

Agenda

REGULAR MEDICINE HAT CITY COUNCIL

Monday, April 19, 2021

6:30 PM

1. **MOTION TO CLOSE THE MEETING TO THE PUBLIC**

(1.1.) In-Camera Reports

Energy & Infrastructure Division Business Items (FOIP s.24)

Public Services Division Business Items (FOIP s.24)

Finance Items (FOIP s.24)

CAO Items (FOIP s.24)

Corporate Services Division Items (FOIP s.24)

2. **ADOPTION OF THE AGENDA**

3. **ADOPTION OF THE MINUTES**

(3.1.) Regular Medicine Hat City Council Meeting - April 5, 2021

4. **PRESENTATION(S)**

(4.1.) Government of Finance Officers Association Awards - see Audit Committee Meeting April 12, 2021

(4.2.) COVID-19 Update – Merrick Brown, Manager of Support Services, Emergency Services

5. **REPORTS**

(5.1.) Energy & Infrastructure Committee Meeting Minutes - April 8, 2021

1. Motion to Close the Meeting to the Public

(5.2.) Audit Committee Meeting - April 12, 2021

1. Reappointment of KPMG LLP as External Auditors for 2021

2. Government Finance Officers Association Awards

3. Tri-Annual Management Report for the Period Ending December 31, 2020

4. 2020 Capital Project and Major Operating Expense Over Expended/Under Expended/Cancelled Projects as at December 31, 2020

(5.3.) Public Services Committee Meeting - April 12, 2021

1. Motion to Close the Meeting to the Public

(5.4.) Corporate Services Committee Meeting - April 13, 2021

1. Rescission of Transportation Safety Policies

(5.5.) Administrative Committee Meeting - April 15, 2021

1. New Administrative Organization Bylaw

2. 2021 Grants in Place of Taxes (Gipot) Write-Offs

6. REPORT(S) FOR RECEPTION

(6.1.) Municipal Planning Commission Meeting - March 24, 2021

7. NEW BYLAWS

(7.1.) Bylaw #4662 a Bylaw of the City of Medicine Hat to establish the oranzational structure of the City's administrative team

Sponsor - Administrative Committee

8. NOTICE(S) OF MOTION

9. NEW BUSINESS AND/OR RISE AND REPORT ITEM(S)

(9.1.) 2020 City of Medicine Hat Financial Statements

(9.2.) Appointment of Temporary License Inspector

10. ADJOURNMENT

11. NEXT CITY COUNCIL MEETING: MAY 3, 2021

**MINUTES OF THE REGULAR MEDICINE HAT
CITY COUNCIL MEETING
HELD ON MONDAY, APRIL 5, 2021 AT 6:30 PM
IN CITY HALL COUNCIL CHAMBERS**

PRESENT: Mayor T. Clugston, Chair
Cllr. R. Dumanowski
Cllr. J. Friesen
Cllr. D. Hirsch
Cllr. J. McIntosh
Cllr. K. Samraj
Cllr. P. Turnbull
Cllr. J. Turner
Cllr. B. Varga

ALSO PRESENT: R. Nicolay, Chief Administrative Officer/City Manager
B. Mastel, Managing Director of Public Services (*remote attendance*)
D. Egert, Managing Director of Corporate Services & CFO (*remote attendance*)
B. Maynes, Managing Director of Energy & Infrastructure (*remote attendance*)
R. Pancoast, Managing Director of Strategy Management & Analysis (*remote attendance*)
J. Melhoff, Managing Director of Invest Medicine Hat (*remote attendance*)
B. Bullock, City Solicitor, (*remote attendance*)
A. Cruickshank, City Clerk and J. Robinson, Legislative Coordinator

1. MOTION TO CLOSE THE MEETING TO THE PUBLIC

(1.1.) In-Camera Reports

Legislative Services Business (FOIP s.27)
Administrative Organizational Bylaw (FOIP s.27)
Energy & Infrastructure Division Business Items (FOIP s.24)
Public Services Division Business Items (FOIP s.24)
Corporate Services Division Items (FOIP s.24)
Finance Item (FOIP s.24)

Councillor J. McIntosh - Councillor D. Hirsch moved that City Council close the meeting to the public at 3:30 p.m. to discuss items pursuant to the Freedom of Information and Protection of Privacy Act and reconvene for the Open Meeting at 6:30 p.m. in Council Chambers.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

2. **ADOPTION OF THE AGENDA**

Hearing no objection, the Mayor declared the agenda of the April 5, 2021 Regular City Council Meeting adopted as presented.

3. **ADOPTION OF THE MINUTES**

(3.1.) **Medicine Hat Regular City Council Meeting - March 15, 2021**

Hearing no objection, the Mayor declared the minutes of the March 15, 2021 Regular City Council Meeting adopted as presented.

4. **PRESENTATION(S)**

(4.1.) **COVID-19 Update – Merrick Brown, Manager of Support Services, Emergency Services**

Merrick Brown, Director, HSE & Emergency Management provided Council with a COVID-19 update on the local and provincial status. He shared that we are in the third wave of the pandemic with an increase in cases, positivity rate, and hospitalizations. The City is supporting Alberta Health Services with infrastructure upgrades to the current immunization site. In closing, Mr. Brown noted that they are closely monitoring the local and provincial data, and that virus mitigation is a key objective.

The presentation was received for information with thanks, on the motion of Councillor D. Hirsch - Councillor R. Dumanowski.

For: 9; Against: 0; Absent: 0

Voting Against: (None)

Carried

(4.2.) **Destination Marketing Organization - 2020 Annual Report - Jace Anderson, Executive Director, Tourism Medicine Hat & Kelli Ireland, Marketing Specialist, Invest Medicine Hat**

Kelli Ireland, Marketing Specialist, Invest Medicine Hat noted that the reporting structure has changed and will now be managed through Invest Medicine Hat as there is a strong alignment with the two organizations. Ms. Ireland then introduced Jace Anderson, Executive Director, Tourism Medicine Hat.

Jace Anderson, Executive Director, Tourism Medicine Hat provided an overview of the Destination Marketing Organization - 2020 Annual Report. He reviewed how the pandemic has affected the tourism industry, and how they as an organization pivoted and rose to the challenges the pandemic presented. Mr. Anderson concluded by highlighting the success of initiatives such as the

Medicine Hat City Council - Monday, April 05, 2021

Medicine Hat Sunshine Trolley and the positive economic impact of tourists visiting friends and relatives in Medicine Hat.

The presentation was received for information with thanks, on the motion of Councillor B. Varga - Councillor D. Hirsch.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

5. **REPORTS**

(5.1.) **Administrative & Legislative Review Committee Meeting - March 16, 2021**

1. Motion to Close the Meeting to the Public

The recommendations in the report were received for information on the motion of Councillor D. Hirsch - Councillor J. Friesen

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(5.2.) **Energy & Infrastructure Committee Meeting - March 18, 2021**

1. Bylaw #4658 to amend Bylaw #4604 (Cactus Coulee Place Local Improvement Bylaw)

The recommendations in the report were received for adoption on the motion of Councillor J. McIntosh - Councillor J. Turner

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(5.3.) **Public Services Committee Meeting - March 22, 2021**

1. Community Vibrancy Board Bylaw #4661

The recommendations in the report were received for adoption on the motion of Councillor J. Friesen - Councillor J. Turner

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(5.4.) **Corporate Services Committee Meeting - March 23, 2021**

1. Complyworks & Contractor HSE Management

The recommendations in the report were received for information on the motion of Councillor D. Hirsch - Councillor B. Varga

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(5.5.) **Administrative Committee Meeting - March 24, 2021**

1. Tax Cancellation Due to Fire - 19 Chinook Drive SW
2. Destination Marketing Organization - 2020 Annual Report

The recommendations in the report were received for adoption and/or information on the motion of Councillor J. Friesen - Councillor R. Dumanowski

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

6. **REPORT(S) FOR RECEPTION**

(6.1.) **Municipal Planning Commission - February 24, 2021**

- Received for information on the motion of Councillor B. Varga - Councillor D. Hirsch

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(6.2.) **Police Commission Meeting - March 18, 2021**

- Received for information on the motion of Councillor J. Friesen - Councillor R. Dumanowski

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

7. **NEW BYLAWS**

(7.1.) **Bylaw #4658 a Bylaw of the City of Medicine Hat to amend Bylaw #4604, which imposes a local improvement tax in respect of all lands that directly benefit from the Cactus Coulee Place SW local improvement project**

Sponsor - Energy & Infrastructure Committee

Councillor P. Turnbull, seconded by Councillor J. McIntosh, moved for leave to introduce Bylaw #4658 and that it be read a first time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Councillor P. Turnbull, seconded by Councillor J. McIntosh, moved that Bylaw #4658 be read a second time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Councillor P. Turnbull - Councillor J. McIntosh, moved that unanimous consent be given to a third reading of Bylaw #4658 at this time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Councillor P. Turnbull, seconded by Councillor J. McIntosh, moved that Bylaw #4658 be read a third time and passed.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(7.2.) Bylaw #4661, a Bylaw of the City of Medicine Hat to establish a Community Vibrancy Advisory Board

Sponsor - Public Services Committee

Councillor J. Friesen, seconded by Councillor P. Turnbull, moved for leave to introduce Bylaw #4661 and that it be read a first time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Councillor J. Friesen, seconded by Councillor P. Turnbull, moved that Bylaw #4661 be read a second time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Councillor J. Friesen - Councillor P. Turnbull, moved that unanimous consent be given to a third reading of Bylaw #4661 at this time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Councillor J. Friesen, seconded by Councillor P. Turnbull, moved that Bylaw #4661 be read a third time and passed.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

(7.3.) **Bylaw #4666 a Bylaw of the City of Medicine Hat to amend Bylaw #4168, the Land Use Bylaw**

Sponsor - Municipal Planning Commission

Councillor B. Varga, seconded by Councillor D. Hirsch, moved for leave to introduce Bylaw #4666 and that it be read a first time.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

8. **NOTICE(S) OF MOTION**

There were no Notices of Motion received.

9. **NEW BUSINESS AND/OR RISE AND REPORT ITEM(S)**

(9.1) **Firefighter Vaccine Priority**

Councillor J. Friesen - Councillor R. Dumanowski moved that Council send a letter to Premier Jason Kenney and develop a resolution for AUMA, to have firefighters in Alberta to be a part of Phase 2C of vaccinations for Covid-19.

For: 6; Against: 3; Absent: 0
Voting Against: Cllr. J. McIntosh, Cllr. K. Samraj, Cllr. P. Turnbull

Carried

10. **ADJOURNMENT**

The meeting adjourned at 8:12 p.m.

Medicine Hat City Council - Monday, April 05, 2021

11. **NEXT CITY COUNCIL MEETING: APRIL 19, 2021**

Adopted by City Council on April 19, 2021.

MAYOR TED CLUGSTON, CHAIR

ANGELA CRUICKSHANK, CITY CLERK

**ENERGY & INFRASTRUCTURE COMMITTEE
MEETING MINUTES
Thursday, April 8, 2021
Boardroom 2-1, City Hall
3:30 P.M.**

PRESENT: Councillor P. Turnbull, Chair
Councillor J. McIntosh, Vice-Chair
Councillor J. Turner

ALSO PRESENT: Councillor K. Samraj (*non-member of Committee, remote attendance*)
R. Nicolay, Chief Administrative Officer/City Manager
B. Maynes, Managing Director, Energy & Infrastructure
L. Clarke, Solicitor (*remote attendance*)
T. Petryshyn, Corporate Communications Specialist
J. Anderson, Executive Assistant

MOTION TO CLOSE MEETING TO THE PUBLIC

Councillor McIntosh, seconded by Councillor Turner moved to close the meeting to the public to discuss the following pursuant to the *Freedom of Information and Protection of Privacy Act*:

- Energy & Infrastructure Division Business Items (FOIP s.24)

CARRIED

MOTION TO OPEN MEETING TO THE PUBLIC

Councillor McIntosh, seconded by Councillor Turnbull moved to open the meeting to the public.

