



CITY OF  
*Lethbridge*

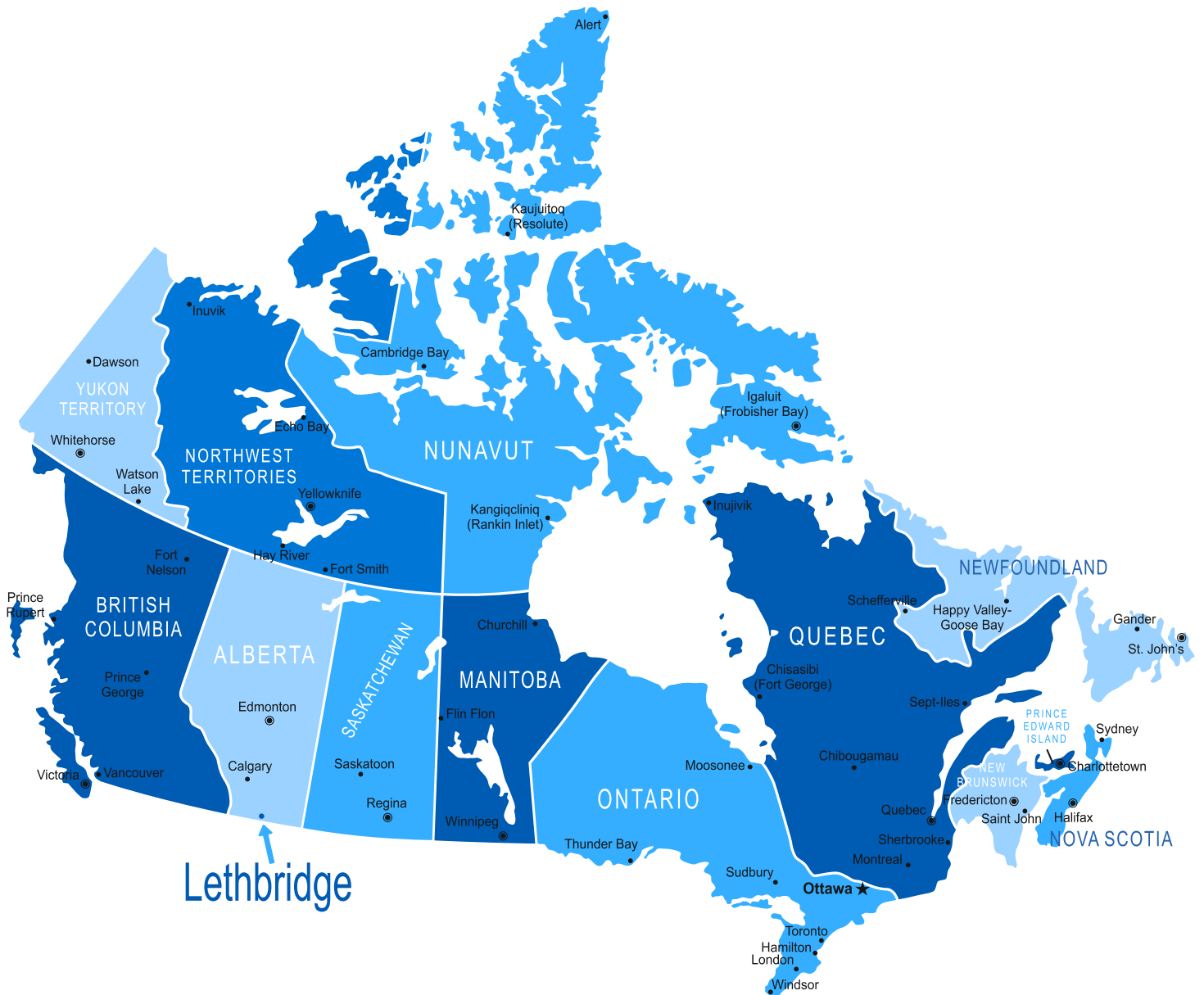
CITY OF  
LETHBRIDGE

# 2018 ANNUAL REPORT HIGHLIGHTS

December 31, 2018  
Alberta, Canada



Lethbridge is in southern Alberta and has a population of 99,769. There are many concrete reasons Lethbridge is a great location. With its low cost of living, mild climate, short commute times and wide range of recreation and culture opportunities, Lethbridge has something for everyone to achieve a perfect balance of work and life. The combination of city amenities and small-town charm, the easy lifestyle it affords and the sense of community it fosters continues to demonstrate that Lethbridge is the place to live.



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The City of Lethbridge's 2018 Annual Report Highlights is designed to simplify and communicate financial information, operating results, achievements and successes to the citizens of Lethbridge.

The condensed financial information presented in this report has been collected from the City of Lethbridge's 2018 Annual Report. For more information, the 2018 Annual Report can be found at [www.lethbridge.ca](http://www.lethbridge.ca).

The Annual Report Highlights is produced by the Communications and Financial Services departments of the City of Lethbridge in cooperation with all civic departments and agencies.



City of Lethbridge  
910 - 4th Avenue South  
Lethbridge, Alberta, T1J 0P6

[lethbridge.ca](http://lethbridge.ca)  
[facebook.com/cityoflethbridge](https://facebook.com/cityoflethbridge)  
[twitter.com/LethbridgeCity](https://twitter.com/LethbridgeCity)



# MAYOR'S MESSAGE



“Within this annual report highlights you will uncover a wealth of positive change in our community.”

On behalf of City Council, I am proud to present the City of Lethbridge 2018 Annual Report Highlights. This update to our community not only looks at the daily operation of our City but also the new growth and development that is moving us forward. It's exciting to see the progress we've made over the last year.

One of the most important tasks of City Council is to determine the City budgets. Much of 2018 was spent planning for our next four-year operating budget. All of that hard work came together in December, 2018 when City Council gave final approval to the 2019-2022 operating budget.

In conjunction with our operating budget deliberations, City Council also instructed administration to conduct an independent fiscal performance review of all City operations over the next three years. The results of this review will help us make thoughtful, fact-based decisions that will get more value out of every tax dollar and I look forward to getting this work underway.

City Council has one employee – the City Manager. When long-time City Manager, Garth Sherwin announced his retirement in October, 2017 we knew the task of finding the next leader for our organization would be a huge focus in the year ahead.

I am pleased to say these extensive efforts have landed us a dynamic leader in our new City Manager – Bramwell Strain. Bram joined the City of Lethbridge on August 15, 2018 and has brought an outstanding breadth of experience in leadership, innovation and change management that will serve Council,

our organization and our community very well.

When it comes to growth, west Lethbridge continued to lead the way in 2018. This year we completed two key arterial road projects to help manage this growth with the twinning of the west end of Whoop-Up Drive and the new section of Métis Trail between Walsh Drive West and Whoop-Up Drive. City Council fast-tracked these projects to deal with pressure on our transportation network in west Lethbridge.

When it comes to economic growth, City Council's decision to acquire the Lethbridge Airport from Lethbridge County has to be the most significant change in 2018. The ability to make changes at the airport that will expand and enhance services is critical to our economic future.

The airport will also help boost tourism. We will work closely with Tourism Lethbridge to enhance the opportunities for people to visit our beautiful city. We have been fortunate to welcome WestJet to Lethbridge this year, opening up more flights to and from YQL.

Within this annual report highlights you will uncover a wealth of positive change in our community. We also have many great things to look forward to in 2019. I encourage everyone to share this positivity with your friends and neighbours, become champions for Lethbridge and celebrate all the wonderful things our city has to offer.

Chris Spearman  
Mayor



## Legislative & Administrative Organization Chart



# CITY COUNCIL

## 2017-2021



Back Row (L-R):  
Councillor Joe Mauro  
Councillor Ryan Parker  
Councillor Blaine Hyggen  
Councillor Jeffrey Coffman

Front Row (L-R):  
Councillor Mark Campbell  
Councillor Belinda Crowson  
Mayor Chris Spearman  
Councillor Jeff Carlson  
Councillor Rob Miyashiro

### About City Council:

City Council consists of nine members: the Mayor and eight Councillors, who are elected at large. Lethbridge City Council was elected in October 2017 and will serve a four-year term.

## STRATEGIC PLAN 2017-2021

### VISION

We will continue to work together to ensure that Lethbridge demonstrates active leadership in environmental stewardship and innovation and is recognized as being a safe, healthy, vibrant, prosperous, economically viable place where all people can fully participate in community life.

