **Debt Management**

In addition to the financial highlights noted above, the City continued its prudent debt management practices, especially its “pay-as-you-go” capital plan.

- i) Our total per capita external debt of \$509 (2009: \$540).
  - a) Tax-supported external debt has been totally extinguished (May 2006)
  - b) Self-supported external debt is \$150 per capita (2009: \$112)
  - c) Utility-supported external debt is \$359 per capita (2009: \$428)

## **Investment Management**

The City of Lethbridge uses investments to provide a return on public funds while they are held by the City. The investment portfolio consists of reserves, capital funds, Provincial and Federal grants, and operating funds. These funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio. The increase in the average portfolio in recent years is due to the receipt of various capital grants.

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

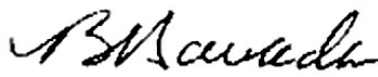
The City of Lethbridge maintains a significant investment portfolio (see attached Investment Summary). The average size of the portfolio in 2010 was \$184.1 million. The size of the investment portfolio has increased in recent years due primarily to the receipt of various capital grants. The 2010 interest income from the portfolio was \$3,600,000. The City's average portfolio yield of 1.96% was slightly higher than the Government of Canada 3-year Benchmark yield of 1.83%.

## **Conclusion**

To conclude, we are pleased with the results of our second year of the 2009-2011 budget cycle. The Business Units have performed very responsibly and are the reason for our success. Because of City Council and the Administration's commitment to our adopted long-term financial policies, the City continues to be well positioned for the future. We look forward to continuing successes in 2011.



Corey Wight, CA  
City Treasurer



Barry Sawada, CA  
Controller



Garth Sherwin, CA  
City Manager



## City of Lethbridge

### 2010 Summary of Corporate Surplus

	Budget (Net Revenue) Net Expenditure	Actual (Net Revenue) Net Expenditure	<b>Surplus (Deficit)</b>	% Budget (surplus)
<b>General Fund</b>				
<b>Corporate Accounts</b>				
Employee benefits	\$ 17,631,627	\$ 17,595,473	\$ 36,154	0.2%
Property tax and general revenues	(90,020,309)	(90,750,442)	730,133	0.8%
Business license revenues	(923,600)	(1,028,807)	105,207	11.4%
Grants to organizations	855,900	849,240	6,660	0.8%
			<u>878,154</u>	
<b>Non-discretionary variances</b>				
Corporate fuel costs	1,424,600	1,197,175	227,425	16.0%
Utility costs for City facilities	4,618,200	4,733,299	(115,099)	2.5%
			<u>112,326</u>	
<b>Total Corporate Surplus</b>			<u><u>\$ 990,480</u></u>	



**CITY OF LETHBRIDGE**  
**2010 Summary of Operations**  
**General Fund - Business Unit Operations**

	2010			% Budget Variance	2009	Total
	Budget	Actual	Variance		Roll Over Remaining	Roll Over to 2011
	Net Expenditure	Net Expenditure	Pos (Neg)	Pos (Neg)	Positive	Pos (Neg)
<b>Business Unit Operating Summary</b>						
<b>Boards &amp; Commissions</b>						
Galt Museum	\$ 1,256,163	\$ 1,145,246	\$ 110,917	8.8%	\$ 45,000	\$ 155,917
Lethbridge Regional Polices Services	25,007,486	24,751,109	256,377	1.0%	343,145	599,522
Public Library	4,494,258	4,496,881	(2,623)	-0.1%	1,831	(792)
<b>General Government</b>						
City Clerk Office	273,883	273,883	-	0.0%	32,502	32,502
City Manager	476,110	463,955	12,155	2.6%	7,782	19,937
City Manager Office	618,248	610,830	7,418	1.2%	-	7,418
Corporate Communications Office	-	-	-	0.0%	40,897	40,897
Corporate Initiatives	-	-	-	0.0%	6,803	6,803
City Solicitor Office	214,584	172,072	42,512	19.8%	22,814	65,325
Economic Development	1,121,465	1,108,374	13,091	1.2%	24,673	37,765
Mayor & City Council Office	517,689	473,283	44,406	8.6%	54,628	99,033
Pay-As-You-Go	7,936,000	7,936,000	-	0.0%	-	-
<b>Corporate Services</b>						
Assessment & Taxation	1,234,685	1,197,055	37,630	3.0%	27,248	64,878
Financial Services	2,032,275	1,986,386	45,889	2.3%	176,157	222,046
Human Resources	1,677,569	1,618,221	59,348	3.5%	213,407	272,754
Information Management	97,873	87,888	9,985	10.2%	8,647	18,632
Information Technology	2,494,257	2,494,257	-	0.0%	39	39
Risk Management	699	699	-	0.0%	-	-
<b>Community Services</b>						
Cemeteries	316,320	316,320	-	0.0%	-	-
Community & Social Development	756,400	756,400	-	0.0%	-	-
Community Services Support	676,611	652,831	23,780	3.5%	-	23,780
Environmental Services	44,111	44,111	-	0.0%	-	-
Facility Services	3,847,244	3,847,244	-	0.0%	-	-
Fire & Emergency Services	16,526,278	16,303,723	222,555	1.3%	399,978	622,533
Fritz Sick Memorial Centre	367,774	415,653	(47,879)	-13.0%	-	(47,879)
Helen Schuler Coulee Centre	410,310	410,310	-	0.0%	-	-
Public Safety Communications Centre	1,566,199	1,565,190	1,009	0.1%	75,994	77,003
Recreation & Culture	6,080,018	6,027,552	52,466	0.9%	-	52,466
Regulatory Services	902,708	902,708	-	0.0%	-	-
Transit & Paratransit	7,035,160	6,895,828	139,332	2.0%	97,292	236,625
<b>Planning &amp; Development</b>						
Development Services	2,303,662	2,123,552	180,110	7.8%	-	180,110
Inspection Services	1,832,658	2,006,868	(174,210)	-9.5%	71,471	(102,739)
<b>Infrastructure Services</b>						
Infrastructure Services Administration	441,143	431,970	9,173	2.1%	5,147	14,319
Parkland Management	1,893,243	1,925,588	(32,345)	-1.7%	-	(32,345)
Parks Maintenance	6,581,493	6,284,431	297,062	4.5%	-	297,062
Storm Sewer Maintenance	246,000	405,143	(159,143)	-64.7%	9,189	(149,955)
Transportation	6,388,797	6,230,100	158,697	2.5%	-	158,697
<b>Total</b>	<b>\$ 107,669,373</b>	<b>\$ 106,361,660</b>	<b>\$ 1,307,713</b>	<b>1.2%</b>	<b>\$ 1,664,641</b>	<b>\$ 2,972,353</b>





# City of Lethbridge

## 2010 Summary of Utility & Reserve Funds

	Budget	Actual	Variance Pos (Neg)	% Budget Variance Pos (Neg)
<b>Utility Funded Operations</b>				
Waste Services				
Revenues	\$ 5,558,100	\$ 5,640,773	\$ 82,673	1.5%
Expenditures	5,508,665	4,832,421	676,244	12.3%
<b>Surplus</b>	<b>\$ 49,435</b>	<b>\$ 808,351</b>	<b>\$ 758,916</b>	
Recycling Services				
Revenues	\$ 1,440,160	\$ 1,512,746	\$ 72,586	5.0%
Expenditures	1,407,785	1,466,642	(58,857)	-4.2%
<b>Surplus</b>	<b>\$ 32,375</b>	<b>\$ 46,104</b>	<b>\$ 13,729</b>	
Landfill				
Revenues	\$ 7,978,200	\$ 9,307,515	\$ 1,329,315	16.7%
Expenditures	8,027,200	9,246,679	(1,219,479)	-15.2%
<b>Surplus / Deficit</b>	<b>\$ (49,000)</b>	<b>\$ 60,836</b>	<b>\$ 109,836</b>	
Wastewater				
Revenues	\$ 14,233,980	\$ 14,457,953	\$ 223,973	1.6%
Expenditures	14,233,980	14,390,192	(156,212)	-1.1%
<b>Surplus</b>	<b>\$ -</b>	<b>\$ 67,761</b>	<b>\$ 67,761</b>	
Water				
Revenues	\$ 17,912,400	\$ 17,659,285	\$ (253,115)	-1.4%
Expenditures	17,912,400	18,232,774	(320,374)	-1.8%
<b>Deficit</b>	<b>\$ -</b>	<b>\$ (573,489)</b>	<b>\$ (573,489)</b>	
Electric				
Revenues	\$ 56,616,769	\$ 59,288,790	\$ 2,672,021	4.7%
Expenditures	56,616,769	58,353,667	(1,736,898)	-3.1%
<b>Surplus</b>	<b>\$ -</b>	<b>\$ 935,123</b>	<b>\$ 935,123</b>	
<b>Reserve Funded Operations</b>				
Cemeteries				
Revenues	\$ 614,500	\$ 775,436	\$ 160,936	26.2%
Less expenditures	930,820	932,146	(1,326)	-0.1%
Plus tax supported funding	316,320	316,320	-	0.0%
<b>Transfer to the Reserve</b>	<b>\$ -</b>	<b>\$ 159,609</b>	<b>\$ 159,609</b>	
Community Lighting				
Revenues	\$ 50,000	\$ 5,018	\$ (44,982)	-90.0%
Less expenditures	2,743,200	2,625,633	117,567	4.3%
Plus tax supported funding	2,899,300	2,826,715	(72,585)	-2.5%
<b>Transfer to the Reserve</b>	<b>\$ 206,100</b>	<b>\$ 206,100</b>	<b>\$ -</b>	
Fleet Services				
Revenues	\$ 8,394,100	\$ 8,463,274	\$ 69,174	0.8%
Less expenditures	5,957,654	5,343,463	\$ 614,191	10.3%
<b>Transfer to the Reserve</b>	<b>\$ 2,436,446</b>	<b>\$ 3,119,810</b>	<b>\$ 683,364</b>	
Land Administration				
Revenues	\$ -	\$ -	\$ -	0.0%
Expenditures	1,179,494	1,262,705	(83,211)	-7.1%
<b>Transfer from Subdivision Surplus</b>	<b>\$ (1,179,494)</b>	<b>\$ (1,262,705)</b>	<b>\$ (83,211)</b>	
Parking				
Revenues	\$ 1,131,500	\$ 1,015,892	\$ (115,608)	-10.2%
Less expenditures	468,703	507,211	\$ (38,508)	-8.2%
Transfer from reserve to operations	(135,000)	(135,000)	\$ -	0.0%
<b>Transfer to the Reserve</b>	<b>\$ 527,797</b>	<b>\$ 373,681</b>	<b>\$ (154,116)</b>	
Risk Management				
Revenues	\$ 2,468,600	\$ 2,468,600	\$ -	0.0%
Less expenditures	2,291,000	2,269,040	\$ 21,960	1.0%
Plus tax supported funding	699	699	\$ -	0.0%
<b>Transfer to the Reserve</b>	<b>\$ 178,299</b>	<b>\$ 200,259</b>	<b>\$ 21,960</b>	



