

CITY OF
LETHBRIDGE ALBERTA CANADA
**ANNUAL
REPORT**



CITY OF
Lethbridge

2016

December 31, 2016



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.



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MAYOR'S MESSAGE



In a time of economic uncertainty in Alberta, our diverse local economy helped us retain jobs and continue a steady pattern of growth.”

On behalf of City Council, I am proud to present the City of Lethbridge 2016 Annual Report.

This document showcases accomplishments in our community over the last year. For residents, it's an opportunity to learn more about the tremendous progress happening in our community.

I want to thank all City staff and my Council colleagues for their hard work over the past year. I also want to congratulate and thank the nearly 97,000 Lethbridge residents who contribute to making our community welcoming and inclusive for everyone. It's heartening to see our community spirit grow as our community grows.

The year 2016 was exceptional for Lethbridge. From the first days of 2016, Lethbridge came together and demonstrated how much it cared by collaborating to welcome more than 300 Syrian refugees as valued new members of our community. We continue to provide them with the support they need to be successful.

We are seeing steady, sustainable growth in every part of the city, and west Lethbridge continues to be the fastest growing area of our city. At the University of Lethbridge, the Destination Project is the most significant development on campus since the construction of the University Hall in 1972. This project will transform our already amazing university by bringing together faculty and students from across science disciplines to work together in an innovative space.

Meanwhile, at the west end of Whoop Up Drive, it's easy to see why west Lethbridge is growing so rapidly.

The ongoing Royop commercial development has taken shape quickly, adding new restaurants, shopping and services. We also broke ground in May on construction of ATB Centre - Phase 2, which will become a regional destination for leisure and recreation activities when it opens in 2019. New residential development continues in surrounding neighbourhoods, providing diverse housing options for residents and newcomers to Lethbridge.

To keep up with this pace of growth, City Council fast-tracked the expansion of Whoop Up Drive to four lanes west of the Jerry Potts Boulevard/McMaster Boulevard intersection and the construction of Metis Trail between Walsh Drive and Whoop Up Drive. Construction on both of these vital arterial roads will begin in Spring 2017, five years sooner than originally planned.

The value of Lethbridge production was \$5.8 billion in gross domestic product in 2015, and it's expected to reach \$6 billion by 2017. Lethbridge has recently seen more than \$1 billion in investment. Economic Development Lethbridge had a record number of investment inquiries in 2016 and had a part in landing a dozen new businesses as well as \$470 million in business expansion projects in the city. These ranged from the agriculture/agrifood sector to business services, renewable energy and technology and included the unprecedented \$350-million investment announced by Cavendish Farms for construction of a new, state-of-the-art frozen potato processing facility in Sherring Industrial Park. This is the largest investment in our city's history.



What makes Lethbridge a great place to do business? Lethbridge recently ranked 23rd among 133 cities worldwide in terms of cost competitiveness, according to the 2016 KPMG Competitive Alternatives study. With no business, payroll or machinery tax, Lethbridge offers a low-cost operating environment with demonstrated savings in areas such as taxation, land, construction and transportation.

City Council also made decisions to move forward on important environmental initiatives like our strategy to divert waste from the Industrial, Commercial and Institutional sectors as well as the approval of residential curbside recycling to be fully implemented in 2019.

Within this annual report you will read about growth, opportunity and progress. In a time of economic uncertainty in Alberta, our diverse

local economy helped us retain jobs and continue a steady pattern of growth. I am confident that our economic diversity will continue to make us strong and resilient moving forward.

Chris Spearman
Mayor





Legislative & Administrative Organization Chart

RESIDENTS

CITY COUNCIL

Mayor Chris Spearman

Councillor Jeff Carlson	Councillor Liz Iwaskiw
Councillor Jeff Coffman	Councillor Joe Mauro
Councillor Bridget Mearns	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

City Solicitor

Tim Jorgensen

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**

Bary Beck

Tony Vanden Heuvel (Dec 2016)

- Lethbridge Transit
- Helen Schuler Nature Centre
- Recreation & Culture
- Community & Social Development
- ENMAX Centre
- Fire & Emergency Services
- 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)
- Storm Sewer
- 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 2013 - 2017



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

Front Row (L-R):
Councillor Jeffrey 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

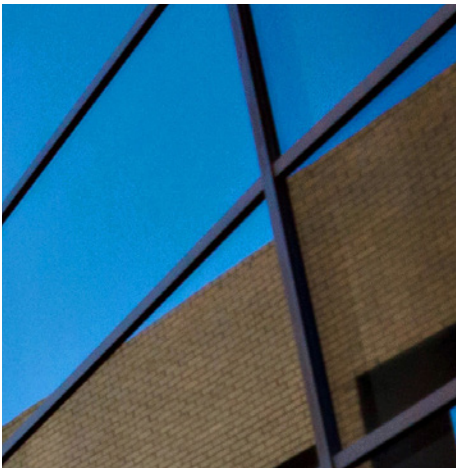
LEADERSHIP

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

In the winter and spring of 2014, City Council held a series of facilitated sessions to set strategic goals for their term. 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 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."

On behalf of the City of Lethbridge Administration, I am pleased to present the 2016 Annual Report.

Over the last year, the resiliency, diversity and innovation of our community has helped us shine in a time when much of our province experienced economic challenges. With significant business investments and the completion of large community projects, it has in fact, been one of the most successful years in our city's history. This is something we can all be proud of and is due largely to the amazing people who call Lethbridge home. From our up-and-coming entrepreneurs to our dedicated volunteers and everyone in between, thank you for making our city such a special place to live, work and play.

I always enjoy sitting down to write this message so I can reflect on another great year. 2016 was fun, exciting and as always, we announced some great news to our community. I would be remiss not to mention the grand reopening of Henderson Pool first. Wow! What a fantastic upgrade it was. It is one of the reasons our community is so vibrant and keeps our children smiling from ear to ear while enjoying the fun new amenities at this facility.

On December 12, 2016, Lethbridge City Council approved the sale of land in the Sherring Industrial Park to Cavendish Farms. This was the first step towards the construction of a new \$350 million facility, which will replace its current, aging Cavendish Farms plant. This is the largest investment in our city's history, and we are tremendously excited to be part of this growth. The investment Cavendish Farms is making in our community is something we are very proud of.

In 2016, Lethbridge was named the second-most business-friendly city. This list highlights the cities and districts that go the extra mile to make businesses feel appreciated. They have the lowest property tax mill rates, the fastest processing times for building permits, the most affordable and hassle-free business licensing and more. As well, Lethbridge ranked fourth among Canada's Best Places for Business in the Canadian Business and PROFIT magazines. This list highlights the Canadian cities that strike an optimal balance between prosperous markets, reasonable costs and business-friendly taxation and regulation. According to the results, Lethbridge boasts an entrepreneurial, integrated science and engineering environment, and plenty of food expertise.

Alberta Venture Magazine also named Lethbridge Number 2 for Alberta's Best Communities for Business. As we continue to expand our Sherring Industrial Park, we will work towards improving our rankings to Number 1.

The Conference Board of Canada's 2016 Mid-Sized Cities Outlook Report shows stable growth in Lethbridge with strength in both traditional and emerging sectors. Overall, with a GDP of nearly \$5.8 billion, Lethbridge's GDP increased 1.1% in 2015. And, with real GDP growth of 1.3% anticipated in 2016, Lethbridge will outperform the wider provincial economy thanks to strength in the agricultural industry and modest exposure to oil and gas.

From a sector perspective, Lethbridge experienced modest GDP growth in key industries such as Agriculture (2.3%) and Construction (1.0%), while the emerging Information and Cultural Industry experienced the highest

CITY MANAGER'S MESSAGE



Henderson Pool

sector growth at 3.4%. The report highlights this sector as a 'bright spot' locally, as industry output has grown an average of 4% annually during the last decade.

ATB Centre - Phase 1 officially opened on September 16 and was embraced by our community immediately. It includes 2 NHL sized hockey arenas and 10 sheets of curling ice. In the not too distant future, Phase 2 of ATB Centre will open, which includes a track, field house, gymnasiums, fitness centre and aquatics. What an exciting day and year that will be.

As well, we opened our new Multicultural Centre, which created the perfect home for the Southern Alberta Ethnic Association. The building itself creates quite an impression, and the events and happenings at the Centre are definitely welcome enhancements for our downtown, especially for historic Round Street.

We have much to look forward to in 2017 as we celebrate our nation's 150th anniversary. Events and activities are on-going throughout the year including free recreational opportunities for families and cultural and entertainment events. We will also be commemorating this milestone by planting 150 trees in three groves of 50 trees each located at Henderson Park, Legacy Park and Nicholas Sheran Park. This is a great way to mark this significant part of our history providing a long-lasting, positive impact in our community.

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 want to thank all of our City of Lethbridge staff who make great efforts to ensure we always have the services we need while still engaging residents for feedback on our future. It's a lot to manage and I appreciate

the many hats our staff wear on a daily basis.

As we near a population of 100,000 people we will continue to stretch our thinking and have 100K conversations with our residents. Whether it's creating new parks, planning our transit system or building new roads, Lethbridge is growing up and it's time to start talking about our future.

I am proud to share our 2016 Annual Report with the citizens of Lethbridge. It is my hope, that the pages of this book demonstrate our ongoing commitment to public service as we work hard to continually earn the trust, respect and confidence of our community.

A handwritten signature in black ink, appearing to read 'G. Sherwin'.

Garth Sherwin, FCPA, FCA
City Manager

2016 AT A GLANCE



Over 58,000
visits to Henderson
Pool



6 outdoor
fitness areas



30% increase
in attendance at the
Helen Schuler
Nature Centre

47,000 people visited
the Galt Museum



1,211,284 transit ridership
vs. **1,228,345** in 2015



3.1 Million
lethbridge.ca website views

61,705

YQL passengers
vs 61,327 in 2015



4,483

hours of sunlight

**Over
12,000**

tonnes
of recyclables
received at the
landfill



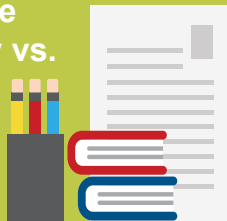
2.13%
population
increase
over 2015

2016
Lethbridge
Population

96,828

Over 225 km of pathways

766,000 people
visited the library vs.
663,000 in 2015



74,000

people visited the
ATB Centre

ATB Centre

12,275
streetlights



3,000 m of new and replaced sidewalks

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 a Landfill Cash Process Review and cyber security update.
- 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 requirements for disclosure of Contaminated Sites on the City's financial statements as required by Public Sector Accounting Standards Board (PSAB), section PS 3260.
- Reviewed the Tax Adjustments and Rebates Policy and the Electric Utility Financial Policy

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

2016 Audit Committee Members:

Councillor J. Coffman (Chair)
Mayor C. Spearman
Councillor L. Iwaskiw
Councillor R. Miyashiro
Councillor B. Mearns (Alternate)

April 10, 2017

FINANCIAL STATEMENT DISCUSSION & ANALYSIS



“The combination of sound financial position and conscientious customer service make Lethbridge a great place to live and bode well for the future of our community.”

The 2016 Annual Report of the City of Lethbridge (the “City”) provides information to all members of the public about the City’s 2016 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. Included entities 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 2016 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 raised and expenses reflecting how funds were used, 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).

2016 FINANCIAL HIGHLIGHTS

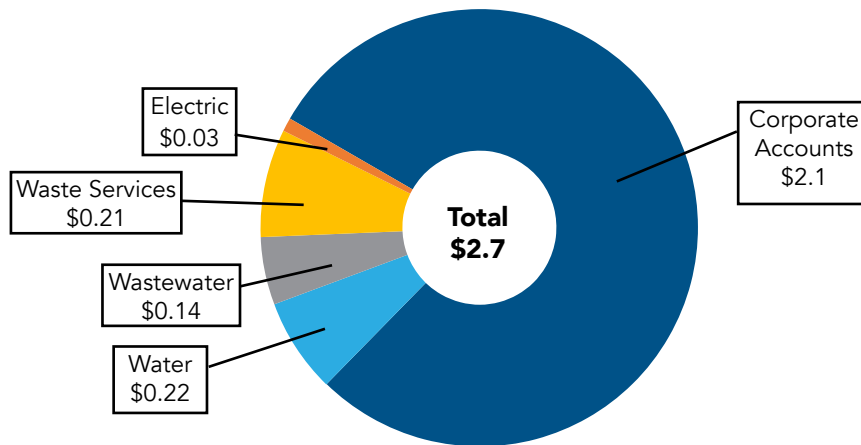
2016 was the second year of the four-year 2015-2018 Operating Budget. The Business Units within our organization continue to do an admirable job of providing established levels of service to our community and managing budget funds responsibly within our overall operating budget.

During 2016, the City realized a consolidated annual unrestricted surplus of \$2.7 million, (2015 - \$5.6 million) as shown on Schedule 1.

The City of Lethbridge will continue to monitor our financial

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2016 ANNUAL UNRESTRICTED SURPLUS (millions)



performance and strategies over the 2017-2018 operating budget period to address growth and increased demand for services and to consider the economic impacts within 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 2016 General and Utility operations for the period ended December 31, 2016.

General Operating Results

Corporate Accounts ended the year with a \$2.1 million surplus. For 2016, 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 \$2.1 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 \$1.0 million. The surplus in property taxes of \$0.8 million is due to higher than anticipated growth in residential and commercial properties as well as lower than budgeted losses related to tax appeals. The surplus in general revenue of \$0.2 million was mainly due to a higher than budgeted return on investment from the Water Utility to General Operations, due to Water revenue surpluses.

Permit, development and license revenue ended the year with a positive variance of \$0.2 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.

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 as well as lower natural gas costs (due to warmer than normal temperatures in 2016).

Corporate fuel costs ended the year with a positive variance of \$0.8 million, primarily due to lower than budgeted Transit fuel prices.

European Elm Scale (EES) project resulted in a negative variance of \$0.2 million. On June 13, 2016, Council approved \$0.4 million for treatment of City trees to mitigate the impact of EES. This money was used to fund the treatment of approximately 2,300 trees by a third party contractor. In addition to this work, the City's Urban Forestry crews also dedicated resources towards the fight against EES by injecting approximately 1,400 trees with TreeAzin and pressure washing with water to remove the EES insect and sooty mold that is left on smaller affected trees. The Parks department has also purchased approximately 25 litres of TreeAzin chemical and injection kits to be used in early 2017 to further protect the City's Elm Tree population. These direct treatment costs amounted to approximately \$0.6 million in 2016.

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 second year, Business Units are expected to overcome the deficit by adjusting expenditures in the remaining years of the four-year budget (2017-2018); and

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

if the second year results in net under expenditures, the Business Units have the ability to roll the amounts over to assist their operations during 2017-2018. 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 \$2.7 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 \$0.2 million. This was primarily due to revenues in Waste (Solid Waste) Services being greater than budgeted from community growth.

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 \$1.6 million which was the result of higher than anticipated usage by residential customers as well as higher than budgeted sewage loading from industry. This surplus was largely offset by an allocation of \$1.5 million to approved capital projects in order to reduce proposed borrowings.

Water Utility ended the year with a positive variance of \$0.2 million. This was primarily due to water revenue which ended the year in a surplus position of \$1.8 million as a result of higher residential, general services and commercial water sales.

This surplus was largely offset by an allocation of \$1.6 million to approved capital projects in order to reduce proposed borrowings.

The Electric Utility ended the year in a small positive balance position from operations. Fibre Operations ended the year in a positive variance of \$0.2 million, 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. The Transmission tariff experienced a positive variance of \$0.9 million primarily due to a reduction in maintenance costs for substations and transmission lines. These positive variances were offset by a \$1.3 million negative variance in the Distribution tariff due primarily to the write off of electric meters related to the electric meter replacement project.

FINANCIAL POSITION

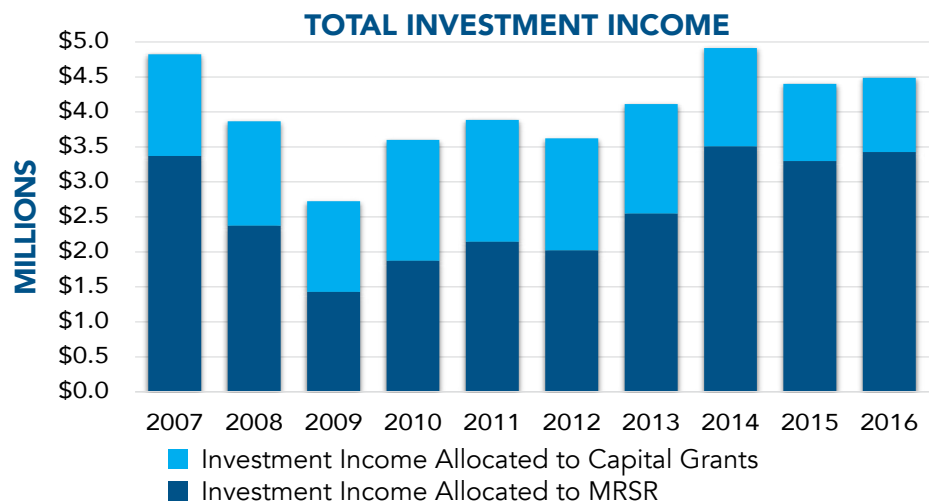
The overall financial position of the City of Lethbridge remained strong through 2016 with year-end net financial assets totaling \$62 million

(2015 \$56 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

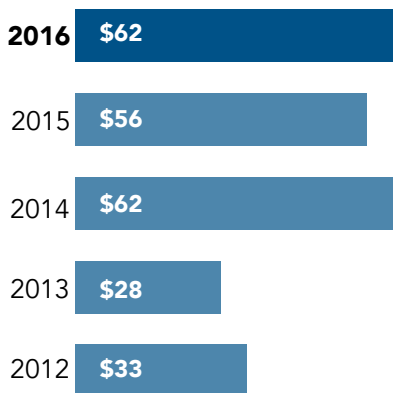
The City's 2016 total financial assets of \$327 million increased by \$20 million from the prior year (2015 \$307 million), which is primarily due to an increase in cash and investments. This increase in investments was due to a timing difference in payments to suppliers and construction of capital projects.

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



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET FINANCIAL ASSETS (millions)



size of the portfolio in 2016 was \$270 million (2015 \$247 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 2016 gross interest income earned from the portfolio was \$4.4 million (2015 \$4.3 million). The City's 2016 average portfolio yield of 1.61% (2015 1.71%) was higher than the Government of Canada 3-year Benchmark yield of 0.6% (2015 0.54%).

Liabilities

The City's 2016 total financial liabilities of \$265 million increased by \$14 million compared to the prior year results (2015 \$251 million), primarily due to an increase in debenture debt of \$19.2 million and an increase in accounts payable and accrued liabilities, employee benefits, deposits and other liabilities of \$2.1 million. The increase in these liabilities was offset by a reduction in deferred revenue of \$7.3 million.

Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities balance of \$47 million at the end of 2016 has increased by \$1 million over the prior year balance of \$46 million.

Trade accounts payable increased by \$4.2 million primarily due to a number of significant construction and capital expenditures during 2016. These included the ATB Centre - Phase 2 (Leisure Complex) and the purchase of six new transit buses.

Accrued liabilities decreased by \$3.2 million primarily due to the settlement of contractual obligations within Fire operations.

Employee Benefit Obligations

Employee benefit obligations ended the year with a balance of \$13 million which was an increase of \$0.5 million from the previous year. This is primarily due to increases in vacation and overtime.

Deferred Revenue

Deferred revenue is made up of contributions from other levels of government, prepaid taxes and other revenue deferrals. The \$7.3 million decrease in deferred revenue is primarily due to the timing of government contributions received versus the recognition of revenue based on eligibility requirements.

Deposits and Other Liabilities

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

or conditional requirements are completed. During 2016, deposits and other liabilities increased by \$0.6 million primarily due to an increase in land sale deposits and trust fund deposits.