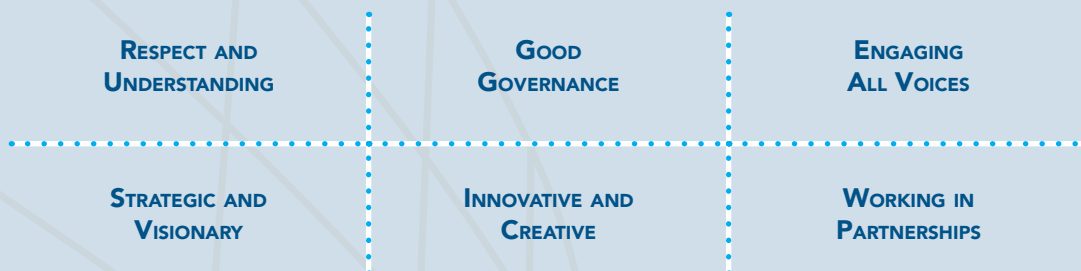
*Community Vision from the Integrated Community Sustainability Plan/Municipal Development Plan 2010.*

### MISSION

Respecting the framework of the Community Vision, City Council will serve and inspire the community through:

- Strong leadership
- Decisiveness
- Measurable actions

## GUIDING PRINCIPLES



To view the complete 2017-2021 Lethbridge City Council Strategic Plan, visit our website [www.lethbridge.ca](http://www.lethbridge.ca)

# CITY COUNCIL PRIORITIES

City Council participated in facilitated planning sessions with the intention of setting the direction for the community of Lethbridge. With the future of the City's citizens and business in mind, Council has prepared a strategic plan with these five strategic goals:

## 1 Accountable Leadership

- Reimagined Council
- Deliberate Community Engagement
- Develop and Leverage Relationships
- Corporate Culture

## 2 Financial Stewardship & Economic Prosperity

- Financial Stewardship
- Build and Diversify Our Economy

## 3 Liveable Communities

- Community Plan and Vision
- Leading in Development of Neighbourhoods that are People Centric and Innovative
- Connecting Neighbourhoods through Effective multi-modal Systems

## 4 Compassionate Community

- Enrich our Community through Diversity and Inclusivity
- Resilient Local Food System
- Safe and Secure Housing for Everyone

## 5 People Places for All

- An Active and Easily Accessed Community
- Enrich our Community through Culture
- People Centred Development

# CITY MANAGER'S MESSAGE



Within these pages we demonstrate our ongoing commitment to creating a welcoming and inclusive community for all."

Bramwell Strain - City Manager

On behalf of the City of Lethbridge Administration, I am pleased to present the 2018 Annual Report Highlights.

We experienced steady growth in Lethbridge in 2018 as well as some great successes. The population growth remained strong, as witnessed by a 1.6 % increase, increasing our population to 99,769. This growth rate exceeded the 2017 figure of 1.4% and continued to advance the steady, incremental growth our area has become accustomed to.

The Lethbridge-Medicine Hat economic region had the lowest unemployment rate among all economic regions in the province in 2018 (along with Camrose-Drumheller) with a 5.2% figure. Our figure also compared favourably with both provincial (Alberta unemployment rate was 6.6% in 2018) and national (Canadian comparative was 5.8% in 2018) indicators over the same time period.

There were more than 87,000 passenger movements at the Lethbridge Airport in 2018, an increase of 52% from the year prior. Now that the City of Lethbridge has taken ownership of the airport and will be putting a long-term growth plan in place, we look forward to continued passenger growth and economic activity at our airport.

We continue to do our part in improving local social and economic infrastructure with current and

newly approved capital projects. Construction continued on the ATB Centre (Phase 2), Legacy Park (Phase 1 and Phase 2) in north Lethbridge, the construction of the downtown Park 'n' Ride, and the Yates Theatre renovation. Also in the works is the design of a new fire station in west Lethbridge, and twinning of University Drive from the Community Stadium to SunRidge Blvd West. These projects will continue to create new jobs in our community and ensure the priorities of our community are taken into consideration.

It takes a tremendous amount of work to operate a city on a day-to-day basis, not to mention the planning required to meet the community's needs in 10, 20, 30 years and beyond. Within these pages we demonstrate our ongoing commitment to creating a welcoming and inclusive community for all.

I am very pleased to be a part of the City moving forward. I am looking forward to working together as we close in on 100,000 residents and continue to grow as a community.

Bramwell Strain  
City Manager



# CITY TREASURER'S MESSAGE



“The City takes pride in being fiscally responsible and is devoted to providing services to the residents of our growing community.”

Hailey Pinksen - City Treasurer

The City of Lethbridge's 2018 Annual Report Highlights is designed to simplify and communicate our financial information, operating results, achievements and successes to the citizens of Lethbridge.

The financial information in this report has been summarized from the audited financial statements in the City's 2018 Annual Report that was prepared in accordance with Canadian public sector accounting standards. The detailed Annual Report can be found on the City's website at [lethbridge.ca](http://lethbridge.ca).

The City provides many services to our citizens such as water, streets, transit, police, fire, ambulance, parks, recreation and culture facilities, just to name a few. You may ask, where does the City get the money to pay for these services? To find out, take a peek at page 16, there you will see that the City collected \$487 million of revenue in 2018. 39% of this revenue was collected from sales and user charges which comes from the fees on your utility bill and user fees for recreation and culture facilities.

Now that you know a little bit about where the City's money comes from, you may ask how much do these services cost? Flip over to page 18, there you will see that City expenses cost \$368 million in 2018. 22% of the City expenses is for Protective Services which includes police, fire and ambulance.

This document also highlights many of the City's major projects for 2018. Starting on page 21 you can read about various highlights, achievements and celebrations that occurred around Lethbridge that demonstrate the City's dedication to serving our community.

We continuously monitor our financial performance and strategies to address growth and increased demand for services. We also have to balance that with other economic impacts throughout the province.

As you review our Annual Report Highlights, I hope it helps to enhance your understanding of the City of Lethbridge finances. The City takes pride in being fiscally responsible and is devoted to providing services to the residents of our growing community. I hope you enjoy reading this report and find its content useful.

Respectfully submitted,

A handwritten signature in black ink that reads "HPinksen".

Hailey Pinksen, CPA, CA, CIA  
City Treasurer

# LETHBRIDGE AT A GLANCE

99,769

Lethbridge  
Population



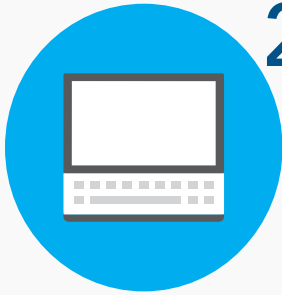
40,300

electric  
meters



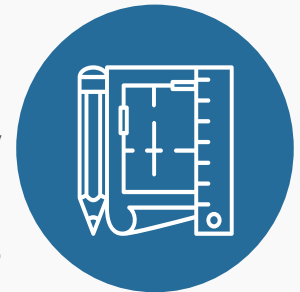
2.6 million

lethbridge.ca  
website views



6,600

permits issued by  
Building Inspection  
Services



14,700 tonnes

of recyclables received at  
the Waste &  
Recycling Centre



575 km

of paved roads





53 million litres

of drinking water  
processed on a  
daily basis



2.4 million kms

driven by Lethbridge  
Transit busses



104  
Trees

planted at City  
Cemeteries

2018

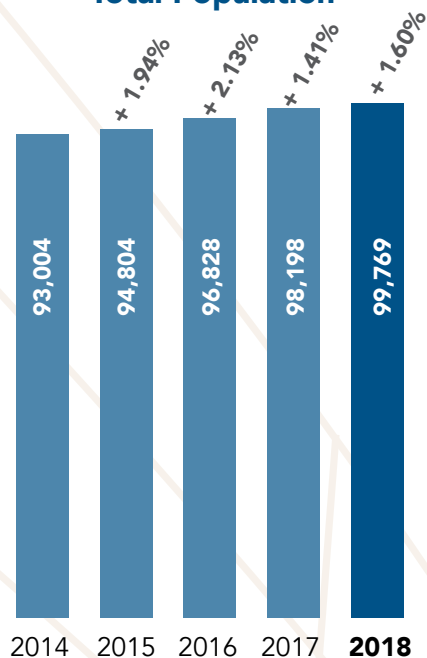
# ECONOMIC OVERVIEW

## POPULATION AND RESIDENTIAL ASSESSMENTS

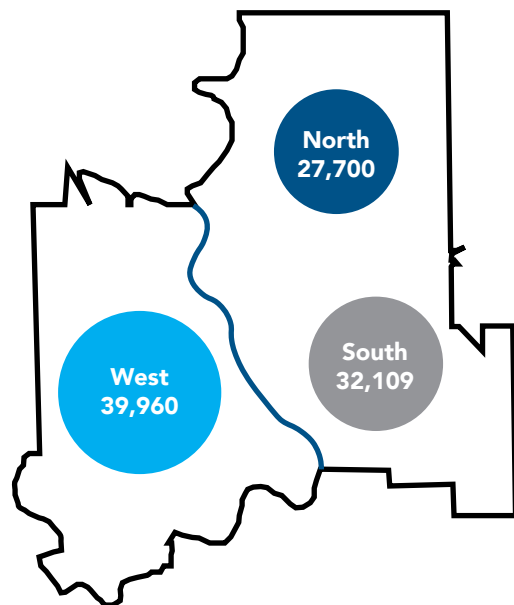
Lethbridge continues to grow with the official 2018 census results at 99,769, an increase of 1.6% over the 2017 municipal census numbers. The strongest growth was again in west Lethbridge with an additional 875 new residents. Lethbridge consistently demonstrates a sustainable, healthy rate of growth. Population growth is correlated with an expanding workforce, which should lead to greater prosperity. Education and training provide the population with the skills to innovate and increase productivity, ultimately leading to wealth generation and job growth.



