



Unaudited Financial Information December 2022

December 31, 2022

Prepared by:

Treasury & Financial Services

March 21, 2023



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This City of Lethbridge 2022 Financial Information Report is produced by the Treasury & Financial Services Department in cooperation with all City of Lethbridge departments.

Executive Summary - Unaudited 2022 Year End Financial Information

For Submission to the March 21 City Council Meeting

This Unaudited 2022 Year End Financial Information provides City Council with highlights of the 2022 General Fund, Utility Fund and Reserve Funded Operations and an update on the City's financial position for the year ended December 31, 2022. The supporting Variance Discussion and Analysis has been prepared in cooperation with all Departments.

December 31, 2022 marks the final year of the City's multi-year budget cycle (2019-2022). Typically, to accommodate the four-year budget cycle, departments are expected to operate within their 48 month budget. If there is a shortfall after the third year, departments are expected to overcome the deficit by adjusting expenditures in the final year (2022); and if the experience after the third year results in net under expenditures, the departments have the ability to roll the amounts over to assist operations during the final year. At the end of the four-year budget cycle, any remaining department rollover is transferred to the MRSR in accordance with City Council Resolution.

The Unaudited Report is organized into the following sections: Corporate Accounts, Department Operations, Utility Funded Operations, and Reserve Funded Operations.

The Corporate Accounts ended the year with a positive variance of \$5,656,000. Specific positive and negative budget variances resulting from factors not attributable to the department management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility.

Significant corporate variances include:

- 1) Employee benefit accounts \$6,449,000 - This surplus is attributed to savings in payroll source deductions (CPP, EI, various pension plans) resulting from personnel matters.
- 2) Property Tax revenue \$(785,000) - Due to a \$(518,000) shortfall due to the Provincial Government's announcement that the Province will reduce its payment on property taxes paid on Crown property by 50%, loss of federal and provincial grants in lieu of \$(297,000), a shortfall of Targeted Redevelopment Incentive Program \$(123,000), offset by higher than anticipated growth in residential and commercial properties of \$59,000, and higher than budgeted tax appeals of \$94,000.
- 3) ENMAX COVID-19 Sponsorship & Licensee Loss \$(211,000) - Due to facility closures the ENMAX Centre has extended the end dates on contract terms for sponsors and licensees to compensate for the loss of benefit. Per council resolution on November 2, 2020, an adjustment through the general fund was approved to accommodate for losses incurred because of COVID-19. COVID-19 Pressure Funding was used to offset the pressure in the general fund.
- 4) Permit, development & license revenues \$(1,389,000) - Due to revenue shortfalls in Inspection & Permit \$(976,000), Planning & Development \$(353,000), and business license revenue \$(60,000). These shortfalls are a result of the pandemic and resulting economic conditions.
- 5) General revenue \$396,000 - Due to higher than budgeted transfers from Water Utility of \$127,000 and Landfill Utility of \$74,000, penalties of \$157,000 and other revenues of \$38,000. Included in general revenues is a \$3,726,000 surplus that was a result of other corporate budget variances. This one-time surplus was allocated to the Airport Reserve \$(3,000,000) to offset expected revenue pressures and \$(726,000) is Corporate Budget Contingency being carried over to 2023 Budget.

The corporate surplus will be transferred to the MRSR in 2023 in accordance with City policy.

General Fund Department Operations ended the year with a positive variance of \$1,050,000 which represents 0.57% of the Departments' budgets. Significant areas contributing to the tax supported department variances are summarized below and described in more detail in the Variance Discussion and Analysis.

- 1) Alberta Relief for Shortfalls for Transit Operators (RESTOR) Funding \$1,235,000 - RESTOR grant funding of \$1,235,000 is allocated to Lethbridge Transit and Accessible Transportation to offset significant revenue decline as result of COVID-19.
- 2) Lethbridge Transit & Accessible Transportation \$(1,048,000) - primarily due to reduced fare revenue as well as costs associated with absenteeism and increased overtime coinciding with the removal of COVID-19 restrictions.

Utility Funded operations ended the year with a negative variance of \$(373,000). Significant variances include:

- 1) Electric \$(2,390,000) - This is primarily due to a negative variance of \$(2,739,000) for distribution tariff, a negative variance in Regulate rate tariff of \$(854,000) a negative variance in Fibre operations of \$(12,000), offset by a positive variance in Transmission Tariff operations of \$1,215,000.
- 2) Waste Collection \$893,000 - Revenues have a positive variance of \$490,000 primarily due to higher than budgeted collection revenues as well as a positive variance of \$403,000 in operating expenses primarily due to lower than budgeted expenditures in diversion operations.
- 3) Waste Processing \$806,000 - Revenues have a positive variance of \$1,520,000 primarily due to higher than budgeted tonnages of solid waste, construction and demolition debris. Operating expenses have a negative variance of \$(714,000); primarily due to increased fuel, utility and material processing costs. There was \$1,550,000 less than budgeted debenture debt payments. Per the FS6 Debt Management Policy the surplus of \$(1,550,000) was applied as a downpayment to approved Capital Improvement Projects to reduce future debt financing.
- 4) Wastewater \$124,000 - Revenues have a positive variance of \$2,061,000 primarily due to higher than budgeted Industrial revenues, and general revenues. Operating expenses have a negative variance of \$(1,937,000); this is primarily a result of higher than budgeted expenses in Wastewater Treatment Plant Operations. There was \$718,000 less than budgeted debenture debt payments and \$349,000 surplus in operating funds that was applied as a downpayment to the 2022-2031 Capital Improvement Project E-21 WWTP Electrical Upgrades for a total of \$(1,067,000) to reduce future debt financing.
- 5) Water \$194,000 - Revenues have a positive variance of \$1,528,000 primarily due to higher than budgeted Residential, Regional & Irrigation revenues, and general revenues. Water expenses have a negative variance of \$(1,334,000). There was \$1,872,000 less than budgeted debenture debt payments and \$1,500,000 surplus in operating funds that was applied as a downpayment to 2022-2031 Capital Improvement Project E-12 WTP Process Redundancy for a total of \$(3,372,000) to reduce future debt financing.

Reserve funded operations variances to note include:

- 1) Airport \$(333,000) - Airport revenues ended the year with a positive variance of \$207,000 due to an increase in lease, passenger facility, landing and terminal fees. Operation expenses ended the year with a \$(540,000) negative variance primarily due to purchases of equipment and wages due to changes in Transport Canada regulations. This resulted in an increased transfer from the Airport Reserve.

On November 30, 2020, City Council approved the 2021-2022 budget for the Airport which incorporated the negative impact of COVID-19 on passenger and air traffic revenues. The result of

these reductions was a budgeted transfer of \$(1,140,000) from the Airport reserve, the required transfer to cover operating costs was \$(1,122,000). Additionally, per December 14th, 2021 Council resolution, a transfer of \$(350,000) was completed to purchase a sweeper from the Airport Reserve resulting in a total transfer from the reserve of \$(1,472,000).

We would like to acknowledge our staff across the organization for their commitment in compiling and analyzing the information required to produce this report. We are pleased with the results of this year and our Departments continue to do an admirable job of providing service to our community and managing budget funds responsibly. Our financial policies continue to serve the City of Lethbridge and its residents in maintaining a strong financial position for the future.

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

Respectfully submitted,



Jennifer Jerred CPA, CA
Controller



Darrell Mathews CPA, CMA, CIA
City Treasurer



Lloyd Brierley
City Manager



CITY OF LETHBRIDGE

Unaudited 2022 Summary of Operations

General Fund - Corporate Accounts

	Budget (Net Revenue) Net Expenditure	Actual (Net Revenue) Net Expenditure	Variance Pos (Neg)
General Fund			
Corporate Accounts			
Property Tax	\$ (160,717,347)	\$ (159,932,757)	\$ (784,590)
General Revenues	(29,012,619)	(29,408,122)	395,503
Permit, development & license revenues	(5,650,100)	(4,260,449)	(1,389,651)
Employee benefit accounts	-	(6,449,131)	6,449,131
Grants to organizations	1,093,975	1,064,919	29,056
	(194,286,091)	(198,985,540)	4,699,449
Non-discretionary department variances			
Corporate fuel costs	2,071,800	1,698,365	373,435
Utility costs for tax supported City facilities	5,092,500	4,628,836	463,664
ENMAX COVID-19 Sponsorship & Licensee Loss	-	211,000	(211,000)
COVID-19 Pressure Funding	-	(211,000)	211,000
Contractual Agreement Reimbursement	-	(120,000)	120,000
	7,164,300	6,207,201	957,099
	\$ (187,121,791)	\$ (192,778,339)	\$ 5,656,548

Note 1: The corporate surplus will be transferred to the MRSR in the following year in accordance with City policy.



CITY OF LETHBRIDGE

Unaudited 2022 Summary of Operations

General Fund - Department Operations

	2022	2022	2022	2021	2019-2022
	Budget	Actual	Variance	Roll Over	Balance
	(Net Revenue)	(Net Revenue)	Pos (Neg)	Remaining	Pos (Neg)
	Net Expenditure	Net Expenditure		Pos (Neg)	
Boards and Commissions					
Galt Museum	\$ 1,861,386	\$ 1,889,770	\$ (28,384)	\$ 34,019	\$ 5,635
Lethbridge Police Services	37,656,976	37,656,976	-	-	-
Lethbridge Public Library	6,341,541	6,435,818	(94,277)	137,158	42,881
General Government					
City Clerk	950,714	874,781	75,933	59,246	135,179
City Manager's Office & Chief of Staff	973,512	973,512	-	954	954
City Solicitor	414,857	412,837	2,020	(2,533)	(513)
Mayor & City Council Office	557,777	435,538	122,239	307,780	430,019
Opportunity Lethbridge	1,793,042	1,744,189	48,853	321,397	370,250
Pay-As-You-Go	13,930,000	13,930,000	-	-	-
Corporate & Customer Services					
Corporate & Customer Support	369,746	374,473	(4,727)	-	(4,727)
IT Services & Digital Transformation	5,509,200	5,508,187	1,013	7,427	8,440
Facility Services	7,155,604	7,155,604	-	-	-
311 Customer Service	1,056,128	772,351	283,777	499,864	783,641
People & Culture	2,467,730	2,467,730	-	(16,679)	(16,679)
Finance & Corporate Performance	5,448,880	5,264,346	184,534	379,421	563,955
Community Services					
Community Social Development	1,881,876	1,881,876	-	-	-
Community Services Support	1,103,064	1,037,918	65,146	76,373	141,519
ENMAX Centre	874,190	939,600	(65,410)	-	(65,410)
Fire & Emergency Services	33,486,157	33,472,468	13,689	1,374,690	1,388,379
Recreation & Culture	11,679,447	11,559,007	120,440	1,175,607	1,296,047
Regulatory Services	1,624,593	1,594,612	29,981	30,098	60,079
Lethbridge Transit & Accessible Transportation	12,508,647	13,557,068	(1,048,421)	(686,801)	(1,735,222)
Infrastructure Services					
Infrastructure Services Support	350,273	350,273	-	25,068	25,068
Parks	13,573,249	13,797,207	(223,958)	237,171	13,213
Planning & Design	4,985,116	4,599,836	385,280	1,305,315	1,690,595
Stormwater	557,898	691,493	(133,595)	(126,279)	(259,874)
Transportation	13,998,322	13,917,563	80,759	719,413	800,172
RESTOR Funding	-	(1,234,884)	1,234,884	-	1,234,884
	183,109,925	182,060,149	1,049,776	5,858,709	6,908,485

Notes:

Significant variances are explained within Section A-5 Variance Discussion and Analysis

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



CITY OF LETHBRIDGE

Unaudited 2022 Summary of Operations

Summary of Utility Funds

	Budget	Actual	Variance Pos (Neg)
Utility Funded Operations			
Electric			
Revenue	\$ 89,418,840	\$ 101,295,490	\$ 11,876,650
Expenses	89,418,840	103,685,237	(14,266,397)
Surplus	-	(2,389,747)	(2,389,747)
Waste Collection			
Revenue	12,053,826	12,544,057	490,231
Expenses	12,053,826	11,650,809	403,017
Surplus	-	893,248	893,248
Waste Processing			
Revenue	11,680,100	13,200,303	1,520,203
Expenses	11,680,100	12,394,299	(714,199)
Surplus	-	806,004	806,004
Wastewater			
Revenue	18,530,900	20,592,076	2,061,176
Expenses	18,530,900	20,468,256	(1,937,356)
Surplus	-	123,820	123,820
Water			
Revenue	24,900,000	26,428,360	1,528,360
Expenses	24,900,000	26,234,224	(1,334,224)
Surplus	\$ -	\$ 194,136	\$ 194,136



CITY OF LETHBRIDGE

Unaudited 2022 Summary of Operations

Summary of Reserve Funds

	Budget	Actual	Variance Pos (Neg)
Reserve Funded Operations			
Airport			
Revenue	\$ 1,058,100	\$ 1,265,288	\$ 207,188
Less expenditures	2,557,500	3,098,004	(540,504)
Plus tax supported funding	360,700	360,700	-
Transfer from the Reserve	(1,138,700)	(1,472,015)	(333,316)
Cemeteries			
Revenue	945,500	939,268	(6,232)
Less expenditures	1,463,639	1,389,006	74,633
Plus tax supported funding	518,139	518,139	-
Transfer to the Reserve	-	68,401	68,401
Community Lighting			
Revenue	9,900	661,211	651,311
Less expenditures	3,277,927	3,684,893	(406,966)
Plus tax supported funding	3,268,027	3,268,027	-
Transfer to the Reserve	-	244,345	244,345
Fleet Services			
Revenue	13,706,350	14,168,133	461,783
Less expenditures	9,009,617	9,515,021	(505,404)
Transfer to the Reserve	4,696,733	4,653,112	(43,621)
Parking			
Revenue	1,383,100	1,003,021	(380,079)
Less expenditures	802,883	776,741	26,142
Transfer from reserve to operations	(135,000)	(135,000)	-
Transfer to the Reserve	445,217	91,280	(353,937)
Opportunity Lethbridge			
Less expenditures	1,352,097	1,216,094	136,003
Transfer from Subdivision Surplus	(1,352,097)	(1,216,094)	136,003
Risk Management			
Revenue	3,817,500	3,842,735	25,235
Less expenditures	3,521,124	4,011,489	(490,365)
Transfer from the Reserve	\$ 296,376	\$ (168,754)	\$ (465,130)

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

1) a) General Fund - 2022 Corporate Accounts

Corporate Accounts surplus of \$5,656,548 - Specific positive and negative budget variances resulting from factors not attributable to the department management (e.g. corporate revenues and utility costs on City facilities) are reported as a corporate responsibility. The corporate surplus will be transferred to the MRSR in the following year in accordance with City policy. The major areas are summarized as follows:

Property Taxes - ended the year with a negative variance of \$(785,000). The deficit is mainly due to a \$(518,000) shortfall due to the Provincial Government's announcement that the Province will reduce its payment on property taxes paid on Crown property by 50%, Targeted Redevelopment Incentive Program of \$(123,000), loss of federal and provincial grants in lieu of \$(297,000). This is offset with higher than anticipated growth in residential and commercial properties of \$59,000 and higher than budgeted tax appeals of \$94,000.

