



CITY OF
Lethbridge

City of
Lethbridge

Annual Report 2019



Photo: ATB Centre

Alberta, Canada • December 31, 2019



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

On the cover: After eight years of planning and construction of a new leisure centre in west Lethbridge, ATB Centre Phase 2, home to the Cor Van Raay YMCA opened on May 4, 2019. The final phase of this project included an aquatics area with amenities such as: waterslides, Lethbridge's first Flow Rider, a lazy river, and lap and leisure pools. The facility also includes an indoor track looking down on six full-sized courts, a large fitness area with group class space, childminding, a child care centre and an indoor playground.

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MAYOR'S MESSAGE



“This report brings an opportunity to review and to appreciate all of the work and effort that went into the past year.”

Mayor Chris Spearman

My City Council colleagues and I are pleased to bring you the 2019 Annual Report. As the City prepares to publish this report, it brings an opportunity to review and to appreciate all of the work and effort that went into the past year. As I reflect on 2019, I am proud of the work the organization has completed and look forward to continuing this work into 2020.

A major highlight during 2019 was seeing our population grow to more than 100,000 residents, making Lethbridge the third largest city in the province. Our stable economy and steady growth has proven to be a consistent attractor for those looking to make a move and build a life in Lethbridge.

We saw the completion of capital projects like Phase 2 of the ATB Centre and the Regional Park 'N' Ride Transit Terminal plus the launch of the curbside recycling program and our Lethbridge 311 service. These facilities and programs have added significantly to the quality of life in our community and we continue to see the benefits of investing in these services every day.

Another source of pride is the work that has been done to further Reconciliation in our community. Earlier this year City Council unanimously voted to adopt the traditional Blackfoot greeting, Oki, as the official greeting of Lethbridge. This motion was brought forward to Council by the hard work being done by the Reconciliation Lethbridge Advisory Committee and is something I encourage all residents to learn more about.

At the same time, social issues and safety have also been on the minds of many residents who have been directly and indirectly affected by the drug crisis impacting our city. While our residents and businesses are sharing these concerns, City Council are listening carefully, meeting with our partners in other levels of government and advocating for Lethbridge.

City Council has made significant investment in public safety and addressed increased demand on Lethbridge Police Services by asking the Lethbridge Police Commission to look at what resources may be needed. Council also recently approved additional funding for the Downtown Clean and Safe Strategy through to 2022 which has a direct focus on maintaining a clean and safe environment for our downtown businesses, residents and visitors to continue to thrive in.

As approved in 2018, the organization-wide operational reviews began in 2019 with the phase I results already being implemented. The decision by Council to undertake these reviews was an important step as the organization as a whole because a review like this had not been done in almost 40 years. City Council's focus for the next four years is on accountable spending and we need to be planning and budgeting in the best possible way.

The reviews are being done in a phased approach with phase 2 currently underway. The motivation of the process is to ensure we are continuously improving as an organization which will ultimately serve our residents in the best way



The traditional Blackfoot greeting, Oki has been adopted as the official greeting of Lethbridge.

forward. We are purposely conducting and reporting on this process in a clear and transparent way. We want our residents to know we are being thoughtful with their tax dollars and continuously wanting to improve how we use these funds.

As I reflect back on 2019 and the challenges we've faced as a community, I am encouraged by the fact we continue to keep proving we are a strong, resilient, vibrant, passionate, hardworking and unwavering community. It is those

qualities that have helped us rally together, focus on what is important to us and ensure that Lethbridge comes out the other side, better than ever. It is also those qualities that highlight the positivity in our community and that positivity will help us to move forward into another banner year for our city in 2020.

A handwritten signature in black ink, reading 'Chris Spearman'.

Chris Spearman
Mayor





Legislative & Administrative Organization Chart

RESIDENTS

CITY COUNCIL

Mayor Chris Spearman

Councillor Jeff Carlson
Councillor Jeffrey Coffman
Councillor Belinda Crowson
Councillor Blaine Hyggen

Councillor Mark Campbell
Councillor Joe Mauro
Councillor Rob Miyashiro
Councillor Ryan Parker

Lethbridge Police Commission
Lethbridge Public Library Board
Sir Alexander Galt Museum Board

CITY MANAGER

Bramwell Strain
Jody Meli (Jan 2020)

Director of City Manager's Office Jody Meli

- Supporting Council's Strategic Priorities & Communications
- Corporate Communications & Marketing
- Corporate Strategic Planning
- Information Technology
- Downtown Redevelopment
- Economic Development & Tourism Liaison
- Lethbridge Airport

Land Development/ Real Estate Manager Michael Kelly

City Solicitor Brian Loewen

Human Resources Manager Jason Elliott

City Clerk Bonnie Hilford

Director of Treasury & Financial Services Hailey Pinksen

- Treasury
- Payroll
- Purchasing & Stores
- Financial Reporting & Budget
- Long-term Financial Planning
- Risk Management/ Insurance
- Assessment & Taxation

Director of Community Services Tony Vanden Heuvel

- Lethbridge Transit
- Helen Schuler Nature Centre
- Recreation & Culture
- Community Social Development
- ENMAX Centre
- Fire & Emergency Services
- Public Safety Communications Centre
- Cemetery Services
- Facility Services
- Regulatory Services

Director of Infrastructure Services Doug Hawkins

- Transportation Planning
- Public Operations
- Water Treatment Plant
- Wastewater Treatment Plant
- Utilities (Water, Wastewater, Electric Distribution, Sanitation, Landfill, Waste & Recycling)
- Stormwater
- Utility Services
- Lethbridge 311
- Urban Construction
- Asset Management
- Parks
- Fleet Services
- Intermunicipal Planning
- Community Planning
- Development Services
- Building Inspection Services

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

RESPECT AND
UNDERSTANDING

GOOD
GOVERNANCE

ENGAGING
ALL VOICES

STRATEGIC AND
VISIONARY

INNOVATIVE AND
CREATIVE

WORKING IN
PARTNERSHIPS

To view the complete 2017-2021 Lethbridge City Council Strategic Plan, visit our website 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 of our Annual Report, we demonstrate to residents our ongoing commitment to creating a welcoming and inclusive community for all."

Jody Meli - City Manager

On behalf of the City of Lethbridge Administration, I am pleased to present the 2019 Annual Report.

We experienced steady growth in Lethbridge in 2019 as well as some great milestones for our community.

June 2019 brought with it the confirmation we had officially become a city of more than 100,000 residents, making Lethbridge the third largest city in Alberta. This is a significant milestone in our history and it's encouraging to know we're a city that continues to steadily grow and more importantly, retain those people and families who choose to make Lethbridge their home.

According to the Conference Board of Canada's mid-sized cities report released late last year, our local economy has fired on all cylinders over the past two years. We've expanded by 5.8 per cent in 2017 and 5.1 per cent in 2018.

Our strong economic performance locally is partially due to having a diversified economy which makes us a stable city in which to live, work and play.

The report went on to say that Lethbridge is expected to see its Gross Domestic Product (GDP) expand by 2.6 per cent this year and is forecasted to grow by an additional 2.7 per cent in 2020. The report highlights job growth of 2,900 in the most recent year, led by gains in Construction, Personal Services and Information & Cultural Industries, which includes tech-based employment. We experienced growth across a variety of sectors, with

gains in the Primary & Utilities sector (which includes agriculture) and Non-Commercial Services (which includes education and healthcare) leading the way.

It is noted that quality of life is one of the biggest advantages to doing business in Lethbridge. Investment in facilities like the ATB Centre help to attract and retain talent in our city. Stable economic conditions also play a role here. We ended 2019 with the lowest unemployment rate in the province according to Statistics Canada.

From a City of Lethbridge organizational perspective, we continued to do our part in improving local social and economic infrastructure in 2019 with the completion and grand opening of some major capital projects including ATB Centre Phase 2 – the Cor Van Raay YMCA, the completion of the Regional Park 'n' Ride Transit Terminal and the Yates Theatre renovation. In late December, construction began for a new fire station in west Lethbridge, and we are nearing the completion of the twinning of University Drive from the Community Stadium to SunRidge Blvd West. In addition to creating new jobs in our community, we are ensuring the priorities of our community are heard and taken seriously when planning for our future.

Phase one of our operational review was presented to City Council in November 2019. This work is driven by innovation and efficiencies, focused on cost containment and reinvestment opportunities. With a commitment to

CITY MANAGER'S MESSAGE



ATB Centre Phase 2 - the Cor Van Raay YMCA

continuous improvement, phase two is underway and the operational review process continues in 2020.

Within these pages of our Annual Report, we demonstrate to residents our ongoing commitment to creating a welcoming and inclusive community for all, with a focus on our future and

the opportunities and promise that 2020 will bring.

Jody Meli

City Manager

2019 LETHBRIDGE AT A GLANCE

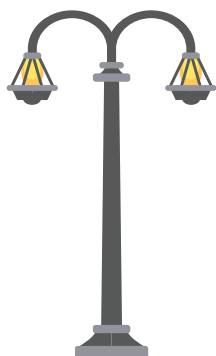


4,485 hours of sunlight

389
parks and
natural areas



12,500
streetlights



41,487
electric meters



17,931

tonnes of recyclables
received at the Waste &
Recycling Centre



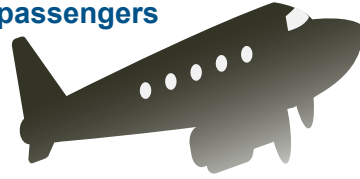
113
playgrounds



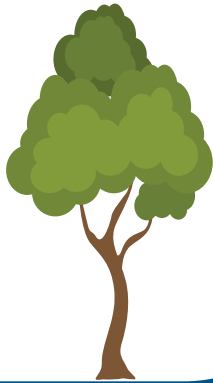
250 kms
of pathways



104,078
YQL passengers



47,000
planted trees



101,482
Lethbridge
population

64,347
9-1-1 calls
received

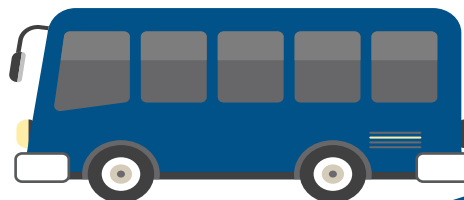


Lethbridge Police
Service responded to
35,993
calls for service

9,000
dogs licensed



1,605,053 Transit ridership



583 kms of roads



FINANCIAL INFORMATION

AUDIT COMMITTEE REPORT

Lethbridge City Council is responsible for ensuring that City Administration fulfils 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, primarily to:

- Monitor the Internal Controls over Financial Reporting (ICFR) including the policies, procedures and internal control mechanisms in place to ensure the accuracy, completeness and timely preparation of the City's financial reports and financial statements
- Monitor the independence and performance of the external Auditors
- Provide an avenue of communication among City Council, Administration and the Independent Auditors
- Identify and monitor the principal risks that could impact financial reporting of the City
- Oversee risk management including risk identification, analysis and managements procedures to minimize the City's exposure to loss
- The City's Audit Committee oversees the activities of the external auditors to help ensure Administration's accountability to Council. The Audit 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 engaged the external auditor, KPMG LLP who carried 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 financial statements and related processes.

Other key activities completed by the Audit Committee during the year included:

- Considered internal controls and financial risks facing the City
- Reviewed the Audit Findings Report prepared by KPMG LLP. Reviewed annual financial statements, discussed these with Administration and Independent Auditors and recommended approval to City Council
- Discussed the appropriateness of accounting principles, critical accounting policies and management judgments and estimates
- Reviewed legal matters with the City Solicitor
- Reviewed Year End Unaudited Financial Information and Schedules
- Modified the Terms of Reference for the Committee
- Initiated the review of the Investment Policy
- Reviewed Financial Personnel Succession Planning
- Reviewed a number of Financial Services Administrative policies

- Reviewed the feasibility of extending the audit services contract for an additional four year period
- Evaluated the vacation carryover process
- Participated in education sessions related to the roles and duties of audit committees and the City of Lethbridge's internal control program

The Audit Committee membership consists of the Mayor and four Council members, one of whom acts as an alternate.

2019 Audit Committee Members:

Mayor C. Spearman

Councillor B. Crowson

Councillor J. Mauro

Councillor R. Miyashiro

Councillor J. Coffman (alternate)

April 20, 2020

CITY TREASURER'S FINANCIAL STATEMENT DISCUSSION & ANALYSIS



“Lethbridge is resilient and responsive to the needs of our community.”

Hailey Pinksen - City Treasurer

The 2019 Annual Report of the City of Lethbridge (the “City”) provides information to all members of the public about the City’s 2019 financial performance. In addition, this report describes some of the City’s major financial policies, provides an assessment of the City’s general economic condition and highlights some of our accomplishments.

The Annual Report includes the City’s consolidated financial statements, prepared by management in accordance with Canadian public sector accounting standards. Entities included in the Annual Report are the City, its Utilities, the Lethbridge Public Library, the Lethbridge Police Service, and the Galt Museum.

The City’s auditor KPMG LLP has audited the 2019 consolidated financial statements and their Independent Auditors’ Report is included in this Annual Report.

The following financial statement discussion and analysis (FSD&A) is the responsibility of management and should be read in conjunction with the audited consolidated financial statements and accompanying statistical information section.

The consolidated financial statements consist of:

- **Consolidated Statement of Financial Position:**

This statement is a snapshot as at December 31, 2019 of the City’s municipal equity. Municipal equity is the excess of assets over debt and other liabilities.

- **Consolidated Statement of Operations:**

This statement consists of revenue reflecting the operating and capital funds that were acquired and how the

expenses were allocated, including the annual costs for owning and using capital assets (depreciation).

- **Consolidated Statement of Net Financial Assets (Debt):**

This statement reconciles the excess of revenue over expenses to the net financial assets (assets that are not for consumption in normal day to day operations). Positive net assets are an indicator that the City is able to meet its liabilities and obligations out of existing assets and has resources to use in the future. Negative net assets (net debt) is an indicator that future resources are required to pay for past transactions events.

- **Consolidated Statement of Cash Flows:**

This statement outlines the details of the change in cash and cash equivalents (short-term investments). The sources and uses of cash are presented in four different categories: operating, capital, investing and financing (new debt issued and debt repayments).

2019 FINANCIAL HIGHLIGHTS

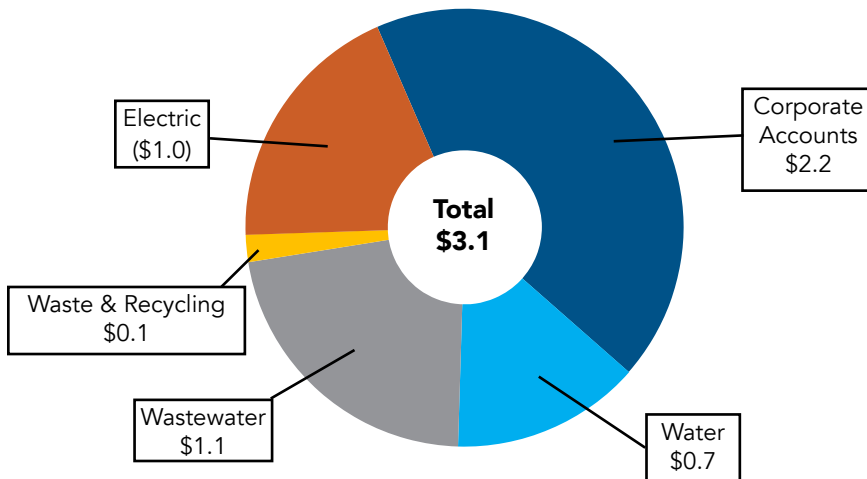
2019 was the first year of the four-year 2019-2022 Operating Budget. The Business Units within our organization continue to do an admirable job of providing established levels of service to our community and managing budget funds responsibly within our overall operating budget.

During 2019, the City realized a consolidated annual unrestricted surplus of \$3.1 million, (2018 - \$4.4 million) as shown on Schedule 1.

The City of Lethbridge will continue to monitor our financial performance and strategies over the 2019-2022

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2019 ANNUAL UNRESTRICTED SURPLUS (millions)



operating budget period to address growth and increased demand for services. The City also has to balance that with other economic impacts throughout the province. An expanded discussion of these challenges are included in the Economic Conditions portion of this document.

SIGNIFICANT BUDGET VARIANCES

The following is an analysis of the 2019 General and Utility operations for the period ended December 31, 2019. As noted above in the 2019 Annual Unrestricted Surplus graph, the City ended the year with a \$3.1 million unrestricted surplus (as shown in Schedule 1). This surplus consists of a \$2.2 million corporate surplus, a \$0.1 million surplus in Waste and Recycling Services, a \$1.1 million surplus in the Wastewater Utility, a \$0.7 million surplus in the Water Utility, and a \$(1.0) million deficit in the Electric.

General Operating Results

Corporate Accounts ended the year with a \$2.2 million surplus. For 2019, specific budget variances resulting from factors not attributable to the business unit management (e.g. corporate revenue and utility costs on City facilities) are reported as a corporate responsibility.

By City Council resolution, this \$2.2 million Corporate Account surplus will be transferred to the Municipal Revenue Stabilization Reserve in the following year. Significant corporate account variances from budget are as follows:

Property tax and general revenue ended the year with a positive variance of \$1.7 million. The surplus in property taxes of \$1.0 million is due to higher than anticipated growth in commercial properties of \$1.3 million and partially offset by a \$0.3 million shortfall due to the Provincial Government's announcement that the Province will reduce its payment on property taxes paid on Crown property by 25%. The surplus in

general revenue of \$0.7 million included an unbudgeted grant (Municipal Cannabis Transition Program) of \$0.3 million as well as higher than budgeted transfers from the Water and Landfill Utilities to General Operations, higher than budgeted penalties on taxes and general revenue accounts of \$0.4 million.

Permit, development and license revenue ended the year with a negative variance of \$1.1 million. The revenue shortfall is due to slower than anticipated residential and commercial construction activity.

Employee Benefit accounts ended the year in a positive variance of \$0.8 million. The most significant contributing factors were lower than anticipated rates for medical and dental coverage, and Worker Compensation Board (WCB) costs. The Province introduced new legislation and policy (Bill 30) to expand ongoing WCB coverage and the cost of enhanced WCB benefits has not yet been incurred, but anticipated in the future.

Corporate fuel costs ended the year with a positive variance of \$0.3 million, primarily due to lower than budgeted Transit fuel prices.

Utility costs for tax supported City facilities ended the year with a surplus of \$0.5 million. ATB Centre Phase 2 was only operational for eight months in 2019, resulting in a surplus of \$0.2 million as well as a positive variance of \$0.3 million throughout all remaining corporate facilities in electricity and City utility costs.

Business Unit Results

To accommodate the four-year budget cycle, Business Units are expected to operate within the 48 month budget. If there is a shortfall after the first

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

year, Business Units are expected to overcome the deficit by adjusting expenditures in the remaining years of the operating budget (2020 - 2022); and if the experience after the first year results in net under expenditures, the Business Units have the ability to roll the amounts over to assist with operations during 2020-2022. General Fund Business Unit results are therefore transferred to the Budget Appropriations Unexpended Reserve (shown on the Consolidated Schedule of Unrestricted Surplus - Schedule 1 as part of the transfer to reserves) and therefore are not part of the \$3.1 million Consolidated Annual Unrestricted Surplus.

Utility Operating Results

Utility operations include the Waste and Recycling Services Utility, the Wastewater Utility, the Water Utility and the Electric Utility.

Overall, Waste and Recycling (comprised of the Waste Collection and Waste Processing services) ended the year with a surplus of \$0.1 million. This was primarily due to Landfill revenues being greater than budgeted due primarily to higher than budgeted tonnage and an under expenditure in closed landfill and diversion activities.

Wastewater Utility ended the year with a positive variance of \$1.1 million. Revenue was the largest contributor to this surplus with a \$1.0 million revenue surpluses due to higher than budgeted sewage loading from industrial customers and a \$0.3 million surplus in residential, regional and general services customers due to higher than anticipated usage. Additionally, a surplus of \$0.2 million primarily due to lower than anticipated engineering, technical support and processing costs. The

positive variances were offset by a negative variance of \$0.4 million as a result of a greater than budgeted sanitary main repairs and emergency flushing due to the prolonged cold weather in the winter months.

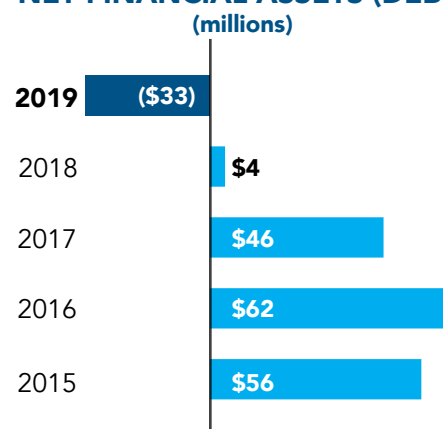
Water Utility ended the year with a small positive variance of \$0.7 million. This was primarily due to water revenue which ended the year with a positive variance of \$1.1 million as a result of higher residential, regional and commercial water sales. This was offset by a negative variance of \$0.4 million due to a significantly higher than usual number of water main breaks and system repairs experienced in the first quarter of 2019.

The Electric Utility ended the year with a \$1.0 million negative variance from operations. Fibre Operations ended the year with a \$0.1 million positive variance due to cost of capital and system operations expenses amounts being lower than budgeted. The Distribution tariff ended the year with a negative variance of \$0.5 million primarily due to the Distribution Access (Wire Services Provider) of the Distribution Tariff component due to an under collection of revenue and increase in depreciation and system operations expenses for the year. The Regulated Rate tariff experienced a positive variance of \$0.4 million due to fluctuations in price to purchase energy and managing the energy for our customers. The prices are set monthly to cover the costs for energy purchases and Electric uses hedges to reduce risk on energy purchases as well. These positive variances were offset by a \$1.0 million negative variance in the Transmission tariff primarily due to increases in linear property tax, cost of capital and depreciation.

FINANCIAL POSITION

The overall financial position of the City of Lethbridge ended 2019 with year-end net financial debt totaling \$33.2 million (2018 net financial assets of \$3.6 million). Net debt is an indicator that future resources are required to pay for past transactions and events.

NET FINANCIAL ASSETS (DEBT)



Financial Assets

The City's 2019 total financial assets of \$377 million decreased by \$26 million from the prior year (2018 \$403 million), which is primarily due to a decrease in investments and receivables. This decrease in investment and receivables was due to the timing of receipt of funds from other levels of government as well as the funding associated with the construction of capital projects.

The City uses investments to provide a return on public funds while they are held by the City. These funds consist of reserves, capital funds, Provincial and Federal grants, and operating funds. The funds are invested between the time of their receipt and their use to maximize the opportunity of investment returns to the City of Lethbridge. The timing of these transactions, as well as the

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

size of reserves and the amount of internal financing approved are the main factors influencing the size of the investment portfolio. The average size of the portfolio in 2019 was \$291 million (2018 \$298 million).

The investment activities of the City are governed by the Municipal Government Act (MGA) and an investment policy which has been adopted by City Council.

The 2019 gross interest income earned from the portfolio was \$8.9 million (2018 \$6.1 million). The City's 2019 average portfolio yield of 3.06% (2018 2.07%) was higher than the Government of Canada 3-year Benchmark yield of 1.55% (2018 2.05%).

Liabilities

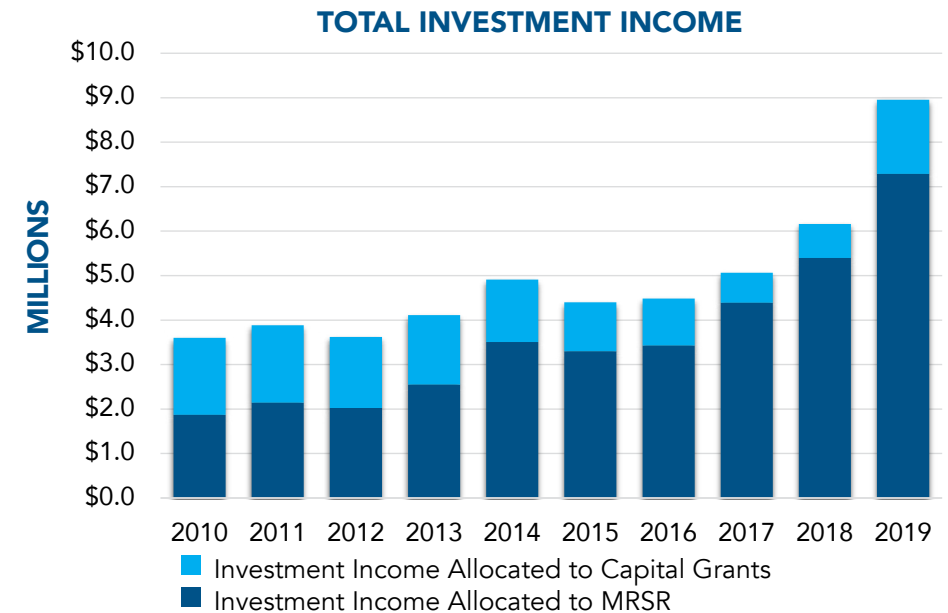
The City's 2019 total financial liabilities of \$410.3 million increased by \$10.7 million compared to the prior year results (2018 \$399.6 million), primarily due to an increase in debenture debt of \$26.1 million. The increase in these liabilities was offset by a decrease in accounts payable and accrued liabilities of \$8.3 million and decrease in deferred revenue of \$7.1 million.

Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balance of \$56.0 million at the end of 2019 has decreased by \$8.3 million over the prior year balance of \$64.3 million.

Trade accounts payable decreased by \$9.9 million primarily due to the release of large holdbacks payments related to the timing of construction and capital expenditures during 2019.

Accrued liabilities increased by \$1.6 million primarily due to an increase in payroll and benefits, debenture interest accrual and landfill post closure costs.



Employee Benefit Obligations

Employee benefit obligations ended the year with a balance of \$13.2 million which was a decrease of \$0.6 million from the previous year. This is primarily due to decreases in vacation and overtime liabilities.

Deferred Revenue

Deferred revenue is made up of contributions from other levels of government, prepaid taxes and other revenue deferrals. The \$7.1 million decrease in deferred revenue is primarily due to the timing of government contributions received versus the recognition of revenue based on eligibility requirements.

Deposits and Other Liabilities

Deposits and other liabilities are collected by the City in various forms, including land sale deposits, architectural control deposits, funds in lieu of letters of credit, utility customer deposits, and conditional funding requirements. These deposits are held by the City until the service or conditional requirements are completed. During 2019, deposits

and other liabilities increased by \$0.6 million primarily due to a increase in trust fund deposits.

Debenture Debt

In 1989, City Council adopted a policy of Pay-As-You-Go financing for general municipal (non-utility) capital expenditures, which provides for a fixed amount to be applied to taxation supported debt payments and funding of capital projects. A complementary policy was that of utilizing City reserves to internally finance larger capital works. These policies have allowed the City to restrict the amount of taxation supported borrowings to one major capital improvement project (ATB Centre Phase 2 Leisure Complex).

Since the beginning of this program in 1989, the level of capital expenditure has been controlled; however, because maintenance is recognized as a high priority, the City's existing infrastructure and facilities have not been compromised.

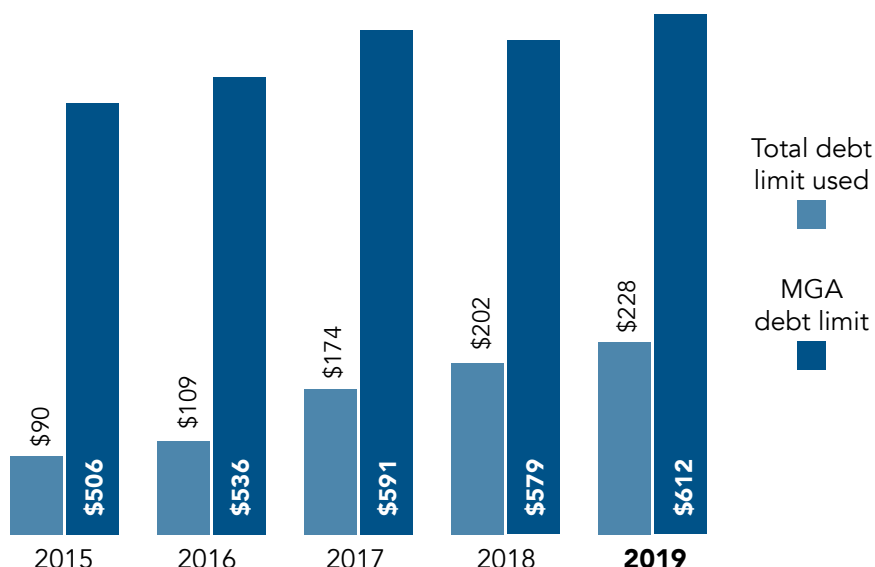
The general fund continues to require external borrowing for "self-

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

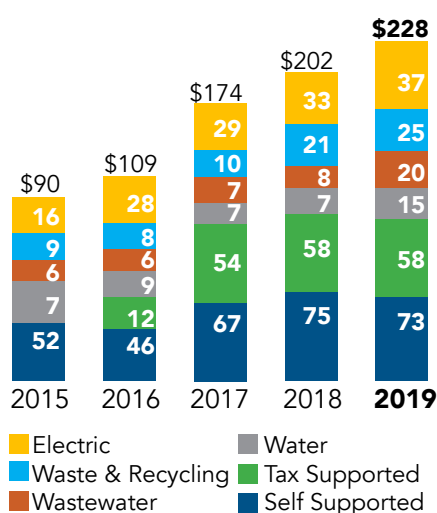
supported” activities such as Local Improvements, Land Development and Developer Offsite Levy projects. Its activities are termed self-supported because the debt repayments are made directly from the revenue of these activities and are not paid from property taxes. Significant Offsite Levy borrowings have been required to fund projects that will support growth in our community for coming decades. The payments on these borrowings will be funded by Offsite Levies.

Section 276(2) of the MGA establishes limits for municipal debt levels and annual debt servicing costs. The City’s debt limit, as defined by this regulation, is calculated as 1.5 times the consolidated revenue net of capital grant revenue, contributed asset revenue and loans to non-profit organizations and controlled corporations.

DEBENTURE DEBT VS DEBT CAPACITY
(millions)



DEBENTURE DEBT
(millions)



In 2019, the City’s debenture debt was \$228 million. This was an increase of \$26.1 million (13%) over the 2018 balance. The debenture debt increase was primarily due to an increase in borrowings for capital projects including the Wastewater Treatment Plant Clarifier Replacement, Water Treatment Plant Residuals Management, the Sherring Industrial Park, Wastewater Treatment Plant Headworks & Clarifier Upgrade, Curbside Recycling, ATB Centre - Phase 2 (Leisure Complex), and the Electric Distribution Extension & Improvement.

The City carries levels of debt and debt servicing well below the legislated limit.

Net Financial Assets (Debt)

As demonstrated on the Consolidated Statement of Net Financial Assets, the City of Lethbridge has net financial debt of \$33.2 million

(2018 net financial assets of \$3.6 million). The decrease in net financial assets of \$36.8 million relates to the construction of various capital projects during 2019. The City is currently in the construction phase on several large capital projects. This is the primary reason for the increase in debenture debt and decrease in investments. This increase factors into the overall change from net financial assets to net debt.

Non-Financial Assets

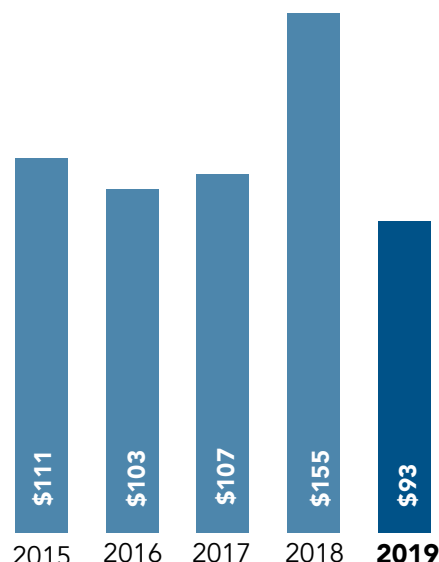
Non-financial assets include tangible capital assets, land held for resale, inventories held for consumption, and prepaid expenses.

Tangible Capital Assets

The single largest item within non-financial assets is tangible capital assets which ended 2019 with a balance of \$1.812 billion (2018 \$1.719 billion) which was an increase of \$93 million.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET INCREASE IN TANGIBLE CAPITAL ASSETS (millions)



Tangible capital assets are assets managed and held for use in production or supply of goods and services and have economic lives that extend beyond a year and are not for sale in the ordinary course of operations. The most significant investments in tangible capital assets during 2019, include the Water Treatment Plant Residuals Management of \$11.9 million, Wastewater Treatment Plant Clarifier Replacement of \$10.7 million, Transit Park 'n Ride of \$8.9 million, Sherring Industrial Park of \$7.5 million, Wastewater Treatment Plant Headworks & Clarifier of \$5.6 million, and University Drive (Community Stadium to Sunridge Blvd W) of \$4.5 million.

Other Non-Financial Assets

Other non-financial assets include land held for resale, inventories held for consumption, and prepaid expenses. Overall other non-financial assets ended 2019 with a balance

of \$43.9 million in 2019 which was an increase of \$2.1 million from the prior year (2018 \$41.8 million). This was primarily due to an increase in inventories and the non-financial portion of land held for resale due to the timing of sales within subdivision activities.

Municipal Equity (Net Assets)

The municipal equity reflects the net economic resources (net assets) that have been built up over time for the City of Lethbridge. As reflected in Note 15 to the financial statements, municipal equity consists of restricted and unrestricted amounts, including the accumulated unrestricted surplus, reserves, equity invested in tangible capital assets and the capital fund. The 2019 municipal equity total is \$1.82 billion which is an increase of 3% from the previous year.

FINANCIAL OPERATIONS

The Consolidated Statement of Operations outlines revenue earned by the City and the expenses incurred to provide municipal services.

Revenue

The overall operating revenue had an overall decrease of \$28.6 million or 6% with total revenue of \$458.9 million (2018 \$487.5 million).

REVENUE (millions)	
2019 Actual	\$ 458.9
2018 Actual	487.5
Variance	\$ 28.6
% Variance	6.0%

The majority of this decrease came as a result of a decrease in contributed assets of \$40.4 million, a decrease in

government transfers of \$7.8 million, and a decrease in sale of land of \$3.5 million. These decreases were offset by an increase in sales and user charges of \$8.8 million, an increase in return on investments of \$6.8 million, an increase in net taxes of \$6.5 million, and an increase in other revenue categories of \$1.0 million.

Contributed assets had a decrease in 2019 of \$40.4 million. Contributed assets are those typically contributed from other developers. Contributed amounts will fluctuate from year to year, since they are largely dependent on some of the following:

- Market conditions - if housing markets are thriving, subdivision development will increase to meet demands and in turn, contributions to the City for roadways, parks, etc. will increase.
- Weather conditions - will cause construction completion dates to fluctuate.
- Parks and amenity features - dependent on the size of parks and amenities (e.g. playground equipment, pergolas and decorative fencing) that the developer installs and will correspondingly change the value of the assets and contributed asset revenue for the City of Lethbridge.

During 2019, there was a \$8.8 million increase related to the changes in the factors noted above. The remaining is a \$49.2 million decrease related to the acquisition of the Lethbridge Airport assets in 2018.

Government Transfers decreased by \$7.8 million from 2018 due to timing of government transfers provided to fund operating or capital expenses. These revenues are externally restricted and recorded as

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

a deferred revenue until used for the purpose intended. The decrease in government transfers was primarily due to decreases in funding transfers from the Municipal Sustainability Initiative (MSI) of \$6.9 million, not receiving the Rural Development Division of \$1.8 million, a decrease in the Clean Water and Wastewater Fund (CWWF) of \$1.4 million, a decrease of \$0.7 million in the Public Transit Infrastructure Fund, a decrease in the Family and Community Support Services (FCSS) of \$0.6 million as well as decreases in other government transfers of \$0.3 million. These decreases were offset by an increase of \$1.5 million in Social Housing in Action funding, \$1.3 million in the Green TRIP (Green Transit Incentives Program), and an increase in the Federal Gas Tax Fund (FGTF) of \$1.1 million as well.

During 2019, the City received land sales of \$3.7 million which was a decrease of \$3.5 million from the previous year (2018 \$7.2 million). The majority of the decrease is related to the timing of residential subdivision development which had a decrease of \$2.3 million from RiverStone subdivision and a decrease of \$0.6 million in SunRidge subdivision. Additionally, industrial development activities in the Sherring Industrial Park resulted in a decrease in revenues of \$0.8 million. These decreases were offset by a \$0.2 million increase from the Crossings subdivision. Fluctuations from year to year occur due to timing differences created through the development process with residential and industrial subdivisions.

Sales and user charges increased by \$8.8 million or 4.6% from 2018 primarily due to an increase in utility user charges.

Return on investments was \$12.7

million which was a \$6.8 million increase from the previous year (2018 \$5.9 million). The overall increase was due to an increase of \$4 million primarily as a result of increased grant interest revenue due to the timing difference in recording interest revenues associated with grants and \$2.8 million in investment income.

Property tax is a primary revenue source available to the City to pay for municipal services. In 2019, net taxes available for municipal services of \$151.8 million was \$6.5 million or 4.5% higher than 2018, and accounted for 33.1% (2018 29.8%) of gross revenue. The net tax increase was a result of a combination of a budgeted property tax increase of 1.82% and commercial property growth. The Schedule of Net Taxes - Schedule 2 of the consolidated financial statements provides further detail with respect to net taxes.

The City experienced an overall increase of \$1.0 million in the remaining revenue categories.

Expenses

The Consolidated Statement of Operations summarizes the City's expenses by function. A further description of what each of these functions include is provided within note 27 – Segmented Disclosures.

EXPENSES (millions)	
2019 Actual	\$ 400.6
2018 Actual	368.4
Variance	\$ 32.2
% Variance	8.7%

In 2019, the consolidated expenses of \$400.6 million were \$32.2 million or 8.7% higher than the previous year.

Expenses by Function

The major segments that make up the \$32.2 million change are an increase of \$7.7 Leisure and Human Services, an increase of \$7.6 million in Infrastructure and Transportation, an increase of \$3.9 million in the Electric Utility, an increase of \$3.6 million in Protective Services, a \$3.2 million increase in General Government Services, a \$2.8 million increase in the Waste and Recycling Utility, a \$1.6 million increase in the Water Utility, and a \$1.5 million increase in the Wastewater Utility and a \$0.3 million increase in other expense categories.

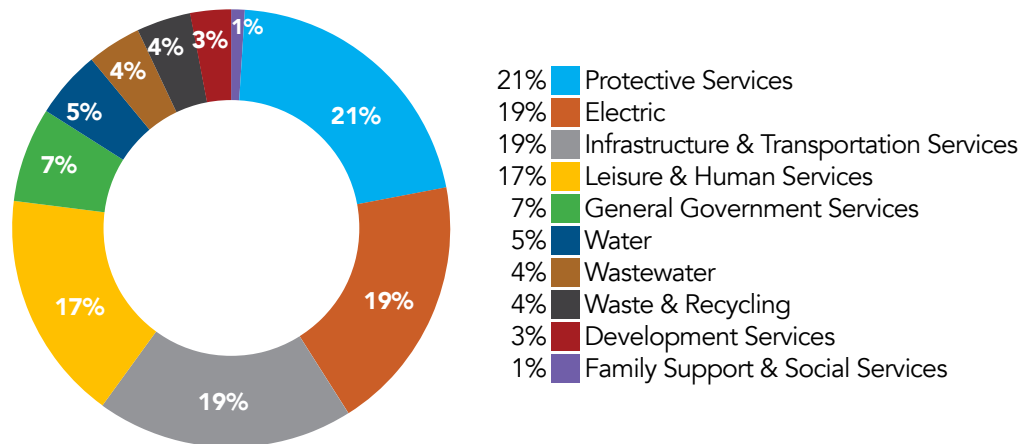
Leisure and Human Services ended the year with \$68.8 million in expenses. This was an increase of \$7.7 million from 2018. This is due to a \$6.1 million increase in expenses for recreation facilities and programs, and an increase of \$1.6 million in cultural facilities expenditures.

Infrastructure and Transportation expenses increased by \$7.6 million to \$75.7 million from \$68.1 million in 2018. This increase is a result of an increase in road, pathway and parking expenses of \$2.2 million, an increase in Transit expenses of \$1.5 million, increase of Urban Development expenses of \$1.5 million as well as an increase in expenses of \$2.1 million related to a full year of Lethbridge Airport operations and a \$0.3 million increase in Utility Services and Lethbridge 311 expenses.

The Electric Utility expenses increased by \$3.9 million from \$72.6 million in 2018 to \$76.5 million in 2019. The increase is primarily due to a \$2.8 million increase in energy charges, transmission tariff charges, contractual services as well as an increase of \$0.7 million in expenses within the distribution system, as well as \$0.4

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2019 Expenses by Function



million in general and administration expenses.

Protective Services expenses increased by \$3.6 million to \$85.5 million from \$81.9 million in 2018. This was primarily due to additional personnel costs of \$1.9 million, an increase of \$0.9 million in contractual services, an increase of \$0.6 million in materials, supplies and utilities and an increase of \$0.2 million in other expense areas. These increases are related to recruitment and hiring in preparation for opening new Fire Station in 2020, and new Police Initiatives introduced in 2019.

General Government Services increased by \$3.2 million to \$25.3 million in 2019 from \$22.1 million in 2018. This was due to an increase of \$1.9 million in Wages & Corporate Benefits, an increase of \$1.4 million in Contractual Services related to Facilities Maintenance, Operational Reviews and Studies, a \$1.1 million increase in transfer to other agencies offset by a \$1.0 million decrease in Financial Charges; and a \$0.2 million decrease in other expense areas.

The Waste and Recycling Utility had a \$2.8 million increase in expenses from \$13.8 million in 2018 to \$16.7 in 2019. This is primarily due to an increase in personnel costs, contractual services, materials, supplies, and financing costs.

The Water Utility had a \$1.6 million increase in expenses from \$16.8 million in 2018 to \$18.4 in 2019. This is primarily due to an increase in contractual services, materials, supplies, amortization and personnel costs related to water main breaks and system repairs.

The Wastewater Utility ended the year with \$16.1 million in expenses which was a \$1.5 million increase in from the previous year (2018 \$14.6 million). The increase is attributed to \$0.7 million increase in materials, supplies, utilities and contractual services related to operations at the Wastewater Treatment Plant and \$0.3 million increase in supplies, utilities and contractual services expenses for sanitary main repairs associated with water main repairs, an increase of \$0.3 in amortization of sanitary mains and

other assets and a \$0.2 increase in other general expenses.

Expenses by Object

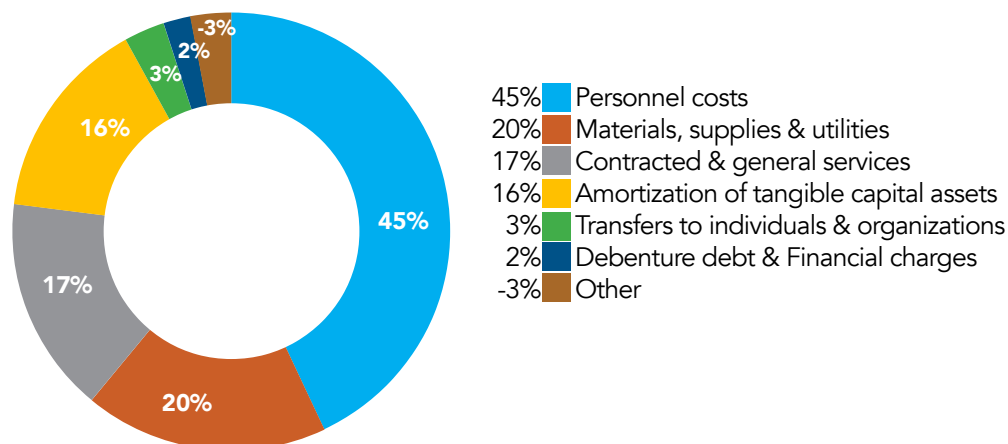
The Schedule of Segmented Reporting – Schedule 4 and note 21 – Expenses by Object provide an alternate view of the City's expenses. The expenses by object provides another insight into the overall increase of \$32.2 million from 2018.

Contributing factors to this increase include an increase in amortization of tangible capital assets of \$8.0 million, an increase in personnel costs of \$7.2 million, an increase in contracted and general services of \$6.5 million, an increase in materials, supplies and utilities of \$5.9 million. There was an increase of \$4.6 million in other expense categories.

In 2019 amortization of tangible capital assets expenses totaled \$63.9 million which was an increase of \$8.0 million from the previous year. This was primarily due to a \$4.0 million increase in depreciation for engineering structures related to roadways, underground pipes, and

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2019 Expenses by Object



the Lethbridge Airport as well as increases in electric substation and line assets. Building assets increased by \$2.3 million from the previous year primarily due to the ATB Centre Phase 2 (Leisure Complex), other recreation and cultural facilities and the Lethbridge Airport. Depreciation costs also increased in vehicle assets by \$1.1 million from Transit fleet vehicle assets. Equipment and furnishing depreciation increased by \$0.5 million primarily due to the Materials Recycling Facility, ATB Centre Phase 2 (Leisure Complex) and Yates Theatre assets. Land improvements depreciation costs decreased by \$0.1 million predominantly due to a decrease in Landfill depreciation costs.

Personnel costs increased by \$7.2 million in 2019. This is primarily due to approved Capital Improvement Program, growth and operating initiatives in Fire, Police and Waste Services as well as increases in negotiated collective agreement costs and associated benefits.

Contractual and general services increased by \$6.5 million to \$69.3 million from \$62.8 in 2018. General operating contractual services

increased by \$3.3 million while contractual service costs for projects increased by \$2.3 million. Special Services and Studies increased by \$2.0 million, offset by a decrease of \$0.7 million in equipment rental and maintenance, and a decrease of \$0.4 million in other contracted services.

Materials, supplies and utilities expense of \$81 million have increased by \$5.9 million or 7.9% from the previous year. This is primarily due to a \$2.9 million increase in electric energy, transmission charges and rider costs, an increase of \$3.1 million in project related materials and supplies, offset by a decrease of \$0.2 million in fuel costs and a \$0.1 million increase in all other materials and supplies accounts.

Other expense categories have increased by \$4.6 million. This is primarily due to a \$3.5 million increase in transfers to agencies and organizations, an increase of \$0.9 in debenture debt interest and a decrease of \$1.1 million in expenses recovered from capital and other expenses as well as a \$0.9 decrease in financial charges.

Excess of Revenue Over Expenses

During 2019, the City realized an excess of revenue over expenses of \$58.3 million. As summarized on the Consolidated Schedule of Unrestricted Surplus – Schedule 1, the bulk of these funds were reduced by the change in the equity in tangible capital assets of \$67.0 million (represented by the net increase in tangible capital assets of \$93.1 million and the net increase of debenture debt of \$26.1 million), by the \$21.5 million in transfers from the capital fund, an increase of \$11.4 million in transfers to reserves and by the \$1.7 million increase related to changes in other equity balances. Once these changes and transfers were completed it leaves the consolidated annual unrestricted surplus of \$3.1 million discussed previously.

CASH FLOWS

The City's cash and cash equivalents increased from the prior year by \$2.2 million to a balance of \$26.7 million. During the year, \$93.3 million was raised from operating activities. A net increase of \$26.1 million was received on debt issues, \$22.0 million (net)

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

decrease in the investment portfolio and \$139.2 million (net) was spent to acquire tangible capital assets, a reflection of the city's commitment to the maintenance and improvement of capital infrastructure and facilities.

FINANCIAL CONTROL AND ACCOUNTABILITY

The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

Financial Governance

Notwithstanding that the City's management is responsible for the preparation of the financial statement discussion and analysis and financial statements, City Council requires a review of policies, procedures and internal control mechanisms. This includes a review of the June and September operating forecast reports, annual unaudited financial report, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. 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. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

Budgeting

The City of Lethbridge uses two separate budgets, the Capital Improvement Program (CIP) and the

Operating Budget. On December 10, 2018 City Council approved the City of Lethbridge 2019-2022 Operating Budget. The 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, 2019 to December 31, 2022.

In the weeks and months preceding budget approval, City staff and City Council considered customer and stakeholder feedback through telephone and online surveys, in person at open houses, online with an engagement website, presentations to Finance Committee and sharing of information through social media. Direction was given by City Council to maintain service levels but to absorb inflation and growth. City Council also gave direction to conduct operational reviews over the next three years, which will focus on innovation, efficiencies, cost-containment and re-investment opportunities. The 2019-2022 Operating Budget addresses several strategic priorities, while building in financial accountability and limiting the tax impact on residents.

This Operating Budget includes the required revenue to fund the City's delivery of desired programs and services to the community, and represents City Council's priorities as identified in the City's Strategic Plan, Business Plan, and other sources.

Note that the Operating Budget is also prepared on the modified cash flow basis. Based on this method the City uses tax revenue, reserve transfers and government transfers to balance its operating budget.

The Operating Budget does not include revenue from contributed assets.

The 2018-2027 CIP was approved by City Council for the years 2018-2021. Projects included in the CIP are projects with specific funding sources including debt, off-site levies, Pay-As-You-Go financing (explained previously) and capital grants from the Government of Alberta and the Government of Canada. The Operating Budget includes items that are ongoing in nature and have specific funding sources including property taxation, utility rates, user fees, and operating grants.

Accounting Process

The City of Lethbridge is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. All business areas reporting to the City Manager share a common accounting and reporting system, and financial and accounting services are administered within the Financial Services business unit and delivered to each business area based on their needs.

The Lethbridge Public Library, Galt Museum, and Lethbridge Police Service utilize the common accounting system but report through their respective board or commission.

Internal Controls

The City utilizes financial policies, procedures and continuous controls monitoring software to ensure appropriate financial internal controls are in place. Policies and procedures are reviewed, as required, to comply with the Municipal Government Act (MGA) and the Canadian public sector accounting standards.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Auditing Process

As required by the Municipal Government Act, City Council appointed KPMG LLP as the external auditor. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. Based on the Committee's recommendation, City Council approved the 2019 Consolidated Financial Statements at its meeting on April 20, 2020.