CARRIED

Adjournment

The meeting adjourned at 5:20 P.M.

RECEIVED BY CITY COUNCIL

April 19, 2021

Angela Cruickshank, City Clerk

Audit Committee

MEETING MINUTES

Monday, April 12, 2021

City Hall – Council Chambers

3:00 PM

PRESENT: Councillor D. Hirsch, Chair
Councillor P. Turnbull, Vice Chair
Councillor J. McIntosh

ALSO PRESENT: K. Samraj, Councillor (*non-member of Committee*)
B. Mastel, Acting CAO/City Manager
D. Egert, CFO/Managing Director of Corporate Services
L. Barta, Director of Finance
V. Bonneville, Manager of Accounting
G. Glover, Lead of Treasury & Risk Management
C. Graham, CCO/Director of Corporate Communications
R. Korven, Executive Assistant

DELEGATION: D. Taylor, Partner – KPMG LLP (*remote attendance*)

MOTION TO CLOSE MEETING TO THE PUBLIC

Councillor Turnbull seconded by Councillor McIntosh, made a motion to close the meeting to the public to discuss the following pursuant to the *Freedom of Information and Protection of Privacy Act*:

- Finance Items (FOIP s. 24)
- CAO Items (FOIP s. 24, 27)

CARRIED

MOTION TO OPEN MEETING TO THE PUBLIC

Councillor McIntosh, seconded by Councillor Turnbull, made a motion to open the meeting to the public.

CARRIED

1. REAPPOINTMENT OF KPMG AS EXTERNAL AUDITORS FOR 2021

APPENDIX A

Managing Director Egert advised that the Audit Contract was awarded to KPMG LLP in 2020, with an option to extend the contract annually for an additional four years, subject to City Council's approval.

Following discussion, the Audit Committee recommends **THAT CITY COUNCIL APPROVES THE REAPPOINTMENT OF KPMG FOR THE CITY OF MEDICINE HAT ANNUAL AUDIT ENGAGEMENT FOR THE 2021 FINANCIAL STATEMENTS.**

ADOPTION

2. GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

APPENDIX B

Managing Director Egert introduced the item, indicating that the City has received the following awards from the Government Finance Officers Association:

1. Canadian Award for Financial Reporting for the year ending 2019 (CANFR) for the 18th consecutive year; and
2. Award for Outstanding Achievement in Popular Annual Financial Reporting for the year ending 2019 (PAFR) for the 8th consecutive year.

Committee extended congratulations on these achievements and expressed appreciation for the level of due care and attention paid by staff to financial analysis.

INFORMATION

3. TRI ANNUAL MANAGEMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2020

APPENDIX C

Managing Director Egert advised that the management reporting has been enhanced over the year both in content and form, advising that staff report internally on a monthly basis and this report is provided on a tri-annual basis.

Mr. Egert thereafter spoke to a CFO Report presentation (slides included within Appendix C), discussing the external economic factors impacting the City, the effects of COVID-19, and the City's financial performance. Committee also heard details regarding the challenge to maintain financial sustainability, including the City's continued and accelerated execution of the Financially Fit initiative and the efforts to reduce the City's well count by accelerating abandonment.

Mr. Egert concluded by indicating that the City has a healthy balance sheet, but must remain cautious as various economic factors and uncertainty within a post-pandemic world will continue to pose a challenge.

Committee expressed appreciation for the efforts by all to maintain fiscal responsibility in these uncertain and unprecedented times.

INFORMATION

4. 2020 CAPITAL PROJECT AND MAJOR OPERATING EXPENSE OVER EXPENDED/UNDER EXPENDED/CANCELLED PROJECTS AS AT DECEMBER 31, 2020

APPENDIX D

Managing Director Egert noted that this item is provided to Committee and Council to report on capital spending and internal budget amendments during the year. The report outlines budget reallocations between capital projects but also highlights those

projects that have been overspent or underspent and projects that have been cancelled.

INFORMATION

MOTION TO CLOSE MEETING TO THE PUBLIC

Councillor Turnbull seconded by Councillor McIntosh, made a motion to close the meeting to the public to discuss the following pursuant to the *Freedom of Information and Protection of Privacy Act*:

- Finance Items (FOIP s. 24)
- CAO Items (FOIP s. 24, 27)

CARRIED

MOTION TO OPEN MEETING TO THE PUBLIC

Councillor McIntosh, seconded by Councillor Turnbull, made a motion to open the meeting to the public.

CARRIED

ADJOURNMENT

The meeting adjourned at 6:38 PM.

RECEIVED BY CITY COUNCIL

April 19, 2021

Angela Cruickshank, City Clerk

BRIEFING NOTE

DECISION

REAPPOINTMENT OF KPMG LLP AS EXTERNAL AUDITORS FOR 2021

MARCH 31, 2021

ISSUE:

Reappointment of KPMG LLP as the External Auditors for the City of Medicine Hat to audit the 2021 financial statements.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council approves the reappointment of KPMG for the City of Medicine Hat annual audit engagement for the 2021 financial statements.

COUNCIL STRATEGIC PRIORITY:

Fiscal Management

The Audit Committee shall advise and make recommendations to City Council on the auditor's qualifications, independence and performance as well as reappointment of the Corporation's independent auditors. The Audit Committee shall annually evaluate and, when warranted, recommend replacement of the Corporation's independent auditors.

KEY RISKS:**Health, Safety and Environmental Impact:**

N/A

Financial Impact:

Funding Request:	No	N/A
Budgeted Item:	Yes	Funding Source: Operating
Funding Explanation:	N/A	
Budget Amendment Form?	No	

Fees quoted by KPMG for a one-year contract with KPMG for the 2020 year-end audit, with an option to extend the engagement, one year at a time, up to an additional four years. Fees proposed by KPMG for professional services (all inclusive, excepting GST) are proposed as follows:

	City of Medicine Hat	Medicine Hat Airport	Allied Oil & Gas Corp.	Medicine Hat Public Library option 1**	Medicine Hat Public Library option 2**	Total Option 1	Total Option 2
2020	\$ 64,500	\$ 8,500	\$ 250	\$ 8,000	\$ 10,500	\$ 81,250	\$ 83,750
2021	\$ 65,790	\$ 8,670	\$ 255	\$ 8,160	\$ 10,710	\$ 82,875	\$ 85,425
2022*	\$ 72,104	\$ 8,843	\$ 260	\$ 8,323	\$ 10,924	\$ 89,530	\$ 92,131
2023	\$ 68,449	\$ 9,020	\$ 265	\$ 8,489	\$ 11,142	\$ 86,223	\$ 88,876
2024	\$ 69,818	\$ 9,200	\$ 270	\$ 8,659	\$ 11,365	\$ 87,947	\$ 90,653

Subject to increases in the Consumer Price Index

* Fee increases in 2022 are due to the additional audit required for the City of Medicine Hat pension plans (completed on a tri-annual basis)

** Medicine Hat Public Library option 1: closing adjustments and financial statements are prepared by Medicine Hat Public Library

** Medicine Hat Public Library option 2: closing adjustments and financial statements are prepared by audit firm

The Finance Department has included a provision for audit services in the annual budget. The audit fees for the Medicine Hat Public Library audit are the Library's responsibility.

Legal / Policy Impact:

Appointment of Auditors, for the City of Medicine Hat, is required under Section 280(1) of the Municipal Government Act.

Public Implications:

High quality financial reporting is essential for the City of Medicine Hat to remain accountable to residents and stakeholders interested in the City’s finances.

The External Audit provides an independent opinion that the financial statements fairly represent the financial position of the City of Medicine Hat.

BACKGROUND:

KPMG LLP was awarded a one year Audit Contract in 2020 with a year-to-year extension through 2024, subject to City Council’s annual reappointment of auditors. An increase to the yearly contract price will be adjusted by the Consumer Price Index as long as the City’s scope of operations does not change. The 2022 audit fees also reflects the additional requirement for audit of the City of Medicine Hat pension plans on a tri-annual basis.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

N/A - appointment of Auditors is required under the Municipal Government Act.

IMPLEMENTATION PLAN:

Upon approval, the External Auditors will be contacted and notified.

PREPARED BY & DATE:	Vanessa Bonneville Manager of Accounting	March 22, 2021
REVIEWED BY & DATE:	Lola Barta General Manager of Finance	
APPROVED BY & DATE:	Dennis Egert CFO/Managing Director, Corporate Services	
ATTACHMENTS:	None	

BRIEFING NOTE

INFORMATION

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

MARCH 31, 2021

ISSUE:

The City of Medicine Hat is the recipient of two Government Finance Officers Association Awards: the Canadian Award for Financial Reporting for the year ending 2019 and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the year ending 2019.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council receives this Briefing Note for information.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

KEY RISKS:

Health, Safety and Environmental Impact:

N/A

Financial Impact:

Funding Request:	No	If yes, amount:
Budgeted Item:	No	Funding Source:
Funding Explanation:	NA	
Budget Amendment Form?	No	

N/A

Legal / Policy Impact:

N/A

Public Implications:

Top quality financial and budget reporting is essential if the City of Medicine Hat is to be fully accountable to the citizens and to others with an interest in the City’s finances. This recognition can be viewed as a positive factor by citizens, investors, and by others interested in the professionalism of the City of Medicine Hat’s finance function.

BACKGROUND:

The City of Medicine Hat continues to participate in and receive recognition for its financial, budget, and annual reporting by the Government Finance Officers Association of the United States and Canada (GFOA):

- The City of Medicine Hat has received the Canadian Award for Financial Reporting (CANFR) for 2019 as well as a Canadian Award for Financial Reporting Achievement.
- The City has received the Popular Annual Financial Report Award (PAFR) for 2019.

The Canadian Award for Financial Reporting has been awarded to the City by GFOA for its annual financial report. 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. Its attainment represents a significant accomplishment by a municipal government and its management.

The annual financial report has been judged by impartial Canadian Review Committee members to meet the high standards of the program, including demonstrating a constructive “spirit of full disclosure” designed to clearly communicate the municipality’s financial story and to motivate potential users and user groups to read the report.

When a Canadian Award for Financial Reporting is awarded to a government, a Canadian Award for Financial Reporting Achievement is also presented to the individual(s) or department designated by the

government as primarily responsible for its having earned the CAnFR, however due to COVID-19 work from home mandates, GFOA is unable to supply the certificate as they do not have the special paper to send an electronic award. This award has been received by the City and Finance department since 2002 (this is the 18th year in a row).

The Popular Annual Financial Report Award is awarded to recognize cities and local governments for producing a high quality annual financial report by extracting information from their comprehensive annual financial report. The annual report is specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a financial background.

The production of the City’s annual report is the result of the efforts from all departments, and assembled by Corporate Communications. This is the eighth consecutive year the City has received this award.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

NA

IMPLEMENTATION PLAN:

NA

PREPARED BY & DATE:	Vanessa Bonneville Manager of Accounting	March 22, 2021
REVIEWED BY & DATE:	Lola Barta General Manager, Finance	
APPROVED BY & DATE:	Dennis Egert CFO/Managing Director, Corporate Services	
ATTACHMENTS:	#1- Notification for 2019 Canadian Award for Financial Reporting (CAnFR) #2 - Notification for 2019 Popular Annual Financial Reporting (PAFR)	



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

ATTACHMENT #1

March 1, 2021

Ms. Lola Barta
General Manager, Finance
City of Medicine Hat
580 1st Street, SE
Medicine Hat, Alberta T1A 8E6

Dear Ms. Barta:

We are pleased to notify you that your annual financial report for the fiscal year ended December 31, 2019, qualifies for a Canadian Award for Financial Reporting (CAnFR). The CAnFR recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a local government and its management. Congratulations on having met the high standards of the CAnFR Program. We hope that your example will encourage others in their efforts to achieve and maintain excellence in financial reporting.