General Revenues - ended the year with a positive variance of \$396,000. The surplus is due to higher than budgeted transfer from Water Utilities to General Operations of \$127,000, higher than budgeted transfer from the Landfill to General Operations of \$74,000, penalties of \$157,000 and other revenues of \$38,000.

Included in general revenues is a \$3,726,000 surplus that was a result of other corporate budget variances. This one-time surplus was allocated to the Airport Reserve \$(3,000,000) to offset expected revenue pressures and \$(726,000) is Corporate Budget Contingency being carried over to 2023 Budget.

Permit, development & license revenues - ended the year with a negative variance of \$(1,389,000). This variance is due to Inspection & Permit revenue shortfall of \$(976,000) and Planning & Development revenue shortfalls of \$(353,000), job loss and uncertainty stemming from COVID-19 has impacted capacity to purchase and renovate. Business license revenues ended the year with a deficit of \$(60,000) due to the pandemic and the resulting economic conditions.

Employee benefit accounts - ended the year with a positive variance of \$6,449,000. This surplus is attributed to savings in payroll source deductions (CPP, EI, various pension plans) resulting from personnel matters.

Corporate fuel costs - ended the year with a positive variance of \$373,000. 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 \$464,000. This variance is due to surpluses of \$197,000 for electricity, \$98,000 for natural gas, \$170,000 for city utilities, and an overall utility deficit of \$(1,000) at the ENMAX Centre.

ENMAX COVID-19 Sponsorship & Licensee Loss - ended the year with a negative variance of \$(211,000). Due to facility closures the ENMAX Centre has extended the end dates on contract terms for sponsors and licensees to compensate for the loss of benefit. Extensions have been granted over multiple years ending in 2024. Per council resolution on November 2, 2020, an adjustment through the general fund has been made to accommodate for losses incurred because of COVID-19. COVID-19 Pressure Funding was used to offset the pressure in the general fund.

Contractual Agreement Reimbursement - ended the year with a positive variance of \$120,000. The operating agreement for the ATB Centre requires a reimbursement to the City if the contractor has a net profit in any year. This positive variance is a result of the net operational profit for the 2022 agreement.

1) b) General Fund - 2022 Department Operations

Departments ended the year with a positive variance of \$1,049,776 which represents 0.57% of the departments' budgets. At the end of the four-year budget cycle any remaining Department Rollover is transferred to the MRSR in accordance with City Council Resolution.

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

Boards and Commissions

Galt Museum - ended the year with a negative variance of \$(28,000). This is as a result of grants and donations excess of \$255,000 from granting agencies including Heritage Canada, Young Canada Works, Alberta Museums Association, Community Futures Treaty Seven and Canada Summer Jobs. Earned revenue excess of \$35,000 from facility rentals, school program fees and admissions resulted from fee increases and increased activity. Under-expenditures of \$14,000 in travel and convention are due to travel restrictions at the beginning of the year. These positive variances are offset by over-expenditures in temporary staffing wages \$(100,000), electric cargo van, \$(64,000), programs and equipment supplies \$(19,000), digital strategy development \$(54,000) and video series contract \$(20,000), as well as over-expenditures in honorariums due to increased Indigenous consultations with knowledge keepers \$(42,000). In addition, over-expenditures were incurred in feature exhibits development costs \$(33,000) due to increases in artist fees and changes to feature exhibits schedule.

Lethbridge Police Service (LPS) - ended the year in a balanced position. Operating expenses were higher than anticipated by (\$2,065,000) due to increased costs for uniforms, security contracts, furnishings, renovations, contractual services, cell phone costs and general supplies, offset by a budget surplus in wages.

Technology and equipment expenses were \$(1,182,000) higher than anticipated mainly due to a backlog in replacements, technology hardware upgrades, software costs and transition to Windows 10, and critical incident and use of force supplies were \$(171,000).

These negative variances were offset by revenues that were higher than anticipated by \$600,000 mainly due to increased revenue from police checks, seized vehicles and fines of \$260,000, increase in Victim Witness Grant of \$150,000, and the Policing Support Grant of \$190,000.

Technology & Equipment expenses were offset by funding from Police Technology line of credit \$1,607,000 and lifecycle \$83,000; critical incident and use of force equipment and supplies were offset by \$171,000 from lifecycle.

Boards and Commissions

The Police Commission elected to maintain policing service levels for Lethbridge citizens in 2022 while experiencing a \$1,000,000 operating budget reduction and authorized Lethbridge Police Service to use their remaining Budget Appropriation Unexpended (BAU) balance of \$957,000 to cover the budget shortfall.

Lethbridge Public Library - ended the year with a negative variance of \$(94,000). Positive variances include unbudgeted revenue from a federal grant \$23,000, additional revenue from general revenue, fines and fees \$27,000, and under expenditures in travel, education and recruitment \$39,000, contractual services \$6,000, and wages and benefits \$83,000 (majority due to budgeted CALP (Community Adult Learning Program) funding year July-June). These positive variances were offset by over expenditures in information technology \$(44,000), building & vehicle maintenance, equipment & supplies \$(25,000) and shortfall due to carry forward of CALP grant \$(48,000) and net transfer to/from reserves \$(155,000). This negative variance will be covered by prior years surpluses with the Library forecasted to end the 4 year budget cycle with a positive variance of \$42,000 due to the impact of closures as a result of COVID.

General Government, Corporate & Customer Services

City Clerk - ended the year with a positive variance of \$76,000. Savings from the forgone census were partially offset by the hiring of term positions.

Mayor & City Council Office - ended the year with a positive variance of \$122,000. This surplus is due to less travel, receptions and promotional events.

Opportunity Lethbridge - ended the year with a positive variance of \$49,000. This surplus is due to lower than budgeted wage expense.

IT Services & Digital Transformation - ended the year with a positive variance of \$1,000. The operating variance was \$902,000 due to lower than anticipated licensing and maintenance costs; of this amount \$(901,000) was transferred to capital lifecycle.

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.

311 Customer Service - ended the year with a positive variance of \$284,000. This surplus is primarily due to under expenditures in Business Integration and Customer Relationship Management system enhancements and training.

Finance & Corporate Performance - ended the year with a positive variance of \$185,000. This positive variance is primarily due to lower than budgeted wages related to timing delays in the hiring of vacant positions and other wage related costs of \$225,000. Other positive variances include travel & training \$65,000, contractual services and special services & studies \$82,000, computer software & hardware maintenance \$30,000, and supplies of \$33,000. These have been offset with a BAU transfer for special services & studies associated with Asset Retirement Obligations \$(100,000) and transfers to corporate systems lifecycle for the Corporate ERP System \$(100,000) and for Assessment & Taxation Tempest projects \$(50,000).

Community Services

Community & Social Development - ended the year in a balanced position. This program is primarily Federally and Provincially grant funded. All grant funds are allocated against eligible project expenditures in accordance with the terms of the Federal or Provincial contribution agreements. Any grant funding received in excess of eligible expenses for the City's fiscal period, are required to be carried over and recorded as deferred revenue at the end of the year.

Community Services Support - ended the year with a positive variance of \$65,000. This surplus is primarily due to wage savings of \$30,000 as a result of various transitions within the department, reduced training and travel \$25,000 and savings in supplies \$10,000.

ENMAX Centre - ended the year with a negative variance of \$(65,000). This is an exceptional recovery for 2022 given the COVID-19 restrictions that impacted ENMAX at the beginning of the year, which canceled events, restricted capacity, and no food and beverage was allowed for two key months. The ENMAX deficit was due to reduced revenue in Ticketing of \$(199,000) and Food and Beverage of \$(160,000), both early in the year from a loss of and weaker attendance at events and hockey. Parking had a shortfall of \$(123,000) due to required changes of one-time costs and a more gradual implementation, which created lower parking attendance. Junior Hockey was over budget by \$(91,000) due to higher transfer fees and lower attendance at the beginning of the season. These were offset by surpluses in Marketing of \$23,000 from higher sponsorship revenue, Events of \$235,000 and Operations of \$250,000 through lower costs in labour, supplies, and event expenses.

Fire & Emergency Services - ended the year with a positive variance of \$14,000. Fire and Emergency Services operations ended the year with a positive variance of \$12,000. This is due to positive variances in Fire/Operations wages of \$730,000 arising from a combination of lower than budgeted expenses relating to staff attrition, various leaves and open positions, increased EMS revenues of \$570,000 and decreased training and travel of \$80,000. This is offset by two new recruitment classes of \$(583,000), increased Fire and EMS supplies/equipment, uniforms and contractual services of \$(490,000), a Lifecycle transfer for a Sprinkler Trailer of \$(150,000), increased Health and Wellness of \$(75,000) and increased Fleet costs of \$(70,000).

PSCC operations ended the year in a positive surplus of \$2,000. This is due to a surplus in wages of \$455,000 due to various leaves and vacant positions, increased 911 wireless and other revenues of \$100,000 and a surplus in supplies and contractual services of \$42,000. This is offset by an increase in relief wages of \$(380,000), loss of revenue of the Rural Peace Officer Dispatching contract of \$(90,000), a Lifecycle transfer of \$(70,000) for PSCC maintenance, a decrease in 911 landline revenue of \$(45,000) and increased training wages due to two recruit classes of \$(10,000).

Recreation & Culture - ended the year with a positive variance of \$120,000. This variance is primarily due to operational savings including utilities of \$422,000 and a net surplus in wages of \$71,000, offset by a net loss in revenue of \$(215,000) in facility bookings and a negative variance of \$(158,000) in contractual allocations.

General Recreation & Culture ended the year in a positive variance of \$61,000. Due to a positive variance of \$86,000 in the areas of operational expenses as well as \$22,000 in training surplus. This is offset by negative variances of \$(39,000) in wages and \$(8,000) in various areas.

Nikka Yuko Japanese Garden (NYJG) ended the year in a positive variance of \$90,000 made up of savings in wages, operational expenses and training.

Arenas ended the year with a negative variance of \$(61,000) made up of negative variances in revenue of \$(279,000) and wages of \$(64,000), offset by net savings of \$282,000 in operations and utilities.

Aquatics ended the year with a negative variance of \$(20,000) made up of a negative variance of \$(154,000) in contractual allocations offset by a positive variance of \$134,000 in operations.

Fritz Sick ended the year with a positive variance of \$7,000, the Yates with a positive variance of \$32,000 and Helen Schuler Nature Centre with a positive variance of \$11,000.

Lethbridge Transit & Accessible Transportation - ended the year with a negative variance of \$(1,048,000). As transit recovers from the COVID-19 impact, we continue to be challenged by the impact that absenteeism has on our workforce and associated costs. Although high rates of overtime have been historically present at transit for several years, a significant increase occurred in March 2022, coinciding with the removal of COVID-19 restrictions and contributed to significant deficits. This impact is compounded by a reduction in revenue from passenger fares that is attributable to COVID-19 and the impact that it has had on ridership.

Infrastructure Services

Parks - ended the year with a negative variance of \$(224,000). Parks Planning, Development and Environmental Services ended with a \$293,000 surplus, Parks Administration a \$(54,000) deficit and Parks operations a \$(463,000) deficit. The Parks operations variance includes a positive variance of \$272,000 in maintenance, revenue surplus of \$88,000, chemical application surplus of \$101,000, offset by a deficit of \$(733,000) in Irrigation, and a Parks Snow Removal negative variance of \$(191,000).

Planning & Design - ended the year with a positive variance of \$385,000. This surplus was generated due to staff transitioning and associated savings related to slower than anticipated Planning and Development activity and decreased spending in response to a downturn in revenue.

Stormwater - ended the year with a negative variance of \$(134,000). This negative variance was due to higher distribution costs mainly in manholes and catch basin maintenance.

Transportation - ended the year with a positive variance of \$81,000. Administration accounts ending the year with a \$37,000 surplus due to under expenditures in transportation studies. Traffic Operations ended the year in a deficit position \$(189,000) due primarily to over expenditures in Traffic Signal Maintenance. Transportation maintenance accounts ended the year with a surplus of \$233,000 due primarily to under expenditures to the Street Cleaning, Pathways maintenance and Rail maintenance programs.

