



CITY OF
Lethbridge



CITY OF
LETHBRIDGE
**ANNUAL
REPORT
2017**

Alberta, Canada • December 31, 2017



City of Lethbridge
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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.



Photo credit: Jeff Hinman Photography

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MAYOR'S MESSAGE



Within this annual report you will read about growth, opportunity and progress in our community.”

On behalf of City Council, I am proud to present the City of Lethbridge 2017 Annual Report. This document showcases accomplishments in our community over the last year.

I want to thank all City staff and my City Council colleagues for their dedicated work over the past year. I also want to recognize the more than 98,000 Lethbridge residents who contribute to making our community welcoming and inclusive for everyone.

Our city's pattern of steady, sustainable growth continued in 2017. According to our 2017 municipal census, the overall Lethbridge population grew by 1.4 per cent over the previous year. With three-per-cent population growth, west Lethbridge continued to be the fastest growing area of our city.

One of the fastest-growing segments of our population is the 30-39 age group, which has increased by 20 per cent between 2012 and 2017. Overall, Lethbridge has a well-balanced demographic profile and a healthy mix of youth, adult workforce and seniors in the community.

Construction began in April 2017 on two key arterial road projects in west Lethbridge: 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 the increasing pressure this strong growth has put on our transportation network in west Lethbridge. Construction on both of these vital arterial roads was advanced by five years and should be complete by fall 2018. Meanwhile construction continued on ATB Centre-Phase 2, which will become

a regional destination for leisure and recreation activities when it opens in spring 2019.

With the help of more than \$12 million in federal infrastructure funding, a major expansion of Sherring Industrial Park got underway in 2017. According to the Conference Board of Canada's 2017 Mid-Sized Cities Outlook Report, Lethbridge's increasingly diverse economy continued to show steady growth in 2017 with annual GDP projected to grow 2.4-per-cent rise by year's end.

A competitive tax structure, proximity to markets and a well-trained, highly dependable workforce has allowed an increasingly diversified manufacturing sector to thrive and grow in Lethbridge. The local manufacturing sector employs 4,800 people and accounts for \$625 million of Lethbridge's total GDP. Aggregate output in the services sector is forecast to climb 2.2 per cent in the coming year, led by solid gains in wholesale and retail trade as well as in finance, insurance and real estate.

A highlight for 2017 was Cavendish Farms breaking ground on their \$350-million investment in a new, state-of-the-art, frozen potato processing plant in our city. This is the largest private investment in Lethbridge's history!

What are some of the factors that make Lethbridge a great place to do business? With no business, payroll or machinery tax, Lethbridge continues to offer a competitive operating environment for business with demonstrated savings in areas such as taxation, land, construction and transportation.



Winter Lights Festival at Nikka Yuko Japanese Garden

Addressing social issues in our city is important. The collaboration by the Reconciliation Lethbridge committee to develop a 10-year implementation plan for Reconciliation in our community is an important first step that all of us can be proud of. Comprised of the Lethbridge Indigenous Sharing Network and City of Lethbridge staff, Reconciliation Lethbridge is a coalition dedicated to transforming relationships among Indigenous and non-Indigenous peoples, as a local response to the Truth & Reconciliation Commission's (TRC) Calls to Action.

I also had the honour in September of joining with chiefs from the Blackfoot Confederacy to raise the Blackfoot Confederacy flag at City Hall for the very first time. This event was a way of acknowledging that Lethbridge is situated on the lands of the Blackfoot people and highlighting

the importance of understanding and responding to TRC's calls to action.

Broad-based community collaboration in response to the opioid crisis helped our community secure federal approval and provincial funding to establish a Supervised Consumption Services facility in Lethbridge in early 2018.

Highlights of the many local Canada 150 celebrations in 2017 were the visit by Her Imperial Highness Princess Ayako of Takamoda from Japan in July for the 50th anniversary of the Nikka Yuko Japanese Garden and the exchange of public art between Lethbridge and Saint-Laurent, QC, to recognize the 50th anniversary of the twin-city relationship between our communities.

Lethbridge continues to move forward on important environmental initiatives such as our strategy to increase

diversion of waste from the Industrial, Commercial and Institutional sectors as well as preparations to launch the first phase of residential curbside recycling in 2018 and the full roll-out of the program in 2019.

Within this annual report you will read about growth, opportunity and progress in our community. In part, this report tells a story of our city not only growing, but also growing up. As Lethbridge approaches the 100,000 population threshold, I am confident that our economic diversity and our collaborative spirit will continue to make us strong and resilient moving forward.

Chris Spearman
Mayor



Legislative & Administrative Organization Chart

RESIDENTS

CITY COUNCIL

(Elected October 2017)

Mayor Chris Spearman

Councillor Jeff Carlson	Councillor Mark Campbell
Councillor Jeff Coffman	Councillor Joe Mauro
Councillor Belinda Crowson	Councillor Rob Miyashiro
Councillor Blaine Hyggen	Councillor Ryan Parker

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

CITY MANAGER

Garth Sherwin

Director of City Manager's Office

Jody Meli

- Supporting Council's Strategic Priorities & Communications
- Corporate Communications & Marketing
- Regional & Intergovernmental Relations
- Corporate Strategic Planning

Land Development/ Real Estate

Michael Kelly

Acting City Solicitor

Shari Shigehiro

City Clerk

Aleta Neufeld

Director of Corporate Services

Corey Wight

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

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
- Cemeteries
- 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
- Utilities Customer Care
- Urban Construction
- Asset Management
- Parks
- Fleet Services

Director of Planning & Development Services

Jeff Greene

- Intermunicipal Planning
- Community Planning
- Downtown Redevelopment
- Development Services
- Building Inspection Services

CITY COUNCIL 2017-2021



Back Row (L-R):

Councillor Joe Mauro, Councillor Ryan Parker, Councillor Blaine Hyggen and Councillor Jeff Coffman.

Front Row (L-R):

Councillor Mark Campbell, Councillor Belinda Crowson, Mayor Chris Spearman, Councillor Jeff Carlson and 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.

CITY COUNCIL 2013-2017



Back Row (L-R):
Councillor Liz Iwaskiw
Councillor Joe Mauro
Councillor Bridget Mearns
Councillor Rob Miyashiro

Front Row (L-R):
Councillor Jeff Coffman
Councillor Jeff Carlson
Mayor Chris Spearman
Councillor Blaine Hyggen
Councillor Ryan Parker

STRATEGIC PLAN 2014-2017

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.

MISSION

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

- Strong leadership
- Decisiveness
- Measurable actions

VALUES

Values are the enduring principles or beliefs that guide individual and collective behaviour and relationships. These are the norms that guide the actions of City Council. These principles are essential to how Council members interact with each other, with administration and with the community.

RESPECT

CITIZEN
FOCUSED

OPEN AND
ACCESSIBLE

ACCOUNTABLE

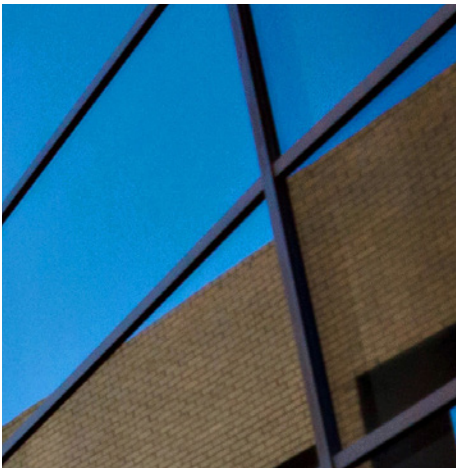
LEADERSHIP

If we live by these values, we build a foundation of integrity and trust.

To view the complete 2014-2017 Lethbridge City Council Strategic Plan, visit our website www.lethbridge.ca

CITY COUNCIL PRIORITIES

City Council is currently preparing their Strategic Plan for 2018-2021. The prior City Council's 2014-2017 Strategic Plan was formally approved in June 2014, and significant accomplishments have been made towards the plan's six strategic goals:



1

City Council embraces its role as government leaders of the corporation by strengthening the process of governance

2

City Council demonstrates financial stewardship

3

City Council stewards Lethbridge toward a well-designed city by ensuring quality urban design

4

City Council fosters a safe, healthy and vibrant community through inclusive policies, recreational and cultural opportunities and collaboration



5

City Council takes a leadership role in the protection and preservation of our natural environment in Lethbridge



6

City Council fosters strong relationships with neighbouring communities through collaboration

CITY MANAGER'S MESSAGE



It is my hope, that within these pages we demonstrate our ongoing commitment to earn the trust, respect and confidence of our community."

On behalf of the City of Lethbridge Administration, I am pleased to present the 2017 Annual Report.

Looking back over the year, Lethbridge found much success and steady growth. Our population grew to 98,198 and offers a well-balanced demographic profile with a healthy mix of youth, students, workforce and seniors in the community.

Lethbridge's diversified economy is growing with an anticipated 2.4% in GDP. Most notably in the manufacturing sector, employing 4,800 people and accounting for \$625 million of Lethbridge's total GDP, which is thriving due to competitive tax structure, proximity to markets and a highly dependable workforce. Output in the services sector is forecasted to climb 2.2%/year led by solid gains in wholesale and retail trade and in finance, insurance and real estate.

Along with increased residential development in west Lethbridge, our community saw significant institutional and commercial growth with \$120 million Facility Improvements by Richardson Grain, the opening of the new \$65 million Trades & Technologies Building at the Lethbridge College, the start of the \$250 million University of Lethbridge Destination Project, and the largest ever investment to our City with the ground breaking of the new \$350 million Cavendish Farms Plant. Truly an exciting economic time in our City!

We continue to do our part in improving the local economy with current and newly approved capital projects. Construction continued on the ATB Leisure Centre (Phase 2), Legacy Park in north Lethbridge,

Spitz Stadium upgrade, Library modernization and the Yates Theatre renovation. In June, City Council approved the 2018-2027 Capital Improvement Program with a nod to building a new fire station in west Lethbridge, a community facility at the Nikka Yuko Japanese Garden, a downtown Transit Terminal & Regional Park n' Ride and expanding the Crossings Branch Library and the Southern Alberta Art Gallery. These projects will break ground in the coming years and through improvements to programming & services will create new jobs in our community.

This year we celebrated alongside fellow Canadians and visitors our nation's 150th anniversary. Events and activities throughout the year included free recreational opportunities for families and cultural & entertainment events. The City planted 150 trees in three groves of 50 trees each located at Henderson Park, Legacy Park and Nicholas Sheran Park to mark this significant part of our history.

Residents and visitors had the pleasure this year of attending terrific local events boasting huge community spirit including the 2017 World Seniors & Mixed Doubles Curling Championship, and the Nikka Yuko Japanese Garden's 50th anniversary celebration with a visit from the Japanese Royal Family. In addition to celebrating the anniversary of our Nation, 2017 marked the 50th Anniversary of our twinning with Saint-Laurent, QC and the strong bonds we share, the 50th Anniversary of the University of Lethbridge, 60th Anniversary of Lethbridge College and the 120th year of operations for Exhibition Park.

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. I wish to thank the professional and dedicated City of Lethbridge staff who work diligently to ensure we have the services we need while engaging residents for feedback on our future.

With my retirement pending early 2018, I am keenly aware this is the

last annual letter I have the pleasure of writing, and as such I wish to thank the professional and dedicated City of Lethbridge staff. Our employees work diligently to ensure residents are heard, served and cared for. I am confident I am leaving the organization in good hands.

As we close in on a population of 100,000 people, I am proud to share our 2017 Annual Report with the citizens of Lethbridge. It is

my hope, that within these pages we demonstrate our ongoing commitment to earn the trust, respect and confidence of our community.

Garth Sherwin, FCPA, FCA
City Manager

2017 AT A GLANCE



2.9 million

lethbridge.ca website views

25,592 views

of the Legacy Park
construction video on
Facebook



53 million
litres of
drinking
water

processed on a
daily basis



Peak
electricity
capacity was



July 7 at

169

megawatts

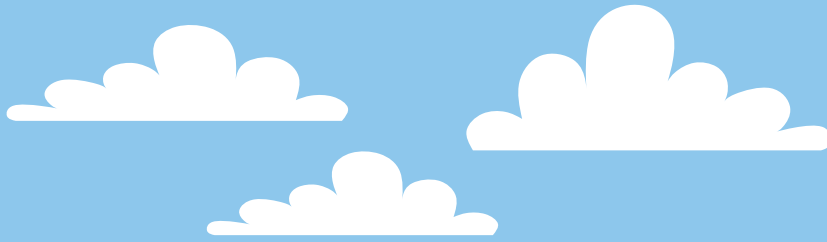
Over 
225 km
of pathways

5,700
businesses



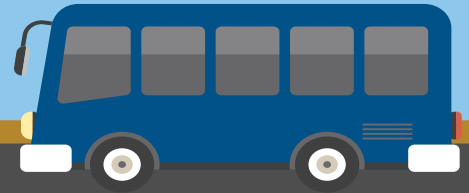
150 trees
were planted
to mark
Canada's
150th
anniversary





4,475
hours of sunlight

514 km of paved roads



The Lethbridge
Police Service
responded to
33,643
calls for service



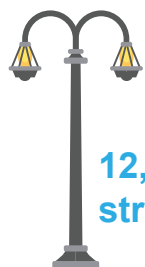
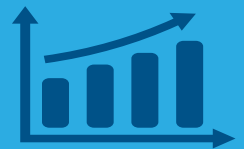
Fort Whoop-Up
welcomed
8,449
visitors



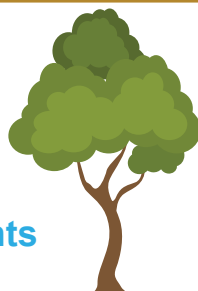
1.41%
population
increase
over 2016

2017
Lethbridge
population
98,198

The strongest growth
occurred in west Lethbridge
with 1,156 new residents



12,365
streetlights



The Nature Centre offered more
than **1,000** different programs
and activities designed to get
the community outside



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 EFT Fraud Controls
- 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 Tax Cancellation and Refund Policy
- Reviewed the Terms of Reference for the Audit Committee
- Participated in education sessions related to the roles and duties of audit committees and the City of Lethbridge's internal control program

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

2017 Audit Committee Members:

Mayor C. Spearman
(January 1 – December 31, 2017)

Councillor J. Coffman
(January 1 – December 31, 2017)

Councillor B. Crowson
(October 30 – December 31, 2017)

Councillor L. Iwaskiw
(January 1 – October 30, 2017)

Councillor J. Mauro
(October 30 – December 31, 2017)

Councillor B. Mearns
(January 1 – October 30, 2017)

Councillor R. Miyashiro
(January 1 – December 31, 2017)

April 16, 2018

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 2017 Annual Report of the City of Lethbridge (the “City”) provides information to all members of the public about the City’s 2017 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 2017 consolidated financial statements and their Independent Auditors’ Report is included in this Annual Report.

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

The consolidated financial statements consist of:

- **Consolidated Statement of Financial Position:**

This statement is a snapshot as at December 31 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).

2017 FINANCIAL HIGHLIGHTS

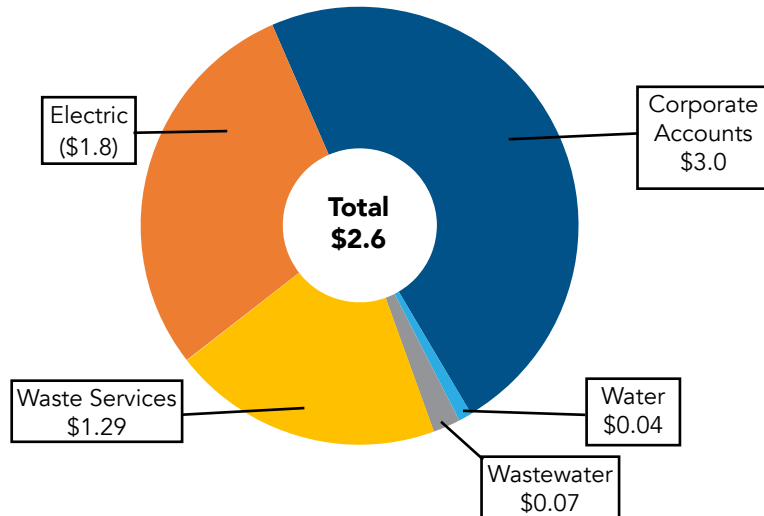
2017 was the third year of the four-year 2015-2018 Operating Budget. The Business Units within our organization continue to do an admirable job of providing established levels of service to our community and managing budget funds responsibly within our overall operating budget.

During 2017, the City realized a consolidated annual unrestricted surplus of \$2.6 million, (2016 - \$2.7 million) as shown on Schedule 1.

The City of Lethbridge will continue to monitor our financial performance and strategies over the 2018 operating budget period to address growth and

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2017 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 2017 General and Utility operations for the period ended December 31, 2017. As noted above in the 2017 Annual Unrestricted Surplus graph, the City ended the year with a \$2.6 million unrestricted Surplus (as shown in Schedule 1). This surplus consists of a \$3.0 million corporate surplus, a \$1.29 million surplus in Waste Services, a \$0.07 million surplus in the Wastewater Utility, a \$0.04 million surplus in the Water Utility, and a \$1.8 million deficit in the Electric Utility.

General Operating Results

Corporate Accounts ended the year with a \$3.0 million surplus. For 2017,

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 \$3.0 million Corporate Account surplus will be transferred to the Municipal Revenue Stabilization Reserve in the following year. Significant variances from budget are as follows:

Property tax and general revenue ended the year with a positive variance of \$1.8 million. The surplus in property taxes of \$1.3 million is due to higher than anticipated cumulative growth in residential and commercial properties over the period 2015-2017. The surplus in general revenue of \$0.5 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 \$0.4 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 \$0.6 million, primarily due to lower than budgeted Transit fuel prices.

Utility costs for tax supported City facilities ended the year with a surplus of \$0.2 million. Positive variances were experienced in electricity and City utility costs. This was partially offset by a negative variance in Natural gas costs.

Employee Benefit accounts ended the year in a positive variance of \$0.07 million. The most significant contributing factors were lower than anticipated rates for medical and dental coverage.

ENMAX operations foreign exchange ended the year in a negative variance of \$(0.07) million. The ENMAX Centre realized foreign exchange losses due to the timing of payment for shows and events payable in US dollars.

Business Unit Results

To accommodate the four-year budget cycle, Business Units are expected to operate within a 48 month budget. If there is a shortfall after the third year, Business Units are expected to overcome the deficit by adjusting expenditures in the final year of the four-year budget (2018); and if the experience after the third year results in net under expenditures, the Business Units have the ability to roll the amounts over to

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

assist their operations during 2018. General Fund Business Unit results are therefore transferred to the Budget Appropriations Unexpended Reserve (shown on the Consolidated Schedule of Unrestricted Surplus - Schedule 1 as part of the transfer to reserves) and therefore are not part of the \$2.6 million Consolidated Annual Unrestricted Surplus.

Utility Operating Results

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

Overall, Waste and Recycling Utility (comprised of the Waste, Recycling and Landfill services) ended the year with a surplus of \$1.3 million. This was primarily due to Landfill revenues being greater than budgeted due primarily to increased 2017 tipping fees in support of the business recycling strategy.

Wastewater Utility ended the year with a positive variance of \$0.1 million. The largest contributor to this surplus was from residential, regional, commercial and industrial revenue of \$1.1 million which was the result of higher than budgeted sewage loading from industry as well as higher than anticipated usage by residential customers. This surplus was largely offset by a negative variance of \$0.5 million primarily due to greater than budgeted energy, natural gas and utility charges and higher than budgeted plant maintenance activities at the Wastewater Treatment Plant as well as a \$0.5 million allocation to an approved capital project in order to reduce proposed borrowings.

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 \$2.7 million (12% greater than budget) as a result of higher residential, general services and commercial water sales. This was offset by a negative variance of \$1.0 million due to higher than expected watermain breaks, an increased amount of commercial and industrial water meter replacements and other maintenance and operational activities. Additionally, an allocation of \$1.0 million was applied to an approved capital project in order to reduce proposed borrowings as well as \$0.7 million being allocated to the 2017 Watermain Renewal Program.

The Electric Utility ended the year with a \$1.8 million negative variance from operations. Fibre Operations ended the year with a small positive variance, mainly due to depreciation and cost of capital amounts being lower than budgeted. The Regulated Rate tariff experienced a positive variance of \$0.2 million due to ongoing low energy prices. These positive variances were offset by a \$1.8 million negative variance in the Distribution tariff due primarily to the transition in

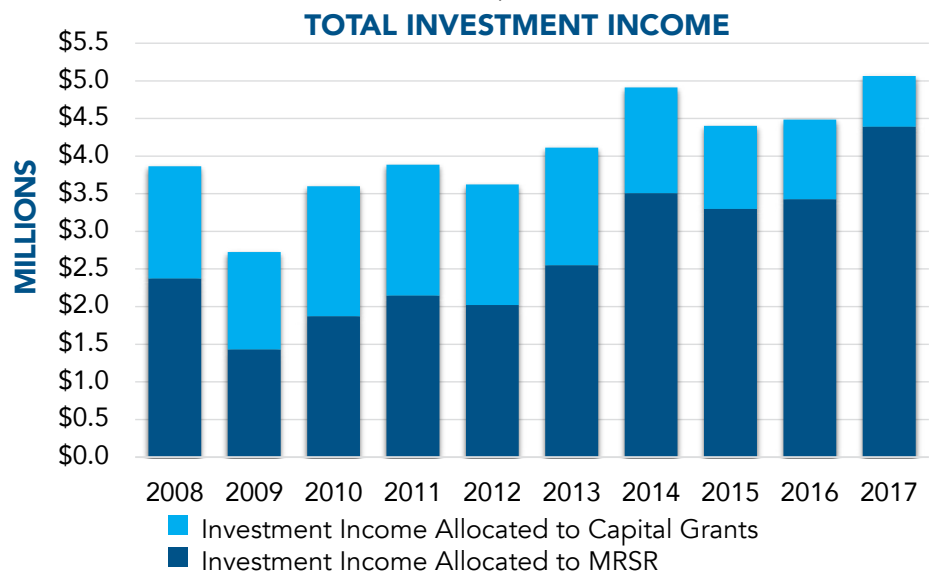
the Load Settlement Agent contract from ENMAX to Cognera and a lower overhead cost recovery from capital projects. The Transmission tariff experienced a negative variance of \$0.2 million primarily due to higher maintenance costs for protection, control and transmission lines within system operations.