**CITY OF LETHBRIDGE  
BUDGET APPROPRIATION UNEXPENDED (CARRY OVERS)  
AS AT DECEMBER 31, 2010**

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**GENERAL FUND**

CITY COUNCIL / CITY MANAGER - election, legal, contingencies, City Council initiatives, Airport, environmental projects	\$ 2,118,549
COMMUNITY SERVICES - community and social development, Westside Library, affordable housing, downtown redevelopment and planning, Canada day activities, inspection services projects, committees	2,390,089
EQUIPMENT REPLACEMENT/MAINTENANCE - corporate photocopiers, printers and plotters, computers, mail service, network equipment, phone system, disaster recovery, audio visual equipment	2,569,016
HUMAN RESOURCES - arbitration, employee wellness, WCB rebates, corporate training, research projects, flexible benefit programs, succession planning	2,549,207
INFRASTRUCTURE MAINTENANCE AND PLANNING - parks maintenance, engineering capital, amenities	565,075
PROTECTIVE SERVICES - Fire and EMS projects/funding, community programs, EOC training exercise, equipment replacements	2,714,402
TECHNOLOGY - database software, aerial photography update	123,266
	<u>\$ 13,029,604</u>

**BUSINESS UNIT ROLL OVER TO 2011 (see Attachment A)**

\$ 2,972,353

**UTILITY FUND**

Water & Wastewater Capital Works/Equipment	\$ 287,642
Sanitation Operations	929,317
Electric Operations	106,012
	<u>\$ 1,322,970</u>

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**

For the period ended December 31, 2010

**Development Operations Funding**

**Funds Received from Subdivision Development**

**SunRidge:**

SunRidge A - Phase 3C	\$ 1,782,259
SunRidge A - Phase 3	1,026,515
SunRidge A - Common	260,000
SunRidge A - Phase 1	3,384
SunRidge A - Phase 2	3,088
	<u>3,075,246</u>

**RiverStone:**

RiverStone - Phase 13	3,821,191
RiverStone - Phase 15	3,113,745
RiverStone - Phase 12	48,300
RiverStone - Phase 10	18,300
	<u>7,001,536</u>

**Copperwood:**

Copperwood Joint Venture	<u>3,403,941</u>
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**The Crossings:**

The Crossings - Common	<u>1,405,861</u>
------------------------	------------------

14,886,584

**Funds Used for Development**

**SunRidge:**

SunRidge A - Phase 3D	1,650,480
SunRidge A - Phase 3C	481,084
SunRidge A - Phase 1	85,770
SunRidge A - Common	75,895
SunRidge A - Phase 3	62,341
SunRidge B - Common	59,956
SunRidge A - Phase 3B	33,018
SunRidge A - Phase 2	31,700
SunRidge A - Demonstration Home	9,531
SunRidge A - Commercial	408
	<u>2,490,183</u>

**RiverStone:**

RiverStone - Phase 14	696,876
RiverStone - Phase 13	445,760
RiverStone - Phase 9	137,460
RiverStone - Common	118,132
RiverStone - Phase 15	59,092
RiverStone - Phase 11	17,395
RiverStone - Phase 12	15,045
RiverStone - Phase 10	6,243
RiverStone - Phase 16	2,367
RiverStone - Phase 20	820
	<u>1,499,190</u>

**The Crossings:**

The Crossings - Commercial	<u>2,805,561</u>
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**Gary Station:**

Willms-Gary Station - Common	<u>32,242</u>
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**Legacy Ridge:**

Legacy Ridge - Commercial Site	<u>9,194</u>
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**Total Funds Used for Development**

6,836,370

**Net Funds Received for Development Operations**

8,050,214

**Other Activity Funding**

**Funds Used (Received):**

West Lethbridge Centre Core Facilities Project	5,100,000
Internal Loan Repayment - Municipal Revenue Stabilization Reserve (Note 3)	1,533,104
Operating Budget Funding	1,262,705
Community Development Planning - Sustaining Responsiveness	122,937
Parks Capital	100,000
Allocation in Lieu of Property Taxes	87,100
Parks Maintenance	45,000
Weed Control	9,000
Castle Apartments	2,944
Recovery of Previously Funded Land Held for Resale	<u>(212,576)</u>

**Net Funds Used for Other Activities**

8,050,214

**Net Increase in Residential Subdivision Surplus**

-

**Residential Subdivision Surplus Balance January 1, 2010**

-

**Total Residential Subdivision Surplus Balance December 31, 2010**

\$ -

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**

For the period ended December 31, 2010

**Funds Committed for Future**

**RiverStone:**

Phase 14 Surface Works & Deep Utilities	\$	853,203
Phases 16 & 20 Engineering		429,272
Phases 11-15 Design and Phases 11 & 15 Storm Outfall		156,783
Phase 13 Surface Works & Deep Utilities		139,819
Phases 9-13 Design & Development Guidelines		108,460
Phases 14, 16, 20 Design & Development Guidelines		71,600
Phase 15 Sanitary Lift Station		47,891
William Pearce Park Landscape & Irrigation		28,007
Phases 12 & 15 Underground Utilities & Surface Improvements		13,636
Phase 10 Boulevard Landscaping		4,530
Phase 15 Lot Grading		2,360
		1,855,561

**The Crossings:**

Purchase of Marnoch Lands	(Note 1)	379,238
Whoop-Up Dr & Mauretania Rd Extension		335,168
Wet Pond Construction & Landscaping		202,098
Market Analysis & Development Planning		67,850
Mixed Use Centre Urban Master Plan		53,846
West Lethbridge Centre Landscaping & Irrigation		24,648
Deep Servicing & Surface Works		17,315
Architectural Guidelines		12,173
Engineering Consulting		10,000
Sportsfields Design, Construction, Landscaping, Irrigation		8,221
Sportsfields Environmental Monitoring		5,217
		1,115,774

**SunRidge:**

Phase 3C Surface Works & Deep Utilities		301,571
Phase 3D Underground Utilities & Surface Works		278,011
Phase 3B ASP & Outline Plan		181,765
Subdivision Park Features & Landscaping		150,541
Phases 3B, 3C, 3D Architectural Controls & Design Approvals		72,320
Phase C Consultant Services		38,150
Subdivision Architectural Controls & Design Approvals		34,026
Subdivision Legal Surveying		9,738
Phase 3D Legal Survey		8,992
Phase 3D Quality Assurance Testing		6,064
		1,081,178

**Other:**

Helen Schuler Nature Centre Expansion and Renovation		1,109,100
Affordable Housing		717,204
West Highlands Storm Water Park		406,350
Parks Capital		266,526
Chinook Trail Land Purchase - Melcor Land Exchange	(Note 2)	247,800
Legacy Ridge Commercial Site		152,997
Community Development Planning - Sustaining Responsiveness		81,863
Outline Plan - Cost Sharing Agreement		53,778
Pest Control		21,491
Convention & Event Coordinator Position		1,600
Business Cluster Directory & Online Industrial Park Mapping		700
		3,059,409

**Total Committed Funds**

**\$ 7,111,922**

**Notes:**

- 1 The Marnoch Lands (part of The Crossings) comprising 80.06 acres with a total cost of \$943,500 were purchased in 2004 (costs include land costs of \$920,000 and other related land closing costs of \$23,500). The total cost of this land has been capitalized under Land Held for Resale. When needed for subdivision development, the land will be transferred to subdivisions and funded from Residential Subdivision Surplus (on a per acre basis).
- 2 As of December 31, 2010 the Melcor Developments Ltd. land exchange contains a commitment from Residential Subdivision Surplus of \$247,800 to front end finance the purchase of Chinook Drive Right-of-Way lands (which will be repaid once Chinook Trail commences).
- 3 To finance the deficit balance in the Residential Subdivision Surplus Account related to the start up costs associated with the SunRidge and The Crossings subdivisions through an original "line of credit loan" of up to \$8,000,000 from the Municipal Revenue Stabilization Reserve (MRSR) at a rate based on the City's average short term investment rate was approved by Council. Additionally, Council authorized an additional \$13,200,000 for costs associated with The Crossings under By-Law 5410 to bring the total line of credit to \$21,200,000. Loan repayments will be based on cashflow availability within the Residential Subdivision Surplus. As at December 31, 2010 the balance remaining to be paid to the MRSR from Residential Subdivision Surplus on this overall line of credit loan is \$2,927,107.

**INDUSTRIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS  
For the period ended December 31, 2010**

**Development Operations Funding**

**Funds Received from Development**

Sherring Industrial Park - Phase 1	\$	486,300
<b>Total Funds Received From Lot Sales</b>		<u>486,300</u>

**Funds Used for Development**

Sherring Industrial Park - Phase 1		133,014
Sherring Industrial Park Common		39,782
<b>Total Funds Used for Development</b>		<u>172,796</u>

<b>Net Funds Received From Development Operations</b>		<u>313,504</u>
-------------------------------------------------------	--	----------------

**Other Activity Funding**

**Funds Used for:**

Debt Payment - ACFA		341,630
Debt Payment - ACFA Interest		210,035
Debt Payment - MRSR		345,240
Debt Payment - MRSR Interest		210,460
Allocation in Lieu of Property Taxes		<u>239,000</u>

<b>Net Funds Used in Other Activities</b>		<u>1,346,365</u>
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<b>Net Decrease in Industrial Subdivision Surplus</b>		(1,032,861)
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<b>Industrial Subdivision Surplus Balance January 1, 2010</b>		<u>(523,680)</u>
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<b>Total Industrial Balance December 31, 2010</b>		<u>\$ (1,556,541)</u>
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**Funds Committed for Future**

**Funds Committed for Future**

**Sherring:**

Giffen Farmyard Soil Analysis	\$	<u>659</u>
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**Other:**

Industrial Park - Top Lift Paving		<u>324,263</u>
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<b>Total Committed Funds</b>	<b>\$</b>	<u><u>324,922</u></u>
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**Notes:**

- 1 To finance the deficit balance in the Industrial Subdivision Surplus Account related to the startup costs associated with the Sherring Industrial Park, Council approved a "line of credit loan" of up to \$5,500,000 as well as a \$6,000,000 loan for prepayment of the Offsite Levies from the Municipal Revenue Stabilization Reserve (MRSR). Loan payments will be based on cashflow availability within the Industrial Subdivision Surplus. As at December 31, 2010 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on this line of credit loan is \$5,500,000.00 and \$4,413,939.00 on the interim financing.