COVID-19 Pressure Funding

RESTOR Funding - ended the year with a positive variance of \$1,235,000. Alberta Relief for Shortfalls for Transit Operators (RESTOR) one-time Grant funding of \$1,235,000 is to offset significant revenue decline as a result of COVID-19 for Lethbridge Transit and Accessible Transportation

2) 2022 Utility Funded Operations

Utility Services - ended the year in a balanced position. Systems metering and billing accounts ended the year under expended by \$137,000. Customer Care and Administration finished the year with a surplus of \$144,000. Utility Services systems management accounts ended the year in a positive position of \$26,000. Bad debts, penalties and disconnect / reconnect activities finished the year in a deficit position of \$(144,000). Utility Services Revenue ended the year lower than budgeted \$(163,000) due to lower than budgeted community growth.

Electric Utility - ended the year with a negative variance of \$(2,390,000) from operations, compared to its balanced budget, broken down as follows:

Fibre Operations - negative variance	\$ (12,000)
Distribution Tariff - negative variance	(2,739,000)
Regulated Rate Tariff - negative variance	(854,000)
Transmission Tariff - positive variance	<u>1,215,000</u>
Total Electric Operations - negative variance	\$ <u>(2,390,000)</u>

Fibre Operations - Fibre Operations ended the year in a negative variance of (\$12,000) due to a decrease in Cost of Capital and Depreciation expenses of \$8,000 and increase in system operations of (\$20,000).

Distribution Tariff - Distribution Tariff ended the year in a negative variance of \$(2,739,000) due to a negative variance of \$(2,853,000) from Transmission Access (the component of the Distribution Tariff which collects the funds required to cover fees from the AESO DTS invoices, and Rider C is used to match the costs and revenue). A positive variance of \$114,000 from Distribution Access (the component of the Distribution Tariff which collects funds required to pay for the distribution infrastructure required to connect Lethbridge customers to the provincial transmission system).

Regulated Rate Tariff - Regulated Rate Tariff ended the year in a negative variance of (\$854,000). The actual amount of energy (MW) purchased is more than our forecasted amount (hedge amount) of energy (MW), which causes the City to buy the excess need for our customers from the Balancing Pool and the price for that energy has more than doubled as compared to last year.

Transmission Tariff - Transmission Tariff ended the year in a positive variance of \$1,215,000 due to an increase in revenue of \$570,000, a decrease in depreciation of \$952,000, increase in Cost of Capital \$(339,000), increase in Linear Property Tax \$(136,000), decrease in system operations of \$168,000.

The 2022 Electric Operations actual negative variance of \$(2,390,000) will be transferred in 2023 to the Electric Utility Reserve in accordance with City Policy.

Waste & Recycling Utility

Waste Collection - ended the year with a positive variance of \$893,000.

Recycling Collection ended the year in a Surplus position of \$371,000. Recycling revenues finished the year with a surplus of \$105,000. Waste Diversion operations ended the year in a surplus position of \$466,000 primarily due to under expenditures in Waste Prevention programs and curbside recycling operations. Recycling Debenture debt accounts ended the year with a surplus of \$38,000. Toxic Waste disposal expenses increased significantly due primarily to changes in the provincial government funding, contributing to a deficit of \$(48,000). Waste Diversion programs

(organic waste diversion and diversion depots) finished the year over expended by \$(190,000).

Waste Collection operations ended the year in a surplus position of \$522,000. Waste collection revenues (both residential and commercial) finished the year with a \$385,000 surplus. Clean City programs (Large Item Service, Clean Lanes and Free Saturday) ended the year in a surplus position \$103,000. Residential and Commercial waste collection ended the year the year in surplus position of \$34,000.

The accumulated surplus as at December 31, 2022 is \$3,659,000; 2021 was \$2,766,000.

Waste Processing - ended the year with a positive variance of \$806,000.

The Landfill ended the year in a surplus position of \$844,000. Landfill revenues finished the year in a surplus position of \$1,353,000. Mixed solid waste, construction and demolition debris tonnages increased in the last quarter of 2022. The landfill diversion program ended the year in a surplus position of \$33,000. Landfill operations finished the year in a deficit position of \$(475,000). Closed Landfill operation accounts ended the year with a surplus of \$7,000. Consistent with the higher than budgeted revenue is an increase in the 10% transfer to the general fund of \$(74,000).

The Material Recovery Facility (MRF) finished the year in a deficit position of \$(38,000). Revenues ended the year greater than budgeted by \$167,000 due to increased regional tonnage received coupled with higher than budgeted market price of commodity sales. Debenture Debt payments for the MRF are under budget by \$65,000 and MRF operations finished the year in a deficit \$(270,000).

There was \$1,550,000 less than budgeted debenture debt payments. Per the FS6 Debt Management Policy the surplus was applied as a downpayment to reduce future debt financing of \$(992,000) to 2022-2031 CIP E-8 Waste & Recycling Center Disposal Cell Development and Closure, \$(463,000) 2018-2027 CIP E-9 Waste & Recycling Site Enhancements and \$(100,000) to 2022-2031 E-10 Waste & Recycling Center Site Enhancements.

The accumulated surplus as at December 31, 2022 is \$6,840,000; 2021 was \$6,034,000.

Wastewater Utility - ended the year with a positive variance of \$124,000. Revenues finished the year higher than budgeted by \$2,061,000. This increase is due primarily to higher than budgeted Industrial revenue of \$2,546,000 offset by deficits in Regional revenues of \$(40,000) and \$(445,000) Commercial/General revenue. This surplus is primarily the result of higher than usual sewage loading from Industrial customers. Industrial customers can mitigate the additional costs through more diligent wastewater pretreatment.

Operating expenditures ended the year in a deficit of approximately \$(1,937,000). Wastewater Administration and Technical Support finished the year with a surplus of \$171,000. Wastewater Treatment Plant operations ended the year in a deficit position of \$(1,759,000) due to higher than budgeted maintenance, Biosolids removal and lagoon overflow mitigation.

There was \$718,000 less than budgeted debenture debt payments. Per the FS6 Debt Management Policy the debenture debt payment surplus of \$(718,000) and additional operating surplus of \$(349,000) was applied as a downpayment to the 2022-2031 Capital Improvement Project E-21 WWTP Electrical Upgrades to reduce future debt financing.

The accumulated surplus as at December 31, 2022 is \$5,417,000; 2021 was \$6,938,000. Additionally, per the 2022-2031 CIP funding was allocated from accumulated surplus in 2022; \$645,000 to 2022-2031 E-19 WWTP Biosolid Treatment Upgrades and \$1,000,000 to 2022-2031 E-20 WWTP Effluent

Water System Upgrade. Accumulated Surplus funding of \$500,000 has been committed to 2022-2031 CIP E-19 WWTP Biosolid Treatment Upgrades.

The balance of this amount has been identified as a short-term financing option for the potential Off-Site Account shortfall in 2023-2024.

Water Utility - ended the year with a positive variance of \$194,000. Revenues finished the year greater than budgeted by \$1,528,000. This increase is due primarily to higher than budgeted Residential Revenues of \$714,000, Regional Revenues of \$408,000, and General Revenues of \$406,000. Operating expenditures finished the year in a deficit position of \$(1,334,000). Debenture debt ended the year in a surplus of \$1,872,000 under budget and this surplus \$(1,872,000) was applied as a downpayment to 2022-2031 CIP E-12 WTP Process Redundancy to reduce future borrowing requirements. Water Distribution system maintenance accounts finished the year under budget by \$190,000 due to less than budgeted meter replacements, and service connections maintenance. Water administration and Technical Support accounts ended the year in a surplus position of \$171,000. The Water Treatment Plant finished the year with a \$(68,000) deficit as a result of higher maintenance costs. Consistent with an increase in Water revenues is an increase to the water utility contribution to the general fund of \$(127,000).

Additional operating surplus of \$(1,500,000) have been applied as a downpayment to 2022-2031 CIP E-12 WTP Process Redundancy.

The accumulated surplus as at December 31, 2022 is \$8,368,000; 2021 was \$8,174,000. Funding of \$800,000 of the accumulated surplus has been committed to 2022-2031 CIP Project E-12 Water Treatment Process Redundancy.

The balance of this amount has been identified as a short-term financing option for the potential Off-Site Account shortfall in 2023-2024.

3) 2022 Reserve Funded Operations

Airport Operations - ended the year with a negative variance of \$(333,000). Operating Costs have a \$(540,000) negative variance primarily due to purchases of equipment \$(505,000), increased wage costs \$(124,000) due to Transport Canada requirement that Airport is staffed 24hrs/day, special services and studies \$(215,000) and increased utility costs \$(56,000). (Included in equipment purchases is a Sweeper for \$(399,000) which was approved by Council Dec 14, 2021 and the majority funded from the Airport Reserve \$350,000). This negative variance is offset with a positive variance in maintenance and supplies of \$77,000 and transfers from BAU and Lifecycle of \$283,000. Revenues have a positive variance of \$207,000 of which \$114,000 is due to increase in lease and other revenues and \$93,000 is due to an increase in passenger facility, landing and terminal fees.

On November 30, 2020, City Council approved the 2021-2022 budget for the Airport which incorporated the negative impact of COVID-19 on passenger and air traffic revenues. The result of these reductions was a budgeted transfer of \$(1,140,000) from the Airport reserve, the required transfer to cover operating costs was \$(1,122,000). Additionally, per December 14th, 2021 Council resolution, a transfer of \$(350,000) was completed to purchase a sweeper from the Airport Reserve resulting in a total transfer from the reserve of \$(1,472,000).

Traffic Safety Act Revenues - ended the year with a negative variance of \$(2,567,000). Revenues include photo radar for the City of Lethbridge, Provincial violation fines (tickets for speeding, failing to stop, going through red lights, etc.).

This is an area that was impacted by the Provincial Budget. Starting in 2020, the Province retained a greater share of fines and penalties revenue (increase to 40% from 27%). This has reduced municipal traffic safety act revenue by approximately \$1.2 million per year. In 2022, photo radar revenues were impacted due to changes in rules regarding photo radar use. New provincial guidelines include restrictions on use in transitions zones (with the exception of school zones) as well as mandating photo radar vehicles and equipment to be clearly visible. There is also a decrease in conventional fines due to LPS having to reallocate Traffic Safety resources to other units.

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 \$68,000. The 2022 net transfer to the Cemeteries Reserve is comprised of \$40,000 interest revenue and \$28,000 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 \$(7,000)
- ii) Surplus in various operational expenditures of \$35,000.

Community Lighting - ended the year with a positive net transfer of \$244,000. Roadway Lighting distribution and consumption charges ended the year in a surplus position of \$178,000 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 \$66,000 due to decreased maintenance required on the network's 13,000 streetlights. This surplus will be transferred to the Community Lighting Reserve.

In 2022, \$652,000 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 fund 2022-2031 CIP projects.

Fleet Services - ended the year with a negative variance of \$(43,000). Garage operations ended the year with a negative variance of \$(505,000) offset by a positive revenue variance of \$462,000. This resulted in a shortfall of the budgeted transfer to the Fleet Reserve.

Parking Operations - ended the year with a negative variance of \$(354,000). Parking revenues from both on-street and off-street collections finished the year lower than budgeted by \$(380,000). Expenditures in parking operations ended the year in a surplus of \$26,000 due to lower than budgeted expenditures in parking meter system operating costs. This resulted in a shortfall of the budgeted transfer to the Acquire Off-Street Parking Reserve.

Risk Management - ended the year with a negative variance of \$(465,000). This is due to higher than anticipated insurance premiums. Several insurers have pulled out of municipal underwriting due to hardening market, which is defined by an upswing in the market cycle (premiums increasing, with the capacity for most types of insurance decreasing).

Snow Clearing - Ice control and snow removal operations ended the year in a deficit position of \$(288,000). 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 department may transfer the unexpended funds with City Manager's approval. Such transfers are recorded in a reserve for budget appropriations unexpended.

Department 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, departments are expected to operate within the 48 month budget allocation. If there was a shortfall after the first three years, departments 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 departments have 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 Department Roll Over is transferred to the MRSR in accordance with City Council Resolution.

Department Variance - the specific department budgeted variance between the approved budget and actual net expenditure for the fiscal period. These variances are the responsibility of the department.

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).

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 Department Variances - specific positive and negative budget variances resulting from factors not attributable to the department 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

	2019	2020	2021	2022
Contingency Included in 2019-2022 Budget	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000
Allocated by City Council:				
Ongoing:				
A-87 Corporate Contingencies (Budget Reduction)			(1,000,000)	(1,500,000)
Workforce Adjustments				1,066,453
One-time:				
Transfer to Major Capital Project Reserve for 2022-31 CIP Planning Projects		(500,000)		
LRCHC Coulee Creek Seniors Building (Council July 5, 2022)				(110,000)
Encampments (Council July 26, 2022)				(230,000)
Balance to be carried over to 2023 Corporate Budget Contingency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726,453</u>

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.