FINANCIAL POSITION

The overall financial position of the City of Lethbridge remained strong through 2017 with year-end net financial assets totaling \$46 million (2016 \$62 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.

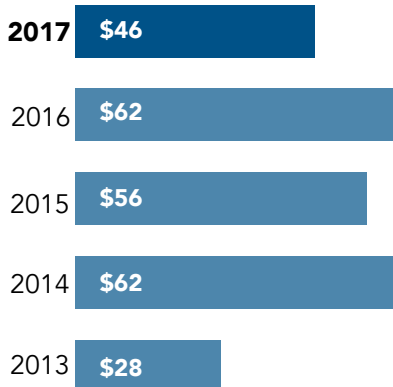
Financial Assets

The City's 2017 total financial assets of \$400 million increased by \$73 million from the prior year (2016 \$327 million), which is primarily due to an increase in cash and investments. This increase in investments was due to a timing difference in payments to suppliers and construction of capital projects.



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET FINANCIAL ASSETS (millions)



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 2017 was \$290 million (2016 \$270 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 2017 gross interest income earned from the portfolio was \$5.0 million (2016 \$4.4 million). The City's 2017 average portfolio yield of 1.8% (2016 1.61%) was higher than the Government of Canada 3-year Benchmark yield of 1.2% (2016 0.6%).

Liabilities

The City's 2017 total financial liabilities of \$353 million increased by \$88 million compared to the prior year results (2016 \$265 million), primarily due to an increase in debenture debt of \$64 million and an increase in accounts payable and accrued liabilities, employee benefits, and deferred revenue of \$29 million. The increase in these liabilities was offset by a reduction in deposits and other liabilities of \$5 million.

Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balance of \$67 million at the end of 2017 has increased by \$20 million over the prior year balance of \$47 million.

Trade accounts payable increased by \$18 million primarily due to a number of significant construction and capital expenditures during 2017. These included the Park Place Mall land purchase, the ATB Centre - Phase 2 (Leisure Complex), and Sherring Industrial Park expansion.

Accrued liabilities increased by \$2 million primarily due to an increase in payroll and benefits, debenture interest accrual and landfill post closure costs.

Employee Benefit Obligations

Employee benefit obligations ended the year with a balance of \$14 million which was an increase of \$0.4 million from the previous year. This is primarily due to increases in vacation and overtime liabilities.

Deferred Revenue

Deferred revenue is made up of contributions from other levels of government, prepaid taxes and

other revenue deferrals. The \$8 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 2017, deposits and other liabilities decreased by \$5 million primarily due to a decrease in land sale deposits and trust fund deposits.

Debenture Debt

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

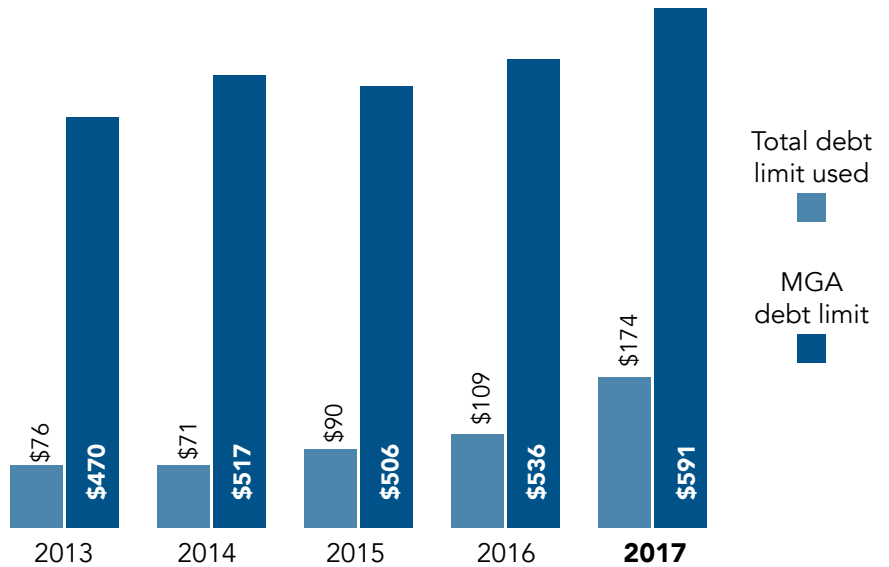
The general fund continues to require external borrowing for "self-supported" activities such as Local

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

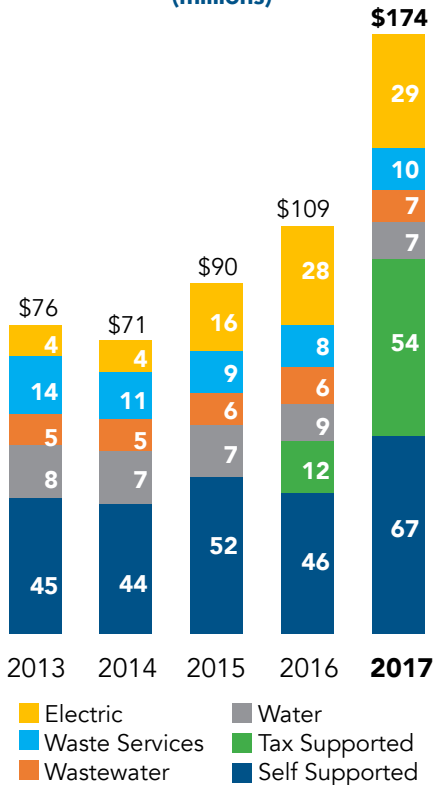
Improvements, Land Development and Developer Offsite Levy projects. Its activities are termed self-supported because the debt repayments are made directly from the revenue of these activities and are not paid from property taxes. Significant Offsite Levy borrowings have been required to fund projects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

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

DEBENTURE DEBT VS DEBT CAPACITY (millions)



DEBENTURE DEBT (millions)



In 2017, the City's debenture debt was \$173.9 million. This was an increase of \$64.4 million (59%) over the 2016 balance. The debenture debt increase was primarily due to an increase in borrowings for capital projects including the ATB Centre - Phase 2 (Leisure Complex), Park Place Mall land purchase and the Watermark Phase I Middle School Site.

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 \$46 million (2016 - \$62 million). The decrease in net financial assets of \$16 million relates to the construction of various capital projects during 2017. The City is currently in the construction phase on several large capital projects. This is the primary reason for the increase in debenture debt and accounts

payable and accrued liabilities. These increases all factor 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.

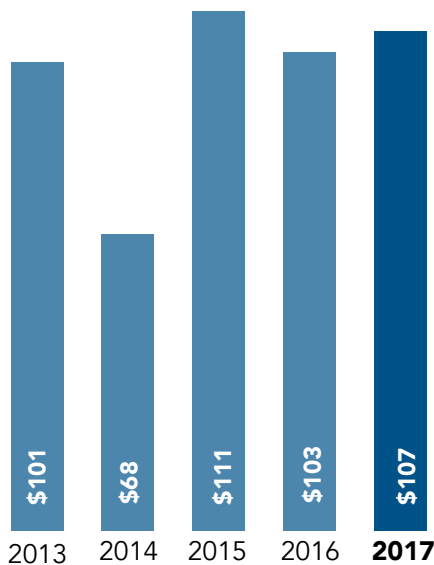
Tangible Capital Assets

The single largest item within non-financial assets is tangible capital assets which ended 2017 with a balance of \$1.564 billion (2016 \$1.457 billion) which was an increase of \$107 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 2017, include the ATB Centre - Phase 2 (Leisure Complex) of \$44

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET INCREASE IN TANGIBLE CAPITAL ASSETS (millions)



million, Park Place Mall land purchase of \$12 million, Sherring Industrial Park of \$8 million and Legacy Park of \$7 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 2017 with a balance of \$35.5 million in 2017 which was an increase of \$1.3 million from the prior year (2016 \$34.2 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 2017 municipal equity total is \$1.64 billion which is an increase of 6% 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 remained fairly consistent with an overall increase of \$8.7 million or 2% with total revenue of \$437.7 million (2016 \$429.0 million).

The majority of this increase came as a result of an increase in sales and user charges of \$13.2 million, an increase of \$9.1 in the sale of land, an increase in net taxes of \$7.7 million, the recovery of the investment valuation allowance of \$3.6 million and an overall increase of \$7.0 million in the other revenue categories. These increases are offset by a decrease in contributed asset revenues of \$23.5 million and a decrease in government transfers of \$8.4 million.

Sales and user charges increased by \$13.2 million or 7.8% from 2016 due to an increase in utility user charges of \$11.8 million, an increase in customer contributions of \$0.9 million and an increase in developer contributions of \$0.5 million.

During 2017, the City received land sales of \$25.3 million which was an increase of \$9.1 million from the

previous year (2016 \$16.2 million). The majority of the increase is related to the increase in sale of land within the Sherring Industrial Park for \$10.1 million as well as an increase in timing of residential development activities within the Crossings subdivision of \$2.2 million and SunRidge subdivision of \$1.9 million. These increases were offset by a decrease of \$5.1 million in other residential subdivisions. Fluctuations from year to year occur due to timing differences created through the development process with residential and industrial subdivisions.

Property tax is a primary revenue source available to the City to pay for municipal services. In 2017, net taxes available for municipal services of \$134 million was \$7.7 million or 6.1% higher than 2016, and accounted for 30.6% (2016 29.5%) 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.

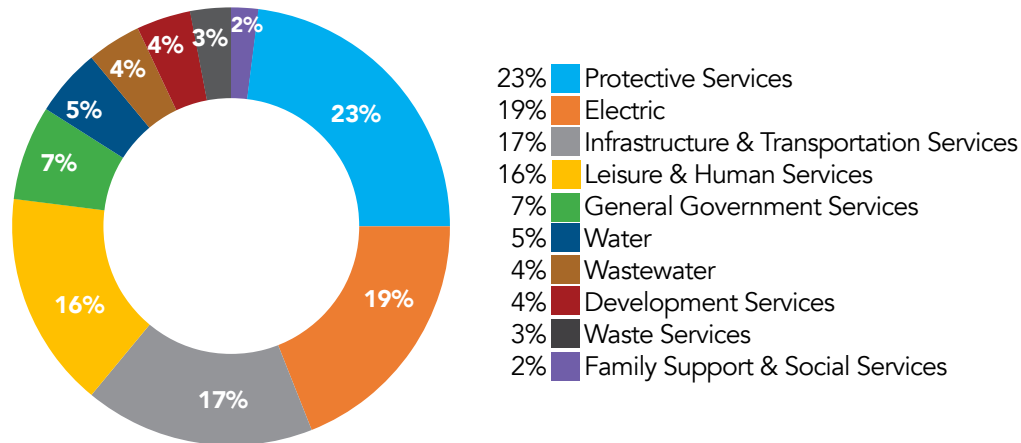
During 2017, the City received the full face value of the remaining \$19 million floating-rate notes which were received in exchange for asset-backed commercial paper (ABCP). This redemption resulted in the full recovery of the remaining \$3.6 million valuation allowance. This amount was returned to the Municipal Revenue Stabilization Reserve in 2017.

Contributed assets had a decrease in 2017 of \$23.5 million or 68%. Contributed assets are those 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

REVENUE (millions)	
2017 Actual	\$ 437.7
2016 Actual	429.0
Variance	\$ 8.7
% Variance	2.0%

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2017 Expenses by Function



largely dependent on some of the following:

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

During 2017, \$9.7 million of the decreases was related to the changes in the factors noted above. The remaining \$13.8 million decrease was a result of changes in the fair market value estimates of underground utility infrastructure.

Government Transfers decreased by \$8.4 million from 2016 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 decrease in government transfers was primarily due to the Municipal Sustainability Initiative (MSI) of \$15.5 million, a decrease of \$2.2 million in the GreenTRIP (Green Transit Incentives Program), a decrease in the Federal Gas Tax Fund (FGTF) of \$1.1 million, a decrease in the Alberta Community Partnership (ACP) of \$0.6 million and a decrease in the Family and Community Support Services (FCSS) of \$0.6 million. These decreases were partially offset by an increase in the Rural Development Division of \$7.2 million, an increase in Canadian Cultural Spaces Fund (CCSF) of \$2.6 million and the Clean Water & Wastewater Fund (CWWF) of \$1.6 million as well as increases in other government transfers of \$0.2 million.

The City experienced an overall increase of \$7.0 million in the remaining revenue categories.

Expenses

The Consolidated Statement of Operations summarizes the City's

expenses by function. A further description of what each of these functions include is provided within note 26 – Segmented Disclosures.

In 2017, the consolidated expenses of \$344.8 million were \$24.3 million or 7.6% higher than the previous year.

Expenses by Function

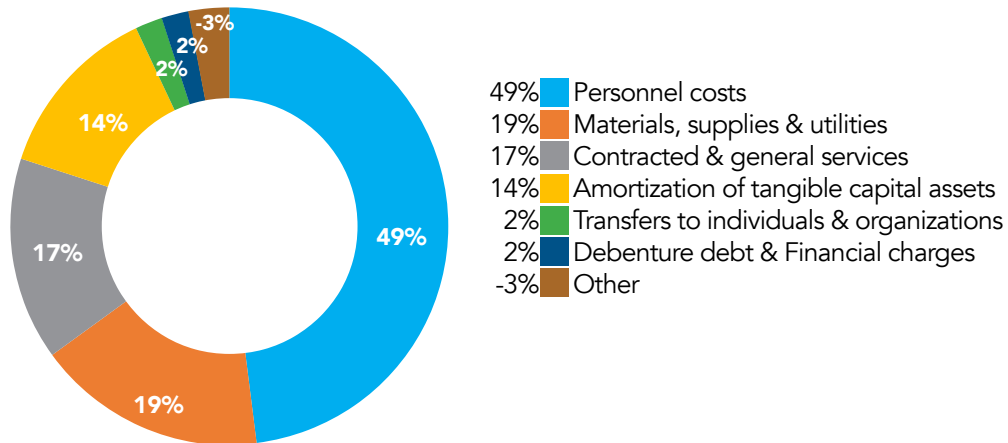
The major segments that make up the \$24.3 million change are an increase of \$11.5 million in Electric Utility, an increase of \$5.2 million in Protective Services, a \$2.5 million increase in General Government Services, a \$2.4 million increase in Development Services, an increase of \$1.6 million in the Water Utility and an overall increase of \$1.1 million in other segments.

The Electric Utility expenses increased by \$11.5 million from \$54.4 million in 2016 to \$65.9 million in 2017. The increase is primarily due to a

EXPENSES (millions)	
2017 Actual	\$ 344.8
2016 Actual	320.5
Variance	\$ 24.3
% Variance	7.6%

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2017 Expenses by Object



\$6.2 million increase in transmission tariff charges, contractual services and amortization costs, an increase of \$4.5 million in the distribution system for contractual services related to the transition in the Load Settlement Agent contract from ENMAX to Cogenera, decrease in interdepartmental charges recovered from capital, as well as an increase in amortization, materials and personnel costs. Other electrical costs increased by \$0.8 million.

Protective Services expenses increased by \$5.2 million to \$78.4 million from \$73.2 million in 2016. This was primarily due to an increase in Lethbridge Police Service expenses of \$2.5 million, an increase of \$1.0 million in Fire & EMS services, an increase of \$1.0 million in dispatch services and an overall increase of \$0.7 million in other protective services expenses.

General Government Services increased by \$2.5 million to \$23.7 million in 2017 from \$21.2 million in 2016. This was due to an increase in general administration costs of \$2.4 million and a \$0.1 million increase in Council and legislative costs.

Development Services ended the year

with \$14.3 million in expenses. This was an increase of \$2.4 million from 2016. This was primarily an increase in subdivision development activities of \$2.2 million and an increase in transfer to other agencies of \$0.2 million.

The Water Utility had a \$1.6 million increase from \$15.1 million in 2016 to \$16.7 million in 2017. The increase is primarily attributable to increases in materials, supplies, utilities and personnel costs of \$1.1 million for an increased amount of watermain breaks, an increased amount of water meter replacements, hydrant and value repairs as well as an increased amount of chemicals processing for the greater than typical production of water throughout the year. Water operations also experienced a \$0.5 million increase in interdepartmental, amortization and other costs during 2017.

The City experienced an overall increase of \$1.1 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 \$24.3 million from 2016.

Contributing factors to this increase include an increase in personnel costs of \$8.5 million, an increase in materials, supplies and utilities of \$6.9 million, an increase in amortization of tangible capital assets of \$2.8 million, an increase in contracted services of \$1.6 million, an increase of \$0.8 million in debenture debt interest and a \$3.7 million increase in other expense categories.

Personnel costs increased by \$8.5 million in 2017. This is primarily due to hiring staff for the Alberta Health Services dispatch contract and filling police officer vacancies as well as increases in negotiated collective agreement costs and their associated benefits.

Materials, supplies and utilities expense of \$65.2 million have increased by \$6.9 million or 11.8% from the previous year. This is primarily due to a \$4.1 million increase in electric transmission charges and rider costs, an increase of \$2.5 million in utility and fuel costs and a \$0.3 million in all other materials and supplies accounts.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

In 2017 amortization of tangible capital assets expenses totaled \$49.1 million which was an increase of \$2.8 million from the previous year. This was primarily due to a \$2.6 million increase in depreciation for engineering structures related to roadways, underground pipes, and the Henderson Pool basin as well as increases in electric substation and line assets. Depreciation costs also increased in building assets by \$0.9 million from the previous year primarily due to the Police Headquarters and the ATB Centre - Phase 1 projects as well as an increase in land improvements by \$0.2 million primarily for park amenities. These increases were offset by a \$0.9 million decrease in amortization from fleet vehicle assets.

Other expense categories have increased by \$3.7 million. This is primarily due to a \$2.1 million increase in expenses recovered from capital, financial charges and other expenses as well as a \$1.8 million increase in cost of goods sold from subdivision development activities. These are offset by a \$0.2 million decrease in transfers to agencies and other organizations.

Excess of Revenue Over Expenses

During 2017, the City realized an excess of revenue over expenses of \$92.9 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 \$42.8 million (represented by the net increase in tangible capital assets of \$107.2 million and the net increase of debenture debt of \$64.4 million), by the \$25.8 million increase in transfers to the capital fund, an increase of

\$18.8 million in reserve transfers and by the \$2.9 million increase related to changes in other equity balances. Once these changes and transfers were completed it leaves the consolidated annual unrestricted surplus of \$2.6 million discussed previously.

CASH FLOWS

The City's cash and cash equivalents increased from the prior year by \$6.4 million to a balance of \$39.2 million. Both cash and cash equivalents and the City's investments increased as a result of timing difference in payments to suppliers and construction of capital projects. During the year, \$152.9 million was raised from operating activities. A net increase of \$64.4 million was received on debt issues, \$64.8 million (net) was used to increase the investment portfolio and \$146.1 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 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

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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 2014-2023 CIP was approved by City Council for the years 2014-2017. 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.

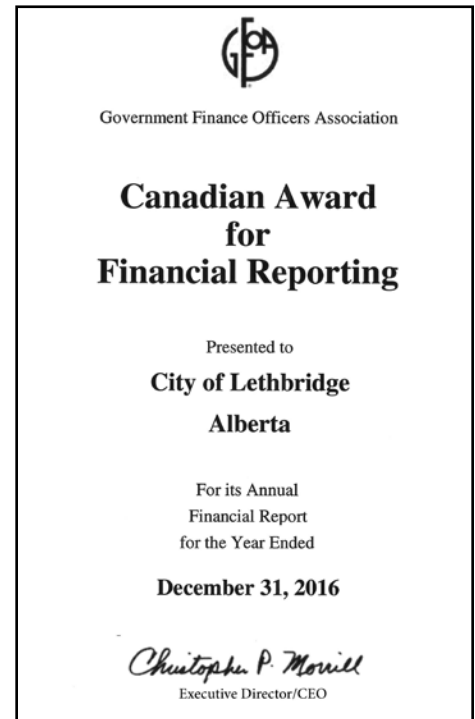
Auditing Process

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 2017 Consolidated Financial Statements at its meeting on April 16, 2018.

Recognition for Achievements

Canadian Award for Financial Reporting

The City of Lethbridge annual financial report for the year ended December 31, 2016, 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.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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, 2016. 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 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 the lowest in Alberta at 5.7% versus the Alberta rate of 7.8% and

consistently lower than the national average of 6.3%.

