

CITY OF  
LETHBRIDGE

# UNAUDITED FINANCIAL INFORMATION

December 31, 2019

December  
2019



**CITY OF**  
*Lethbridge*

Prepared by:  
Financial Services  
March 23, 2020

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This City of Lethbridge 2019 Financial Information Report is produced by the Financial Services Department in cooperation with all City of Lethbridge departments.

## **Executive Summary - Unaudited 2019 Year End Financial Information**

For Submission to the March 23 City Council Meeting

This 2019 Unaudited report provides City Council with highlights of the 2019 General Fund, Utility Fund, and Reserve Funded operations and an update on the City's financial position for the year ended December 31, 2019. The supporting narrative in this report has been prepared in cooperation with all Business Units.

As City Council is aware, December 31, 2019 marks the end of the first year of the City's multi-year budget cycle (2019 - 2022). To accommodate the four-year budget cycle, Business Units are expected to operate within the 48 month budget. If there is a shortfall after the first year, Business Units are expected to overcome the deficit by adjusting expenditures in the remaining years of the operating budget (2020 - 2022); and if the experience after the first year results in net under expenditures, the Business Units have the ability to roll the amounts over to assist with operations during 2020-2022. At the end of the four year budget cycle, any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

To conclude we are extremely pleased with the first year of another multi-year budget cycle. We would like to acknowledge our staff across the organization for their commitment in compiling and analyzing the information required to produce this report. The Business Units within our organization continue to do an admirable job of providing established levels of service to our community and managing budget funds responsibly within our overall four year operating budget. Our financial policies continue to serve the City of Lethbridge and its residents in maintaining a strong financial position for the future. We look forward to continuing successes in the future.

For additional details, please contact the City Treasurer or the Controller.

Respectfully submitted,



Hailey Pinksen CPA, CA, CIA  
City Treasurer



Darrell Mathews CPA, CMA, CIA  
Controller



Jody Meli  
City Manager

**CITY OF LETHBRIDGE**  
**Unaudited 2019 Summary of Operations**  
**General Fund - Corporate Accounts**



	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	(Net Revenue) Net Expenditure	(Net Revenue) Net Expenditure	Pos (Neg)
<b>General Fund</b>			
<b>Corporate Accounts</b>			
Property tax & general revenues	\$ (180,574,668)	\$ (182,264,448)	1,689,780
Permit, development & license revenues	(5,200,200)	(4,072,183)	(1,128,017)
Employee benefit accounts	-	(780,215)	780,215
Grants to organizations	1,340,545	1,318,045	22,500
	(184,434,323)	(185,798,801)	1,364,478
<b>Non-discretionary business unit variances</b>			
Corporate fuel costs	1,824,800	1,519,006	305,794
Utility costs for tax supported City facilities	4,495,400	4,020,546	474,854
	6,320,200	5,539,552	780,648
<b>Total Corporate Surplus (Note 1)</b>	<b>\$ (178,114,123)</b>	<b>\$ (180,259,249)</b>	<b>2,145,126</b>

Note 1: The total Corporate Surplus will be transferred to the Municipal Revenue Stabilization Reserve in 2020 in accordance with City Council resolution.



# CITY OF LETHBRIDGE

## Unaudited 2019 Summary of Operations

### General Fund - Business Unit Operations

	2019	2019	2019
	Budget	Actual	Variance
	(Net Revenue)	(Net Revenue)	
	Net Expenditure	Net Expenditure	Pos (Neg)
<b>Boards and Commissions</b>			
Galt Museum	\$ 1,877,478	\$ 1,845,724	\$ 31,754
Lethbridge Police Services	36,153,809	35,650,909	502,900
Lethbridge Public Library	6,291,821	6,276,422	15,399
<b>General Government</b>			
City Clerk	750,181	749,139	1,042
City Manager's Office & Communication	1,095,328	1,055,760	39,568
City Solicitor	321,438	331,545	(10,107)
Economic Development	1,181,032	1,179,646	1,386
Mayor & City Council Office	881,132	879,212	1,920
Pay-As-You-Go	13,285,000	13,285,000	-
<b>Corporate Services</b>			
Assessment & Taxation	1,774,399	1,609,529	164,870
Financial Services	3,211,855	3,195,039	16,816
Human Resources	1,930,548	2,106,157	(175,609)
Information Technology	3,795,065	3,783,993	11,072
<b>Community Services</b>			
Community Social Development	1,099,899	1,099,899	-
Community Services Support	936,875	937,497	(622)
ENMAX Centre	1,738,028	1,764,815	(26,787)
Facility Services	5,854,675	5,854,675	-
Fire & Emergency Services	24,439,496	24,342,705	96,791
Helen Schuler Nature Centre	729,048	720,761	8,287
Public Safety Communications Centre	4,698,089	4,669,145	28,944
Recreation & Culture	13,047,945	13,047,945	-
Regulatory Services	1,493,833	1,439,011	54,822
Lethbridge Transit & Accessible Transportation	11,982,046	11,979,290	2,756
<b>Infrastructure Services</b>			
Development Services	2,280,733	1,768,304	512,429
Inspection Services	3,310,205	3,190,834	119,371
Infrastructure Services Administration	598,596	597,986	610
Parks Maintenance & Management	13,633,294	13,628,249	5,045
Storm Sewer Maintenance	564,364	564,364	-
Transportation	14,458,932	14,282,845	176,087
Lethbridge 311	913,593	446,715	466,878
<b>Total</b>	<b>\$ 174,328,737</b>	<b>\$ 172,283,115</b>	<b>\$ 2,045,622</b>

#### Notes:

Significant variances are explained within Section A-5 Variance Discussion and Analysis  
At the end of the four year budget cycle, any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

**CITY OF LETHBRIDGE**  
**Unaudited 2019 Summary of Operations**  
**Summary of Utility Funds**



	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> Pos (Neg)
<b>Utility Funded Operations</b>			
<b>Electric</b>			
Revenue	\$ 79,924,541	\$ 84,448,625	\$ 4,524,084
Expenses	79,924,541	85,420,243	(5,495,702)
<b>Deficit</b>	-	(971,618)	(971,618)
<b>Waste Collection</b>			
Revenue	10,055,530	10,364,793	309,263
Expenses	10,055,530	10,353,102	(297,572)
<b>Surplus</b>	-	11,691	11,691
<b>Waste Processing</b>			
Revenue	10,630,250	10,670,510	40,260
Expenses	10,630,250	10,608,956	21,294
<b>Surplus</b>	-	61,554	61,554
<b>Wastewater</b>			
Revenue	17,187,000	18,516,379	1,329,379
Expenses	17,187,000	17,396,754	(209,754)
<b>Surplus</b>	-	1,119,625	1,119,625
<b>Water</b>			
Revenue	23,586,000	24,673,952	1,087,952
Expenses	23,586,000	23,963,991	(377,991)
<b>Surplus</b>	\$ -	\$ 709,961	\$ 709,961

**CITY OF LETHBRIDGE**  
**Unaudited 2019 Summary of Operations**  
**Summary of Reserve Funds**



	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> Pos (Neg)
<b>Reserve Funded Operations</b>			
<b>Airport</b>			
Revenues	\$ 2,277,500	\$ 2,340,487	\$ 62,987
Less expenditures	2,526,401	2,461,937	64,464
Plus tax supported funding	343,201	343,201	-
<b>Transfer to Reserve</b>	<u>94,300</u>	<u>221,751</u>	<u>127,451</u>
<b>Cemeteries</b>			
Revenues	911,000	801,623	(109,377)
Less expenditures	1,443,158	1,283,942	159,216
Plus tax supported funding	532,158	532,158	-
<b>Transfer to the Reserve</b>	<u>-</u>	<u>49,839</u>	<u>49,839</u>
<b>Community Lighting</b>			
Revenue	9,500	591,110	581,610
Less expenditures	3,054,527	3,440,784	(386,257)
Plus tax supported funding	3,045,027	3,045,027	-
<b>Transfer to the Reserve</b>	<u>-</u>	<u>195,353</u>	<u>195,353</u>
<b>Fleet Services</b>			
Revenue	13,311,875	13,612,193	300,318
Less expenditures	8,976,279	8,840,402	135,877
<b>Transfer to the Reserve</b>	<u>4,335,596</u>	<u>4,771,791</u>	<u>436,195</u>
<b>Parking</b>			
Revenue	1,383,100	1,301,247	(81,853)
Less expenditures	674,078	555,878	118,200
Transfer from reserve to operations	(135,000)	(135,000)	-
<b>Transfer to the Reserve</b>	<u>574,022</u>	<u>610,369</u>	<u>36,347</u>
<b>Real Estate &amp; Land Development Operations</b>			
Expenditures	1,206,776	1,234,048	(27,272)
<b>Transfer from Subdivision Surplus</b>	<u>(1,206,776)</u>	<u>(1,234,048)</u>	<u>(27,272)</u>
<b>Risk Management</b>			
Revenue	3,385,800	3,383,693	(2,107)
Less expenditures	3,376,616	3,250,944	125,672
<b>Transfer to the Reserve</b>	<u>\$ 9,184</u>	<u>\$ 132,749</u>	<u>\$ 123,565</u>

**The following provides City Council with an overview of the operations of the City of Lethbridge:**

**1) a) General Fund - 2019 Corporate Accounts**

**Corporate Accounts Surplus of \$2,145,126** - Specific positive and negative budget variances resulting from factors not attributable to the business unit management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility.

By City policy, the corporate portion of the General Fund surplus is transferred to the Municipal Revenue Stabilization Reserve at the end of the year.

The major areas are summarized as follows:

**Property tax & general revenues** - ended the year with a positive variance of \$1,690,000.

**Property Taxes** - ended the year with a positive variance of \$1,018,000. The surplus is due to higher than anticipated growth in commercial properties of \$1,268,000 and partially offset by a \$(250,000) shortfall due to the Provincial Government's announcement that the Province will reduce its payment on property taxes paid on Crown property by 25%.

**General Revenues** - ended the year with a positive variance of \$672,000. The surplus was due to receiving an unbudgeted grant (Municipal Cannabis Transition Program) of \$320,000, higher than budgeted transfers from the Water and Landfill Utilities to General Operations of \$96,000 and \$51,000 respectively and higher than budgeted penalties on taxes of \$185,000 and general revenue accounts of \$20,000.

**Permit, development & license revenues** - ended the year with a negative variance of \$(1,128,000). The revenue shortfall is due to slower than anticipated residential and commercial construction activity.

**Employee benefit accounts** - ended the year with a positive variance of \$780,000. The most significant contributing factors were lower than anticipated rates for medical and dental coverage, and WCB costs. The Province introduced new legislation and policy (Bill 30) to expand ongoing WCB coverage and the cost of enhanced WCB benefits has not yet been incurred, but anticipated in the future.

**Corporate fuel costs** - ended the year with a positive variance of \$306,000. This is primarily due to lower than budgeted Transit fuel prices.

**Utility costs for tax supported City facilities** - ended the year with a positive variance of \$475,000. ATB Phase II was only operational for 8 months in 2019, resulting in a surplus of \$240,000. Throughout all remaining corporate facilities there are overall surpluses of \$100,000 for electricity, \$86,000 for City Utilities, and \$49,000 for natural gas.



### **1) b) General Fund - 2019 Business Unit Operations**

Business Units ended the year with a positive variance of \$2,045,622 which represents 1.17% of the Business Units' budgets. At the end of the four year budget cycle any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

Significant areas contributing to the tax supported Business Unit variances are described below:

#### **Boards and Commissions**

**Galt Museum** - ended the year with a positive variance of \$32,000. The operating variance of \$76,000 was due to rental, admission and school program revenues higher than expected by \$22,000, wage differentials and hiring delays in Administration, Archives, Curatorial and Education of \$39,000, Fort Whoop-Up front entrance repairs and Archives digitization projects that were in progress at the end of the year totaled \$9,000, and under-expenditures in board administration and various programs that contributed \$6,000 to the variance. These positive variances were partially offset by Budget Appropriation Unexpended (BAU) transfers of \$(37,000) for CEO recruitment/succession planning and \$(7,000) for the Fort Whoop-Up 150th anniversary .