Debenture Debt

During the period of high growth/investment in the late 1970's and 1980's, the City borrowed extensively to fund capital costs. 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 is controlled; however, because maintenance is recognized as a high priority, the City's existing infrastructure and facilities are not being compromised.

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

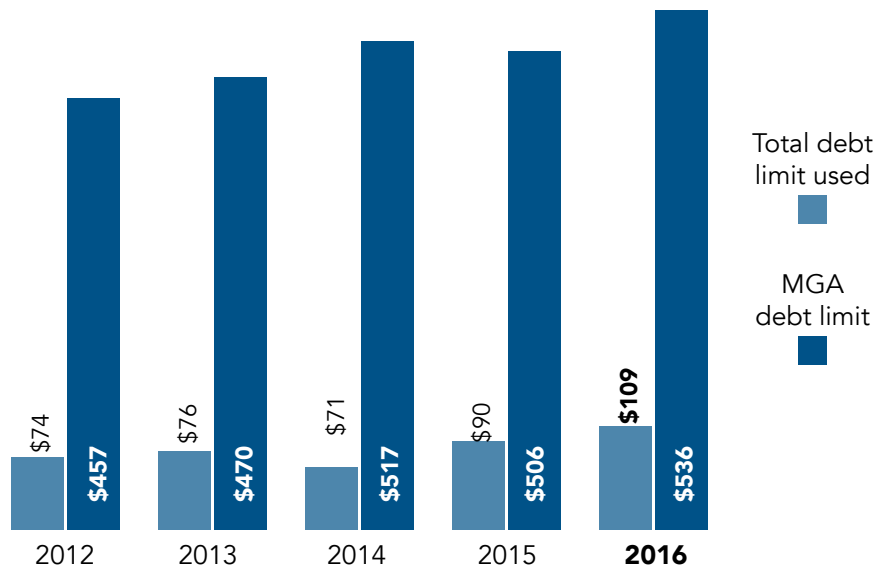
FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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.

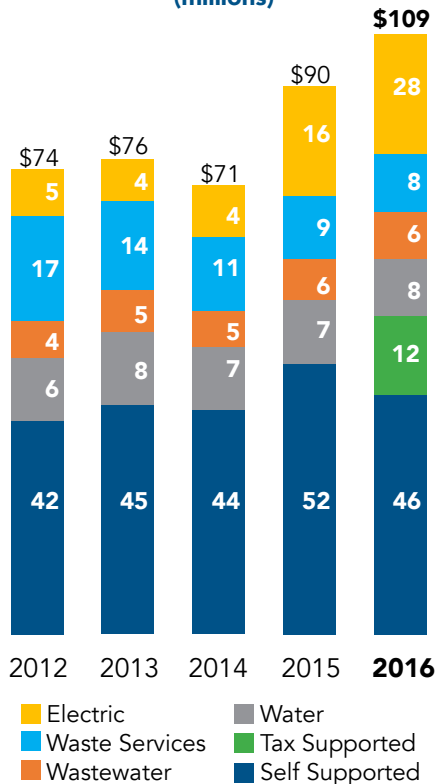
In 2016, the City's debenture debt was \$109.5 million. This was an increase of \$19.2 million (21%) over the 2015 balance. The debenture debt increase was primarily due to an increase in borrowings for capital projects in Electric and for the ATB Centre - Phase 2 (Leisure Complex).

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

DEBENTURE DEBT VS DEBT CAPACITY
(millions)



DEBENTURE DEBT
(millions)



Net Financial Assets

As demonstrated on the Consolidated Statement of Net Financial Assets, the City of Lethbridge has net financial assets of \$62 million (2015 - \$56 million). The increase in net financial assets of \$6 million relates to the planning of various capital projects during 2016. During 2016, the City was in the procurement and planning stages of several large scale projects. This has been the primary reason for the decrease in acquisitions of tangible capital assets and increase in cash and investments. These all factor into the overall increase 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 2016 with a balance of \$1.457 billion (2015 \$1.353 billion) which was an increase of \$104 million.

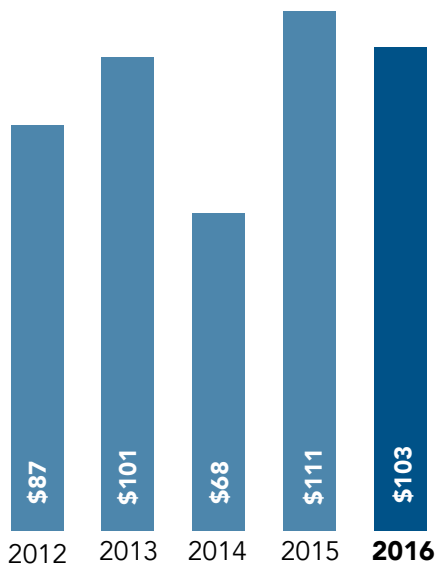
Tangible capital assets are assets managed and held for use in production or supply of goods and services and have economic lives that extend beyond a year and are not for sale in the ordinary course of operations. The most significant investments in tangible capital assets during 2016, include the ATB Centre – Phase 2 (Leisure Complex) of \$21 million, the Lethbridge Police Headquarters Expansion of \$5 million and Legacy Park of \$5 million.

Other Non-Financial Assets

Other non-financial assets include land held for resale, inventories held for consumption, and prepaid expenses. Overall other non-financial

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

NET INCREASE IN TANGIBLE CAPITAL ASSETS (millions)



assets ended 2016 with a balance of \$34 million in 2016 which was a decrease of \$1 million from the prior year (2015 \$35 million). This was primarily due to a decrease 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 2016 municipal equity total is \$1.6 billion which is an increase of 8% 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 \$14 million or 3.4% with total revenue of \$429 million (2015 \$415 million).

The majority of this increase came as a result of an increase in sale of land of \$8.1 million, an increase of \$8.0 million in contributed assets, an increase in net taxes of \$6.9 million and an overall increase of \$2.1 million in the other revenue categories. These increases are offset by a decrease in government transfers of \$9.9 million and a decrease in sales and user charges of \$1.2 million.

During 2016, the City received land sales of \$16.2 million which was an increase of \$8.1 million from the previous year (2015 \$8.1 million). The majority of the increase is related to the sale of land north of Legacy Park for \$5.3 million as well as an increase in timing of development activities within the RiverStone residential subdivision of \$2.6 million, an increase of \$1.7 in lot sales within the Sherring Industrial Park and a \$0.5 million increase in other residential subdivisions. These increases were offset by a decrease in the Legacy Ridge residential subdivision of \$2.0

REVENUE (millions)	
2016 Actual	\$ 429.0
2015 Actual	415.0
Variance	\$ 14.0
% Variance	3.4%

million. Fluctuations from year to year occur due to timing differences created through the development process with residential and industrial subdivisions.

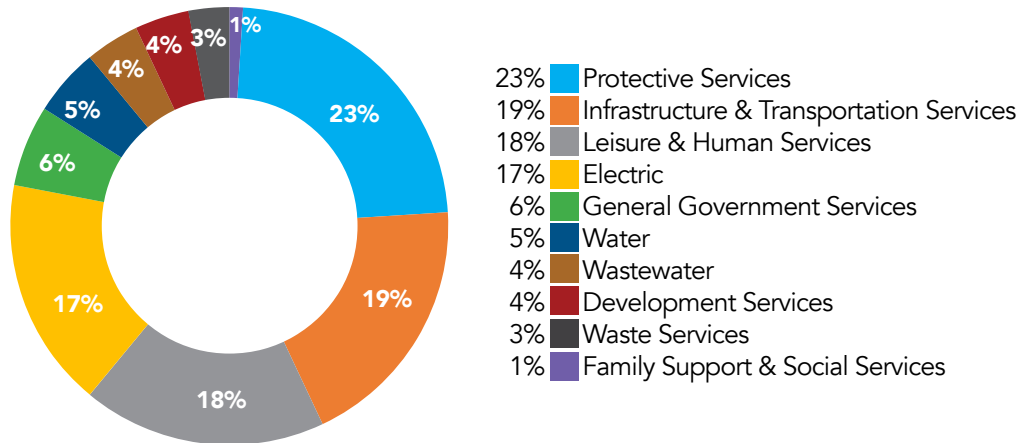
Contributed assets (see Statistical Information for 5 year comparative) had an increase in 2016 of \$8.0 million or 30%. Contributed assets are those contributed from other developers. Contributed amounts will fluctuate from year to year as noted on the 5 Year Summary of Consolidated Revenues within the Statistical Information, since they are largely dependent on some of the following:

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

Property tax is a primary revenue source available to the City to pay for municipal services. In 2016, net taxes available for municipal services of \$126.4 million was \$6.9 million or 5.8% higher than 2015, and accounted for 29.5% (2015 28.7%) 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

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2016 Expenses by Function



the consolidated financial statements provides further detail with respect to net taxes.

Government Transfers decreased by \$9.9 million from 2015 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 Build Canada Fund (BCF) of \$8.2 million, the Municipal Sustainability Initiative (MSI) of \$6.3 million, Social Housing in Action (SHIA) of \$1.1 million and the Flood Readiness Program of \$0.7 million. These decreases are offset by an increase of \$3.9 million in the GreenTRIP (Green Transit Incentives Program), an increase in the Federal Gas Tax Fund (FGTF) of \$1.4 million, an increase in the Family and Community Support Services (FCSS) of \$0.4 million as well as increases in other government transfers of \$0.7 million.

Sales and user charges decreased by \$1.2 million or 0.7% from 2015 due to a decrease in developer contributions

of \$0.8 million and a decrease in utility charges of \$0.5 million. These decreases were offset by an increase in customer and contractual contributions of \$0.1 million.

The City experienced an overall decrease of \$2.1 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 25 – Segmented Disclosures.

In 2016, the consolidated expenses of \$320.6 million were \$10.8 million or 3.5% higher than the previous year.

EXPENSES (millions)	
2016 Actual	\$ 320.6
2015 Actual	309.8
Variance	\$ 10.8
% Variance	3.5%

Expenses by Function

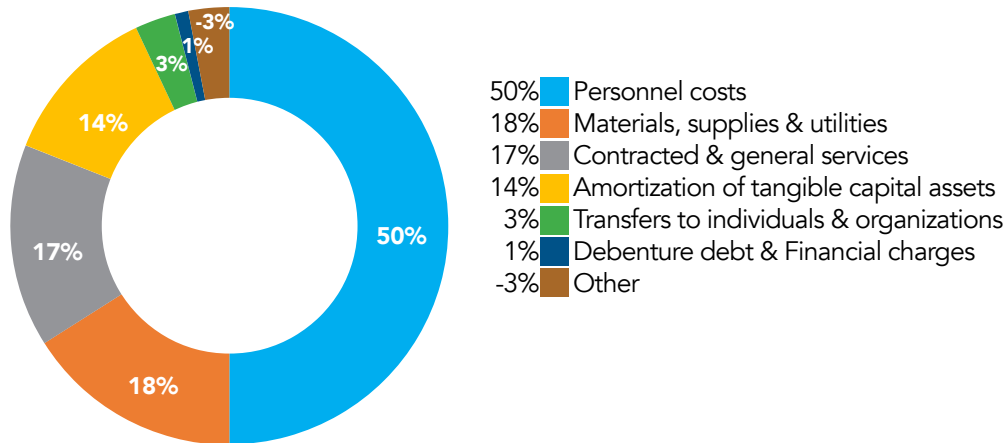
The major segments that make up the \$10.8 million change are an increase of \$6.6 million in Leisure and Human Services, an increase of \$5.2 million in Infrastructure and Transportation Services, and a \$2.5 million increase in Protective Services. This was offset by a decrease in overall expenditures of \$2.6 million in the Electric Utility and an overall decrease of \$0.9 million in other segments.

Leisure and Human Services expenses increased by \$6.6 million to \$56.2 million (2015 \$49.6 million). The increase is primarily attributable to increases in project and lifecycle related expenses within parks maintenance, facilities, and recreation and culture segments.

Infrastructure and Transportation Services expenses of \$59.3 million (2015 \$54.1 million) increased by \$5.2 million or 9.7%. This increase is a result of an increase in roadway, pathways and parking services expenses of \$3.3 million, an increase in transit expenses of \$1.0 million, and increase in fleet expenses of \$0.9 million and an increase in storm sewer expenses.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2016 Expenses by Object



Protective Services expenses increased by \$2.5 million to \$73.2 million from \$70.7 million in 2015. This was primarily due to an increase in Fire and EMS expenses of \$1.9 million and an increase in Lethbridge Police Service expenses of \$1.2 million. These increases were offset by an overall decrease of \$0.6 million in other protective service expenses.

The Electric Utility expenses decreased by \$2.6 million from \$57.0 million in 2015 to \$54.4 million in 2016. The significant capital work in the past few years has created a more reliable system. This has resulted in a reduction in maintenance costs. In addition, the Electric Utility has benefited from ongoing lower energy prices.

The City experienced an overall decrease of \$0.9 million in the remaining expense categories.

Expenses by Object

The Schedule of Segmented Reporting – Schedule 4 and note 19 – Expenses by Object provide an alternate view of the City's expenses. The expenses by object provides another insight into the overall

increase of \$10.8 million from 2015.

Contributing factors to this increase include an increase in personnel costs of \$9.5 million and an increase in amortization of tangible capital assets of \$3.9 million. These are offset by decreases in material, supplies and utilities of \$1.3 million and by net decreases of \$1.3 million in other expense categories.

Personnel costs increased by \$9.5 million in 2016. This is primarily due to approved growth and operating budget initiatives in Transit, Electric, Parks and Recreation and Culture as well as increases in negotiated collective agreement costs and their associated benefits.

In 2016 amortization of tangible capital assets expenses totaled \$46.3 million which was an increase of \$3.9 million from the previous year. This was primarily due to a \$1.7 million increase in depreciation for engineering structures related to roadways, underground pipes and the Henderson Pool basin. Depreciation costs also increased in fleet assets by \$1.4 million from the previous year due to the replacement vehicles. Depreciation costs also increased for

land improvements, buildings and equipment and furnishings by \$0.8 million in 2016.

Materials, supplies and utilities expense of \$58.4 million have decreased by \$1.3 million or 2.1% from the previous year. This is primarily due to a \$1.9 million decrease in utility costs. These decreases are offset by an increase of \$0.6 million in all other materials and supplies accounts.

Other expense categories have decreased by \$1.3 million. This is primarily due to a \$1.8 million decrease in expenses recovered from capital and other expenses and a \$0.4 million decrease in transfers to individuals and organizations. These are offset by a \$0.9 million increase in contractual services.

Excess of Revenue Over Expenses

During 2016, the City realized an excess of revenue over expenses of \$108.5 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

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

in tangible capital assets of \$84.6 million (represented by the net increase in tangible capital assets of \$103.8 million and the net increase of debenture debt of \$19.2 million), by the \$13.7 million increase in transfers to the capital fund, an increase of \$9.0 million in reserve transfers and by the \$1.5 million related to changes in other equity balances. Once these changes and transfers were completed it leaves the consolidated annual unrestricted surplus of \$2.7 million discussed previously.

CASH FLOWS

The City's cash and cash equivalents increased from the prior year by \$2.9 million to a balance of \$32.8 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, \$116.4 million was raised from operating activities. A net increase of \$19.3 million was received on debt issues, \$12.2 million (net) was used to increase the investment portfolio and \$120.6 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 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 current 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 Province 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

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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.

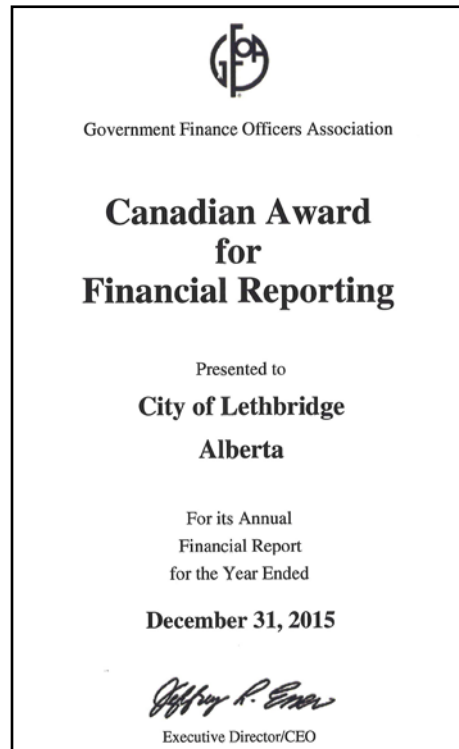
Auditing Process

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 2016 Consolidated Financial Statements at its meeting on April 10, 2017.

Recognition for Achievements

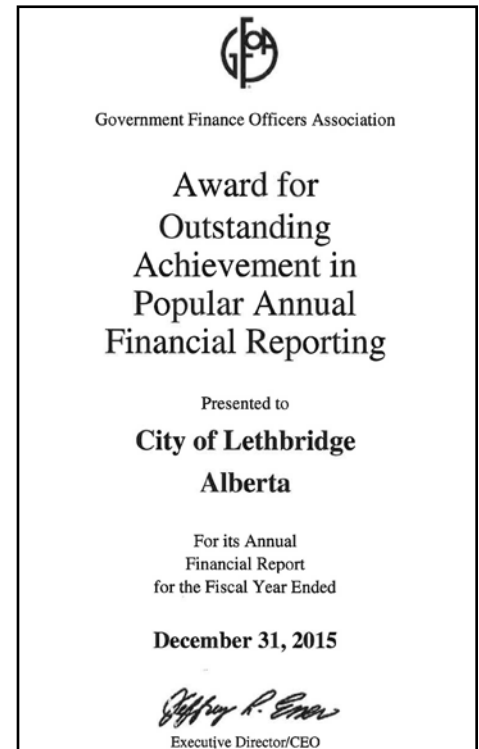
Canadian Award for Financial Reporting

The City of Lethbridge annual financial report for the year ended December 31, 2015, was awarded the Canadian Award for Financial Reporting by



the Government Finance Officers Association of the United States and Canada (GFOA). The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments,



and address user needs.

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

Popular Annual Financial Report Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Lethbridge for its Popular Annual Financial Report for the fiscal year ended December 31, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

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. The City of Lethbridge is also in the enviable position of having a very low debt per capita ratio. 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 Community Asset Management Program (CAMP). Initially in 2005, CAMP 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. While the annual unemployment rate in the Lethbridge region has increased, it is still among the lowest in Alberta at 6.9% versus the Alberta rate of 8.1% and consistently lower than the national average of 7.0%.

Lethbridge experienced a record year in terms of the value of construction in the community at \$337.1 million, (\$249.8 million in 2015) up 35% on a

year-over-year basis. (Phase 2 of ATB Centre, accounted for \$86 million of the 2016 figure.) Residential permit values were \$98.8 million, up 3.5% year-over-year, although single family starts in Lethbridge were down 12% (530 in 2016 vs 605 in 2015). However, Lethbridge was still more stable than Medicine Hat and Red Deer whose comparable figures were down by 25% and 34%, respectively. When permit values increase, it is a sign that developers have confidence in a local economy and its ability to generate growth. Growth was reported in both residential commercial and institutional development, with industrial showing a decline for 2016.

The industry diversity in our city creates a business environment for success today and potential for future development. Business costs represent one of the many important factors considered in virtually all corporate location decisions. KPMG's 2016 Competitive Alternatives Study explores the most significant business cost factors in more than 100 cities and 10 countries around the world. This study measures and provides insight on the impact of 26 key cost components, across seven business to business service segments and 12 significant manufacturing sectors. According to the study, Lethbridge ranked 23rd among 133 global cities in terms of cost competitiveness. Within Alberta, Lethbridge ranked third among the seven Alberta cities in the study.