Your award package contains the following:

- **A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements.** We strongly encourage you to implement the recommended improvements in your next report. Canadian Award for Financial Reporting Program policy requires that written responses to these comments and suggestions for improvement be included with your next report. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with Jim Phillips.
- **Canadian Award for Financial Reporting.** A Canadian Award for Financial Reporting is valid for a period of one year. A current holder of a Canadian Award may reproduce the Award in its immediately subsequent CAnFR. Please refer to the instructions for reproducing your Award in your next report.
- **Sample press release.** Attaining this award is a significant accomplishment. Attached is a sample news release that you may use to give appropriate publicity to this notable achievement.

Lola Barta
Page 2

In addition, award recipients will receive via mail either a plaque (if first-time recipients or if the government has received the Award ten times since it received its last plaque) or a brass medallion to affix to the plaque (if the government currently has a plaque with space to affix the medallion).

To continue your participation in the program, it will be necessary for you to submit your next annual financial report to GFOA within six months of the end of your entity's fiscal year. A Canadian Award for Financial Reporting Award Program Application and other information about the CANFR Program can be found [here](#).

Over the course of the year, we are anticipating some changes to our application process. We will still be asking governments for the same documents we asked for in the past, but we are encouraging electronic submissions to canfr@gfoa.org and expect to be making other changes going forward. We will keep members informed of any changes via email, and application instructions will be updated on our website.

To help reduce the spread of COVID-19, GFOA staff have transitioned to a remote working environment, which requires temporary adjustments to our process. This means that for the foreseeable future, we will not be able to accept hard copy, CD or flash drive submissions for our award programs; only electronic submissions will be accepted. Once public health officials deem it safe to do so, we will resume our normal operations, but we will always encourage PDF submissions.

Your interest in and support of the Canadian Award for Financial Reporting Program is most appreciated. If we may be of any further assistance, please do not hesitate to contact the CANFR Program staff in the Technical Services Center at (312) 977-9700.

Sincerely,



Michele Mark Levine
Director, Technical Services Center

Enclosures



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

March 1, 2021

For more information, contact:
Michele Mark Levine, Director/TSC
Phone: (312) 977-9700
Fax: (312) 977-4806
E-mail: Mlevine@gfoa.org

(Chicago) - The Canadian Award for Financial Reporting has been awarded to City of Medicine Hat, Alberta by Government Finance Officers Association of the United States and Canada (GFOA) for its annual financial report. 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. Its attainment represents a significant accomplishment by a government and its management.

The annual financial report has been judged by impartial Canadian Review Committee members to meet the high standards of the program, including demonstrating a constructive “spirit of full disclosure” designed to clearly communicate the municipality’s financial story and to motivate potential users and user groups to read the report.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.



Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**City of Medicine Hat
Alberta**

For its Annual
Financial Report
for the Year Ended

December 31, 2019

Executive Director/CEO



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

ATTACHMENT #2

March 9, 2021

Lola Barta
General Manager, Finance
City of Medicine Hat
580 1st Street, SE
Medicine Hat, Alberta T1A 8E6

Dear Ms. Barta:

A panel of independent reviewers has completed its examination of your Popular Annual Financial Report (PAFR) submitted to Government Finance Officers Association (GFOA). We are pleased to notify you that your PAFR for the fiscal year ended December 31, 2019, has substantially met the requirements of the PAFR Program. In the absence of authoritative standards governing the presentation, these requirements are based on an evaluation of information presented, reader appeal, understandability, distribution, and other elements (such as whether the PAFR is a notable achievement for the government given the government's type and size, and the PAFR's creativity and usefulness). The report received a weighted average score of 75.00 percent or above from three of the four highest individual reviews.

Each entity submitting a report to the PAFR Program is provided with confidential comments and suggestions for possible improvements in the subsequent year's presentation. Your comments and suggestions, as well as a "Summary of Grading" form, are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next PAFR.

First-time recipients will find a Certificate enclosed with these results and will receive a plaque in approximately 10 weeks. We hope that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed.

A current holder of a PAFR Award may include a reproduction of the Certificate in its immediately subsequent PAFR. A camera-ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions.

Washington, DC Office

Federal Liaison Center, 660 North Capitol Street, NW, Suite 410 • Washington, DC 20001 • 202.393.8020 fax: 202.393.0780

www.gfoa.org

Lola Barta
March 9, 2021
Page 2

The PAFR Award is valid for one year. To continue your participation in the program, it will be necessary for you to submit your next PAFR to GFOA within six months of the end of your entity's fiscal year. A Popular Annual Financial Reporting Award Program Application is posted on GFOA's website at www.gfoa.org.

Over the course of the year, we are anticipating some changes to our application process. We will still be asking governments for the same documents we asked for in the past, but we are encouraging electronic submissions to pafr@gfoa.org and expect to be making other changes going forward. We will keep members informed of any changes via email, and application instructions will be updated on our website.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain a well-presented PAFR. If we can be of further assistance, please do not hesitate to contact the PAFR Program staff in the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services Center

Enclosures



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

March 9, 2021

For more information, contact:

Michele Mark Levine, Director/TSC

Phone: (312) 977-9700

Fax: (312) 977-4806

E-mail: mlevine@gfoa.org

(Chicago, Illinois) – Government Finance Officers Association is pleased to announce that **City of Medicine Hat, Alberta** has received GFOA’s Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR award).

The award represents a significant achievement by the entity. In order to be eligible for the PAFR award, a government must also submit its comprehensive annual financial report (CAFR) to GFOA’s Certificate of Achievement for Excellent in Financial Reporting Program and receive the CAFR award for the current fiscal year. Each eligible report is reviewed by judges who evaluate the report based on the following categories: reader appeal, understandability, distribution methods, creativity and other elements.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

City of Medicine Hat

Alberta

For its Annual Financial Report
for the Fiscal Year Ended

December 31, 2019

Executive Director/CEO

BRIEFING NOTE

INFORMATION

**TRI-ANNUAL MANAGEMENT REPORT FOR THE PERIOD
ENDING DECEMBER 31, 2020**

MARCH 31, 2021

ISSUE:

Tri-annual Management Report for the period ending December 31, 2020.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council receives this Briefing Note for information.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

The Management Report provides a comprehensive set of indicators that describe the City's financial position and results.

KEY RISKS:**Health, Safety and Environmental Impact:**

N/A

Financial Impact:

	Budget Net Surplus (Deficit) at December 31, 2020 (in millions of dollars)	Actual Net Surplus (Deficit) at December 31, 2020 (in millions of dollars)	Variance from Budget at December 31, 2020 (in millions of dollars)
Municipal	0.0	1.7	1.7
Disaster Response - COVID19	0.0	(1.6)	(1.6)
Municipal Total	0.0	0.1	0.1
Invest Medicine Hat Total	1.4	0.2	(1.2)
Energy & Utilities Total	79.0	78.2	(0.8)
CMH Total at December 31, 2020	80.4	78.5	(1.9)

Note: Municipal net surplus of \$1.7 million includes Municipal Operating Stimulus Transfer and is included in the 2020 controllable variance carryforward

Legal / Policy Impact: N/A

Public Implications: N/A

BACKGROUND:**Business Summary**

The City provides Municipal Services to its residents and surrounding area. It also operates enterprise business units offering Energy and Utility as well as Invest Medicine Hat. The Tri-annual Management Reports bring together the financial results of these activities.

Executive Summary:

Overall, the City finished 2020 with a strong financial position including portfolio investments of \$480 million offset by debt of \$425M and Asset Retirement Obligations related to our oil and gas business of \$256M.

The City is currently mitigating its operating challenges in two areas: (i) Municipal – annual lost \$23M dividend plus impact from recent headwinds, and (ii) NGPR – annual losses due to low commodity prices where we do not see any price recovery in the near term. As a result, the City is focusing its efforts to mitigate these challenges on two fronts. Accelerated Financially Fit Initiative (AFFI) was launched to fast-track the execution of the initial Financially Fit Initiative effort launched in 2016. This initiative aims to close the budget gap and create a sustainable municipality that does not rely on funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases. Further, NGPR is executing its strategy to reduce approximately 2,000 gas well thereby reducing annual cash losses as well as extinguishing the related obligation for abandonment and reclamation.

Energy and Utilities Division overall financial performance benefited from cost savings related to deferred maintenance, successful mitigation of third party gas supply contracts, vacant positions, and lower than budgeted expenses in NGPR related to transitioning off the growth strategy. Financial performance in the division was adversely affected however, primarily due to lower sales volumes and demand for power, and lower volume and prices for oil and natural gas. Earnings before interest, taxes, depreciation, and amortization (EBITDA) for the division is \$78.2 million at December 31, 2020, which is lower than budget by \$0.8 million.

Invest Medicine Hat earnings before interest, taxes depreciation and amortization (EBITDA) is \$174K, which is unfavorable by \$1.2 million at December 31. This is due to lower than budgeted residential and commercial land sales, increased overhead expenses as management assisted with City Financially Fit measures, relocated operations, and achieved staff succession transition.

Municipal (tax-supported) operations experienced savings related to position vacancies, decreased training and travel costs, temporary delays in contracted services for seasonal maintenance, and reduced contracted services for snow and ice control resulting in a favourable net surplus variance of \$1.7 million at December 31, 2020. This was partially offset by costs related to COVID-19 and related response of \$1.6 million for a total net surplus of \$0.1 million.

Management continues to focus on the execution of the approved business plans and related budgets. Council has approved the principle of financial sustainability and resilience, which includes eliminating the Municipal Services reliance on volatile commodity revenues; this is a key principle included in our business plans.

Management also remains focused on developing strategies in light of the COVID-19 pandemic response, provincial and federal budget cuts, prolonged pressure on natural gas prices, and performance of the electricity market in Alberta.

COVID19 Pandemic Response:

The COVID-19 pandemic has significantly impacted financial performance which resulted in a net unfavourable impact of \$1.6 million in Municipal Services. This was partially related to lost revenue from reduced flight activity at the Airport, recreation and community facility closures, free and reduced transit services, and reduced building and permit fees related to slower construction activity in residential and commercial markets.

Unfavourable revenues are offset by cost savings from facility closures, temporary layoffs and fuel price savings.

On May 4th 2020, City Council approved the COVID Hat Support framework of \$8.2 million, funded by reserves:

- \$3.9 million for property tax cancellation in the form of a property tax credit
- \$0.3 million for 3-month payment deferrals for property taxes and utilities
- \$2.0 million for grants for reinvestment into local businesses
- \$1.0 million for Community Warmth/Community Foundation of South East Alberta
- \$1.0 million for inducements to achieve / expedite economic development

At December 30, 2020, \$4.2 million was transferred from reserves to operating to fund the property tax cancellation and 3-month payment deferrals.

Further, of the \$4 million in funding approved for local business grants, community warmth, and economic development, \$1.8 million has been spent to December 31, 2020, primarily through reinvestment into local business.

