

**Department:** Financial Services

March 22, 2013  
For Submission to  
April 8, 2013  
Finance Committee Meeting

To: Deputy Mayor Tom Wickersham and  
Members of the Finance Committee

**Re: Unaudited 2012 Year End Financial Information**

**Introduction:**

This report provides Finance Committee with highlights of the 2012 General Fund, Utility Fund and Reserve Funded operations for the year ended December 31, 2012. 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) 2012 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) Affordable Housing and Downtown Redevelopment Fund (grey sheet)
- h) GST Rebates (tan sheet)
- i) 2012 – 2014 Budget Initiatives (peach)

As Finance Committee is aware, December 31, 2012 marks the first year of the City's fourth, three year operating budget cycle (2012 - 2014). To accommodate the three-year budget cycle, Business Units are expected to operate within their 36 month budget allocation. If there is a shortfall after the first year, Business Units are expected to overcome the shortfall by adjusting expenditures in the second and third years of the three-year budget (2013 & 2014); and similarly if the experience after the first year resulted in a net under expenditure, the Business Units rolled over their net under expenditure to assist their operations during 2013 and 2014.

## **Background Information:**

### **Corporate Accounts**

**Corporate Account Surplus of \$744,000** - when calculating the 2012 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 \$352,000
  - i) **Property tax** - The property tax accounts ended the year in a slight deficit (\$18,000). The actual growth from new construction was less than the estimated tax growth by (\$403,000). However, this tax revenue shortfall was partially offset by lower than budgeted tax expenses for assessment revisions and court reductions of \$280,000 and higher than anticipated property tax revenue from the Supplementary Levy of \$40,000 and City land sales of \$65,000.
  - ii) **General Revenues** – net surplus of \$370,000. The surplus was mainly due to greater than budgeted penalties on property taxes of \$260,000, surpluses in general revenue accounts of \$40,000, and higher than budgeted transfers from the Water and Landfill Utilities to General Operations of \$60,000 and \$10,000 respectively
- b) **Employee Benefits** – ended the year with a surplus balance of approximately \$274,000. Surpluses have been realized as a result of flex benefit premiums in employee Health Spending Accounts, and an improved safety record resulting in lower WCB costs.
- c) **Permit, development & license revenues** – Ended the year with a surplus balance of \$26,800
  - i) **Business Licenses** - ended the year in a deficit position of (\$26,200). This was due to a combination of the effect of the change of license fee structure in the 2012-2014 budget and not meeting the budgeted revenue target (although there was modest growth in all classes of licenses in 2012).
  - ii) **Inspection permit fee revenues** – department activity was steady throughout 2012 due principally to growth in residential permit volumes. Overall permit revenues were marginally above projections and resulted in a surplus of \$47,000.

- iii) **Planning and Development revenues** – department activity was balanced over the year with lower subdivision activity being offset by higher development activity and resulted in a small surplus of \$6,000.
- d) **Utility costs for tax supported City facilities** – ended the year in a surplus position of \$80,500. This represents a surplus of natural gas of \$165,600, primarily due to the warmer winter weather. City Utilities (water) was in a surplus position of \$37,300. These surpluses were offset by a deficit of (\$122,400) in Electricity due to maintenance issues and increased air conditioning use due to the warm summer of 2012.

### **Business Unit Accounts**

**Business Unit accounts** - The total **Business Unit Roll Over to 2013 was \$1,410,000** (1.1% of budget)  
(shown in detail by Business Unit in attachment A-2).

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

### **Boards and Commissions**

- a) **Galt Museum** – Ended 2012 with \$66,900 of unexpended resources. These resources are made up of increased revenues (eg. facility rental revenue, admissions, grants, sponsorships) and timing delays of general expenditures and grants within the 36 month budget. The Galt will expend these resources based on the mandate of the museum and archives.
- b) **Lethbridge Regional Police Services** – ended 2012 in a surplus position of \$446,000. The major factors contributing to the year end result are further explained as follows:
  - i) **Revenues** – greater than budgeted by \$262,000. Surplus revenues were generated through Police Compound Revenues of \$50,000. In addition surpluses of \$194,000 were experienced in revenue received from contracts (Alberta Law Enforcement Response Teams (ALERT) and secondments), as well as Police record checks and alarm fines of \$18,000.
  - ii) **Other** – less than budget by \$184,000. Surpluses in wages, travel and convention, training, uniforms, and supplies totaling \$362,000 were offset by deficits in legal expenditures, computer services, and vehicle leasing and maintenance totaling (\$178,000)
- c) **Public Library** - Excess revenue from Fines & Fees and Other Sources combined with under expenditures in wages (due to management vacancies) created a surplus of approximately \$380,000. The Library Board has authorized the carry-over of this surplus to address funding requirements for Library projects as endorsed by City Council (new Bookmobile and the Radio Frequency Identification (RFID) implementation at the Main Branch).

## **General Government and Corporate Services**

- a) **Human Resources** – surplus of \$75,300 is a result of a period of transition during 2012 with some positions being vacated. The refilling of these positions will be completed during 2013.
- b) **City Clerk Office** – ended the year in a surplus of \$91,900, primarily in the census and election coordination area. Administration is currently reviewing the structure of this area to ensure resources are aligned to meet the long term needs of the business unit.
- c) **Economic Development** – is in a surplus position of \$72,400, primarily due to interdepartmental recoveries from Real Estate and Land Development (RELD).
- d) **Mayor & City Council Office** – travel and convention expenses were below budget by \$75,600.
- e) **Financial Services** – ended the year in a positive position of \$52,000 mainly due to under expenditures in banking & other financing charges.

## **Community Services**

- a) **Community & Social Development** – Family and Community Support Services (FCSS) is in surplus of \$11,700. This surplus is the result of previous one time allocations not fully required by community groups.
- b) **Fire & Emergency Services** – ended the year with a surplus of \$265,000. External billing revenues were greater than budget by \$329,300. A strategic decision was made to hire new employees in 2013, rather than 2012, resulting in a savings in recruitment expenses of \$158,000. These surpluses were offset by over expenditures in Fire fleet of (\$122,600) and various general expenses of (\$99,700).
- c) **Regulatory Services** – ended the year in a surplus position of \$11,500
  - i) New Bylaw Officer was hired in April. The Minimum Property Standards program is to focus on corrective action with respect to derelict structures, including demolishing rather than issuing fines. This delay in hiring resulted in a surplus of \$17,000
  - ii) General under expenditures resulted in a surplus of \$18,500
  - iii) Animal Shelter - Dog revenues were less than budgeted by (\$24,000) due to releasing of more animals to rescue agencies, reduction in adoption, increased number of dogs returned to their owners and license renewal lower than expected
- d) **Public Safety Communications Centre** – ended the year in a deficit position of (\$45,400) – Contributing factors to this deficit include wages that were overspent due to replaced sick leave (\$72,000). Offsetting this deficit were unexpended equipment & infrastructure purchases of \$19,000, and various operational surpluses of \$7,600.

- e) **Transit and Accessible Transportation** – ended the year with a surplus of \$153,000. The surplus was achieved as a result of lower than average sick time, overtime, and training, which enabled administration to delay hiring a vacation relief position, resulting in a surplus of \$114,900. Additionally, transit revenues were in a surplus of \$56,900, which includes charters and overloads. Offsetting this surplus was the Access-a- Ride operations, which were in a deficit position of (\$18,800).
- f) **ENMAX Centre** - ended the year in a deficit position of (\$55,600). Event and ticket sale revenue was in a surplus position; however, this was offset with the challenges of building start-up costs and right sizing of food and beverage staff.

**Planning & Development Services**

**Planning and Development and Inspection operations** – expenditures including position vacancies and wages relief were managed in relation to activity levels and revenues to result in an overall surplus of \$47,000. Vacant positions will be filled for 2013 to manage workloads and address succession plans for retiring staff.

**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 surplus position of \$580,200 which has been distributed back to the Utilities at year end.

- i) Contracted service costs ended the year under spent due to favorable meter reading services contract pricing. \$503,600
- ii) Bad debt expense –the bad debt write off was less than expected. 126,300
- iii) Utility Service Administration and System Maintenance accounts ended the year in a surplus position primarily due to under expenditures in billing system consulting services. 54,100
- iv) Collections revenue, including penalty and disconnect / reconnect revenue collected was greater than budgeted. 31,800
- v) Customer Call Center and Collections ended the year in a slight surplus position. 12,400
- vi) Deficit in Utility administration fee revenue - There was a revenue shortfall for disconnect notices and service fees (\$79,000). As well, revenues from Utility service administration fees did not meet budgeted targets (\$69,000). (148,000)

**b) Waste and Recycling Services –**

|                             |                     |                  |
|-----------------------------|---------------------|------------------|
| <b>b1) Waste Services -</b> | Budgeted surplus    | \$ 136,119       |
|                             | Actual surplus      | 230,500          |
|                             | Variance – positive | <u>\$ 94,400</u> |

Waste Services ended the year with a positive variance of about \$94,400. The positive variance was due to a number of factors as follows:

|  |           |
|--|-----------|
| i) The Clean City Programs finished the year in a positive position due to under expenditures in the Large Item Service program of \$116,000, the City Property Clean-Up program of \$52,000 and the Fall Leaf collection program of approximately \$15,000. | \$182,600 |
| ii) Commercial collection expenses ended the year in a surplus position. This is due to costs associated with dumping commercial waste at the landfill being lower than budget as well as a reduction in replacement bin purchases.                          | 94,800    |
| iii) Revenues were greater than budgeted by \$70,000. Residential revenues ended the year in a surplus position of \$163,000, but were offset by a shortfall (\$93,000) in the Commercial class.   | 70,300    |
| iv) Waste Services Administration and Accounting finished the year off in a surplus position due primarily to staff vacancies.   | 42,300    |
| v) Residential collection expenditures ended the year over expended by approximately \$295,600 due primarily to an allocation to fleet services to offset increased future Auto Side Loader garbage truck replacement costs.                                 | (295,600) |

The accumulated surplus in Waste Services as at December 31, 2012 is \$658,824 (2011 - \$2,428,302).

|                                 |                     |                   |
|---------------------------------|---------------------|-------------------|
| <b>b2) Recycling Services -</b> | Budgeted surplus    | \$ 41,000         |
|                                 | Actual surplus      | 13,700            |
|                                 | Variance - negative | <u>(\$27,300)</u> |

Recycling Services ended the year with a negative variance of about \$27,300. The major factors that contributed to this variance are as follows:

|   |            |
|---|------------|
| i) Residential Waste Diversion programs finished the year in a slight deficit position. The Waste Diversion education programs ended the year in a surplus position of \$38,300 while the Hazardous Waste Diversion programs (E-waste, Toxic waste and Paint) ended the year in a deficit (\$26,100). The recycling depots ended the year in a deficit position (\$179,600) due to additional capital contributions towards the construction of the recycling depots. The Organic Waste Diversion programs (Chipping, Green waste, Christmas Tree and Fall Leaf Collection) collectively ended the year in a surplus position of \$98,900 due primarily to lower than budgeted contractual services for the Chipping program. | (\$68,500) |
|---|------------|

|   |        |
|---|--------|
| ii) The Commercial Recycling program ended the year in a surplus position due to decreased labour charges.  | 10,800 |
| iii) Waste prevention (education and green waste) accounts finished the year in a surplus position due to a reduction in costs relating to Environmental Week activities. | 14,600 |
| iv) Waste Reduction recycling revenues exceeded budget mainly as a result of residential growth.  | 15,800 |

The accumulated surplus in Recycling Services as at December 31, 2012 is \$433,303 (2011 - \$524,561).

|                       |                     |                  |
|-----------------------|---------------------|------------------|
| <b>b3) Landfill -</b> | Budgeted surplus    | \$95,568         |
|                       | Actual surplus      | 364,500          |
|                       | Variance – positive | <u>\$268,900</u> |

Landfill operations ended the year with a positive variance of about \$268,000. The major factors that contributed to this are as follows:

|  |           |
|--|-----------|
| i) Landfill operating costs were under budget due to a reduction in landfill contractual service costs.  | \$350,000 |
| ii) Net revenues were greater (3.10%) than anticipated.  | 254,100   |
| iii) Closed Landfills monitoring programs ended the year under expended by approximately \$79,400.   | 79,400    |
| iv) Financial charges and transfers were greater than budgeted. Contribution to the landfill post closure fund is calculated based upon revenues generated by tonnage. Canadian generally accepted accounting standard PS 3270 establishes how the City is to account and record its obligation for closure and post-closure care of the landfill site. An additional contribution of \$14,600 was made to the closure and post-closure care fund in order to fully fund this liability. | (14,600)  |
| v) An increased transfer of funds were applied to CIP E-7 – Waste and Recycling Center Disposal Cell Development - to avoid planned borrowing and its associated costs.  | (400,000) |

The accumulated surplus as at December 31, 2012 is \$1,195,535 (2011 - \$1,231,070).

c) **Wastewater operations**

|                     |                  |
|---------------------|------------------|
| Balanced budget     | \$ -             |
| Actual surplus      | <u>127,600</u>   |
| Variance – positive | <u>\$127,600</u> |

The Wastewater Utility ended the year with a slight surplus position of about \$127,600. The major factors that contributed to this are as follows:

|  |           |
|--|-----------|
| i) Wastewater capital from operating accounts were under expended in 2012 due to a decrease in the number of sanitary sewer service replacements.  | \$369,400 |
| ii) Wastewater Engineering and Technical Support ended the year in a surplus position due to temporarily unfilled positions, and to unexpended funds budgeted for wastewater collection condition assessment (videoing of pipes) and wastewater sewer performance evaluation studies.  | 212,700   |
| iii) Commercial, Regional and Industrial revenues realized during the year were higher than budgeted. This surplus is the result of higher than usual industrial sewage loading from industry. Industrial customers can mitigate the additional costs through more diligent wastewater pre-treatment.  | 133,100   |
| iv) Wastewater Administration accounts ended the year in a surplus position due primarily to lower than budgeted charges from Utility Services for meter data management services.   | 82,500    |
| v) Wastewater Collection accounts ended the year in a balanced position. During 2012, there were increased efforts directed towards the repair and maintenance sanitary service connections. However these over expenditures were offset by under expenditures in sanitary main repair and wastewater utility locates.   | -         |
| vi) Residential revenues ended the year in a slight deficit position.  | (5,500)   |
| vii) Wastewater treatment plant maintenance and process operations ended 2012 in a deficit position due to planned over expenditures to the annual sludge removal program. As it is anticipated that the construction of the new North Scenic Drive roadway will cause constraints in the WWTP's ability to truck out the sludge in the spring months of 2013, additional sludge was removed from the ponds in 2012. | (664,600) |