**OFFSITE ACCOUNT ANALYSIS**  
For the year ended December 31, 2010

**Revenues**

**Net Off-Site Levies**

The Crossings Phase 2	\$ 2,732,213
Prairie Arbour Estates Phase 1	2,050,091
Blackwolf Phase 1A & 1B	852,280
Paradise Canyon Phase 8	716,392
Copperwood Phase 10	629,525
Sunridge Phase 3D	617,605
The Crossings Phase 1	506,856
Riverstone Phase 14	466,966
Coulee Creek Stage 4 Phase 1B (DOM)	408,260
Legacy Ridge Stage 1 Phase 6 (5B)	341,657
Copperwood Phase 9A	261,197
Paradise Canyon Phase 7B	252,555
Copperwood Phase 7B	247,787
Copperwood Phase 5C	206,961
Copperwood Phase 5B	79,119
<b>Total Net Levies</b>	<u>10,369,464</u>

**Other Revenues**

Debenture Debt	4,300,000
General Interest	66,415
<b>Total Other Revenues</b>	<u>4,366,415</u>

**Total Revenues**

\$ 14,735,879

**Allocations**

**Offsite/Oversize Credits**

The Crossings Phase 1	3,823,762
Prairie Arbour Estates - Phase 1	2,696,796
Picture Butte Waterline	188,028
Blackwolf Phase 1A & 1B	102,869
Coulee Creek Stage 4 Phase 1B (DOM)	31,744
Copperwood Phase 7B	18,660
Legacy Ridge Stage 1 Phase 6 (5B)	17,249
Copperwood Phase 10	4,066
	<u>6,883,173</u>

**Other Costs**

Garry Drive Reservoir	2,169,712
Garry Drive (600 Meters W of Metis Trail)	1,226,207 *
South Syphon Upgrade	971,884
Intersection Improvements	849,259
28 Street North MMDr - 26 Ave North	817,079
University Dr - Whoop-up Drive to McGill Blvd	519,213
ACFA Debt Payment	377,024
South River Crossing - Chinook Tail	260,000
Sherring Sanitary Forcemain Extension	188,429
Soutgate Storm Outfall	174,598
University Drive Rocky Mountain Blvd-Chinook Trail	169,546
University Drive (SunRidge to south of Chinook Trail)	112,407
Whoop-up Drive Blackfoot Rd W of Benton	43,826
Sanitary Sewer Coalbanks Blvd	35,720
North Scenic Drive Optimize Efficiency	28,775
Bridge Drive Utility Corridor	71,901
Benton Drive North of School - Walsh	19,830
13 St North & North Scenic Drive Extension	13,736
Benton Drive Simon Fraser - Chinook	9,716
Blackwolf Phase 1A & 1B	1,200
	<u>8,060,062</u>

**Total Allocations**

14,943,234

**Net Decrease in Offsite Account**

(207,355)

**Add: Off-Site Account Balance January 1, 2010**

8,267,078

**OFF-SITE Account Balance December 31, 2010**

\$ 8,059,723

**Notes:**

\* The expenditure for Garry Drive (600 Meters W of Metis Trail) was over & above the budget for CIP Project C-26 Garry Dr(to 400m West of Benton)

## OFFSITE ACCOUNT ANALYSIS

For the year ended December 31, 2010

### Funds Committed for Future

**Projects Funded by Future Debentures (external borrowings):**

Garry Drive Reservoir	7,148,618
Metis Trail (Simon Fraser to Garry Drive)	6,000,000
Bridge Drive Utility Corridor	4,349,155
28 Street North MMDr - 26 Ave North	3,988,890
University Drive (SunRidge to south of Chinook Trail)	2,361,674
Garry Drive (400 m West of Benton)	2,200,000
Whoop Up Drive (Coalbanks gate to 30th Street)	2,000,000
South Syphon Upgrade	1,931,793
Mayor Magrath Dr. (40th Ave S to City Limit)	75,000
	<hr/>
	30,055,131

**Projects Funded by Offsite Levies:**

Distribution System Looping	2,500,000
Intersection Improvements	564,417
Benton Drive Right-of-Way Purchase	414,533
43rd Street S. (Hwy 4 to Hwy 5) Design	412,000
26th Ave North (Scenic Drive to 28th Street) Design	250,000
	<hr/>
	4,140,950

**Total Committed Funds**

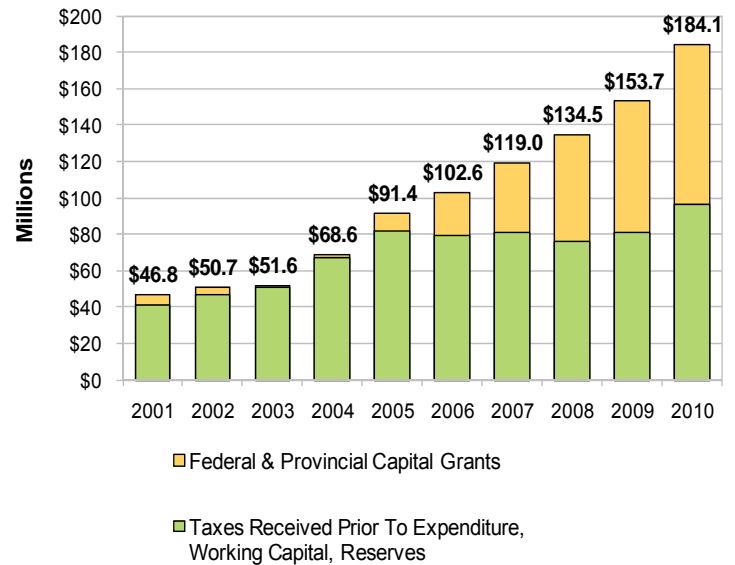
**\$ 34,196,081**

# City of Lethbridge

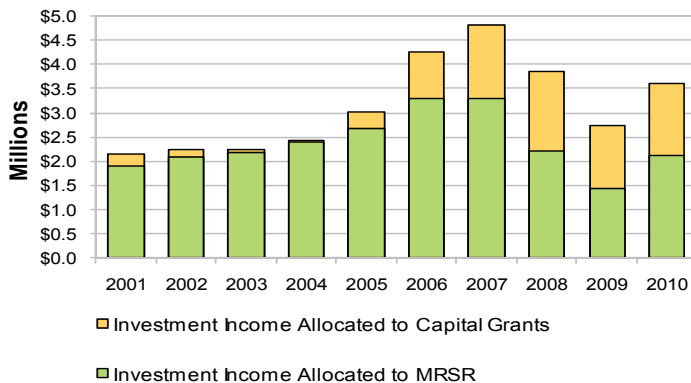
## Investment Summary Year ended December 31, 2010

The City of Lethbridge maintains a significant investment portfolio. This investment portfolio consists of reserves, capital funds, Provincial and Federal grants, and operating funds. These funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio. The primary reason for the increase in average portfolio size during 2010 is due to the receipt of various capital grants (yellow bar in the graph). In addition, the increase in the non grant portion of the portfolio (green bar in the graph) relates to a higher average bank balance in 2009 than 2010. In 2009, the record low investment rates made it advantageous to earn short term interest in our bank account rather than adding to our investment portfolio. With interest rates rising over 2010 we have moved more funds out of the bank account and into short term investments which has increased our overall average investment portfolio.

### Average Portfolio Size

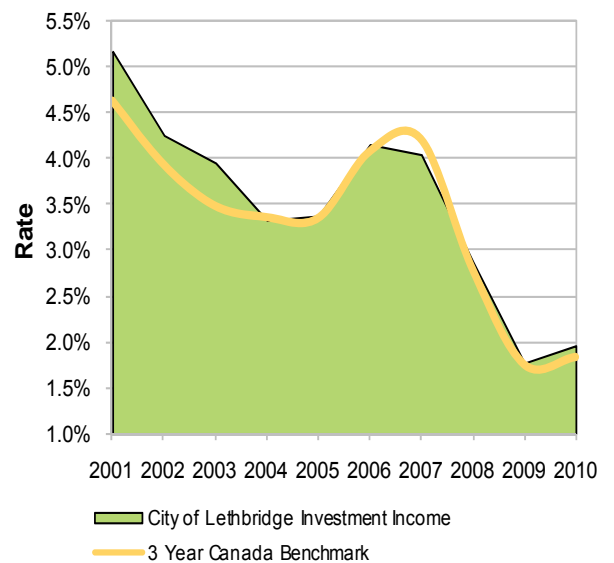


### Total Investment Income



Total investment income increased to \$3,600,000 in 2010 from \$2,725,000 in 2009. The average portfolio size increased over the year, resulting in an increase in overall investment income. The City of Lethbridge 2010 average portfolio yield of 1.96% (2009: 1.77%) is slightly higher than the 2010 average Government of Canada 3-Year Benchmark<sup>1</sup> yield of 1.83% (2009: 1.75%).

### Average Portfolio Yield



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

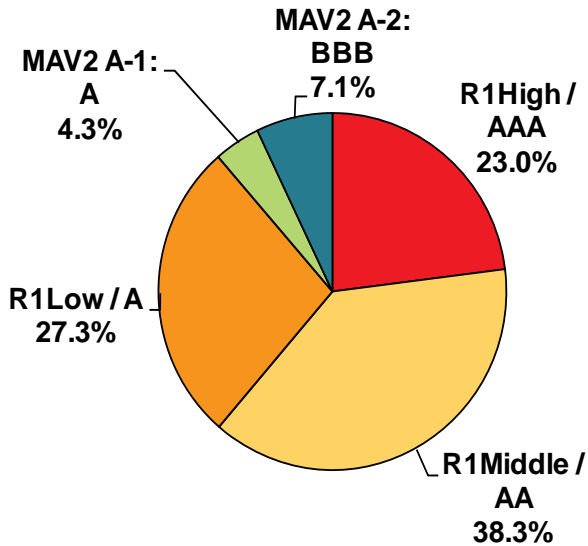


# City of Lethbridge

## Investment Summary

as at December 31, 2010

### Portfolio Distribution by Rating December 31, 2010

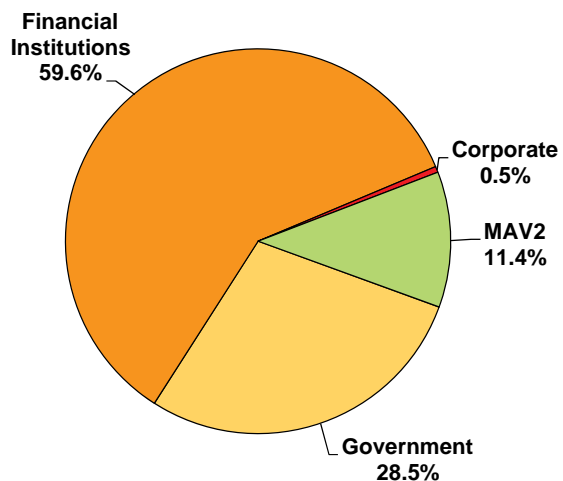


The City of Lethbridge's first investment objective is safety of principal, and accordingly the City invests only in institutions with a minimum credit rating of R1 or A. A Company having an R1 rating is considered high-grade prime credit. Its ability to repay current liabilities as they come due is very high. The R1 rating is further broken down into High (R1H), Middle (R1M) and Low (R1L). The short-term ratings of R1H, R1M, and R1L are roughly equivalent to the long term ratings of AAA, AA, and A respectively.

During 2007 the City invested in Asset Backed Commercial Paper (ABCP) with a rating of R1High. A subsequent market disruption led to a restructuring of the original investment. Through that restructuring the City received longer term Master Asset Vehicle 2 (MAV2) notes in exchange for the original ABCP investment. The City currently owns MAV2 notes in the amount of \$8,395,000 Class A-1 (rated A High) and \$13,893,000 Class A-2 (rated BBB low).

Our current portfolio is diversified among 40 different institutions from the Government, Corporate, and Financial Institution sectors as well as the MAV Class A-1 and A-2 described above.