In terms of new construction, Lethbridge continues to have very steady, sustainable growth. Lethbridge experienced another outstanding year in terms of the value of construction in the community at \$313.4 million, the second highest on record. Residential permit values totaled \$94.8 million in 2017, down 4% on a year-over-year basis. Permit values for the single-family segment were up 2% last year, but multi-family values declined by 23%, which was enough to trigger a reduction in the overall residential sub-category.

Institutional permits comprised the largest share of the overall total, accounting for 54% of the annual figure. The 2017 value of \$168.3 million was the largest on record and represents an increase of 88% from the comparative figure one year ago, the largest increase among all permit sub-categories (commercial, industrial, institutional, residential). It should be noted that the bulk of this figure was concentrated, as one large permit accounted for 75% of the annual total.

Industrial permit values totaled \$14.8 million in 2017, an increase of 31% on an annual basis. Permit totals in this sector accounted for 5% of the overall figure in 2017, up from 3% in the prior year.

Much like we saw in 2016, the investments in 2017 were almost evenly balanced between the private and public sectors. This means companies are continuing to choose Lethbridge as a place they want to be because Lethbridge is an excellent community to operate a business and offers their employees an attractive quality of life.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Lethbridge continues to grow with the official 2017 census results at 98,198, an increase of 1.4% over the 2016 municipal census numbers. The strongest growth continues to be in west Lethbridge with an additional 1,156 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 2017 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 \$46 million at the end of 2017. 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 16, 2018



City Treasurer Corey Wight announced his retirement at the end of 2017, with Hailey Pinksen appointed to take over the role in the new year. Lethbridge Herald photo by Ian Martens.

Corey Wight retired as City Treasurer on January 2, 2018, and he will continue as Director of Corporate Services until his official retirement in the summer of 2018. Corey joined the City of Lethbridge in 1990 as Finance

Supervisor. In 2004, he was promoted to Manager of Financial Planning and Budget and was appointed City Treasurer and Director of Corporate Services in July 2008.

During his time as City Treasurer, Corey placed great emphasis on forward-focused financial planning and budgeting as well as the City's award-winning, multi-year operating budget process. He has also played a key role in developing financial strategies such as the City's Pay-As-You-Go Program that have contributed greatly to Lethbridge's financial stability.

We would like to thank Corey for his years of dedication he has given to the City of Lethbridge. Corey demonstrated outstanding leadership through his wisdom, fairness and composure. Corey has helped all of us and we cannot thank him enough for the hard work and the guidance that he provided. We wish him all of the best in his retirement.

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, 2017 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.



Kathy Hopkins
City Manager
April 16, 2018



Hailey Pinksen, CPA, CA, CIA
City Treasurer
April 16, 2018

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the City of Lethbridge ("the Entity"), which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Lethbridge as at December 31, 2017, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 16, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

(in thousands of dollars)

		2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	Note 3	\$ 39,215	\$ 32,844
Investments	Note 4	314,646	249,824
Receivables	Note 5	39,920	37,266
Loans and advances	Note 6	4,364	4,282
Deposits		401	835
Land held for resale		1,115	1,706
		399,661	326,757
LIABILITIES			
Accounts payable and accrued liabilities	Note 7	67,378	46,933
Employee benefit obligations	Note 8	14,024	13,685
Deferred revenue	Note 9	83,370	74,955
Deposits and other liabilities		14,609	19,699
Debenture debt	Note 10	173,994	109,526
		353,375	264,798
NET FINANCIAL ASSETS		46,286	61,959
NON-FINANCIAL ASSETS			
Inventories held for consumption		9,063	10,557
Prepaid expenses		1,473	1,487
Land held for resale		24,981	22,156
Tangible capital assets	Schedule 3 & Note 12	1,564,260	1,457,037
		1,599,777	1,491,237
MUNICIPAL EQUITY	Note 14	\$ 1,646,063	\$ 1,553,196
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, 2017

(in thousands of dollars)

		2017	2017 Budget (Note 28)	2016
REVENUE				
Sales and user charges		\$ 182,563	\$ 177,291	\$ 169,330
Net taxes	Schedule 2	134,048	132,621	126,371
Government transfers	Note 19	40,936	41,648	49,313
Sale of land		25,322	25,061	16,236
Contributed assets		11,194	-	34,644
Fines and penalties		7,882	7,642	7,944
Gas company franchise fee		6,063	5,200	5,470
Licenses and permits		5,339	4,959	4,511
Return on investments		5,076	3,231	5,712
Special municipal levies		3,877	3,735	3,725
Recovery of Investment Allowance		3,554	-	-
Other		11,851	9,484	5,776
		437,705	410,872	429,032
EXPENSES				
	Note 20			
Protective Services		78,370	78,279	73,188
Electric		65,909	64,441	54,411
Infrastructure & Transportation Services		59,752	68,000	59,344
Leisure & Human Services		56,380	54,217	56,273
General Government Services		23,697	31,309	21,184
Water		16,738	18,727	15,116
Development Services		14,372	14,395	11,939
Wastewater		13,681	14,665	13,232
Waste Services		11,315	13,639	11,502
Family Support & Social Services		4,624	4,979	4,392
		344,838	362,651	320,581
EXCESS OF REVENUE OVER EXPENSES	Schedule 1 & 4	92,867	48,221	108,451
MUNICIPAL EQUITY, BEGINNING OF YEAR		1,553,196	1,553,196	1,444,745
MUNICIPAL EQUITY, END OF YEAR	Note 14	\$ 1,646,063	\$ 1,601,417	\$ 1,553,196

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, 2017 (in thousands of dollars)

	2017	2017 Budget	2016
EXCESS OF REVENUE OVER EXPENSES	\$ 92,867	\$ 48,221	\$ 108,451
Change related to tangible capital assets			
Acquisition of tangible capital assets	(147,039)	(125,781)	(121,156)
Contributed assets	(11,194)	-	(34,644)
Proceeds on disposal of tangible capital assets	930	71	584
Amortization of tangible capital assets	49,105	50,110	46,323
Loss on disposal of tangible capital assets	975	-	5,018
	(107,223)	(75,600)	(103,875)
Change related to other non-financial assets			
Acquisition of inventories held for consumption	(15,526)	-	(20,586)
Acquisition of prepaid expenses	(1,467)	-	(1,404)
Use of land held for resale	(2,825)	-	1,370
Use of inventories held for consumption	17,020	-	19,969
Use of prepaid assets	1,481	-	1,540
	(1,317)	-	889
(DECREASE)INCREASE IN NET FINANCIAL ASSETS	(15,673)	(27,379)	5,465
NET FINANCIAL ASSETS, BEGINNING OF YEAR	61,959	61,959	56,494
NET FINANCIAL ASSETS, END OF YEAR	\$ 46,286	\$ 34,580	\$ 61,959

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

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

(in thousands of dollars)

	2017	2016
NET INFLOW (OUTFLOW) OF CASH		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 92,867	\$ 108,451
Items not involving cash		
Amortization of tangible capital assets	49,105	46,323
Loss on disposal of tangible capital assets	975	5,018
Tangible capital assets received as contributions	(11,194)	(34,644)
Changes to financial assets		
Decrease (increase) in receivables	(2,654)	(3,372)
Decrease (increase) in other financial assets	943	(1,122)
Changes to non-financial assets		
Decrease (increase) in prepaid expenses	14	136
Decrease (increase) in inventory held for consumption	1,494	(617)
Decrease (increase) in land held for resale	(2,825)	1,370
Changes to liabilities		
Increase (decrease) in accounts payable and accrued liabilities	20,445	1,015
Increase (decrease) in employee benefit obligation	339	538
Increase (decrease) in deferred revenue	8,415	(7,313)
Increase (decrease) in deposits and other liabilities	(5,090)	666
	152,834	116,449
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(147,039)	(121,156)
Proceeds on disposal of tangible capital assets	930	584
	(146,109)	(120,572)
INVESTING ACTIVITIES		
Decrease (increase) in investments	(64,822)	(12,211)
FINANCING ACTIVITIES		
Debenture debt issued	77,463	31,398
Debenture debt principal redeemed	(12,995)	(12,121)
	64,468	19,277
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	6,371	2,943
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	32,844	29,901
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 39,215	\$ 32,844

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

CONSOLIDATED SCHEDULE OF UNRESTRICTED SURPLUS

AS AT DECEMBER 31, 2017

(in thousands of dollars)

Schedule 1

	2017	2017 Budget	2016
EXCESS OF REVENUE OVER EXPENSES	\$ 92,867	\$ 48,221	\$ 108,451
Unrestricted balances			
Transfer (to) from prior year surplus to (from) reserves	2,150	-	2,452
Unfunded			
Change in unfunded vacation pay	(1,342)	-	(1,530)
Transfer to (from) equity in inventories held for consumption	(1,494)	-	617
Transfer to (from) equity in prepaid expenses	(14)	-	(136)
Restricted balances			
Transfer (to) reserves	(18,775)	(7,675)	(8,951)
Transfer (to) capital fund	(25,854)	(9,426)	(13,748)
Equity in non-financial assets			
Change in land held for resale	(3,683)	-	611
Change in tangible capital assets	(42,755)	(31,120)	(84,598)
Change in inventories held for consumption	1,494	-	(617)
Change in prepaid expenses	14	-	136
CONSOLIDATED ANNUAL UNRESTRICTED SURPLUS	\$ 2,608	\$ -	\$ 2,687

SCHEDULE OF NET TAXES

FOR THE YEAR ENDED DECEMBER 31, 2017

(in thousands of dollars)

Schedule 2

	2017	2017 Budget	2016
TAXATION			
Real property taxes	\$ 167,833	\$ 166,832	\$ 159,200
Special assessments	3,877	3,735	3,725
Business taxes (BRZ)	215	197	181
Grants in lieu of taxes			
Provincial	1,092	2,052	1,089
Federal	238	194	220
	173,255	173,010	164,415
Less special requisition transfers			
Alberta School Foundation Fund	28,897	29,557	28,027
Holy Spirit RCSR 4	4,641	5,270	4,507
Green Acres Foundation	1,594	1,617	1,587
Downtown Lethbridge Business Revitalization Zone	198	210	198
	35,330	36,654	34,319
TAXATION FOR MUNICIPAL PURPOSES	137,925	136,356	130,096
Less special levies			
Street maintenance frontage taxes	3,877	3,735	3,725
NET TAXES	\$ 134,048	\$ 132,621	\$ 126,371

SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2017

(in thousands of dollars)

Schedule 3

	Land	Land Improvements	Buildings	Infrastructure	Equipment & Furnishings	Vehicles	Assets Under Construction	2017	2016
COST									
BALANCE, BEGINNING OF YEAR	\$ 93,557	\$ 82,296	\$ 348,643	\$ 1,263,312	\$ 99,957	\$ 66,894	\$ 109,149	\$ 2,063,808	\$ 1,926,065
Acquisition of tangible capital assets	12,868	4,830	36,368	32,633	5,726	8,211	46,403	147,039	121,156
Contributed assets	627	666	-	9,773	128	-	-	11,194	34,644
Disposal of tangible capital assets	(416)	(287)	(1,338)	(1,583)	(1,478)	(5,848)	-	(10,950)	(18,057)
BALANCE, END OF YEAR	106,636	87,505	383,673	1,304,135	104,333	69,257	155,552	2,211,091	2,063,808
ACCUMULATED AMORTIZATION									
BALANCE, BEGINNING OF YEAR	-	(30,146)	(106,752)	(381,886)	(55,353)	(32,634)	-	(606,771)	(572,903)
Annual Amortization	-	(3,692)	(7,556)	(27,945)	(4,984)	(4,928)	-	(49,105)	(46,323)
Accumulated amortization on disposals	-	254	833	1,514	1,155	5,289	-	9,045	12,455
BALANCE, END OF YEAR	-	(33,584)	(113,475)	(408,317)	(59,182)	(32,273)	-	(646,831)	(606,771)
TOTAL NET BOOK VALUE	\$ 106,636	\$ 53,921	\$ 270,198	\$ 895,818	\$ 45,151	\$ 36,984	\$ 155,552	\$ 1,564,260	\$ 1,457,037

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2017

(in thousands of dollars)

Schedule 4

	General Municipal Revenue	Protective Services	Infrastructure & Transportation Services	Leisure & Human Services
REVENUE				
Sales and user charges	\$ -	\$ 11,057	\$ 12,368	\$ 10,310
Net taxes	134,048	-	-	-
Government transfers	-	3,268	11,893	9,991
Sale of land	-	-	-	-
Contributed assets	-	-	9,586	1,256
Return on investments	4,396	3	279	-
Fines and penalties	-	92	488	-
Gas company franchise fee	6,063	-	-	-
Licenses and permits	-	4,472	69	798
Special municipal levies	-	-	3,491	386
Municipal Consent and Access Fee	10,279	-	-	-
Recovery of Investment Allowance	3,554	-	-	-
Other	67	3,051	1,520	2,445
	158,407	21,943	39,694	25,186
EXPENSES				
Salaries, wages and benefits	-	51,645	22,934	20,205
Materials, supplies and utilities	-	1,745	12,298	4,975
Contracted and general services	-	4,306	9,917	10,280
Amortization of tangible capital assets	-	1,972	19,590	6,628
Transfers to individuals and organizations	-	77	-	2,673
Debenture debt interest	-	-	1,245	733
Financial charges	-	342	304	212
Interdepartmental transfers (net)	-	18,394	(1,752)	10,957
Expenses recovered from capital	-	(248)	(5,490)	(522)
Other	-	137	706	239
	-	78,370	59,752	56,380
EXCESS OF REVENUE OVER EXPENSES	158,407	(56,427)	(20,058)	(31,194)
Change in unrestricted balances	2,127	261	(407)	(95)
Transfer from (to) reserves	(2,399)	(685)	(3,145)	(872)
Transfer from (to) internal segments	3,207	(519)	15,328	8,749
Transfer from (to) capital fund	-	(289)	(4,452)	362
Change in equity in non-financial assets	-	(353)	(14,874)	(15,073)
UNRESTRICTED SURPLUS (DEFICIT)	\$ 161,342	\$ (58,012)	\$ (27,608)	\$ (38,123)

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2017

(in thousands of dollars)

Schedule 4

General Government Services	Development Services	Family Support & Social Services	Utilities	2017	2016
\$ 321	\$ 8,203	\$ 858	\$ 139,446	\$ 182,563	\$ 169,330
-	-	-	-	134,048	126,371
7,004	4,640	1,865	2,275	40,936	49,313
-	25,322	-	-	25,322	16,236
-	(4,301)	-	4,653	11,194	34,644
274	100	24	-	5,076	5,712
7,289	-	-	13	7,882	7,944
-	-	-	-	6,063	5,470
-	-	-	-	5,339	4,511
-	-	-	-	3,877	3,725
-	-	-	(10,279)	-	-
-	-	-	-	3,554	-
4,283	290	37	158	11,851	5,776
19,171	34,254	2,784	136,266	437,705	429,032
47,764	3,370	1,062	21,406	168,386	159,931
4,371	250	114	41,496	65,249	58,368
12,493	2,423	2,498	14,078	55,995	54,375
2,287	21	113	18,494	49,105	46,323
651	4,413	-	-	7,814	7,971
-	159	-	1,431	3,568	2,778
396	-	17	8	1,279	1,175
(46,035)	515	801	17,120	-	-
(281)	(843)	19	(6,881)	(14,246)	(15,048)
2,051	4,064	-	491	7,688	4,708
23,697	14,372	4,624	107,643	344,838	320,581
(4,526)	19,882	(1,840)	28,623	92,867	108,451
(1,439)	96	(28)	(1,215)	(700)	1,403
(9,180)	(666)	588	(2,416)	(18,775)	(8,951)
(3,198)	(15,041)	7	(8,533)	-	-
(1,691)	(11,197)	191	(8,778)	(25,854)	(13,748)
(10,030)	3,740	(243)	(8,097)	(44,930)	(84,468)
\$ (30,064)	\$ (3,186)	\$ (1,325)	\$ (416)	\$ 2,608	\$ 2,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (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 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, 2017

(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, 2017 (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, 2017 (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), effective for fiscal years beginning on or after April 1, 2017. In 2018, the City will continue to assess the impact and prepare for the adoption of these standards.

PS 2200 - Related Party Disclosures

This section provides guidance on the definition of a related party and establishes the disclosure requirements for transactions between related parties.

PS 3420 - Inter- Entity Transactions

This section provides guidance on the recognition, measurement and presentation of transactions between entities controlled by a government within the government reporting entity from both the perspective of both parties.

PS 3210 - Assets

This section provides guidance on the various components related to the definition of an asset and establishes the related disclosure requirements.

PS 3320 - Contingent Assets

This section provides a general application standard providing guidance on the definition and disclosures standards related to contingent assets. It is noted that specific types of contingent assets are excluded from this standard.

PS 3380 – Contractual Rights

This section provides guidance on the disclosure of contractual rights, including their nature, extent and timing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

(in thousands of dollars)

3. CASH & CASH EQUIVALENTS

	2017	2016
Cash	\$ 33,215	\$ 17,844
Cash equivalents	6,000	15,000
	\$ 39,215	\$ 32,844

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 1.04% (2016 1.00%).

4. INVESTMENTS

	2017		2016	
	Carrying Value	Market	Carrying Value	Market
Short term investments	\$ 102,735	\$ 102,693	\$ 37,076	\$ 37,076
Long term investments	211,911	211,190	212,748	212,919
	\$ 314,646	\$ 313,883	\$ 249,824	\$ 249,995

Investments mature at various dates between January 3, 2018 and March 4, 2026 and have an average effective annual yield of 1.89% (2016 1.70%).

Investments include \$45,057 (2016 \$38,378) in externally restricted amounts which must be used for specified capital projects.

5. RECEIVABLES

	2017	2016
Trade accounts receivable	\$ 38,752	\$ 34,620
Taxes receivable	3,047	2,593
Receivables from other governments	3,955	5,388
	45,754	42,601
Allowance for doubtful amounts	(5,834)	(5,335)
	\$ 39,920	\$ 37,266

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (in thousands of dollars)

6. LOANS AND ADVANCES

	2017	2016
Lethbridge Exhibition	\$ 4,625	\$ 4,421
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	(334)	(232)
Net Lethbridge Exhibition	4,291	4,189
SLP Industries Ltd.	53	63
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	30
Non-interest bearing, payable in annual installments of \$10, due September 1, 2019		
	\$ 4,364	\$ 4,282

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2017	2016
Trade accounts payable	\$ 51,279	\$ 32,575
Accrued liabilities	9,243	7,661
Environmental liabilities ⁽¹⁾	5,186	4,943
Other government	1,670	1,754
	\$ 67,378	\$ 46,933

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

Included in accounts payable and accrued liabilities is \$5,186 (2016 \$4,943) 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 3%.

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 21.7 (2016 21.9) million cubic meters which will be reached in approximately 50-60 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (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 \$18,165 (2016 \$20,341). The following summarizes the total net present value of the estimated costs of closure and post-closure care:

	2017	2016
Estimated closure costs	\$ 17,010	\$ 18,521
Estimated post-closure costs	6,341	6,763
Total estimated costs	23,351	25,284
Amount accrued to December 31	(5,186)	(4,943)
Balance of estimated costs to accrue over the remaining life of the landfill	\$ 18,165	\$ 20,341

8. EMPLOYEE BENEFIT OBLIGATIONS

	2017	2016
Vacation and overtime	\$ 12,724	\$ 12,457
Sick pay	1,196	1,136
Other	104	92
	\$ 14,024	\$ 13,685

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, 2017 (in thousands of dollars)

9. DEFERRED REVENUE

	2017	2016
Deferred revenue	\$ 4,122	\$ 4,233
Government contributions ⁽¹⁾	45,057	38,378
Prepaid taxes	34,191	32,344
	\$ 83,370	\$ 74,955

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

	2016 Balance	Grants Received & Net Interest	Government Transfer Revenue	2017 Balance
Municipal Sustainability Initiative Grant	\$ 11,032	\$ 15,127	\$ (6,576)	\$ 19,583
Basic Municipal Transportation Grant	14,130	5,804	(6,263)	13,671
Federal Gas Tax Fund	8,812	137	(2,269)	6,680
Other Grants	4,404	26,547	(25,828)	5,123
	\$ 38,378	\$ 47,615	\$ (40,936)	\$ 45,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

(in thousands of dollars)

10. DEBENTURE DEBT

	2017	2016
General - self supported	\$ 67,414	\$ 46,459
Utilities	52,373	51,067
General - tax supported	54,207	12,000
	\$ 173,994	\$ 109,526

Principal and interest repayments are as follows:

	Principal	Interest	Total
2018	\$ 15,788	\$ 4,898	\$ 20,686
2019	15,205	4,462	19,667
2020	15,200	4,028	19,228
2021	13,295	3,598	16,893
2022	12,350	3,201	15,551
2023 to maturity	102,156	13,862	116,018
	\$ 173,994	\$ 34,049	\$ 208,043

Debenture debt is repayable to the Alberta Capital Finance Authority. Existing debentures mature in annual amounts to the year 2032. 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 \$3,568 (2016 \$2,778).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

(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:

	2017	2016
Total debt limit	\$ 591,103	\$ 535,924
Debtenture debt	(173,994)	(109,526)
Debt limit unused	417,109	426,398
Percentage of debt to debt limit	29.44 %	20.44 %
Service on debt limit	98,517	89,321
Service debt (principal and interest payment)	(20,686)	(15,849)
Service on debt limit unused	77,831	73,472
Percentage of service on debt limit used	21.00 %	17.74 %

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, 2017

(in thousands of dollars)

12. TANGIBLE CAPITAL ASSETS

	2017	2016
Net Book Value		
Land	\$ 106,636	\$ 93,557
Land improvements	53,921	52,150
Buildings	270,198	241,891
Infrastructure		
Roadways	415,572	414,508
Water system	179,196	177,751
Wastewater system	151,420	151,820
Waste Services system	3,166	501
Electrical system	146,464	136,846
Equipment and furnishings	45,151	44,604
Vehicles	36,984	34,260
Assets Under Construction	155,552	\$ 109,149
	1,564,260	1,457,037

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 \$11,194 (2016 \$34,644). This amount is comprised of land in the amount of \$627 (2016 \$1,105), land improvements in the amount of \$666 (2016 \$255), infrastructure in the amount of \$9,773 (2016 \$33,128), buildings in the amount of \$0 (2016 \$12) and equipment and furnishings in the amount of \$128 (2016 \$144).