RISK MANAGEMENT

The City of Lethbridge is committed to an Integrated Risk Management (IRM) approach. IRM provides strategies and tools that promote a corporate-wide and systematic approach to manage and mitigate risks.

Normal Operating Risk

In the usual course of business, the City is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with the City's services and programs, as well as social, legal, regulatory, environmental and economic issues and changes to the economy that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

Revenue Volatility

Since revenues are sensitive to both local and regional economic conditions, revenue estimates must be conservative. To address the risk, the City uses an objective,

analytical process utilizing trend, judgmental and a statistical analysis as appropriate. This determines a reasonable conservative estimate of revenue.

Infrastructure Replacement and Sustainable Asset Management

Infrastructure and City services are a key component of the quality of life that is enjoyed by the citizens of Lethbridge. In order to minimize borrowing and maintain City services and infrastructure the City has two key components; its Pay-As-You-Go program (previously discussed) and the Asset Management program. In 2005, the Asset Management program introduced processes and utilized resources which ultimately leads to managing the lifecycle of corporate assets in the most cost effective manner.

ECONOMIC CONDITIONS

Lethbridge's economy continues to be stable. The annual unemployment rate in the Lethbridge region is low at 6.0% versus the Alberta rate of 6.9% and was close to the national average of 5.7%.

In terms of new construction, Lethbridge experienced a decrease in terms of the value of construction in the community at \$248 million, versus \$443 million in 2018. Industrial permit values totaled \$11 million in the most recent calendar year, a significant decrease over 2018 of \$235 million. Commercial permit values were similar at \$32 million in 2019, versus \$34 million in 2018.

Residential permits for single detached dwellings were down in 2019 with 269 permits issued versus 298 in 2018. In 2019, growth was

reported in the government and institutional areas, where permits totaled \$31 million in 2019, up from the year prior when they totaled \$8 million. The bulk of the figure in 2019 includes two large permits, one for the new Fire Station in west Lethbridge and the other for a new elementary school in southeast Lethbridge.

A business outlook survey conducted in the fall of 2019 by Economic Development Lethbridge and the Lethbridge Chamber of Commerce indicated high levels of satisfaction among the local business community. More than three-quarters of businesses that participated indicated they were upbeat about the overall health of their business, with nearly half projecting they will be busier than usual in the next 6-12 months. In addition, more than four in ten businesses indicated they plan to add staff in the next 6-12 months while a similar proportion confirmed they intend to increase operational spending over the same time horizon.

Lethbridge broke the 100,000 threshold in 2019 and currently has a population of 101,482. This was an increase of 1.7% over the 2018 municipal census numbers and exceeded both the provincial (1.6%) and national (1.4%) comparatives. The strongest growth was again in west Lethbridge with an additional 938 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.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS



Nikka Yuko Japanese Garden

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.

CONCLUSION

The 2019 Annual Report for the City of Lethbridge provides detailed information of the organization's financial condition and how financial resources have been allocated to provide services to the community. The City continues to achieve a strong financial position as a direct result of City Council's ongoing commitment to financial stewardship. This report also includes operational highlights and achievements that demonstrates the dedication to serving our community. I would like to acknowledge the combined effort of City Council, Administration and our staff to successfully conclude the year 2019. The City of Lethbridge is resilient

and responsive to the needs of our community. We must all come together in partnership to ensure we continue to thrive and help make Lethbridge a great place to live, learn, work and play. I am confident the City is well positioned to face any challenge and to make the most of its opportunities in the future.

Respectfully submitted,

Hailey Pinksen, CPA, CA, CIA
City Treasurer
April 20, 2020

RECOGNITION FOR ACHIEVEMENTS

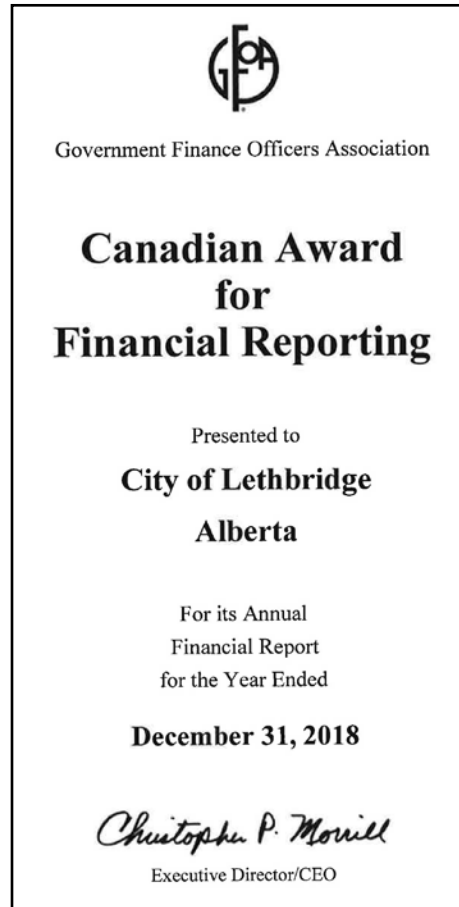
Recognition for Achievements

Canadian Award for Financial Reporting

The City of Lethbridge annual financial report for the year ended December 31, 2018, was awarded the Canadian Award for Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.



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, 2018. 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.



AUDITED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The City of Lethbridge's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The City Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of management. The City Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by the independent firm of KPMG LLP Chartered Professional Accountants. Their report to His Worship the Mayor with the members of Council of the City of Lethbridge, outlines the scope of their examination and provides their opinion on the consolidated financial statements.



Jody Meli
City Manager
April 20, 2020



Hailey Pinksen, CPA, CA, CIA
City Treasurer
April 20, 2020

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of Council of the City of Lethbridge

Opinion

We have audited the consolidated financial statements of City of Lethbridge (the City), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and its consolidated results of operations, changes in net financial assets (net debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report. The Annual Report is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements
- or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for KPMG LLP, featuring the letters 'KPMG' in a bold, sans-serif font, followed by 'LLP' in a smaller, italicized font. A horizontal line is positioned below the text.

Chartered Professional Accountants

Lethbridge, Canada
April 20, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(in thousands of dollars)

		2019	2018
FINANCIAL ASSETS			
Cash and cash equivalents	Note 3	\$ 26,724	\$ 24,525
Investments	Note 4	287,801	309,815
Receivables	Note 5	52,138	60,402
Loans and advances	Note 6	3,782	4,084
Deposits	Note 7	5,257	2,847
Land held for resale		1,404	1,476
		377,106	403,149
LIABILITIES			
Accounts payable and accrued liabilities	Note 8	56,021	64,338
Employee benefit obligations	Note 9	13,248	13,852
Deferred revenue	Note 10	98,647	105,703
Deposits and other liabilities		14,441	13,796
Debenture debt	Note 11	227,990	201,880
		410,347	399,569
NET FINANCIAL ASSETS (DEBT)		(33,241)	3,580
NON-FINANCIAL ASSETS			
Inventories held for consumption		11,437	9,825
Prepaid expenses		2,099	2,343
Land held for resale		30,366	29,654
Tangible capital assets	Schedule 3 & Note 13	1,812,776	1,719,700
		1,856,678	1,761,522
MUNICIPAL EQUITY		\$ 1,823,437	\$ 1,765,102
Commitments (Note 22)			
Contingent liabilities (Note 26)			

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

		2019	2019 Budget (Note 29)	2018
REVENUE				
Sales and user charges		\$ 198,218	\$ 195,055	\$ 189,423
Net taxes	Schedule 2	151,801	150,783	145,301
Government transfers	Note 20	46,262	46,998	54,107
Contributed assets		18,640	-	59,046
Return on investments		12,693	10,205	5,866
Fines and penalties		8,021	7,689	6,733
Gas company franchise fee		5,937	5,700	5,244
Sale of land		3,752	3,752	7,240
Licenses and permits		3,678	4,589	4,743
Other		9,927	11,516	9,754
		458,929	436,287	487,457
EXPENSES				
	Note 21			
Protective Services		85,556	89,125	81,922
Electric		76,473	73,745	72,556
Infrastructure & Transportation Services		75,698	75,279	68,095
Leisure & Human Services		68,769	67,881	61,093
General Government Services		25,267	35,342	22,054
Water		18,353	19,209	16,772
Waste & Recycling		16,663	18,898	13,849
Wastewater		16,089	16,436	14,623
Development Services		12,885	14,005	12,245
Family Support & Social Services		4,841	5,072	5,209
		400,594	414,992	368,418
EXCESS OF REVENUE OVER EXPENSES	Schedule 1 & 4	58,335	21,295	119,039
MUNICIPAL EQUITY, BEGINNING OF YEAR		1,765,102	1,765,102	1,646,063
MUNICIPAL EQUITY, END OF YEAR	Note 15	\$ 1,823,437	\$ 1,786,397	\$ 1,765,102

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS (DEBT) FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

	2019	2019 Budget	2018
EXCESS OF REVENUE OVER EXPENSES	\$ 58,335	\$ 21,295	\$ 119,039
Change related to tangible capital assets			
Acquisition of tangible capital assets	(139,691)	(115,000)	(155,603)
Contributed assets	(18,640)	-	(59,046)
Proceeds on disposal of tangible capital assets	502	71	1,194
Loss on disposal of tangible capital assets	849	-	2,076
Amortization of tangible capital assets	63,904	60,632	55,939
	(93,076)	(54,297)	(155,440)
Change related to other non-financial assets			
Acquisition of inventories held for consumption	(19,903)	-	(19,280)
Use of inventories held for consumption	18,291	-	18,518
Acquisition of prepaid expenses	(1,883)	-	(2,154)
Use of prepaid assets	2,127	-	1,284
Use of land held for resale	(712)	-	(4,673)
	(2,080)	-	(6,305)
DECREASE IN NET FINANCIAL ASSETS	(36,821)	(33,002)	(42,706)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,580	3,580	46,286
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ (33,241)	\$ (29,422)	\$ 3,580

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

	2019	2018
NET INFLOW (OUTFLOW) OF CASH		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 58,335	\$ 119,039
Items not involving cash		
Amortization of tangible capital assets	63,904	55,939
Loss on disposal of tangible capital assets	849	2,076
Tangible capital assets received as contributions	(18,640)	(59,046)
Changes to financial assets		
Decrease (increase) in receivables	8,264	(20,482)
Decrease (increase) in other financial assets	(2,036)	(2,527)
Changes to non-financial assets		
Decrease (increase) in inventory held for consumption	(1,612)	(762)
Decrease (increase) in prepaid expenses	244	(870)
Decrease (increase) in land held for resale	(712)	(4,673)
Changes to liabilities		
Increase (decrease) in accounts payable and accrued liabilities	(8,317)	(3,040)
Increase (decrease) in employee benefit obligation	(604)	(172)
Increase (decrease) in deferred revenue	(7,056)	22,333
Increase (decrease) in deposits and other liabilities	645	(813)
	93,264	107,002
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(139,691)	(155,603)
Proceeds on disposal of tangible capital assets	502	1,194
	(139,189)	(154,409)
INVESTING ACTIVITIES		
Decrease (increase) in investments	22,014	4,831
FINANCING ACTIVITIES		
Debenture borrowings	44,137	43,813
Debenture debt principal redeemed	(18,027)	(15,927)
	26,110	27,886
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	2,199	(14,690)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,525	39,215
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 26,724	\$ 24,525

The accompanying notes and schedules form an integral part of these Consolidated Financial Statements.

CONSOLIDATED SCHEDULE OF UNRESTRICTED SURPLUS

AS AT DECEMBER 31, 2019

(in thousands of dollars)

Schedule 1

	2019	2019 Budget	2018
EXCESS OF REVENUE OVER EXPENSES	\$ 58,335	\$ 21,295	\$ 119,039
Unrestricted balances			
Transfer from prior year unrestricted surplus	354	-	233
Transfer from prior year surplus	3,639	-	1,196
Unfunded			
Change in unfunded vacation pay	(1,757)	-	(4,511)
Transfer to (from) equity in inventories held for consumption	1,612	-	762
Transfer to (from) equity in prepaid expenses	(244)	-	870
Restricted balances			
Transfer (to) from reserves	(11,360)	(1,986)	15,009
Transfer (to) from capital fund	21,472	(17,345)	6,001
Equity in non-financial assets			
Change in inventories held for consumption	(1,612)	-	(762)
Change in prepaid expenses	244	-	(870)
Change in land held for resale	(640)	-	(5,066)
Change in tangible capital assets	(66,966)	(1,964)	(127,554)
CONSOLIDATED ANNUAL UNRESTRICTED SURPLUS	\$ 3,077	\$ -	\$ 4,347

SCHEDULE OF NET TAXES

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

Schedule 2

	2019	2019 Budget	2018
TAXATION			
Real property taxes	\$ 189,528	\$ 187,309	\$ 181,359
Business taxes (BRZ)	172	192	167
Grants in lieu of taxes			
Provincial	945	1,166	1,155
Federal	264	266	265
	190,909	188,933	182,946
Less special requisition transfers			
Alberta School Foundation Fund	31,872	31,403	30,705
Holy Spirit RCSR 4	5,125	4,655	4,941
Green Acres Foundation	1,893	1,882	1,793
Downtown Lethbridge Business Revitalization Zone	198	202	198
Designated Industrial Properties	20	8	8
	39,108	38,150	37,645
NET TAXES	\$ 151,801	\$ 150,783	\$ 145,301

SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2019

(in thousands of dollars)

Schedule 3

	Land	Land Improvements	Buildings	Infrastructure	Equipment & Furnishings	Vehicles	Assets Under Construction	2019	2018
COST									
BALANCE, BEGINNING OF YEAR	\$ 133,489	\$ 106,003	\$ 416,754	\$ 1,382,957	\$ 119,027	\$ 75,877	\$ 180,704	\$ 2,414,811	\$ 2,211,091
Acquisition of tangible capital assets	533	6,924	130,979	64,994	25,964	10,070	(99,773)	139,691	155,603
Contributed assets	462	257	304	17,434	183	-	-	18,640	59,046
Disposal of tangible capital assets	(5)	(102)	(293)	(10,505)	(5,403)	(2,316)	-	(18,624)	(10,929)
BALANCE, END OF YEAR	134,479	113,082	547,744	1,454,880	139,771	83,631	80,931	2,554,518	2,414,811
ACCUMULATED AMORTIZATION									
BALANCE, BEGINNING OF YEAR	-	(37,730)	(121,632)	(436,268)	(64,186)	(35,295)	-	(695,111)	(646,831)
Annual Amortization	-	(4,049)	(10,550)	(35,510)	(6,858)	(6,937)	-	(63,904)	(55,939)
Accumulated amortization on disposals	-	79	219	10,062	5,101	1,812	-	17,273	7,659
BALANCE, END OF YEAR	-	(41,700)	(131,963)	(461,716)	(65,943)	(40,420)	-	(741,742)	(695,111)
TOTAL NET BOOK VALUE	\$ 134,479	\$ 71,382	\$ 415,781	\$ 993,164	\$ 73,828	\$ 43,211	\$ 80,931	\$ 1,812,776	\$ 1,719,700

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

Schedule 4

	General Municipal Revenue	Protective Services	Infrastructure & Transportation Services	Leisure & Human Services
REVENUE				
Sales and user charges	\$ -	\$ 10,904	\$ 15,424	\$ 10,343
Net taxes	151,801	-	-	-
Contributed assets	-	-	26,358	1,677
Government transfers	-	4,004	24,333	4,995
Sale of land	-	-	-	-
Fines and penalties	-	107	607	-
Return on investments	7,457	1	1,007	3,900
Gas company franchise fee	5,937	-	-	-
Licenses and permits	-	3,516	159	3
Municipal Consent and Access Fee	9,021	-	-	-
Other	58	2,641	1,118	2,274
	174,274	21,173	69,006	23,192
EXPENSES				
Salaries, wages and benefits	-	55,210	25,560	21,196
Materials, supplies and utilities	-	2,836	14,785	7,223
Contracted and general services	-	5,361	12,685	14,857
Amortization of tangible capital assets	-	2,186	27,781	9,594
Transfers to individuals and organizations	-	65	-	3,454
Debenture debt interest	-	-	1,472	1,705
Financial charges	-	349	328	264
Interdepartmental transfers (net)	-	19,663	(3,410)	10,840
Expenses recovered from capital	-	(71)	(4,469)	(912)
Other	-	(43)	966	548
	-	85,556	75,698	68,769
EXCESS OF REVENUE OVER EXPENSES	174,274	(64,383)	(6,692)	(45,577)
Change in unrestricted balances	5,475	(269)	(30)	(163)
Transfer from (to) reserves	(5,587)	(2,517)	2,153	(277)
Transfer from (to) internal segments	3,277	(155)	4,136	5,170
Transfer from (to) capital fund	-	152	3,845	(1,051)
Change in equity in non-financial assets	-	(157)	(36,243)	(5,389)
UNRESTRICTED SURPLUS (DEFICIT)	\$ 177,439	\$ (67,329)	\$ (32,831)	\$ (47,287)

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

Schedule 4

General Government Services	Development Services	Family Support & Social Services	Utilities	2019	2018
\$ 283	\$ 5,348	\$ 767	\$ 155,149	\$ 198,218	\$ 189,423
-	-	-	-	151,801	145,301
-	(24,687)	-	15,292	18,640	59,046
4,484	5,924	2,462	60	46,262	54,107
-	3,752	-	-	3,752	7,240
7,303	-	-	4	8,021	6,733
52	237	39	-	12,693	5,866
-	-	-	-	5,937	5,244
-	-	-	-	3,678	4,743
-	-	-	(9,021)	-	-
3,090	924	35	(213)	9,927	9,754
15,212	(8,502)	3,303	161,271	458,929	487,457
48,434	3,041	1,094	23,526	178,061	170,875
3,757	165	65	52,130	80,961	75,033
15,114	3,235	2,446	15,621	69,319	62,851
2,225	16	113	21,989	63,904	55,939
1,664	4,926	500	-	10,609	7,103
-	679	-	2,185	6,041	5,086
434	-	9	2	1,386	2,293
(46,528)	(588)	904	19,119	-	-
(113)	(871)	(290)	(7,797)	(14,523)	(15,485)
280	2,282	-	803	4,836	4,723
25,267	12,885	4,841	127,578	400,594	368,418
(10,055)	(21,387)	(1,538)	33,693	58,335	119,039
(1,289)	(127)	(18)	25	3,604	(1,450)
(2,981)	(209)	102	(2,044)	(11,360)	15,009
(1,404)	(7,120)	553	(4,457)	-	-
125	3,714	(525)	15,212	21,472	6,001
(852)	15,064	100	(41,497)	(68,974)	(134,252)
\$ (16,456)	\$ (10,065)	\$ (1,326)	\$ 932	\$ 3,077	\$ 4,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Lethbridge (the “City”) are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the City are as follows:

a. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity which comprises all the organizations and committees that are accountable to City Council for the administration of their financial affairs and resources and are owned or controlled by the City.

Interdepartmental and inter-entity accounts and transactions and balances are eliminated on consolidation.

The statement of taxes levied also includes requisitions collected on behalf of and transferred to educational and other external organizations that are not part of the municipal reporting entity.

Interests in joint ventures and other government enterprises are accounted for using the proportionate consolidation method.

b. Basis of Accounting

The City follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of goods or services and/or the creation of a legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

c. Tax Revenue

Tax revenue results from non-exchange transactions that are paid to governments in accordance with the laws and regulations established to provide revenue to the government for public services. The revenue is recognized when the tax has been authorized and the taxable event has occurred.

d. Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events given rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be determined.

e. Investments

Investments are comprised of investments in qualifying institutions as defined in the City's investment policy and consist primarily of money market instruments such as Guaranteed Investment Certificates (GICs), government bonds, financial institution bonds, notes, and term receipts.

All investments held are purchased with the intention to hold to maturity, or until market conditions render alternative investments more attractive.

Investments are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of investments. Where impairment in value is other than a temporary decline, a valuation allowance is recorded. Gains on principal protected notes are recognized as income when sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Loans and Advances

Loans and advances are recorded at cost less any allowances for doubtful accounts. Allowances for doubtful accounts are recognized when collection is in doubt. Loans and advances are reviewed on an annual basis by management.

g. Non-financial Assets

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.

(i) Inventories held for consumption

Inventories of materials and supplies are valued at the lower of cost or net realizable value with cost determined by the average cost method.

(ii) Land held for resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes cost for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads and street lighting are recorded as tangible capital assets under their respective function. Land held for resale is classified as a financial asset when the land is in a condition to be sold, is marketed for sale and is reasonably anticipated that the land will be sold within one year.

(iii) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over the estimated useful lives as follows:

Asset	Years
Land improvements	15 - 40
Buildings	25 - 75
Infrastructure	
Roadways	20 - 75
Water system	45 - 75
Wastewater system	45 - 75
Storm system	45 - 75
Electricity system	20 - 35
Equipment and furnishings	5 - 40
Vehicles	5 - 25

Tangible capital assets under construction or development are reported as assets under construction with no amortization recorded until the asset is available for productive use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Non-financial Assets (continued)

(iv) **Equity in tangible capital assets**

Equity in tangible capital assets represents the City's net investment in its total capital assets, after deducting the portion financed by debentures.

(v) **Contributed assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Contributed assets are comprised mainly of contributions from privately developed subdivisions including water systems, wastewater systems, storm systems, roads and parks.

(vi) **Tangible capital assets disclosed at nominal value**

Land under roads that is acquired other than by a purchase agreement is valued at a nominal amount.

(vii) **Works of art and cultural and historic assets**

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

h. **Employee Future Benefits**

The City is a member of defined benefit multi-employer pension plans covering substantially all of its employees. Pension contributions are accounted for using defined contribution accounting, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

i. **Use of Estimates**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

j. **Requisition Over-levies and Under-levies**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

k. **Landfill Closure and Post-Closure Care**

The Alberta Environmental Protection and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Liability for Contaminated Sites

The City has implemented Public Sector Accounting Standards Board ("PSAB") section PS 3260 Liability for Contaminated Sites. Section 3260 establishes general reporting requirements for the disclosure of contaminated sites in government financial statements. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. City of Lethbridge:
 - a. is directly responsible; or
 - b. accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

2. FUTURE ACCOUNTING PRONOUNCEMENTS

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). The accounting pronouncements below are effective for fiscal years ranging from 2020-2022. The City will continue to assess the impact and prepare for the adoption of these standards.

PS 1201 - Financial Statement Presentation

The implementation of this standard requires a new statement of remeasurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in a foreign currency.

PS 3450 - Financial Instruments

This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the City. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS 1201. As the City does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact to the City.

PS 2601 - Foreign Currency Translation

This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currency.

PS 3041 - Portfolio Investments

This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

2. FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

PS 3280 - Asset Retirement Obligations

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

PS 3400 - Revenue

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions.

3. CASH & CASH EQUIVALENTS

	2019	2018
Cash	\$ 20,724	\$ 24,525
Cash equivalents	6,000	-
	<u>\$ 26,724</u>	<u>\$ 24,525</u>

Cash includes cash on hand and balances with financial institutions.

Cash equivalents are comprised of short term deposits and guaranteed investment certificates with original maturities less than three months. The cash equivalents shown above have an average effective annual yield of 2.01% (2018 1.27%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

4. INVESTMENTS

	2019		2018	
	Carrying Value	Market	Carrying Value	Market
Short term investments	\$ 125,849	\$ 125,518	\$ 148,653	\$ 150,325
Long term investments	161,952	161,683	161,162	159,338
	\$ 287,801	\$ 287,201	\$ 309,815	\$ 309,663

Investments mature at various dates between January 9, 2020 and January 26, 2032 and have an average effective annual yield of 3.05% (2018 2.07%).

Investments include \$56,723 (2018 \$65,875) in externally restricted amounts which must be used for specified capital projects.

5. RECEIVABLES

	2019	2018
Trade accounts receivable	\$ 45,243	\$ 43,011
Taxes receivable	3,136	3,052
Receivables from other governments	8,872	19,089
	57,251	65,152
Allowance for doubtful amounts	(5,113)	(4,750)
	\$ 52,138	\$ 60,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

6. LOANS AND ADVANCES

	2019	2018
Lethbridge Exhibition	\$ 3,998	\$ 4,313
Non-interest bearing, payable in monthly installments over a period of 15 years by way of equal consecutive monthly payments commencing on the first day of the month following the final draw down date		
Less: Imputed interest	(249)	(292)
Net Lethbridge Exhibition	3,749	4,021
SLP Industries Ltd.	33	43
Non-interest bearing, payable in an installment of \$30 on June 30, 2013 and quarterly installments of \$2.5 from June 30, 2016 to March 31, 2023		
Prairie Baseball Academy	-	20
Non-interest bearing, payable in annual installments		
	\$ 3,782	\$ 4,084

7. DEPOSITS

	2019	2018
Deposits on land ⁽¹⁾	\$ 4,800	\$ 2,400
Transmission line deposit	350	350
Other	107	97
	\$ 5,257	\$ 2,847

⁽¹⁾ Deposits on land

On October 10, 2017, City Council approved the purchase of 160 acres of land for \$9.6 million. The payment terms of the purchase agreement are \$2.4 million per year beginning in 2018 with a final payment and transfer date of January 31, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

8. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2019	2018
Trade accounts payable	\$ 38,129	\$ 48,010
Accrued liabilities	10,709	9,453
Environmental liabilities ⁽¹⁾	5,757	5,452
Other government	1,426	1,423
	\$ 56,021	\$ 64,338

(1) Environmental liabilities - landfill closure and post-closure costs

Included in accounts payable and accrued liabilities is the estimated total landfill closure and post-closure care costs. The estimated total liability for these expenses is based on the sum of discounted future cash flows for closure and post-closure costs discounted at the City's average long term borrowing rate and assuming annual inflation of 2.89%.