### Portfolio Distribution by Type December 31, 2010



## STATEMENT OF RESERVES

	December 31 2010	December 31 2009
<b><i>OPERATING</i></b>		
Cemeteries	\$ 686,694	\$ 739,205
Insurance	2,463,264	2,428,356
Mayor Magrath Drive Beautification	105,311	105,103
Municipal Revenue Stabilization	13,841,766	16,817,187
Urban Parks	1,876,742	2,202,704
<b>TOTAL OPERATING RESERVES</b>	<b>18,973,777</b>	<b>22,292,555</b>
 <b><i>CAPITAL</i></b>		
Acquire Off Street Parking	1,759,637	1,722,381
Central Business District Land Acquisition	315,427	279,331
Community Lighting	2,677,631	2,471,531
Community Reserve Fund	970,847	2,237,293
Fleet Services	10,709,519	11,203,745
Major Capital Projects	2,553,585	3,235,271
Real Estate Holdings	2,498,491	2,290,070
School Bus	2,742	126,000
Transit Bus	1,052,682	1,037,438
<b>TOTAL CAPITAL RESERVES</b>	<b>22,540,561</b>	<b>24,603,060</b>
 <b>TOTAL RESERVES</b>	 <b>\$ 41,514,338</b>	 <b>\$ 46,895,615</b>
 <b>TOTAL COMMITTED FUNDS</b>	 <b>\$ 11,867,246</b>	 <b>\$ 7,266,794</b>
 <b><i>CURRENT INTERNAL FUNDING REQUIREMENTS:</i></b>		
Residential Subdivisions	18,272,893	16,756,655
Twin Ice Centre	5,000,000	-
Land Purchase	3,042,280	3,042,280
ENMAX Centre	2,508,000	5,392,000
Public Operations Building	2,156,000	1,818,000
Parks Asset Management	833,000	-
Archmount Cemetery - Drainage	100,000	100,000
	<b>\$ 31,912,173</b>	<b>\$ 27,108,935</b>

**RESERVE ANALYSIS**  
**For the year ended December 31, 2010**

**OPERATING RESERVES**

**CEMETERIES**

Balance as at January 1, 2010			\$	739,204.83
Add: Allocations from Operations	\$	152,659.90		
Interest earnings		<u>6,949.37</u>		159,609.27
				<u>898,814.10</u>
Less: Land cost for future north side cemetery				<u>212,120.00</u>
Balance as at December 31, 2010			<b>\$</b>	<b><u>686,694.10</u></b>

**INSURANCE**

Balance as at January 1, 2010			\$	2,428,355.95
Add: Allocations from Operations				<u>200,258.99</u>
				2,628,614.94
Less: Claims Data base Project				<u>165,351.02</u>
Balance as at December 31, 2010			<b>\$</b>	<b><u>2,463,263.92</u></b>

**MAYOR MAGRATH DRIVE BEAUTIFICATION**

Balance as at January 1, 2010			\$	105,102.86
Add: Contributions from				
- Thrift Lodge		\$	316.80	
- Saigonese Restaurant			<u>330.00</u>	646.80
				<u>105,749.66</u>
Less: Land Lease Taxes				<u>438.78</u>
Balance as at December 31, 2010			<b>\$</b>	<b><u>105,310.88</u></b>

**RESERVE ANALYSIS**  
**For the year ended December 31, 2010**

**MUNICIPAL REVENUE STABILIZATION**

Balance as at January 1, 2010		\$	16,817,187.43
Add: Municipal Consent and Access Fee (electric)	\$		7,755,442.80
Allocation from electric capital (depreciation)			5,441,210.15
Return on Investment (electric)			4,555,873.80
Emergency Medical Services (EMS) Transition			2,913,200.25
2009 General Operating Surplus			1,180,643.09
Investment and Interest Income (net of Trust Allocations)			2,982,601.17
ATCO Franchise Fee surplus (vs. annual budget of \$2.4M)			1,578,286.44
By-law enforcement revenue surplus (vs. annual budget of \$4.3M)			431,545.32
CentreSite distribution allocation			236,873.93
			<u>27,075,676.95</u>
Internal financing recoveries (Year of final payment):			
- City Hall (2015)			2,149,600.00
- Residential subdivisions			1,533,103.88
- Police station (2011)			588,800.00
- Sherring Industrial Park (2020)			555,700.00
-Transportation (2011)			506,200.00
- Wellness centre (2016)			425,200.00
- Police technology (2013)			419,700.00
- Tertiary treatment (2012)			378,600.00
- Local improvements prior years			353,399.54
- Museum expansion (2016)			203,300.00
- Radio trunking system (2013)			187,100.00
- MIS System (2012)			173,500.00
- Mountain View Cemetery-office (2017)			42,800.00
- Cemetery gravesite restoration (2015)			32,400.00
- Lethbridge Soup Kitchen (2016)			31,600.00
- School Bus - interest only (2023)			22,000.00
- Museum expansion-fundraising/front-end financing			2,000.00
			<u>7,605,003.42</u>
			<u>34,680,680.37</u>
			51,497,867.80
Less: Allocation to electric distribution Capital Projects			13,880,108.31
Electric wire service-allocation to General Operations			8,850,000.00
Allocation to General Operations			4,700,000.00
Allocation to Snow Removal & Ice Control Program			1,548,996.80
2009 Electric & wire services Operating Deficit			460,715.18
Allocation for TIPP discounts			206,134.61
Allocation for cashiering			97,000.00
Allocation for parking ticket data entry			61,700.00
			<u>29,804,654.90</u>
One Time Allocations:			
- West Side Gymnasium upsizing			1,000,000.00
- Lethbridge Regional Police - (N53.1)			280,700.00
- Senior Centre Support (N65)			100,000.00
- Southern Alberta Art Gallery (N4)			58,000.00
- Lethbridge Public Library fund development (N1)			55,276.80
- 2010 Olympic Torch Relay (N74)			51,441.18
- Peenaquim Park gun range safety (N8)			50,342.65
- Library - Coordinator (N45)			45,000.00
- Library - Scheduling (N7)			42,600.00
- Economic Development Leth-Mapping (N10)			40,000.00
- Library - Online services (N5)			38,300.00
-Technology Transition Facility (N9)			30,000.00
- Economic Development Leth-Labour (N8)			30,000.00
- Library - Outreach (N6)			25,133.13
- Kiwanis Music & Speech Festival (N52)			5,000.00
- 2012 Summer Games			1,724.86
			<u>1,853,518.62</u>
Internal Financing :			
- ENMAX Centre (CIP D10)			5,392,000.00
- Police technology			317,258.54
- Local improvements lane paving			288,670.11
			<u>5,997,928.65</u>
			<u>37,656,102.17</u>
Balance as at December 31, 2010		\$	<u><b>13,841,765.63</b></u>

**RESERVE ANALYSIS**  
For the year ended December 31, 2010

**MUNICIPAL REVENUE STABILIZATION (continued)**

Committed Funds:

One Time Allocations:

2009:

- Welcome to Lethbridge Signage (N3)	160,000.00
- Library - Outreach (N6)	19,866.87

2010:

- Intergraph Common Computer Aided Dispatch (CAD)	1,650,000.00
- Library - Outreach (N6)	65,000.00
- Lifecycle Festive Lighting (N1)	50,000.00
- Museum archives storage units	45,000.00
- Library - Online services (N5)	40,100.00
- Parks - Tree Inventory (N2)	35,000.00

2011:

- 2011 By-Election	120,000.00
- Lethbridge regional Police - (N53.1)	71,300.00
- Southern Alberta Art Gallery (N4)	61,000.00
- Library - Coordinator (N45)	45,000.00
- Lifecycle Festive Lighting (N1)	35,000.00
- Parks - Tree Inventory (N2)	35,000.00
- Economic Development Leth-Labour (N8)	30,000.00
- Technology Transition Facility (N9)	30,000.00
- 2011 Football Canada Cup	30,000.00
- Kiwanis Music & Speech Festival (N52)	5,000.00

2012:

- 2012 Summer Games	248,275.14
- 2012 Women's World Curling Championship	145,000.00

\$ 2,920,542.01

Internal Loan Requirements :	<u>Current 2010/11</u>	<u>Future</u>
Residential subdivisions (5-7 years)	\$ 18,272,892.73	-
* <b>Note:</b> Not to exceed \$21,200,000		
Twin Ice Centre (CIP D30)	5,000,000.00	5,200,000.00
Land purchase	3,042,280.00	-
ENMAX Centre (CIP D10)	2,508,000.00	-
Public Operations Building (CIP D7)	2,156,000.00	-
Parks Asset Management (CIP D-21)	833,000.00	1,666,000.00
Archmount Cemetery- drainage (N36) (10 year loan)	100,000.00	-
	\$ <u>31,912,172.73</u>	\$ <u>6,866,000.00</u>

As at December 31, 2010 internal advances amounting to approximately \$33,200,000 were outstanding from this reserve. These amounts will be recovered, with interest, in future years.

\* **Note:** To finance the deficit balance in the Residential Subdivision Surplus Account related to the start up costs associated with SunRidge and The Crossings subdivisions through an original line of credit loan of up to \$8,000,000 from the Municipal Revenue Stabilization Reserve (MRSR) at a rate based on the City's average short term investment rate was approved by Council. Additionally, Council authorized an additional \$13,200,000 for costs associated with The Crossings under By-Law 5410 to bring the total line of credit to \$21,200,000.

Loan repayments will be based on cashflow availability within the Residential Subdivision Surplus. As at December 31, 2010 the balance remaining to be paid to the MRSR from Residential Subdivision Surplus on this overall line of credit loan is \$2,927,107 leaving an available line of credit of \$18,272,893.

**RESERVE ANALYSIS**  
**For the year ended December 31, 2010**

**MUNICIPAL REVENUE STABILIZATION (continued)**

In addition, interest free loans to the following community groups remain committed against this reserve. These amounts have been recorded as receivables by the City as at December 31, 2010.

	Year of Loan	Maturity of Loan	Balance as at December 31, 2010	Annual Payment
Prairie Baseball Club	1999	2019	90,000.00	10,000.00
Nordbridge Seniors	2000	2012	41,486.84	20,743.42
Lethbridge Softball Association	2005	2013	65,000.00	25,000.00
Japanese Gardens	2005	2015	9,000.00	1,800.00

**URBAN PARKS**

Balance as at January 1, 2010	\$	2,202,703.68
Add: Allocation from operations	\$	600,800.00
Trans Alta ROW transmission line access		27,679.00
		<u>628,479.00</u>
		2,831,182.68
Less: Sherring Picnic Shelter		529,348.92
Parks Maintenance		200,000.00
Playground Upgrades		149,200.00
Henderson Lake Water Quality (CIP D10)		75,891.92
		<u>954,440.84</u>
Balance as at December 31, 2010	\$	<u><b>1,876,741.84</b></u>

Committed Funds:

- Sherring Picnic Shelter	\$	632,651.08
- Helen Schuler Nature Centre Expansion (CIP D-18)		972,000.00
- Nicholas Sheran Playground (CIP D-19)		485,000.00
- Parks Maintenance		200,000.00
- Playground Upgrades		241,622.64
- Henderson Lake Water Quality (CIP D10)		224,108.08
- Parks equipment		10,888.42
	\$	<u><b>2,766,270.22</b></u>

**TOTAL OPERATING RESERVES as at December 31, 2010** **\$ 18,973,776.37**

**RESERVE ANALYSIS**  
For the year ended December 31, 2010

**CAPITAL RESERVES**

**ACQUIRE OFF STREET PARKING**

Balance as at January 1, 2010		\$	1,722,381.76
Add: Parking Revenues			
- Parking Meters	\$	821,859.57	
- Parking Lots		195,754.72	1,017,614.29
			2,739,996.05
Less: Administration		225,719.21	
Parking enforcement		246,425.94	
Enhance downtown maintenance (Snow clearing, street sweeping etc.)		135,000.00	
Parking meter operations		211,558.32	
Parking lot operations		71,655.50	
Upgrade Parking Meters (N67)		90,000.00	980,358.97
			980,358.97
Balance as at December 31, 2010		\$	<b><u>1,759,637.08</u></b>

Committed funds:			
Downtown Parkade (D20)	\$	<u>250,000.00</u>	

**CENTRAL BUSINESS DISTRICT LAND ACQUISITION**

Balance as at January 1, 2010		\$	279,330.99
Add: Sale 514-3 Avenue Soouth (Lot 7 Blk 32 Pln 4353S)	\$	35,671.76	
King of trade		424.50	36,096.26
			36,096.26
Balance as at December 31, 2010		\$	<b><u>315,427.25</u></b>
Committed Funds:			
- Consulting 1 Ave S - redevelopment	\$	<u>18,676.00</u>	

As at December 31, 2010 an internal advance amounting to \$1,500,000 has been made to this reserve. This amount is to be repaid in future years.