The City capitalized \$121 (2016 \$171) in interest during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (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:

	2017 Surplus	2016 Surplus
General	\$ 3,024	\$ 2,127
Utilities		
Water	42	195
Wastewater	76	134
Waste Services	1,294	208
Electric	(1,828)	23
Total Utilities	(416)	560
	\$ 2,608	\$ 2,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (in thousands of dollars)

14. MUNICIPAL EQUITY

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

	2017	2016
Unrestricted balances		
Unrestricted surplus (Note 15)	\$ 14,022	\$ 13,564
Unfunded		
Vacation pay	(6,268)	(7,610)
Inventories held for consumption	(9,063)	(10,557)
Prepaid expenses	(1,473)	(1,487)
Restricted balances		
Reserves (Note 16)	109,805	91,030
Capital fund	115,536	89,682
Equity in non-financial assets		
Land held for resale	22,702	19,019
Inventories held for consumption	9,063	10,557
Prepaid expenses	1,473	1,487
Tangible capital assets (Note 18)	1,390,266	1,347,511
	\$ 1,646,063	\$ 1,553,196

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 2017 General Operations accumulated surplus of \$3,024 will be transferred to the Municipal Revenue Stabilization Reserve and the 2017 Electric accumulated deficit of \$(1,828) will be transferred to the Electric Reserve in 2018.

	2016 Balance	Appropriations & Adjustments	2017 Surplus (Deficit)	2017 Balance
City general	\$ 2,127	\$ (2,127)	\$ 3,024	\$ 3,024
Water	3,832	-	42	3,874
Wastewater	3,356	-	76	3,432
Waste Services	4,226	-	1,294	5,520
Electric	23	(23)	(1,828)	(1,828)
	\$ 13,564	\$ (2,150)	\$ 2,608	\$ 14,022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

(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.

	2017	2016
Operating		
Municipal Revenue Stabilization (Note 17)	\$ 26,120	\$ 19,786
Budget Appropriations	16,639	16,793
Insurance	4,351	3,922
Cemeteries	1,385	1,448
Urban Parks	1,363	917
Mayor Magrath Drive Beautification	110	108
	49,968	42,974
Capital		
Fleet Services	22,514	20,009
Major Capital Projects	20,149	13,012
Community Lighting	5,715	5,017
Real Estate Holdings	5,392	4,813
Acquire Off Street Parking	3,415	3,197
Transit Bus	906	1,070
Electric	771	230
Central Business District Land Acquisition	683	421
Community Reserve Fund	292	287
	59,837	48,056
	\$ 109,805	\$ 91,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

(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, CentreSite equity refunds, internal financing recoveries and other allocations from General Operations are added to the reserve. Any General Operation deficits of prior years, municipal consent and access fee/franchise fee and by-law enforcement revenue shortfalls, budgeted allocations to General Operations, one time expenses and internal financing advances are charged to the reserve. The transactions affecting the reserve for the year ended December 31, 2017 are as follows:

	2017	2016
Balance, beginning of year	\$ 19,786	\$ 15,953
Add: Electric Municipal Consent and Access Fee (MCAF)	10,366	9,915
Gas company franchise fee revenue	6,062	5,470
By-law enforcement	5,749	6,027
Investment and interest income (net of trust allocations)	4,279	3,250
Recovery of Investment Valuation Allowance	3,554	-
Recovery of internal financing	3,297	3,958
Prior Year General Operating Surplus	2,127	1,989
Return on Investment (Electric)	1,656	2,103
CentreSite distribution allocation	52	276
2016/17 New West Theatre Surplus	10	-
Snow Removal	-	1,088
Other allocations from capital	-	68
	56,938	50,097
Less:		
Budgeted Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,256	9,197
By-law enforcement	5,612	5,612
Allocation to General Operations	5,250	5,250
Gas company franchise fee	4,410	4,410
Return on Investment (Electric ROI)	2,219	2,133
One time allocations	1,823	1,322
Internal financing advances	1,356	2,061
Snow Removal	551	-
Allocation for Tax Installment Payment Plan discounts	341	326
	30,818	30,311
Balance, end of year	\$ 26,120	\$ 19,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (in thousands of dollars)

18. EQUITY IN TANGIBLE CAPITAL ASSETS

	2017	2016
Tangible capital assets (Schedule 3)	\$ 2,211,091	\$ 2,063,808
Accumulated amortization (Schedule 3)	(646,831)	(606,771)
Debenture debt (Note 10)	(173,994)	(109,526)
	\$ 1,390,266	\$ 1,347,511

19. GOVERNMENT TRANSFERS

	2017	2016
Operating		
Provincial	\$ 11,304	\$ 14,428
Federal	1,551	2,062
Capital		
Provincial	21,587	30,294
Federal	6,494	2,529
	\$ 40,936	\$ 49,313

20. EXPENSES BY OBJECT

	2017	2016
Salaries, wages and benefits	\$ 168,386	\$ 159,931
Materials, supplies and utilities	65,249	58,368
Contracted and general services	55,995	54,375
Amortization of tangible capital assets	49,105	46,323
Transfers to individuals and organizations	7,814	7,971
Debenture debt interest	3,568	2,778
Financial charges	1,279	1,175
Other ⁽¹⁾	(6,558)	(10,340)
	\$ 344,838	\$ 320,581

⁽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, 2017

(in thousands of dollars)

21. COMMITMENTS

a. Contracts

As at December 31, 2017 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)	\$ 37,852	\$ 41,694
Yates Renewal	7,796	7,820
Spitz Stadium	2,613	3,300
Lethbridge Public Library Modernization	2,243	2,535
Environmental Utilities		
Curbside Recycling - Materials Recovery Facility (MRF)	4,385	16,240
Water Treatment Plant Residuals Management	750	9,692
Wastewater Treatment Plant Headworks & Clarifier Upgrade	748	4,545
Infrastructure		
Sherring Expansion	6,136	43,859
Whoop Up Dr Twinning (McMaster to Mauretania)	3,351	5,232
Metis Trail - (Walsh to Whoop Up)	3,228	5,635
Riverstone Subdivision	2,189	7,815
Nicholas Sheran Irrigation	1,874	1,874
Parking Technology Update Project	1,564	1,889
Crossings Subdivision	1,088	17,150
North Regional Park	1,008	1,008
Radio Replacement	860	1,420
Vehicles		
Tandem Dump and Medium Duty Trucks	2,319	2,319
	\$ 80,004	\$ 174,027

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, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

(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 254,000 people and 417 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 11.39% (2016 11.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 15.84% (2016 15.84%) for the excess. Employees are required to make current service contributions of 10.39% (2016 10.39%) to the YMPE and 14.84% (2016 14.84%) for any portion of pensionable salary over the YMPE.

Total current and past service contributions by the City to the LAPP were \$12,496 (2016 \$12,486). Total current and past service contributions by the employees of the City were \$11,445 (2016 \$11,508).

At December 31, the LAPP disclosed an actuarial deficit of \$637 million (2015 \$923 million); the 2017 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 7,187 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 2017 were 14.55% (2016 14.55%) of pensionable earnings for the City and 13.45% (2016 13.45%) of pensionable salaries for police officers.

Total current and past service contributions by the City to the SFPP were \$2,660 (2016 \$2,397). Total current and past service contributions by the police officers to the SFPP were \$2,032 (2016 \$2,535).

At December 31, 2016 the SFPP disclosed an actuarial deficit of \$108,525 (2015 \$161,642); the 2017 SFPP actuarial balance was not available at the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017 (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 2.84% (2016 2.5%) and 3.80% (2016 3.0%) respectively of pensionable earnings up to \$146 (2016 \$146).

Total current service contributions by the City to APEX in 2017 were \$655 (2016 \$512). Total current service contributions by the employees of the City were \$425 (2016 \$454).

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 \$468 (2016 \$483).

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, 2017. 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, 2017 (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	2017	2016
Mayor					
Spearman, C	1	\$ 79	\$ 47	\$ 126	\$ 125
Councillors					
Campbell, M	1	6	4	10	-
Carlson, J	1	34	22	56	54
Coffman, J	1	30	22	52	51
Crowson, B	1	6	4	10	-
Hyggen, B	1	35	22	57	57
Iwaskiw, L	1	30	18	48	54
Mauro, J	1	31	23	54	51
Mearns, B	1	26	18	44	56
Miyashiro, R	1	31	22	53	51
Parker, R	1	30	22	52	52
	10	259	177	436	426
City Manager	1	317	52	369	361
Designated Officers⁽¹⁾	4	\$ 763	\$ 167	\$ 930	\$ 866

⁽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, 2017 (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 and transit.

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, 2017 (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:

	2017 Budget
Revenue	
Approved budgeted revenue	\$ 409,462
Expenses	
Approved budgeted expenses	298,772
Less: Budget adjustments	62,469
Excess of Revenue Over Expenses \$ 48,221	

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

29. SUBSEQUENT EVENTS

Subsequent to the fiscal year end, under the terms of a Memorandum of Understanding (MOU) dated March 16, 2018 with the County of Lethbridge, the City will acquire the physical assets, risks and liabilities including the debenture borrowing related to the capital debt of the Lethbridge Airport as of June 1, 2018.

Subsequent to the transfer, the City will receive all revenues from the Airport operations and Airport development area (including lease revenues) and the County of Lethbridge will continue, on a fee for service basis, as the operator of the Airport until such time as the City decides on a new operating model.

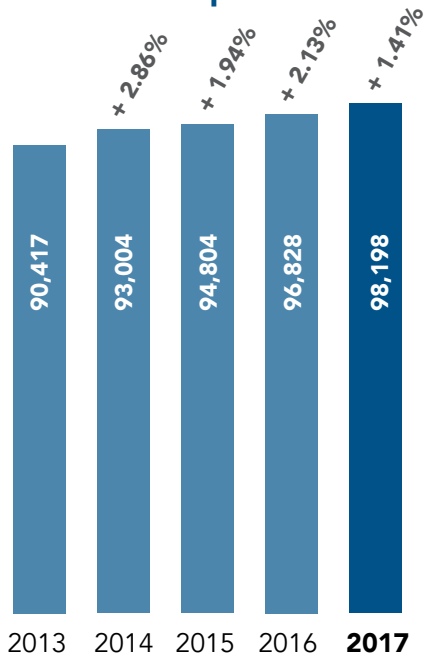
30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by City Council.

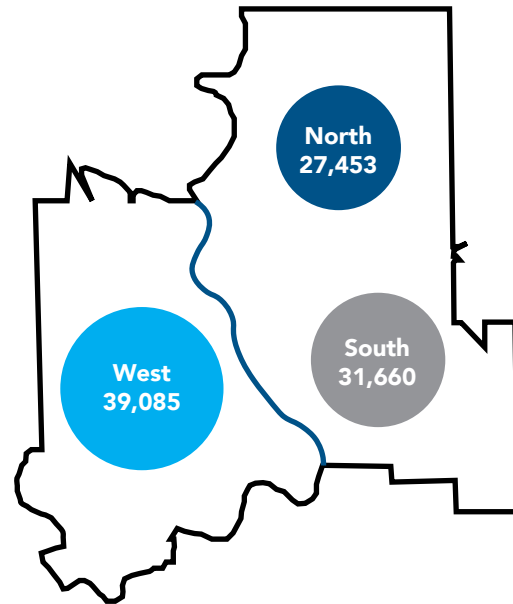
STATISTICAL INFORMATION (UNAUDITED)



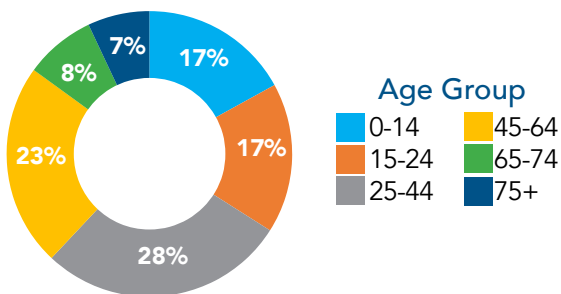
Total Population



Population by Location in 2017



Population by Age in 2017



Annual Unemployment Rates

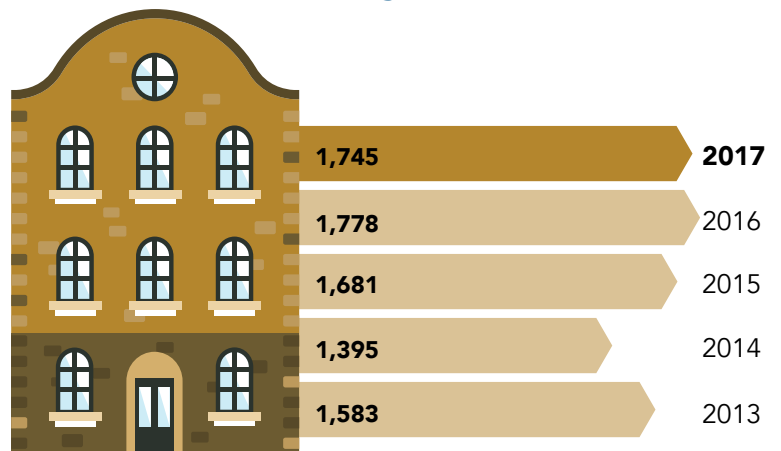
	Lethbridge ⁽¹⁾	Alberta	Canada
2017	5.7%	7.8%	6.3%
2016	6.9%	8.1%	7.0%
2015	5.0%	6.0%	6.9%
2014	3.8%	4.7%	6.9%
2013	4.3%	4.6%	7.1%

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

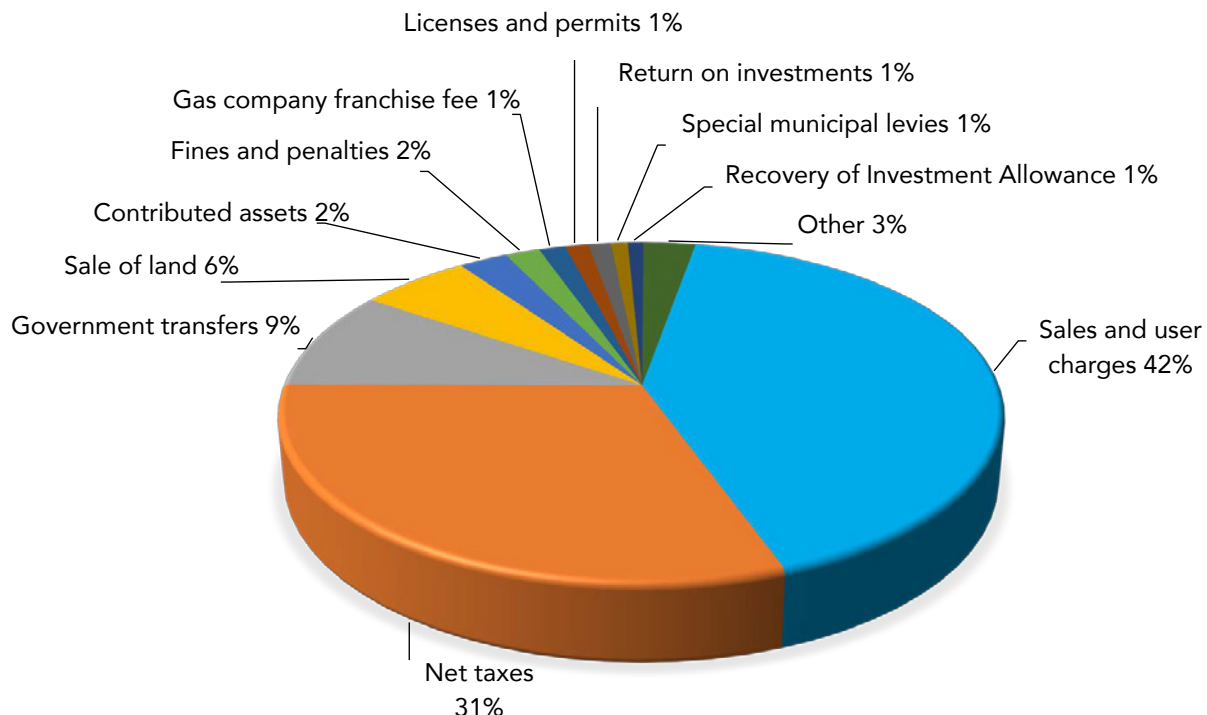


STATISTICAL INFORMATION

Five Year Summary of Consolidated Revenues For the Years Ended December 31, 2013 to 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
REVENUE					
Sales and user charges	\$ 182,563	\$ 169,330	\$ 170,543	\$ 161,717	\$ 160,032
Net taxes	134,048	126,371	119,444	112,829	103,247
Government transfers	40,936	49,313	59,191	50,945	56,795
Sale of land	25,322	16,236	8,161	26,476	7,859
Contributed assets	11,194	34,644	26,639	21,955	30,010
Fines and penalties	7,882	7,944	7,501	6,040	6,612
Gas company franchise fee	6,063	5,470	5,033	4,843	4,642
Licenses and permits	5,339	4,511	4,880	4,474	4,645
Return on investments	5,076	5,712	5,088	9,622	3,431
Special municipal levies	3,877	3,725	3,661	3,250	3,115
Recovery of Investment Allowance	3,554	-	-	-	-
Other	11,851	5,776	4,925	8,313	9,243
TOTAL REVENUE	\$ 437,705	\$ 429,032	\$ 415,066	\$ 410,464	\$ 389,631

2017 Gross Revenue



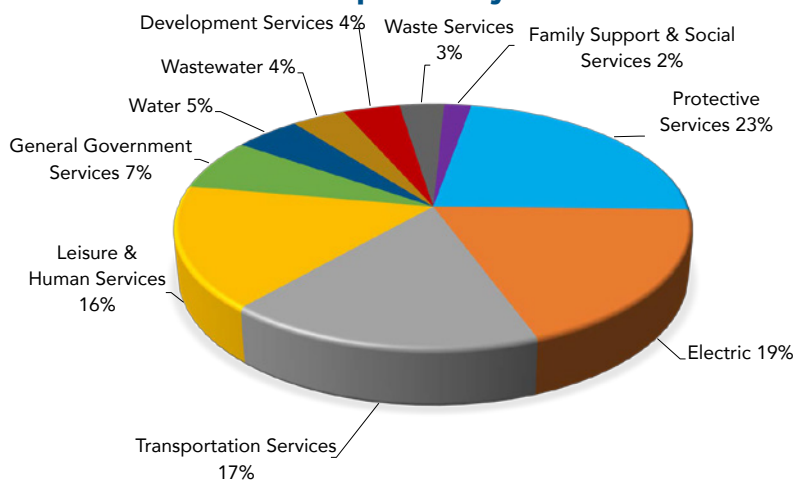
STATISTICAL INFORMATION

Five Year Summary of Consolidated Expenses For the Years Ended December 31, 2013 to 2017 (in thousands of dollars)