Lethbridge continues to grow with the official 2016 census results at 96,828, an increase of 2.13% over the 2015 municipal census numbers. The population in Lethbridge is based on a younger age demographic than

FINANCIAL STATEMENT DISCUSSION & ANALYSIS



many other parts of the province with the average age for Lethbridge sitting at 38. This isn't just because of our two sizable post-secondary institutions. Even after completing their post-secondary education, many younger people choose to live and work in Lethbridge because of our attractive lifestyle and diverse employment opportunities. Lethbridge offers a modest cost of living, temperate climate, excellent schools, short commute times and an abundance of housing options, all within a caring community.

CONCLUSION

The City of Lethbridge continues to enjoy a strong financial position as evidenced by net financial assets of \$62 million at the end of 2016. This enviable position flows from the efforts of City Council and their ongoing commitment to sound financial policies. Of equal importance is the outstanding service our staff provide to the community year after year. This combination of sound financial position and conscientious customer service make Lethbridge a great place to live and bode well for the future of our community.

Respectfully submitted,

Corey Wight, CPA, CA
City Treasurer

April 10, 2017

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, 2016 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.

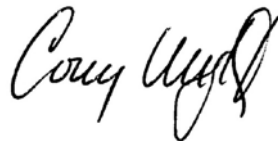
The City Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external 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.



Garth Sherwin, FCPA, FCA
City Manager

April 10, 2017



Corey Wight, CPA, CA
City Treasurer

April 10, 2017

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, 2016 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, 2016, 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.



Chartered Professional Accountants

Lethbridge, Canada
April 10, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(in thousands of dollars)

		2016	2015
FINANCIAL ASSETS			
Cash and cash equivalents	Note 3	\$ 32,844	\$ 29,901
Investments	Note 4	249,824	237,613
Receivables	Note 5	37,266	33,894
Loans and advances	Note 6	4,282	3,951
Deposits		835	803
Land held for resale		1,706	947
		326,757	307,109
LIABILITIES			
Accounts payable and accrued liabilities	Note 7	46,933	45,918
Employee benefit obligations	Note 8	13,685	13,147
Deferred revenue	Note 9	74,955	82,268
Deposits and other liabilities		19,699	19,033
Debenture debt	Note 10	109,526	90,249
		264,798	250,615
NET FINANCIAL ASSETS		61,959	56,494
NON-FINANCIAL ASSETS			
Inventories held for consumption		10,557	9,940
Prepaid expenses		1,487	1,623
Land held for resale		22,156	23,526
Tangible capital assets	Schedule 3 & Note 12	1,457,037	1,353,162
		1,491,237	1,388,251
MUNICIPAL EQUITY	Note 14	\$ 1,553,196	\$ 1,444,745
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, 2016

(in thousands of dollars)

		2016	2016 Budget (Note 28)	2015
REVENUE				
Sales and user charges		\$ 169,330	\$ 169,015	\$ 170,543
Net taxes	Schedule 2	126,371	125,617	119,444
Government transfers	Note 19	49,313	51,220	59,191
Contributed assets		34,644	-	26,639
Sale of land		16,236	16,226	8,161
Fines and penalties		7,944	7,630	7,501
Return on investments		5,712	4,722	5,088
Gas company franchise fee		5,470	5,100	5,033
Licenses and permits		4,511	4,856	4,880
Special municipal levies		3,725	3,673	3,661
Other		5,776	9,440	4,925
		429,032	397,499	415,066
EXPENSES				
	Note 20			
Protective Services		73,188	75,289	70,718
Infrastructure & Transportation Services		59,344	64,071	54,100
Leisure & Human Services		56,273	55,138	49,636
Electric		54,411	59,595	56,973
General Government Services		21,184	29,046	22,384
Water		15,116	18,167	15,730
Wastewater		13,232	14,043	13,554
Development Services		11,939	12,165	12,447
Waste Services		11,502	13,552	10,386
Family Support & Social Services		4,392	4,952	3,821
		320,581	346,018	309,749
EXCESS OF REVENUE OVER EXPENSES	Schedule 1 & 4	108,451	51,481	105,317
MUNICIPAL EQUITY, BEGINNING OF YEAR		1,444,745	1,444,745	1,339,428
MUNICIPAL EQUITY, END OF YEAR	Note 14	\$ 1,553,196	\$ 1,496,226	\$ 1,444,745

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, 2016

(in thousands of dollars)

	2016	2016 Budget	2015
EXCESS OF REVENUE OVER EXPENSES	\$ 108,451	\$ 51,481	\$ 105,317
Change related to tangible capital assets			
Acquisition of tangible capital assets	(121,156)	(112,369)	(133,298)
Contributed assets	(34,644)	-	(26,639)
Proceeds on disposal of tangible capital assets	584	168	353
Amortization of tangible capital assets	46,323	45,174	42,475
Loss on disposal of tangible capital assets	5,018	-	5,863
	(103,875)	(67,027)	(111,246)
Change related to other non-financial assets			
Acquisition of inventories held for consumption	(20,586)	-	(18,740)
Acquisition of prepaid expenses	(1,404)	-	(1,576)
Use of land held for resale	1,370	-	1,394
Use of inventories held for consumption	19,969	-	17,943
Use of prepaid assets	1,540	-	1,612
	889	-	633
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	5,465	(15,546)	(5,296)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	56,494	56,494	61,790
NET FINANCIAL ASSETS, END OF YEAR	\$ 61,959	\$ 40,948	\$ 56,494

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

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

	2016	2015
NET INFLOW (OUTFLOW) OF CASH		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 108,451	\$ 105,317
Items not involving cash		
Amortization of tangible capital assets	46,323	42,475
Loss on disposal of tangible capital assets	5,018	5,863
Tangible capital assets received as contributions	(34,644)	(26,639)
Changes to financial assets		
Decrease (increase) in receivables	(3,372)	(409)
Decrease (increase) in other financial assets	(1,122)	309
Changes to non-financial assets		
Decrease (increase) in prepaid expenses	136	36
Decrease (increase) in inventory held for consumption	(617)	(797)
Decrease (increase) in land held for resale	1,370	1,394
Changes to liabilities		
Increase (decrease) in accounts payable and accrued liabilities	1,015	10,530
Increase (decrease) in employee benefit obligation	538	332
Increase (decrease) in deferred revenue	(7,313)	(8,902)
Increase (decrease) in deposits and other liabilities	666	5,673
	116,449	135,182
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(121,156)	(133,298)
Proceeds on disposal of tangible capital assets	584	353
	(120,572)	(132,945)
INVESTING ACTIVITIES		
Decrease (increase) in investments	(12,211)	(17,085)
FINANCING ACTIVITIES		
Debenture debt issued	31,398	27,923
Debenture debt principal redeemed	(12,121)	(8,815)
	19,277	19,108
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	2,943	4,260
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,901	25,641
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 32,844	\$ 29,901

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

CONSOLIDATED SCHEDULE OF UNRESTRICTED SURPLUS

AS AT DECEMBER 31, 2016

(in thousands of dollars)

Schedule 1

	2016	2016 Budget	2015
EXCESS OF REVENUE OVER EXPENSES	\$ 108,451	\$ 51,481	\$ 105,317
Unrestricted balances			
Transfer (to) from prior year surplus to (from) reserves	2,452	-	3,839
Unfunded			
Change in unfunded vacation pay	(1,530)	-	(102)
Transfer to (from) equity in inventories held for consumption	617	-	797
Transfer to (from) equity in prepaid expenses	(136)	-	(36)
Restricted balances			
Transfer (to) reserves	(8,951)	(5,830)	(11,335)
Transfer (to) capital fund	(13,748)	(11,004)	(1,060)
Equity in non-financial assets			
Change in land held for resale	611	-	1,058
Change in tangible capital assets	(84,598)	(34,647)	(92,138)
Change in inventories held for consumption	(617)	-	(797)
Change in prepaid expenses	136	-	36
CONSOLIDATED ANNUAL UNRESTRICTED SURPLUS	\$ 2,687	\$ -	\$ 5,579

SCHEDULE OF NET TAXES

FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

Schedule 2

	2016	2016 Budget	2015
NET TAXES			
Real property taxes	\$ 159,200	\$ 158,422	\$ 150,933
Special assessments	3,725	3,673	3,661
Business taxes (BRZ)	181	195	165
Grants in lieu of taxes			
Provincial	1,089	2,044	1,198
Federal	220	194	205
	164,415	164,528	156,162
Less special requisition transfers			
Alberta School Foundation Fund	28,027	28,340	27,008
Holy Spirit RCSR 4	4,507	5,137	4,344
Green Acres Foundation	1,587	1,555	1,507
Downtown Lethbridge Business Revitalization Zone	198	206	198
	34,319	35,238	33,057
TAXATION FOR MUNICIPAL PURPOSES	130,096	129,290	123,105
Less special levies			
Street maintenance frontage taxes	3,725	3,673	3,661
NET TAXES	\$ 126,371	\$ 125,617	\$ 119,444

SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2016

(in thousands of dollars)

Schedule 3

	Land	Land Improvements	Buildings	Infrastructure	Equipment & Furnishings	Vehicles	Assets Under Construction	2016	2015
COST									
BALANCE, BEGINNING OF YEAR	\$ 91,447	\$ 72,403	\$ 302,842	\$ 1,172,038	\$ 98,811	\$ 61,229	\$ 127,295	\$ 1,926,065	\$ 1,782,635
Acquisition of tangible capital assets	3,669	10,378	46,877	62,146	6,544	9,688	(18,146)	121,156	133,298
Contributed assets	1,105	255	12	33,128	144	-	-	34,644	26,639
Disposal of tangible capital assets	(2,664)	(740)	(1,088)	(4,000)	(5,542)	(4,023)	-	(18,057)	(16,507)
BALANCE, END OF YEAR	93,557	82,296	348,643	1,263,312	99,957	66,894	109,149	2,063,808	1,926,065
ACCUMULATED AMORTIZATION									
BALANCE, BEGINNING OF YEAR	-	(27,278)	(101,059)	(359,152)	(55,206)	(30,208)	-	(572,903)	(540,719)
Annual Amortization	-	(3,524)	(6,634)	(25,300)	(5,033)	(5,832)	-	(46,323)	(42,475)
Accumulated amortization on disposals	-	656	941	2,566	4,886	3,406	-	12,455	10,291
BALANCE, END OF YEAR	-	(30,146)	(106,752)	(381,886)	(55,353)	(32,634)	-	(606,771)	(572,903)
TOTAL NET BOOK VALUE	\$ 93,557	\$ 52,150	\$ 241,891	\$ 881,426	\$ 44,604	\$ 34,260	\$ 109,149	\$ 1,457,037	\$ 1,353,162

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

Schedule 4

	General Municipal Revenue	Protective Services	Infrastructure & Transportation Services	Leisure & Human Services
REVENUE				
Sales and user charges	\$ -	\$ 10,506	\$ 12,432	\$ 9,998
Net taxes	126,371	-	-	-
Government transfers	-	6,140	10,884	23,078
Sale of land	-	-	-	-
Contributed assets	-	-	18,300	2,310
Return on investments	3,490	2	1,797	-
Fines and penalties	551	122	456	-
Gas company franchise fee	5,470	-	-	-
Licenses and permits	-	3,706	63	742
Special municipal levies	-	-	3,353	372
Municipal Consent and Access Fee	9,914	-	-	-
Other	55	2,769	1,049	(383)
	145,851	23,245	48,334	36,117
EXPENSES				
Salaries, wages and benefits	-	48,448	21,439	18,889
Materials, supplies and utilities	-	2,105	10,935	5,412
Contracted and general services	-	4,036	10,800	12,845
Amortization of tangible capital assets	-	1,510	20,020	5,852
Transfers to individuals and organizations	-	69	-	3,347
Debenture debt interest	-	-	1,339	15
Financial charges	-	323	243	210
Interdepartmental transfers (net)	-	17,400	(1,551)	9,914
Expenses recovered from capital	-	(699)	(4,577)	(365)
Other	-	(4)	696	154
	-	73,188	59,344	56,273
EXCESS OF REVENUE OVER EXPENSES	145,851	(49,943)	(11,010)	(20,156)
Change in unrestricted balances	1,989	(717)	(11)	(13)
Transfer from (to) reserves	(2,188)	881	(544)	3,624
Transfer from (to) internal segments	2,925	(972)	12,953	10,485
Transfer from (to) capital fund	-	(2,149)	(3,382)	(305)
Change in equity in non-financial assets	-	(4,255)	(24,172)	(29,542)
UNRESTRICTED SURPLUS (DEFICIT)	\$ 148,577	\$ (57,155)	\$ (26,166)	\$ (35,907)

SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

Schedule 4

General Government Services	Development Services	Family Support & Social Services	Utilities	2016	2015
\$ 175	\$ 7,659	\$ 907	\$ 127,653	\$ 169,330	\$ 170,543
-	-	-	-	126,371	119,444
1,625	4,785	2,449	352	49,313	59,191
-	16,236	-	-	16,236	8,161
-	(3,799)	-	17,833	34,644	26,639
282	117	24	-	5,712	5,088
6,814	-	-	1	7,944	7,501
-	-	-	-	5,470	5,033
-	-	-	-	4,511	4,880
-	-	-	-	3,725	3,661
-	-	-	(9,914)	-	-
3,562	46	33	(1,355)	5,776	4,925
12,458	25,044	3,413	134,570	429,032	415,066
46,682	3,259	1,019	20,195	159,931	150,413
3,625	220	142	35,929	58,368	59,633
10,319	2,739	2,346	11,290	54,375	53,471
2,285	16	103	16,537	46,323	42,475
569	3,986	-	-	7,971	8,659
-	106	-	1,318	2,778	2,424
381	-	20	(2)	1,175	1,236
(43,168)	326	744	16,335	-	-
(91)	(780)	18	(8,554)	(15,048)	(13,869)
582	2,067	-	1,213	4,708	5,307
21,184	11,939	4,392	94,261	320,581	309,749
(8,726)	13,105	(979)	40,309	108,451	105,317
(530)	(35)	8	712	1,403	4,498
(7,498)	(198)	(408)	(2,620)	(8,951)	(11,335)
(4,031)	(12,126)	1	(9,235)	-	-
(2,487)	(759)	-	(4,666)	(13,748)	(1,060)
517	(3,174)	98	(23,940)	(84,468)	(91,841)
\$ (22,755)	\$ (3,187)	\$ (1,280)	\$ 560	\$ 2,687	\$ 5,579

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (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, 2016

(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, 2016 (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) **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, 2016

(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 2017, 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, 2016 (in thousands of dollars)

3. CASH & CASH EQUIVALENTS

	2016	2015
Cash	\$ 17,844	\$ 7,901
Cash equivalents	15,000	22,000
	\$ 32,844	\$ 29,901

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 1.00% (2015 1.17%).

4. INVESTMENTS

	2016		2015	
	Carrying Value	Market	Carrying Value	Market
Short term investments	\$ 37,076	\$ 37,076	\$ 54,642	\$ 54,642
Long term investments ⁽¹⁾	212,748	216,473	182,971	183,325
	\$ 249,824	\$ 253,549	\$ 237,613	\$ 237,967

Investments mature at various dates between January 21, 2017 and December 15, 2026 and have an average effective annual yield of 1.70% (2015 1.76%).

Investments include \$38,378 (2015 \$45,335) in externally restricted amounts which must be used for specified capital projects.

⁽¹⁾ Floating-rate notes

Included in long term investments are floating-rate notes with a net carrying value of \$15,516 which were received in exchange for asset-backed commercial paper (ABCP).

Prior to August 2007, the City invested in short term third-party structured asset-backed commercial paper ("ABCP") with a face value of \$30,257. When these ABCP investments were purchased, they were rated "R1 (high)" by an independent rating agency, which is the highest possible rating. These investments, purchased between May and July 2007, had original maturity dates ranging from September 2007 to March 2008. In August 2007, the Canadian market for ABCP suffered a liquidity disruption and as a result the City's ABCP investments did not settle on maturity. In December 2007, the City recorded a valuation allowance of \$5,700 which was funded from the Municipal Revenue Stabilization Reserve (MRSR).

Subsequent to this disruption a Pan-Canadian Investors Committee was established to oversee the orderly restructuring of these instruments. On January 21, 2009, the ABCP restructuring plan was implemented. Pursuant to the terms of the plan, the City's short term ABCP was exchanged for longer term floating-rate MAV II notes (notes) with the face value approximating the original ABCP investments in the amount of \$30,257.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

4. INVESTMENTS (CONTINUED)

Included in the original investment of \$30,257 was \$7,967 of unrated notes which had yields and repayment dates which were subject to the performance of the underlying assets. In November 2009, the City reached an agreement with National Bank that provided the City an option, through a financing solution, to receive approximately 75% of the January 21, 2009 face value of the unrated notes. This option was exercised in October 2010.

On October 24, 2016, the City received approximately \$3,220 of the MAV II notes. At December 31, 2016 the city owned \$5,175 Class A-1 notes and \$13,895 Class A-2 notes. The notes bear interest, floating at the Bankers Acceptance rate less 0.5%. The resulting net carrying value of \$15,516 is included in the long term investments and is recorded as follows:

Original face value	\$	30,257	
Face value of exercised option		(7,967)	
2016 Redemption Class A-1 MAV II notes		<u>(3,220)</u>	
Current face value			19,070
Original valuation allowance		(5,700)	
Valuation allowance of exercise option		<u>2,146</u>	
Valuation allowance on current face value			<u>(3,554)</u>
Net carrying value			<u>\$ 15,516</u>

Subsequent to year end, the full face value of \$19,070 was redeemed and returned to the City of Lethbridge. The redemption resulted in the full recovery of the \$3,554 valuation allowance, which will be returned to the MRSR in 2017. In accordance with Canadian public sector accounting standards, the recovery of the valuation allowance will be recorded in the City's 2017 financial statements.

5. RECEIVABLES

	2016	2015
Trade accounts receivable	\$ 34,620	\$ 32,672
Taxes receivable	2,593	2,447
Receivables from other governments	5,388	3,698
Allowance for doubtful amounts	42,601	38,817
	<u>(5,335)</u>	<u>(4,923)</u>
	<u>\$ 37,266</u>	<u>\$ 33,894</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (in thousands of dollars)

6. LOANS AND ADVANCES

	2016	2015
Lethbridge Exhibition	\$ 4,421	\$ 3,954
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	(232)	(135)
Net Lethbridge Exhibition	4,189	3,819
SLP Industries Ltd.	63	70
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	30	50
Non-interest bearing, payable in annual installments of \$10, due September 1, 2019		
Lethbridge Softball Association	-	12
Non-interest bearing, payable in annual installments of \$25 from September 15, 2006 to 2010 and annual installments of \$12 from September 15, 2007 to due date of September 16, 2016		
	\$ 4,282	\$ 3,951

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2016	2015
Trade accounts payable	\$ 32,575	\$ 28,409
Accrued liabilities	7,661	11,296
Environmental liabilities ⁽¹⁾⁽²⁾	4,943	4,779
Other government	1,754	1,434
	\$ 46,933	\$ 45,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

7. ACCOUNTS PAYABLE & ACCRUED LIABILITIES (CONTINUED)

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

Included in accounts payable and accrued liabilities is \$4,943 (2015 \$4,704) 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 24.7 (2015 1.7) million cubic meters which will be reached in approximately 50-60 years.

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 \$20,341 (2015 \$1,995). The following summarizes the total net present value of the estimated costs of closure and post-closure care:

	2016	2015
Estimated closure costs	\$ 18,521	\$ 1,670
Estimated post-closure costs	6,763	5,029
Total estimated costs	25,284	6,699
Amount accrued to December 31	(4,943)	(4,704)
Balance of estimated costs to accrue over the remaining life of the landfill	\$ 20,341	\$ 1,995

(2) Environmental liabilities - liability for contaminated sites

Included in accounts payable and accrued liabilities is \$nil (2015 \$75) of estimated total liability for contaminated sites.