**Lethbridge Police Services (LPS)** - ended the year with a positive variance of \$503,000. During 2019, wages had a positive variance of \$2,016,000. This variance is due to savings in salaries and benefits due to hiring timeline of the unfilled vacancies for police officers \$2,267,000 offset by overspend in overtime \$(192,000), court overtime \$(25,000) and statutory holiday overtime \$(34,000). Operating expenses were over budget by \$(1,136,000) due to overspent in legal services by \$(288,000), information technology and computer services \$(643,000), security services \$(235,000) offset by saving in travel \$30,000.

Revenues are under budget by \$(54,000) due to lost revenue from police compound \$(107,000), false alarms \$(8,000) and external funding \$(24,000) which was offset by increase in police records checks \$68,000 and school programs \$17,000.

Additional project funds from the operating variance were transferred to Budget Appropriation Unexpended (BAU) for the Term Civilian Position \$(88,000), the Police Commission \$(16,000) as well as a capital life cycle transfer for the Police Compound Upgrade \$(175,000). In addition, a further transfer of \$(547,000) to the Municipal Revenue Stabilization Reserve (MRSR) Police Technology Line of Credit for purchase of desktops, servers, and upgrading personal computer systems.

Due to timing of implementation of the three new program initiatives the remaining surplus of \$503,000 will be used for Community Peace Officer (CPO) N-38 \$474,000, the Ambassador WATCH N-39 \$22,000, and the Police and Crisis team (PACT) N-40 \$7,000.

**Lethbridge Public Library** - ended the year with a positive variance of \$15,000. Positive variances include additional revenue of \$30,000 (donations, book fines and fees) and under expenditures of \$30,000 (travel, library materials, building maintenance, contractual services). These positive variances were offset by \$(45,000) over expenditures (equipment and supplies, IT hardware and software).

### **General Government and Corporate Services**

**City Manager's Office & Communication** - ended the year with a positive variance of \$40,000. The operating variance was \$56,000, which was primarily due to wage differentials and timing of hiring vacancies. Of this amount \$(16,000) was transferred to BAU for support of corporate training initiatives.

**Economic Development** - ended the year with a positive variance of \$1,000. The operating variance was \$61,000 for the year due to a staff vacancy. Of this amount \$(60,000) was transferred to the Directional Operating Funding.

**Mayor & City Council Office** - ended the year with a positive variance of \$2,000. The operating variance was \$67,000 for the year, of this amount \$(40,000) was transferred to Directional Operating Funding, which is to be used to fund the Discussion Paper as approved by Council on September 16, 2019. Additionally, \$(8,000) and \$(17,000) were carried forward to future Reconciliation Lethbridge Advisory Committee and Open & Effective Government expenses respectively

**Assessment & Taxation** - ended the year with a positive variance of \$165,000. The operating variance was \$265,000, which was due to cross-training efficiencies and a temporary staff vacancy. Of this amount \$(100,000) was transferred to the Directional Operating Funding.

**Human Resources** - ended the year with a negative variance of \$(176,000). The deficit is due to consulting services for workplace issues and legal services for labour matters.

**Information Technology** - ended the year with a positive variance of \$11,000. The operating variance was \$1,093,000 due to position vacancies, lower than anticipated licensing and maintenance costs. IT is among the first eight business units selected to undergo an Operational Review. While the department has a definitive plan for the vacancies, the timing of the hiring for the positions is contingent upon the recommendations of the review. Of this amount, \$(600,000) was transferred to capital lifecycle for corporate systems maintenance, cyber security solutions, and cloud computing uncertainty as well as \$(482,000) to go towards the Directional Operating Funding.

### **Community Services**

**ENMAX Centre** - ended the year with a negative variance of \$(27,000). This is primarily due to a combination of less events and attendance than anticipated for the year in addition to the completion of required major projects in year one of the four year operating budget cycle (e.g. chiller replacement, ramp remediation, new ticketing system, POS System). While there was a positive variance in Food and Beverage of \$114,000, and Events of \$56,000, this was offset by increased expenses in General Operations of (\$50,000) and lower net revenue in Ticket Services of (\$147,000).

**Facility Services** - ended the year in a balanced position. Over the four year operating budget cycle, Facility Services manages their total four year operating budget based on the building fleets' needs determined through their four year Implementation Plan.

**Fire & Emergency Services** - ended the year with a positive variance of \$97,000. This is due to positive variances arising from a combination of lower than budgeted wage expense relating to staff attrition, cyclical recruiting of new hires and other wage related costs of \$1,345,000, a surplus in EMS revenues of \$100,000 as well as new recruitment, training and uniform postponement of \$355,000. These are offset by a deficit in contractual revenues of \$(25,000), EMS supplies, contractual services, operational equipment and maintenance expenses of \$(128,000), Capital Lifecycle and BAU transfers

of \$(218,000) for equipment and technology, BAU transfers of \$(265,000) for anticipated Station #5 equipment requirements, \$(392,000) for deferred recruitment costs and BAU transfers of \$(675,000) for future equipment and maintenance. A portion of these costs can be attributed to a growing focus on cancer mitigation and an overarching health and wellness initiative.

**Public Safety Communications Centre** - ended the year with a positive variance of \$29,000. This is due to an increase in 911 wireless and dispatch revenues of \$160,000, a surplus in wages and contractual services of \$330,000 as well as a decrease in infrastructure and radio maintenance and equipment expenses of \$294,000. These are offset by capital lifecycle transfers of \$(280,000) for future equipment replacement and transfers for Accreditation, radio equipment and other expenditures in anticipation of operational review recommendations of \$(325,000). In addition, computer aided dispatch charges were greater than budgeted by \$(150,000).

**Recreation & Culture** - ended the year in a balanced position. There is an overall positive variance due to several savings in: (i) Arenas net savings of \$307,000 due to utility savings of \$192,000 and wage, contractual and supplies savings of \$115,000, (ii) Aquatics of \$237,000 due primarily to ATB Centre Aquatics not opening until May and a savings in small equipment purchases of \$50,000, (iii) Special Maintenance of \$100,000 and (iv) staffing and equipment savings at Japanese Gardens and Yates Theatre of \$71,000. Offsetting this positive variance is an overall negative variance of \$(765,000) due primarily to a transfer to Budget Appropriation Unexpected (BAU) of \$(540,000) for Phase I implementation costs associated to the Organizational Review, a transfer to capital lifecycle replacement of \$(149,000) and a shortfall in Picnic Shelter revenue and cleaning costs of \$(76,000).

**Regulatory Services** - ended the year with a positive variance of \$55,000. This is due primarily to an increase in the number of dogs licensed of \$50,000 and adoptions of \$35,000 resulting in increased revenue in addition to a positive variance in training and travel of \$20,000. This positive variance is offset by a deficit in veterinary services of \$(50,000) for dogs and cats due to the spay and neutering of animals adopted from the animal shelter as well as the costly emergent veterinary services required for animals from outside the shelter.

**Lethbridge Transit & Accessible Transportation** - ended the year with a positive variance of \$3,000. This is due to positive variances of \$843,000 made up of \$219,000 in additional UPass revenue, \$531,000 increased fare revenues and \$93,000 in Training & Travel due to a shortage of staff. Upass revenues are up due to higher than projected participation and fare revenue is up related to adult pass and ticket sales not decreasing as much as anticipated due to the implementation of the UPass. Transit ridership was 17.9% higher than budgeted. These surpluses are partially offset by Operations experiencing a deficit in wages of \$(472,000) as a result of unforeseen leaves and overtime in addition to a transfer to capital lifecycle of \$(368,000) for future farebox system equipment needs.

### **Infrastructure Services**

**Development Services** - ended the year with a positive variance of \$512,000. A surplus of \$579,000 was generated from various operational and wage related vacancies, expense savings related to slower than anticipated residential and commercial construction activity and decreased spending in response to a downturn in revenue. This surplus was offset by a BAU transfer of \$(67,000) to accommodate timing differences in the execution of various downtown planning programs.

**Inspection Services** - ended the year with a positive variance of \$120,000. This surplus was generated due to staff transitioning, associated savings related to slower than anticipated residential and commercial construction activity and decreased spending in response to a downturn in revenue.

**Infrastructure Services Administration** - ended the year with a positive variance of \$1,000. Infrastructure Administration accounts ended the year with a surplus of \$75,000 due to greater than budgeted subdivision and right of way inspection fee revenue realized in 2019 as well as lower than budgeted general expenditures. A transfer of (\$74,000) was made to the Urban Development BAU since it is directly related to surplus inspection fee revenue that was realized in 2019. These funds are intended to be used in future development years to offset revenue shortfalls that may occur if urban development fees are less than budgeted.

**Transportation** - ended the year with a positive variance of \$176,000. Administration accounts ending the year with a \$48,000 surplus due to under expenditures in transportation studies. Transportation maintenance accounts ended the year with a surplus of \$70,000 due primarily to under expenditures to the Street Cleaning programs and bridge maintenance. Traffic Operations also ended the year in a surplus position of \$58,000 due primarily to surpluses in Traffic Signals maintenance and Temporary Traffic Control activities.

**Lethbridge 311** - ended the year with a positive variance of \$467,000. Customer Care accounts ended the year with a positive variance of \$262,000 due primarily to under expenditures in wages due to the delay in hiring all budgeted customer service position in 2019 as the overall workload of this new business unit was being monitored. Business Integration and Customer Relationship Management accounts ended the year in a \$205,000 surplus position due to under expenditures in system enhancements and training.

**2) 2019 Utility Funded Operations**

**Utility Services** - ended the year in a balanced position. Bad debts, penalties and disconnect / reconnect activities finished the year in a surplus position of \$52,000. Systems metering and billing accounts ended the year under expended by \$32,000. Utility Services systems management accounts ended the year in a positive position of \$31,000. These surpluses were offset by a slight deficit of \$(2,000) in Customer Care accounts and 2019 Utility Services Revenue ended the year lower than budgeted \$(113,000) due to lower than budgeted community growth.

**Electric Utility**- ended the year with a negative variance of \$(972,000) from operations, compared to its balanced budget, broken down as follows:

Fibre Operations - positive variance	\$ 102,000
Distribution Tariff - negative variance	(453,000)
Regulated Rate Tariff - positive variance	417,000
Transmission Tariff - negative variance	(1,038,000)
Total Electric Operations - negative variance	\$ (972,000)

**Fibre Operations** - ended the year with a positive variance of \$102,000 due to cost of capital and system operations expenses amounts being lower than budgeted.

**Distribution Tariff** - ended the year with a negative variance of \$(453,000). This can be attributed to a positive variance of \$325,000 from Transmission Access (Provincial Access to Grid) of the Distribution Tariff. The Utility has been utilizing Rider C to balance the revenue required with the costs (AESO DTS) incurred by the rate base. This resulted in a positive variance within the Transmission Access component of the Distribution Tariff. There is also a negative variance of \$(778,000) from the Distribution Access (Wire Services Provider) of the Distribution Tariff due to an under collection of revenue and increase in depreciation and system operations expenses for the year.

**Regulated Rate Tariff** - ended the year with a positive variance of \$417,000. The price to purchase energy during the budget process was lower than the price to actually purchase energy today. The prices are set monthly to cover the costs for energy purchases and use hedges to reduce our risk on those purchases as well.

**Transmission Tariff** - ended the year with a negative variance of \$(1,038,000) primarily due to increases in linear property tax, cost of capital and depreciation.

The 2019 Electric Operations actual negative variance of \$(972,000) will be transferred in 2020 to the Electric Utility Reserve in accordance with City Policy.