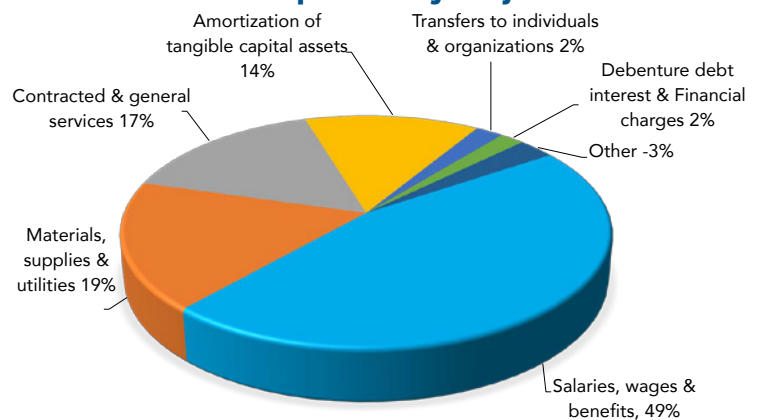
	2017	2016	2015	2014	2013
EXPENSES BY FUNCTION					
Protective Services	\$ 78,370	\$ 73,188	\$ 70,718	\$ 70,728	\$ 65,953
Electric	65,909	54,411	56,973	61,598	55,012
Infrastructure and Transportation Services	59,752	59,344	54,100	51,299	48,843
Leisure and Human Services	56,380	56,273	49,636	48,447	42,278
General Government Services	23,697	21,184	22,384	22,095	22,105
Water	16,738	15,116	15,730	16,375	15,714
Development Services	14,372	11,939	12,447	12,148	12,627
Wastewater	13,681	13,232	13,554	12,390	11,688
Waste Services	11,315	11,502	10,386	10,419	9,760
Family Support and Social Services	4,624	4,392	3,821	3,707	3,677
TOTAL EXPENSES BY FUNCTION	\$ 344,838	\$ 320,581	\$ 309,749	\$ 309,206	\$ 287,657
EXPENSES BY OBJECT					
Salaries, wages and benefits	\$ 168,386	\$ 159,931	\$ 150,413	\$ 145,855	\$ 139,084
Materials, supplies and utilities	65,249	58,368	59,633	61,482	63,614
Contracted and general services	55,995	54,375	53,471	50,325	44,984
Amortization of tangible capital assets	49,105	46,323	42,475	46,064	36,016
Transfers to individuals and organizations	7,814	7,971	8,659	9,039	8,544
Debenture debt interest	3,568	2,778	2,424	2,540	2,688
Financial charges	1,279	1,175	1,236	1,065	1,009
Other ⁽¹⁾	(6,558)	(10,340)	(8,562)	(7,164)	(8,282)
TOTAL EXPENSES BY OBJECT	\$ 344,838	\$ 320,581	\$ 309,749	\$ 309,206	\$ 287,657

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

2017 Expenses by Function



2017 Expenses by Object



STATISTICAL INFORMATION

Five Year Summary of Debenture Debt For the Years Ended December 31, 2013 to 2017 (in thousands of dollars)

	2017	2016	2015	2014	2013
GENERAL					
Tax supported					
Recreation and Culture Facilities	\$ 54,207	\$ 12,000	\$ -	\$ -	\$ -
Self supported					
Offsites	46,033	44,310	49,054	40,459	40,322
Park Place Mall Land	12,222	-	-	-	-
Industrial park servicing	9,109	2,075	2,520	2,947	3,354
Local improvements	50	74	509	574	674
Lethbridge and District Exhibition	-	-	-	-	142
	121,621	58,459	52,083	43,980	44,492
UTILITIES					
Water	7,175	8,027	6,541	6,869	7,917
Wastewater	6,266	6,485	5,694	4,888	5,448
Waste Services	10,344	8,650	9,390	11,071	14,047
Electric	28,588	27,905	16,541	4,333	4,617
	52,373	51,067	38,166	27,161	32,029
TOTAL GENERAL AND UTILITIES DEBT	\$ 173,994	\$ 109,526	\$ 90,249	\$ 71,141	\$ 76,521
POPULATION	98,198	96,828	94,804	93,004	90,417
DEBENTURE DEBT PER CAPITA					
General - mill rate supported	\$ 552	\$ 124	\$ -	\$ -	\$ -
General - self supported	687	480	549	473	492
Utilities	533	527	403	292	354
	\$ 1,772	\$ 1,131	\$ 952	\$ 765	\$ 846
DEBT LIMIT (as per Municipal Government Act)					
Total debt limit	\$ 591,103	\$ 535,924	\$ 506,631	\$ 517,250	\$ 470,909
Total debt (above)	173,994	109,526	90,249	71,141	76,521
DEBT LIMIT UNUSED	\$ 417,109	\$ 426,398	\$ 416,382	\$ 446,109	\$ 394,388
Percentage of debt limit used	29.4%	20.4%	17.8%	13.8%	16.2%
Service on debt limit	\$ 98,517	\$ 89,321	\$ 84,438	\$ 86,208	\$ 78,485
Service on debt (principal and interest payment)	20,686	15,849	13,922	10,811	12,229
SERVICE ON DEBT LIMIT UNUSED	\$ 77,831	\$ 73,472	\$ 70,516	\$ 75,397	\$ 66,256
Percentage of service on debt limit used	21.0%	17.7%	16.5%	12.5%	15.6%
Percentage of expenditures	6.0%	4.9%	4.5%	3.5%	4.3%

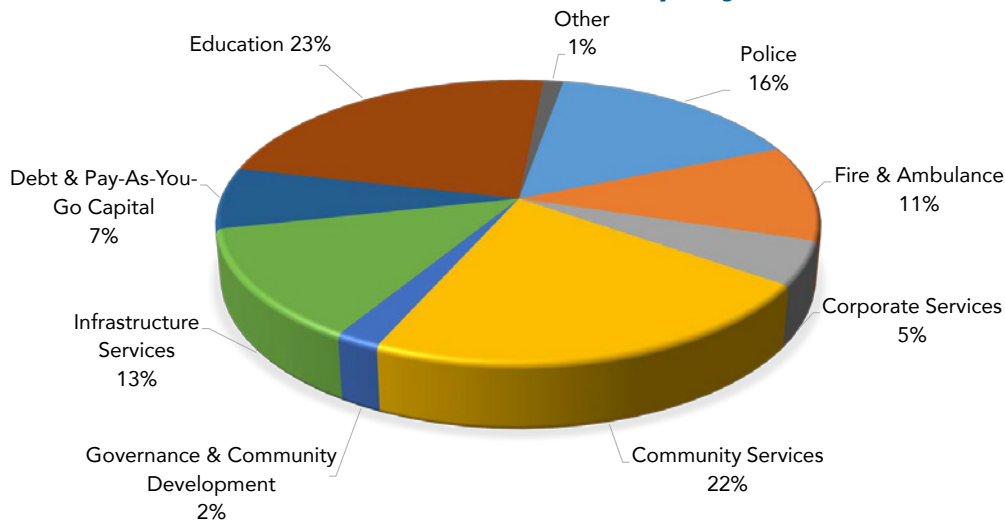
Five Year Summary of Property Tax Levy

For the Years Ended December 31, 2013 to 2017
(in thousands of dollars)

	2017	2016	2015	2014	2013
REAL PROPERTY					
Municipal	\$ 133,023	\$ 125,616	\$ 118,516	\$ 111,084	\$ 101,774
Education	33,340	32,584	31,048	30,696	31,747
Other	1,470	1,000	1,369	1,185	1,091
TOTAL REAL PROPERTY	167,833	159,200	150,933	142,965	134,612
Special Assessments	3,877	3,725	3,661	3,250	3,115
Business Taxes (BRZ)	215	181	165	207	176
TOTAL CURRENT YEAR LEVY	\$ 171,925	\$ 163,106	\$ 154,759	\$ 146,422	\$ 137,903
Current Taxes Collected	\$ 169,526	\$ 161,195	\$ 152,992	\$ 144,518	\$ 136,218
% of Current Taxes Collected	98.6%	98.8%	98.9%	98.7%	98.8%

The ten largest corporate taxpayers account for \$10,329 (6.1%) of the 2017 total property tax levy.

2017 Allocation of Residential Property Tax Dollars



Five Year Summary of Taxable Assessment

For the Years Ended December 31, 2013 to 2017
(in thousands of dollars)

	2017	2016	2015	2014	2013
Residential	\$ 9,632,957	\$ 9,317,539	\$ 9,039,814	\$ 8,621,730	\$ 8,357,299
Apartments	449,165	450,068	429,878	486,688	452,773
Commercial and Industrial	2,647,657	2,536,468	2,486,455	2,301,670	2,250,563
TOTAL TAXABLE ASSESSMENT	\$ 12,729,779	\$ 12,304,075	\$ 11,956,147	\$ 11,410,088	\$ 11,060,635

STATISTICAL INFORMATION

Five Year Summary of Acquisition of Tangible Capital Assets

For the Years Ended December 31, 2013 to 2017

(in thousands of dollars)

	2017	2016	2015	2014	2013
CAPITAL SPENDING					
Land	\$ 12,868	\$ 3,669	\$ 505	\$ 260	\$ 1,443
Land improvements	4,830	10,378	3,532	8,797	11,352
Buildings	36,368	46,877	2,514	18,828	34,472
Infrastructure	32,633	62,146	60,857	60,622	65,693
Equipment and furnishings	5,726	6,544	5,310	4,402	7,203
Vehicles	8,211	9,688	5,262	1,902	6,172
Change in assets under construction	46,403	(18,146)	55,318	(1,152)	(16,146)
TOTAL CAPITAL SPENDING	\$ 147,039	\$ 121,156	\$ 133,298	\$ 93,659	\$ 110,189

Five Year Summary of Net Financial Assets

For the Years Ended December 31, 2013 to 2017

(in thousands of dollars)

	2017	2016	2015	2014	2013
FINANCIAL ASSETS					
Excess of revenue over expenses	\$ 92,867	\$ 108,451	\$ 105,317	\$ 101,258	\$ 101,974
Change related to tangible capital assets	(107,223)	(103,875)	(111,246)	(68,684)	(101,738)
Change related to other non-financial assets	(1,317)	889	633	1,302	(5,035)
Increase (Decrease) in Net Financial Assets	(15,673)	5,465	(5,296)	33,876	(4,799)
Net Financial Assets, Beginning of Year	61,959	56,494	61,790	27,914	32,713
NET FINANCIAL ASSETS, END OF YEAR	\$ 46,286	\$ 61,959	\$ 56,494	\$ 61,790	\$ 27,914

Five Year Summary of Municipal Equity

For the Years Ended December 31, 2013 to 2017

(in thousands of dollars)

	2017	2016	2015	2014	2013
Revenue	\$ 437,705	\$ 429,032	\$ 415,066	\$ 410,464	\$ 389,631
Expenses	344,838	320,581	309,749	309,206	287,657
Excess of Revenue Over Expenses	92,867	108,451	105,317	101,258	101,974
Municipal Equity, Beginning of Year	1,553,196	1,444,745	1,339,428	1,238,170	1,136,196
MUNICIPAL EQUITY, END OF YEAR	\$ 1,646,063	\$ 1,553,196	\$ 1,444,745	\$ 1,339,428	\$ 1,238,170

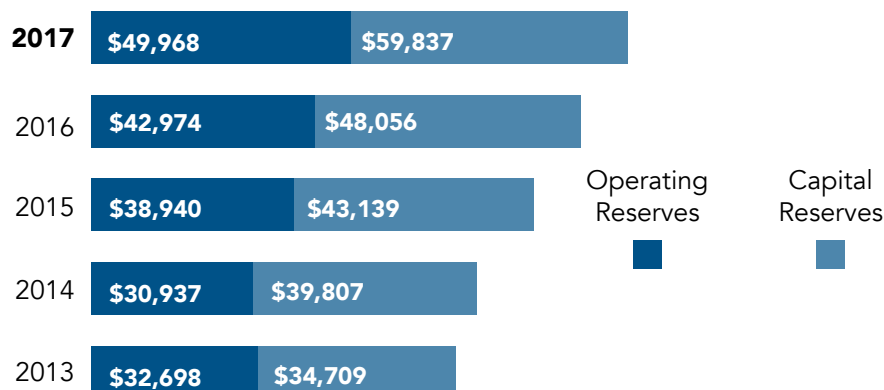
STATISTICAL INFORMATION

Five Year Summary of Reserves

For the Years Ended December 31, 2013 to 2017
(in thousands of dollars)

	2017	2016	2015	2014	2013
OPERATING					
Municipal Revenue Stabilization	\$ 26,120	\$ 19,786	\$ 15,953	\$ 11,505	\$ 13,097
Budget Appropriations	16,639	16,793	16,690	13,632	14,665
Insurance	4,351	3,922	3,576	3,288	3,073
Cemeteries	1,385	1,448	1,366	1,309	1,013
Urban Parks	1,363	917	1,248	1,097	744
Mayor Magrath Drive Beautification	110	108	107	106	106
	49,968	42,974	38,940	30,937	32,698
CAPITAL					
Fleet Services	\$ 22,514	\$ 20,009	\$ 21,583	\$ 21,441	\$ 19,312
Major Capital Projects	20,149	13,012	7,829	4,540	2,737
Community Lighting	5,715	5,017	4,391	3,937	3,296
Real Estate Holdings	5,392	4,813	4,662	4,560	4,435
Acquire Off Street Parking	3,415	3,197	2,848	2,515	2,298
Transit Bus	906	1,070	1,252	1,252	1,088
Electric	771	230	-	-	-
Central Business District Land Acquisition	683	421	420	429	431
Community Reserve Fund	292	287	154	1,133	1,112
	59,837	48,056	43,139	39,807	34,709
TOTAL RESERVES	\$ 109,805	\$ 91,030	\$ 82,079	\$ 70,744	\$ 67,407

CAPITAL AND OPERATING RESERVES (thousands \$)



STATISTICAL INFORMATION

Five Year Summary of Government Transfers

For the Years Ended December 31, 2013 to 2017 (in thousands of dollars)

	Provincial	Federal 2017	Total	2016	2015	2014	2013
UNCONDITIONAL TRANSFERS							
Payments in lieu of taxes	\$ 1,092	\$ 238	\$ 1,330	\$ 1,309	\$ 1,403	\$ 2,231	\$ 2,188
CONDITIONAL TRANSFERS							
Municipal Sustainability Initiative (MSI) ⁽¹⁾	13,552	-	13,552	29,103	35,393	17,824	11,706
Rural Development Division	7,200	-	7,200				
Social Housing in Action (SHIA)	3,669	802	4,471	4,179	5,282	5,294	3,540
Canadian Cultural Spaces Fund	-	2,899	2,899	252	-	-	-
Federal Gas Tax Fund (FGTF)	-	2,269	2,269	3,372	1,959	3,809	9,516
Family and Community Support Services (FCSS)	1,859	-	1,859	2,446	2,040	1,898	1,898
Green TRIP (Green Transit Initiatives Program)	1,695	-	1,695	3,911	-	95	1,497
Clean Water & Wastewater Fund (CWWF)	-	1,604	1,604	-	-	-	-
Municipal Policing Assistance Grant (MPAG)	1,549	-	1,549	1,517	1,488	1,447	1,425
9-1-1 Program	625	-	625	613	623	242	-
Lethbridge Public Library	537	-	537	526	516	572	519
Disaster Recovery	463	-	463	707	516	525	-
Police Officers Grant	300	-	300	325	400	400	400
Alberta Historical Resources Foundation	272	-	272	78	17	-	17
Regional Collaboration Program	264	-	264	85	62	126	3
Adult Literacy Program	264	-	264	143	124	124	122
Canada Day/Canada 150 Celebrations	-	204	204	80	4	4	6
Public Transit Infrastructure Fund	-	202	202				
Victim/Witness Services Unit	150	-	150	150	150	150	150
Fetal Alcohol Spectrum Disorder (FASD)	90	-	90	132	131	121	112
Alberta Community Partnership (ACP)	90	-	90	678	605	-	-
Alberta Community Resilience Program	75	-	75	-	-	-	-
Affordable Housing ⁽²⁾	65	-	65	71	(156)	78	2,697
Employment & Social Development	-	50	50	-	-	-	-
Alberta Sport Development Centre	40	-	40	120	120	120	120
Refugee Language and Support Program	34	-	34	33	-	-	-
Community Partnership Enhancement Fund (CPEF)	34	-	34	-	-	-	-
Summer Temporary Employment Program (STEP)	33	-	33	30	-	-	-
ALERT Program	21	-	21	28	35	28	26
Heritage Museum Program	-	15	15	15	15	15	30
Building Canada Fund (BCF)	-	-	-	526	8,768	9,753	6,033
Flood Recovery Erosion Control (FREC)	-	-	-	126	56	22	-
Alberta Culture & Tourism	-	-	-	61	29	-	-
Flood Readiness Program	-	-	-	-	700	-	-
Railway Rehabilitation Program	-	-	-	-	178	-	63
Enabling Accessibility	-	-	-	-	100	-	13
Alberta Municipal Infrastructure (AMIP) ⁽²⁾	-	-	-	-	20	8,115	16,769
Canadian Heritage Information Network (CHIN)	-	-	-	-	7	24	14
Graduate Rental Assistance Program	-	-	-	-	1	43	72
Community Facility Enhancement Program (CFEP)	-	-	-	-	-	100	-
Officer Crisis Intervention Training (CIT)	-	-	-	-	-	12	-
Alberta Mainstreet Program	-	-	-	-	-	-	36
Alberta Health and Wellness	-	-	-	-	-	-	10
Other	10	-	10	6	8	4	1
	32,891	8,045	40,936	49,313	59,191	50,945	56,795
TOTAL GOVERNMENT TRANSFERS ⁽³⁾	\$ 33,983	\$ 8,283	\$ 42,266	\$ 50,622	\$ 60,594	\$ 53,176	\$ 58,983

(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.



Statue of Sir Alexander Galt

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The year 2017 was a year of community celebrations, anniversaries and another successful year for the Galt Museum & Archives. The Galt continues to fulfill its vital role in preserving and sharing the history of Lethbridge and region. The first full season at Fort Whoop-Up provided residents and tourists with experiences familiar in our region around the turn of the twentieth century.

The Galt's carefully-curated exhibits explored the history and culture of our region. Exhibits in 2017 focused on a variety of topics including music, local vegetable gardening, the Oldman watershed, the Galts and Emilio Picariello. School and community programs were well attended and delivered opportunities for learners to engage with objects that represent the culture of our area.

Canada 150 Celebrations

The Galt held many Canada 150 celebrations that included:

- Indigenous Awareness Week celebrations including Opening Feast, Elders Tea, National Indigenous Awareness Day dance performance and a Kainai High School Art exhibit.
- Fort Whoop-Up's 50th anniversary celebration and Nikka Yuko Japanese Garden's 50th anniversary exhibit.
- Canada Day festival
- Galt statue unveiling party.
- "A Tale of Two Galts" seven-minute teaching film completion.
- Canada 150 Landmarks Public Art exhibit with Jackson 2Bear.

Community Engagement

- Participated in Community Culture Craze, a celebration of Lethbridge's

twin-city relationship with Saint-Laurent.

- Fort Whoop-Up received a visit from Ainu, a Japanese First Nation.
- Pilots for an Indigenous History program with 10 sessions and a Residential School history program for Grade 10 were completed.
- Volunteer support to the Galt and Fort Whoop-Up for the year was valued at \$225,192.

Main Exhibits

The Galt invited people into three major exhibits over the course of 2017:

- *From Pianos to Power Chords:* a history of music in southern Alberta.
- *Water in a Dry Land:* exploring the journey of water through the Oldman watershed.
- *The Rise & Fall of Emilio Picariello:* describing his journey from immigrant, to businessman, to infamous Canadian bootlegger and death.

DID YOU KNOW?

- The Galt welcomed 47,055 visitors
- Fort Whoop-Up welcomed 8,449 visitors
- Educators taught 11,937 students and 1,578 adults in programs at the Galt and Fort Whoop-Up
- The Galt delivered 207 community programs to 10,358 participants

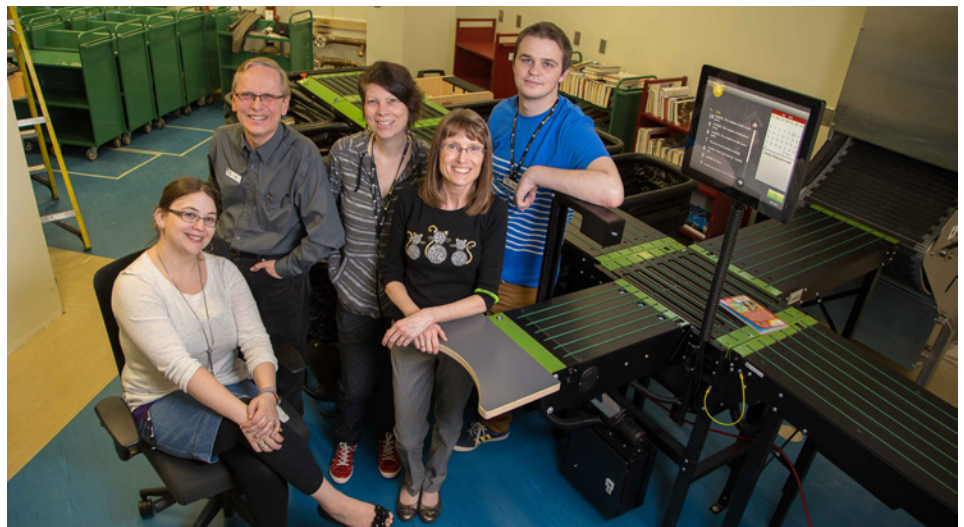
LETHBRIDGE PUBLIC LIBRARY

Lethbridge Public Library is a welcoming, inclusive space that connects and strengthens community through equitable access to learning and leisure. Serving Lethbridge since 1919, the Library is about 'Connecting YOU to Ideas.' The Library offers print, e-resources, print impaired and audiovisual materials, public computers, Wi-Fi, gathering spaces, and creative programming for all ages, with an emphasis on early literacy for children, adult literacy, and physical and financial literacy. There are three branches, one in the heart of downtown (Main Branch), one in the west Lethbridge Crossings area (The Crossings Branch), and the Bookmobile which brings the excitement of the Library to Lethbridge neighbourhoods.