The accrued environmental liability is based on the cumulative capacity used at year end compared to the estimated total capacity of the landfill site.

Closure will involve covering the site with topsoil and vegetation, drainage control, and installing ground water monitoring wells. Post-closure care activities for phases currently under operation is expected to occur for 50 years after closure and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and landfill cover maintenance. The reported liability is based on estimates and assumptions with respect to events using the best information available to management. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability. The changes would be recognized prospectively, as a change in estimate, when applicable.

The remaining capacity of the approved phases is estimated at 21.4 (2018 21.7) million cubic meters which will be reached in approximately 50-60 years. The remaining closure costs and post-closure costs to be recognized have been estimated at \$18,121 (2018 \$18,171). The following summarizes the total net present value of the estimated costs of closure and post-closure care:

	2019	2018
Estimated closure costs	\$ 17,322	\$ 17,179
Estimated post-closure costs	6,556	6,444
Total estimated costs	23,878	23,623
Amount accrued to December 31	(5,757)	(5,452)
Balance of estimated costs to accrue over the remaining life of the landfill	\$ 18,121	\$ 18,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

9. EMPLOYEE BENEFIT OBLIGATIONS

	2019	2018
Vacation and overtime	\$ 11,842	\$ 12,528
Sick pay	1,296	1,220
Other	110	104
	\$ 13,248	\$ 13,852

Vacation and Overtime

The vacation and overtime liability is comprised of vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Sick Pay

The sick pay liability is comprised of sick pay that police employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to them within the next budgetary year.

10. DEFERRED REVENUE

	2019	2018
Deferred revenue	\$ 3,361	\$ 3,408
Government contributions ⁽¹⁾	56,305	65,875
Prepaid taxes	38,981	36,420
	\$ 98,647	\$ 105,703

⁽¹⁾ Government contributions in deferred revenue consist of the following:

	2018 Balance	Grants Received & Net Interest	Government Transfer Revenue	2019 Balance
Municipal Sustainability Initiative Grant	\$ 25,868	\$ 4,388	\$ (4,405)	\$ 25,851
Basic Municipal Transportation Grant	14,315	6,484	(10,613)	10,186
Federal Gas Tax Fund	19,468	(533)	(4,314)	14,621
Other Grants	6,224	26,353	(26,930)	5,647
	\$ 65,875	\$ 36,692	\$ (46,262)	\$ 56,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

11. DEBENTURE DEBT

	2019	2018
General - self supported	\$ 73,018	\$ 75,283
Utilities	96,966	68,433
General - tax supported	58,006	58,164
	\$ 227,990	\$ 201,880

Principal and interest repayments are as follows:

	Principal	Interest	Total
2020	\$ 20,244	\$ 6,342	\$ 26,586
2021	18,478	5,772	24,250
2022	17,669	5,232	22,901
2023	17,803	4,711	22,514
2024	17,073	4,186	21,259
2025 to maturity	136,723	17,126	153,849
	\$ 227,990	\$ 43,369	\$ 271,359

Debenture debt is repayable to the Alberta Capital Finance Authority. Existing debentures mature in annual amounts to the year 2038. Interest rates on these debentures range from 1.09% to 5.81% per annum. Debenture debt is issued on the credit and security of the City at large.

Interest expense on long-term debt amounted to \$6,041 (2018 \$5,086).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

12. DEBT LIMITS

Section 276 (2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2019	2018
Total debt limit	\$ 612,482	\$ 578,773
Debtenture debt	(227,990)	(201,880)
Debt limit unused	384,492	376,893
Percentage of debt to debt limit	37.22 %	34.88 %
Service on debt limit	102,080	96,462
Service debt (principal and interest payment)	(26,586)	(23,384)
Service on debt limit unused	75,494	73,078
Percentage of service on debt limit used	26.04 %	24.24 %

The debt limit is calculated at 1.5 times the revenue of the City as defined in Alberta Regulations 255/2000 (consolidated revenue less capital grant revenue, less contributed asset revenue, less loans to non-profit organizations and controlled corporations) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

13. TANGIBLE CAPITAL ASSETS

	2019	2018
Net Book Value		
Land	\$ 134,479	\$ 133,489
Land improvements	71,382	68,273
Buildings	415,781	295,122
Infrastructure		
Roadways	481,075	459,634
Water system	192,962	184,494
Wastewater system	167,388	152,368
Waste Services system	4,246	3,325
Electrical system	147,493	146,868
Equipment and furnishings	73,828	54,841
Vehicles	43,211	40,582
Assets		
Under Construction	80,931	\$ 180,704
	1,812,776	1,719,700

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$18,640 (2018 \$59,046). This amount is comprised of land in the amount of \$462 (2018 \$21,853), land improvements in the amount of \$257 (2018 \$1,244), infrastructure in the amount of \$17,434 (2018 \$26,124), buildings in the amount of \$304 (2018 \$9,081), vehicles in the amount of \$nil (2018 \$632) and equipment and furnishings in the amount of \$183 (2018 \$112).

The City capitalized \$167 (2018 \$242) in interest during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

14. ANNUAL UNRESTRICTED SURPLUS

As is common for municipal governments, the General Operations and the individual Utility Operations budgets are prepared on a balanced basis. Details of surpluses and deficits are disclosed as follows:

	2019 Surplus	2018 Surplus
General	\$ 2,145	\$ 5,475
Utilities		
Water	710	6
Wastewater	1,120	609
Waste & Recycling	74	93
Electric	(972)	(1,836)
Total Utilities	932	(1,128)
	\$ 3,077	\$ 4,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

15. MUNICIPAL EQUITY

Municipal equity consists of unrestricted and restricted balances and equity in non-financial assets as follows:

	2019	2018
Unrestricted balances		
Unrestricted surplus (Note 16)	\$ 16,024	\$ 16,940
Unfunded		
Vacation pay	-	(1,757)
Inventories held for consumption	(11,437)	(9,825)
Prepaid expenses	(2,099)	(2,343)
Restricted balances		
Reserves (Note 17)	106,156	94,796
Capital fund	88,063	109,535
Equity in non-financial assets		
Inventories held for consumption	11,437	9,825
Prepaid expenses	2,099	2,343
Land held for resale	28,408	27,768
Tangible capital assets (Note 19)	1,584,786	1,517,820
	\$ 1,823,437	\$ 1,765,102

16. ACCUMULATED UNRESTRICTED SURPLUS

General Operations and Electric Utility accumulated surpluses and deficits of the prior year are transferred to the Municipal Revenue Stabilization Reserve and Electric Utility Reserve respectively, in the current year. The 2019 General Operations accumulated surplus of \$2,145 will be transferred to the Municipal Revenue Stabilization Reserve and the 2019 Electric accumulated deficit of \$(972) will be transferred to the Electric Reserve in 2020.

	2018 Balance	Appropriations & Adjustments	2019 Surplus (Deficit)	2019 Balance
City general	\$ 5,475	\$ (5,475)	\$ 2,145	\$ 2,145
Water	3,880	-	710	4,590
Wastewater	4,041	-	1,120	5,161
Waste & Recycling	5,380	(354)	74	5,100
Electric	(1,836)	1,836	(972)	(972)
	\$ 16,940	\$ (3,993)	\$ 3,077	\$ 16,024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

17. RESERVES

Reserves are established at the discretion of City Council to set aside funds for future operating and capital expenses.

	2019	2018
Municipal Revenue Stabilization (Note 18)	\$ 33,331	\$ 28,746
Fleet Services	22,754	22,184
Budget Appropriations	15,680	12,450
Major Capital Projects	7,129	3,673
Real Estate Holdings	5,641	5,469
Insurance	4,966	4,833
Community Lighting	4,722	5,253
Electric	4,323	4,595
Urban Parks	2,567	2,102
Cemeteries	1,397	1,347
Transit Bus	1,043	1,033
Acquire Off Street Parking	1,027	2,018
Central Business District Land Acquisition	685	684
Airport Reserve	472	-
Community Reserve Fund	306	298
Mayor Magrath Drive Beautification	113	111
	\$ 106,156	\$ 94,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

18. MUNICIPAL REVENUE STABILIZATION RESERVE

The purpose of this reserve is to stabilize the effects of fluctuating interest revenue and General Operation surpluses and deficits on annual taxation requirements. All General Operation surpluses of prior years, return on investments, municipal consent and access fee/franchise fee and by-law enforcement revenue surpluses, internal financing recoveries, and other allocations from General Operations are added to the reserve. Budgeted allocations to General Operations are charged to the reserve and include municipal consent and access fee/franchise fee, by-law enforcement revenue shortfalls, and return on investments. Other charges to the reserve include one time expenses, internal financing advances, and other allocations to General Operations. The transactions affecting the reserve for the year ended December 31, 2019 are as follows:

	2019	2018
Balance, beginning of year	\$ 28,746	\$ 26,120
Add: Electric Municipal Consent and Access Fee (MCAF)	9,083	9,081
Investment and interest income (net of trust allocations)	7,299	5,153
Gas company franchise fee revenue	5,937	5,244
By-law enforcement	5,748	4,477
Prior Year General Operating Surplus	5,475	3,024
Recovery of internal financing	3,960	3,835
Return on Investment (Electric)	2,119	1,719
Commercial land lease revenue	839	847
City Council Committee Surplus	-	234
	69,206	59,734
Less:		
Budgeted Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,367	9,483
By-law enforcement	5,513	5,541
Gas company franchise fee	5,410	4,410
Allocation to General Operations	5,350	5,250
Return on Investment (Electric ROI)	2,623	2,267
Internal financing advances	3,752	240
One time allocations	2,013	359
Commercial land debenture payment	1,001	1,003
Allocation for Tax Installment Payment Plan discounts	483	367
Snow Removal	363	2,068
	35,875	30,988
Balance, end of year	\$ 33,331	\$ 28,746

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

19. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019	2018
Tangible capital assets (Schedule 3)	\$ 2,554,518	\$ 2,414,811
Accumulated amortization (Schedule 3)	(741,742)	(695,111)
Debenture debt (Note 11)	(227,990)	(201,880)
	\$ 1,584,786	\$ 1,517,820

20. GOVERNMENT TRANSFERS

	2019	2018
Operating		
Provincial	\$ 15,472	\$ 13,478
Federal	2,605	2,150
Capital		
Provincial	20,907	29,398
Federal	7,278	9,081
	\$ 46,262	\$ 54,107

21. EXPENSES BY OBJECT

	2019	2018
Salaries, wages and benefits	\$ 178,061	\$ 170,875
Materials, supplies and utilities	80,961	75,033
Contracted and general services	69,319	62,851
Amortization of tangible capital assets	63,904	55,939
Transfers to individuals and organizations	10,609	7,103
Debenture debt interest	6,041	5,086
Financial charges	1,386	2,293
Other ⁽¹⁾	(9,687)	(10,762)
	\$ 400,594	\$ 368,418

⁽¹⁾ The majority of other expenses relate to the recovery of costs charged to capital projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

22. COMMITMENTS

a. Contracts

As at December 31, 2019 the City has committed funds on various capital projects in progress and capital assets. The funds committed by contract and the estimated costs to complete those projects are as follows:

	Funds Committed	Estimated Cost to Complete
Buildings		
Fire Station #5 - West Side	\$ 6,465	\$ 8,650
ATB Centre - Phase 2 (Leisure Complex)	1,701	1,701
Environmental Utilities		
Wastewater Treatment Plant Headworks & Clarifier Upgrade	4,412	4,857
Water Treatment Plant Residuals Management	2,178	2,773
Infrastructure		
University Drive Twinning	4,621	6,051
Legacy Park (Pavillion, Plaza, Picnic shelter)	3,758	3,758
Sherring Expansion	3,525	18,310
Paved Lane Rehab	2,656	2,656
Henderson Park Irrigation	2,042	2,070
Crossings Subdivision	1,252	12,054
Scenic Drive North Design and Construction	892	4,662
3rd Ave South Reconstruction	790	8,940
Legacy Park Amenities	765	4,732
RiverStone Subdivision	633	4,006
Vehicles		
Transit Low Floor Buses	2,586	2,586
Fire Engine Pumper Trucks	1,799	1,799
Waste and Refuse Trucks	1,764	1,764
Automated Side Loader Refuse Trucks	1,282	1,282
Tandem Plow Trucks	642	642
	\$ 43,763	\$ 93,293

In addition to the above, the City has projects planned in its Capital Improvement Program for which no funds have been committed by contract as at December 31, 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

22. COMMITMENTS (CONTINUED)

b. Regional Water Agreement

As approved by City Council on June 14, 1999 the City has entered into an agreement to supply water to the Lethbridge Regional Water Services Commission. Under the terms of the agreement in effect, as amended, until January 31, 2030 the City has agreed, subject to specified events deemed to be beyond the control of the City, to supply a maximum of 18.5 million litres per day at a pressure of 55 pounds per square inch at the point of delivery to the water feedermain.

c. Fee for Service Contracts

The City has entered into various contracts whereby third party agencies provide services to the community on behalf of the City. These fee for service contracts vary in their length, terms and conditions.

23. PENSION AND RETIREMENT PLANS

Employees of the City qualify to belong to one or more of the following defined-benefit pension or retirement plans:

a. Local Authorities Pension Plan

Employees of the City, with the exception of police officers, participate in the Local Authorities Pension Plan (LAPP), a multi-employer plan covered by the Alberta Public Sector Pension Plans Act. The Plan serves about 265,000 people and 421 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the LAPP funds.

The City is required to make current service contributions to the LAPP of 9.39% (2018 10.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 13.84% (2018 14.84%) for the excess. Employees are required to make current service contributions of 8.39% (2018 9.39%) to the YMPE and 12.84% (2018 13.84%) for any portion of pensionable salary over the YMPE.

Total current and past service contributions by the City to the LAPP were \$12,039 (2018 \$11,985). Total current and past service contributions by the employees of the City were \$9,029 (2018 \$10,927).

At December 31, 2018 the LAPP disclosed an actuarial surplus of \$3,469 million (2017 \$4,836 million); the 2019 LAPP actuarial balance was not available at the date of this report.

b. Special Forces Pension Plan

Police officers employed by the City participate in the Special Forces Pension Plan (SFPP), a multi-employer plan covered by the Alberta Public Sector Pension Plans Act. The plan serves about 7,375 people and 7 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the SFPP funds.

The contribution rates for 2019 were 14.55% (2018 14.55%) of pensionable earnings for the City and 13.45% (2018 13.45%) of pensionable salaries for police officers.

Total current and past service contributions by the City to the SFPP were \$2,695 (2018 \$2,594). Total current and past service contributions by the police officers to the SFPP were \$2,023 (2018 \$2,331).

At December 31, 2018 the SFPP disclosed an actuarial deficit of \$(191) million (2017 surplus of \$71 million); the 2019 SFPP actuarial balance was not available at the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

23. PENSION AND RETIREMENT PLANS (CONTINUED)

c. APEX Supplementary Pension Plan

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. Employees and the City are required to make current service contributions to APEX of 2.84% (2018 2.84%) and 3.78% (2018 3.78%) respectively of pensionable earnings up to \$151 (2018 \$147).

Total current service contributions by the City to APEX in 2019 were \$728 (2018 \$655). Total current service contributions by the employees of the City were \$446 (2018 \$495).

d. MuniSERP Supplementary Employee Retirement Plan

In December 2002, City Council approved the participation of the City in the MuniSERP program, a plan available through the Alberta Urban Municipalities Association (AUMA). This plan is a supplemental employee retirement plan (SERP) that provides supplementary benefits to a prescribed class of employees whose retirement income would be affected by the Income Tax Act cap on pension contributions. The supplementary benefit takes the form of a lump sum cash payment upon retirement or death. MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered defined benefit employee retirement plan. The retirement benefit expense recorded by the City in the year is \$193 (2018 \$132).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. An actuarial valuation was completed on December 31, 2019. The significant actuarial assumptions in measuring the accrued benefit obligation are as follows: expected discount rate of 4.60%, expected salary escalations of 2.75% per year and inflation rate of 2.25%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

24. SALARY & BENEFITS

Disclosure of salaries & benefits for elected officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	Number of Persons	Salary	Benefits & Allowances	2019	2018
Mayor					
Spearman, C	1	\$ 148	\$ 9	\$ 157	\$ 130
Councillors					
Campbell, M	1	61	9	70	55
Carlson, J	1	64	9	73	59
Coffman, J	1	61	9	70	54
Crowson, B	1	63	8	71	53
Hyggen, B	1	66	9	75	57
Mauro, J	1	60	9	69	56
Miyashiro, R	1	62	9	71	53
Parker, R	1	64	9	73	55
	8	501	71	572	442
City Manager	1	261	46	307	296
Designated Officers ⁽¹⁾	4	\$ 752	\$ 163	\$ 915	\$ 837

⁽¹⁾ Designated Officers include the City Assessor, City Clerk, City Solicitor, and the City Treasurer.

Councillors who perform the duties of Deputy Mayor on a rotational basis have their salaries adjusted accordingly. Salary includes regular base pay, per diem amounts and any other direct cash remuneration. Benefits and allowances include the employer's share of all employee benefits, contributions or payments made on behalf of employees, and the employer's share of the costs of any additional taxable benefits.

Effective January 1, 2019 the Federal Government eliminated the tax exempt status on expense allowances paid to elected officials in local government. One third of the salary which was previously tax exempt, became taxable which reduced after-tax compensation. On November 22, 2018, City Council passed a resolution to increase base salary to a level that maintains after-tax compensation.

25. FINANCIAL INSTRUMENTS

Unless otherwise noted, the fair value of the financial instrument approximates their carrying value and it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

26. CONTINGENT LIABILITIES

The City of Lethbridge owns properties that may contain environmental contamination and may require site reclamation. The amount of any such obligations are not practically estimable.

27. SEGMENTED DISCLOSURES

The Schedule of Segmented Reporting – Schedule 4 has been prepared in accordance with PS 2700 Segmented Disclosures. Segmented disclosures are intended to help users of the financial statements identify the resources allocated to support major governments activities and allow the user to make more informed judgments regarding the government reporting entity.

Segmented information has been identified based upon functional activities provided by the City. For each reported segment, revenue and expenses represent amounts directly attributable to the functional activity and amounts allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follows:

a. General Municipal Revenue

General Municipal Revenue includes net taxes, fines and penalties, return on investments, government transfers and franchise fees.

b. Protective Services

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

c. Infrastructure & Transportation Services

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

d. Leisure & Human Services

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

e. General Government Services

General Government Services includes council, legislative and general administration.

f. Development Services

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

g. Family Support & Social Services

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

h. Utilities

Utilities includes water, wastewater, electric and waste services, the latter of which encompasses recycling and landfill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (in thousands of dollars)

28. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

29. BUDGET INFORMATION

The 2019 - 2022 Operating Budget was approved by City Council on December 10, 2018. The reconciliation between the approved budget and the budget presented in these consolidated financial statements are as follows:

	2019 Budget
Revenue	
Approved budgeted revenue	\$ 433,894
Expenses	
Approved budgeted expenses	351,019
Less: Budget adjustments	61,580
Excess of Revenue Over Expenses	\$ 21,295

Adjustments are primarily amortization of tangible capital assets that were not included in the approved budget.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of dollars)

30. CONTRACTUAL RIGHTS

Contractual rights are rights of the City to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating leases	Other contracts	Total
2020	\$ 975	\$ 24,583	\$ 25,558
2021	316	14,324	14,640
2022 ⁽¹⁾	255	25,458	25,713
2023	242	1,846	2,088
2024	216	156	372
Thereafter	378	942	1,320
Total at December 31, 2019	\$ 2,382	\$ 67,309	\$ 69,691
Total at December 31, 2018	\$ 3,320	\$ 76,484	\$ 79,804

⁽¹⁾ The City has rights to \$17,418 in 2020 (2019 \$18,134) for the sale of land to a commercial developer. The City holds a contract to sell the developer a total of 66 acres of land with 38 acres remaining to be sold by December 31, 2022.

The City has entered into a number of property development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground networks. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution, which cannot be determined with certainty at this time.

31. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market, and social dislocating impact.

At the time of the approval of these financial statements there is uncertainty over future cash flows, which may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

32. APPROVAL OF FINANCIAL STATEMENTS

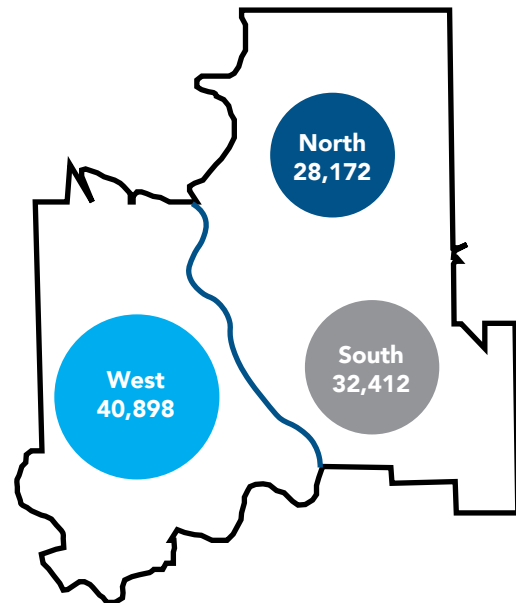
These financial statements have been approved by City Council.