In 2015, the estimated total liability was for the remediation of a building classified as non-productive. The nature of the liability was a result of the existence of asbestos and lead paint. The assumptions used in estimating the liability included an environmental engineering assessment with an inflationary adjustment and a contingency to cover any other costs to properly remove and dispose of these materials. In 2016, the City sold the building and therefore no longer has an obligation for remediation of the contaminated site.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

8. EMPLOYEE BENEFIT OBLIGATIONS

	2016	2015
Vacation and overtime	\$ 12,457	\$ 12,005
Sick pay	1,136	1,055
Other	92	87
	\$ 13,685	\$ 13,147

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.

9. DEFERRED REVENUE

	2016	2015
Deferred revenue	\$ 4,233	\$ 6,213
Government contributions ⁽¹⁾	38,378	45,335
Prepaid taxes	32,344	30,720
	\$ 74,955	\$ 82,268

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

	2015 Balance	Grants Received & Net Interest	Government Transfer Revenue	2016 Balance
Municipal Sustainability Initiative Grant	\$ 21,147	\$ 15,078	\$ (25,193)	\$ 11,032
Basic Municipal Transportation Grant	13,326	4,203	(3,399)	14,130
Federal Gas Tax Fund	7,156	5,028	(3,372)	8,812
Other Grants	3,706	18,047	(17,349)	4,404
	\$ 45,335	\$ 42,356	\$ (49,313)	\$ 38,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (in thousands of dollars)

10. DEBENTURE DEBT

	2016	2015
General - self supported	\$ 46,459	\$ 52,083
Utilities	51,067	38,166
General - tax supported	12,000	-
	\$ 109,526	\$ 90,249

Principal and interest repayments are as follows:

	Principal	Interest	Total
2017	\$ 12,814	\$ 3,035	\$ 15,849
2018	11,337	2,703	14,040
2019	10,626	2,395	13,021
2020	10,488	2,093	12,581
2021	8,447	1,799	10,246
2022 to maturity	55,814	7,204	63,018
	\$ 109,526	\$ 19,229	\$ 128,755

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 6.13% per annum. Debenture debt is issued on the credit and security of the City at large.

Interest expense on long-term debt amounted to \$2,778 (2015 \$2,424).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

(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:

	2016	2015
Total debt limit	\$ 535,924	\$ 506,631
Debtenture debt	(109,526)	(90,249)
Debt limit unused	426,398	416,382
Percentage of debt to debt limit	20.44 %	17.81 %
Service on debt limit	89,321	84,438
Service debt (principal and interest payment)	(15,849)	(13,922)
Service on debt limit unused	73,472	70,516
Percentage of service on debt limit used	17.74 %	16.49 %

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, 2016 (in thousands of dollars)

12. TANGIBLE CAPITAL ASSETS

	2016	2015
Net Book Value		
Land	\$ 93,557	\$ 91,447
Land improvements	52,150	45,125
Buildings	241,891	201,783
Infrastructure		
Roadways	414,508	394,928
Water system	177,751	168,213
Wastewater system	151,820	140,184
Waste Services system	501	506
Electrical system	136,846	109,055
Equipment and furnishings	44,604	43,605
Vehicles	34,260	31,021
Assets under construction	\$ 109,149	\$ 127,295
	1,457,037	1,353,162

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 \$34,644 (2015 \$26,639). This amount is comprised of land in the amount of \$1,105 (2015 \$856), land improvements in the amount of \$255 (2015 \$771), infrastructure in the amount of \$33,128 (2015 \$24,867), buildings in the amount of \$12 (2015 \$nil) and equipment and furnishings in the amount of \$144 (2015 \$145).

The City capitalized \$171 (2015 \$642) in interest during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (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:

	2016 Surplus	2015 Surplus
General	\$ 2,127	\$ 1,989
Utilities		
Water	195	1,637
Wastewater	134	1,055
Waste Services	208	435
Electric	23	463
Total Utilities	560	3,590
	\$ 2,687	\$ 5,579

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (in thousands of dollars)

14. MUNICIPAL EQUITY

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

	2016	2015
Unrestricted balances		
Unrestricted surplus (Note 15)	\$ 13,564	\$ 13,329
Unfunded		
Vacation pay	(7,610)	(9,140)
Inventories held for consumption	(10,557)	(9,940)
Prepaid expenses	(1,487)	(1,623)
Restricted balances		
Reserves (Note 16)	91,030	82,079
Capital fund	89,682	75,934
Equity in non-financial assets		
Land held for resale	19,019	19,630
Inventories held for consumption	10,557	9,940
Prepaid expenses	1,487	1,623
Tangible capital assets (Note 18)	1,347,511	1,262,913
	\$ 1,553,196	\$ 1,444,745

15. ACCUMULATED UNRESTRICTED SURPLUS

General Operations and Electric Utility surpluses and deficits of the prior year are transferred to the Municipal Revenue Stabilization Reserve in the current year. The 2016 General Operations accumulated surplus of \$2,127 will be transferred to the Municipal Revenue Stabilization Reserve and the 2016 Electric accumulated surplus of \$23 will be transferred to the Electric Reserve in 2017.

	2015 Balance	Appropriations & Adjustments	2016 Surplus (Deficit)	2016 Balance
City general	\$ 1,989	\$ (1,989)	\$ 2,127	\$ 2,127
Water	3,637	-	195	3,832
Wastewater	3,222	-	134	3,356
Waste Services	4,018	-	208	4,226
Electric	463	(463)	23	23
	\$ 13,329	\$ (2,452)	\$ 2,687	\$ 13,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (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.

	2016	2015
Operating		
Municipal Revenue Stabilization (Note 17)	\$ 19,786	\$ 15,953
Budget Appropriations	16,793	16,690
Insurance	3,922	3,576
Cemeteries	1,448	1,366
Urban Parks	917	1,248
Mayor Magrath Drive Beautification	108	107
	42,974	38,940
Capital		
Fleet Services	20,009	21,583
Major Capital Projects	13,012	7,829
Community Lighting	5,017	4,391
Real Estate Holdings	4,813	4,662
Acquire Off Street Parking	3,197	2,848
Transit Bus	1,070	1,252
Central Business District Land Acquisition	421	420
Community Reserve Fund	287	154
Electric	230	-
	48,056	43,139
	\$ 91,030	\$ 82,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(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, 2016 are as follows:

	2016	2015
Balance, beginning of year	\$ 15,953	\$ 11,505
Add: Electric Municipal Consent and Access Fee (MCAF)	9,915	9,594
By-law enforcement	6,027	5,815
Gas company franchise fee revenue	5,470	5,033
Recovery of internal financing	3,958	3,548
Investment and interest income (net of trust allocations)	3,250	3,655
Return on Investment (Electric)	2,103	6,424
Prior Year General Operating Surplus	1,989	3,710
Snow Removal	1,088	1,163
CentreSite distribution allocation	276	279
Other allocations from capital	68	16,239
2014 Electric Utility operating surplus	-	130
	50,097	67,095
Less:		
Budgeted Allocation to General Operations:		
Electric Municipal Consent and Access Fee (MCAF)	9,197	10,215
By-law enforcement	5,612	5,714
Allocation to General Operations	5,250	5,250
Gas company franchise fee	4,410	4,410
Return on Investment (Electric ROI)	2,133	-
Internal financing advances	2,061	361
One time allocations	1,322	1,668
Allocation for Tax Installment Payment Plan discounts	326	377
Other allocations to capital	-	22,812
Emergency Medical Services (EMS) Transition	-	335
	30,311	51,142
Balance, end of year	\$ 19,786	\$ 15,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

(in thousands of dollars)

18. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
Tangible capital assets (Schedule 3)	\$ 2,063,808	\$ 1,926,065
Accumulated amortization (Schedule 3)	(606,771)	(572,903)
Debenture debt (Note 10)	(109,526)	(90,249)
	\$ 1,347,511	\$ 1,262,913

19. GOVERNMENT TRANSFERS

	2016	2015
Operating		
Provincial	\$ 14,428	\$ 11,474
Federal	2,062	996
Capital		
Provincial	30,294	39,001
Federal	2,529	7,720
	\$ 49,313	\$ 59,191

20. EXPENSES BY OBJECT

	2016	2015
Salaries, wages and benefits	\$ 159,931	\$ 150,413
Materials, supplies and utilities	58,368	59,633
Contracted and general services	54,375	53,471
Amortization of tangible capital assets	46,323	42,475
Transfers to individuals and organizations	7,971	8,659
Debenture debt interest	2,778	2,424
Financial charges	1,175	1,236
Other ⁽¹⁾	(10,340)	(8,562)
	\$ 320,581	\$ 309,749

⁽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, 2016 (in thousands of dollars)

21. COMMITMENTS

a. Contracts

As at December 31, 2016 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)	\$ 48,904	\$ 85,675
Infrastructure		
North Regional Park	7,294	7,294
Waste Water Treatment Plant - Primary Clarifiers and Headworks	1,411	5,320
Riverstone Subdivision	1,011	9,317
Crossings Subdivision	870	22,453
Vehicles		
Transit Low Floor Buses 40'	5,547	5,547
Access A Ride Buses	1,073	1,073
Transit Low Floor Buses 30'	796	796
	\$ 66,906	\$ 137,475

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, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 (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 245,000 people and 426 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% (2015 11.39%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 15.84% (2015 15.84%) for the excess. Employees are required to make current service contributions of 10.39% to the YMPE and 14.84% for any portion of pensionable salary over the YMPE.

Total current and past service contributions by the City to the LAPP were \$12,486 (2015 \$10,922). Total current and past service contributions by the employees of the City were \$14,070 (2015 \$9,181).

At December 31, 2015 the LAPP disclosed an actuarial deficit of \$923 million (2014 \$2.45 billion); the 2016 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 6,993 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 2016 were 14.55% (2015 14.55%) of pensionable earnings for the City and 13.45% (2015 13.45%) of pensionable salaries for police officers.

Total current and past service contributions by the City to the SFPP were \$2,397 (2015 \$2,472). Total current and past service contributions by the police officers to the SFPP were \$2,535 (2015 \$2,045).

At December 31, 2015 the SFPP disclosed an actuarial deficit of \$161,642 (2014 \$190,999); the 2016 SFPP actuarial balance was not available at the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(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 2.5% (2015 2.5%) and 3.0% (2015 3.0%) respectively of pensionable earnings up to \$146 (2015 \$132).

Total current service contributions by the City to APEX in 2016 were \$512 (2015 \$465). Total current service contributions by the employees of the City were \$454 (2015 \$359).

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 \$483 (2015 \$442).

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, 2016. 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, 2016

(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	2016	2015
Mayor					
Spearman, C	1	\$ 78	\$ 47	\$ 125	\$ 121
Councillors					
Carlson, J	1	32	22	54	56
Coffman, J	1	29	22	51	51
Hyggen, B	1	34	23	57	56
Iwaskiw, L	1	33	21	54	53
Mauro, J	1	29	22	51	51
Mearns, B	1	33	23	56	52
Miyashiro, R	1	29	22	51	54
Parker, R	1	30	22	52	53
	8	249	177	426	426
City Manager	1	311	50	361	350
Designated Officers ⁽¹⁾	5	\$ 706	\$ 160	\$ 866	\$ 826

⁽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, 2016

(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, 2016 (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:

	2016 Budget
Revenue	
Approved budgeted revenue	\$ 396,788
Expenses	
Approved budgeted expenses	300,414
Less: Budget adjustments	44,893
Excess of Revenue Over Expenses	\$ 51,481

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

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by City Council.



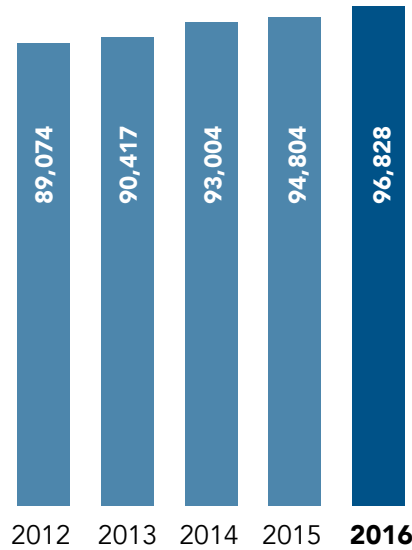
STATISTICAL INFORMATION (UNAUDITED)



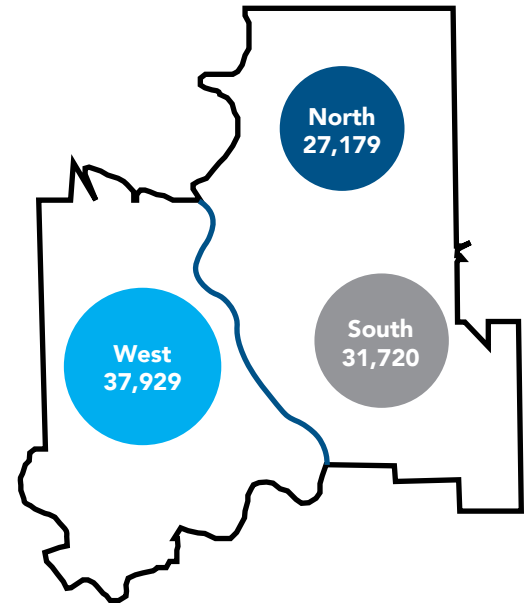
Population by Age and Sex in 2016

Age Group	Female	Male
0-14	8,016	8,367
15-24	8,646	8,155
25-44	13,041	13,638
45-64	11,389	10,789
65-74	4,211	3,733
75+	4,068	2,775
Total	49,371	47,457

Total Population



Population by Location in 2016



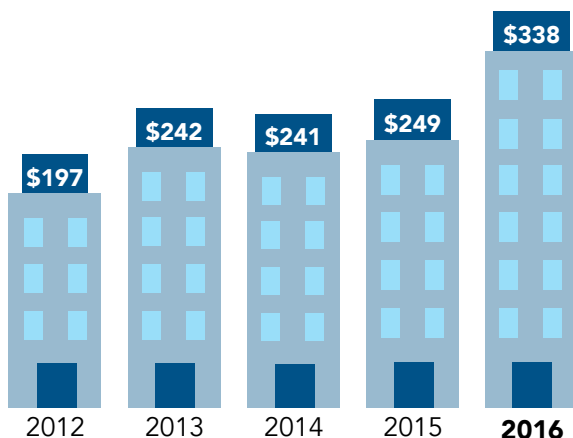
Annual Unemployment Rates

	2012	2013	2014	2015	2016
Lethbridge ⁽¹⁾	4.6%	4.3%	3.8%	5.0%	6.9%
Alberta	4.6%	4.6%	4.7%	6.0%	8.1%
Canada	7.2%	7.1%	6.9%	6.9%	7.0%

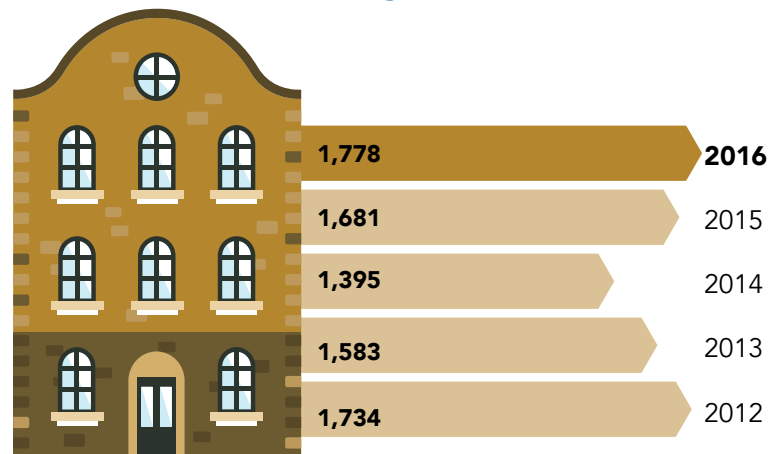
Above information obtained from Statistics Canada.

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

Building Permit Values (in millions of dollars)



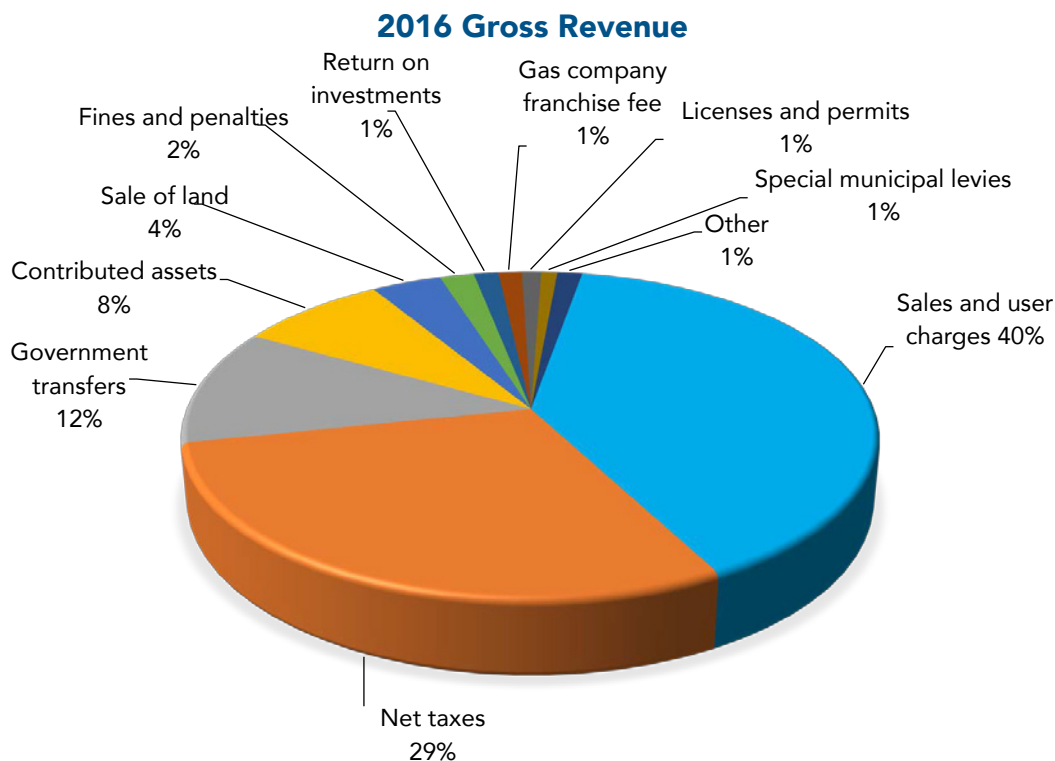
Number of Building Permits Issued



STATISTICAL INFORMATION

Five Year Summary of Consolidated Revenues For the Years Ended December 31, 2012 to 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
REVENUE					
Sales and user charges	\$ 169,330	\$ 170,543	\$ 161,717	\$ 160,032	\$ 154,746
Net taxes	126,371	119,444	112,829	103,247	97,767
Government transfers	49,313	59,191	50,945	56,795	43,398
Contributed assets	34,644	26,639	21,955	30,010	20,228
Sale of land	16,236	8,161	26,476	7,859	15,256
Fines and penalties	7,944	7,501	6,040	6,612	7,838
Return on investments	5,712	5,088	9,622	3,431	2,942
Gas company franchise fee	5,470	5,033	4,843	4,642	3,781
Licenses and permits	4,511	4,880	4,474	4,645	4,082
Special municipal levies	3,725	3,661	3,250	3,115	3,030
Other	5,776	4,925	8,313	9,243	9,111
TOTAL REVENUE	\$ 429,032	\$ 415,066	\$ 410,464	\$ 389,631	\$ 362,179