The accumulated surplus as at December 31, 2012 is \$1,061,500. In 2011 the surplus was \$933,881.



d) **Water operations**

|                 |                |
|-----------------|----------------|
| Balanced budget | \$ -           |
| Actual          | 782,400        |
| Variance        | <u>782,400</u> |

The Water Utility ended the year in a surplus position of \$782,400. The major factors that contributed to this are as follows:

|   |           |
|---|-----------|
| i) Residential revenues ended the year in a surplus position.   | \$306,400 |
| ii) Water Administration accounts ended the year in a surplus position due primarily to lower than budgeted charges from Utility Services for meter data management services.                   | 234,500   |
| iii) Regional water revenue ended the year in a surplus position  | 205,300   |
| iv) 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 assessments.         | 196,800   |
| v) Commercial water revenues ended the year in a surplus position   | 116,700   |
| vi) Irrigation water revenues ended the year in a surplus position  | 93,000    |
| vii) Water Distribution System operations ended the 2012 year in a surplus position due to a number of factors, including:  | 84,200    |
| a) Meter shop operations finished the year in a deficit position of approximately (\$340,600).  |           |
| b) Service connections ended the year in a surplus position of \$57,900, mainly due to lower maintenance leaks experienced during the unseasonably mild winter and spring temperatures in 2012. |           |
| c) Valve and Hydrant maintenance and servicing accounts ended the year in a deficit position of (\$194,600).  |           |
| d) Water main repairs were under expended by \$367,200.   |           |
| e) Parks water service repair accounts finished the year in a slight deficit position of (\$35,600).  |           |
| f) Utility locates ended the year in a surplus position of \$12,600 due to under expenditures in wages.   |           |
| g) Water distribution systems operations general support accounts ended the year in a surplus position of \$217,300.  |           |
| viii) Hydrant rental revenues ended the year with higher than budgeted revenues due primarily to increased construction activity in 2012.   | 61,000    |
| ix) Water Treatment Plant ended the year in a slight deficit position due primarily to increased chemical usage   | (21,300)  |

- required to treat the raw water supply.
- x) Consistent with the increase in water sales is an increase in the 8% contribution to the general fund. (58,200)
  - xi) Capital Program – to offset under expenditures in other water utility business unit operations, the allocation to the 2012 capital programs was over expended. (436,000)

The accumulated surplus as at December 31, 2012 is \$1,885,180 (9.58% of water revenues). In 2011 the surplus was \$1,102,746 (5.75% of water revenues). The target established by City Council within the 2012 – 2014 Operating Budget was 9 – 15% of revenues.

**e) Electric operations**

|                     |                     |
|---------------------|---------------------|
| Budget              | \$ 525,000          |
| Actual surplus      | 1,540,000           |
| Variance – positive | <u>\$ 1,015,000</u> |

The Electric Utility generated a positive variance of \$1,015,000 from operations for the 2012 fiscal year, broken down as follows:

|   |                    |
|---|--------------------|
| Distribution Tariff                           | \$1,563,000        |
| Fibre Operations                              | 25,000             |
| Transmission Tariff                           | (200,000)          |
| Regulated Rate Tariff                         | (373,000)          |
| Total Electric Operations – positive variance | <u>\$1,015,000</u> |

**Electric Utility** –The main reasons for the positive variance are as follows:

The Distribution Utility shows a surplus of \$1,563,000. Results related to the Transmission Access Tariff show a loss of (\$205,000) due to fluctuations in AESO charges which are affected by swings in energy prices. Results for the Distribution Access Tariff show a \$1,768,000 surplus due primarily to excess revenue \$265,000, and lower than expected depreciation and cost of capital charges as capital projects are delayed due to resource constraints. Revenues are higher than budgeted due to increased energy volumes from a longer, warmer summer. This surplus was expected originally, and budgeted rate increases for 2013 were reduced accordingly.

The Fibre Utility has a surplus of \$25,000. This surplus was planned as we look forward to significant capital costs to replace much of the existing cable in the City. The increased surplus is attributable to reduced maintenance activity as crews have been needed to work in other areas of the Electric Utility.

The Transmission Tariff is showing a deficit of (\$200,000). Current revenue rates have not been approved by the AUC, and this loss may be recovered in 2013 if our rate application is approved. Combined operating costs, depreciation, cost of capital and linear property taxes are \$380,000 less than expected.

The Regulated Rate function of the Electric Utility was budgeted to produce a \$335,000 surplus, but ends the year with loss of (\$373,000). This is attributable to lower energy prices and a reduction in consumption due to warm temperatures in the final 3 months of the year.

## **Reserve Funded Operations**

The **Reserve Funded Operations** are summarized for Finance Committee on **Attachment A – 3**. In addition, all City reserves are reported in the **Statement of Reserves** (green sheets). Additional information is described below:

- a) **Cemeteries** - The 2012 transfer to the cemetery reserve was \$132,000, comprised of \$12,000 of interest revenue and \$120,000 of operating surplus. The major factors that contributed to the operating surplus are as follows:
  - i) Rights to Interment and Interment Services revenues met 2012 budget expectations due to the fee increases in 2012.
  - ii) Unexpended lifecycle maintenance of \$35,000; surplus in various operational expenditures of \$30,000; unexpended staff wages were carried forward due to delaying the hiring of non-permanent personnel for Royal View Memorial Cemetery (CIP D-11), as well as delaying the hiring of additional part-time staff for the other cemeteries in 2012. They will be hired in 2013. These wage savings amounted to \$55,000.
- b) **Community Lighting** – finished the year in a balanced position. Roadway lighting distribution and consumption charges ended the year in a slight surplus position of approximately \$63,100 (2.2% of budget). This surplus was offset by additional expenditures toward roadway lighting maintenance programs of approximately \$380,000, which were offset by transportation surpluses realized in both traffic signals and roadway maintenance accounts.
- c) **Fleet Services** – in accordance with City Policy, the positive variance of \$266,600 is transferred to the reserve for fleet replacement. This surplus was due primarily to lower than budgeted fuel prices.
- d) **Parking** – the transfer to the reserve was less than budgeted by (\$50,300) mainly due to a short-fall from both On-street and Off-street operations. Off-Street parking operations finished the year with a deficit position of approximately (\$32,600) due to the loss of revenue resulting from the loss of the Smith Street parking lot and from upgrades to other off-street lots. On-street operations ended the year in a (\$32,900) deficit. These deficits were partially offset by a slight surplus of \$15,200 in the administration accounts.
- e) **Traffic Safety Act Revenues** – ended the year in a deficit at year end of approximately \$205,000 due to the delay of the expansion of Red Light radar enforcement resulting from difficulties in contracting a suitable vendor. Revenues include photo radar for the City of Lethbridge, and provincial violation fines (tickets for speeding, failing to stop, going through red lights, etc.) and revenue from Coaldale and Taber for delivery of Photo Radar Enforcement. In accordance with City Council policy, the Traffic Safety Act revenues will be directed to the Municipal Revenue Stabilization Reserve and do not impact the year end surplus.
- f) **Snow Clearing** – Ice control and snow removal operations ended the year in a surplus position of approximately \$1,023,040. This surplus from sanding and snow and ice removal operations will be transferred to the MRSR.

## **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 twelve month period were as follows:

| <b>Facilities</b>  | <b>2012 Expenditures</b> |
|--|--------------------------|
| Public Operations Facility Project                                     | 9,871,100                |
| Community Arts Centre  | 9,132,600                |
| ENMAX Facility Enhancement   | 1,244,600                |
| Helen Schuler Nature Center Expansion                                  | 860,900                  |
| Transit Expansion  | 802,800                  |
| <br>   |                          |
| <b>Infrastructure</b>  |                          |
| Northwest Lethbridge Utility Servicing (Bridge Drive Utility Corridor) | 10,670,800               |
| North Scenic Drive (5 Avenue to 26 Avenue North)                       | 8,546,600                |
| Underground Cable Replacement  | 7,958,400                |
| Mayor Magrath Drive (40 Avenue South to City Limit)                    | 5,562,800                |
| Residential Subdivisions (SunRidge, RiverStone, Crossings)             | 4,670,600                |
| South Siphon Upgrade   | 3,997,700                |
| Waste & Recycling Centre - Disposal Cell Development                   | 3,812,000                |
| Water Main Renewals  | 2,291,600                |
| Royal View Memorial Cemetery   | 2,180,000                |
| Garry Drive Reservoir  | 2,036,000                |
| Whoop Up Drive (Coalbanks Gate to 30th Street West)                    | 1,713,400                |
| Garry Drive (600M West of Metis Trail)                                 | 1,611,100                |
| Transformer Replacement  | 1,269,000                |
| Centralized Recycling Depots   | 1,109,000                |
| Arterial Roadways  | 1,017,400                |
| Parks Asset Management   | 935,700                  |
| Street Upgrading   | 837,700                  |
| Railway Rehabilitation   | 815,500                  |
| Transmission Substation Rebuild  | 625,700                  |

For the most part, projects have a construction period which expands beyond the calendar year. These cost figures only represent expenditures made in 2012.

## **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. The City’s total per capita external debt is shown as follows:

|                                 | <u>2012</u>   | <u>2011</u>   |
|---------------------------------|---------------|---------------|
| Tax supported external debt     | \$ -          | \$ -          |
| Self-supported external debt    |               |               |
| Offsite levy debt               | 423           | 369           |
| Other self-supported debt       | 48            | 55            |
| Utility-supported external debt | 370           | 319           |
| Total per capita external debt  | <u>\$ 841</u> | <u>\$ 743</u> |

Details of debt are included in the attached schedule of External and Internal Debt (golden rod sheets).

## **Investment Management**

The City of Lethbridge uses investments to provide a return on public funds while they are held by the City. These funds consist of reserves, capital funds, Provincial and Federal grants, and operating funds. The funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio. The 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 2012 was \$218 million. The 2012 interest income from the portfolio was \$3,623,000. The City’s average portfolio yield of 1.41% was higher than the Government of Canada 3-year Benchmark yield of 1.19%.

## **Conclusion**

To conclude, we are extremely pleased with the results of the first year of our fourth three year budget cycle. Without exception, 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 2013-2014.



Corey Wight, CA  
City Treasurer



Barry Sawada, CA  
Controller



Garth Sherwin, CA  
City Manager



**CITY OF LETHBRIDGE**  
**2012 Summary of Operations**  
**General Fund - Corporate Surplus**  
**Attachment A - 1**

|   | Budget<br>(Net Revenue)<br>Net Expenditure | Actual<br>(Net Revenue)<br>Net Expenditure | Variance<br>Pos (Neg) |
|---|--|--|-----------------------|
| <b>General Fund</b>                             |  |  |                       |
| <b>Corporate Accounts</b>                       |  |  |                       |
| Employee benefits                               | \$ 3,621,034                               | \$ 3,347,547                               | \$ 273,487            |
| Property tax and general revenues               | (124,786,448)                              | (125,138,341)                              | 351,893               |
| Permit, development & license revenues          | (4,029,600)                                | (4,056,372)                                | 26,772                |
| Grants to organizations                         | 1,047,800                                  | 1,036,715                                  | 11,085                |
|   |  |  | 663,237               |
| <b>Non-discretionary variances</b>              |  |  |                       |
| Utility costs for tax supported City facilities | 3,419,256                                  | 3,338,729                                  | 80,527                |
|   |  |  | 80,527                |
| <b>Total Corporate Surplus</b>                  |  |  | <b>743,764</b>        |



**CITY OF LETHBRIDGE**  
**2012 Summary of Operations**  
**General Fund - Business Unit Roll Over to 2013**  
**Attachment A - 2**

|  | Budget<br>Net Expenditure | Actual<br>Net Expenditure | Variance<br>Pos (Neg) |
|--|---------------------------|---------------------------|-----------------------|
| <b>Business Unit Operating Summary</b>     |                           |                           |                       |
| <b>Boards &amp; Commissions</b>            |                           |                           |                       |
| Galt Museum                                | \$ 1,365,416              | \$ 1,298,513              | \$ 66,903             |
| Lethbridge Regional Police Services        | 27,825,669                | 27,378,931                | 446,738               |
| Public Library                             | 5,108,793                 | 5,108,793                 | -                     |
| <b>General Government</b>                  |                           |                           |                       |
| City Clerk Department                      | 648,501                   | 556,588                   | 91,913                |
| City Manager & Communications Department   | 1,047,064                 | 1,042,109                 | 4,955                 |
| City Solicitor Department                  | 289,092                   | 269,773                   | 19,319                |
| Economic Development                       | 1,324,223                 | 1,251,823                 | 72,400                |
| Mayor & City Council                       | 746,753                   | 671,179                   | 75,574                |
| Pay-As-You-Go                              | 8,516,000                 | 8,516,000                 | -                     |
| <b>Corporate Services</b>                  |                           |                           |                       |
| Assessment & Taxation                      | 1,426,159                 | 1,382,602                 | 43,557                |
| Financial Services                         | 2,274,263                 | 2,222,377                 | 51,886                |
| Human Resources                            | 1,644,959                 | 1,569,687                 | 75,272                |
| Information Technology                     | 2,747,130                 | 2,747,130                 | -                     |
| <b>Community Services</b>                  |                           |                           |                       |
| Cemeteries                                 | 317,404                   | 317,404                   | -                     |
| Community & Social Development             | 756,401                   | 744,686                   | 11,715                |
| Community Services Support                 | 808,578                   | 782,123                   | 26,455                |
| ENMAX Centre                               | 1,344,364                 | 1,400,031                 | (55,667)              |
| Facility Services                          | 3,326,033                 | 3,326,033                 | -                     |
| Fire & Emergency Services                  | 16,114,998                | 15,850,032                | 264,966               |
| Helen Schuler Coulee Centre                | 517,565                   | 517,565                   | -                     |
| Public Safety Communications Centre        | 1,567,357                 | 1,612,787                 | (45,430)              |
| Recreation & Culture                       | 6,618,394                 | 6,608,112                 | 10,282                |
| Regulatory Services                        | 1,121,230                 | 1,109,251                 | 11,979                |
| Transit and Accessible Transportation      | 9,749,634                 | 9,596,577                 | 153,057               |
| <b>Planning &amp; Development Services</b> |                           |                           |                       |
| Development Services                       | 2,364,692                 | 2,327,197                 | 37,495                |
| Inspection Services                        | 2,057,894                 | 2,047,088                 | 10,806                |
| <b>Infrastructure Services</b>             |                           |                           |                       |
| Infrastructure Services Administration     | 587,308                   | 566,230                   | 21,078                |
| Parks Maintenance and Management           | 9,990,471                 | 9,984,892                 | 5,579                 |
| Storm Sewer Maintenance                    | 327,896                   | 321,816                   | 6,080                 |
| Transportation                             | 11,814,750                | 11,811,619                | 3,131                 |
| <b>Total</b>                               | <b>\$ 124,348,991</b>     | <b>\$ 122,938,948</b>     | <b>\$ 1,410,043</b>   |