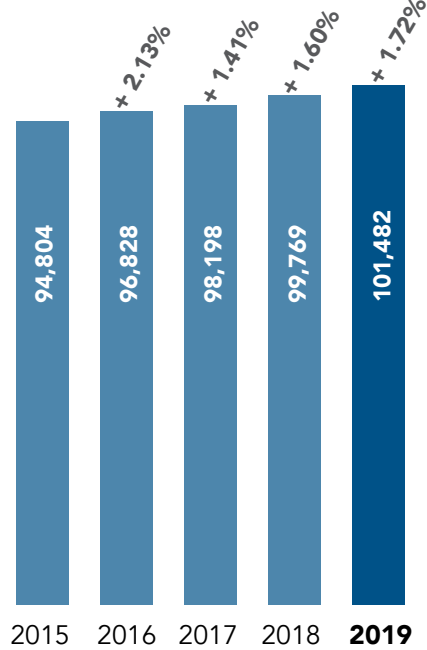
STATISTICAL INFORMATION (UNAUDITED)

STATISTICAL INFORMATION

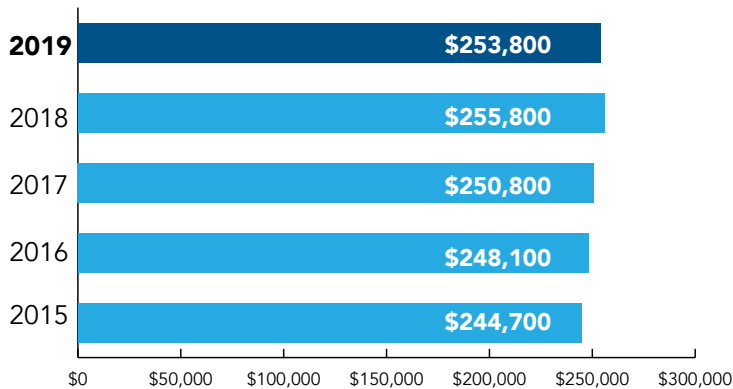
Population by Location in 2019



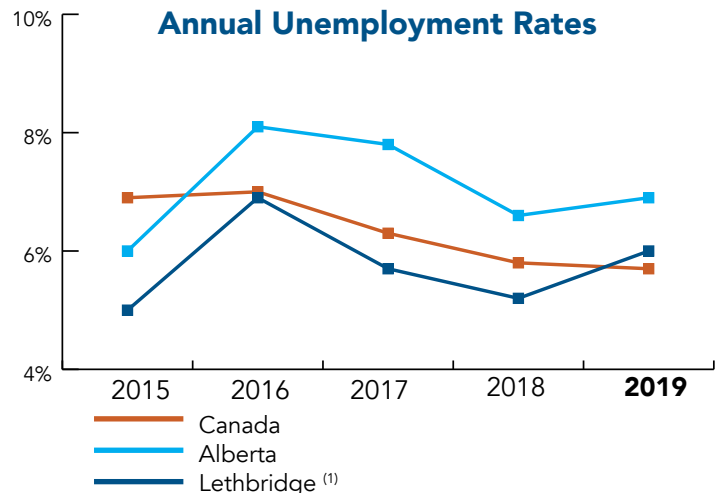
Total Population



Median Property Assessment for Single Family Residential Properties



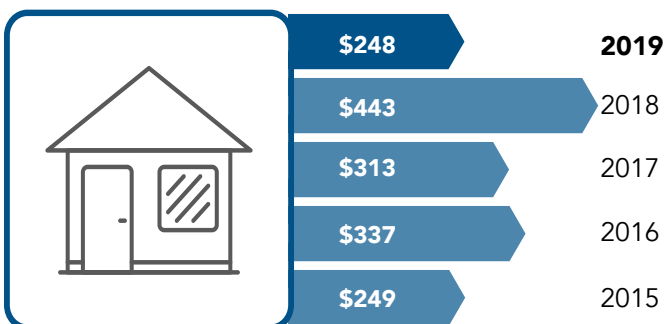
Annual Unemployment Rates



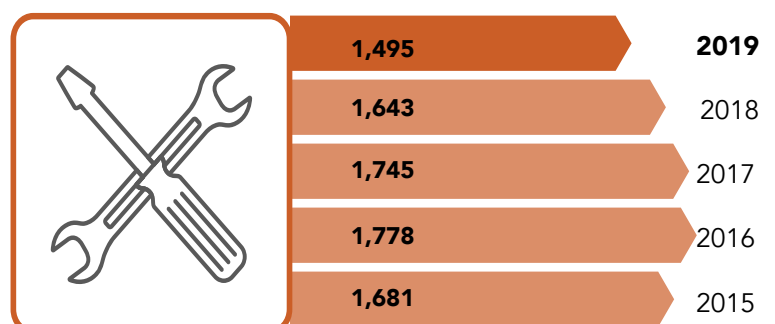
Source: Statistics Canada

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

Building Permit Values (in millions of dollars)



Number of Building Permits Issued



STATISTICAL INFORMATION

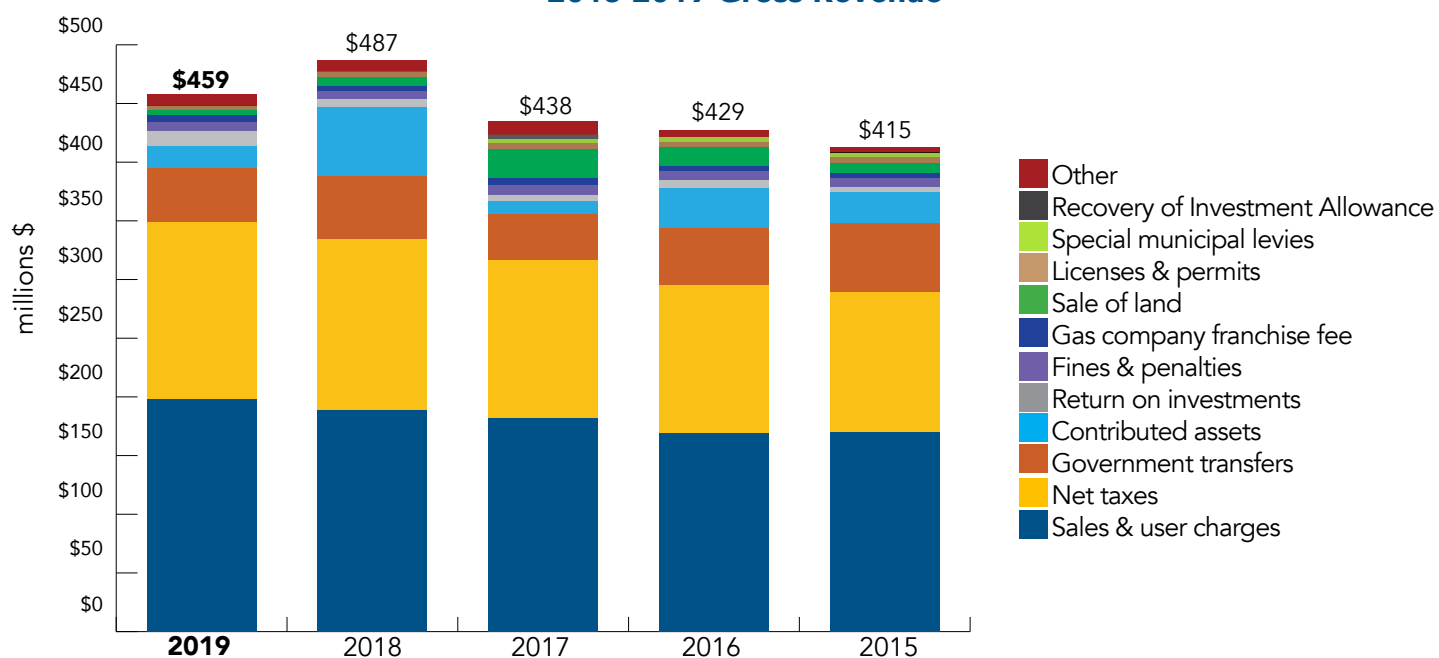
Five Year Summary of Consolidated Revenue

For the Years Ended December 31, 2015 to 2019

(in thousands of dollars)

	2019	2018	2017	2016	2015
REVENUE					
Sales and user charges	\$ 198,218	\$ 189,423	\$ 182,563	\$ 169,330	\$ 170,543
Net taxes	151,801	145,301	134,048	126,371	119,444
Government transfers	46,262	54,107	40,936	49,313	59,191
Contributed assets	18,640	59,046	11,194	34,644	26,639
Return on investments	12,693	5,866	5,076	5,712	5,088
Fines and penalties	8,021	6,733	7,882	7,944	7,501
Gas company franchise fee	5,937	5,244	6,063	5,470	5,033
Sale of land	3,752	7,240	25,322	16,236	8,161
Licenses and permits	3,678	4,743	5,339	4,511	4,880
Special municipal levies	-	-	3,877	3,725	3,661
Recovery of Investment Allowance	-	-	3,554	-	-
Other	9,927	9,754	11,851	5,776	4,925
TOTAL REVENUE	\$ 458,929	\$ 487,457	\$ 437,705	\$ 429,032	\$ 415,066

2015-2019 Gross Revenue



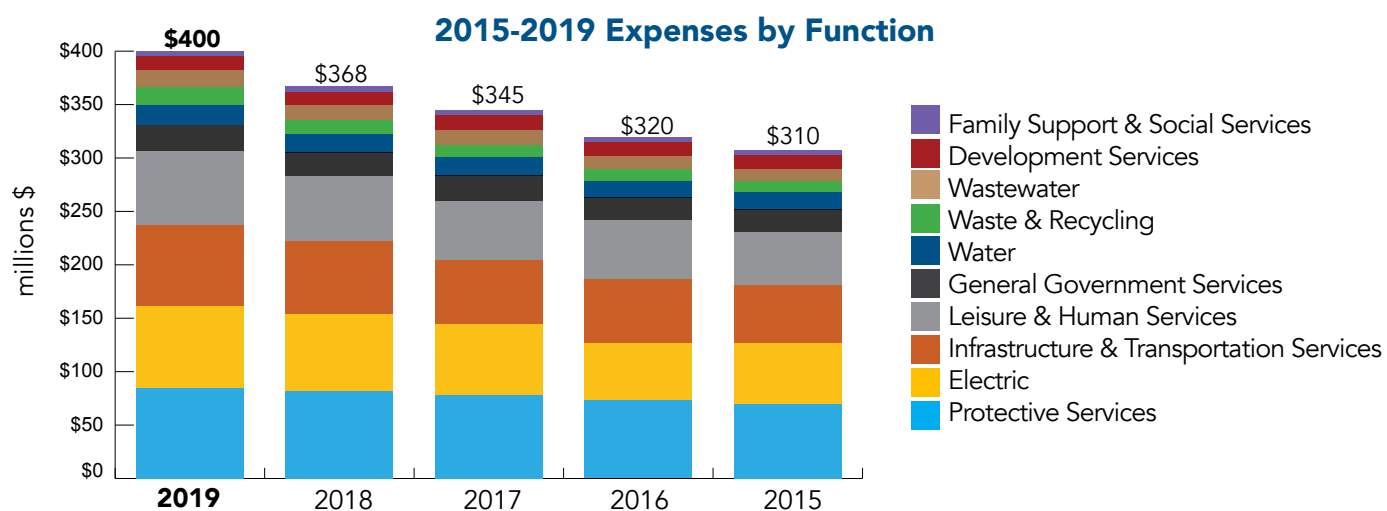
Five Year Summary of Consolidated Expenses

For the Years Ended December 31, 2015 to 2019

(in thousands of dollars)

	2019	2018	2017	2016	2015
EXPENSES BY FUNCTION					
Protective Services	\$ 85,556	\$ 81,922	\$ 78,370	\$ 73,188	\$ 70,718
Electric	76,473	72,556	65,909	54,411	56,973
Infrastructure and Transportation Services	75,698	68,095	59,752	59,344	54,100
Leisure and Human Services	68,769	61,093	56,380	56,273	49,636
General Government Services	25,267	22,054	23,697	21,184	22,384
Water	18,353	16,772	16,738	15,116	15,730
Waste and Recycling	16,663	13,849	11,315	11,502	10,386
Wastewater	16,089	14,623	13,681	13,232	13,554
Development Services	12,885	12,245	14,372	11,939	12,447
Family Support and Social Services	4,841	5,209	4,624	4,392	3,821
TOTAL EXPENSES BY FUNCTION	\$ 400,594	\$ 368,418	\$ 344,838	\$ 320,581	\$ 309,749
EXPENSES BY OBJECT					
Salaries, wages and benefits	\$ 178,061	\$ 170,875	\$ 168,386	\$ 159,931	\$ 150,413
Materials, supplies and utilities	80,961	75,033	65,249	58,368	59,633
Contracted and general services	69,319	62,851	55,995	54,375	53,471
Amortization of tangible capital assets	63,904	55,939	49,105	46,323	42,475
Transfers to individuals and organizations	10,609	7,103	7,814	7,971	8,659
Debenture debt interest	6,041	5,086	3,568	2,778	2,424
Financial charges	1,386	2,293	1,279	1,175	1,236
Other ⁽¹⁾	(9,687)	(10,762)	(6,558)	(10,340)	(8,562)
TOTAL EXPENSES BY OBJECT	\$ 400,594	\$ 368,418	\$ 344,838	\$ 320,581	\$ 309,749

(1) The majority of other expenses relate to the recovery of costs charged to capital projects.



STATISTICAL INFORMATION

Five Year Summary of Debenture Debt

For the Years Ended December 31, 2015 to 2019

(in thousands of dollars)

	2019	2018	2017	2016	2015
GENERAL					
Tax supported					
Recreation & Culture Facilities	\$ 58,006	\$ 58,164	\$ 54,207	\$ 12,000	\$ -
Self supported					
Offsites	50,191	50,253	46,033	44,310	49,054
Industrial park servicing	11,353	12,806	9,109	2,075	2,520
Commercial land servicing	10,869	11,555	12,222	-	-
Airport	605	644	-	-	-
Local improvements	-	25	50	74	509
	131,024	133,447	121,621	58,459	52,083
UTILITIES					
Water	15,120	6,411	7,175	8,027	6,541
Wastewater	20,011	7,564	6,266	6,485	5,694
Waste & Recycling Services	25,272	21,163	10,344	8,650	9,390
Electric	36,563	33,295	28,588	27,905	16,541
	96,966	68,433	52,373	51,067	38,166
TOTAL GENERAL AND UTILITIES DEBT	\$ 227,990	\$ 201,880	\$ 173,994	\$ 109,526	\$ 90,249
POPULATION	101,482	99,769	98,198	96,828	94,804
DEBENTURE DEBT PER CAPITA					
General - mill rate supported	\$ 572	\$ 583	\$ 552	\$ 124	\$ -
General - self supported	720	755	687	480	549
Utilities	955	686	533	527	403
	\$ 2,247	\$ 2,024	\$ 1,772	\$ 1,131	\$ 952
DEBT LIMIT (as per Municipal Government Act)					
Total debt limit	\$ 612,482	\$ 578,773	\$ 591,103	\$ 535,924	\$ 506,631
Total debt (above)	(227,990)	(201,880)	(173,994)	(109,526)	(90,249)
DEBT LIMIT UNUSED	\$ 384,492	\$ 376,893	\$ 417,109	\$ 426,398	\$ 416,382
Percentage of debt limit used	37.2%	34.9%	29.4%	20.4%	17.8%
Service on debt limit	\$ 102,080	\$ 96,462	\$ 98,517	\$ 89,321	\$ 84,438
Service on debt (principal and interest payment)	(26,586)	(23,384)	(20,686)	(15,849)	(13,922)
SERVICE ON DEBT LIMIT UNUSED	\$ 75,494	\$ 73,078	\$ 77,831	\$ 73,472	\$ 70,516
Percentage of service on debt limit used	26.0%	24.2%	21.0%	17.7%	16.5%
Percentage of expenditures	6.6%	6.3%	6.0%	4.9%	4.5%

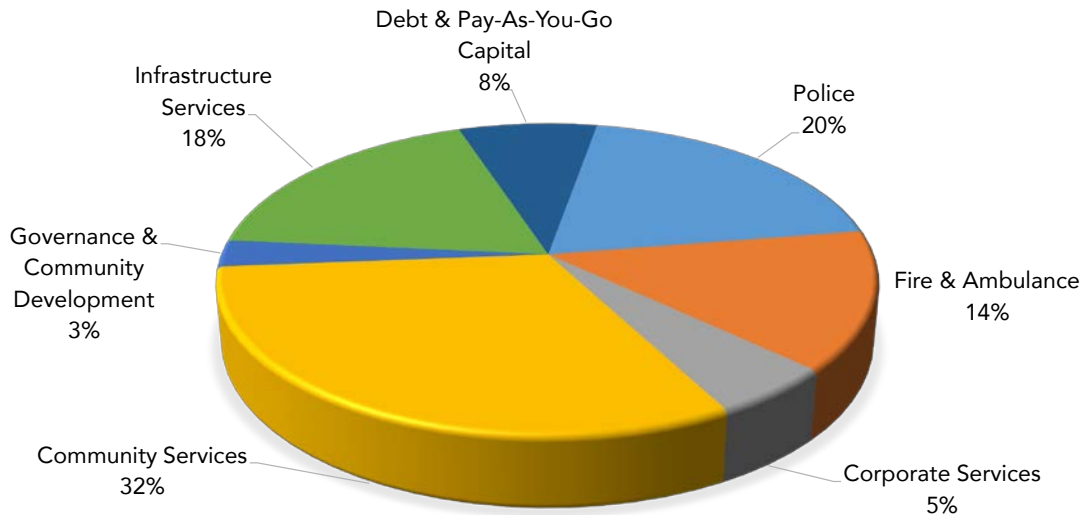
Five Year Summary of Property Tax Levy

For the Years Ended December 31, 2015 to 2019
(in thousands of dollars)

	2019	2018	2017	2016	2015
REAL PROPERTY					
Municipal	\$ 150,931	\$ 144,296	\$ 133,023	\$ 125,616	\$ 118,516
Education	37,601	35,645	33,340	32,584	31,048
Other	996	1,418	1,470	1,000	1,369
TOTAL REAL PROPERTY	189,528	181,359	167,833	159,200	150,933
Special Assessments	-	-	3,877	3,725	3,661
Business Taxes (BRZ)	172	167	215	181	165
TOTAL CURRENT YEAR LEVY	\$ 189,700	\$ 181,526	\$ 171,925	\$ 163,106	\$ 154,759
Current Taxes Collected	\$ 187,191	\$ 179,186	\$ 169,526	\$ 161,195	\$ 152,992
% of Current Taxes Collected	98.7%	98.7%	98.6%	98.8%	98.9%

The ten largest corporate taxpayers account for \$12,255 (6.5%) of the 2019 total property tax levy.

2019 Allocation of Municipal Property Tax Dollars



Five Year Summary of Taxable Assessment

For the Years Ended December 31, 2015 to 2019
(in thousands of dollars)

	2019	2018	2017	2016	2015
Residential	\$ 10,203,124	\$ 9,970,488	\$ 9,632,957	\$ 9,317,539	\$ 9,039,814
Apartments	474,762	452,532	449,165	450,068	429,878
Commercial and Industrial	2,774,900	2,742,410	2,647,657	2,536,468	2,486,455
TOTAL TAXABLE ASSESSMENT	\$ 13,452,786	\$ 13,165,430	\$ 12,729,779	\$ 12,304,075	\$ 11,956,147

STATISTICAL INFORMATION

Five Year Summary of Acquisition of Tangible Capital Assets

For the Years Ended December 31, 2015 to 2019
(in thousands of dollars)

	2019	2018	2017	2016	2015
CAPITAL SPENDING					
Land	\$ 533	\$ 5,012	\$ 12,868	\$ 3,669	\$ 505
Land improvements	6,924	17,271	4,830	10,378	3,532
Buildings	130,979	24,052	36,368	46,877	2,514
Infrastructure	64,994	58,383	32,633	62,146	60,857
Equipment and furnishings	25,964	16,296	5,726	6,544	5,310
Vehicles	10,070	9,437	8,211	9,688	5,262
Change in assets under construction	(99,773)	25,152	46,403	(18,146)	55,318
TOTAL CAPITAL SPENDING	\$ 139,691	\$ 155,603	\$ 147,039	\$ 121,156	\$ 133,298

Five Year Summary of Net Financial Assets (Debt)

For the Years Ended December 31, 2015 to 2019
(in thousands of dollars)

	2019	2018	2017	2016	2015
FINANCIAL ASSETS					
Excess of revenue over expenses	\$ 58,335	\$ 119,039	\$ 92,867	\$ 108,451	\$ 105,317
Change related to tangible capital assets	(93,076)	(155,440)	(107,223)	(103,875)	(111,246)
Change related to other non-financial assets	(2,080)	(6,305)	(1,317)	889	633
Increase (Decrease) in Net Financial Assets	(36,821)	(42,706)	(15,673)	5,465	(5,296)
Net Financial Assets, Beginning of Year	3,580	46,286	61,959	56,494	61,790
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ (33,241)	\$ 3,580	\$ 46,286	\$ 61,959	\$ 56,494

Five Year Summary of Municipal Equity

For the Years Ended December 31, 2015 to 2019
(in thousands of dollars)

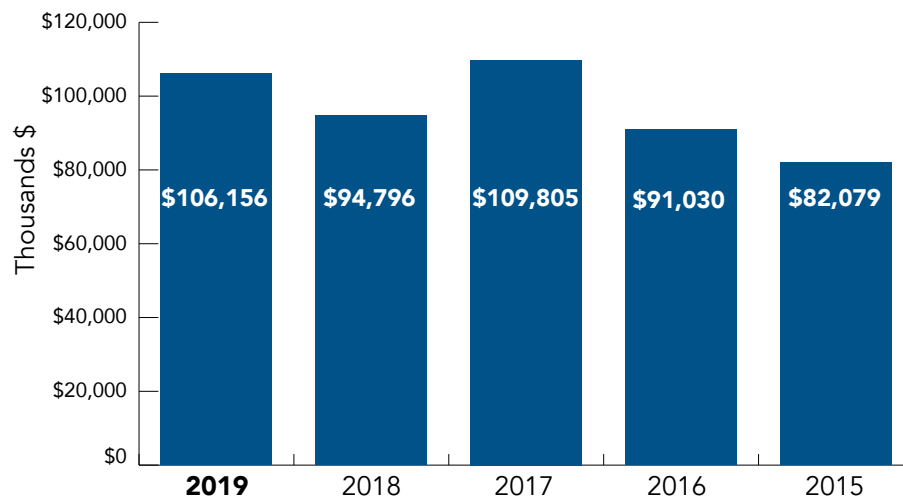
	2019	2018	2017	2016	2015
Revenue	\$ 458,929	\$ 487,457	\$ 437,705	\$ 429,032	\$ 415,066
Expenses	400,594	368,418	344,838	320,581	309,749
Excess of Revenue Over Expenses	58,335	119,039	92,867	108,451	105,317
Municipal Equity, Beginning of Year	1,765,102	1,646,063	1,553,196	1,444,745	1,339,428
MUNICIPAL EQUITY, END OF YEAR	\$ 1,823,437	\$ 1,765,102	\$ 1,646,063	\$ 1,553,196	\$ 1,444,745

Five Year Summary of Reserves

For the Years Ended December 31, 2015 to 2019
(in thousands of dollars)

	2019	2018	2017	2016	2015
RESERVES					
Municipal Revenue Stabilization	\$ 33,331	\$ 28,746	\$ 26,120	\$ 19,786	\$ 15,953
Fleet Services	22,754	22,184	22,514	20,009	21,583
Budget Appropriations	15,680	12,450	16,639	16,793	16,690
Major Capital Projects	7,129	3,673	20,149	13,012	7,829
Real Estate Holdings	5,641	5,469	5,392	4,813	4,662
Insurance	4,966	4,833	4,351	3,922	3,576
Community Lighting	4,722	5,253	5,715	5,017	4,391
Electric	4,323	4,595	771	230	-
Urban Parks	2,567	2,102	1,363	917	1,248
Cemeteries	1,397	1,347	1,385	1,448	1,366
Transit Bus	1,043	1,033	906	1,070	1,252
Acquire Off Street Parking	1,027	2,018	3,415	3,197	2,848
Central Business District Land Acquisition	685	684	683	421	420
Airport	472	-	-	-	-
Community Reserve Fund	306	298	292	287	154
Mayor Magrath Drive Beautification	113	111	110	108	107
TOTAL RESERVES	\$ 106,156	\$ 94,796	\$ 109,805	\$ 91,030	\$ 82,079

SUMMARY OF RESERVES (thousands \$)



STATISTICAL INFORMATION

Five Year Summary of Government Transfers

For the Years Ended December 31, 2015 to 2019 (in thousands of dollars)

	2019			2018	2017	2016	2015
	Provincial	Federal	Total				
UNCONDITIONAL TRANSFERS							
Grants in lieu of taxes	\$ 945	\$ 264	\$ 1,209	\$ 1,420	\$ 1,330	\$ 1,309	\$ 1,403
CONDITIONAL TRANSFERS							
Municipal Sustainability Initiative (MSI) ⁽¹⁾	15,599	-	15,599	22,487	13,552	29,103	35,393
Green TRIP (Green Transit Initiatives Program)	9,038	-	9,038	7,726	1,695	3,911	-
Social Housing in Action (SHIA)	5,003	867	5,870	4,425	4,471	4,179	5,282
Federal Gas Tax Fund (FGTF)	-	4,314	4,314	3,245	2,269	3,372	1,959
Clean Water & Wastewater Fund (CWWF)	-	4,118	4,118	5,478	1,604	-	-
Family and Community Support Services (FCSS)	2,462	-	2,462	3,017	1,859	2,446	2,040
Municipal Policing Assistance Grant (MPAG)	1,596	-	1,596	1,571	1,549	1,517	1,488
9-1-1 Program	684	-	684	649	625	613	623
Public Transit Infrastructure Fund	-	540	540	1,285	202	-	-
Lethbridge Public Library	537	-	537	537	537	526	516
Municipal Cannabis Transition Program (MCTP)	321	-	321	-	-	-	-
Police Officers Grant	300	-	300	300	300	325	400
Adult Literacy Program	265	-	265	268	264	143	124
Victim/Witness Services Unit	225	-	225	150	150	150	150
Fetal Alcohol Spectrum Disorder (FASD)	125	-	125	93	90	132	131
Municipalities for Climate Innovation Program (MCIP)	71	32	103	89	-	-	-
Alberta Community Resilience Program	60	-	60	51	75	-	-
Affordable Housing ⁽²⁾	55	-	55	-	65	71	(156)
ALERT Program	28	-	28	28	21	28	35
Canada Day/Canada 150 Celebrations	-	8	8	36	14	80	4
Heritage Museum Program	-	4	4	15	15	15	15
Rural Development Division	-	-	-	1,800	7,200	-	-
Canadian Cultural Spaces Fund	-	-	-	350	2,899	252	-
Western Economic Diversification Canada (WEDC)	-	-	-	236	190	-	-
Alberta Seniors Housing	-	-	-	100	-	-	-
Alberta Community Partnership (ACP)	-	-	-	68	290	678	605
Summer Temporary Employment Program (STEP)	-	-	-	39	33	30	-
Refugee Language and Support Program	-	-	-	24	34	33	-
OHS Innovation & Engagement Grant	-	-	-	20	-	-	-
Community Partnership Enhancement Fund (CPEF)	-	-	-	17	34	-	-
Disaster Recovery	-	-	-	-	463	707	516
Alberta Historical Resources Foundation	-	-	-	-	272	78	17
Regional Collaboration Program	-	-	-	-	64	85	62
Employment & Social Development	-	-	-	-	50	-	-
Alberta Sport Development Centre	-	-	-	-	40	120	120
Building Canada Fund (BCF)	-	-	-	-	-	526	8,768
Flood Recovery Erosion Control (FREC)	-	-	-	-	-	126	56
Alberta Culture & Tourism	-	-	-	-	-	61	29
Flood Readiness Program	-	-	-	-	-	-	700
Railway Rehabilitation Program	-	-	-	-	-	-	178
Enabling Accessibility	-	-	-	-	-	-	100
Alberta Municipal Infrastructure (AMIP) ⁽²⁾	-	-	-	-	-	-	20
Canadian Heritage Information Network (CHIN)	-	-	-	-	-	-	7
Graduate Rental Assistance Program	-	-	-	-	-	-	1
Other	10	-	10	3	10	6	8
	36,379	9,883	46,262	54,107	40,936	49,313	59,191
TOTAL GOVERNMENT TRANSFERS ⁽³⁾	\$ 37,324	\$ 10,147	\$ 47,471	\$ 55,527	\$ 42,266	\$ 50,622	\$ 60,594

(1) Program components of this grant include MSI Capital, MSI Operating and Basic Municipal Transportation Grant.

