

CITY OF  
LETHBRIDGE  
**2018**  
UNAUDITED  
FINANCIAL  
INFORMATION  
December 31, 2018



CITY OF  
*Lethbridge*

Prepared by:  
Financial Services  
March 18, 2019



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The City of Lethbridge 2018 Unaudited Financial Information Report is produced by the Financial Services Department in cooperation with all City of Lethbridge departments.

March 18, 2019



## **Executive Summary - Unaudited 2018 Year End Financial Information**

This 2018 Unaudited report provides City Council with highlights of the 2018 General Fund, Utility Fund, and Reserve Funded operations for the year ended December 31, 2018. The narrative in this report has been prepared by the managers of each respective Business Unit.

As City Council is aware, December 31, 2018 marked the completion of the City's sixth multi-year operating budget cycle (2015 - 2018). To accommodate the four-year budget cycle, Business Units are expected to operate within their 48 month budget. If there was a shortfall after the third year, Business Units were expected to overcome the deficit by adjusting expenditures in the final year of the four-year budget (2018); and if the experience after the third year resulted in net under expenditures, the Business Units had the ability to roll the amounts over to assist their operations during 2018.

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

Should you wish additional details, please contact the City Treasurer or the Controller.

Respectfully submitted,

Hailey Pinksen CPA, CA  
City Treasurer

Barry Sawada CPA, CA  
Controller

Bram Strain  
City Manager

# CITY OF LETHBRIDGE

## Unaudited 2018 Summary of Operations

### General Fund - Corporate Accounts



	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	(Net Revenue)	(Net Revenue)	
	Net Expenditure	Net Expenditure	Pos (Neg)
<b>General Fund</b>			
<b>Corporate Accounts</b>			
Property tax and general revenues	\$ (171,069,841)	\$ (173,053,203)	\$ 1,983,362
Permit, development & license revenues	(4,884,975)	(5,742,690)	857,715
Employee benefit accounts	-	(217,822)	217,822
Grants to organizations	1,168,800	1,158,609	10,191
	(174,786,016)	(177,855,106)	3,069,090
<b>Non-discretionary business unit variances</b>			
Corporate fuel costs	1,960,700	1,625,026	335,674
Utility costs for tax supported City facilities	4,604,333	3,438,191	1,166,142
Uncollectible receivable	-	1,100,000	(1,100,000)
	6,565,033	6,163,217	401,816
<b>Total Corporate Surplus (Note 1)</b>	<b>\$ (168,220,983)</b>	<b>\$ (171,691,889)</b>	<b>\$ 3,470,906</b>

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

# CITY OF LETHBRIDGE

## Unaudited 2018 Summary of Operations

### General Fund - Business Unit Operations



	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2015-2018</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Balance</b>
	(Net Revenue)	(Net Revenue)		
	Net	Net		
	Expenditure	Expenditure	Pos (Neg)	Pos (Neg)
<b>Boards and Commissions</b>				
Galt Museum	\$ 1,815,878	\$ 1,818,791	\$ (2,913)	\$ (2,913)
Lethbridge Police Services	36,039,482	36,423,553	(384,071)	-
Lethbridge Public Library	6,235,297	6,297,524	(62,227)	-
<b>General Government</b>				
City Clerk	801,569	801,315	254	8,541
City Manager & Communications	1,253,197	1,251,581	1,616	33,768
City Solicitor	345,621	343,930	1,691	7,904
Economic Development	1,455,024	1,455,024	-	3,462
Mayor & City Council Office	833,342	742,519	90,823	282,332
Pay-As-You-Go	13,085,000	13,085,000	-	-
<b>Corporate Services</b>				
Financial Services	3,235,348	3,260,281	(24,933)	124,821
Human Resources	2,008,305	2,007,325	980	3,494
Information Technology	3,637,565	3,637,294	271	30,360
<b>Community Services</b>				
Community Social Development	1,131,325	1,131,325	-	-
Community Services Support	912,507	912,507	-	-
ENMAX Centre	1,692,641	1,663,021	29,620	29,620
Facility Services	5,877,644	5,877,644	-	-
Fire & Emergency Services	23,402,807	23,668,897	(266,090)	40,710
Helen Schuler Nature Centre	717,612	712,266	5,346	5,346
Public Safety Communications Centre	214,300	407,837	(193,537)	21,681
Recreation & Culture	10,339,047	10,211,815	127,232	162,657
Regulatory Services	1,437,854	1,412,932	24,922	206,162
Transit & Accessible Transportation	12,236,749	12,261,201	(24,452)	62,010
<b>Property Services</b>				
Assessment & Taxation	1,743,859	1,739,364	4,495	16,861
Development Services	2,308,217	2,289,371	18,846	96,992
Inspection Services	3,172,524	3,142,059	30,465	210,334
<b>Infrastructure Services</b>				
Infrastructure Services Administration	648,220	641,396	6,824	10,249
Parks Maintenance and Management	13,172,414	13,168,522	3,892	36,597
Storm Sewer Maintenance	564,217	563,568	649	23,332
Transportation	14,416,668	14,096,612	320,056	589,605
<b>Total</b>	<b>\$ 164,734,233</b>	<b>\$ 165,024,474</b>	<b>\$ (290,241)</b>	<b>\$ 2,003,925</b>

Note - Certain variances are explained within Section A-4 Unaudited Variance Discussion and Analysis

# CITY OF LETHBRIDGE

## Unaudited 2018 Summary of Operations

### Summary of Utility & Reserve Funds



	Budget	Actual	Variance Pos (Neg)
<b>Utility Funded Operations</b>			
<b>Waste Services</b>			
Revenue	\$ 6,158,515	\$ 6,459,992	\$ 301,477
Expenses	6,158,515	6,352,381	(193,866)
<b>Surplus</b>	-	107,611	107,611
<b>Recycling Services</b>			
Revenue	1,838,000	1,902,754	64,754
Expenses	1,838,000	2,081,904	(243,904)
<b>(Deficit)</b>	-	(179,150)	(179,150)
<b>Landfill</b>			
Revenue	8,034,758	9,781,939	1,747,181
Expenses	8,034,758	9,617,197	(1,582,439)
<b>Surplus</b>	-	164,742	164,742
<b>Wastewater</b>			
Revenue	16,015,000	17,182,303	1,167,303
Expenses	16,015,000	16,573,143	(558,143)
<b>Surplus</b>	-	609,160	609,160
<b>Water</b>			
Revenue	22,111,000	24,236,014	2,125,014
Expenses	22,111,000	24,229,844	(2,118,844)
<b>Surplus</b>	-	6,170	6,170
<b>Electric</b>			
Revenue	72,990,596	78,881,578	5,890,982
Expenses	72,990,596	80,717,206	(7,726,610)
<b>(Deficit)</b>	-	(1,835,628)	(1,835,628)
<b>Reserve Funded Operations</b>			
<b>Cemeteries</b>			
Revenue	917,500	878,649	(38,851)
Less expenditures	1,451,751	1,450,881	870
Plus tax supported funding	534,251	534,251	-
<b>Transfer from the Reserve</b>	-	(37,982)	(37,981)
<b>Community Lighting</b>			
Revenue	9,500	9,736	236
Less expenditures	2,962,000	3,028,647	(66,647)
Plus tax supported funding	2,952,500	3,025,929	73,429
<b>Transfer to the Reserve</b>	-	7,018	7,018
<b>Fleet Services</b>			
Revenue	12,199,300	13,242,318	1,043,018
Less expenditures	7,894,061	8,756,927	(862,866)
<b>Transfer to the Reserve</b>	4,305,239	4,485,391	180,152
<b>Real Estate &amp; Land Development Operations</b>			
Expenditures	1,332,398	1,271,104	61,294
<b>Transfer from Subdivision Surplus</b>	(1,332,398)	(1,271,104)	61,294
<b>Parking</b>			
Revenue	1,349,900	1,196,970	(152,930)
Less expenditures	687,317	540,689	146,628
Transfer from reserve to operations	(135,000)	(135,000)	-
<b>Transfer to the Reserve</b>	527,583	521,281	(6,302)
<b>Risk Management</b>			
Revenue	3,396,681	3,398,970	2,289
Less expenditures	3,308,795	2,916,391	392,404
<b>Transfer to the Reserve</b>	\$ 87,886	\$ 482,579	\$ 394,693

### **Unaudited Variance Discussion and Analysis**

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

#### **1) a) General Fund - 2018 Corporate Accounts**

**Corporate Accounts Surplus of \$3,471,000** - Specific positive and negative budget variances resulting from factors not attributable to the business unit management (e.g. corporate revenues and utility costs on city facilities) are reported as a corporate responsibility.

By City policy, the corporate portion of the General Fund surplus accrues to the Municipal Revenue Stabilization Reserve.

The major areas are summarized as follows:

**Property tax and general revenues** - ended the year with a positive variance of \$1,983,000.

**Property Taxes** - ended the year with a positive variance of \$1,393,000. This surplus is mainly due to higher than anticipated cumulative growth in residential and commercial properties over the period 2015-2018.

**General Revenues** - ended the year with a positive variance of \$590,000. The surplus was mainly due to higher than budgeted transfers from the Landfill and Water Utilities to General Operations of \$206,000 and \$170,000 respectively, higher than budgeted penalties on taxes of \$208,000 and \$6,000 in general revenue accounts.

**Permit, development & license revenues** - ended the year with a positive variance of \$858,000. Planning and Development operations ended 2018 with a moderate revenue surplus over budget. While Land use amendments, subdivision and development activity was slightly lower than forecast, building permits and inspection revenues for new Commercial and Institutional construction was higher. In addition, growth in the number of business licenses combined with a fee increase resulted in an overall positive variance.

**Employee benefit accounts** - ended the year with a positive variance of \$218,000. A surplus of \$838,000 was incurred during the year. The most significant contributing factors were lower than anticipated rates for medical and dental coverage, and a reduction in pension contribution rates. This was offset by a transfer to Budget Appropriation Unexpended (BAU) of \$(120,000) for diversity and inclusion initiatives and \$(500,000) for the Directional Operating Funding for 2019-2022.

**Corporate fuel costs** - ended the year with a positive variance of \$336,000. 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 \$1,166,000. ATB Phase II will not be operational until the spring of 2019, resulting in a surplus of \$616,000. There is a surplus in electricity of \$446,000, as costs for electricity did not increase as expected. Also, the electrical consumption of the newly expanded Police HQ is not as high as what was expected. There is a surplus in City Utilities of \$108,000, as well as a deficit in natural gas of (\$70,000). This deficit in natural gas is due to the carbon tax. There was an overall utility surplus of \$62,000 at the ENMAX Centre, and an overall surplus of \$4,000 for Parks and Transportation Landfill Charges.

**Uncollectible receivable** - ended the year with a negative variance of \$(1,100,000). This is a result of unrecoverable construction costs for the Public Operations CIP project (Fleet Services building).

### **1) b) General Fund - 2018 Business Unit Operations**

Business Unit accounts ended the year with a negative variance of \$(290,000) which represents 0.18% of the Business Units' budgets. This amount along with the rollover remaining from 2015-2017 of \$2,294,000 totals \$2,004,000 as shown in detail in the General Fund - Business Unit Operations in Section A-2.

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

### **Boards and Commissions**

**Galt Museum** - ended the year with a negative variance of \$(3,000). This was due to an over expenditure for outdoor exhibit development of \$(48,000), which was offset by under expenditures of \$45,000 relating to supplies/equipment and staffing for Educational Programs at the museum.



### **Boards and Commissions**

**Lethbridge Police Services (LPS)** - ended the year with a negative variance of \$(384,000) resulting in a four - year balanced position.

The 2018 \$(384,000) variance is due to; i) Operating expenses were over spent by \$(1,263,000), mainly related to greater than budgeted information technology costs of \$(306,000) including replacement of monitors, desktops, servers, asset management system, upgrading personal computer system, payment to Technology line of credit of \$(524,000) and \$(433,000) transfer to Budget Appropriation Unexpended (BAU) for projected expenses in 2019.

These negative variances are partially offset by positive variances in the following two areas: i) Wages have a positive variance of \$790,000. This variance is due to savings in salaries and benefits due to staff vacancies. ii) Revenues are over budget by \$89,000; due to additional revenue from Municipal Policing Assistance Grant \$21,000 and Police Record check \$68,000. It should be noted that this negative variance will be covered off by prior year surpluses.

**Lethbridge Public Library** - ended the year with a negative variance of \$(62,000) resulting in a four - year balanced position.

The 2018 \$(62,000) variance is due to \$(517,000) over expenditures in equipment and supplies, information technology, vehicle maintenance, building maintenance and security. This was partially offset by excess revenue of \$260,000 (donations, grants and transfer from BAU) and under expenditures of \$195,000 (wages, travel, advertising, and recruitment). It should be noted that this negative variance will be covered off by prior year surpluses.

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

**City Manager & Communications** - ended the year with a positive variance of \$2,000, resulting in a four - year positive variance of \$34,000.

The 2018 \$2,000 variance is due to a position vacancy and staff transitions of \$294,000. This positive variance was offset by a transfer of \$(280,000) to BAU to fund staffing, as well as \$(12,000) transferred to Directional Operating Funding.

**City Solicitor** - ended the year with a positive variance of \$2,000, resulting in a four - year positive variance of \$8,000.

The 2018 \$2,000 variance is due to a position vacancy resulting in a \$202,000 surplus. This positive variance was offset by transfers of \$(100,000) to a legal defense fund BAU, and \$(100,000) to the Directional Operating Funding.

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

**Mayor & City Council Office** - ended the year with a positive variance of \$91,000 resulting in a four - year positive variance of \$282,000.

The 2018 \$91,000 variance is due to unused travel, promotional materials, and communication expenses of \$170,000. Of this amount, \$(79,000) was transferred to the MRSR per directional resolution 4 in the 2019-2022 budget deliberations.

**Financial Services** - ended the year with a negative variance of \$(25,000) resulting in a four - year positive variance of \$125,000.

The 2018 \$(25,000) variance is due to a \$(165,000) transfer for capital lifecycle replacements related to the future replacement of the Financial Management Information System partially offset by a \$140,000 under expenditure in wages primarily due to vacant positions for part of the year. It should be noted that this negative variance will be covered off by prior year surpluses.