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2022

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES				RESULTS ACHIEVED (TO DEC. 31, 2022)	STATUS
				2019	2020	2021	2022		
N-1	Community - Council Referral	Adaptive Reuse Initiative	Budget	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	This was consolidated in 2021 with Urban Core Housing & TRIP and this portion of the funding has been 100% spent.	Complete for 2021
			Actuals	131	294,368	605,501	-		
			Surplus/(Deficit)	\$ (131)	\$ 5,632	\$ (305,501)	\$ 300,000		
N-3	Information Technology	Disaster Recovery Business Impact Analysis	Budget	\$ 80,000	\$ 80,000	\$ 80,000	\$ -	This initiative has begun with internal activity, but has not expended funds as of Dec 31, 2021.	In Progress
			Actuals	-	-	-	-		
			Budget Remaining	\$ 80,000	\$ 80,000	\$ 80,000	\$ -		
N-5	Lethbridge Public Library	Free Library Memberships 2019	Budget	\$ 106,000	\$ -	\$ -	\$ -	Memberships to the citizens of Lethbridge were provided for free for 2019.	Complete
			Actuals	106,000	-	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-7	Planning & Development	Growth & Annexation Assessment & Application	Budget	\$ -	\$ 200,000	\$ 350,000	\$ 450,000	Work is currently ongoing.	In Progress
			Actuals	-	-	-	42,293		
			Surplus/(Deficit)	\$ -	\$ 200,000	\$ 350,000	\$ 407,707		
N-8	Economic Development & Tourism	Lethbridge Destination Management Organization (LDMO)	Budget	\$ 30,000	\$ 10,000	\$ -	\$ -	Complete	Complete
			Actuals	30,000	10,000	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-9	Economic Development & Tourism	EDL - Agrifood Corridor Strategy	Budget	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	Amount part of 1st quarter EDL payment.	Complete
			Actuals	5,000	5,000	5,000	5,000		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-10	Economic Development & Tourism	EDL - Foreign Direct Investment Program	Budget	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	Amount part of 1st quarter EDL payment.	Complete
			Actuals	7,500	7,500	7,500	7,500		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-11	Economic Development & Tourism	EDL - Lethbridge Brand Implementation	Budget	\$ 45,000	\$ -	\$ -	\$ -	Amount paid to EDL to support the implementation of the Lethbridge brand endorsed by Council in June 2018.	Complete
			Actuals	45,000	-	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-12	Economic Development & Tourism	EDL - Identify Opportunities & Barriers to Business	Budget	\$ 20,000	\$ 17,000	\$ 17,000	\$ 17,000	Amount part of 1st quarter EDL payment.	Complete
			Actuals	20,000	17,000	17,000	17,000		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-13	Community - Council Referral	Blackfoot Confederacy & Reconciliation Lethbridge Flags at City Hall	Budget	\$ 150,000	\$ -	\$ -	\$ -	Blackfoot Confederacy & Reconciliation Lethbridge Flags at City Hall have been installed.	Complete
			Actuals	318	-	109,413	-		
			Budget Remaining	\$ 149,682	\$ -	\$ (109,413)	\$ -		
N-14	Community - Council Referral	Environment Lethbridge	Budget	\$ 75,000	\$ 70,000	\$ 65,000	\$ 60,000	Amount paid to Environment Lethbridge as part of the 4 year funding agreement.	Complete
			Actuals	75,000	70,000	65,000	60,000		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-15	Electric Utility	Electric Accounting Technician	Budget	\$ 81,800	\$ 83,500	\$ 85,300	\$ 87,400	Position has been posted and hired. Expenses are being incurred as the year progresses.	Complete
			Actuals	81,800	83,500	85,300	87,400		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-16	Electric Utility	Information Systems & Communications Technologist	Budget	\$ 148,960	\$ 152,190	\$ 155,515	\$ 159,315	Position has been posted and hired. Expenses are being incurred as the year progresses.	Complete
			Actuals	148,960	152,190	155,515	159,315		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-17	Electric Utility	Power Systems Electrician	Budget	\$ 59,720	\$ 61,040	\$ 62,360	\$ 63,920	Position has been posted and hired. Expenses are being incurred as the year progresses.	Complete
			Actuals	59,720	61,040	62,360	63,920		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-18	Fleet Services	Continuous Service (24/7 Shop Operations) - CSR's	Budget	\$ 296,200	\$ 307,800	\$ 314,600	\$ 322,200	Positions have been hired.	Complete
			Actuals	296,200	307,800	314,600	322,200		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-19	Fleet Services	Continuous Service (24/7 Shop Operations) - Utility Worker II	Budget	\$ 77,200	\$ 78,900	\$ -	\$ -	Position has been hired.	Complete
			Actuals	77,200	78,900	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2022

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES				RESULTS ACHIEVED (TO DEC. 31, 2022)	STATUS
				2019	2020	2021	2022		
N-20	Infrastructure Administration	Urban Construction	Budget	\$ -	\$ -	\$ -	\$ -	Position has been hired.	Complete
			Actuals	-	-	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-22	Waste Processing	Implementation of the Industrial, Commercial & Institutional (ICI) Support	Budget	\$ -	\$ -	\$ -	\$ -	Positions have been hired.	Complete
			Actuals	-	-	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-23	Waste Processing	Climate Adaptation & Environmental Sustainability Specialist	Budget	\$ 97,000	\$ 97,220	\$ 97,400	\$ 97,800	Position has been hired.	Complete
			Actuals	97,000	97,220	97,400	97,800		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-25	Community Social Development	Syringe Collection Program	Budget	\$ 155,000	\$ -	\$ -	\$ -	Program not funded by the City. The Government of Alberta has secured funding for 2019 - 2022.	Complete
			Actuals	-	-	-	-		
			Budget Remaining	\$ 155,000	\$ -	\$ -	\$ -		
N-26	Community Social Development	Diversion Outreach Team (DOT) Program	Budget	\$ 143,935	\$ -	\$ -	\$ -	The second team fully operational permitting expanded hours.	Complete
			Actuals	78,183	-	-	-		
			Budget Remaining	\$ 65,752	\$ -	\$ -	\$ -		
N-28	ENMAX Centre	Ticket Technician	Budget	\$ -	\$ -	\$ -	\$ -	The Ticket Center Technician position was fully implemented by July 2019. This position was self-funded.	Complete
			Actuals	-	-	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-30	Facility Services	Corporate Security Program	Budget	\$ 130,000	\$ 222,600	\$ 227,100	\$ 231,600	The positions were filled in 2022.	Complete
			Actuals	-	-	-	231,600		
			Budget Remaining	\$ 130,000	\$ 222,600	\$ 227,100	\$ -		
N-35	Helen Schuler Nature Centre	Natural Leaders Program	Budget	\$ 46,880	\$ 50,491	\$ 54,144	\$ -	3,823 participants have included youth, adult, family groups, and 474 City of Lethbridge employees. 30 community partners supported the program each year, providing more than \$30,000 of Gift-In-Kind support. The program delivered 559 in-person programs, 126 fieldtrip experiences, facilitated 45 guest speaker presentations and 162 on-line meetings. Successful projects completed in 2022 include 65 Pollinator Café installations, including outreach materials and development of Sustain-o-topia – Thriving in a Changing Climate Exhibition for Nature Centre's Main Gallery. Expected exhibit reach is 15,000 visitors (to June 2023). This initiative was funded through corporate surplus in 2022 and although City Council approved an FTE, there was no associated funding for this program for 2023 - 2026.	Complete
			Actuals	46,880	50,491	54,144	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-36	Information Technology	Safe & Resilient Community: Digital Threats	Budget	\$ 186,000	\$ 303,000	\$ 309,100	\$ 315,300	No positions have been hired to date.	In Progress
			Actuals	-	-	-	-		
			Budget Remaining	\$ 186,000	\$ 303,000	\$ 309,100	\$ 315,300		
N-38	Lethbridge Police Service	Special Constables/Community Peace Officer	Budget	\$ 1,660,500	\$ 1,366,500	\$ 1,404,000	\$ 1,444,500	CPO funding was provided for 15 with recruitment commencing in 2022. At December 31, 2022 there were 4 active and 3 recruits.	In Progress
			Actuals	1,187,815	1,000,603	885,695	566,370		
			Budget Remaining	\$ 472,685	\$ 365,897	\$ 518,305	\$ 878,130		
N-39	Lethbridge Police Service	The Ambassador/Watch Program	Budget	\$ 554,272	\$ 601,722	\$ 761,802	\$ 768,202	The WATCH was fully implemented and teams are currently deployed daily from 10 am to 10 pm to patrol the downtown core.	In Progress
			Actuals	533,209	601,450	620,072	768,202		
			Budget Remaining	\$ 21,063	\$ 272	\$ 141,730	\$ -		
N-40	Lethbridge Police Service	Police and Crisis Team (PACT)	Budget	\$ 124,000	\$ 127,300	\$ 130,700	\$ 134,400	PACT-funded provided for the 1 officer, which were used for wages and benefits. Another PACT team was added in 2021 to unit using LPS operating budget.	In Progress
			Actuals	117,719	143,923	205,051	134,400		
			Budget Remaining	\$ 6,281	\$ (16,623)	\$ (74,351)	\$ -		
N-48	Lethbridge Public Library	Public Safety Security	Budget	\$ 82,064	\$ 90,000	\$ 90,000	\$ -	Additional security guard was implemented at Main Branch during all open hours- due to Covid this funding was not required in 2021.	Complete
			Actuals	82,064	-	-	-		
			Budget Remaining	\$ -	\$ 90,000	\$ 90,000	\$ -		
N-51	Lethbridge Public Library	Free Library Memberships Ongoing	Budget	\$ -	\$ 106,000	\$ 106,000	\$ 106,000	Memberships to the citizens of Lethbridge were provided for free for 2022. This initiative was not funded by the City, it was approved as being funded internally by the Library	Complete
			Actuals	-	106,000	106,000	106,000		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2022

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES				RESULTS ACHIEVED (TO DEC. 31, 2022)	STATUS
				2019	2020	2021	2022		
N-55	Lethbridge Transit	Increase Statutory Holiday Service	Budget	\$ 162,500	\$ -	\$ -	\$ -	Service for Statutory Holidays has continued and is funded from Transit Operations.	Complete
			Actuals	139,275	23,225	142,911	141,912		
			Budget Remaining	\$ 23,225	\$ (23,225)	\$ (142,911)	\$ (141,912)		
N-57	Accessible Transportation	Access-A-Ride Improvements	Budget	\$ 202,600	\$ -	\$ -	\$ -	Bus was purchased in 2019	Complete
			Actuals	202,600	-	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-58	Parks	Invasive Pest Management Urban Forest Disease Reserve	Budget	\$ 2,000,000	\$ -	\$ -	\$ -	No Expenditures incurred in 2019, 2020, 2021, 2022.	Not Started
			Actuals	-	-	-	-		
			Budget Remaining	\$ 2,000,000	\$ -	\$ -	\$ -		
N-59	Parks	Accessible Playgrounds	Budget	\$ 208,700	\$ 208,700	\$ 208,700	\$ 208,700	Rubber surfacing: Fairmont Garden, Georgetown, Heritage Rd, Kiwanis, Rideau, Ridgewood & Willowbrook & Henderson Park (Fairmont & Ridgewood still in progress)	In Progress
			Actuals	28,446	-	223,104	488,373		
			Budget Remaining	\$ 180,254	\$ 208,700	\$ (14,404)	\$ (279,673)		
N-65	Recreation & Culture	Recreation & Culture Security	Budget	\$ 42,500	\$ 42,500	\$ -	\$ -	This initiative allowed an increased security presence in and around City owned partner operated facilities and was effective in preventing negative traffic in those areas.	Complete
			Actuals	42,500	42,500	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-66	Recreation & Culture	Minimum Wage Increase Fee For Service	Budget	\$ 55,570	\$ 55,570	\$ 55,570	\$ 55,570	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle and is now part of ongoing base budget.	Complete
			Actuals	55,570	55,570	55,570	55,570		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-72	Economic Development & Tourism	SouthGrow Regional Initiative	Budget	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	Paid for an Associate Membership.	Complete
			Actuals	7,500	7,500	7,500	7,500		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-73	Community - Council Referral	Reconciliation Lethbridge Advisory Committee of City Council	Budget	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	Expenses for honorariums, promotional materials, video production, sponsorships and meetings have been incurred.	Complete
			Actuals	41,661	16,195	39,979	34,351		
			Budget Remaining	\$ 8,339	\$ 33,805	\$ 10,021	\$ 15,649		
N-74	Community - Council Referral	Lethbridge Sport Council Fee For Service	Budget	\$ 55,000	\$ 55,000	\$ -	\$ -	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete
			Actuals	55,000	55,000	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-75	Community - Council Referral	Allied Arts Council Fee For Service	Budget	\$ 139,535	\$ 140,185	\$ 33,850	\$ 35,525	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete
			Actuals	139,535	140,185	33,850	35,525		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-76	Community - Council Referral	Southern Alberta Art Gallery Fee For Service	Budget	\$ 76,000	\$ 76,000	\$ -	\$ -	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete
			Actuals	76,000	76,000	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-77	Community - Council Referral	Southern Alberta Ethnic Association Fee For Service	Budget	\$ 136,160	\$ 136,160	\$ -	\$ -	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete
			Actuals	136,160	136,160	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-78	Community - Council Referral	Nord-Bridge Senior Citizens Association	Budget	\$ 75,000	\$ 75,000	\$ -	\$ -	Funding was for its intended purpose. Annual report and financial statements to follow in 2021.	Complete
			Actuals	75,000	75,000	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-79	Community - Council Referral	Nikka Yuko Japanese Garden Fee For Service	Budget	\$ 171,190	\$ 171,190	\$ -	\$ -	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle.	Complete
			Actuals	171,190	171,190	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-80	Japanese Gardens	Nikka Yuko Japanese Garden Maintenance	Budget	\$ 78,508	\$ 79,578	\$ -	\$ -	Garden maintenance staff season was extended and recalled earlier for install & removal for winter lights. The event continues to be extremely popular.	Complete
			Actuals	66,129	66,814	-	-		
			Budget Remaining	\$ 12,379	\$ 12,764	\$ -	\$ -		
N-81	City Council	Mitigate the Feral Cat Problem	Budget	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	The Animal Welfare Committee provided funding to three different locations.	Complete
			Actuals	10,000	6,371	8,247	10,748		
			Budget Remaining	\$ -	\$ 3,629	\$ 1,753	\$ (748)		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2022

