



2008 ANNUAL REPORT DECEMBER 31, 2008



City of Lethbridge
ALBERTA, CANADA

VISION

TO BE A HEALTHY, ATTRACTIVE AND
ECONOMICALLY VIABLE CITY



MISSION

TO SERVE OUR RESIDENTS AND
GUESTS, TO PROVIDE LEADERSHIP
AND TO ASSIST THE COMMUNITY IN
ACHIEVING THE VISION

The City of Lethbridge Acknowledges:

City Staff
for their contributions
to this report

This Annual Report has been prepared
and compiled by the
City of Lethbridge
Financial Services Department.

<http://www.lethbridge.ca>

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CITY OF LETHBRIDGE

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December 31, 2008

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Mayor's Message

In its first full year of the current term, members of Lethbridge City Council continued to emphasize the sustainable development of our community. Council and the citizens of Lethbridge had many reasons and occasions to celebrate in 2008, although the City faced a few unusual challenges.

The opening of the Rotary Centennial Water Feature is clearly one of the good news stories of the year. The final result, an imaginative water feature in Galt Gardens, has been embraced enthusiastically by the community. The partnership of Lethbridge Rotary Clubs, the City of Lethbridge, and the Province of Alberta on this project will stand as a measure of what can be accomplished when we work together.



MLA Greg Weadick and the honorable Cindy Ady, Minister of Alberta Tourism, Parks & Recreation, run through the new fountain.



City staff responsible for care and maintenance of Galt Gardens participate as flag bearers during Official opening.



Former MLA Clint Dunford, Mayor Tarleck, and Rotarian Darrell Alexander, run through the new fountain.

For many, the adoption of a Universal Pass System by graduate students at the University of Lethbridge was a hopeful sign for the future. Signing on to UPASS means that graduate students at the University of Lethbridge automatically receive a transit pass when they pay their tuition fees. This is the first step in a plan to extend UPASS to include all students at the U of L and eventually, those at the Lethbridge College as well.



Graduate students at the University of Lethbridge can now take advantage of a transit pass that is automatically included in their tuition fees.

The Communities in Bloom National Festival provided Lethbridge with an opportunity to host participating communities from throughout Canada, as well as observing communities from the United States, Europe, and Asia. Thanks in large part to the hard work of the organizing committee and the special efforts of city gardeners, visitors saw Lethbridge in its most beautiful light. But the focus wasn't restricted to flowers and shrubs. The Communities in Bloom initiative also explores environmental issues and the use of community beautification projects to build community pride and to reduce crime.

Mayor's Message (continued)

2008 saw a number of important steps in the campaign to end homelessness in our community. The City forged a partnership with Lethbridge Housing Authority to purchase the Castle Apartments so that it might protect tenants from either dramatic rent increases or conversion of their units into condominiums. It approved two new aboriginal housing projects, one for working urban aboriginals, the other for at-risk aboriginal women and their children. Council also approved the creation of an innovation zones approach to showcase alternative concepts in affordable housing. Council took action on secondary suites to expand the role of this sector in bringing a greater number of safe, affordable housing units into the rental market quickly. Several of Council's housing recommendations to the federal government were reflected in the federal budget released in January, 2009. And finally, the City urged the federal government to consider targeted amendments to the Taxation Act to spur increased charitable participation in the affordable housing sector.



Alderman Shaun Ward, Mayor Tarleck and Dr. Gary Bowie, Chair Social Housing in Action Committee stand in front of newly acquired Castle Apartments.

A key component of the City's financial position is the three-year Operating and Capital Budget, approved by Council on November 24th, 2008. This budget reflects an average annual change in the municipal tax bill of 4.85% between 2009 and 2011. The average annual change in combined tax and utility bills is estimated to be 3.90% for each of the next three years.



Citizens take time to participate in the circulation study

Road building also took much of Council's time during 2008. Over the next few years, the City of Lethbridge will undertake an ambitious road-building schedule to meet the transportation needs of a growing community. The City plans to spend \$45 million on road projects over the next three years. Three of the largest projects are:

- 28th Street North, \$11 million;
- Highway 5, south of 40th Avenue South, \$10 million;
- Scenic Drive North, including a cycling path, \$20 million.



Weather is never far from mind in southern Alberta and 2008 was no exception, with some of our biggest challenges coming from storm situations. Canada Day programming was interrupted by one of the most ferocious rain storms in recent history. The City's Emergency Response Plan kicked in even before the storm abated. The three-stage plan focused first on ensuring immediate public safety; second, assisting home owners in obtaining provincial disaster assistance; and third, undertaking a comprehensive review of the performance of our storm water system to determine where we need to make improvements. We recognize that major improvements to storm water infrastructure will require significant investment over several years.

Mayor's Message (continued)

In December, weather took centre stage again when an unrelenting snow storm struck Lethbridge. Uncharacteristically for our region, the snow never slackened and the chinook failed to appear. This led to the most wide-ranging snow removal program in the history of Lethbridge, with City crews and private contractors working twelve-hour shifts, twenty-four hours a day.



However, the most difficult aspect of 2008 relates to the City's financial exposure as a result of its investment in Asset-Backed Commercial Paper. Throughout 2008, City staff focused on protecting our \$31 million ABCP investment. As a consequence of the freezing of ABCP assets, on December 8, 2008, City Council took an accounting write-down of \$5.7 million and transferred \$5.7 million from the Municipal Revenue Stabilization Reserve to fund this write-down. This action does not mean that the City expects to be out-of-pocket for the entire \$5.7 million. It is our expectation that the City of Lethbridge will recover most of this \$5.7 million.

Notwithstanding the City's challenge in dealing with the uncertainties associated with our ABCP investments, I am pleased to advise you that your City is in a very strong financial position. The City continues to follow a Pay-As-You-Go approach and continues to enjoy its status as one of the few Canadian cities without any tax-supported debt. This situation has allowed us to reduce our reliance on external debt to fund capital projects. The City continues to use operating and capital reserves to meet spending priorities. This is particularly advantageous to our citizens during unexpected fluctuations in revenue streams, as it allows us to avoid riding a fiscal roller-coaster.

Yes, the municipal activities of 2008 are worth remembering. Of course we'll remember the challenges but, in the long-term, I think we'll remember the partnerships, the achievements and how we worked together to overcome each and every obstacle. I hope you enjoy reading about 2008 in the pages to follow.

Yours truly,

Handwritten signature of Robert D. Tarleck in cursive.

Robert D. (Bob) Tarleck, M.A., M.Ed., Ako'Tasi
Mayor

City Council 2007–2010



Back: Alderman Ryan Parker, Alderman Ken Tratch, Alderman Jeff Carlson, Alderman Rajko Dodic
Front: Alderman Tom Wickersham, Alderman Margaret Simmons, Mayor Bob Tarleck, Alderman Barbara Lacey, Alderman Shaun Ward

In order to set direction for the new Council, the Mayor and Aldermen brought information about community priorities from the 2007 election campaign into their Council visioning session.

The visioning session provided a process that put all the community issues and opportunities on the table, and provided a method for setting priorities among them. With this information in hand, Council then asked residents who participated in a Community visioning session to describe their ideal future for the city. This process resulted in a prioritized and measurable list of goals and action items for Council's 2007–2010 term of office.

A document entitled "**Towards A Sustainable Future**" was made available to the public in January 2008.

CITY COUNCIL'S PRIORITIES 2007–2010

Affordable Housing –

To increase the supply of affordable housing units in Lethbridge within three years, in collaboration with other orders of government, Social Housing in Action (SHIA) and other community partners.

Environmental Policy and Plan –

To contain or reduce the community's total impact on the environment.

Financial Stewardship –

To approve a three-year budget that demonstrates fiscal constraint, recognizing the impact on levels of service.

Communications Strategy and Plan –

Effective and regular two-way communication between City Council and the community.

Enhanced level of community engagement.

Advocacy on Behalf of the Community –

Increased, permanent operating fund transfers from provincial and federal government sources.

Continued support from other orders of government for programs and services provided within the city region (military, housing, air services, businesses, non-governmental organizations, etc.).

Greater influence on shaping regulations that affect the city.

Strategy for E-Business –

Greater public access to services and information through appropriate technology.

Infrastructure and the capacity for e-business are in place.

Selected stand-alone business transactions are in place.

Downtown Revitalization –

The downtown will strive to enhance quality of life for all Lethbridge citizens. The city's vibrancy is rooted in its diverse population and accordingly it will strive to be an open, safe, affordable, accessible and welcoming place to people of all walks of life. This social diversity will be embraced and celebrated through urban design, architecture, and the day-to-day function and role of Downtown Lethbridge.

Inter-municipal Planning –

Agreement on orderly development on the perimeter of the city that is mutually beneficial to neighbouring municipalities.

Growth Management Strategy –

Community agreement on the orderly, sustainable development of the community up to the perimeter.

Approved Municipal Development Plan that includes a sustainability plan.

City Organization



Legislative and Administrative ORGANIZATION CHART

CITIZENS

CITY COUNCIL

Mayor Bob Tarleck

Alderman Ryan Parker
Alderman Barbara Lacey
Alderman Rajko Dodic
Alderman Shaun Ward

Alderman Ken Tratch
Alderman Jeff Carlson
Alderman Tom Wickersham
Alderman Margaret Simmons

Police Commission
Lethbridge Public Library Board
Museum Board
Other Commissions, Authorities,
Boards

CITY MANAGER
Garth Sherwin

City Clerk
Dianne Nemeth

City Solicitor
Doug Hudson

Communications
Elijah Farrell

Land Development/
Real Estate
Michael Kelly

Economic
Development
Lorna Kurio

Corporate Services
Corey Wight

Community Services
Kathy Hopkins

Infrastructure Services
Doug Hawkins

Planning & Development
Bary Beck

Treasury
Financial Reporting & Budget
Long-term Financial Planning
Purchasing & Stores
Payroll
Taxation
Assessment
Fleet Management
Information Technology
Spatial Data Services
Records Management / F.O.I.P
Human Resources
Business Analysis
Risk Management/Insurance

Transit
Nature Centre
Leisure Services
Family & Community Development
ENMAX Centre
Fire/EMS Services
Cemeteries
Facility Services
Social Housing
Regulatory Services
Environmental Services

Transportation Planning
Public Operations
Water Treatment Plant
Wastewater Treatment Plant
Utilities (Water, Wastewater,
Electric Distribution, Sanitation,
Landfill, Recycling)
Storm Sewer
Fleet Maintenance
Urban Construction
Asset Management
Open Space & Parkland

Council Initiatives
Leadership Team Initiatives
Strategic Planning
Business Planning
Development Services
Building Inspection
Planning

1. THE CITY OF LETHBRIDGE AS A "SYSTEM"

A system is defined as a set of related entities that receives INPUTS, adds value to them through CORE PROCESSES to achieve a defined purpose (desired OUTCOMES) for its customers.

2. CUSTOMER FOCUSED SERVICES

The purpose of the corporation is to serve and assist the citizens of Lethbridge in achieving the vision. Every action must centre on meeting customer needs.

A Citizen Satisfaction Survey was conducted in the Summer of 2008 which was used to assist in the development of the 2009-2011 Operating Budget discussions.

3. RESULTS ORIENTATION

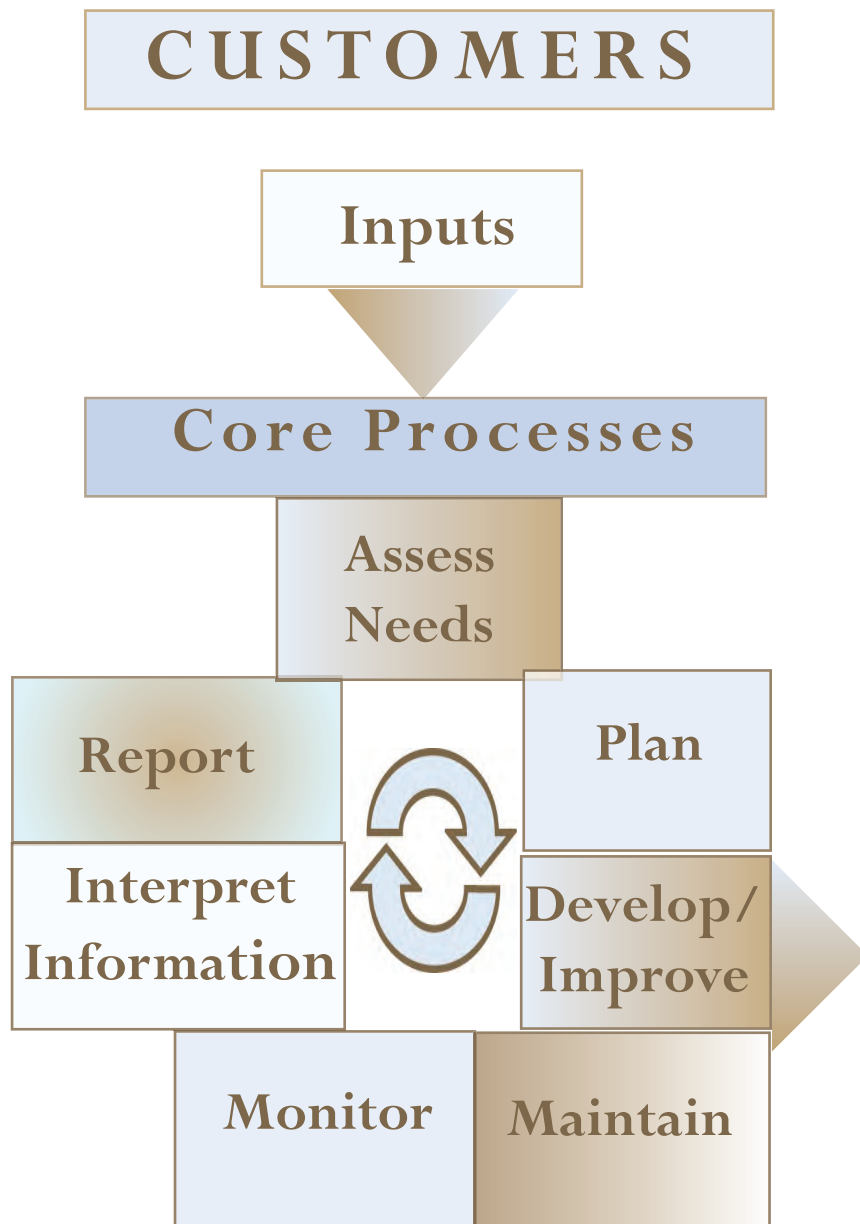
Improved performance is a continuous process based on meaningful, results oriented performance measures.

On January 7, 2008 Council approved the following document: "**Towards A Sustainable Future**" as Council's commitment to working toward a future community that truly expresses the vision and values of the citizens. This document strengthens the ability to govern, provide leadership that inspires City staff in delivering services to the community, and to provide citizens with opportunities to contribute and participate. In addition, "**Towards A Sustainable Future**" outlines Council's priorities to be achieved over the next three years.

Business Units completed business plans with performance measures to ensure the alignment of services in support of the corporate goals and objectives. The inclusion of performance measures further strengthened the linkage between planning, monitoring, reporting and evaluating.

4. SUPPORT

City employees are creative, innovative and skilled. Their involvement in corporate decision making is key in making improvements to the processes that serve the community. The Corporation is committed to creating an environment which fosters involvement of all employees in shaping new skills, capabilities and relationships.



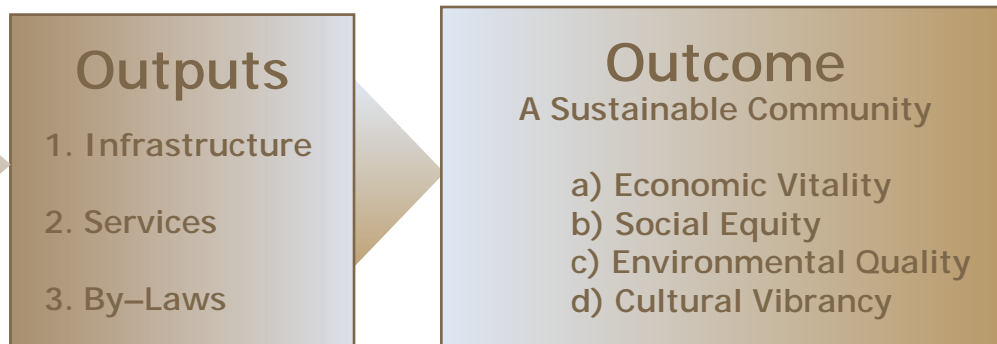
City Manager's Message

On behalf of the Administration of the City of Lethbridge, I am pleased to present the 2008 Annual Report which highlights major civic events and accomplishments from last year. The successes featured in this report are a tribute to the vision of City Council, the co-operation of our community partners, and the tireless work and dedication of over 1,400 employees delivering quality services to our citizens.

2008 was a year full of change, especially in the global financial system. Building on our prior years' successes and a solid foundation, we recognized the need to move forward with innovative approaches to the challenges and opportunities of delivering services in this time of global economic downturn. Over the past couple of years planning documents were developed which are serving as a springboard for the City's investment in recreation, arts and cultural facilities, as well as roads, underground infrastructure, and parks and trails. The Provincial and Federal Governments have positively responded to the infrastructure needs of municipalities. The much needed funding has not only assisted municipalities in addressing our infrastructure deficits, but, moving forward, will also serve as an economic stimulus for our community.

During 2008, much was accomplished on the West Lethbridge Centre high school and library complex which will soon become the hub of a new community, called "The Crossings". The City of Lethbridge and the University of Lethbridge are partnering on another community project - - the construction of a community stadium which is expected to be open in the fall of 2009. Design and planning phases were completed for a number of significant capital projects including the new downtown Fire Headquarters, upgrades to the ENMAX Centre, redevelopment of the Public Operations facilities, and a new Community Arts Centre. The next years will be exciting ones for Lethbridge as we see these projects come to fruition.

Significant effort was expended by city staff responding to Provincial initiatives to 1) centralize ambulance dispatch and 2) transfer responsibility for Emergency Medical Services to Alberta Health Services. Change of this magnitude never comes easily, especially when we have such confidence in the integrated system that has served us so well for so many decades. I want to express appreciation to the men and women of the Lethbridge Fire and Emergency Services as well as the Public Safety Communications Centre for their devotion to the citizens during this time of uncertainty, and to the team charged with leading our response to the changes initiated by the Province of Alberta. I am proud of you all.



As I become more deeply immersed in the position of City Manager, which I accepted in mid 2008, it is never far from my mind that the road before me has a lot fewer bumps thanks to the work and dedication of the previous City Manager, Bryan Horrocks. Over his three decade career, Bryan quietly made many contributions to the health and well being of the City of Lethbridge. I owe him a debt of gratitude for the excellence of the organization and the people who surround me. One of Bryan's legacies was the development of a strong Leadership Team. Comprised of the City Manager and the directors of the City's four large service families, the Leadership Team gives the organization joint direction, within Council approved policies, toward providing our citizens the best possible service. I would like to take this opportunity to welcome Bary Beck, Director of Planning and Development and Corey Wight, Director of Corporate Services/City Treasurer, to the senior Leadership Team. I look forward to the exciting things this new team will accomplish in the future.

Garth Sherwin, CA
City Manager

Highlights and Achievements

GALT MUSEUM & ARCHIVES



Three major temporary exhibits were featured in 2008, including *Once Upon A Time... Knights, Castles and Common Folk* [circulated by Bruce County Museum & Archives in Southampton, Ontario]; *Egypt, Gift of the Nile* [circulated by the Royal Ontario Museum]; and *For you, the War is Over: Second World War POW Experiences* – a traveling exhibit produced in-house in partnership with The Military Museums of Calgary highlighting life in the POW camp located at Lethbridge from 1942-1946.

In conjunction with City Council, the Galt Museum brought in the exhibition *The Thousand Words of Photojournalism* organized by the Canadian Commission to UNESCO and the Canadian Newspaper Association to celebrate the 60th Anniversary of the Universal Declaration of Human Rights. Works by Lethbridge photojournalist David Rossiter were included in the exhibit, which was complemented by five photos from other local photojournalists.



Other exhibits included themed archival photographs from the Archives in the main level meeting rooms and University of Lethbridge student projects such as *In Transit* and *The other side of Cairo*, and locally-sourced Egyptian artifacts in the lower level foyer. Exhibits were also created online and promoted on social media sites such as Facebook, Blogger and Flickr. The exhibit *Auschwitz: The Eva Brewster Story* traveled to Red Deer [Jan-Mar] and Medicine Hat [Apr-Jun]. A Community Exhibit Feedback Survey was conducted in early 2008 to help guide our upcoming exhibit schedule.



A major research project on the newly acquired 1960s-era Shrine from the Taber Buddhist Church was undertaken by collections staff and supported by volunteers. A selection of Recent Acquisitions was featured on the main level hallway. In a concerted effort to showcase artifacts from collections in other innovative ways, the Adopt-An-Artifact project was initiated online, and Lethbridge Living Magazine began highlighting museum artifacts in their new feature *What is it?* Exhibit cases featuring Galt Museum materials were located at the Lethbridge Public Library, Lethbridge Regional Police Headquarters and Lethbridge College. Two behind-the-scenes collections tours were offered.



Archives staff and dedicated volunteers provided tours, handled online, telephone and walk-in research requests, scanned and numbered images and completed major cataloguing projects for The Lethbridge Herald and Oldman River Regional Planning Commission. The Archives' backlog was reduced with the cataloguing of virtually all of the donations made to the end of 2000. Towards the end of the year a third scanning station was added and digitization of the moving images collections commenced.

Travelling exhibit attendance	7,220	Archives researchers	809	MUSEUM VISITORS	
Public and education program participants	13,860	Archives gallery visitors	200	Lethbridge	64%
Buses booked for 5546 students	247	Archives Online visitors	2,965	Southern Alberta	13%
Special events participants	3,059	Scanned archival images	12,024	Canada	15%
Facility rental attendees	14,510	Volunteers	244	International	8%
Unique visitors to www.galtmuseum.com	32,795	Volunteer hours	8,075		
		TOTAL on site attendance	44,000		

Highlights and Achievements

GALT MUSEUM & ARCHIVES (CONTINUED)



The temporary exhibits drew the highest number to date of visiting local and area students from 63 schools and other institutions who participated in themed programs delivered by education staff and volunteers. 350 adult students representing the University of Lethbridge, Lethbridge College, Lethbridge Aboriginal Career and Employment Centre and Ghost River Rediscovery – attended special tours. Record numbers of visitors also took in other programs such as Saturdays at 1:00, Café Galt and a variety of tours.

Bus excursions to Blackfoot Crossing Historic Park, the Crowsnest Pass and the Korite Mine were organized by the Galt for local and area residents and visitors. The Galt was included on Travel Alberta's industry familiarization tour which brought tour operators on a three-day excursion into southwestern Alberta.