### **Community Services**

**ENMAX Centre** - ended the year with a positive variance of \$30,000 resulting in a four - year positive variance of \$30,000.

The 2018 \$30,000 variance is due to additional revenues in Food and Beverage of \$350,000 from both events and junior hockey, as well as \$20,000 in the Ticket Centre due to strong sales of various events in the last quarter of the year. The positive variance was offset by \$(81,000) operating costs (increased labour and events), along with a transfer to future lifecycle expenditures of \$(259,000).

Due to timing issues of projects \$83,000 of prior surplus was brought into operations and transferred to capital lifecycle maintenance to be spent in early 2019.

**Fire & Emergency Services** - ended the year with a negative variance of \$(266,000) resulting in a four - year positive variance of \$41,000.

The 2018 \$(266,000) variance is due to a deficit in EMS supplies, contractual services and memberships of \$(181,000), Budget Appropriation Unexpended of \$(395,000) and various planned operational equipment and maintenance expenses of \$(260,000). These negative variances were partially offset by a combination of lower than budgeted wage expense relating to staff attrition, cyclical recruiting of new hires and other wage related costs of \$345,000 as well as a surplus in EMS revenues of \$225,000. It should be noted that this negative variance will be covered off by prior year surpluses.

**Public Safety Communications Centre** - ended the year with a negative variance of \$(194,000) resulting in a four - year positive variance of \$22,000.

The 2018 \$(194,000) variance is due to a deficit in wages of \$(144,000), capital lifecycle transfers of \$(295,000), Budget Appropriation Unexpended transfers of \$(330,000) as well as amounts committed to Directional Operating Funding of \$(100,000). These negative variances were offset by an increase in 911 wireless and dispatch revenues of \$330,000 as well as an decrease in infrastructure and radio maintenance and equipment of \$345,000. It should be noted that this negative variance will be covered off by prior year surpluses.

**Recreation & Culture** - ended the year with a positive variance of \$127,000 resulting in a four - year positive variance of \$163,000.

This 2018 \$127,000 variance is due to an Aquatics net savings of \$393,000 resulting from the timing of ATB Phase 2 (Leisure Complex) opening. This positive variance is offset by a negative variance of \$(88,000) primarily due to missed revenue opportunities during the Yates construction downtime. The overall 2018 business unit surplus was reduced by an additional \$(114,000) to future approved projects, \$(16,000) to capital lifecycle maintenance transfers as well as \$(48,000) to go towards the 2019-2022 Directional Operating Funding.

Due to timing issues of projects \$50,000 of prior year surplus was brought into operations and transferred to capital lifecycle maintenance.

**Transit & Accessible Transportation** - ended the year with a negative variance of \$(24,000) resulting in a four - year positive variance of \$62,000.

This 2018 \$(24,000) variance is due to on-road operations experiencing a deficit in wages of \$(350,000) as a result of unforeseen leaves and overtime offset by a positive variance of \$100,000 due to training and travel. Contractual Services experienced a deficit (\$56,000) due primarily to the insurance deductible as a result of the fire at the Transit building. This deficit is partially offset by surpluses in fare revenue of \$411,000 due to increases overall in ridership, the new U-Pass and increased fares as well as advertising surplus of \$29,000 due to less advertising completed. The overall 2018 business unit surplus was reduced by an additional \$(158,000) to go towards the 2019-2022 Directional Operating funding. It should be noted that this negative variance will be covered off by prior year surpluses.

## **Property Services**

**Development Services** - ended the year with a positive variance of \$19,000 resulting in a four - year positive variance of \$97,000.

The 2018 \$19,000 variance is due to a surplus of \$355,000 generated from various operational and wage related vacancies. Of this surplus, \$(244,000) was allocated to BAU for various planning studies. The overall 2018 business unit surplus was reduced by an additional \$(92,000) to go towards the Directional Operating Funding.

**Infrastructure Services**

**Transportation** - ended the year with a positive variance of \$320,000 resulting in a four - year positive variance of \$590,000.

The 2018 \$320,000 variance is due to administration accounts ending the year with a \$45,000 surplus due to under expenditures in transportation studies. Transportation maintenance accounts ended the year with a surplus of \$533,000 due primarily to under expenditures to paved lane maintenance reconstruction, major road repair, gravel roadway maintenance, rail maintenance and bridge maintenance. Traffic Operations also ended the year in a surplus position of \$42,000. Also affecting transportation maintenance accounts, a (\$200,000) allocation from the Paved Lane Reconstruction operating budget and (\$100,000) allocation from the major road repairs operating budget was transferred to a Transportation operations Budget Appropriated Unexpended (BAU) account. The amount of major road repairs in the spring of 2018 was significantly lower than expected.

**Infrastructure Services Administration** - ended the year with a positive variance of \$7,000 resulting in a four - year positive variance of \$10,000.

The 2018 \$7,000 variance is due to Infrastructure Administration accounts ending the year with a surplus of \$574,000 due to greater than budgeted subdivision and right of way inspection fee revenue realized in 2018, as well as lower than budgeted general expenditures. A transfer of \$(567,000) was made to the Urban Development BAU since it is directly related to surplus subdivision inspection fee revenue that was realized in 2018 due to the Sherring Industrial Park expansion. These funds are intended to be used in future development years to offset revenue shortfalls that may occur if urban development fees are less than budgeted.

**Parks Maintenance and Management** - ended the year with a positive variance of \$4,000 resulting in a four - year positive variance of \$37,000.

The 2018 \$4,000 variance is due to a positive variance of \$401,000 in parks lifecycle and water quality management operating accounts. This surplus was partially offset by overages in Parks operations and maintenance accounts \$(147,000) as well as an approved transfer of \$(200,000) from Parks Lifecycle operating account to the Parks playground lifecycle capital fund and a \$(50,000) transfer from Parks Lifecycle operating to the Parks Irrigation Lifecycle capital account.

**2) 2018 Utility Funded Operations**

**Utility Services** - ended the year in a balanced position.

i) The 2018 Utility Services revenue ended the year greater than budgeted.	\$ 271,000
ii) System billing expenses ended the year under budget.	83,000
iii) System management accounts ended the year in a positive variance due primarily to a delay in the upgrading of computer hardware.	43,000
iv) Bad debt write-off was lower than expected.	38,000
v) Late payment penalties and disconnect/reconnect charges and fees ended the year less than budgeted.	(72,000)
vi) Utility Services operations ended the year in a deficit position due primarily to increased wages related to the operationalization of the 311 business unit.	(363,000)

**Waste and Recycling Services** - is comprised of the Waste, Recycling and Landfill operations.

**Waste (Solid Waste) Services** - ended the year with a positive variance of \$108,000. The major factors that contributed to this variance are as follows:

i) Clean city programs ended the year in a surplus position. Large Item Service (LIS) ended the year in a surplus position of \$89,000 and clean lanes ended the year with a surplus of \$35,000. This was offset by a deficit to the Free Saturday Disposal program \$(16,000) as this program's usage was greater than budgeted.	\$ 108,000
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The accumulated surplus as at December 31, 2018 is \$1,967,000; 2017 was \$1,859,000.

**Recycling Services** - ended the year with a negative variance of \$(179,000). The major factors that contributed to this variance are as follows:

- |  |              |
|--|--------------|
| i) Recycling Depots ended the year in a deficit position due primarily to higher than budgeted cost for emptying the recycle bins, litter clean up and snow removal costs. | \$ (144,000) |
| ii) Yard Waste sites finished the year with a negative variance due to higher than budgeted labor and material hauling costs.  | (47,000)     |
| iii) E-waste, Toxic materials and Paint disposal accounts ended the year in a deficit position.  | (21,000)     |
| iv) Education programs finished the year in a surplus position.  | 13,000       |
| v) Recycling revenues ended with a positive variance.  | 20,000       |

The accumulated surplus as at December 31, 2018 is \$418,000; 2017 was \$830,000. Funding of \$550,000 of this accumulated surplus was committed to 2018-2027 CIP project E-6 Curbside Recycling. Additionally, per the November 28, 2016 Council Resolution, \$(233,000) was allocated in 2018 to fund the Curbside Recycling Pilot project.

**Landfill Operations** - ended the year with a positive variance of \$165,000. The major factors that contributed to this variance are as follows:

- |  |              |
|--|--------------|
| i) Landfill revenues ended the year with a positive variance due to increased 2018 tipping fees of \$1,014,000 in support of the Industrial Commercial and Institutional (ICI) strategy, as well as an increase in tonnages and growth of \$733,000. | \$ 1,747,000 |
| ii) Consistent with an increase in landfill cash and contract sales revenues, is an increase in the 10% contribution to the General Fund.  | (206,000)    |
| iii) Landfill Diversion Operations ended the year in a deficit position caused primarily by efforts to clean up the wood pile at the Waste and Recycling center.   | (261,000)    |
| iv) A transfer to the Landfill's Budget Approved Unappropriated (BAU) account for future (2019) wood pile clean up expenditures.   | (500,000)    |
| v) Disposal operations - Additional resources required at the Waste & recycling center. Planning and Continued efforts of the ICI program, closed Landfills, Landfill Master Plan, and the Materials Recovery Facility (MRF).                        | (615,000)    |

The accumulated surplus as at December 31, 2018 is \$2,995,000; 2017 was \$2,830,000.

**Wastewater Operations** - ended the year with a positive variance of \$609,000. The major factors that contributed to this variance are as follows:

i) Wastewater treatment and processing operations ended 2018 in a surplus position primarily due to higher than anticipated sewer loading from industrial customers.	\$ 365,000
ii) Wastewater system collection costs finished the year in a surplus position.	227,000
iii) Wastewater Engineering and Technical support accounts finished the year with a positive variance due to under expenditures in the 2018 wastewater collection system condition assessment program.	76,000
iv) Wastewater administrative accounts ended the year with a negative variance.	(59,000)

The accumulated surplus as at December 31, 2018 is \$4,041,000; 2017 was \$3,432,000. Funding of \$2,600,000 of the accumulated surplus has been committed to 2018-2027 CIP project E-15 Wastewater Treatment Plant Phosphorus Recovery. Additionally, funding of \$1,000,000 has been committed to the 2018-2027 CIP Project E-12 Wastewater Treatment Plant Clarifier Replacement. The balance of this amount has been identified as a short-term financing option for the anticipated Off-Site Account shortfall in the 2019-2021 period.

**Water Operations** - ended the year with a positive variance of \$6,000. The major factors that contributed to this variance are as follows:

i) Water revenues ended the year with a positive variance of \$2,125,600 (9.6% greater than budget). This increase is due primarily to higher than budgeted Residential, Regional and Commercial water sales.	\$ 2,125,000
ii) Technical Support as a result of unexpended contractual services mainly in Investigative Surveys.	144,000
iii) Water Treatment Plant accounts ended the year in a slight surplus.	35,000
iv) Water administrative accounts ended the year with a negative variance.	(65,000)
v) Consistent with an increase in revenues is an increase in the 8% contribution to the General Fund.	(170,000)
vi) Water distribution systems accounts ended the year in a deficit position due primarily to an increased amount of water meter replacements.	(803,000)
vii) A portion of the 2018 operating surpluses were applied to the 2018-2027 Capital Improvement Plant Project E-18 - Water Treatment Plant Residuals Management and D-19 - West Lethbridge Operations Depot (Phase 3a).	(1,260,000)

The accumulated surplus as at December 31, 2018 is \$3,881,000; 2017 was \$3,875,000. These amounts have been identified as a short-term financing option for the anticipated Off-Site Account shortfall in the 2019-2021 period.



**The Electric Utility** ended the year with a negative variance of \$(1,836,000) from operations, compared to its balanced budget, broken down as follows:

Fibre Operations - positive variance	\$	146,000
Distribution Tariff - positive variance		249,000
Regulated Rate Tariff - positive variance		46,000
Transmission Tariff - negative variance		<u>(2,277,000)</u>
Total Electric Operations - negative variance	\$	<u>(1,836,000)</u>

**Fibre Operations** - ended the year in a positive variance of \$146,000 due to depreciation, allocation of administration, general expenses, and system operations expenses amounts being lower than budgeted.

**Distribution Tariff** - ended the year with a positive variance of \$249,000. This can be attributed to a negative variance of \$(134,000) from Transmission Access (Provincial Access to Grid) of the Distribution Tariff. The Transmission Access rate was lower than costs in order to be able to provide the over collection of revenue, from 2014 and 2015, back to rate payers. Due to keeping the Transmission Access rate low, the risk of under collection of costs became a reality in 2018. The Utility utilized Rider C to balance the revenue required with the costs (AESO DTS) incurred by the rate base. This resulted in a negative variance within the Transmission Access. There is also a positive variance of \$383,000 from the Distribution Access (Wire Services Provider) of the Distribution Tariff due to an over collection of revenue from the increase in rates from 2017 to 2018.

**Regulated Rate Tariff** - ended the year with a positive variance of \$46,000. Budgeted costs for 2018 were originally set based on the 2014 market prices. The 2014 market prices were higher in 2014 than the actual market price in 2018. The Electric department is expecting to sell energy at a higher rate than we purchase the energy on the market. When setting budgets and rates, the department tends to be conservative in order to avoid being in a deficit position.

**Transmission Tariff** - ended the year with a negative variance of \$(2,277,000) primarily due to a required change in the recorded useful lives of Transmission Assets used in previous years that resulted in the assets being depreciated over a longer period of time than the actual estimated useful lives as per AUC approved guidelines. Thus an adjustment was needed in order to bring net book values of Transmission Assets back in line to current AUC guidelines. Additionally, the Utility identified the need to change the useful life estimates on some of the Protection and Control transmission assets since they are planned to be replaced earlier than the end of their original useful life. These changes resulted greater than budgeted depreciation expense for the Transmission system.