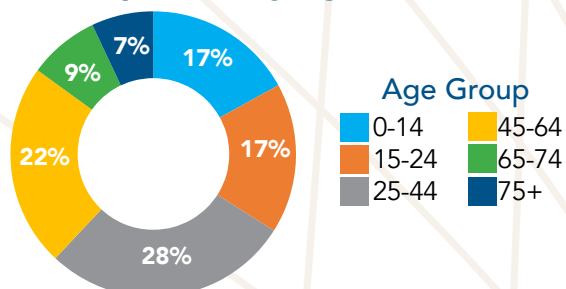
### Total Population



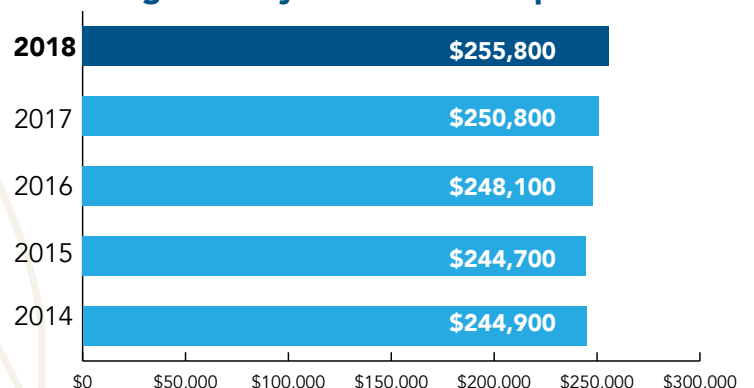
### Population by Location in 2018



### Population by Age in 2018



### Median Property Assessment for Single Family Residential Properties





# ECONOMIC OVERVIEW

## UNEMPLOYMENT RATE

Lethbridge's economy continues to perform well. The annual unemployment rate in the Lethbridge region is very low at 5.2 % versus the Alberta rate of 6.6 % and consistently lower than the national average of 5.8%.

## DEVELOPMENT AND CONSTRUCTION

Building permits are an important leading indicator as to where the construction market is headed. When permit values increase, it is a sign that developers have confidence in the local economy and its ability to generate growth. In terms of new construction, Lethbridge continues to have very steady, sustainable growth. Lethbridge experienced another outstanding year in terms of the value of construction:

- The value of construction in Lethbridge was just over \$443 million.
- Industrial permit values totaled \$235 million in the most recent calendar year, a significant increase over 2017, though the majority of this value can be attributed to the permits for Cavendish Farms' new potato processing plant.
- Commercial permit values were very similar at \$34 million in 2018, versus \$35 million in 2017.

## Annual Unemployment Rates

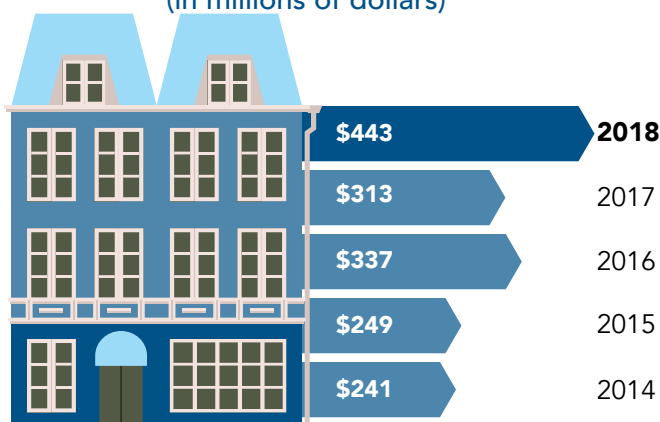
	Lethbridge <sup>(1)</sup>	Alberta	Canada
2018	5.2%	6.6%	5.8%
2017	5.7%	7.8%	6.3%
2016	6.9%	8.1%	7.0%
2015	5.0%	6.0%	6.9%
2014	3.8%	4.7%	6.9%

Above information obtained from Statistics Canada.

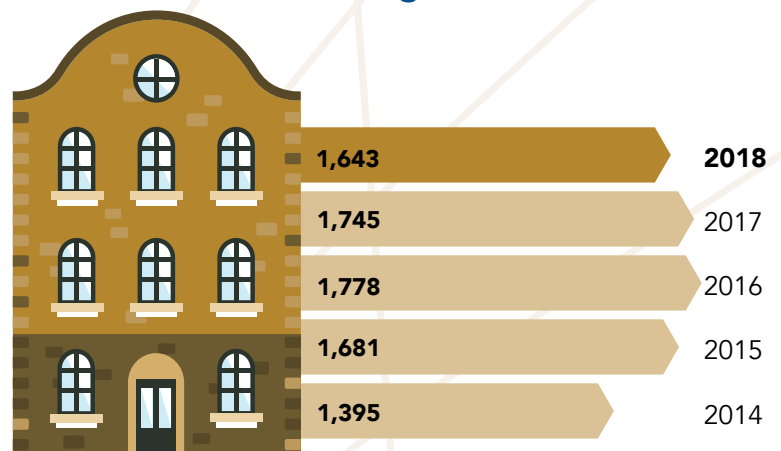
(1) The unemployment rates include Lethbridge and Medicine Hat regions.



## Building Permit Values (in millions of dollars)



## Number of Building Permits Issued



# FINANCIAL HIGHLIGHTS

## CAPITAL BUDGET 2018-2027

The City develops a ten-year Capital Improvement Program (CIP) for Community, Transportation and Utility projects. The 2018-2027 CIP was approved by City Council for the years 2018-2021.

The CIP includes design, development, implementation, operating and maintenance costs as well as associated funding sources. Specific funding sources include debt, off-site levies, Pay-As-You-Go financing and capital grants from the Province of Alberta and the Government of Canada.

More detailed information on the 2018-2027 CIP is available online at: [www.lethbridge.ca](http://www.lethbridge.ca)