Partnership programs were again delivered in conjunction with the Lethbridge Historical Society (Alex Johnston Lecture Series), as well as the Helen Schuler Coulee Centre (Wild Tales on Park Trails tours) and Cemeteries (Cemetery Tours). The annual Regional Historical Heritage Fair was held in May, and was a kick-off event for the 5th Annual Historic Lethbridge Week organized in conjunction with the University of Lethbridge, Lethbridge Public Library, LHS and other community groups. A juried sculpture exhibit was organized for the Allied Arts Council's ArtWalk.

Many of our events in 2008 saw record numbers, or were sold out, including Robbie Burns Day (back by popular demand), Eggstravaganza Meets King Arthur, The Feast of the Black Knight, Galt Babies Birthday Party, Galt Beer Tasting and the Halloween screening of the Rocky Horror Picture Show. Proceeds from the third annual Whoop-Up Days Scenic Plaza Block Party organized in cooperation with our neighbours were donated to The Family Centre.



The Museum Store hosted several events and book launches, and was kept busy as the central information, membership and ticket sales centre. Museum store revenue was up 9% over 2007. The Facility Rentals area doubled its revenue target set by the Board of Directors and staff. In October, the Galt undertook a new, large-scale mailing requesting community support. Our membership doubled during this fall campaign. In December, the Galt Board and staff met with enthusiastic response from representatives of neighbouring cultural institutions invited to discuss regional collaboration.



This year landscaping was undertaken in two areas: The Lethbridge & District Horticultural Society planted hundreds of native plants at our front entrance for their Centennial Garden during the Communities in Bloom Conference; and our south garden saw the placement of 250 sponsored bricks beside the historic 1910 Galt Hospital wing, to surround a life-sized bronze statue commissioned with the support of the Galt School of Nursing Alumnae Association.

In 2008 the Galt Museum & Archives was awarded the Chinook Country Tourist Association Award for Marketing Excellence for *Auschwitz: The Eva Brewster Story*, and five of our staff were nominated for a Lethbridge Chamber of Commerce 2008

First Impression Recognition of Excellence Award. The Board and staff of the Galt Museum & Archives continue to be appreciative of the many community partners, supporters and volunteers who have supported their endeavours through partnerships, advice, donations and time.

Highlights and Achievements

HELEN SCHULER COULEE CENTRE

The Helen Schuler Coulee Centre has been delivering diverse and dynamic nature interpretive programs in our community through a team of volunteers, staff and partners since 1982. 27,000 people of all ages experienced and discovered Lethbridge's unique natural environment through the nearly 1,000 programs and services offered at the Nature Centre in 2008.

In 2008, Lethbridge's urban nature centre was honoured with several awards. The Lethbridge Chamber of Commerce recognized the Helen Schuler Nature Centre as a Business of the Year with The Spirit of Lethbridge Award. Recently installed interpretive signs at the Elizabeth Hall Wetlands were recognized with a Silver Award of Excellence by Interpretation Canada. The Centre's seasonal exhibit programs for 2007 were awarded a Bronze Award of Excellence by Interpretation Canada as well.



Horned Lark



Elizabeth Hall Wet Lands



Three Flowered Avens



Deer in valley

The Nature Centre hosted exhibits on the topics of Clouds, Waterfowl, Deer and Seasons in 2008. More than 21,000 visitors took in these hands-on seasonal exhibits.

4,350 children between the ages of 4 and 13 attended school programs at the Nature Centre in 2008. School programs link with the Alberta Science curriculum and offer teachers the opportunity to expand their classroom learning to the outdoors and natural areas. Generous funding provided by The W. Garfield Weston Foundation allowed the Centre to expand its programs to include a pilot, regional full-day field trip from the Lethbridge Nature Reserve to the Waterton Lakes Front Park. This Grade Five program had a strong conservation message that linked with Social, Science and Language Arts curriculum.

4,411 individuals participated in interpreter led public drop-in programs offered at the Centre in 2008.



Children at Elizabeth Hall Wet Lands

The Helen Schuler Nature Centre offers a suite of programs from pre-school ages to adult natural history field trips and guest speakers. Programs are designed to offer something for every level of interest and all ages, including multi-generational programming.

Highlights and Achievements

HELEN SCHULER COULEE CENTRE (CONTINUED)



Summer programs gave Lethbridge residents and out of town visitors a chance to learn more about the true nature of Lethbridge with an increased focus on parkland spaces during the summer months. Eight different city parks were profiled weekly during the months of July and August in continued partnership with The Galt Museum and Archives as part of the Wild Tales on Park Trails program. Also, Nature Centre staff held short nature “talks” bringing interesting artifacts and props to park users at the Rotary Plaza Water Feature in Galt Gardens, Henderson Lake, Indian Battle Park and the Nicholas Sheran Spray Park throughout the summer months. Thursday evenings in July and August, Nature Centre staff presented Creature Theatre in Galt Gardens. More than 2,320 people took in the “nature of Lethbridge” in these off-site park visits. Wheels to Wilderness continued for the second summer, with free public transit access into the river valley. This accessibility program was once again funded by Parks, Recreation and Culture. In 2008, there were just over 650 riders, up from 250 in 2007 (pilot year).



Bird Watching

The Helen Schuler Nature Centre staff, volunteers and Lethbridge residents celebrated nature by participating in a variety of conservation related projects from community to national level, throughout 2008. The Nature Centre coordinated the first annual coulee clean-up. Several community sponsors became involved in the event including BFI and Pratt and Whitney. Over 175 bags of garbage were removed from coulee areas throughout the city by nearly 300 individual participants.



At a provincial level, the Nature Centre was one of Alberta’s Green Stops, hosting a wide variety of environmental education based programs during Environment Week. The Nature Centre also participated in the National Pitch-In Canada Program, organizing clean-ups and hosting tours on waste in the natural world. The Great Backyard Bird Count and the TD Trust Shoreline Clean-up are examples of two of the international level conservation programs that the Centre participated in during 2008.



Lethbridge and area residents volunteered nearly 1,600 hours of their time in a variety of roles at the Centre in 2008. The vibrant volunteer base builds strong links within the community as well as contributes an estimated \$30,000.00 of gifted time to the Nature Centre annually. These individuals celebrate their love of nature by sharing it with others in their community.

Highlights and Achievements

ENMAX CENTRE

The City of Lethbridge ENMAX Centre continues to be the premier provider of a wide variety of entertainment and events within our community. Our accomplishments include facility upgrades, strategic investment in our workforce, careful attention to customer feedback, strong partnership development and the embarkment on the upgrades to the ENMAX Centre.

In 2008, the ENMAX Centre was proud to attract and host 97 performance or event days with high profile entertainers including Carrie Underwood, Bob Dylan, Daniel O'Donnell, The Wiggles and Toby Keith. The various special events attracted approximately 99,449 fans.



The ENMAX Centre's Renovation and Expansion project started in August 2007 with an internal start up meeting, Ward Brothers was hired as the Construction Manager and a Consultant Team was formed. GEC Architecture was hired at the end of 2007 as the Prime Consulting Service. This firm has over 40 years of demonstrated experience in over 50 recreation commissions ranging from facility studies, renovations and additions and new facilities. During 2008 the Steering Committee had the opportunity to visit many venues to gather information of what is happening within the industry in terms of service levels and what is working and not working. A schematic design has been developed based on the community needs assessment report and the site visits. The project is expected to break ground in early May of 2009 with a completion target date of the end of 2011.



The Point of Sale project for the Food and Beverage department was in full swing at the start of 2008. QUEST Software Solutions (with extensive background in arenas and sports venues) was selected as the vendor. Quest is believed to be able to meet the Food & Beverage current and anticipated needs. The project went live on August 13 at the Gyro Circus and at the outside rinks in December.

Home of the Lethbridge Hurricanes of the Western Hockey League, fans enjoy fast action packed hockey entertainment. Support of the community owned club continues to grow with corporate sponsorship and patron attendance. During 2008 the hockey club hosted 46 hockey games and enjoyed a great playoff run. The Club earned the 2008 Eastern Conference Championship and had 189,311 fans in attendance throughout the year.



Highlights and Achievements

LA TRANSIT

In February 2008, after extensive consultation with a seniors transportation committee, a seniors pilot project was started called the "Go Friendly" shuttle service. This was a partnership with Nord-Bridge Senior Centre to provide transportation to/from programs at the Centre. The pilot project proved very successful with ridership doubling within six months. This success was a direct result of each partner doing what they do best. Nord-Bridge provided funding to purchase the bus and scheduled programming activities to maximize the use of the hours for which the bus was available. Lethbridge Transit provided their expertise in dispatching and operating the service, as well as maintaining the bus. As of February 2009, and as a result of the success of the pilot project, the service has now been expanded to include the Lethbridge Senior Citizens Organization.



In 2008, Lethbridge Transit completed Phase II of its Transit Fare Strategy and Fare Collection Technology Review. Phase II recommended that Transit replace its current fare collection system with new validating fare boxes. It also recommended that the current paper fare media (passes and tickets) be replaced with smart card technology.

September 2008 saw the launch of the first ever Universal Pass (U-Pass) in Lethbridge. The University of Lethbridge Graduate Students Association (GSA) voted in favour of a U-Pass in 2007. Over 200 students qualified for the new U-Pass, providing them with unlimited access to transit services each semester, with payment administered through tuition fees.



August 2008 was the first anniversary of Lethbridge Transit's Access-A-Ride. After completing one year of service, an Access-A-Ride Service Review was started in the fall of 2008. This review included an extensive public consultation process to garner feedback on the services being provided by Access-A-Ride. This review will identify areas that are being done well, as well as identifying areas that need improvement. The service review will be completed in early 2009.

In late 2007, Transit started working with School District #54 and the Holy Spirit Catholic School District in an effort to develop long range student transportation plans. This process continued in 2008 resulting in the purchase of eight new school buses. In 2009, Transit will continue to work with each school district to develop a long range transportation plan that will address their ongoing needs, including the new westside high school.

The 2009 – 2011 Operating Budget includes service expansion based on the 2006 Transit Service Standards. This expansion will be supported with three new "Nova" buses, manufactured by a new supplier to Lethbridge. These new buses will provide a new look to the transit fleet and will feature upgraded seating along with air conditioning for customer comfort.



Highlights and Achievements

INTEGRATED RISK MANAGEMENT

In 2008, we continued with an integrated business unit model that merged internal service providers from Risk Management and Occupational Health & Safety, who share a common set of core values and principles.

Occupational health and safety, as well as general and environmental risk management are the fundamental cornerstones of loss prevention.

An integrated approach allows for a clearly defined mandate, a stronger and more influential corporate presence, an enhanced capacity to monitor compliance and increased accessibility to resources. Integrated Risk Management creates the systems necessary to reduce losses to people, property and the environment.

In support of Integrated Risk Management, the following accomplishments are noteworthy:

- Scheduled and coordinated an Environmental Risk Assessment Audit
- Scheduled and coordinated a City Hall Security Risk & Threat Assessment Audit
- Rolled out a Drivers Safety Program
 - Developed a new Drivers Safety Handbook
 - Brought the Defensive Driving course in-house
- Secured a three-year Insurance Brokerage Agreement
- Procured insurance for the West Lethbridge Centre project, in partnership with the public and separate school boards
- Significantly lowered work-related injury severity compared to the municipal government average



Value of Insured Assets: \$665 M
Insured Vehicles: 479
Insured Buildings & Facilities: 294
Employees: 1,537
Insurance Premium Cost Per Capita: \$17.52
Hours Worked by City Employees: 2.5 M
Integrated Risk Management Committees: 19

Highlights and Achievements

PUBLIC SAFETY COMMUNICATION CENTRE



The Public Safety Communications Centre (PSCC) for the City of Lethbridge handled in excess of 63,000 calls for service in 2008. Over 35,000 of those were 911 emergency calls. Sixty-five per cent of those calls were from residents and businesses in the City of Lethbridge.

2008 was another year of increased training for the PSCC staff. Employees who were not previously cross trained in all three disciplines (police, fire and EMS) were provided the necessary training and coaching to bring them up to speed. A number of supervisors and acting supervisors participated in the City's Leadership Skills for Supervisors program. Others participated in suicide intervention training, first aid training, and recertification in Emergency Fire and EMS Dispatching.

Total 2008 PSCC Events: 63,578
Total 2008 911 Calls: 35,067
Cell Phone 911 Calls: 47%
Call Takers / Dispatchers: 22 permanent; 8-12 casuals
Average Amount of Time to Answer a 911 Call: 5.06 sec

The PSCC redefined their core values while developing the strategic plan for the next budget cycle. One of these was the addition of work/life balance. The goal is to staff the centre appropriately and provide the necessary training so that employees can achieve a healthy balance between their work and their personal lives.

Some of the PSCC team has been helping with the Corporate Radio Expansion project. This project extends the current public safety radio system to include public operations, transit, electric and other City business units. Much of the infrastructure work was completed at the end of 2008, with the balance to be completed in early 2009.

In the fall, Alberta Health Services issued a request for proposals to provide ambulance dispatching in our health region and the other regions in the province. As the PSCC currently dispatches ambulances in 80% of this region, it was hoped that the PSCC bid would be successful. Unfortunately, the PSCC was not chosen by Alberta Health Services. In the coming years, the PSCC will not be providing ambulance dispatch services to the citizens of Lethbridge and surrounding areas. Ambulance dispatching will be contracted elsewhere in the Province. This has always been a vital part of the emergency service equation that the PSCC staff and citizens of Lethbridge have grown accustomed to. That being said, the management and staff of the PSCC are prepared to forge ahead and continue providing the best 911 call taking and fire and police dispatching in Southern Alberta.



Highlights and Achievements

FIRE AND EMERGENCY MEDICAL SERVICES



In May 2008, the Provincial Minister of Health, Mr. Ron Liepert, announced the transfer of ambulance governance to Alberta Health Services. This announcement was complicated because of the changes within Alberta Health Services reducing the numbers of regions. We began the process in September to review contract templates and discuss expectations of Alberta Health Services. Many challenges have been brought forward during the discussions and we continue to seek greater understanding by Alberta Health Services.

We recruited ten new paramedic/firefighters to serve our community and these new team members were from across Alberta with several from the Lethbridge College paramedic program. As part of our recruitment training, we again partnered with Lethbridge College and staged a mock building collapse. The venue used was the training tower at Headquarters and our on-duty staff guided and facilitated a live simulation building collapse. There were 20 college students that were moulaged, with a number of simulated injuries including an injured firefighter.



Ambulance response demands increased and we were able to reduce "Code Red" events down to 26 day occurrences and 36 on nights, resulting in more than a 50% reduction from 2007's total. This was accomplished by the additional new peak ambulance during daytime hours. We introduced new stretcher equipment to assist in managing bariatric patients; this has greatly improved the comfort and dignity of those who need our services.



Our department began the first phase of the capital building project for the new downtown fire station and administration building. This project also includes the renovations at the 5th Ave North fire station. Functional planning and facility design drawings were completed in anticipation of contract tendering. We were able to utilize an existing motel on the new downtown site for several months as transitional affordable housing during the summer.

Highlights and Achievements

In 2008, we continued a fast moving highly educational online EMS training program with the National Paramedic Institute (EMS Jane). At present we have completed 2,014 modules combined by each member of our Fire and EMS Staff.

We moved from a propane outdoor fire extinguisher training tool to our new Bull-X electronic training system. The feedback from industry and the public has been overwhelmingly positive. This training tool allows expansion of our training program by allowing year round indoor sessions. It also has a positive effect on the environment by eliminating powder based extinguisher use.



We introduced new specialized equipment to our fleet, which included a tender/pumper fire apparatus. This new vehicle essentially has two functions and serves as both a water tanker and pumper, which were formerly in two different vehicles. This unit also has the capacity to generate a very effective air, water and foam mixture to greatly enhance our fire fighting capacity.



On July 1st we experienced very heavy rainfall in a short duration, which caused flooding throughout many areas of the community. This event occurred with little warning and overloaded underground storm and sanitary sewer pipes, creating large flood pools. A State of Emergency was declared to control traffic access and manage resources. A Disaster Response Recovery application was submitted and provincial funding became available to residents and businesses to assist in flood loss recovery.



Fire Administration began training on the Incident Command System (ICS), which will become the command template for all major emergencies in the Disaster Response Plan. This new ICS program will match other government agencies and industrial response plans and allow for improved communications during critical events.

Our Water Rescue and High Angle specialty teams were very active in 2008. Training evolutions off of the High Level Bridge and planned open water exercises ensure these teams remain highly effective and competent. On two separate occasions, the Water Rescue Team collaborated with the RCMP and local authorities to search nearby reservoirs for casualties resulting from boating accidents.



Ambulance Responses 9,902

Fire and Rescue Responses 1,259

Pump Medical Assist Responses 2,317

Highlights and Achievements

LETHBRIDGE REGIONAL POLICE SERVICES

Community Policing Division



The expansion of Lethbridge and Coaldale in terms of both population and geographic footprint – albeit gradual – is a growing concern for the Community Policing Division, which provides a first response to calls for service. More residents means there will be greater demands for policing over a larger area, a trend that has become evident over the past four years, as calls for service have increased. The division has met this challenge by maintaining relatively stable staffing levels within patrol teams while assimilating a large number of less experienced recruits.

Regional Policing Population

- Excess of 90,000

Lethbridge Regional Police Service

- 148 sworn members
- 43 non-sworn members
- 50 volunteers

Police To Population Ratio

- 1:617

Operational Budget

- \$21,169,500

Total Police Actions Taken

- Excess of 50,905

PSCC Calls For Service

- 43,912

PSCC Dispatched Calls

- 28,668

PSCC Total 911 Calls Received

- 35,067

Total Police Actions Taken

- 50,905

Various patrol strategies have been piloted and implemented to promote a sense of safety while addressing “quality of life” issues. These strategies include deploying members to respond more quickly to low-priority calls and absorbing some administrative duties in order to free up time for other officers. In addition, through the summer months, police mountain bike patrols were conducted in Beats 50, 60 and 70 and were well-received by the community.

Given that the average years of experience within patrol teams has been declining due to heavy recruitment, investigation-focused training has been provided to enhance members’ investigative skill sets. This is useful for members in their current duties as well as possible future assignments to investigative units.

Lastly, it is important to note that while the sworn compliment of officers has reached 148, most of whom reside in the Community Policing Division, there has not been a concurrent increase in Professional Standards Investigations. This is reassuring since first contact with police by members of the community is usually with a uniformed officer, often in difficult circumstances.

Support Services Division

The Support Services Division embarked on a number of initiatives in 2008 to increase efficiencies within the police service.

A restructuring of the work flow in the Records Management Unit was completed by the new manager and workloads were redistributed to ensure the unit continues to meet government reporting requirements.

The Information Technology Unit also completed a number of initiatives this year including an upgrade to our computer-aided dispatch system, the complete roll-out of new desktop computers for all work stations, the development and implementation of a remote access system for the police executive and extension of the Outlook e-mail system to our police cars through the mobile data terminals. In addition, IT developed and equipped a computer training lab within the police building and provided additional work stations in the Emergency Operations Centre for the City of Lethbridge.



The Support Services Unit revised and updated the canine training and certification manual and also carried out a budgeted ever-greening of specialized equipment for the Tactical, K9 and Explosive Disposal Units.

The Division was also engaged with the API 3 project with the Government of Alberta and other police services in the province to develop a common records management system, which will increase public safety, increase officer safety, improve interoperability and enhance efficiency and effectiveness.

Highlights and Achievements

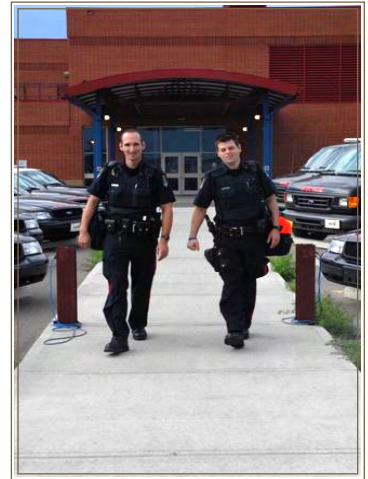
LETHBRIDGE REGIONAL POLICE SERVICES (CONTINUED)

Criminal Investigation Division

In 2008, the Criminal Investigation Division developed strategies and business cases to enhance intelligence-led policing in our communities. In the coming year these strategies will be put into place, where intelligence from citizens, business owners, police officers and policing partners will be collected, analyzed and sent to operational units for enforcement action. While we have been doing this historically to some extent, the capacity of the enforcement units in Special Operations, Property Crime, Integrated Child Exploitation, Violent Crimes, Domestic Violence and Economic Crimes has been enhanced this year, and will be further enhanced next year, to better address issues of serious and organized crime in our communities. We have better positioned ourselves to address these crimes before they involve more significant harm in the communities, or soon after an incident has occurred. In this way, we have been able to monitor criminal markets and those who capitalize on them as an opportunity.

We have also worked to develop links of expertise between the many operational units within the division to ensure the right expertise is called upon, whether internal or external to the LRPS, at the right time. In this way, we are sure that no stone is left unturned in our investigational capacity and legal investigational avenue at our disposal is explored.

Our detectives have enjoyed their participation in the community by increasing awareness of serious crimes and providing information on how citizens can protect themselves from becoming a victim. From our Economic Crimes Unit and Special Operations Unit to our Property Crimes Unit and Domestic Violence Unit, we have been working to engage our community. Whether it is a formal presentation on a crime topic or ensuring crime activity information is made available to the public through the local media, we have been working in this area. Knowledge of crime and criminal markets will help our citizens, young and old, protect themselves, making them less vulnerable to crime. In that way there is little capacity for organized crime to gain a foothold in our communities, and the police are better positioned to receive information from our communities no matter how innocuous it may seem.



Administrative Services Division

In 2008, the Administrative Services Division was involved in a number of initiatives including recruiting and retaining members and developing a three-year cyclical training plan to ensure mandated certifications and re-certifications are kept current. Through strong fiscal management, the Division was also able to fund a variety of projects.

The Recruiting Unit traveled to numerous post secondary institutions in Alberta and British Columbia throughout the year to attend career fairs as a result of their efforts, LRPS recruited to strength. In addition, the Service retained 11 members who were eligible for retirement.

A three-year cyclical plan was developed to ensure certifications and re-certifications (annual, bi-annual and tri-annual) are maintained according to provincial standards, as well as those set out by the Commission on Accreditation for Law Enforcement Agencies (CALEA).



CALEA and provincial standards were also converted from hardcopy to electronic form to enable the Division to compile and present proof of compliance to assessors without the necessity of an on-site visit during mock assessment exercises.