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES				RESULTS ACHIEVED (TO DEC. 31, 2022)	STATUS
				2019	2020	2021	2022		
N-82	City Council	Non-Veterinary Funding for Animal Rescue	Budget	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	Two applications were received and funded.	Complete
			Actuals	10,000	5,000	9,049	9,852		
			Budget Remaining	\$ -	\$ 5,000	\$ 951	\$ 148		
N-84	City Council	Energy Efficiency Master Plan & Strategy	Budget	\$ 300,000	\$ -	\$ -	\$ -	An Energy Conservation Plan was started in 2020 and was presented to City Council in April of 2021. Implementation of the plan began in 2021 and will continue into 2023.	In Progress
			Actuals	-	-	-	12,165		
			Budget Remaining	\$ 300,000	\$ -	\$ -	\$ (12,165)		
N-85	City Council	Youth Advisory Council	Budget	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	Expenses include meals and cards.	Complete
			Actuals	1,967	969	2,670	-		
			Budget Remaining	\$ 3,033	\$ 4,031	\$ 2,330	\$ 5,000		
N-87	City Council	Implementation of Governance Review Recommendations	Budget	\$ -	\$ 250,000	\$ -	\$ -	On June 7 2022, Council approve \$250,000 from N-87 to use for the Ward System plus \$47,000 from Governance SPC BAU, for a total of \$297,000. Then on December 13, 2022 Council approved this resolution: "THEREFORE, BE IT RESOLVED THAT Council rescind its previous decision of June 7, 2022 to proceed with the "ward system" electoral process and direct Administration to prepare a bylaw to rescind Ward Commission Bylaw 6374." Therefore, the uncommitted balance of the Governance SPC BAU has been moved to the MRSR in 2022.	No Longer Required
			Actuals	-	-	-	-		
			Surplus/(Deficit)	\$ -	\$ 250,000	\$ -	\$ -		
N-88	City Council	Yates Theatre Management & Programming	Budget	\$ 85,000	\$ 85,000	\$ -	\$ -	The position was filled in 2019 and has worked to optimize bookings and relationships. Facility bookings for 2020 were set to exceed average numbers until the COVID-19 shutdown.	Complete
			Actuals	85,000	85,000	-	-		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-92	City Council	Income Tax Adjustment	Budget	\$ 101,000	\$ 103,000	\$ 106,000	\$ 109,000	Council wages were increased in 2019.	Complete
			Actuals	101,000	103,000	106,000	109,000		
			Budget Remaining	\$ -	\$ -	\$ -	\$ -		
N-97	Community - Council Referral	Lethbridge Canadian Coalition of Municipalities Against Racism and	Budget	\$ 26,046	\$ -	\$ -	\$ -	Expenses for strategic planning report and public awareness campaign have been incurred.	Complete
			Actuals	20,832	-	-	-		
			Budget Remaining	\$ 5,214	\$ -	\$ -	\$ -		
N-98	City Council	Airport Governance & Operation	Budget	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$3,000,000 moved to the Airport Reserve for this initiative in 2020.	Complete
			Actuals	-	-	1,078,735	1,122,015		
			Surplus/(Deficit)	\$ -	\$ 1,000,000	\$ (78,735)	\$ (122,015)		
A-1	Public Safety Communication Centre	Dedicated Supervision in the PSCC	Budget	\$ -	\$ -	\$ 698,000	\$ 698,000	Positions have been hired.	Complete
			Actuals	-	-	698,327	704,481		
			Surplus/(Deficit)	\$ -	\$ -	\$ (327)	\$ (6,481)		
A-2	Public Safety Communication Centre	EMS Dispatch in Lethbridge	Budget	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000	Alberta Health Services has not yet approved the continuation of local EMS dispatch being provided. The commitment of \$2.4 million has been removed from the MRSR.	Not Started
			Actuals	-	-	-	-		
			Surplus/(Deficit)	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000		
A-139	Community - Council Referral	Allied Arts Council Fee For Service	Budget	\$ -	\$ -	\$ 86,010	\$ 86,010	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle. Organizations submitted requests for ongoing funding as part of the 2023-2026 budget process, which were ultimately approved.	Complete
			Actuals	-	-	86,010	86,010		
			Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -		
A-140	Community-Council Referral	Southern Alberta Art Gallery Fee for Service	Budget	\$ -	\$ -	\$ 68,400	\$ 68,400	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle. Organizations submitted requests for ongoing funding as part of the 2023-2026 budget process, which were ultimately approved.	Complete
			Actuals	-	-	68,400	68,400		
			Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -		

Operating Budget Initiatives 2019 - 2022

Initiatives in progress during 2022

REF.	BUSINESS UNIT	INITIATIVE		EXPENDITURES				RESULTS ACHIEVED (TO DEC. 31, 2022)	STATUS
				2019	2020	2021	2022		
A-141	Community - Council Referral	Southern Alberta Ethnic Association Fee For Service	Budget	\$ -	\$ -	\$ 76,900	\$ 73,900	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle. Organizations submitted requests for ongoing funding as part of the 2023-2026 budget process, which were ultimately approved.	Complete
			Actuals			76,900	73,900		
			Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -		
A-142	Community - Council Referral	Nikka Yuko Japanese Garden Fee For Service	Budget	\$ -	\$ -	\$ 199,071	\$ 243,171	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle. Organizations submitted requests for ongoing funding as part of the 2023-2026 budget process, which were ultimately approved.	Complete
			Actuals			199,071	243,171		
			Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -		
A-143	Community - Council Referral	Lethbridge Sport Council Fee For Service	Budget	\$ -	\$ -	\$ 49,500	\$ 49,500	Reporting on organizational activities continues as per agreement requirements. City Council approved the extension of the funding until the end of the current budget cycle. Organizations submitted requests for ongoing funding as part of the 2023-2026 budget process, which were ultimately approved.	Complete
			Actuals			49,500	49,500		
			Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -		

STATEMENT OF RESERVES AS AT DECEMBER 31, 2022



	December 31 2022	December 31 2021
Acquire Off Street Parking	\$ 1,030,509	\$ 1,790,661
Airport	5,229,248	3,944,130
Cemeteries	2,096,753	2,028,352
Central Business District Land Acquisition	687,226	686,726
Community Lighting	3,004,608	3,604,847
Electric	16,790,810	11,930,299
Fleet Services	23,402,768	22,426,450
Insurance	4,319,133	4,487,887
Major Capital Projects	11,203,682	16,942,896
Mayor Magrath Drive Beautification	118,306	116,515
Municipal Reserve Fund	378,234	370,931
Municipal Revenue Stabilization	32,048,259	34,192,565
Real Estate Holdings	6,243,797	6,223,135
Transit Bus	1,043,159	1,043,159
Urban Parks	3,484,700	3,646,536
Total Reserves	\$ 111,081,192	\$ 113,435,089
 Total Committed Funds	 \$ 51,778,210	 \$ 28,121,930
 Current Internal Funding Requirements:		
Affordable Housing (CIP 2022-2031 D-32)	5,000,000	-
Industrial Subdivision	-	2,360,000
Clean Energy Improvement Program (Council Nov 29, 2022)	953,818	-
	5,953,818	2,360,000
Total Committed Funds and Internal Funding Requirements	\$ 57,732,028	\$ 30,481,930

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, 2022 to December 31, 2022

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, 2022		\$ 1,790,661
Add:		
Parking Revenues		
- Parking meters	900,787	
- Park 'n Ride revenue	78,230	
- Parking fines	61,936	
- Parking lots	44,859	
	<hr/>	
		1,085,812
Less:		
Park 'n Ride operations	582,010	
Administration	434,469	
Parking enforcement	409,094	
Parking meter operations	215,408	
Enhance downtown maintenance (snow clearing, street sweeping etc.)	135,000	
Parking lot operations	69,983	
	<hr/>	
		1,845,964
		<hr/>
Balance as at December 31, 2022		<u><u>\$ 1,030,509</u></u>

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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, 2022		\$ 3,944,130
Add:		
2022 Corporate Surplus	3,000,000	
Allocation from general operations	<u>225,900</u>	
		3,225,900
Less:		
Airport & Governance Operation (Budget 2019-2022 N-98)	1,122,015	
Lethbridge Airport Improvements (CIP 2022-31 D-6)	454,832	
Airport sweeper (Council Dec 14, 2021)	350,000	
Matching funds for ACAP grant (Council Dec 14, 2021)	<u>13,935</u>	
		<u>1,940,782</u>
Balance as at December 31, 2022		<u><u>\$ 5,229,248</u></u>

Committed Funds:

- Airport & Governance Operation (Budget 2019-22 N-98)	\$ 799,250
- Lethbridge Airport Improvements (CIP 2022-31 D-6)	217,504
- Matching funds for ACAP grant (Council Dec 14, 2021)	<u>86,065</u>
	<u>\$ 1,102,819</u>

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, 2022		\$ 2,028,352
Add:		
Allocation from Operations	28,467	
Interest earnings	<u>39,934</u>	
		<u>68,401</u>
Balance as at December 31, 2022		<u><u>\$ 2,096,753</u></u>

Funding commitments from this reserve are included in the 2023-2026 Operating Budget under Cemetery Reserve Projects.

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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, 2022	\$ 686,726
Add:	
Patio rental	500
Balance as at December 31, 2022	<u>\$ 687,226</u>

Committed Funds:

- Urban Core Housing Incentive Program (Council Nov 2, 2020)	<u>\$ 684,726</u>
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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, 2022	\$ 3,604,847
Add:	
Allocation from operations	244,345
Less:	
Metis Trail debt paydown - principal (Council Aug 22, 2016)	579,740
Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	<u>264,844</u>
	<u>844,584</u>
Balance as at December 31, 2022	<u>\$ 3,004,608</u>

Advances from the Community Lighting reserve relating to the Metis Trail and Whoop Up Drive projects, will be repaid to the reserve from the Offsite Account over ten years.

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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, 2022		\$ 11,930,299
Add:		
Allocation from Electric Capital	11,231,009	
Return on Equity	7,974,235	
2021 Electric Operating Surplus	<u>97,246</u>	
	19,302,490	19,302,490
Less:		
Allocation to Electric Capital Projects	12,786,855	
Return on Investment to the General Fund	<u>1,655,124</u>	
		<u>14,441,979</u>
Balance as at December 31, 2022		<u><u>\$16,790,810</u></u>

Committed Funds:

- Chinook Trail Functional Planning Study (Council Sept 13, 2022) \$ 500,000

Other funding commitments from this reserve for Electric Utility projects are included in the 2022-2031 Capital Improvement Program (CIP).

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, 2022		\$ 22,426,450
Add:		
Allocation from fleet operations	4,653,112	
Asset replacement contributions	397,722	
Disposal Proceeds	<u>281,632</u>	
		5,332,466
Less:		
Purchase of equipment		<u>4,356,148</u>
Balance as at December 31, 2022		<u><u>\$23,402,768</u></u>
Committed Funds:		
- Equipment Purchases (Budget 2023-2026)	\$ 28,546,500	
- Equipment Purchases (Budget 2019-2022)	<u>6,341,000</u>	
	<u>\$ 34,887,500</u>	

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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, 2022	\$ 4,487,887
Less:	
Allocation to Operations	<u>168,754</u>
Balance as at December 31, 2022	<u><u>\$ 4,319,133</u></u>

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, 2022	\$ 16,942,896
Add:	
Interest Earnings	280,603
Project Surplus:	
University Dr (Community Stadium to Sunridge) (CIP 2018-27 CO-4)	<u>96,672</u>
	<u>377,275</u>
Less:	
Leth & District Exhibition Agri-Food Hub (CIP 2022-31 D-5)	3,000,000
Pay-As-You-Go	2,520,859
Facility Renewal and Upgrade Program (CIP 2018-27 D-45)	242,675
Legacy Park - Discovery Playground (CIP 2018-27 D-47)	81,357
River Valley Ridership Study and Analysis (CIP 2022-31 D-49)	58,032
Nikka Yuko Japanese Garden Master Plan (CIP 2022-31 D-47)	51,657
Indigenous Cultural Centre Site Planning (CIP 2022-31 D-42)	44,748
Parks Master Plan (CIP 2022-31 D-48)	41,590
Indoor Court/Multipurpose Space Functional Study (CIP 2022-31 D-43)	41,265
Indigenous Place-making Strategy (CIP 2022-31 D-21)	<u>34,306</u>
	<u>6,116,489</u>
Balance as at December 31, 2022	<u><u>\$11,203,682</u></u>

Committed Funds:

- Facility Renewal and Upgrade Program (CIP 2018-27 D-45)	\$ 452,962
- Indigenous Place-making Strategy (CIP 2022-31 D-21)	311,536
- Mobility Accessibility Audits (CIP 2022-31 D-46)	320,000
- Parks Master Plan (CIP 2022-31 D-48)	278,410
- Nikka Yuko Japanese Garden Master Plan (CIP 2022-31 D-47)	268,343
- Indigenous Cultural Centre Site Planning (CIP 2022-31 D-42)	205,252
- Indoor Court/Multipurpose Space Functional Study (CIP 2022-31 D-43)	<u>58,735</u>
	<u>\$ 1,895,238</u>

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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, 2022	\$ 116,515
Add:	
Parking Lease Revenue	3,040
Less:	
Land Lease Taxes	1,249
Balance as at December 31, 2022	<u>\$ 118,306</u>

Municipal Reserve Fund

The Municipal Reserve Fund can only be used for prescribed purpose such as public parks and public recreation areas. Established: 1980.

Balance as at January 1, 2022	\$ 370,931
Add:	
Interest Earnings	7,303
Balance as at December 31, 2022	<u>\$ 378,234</u>

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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 any General Operation deficits of prior years, one time expenses, internal financing advances, and other allocations to General Operations. Established: 1985.