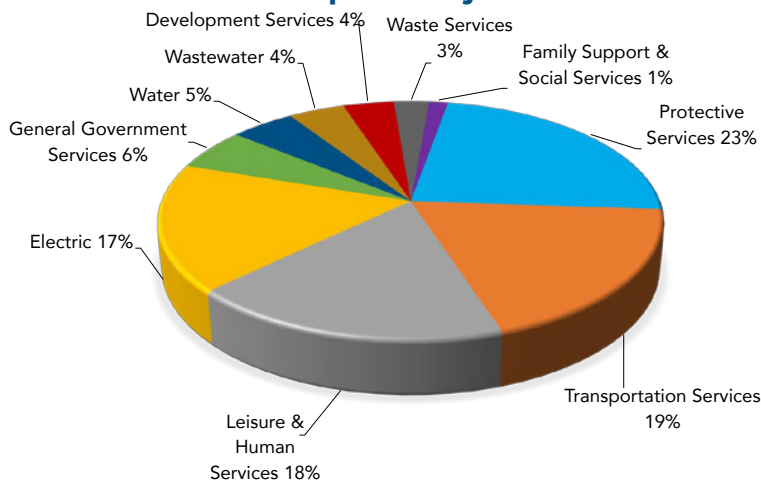
STATISTICAL INFORMATION

Five Year Summary of Consolidated Expenses For the Years Ended December 31, 2012 to 2016 (in thousands of dollars)

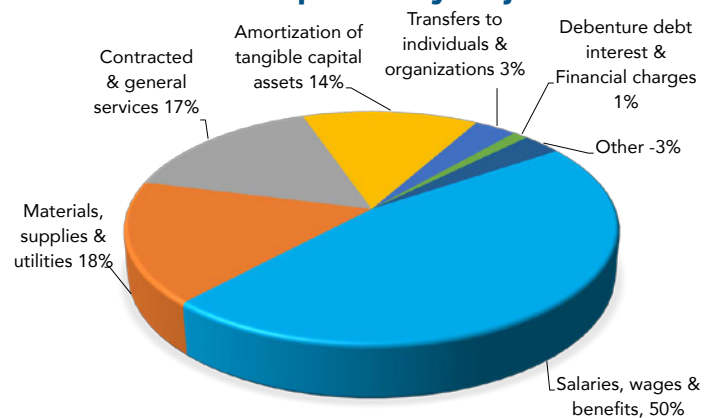
	2016	2015	2014	2013	2012
EXPENSES BY FUNCTION					
Protective Services	\$ 73,188	\$ 70,718	\$ 70,728	\$ 65,953	\$ 63,456
Infrastructure and Transportation Services	59,344	54,100	51,299	48,843	46,647
Leisure and Human Services	56,273	49,636	48,447	42,278	44,669
Electric	54,411	56,973	61,598	55,012	51,510
General Government Services	21,184	22,384	22,095	22,105	19,285
Water	15,116	15,730	16,375	15,714	13,864
Wastewater	13,232	13,554	12,390	11,688	12,533
Development Services	11,939	12,447	12,148	12,627	11,010
Waste Services	11,502	10,386	10,419	9,760	9,595
Family Support and Social Services	4,392	3,821	3,707	3,677	3,560
TOTAL EXPENSES BY FUNCTION	\$ 320,581	\$ 309,749	\$ 309,206	\$ 287,657	\$ 276,129
EXPENSES BY OBJECT					
Salaries, wages and benefits	\$ 159,931	\$ 150,413	\$ 145,855	\$ 139,084	\$ 133,929
Materials, supplies and utilities	58,368	59,633	61,482	63,614	61,745
Contracted and general services	54,375	53,471	50,325	44,984	44,858
Amortization of tangible capital assets	46,323	42,475	46,064	36,016	32,791
Transfers to individuals and organizations	7,971	8,659	9,039	8,544	5,580
Debt interest	2,778	2,424	2,540	2,688	2,645
Financial charges	1,175	1,236	1,065	1,009	996
Other ⁽¹⁾	(10,340)	(8,562)	(7,164)	(8,282)	(6,415)
TOTAL EXPENSES BY OBJECT	\$ 320,581	\$ 309,749	\$ 309,206	\$ 287,657	\$ 276,129

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

2016 Expenses by Function



2016 Expenses by Object



STATISTICAL INFORMATION

Five Year Summary of Debenture Debt For the Years Ended December 31, 2012 to 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
GENERAL					
Tax supported					
Recreation and Culture Facilities	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Self supported					
Offsites	44,310	49,054	40,459	40,322	37,633
Industrial park servicing	2,075	2,520	2,947	3,354	3,745
Local improvements	74	509	574	674	272
Lethbridge and District Exhibition	-	-	-	142	274
	58,459	52,083	43,980	44,492	41,924
UTILITIES					
Water	8,027	6,541	6,869	7,917	6,555
Wastewater	6,485	5,694	4,888	5,448	4,622
Waste Services	8,650	9,390	11,071	14,047	16,890
Electric	27,905	16,541	4,333	4,617	4,893
	51,067	38,166	27,161	32,029	32,960
TOTAL GENERAL AND UTILITIES DEBT	\$ 109,526	\$ 90,249	\$ 71,141	\$ 76,521	\$ 74,884
POPULATION	96,828	94,804	93,004	90,417	89,074
DEBENTURE DEBT PER CAPITA					
General - mill rate supported	\$ 124	\$ -	\$ -	\$ -	\$ -
General - self supported	480	549	473	492	471
Utilities	527	403	292	354	370
	\$ 1,131	\$ 952	\$ 765	\$ 846	\$ 841
DEBT LIMIT (as per Municipal Government Act)					
Total debt limit	\$ 535,924	\$ 506,631	\$ 517,250	\$ 470,909	\$ 457,669
Total debt (above)	109,526	90,249	71,141	76,521	74,884
DEBT LIMIT UNUSED	\$ 426,398	\$ 416,382	\$ 446,109	\$ 394,388	\$ 382,785
Percentage of debt limit used	20.4%	17.8%	13.8%	16.2%	16.4%
Service on debt limit	\$ 89,321	\$ 84,438	\$ 86,208	\$ 78,485	\$ 76,278
Service on debt (principal and interest payment)	15,849	13,922	10,811	12,229	11,587
SERVICE ON DEBT LIMIT UNUSED	\$ 73,472	\$ 70,516	\$ 75,397	\$ 66,256	\$ 64,691
Percentage of service on debt limit used	17.7%	16.5%	12.5%	15.6%	15.2%
Percentage of expenditures	4.9%	4.5%	3.5%	4.3%	4.2%

STATISTICAL INFORMATION

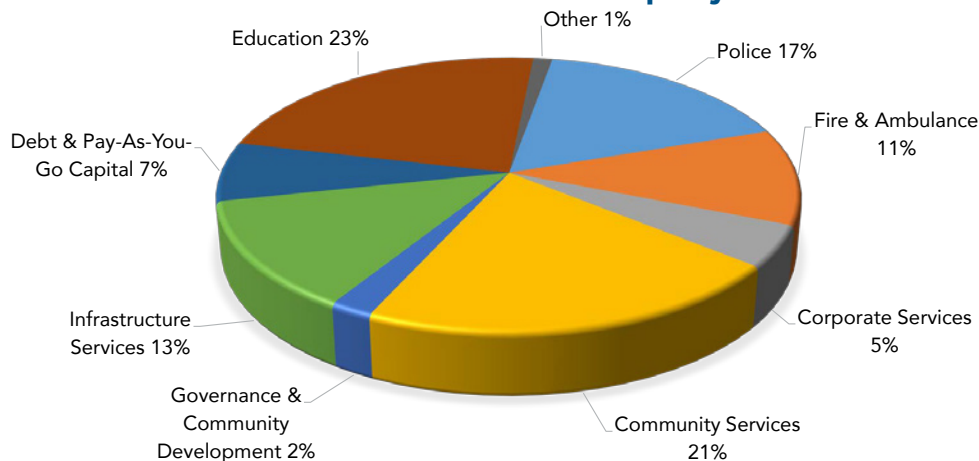
Five Year Summary of Property Tax Levy

For the Years Ended December 31, 2012 to 2016
(in thousands of dollars)

	2016	2015	2014	2013	2012
REAL PROPERTY					
Municipal	\$ 125,616	\$ 118,516	\$ 111,084	\$ 101,774	\$ 96,037
Education	32,584	31,048	30,696	31,747	30,145
Other	1,000	1,369	1,185	1,091	1,151
TOTAL REAL PROPERTY	159,200	150,933	142,965	134,612	127,333
Special Assessments	3,725	3,661	3,250	3,115	3,030
Business Taxes (BRZ)	181	165	207	176	195
TOTAL CURRENT YEAR LEVY	\$ 163,106	\$ 154,759	\$ 146,422	\$ 137,903	\$ 130,558
Current Taxes Collected	\$ 161,195	\$ 152,992	\$ 144,518	\$ 136,218	\$ 128,734
% of Current Taxes Collected	98.8%	98.9%	98.7%	98.8%	98.6%

The ten largest corporate taxpayers account for \$9,914 (6.1%) of the 2016 total property tax levy.

2016 Allocation of Residential Property Tax Dollars



Five Year Summary of Taxable Assessment

For the Years Ended December 31, 2012 to 2016
(in thousands of dollars)

	2016	2015	2014	2013	2012
Residential	\$ 9,317,539	\$ 9,039,814	\$ 8,621,730	\$ 8,357,299	\$ 8,345,452
Apartments	450,068	429,878	486,688	452,773	454,323
Commercial and Industrial	2,536,468	2,486,455	2,301,670	2,250,563	2,184,703
TOTAL TAXABLE ASSESSMENT	\$ 12,304,075	\$ 11,956,147	\$ 11,410,088	\$ 11,060,635	\$ 10,984,478

STATISTICAL INFORMATION

Five Year Summary of Acquisition of Tangible Capital Assets

For the Years Ended December 31, 2012 to 2016

(in thousands of dollars)

	2016	2015	2014	2013	2012
CAPITAL SPENDING					
Land	\$ 3,669	\$ 505	\$ 260	\$ 1,443	\$ 386
Land improvements	10,378	3,532	8,797	11,352	3,511
Buildings	46,877	2,514	18,828	34,472	37,920
Infrastructure	62,146	60,857	60,622	65,693	68,028
Equipment and furnishings	6,544	5,310	4,402	7,203	6,150
Vehicles	9,688	5,262	1,902	6,172	6,315
Change in assets under construction	(18,146)	55,318	(1,152)	(16,146)	(18,792)
TOTAL CAPITAL SPENDING	\$ 121,156	\$ 133,298	\$ 93,659	\$ 110,189	\$ 103,518

Five Year Summary of Net Financial Assets

For the Years Ended December 31, 2012 to 2016

(in thousands of dollars)

	2016	2015	2014	2013	2012
FINANCIAL ASSETS					
Excess of revenue over expenses	\$ 108,451	\$ 105,317	\$ 101,258	\$ 101,974	\$ 86,050
Change related to tangible capital assets	(103,875)	(111,246)	(68,684)	(101,738)	(87,155)
Change related to other non-financial assets	889	633	1,302	(5,035)	2,602
Increase (Decrease) in Net Financial Assets	5,465	(5,296)	33,876	(4,799)	1,497
Net Financial Assets, Beginning of Year	56,494	61,790	27,914	32,713	31,216
NET FINANCIAL ASSETS, END OF YEAR	\$ 61,959	\$ 56,494	\$ 61,790	\$ 27,914	\$ 32,713

Five Year Summary of Municipal Equity

For the Years Ended December 31, 2012 to 2016

(in thousands of dollars)

	2016	2015	2014	2013	2012
Revenue	\$ 429,032	\$ 415,066	\$ 410,464	\$ 389,631	\$ 362,179
Expenses	320,581	309,749	309,206	287,657	276,129
Excess of Revenue Over Expenses	108,451	105,317	101,258	101,974	86,050
Municipal Equity, Beginning of Year	1,444,745	1,339,428	1,238,170	1,136,196	1,050,146
MUNICIPAL EQUITY, END OF YEAR	\$ 1,553,196	\$ 1,444,745	\$ 1,339,428	\$ 1,238,170	\$ 1,136,196

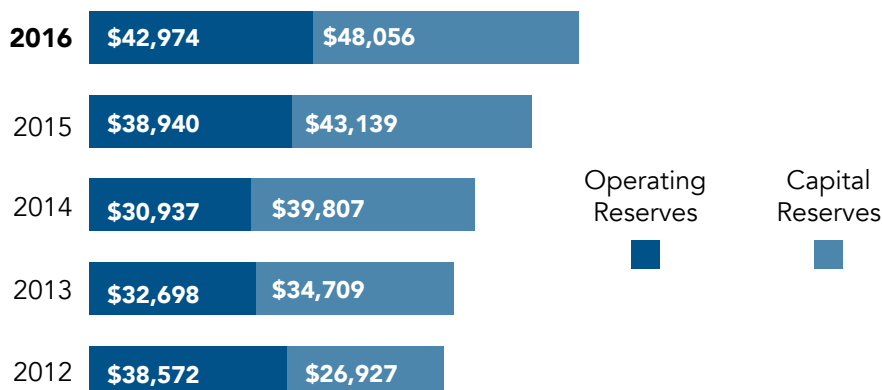
STATISTICAL INFORMATION

Five Year Summary of Reserves

For the Years Ended December 31, 2012 to 2016
(in thousands of dollars)

	2016	2015	2014	2013	2012
OPERATING					
Municipal Revenue Stabilization	\$ 19,786	\$ 15,953	\$ 11,505	\$ 13,097	\$ 15,414
Budget Appropriations	16,793	16,690	13,632	14,665	17,973
Insurance	3,922	3,576	3,288	3,073	2,884
Cemeteries	1,448	1,366	1,309	1,013	899
Urban Parks	917	1,248	1,097	744	1,296
Mayor Magrath Drive Beautification	108	107	106	106	106
	42,974	38,940	30,937	32,698	38,572
CAPITAL					
Fleet Services	\$ 20,009	\$ 21,583	\$ 21,441	\$ 19,312	\$ 14,591
Major Capital Projects	13,012	7,829	4,540	2,737	91
Community Lighting	5,017	4,391	3,937	3,296	3,090
Real Estate Holdings	4,813	4,662	4,560	4,435	4,439
Acquire Off Street Parking	3,197	2,848	2,515	2,298	1,991
Transit Bus	1,070	1,252	1,252	1,088	928
Central Business District Land Acquisition	421	420	429	431	796
Electric	230	-	-	-	-
Community Reserve Fund	287	154	1,133	1,112	1,001
	48,056	43,139	39,807	34,709	26,927
TOTAL RESERVES	\$ 91,030	\$ 82,079	\$ 70,744	\$ 67,407	\$ 65,499

CAPITAL AND OPERATING RESERVES (thousands \$)



STATISTICAL INFORMATION

Five Year Summary of Government Transfers

For the Years Ended December 31, 2012 to 2016 (in thousands of dollars)

	Provincial	Federal	Total	2015	2014	2013	2012
	2016						
UNCONDITIONAL TRANSFERS							
Payments in lieu of taxes	\$ 1,089	\$ 220	\$ 1,309	\$ 1,403	\$ 2,231	\$ 2,188	\$ 2,096
CONDITIONAL TRANSFERS							
Municipal Sustainability Initiative (MSI) ⁽¹⁾	29,103	-	29,103	35,393	17,824	11,706	17,390
Social Housing in Action (SHIA)	3,833	346	4,179	5,282	5,294	3,540	2,415
Green TRIP (Green Transit Initiatives Program)	3,911	-	3,911	-	95	1,497	593
Federal Gas Tax Fund (FGTF)	-	3,372	3,372	1,959	3,809	9,516	2,016
Family and Community Support Services (FCSS)	2,446	-	2,446	2,040	1,898	1,898	1,898
Municipal Policing Assistance Grant (MPAG)	1,517	-	1,517	1,488	1,447	1,425	1,406
Disaster Recovery	707	-	707	516	525	-	11
Community Partnership Grant (ACP)	678	-	678	605	-	-	-
9-1-1 Program	613	-	613	623	242	-	-
Building Canada Fund (BCF)	-	526	526	8,768	9,753	6,033	3,725
Lethbridge Public Library	526	-	526	516	572	519	472
Police Officers Grant	325	-	325	400	400	400	400
Canadian Cultural Spaces Fund	-	252	252	-	-	-	-
Victim/Witness Services Unit	150	-	150	150	150	150	150
Adult Literacy Program	143	-	143	124	124	122	121
Fetal Alcohol Spectrum Disorder (FASD)	132	-	132	131	121	112	107
Flood Recovery Erosion Control (FREC)	126	-	126	56	22	-	-
Alberta Sport Development Centre	120	-	120	120	120	120	120
Regional Collaboration Program	85	-	85	62	126	3	43
Canada Day/Canada 150 Celebrations	-	80	80	4	4	6	3
Alberta Historical Resources Foundation	78	-	78	17	-	17	-
Affordable Housing ⁽²⁾	71	-	71	(156)	78	2,697	17
Alberta Culture & Tourism	61	-	61	29	-	-	-
Refugee Language and Support Program	33	-	33	-	-	-	-
Summer Temporary Employment Program (STEP)	30	-	30	-	-	-	24
ALERT Program	28	-	28	35	28	26	25
Heritage Museum Program	-	15	15	15	15	30	-
Flood Readiness Program	-	-	-	700	-	-	-
Railway Rehabilitation Program	-	-	-	178	-	63	573
Enabling Accessibility	-	-	-	100	-	13	-
Alberta Municipal Infrastructure (AMIP) ⁽²⁾	-	-	-	20	8,115	16,769	11,294
Canadian Heritage Information Network (CHIN)	-	-	-	7	24	14	28
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	-
Major Community Facilities Program (MCFP)	-	-	-	-	-	-	560
Other	6	-	6	8	4	1	7
	44,722	4,591	49,313	59,191	50,945	56,795	43,398
TOTAL GOVERNMENT TRANSFERS ⁽³⁾	\$ 45,811	\$ 4,811	\$ 50,622	\$ 60,594	\$ 53,176	\$ 58,983	\$ 45,494

(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 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.



Fort Whoop-Up

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

In 2016, the Galt worked hard to give visitors a great experience and saw our operations expand to include Fort Whoop-Up.

Programs

The Galt prides itself on its wide range of educational programs for the public. The museum continued its Daytime Galt Workshop series in partnership with Alberta Health Services (AHS) Therapeutic Recreation. In 2016, another 20 sessions of hands-on creative projects and history lessons for adults and seniors were delivered, including projects for those requiring an accessible environment. The efforts of Galt and AHS staff culminated in a nomination for the Governor General's History Award for Excellence in Museums.

In 2016, the Galt welcomed thousands of school program participants and all cemetery tours were sold out. These programs allowed residents to come together for unique, innovative and exciting opportunities to share and learn about the history of southwestern Alberta.

Exhibits

In addition to reaching and connecting residents with our programs, we invited people into three major exhibits over the course of 2016.

- *We Are Here to Serve: Fire & EMS* was produced in partnership with the City of Lethbridge's very own Fire & EMS frontline team and leadership.
- The Galt's summer exhibit was *Annora Brown: Daughter of the Prairies*. This exhibit shared the story of the much-beloved artist

and community leader from Fort Macleod; the exhibit allowed us to introduce the person and her work to a whole new generation.

- The fall exhibit, *Kids Celebrate!*, was produced and circulated in partnership with the Canadian Museum of History. Our community partners on municipal, regional and federal levels made these collaborations all the richer.
- The outdoor exhibit at the Galt involved the addition of a medicine wheel on the coulee's edge. This medicine wheel/construction is a reminder of the area's history as traditional Blackfoot territory.

Fort Whoop-Up

In 2016, the Galt Museum & Archives was selected as the new operator of Fort Whoop-Up. The interpretive centre opened on June 21 and welcomed over 4,400 visitors before the end-of-season closure following the Labour Day long weekend.

The Fort Whoop-Up facility and its interpreters tell the story of the years leading up to, and the years that followed, the buffalo robe trade. The site explores the history of this region and the people here from the mid-1860s to the early 1890s. It is a complex story that includes the Niisitapi (Blackfoot), other First Nations, Métis, Canadians, Americans and British. It is a story of trade and politics, good people and notorious characters and the flow of time.