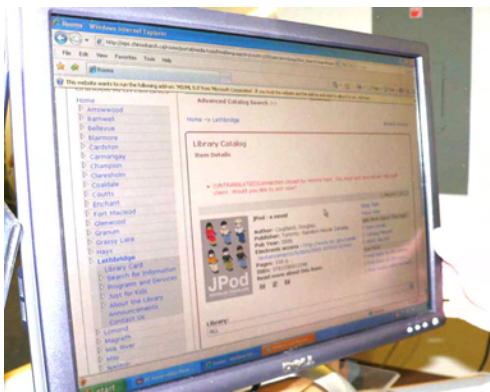
Finally, the Division's fiscal responsibility resulted in a budget surplus that helped fund numerous initiatives including renovations to the police building and range, as well as the purchase of carbine rifles, pistols, jackets and fleet vehicles.

Highlights and Achievements

LETHBRIDGE PUBLIC LIBRARY



Lethbridge Public Library: the Community's choice for the pursuit of literacy, leisure, learning and innovation. Towards the realization of this vision, in 2008 the Library Board moved forward with focus on a new five year plan of service emphasizing lifelong learning, community commons, basic literacy, popular materials collection and pre-schoolers/children's door to learning. Electronic services were enhanced via a new Integrated Library System (ILS) which was installed and maintained by Chinook Arch Regional Library System.



The new Windows-based ILS offers colourful photos of book jackets, book reviews, magazine and newspaper searches, easy access to a wealth of other online resources and more! All of these can be accessed from within the Library and also, via the Library website at www.lethbridgepubliclibrary.ca or from any electronic device with Internet access. A campaign, "Fill in the Blank", at your Library to promote awareness of the many reasons to visit your library – both in person and electronically, kicked off in December with messages on billboards, buses and in local magazines.



The West Lethbridge Community Branch construction, started in 2007, is now well underway. The drive southwest along Whoop-Up Drive developed a new look during the course of the year. The shape of the two schools and library can be seen rising in the distance across the fields. The library's distinctive angled entrance can be seen clearly between the two schools.



Behind the scenes plans for the purchase and cataloging of a million dollars worth of books and materials started to take shape. Also, the selection of shelving, desks, electronics and all of the other pieces of furniture and equipment needed to run the library began. The new branch's operating budget was approved at a cost of approximately 1 million dollars per year. Opening day continues to be September 2010.

Highlights and Achievements

LETHBRIDGE PUBLIC LIBRARY (CONTINUED)

In the fall, courtesy of the Friends of the Library, a wind screen was put in place to create an outdoor patio space (scheduled to open in the spring) for the Page!break café. The Friends also purchased a new Data Projector for the Theatre Gallery - films such as the Banff Mountain Festival World Tour, (which was extended to six separate showings), can now be viewed in enhanced definition.

Children's Services at the Library continued a campaign to encourage parents of Grade 3 students to obtain a library card for their child; celebrated 100 years of Anne of Green Gables in May and provided inspirational space with new desks, (designed especially for young people) in blue, red and yellow for the children's computers.

In August, a new Customer Services Desk was set up in the Library's South Wing. It is the point for checkout, library card and membership questions, directions and also the place for customers to discover how to connect with the staff and area of the library that will provide the resources they need.

In 2008, close to 462,550 people visited the Library and 48,411 stopped at the Bookmobile. A total of 796,813 items were used. As a gathering spot for children, teens and adults of all ages, the Library had over 4,602 programs which attracted 46,868 people.



Adult program highlights included: a partnership with the Southern Alberta Art Gallery to present Articulations – 12 sessions featuring art historians, curators and artists examining historical and contemporary Western Art; an International Literacy Day 'Caught Reading' photography contest (partnered with the Lethbridge Photography Club, Save On Foods and others), drew a large number of entries and a lively federal election forum was presented with the Southern Alberta Council of Public Affairs.



Beverly Shimazaki, Acting Director Library, Cam Woo, Colin Dixon, Manager Save-On-Foods, MLA Lethbridge East, Bridget Pastoor

Winning photo



Highlights and Achievements

RECREATION & CULTURE

SPORT COUNCIL

The Lethbridge Sport Council came one step closer to becoming a reality in the fall of 2008, with City Council's approval to provide funding to help support a council. This is the culmination of two years of planning which resulted in the adoption of a Municipal Sport and Recreation Policy in the fall of 2007, which clearly defined the need of a "unified voice for sport". Guided by an organizational strategic plan, which was developed in the summer of 2008, it is anticipated that the Sport Council will be functional early in 2009.

Mission: *"to provide leadership and a voice for sport, to facilitate the enhancement and development of sport within our community."*



SPORT DEVELOPMENT CENTRE - SOUTH WEST

In October 2008, the Alberta Sport Development Centre Southwest opened its doors to Southern Alberta's "emerging high performance athletes". The Centre - the fifth to open in the province, is the result of an agreement between the Alberta Sport Recreation Parks and Wildlife Foundation and the City of Lethbridge, who, in partnership with the University of Lethbridge and Lethbridge College will create a structure to assist in the coordination for elite/emerging athletes as they strive to maximize their potential.

PUBLIC ART

In 2007, City Council adopted the Public Art Policy, thereby establishing the framework and funding for the acquisition of public art. In 2008, a public art committee was created and thus began the implementation of the processes for the acquisition of art and the identification of appropriate sites for installations. The first piece installed was a kinetic sculpture at the corner of Galt Gardens, The second piece commissioned at the end of 2008, will commemorate the 100th anniversary of the High Level Bridge occurring in 2009.



Highlights and Achievements

RECREATION & CULTURE (CONTINUED)

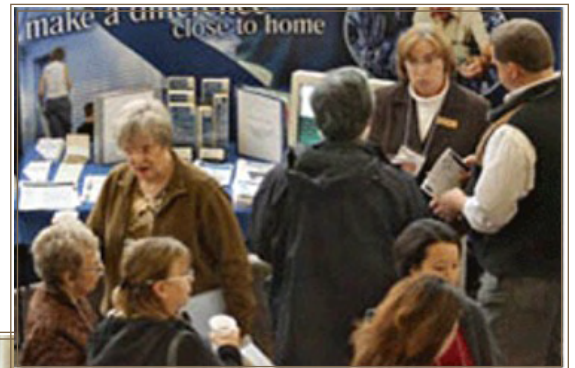
CANADA DAY

Normally, talk about "next year's" Canada Day begins almost before the current year's celebration is put to bed. For the 2008 celebration, the planning committee began their work - as usual - in 2007, and thanks to added participation from the University and College and a number of community groups, a bigger-better Canada Day was promised. The day began like always, with Canada Day revelers making their way to Fort Whoop-Up for Dominion Day celebrations, Galt Gardens for Party in the Park and Henderson Lake for a family festival. Barely one hour into the scheduled stage performances, the rain came and Canada Day 2008 went down in history as the year the City declared a state of emergency and the fireworks were postponed - until next year.



THE BUCK STARTS HERE

The "Buck Starts Here" second annual funding conference was held in November 2008 with more than 120 attendees. City of Lethbridge Recreation and Culture, in cooperation with FCSS sponsored this event, with the goal to inform and create a dialogue with Lethbridge non-profit groups on potential funding opportunities. Included in these are: the Community Capital Project Grant, Special Event Grant and Civic Hosting Grant. The 2008 Event, was expanded from one to two full days at the Lethbridge Lodge Hotel Conference Centre.



VANCOUVER TORCH RELAY

In 2008, the Vancouver Olympic Torch Relay Committee unveiled the proposed route for the 2010 Olympic Torch Relay, designating Lethbridge as a Celebration Community. For one day – January 17, 2010 - this special designation will focus the attention on Lethbridge as we pull together to celebrate this historic occasion. In preparation, a task committee of community members was struck in the fall of 2008 and planning will continue throughout 2009.



55 PLUS ALBERTA WINTER GAMES



With only a couple of months behind them and just twelve months to go, at the beginning of 2008, the organizing committee for the 55 Plus Alberta Winter Games took up residence in a downtown building owned by the University of Lethbridge, and began a hectic year dedicated to making Lethbridge the proud host city of the 2009 games. By Christmas, the committee declared that they were ready, save for a last ditch fund-raising blitz, and they still had 60 some days to go 'till games time! (Watch for results in the 2009 annual report).

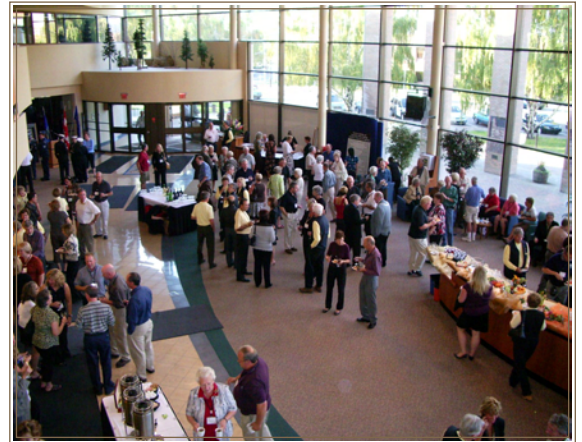
Highlights and Achievements

PARKS

Hosted Communities In Bloom National Conference and Awards Ceremonies

The City of Lethbridge hosted 506 delegates from municipalities across Canada, Japan, United States, England and Ireland. The representatives from each of their communities were here with the common interests promoted by Communities In Bloom including; Tidiness, Environmental Awareness, Community Involvement, Heritage Conservation, Landscaped Areas, Floral Displays, and Turf & Groundcovers. The sessions that were presented at the symposium included the Heart of our City Master Plan, Sustainable Development, the Parks and Pathways Master Plan, and other topics. Tours showcased the city, including visits to the restored fire hall, Galt Gardens, Nikka Yuko Japanese Gardens, Canyon Crest and SunRidge developments. The week also included optional tours to areas of interest outside and within the City to further showcase the City and southern Alberta.

Mayor's Reception



Barn Dance

New Pathway Construction

Whoop-Up Drive

South side of Whoop-Up Drive connecting to southbound University Drive West was completed. This new community link will enable commuters quick access to the University and the downtown trail.

Heritage Heights

Heritage Point to Heritage Place. This pathway offers a beautiful coulee top view of the High Level Bridge, the river valley and the south side of the city. It also completes a great recreational loop in Heritage Heights.

Macleod Drive

South side of Macleod Drive connecting Mt. Burke Boulevard to University Drive. This pathway offers faster, more convenient access to University Drive corridor.



Henderson Lake East Parking Lot Redevelopment

Angle parking at the east end of Henderson Park was improved by replacing the gravel surface with pavement, adding parking blocks and including handicap accessible parking stalls. This work coincided with road improvements and washroom renovations. Connections with the pathway system and the washrooms to the parking area will improve access and convenience for park users.

Highlights and Achievements

PARKS (CONTINUED)

Galt Gardens Rotary Centennial Plaza

The City of Lethbridge celebrated the Centennial of the Province of Alberta (2005), Centennial of the City of Lethbridge (2006), and the Centennial of Rotary International (2006) with the development of an addition to the downtown park. The addition includes water feature, washrooms and food Servery, entrance walkway and associated landscaping features.

The water feature, washrooms, entry walkway and associated landscape features were completed and opened to the public on June 26, 2008. The grand opening was celebrated by dignitaries from the province, City of Lethbridge and Rotary International. The project included:

The improvements to the park and to the community have transformed Galt Gardens into a destination for residents and visitors to enjoy. The new features have attracted people of all ages in the enjoyment of the water, music and lights.



The park is in the heart of the downtown and the new features have created a renewed atmosphere for the community to come downtown and enjoy the park improvements and amenities.



Highlights and Achievements

PARKS (CONTINUED)

St. Edwards Park Redevelopment

St. Edwards Park was redeveloped to include paved pathways, trees, updated irrigation and a playground. This 2.4 hectare Community Park now offers the community enhanced opportunity to enjoy the park by bringing it closer to the standard being developed in new areas of the city.



Playground Equipment Replacement

Parks Management maintains 108 playgrounds with an estimated value of 8.6 million dollars. These facilities offer important social, cognitive and physical skills development opportunities for 4,346 children under 10 years old who live in the city. Two play units were replaced last year under this program. Active 20-7930 and Cedar Parks had the play units removed and replaced. The program removed play units that no longer met CSA standards for play equipment.



Peenaquim Park Off Leash Area Parking Lot

Peenaquim Park offers a popular off leash area that is well used. In 2008 Parks added a parking lot with capacity for 20 cars. This lot allows users convenient access to the Off Leash area and a safer staging area than along the side of the road.



Graffiti Removal Campaign

A major campaign was undertaken to clean the City of graffiti by repairing the damage and restoring the surfaces vandalized.

The ad hoc or complaint driven approach of the past was replaced by an organized and systematic blitz. During the four month program pilot, over 5,000 unsightly graffiti tags were removed on public property city wide. The benefit of this clean up effort extends well beyond repairing vandalism, by keeping Lethbridge a beautiful city, maintaining property values and confirming society's values about graffiti.



Completed Street Tree Inventory

The completion of a two year project to collect information on the location and condition of the street trees has been completed. Street trees comprise an important component of the Urban Forest and benefit the community through wind and sun buffering, carbon sequestering and beautifying the city. The collected information will assist in managing the Urban Forest and keeping it healthy for future generations to enjoy its benefit. Data on 17,780 trees has been collected.

Highlights and Achievements

PARKS (CONTINUED)

Environmental Initiatives

As an environmental steward, new initiatives are undertaken to help Parks improve the environmental benefit of parks and open space. In 2008, three new initiatives were introduced including:

- Solar Powered Irrigation Controller: A solar collection panel was installed to provide power needed to operate the irrigation controllers on St. Edwards Boulevard at Stafford Drive. This reduces the energy consumption and the need for an electrical service to the park for irrigation operation.
- Playground gravel reused: As playground surface material ages it becomes contaminated with foreign material making it unsafe to continue to use in playgrounds. In 2008 a program was started to make the gravel available to the water utility to use as bedding when they repair water main breaks.
- Decoder System: In the past, a centrally controlled system has required a separate wire for each valve operating on the system. This has required many copper wires to be installed with the underground pipe. The Crossings Park is the first to only require two wires to be buried with the pipe and a decoder system to operate each valve. The use of these pulse codes reduces the miles of copper wire that would have been required previously.

Parks Strategic Business Plan

In 2008, a Parks Strategic Plan was created as an implementation strategy for our two guiding Master Plans. The goals stated are intended to guide us towards our vision in each of our six focus areas:

1. Community
2. Employees
3. Functional Team
4. Resource Management
5. Business Management
6. Environmental Management

This document will be used as a guide and rationale in the formation of budgets, work plans, and annual goals and objectives.

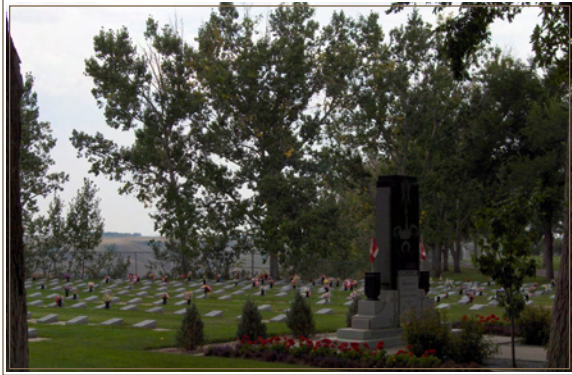
Partnerships

One of the strategies of the Parks Strategic Plan completed in 2008 is to foster partnerships with the community. These partnerships help us leverage our resources, keep us closer to our customers and improve community ownership of parks in the city. The partnerships formed and used in 2008 include:

- Lethbridge Area Cycling Association is contributing \$150,000 to plan and construct a new mountain bike facility.
- VASA Lodge is contributing a total of \$160,000 for playground replacement at Adams Park.
- RBC Dominion Securities is contributing a total of \$271,277 for an accessible playground replacement in Henderson Lake Park.
- Kawneer is contributing \$25,000 towards the natural playground development in Indian Battle Park.
- TD Canada Trust donated \$5,000 to plant a grove of 20 trees in Labour Club Park in celebration of the new North Lethbridge Branch opening.
- Fairmont Home owners have contributed a total of \$75,000 for the addition of a new playground in Fairmont Lake Park.
- Probe School Parent Association contributed \$335,000 for the replacement of the playground at the school.

Highlights and Achievements

CEMETERY



New Cemetery Office

Mountain View Cemetery, considered the primary cemetery in the city, is located along the top of the coulee on Scenic Drive South. The existing business office at Mountain View Cemetery, which serves all three cemeteries in the city, was originally built to serve as a maintenance shop. It was evident that there was a need to upgrade the old business office to improve customer care and service. A new cemetery office would allow the separation of the maintenance unit from our customer care area to further provide privacy and confidentiality for our customers.

In late 2007, Cemetery Services acquired a new portable modular building for use at Mountain View Cemetery, with the intent of eventually moving it to a new cemetery, to house the cemetery office staff. The doors to the new office were opened on January 21, 2008 and Cemetery Services celebrated an "Open House" with the community in the spring of 2008. The new office has created a "customer first" and a "professional" atmosphere for Cemetery Services.

Grave Leveling Project

Our concentrated grave leveling project concluded in 2008 with over 2,000 monuments being raised and leveled to match with the 4,800 plots/grave surface restorations that were completed in 2006 and 2007. This project has significantly improved the appearance, accessibility and maintenance of interment sites at Mountain View Cemetery.



Mountain View Cemetery Maintenance Yard

With the assistance of Transportation Operations (Public Operations), the maintenance yard at Mountain View Cemetery was reconditioned to improve the functionality of the yard. The old yard was virtually impossible to enter in wet or inclement weather. The old clay base was removed and replaced with a sand and gravel base which allows for better drainage and use of the yard year round. The improvements have increased our time efficiencies in our services as well as appreciation by our staff and suppliers.



Mountain View Cemetery Irrigation Automation

In 2008, Parks Management, Parks Operations and Cemetery Services continued to work together on the next phase of the irrigation automation project at Mountain View Cemetery. This involved the upgrading of the pump and pump site to optimize performance and to create capacity for automation upgrades in the near future.

Another step in this process involved the set up and training of the on-site automation system computer to allow for maximum efficiency and usage. The current upgrades have already helped reduce water consumption and maintenance time while maintaining a healthy, vibrant turf.

Highlights and Achievements

PUBLIC OPERATIONS



Urban Forestry crew at work pruning trees at City Hall.



Urban Forestry crews are responsible for approximately 34,500 park and boulevard trees throughout the city.



Trees and shrubs soften the harsh concrete surfaces around buildings.



Urban Forestry crews are responsible for over 1,400 mulch beds.

Parks Construction programs include surface repairs, boulevard restorations, tree planting, stump grinding, playground restorations and maintenance of shale pathways.



The program includes an average of 8,000 square meters of surface repairs, and 5,000 square meters of boulevard restorations each year.

Highlights and Achievements

PUBLIC OPERATIONS (CONTINUED)



Large shade trees provide a welcome rest stop in many of our park areas.



Approximately 400 trees were planted on City property in 2008.

Park Operations staff added the Rotary Plaza Fountain to its list of annual plantings in 2008. Crews planted and maintained 61 flower beds and 36 planters holding more than 17,500 annual plants.



Approximately 350 rose bushes are cared for within two rose gardens.



Several special theme beds are planted and maintained each year including the City Hall logo, the Regional Police logo and the Breast Cancer Ribbon which is located near the rose garden at Henderson Park.

Highlights and Achievements

PUBLIC OPERATIONS (CONTINUED)

The rain storm of July 1, 2008 presented challenges for Parks Operations staff. Many July 1st special events were cancelled while crews responded to the unexpected crisis.



Parks Operations is responsible for the maintenance of more than 500 hectares of irrigated grassland. One special project in 2008 involved the reconditioning of turf at the Lethbridge Sports Park using 650 tonnes of compost and sand. Other turf programs include mowing, fertilization, aeration and top dressing to promote safe and healthy turf.



Highlights and Achievements

PUBLIC OPERATIONS (CONTINUED)



The unexpected popularity of the yard waste drop-off sites that opened in 2008 resulted in a mountain of bagged leaves and grass. Seasonal Parks workers were pressed into service to manually remove the bags and dispose of them. The leaves and grass were then incorporated into our soil stockpile. The increased organic content of the material creates a fertile medium which is used in the boulevard restoration program.



The displays at the Brewery Hill garden change to reflect the seasonal holidays and major events.

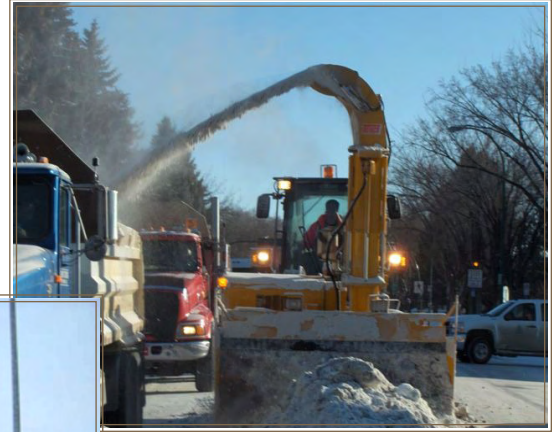
The Christmas display at the Brewery Hill was transformed and modernized in 2008 with new animated LED displays.



Highlights and Achievements

INFRASTRUCTURE SERVICES

Our 2008 winter operations were approximately \$850,000 over budget due to two extreme winter events. The spring of 2008 in March and April had extreme snowfalls causing our ice control and sanding operations to be over budget. December of 2008 (and January 2009) was the worst series of storms we have seen in 30 years! With double the ten year average snowfall, much colder than average temperatures and heavy winds to drift snow, many residential areas were drifted in causing residents to be isolated causing operations such as Transit and Emergency Services to be delayed or negatively impacted.



Improvement made to Walsh Drive West was started in 2004. Under the 2008 Graveled Road Upgrading Program, the roadway received a new asphalt pavement surface. The addition of this asphalt was needed to improve safety and restore driving levels of service due to higher traffic volumes.



1.6km of gravel roadway was upgraded to an asphalt surface from the existing urban cross-section of roadway to the city limits matching into the county-owned portion of Walsh Drive West. The project was started by DeGraaf construction in mid-September and completed at the end of October at a cost of about \$1 million.

Highlights and Achievements

INFRASTRUCTURE SERVICES (CONTINUED)



The 5th Avenue South project was constructed in 2008 under the Capital Improvement Program. The trees were removed in the early spring and the roadway contract was awarded in the summer. The century old underground tunnel was demolished and the improvements to the roadway were completed. This project serves the Heart of our City Master Plan as well as a gateway to the existing businesses adjacent to the roadway including Galt Museum, Blackrock Terrace, Green Acres senior housing, and a commercial shopping area all adjacent to the roadway.

The project was funded from the City of Lethbridge Capital Improvement Program totaling \$1 million and will be followed by a landscaping upgrade that will be completed in 2009.