Balance as at January 1, 2022 \$ 34,192,565

Add:

Electric Municipal Consent and Access Fee (MCAF)	10,618,770	
ATCO Franchise Fee	7,718,820	
Investment and Interest Income (net of Trust Allocations)	5,757,138	
2021 General Operating Surplus	4,453,763	
By-law enforcement	3,062,573	
MRSR Internal Financing Recoveries (Schedule 1)	2,254,972	
Return on Investment (Electric ROI)	1,655,124	
Commercial land lease revenue	815,326	
Unused BAU funding	543,745	
City Council Committee Surplus (Budget 2019-22 D-4)	498,832	
YMCA Contractual Agreement Reimbursement	<u>35,533</u>	
		37,414,596

Less:

Budget Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	10,184,900	
Allocation to General Operations	5,550,000	
ATCO Franchise Fee	5,510,000	
By-law enforcement	5,507,300	
Return on Investment (Electric ROI)	2,535,100	
Commercial land debenture payment	1,000,266	
Allocation for TIPP discounts	324,009	
Allocation for Snow Removal	287,860	
MRSR Internal Financing Advances (Schedule 2)	5,402,938	
MRSR One Time Allocations (Schedule 3)	<u>3,256,529</u>	
		<u>39,558,902</u>
Balance as at December 31, 2022		<u>\$ 32,048,259</u>

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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

- Lethbridge Police Headquarters (2029)	\$ 1,284,200
- ENMAX building (2027)	467,800
- ATB Centre - Phase 1 (Ice Complex) (2029)	288,500
- Parks Asset Management (2028)	204,400
- Local Improvements Prior Years	<u>10,072</u>
	<u>\$ 2,254,972</u>

Schedule 2: MRSR Internal Financing Advances:

- Industrial Subdivision (Council Mar 23, 2021)	\$ 2,360,000
- Police Technology	1,607,438
- Fibre Connectivity Pilot - Industrial Parks (CIP 2018-27 D-46)	<u>1,435,500</u>
	<u>\$ 5,402,938</u>

Schedule 3: MRSR One Time Allocations:

- Urban Core Incentive Program (Council Nov 2, 2020 & May 18, 2021)	860,028
- Downtown Clean & Safe Strategy (Council Dec 9, 2019)	617,949
- 2022 Brier Bid (Council June 15, 2020)	400,000
- Rent Supplement (Council Dec 14, 2020)	311,988
- Nikka Yuko Japanese Garden FFS (Budget 2021-22 A-142)	243,171
- ENMAX Centre Parking Lot 2021 (Council Aug 24, 2021)	227,800
- Missing & Murdered Indigenous Women & Girls Work Plan (Council Jan 12, 2021)	98,129
- Special Constables/Community Peace Officer (Budget 2019-22 N-38)	94,787
- Allied Arts Council Fee For Service (Budget 2021-22 A-139)	86,010
- Southern Alberta Ethnic Association Fee For Service (Budget 2021-22 A-141)	73,900
- Southern Alberta Art Gallery Fee For Service (Budget 2021-22 A-140)	68,400
- Lethbridge Sport Council Fee For Service (Budget 2021-22 A-143)	49,500
- Broadband Pilot Project (Council Mar 22, 2022)	30,982
- Airport Incentive Framework (Council Jan 18, 2022)	21,628
- EDL Identify Opportunities & Barriers to Business (Budget 2019-22 N-12)	17,000
- Energy Efficiency Master Plan & Strategy (Budget 2019-22 N-84)	12,165
- Non-Veterinary Funding for Animal Rescue (Budget 2019-22 N-82)	9,852
- Patio or Parklet Outdoor Seating (Council Apr 20, 2021)	7,331
- EDL Foreign Direct Investment Program (Budget 2019-22 N-10)	7,500
- SouthGrow Regional Initiative (Budget 2019-22 N-72)	7,500
- Mitigate the Feral Cat Problem (Budget 2019-22 N-81)	5,909
- EDL Agrifood Corridor Strategy (Budget 2019-22 N-9)	<u>5,000</u>
	<u>\$ 3,256,529</u>

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

Municipal Revenue Stabilization

Committed Funds:

2015-2018:

- Heart of Our City Housing (Budget 2015-18 N-4, amended Jul 4, 2017)	\$ 856,722
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2018-2021:

- School Gym Upsizing (CIP 2018-27 D-17)	850,000
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2019-2022:

- Invasive Pest Management Urban Forest Disease (Budget 2019-22 N-58)	2,000,000
- Urban Core Incentive Program (Council Nov 2, 2020 & May 18, 2021)	1,880,883
- Airport Incentive Framework (Council Jan 18, 2022)	978,372
- Downtown Clean & Safe Strategy (Council Dec 9, 2019)	320,945
- Missing & Murdered Indigenous Women & Girls Work Plan (Council Jan 12, 2021)	314,301
- Broadband Pilot Project (Council Mar 22, 2022)	272,118
- Energy Efficiency Master Plan & Strategy (Budget 2019-22 N-84)	287,835
- Special Constables/Community Peace Officer (Budget 2019-22 N-38)	55,098
- Blackfoot Confederacy & Reconciliation Flags at City Hall (Budget 2019-22 N-13)	40,117
- Patio or Parklet Outdoor Seating (Council Apr 20, 2021)	13,911
- Youth Advisory Council (Budget 2019-22 N-85)	14,394

2023-2026:

- Land Use Bylaw Update (Budget 2023-26 C-5.5)	1,165,000
- EDL - Creative Industries Cluster Ignition (Budget 2023-26 N-41)	780,570
- EDL - Agrifood Cluster Ignition (Budget 2023-26 N-39)	340,000
- EDL - Supply Chain & Logistics Cluster Ignition (Budget 2023-26 N-40)	318,285
- Nord-Bridge Senior Centre (Budget 2023-26 N-51)	300,000
- CPTED Grant (Budget 2023-26 C-11.1)	200,000
- EDL - Market Intelligence (Budget 2023-26 N-42)	192,000
- EDL - Operational Excellence (Budget 2023-26 N-43)	169,000
- Procure to Pay (Budget 2023-26 N-7)	150,000
- City Wide Sponsorship Program (Budget 2023-26 C-10)	146,000
- Indigenous Curator (Budget 2023-26 N-32)	119,200
- Tourism Lethbridge - Sport & Meeting Development (Budget 2023-26 N-56)	94,500
- Salute Our Veterans Project (Budget 2023-26 C-1)	88,000
- Creative Industry Consulting Services (Council Jan 24, 2023)	45,000
- Tourism Lethbridge - Digital Media Library (Budget 2023-26 N-59)	40,000
- Tourism Lethbridge - Airport Marketing for Tourism (Budget 2023-26 N-57)	35,000
- Indigenous Programming (Budget 2023-26 N-31)	30,800
- Fire Hydrant Water Drinking Fountain (Budget 2023-26 C-2)	15,000

\$ 12,113,051

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

Municipal Revenue Stabilization

Current 2022/23

Internal Loan Requirements:

Affordable Housing (CIP 2022-2031 D-32)

\$ 5,000,000

Clean Energy Improvement Program (Council Nov 29, 2022)

953,818

\$ 5,953,818

As at December 31, 2022 internal advances amounting to approximately \$40,070,800 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, 2022.

	Year	Maturity	Original Amount	Balance as at December 31 2022	Annual Payment
SLP Skate Park naming	2014	2023	\$ 100,000	\$ -	\$ 10,000
Lethbridge Hurricanes	2012	2031	\$ 2,500,000	\$ 1,500,000	\$ 166,667

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, 2022 \$ 6,223,135

Add:

Right of Way Sale Proceeds

17,430

Net proceeds from sale of 221 Couleesprings Terrace South

3,361

Rental Income

2,786

23,577

Less:

Land Lease Taxes

2,915

Balance as at December 31, 2022

\$ 6,243,797

Reserve Analysis
For the period January 1, 2022 to December 31, 2022

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, 2022	\$ 1,043,159
Balance as at December 31, 2022	<u>\$ 1,043,159</u>

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, 2022	\$ 3,646,536
Add:	
Allocation from operations	675,800
Less:	
Accessible Playgrounds (Budget 2019-22 N-59)	488,374
Playground projects	249,262
River Valley Ridership Study and Analysis (CIP 2022-31 D-49)	<u>100,000</u>
	<u>837,636</u>
Balance as at December 31, 2022	<u>\$ 3,484,700</u>

Committed Funds:

- Parks Irrigation Central Control (CIP 2022-31 D-19)	\$ 500,000
- Accessible Playgrounds (Budget 2019-22 N-59)	<u>94,876</u>
	<u>\$ 594,876</u>

TOTAL RESERVES as at December 31, 2022	<u>\$ 111,081,192</u>
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TOTAL COMMITTED FUNDS	\$ 51,778,210
TOTAL CURRENT INTERNAL LOAN REQUIREMENTS	<u>5,953,818</u>
TOTAL FUNDING REQUIREMENTS	<u>\$ 57,732,028</u>

CITY OF LETHBRIDGE
BUDGET APPROPRIATION UNEXPENDED
AS AT DECEMBER 31, 2022



	2022 Balance	2021 Balance
Boards and Commissions		
Galt Museum	- \$	92,000
Lethbridge Police Services	2,690	1,009,431
Lethbridge Public Library	250,500	341,874
General Government		
City Clerk	288,765	234,462
City Manager's Office & Communication	138,455	869,417
City Solicitor	345,655	309,655
Opportunity Lethbridge	163,361	177,288
Corporate & Customer Services		
People & Culture	172,455	1,050,838
Treasury & Financial Services	438,847	375,582
Airport	64,518	205,818
Community Services		
Community & Social Development	688,336	613,499
ENMAX Centre	-	6,774
Fire & Emergency Services	1,501,504	2,120,722
Recreation & Culture	83,204	352,634
Regulatory Services	-	4,839
Infrastructure Services		
Planning & Design	138,080	224,676
Infrastructure Services Administration	261,051	400,473
Parks Maintenance and Management	238,206	285,000
Waste Processing	-	49,873
	<u>\$ 4,775,627</u>	<u>\$ 8,724,854</u>
Directional Operating Funding	-	-
Operational Review Funding	519,790	200,000
Future COVID-19 Pressures	44,500	1,170,019
Current Year Unexpended (Note 1)		2,567,426
Prior Year Unexpended (Note 1)		<u>\$ 3,291,283</u>
Total	<u><u>\$ 5,339,917</u></u>	<u><u>\$ 15,953,583</u></u>

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

City of Lethbridge

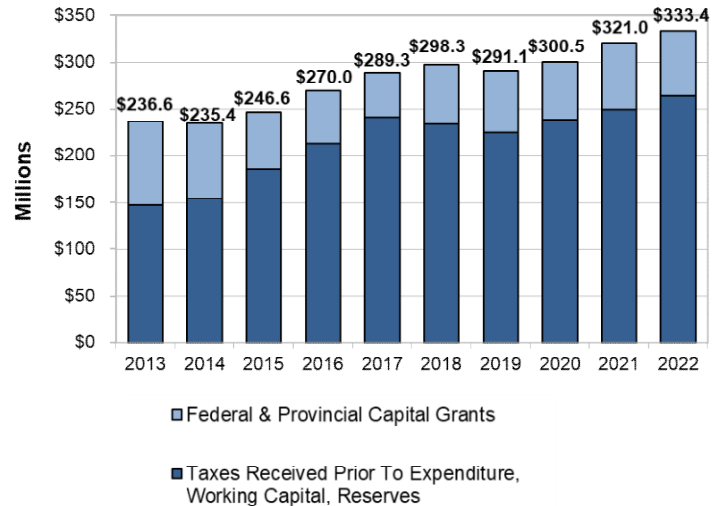
Section B-3

Investment Summary

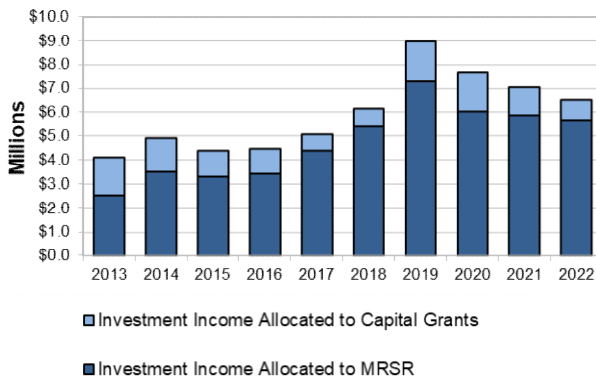
As at December 31, 2022

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

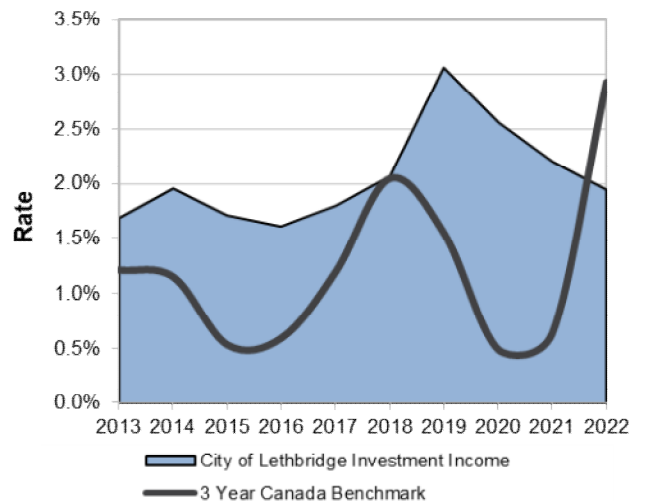


Total Investment Income



Total investment income decreased to \$6,505,772 in 2022 from \$7,058,501 in 2021. With the focus being on economic recovery, the Bank of Canada implemented numerous policy rate increases to offset high inflationary costs. However, due to purchase and maturity differentials, it will take time for our portfolio to see the benefits of the rising interest rates. We continue to monitor our short-term and long-term investment strategy to meet our investment income target. The City of Lethbridge 2022 average portfolio yield of 1.95% (2021:2.20%). The 2022 average Government of Canada 3-Year Benchmark¹ yield of 2.93% (2021:0.65%).