DISASTER RESPONSE - COVID19		
	2020 Net Variance favorable/ (unfavorable)	
Facility Closures Net Impact	\$ (854)	Canalta, FLC, Rinks, Campground, Veiner, Strathcona, Esplanade, Transit
Revenue reduction	\$ (1,449)	Airport, development permits
Fuel savings	\$ 728	
Other costs	\$ 285	waived penalties, PPE, incremental staffing, safety
TOTAL COVID IMPACT BEFORE RESERVE TRANSFERS	\$ (1,290)	
Tax Rate Stabilization Reserve - COVID Support	\$ (307)	\$4.2M was transferred-\$3.9M property tax credit and \$0.3 million for utility deferral. Only utilized \$3.9M
TOTAL COVID IMPACT INCLUDING RESERVE TRANSFERS	\$ (1,597)	

Major Operating Expenses	BUDGET Dec 31, 2020	ACTUAL Dec 31, 2020	VARIANCE Dec 31, 2020	Estimated Cost at Completion
Reinvestment into local business/Entre-Corp	\$ 2,000	\$ 1,500	\$ 500	\$ 2,000
Community Warmth/Community Foundation	\$ 1,000	\$ 146	\$ 854	\$ 1,000
CAO - Economic Development	\$ 1,000	\$ 140	\$ 860	\$ 200
Total Major Operating Expenses	\$ 4,000	\$ 1,786	\$ 2,214	\$ 3,200

Capital:

The total approved capital budget of \$808.2 million consists of current year as well as prior year carry forwards.

As of December 31, \$434.7 million of the approved budget has been spent or committed. The remaining amount to spend to complete the projects is \$354.0 million and the total estimated cost to complete the current outstanding projects is \$788.7 million, which is \$19.5 million less than budget.

	Approved budget	Spent to date	Remaining amount to spend	Estimated cost at completion	Variance from budget
Municipal	\$ 200,992	\$ 150,782	\$ 45,269	\$ 196,051	\$ 4,941
Invest Medicine Hat	152,740	104,417	49,523	153,940	\$ (1,200)
Energy & Utilities	454,474	179,513	259,237	438,750	\$ 15,724
Total	\$ 808,206	\$ 434,712	\$ 354,029	\$ 788,741	\$ 19,465

Contributions to Reserves:

Contributions to December 31 are as follows:

In \$000's	2020 Budget	2020 Actual	Favourable/ (Unfavourable) Variance	Reserve
Electric Distribution	\$1,328	\$1,398	\$70	\$1,398 Municipal Operating
Gas Distribution	\$1,737	\$1,716	(\$21)	\$1,716 Municipal Operating
Environmental Utilities	\$2,306	\$2,306	\$0	\$2,306 Municipal Operating
Comco	\$38,215	\$8,290	(\$29,925)	Reserves
Invest Medicine Hat	\$0	\$0	\$0	No contribution in 2020
Totals	\$43,586	\$13,710	(\$28,876)	

City Council approved the COVID HAT SUPPORT FRAMEWORK on May 4, 2020. A transfer of \$8.2 million from the Community Capital Reserve to the Tax Rate Stabilization Reserve is dedicated to support the framework as described above.

In 2020, the Comco dividend was based on a combined distributable cash flow for Genco and NGPR. City Council also recently approved the new Distributable Funds/Dividend Policy No. 0169, utilizing a Free Cash Flow framework, which will be implemented for the year 2021.

Treasury:

Overall, the City of Medicine Hat has a total investment portfolio of \$477.6 million, split as follows:

1. \$222.3 million internally managed in cash, term deposits, GIC's and Bonds, realizing an annualized return of 1.85%.
2. \$51.6 million externally managed by Manulife in a fixed-income bond fund, realizing a return since inception (September 2020) of 0.63%.
3. \$203.7 million externally managed by AIMCo in fixed-income and equities, realizing an annualized return of 6.21%.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

N/A

IMPLEMENTATION PLAN:

N/A

PREPARED BY & DATE:	Vanessa Bonneville Manager of Accounting	March 24, 2021
REVIEWED BY & DATE:	Lola Barta General Manager of Finance	
APPROVED BY & DATE:	Dennis Egert Commissioner of Corporate Services	
ATTACHMENTS:	#1 – CFO Report - Presentation #2 – City of Medicine Hat Summary Management Report as of December 31, 2020	

ATTACHMENT #1



CHIEF FINANCIAL OFFICER

Report

As of December 31, 2020

Administrative Committee
March 31, 2021



Agenda

- 1.** Economic Highlights
- 2.** COVID-19
- 3.** Financial Performance
- 4.** Looking Forward



Economic Highlights

Province of Alberta

External Forces

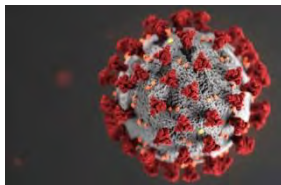
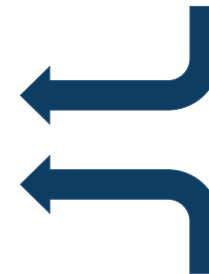
Alberta Fiscal Plan



Oil Price Collapse



Medicine Hat
The Gas City



COVID-19



Market Volatility

Alberta Fiscal Update

2021/22 Deficit = \$18B

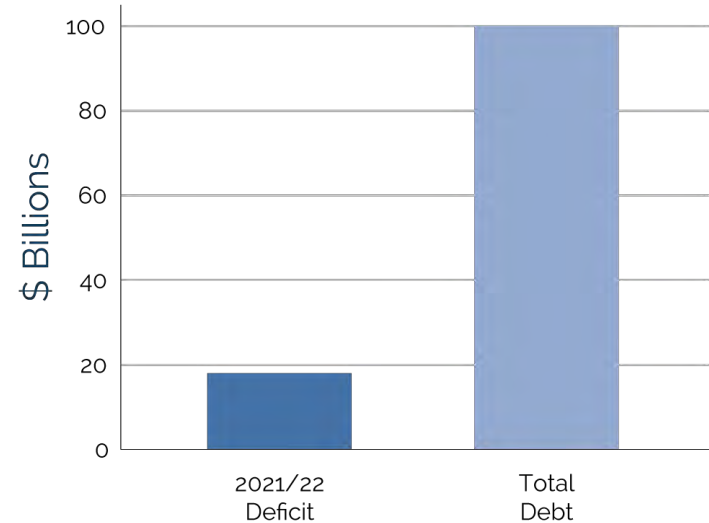
-> future deficit targets to decrease

Total Debt = \$100B

-> likely to increase over next few years

- Dual shock of COVID-19 and the collapse of oil & gas prices
- Pandemic amplifying province's financial challenges
- Deficit and debt are at record highs

Government of Alberta



New Minister of Municipal Affairs



Ric McIver

Minister of Municipal Affairs

- Appointed Minister January 4, 2021
- Replaced Tracy Allard
- Member of the Legislature since 2012
- Served three terms on Calgary City Council
- Active in the community
- Create jobs and recover from the COVID catastrophe

Alberta 2021 Budget

Alberta 2021 Budget Tabled February 26, 2021

- No new taxes
- Focus on initiatives to get economy back on its feet
- Anticipated fiscal reckoning pushed to another day

Impact to CMH

- LGFF replaces MSI in 2024/25 – 25% reduction from historical MSI average of \$11M
- 90/10 cost sharing model for Disaster Recovery Program



- CUPE Local 46 represents > 700 employees
- Respectful working relationship is integral
- Recent ratification of 2020-2022 agreement with a two-year wage freeze is an example of both parties working together
- Common goal:
 - ✓ to provide the highest level of service possible
 - ✓ ensuring members are safe and healthy at work
 - ✓ fair pay and benefits for the services they provide
- Salary freeze also in place for non-union staff



COVID-19

City of Medicine Hat

COVID-19 Impact

Impact

- Financial net impact for municipal services = \$1.6M
- Municipal Operating Support Transfer - funding support from GoA

Facilities

- Facility closures and reduced capacity
- Reduced flight activity at airport
- Reduced building permit activity related to slower construction
- Mitigation and increased cleaning - labor and supplies
- Staff reductions

Facilities Relaunch

Veiner Centre and Strathcona Centre currently closed to the public

- Restrictions affecting programming (occupancy, distancing, sanitation)

Activities at FLC, Co-op Place and Esplanade Theatre still very limited

- Entertainment events/larger gatherings fall within stage 3 relaunch

Hill Pool, Strathcona Pool and Echo Dale expected to operate in summer

- Subject to restrictions by Alberta Public Health



COVID-19 Stimulus Capital Grants - \$18.4M

Participating in 2 stimulus capital programs in response to COVID-19

- All funds to be spent by December 31, 2021
- Stimulate the economy – provide relief to municipalities

Municipal Stimulus Program \$7.5M

- 5 projects not previously planned
- No burden on tax rates

Investing in Canada Infrastructure Program COVID-19 Resilience Stream \$10.9M

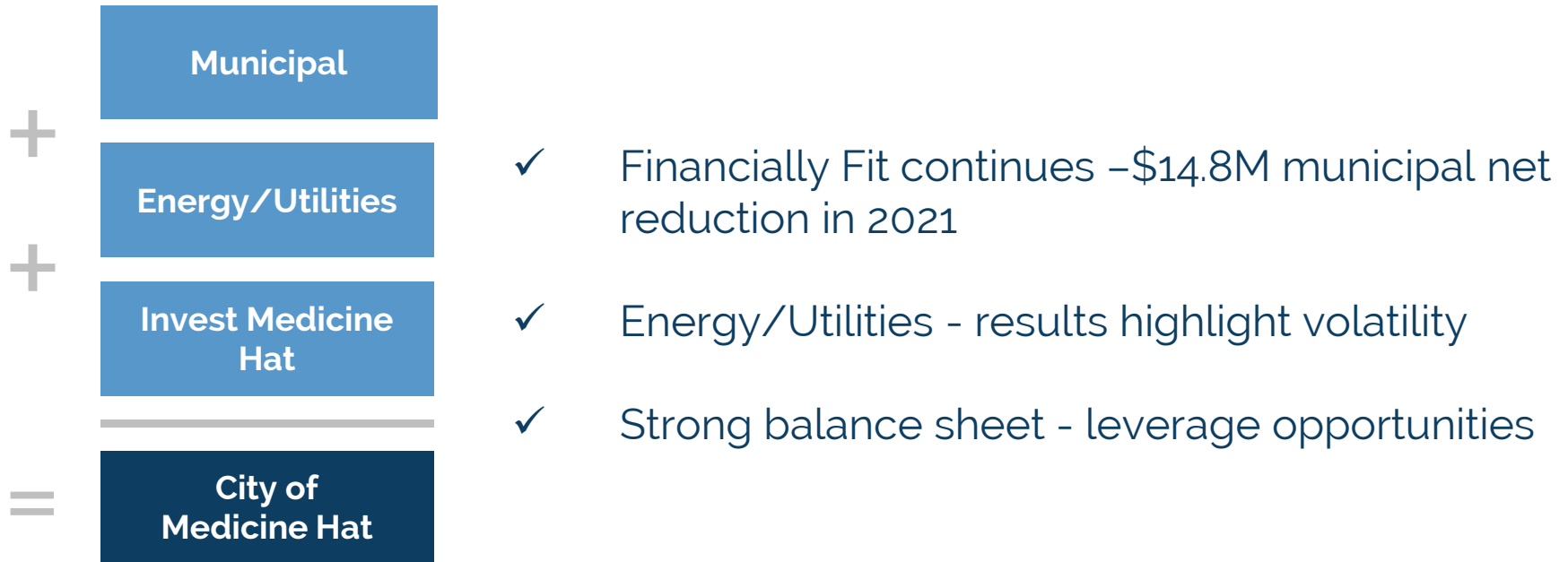
- 15 projects selected
- Reduce future operating cost - set stage for economic growth