**CITY OF LETHBRIDGE**  
**2012 Summary of Operations**  
**Summary of Utility & Reserve Funds**  
**Attachment A - 3**

|   | Budget                | Actual                | Variance<br>Pos (Neg) |
|---|-----------------------|-----------------------|-----------------------|
| <b>Utility Funded Operations</b>              |                       |                       |                       |
| Waste Services                                |                       |                       |                       |
| Revenues                                      | \$ 5,690,400          | \$ 5,763,483          | \$ 73,083             |
| Expenses                                      | 5,554,281             | 5,532,981             | 21,300                |
| <b>Surplus</b>                                | <b>\$ 136,119</b>     | <b>\$ 230,502</b>     | <b>\$ 94,383</b>      |
| Recycling Services                            |                       |                       |                       |
| Revenues                                      | \$ 1,572,400          | \$ 1,577,871          | \$ 5,471              |
| Expenses                                      | 1,531,400             | 1,564,130             | (32,730)              |
| <b>Surplus (Deficit)</b>                      | <b>\$ 41,000</b>      | <b>\$ 13,741</b>      | <b>\$ (27,259)</b>    |
| Landfill                                      |                       |                       |                       |
| Revenues                                      | \$ 8,197,800          | \$ 8,455,301          | \$ 257,501            |
| Expenses                                      | 8,104,232             | 8,090,836             | 13,396                |
| <b>Surplus</b>                                | <b>\$ 93,568</b>      | <b>\$ 364,465</b>     | <b>\$ 270,897</b>     |
| Wastewater                                    |                       |                       |                       |
| Revenues                                      | \$ 14,724,700         | \$ 14,837,316         | \$ 112,616            |
| Expenses                                      | 14,724,700            | 14,709,638            | 15,062                |
| <b>Surplus</b>                                | <b>\$ -</b>           | <b>\$ 127,678</b>     | <b>\$ 127,678</b>     |
| Water   |                       |                       |                       |
| Revenues                                      | \$ 19,682,000         | \$ 20,340,500         | \$ 658,500            |
| Water Expenses                                | 19,682,000            | 19,558,131            | (123,869)             |
| <b>Surplus</b>                                | <b>\$ -</b>           | <b>\$ 782,369</b>     | <b>\$ 782,369</b>     |
| Electric                                      |                       |                       |                       |
| Revenues                                      | \$ 67,369,154         | \$ 67,563,210         | \$ 194,056            |
| Expenses                                      | 66,844,260            | 66,021,251            | (823,009)             |
| <b>Surplus</b>                                | <b>\$ 524,894</b>     | <b>\$ 1,541,959</b>   | <b>\$ 1,017,065</b>   |
| <b>Reserve Funded Operations</b>              |                       |                       |                       |
| Cemeteries                                    |                       |                       |                       |
| Revenues                                      | \$ 732,800            | \$ 731,843            | \$ (957)              |
| Less expenditures                             | 1,050,204             | 916,784               | 133,420               |
| Plus tax supported funding                    | 317,404               | 317,404               | -                     |
| <b>Transfer to the Reserve</b>                | <b>\$ -</b>           | <b>\$ 132,463</b>     | <b>\$ 132,463</b>     |
| Community Lighting                            |                       |                       |                       |
| Revenues                                      | \$ 2,500,000          | \$ 9,467              | \$ (2,490,533)        |
| Less expenditures                             | 5,774,300             | 3,666,641             | 2,107,659             |
| Plus tax supported funding                    | 3,480,400             | 3,863,274             | 382,874               |
| <b>Transfer to the Reserve</b>                | <b>\$ 206,100</b>     | <b>\$ 206,100</b>     | <b>\$ -</b>           |
| Fleet Services                                |                       |                       |                       |
| Revenues                                      | \$ 9,536,300          | \$ 8,912,871          | \$ (623,429)          |
| Less expenditures                             | 6,809,551             | 5,919,513             | 890,038               |
| <b>Transfer to the Reserve</b>                | <b>\$ 2,726,748</b>   | <b>\$ 2,993,357</b>   | <b>\$ 266,609</b>     |
| Land Administration                           |                       |                       |                       |
| Revenues                                      | \$ -                  | \$ -                  | \$ -                  |
| Less expenditures                             | 1,309,395             | 1,149,757             | 159,638               |
| <b>Transfer to (from) Subdivision Surplus</b> | <b>\$ (1,309,395)</b> | <b>\$ (1,149,757)</b> | <b>\$ 159,638</b>     |
| Parking                                       |                       |                       |                       |
| Revenues                                      | \$ 1,208,500          | \$ 1,076,091          | \$ (132,409)          |
| Less expenditures                             | 572,560               | 490,486               | 82,074                |
| Transfer from reserve to operations           | (135,000)             | (135,000)             | -                     |
| <b>Transfer to (from) the Reserve</b>         | <b>\$ 500,940</b>     | <b>\$ 450,606</b>     | <b>\$ (50,334)</b>    |
| Risk Management                               |                       |                       |                       |
| Revenues                                      | \$ 2,592,800          | \$ 2,612,496          | \$ 19,696             |
| Less expenditures                             | 2,608,308             | 2,395,276             | 213,032               |
| Plus tax supported funding                    | -                     | -                     | -                     |
| <b>Transfer to (from) the Reserve</b>         | <b>\$ (15,508)</b>    | <b>\$ 217,220</b>     | <b>\$ (232,728)</b>   |





**CITY OF LETHBRIDGE  
BUDGET APPROPRIATION UNEXPENDED (CARRY OVERS)  
AS AT DECEMBER 31, 2012**

**GENERAL FUND**

|  |                      |
|--|----------------------|
| CITY COUNCIL / CITY MANAGER  | \$ 2,913,155         |
| - election, legal, contingencies, City Council initiatives, Airport, environmental projects  |                      |
| COMMUNITY SERVICES   | 2,618,815            |
| - community and social development, library projects, affordable housing, downtown redevelopment and planning, Canada day activities, inspection services projects, committees |                      |
| EQUIPMENT REPLACEMENT/MAINTENANCE  | 3,273,800            |
| - corporate photocopiers, printers and plotters, computers, mail service, network equipment, phone system, disaster recovery, audio visual equipment                           |                      |
| HUMAN RESOURCES  | 3,831,867            |
| - arbitration, employee wellness, WCB rebates, corporate training, research projects, flexible benefit programs, succession planning   |                      |
| INFRASTRUCTURE MAINTENANCE AND PLANNING  | 695,897              |
| - parks maintenance, engineering capital, amenities  |                      |
| PROTECTIVE SERVICES  | 1,377,299            |
| - Fire and EMS projects/funding, community programs, EOC training exercise, equipment replacements, police projects  |                      |
| TECHNOLOGY   | 101,177              |
| - database software, aerial photography update   |                      |
|  | <u>\$ 14,812,010</u> |

**BUSINESS UNIT ROLL OVER TO 2013 (see Attachment A)**

\$ 1,410,043

**UTILITY FUND**

|  |                     |
|--|---------------------|
| Water & Wastewater Capital Works/Equipment | \$ 386,369          |
| Sanitation Operations                      | 1,258,182           |
| Electric Operations                        | 106,012             |
|  | <u>\$ 1,750,563</u> |

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**

For the year ended December 31, 2012

**Development Operations Funding**

**Funds Received from Subdivision Development**

**SunRidge:**

|                               |                  |
|-------------------------------|------------------|
| SunRidge - Phase 3B           | \$ 2,000,000     |
| SunRidge - Phase 3D           | 1,709,976        |
| SunRidge - Demonstration Home | 360,952          |
| SunRidge - Phase 3C           | 112,895          |
| SunRidge - Phase 3A           | 10,357           |
|                               | <u>4,194,180</u> |

**RiverStone:**

|                       |                  |
|-----------------------|------------------|
| RiverStone - Phase 14 | 4,148,164        |
| RiverStone - Phase 16 | 4,085,788        |
| RiverStone - Phase 15 | 145,400          |
| RiverStone - Phase 13 | 133,945          |
| RiverStone - Phase 12 | 8,400            |
| RiverStone - Phase 10 | 1,639            |
|                       | <u>8,523,336</u> |

**Copperwood:**

|                          |                |
|--------------------------|----------------|
| Copperwood Joint Venture | <u>325,000</u> |
|--------------------------|----------------|

**Total Funds Received from Subdivision Development**

13,042,516

**Funds Used for Development**

**SunRidge:**

|                               |                |
|-------------------------------|----------------|
| SunRidge - Common             | 558,765        |
| SunRidge - Phase 3B           | 83,185         |
| SunRidge - Phase 3A           | 33,260         |
| SunRidge - Phase 3D           | 19,375         |
| SunRidge - Phase 1            | 15,085         |
| SunRidge - Phase 3C           | 6,003          |
| SunRidge - Demonstration Home | 5,262          |
|                               | <u>720,935</u> |

**RiverStone:**

|                       |                  |
|-----------------------|------------------|
| RiverStone - Phase 16 | 2,383,531        |
| RiverStone - Common   | 1,184,593        |
| RiverStone - Phase 11 | 130,828          |
| RiverStone - Phase 14 | 52,600           |
| RiverStone - Phase 20 | 26,676           |
| RiverStone - Phase 13 | 10,847           |
| RiverStone - Phase 22 | 6,414            |
| RiverStone - Phase 17 | 6,413            |
| RiverStone - Phase 21 | 6,412            |
| RiverStone - Phase 15 | 3,088            |
| RiverStone - Phase 12 | 2,230            |
|                       | <u>3,813,632</u> |

**Crossings:**

|                        |                  |
|------------------------|------------------|
| Crossings - Common     | 2,474,982        |
| Crossings - Commercial | 2,458,212        |
| Crossings - Phase 1    | 44,078           |
| Crossings - Phase 2    | 15,229           |
| Crossings - Phase 8    | 4,043            |
|                        | <u>4,996,544</u> |

**Waterbridge:**

|                      |               |
|----------------------|---------------|
| Waterbridge - Common | <u>83,323</u> |
|----------------------|---------------|

**Blackwolf II:**

|              |               |
|--------------|---------------|
| Blackwolf II | <u>42,536</u> |
|--------------|---------------|

**Legacy Ridge:**

|                                |            |
|--------------------------------|------------|
| Legacy Ridge - Commercial Site | <u>320</u> |
|--------------------------------|------------|

**Total Funds Used for Development**

9,657,290

**Net Funds Received for Development Operations**

3,385,226

**Other Activity Funding**

**Funds Used:**

|   |                    |
|---|--------------------|
| Internal Loan Repayment - Municipal Revenue Stabilization Reserve | (Note 1) 1,834,789 |
| Operating Budget Funding  | 1,166,996          |
| Affordable Housing  | 235,108            |
| Allocation in Lieu of Property Taxes                              | 88,900             |
| Community Development Planning - Sustaining Responsiveness        | 50,433             |
| Weed Control  | 9,000              |

**Net Funds Used for Other Activities**

3,385,226

**Net Increase in Residential Subdivision Surplus**

-

**Residential Subdivision Surplus Balance January 1, 2012**

-

**Total Residential Subdivision Surplus Balance December 31, 2012**

\$ -

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**

For the year ended December 31, 2012

**Funds Committed for Future**

**Projects:**

**RiverStone:**

|   |                  |
|---|------------------|
| Phase 11 & Storm Facility                         | \$ 2,021,378     |
| Phase 13, 14, 16 & Canal Landscaping              | 261,070          |
| Phase 11, Storm & Ph 17,21,22 Engineering         | 225,563          |
| Phases 16 & 20 Engineering Services               | 96,253           |
| Phases 9-13 Design & Development Guidelines       | 78,510           |
| Phases 14, 16, 20 Design & Development Guidelines | 51,660           |
| Phase 16 Underground Utilities and Surface Works  | 30,510           |
| Phase 11-15 Design and Storm Outfall              | 1,358            |
|   | <u>2,766,302</u> |

**Crossings:**

|  |                |
|--|----------------|
| Phase 1,2,8 Britania & Landscape Engineering | 389,219        |
| Mauretania Road Construction                 | 216,595        |
| Mixed Use Centre Urban Master Plan           | 20,770         |
| Mauretania Road Engineering                  | 11,898         |
| Deep Servicing and Surface Works             | 11,621         |
| Engineering Consulting                       | 6,117          |
| Market Analysis Commercial                   | 5,600          |
| Architectural Design                         | 3,647          |
|  | <u>665,467</u> |

**SunRidge:**

|   |                |
|---|----------------|
| Phase 3B Deep Utilities & Surface Works           | 233,799        |
| Phase 3D Deep Utilities & Surface Works           | 200,131        |
| Subdivision Park Features and Landscaping         | 128,943        |
| Phase 3C, 3D & 3B Design & Development Guidelines | 47,855         |
| Phase 3B Canal & Blvd Landscaping                 | 40,353         |
| Phase 1-2 Design & Development Guidelines         | 18,311         |
| Phase 3C Prime Consulting                         | 13,268         |
| Phase 3B Engineering                              | 6,815          |
|   | <u>689,475</u> |

**Waterbridge:**

|                                |               |
|--------------------------------|---------------|
| Waterbridge ASP & Outline Plan | <u>63,356</u> |
|--------------------------------|---------------|

**Other Projects (2014 and prior):**

|   |                  |
|---|------------------|
| Front End Funding - Whoop Up Drive                          | 2,200,000        |
| Helen Schuler Nature Centre Expansion and Renovation        | 1,100,000        |
| Affordable Housing (Note 2)                                 | 963,352          |
| Parks Capital   | 666,526          |
| West Highlands Storm Water Park                             | 413,316          |
| Chinook Trail Land Purchase - Melcor Land Exchange (Note 3) | 247,800          |
| Legacy Ridge Commercial Site                                | 151,909          |
| Parks Maintenance   | 135,000          |
| Pest Control  | 39,891           |
| Outline Plan - Cost Sharing Agreement                       | 29,350           |
| Community Development Planning - Sustaining Responsiveness  | 18,061           |
| Weed Control  | 18,000           |
|   | <u>5,983,205</u> |

|                              |                      |
|------------------------------|----------------------|
| <b>Total Committed Funds</b> | <b>\$ 10,167,805</b> |
|------------------------------|----------------------|

**Notes:**

- 1 To finance the deficit balance in the Residential Subdivision Surplus Account related to the start up costs associated with the SunRidge and 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 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, 2012 the balance remaining to be paid to the MRSR from Residential Subdivision Surplus on this overall line of credit loan is \$1,074,784
- 2 As at December 31, 2012 \$723,352 has been committed to the Affordable Housing Fund. Within the 2012-2014 Operating Budget, an additional \$240,000 (\$120,000 per year) has been allocated for future projects bringing the total current and future commitments to the Affordable Housing Fund to \$963,352
- 3 As at December 31, 2012 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).

**INDUSTRIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**

For the year ended December 31, 2012

**Development Operations Funding**

**Funds Received from Development**

|  |    |                |
|--|----|----------------|
| Sherring Industrial Park - Phase 1         | \$ | 974,130        |
| <b>Total Funds Received from Lot Sales</b> |    | <u>974,130</u> |

**Funds Used for Development**

|   |  |               |
|---|--|---------------|
| Sherring Industrial Park Common         |  | 37,021        |
| Sherring Industrial Park - Phase 2      |  | 31,537        |
| Sherring Industrial Park - Phase 1      |  | 25,329        |
| <b>Total Funds Used for Development</b> |  | <u>93,887</u> |

|   |  |                |
|---|--|----------------|
| <b>Net Funds Received From Development Operations</b> |  | <u>880,243</u> |
|---|--|----------------|

**Other Activity Funding**

**Funds Used for:**

|                                      |  |                 |
|--------------------------------------|--|-----------------|
| Debt Payment - MRSR                  |  | 555,700         |
| Debt Payment - ACFA                  |  | 551,495         |
| Allocation in Lieu of Property Taxes |  | 243,800         |
| Operating Fund Recovery              |  | <u>(24,189)</u> |

|   |  |                  |
|---|--|------------------|
| <b>Net Funds Used in Other Activities</b> |  | <u>1,326,806</u> |
|---|--|------------------|

|   |  |           |
|---|--|-----------|
| <b>Net Decrease in Industrial Subdivision Surplus</b> |  | (446,563) |
|---|--|-----------|

|   |  |                    |
|---|--|--------------------|
| <b>Industrial Subdivision Surplus Balance January 1, 2012</b> |  | <u>(1,660,197)</u> |
|---|--|--------------------|

|   |  |                       |
|---|--|-----------------------|
| <b>Total Industrial Balance December 31, 2012</b> |  | <u>\$ (2,106,760)</u> |
|---|--|-----------------------|

**Funds Committed for Future**

**Funds Committed for Future**

**Sherring:**

|  |    |               |
|--|----|---------------|
| Surface Works                              | \$ | 80,148        |
| Engineering Giffen Road & 43 Street Gravel |    | <u>59,097</u> |
|  |    | 139,245       |

**Other:**

|                                   |  |                |
|-----------------------------------|--|----------------|
| Industrial Park - Top Lift Paving |  | <u>324,263</u> |
|-----------------------------------|--|----------------|

|                              |           |                       |
|------------------------------|-----------|-----------------------|
| <b>Total Committed Funds</b> | <b>\$</b> | <u><b>463,508</b></u> |
|------------------------------|-----------|-----------------------|

**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, 2012 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on this line of credit loan is \$5,500,000 and \$3,676,979 on the interim financing.

# OFFSITE ACCOUNT ANALYSIS

For the period ended December 31, 2012

## Revenues

### Net Off-Site Levies

|   |    |                   |
|---|----|-------------------|
| Crossings Phase 3                             | \$ | 2,332,216         |
| Copperwood Phase 16                           |    | 1,334,190         |
| Garry Station Phase 1                         |    | 1,252,140         |
| Garry Station Phase 1 Stage 2                 |    | 1,044,615         |
| Country Meadows Phase 1                       |    | 939,510           |
| RiverStone Phase 16                           |    | 908,233           |
| Blackwolf Phase 2                             |    | 776,685           |
| Copperwood Phase 15                           |    | 622,440           |
| Legacy Ridge Stage 1 Phase 9                  |    | 600,795           |
| University Drive Extension and Canyon Parkway |    | 495,495           |
| Copperwood Phase 14A                          |    | 77,025            |
| <b>Total Net Levies</b>                       |    | <b>10,383,344</b> |

### Other Revenues

|                                |  |                   |
|--------------------------------|--|-------------------|
| Debenture Debt Funded Projects |  | 10,953,290        |
| Sanitary Sewer Relief Lines    |  | 139,023           |
| General Interest               |  | 138,888           |
| <b>Total Other Revenues</b>    |  | <b>11,231,201</b> |

### Total Revenues

**21,614,545**

## Allocations

### Offsite/Oversize Credits

|   |  |                  |
|---|--|------------------|
| Garry Station Phase 1                         |  | 1,009,632        |
| Blackwolf Phase 2                             |  | 384,218          |
| Country Meadows Phase 1                       |  | 243,888          |
| Garry Station Phase 1 Stage 2                 |  | 186,671          |
| University Drive Extension and Canyon Parkway |  | 40,362           |
| Legacy Ridge Stage 1 Phase 9                  |  | 22,883           |
| Copperwood Phase 16                           |  | 14,351           |
| Copperwood Phase 14A                          |  | 14,224           |
|   |  | <b>1,916,229</b> |

### Other Costs

|  |  |                   |
|--|--|-------------------|
| North West Lethbridge Utility Servicing                  |  | 6,836,385         |
| South Siphon Upgrade                                     |  | 4,057,691         |
| University Drive Extension and Canyon Parkway            |  | 3,204,048         |
| Debt Payment - ACFA                                      |  | 3,059,459         |
| Garry Drive Reservoir                                    |  | 2,036,032         |
| Garry Drive (600 m West of Metis Trail)                  |  | 1,611,128         |
| Mayor Magrath Dr. (40th Ave S to City Limit)             |  | 1,341,867         |
| Country Meadow Phase 1 Metis Trail Underground Extension |  | 1,280,529         |
| Garry Station Garry Drive Underground Utility Extension  |  | 614,161           |
| RiverStone Grading                                       |  | 549,834           |
| Benton Drive Right-of-Way Purchase                       |  | 415,109           |
| Metis Trail (Whoop Up to Temple)                         |  | 201,090           |
| University Drive Whoop Up to Riverbend Landscaping       |  | 148,815           |
| 28 Street North MMDr - 26 Ave North                      |  | 75,393            |
| Intersection Improvements                                |  | 66,194            |
| 26th Ave North (Scenic Drive to 28th Street)             |  | 28,492            |
| Garry Station Phase 1 Right of Way Purchase              |  | 13,720            |
| Blackwolf Phase 2  |  | 6,771             |
| Blackwolf Phase 2 Concrete Repair                        |  | 1,432             |
| 13 St N & N Scenic Dr Extension                          |  | 780               |
| Distribution System Looping                              |  | 19                |
|  |  | <b>25,548,949</b> |

### Total Allocations

**27,465,178**

### Net Decrease in Offsite Account

(5,850,633)

### Add: Off-Site Account Balance January 1, 2012

9,910,684

### OFF-SITE Account Balance period ended December 31, 2012

**\$ 4,060,051**

## OFFSITE ACCOUNT ANALYSIS

For the period ended December 31, 2012

### Funds Committed for Future

#### **Projects (2013 and prior) Funded by Debentures (external borrowings):**

|  |    |            |
|--|----|------------|
| North West Lethbridge Utility Servicing (CIP 2011-20 E- 25)    | \$ | 9,055,582  |
| Metis Trail (Simon Fraser to N of Blackfoot) (CIP 2011-20 C31) |    | 4,874,668  |
| 28 Street North MMDr - 26 Ave North (CIP 2011-20 C30)          |    | 4,431,084  |
| University Drive Extension, SunRidge to South of Chinook       |    | 2,500,000  |
| Metis Trail Deep Utilities Phase 2 (CIP 2011-20 E24)           |    | 2,000,000  |
| 43rd St N (Hwy 3 to 9 Ave N) (CIP 2011-20 C17)                 |    | 1,650,000  |
| Garry Drive Reservoir (CIP 2011-20 E29)                        |    | 1,114,524  |
| 26th Ave North (Scenic Drive to 28th Street) (CIP 2011-20 C18) |    | 1,050,000  |
| Garry Drive (600 m West of Métis Trail)                        |    | 590,311    |
| Mayor Magrath Dr. (40th Ave S to City Limit) (CIP 2011-20 C19) |    | 220,323    |
|  |    | <hr/>      |
|  |    | 27,486,492 |

#### **Projects (2013 and prior) Funded by Offsite Levies:**

|  |  |            |
|--|--|------------|
| North West Lethbridge Utility Servicing (CIP 2011-20 E- 25)    |  | 3,645,420  |
| University Drive Extension, SunRidge to South of Chinook       |  | 2,282,325  |
| Distribution System Looping (CIP 2011-20 E30)                  |  | 1,592,981  |
| South Siphon Upgrade   |  | 1,579,899  |
| Intersection Improvements (CIP 2011-20 C6)                     |  | 617,451    |
| North Scenic Dr (Uplands Dr to 62 Ave N) (CIP 2011-20 C33)     |  | 315,000    |
| 44 Ave N (Scenic Dr to 43st N) (CIP 2011-20 C34)               |  | 315,000    |
| Garry Station Underground Extension                            |  | 239,839    |
| 26th Ave North (Scenic Drive to 28th Street) (CIP 2011-20 C18) |  | 221,508    |
| Country Meadow Phase 1 Metis Trail Underground Extension       |  | 133,941    |
| RiverStone Grading   |  | 83,166     |
| 6th Ave S (MMDr to Scenic Dr S) Design (CIP 2011-20 C21)       |  | 79,000     |
| 43rd St N (Hwy 3 to 9 Ave N) (CIP 2011-20 C17)                 |  | 75,000     |
|  |  | <hr/>      |
|  |  | 11,180,530 |

**\$ 38,667,022**

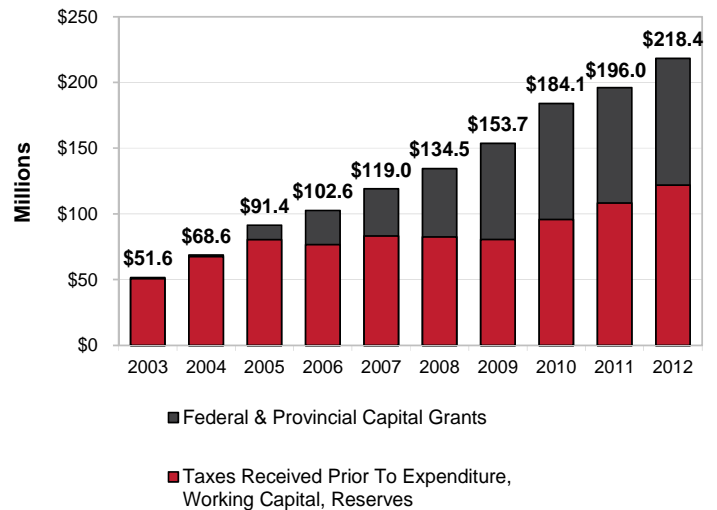
# City of Lethbridge

## Investment Summary

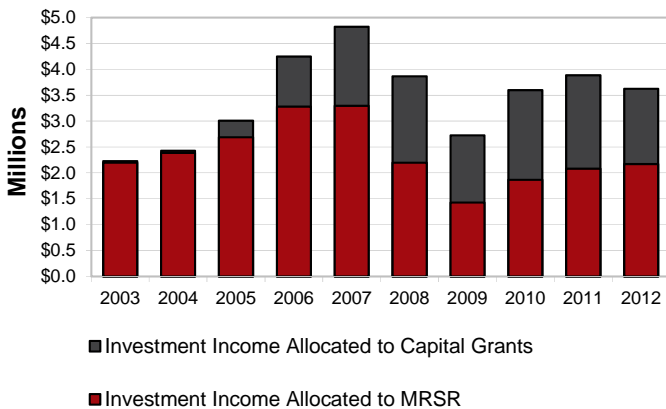
Year ended December 31, 2012

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 2011 is due to the receipt of various capital grants (black bar in the graph). Other reasons include an increase in capital reserves and prepaid taxes, as well as the timing of the receipt and use of operating funds (red bar in the graph).

### Average Portfolio Size



### Total Investment Income



Total investment income decreased slightly to \$3,623,000 in 2012 from \$3,885,000 in 2011. Global investment returns decreased during the year resulting in a drop in overall investment income for the City even though there was an increase in the average investment portfolio. The City of Lethbridge 2012 average portfolio yield of 1.68% (2011: 1.72%<sup>2</sup>) is higher than the 2012 average Government of Canada 3-Year Benchmark<sup>1</sup> yield of 1.19% (2011: 1.62%).

### 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.

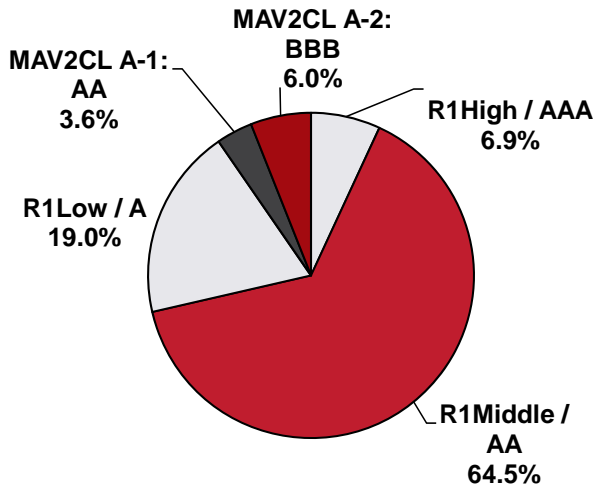
<sup>2</sup> Certain comparative yields have been restated to conform with calculations adopted for the current year.