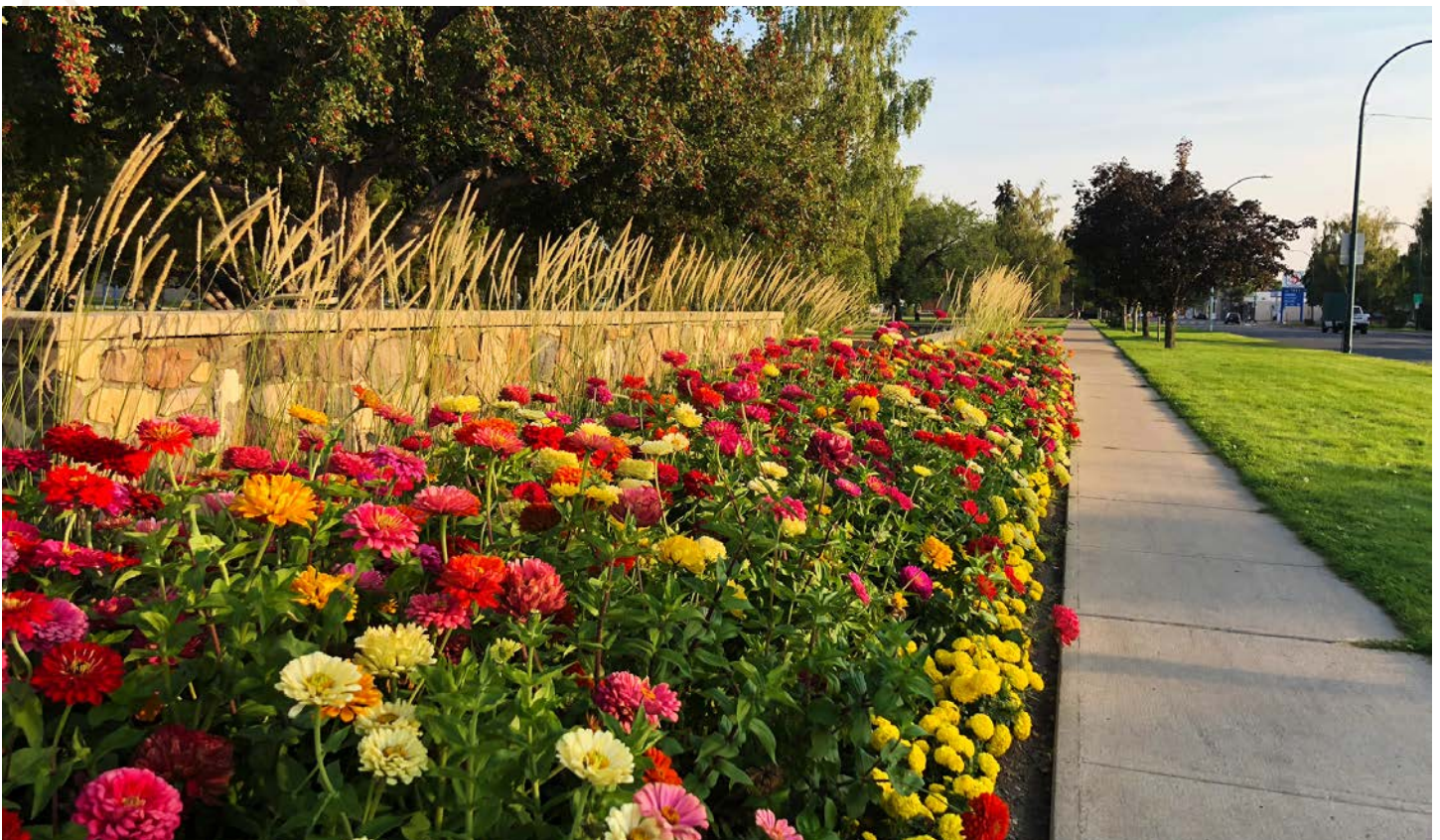
## OPERATING BUDGET 2015-2018

On November 24, 2014, City Council approved the City of Lethbridge 2015 to 2018 Operating Budget. The four-year operating budget is the financial plan that provides the foundation for the corporation to implement business plans and operationalize City Council's priorities from January 1, 2015 to December 31, 2018.

In the weeks and months preceding budget approval, residents and stakeholders provided feedback through telephone surveys, online surveys, open houses and citizen presentations to Finance Committee. Submissions were made to Finance Committee about service levels, past performance, and anticipated future changes.

The operating budget includes the required revenue to fund the City's delivery of desired programs and services to the community, as well as all operating costs included in the CIP.

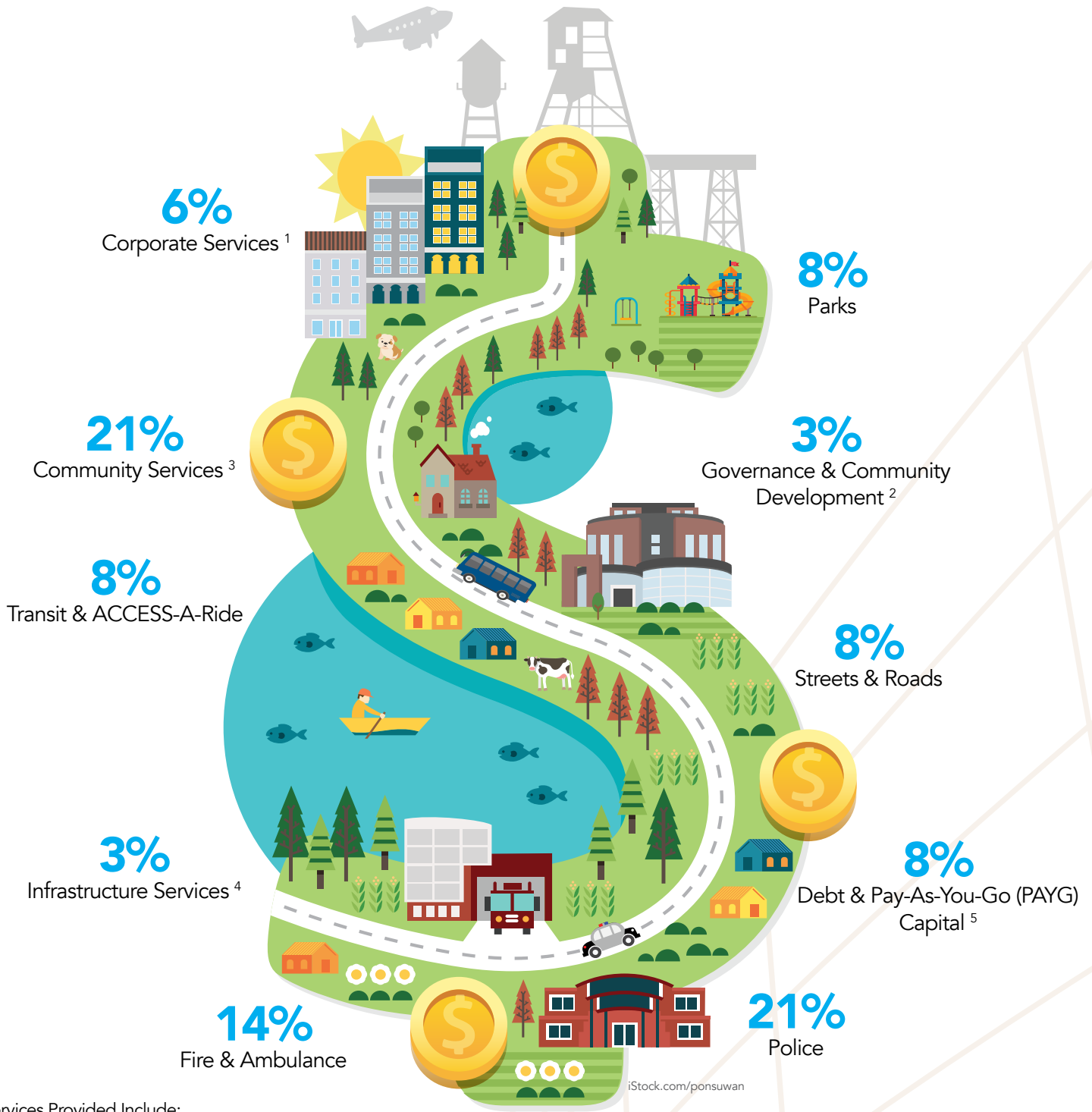
More detailed information on the 2015-2018 Operating Budget is available online at: [www.lethbridge.ca](http://www.lethbridge.ca)



Flower Bed near Adams Ice Centre

# FINANCIAL HIGHLIGHTS

## WHAT YOUR 2018 MUNICIPAL PORTION OF YOUR TAX DOLLARS WERE USED FOR



Services Provided Include:

1. Information Technology, Financial Services, Human Resources, Assessment & Taxation, Risk Management, etc.
2. City Council, City Manager, City Solicitor, Economic Development, Planning & Development, etc.
3. Recreation & Culture, ENMAX Centre, Regulatory Services, Cemetery Services, Lethbridge Public Library, Galt Museum & Archives, etc.
4. Airport, Community Lighting, Storm Water, Asset Management, Urban Construction, Parking, etc.
5. PAYG - costs associated with capital projects that are recurring, relatively small scale or for short lived improvements.



# FINANCIAL HIGHLIGHTS

## UNDERSTANDING & INTERPRETING CITY OF LETHBRIDGE FINANCIAL STATEMENTS

On an annual basis, the City of Lethbridge Financial Statements are prepared in accordance with provisions set out in the Municipal Government Act (MGA) and must comply with Canadian public sector accounting standards, which provides guidance for financial and other information reported by public sectors.

The condensed financial information presented in this report has been collected from the City of Lethbridge's 2018 Annual Report and is for highlight purposes only.

There are four main components to the City's Financial Statements:

### 1. Statement of Financial Position:

The Statement of Financial Position reports on the City's assets, liabilities and municipal equity at the end of each year. This statement will give the reader an indication whether or not the City has the necessary assets to provide services to its citizens in the future and meet its current financial commitments.

### 2. Statement of Operations:

The Statement of Operations reports on revenues, expenses and results of operations for the entire year.

### 3. Statement of Net Financial Assets:

The Statement of Net Financial Assets reconciles the excess of revenue over expenses to the net financial assets (financial resources available to finance future transactions). Positive net assets (as opposed to net debt) is a good indicator the City is able to meet its liabilities and obligations and has resources to use in the future.

### 4. Statement of Cashflows:

The Statement of Cashflows identifies where the City's cash came from and how it was used. This statement explains the change in cash and cash equivalents since the previous reporting period.

## Notes to the Financial Statements

The notes to the Financial Statements contain important information and explanations, some of which are required by legislation and regulation. The notes highlight various aspects and provide background information on the impacts of specific values in the Financial Statements.

## Additional Details

City Council is responsible for ensuring that City Administration fulfills its responsibilities for financial reporting, internal control and risk management. To assist City Council with these responsibilities, a City Council appointed Audit Committee has been established.

