



CITY OF
Lethbridge

CITY OF
LETHBRIDGE

2018 ANNUAL REPORT

December 31, 2018
Alberta, Canada





City of Lethbridge
910 - 4th Avenue South
Lethbridge, Alberta, T1J 0P6
lethbridge.ca
facebook.com/cityoflethbridge
twitter.com/LethbridgeCity

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



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The City of Lethbridge 2018 Annual Report, including the financial statements, is the responsibility of management.

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MAYOR'S MESSAGE



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

Mayor Chris Spearman

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

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

I want to thank all City staff and my City Council colleagues for the time and effort that went into this important initiative. Council deliberated over every dollar in the budget, understanding that a significant tax increase was not something we were willing to burden our residents with. We also had to consider the issues that need to be addressed, particularly in response to the community drug crisis. Finding that balance was extremely challenging.

In the end, we managed the lowest tax increase in over 20 years at just 1.82 per cent per year over the next four years, while introducing several new initiatives to help keep our community clean and safe.

In conjunction with our operating budget deliberations, City Council also instructed administration to conduct an independent fiscal performance review of all City operations over the next three years. The results of this review will help us

make thoughtful, fact-based decisions that will get more value out of every tax dollar and I look forward to getting this work underway.

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

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

When it comes to growth, west Lethbridge continued to lead the way in 2018. This year we completed two key arterial road projects to help manage this growth with the twinning of the west end of Whoop-Up Drive and the new section of Métis Trail between Walsh Drive West and Whoop-Up Drive. City Council fast-tracked these projects to deal with pressure on our transportation network in west Lethbridge. We have also started on the design of the next road construction project – the twinning of University Drive from the community stadium to Sunridge Boulevard.

In 2018, we broke ground on our newest capital project in downtown Lethbridge. Using pre-cast concrete blocks, the Regional Park 'n' Ride Transit Terminal has quickly taken shape. This facility will help address



Looking east down 7 Avenue South from 14 Street South - Photo Credit: Kevin MacLean

convenience and safety challenges in the downtown core and create an opportunity for the addition of a regional transit service. This project also includes a three level parking structure (293 stalls) which will help relieve some of the downtown parking pressures.

When it comes to economic growth, City Council's decision to acquire the Lethbridge Airport from Lethbridge County has to be the most significant change in 2018. If we want to attract world class companies, we have to be able to fly out of Lethbridge and ship out of Lethbridge. The ability to make changes at the airport that will expand and enhance services is critical to our economic future.

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

Addressing issues related to the community drug crisis has been an important focus for 2018. As a community, we value cleanliness and safety which is why the drug crisis has many residents concerned. The City of Lethbridge is working closely with stakeholders like the Downtown BRZ and Lethbridge Police on initiative that will help our community feel safe and proud to call Lethbridge home. We will also continue to collaborate

with our provincial health partners and advocate for the services needed.

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

Chris Spearman
Mayor





Legislative & Administrative Organization Chart

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

Director of City Manager's Office Jody Meli

- Supporting Council's Strategic Priorities & Communications
- Corporate Communications & Marketing
- Regional & Intergovernmental Relations
- Corporate Strategic Planning
- Information Technology
- Downtown Redevelopment

Land Development/ Real Estate Michael Kelly

Acting City Solicitor Shari Shigehiro

City Clerk Aleta Neufeld

Human Resources Jason Elliot

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
- 311 Customer Service
- 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 we demonstrate our ongoing commitment to creating a welcoming and inclusive community for all.”

Bramwell Strain - City Manager

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

We experienced steady growth in Lethbridge in 2018 as well as some great successes. The population growth remained strong, as witnessed by a 1.6 % increase, increasing our population to 99,769. This growth rate exceeded the 2017 figure of 1.4% and continued to advance the steady, incremental growth our area has become accustomed to. Growth appears particularly strong among the 30-39 demographic, with this component of the population increasing by more than 2,200 individuals compared with five-years prior (2013). The Lethbridge Census Metropolitan Area (CMA) has welcomed more than 2,900 new permanent residents (those who have been granted permanent resident status in Canada) since 2015.

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

Construction employment was particularly strong in our region last year, undoubtedly bolstered by the abundance of major local projects (Cavendish Farms, ATB Centre and the University of Lethbridge Destination Project.) Jobs in this industry sector

increased by 2,800 in our economic region on a year-over-year basis (that is, there were 2,800 additional construction jobs in the Lethbridge-Medicine Hat economic region in 2018 vs 2017).

Information, Culture & Recreation (+1,700), Transportation & Warehousing (+900), Finance, Insurance, Real Estate, Rental & Leasing (+900) and Accommodation & Food Services (+900) were other local sectors that witnessed strong employment growth in 2018.

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

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

CITY MANAGER'S MESSAGE



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

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

Bramwell Strain
City Manager

LETHBRIDGE AT A GLANCE

99,769

Lethbridge
Population



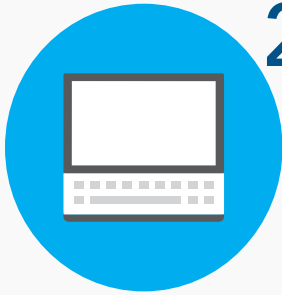
40,300

electric
meters



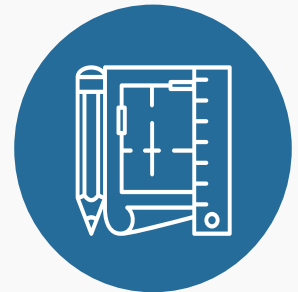
2.6 million

lethbridge.ca
website views



6,600

permits issued by
Building Inspection
Services



14,700 tonnes

of recyclables received at
the Waste &
Recycling Centre



575 km

of paved roads





53 million litres

of drinking water
processed on a
daily basis



2.4 million kms

driven by Lethbridge
Transit busses



104 Trees

planted at City
Cemeteries

2018



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 including cybersecurity
- 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
- Reviewed Financial Personnel Succession Planning
- Reviewed the Signing Authority Policy
- Reviewed a number of Financial Services Administrative policies
- Participated in education sessions related to 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.

2018 Audit Committee Members:

Mayor C. Spearman

Councillor B. Crowson

Councillor J. Mauro

Councillor R. Miyashiro

Councillor J. Coffman (alternate)

April 15, 2019

CITY TREASURER'S: FINANCIAL STATEMENT DISCUSSION & ANALYSIS



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

Hailey Pinksen - City Treasurer

The 2018 Annual Report of the City of Lethbridge (the “City”) provides information to all members of the public about the City’s 2018 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 2018 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, 2018 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:**

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 (as opposed to net debt) 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.

- **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).

2018 FINANCIAL HIGHLIGHTS

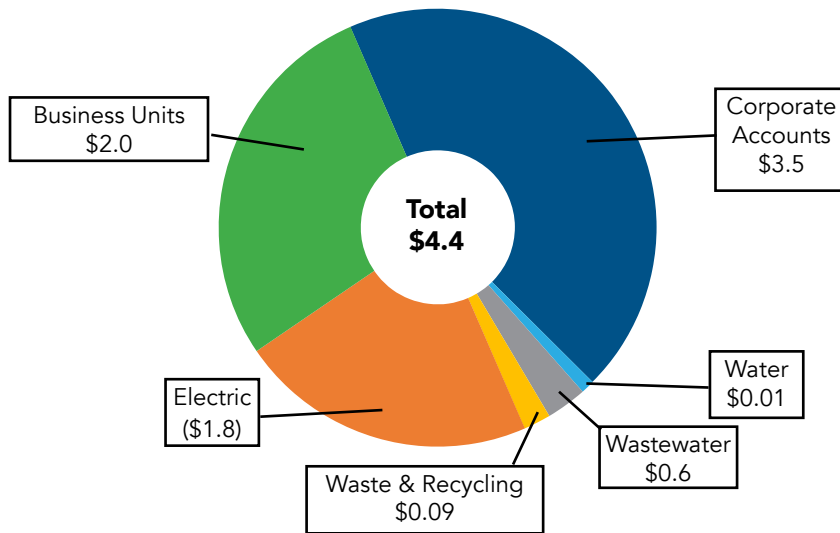
2018 was the final year of the four-year 2015-2018 Operating Budget. The Business Units within our organization continue to do an admirable job of providing established levels of service to our community and managing budget funds responsibly within our overall operating budget.

During 2018, the City realized a consolidated annual unrestricted surplus of \$4.4 million, (2017 - \$2.6 million) as shown on Schedule 1.

The City of Lethbridge will continue to monitor our financial performance and strategies over the 2019 operating budget period to address growth and

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2018 ANNUAL UNRESTRICTED SURPLUS (millions)



increased demand for services. We also have 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 2018 General and Utility operations for the period ended December 31, 2018. As noted above in the 2018 Annual Unrestricted Surplus graph, the City ended the year with a \$4.4 million unrestricted Surplus (as shown in Schedule 1). This surplus consists of a \$3.5 million corporate surplus, a \$0.09 million surplus in Waste and Recycling Services, a \$0.6 million surplus in the Wastewater Utility, a \$0.01 million surplus in the Water Utility, a \$1.8 million deficit in the Electric Utility and an overall \$2.0 million surplus from tax supported Business Unit Operations for the 2015-2018 period.

General Operating Results

Corporate Accounts ended the year with a \$3.5 million surplus. For 2018, 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 policy, this \$3.5 million Corporate Account surplus and the \$2.0 million surplus from tax supported Business Unit Operations for the 2015-2018 period 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 \$2.0 million. The surplus in property taxes of \$1.4 million is due to higher than anticipated cumulative growth in residential and commercial properties over the period 2015-2018. The surplus in general revenue of \$0.6 million was mainly due to higher than budgeted transfers from the

Water and Landfill Utilities to General Operations, higher than budgeted penalties on taxes and increases in general revenue accounts.

Permit, development and license revenue ended the year with a positive variance of \$0.9 million. While Land use amendments, subdivision and development activity was slightly lower than forecast, building permits and inspection revenues for new commercial and institutional construction was higher. In addition, growth in the number of business licenses combined with a fee increase resulted in an overall positive variance.

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 \$1.2 million. Positive variances were experienced in electricity and City utility costs. This was partially offset by a negative variance in natural gas costs due to carbon tax levies.

Employee Benefit accounts ended the year in a positive variance of \$0.2 million. The most significant contributing factors were lower than anticipated rates for medical and dental coverage and a reduction in pension contribution rates.

The Public Operations Capital Improvement Program Project (Fleet Services Building) had a negative variance of \$1.1 million as a result of an unrecoverable receivable for construction costs.

Business Unit Results

To accommodate the four-year budget cycle, Business Units are expected to operate within their 48 month budget. At December 31, 2018, any

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

variance from the 2018 Business Unit operations and the remaining 2015-2017 rollover are recorded within the \$4.4 million Consolidated Annual Unrestricted Surplus and will be transferred to the Municipal Revenue Stabilization Reserve in the following year.

The overall \$2.0 million surplus from tax supported Business Unit Operations for the 2015-2018 period was made up of a \$2.3 million positive variance from the rollover remaining from the 2015-2017 Business Unit operations and a \$0.3 million negative variance from the 2018 Business Unit accounts.

Overall, the Infrastructure Services Business Unit operating accounts had a \$0.7 million positive variance for the 2015-2018 period. The largest contributing factor was due to a \$0.6 million positive variance from Transportation. Transportation had a positive variance of \$0.3 million in 2018 primarily due to under expenditures to paved lane, roadway, railway and bridge maintenance as well as a \$0.3 million rollover remaining from the 2015-2017 operating activities. The remaining \$0.1 million positive variance is attributable to the other Infrastructure Services Business Unit operating accounts.

The Community Services Business Unit operating accounts had a \$0.5 million positive variance for the 2015-2018 period. This was primarily the result of a \$0.2 million positive variance in Recreation and Culture, a \$0.2 million positive variance in Regulatory Services, and a \$0.1 million positive variance in Transit. The Recreation and Culture had a \$0.1 million positive variance in 2018 operations primarily due to the timing of the opening of the ATB Centre Phase 2

(Leisure Complex) and a \$0.1 million rollover remaining from the 2015-2017 operating activities. Regulatory Services and Transit had a \$0.2 million and \$0.1 million rollover remaining from the 2015-2017 operating activities respectively.

The operating accounts for the Planning and Development Business Unit ended 2015-2018 period with a positive variance of \$0.3 million. This was primarily due to the rollover remaining from the 2015-2017 operating activities of \$0.2 million and \$0.1 million for Inspection Services and Development Services respectively.

General Government Business Unit operating accounts had a \$0.3 million positive variance. This was the result of \$0.3 million positive variance within the Mayor and City Council Office. This positive variance is due to a \$0.1 million surplus during 2018 in unused travel, promotional materials, and communication expenses as well as \$0.2 million positive variance due to the rollover remaining from the 2015-2017 operating activities.

Corporate Services Business Units ended the 2015-2018 business cycle with a \$0.2 million positive variance. This is primarily due to the rollover remaining from the 2015-2017 operating activities for Financial Services, Human Resources and Information Technology.

Utility Operating Results

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

Overall, Waste and Recycling (comprised of the Waste, Recycling and Landfill services) ended the year with a surplus of \$0.09 million. This was primarily due to Landfill revenues

being greater than budgeted due primarily to increased 2018 tipping fees in support of the business recycling strategy.

Wastewater Utility ended the year with a positive variance of \$0.6 million. The largest contributor to this surplus was from residential, regional, commercial and industrial revenue of \$0.4 million which was the result of higher than budgeted sewage loading from industry. Additionally, a surplus of \$0.2 million primarily due to lower than anticipated collection costs.

Water Utility ended the year with a small positive balance position from operations. This was primarily due to water revenue which ended the year with a positive variance of \$2.2 million (10% greater than budget) as a result of higher residential, general services and commercial water sales. This was offset by a negative variance of \$0.9 million due to an increased amount of commercial and industrial water meter replacements and other maintenance and operational activities. Additionally, an allocation of \$1.3 million was applied to approved capital projects in order to reduce proposed borrowings.

The Electric Utility ended the year with a \$1.8 million negative variance from operations. Fibre Operations ended the year with a \$0.2 million positive variance, mainly due to depreciation, allocation of administration, general expenses, and system operation expenses being lower than budgeted. The Distribution tariff ended the year with a positive variance of \$0.3 million primarily due to Distribution Access (Wire Services Provider) due to an over collection of revenue from the increase in rates from 2017 to 2018. The Regulated Rate tariff experienced a small positive variance due to ongoing low energy prices.

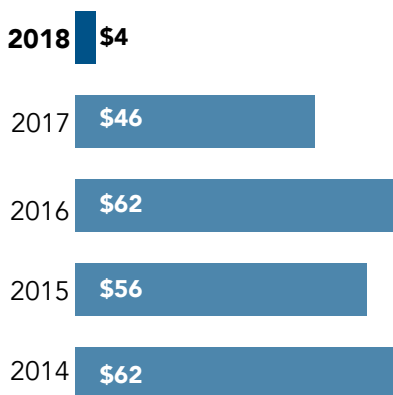
FINANCIAL STATEMENT DISCUSSION & ANALYSIS

These positive variances were offset by a \$2.3 million negative variance in the Transmission tariff primarily due to a required change in the recorded useful lives of Transmission Assets used in previous years that resulted in the assets being depreciated over a longer period of time than the actual estimated useful lives as per Alberta Utility Commission approved guidelines.

FINANCIAL POSITION

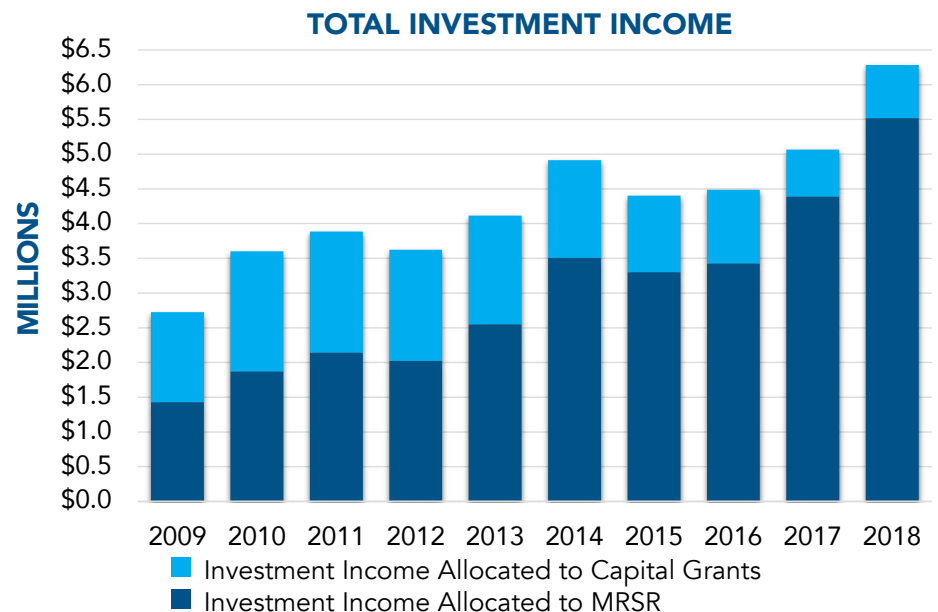
The overall financial position of the City of Lethbridge ended 2018 with year-end net financial assets totaling \$4 million (2017 \$46 million). This positive net financial assets number is an indicator of the ability of the City to meet its obligations and continue to provide services into the future.

NET FINANCIAL ASSETS (millions)



Financial Assets

The City's 2018 total financial assets of \$403 million increased by \$3 million from the prior year (2017 \$400 million), which is primarily due to an increase in receivables. This increase in receivables was due to a timing of claims to other levels of government 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 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 2018 was \$308 million (2017 \$290 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 2018 gross interest income earned from the portfolio was \$6.1 million (2017 \$5.0 million). The City's 2018 average portfolio yield of 2.1% (2017 1.8%) was higher than the Government of Canada 3-year Benchmark yield of 2.05% (2017 1.2%).

Liabilities

The City's 2018 total financial liabilities of \$399.6 million increased by \$46.2 million compared to the prior year results (2017 \$353.4 million), primarily due to an increase in debenture debt of \$27.9 million and an increase in deferred revenue of \$22.3 million. The increase in these liabilities was offset by a reduction in other liabilities of \$4.0 million.

Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balance of \$64 million at the end of 2018 has decreased by \$3 million over the prior year balance of \$67 million.

Trade accounts payable decreased by \$3 million primarily due to the timing of construction and capital expenditures during 2018.

Employee Benefit Obligations

Employee benefit obligations ended the year with a balance of \$13.8 million which was a decrease of \$0.2 million from the previous year. This is primarily due to decreases in vacation and overtime liabilities.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Deferred Revenue

Deferred revenue is made up of contributions from other levels of government, prepaid taxes and other revenue deferrals. The \$22.3 million increase 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 2018, deposits and other liabilities decreased by \$0.8 million primarily due to a decrease in trust fund and utility customer deposits.

Debenture Debt

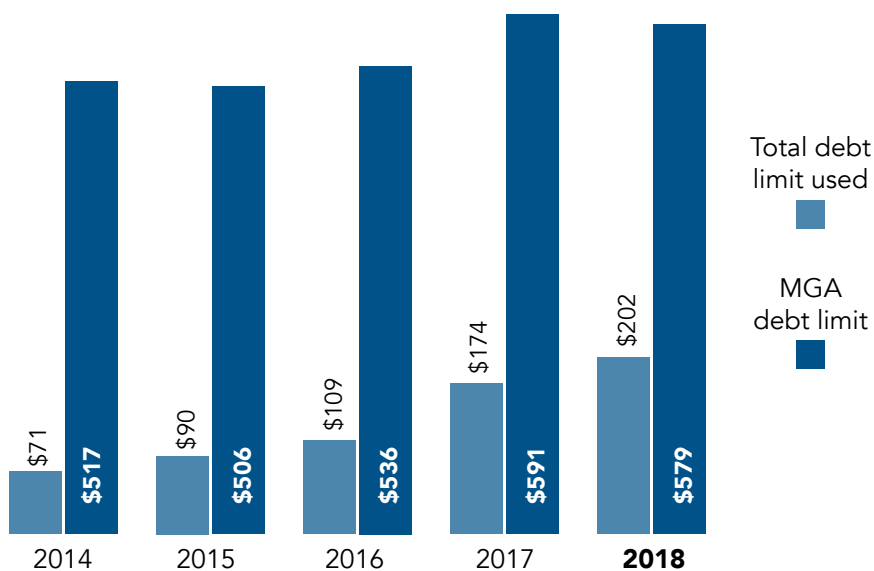
In 1989, City Council adopted a policy of Pay-As-You-Go financing for general municipal (non-utility) capital expenditures, which provides for a fixed amount to be applied to taxation supported debt payments and funding of capital projects. A complementary policy was that of utilizing City reserves to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

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.

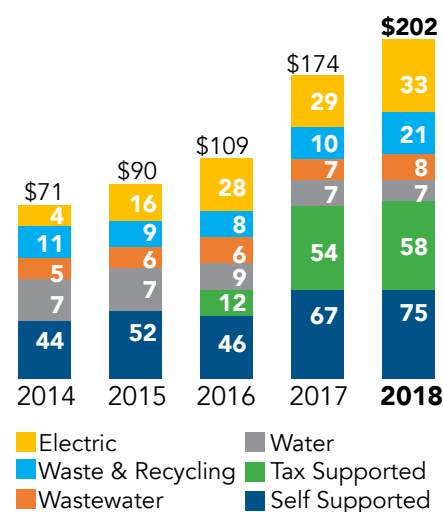
The general fund continues to require external borrowing for "self-supported" activities such as Local Improvements, Land Development and Developer Offsite Levy projects. Its activities are termed self-supported because the debt repayments are made directly from the revenue of these activities and are 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)



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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

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

Net Financial Assets

As demonstrated on the Consolidated Statement of Net Financial Assets, the City of Lethbridge has net financial assets of \$4 million (2017 \$46 million). The decrease in net financial assets of \$42 million relates to the construction of various capital projects during 2018. The City is currently in the construction phase on several large capital projects. This is the primary reason for the increase in debenture debt. This increase factors into the overall decrease in net financial assets.

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 2018 with a balance of \$1.719 billion (2017 \$1.564 billion) which was an increase of \$155 million.