Financial Performance - CMH

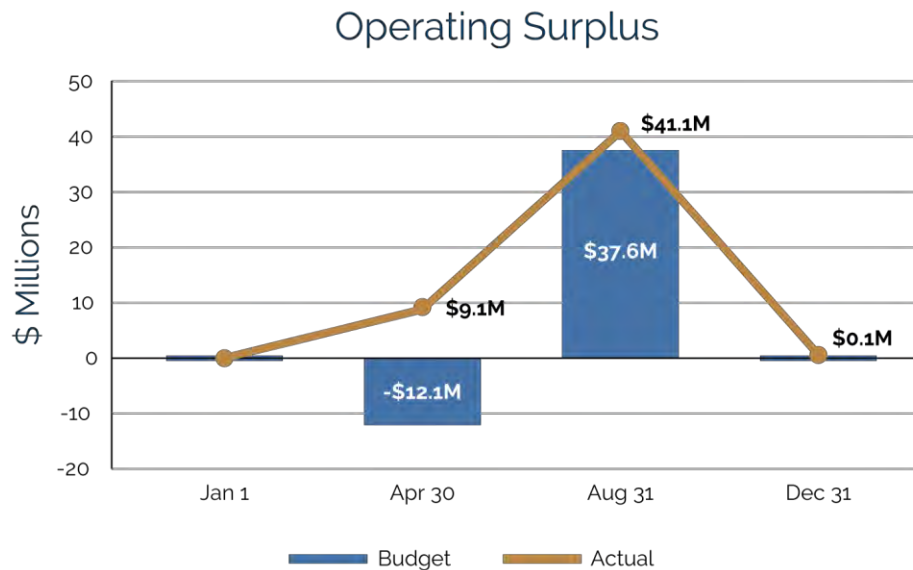
Year ending December 31, 2020

Fiscal Highlights



INVESTMENTS	NET CAPITAL ASSETS	DEBT	ASSET RETIREMENT OBLIGATION
\$480M	\$1,357M	\$425M	\$256M

Operational Performance: Municipal



Highlights:

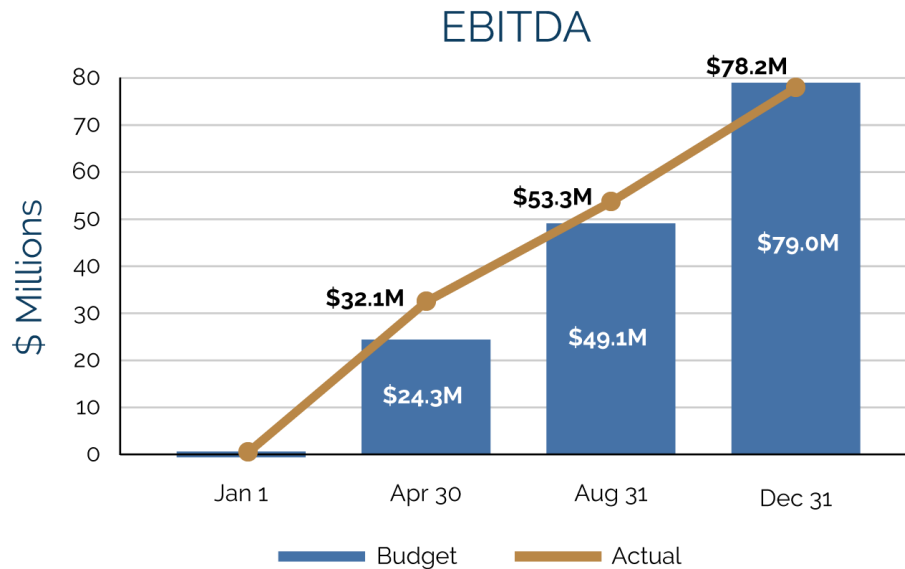
- Balanced budget at year end
- Strong cost control – mitigation plans in place
- \$8.2M COVID Hat Support funded by reserves
- Dedicated staff and innovative solutions during 2020
- Reserve funding of \$7.8M required to balance budget

Through December 31:

- COVID-19 net impact and response costs \$1.6M
- Cost mitigation efforts \$1.7M

→ vacant positions, reduced training, reduced contractor services

Operational Performance: Energy/Utilities



Highlights:

- Reduced revenue continued through out year
- Higher fuel expense
- Current low commodity prices expected to continue in foreseeable future

Through December 31:

- EBITDA of \$78.2M for the year - lower than budget by \$0.8M
- Cost savings - operating cost containment as well as strategic shift in NGPR
- Lower revenues - reduced commercial demand, lower oil & gas sales (price & volume)

Capital Performance: CMH

Through December 31:

OPEN CAPITAL PROJECTS

Approved capital	\$808M
less: spent to date	\$435M
Less: remaining to be spent - forecast	\$354M
Expected favorable variance	\$19M

Highlights:

BUDGET	ACTUAL	PRIOR YEAR
\$185M	\$105M	\$111M

- Lower than budget by \$80M



2021 Budget Update

Reflect the economic challenge

- 2019-2022 multi-year budget in place - significant 2021 update approved by Council:
 - ✓ property tax revenue flat
 - ✓ utility rates updated
 - ✓ Alberta 2020 Budget impact
 - ✓ COVID-19 partial impact
 - ✓ other management assumptions updated
- Financially Fit municipal efforts in progress – accelerated execution in 2021 (\$14.8M):
 - ✓ innovative cost reduction initiatives, new revenue sources, etc.

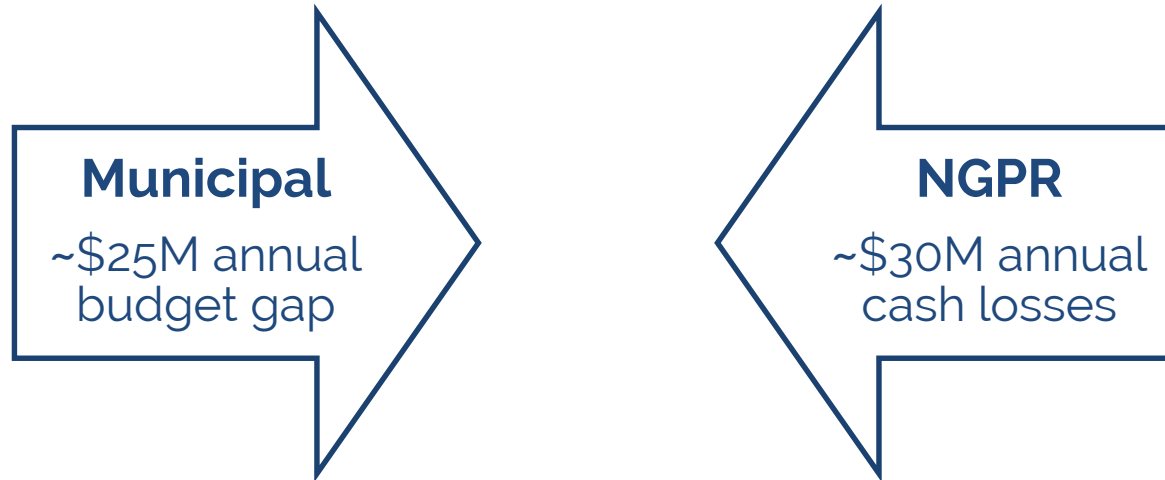




Looking Forward

Financial Sustainability

Significant Challenges for CMH



Challenges on two fronts:

- Municipal - lost \$23M dividend plus impact from recent headwinds
- NGPR - losses due to low commodity prices - no price recovery in sight

Limited ability to absorb cash losses through financial reserves

Municipal Response: Refocused Financially Fit

Replace volatile revenue sources

- Financially Fit refocus on execution of initiatives
- Original \$23M challenge only partially solved by 1/3
- Recent headwinds have revised target back up to \$25M
- Reimagined vision to “New Normal” will focus on strategic opportunities:
 - ✓ cost containment, service level adjustments & financial engineering
 - ✓ range and level of services provided - efficient and effective
 - ✓ leveraging technology and digital innovation - connect residents
- Redefine cost structure of City - changes ahead



NGPR Response: Reducing Our Well Count

Extinguish the cost related to uneconomical properties

- ✓ On track with accelerated abandonment \approx 2,000 gas wells

Business Case	Cost \approx \$125M	Funding
<ul style="list-style-type: none">• low commodity price• annual cash loss• no price recovery in sight - not viable	<ul style="list-style-type: none">• abandonment• reclamation	<ul style="list-style-type: none">• cash \$45M• debt \$80M• debt service by investment income

- ✓ Dividend strategy optimized to ensure sustainable operations
- ✓ Fund the program while preserving financial investment of \$150M
- ✓ Property dispositions will reduce well count and the cost of the program

Other Items

Items of Interest

- Divisional realignment effective January 1, 2021
- Multiple oil & gas dispositions to reduce losses and extinguish liability
- Significant policy work – Distributable Funds/Dividend, Financial Reserves, Investment, Incentive
- Municipal election October 2021

Conclusion

Final Word

- Organization has made great progress on AFFI – started in 2016
- CMH healthy balance sheet, but we are guarded
- Existing headwinds will continue into 2021 and beyond
- Uncertainty exists on a post pandemic world



End

ATTACHMENT #2

CITY OF MEDICINE HAT MANAGEMENT REPORT SUMMARY

For the Period Ended

December 31, 2020



Medicine Hat
The Gas City

CITY OF MEDICINE HAT
MANAGEMENT REPORT - SUMMARY
For the Period Ended December 31, 2020
TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
CORPORATE OVERVIEW	4
COVID-19	6
CAPITAL SUMMARY	7
MOE SUMMARY	10
TOTAL CASH & INVESTMENTS	11
TREASURY REPORT	12

EXECUTIVE SUMMARY

As of December 31, 2020

Energy and Utilities:

Earnings before interest, taxes, depreciation and amortization (EBITDA) is \$78.2 million at December 31, which is lower than budget by \$0.8 million.

This is due to cost savings related to successful mitigation of 3rd party gas supply contracts, salaries charged to capital projects, deferred maintenance, vacant positions and lower overtime, and lower expenses in NGPR related to transitioning off the growth strategy and toward the accelerated abandonment strategy for uneconomic wells.

The favourable expense variance is offset by lower revenues as a result of lower than budgeted electric distribution tariffs related to demand, lower than budgeted water and sewer sales related to commercial volumes, and lower than budget oil sales in NGPR due to lower price and volumes.

Invest Medicine Hat:

Earnings before interest, taxes depreciation and amortization (EBITDA) is \$174K, which is unfavorable by \$1.2 million at December 31. This is due to lower than budgeted residential and commercial land sales, increased overhead expenses as management assisted with City Financially Fit measures, relocated operations, and achieved staff succession transition.

Municipal Services (tax – supported):

Net earnings at December 31 is \$0.1 million primarily due to position vacancies held throughout the organization, higher than budgeted grant revenue, decreased training expenses, temporary delays in contracted services for seasonal maintenance, and reduced contracted services for snow and ice control.

COVID19 Pandemic Response:

The COVID-19 pandemic has significantly impacted financial performance with a net unfavourable variance to December 31 of \$1.6 million in Municipal Services related to lost revenue due to facility closures and reduced capacity, reduced flight activity at the Airport, reduced building and permit fees related to a slower construction season and increased cleaning costs including labour and supplies. This also includes \$4.2 million transfer from reserve to fund the Council approved one-time property tax credit of \$3.9 million and property tax and utility deferral of \$0.3 million.

Capital:

The total approved capital budget of \$808.2 million consists of current year as well as prior year carry forwards.

As of December 31, \$434.7 million of the approved budget has been spent or committed. The remaining amount to spend to complete the projects is \$354.0 million and the total estimated cost to complete the current outstanding projects is \$788.7 million, which is \$19.5 million less than budget.