# City of Lethbridge

## Investment Summary

as at December 31, 2012

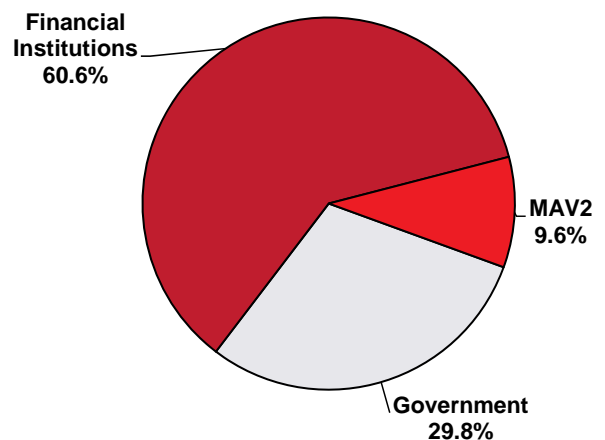
### Portfolio Distribution by Rating December 31, 2012



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 \$8,373,000 Class A-1 (rated AA low) and \$13,893,000 Class A-2 (rated BBB high).

### Portfolio Distribution by Type December 31, 2012



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



## STATEMENT OF RESERVES

|  | <b>December 31<br/>2012</b> | <b>December 31<br/>2011</b> |
|--|-----------------------------|-----------------------------|
| <b><i>OPERATING</i></b>                                  |                             |                             |
| Cemeteries   | \$ 899,453                  | \$ 766,989                  |
| Insurance  | 2,883,830                   | 2,666,610                   |
| Mayor Magrath Drive Beautification                       | 105,693                     | 105,511                     |
| Municipal Revenue Stabilization                          | 15,413,962                  | 13,451,939                  |
| Urban Parks  | 1,295,559                   | 871,815                     |
| <b>TOTAL OPERATING RESERVES</b>                          | <b>20,598,497</b>           | <b>17,862,864</b>           |
| <br><b><i>CAPITAL</i></b>                                |                             |                             |
| Acquire Off Street Parking                               | 1,990,855                   | 1,731,608                   |
| Central Business District Land Acquisition               | 796,025                     | 299,403                     |
| Community Lighting                                       | 3,089,831                   | 2,883,731                   |
| Community Reserve Fund                                   | 1,001,169                   | 985,013                     |
| Fleet Services   | 14,591,021                  | 11,653,069                  |
| Major Capital Projects                                   | 91,440                      | 673,736                     |
| Real Estate Holdings                                     | 4,438,900                   | 2,616,017                   |
| Transit Bus  | 928,180                     | 843,580                     |
| <b>TOTAL CAPITAL RESERVES</b>                            | <b>26,927,421</b>           | <b>21,686,157</b>           |
| <br><b>TOTAL RESERVES</b>                                | <br><b>\$ 47,525,918</b>    | <br><b>\$ 39,549,021</b>    |
| <br><b>TOTAL COMMITTED FUNDS</b>                         | <br><b>\$ 19,767,629</b>    | <br><b>\$ 21,812,258</b>    |
| <br><b><u>CURRENT INTERNAL FUNDING REQUIREMENTS:</u></b> |                             |                             |
| Residential Subdivisions                                 | \$ 20,125,216               | \$ 18,302,320               |
| West Side Depot Site                                     | -                           | 2,400,000                   |
| Crossings Ice Complex                                    | 1,835,000                   | 5,000,000                   |
| Parks Asset Management                                   | 833,000                     | 833,000                     |
|  | <b>\$ 22,793,216</b>        | <b>\$ 26,535,320</b>        |

**RESERVE ANALYSIS**  
**For Year Ended December 31, 2012**

**OPERATING RESERVES**

**CEMETERIES**

|  |    |                          |
|--|----|--------------------------|
| Balance as at January 1, 2012            | \$ | 766,989.26               |
| Add: Allocation from Operations          |    | 119,888.72               |
| Interest earnings                        |    | 12,574.65                |
|  |    | <u>132,463.37</u>        |
| Balance as at December 31, 2012          | \$ | <u><b>899,452.63</b></u> |
| Committed funds:                         |    |                          |
| Cemetery Marketing Plan (Budget 2012-14) | \$ | <u>30,000.00</u>         |

**INSURANCE**

|  |    |                            |
|--|----|----------------------------|
| Balance as at January 1, 2012          | \$ | 2,666,610.30               |
| Add: Allocation from Operations        |    | 217,219.64                 |
| Balance as at December 31, 2012        | \$ | <u><b>2,883,829.94</b></u> |
| Committed funds:                       |    |                            |
| Data Entry Efficiency (Budget 2012-14) | \$ | <u>70,000.00</u>           |

**MAYOR MAGRATH DRIVE BEAUTIFICATION**

|                                 |    |                          |
|---------------------------------|----|--------------------------|
| Balance as at January 1, 2012   | \$ | 105,511.12               |
| Add: - Thrift Lodge             |    | 316.80                   |
| - Saigonese Restaurant          |    | 300.00                   |
|                                 |    | <u>616.80</u>            |
|                                 |    | 106,127.92               |
| Less: Land Lease Taxes          |    | 434.60                   |
| Balance as at December 31, 2012 | \$ | <u><b>105,693.32</b></u> |

**RESERVE ANALYSIS**  
For Year Ended December 31, 2012

**MUNICIPAL REVENUE STABILIZATION**

|  |                      |                         |
|--|----------------------|-------------------------|
| Balance as at January 1, 2012  |                      | \$ 13,451,939.07        |
| Add: Municipal Consent and Access Fee (electric)                     | 9,105,340.00         |                         |
| Return on Investment (electric)                                      | 5,655,000.00         |                         |
| Emergency Medical Services (EMS) Transition                          | 3,041,834.00         |                         |
| Sale Proceeds (21 Southgate land)                                    | 3,018,619.26         |                         |
| Investment and Interest Income (net of Trust Allocations)            | 1,921,131.19         |                         |
| 2011 General Operating Surplus                                       | 1,262,034.78         |                         |
| 2012 Snow Removal Surplus  | 1,023,040.69         |                         |
| 2011 Electric Operating Surplus                                      | 612,718.19           |                         |
| ATCO Franchise Fee surplus (vs. annual budget of \$3.4M)             | 370,802.77           |                         |
| CentreSite distribution allocation                                   | 237,622.56           |                         |
| By-law enforcement revenue surplus (vs. annual budget of \$5.5M)     | 507,754.94           |                         |
|  | <u>26,755,898.38</u> |                         |
| Internal financing recoveries (year of final payment):               |                      |                         |
| - City Hall (2015)   | 2,149,600.00         |                         |
| - Residential subdivisions   | 1,834,789.06         |                         |
| - Sherring Industrial Park (2020)                                    | 555,700.00           |                         |
| - ENMAX Building (2027)  | 467,800.00           |                         |
| - Police technology (2013)   | 430,200.00           |                         |
| - Wellness Centre (2016)   | 425,200.00           |                         |
| - Tertiary treatment (2013)  | 254,499.96           |                         |
| - Local improvements prior years                                     | 220,594.46           |                         |
| - Museum expansion (2016)  | 203,300.00           |                         |
| - Radio trunking system (2013)                                       | 187,100.00           |                         |
| - MIS System (2012)  | 173,500.00           |                         |
| - Transportation (2013)  | 131,900.04           |                         |
| - School Bus - interest only (2023)                                  | 46,100.00            |                         |
| - Cemetery gravesite restoration (2015)                              | 32,400.00            |                         |
| - Lethbridge Soup Kitchen (2016)                                     | 31,600.00            |                         |
| - Mountain View Cemetery-office (2018)                               | 42,800.00            |                         |
|  | <u>7,187,083.52</u>  |                         |
|  |                      | <u>33,942,981.90</u>    |
|  |                      | 47,394,920.97           |
| Less: Allocation to electric Capital Projects                        | 11,064,412.22        |                         |
| Electric wire service-allocation to General Operations               | 9,750,000.00         |                         |
| Allocation to General Operations                                     | 5,250,000.00         |                         |
| Allocation for TIPP discounts  | 425,102.95           |                         |
| Allocation for cashiering  | 82,000.00            |                         |
| Allocation for parking ticket data entry                             | 39,200.00            |                         |
| Allocation for mail service  | 29,600.00            |                         |
|  | <u>26,640,315.17</u> |                         |
| Internal Financing:  |                      |                         |
| - West Side Depot Site (CIP 2011-20 D22)                             | 2,400,000.00         |                         |
| - Parks Asset Management (CIP 2011-20 D21)                           | 1,666,000.00         |                         |
| - Police Technology  | 280,581.01           |                         |
| - 2012 Local Improvements  | 89,408.06            |                         |
|  | <u>4,435,989.07</u>  |                         |
| One Time Allocations:  |                      |                         |
| - 2012 Summer Games (Budget 2012-14)                                 | 210,816.76           |                         |
| - Intermunicipal Development Planning (Budget 2012-14 N1)            | 150,000.00           |                         |
| - 2012 Women's World Curling Championship (Budget 2012-14)           | 145,000.00           |                         |
| - Intergraph Common Computer Aided Dispatch (CAD) (Council 2010)     | 106,904.24           |                         |
| - EDL Targeted Awareness & Investment Attraction (Budget 2012-14 N4) | 100,000.00           |                         |
| - Lethbridge Senior Citizen Organization (Budget 2012-14 N35)        | 75,000.00            |                         |
| - Nord-Bridge Senior Citizen Organization (Budget 2012-14 N35)       | 35,000.00            |                         |
| - Police Training & Uniforms (Base)                                  | 31,200.00            |                         |
| - Slope Monitoring (Budget 2012-14 N14)                              | 30,709.30            |                         |
| - Nikka Yuko Japanese Gardens (Budget 2012-14 N36)                   | 16,491.52            |                         |
| - Minimum Property Standards (Budget 2012-14 N15)                    | 3,532.72             |                         |
|  | <u>904,654.54</u>    |                         |
|  |                      | <u>31,980,958.78</u>    |
| Balance as at December 31, 2012                                      |                      | <u>\$ 15,413,962.19</u> |

**RESERVE ANALYSIS**  
For Year Ended December 31, 2012

**MUNICIPAL REVENUE STABILIZATION (continued)**

Committed Funds:

One Time Allocations:

2009-2011:

|  |               |
|--|---------------|
| - Intergraph Common Computer Aided Dispatch (CAD) (Council 2010) | \$ 184,400.00 |
| - Welcome to Lethbridge Signage (Budget 2009-11 N3)              | 160,000.00    |

2012-2014:

|  |            |
|--|------------|
| - River Valley Development Master Plan (Budget 2012-14 N2)           | 400,000.00 |
| - Library - Radio Frequency (Budget 2012-14 N3)                      | 400,000.00 |
| - Snow blower (Budget 2012-14 R2)                                    | 250,000.00 |
| - Senior Citizen Organizations (Budget 2012-14 N35)                  | 220,000.00 |
| - EDL Targeted Awareness & Investment Attraction (Budget 2012-14 N4) | 225,000.00 |
| - Police Training & Uniforms (Base)                                  | 223,600.00 |
| - 2015 Winter Games (Budget 2015-17)                                 | 150,000.00 |
| - Intermunicipal Development Planning (Budget 2012-14 N1)            | 200,000.00 |
| - Minimum Property Standards (Budget 2012-14 N15)                    | 43,467.28  |
| - Slope Monitoring (Budget 2012-14 N14)                              | 19,290.69  |
| - Library - Custodial Support (Budget 2012-14 N16)                   | 11,000.00  |

\$ 2,486,757.97

Internal Loan Requirements :

|   | <u>Current 2012/13</u>  | <u>Future</u>          |
|---|-------------------------|------------------------|
| Residential subdivisions (5-7 years)      | \$ 20,125,216.00        | \$ -                   |
| * <b>Note:</b> Not to exceed \$21,200,000 |                         |                        |
| Crossings Ice Complex (CIP 2011-20 D30)   | 1,835,000.00            | 3,265,000.00           |
| Parks Asset Management (CIP 2011-20 D21)  | 833,000.00              | -                      |
|   | \$ <u>22,793,216.00</u> | \$ <u>3,265,000.00</u> |

As at December 31, 2012 internal advances amounting to approximately \$25,100,000 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 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, 2012 the balance remaining to be paid to the MRSR from Residential Subdivision Surplus on this overall line of credit loan is \$1,074,784 leaving an available line of credit of \$20,125,216.