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 2018, include the Lethbridge Airport of \$48 million, ATB Centre – Phase 2 (Leisure Complex) of \$31 million, Transit Terminal and Regional Park 'n Ride of \$10 million, Yates Enhancement of \$8 million and the Curbside Recycling of \$8 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 2018 with a balance of \$41.8 million in 2018 which was an increase of \$6.3 million from the prior year (2017 \$35.5 million). This was primarily due to an increase in 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 14 to the financial statements, municipal equity consist of restricted and unrestricted amounts, including the accumulated unrestricted surplus, reserves, equity invested in tangible capital assets and the capital fund. The 2018 municipal equity total is \$1.77 billion which is an increase of 7% from the previous year.

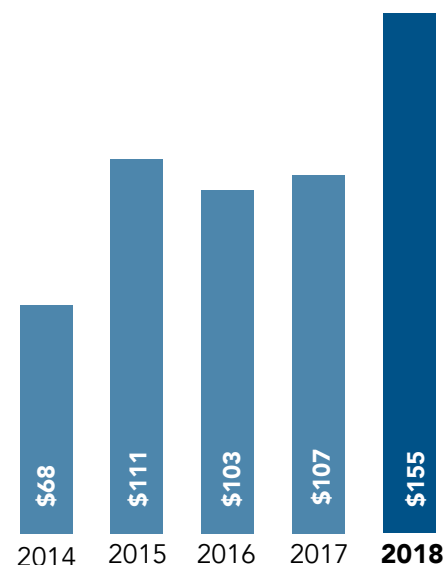
FINANCIAL OPERATIONS

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 increase of \$49.8 million or 11% with total revenue of \$487.5 million (2017 \$437.7 million).

**NET INCREASE IN
TANGIBLE CAPITAL ASSETS**
(millions)



The majority of this increase came as a result of an increase in contributed assets of \$47.9 million, an increase in government transfers of \$13.2 million, an increase in net taxes of \$11.3 million, and an increase in sales and user charges of \$6.9 million. These increases are offset by a decrease in sale of land of \$18.1 million and a decrease in other revenue categories of \$11.4 million.

Contributed assets had an increase in 2018 of \$47.9 million. Contributed assets are those typically contributed from other developers. Contributed amounts will fluctuate from year to year as noted on the 5 Year Summary of Consolidated Revenues within the statistical information section, since they are largely dependent on

| REVENUE (millions) | |
|--------------------|----------|
| 2018 Actual | \$ 487.5 |
| 2017 Actual | 437.7 |
| Variance | \$ 49.8 |
| % Variance | 11.0% |

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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 2018, there was a \$1.4 million decrease related to the changes in the factors noted above. The remaining \$49.3 million increase was a result of the acquisition of the Lethbridge Airport assets.

Government Transfers increased by \$13.2 million from 2017 due to timing of government transfers provided to fund operating or capital expenses. These revenues are externally restricted and recorded as a deferred revenue until used for the purpose intended. The increase in government transfers was primarily due to the Municipal Sustainability Initiative (MSI) of \$8.9 million, an increase of \$6.0 million in the GreenTRIP (Green Transit Incentives Program), an increase in the Clean Water and Wastewater Fund (CWWF) of \$3.9 million, an increase in the Family and Community Support Services (FCSS) of \$1.2 million, an increase of \$1.1 million in the Public Transit Infrastructure Fund, and an increase in the Federal Gas Tax Fund (FGTF) of \$1.0 million. These increases were offset by a decrease

in the Rural Development Division of \$5.4 million, a decrease in Canadian Cultural Spaces Fund (CCSF) of \$2.5 million, a decrease of \$0.5 million in the Disaster Recovery and Alberta Historical Resources Foundation of \$0.3 million as well as decreases in other government transfers of \$0.2 million.

Property tax is a primary revenue source available to the City to pay for municipal services. In 2018, net taxes available for municipal services of \$145 million was \$11.3 million or 8.4% higher than 2017, and accounted for 29.8% (2017 30.6%) of gross revenue. The net tax increase was a result of a combination of a budgeted property tax increase of 3.2% and community growth. The Schedule of Net Taxes - Schedule 2 of the consolidated financial statements provides further detail with respect to net taxes.

Sales and user charges increased by \$6.9 million or 3.8% from 2017 primarily due to an increase in utility user charges.

During 2018, the City received land sales of \$7.2 million which was a decrease of \$18.1 million from the previous year (2017 \$25.3 million). The majority of the decrease is related to the timing of industrial development activities in the Sherring Industrial Park which resulted in a decrease in revenues of \$10.8. Additionally, residential subdivisions had a decrease of \$4.6 million from the Crossings commercial and residential subdivision, a decrease of \$1.5 million from the SunRidge subdivision, and a \$1.0 million decrease from the RiverStone subdivision and a decrease of \$0.2 million in other land sales. Fluctuations from year to year occur due to timing differences created through the development process with residential and industrial subdivisions.

The City experienced an overall increase of \$11.4 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 26 – Segmented Disclosures.

In 2018, the consolidated expenses of \$368.4 million were \$23.6 million or 7% higher than the previous year.

| EXPENSES (millions) | | |
|---------------------|----|-------|
| 2018 Actual | \$ | 368.4 |
| 2017 Actual | | 344.8 |
| Variance | \$ | 23.6 |
| % Variance | | 7.0% |

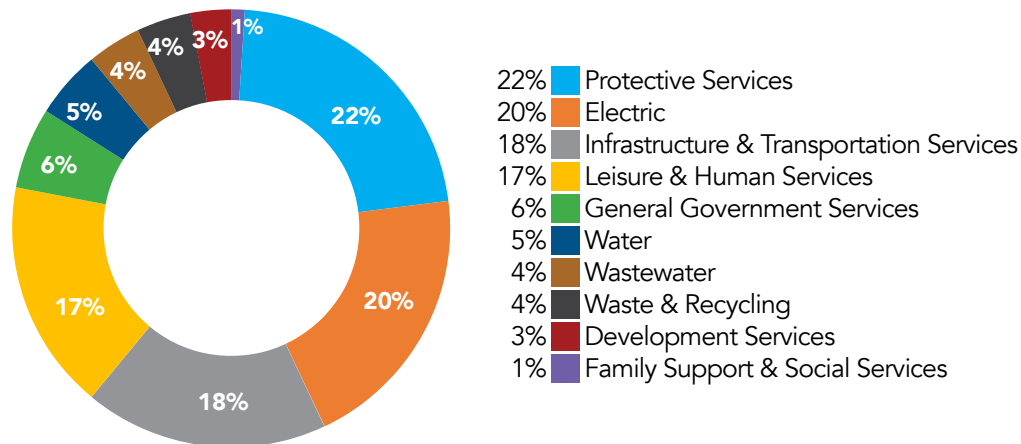
Expenses by Function

The major segments that make up the \$23.6 million change are an increase of \$8.3 million in Infrastructure and Transportation, an increase of \$6.6 million in the Electric Utility, an increase of \$4.7 million in Leisure and Human Services, an increase of \$3.6 million in Protective Services, a \$2.5 million increase in the Waste and Recycling Utility. These increases were offset by a decrease of \$2.1 million in Development Services and a \$1.6 million decrease in General Government Services. The City experienced an increase of \$1.6 million in the remaining segments.

Infrastructure and Transportation expenses increased by \$8.3 million to \$68.1 million from \$59.8 million in 2017. This increase is a result of an increase in road, pathway and parking expenses of \$3.9 million, an increase in Transit expenses of \$1.5 million as well as an increase in expenses of \$2.9 million related to taking over the

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2018 Expenses by Function



Lethbridge Airport operations as of June 1, 2018.

The Electric Utility expenses increased by \$6.6 million from \$65.9 million in 2017 to \$72.5 million in 2018. The increase is primarily due to a \$8.0 million increase in energy charges, transmission tariff charges, contractual services as well as an increase in amortization costs due to a change in the useful life of certain tangible capital assets. This increase was offset by a \$1.6 million decrease in contractual services within the distribution system. Other electrical costs increased by \$0.2 million.

Leisure and Human Services ended the year with \$61.1 million in expenses. This was an increase of \$4.7 million from 2017. This is due to a \$4.3 million increase in expenses for recreation facilities and programs, an increase of \$0.6 million in cultural facilities and programs and a decrease of 0.2 million in other Leisure and Human services expenditures.

Protective Services expenses increased by \$3.6 million to \$81.9 million from \$78.3 million in 2017.

This was primarily due to an increase in Fire and EMS services of \$1.7 million, an increase of \$0.8 million in Lethbridge Police Service expenses, an increase of \$0.6 million in dispatch services and an overall increase of \$0.5 million in other protective services expenses.

The Waste and Recycling Utility had a \$2.5 million increase in expenses from \$11.3 million in 2017 to \$13.8 in 2018. This is primarily due to an increase in contractual services, materials, supplies, utility costs, amortization and personnel costs.

Development Services ended the year with \$12.3 million in expenses. This was a decrease of \$2.1 million from 2017. This was primarily due to a decrease in subdivision development activities of \$1.6 million, a decrease in planning of \$0.9 million and an increase in transfer to other agencies of \$0.4 million.

General Government Services decreased by \$1.6 million to \$22.1 million in 2018 from \$23.7 million in 2017. This was due to a decrease in general administration costs of \$1.6 million.

The City experienced an overall increase of \$1.6 million in the remaining expense categories.

Expenses by Object

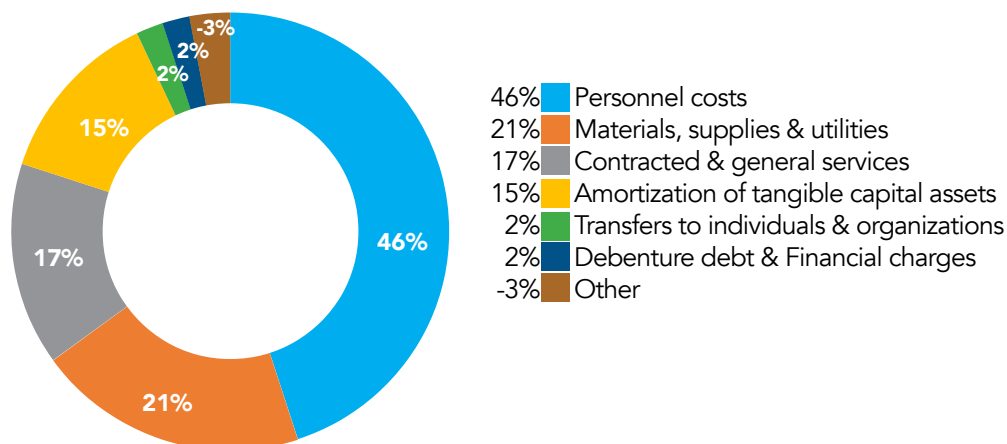
The Schedule of Segmented Reporting – Schedule 4 and note 20 – Expenses by Object provide an alternate view of the City's expenses. The expenses by object provides another insight into the overall increase of \$23.6 million from 2017.

Contributing factors to this increase include an increase in materials, supplies and utilities of \$9.8 million, an increase in contracted and general services of \$6.9 million, an increase in amortization of tangible capital assets of \$6.8 million, an increase in personnel costs of \$2.5 million. These increases were offset by a \$2.4 million decrease in other expense categories.

Materials, supplies and utilities expense of \$75 million have increased by \$9.8 million or 15.0% from the previous year. This is primarily due to a \$6.6 million increase in electric energy, transmission charges and rider costs, an increase of \$1.9 million in utility and fuel costs, an increase in

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2018 Expenses by Object



general supplies of \$1.2 million and a \$0.1 million in all other materials and supplies accounts.

Contractual and general services increased by \$6.9 million to \$62.9 million from \$56.0 in 2017. General operating contractual services increased by \$2.5 million while contractual service costs for projects decreased by \$0.3 million. Family support and other public health support fee for service payments increased by \$1.5 million, an increase of \$1.5 million in equipment rental and maintenance, an increase of \$1.1 million for the Lethbridge Airport fee for service and an increase of \$0.6 million in other contracted services.

In 2018 amortization of tangible capital assets expenses totaled \$55.9 million which was an increase of \$6.8 million from the previous year. This was primarily due to a \$3.5 million increase in depreciation for engineering structures related to roadways, underground pipes, and the Lethbridge Airport as well as increases in electric substation and line assets. Equipment and furnishing depreciation increased by \$1.3 million primarily due to the dispatch services and electric assets. Depreciation costs also increased in vehicle assets

by \$0.9 million from fleet vehicle assets. Building assets increased by \$0.6 million from the previous year primarily due to the Lethbridge Airport. Land improvements depreciation costs increased by \$0.5 million primarily for park amenities.

Personnel costs increased by \$2.5 million in 2018. This is primarily due to increases in negotiated collective agreement costs and associated benefits.

Other expense categories have decreased by \$2.4 million. This is primarily due to a \$3.8 million decrease in expenses recovered from capital, transfers to agencies and organizations and other expenses as well as a \$1.1 million decrease in cost of goods sold from subdivision development activities. These are offset by a \$2.5 million increase debenture debt interest and financial charges.

Excess of Revenue Over Expenses

During 2018, the City realized an excess of revenue over expenses of \$119 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 \$127.5 million (represented by the net increase in tangible capital assets of \$155.4 million and the net increase of debenture debt of \$27.9 million), by the \$15 million decrease in transfers to the capital fund, a decrease of \$6 million in reserve transfers and by the \$8.1 million increase related to changes in other equity balances. Once these changes and transfers were completed it leaves the consolidated annual unrestricted surplus of \$4.4 million discussed previously.

CASH FLOWS

The City's cash and cash equivalents decreased from the prior year by \$14.7 million to a balance of \$24.5 million. Both cash and cash equivalents and the City's investments decreased as a result of construction of capital projects. During the year, \$107 million was raised from operating activities. A net increase of \$27.9 million was received on debt issues, \$4.8 million (net) decrease in the investment portfolio and \$154.4 million (net) was spent to acquire tangible capital assets, a reflection of the city's growth and commitment to the maintenance and improvement of capital infrastructure and facilities.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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 November 24, 2014, City Council approved the City of Lethbridge 2015 to 2018 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, 2015 to December 31, 2018.

In the weeks and months preceding budget approval, City staff and City Council considered customer and stakeholder feedback through telephone and online surveys, and in person at open houses and citizen presentations to Finance Committee. City staff made submissions to Finance Committee about service levels, past performance, and anticipated future changes.

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.

Auditing Process

The Municipal Government Act requires a municipal council to appoint an independent auditor. In 2015, a tender for audit services was completed and City Council appointed KPMG LLP as the external auditor for a four-year term, with the option to extend for a period of up to four additional years, at City Council's discretion. 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 2018 Consolidated Financial Statements at its meeting on April 15, 2019.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Recognition for Achievements

Canadian Award for Financial Reporting

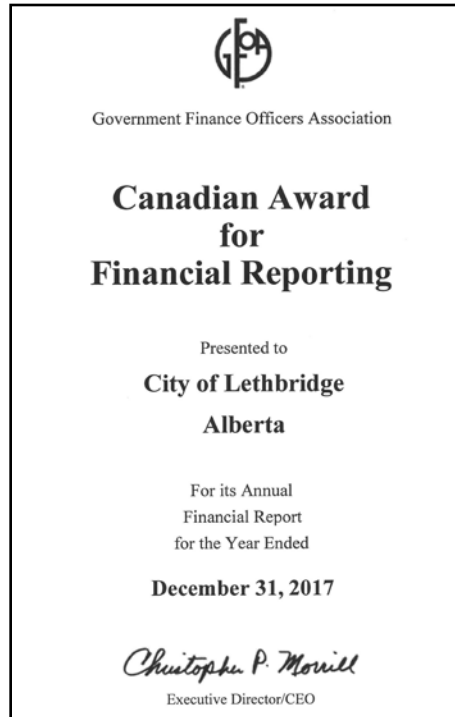
The City of Lethbridge annual financial report for the year ended December 31, 2017, was awarded the Canadian Award for Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Canadian Award for Financial Reporting program was established to encourage 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, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

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

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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

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

Residential permits for single detached dwellings were down in 2018 with 298 permits issued versus 108 in 2017. The other major subclass to witness a pullback in 2018 was government and institutional, where permits totaled \$8 million in 2018, down 95% from the year prior when they totaled \$168 million. It should be noted that the bulk of this figure in 2017 was concentrated, as one large permit accounted for 75% of the annual total last year.

Companies are continuing to choose Lethbridge as a place they want to be because Lethbridge is an excellent place to operate a business and offers their employees an attractive quality of life. The industry diversity in our city

creates a business environment for success today and potential for future development.

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

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 2018 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 proven by net financial assets of \$4 million at the end of 2018. This is the 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 our staff across the organization for their commitment in compiling and analyzing the information required in producing this report. The City takes pride in being fiscally responsible and is devoted to providing services to the residents of our growing community.

Respectfully submitted,



Hailey Pinksen, CPA, CA, CIA
City Treasurer
April 15, 2019



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, 2018 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.



Bramwell Strain
City Manager

April 15, 2019



Hailey Pinksen, CPA, CA, CIA
City Treasurer

April 15, 2019

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, 2018
- 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, 2018, 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.

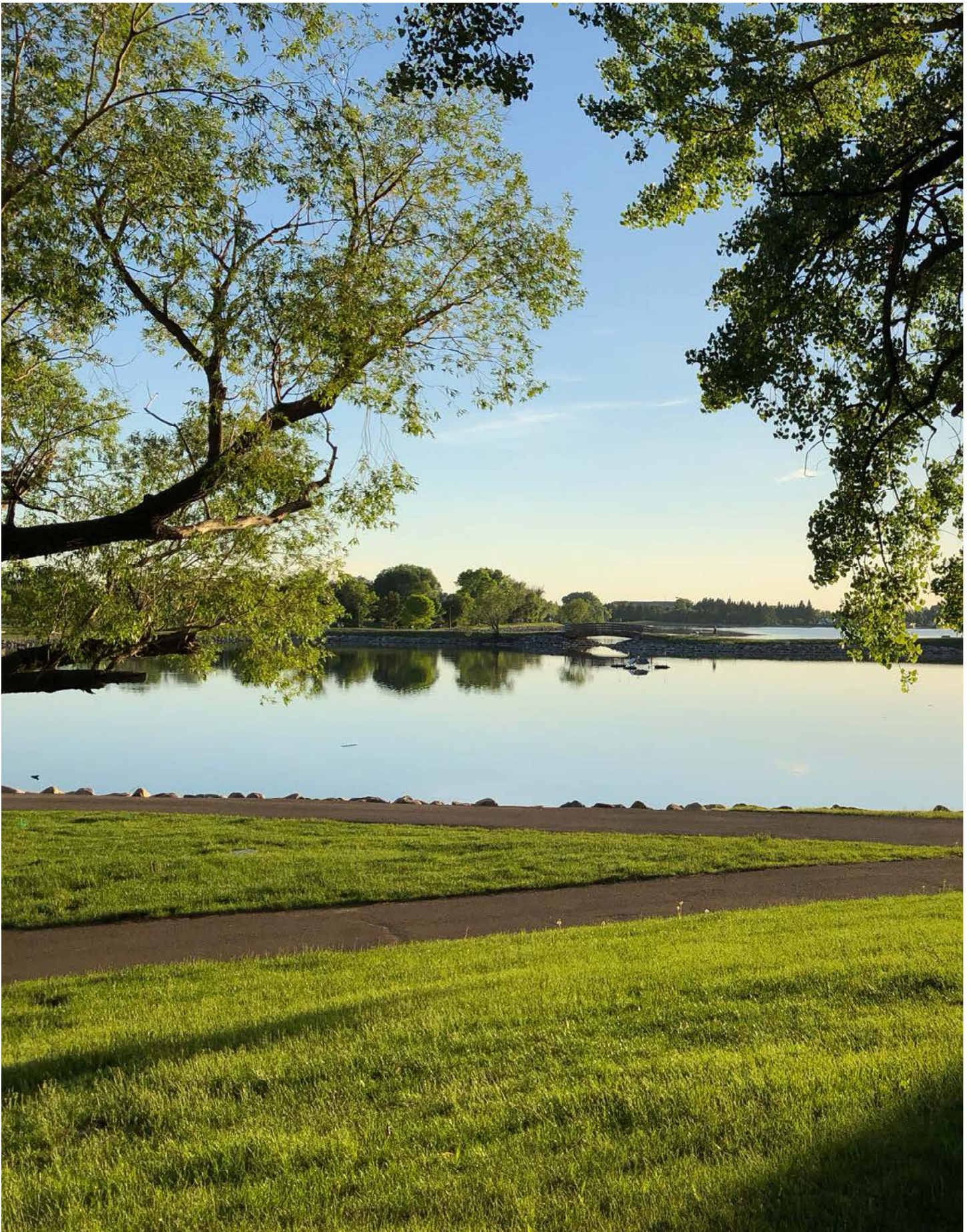
We also:

- 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, similar font. A horizontal line is drawn underneath the text.