**COMMUNITY LIGHTING**

Balance as at January 1, 2010		\$	2,471,530.60
Add: Allocation from operations			206,100.00
			206,100.00
Balance as at December 31, 2010		\$	<b><u>2,677,630.60</u></b>
Committed Funds:			
- Power Reduction (N18)	\$	150,000.00	
- Street Light Pole Inspection		150,000.00	
			300,000.00

**COMMUNITY RESERVE FUND**

Balance as at January 1, 2010		\$	2,237,293.16
Add: Sale of Fairmont land (Plan 0914831 Block 15 Lot 56)	\$	1,462,500.00	
Interest Earnings		26,885.21	1,489,385.21
			3,726,678.37
Less: West Lethbridge Centre (D3)	\$	2,587,000.00	
Fairmont Linear Park		168,831.32	2,755,831.32
			2,755,831.32
Balance as at December 31, 2010		\$	<b><u>970,847.05</u></b>

**RESERVE ANALYSIS**  
For the year ended December 31, 2010

**FLEET SERVICES**

Balance as at January 1, 2010		\$	11,203,744.60
Add: Allocation from fleet operations	\$		3,119,810.38
Sale of Equipment			261,863.00
Recoveries:			
- School Bus debt paydown (principal)(2023)		21,700.00	<u>21,700.00</u>
			3,403,373.38
			<u>14,607,117.98</u>
Less: Purchase of equipment		2,901,516.29	
School Buses		797,590.00	
Fleet management		198,492.63	<u>198,492.63</u>
			3,897,598.92
Balance as at December 31, 2010		\$	<u><b>10,709,519.06</b></u>

As at December 31, 2010 internal advances amounting to about \$1,200,000 are owing to this reserve. These amounts are to be recovered in future years.

Committed funds:

Equipment replacements (2009)	\$	1,835,918.00	
Equipment replacements (2010)		677,426.00	
Equipment replacements (2011)		1,387,000.00	<u>1,387,000.00</u>
	\$		<u><b>3,900,344.00</b></u>

**MAJOR CAPITAL PROJECTS**

Balance as at January 1, 2010		\$	3,235,270.84
Add: Pay-As-You-Go project balancing	\$	564,000.00	
Repayment of salt & sand storage facility		50,000.00	
Interest Earnings		32,728.34	<u>32,728.34</u>
			646,728.34
			<u>3,881,999.18</u>
Less: Performing Arts Centre (2010 CIP D16)		500,000.00	
Southern Alberta Art Gallery (2008 CIP D5)		500,000.00	
Nicholas Sheran Ice Centre Expansion (CIP D-6)		171,514.92	
Allocation to operations (PAYG)		156,900.00	<u>156,900.00</u>
			1,328,414.92
Balance as at December 31, 2010		\$	<u><b>2,553,584.26</b></u>

As at December 31, 2010 internal advances amounting to about \$175,000 are owing to this reserve. These amounts are to be recovered in future years.

Committed funds:

- Nicholas Sheran Ice Centre Expansion (CIP D-6)	\$	928,485.08	<u>928,485.08</u>
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**REAL ESTATE HOLDINGS**

Balance as at January 1, 2010		\$	2,290,069.85
Add: Sale of 3435 1 Avenue South (Lot 10 Blk 1 Pln 8710612)	\$	193,515.00	
Temple Boulevard Extension		2,960.76	
Rental Income:			
- Lethbridge Volkswagen		14,250.00	<u>14,250.00</u>
			210,725.76
			<u>2,500,795.61</u>
Less: Maintenance and operating costs			
Land Lease Taxes		2,304.65	<u>2,304.65</u>
			2,304.65
Balance as at December 31, 2010		\$	<u><b>2,498,490.96</b></u>

As at December 31, 2010 an internal advance amounting to about \$1,500,000 has been made from this reserve. This amount is to be recovered in future years.



**RESERVE ANALYSIS**  
**For the year ended December 31, 2010**

**SCHOOL BUS**

Balance as at January 1, 2010		\$	126,000.00
Add: Allocation from operations	\$		132,300.00
Sale of Buses			15,000.00
School Bus Rotary Donation			3,000.00
			150,300.00
			276,300.00
Less: School bus purchases			268,266.91
Parts re: school bus disposal			5,291.50
			273,558.41
Balance as at December 31, 2010		\$	<u><b>2,741.59</b></u>

**TRANSIT BUS**

Balance as at January 1, 2010		\$	1,037,438.05
Add: Allocation from operations for radio & equipment maintenance lifecycle	\$		69,500.00
Allocation from operations for transit technology & improvements			15,000.00
Allocation from operations para-transit booking & scheduling technology			23,000.00
Charitable Donation			200.00
			107,700.00
			1,145,138.05
Less: Transit Succession Planning			92,456.00
Balance as at December 31, 2010		\$	<u><b>1,052,682.05</b></u>

Committed funds:

Transit Succession Planning	\$		422,544.00
Technology initiatives & system improvements			245,385.12
Replacement transit scheduling technology for Access-a-ride			115,000.00
			782,929.12

<b>TOTAL CAPITAL RESERVES as at December 31, 2010</b>	<b>\$</b>		<b>22,540,559.90</b>
<b>TOTAL OPERATING RESERVES as at December 31, 2010</b>			<b><u>18,973,776.37</u></b>
<b>TOTAL RESERVES as at December 31, 2010</b>		<b>\$</b>	<b><u>41,514,336.27</u></b>
<b>TOTAL COMMITTED FUNDS</b>	<b>\$</b>		<b>11,867,246.43</b>
<b>TOTAL CURRENT INTERNAL LOAN REQUIREMENTS</b>			<b><u>31,912,172.73</u></b>
<b>TOTAL FUNDING REQUIREMENTS</b>		<b>\$</b>	<b><u>43,779,419.16</u></b>
<b>EXCESS(Deficiency) OF RESERVES OVER FUNDING REQUIREMENTS</b>		<b>\$</b>	<b><u>(2,265,082.89)</u></b>

**City of Lethbridge**  
**External Debt (ACFA)**  
**As At December 31, 2010**

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2010	Per Capita 86.659	Year of Maturity
<b>Self Supported</b>								
<b>Local Improvement</b>								
Lane Paving	\$ 305,792	2001	10	5.750%	\$ 41,057	\$ 38,824		2011
2002 Property Owners	215,417	2003	10	5.375%	28,408	76,821		2013
Property Owners	145,012	2003	10	5.125%	18,894	51,333		2013
Exhibition Pavilion	1,500,000	2000	14	6.750%	151,152	514,887		2014
Lane Paving	45,008	2004	10	4.230%	5,566	20,287		2014
Lane Paving	235,679	2004	10	4.230%	29,148	106,233		2014
Lane Paving	219,357	2009	10	3.344%	25,989	200,547		2019
<b>Land Development</b>								
Sherring Industrial Park	4,200,000	2005	15	4.422%	386,028	3,092,725		2020
Sherring Industrial Park	1,800,000	2006	15	4.600%	167,446	1,382,104		2021
<b>Offsite Levy</b>								
South East Water Reservoir	3,000,000	2006	15	4.584%	278,775	2,387,516		2021
South East Water Reservoir	1,000,000	2007	15	4.614%	93,113	850,698		2022
South Syphon Upgrade	1,000,000	2010	15	3.885%	88,595	1,000,000		2025
West Lethbridge Water Reservoir	2,300,000	2010	15	3.885%	203,769	2,300,000		2025
Northwest Lethbridge Utility Servicing	1,000,000	2010	20	4.124%	73,909	1,000,000		2030
Total Self-Supported					<u>1,591,849</u>	<u>13,021,975</u>	<u>150.27</u>	
<b>Utility Supported</b>								
<b>Water</b>								
West Water Reservoir	600,000	2006	5	4.000%	133,592	129,688		2011
SCADA Upgrades	100,000	2006	5	4.000%	22,265	21,615		2011
UV Disinfection System	3,000,000	2003	10	5.250%	393,245	1,065,906		2013
UV Disinfection System	1,000,000	2003	10	5.125%	130,292	353,988		2013
Water Treatment Plant Upgrading	2,250,000	1999	15	6.375%	237,376	815,518		2014
Water Treatment Plant Upgrading	750,000	2000	15	6.250%	78,488	328,385		2015
Water Treatment Plant Upgrading	1,750,000	2001	15	5.500%	174,345	870,945		2016
Water Treatment Plant Upgrading	1,150,000	2002	15	6.125%	119,376	663,453		2017
South East Water Reservoir	1,000,000	2005	15	4.422%	91,911	736,363		2020
South East Water Reservoir	3,250,000	2006	15	4.267%	295,579	2,573,475		2021
					<u>1,676,469</u>	<u>7,559,336</u>	<u>87.23</u>	
<b>Wastewater</b>								
* WWTP Fine Bubble Aeration	2,600,000	2006	5	0.000%	554,015	286,178		2011
Waste Water Treatment Plant (WWTP)	1,800,000	2002	10	5.500%	238,802	440,905		2012
Sanitary Sewer Relief	250,000	2007	5	4.375%	56,211	106,532		2012
Tertiary Treatment	5,000,000	1998	15	5.750%	506,438	1,360,000		2013
Headworks Facility	500,000	2007	10	4.493%	62,620	372,557		2017
Lagoon Upgrade	500,000	2009	10	3.344%	59,238	457,126		2019
Sewer Relief	1,350,000	2006	15	4.584%	125,449	1,074,382		2021
Plant Outfall Twinning	782,000	2008	15	4.565%	70,965	690,039		2023
					<u>1,673,738</u>	<u>4,787,719</u>	<u>55.25</u>	
<b>Solid Waste</b>								
Automated Collection	480,000	2006	5	4.000%	106,873	103,751		2011
Landfill Cell Development	2,300,000	2008	3	2.498%	800,528	785,776		2011
Landfill Cell Development	735,000	2009	3	1.778%	252,679	494,324		2012
Landfill Purchase	12,500,000	1999	15	6.500%	1,329,410	4,554,290		2014
Automated Collection - Trucks	506,000	2009	5	2.284%	107,665	409,344		2014
Automated Collection	1,510,000	2006	10	4.115%	185,720	978,566		2016
Automated Collection - Carts	600,000	2009	10	3.344%	71,086	548,552		2019
Landfill Surface Water Management	430,000	2010	10	3.377%	51,027	430,000		2020
** Landfill Royalty Buyout	6,250,000	2003	20	5.813%	664,621	5,948,660		2023
Landfill Constr. & 28St. N.	2,300,000	2003	20	5.625%	194,463	1,759,868		2023
Landfill Approval Compliance	2,100,000	2008	15	4.565%	194,892	1,895,061		2023
Landfill Approval Compliance	900,000	2009	15	3.973%	80,221	855,095		2024
					<u>4,039,185</u>	<u>18,763,287</u>	<u>216.52</u>	
Total Utility Supported					<u>7,389,392</u>	<u>31,110,342</u>	<u>359.00</u>	
Total External Debt December 31, 2010					<u>\$ 8,981,241</u>	<u>\$ 44,132,317</u>	<u>509.27</u>	