**Waste & Recycling Services**

**Waste Collection** - ended the year with a positive variance of \$12,000. Recycling revenues ended the year with a surplus of \$101,000. Recycling program expenses were under budget by \$8,000. Residential and commercial waste operations were over spent by \$(97,000) due to higher then budgeted program support.

The accumulated surplus as at December 31, 2019 is \$2,042,000; 2018 was \$2,384,000. Funding of \$550,000 of this accumulated surplus is committed to 2018-2027 CIP project E-6 - Curbside Recycling. Additionally, per the November 28, 2016 Council Resolution where \$600,000 was committed to fund the Curbside Recycling Pilot project, \$(354,000) was allocated in 2019; (\$233,000 in 2018).

**Waste Processing** - ended the year with a positive variance of \$62,000. Landfill revenues ended the year with a positive variance of \$560,000 due to higher than budgeted tonnages. Closed landfill operations and diversion activities ended the year under expended by \$237,000. Consistent with an increase in landfill cash and contract sales revenues is an increase in the 10% contribution to the general fund \$(51,000). Material Recycling Facility operations ended the year with slight over expenditures of \$(164,000). Material Recycling Facility revenues ended the year in a shortfall due to lower than budgeted tonnages and commodity sales \$(520,000).

The accumulated surplus as at December 31, 2019 is \$3,056,000; 2018 was \$2,995,000.

**Wastewater Operations** - ended the year with a positive variance of \$1,120,000. Commercial and industrial revenues realized during the year were higher than budgeted, \$990,000, primarily as the result of higher than usual sewer loading from industrial customers. Higher than anticipated usage in residential, regional and general services wastewater revenues also resulted in a surplus revenues of \$340,000. Wastewater engineering and technical support accounts finished the year with a positive variance of \$136,000 due to under expenditures in the 2019 wastewater collection system condition assessment program. Wastewater treatment and processing operations ended 2019 in a surplus position of \$35,000. Wastewater collection system accounts ended the year over expended, \$(381,000) as a result of a greater than budgeted sanitary main repairs and emergency flushing due to the prolonged cold weather in the winter months.

The accumulated surplus as at December 31, 2019 is \$5,161,000; 2018 was \$4,041,000. Funding of \$2,600,000 of the accumulated surplus has been committed to 2018-2027 CIP project E-15 Wastewater Treatment Plant Phosphorus Recovery. Additionally, funding of \$1,000,000 has been committed to the 2018-2027 CIP Project E-12 Wastewater Treatment Plant Clarifier Replacement. The balance of this amount has been identified as a short-term financing option for the potential Off-Site Account shortfall in the 2020-2021 period.

**Water Operations** - ended the year with a positive variance of \$710,000. Revenues were higher than budgeted by \$1,088,000. This increase is due primarily to higher than budgeted residential, regional and commercial water sales. Technical Support accounts ended the year in a surplus position of \$129,000 due mainly to less than budgeted expenditures in water system investigative surveys. Consistent with an increase in revenues is an increase to the contribution to the general fund of \$(96,000). Water treatment and distribution systems accounts ended the year in a deficit position of \$(411,000) due to a significantly higher than usual number of watermain breaks and system repairs experienced in the first quarter of 2019.

The accumulated surplus as at December 31, 2019 is \$4,591,000; 2018 was \$3,881,000. These amounts have been identified as a short-term financing option for the potential Off-Site Account shortfall in the 2020-2021 period.

### **3) 2019 Reserve Funded Operations**

**Airport Operations** - ended the year with a positive net transfer of \$127,000. Airport operating costs have a \$32,000 positive variance primarily due to a surplus in contractual services, marketing and repairs & maintenance costs of \$130,000. These operating cost savings are being partially offset by negative variances in staffing related costs of \$(43,000) and other operational maintenance and IT costs of \$(55,000). Airport revenues have a positive variance of \$95,000 primarily due to an increase in parking, landing and passenger fee revenues of \$180,000 offset with a net utility revenue shortfall of \$(85,000).

**Traffic Safety Act Revenues** - ended the year with a positive variance of \$122,000. Fines for photo radar are over budget due to additional traffic safety enforcement. This is an area that was impacted by the new Provincial Budget. Starting in 2020, the Province will retain a greater share of fines and penalties revenue (increase to 40% from 27%). This will reduce municipal traffic safety act revenue by approximately \$800,000 to \$1.1 million per year.

Revenues include photo radar for the City of Lethbridge, Provincial violation fines (ticket for speeding, failing to stop, going through red lights, etc.) and revenue from 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 operating surplus.

**Cemeteries** - ended the year with a positive variance of \$49,800. The 2019 net transfer to the Cemeteries Reserve comprised of \$38,000 interest revenue and \$11,800 of operating surplus. The major factors that contributed to the operating surplus are as follows:

- i) Rights to Interment and Interment Services revenues were lower than budget by \$(109,000).
- ii) Surplus in various operational expenditures of \$120,800.

**Community Lighting** - ended the year with a positive net transfer of \$195,000. Roadway Lighting distribution and consumption charges ended the year in a surplus position of \$116,000 due primarily to lower than budgeted transmission and distribution charges to the street lighting network. Roadway lighting maintenance programs also finished the year under budget by approximately \$79,000 due to decreased maintenance required on the network's 13,000 streetlights. This surplus will be transferred to the Community Lighting Reserve.

In 2019, \$582,000 of the Municipal Sustainability Initiative (MSI) operating grant was allocated to eligible costs within Community Lighting. This resulted in a corresponding tax supported surplus. This amount was transferred to the Facility Services capital lifecycle account.

**Fleet Services** - ended the year with a positive net transfer of \$436,000. Revenues ended the year with a surplus of \$300,000 (2% of budget) due primarily to greater than budgeted usage. Garage operations finished the year under expended by \$136,000 due primarily to lower than budgeted fuel prices.

**Parking Operations** - ended the year with a positive net transfer of \$36,000. Parking revenues finished the year in a deficit position of \$(83,000) due to a shortfall in revenue from On-Street Parking. This deficit was offset by a \$119,000 surplus in On-street parking operations due in large part to a reduction in operating expenditures required with the installation of the city's new parking meter system. This surplus will be transferred to the Off-Street Parking Reserve.

**Risk Management** - ended the year with a positive net transfer of \$124,000. This is due to lower than anticipated insurance premium costs. The surplus was transferred to the Insurance Reserve at year end.

**Snow Clearing** - ice control and snow removal operations ended the year in a deficit position of \$(363,000). In accordance with City Council policy, any annual surplus/deficit from sanding, snow and ice removal operations will be transferred to / funded from the MRSR.



## **Glossary of Terms**

**Budget Appropriation Unexpended (BAU)** - where, in a given year's budget, the City provides for specified expenditures which at year end are not expended/received, the Business Unit may transfer the unexpended funds with City Manager's approval. Such transfers are recorded in a reserve for budget appropriations unexpended.

**Business Unit Operations Roll Over** - prior year(s) tax supported budget variance between the approved budget and actual revenue or expenditures for the fiscal period. To accommodate the four year budget cycle, Business Units are expected to operate within the 48 month budget allocation. If there was a shortfall after the first three years, Business Units are expected to overcome the deficit by adjusting expenditures in the final year of the four-year budget (2022); and if the experience after the third year resulted in net under expenditures, the Business Units had the ability to roll over the amounts to assist with operations during the last year of the budget cycle. At the end of the four year budget cycle any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

**Business Unit Operation Variance** - the specific Business Unit budgeted variance between the approved budget and actual net expenditure for the fiscal period. These variances are the responsibility of the Business Unit.

**Corporate Accounts** - specific revenues and expenses are considered corporate in nature since variances are not attributable to operational decisions. These include employee benefits, property taxes and general revenues, permits, development and license revenues and grants to organizations. By City policy, the corporate portion of the General Fund surplus accrues to the Municipal Revenue Stabilization Reserve.

**Corporate Fuel** - variances due to market price fluctuations versus budgeted fuel costs for tax supported services (price variances for Fleet Service's units are offset against the Fleet Reserve).

**Directional Operating Funding** – These amounts have been identified by the City Manager as one time sources of funding for initiatives that were approved by City Council during the 2019 – 2022 budget deliberations.

**Electric Utility Operating Surplus/(Deficit)** - the City of Lethbridge electric utility's residual operating surplus/ (deficit) is applied to/ (from) the Electric Reserve.

**Lifecycle Funds** - Lifecycle funds are allocated to maintain high-priority capital assets. Examples of high priority maintenance items included in the operating budget are bridge maintenance, street upgrading, sidewalk/boulevard renewals, planning and overlay of arterials, storm sewer maintenance, utility infrastructure maintenance, parks/trails maintenance, irrigation automation, building maintenance and technology infrastructure.

**Non-discretionary Business Unit Variances** - specific positive and negative budget variances resulting from factors not attributable to the Business Unit management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility. Similar to corporate accounts, the surplus or deficit accrues to the Municipal Revenue Stabilization Reserve.

**Reserve Funded Operations** -City services where the expenditures of the related operations are funded from specific revenue sources that are legally restricted for specified purposes.

**Utility Costs for Tax Supported City Facilities** - variances due to utility price fluctuations versus budgeted City facility utility costs. These variances are not attributable to management decisions.

**Utility Funded Operations** - the City sets fees and user charges for each utility operation at a level that fully supports the total direct and indirect cost of the utility. Therefore, these operations are accounted for separately from taxation supported operations.

**Water, Wastewater and Waste Accumulated Surplus** - the primary purpose of the surpluses is to set aside funds to provide for unanticipated or emergency expenditures that could not be reasonably foreseen during the preparation of the budget and/or for down payments on the utility's capital projects.

**Corporate Budget Contingency 2019-2022**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Contingency Included in 2019-2022 Budget</b>	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000

**Allocated by City Council:**

Ongoing:

One-time:

\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000
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Note: As per Council resolution on November 25, 2019, the identified operational efficiencies from the Fiscal and Operational Performance Review Report with a realized net reduction will be identified as one-time or ongoing within the Corporate Contingency.

# STATEMENT OF RESERVES AS AT DECEMBER 31, 2019



	December 31 2019	December 31 2018
Acquire Off Street Parking	\$ 1,027,293	\$ 2,018,157
Airport	471,751	-
Cemeteries	1,397,167	1,347,328
Central Business District Land Acquisition	684,726	683,726
Community Lighting	4,722,262	5,253,302
Community Reserve Fund	306,368	297,963
Electric	4,322,771	4,595,423
Fleet Services	22,753,720	22,184,113
Insurance	4,966,099	4,833,350
Major Capital Projects	7,128,828	3,672,846
Mayor Magrath Drive Beautification	113,046	111,287
Municipal Revenue Stabilization	33,331,311	28,746,363
Real Estate Holdings	5,641,307	5,469,416
Transit Bus	1,043,159	1,033,159
Urban Parks	2,566,314	2,102,349
<b>Total Reserves</b>	<b>\$ 90,476,122</b>	<b>\$ 82,348,782</b>
 Total Committed Funds	 \$ 29,704,211	 \$ 35,055,876
Current Internal Funding Requirements:		
Transit Terminal and Regional Park 'n Ride	-	3,630,000
ATB Centre - Phase 1 & Phase 2 (Ice & Leisure Complex)	1,722,000	1,722,000
Lethbridge Police Headquarters Expansion	-	269,000
	1,722,000	5,621,000
Total Committed Funds and Internal Funding Requirements	\$ 31,426,211	\$ 40,676,876

In addition to the above noted commitments, each reserve has been created by City Council for a specific purpose and will be applied to that purpose over future periods.

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Acquire Off Street Parking**

The purpose of the Acquire Off Street Parking Reserve is to provide funding necessary to develop additional off-street parking and fund other parking related expenditures. Established: 1978.