Chartered Professional Accountants

Lethbridge, Canada
April 15, 2019



Henderson Lake Park

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

(in thousands of dollars)

| | | 2018 | 2017 |
|--|----------------------|---------------------|---------------------|
| FINANCIAL ASSETS | | | |
| Cash and cash equivalents | Note 3 | \$ 24,525 | \$ 39,215 |
| Investments | Note 4 | 309,815 | 314,646 |
| Receivables | Note 5 | 60,402 | 39,920 |
| Loans and advances | Note 6 | 4,084 | 4,364 |
| Deposits | | 2,847 | 401 |
| Land held for resale | | 1,476 | 1,115 |
| | | 403,149 | 399,661 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | Note 7 | 64,338 | 67,378 |
| Employee benefit obligations | Note 8 | 13,852 | 14,024 |
| Deferred revenue | Note 9 | 105,703 | 83,370 |
| Deposits and other liabilities | | 13,796 | 14,609 |
| Debenture debt | Note 10 | 201,880 | 173,994 |
| | | 399,569 | 353,375 |
| NET FINANCIAL ASSETS | | 3,580 | 46,286 |
| NON-FINANCIAL ASSETS | | | |
| Inventories held for consumption | | 9,825 | 9,063 |
| Prepaid expenses | | 2,343 | 1,473 |
| Land held for resale | | 29,654 | 24,981 |
| Tangible capital assets | Schedule 3 & Note 12 | 1,719,700 | 1,564,260 |
| | | 1,761,522 | 1,599,777 |
| MUNICIPAL EQUITY | Note 14 | \$ 1,765,102 | \$ 1,646,063 |
| Commitments (Note 21) | | | |
| Contingent liabilities (Note 25) | | | |

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

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

| | | 2018 | 2018 Budget (Note 28) | 2017 |
|--|----------------|---------------------|-----------------------------|---------------------|
| REVENUE | | | | |
| Sales and user charges | | \$ 189,423 | \$ 179,893 | \$ 182,563 |
| Net taxes | Schedule 2 | 145,301 | 143,897 | 134,048 |
| Contributed assets | | 59,046 | - | 11,194 |
| Government transfers | Note 19 | 54,107 | 52,097 | 40,936 |
| Sale of land | | 7,240 | 7,228 | 25,322 |
| Fines and penalties | | 6,733 | 7,653 | 7,882 |
| Return on investments | | 5,866 | 3,053 | 5,076 |
| Gas company franchise fee | | 5,244 | 5,300 | 6,063 |
| Licenses and permits | | 4,743 | 4,247 | 5,339 |
| Special municipal levies | | - | - | 3,877 |
| Recovery of Investment Allowance | | - | - | 3,554 |
| Other | | 9,754 | 9,347 | 11,851 |
| | | 487,457 | 412,715 | 437,705 |
| EXPENSES | | | | |
| | Note 20 | | | |
| Protective Services | | 81,922 | 81,813 | 78,370 |
| Electric | | 72,556 | 67,862 | 65,909 |
| Infrastructure & Transportation Services | | 68,095 | 68,165 | 59,752 |
| Leisure & Human Services | | 61,093 | 60,286 | 56,380 |
| General Government Services | | 22,054 | 33,452 | 23,697 |
| Water | | 16,772 | 18,568 | 16,738 |
| Wastewater | | 14,623 | 14,390 | 13,681 |
| Waste & Recycling | | 13,849 | 14,140 | 11,315 |
| Development Services | | 12,245 | 12,279 | 14,372 |
| Family Support & Social Services | | 5,209 | 5,031 | 4,624 |
| | | 368,418 | 375,986 | 344,838 |
| EXCESS OF REVENUE OVER EXPENSES | Schedule 1 & 4 | 119,039 | 36,729 | 92,867 |
| MUNICIPAL EQUITY, BEGINNING OF YEAR | | 1,646,063 | 1,646,063 | 1,553,196 |
| MUNICIPAL EQUITY, END OF YEAR | Note 14 | \$ 1,765,102 | \$ 1,682,792 | \$ 1,646,063 |

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

CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

| | 2018 | 2018 Budget | 2017 |
|---|------------|----------------|-----------|
| EXCESS OF REVENUE OVER EXPENSES | \$ 119,039 | \$ 36,729 | \$ 92,867 |
| Change related to tangible capital assets | | | |
| Acquisition of tangible capital assets | (155,603) | (140,775) | (147,039) |
| Contributed assets | (59,046) | - | (11,194) |
| Proceeds on disposal of tangible capital assets | 1,194 | 72 | 930 |
| Amortization of tangible capital assets | 55,939 | 52,845 | 49,105 |
| Loss on disposal of tangible capital assets | 2,076 | - | 975 |
| | (155,440) | (87,858) | (107,223) |
| Change related to other non-financial assets | | | |
| Acquisition of inventories held for consumption | (19,280) | - | (15,526) |
| Acquisition of prepaid expenses | (2,154) | - | (1,467) |
| Use of land held for resale | (4,673) | - | (2,825) |
| Use of inventories held for consumption | 18,518 | - | 17,020 |
| Use of prepaid assets | 1,284 | - | 1,481 |
| | (6,305) | - | (1,317) |
| DECREASE IN NET FINANCIAL ASSETS | (42,706) | (51,129) | (15,673) |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | 46,286 | 46,286 | 61,959 |
| NET FINANCIAL ASSETS, END OF YEAR | \$ 3,580 | \$ (4,843) | \$ 46,286 |

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

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

| | 2018 | 2017 |
|---|------------|-----------|
| NET INFLOW (OUTFLOW) OF CASH | | |
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | \$ 119,039 | \$ 92,867 |
| Items not involving cash | | |
| Amortization of tangible capital assets | 55,939 | 49,105 |
| Loss on disposal of tangible capital assets | 2,076 | 975 |
| Tangible capital assets received as contributions | (59,046) | (11,194) |
| Changes to financial assets | | |
| Decrease (increase) in receivables | (20,482) | (2,654) |
| Decrease (increase) in other financial assets | (2,527) | 943 |
| Changes to non-financial assets | | |
| Decrease (increase) in prepaid expenses | (870) | 14 |
| Decrease (increase) in inventory held for consumption | (762) | 1,494 |
| Decrease (increase) in land held for resale | (4,673) | (2,825) |
| Changes to liabilities | | |
| Increase (decrease) in accounts payable and accrued liabilities | (3,040) | 20,445 |
| Increase (decrease) in employee benefit obligation | (172) | 339 |
| Increase (decrease) in deferred revenue | 22,333 | 8,415 |
| Increase (decrease) in deposits and other liabilities | (813) | (5,090) |
| | 107,002 | 152,834 |
| CAPITAL ACTIVITIES | | |
| Acquisition of tangible capital assets | (155,603) | (147,039) |
| Proceeds on disposal of tangible capital assets | 1,194 | 930 |
| | (154,409) | (146,109) |
| INVESTING ACTIVITIES | | |
| Decrease (increase) in investments | 4,831 | (64,822) |
| FINANCING ACTIVITIES | | |
| Debenture borrowings | 43,813 | 77,463 |
| Debenture debt principal redeemed | (15,927) | (12,995) |
| | 27,886 | 64,468 |
| CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR | (14,690) | 6,371 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 39,215 | 32,844 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 24,525 | \$ 39,215 |

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

CONSOLIDATED SCHEDULE OF UNRESTRICTED SURPLUS

AS AT DECEMBER 31, 2018

(in thousands of dollars)

Schedule 1

| | 2018 | 2018 Budget | 2017 |
|---|-------------------|------------------|------------------|
| EXCESS OF REVENUE OVER EXPENSES | \$ 119,039 | \$ 36,729 | \$ 92,867 |
| Unrestricted balances | | | |
| Transfer (to) prior year unrestricted surplus | 233 | - | - |
| Transfer (to) from prior year surplus to (from) reserves | 1,196 | - | 2,150 |
| Unfunded | | | |
| Change in unfunded vacation pay | (4,511) | - | (1,342) |
| Transfer to (from) equity in inventories held for consumption | 762 | - | (1,494) |
| Transfer to (from) equity in prepaid expenses | 870 | - | (14) |
| Restricted balances | | | |
| Transfer (to) reserves | 15,009 | (4,730) | (18,775) |
| Transfer (to) capital fund | 6,001 | (16,377) | (25,854) |
| Equity in non-financial assets | | | |
| Change in land held for resale | (5,066) | - | (3,683) |
| Change in tangible capital assets | (127,554) | (15,622) | (42,755) |
| Change in inventories held for consumption | (762) | - | 1,494 |
| Change in prepaid expenses | (870) | - | 14 |
| CONSOLIDATED ANNUAL UNRESTRICTED SURPLUS | \$ 4,347 | \$ - | \$ 2,608 |

SCHEDULE OF NET TAXES

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

Schedule 2

| | 2018 | 2018 Budget | 2017 |
|--|-------------------|-------------------|-------------------|
| TAXATION | | | |
| Real property taxes | \$ 181,359 | \$ 179,572 | \$ 167,833 |
| Special assessments | - | - | 3,877 |
| Business taxes (BRZ) | 167 | 201 | 215 |
| Grants in lieu of taxes | | | |
| Provincial | 1,155 | 2,061 | 1,092 |
| Federal | 265 | 194 | 238 |
| | 182,946 | 182,028 | 173,255 |
| Less special requisition transfers | | | |
| Alberta School Foundation Fund | 30,705 | 30,826 | 28,897 |
| Holy Spirit RCSR 4 | 4,941 | 5,408 | 4,641 |
| Green Acres Foundation | 1,793 | 1,682 | 1,594 |
| Downtown Lethbridge Business Revitalization Zone | 198 | 215 | 198 |
| Designated Industrial Properties | 8 | - | - |
| | 37,645 | 38,131 | 35,330 |
| TAXATION FOR MUNICIPAL PURPOSES | 145,301 | 143,897 | 137,925 |
| Less special levies | | | |
| Street maintenance frontage taxes | - | - | 3,877 |
| NET TAXES | \$ 145,301 | \$ 143,897 | \$ 134,048 |

SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2018

(in thousands of dollars)

Schedule 3

| | Land | Land Improvements | Buildings | Infrastructure | Equipment & Furnishings | Vehicles | Assets Under Construction | 2018 | 2017 |
|--|-------------------|----------------------|-------------------|-------------------|-------------------------------|------------------|---------------------------------|---------------------|---------------------|
| COST | | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | \$ 106,636 | \$ 87,505 | \$ 383,673 | \$ 1,304,135 | \$ 104,333 | \$ 69,257 | \$ 155,552 | \$ 2,211,091 | \$ 2,063,808 |
| Acquisition of tangible capital assets | 5,012 | 17,271 | 24,052 | 58,383 | 16,296 | 9,437 | 25,152 | 155,603 | 147,039 |
| Contributed assets | 21,853 | 1,244 | 9,081 | 26,124 | 112 | 632 | - | 59,046 | 11,194 |
| Disposal of tangible capital assets | (12) | (17) | (52) | (5,685) | (1,714) | (3,449) | - | (10,929) | (10,950) |
| BALANCE, END OF YEAR | 133,489 | 106,003 | 416,754 | 1,382,957 | 119,027 | 75,877 | 180,704 | 2,414,811 | 2,211,091 |
| ACCUMULATED AMORTIZATION | | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | - | (33,584) | (113,475) | (408,317) | (59,182) | (32,273) | - | (646,831) | (606,771) |
| Annual Amortization | - | (4,161) | (8,206) | (31,417) | (6,328) | (5,827) | - | (55,939) | (49,105) |
| Accumulated amortization on disposals | - | 15 | 49 | 3,466 | 1,324 | 2,805 | - | 7,659 | 9,045 |
| BALANCE, END OF YEAR | - | (37,730) | (121,632) | (436,268) | (64,186) | (35,295) | - | (695,111) | (646,831) |
| TOTAL NET BOOK VALUE | \$ 133,489 | \$ 68,273 | \$ 295,122 | \$ 946,689 | \$ 54,841 | \$ 40,582 | \$ 180,704 | \$ 1,719,700 | \$ 1,564,260 |

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

Schedule 4

| | General Municipal Revenue | Protective Services | Infrastructure & Transportation Services | Leisure & Human Services |
|--|---------------------------------|------------------------|---|-----------------------------------|
| REVENUE | | | | |
| Sales and user charges | \$ - | \$ 11,257 | \$ 13,224 | \$ 12,224 |
| Net taxes | 145,301 | - | - | - |
| Contributed assets | - | - | 57,772 | 2,943 |
| Government transfers | - | 3,208 | 18,842 | 15,379 |
| Sale of land | - | - | - | - |
| Fines and penalties | - | 104 | 529 | - |
| Return on investments | 5,638 | - | 52 | - |
| Gas company franchise fee | 5,244 | - | - | - |
| Licenses and permits | - | 4,668 | 71 | 4 |
| Special municipal levies | - | - | - | - |
| Municipal Consent and Access Fee | 8,993 | - | - | - |
| Recovery of Investment Allowance | - | - | - | - |
| Other | 60 | 2,685 | 163 | 2,640 |
| | 165,236 | 21,922 | 90,653 | 33,190 |
| EXPENSES | | | | |
| Salaries, wages and benefits | - | 53,304 | 24,399 | 20,405 |
| Materials, supplies and utilities | - | 2,194 | 14,331 | 5,195 |
| Contracted and general services | - | 4,507 | 12,651 | 11,601 |
| Amortization of tangible capital assets | - | 2,306 | 22,663 | 7,165 |
| Transfers to individuals and organizations | - | 49 | - | 2,667 |
| Debenture debt interest | - | - | 1,341 | 1,604 |
| Financial charges | - | 373 | 311 | 234 |
| Interdepartmental transfers (net) | - | 19,556 | (2,659) | 11,866 |
| Expenses recovered from capital | - | (368) | (5,589) | (360) |
| Other | - | 1 | 647 | 716 |
| | - | 81,922 | 68,095 | 61,093 |
| EXCESS OF REVENUE OVER EXPENSES | 165,236 | (60,000) | 22,558 | (27,903) |
| Change in unrestricted balances | 3,024 | 564 | 328 | 53 |
| Transfer from (to) reserves | (3,466) | (2,061) | 2,519 | 18,589 |
| Transfer from (to) internal segments | 3,239 | 8,327 | 10,205 | (4,894) |
| Transfer from (to) capital fund | - | (7,741) | 3,775 | 8,863 |
| Change in equity in non-financial assets | - | (180) | (72,248) | (38,087) |
| UNRESTRICTED SURPLUS (DEFICIT) | \$ 168,033 | \$ (61,091) | \$ (32,863) | \$ (43,379) |

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)
Schedule 4

| General Government Services | Development Services | Family Support & Social Services | Utilities | 2018 | 2017 |
|-----------------------------------|-------------------------|--|------------|------------|------------|
| \$ 264 | \$ 5,151 | \$ 860 | \$ 146,443 | \$ 189,423 | \$ 182,563 |
| - | - | - | - | 145,301 | 134,048 |
| - | (5,174) | - | 3,505 | 59,046 | 11,194 |
| 8,984 | 4,526 | 3,017 | 151 | 54,107 | 40,936 |
| - | 7,240 | - | - | 7,240 | 25,322 |
| 6,084 | - | - | 16 | 6,733 | 7,882 |
| 48 | 98 | 30 | - | 5,866 | 5,076 |
| - | - | - | - | 5,244 | 6,063 |
| - | - | - | - | 4,743 | 5,339 |
| - | - | - | - | - | 3,877 |
| - | - | - | (8,993) | - | - |
| - | - | - | - | - | 3,554 |
| 3,340 | 1,071 | 15 | (220) | 9,754 | 11,851 |
| 18,720 | 12,912 | 3,922 | 140,902 | 487,457 | 437,705 |
| 46,565 | 3,357 | 1,034 | 21,811 | 170,875 | 168,386 |
| 4,203 | 196 | 211 | 48,703 | 75,033 | 65,249 |
| 13,687 | 3,163 | 2,987 | 14,255 | 62,851 | 55,995 |
| 2,465 | 20 | 113 | 21,207 | 55,939 | 49,105 |
| 551 | 3,836 | - | - | 7,103 | 7,814 |
| - | 624 | - | 1,517 | 5,086 | 3,568 |
| 1,355 | - | 14 | 6 | 2,293 | 1,279 |
| (47,302) | (376) | 954 | 17,961 | - | - |
| (455) | (870) | (104) | (7,739) | (15,485) | (14,246) |
| 985 | 2,295 | - | 79 | 4,723 | 7,688 |
| 22,054 | 12,245 | 5,209 | 117,800 | 368,418 | 344,838 |
| (3,334) | 667 | (1,287) | 23,102 | 119,039 | 92,867 |
| (3,480) | (91) | (58) | (1,790) | (1,450) | (700) |
| 3,392 | (331) | 83 | (3,716) | 15,009 | (18,775) |
| 11,870 | (13,056) | (136) | (15,555) | - | - |
| (26,825) | 12,046 | 67 | 15,816 | 6,001 | (25,854) |
| (8,792) | 4,111 | (71) | (18,985) | (134,252) | (44,930) |
| \$ (27,169) | \$ 3,346 | \$ (1,402) | \$ (1,128) | \$ 4,347 | \$ 2,608 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (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, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(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, 2018 (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, 2018

(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 2019-2022. 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, 2018 (in thousands of dollars)

2. FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

PS 3430 - Restructuring Transactions

This section provides guidance on the recognition, measurement and presentation on restructuring transactions by both the transferor and recipients of assets and/or liabilities, together with related programs or operating responsibilities.

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

| | 2018 | 2017 |
|------------------|------------------|------------------|
| Cash | \$ 24,525 | \$ 33,215 |
| Cash equivalents | - | 6,000 |
| | <u>\$ 24,525</u> | <u>\$ 39,215</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 1.27% (2017 1.04%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

4. INVESTMENTS

| | 2018 | | 2017 | |
|------------------------|----------------|------------|----------------|------------|
| | Carrying Value | Market | Carrying Value | Market |
| Short term investments | \$ 148,653 | \$ 150,325 | \$ 102,735 | \$ 102,693 |
| Long term investments | 161,162 | 159,338 | 211,911 | 211,190 |
| | \$ 309,815 | \$ 309,663 | \$ 314,646 | \$ 313,883 |

Investments mature at various dates between January 8, 2019 and October 17, 2028 and have an average effective annual yield of 2.14% (2017 1.89%).

Investments include \$65,875 (2017 \$45,057) in externally restricted amounts which must be used for specified capital projects.

5. RECEIVABLES

| | 2018 | 2017 |
|------------------------------------|-----------|-----------|
| Trade accounts receivable | \$ 44,516 | \$ 38,752 |
| Taxes receivable | 3,052 | 3,047 |
| Receivables from other governments | 19,089 | 3,955 |
| | 66,657 | 45,754 |
| Allowance for doubtful amounts | (6,255) | (5,834) |
| | \$ 60,402 | \$ 39,920 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (in thousands of dollars)

6. LOANS AND ADVANCES

| | 2018 | 2017 |
|--|----------|----------|
| Lethbridge Exhibition | \$ 4,313 | \$ 4,625 |
| 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 | (292) | (334) |
| Net Lethbridge Exhibition | 4,021 | 4,291 |
| SLP Industries Ltd. | 43 | 53 |
| 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 | 20 |
| Non-interest bearing, payable in annual installments of \$10, due September 1, 2019 | | |
| | \$ 4,084 | \$ 4,364 |

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

| | 2018 | 2017 |
|--|-----------|-----------|
| Trade accounts payable | \$ 48,010 | \$ 51,279 |
| Accrued liabilities | 9,453 | 9,243 |
| Environmental liabilities ⁽¹⁾ | 5,452 | 5,186 |
| Other government | 1,423 | 1,670 |
| | \$ 64,338 | \$ 67,378 |

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

Included in accounts payable and accrued liabilities is \$5,452 (2017 \$5,186) of estimated total landfill closure and post-closure care costs.

The estimated total liability 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. In 2016, the City received approval from Alberta Environment and Parks under the Environmental Protection and Enhancement Act to extend the waste footprint of the landfill. The remaining capacity of the approved phases is estimated at 21.6 (2017 21.7) million cubic meters which will be reached in approximately 50-60 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES (CONTINUED)

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 remaining closure costs and post-closure costs to be recognized have been estimated at \$18,171 (2017 \$18,165). The following summarizes the total net present value of the estimated costs of closure and post-closure care:

| | 2018 | 2017 |
|--|-----------|-----------|
| Estimated closure costs | \$ 17,179 | \$ 17,010 |
| Estimated post-closure costs | 6,444 | 6,341 |
| Total estimated costs | 23,623 | 23,351 |
| Amount accrued to December 31 | (5,452) | (5,186) |
| Balance of estimated costs to accrue over the remaining life of the landfill | \$ 18,171 | \$ 18,165 |

8. EMPLOYEE BENEFIT OBLIGATIONS

| | 2018 | 2017 |
|-----------------------|-----------|-----------|
| Vacation and overtime | \$ 12,528 | \$ 12,724 |
| Sick pay | 1,220 | 1,196 |
| Other | 104 | 104 |
| | \$ 13,852 | \$ 14,024 |

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (in thousands of dollars)

9. DEFERRED REVENUE

| | 2018 | 2017 |
|---|-------------------|------------------|
| Deferred revenue | \$ 3,408 | \$ 4,122 |
| Government contributions ⁽¹⁾ | 65,875 | 45,057 |
| Prepaid taxes | 36,420 | 34,191 |
| | \$ 105,703 | \$ 83,370 |

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

| | 2017 Balance | Grants Received & Net Interest | Government Transfer Revenue | 2018 Balance |
|---|------------------|--------------------------------------|-----------------------------------|------------------|
| Municipal Sustainability Initiative Grant | \$ 19,583 | \$ 23,153 | \$ (16,868) | \$ 25,868 |
| Basic Municipal Transportation Grant | 13,671 | 6,263 | (5,619) | 14,315 |
| Federal Gas Tax Fund | 6,680 | 16,033 | (3,245) | 19,468 |
| Other Grants | 5,123 | 29,476 | (28,375) | 6,224 |
| | \$ 45,057 | \$ 74,925 | \$ (54,107) | \$ 65,875 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

10. DEBENTURE DEBT

| | 2018 | 2017 |
|--------------------------|-------------------|-------------------|
| General - self supported | \$ 75,283 | \$ 67,414 |
| Utilities | 68,433 | 52,373 |
| General - tax supported | 58,164 | 54,207 |
| | \$ 201,880 | \$ 173,994 |

Principal and interest repayments are as follows:

| | Principal | Interest | Total |
|------------------|-------------------|------------------|-------------------|
| 2019 | \$ 17,573 | \$ 5,811 | \$ 23,384 |
| 2020 | 17,641 | 5,303 | 22,944 |
| 2021 | 15,813 | 4,796 | 20,609 |
| 2022 | 14,940 | 4,320 | 19,260 |
| 2023 | 15,007 | 3,865 | 18,872 |
| 2024 to maturity | 120,906 | 16,737 | 137,643 |
| | \$ 201,880 | \$ 40,832 | \$ 242,712 |

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 \$5,086 (2017 \$3,568).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (in thousands of dollars)

11. 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:

| | 2018 | 2017 |
|---|------------|------------|
| Total debt limit | \$ 578,773 | \$ 591,103 |
| Debtenture debt | (201,880) | (173,994) |
| Debt limit unused | 376,893 | 417,109 |
| Percentage of debt to debt limit | 34.88 % | 29.44 % |
| Service on debt limit | 96,462 | 98,517 |
| Service debt (principal and interest payment) | (23,384) | (20,686) |
| Service on debt limit unused | 73,078 | 77,831 |
| Percentage of service on debt limit used | 24.24 % | 21.00 % |

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, 2018

(in thousands of dollars)

12. TANGIBLE CAPITAL ASSETS

| | 2018 | 2017 |
|---------------------------|------------------|------------------|
| Net Book Value | | |
| Land | \$ 133,489 | \$ 106,636 |
| Land improvements | 68,273 | 53,921 |
| Buildings | 295,122 | 270,198 |
| Infrastructure | | |
| Roadways | 459,634 | 415,572 |
| Water system | 184,494 | 179,196 |
| Wastewater system | 152,368 | 151,420 |
| Waste Services system | 3,325 | 3,166 |
| Electrical system | 146,868 | 146,464 |
| Equipment and furnishings | 54,841 | 45,151 |
| Vehicles | 40,582 | 36,984 |
| Assets Under Construction | 180,704 | \$ 155,552 |
| | 1,719,700 | 1,564,260 |

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 \$59,046 (2017 \$11,194). This amount is comprised of land in the amount of \$21,853 (2017 \$627), land improvements in the amount of \$1,244 (2017 \$666), infrastructure in the amount of \$26,124 (2017 \$9,773), buildings in the amount of \$9,081 (2017 \$0), vehicles in the amount of \$632 (2017 \$0) and equipment and furnishings in the amount of \$112 (2017 \$128).