\* ME First loan - Interest free

\*\* Interest only payments until 2010

**City of Lethbridge**  
**Internal Debt**  
**As At December 31, 2010**

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2010	Per Capita 86,659	Year of Maturity
<b>Taxation Supported</b>								
<b>General</b>								
Police Station	2,000,000	1996	15	8.500%	240,841	221,973		2011
Mayor Magrath Drive	900,000	2001	10	6.000%	122,281	115,360		2011
City Hall	500,000	1997	15	7.500%	56,644	101,707		2012
MIS Project	100,300	2007	5	5.000%	23,167	43,077		2012
MIS Project	650,700	2007	5	5.000%	150,295	279,461		2012
City Hall	2,250,000	1998	15	5.500%	224,158	604,762		2013
Mayor Magrath Drive	1,000,000	2003	10	5.380%	131,905	356,668		2013
Radio Trunking System	1,253,800	2004	9	6.340%	187,074	496,921		2013
City Hall	10,500,000	1999	15	6.000%	1,081,109	3,746,157		2014
** Salt/Sand Storage Facility	380,000	2004	10	5.330%	50,003	175,959		2014
City Hall	7,650,000	2000	15	6.000%	787,665	3,317,932		2015
Museum Expansion	968,928	2005	10	4.300%	121,251	535,268		2015
Cemetery Gravesite Restoration	114,215	2006	9	4.435%	10,935	48,090		2015
Cemetery Gravesite Restoration	79,810	2007	8	4.493%	12,096	53,113		2015
Cemetery Gravesite Restoration	50,941	2008	7	3.600%	9,354	38,662		2015
Museum Expansion	651,072	2006	10	4.435%	82,019	423,932		2016
Regional Wellness Centre	3,375,000	2006	10	4.435%	425,166	2,197,561		2016
Lethbridge Soup Kitchen	316,000	2006	10	0.000%	31,600	173,800		2016
Mountain View Cemetery Office	205,945	2007	10	4.493%	26,017	127,555		2016
Mountain View Cemetery Office	30,055	2008	10	4.118%	3,892	24,644		2018
Note 1 Enmax Expansion	5,392,000	2010	15	3.488%	467,761	5,392,000		2026
Police Technology	line of credit			float	419,700	41,339		n/a
Total General					<u>4,664,932</u>	<u>18,515,941</u>	<u>\$ 213.66</u>	
<b>Self Supported</b>								
<b>Local Improvement</b>								
2001 Local Improvement	15,000	2001	10	6.500%	2,087	1,959		2011
2001 Local Improvement	30,568	2001	10	6.000%	4,153	3,918		2011
2001 Lane Paving	188,819	2001	10	6.000%	25,654	24,202		2011
2005 Lane Paving	264,002	2005	10	4.307%	33,048	145,865		2015
2006 Lane Paving	348,256	2006	10	4.435%	43,872	226,760		2016
Industrial Wastewater Facility	570,251	2006	10	2.000%	137,630	50,000		2016
2007 Lane Paving	404,183	2007	10	4.493%	51,061	300,972		2017
2008 Lane Paving	188,042	2008	10	4.118%	23,320	156,247		2018
2008 Lane Paving 17 St	112,002	2008	10	4.118%	13,890	93,065		2018
2010 Lane Paving	288,670	2010	10	3.213%	34,210	288,670		2020
<b>Offsite Levy</b>								
Sherring Industrial Park	6,000,000	2005	15	4.422%	555,691	4,413,938		2020
<b>Land Development</b>								
Residential Subdivision Surplus	6,291,683	2005	n/a	float	n/a	2,927,107		n/a
Sherring Industrial Park	5,500,000	2007	n/a	float	n/a	5,500,000		n/a
<b>School Bus</b>								
* 2008 School Bus Purchases	449,665	2008	15	5.138%	43,726	407,359		2023
* 2010 School Bus Purchases	797,590	2010	15	3.488%	69,192	797,590		2025
Total Self-Supported					<u>968,342</u>	<u>15,337,652</u>	<u>176.99</u>	
<b>Utility Supported</b>								
<b>Wastewater</b>								
Tertiary Treatment	1,000,000	1996	15	9.000%	124,059	113,815		2011
Tertiary Treatment	500,000	1997	15	7.500%	56,644	101,707		2012
East Lethbridge Sanitary Sewer	1,500,000	2004	9	5.380%	197,810	535,002		2013
Total Utility Supported					<u>378,513</u>	<u>750,524</u>	<u>8.66</u>	
Total Internal Debt December 31, 2010						<u>\$ 6,011,787</u>	<u>\$ 34,604,117</u>	<u>\$ 399</u>
<b>Funding from:</b>								
* Fleet Reserve						\$ 1,204,949		
** Major Capital Projects Reserve						175,959		
Municipal Revenue Stabilization Reserve						33,223,209		
						<u>\$ 34,604,117</u>		

Note 1: Repayment does not begin until project is complete

## Affordable Housing Fund

	2006	2007	2008	2009	2010
<b>Opening Balance</b>	\$ 415,568	\$ 565,568	\$ 693,952	\$ 843,952	\$ 904,677
<b>Funding approved in operating budget</b>	150,000	150,000	150,000	150,000	150,000
	<b>565,568</b>	<b>715,568</b>	<b>843,952</b>	<b>993,952</b>	<b>1,054,677</b>
<b>Allocations</b>					
Housing needs assessment	-	21,616	-	-	-
Housing development Temple Blvd/Metis Trail	-	-	-	-	372,105
Purchase Temple Blvd/Metis 2414 25 St W	-	-	-	-	16,926
Lot sales from above development Temple Blvd/Metis Trail	-	-	-	-	(228,000)
Castle Apartments Payable	-	-	-	89,275	3,680
St. Vincent de Paul Funding Assistance Request	-	-	-	-	15,000
<b>Total Capital Allocated</b>	-	<b>21,616</b>	-	<b>89,275</b>	<b>179,711</b>
<b>Total Capital Proposed &amp; Approved</b>	-	<b>21,616</b>	-	<b>89,275</b>	<b>179,711</b>
<b>Closing Balance</b>	<b>\$ 565,568</b>	<b>\$ 693,952</b>	<b>\$ 843,952</b>	<b>\$ 904,677</b>	<b>\$ 874,966</b>

Note 1

Note 1: \$717,204 of this amount remains in Residential Subdivision Surplus

## Affordable Housing Program Funded by Provincial Grants

	2006	2007	2008	2009	2010
<b>Opening Balance</b>	\$ -	\$ -	\$ -	\$ 3,000,840	\$ 5,885,841
<b>Provincial Grants</b>					
Municipal Sustainability Housing Initiative (MSHI)	-	-	2,970,424	-	-
Affordable Housing - Municipal Block Funding	-	-	-	3,838,409	1,675,314
Capital Enhancement Funding Initiative (CEF)	-	-	2,030,416	-	-
Trust Interest	-	-	-	195,218	66,056
	-	-	<b>5,000,840</b>	<b>7,034,467</b>	<b>7,627,211</b>
<b>Allocations</b>					
Castle Apartments	-	-	2,000,000	16,495	(12,445)
Native Woman's Transitional Home Society	-	-	-	1,087,571	5,000
Lethbridge College Residence Housing	-	-	-	1,316	2,000,000
Upgrading Existing Secondary Suites	-	-	-	43,245	48,660
Alec Arms Affordable Units	-	-	-	-	160,000
<b>Total Capital Allocated</b>	-	-	<b>2,000,000</b>	<b>1,148,627</b>	<b>2,201,215</b>
<b>Closing Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,840</b>	<b>\$ 5,885,841</b>	<b>\$ 5,425,996</b>
<b>Funds Committed for Future</b>					
University of Lethbridge Campus Student Housing					\$ 3,500,000
Lethbridge Housing Authority-Temple Blvd					655,078
<b>Total Committed Funds</b>					<b>\$ 4,155,078</b>

# Downtown Redevelopment Fund

	2006	2007	2008	2009	2010
<b>Opening Balance</b>	\$ 616,742	\$ 677,739	\$ 712,913	\$ 865,979	\$ 900,872
<b>Funding approved in operating budget</b>	500,000	500,000	500,000	500,000	500,000
	<b>1,116,742</b>	<b>1,177,739</b>	<b>1,212,913</b>	<b>1,365,979</b>	<b>1,400,872</b>
<b>Allocations</b>					
2009 Downtown Clean-up Program	-	-	-	14,793	207
Air Mail Mural-Post Office, Crowfoot Mural 2nd & 5th, Black Diamond mural 4th & 4th	15,000	1,600	-	-	-
Alberta Mainstreet program	35,000	35,000	35,000	35,000	29,000
Art Acquisition	4,000	58,946	-	-	-
Bike racks	5,514	-	-	2,405	3,556
Bridge Inn Historic Fabric Recovery	-	3,965	-	-	-
Bright Lights festival	-	4,195	6,399	5,818	10,000
Bulletin Kiosk/Lampost sign collars	18,546	308	6,984	540	-
Chinook Country visitor parking permits	-	2,800	-	-	-
Downtown Social Issues Project	23,436	289	-	-	-
Downtown Summer Work Project	-	6,801	-	-	-
Gregoire Clock - operating costs	-	86	121	232	430
Gregoire Clock - Southern Alta Art Gallery	27,498	-	-	-	-
Hanging Baskets Floral Program	-	-	-	26,118	13,050
Heart of Our City Master Plan	202,218	220,502	-	-	-
Historical Plaques & Monument Program	-	871	-	1,691	7,000
Hooding of Parking Meters	-	-	-	51,053	10,156
International Downtown Spring Conference	-	-	-	3,786	2,331
Lethbridge Twinning Society Sign Post	-	3,145	-	-	-
Matching Grant for Canadian Badlands	-	-	-	-	9,745
Planning wages for downtown	-	9,682	106,060	110,480	112,248
Pole Collars	-	-	-	1,073	-
Remedial Sidewalk Cleaning	-	-	-	5,350	4,750
Shelter Centre Clean Sweep Program	-	-	-	20,000	64,451
Summer Downtown Ambassador Program	-	-	-	7,500	14,745
Wind Sculpture	2,291	1,552	-	-	-
YWCA Winterfest	500	-	-	-	-
Zone 4 hooding parking meters	105,000	57,400	-	-	-
Downtown Enhancement Projects (Approved in 2007)	-	57,684	10,204	4,581	14,188
Downtown Enhancement Projects (Approved in 2008)	-	-	182,166	140,288	31,539
Downtown Enhancement Projects (Approved in 2010)	-	-	-	-	43,261
<b>Initiatives</b>					
Mainstreet Program	-	-	-	-	51,640
BRZ Coordinator	-	-	-	7,000	29,000
Rotating Parks Security	-	-	-	27,400	27,400
<b>Total Allocated</b>	<b>439,003</b>	<b>464,826</b>	<b>346,934</b>	<b>465,108</b>	<b>478,697</b>
<b>Closing Balance</b>	<b>\$ 677,739</b>	<b>\$ 712,913</b>	<b>\$ 865,979</b>	<b>\$ 900,872</b>	<b>\$ 922,175</b>