Average Portfolio Yield



¹ 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

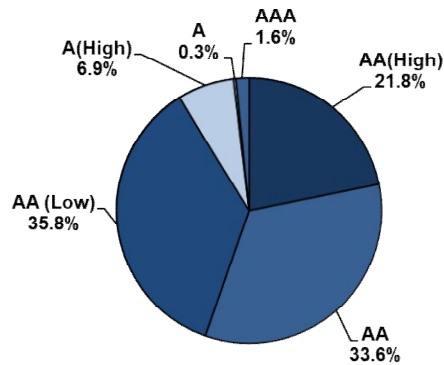
City of Lethbridge

Section B-3 (cont'd)

Investment Summary

As at December 31, 2022

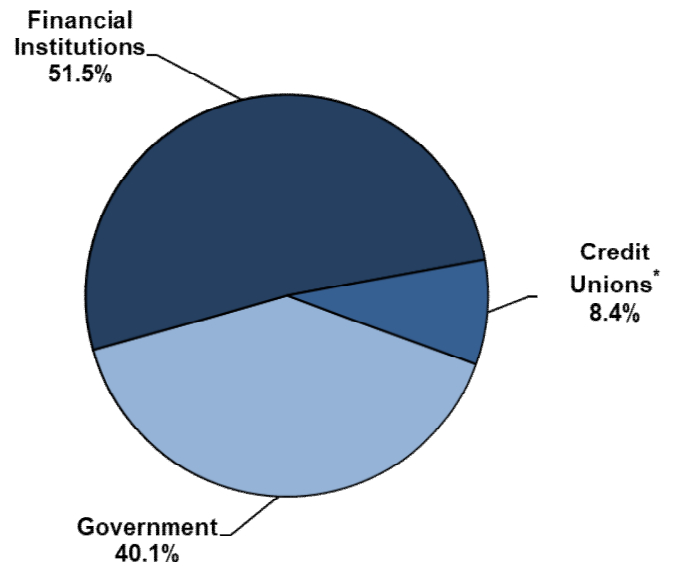
**Portfolio Distribution by Rating
December 31, 2022**



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.

Our current portfolio is diversified among 9 different brokerage firms and 26 different institutions from the Government and Financial Institution sectors.

**Portfolio Distribution by Type
December 31, 2022**



*Principal is guaranteed by the Provinces of Alberta or BC

SUMMARY OF SUBDIVISION SURPLUS
For the period January 1, 2022 to December 31, 2022

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
INDUSTRIAL	\$ (726,244)	\$ (1,206,490)
RESIDENTIAL	(667,306)	1,244,870
NET SUBDIVISION SURPLUS	<u>\$ (1,393,550)</u>	<u>\$ 38,380</u>

**INDUSTRIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**
For the period January 1, 2022 to December 31, 2022

Development Operations Funding

Funds Received from Subdivision Development		
Sherring Industrial Park - Phase 1	\$ 64,659	
Funds Used for Subdivision Development		
Sherring Industrial Park Common	184,492	
Sherring Industrial Park - Phase 1	6,989	
Sherring Industrial Park - Phase 2	<u>909,439</u>	
Total Funds Used for Subdivision Development		<u>1,100,920</u>
Net Funds Used for Subdivision Development Operations		(1,036,261)

Other Activity Funding

Funds Received:		
Internal Loan - Municipal Revenue Stabilization Reserve	(Note 2) 2,360,000	
Lease Revenue	<u>9,501</u>	
	2,369,501	
Funds Used:		
Debt Payment - ACFA	(Note 1) 559,194	
Allocation in Lieu of Property Taxes	<u>293,800</u>	
	852,994	
Net Funds Received from Other Activities		<u>1,516,507</u>
Net increase in Industrial Subdivision Surplus		480,246
Industrial Subdivision Surplus Balance January 1, 2022		(1,206,490)
Total Industrial Balance December 31, 2022		<u>\$ (726,244)</u>

Funds Committed for Future

Sherring:	
Topsoil Removal (2021-22)	174,700
Engineering	171,600
Asphalt Overlays	68,400
Landscaping	<u>29,800</u>
	444,500

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, 2022 the remaining balance of ACFA loans is \$5,370,266
- 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. On March 23, 2021 Council approved an additional \$14,000,000 line of credit loan to fund the commitments for the expansion of Sherring Industrial Park. Loan payments will be based on cashflow availability within the Industrial Subdivision Surplus. As at December 31, 2022 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on the total line of credit loans is \$19,500,000.

**RESIDENTIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**
For the period January 1, 2022 to December 31, 2022

Development Operations Funding

Funds Received from Subdivision Development

Crossings:

Phase 7	\$ 1,746,590
Phase 5	1,071,242
Commercial	693,186
Phase 6	138,780
	<u>3,649,798</u>

RiverStone:

Phase 21	1,535,054
Phase 22	548,632
Phase 9-16	84,000
	<u>2,167,686</u>

SunRidge:

Phase 1-3D	86,250
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Total Funds Received from Subdivision Development

5,903,734

Funds Used for Subdivision Development

Crossings North (Garry Station):

Phase 15 & School Site	2,770,533
------------------------	-----------

Crossings:

Phase 5	1,416,336
Common	416,420
Phase 7	31,806
Phase 1-4,6,7	14,702
	<u>1,879,264</u>

RiverStone:

Common	158,508
Phase 21	13,736
Phase 22	5,566
Phase 11-17,20	3,440
	<u>181,250</u>

SunRidge:

Common	19,491
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Watermark:

Common	325,807
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Total Funds Used for Subdivision Development

5,176,345

Net Funds Received from Subdivision Development Operations

727,389

Other Activity Funding

Funds Received:

Rental Revenue	7,433
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Funds Used:

Real Estate & Land Development Operations	1,216,095
Debt Payment ACFA - Watermark	853,785
Affordable Housing	360,018
Allocation in Lieu of Property Taxes	108,900
Parks Maintenance	90,000
Pest Control	9,200
Weed Control	9,000
	<u>2,646,998</u>

Net Funds Used for Other Activities

(2,639,565)

Net decrease in Residential Subdivision Surplus

(1,912,176)

Residential Subdivision Surplus Balance January 1, 2022

1,244,870

Total Residential Subdivision Surplus Balance December 31, 2022

\$ (667,306)

**RESIDENTIAL SUBDIVISION SURPLUS
FUNDING ANALYSIS**
For the period January 1, 2022 to December 31, 2022

Funds Committed for Future

Projects:

Crossings:

Underground Utilities and Surface Works	\$ 900,500
Architectural Controls	73,100
Engineering Consulting Services	45,100
Sportsfield/Playground	42,400
	<u>1,061,100</u>

RiverStone:

Architectural Controls	173,800
Underground Utilities and Surface Works	150,000
Engineering Consulting Services	5,800
	<u>329,600</u>

SunRidge:

Architectural Controls	15,500
------------------------	--------

Watermark:

Underground Utilities and Surface Works	57,600
Landscaping	42,700
Engineering Consulting Services	900
	<u>101,200</u>

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

Garry Station School Site/Sportsfield	(Note 1) 2,666,200
Affordable Housing	(Note 2) 1,261,733
Parks Capital	1,046,500
Heart of Our City Housing (Budget 2015-18 N-4, amended July 4, 2017)	856,700
Pest Control	58,291
	<u>5,889,424</u>

CIP Projects (2018-2021):

New School Site Development (D-18)	450,000
Bark Park (D-16)	410,700
	<u>860,700</u>

CIP Projects (2022-2025):

New School Site Development (D-27)	850,000
------------------------------------	---------

Total Committed Funds

\$ 9,107,524

Notes:

- 1 In March of 2021 the Alberta government approved a new elementary school in West Lethbridge (Garry Station) as part of the Alberta 2021 budget. As a result of this announcement, the City entered into a Service agreement with Melcor Developments Ltd (Developer) to complete the infrastructure improvements required to service the school site. As this work is ahead of the Developers development schedule the City will front end the construction and recover the costs as boundary conditions (from all developers that benefit from development) in the future. It is estimated that this work will be completed in 2023 with an estimated cost of \$6.74 million. Work completed to December 31, 2022 is \$4,073,825 of which \$1,303,292 will be recovered through boundary conditions,
- 2 Affordable Housing - as at December 31, 2022 \$1,261,733 has been committed to the Affordable Housing Fund.
- 3 On July 8, 2013, City Council approved the sale of approximately 66.5 acres in the Crossings commercial area. As at December 31, 2022, \$13,170,535 has been received with final close date on December 31, 2025 (previously December 31, 2022). Although \$2,710,973 was received (per agreement) on December 31, 2022 the land parcel was not subdivided and therefore revenue could not be recognized on statements in 2022. Due to slowed markets conditions an additional extension was requested and approved by Council August 24, 2021.

OFFSITE ACCOUNT ANALYSIS
For the period January 1, 2022 to December 31, 2022

Revenues

Net Offsite Levies

Southbrook Phase 6	1,244,830
Garry Station Stage 1 Phase 6	852,554
Copperwood Phase 29	617,357
Legacy Ridge Stage 1 Phase 8	602,745
Country Meadows Phase 5	502,990
Crossings Phase 5B (Opp Leth)	535,305
Prairie Arbour Estates Phase 2B	202,320
Total Net Levies	<u>4,558,101</u>

Other Revenues

General Interest	69,764
Total Other Revenues	<u>69,764</u>

Total Revenues

4,627,865

Allocations

Offsite/Oversize Credits

Garry Station Stage 1 Phase 6	94,490
Southbrook Phase 6	25,852
Total Oversize Credits	<u>120,342</u>

Other Costs

Debt Payment - ACFA	5,059,125
	<u>5,059,125</u>

Total Allocations

5,179,467

Net Decrease in Offsite Account

(551,602)

Add: Offsite Account Balance January 1, 2022

3,702,426

Offsite Account Balance December 31, 2022

3,150,824

* project spending is funded by Offsite Levy borrowing

OFFSITE ACCOUNT ANALYSIS
For the period January 1, 2022 to December 31, 2022

Funds Committed for Future

Projects (2022 and prior) Funded by Debentures (external borrowings):

Metis Trail Underground - Country Meadows to Tartan (Wastewater)	2,080,975
Metis Trail - Temple Blvd to Coalbrook Gate (CIP 2018-27 CO-6)	100,437
	<u>2,181,412</u>

2,181,412

City of Lethbridge
External Borrowings (Alberta Treasury Board and Finance)

As At December 31, 2022

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2022	Per Capita 98,406	Year of Maturity
Self Supported								
Airport								
Tractor	\$ 6,297	2018	6	2.512%	\$ 1,137	\$ 1,664		2024
CFC Unit	58,926	2018	16	3.239%	4,748	45,288		2034
Entrance Sign	47,904	2018	16	3.239%	3,860	36,817		2034
Parking Lot	254,357	2018	16	3.239%	20,496	195,486		2034
Runway Signs	24,588	2018	16	3.239%	1,981	18,897		2034
Fence, Garage, Tanks, Roof	167,708	2018	17	2.765%	12,432	130,630		2035
Underground Fuel Tanks	75,365	2018	20	3.108%	5,088	62,212		2038
External Agencies								
Lethbridge & District Exhibition	17,824,000	2022	30	5.110%	1,167,827	17,695,490		2052
Land Development								
Watermark - Phase 1 Middle School	7,500,000	2017	10	2.671%	859,562	3,998,339		2027
Commercial Land Servicing	12,222,000	2017	15	2.768%	1,001,170	8,693,451		2032
Sherring Industrial Park	2,000,000	2018	15	3.046%	167,100	1,492,022		2033
Sherring Industrial Park	2,900,000	2018	15	3.201%	244,962	2,256,267		2033
Sherring Industrial Park	1,900,000	2020	15	2.033%	147,598	1,621,977		2035
Offsite Levy								
South Siphon Upgrade	1,000,000	2010	15	3.885%	88,595	248,613		2025
West Lethbridge Water Reservoir	2,300,000	2010	15	3.885%	203,769	571,809		2025
Garry Drive Reservoir	5,700,000	2011	15	3.013%	475,124	1,777,869		2026
SE Regional Lift Station	3,600,000	2014	15	2.814%	295,865	1,867,972		2029
Northwest Lethbridge Utility Servicing	1,000,000	2010	20	4.124%	73,909	499,301		2030
Metis Trail	1,800,000	2015	15	2.569%	145,362	985,889		2030
Metis Trail	2,800,000	2015	15	2.459%	224,337	1,620,200		2030
Metis Trail Deep Utilities	2,000,000	2015	15	2.569%	161,513	1,095,433		2030
Metis Trail Deep Utilities	2,200,000	2015	15	2.459%	176,264	1,273,014		2030
Northwest Lethbridge Utility Servicing	600,000	2011	20	3.292%	41,190	318,588		2031
Northwest Lethbridge Utility Servicing	15,000,000	2011	20	3.145%	1,016,134	7,911,194		2031
Metis Trail (Temple Blvd To Coalbrook Gate)	4,100,000	2021	10	2.850%	474,091	3,740,213		2031
Northwest Lethbridge Utility Servicing	2,900,000	2012	20	2.922%	192,500	1,586,836		2032
Metis Trail (Walsh to Whoop Up Dr)	5,000,000	2017	15	3.023%	417,071	3,576,215		2032
Whoop Up Dr (McMaster to Mauretania)	2,500,000	2017	15	3.023%	208,536	1,788,108		2032
Metis Trail (Temple Blvd To Coalbrook Gate)	2,600,000	2022	10	4.690%	328,701	2,496,620		2032
Metis Trail (Walsh to Whoop Up Dr)	2,500,000	2018	15	3.046%	208,875	1,865,027		2033
Whoop Up Dr (McMaster to Mauretania)	1,500,000	2018	15	3.051%	125,370	1,164,052		2033
Metis Trail (Walsh to Whoop Up Dr)	1,400,000	2018	15	3.201%	118,257	1,089,232		2033
Sherring Industrial Park	4,300,000	2018	15	3.201%	363,219	3,345,499		2033
Metis Trail (Walsh to Whoop Up Dr)	800,000	2019	15	2.443%	64,020	638,499		2034
Sherring Industrial Park	4,200,000	2019	15	2.552%	338,762	3,482,713		2034
University Drive (Common Stadium to Sunridge)	1,000,000	2020	15	2.033%	77,683	853,672		2035
Metis Trail (Walsh to Whoop Up Dr)	217,470	2020	15	1.789%	16,595	191,719		2035
North Scenic Dr (Uplands Blvd N to 40 Ave)	241,559	2020	15	1.789%	18,433	212,956		2035
University Drive (Common Stadium to Sunridge)	3,500,000	2020	15	1.789%	267,075	3,085,560		2035
Whoop Up Dr (McMaster to Mauretania)	434,548	2020	15	1.789%	33,159	383,093		2035
Total Self Supported					9,792,370	83,918,436	852.78	
Taxation Supported								
General								
ATB Centre - Phase 2 (Leisure Complex)	12,000,000	2016	15	2.798%	985,091	7,789,806		2031
ATB Centre - Phase 2 (Leisure Complex)	5,000,000	2017	15	2.420%	399,476	3,372,271		2032
ATB Centre - Phase 2 (Leisure Complex)	38,000,000	2017	15	3.023%	3,169,740	27,179,236		2032
ATB Centre - Phase 2 (Leisure Complex)	6,950,000	2018	15	3.051%	580,879	5,393,440		2033
ATB Centre - Phase 2 (Leisure Complex)	3,387,182	2019	15	2.443%	271,059	2,703,389		2034
Total Taxation Supported					5,406,245	46,438,142	471.90	
Utility Supported								
Water								
Public Operations Site	1,500,000	2012	15	2.627%	121,640	566,476		2027
Public Operations Site	1,250,000	2013	15	2.959%	103,796	523,288		2028
Public Operations Site	500,000	2013	15	3.586%	43,389	232,371		2028
Public Operations Site	1,000,000	2013	15	3.295%	85,030	459,500		2028
Public Operations Site	550,000	2015	15	2.235%	43,358	297,868		2030
Public Operations Site	1,071,500	2016	15	2.351%	85,182	652,832		2031
Water Reservoir Upgrades	800,000	2016	15	2.151%	62,683	510,417		2031
Water Reservoir Upgrades	500,000	2016	15	2.798%	41,045	324,575		2031
Water Treatment Plant Residuals Management	7,000,000	2019	15	2.298%	554,358	5,785,072		2034
Water Treatment Plant Residuals Management	2,500,000	2019	15	2.552%	201,644	2,073,043		2034
Water Treatment Plant Residuals Management	1,000,000	2020	15	2.033%	77,683	853,672		2035
					1,419,808	12,279,114	124.78	