**RESERVE ANALYSIS**  
For Year Ended December 31, 2012

**MUNICIPAL REVENUE STABILIZATION (continued)**

In addition, 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, 2012.

|                                 | Year of<br>Loan | Maturity of<br>Loan | Balance as at<br>December 31, 2012 | Annual<br>Payment |
|---------------------------------|-----------------|---------------------|------------------------------------|-------------------|
| Prairie Baseball Club           | 1999            | 2019                | \$70,000.00                        | 10,000.00         |
| Lethbridge Softball Association | 2005            | 2016                | \$48,869.16                        | 12,217.29         |
| Japanese Gardens                | 2005            | 2015                | \$5,400.00                         | 1,800.00          |
| Lethbridge Hurricanes           | 2012            | 2027                | \$2,166,666.66                     | 166,666.67        |

**URBAN PARKS**

|   |           |                             |
|---|-----------|-----------------------------|
| Balance as at January 1, 2012                             | \$        | 871,815.07                  |
| Add: Allocation from operations                           |           | 416,600.00                  |
| Transfer from Rotary Park North Picnic Shelter            |           | 3,505.39                    |
| Trans Alta ROW transmission line access                   |           | 3,639.00                    |
|   |           | <u>423,744.39</u>           |
| Balance as at December 31, 2012                           | \$        | <u><b>1,295,559.46</b></u>  |
| Committed Funds:  |           |                             |
| - Helen Schuler Nature Centre Expansion (CIP 2011-20 D18) | \$        | 972,000.00                  |
| - Henderson Lake Water Quality (CIP 2008-17 D10)          |           | 51,265.10                   |
| - Nicholas Sheran Playground (CIP 2011-20 D19)            |           | 25,000.00                   |
| - Parks equipment (Budget 2006-08)                        |           | 10,888.42                   |
|   | \$        | <u>1,059,153.52</u>         |
| <b>TOTAL OPERATING RESERVES as at December 31, 2012</b>   | <b>\$</b> | <b><u>20,598,497.54</u></b> |

**CAPITAL RESERVES**

**ACQUIRE OFF STREET PARKING**

|   |                     |                               |
|---|---------------------|-------------------------------|
| Balance as at January 1, 2012   |                     | \$ 1,731,607.72               |
| Add: Parking Revenues   |                     |                               |
| - Parking Meters  | 911,627.90          |                               |
| - Parking Lots  | 199,337.95          |                               |
| - Parking Fines   | <u>121,614.00</u>   | <u>1,232,579.85</u>           |
|   |                     | 2,964,187.57                  |
| Less: Administration  | 240,035.75          |                               |
| Parking enforcement   | 312,973.14          |                               |
| Enhance downtown maintenance<br>(Snow clearing, street sweeping etc.) | 135,000.00          |                               |
| Parking meter operations  | 171,256.15          |                               |
| Parking lot operations  | <u>114,068.04</u>   | <u>973,333.08</u>             |
| Balance as at December 31, 2012                                       |                     | <b>\$ <u>1,990,854.49</u></b> |
| Committed Funds:  |                     |                               |
| - Regulatory Services Vehicle (Budget 2012-14)                        | \$ <u>40,000.00</u> |                               |

**CENTRAL BUSINESS DISTRICT LAND ACQUISITION**

|   |                     |                             |
|---|---------------------|-----------------------------|
| Balance as at January 1, 2012                         |                     | \$ 299,403.43               |
| Add: Sale 1st Avenue Property                         |                     | 2,003,175.00                |
| Patio rental  |                     | <u>750.00</u>               |
|   |                     | 2,303,328.43                |
| Less: Repayment of loan to Real Estate Holdings       | 1,500,000.00        |                             |
| 1st Avenue Property expenses                          | <u>7,303.24</u>     | <u>1,507,303.24</u>         |
| Balance as at December 31, 2012                       |                     | <b>\$ <u>796,025.19</u></b> |
| Committed Funds:                                      |                     |                             |
| - Consulting 1 Ave S - redevelopment (Budget 2003-05) | \$ <u>18,676.00</u> |                             |

**COMMUNITY LIGHTING**

|   |                             |                               |
|---|-----------------------------|-------------------------------|
| Balance as at January 1, 2012                 |                             | \$ 2,883,730.60               |
| Add: Allocation from operations               |                             | <u>206,100.00</u>             |
| Balance as at December 31, 2012               |                             | <b>\$ <u>3,089,830.60</u></b> |
| Committed Funds:                              |                             |                               |
| - Power Reduction (Budget 2009-11 N18)        | \$ 150,000.00               |                               |
| - Street Light Pole Inspection (Council 2010) | <u>150,000.00</u>           |                               |
|   | <b>\$ <u>300,000.00</u></b> |                               |

**COMMUNITY RESERVE FUND**

|                                 |  |                               |
|---------------------------------|--|-------------------------------|
| Balance as at January 1, 2012   |  | \$ 985,012.55                 |
| Add: Interest Earnings          |  | <u>16,156.44</u>              |
| Balance as at December 31, 2012 |  | <b>\$ <u>1,001,168.99</u></b> |

**RESERVE ANALYSIS**  
For Year Ended December 31, 2012

**FLEET SERVICES**

|   |              |                         |
|---|--------------|-------------------------|
| Balance as at January 1, 2012               |              | \$ 11,653,068.67        |
| Add: Allocation from fleet operations       | 2,993,357.26 |                         |
| Fleet Transit                               | 506,835.17   |                         |
| Waste & Recycling                           | 400,000.00   |                         |
| Sale of Equipment                           | 188,336.13   |                         |
| Shop Tool Lifecycle                         | 42,436.00    |                         |
| Recoveries:                                 |              |                         |
| - School Bus debt paydown (principal)(2023) | 66,800.00    | 4,197,764.56            |
|   |              | <u>15,850,833.23</u>    |
| Less: Purchase of equipment                 | 943,251.63   |                         |
| Fleet Management                            | 316,560.67   | 1,259,812.30            |
|   |              | <u>14,591,020.93</u>    |
| Balance as at December 31, 2012             |              | <b>\$ 14,591,020.93</b> |

As at December 31, 2012 internal advances amounting to about \$1,073,996 are owing to this reserve. These amounts are to be recovered in future years.

|   |               |                         |
|---|---------------|-------------------------|
| Committed funds:                        |               |                         |
| Equipment replacements (2011 and prior) | \$ 203,436.67 |                         |
| Budget 2012-2014                        | 14,272,000.00 |                         |
|   |               | <u>\$ 14,475,436.67</u> |

**MAJOR CAPITAL PROJECTS**

|  |            |                     |
|--|------------|---------------------|
| Balance as at January 1, 2012                          |            | \$ 673,736.87       |
| Add: Repayment of salt & sand storage facility         | 50,000.00  |                     |
| Interest Earnings                                      | 18,503.59  | 68,503.59           |
|  |            | <u>742,240.46</u>   |
| Less: Pay-As-You-Go project balancing                  | 550,800.00 |                     |
| Nicholas Sheran Ice Centre Expansion (CIP 2011-20 D-6) | 100,000.00 | 650,800.00          |
|  |            | <u>91,440.46</u>    |
| Balance as at December 31, 2012                        |            | <b>\$ 91,440.46</b> |

As at December 31, 2012 internal advances amounting to about \$92,544 are owing to this reserve. These amounts are to be recovered in future years.

|  |               |  |
|--|---------------|--|
| Committed funds:                                       |               |  |
| Nicholas Sheran Ice Centre Expansion (CIP 2011-20 D-6) | \$ 359,425.00 |  |

**REAL ESTATE HOLDINGS**

|   |              |                        |
|---|--------------|------------------------|
| Balance as at January 1, 2012                                       |              | \$ 2,616,017.93        |
| Add: Loan repayment from Central Business District Land Acquisition | 1,500,000.00 |                        |
| Canadian Red Cross Building   | 280,000.00   |                        |
| Portion of lane at 1120 1 Ave South                                 | 30,770.46    |                        |
| 296 Bridge Drive West to Waste & Recycling                          | 11,798.01    |                        |
| 1507 Mayor Magrath Drive South                                      | 1,025.00     |                        |
| Rental Income:  |              |                        |
| Lethbridge Volkswagen   | 14,250.00    | 1,837,843.47           |
|   |              | <u>4,453,861.40</u>    |
| Less: Red Cross Building Maintenance                                | 10,636.00    |                        |
| Land Lease Taxes  | 3,042.30     |                        |
| Closed Right of Way-NW 1/4 23-8-22 W4M                              | 933.00       |                        |
| Closed Lane-Block 12 4343S  | 350.00       | 14,961.30              |
|   |              | <u>4,438,900.10</u>    |
| Balance as at December 31, 2012                                     |              | <b>\$ 4,438,900.10</b> |

**RESERVE ANALYSIS**  
For Year Ended December 31, 2012

**TRANSIT BUS**

|   |           |                      |
|---|-----------|----------------------|
| Balance as at January 1, 2012   | \$        | 843,580.11           |
| Add: Allocation from operations for transit technology & improvements   |           | 45,000.00            |
| Allocation from operations for radio & equipment maintenance lifecycle  |           | 39,600.00            |
|   |           | 84,600.00            |
| Balance as at December 31, 2012   | \$        | <b>928,180.11</b>    |
| Committed funds:  |           |                      |
| Technology initiatives & system improvements                            | \$        | 316,186.00           |
| Radio & equipment maintenance lifecycle                                 |           | 225,100.12           |
| Transit Succession Planning   |           | 179,894.11           |
| Replacement transit scheduling technology for Accessible Transportation |           | 206,999.88           |
|   | \$        | 928,180.11           |
| <b>TOTAL CAPITAL RESERVES as at December 31, 2012</b>                   | <b>\$</b> | <b>26,927,420.87</b> |
| <b>TOTAL OPERATING RESERVES as at December 31, 2012</b>                 |           | <b>20,598,497.54</b> |
| <b>TOTAL RESERVES as at December 31, 2012</b>                           | <b>\$</b> | <b>47,525,918.41</b> |
| <b>TOTAL COMMITTED FUNDS</b>  | <b>\$</b> | <b>19,767,629.27</b> |
| <b>TOTAL CURRENT INTERNAL LOAN REQUIREMENTS</b>                         |           | <b>22,793,216.00</b> |
| <b>TOTAL FUNDING REQUIREMENTS</b>                                       | <b>\$</b> | <b>42,560,845.27</b> |
| <b>EXCESS OF RESERVES OVER FUNDING REQUIREMENTS</b>                     | <b>\$</b> | <b>4,965,073.14</b>  |



**City of Lethbridge**  
**External Debt (ACFA)**  
As At December 31, 2012

|  | Original<br>Principal | Year of<br>Borrowing | Term<br>(yrs) | Interest<br>Rate | Annual<br>Payment | Year End<br>Balance<br>2012 | Per<br>Capita<br>89,074 | Year of<br>Maturity |
|--|-----------------------|----------------------|---------------|------------------|-------------------|-----------------------------|-------------------------|---------------------|
| <b>Self Supported</b>                  |                       |                      |               |                  |                   |                             |                         |                     |
| <b>Local Improvement</b>               |                       |                      |               |                  |                   |                             |                         |                     |
| 2002 Property Owners                   | 215,417               | 2003                 | 10            | 5.375%           | 28,408            | 26,959                      |                         | 2013                |
| Property Owners                        | 145,012               | 2003                 | 10            | 5.125%           | 18,894            | 17,973                      |                         | 2013                |
| Exhibition Pavilion                    | 1,500,000             | 2000                 | 14            | 6.750%           | 151,152           | 274,235                     |                         | 2014                |
| Lane Paving                            | 45,008                | 2004                 | 10            | 4.230%           | 5,566             | 10,568                      |                         | 2014                |
| Lane Paving                            | 235,679               | 2004                 | 10            | 4.230%           | 29,148            | 55,339                      |                         | 2014                |
| Lane Paving                            | 219,357               | 2009                 | 10            | 3.344%           | 25,989            | 161,005                     |                         | 2019                |
| <b>Land Development</b>                |                       |                      |               |                  |                   |                             |                         |                     |
| Sherring Industrial Park               | 4,200,000             | 2005                 | 15            | 4.422%           | 386,028           | 2,577,410                   |                         | 2020                |
| Sherring Industrial Park               | 1,800,000             | 2006                 | 15            | 4.600%           | 167,446           | 1,167,088                   |                         | 2021                |
| <b>Offsite Levy</b>                    |                       |                      |               |                  |                   |                             |                         |                     |
| Garry Drive Reservoir                  | 523,000               | 2012                 | 3             | 1.369%           | 178,534           | 523,000                     |                         | 2015                |
| Garry Drive West                       | 1,100,000             | 2011                 | 5             | 1.650%           | 230,106           | 887,170                     |                         | 2016                |
| 28th Street North                      | 1,400,000             | 2011                 | 5             | 1.650%           | 292,862           | 1,129,126                   |                         | 2016                |
| Northwest Lethbridge Utility Servicing | 1,000,000             | 2012                 | 5             | 1.603%           | 208,922           | 1,000,000                   |                         | 2017                |
| Garry Drive West                       | 1,287,000             | 2012                 | 5             | 1.603%           | 268,883           | 1,287,000                   |                         | 2017                |
| Mayor Magrath Drive                    | 1,000,000             | 2012                 | 5             | 1.603%           | 208,922           | 1,000,000                   |                         | 2017                |
| South East Water Reservoir             | 3,000,000             | 2006                 | 15            | 4.584%           | 278,775           | 2,037,031                   |                         | 2021                |
| South Siphon Upgrade - Stage 2         | 1,500,000             | 2011                 | 10            | 2.485%           | 170,334           | 1,366,115                   |                         | 2021                |
| South East Water Reservoir             | 1,000,000             | 2007                 | 15            | 4.614%           | 93,113            | 739,188                     |                         | 2022                |
| South Siphon Upgrade                   | 500,000               | 2012                 | 10            | 2.226%           | 56,048            | 500,000                     |                         | 2022                |
| South Siphon Upgrade                   | 1,000,000             | 2010                 | 15            | 3.885%           | 88,595            | 897,573                     |                         | 2025                |
| West Lethbridge Water Reservoir        | 2,300,000             | 2010                 | 15            | 3.885%           | 203,769           | 2,064,417                   |                         | 2025                |
| Garry Drive Reservoir                  | 5,700,000             | 2011                 | 15            | 3.013%           | 475,124           | 5,394,332                   |                         | 2026                |
| Northwest Lethbridge Utility Servicing | 1,000,000             | 2010                 | 20            | 4.124%           | 73,909            | 932,614                     |                         | 2030                |
| Northwest Lethbridge Utility Servicing | 600,000               | 2011                 | 20            | 3.292%           | 41,190            | 578,386                     |                         | 2031                |
| Northwest Lethbridge Utility Servicing | 15,000,000            | 2011                 | 20            | 3.145%           | 1,016,133         | 14,451,336                  |                         | 2031                |
| Northwest Lethbridge Utility Servicing | 2,900,000             | 2012                 | 20            | 2.922%           | 192,500           | 2,846,119                   |                         | 2032                |
| Total Self-Supported                   |                       |                      |               |                  | 4,890,350         | 41,923,984                  | 470.66                  |                     |
| <b>Utility Supported</b>               |                       |                      |               |                  |                   |                             |                         |                     |
| <b>Water</b>                           |                       |                      |               |                  |                   |                             |                         |                     |
| UV Disinfection System                 | 3,000,000             | 2003                 | 10            | 5.250%           | 393,245           | 373,629                     |                         | 2013                |
| UV Disinfection System                 | 1,000,000             | 2003                 | 10            | 5.125%           | 130,292           | 123,940                     |                         | 2013                |
| Water Treatment Plant Upgrading        | 2,250,000             | 1999                 | 15            | 6.375%           | 237,376           | 432,927                     |                         | 2014                |
| Water Treatment Plant Upgrading        | 750,000               | 2000                 | 15            | 6.250%           | 78,488            | 208,834                     |                         | 2015                |
| Water Treatment Plant Upgrading        | 1,750,000             | 2001                 | 15            | 5.500%           | 174,345           | 611,105                     |                         | 2016                |
| Water Treatment Plant Upgrading        | 1,150,000             | 2002                 | 15            | 6.125%           | 119,376           | 501,150                     |                         | 2017                |
| South East Water Reservoir             | 1,000,000             | 2005                 | 15            | 4.422%           | 91,911            | 613,669                     |                         | 2020                |
| South East Water Reservoir             | 3,250,000             | 2006                 | 15            | 4.267%           | 295,579           | 2,189,877                   |                         | 2021                |
| Public Operations Site                 | 1,500,000             | 2012                 | 15            | 2.627%           | 121,640           | 1,500,000                   |                         | 2027                |
|  |                       |                      |               |                  | 1,642,252         | 6,555,131                   | 73.59                   |                     |
| <b>Wastewater</b>                      |                       |                      |               |                  |                   |                             |                         |                     |
| Tertiary Treatment                     | 5,000,000             | 1998                 | 15            | 5.750%           | 506,438           | 478,901                     |                         | 2013                |
| Headworks Facility                     | 500,000               | 2007                 | 10            | 4.493%           | 62,620            | 277,654                     |                         | 2017                |
| Lagoon Upgrade                         | 500,000               | 2009                 | 10            | 3.344%           | 59,238            | 366,994                     |                         | 2019                |
| Sewer Relief                           | 1,350,000             | 2006                 | 15            | 4.584%           | 125,449           | 916,664                     |                         | 2021                |
| Public Operations Site                 | 1,500,000             | 2012                 | 10            | 2.177%           | 167,731           | 1,500,000                   |                         | 2022                |
| Plant Outfall Twinning                 | 782,000               | 2008                 | 15            | 4.565%           | 70,965            | 608,366                     |                         | 2023                |
| WWTP Headworks & Clarifier             | 500,000               | 2011                 | 15            | 3.013%           | 41,678            | 473,187                     |                         | 2026                |
|  |                       |                      |               |                  | 1,034,119         | 4,621,766                   | 51.89                   |                     |
| <b>Solid Waste</b>                     |                       |                      |               |                  |                   |                             |                         |                     |
| Landfill Purchase                      | 12,500,000            | 1999                 | 15            | 6.500%           | 1,329,410         | 2,420,359                   |                         | 2014                |
| Automated Collection - Trucks          | 506,000               | 2009                 | 5             | 2.284%           | 107,665           | 209,319                     |                         | 2014                |
| Automated Collection                   | 1,510,000             | 2006                 | 10            | 4.115%           | 185,720           | 678,561                     |                         | 2016                |
| Landfill Cell Development              | 3,500,000             | 2012                 | 5             | 1.603%           | 731,227           | 3,500,000                   |                         | 2017                |
| Automated Collection - Carts           | 600,000               | 2009                 | 10            | 3.344%           | 71,086            | 440,392                     |                         | 2019                |
| Landfill Surface Water Management      | 430,000               | 2010                 | 10            | 3.377%           | 51,027            | 355,118                     |                         | 2020                |
| Landfill Royalty Buyout                | 6,250,000             | 2003                 | 20            | 5.813%           | 664,621           | 5,292,417                   |                         | 2023                |
| Landfill Construction & 28 St N        | 2,300,000             | 2003                 | 20            | 5.625%           | 194,463           | 1,563,557                   |                         | 2023                |
| Landfill Approval Compliance           | 2,100,000             | 2008                 | 15            | 4.565%           | 194,892           | 1,670,761                   |                         | 2023                |
| Landfill Approval Compliance           | 900,000               | 2009                 | 15            | 3.973%           | 80,221            | 759,806                     |                         | 2024                |
|  |                       |                      |               |                  | 3,610,332         | 16,890,290                  | 189.62                  |                     |
| <b>Electric</b>                        |                       |                      |               |                  |                   |                             |                         |                     |
| Electric Infrastructure Replacement    | 2,000,000             | 2011                 | 15            | 3.013%           | 166,710           | 1,892,748                   |                         | 2026                |
| Electric Infrastructure Replacement    | 3,000,000             | 2012                 | 15            | 2.627%           | 243,280           | 3,000,000                   |                         | 2027                |
|  |                       |                      |               |                  | 409,990           | 4,892,748                   | 54.93                   |                     |
| Total Utility Supported                |                       |                      |               |                  | 6,696,693         | 32,959,935                  | 370.03                  |                     |
| Total External Debt December 31, 2012  |                       |                      |               |                  | \$ 11,587,043     | \$ 74,883,919               | 840.69                  |                     |