## GST Rebates

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Opening Balance</b>	\$ 715,379	\$ 1,103,891	\$ 1,046,833	\$ 1,304,042	\$ 1,177,523
<b>GST rebates</b>	1,258,512	1,087,942	1,266,100	1,028,830	980,458
	<b>1,973,891</b>	<b>2,191,833</b>	<b>2,312,933</b>	<b>2,332,872</b>	<b>2,157,981</b>
<b>Allocations</b>					
Community Capital Grant Program	400,000	450,000	450,000	450,000	450,000
Community Capital Grant Program - one time allocation	-	-	-	300,508	495,941
Museum construction	220,000	220,000	-	-	-
Capital Asset Plan & Register	-	-	147,000	139,005	128,378
Strategic Building Asset Management	250,000	250,000	250,000	250,000	250,000
Council Chambers Technology	-	225,000	-	-	-
Capital Asset Management maintenance fees	-	-	17,299	15,836	15,963
West Lethbridge Centre Sportsfield	-	-	67,360	-	-
West Lethbridge Centre Library	-	-	77,232	-	-
<b>Total Capital Allocated</b>	<b>870,000</b>	<b>1,145,000</b>	<b>1,008,891</b>	<b>1,155,349</b>	<b>1,340,282</b>
<b>Closing Balance</b>	<b>\$ 1,103,891</b>	<b>\$ 1,046,833</b>	<b>\$ 1,304,042</b>	<b>\$ 1,177,523</b>	<b>\$ 817,699</b>

## 2010 Corporate Budget Contingency

<b>Contingency Included in 2010 Budget</b>	\$ 500,000
Add:	
Budget N39 Parking Administration 2009 -11	114,000
Carryover of 2009 Parking Administration	<u>114,000</u>
Total 2010 Corporate Contingency	728,000
 <b>Allocated by City Council:</b>	
Discontinuation of Provincial Unconditional Grant	(343,000)
Airport Enhancement & Marketing Initiative	(200,000)
Partial Funding of Fire Fighter Negotiated Wage Settlement	(170,000)
Assessment Review Board Remuneration	<u>(15,000)</u>
	<u><u>0</u></u>



<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2009/2010 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Expenditures to date</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N - 1	<b>Festive Lighting</b>	Corporate Initiatives	\$100,000	P	\$50,000	Purchased \$50,000 of Christmas Streetlight decorations in 2009. The new decorations were installed by City of Lethbridge Electric operations workers in November 2009. These new decorations could be seen along Stafford Drive, 4th Avenue south , and in the Downtown. There were no decorations purchased in 2010. However, the 2010 budgeted amount of \$50,000 is planned to be spent in 2011.
N - 2	<b>Private Tree Inventory</b>	Infrastructure Services Parks Management	\$35,000	N	\$0	No work was done in 2010. The parks department intend to use the 2010 budgeted amount of \$35,000 in 2011.
N - 3	<b>Welcome to Lethbridge Signage</b>	Transportation	\$164,000	N	\$0	These two new "Welcome to Lethbridge" signs that will be located at University Drive/Hwy 25 south of Hwy 3 and along Highway 4 on the southeast end of the city were not installed in 2010. These signs have been ordered and are expected to be installed in 2011.
N - 4	<b>Fund Development</b>	Southern Alberta Art Gallery	\$113,000	Y	\$113,000	A full-time manager of fund development was hired in May of 2009. The gallery has embarked on its first significant strategic plan with the intent that the directions determined in the plan will set the goals and measures for fund development over the 3 year commitment. The organization has experienced remarkable support including a \$250,000 CFEP grant towards the new facility, and \$50,000 from the Federal Government for the purchase of the new elevator for the renovation. The annual fundraisers also saw significant improvement.
N - 5	<b>Plan of Service Online Services Enhancement and Development</b>	Library	\$78,400	P	\$38,300	2010 a server upgrade laid the foundation to enhance the Library's online presence, a business focus group was conducted to determine resources required by the business community and the website was redesigned. Remainder of initiative budget was moved to 2011
N - 6	<b>Plan of Service Outreach</b>	Library	\$110,000	P	\$25,133	The Library was promoted in the community through attendance at a number of community events, including the Home & Garden Show, Seniors Forum, Parade, to name a few. The new Youth Services Librarian (teenbrarian) has developed and implemented programing that has increased attendance at TAG events. Remainder of initiative budget was moved to 2011
N - 7	<b>Scheduling Software</b>	Library	\$46,600	Y	\$46,600	PeopleWhere scheduling software was purchased and successfully implemented.



<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2009/2010 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Expenditures to date</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N - 8	<b>Labour Force Initiative Continuation</b>	Economic Development	\$60,000	N	\$60,000	Preliminary plans have been developed for the facilitation of an aboriginal workforce online resource intended to connect aboriginal workers with employers. As the area labour force challenges have not been as pressing in the past two years, EDL requested and Council approved the re-allocation of up to \$50,000 to N-9. Any remaining funds will be used to develop an "Untapped Workforce" strategy in anticipation of another tight labour market in late 2011 and into 2012.
N - 9	<b>Technology Transition Facility (Technology Incubator)</b>	Economic Development	\$60,000	N	\$60,000	Economic Development Lethbridge has successfully pursued the opportunity of a Technology Commercialization Centre for Lethbridge. The City of Lethbridge has committed \$1.1 million to support the infrastructure of the technology commercialization building, to be built adjacent to an office facility and large scale data centre being built by Iunctus Geomatics Corporation. With the reallocation of N-8, additional support has been leveraged from Western Economic Diversification to complete the entire building and their contribution is now up to \$4.39 million from \$4.17 million. Iunctus Geomatics is also investing \$1 million over the next five years in operational funding support.
N - 10	<b>Business Cluster Directory &amp; Online Industrial Park Mapping</b>	Economic Development	\$70,000	N	\$70,000	Economic Development Lethbridge has completed the upgrade to chooselethbridge.ca to include a business directory by industry sector with an innovative online interactive mapping component. The enhanced website and interactive map was launched September 2010.
N - 12	<b>Lethbridge Awareness Campaign</b>	Economic Development	\$150,000	N	\$150,000	A provincial promotional campaign "Mind Blowing Facts" was successfully launched in Summer 2010 to help elevate the awareness of Lethbridge to business investors and community leaders with a particular emphasis on Calgary and Edmonton. Leveraged \$87,000 with six partners to make the total for the campaign in excess of \$237,000. The campaign generated extensive coverage locally and provincially (on-line and in print). The campaign brought Lethbridge to the attention of InfoChip Systems Inc., who after learning more about doing business in Lethbridge, consolidated 7 knowledge-economy jobs to Lethbridge.
N - 13	<b>Event Marketing and Sales Coordinator</b>	ENMAX Centre	\$0	N		2011 Initiative
N - 14	<b>Hazardous Material and Environmental Release Mitigation</b>	Fire & Emergency Services	\$305,000	N	\$55,617	Purchase of Tow vehicle and deck modifications. The trailers will be purchased in 2011.
N - 15	<b>Sustaining Live Fire Training</b>	Fire & Emergency Services	\$601,700	N	\$3,646	2011 project.
N - 16	<b>Programmer / Scheduler</b>	Fleet Services	\$182,400	N	\$0	The Fleet Operations Planner/Scheduler position will enable fleet operations to better track and analyze both corrective and preventative maintenance schedules for the city's equipment fleet. This position was not hired in 2010.

<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2009/2010 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Expenditures to date</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N - 17	Utility II worker ( 10 month term)	Fleet Services	\$99,200	Y	\$99,200	This position hired in early 2009. This Utility Worker II joined the fleet garage operations and has successfully aided the garage operations to more efficiently serve both internal and external customers.
N - 18	Community Lighting Power Reduction	Transportation	\$150,000	N	\$0	The Transportation department, along with the Electric Utility, began work in 2009 on the first part of this initiative, which was to investigate and implement new technologies with the city's current and future street light system. The result of this work is that the City of Lethbridge has now made the use of LED bulbs in standard street lights as the new design standard (beginning as of January 1, 2011). The second part of this initiative is to retain a consultant to investigate design criteria from other North American communities in order to better understand what typical "safe" lighting levels are. This information will then guide the City of Lethbridge to establish ideal lighting levels. This work will be undertaken in 2011.
N - 19	AM/FM Support Employee	Electric	\$129,400	Y	\$129,400	This position was filled in 2009. The AM/FM support employee began to immediately work under the guidance of the Electric Utility Support group towards going "live" with the Electric Utilities "Work Order Management System" (WORMS) in 2010.
N - 20	Data Technician	Electric	\$225,000	N	\$0	The Electric Data Technician position was not hired in 2009. Electric Operations intends to have this position filled in 2011. The city is awaiting on further provincial standards.
N - 21	Safety / Trades Trainer	Electric	\$235,700	Y	\$40,300	The Electric Safety / Trades Trainer position was filled in Sept 2010.
N - 22	System Patroller / Maintenance Planner	Electric	\$235,700	Y	\$40,300	The Electric System Patroller / Maintenance Planner position was filled in Sept 2010.
N - 23	Utility Systems and Billing Manager Position	Utility Services	\$204,600	N	\$0	The Utility Systems and Billing Manager position was not filled in 2010. Utility Services is currently working to refine the roles and responsibilities of this role before posting in 2011.
N - 24	Customer Care and Collections Additional Staff	Utility Services	\$148,000	Y	\$148,000	This additional Customer Care and Collections staff position was hired in the 1st quarter of 2009. This role has provided the Customer Care Center with the ability to increase service levels to their customers, the citizens of Lethbridge.
N - 25	Landfill footprint expansion approval process	Landfill	\$250,000	P	\$108,000	This project is being completed within the 2010 Landfill Master Plan project. To date, a consultant has been retained and has begun work on this particular part of the Master Plan.
N - 26	Composting Pad Construction	Landfill	\$170,000	Y	\$150,000	The construction of the Landfill Composting Pad was done as part of the Landfill Compliance Project. This completed project became operational in 2010.

<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2009/2010 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Expenditures to date</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N - 27	<b>Waste &amp; Recycling Engineer</b>	Landfill	\$200,000	Y	\$140,000	This position was filled in 2009. The filling of this position has aided Landfill operations tremendously by adding capacity for the business unit to focus on critical upcoming landfill projects such as the landfill gas baseline study, development of surface water management infrastructure, installation of a composting pad and a comprehensive landfill master plan study.
N - 29	<b>Public Operations Training Programmer</b>	Wastewater	\$167,200	Y	\$145,600	The Public Operations Training Programmer position was filled in early 2009 and has already proved to be a valuable support position to the City of Lethbridge Public operations department.
N - 30	<b>Truck Driver/Machine Operator</b>	Wastewater	\$112,600	Y	\$112,600	This position of a Wastewater Operations Truck Driver / Machine operator was successfully hired in 2009.
N - 31	<b>Lift Station Coordinator</b>	Wastewater	\$194,000	Y	\$112,000	This position of a Wastewater Lift Station Coordinator was successfully filled in 2009. Along with the position, this initiative also included the purchase of new truck that this position would require. This truck was also purchased and added to the wastewater fleet in early 2009.
N - 32	<b>Purchase of a 2 ton Van</b>	Water	\$99,000	N	\$72,000	This van was not purchased in 2009. Water operations is currently working with Fleet Services to refine the specifications of the new unit with the intent to purchase this vehicle in spring of 2010.
N - 33	<b>Vehicle Replacement</b>	Water	\$32,500	N	\$28,000	This vehicle was purchased in 2010 and is now part of the Wastewater treatment plant fleet of vehicles that are utilized by WWTP staff.
N - 34	<b>Building Rehabilitation Mainstreet Program Replacement Funds</b>	Downtown BRZ	\$112,500	Y	\$51,640	Funds were allocated to building facades and signage in the downtown core.
N - 35	<b>Downtown Business Revitalization Zone Coordinator</b>	Downtown BRZ	\$36,000	Y	\$36,000	Funding allocated towards the Downtown Business Revitalization Zone Coordinator
N - 36	<b>Ongoing Graffiti Abatement Program</b>	Infrastructure Services Parks Management	\$120,000	Y	\$120,000	Two(2) graffiti labourers were hired in 2009 and continued to operate the graffiti removal program. Along with the labourers, this initiative included the rental of a summer use vehicle to aid the labourers with their graffiti abatement duties.
N - 37	<b>Rotating Park Security</b>	Infrastructure Services Parks Management	\$104,800	Y	\$104,800	This initiative aligns with the Heart of Our City Master Plan Campaign and City Council's desire to revitalize Downtown Lethbridge as well as to help create safer, more open and welcoming environments for block and feature city park 1. To deploy a security in Galt Gardens from 10:00 p.m. to 2:00 a.m. daily, year-round. 2. To schedule a rotating park security system which would attempt to reduce levels of undesirable activity throughout the summer season. The proposed program hours would be midnight to 4:00 a.m. daily from May 1 to September 30.. The particular locations of operation will include various parks as required including: Henderson Park, Lethbridge Tennis Club, Fairmont Park and area, Nicholas Sheran Park, Gyro Park, schools playgrounds and the river valley parks. 3. This additional security coverage would allow the City to focus on the "hot zones" to reduce vandalism and increase levels of public safety.