	Approved budget	Spent to date	Remaining amount to spend	Estimated cost at completion	Variance from budget
Municipal	\$ 200,992	\$ 150,782	\$ 45,269	\$ 196,051	\$ 4,941
Invest Medicine Hat	152,740	104,417	49,523	153,940	\$ (1,200)
Energy & Utilities	454,474	179,513	259,237	438,750	\$ 15,724
Total	\$ 808,206	\$ 434,712	\$ 354,029	\$ 788,741	\$ 19,465

Contributions to Reserves:

Contributions projected to December 31 are as follows:

In \$000's	2020 Budget	2020 Actual	Favourable/ (Unfavourable) Variance	Reserve
Electric Distribution	\$1,328	\$1,398	\$70	\$1,398 Municipal Operating
Gas Distribution	\$1,737	\$1,716	(\$21)	\$1,716 Municipal Operating
Environmental Utilities	\$2,306	\$2,306	\$0	\$2,306 Municipal Operating
Comco	\$38,215	\$8,290	(\$29,925)	Reserves
Invest Medicine Hat	\$0	\$0	\$0	No contribution in 2020
Totals	\$43,586	\$13,710	(\$28,876)	

City Council approved the COVID HAT SUPPORT FRAMEWORK on May 4, 2020. A transfer of \$8.2 million from the Community Capital Reserve to the Tax Rate Stabilization Reserve is dedicated to support the framework. This support provided a property tax credit of \$3.9 million and created property tax and utilities payment plan support of \$0.3 million. It also provides up to \$2 million for business startups and expansions, up to \$1 million for other economic development activities, and up to \$1 million in grants to the Community Foundation of Southeast Alberta and the Community Warmth program to assist citizens unable to pay their utility bills.

Treasury:

Overall, the City of Medicine Hat has a total investment portfolio of \$477.6 million, split as follows:

1. \$222.3 million internally managed in cash, term deposits, GIC's and Bonds, realizing an annualized return of 1.85%.
2. \$51.6 million externally managed by Manulife in a fixed-income bond fund, realizing a return since inception (September 2020) of 0.63%.
3. \$203.7 million externally managed by AIMCo in fixed-income and equities, realizing an annualized return of 6.21%.

CORPORATE OVERVIEW AT August 31, 2020 (in \$000's)

NON-CONSOLIDATED	Net Year to Date Performance			Net Balance of the Year			Net End of Year Performance				Discussion
	Actual Jan to Dec 2020			Forecasted Nov to Dec 2020			Forecasted Jan to Dec 2020				Variance Driver
	Budget	Actual	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Variance %	(explain what is driving your increase or decrease in variance to the end of the year)
ENERGY AND UTILITIES											
UBDS EBITDA	1	21	20	-	20	20	1	41	40		N/A
UDS EBITDA	12,171	13,769	1,598	-	(269)	(269)	12,171	13,500	1,329	11%	Favourable variance is due to succesful mitigation of 3rd party gas supply contracts offset by lower than budgeted demand and volume for the electric distribution tariff.
EU EBITDA	22,935	21,838	(1,098)	-	2,227	2,227	22,935	24,064	1,129	5%	Unfavourable variance is due to cancellation of Dumore Gate fee in liue of offsite levies, lower than budgeted sewer sales volumes in the commercial sector, and higher than budgeted contracted services.
Genco EBITDA	50,288	49,369	(919)	-	298	298	50,288	49,667	(620)	-1%	Unfavourable variance is due to higher fuel prices and unexpected maintenance required on Unit's 3R and 10, offset by lower fuel volumes and line loss recoveries.
NGPR EBITDA	(6,370)	(6,805)	(436)	-	348	348	(6,370)	(6,458)	(88)	1%	Unfavourable variance is due to lower than budgeted oil sales price and volume partially offset by favourable expense variances related to position vacancies and temporary shut in of uneconomic wells, shallow gas fields, abandoned fields, and transition from growth strategy to accelerated abandonment and reclamation program.
TOTAL ENERGY & UTILITIES DIVISION EBITDA	79,025	78,192	(833)	-	2,623	2,623	79,025	80,815	1,790	2%	

CORPORATE OVERVIEW AT December 31, 2020 (in \$000's)

	Net Year to Date Performance			Net Balance of the Year			Net End of Year Performance				Discussion	
	Actual Jan to Dec 2020			Forecasted Nov to Dec 2020			Forecasted Jan to Dec 2020				Variance Driver	
	Budget	Actual	Variance	Budget	Forecast	Variance	Budget	Forecast	Variance	Variance %	(explain what is driving your increase or decrease in variance for the balance of the year)	
INVEST MEDICINE HAT	\$ 1,356	\$ 174	\$ (1,182)	\$ 0	\$ 436	\$ 436	\$ 1,356	\$ 610	\$ (746)	-55%	Unfavourable variance due to lower than expected residential and commercial land sales, expected 2020 sales having their conditions extended into 2021 due to COVID-19, and additional overhead expenses	
MUNICIPAL												
Property Tax Revenues	\$ 82,154	\$ 81,138	\$ (1,016)	\$ -	\$ 595	\$ 595	\$ 82,154	\$ 81,733	\$ (421)	-1%	Unfavourable Property Taxes revenue variance primarily due to reduced grants in lieu of taxes from the province, tax cancellations, and appeal revisions.	
General Revenues	\$ 7,585	\$ 15,777	\$ 8,192	\$ -	\$ (10,011)	\$ (10,011)	\$ 7,585	\$ 5,766	\$ (1,819)	-24%	Obtained a grant for COVID relief (\$6.9M) and recognized year end proceeds on asset sales (\$1.4M).	
COVID incremental (cost)	\$ (4,200)	\$ (3,893)	\$ 307	\$ -	\$ 15	\$ 15	\$ (4,200)	\$ (3,878)	\$ 322	-8%	COVID support to cancel the property taxes increase (\$3.9M) and cancel property tax and utilities penalties (\$0.3M). Variance is slightly favorable due to actual utility/tax penalties less than estimated (\$0.2M).	
Interest Revenue	\$ 3,766	\$ 6,805	\$ 3,039	\$ -	\$ (2,913)	\$ (2,913)	\$ 3,766	\$ 3,892	\$ 126	3%	Favorable due to unexpected gain on long term investments, which is not budgeted or forecasted, due to volatility.	
Total Municipal Revenue	\$ 89,305	\$ 99,827	\$ 10,522	\$ -	\$ (12,314)	\$ (12,314)	\$ 89,305	\$ 87,513	\$ (1,792)	-2%		
General Gov't Expense												
- Council	\$ (800)	\$ (776)	\$ 24	\$ -	\$ 6	\$ 6	\$ (800)	\$ (770)	\$ 30	-4%	N/A	
- CAO / Commissioners	\$ (1,232)	\$ (1,342)	\$ (110)	\$ -	\$ (33)	\$ (33)	\$ (1,232)	\$ (1,375)	\$ (143)	12%	Variance became increasingly unfavorable as compared to projection, due to unanticipated increased charges from HS&E.	
- City Solicitor	\$ (729)	\$ (655)	\$ 74	\$ -	\$ 7	\$ 7	\$ (729)	\$ (648)	\$ 81	-11%	Favorable variance of \$77K due to vacant position.	
Total General Gov't	\$ (2,761)	\$ (2,773)	\$ (12)	\$ -	\$ (20)	\$ (20)	\$ (2,761)	\$ (2,793)	\$ (32)	1%		
Police	\$ (21,400)	\$ (20,484)	\$ 916	\$ -	\$ (293)	\$ (293)	\$ (21,400)	\$ (20,777)	\$ 623	-3%	Favourable variance due to lower than budgeted benefits, training, travel, and radar/parking monitoring expenses.	
Corporate Services												
- Human Resources	\$ (2,088)	\$ (1,552)	\$ 536	\$ -	\$ (193)	\$ (193)	\$ (2,088)	\$ (1,745)	\$ 343	-16%	Favourable variance due to staffing vacancies in the year and deferred corporate training. Variance from projection as a result of less being spent on external contractors for training than anticipated.	
- HS&E	\$ (1,168)	\$ (1,017)	\$ 151	\$ -	\$ (5)	\$ (5)	\$ (1,168)	\$ (1,022)	\$ 146	-13%	Favourable variance due to vacant positions in the year.	
- Finance	\$ (5,133)	\$ (3,699)	\$ 1,434	\$ -	\$ (1,121)	\$ (1,121)	\$ (5,133)	\$ (4,820)	\$ 314	-6%	Favourable variance due to vacant positions, lower than budgeted insurance premiums, and large reduction in contaminated sites liability. Variance related to contaminated sites was not projected in November.	
- CAM	\$ 2,849	\$ 4,085	\$ 1,236	\$ -	\$ (125)	\$ (125)	\$ 2,849	\$ 3,960	\$ 1,111	39%	Favourable variance related to lower than budgeted fleet repairs/supplies and decreased fuel costs related to fuel price at the pump. Reduced Fleet expenses were then offset by increased Project Management Office costs as a result of unallocated professional fees and additional project manager.	
- ICS	\$ 368	\$ 693	\$ 325	\$ -	\$ (50)	\$ (50)	\$ 368	\$ 643	\$ 275	75%		
Total Corp Services	\$ (5,172)	\$ (1,490)	\$ 3,682	\$ -	\$ (1,493)	\$ (1,493)	\$ (5,172)	\$ (2,983)	\$ 2,189	-42%		
D&I												
- Municipal Works	\$ (10,670)	\$ (10,698)	\$ (28)	\$ -	\$ (468)	\$ (468)	\$ (10,670)	\$ (11,166)	\$ (496)	5%	Favourable variance due to staff vacancies, reduced contracted services in snow and ice control, and reduced contracted work. Difference between the projected unfavourable variance of -\$50K and the actual expense variance of \$312K is due to lower than anticipated contractor use in December 2020 for snow and ice control, as well as lower overtime requirements.	
- Planning & Development	\$ (2,368)	\$ (2,697)	\$ (329)	\$ -	\$ 106	\$ 106	\$ (2,368)	\$ (2,591)	\$ (223)	9%	Unfavourable revenue variance due to lower than budgeted permit revenue is offset by savings related to position vacancies.	
Total D&I	\$ (13,038)	\$ (13,395)	\$ (357)	\$ -	\$ (362)	\$ (362)	\$ (13,038)	\$ (13,757)	\$ (719)	6%		
Public Services												
- Fire	\$ (14,871)	\$ (14,028)	\$ 843	\$ -	\$ (382)	\$ (382)	\$ (14,871)	\$ (14,410)	\$ 461	-3%	Favourable due to staff vacancies and retirements, lower than budgeted benefits, and lower than budgeted increase for IAFF collective agreement. Variance from November projection a result of lower than anticipated IAFF increase.	
- Parks & Recreation	\$ (14,385)	\$ (15,059)	\$ (674)	\$ -	\$ 280	\$ 280	\$ (14,385)	\$ (14,779)	\$ (394)	3%	Unfavourable due to facilities closures, limits on capacity, and increased costs related to COVID-19 (ie. cleaning, supplies). Unfavourable variance is higher than projected due to facilities closing again in December and costs related to Voluntary Workforce Reduction.	
- Community Development	\$ (12,459)	\$ (13,060)	\$ (601)	\$ -	\$ 204	\$ 204	\$ (12,459)	\$ (12,856)	\$ (397)	3%	Unfavourable due to lost revenue in facilities (Esplanade, Sr. Centre) as well as lost revenue in Transit. Unfavourable variance is higher than projected due to facilities closing again in December and error in wage projection	
- Other Organizations	\$ (2,839)	\$ (2,760)	\$ 79	\$ -	\$ 21	\$ 21	\$ (2,839)	\$ (2,739)	\$ 100	-4%	Lower grant required as salaries were reduced when facility was closed.	
Total Public Services	\$ (44,554)	\$ (44,907)	\$ (353)	\$ -	\$ 124	\$ 124	\$ (44,554)	\$ (44,783)	\$ (229)	1%		
Finance Activities												
Interest & Principal expense	\$ (8,925)	\$ (8,545)	\$ 380	\$ -	\$ (26)	\$ (26)	\$ (8,925)	\$ (8,571)	\$ 354	-4%	Favourable due to debt being incurred on capital projects later than anticipated	
Transfer (to) / from Reserves	\$ 6,545	\$ (16,442)	\$ (22,987)	\$ 0	\$ 18,725	\$ 18,724	\$ 6,545	\$ 2,283	\$ (4,263)	N/A	Increased variance due to \$8.2M dividend from Comco, surplus transfer to restricted reserve of \$11M, and \$3M investment earnings on long term holdings, neither of which were anticipated in November.	
Contribution from Comco & Land	\$ -	\$ 8,290	\$ 8,291	\$ -	\$ (4,364)	\$ (4,364)	\$ -	\$ 3,926	\$ 3,926	N/A	Increased variance due to \$8.2M dividend from Comco. Original projection in November was \$3.9M.	
Total Finance Activities	\$ (2,380)	\$ (16,697)	\$ (14,316)	\$ 0	\$ 14,335	\$ 14,334	\$ (2,380)	\$ (2,362)	\$ 17	-1%		
TOTAL MUNICIPAL WITH COVID IMPACT	\$ -	\$ 81	\$ 81	\$ 0	\$ (23)	\$ (24)	\$ 0	\$ 58	\$ 57			
Disaster Response - COVID-19	\$ 4,200	\$ 5,490	\$ 1,290	\$ -	\$ (347)	\$ (347)	\$ 4,200	\$ 5,143	\$ 943	N/A	See COVID Summary.	
Reserves - Hat Support Framework - COVID-19	\$ (4,200)	\$ (3,893)	\$ 307	\$ -	\$ 15	\$ 15	\$ (4,200)	\$ (3,878)	\$ 322	N/A	Approved COVID-19 funding.	
TOTAL MUNICIPAL WITHOUT COVID IMPACT	\$ -	\$ 1,678	\$ 1,678	\$ 0	\$ (355)	\$ (356)	\$ 0	\$ 1,323	\$ 1,322			