City of Lethbridge
External Borrowings (Alberta Treasury Board and Finance) Continued
As At December 31, 2022

	Original Principal	Year of Borrowing	Term	Interest Rate	Annual Payment	Year End Balance 2022	Per Capita	Year of Maturity
98,406								
Utility Supported (Continued)								
Wastewater								
Plant Outfall Twinning	782,000	2008	15	4.565%	70,965	68,607		2023
Public Operations Site	1,250,000	2013	10	2.499%	71,021	70,144		2023
Public Operations Site	500,000	2013	10	3.079%	58,473	57,150		2023
Public Operations Site	1,450,000	2015	10	1.779%	158,922	386,920		2025
WWTP Headworks & Clarifier	500,000	2011	15	3.013%	41,678	155,953		2026
Public Operations Site	1,071,500	2016	10	1.860%	117,920	397,785		2026
WWTP Headworks & Clarifier	500,000	2016	10	1.782%	54,809	210,701		2026
WWTP Headworks & Clarifier	700,000	2017	15	2.420%	55,927	472,118		2032
WWTP Primary Clarifier Replacement	2,200,000	2018	15	3.201%	185,833	1,711,650		2033
WWTP Primary Clarifier Replacement	4,000,000	2019	15	2.443%	320,100	3,192,494		2034
WWTP Primary Clarifier Replacement	3,500,000	2019	15	2.298%	277,179	2,892,536		2034
WWTP Headworks and Clarifier Upgrade	3,700,000	2019	15	2.552%	298,433	3,068,104		2034
WWTP Primary Clarifier Replacement	2,400,000	2019	15	2.552%	193,578	1,990,121		2034
WWTP Primary Clarifier Replacement	3,100,000	2020	15	2.033%	240,818	2,646,384		2035
					<u>2,145,656</u>	<u>17,320,667</u>	<u>176.01</u>	
Waste & Recycling								
Landfill Royalty Buyout	6,250,000	2003	20	5.813%	664,621	628,112		2023
Landfill Construction & 28 St N	2,300,000	2003	20	5.625%	194,463	184,107		2023
Landfill Approval Compliance	2,100,000	2008	15	4.565%	194,892	188,417		2023
Landfill Approval Compliance	900,000	2009	15	3.973%	80,221	152,780		2024
Curbside Recycling	4,600,000	2018	10	3.007%	536,046	2,922,823		2028
Curbside Recycling	3,000,000	2019	10	2.208%	335,984	2,024,045		2029
Curbside Recycling	500,000	2019	10	2.397%	56,530	362,300		2029
Recycling Depot	1,000,000	2016	15	2.798%	82,091	649,150		2031
Curbside Recycling	250,000	2021	10	2.850%	28,908	228,062		2031
Perimeter Berms & Fencing	800,000	2017	15	2.420%	63,916	539,563		2032
Recycling Depot	420,000	2017	15	3.023%	35,034	300,402		2032
Construction & Demolition Processing Area	765,800	2017	15	2.768%	62,731	544,710		2032
Perimeter Berms & Fencing	1,000,000	2017	15	2.768%	81,915	711,295		2032
Gas & Leachate Management Systems	400,000	2017	15	2.768%	32,766	284,518		2032
Waste & Recycling Centre Site Enhancements	1,000,000	2019	15	2.298%	79,194	826,439		2034
Gas & Leachate Management Systems	500,000	2019	15	2.552%	40,329	414,609		2034
Waste & Recycling Centre Site Enhancements	700,000	2019	15	2.552%	56,460	580,452		2034
Waste Processing Facility Upgrade	450,000	2019	15	2.552%	36,296	373,148		2034
Waste & Recycling Centre Site Enhancements	770,000	2020	15	1.789%	58,757	678,823		2035
Waste & Recycling Centre Disposal & Cell Dev	800,000	2020	15	1.789%	61,046	705,271		2035
Gas & Leachate Management Systems	1,700,000	2021	15	3.120%	142,780	1,609,560		2036
Waste & Recycling Centre Disposal & Cell Dev	1,100,000	2021	15	3.120%	92,387	1,041,480		2036
Curbside Recycling	5,000,000	2018	20	3.209%	340,682	4,237,263		2038
Curbside Recycling	2,400,000	2018	20	3.254%	164,194	2,035,345		2038
					<u>3,522,243</u>	<u>22,222,674</u>	<u>225.83</u>	
Electric								
Electric Infrastructure Replacement	2,000,000	2011	15	3.013%	166,710	623,814		2026
Electric Infrastructure Replacement	3,000,000	2012	15	2.627%	243,280	1,132,952		2027
Electric Infrastructure Replacement	4,000,000	2015	15	2.385%	318,775	2,309,200		2030
Northwest Substation	4,500,000	2015	15	2.459%	360,541	2,603,893		2030
Northwest Substation	4,400,000	2016	15	2.351%	349,792	2,680,786		2031
Northwest Substation	1,200,000	2016	15	2.151%	94,025	765,626		2031
Electric Infrastructure Replacement	5,500,000	2016	15	2.351%	437,240	3,350,983		2031
Electric Infrastructure Replacement	1,110,000	2016	15	2.798%	91,121	720,557		2031
Electric Infrastructure Replacement	3,155,000	2017	15	2.768%	258,443	2,244,137		2032
Distribution Extension & Improvement	1,900,000	2018	15	3.051%	158,801	1,474,466		2033
Distribution Extension & Improvement	5,500,000	2018	15	3.201%	464,583	4,279,126		2033
Substation Transformer Upgrades	1,500,000	2019	15	2.443%	120,038	1,197,185		2034
Substation 13.8kV Switchgear Upgrades	1,800,000	2019	15	2.443%	144,045	1,436,622		2034
Distribution Extension & Improvement	3,200,000	2019	15	2.298%	253,421	2,644,605		2034
Distribution Extension & Improvement	4,000,000	2020	15	2.033%	310,733	3,414,689		2035
					<u>3,771,548</u>	<u>30,878,641</u>	<u>313.79</u>	
Total Utility Supported					<u>10,859,255</u>	<u>82,701,096</u>	<u>840.41</u>	
Total External Borrowings December 31, 2022					<u>\$ 26,057,870</u>	<u>\$ 213,057,674</u>	<u>\$ 2,165.09</u>	

City of Lethbridge
Internal Borrowings
As At December 31, 2022

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2022	Per Capita	Year of Maturity
Taxation Supported							98,406	
General								
ENMAX Expansion	\$ 5,392,000	2010	15	3.488%	\$ 467,761	\$ 1,718,614		2026
Parks Asset Management	1,666,000	2012	15	2.599%	135,539	627,899		2027
Parks Asset Management	833,000	2014	15	2.814%	68,842	431,929		2029
ATB Centre - Phase 1 (Ice Complex)	2,904,000	2014	15	2.814%	239,997	1,570,390		2029
Lethbridge Police Headquarters	13,125,000	2014	15	2.814%	1,084,698	7,674,346		2029
ATB Centre - Phase 1 (Ice Complex)	240,000	2016	15	2.151%	18,890	153,078		2031
Lethbridge Police Headquarters	1,276,000	2016	15	2.151%	100,431	813,862		2031
ATB Centre - Phase 1 (Ice Complex)	234,000	2017	15	3.023%	19,634	167,286		2032
Lethbridge Police Headquarters	940,000	2017	15	3.023%	78,872	672,002		2032
Lethbridge Police Headquarters	240,000	2018	15	3.051%	20,178	186,175		2033
ATB Centre - Phase 1 (Ice Complex)	127,096	2021	15	2.040%	9,921	119,768		2036
Fibre Connectivity Pilot - Industrial Park	1,435,500	2022	15	4.870%	137,087	1,435,500		2037
Police Technology	line of credit			float	430,200	-		n/a
Total General					2,812,050	15,570,849	158.23	
Self Supported								
Land Development								
Sherring Industrial Park	5,500,000	2007	n/a	float	n/a	5,500,000		n/a
Sherring Industrial Park	14,000,000	2021	n/a	float	n/a	14,000,000		n/a
Total Self-Supported					-	19,500,000	198.16	
Total Internal Borrowings	December 31, 2022				\$ 2,812,050	\$ 35,070,849	\$ 356.39	
Funding from:								
Municipal Revenue Stabilization Reserve						\$ 35,070,849		

Housing Fund (Affordable Housing Capital Grant)

	2018	2019	2020	2021	2022
Opening Balance	\$ 1,669,705	\$ 1,544,882	\$ 1,608,233	\$ 1,633,233	\$ 1,721,622
Funding Approved in Operating Budget	150,000	150,000	150,000	150,000	150,000
	1,819,705	1,694,882	1,758,233	1,783,233	1,871,622
Allocations					
Upgrading Existing Secondary Suites	56,878	52,838	-	-	-
Affordable Housing Capital Projects:					
LRCHC	-	-	-	61,611	-
SASHA House	182,916	20,324	-	-	-
Streets Alive	-	-	125,000	-	-
YWCA	35,029	13,487	-	-	-
Aboriginal Housing	-	-	-	-	180,000
Green Acres Foundation	-	-	-	-	180,000
Blackfoot Family Lodge	-	-	-	-	90,000
Total Capital Allocated	274,823	86,649	125,000	61,611	450,000
Closing Balance (Note 1)	\$ 1,544,882	\$ 1,608,233	\$ 1,633,233	\$ 1,721,622	\$ 1,421,622
<u>Funds Committed for Future</u>					
Uncommitted					\$ 769,138
Affordable Capital Housing Projects:					
YWCA					202,484
Aboriginal Housing Society					120,000
Green Acres Foundation					120,000
Blackfoot Family Lodge Society					210,000
Total Committed Funds					\$ 1,421,622

Note 1: As at December 31, 2022, \$1,261,733 of the 2022 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.

GST Rebates

	2018	2019	2020	2021	2022
Opening Balance	\$ 2,387,002	\$ 2,632,027	\$ 3,275,778	\$ 3,680,794	\$ 4,211,383
GST Rebates	1,411,881	1,531,048	1,386,896	1,425,959	1,598,253
	3,798,883	4,163,075	4,662,674	5,106,753	5,809,636
Allocations					
Community Capital Grant Program	450,000	450,000	450,000	450,000	450,000
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	21,988	25,997	120,580	34,070	36,869
Exhibition Park Trade, Convention Centre & Agriplex (CIP 2018-2027 D-42)	283,568	-	-	-	-
Total Capital Allocated	1,166,856	887,297	981,880	895,370	898,169
Closing Balance	\$ 2,632,027	\$ 3,275,778	\$ 3,680,794	\$ 4,211,383	\$ 4,911,467

Major Community Event Hosting Grant As of December 31, 2022

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.

Total Budget 2015-2018	\$ 1,000,000	
Less Allocated:		
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/>	
2015-2018 Available		278,345
Total Budget 2019-2022	1,000,000	
Less Allocated:		
U Sports Men's Hockey 2019	(125,000)	
World's Men's Curling Championships 2019	(500,000)	
Alberta Summer Games 2021	(73,000)	
National Association of Friendship Centres AGM 2019	(47,500)	
Brier Bid 2022	(355,845)	
Unallocated:		
Alberta Summer Games 2021 - event cancelled	-	
	<hr/>	
2019-2022 Overallocated		(101,345)
		<hr/>
Total Available	\$	177,000
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