The 2018 Electric Operations actual negative variance of \$(1,836,000) will be transferred to the Electric Utility Reserve in accordance with City Policy

### **3) 2018 Reserve Funded Operations**

**Cemeteries** - ended the year with a negative net transfer of \$(38,000). The 2018 net transfer to the Cemeteries Reserve comprised of \$29,000 of interest revenue and \$(67,000) of operating deficit. The major factors that contributed to the operating deficit are as follows:

- i) Deficit in various operational expenditures of \$(28,000).
- ii) Rights to Interment and Interment Services revenues were lower than budget by \$(39,000).

**Community Lighting** - ended the year with a positive net transfer of \$7,000. Roadway Lighting distribution and consumption charges ended the year in a deficit position of \$(207,000) due primarily to higher than budgeted transmission and distribution charges to the streetlighting network. Roadway lighting maintenance programs also finished the year under budget by approximately \$214,000 due to decreased maintenance required on the network's 13,000 streetlights. This under expenditure (surplus) will be balanced through an increased transfer to the Community Lighting Reserve.

**Parking Operations** - ended the year with a negative net transfer of \$(6,000). Parking revenues finished the year in a shortfall position of \$(153,000) due to a decrease in revenue from On-Street Parking. This deficit was off-set by a \$147,000 surplus in On-street parking operations due in large part to a reduction in operating expenditures required with the installation of the city's new parking meter system. This deficit will be funded from the Off-Street Parking Reserve.

**Snow Clearing** - ice control and snow removal operations ended the year in a deficit position of \$(2,068,000). 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.

**Traffic Safety Act Revenues** - ended the year with a \$(1,219,000) negative variance. The primary reason for the variance was an inability to deploy photo radar due to weather conditions. Revenues include photo radar for the City of Lethbridge, Provincial violation fines (tickets for speeding, failing to stop, going through red lights, etc.) and revenue from Taber for delivery of Photo Radar Enforcement. In accordance with City Council policy, the Traffic Safety Act revenues will be directed to the Municipal Revenue Stabilization Reserve and do not impact the year end operating surplus.

**Risk Management** - ended the year with a positive net transfer of \$395,000. This is due to lower than anticipated insurance premium costs. The surplus was transferred to the Insurance Reserve at year end.

**Fleet Services** - ended the year with a positive net transfer of \$180,000. This variance was due primarily to lower than budgeted fuel prices of approximately \$571,000. This positive variance was partially offset by increased costs relating to parts, consumables and outsourced specialty services that were required to keep up with a backlog of work on the city's equipment fleet of \$(391,000).

#### **4) Glossary of Terms**

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

**Business Unit Operations Roll Over** - prior year(s) tax supported budget variance between the approved budget and actual revenue or expenditures for the fiscal period. To accommodate the four year budget cycle, Business Units are expected to operate within their 48 month budget allocation. If there was a shortfall after the first three years, Business Units are expected to overcome the deficit by adjusting expenditures in the final year of the four-year budget (2018); and if the experience after the third year resulted in net under expenditures, the Business Units had the ability to roll over the amounts to assist their operations during the last year of the budget cycle.

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

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

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

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

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

**Non-discretionary Business Unit Variances** - specific positive and negative budget variances resulting from factors not attributable to the business unit management (e.g. windfall revenues and utility costs on city facilities) 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 2015-2018**

	2015	2016	2017	2018
<b>Contingency Included in 2015-2018 Budget</b>	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000
<b>Allocated by City Council:</b>				
Ongoing:				
Diversion Outreach Team		(110,000)	(142,000)	(142,000)
Lethbridge Police Service Budget Request		-	(700,000)	(830,000)
One-time:				
2018-27 CIP Planning Projects *		(390,000)	(158,000)	(528,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* 2018-2027 CIP planning projects include: Performing Arts Centre D-34, Indigenous Cultural Centre Study D-35 and Exhibition Park Trade, Convention Centre & Agriplex D-42.



<b>Ref</b>	<b>Initiative</b>	<b>Business Unit</b>	<b>2015/2018 Approved Budget</b>	<b>Complete (Y/N/P- Partial)</b>	<b>2015-2018 Actual Expenditure (Savings)</b>	<b>Status/ Action Taken to Date / Results Achieved</b>
<b>N-1</b>	<b>Bookmobile Garage</b>	Lethbridge Public Library	\$637,500	Y	\$572,766	This project was completed in 2018.
<b>N-3</b>	<b>Pilot Project to Mitigate the Feral Cat Problem</b>	Mayor's Panel on Animal Welfare	\$14,000	Y	\$14,000	The Animal Welfare Committee oversaw five feral cat colonies and assisted in various other Trap Neuter Release ventures.
<b>N-4</b>	<b>Heart of Our City Housing Incentive Program</b>	Heart of Our City	\$2,500,000	P	\$632,792	Unspent funds will be used to continue the program into 2019-2022.
<b>N-6</b>	<b>Southern Alberta Art Gallery</b>	Recreation & Culture	\$248,000	Y	\$248,000	Funding supported the hiring of a fundraising consultant who assisted SAAG in designing and launching what has been a successful fundraising campaign. Funds raised will help SAAG respond to current organizational growth and anticipate future growth.
<b>N-7</b>	<b>Transit &amp; Access-A-Ride Master Plan</b>	Lethbridge Transit	\$350,000	Y	\$350,000	The completed Transit Master Plan was presented to Council in July 2017 where it was referred to CIC for the first quarter of 2018.
<b>N-8</b>	<b>Urban Forest Management Plan</b>	Parks Management	\$175,000	P	\$36,965	The Urban Forest Management Plan has been initiated and is expected to be completed in 2019.
<b>N-14</b>	<b>Paved Lane Rehabilitation</b>	Transportation	\$600,000	P	\$194,300	This program is an enhancement to the current Lane Rehabilitation program. By the end of 2016, the Transportation department completed an update on it's paved lane condition assessments. In 2017, 2 lanes were rehabilitated under this initiative. It is anticipated that by the end of 2019, the balance of this programs funding will have been used on the rehabilitation of the remaining top priority lanes.
<b>N-16</b>	<b>Mobility Improvement</b>	Transportation	\$1,200,000	P	\$1,099,530	By the end of 2018, the following 6 project outcomes of this program have been achieved. 1) a missing link of sidewalk along the south side of 5th ave. N between 10th and 12th St. N.; 2) a missing link of sidewalk along the north side of 8th Ave. N. between 12th St. and a lane to the west.; 3) a missing link of sidewalk along the north side of Stafford Ave. N. between Stafford Dr. and 6th St N.; 4) a missing link of sidewalk along the east side of 20th St. N. between 10 Ave. N and a lane to the north; 5) a missing link of sidewalk and adjacent wheelchair ramps along the north side of 9th 'A' Avenue South between 12th Street and 13th Street. The 6th project was the installation of accessibility ramps at pre-determined locations through the city.
<b>N-17</b>	<b>Access-A-Ride (AAR) Additional Service</b>	Accessible Transportation	\$1,575,159	Y	\$1,491,542	This is a four year plan. First portion for 2015 was to add 2,340 hours of on-street service summing to approximately 110 additional rides. In 2016, the addition of 1,690 on street service hours will be added for approximately 80 additional rides. Two additional buses were acquired in 2016, and service hours increased. Additionally, service hours were extended from 10:30 to midnight in December of 2015 to match Transits hours and same day booking service has been instituted. Ridership has increased from 105,541 in 2015 to 112,878 in 2016. an increase of approximately 7%. Ridership in 2017 increased to 125,062 which is an approximate 10.8% increase. Ridership in 2018 increased to 141,064 which is an approximate increase of 2.9% over 2017.
<b>N-19</b>	<b>Service Expansion Blackwolf</b>	Lethbridge Transit	\$968,488	Y	\$857,374	Transit held off on this initiative until completion of the Transit Master Plan. Blackwolf did not grow as anticipated so the resources were repurposed to enhance the transit service at the far south end of the City as per Council resolution from June of 2018. The Route was realigned addressing timing and reliability issues. Three operators were hired in April of 2018 which were trained and the route fully implemented in September of 2018.
<b>N-24</b>	<b>Fee Assistance Program</b>	Recreation & Culture	\$345,000	Ongoing	\$345,000	In 2018, 1,072 individuals were assisted through the Fee Assistance Program, from newborn to 84 years of age.
<b>N-26</b>	<b>Major Community Event Hosting</b>	Recreation & Culture	\$1,000,000	Ongoing	\$721,656	City Council had two requests in 2018. Please refer to Major Community Event Hosting Grant schedule for further information.

<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>2015/2018 Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>2015-2018 Actual Expenditure (Savings)</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
<b>N-27</b>	<b>Intelligent Community, Citizen Engagement and Brand Development</b>	Information Technology and Economic Development Lethbridge	\$1,086,500	P	\$534,000	EDL funding for Intelligent Community has concluded. The Intelligent Community Strategy, Open Data, Smart 21 Award, and Connectivity Strategy Report have all been completed. Unspent initiative funds are to be used for the Digital Transformation Master Plan, Brand Development, and Smart Cities Challenge in 2019-2022 contingent upon the approval of the City Manager.
<b>N-29</b>	<b>Snow &amp; Ice Control - Sanders and Plow Trucks</b>	Transportation	\$928,450	Y	\$928,450	The first Sander and Plow truck was ordered in 2015 and was in operation beginning in the 1st quarter of 2016. The second Sander and Plow truck unit was put into operations in the first quarter of 2017. The first 0.4 Non-Permanent FTE was hired in the first quarter of 2015 to support snow and ice control operations and the second 0.4 Non-Permanent FTE was hired in the first quarter of 2017 to further support this initiative.
<b>N-30</b>	<b>Street Sweeper</b>	Transportation	\$708,900	Y	\$708,900	The sweeper was ordered in 2015 and was in full operation by the 2nd quarter of 2016. The first 0.6 Non-Permanent FTE was hired in the first quarter of 2015 to support sweeping operations and the second 0.6 Non-Permanent FTE was hired in the first quarter of 2017 to further support this initiative.
<b>N-38</b>	<b>Rescue and Care For Lost or Abandoned Cats</b>	Community - Council Referral	\$37,500	Y	\$37,500	The Animal Welfare Committee awarded nine grants.
<b>N-40</b>	<b>New West Theatre</b>	Community - Council Referral	\$30,000	Y	\$30,000	Funding for 2015, 2016, & 2017 years has been allocated as per City Council direction.
<b>N-41</b>	<b>Nord-Bridge Senior Citizens Association</b>	Community - Council Referral	\$225,000	Y	\$225,000	The organizational review and subsequent recommendations have been presented to Council.



<u>Ref</u>	<u>Initiative</u>	<u>Business Unit</u>	<u>Approved Budget</u>	<u>Complete (Y/N/P- Partial)</u>	<u>Actual Expenditure</u>	<u>Status/ Action Taken to Date / Results Achieved</u>
N-3	Radio Frequency Identification (RFID)	Lethbridge Public Library	\$507,531	Y	\$507,531	This project was completed in 2018.



## STATEMENT OF RESERVES AS AT DECEMBER 31, 2018



	December 31 2018	December 31 2017
<b>OPERATING</b>		
Cemeteries	\$ 1,347,328	\$ 1,385,310
Insurance	4,833,350	4,350,772
Mayor Magrath Drive Beautification	111,287	109,518
Municipal Revenue Stabilization	28,746,363	26,120,325
Urban Parks	2,102,349	1,363,514
<b>Total Operating Reserves</b>	<b>37,140,677</b>	<b>33,329,439</b>
<b>CAPITAL</b>		
Acquire Off Street Parking	2,018,157	3,415,268
Central Business District Land Acquisition	683,726	682,976
Community Lighting	5,253,302	5,714,542
Community Reserve Fund	297,963	291,776
Electric	4,595,423	771,123
Fleet Services	22,184,113	22,513,593
Major Capital Projects	3,672,846	20,149,534
Real Estate Holdings	5,469,416	5,392,404
Transit Bus	1,033,159	906,130
<b>Total Capital Reserves</b>	<b>45,208,105</b>	<b>59,837,346</b>
<b>Total Reserves</b>	<b>\$ 82,348,782</b>	<b>\$ 93,166,785</b>
 Total Committed Funds	 \$ 35,055,876	 \$ 38,918,083
Current Internal Funding Requirements:		
Transit Terminal and Regional Park 'n Ride	3,630,000	3,630,000
ATB Centre - Phase 1 & Phase 2 (Ice & Leisure Complex)	1,722,000	1,722,000
Lethbridge Police Headquarters Expansion	269,000	509,000
	5,621,000	5,861,000
Total Committed Funds and Internal Funding Requirements	\$ 40,676,876	\$ 44,779,083

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.

The Airport reserve was established July 1, 2018 when the City of Lethbridge acquired ownership of the airport.

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**OPERATING RESERVES**

**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.

Balance as at January 1, 2018	\$ 1,385,310
Add:	
Interest earnings	29,374
Less:	
Cemeteries Perpetual Care	<u>67,356</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 1,347,328</u></u></b>

**Insurance**

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

Balance as at January 1, 2018	\$ 4,350,772
Add:	
Allocation from Operations	<u>482,578</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 4,833,350</u></u></b>

**Mayor Magrath Drive Beautification**

The purpose of the Mayor Magrath Drive Beautification Reserve is to provide funds to allow for maintenance of Mayor Magrath Drive.

Balance as at January 1, 2018	\$ 109,518
Add:	
Parking Lease Revenue	2,869
Patio Lease Revenue	<u>250</u>
	3,119
Less:	
Land Lease Taxes	<u>1,350</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 111,287</u></u></b>

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**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. Any General Operation deficits of prior years, municipal consent and access fee/franchise fee and by-law enforcement revenue shortfalls, budgeted allocations to General Operations, one-time expenses and internal financing advances are charged to the reserve.