Library card benefits include:

- 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, magazines and newspapers, music, video, software and games, and audiobooks.
- Digital content including eBooks, eAudiobooks, streaming content via hoopla, RBDigital and Flipster (online magazines), use the Library Extension add-on to find books at the library as you browse the internet, Press Display (online newspapers), and SOLARA (an electronic tool that offers 24/7 homework help).
- Lethbridge Presents tickets/passes to community events and venues.
- Borrow thousands of eBooks and eAudiobooks, instantly, for free, from the Overdrive collection using the Libby app.
- The Library's online catalogue, Bibliocommons, lets you manage your holds and renewals and allows you to share comments with staff and post reviews; you can also now pay your fines online!
- Special collections such as Blockbusters, Top Reads, physical literacy kits, book club kits, family literacy kits, digital play packs and more.

The Library is committed to offering the best experiences - whether it's a librarian's expertise, children's story



Lyngsoe Automated Return System at the Main Branch

time or an attractive space in which to study, research and relax.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Revitalizing the Main Branch Update

The Main Branch Modernization Project (MBMP) continued in 2017 and included major adjustments such as:

- Removing hazardous materials.
- Repairing the ceiling and walls.
- Modification of public washrooms.
- Installation of a new Lyngsoe automated return system.
- Installation of a new customer service desk.
- Renovations to the Read On Adult Literacy area.
- Construction of an after-hours entrance.

- Addition of a new community meeting room.
- Updated office space.

MBMP will be completed in four phases and is funded in part by infrastructure funding received from the Canada 150 Community Infrastructure Program.



Canada

Enhancements for Better Service

- Upgrades to the ventilation system will keep The Crossings Branch cool during the summer months. This project was recently approved in the City of Lethbridge's Capital Improvement Program.
- The Bookmobile now has custom-made shelves that ensure books are secure during transit.

Shaping Safe Library Spaces

The Library responded to the country-wide opioid crisis with its Shaping Safe Library Spaces strategy, which notes that drug use, trafficking, or the sale of drugs is prohibited at the Library, and encourages everyone to be part of the solution. The Library is one of 16 local organizations that form the Executive Leaders Coalition on Opioid Use. The coalition was formed to improve the coordination of services to respond effectively to the opioid crisis in Lethbridge.

Amplifying the Cheers 4 Lethbridge Initiative

Library staff brought the enthusiasm of Cheers 4 Lethbridge to the 2017 annual Greatness in Leadership Conference. Cheers 4 Lethbridge is about celebrating the people that contribute to making Lethbridge a great place to live, work, play, and inspire others. This year, the community was also invited to “tag & cheer” actions for positive change on Cheers 4 Lethbridge’s Facebook or Twitter.

Partnerships Provide Unique Opportunities

- Bike repair stations were installed at the Main Branch and The Crossings Branch, and offer cyclists bike repair tools. The bike repair stations were funded via a three-way partnership between the Library, Healthy Communities Association, and the City of Lethbridge Parks department.
- Digital Play Packs, which offer a way to blend digital play into a child’s daily routine, hit the shelves at The Crossings Branch. These Digital Play Packs were created in partnership with the Lethbridge Early Years Coalition.
- A liaison with Community LINKS, a free, referral service that connects



Cheers 4 Lethbridge float at the Whoop-Up Days Parade

individuals to non-emergency, community, government, health, and social services was announced. Community LINKS, operated by the Canadian Mental Health Association, employs social workers who will work at the Library, and with Library staff, to provide expertise and expand the Library’s role as a community connector.

SUCCESS STORIES

- The Read On Adult Literacy Services Program received a national award for innovative achievements as it was named the Alberta recipient of the Council of the Federation Literacy Award.

Read On’s innovative programming helps the Library connect with the Indigenous population and new Canadians. Read On also received a Chinook Arch READ Award for First Nations, Métis and Inuit Partnership Programs.

- The Library received a \$40,500 grant to install digital signage to enhance access to collections, programs, and facilities through the Government of Alberta Community Initiatives Program.
- Mini Tech-Heads, a popular children’s technology program, was awarded a \$3,000 TELUS Community Action Team grant.

DID YOU KNOW?

- Over 756,000 people visited the Library (Main, Bookmobile and The Crossings Branch).
- Library items circulated over 1.24 million times.
- Library staff responded to over 139,000 requests for information.
- As a welcoming, gathering place for children, teens and adults, the Library hosted over 6,300 programs which attracted over 59,000 people.
- The www.lethlib.ca homepage was visited 570,598 times.

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

Organizational Changes

- New Mission: Courage. Safety. Service.
- New Vision: Selflessly providing safety and service through excellence in community involvement, strong partnerships and continuous innovation.
- New Values: Accountability, competence, respect, integrity, professionalism, reliability

Opioid Crisis

- LPS continued to see an increase in the trafficking and abuse of opioids, specifically fentanyl in 2017. Enforcement efforts were focused on reducing the supply to city streets by targeting traffickers.
- LPS was part of the Coalition on Opioid Use and worked to support harm reduction strategies, including the implementation of a safe consumption site with treatment services to help break the cycle of addiction.
- In 2017, multiple LPS officers were recognized for providing life-saving measures to fentanyl overdose victims prior to the arrival of EMS.

Crime and Disorder

- In February more than \$1 million worth of drugs and proceeds of crime were seized after members of the Alberta Law Enforcement Response Team-Lethbridge searched four homes and intercepted a vehicle containing drugs. Significant quantities of cocaine, methamphetamine, ecstasy, psilocybin, LSD, prescription narcotics and



marihuana were seized along with four firearms, four vehicles and \$120,000 cash proceeds of crime. The drug bust is the largest ever in the city's history.

- In 2017, police investigated two homicides. In both cases the offenders were arrested and charged.
- Project Street Sweeper, which targeted chronic offenders of property crimes responsible for many of the city's break-ins and thefts, resulted in 45 arrests, 230 criminal charges, nearly \$500,000 in recovered property, 24 stolen vehicles, nine firearms and nearly \$14,000 worth of drugs.

Community Partnership

- LPS partnered with Lethbridge College to develop and implement a competency-based instructional model that was used to train and hire seven new, street-ready police officers. This model is the first in Alberta approved by the Ministry of Advanced Education to grant academic credentials.

Equipment

- LPS purchased a rescue vehicle that will help protect members of the public and police during violent, armed confrontations.
- Smart Squad, a mobile application that includes a variety of tools to increase officer efficiency, was implemented. Smart Squad includes the ability for officers on the street to remotely access the Service's records management and intelligence databases, automated integration of reports into these systems, task management, location awareness and electronic ticketing capabilities.

DID YOU KNOW?

- In 2017, the LPS responded to a total of 33,643 calls for service.
- You can report some crimes and lost property online? www.lethbridgepolice.ca/online-reporting.
- You can follow LPS on Facebook and Twitter.

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
Facility Services

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

Kenow Fire

This summer, Lethbridge experienced 27 days with temperatures at or above 30 degrees. Lethbridge received a scant 12.6 mm of rain during the months of July and August - making it one of the hottest and driest summers ever recorded. These extremes extended province wide and within days of the end of August a most devastating forest and wildland fire ignited in southern Alberta. By September 13 the "Kenow" fire ripped through the Akamina valley in Waterton Lakes National Park, down the parkway and surrounded the townsite of Waterton.

Fire crews from across the province raced to the aid of the Park and under a unified command structure, the townsite was miraculously saved. Operating within 12 hour rotations, Lethbridge Firefighters and Water Supply Technicians were part of the huge team involved in 'saving' this historic townsite. Simultaneous, fires near Moon River and the ensuing spread of the Kenow fire onto the prairies placed many southern Alberta communities into imminent danger. Forced evacuations in some of these communities required Emergency Management support through Lethbridge's Emergency Coordination Centre.



Sparky with the Fire Chief for a Day

Fires in Lethbridge

Firefighters successfully battled two major fires in 2017 with no civilian injuries or loss of life.

- On July 11 a fire erupted in 'The Gardens' West-Highlands seniors care facility. 35 firefighters responded and were able to

extinguish and contain this large fire in the multi-story complex. Approximately 100 residents were evacuated.

- On August 31, crews responded to a fire at a complex where 20 units were damaged. This huge fire, displaced more than 40 residents (some permanently).

LETHBRIDGE FIRE & EMERGENCY SERVICES

Electronic Patient Care Reporting (ePCR)

The Medussa ePCR platform is a fully mobile application which records, stores and transfers a complete electronic record of patient demographic information and supporting clinical interventions. The benefits of the new system include:

- Digital records and standardized reporting that reduces errors when collecting and sharing patient information.
- Seamless data extraction that is populated to the records management system - FDM.
- Efficient patient invoicing.



West-Highlands Fire. Photo Credit: Lethbridge Herald

Training and Safety

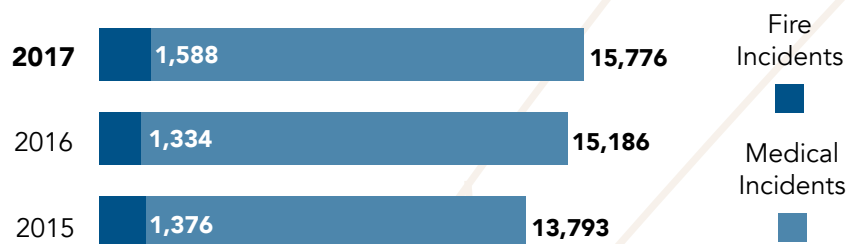
With the addition of a Deputy Chief for Training and Safety, the division is actively preparing for the launch of a department-wide Learning Management platform. This and other initiatives are helping to prepare for the recruitment of staff needed at the new Fire Station in west Lethbridge.

Approved Projects

In February, the Fire Master Plan was finalized and presented to City Council that included the approval of two important priorities:

- Service level standards for response times and appropriate staffing complement for emergency fire events.
- A new Fire Station in west Lethbridge that was approved in the 2018-2027 Capital Improvement Program.

FIRE AND MEDICAL INCIDENTS



DID YOU KNOW?

- 2,457 Lethbridge businesses were inspected in 2017 for compliance with the Alberta Fire Code.
- An online Learning Management System called 'Target' is being implemented to enhance and track department training.
- Of the 15,700 medical incidents in 2017, fire engine crews responded to more than 4,000 of them.
- 119 Fire Safety Information Centre (FSIC) boxes with building blueprints, alarm systems and fire fighter hazards are located at high risk buildings throughout the city.

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

Peace Officers

In 2017, PSCC continued dispatching for Ridge Regional Public Safety Services. In addition, the County of Lethbridge Peace Officers were signed on for dispatch services. Part of this initiative was enabling criminal records and stolen vehicle checks in cooperation with the Provincial Peace Officer Program and the RCMP.

Dispatch for Alberta Health Services (AHS)

The City finalized the contract with AHS for dispatching regional EMS units. This project has a significant technology component; whereby an interface is required to communicate response information between the AHS systems and the PSCC systems.

Facilitated Workshop

The PSCC team met with members of the Lethbridge Fire and Emergency Services and Lethbridge Police Service to examine the current service delivery model and explore options for improved communications and operations. The workshop was successful with a number of positive recommendations moving into the future.

Alberta First Responder Radio Communication System (AFRRCS)

AFRRCS is a province-wide radio system that helps first-responders, such as police, fire and ambulance, coordinate to improve safety and response times. PSCC's radio team worked closely with a variety of vendors throughout 2017 to prepare the City's radio infrastructure for operations with the AFRRCS.

DID YOU KNOW?

- 50,435 9-1-1 calls were received by PSCC staff.
- 64% of 9-1-1 calls were received within City of Lethbridge boundaries, the rest were from the surrounding region.
- The average 9-1-1 call lasts just under three minutes.
- 463 9-1-1 calls were from pay phones.

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 enquiries.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Bylaw Amendments to Allow Transportation Network Companies (TNCs) to Operate

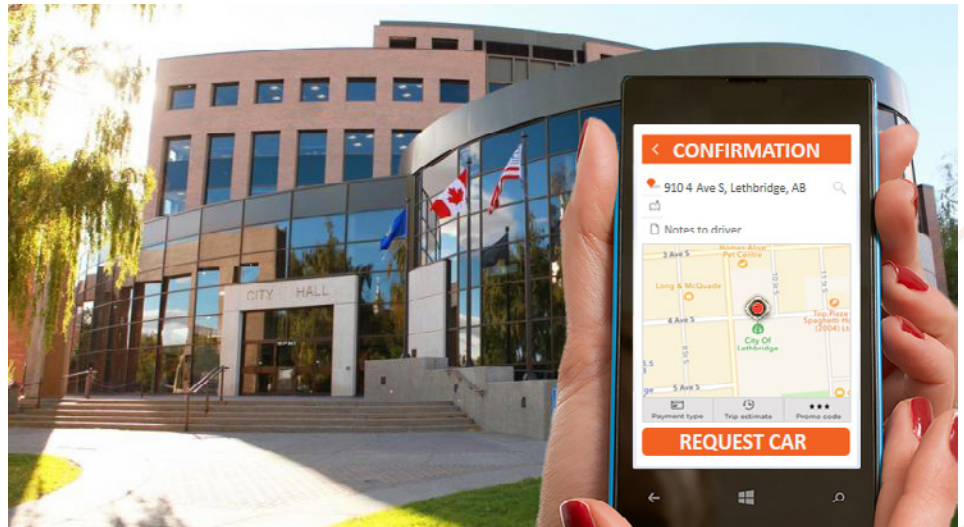
To accommodate Transportation Network Companies (TNCs) in the community (e.g. Uber), Council was presented with two options both requiring amendments to the Lethbridge License Bylaw. Council voted in favor of recognizing TNCs as being distinct from Taxis, where no municipal license for individual Transportation Network (TN) Drivers is required. In July 2017, the Lethbridge License Bylaw was amended to include TNCs, TN Drivers, and TN Automobiles, creating a clear distinction from Taxis.

Increase Demand for Prairie Rattlesnake Mitigation Program

In 2017, 104 rattlesnakes were relocated up from 25 rattlesnake relocations in 2016. Potential factors contributing to the spike include: a hot dry summer, urban development, increase in mature snake population, reduction in prey species and increased program exposure.

Align Weed Control Bylaw with the Province

The Weed Control Bylaw was drafted to align the Provincial Weed Act and Regulation. The main objective was to update the list of invasive plants to comply with provincial requirements. The Weed Control Bylaw was approved by the Alberta Agriculture and Forestry Minister and passed by Council in June 2017.



Bylaw amendments in 2017 allowed Transportation Network Companies (TNCs) to operate in Lethbridge.

Street Sweeping Enforcement

In coordination with Infrastructure Services, a new street sweeping enforcement initiative was implemented. If residents failed to move their vehicle during a posted temporary parking ban, a violation ticket would be issued. The revenue collected from ticket payments offset a portion of the program cost for enforcement. Enforcement staff, ticket enquiries, appeals, withdrawals and prosecutions were managed by Regulatory Services.

Prosecution and Ticketing Changes

Effective May 1, 2017 the Province introduced an Act to Modernize Enforcement of Provincial Offences. This resulted in prosecution procedures moving away from arrest warrants for bylaw offences under \$1,000, and changes to how violation tickets are produced. Regulatory Services worked

with the Province, other municipalities, and IT support to implement mandatory changes to electronic ticket formatting.

DID YOU KNOW?

- The Weed Inspector helps tackle Diffuse and Spotted Knapweed, which have the ability to produce 18,000 to 25,000 seeds per plant.
- The voluntary Cat Licensing Program (\$10 one-time fee) increased over 200% in licensed cats from 2015.
- Using only donations, the Pet Food Program helped 548 pet owners in 2017.

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Lethbridge Celebrates Canada 150

Canada turned 150 in 2017, and Lethbridge celebrated for the entire year with a number of initiatives:

- Canada150 Swims took place at all five City pools (Recreation Excellence and Westminster Neighborhood Association run), with 17 free swimming events and 1,950 people swimming free.
- Canada150 Skates took place at four arenas (Labor Club, Nicholas Sheran, Civic, and ATB Centre), with 89 free skating opportunities.
- Canada150 Skating Day took place in December, across the nation, and Lethbridge offered special programs at four arenas, with three local ice groups.
- Canada150 Event Grant was a special grant in which local groups could apply for additional event funding to help with theming their event around Canada 150. 38 events took place from February – December 2017 and a total of \$20,500 was awarded.
- Canada150 community events were given special promotions throughout the year. In total 70 community events were promoted by the City, plus year long initiatives on volunteerism, and Lethbridge Sport Council and ParticipAction national initiatives.



Canada Day Celebrations

- Canada150 Pavilion was offered for five days in August at Whoop-Up Days in partnership with Exhibition Park and over 20 local organizations who had displays sharing their history. Over 1,200 visitors enjoyed the booths, the passport scavenger hunt, and the Canadiana virtual reality experience.
- The City's Canada Day celebrated Canada 150 by adding new attractions and introducing environmental initiatives. Some of the highlights include traditional Blackfoot Blessing during the opening ceremonies, extended fireworks show, new event layout at Henderson Park, banners lining the main streets, and huge acts including chart topping Canadian artists on the main stage.

2017 Major Events Support Through City Funding:

- World Mixed Double and World Senior Curling Championships
- Nikka Yuko Japanese Garden 50th Anniversary/Canada 150th Celebration
- University of Lethbridge 50th Anniversary Celebration
- Western Canadian U16 Football Championships
- Exhibition Park 120th Anniversary/Canada 150 Concert
- Sustainival - a carnival that celebrates energy literacy, sustainability and clean technologies
- Lethbridge College 60th Anniversary

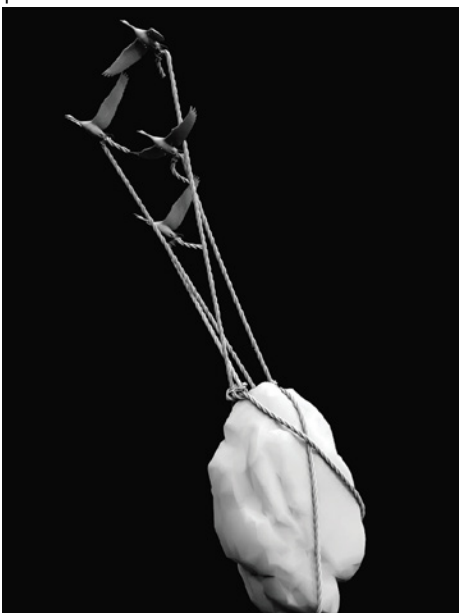
RECREATION & CULTURE



World Mixed Double Curling Championships

Saint-Laurent Art Project

A public art exchange was initiated to commemorate the 50th anniversary of the twin-city relationship between Saint-Laurent, QC and Lethbridge. Artwork will be gifted by Lethbridge to Saint-Laurent to be permanently installed in a public square. Saint-Laurent will, in turn, offer public artwork to Lethbridge for permanent installation at Henderson Lake. The pieces will be installed in 2018.



Saint-Laurent Public Art Project

Yates Theatre Upgrades

With funding assistance from the Canada Cultural Spaces fund in the amount of \$3.5 million, additional scope was added to the Yates upgrade including:

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

Spitz Stadium Renovations

Construction of the Phase 1 of the grandstand was complete and Phase 2 was started. The entire project includes:

- Accessibility improvements
- Concession and press/media box improvements
- Umpire change room upgrades
- Public washroom upgrades

DID YOU KNOW?

- Henderson Pool attendance in 2017 was 86,813 (2013 - last full season in operation: 30,279)
- Five events were approved for funding from the Major Community Event Grant in the amount of \$689,000.
- Over 900 program registrations were approved through the Fee Assistance Program for more than 60 community organizations and programs.

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 walk on the wild side, only minutes from downtown. Nature Centre staff and volunteers offer a wide range of programs and popular events each year. Whether you enjoy busy festival events or quiet, low-key walks and watchable wildlife moments, the Nature Centre has something for you.



Volunteers donated more than 7,800 hours to educational programs, events and conservation projects in 2017.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Conservation Initiatives

Thanks to generous support from Pratt & Whitney Canada, 2017 marked the 10th anniversary of the Coulee Clean-Up program. A record number of groups and individuals participated in the milestone year. More than 1,300 people covered 93 percent of the coulee locations, the highest coverage rate seen to date.

What's the Connection?

Parks Canada, Waterton Lakes National Park hosted a travelling exhibit at the Helen Schuler Nature Centre. The *What's the Connection* exhibition featured the sights and sounds of rare white-bark pine environments and the work being done by Parks Canada to restore and maintain these critical landscapes. The popular exhibit also featured maps, information and videos of the recent Kenow Fire event.

Celebrating 100 Exhibits

During the spring and summer season the Nature Centre celebrated its 100th exhibit. *The 100 Reasons To Go Outside* exhibition focused on the growing body of research that supports the known

benefits of spending time outdoors in nature. These include improved mental health, creative problem solving, feelings of happiness, self-confidence and stress reduction. During this exhibit the Centre also celebrated its 1,000,000th visitor.



River valley conservation programs were recognized with a Green Superhero Award from Environment Lethbridge.

HELEN SCHULER NATURE CENTRE

Programs and Events

The year 2017 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:

- Interactive Exhibits – The Nature Centre partnered with 20 organizations, local artists and photographers to host 9 unique exhibitions throughout 2017.
- Science Outdoors – More than 450 nature-based school programs shaped the educational experience of over 12,000 Lethbridge and area students.
- Shoreline Cleanup – more than 6,100 individual pieces of litter were bagged and removed from 12.5 kilometres of Lethbridge shoreline.
- Supporting Community Events – Nature Centre staff and volunteers brought fun and educational activities to more than 30 community events in 2017, promoting the benefits of connecting with nature and being outside.
- Environmental Leadership – The Natural Leader's Project Program coordinated the planting of 242 wildflowers and 48 trees, covering more than 5,000 square feet of our city with landscaping projects that support urban wildlife.