Balance as at January 1, 2019		\$ 2,018,157
Add:		
Parking Revenues		
- Parking meters	1,276,469	
- Parking fines	92,684	
- Parking lots	27,517	
- Park 'n Ride revenue	<u>21,375</u>	
		1,418,045
Less:		
Transit Terminal and Regional Park 'n Ride (CIP 2018-27 D-15)	1,101,899	
Parking enforcement	440,192	
Parking meter operations	309,587	
Administration	179,984	
Park 'n Ride operations	161,661	
Enhance downtown maintenance (snow clearing, street sweeping etc.)	135,000	
Parking lot operations	57,118	
Parking Meter replacement (CIP 2014-23 D-27)	<u>23,468</u>	
		<u>2,408,909</u>
<b>Balance as at December 31, 2019</b>		<b><u><u>\$ 1,027,293</u></u></b>

## Committed Funds:

- Parking Meter replacement (CIP 2014-23 D-27)	\$ 292,796
- Transit Terminal and Regional Park 'n Ride (CIP 2018-27 D-15)	<u>144,101</u>
	<u>\$ 436,897</u>

As at December 31, 2019 there is a future commitment from this reserve required to repay the internal advance from the MRSR in the amount of \$3,630,000.

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Airport**

The reserve was established July 1, 2018 when the City of Lethbridge acquired ownership of the airport. The future purpose of the reserve will be to provide capital financing of airport projects and support the general operations of the airport. Established: 2018.

Balance as at January 1, 2019	\$ -
Add:	
Allocation from operations	471,751
<b>Balance as at December 31, 2019</b>	<b><u>\$ 471,751</u></b>

**Cemeteries**

The purpose of the Cemeteries Reserve is to provide for and make provision for the improvement, maintenance, management, control and operation of public cemeteries. Established: 1961.

Balance as at January 1, 2019	\$ 1,347,328
Add:	
Allocation from Operations	43,118
Interest earnings	38,006
	<u>81,124</u>
Less:	
Cemeteries Perpetual Care	31,285
<b>Balance as at December 31, 2019</b>	<b><u>\$ 1,397,167</u></b>

Funding commitments from this reserve are included in the 2019-2022 Operating Budget under Cemetery Reserve Projects.

**Central Business District Land Acquisition**

The purpose of the Central Business District Land Acquisition Reserve is to establish a source of funding for parcels of land in the Central Business District. Established: 1976.

Balance as at January 1, 2019	\$ 683,726
Add:	
Patio rental	1,000
<b>Balance as at December 31, 2019</b>	<b><u>\$ 684,726</u></b>

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Community Lighting**

The purpose of the Community Lighting Reserve is to fund the replacement of community lighting assets. Established: 1997.

Balance as at January 1, 2019	\$ 5,253,302
Add:	
Allocation from operations	195,353
Less:	
Metis Trail debt paydown - principal (Council Aug 22, 2016)	508,136
Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	<u>218,257</u>
	<u>726,393</u>
<b>Balance as at December 31, 2019</b>	<b><u><u>\$ 4,722,262</u></u></b>

## Committed Funds:

- Metis Trail debt paydown - principal (Council Aug 22, 2016)	\$ 1,688,597
- Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	<u>994,328</u>
	<u>\$ 2,682,925</u>

Future advances from the Community Lighting reserve related to the committed funds above, will be repaid to the reserve from the Offsite Account over ten years commencing in approximately 2023.

**Community Reserve Fund**

The purpose of the Community Reserve Fund is to provide open space for the general public's use, such as parks and recreation areas. Established: 1980.

Balance as at January 1, 2019	\$ 297,963
Add:	
Interest Earnings	<u>8,405</u>
<b>Balance as at December 31, 2019</b>	<b><u><u>\$ 306,368</u></u></b>

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Electric**

The purpose of the Electric Reserve is to provide capital financing of Electric Utility projects and to stabilize the effects of fluctuating operation surpluses and deficits. Established: 2016.

Balance as at January 1, 2019		\$ 4,595,423
Add:		
Allocation from Electric Capital	12,500,112	
Return on Equity	<u>8,001,711</u>	
	20,501,823	20,501,823
Less:		
Allocation to Electric Capital Projects	16,820,081	
Return on Investment to the General Fund	2,118,767	
2018 Electric Operating Deficit	<u>1,835,627</u>	
		<u>20,774,475</u>
<b>Balance as at December 31, 2019</b>		<b><u><u>\$ 4,322,771</u></u></b>

Funding commitments from this reserve are included in the 2018-2027 CIP Electric Utility Projects.

**Fleet Services**

The purpose of the Fleet Services Reserve is to provide for a self-sufficient pool of funds to allow for the ongoing replacement of fleet assets. Established: 1976.

Balance as at January 1, 2019		\$ 22,184,113
Add:		
Allocation from fleet operations	4,771,791	
Asset replacement contributions	641,863	
Disposal Proceeds	<u>299,531</u>	
		5,713,185
Less:		
Purchase of equipment		<u>5,143,578</u>
<b>Balance as at December 31, 2019</b>		<b><u><u>\$ 22,753,720</u></u></b>

## Committed Funds:

- Equipment Purchases (Budget 2019-2022)	\$ 13,873,120
- Equipment Purchases (Budget 2015-2018)	<u>1,207,830</u>
	<u>\$ 15,080,950</u>



**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Insurance**

The purpose of the Insurance Reserve is to stabilize the effects of rising and unpredictable insurance premiums.  
 Established: 1985.

Balance as at January 1, 2019	\$ 4,833,350
Add:	
Allocation from Operations	<u>132,749</u>
<b>Balance as at December 31, 2019</b>	<b><u><u>\$ 4,966,099</u></u></b>

**Major Capital Projects**

The purpose of the Major Capital Projects Reserve is to fund capital projects and buffer the effects of the short-term fluctuations in debt payments and capital expenditures on the Pay-As-You-Go plan. Established: 1989.

Balance as at January 1, 2019	\$ 3,672,846
Add:	
Pay-As-You-Go	3,078,350
Project Surplus:	
River Valley Protective Fencing (CIP 2018-27 D-14)	298,410
Interest Earnings	<u>112,097</u>
	3,488,857
Less:	
Spitz Stadium (CIP 2014-23 D-40)	<u>32,875</u>
<b>Balance as at December 31, 2019</b>	<b><u><u>\$ 7,128,828</u></u></b>

**Mayor Magrath Drive Beautification**

The purpose of the Mayor Magrath Drive Beautification Reserve is to provide funds to allow for beautification of Mayor Magrath Drive. Established: 1984.

Balance as at January 1, 2019	\$ 111,287
Add:	
Parking Lease Revenue	2,896
Patio Lease Revenue	<u>250</u>
	3,146
Less:	
Land Lease Taxes	<u>1,387</u>
<b>Balance as at December 31, 2019</b>	<b><u><u>\$ 113,046</u></u></b>

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Municipal Revenue Stabilization**

The purpose of this reserve is to stabilize the effects of fluctuating interest revenue and General Operation surpluses and deficits on annual taxation requirements. All General Operation surpluses of prior years, return on investments, municipal consent and access fee/franchise fee and by-law enforcement revenue surpluses, internal financing recoveries, and other allocations from General Operations are added to the reserve. Budgeted allocations to General Operations are charged to the reserve and include municipal consent and access fee/franchise fee, by-law enforcement revenue shortfalls, and return on investments. Other charges to the reserve include one time expenses, internal financing advances, and other allocations to General Operations. Established: 1985

Balance as at January 1, 2019 \$ 28,746,363

Add:

Electric Municipal Consent and Access Fee (MCAF)	9,083,144	
Investment and Interest Income (net of Trust Allocations)	7,299,430	
ATCO Franchise Fee	5,937,021	
By-law enforcement	5,747,574	
2018 General Operating Surplus	5,474,831	
MRSR Internal Financing Recoveries <span style="float: right;">(Schedule 1)</span>	3,960,200	
Return on Investment (Electric ROI)	2,118,767	
Commercial land lease revenue	838,591	
		40,459,558

Less:

Budget Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,366,600	
By-law enforcement	5,512,700	
Allocation to General Operations	5,350,000	
ATCO Franchise Fee	5,410,000	
Return on Investment (Electric ROI)	2,623,400	
Commercial land debenture payment	1,000,808	
Allocation for TIPP discounts	482,597	
Allocation for Snow Removal	363,305	
MRSR Internal Financing Advances <span style="float: right;">(Schedule 2)</span>	3,751,880	
MRSR One Time Allocations <span style="float: right;">(Schedule 3)</span>	2,013,320	
		35,874,610

**Balance as at December 31, 2019**

**\$ 33,331,311**

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Municipal Revenue Stabilization**

**Schedule 1:** MRSR Internal Financing Recoveries (year of final payment):

- Lethbridge Police Headquarters (2029)	\$ 1,284,200
- Police technology (2022)	1,100,221
- Sherring Industrial Park (2020)	555,700
- ENMAX building (2027)	467,800
- ATB Centre - Phase 1 (Ice Complex) (2029)	278,600
- Parks Asset Management (2028)	204,400
- Local Improvements Prior Years	56,505
- Whoop-Up Drive Extension - interest only (CIP 2011-20 C-36)	<u>12,774</u>
	<u>\$ 3,960,200</u>

**Schedule 2:** MRSR Internal Financing Advances:

- Transit Terminal and Regional Park 'n Ride (CIP 2018-27 D-15)	\$ 3,630,000
- Police Technology	<u>121,880</u>
	<u>\$ 3,751,880</u>

**Schedule 3:** MRSR One Time Allocations:

- School Gym Upsizing (CIP 2018-27 D-17)	283,333
- Special Constables/Community Peace Officer (Budget 2019-22 N-38)	259,615
- PGA Tour Canada 2018-2020 (Council Aug 28, 2017)	250,000
- Nikka Yuko Japanese Garden Fee for Service (Budget 2019-22 N-79)	171,190
- Increase Statutory Holiday Service (Budget 2019-22 N-55)	139,275
- Allied Arts Council FFS (Budget 2019-22 N-75, amended Nov 25, 2019)	107,000
- Free Library Memberships (Budget 2019-22 N-5)	106,000
- Yates Management & Programming (Budget 2019-22 N-88)	85,000
- Public Safety Security (Budget 2019-22 N-48)	82,064
- Southern Alberta Art Gallery FFS (Budget 2019-22 N-76, amended Nov 25, 2019)	76,000
- Nord-Bridge Senior Citizen Association (Budget 2019-22 N-78)	75,000
- Nikka Yuko Japanese Garden Maintenance (Budget 2019-22 N-80)	66,129
- Lethbridge Sport Council Fee for Service (Budget 2019-22 N-74)	55,000
- Natural Leaders Program (Budget 2019-22 N-35)	46,880
- EDL Lethbridge Brand Implementation (N-11 2019-22)	45,000
- Recreation & Culture Security (Budget 2019-22 N-65)	42,500
- Heart of the City Housing (Budget 2015-18 N-4)	30,918
- Lethbridge Destination Management Organization (Budget 2019-22 N-8)	30,000
- EDL Identify Opportunities & Barriers to Business (N-12 2019-22)	20,000
- Mitigate the Feral Cat Problem (Budget 2019-22 N-81)	10,000
- Non-Veterinary Funding for Animal Rescue (Budget 2019-22 N-82)	10,000
- EDL Foreign Direct Investment Program (N-10 2019-22)	7,500
- SouthGrow Regional Initiative (Budget 2019-22 N-72)	7,500
- EDL Agrifood Corridor Strategy (N-9 2019-22)	5,000
- Youth Advisory Council (Budget 2019-22 N-85)	1,967
- Blackfoot Confederacy & Reconciliation Flags at City Hall (Budget 2019-22 N-13)	318
- Adaptive Reuse Initiative (Budget 2019-22 N-1)	<u>131</u>
	<u>\$ 2,013,320</u>

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Municipal Revenue Stabilization**

Committed Funds:

2015-2018:

- Heart of Our City Housing (Budget 2015-18 N-4, amended Jul 4, 2017)	\$ 902,686
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2018-2021:

- School Gym Upsizing (CIP 2018-27 D-17)	1,416,667
- PGA Tour Canada 2018-2020 (Council Aug 28, 2017)	250,000
- University Dr (Community Stadium to SunRidge Blvd W) (CIP 2018-27 CO-4)	137,000

2019-2022 (Conditional Resolutions):

- Invasive Pest Management Urban Forest Disease Reserve (Budget 2019-22 N-58)	2,000,000
- Demolition of YMCA Stafford Dr (Council May 27, 2019)	1,350,000
- Directional Resolution (Budget 2019-22 D-1 & D-9)	491,645

2019-2022:

- Downtown Clean & Safe Strategy (Council Dec 9, 2019)	1,684,000
- Adaptive Reuse Initiative (Budget 2019-22 N-1)	449,869
- Energy Efficiency Master Plan & Strategy (Budget 2019-22 N-84)	300,000
- Public Library Security (Council Jan 13, 2020)	180,000
- Nikka Yuko Japanese Garden FFS (Budget 2019-22 N-79, amended Nov 25, 2019)	171,190
- Special Constables/Community Peace Officer (Budget 2019-22 N-38)	149,885
- Blackfoot Confederacy & Reconciliation Flags at City Hall (Budget 2019-22 N-13)	149,682
- Allied Arts Council Fee for Service (Budget 2019-22 N-75, amended Nov 25, 2019)	107,000
- Natural Leaders Program (Budget 2019-22 N-35)	104,635
- Yates Management & Programming (Budget 2019-22 N-88)	85,000
- Nikka Yuko Japanese Garden Maintenance (Budget 2019-22 N-80)	79,578
- Southern Alberta Art Gallery FFS (Budget 2019-22 N-76, amended Nov 25, 2019)	76,000
- Nord-Bridge Senior Citizen Association (Budget 2019-22 N-78)	75,000
- Lethbridge Sport Council FFS (Budget 2019-22 N-74, amended Nov 25, 2019)	55,000
- EDL - Identify Opportunities & Barriers to Business (Budget 2019-22 N-12)	51,000
- Recreation & Culture Security (Budget 2019-22 N-65)	42,500
- Mitigate the Feral Cat Problem (Budget 2019-22 N-81)	30,000
- Non-Veterinary Funding for Animal Rescue (Budget 2019-22 N-82)	30,000
- Increase Statutory Holiday Service (Budget 2019-22 N-55)	23,225
- EDL - Foreign Direct Investment Program (Budget 2019-22 N-10)	22,500
- SouthGrow Regional Initiative (Budget 2019-22 N-72)	22,500
- Youth Advisory Council (Budget 2019-22 N-85)	18,033
- EDL - Agrifood Corridor Strategy (Budget 2019-22 N-9)	15,000
- Lethbridge Destination Management Organization (LDMO) (Budget 2019-22 N-8)	10,000

\$ 10,479,595

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Municipal Revenue Stabilization**

Current 2019/20

Internal Loan Requirements:

ATB Centre - Phase 1 (CIP 2014-23 D-7) & Phase 2 (CIP 2018-27 D-6) \$ 1,722,000

As at December 31, 2019 internal advances amounting to approximately \$30,700,000 were outstanding from this reserve. These amounts will be recovered, with interest, in future years.

In addition, amounts to the following community groups remain committed against this reserve. These amounts have been recorded as receivables by the City at December 31, 2019.

	Year	Maturity	Original Amount	Balance as at December 31 2019	Annual Payment
Prairie Baseball Club	1999	2019	\$ 240,000	\$ -	\$ 10,000
SLP Skate Park naming	2014	2023	100,000	32,500	10,000
Lethbridge Hurricanes	2012	2029	2,500,000	1,666,667	166,667
Lethbridge & District Exhibition (CIP 2014-23 D-9)	2017	2032	4,673,000	3,998,011	311,533

**Real Estate Holdings**

The purpose of the Real Estate Holdings Reserve is to provide a source of funding for land acquisitions within the city. Established: 1929.

Balance as at January 1, 2019	\$ 5,469,416
Add:	
Net proceeds from sale of 2501 Westside Dr	136,290
Net proceeds from sale of 1408 13 Street North	35,900
Rental Income	2,516
Land Lease Tax Recovery	<u>230</u>
	174,936
Less:	
Land Lease Taxes	<u>3,045</u>
<b>Balance as at December 31, 2019</b>	<b><u><u>\$ 5,641,307</u></u></b>

**Reserve Analysis**  
**For the period January 1, 2019 to December 31, 2019**

**Transit Bus**

The purpose of the Transit Bus Reserve is to provide funding for the City portion of new transit equipment including maintenance and replacement of Lethbridge Transit and ACCESS-A-Ride (AAR) technology and equipment. Established: 1985.

Balance as at January 1, 2019	\$ 1,033,159
Add:	
AAR Bus Donation (Council Feb 4, 2019)	10,000
<b>Balance as at December 31, 2019</b>	<b><u>\$ 1,043,159</u></b>

**Urban Parks**

The purpose of the Urban Parks Reserve is to provide funds for the ongoing operation and maintenance of the Urban Parks system. Established: 1983.

Balance as at January 1, 2019	\$ 2,102,349
Add:	
Allocation from operations	512,956
Less:	
Accessible Playgrounds (Budget 2019-22 N-59)	28,446
Urban Forest Management Plan (Budget 2015-18 N-8)	20,545
	<u>48,991</u>
<b>Balance as at December 31, 2019</b>	<b><u>\$ 2,566,314</u></b>

## Committed Funds:

- Accessible Playgrounds (Budget 2019-22 N-59)	\$ 806,354
- Urban Forest Management Plan (Budget 2015-18 N-8)	117,490
- River Valley Accessibility Study (CIP 2018-27 D-38)	100,000
	<u>\$ 1,023,844</u>

**TOTAL RESERVES as at December 31, 2019**
**\$ 90,476,122**
**TOTAL COMMITTED FUNDS**
**\$ 29,704,211**
**TOTAL CURRENT INTERNAL LOAN REQUIREMENTS**
**1,722,000**
**TOTAL FUNDING REQUIREMENTS**
**\$ 31,426,211**

# **BUDGET APPROPRIATION UNEXPENDED SCHEDULE AS AT DECEMBER 31, 2019**



	<b>December 31 2019</b>	<b>December 31 2018</b>
<b>Boards and Commissions</b>	\$ 926,646	\$ 903,735
Galt Museum & Archives, Lethbridge Public Library, and Lethbridge Police Services		
<b>General Government</b>	1,864,246	2,203,670
City Clerk, City Manager Office, City Solicitor, Economic Development		
<b>Corporate Services</b>	2,416,843	2,501,732
Corporate Services, Financial Services, Assessment & Taxation, and Human Resources		
<b>Community Services</b>	2,864,368	2,238,531
Community & Social Development, ENMAX Centre, Fire & Emergency Services, Public Safety Communications Centre, Recreation & Culture, Regulatory Services, and Transit & Accessible Transportation		
<b>Infrastructure Services</b>	1,754,017	1,782,104
Infrastructure Services Administration, Transportation, Development Services, Inspection Services and Waste & Recycling		
	<hr/> 9,826,120	<hr/> 9,629,772
<b>Directional Operating Funding</b>	3,267,906	2,820,487
<b>Operational Review Funding</b>	540,361	-
<b>2019 Business Unit Operations Rollover (Note 1)</b>	<hr/> 2,045,622	<hr/> -
	<hr/> <hr/> \$ 15,680,009	<hr/> <hr/> \$ 12,450,259

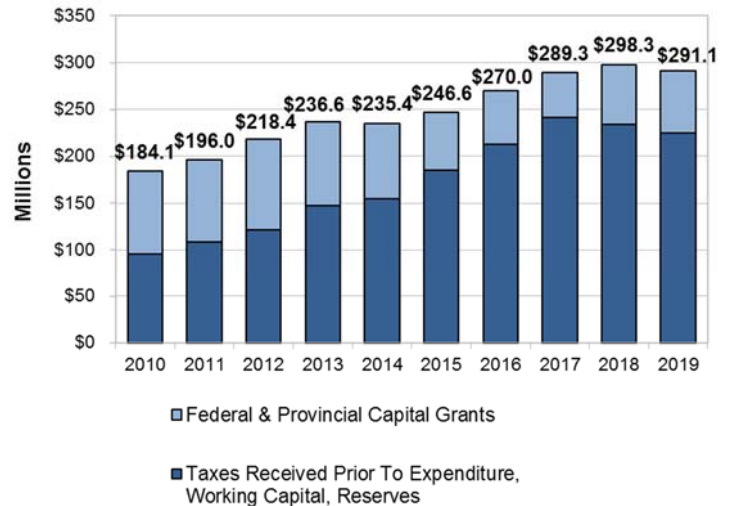
Note 1 - At the end of the four year budget cycle, any remaining Business Unit Rollover is transferred to the MRSR in accordance with City Council Resolution.

## Investment Summary

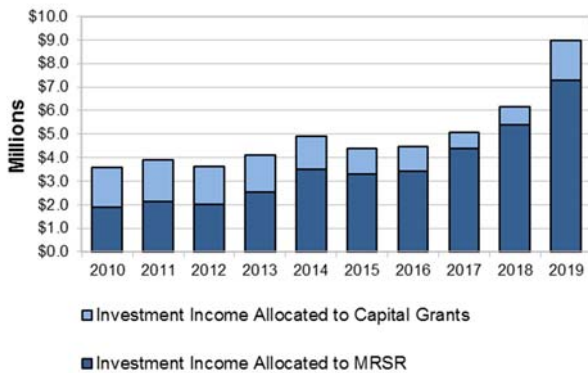
As at December 31, 2019

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.

### Average Portfolio Size

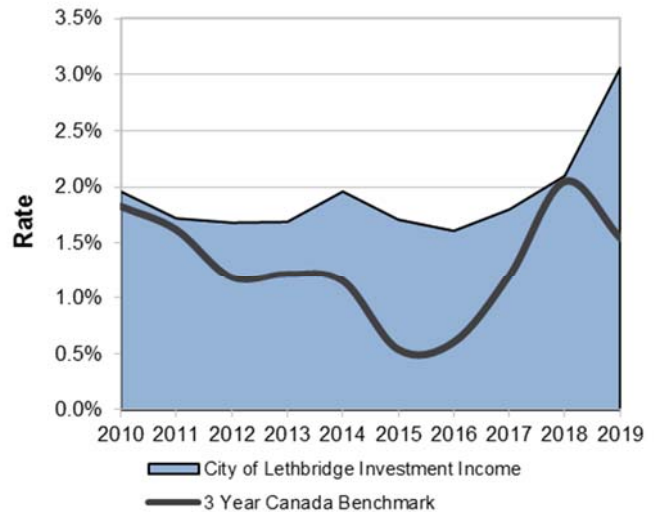


### Total Investment Income



Total investment income increased to \$8,956,449 in 2019 from \$6,161,238 in 2018. A continued increase in global investment rates of return and a strategic shift between short-term and long-term investment balances resulted in an increase in overall investment income. The City of Lethbridge 2019 average portfolio yield of 3.06% (2018:2.07%) was higher than the 2019 average Government of Canada 3-Year Benchmark<sup>1</sup> yield of 1.55% (2018:2.05%).