The City capitalized \$242 (2017 \$121) in interest during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

13. 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:

| | 2018 Surplus | 2017 Surplus |
|-------------------|-----------------|-----------------|
| General | \$ 5,475 | \$ 3,024 |
| Utilities | | |
| Water | 6 | 42 |
| Wastewater | 609 | 76 |
| Waste & Recycling | 93 | 1,294 |
| Electric | (1,836) | (1,828) |
| Total Utilities | (1,128) | (416) |
| | \$ 4,347 | \$ 2,608 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

14. MUNICIPAL EQUITY

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

| | 2018 | 2017 |
|-----------------------------------|---------------------|---------------------|
| Unrestricted balances | | |
| Unrestricted surplus (Note 15) | \$ 16,940 | \$ 14,022 |
| Unfunded | | |
| Vacation pay | (1,757) | (6,268) |
| Inventories held for consumption | (9,825) | (9,063) |
| Prepaid expenses | (2,343) | (1,473) |
| Restricted balances | | |
| Reserves (Note 16) | 94,796 | 109,805 |
| Capital fund | 109,535 | 115,536 |
| Equity in non-financial assets | | |
| Land held for resale | 27,768 | 22,702 |
| Inventories held for consumption | 9,825 | 9,063 |
| Prepaid expenses | 2,343 | 1,473 |
| Tangible capital assets (Note 18) | 1,517,820 | 1,390,266 |
| | \$ 1,765,102 | \$ 1,646,063 |

15. 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 2018 General Operations accumulated surplus of \$5,475 will be transferred to the Municipal Revenue Stabilization Reserve and the 2018 Electric accumulated deficit of \$(1,836) will be transferred to the Electric Reserve in 2019.

| | 2017 Balance | Appropriations & Adjustments | 2018 Surplus (Deficit) | 2018 Balance |
|-------------------|------------------|------------------------------------|------------------------------|------------------|
| City general | \$ 3,024 | \$ (3,024) | \$ 5,475 | \$ 5,475 |
| Water | 3,874 | - | 6 | 3,880 |
| Wastewater | 3,432 | - | 609 | 4,041 |
| Waste & Recycling | 5,520 | (233) | 93 | 5,380 |
| Electric | (1,828) | 1,828 | (1,836) | (1,836) |
| | \$ 14,022 | \$ (1,429) | \$ 4,347 | \$ 16,940 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

16. RESERVES

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

| | 2018 | 2017 |
|--|-----------|------------|
| Operating | | |
| Municipal Revenue Stabilization (Note 17) | \$ 28,746 | \$ 26,120 |
| Budget Appropriations | 12,450 | 16,639 |
| Insurance | 4,833 | 4,351 |
| Urban Parks | 2,102 | 1,363 |
| Cemeteries | 1,347 | 1,385 |
| Mayor Magrath Drive Beautification | 111 | 110 |
| | 49,589 | 49,968 |
| Capital | | |
| Fleet Services | 22,184 | 22,514 |
| Real Estate Holdings | 5,469 | 5,392 |
| Community Lighting | 5,253 | 5,715 |
| Electric | 4,595 | 771 |
| Major Capital Projects | 3,673 | 20,149 |
| Acquire Off Street Parking | 2,018 | 3,415 |
| Transit Bus | 1,033 | 906 |
| Central Business District Land Acquisition | 684 | 683 |
| Community Reserve Fund | 298 | 292 |
| | 45,207 | 59,837 |
| | \$ 94,796 | \$ 109,805 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

17. 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, 2018 are as follows:

| | 2018 | 2017 |
|---|-----------|-----------|
| Balance, beginning of year | \$ 26,120 | \$ 19,786 |
| Add: Electric Municipal Consent and Access Fee (MCAF) | 9,081 | 10,366 |
| Gas company franchise fee revenue | 5,244 | 6,062 |
| Investment and interest income (net of trust allocations) | 5,153 | 4,279 |
| By-law enforcement | 4,477 | 5,749 |
| Recovery of internal financing | 3,835 | 3,297 |
| Prior Year General Operating Surplus | 3,024 | 2,127 |
| Return on Investment (Electric) | 1,719 | 1,656 |
| Commercial land lease revenue | 847 | 52 |
| City Council Committee Surplus | 234 | - |
| Recovery of Investment Valuation Allowance | - | 3,554 |
| 2016/17 New West Theatre Surplus | - | 10 |
| | 59,734 | 56,938 |
| Less: | | |
| Budgeted Allocation to General Operations: | | |
| Electric Municipal Consent and Access Fee (MCAF) | 9,483 | 9,256 |
| By-law enforcement | 5,541 | 5,612 |
| Allocation to General Operations | 5,250 | 5,250 |
| Gas company franchise fee | 4,410 | 4,410 |
| Return on Investment (Electric ROI) | 2,267 | 2,219 |
| Snow Removal | 2,068 | 551 |
| Commercial land debenture payment | 1,003 | - |
| Allocation for Tax Installment Payment Plan discounts | 367 | 341 |
| One time allocations | 359 | 1,823 |
| Internal financing advances | 240 | 1,356 |
| | 30,988 | 30,818 |
| Balance, end of year | \$ 28,746 | \$ 26,120 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (in thousands of dollars)

18. EQUITY IN TANGIBLE CAPITAL ASSETS

| | 2018 | 2017 |
|---------------------------------------|---------------------|---------------------|
| Tangible capital assets (Schedule 3) | \$ 2,414,811 | \$ 2,211,091 |
| Accumulated amortization (Schedule 3) | (695,111) | (646,831) |
| Debenture debt (Note 10) | (201,880) | (173,994) |
| | \$ 1,517,820 | \$ 1,390,266 |

19. GOVERNMENT TRANSFERS

| | 2018 | 2017 |
|------------|------------------|------------------|
| Operating | | |
| Provincial | \$ 13,478 | \$ 11,304 |
| Federal | 2,150 | 1,551 |
| Capital | | |
| Provincial | 29,398 | 21,587 |
| Federal | 9,081 | 6,494 |
| | \$ 54,107 | \$ 40,936 |

20. EXPENSES BY OBJECT

| | 2018 | 2017 |
|--|-------------------|-------------------|
| Salaries, wages and benefits | \$ 170,875 | \$ 168,386 |
| Materials, supplies and utilities | 75,033 | 65,249 |
| Contracted and general services | 62,851 | 55,995 |
| Amortization of tangible capital assets | 55,939 | 49,105 |
| Transfers to individuals and organizations | 7,103 | 7,814 |
| Debenture debt interest | 5,086 | 3,568 |
| Financial charges | 2,293 | 1,279 |
| Other ⁽¹⁾ | (10,762) | (6,558) |
| | \$ 368,418 | \$ 344,838 |

⁽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, 2018

(in thousands of dollars)

21. COMMITMENTS

a. Contracts

As at December 31, 2018 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 | | |
| ATB Centre - Phase 2 (Leisure Complex) | \$ 7,435 | \$ 11,041 |
| Transit Terminal and Regional Park N Ride | 2,236 | 8,881 |
| Environmental Utilities | | |
| Wastewater Treatment Plant Headworks & Clarifier Upgrade | 20,648 | 21,160 |
| Water Treatment Plant Residuals Management | 14,682 | 14,682 |
| Curbside Recycling - Materials Recovery Facility (MRF) | 3,550 | 7,461 |
| Infrastructure | | |
| Sherring Expansion | 19,332 | 34,123 |
| Crossings Subdivision | 4,300 | 17,484 |
| Watermark/Great Bear Blvd | 3,968 | 3,971 |
| Whoop-Up Dr Twinning (McMaster to Mauretania) | 1,417 | 2,802 |
| Legacy Park Amenities | 1,300 | 6,830 |
| West Lethbridge Depot Site Phase 2 | 868 | 2,702 |
| RiverStone Subdivision | 710 | 5,507 |
| Vehicles | | |
| Transit Low Floor Buses | 6,099 | 6,099 |
| Access-A-Ride Buses | 1,797 | 1,797 |
| Automated Side Loader Refuse Trucks | 1,282 | 1,282 |
| Tandem Line Truck Replacements | 1,119 | 1,119 |
| Medium Duty Rescue Vehicle | 718 | 718 |
| | \$ 91,461 | \$ 147,659 |

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, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (in thousands of dollars)

21. 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.

22. 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 260,000 people and 420 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 10.39% (2017 11.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 14.84% (2017 15.84%) for the excess. Employees are required to make current service contributions of 9.39% (2017 10.39%) to the YMPE and 13.84% (2017 14.84%) for any portion of pensionable salary over the YMPE.

Total current and past service contributions by the City to the LAPP were \$11,985 (2017 \$12,496). Total current and past service contributions by the employees of the City were \$10,927 (2017 \$11,445).

At December 31, 2017 the LAPP disclosed an actuarial surplus of \$4,836 million (2016 \$637 million); the 2018 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 7,285 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 2018 were 14.55% (2017 14.55%) of pensionable earnings for the City and 13.45% (2017 13.45%) of pensionable salaries for police officers.

Total current and past service contributions by the City to the SFPP were \$2,594 (2017 \$2,660). Total current and past service contributions by the police officers to the SFPP were \$2,331 (2017 \$2,032).

At December 31, 2017 the SFPP disclosed an actuarial surplus of \$71,143 (2016 \$108,525); the 2018 SFPP actuarial balance was not available at the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

22. 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 2.80% (2017 2.8%) and 3.80% (2017 3.8%) respectively of pensionable earnings up to \$147 (2017 \$146).

Total current service contributions by the City to APEX in 2018 were \$655 (2017 \$655). Total current service contributions by the employees of the City were \$495 (2017 \$425).

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 \$132 (2017 \$468).

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, 2018. The significant actuarial assumptions in measuring the accrued benefit obligation are as follows: expected discount rate of 4.75%, expected salary escalations of 3.50% per year and inflation rate of 2.25%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of dollars)

23. 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 | 2018 | 2017 |
|------------------------------------|-------------------------|--------|-----------------------------|--------|--------|
| Mayor | | | | | |
| Spearman, C | 1 | \$ 82 | \$ 48 | \$ 130 | \$ 126 |
| Councillors | | | | | |
| Campbell, M | 1 | 32 | 23 | 55 | 10 |
| Carlson, J | 1 | 36 | 23 | 59 | 56 |
| Coffman, J | 1 | 31 | 23 | 54 | 52 |
| Crowson, B | 1 | 32 | 21 | 53 | 10 |
| Hyggen, B | 1 | 35 | 22 | 57 | 57 |
| Iwaskiw, L | - | - | - | - | 48 |
| Mauro, J | 1 | 33 | 23 | 56 | 54 |
| Mearns, B | - | - | - | - | 44 |
| Miyashiro, R | 1 | 32 | 21 | 53 | 53 |
| Parker, R | 1 | 32 | 23 | 55 | 52 |
| | 8 | 263 | 179 | 442 | 436 |
| City Manager | 1 | 267 | 29 | 296 | 369 |
| Designated Officers ⁽¹⁾ | 4 | \$ 686 | \$ 151 | \$ 837 | \$ 930 |

⁽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.

24. 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, 2018

(in thousands of dollars)

25. 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.

26. 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, 2018 (in thousands of dollars)

27. COMPARATIVE INFORMATION

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

28. BUDGET INFORMATION

The 2015 - 2018 Operating Budget was approved by City Council on November 24, 2014. The reconciliation between the approved budget and the budget presented in these consolidated financial statements are as follows:

| | 2018 Budget |
|--|------------------|
| Revenue | |
| Approved budgeted revenue | \$ 410,332 |
| Expenses | |
| Approved budgeted expenses | 306,662 |
| Less: Budget adjustments | 66,941 |
| Excess of Revenue Over Expenses | \$ 36,729 |

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, 2018

(in thousands of dollars)

29. 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 |
|----------------------------|---------------------|--------------------|-----------|
| 2019 ⁽¹⁾ | \$ 1,406 | \$ 35,495 | \$ 36,901 |
| 2020 | 894 | 17,119 | 18,013 |
| 2021 | 234 | 13,493 | 13,727 |
| 2022 | 172 | 7,640 | 7,812 |
| 2023 | 158 | 1,745 | 1,903 |
| Thereafter | 456 | 992 | 1,448 |
| Total at December 31, 2018 | \$ 3,320 | \$ 76,484 | \$ 79,804 |
| Total at December 31, 2017 | \$ 3,679 | \$ 66,145 | \$ 69,824 |

⁽¹⁾The City has rights to \$18,134 in 2019 (2018 \$nil) for the sale of land to a commercial developer. The City holds a contract to sell the developer 66 acres of land over a period of approximately seven years with 38 acres remaining to be sold by December 31, 2019. The developer is entitled to extend the purchase of the remaining land for an additional three years.

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.

30. APPROVAL OF FINANCIAL STATEMENTS

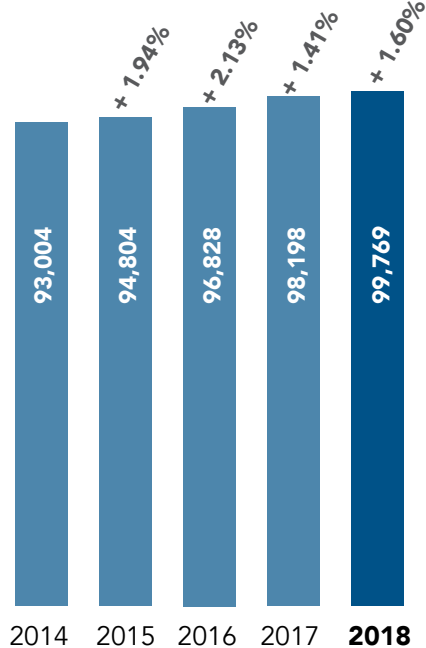
These financial statements have been approved by City Council.



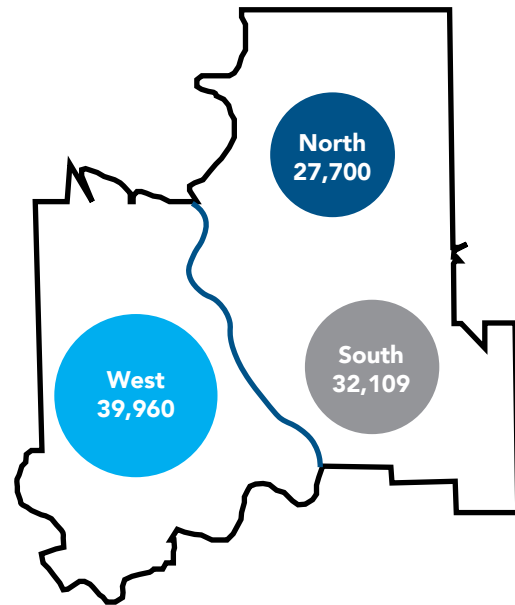
STATISTICAL INFORMATION (UNAUDITED)

STATISTICAL INFORMATION

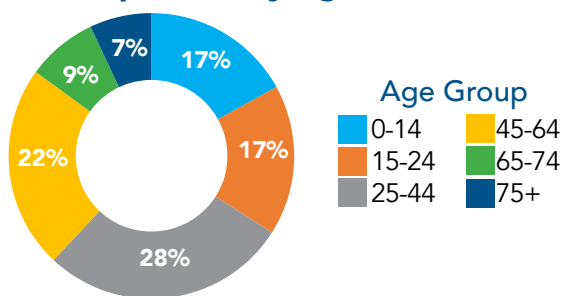
Total Population



Population by Location in 2018



Population by Age in 2018



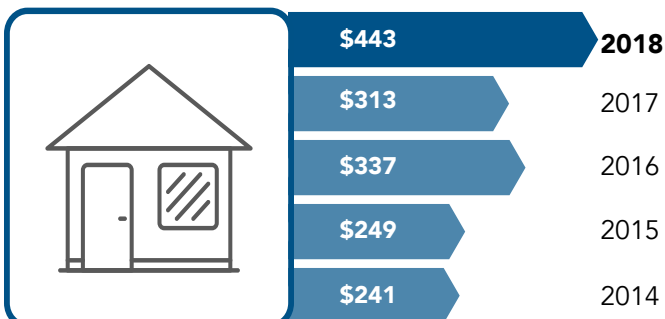
Annual Unemployment Rates

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

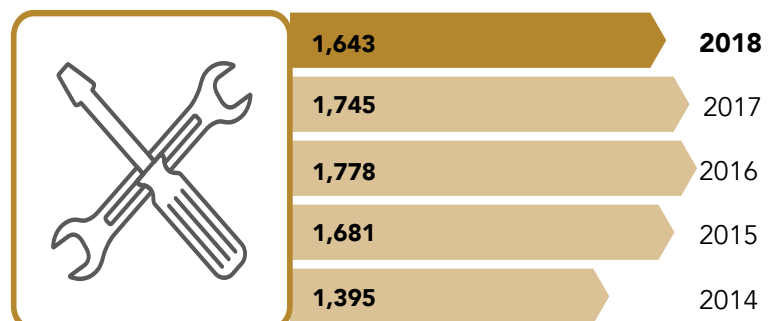
Above information obtained from Statistics Canada.

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

Building Permit Values (in millions of dollars)



Number of Building Permits Issued



STATISTICAL INFORMATION

Five Year Summary of Consolidated Revenue

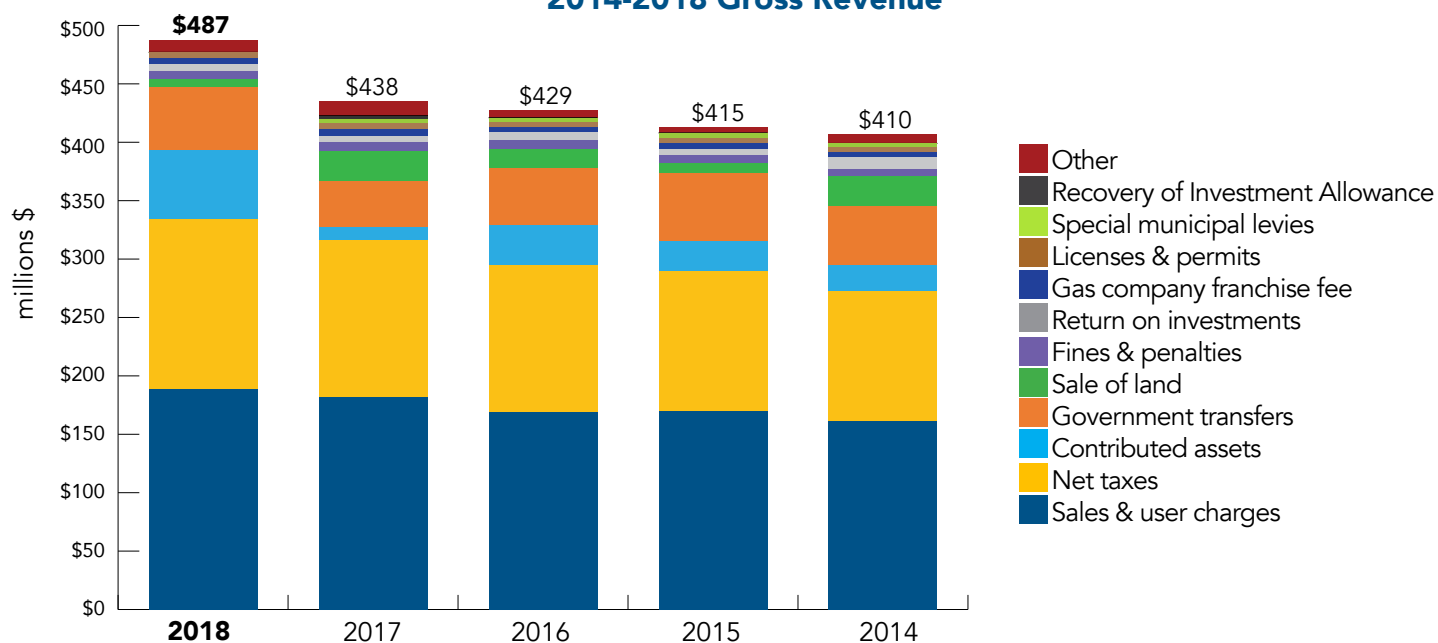
For the Years Ended December 31, 2014 to 2018

(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUE | | | | | |
| Sales and user charges | \$ 189,423 | \$ 182,563 | \$ 169,330 | \$ 170,543 | \$ 161,717 |
| Net taxes | 145,301 | 134,048 | 126,371 | 119,444 | 112,829 |
| Contributed assets ⁽¹⁾ | 59,046 | 11,194 | 34,644 | 26,639 | 21,955 |
| Government transfers | 54,107 | 40,936 | 49,313 | 59,191 | 50,945 |
| Sale of land | 7,240 | 25,322 | 16,236 | 8,161 | 26,476 |
| Fines and penalties | 6,733 | 7,882 | 7,944 | 7,501 | 6,040 |
| Return on investments | 5,866 | 5,076 | 5,712 | 5,088 | 9,622 |
| Gas company franchise fee | 5,244 | 6,063 | 5,470 | 5,033 | 4,843 |
| Licenses and permits | 4,743 | 5,339 | 4,511 | 4,880 | 4,474 |
| Special municipal levies | - | 3,877 | 3,725 | 3,661 | 3,250 |
| Recovery of Investment Allowance | - | 3,554 | - | - | - |
| Other | 9,754 | 11,851 | 5,776 | 4,925 | 8,313 |
| TOTAL REVENUE | \$ 487,457 | \$ 437,705 | \$ 429,032 | \$ 415,066 | \$ 410,464 |

(1) Based on the memorandum of understanding (MOU) dated March 16, 2018 with the County of Lethbridge, the City acquired the physical assets of the Lethbridge Airport as of June 1, 2018. The recording of these assets was the primary reason for the \$47.9 million increase in contributed asset revenue.