In 2008, the rail program maintained an aging system costing \$400k. Two major road/rail crossings were rebuilt as well as replacing sections of north railways.

New railway ties, rail, ballast, and hardware were upgraded in key sections of the City of Lethbridge owned track.



Highlights and Achievements

INFRASTRUCTURE SERVICES (CONTINUED)

The City of Lethbridge overlaid 59,000 m² of arterial roadways along with 29,316 m² of local roadways and 27,000 m² of collector roadways in 2008. Locations are targeted using the Municipal Pavement Management System that relies on a database of condition assessments to determine the roadway sections to be maintained. Currently, the analysis done indicates the road network within the City of Lethbridge is in good condition.



*Industrial Park Paving
30 Street North and
8 Avenue to 9 Avenue North*



*19 Street North
5 Avenue to 9 Avenue North*



*Parking lot base and
lane paving Fairmont*



*Paving Ryerson Road West
Columbia Boulevard to Trent Road West*



*Highway 25 University Drive to
Crowsnest Trail*

Highlights and Achievements

INFRASTRUCTURE SERVICES (CONTINUED)

Sidewalk Renewals

The Sidewalk Renewal Program began April 1st and was completed the end of November. Sidewalk renewals are picked using the Sidewalk Inventory System which rates all sidewalks within the City of Lethbridge. This inventory system allows the City of Lethbridge to maintain safe and quality sidewalks.



In 2008 the City of Lethbridge renewed 994 meters of separate sidewalk, 1,700 meters of curb, 940 meters of combined sidewalk and 1,400 m² of slab sidewalk. Also included was 800 m² of paving stone maintenance in the downtown core and sidewalk grinding covering 9,000 locations throughout the City of Lethbridge.



Water Fill Line: Fourth Avenue South

A critical section of the pipeline that conveys water from the water treatment plant directly to the storage reservoirs in south Lethbridge was twinned from 13th Street to Mayor Magrath Drive. This project greatly reduces the risk of a major widespread interruption in water service due to a pipeline failure. The new pipe is 750 mm in diameter and cost \$1.4 million to complete. Approximately 70% of the route passed through school sites.



Water Main Renewal Program

In 2008, the annual Water Main Renewal Program included two projects a totalling \$500,000. Water mains were replaced at 43rd Street and 24th Avenue South as well as downtown within 4th Street South between 2nd and 4th Avenues. Each year water mains are identified and prioritized for replacement based on their condition.



Highlights and Achievements

INFRASTRUCTURE SERVICES (CONTINUED)

Electric Operations



City of Lethbridge Electric Operations crews are shown performing maintenance on the overhead 13.8 kV system. Performing energized maintenance using “rubber gloving” techniques allows Journeyman Power Line Technicians the ability to execute maintenance activities without disconnecting customers. Work procedures are very detailed and require advanced training to ensure the safety of workers.

Working out of aerial buckets is a necessity in the power industry. City of Lethbridge Electric Operations staff practice bucket rescue safety procedures in order to be prepared for a potential accident in the field.



Climbing poles is still an essential skill required by a Power Line Technician. Although aerial bucket trucks have been used increasingly over the past 20 years, there are still times when it makes more sense to climb. Climbing also means Power Line Technicians need to practice procedures for pole top rescue, should there be an accident.



Apprentices train on climbing techniques during exercises in 2008.



Changing distribution structures that have reached the end of their service life is an important part of our ongoing maintenance program. Here, a crew is shown replacing a pole using live line rubber glove techniques. This work activity is required when it is not possible to turn the system off due to customer requirements.



Journeyman Power Line Technician applies “cover up” in order to execute rubber glove work procedures.

Highlights and Achievements

WASTE & RECYCLING SERVICES

Large Item Service (LIS) Program

In 2008, City Council replaced the Spring Clean-up Program with the Large Item Service (LIS). The program provides Lethbridge residents with a year round opportunity to dispose of bulky waste that cannot be disposed of by regular weekly waste collection. Now customers can call to arrange their bulky item pick-up twice per year and can discuss waste diversion options with a Waste & Recycling Technician.

During the first eight months of operation of the Large Item Service, approximately 3,500 service calls were made. In addition, over 500 collections of metal were made which allowed for the recycling of over 50,000 kilograms of metal. The illegal dumping of Freon containing appliances, such as freezers and refrigerators, has been nearly eliminated by the collection of 243 of these appliances through the new program. The establishment of a year round program has also allowed for the dedication of resources to keep alleys clean. Over 500 notices were issued to residents to clean the alley behind their properties. The LIS has proved a success in supporting Waste & Recycling Services' purpose to maintain a clean, healthy, urban environment for the Lethbridge community.



Household Hazardous Waste (HHW), Electronic Waste (E-Waste) and Paint Recycling Programs

In spring 2008, Waste & Recycling Services started offering Lethbridge residents the opportunity to drop-off Household Hazardous Waste (HHW), Electronic Waste (E-waste) and paint, year round at the Landfill Recycling Area. Open six days a week, Monday to Saturday, the landfill recycling area offers a convenient way for Lethbridge residents to manage their waste. It also helps keep hazardous chemicals and heavy metals out of the landfill. The program was implemented to enhance the level of service that was offered to residents through the "Round-Ups" that took place only one day per month, seven times per year.

Yard Waste Sites

Waste & Recycling Services has, with the participation of Lethbridge residents, diverted over 1,000,000 kgs of yard waste from the Lethbridge Regional Landfill since 2006. The waste is collected at sites provided by Community Services and taken to a compost site that is maintained by the Parks Department. The resulting compost is used in Lethbridge parks and gardens, returning valuable nutrients to the soil.



Highlights and Achievements

WASTE & RECYCLING SERVICES (CONTINUED)

Waste Reduction Master Plan

In early 2008, Sonnevera International Corp. was contracted to develop a Waste Reduction Master Plan for the City of Lethbridge. Completed in May of 2008, the aim of the report was to evaluate the City's current waste and recycling programs and to propose options for future waste diversion/reduction initiatives based on their applicability to our City.

The City of Lethbridge, through three sectors: residential, construction & demolition (C & D) and industrial, commercial & institutional (ICI), produced approximately 80,000 to 90,000 tonnes of waste annually from 2001 to 2006. This represents about 1.1 to 1.2 tonnes of waste produced per capita annually and is on par with Alberta's average annual per capita waste production. The majority of the waste was produced by the ICI sector (58%), considering that there is a heavy concentration of large industrial operators in Lethbridge and that the city is a regional hub servicing a wide geographical area. Less was produced by residents (23%) and the C & D sector (19%). Approximately 14% of residential waste is diverted through recycling programs in Lethbridge, while 12% of the ICI waste stream is diverted. Little of C & D waste is diverted.

Options for programs that could deliver higher diversion rates in Lethbridge were presented to the City's project team by Sonnevera International Corp. These options were narrowed down based on their acceptability and applicability to the City. The final list of options were further researched to identify examples of best practices, including diversion potential, lessons learned and implications to our community. Extensive stakeholder consultations, both on a group and individual basis, as well as through on-line surveys, were conducted within the three sectors. Information from the research and consultations were used in combination with the scoped list for program options to develop suggested program strategies. The options from the Waste Reduction Master Plan were presented to the Finance Committee in April 2008 in a tiered format that provided an introduction to aggressive program approaches for the three sectors.



Highlights and Achievements

ENVIRONMENTAL SERVICES

Pitch-In

The City of Lethbridge and Communities in Bloom partnered up once again in 2008. The Pitch-In program focuses on collecting litter in the community at school grounds, businesses and commercial and residential areas. This year, Earth Day was celebrated in conjunction with Pitch-In by having a day where residents were encouraged to BYOC (Bring Your Own Cup) to local, participating businesses in return for a reduced price for beverages. This integrated well with the Pitch-In program as the BYOC initiative reduced the amount of plastic, styrofoam and paper cups in use that have potential to end up as litter in Lethbridge.



Lethbridge Home & Garden Show

The Oldman Watershed Council's Urban Team and the Lethbridge Environment Week Committee participated in the Home and Garden Show in 2008. The large displays featured water conservation tips and information on wetlands and xeriscaping. Many great prizes were enjoyed including a push mower, rain barrel and water conservation kits. This year's show included a display for Trout Unlimited's Yellow Fish Road™ program as well. Information in the display focused on raising awareness about stormwater pollution in Lethbridge and the fact that water from the streets and our yards is not treated before it enters the Oldman River through City storm drains.

Environment Week

Environment Week 2008 took place from June 1 – 7. Lethbridge citizens biked for clean air, monitored Northern Leopard frogs, tested water supplies and learned about climate change and wetlands ecosystems. The week was successful in promoting the work that Albertans do year-round to protect and sustain the environment. As well, it gave Lethbridge residents the opportunity to learn more about environmental stewardship.

The events held during Environment Week were sponsored by the Lethbridge Environment Week Committee and its partners including the City of Lethbridge, Alberta Environment, Southern Alberta Group for the Environment (SAGE), Multiple Species at Risk (MultiSAR), the Oldman Watershed Council (OWC), Chinook Health, Southern Alberta Community of Environmental Educators (SACEE) and the Council of Canadians.



Highlights and Achievements

Yellow Fish Road™



Once again, the City of Lethbridge partnered with Trout Unlimited Canada and the Oldman Watershed Council in 2008 to raise awareness about stormwater pollution through the Yellow Fish Road™ program.

Nintey-nine Youth from the Lethbridge community painted approximately 130 storm drains and distributed close to 300 fish shaped door hangers to Lethbridge households. The youths used stencils to paint yellow fish by storm drains and then distribute door hangers that let residents know about the new Yellow Fish symbols in their neighborhood and what they stand for. The program educates and raises awareness about the fact that stormwater; the water washed down the curb on our streets from our yard, is not treated and runs straight into the Oldman River. Stormwater can carry the soaps, detergents, oil and antifreeze that we use in or on our vehicles and the pesticides and fertilizers that we use on our lawn and gardens.

Galbraith Elementary School, Agnes Davidson School, Lethbridge Christian School, YWCA's Girl's Club and Lethbridge Immigrant Services enthusiastically participated in the program, helping raise awareness about stormwater pollution in Lethbridge.

Waste Reduction Week

Waste Reduction Week is a national program that engages Canadians to focus on waste reduction and helps inform people as to why this is important. The program provides information and ideas on how to reduce waste. Waste Reduction Week was held from October 19–25, 2008.

The week was celebrated with a display in the City Hall atrium featuring tips for practicing the 3 R's hierarchy; Reduce, Reuse and Recycle. Lethbridge residents were invited to enter their name in a draw to win a number of great prizes aimed at reducing waste. Prizes included biodegradable cutlery, City of Lethbridge canvas shopping bags, stainless steel reusable travel mugs and thermoses and reusable plastic sandwich containers. In addition to the display, City Hall employees were encouraged to recycle all plastic, tin, aluminum and glass in the building over the course of the week. Among the waste diverted from the landfill were 45 beverage containers, 45 small yogurt containers, 22 miscellaneous plastic containers and 25 metal cans.



12 Green Days of Christmas

The City of Lethbridge, again in 2008, invited residents to help celebrate the 12 Green Days of Christmas by thinking outside the gift box during the holiday season. The program, held from December 1–12, encourages Lethbridge residents to reduce waste and its impact on the environment while enjoying the holidays. Environmental Services shared 12 different fun and festive gift ideas that promote the 3R's (reduce, reuse, recycle), save energy, reduce emissions and support the local economy.

Residents were invited to submit their ideas for making the season greener in order to win a Green Gift Basket filled with some of the green gift ideas promoted in the program. The program was a great success with over 130 people submitting their green gift ideas on how they planned to reduce their impact on the environment during the Christmas season.



Highlights and Achievements

REAL ESTATE AND LAND DEVELOPMENT

RESIDENTIAL



RiverStone continues to be one of the City of Lethbridge's most popular residential subdivision developments. In 2008, RiverStone saw the release of Phase 12, comprised of 40 lots which were a continuation of lot product that the public has seen in previous phases.

This brings the total number of developed lots to 682 since the subdivision started in 2000. In 2009, Real Estate and Land Development plans to release Phase 15 which will feature lots that will be larger and some lots offering covee views.



SunRidge, which is Canada's first Built Green community, continues to move forward with its green initiative. Houses that have completed the Built Green certification to date have received the following ratings: 1 bronze, 7 silver and 116 gold. Real Estate and Land Development will continue to work with the Lethbridge Home Builders Association to promote this green initiative in SunRidge.



The partnership between the City of Lethbridge and Lethbridge College to design and construct a demonstration home continues to progress. The project focuses on evaluating products and building practices that demonstrate a high level of energy efficiency for a single family home in Lethbridge's climate. The project has given over 200 students the opportunity to participate through their studies at the college, in a hands on experience, researching and designing a home.

The Crossings continues to show a tremendous amount of activity with the completion of deep underground utilities. The irrigation and landscaping components for the integrated sports field and storm water management facility also started in 2008. Considerable progress on the construction of the two high schools and library is continuing throughout the year.



Highlights and Achievements

REAL ESTATE AND LAND DEVELOPMENT (CONTINUED)

BUSINESS & INDUSTRIAL



Servicing work including a small amount of landscaping and entry features, was completed in 2008. Triple M Housing started construction of its new facility that will have the capacity to employ nearly 400 staff. In November 2008, Triple M Housing held a special ceremony to bless the new building which was attended by company representatives, contractors and local officials.

Ten other sales of smaller parcels in Sherring Business and Industrial Park also occurred totaling \$2,047,300.

Highlights and Achievements

ECONOMIC DEVELOPMENT

Lethbridge Ranks at No. 2 in Alberta's 10 Best Communities for Business rankings for 2008

Lethbridge has ranked No. 2 in Alberta Venture's magazine first annual Alberta's 10 Best Communities for Business rankings for 2008. Lethbridge ranked at No. 2 with a total of 18 points, just behind Red Deer which ranked No. 1 with 18.5 points. Lethbridge ranked ahead of Strathcona County, Edmonton, Medicine Hat and Okotoks (the latter two cities were tied at fifth place). Calgary ranked at No. 11 and Fort McMurray at No. 20.

Using data and subjective testimony from municipalities, business associations, commercial real estate agents, developers and landlords as well as individual business people, Alberta Venture compared 25 municipalities across Alberta on the basis of five criteria: costs; taxes, regulation and bureaucracy (TRB); market access; labour pool and a category of special considerations that, among other criteria, included economic indicators, economic diversity and research institutes.

These results reflect the attributes of the Lethbridge economy and community as a whole and serves to further validate the competitive edge Lethbridge possesses within the province. This recognition is a credit to the city and the businesses that have chosen Lethbridge as the place to establish or grow their business.



Team Lethbridge Formed to Promote Lethbridge in Edmonton

Lethbridge's many strengths and opportunities – including a diversified economy, rich arts and cultural heritage, strong public sector leadership and industry strength – were the topics of discussion when representatives from a dozen city organizations traveled to Edmonton to meet with Government of Alberta (GOA) elected officials and their staff teams.

The newly formed Team Lethbridge, composed of community leaders from 12 organizations, believe Lethbridge is an important contributor to the success of our province and by proactively communicating with provincial government decision-makers, the City and the province can benefit.

Team Lethbridge consists of representatives from:

- o Aboriginal Council of Lethbridge
- o Allied Arts Council
- o Canadian Home Builders Association – Lethbridge Region
- o City of Lethbridge/Lethbridge Regional Police Service
- o Economic Development Lethbridge
- o Lethbridge Chamber of Commerce
- o Lethbridge College
- o Lethbridge Construction Association
- o Lethbridge & District Exhibition
- o Lethbridge Family Services
- o Lethbridge School District No. 51
- o University of Lethbridge

Team Lethbridge met with GOA Ministers in October to make introductions, highlight the progressive work being undertaken in our city, express appreciation for the province's commitments in Lethbridge and offer our support in building solutions for the future. In addition to thanking the government for the significant investments made in the past year to Lethbridge-based projects, representatives focused on creating awareness among decision-makers on how Lethbridge and its agencies, associations, businesses, organizations and institutions contribute to the success of the province.

Team Lethbridge was initiated by Economic Development Lethbridge (EDL) in response to growing interest in working more closely with the Government of Alberta as well as increasing awareness and understanding of Lethbridge's contributions within the province.

Audit Committee

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 Auditors
- Provide an avenue of communication among City Council, Administration and the Auditors
- Identify and monitor the principal risks that could impact financial reporting of the City
- Oversee risk management including risk identification, analysis and management's 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 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 information technology systems
- Reviewed annual financial statements, discussed these with Administration and 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 financial personnel succession planning
- Participated in education sessions related to effective internal controls
- Discussed upcoming accounting regulation changes and how they will affect future financial reporting

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

Audit Committee maintains formal and comprehensive Terms of Reference which it reviews, at a minimum, in April in the year of a municipal election to ensure they reflect best governance practices.

Rajko Dodic
Alderman
Chairman, Audit Committee
March 30, 2009

Report from the Chief Financial Officer

For the Year Ended December 31, 2008

**His Worship, Mayor R. D. Tarleck
And Members of Council of the
City of Lethbridge**

The City of Lethbridge's 2008 Annual Report provides information to taxpayers and other members of the public about the City's 2008 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.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the City of Lethbridge and all other information contained in the annual report are prepared and presented by management, which is responsible for their accuracy, objectivity and completeness. The responsibility includes presenting the statements in accordance with Canadian generally accepted accounting principles for local governments and in conformance to the requirements of the Municipal Government Act of the Province of Alberta. The preparation of the statements necessarily involves the use of estimates, which are made using careful judgment.

Management is responsible for maintaining a system of internal controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

City Council has the ultimate responsibility for these financial statements. City Council oversees management's responsibilities for financial reporting through an Audit Committee, which is composed of the Mayor, and four aldermen, one of whom acts as an alternate. The Audit Committee reviews the financial statements and recommends them to City Council for approval.

To carry out its duties, the Audit Committee reviews the annual financial statements, as well as issues related to them. The Audit Committee also assesses the effectiveness of internal controls over the accounting and financial reporting systems. The Audit Committee's review of financial reports includes an assessment of key management estimates and judgments material to the financial results.

KPMG_{LLP}, the external auditor appointed by City Council has audited our financial statements. They have full unrestricted access to the Audit Committee to discuss their findings, including the fairness of financial reporting and the adequacy of internal controls.

OPERATING RESULTS

December 31, 2008, marks the end of the City of Lethbridge's three year budget cycle (for the years 2006 to 2008). Under the three year budget cycle, Business Units are expected to operate within their approved 36 month budget. As reflected in the Summary of Fiscal Principles, Practices and Policies, if there is a shortfall in the first two years, Business Units are expected to overcome the deficit by adjusting expenditures in the following year (2008); and if the first two years of operations result in a net surplus, the Business Units have the ability to carry over the surplus to assist their operations in the final year. As part of this model, any surplus from 2008 is transferred to the Municipal Revenue Stabilization Reserve (MRSR).

The General Fund generated a 2008 Corporate surplus of \$2.1 million (2007 – \$1.4 million) representing approximately 1.5% of the gross annual budget. The largest contribution to this surplus was higher than budgeted property taxes, revenues from construction permits and development fees, and lower than anticipated costs for employee benefits. This surplus will be transferred to the MRSR.

For 2008, the Utility Fund experienced a surplus of \$2.6 million (2007 – \$2.5 million). This surplus was primarily attributable to Landfill revenues resulting from industrial customer volumes and in Electric Utility Regulated Rate Tariff surplus resulting from volatile markets for electricity.

CAPITAL EXPENDITURES

The 2008-2017 Capital Improvement Program is the largest ever for the City of Lethbridge with projects totalling over \$260 million for 2008 through 2010. During 2008, \$80.8 million (2007, \$66.4 million) was expended on capital. A summary of the most significant expenditures during 2008 is as follows:

Subdivision development		\$14,844,000
Residential Subdivisions (Copperwood, SunRidge, RiverStone)	\$11,221,200	
The Crossings	2,789,100	
Sherring Business and Industrial Park	833,700	
Electric Capital Projects		12,245,400
Community Stadium		3,730,000
West Lethbridge Centre-Library		3,674,900
West Lethbridge Center		3,149,600
Landfill Upgrades-Cell 3		2,811,400
Public Operations Facility Project		2,217,600
Castle Apartments Complex		2,000,000
Landfill – construction of a barrier fence, purchase of large capacity waste baler and building upgrades to accept the baler		1,777,800
4th Av S Feeder Main		1,377,900
Legacy Ridge Stage 2/3 Storm Pond		1,289,000
Fire & EMS HQ Facility		1,199,000
Sidewalk Renewal & Blvd Construction		1,052,900
Graveled Roadway Upgrading		915,300
26 Av 28-31 St N Upgrade		915,000
5 Av S Reconstruction-Scenic Dr to Museum		888,200
Arterials		859,400
Downtown Revitalization		827,700
Street Upgrading		764,300
FIRE EMS Radio Infrastructure Renewal		519,600
WWTP Lagoon Upgrades		511,500

FINANCIAL POLICIES

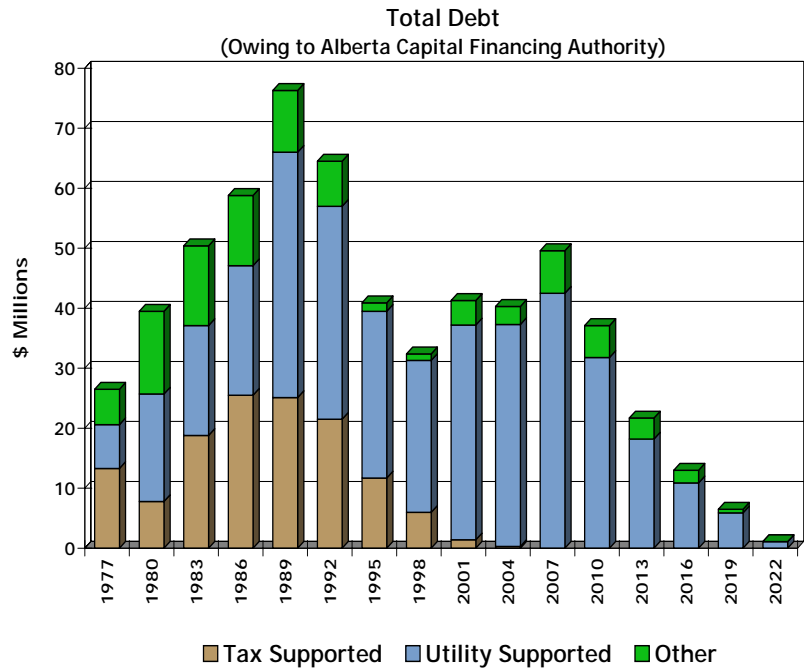
Lethbridge has a proven track record of prudent, yet innovative financial management. Over the past several years Council has adopted several long-term financial policies necessary to ensure that the City of Lethbridge continues to offer an attractive tax and utility rate environment to businesses and our citizens. These policies have been included in a compendium document called "Summary of Fiscal Principles, Practices, and Policies".