Balance as at January 1, 2018 \$ 26,120,325

Add:

Electric Municipal Consent and Access Fee (MCAF)	9,080,701	
Investment and Interest Income (net of Trust Allocations)	5,153,455	
ATCO Franchise Fee	5,243,611	
By-law enforcement	4,476,848	
MRSR Internal Financing Recoveries <span style="float: right;">(Schedule 1)</span>	3,835,356	
2017 General Operating Surplus	3,023,799	
Return on Investment (Electric ROI)	1,719,387	
CentreSite distribution allocation	233,886	
City Council Committee Surplus (Budget 2019-22 D-4)	<u>232,835</u>	
		32,999,878

Less:

Budget Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,483,100	
By-law enforcement	5,540,500	
Allocation to General Operations	5,250,000	
ATCO Franchise Fee	4,410,000	
Return on Investment (Electric ROI)	2,266,900	
Allocation for Snow Removal	2,067,947	
CentreSite distribution allocation	389,802	
Allocation for TIPP discounts	366,579	
MRSR Internal Financing Advances <span style="float: right;">(Schedule 2)</span>	240,000	
MRSR One Time Allocations <span style="float: right;">(Schedule 3)</span>	<u>359,012</u>	
		<u>30,373,840</u>

**Balance as at December 31, 2018**

**\$ 28,746,363**

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**Municipal Revenue Stabilization**

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

- Lethbridge Police Headquarters (2029)	\$ 1,264,000
- Police technology (2018)	954,200
- Sherring Industrial Park (2020)	555,700
- ENMAX building (2027)	467,800
- ATB Centre - Phase 1 (Ice Complex) (2029)	278,600
- Parks Asset Management (2028)	204,400
- Local Improvements Prior Years	93,715
- Whoop-Up Drive Extension - interest only (CIP 2011-20 C-36)	<u>16,941</u>
	<u>\$ 3,835,356</u>

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

- Lethbridge Police Headquarters Expansion (CIP 2014-23 D-6)	<u>\$ 240,000</u>
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**Schedule 3:** MRSR One Time Allocations:

- PGA Tour Canada 2018-2020 (Council Aug 28, 2017)	175,000
- Nord Bridge Senior Citizens Association (Budget 2015-18 N-41)	75,000
- Heart of the City Housing (Budget 2015-18 N-4)	61,396
- Southern Alberta Art Gallery (Budget 2015-18 N-6)	36,000
- New West Theatre (Budget 2015-18 N-40)	10,000
- Lethbridge Public Library - Bookmobile Garage (Budget 2015-18 N-1)	905
- Rescue & Care for Lost or Abandoned Cats (Budget 2015-18 N-38)	<u>711</u>
	<u>\$ 359,012</u>

Committed Funds:

2015-2018:

- Heart of Our City Housing (Budget 2015-18 N-4, amended Jul 4, 2017)	\$ 933,604
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2018-2021:

- School Gym Upsizing (CIP 2018-27 D-17)	1,700,000
- PGA Tour Canada 2018-2020 (Council Aug 28, 2017)	500,000
- University Dr (Community Stadium to SunRidge Blvd W) (CIP 2018-27 CO-4)	137,000

2019-2022:

- Directional Resolution (Budget 2019-22 D-1 & D-9)	2,355,645
- Invasive Pest Management Urban Forest Disease Reserve (Budget 2019-22 N-58)	2,000,000
- Adaptive Reuse Initiative (Budget 2019-22 N-1)	450,000
- Special Constables/Community Peace Officer (Budget 2019-22 N-38)	409,500
- Energy Efficiency Master Plan & Strategy (Budget 2019-22 N-84)	300,000
- Nikka Yuko Japanese Garden Fee for Service (Budget 2019-22 N-79)	171,190
- Yates Management & Programming (Budget 2019-22 N-88)	170,000
- Increase Statutory Holiday Service (Budget 2019-22 N-55)	162,500
- Nikka Yuko Japanese Garden Maintenance (Budget 2019-22 N-80)	158,086
- Natural Leaders Program (Budget 2019-22 N-35)	151,515

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**Municipal Revenue Stabilization**

- Blackfoot Confederacy & Reconciliation Flags at City Hall (Budget 2019-22 N-13)	150,000
- Nord-Bridge Senior Citizen Association (Budget 2019-22 N-78)	150,000
- Allied Arts Council Fee for Service (Budget 2019-22 N-75)	107,000
- Free Library Memberships 2019 (Budget 2019-22 N-5)	106,000
- Recreation & Culture Security (Budget 2019-22 N-65)	85,000
- Public Safety Security (Budget 2019-22 N-48)	82,064
- Southern Alberta Art Gallery Fee for Service (Budget 2019-22 N-76)	76,000
- EDL - Identify Opportunities & Barriers to Business (Budget 2019-22 N-12)	71,000
- Lethbridge Sport Council Fee for Service (Budget 2019-22 N-74)	55,000
- EDL - Lethbridge Brand Implementation (Budget 2019-22 N-11)	45,000
- Mitigate the Feral Cat Problem (Budget 2019-22 N-81)	40,000
- Non-Veterinary Funding for Animal Rescue (Budget 2019-22 N-82)	40,000
- Lethbridge Destination Management Organization (LDMO) (Budget 2019-22 N-8)	40,000
- EDL - Foreign Direct Investment Program (Budget 2019-22 N-10)	30,000
- SouthGrow Regional Initiative (Budget 2019-22 N-72)	30,000
- EDL - Agrifood Corridor Strategy (Budget 2019-22 N-9)	20,000
- Youth Advisory Council (Budget 2019-22 N-85)	20,000
	\$ 10,746,104

Current 2018/19

## Internal Loan Requirements:

Transit Terminal and Regional Park 'n Ride (CIP 2018-27 D-15)	\$ 3,630,000
ATB Centre - Phase 1 (CIP 2014-23 D-7) & Phase 2 (CIP 2018-27 D-6)	1,722,000
Lethbridge Police Headquarters Expansion (CIP 2014-23 D-6)	269,000
	\$ 5,621,000

As at December 31, 2018 internal advances amounting to approximately \$27,000,000 were outstanding from this reserve. These amounts will be recovered, with interest, in future years.

In addition, amounts to the following community groups remain committed against this reserve. These amounts have been recorded as receivables by the City at December 31, 2018.

	Year	Maturity	Original Amount	Balance as at December 31 2018	Annual Payment
Prairie Baseball Club	1999	2019	\$ 240,000	\$ 20,000	\$ 10,000
SLP Skate Park naming	2014	2023	100,000	42,500	10,000
Lethbridge Hurricanes	2012	2029	2,500,000	1,833,334	166,667
Lethbridge & District Exhibition (CIP 2014-23 D-9)	2017	2032	4,673,000	4,309,544	311,533

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**Urban Parks**

The purpose of the Urban Parks Reserve is to provide for a self-sufficient pool of funds to allow for the ongoing operation and maintenance of the Urban Parks system.

Balance as at January 1, 2018	\$ 1,363,514
Add:	
Allocation from operations	775,800
Less:	
Urban Forest Management Plan (Budget 2015-18 N-8)	<u>36,965</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 2,102,349</u></u></b>

## Committed Funds:

- Accessible Playgrounds (Budget 2019-22 N-59)	\$ 834,800
- Urban Forest Management Plan (Budget 2015-18 N-8)	138,035
- River Valley Accessibility Study (CIP 2018-27 D-38)	<u>100,000</u>
	<b><u><u>\$ 1,072,835</u></u></b>

<b>TOTAL OPERATING RESERVES as at December 31, 2018</b>	<b><u><u>\$ 37,140,677</u></u></b>
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**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**CAPITAL RESERVES****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.

Balance as at January 1, 2018		\$ 3,415,268
Add:		
Parking Revenues		
- Parking Meters	1,185,856	
- Parking Fines	93,288	
- Parking Lots	<u>28,170</u>	
		1,307,314
Less:		
Parking enforcement	438,464	
Administration	308,849	
Parking meter operations	188,199	
Enhance downtown maintenance (snow clearing, street sweeping etc.)	135,000	
Parking lot operations	60,697	
Parking Meter replacement (CIP 2014-23 D-27)	<u>1,573,216</u>	
		<u>2,704,425</u>
<b>Balance as at December 31, 2018</b>		<b><u><u>\$ 2,018,157</u></u></b>

Committed Funds:	
- Parking Meter replacement (CIP 2014-23 D-27)	\$ 316,264
- Transit Terminal and Regional Park 'n Ride (CIP 2018-27 D-15)	<u>1,246,000</u>
	<u>\$ 1,562,264</u>

**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.

Balance as at January 1, 2018	\$ -
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ -</u></u></b>

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**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.

Balance as at January 1, 2018	\$ 682,976
Add:	
Patio rental	<u>750</u>
<b>Balance as at December 31, 2018</b>	<b><u>\$ 683,726</u></b>

**Community Lighting**

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

Balance as at January 1, 2018	\$ 5,714,542
Add:	
Allocation from operations	<u>7,018</u>
Less:	
Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	133,965
Metis Trail debt paydown - principal (Council Aug 22, 2016)	<u>334,293</u>
	<u>468,258</u>
<b>Balance as at December 31, 2018</b>	<b><u>\$ 5,253,302</u></b>

## Committed Funds:

- Whoop Up Drive debt paydown - principal (Council Aug 22, 2016)	\$ 1,212,586
- Metis Trail debt paydown - principal (Council Aug 22, 2016)	<u>2,167,992</u>
	<u>\$ 3,380,578</u>

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



**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**Community Reserve Fund**

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

Balance as at January 1, 2018	\$ 291,776
Add:	
Interest Earnings	<u>6,187</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 297,963</u></u></b>

**Electric**

The purpose of the Electric Reserve is to provide capital financing of Electric Utility projects and rate revenue stabilization.

Balance as at January 1, 2018	\$ 771,123
Add:	
Allocation from Electric Capital	12,156,007
Return on Equity	<u>7,942,248</u>
	20,098,255 20,098,255
Less:	
Allocation to Electric Capital Projects	12,726,198
2017 Electric Operating Deficit	1,828,370
Return on Investment to the General Fund	<u>1,719,387</u>
	<u>16,273,955</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 4,595,423</u></u></b>

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

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**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.

Balance as at January 1, 2018		\$ 22,513,593
Add:		
Asset replacement contributions	4,532,991	
Disposal Proceeds	178,210	
Vehicle Donation	<u>16,000</u>	
		4,727,201
Less:		
Purchase of equipment		<u>5,056,681</u>
<b>Balance as at December 31, 2018</b>		<b><u><u>\$22,184,113</u></u></b>

## Committed Funds:

- Equipment Purchases (Budget 2019-2022)	\$ 15,750,120
- Equipment Purchases (Budget 2015-2018)	<u>2,443,870</u>
	<u>\$ 18,193,990</u>

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**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.

Balance as at January 1, 2018		\$ 20,149,534
Add:		
Pay-As-You-Go	1,127,055	
Interest Earnings	442,646	
	<u>1,569,701</u>	
Less:		
Leisure Complex (ATB Centre) - Phase 2 (CIP 2014-23 D-32)	17,137,890	
Spitz Stadium (CIP 2014-23 D-40)	899,660	
Southern Alberta Ethnic Association (CIP 2014-2023 D-8)	8,839	
	<u>18,046,389</u>	
<b>Balance as at December 31, 2018</b>		<b><u><u>\$ 3,672,846</u></u></b>

Committed Funds:	
- Spitz Stadium (CIP 2014-23 D-40)	<u>\$ 100,105</u>

**Real Estate Holdings**

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

Balance as at January 1, 2018		\$ 5,392,404
Add:		
Net proceeds from sale of 101 - 22 Street North	47,815	
Right of Way Sale Proceeds	23,274	
Net proceeds from sale of 274 Southgate Blvd	6,228	
Rental Income:		
Maple Leaf Foods	2,658	
	<u>79,975</u>	
Less:		
Land Lease Taxes	2,963	
<b>Balance as at December 31, 2018</b>		<b><u><u>\$ 5,469,416</u></u></b>

**Reserve Analysis**  
**For the period January 1, 2018 to December 31, 2018**

**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 technology and equipment.

Balance as at January 1, 2018	\$ 906,130
Add:	
Transit Bus Fire Insurance Claim	<u>127,029</u>
<b>Balance as at December 31, 2018</b>	<b><u><u>\$ 1,033,159</u></u></b>
 <b>TOTAL CAPITAL RESERVES as at December 31, 2018</b>	 <b>\$ 45,208,105</b>
<b>TOTAL OPERATING RESERVES as at December 31, 2018</b>	<b><u>37,140,677</u></b>
<b>TOTAL RESERVES as at December 31, 2018</b>	<b><u><u>\$ 82,348,782</u></u></b>
 <b>TOTAL COMMITTED FUNDS</b>	 <b>\$ 35,055,876</b>
<b>TOTAL CURRENT INTERNAL LOAN REQUIREMENTS</b>	<b><u>5,621,000</u></b>
<b>TOTAL FUNDING REQUIREMENTS</b>	<b><u>40,676,876</u></b>
<b>EXCESS OF RESERVES OVER CURRENT FUNDING REQUIREMENTS</b>	<b><u><u>\$ 41,671,906</u></u></b>

# **BUDGET APPROPRIATION UNEXPENDED SCHEDULE AS AT DECEMBER 31, 2018**



**December 31  
2018**

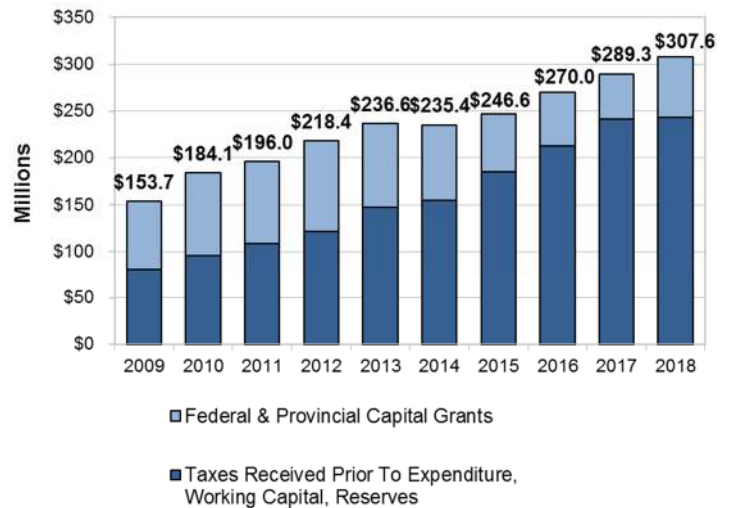
<b>Boards and Commissions</b>	\$ 903,735
Galt Museum & Archives, Lethbridge Public Library, and Lethbridge Police Service	
<b>General Government</b>	2,203,670
City Clerk, City Manager Office, City Solicitor, Economic Development	
<b>Corporate Services</b>	1,405,109
Corporate Services, Financial Services, and Human Resources	
<b>Community Services</b>	2,238,531
Community & Social Development, ENMAX Centre, Fire & Emergency Services, Public Safety Communications Centre, Recreation & Culture, Regulatory Services, and Transit & Accessible Transportation	
<b>Property Services</b>	1,096,623
Assessment & Taxation and Development Services	
<b>Infrastructure Services</b>	1,782,104
Infrastructure Services Administration, Transportation and Waste & Recycling	
	<hr/> 9,629,772
<b>Directional Operating Funding</b>	<hr/> 2,820,487
	<hr/> <hr/> \$ 12,450,259

## Investment Summary

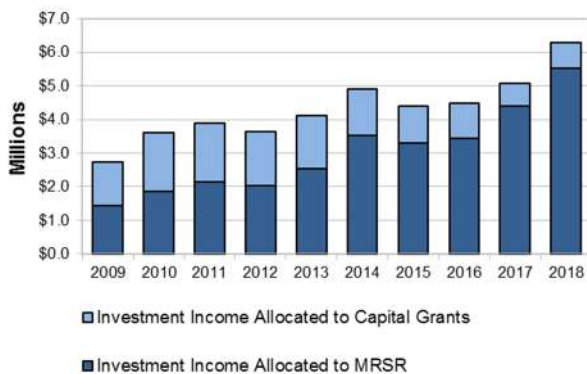
As at December 31, 2018

The City of Lethbridge maintains a significant investment portfolio. This investment portfolio consists of reserves, capital funds, Provincial and Federal grants, and operating funds. These funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio.