(2) Interest allocation adjustment in 2015.

(3) Total government transfers including payments in lieu of taxes are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria and reasonable estimates of the amounts can be made.



DEPARTMENT HIGHLIGHTS & ACHIEVEMENTS

BOARDS & COMMISSIONS

Galt Museum & Archives

Lethbridge Public Library

Lethbridge Police Service



GALT MUSEUM & ARCHIVES

The Galt Museum & Archives engages and educates our community in the human history of southwestern Alberta by preserving and sharing collections, stories and memories that define our collective identity and guide our future.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Museums are institutions created in the public interest. Since Lethbridge's Mayor and Council created the Sir Alexander Galt Museum at its current site on July 9, 1966, the Galt has continued to fulfill its role to preserve and present the human history of southwestern Alberta. The Galt is a participatory museum that focuses on community engagement, offering public programs that feature hands-on opportunities to engage with local history and culture.

Fort Whoop-Up saw a 17% increase in visitors from 2018. The staff worked with local historian George Kush and D & D Machine Works to create a full-sized and working replica of the cannon stationed at Fort Whoop-Up in the 1870s. The Fort also successfully launched a new dinner theatre experience, *Life on the Whoop-Up Trail*, in partnership with New West Theatre.

In partnership with many local experts and community groups, the Galt's exhibits focused on Lethbridge's neighbourhoods and communities, the centennial anniversary of the Lethbridge Public Library, labour history, St. Michael's Hospital, Eaton's, maps of imaginary worlds, and 2SLGBTQ+ histories in southwestern Alberta. The Galt continued to build on the success of the Indigenous History program and Blackfoot language classes. The Galt held dozens of history and language classes in 2019 and have already scheduled those to continue into 2020.



The Galt Museum & Archives' Permanent Gallery

Completed Projects

- Completed a stakeholder and community branding survey process.
- Received scholarships and grants to present at Canada's West Marketplace about tourism opportunities in Lethbridge.
- Delivered collection-related webinars in Alberta and BC, as well as a presentation at a national conference on the results of a Galt-led, province-wide investigation of improvements to protections of public collections.
- Continued to lead reconciliation work with Indigenous History, Blackfoot language and other programs while continuing to work with diverse communities in Lethbridge.

DID YOU KNOW?

- 92% of Lethbridge residents understand that the Galt Museum & Archives is an important part of Lethbridge.
- 95% of Lethbridge residents support the Galt Museum & Archives continuing to create knowledge about our community and trust the information that comes from the Galt.
- In 2019, the Galt sold 740 annual passes, the most in its history.
- You can now order archival prints and materials from the Galt online.

LETHBRIDGE PUBLIC LIBRARY

Lethbridge Public Library (LPL) is committed to being the community's choice for the pursuit of literacy, leisure, learning and innovation. Serving our community since 1919, the Library offers print materials, e-resources, public computers, Wi-Fi, gathering spaces, and creative programming for all ages and abilities. There are three branches: the Main Branch located in downtown Lethbridge, the Crossings Branch located in west Lethbridge's Crossings community and the Bookmobile, which brings the Library to neighbourhoods throughout the city.



Juno award-winner and special musical guest for The Word On The Street, Fred Penner.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

2019 was a year of celebration for LPL as it enjoyed 100 years of service in the community. The year was kicked off by hosting the Banff Mountain Film Festival World Tour at the Yates Memorial Centre, and celebrations wrapped up with Elizabeth Smart as the final guest in the Centennial Speaker Series. Also, the announcement that no fee Library memberships will continue into 2020, reaffirmed the Library's commitment to being a welcoming, inclusive space that connects and strengthens community through equitable access to learning and leisure.

100 Anniversary Celebrations

Highlights included:

- hosting the travelling Sixties Scoop exhibit;
- a collaborative exhibit with Galt Museum & Archives entitled "Connecting Community: 100 Years of the Lethbridge Public Library". The exhibit was also on display at Park Place Mall, City Hall and the Library's Main Branch;
- a traditional Blackfoot Social and Round Dance;
- Big Truck Petting Zoo, held in partnership with City of Lethbridge Public Operations;

- the national launch of the TD Summer Reading Club and its 2019 Kick-Off Party;
- Lethbridge Public Library's Big Birthday Bash, which included activities at both branches;
- Writer in Residence, Danika Stone;
- Letters for Lethbridge – a version of a time capsule where residents of the city were invited to submit their stories about Lethbridge for publication in an anthology.

LPL also welcomed a number of special guests throughout the year:

- Freelance journalist, columnist, broadcaster, and lecturer on international affairs, Gwynne Dyer;

- author of *Little Yellow House: Finding Community in a Changing Neighbourhood*, Carissa Halton;
- Canadian Chef, Claire Tansey, and author of *Uncomplicated: Taking the Stress Out of Home Cooking*;
- the first and only certified KonMari Consultant in the Prairies, Helen Youn, taught us how to spark joy and shared an introduction to the KonMari Method™;
- award-winning writer, Ryan North, who is responsible for *Dinosaur Comics*, *Adventure Time* comics, and the "Unbeatable Squirrel Girl" series for Marvel;
- Juno-award nominee Mary Lambert;
- two-time Scotiabank Giller Prize finalist, Haisla/Heiltsuk novelist, Eden Robinson whose *Trickster* series is being adapted into a CBC television series;
- Juno award-winner, and special musical guest for *The Word On The Street*, Fred Penner;
- Canadian author/illustrator, best known for *Good Morning, Canada*, Andrea Beck;
- award-winning author Daniel Handler (a.k.a. Lemony Snicket).

Awards & Recognition

In keeping with the commitment to excellence in needs-based community programming, LPL was recognized with the following awards in 2019:

- Reconciliation Champion (Reconciliation Lethbridge).
- Business Excellence Award (JobLinks Employment Centre).
- Runner up: READ Award – School Skillz (Chinook Arch Regional Library System).



Elizabeth Smart, author and advocate for change related to child abduction, recovery programs and national legislation.

- Nominee: Business of the Year Awards – Business Leadership (Lethbridge Chamber of Commerce).
- Community Priorities Grant recipient (Community Foundation of Lethbridge and Southwestern Alberta).
- Received a \$28,000 donation from the Friends of the Lethbridge Public Library as well as a \$100,000 commitment towards the expansion and enhancement of the Crossings Branch.

DID YOU KNOW?

In 2019:

- There were over 585,000 visits to the Library (Main and Crossings branches, and Bookmobile).
- 24,032 people held cards at the Library.
- There were a total of 1,247,978 checkouts.
- The Library hosted over 5,750 events and activities, which attracted over 80,000 people.

A LPL card provides access to:

- More than 800,000 physical items through the regional catalogue, including fiction, non-fiction, large print, children's and teen materials, foreign language, reference materials, magazines and newspapers, music, video, software and games, and audiobooks.
- Digital content including eBooks, eAudiobooks, RB Digital and Flipster, PressReader, streaming content via Hoopla Digital, use of the Library Extension browser add-on, and educational content via Gale Courses, Pronunciator, and SOLARO.

LETHBRIDGE POLICE SERVICE

The **Lethbridge Police Service (LPS)** is proud to have a well-educated, well-trained and committed workforce. The Police Service recognizes the importance of balancing fiscal responsibility with the need to provide policing services that address crime and disorder, continue to meet changing demands and best serve our community.



LPS Graduating Class

SIGNIFICANT PROJECTS

Lethbridge continues to be deeply impacted by a drug crisis that has led to diminished perceptions of safety and ongoing public concerns. In 2019 police resources were once again challenged by an increase in property crime and ongoing social disorder involving chronic and hard to serve individuals – many of them drug addicted and/or suffering from mental health issues. While much of the city's violent crime remains targeted where offenders and victims are known to one another as a result of their high risk lifestyle, there were multiple acts of violence in 2019 where citizens were randomly victimized.

Increasingly we have seen drug addicted offenders become desperate and resort to erratic and in some cases extreme measures to secure money or property to buy or trade for illicit substances. These behaviours have contributed to the increase in property crimes such as break and enters and thefts, acts of violence and a reduced sense of safety and security for citizens. Addressing underlying issues such as drug addiction, mental health concerns, poverty and other social problems, is necessary to reduce recidivism rates, break the cycle of arrest and detention and ultimately lead to a sustainable reduction in crime.

The Lethbridge Police Service continues to work in partnership with health and social service providers and advocate for additional drug treatment programs and supportive housing to assist drug-addicted individuals with the end goal of breaking the cycle of repeated contact with the criminal justice system. In addition, to address the immediate needs of the broader community and work to restore public safety, LPS developed and implemented a variety of strategies in 2019 aimed at increasing community engagement and visibility, crime prevention and the redistribution of resources to enhance targeted enforcement.

LETHBRIDGE POLICE SERVICE

KEY HIGHLIGHTS

- Development of the Crime Suppression Team, including the re-allocation of resources from non-frontline units, was initiated in late 2019. The goal of the CST is to reduce violence and disorder, improve safety and enhance the quality of life for Lethbridge residents by combining high visibility enforcement with covert investigative techniques that will target negative behaviours, serial offenders and high crime areas.
- Deployment of a full-time Police and Crisis Team (PACT) consisting of a police constable partnered with an Alberta Health Services Mental Health Professional who work together to identify and stabilize individuals experiencing addiction or mental health issues by connecting them with resources ranging from housing and financial supports to ongoing treatment. As a result, PACT has diverted a significant volume of calls for emergency services.
- Community Peace Officers with enhanced authorities – the first in the Service's history – were hired, trained and deployed on proactive foot patrol in the downtown core to increase visibility, enhance public engagement, conduct enforcement and help increase the capacity of regular officers to focus on more complex calls for service.
- Implementation of The Watch program consisting of volunteers who serve as a visible presence on foot in the downtown core. The Watch provides an additional layer of safety to citizens by offering services such as Safe Walks and helping to connect people with the appropriate emergency or social service providers.



Volunteers from The Watch Program

- LPS graduated the largest cadet training class in the service's history which included a combination of regular police officers and Community Peace Officers.
- The Downtown Policing Unit and Community Engagement Unit partnered with the City of Lethbridge, Chamber of Commerce and Downtown BRZ to provide monthly safety education sessions to downtown businesses as part of the Downtown Clean and Safe Business Education Program.
- Community engagement initiatives included Blackfoot Perspectives Tipi Camps hosted by the Diversity Liaison Officer to foster greater awareness and understanding of the Blackfoot culture as well as the 2019 Youth Academy for local high school students interested in a career in policing.

DID YOU KNOW?

- The LPS responded to 35,993 calls for service in 2019 – up from 34,610 the year before.
- Victim Services Crisis Support Workers spent more than 17,000 hours of volunteer time assisting 2,487 victims in the community.

COMMUNITY SERVICES

Regulatory Services

ENMAX Centre

Lethbridge Transit

Lethbridge Fire & Emergency Services

Public Safety Communications Centre

Cemetery Services

Recreation & Culture

Helen Schuler Nature Centre

Community Social Development



REGULATORY SERVICES

Regulatory Services performs a number of duties surrounding bylaw compliance. The bylaws overseen and administered by Regulatory Services include: animal control, dog licensing, parking enforcement, weed control, snow removal, minimum property standards, unsightly properties, taxi operator licensing and business licensing. The department also includes a full time, in-house prosecutor with the ability to provide legal guidance for bylaw related inquiries.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Animal Shelter Agreement

After a formal tendering process, Regulatory Services awarded a three-year contract to SPD Animal Services for the continued management of the animal shelter and the enforcement of the City of Lethbridge Animal Bylaw. As the current contract provider, SPD Animal Services has initiated many progressive programs at the shelter including a volunteer program, pet safekeeping program, animal food bank, proactive licensing and a park patrol program as well as utilizing social media to increase animal adoptions. We look forward to continuing our working relationship with SPD over the next three years.

Parking Control Agreement

After a formal tendering process, Regulatory Services awarded a three-year contract to the Corp of Commissionaires to conduct parking enforcement within the City of Lethbridge. The Corp has a long history of providing professional parking enforcement to Lethbridge, as well as across Canada, and most recently have contributed to the successful implementation of license plate recognition enforcement in the municipality. We look forward to continuing our working relationship with them over the next three years.

Rattlesnake Geotagging

Regulatory Services, which operates the local rattlesnake mitigation program, undertook the time intensive work of geotagging the locations



Lethbridge Animal Shelter

of rattlesnake encounters. This task will assist the province, and our rattlesnake retrieval contractor, by providing needed information for the conservation of the species.

Community Animal Spay and Neuter Program

Regulatory Services extended for four years, the Fee for Service Agreement with NOKA to provide a

subsidized spay and neuter program for pets of low income residents of our community. This program not only assists those in need, but has also contributed to lower cat and dog populations in the city and fewer animals to support and care for at the Lethbridge Animal Shelter.

DID YOU KNOW?

- There were 63 rattlesnake calls in 2019 with the two most prevalent locations for calls being Paradise Canyon and the University of Lethbridge.
- Regulatory Services, in coordination with Infrastructure Services, provides a street sweeping parking enforcement program in the spring time.
- There are more than 9,000 dogs licensed in the municipality.
- In addition to ensuring that your dog wears its license tag on its collar, you may also provide a digital picture of your canine to further assist animal shelter staff in returning your pet should it becomes lost.

ENMAX CENTRE

The ENMAX Centre is a multi-purpose event facility that provides a broad spectrum of programs and services to Lethbridge and Southern Alberta citizens. It focuses on areas of sport, entertainment, culture, corporate and educational activities, banquet, meeting and tradeshow events. It is also home to the Western Hockey League's Lethbridge Hurricanes Hockey Club, the largest sport franchise in southwest Alberta. The ENMAX Centre adds to the quality of life for Lethbridge citizens with a significant impact to economic development, tourism and national/international event attraction.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

In 2019, the ENMAX Centre was challenged with balancing both major events and important facility upgrades. Although the upgrades did impact the availability of the building for community events, it also cleared the way for future events and opportunities, creating efficiencies and providing a better patron and client experience.

The 2019 World Men's Curling Championship attracted just over 40,000 visitors from across the globe. Other major events included: Men's USport Hockey Championship, enhanced Monster Energy Professional Bull Riding PJ Masks, Rock the Rink figure skating and concerts like Paul Brant, Little Big Town, John Fogerty, Judas Priest, Dallas Smith and Dean Brody - just to name a few.

During 2019 numerous facility projects required significant time with complex installations and training efforts. In all, 22 projects were completed, some of the more significant being:

- Chiller System Replacement - this brought the chiller plant to the highest standard to make and maintain quality ice efficiently and moved the entire system outside the facility. This reduced the ammonia used to provide a safe environment for clients, patrons and staff.
- New Ticketing System - this required the changing of an entire network system, installing new equipment and retraining staff. The result is a more user friendly system for patrons, providing mobile purchases, a reduction in on-line fees, and the ability to pick seats. This new system will open the door to other patron ticket opportunities and has lowered the operational costs.
- New point of sale system – the introduction of a new system for managing the ENMAX Centre's food and beverage helps provide better service and in the future, online order capabilities. The new system which will be full installed by early 2020, allows for system flexibility and efficiencies in operations, and streamline the back of house requirements.
- Recycling and Environmental programs – the ENMAX Centre was able to fully implement a recycling program, expanding into public areas and adding organic diversion.
- Additional services at the Yates - the ENMAX Centre now operates concession services at the newly



Old Dominion Concert

renovated Yates Theatre. The Yates Ticket Centre has expanded its services through the new ticket system with print at home and mobile ticketing now available for Yates events.

- Rental Program – the ENMAX Centre has expanded its equipment rental program to the public and organizational groups which now includes food and beverage items, and pickup and delivery services.

DID YOU KNOW?

- When purchasing tickets to any event make sure you use the ENMAX Centre's website: www.enmaxcentre.ca. There are scams, replicated sites, URLs that look similar to this one. Please make sure you are always using the correct site.

Lethbridge Transit's vision is to pursue innovative ways to provide the best, customer focused, public transportation system that will meet the needs of our community. Transit's mission is to provide a safe and efficient public transportation system that allows our community access to economic, social, educational or leisure opportunities. This is done by providing services within the City of Lethbridge, with a fixed route, conventional service and a door-to-door paratransit service (ACCESS-A-Ride).

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- In August 2019 Lethbridge Transit moved the downtown terminal off of 4 Avenue South to the new Regional Park 'n Ride terminal located on 5 Avenue South. Along with the move into the new terminal, the City formalized a lease/service agreement with the regional transportation provider - Red Arrow.
- Six new Transit buses arrived to replace older units.
- Transit and ACCESS-A-Ride ridership increase to 1,605,053 in 2019 from 1,436,502 in 2018.
- 2019 saw the introduction of a fogging disinfection system that is used on the entire Transit and ACCESS-A-Ride fleet. This system protects the staff and clients by eliminating pathogens on all hard surfaces that are difficult to disinfect when using spray devices or wiping rags.



Transit Park 'n Ride Terminal

- A new ACCESS-A-Ride user guide was developed and presented to clients.

Accessibility Enhancements

- Visual and audio annunciation was commissioned on all transit buses for the visually and hearing impaired.
- 2019 saw six new ACCESS-A-Ride vehicles commissioned to replace

older units without the Incline wheel chair winching system. This system helps operators load standard and oversized wheel chairs by winching/retracting passengers up a ramp.

- The accessible bus stop project continued into its fourth year and an additional 16 stops were completed throughout the city.



ACCESS-A-Ride Driver

DID YOU KNOW?

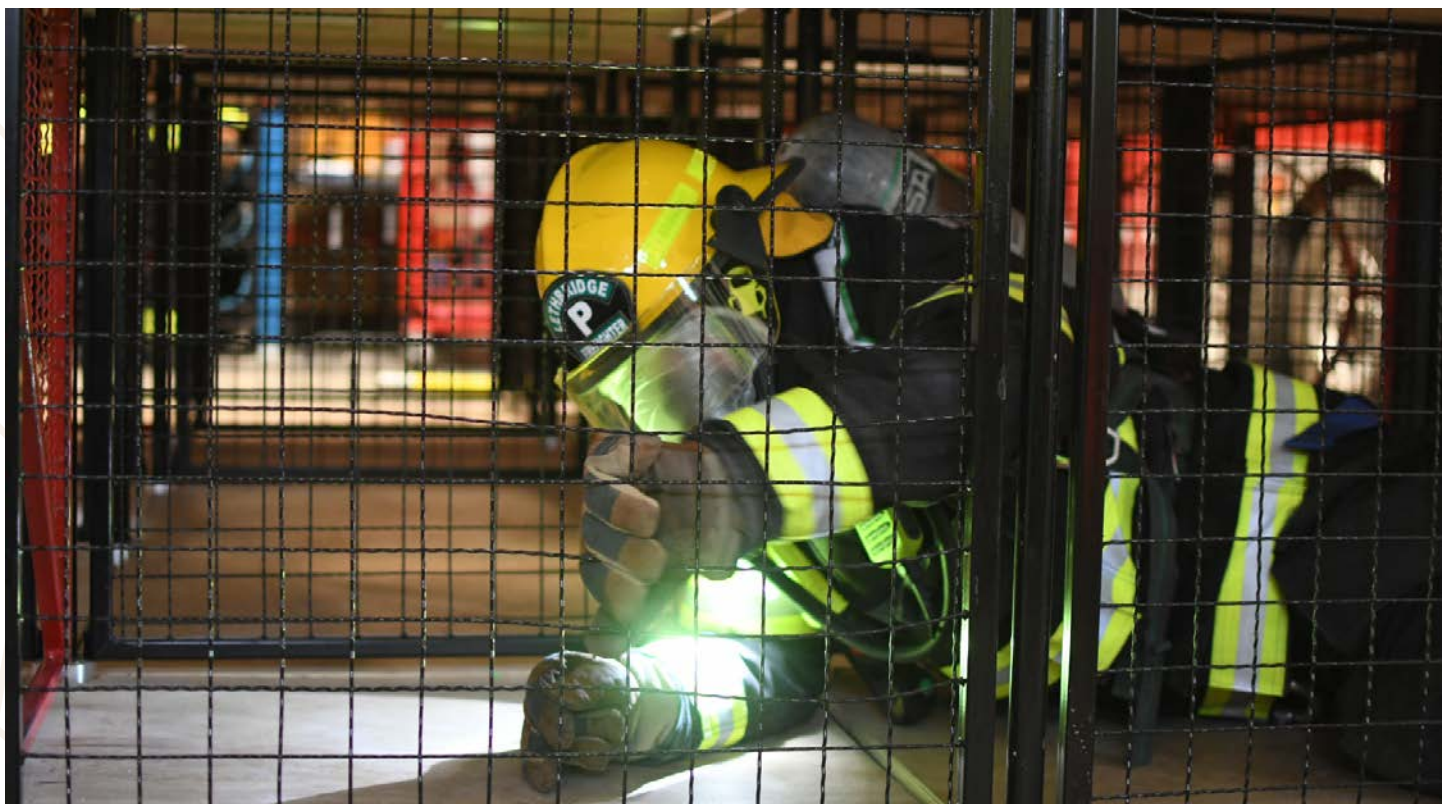
- Public transportation is a safer way to travel when compared to an automobile. A person can reduce his or her chance of being in an accident by more than 90% simply by taking public transit as opposed to commuting by car.
- About 100,000 people board Lethbridge Transit buses every 3.5 weeks.

- Lethbridge Transit is among the most modern, safe and comfortable public transit systems in Canada, 100% of the buses have:

- security cameras
- electronic fare collection
- exterior bike racks
- automated stop announcements
- fabric seats
- accessibility for wheelchairs

LETHBRIDGE FIRE & EMERGENCY SERVICES

Lethbridge Fire & Emergency Services is one of the leading, longest operating, fully integrated Fire and Emergency Medical Service (EMS) departments in the province. Every ambulance and every fire truck in Lethbridge is staffed with, at minimum, one advanced life support paramedic. There are also fully equipped water rescue, rope rescue and hazardous materials teams in Lethbridge. The fire suppression teams train to National Fire Protection Association accepted standards and the EMS division is fully accredited. The fire prevention bureau is a leader in public education and liaises with other government agencies to lobby for safer codes and a safer community.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

In 2019, Fire Chief Rich Hildebrand and Deputy Chief Roy Pollmuller retired. Filling these key positions was accomplished when Marc Rathwell was hired as the Chief and Kelly L'Hirondelle as Deputy Chief.

Recruitment

The second of three hiring groups for the new Station #5 was completed.

- The substantial recruit process involved sending 40 applicants to the University of Alberta

for physical testing, followed by a physiological/personality test, behavioral test, fire fighter aptitude test, medical scenario/ written test and an interview.

- Six successful candidates joined the Lethbridge Fire and Emergency Services team where they embarked on an extensive 12 weeks of Fire/EMS training prior to active duty.

Training and Safety Division

Significant milestones accomplished in 2019 were:

- The entire department completed the National Firefighters Protection Association 1001 course, which will help firefighters to meet current job challenges safely and effectively.
- An Officer Academy was developed and rolled out to 10 Officers. This course is comprised of leadership training and technical skills.
- A cancer awareness curriculum was rolled out to all Fire and Emergency Services employees.

LETHBRIDGE FIRE & EMERGENCY SERVICES

Grassland Wildfire Mitigation Pilot Project

A goat grazing pilot project was developed to reduce the risk of wildfires by minimizing the amount of highly flammable brush in the undeveloped grassland areas within city limits.

A \$20,000 grant from Forest Resource Improvement Association of Alberta (FRIAA) was used to fund the project.

Goats are an environmentally friendly alternative compared to prescribed burns or mechanical thinning.

Fire Station #5 - West Lethbridge

Design of the City's newest Fire Station was complete in 2019 and the construction contract awarded. Fire Station #5 is located in the Watermark subdivision of west Lethbridge.

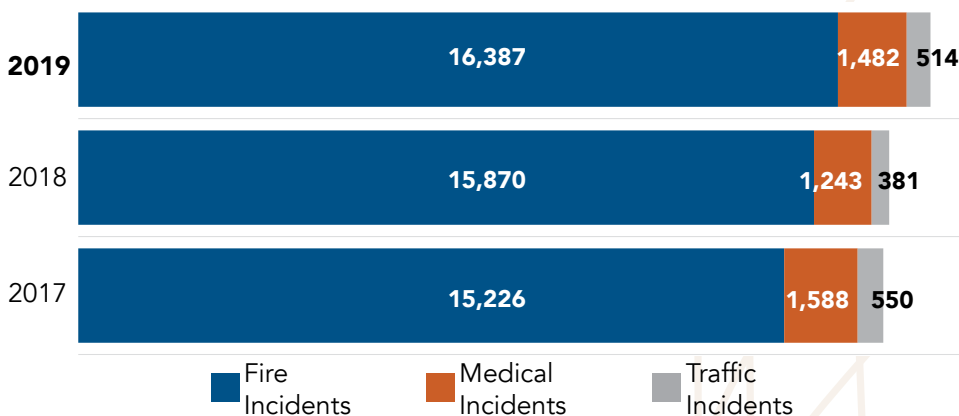
- Construction started in December of 2019.
- This Fire Station is expected to serve the community for the next 50 years or more.
- The new facility will include three drive-through apparatus bays, living quarters, administrative and support services space as well as areas for training.