Nature Centre staff helping participant at Urban Farming Event.

Success Stories

- The average Canadian child spends less than one hour per day outdoors. In 2017, Nature Centre staff and volunteers spent more than 1,200 hours outside, connecting children and nature, one experience at a time!
- In 2017, the Helen Schuler Nature Centre was named Attraction of the Year at the Southwest Services and Tourism Awards. The Southwest Service and Tourism Awards pay tribute to those who excel in promoting southwest Alberta as a destination through outstanding customer service, unique marketing initiatives and dedication to high standards of business integrity.



The Helen Schuler Nature Centre was named Attraction of the Year in 2017.

DID YOU KNOW?

- Approximately 24,000 people engaged with the Nature Centre's Facebook page. #FactFriday and #BirdoftheWeek are popular weekly features.
- The Nature Centre offered more than 1,000 different programs and activities designed to get our community outside in 2017.
- More than 65% of the Nature Centre's 51,000 visitors in 2017 were from Lethbridge and surrounding area. Local residents enjoy connecting with what's happening in the river valley and spending time with friends and family outside.

COMMUNITY SOCIAL DEVELOPMENT

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

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The work of CSD continues to build a strong and resilient community, enhancing the social well-being of individuals, families and neighbours.

Family and Community Support Services (FCSS)

The City of Lethbridge has a long standing partnership with the Government of Alberta. Through this partnership, preventive social services can be provided to the citizens who need them. FCSS has developed relationships with 19 agencies to deliver multiple 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.

Coalition of Municipalities Against Racism and Discrimination (CMARD)

The role of CMARD is to build a welcoming and inclusive city for everyone, regardless of culture, background, socio-economic status, ability or way of life. This year's highlighted activity was leading the development of Reconciliation Lethbridge.



Launch of Reconciliation Lethbridge and the first-ever Reconciliation Week in Lethbridge

Reconciliation Lethbridge

2017 was a year of reconciliation in Lethbridge, with the formation of Reconciliation Lethbridge, a collaboration between the Lethbridge Indigenous Sharing Network (LISN) and the City of Lethbridge. Highlighted activities include:

- Development of the Reconciliation Implementation Plan, endorsed by City Council in June 2017;
- Launching of Reconciliation Lethbridge (with a flag raising) and the first-ever Reconciliation Week; and
- First-ever raising of the Blackfoot Confederacy flag at City Hall.

Beyond Your Front Door (BYFD) Neighbourhood Initiative

BYFD supports people and community in discovering and connecting to neighbourhood life by creating engaged, safe and inclusive places to live, work

and play. Notable activities through collaboration include:

- 16 active neighbourhood groups in Lethbridge to date;
- 24 Little (Free) Lethbridge Libraries installed to date;
- 12 events held during the 3rd annual Neighbour Day.

Lethbridge Asset Builders

Strengthening developmental assets in youth and families has been a priority of Lethbridge Asset Builders. This year's activities include:

- Development of new educational and interactive products, asset playing card decks and trading cards, encouraging positive interaction between children and adults; and
- Training multiple community organizations in the Developmental Assets framework.

COMMUNITY SOCIAL DEVELOPMENT

Bringing Lethbridge Home

Social Housing in Action (SHIA) is a community-based organization dedicated to ending homelessness in Lethbridge. The SHIA Committee of Council oversees the implementation of Bringing Lethbridge Home, a strategic plan to ensure homelessness is addressed and ended in Lethbridge. Some significant highlights from 2017 include:

- Funding for over 30 programs/sub-projects and enhanced community partnerships.
- Lethbridge City Council approved funding of \$251,000 to YWCA Lethbridge & District for a Capital Planning Project that will support the expansion of emergency shelter space.
- The City of Lethbridge received a one-time grant of \$100,000 from the Alberta Government to support the planning and design of capital projects to address the need for permanent supportive housing.
- The Diversion Outreach Team (DOT) actively liaises with citizens, businesses and emergency services to engage and transport individuals who are intoxicated and require access to appropriate housing options. Currently DOT serves over 500 individuals per month.



Diversion Outreach Team



Lethbridge Seniors' and Kids' Intergenerational Program (L-SKIP) - a social program to increase intergenerational connections.

Lethbridge Executive Leaders Coalition on Opioid Use

The coalition was initiated by SHIA to improve the coordination of services to respond effectively to the opioid crisis in Lethbridge and includes representatives from the health, police, justice, emergency medical, post-secondary, municipal, education and social service sectors.

- ARCHES, a local harm reduction agency, was approved to open a supervised drug consumption site in Lethbridge, in 2018. As part of the facility, Lethbridge will be the first inhalation site in North America.
- Developed education and awareness around safe needle disposal, including the placement of 18 safe needle disposal boxes.

DID YOU KNOW?

- 20,000 citizens accessed Family and Community Support Services in 2017.
- CSD collaborated on over 20 community engagement events.
- The Point-In-Time Homeless census showed there has been a 68% reduction in street homelessness in Lethbridge since 2009.
- 97 individuals who were experiencing homelessness were housed in 2016-17.

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

Nikka Yuko Japanese Garden Celebrations

On July 14 and 15, the Lethbridge and District Japanese Garden Society partnered with the City of Lethbridge to help celebrate Canada's 150th birthday, the 50th anniversary of the Nikka Yuko Japanese Garden and the Japanese Royal visit with the community. It was an honour to have Princess Ayako of Takamado visit and to see the enthusiastic participation of so many dignitaries, community organizations, supporters of the Nikka Yuko and the community.

Archmount Cemetery - Entrance Project

In 2017, a project to enhance the entrance at Archmount Cemetery started. This was done following completion of the Archmount Cemetery-Chinook Substation Electric Operations Depot/Shop and Access project. The completion of this project includes:

- A new entry feature with stone clad pillars.
- Refurbishing of the original steel Archmount Cemetery arch from the 1950's and installing it across the pillars to form a "gateway".
- Raised stone clad flower planters.
- New trees in mulch beds and grass.
- Refurbishing of the kiosk and sign.
- New above ground interment options.



50th Anniversary of Nikka Yuko Japanese Garden and a Japanese Royal visit from Princess Ayako of Takamado

Mountain View Cemetery - Immortal Flame Restoration Project

The original Immortal Flame was first lit on December 27, 1966 in partnership with the General Stewart Branch of the Royal Canadian Legion, the Lethbridge Army, Navy and Air Force Veterans and the City of Lethbridge. It was dedicated to those who served.

In 2017, more than 50 years later, with new commitments and significant contributions from the Royal Canadian Legion General Stewart Branch No. 4 Poppy Trust Fund, ATCO and the City of Lethbridge, the restoration of the Immortal Flame was completed. A re-dedication ceremony was held on Tuesday, September 12, 2017.

DID YOU KNOW?

Nikka Yuko Japanese Garden:

- Over 2,500 people visited the Garden on July 15 for the 50th Anniversary celebration.
- On October 19, 2017 a Ministerial Order was signed by Alberta's Minister of Culture and Tourism to designate the Nikka Yuko Japanese Garden as a Provincial Historic Resource.

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).



Vicinity 30-foot Bus

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Developed and implemented a proactive maintenance work flow and failure analysis to achieve better maintenance efficiency.
- Integrated the Transit Customer Service line with the City's Integrated Customer Care Service.
- Lethbridge Transit, in partnership with the University of Lethbridge, developed a hybrid fare card system that enables University of Lethbridge Graduate Student Association identification cards to be used as Transit fare cards.
- Implemented new software (Remix) for route planning and development.
- Worked in partnership with Facility Services on the design of the Transit Terminal Park'n'Ride.
- Improved the asset setup process to prepare newly delivered buses for operation. This enables Transit to put a new bus into operation within two weeks of accepting delivery.

- Operationalized eight new buses (six Nova 40' and two Vicinity 30')
- Provided several travel training classes to post-secondary education institutes, care facilities and community agencies on how to use Lethbridge Transit.
- The Transit building was the operational base for Operation Red Nose for the month of December.

Accessibility Enhancements

- Audible responses were installed on all fareboxes.
- Modernized 47 bus stops to address previous accessibility issues. All stops in west Lethbridge are accessible.
- Started a pilot project to test the Incline winching system for Access A Ride vehicles. The Incline system helps operators load standard and oversized wheel chairs by winching/retracting passengers up a ramp on ACCESS-A-Ride buses. The project will increase the safety and experience for clients along with a reduction in work place injuries to operators.

DID YOU KNOW?

- ACCESS-A-Ride transports over 120,000 passengers every year.
- Lethbridge Transit was the first Transit property in Canada to install the Quantum hands free wheelchair securement system on a Nova Bus.
- Lethbridge Transit's ride guide is designed as colour blind friendly.
- The on-board bus surveillance systems records 4,000 hours of video every day.



Quantum Wheelchair Securement System

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 had another dynamic year, stretching its services and products to assist and work in partnership with different organizations. This work included bringing a number of milestone anniversary celebrations and special events to southern Alberta.

Some of the major events held this year were:

- The Lethbridge Jazz and Blues Festival in June with headliner, Colin James and other performances in the lounge as well as a Food Truck Frenzy.
- In July, the Nikka Yuko Japanese Garden's 50th Anniversary including a special park celebration and a major banquet/concert event fit for a Japanese Princess.
- In September, the ENMAX Centre partnered with the University of

Lethbridge to celebrate its 50th Anniversary with the outdoor Shine On concert.

- Rick Mercer's Canada Coast to Coast tour.
- The World Seniors and Mixed Curling Championships held at the new ATB Centre in which the ENMAX Centre provide products and services.

Some of the significant projects in 2017 were:

- Replacement of seat bottoms on all permanent and retractable seats throughout the facility.
- Replacement of the 40 year old exhaust system, allowing for much better environmental control system and a more comfortable atmosphere throughout the facility.
- A full curtain replacement to enhance the aesthetics of the facility and provide a motorized system for drape movement.

Burton Cummings Concert

- A food packaging system that moved entirely towards recyclable products. Also, the ENMAX Centre continues to make environmental changes by composting organics and recycling plastics, cardboard and metal, substantially reducing waste from the facility.
- Launched a new web ticketing marketing campaign to ensure customers do not buy tickets from fake or secondary sites.

DID YOU KNOW?

- The ENMAX Centre has a new website: www.enmaxcentre.ca
- 425,000 patrons were served by ENMAX Centre staff
- The Lethbridge Hurricanes hosted their 35th Season (2016-17) including 10 exciting home playoff games

Facility Services is responsible for maintaining the City's tax-supported facilities. The department ensures that quality building environments are provided for City staff and the community. Members of the department are committed to providing a customer-focused and results-oriented approach in the areas of facility maintenance, project management, engineering, planning and property management.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The department continues to develop and expand its asset management tools. The new asset management software has been in operation for over three years, and the database of building condition information continues to be updated. The latest software module to be implemented captures the consumption data of natural gas, electricity and water for all City facilities

Several major projects were completed and/or worked on in 2017, such as:

- Police Headquarters facility
- ATB Centre - Phase 2 (Leisure Complex)
- Preservation of the Bowman Facility
- Galt Museum preservation
- Yates renewal
- Spitz Stadium



Galt Museum



Spitz Stadium

DID YOU KNOW?

- In 2017, Facility Services staff along with their service contractors performed over 6,600 maintenance activities

INFRASTRUCTURE SERVICES

Water, Wastewater & Stormwater

Urban Construction

Lethbridge Electric Utility

Waste & Recycling Services

Parks

Transportation

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Infrastructure and Operations

Mayor Magrath Drive Reservoir Piping Upgrades

The transmission and distribution watermains underneath Mayor Magrath Drive and the Highway 3 on-ramp were reconfigured and replaced to prevent future breaks and road closures. Ensuring uninterrupted traffic flow was paramount when working underneath this major road. Ingeniously, a new pipe was slip-lined inside an old one preventing the closure of Mayor Magrath Drive.



Mayor Magrath Drive Reservoir Piping Upgrades

6 Avenue Watermain Renewal

After responding to numerous failures over the last few years with the water distribution system in the neighborhood of 6 Avenue South, east of 28 Street, 1,250 meters of watermain was renewed to provide a water system that is more reliable for our customers.

Trunkline and Neighbourhood Sewer Lining Programs

A trunkline is the largest line in the wastewater collection system that collects the wastewater from numerous sewer mains to the wastewater treatment plant. The sewer lining program rehabilitates sewer mains with a liner that has a minimum 50-year lifespan. This is a lower impact and lower cost alternative to digging up and replacing the main. All of the preparations and inspections were completed in 2017 and the sewer lining program will be completed in 2018.

Education and Awareness

Stormwater Programs

- Adopt a Storm Drain is a program where residents help keep debris out of storm drains and prevent pollution from entering ponds and the Oldman River. This program continues to gain momentum, as community members learn that they can adopt storm drains in their neighbourhood.



Hydration Station

- Yellow Fish Road is a free storm drain painting program that promotes awareness about urban runoff pollution. In 2017, a total of 199 youth and 102 adults participated to paint 450 stormdrains and to distribute 1,467 door hangers.

DID YOU KNOW?

- Water operation staff installed services to 37 properties.
- Water operation staff completed over 2,000 sewer service work orders.
- Two Hydration Stations were available at multiple events from May until September. The Hydration Stations encouraged the community to refill their water bottles with Lethbridge tap water for free at these events.
- The blueW initiative ran from May until September, encouraging businesses to place a blue W sticker in their window to promote drinking Lethbridge tap water. When residents see the sticker they know they can fill their water bottle for free.

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 2017, the following permits were issued by Urban Construction:

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

Residential Development

Development continues through the city with new residential phases this year in BlackWolf, Legacy Ridge, Coulee Creek, Gold Canyon, Crossings, Copperwood, RiverStone and Watermark. Through these new phases a total of 48 hectares was developed bringing 520 newly serviced lots to the home building industry.

Discovery Outline Plan

Discovery is a new neighbourhood proposed for southeast Lethbridge and its Outline Plan was approved in 2017. The Outline Plan provides a design basis for the future development of a school site, open spaces, residential uses and

SMRID North Lateral Canal Relocation a village centre containing commercial uses. This will be the first new school built in south Lethbridge in over 50 years.

SMRID North Lateral Canal Relocation

The existing St. Mary River Irrigation District (SMRID) canal is being moved from its current location between Giffen Road and the future 53 Avenue North and is being replaced with a large diameter pipeline running adjacent to the west side of 43 Street North. This move is required as part of the extension of the Sherring Industrial Park for industrial development. Urban Construction supported the relocation work of the north lateral canal.

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

Overhead System Replacement Program

LEU crews began work in late 2015 on replacing overhead distribution line infrastructure which has come to end-of-life. Out of a total of 400 structures due for replacement, 80 were completed in 2017. The main overhead lines, which deliver electricity from the substations to industrial, commercial and residential areas, are targeted by this program. Detailed patrols of the lines determines when they are due for replacement. Because these lines are heavily used by customers over a wide area, outages are not an option. The vast majority of work takes place while the system stays on. Live line work is done by highly trained and skilled power line technicians to ensure the work is completed safely and without interruption to customers.

Substation 111S Protection Upgrade

Substations provide the functional tie between the provincial transmission system and the Lethbridge distribution system. Substations contain very important equipment in a power system and require highly reliable protective devices. Electrical power system protection applied within an electrical substation is required for the safety of employees, the public and equipment. The system needs a device called a Protective Relay that can monitor current, voltage and frequency.

This project analyzed and upgraded the existing protection system at 111S substation. The engineering analysis was conducted by external consultants and internal design and operation resources. A thorough investigation found that:

- Replacement parts and technical support was no longer available from the vendor.
- Repair of obsolete components was unreliable.
- Technical expertise in-house or external resources was limited (troubleshooting, configuring the software and hardware).

It was evident that the existing Protective Relays were obsolete and the replacement of the relays were absolutely necessary. The replacements and upgrades were completed in 2017.

26 Avenue Duct Bank

The electrical infrastructure along 26 Avenue consists of one transmission line and two distribution lines. One of the distribution lines, owned by FortisAlberta was nearing end-of-life. This line carries power through the city to areas outside the city. To create a more aesthetic look to the 26 Avenue area and allowing for future growth, LEU and FortisAlberta worked together to place the distribution lines underground in a system of pipes called a duct bank. LEU, along with help from a consultant and contractor, spent most of the year constructing this duct bank all the way from the Legacy Ridge to 43 Street. The duct bank was completed and the underground cables for one of the power lines was installed in 2017.



Overhead System Replacement Program

DID YOU KNOW?

- LEU is responsible for 40,295 meters.
- The peak electricity capacity for 2017 was July 7 at 169 megawatts (MW) and October 5 at 155 MW.
- Alberta's peak electricity capacity for 2017 was on July 27 at 10,852 megawatts (MW) and December 28 at 11,473 MW.

WASTE & RECYCLING

Waste and Recycling Services provides residents and businesses with collection, disposal and recycling services that are environmentally safe, timely and cost effective. Traditionally, the focus of waste management systems has been collection and waste disposal but that is now shifting to environmentally sustainable waste management practices. Waste and Recycling Services has been developing programs that focus efforts on waste prevention and waste diversion.



Waste and Recycling Center Aerial View

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Big changes are on-going at the Lethbridge Waste and Recycling Centre (WRC) to improve and increase the level of service at the site. A new public and commercial drop-off area is underway and will be operational in the spring of 2018. This new drop off area will make it more efficient and safer for residents and businesses to dispose of their unwanted or hazardous materials while making proper sorting easier for customers for recyclable material.
- The Material Recovery Facility (MRF) development is proceeding in preparation for the residential curbside recycling program. The selection of equipment and building contractors has been completed with the design phase nearing completion. Construction will begin in the spring of 2018 and the facility will be operational in the spring of 2019.
- The Waste and Recycling department has reused the retired temporary Helen Schuler Nature Centre building and it is set to become a new multiuse facility at the WRC. The new facility will house a variety of waste and recycling exhibits along with space available for public meetings and presentations.
- Business Waste Diversion staff focused effort on increasing the awareness of diversion options in the roofing sector. The efforts were well received with the majority of companies recycling most jobs by the end of the season. Roughly half of all asphalt roofing shingles were recycled in 2017 (nearly 2,800 tonnes), and recycling is continuing to grow. Additionally, residents looking to get rid of roofing shingles can now take them to the new drop off at the WRC instead of disposing them to the landfill.
- The second year of Special Events Waste Reduction Pilot Project was a huge success following a ban on all Styrofoam products at City run events. Diversion rates more than doubled from last year and with new policies being implemented the Waste and Recycling department expects to see this number grow again in 2018. The City's efforts have been bolstered with the aid of independent events such as Love n' Records and Wide Skies Music Festival. These events implemented recycling/compost

WASTE & RECYCLING



Recycling Station at the Wide Skies Music Festival

collection as part of their festivities, diverting more than half of the materials that would have otherwise ended up in the landfill.

- The Corporate Environmental Sustainability Initiative (CESI) has flourished this past year, providing opportunities for City employees to model positive behaviors that improve the corporate environmental footprint. Employees at the City of Lethbridge have an opportunity to work together to make a difference for themselves and the people they serve.
- The City is already moving ahead with many of the foundational pieces that are part of CESI, including implementation of new waste diversion programs and building the capacity of our asset management to track routing

efficiencies, fuel, energy and water usage. An example of an early success is in recycling for a seat replacement initiative at the ENMAX Centre. Supported by business waste diversion and ENMAX Centre staff, approximately two thirds of old seats by weight were recycled, including all metal components, plastics and cardboard packaging. In all, over fifteen tonnes of valuable metal and plastic resources were kept out of the landfill.

DID YOU KNOW?

- 24,289 tonnes of curbside residential waste was collected in 2017. An reduction of 360 tonnes from 2016.
- 106,045 tonnes of waste was received at the landfill, up 643 tonnes from 2016.
- 15,683 tonnes of recyclables were received at the landfill, up 2,834 tonnes from 2016.
- Over 350 students participated in school tours of the landfill in 2017.

PARKS

Parks aims to provide residents with a variety of recreational options that meet a broad range of needs. Maintaining over 100 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

Canada 150 Groves

In celebration of Canada's 150th birthday, 150 maple trees of differing species were planted in three regional parks. Fifty iconic maple trees were planted in distinct groves in each Henderson, Nicholas Sheran and Legacy Parks. Each grove is marked with custom designed Canada 150 signage complete with maple tree facts, Canadian history and a list of all species included in the groves.

Recycling Basket Pilot Project

Recycling baskets were designed and developed to be added to existing trash receptacles throughout City parks. The design features encourage the collection of beverage containers outside of the trash. This allows easy access for those wishing to collect the containers. This design eliminates the need for operations to collect and process the containers, thereby saving collection expenses.



Recycling Baskets



Henderson Lake Park Lighting

Henderson Lake Park Improvements

Enhancements at Henderson Lake Park included:

- Replacement of 750 meters of paving stone pathway along the north side of the lake with a colored concrete surface. The new pathway increases accessibility for residents with mobility devices.
- Replacement of the retaining wall at the concession/washroom building on the north side of the lake. The existing wood wall was removed and replaced with a stone retaining wall. The new split-level retaining wall includes a lit post-and-chain fence. The project has extended access to the lakefront, created additional seating area and improved lighting along the water for safety.