The Audit Committee oversees the activities of the external auditors to help ensure Administration's accountability to Council. The Committee reviews the audit plan, year-end audit results, summary of audit differences, the Independent Auditors' report and the management letter. To fulfill the City's provincially legislated audit requirements, the Committee engages the external auditor, KPMG LLP who carries out the audit of the City of Lethbridge's financial statements, in accordance with generally accepted auditing standards. The external auditors have full and unrestricted access to the Audit Committee to discuss their audit and related findings, as to the integrity of the City's annual Consolidated Financial Statements and related processes.

Based on the Committee's recommendation, City Council approved the 2018 City of Lethbridge Annual Report at its meeting on April 15, 2019.

## WHO USES THE CITY OF LETHBRIDGE FINANCIAL STATEMENTS AND WHY?

### City Residents:

Lethbridge residents use the City's Financial Statements to help them understand how financial resources have been used to provide services to their community.

### City Council:

The City's Financial Statements provide information to City Council on its financial position. This information has been validated by a professional, independent auditor.

### Governments:

Senior levels of government use the City's Financial Statements to determine if funds were used in accordance with the funding requirements.

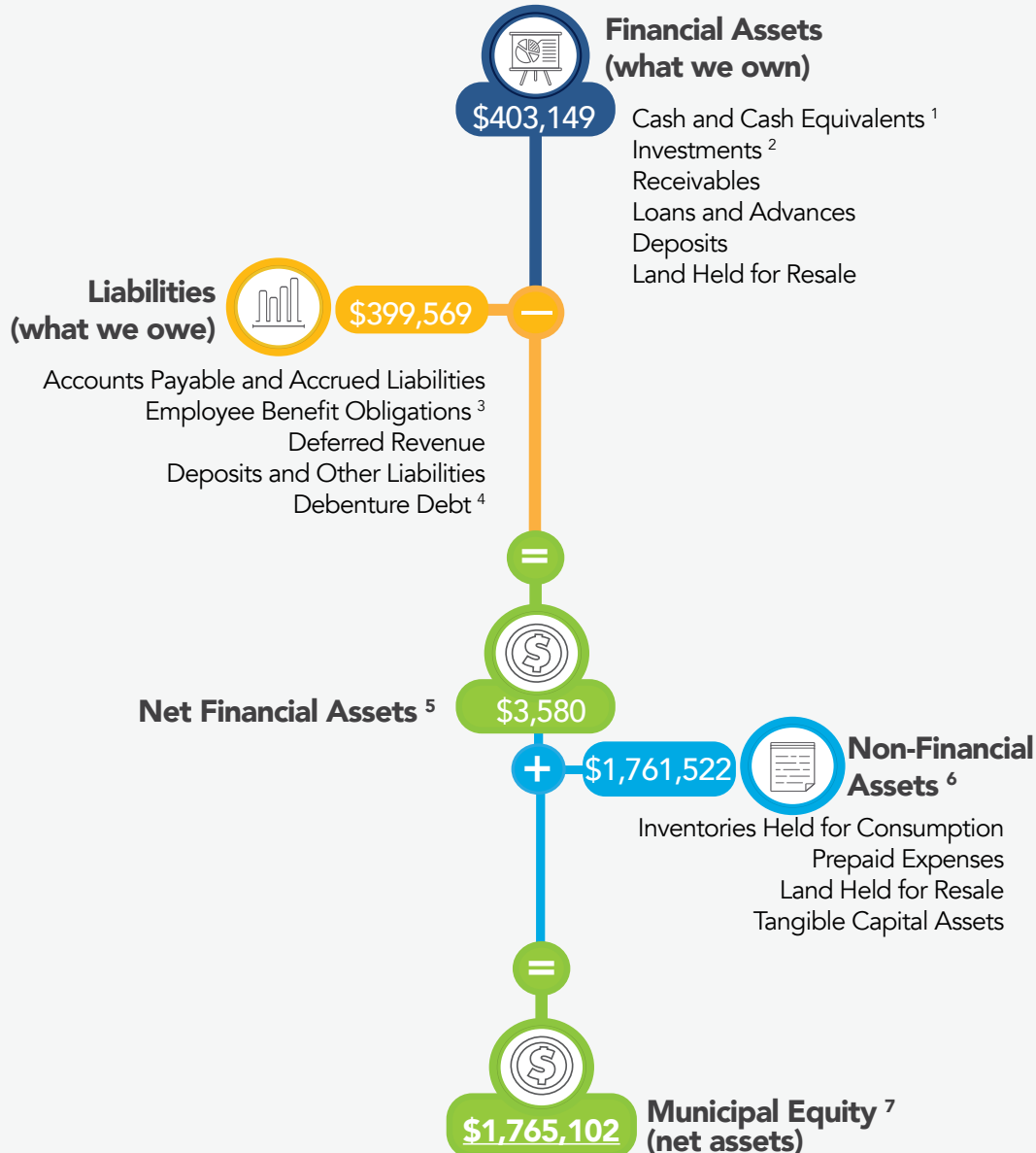
For more information, the 2018 Annual Report can be found at:  
[www.lethbridge.ca](http://www.lethbridge.ca).



# FINANCIAL HIGHLIGHTS

## 2018 SUMMARY OF FINANCIAL POSITION (in thousands of dollars)

Source: City of Lethbridge Consolidated Statement of Financial Position for the year ended December 31, 2018



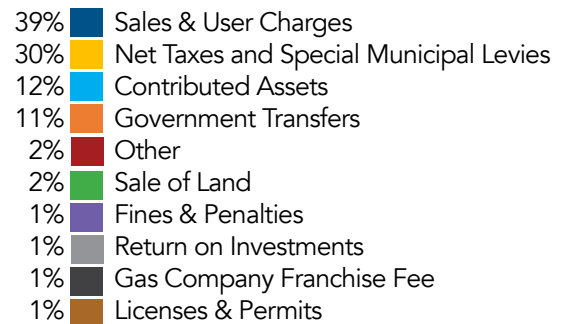
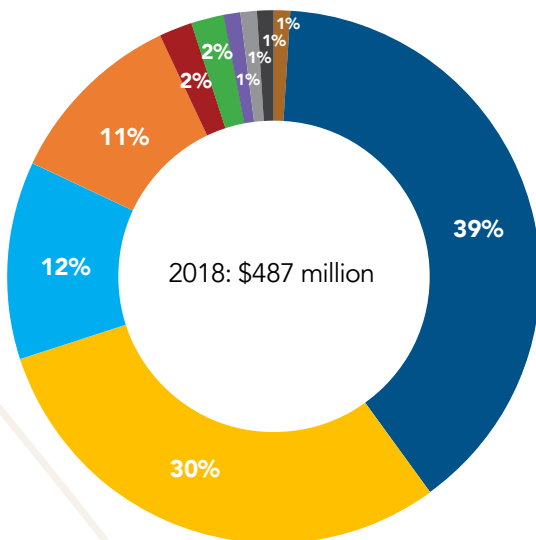
### Notes:

- Cash includes cash on hand, balances with financial institutions and short term investments with original maturities less than three months.
- Investments consist primarily of money market instruments such as Guaranteed Investments Certificates, government bonds, financial institution bonds and term receipts. These investments are in qualifying institutions as defined in the City's investment policy.
- Employee benefit obligations include vacation, overtime and sick pay.
- Debenture debt is an external borrowing from the Alberta Capital Finance Authority that is used for capital funding. A by-law must be authorized by City Council prior to any external borrowing.
- Net Financial Assets - this positive balance is an indication that the City is able to meet its obligations and has resources to use in the future.
- Non-Financial Assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
- Municipal equity reflects the net assets that have accumulated over time. Municipal equity consist of restricted and unrestricted amounts, including the accumulated unrestricted surplus, reserves, equity invested in tangible capital assets and the capital fund.

# FINANCIAL HIGHLIGHTS

## WHERE THE MONEY CAME FROM: 2018 GROSS REVENUE

Source: City of Lethbridge Consolidated Statement of Operations for the year ended December 31, 2018



**Sales & User Charges** are the revenue from the sales of goods and services to individuals, organizations or other governments. This includes utility service charges and user fees for recreation and culture facilities.

**Net Taxes and Special Municipal Levies** are the net municipal portion of all property taxes and grants in lieu of taxes levied or collected.

**Contributed Assets** are tangible capital assets recorded at their fair market value that have been transferred to the City. These contributions are from privately developed subdivisions and include assets such as water systems, wastewater systems, storm systems, roads and parks.

**Government Transfers** are essentially grants from senior levels of government.

**Other** includes revenues which are not included in the revenue categories defined above.

**Sale of Land** includes revenue from lot sales of residential and industrial subdivisions that have been developed by the City.

**Fines & Penalties** are revenue collected from the violation of a law or a bylaw. This includes fees for impounded animals, overdue charges for library books and fines generated by the province on behalf of the City.