### Average Portfolio Size

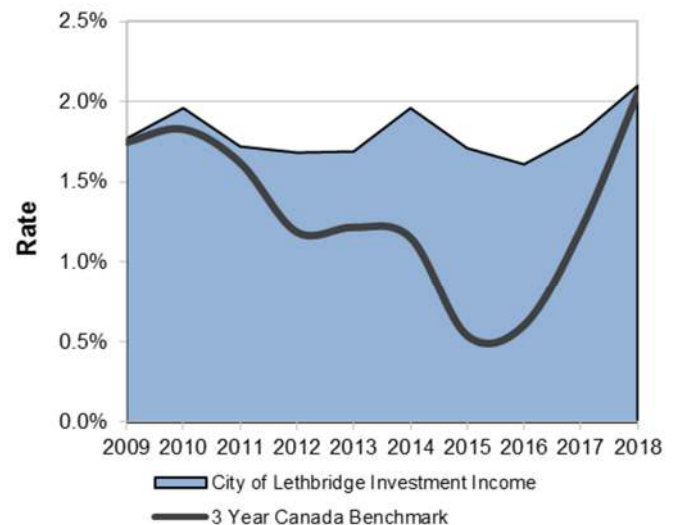


### Total Investment Income



Total investment income increased to \$6,117,736 in 2018 from \$4,966,762 in 2017. An increase in the global investment returns and the average portfolio size resulted in an increase in overall investment income. The City of Lethbridge 2018 average portfolio yield of 2.10% (2017:1.80%) is higher than the 2018 average Government of Canada 3-Year Benchmark<sup>1</sup> yield of 2.05% (2017:1.20%).

### Average Portfolio Yield



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

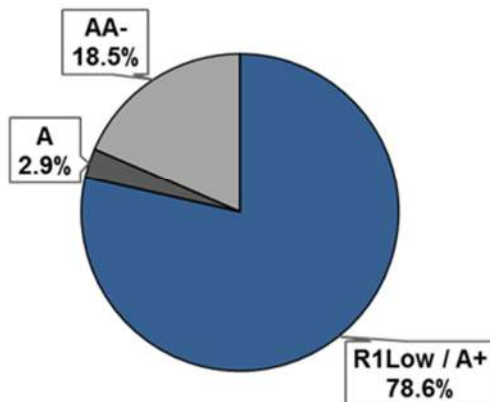
# City of Lethbridge

Section B-3 (cont'd)

## Investment Summary

As at December 31, 2018

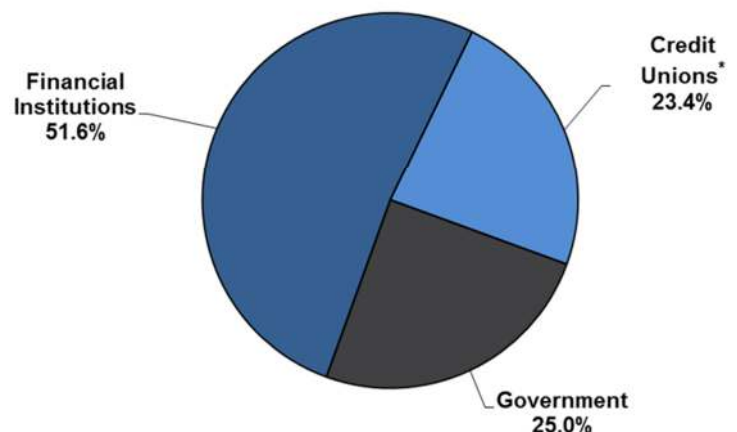
### Portfolio Distribution by Rating December 31, 2018



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 28 different institutions from the Government and Financial Institution sectors.

### Portfolio Distribution by Type December 31, 2018



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

## Housing Fund

	2014	2015	2016	2017	2018
<b>Opening Balance</b>	\$ 1,073,317	\$ 1,282,967	\$ 1,472,157	\$ 1,579,806	\$ 1,669,705
<b>Funding Approved in Operating Budget</b>	150,000	150,000	150,000	150,000	150,000
	<b>1,223,317</b>	<b>1,432,967</b>	<b>1,622,157</b>	<b>1,729,806</b>	<b>1,819,705</b>
<b>Allocations</b>					
Lot Sales From Development (Temple Blvd/Metis Trail)	(60,000)	(60,000)	-	-	-
Castle Apartments	350	350	-	-	-
Upgrading Existing Secondary Suites	-	20,460	42,351	60,101	56,878
Affordable Housing Capital Projects:					
YWCA	-	-	-	-	35,029
SASHA House	-	-	-	-	182,916
<b>Total Capital Allocated</b>	<b>(59,650)</b>	<b>(39,190)</b>	<b>42,351</b>	<b>60,101</b>	<b>274,823</b>
<b>Closing Balance (Note 1)</b>	<b>\$ 1,282,967</b>	<b>\$ 1,472,157</b>	<b>\$ 1,579,806</b>	<b>\$ 1,669,705</b>	<b>\$ 1,544,882</b>

**Note 1:** As at December 31, 2018, \$1,360,300 of the 2018 closing balance remains in Residential Subdivision Surplus. Based on the Affordable Housing Committee submission to City Council on October 15, 2013, the annual contribution from Residential Subdivision Surplus will be used to fund the Affordable Housing Capital Project Grant.

## Affordable Housing Program Funded by Provincial Grants

	2014	2015	2016	2017	2018
<b>Opening Balance</b>	\$ 1,580,948	\$ 1,532,177	\$ 1,453,624	\$ 1,406,726	\$ 1,365,085
<b>Provincial Grants</b>					
Affordable Housing - Municipal Block Funding ( <b>Note 2</b> )	-	-	-	-	-
Trust Interest ( <b>Note 3</b> )	28,896	26,737	24,220	23,099	27,916
	<b>1,609,844</b>	<b>1,558,914</b>	<b>1,477,844</b>	<b>1,429,825</b>	<b>1,393,001</b>
<b>Allocations</b>					
Upgrading Existing Secondary Suites	37,237	21,665	-	-	-
Rent Supplement Program (Secure First Program)	40,430	83,625	71,118	64,740	-
<b>Total Capital Allocated</b>	<b>77,667</b>	<b>105,290</b>	<b>71,118</b>	<b>64,740</b>	<b>-</b>
<b>Closing Balance</b>	<b>\$ 1,532,177</b>	<b>\$ 1,453,624</b>	<b>\$ 1,406,726</b>	<b>\$ 1,365,085</b>	<b>\$ 1,393,001</b>
<b>Funds Committed for Future</b>					
Supportive Housing for Men					\$ 767,681
London Road Project					713,125
Rent Supplement Program					87
<b>Total Committed Funds</b>					<b>\$ 1,480,893</b>

**Note 2:** As at December 31, 2018, the City of Lethbridge has \$335,062.80 remaining to be received from the Provincial Government Affordable Housing Program - Municipal Block Funding Grant. These funds will be received once the full grant eligibility requirements are met. The grant term ends on January 15, 2020.

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



# Heart of Our City Committee

## (Downtown Redevelopment Fund)

	2014	2015	2016	2017	2018
<b>Opening Balance</b>	\$ 349,485	\$ 239,106	\$ 183,533	\$ 38,762	\$ 53,325
<b>Funding Approved in Operating Budget</b>	465,000	490,000	490,000	515,000	515,000
	<b>814,485</b>	<b>729,106</b>	<b>673,533</b>	<b>553,762</b>	<b>568,325</b>
<b>Allocations</b>					
Governance and Administration	131,363	139,601	137,201	140,798	134,088
Design, Planning and Regulatory Processes	-	-	22,720	8,149	-
Championing, Marketing and Promotion	37,449	15,000	10,000	14,772	5
Downtown Life (Events)	70,007	81,575	97,856	127,272	108,936
Enhancement Works	8,591	87,106	105,939	10,326	24,658
Functional Works Maintenance and Upkeep	327,969	222,291	261,055	199,120	258,437
<b>Total Allocated</b>	<b>575,379</b>	<b>545,573</b>	<b>634,771</b>	<b>500,437</b>	<b>526,124</b>
<b>Closing Balance (Note 1)</b>	<b>\$ 239,106</b>	<b>\$ 183,533</b>	<b>\$ 38,762</b>	<b>\$ 53,325</b>	<b>\$ 42,201</b>

**Note 1:** Funds remaining at the close of 2018 are committed to ongoing projects and programs to be delivered in 2019 based on the 2019-2022 approved operating budget.

## GST Rebates

	2014	2015	2016	2017	2018
<b>Opening Balance</b>	\$ 1,455,090	\$ 1,563,611	\$ 1,698,635	\$ 1,920,728	\$ 2,387,002
<b>GST Rebates</b>	1,090,767	1,029,809	1,168,873	1,348,863	1,411,881
	<b>2,545,857</b>	<b>2,593,420</b>	<b>2,867,508</b>	<b>3,269,591</b>	<b>3,798,883</b>
<b>Allocations</b>					
Community Capital Grant Program	450,000	450,000	450,000	450,000	450,000
Community Capital Grant Program - one time allocation	-	-	64,888	-	-
Capital Asset Plan & Register	152,175	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	19,593	20,193	20,592	21,289	21,988
SLP Skate Park (CIP 2014-2023 D-41)	110,478	13,292	-	-	-
Exhibition Park Trade, Convention Centre & Agriplex (CIP 2018-2027 D-42)	-	-	-	-	283,568
<b>Total Capital Allocated</b>	<b>982,246</b>	<b>894,785</b>	<b>946,780</b>	<b>882,589</b>	<b>1,166,856</b>
<b>Closing Balance</b>	<b>\$ 1,563,611</b>	<b>\$ 1,698,635</b>	<b>\$ 1,920,728</b>	<b>\$ 2,387,002</b>	<b>\$ 2,632,027</b>

## Major Community Event Hosting Grant As of Feb 21, 2019

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

<b>Total Budget 2015-2018</b>	<b>\$ 1,000,000</b>	
<b>Less Allocated:</b>		
Tour of Alberta 2016	(275,049)	
Southern Alberta Summer Games 2016	(79,194)	
U16 Canadian National Soccer Championships 2016	(30,000)	
World Mixed Double & World Sr Curling 2017	(100,000)	
Japanese Garden Society: Canada 150 Celebration 2017	(73,700)	
Cdn Championships Trampoline Gymnastics 2018	(50,250)	
U of L 50th Anniversary Celebration 2017	(50,000)	
West Cdn U16 Football Championships 2017	(15,000)	
Exhibition Grandstand Anniversary Concert 2017	(37,587)	
Can-Am Police-Fire Games 2022 - Bid only	(10,875)	
	<hr/>	
<b>2015-2018 Available</b>		<b>278,345</b>
 <b>Total Budget 2019-2022</b>	 <b>1,000,000</b>	
<b>Less Committed:</b>		
U Sports Men's Hockey (2019)	(125,000)	
World's Men's Curling Championships (2019)	(500,000)	
Alberta Summer Games (2020)	(250,000)	
	<hr/>	
<b>2019-2022 Available</b>		<b>125,000</b>
		<hr/>
<b>Total Available</b>		<b>\$ 403,345</b>
		<hr/> <hr/>

**SUMMARY OF SUBDIVISION SURPLUS**  
For the period January 1, 2018 to December 31, 2018

Schedule D-1

	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>
<b>INDUSTRIAL</b>	\$ 992,308	\$ 2,420,981
<b>RESIDENTIAL</b>	13,244,811	15,574,890
<b>NET SUBDIVISION SURPLUS</b>	<u>\$ 14,237,119</u>	<u>\$ 17,995,871</u>

**INDUSTRIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**  
For the period January 1, 2018 to December 31, 2018

**Development Operations Funding**

<b>Funds Received from Subdivision Development</b>		
Sherring Industrial Park - Phase 1	\$ 975,000	
<b>Total Funds Received from Subdivision Development</b>		975,000
<b>Funds Used for Subdivision Development</b>		
Sherring Industrial Park - Phase 2	586,825	
Net Funding of Arterial Road Right of Way	166,207	
Sherring Industrial Park Common	120,895	
Sherring Industrial Park - Phase 1	<u>55,058</u>	
<b>Total Funds Used for Subdivision Development</b>		<u>928,985</u>
<b>Net Funds Received from Subdivision Development Operations</b>		46,015

**Other Activity Funding**

<b>Funds Received:</b>		
ACFA Loan Sherring Expansion	4,900,000	
Lease Revenue	<u>15,402</u>	
	4,915,402	
<b>Funds Used:</b>		
Debenture Debt funded projects - Sherring Expansion	4,900,000	
Debt Payment - ACFA	(Note 1) 640,590	
Debt Payment - MRSR	(Note 2) 555,700	
Allocation in Lieu of Property Taxes	<u>293,800</u>	
	6,390,090	
<b>Net Funds Used for Other Activities</b>		<u>(1,474,688)</u>
<b>Net decrease in Industrial Subdivision Surplus</b>		(1,428,673)
<b>Industrial Subdivision Surplus Balance January 1, 2018</b>		2,420,981
<b>Total Industrial Balance December 31, 2018</b>		<u>\$ 992,308</u>

**Funds Committed for Future**

<b>Sherring:</b>	
28th Street Fence	\$ 114,750

**Notes:**

- 1 To finance expansion costs associated with the Sherring Industrial Park, Council approved debenture borrowings through ACFA. As at December 31, 2018 the remaining balance of ACFA loans is \$5,969,319.
- 2 To finance the deficit balance in the Industrial Subdivision Surplus Account related to the startup costs associated with the Sherring Industrial Park, Council approved a "line of credit loan" of up to \$5,500,000 as well as a \$6,000,000 loan for prepayment of the Offsite Levies from the Municipal Revenue Stabilization Reserve (MRSR). Loan payments will be based on cashflow availability within the Industrial Subdivision Surplus. As at Dec 31, 2018 the balance remaining to be paid to the MRSR from Industrial Subdivision Surplus on this line of credit loan is \$5,500,000 and \$1,041,679 on the interim financing.
- 3 In 2018-2019, Industrial Subdivision Surplus has a commitment to fund a portion of the expansion of the Sherring Industrial Park. This is an extensive project which began in 2016 and is comprised of various components (canal relocation, siphon twinning, underground and surface work) and involves various funding sources (Clean Water and Wastewater Fund (CWWF) grant, Alberta Agriculture Grant, Off-site Levies, Transportation Capital as well as Industrial Subdivision Surplus). The majority of construction is expected to be completed in 2019.