Debt Management/ Pay-As-You-Go

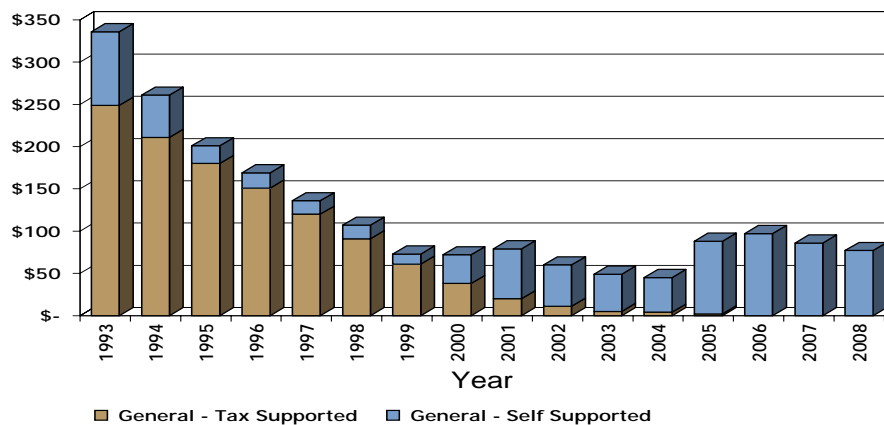
During the period of high growth/investment in the late 1970's and 1980's, the City borrowed extensively to fund these capital costs. Our debt peaked in 1989 at a level of \$76.9 million. In 1989, City Council adopted a policy of Pay-As-You-Go financing for general municipal (non-utility) capital expenditures. A complementary policy was that of utilizing City reserves to internally finance larger capital works. Since these policies were introduced, no additional tax supported debentures have been issued, and Lethbridge became free of its tax supported debt by May 2006.

The general fund continues to require external borrowing for "self supported" activities such as Local Improvements, Land Development, and Developer Offsite Levy projects. These activities are termed self supported because the debt repayments are made directly from the revenues of these activities and are not paid from property taxes.

Under this program, 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. During this time frame, the City has also completed a number of significant capital projects including a new City Hall, a new Police Station, Indoor Soccer Complex, Museum Expansion Cogeneration facility at the Wastewater Treatment Plant, replacement of the river valley Electrical Substation, and several significant roadway improvements, including Mayor Magrath Drive and University Drive widening.



Debt per Capita General Fund

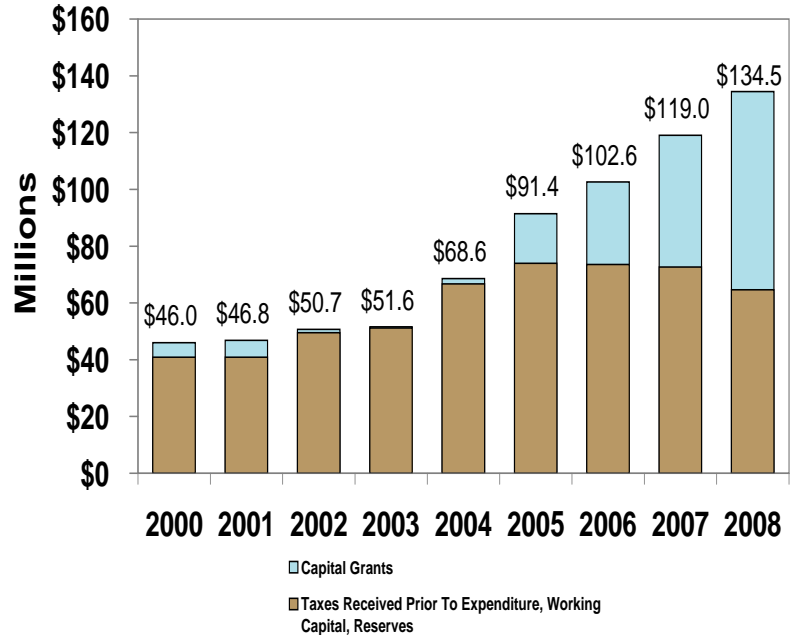


INVESTMENT POLICY

The City of Lethbridge's investment policy is certified by the Association of Public Treasurers of United States and Canada. Our investment policy provides direction on all investment matters with overall objectives of safety, liquidity, return on investment, and maintaining public trust.

The City of Lethbridge uses investments to provide a return on public funds while they are held by the City. 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 and that has received certification from the Association of Public Treasurers of the United States and Canada. The primary objective of this policy is safety of principal. All investment income is credited to the Municipal Revenue Stabilization Reserve, which is used to stabilize the effects of fluctuating investment revenues on the operating budget.

Average Portfolio Size



Canadian Award for Financial Reporting

Presented to
**City of Lethbridge
Alberta**

For its Annual
Financial Report
for the Year Ended
December 31, 2007

A Canadian Award for Financial Reporting is presented by the Government of Finance Officers Association of the United States and Canada to municipalities whose annual financial reports achieve the high program standards for Canadian Government accounting and financial reporting.



Michael R. ...
President

Jeffrey L. Esser
Executive Director

CANADIAN AWARD FOR FINANCIAL REPORTING

For the twelfth consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada presented the Canadian Award for Financial Reporting to the City of Lethbridge for its annual financial report for the fiscal year ended December 31, 2007. 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 receive 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 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.

The 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. As part of our continuing effort to achieve reporting excellence, we will submit this 2008 annual financial report to the GFOA for review.

ECONOMIC CONDITIONS

Throughout 2008, reports from around the world revealed serious economic difficulties. While Lethbridge is not free from these difficulties, the local economic situation has remained more favorable than many parts of Canada and the world. Unemployment rates in the region actually decreased during 2008 to 3.1% (2007 4.3%) which compares very favorably to the national average of 6.6% (2007 5.9%).

Residential construction showed a slowing from the rapid pace of development established in recent years. Residential building permits decreased by 26% in 2008 to 1,690 permits with a total value of \$81 million. The 2008 level of residential construction value is comparable to that experienced just prior to the marked increase in activity which occurred from 2005 through 2007. Correspondingly, although the residential real estate sector saw the average price of homes sold through MLS increase to \$280,100 from \$264,600, the number of homes sold decreased by 20%.

Construction in the commercial, industrial, and institutional sector continued to show strong growth in 2008 with 263 permits issued for a total value of \$152 million. This is an increase in value of 37% from 2007 and represents a year of very significant investment in our community.

Lethbridge is known as a community that experiences sustainable, steady growth over the long term. While the economic situation buffeting many parts of Canada and the world is also felt here, Lethbridge continues to experience low unemployment and overall growth which bodes favorably for the economic future of our community and those who call it home.

CONCLUSION

2008 is the final year of our 2006-2008 operating budget. The operating results achieved by our business units both in terms of financial responsibility and services provided are outstanding. Lethbridge residents continue to enjoy a very high level of service provided at a reasonable cost due to the efforts of staff at all levels in over fifty business units.

The financial position of the City of Lethbridge is very strong, with consolidated net financial assets of \$52 million (2007 \$44 million). This enviable position is a direct result of City Council continuing to follow long standing and sound financial policies.

During 2008 City staff and elected officials spent many hours in preparing, reviewing, discussing, engaging the community, debating, and finally approving a 2009-2011 operating budget. This is a significant accomplishment which flows from strategic and operational planning at all levels of the organization. This planning begins shortly following the municipal election with City Council creating a strategic plan. This plan is then considered by all business units as they develop their individual business plans. These plans along with community input in the form of a community survey and budget open houses form the basis for the 2009-2011 operating budget.

This combination of sound financial policies and prudent planning place the City of Lethbridge in an excellent position to face any challenges and take advantage of opportunities that will arise. In short, the City of Lethbridge will continue to be an outstanding place to live, work, and play!

Respectfully submitted,



Corey Wight, CA
Director of Corporate Services/City Treasurer
March 30, 2009



Management Report

The 2008 Annual Report of the City of Lethbridge, including the financial statements, is the responsibility of management.

The financial statements are prepared by management, using the accounting principles disclosed in the notes to these statements. They include some amounts that are based on the best estimates and judgements of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

City Council fulfils its responsibility for financial reporting through its Audit Committee. The Audit Committee consists of the Mayor and four Aldermen, one of whom acts as an alternate, who meet to review financial controls and reporting matters.

KPMG_{LLP} has been appointed by City Council to express an opinion on the City's consolidated financial statements. Their report follows.



Corey Wight, CA
Director of Corporate Services/City Treasurer
March 30, 2009



Rotary Centennial Water Fountain in Galt Gardens

Auditors' Report

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

We have audited the consolidated balance sheet of the City of Lethbridge as at December 31, 2008 and the consolidated statements of revenues and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Lethbridge as at December 31, 2008 and the results of its financial activities and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Lethbridge, Canada
March 30, 2009



Consolidated Balance Sheet

As at December 31, 2008 (in thousands of dollars)

	2008	2007
FINANCIAL ASSETS		
Cash and cash equivalents - Note 2	\$ 35,473	\$ 20,684
Investments - Note 3	149,858	124,420
Receivables - Note 4	24,480	26,901
Land held for resale	21,528	21,807
CentreSite investment - Note 5	7,205	7,198
Loans and advances	331	395
Other assets	1,617	1,123
	240,492	202,528
LIABILITIES		
Accounts payable and accrued liabilities - Note 6	27,961	26,516
Employee benefit obligations - Note 7	11,943	10,221
Deferred revenue - Note 8	89,820	64,530
Due to CentreSite	466	459
Deposits and other liabilities	7,763	6,532
Agreements payable - Note 9	273	708
Debenture debt - Note 10	49,886	49,529
	188,112	158,495
NET FINANCIAL ASSETS	52,380	44,033
PHYSICAL ASSETS		
Inventory held for consumption	6,590	6,340
Capital assets - Note 11	959,874	894,141
	966,464	900,481
NET ASSETS	\$ 1,018,844	\$ 944,514
MUNICIPAL POSITION		
Fund balances:		
Operating fund:		
Accumulated surplus - Note 13	\$ 7,437	\$ 5,779
Land held for resale	15,501	13,827
CentreSite investment	7,205	7,198
Unfunded vacation pay	(7,590)	(6,917)
Inventory held for consumption	(6,590)	(6,340)
	15,963	13,547
Capital fund - Exhibit 2	33,337	37,048
Reserves - Note 14	52,966	42,967
	102,266	93,562
Equity in physical assets		
Inventory held for consumption	6,590	6,340
Equity in capital assets	909,988	844,612
	916,578	850,952
NET MUNICIPAL POSITION	\$ 1,018,844	\$ 944,514

Commitments - Note 18

The accompanying notes and exhibits form an integral part of these Financial Statements

Consolidated Statement of Revenues and Expenditures

For the year ended December 31, 2008 (in thousands of dollars)

		2008	Budget (Unaudited)	2007
REVENUES				
Net taxes	- Exhibit 7	\$ 73,586	\$ 73,141	\$ 67,325
Capital revenues	- Exhibit 2	33,750	33,750	22,277
Return on investments		2,942	3,480	3,356
Investment Valuation Allowance	- Note 3	-	-	(5,700)
Provincial unconditional transfers		2,447	1,119	2,447
Other		18,422	17,841	19,704
		131,147	129,331	109,409
SALE OF GOODS AND SERVICES				
Electric		56,511	51,147	53,694
Water		17,099	15,346	16,801
Wastewater		13,265	12,973	12,595
Transportation services		13,194	12,682	13,308
Waste services		13,418	11,072	11,329
General government services		8,514	8,534	8,960
Protective services		9,842	7,454	9,166
Leisure and human services		9,417	4,816	8,215
Family support and social services		2,486	2,256	2,241
Development services		1,197	1,171	1,152
		144,943	127,451	137,461
		276,090	256,782	246,870
EXPENDITURES				
Operating				
Protective services		45,745	44,979	41,658
Leisure and human services		28,643	22,110	24,222
Electric		40,825	38,385	40,006
Transportation services		22,944	20,740	20,620
General government services		11,962	17,012	13,063
Water		12,069	9,615	10,973
Waste services		8,795	8,275	8,931
Wastewater		9,199	8,378	7,581
Family support and social services		3,227	3,275	3,113
Development services		3,544	3,792	3,286
		186,953	176,561	173,453
Capital				
General		55,045	55,045	48,011
Utility		25,746	25,746	18,366
	- Exhibit 2	80,791	80,791	66,377
	- Note 16	267,744	257,352	239,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
		8,346	(570)	7,040
Debenture debt issued		5,900	5,900	1,750
Debenture debt principal redeemed		(5,542)	(5,481)	(5,148)
Change in fund balances		8,704	(151)	3,642
Transfer from accumulated surplus		58	-	-
Transfers to reserves from operations		(15,261)	(10,971)	(9,260)
Transfers from accumulated surplus to operations		2,961	-	1,893
Transfers from reserves to capital		5,262	5,262	10,968
Change in capital fund		3,711	5,999	(1,770)
Change in inventory held for consumption		250	-	1,203
Change in other operating funds		(1,009)	-	(2,706)
CONSOLIDATED SURPLUS FOR THE YEAR	- Note 12	\$ 4,676	\$ 139	\$ 3,970

Consolidated Statement of Cash Flows

For the year ended December 31, 2008 (in thousands of dollars)

	2008	2007
CASH FLOWS FROM (USED IN):		
Operations		
Excess of revenues over expenditures	\$ 8,346	\$ 7,040
Decrease (increase) in non-cash financial assets		
Receivables	2,421	(2,049)
Land held for resale	279	(8,152)
Loans and advances	64	72
Other assets	(494)	200
Increase (decrease) in non-cash liabilities		
Accounts payable and accrued liabilities	1,445	4,452
Employee benefit obligation	1,722	961
Deferred revenue	25,290	18,952
Due to centreSite	7	82
Deposits and other liabilities	1,231	1,447
	40,311	23,005
Investing		
Investments	(25,438)	(5,247)
CentreSite investment	(7)	(66)
	(25,445)	(5,313)
Financing		
Debenture debt issued	5,900	1,750
Debenture debt principal redeemed	(5,542)	(5,148)
Agreements payable	(435)	(1,261)
	(77)	(4,659)
Change in cash and cash equivalents	14,789	13,033
Cash and cash equivalents, beginning of year	20,684	7,651
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 35,473	\$ 20,684

- Note 2

The accompanying notes and exhibits form an integral part of these Financial Statements

Consolidated Schedule of Operating Fund Activities

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 1

	2008	Budget (Unaudited)	2007
REVENUES			
Net taxes - Exhibit 7	\$ 73,586	\$ 73,141	\$ 67,325
Sale of land	14,867	14,867	16,582
Gas company franchise	3,037	2,539	2,638
Return on investments	2,942	3,480	3,356
Investment Valuation Allowance - Note 3	-	-	(5,700)
Provincial unconditional transfers	2,447	1,119	2,447
Penalties and costs	474	390	430
Other	45	45	54
	97,398	95,581	87,132
SALE OF GOODS AND SERVICES			
Electric	56,511	51,149	53,694
Water	17,099	15,346	16,801
Wastewater	13,265	12,973	12,595
Transportation services	13,194	12,682	13,308
Waste services	13,418	11,072	11,329
General government services	8,514	8,534	8,960
Protective services	9,842	7,454	9,166
Leisure and human services	9,417	4,816	8,215
Family support and social services	2,486	2,256	2,241
Development services	1,197	1,171	1,152
	144,943	127,453	137,461
	242,341	223,034	224,593
EXPENDITURES			
Protective services	45,745	44,979	41,658
Leisure and human services	28,643	22,110	24,222
Transportation services	22,944	20,740	20,620
Electric	40,825	38,385	40,006
General government services	11,962	17,012	13,063
Water	12,069	9,615	10,973
Waste services	8,795	8,275	8,931
Wastewater	9,199	8,378	7,581
Family support and social services	3,227	3,275	3,113
Development services	3,544	3,792	3,286
	186,953	176,561	173,453
EXCESS OF REVENUE OVER EXPENDITURES	55,388	46,473	51,140
Net interfund transfers			
To capital fund	(32,302)	(29,880)	(33,279)
To reserves	(15,261)	(13,932)	(9,260)
Debenture debt principal redeemed	(5,408)	(5,481)	(5,021)
Change in fund balance	2,417	(2,820)	3,580
Accumulated surplus, beginning of year	5,779	5,779	3,702
Change in inventory held for consumption	250	-	1,203
Change in other operating funds	(1,009)	-	(2,706)
ACCUMULATED SURPLUS, END OF YEAR - Note 13	\$ 7,437	\$ 2,959	\$ 5,779

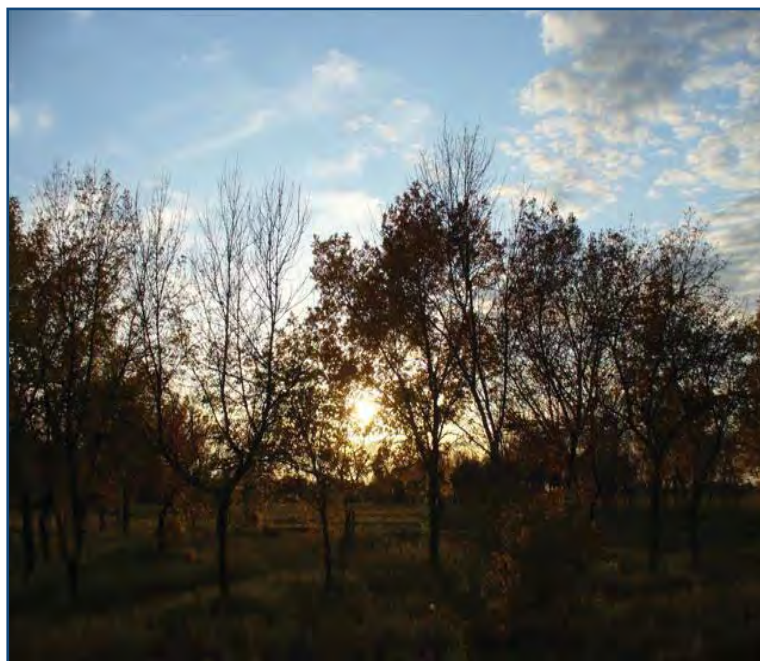
The accompanying notes and exhibits form an integral part of these Financial Statements

Consolidated Schedule of Capital Fund Activities

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 2

	2008	Budget (Unaudited)	2007
REVENUES			
Provincial and federal transfers	\$ 20,943	\$ 20,943	\$ 8,177
Developer payments	5,378	5,378	5,895
Proceeds from disposal of capital assets	150	150	279
Other	7,279	7,279	7,926
	33,750	33,750	22,277
EXPENDITURES			
Engineering structures	34,354	34,354	27,711
Buildings	10,107	10,107	2,385
Vehicles	3,823	3,823	2,659
Subdivision development	19,074	19,074	24,702
Machinery and equipment	4,292	4,292	3,613
Land	951	951	2,963
Other	8,190	8,190	2,344
	80,791	80,791	66,377
- Note 16			
DEFICIENCY OF REVENUES OVER EXPENDITURES	(47,041)	(47,041)	(44,100)
Net interfund transfers			
From operating fund	32,302	29,880	33,279
From reserves	5,262	5,262	10,968
Debenture debt issued	5,900	5,900	1,750
Debenture debt principal redeemed	(134)	-	(127)
Change in fund balance	(3,711)	(5,999)	1,770
Balance, beginning of year	37,048	37,048	35,278
BALANCE, END OF YEAR	\$ 33,337	\$ 31,049	\$ 37,048



The accompanying notes and exhibits form an integral part of these Financial Statements

Consolidated Schedule of Reserves

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 3

	2008	Budget (Unaudited)	2007
BALANCE, BEGINNING OF YEAR	\$ 42,967	\$ 42,967	\$ 44,675
Changes in fund balance			
Net transfer from operating fund	15,261	13,932	9,260
Net transfer to capital fund	(5,262)	(5,262)	(10,968)
Change in fund balance	9,999	8,670	(1,708)
BALANCE, END OF YEAR	\$ 52,966	\$ 51,637	\$ 42,967

- Note 14



The accompanying notes and exhibits form an integral part of these Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Lethbridge (the "City") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

a. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and in financial position 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 organizational transactions and balances are eliminated on consolidation.

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

Interests in joint ventures are accounted for using the proportionate consolidation method.

b. Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

c. Fund Accounting

Municipal funds for both General and Utility Operations consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. Proceeds from sales of land are recorded as operating fund revenues.

d. 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 bankers' acceptances, government bonds and commercial paper.

All investments held are purchased with the intention to hold to maturity, or until market conditions render alternative investments more attractive. Long-term investments are recorded at cost. Where an impairment in value is other than a temporary decline, the investment is written down to recognize the loss. Investment premiums and discounts arising on the purchase of fixed term securities are amortized proportionately over the period to maturity.

e. Inventories

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

f. 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 levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads and street lighting are recorded as capital assets under their respective function.

g. Tangible Capital Assets

Effective January 1, 2007, the City adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the disclosure of tangible capital assets for local

SIGNIFICANT ACCOUNTING POLICIES (continued)

governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009.

The City of Lethbridge is preparing for and will fully implement the change by the 2009 reporting year. During 2008, the City continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2008 the City has obtained an asset listing and partial values for land, land improvements, buildings, equipment and furnishings, engineered structures, and vehicles. Revised internal capitalization policies have been drafted and will be approved in 2009, consistent with the future requirement for 2009 implementation. Work is underway to revise the related budgeting process, validate all tangible capital assets values along with the associated accumulated amortization and asset useful lives, and implement a new capital asset system module to support the future information requirements. Where actual historical costs are unavailable, estimates will be consistently applied. The effects of these changes have not been calculated or disclosed in the statements.

h. Depreciation

As of January 1, 2007, depreciation for electric assets is presented in the financial statements as a capital expenditure. Amortization for all other land improvements, buildings, engineered structures, machinery and equipment and vehicle assets are expected to be presented in the December 31, 2009 financial statements and will be calculated on a straight line basis over an assets estimated useful life as follows:

Asset Class	Years
Land improvements	15-40
Buildings	25-75
Engineered structures	
Roadway system	20-75
Water system	45-75
Wastewater system	45-75
Storm system	45-75
Electricity system	12-60
Equipment and furnishings	5-40
Vehicles	10-25

i. Equity in Capital Assets

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

j. 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 expenditures in the year in which they become due.

k. Reserves

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

l. Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires

December 31, 2008 (in thousands of dollars)

SIGNIFICANT ACCOUNTING POLICIES (continued)

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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

m. Over-levies and Under-levies

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

n. 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 (see note 6).