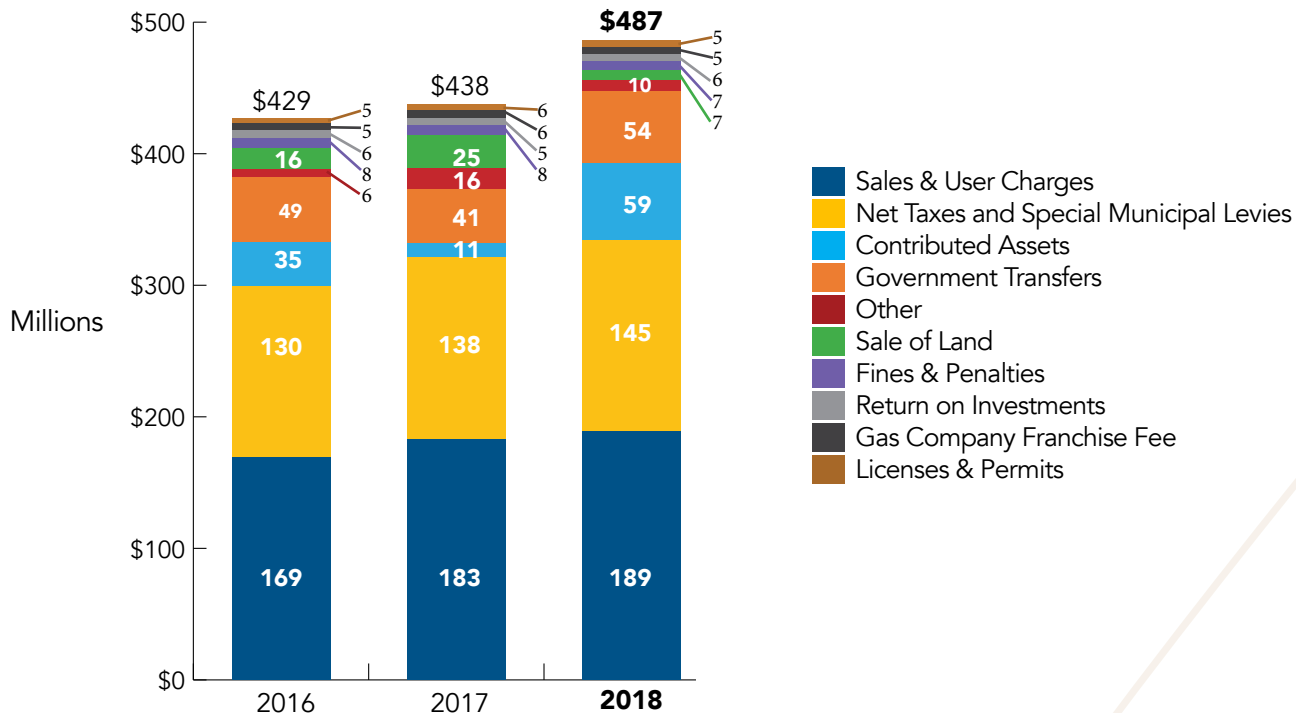
**Return on Investments** is the net revenue resulting from investments.

**Gas Company Franchise Fee** is revenue collected from a utility company that allows the exclusive right to provide services within city boundaries under an agreement and for the use of municipal land upon which the utility system is located.

**Licenses & Permits** include revenue collected from municipal licenses such as business, taxi, and animal licenses. It also includes revenue collected from permits such as building, construction, demolition, gas, plumbing and electrical permits.

## WHERE THE MONEY CAME FROM: THREE YEAR COMPARISON OF GROSS REVENUE

Source: City of Lethbridge Five Year Summary of Consolidated Revenues



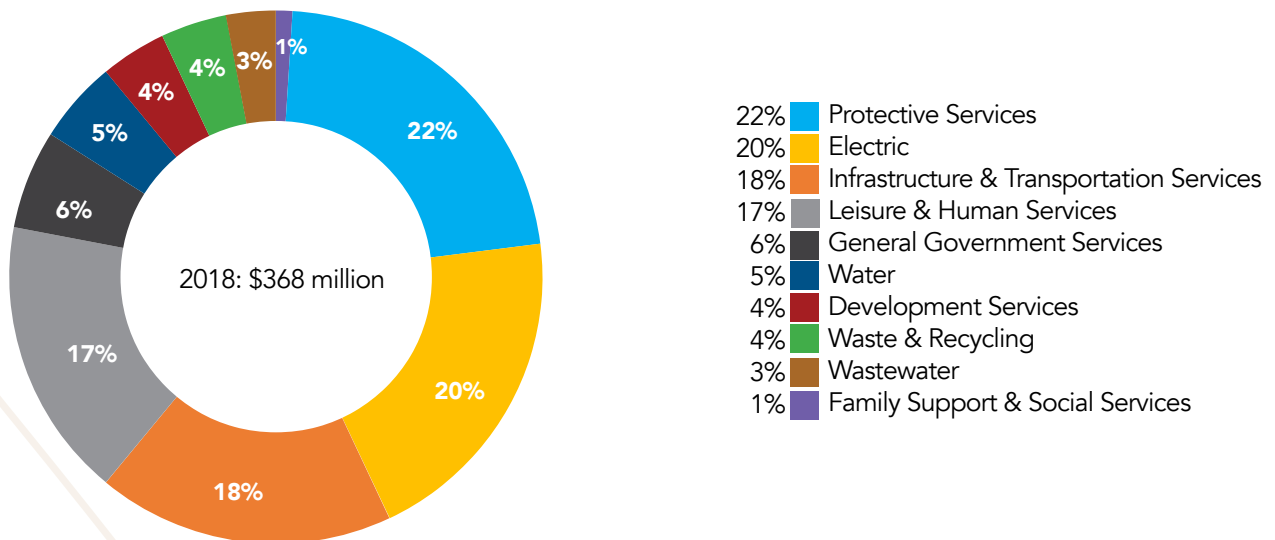
### 2018 Revenue Changes:

- The overall operating revenue had an overall increase of \$49.8 million or 11% with total revenue of \$487.5 million (2017 \$437.7 million).
- Sales and user charges increased by \$6.9 million or 3.8% from 2017 primarily due to an increase in utility user charges.
- Property tax is a primary revenue source available to the City to pay for municipal services. In 2018, net taxes available for municipal services of \$145 million was \$11.3 million or 8.4% higher than 2017, and accounted for 29.8% (2017 30.6%) of gross revenue. The net tax increase was a result of a combination of a budgeted property tax increase of 3.2% and community growth.
- Based on the memorandum of understanding (MOU) dated March 16, 2018 with the County of Lethbridge, the City acquired the physical assets of the Lethbridge Airport as of June 1, 2018. The recording of these assets was the primary reason for the \$47.9 million increase in contributed asset revenue.
- Government Transfers increased by \$13.2 million from 2017 due to timing of government transfers provided to fund operating or capital expenses. These revenues are externally restricted and recorded as a deferred revenue until used for the purpose intended.
- During 2018, the City received land sales of \$7.2 million which was a decrease of \$18.1 million from the previous year (2017 \$25.3 million). The majority of the decrease is related to the timing of industrial development activities in the Sherring Industrial Park which resulted in a decrease in revenues of \$10.8. Additionally, residential subdivisions had a decrease of \$4.6 million from the Crossings commercial and residential subdivision, a decrease of \$1.5 million from the SunRidge subdivision, and a \$1.0 million decrease from the RiverStone subdivision and a decrease of \$0.2 million in other land sales. Fluctuations from year to year occur due to timing differences created through the development process with residential and industrial subdivisions.

# FINANCIAL HIGHLIGHTS

## WHAT THE MONEY WAS USED FOR: 2018 EXPENSES BY FUNCTION

Source: City of Lethbridge Consolidated Statement of Operations for the year ended December 31, 2018



**Protective Services** includes dispatch, police, fire, disaster services, ambulance, inspection services, business licenses, parking enforcement, regulatory services and animal control.

**Electric** provides several electrical utility services that can be segregated into two major functions: transmission and distribution. Transmission provides Lethbridge with access to the provincial electricity grid. Distribution involves the final step of delivering electricity from one of the City's 6 substations to homes and businesses. The City is responsible for maintaining 4,500 transformers, 2,300 km of underground lines and 500 km of overhead lines.

**Infrastructure & Transportation Services** includes engineering services, fleet, roadway and parking services, storm sewers, transit and airport.

**Leisure & Human Services** includes recreational and cultural facilities and programs. Also includes library, museum and parks maintenance.

**General Government Services** includes council, legislative and general administration.

**Water** distribution system consists of 590 km of water main and 6 storage reservoirs with pump stations. The water mains and pump stations deliver water to residences and businesses through the city and neighbouring communities. The water treatment plant draws the water supply from the Oldman River and it processes an average of about 53 million litres of high quality drinking water on a daily basis.