2014-2018 Gross Revenue



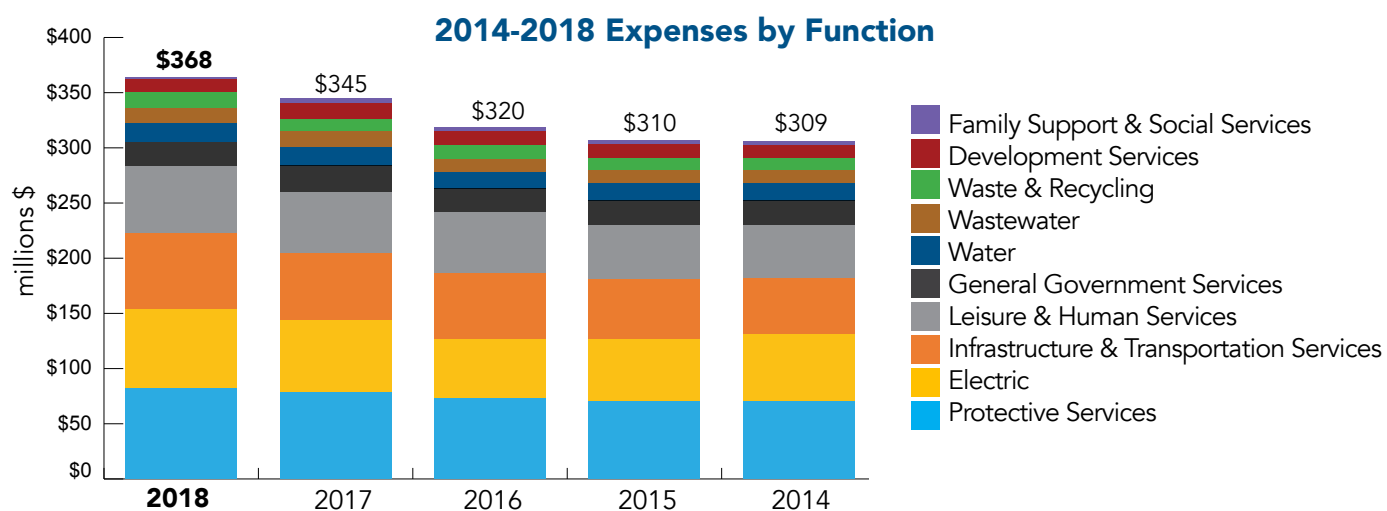
Five Year Summary of Consolidated Expenses

For the Years Ended December 31, 2014 to 2018

(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| EXPENSES BY FUNCTION | | | | | |
| Protective Services | \$ 81,922 | \$ 78,370 | \$ 73,188 | \$ 70,718 | \$ 70,728 |
| Electric | 72,556 | 65,909 | 54,411 | 56,973 | 61,598 |
| Infrastructure and Transportation Services | 68,095 | 59,752 | 59,344 | 54,100 | 51,299 |
| Leisure and Human Services | 61,093 | 56,380 | 56,273 | 49,636 | 48,447 |
| General Government Services | 22,054 | 23,697 | 21,184 | 22,384 | 22,095 |
| Water | 16,772 | 16,738 | 15,116 | 15,730 | 16,375 |
| Wastewater | 14,623 | 13,681 | 13,232 | 13,554 | 12,390 |
| Waste and Recycling | 13,849 | 11,315 | 11,502 | 10,386 | 10,419 |
| Development Services | 12,245 | 14,372 | 11,939 | 12,447 | 12,148 |
| Family Support and Social Services | 5,209 | 4,624 | 4,392 | 3,821 | 3,707 |
| TOTAL EXPENSES BY FUNCTION | \$ 368,418 | \$ 344,838 | \$ 320,581 | \$ 309,749 | \$ 309,206 |
| EXPENSES BY OBJECT | | | | | |
| Salaries, wages and benefits | \$ 170,875 | \$ 168,386 | \$ 159,931 | \$ 150,413 | \$ 145,855 |
| Materials, supplies and utilities | 75,033 | 65,249 | 58,368 | 59,633 | 61,482 |
| Contracted and general services | 62,851 | 55,995 | 54,375 | 53,471 | 50,325 |
| Amortization of tangible capital assets | 55,939 | 49,105 | 46,323 | 42,475 | 46,064 |
| Transfers to individuals and organizations | 7,103 | 7,814 | 7,971 | 8,659 | 9,039 |
| Debenture debt interest | 5,086 | 3,568 | 2,778 | 2,424 | 2,540 |
| Financial charges | 2,293 | 1,279 | 1,175 | 1,236 | 1,065 |
| Other ⁽¹⁾ | (10,762) | (6,558) | (10,340) | (8,562) | (7,164) |
| TOTAL EXPENSES BY OBJECT | \$ 368,418 | \$ 344,838 | \$ 320,581 | \$ 309,749 | \$ 309,206 |

(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, 2014 to 2018 (in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| GENERAL | | | | | |
| Tax supported | | | | | |
| Recreation & Culture Facilities | \$ 58,164 | \$ 54,207 | \$ 12,000 | \$ - | \$ - |
| Self supported | | | | | |
| Offsites | 50,253 | 46,033 | 44,310 | 49,054 | 40,459 |
| Industrial park servicing | 12,806 | 9,109 | 2,075 | 2,520 | 2,947 |
| Commercial land servicing | 11,555 | 12,222 | - | - | - |
| Airport | 644 | - | - | - | - |
| Local improvements | 25 | 50 | 74 | 509 | 574 |
| | 133,447 | 121,621 | 58,459 | 52,083 | 43,980 |
| UTILITIES | | | | | |
| Water | 6,411 | 7,175 | 8,027 | 6,541 | 6,869 |
| Wastewater | 7,564 | 6,266 | 6,485 | 5,694 | 4,888 |
| Waste & Recycling Services | 21,163 | 10,344 | 8,650 | 9,390 | 11,071 |
| Electric | 33,295 | 28,588 | 27,905 | 16,541 | 4,333 |
| | 68,433 | 52,373 | 51,067 | 38,166 | 27,161 |
| TOTAL GENERAL AND UTILITIES DEBT | \$ 201,880 | \$ 173,994 | \$ 109,526 | \$ 90,249 | \$ 71,141 |
| POPULATION | 99,769 | 98,198 | 96,828 | 94,804 | 93,004 |
| DEBENTURE DEBT PER CAPITA | | | | | |
| General - mill rate supported | \$ 583 | \$ 552 | \$ 124 | \$ - | \$ - |
| General - self supported | 755 | 687 | 480 | 549 | 473 |
| Utilities | 686 | 533 | 527 | 403 | 292 |
| | \$ 2,024 | \$ 1,772 | \$ 1,131 | \$ 952 | \$ 765 |
| DEBT LIMIT (as per Municipal Government Act) | | | | | |
| Total debt limit | \$ 578,773 | \$ 591,103 | \$ 535,924 | \$ 506,631 | \$ 517,250 |
| Total debt (above) | 201,880 | 173,994 | 109,526 | 90,249 | 71,141 |
| DEBT LIMIT UNUSED | \$ 376,893 | \$ 417,109 | \$ 426,398 | \$ 416,382 | \$ 446,109 |
| Percentage of debt limit used | 34.9% | 29.4% | 20.4% | 17.8% | 13.8% |
| Service on debt limit | \$ 96,462 | \$ 98,517 | \$ 89,321 | \$ 84,438 | \$ 86,208 |
| Service on debt (principal and interest payment) | 23,384 | 20,686 | 15,849 | 13,922 | 10,811 |
| SERVICE ON DEBT LIMIT UNUSED | \$ 73,078 | \$ 77,831 | \$ 73,472 | \$ 70,516 | \$ 75,397 |
| Percentage of service on debt limit used | 24.2% | 21.0% | 17.7% | 16.5% | 12.5% |
| Percentage of expenditures | 6.3% | 6.0% | 4.9% | 4.5% | 3.5% |

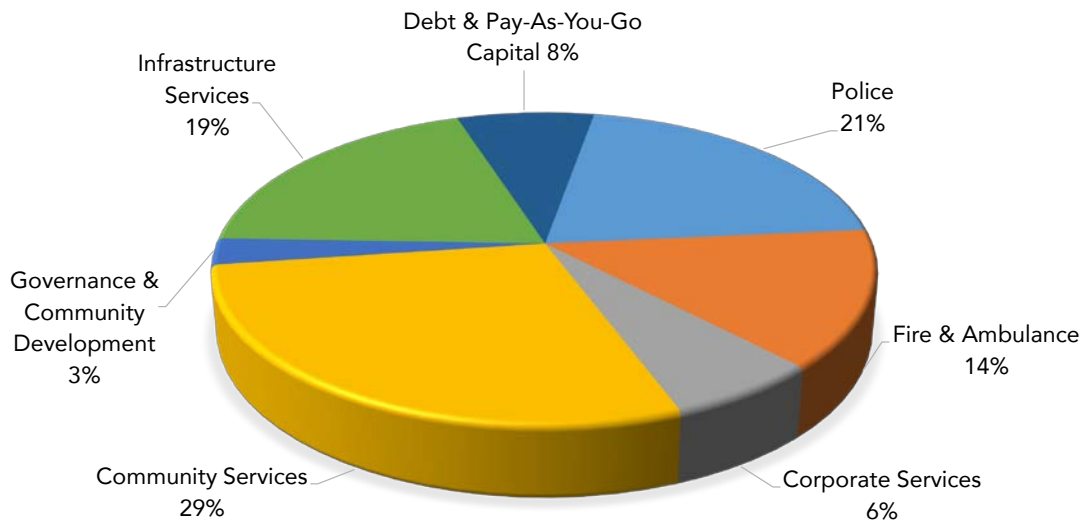
Five Year Summary of Property Tax Levy

For the Years Ended December 31, 2014 to 2018
(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REAL PROPERTY | | | | | |
| Municipal | \$ 144,296 | \$ 133,023 | \$ 125,616 | \$ 118,516 | \$ 111,084 |
| Education | 35,645 | 33,340 | 32,584 | 31,048 | 30,696 |
| Other | 1,418 | 1,470 | 1,000 | 1,369 | 1,185 |
| TOTAL REAL PROPERTY | 181,359 | 167,833 | 159,200 | 150,933 | 142,965 |
| Special Assessments | - | 3,877 | 3,725 | 3,661 | 3,250 |
| Business Taxes (BRZ) | 167 | 215 | 181 | 165 | 207 |
| TOTAL CURRENT YEAR LEVY | \$ 181,526 | \$ 171,925 | \$ 163,106 | \$ 154,759 | \$ 146,422 |
| Current Taxes Collected | \$ 179,186 | \$ 169,526 | \$ 161,195 | \$ 152,992 | \$ 144,518 |
| % of Current Taxes Collected | 98.7% | 98.6% | 98.8% | 98.9% | 98.7% |

The ten largest corporate taxpayers account for \$11,317 (6.2%) of the 2018 total property tax levy.

2018 Allocation of Municipal Property Tax Dollars



Five Year Summary of Taxable Assessment

For the Years Ended December 31, 2014 to 2018
(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Residential | \$ 9,970,488 | \$ 9,632,957 | \$ 9,317,539 | \$ 9,039,814 | \$ 8,621,730 |
| Apartments | 452,532 | 449,165 | 450,068 | 429,878 | 486,688 |
| Commercial and Industrial | 2,742,410 | 2,647,657 | 2,536,468 | 2,486,455 | 2,301,670 |
| TOTAL TAXABLE ASSESSMENT | \$ 13,165,430 | \$ 12,729,779 | \$ 12,304,075 | \$ 11,956,147 | \$ 11,410,088 |

STATISTICAL INFORMATION

Five Year Summary of Acquisition of Tangible Capital Assets

For the Years Ended December 31, 2014 to 2018
(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| CAPITAL SPENDING | | | | | |
| Land | \$ 5,012 | \$ 12,868 | \$ 3,669 | \$ 505 | \$ 260 |
| Land improvements | 17,271 | 4,830 | 10,378 | 3,532 | 8,797 |
| Buildings | 24,052 | 36,368 | 46,877 | 2,514 | 18,828 |
| Infrastructure | 58,383 | 32,633 | 62,146 | 60,857 | 60,622 |
| Equipment and furnishings | 16,296 | 5,726 | 6,544 | 5,310 | 4,402 |
| Vehicles | 9,437 | 8,211 | 9,688 | 5,262 | 1,902 |
| Change in assets under construction | 25,152 | 46,403 | (18,146) | 55,318 | (1,152) |
| TOTAL CAPITAL SPENDING | \$ 155,603 | \$ 147,039 | \$ 121,156 | \$ 133,298 | \$ 93,659 |

Five Year Summary of Net Financial Assets

For the Years Ended December 31, 2014 to 2018
(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------------|------------------|------------------|------------------|------------------|
| FINANCIAL ASSETS | | | | | |
| Excess of revenue over expenses | \$ 119,039 | \$ 92,867 | \$ 108,451 | \$ 105,317 | \$ 101,258 |
| Change related to tangible capital assets | (155,440) | (107,223) | (103,875) | (111,246) | (68,684) |
| Change related to other non-financial assets | (6,305) | (1,317) | 889 | 633 | 1,302 |
| Increase (Decrease) in Net Financial Assets | (42,706) | (15,673) | 5,465 | (5,296) | 33,876 |
| Net Financial Assets, Beginning of Year | 46,286 | 61,959 | 56,494 | 61,790 | 27,914 |
| NET FINANCIAL ASSETS, END OF YEAR | \$ 3,580 | \$ 46,286 | \$ 61,959 | \$ 56,494 | \$ 61,790 |

Five Year Summary of Municipal Equity

For the Years Ended December 31, 2014 to 2018
(in thousands of dollars)

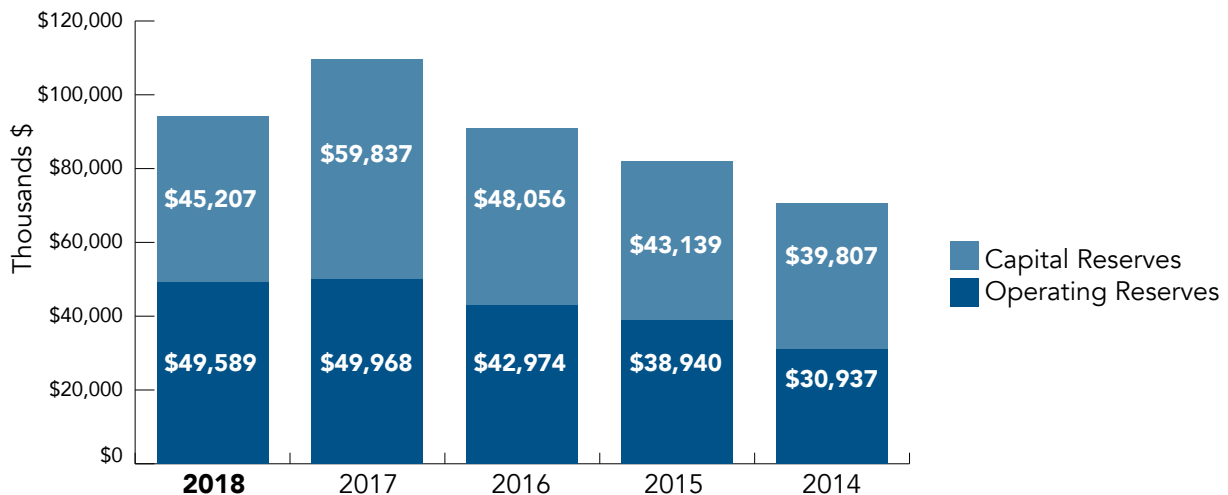
| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | \$ 487,457 | \$ 437,705 | \$ 429,032 | \$ 415,066 | \$ 410,464 |
| Expenses | 368,418 | 344,838 | 320,581 | 309,749 | 309,206 |
| Excess of Revenue Over Expenses | 119,039 | 92,867 | 108,451 | 105,317 | 101,258 |
| Municipal Equity, Beginning of Year | 1,646,063 | 1,553,196 | 1,444,745 | 1,339,428 | 1,238,170 |
| MUNICIPAL EQUITY, END OF YEAR | \$ 1,765,102 | \$ 1,646,063 | \$ 1,553,196 | \$ 1,444,745 | \$ 1,339,428 |

Five Year Summary of Reserves

For the Years Ended December 31, 2014 to 2018
(in thousands of dollars)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------|------------|-----------|-----------|-----------|
| OPERATING | | | | | |
| Municipal Revenue Stabilization | \$ 28,746 | \$ 26,120 | \$ 19,786 | \$ 15,953 | \$ 11,505 |
| Budget Appropriations | 12,450 | 16,639 | 16,793 | 16,690 | 13,632 |
| Insurance | 4,833 | 4,351 | 3,922 | 3,576 | 3,288 |
| Urban Parks | 2,102 | 1,363 | 917 | 1,248 | 1,097 |
| Cemeteries | 1,347 | 1,385 | 1,448 | 1,366 | 1,309 |
| Mayor Magrath Drive Beautification | 111 | 110 | 108 | 107 | 106 |
| | 49,589 | 49,968 | 42,974 | 38,940 | 30,937 |
| CAPITAL | | | | | |
| Fleet Services | \$ 22,184 | \$ 22,514 | \$ 20,009 | \$ 21,583 | \$ 21,441 |
| Real Estate Holdings | 5,469 | 5,392 | 4,813 | 4,662 | 4,560 |
| Community Lighting | 5,253 | 5,715 | 5,017 | 4,391 | 3,937 |
| Electric | 4,595 | 771 | 230 | - | - |
| Major Capital Projects | 3,673 | 20,149 | 13,012 | 7,829 | 4,540 |
| Acquire Off Street Parking | 2,018 | 3,415 | 3,197 | 2,848 | 2,515 |
| Transit Bus | 1,033 | 906 | 1,070 | 1,252 | 1,252 |
| Central Business District Land Acquisition | 684 | 683 | 421 | 420 | 429 |
| Community Reserve Fund | 298 | 292 | 287 | 154 | 1,133 |
| | 45,207 | 59,837 | 48,056 | 43,139 | 39,807 |
| TOTAL RESERVES | \$ 94,796 | \$ 109,805 | \$ 91,030 | \$ 82,079 | \$ 70,744 |

CAPITAL AND OPERATING RESERVES (thousands \$)



STATISTICAL INFORMATION

Five Year Summary of Government Transfers

For the Years Ended December 31, 2014 to 2018 (in thousands of dollars)

| | 2018 | | | 2017 | 2016 | 2015 | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Provincial | Federal | Total | | | | |
| UNCONDITIONAL TRANSFERS | | | | | | | |
| Payments in lieu of taxes | \$ 1,155 | \$ 265 | \$ 1,420 | \$ 1,330 | \$ 1,309 | \$ 1,403 | \$ 2,231 |
| CONDITIONAL TRANSFERS | | | | | | | |
| Municipal Sustainability Initiative (MSI) ⁽¹⁾ | 22,487 | - | 22,487 | 13,552 | 29,103 | 35,393 | 17,824 |
| Green TRIP (Green Transit Initiatives Program) | 7,726 | - | 7,726 | 1,695 | 3,911 | - | 95 |
| Clean Water & Wastewater Fund (CWWF) | - | 5,478 | 5,478 | 1,604 | - | - | - |
| Social Housing in Action (SHIA) | 3,928 | 497 | 4,425 | 4,471 | 4,179 | 5,282 | 5,294 |
| Federal Gas Tax Fund (FGTF) | - | 3,245 | 3,245 | 2,269 | 3,372 | 1,959 | 3,809 |
| Family and Community Support Services (FCSS) | 3,017 | - | 3,017 | 1,859 | 2,446 | 2,040 | 1,898 |
| Rural Development Division | 1,800 | - | 1,800 | 7,200 | - | - | - |
| Municipal Policing Assistance Grant (MPAG) | 1,571 | - | 1,571 | 1,549 | 1,517 | 1,488 | 1,447 |
| Public Transit Infrastructure Fund | - | 1,285 | 1,285 | 202 | - | - | - |
| 9-1-1 Program | 649 | - | 649 | 625 | 613 | 623 | 242 |
| Lethbridge Public Library | 537 | - | 537 | 537 | 526 | 516 | 572 |
| Canadian Cultural Spaces Fund | - | 350 | 350 | 2,899 | 252 | - | - |
| Police Officers Grant | 300 | - | 300 | 300 | 325 | 400 | 400 |
| Adult Literacy Program | 268 | - | 268 | 264 | 143 | 124 | 124 |
| Western Economic Diversification Canada (WEDC) | - | 236 | 236 | - | - | - | - |
| Victim/Witness Services Unit | 150 | - | 150 | 150 | 150 | 150 | 150 |
| Alberta Seniors Housing | 100 | - | 100 | - | - | - | - |
| Fetal Alcohol Spectrum Disorder (FASD) | 93 | - | 93 | 90 | 132 | 131 | 121 |
| Municipalities for Climate Innovation Program (MCIP) | - | 89 | 89 | - | - | - | - |
| Alberta Community Partnership (ACP) | 68 | - | 68 | 90 | 678 | 605 | - |
| Alberta Community Resilience Program | 51 | - | 51 | 75 | - | - | - |
| Summer Temporary Employment Program (STEP) | 39 | - | 39 | 33 | 30 | - | - |
| Canada Day/Canada 150 Celebrations | - | 36 | 36 | 204 | 80 | 4 | 4 |
| ALERT Program | 28 | - | 28 | 21 | 28 | 35 | 28 |
| Refugee Language and Support Program | 24 | - | 24 | 34 | 33 | - | - |
| OHS Innovation & Engagement Grant | 20 | - | 20 | - | - | - | - |
| Community Partnership Enhancement Fund (CPEF) | 17 | - | 17 | 34 | - | - | - |
| Heritage Museum Program | - | 15 | 15 | 15 | 15 | 15 | 15 |
| Disaster Recovery | - | - | - | 463 | 707 | 516 | 525 |
| Alberta Historical Resources Foundation | - | - | - | 272 | 78 | 17 | - |
| Affordable Housing ⁽²⁾ | - | - | - | 65 | 71 | (156) | 78 |
| Regional Collaboration Program | - | - | - | 264 | 85 | 62 | 126 |
| Employment & Social Development | - | - | - | 50 | - | - | - |
| Alberta Sport Development Centre | - | - | - | 40 | 120 | 120 | 120 |
| Building Canada Fund (BCF) | - | - | - | - | 526 | 8,768 | 9,753 |
| Flood Recovery Erosion Control (FREC) | - | - | - | - | 126 | 56 | 22 |
| Alberta Culture & Tourism | - | - | - | - | 61 | 29 | - |
| Flood Readiness Program | - | - | - | - | - | 700 | - |
| Railway Rehabilitation Program | - | - | - | - | - | 178 | - |
| Enabling Accessibility | - | - | - | - | - | 100 | - |
| Alberta Municipal Infrastructure (AMIP) ⁽²⁾ | - | - | - | - | - | 20 | 8,115 |
| Canadian Heritage Information Network (CHIN) | - | - | - | - | - | 7 | 24 |
| Graduate Rental Assistance Program | - | - | - | - | - | 1 | 43 |
| Community Facility Enhancement Program (CFEP) | - | - | - | - | - | - | 100 |
| Officer Crisis Intervention Training (CIT) | - | - | - | - | - | - | 12 |
| Other | 3 | - | 3 | 10 | 6 | 8 | 4 |
| | 42,876 | 11,231 | 54,107 | 40,936 | 49,313 | 59,191 | 50,945 |
| TOTAL GOVERNMENT TRANSFERS ⁽³⁾ | \$ 44,031 | \$ 11,496 | \$ 55,527 | \$ 42,266 | \$ 50,622 | \$ 60,594 | \$ 53,176 |

(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.