2. CASH AND CASH EQUIVALENTS

		2008		2007
Cash	\$	14,773	\$	2,689
Investments with original maturities less than 3 months		20,700		17,995
	\$	35,473	\$	20,684

3. INVESTMENTS

		2008		2007	
		Cost	Market ⁽¹⁾	Cost	Market
Short-term investments	\$	34,872	\$ 34,930	\$ 35,688	\$ 35,697
Long-term investments		114,986	114,500	88,732	87,239
	\$	149,858	\$ 149,430	\$ 124,420	\$ 122,936

⁽¹⁾ In the absence of an active market for third-party structured ABCP, its market value is disclosed as the net carrying value as detailed below.

Investments mature at various dates between May 7, 2009 and October 15, 2017 and have an average effective annual yield of 2.88% (2007 - 4.05%).

Investments include \$69,791 (2007 - \$46,362) in externally restricted amounts which must be used for specified capital projects.

Third-Party Structured Asset-Backed Commercial Paper (ABCP)

The City of Lethbridge holds third-party structured asset-backed commercial paper ("ABCP") with a face value of \$30,257. When these ABCP investments were originally purchased by the City of Lethbridge, they were rated R1 high, the highest credit rating offered by the Dominion Bond Rating Service. Accordingly, the ABCP satisfied all requirements of the City of Lethbridge investment policy and the Municipal Government Act. These investments, purchased between May and July 2007, had original maturity dates ranging from September 2007 to March 2008. As a result of liquidity issues in the ABCP market, these investments did not settle on maturity.

In the absence of an active market for the third-party structured ABCP, the City of Lethbridge has estimated the carrying value of these investments as at December 31, 2008 using a probability-weighted valuation model. The resulting net carrying value of \$24,557 is included in the long term investments and is calculated as follows:

Notes to the Consolidated Financial Statements (continued)

December 31, 2008 (in thousands of dollars)

INVESTMENTS (continued)

Original Cost	\$30,257
Valuation Allowance	<u>5,700</u>
Net Carrying Value	\$24,557

Subsequent to year end, the ABCP restructuring led by the Pan-Canadian Investors Committee was successfully completed. As a result of this restructuring, the City of Lethbridge has received new investment notes with an equivalent face value (\$30,257) to the original ABCP investments.

Of these new notes, \$22.3 million are rated "A" by the Dominion Bond Rating Service, bear interest floating at the Bankers Acceptance rate less 0.5% and have an expected repayment date of January 22, 2017.

The remaining \$8.0 million are unrated and have yields and repayment dates which are subject to the performance of underlying assets. At the time of printing of this report, the City of Lethbridge is working with a third party to maximize the value of these remaining notes.

4. RECEIVABLES

	General		Utility		Total			
					2008	2007		
Trade	\$	7,302	\$	14,708	\$	22,010	\$	22,626
Other government		2,844		-		2,844		4,888
Taxes		1,668		-		1,668		1,302
		11,814		14,708		26,522		28,816
Allowance for doubtful amounts		1,326		716		2,042		1,915
	\$	10,488	\$	13,992	\$	24,480	\$	26,901

5. CENTRESITE INVESTMENT

CentreSite is a joint venture between the Province of Alberta and the City, which was formed to develop land acquired when the Canadian Pacific Railway yard was moved from the Lethbridge City centre. The operations of CentreSite currently include a long-term lease.

The investment in CentreSite is accounted for on the modified equity basis. Equity allocations or refunds, and net income or losses are allocated 60% to the Province of Alberta and 40% to the City.

		2008		2007
Balance, beginning of year	\$	7,198	\$	7,132
City share of CentreSite net income		252		251
Equity Refund		(245)		(185)
	\$	7,205	\$	7,198

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	General		Utility		Total			
					2008	2007		
Trade payables	\$	16,144	\$	5,387	\$	21,531	\$	19,016
Accrued liabilities		2,599		1,942 ⁽¹⁾		4,541		6,333
Other government		1,889		-		1,889		1,167
	\$	20,632	\$	7,329	\$	27,961	\$	26,516

⁽¹⁾ Landfill Closure and Post-Closure Liability

Included in accounts payable and accrued liabilities is \$1,942 (2007 - \$1,234) of estimated total landfill closure and

December 31, 2008 (in thousands of dollars)

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

post-closure care costs. The accrued liability is fully funded. The liability is recognized over the life of the landfill using the net present value of the total estimated costs of closure and post-closure care. These costs have been prorated on the basis of the current capacity in cubic meters utilized over the total estimated capacity of the site. The present value of the estimated closure and post-closure costs was discounted at the City's average long-term borrowing rate.

The remaining capacity of the approved phases is estimated at 3.1 (2007 - 3.3) million cubic meters which will be reached in approximately 12 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 25 years 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 \$510 (2007 - \$1,218). The following summarizes the total net present value of the estimated costs of closure and post-closure care:

		2008		2007
Estimated closure costs	\$	1,944	\$	1,073
Estimated post-closure costs		1,684		1,379
Total estimated costs		3,628		2,452
Amount accrued to December 31		(1,942)		(1,234)
Balance of estimated costs to accrue over the remaining life of the landfill	\$	1,686	\$	1,218

7. EMPLOYEE BENEFIT OBLIGATIONS

	General		Utility		2008	2007
Vacation and overtime	\$	8,103	\$	1,364	\$	9,467
Sick pay		623		-		623
Post-employment benefits		1,853		-		1,853
	\$	10,579	\$	1,364	\$	11,943
					\$	10,221

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 or are entitled to them within the next budgetary year.

Post-employment Benefits

In December 2002, City Council approved the participation of the City of Lethbridge 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 in excess of the limits of the Income Tax Act (Canada). The total current and past service liability to the City to December 31, 2008 are estimated at \$1,853 (2007 - \$1,215). This amount changes as a result of interest on the liability, changes in membership, aging of the employees within the prescribed class, and other demographic experience.

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. The City makes provision for its accrued SERP obligation by earmarking a portion of its assets.

Notes to the Consolidated Financial Statements (continued)

December 31, 2008 (in thousands of dollars)

8. DEFERRED REVENUE

		2008	2007
Deferred revenue	\$	2,052	\$ 1,783
Provincial contributions	(1)	69,791	46,362
Prepaid taxes		17,977	16,385
	\$	89,820	\$ 64,530

(1) Provincial contributions consist mainly of \$40,402 (2007 - \$33,596) Alberta Municipal Infrastructure Program grant, \$11,362 (2007 - \$1,533) Municipal Sustainability Initiative grant and \$8,667 (2007 - \$6,025) Basic Capital grant.

9. AGREEMENTS PAYABLE

The City of Lethbridge has entered into agreements to purchase three separate parcels of land for future residential and industrial park developments. The lands have been recorded in Land Held for Resale.

		2008	2007
Agreement 1 - West Lethbridge residential	\$	273	\$ 535
Agreement 2 - West Lethbridge residential		-	173
	\$	273	\$ 708

Principal and interest repayments are as follows:

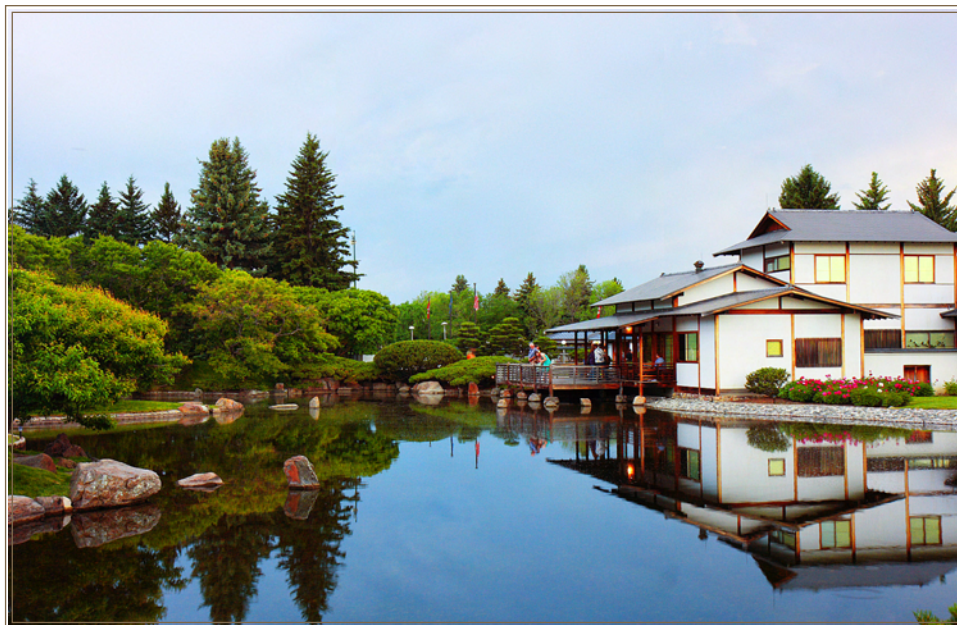
		Principal	Interest	Total
2009	\$	273	11	284

Agreement 1

On April 26, 2004 the City of Lethbridge purchased 81.13 acres of land held for future residential subdivision in West Lethbridge. Under the terms of the agreement, payments are made in five annual installments ending in 2009.

Agreement 2

On April 22, 2004 the City of Lethbridge purchased 80.06 acres of land held for future residential subdivision in West Lethbridge. Under the terms of the agreement, payments were made in four annual installments ending in 2008.



Nikka Yuko Japanese Gardens

Notes to the Consolidated Financial Statements (continued)

December 31, 2008 (in thousands of dollars)

10. DEBENTURE DEBT

		2008		2007
General - self supported	\$	6,477	\$	7,066
Utilities		43,409		42,463
	\$	49,886	\$	49,529

Principal and interest repayments are as follows:

	Principal	Interest	Total
2009	\$ 6,508	\$ 2,434	\$ 8,942
2010	6,276	2,159	8,435
2011	5,882	1,881	7,763
2012	4,766	1,609	6,375
2013	4,734	1,348	6,082
2014 to maturity	21,720	4,968	26,688
	\$ 49,886	\$ 14,399	\$ 64,285

Debenture debt is repayable to the Alberta Capital Finance Authority. Existing debentures mature in annual amounts to the year 2023. Other than a \$99 interest free loan, interest rates on these debentures range from 2.50% to 6.75% per annum. The Province of Alberta rebates part of the interest paid on qualifying debentures. Debenture debt is issued on the credit and security of the City of Lethbridge at large.

Interest on long-term debt amounted to \$ 2,472 (2007 - \$2,541).

The City's total cash payments for interest were \$2,456 (2007 - \$2,502).

11. CAPITAL ASSETS

	General ⁽¹⁾	Utility ⁽¹⁾	2008 ⁽¹⁾	Total	2007 ⁽¹⁾
Engineering structures	\$ 328,917	\$ 325,734	\$ 654,651	\$	608,411
Buildings	117,456	78,754	196,210		186,103
Vehicles	43,489	72	43,561		40,165
Land	24,552	1,564	26,116		25,243
Equipment and furnishings	22,582	4,619	27,201		23,741
Subdivision development	39,060	8,125	47,185		40,301
	576,056	418,868	994,924		923,964
Accumulated depreciation - Note 1h	-	35,050	35,050		29,823
	\$ 576,056	\$ 383,818	\$ 959,874	\$	894,141

⁽¹⁾ Refer to Note 1 g.

Amortization of assets in the amount of \$5,227 has been recorded as a capital expenditure in the financial statements for electric assets only.

Notes to the Consolidated Financial Statements *(continued)*

December 31, 2008 (in thousands of dollars)

12. CONSOLIDATED SURPLUS FOR THE YEAR

As is common for municipal governments, the General Fund budget is prepared on a balanced basis, however the budgets for the individual Utility operations in any year may be prepared to reflect a budgeted surplus or deficit. Details of surpluses, deficits and corresponding budgets are disclosed as follows:

	2008 Actual Surplus (Debit)	2008 Budgeted Surplus (Debit) (unaudited)	2007 Actual Surplus (Debit)
General	\$ 2,055	\$ -	\$ 1,441
Water	115	105	491
Wastewater	288	-	343
Waste services	1,380	34	175
Electric	839	-	1,520
	\$ 4,676	\$ 139	\$ 3,970

13. ACCUMULATED SURPLUS

	Balance 2007	Appropriations and Adjustments	2008 Surplus (Debit)	Balance 2008
General	\$ 1,441	\$ (1,441)	\$ 2,055	\$ 2,055
Water	1,561	-	115	1,676
Wastewater	476	-	288	764
Waste services	781	(58)	1,380	2,103
Electric	1,520	(1,520)	839	839
	\$ 5,779	\$ (3,018)	\$ 4,676	\$ 7,437

General Fund and Electric Utility surpluses and deficits of the prior year are transferred to the Municipal Revenue Stabilization Reserve in the current year. The 2008 General Fund accumulated surplus of \$2,055 and Electric Utility accumulated surplus of \$839 will be transferred to the Municipal Revenue Stabilization Reserve in 2009.



Pathway Bridge at Henderson Lake

Notes to the Consolidated Financial Statements *(continued)*

December 31, 2008 (in thousands of dollars)

14. RESERVES

	2008	2007
OPERATING		
Budget Appropriations	\$ 16,801	\$ 16,392
Municipal Revenue Stabilization Reserve (Note 15)	6,503	1,157
Insurance	1,916	1,372
Urban Parks	1,191	1,359
Cemeteries	672	590
Mayor Magrath Drive Beautification	103	97
Snow Removal	-	30
	27,186	20,997
CAPITAL		
Fleet Services	12,257	11,352
Major Capital Projects	4,826	3,845
Community Lighting	2,145	1,939
Real Estate Holdings	1,640	1,635
Acquire Off Street Parking	1,506	1,221
Transit Bus	930	948
Community Reserve Fund	2,197	688
Central Business District Land Acquisition	279	278
School Bus	-	64
	25,780	21,970
	\$ 52,966	\$ 42,967



Nikka Yuko Japanese Gardens

Notes to the Consolidated Financial Statements (continued)

December 31, 2008 (in thousands of dollars)

15. MUNICIPAL REVENUE STABILIZATION RESERVE

The purpose of this reserve is to stabilize the effects of fluctuating interest revenues and General Fund operating surpluses and deficits on annual taxation requirements. All General Fund and Electric Utility 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 Fund and Electric Utility deficits of prior years, municipal consent and access fee/franchise fee and by-law enforcement revenue shortfalls, budgeted allocations to General Fund operations, one time expenditures and internal financing advances are charged to the reserve. The transactions affecting the reserve for the year ended December 31, 2008 are as follows:

	2008	2007
Balance, beginning of year	\$ 1,157	\$ 7,752
Add: Recovery of internal financing	6,927	8,298
Municipal consent and access fee (electric)	6,281	6,019
Allocation from electric capital (depreciation)	5,482	7,871
Return on investment (electric)	3,665	3,415
Investment and interest income (net of trust allocations)	2,774	3,239
2007 electric & wire services operating surplus	1,520	-
2007 general operating surplus (Exhibit 6)	1,441	2,401
ATCO franchise fee surplus (vs. annual budget of \$2,400)	627	228
CentreSite distribution allocation	245	185
By-law enforcement revenue surplus (vs. annual budget of \$3,900)	230	429
Other	30	12
	30,379	39,849
Less: Electric wire service - allocation to general operations	8,200	8,200
Allocation to electric distribution capital projects	6,560	7,871
Investment Valuation Allowance	-	5,700
Allocation to general operations	4,121	3,500
Allocation to Snow Removal	958	-
Prior year electric operating deficit	-	508
Allocation for TIPP discounts	522	465
Other	412	356
One time allocations	383	-
Internal financing advances:		
Land purchase	-	3,201
Sherring industrial park - phase 1	-	5,500
Residential subdivisions	1,918	1,769
Police technology	410	158
Management information system (MIS) project	-	751
Local improvement - lane paving	188	404
Local Improvements 17th Street& 3rd Avenue	112	-
Cemetery gravesite restoration	62	103
Mountview cemetery office	30	206
	23,876	38,692
Balance, end of year	\$ 6,503	\$ 1,157

Notes to the Consolidated Financial Statements (continued)

December 31, 2008 (in thousands of dollars)

16. EXPENDITURES BY OBJECT

	2008	Budget (unaudited)	2007
Salaries, wages and benefits	\$ 97,725	\$ 94,790	\$ 85,761
Materials, supplies and utilities	49,027	41,398	48,891
Contracted and general services	33,263	30,987	30,983
Debenture debt interest	2,448	2,457	2,540
Grants to individuals and organizations	1,257	1,157	2,013
Financial charges	742	447	646
Other	2,491	5,325	2,619
	186,953	176,561	173,453
Capital	80,791	80,791	66,377
	\$ 267,744	\$ 257,352	\$ 239,830

17. DEBT LIMITS

Section 276 (2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 375/94 for the City be disclosed as follows:

	2008	2007
Total debt limit	\$ 384,921	\$ 363,723
Total debt	49,886	49,529
Debt limit unused	\$ 335,035	\$ 314,194
Percentage of debt to debt limit	12.96%	13.62%
Service on debt limit	\$ 64,154	\$ 60,621
Service on debt (principal and interest payments)	8,951	8,025
Service on debt limit unused	\$ 55,203	\$ 52,596
Percent of debt service to service limit	13.95%	13.24%

The debt limit is calculated at 1.5 times the revenue of the City (as defined in Alberta Regulations 375/94) 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.

18. COMMITMENTS

a. Contracts

As at December 31, 2008 the City has committed funds on various capital projects in progress. The funds committed by contract and the estimated costs to complete those projects are as follows:

Description	Funds Committed	Estimated costs to complete
West Lethbridge Centre Sports fields	\$ 6,898	9,757
SunRidge	2,795	9,482
Riverstone	2,402	20,814
The Crossings	2,035	23,238
Public Ops	1,688	35,648
Fire/EMS radio infrastructure renewal	1,243	1,371
Transformer for 2007 TC substation	1,032	1,992
Sherring Industrial Park	923	26,656
28 street North upgrade	763	10,652
University Drive- Whoopup- McGill Blvd	457	1,766
	\$ 20,236	141,376

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, 2008.

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 of Lethbridge. These fee for service contracts vary in their length, terms and conditions.

i) Recreation Excellence

On September 12, 2005, the City entered into a six year contract with Recreation Excellence to provide aquatic programs, office operations, water quality system management, general maintenance, repair and replacement for interior facility maintenance, related aquatic services, and lifeguarding requirements on behalf of the City. The contract expires on September 5, 2011 and includes the operation of Nicholas Sheran, Stan Siwik, Fritz Sick, and Henderson swimming pools. Both parties have agreed to open the contract for negotiation of rates for the period from September 2009-2011.

ii) Commissionaires (Southern Alberta)

On March 16, 2007 the City entered into a three year contract with Commissionaires (Southern Alberta) to operate the Lethbridge Regional Landfill Scale House. The contract is from March 16, 2007 to March 15, 2010 with an option for the City to extend the contract for an additional two years. Under the terms of the contract, the City is to pay \$83 annually.

iii) SBD Animal Services Ltd.

On December 8, 2008 the City entered into a 3 year contract with SBD Animal Services Ltd. to operate the Lethbridge Animal shelter. The contract is from January 1, 2009 to December 31, 2011 with an option for a 4th and 5th year. Under the terms of the contract, the City is to pay \$1,021 over the 3 year term.

iv) Other

The City has entered into various other contracts in the normal course of operations.

19. PENSION PLANS

Employees of the City qualify to belong to one or more of the following defined-benefit pension 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 179,000 people and 407 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the LAPP funds.

PENSION PLANS (Continued)

At December 31, 2007 the LAPP disclosed an actuarial deficit of \$1,183,334 (2006 - \$746,651).

The City is required to make current service contributions to the LAPP of 7.75% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings ("YMPE") and 10.64% for the excess. Employees are required to make current service contributions of 6.75% to the YMPE and 9.64% for any portion of pensionable salary over the YMPE.

Total current and past service contributions by the City to the LAPP in 2008 were \$5,352 (2007 - \$4,347). Total current and past service contributions by the employees of the City were \$3,395 (2006 - \$3,723).

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 5,300 people and 7 employers in Alberta. The plan is financed by employer and employee contributions and investment earnings of the SFPP funds.

At December 31, 2007 the SFPP disclosed an actuarial deficit of \$78,651 (2006 - \$33,300 surplus).

The contribution rates for 2008 were 11.11% (2007 - 11.11%) of pensionable earnings for the City and 10.01% (2007 - 10.01%) of pensionable salaries for police officers. Total current and past service contributions by the City to the SFPP in 2008 were \$1,257 (2007 - \$1,172). Total current and past service contributions by the police officers to the SFPP were \$857 (2007 - \$1,034).

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% (2007 - 2.5%) and 3.0% (2007 - 3.0%) respectively of pensionable earnings up to \$117 (2007 - \$111).

Total current service contributions by the City to APEX in 2008 were \$338 (2007 - \$284). Total current service contributions by the employees of the City were \$233 (2007 - \$212).

December 31, 2008 (in thousands of dollars)

20. SALARY AND BENEFITS

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

	Number of Persons	Salary	Benefits & Allowances	2008	2007
Mayor:					
R. Tarleck	1	\$ 61	\$ 35	\$ 96	\$ 85
Aldermen:					
J. Carlson	1	22	14	36	5
R. Dodic	1	20	14	34	28
L. Iwaskiw	1	-	-	-	23
B. Lacey	1	20	13	33	27
R. Parker	1	18	14	32	29
M. Simmons	1	18	13	31	5
K. Tratch	1	20	14	34	5
L. Vaala	1	-	-	-	24
S. Ward	1	18	14	32	29
J. Weadick	1	-	-	-	25
T. Wickersham	1	19	14	33	29
	11	\$ 155	\$ 110	\$ 265	\$ 229
City Manager ⁽¹⁾	1	\$ 224	\$ 22	\$ 246	\$ 191
Designated Officers ⁽²⁾	4	\$ 497	\$ 96	\$ 593	\$ 527

⁽¹⁾Overlap off one month as the former City Manager retired July 31, 2008 and the incumbent position was filled July 7, 2008.

⁽²⁾Designated Officers include the City Assessor, City Clerk, City Solicitor, and the City Treasurer.

Aldermen 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.

21. FINANCIAL INSTRUMENTS

Unless otherwise noted, the fair value of financial instruments 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.

22. CONTINGENT LIABILITIES

At December 31, 2008 the City of Lethbridge has guaranteed loans in the amount of \$979 with ATB Financial and \$842 with the Canadian Imperial Bank of Commerce (CIBC). The guaranteed loans bear interest at 5.80% and 7.46% per annum respectively and are secured by a general security agreement, land and buildings with a carrying value of \$3,879 and a general assignment of leases and rents. The terms of the loans are due to mature on December 31, 2011 and January 1, 2012 respectively.