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**  
For the period January 1, 2018 to December 31, 2018

Schedule D-1(cont'd)

**Development Operations Funding**

**Funds Received from Subdivision Development**

**Crossings:**

Phase 4	\$ 1,941,668
Phase 3	408,257
Phase 2	29,734
	<u>2,379,659</u>

**RiverStone:**

Phase 22	1,985,904
Phase 17	1,250,750
Phase 11	508,137
	<u>3,744,791</u>

**SunRidge:**

Phase 3C	583,905
Phase 1	57,750
Phase 2	32,000
Phase 3A	24,750
Phase 3D	10,000
Phase 3B	6,000
	<u>714,405</u>

**Total Funds Received from Subdivision Development**

6,838,855

**Funds Used for Subdivision Development**

**Crossings:**

Phase 7	372,662
Common	342,275
Phase 4	263,981
Phase 6	67,907
Phase 5	17,150
Phase 1-3	13,744
	<u>1,077,719</u>

**Other:**

Garry Station & Blackwolf II	13,175
------------------------------	--------

**RiverStone:**

Phase 21	2,780,393
Common	224,319
Phase 18	56,857
Phase 19	44,320
Phase 11,13,15,16,20	18,725
Phase 22	16,166
Phase 17	6,845
	<u>3,147,625</u>

**SunRidge:**

Common	28,428
Phase 1-3D	5,200
	<u>33,628</u>

**Watermark (formerly Waterbridge):**

Common	2,839,784
--------	-----------

**Total Funds Used for Subdivision Development**

7,111,931

**Net Funds Used for Subdivision Development Operations**

(273,076)

**Other Activity Funding**

**Funds Received:**

Whoop Up Drive - repayment from Offsites	(Note 1) 382,963
--	------------------

**Funds Used:**

Real Estate & Land Development Operations	1,286,506
Net Funding of Arterial Road Right of Way	478,368
Front End Finance Chinook Road Right of Way (Melcor Land Exchange)	235,374
Affordable Housing	219,859
Allocation in Lieu of Property Taxes	108,900
Heart of Our City (N-4)	61,396
Vacant School Site Development - (D-36)	40,563
Weed Control	9,000
	<u>2,439,966</u>

**Net Funds Used for Other Activities**

(2,057,003)

**Net decrease in Residential Subdivision Surplus**

(2,330,079)

**Residential Subdivision Surplus Balance January 1, 2018**

15,574,890

**Total Residential Subdivision Surplus Balance December 31, 2018**

\$13,244,811

**RESIDENTIAL SUBDIVISION SURPLUS  
FUNDING ANALYSIS**  
For the period January 1, 2018 to December 31, 2018

Schedule D-1(cont'd)

**Funds Committed for Future**

**Projects:**

**Crossings:**

Phase 6 and 7 Underground Utilities and Surface Works	\$ 3,695,250
Engineering Ph 5-7 & School Site	314,100
Phase 1-7 Architectural Controls	120,000
Phase 4 Underground Utilities and Surface Works	92,450
Phase 3 Underground Utilities and Surface Works	77,750
	<u>4,299,550</u>

**RiverStone:**

Phase 21 Underground Utilities and Surface Works	423,650
Phase 11,17,18,19,21,22 Architectural Controls	147,900
Phases 9-13 Architectural Controls	60,050
Phase 17,21,22 Engineering Consulting Services	48,350
Riverstone Third Entrance	23,250
Lotworks Software	6,500
	<u>709,700</u>

**SunRidge:**

Phase 3C, 3D & 3B Architectural Controls	27,650
Phase 1-2 Architectural Controls	13,750
	<u>41,400</u>

**Watermark (formerly Waterbridge):**

Great Bear Blvd Underground Utilities and Surface Works	3,591,400
Sportsfield Development Ph 2	213,950
Watermark Great Bear Blvd Engineering	148,600
Sportsfield Development Ph 1	75,300
Rocky Mountain Blvd Landscaping	73,900
Engineering Middle School Sportsfields	9,500
Engineering and Construction Boulevards	3,600
	<u>3,967,650</u>

**Other Projects (2017 and prior):**

Land Purchase 160 Acres	(Note 2) 9,600,000
Affordable Housing	(Note 3) 1,360,300
Heart of Our City Housing Incentive Program (N-4)	933,600
Parks Capital	831,500
Adaptive Reuse Initiative (N-1 2019-22)	150,000
Pest Control	58,300
	<u>12,933,700</u>

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

New School Site Development (D-18)	1,700,000
Bark Park (D-16)	600,000
	<u>2,300,000</u>

**Total Committed Funds**

\$ 24,252,000

**Notes:**

- 1 Whoop Up Drive - Subdivision Surplus front end financed the construction of Whoop Up Drive for \$1,915,041 in 2015. Repayments from Offsites commenced in 2017 and as at Dec 31, 2018 the balance is \$1,174,072
- 2 Land Banking – In October 2017 City Council approved the purchase of 160 acres of land for \$9,600,000. The payment terms of the agreement are \$2.4 million per year beginning in 2018 with the final payment and transfer date January 31, 2021. The first annual payment was made January 31, 2018. The full amount will be funded from Subdivision Surplus in 2021 when final payment is made and land title transfers to the City.
- 3 Affordable Housing - as at Dec 31, 2018, \$1,360,300 has been committed to the Affordable Housing Fund.
- 4 On July 8, 2013, City Council approved the sale of approximately 66.5 acres in the Crossings commercial area. As at December 31, 2018, \$15,697,650 has been received with the final payment of \$18,134,000 due December 31, 2019. If development of the lands has been impacted/slowed by market conditions, the purchaser is entitled to a maximum three (3) year extension to 2022.

## OFFSITE ACCOUNT ANALYSIS

For the period January 1, 2018 to December 31, 2018

### Revenues

#### Net Offsite Levies

Sherring Industrial Stage 2	\$ 1,827,898
RiverStone Phase 21	1,530,734
Southbrook Phase 3	1,384,360
Southbrook Phase 1B	968,575
Country Meadows Phase 3A	927,765
Garry Station Phase 4	836,075
Canyons Phase 4A	735,747
Copperwood Phase 27	605,260
Copperwood Phase 28	395,115
<b>Total Net Levies</b>	<b>9,211,529</b>

#### Other Revenues

Debenture Debt Funded Projects	5,584,800
Heritage Heights Storm Credit	106,651
General Interest	50,888
<b>Total Other Revenues</b>	<b>5,742,339</b>

#### Total Revenues

14,953,868

### Allocations

#### Offsite/Oversize Credits

Southbrook Phase 1B Arterial Credits	1,326,102
Southbrook Phase 3	285,648
Canyons Phase 4A	144,475
Southbrook Phase 1	138,213
Country Meadows Phase 3A	121,400
Copperwood Phase 28	40,129
Garry Station Phase 4	19,844
Copperwood Phase 27	1,500
<b>Total Oversize Credits</b>	<b>2,077,311</b>

#### Other Costs

Debt Payment - ACFA	6,149,704	
Metis Trail - Walsh to Whoop Up Stage 1	4,075,734	*
Whoop Up Drive - McMaster to Mauretania	1,230,122	*
Metis Trail - Walsh to Country Meadows (South Gate Commercial)	1,102,986	
Whoop Up Drive - Coalbanks to Mauretania (RELD)	399,904	
North Siphon Twinning (Council Dec 12, 2016)	278,944	*
North Scenic Dr - Uplands Dr to 42 Ave N (CO-3)	20,803	
Chinook Trail Arterial Road land purchase	12,355	
	<b>13,270,552</b>	

#### Total Allocations

**15,347,863**

#### Net Decrease in Offsite Account

(393,995)

#### Add: Offsite Account Balance January 1, 2018

5,310,152

#### Offsite Account Balance December 30, 2018

**\$ 4,916,157**

\* Debenture debt funded project, these project are funded by borrowing

## OFFSITE ACCOUNT ANALYSIS

For the period January 1, 2018 to December 31, 2018

### Funds Committed for Future

**Projects (2018 and prior) Funded by Debentures (external borrowings):**

North Siphon Twinning (Council Dec 12, 2016)	\$ 10,021,056
Metis Trail Underground - Country Meadows to Tartan (Wastewater)	2,080,975
Whoop Up Drive Twinning - (Council Aug 22, 2016)	1,538,913
Metis Trail - Walsh to Whoop-Up (Council Aug 22, 2016)	1,294,262 **
	<u>14,935,206</u>

**Projects (2018 and prior) Funded by Offsite Levies:**

Whoop Up Drive - Coalbanks to Mauretania (RELD)	1,115,233
Watermain Loop Metis Trail - Coalbanks Link to Temple Blvd	250,000
6th Ave S - MMDr to Scenic Dr S Design (CIP 2011-20 C-21)	9,580
	<u>1,374,813</u>