**City of Lethbridge**  
**Internal Debt**  
As At December 31, 2012

|   | Original<br>Principal | Year of<br>Borrowing | Term<br>(yrs) | Interest<br>Rate | Annual<br>Payment   | Year End<br>Balance<br>2012 | Per<br>Capita<br>89,074 | Year of<br>Maturity |
|---|-----------------------|----------------------|---------------|------------------|---------------------|-----------------------------|-------------------------|---------------------|
| <b>Taxation Supported</b>               |                       |                      |               |                  |                     |                             |                         |                     |
| <b>General</b>                          |                       |                      |               |                  |                     |                             |                         |                     |
| City Hall                               | 2,250,000             | 1998                 | 15            | 5.500%           | 224,158             | 212,472                     |                         | 2013                |
| Mayor Magrath Drive                     | 1,000,000             | 2003                 | 10            | 5.380%           | 131,905             | 125,171                     |                         | 2013                |
| Radio Trunking System                   | 1,253,800             | 2004                 | 9             | 6.340%           | 187,074             | 175,920                     |                         | 2013                |
| City Hall                               | 10,500,000            | 1999                 | 15            | 6.000%           | 1,081,109           | 1,982,097                   |                         | 2014                |
| ** Salt/Sand Storage Facility           | 380,000               | 2004                 | 10            | 5.330%           | 50,003              | 92,544                      |                         | 2014                |
| Mountain View Cemetery Office           | 205,945               | 2007                 | 10            | 4.493%           | 38,918              | 59,060                      |                         | 2014                |
| City Hall                               | 7,650,000             | 2000                 | 15            | 6.000%           | 787,665             | 2,105,438                   |                         | 2015                |
| Museum Expansion                        | 968,928               | 2005                 | 10            | 4.300%           | 121,251             | 334,575                     |                         | 2015                |
| Cemetery Gravesite Restoration          | 114,215               | 2006                 | 9             | 4.435%           | 10,935              | 30,096                      |                         | 2015                |
| Cemetery Gravesite Restoration          | 79,810                | 2007                 | 8             | 4.493%           | 12,096              | 33,257                      |                         | 2015                |
| Cemetery Gravesite Restoration          | 50,941                | 2008                 | 7             | 3.600%           | 9,354               | 24,682                      |                         | 2015                |
| Museum Expansion                        | 651,072               | 2006                 | 10            | 4.435%           | 82,019              | 294,693                     |                         | 2016                |
| Regional Wellness Centre                | 3,375,000             | 2006                 | 10            | 4.435%           | 425,166             | 1,527,618                   |                         | 2016                |
| Lethbridge Soup Kitchen                 | 316,000               | 2006                 | 10            | 0.000%           | 31,600              | 110,600                     |                         | 2016                |
| Mountain View Cemetery Office           | 30,055                | 2008                 | 10            | 4.118%           | 3,892               | 18,805                      |                         | 2018                |
| ENMAX Expansion                         | 5,392,000             | 2010                 | 15            | 3.488%           | 467,761             | 5,112,312                   |                         | 2026                |
| Parks Asset Management                  | 1,666,000             | 2012                 | 15            | 2.599%           | 135,539             | 1,666,000                   |                         | 2027                |
| Police Technology                       | line of credit        |                      |               | float            | 430,200             | (286,808)                   |                         | n/a                 |
| Total General                           |                       |                      |               |                  | <u>4,230,645</u>    | <u>13,618,532</u>           | <u>\$ 152.89</u>        |                     |
| <b>Self Supported</b>                   |                       |                      |               |                  |                     |                             |                         |                     |
| <b>Local Improvement</b>                |                       |                      |               |                  |                     |                             |                         |                     |
| 2005 Lane Paving                        | 264,002               | 2005                 | 10            | 4.307%           | 33,048              | 91,181                      |                         | 2015                |
| 2006 Lane Paving                        | 348,256               | 2006                 | 10            | 4.435%           | 43,872              | 157,630                     |                         | 2016                |
| Industrial Wastewater Facility          | 570,251               | 2006                 | 10            | 2.000%           | 8,926               | 33,989                      |                         | 2016                |
| 2007 Lane Paving                        | 404,183               | 2007                 | 10            | 4.493%           | 51,061              | 224,205                     |                         | 2017                |
| 2008 Lane Paving                        | 188,042               | 2008                 | 10            | 4.118%           | 23,320              | 121,780                     |                         | 2018                |
| 2008 Lane Paving 17 St                  | 112,002               | 2008                 | 10            | 4.118%           | 13,890              | 72,535                      |                         | 2018                |
| 2010 Lane Paving                        | 288,670               | 2010                 | 10            | 3.213%           | 34,210              | 237,999                     |                         | 2020                |
| 2011 Lane Paving                        | 107,064               | 2011                 | 10            | 2.485%           | 12,224              | 97,501                      |                         | 2021                |
| 2012 Lane Paving                        | 89,408                | 2012                 | 10            | 2.226%           | 10,072              | 89,408                      |                         | 2022                |
| <b>Land Development</b>                 |                       |                      |               |                  |                     |                             |                         |                     |
| Sherring Industrial Park                | 6,000,000             | 2005                 | 15            | 4.422%           | 555,691             | 3,676,979                   |                         | 2020                |
| Residential Subdivision Surplus         | 6,291,683             | 2005                 | n/a           | float            | n/a                 | 1,074,784                   |                         | 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              | 360,593                     |                         | 2023                |
| * 2010 School Bus Purchases             | 797,590               | 2010                 | 15            | 3.488%           | 69,192              | 713,403                     |                         | 2024                |
| Total Self-Supported                    |                       |                      |               |                  | <u>899,232</u>      | <u>12,451,987</u>           | <u>139.79</u>           |                     |
| <b>Utility Supported</b>                |                       |                      |               |                  |                     |                             |                         |                     |
| <b>Wastewater</b>                       |                       |                      |               |                  |                     |                             |                         |                     |
| East Lethbridge Sanitary Sewer          | 1,500,000             | 2004                 | 9             | 5.380%           | 197,810             | 187,757                     | 2.11                    | 2013                |
| Total Internal Debt December 31, 2012   |                       |                      |               |                  | <u>\$ 5,327,687</u> | <u>\$ 26,258,276</u>        | <u>\$ 294.79</u>        |                     |
| <b>Funding from:</b>                    |                       |                      |               |                  |                     |                             |                         |                     |
| * Fleet Reserve                         |                       |                      |               |                  |                     | \$ 1,073,996                |                         |                     |
| ** Major Capital Projects Reserve       |                       |                      |               |                  |                     | 92,544                      |                         |                     |
| Municipal Revenue Stabilization Reserve |                       |                      |               |                  |                     | 25,091,736                  |                         |                     |
|   |                       |                      |               |                  |                     | <u>\$ 26,258,276</u>        |                         |                     |

## Affordable Housing Fund

|  | 2008              | 2009              | 2010              | 2011              | 2012              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Opening Balance</b>                                     | \$ 693,952        | \$ 843,952        | \$ 904,677        | \$ 874,966        | \$ 933,057        |
| <b>Funding Approved in Operating Budget</b>                | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           |
|  | <b>843,952</b>    | <b>993,952</b>    | <b>1,054,677</b>  | <b>1,024,966</b>  | <b>1,083,057</b>  |
| <b>Allocations</b>   |                   |                   |                   |                   |                   |
| Housing Development (Temple Blvd/Metis Trail)              | -                 | -                 | 372,105           | 60,811            | -                 |
| Purchase Temple Blvd/Metis 2414 25 St W                    | -                 | -                 | 16,926            | -                 | -                 |
| Lot Sales From Above Development (Temple Blvd/Metis Trail) | -                 | -                 | (228,000)         | (64,000)          | (60,000)          |
| Electrical Rebate - Temple Blvd                            | -                 | -                 | -                 | -                 | (24,000)          |
| Temple Blvd Expenses                                       | -                 | -                 | -                 | -                 | 9,855             |
| Castle Apartments  | -                 | 89,275            | 3,680             | 39,054            | (6,115)           |
| St. Vincent de Paul Funding Assistance Request             | -                 | -                 | 15,000            | -                 | -                 |
| Aboriginal Housing Society:                                |                   |                   |                   |                   |                   |
| Construction of Two Duplexes (Westside Project)            | -                 | -                 | -                 | 42,670            | -                 |
| Village Inn  | -                 | -                 | -                 | 13,374            | -                 |
| L'Arche Housing Project - 535 19 St S                      | -                 | -                 | -                 | -                 | 300,000           |
| <b>Total Capital Allocated</b>                             | -                 | <b>89,275</b>     | <b>179,711</b>    | <b>91,909</b>     | <b>219,740</b>    |
| <b>Closing Balance (Note 1)</b>                            | <b>\$ 843,952</b> | <b>\$ 904,677</b> | <b>\$ 874,966</b> | <b>\$ 933,057</b> | <b>\$ 863,317</b> |

**Note 1:** As at December 31, 2012, \$723,352 of the 2012 closing balance remains in Residential Subdivision Surplus. Within the 2012-2014 Operating Budget, an additional \$240,000 (\$120,000 per year) has been allocated for future projects bringing the total current and future commitments from Subdivisions to \$963,352.