The City of Lethbridge owns properties that may contain environmental contamination and require site reclamation. The amount of any such obligations has not been determined.

23. CONTRIBUTIONS RECEIVABLE

Galt Gardens Project:

The City of Lethbridge has been awarded a grant in the amount of \$250 from the Alberta Government's Centennial Legacies Grant Program, under a contribution agreement dated April 6, 2005. The grant funds and corresponding monthly interest have been allocated by the Alberta Government to their Consolidated Cash Investment Trust Fund exclusively for the purpose of the Galt Gardens Project.

As of December 31, 2008, \$250 plus interest of \$28 were released to the City of Lethbridge in accordance with the agreement and recognized as revenue. These funds have been forwarded to the City, as certification of the project milestones, key dates and activities have been completed as described in the Galt Gardens Project Capital Plan.

Galt Gardens Project:	
Alberta Centennial Legacies Grant	\$ 250
Funds received and expended	(278)
Interest earned	28
Alberta Centennial Legacies grant funding receivable, end of year	\$ -

24. COMPARATIVE FIGURES

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

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by City Council.

General Fund Balance Sheet

As at December 31, 2008 (in thousands of dollars)

Exhibit 4

		2008	2007
FINANCIAL ASSETS			
Cash and cash equivalents	- Note 2	\$ 35,473	\$ 20,684
Investments	- Note 3	149,858	124,420
Receivables	- Note 4	10,488	12,550
Due from utility fund	- Exhibit 8	2,953	4,206
Land held for resale		21,528	21,807
CentreSite investment	- Note 5	7,205	7,198
Loans and advances		331	395
Other assets		1,361	765
		229,197	192,025
LIABILITIES			
Accounts payable and accrued liabilities	- Note 6	20,632	19,906
Employee benefit obligations		10,578	9,075
Deferred revenue	- Note 8	89,820	64,530
Due to CentreSite		466	459
Deposits and other liabilities		6,927	6,010
Agreements payable	- Note 9	273	708
Debenture debt (General - self supported)	- Note 10	6,477	7,066
		135,173	107,754
NET FINANCIAL ASSETS		94,024	84,271
PHYSICAL ASSETS			
Inventory held for consumption		1,544	1,381
Capital assets	- Note 11	576,056	530,794
		577,600	532,175
NET ASSETS		\$ 671,624	\$ 616,446
MUNICIPAL POSITION			
Fund balances:			
Operating fund			
Accumulated surplus	- Exhibit 6	\$ 2,055	\$ 1,441
Land held for resale		15,501	13,827
CentreSite investment		7,205	7,198
Unfunded vacation pay		(6,938)	(6,322)
Inventory held for consumption		(1,544)	(1,381)
		16,279	14,763
Capital fund		32,143	35,287
Reserves		52,079	41,287
		100,501	91,337
Equity in physical assets			
Inventory held for consumption		1,544	1,381
Equity in capital assets		569,579	523,728
		571,123	525,109
NET MUNICIPAL POSITION		\$ 671,624	\$ 616,446

General Fund Statement of Revenues and Expenditures

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 5

		2008	Budget (Unaudited)	2007
GENERAL MUNICIPAL REVENUES				
Net taxes	- Exhibit 7	\$ 73,586	\$ 73,141	\$ 67,325
Return on investments		2,942	3,480	3,356
Investment Valuation Allowance		-	-	(5,700)
Provincial unconditional transfers		2,447	1,119	2,447
Gas company franchise		3,037	2,539	2,638
Penalties and costs		474	390	430
Sale of land		14,867	14,867	16,582
Other		45	45	54
		97,398	95,581	87,132
FUNCTIONALIZED OPERATIONS:				
GENERAL GOVERNMENT SERVICES				
Council and other legislative		(5,599)	(4,332)	(5,741)
General administration		9,074	13,465	9,984
		3,475	9,133	4,243
PROTECTIVE SERVICES				
Police		19,678	20,069	18,454
Fire		11,238	12,062	10,649
Disaster services		(42)	6	(18)
Ambulance		4,209	3,866	3,375
Protective inspections		(1,269)	(579)	(1,453)
Other protection		2,089	2,101	1,485
		35,903	37,525	32,492
TRANSPORTATION SERVICES				
Engineering services administration		467	392	301
Fleet services		(2,716)	(2,327)	(2,845)
Roads, walks, lighting, parking		4,870	3,515	3,442
Storm sewers		281	267	269
Transit		6,853	6,250	6,149
		9,755	8,097	7,316
FAMILY SUPPORT AND SOCIAL SERVICES				
Family and community support services		430	631	491
Cemeteries		230	324	327
Other public health		85	107	79
		745	1,062	897
DEVELOPMENT SERVICES				
Planning		177	540	159
Economic development		1,921	1,685	1,759
Public housing		249	396	216
		2,347	2,621	2,134
LEISURE AND HUMAN SERVICES				
Administration		1,194	1,396	965
Recreation facilities and programs		14,107	12,180	10,550
Cultural facilities and programs		4,607	5,356	4,956
		19,908	18,932	16,471
		72,133	77,370	63,553
EXCESS OF REVENUES OVER EXPENDITURES				
Allocation from utility fund		1,877	1,624	1,789
Net transfers from (to) reserves		(1,048)	265	4,593
Net transfers from capital		4,520	3,806	990
Provision for capital assets		(26,555)	(22,783)	(25,713)
Debenture debt principal redeemed		(1,101)	(1,123)	(1,007)
Change in inventory held for consumption		163	-	(58)
Change in other operating funds		(1,066)	-	(2,732)
SURPLUS FOR THE YEAR	- Exhibit 6	\$ 2,055	\$ -	\$ 1,441

General Fund Statement of Accumulated Operating Surplus

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 6

		2008	2007
BALANCE, BEGINNING OF YEAR		\$ 1,441	\$ 2,401
Less: Appropriation to Municipal Revenue Stabilization Reserve	- Note 15	(1,441)	(2,401)
Add: Surplus for the year	- Exhibit 5	2,055	1,441
BALANCE, END OF YEAR	- Exhibit 4	\$ 2,055	\$ 1,441



Post Office Clock

General Fund Statement of Taxes Levied

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 7

	2008	2007
TOTAL TAXES LEVIED		
Real property taxes	\$ 97,831	\$ 90,970
Special assessments and local improvements	2,939	2,729
Business taxes (BRZ)	158	160
Grants in lieu of taxes		
Federal	170	165
Provincial	1,372	1,507
	102,470	95,531
Less: Special requisition transfers:		
Alberta School Foundation Fund	20,806	20,399
Holy Spirit RCSRD 4	4,046	4,043
Green Acres Foundation	925	869
Downtown Lethbridge Business Revitalization Zone	168	168
	25,945	25,479
TAXATION FOR MUNICIPAL PURPOSES	76,525	70,052
Less Special levies:		
Local improvements	419	408
Street maintenance frontage taxes	2,520	2,319
	2,939	2,727
NET TAXES	\$ 73,586	\$ 67,325

- Exhibits 1 & 5



Park Place Mall

City of Lethbridge



Utility Fund Balance Sheet

As at December 31, 2008 (in thousands of dollars)

Exhibit 8

		WATER		WASTEWATER	
		2008	2007	2008	2007
FINANCIAL ASSETS					
Receivables	- Note 4	\$ 2,048	\$ 2,448	\$ 1,717	\$ 2,108
Other assets		-	-	-	-
		2,048	2,448	1,717	2,108
LIABILITIES					
Accounts payable and accrued liabilities	- Note 6	554	543	126	542
Employee benefit obligations		274	253	252	229
Due to (from) general fund	- Exhibit 4	(1,321)	(707)	(3,668)	(1,643)
Deposits and other liabilities		-	-	209	202
Debenture debt	- Note 10	14,903	16,231	7,930	8,897
		14,410	16,320	4,849	8,227
NET DEBT		(12,362)	(13,872)	(3,132)	(6,119)
PHYSICAL ASSETS					
Inventory for consumption		522	408	81	82
Capital assets	- Note 11	120,324	115,496	122,683	118,643
		120,846	115,904	122,764	118,725
NET ASSETS		\$ 108,484	\$ 102,032	\$ 119,632	\$ 112,606
MUNICIPAL POSITION					
Fund balances:					
Operating fund					
Accumulated surplus	- Note 13	\$ 1,676	\$ 1,561	\$ 764	\$ 476
Unfunded vacation pay		(274)	(253)	(252)	(229)
Inventory held for consumption		(522)	(408)	(81)	(82)
		880	900	431	165
Capital fund		1,423	1,195	4,292	2,314
Reserves		238	264	75	299
		2,541	2,359	4,798	2,778
Equity in physical assets					
Inventory held for consumption		522	408	81	82
Equity in capital assets		105,421	99,265	114,753	109,746
		105,943	99,673	114,834	109,828
NET MUNICIPAL POSITION		\$ 108,484	\$ 102,032	\$ 119,632	\$ 112,606

Utility Fund Balance Sheet

For the year ended December 31, 2008 (in thousands of dollars)

WASTE SERVICES		ELECTRIC		TOTAL	
2008	2007	2008	2007	2008	2007
\$ 2,294	\$ 1,231	\$ 7,933	\$ 8,564	\$ 13,992	\$ 14,351
-	-	256	358	256	358
2,294	1,231	8,189	8,922	14,248	14,709
2,985	1,793	3,664	3,732	7,329	6,610
126	113	713	551	1,365	1,146
(2,805)	(1,451)	10,747	8,007	2,953	4,206
-	-	627	320	836	522
20,576	17,335	-	-	43,409	42,463
20,882	17,790	15,751	12,610	55,892	54,947
(18,588)	(16,559)	(7,562)	(3,688)	(41,644)	(40,238)
-	-	4,443	4,469	5,046	4,959
27,315	22,720	113,496	106,488	383,818	363,347
27,315	22,720	117,939	110,957	388,864	368,306
\$ 8,727	\$ 6,161	\$ 110,377	\$ 107,269	\$ 347,220	\$ 328,068
\$ 2,103	\$ 781	\$ 839	\$ 1,520	\$ 5,382	\$ 4,338
(126)	(113)	-	-	(652)	(595)
-	-	(4,443)	(4,469)	(5,046)	(4,959)
1,977	668	(3,604)	(2,949)	(316)	(1,216)
(349)	(135)	(4,172)	(1,613)	1,194	1,761
360	243	214	874	887	1,680
1,988	776	(7,562)	(3,688)	1,765	2,225
-	-	4,443	4,469	5,046	4,959
6,739	5,385	113,496	106,488	340,409	320,884
6,739	5,385	117,939	110,957	345,455	325,843
\$ 8,727	\$ 6,161	\$ 110,377	\$ 107,269	\$ 347,220	\$ 328,068

Utility Fund Statement of Revenues and Expenditures

For the year ended December 31, 2008 (in thousands of dollars)

Exhibit 9

	WATER		WASTEWATER	
	2008	2007	2008	2007
REVENUES				
Sale of goods and services				
Residential	\$ 9,119	\$ 9,507	\$ 6,569	\$ 6,420
Commercial	5,731	5,523	3,952	4,020
Industrial	-	-	1,905	1,747
Municipal consent and access fee	-	-	-	-
Transmission credits	-	-	-	-
Regional	934	945	9	9
Street lighting and traffic signals	-	-	-	-
Other	61	35	194	185
	15,845	16,010	12,629	12,381
FUNCTIONALIZED REVENUES:				
Capitalized recoveries	823	485	368	-
Other	697	422	534	330
	17,365	16,917	13,531	12,711
EXPENDITURES				
Net operations				
Administration	1,528	1,572	1,244	1,280
Purification and treatment	3,851	3,928	4,773	3,720
Engineering, metering and inspection	746	719	272	259
Transmission and distribution	4,088	2,896	-	-
Collection systems	-	-	1,962	1,556
Waste services recycling	-	-	-	-
Clean-up campaign	-	-	-	-
Landfill	-	-	-	-
Debenture financing	598	672	300	312
Customer services	1,134	1,077	501	373
Fiscal services	128	115	179	112
	12,073	10,979	9,231	7,612
EXCESS OF REVENUES OVER EXPENDITURES	5,292	5,938	4,300	5,099
Allocation to general fund	(1,263)	(1,278)	-	-
Transfer from accumulated surplus	-	-	-	-
Net transfers from (to) reserves	(19)	9	(642)	(1,858)
Net transfers from (to) capital	-	-	-	-
Provision for capital assets	(2,429)	(2,717)	(1,847)	(1,524)
Debenture debt principal redeemed	(1,601)	(1,527)	(1,547)	(1,394)
Change in inventory held for consumption	113	58	1	8
Change in other operating funds	22	8	23	12
SURPLUS FOR THE YEAR	115	491	288	343
Accumulated surplus (deficit), beginning of year	1,561	1,070	476	133
Transfer (to) from general reserves	-	-	-	-
Transfer to utility operations	-	-	-	-
ACCUMULATED SURPLUS END OF YEAR	\$ 1,676	\$ 1,561	\$ 764	\$ 476

Utility Fund Statement of Revenues and Expenditures

For the year ended December 31, 2008 (in thousands of dollars)

WASTE SERVICES		ELECTRIC		TOTAL		
2008	2007	2008	2007	2008	Budget	2007
					(Unaudited)	
\$ 12,124	\$ 10,571	\$ 23,516	\$ 21,811	\$ 51,328	\$ 52,260	\$ 48,309
700	587	6,961	6,504	17,344	12,215	16,634
-	-	8,893	8,118	10,798	9,054	9,865
-	-	6,963	6,643	6,963	6,848	6,643
-	-	4,549	4,392	4,549	4,753	4,392
-	-	-	-	943	920	954
-	-	1,327	1,243	1,327	1,141	1,243
-	-	173	232	428	310	452
12,824	11,158	52,382	48,943	93,680	87,501	88,492
31	14	2,932	2,488	4,154	3,648	2,987
649	176	2,020	2,686	3,900	3,840	3,614
13,504	11,348	57,334	54,117	101,734	94,989	95,093
471	279	592	1,003	3,835	3,942	4,134
-	-	-	-	8,624	7,685	7,648
-	-	867	574	1,885	1,712	1,552
-	-	35,707	34,524	39,795	36,491	37,420
3,007	2,941	-	-	4,969	4,123	4,497
1,122	1,013	-	-	1,122	1,272	1,013
229	467	-	-	229	557	467
3,940	3,955	-	-	3,940	3,485	3,955
-	-	-	-	898	864	984
602	165	2,441	3,578	4,678	4,939	5,193
110	111	1,219	331	1,636	1,657	669
9,481	8,931	40,826	40,010	71,611	66,727	67,532
4,023	2,417	16,508	14,107	30,123	28,262	27,561
(614)	(511)	-	-	(1,877)	(1,624)	(1,789)
58	-	-	-	58	-	-
(649)	(593)	(9,942)	(9,518)	(11,252)	(11,236)	(11,960)
-	119	-	(4,212)	-	-	(4,093)
(291)	(170)	(5,700)	(52)	(10,267)	(10,903)	(4,463)
(1,159)	(1,093)	-	-	(4,307)	(4,358)	(4,014)
-	-	(27)	1,195	87	-	1,261
12	6	-	-	57	-	26
1,380	175	839	1,520	2,622	141	2,529
781	606	1,520	(508)	4,338	4,338	1,301
-	-	(1,520)	508	(1,520)	(1,520)	508
(58)	-	-	-	(58)	-	-
\$ 2,103	\$ 781	\$ 839	\$ 1,520	\$ 5,382	\$ 2,959	\$ 4,338

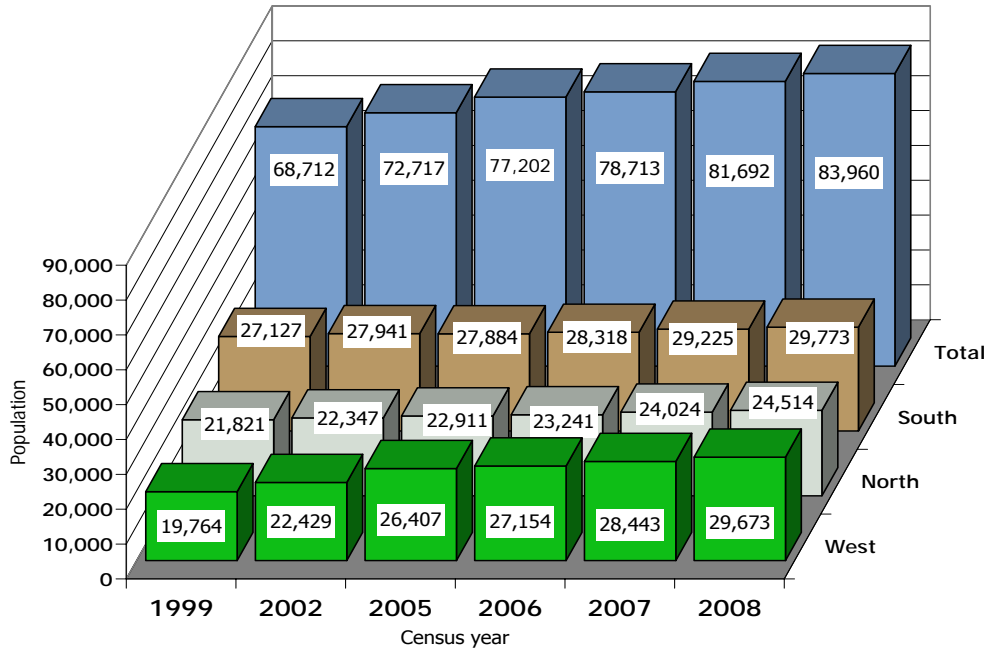
Statistics

(unaudited)



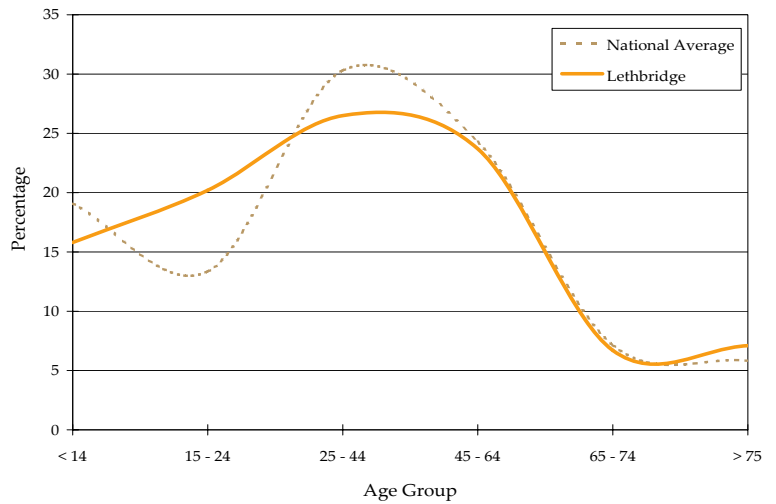
Population and Building Permits

Population By Location

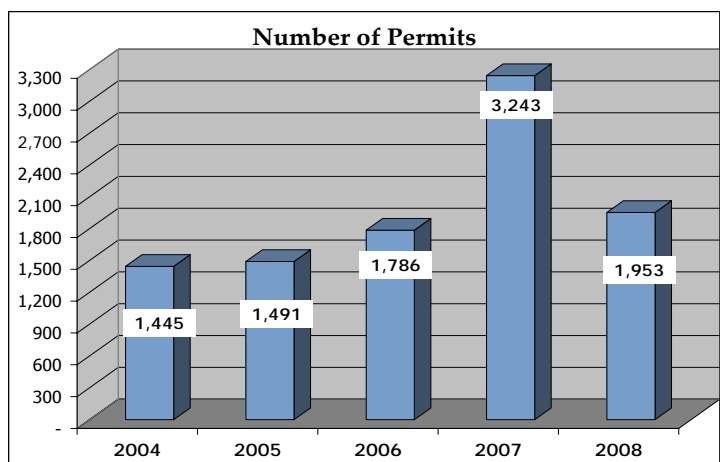
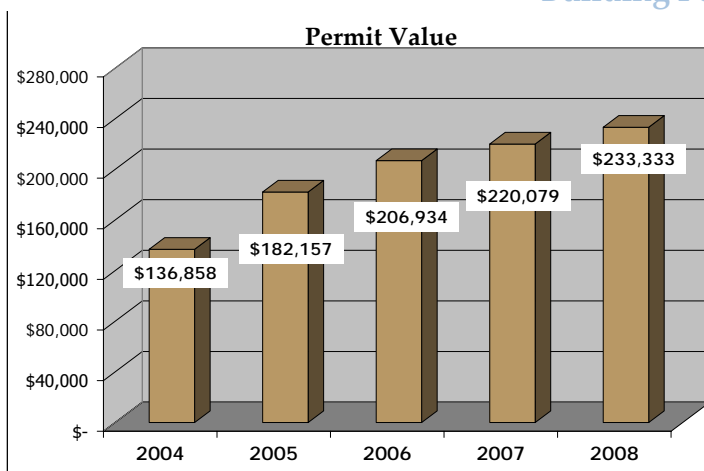


Population By Age Group

Age Group	Population	Percentage	
		Lethbridge	National Average
< 14	13,289	15.8	19.1
15 - 24	16,990	20.2	13.4
25 - 44	22,213	26.5	30.3
45 - 64	19,902	23.7	24.3
65 - 74	5,643	6.7	7.1
> 75	5,923	7.1	5.8
	83,960	100.0	100.0