**\$ 16,310,019**

\*\* Principal payment for this debt will start from the Offsite Account in 2023



**City of Lethbridge**  
**External Borrowings (ACFA)**  
**As At December 31, 2018**

Section D-3

	Original Principal	Year of Borrowing	Term (yrs)	Interest Rate	Annual Payment	Year End Balance 2018	Per Capita 99,769	Year of Maturity
<b>Self Supported</b>								
<b>Airport</b>								
Security Cameras	\$ 27,624	2018	4	1.597%	\$ 8,147	\$ 23,771		2021
Tractor	6,297	2018	6	2.512%	1,137	5,807		2024
CFC Unit	58,926	2018	16	3.239%	4,748	57,506		2034
Entrance Sign	47,904	2018	16	3.239%	3,860	46,750		2034
Parking Lot	254,357	2018	16	3.239%	20,496	248,229		2034
Runway Signs	24,588	2018	16	3.239%	1,981	23,995		2034
Fence, Garage, Tanks, Roof	167,708	2018	17	2.765%	12,432	163,811		2035
Underground Fuel Tanks	75,365	2018	20	3.108%	5,088	73,992		2038
<b>Local Improvement</b>								
Lane Paving	219,357	2009	10	3.344%	25,989	25,351		2019
<b>Land Development</b>								
Sherring Industrial Park	4,200,000	2005	15	4.422%	386,028	731,197		2020
Sherring Industrial Park	1,800,000	2006	15	4.600%	167,446	391,212		2021
Watermark - Phase 1 Middle School	7,500,000	2017	10	2.671%	859,562	6,836,324		2027
Park Place Mall Land	12,222,000	2017	15	2.768%	1,001,170	11,554,548		2032
Sherring Industrial Park	2,000,000	2018	15	3.046%	167,100	1,946,910		2033
Sherring Industrial Park	2,900,000	2018	15	3.201%	244,962	2,900,000		2033
<b>Offsite Levy</b>								
University Drive	700,000	2014	5	1.719%	146,703	144,833		2019
Metis Trail Deep Utilities	222,500	2015	5	1.213%	45,998	68,168		2020
26th Ave North	500,000	2015	5	1.339%	103,719	153,518		2020
28th Street North	600,000	2015	5	1.339%	124,463	184,222		2020
28th Street North	2,100,000	2015	5	1.124%	433,091	854,148		2020
43rd Street North	1,200,000	2015	5	1.124%	247,481	488,085		2020
South East Water Reservoir	3,000,000	2006	15	4.584%	278,775	773,133		2021
South Siphon Upgrade	1,500,000	2011	10	2.485%	170,334	489,496		2021
Mayor Magrath Drive	624,000	2016	5	1.238%	129,088	316,813		2021
SE Regional Lift Station	156,100	2016	5	1.238%	32,293	79,254		2021
43rd Street North	325,000	2016	5	1.597%	67,889	198,093		2021
Garry Drive West	150,554	2016	5	1.597%	31,449	91,765		2021
South East Water Reservoir	1,000,000	2007	15	4.614%	93,113	336,582		2022
South Siphon Upgrade	500,000	2012	10	2.226%	56,048	213,367		2022
South Siphon Upgrade	1,000,000	2010	15	3.885%	88,595	538,455		2025
West Lethbridge Water Reservoir	2,300,000	2010	15	3.885%	203,769	1,238,447		2025
Garry Drive Reservoir	5,700,000	2011	15	3.013%	475,124	3,355,294		2026
SE Regional Lift Station	3,600,000	2014	15	2.814%	295,865	2,782,335		2029
Northwest Lethbridge Utility Servicing	1,000,000	2010	20	4.124%	73,909	694,068		2030
Metis Trail	1,800,000	2015	15	2.569%	145,362	1,439,422		2030
Metis Trail	2,800,000	2015	15	2.459%	224,337	2,318,971		2030
Metis Trail Deep Utilities	2,000,000	2015	15	2.569%	161,513	1,599,357		2030
Metis Trail Deep Utilities	2,200,000	2015	15	2.459%	176,264	1,822,049		2030
Northwest Lethbridge Utility Servicing	600,000	2011	20	3.292%	41,190	432,775		2031
Northwest Lethbridge Utility Servicing	15,000,000	2011	20	3.145%	1,016,134	10,774,220		2031
Northwest Lethbridge Utility Servicing	2,900,000	2012	20	2.922%	192,500	2,134,734		2032
Metis Trail (Walsh to Whoop Up Dr)	5,000,000	2017	15	3.023%	417,071	4,732,069		2032
Whoop Up Dr (McMaster to Mauretania)	2,500,000	2017	15	3.023%	208,536	2,366,035		2032
Metis Trail (Walsh to Whoop Up Dr)	2,500,000	2018	15	3.046%	208,875	2,433,637		2033
Whoop Up Dr (McMaster to Mauretania)	1,500,000	2018	15	3.051%	125,370	1,500,000		2033
Metis Trail (Walsh to Whoop Up Dr)	1,400,000	2018	15	3.201%	118,257	1,400,000		2033
Sherring Industrial Park	4,300,000	2018	15	3.201%	363,219	4,300,000		2033
Total Self Supported					9,406,480	75,282,748	754.57	
<b>Taxation Supported</b>								
<b>General</b>								
ATB Centre - Phase 2 (Leisure Complex)	12,000,000	2016	15	2.798%	985,091	10,673,830		2031
ATB Centre - Phase 2 (Leisure Complex)	5,000,000	2017	15	2.420%	399,476	4,577,211		2032
ATB Centre - Phase 2 (Leisure Complex)	38,000,000	2017	15	3.023%	3,169,740	35,963,727		2032
ATB Centre - Phase 2 (Leisure Complex)	6,950,000	2018	15	3.051%	580,879	6,950,000		2033
Total Taxation Supported					5,135,186	58,164,768	582.99	
<b>Utility Supported</b>								
<b>Water</b>								
South East Water Reservoir	1,000,000	2005	15	4.422%	91,911	174,095		2020
South East Water Reservoir	3,250,000	2006	15	4.267%	295,579	824,116		2021
Public Operations Site	1,500,000	2012	15	2.627%	121,640	969,337		2027
Public Operations Site	1,250,000	2013	15	2.959%	103,796	854,130		2028
Public Operations Site	500,000	2013	15	3.586%	43,389	361,927		2028
Public Operations Site	1,000,000	2013	15	3.295%	85,030	719,421		2028
Public Operations Site	550,000	2015	15	2.235%	43,358	437,556		2030
Public Operations Site	1,071,500	2016	15	2.351%	85,182	917,954		2031
Water Reservoir Upgrades	800,000	2016	15	2.151%	62,683	707,572		2031
Water Reservoir Upgrades	500,000	2016	15	2.798%	41,045	444,743		2031
					973,613	6,410,851	64.26	

**City of Lethbridge**  
**External Borrowings (ACFA) Continued**  
**As At December 31, 2018**

	Original Principal	Year of Borrowing	Term	Interest Rate	Annual Payment	Year End Balance 2018	Per Capita	Year of Maturity
							99,769	
<b>Utility Supported (Continued)</b>								
<b>Wastewater</b>								
Lagoon Upgrade	500,000	2009	10	3.344%	59,238	57,785		2019
Sewer Relief	1,350,000	2006	15	4.584%	125,449	347,910		2021
Public Operations Site	1,500,000	2012	10	2.177%	167,731	639,219		2022
Plant Outfall Twinning	782,000	2008	15	4.565%	70,965	314,065		2023
Public Operations Site	1,250,000	2013	10	2.499%	142,042	601,022		2023
Public Operations Site	500,000	2013	10	3.079%	58,473	269,060		2023
Public Operations Site	1,450,000	2015	10	1.779%	158,922	971,437		2025
WWTP Headworks & Clarifier	500,000	2011	15	3.013%	41,678	294,324		2026
Public Operations Site	1,071,500	2016	10	1.860%	117,920	821,926		2026
WWTP Headworks & Clarifier	500,000	2016	10	1.782%	54,809	406,968		2026
WWTP Headworks & Clarifier	700,000	2017	15	2.420%	55,927	640,809		2032
WWTP Primary Clarifier Replacement	2,200,000	2018	15	3.201%	185,833	2,200,000		2033
					<u>1,238,987</u>	<u>7,564,525</u>	<u>75.82</u>	
<b>Waste &amp; Recycling</b>								
Automated Collection - Carts	600,000	2009	10	3.344%	71,086	69,342		2019
Landfill Surface Water Management	430,000	2010	10	3.377%	51,027	97,887		2020
Landfill Royalty Buyout	6,250,000	2003	20	5.813%	664,621	2,813,964		2023
Landfill Construction & 28 St N	2,300,000	2003	20	5.625%	194,463	827,575		2023
Landfill Approval Compliance	2,100,000	2008	15	4.565%	194,892	862,520		2023
Landfill Approval Compliance	900,000	2009	15	3.973%	80,221	424,533		2024
Curbside Recycling	4,600,000	2018	10	3.007%	536,046	4,600,000		2028
Recycling Depot	1,000,000	2016	15	2.798%	82,091	889,486		2031
Perimeter Berms & Fencing	800,000	2017	15	2.420%	63,916	732,354		2032
Recycling Depot	420,000	2017	15	3.023%	35,034	397,494		2032
Construction & Demolition Processing Area	765,800	2017	15	2.768%	62,731	723,979		2032
Perimeter Berms & Fencing	1,000,000	2017	15	2.768%	81,915	945,389		2032
Gas & Leachate Management Systems	400,000	2017	15	2.768%	32,766	378,156		2032
Curbside Recycling	5,000,000	2018	20	3.209%	340,682	5,000,000		2038
Curbside Recycling	2,400,000	2018	20	3.254%	164,194	2,400,000		2038
					<u>2,655,685</u>	<u>21,162,679</u>	<u>212.12</u>	
<b>Electric</b>								
Secondary Metering (AMI)	4,000,000	2015	5	1.088%	824,131	1,626,087		2020
Secondary Metering (AMI)	990,000	2016	5	1.597%	206,799	603,422		2021
Electric Infrastructure Replacement	2,000,000	2011	15	3.013%	166,710	1,177,296		2026
Electric Infrastructure Replacement	3,000,000	2012	15	2.627%	243,280	1,938,673		2027
Electric Infrastructure Replacement	4,000,000	2015	15	2.385%	318,775	3,309,577		2030
Northwest Substation	4,500,000	2015	15	2.459%	360,541	3,726,918		2030
Northwest Substation	4,400,000	2016	15	2.351%	349,792	3,769,479		2031
Northwest Substation	1,200,000	2016	15	2.151%	94,025	1,061,358		2031
Electric Infrastructure Replacement	5,500,000	2016	15	2.351%	437,240	4,711,849		2031
Electric Infrastructure Replacement	1,110,000	2016	15	2.798%	91,121	987,329		2031
Electric Infrastructure Replacement	3,155,000	2017	15	2.768%	258,443	2,982,703		2032
Distribution Extension & Improvement	1,900,000	2018	15	3.051%	158,801	1,900,000		2033
Distribution Extension & Improvement	5,500,000	2018	15	3.201%	464,583	5,500,000		2033
					<u>3,974,241</u>	<u>33,294,692</u>	<u>333.72</u>	
Total Utility Supported					<u>8,842,526</u>	<u>68,432,746</u>	<u>685.91</u>	
Total External Borrowings December 31, 2018					<u>\$ 23,384,192</u>	<u>\$ 201,880,262</u>	<u>\$ 2,023.47</u>	

**City of Lethbridge**  
**Internal Borrowings**  
**As At December 31, 2018**

	Original Principal	Year of Borrowing	Term	Interest Rate	Annual Payment	Year End Balance 2018	Per Capita	Year of Maturity
<b>Taxation Supported</b>			(yrs)				99,769	
<b>General</b>								
ENMAX Expansion	\$ 5,392,000	2010	15	3.488%	\$ 467,761	\$ 3,216,982		2026
Parks Asset Management	1,666,000	2012	15	2.599%	135,539	1,075,333		2027
Parks Asset Management	833,000	2014	15	2.814%	68,842	643,583		2029
ATB Centre - Phase 1 (Ice Complex)	2,904,000	2014	15	2.814%	239,997	2,301,470		2029
Lethbridge Police Headquarters	13,125,000	2014	15	2.814%	1,084,698	10,917,961		2029
ATB Centre - Phase 1 (Ice Complex)	240,000	2016	15	2.151%	18,890	212,250		2031
Lethbridge Police Headquarters	1,276,000	2016	15	2.151%	100,431	1,128,462		2031
ATB Centre - Phase 1 (Ice Complex)	234,000	2017	15	3.023%	19,634	221,440		2032
Lethbridge Police Headquarters	940,000	2017	15	3.023%	78,872	889,545		2032
Lethbridge Police Headquarters	240,000	2018	15	3.051%	20,178	240,000		2033
Police Technology	line of credit			float	430,200	-		n/a
<b>Total General</b>					<u>2,665,042</u>	<u>20,847,026</u>	<u>208.95</u>	
<b>Self Supported</b>								
<b>Local Improvement</b>								
2010 Lane Paving	288,670	2010	10	3.213%	34,210	65,258		2020
2011 Lane Paving	107,064	2011	10	2.485%	12,224	34,921		2021
2012 Lane Paving	89,408	2012	10	2.226%	10,072	38,140		2022
<b>Land Development</b>								
Sherring Industrial Park	6,000,000	2005	15	4.422%	555,691	1,041,782		2020
Sherring Industrial Park	5,500,000	2007	n/a	float	n/a	5,500,000		n/a
<b>Total Self-Supported</b>					<u>612,197</u>	<u>6,680,101</u>	<u>66.96</u>	
<b>Total Internal Borrowings</b>					<u>\$ 3,277,239</u>	<u>\$ 27,527,127</u>	<u>\$ 275.91</u>	
<b>Funding from:</b>								
Municipal Revenue Stabilization Reserve						<u>\$ 27,527,127</u>		

# Capital Improvement Program Summary 2014 - 2023

## Section C: Infrastructure Transportation Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Preliminary Design for Whoop Up Dr Interchange Improvements	C-16	\$ 500,000	\$ 504,813	\$ (4,813)	Consultant was hired in 2016 and the study was completed in 2018.
Whoop Up Drive (McMaster to Mauretania Blvd W)	CO-6	\$ 11,600,000	\$ 8,797,814	\$ 2,802,186	This project was substantially completed in the spring of 2018.
Metis Trail (Walsh to Whoop Up)	CO-7	\$ 16,778,000	\$ 16,314,116	\$ 463,884	This project was substantially completed in the fall of 2018.
<b>Total</b>		<b>\$ 28,878,000</b>	<b>\$ 25,616,743</b>	<b>\$ 3,261,257</b>	

# Capital Improvement Program Summary 2014 - 2023

## Section D: Community Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
ATB Centre-Phase 1 (Ice Complex)	D-7	\$ 41,351,000	\$ 39,955,318	\$ 1,395,682	The project is complete. \$80K will be retained in 2019 for any outstanding work. Any remaining balance will be transferred to ATB Phase II.
North Regional Park	D-11	\$ 22,660,000	\$ 21,678,116	\$ 981,884	The Park was turned over to the City in November 2018. Some contractual obligations remain which are expected to be completed in spring 2019.
Historical Preservation of the Bowman Facility	D-15	\$ 1,860,000	\$ 1,859,523	\$ 477	The project is complete.
Traffic Signal Preemption	D-20	\$ 2,800,000	\$ 1,664,805	\$ 1,135,195	Project began in 2017 with a small portion of both vehicle and intersection equipment supplied by the vendor. The remaining equipment as well as system software is expected to be received in 2019. This project is expected to be completed by the end of 2019.
Radio Replacement	D-25	\$ 3,000,000	\$ 2,589,750	\$ 410,250	Lethbridge Fire & Emergency Services and Lethbridge Police Services are operating on new radio equipment on the Alberta First Responder Radio Communications System. There are a few minor deficiencies with the consoles that are being corrected. Final completion is expected in the first quarter of 2019.