The Galt Museum & Archives

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

In 2018, the Galt continued to fulfil its role in preserving and sharing the history of Lethbridge and the southern Alberta region. The second full season of operating Fort Whoop-Up saw an increase in visitation and food sales. Together, the Fort and the Galt continue to provide residents and visitors with experiences that inspire learning and change.

Over the last year, the Galt's programs and exhibits displayed and explored the history and culture of our region. The exhibits focused on local collectors, movies and movie culture in southern Alberta, historic pandemics, aviation and gliding, civil defense, war cartoonists, lost city architecture and buildings, automotive history, and the history of the Alberta Provincial Police, among other topics. School and community programs were well attended throughout the year, with many opportunities to engage

with objects that represent the culture of the area. A new, more efficient online booking system was launched to help local teachers discover and book the educational offerings at the Galt.

The Galt continued to build on the success of the Indigenous History program, holding additional history programs throughout the year, including lectures and panel discussions on reconciliation. Blackfoot Language instructor Julius Delaney offered an introductory course on speaking Blackfoot to large groups of residents.

Completed Projects

- Launched a renovated online database platform for the archives and collections.
- Installed rubberized surfacing around the outdoor exhibits to increase accessibility while decreasing maintenance.

- Led a province-wide project to research policies and best practices for protecting public collections.
- Fostered new partnerships at Fort Whoop-Up, including New West Theatre, Southern Alberta Horse Artillery, the Fort Whoop-Up Black Powder Society, and food services at Lethbridge College.

DID YOU KNOW?

- Fort Whoop-Up increased visitation by 19% and food sales by over 180%.
- Wednesday Daytime Workshops increased from an average of 43 participants to 73.
- The Galt has a new online database to help residents and researchers explore the documents and artifacts in the Galt's care.

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, no-fee 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 Lethbridge's west side Crossings community, and the Bookmobile, which brings the Library to communities throughout the city.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

2018 was an eventful year at LPL. From completing the Main Branch's renovation project to offering new services and activities, the Library continues to reaffirm its commitment to being a welcoming, inclusive space that connects and strengthens community through equitable access to learning and leisure.

Main Branch Modernization Project

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

Highlights of the newly renovated space include:

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



LPL Main Branch Modernization Project was completed in July 2018

MBMP included funding from the Canada 150 Community Infrastructure Program, the Lethbridge Public Library, and the City of Lethbridge.



Piitoyiss/Eagles' Nest

As part of the re-designed open concept of the Main Branch's upper north wing, the Library also debuted its Indigenous space, which received its Blackfoot name, Piitoyiss, or Eagles' Nest, during the reopening

celebration. This space acknowledges and honours the history of the peoples and the traditional land the Library occupies.

Community LINKS opens at the Main Branch

Working with key partners, Canadian Mental Health Association, Alberta South Region, and the City of Lethbridge, the Community LINKS information and referral desk officially launched at the Main Branch on December 4.

Community LINKS is available during the Library's peak hours to serve the community as an information and referral resource. Library customers or individuals in the community can connect with staff in person, over the phone, or through email to receive assistance in finding



community, health, and social services. Community LINKS acts as a complement to Library services in that staff are specially trained and can help customers navigate the sometimes complex government and health information systems. This partnership is one of the ways in which the Library continues to expand its role as a community hub and a true community connector.

LPL hosted its eighth annual Word on the Street festival in September 2018

Sensory Programming Offered at LPL

Autism has a large spectrum and is very individual. Customization and experimentation are critical to finding experiences that work best. It was through consultation with parents and community partners that the Library was able to develop and start

offering a variety of sensory materials and programming in 2018 to meet community needs. These include:

- Sensory Storytime
- Sensory Baskets (for use in-house)
- Sensory Kits (for borrowing)
- Library Social Stories

Awards & Recognition

In keeping with our commitment to excellence in needs-based community programming, LPL was recognized with the following awards in 2018:

- Downtown Event of the Year – The Word On The Street (Heart of Our City, Celebrate Downtown awards)
- Allied Arts Council Excellence (AACE) Award – Service Organization
- Lethbridge Pride Award, Non-Profit Community Organization
- READ Award – Kids Kindness Club (Chinook Arch Regional Library System)

DID YOU KNOW?

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.

In 2018:

- There were over 662,000 visits to the Library (Main and The Crossings branches, and Bookmobile).
- Library staff responded to over 141,000 questions.
- The Library hosted over 5,500 events and activities, which attracted over 65,500 people.

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Operations

In 2018 Lethbridge Police resources were challenged by the demands of a drug crisis that continues to impact the community through an increase in spin-off property crime and social disorder. Chronic offenders with mental health issues and other hard to serve individuals repeatedly coming into contact with the justice system added further strain to public perceptions of safety, particularly in the downtown core. Four officers were subsequently re-deployed to the Downtown Policing Unit to address these concerns and work proactively with businesses and citizens to enhance public safety. A full-time Police and Crisis Team was also implemented which includes a police officer working collaboratively with an Alberta Health Services Mental Health Worker to manage offenders with mental health issues and other vulnerable individuals with complex needs.



Downtown Policing Unit

Recruiting

The Recruiting Unit completed a comprehensive process to hire a combination of police cadets and Community Peace Officers who will begin a 22-week training program at Lethbridge College in January 2019.



Equipment

A research project was initiated to identify new service pistols as the current Sig Sauer model, issued in 2007, was dated and the ability to service and source replacement parts had become exceedingly difficult. Following a detailed review of industry best practices, the Glock 17 GNS 5 9mm pistol was approved and a tender for purchase was issued in late 2018. The transition to Glocks will commence in early 2019.

Training

The Lethbridge Police Service strengthened its partnership with Lethbridge Fire and Emergency Services and both agencies enhanced their ability to respond to critical incidents by planning and participating in an active threat scenario that featured cross representation from transit, infrastructure, risk management, public operations, dispatch and external agencies including the Alberta Emergency Management Association and Alberta Health Services.

LPS and Fire and Emergency Services also hosted a joint train-the-trainer for the Critical Incident Stress Management Program to continue to provide peer support, enhance first responder resilience, reduce the stigma of PTSD and other mental health issues and advance employee well-being.

DID YOU KNOW?

- In 2018, the LPS responded to a total of 34,610 calls for service.
- The Lethbridge Police Victim Services Unit contributed more than 18,000 hours to assist victims and witnesses and provided support to more than 2,200 people.
- The Lethbridge Police Half Marathon raised \$20,000 for Special Olympics.

COMMUNITY SERVICES

Lethbridge Fire & Emergency Services

Public Safety Communications Centre

Regulatory Services

Recreation & Culture

Helen Schuler Nature Centre

Community Social Development

Cemetery Services

Lethbridge Transit

ENMAX Centre

LETHBRIDGE FIRE & EMERGENCY SERVICES

In 1886, when the **Lethbridge Fire Department** came into being, the fire service was about little more than putting the wet stuff on the red stuff. Today, as one of the leading, longest operating, fully integrated Fire and Emergency Medical Service (EMS) departments in the province, that statement is far too simplistic. Every ambulance and every fire truck in Lethbridge is staffed with, at minimum, one advanced life support paramedic. There are 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 2018, a number of building blocks were put in place to ensure the certainty and stability of the operational model for Lethbridge Fire and EMS.

EMS Accreditation Award

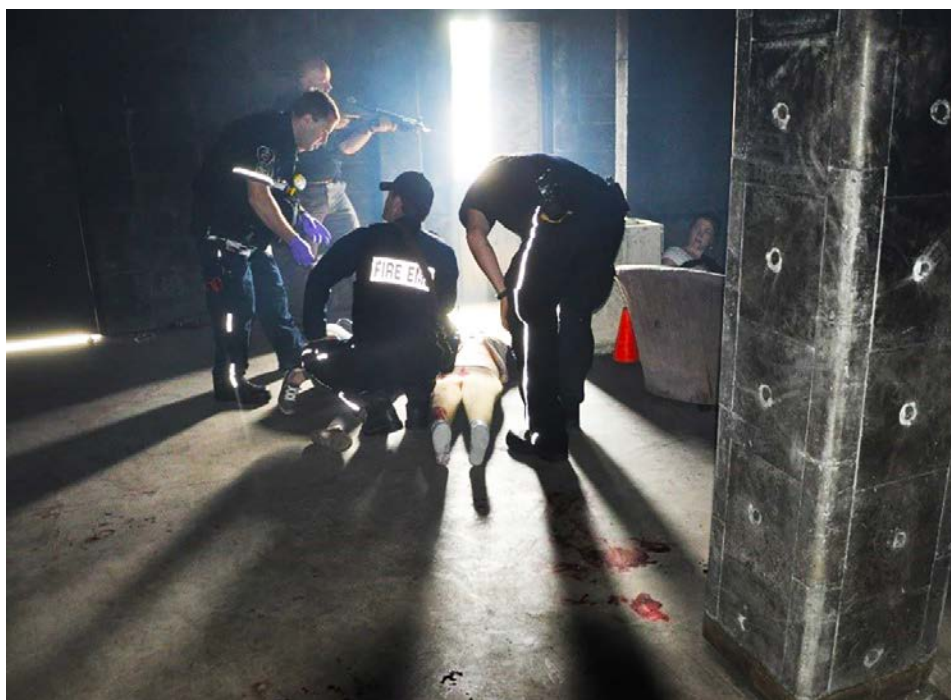
Lethbridge EMS attained an EMS Accreditation award for a second time. This accreditation involves a process of self-assessments and on-site peer interviews involving assessments based on leadership, governance, quality and safety. The 2018 award came with the honour of *Commendation* which qualifies Lethbridge's service delivery standards amongst the very best in the country.

EMS Contract with Alberta Health Services

The EMS contract with Alberta Health Services was extended to 2022. This multi-year contract provides stability and assurance to the staff that this commitment will continue the 100+ year history of serving the community with quality EMS services.

Collective Agreement

The collaborative efforts were made to negotiate a new collective agreement with Lethbridge Firefighters' labor union. This agreement aligns with the City's four-year operating budget (2019-2022) which lets the business unit plan, build the model of excellence for stability and success well into the future.



Emergency Response Training Exercise

Training Division

The Training Division was restructured to include a learning management system that was integrated into the entire department. It is responsible for tracking internal training, priority 1 notifications, course postings and training modules. Also, the addition of eight fire service instructors will add valuable instructional ability to the department.

This summer, collaborative training was held with Lethbridge Police Services in a multiple joint training evolution, to ensure the best possible communication procedures and tactical decisions are made. Later in October, this training

was put to the test in a massive "Active Shooter" exercise held at Exhibition Park. Multiple agencies descended on the scene to find a life-like scene of chaos. The Emergency Coordination Centre was activated and the event managed under the 'joint' model of the Incident Command Structure.

Provincial EMS Dispatching Satellite Centre

The Public Safety Communications Centre (PSCC) became a satellite centre for Provincial EMS dispatching in February. This transition is largely an interoperable technology project allowing Fire and EMS teams to

LETHBRIDGE FIRE & EMERGENCY SERVICES

communicate and retain situational awareness on multi-agency and combined medical and fire emergencies. Dispatchers in Lethbridge follow the Provincial protocols and have information on the location of all EMS resources in the province. When support from fire is required in the form of Medical First Response (MFR), an interface between the two systems permits a seamless request and send process. Reciprocally, when an ambulance is needed to support a fire emergency, the request is transmitted in the opposite direction to ensure an ambulance is immediately sent to back up fire responders.

New West Lethbridge Fire Station

A schematic design for the new west Lethbridge Fire Station was completed. Located in Watermark at the new intersection of Great Bear Boulevard and Winnipeg Drive, the 5th station for the City of Lethbridge will be a 1,200 square meter, single story building at the gateway of the new subdivision. This fire station is expected to serve the community for the next 50 years or more with an anticipated opening date of November 2020.



Rescue by Firefighter

FIRE AND MEDICAL INCIDENTS



DID YOU KNOW?

- 25 municipalities including Lethbridge, have signed on to the Southern Alberta Emergency Management Resource Sharing Agreement (SAEMRSA) to improve coordination and support during disaster response and recovery.
- The Alberta First Responder Radio Communications System (AFRRCs) went

live in Lethbridge this fall – a platform for public safety agencies across the entire province.

- 10 Paramedic recruits graduated from the training academy with full fire competencies on November 6, 2018!

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. In addition to call taking and dispatching for the City and residents, the PSCC provides service to Alberta Health Services (AHS), a number of rural fire agencies, and their citizens. The PSCC also manages and maintains the City's radio communications network and infrastructure.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- The PSCC, in conjunction with Alberta Health Services (AHS), completed the AHS dispatching interface project. This technology interface between the PSCC's systems and AHS' systems allow for seamless dispatch of fire resources to medical calls and medical resources to fire calls.
- Lethbridge Fire and Emergency Services transitioned from our older 700 MHz radio system to the Alberta First Responder Radio Communications System (AFRRCS). The provincial system allows first responders to talk on their radios outside of the immediate Lethbridge area, and also with first responders from other agencies.
- The PSCC became accredited for Emergency Medical Dispatch with the International Academies of Emergency Dispatch. This accreditation recognizes the PSCC's high compliance with medical dispatching protocols.
- When 9-1-1 calls are sent to PSCC, the caller and location information are included in a data packet. PSCC has worked with Telus and other technology vendors to upgrade the data packets with enhanced capabilities and information for call takers.

DID YOU KNOW?

- 50,763 9-1-1 calls were received by PSCC staff, this was a 6% increase over 2017.
- 67% of the 9-1-1 calls were from cellular phones, a 2% increase over 2017.
- Emergency call takers occasionally help pregnant mothers deliver their babies over the telephone while paramedics rush to their location. As this is a rare and stressful event (2 to 3 times per year), when it does happen the call taker receives a lapel pin with a stork on it, to wear on their uniform!

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

Microchipping Shelter Animals

In 2018, the department began microchipping all animals adopted from the Lethbridge Animal Shelter making it more efficient and increasing the likelihood of connecting lost pets with their owners. This complements other recent changes made for adopted dogs and cats, where the department implemented a sterilization cost recovery program and began administering initial vaccinations to animals before they found new homes.

License Plate Recognition (LPR) Program

To complement the meter replacement and adoption of Pay by Plate parking changes in the downtown core, the department amended the Traffic Bylaw and invested in license recognition software. License recognition ticketing creates efficiencies where license plates of motorists who have not paid to park in the downtown are scanned



Parking Control Vehicle

and ticketed in an expeditious and proficient manner. This initiative was a laborious endeavor, which required a fundamental change in the way the department conducts enforcement in the downtown core.

Pawn Broker Amendments to the Business License Bylaw

At the request of Lethbridge Police Service (LPS), the department made changes to our Business License Bylaw with respect to pawn broker and second hand dealer regulations. LPS can now require such businesses to electronically register their inventory so that pawned or sold items are easier to track to determine if they are stolen property.

Retail Cannabis Licensing

To accommodate the legalization of cannabis by the federal government, and the subsequent provincial licensing requirements adopted by the province, the department's business licensing program was modified to allow for an efficient inception of this new type of business.

DID YOU KNOW?

- The rattlesnake mitigation program continues to record increased activity and 109 rattlesnakes were relocated in 2018.
- Every applicant to obtain a taxicab license from the City of Lethbridge must submit for review a driver's abstract and a criminal record check, before a license is granted.
- The Animal Welfare Committee was renewed for another four years with the mandate to support feral cat colonies and provide grants to animal rescue groups.

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.



Yates Theatre

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

New West Theatre Showcases Renovated Genevieve E Yates Theatre

With work on the Yates and Sterndale Bennett Theatres coming to a close, the renovated facility opened its doors to the public in September with a close to sold-out New West Theatre show, *Million Dollar Quartet*. The reviews of the Yates' upgrades were outstanding, as were the reviews of this fantastic show. A Grand Opening event will take place in 2019.

Online Swim Lesson Registration Launched

A much anticipated upgrade to provide online swim registration took place 2018. This has allowed for a much more efficient experience

with swim lesson registration. The software will allow for other facilities to be booked online in the future, enhancing the customer experience.

Play Charter Adopted By City Council

On October 15, City Council voted unanimously in support of the Lethbridge Play Charter, a document brought forward by 28 local organizations which:

- Outlines why play is important
- Identifies how different organizations can work together around play
- Encourages a community that supports comprehensive play opportunities for all children

The Charter was signed by the Mayor on National Child Day in November.

Saint-Laurent Public Art Gift Installed

In 2016 a unique public art exchange between Lethbridge and Saint-Laurent, Quebec, was initiated to celebrate fifty years of twinning friendship between the cities. The installation of Quebec-based artist Marc Dulude's sculpture, *Migratory Gift*, was installed in Henderson Park in October 2018. The piece features flying geese pulling a large stone. A line drawn in the earth behind marks the trail of the stone and references the strength of the friendship between the two cities. The piece being created for Saint-Laurent as a gift from Lethbridge will be installed in 2019.

RECREATION & CULTURE



Spitz Stadium

Spitz Stadium Grand Re-Opening

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

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

The Grand Re-opening included speeches and presentations followed by the Lethbridge Bulls playing the Okotoks Dawgs for the first game in this impressive facility.

Casa Turns 5

On May 12, 2018, Casa had a party to celebrate its fifth birthday as the home for the arts in Lethbridge. The celebration included:

- Rotary Square BBQ
- Live music
- Art activities
- Facility tours

This event was supported with Heart of Our City Activity Grant funding. Originally opened on May 14, 2013, Casa is owned by the City of Lethbridge and operated by the Allied Arts Council of Lethbridge.

DID YOU KNOW?

- Lethbridge hosted national or international events in the sports of trampoline and tumbling, softball, little league baseball, squash, and golf.
- Over 200 event permits were issued.
- 41 events were approved for funding from the Community Event Support Grant.
- In 2018, there were 505 picnic shelter bookings.
- 15 organizations were approved for Community Capital Project Grants.

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 2018 was 52,775 people. This marks the fifth consecutive year for record setting attendance.



The WentzScope™ project was made possible by the Community Foundation of Lethbridge and Southwestern Alberta along with generous donors at the Wild Side of Love Annual Fundraising Event.

SUCCESS STORIES

Leadership Development

The Nature Centre's Environmental Education Program Leader delivered 217 programs through the *Natural Leaders Project* in 2018. The program was recognized as one of three finalists in the Alberta Emerald Award program, for its innovative approach and use of best practices.

Lethbridge's First Pop-up, Loose Parts Playground

Lethbridge College's Early Childhood Education program faculty and students partnered with the Nature Centre at *Spring Nature Fest and Nature Play Day* to host an exciting activity. Loose parts are open-ended materials with no specific set of directions for use. They can be moved, assembled and reconstructed with endless variety. Loose parts play environments support creativity, invention, cooperation and problem solving.