Building Permits Issued

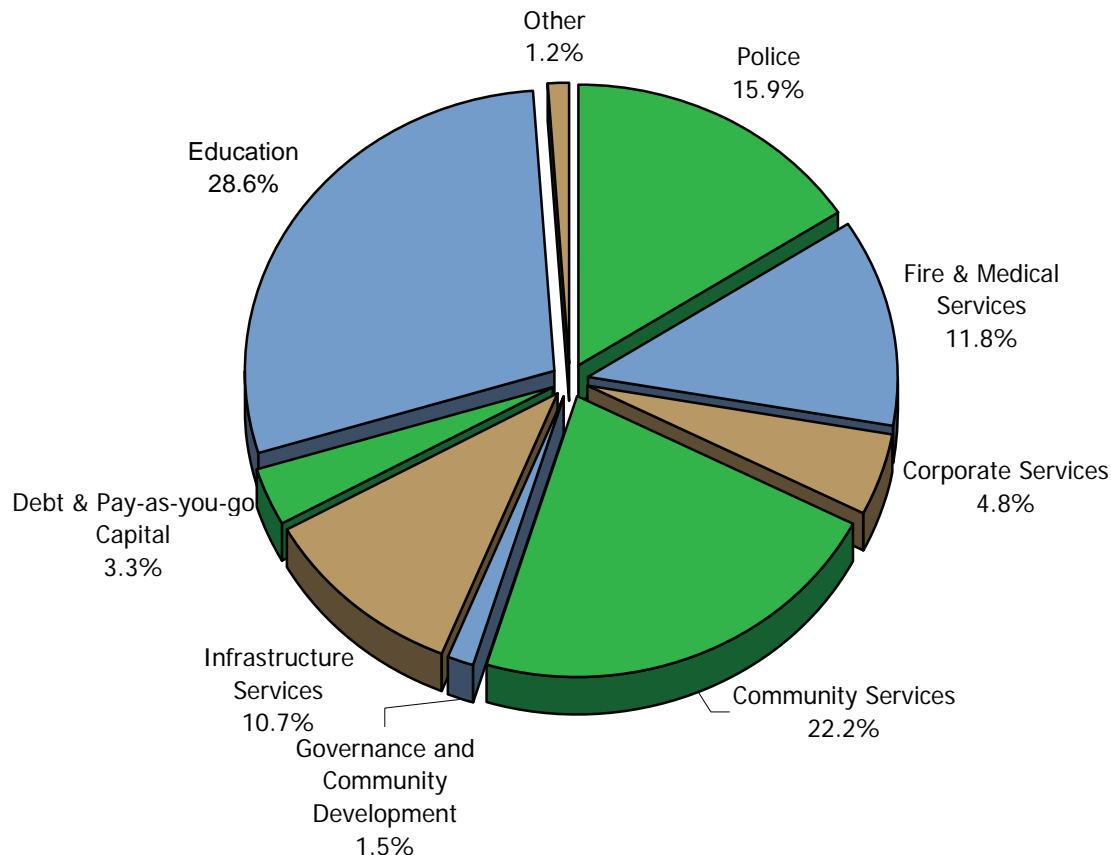


Schedule of Consolidated Revenues

For the years ended December 31, 2004 - 2008
(in thousands of dollars)

	2008	2007	2006	2005	2004
REVENUES					
Net taxes	\$ 73,586	\$ 67,325	\$ 61,463	\$ 54,916	\$ 50,112
Capital revenues	33,750	22,277	23,034	13,599	14,972
Return on investments	2,942	3,356	3,185	3,383	2,490
Investment Valuation Allowance	-	(5,700)	-	-	-
Provincial unconditional transfers	2,447	2,447	2,447	2,447	1,120
Other	18,422	19,704	21,108	11,095	9,928
	131,147	109,409	111,237	85,440	78,622
SALE OF GOODS AND SERVICES					
Electric	56,511	53,694	46,447	28,711	27,767
Water	17,099	16,801	16,797	15,065	13,904
Wastewater	13,265	12,595	13,239	11,421	11,790
Transportation services	13,194	13,308	13,015	11,545	11,433
Waste services	13,418	11,329	11,537	9,206	8,839
General government services	8,514	8,960	8,106	9,020	7,870
Protective services	9,842	9,166	8,226	7,679	6,655
Leisure and human services	9,417	8,215	7,834	7,314	5,807
Family support and social services	2,486	2,241	2,220	2,122	2,042
Development services	1,197	1,152	1,172	961	965
	144,943	137,461	128,593	103,044	97,072
TOTAL REVENUES	\$ 276,090	\$ 246,870	\$ 239,830	\$ 188,484	\$ 175,694

2008 Gross Revenues



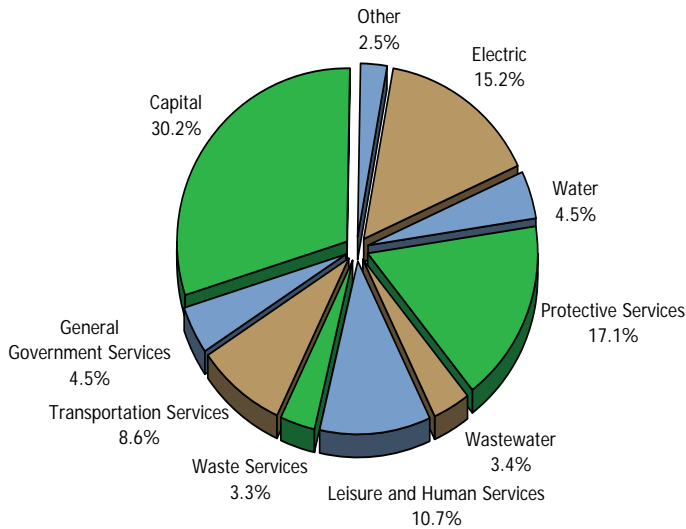
Schedule of Consolidated Expenditures

For the years ended December 31, 2004 - 2008
(in thousands of dollars)

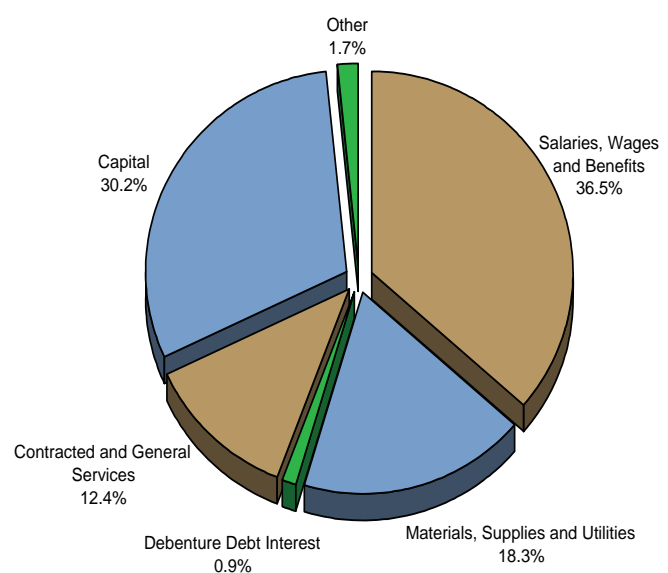
	2008	2007	2006*	2005*	2004*
EXPENDITURES BY FUNCTION					
Protective services	\$ 45,745	\$ 41,658	\$ 39,029	\$ 35,281	\$ 33,060
Leisure and human services	28,643	24,222	22,950	20,295	17,612
Electric	40,825	40,006	36,357	15,519	12,440
Transportation services	22,944	20,620	18,453	16,095	14,637
General government services	11,962	13,063	12,141	10,954	10,093
Water	12,069	10,973	10,928	9,768	8,526
Waste services	8,795	8,931	10,934	8,015	7,370
Wastewater	9,199	7,581	8,131	6,599	6,815
Family support and social services	3,227	3,113	2,833	2,850	2,579
Development services	3,544	3,286	3,111	2,556	2,478
General capital	55,045	48,011	46,513	39,391	29,983
Utility capital	25,746	18,366	30,702	15,579	10,960
TOTAL EXPENDITURES BY FUNCTION	\$ 267,744	\$ 239,830	\$ 242,082	\$ 182,902	\$ 156,553

* The 2004-2006 amounts shown above have been corrected subsequent to City council approval dated April 20, 2009

2008 Gross Expenditures by Function



2008 Gross Expenditures by Object



	2008	2007	2006*	2005*	2004*
EXPENDITURES BY OBJECT					
Salaries, wages and benefits	\$ 97,725	\$ 85,761	\$ 77,813	\$ 71,315	\$ 66,554
Materials, supplies and utilities	49,027	48,891	48,734	24,369	21,200
Contracted and general services	33,263	30,983	31,339	26,690	21,699
Debenture debt interest	2,448	2,540	2,366	2,247	2,613
Grants to individuals and organizations	1,257	2,013	2,130	1,654	1,699
Financial charges	742	646	556	422	474
Other	2,491	2,619	1,929	1,235	1,371
	186,953	173,453	164,867	127,932	115,610
Capital	80,791	66,377	77,215	54,970	40,943
TOTAL EXPENDITURES BY OBJECT	\$ 267,744	\$ 239,830	\$ 242,082	\$ 182,902	\$ 156,553

* The 2004-2006 amounts shown above have been corrected subsequent to City council approval dated April 20, 2009

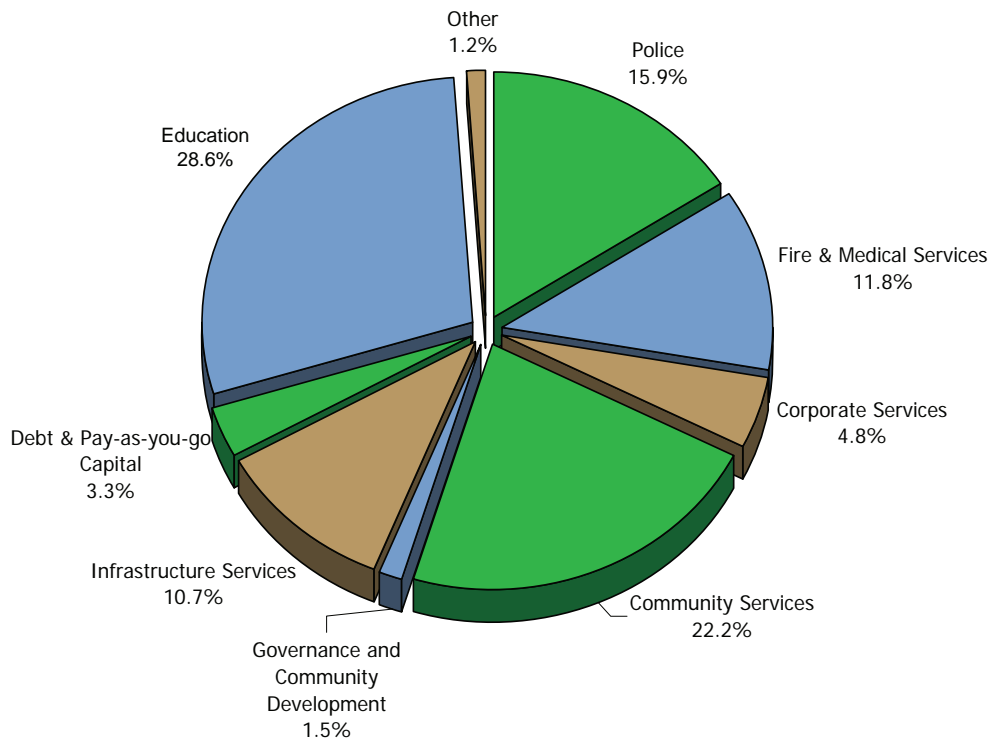
Taxation and Assessment

For the years ended December 31, 2004 - 2008
(in thousands of dollars)

Property Tax Levy

	2008	2007	2006	2005	2004
Real Property					
Municipal	\$ 72,495	\$ 66,024	\$ 59,917	\$ 53,904	\$ 48,779
Education	24,622	24,084	23,611	23,094	23,077
Other	714	862	647	642	636
Total Real Property	97,831	90,970	84,175	77,640	72,492
Special Assessments	2,939	2,729	2,420	2,438	2,410
Business Taxes (BRZ)	158	160	166	161	155
TOTAL CURRENT YEAR LEVY	\$ 100,928	\$ 93,859	\$ 86,761	\$ 80,239	\$ 75,057
Current Taxes Collected	\$ 99,600	\$ 92,872	\$ 85,774	\$ 79,252	\$ 74,070
% of Current Taxes Collected	98.7%	98.9%	98.9%	98.8%	98.7%

Allocation of Residential Property Tax Dollars



Taxable Assessment (in thousands of dollars)

	2008	2007	2006	2005	2004
Residential	\$ 7,611,226	\$ 5,184,767	\$ 4,332,118	\$ 3,718,770	\$ 3,376,495
Apartments	295,618	288,600	250,273	243,930	220,231
Commercial and Industrial	1,661,316	1,437,710	1,211,518	1,069,983	984,102
TOTAL TAXABLE ASSESSMENT	\$ 9,568,160	\$ 6,911,077	\$ 5,793,909	\$ 5,032,683	\$ 4,580,828

Schedule of Debenture Debt

As At December 31, 2004 - 2008
(in thousands of dollars, except for per capita)

	2008	2007	2006	2005	2004
GENERAL					
Tax supported					
Highways	\$ -	\$ -	\$ -	\$ 75	\$ 128
Land	-	-	-	96	136
	-	-	-	171	264
Self supported					
Industrial park servicing	5,143	5,456	5,755	4,200	-
Lethbridge Health Unit	-	-	-	-	151
Lethbridge and District Exhibition	726	822	911	995	1,074
Lethbridge Softball Valley complex	61	99	137	172	-
Local improvements	547	689	823	1,241	1,753
	6,477	7,066	7,626	6,608	2,978
	6,477	7,066	7,626	6,779	3,242
UTILITIES					
Water	10,774	12,374	13,901	11,132	10,260
Wastewater	7,930	7,978	8,622	6,807	8,728
Solid waste	20,576	17,335	18,428	17,265	18,042
Offsites	4,129	4,776	4,350	-	-
	43,409	42,463	45,301	35,204	37,030
TOTAL GENERAL AND UTILITIES DEBT	\$ 49,886	\$ 49,529	\$ 52,927	\$ 41,983	\$ 40,272
POPULATION	83,960	81,692	78,713	77,202	72,717
DEBENTURE DEBT PER CAPITA					
General - Mill rate supported	\$ -	\$ -	\$ -	\$ 2	\$ 4
General - self supported	77	86	97	86	41
Utilities	517	520	576	456	509
	\$ 594	\$ 606	\$ 673	\$ 544	\$ 554
MILL RATE SUPPORTED DEBENTURE DEBT:					
Annual Debt Charges	\$ -	\$ -	\$ 190	\$ 121	\$ 448
% of Gross General Revenue	0.00%	0.00%	0.15%	0.11%	0.48%
% of Gross General Expenditures	0.00%	0.00%	0.15%	0.11%	0.49%
DEBT LIMIT (as per Municipal Government Act):					
Total debt limit	\$ 384,921	\$ 363,723	\$ 316,365	\$ 272,837	\$ 251,891
Total debt (above)	49,886	49,529	52,927	41,983	40,272
DEBT LIMIT UNUSED	\$ 335,035	\$ 314,194	\$ 263,438	\$ 230,854	\$ 211,619
Percentage of debt limit used	13.0%	13.6%	16.7%	15.4%	16.0%

Capital Expenditures and Funding Sources

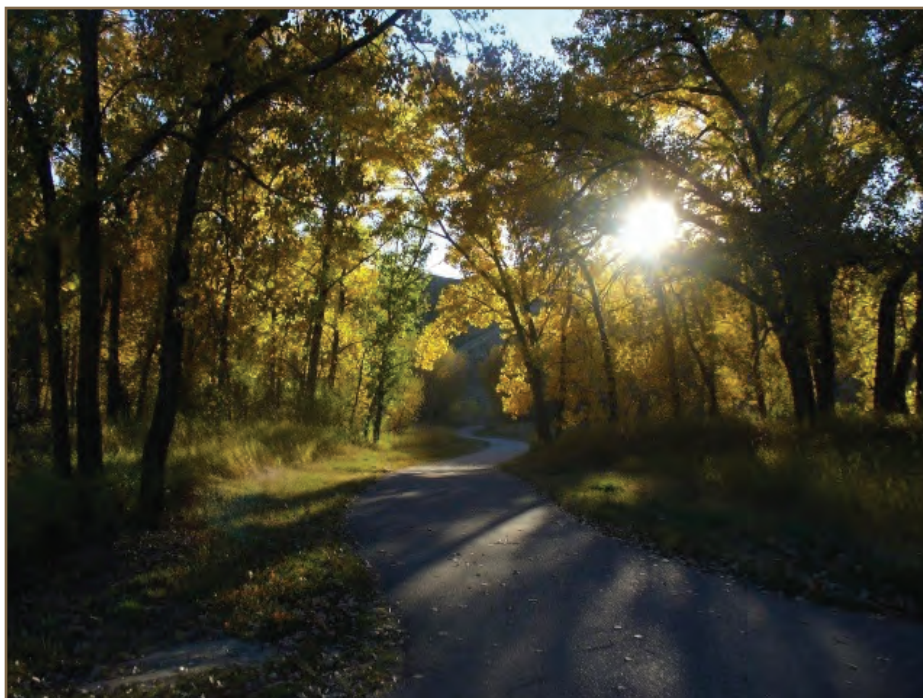
For the years ended December 31, 2004 - 2008
(in thousands of dollars)

Schedule of Capital Expenditures

	2008	2007	2006	2005	2004	2003
Engineering structures	\$ 34,354	\$ 27,711	\$ 36,441	\$ 29,742	\$ 22,929	\$ 28,307
Subdivision development	19,074	24,702	16,600	8,012	6,441	3,520
Machinery & equipment	4,292	3,613	3,815	1,281	2,676	1,530
Buildings	10,107	2,385	7,266	6,099	2,399	7,870
Vehicles	3,823	2,659	5,946	5,616	4,100	4,063
Land	951	2,963	156	2,787	1,065	760
Other	8,190	2,344	6,991	1,433	1,333	140
TOTAL CAPITAL EXPENDITURES	\$ 80,791	\$ 66,377	\$ 77,215	\$ 54,970	\$ 40,943	\$ 46,190

Schedule of Funding Sources for Capital Expenditures

	2008	2007	2006	2005	2004
Operations	\$ 33,202	\$ 33,279	\$ 33,433	\$ 20,716	\$ 18,941
Reserve	5,262	10,968	8,096	21,941	5,926
Provincial grant	18,864	7,048	6,517	4,841	6,269
Developer payments	5,378	5,895	6,504	3,782	4,579
Other	5,687	5,698	1,733	2,528	1,966
Return on investment	558	2,101	1,499	273	118
Debentures	5,900	1,750	16,041	6,990	1,781
Federal grant	2,079	1,129	6,278	1,351	1,097
Sale of fixed assets	150	279	383	576	857
Current year (under)/ over expended funds	3,711	(1,770)	(3,269)	(8,028)	(591)
TOTAL BY FUNDING SOURCE	\$ 80,791	\$ 66,377	\$ 77,215	\$ 54,970	\$ 40,943



Schedule of Reserves

For the years ended December 31, 2004 - 2008
(in thousands of dollars)

	2008	2007	2006	2005	2004
OPERATING					
Budget Appropriations	\$ 16,801	\$ 16,392	\$ 17,384	\$ 17,815	\$ 15,311
Insurance	1,916	1,372	847	607	542
Urban Parks	1,191	1,359	795	884	441
Municipal revenue Stabilization	6,503	1,158	7,752	6,584	11,848
Cemeteries	672	589	497	386	431
Mayor Magrath Drive Beautification	103	97	90	83	78
Snow Removal	-	30	577	545	522
Acquisition of Local Art Work	-	-	8	8	8
	27,186	20,997	27,950	26,912	29,181
CAPITAL					
Fleet Services	12,257	11,352	6,646	3,698	4,319
Major Capital Projects	4,826	3,845	2,475	2,407	397
Community Lighting	2,145	1,939	1,569	1,482	1,289
Real Estate Holdings	1,640	1,635	1,512	1,367	1,365
Acquire Off Street Parking	1,506	1,221	1,160	968	812
Transit Bus	930	948	936	344	306
Community Reserve Fund	2,197	688	657	631	552
Central Business District Land Acquisition	279	278	728	734	280
School Bus	-	64	41	13	84
	25,780	21,970	15,724	11,644	9,404
TOTAL RESERVES	\$ 52,966	\$ 42,967	\$ 43,674	\$ 38,556	\$ 38,585



Schedule of Government Transfers

For the years ended December 31, 2004 - 2008
(in thousands of dollars)

	2008			2007	2006	2005	2004
	Provincial	Federal	Total				
UNCONDITIONAL TRANSFERS							
Municipal assistance	\$ 430	\$ -	\$ 430	\$ 430	\$ 430	\$ 430	\$ 430
Transit	202	-	202	202	202	202	202
Urban parks	487	-	487	487	487	487	487
Ambulance	1,328	-	1,328	1,328	1,328	1,328	-
	2,447	-	2,447	2,447	2,447	2,447	1,119
Payments in lieu of taxes	1,372	170	1,542	1,673	1,565	1,602	1,667
	3,819	170	3,989	4,120	4,012	4,049	2,786
CONDITIONAL OPERATING							
GENERAL							
Family and community support services	1,815	-	1,815	1,704	1,602	1,540	1,505
Police	1,307	-	1,307	1,314	1,181	1,163	1,163
Alberta Municipal Infrastructure	-	-	-	1,519	1,017	-	-
Lethbridge public library	463	-	463	331	400	312	312
Community facility enhancement program	-	-	-	2	125	19	-
Basic capital transportation - operations	98	-	98	88	100	112	382
Victim / witness services unit	150	-	150	100	100	100	57
Disaster recovery (2002 flood)	-	-	-	-	86	180	-
Police - miscellaneous	16	-	16	36	91	55	8
Fetal alcohol syndrome program	100	-	100	98	84	82	83
Other	30	3	33	44	160	219	164
Alberta mainstreet program	127	-	127	81	66	90	125
Adult literacy program	74	-	74	69	59	59	56
Library - miscellaneous	53	-	53	61	21	13	48
ALERT program	27	-	27	22	18	22	20
STEP program	25	-	25	24	18	19	10
Federal Gas tax sharing (NDCC)	-	162	162	129	257	-	-
Canada Day celebrations	-	10	10	4	3	4	2
Infrastructure Canada Ab. program -interest	-	-	-	-	-	-	131
Municipal heritage program	-	-	-	40	-	-	-
SHIA - community social housing	-	-	-	-	-	-	80
Museum - miscellaneous	-	-	-	-	-	11	29
	4,285	175	4,460	5,666	5,388	4,000	4,175
CONDITIONAL CAPITAL							
GENERAL							
Alberta Municipal Infrastructure	9,355	-	9,355	3,462	2,933	-	-
Basic capital transportation	2,478	-	2,478	2,535	2,257	2,362	1,728
Disaster recovery	182	-	182	-	-	-	-
Special Basic Capital	(233)	-	(233)	-	-	-	-
Municipal Sustainability Housing	2,000	-	2,000	-	-	-	-
Municipal Sustainability Initiative	2,620	-	2,620	-	-	-	-
City special transportation (MM Dr. S.)	-	-	-	(19)	775	990	3,904
Galt museum expansion	-	-	-	-	293	1,966	820
CAMRIF	1,121	1,121	2,242	1,214	-	-	-
Other	-	-	-	37	143	-	6
Community Facility Enhancement	274	-	274	250	119	70	125
SHIA - homeless shelter, resource centre	826	428	1,254	698	400	804	537
Federal Gas tax sharing (NDCC)	-	530	530	-	5,875	-	-
Galt gardens	241	-	241	-	-	-	226
Library expansion	-	-	-	-	-	-	20
	18,864	2,079	20,943	8,177	12,795	6,192	7,366
TOTAL GOVERNMENT TRANSFERS	\$ 26,968	\$ 2,424	\$ 29,392	\$ 17,963	\$ 22,195	\$ 14,263	\$ 14,377

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.