# Capital Improvement Program Summary 2014 - 2023

## Section D: Community Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Parking Meter Replacement	D-27	\$ 2,000,000	\$ 1,683,736	\$ 316,264	In 2017, the parking meter replacement project determined what type and style of paid parking would replace the aging parking meters. New multi-space meters and single space meters were installed and fully operational in the summer of 2018 and the warranty period will end in 2019.
Vacant School Site Development	D-36	\$ 1,600,000	\$ 1,298,710	\$ 301,290	The majority of work is complete and the project is scheduled to be finalized in the summer of 2019.
Integrated Customer Service Strategy (Phase 1 & 2)	D-39	\$ 1,250,000	\$ 831,967	\$ 418,033	Planning completed in 2016, implementation is underway and the go-live date for 311 Customer Service is March 11, 2019.
Spitz Stadium	D-40	\$ 2,912,000	\$ 2,861,895	\$ 50,105	The project is substantially complete. Any remaining deficiencies will be completed in 2019.
<b>Total</b>		<b>\$ 79,433,000</b>	<b>\$ 74,423,820</b>	<b>\$ 5,009,180</b>	

# Capital Improvement Program Summary 2014 - 2023

## Section E: Infrastructure Environmental Utilities

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Construction & Demolition Processing Area Development	E-9	\$ 1,910,000	\$ 1,812,356	\$ 97,644	Project is underway and progressing within scope and budget. Project is expected to be complete in 2019.
Waste & Recycling Centre Perimeter Berms and Fencing	E-10	\$ 3,710,000	\$ 3,445,823	\$ 264,177	Project is underway and progressing within scope and budget. Project is expected to be complete in 2019.
Wastewater Treatment Plant Cogeneration Upgrade	E-14	\$ 3,230,000	\$ 984,907	\$ 2,245,093	Project is underway and progressing within scope and budget. It is anticipated that this project will be completed in the spring of 2020.
Wastewater Treatment Plant SCADA Upgrade	E-16	\$ 855,000	\$ 563,082	\$ 291,918	Project completed in 2018.
Water Treatment Plant SCADA Upgrade	E-25	\$ 855,000	\$ 588,087	\$ 266,913	Project completed in 2018.
SE Regional Lift Station	EO-2	\$ 19,900,000	\$ 3,756,087	\$ 16,143,913	26th Avenue North sewer component installed in 2014. Remainder of project has been deferred until offsite levy funding is available.
<b>Total</b>		<b>\$ 30,460,000</b>	<b>\$ 11,150,342</b>	<b>\$ 19,309,658</b>	

# Capital Improvement Program Summary 2014 - 2023

## Section F: Infrastructure Electric Utility

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Substation Metering	F-8	\$ 414,000	\$ 63,765	\$ 350,235	Projects within F-8 are completed in conjunction with bigger replacement projects such as F-6/F-9; therefore costs are captured under these projects. It is expected to continue to use this budget in 2019.
<b>Total</b>		<b>\$ 414,000</b>	<b>\$ 63,765</b>	<b>\$ 350,235</b>	



# Capital Improvement Program Summary 2018 - 2027

## Section C: Infrastructure Transportation Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Intersection Improvements-Non-Growth *	C-5	\$ 1,420,000	\$ 576,255	\$ 843,745	At the end of 2018, intersection upgrades have been completed at 18th Street and 9th Ave North, 28th Street at 6th Ave N, 7th Ave, 8th Ave North and 12th Ave North.
Bikeways/Pathways/Sidewalks Along Roadways *	C-6	\$ 982,000	\$ 197,450	\$ 784,550	In 2018, a cycling functional planning study began and is scheduled to be completed in 2019. Planned for 2019 is the construction of pathways along South Parkside Drive from Exhibition Drive to 43rd Street. Also planned for 2019 is the design and construction of a pedestrian bridge over Highway 3 along Scenic Drive.
Accessibility Improvements *	C-8	\$ 500,000	\$ 450,975	\$ 49,025	In 2018, approximately 75 wheelchair accessible concrete ramps were constructed at various locations throughout the city.
Annual Overlay Program *	C-9	\$ 3,000,000	\$ 2,789,965	\$ 210,035	The 2018 overlay program was substantially completed. Work involved the rehabilitation of many segments of arterial, collector and local roadways within the City's transportation network system.
Bridge Rehabilitation Program *	C-10	\$ 5,100,000	\$ 937,095	\$ 4,162,905	Work to date on this project involved the replacement of a bridge at 43rd Street North over the SMRID canal with 3 bridge sized culverts. Further work under this program will involve the Girder coating of the Whoop-Up Drive westbound bridge scheduled for the summer of 2019.

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section C: Infrastructure Transportation Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Railway Rehabilitation Program *	C-11	\$ 640,000	\$ 275,206	\$ 364,794	Railway improvements occurred throughout the spring and summer of 2018. This work included an upgrade of a concrete panel crossing pad at the G-Lead rail crossing at 9th Ave North, the replacement of approximately 300 rail ties at various locations, surfacing and gauging of approximately 80% of City's owned track, drainage ditch grading and re-shaping at various locations and internal rail testing (X-ray) of City's owned track.
Traffic Signals Replacement *	C-12	\$ 1,100,000	\$ 457,289	\$ 642,711	In 2018, several traffic and pedestrian signals were upgraded at various City intersections. These intersections included Scenic Drive and 4th Street South, 13th Street and 3rd Ave South, 18th Street and 9th Ave North, 3rd Ave and 12B Street South, 5 Ave and 7th Street South along with smaller upgrades at other City intersections.
Major Sidewalk Rehabilitation Program *	C-13	\$ 268,000	\$ 154,069	\$ 113,931	In 2018, block long segments of sidewalk were replaced at 2nd Ave North, between 4th and 5th Street, 20th Street between 3rd and 4th Ave South and 21st Street between 5th and 6th Ave South.
Functional Planning & Design 62 Ave N	C-18	\$ 400,000	\$ 109,978	\$ 290,022	This study began in 2018 and is scheduled for completion in 2019.
North Scenic Drive (Uplands Blvd to 40 Ave N)	CO-3	\$ 4,850,000	\$ 223,865	\$ 4,626,135	Preliminary design started in 2016 and was completed in the spring of 2018. Detailed engineering design and construction services are planned to be awarded early in 2019.
<b>Total</b>		<b>\$ 18,260,000</b>	<b>\$ 6,172,147</b>	<b>\$ 12,087,853</b>	

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section D: Community Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
West Lethbridge Operations Depot (Ph 2)	D-5	\$ 5,130,000	\$ 2,427,882	\$ 2,702,118	The sand/salt storage building is under construction.
ATB Centre-Phase 2 (Leisure Complex)	D-6	\$109,550,000	\$ 98,509,350	\$ 11,040,650	The project is nearing completion and the facility is scheduled to open in the spring of 2019.
Legacy Park	D-7	\$ 4,500,000	\$ 222,555	\$ 4,277,445	Detailed design of the pavilion building and plaza is nearing completion. Estimated completion date of this project is scheduled for 2020.
Yates Renewal	D-8	\$ 13,960,000	\$ 13,747,967	\$ 212,033	The project will be substantially complete in early 2019.
Parks Asset Management *	D-10	\$ 650,000	\$ 24,209	\$ 625,791	Henderson Park irrigation is in the design phase with an estimated construction start of 2019 or 2020.
Pathway System Connections and Extensions *	D-11	\$ 500,000	\$ 25,926	\$ 474,074	Design of pathways 8, 17, 20, 24 & 103 are near completion. Pathway construction will begin in 2019 with priority determined by engineer's cost estimates and available funding.
Facility Assessment & Accessibility Upgrades *	D-12	\$ 100,000	\$ 89,938	\$ 10,062	The draft assessment report has been reviewed. The final report is expected by March 2019.
River Valley Protective Fencing	D-14	\$ 400,000	\$ 101,590	\$ 298,410	Fencing along the eastern edge of Alexander Wilderness Park and the south boundary of Six Mile Coulee was completed in 2018.
Transit Terminal and Regional Park 'n Ride	D-15	\$ 19,910,000	\$ 11,028,609	\$ 8,881,391	The facility is currently under construction.
Spitz Stadium Grandstand (Phase 2)	D-21	\$ 2,300,000	\$ 2,246,078	\$ 53,922	The project is substantially complete. Any remaining deficiencies will be completed in 2019.

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section D: Community Projects

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
3rd Avenue S (4th to 8th Street) Reconstruction	D-22	\$ 10,083,000	\$ 557,748	\$ 9,525,252	Detailed engineering design began in 2016 and is expected to be completed in the 2nd quarter of 2019. The next stage in this project is the award of engineering services for the completion of construction documents and construction services.
Nikka Yuko Japanese Garden Programming & Community Facility	D-25	\$ 2,920,000	\$ 19,473	\$ 2,900,527	The project is currently in design. Construction is expected to begin in 2019.
New Fire Station #5 West	D-28	\$ 10,300,000	\$ 43,795	\$ 10,256,205	The project is currently in design. Construction is expected to begin in 2019.
Performing Arts Centre	D-34	\$ 7,175,000	\$ 2,771	\$ 7,172,229	The project is currently in the planning phase.
Accessibility Master Plan	D-37	\$ 350,000	\$ 163,865	\$ 186,135	The accessibility master plan was started in July of 2018. The first stakeholder and engagement session was held in the summer of 2018 and the 2nd session is to be held in March of 2019. The master plan is expected to be complete by July of 2019.
Shooting Sports Facility Safety Enhancements	D-40	\$ 1,874,000	\$ 30,156	\$ 1,843,844	The project is currently in the design phase. Construction is expected to begin in 2019.
Henderson Lake Golf Club Upgrades	D-41	\$ 224,000	\$ 194,238	\$ 29,762	This project is complete.
<b>Total</b>		<b>\$189,926,000</b>	<b>\$ 129,436,150</b>	<b>\$ 60,489,850</b>	

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section E: Infrastructure Environmental Utilities

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Curbside Recycling	E-6	\$ 16,300,000	\$ 8,839,427	\$ 7,460,573	The Material Recycling Facility building and equipment construction is underway and is within scope and budget. Completion for this portion of the project is to be complete in Spring of 2019. Operational expenditures for this project are underway and falling in line with scope and budget. The curbside operations are planned to commence May 2019.
Waste & Recycling Centre Disposal Cell Development & Closure *	E-7	\$ 11,650,000	\$ 1,647,285	\$ 10,002,715	Design of disposal cell 5B began in 2017. Construction of cell 5B was close to complete in 2018, and will be completed on 2019, in scope and under budget.
Landfill Gas & Leachate Management System	E-8	\$ 6,070,000	\$ 571,957	\$ 5,498,043	Preliminary design has been completed. Detailed design and construction is expected to begin in 2018 and completion in 2019.
Waste & Recycling Centre Site Enhancements	E-9	\$ 3,000,000	\$ 368,455	\$ 2,631,545	Project started in 2018 with planned completion in 2019.
Wastewater Treatment Plant Headworks	E-11	\$ 15,900,000	\$ 7,037,957	\$ 8,862,043	Construction began in 2018 and will be completed by 2020.
Waste Water Treatment Plant Primary Clarifier Replacement	E-12	\$ 16,200,000	\$ 3,902,262	\$ 12,297,738	Construction began in 2018 and will be completed by 2020.
Lift Station Rehabilitation	E-14	\$ 1,000,000	\$ 400,449	\$ 599,551	Six Lift Stations had pumps replaced in the prior scope. Two more lift stations are scheduled to be completed in 2019, along with some miscellaneous building maintenance.
Water Treatment Plant Residuals Management	E-18	\$ 17,000,000	\$ 2,318,108	\$ 14,681,892	Construction began in 2018 and is expected to be completed in 2020.
Water Treatment Plant Process Redundancy	E-20	\$ 12,100,000	\$ 84,280	\$ 12,015,720	Detailed design is expected to begin in 2019 and construction is expected to be completed in 2021.

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section E: Infrastructure Environmental Utilities

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Water Reservoir Upgrades	E-21	\$ 9,400,000	\$ 2,454,707	\$ 6,945,293	Upgrades are ongoing and are expected to be completed by 2020.
<b>Total</b>		<b>\$108,620,000</b>	<b>\$ 27,624,887</b>	<b>\$ 80,995,113</b>	

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section F: Infrastructure Electric Utility

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Protection and Control	F-4	\$ 70,000	\$ 73,332	\$ (3,332)	The purchase of the Cape software came in slightly over budget due to the US exchange rate.
Substation Transformer Upgrade *	F-5	\$ 1,250,000	\$ 136,440	\$ 1,113,560	Engineering and preliminary construction costs in 2018. Project to continue and be completed in 2nd quarter 2019.
Substation Infrastructure (Yard/Building) Upgrades	F-6	\$ 133,000	\$ 49,539	\$ 83,461	Both 593S & 146S roofing upgrade projects complete and under budget. Project was initiated and completed in 2017 to take advantage of lower costs.
Substation Breaker & Switches Upgrades	F-7	\$ 1,598,000	\$ 585,367	\$ 1,012,633	146S/111S Motorized Air Break Switch project completed and on budget. Some initial engineering costs for 674S Circuit Breaker in 2018.
Substation 13.8kV Switchgear Upgrades	F-8	\$ 14,161,000	\$ 10,266,678	\$ 3,894,322	Engineering and preliminary procurement during 2017. 146S completed in 2018 on budget. Project is expected to continue through 2019 and remain within budget.
Transmission Tie Line	F-9	\$ 1,255,000	\$ 1,132,066	\$ 122,934	Project started in 2018 and is expected to be complete by Feb 2019 within budget.
Distribution Extension & Improvement Annual Program *	F-10	\$ 9,293,000	\$ 6,199,313	\$ 3,093,687	Ongoing extensions and renewals to the distribution system. Spending is driven by the rate of community growth and development.
Distribution Renewal Annual Program *	F-11	\$ 3,207,000	\$ 273,796	\$ 2,933,204	Ongoing renewals of Overhead infrastructure. Work expected to continue through 2018-2027 under budget.
Dark Fibre Communications System *	F-12	\$ 148,000	\$ 124,287	\$ 23,713	2018 work completed includes the installation of fibre to Legacy Park and the Materials Recovery Facility (MRF). Ongoing work includes asset upgrades from pedestal to vaults.

\*Note 1: Projects are considered to be annual programs.

# Capital Improvement Program Summary 2018 - 2027

## Section F: Infrastructure Electric Utility

### Projects in progress during 2018

PROJECT	CIP PAGE	BUDGET	EXPENDITURES (TO DEC. 31, 2018)	BUDGET REMAINING	COMMENTS
Fleet Annual Program *	F-13	\$ 1,315,000	\$ 1,088,540	\$ 226,460	Equipment continues to be purchased as required within this program. 2018 purchases included a fibre trailer, cable puller and hydrovac unit for distribution crews.
Support Plant Renewal Annual Program *	F-14	\$ 680,000	\$ 137,722	\$ 542,278	Purchases of specialized tools required to replace or upgrade old or outdated assets. Other support system upgrades are renewed as needed in this program. Budget expenditure is progressing as expected.
Electric System Control *	F-15	\$ 350,000	\$ 193,833	\$ 156,167	Individual projects within this program including the control centre video wall display and the radio control upgrades have progressed within budget.
<b>Total</b>		<b>\$ 33,460,000</b>	<b>\$ 20,260,913</b>	<b>\$ 13,199,087</b>	

\*Note 1: Projects are considered to be annual programs.