DISASTER RESPONSE - COVID19		
2020		
	Net Variance favorable/ (unfavorable)	
Facility Closures Net Impact	\$ (854)	Canalta, FLC, Rinks, Campground, Veiner, Strathcona, Esplanade, Transit
Revenue reduction	\$ (1,449)	Airport, development permits
Fuel savings	\$ 728	
Other costs	\$ 285	waived penalties, PPE, incremental staffing, safety
TOTAL COVID IMPACT BEFORE RESERVE TRANSFERS	\$ (1,290)	
Tax Rate Stabilization Reserve - COVID Support	\$ (307)	\$4.2M was transferred - \$3.9M property tax credit and \$0.3 million for utility deferral. Only utilized \$3.9M
TOTAL COVID IMPACT INCLUDING RESERVE TRANSFERS	\$ (1,597)	

Major Operating Expenses	BUDGET Dec 31, 2020	ACTUAL Dec 31, 2020	VARIANCE Dec 31, 2020	Estimated Cost at Completion
Reinvestment into local business/Entre-Corp	\$ 2,000	\$ 1,500	\$ 500	\$ 2,000
Community Warmth/Community Foundation	\$ 1,000	\$ 146	\$ 854	\$ 1,000
CAO - Economic Development	\$ 1,000	\$ 140	\$ 860	\$ 200
Total Major Operating Expenses	\$ 4,000	\$ 1,786	\$ 2,214	\$ 3,200

MUNICIPAL CAPITAL REPORT SUMMARY AS OF DECEMBER 31, 2020

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTE
Fleet Services					
Current Fleet Services - 2020 Mobile Equip Repl	\$ 5,977	\$ 3,185	\$ 2,792	\$ 5,099	The 2020 Fleet Capital Program is 90% sourced for award, 66% in service.
2019 Fleet Services - 2019 Mobile Equip Repl	5,993	4,669	1,324	5,516	The 2019 Fleet Capital Program is 91% sourced for award, 90% in service, a few items have been deferred for purchase later in the budget cycle.
2018 Fleet Services - 2018 Mobile Equip Repl	6,316	4,865	1,451	5,398	The 2018 Fleet Capital Program is nearing completion, one unit remains outstanding, contract is awarded and build is started. Expect Q3 2021 delivery.
2017 Fleet Services - 2017 Mobile Equip Repl	4,340	3,547	793	3,547	The 2017 Fleet Capital Program is complete.
Corporate Asset Management					
Current CAM-2020 Infrastructure Rehabilitation	1,594	1,489	105	1,594	2020 Infrastructure Rehabilitation – Projects under way
Current CAM-2020 Strathcona Centre Modernization	1,000	997	3	997	Strathcona Centre Modernization design and construction are completed, warranty complete.
Current CAM-2020 Kinplex #1 Ice Slab	1,409	1,420	(11)	1,420	Kinplex #1 Arena Ice Slab design and construction are completed, warranty complete
Current CAM-2020 Library Major Components	1,000	716	284	1,000	Library Major Components construction/installation is ongoing.
Current CAM FM-20 533 1st Street SE – 2nd floor addition	2,150	31	2,119	2,150	533 1st Street SE – 2nd floor addition - Awaiting approval of grant funding
2019 CAM-2019 Infrastructure Rehabilitation	2,043	1,895	148	2,043	Q4 2021
2018 CAM-2018 Moose Rec Centre Ice Slab	-	24	24	24	Moose Rec Centre - Ice Slab Replacement has been cancelled.
2018 CAM-2018 City Hall Parkade Roofing	1,500	961	539.30	1,500	City Hall Parkade Roofing – Project is complete
2018 CAM-2018 Infrastructure Rehabilitation	1,900	1,759	141	1,900	2018 Infrastructure Rehabilitation – Final projects are underway. Completion Q2 2021
2010 CAM-2010 Police Services Building	21,715	21,714	1	21,714	Police Services Facility – Project is complete.
2009 CAM-2009 MW Building	7,945	7,945	0	7,945	Municipal Works Facility – Construction is complete on Phase 1, with warranty complete. Phase 2 construction is complete, with warranty complete.
Information Computer Services					
2017 ICS-2017 Security Upgrades	1,119	1,060	59	1,119	IT Cybersecurity project continues with a focus on awareness, table top exercises and monitoring methodologies.
2017 ICS-2017 Cityworks - Other Departments	2,000	1,739	261	2,000	This project is underway under the sponsorship of UBDS and Strategic Analysis Executive. Continued roll out to other operational business units.
Projects less than \$1M					
Corporate Asset Management - projects less than \$1M	8,101	4,072	4,029	8,099	No note required.
Information & Computer Services - projects less than \$1M	4,336	2,603	1,733	4,232	No note required.
Finance - projects less than \$1M	514		514	514	No note required.
Human Resources - projects less than \$1M	65	72	13	65	No note required.
Total Corporate Services	81,037	64,763	16,273	77,896	
Public Services					
Parks					
Current 2020 MSP Gas City Campground	1,320	54	1,266	1,320	2020 MSP Gas City Campground upgrade initiative is on budget, and in design/tender stage. Construction will be completed by end of 2021.
Current 2020 MSP South Saskatchewan River Recreation Opportunities	1,200	-	1,200	1,200	2020 MSP SSRRO initiative is on budget, and in design/tender stage. Construction will be completed by end of 2021.
Current 2020 MSP Pickleball Court	2,000	50	1,950	2,000	2020 MSP Pickleball Facility initiative is on budget, and in design/tender stage. Construction will be completed by end of 2021.
Current 2020 Athletic Ball Park	3,050	8	3,042	3,050	2020 Athletic Park upgrade initiative is on budget, and in design/tender stage. Construction will be completed by end of 2021.
Current 2020 Pedestrian Bridge Deck Repair/Replacement	2,100	9	2,091	2,100	2020 Pedestrian Bridge/Boardwalk/Stairs upgrade initiative is on budget, and in design/tender stage. Construction will be completed by end of 2021.
Current 2020 Parks Infrastructure Rehabilitation Program	3,730	2,340	1,390	3,730	2020 Infrastructure Rehabilitation Program projects are on budget and in the planning phase, with the majority of design work completed in 2020. Construction started in 2020 and continue into 2021.
2017 2017 Parks Infrastructure Rehabilitation Program	2,040	2,040	-	2,040	2017 Infrastructure Rehabilitation Program projects are complete.
2018 2018 Parks Infrastructure Rehabilitation Program	2,040	1,938	102	2,040	2018 Infrastructure Rehabilitation Program projects are on budget and will be completed by Q3 of 2021.
2019 2019 Parks Infrastructure Rehabilitation Program	3,355	2,278	1,077	3,355	2019 Infrastructure Rehabilitation Program projects are on budget, with many in the tender phase. Remaining 2019 projects will be completed by the end of 2021.
Projects less than \$1M					
Parks & Outdoor Recreation - projects less than \$1M	11,479	5,191	6,288	9,902	No note required.
Fire Services- projects less than \$1M	351	320	31	351	No note required.
Community Development/Culture - projects less than \$1M	1,868	555	1,313	1,868	No note required.
Total Public Services	34,532	14,783	19,749	32,956	
Municipal Works					
Current MW-20 Infrastructure Rehabilitation Program	6,000	4,153	1,847	6,000	Construction substantially completed on most project areas with the exception of Kipling corridor work. Remaining funds to be used for City contribution towards 2021 ICIP funded projects as well as remaining Kipling work starting in spring 2021.
Current MW-20 Storm Water Infrastructure Upgrade and Rehab	2,650	2,480	170	2,650	Construction substantially completed in fall with some work in conjunction with EUD to be completed in spring 2021. Any remaining funds will be used for deficiency work.
Current MW-20 Bridge Rehab Program	2,500	1,925	575	2,500	Finlay Bridge construction substantially completed. Some outstanding barrier work scheduled for 2021 in conjunction with EUD road closure work.
Current MW-20 Trail Rehabilitation & Pedestrian Cycling	1,250	14	1,236	1,250	Project design initiated with anticipated construction start in spring 2021. Completion by late summer.
Current MW-20 Pedestrian Bridge Deck Repair/Replacement	1,200	-	1,200	1,200	Project design underway with construction in spring 2021. Completion by fall 2021.
Current MW-20 Sidewalk Rehabilitation	1,001	-	1,001	1,001	Tender being prepared with construction starting in spring 2021. Completion by fall.
2019 MW-19 Infrastructure Rehabilitation Program	5,750	5,542	208	5,750	2020 work on Kipling/Spencer corridor completed in November. Remaining work will start in spring 2021.
2019 MW-19 Storm Water Infrastructure Upgrade and Rehab Program	3,500	3,499	1	3,500	Project completed.
2018 MW-18 Infrastructure Rehabilitation Program	5,000	4,989	11	5,000	1st Street SW surface rehab was completed in summer 2020 with remaining funds to be used to address any future warranty work.
2017 MW-17 Street Light LED Conversion	2,300	2,189	111	2,300	Installation of street lights in deficient areas included College Av completed in fall. Remaining funds will be used in 2021 to complete outstanding priority areas.
2016 MW-16 NW Storm Trunk Design & Construction	10,000	9,997	3	9,997	Project completed.
2016 MW-16 South Railway Street Upgrade	5,652	5,652	(0)	5,652	Project completed.
2015 MW-15 South Railway Road Upgrade	1,000	1,000	-	1,000	Project completed.
2013 MW-13 Flood Mitigation Overland Flow Protection - various locations	34,489	27,706	6,783	34,489	Harlow Phase 2A/B construction tender awarded in December with construction anticipated to start in January 2021 (tree clearing). Land acquisition negotiations for Industrial Phase 3 were completed and engineering design initiated.
2013 MW-13 Flood Mitigation Storm Outfall Gates	750	722	28	750	The program has been largely completed.
Projects less than \$1M					
Municipal Works - projects less than \$1M	1,428	567	861	1,428	No note required.
Planning & Building Services - projects less than \$1M	712	643	68	713	No note required.
Total Development & Infrastructure	85,181	71,078	14,103	85,180	
Police	241	157	84	18	No note required.
Total Municipal Capital	\$ 200,992	\$ 150,782	\$ 50,210	\$ 196,051	