Grassland Wildlife Mitigation Pilot Project



FIRE, MEDICAL AND TRAFFIC INCIDENTS



DID YOU KNOW?

- Completion of the fire training classroom/work area allowed for enhanced training to occur at Station 4.
- Lethbridge Fire and Emergency Services had a busy year helping deliver babies with one of those events occurring on a Red Arrow bus.
- With the recently released Emergency Management Bylaw, the City is well positioned to prepare, respond and recover from emergencies and disasters.

PUBLIC SAFETY COMMUNICATIONS CENTRE

The **Public Safety Communications Centre (PSCC)** serves the public by answering 9-1-1 and dispatching the appropriate emergency service responders. The PSCC provides services to the City of Lethbridge, as well as Alberta Health Services (AHS), rural fire agencies and some rural community policing. The PSCC also manages and maintains the Alberta First Responders Radio Communication System (AFRRCS) for the City of Lethbridge and the Province's local portion.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Instituted Term Training Officer Position to gain consistent recruit and refresher training.
- Finalized CAD2CAD software upgrades for interoperability with Alberta Health Services for ambulance dispatch.
- PSCC was accredited as an Emergency Medical Dispatch Centre for 1 year with the International Academies of Emergency Dispatch (IAED).
- Began preparations for completing the Commission on Accreditation for Law Enforcement Agencies (CALEA).
- Planned for radio and computer aided dispatch lifecycle replacement.
- Encrypted all Fire and Police Radios to prevent unauthorized listeners from creating events in order to listen in.
- Completed an operational review of PSCC processes and management to improve efficiency and effectiveness of service delivery.
- Initiated preparations for the Next Generation 9-1-1 (NG9-1-1) project. As telecommunications networks evolve, the NG9-1-1 project will help to implement these technological advancements by receiving voice and text messaging from those who need emergency assistance.
- Acquired Wi-Fi capability to program radios, reducing overall time for programming.
- Successfully lobbied console manufacturers for inclusion of a radio attenuation module in all new consoles.



DID YOU KNOW?

- 64,347 9-1-1 calls were received by PSCC staff in 2019 versus 67,113 in 2018.
- In 2019, there were a total of 29,040 fire and 60,741 police events that were dispatched.
- 24,216 Alberta Health Services events were dispatched in 2019 versus 23,770 in 2018.

Cemetery Services manages and maintains four municipal cemeteries including: Archmount, Mountain View, Royal View Memorial and St. Patrick's and provides essential services to those who have experienced the loss of a loved one. Cemetery Services also manages and maintains the grounds of the recently designated Municipal Historic Resource, Nikka Yuko Centennial Garden, built as a "Canadian garden in the Japanese style" to celebrate Canada's Centennial Anniversary (1967).

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The Grasslands Green Burial - Royal View Memorial Cemetery (RVMC)

In 2019 Cemetery Services completed an environmentally friendly burial option in Lethbridge that is becoming more popular in other parts of Canada. The Cemetery Master Plan identified that City Cemeteries should consider offering a green burial area for those in the community who wish to leave a lesser environmental footprint.

Pine and spruce trees have been planted along the perimeter of the section with plans to add more in the coming years. A pathway was built in keeping with the concept of green to allow walk-in access into the area. Communal monuments have been placed along the pathways for those who choose to be memorialized.

The concept of the green burial at RVMC focuses on five principles:

- No Embalming
- Direct Earth Burial
- Ecological Restoration and Conservation
- Communal Memorialization
- Optimize Land Use

The United Empire Loyalists Dedication Plaque and Ceremony - Mountain View Cemetery (MVC)

On September 8, 2019, a unique plaque dedication ceremony was held at the Mountain View Cemetery to recognize and remember



United Empire Loyalists' Plaque at Mountain View Cemetery

the descendants of the United Empire Loyalists that are buried in Lethbridge. The United Empire Loyalists' Association of Canada, is an organization dedicated to enriching the lives of Canadians through the knowledge of the past, in particular the history of the United Empire Loyalist and their contribution to the development of Canada. This plaque is the first of its kind in Alberta and in western Canada, west of Manitoba.

Representatives from the Government of Canada MP Rachel Harder, Government of Alberta MLA Nathan Neudorf, Mayor Chris Spearman, City Councillor Belinda Crowson and representatives of United Empire Loyalists Association of Canada

attended the dedication. Special recognition was given to Patricia Brown as well as Lethbridge Police Chief Rob Davis at the ceremony as they are both descendants of Loyalists.

DID YOU KNOW?

- When operating backhoes, Cemetery Services uses a special attachment called a ripper that help to dig more efficiently during the winter months.

RECREATION & CULTURE

Recreation and Culture provides opportunities for residents to enhance their personal well-being and quality of life. This is achieved through both direct services (providing and operating facilities) and indirect services (partnership agreements) whereby community groups deliver programs and/or operate facilities. In addition, support is provided to community organizations who offer recreation and cultural opportunities in the community. This support includes expertise/advice in recreation and cultural programming, day-to-day organizational management and financial assistance.



Near and Far - Derek Besant, ATB Centre Public Art

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Opening of ATB Centre Phase 2

After eight years of planning and construction of a new leisure centre in west Lethbridge, ATB Centre Phase 2, home to the Cor Van Raay YMCA opened on May 4, 2019. The final phase of this project included an aquatics area with amenities such as: waterslides, Lethbridge's first Flow Rider, a lazy river, and lap and leisure

pools. The facility also includes an indoor track looking down on six full-sized courts, a large fitness area with group class space, childminding, a child care centre and an indoor playground.

Public art was included in the aquatics and hallway spaces, adding colour to the facility. The Sports Hall of Fame will be added in 2020, in the concourses connecting the two phases.

The official ribbon cutting event took

place on June 14 with government representatives and funders in attendance. ATB Financial staff served cake to members of the public who visited the facility that day.

Since opening, membership numbers have exceeded all expectations and this final phase of ATB Centre has created a facility that is not only popular in the community, but has gained attention from other municipalities looking to build or expand on similar facilities.

Logan Boulet Arena

On March 30 2019, City Council voted to rename Adams Ice Centre to Logan Boulet Arena. Logan was a local hockey player who lost his life in the tragic 2018 Humboldt Broncos bus crash. After the story of his organ donation became public, more than 200,000 Canadians signed up to become organ donors. The legacy he has left across Canada is significant, and with Adams being his favourite rink, the renaming honours his memory and impact. The official unveiling of the exterior signage and a display case filled with mementos of Logan display case inside, took place on October 26 with his family, community members and members of City Council in attendance.

Major Events Visit Lethbridge

2019 saw a number of national and international events come to Lethbridge. The University of Lethbridge, with support from the City, brought the 2019 U SPORTS Cavendish Farms University Cup in Men's Hockey to Lethbridge in March. Rogers Hometown Hockey visited the ENMAX Centre for two days during the U SPORTS event so hockey fans had a double-billing during that time. A few weeks later, the Pioneer Hi-Bred World Men's Curling Championships spent over a week in Lethbridge with 13 men's teams from around the world participating. In June, the community enjoyed the second Lethbridge Paradise Canyon Open as a stop on the Mackenzie PGA tour. This event first visited Lethbridge in 2018 and is booked in again for 2020. Rounding out the year, Sik-Ooh-Kotoki celebrated their 50th anniversary by hosting the National Association of Friendship Centres' weeklong AGM and meetings. This included a two-



Yates Theatre Ribbon Cutting

day celebration for the community with a Pow Wow and Indian Relay Race. This was, for many community members, their first experience with this extreme sport, which will now be making a regular appearance during the annual racing season.

Genevieve E Yates Theatre Renovation Celebration

To celebrate the completion of the Yates Theatre renovations, a ribbon cutting event was held on the stage of the Yates Theatre on September 6, 2019. Funders from all levels of government took part in cutting a special ribbon created by a local artist, displaying motifs for music, drama, and dance. During Arts Days in late September, the public was invited to tour the newly renovated building and to experience demonstrations with the new lighting and sound systems.

DID YOU KNOW?

- 10 organizations were approved for Community Capital Project Grants.
- Lethbridge has 7 ice centres, 4 indoor pools and 2 outdoor pools.
- Over 1,500 program registrations were approved through the Fee Assistance Program.
- Solar panels were installed at ATB Centre Phase 2, which is expected to yield 38,400 kWh of energy per year.

HELEN SCHULER NATURE CENTRE

The **Helen Schuler Nature Centre** is one of Lethbridge's premier attractions where people and nature meet. Situated on a 200 acre nature preservation park with scenic views of coulees and cottonwood forests, the Centre offers a wide range of programs that inspire a sense of wonder and respect for the natural world around us.



Annual visitation in 2019 was 58,687 people. This marks the sixth consecutive year for record setting attendance.

SUCCESS STORIES

River Valley Conservation

On World Environment Day, The Great Canadian Shoreline Cleanup, a conservation partnership of Ocean Wise Canada and WWF Canada, officially recognized Lethbridge as a *Clean Shoreline Community*. This designation acknowledges the Helen Schuler Nature Centre Volunteer Program as a leader among Canadian cities, addressing the important issue of shoreline litter, while bringing civic pride to the forefront of the community.

Lethbridge Plays

The Nature Centre is an active participant and promoter of the *Lethbridge Play Charter*, which recognizes the importance of play for all aspects of child development, health and wellness. It outlines a commitment from the City and local groups to support programs and opportunities for play. In June, the Play Charter was officially launched to the broader community at a variety of events including *Nature Play Day*.

KEY HIGHLIGHTS

On the Trails

Fun and creative outdoor displays and mini exhibits were developed using temporary, moveable installations. These activities reached 7,303 people over 126 days in a variety of parks.

People Powered Electric Generator

Energize, a new climate education exhibit, features interactive learning focused on energy. Visitors discover how electricity is generated and used, and how activities, like personal choices, impact energy conservation and sustainability. A bike generator is a popular station. Visitors provide the fuel needed to charge a cellphone or run an electric fan, all while enjoying the benefits of active-living through exercise!

Environmental Leadership

The Natural Leaders Project (NLP) program ranked top 3 in the province for Public Education and Outreach (Alberta Emerald Awards). Due to changes in grant programs, the NLP will require new funding sources beginning in 2022.



StoryWalk® is a popular program that encourages residents to get outside and enjoy the trails in all seasons.

HELEN SCHULER NATURE CENTRE



The Alberta Birds of Prey is one of more than 100 community organizations the Nature Centre partners with each year.

PROGRAMS AND EVENTS

2019 was another successful year. Nature Centre staff and volunteers offered a wide range of programs and events that included:

Nature, Art and Science

A wide range of themes were explored in 12 unique exhibitions that used highly interactive components and locally relevant content. 20,751 visitors were engaged.

Stewardship, Care and Concern for our Environment

1,706 volunteers removed 476 bags of garbage as part of the annual Coulee Clean-up Event. This is one of many restoration and naturalization projects coordinated by the Nature Centre's Conservation Team.

Together with Nature

The Nature Centre's Education Team delivered a total of 671 registered and drop-in public programs. These programs provided 15,401 people the opportunity to connect with nature and other people in their community.

Supporting Community Events

The Nature Centre's Outreach Team hosted fun and educational activities at 56 community events in 2019, promoting the benefits of nature and being outside to 7,658 people.

Armchair Naturalists Need to Know!

The Nature Centre's website, Facebook, Twitter and Instagram sites invite people to connect with nature and events happening in the Lethbridge river valley. The Centre's Information and Education Team interacts with more than 35,000 virtual visitors each year.

DID YOU KNOW?

- The Nature Centre has a bigger impact in our community thanks to the support of The Friends of the Helen Schuler Nature Centre Society. In 2019, the Society raised \$176,850, further supporting capital improvements, programs and nature appreciation.
- 2019 marked the largest one-time grant funding received in the history of the Nature Centre's operations, with a \$100,000 capital grant from the Co-op Community Spaces Program.
- The largest personal donation in the Nature Centre's history contributed an additional \$20,000 to the Outdoor Classroom Project.

COMMUNITY SOCIAL DEVELOPMENT

Community Social Development (CSD) is responsible for working in the community and with the community to implement social policy in Lethbridge through the administration of social service contracts. The City of Lethbridge social policy envisions a city in which all individuals, families and communities have opportunities for healthy development leading to social wellbeing.



Clean Sweep Program

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Community Social Development

CSD provides support for national, provincial and municipal funding agreements for social services agencies and community based grants including:

- **Family and Community Support Services (FCSS):** FCSS is an 80/20 funding partnership between the Government of Alberta and the City of Lethbridge to ensure preventive and early intervention social services can be accessed by citizens in need.
- **Outreach Support Services Initiative (OSSI):** OSSI is a Provincial program through Alberta Human Services that provides the City of Lethbridge with funding to assist homeless individuals to obtain housing and provide the support services and referrals required to maintain long-term housing stability.
- **Reaching Home (RH):** RH is the Government of Canada's Homelessness Strategy community-based program aimed at preventing and reducing homelessness across Canada.
- **City of Lethbridge:** Each year the City of Lethbridge allocates funding through Community Based Grants and Fee For Service to support initiatives through numerous local social service agencies.

COMMUNITY SOCIAL DEVELOPMENT

CSD Community Wellbeing & Safety Strategy (CWSS)

In 2019, CSD Strategic Plan and Needs Assessment were completed which then led to develop the Community Wellbeing & Safety Strategy. The CWSS will address high level priorities and help move community efforts in the same direction with clear accountabilities and timelines for social challenges in Lethbridge. The four key concepts of the CWSS are:

- Systems Planning & Integration.
- Collective Impact.
- Individual Wellbeing.
- Community Governance.

The CSD department will convey information and support the coordination of diverse efforts to implement the CWSS which will lay the framework for programs and services that support the health and wellbeing of all residents in the community. The implementation of the CWSS will include the next steps:

- Creation of a communication and engagement strategy.
- Consolidation and coordination of initiatives, programs and funding sources relating to community wellbeing and safety.
- Creation of a community-based governance model with the City acting as the systems planner to support the CWSS implementation.



Lethbridge Asset Mapping Project

Lethbridge Asset Mapping Project (LAMP) is a collaboration of human services organizations working together to map and analyze the services provided by groups and organizations within Lethbridge. HelpSeeker, is the online tool used to map the supports and services in Lethbridge. Systems mapping is an essential step in executing a community-wide initiative tackling wellbeing, safety, homelessness, or other complex issues. From July to September 2018, HelpSeeker mapped 400 services and in 2019 this number grew to 1,500.

Municipal Housing Strategy Implementation Plan

In 2019, City Council approved the Municipal Housing Strategy Implementation Plan for Lethbridge. This plan will guide the City and its housing partners to address the housing needs in Lethbridge. The implementation plan takes the objectives from the stakeholder informed Municipal Housing Strategy and builds on current capacity while encouraging innovation and greater collaboration amongst traditional and new housing partners.

Program Highlights

A sampling of some of the programs CSD supported in 2019:

- Housing and Homelessness Supports:
 - The Diversion Outreach Team (DOT)
 - Project Connect
 - Clean Sweep
- Drug Crisis Interventions:
 - Safety Community Call Centre
- Children and Families:
 - Building Brains Together
- Racism and Discrimination:
 - Coalition of Municipalities Against Racism and Discrimination (CMARD)
- Senior Citizens Supports:
 - Lethbridge Elder Abuse Response Network (LEARN)
- Social Health:
 - Social Health Equity Network of Lethbridge and Area (SHENLA)

DID YOU KNOW?

- 154 individuals who were experiencing homelessness were housed in 2019.
- Currently DOT serves over 211 individuals per month.
- Lethbridge is the first city in Alberta to coordinate funding for FCSS, OSSI and RH portfolios simultaneously.
- There are approximately 6,000 support services provided by groups and organizations within Lethbridge.

INFRASTRUCTURE SERVICES

Lethbridge Electric Utility

Parks

Transportation

Waste & Recycling Services

Waste & Recycling Corporate Sustainability

Water, Wastewater & Stormwater

Urban Construction

Building Inspection Services

Planning & Development

Customer Service & Business Support



LETHBRIDGE ELECTRIC UTILITY

Lethbridge Electric Utility (LEU) provides the community access to electric energy through a well-managed and dependable system. LEU 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 where distribution involves the final step of delivering electricity to homes and businesses.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Capital Maintenance Program

Progress was made with the Three Phase Mainline Renewal Program. This program maintains the reliability of electrical power supply to customers. During 2019 this program included:

- Renewal and life extension of core assets (mainline feeders) to provide bulk power shipment through the electric distribution system.
- Proactively reviewing and renewing the mainlines to minimize the number of faults that could occur and affect thousands of customers.
- Maintaining the level of reliability that currently exists on the distribution network.

Pancakes & Power Poles

Customers were able to learn about LEU at a Pancakes & Power Poles Charity Breakfast. The public saw what it takes to keep the lights on in Lethbridge. During this celebration:

- Attendees were treated to a fine skills display from the Power Line Technicians and an understanding that this is not a job for someone with a fear of heights!
- 350 attendees with donations of \$850 going to Harbour House.
- The public enjoyed the pole-top rescue demos, climbing on an electrical truck and riding the power pedal interactive bike.
- Displays included a distribution transformer station, a hydrovac truck, and a fibre optics van.



New Capital Projects

The Cavendish Farms expansion was completed and has enabled a large area of North Sherring Industrial Park to be energized. Highlights included:

- An additional 20 megawatts (MW) of new system capacity added to the North Sherring Industrial Park area.
- Efficient use of infrastructure spending with the advancement of Cavendish Road construction.
- Installation of permanent power infrastructure to support further significant additions in the area as load necessitates.
- Effective long term routing of power cables between the supply LEU substation and Sherring Industrial Park delivery points.

Three Phase Mainline Renewal Program

DID YOU KNOW?

- LEU is responsible for 41,487 meters.
- There are over 100 solar rooftop installations in Lethbridge.
- Cooler summer temperatures in 2019 resulted in a peak demand for electricity of 169.05 megawatts (MW) set in July. In 2018 an all time high peak demand of 179.65 MW was set in August when the temperature reached 42°C.
- Lethbridge Electric rates are based on "how" the system is used rather than "who" uses the system.

PARKS

Parks aims to provide residents with a variety of recreational options that meet a broad range of needs. Maintaining 389 parks and natural areas, Parks staff manage playgrounds, ponds and over 250 kilometres of pathways. Our City parks are continually developed and maintained to enhance the quality of life of Lethbridge residents.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Cottonwood Park Path

Cottonwood Park is a preservation area located in the river valley. A number of improvements were made at the park including:

- The existing 700 metre-long red shale path was upgraded to a 1.5 metre-wide limestone path.
- Stairs and handrails were added to improve safety and accessibility.
- A 1.5 metre-wide limestone path was constructed along the existing maintenance vehicle access road, which improves accessibility to the park while accommodating maintenance access to the park.
- The parking lot was expanded to double the capacity from 9 to 18 stalls.
- The main gate and old barbed wire fence along 60 Avenue West was replaced with a new post and cable fence, utilizing recycled plastic posts.

Chinook Park Path

Lifecycle replacement of the remaining 275 metres of path around the Chinook Park storm pond was completed. The multi-year project replaced the asphalt pathway with more robust concrete, and extensive drainage was included to handle the runoff from the adjacent yards. This improvement will prevent the soil from staying saturated and provide a better base for the path.

Goats

Invasive weeds grow across the river valley, spread out in such a way that makes them difficult to manage. Targeted grazing with goats covers large areas in shorter time and goats



Goats Grazing

seek out specific weeds while leaving behind native grasses and wildflowers. Roughly 250 goats were hired for a 45 day targeted grazing project, focusing on leafy spurge and wormwood in Alexander Wilderness, Indian Battle and Botterill Bottom Parks. The 230 acres were grazed twice to maximize stress on the weeds and reduce further reproduction.

Assiniboia Playground

The wooden playground, originally constructed in 1997, was replaced with new equipment to comply with current safety guidelines. The new engineered wood fiber surface improves accessibility and the new equipment provides a range of play value for children between 5 – 12 years old.



Bocce Ball Courts Upgrade

The bocce ball courts in Redwood Park were resurfaced, covering four courts over a total area of 270 square metres. The existing shale-like surface required regular maintenance including grooming prior to and during play, and weed maintenance. The surface was replaced with a synthetic turf product which addressed these issues as well as increased surface uniformity, consistency for players, and accessibility for all users.

Community Partnerships

Lethbridge College

The City has had an ongoing partnership with Lethbridge College for several years. Current projects include:

- Inviting students to make recommendations that supported the development of management plans for parks in the river valley. This project provides students with an opportunity to address real challenges associated with preserving natural areas while accommodating public use.
- Working with experts at the College to learn more about

sustainable, adaptive management principles and urban wildlife management.

- Working with students to build the Wild Lethbridge website and app for citizen science data collection. This work encourages park visitors to report wildlife sightings, helping build a sense of respect and encouraging conservation for the wildlife and habitat around the city. As a result of this work, Lethbridge is now connected to the nationwide species data sharing community, iNaturalist.ca, which is operated by the Canadian Wildlife Federation.
- Developing two wildlife movement models to raise awareness about wildlife movement and understand ways to mitigate conflict between wildlife and humans.

Lethbridge College/University of Lethbridge

A new partnership between the College and the University will help gauge the attitudes of residents toward urban wildlife. This research will help the City create strategies that will

Bocce Ball Courts in Redwood Park create more positive relationships and attitudes toward local wildlife.

Horticulture Society

A partnership was formed with the Horticultural Society of Lethbridge to enhance the Ornamental Garden at Legacy Park. The Society constructed a waterfall, rose garden, wood planters, and planting beds while the City provided the infrastructure to support these projects. The Society also provided approximately \$75,000 dollars in amenities and close to 2,000 volunteer hours to enhance the park.

DID YOU KNOW?

- Over 11,793,000 kilograms of carbon is stored and over 521,600 kilograms of oxygen is produced each year from the 47,000 trees planted by the City.
- Parks manages over 700 kms of irrigation pipe.
- The free Parks app can be used to navigate the 250 kms of pathways and all of the parks in Lethbridge.

TRANSPORTATION

Transportation's mission is to provide a safe and efficient transportation system for the general public, transit and emergency services and to maintain it to an acceptable level in perpetuity. "Keeping Lethbridge on the Move" safely and efficiently, whether it be walking, cycling, taking transit or driving a vehicle is Transportation's motto. This is done by developing a truly multi-modal transportation system for today and long into the future.

The Transportation Department performs many interrelated activities through three primary areas: operations & maintenance, planning & engineering and roads/infrastructure which also includes traffic signals & street lights. All these activities strive to provide excellent customer service and develop strong relationships both with public and within the organization.

The work of the Transportation Department includes:

- Managing transportation operations; snow removal/ice control, street sweeping, road/bridge maintenance, as well as sidewalk/pathway maintenance.
- Operating, constructing and maintaining traffic and rail signals.
- Managing all aspects of capital construction projects and transportation assets.
- Managing traffic and parking operations.
- Maintaining approximately 12,500 street lights and parks lighting.
- Managing an operating budget of approximately \$14 million and transportation assets worth over \$750 million.



New signal poles and accessibility pedestrian crossing ramps located at University Drive at Grand River Blvd/Rocky Mountain Blvd West.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

University Drive Construction

The University Drive Twinning project started in April 2019. This project includes the design and construction of the second two lanes of University Drive West from the existing four-lane section just south of the University of Lethbridge Stadium access to Sunridge Blvd and Riverglen Link West. It also includes new asphalt pathways, two new traffic signals and a new two-lane roundabout. This project has a budget of \$10.9 million with an anticipated completion date of November 2020.

Whoop-Up Drive Bridge Coating

This project included the removal of existing paint by sandblasting and re-painting (coating) the structure of the eastbound Whoop-Up Drive over the Oldman River bridge structure. This project was required to protect the bridge structure and maintain safe driving conditions for residents. The work was contracted for a budget of \$4.42 million (the actual cost of work completed was \$4.05 million). The work started on April 2019 and was completed on October 31, 2019.

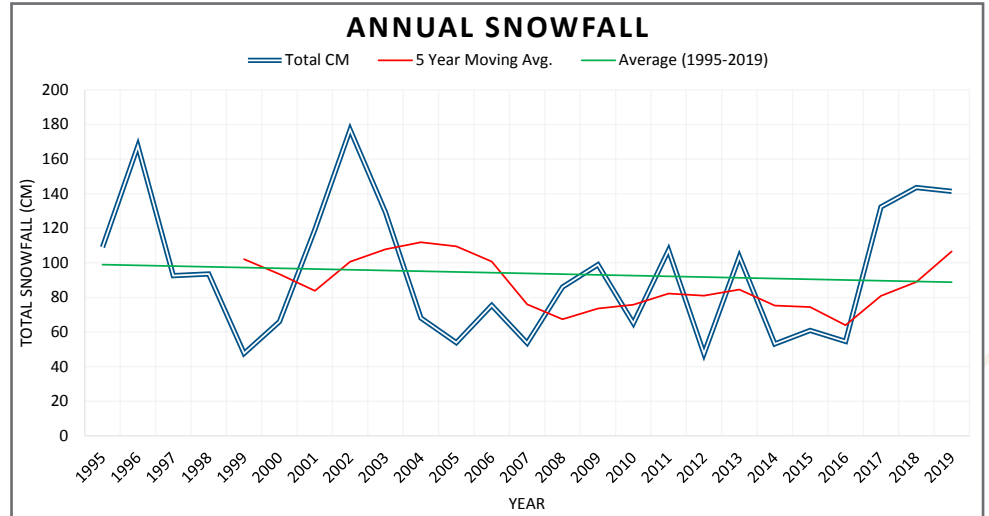


TRANSPORTATION



Lethbridge Regional Park 'n Ride Facility

The Lethbridge Regional Park 'n Ride Transit Terminal was completed and commissioned in September 2019. This building is located on the previous Bompas surface parking lots at 5 Avenue South between 7 Street and 8 Street South. This new Park 'n Ride



parkade has increased the number of parking stalls from the 100 surface parking stalls to 301 with 206 available for monthly public rental. In addition, this building houses the City's Transit terminal, Red Arrow Intercity Bus Station and proposed retail and office spaces.