### Average Portfolio Yield



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



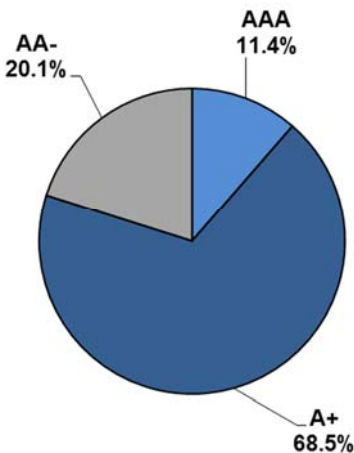
# City of Lethbridge

B-3 (con't)

## Investment Summary

As at December 31, 2019

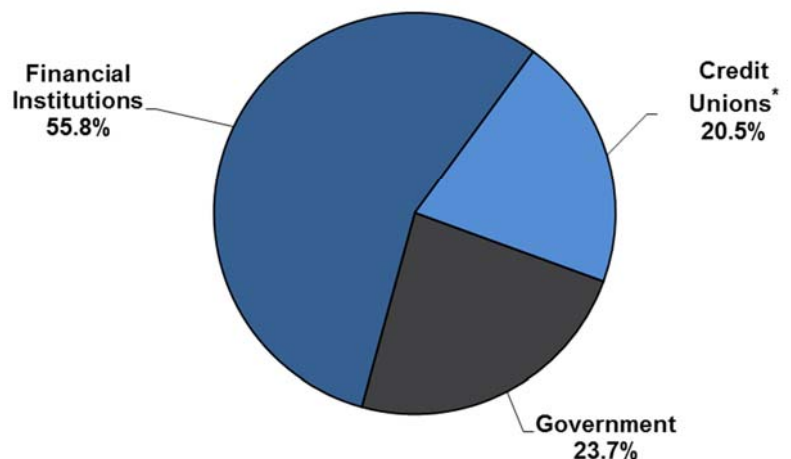
### Portfolio Distribution by Rating December 31, 2019



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.

### Portfolio Distribution by Type December 31, 2019



Our current portfolio is diversified among 13 different brokerage firms and 28 different institutions from the Government and Financial Institution sectors.

\*Principal is guaranteed by the Provinces of Alberta or BC

**SUMMARY OF SUBDIVISION SURPLUS**  
For the period January 1, 2019 to December 31, 2019

C-1

	<u>Dec 31, 2019</u>	<u>Dec 31, 2018</u>
<b>INDUSTRIAL</b>	\$ (5,994,232)	\$ 992,308
<b>RESIDENTIAL</b>	9,258,857	13,244,811
<b>NET SUBDIVISION SURPLUS</b>	<u>\$ 3,264,625</u>	<u>\$ 14,237,119</u>

**INDUSTRIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**  
For the period January 1, 2019 to December 31, 2019

**Development Operations Funding**

<b>Funds Received from Subdivision Development</b>		
Sherring Industrial Park - Phase 1	\$ 66,913	
Sherring Industrial Park - Phase 2	<u>60,000</u>	
<b>Total Funds Received from Subdivision Development</b>		126,913
<b>Funds Used for Subdivision Development</b>		
Sherring Industrial Park Common	179,650	
Sherring Industrial Park - Phase 2	135,200	
Sherring Industrial Park - Phase 1	<u>2,691</u>	
<b>Total Funds Used for Subdivision Development</b>		<u>317,541</u>
<b>Net Funds Used for Subdivision Development Operations</b>		(190,628)

**Other Activity Funding**

<b>Funds Received:</b>		
Lease Revenue	16,078	
<b>Funds Used:</b>		
Funding - Sherring Expansion	5,000,000	
Debt Payment - ACFA	(Note 1) 962,490	
Debt Payment - MRSR	(Note 2) 555,700	
Allocation in Lieu of Property Taxes	<u>293,800</u>	
	6,811,990	
<b>Net Funds Used for Other Activities</b>		<u>(6,795,912)</u>
<b>Net decrease in Industrial Subdivision Surplus</b>		(6,986,540)
<b>Industrial Subdivision Surplus Balance January 1, 2019</b>		992,308
<b>Total Industrial Balance December 31, 2019</b>		<u>\$ (5,994,232)</u>

**Funds Committed for Future**

<b>Sherring:</b>	
Sherring Expansion	\$ <u>5,900,000</u>

**Notes:**

- 1 In December 2016 council approved additional debenture borrowing through Alberta Capital Financing Authority (ACFA) to finance the expansion costs associated with Sherring Industrial Park. As at December 31, 2019 the remaining balance of ACFA loans is \$5,198,577
- 2 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, 2019 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on this line of credit loan is \$5,500,000 and \$532,079 on the interim financing.
- 3 In 2018-2019, Industrial Subdivision Surplus has a commitment to fund a portion of the expansion of the Sherring Industrial Park. This is an extensive project which began in 2016 and is comprised of various components (canal relocation, siphon twinning, underground and surface work) and involves various funding sources (Clean Water and Wastewater Fund (CWWF) grant, Alberta Agriculture Grant, Off-site Levies, Transportation Capital as well as Industrial Subdivision Surplus). The majority of construction has been completed in 2019.

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**  
For the period January 1, 2019 to December 31, 2019

C-1 (con't)

**Development Operations Funding**

**Funds Received from Subdivision Development**

**Crossings:**

Phase 4	\$ 1,676,199
Commercial	716,293
Phase 3	<u>166,800</u>
	2,559,292

**RiverStone:**

Phase 21	809,616
Phase 22	<u>333,738</u>
	1,143,354

**Total Funds Received from Subdivision Development**

3,702,646

**Funds Used for Subdivision Development**

**Crossings:**

Phase 7	2,192,734
Common	1,324,832
Phase 6	1,251,193
Phase 4	16,645
Phase 1-3	9,441
Phase 5	8,109
Phase 8	<u>3,843</u>
	4,806,797

**Other:**

Garry Station & Blackwolf II	7,709
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**RiverStone:**

Phase 21	288,898
Common	147,519
Phase 22	9,255
Phase 11-16,20	5,620
Phase 17	<u>2,570</u>
	453,862

**SunRidge:**

Phase 1-3D	113,774
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**Watermark (formerly Waterbridge):**

Common	4,277,096
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**Total Funds Used for Subdivision Development**

9,659,238

**Net Funds Used for Subdivision Development Operations**

(5,956,592)

**Other Activity Funding**

**Funds Received:**

Leisure Centre Land	4,550,000
Fire Hall Land	640,017
Whoop Up Drive - repayment from Offsites	(Note 1) 387,130
Rental Revenue	<u>6,488</u>
	5,583,635

**Funds Used:**

Real Estate & Land Development Operations	1,234,048
Debt Payment ACFA - Watermark	854,227
New School Site Development (D-18)	850,000
Parks Capital	185,005
Net Funding for Arterial Road Right of Way	153,826
Allocation in Lieu of Property Taxes	108,900
Affordable Housing	69,319
Fund Bark Park (D-16)	45,600
Parks Maintenance	45,000
Heart of Our City (N-4)	31,049
Vacant School Site Development - (D-36)	22,423
Weed Control	9,000
Pest Control	<u>4,600</u>
	3,612,997

**Net Funds Received from Other Activities**

1,970,638

**Net decrease in Residential Subdivision Surplus**

(3,985,954)

**Residential Subdivision Surplus Balance January 1, 2019**

13,244,811

**Total Residential Subdivision Surplus Balance December 31, 2019**

\$ 9,258,857

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**  
For the period January 1, 2019 to December 31, 2019

C-1 (con't)

**Funds Committed for Future**

**Projects:**

**Crossings:**

Underground Utilities and Surface Works	\$ 1,027,600
Architectural Controls	120,000
Engineering Consulting Services	104,700
	<u>1,252,300</u>

**RiverStone:**

Underground Utilities and Surface Works	415,700
Architectural Controls	200,400
Engineering Consulting Services	16,600
	<u>632,700</u>

**SunRidge:**

Architectural Controls	17,100
------------------------	--------

**Watermark (formerly Waterbridge):**

Underground Utilities and Surface Works	347,800
Sportsfield Development	209,400
Landscaping	42,100
Engineering Consulting Services	8,800
	<u>608,100</u>

**Other Projects (including 2019-2022 Operating Budget Funding):**

Land Purchase 160 Acres from College Farms Ltd.	(Note 2) 9,600,000
Affordable Housing	(Note 3) 1,771,022
Parks Capital	1,046,520
Heart of Our City Housing Incentive Program (N-4)	902,555
Adaptive Reuse Initiative (N-1)	450,000
Parks Maintenance	135,000
Pest Control	72,090
Weed Control	27,000
	<u>14,004,187</u>

**CIP Projects (2018-2021):**

Bark Park (D-16)	554,400
New School Site Development (D-18)	450,000
	<u>1,004,400</u>

**Total Committed Funds**

\$ 17,518,787

**Notes:**

- 1 Whoop Up Drive - Subdivision Surplus front end financed the construction of Whoop Up Drive for \$1,915,041 in 2015. Repayments from Offsites commenced in 2017 and as at December 31, 2019 the balance is \$786,942
- 2 Land Banking – In October 2017 City Council approved the purchase of 160 acres of land from College Farms Ltd. for \$9,600,000. The payment terms of the agreement are \$2.4 million per year beginning in 2018 with the final payment and transfer date January 31, 2021. Payments were made in January 2018 and 2019. The full amount will be funded from Subdivision Surplus in 2021 when final payment is made and land title transfers to the City.
- 3 Affordable Housing - as at December 31, 2019, \$1,411,022 has been committed to the Affordable Housing Fund. An additional \$120,000 per year will be committed in the next 3 years (2020-2022)
- 4 On July 8, 2013, City Council approved the sale of approximately 66.5 acres in the Crossings commercial area. As at December 31, 2019, \$16,413,943 has been received with the final payment of \$17,417,707 now due December 31, 2022 (originally December 31, 2019). Due to slowed markets conditions the extension was requested and approved by Council December 9, 2019.

# **OFFSITE ACCOUNT ANALYSIS** For the period January 1, 2019 to December 31, 2019

## **Revenues**

### **Net Offsite Levies**

Sherring Area 1 Amendment	\$ 4,067,973
Broadcast Business Park Phase 2	3,115,476
Crossings Phase 6 & 7	1,472,352
Southbrook Phase 4	1,135,953
Great Bear BLVD	502,184
Broadcast Business Park Ph 1	438,438
<b>Total Net Levies</b>	<b>10,732,376</b>

### **Other Revenues**

Debenture Debt Funded Projects	7,751,252
General Interest	179,310
Southbrook Lift Station Cost Credit	41,963
<b>Total Other Revenues</b>	<b>7,972,525</b>

<b>Total Revenues</b>	<b>18,704,901</b>
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## **Allocations**

### **Offsite/Oversize Credits**

Great Bear BLVD	234,200
Broadcast Business Park Phase 2	19,026
Broadcast Business Park Phase 1	16,988
Crossings Phase 6 & 7	14,625
<b>Total Oversize Credits</b>	<b>284,839</b>

### **Other Costs**

North Siphon Twinning (Council Dec 12, 2016)	7,527,873 *
Debt Payment - ACFA	5,522,076
Whoop Up Drive - Coalbanks to Mauretania (RELD)	399,903
Metis Trail - Walsh to Whoop-Up (Council Aug 22, 2016)	223,379 *
Survey Cost for 28St N	1,610
	<b>13,674,841</b>

<b>Total Allocations</b>	<b>13,959,680</b>
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<b>Net Increase in Offsite Account</b>	<b>4,745,221</b>
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<b>Add: Offsite Account Balance January 1, 2019</b>	<b>4,916,157</b>
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<b>Offsite Account Balance December 31, 2019</b>	<b>\$ 9,661,378</b>
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\* project spending is funded by Offsite Levy borrowing

## **Funds Committed for Future**

### **Projects (2019 and prior) Funded by Debentures (external borrowings):**

University Dr - Community Stadium to Sunridge BLVD (CIP 2018-27 CO-4)	\$ 2,850,000
North Siphon Twinning (Council Dec 12, 2016)	2,593,182
Metis Trail Underground - Country Meadows to Tartan (Wastewater)	2,080,975
Metis Trail - Walsh to Whoop-Up (Council Aug 22, 2016)	1,250,527 **
West Siphon Screen Relocation (CIP 2018-27 EO-2)	850,000
	<b>9,624,684</b>