GALT MUSEUM & ARCHIVES

Special Events

It was an important year for the Friends of the Galt Society which became a Canadian Registered Charity in January 2016. This designation grants the Society the ability to raise, receive and manage funds for the purpose of making gifts to the Sir Alexander Galt Museum & Archives.

Community Engagement

The generosity of our community is reflected in the tireless enthusiasm and support of our volunteers. Collaboration in the delivery of programs creates a sense of purpose for volunteers and it offers a personal connection to fellow residents and visitors.

A vital network of community partners supported our successful programs and special events such as Eggstravaganza, the Taste of Downtown, the Best of the Best Wine [& beer] Tasting, Beer Tasting Soirée and the Night at the Museum shopping event.

All functional areas at the Galt support the engagement of volunteers throughout the community.



Eggstravaganza 2016

Sharing History

Archival images continued to bring history to life in the weekly Lethbridge Herald Flashback series. The Herald's *History This Week* column helped link between the distant past with the activities presented for visitors at the Galt in 2016. Galt historians continued to use the written word to share their expertise in columns for local publications for diverse audiences of readers that include adults, seniors and students.

Success Stories

Galt Collections made a difference in 2016 when a long-standing mystery at the Galt Museum & Archives was solved. In 1965, a tunic from the First World War was donated to the Museum but information about the soldier who wore the tunic was lost.

An audit conducted by the Galt Collections department revealed that the tunic belonged to Distinguished Conduct Medal recipient Sergeant John "Jack" Martin Shield. Jack Shield's descendants from the region were special guests of the Galt on Remembrance Day to commemorate this important discovery.



Daytime Galt Workshop

DID YOU KNOW?

- The Galt welcomed 47,055 visitors.
- 15,749 students and their parents came for educational field trips.
- 9,547 people were hosted as part of our facility rental program.
- 260 volunteers assisted the museum in delivery of community programs and events.

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' and advancing public connections. Offering print, eResources, digital content and gathering places with computers, Wi-Fi and creative programming for all ages with an emphasis on early literacy for children, adult literacy as well as physical and financial literacy. There are two branches, one in the heart of downtown (Main Branch) and the other in the growing west Lethbridge Crossings area, (The Crossings Branch). Bookmobile service brings the excitement of the Library to neighbourhoods.

Library card benefits include:

- SOLARO, an electronic tool which offers homework help and is just like having a tutor on call 24/7
- Digital content such as hoopla (for adults and children - instant streaming), Zinio and Flipster (magazines), PressReader (newspapers)
- Blockbuster DVDs and Top Reads
- Lethbridge Presents tickets/passes to community events
- Downloadable eBook and eAudiobook collections

The Library is committed to offering the best experiences - whether it's a librarian's expertise, children's story time or an attractive space in which to study, research and relax.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Revitalizing the Main Branch

Phase 1 of the Main Branch Modernization Project (MBMP) was completed. It included maximizing program and play space, increasing accessibility; designing offices and workroom spaces and installing a new circulation desk. Children enjoy the new puppet theatre and there is room for larger crowds at programs and events. A new learning/meeting space has been built close to the Children's area.

Phase 2 of MBMP began in the summer; a facelift for the south wing,



Bookmobile Depot at Crossings Branch

included removal of offices to open up the space and expose windows, new carpet and paint and the addition of stylish, public use computer chairs. This 'Borrowers Space' has an amazing panoramic view with windows spanning the entire front face of the building. It houses the Library's popular collections, making it easy for customers to quickly find their books, movies or music and to explore what's available.

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

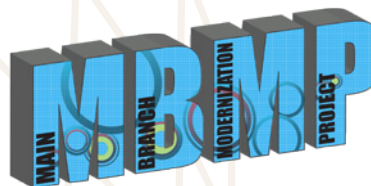
Building a Home for the Bookmobile

A Bookmobile Depot is now located next to The Crossings Branch. It provides the Bookmobile protection from extreme weather conditions, it also has workspace for staff and room for collections.

The Bookmobile was invited to numerous events throughout the year such as Neighbour Day, Family Fair at Kinsmen Park, Farmer's Markets and the new Henderson Pool. Staff hosted the *Mobile Movers* Program with Alberta Health Services to assist participants in learning to follow healthy lifestyles.



Canada



Cheers 4 Lethbridge

This initiative was launched on February 8 as a way to highlight positive contributions and people who make Lethbridge a great place to live, work and play.

The community was invited to do four things that would make a positive difference and share them at www.cheers4lethbridge.ca or post their actions in-person on one of the Cheers 4 Lethbridge press walls at City Hall or the Library.

Marketing and stakeholder engagement campaigns were implemented to help spread the word, and the Library offered large gold 4s to be lent out to community organizations and events. Phase 2 was launched in the fall and focuses on celebrating the people who make Lethbridge great. Opportunities to contribute and post celebratory stories and cheers are available via the Cheers 4 Lethbridge Facebook, Twitter and Instagram pages.



Opening Doors for Adult Learning

In November, Alberta Advanced Education announced a \$260,000 Community Adult Learning Program (CALP) grant for Read On, the Library's Adult Literacy program. CALP assists Albertans to access learning opportunities. These funds allow Read On to develop culturally relevant and innovative programs to fill identified educational gaps for First Nations, Metis, Inuit and Low German Mennonite residents.

Read On program partners include: Children's Services at the Public Library, Red Crow College, literacy advocates from outlying communities, SAAMIS (Aboriginal Employment), University of Lethbridge Educational Undergraduate Students (EUS), School District #51, Aboriginal elders, Lethbridge Family Services –Immigrant Services, the Lethbridge Health Unit, City of Lethbridge Social Services and the Mennonite Central Committee Services for Newcomers.

Supporting Active Living for Every Age

Building on last year's 'Get Out and Play' initiatives, the Library is actively involved in providing community Roving Gyms: free indoor play space around the city for parents and caregivers of preschool aged children.

This program encourages physical literacy and allows families to connect with other families. For the 55+ crowd, The Lethbridge College Be Fit for Life Centre provides classes at the Library to promote exercise and socializing.

SUCCESS STORIES

The Library was honoured for its physical literacy collection and programming with two awards in 2016. The first was the Communities ChooseWell Healthy Community award, from Alberta Recreation and Parks Association for providing health education. The second was the Chinook Arch Regional Library System READ award for "Physical Literacy in the Library," recognizing innovation and excellence in library service.

Lethbridge Public Library was also a proud nominee for the Government of Alberta's Senior Service Awards program.

Two exceptional contributions from teens were a welcome addition to The Crossings Branch in 2016. The first, a project by the Chinook High School Art Club whose painted doorway murals in the atrium brought art, creativity and colour to this area. The second, filmed by students, adds to the Library's YouTube selections and features four #AnswerDragon videos starring Huckleberry the Dragon, a puppet who guides viewers through the Library and its programs.

DID YOU KNOW?

- Over 766,000 people visited the Library (Main, Bookmobile and The Crossings Branch)
- Library items circulated over 1.42 million times
- The Library's databases were accessed 110,576 times
- As a welcoming, gathering place for children, teens and adults, the Library hosted over 7,200 programs which attracted over 70,000 people
- The www.lethlib.ca homepage was visited 568,121 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

Employee Wellness Program

The Road to Mental Readiness Program (R2MR) was fully implemented in 2016. R2MR is based on a program developed by the Department of National Defense and has been adapted for law enforcement/first responders to reduce the stigma of mental illness, increase awareness of mental health, offer resources to maintain positive mental health and increase resiliency. The program creates a supportive environment, strengthening organizational culture and contributing to a healthy workplace.

- Phase 1 – Hiring and integration of an in-service psychologist to assist LPS staff in the aftermath of a traumatic event and assist police during critical incidents was completed in 2015.
- Phase 2 – R2MR trainers identified and trained. R2MR training for all staff began and is nearing completion.

Operational Workload Analysis

Consultant Peter Bellmio was hired to undertake a comprehensive analysis of operations to ensure the most efficient and effective deployment of resources. Some of the areas examined include:

- Dispatching protocols, including call prioritization and call diversion.
- Data and records managements systems to ensure data quality.
- Evaluation of all divisions with a focus on staffing, deployment, shifting and span of control to ensure the most effective service delivery.



Personnel

- Three experienced officers were hired in the fall of 2016.
- The first part-time police officer position was approved and commences in early 2017 in the Forensic Identification Unit.
- A civilian Fingerprint Technician was hired as part of a pilot project to alleviate capacity issues.
- LPS worked in partnership with Alberta Health Services, the City of Lethbridge and other social service providers to secure funding for a temporary detox facility.
- Changes made to LPS alarm response protocols resulted in a 30 per cent reduction of false alarms, which translates to more efficient use of police time.

Crime and Disorder

- In 2016 LPS concluded investigations into multiple high-profile violent crimes including four homicides and two stranger sexual assaults. These investigations significantly taxed LPS resources but ultimately, all were concluded with charges.
- Drugs, specifically an increase in fentanyl and methamphetamine, had a devastating effect on the community including unpredictable behaviour and numerous overdose deaths. An investigation by members of the ALERT Combined Forces Special Enforcement Unit resulted in the fourth largest fentanyl seizure in the province's history.

DID YOU KNOW?

- In 2016, the Lethbridge Police Service responded to a total of 30,799 calls for service.
- Did you know you can report some crimes and lost property online? www.lethbridgepolice.ca/online-reporting
- Ever wondered if there are crimes in your neighbourhood? Check out our online Crime Map at www.lethbridgepolice.ca

COMMUNITY SERVICES

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

LETHBRIDGE FIRE & EMERGENCY SERVICES

In 1886, when the **Lethbridge Fire Department** came into being, the fire service was about little more than putting the wet stuff on the red stuff. Today, as one of the leading, longest operating, fully integrated Fire and Emergency Medical Service (EMS) departments in the province, that statement is far too simplistic. Every ambulance and every fire truck in the city 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.



Southern Alberta Disaster Exercise

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Fort McMurray Fire

On May 3, an out of control forest fire ripped into the heart of Fort McMurray forcing 90,000 residents out of their community. The City of Lethbridge played an important role in helping manage and mitigate the fallout from this unprecedented catastrophe. Working with our partners from the nine largest municipalities in Alberta, we operationalized our Emergency Coordination Center to manage urgent requests for help.

We were also integral in coordinating and placing displaced persons and participated with other city and fire inspectors to stabilize and assess the magnitude of this event.

Southern Alberta Disaster Exercise

The City of Lethbridge simulated a mass casualty disaster, involving an aircraft collision with a loaded school bus. In a collaborative effort between over 31 agencies a critical scene was stabilized and 30 patients were cared for and transported to the hospital in various states of (simulated) distress. This valuable experience tested the command structure, preparedness plans and Emergency Coordination Centre.

First Responder and Communications Mental Health Program

This program provides staff with the awareness to recognize when their mental health is compromised and ensures access to early intervention following exposure to critical incidents. The program is designed to improve mental health resilience, enhance performance in managing critical events in the future and reduce the risk of lost time due to mental illness.



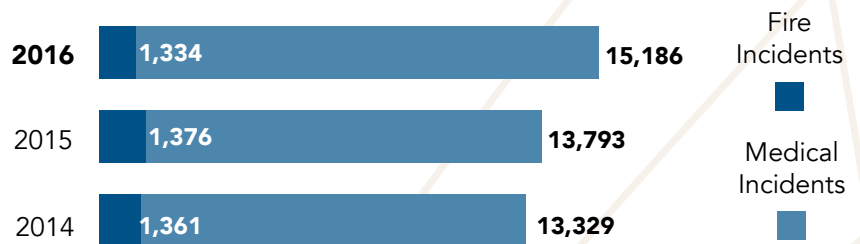
LETHBRIDGE FIRE & EMERGENCY SERVICES



Mobile Data Computers - EMS

Ambulances were provided computers with GPS connectivity to the Dispatch Centre for enhanced mapping and routing. This allows Paramedics and Dispatchers to view an identical map in real time. Technologies like this improve communications and ensure reliable responsiveness.

FIRE AND MEDICAL INCIDENTS



Just Culture Program

The Just Culture program assists with preventing errors in the fire and medical industry. First, it distinguishes between human error, at-risk behaviour and unsafe reckless behaviours and then helps to manage repetitive behaviours that may be contributing to reoccurring incidents. Training and implementation is ongoing at this time.

DID YOU KNOW?

- Technical experts within our specialty teams can manage complex hazardous material situations, perform surface and submerged water rescues, execute technical rope rescues and rescue victims from high angles and trenches.
 - 75% of Lethbridge Fire Fighters are licensed Paramedics.
- Prevention officers deliver more than 500 educational events annually and every year they inspect over 1,000 local businesses.
- Heating appliances should be cleaned and inspected annually to prevent fires and deadly carbon monoxide gas in your home.

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, a number of rural fire agencies, and their citizens. The PSCC also manages and maintains the City's radio communications network and infrastructure.



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The staff of the Public Safety Communications Centre (PSCC) often deals with traumatic and disturbing calls. The PSCC continued its work with the mental health initiatives started in 2015. Road to Mental Readiness (R2MR) training was delivered to the teams, as well as the continuation of the mental health committee, tasked with regularly checking in with PSCC call takers and dispatchers.

The PSCC staff and IT services finished outfitting the backup centre with the necessary equipment to sustain an extended absence from the primary communications centre. The work culminated in a 24 hour trial, operating out of the backup centre.

The radio staff participated in a separate project updating much of the communications infrastructure between the different radio sites around the city.

In the fall, the PSCC started providing dispatch services to Peace Officers working in Raymond, the County of Warner, Magrath, Milk River and Stirling. The service provides additional safety measures for the Peace Officers working in the south.

In November, the PSCC, rolled out a new program for the deaf and hard of hearing community titled, Text with 9-1-1. This program allows registered users who are deaf or hard of hearing to have access to 9-1-1 and emergency services through text messaging.

Finally, the PSCC continues to make progress on the technology requirements for an interface between Alberta Health Services systems and the City of Lethbridge systems.

DID YOU KNOW?

- 46,860 9-1-1 calls were received by PSCC staff
- 61% of 9-1-1 calls were received from cellular telephones
- 9-1-1 calls are answered, on average, within 5.65 seconds
- PSCC staff monitor an average of 220 emergency response units at any given time

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

Animal Welfare Committee

The Animal Welfare Committee acts as an Advisory Committee to City Council. Volunteers are monitoring feral cat populations and have successfully sterilized two feral cat colonies, under the Trap, Neuter, Release (TNR) program. In addition, the Animal Welfare Committee has distributed \$19,158 in grant funding for 2016 to assist four animal rescue organizations.

Parking Control and Enforcement

Changes to student parking at the University of Lethbridge resulted in an immediate reallocation of parking control resources to address both on-street and off-street parking concerns for residential and commercial areas near the U of L.

Pet Food Bank Program

The Pet Food Bank Program has helped over 200 residents facing short-term financial difficulties, provide for their pets in 2016. Pet food donations from the public are collected by the Animal Shelter. With demand doubling from prior years, the Animal Shelter is using social media to assist with donations and help reach those in need.

Reconfiguration of Offence Notifications

A major undertaking with the Province and other City departments to allow for laser printing of parking violation



Prairie Rattlesnake (Crotalus Viridis) in west Lethbridge. Photo credit: Ryan Heavy Head

tickets with electronic uploads to Justice Online Information Network (JOIN). Significant upgrades to current technology was required to replace outdated dot matrix printing and improve efficiencies across three City departments. This lengthy project was completed in 2016.

Taxi Rates and Regulation Review

A taxi review was conducted to compare City of Lethbridge rates and regulations with other municipalities across the province. Recommendations based on the review were supported by Council allowing for amendments to the Licensing Bylaw in 2017.

DID YOU KNOW?

- Under a Provincial Wildlife Research Permit and Collection License 25 - 50 Prairie Rattlesnakes are relocated annually.
- In 2016, 23 mobile food truck vendors were licensed to serve our community; substantial increase from 5 in 2013!
- A RiverStone coulee rattlesnake was filmed giving birth for a segment in 'A Wild Canadian Year,' airing on CBC in the fall of 2017.
- Calibration testing for every taxicab meter is performed to ensure fares do not exceed the maximum allowed rate per km.

RECREATION & CULTURE

Recreation and Culture provides opportunities that contribute to the personal well-being and quality of life for citizens of our community. 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.



ATB Centre

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Leisure Complex Naming Sponsor

In July, the City of Lethbridge and ATB Financial announced the name for the City's new leisure recreation facility as ATB Centre.

ATB Centre - Phase 1 Grand Opening

An official ribbon cutting and grand opening event took place in September with representatives from facility funders, the naming sponsor, the tenants and the public on hand. Thousands of citizens visited the facility that weekend to enjoy activities.

Phase 1 of ATB Centre features:

- Two NHL-sized arenas with accessible ice surfaces
- All gender/family washrooms
- A ten-sheet curling facility
- Food and beverage services

ATB Centre - Phase 2

Construction for Phase 2 broke ground in May and will include an aquatics centre, multi-sport field house, gymnasiums, a fitness centre and more.

Major Event Hosting

In 2016, Lethbridge hosted the Southern Alberta Summer Games, an all ages multi-sport event, that used many facilities throughout the city, including an opening ceremonies and art and cultural opportunities. As well, the City hosted the first stage of the Tour of Alberta, a professional cycling race that included a week of cycling activities leading up to, and a large community festival on the day of this internationally watched event.

Henderson Pool

On July 15 Henderson Pool opened to the public and most hot days hit capacity. A ribbon cutting and grand opening day was held July 28 with 2,000 individuals winning the opportunity to swim for free on that special day. The response from the public was overwhelmingly positive. To accommodate community requests, the pool was kept open two weeks longer than the original Labour Day closure date.

Community Capital Project Grant (CCPG)

The City approved over \$740,000 towards matching grants for eight community projects as part of the 2016 CCPG program. The total projects are valued at \$2.3 million.

DID YOU KNOW?

- Over 175 special event permits were issued.
- Six events were approved for funding from the Major Community Event Grant in the amount of \$403,000.
- Over 1,000 program registrations were approved through the Fee Assistance Program in which they utilized over 70 community organizations and programs.

Facility Services is primarily 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 to facility maintenance, project management, engineering, planning and property management.



Henderson Pool

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 two years and the database of condition information continues to be updated. In January, the department introduced a new system that provides a convenient way for customers to submit service requests to the department. The system provides immediate notification that the request has been made and provides a tracking number for future reference. The latest software module being implemented will capture the consumption of natural gas, electricity, and water for all City facilities, and will be used to estimate utility costs for future operating budgets.

Several major projects were completed and/or worked on in 2016, such as:

- Police Headquarters facility
- ATB Centre - Phase 1 (Ice Complex)
- ATB Centre - Phase 2 (Leisure Complex)
- Henderson Pool
- Multicultural Centre
- South Side Parks Depot/Recycling Centre
- Fritz Sick Centre Parking Lot

INNOVATIONS

- Completion of two new solar panels installation: one at the Nicholas Sheran Park Picnic Shelter/Washroom, and the other at the Lethbridge Sports Park Change Rooms. The solar installations will reduce the electrical energy consumption of these facilities.
- The exterior feature lighting system at City Hall was replaced and upgraded. The new system is able to provide more lighting options and eliminates the need for personnel to manually change light fixture lenses.

HELEN SCHULER NATURE CENTRE

The **Helen Schuler Nature Centre** is a natural gathering place for people who enjoy being outside. Situated on a 200 acre nature preservation area, the newly renovated and expanded Nature Centre is an opportunity to step out of the city and into some wild fun! A wide range of social and educational opportunities are offered, each with the promise that you will “discover it here!”



The Helen Schuler Nature Centre saw record breaking attendance in 2016 with 48,000 visitors.