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N - 38	<b>Enhanced Tree Planting</b>	Infrastructure Services Parks Management	\$90,000	P	\$90,000	This initiative was successfully implemented in 2009. The City of Lethbridge's Urban Forestry department planted over 150 trees at various city parks in 2009 as part of this new program whose goal it is to maintain the outstanding state of the city's Urban Forests.
N - 39	<b>Funding of Parking Administration</b>	Transportation	\$228,000	P	\$228,000	In accordance with this initiative, \$114,000 (or 1/3) of Traffic Administration costs were funded in 2009 from the Off-Street Parking Reserve.
N - 40	<b>Seniors Transportation "Go Friendly Shuttle"</b>	Transit	\$164,000	Y	\$153,909	The "Go Friendly Shuttle" has now had a full year of providing service to each organizations. We are seeing an continued strong useage from Nord-Bridge with an increasing useage from the Lethbridge Senior Citizens Organization.
N - 41	<b>Service Standard Implementation</b>	Transit	\$462,000	P	\$428,500	As per Council's Transit Service Standards, transit service increased from every 60-minutes to every 30-minutes on weekday evenings, commencing in September 2009. In 2009 there was an increase in the evening ridership of approxiamtely 3% while 2010 has shown ridership stabilizing at the 2009 ridership numbers. The increased peak hour frequency from every 30 minutes to every 15 minutes between the College and downtown (Route 12) and in the Indian Battle Heights area (Route 32) during the peak hours has also stabilized at the 2009 ridership numbers.
N - 42	<b>ACCESS A Ride Service Expansion</b>	Transit	\$135,000	Y	\$133,100	ACCESS-A-Ride Service Expansion. In order to accommodate increased demand, an additional 4 hours per day was added during weekday peak periods. In 2009, an additional 4700 cutomers were accommodated during that time. period. In 2010, there was a marginal decrease from 2009 of approximately 6% in trips taken during these peak times.
N - 43	<b>Sport Council</b>	Recreation and Culture	\$190,000	Y	\$190,000	The Executive Director was hired August 24, 2009. Revised Bylaws have been approved by the Board of Directors, and the Organizational Strategic Plan has been updated.
N - 44	<b>Convention &amp; Event Coordinator Position</b>	Economic Development	\$92,300	Y	\$92,300	Position filled; Convention and Event Development saw increased activity throughout 2009 and 2010 continuing to grow business traveler and conference/event revenues in Lethbridge.
N - 45	<b>Communications &amp; Fund Development Coordinator</b>	Library	\$45,000	P	\$45,000	McLarty Consulting was contracted as the communication and fund development coordinator for 2010.
N - 47	<b>IT Coordinator</b>	Library	\$180,000	Y	\$180,000	This position was filled in 2009. The filling of this position has allowed the Library to expedite the process of catching up to the exponential growth of information technology.
N - 48	<b>Administrative Assistant</b>	Galt Museum	\$114,000	Y	\$114,000	The new administration assistant (hired on June 1) is acting as a key custodian to the community contact database of more than 6,000 contacts. Staff records management systems have been improved. The Administrative assistant provides the Board support and minute-taking. This has relieved the CEO, Cuator, Operations Manager, Visitor Services coordinator, of a number of tasks.

<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2009/2010 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Expenditures to date</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N - 49	<b>Programmer Education</b>	Galt Museum	\$134,000	Y	\$134,000	The programmer was hired on April 22/09, and has been able to deliver an improved quality in a number of public programming areas such as our "Saturday at 1:00" family program, summer bus tours, senior programs, which were enjoyed by nearly 5,000 participants. We are able to plan for quality training and supervision of our volunteer roving interpreters and program assistants.
N - 51	<b>Communications Manager Position</b>	Allied Arts Council	\$70,000	Y	\$70,000	The Communication Manager was hired April 15, 2009. The balance of the funds were allocated towards a communication consultant and leadership development.
N - 52	<b>Music and Speech Arts Festival Support</b>	Kiwanis	\$10,000	Y	\$10,000	This amount was allocated to the facility billing for the Yates Memorial Centre.
N - 53	<b>Administrative Analyst</b>	Lethbridge Regional Police Services	\$163,600	Y	\$120,468	Position filled in 2009, fulfilling duties of position
N - 54	<b>Domestic Violence Constables</b>	Lethbridge Regional Police Services	\$329,400	Y	\$329,400	Positions filled in 2009, training complete fulfilling duties of the positions
N - 55	<b>Financial Technician</b>	Lethbridge Regional Police Services	\$70,600	Y	\$107,168	Position filled in September 2009 (in advance of original hire date) fulfilling duties of the position
N - 56	<b>High Risk Offender Constables</b>	Lethbridge Regional Police Services	\$161,800	N	\$161,800	Position Filled January 2, 2010, fulfilling duties of the positions
N - 57	<b>Increase Supervisory Ranks</b>	Lethbridge Regional Police Services	\$131,300	N	\$0	2010 initiative - Requires acceptance through LPA contract negotiations
N - 58	<b>Information Technology Members</b>	Lethbridge Regional Police Services	\$320,600	Y	\$289,372	Positions filled in 2009, fulfilling duties of the positions
N - 59	<b>Online Police Reporting</b>	Lethbridge Regional Police Services	\$179,500	P	\$167,491	3 positions, 1 per year over three years. Delayed 2009 hiring and filled 2009 and 2010 positions in second half of 2009.
N - 60	<b>Proceeds Of Crime Constables</b>	Lethbridge Regional Police Services	\$177,800	N	\$177,800	Positions filled in 2010, fulfilling duties of the positions
N - 61	<b>Recruiting Chief of Police</b>	Lethbridge Regional Police Services	\$54,000	N	\$0	Not approved by City Council
N - 62	<b>School Resource Officer</b>	Lethbridge Regional Police Services	\$87,800	N	\$87,800	Position filled in 2010, fulfilling duties of the position
N - 63	<b>Special Operations Constables</b>	Lethbridge Regional Police Services	\$94,000	N	\$94,000	1 FTE position filled in 2010, 2 outstanding for 2011, 2010 member is fulfilling duties of the position
N - 64	<b>Corporate Security Program</b>	Facility Services	\$150,000	Y	\$206,334	The Corporate Security Manager was hired in April of 2009 to oversee the institution of a corporate safety program. The desired outcome is to have a comprehensive program by the end of 2011. Inclusive of facility audits, policies, procedures and consolidation of security responsibilities throughout the corporation.
N - 65	<b>Support to Seniors Operations</b>	Community Development	\$200,000	Y	\$200,000	Funds were allocated to LSCO and Nord-Bridge Senior Centres.
N - 66	<b>Shelter &amp; Bench Sanitation</b>	Transit	\$43,800	N	\$0	Pattison Outdoor Advertising completed the initial 2010 cleaning under contract with Lethbridge Transit. Additional cleaning was determined not to be necessary beyond that regularly scheduled in 2010. The BRZ will continue to monitor and report on the cleanliness of bus shelters in accordance with this initiative. It is anticipated that unspent funds could remain available should they be required in the future.

<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2009/2010 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Expenditures to date</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N - 67	Upgrade Parking Meters	Parking	\$90,000	N	\$90,000	The initiative called for the replacement of 1,600 parking meters in the downtown core at an estimated cost of \$90,000. These meters were purchased 2010.
N - 70	Parks Unmetered Water	Parks	\$222,000	Y	\$222,000	In accordance with this initiative, \$111,000 of additional unmetered water expense was funded from taxation and a corresponding \$111,000 increase in revenue from the Water operations budget was realized.
N - 74	2010 Olympics Torch Relay	Leisure Services	\$70,000	Y	\$70,000	The 2010 event was completed.



<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2006 -2008 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>2006-2010 Actual Expenditure</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N-8	<b>Safety Improvement to the Peenaquim Park Gun Range</b>	Recreation, Parks, and Culture	\$182,000	Y	\$106,978	The Fish and Game Association has received the CFEP grant in the amount of \$109,842.50, in which \$51,977.65 was turned over to the City as matching funds. The construction of the baffles was complete in 2010.
N-11	<b>Management Information System (MIS)</b>	Financial Services	\$3,200,000	N	\$1,987,497	<p>Phase 1 of the MIS project was successfully implemented with a "go-live" date of January 1, 2008. This project included the JD Edwards financial modules, the computerized work order management modules and Tempest.</p> <p>The major financial modules included General Ledger, Accounts Payable, Accounts Receivable, Procurement, Fixed Assets and Job Cost, The Tempest system, which included Property Tax, Permits, Business Licensing, Cash Receipts, Dog Licenses, and Parking Tickets was implemented on a phased-in approach throughout 2007.</p> <p>Sub-projects implemented in 2008 included an invoice scanning project and implementation of budget software.</p> <p>Training on the system continues to be offered. A Steering Committee has been set up to ensure continuous improvement, assess functionality, evaluate system performance and develop additional functionality to ensure the ongoing success of the systems. Additional processes and modules will be implemented in the next phase of the project.</p> <p>Phase 2 of the MIS Project includes funding for JD Edwards modules and process including Contract Service Billing, Electronic Workflow, Advance Collection Management, Employee Expense Management as well as reporting software, Business Intelligence and Expense Management. In addition, the budget includes the Tempest MyCity and eCommerce Modules and amounts for the upcoming system upgrade scheduled for 2012.</p> <p>It is anticipated that the other modules noted above will be implemented over the 2012-2014 budget cycle.</p>

<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2006 -2008 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>2006-2010 Actual Expenditure</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N-18	Agenda Management Program	City Clerk's Office	\$254,900	P	\$154,200	The Office of the City Clerk has successfully put in place the SIRE software that streamlined the City Council meeting process from submission of items to creating and publishing the agendas and minutes. This includes templates, workflow, electronic tracking and follow up and action. The next step will be to introduce the committee module, video streaming and migration of information from AIM to SIRE. This phase is anticipated to be completed by end of 2011.
N-36	Archmount Drainage Work	Cemeteries	\$23,000	N	\$13,000	A desktop study by EBA was completed to further gather information so that a permanent, cost effective solution could be designed and implemented at Archmount Cemetery to alleviate the water problems. That study suggested possible solutions to the problem that may work. That study did not provide a design to move forward, but provided a few choices to consider. The choices given were (1) constructed drainage measures, (2) vegetative measures, and (3) combination of both. Further investigation in January of 2009 discovered a need for further drainage studies which have not yet been initiated. This project is on hold. The funds allocated for loan repayment on this project have been redirected to the Cemetery Office Building loan repayment.



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