**Wastewater** collection system consists of 520 km of sewer and 22 lift stations. The sewer and lift stations convey wastewater from residences and businesses in all areas of the city to the wastewater treatment plant.

**Development Services** includes economic development, planning, public housing and land development.

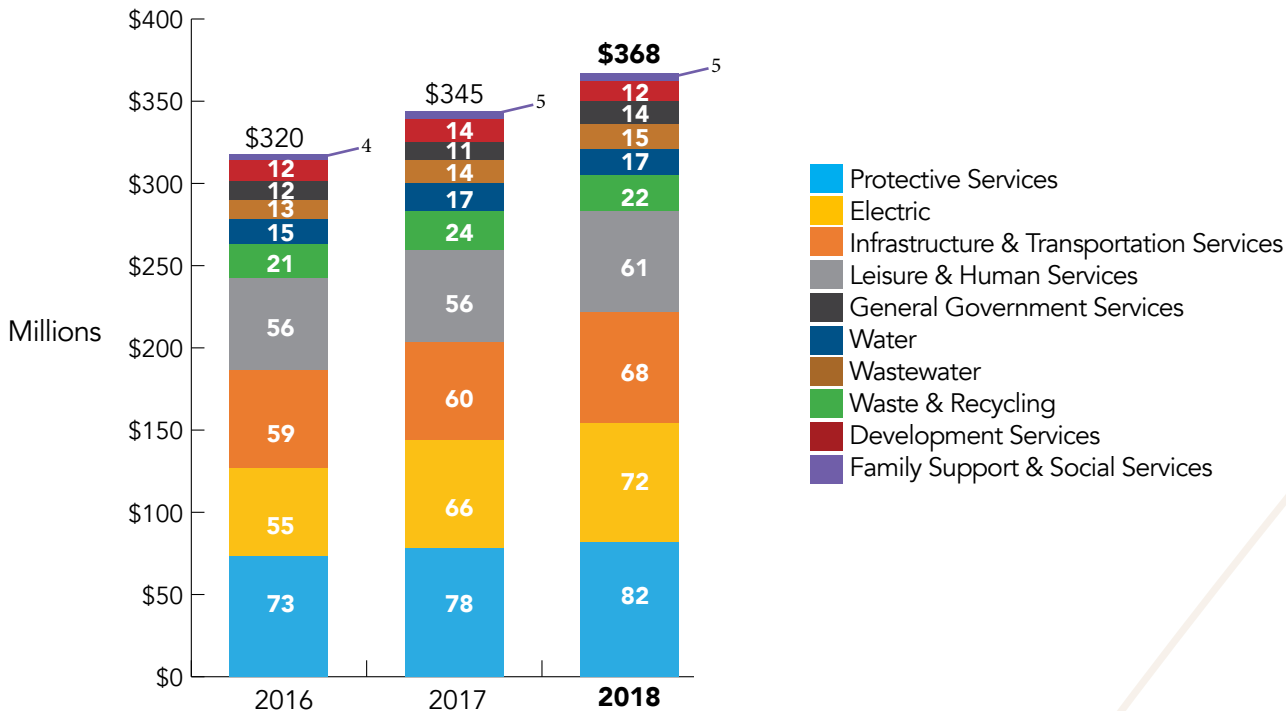
**Waste & Recycling** provides environmentally safe, time responsive and cost effective collection, disposal and recycling services for residents as well as waste collection for commercial customers in Lethbridge.

**Family Support & Social Services** includes community and family support, cemeteries and other public health support.



## WHAT THE MONEY WAS USED FOR: THREE YEAR COMPARISON OF EXPENSES

Source: City of Lethbridge Five Year Summary of Consolidated Expenses



### 2018 Expense Changes:

- In 2018, the consolidated expenses of \$368.4 million were \$23.6 million or 7% higher than the previous year.
- Protective Services expenses increased by \$3.6 million to \$81.9 million from \$78.3 million in 2017. This was primarily due to an increase in Fire & EMS services of \$1.7 million, an increase of \$0.8 million in Lethbridge Police Service expenses, an increase of \$0.6 million in dispatch services and an overall increase of \$0.5 million in other protective services expenses.
- The Electric Utility expenses increased by \$6.6 million from \$65.9 million in 2017 to \$72.5 million in 2018. The increase is primarily due to a \$8.0 million increase in energy charges, transmission tariff charges, contractual services as well as an increase in amortization costs due to a change in the useful life of certain tangible capital assets. This increase was offset by a \$1.6 million decrease in contractual services within the distribution system. Other electrical costs increased by \$0.2 million.
- Infrastructure and Transportation expenses increased by \$8.3 million to \$68.1 million from \$59.8 million in 2017. This increase is a result of an increase in road, pathway and parking expenses of \$3.9 million, an increase in Transit expenses of \$1.5 million as well as an increase in expenses of \$2.9 million related to taking over the Lethbridge Airport operations as of June 1, 2018.
- Leisure and Human Services ended the year with \$61.1 million in expenses. This was an increase of \$4.7 million from 2017. This is due to a \$4.3 million increase in expenses for recreation facilities and programs, an increase of \$0.6 million in cultural facilities and programs and a decrease of 0.2 million in other Leisure and Human services expenditures.
- General Government Services decreased by \$1.6 million to \$22.1 million in 2018 from \$23.7 million in 2017. This was due to a decrease in general administration costs of \$1.6 million.

# FINANCIAL HIGHLIGHTS

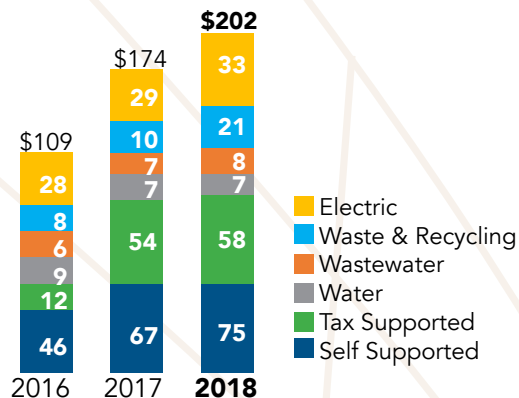
## DEBENTURE DEBT

The City of Lethbridge borrows money to help finance capital projects. These loans called debenture debt are borrowed from the Alberta Capital Finance Authority (ACFA), a provincial authority. ACFA makes loans to Alberta municipalities, school boards and other local entities at interest rates based on the cost of its borrowings.

The Municipal Government Act (MGA) establishes limits for municipal debt levels and annual debt servicing costs. The City's debt limit in 2018 was \$579 million.

In 2018, the City's debenture debt was \$202 million. This was an increase of \$27.9 million (16%) over the 2017 balance. The debenture debt increase was primarily due to an increase in borrowings for capital projects including the Curbside Recycling, ATB Centre - Phase 2 (Leisure Complex), Electric Distribution Extension & Improvement, and the Sherring Industrial Park.

### DEBENTURE DEBT (millions)



## THREE YEAR SUMMARY OF DEBENTURE DEBT

Source: City of Lethbridge Five Year Summary of Debenture Debt

(in thousands of dollars)

	2018	2017	2016
<b>GENERAL</b>			
Tax supported			
Recreation & Culture Facilities	\$ 58,164	\$ 54,207	\$ 12,000
Self supported			
Offsites	50,253	46,033	44,310
Industrial park servicing	12,806	9,109	2,075
Commercial land servicing	11,555	12,222	-
Airport	644	-	-
Local improvements	25	50	74
	133,447	121,621	58,459
<b>UTILITIES</b>			
Water	6,411	7,175	8,027
Wastewater	7,564	6,266	6,485
Waste & Recycling	21,163	10,344	8,650
Electric	33,295	28,588	27,905
	68,433	52,373	51,067
<b>TOTAL DEBT</b>	<b>\$201,880</b>	<b>\$173,994</b>	<b>\$109,526</b>
<b>POPULATION</b>	<b>98,769</b>	<b>98,198</b>	<b>96,828</b>
<b>DEBENTURE DEBT PER CAPITA</b>			
General - mill rate supported	\$ 583	\$ 552	\$ 124
General - self supported	755	687	480
Utilities	686	533	527
	\$ 2,024	\$ 1,772	\$ 1,131
<b>DEBT LIMIT (as per MGA)</b>			
Total debt limit	\$578,773	\$591,103	\$535,924
Total debt (above)	201,880	173,994	109,526
<b>DEBT LIMIT UNUSED</b>	<b>\$376,893</b>	<b>\$417,109</b>	<b>\$426,398</b>
Percentage of debt limit used	34.9%	29.4%	20.4%

# PROJECTS & HIGHLIGHTS

## Programs and Events at the Nature Centre

2018 was another successful year for the Helen Schuler Nature Centre. The Nature Centre staff and volunteers offered a wide range of programs and events that included:

- Community-based Exhibits – A total of nine unique exhibitions were hosted at the Centre in 2018, including Rotary Club of Lethbridge East's *Inspired by Nature Youth Art Exhibition* with 45 youth participants.
- Together with Nature – Nature Centre education staff delivered 686 community programs to 17,116 participants.
- Supporting Community Events – Nature Centre staff and volunteers brought fun and educational activities to 28 community events in 2018, promoting the benefits of connecting with nature and being outside.
- Citizen Science in Action – 5,673 sighting records for wildflower blooming dates and locations, as well as wildlife, bird and insect sightings were recorded by Nature Centre volunteers in 2018.