## Affordable Housing Program Funded by Provincial Grants

|  | 2008                | 2009                | 2010                | 2011                | 2012                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Opening Balance</b>   | \$ -                | \$ 3,000,840        | \$ 5,899,485        | \$ 5,425,996        | \$ 2,846,641        |
| <b>Provincial Grants</b>                                       |                     |                     |                     |                     |                     |
| Municipal Sustainability Housing Initiative (MSHI)             | 2,970,424           | -                   | -                   | -                   | -                   |
| Affordable Housing - Municipal Block Funding ( <b>Note 2</b> ) | -                   | 3,838,409           | 1,675,314           | -                   | 1,340,251           |
| Capital Enhancement Funding Initiative (CEF)                   | 2,030,416           | -                   | -                   | -                   | -                   |
| Trust Interest ( <b>Note 3</b> )                               | -                   | 195,218             | 66,056              | 69,078              | 62,255              |
|  | <b>5,000,840</b>    | <b>7,034,467</b>    | <b>7,640,855</b>    | <b>5,495,073</b>    | <b>4,249,147</b>    |
| <b>Allocations</b>   |                     |                     |                     |                     |                     |
| Castle Apartments  | 2,000,000           | -                   | -                   | -                   | -                   |
| 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              | 51,102              | 16,467              |
| Alec Arms Affordable Units                                     | -                   | -                   | 160,000             | -                   | -                   |
| University of Lethbridge Campus Student Housing                | -                   | -                   | -                   | 1,500,000           | -                   |
| Aboriginal Housing Society:                                    |                     |                     |                     |                     |                     |
| Construction of Two Duplexes (Westside Project)                | -                   | -                   | -                   | 457,330             | -                   |
| Construction of Two Four Unit Townhouses (Northside Project)   | -                   | -                   | -                   | 640,000             | -                   |
| Administration   | -                   | 2,850               | 1,200               | -                   | -                   |
| <b>Total Capital Allocated</b>                                 | <b>2,000,000</b>    | <b>1,134,982</b>    | <b>2,214,860</b>    | <b>2,648,432</b>    | <b>16,467</b>       |
| <b>Closing Balance</b>   | <b>\$ 3,000,840</b> | <b>\$ 5,899,485</b> | <b>\$ 5,425,996</b> | <b>\$ 2,846,641</b> | <b>\$ 4,232,680</b> |
| <b>Funds Committed for Future</b>                              |                     |                     |                     |                     |                     |
| University of Lethbridge Campus Student Housing                |                     |                     |                     |                     | \$ 2,000,000        |
| Supportive Housing for Men                                     |                     |                     |                     |                     | 767,681             |
| Lethbridge Housing Authority (Temple Blvd) Units               |                     |                     |                     |                     | 655,078             |
| Second Stage Housing   |                     |                     |                     |                     | 638,125             |
| Rent Supplement Program  |                     |                     |                     |                     | 200,000             |
| Upgrade Secondary Suites                                       |                     |                     |                     |                     | 100,526             |
| Administration Costs   |                     |                     |                     |                     | 75,000              |
| <b>Total Committed Funds (Note 4)</b>                          |                     |                     |                     |                     | <b>\$ 4,436,410</b> |

**Note 2:** As at December 31, 2012, the City of Lethbridge has \$335,062.80 remaining to be received from the Provincial Government Affordable Housing Program - Municipal Block Funding Grant. These funds will be received once the full grant eligibility requirements are met.

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

**Note 4:** Based on the Affordable Housing Committee submission to City Council on May 16, 2011, all Provincial Grant Funding and interest accrued to December 31, 2010 has been allocated to Affordable Housing Programs.

# Downtown Redevelopment Fund

|   | <b>2008</b>       | <b>2009</b>       | <b>2010</b>       | <b>2011</b>       | <b>2012</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Opening Balance</b>                      | \$ 712,913        | \$ 865,979        | \$ 900,872        | \$ 922,175        | \$ 584,488        |
| <b>Funding Approved in Operating Budget</b> | 500,000           | 500,000           | 500,000           | 500,000           | 465,000           |
|   | <b>1,212,913</b>  | <b>1,365,979</b>  | <b>1,400,872</b>  | <b>1,422,175</b>  | <b>1,049,488</b>  |
| <b>Allocations</b>                          |                   |                   |                   |                   |                   |
| Governance and Administration               | 141,732           | 152,508           | 172,579           | 163,311           | 125,744           |
| Design, Planning and Regulatory Processes   | -                 | -                 | 61,385            | 109,131           | 12,374            |
| Championing, Marketing and Promotion        | 6,381             | 53,557            | 25,364            | 57,206            | 44,969            |
| Downtown Life (Events)                      | 20,097            | 18,667            | 25,000            | 35,739            | 70,199            |
| Enhancement Works                           | 98,828            | 87,487            | 57,580            | 105,399           | 53,817            |
| Functional Works Maintenance and Upkeep     | 79,896            | 152,888           | 136,789           | 366,901           | 323,465           |
| <b>Total Allocated</b>                      | <b>346,934</b>    | <b>465,107</b>    | <b>478,697</b>    | <b>837,687</b>    | <b>630,568</b>    |
| <b>Closing Balance (Note 1)</b>             | <b>\$ 865,979</b> | <b>\$ 900,872</b> | <b>\$ 922,175</b> | <b>\$ 584,488</b> | <b>\$ 418,920</b> |

**Note 1:** Funds remaining at the close of 2012 are committed to ongoing projects and programs to be delivered in 2013 and 2014 based on the 2012 - 2014 approved operating budget.

## GST Rebates

|   | 2008                | 2009                | 2010              | 2011                | 2012                |
|---|---------------------|---------------------|-------------------|---------------------|---------------------|
| <b>Opening Balance</b>                                | \$ 1,046,833        | \$ 1,304,042        | \$ 1,177,523      | \$ 817,699          | \$ 1,096,619        |
| <b>GST Rebates</b>                                    | 1,266,100           | 1,028,830           | 980,458           | 1,096,438           | 1,168,789           |
|   | <b>2,312,933</b>    | <b>2,332,872</b>    | <b>2,157,981</b>  | <b>1,914,137</b>    | <b>2,265,408</b>    |
| <b>Allocations</b>                                    |                     |                     |                   |                     |                     |
| Community Capital Grant Program                       | 450,000             | 450,000             | 450,000           | 450,000             | 450,000             |
| Community Capital Grant Program - one time allocation | -                   | 300,508             | 495,941           | -                   | -                   |
| Capital Asset Plan & Register                         | 147,000             | 139,005             | 128,378           | 101,497             | 128,356             |
| Strategic Building Asset Management                   | 250,000             | 250,000             | 250,000           | 250,000             | 250,000             |
| Capital Asset Management Maintenance Fees             | 17,299              | 15,836              | 15,963            | 16,021              | -                   |
| West Lethbridge Centre Sportsfield                    | 67,360              | -                   | -                 | -                   | -                   |
| West Lethbridge Centre Library                        | 77,232              | -                   | -                 | -                   | -                   |
| <b>Total Capital Allocated</b>                        | <b>1,008,891</b>    | <b>1,155,349</b>    | <b>1,340,282</b>  | <b>817,518</b>      | <b>828,356</b>      |
| <b>Closing Balance</b>                                | <b>\$ 1,304,042</b> | <b>\$ 1,177,523</b> | <b>\$ 817,699</b> | <b>\$ 1,096,619</b> | <b>\$ 1,437,052</b> |



| Ref  | Initiative  | Business Unit             | 2012 Approved Budget | Complete (Y/N/P-Partial) | 2012 Actual Expenditure | Status/ Action Taken to Date / Results Achieved   |
|------|---|---------------------------|----------------------|--------------------------|-------------------------|---|
| R-1  | Community Lighting - Power Reduction                              | Community Lighting        | \$2,500,000          | N                        | \$0                     | No work was performed in 2012. The first contracts for both the supply and installation of the lights have been awarded, and work is set to begin in the 2nd quarter of 2013.   |
| R-2  | Snow Removal and Ice Control                                      | Transportation            | (\$22,500)           | P                        | (\$22,500)              | New Loader and Snow Blower were purchased and put into operation in 2012.   |
| R-3  | 60 Minute Service to SunRidge and Copperwood                      | Lethbridge Transit        | (\$129,811)          | P                        | (\$129,811)             | Implementation of transit Route 36 to the neighborhoods of Sunridge and Copperwood commenced June 27, 2012. In addition, Route 36 has had capacity to increase the service level in Riverstone to bi-directional service. Route and schedule efficiencies were created by combining Route 36 with existing Route 35. Ridership for the six months of service in 2012 was typical for new service introduction - low ridership numbers with gradual and steady improvements as people become familiar with the service. Monitoring ridership data from the BEA smartcard fare collection system will continue so route improvements can be made as required. |
| N-1  | Intermunicipal Development Planning                               | Planning & Development    | \$150,000            | P                        | \$150,000               | The First phase of this initiative was the completion of an Integrated Growth Management Strategy (IGMS). The IGMS addresses the growth needs of the City and looks at the most appropriate lands to develop based on geographic, landowner and infrastructure considerations. The second phase of the initiative is to complete a new Intermunicipal Development Plan (IDP) Bylaw with the County of Lethbridge.   |
| N-2  | River Valley Development Master Plan                              | Parks Management          | \$200,000            | N                        | \$0                     | This study is scheduled to start in 2013.   |
| N-3  | Radio Frequency Identification                                    | Lethbridge Public Library | \$500,000            | N                        | \$0                     | This project has been deferred to 2013  |
| N-4  | Lethbridge Targeted Awareness and Investment Attraction Campaigns | Economic Development      | \$100,000            | P                        | \$100,000               | First year of three year initiative completed.  |
| N-9  | Ticket Centre Personnel   | ENMAX Centre              | \$210,000            | N                        | \$204,970               | Box Office personnel joined the ENMAX Centre in March 2012. This has provided better control over this department for growth and direction. We have initiated revenue streams that include unconventional ticket sales, new sponsorship products and efficiency in cross-labor training. We have developed the staff to become a customer service centre for the front office, and develop selling skills for group ticket sales, suite ticket sales, and food & beverage (F&B) gift cards.   |
| N-10 | Construction and Maintenance Program                              | Electric Utility          | \$26,139             | P                        | \$26,139                | Two full-time labourers were hired in 2012.   |
| N-11 | Roadway Maintenance - Portable Asphalt Recycling Unit             | Water Utility             | \$120,000            | Y                        | \$120,000               | The portable asphalt recycling machine was purchased in the 3rd quarter of 2012. It became an active part of operations in the first quarter of 2013.   |
| N-12 | Work Management System for Operations                             | Water Utility             | \$360,000            | N                        | \$0                     | A software vendor has been selected and it is expected that the software will be purchased and implemented by the last quarter of 2013.   |
| N-13 | Accessible transportation Service Increase                        | Accessible Transportation | \$210,061            | N                        | \$0                     | Due to increased short term and long term sickness within the driver group, the approved additional 5 hours of service per day could not be accommodated in 2012. As the staff compliment continues to change with either the return of drivers or clearer expectations of durations of absenteeism, the approved 5 hours per day will be added in 2013.  |
| N-14 | Slope Monitoring  | Transportation            | \$65,000             | P                        | \$45,709                | In 2012, EBA Engineering was retained to perform both slope monitoring in the neighborhoods of Southridge/Sandstone and Tudor estates. EBA also performed a Geotechnical evaluation for groundwater studies in the Southridge/Sandstone neighborhoods.  |
| N-15 | Minimum Property Standards  | Regulatory Services       | \$115,000            | P                        | \$52,022                | Additional bylaw officer hired in April, plan to address substandard properties developed with 90% of properties listed on the original deficient list completed or at advanced stage of completion. Possession of vehicle not until 2013.  |

| <u>Ref</u> | <u>Initiative</u>  | <u>Business Unit</u>         | <u>2012 Approved Budget</u> | <u>Complete (Y/N/P-Partial)</u> | <u>2012 Actual Expenditure</u> | <u>Status/ Action Taken to Date / Results Achieved</u>   |
|------------|--|------------------------------|-----------------------------|---------------------------------|--------------------------------|--|
| N-16       | <b>Custodial Support The Crossings Branch Library</b>    | Lethbridge Public Library    | \$78,196                    | P                               | \$40,596                       | This position was filled in early 2012 providing the Library with the certification needed to inspect the boilers at the Crossings Branch Library. This position has also provided an increased level of custodial care allowing for enhanced service levels to Library customers and staff. The \$10,000 for supplies was moved to 2013 per Board motion. |
| N-29       | <b>Lethbridge International Air Show</b>                 | Community - Council Referral | \$22,500                    | P                               | \$22,500                       | These funds were used to support the annual Alberta International Air Show. This event provides a variety of educational, recreational, family and group activities to the City.   |
| N-33       | <b>Pay-As-You-Go Capacity Increase</b>                   | Pay-As-You-Go Program        | \$320,000                   | P                               | \$320,000                      | 2012 amount has been allocated.  |
| N-35       | <b>Nord-Bridge Senior Citizen Association &amp; LSCO</b> | Community - Council Referral | \$110,000                   | P                               | \$110,000                      | \$75,000 was allocated to Nord-Bridge Seniors Centre and \$35,000 was allocated to Lethbridge Senior Citizen Organization for assistance in their operational deficits.  |
| N-36       | <b>Nikka Yuko Japanese Garden</b>                        | Community - Council Referral | \$45,000                    | P                               | \$43,492                       | The increased fee for service amount of \$27,000 was used to provide culture programming at the Gardens, this will be ongoing for 2013 & 2014. The \$18,000 one-time allocation was use to purchase computer equipment, advertising, public relations and other programming costs.   |
| N-37       | <b>Lethbridge Habitat for Humanity</b>                   | Community - Council Referral | \$10,000                    | P                               | \$10,000                       | The increase of this grant allocation has been used to assist in the purchase of a single family lot from the City. A home will then be constructed on the lot for a low-income family.  |
| N-38       | <b>Lethbridge Food Bank &amp; Interfaith Food Bank</b>   | Community - Council Referral | \$2,400                     | P                               | \$2,400                        | This funding has assisted the food banks to help meet the increased demand of services within the community.   |



| <u>Ref</u> | <u>Initiative</u>                                    | <u>Business Unit</u> | <u>2009-2011<br/>Approved<br/>Budget</u> | <u>Complete<br/>(Y/N/P-<br/>Partial)</u> | <u>2009 2011<br/>Expenditures</u> | <u>Status/ Action Taken to Date / Results Achieved</u>   |
|------------|--|----------------------|--|--|-----------------------------------|--|
| N - 3      | <b>Welcome to Lethbridge Signage</b>                 | Transportation       | \$168,000                                | P  | \$10,711                          | 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. Construction of the sign bases was started in the 1st quarter of 2012. These signs have been ordered and are expected to be installed in in the 2nd quarter of 2013.   |
| N - 18     | <b>Community Lighting Power Reduction</b>            | Transportation       | \$150,000                                | Y  | \$150,000                         | 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 was 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 was completed in 2012. |
| N - 25     | <b>Landfill footprint expansion approval process</b> | Landfill             | \$250,000                                | Y  | \$250,000                         | This project is being completed within the Landfill Master Plan project. To date, a consultant has been retained and has completed work on this particular part of the Master Plan. The Master Plan is now into the final phase and is just awaiting the completion of formal review by Alberta Environment.   |