### **Projects (2019 and prior) Funded by Offsite Levies:**

Whoop Up Drive - Coalbanks to Mauretania (RELD)	786,942
Watermain Loop Metis Trail - Coalbanks Link to Temple Blvd (CIP 2018-27 EO-1)	250,000
13 St N - Crowsnest Tr to 26 Ave N Design (CIP 2018-27 CO-2)	65,500
5th Ave N - Stafford Dr to MMDr N Design (CIP 2018-27 CO-2)	62,500
	<b>1,164,942</b>

	<b>\$ 10,789,626</b>
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\*\* Principal payment for this debt will start from the Offsite Account in 2023

**City of Lethbridge**  
**External Borrowings (ACFA)**

Section C-3

As At December 31, 2019

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2019	Per Capita 101,482	Year of Maturity
<b>Self Supported</b>								
<b>Airport</b>								
Security Cameras	\$ 27,624	2018	4	1.597%	\$ 8,147	\$ 15,973		2021
Tractor	6,297	2018	6	2.512%	1,137	4,810		2024
CFC Unit	58,926	2018	16	3.239%	4,748	54,597		2034
Entrance Sign	47,904	2018	16	3.239%	3,860	44,385		2034
Parking Lot	254,357	2018	16	3.239%	20,496	235,671		2034
Runway Signs	24,588	2018	16	3.239%	1,981	22,782		2034
Fence, Garage, Tanks, Roof	167,708	2018	17	2.765%	12,432	155,854		2035
Underground Fuel Tanks	75,365	2018	20	3.108%	5,088	71,182		2038
<b>Land Development</b>								
Sherring Industrial Park	4,200,000	2005	15	4.422%	386,028	373,593		2020
Sherring Industrial Park	1,800,000	2006	15	4.600%	167,446	240,043		2021
Watermark - Phase 1 Middle School	7,500,000	2017	10	2.671%	859,562	6,154,805		2027
Commercial Land Servicing	12,222,000	2017	15	2.768%	1,001,170	10,868,492		2032
Sherring Industrial Park	2,000,000	2018	15	3.046%	167,100	1,838,292		2033
Sherring Industrial Park	2,900,000	2018	15	3.201%	244,962	2,746,650		2033
<b>Offsite Levy</b>								
Metis Trail Deep Utilities	222,500	2015	5	1.213%	22,999	22,860		2020
26th Ave North	500,000	2015	5	1.339%	51,860	51,515		2020
28th Street North	600,000	2015	5	1.339%	62,231	61,818		2020
28th Street North	2,100,000	2015	5	1.124%	433,091	429,468		2020
43rd Street North	1,200,000	2015	5	1.124%	247,481	245,410		2020
South East Water Reservoir	3,000,000	2006	15	4.584%	278,775	527,010		2021
South Siphon Upgrade	1,500,000	2011	10	2.485%	170,334	330,343		2021
Mayor Magrath Drive	624,000	2016	5	1.238%	129,088	191,260		2021
SE Regional Lift Station	156,100	2016	5	1.238%	32,293	47,846		2021
43rd Street North	325,000	2016	5	1.597%	67,889	133,110		2021
Garry Drive West	150,554	2016	5	1.597%	31,449	61,662		2021
South East Water Reservoir	1,000,000	2007	15	4.614%	93,113	258,103		2022
South Siphon Upgrade	500,000	2012	10	2.226%	56,048	161,783		2022
South Siphon Upgrade	1,000,000	2010	15	3.885%	88,595	470,122		2025
West Lethbridge Water Reservoir	2,300,000	2010	15	3.885%	203,769	1,081,280		2025
Garry Drive Reservoir	5,700,000	2011	15	3.013%	475,124	2,978,448		2026
SE Regional Lift Station	3,600,000	2014	15	2.814%	295,865	2,563,235		2029
Northwest Lethbridge Utility Servicing	1,000,000	2010	20	4.124%	73,909	648,316		2030
Metis Trail	1,800,000	2015	15	2.569%	145,362	1,330,342		2030
Metis Trail	2,800,000	2015	15	2.459%	224,337	2,150,630		2030
Metis Trail Deep Utilities	2,000,000	2015	15	2.569%	161,513	1,478,158		2030
Metis Trail Deep Utilities	2,200,000	2015	15	2.459%	176,264	1,689,780		2030
Northwest Lethbridge Utility Servicing	600,000	2011	20	3.292%	41,190	405,611		2031
Northwest Lethbridge Utility Servicing	15,000,000	2011	20	3.145%	1,016,134	10,091,610		2031
Northwest Lethbridge Utility Servicing	2,900,000	2012	20	2.922%	192,500	2,003,661		2032
Metis Trail (Walsh to Whoop Up Dr)	5,000,000	2017	15	3.023%	417,071	4,455,978		2032
Whoop Up Dr (McMaster to Mauretania)	2,500,000	2017	15	3.023%	208,536	2,227,989		2032
Metis Trail (Walsh to Whoop Up Dr)	2,500,000	2018	15	3.046%	208,875	2,297,864		2033
Whoop Up Dr (McMaster to Mauretania)	1,500,000	2018	15	3.051%	125,370	1,419,788		2033
Metis Trail (Walsh to Whoop Up Dr)	1,400,000	2018	15	3.201%	118,257	1,325,969		2033
Sherring Industrial Park	4,300,000	2018	15	3.201%	363,219	4,072,618		2033
Metis Trail (Walsh to Whoop Up Dr)	800,000	2019	15	2.443%	64,020	777,760		2034
Sherring Industrial Park	4,200,000	2019	15	2.552%	338,762	4,200,000		2034
Total Self Supported					9,499,480	73,018,476	719.52	
<b>Taxation Supported</b>								
<b>General</b>								
ATB Centre - Phase 2 (Leisure Complex)	12,000,000	2016	15	2.798%	985,091	9,982,591		2031
ATB Centre - Phase 2 (Leisure Complex)	5,000,000	2017	15	2.420%	399,476	4,286,756		2032
ATB Centre - Phase 2 (Leisure Complex)	38,000,000	2017	15	3.023%	3,169,740	33,865,432		2032
ATB Centre - Phase 2 (Leisure Complex)	6,950,000	2018	15	3.051%	580,879	6,578,352		2033
ATB Centre - Phase 2 (Leisure Complex)	3,387,182	2019	15	2.443%	271,059	3,293,018		2034
Total Taxation Supported					5,406,245	58,006,149	571.59	
<b>Utility Supported</b>								
<b>Water</b>								
South East Water Reservoir	1,000,000	2005	15	4.422%	91,911	88,951		2020
South East Water Reservoir	3,250,000	2006	15	4.267%	295,579	560,924		2021
Public Operations Site	1,500,000	2012	15	2.627%	121,640	872,529		2027
Public Operations Site	1,250,000	2013	15	2.959%	103,796	775,027		2028
Public Operations Site	500,000	2013	15	3.586%	43,389	331,244		2028
Public Operations Site	1,000,000	2013	15	3.295%	85,030	657,591		2028
Public Operations Site	550,000	2015	15	2.235%	43,358	403,789		2030
Public Operations Site	1,071,500	2016	15	2.351%	85,182	853,979		2031
Water Reservoir Upgrades	800,000	2016	15	2.151%	62,683	659,854		2031
Water Reservoir Upgrades	500,000	2016	15	2.798%	41,045	415,941		2031
Water Treatment Plant Residuals Management	7,000,000	2019	15	2.298%	554,358	7,000,000		2034
Water Treatment Plant Residuals Management	2,500,000	2019	15	2.552%	201,644	2,500,000		2034
					1,729,615	15,119,829	148.99	

**City of Lethbridge**  
**External Borrowings (ACFA) Continued**  
**As At December 31, 2019**

	Original Principal	Year of Borrowing	Term	Interest Rate	Annual Payment	Year End Balance 2019	Per Capita	Year of Maturity
101,482								
<b>Utility Supported (Continued)</b>								
<b>Wastewater</b>								
Sewer Relief	1,350,000	2006	15	4.584%	125,449	237,155		2021
Public Operations Site	1,500,000	2012	10	2.177%	167,731	484,566		2022
Plant Outfall Twinning	782,000	2008	15	4.565%	70,965	256,790		2023
Public Operations Site	1,250,000	2013	10	2.499%	142,042	473,205		2023
Public Operations Site	500,000	2013	10	3.079%	58,473	218,485		2023
Public Operations Site	1,450,000	2015	10	1.779%	158,922	829,166		2025
WWTP Headworks & Clarifier	500,000	2011	15	3.013%	41,678	261,267		2026
Public Operations Site	1,071,500	2016	10	1.860%	117,920	718,817		2026
WWTP Headworks & Clarifier	500,000	2016	10	1.782%	54,809	359,199		2026
WWTP Headworks & Clarifier	700,000	2017	15	2.420%	55,927	600,146		2032
WWTP Primary Clarifier Replacement	2,200,000	2018	15	3.201%	185,833	2,083,665		2033
WWTP Primary Clarifier Replacement	4,000,000	2019	15	2.443%	320,100	3,888,800		2034
WWTP Primary Clarifier Replacement	3,500,000	2019	15	2.298%	277,179	3,500,000		2034
WWTP Headworks and Clarifier Upgrade	3,700,000	2019	15	2.552%	298,433	3,700,000		2034
WWTP Primary Clarifier Replacement	2,400,000	2019	15	2.552%	193,578	2,400,000		2034
					<u>2,269,039</u>	<u>20,011,261</u>	<u>197.19</u>	
<b>Waste &amp; Recycling</b>								
Landfill Surface Water Management	430,000	2010	10	3.377%	51,027	49,763		2020
Landfill Royalty Buyout	6,250,000	2003	20	5.813%	664,621	2,312,904		2023
Landfill Construction & 28 St N	2,300,000	2003	20	5.625%	194,463	679,663		2023
Landfill Approval Compliance	2,100,000	2008	15	4.565%	194,892	705,227		2023
Landfill Approval Compliance	900,000	2009	15	3.973%	80,221	360,550		2024
Curbside Recycling	4,600,000	2018	10	3.007%	536,046	4,199,286		2028
Curbside Recycling	3,000,000	2019	10	2.208%	335,984	2,865,128		2029
Curbside Recycling	500,000	2019	10	2.397%	56,530	500,000		2029
Recycling Depot	1,000,000	2016	15	2.798%	82,091	831,883		2031
Perimeter Berms & Fencing	800,000	2017	15	2.420%	63,916	685,881		2032
Recycling Depot	420,000	2017	15	3.023%	35,034	374,302		2032
Construction & Demolition Processing Area	765,800	2017	15	2.768%	62,731	680,993		2032
Perimeter Berms & Fencing	1,000,000	2017	15	2.768%	81,915	889,256		2032
Gas & Leachate Management Systems	400,000	2017	15	2.768%	32,766	355,703		2032
Waste & Recycling Centre Site Enhancements	1,000,000	2019	15	2.298%	79,194	1,000,000		2034
Gas & Leachate Management Systems	500,000	2019	15	2.552%	40,329	500,000		2034
Waste & Recycling Centre Site Enhancements	700,000	2019	15	2.552%	56,460	700,000		2034
Waste Processing Facility Upgrade	450,000	2019	15	2.552%	36,296	450,000		2034
Curbside Recycling	5,000,000	2018	20	3.209%	340,682	4,818,322		2038
Curbside Recycling	2,400,000	2018	20	3.254%	164,194	2,313,202		2038
					<u>3,189,392</u>	<u>25,272,063</u>	<u>249.03</u>	
<b>Electric</b>								
Secondary Metering (AMI)	4,000,000	2015	5	1.088%	824,131	817,454		2020
Secondary Metering (AMI)	990,000	2016	5	1.597%	206,799	405,472		2021
Electric Infrastructure Replacement	2,000,000	2011	15	3.013%	166,710	1,045,069		2026
Electric Infrastructure Replacement	3,000,000	2012	15	2.627%	243,280	1,745,058		2027
Electric Infrastructure Replacement	4,000,000	2015	15	2.385%	318,775	3,068,305		2030
Northwest Substation	4,500,000	2015	15	2.459%	360,541	3,456,369		2030
Northwest Substation	4,400,000	2016	15	2.351%	349,792	3,506,773		2031
Northwest Substation	1,200,000	2016	15	2.151%	94,025	989,781		2031
Electric Infrastructure Replacement	5,500,000	2016	15	2.351%	437,240	4,383,466		2031
Electric Infrastructure Replacement	1,110,000	2016	15	2.798%	91,121	923,390		2031
Electric Infrastructure Replacement	3,155,000	2017	15	2.768%	258,443	2,805,604		2032
Distribution Extension & Improvement	1,900,000	2018	15	3.051%	158,801	1,798,398		2033
Distribution Extension & Improvement	5,500,000	2018	15	3.201%	464,583	5,209,163		2033
Substation Transformer Upgrades	1,500,000	2019	15	2.443%	120,038	1,458,300		2034
Substation 13.8kV Switchgear Upgrades	1,800,000	2019	15	2.443%	144,045	1,749,960		2034
Distribution Extension & Improvement	3,200,000	2019	15	2.298%	253,421	3,200,000		2034
					<u>4,491,745</u>	<u>36,562,562</u>	<u>360.29</u>	
<b>Total Utility Supported</b>					<u>11,679,791</u>	<u>96,965,715</u>	<u>955.50</u>	
<b>Total External Borrowings December 31, 2019</b>					<u>\$ 26,585,516</u>	<u>\$ 227,990,340</u>	<u>\$ 2,246.61</u>	