Blackwolf School Site

Construction of the six-hectare vacant school site in the Blackwolf and Uplands neighbourhoods included:

- Landscaping upgrades to the reservoir building and parcel.
- Amenities such as a cricket pitch and field, baseball field and backstop, three mini-soccer pitches, paved pathways, tree and shrub plantings, irrigation and pump house and turf.
- Irrigation is sourced from reclaimed water in the storm pond of the adjoining Wolfridge Park.

River Valley Fencing

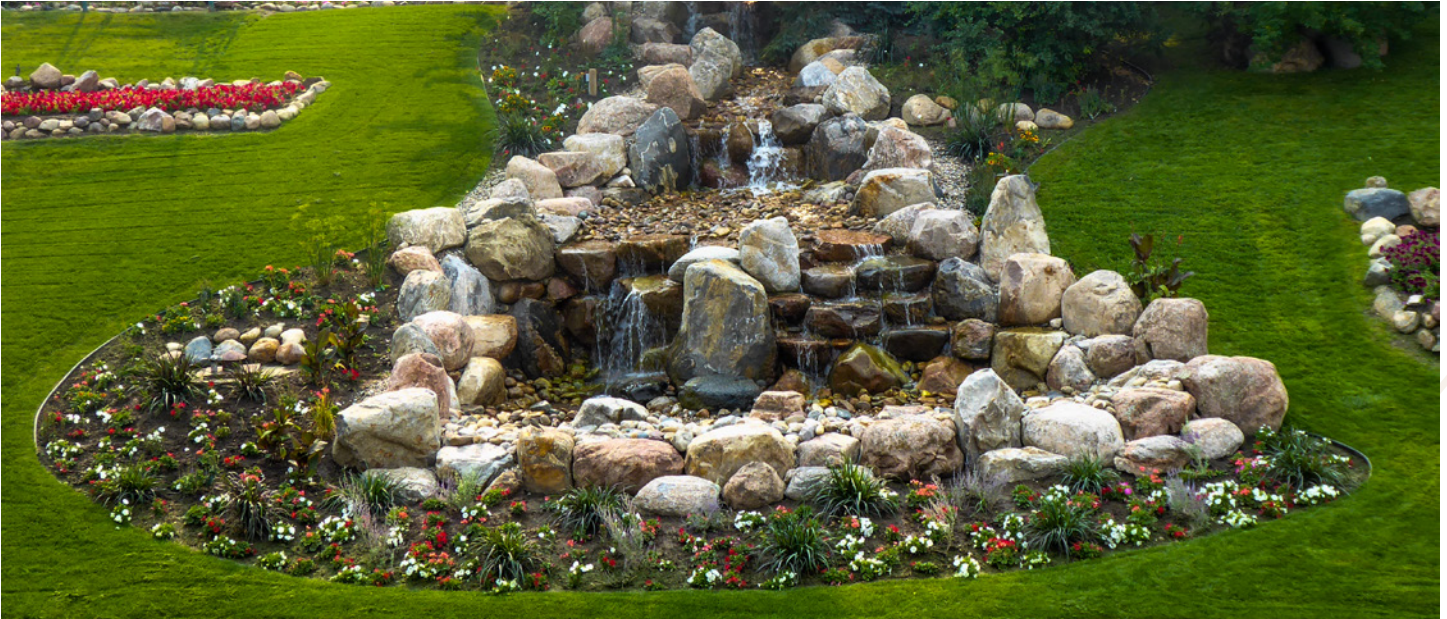
To mitigate the access of off-road vehicles in ecologically sensitive areas of the coulees, the following was installed:

- Approximately three kilometers of post and cable fence in the river valley.
- Two kilometers of fencing along the park boundaries of Pavan Park and Alexander Wilderness Park in the north
- One kilometer of fencing in Six Mile Coulee in the south.

The fencing still permits pedestrian access in these areas but restricts vehicular access to existing park entrance roads.

River Valley Master Plan

The River Valley Master Plan was adopted by City Council, providing a long-term strategy for protecting and sustainably managing natural



Brewery Hill Waterfall

areas in the Oldman River valley while developing nature-based recreational opportunities. The new master plan provides a framework for the future of parks in the river valley that balances the conservation of natural spaces with the desire of residents to enjoy leisure activities in these areas. Key public messages received from over 2,700 residents formed five priority outcomes:

- Protect the River Valley
- Develop safe access to the river
- Improve pathway connectivity
- Expand the parks system
- Keep the public engaged

Slope Mower

In an effort to minimize roll-over danger to our mower operators, Parks purchased a remote controlled slope mower. The new mower completely removes the operator from the machine, virtually eliminating the hazards inherent in mowing steep slopes.

Scenic Dog Run Improvements

Improvements at the Scenic Drive off leash dog area included:

- Installation of a four-foot high chain link fence along the north boundary of the parking lot. The fence was installed to help keep dogs contained to the parking lot and increase safety for vehicles and dogs.
- Restoration work to the wood stairs and fence.

- Replacement of the wood fence adjacent to the off leash area along the Country Club Road. This fence was replaced with post and cable fencing.

Brewery Hill Waterfall Renovation

The original 1960's era fiberglass waterfall at the Brewery Garden was demolished and a new natural rock construction was built in its place. The new waterfall is more aesthetically pleasing and energy efficient than the old model.

DID YOU KNOW?

- Parks installed 20 swing gates. The gates prevent vehicle access while still allowing pedestrian access.
- An 86.9% overall satisfaction rating was given by park users surveyed.
- An additional 700 m of limestone pathway was constructed in the Pennaquim Park off-leash dog area to expand the total pathway to 1.9 km.

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.

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, roadway/bridge maintenance as well as pavement markings, traffic signs and temporary traffic control.
- Undertake planning and engineering studies; implementing transportation capital 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 coordination.
- Managing transportation assets worth over \$850 million dollars.



Métis Trail Paving

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Whoop-Up Drive twinning and Métis Trail construction in 2017 with completion in 2018.
- Completion of the City's Cycling Master Plan, which will guide future decision making on cycling infrastructure for the next 20 years. It encourages a modal shift from automobile travel to walking, cycling and transit.
- Completion of the City's first Bike Boulevard on 7 Avenue South from 4 Street to Mayor Magrath Drive.
- Implementation of a new street sweeping program to include temporary no parking zones and a fleet of sweepers moving through neighborhoods.
- Bridge widening to accommodate new pathway along Scenic Drive from 1 Avenue South to 9 Avenue North. This project constructed a three meter-wide pathway on Scenic Drive at 5 Avenue North to complete missing links in the City's pathway network.
- Completion of phase 1 of the parking meter replacement project to determine what type and style of paid parking would replace the aging parking meters. New multi-space meters and single space meters will be installed in 2018 with demonstration units being installed at City Hall and the Downtown Lethbridge Business Revitalization Zone (BRZ) office. Also in 2018, 400 on-street parking locations will be added.

TRANSPORTATION

SUCCESS STORIES & KEY INITIATIVES

- In 2017, the City started recycling the sand that is picked up by street sweepers. Instead of disposing the sand and debris to the landfill, it is now cleaned and reused as fill in road maintenance work.
- CompassTrac Automatic Vehicle Location (AVL) was installed on all transportation equipment to track and monitor the equipment's activity. Shift supervisors can now create reports that show where snow and ice control has been completed and other operations events such as street sweeping.
- The introduction of smart multi space parking system in Downtown Lethbridge along with the implementation of the license plate recognition parking enforcement is modernizing parking operations in Lethbridge.
- Recent upgrades have been made to snow removal equipment and improved operational practices introduced for the for the snow and ice control program.
- Implementation of the City Works program has improved Transportation's work flow and asset management program.



Bike Boulevard - 7 Avenue South



Line Painter

DID YOU KNOW?

In 2017, the Transportation department:

- Completed 9.4 km of road repaving.
- Installed 1.8 km of sidewalks and over 100 new para ramps.
- Installed or improved 7 signed and marked crosswalks.
- Painted 2.4 km of new center lines.
- Maintained:
 - 715 km of sidewalks.
 - 544 km of paved roads to a good condition (55/100 - pavement quality index).
 - 51 km of pathways along roads.
 - 214 km of back lanes.
 - 136 traffic signals, 29 pedestrian activated signals and 13 rail signals.
 - 12,365 street lights.
 - 1,600 parking meters in the downtown.

PLANNING & DEVELOPMENT

Planning & Development
Heart of Our City
Building Inspection Services
Customer Service & Business Support

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

Growth Planning

Cavendish Farms

Cavendish Farms will expand its business with the construction of a new frozen potato processing plant. Planning staff were directly engaged with the applicant and other City of Lethbridge Business Units to develop land use policies and regulations that are beneficial to both future industrial development and the community as a whole.

Discovery Neighbourhood

Discovery is a new neighbourhood proposed for southeast Lethbridge and its Outline Plan was approved in 2017. The Outline Plan provides a design basis for the future development of a school site, open spaces, residential uses and a village centre containing commercial uses. Planning staff completed the planning that was needed so the school and surrounding neighbourhood could commence development prior to the end of the year.

London Road Area Redevelopment Plan (ARP)

The London Road (ARP) is a detailed, long-term plan that coordinates neighbourhood conservation and sets out policies for the redevelopment of vacant and underutilized parcels of land and buildings. The draft Plan received first reading at City Council in December 2017, with a Public Hearing in January 2018. The Plan will replace the existing London Road Neighbourhood ARP which was first adopted in 1982.



Provincial Historic Resource: Nikka Yuko Centennial Garden

Heritage Planning

In 2017, the City designated both the Kresge Building and the Knights of Pythias Building as Municipal Historic Resources. In addition, the City supported Nikka Yuko Centennial Garden's successful application for designation as a Provincial Historic Resource.

Regional Planning - South Saskatchewan Regional Plan (SSRP)

The SSRP is new provincial legislation, that outlines environmental, economic and social outcomes for our watershed region. Starting in 2015, the City began work on the SSRP Compliance Initiative to ensure provincial requirements to review, consider and incorporate SSRP outcomes are met. The Compliance Initiative is structured around a series of strategies:

- Efficient Land Use: exploring the use of our land base, as well as growth trends and pressures on the horizon.

- Environmental and Historic Resources: exploring the location of our 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 our 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.

Over the next 18 months, the recommendations of each strategy will form part of the review and update of the City's Integrated Community Sustainability Plan/Municipal Development Plan targeted for completion in September of 2019.

HEART OF OUR CITY

Heart of Our City is responsible for facilitating the continuous improvement of the downtown core as identified in the Integrated Community Sustainability Plan/Municipal Development Plan, the Downtown Area Redevelopment Plan and the Heart of Our City Master Plan and through the proactive leadership of the Heart of Our City Committee in engaging public and stakeholder groups.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Heart of Our City Activity Grant

This program provides funds to assist Lethbridge organizations to host events that create an exciting and vibrant downtown. In 2017, events took place every month:

- 92 total event days
- Four new events (Crossing Together, Independent Dance, Wide Skies Roots & Blues Festival and Proud)
- 60,000 attendees (10,000 increase over 2016)

Heart of Our City Housing Incentive Program

This program creates new housing units in downtown Lethbridge. During 2017:

- 17 units were completed
- Four units are near completion
- 32 units are in progress
- 13 units were proposed



Heart of Our City Housing Incentive Program



Celebrate Downtown Awards

Cleanliness and Security in the Downtown

The Heart of Our City created the following initiatives to improve both the cleanliness and sense of security in downtown Lethbridge:

- Extended security in Galt Gardens
- Diversion Outreach Team (DOT) who responds to substance abuse issues and public intoxication
- Clean Sweep Program (CSP) which maintains a clean, welcoming and safe physical downtown
- A self-cleaning public restroom on Crabb Street (6 Street South)
- Summer Ambassador Program to fulfill a variety of duties and assist with events in the downtown

Celebrate Downtown Awards

The Celebrate Downtown Awards recognize and celebrate those special persons, businesses and organizations that have contributed to the development of a vibrant downtown. Eighty nominations were received

recognizing 49 downtown champions in seven categories.

Third Avenue Reconstruction

This project includes the redesign and redevelopment of 3 Avenue South. The underground utilities will be rehabilitated and streetscaping design features such as trees and street furniture will be incorporated. The design phase of the project commenced in November 2016 and will be finished in early 2018.

DID YOU KNOW?

- Approximately 50 businesses in the downtown participate in the First Friday event each month. Events include business promotions and entertainment programs.

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

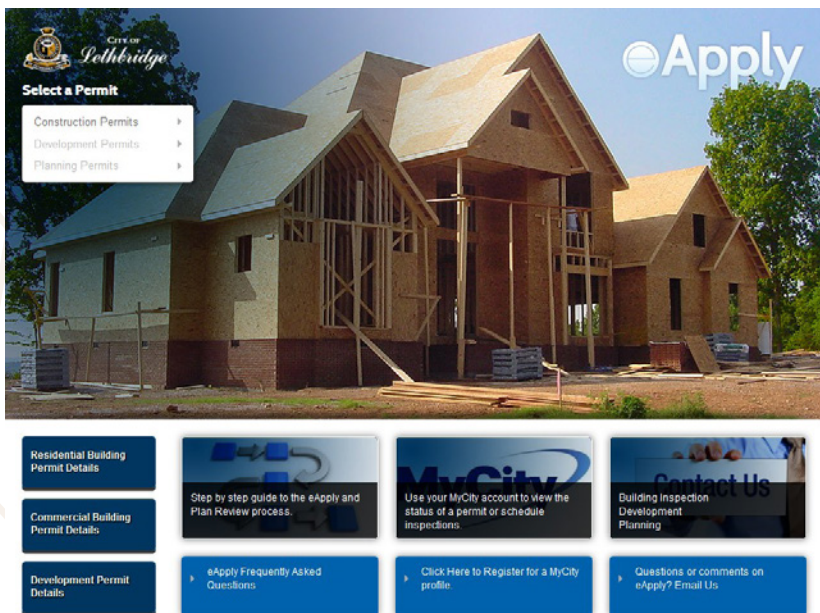
- In 2017 Building Inspection Services realigned staffing to include a heating and ventilation Safety Codes Officer. The City can now offer advice to customers and save them costs associated with consultants. As the City of Lethbridge grows, further restructuring of staffing levels will need to be addressed.
- Building Inspection Services continues to forge strong relationships with the local construction industry. The department currently sit 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.
- Building Inspection Services participated at the Provincial level with a seat on the Safety Codes Council Plumbing Sub Council.
- Staff continue to hold positions in associations such as the Electrical Inspectors Association of Alberta (EIAA), Alberta Mechanical Officials Society (AMOS), Alberta Building Officials Association (ABOA). Participation on these groups includes opportunities to sit on committees at the national levels.
- The internal customer service team includes staff who 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 on budget.
- Inspections were performed on larger projects that were not formally called for by the contractor. These inspections take place to ensure code identified requirements are complete and comply prior to further work which may impede the inspection process. These inspections assist the contractors and ensure they are able to carry on with the project without delays which may be caused through the standard inspection booking process.

DID YOU KNOW?

- In 2017, Building Inspection Services issued 7,720 permit (building, electrical, gas and plumbing)
- Staff performed 26,895 inspections - an inspection was completed every 4 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.



Business Support

- With the very successful adoption of eApply and Digital Plan Review, the analyst team has looked to further enhance this system for homeowners and the construction community. A new design featuring both a reboot of the existing residential suite of online permit applications, and also the inclusion of commercial building and sub-trade permits has been completed. These designs are currently in active development with the City's municipal software vendor for implementation in 2018.
- Working in cooperation with the construction industry, Customer Service Analysts have designed a simpler and more efficient permit application process. Homeowners experience a more intuitive guided journey through the permitting process, while contractors see a streamlined application based on actual construction values.

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.
- With the introduction in 2015 of the residential suite of eApply online permits, there has been a significant shift by homeowners and the construction industry to initiating applications through this service.
- A new addressing bylaw was introduced this year which will serve to both standardize how

addressing is employed at properties throughout the city, and assist emergency responders are dispatched to residents.

DID YOU KNOW?

- Customer Service Representatives processed 8,038 permit applications in 2017.
- 1,277 (16%) commercial applications were received, with 6,761 (84%) residential applications.
- Gross permit volumes have continued to increase from approximately 6,700 applications in 2011.
- Of total applications, 43% were made in person at City Hall; 57% were initiated online.
- Of residential applications, 32% were made in person at City Hall; 68% were initiated online.

GOVERNANCE

Real Estate & Land Development

Economic Development

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 sewer systems, utilities, construction of roads, curbs and sidewalks, the installation of road signs, street lights, benches and fences.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

RiverStone Dog Park

The dog days of summer just got better with the opening of the RiverStone Dog Park in west Lethbridge.

Located at the southernmost entrance to RiverStone (University Drive West and Riverglen Link West), the park is 2.77 acres with approximately 2 acres fenced for off-leash play. Amenities include doggie play equipment, water fountains for people and dogs, accessible seating, pathways and a small, dedicated parking lot.

The September grand opening event, *RiverStone Unleashed*, was recognized by Canadian Home Builders' Association - Lethbridge Region as the Best Community Event at their Building Best Awards.



RIVERSTONE DOG PARK

A Taste of Crossings

The grand opening of the three new show homes in Phase 3 of the Crossings was kicked off by a fun filled afternoon adventure. Lethbridge



Crossings' Three New Show Homes

citizens picked up their passport at the new show homes before travelling around the neighbourhood visiting the new businesses, recreation facilities and the library to receive free food and drink samples, demonstrations, tours, free skating and more. Then headed back to the show homes for a free family BBQ and a chance to win the grand prize of a Summer Smoker Package.

Watermark Park

To commemorate Canada's 150th birthday, 150 trees are being planted in the new park at Watermark and the community is invited to help us out with this endeavor.

Individuals, families or businesses are welcome to purchase a tree



for this urban forest for \$150. The money collected from the sale of the trees will go directly to the City of Lethbridge Recreation and Culture Fee Assistance Program. This program was established to help citizens who face financial barriers, to access recreational and cultural opportunities. When all of the trees are sold and the park is constructed, a monument will be placed in the park naming all of the generous donors.

Sherring Business and Industrial Park Expansion

An expansion of the park is underway that will add approximately 400 additional acres of serviced industrial land. In 2017 all of the planning and detail design was approved. 2018 will see the construction of underground utilities and surface works. The groundwork that's happening today will ensure we can accommodate growth in the coming decade, including the opening of Cavendish Farms new frozen potato processing facility in 2019.

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Commercial and Industrial Development Study

Economic Development Lethbridge (EDL) released the findings of a Commercial and Industrial Development Study completed in partnership with the City of Lethbridge and Lethbridge County. This study was conducted to assess and define the optimal mix of land uses for development in Lethbridge and the Urban Fringe area of Lethbridge County over the next 20 years. The detailed report also provides recommendations for future land use and development that balances market, economic and planning considerations based on area indicators and global market trends.

Start or Grow a Business in Lethbridge

Small business owners and aspiring entrepreneurs in Lethbridge and southern Alberta will have more support to expand their operations or turn their business ideas into reality.

With support from the Alberta Entrepreneurship Incubator program and The Regional Innovation Network of Southern Alberta (RINSA), The Teconnect+ED series of programs gives entrepreneurs access to professional business development advisers who can help move their ideas forward and connect them to the resources and information to grow their business during the critical startup phase. Workshops offered



Downtown Lethbridge

include sessions on understanding consumer behavior, analyzing customer feedback, validating a business model, marketing and sales strategies and more.

While much of the program is being hosted out of the Teconnect Centre for Entrepreneurship and Innovation, it is open to area entrepreneurs looking for commercialization services, networking and mentorship opportunities and workshops.

Lethbridge Destination Management Organization

City Council approved the Implementation Strategy and the Terms of Reference for a new tourism entity, Lethbridge Destination Management Organization (LDMO) in May. The Implementation Strategy outlines the process to move forward and the Terms of Reference establishes a new 13-member board to provide direction and proactive leadership that promotes and fosters growth related to the visitor experience in Lethbridge.

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 a water conservation/turbidity event, road construction, Legacy Park construction, ATB Centre - Phase 2 construction, power outages, the annual census, service changes and holiday closures to name a few.

Corporate Communications was the recipient of International Association of Business Communicators Silver Leaf Award of Excellence for our Public Works Week PSA.

Throughout 2017 there was a continued focus on the development of proactive program messaging. This included assisting in the development of content and materials for:

- Municipal Election 2017
- Lighting City Hall and communicating those 50+ lightings to the community
- Sherring Industrial Park Expansion Ground Breaking (Cavendish Farms)
- Changes to the residential street sweeping program
- Two 100K Day community engagement events
- Opioid Coalition and safe needle disposal information for residents

Corporate Communications provided regular support to City Council throughout 2017 by coordinating media relations and social media as well as regularly updating website content with highlight packages of newsworthy items from City Council meetings.



Municipal Election Voting Bus

DID YOU KNOW?

- Total page views on www.lethbridge.ca in 2017 = 2.9 million
- 19,400 Twitter followers (an increase of 11% over 2016)
- Top Tweet was about the combined power outage and coulee fire on October 17, which reached over 47,975 people
- Top Facebook Post was about the new rear addressing requirements, which reached over 110,000 people
- 25,592 views of the Legacy Park construction video on Facebook
- 312 public service announcements media releases/media invitations were sent to the local media



CITY OF
Lethbridge

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



lethbridge.ca