Snow and Ice Control Program

In 2019, Lethbridge received 141 cm of snow, which was greater than 30% of the 5-year average and greater

than 50% of the 20-year average (see graph). One major accomplishment of Transportation Department was commissioning of the west Lethbridge salt storage facility in order to obtain road treatment materials from the west Lethbridge facility as well as the north (Public Operations) facility to improve response/turnaround times.



Lethbridge Regional Park 'n Ride Facility



DID YOU KNOW?

- While, the population grew by 1.7% in 2019, the roadway length increased by 1.3% and the sidewalk by 1.6%.

In 2019, the Transportation department maintained:

- 726 km of sidewalks and 583 km of paved roads.
- 131 km of pathways along roads.
- 217 km of back lanes.
- 150 traffic signals, 52 pedestrian actuated signals and 13 rail signals.
- 12,500 street lights.

WASTE & RECYCLING SERVICES

Waste & Recycling Services (WRS) provides residents and businesses with collection, disposal and recycling services that are environmentally safe, timely and cost effective. Traditionally, waste management systems have focused on collection and disposal but there is a shift to environmentally sustainable waste management practices. WRS also works on developing programs that focus efforts on waste prevention and waste diversion.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Phase 1 of the Curbside Recycling Program wrapped up in April and Phase 2 of the program began. Phase 2 saw the implementation of a city-wide roll out to all single family homes, including initiation of a program for multi-unit dwellings. Since launching Phase 2 in May, the City has collected good, clean residential material that was marketed into the North American recycling industry.
- The 45,000 square foot Materials Recovery Facility (MRF) officially opened on May 8 at the Waste and Recycling Centre. The MRF sorts and processes the City's recyclables before they are baled and sold to other companies for processing into new products. The City's curbside recycling program boasts one of the lowest contamination rates across Canada due to the excellent citizen participation rates combined with the advanced new sorting facility.
- Processing of glass, concrete, and other manufactured rock and aggregate products was substantially completed in 2019. The materials will be used in construction and landscaping applications such as using processed glass as an additive to traditional base aggregate materials. A pilot program was launched to use the glass collected at the City's recycling stations as part of the construction for new walking paths along University Drive and Métis Trail.



Curbside Recycling Blue Cart Delivery

- In the summer of 2019, bee hives were added at the Waste and Recycling Centre. The facility is an ideal place for the bees as it has a large grassed footprint providing an environment where pollen and nectar can be readily collected. The City is in the process of enhancing this even further with a landscaping initiative that includes plants, grasses and trees that benefit the bees. All of the honey collected by the City will be donated.
- In 2019 the City began inspecting loads at the landfill in an effort to discourage businesses from landfilling recyclable and hazardous materials. With over 300 inspections per month taking place and planned contaminated load surcharges, the program is expected to create a strong financial incentive for businesses to recycle.

DID YOU KNOW?

- 22,052 tonnes of curbside residential waste was collected in 2019, a decrease of 2,845 tonnes from 2018.
- 100,444 tonnes of waste was received at the landfill, a decrease of 11,634 tonnes from 2018.
- 2,352 tonnes of recyclables were received as part of the new curbside collection program.
- 17,931 tonnes of recyclables were received at the Waste & Recycling Centre, an increase of 3,177 tonnes from 2018.
- Over 400 students participated in school tours at the landfill and over 1,500 students were given in-class presentations.

WASTE & RECYCLING

CORPORATE SUSTAINABILITY

Corporate Sustainability is a cross functional team that works within Waste & Recycling Services to imbed environmental sustainability into City operations. Corporate Sustainability focuses on supporting City business units in meeting or exceeding environmental regulations, walk the talk, sustainable best practices and policy. Corporate Sustainability's work is divided into four focus areas: Air, Land, Water and Waste, with the overall goal of all areas increasing resiliency, adaption and mitigation for the organization.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Air

- As a participating member in the Partners for Climate Protection, a greenhouse gas baseline was created for the City and the community. The next milestone underway includes setting a greenhouse gas emission (GHG) target for the City.
- Worked on finding fuel efficiencies for the corporate fleet, which include monitoring fuel consumption and the types of vehicles that the City operates.
- Started energy consumption tracking for the City's buildings, including energy audits to realize opportunities for efficiencies.
- The Alternative Fuels Feasibility Assessment analyzed the City's fleet including Transit, ACCESS-A-Ride and School Buses. The assessment determined its current GHG emissions and provided recommendations for alternate fuels. This assessment will enable the City to make informed decisions on the transition to a greener fleet, to help achieve GHG reduction targets, improve community health and maintain the natural environment.

Land

- Worked on creating a useable database of environmental reports for the corporation to support pre-planning and increasing project efficiency.



Lethbridge Coulees Aerial View Photo Credit: Ali Cole

Water

- Current research is underway to monitor the corporation's water consumption and provide recommendations for additional efficiencies.

Waste

- The City participates in a mixed recycling program that includes paper, cardboard, plastic, tin cans and deposit bottles. This material is collected and processed at the Material Recovery Facility, located at the Waste and Recycling Centre.
- Five City facilities were involved in the Corporate Organics Pilot to lead the way for the industrial, commercial and institutional (ICI) sector. The lessons learned from this pilot will be made available to the ICI team and businesses for future application.

- Green meetings kits were created for various meetings or functions within the City. These kits can be signed out by employees and include washable dishes, mugs, cups, cutlery and water jugs to help reduce the use of single use plastics and styrofoam.

DID YOU KNOW?

Annual greenhouse gas emissions for Lethbridge was: 1,460,426 tCO₂e, which includes:

- City of Lethbridge: 165,708 tCO₂e for buildings, fleet, streetlights, water, wastewater and solid waste.
- Community: 1,294,718 tCO₂e for all other buildings and transportation.

WATER, WASTEWATER & STORMWATER

Water Utility provides a clean, safe and reliable supply of drinking water to the community. **Wastewater Utility** collects, treats and disposes of wastewater to ensure that water is available and suitable for future use. **Stormwater** manages surface run-off water to protect the community and the watershed from damage.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Infrastructure and Operations

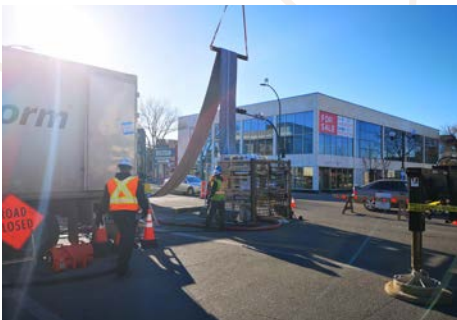
Annual Neighbourhood Sewer Lining

The first year of the annual neighbourhood sewer lining was a great success. Over six kilometres of sewer lines were rehabilitated using cured-in-place pipe lining, which reduces the risk of pipe failure. Lining the neighbourhood sewers provided many benefits over traditional trenching and still delivers a high quality product. The project was completed faster with a lower impact to residents, offering a cost savings of 90% and a reduction of 1,500 tonnes of greenhouse gases compared to traditional trenching.

North Siphon

This project supports expansion in the Sherring Industrial Park and future growth in north and southeast Lethbridge to increase sewer capacity. This involved the installation of:

- 3.5 kilometres of forcemain.
- 1.1 kilometres of siphon.
- 500 metres of gravity main.



Sewer Lining

Operations

It was a busy year responding to a significant number of watermain breaks. Operations are taking a proactive approach to watermain breaks, ensuring an immediate and professional response to service requests. This work involved:

- Repairing 90 watermain breaks.
- Over the last 15 years the average was 54 watermain breaks a year.
- 13,000 employee hours responding to service requests.
- Installation of 24 new services in residential, commercial and industrial sectors.

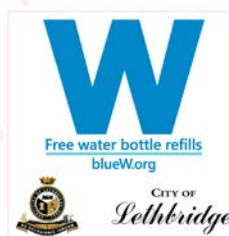
Education and Outreach

Yellow Fish Road

This is a free program that involves painting yellow fish beside storm drains to remind the community that storm drains lead directly into the Oldman River, untreated! In 2019, there were 281 storm drains painted, 543 door hangers handed out, 114 youth participants and 53 adult participants.

blueW

This community program is dedicated to promoting municipal tap water. Water bottles can be refilled at locations with a blueW sticker in the window. There are currently 30 businesses in Lethbridge signed up for this program.



Watermain Break Repair

Adopt A Storm Drain

This is a free program that allows community members to adopt a storm drain in their neighbourhood, keeping it free of debris and clean year-round. Currently there are 30 adopted storm drains within Lethbridge.

DID YOU KNOW?

In 2019:

- 1,500 hydrants were flushed.
- 47 hydrants were repaired.
- 10 new fire hydrants were installed.
- Water operation staff responded to 1,900 sewer service requests including blocked sewers, video investigation, tracing and unusual smells.

URBAN CONSTRUCTION

Urban Construction connects the City of Lethbridge Infrastructure Departments and the development industry. This connection creates cost effective community growth and ensures the quality of municipal infrastructure meets residents' needs for safe, livable, affordable and sustainable communities.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Any work within existing right of ways (ROW) such as a road, lane, sidewalk or boulevard requires authorization and permits from the City. In 2019, the following permits were issued by Urban Construction:

- 790 excavation permits.
- 323 line assignments, which is the process of allocating space in the ROW for services such as electricity, gas and telephone lines.
- 140 hoarding permits.

Planning

During 2019, the Right Of Way Management unit of Urban Construction, finalized the right of way planning and use guidelines. These support utilities and other ROW users and create efficiencies in the review and processing of permits.

Residential Development

Development continues through the city with new residential phases this year in Broadcast, Crossings, Great Bear Blvd and Southbrook. Through these new phases a total of 38 hectares was developed bringing 144 newly serviced lots to the home building industry.

Industrial Development

Significant work was completed in the Sherring North Industrial Expansion allowing for the development of the new Cavendish potato processing facility and other new industrial businesses establishing themselves in Lethbridge. Urban Construction has been actively monitoring the work to ensure the infrastructure meets community standards.



Sherring Business & Industrial Park

BUILDING INSPECTION SERVICES

Building Inspection Services provides Safety Code services to Lethbridge residents as well as professional home builders, commercial contractors, architects and professional engineers. The department ensures that minimum occupant and building safety requirements regulated by building codes are met. Building Inspection Services is regulated by Provincial Legislation, in the form of the Safety Codes Act, Building, Plumbing, Electrical, Propane and Natural Gas Codes and Standards.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Building Inspection Services continues to grow strong relationships with the local construction industry. This is done by sitting on technical committees at the residential level, Building Industry and Land Development Alberta (BILD Alberta) and at the commercial level with the Lethbridge Construction Association.
- At the Provincial level, the department participates with seats on the Plumbing and Electrical Sub Councils of the Safety Codes Council. Sub councils work in partnership with code officials from

both Alberta Municipal Affairs and the Safety Codes Council to ensure codes are understood, clarified where necessary and interpreted consistently across the Province.

- Staff continue to hold positions in Professional Associations such as the Alberta Building Officials Association, the Electrical Inspectors Association of Alberta, and Alberta Mechanical Officials Society.
- 2019 saw some large projects completed and Building Safety Inspection Services was instrumental in providing prompt, efficient service in order to enable unimpeded building systems commissioning and occupancy permission. This assisted with the

start-up and ongoing operations, particularly at the Cavendish Farms facility where the department was invited to participate in the grand opening ceremonies.

DID YOU KNOW?

- In 2019, Building Inspection Services issued 7,339 permits (building, electrical, gas and plumbing).
- In 2019, there were 26,592 calls for inspections.

PLANNING & DEVELOPMENT

Planning and Development services works with residents and businesses to ensure that their aspirations, goals and values are reflected in the natural and built environment. The department ensures the smart growth and development of Lethbridge by helping create places for residents to live, work and play. Planning and Development's work is guided by provincial legislation and City Council approved plans, policies and bylaws.

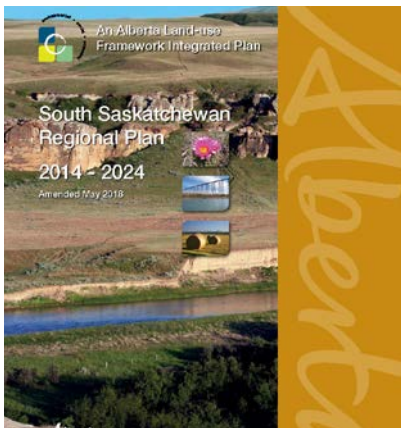
SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Regional Planning - South Saskatchewan Regional Plan (SSRP)

The SSRP is provincial legislation, that outlines environmental, economic and social outcomes for land within the South Saskatchewan River Basin including the cities of Calgary, Lethbridge, Medicine Hat, Airdrie and Brooks. The SSRP stated that, by September 1, 2019, all regulatory instruments that have been enacted by a municipality must be in compliance with SSRP. All municipalities affected by the SSRP were required to submit a Compliance Declaration to the Alberta Land Use Secretariat confirming compliance with the SSRP.

In order to ensure compliance, the City reviewed its bylaws, procedures, regulations and municipal planning documents for compliance with the SSRP.

Through this review, it was found that the City of Lethbridge was in compliance with the SSRP. The SSRP Compliance Declaration was signed by the City Manager and submitted to the Provincial Land Use Secretariat on July 31, 2019.



South Saskatchewan Regional Plan

Policy Planning

The Integrated Community Sustainability Plan / Municipal Development Plan (ICSP/MDP), sets the vision and goals for the City of Lethbridge over the next 40 years. The ICSP/MDP provides a legislative framework for Lethbridge as a whole to plan for the growth and the changing needs of residents. The review of the ICSP/MDP included a workshop with Council and engagement sessions with the public, the Blackfoot Confederacy, Métis Nation Local 2003 and the urban indigenous population.

Growth Planning

In 2019 a number of undeveloped sites in Lethbridge received planning approvals to allow for new growth development. This included new residential development in west and south Lethbridge and new industrial development in the Sherring Business and Industrial Park. This also included rezoning and subdivision approval to facilitate the construction of a new Fire Station in the southern part of west Lethbridge.

Heritage Planning

In 2019, a new Municipal Historic Resource was designated by City Council: The Bank of Montreal Building (also known as The Gate church), at 522 – 3 Avenue South (photo attached). This brings Lethbridge's list of designated Municipal Historic Resources to 27.

Work also began to update the City's Heritage Management Plan, by focusing on opportunities to expand the scope of Lethbridge's heritage program to include Indigenous heritage.

With the heritage program now well into its second decade, some of the oldest historic plaques in the city's downtown were beginning to become worn and illegible. A refurbishment program was instigated this year, with nine plaques removed, refurbished and reinstalled.

Major Redevelopment

A highlight for 2019 was a major redevelopment project at 2810 Fairway Street South, for Optical Studio Ltd. The building and site renewal project includes:

- Partial building demo to increase parking supply and improve vehicular circulation.
- Accessibility and mobility improvements.
- Cycle parking.
- Modernization of the exterior of the building, providing visual frontages.
- Interior development for an optical studio and retail dispensary including office/staff are on a partial second floor.

DID YOU KNOW?

In 2019 there were:

- 274 subdivision lots approved.
- 1,007 development applications approved.
- 1,062 compliance letters issued.

CUSTOMER SERVICE & BUSINESS SUPPORT

Customer Service delivers information to customers, the construction industry, and the community regarding planning, zoning, development, building code, and permitting. Staff perform reviews to ensure permit applications are complete, and maintain detailed records for all development and building projects. **Business Support** provides analytical and technical expertise for the City's municipal software system and related online services. Analysts design, implement, and support these solutions for customers by applying a diverse knowledge of legislation, business processes and technical requirements.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Property & Addressing Technician Role

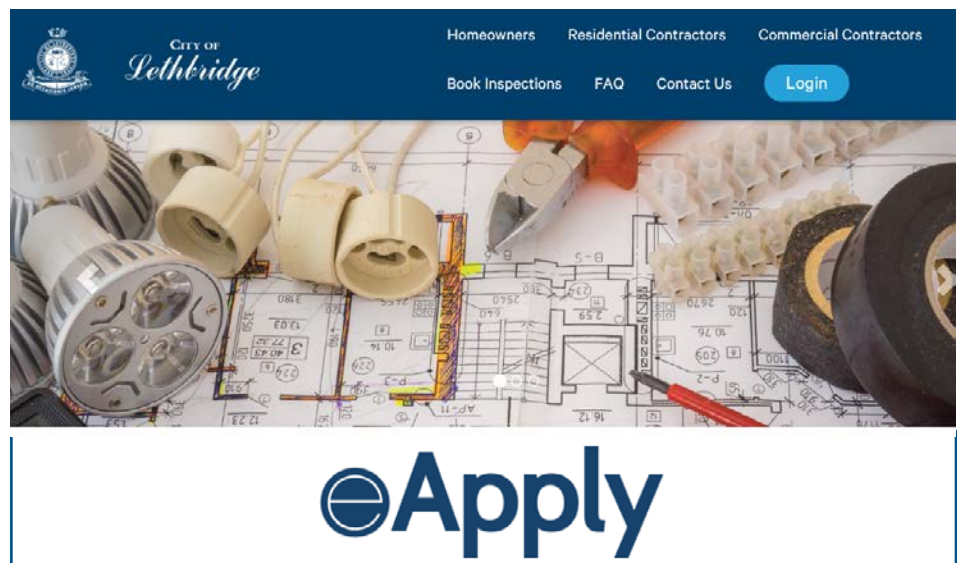
Through staff restructuring, a dedicated technical role was created to assist with the maintenance of property information and to perform addressing functions for Lethbridge. The Property and Addressing Technician is guided by the Municipal Naming and Addressing Bylaw and works to ensure buildings have correct addresses to facilitate easy and efficient identification for residents, utility providers and first responders.

Digitization of Permit Application Processes

In April, several commercial applications were made available to contractors including plumbing, gas, electrical, HVAC, and hydronic heating permits became available through eApply online permitting. The design and testing of digital plan review for commercial building permit applications is currently underway to assist safety codes officers to achieve increased efficiencies for construction drawing reviews and permit issuing.

Metrics, Statistics & Open Data

Building and development permit data was released online, making information available and accessible to the public and stakeholders. Business Support staff have worked directly with a number of professional organizations, contractors, builders,



and developers to assist with accessing the data for their business purposes. Staff are exploring new technologies to assist stakeholders with interpreting, visualizing and making use of the data.

DID YOU KNOW?

- 8,568 permit applications processed include:
 - 1,880 commercial applications.
 - 6,653 residential applications.
 - 35 demolition applications.
- 461 addressing requests processed (secondary suites, subdivisions, corrections, etc.).
- Permit applications initiated online were:
 - 66% of all permits (development & safety codes).
 - 76% of all safety codes permits.
 - 84% of residential safety codes permits.
 - 40% of commercial safety codes permits (a significant 1st year adoption rate)
 - 91% of residential subtrade safety codes system-issued permits.

GOVERNANCE

Real Estate & Land Development

Downtown Redevelopment

Corporate Communications



REAL ESTATE & LAND DEVELOPMENT

Real Estate and Land Development provides land management and land development services. Land management entails acquiring, managing and selling the City's real estate holdings. Land development transforms vacant land owned by the City into serviced, developable parcels of land for residential, industrial, recreational and commercial use. This process includes storm and wastewater systems, utilities, construction of roads, curbs and sidewalks, the installation of road signs, street lights, benches and fences.



Crossings' Playground

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Crossings

Crossings is continuing to see plenty of housing construction activity in the subdivision. Lots in Phase one through four are sold out. Phases six and seven are moving forward with servicing lots, as well as a future elementary school site. The design work for the school grounds is substantially complete and will feature the latest and greatest of playground equipment. It will provide a welcoming space adequate for a large number of children from

ages toddler to teen and will have a focus on accessibility and inclusivity. Construction of the playground will be completed in late 2020.

Sherring Business and Industrial Park

2019 saw the continued construction and expansion of Sherring Business and Industrial Park which will provide opportunity for economic development and job creation in Lethbridge.

Watermark

To facilitate growth demands in west Lethbridge, construction of Great Bear Boulevard in the community of Watermark was completed to provide infrastructure service connection and road access for a new Fire Station.

RiverStone

The community of RiverStone is nearing completion with lot sales continuing in phases 22 and 21A.

DOWNTOWN REDEVELOPMENT

The City of Lethbridge is committed to the continuous improvement of downtown and adjacent areas. This is accomplished by the proactive leadership of the Heart of Our City Committee and the Urban Revitalization Department who leads engagement and coordination of internal departments, stakeholder groups, and public in the design, planning, transformation and overall revitalization initiatives of the downtown.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Cleanliness and Security in the Downtown

The Downtown Clean and Safe Strategy was introduced in 2019 and has been successfully implemented over the past year and \$1.6 million was approved by Council to support the strategy through 2022. The strategy continues to focus on:

- Addressing real and/or perceived notions that downtown is messy, dirty, and feels unsafe.
- Initiatives that makes the community feel safe and to reduce negative sentiment.
- Build confidence in investors for the purpose of increasing vibrancy and revitalization.
- Develop understanding for the purpose of dispelling myths about safety.



New Development in the Downtown



Outdoor Parklet at the Umami Shop

Adaptive Reuse Incentive Program

A new development incentive was launched to support businesses and property owners wishing to renovate or adapt existing buildings that are historically significant, are deteriorating or that need improvement to meet current fire and building codes.

Parklet Pilot Program

A pilot program for parklets, a form of temporary outdoor seating that replaces one or two parking stalls by extending the sidewalk in front of businesses, was launched to test potential options as well as to gain

feedback from businesses and general public. Feedback was positive and a full program will be launched in 2020.

Downtown Branding

The Heart of Our City Committee and the Downtown Business Revitalization Zone partnered on the development of a new 'downtown brand' that moves from independent organization to place-based branding built on a common vision and narrative for downtown. The brand is grounded in the community brand 'Brighter Together' and will be launched in spring 2020.

DID YOU KNOW?

- Activity Grant attracted over 50,000 people to 22 events taking place over 110 days.
- 45 Main Street funded projects took place revitalizing building facades, signage and security.
- 7 Adaptive Reuse applications were approved for significant improvements to existing buildings.
- City's first Targeted Redevelopment Incentive Program (TRIP) application approved for a \$4.8 million redevelopment - the largest single private investment downtown in nearly 20 years.

CORPORATE COMMUNICATIONS

Corporate Communications provides strategic support to all City of Lethbridge departments to ensure the creation of timely and informative public messaging that earns the trust, respect and confidence of the community. As stewards of the City of Lethbridge brand, Corporate Communications manages all external communication channels including media relations, social media and the City of Lethbridge website. The Corporate Communications mission is to tell the City of Lethbridge story and our vision is a proud and connected community.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The Communications department continued to support program and service messaging including road construction, water and wastewater maintenance, power outages, snow removal and street sweeping, the annual census, service changes and holiday closures to name a few.

Throughout 2019 there was a continued focus on the development of proactive program messaging while balancing responses to community issues. This included assisting in the development of content and materials for:

- Curbside Recycling spring rollout to Lethbridge residents
- Grand opening and awareness campaign for the new 311 Customer Contact Centre
- Grand opening of the Cor Van Raay YMCA at ATB Centre (ATB Centre Phase 2)
- Grand opening of the Lethbridge Regional Park 'n' Ride Transit Terminal
- The Genevieve Yates Memorial Centre renovation project

Corporate Communications provided regular support to City Council throughout 2019 by coordinating media relations and social media as well as regularly updating website content with highlight packages of newsworthy items from City Council meetings.



The renaming ceremony of Adams Ice Centre to Logan Boulet Arena, was the most liked image on the City of Lethbridge's Instagram feed for 2019 with 1,956 likes.

DID YOU KNOW?

- Total page views on lethbridge.ca in 2019 = 2.6 million.
- 20,600 Twitter followers.
- Top Tweet was about school busing cancellation due to the September snowstorm, which made 76,646 impressions and received more than 1,000 engagements.
- 15,702 Facebook Page likes.
- Top Facebook Post was about the downtown parking code for Christmas which had a reach of 52,200 people.
- 84,000 minutes of video were viewed through our Facebook page and the top video was the 2019 Census results.
- 357 public service announcements, news releases and media invitations were sent to local media.



CITY OF
Lethbridge

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