KEY HIGHLIGHTS

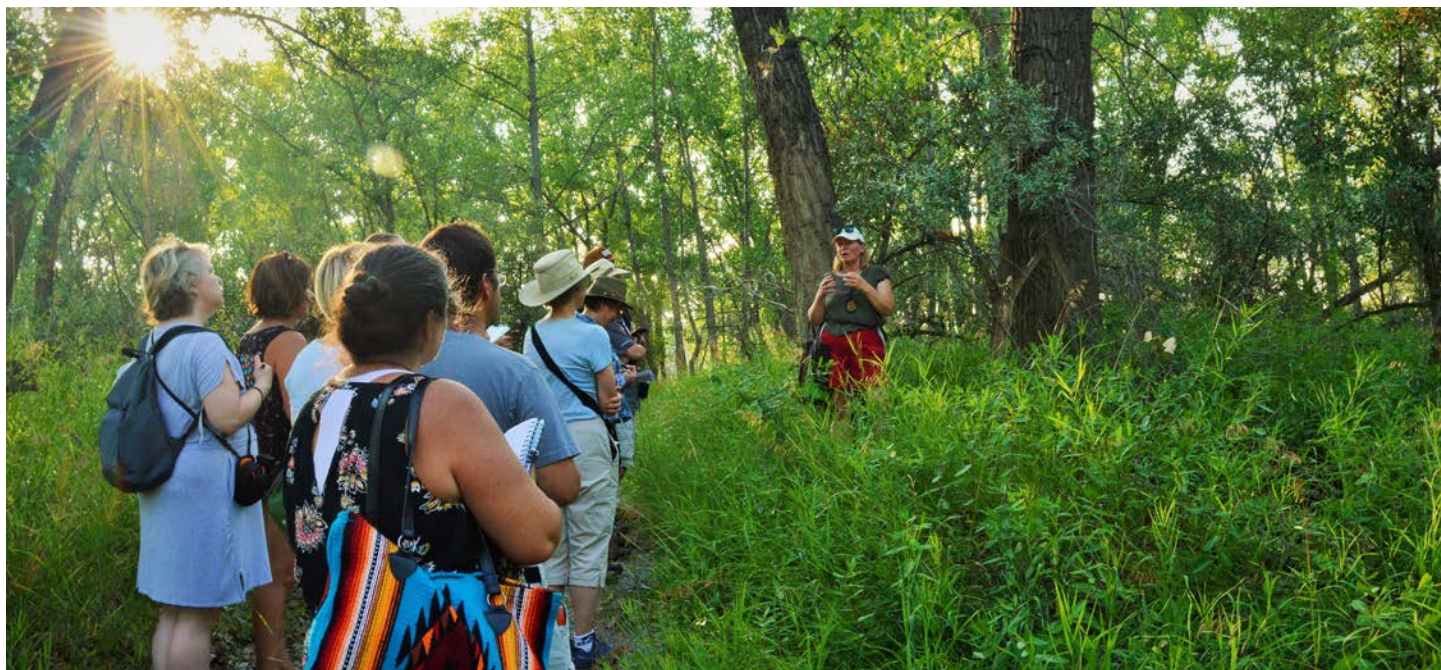
Making Connections Through StoryWalk®

The Nature Centre, in partnership with the Lethbridge Public Library and Oldman River Chapter of Trout Unlimited Canada, hosted three popular StoryWalk® events. A StoryWalk® is an opportunity for people to experience a book while walking through a park or natural area. There is a common theme between the story, the location, and the season. The program promotes literacy, outdoor physical activity and encourages community involvement.

Caring for our River Valley

Since 2007, when the Nature Centre's conservation programs began, a total of 7,670 people have given back to the river valley they enjoy. 13,366 volunteer hours have been donated in that time. The programs were generously supported by Pratt and Whitney Canada and Jim Pattison Broadcast Group - B93/

HELEN SCHULER NATURE CENTRE



The Oldman River Valley offers life-long learning opportunities for people of all ages. An edible plant walk workshop was a popular event in 2018.

Country 95 (both ongoing support since 2007), the Alberta Conservation Association (since 2016), and the Oldman Watershed Council (2018).

Programs and Events

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

- Community-based Exhibits – A total of nine unique exhibitions were hosted at the Centre in 2018, including Rotary Club of Lethbridge East's *Inspired by Nature Youth Art Exhibition* with 45 youth participants.
- Together with Nature – Nature Centre education staff delivered 686 community programs to 17,116 participants.
- Supporting Community Events – Nature Centre staff and volunteers brought fun and educational

activities to 28 community events in 2018, promoting the benefits of connecting with nature and being outside.

- Citizen Science in Action – 5,673 sighting records for wildflower blooming dates and locations, as well as wildlife, bird and insect sightings were recorded by Nature Centre volunteers in 2018.

DID YOU KNOW?

- Facility-use by community groups grew substantially. 127 facility rentals resulted in a wide range of classes, workshops, presentations, meetings and events for our community. 3,494 participants enjoyed the benefits of learning and collaborating in the picturesque setting of the Lethbridge Nature Reserve Park.
- Local wildlife photographer and filmmaker Rick Andrews debuted the *Wildlife of the Oldman River Valley* full length

documentary film. 505 people attended film screenings hosted by the Friends of the Helen Schuler Nature Centre Society. All proceeds from screenings and DVD sales have been generously donated to the Nature Centre.

- The Nature Centre connected with 47,666 engaged users through networks like Instagram, Facebook, Twitter and Google. #FactFriday and #BirdoftheWeek are two of the most popular weekly features with virtual visitors.

COMMUNITY SOCIAL DEVELOPMENT

Community Social Development (CSD) is responsible for working in the community and with the community to implement social policy in Lethbridge. 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.



Bird's Eye View of the Lethbridge Community

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Community Social Development Business Unit Transformation

The CSD department has had a busy year with significant change in the business unit including:

- Budget and organization restructuring;
- Increased efficiencies in service delivery, outcome monitoring, measures and reporting;
- System and process overhaul.

CSD Strategic Plan

Community Social Development is creating a strategic plan to gain insight on the dominant social needs in the city that will guide efforts over the next five years, and update the City's Social Policy Framework.

- This work is being informed by research, a needs assessment and

engagement with the community and stakeholders;

- Expected completion date of the Strategic Plan is March 2019.

Lethbridge Asset Mapping Project

In 2018, CSD initiated their Lethbridge Asset Mapping Project (LAMP). LAMP has created a real-time inventory and map of the resources and social services available in Lethbridge via the HelpSeeker database app and website. HelpSeeker is helping connect social services to those who need them. Moreover, this initiative feeds directly into, and is helping to mold the development of, the CSD Strategic Plan.

Municipal Housing Strategy

In May of 2018, a task force was established to lead the development of a Municipal Housing Strategy for Lethbridge.

- The intention of the Municipal Housing Strategy is to evaluate

and address the full continuum of housing needs in our community. This strategy will enable City Council to strategically leverage and allocate resources to projects that best meet the range of housing needs in the community.

- Expected completion date is March 2019.

SHIA - Bringing Lethbridge Home

Social Housing in Action (SHIA) is a community-based organization dedicated to ending homelessness in Lethbridge through the provision of support services in the community. Bringing Lethbridge Home (BLH) is a strategic plan to ensure homelessness is addressed and ended in Lethbridge. This plan includes: providing more housing options, integrating support systems in the community and providing education and awareness about homelessness.

COMMUNITY SOCIAL DEVELOPMENT

Family and Community Support Services (FCSS)

The City of Lethbridge has a long standing partnership with the Government of Alberta. Through this partnership we continue to ensure preventive social services can be accessed by citizens who need them. FCSS has developed relationships with multiple agencies to deliver a number of programs that:

- Help people develop independence, strengthen coping skills and become resistant to crisis;
- Develop an awareness of social needs, interpersonal and group skills;
- Support people and communities to assume responsibility for decisions that impact them; and
- Provide support that helps sustain people as active participants in our community.



Reconciliation Week at City Hall



Diversion Outreach Team

Program Highlights

A sampling of some of the programs CSD supported in 2018:

- Housing and Homelessness Supports:
 - The Diversion Outreach Team (DOT)
 - Project Connect
- Drug Crisis Interventions:
 - Needle Collection Strategy
 - Executive Leaders Coalition on Opioid Use (ELCOU)
- Indigenous Truth & Reconciliation:
 - Reconciliation Lethbridge
- Children and Families:
 - Big Brothers Big Sisters
 - Building Brains and Futures
- Racism and Discrimination:
 - Coalition of Municipalities Against Racism and Discrimination (CMARD)
- Senior Citizens Supports:
 - Age Friendly Lethbridge
 - Go Friendly Transportation
 - Lethbridge Elder Abuse Response Network (LEARN)

DID YOU KNOW?

- 144 individuals who were experiencing homelessness were housed in 2017-18.
- Currently DOT serves over 550 individuals per month.
- SHIA funded over 20 programs/projects related to housing and housing supports.
- FCSS funded over 18 programs/projects related to preventative social services.
- SHIA hosted the 12th Annual BLH Awards. Award recipients were honoured and acknowledged for their significant contributions to housing and ending homelessness in Lethbridge.

CEMETERY SERVICES

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

Above Ground Interment - Royal View Memorial Cemetery (RVMC)

Cemetery Services now offers above ground interment options in the form of columbarium units at RVMC. Similar interment and memorialization options are now offered in all City Cemeteries. The completion of this RVMC project in 2020 will result in:

- Three columbarium units, a total of 216 niches.
- Granite memorial wall for granite plaques
- Granite memorial wall for bronze plaques
- Cremated remains scattering garden
- Bench donations area
- Landscaping

Imperial Order Daughters of the Empire (IODE) Field of Honour (FOH) Re-dedication - Mountain View Cemetery (MVC)

The IODE FOH also known as the Soldier's Plot was officially opened in 1917 and the local Lethbridge Sir Alexander Galt Chapter of the Imperial Order Daughters of the Empire were asked to be responsible for the maintenance of the Soldier's Plot. The Soldier's Plot was closed in 1945 and includes 120 American, British, Australian and Canadian Veterans.



Imperial Order Daughters of the Empire Field of Honour at Mountain View Cemetery

With close to 100 years of exposure to the elements, lifecycle maintenance had become necessary. In 2017, in partnership with the Last Post Fund - Veterans Affairs Canada and the Royal Canadian Legion, the Commonwealth War Graves Commission and the City of Lethbridge, as well as volunteer efforts by our local community (veterans and children), the four-year work project was completed to restore the Soldier's Plot. This allowed the community and the Cemetery to reflect an appropriate level of care and respect to the Veterans.

A Re-dedication Ceremony was held at MVC in the IODE FOH on June 10, 2018 to ensure that the sacrifices and service of the Veterans is honoured, commemorated and remembered.

DID YOU KNOW?

- Cemetery Services is currently planning a "Green Burial" area in Royal View Memorial Cemetery. It's a way to minimally impact the environment by using non-toxic and biodegradable materials where the body is returned to the earth.
- Cemetery staff planted 104 trees in City Cemeteries in 2018.

LETHBRIDGE TRANSIT

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

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



Lethbridge Transit Building

- A new bus engine replacement strategy was implemented. This creates efficiencies by looking at engine replacement based on condition assessment rather than the previous timeline method.
- Lethbridge Transit launched a new transit app for Myride that is compatible with both IOS and Android devices.

Accessibility Enhancements

- After favorable testing of the Incline wheel chair winching system on ACCESS-A-Ride vehicles in 2017, it has now become standard equipment on all future ACCESS-A-Ride buses.
- The accessible bus stop project continued and an additional 64 stops were completed throughout the city.



Incline Wheelchair Loading System

DID YOU KNOW?

- More than 300 passengers per hour arrive to the university by bus during the morning rush hours, freeing up space in the parking lots and saving an average of 2,500 Kg of CO² emissions every day.
- Lethbridge Transit buses drive more than 2.4 million kilometers every year, enough to cover the distance to the moon six times.
- A single person, commuting alone by car, who switches a 30 km round trip commute to existing public transportation, can reduce their annual CO² emissions by 2,150 Kg per year.

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

The ENMAX Centre saw a high number of events and event days, along with the widest diversity and broadest demographic reach for any one year period. There was entertainment for everyone such as rock (Stone Sour and Three Days Grace) and country (Old Dominion and Johnny Reid) concerts, Broadway's the Illusionists and Dirty Dancing, Cirque du Soleil's Corteo, Fight Night, Monster Trucks, Holly Cole and Russell Peters. Some of this success is due to the growth in the small theatre that developed into a close and personal experience with the artists. Special events also thrived, with a variety of events including, Greatness in Leadership, Time Out for Women and Thank You Canada. Sport brought a spectacular Professional Bull Riders (PBR), Canadian National Trampoline and Tumbling Championships, and of course the Lethbridge Hurricanes season and playoffs. The ENMAX Centre continues to attract events,



Cirque du Soleil's Corteo

education, sport and special programming throughout the year.

During 2018, some significant facility improvements that contributed substantially to the operation efficiency were:

- New LED light system for both hockey and events, making the ENMAX Centre more energy efficient and providing a better quality product for patrons and clients.
- Replacement of the entire curtain and curtain operating system. The new all black in colour, expanded, lightweight curtain improves the experience for patrons and clients.
- Widened all walkways to efficiently clear and clean walking paths for patrons attending events.
- Addition of a full walk in freezer, a new food service van, washer and dryer all provide savings in operating costs and improved services to clients.



Professional Bull Riders

DID YOU KNOW?

- ENMAX Centre held 189 events over 212 event days
- Over 400,000 people attended events, with 48% of them from outside of Lethbridge
- ENMAX Centre provided services to another 79,350 customers in many different forms
- ENMAX Centre participated in events beyond its property hosting Nitro Circus at the University of Lethbridge Stadium, working with organizations like the Lethbridge Jazz & Blues Festival with Holly Cole, and New West Theatre and its production of Million Dollar Quartet.

INFRASTRUCTURE SERVICES

Water, Wastewater & Stormwater

Urban Construction

Lethbridge Electric Utility

Parks

Transportation

Waste & Recycling Services

Planning & Development

Building Inspection Services

Customer Service & Business Support

WATER, WASTEWATER & STORMWATER

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



Wastewater Treatment Plant Headworks Project

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Infrastructure and Operations

Fleetwood Neighbourhood Sewer Lining

This project involved the lining of 4.5 km of sanitary sewer main ranging from 200 mm to 300 mm. Lining the neighbourhood sewers provided many benefits over traditional trenching and delivered a high quality product. The project completed quickly, with little impact to residents. It also offered cost savings of 90% and a reduction of 1,038 tonnes of CO² compared to traditional trenching.

Scenic Trunkline Sewer Lining

This project involved the lining of 1.7 km of large diameter sanitary sewer mains ranging from 525 mm to 675 mm along Scenic Drive South. It completed quickly, with reduced cost and little impact to residents compared to trenching. This also provided a high quality product. This project saved approximately 960 tonnes of CO² (95% reduction) over traditional trenching.

Wastewater Treatment Plant Headworks

This project includes the construction of two new primary clarifiers and a new headworks facility housing new screens, grit removal systems and grit washing systems. Construction started in August and as of the end of November, the project was 25% complete, with 36% of the concrete poured for the new headworks building and clarifiers. The project is on track to be completed on time and on budget.

WATER, WASTEWATER & STORMWATER

5 Avenue North Watermain Renewal

This project involved the replacement and combination of two cast iron watermain dating back to 1939. Over 750 m of main was installed over five months.

13 Avenue North Watermain Lining

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

Water Treatment Plant Residuals Management

This project includes the construction of systems that will allow the City to manage waste streams at the Water Treatment Plant. Construction started in October, with most of the activity focused on preparing the old treatment plant (Plant 2) for retrofit with the new sludge dewatering systems. Construction of the new pump house and load-out building is scheduled to start in January 2019.

Education and Awareness

Yellow Fish Road

This is a free program that involves painting yellow fish beside storm drains to remind the community that storm drains are NOT connected to the Wastewater Treatment Plant. Water from storm drains in Lethbridge



5 Avenue North Watermain Renewal Project

empty directly into the Oldman River, UNTREATED! In 2018, there were 388 storm drains painted, 1,724 door hangers handed out, 250 youth participants and 67 adult participants.

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. This year, a new online interactive map was launched, allowing residents to adopt a storm drain online. The interactive map is available at www.lethbridge.ca/adoptastormdrain.

Videos

Two new videos were created:

- The Water Treatment Plant video allows the community to tour the Water Treatment Plant, virtually, to learn about the journey the water takes to be cleaned and delivered to residents' taps. This video is available online at www.lethbridge.ca/watertreatment.
- The Managing our Sewer System Together video lets residents know that they can always call the City if they have any sewer problems, and the Water operation staff will help to troubleshoot. This video is available online at www.lethbridge.ca/sewerproblems.

DID YOU KNOW?

- Water operation staff installed services to 40 properties.
- Ten new hydrants were installed to increase fire protection within Lethbridge.
 - Maintained 33.5 km of sanitary sewer mains.
- Water operation staff responded to 2,292 customer service sewer rodding services for blocked sewer, video, vaporooting, or tracing.

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 2018, the following permits were issued by Urban Construction:

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

Planning

During 2018, the Right Of Way Management unit of Urban Construction, completed the draft right of way planning and use guidelines. These will support utilities and other ROW users and create efficiencies in the review and processing of permits. The guidelines will be reviewed with stakeholders before being finalized early in 2019.

Residential Development

Development continues through the city with new residential phases this year in BlackWolf, Legacy Ridge, Coulee Creek, Crossings, Copperwood, RiverStone and Watermark. Through these new phases a total of 109 hectares was developed bringing 457 newly serviced lots to the home building industry.

Southbrook Development

Development of the Southbrook neighbourhood, started in 2017 and



Installation of a High-Density Polyethylene pipe for the Wet Weather Sanitary Flow in the Southbrook Development

proceeded through 2018. The Province approved funding for an elementary school in Southbrook, making it the first elementary school to be built in south Lethbridge for over 50 years.

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.

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

New Capital Build Concentration

The push to energize a large area of North Sherring Park started in late 2017 when news of Cavendish Farms expansion hit the Lethbridge Electric Utility (LEU). Cavendish, along with other developments, broke ground and kept our Electric Design and Distribution Construction teams busy throughout 2018 with infrastructure design and installation for an additional 20 megawatts (MW) of new system load to the area.



Cavendish Farms, Lethbridge, AB

LEU being selected by the Alberta SmartGrid Consortium to run field trials of the CVR system to validate savings estimates.

Conservation Voltage Reduction (CVR)

Pilot implementation of the CVR SmartGrid software allows the LEU to optimize the voltage level that the distribution system is operated at, by using inputs from the Advanced Metering Infrastructure (AMI). The system effectively senses the voltage levels at all customer service entrances. The CVR SmartGrid system optimizes the operating voltage on the distribution network leading to a reduction in MW demand and megawatt hour (MWh) consumption. Energy savings between two and four per cent should be achievable and the pilot program will validate actual savings achieved. Results of this one-year pilot program will be assessed in 2019 prior to looking at full- deployment across all six substations. This will reach our 40,000 (approx.) customers. The pilot program has been assisted with funding from Alberta Innovates as a result of the

Outage Management System (OMS)

In order to maximize the functionality of the LEU's Supervisory Control and Data Acquisition (SCADA) system and our Advanced Metering Infrastructure (AMI) system, the LEU partnered with Survalent to implement the SurvalentONE Outage Management System (OMS). OMS has been integrated into LEU's SCADA system by interfacing with the over 40,000 AMI meters installed throughout our service territory. By coordinating the two systems, field crews can be dispatched to a service outage quickly and efficiently to restore power. The Control Centre Operators will have access to real time data, which will enhance operational efficiencies and increase customer response times during restoration efforts. The plan is for LEU to be able to share information via a Customer Web Portal for both

internal and external customers. LEU customers will be able to view information such as:

- Location and extent of unplanned outages
- Estimate of restoration times
- View location and schedule of planned outages

This valuable information will allow LEU to continue to keep customers better informed during outages.

DID YOU KNOW?

- LEU is responsible for 40,298 meters.
- Record temperatures in Lethbridge hit 40°C on August 10, directly influencing a new peak electricity capacity record of 179 megawatts (MW).
- 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 225 kilometers of pathways. Our City parks are continually developed and maintained to enhance the quality of life of Lethbridge residents.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Nicholas Sheran Park Irrigation

In 2018, Parks completed replacement of the 30-year old irrigation system in Nicholas Sheran Park. The new irrigation utilizes improved technology and materials to increase water efficiency and distribution. The project consisted of four kilometres of mainline pipe, 730 sprinkler heads, three system controllers and new pump intake pipe.

Labor Club Park Irrigation

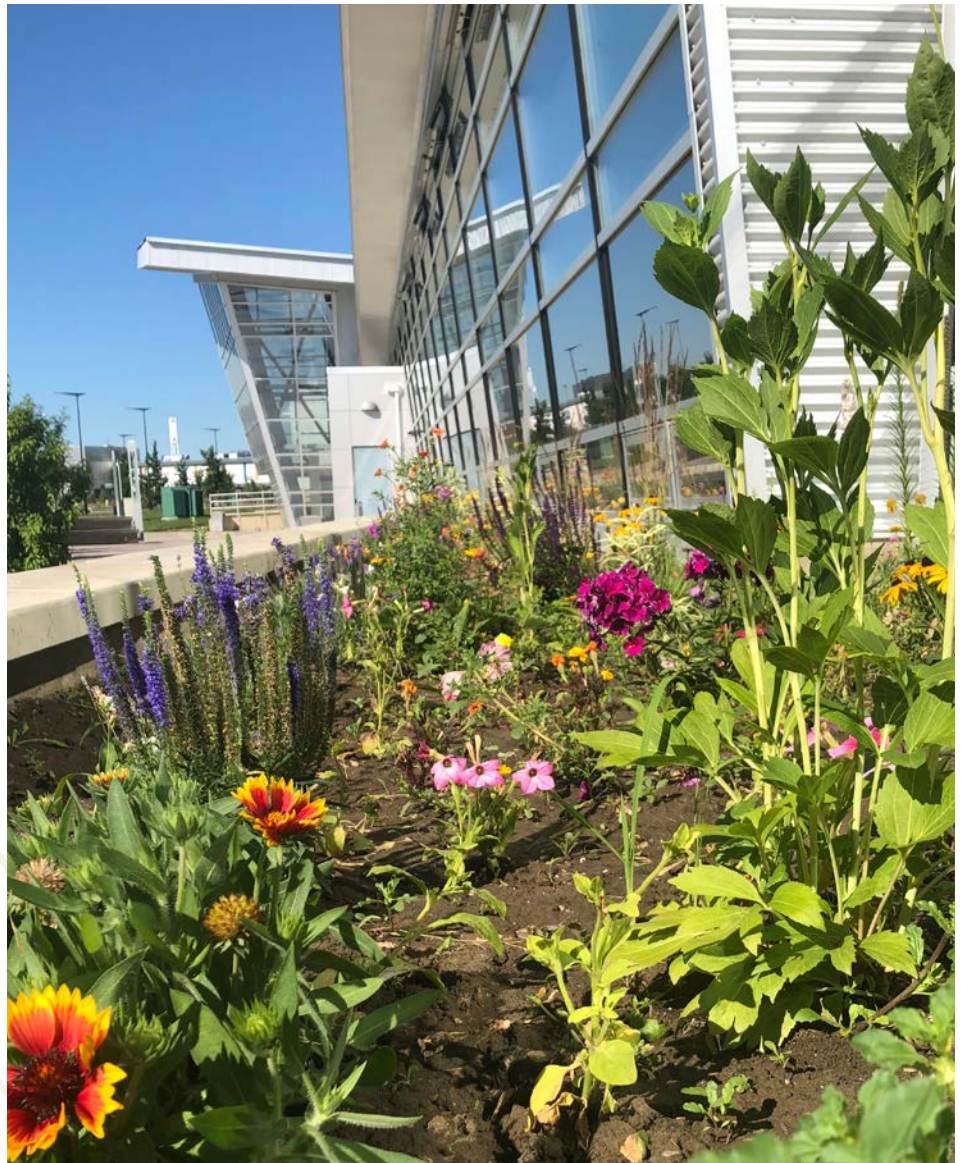
The irrigation system in Labor Club Park underwent a redesign and replacement in 2018. The redesign accommodates the new topography of the park and the older portion of the irrigation was upgraded to modern materials to enhance the efficiency of water distribution throughout the park.