An edible plant walk workshop put on by the Helen Schuler Nature Centre was a popular event in 2018.

## Lethbridge Transit Highlights

- Lethbridge Transit's first U-Pass was implemented in partnership with the University of Lethbridge in September 2018. Ridership in west Lethbridge increased by 45% for the months of September through to December compared to the previous year.
- Transit ridership increase from 1,189,783 in 2017 to 1,307,699 in 2018 which is an approximate 10% increase.
- ACCESS-A-Ride ridership increased from 124,804 in 2017 to 128,803 in 2018 which is a 3% increase.
- A new route was developed to cover the far south end of the city and enhance the reliability of the routing in that area.



Lethbridge Transit Bus

## Spitz Stadium Grand Re-Opening

On June 8, Spitz Stadium re-opened to the public, after two years of renovations that greatly enhance the fan experience. Some of the work completed over the two years includes:

- New washrooms and concessions
- Mechanical system upgrades
- New upper level concourse
- Addition of an elevator and increased accessibility
- Expanded press box and media area



Spitz Stadium



## PROJECTS & HIGHLIGHTS



Yates Theatre

### New West Theatre Showcases Renovated Genevieve E Yates Theatre

With work on the Yates and Sterndale Bennett Theatres coming to a close, the renovated facility opened its doors to the public in September with a close to sold-out New West Theatre show, *Million Dollar Quartet*. The reviews of the Yates' upgrades were outstanding, as were the reviews of this fantastic show. Some of the work completed includes:

- New emergency generator, water main and sanitary services.
- Replacement of original roofing.
- Additional storage space created.
- Modifications to existing catwalk, additional lighting and sound equipment and retractable seating in the Sterndale Theatre.
- Accessibility improvements including washrooms and installation of an elevator.

### Water and Wastewater Highlights

#### Fleetwood Neighbourhood Sewer Lining

This project involved the lining of 4.5 km of sanitary sewer main. Lining the neighbourhood sewers provided many benefits over traditional trenching and delivered a high quality product. The project completed quickly, with little impact to residents. It also offered cost savings of 90% and a reduction of 1,038 tonnes of CO<sup>2</sup> compared to traditional trenching.

#### 13 Avenue North Watermain Lining

This project was the first watermain lining project in Lethbridge, the second in Alberta, and involved the lining of 1.4 km of watermain. With this emerging technology, only small access pits had to be dug instead of a full trench excavation like traditional replacement. The liner is fully structural and has a design life of 50 years. This method of replacement reduces the length of time needed for replacement, lowers the cost, reduces the impact to residents and reduces Greenhouse Gas emissions.



## PROJECTS & HIGHLIGHTS



Goats in Cottonwood Park

### Grazing in Cottonwood Park

Goats were used in a pilot project to control vegetation in Cottonwood Park from October 24 to November 21. This is a proven form of vegetation control used by other municipalities so the main purpose of the pilot was to work out the logistics of working with livestock in an urban park setting. Since the season for weed control was mostly over, the goal was to eliminate approximately 60 per cent of the dead and dry vegetation around the park paths. The goats were at the park for four weeks and grazed approximately 25 acres. The project was very well received by the public and shows promise for being an effective way to control vegetation and invasive weeds in our river valley parks.

### Watermark Park Grand Opening

September 18 saw the grand opening of Watermark Park located at 317 Rocky Mountain Boulevard West.

This park, located on the school grounds of the new Senator Joyce Fairbairn Middle School, features two soccer fields, a softball diamond, basketball courts, playground equipment, a rock climbing structure, outdoor fitness equipment, a BMX pump track, a skateboard plaza and more.

The park was designed using feedback received at public open houses from children, parents and other community members about what they wanted to see in this park.



Watermark Park Grand Opening

# PROJECTS & HIGHLIGHTS

## Legacy Park

Mayor Spearman and members of City Council were joined by Premier Notley and Lethbridge MLAs on July 26 for the Phase 1 opening of Legacy Park. The park is home to the first challenge obstacle course in Canada.

Other amenities in the Phase 1 launch included: an outdoor performance stage, skateboard park, basketball, tennis and pickleball courts, soccer and baseball fields, outdoor fitness equipment, playground, sledding hill, skating pond, picnic sites, and a network of paths. Construction over the next few years will complete the park as planned.



Legacy Park Phase 1 Ribbon Cutting

## Lethbridge Public Library (LPL) Main Branch Modernization Project

LPL completed its largest renovation project to date – the Main Branch Modernization Project (MBMP) – and reopened the doors of its north wing on July 26, 2018.

Highlights of the newly renovated space include:

- open spaces and a focus on social/leisure activities where people can gather in the upper level;
- quiet study and research space in the lower level;
- relocating the Community Meeting Room and expanding its capacity, as well as allowing for group bookings outside of regular Library hours;
- an expanded Computer Services area;
- a Teen Zone that offers space for young adults to enjoy a place of their own;
- a reading bar where customers can socialize and enjoy our magazines and newspapers;
- digital signage for easy navigation and program advertising.



LPL Main Branch Modernization Project

## ENMAX Centre Highlights

The ENMAX Centre saw a high number of events and event days, along with the widest diversity and broadest demographic reach for any one year period. There was entertainment for everyone such as rock (Stone Sour and Three Days Grace) and country (Old Dominion and Johnny Reid) concerts, Broadway's the Illusionists and Dirty Dancing, Cirque du Soleil's Corteo, Fight Night, Monster Trucks, Holly Cole and Russell Peters.



Cirque du Soleil's Corteo



# AWARDS & ACHIEVEMENTS

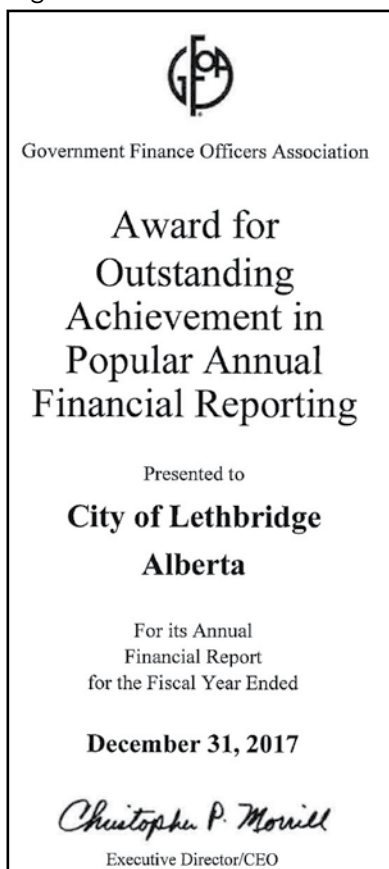
## FINANCIAL RECOGNITION

### Popular Annual Financial Report Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Lethbridge for its Popular Annual Financial Report for the fiscal year ended December 31, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



### Canadian Award for Financial Reporting

- The City of Lethbridge received a Canadian Award for Financial Reporting for the fiscal year ended December 31, 2017. This award is from the Government Finance Officers Association of the United States and Canada (GFOA).
- 2017 was the twenty-second consecutive year the City has received this award.
- In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards.

### Distinguished Budget Presentation Award (2015-18)

- The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Lethbridge for its four year budget beginning January 1, 2015.
- The budget conforms to the program requirements and the award is valid for a period of four years only.

## OTHER RECOGNITION

### Planning and Development

- The City of Lethbridge and the Blackfoot Confederacy Nations won the Minister's Award for Municipal Excellence for the Traditional Knowledge and Use Agreement partnership.

### Lethbridge Fire and Emergency Medical Services (EMS)

- Lethbridge EMS was awarded the next level of Accreditation, Accredited with Commendation with Accreditation Canada in recognition of its quality emergency medical services.

### Public Safety Communications Centre (PSCC)

- The PSCC became accredited for Emergency Medical Dispatch with the International Academies of Emergency Dispatch. This accreditation recognizes the PSCC's high compliance with medical dispatching protocols.

### Lethbridge Public Library

- Downtown Event of the Year - The Word on the Street
- Allied Arts Council Excellence Award - Service Organization
- Lethbridge Pride Award, Non-Profit Community Organization
- READ Award - Kids Kindness Club (Chinook Arch Regional Library System)



CITY OF  
*Lethbridge*

## 2018 ANNUAL REPORT HIGHLIGHTS