HIGHLIGHTS:

- The Nature Centre offered more than 1,000 different programs and activities designed to get our community outside in 2016. Research indicates that spending time outside in nature returns more positive benefits to you and your family than any other recreational activity. Improved mental health, the ability to concentrate and focus, creativity, happiness, self-confidence and a reduction in stress are all benefits of going outside.
- In 2016, the Nature Centre was featured as one of the top 25 Inspiring Stories from the past 25 years of the Alberta Emerald Awards program. The Helen Schuler Nature Centre was an Emerald Award recipient in 1995, recognizing exceptional work in the field of Environmental Education.
- In 2016 more than 8,000 people (unique users) shared content from the Nature Centre’s Facebook page with friends and family. In that same timeframe, nearly 21,000 were engaged users, meaning they clicked on the content or indicated they liked what they read or saw.

- Nature Centre staff and volunteers brought fun and educational activities to more than 30 community events.

SIGNIFICANT PROJECTS:

In only the second full year of operating in the new facility, Nature Centre staff and volunteers were able to offer a unique mix of new programs and popular events thanks to the support of more than 100 different community partnerships and agencies.

Treewhispers

A collaborative international art exhibit with the local Textile Surface Design Guild, Lethbridge Ability Resource Centre, and the Nature Centre. This exhibit celebrated our connection to trees through papermaking, art, and story-telling. Months of programs and workshops resulted in hundreds of paper discs being created for a local display, hosted in the Centre’s Community Art Gallery. This local exhibit is now a part of the larger, travelling international exhibition.



Treewhispers Exhibition – Community Art Gallery

HELEN SCHULER NATURE CENTRE

Nature Play Day

This annual family festival, hosted by the Nature Centre, celebrates spending time in nature and the many fun outdoor activities available in our community. During the four hours of the event, held at Henderson Lake Park, there were 24 community partners and over 1,200 participants in 2016.

Science in Action

The Nature Centre was one of 67 participant sites in the School Malaise Trap Program, coordinated by the University of Guelph. Local insects, spiders and other invertebrates were collected over two weeks in September. Of the 90 species collected, 6 new species were discovered, and 26 species were only found in the Lethbridge river valley.



Nature Centre was Voted Top 3 Place in Lethbridge to take kids.



Volunteers - Ayla and Erin at Shoreline Clean-Up 2016

DID YOU KNOW?

The Nature Centre:

- Hosted eight unique exhibitions
- Delivered 450 school fieldtrips to more than 11,000 students
- Had a record number of participants (943) for Coulee Clean-Up event
- Bagged and removed 5,000 pieces of litter during Lethbridge Shoreline Clean-Up events
- Volunteers donated more than 7,500 hours in 2016

COMMUNITY & SOCIAL DEVELOPMENT

Community and 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)

2016 marked the 50th Anniversary of FCSS in the City of Lethbridge.

FCSS received an increase in the grant from the Provincial Government. This provided opportunities to engage in cross collaborative community initiatives; amend existing program agreements to fund additional staff, expand programs and offset inflationary costs.

- New programs included Senior Social Services at both senior centres and the Family First Program, bridging home and school, at Holy Spirit Catholic Schools.
- All FCSS funded programs must report on the impact realized by the citizens they serve. Programs consistently see an 85 per cent or higher success rate. As an example, 96 per cent of parents believe that their interactions with their children improve. 91 per cent of youth feel that they had increased interpersonal skills and 95 per cent of older adults are more able to cope with the challenges they face as they age.
- The Government of Alberta Inspiration Award recognized community development leadership in family violence through Lethbridge Elder Abuse Response Network and individual leadership in the Mat Youth Program at Boys and Girls Club.



Neighbour Day in Upper Victoria Park. Photo credit: Sophia Larney

Seniors Community Forum (SCF)

SCF, a strategic stakeholder group identifying and responding to the needs of older adults, completed a strategic plan and rebranded to "Age Friendly Lethbridge." Research is underway toward planning for the City's growing older adult population within the framework of the World Health Organization Global Age-Friendly Cities.

Beyond Your Front Door (BYFD)

BYFD supports people and community in discovering and connecting to neighbourhood life by meeting their neighbours, creating engaged, safe and inclusive places to live. This year's initiatives include:

- 12 more Little Lethbridge Libraries were installed in neighbourhoods.
- A community gardens committee was formed.
- 15 events held across various Lethbridge communities on Neighbour Day.

Coalition of Municipalities Against Racism and Discrimination (CMARD)

The role of CMARD in the municipality is to build a welcoming and inclusive city for everyone, no matter their culture, background, socio-economic status, or way of life. This year's activities include:

- A City Inclusion Policy was created in collaboration with Human Resources.
- Hosting the 4th Inclusion Conference, with the theme, Building Inclusive Neighbourhoods in a Changing World.
- An initiative known as Bonvenon: A Welcoming and Inclusive Space, was designed to support downtown businesses and organizations in creating a culture of diversity and inclusion.
- Represented United Nations Educational, Scientific and Cultural Organization (UNESCO) Canada as a delegate on the Global Steering Committee for the International Coalition of Cities Against Racism and Discrimination (ICCAR) in Nairobi, Kenya.

COMMUNITY & SOCIAL DEVELOPMENT



YWCA GirlsSpace

Reconciliation

A committee of City staff, community organizations and community members was established to start working on the Truth and Reconciliation Commission of Canada: Calls to Action creating an Implementation Plan for the City of Lethbridge.

Syrian Refugee Resettlement

In 2016, the City assisted with the resettlement of over 100 Syrian refugees to Lethbridge. Training on Arabic culture was also conducted to assist with cultural learnings for purposes of resettlement efforts.

Bringing Lethbridge Home

The Social Housing in Action (SHIA) initiative is based on the “Plan to End Homelessness in Lethbridge from 2015 and Beyond.” The Plan engages with all levels of community and government to eradicate homelessness through a continuum of services designed to ensure access for all individuals. Some significant highlights from 2016 include:

- An increase in grant funding from Service Canada’s Homeless Partnering Strategy.

- Assessing the need for additional permanent supportive housing and affordable housing in the city.
- Canadian Mental Health Association was the successful proponent for delivery of a new Pathways Clinical Housing First team.
- The Diversion Outreach Team (DOT) engaged in over 6,600 downtown intervention freeing up Lethbridge Police Service for more critical work.
- Nearly 800 homeless individuals or people impacted by poverty were served during the Project Connect events.

DID YOU KNOW?

- 18,000 citizens accessed Family and Community Support Services in 2016.
- Over 3,000 people volunteered through social policy initiatives, projects and agencies to make Lethbridge a better place.
- The Point-In-Time Homeless count revealed that since 2008 homelessness has decrease by 68% in Lethbridge.
- CSD collaborated on over 25 community engagement events.



Garden Project at River House

CEMETERY SERVICES

Cemetery Services provides essential services to those who have experienced the loss of a loved one. Cemetery Services manages and maintains four municipal cemeteries including: Archmount, Mountain View, Royal View Memorial and St. Patrick's. 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

- Cemetery Services and Electric Operations partnered on a shared operations depot/shop in west Lethbridge. This is a great example of how departments that have very little in common can work together for the greater good of the community. Both departments will increase efficiencies by reducing resources (especially time), working together and sharing space.
- In order to help to protect elm trees from European Elm Scale, Cemetery Services worked with the City's Parks department to winter prune 716 deciduous trees in Mountain View Cemetery (MVC). Of the 716 trees pruned, 302 were elm trees. The pruning of the elms in the early part of 2016 should increase the benefits of the injection treatment program applied later in the season to fight the European Elm Scale outbreak in Lethbridge.



- Cemetery Services developed an area known as the "North Road" in MVC. This area, along the north perimeter by the Hebrew Cemetery will provide approximately 128 full casket plots for the community. Over time, the new plots will generate additional revenue and extend the service life of MVC.
- In December, the Nikka Yuko Japanese Garden celebrated its inaugural opening of the Winter Lights Festival. This attraction showcased the beauty and serenity of this world class authentic Japanese Garden. It was embraced by visitors and extended the season of this summer attraction.



Nikka Yuko Japanese Garden Winter Lights Festival

DID YOU KNOW?

At the cemeteries in 2016:

- 481 interments
- 303 plots/spaces sold
- 2,725 customers served

Nikka Yuko Japanese Garden:

- 21,075 guests visited Nikka Yuko Japanese Garden, an increase of 1,571 visitors from 2015

LETHBRIDGE TRANSIT

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



SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Growth

- A new route (#37) was added to Gary Station in west Lethbridge.
- 32.5 service hours were added per week for ACCESS-A-Ride (AAR).

Safety

- Video surveillance cameras were installed on buses to help monitor accidents and incidents.

Accessibility

- Provincial funding was secured for a new system to provide audio cues for visually challenged customers, so they know when the bus will be stopping.

Operations

- Developed a bus status tracking process.
- Implemented Key Performance Indicators (KPI) dashboard to track and evaluate maintenance.

- Assigned GPS locations to all bus stops.

Customer Service

- Received the President's Award for excellence in customer service from the Rehabilitation Society of Southwestern Alberta.
- Nominated for Outstanding Travel and Transportation award from Chinook Country Tourist Association.
- ACCESS-A-Ride (AAR) web booking is now available to customers.
- Implemented an alert system "HeadsUP" for Access-A-Ride clients that provides notification about scheduled trips via phone, email or text message.

Financial Stewardship and Grant Funding

- Purchased six replacement conventional Transit buses and ten AAR buses. These buses include mechanical upgrades that save

fuel and reduce emissions and a fully automated restraint system for riders using a wheelchair.

- Secured funding through Federal Gas Tax Funding (FGTF) to construct accessible bus stops.
- Received approval from the province's GreenTRIP program and the federal Public Transportation Infrastructure Fund to support the construction of a downtown regional park 'n' ride transit terminal.

DID YOU KNOW?

- ACCESS-A-Ride (AAR) provided over 40,000 hours of service with 112,000 rides.
- AAR ridership increase by 7%.
- Transit provided over 109,000 hours of service with over 1.2 million rides.

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.



ZZ Top Concert (Jaime Vedres Photography)

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

In 2016 the ENMAX Centre presented a diverse array of events. This allowed for an expanded reach to a much broader demographic than ever before. Comments like "I have not been in this facility in years", or "I have never attended anything here before" were heard often this year, a trend that will hopefully continue into the future.

The 2016 event space ranged from the big top tent circus to high school graduations, from Broadway's Mamma Mia to televisions Theresa Caputo, and from country singer Johnny Reid to the legendary Slayer. This great variety ensured the ENMAX offered something for everyone.

It was a successful year for annual events like Professional Bull Riding (PBR), Greatness In Leadership, and the Christmas Tree Festival. The Hurricanes reached the playoffs for the first time

in a number of years which added to the ticket sales and community excitement for the team. These events not only provide programming for Lethbridge citizens, they attract people from throughout Western Canada and beyond adding to the city's tourism and increasing the economic impact.

Also in 2016, the ENMAX Centre:

- Created a small theatre configuration, with lighting, spotlights, special rigging for shows in a close and personal setting (800 - 1,200 people). This accommodates mid-range entertainment productions like dance schools and plays as well as education and business speaking opportunities.
- Added a portable, fully digital, LED video screen that provides messaging, advertises events, and visually supports shows or events. This works for both indoor and outdoor activities.

- Added new equipment to introduce a larger variety of food and beverage products at all concessions. This allows product offerings to be altered depending on the event. Popular items are still enjoyed with the introduction a variety of new options.
- Expanded the catering department significantly to service large and small groups. Catering services can now deliver on small fun events and large more sophisticated events both within and outside the venue.

DID YOU KNOW?

- Over 300,000 people attended a variety of events
- 390,000 patrons were served by ENMAX Centre staff

INFRASTRUCTURE SERVICES

Water, Wastewater & Stormwater

Lethbridge Electric Utility

Waste & Recycling Services

Parks

Transportation

Urban Construction

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

Senator Buchanan

Neighbourhood Sewer Relining

Improvements made to the sewer line will allow for reassurance and decrease sewer backup.

Utility Rehab Project

A new water line was installed on 30 Street North between 2 Avenue North and Highway 3. This project was coordinated with CP Rail as they made repairs to the railway crossing at this location. The new water line will prevent emergency shutdowns of this major entrance to the industrial park.

Sewer Manhole Inspection

The condition of the City's oldest sewer manholes was assessed. This information helps to develop a manhole rehabilitation program to repair damages.

Northeast Reservoir Expansion

The expansion of the Northeast Reservoir's water storage included the addition of a third storage cell to supplement the two existing storage cells. Construction of the third storage cell began in May and was operational in December 2016. This project improves the level of service for emergency water storage to the industrial area.

Operations

In 2016, the Water Operation staff:

- Replaced 12 air relief valves
- Flushed 2,600 hydrants
- Repaired 318 hydrants
- Winterized 1,850 hydrants
- Cleaned 55 water service lines
- Renewed 2 km of watermain
- Installed and renewed a watermain at Dave Elton Park

Maintenance

- Sewer Rodder Technicians responded to 1,986 customer service requests.
- Service Maintenance Crews completed 318 excavations including repair of infrastructure services and installation of new services.

Water Emergency Preparedness

- In 2016, the City established a Water Rationing Action Plan. This proactive plan limits water use when there are concerns regarding water supply.

Storm Water Programs

- Yellow Fish Road is a free storm drain painting program that promotes awareness about urban runoff pollution. In 2016, a total of 350 people participated, 514 stormdrains were painted and 1,789 door hangers were distributed.



Water Rationing Action Plan

DID YOU KNOW?

- Updates on water services and current projects can be found at: www.lethbridge.ca/water

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.



Chinook Substation

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Underground Cable Replacement Program

LEU and contractor crews worked diligently to replace all the underground medium and low voltage cables, surface connection equipment and transformers within targeted residential areas where infrastructure had reached end-of-life. The work has now been completed.

One thousand eight hundred fifty nine electric services were upgraded within the City of Lethbridge. These upgrades require complex coordination efforts between customers and the construction crews to ensure the work is completed safely with minimal outages.

Overhead System Replacement Program

LEU crews began work in late 2015 on replacing overhead distribution line infrastructure which has come to end-of-life. 190 out of a total of 400

structures due for replacement were completed in 2016. 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.

New Substation to Service West Lethbridge – 181S Chinook

Construction began on the Chinook substation in August of 2015. Construction began on the Transmission Line in 2016 and the project was completed in the fall of 2016. The Chinook substation and Transmission Line will provide

a point of delivery from the Alberta Interconnected Transmission System to the Lethbridge Distribution system.

The Chinook substation and Transmission Line will provide a long-term, reliable supply of electrical power to the growing areas in the north half of west Lethbridge. The substation went live on September 6, 2016.

DID YOU KNOW?

- LEU is responsible for 40,000 meters.
- The peak electricity capacity for 2016 was June 7 at 169 megawatts (MW) and December 8 at 141 MW.
- Alberta's peak electricity capacity for 2016 was on August 10 at 10,244 megawatts (MW) and December 16 at 11,458 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 & Recycling Services has been developing programs that focus efforts on waste prevention and waste diversion.



Waste and Recycling Aerial View

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- Launch of Waste Wizard, an online tool to help residents put waste in the right place. Like the “google of garbage,” Waste Wizard is a search engine that provides instructions on whether materials can be recycled, composted, or must go to the landfill. Convenient collection reminders by email or text message also mean that missing garbage day is now a thing of the past.
- The new South Side Recycling Station was opened in June, providing a better, safer and more accessible location for recycling drop-off. The new location provides solutions for litter management, improved traffic flow, barrier free access and a new Yard Waste Site component. This was the final step of centralizing recycling stations which was approved by City Council in 2012. This new location is also a joint project with Parks, co-locating the recycling station and a new Parks depot to provide efficiencies for both departments.
- With a total of three yard waste sites now spread across the city, residents are keeping more organic materials out of the landfill than ever. Overall visits to the sites along with tonnage of yard waste collected both increased around 20 per cent after the new south side location opened in 2016.
- The Special Events Waste Reduction Pilot Project was undertaken over the summer to better understand and reduce waste generated from City-managed events. For the first time ever, organics bins were provided at both Canada Day and Tour of Alberta festivals to keep compostable materials out of the landfill. Multi-waste stations with recycling ambassadors helped event guests put waste in the right place, diverting 27 per cent of waste from the landfill at the Tour of Alberta festival.
- The Alberta Coordinated Action for Recycling Enterprises (CARE) conference was held in Lethbridge February 24 to 26. The event featured approximately a dozen presentations, including tours of active and former city waste and recycling sites to a group of 143 delegates from over 25 Alberta communities.

WASTE & RECYCLING



Waste Station Volunteers

- Journey to the Centre of the Landfill took place on October 22, with over 200 guests visiting the Waste & Recycling Centre to learn about waste reduction and get up close and personal with their garbage on exciting monster truck tours of the landfill.
- Tours of the landfill were formalized into the Too Good To Waste school program, connecting directly to the Alberta education curriculum for improved learning. This resulted in almost doubling the number of students with 628 students learning about how waste is managed in Lethbridge and what they can do become part of the solution to reduce our waste.
- The City received a 10 year operating approval from Alberta Environment for operation of the Waste & Recycling Centre. Within this approval, vertical and horizontal expansion of the landfill allows for capacity to be expanded from an 8-year lifespan to a 60-year lifespan.
- On November 25, 2016, City Council approved the Residential Waste Diversion Strategy, and the implementation of a residential curbside recycling program. A pilot program involving select neighbourhoods around the city will begin in 2018 to determine the best methods for roll-out of the full service. Full implementation of the program will happen in 2019, once construction of the Materials Recovery Facility (MRF) is complete.
- A cross-departmental team is building an action plan to help the City of Lethbridge become a more environmentally responsible workplace. Through the Corporate Environmental Sustainability Initiative, one of the first focus areas will be responsible waste management. Other areas of environment health are also being addressed through this initiative such as air, biodiversity and water.

DID YOU KNOW?

- 24,534 tonnes of curbside residential waste was collected in 2016. An increase of 360 tonnes from 2015.
- 105,402 tonnes of waste was received at the landfill, down 13,518 tonnes from 2015.
- 12,894 tonnes of recyclables were received at the landfill, up 2,107 tonnes from 2015.
- 682 students participated in school tours of the landfill up from 350 in 2015.

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

SunRidge Park Drainage Repair

Repairs were performed at SunRidge Park to address problems of standing water due to poor drainage along the pathways. The project included installation of drainage tile, catch basins, sod and pathway repairs.

Pavan Park Remediation

Parks completed two projects at Pavan Park during 2016 to address damages caused by flooding in 2014.

- Rock placement along the Oldman River shoreline, to prevent future erosion when the river rises.
- Replacement of the roadway washed away during flooding in 2014. This included fence and asphalt removal, new pathway connection to existing trails, topsoil and seeding as well as stone stairs for recreational access to the water.

Henderson Park Improvements

Enhancements at Henderson Park included:

- West parking lot upgrades included re-grading, concrete curb repair, replacement of handicap accessible ramps, speed bump replacement and parking lot painting.
- Boat launch improvements included re-grading of the ramp and installation of ArmorFlex, a flexible concrete mat product commonly used for boat launches.
- Application of Phoslock (a Phosphorus binding agent) to the lake. Data acquired from sampling, showed that Phoslock was complementary to other measures to improve water quality in the lake.

Playground Replacements

Playgrounds that were replaced or upgraded in 2016 included:

- Ravine Park - this playground focuses on physical activity and consists of fitness equipment in two areas of the playground – one loop for children aged 5-12 and one loop for older children and adults. This playground was replaced through partnership between the City's Parks department and Rotary Club of Lethbridge East.
- Eminview Park and John Martin Picnic Shelter playground are now compliant with safety standards.
- Playground lights were installed at Norbridge Park, Lions Centennial Park, Kinsmen Park and Nicholas Sheran Park.