Southridge Path Replacement

The existing red shale pathway in Southridge Park was upgraded to a limestone surface. The 400 meter path was becoming grown in with weeds and residents were concerned about the poor condition of the path. The alignment of the path remained the same but the shale was removed and replaced with a crushed limestone surface to improve durability and use for those with wheelchairs and other mobility devices.

Rotary 100 Trees

Parks partnered with the Rotary clubs in Lethbridge to celebrate the 100th anniversary of Rotary clubs and community building in the city. About 300 members from the Rotary gathered in Nicholas Sheran Park on June 9 to plant 100 trees in a dedicated grove. Parks staff helped with tree planting and coordinated logistics for the event.



Flower Bed at the Crossings Library Branch

Pollinator Gardens

In 2018, four flower beds were converted to pollinator gardens. Parks worked with local greenhouses to find native perennial plants and specific flowers that attract bees and butterflies. The new pollinator gardens are located in West Highlands Park,

London Road Park, the Crossings Library Branch and Ravine Park. Educational signs were installed in each area to educate the public about the gardens and the importance of pollinator species. Six additional flower beds are scheduled to be converted into pollinator gardens in 2019.



Legacy Park

Mayor Spearman and members of City Council were joined by Premier Notley and Lethbridge MLAs on July 26 for the Phase 1 opening of Legacy Park. The park is home to the first challenge obstacle course in Canada. Other amenities in the Phase 1 launch included: an outdoor performance stage, skateboard park, basketball, tennis and pickleball courts, soccer and baseball fields, outdoor fitness equipment, playground, sledding hill, skating pond, picnic sites, and a network of paths. Construction over the next few years will complete the park as planned.

Grazing in Cottonwood Park

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

Goats in Cottonwood Park

promise for being an effective way to control vegetation and invasive weeds in our river valley parks.

DID YOU KNOW?

- Nicholas Sheran path around the lake was used over 130,000 times in 2018.
- Whoop-Up pathway bridge was used for over 90,000 trips in 2018.
- Parks achieved the highest satisfaction rating in the last Public Survey of 98%.
- Parks manages over 660 kilometres of irrigation pipe at 262 sites.



Legacy Park Phase 1 Ribbon Cutting

TRANSPORTATION

Transportation's mission is to "Keep Lethbridge on the Move" safely and efficiently, whether it be walking, cycling, taking transit or driving a vehicle. This is done by providing a well maintained transportation system for the general public, transit and emergency services.



University Drive Overlay Paving

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 work to develop strong relationships both with public and within the organization.

The work of the Transportation Department includes:

- Managing transportation and traffic operations; snow removal/ice control, street sweeping, road/bridge maintenance as well as pavement markings, traffic signs and temporary traffic control.
- Planning and engineering studies; implementing transportation capital projects and operating programs.
- Operating and maintaining all rail spur lines within the city, including rail signals.
- Project manage both the design and construction of all Transportation capital projects.
- Operating, constructing, and maintaining city traffic signals and street lighting system.
- On-street and off-street parking operations.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Completion of Whoop-Up Drive twinning and Métis Trail in 2018, including the intersection improvement at University Drive and Wash Drive/Highlands Blvd. West.
- Completion of the City's first Bike Boulevard on 7 Avenue South from 4 Street to Mayor Magrath Drive including new traffic/bike signal at 7 Avenue and 13 Street South.
- Completion of a number of intersection improvements such as: Scenic Drive and 4 Street South, 5 Avenue/7 Street and 5 Avenue/8 Street South (for the

TRANSPORTATION

Transit Terminal and Regional Park 'n Ride facility), 3 Avenue/12 B Street South (pedestrian activated signals), 9 Avenue/18 Street North (pedestrian activated signals) and 28 Street North at 6 Avenue, 7 Avenue, 8 Avenue & 12 Avenue North geometric improvements, e.g. lane widths, left turn bays, right turn lanes, grade improvements, etc.

- Continuation of the new street sweeping program which included temporary no parking zones and a fleet of sweepers moving through neighborhoods.
- Successful implementation of the parking meter replacement program including installation of approximately 170 new multi-space parking kiosks and the addition of 400 parking spaces.

SUCCESS STORIES & KEY INITIATIVES

- The introduction of a new multi-space parking system in downtown Lethbridge along with the implementation of the license plate recognition parking enforcement has modernized parking operations. Over 40 per cent of payments are now made through credit card or via the mobile app, options that weren't available with the old system.
- Upgrades have been made to snow removal equipment and improved operational practices introduced within the snow and ice control program i.e. weather station at Whoop-Up/Oldman River, variable speed limits, storm watch shift, improved pre-wet/anti-icing practices.



New Multi-Space Parking Kiosk

DID YOU KNOW?

In 2018, the Transportation department:

- Completed 10.6 km of road repaving.
- Installed 620 m of sidewalks and over 100 new accessible ramps.
- Installed or improved 9 intersections with new signals, pedestrian activated signals and geometric improvements.

• Maintained:

- 714 km of sidewalks and 575 km of paved roads.
- 59 km of pathways along roads.
- 217 km of back lanes.
- 140 traffic signals, 30 pedestrian activated signals and 13 rail signals.
- 12,500 street lights.
- 2,000 parking spaces in the downtown.

WASTE & RECYCLING

Waste & Recycling Services 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 waste disposal but there is a shift to environmentally sustainable waste management practices. Waste and Recycling Services has been developing programs that focus efforts on waste prevention and waste diversion.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- There were some big changes at the Lethbridge Waste and Recycling Centre (WRC) to improve and increase the level of service at the site. The new drop-off area for public and commercial materials is complete. The new drop off area is more efficient, it's safer for residents and businesses to dispose of their hazardous materials and it's easier to separate waste and recycling.
- The Material Recovery Facility (MRF) was built in preparation for the residential curbside recycling program. The building will become fully operational in time for the full roll out of the program in the spring of 2019.
- Phase 1 of the curbside program was a great success. Nine hundred homes were selected for Phase 1 to help with the development of route planning, communication materials and to ensure any logistical concerns are addressed before citywide rollout of the program. Over 48,000 kg of recyclables



Waste & Recycling Centre Aerial View

were collected in the first nine months of Phase 1. To put that into perspective, that's the equivalent of diverting over 200 baby grand pianos from the landfill.

- Built on the foundation of the Corporate Environmental Sustainability Initiative, the Corporate Sustainability team was created in September 2018. The team's initial focus is on contaminated land, corporate sustainability planning and greenhouse gases.

DID YOU KNOW?

- 24,897 tonnes of curbside residential waste was collected in 2018, an increase of 608 tonnes from 2017.
- 112,078 tonnes of waste was received at the landfill, an increase of 6,033 tonnes from 2017.
- 14,754 tonnes of recyclables were received at the Waste & Recycling Centre, a decrease of 929 tonnes from 2017.
- Over 950 students participated in school tours at the landfill, an increase of 600 students from 2017.



New Public Drop-Off Space at the Waste & Recycling Centre

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

The South Saskatchewan Regional Plan Compliance Initiative (SSRP CI) has been completed and comprised of gathering baseline data in four component areas:

- Efficient land use: exploring how the land base is used as well as growth trends and pressures on the horizon.
- Environment and historic resources: exploring the location of the City's most significant environmental and historic resources, and ways to better protect them.
- Economy and tourism: exploring the land use requirements of economy and tourism activity in the City, as well as assessing potential future needs.
- Relationships: exploring the relationships the City currently maintains in each of the outcomes areas of the SSRP, and the role the City plays within the region.

The SSRP CI project has provided the necessary information for compliance submittal to the Province by the end of August 2019.

In 2018, the Traditional Knowledge and Use Assessment was completed as part of the Environment and Historic Resources Strategy and won awards from:

- The Alberta Historic Resources Foundation
- The Alberta Professional Planning Association
- The Government of Alberta, Minister's Award for Municipal Excellence, Partnership Award

Growth Planning

During 2018, previously undeveloped parcels in west Lethbridge and in the Industrial park, receive planning approvals to allow commercial and industrial uses, thus filling some vacant lands while utilizing existing services.

Subdivision and Development Approvals

Following planning approvals in both new and existing neighborhoods, the subdivision of lots and approval of development also continued a brisk pace with:

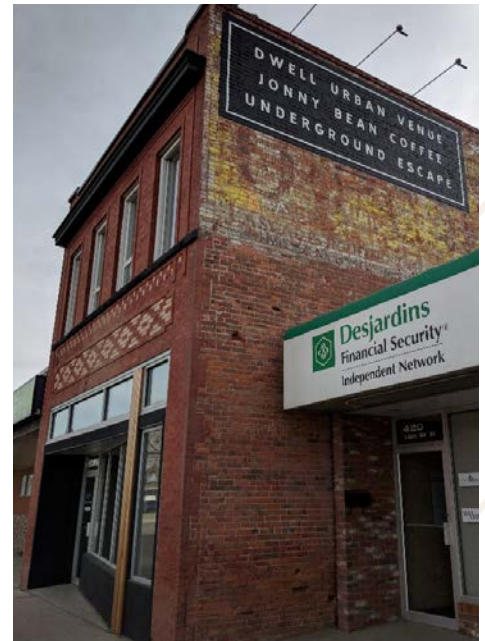
- 339 lots approved
- 88 condominium units
- 1,064 development applications
- 1,205 compliance letters

Highlights include the final approval of the Transit Terminal and Regional Park 'n Ride facility in Downtown, a new elementary school in south Lethbridge for the first time in over 50 years and continued expansion at the Richardson's Oilseeds facility in the Industrial park.

Existing Neighbourhoods

The London Road Area Redevelopment Plan (ARP) was adopted by City Council and associated land use bylaw amendments were also completed and approved. The Plan replaces the existing London Road Neighbourhood ARP which was first adopted in 1982.

The Westminster ARP project continues focusing on policy areas or buckets identified by the Westminster Advisory Committee.



Municipal Historic Resource: Burgman Block at 418 - 13 Street North

Heritage Planning

Within heritage planning, Planning and Development oversee the implementation of the Heritage Management Plan, provide advice and support to the Historic Places Advisory Committee, and liaise between the various participants of the heritage resource management process.

Highlights for the year include celebrating the Provincial designation of the Nikka Yuko Japanese Gardens in March 2018; celebrating the 10th anniversary of the first Municipal Designations for the Spudnuts shop and the Annandale residence and seeing two new Municipal Designations approved for the Bentley Block at 118 - 5 Street South and the Burgman Building at 418 - 13 Street North.

BUILDING INSPECTION SERVICES

Building Inspection Services provides Safety Code services to Lethbridge residents as well as professional home builders and commercial contractors. The business unit ensures that minimum building and occupant safety requirements are met. Building Inspection Services is regulated by Provincial Legislation, in the form of the Safety Codes Act, Codes and Standards.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Building Inspection Services continues to forge strong relationships with our 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 team participates with a seat on the Safety Codes Council Plumbing Sub Council.
- Staff also hold positions in Associations such as the Electrical Inspectors Association of Alberta (EIAA), Alberta Mechanical Officials Society (AMOS), Alberta Building Officials Association (ABOA). Participation in these groups includes opportunities to sit on committees at the national levels.
- Inspections were performed on larger projects that were not formally called for by the contractor. These inspections are usually done in order to ensure code identified requirements are complete and comply prior to further work which may impede the inspection process. This assists contractors in ensuring they are able to carry on with the project without delays which may be caused through the standard inspection booking process.
- Internal customer service staff meet with the public as well as industry at the pre-application stage of a project in order to identify non-compliant design issues prior to final document preparation. This helps customers remain within budgetary constraints.
- The City of Lethbridge Building Inspection Services was recognized by the University of Lethbridge Destination Project Team for responsiveness to inquiries from the group and ability to work collaboratively while ensuring that compliance with regulatory standards continued to be achieved over the five year project term.
- The Cavendish Farms project has been a large piece of work for the team over the last year and will continue until project completion in 2019.

DID YOU KNOW?

- In 2018, Building Inspection Services issued 6,678 permits (building, electrical, gas and plumbing)
- Staff performed 26,021 inspections - an inspection was completed every 4.5 minutes.

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 employing a diverse skillset of business process, workflow, municipal legislation, and technical knowledge.

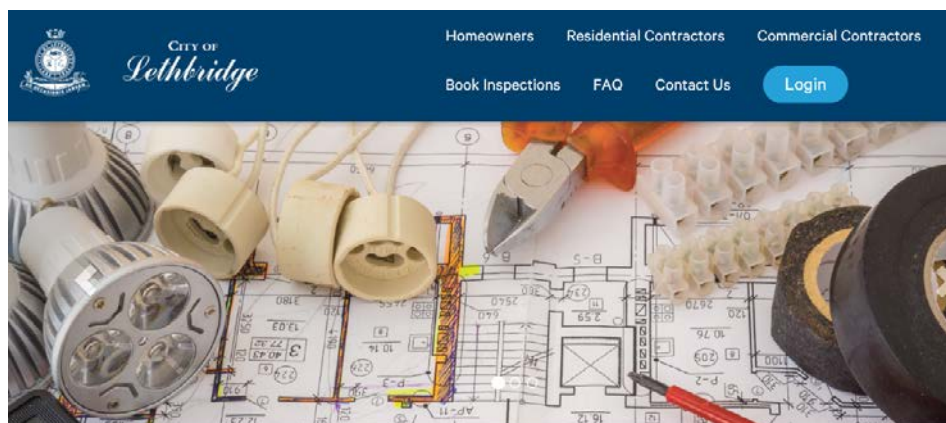
SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Customer Service

- As the City of Lethbridge continues its growth towards a population of 100,000 residents, increasing demands for building permits, accessible information, and immediate online access to processes has never been greater.
- The Customer Service team has introduced an accessible counter for collaboration with customers. Citizens now have a choice to use the sitting or standing counter when engaging with staff.
- Efficiency and environmental responsibility continues to be a priority. In addition to the online eApply permitting system, customers now have the ability to make residential permit applications digitally at City Hall. Submission of drawings can be completed with digital files, permits can be issued to the customers email account and inspections can be booked through the online eInspections portal at the customer's convenience.

Business Support

- With the successful adoption of eApply online permit applications, the analyst team looked to further enhance this system for homeowners and the construction



eApply

community in 2018. The system was re-released with a refreshed and mobile-friendly interface, and residential permit applications have been streamlined to be more intuitive and to better guide homeowners through the permit application process.

- Other online services were also given a redesign – MyCity, eInspections and the City's eCommerce public portals all received a mobile-friendly conversion for ease of use and efficiency for businesses and residents.

DID YOU KNOW?

- Customer Service Representatives processed 9,247 permit applications in 2018.
- 1,983 (21%) commercial applications and 7,264 (79%) residential applications were received.
- Of total applications, 45% were made in person at City Hall; 55% were initiated online.
- Of residential applications, 22% were made in person at City Hall; 78% were initiated online.

GOVERNANCE

Real Estate & Land Development

Economic Development

Heart of Our City

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Watermark Park Grand Opening

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

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

The park was designed using feedback received at public open houses from children, parents and other community members about what they wanted to see in this park. The current and future residents of the surrounding neighbourhoods, will find that this park has features for all ages and abilities. Watermark Park was designed and built in collaboration with Lethbridge School District



Crossings' Four New Show Homes

No. 51, the Lethbridge Skateboard Association and community members.

This new park is part of the first phase of the new community of Watermark that will develop and grow over the next 30 years, providing homes for an estimated 4,200 people. Residential lot sales in Watermark are expected to become available in 2020.

Crossings - Builder Group

2018 was another outstanding year in Crossings – beginning with the successful sale of all lots in Phase 4 in the spring and then the grand opening of four new show homes for the September Parade of Homes. This was a first for the builders, Cedar Ridge Homes and Van Arbor Homes, bringing bold, trend-setting show homes to Crossings. This year, the opening of the show homes was kicked off with a Gourmet Grand Opening, providing residents with a sneak peek of the superior architecture and the latest design trends while enjoying hors d'oeuvres, live music and discovering the Crossings difference.



Watermark Park Grand Opening

ECONOMIC DEVELOPMENT

The City of Lethbridge supports economic development by coordinating resources and information for those agencies that are working to grow the economy and tourism industry in Lethbridge. This support assists the community in achieving the vision of being vibrant, welcoming, prosperous and economically viable. Lethbridge has, and continues to demonstrate steady, economic growth.



Tourism Lethbridge Visitor Information Centre

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Major Employer Survey

In March 2018, Economic Development Lethbridge (EDL) released the Major Employer Survey of local businesses and organizations across various sectors which provides a list of businesses employing more than 100 people. According to the survey, there are 49 major employers located in the Lethbridge area, up from 45 in the 2015 survey. This change is largely the result of the inclusion of businesses in the city of Lethbridge as well as those in the surrounding area, including Coaldale, Coalhurst and Picture Butte, but excluding Fort McLeod and Taber.

The 49 businesses captured in the survey employ a total more than 21,400 people, approximately 35 per cent of the area's employed workforce. The top 10 employers, nine of which are in the public sector, employ 13,142 people, or 21 per

cent of the area's workforce. This is relatively unchanged from previous years and highlights the strong and important role of the public sector in Lethbridge.

While the public sector remains the largest employer in the region, its growth has been outpaced by that of the private sector. There, the agri-food sector leads the way with a 24 per cent increase from 2015, while the manufacturing and retail sectors remained mostly steady.

Downtown Visitor Information Centre and Destination Showcase Open!

May 2018 saw the opening of the new Information Centre and Destination Showcase at 327 – 5 Street South in downtown Lethbridge. This centre integrates technology and traditional information services to introduce visitors and residents to a high quality "teaser" of Lethbridge using a multitude of mediums. The centre provides visitors with visual and

auditory exhibits and displays, virtual reality and brochures.

Tourism Lethbridge exists to help people discover that Lethbridge is a great place to visit by enhancing access to visitor information and promoting Lethbridge as a great destination for leisure pursuits, sporting events, meetings and conventions. As well, they help coordinate marketing and tourism initiatives for Lethbridge businesses and stakeholders who cater to business and leisure travelers as well as people planning vacations.

Build and Share the Lethbridge Brand

In June 2018, EDL presented the community brand, "Lethbridge Brighter Together", to City Council. This new brand and resulting logo was chosen after feedback from over 5,000 people during a two-year process was considered. The pinwheel represents sun, wind and motion and the circle has significant cultural indications for our Indigenous people. The colour scheme is a natural reflection of the environment around us.

Our spirit of innovation is more than just the way we do business. It's a way of life. We recognize that we are a product of our incredible environment, and know we each play a role in weaving the cultural fabric we proudly call our community. We are not afraid to stand apart, but we are **brighter together**. We are Lethbridge.



Heart of Our City is committed to improving the city's core neighbourhoods including downtown. This is accomplished by the proactive leadership of the Heart of Our City Committee and the Urban Revitalization Department who engage and coordinate internal departments, stakeholder groups and public in the design, planning, overall revitalization of the downtown.



Main Street Program - Before and After

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Cleanliness and Security in the Downtown

Heart of Our City was the driving force behind the Downtown Clean and Safe Strategy. This plan focused 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.

Civic Common Master Plan

The comprehensive, long-term plan will guide future decisions on fulfilling the community's vision for a community hub used by the entire city. The plan focuses on:

- Revitalizing existing assets.
- Creating a welcoming and nurturing public realm that encourages social interaction.
- Supporting a wide-range of activities including civic, recreational and cultural pursuits.
- Creating an inclusive space that is accessible to all, throughout the year.
- Being adaptable, flexible and designed to support opportunities for development as they arise.

Incentives and Programs

In 2018, the ongoing implementation of successful incentives and programs continued. These are designed to overcoming financial barriers that might stand in the way of accomplishing the overall vision of downtown.

- Heart of our City Housing Incentive Program.
- Targeted Redevelopment Incentive Policy.
- Activity Grant.
- Main Street Program.
- Business Improvement Loan.

Infrastructure Improvements

Liaising between City infrastructure teams and the community on key improvements is vital to ensuring smooth implementation. The major projects underway in 2018 included:

- 3rd Avenue Reconstruction.
- Parking Meter Replacement.
- Transit Park 'n' Ride.
- 5th Avenue Sewer Lining

DID YOU KNOW?

- Activity Grant attracted over 65,000 people to 23 events taking place over 115 days.
- 26 new housing units were approved for construction.
- 11 Main Street funded projects took place revitalizing building facades and signage.

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 2018 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 Phase 1 and preparation for full program rollout in Spring 2019
- Construction and opening of Legacy Park – Phase 1
- Major construction of Phase 2 ATB Centre preparing for opening in Spring 2019
- Airport acquisition and WestJet announcement
- Spitz Stadium and Yates Theatre openings after renovation
- Operating Budget approval
- Completion and opening of Métis Trail

Corporate Communications provided regular support to City Council throughout 2018 by coordinating media relations and social media as well as regularly updating website content with highlight packages of newsworthy items from City Council meetings.



Flower Bed near Adams Ice Centre

DID YOU KNOW?

- Total page views on www.lethbridge.ca in 2018 = 2.6 million
- 19,700 Twitter followers
- Top Tweet was about lighting City Hall green to show our love and support for everyone involved with Humboldt #prayforhumboldt, which reached more than 76,080 people
 - 13,924 Facebook Page likes
- Top Facebook Post was about vandalism in BlackWolf Park, Legacy Park and Henderson Lake, reaching 55,133 people.
- 73,000 minutes of video were viewed through our Facebook page and the top video was ATB Centre – Phase 2
- 318 public service announcements, news releases and media invitations were sent to local media



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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.



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2018 ANNUAL REPORT