**City of Lethbridge**  
**Internal Borrowings**  
**As At December 31, 2019**

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2019	Per Capita 101,482	Year of Maturity
<b>Taxation Supported</b>								
<b>General</b>								
ENMAX Expansion	\$ 5,392,000	2010	15	3.488%	\$ 467,761	\$ 2,861,429		2026
Parks Asset Management	1,666,000	2012	15	2.599%	135,539	967,742		2027
Parks Asset Management	833,000	2014	15	2.814%	68,842	592,852		2029
ATB Centre - Phase 1 (Ice Complex)	2,904,000	2014	15	2.814%	239,997	2,126,236		2029
Lethbridge Police Headquarters	13,125,000	2014	15	2.814%	1,084,698	10,140,494		2029
ATB Centre - Phase 1 (Ice Complex)	240,000	2016	15	2.151%	18,890	197,926		2031
Lethbridge Police Headquarters	1,276,000	2016	15	2.151%	100,431	1,052,305		2031
ATB Centre - Phase 1 (Ice Complex)	234,000	2017	15	3.023%	19,634	208,500		2032
Lethbridge Police Headquarters	940,000	2017	15	3.023%	78,872	837,564		2032
Lethbridge Police Headquarters	240,000	2018	15	3.051%	20,178	227,144		2033
Transit Park 'n Ride	3,630,000	2019	15	2.298%	288,843	3,630,000		2034
Police Technology	line of credit			float	430,200	-		n/a
Total General					2,953,885	22,842,191	225.09	
<b>Self Supported</b>								
<b>Local Improvement</b>								
2010 Lane Paving	288,670	2010	10	3.213%	34,210	33,145		2020
2011 Lane Paving	107,064	2011	10	2.485%	12,224	23,565		2021
2012 Lane Paving	89,408	2012	10	2.226%	10,072	28,918		2022
<b>Land Development</b>								
Sherring Industrial Park	6,000,000	2005	15	4.422%	555,691	532,159		2020
Sherring Industrial Park	5,500,000	2007	n/a	float	n/a	5,500,000		n/a
Total Self-Supported					612,197	6,117,787	60.28	
Total Internal Borrowings	December 31, 2019				\$ 3,566,082	\$ 28,959,978	\$ 285.37	
<b>Funding from:</b>								
Municipal Revenue Stabilization Reserve						\$ 28,959,978		



## Housing Fund

	2015	2016	2017	2018	2019
<b>Opening Balance</b>	\$ 1,282,967	\$ 1,472,157	\$ 1,579,806	\$ 1,669,705	\$ 1,544,882
<b>Funding Approved in Operating Budget</b>	150,000	150,000	150,000	150,000	150,000
	<b>1,432,967</b>	<b>1,622,157</b>	<b>1,729,806</b>	<b>1,819,705</b>	<b>1,694,882</b>
<b>Allocations</b>					
Lot Sales From Development (Temple Blvd/Metis Trail)	(60,000)	-	-	-	-
Castle Apartments	350	-	-	-	-
Upgrading Existing Secondary Suites	20,460	42,351	60,101	56,878	52,838
Affordable Housing Capital Projects:					
YWCA	-	-	-	35,029	13,487
SASHA House	-	-	-	182,916	20,324
<b>Total Capital Allocated</b>	<b>(39,190)</b>	<b>42,351</b>	<b>60,101</b>	<b>274,823</b>	<b>86,649</b>
<b>Closing Balance (Note 1)</b>	<b>\$ 1,472,157</b>	<b>\$ 1,579,806</b>	<b>\$ 1,669,705</b>	<b>\$ 1,544,882</b>	<b>\$ 1,608,233</b>
<b>Funds Committed for Future</b>					
Affordable Capital Housing - YWCA					\$ 202,484
Streets Alive Family Support Association					125,000
<b>Total Committed Funds</b>					<b>\$ 327,484</b>

**Note 1:** As at December 31, 2019, \$1,411,000 of the 2019 closing balance remains in Residential Subdivision Surplus. Based on the Affordable Housing Committee submission to City Council on October 15, 2013, the annual contribution from Residential Subdivision Surplus will be used to fund the Affordable Housing Capital Project Grant.

## Affordable Housing Program Funded by Provincial Grants

	2015	2016	2017	2018	2019
<b>Opening Balance</b>	\$ 1,532,177	\$ 1,453,624	\$ 1,406,726	\$ 1,365,085	\$ 1,393,001
<b>Provincial Grants</b>					
Affordable Housing - Municipal Block Funding ( <b>Note 2</b> )	-	-	-	-	335,063
Trust Interest ( <b>Note 3</b> )	26,737	24,220	23,099	27,916	46,965
	<b>1,558,914</b>	<b>1,477,844</b>	<b>1,429,825</b>	<b>1,393,001</b>	<b>1,775,029</b>
<b>Allocations</b>					
Upgrading Existing Secondary Suites	21,665	-	-	-	-
Rent Supplement Program (Secure First Program)	83,625	71,118	64,740	-	-
Sobering/Intox Program	-	-	-	-	54,799
<b>Total Capital Allocated</b>	<b>105,290</b>	<b>71,118</b>	<b>64,740</b>	<b>-</b>	<b>54,799</b>
<b>Closing Balance</b>	<b>\$ 1,453,624</b>	<b>\$ 1,406,726</b>	<b>\$ 1,365,085</b>	<b>\$ 1,393,001</b>	<b>\$ 1,720,230</b>
<b>Funds Committed for Future</b>					
London Road Project/Seniors Affordable Housing					\$ 655,000
Community Wellbeing & Safety Strategy					400,000
Streets Alive Family Support Association					300,000
Sobering/Intox Program					245,201
Administration Costs					107,000
<b>Total Committed Funds</b>					<b>\$ 1,707,201</b>

**Note 2:** The City of Lethbridge received the remaining funding from the Provincial Government Affordable Housing Program - Municipal Block Funding Grant. The grant term ends December 31, 2021.

**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.

# Heart of Our City Committee

## (Downtown Redevelopment Fund)

	2015	2016	2017	2018	2019
<b>Opening Balance</b>	\$ 239,106	\$ 183,533	\$ 38,762	\$ 53,325	\$ 42,201
<b>Funding Approved in Operating Budget</b>	490,000	490,000	515,000	515,000	540,000
	<b>729,106</b>	<b>673,533</b>	<b>553,762</b>	<b>568,325</b>	<b>582,201</b>
<b>Allocations</b>					
Governance and Administration	139,601	137,201	140,798	134,088	149,508
Design, Planning and Regulatory Processes	-	22,720	8,149	-	-
Championing, Marketing and Promotion	15,000	10,000	14,772	5	104
Downtown Life (Events)	81,575	97,856	127,272	108,936	124,965
Enhancement Works	87,106	105,939	10,326	24,658	4,215
Functional Works Maintenance and Upkeep	222,291	261,055	199,120	258,437	195,244
<b>Total Allocated</b>	<b>545,573</b>	<b>634,771</b>	<b>500,437</b>	<b>526,124</b>	<b>474,036</b>
<b>Closing Balance (Note 1)</b>	<b>\$ 183,533</b>	<b>\$ 38,762</b>	<b>\$ 53,325</b>	<b>\$ 42,201</b>	<b>\$ 108,165</b>

**Note 1:** Funds remaining at the close of 2019 are committed to ongoing projects and programs to be delivered in 2020 based on the 2019-2022 approved operating budget.

## GST Rebates

	2015	2016	2017	2018	2019
<b>Opening Balance</b>	\$ 1,563,611	\$ 1,698,635	\$ 1,920,728	\$ 2,387,002	\$ 2,632,027
<b>GST Rebates</b>	1,029,809	1,168,873	1,348,863	1,411,881	1,531,048
	<b>2,593,420</b>	<b>2,867,508</b>	<b>3,269,591</b>	<b>3,798,883</b>	<b>4,163,075</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	-	64,888	-	-	-
Capital Asset Plan & Register	161,300	161,300	161,300	161,300	161,300
Strategic Building Asset Management	250,000	250,000	250,000	250,000	250,000
Capital Asset Management Maintenance Fees	20,193	20,592	21,289	21,988	25,997
SLP Skate Park (CIP 2014-2023 D-41)	13,292	-	-	-	-
Exhibition Park Trade, Convention Centre & Agriplex (CIP 2018-2027 D-42)	-	-	-	283,568	-
<b>Total Capital Allocated</b>	<b>894,785</b>	<b>946,780</b>	<b>882,589</b>	<b>1,166,856</b>	<b>887,297</b>
<b>Closing Balance</b>	<b>\$ 1,698,635</b>	<b>\$ 1,920,728</b>	<b>\$ 2,387,002</b>	<b>\$ 2,632,027</b>	<b>\$ 3,275,778</b>

## Major Community Event Hosting Grant As of Jan 3, 2020

Background: This information is an update regarding the Major Community Event Hosting Grant including approved events and the remaining available funds. Please refer to City Council policy CC55 "Major Community Event Hosting Policy" for more information regarding this grant.

<b>Total Budget 2015-2018</b>	<b>\$ 1,000,000</b>	
<b>Less Allocated:</b>		
Tour of Alberta 2016	(275,049)	
Southern Alberta Summer Games 2016	(79,194)	
U16 Canadian National Soccer Championships 2016	(30,000)	
World Mixed Double & World Sr Curling 2017	(100,000)	
Japanese Garden Society: Canada 150 Celebration 2017	(73,700)	
Cdn Championships Trampoline Gymnastics 2018	(50,250)	
U of L 50th Anniversary Celebration 2017	(50,000)	
West Cdn U16 Football Championships 2017	(15,000)	
Exhibition Grandstand Anniversary Concert 2017	(37,587)	
Can-Am Police-Fire Games 2022 - Bid only	(10,875)	
	<hr/>	
<b>2015-2018 Available</b>		<b>278,345</b>
<b>Total Budget 2019-2022</b>	<b>1,000,000</b>	
<b>Less Allocated:</b>		
U Sports Men's Hockey (2019)	(125,000)	
World's Men's Curling Championships (2019)	(500,000)	
Alberta Summer Games (2020)	(150,000)	
National Association of Friendship Centres AGM (2019)	(47,500)	
<b>Less Committed:</b>		
Alberta Summer Games (2020)	(100,000)	
	<hr/>	
<b>2019-2022 Available</b>		<b>77,500</b>
		<hr/>
<b>Total Available</b>		<b>\$ 355,845</b>
		<hr/> <hr/>