Nicholas Sheran Park Fitness Equipment

Another successful partnership with Healthy Lethbridge provided the addition of a new outdoor fitness gym to Nicholas Sheran Park. This park saw frequent use over the summer and included regular free instruction on using the equipment from certified personal trainers. This ongoing partnership continues to encourage healthy and active lifestyles in outdoor public spaces.



Ravine Park Playground

Pathway Construction

Pathway upgrades in 2016 included:

- Helen Schuler Nature Centre trail replacement, widening and overlaying the entire pathway system with new asphalt. The trail's wheelchair access was widened to two meters and lined with a small block wall for safety.
- The new Heritage Heights pathway connects existing pathways in the Heritage Heights subdivision to Elizabeth Hall Wetlands. The new pathway is approximately 1.2 km long and consists of limestone surfacing and staircases in areas of steep terrain.
- Modifications to the River Valley pathway changing the grade and surface to improve drainage and reduced the impact of future valley flooding.



Heritage Heights Pathway Staircase

Irrigation Upgrades

In 2016, Parks completed lifecycle replacement on the irrigation systems in Queens Park, Rotary Park, Trinity Park and Dalhousie Walkway. Each system was over 25 years old and suffered from multiple breaks and failures. Replacement work included removal of old components, installation of pipe, valves, sprinkler heads, and electrical wiring and upgrades to controllers for inclusion to the City's irrigation central control network.

In addition to the lifecycle replacement, the project also included a replacement irrigation system along Parkside Drive, adjacent to Henderson Golf Course. This irrigation line now provides a water source for new and existing boulevard trees in the area.

European Elm Scale

An infestation of the European Elm Scale (EES) affecting the Elm trees in the City's Urban Forest became critical in the spring. With limited options for control of this insect, a tree injection program was created using both City crews and contractors in an effort to control the infestation.

The program included an extensive treatment and monitoring program. Unfortunately, 65 Elm trees were too badly infected and damaged by the insect to be saved and were removed. Ongoing programs to watch for Elm Scale and other potentially damaging infestation will continue to be an important part of managing the Urban Forest.

DID YOU KNOW?

- Parks installed 21 counters on pathways around the city and the combined total number of uses this year was 1,585,981.
- 3,753 City owned elm trees were treated for European Elm Scale infestation.
- 400 steps in new stairways were added.
- The City has six outdoor fitness areas across Lethbridge where you can work out while watching your kids play on the playground.
- Parks has 600 km of pipe in the ground and about 42,000 sprinkler heads to irrigate parks.

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

- The functional planning study for 6 Avenue South (Scenic Drive to Mayor Magrath Drive) was approved by City Council. This planning study includes a number of immediate, short-term and long-term recommendations that will address future growth for this important east-west arterial roadway.
- A number of rectangular rapid flash beacons (RRFB's) were installed. The existing pedestrian flashing signal at the pedestrian ramp from westbound Whoop Up Drive West to northbound University Drive West was replaced. This crossing was upgraded to include new steel poles, signage, push buttons and a driver feedback speed sign to help reduce approach speeds. RRFBs were also installed on the northbound Mayor Magrath Drive to Hwy 3 on-ramp and Scenic Drive at the 5 Avenue North off ramp.
- Various three meter-wide asphalt pathways were constructed to complete missing links in the City's pathway network. These pathways can be used for both recreation and commuter purposes, while encouraging more active transportation. This project incorporated RRFB pedestrian crossings at two ramp locations to increase safety of pathway users.



Pathway connector at Lafayette Blvd W

- Design of Whoop Up Drive twining (Jerry Potts/McMaster Blvd. to 30th Street) and Metis Trail (Whoop Up Drive to Walsh Drive West) was advanced to the spring of 2017.
- Gravel road upgrade included the paving of 43 Street North and South allowed the City to re-open 43 Street, south of Fairmont Gate.
- The annual sidewalk replacement program replaced over 2,500m of sidewalks and over 165 accessibility ramps. The sidewalk program is delivered at the same time as the sidewalk grinding program that repairs various trip hazards identified by residents and through inspections.
- The annual rail program continued to maintain an aging system. New railway ties, rail ballast and hardware were upgraded in key sections of the City's owned track.



Signalized intersection at University Drive and Whoop Up Drive West

TRANSPORTATION



Anti-icing system on truck

Anti-icing Pilot Project

- The anti-icing system project applies anti-icing materials in liquid form to road surface prior to a storm in order to prevent bonding of snow and ice to road surface.
- In areas where it has been used, anti-icing has allowed snow removal crews to clear streets more quickly and thoroughly.
- Introduced for the 2016/2017 Snow and Ice Control Season.
- Pre-wet and anti-ice techniques are now being incorporated for snow removal.
- The City has introduced one tandem truck with an anti-icing system mounted in the box of the unit.

Two Ton Fast Response Truck

- A two ton fast response truck was added to the fleet for use of the newly established snow watch staff.
- This truck is equipped with a sander/pre-wet system for applying sand and salt to road surfaces, as well as front-mounted plow for removing accumulated snow.
- The snow watch staff provide 24/7 snow and ice coverage for the City of Lethbridge.

Automatic Vehicle Location (AVL)

- AVL was installed on all transportation equipment to track and monitor the equipment's activity.
- CompassTrac Automatic Vehicle Location (AVL) is used for snow and ice control.
- Shift supervisors can now create reports that show where snow and ice control has been completed, and allocate resources to priority routes requiring further attention.
- CompassTrac AVL enables supervisors and managers to effectively display snow and ice control efforts to other stakeholders during/after a snow event.

Electronic Message Boards

These message boards are used primarily on Whoop Up Drive in conjunction with the variable speed limit signs to convey information to motorists about the speed limit changes and/or other roadway conditions. These message boards are also used to communicate with public with regards to important City events such as public engagement on major City initiatives and projects. When available, they are also used in messaging at temporary traffic control locations. The message boards can be programmed remotely from a computer or a mobile device.



DID YOU KNOW?

In 2016, the Transportation department:

- Completed 7.7 km of roadway repaving
- Installed 3,000 m of new and replaced sidewalks
- Maintained over 565 km of roads to a good condition (59/100 - rated in 2015)
 - Constructed 3,100 m of new pathways
- Maintained:
 - 708 km of sidewalks
 - 51 km of pathways along roadways
 - 212 km of back lanes
 - 136 traffic signals, 29 pedestrian actuated signals and 13 rail signals
 - 12,275 street lights

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.



Legacy Ridge



BlackWolf

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Development continues through the city with new residential phases this year in BlackWolf, Legacy Ridge, Coulee Creek, Gold Canyon, The Crossings, Copperwood, RiverStone and WaterMark. Through these new phases a total of 100 hectares was developed bringing 390 newly serviced lots to the home building industry. A total of \$8,400,000 was collected for the offsite levy and a total of \$330,000 was collected in Urban Construction Fees.

Southeast Area Structure Plan

Members from Urban Construction worked with the Planning department to complete the Southeast Area Structure Plan. This plan will provide direction for development in the south east corner of the City to the city limits. This plan includes land that will be developed over the next 50 - 100 years. Work also began on the first outline plan in the area.

Legacy Park

The City's Parks department seconded an Urban Construction employee to assist with construction management services on behalf of the Parks department to build the newest and largest park in the city. The 73 acre park began construction in March of 2016 with the site servicing contract valued at \$1.7 million which was delivered on time and under budget. The landscaping contract was initiated in August of 2016 with a contract budget of \$8.5 million and is scheduled for completion in November 2017. The two other major components being built within the park this year are a skate park plaza and a Parks operations depot building, each with a contract budget of \$900,000.

Whoop Up Drive and Metis Trail Advancement

On July 11, 2016, City Council requested the City to explore options to advance the twinning of Whoop Up Drive (from McMaster Blvd to Mauretania Road) and to advance the construction of two lanes on Metis Trail between Walsh Drive and Whoop Up Drive. An analysis was completed and a mechanism was proposed to allow these two projects to be advanced to 2017 without a negative impact on the Offsite Levy. Based on the completed analysis, City Council approved the advancement of both projects on August 22, 2016.

Annual Standards Update

Meeting with internal stakeholders and the development industry, Urban Construction is updating the City of Lethbridge design standards and construction specifications. This is intended to address changing requirements and remove outdated or contradictory information in order to help build better communities.

PLANNING & DEVELOPMENT

Planning & Development
Heart of Our City

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

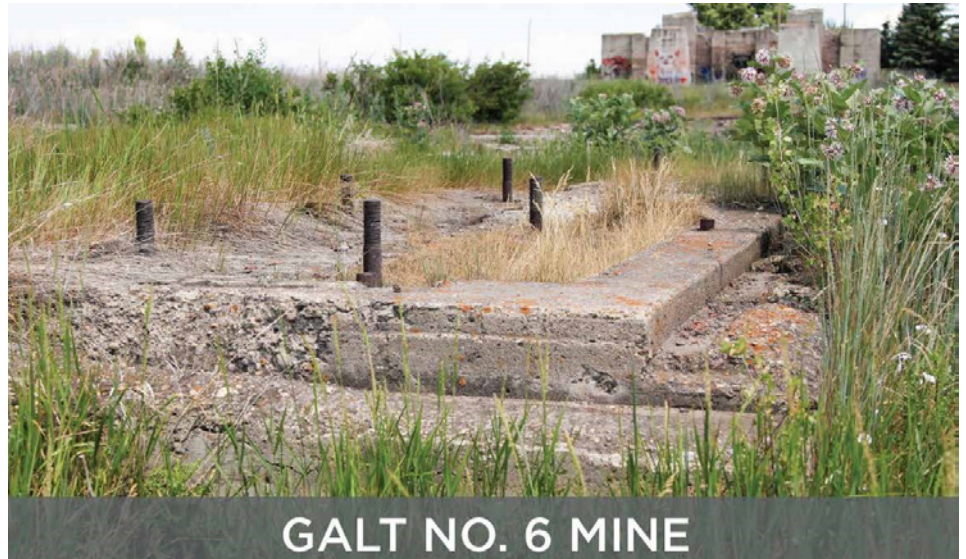
Area Structure Plans (ASPs) propose a sequence of development for an area, the future land uses, the density of population and the general location of transportation and public utilities. ASPs that were completed and adopted by City Council in 2016 are:

- The Royal View ASP which completes north Lethbridge to the existing City boundary.
- The South East ASP which completes south Lethbridge to the existing City boundary.

Heritage Planning

Heritage Planning has become an increasingly important component of community planning. There has been an increase in interest and value placed on the preservation and conservation of historic resources – our community's past.

Six heritage buildings that were municipally designated in 2016 include: Southminster United Church, Galt No. 6 Mine Site, Burns Block, and three residential buildings. The Galt No. 6 site represents only the second cultural landscape designation in the City, and will be an important component of an unique interpretive park in the Lethbridge.



GALT NO. 6 MINE

Regional Planning Intermunicipal Development Plan (IDP)

In 2016, City of Lethbridge and Lethbridge County adopted a new IDP after three years of extensive data gathering, policy development and discussion on growth opportunities for both municipalities. The completion of the IDP established a framework for growth and development within the IDP area moving forward as well as created additional opportunities to collaborate in the future.

South Saskatchewan Regional Plan (SSRP)

The SSRP is new provincial legislation, that outlines environmental, economic and social outcomes for our watershed region. The City, along with all other municipalities in the region, are required to be in compliance with the SSRP by August, 2019. The City's has created a

Compliance Initiative 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.

PLANNING & DEVELOPMENT



As part of the Environmental and Historic Resources Strategy, the Traditional Knowledge and Use Assessment helps to understand Indigenous culture and heritage in Lethbridge.

So far, the SSRP Compliance Initiative has offered the City an opportunity to start exciting new conversations, including:

- The future of urban development and density with the help of virtual reality visualization;
- Indigenous knowledge and traditional land use through a collaborative project with the Blackfoot Confederacy; and
- Residents' environmental values and motivators around air and water quality, biodiversity and native plants.

In 2017, the Efficient Land Use Strategy and the Environmental and Historic Resources Strategy will conclude, and the next two strategies will begin with the selection of project teams and community stakeholder groups.

100K+ Conversations

Lethbridge is nearing a population of 100,000 which offers a unique moment to reflect on how Lethbridge grows, protects the environment, celebrates our past and plans for our future. Originally, the initiative's purpose was to bring high level policy discussions related to the South Saskatchewan Regional Plan Compliance Initiative (SSRP-CI) down to a level that the average resident could relate. This was designed to open up thoughtful and useful conversations that would help to understand the growing needs to our diverse community. The initiative has since grown to become the overarching public engagement tool for the City of Lethbridge, pulling together conversations from inter-departmental projects, plans, facility openings, etc. All conversations will be captured and used to inform the update

of our City's master plan, the Integrated Community Sustainability Plan/Municipal Development Plan in 2019. Since its launch at the 2016 Home and Garden Show, the 100K+ Conversations Initiative has resulted in over 30,000 conversations within the Lethbridge community.

DID YOU KNOW?

- The City of Lethbridge has 21 Municipally Designated Historic Sites and 14 Provincially Designated Historic Sites.

PLANNING & DEVELOPMENT

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 Housing Incentive Program

This program creates new housing units in downtown Lethbridge. During 2016:

- Two units were completed and occupied.
- 15 units are near completion with several project in the planning stages.

Heart of Our City Activity Grant

This grant program provides funds to assist Lethbridge organizations to host events that create an exciting and vibrant downtown. During 2016:

- 21 organizations were assisted in hosting a wide variety of events.
- Events were held over 132 days.
- Over 51,000 people attended.

Heart of Our City Service Agreements

First Friday Initiative

The First Friday Initiative is intended to strengthen and increase the use of the downtown by attracting larger and more diverse groups of people. Taking place on the first Friday of each month, events include a variety of business promotions and entertainment programs such as, University of Lethbridge's Lunch and Listen music series that takes place at Casa.

Municipal Main Street Program

This program supports the restoration of building façades and the creation of new commercial signage in the



downtown using a business matching fund model. The Lethbridge Main Street Program also continues to work closely with the volunteer Save Chinatown group on fundraising efforts towards complete building restoration.

Clean Sweep Program

The Clean Sweep Program is a holistic approach to maintaining a clean, welcoming and safe downtown. It also provides an entry level work experience opportunity for people in our community who have complex needs. This year, the Clean Sweep Program was very successful by removing litter, snow, ice, graffiti and cleaning sidewalks and the public restroom in the downtown.

Summer and Winter Ambassador Programs

The Summer Ambassador Program, employs ambassadors to fulfill a variety of duties such as weed removal, parking meter plugging and sidewalk and lane cleaning all resulting in a more welcoming downtown.

The Winter Ambassador Program also hires ambassadors to plug parking meters during the weeks leading up to Christmas. The program is very well received by downtown business and shoppers alike.

Round Street Gateway Project

The Round Street Gateway Project has enhanced the identity of downtown at 6 Avenue and 5 Street South while improving pedestrian and vehicular traffic, particularly for visitors.

Public Restroom Project

A new self-cleaning public restroom in downtown Lethbridge is now open to address a pressing need and make downtown a more welcoming place for all who visit the area.



U of L Lunch and Listen Music Series

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

Crossings Development

The residential area, combined with the ATB Centre, the existing high schools and public library as well as the adjacent major commercial development at Crossings, are all components in the fulfillment of the concept of a core service area for west Lethbridge, first envisioned more than 45 years ago.

2016 saw the opening of Phase 1 of the new commercial development featuring: Loblaw's No Frills and gas bar, Liquor Depot, Tim Horton's, Boston Pizza, Rexall Drugs, Original Joe's, Subway and Freshii.

The Crossings residential development was conceived to create the opportunity for diversity in home design. The lot draw for Phase 3 was held and all lots were sold.

The addition of retail, office and residential will strengthen the appeal and attraction not only for current Lethbridge and area residents and visitors but for those looking for a unique living experience in Lethbridge as well. A place that brings together vibrant urban living and suburban neighbourhood charm.

Watermark (formerly Waterbridge)

Watermark is located at the intersection of Metis Trail and Chinook Trail in southwest Lethbridge. It is a master-planned community that will contain two new neighbourhoods, east and west of Metis Trail, encompassing 263 hectares (649

acres), and will, at full build-out, accommodate approximately 8,800 people. The size of Watermark will allow for a variety of low and higher density housing choices and opportunities to incorporate local commercial, recreational and institutional uses.

Phase 1 will feature the new middle school for Lethbridge School District

#51 scheduled to open September 2018. The design work for the park surrounding the school was completed in 2016 and construction will take place in 2017 and 2018. The park will feature soccer and baseball fields, a basketball court, mini skateboard park, BMX pump track, rock climbing boulders and outdoor fitness equipment.



ECONOMIC DEVELOPMENT

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

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

Lethbridge Destination Management Plan

City Council approved the Lethbridge Destination Management Plan to guide the development, management and marketing of Lethbridge's tourism industry over the next 10 years. The Plan is the outcome of a 13-month long planning process led by the Tourism Strategy Committee. It provides the framework in which tourism industry partners can work collaboratively towards achieving a shared future for tourism.

Destination Management Planning enables a destination to identify its target markets and competitive advantages. Through this process, the Plan recognizes that the size and location of Lethbridge creates a unique opportunity to focus on two primary travel motivators: sport tourism and business event hosting. The city is also blessed with a rich array of arts, culture, heritage, Indigenous and natural assets which provide opportunity to grow the leisure travel sector and extend the stay of visitors.

The benefits of tourism go beyond just the economic impact of having people visit our city. It also helps increase community pride, preserves natural and cultural resources and creates employment opportunities.



Our Lethbridge Place Brand Survey

As part of the Intelligent Community initiative, Economic Development Lethbridge conducted the "Our Lethbridge" place-brand survey to gain insight into the perceived strengths, weaknesses and opportunities related to place characteristics, place attachment and the experience of living in this community.

This research was designed as a first step in identifying and articulating the brand attributes of Lethbridge. Community perceptions suggest:

- We value being a welcoming community and we are most welcoming to families with young children
- We have strong education systems, particularly post-secondary
- We identify our community aesthetics as a strength

This study also suggests a higher than average sense of attachment to Lethbridge when considered against 26 cities (ranging in size, geography, demographics and economies) throughout the United States. It is interesting to note that attachment generally grows the longer a resident stays in the community. In other words, the more people get to know Lethbridge, the more they love it.

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.

SIGNIFICANT PROJECTS & KEY HIGHLIGHTS

The Communications staff continued to support program and service messaging including power outages, watermain breaks, road closures, playground and pathway upgrades, service changes and holiday closures to name a few. Instagram was added to our social media toolkit and sharing the beauty and uniqueness of the community has been very well received by residents.

Throughout 2016 there was a continued focus on the development of proactive program messaging. This included assisting in the development of content and materials for:

- ATB Centre - Phase 1 Grand Opening and community updates
- Henderson Pool Reopening
- Multicultural Centre Grand Opening
- Tour of Alberta
- Sherring Industrial Park Expansion Announcement (Cavendish Farms)
- City of Lethbridge Property Taxes Video
- Street sweeping and snow removal

Corporate Communications provided regular support to City Council throughout 2016 by coordinating media relations and social media as well as regularly updating website content with highlight packages of newsworthy items from City Council meetings. Specific communications support was also provided to the Citizen Assembly initiative, which examined whether Lethbridge City Councillors should continue to serve part-time or fulfill their role on a full-time basis.



Heritage Heights pathway staircase was the highest viewed Facebook post in 2016

DID YOU KNOW?

- Total page views on www.lethbridge.ca in 2016 = 3.1 million
- 17,500 Twitter followers (an increase of 9% over 2015)
- Top Tweet was about the Cavendish Farms Announcement, which reached over 35,300 people
- Top Facebook Post was about the new stairs and pathways connecting Heritage Heights to the Elizabeth Hall Wetlands, which reached over 36,000 people
- 358 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.



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