INVEST MEDICINE HAT CAPITAL REPORT SUMMARY AS OF DECEMBER 31, 2020

	(\$000's)					
	APPROVED	SPENT	REMAINING	EST'D COST AT		
	BUDGET	TO DATE	BUDGET	COMPLETION	NOTE	
Projects Valued at more than \$1,000k						
Phase 1: ID						
L&P- 2014 RIVERWALK 1-6	\$ 5,000	\$ 1,710	\$ 3,290	\$ 5,000		The next step in RiverWalk is the preparation of an Area Structure Plan (ASP) amendment. Timing of this is dependent upon inventory levels and projected lot sales. IMH is also registering the Environmental Reserve set at the 1:100 year flood event level and will be complete in Q2 2021.
L&P- 2015 AIRPORT SOUTH - (IND)	\$ 1,000	\$ 44	\$ 956	\$ 1,000		The area has significant development constraints pertaining to storm water management and as such the priority for development of the south node is now lower and current efforts are being focused upon the north node.
L&BS- 2019 NW INDUSTRIAL PARK	\$ 14,000	\$ 217	\$ 13,783	\$ 14,000		The Area Structure Plan Amendment coupled with a Functional Servicing Report update has been initiated, with probable report finalization in Q1 2022. The project is to incorporate rail spur development to facilitate future heavy industrial development. This project line item will move into the Plan section in the Q1 report.
Phase 2: Plan						
L&P- BRIER RUN - (COMM, IND, RES)	\$ 10,500	\$ 1,061	\$ 9,439	\$ 10,500		The Area Structure Plan was adopted by Council in T3 2019. Next step is to create the high level Functional Servicing Report (engineering design). Timeline for the FSR creation is dependent upon market conditions.
Phase 3: Design						
L&P RANCLANDS PH 3C	\$ 17,082	\$ 4,887	\$ 12,195	\$ 17,082		Detailed Design for Ranchlands 3C(1) was approved in 2020. Costs spent to date are related to oversizing of previous Ranchlands infrastructure to service Ranchlands 3C and work associated with the Concept Scheme amendment and Subdivision approval. Construction to be deferred pending improved market conditions. At the request of local residents, IMH received direction to construct the Ranchlands 2F&G trail system and construct a temporary trail through Ranchlands 3C in T2-T3 2021.
Phase 4: Build						
L&P-UPGRD RD ADJCT TO OPT LNDS	\$ 1,223	\$ 1,223	\$ 0	\$ 1,223		The Endeavour to Assist with PDS remains in place until 2026, ensuring Cost Share recoveries from the local surrounding benefitting lands as they are developed.
L&BS-15-AIRPORT-NORTH-COMMERCIA	\$ 5,000	\$ 4,081	\$ 919	\$ 5,000		IMH is developing 6.0 acres of groundside commercial / business industrial lands in the Central sector of the YXH Gateway (Phase II). Subdivision and detailed design drawings have been approved and construction will be complete in Q3 2021. Detailed Design of Phase III will be complete in 2022, and IMH will be able to proceed with additional commercial land development on a moment's notice when market demand is present. The allotted budget will be reviewed during the T1 Variance report.
Phase 5: Sell						
	\$ 88,604	\$ 85,020	\$ 3,584	\$ 88,604		IMH maintains these lots and adjacent infrastructure until the lots are sold. Costs incurred in the Sell phase include maintenance and final construction activities required to obtain the Final Acceptance Certificate
Miscellaneous						
L&P- 2013 CNG FUELING STN SITE	\$ 1,700	\$ 1,554	\$ 146	\$ 1,700		The remaining project funds will be expended when the road adjacent to the CNG Station is fully upgraded as part of the Airport East Node development. The Airport East Node Concept is being created in 2021 and will incorporate the remainder of this budget.
L&BS-ARENA SERVICING & SUBDIVIDING	\$ 1,500	\$ 154	\$ 1,346	\$ 2,750		The subdivision concept has been approved and construction will commence in Q2 2021 with completion in Q4 2021. A budget amendment is required due to increased construction costs.
IMH TCA 2020-MSP-TOWN SQUARE	\$ 2,000	\$ 21	\$ 1,979	\$ 2,000		Part of the Federal and Provincial Stimulus Grant funding, the Town Centre project is currently being designed with anticipated construction in Q2 2021. The project must be complete by Q4 2021. The project is slated to be over the allotted budget, and IMH will need to add additional funds to complete the project as designed.
Projects Valued at Less than \$1,000k	\$ 4,781	\$ 4,125	\$ 656	\$ 4,731		No note required.
Invest Medicine Hat - Total Capital	\$ 152,390	\$ 104,098	\$ 48,292	\$ 153,590		
Business Support						
2017 Tourist Center Upgrade	\$ 350	\$ 319	\$ 31	\$ 350		No note required.

ENERGY AND UTILITIES CAPITAL REPORT AS OF DECEMBER 31, 2020

	(\$000's)				NOTE
	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	
Water Utility:					
2018-2020 Mains Replacement Asset Mgmt Prog	\$ 18,400	\$ 13,122	\$ 5,277	\$ 18,400	Progressing on budget, expected to be on or under budget.
2018 Water Mains Replacement - Downtown Rehab	4,600	4,597	3	4,597	Division Ave project completed in 2020.
2020 Anthes Redwater Program	2,000	1,159	841	2,000	Project in progress and to be completed in 2021.
WTP 2020 Waste Solids Handling Facility	26,500	-	26,500	26,500	Engineering is expected to begin in 2021, this is a multi year project.
WTP 2016 Electrical System Upgrade	6,500	6,262	238	6,500	Substantially complete in 2020, expected to be completed in the first half of 2021.
WTP 2016 Solids Handling Facility	3,000	609	2,391	3,000	Progressing on budget, expected completion in 2021.
Water Utility - projects less than \$1M	5,344	3,160	2,183	5,189	
Total Water Utility	66,344	28,910	37,433	66,186	
Sewer Utility:					
2018-2020 Sewer Mains Replacement Asset Mgmt	13,400	7,319	6,081	13,400	Progressing on budget, expected to be on or under budget.
2017-2020 Brier Park Gravity Bypass	11,964	7,435	4,529	11,950	In progress, expected to be on or under budget.
2017-2020 Sewer Mains Replacement - Downtown	2,609	2,400	209	2,400	Project completed in 2020 under budget.
2018-2020 Lift Station Facility Upgrades	4,300	1,820	2,480	4,300	Progressing on budget, expected to be on or under budget and to be completed in 2021.
2020 Anthes Redwater Program	2,000	1,163	837	2,000	Project in progress and to be completed in 2021.
2018 South Central Sanitary Trunk Sewer Rehab	1,500	1,500	-	1,500	Project complete in 2020 and on budget.
WWTP 2018 Motor Control Replacements	1,795	1,769	26	1,795	Substantial completion in 2020, with minor completion costs to take place in 2021.
Sewer Utility- projects less than \$1M	6,067	2,595	3,471	6,053	
Total Sewer Utility	43,635	26,002	17,632	43,399	
Solid Waste Utility:					
2017 Landfill Airspace Expansion	2,271	2,218	53	2,218	Project completed in 2020 - under budget due to project efficiencies.
Solid Waste Utility- projects less than \$1M	680	380	300	676	
Total Solid Waste Utility	2,951	2,598	353	2,893	
Electric Generation:					
Control System Upgrade	5,338	5,018	319	5,169	Project is complete with one deficiency remaining (will be done in Q1 of 2021). Project is expected to be on budget.
69 kV Yard Breaker Replacement Study	3,250	2,747	503	3,250	Rungs T3A/B and T12 are fully complete and final 1/3 of T15 to be completed in Oct 2021. Project is expected to be on budget.
Blackstart Improvements	1,100	2	1,098	1,100	Project was at awarding stage in 2020, but was directed by Admin Committee to resubmit in 2021 to order Blackstart Unit. Will be re-issuing this request in early 2021 once pricing due to the delay has been established.
Next Generation Phase 1 & 2	2,698	2,698	-	2,698	Project complete and on budget.
Spare LM6000 Engine	5,800	5,428	372	5,428	Project complete and engine on site. Under budget by \$372K.
Unit 17	66,000	19,086	46,914	66,000	Detailed Design Engineering in progress, major equipment being procured. Construction to start in April.
T5R GSU Replacement	1,500	-	1,500	1,500	Project was approved in 2020, and is in planning stage.
Electric Generation- projects less than \$1M	2,279	1,045	1,234	2,296	
Total Electric Generation	87,965	36,024	51,940	87,441	
Electric Distribution:					
Electric Distribution Building Reno	5,401	4,730	671	5,401	Project in progress. Project completion deferred until Q2 2021 due to winter conditions.
Electric Distribution Substation	16,109	15,572	538	16,109	Project complete, awaiting final invoicing.
OH Distribution Systems	1,629	1,644	(15)	1,644	Project complete.
Substations	8,931	175	8,756	8,931	Project in preliminary design for site location
OH Distribution Systems	1,495	528	967	1,495	Project in design for 2021 construction in multiple locations throughout franchise area.
UG Distribution Systems	1,079	456	623	938	Project in design for 2021 construction in multiple locations throughout franchise area.
Electric Distribution- projects less than \$1M	5,358	3,196	2,162	4,796	
Total Electric Distribution	40,002	26,301	13,701	39,315	
Gas Distribution:					
2020 Mains Ext & Replacement	1,216	495	721	1,216	Project in design for 2021 construction.
2019 Regulating Stations	1,452	1,182	270	1,452	2020 project areas complete. In design for 2021 project areas.
Gas Distribution- projects less than \$1M	3,460	2,906	554	3,459	
Total Gas Distribution	6,127	4,583	1,545	6,127	
Natural Gas & Petroleum:					
2012-2020 Surface Lease Abandonment	132,994	19,826	113,168	128,972	Project in progress - anticipated under budget
2017-2018/ Facility & Pipeline Repair & Abandonment	1,971	1,144	827	1,244	Project in progress - anticipated under budget
2016-2018 Well Repair and Abandonments	4,017	3,281	736	3,665	Project in progress - anticipated under budget
2019-2020 Facilities	1,537	638	899	638	Project in progress - anticipated under budget
2014-2020 Non-Operated	25,048	20,375	4,673	20,445	Project in progress - anticipated under budget
2019-2020 Pipelines	2,000	192	1,808	237	Project in progress - anticipated under budget
2019-2020 Wells	2,200	717	1,483	1,261	Project in progress - anticipated under budget
2019-2020 Acquisitions & Divestments	150	108	42	108	Project in progress - anticipated under budget
2019 - 2020 Abandonment	37,509	8,813	28,696	36,818	Project in progress - anticipated under budget
2020 Office Equipment	25	1	24	1	Project in progress - anticipated under budget
Total Natural Gas & Petroleum	207,451	55,095	152,356	193,389	
Total Energy/Utility Capital	\$ 454,474	\$ 179,513	\$ 274,961	\$ 438,750	

MUNICIPAL & UTILITY MOE REPORT AS OF DECEMBER 31, 2020

\$(000's)

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTE
MUNICIPAL					
Finance					
Current FIN-2020 COVID Hat Support Framework - Entre Corp	\$ 2,000	\$ 1,500	\$ 500	\$ 2,000	EntreCorp would populate a special adjudication committee with a hand picked team based on City input to utilize the funds as loans, interest support, grants and also advisory services. The program, administered by The Salvation Army, is available to City of Medicine Hat (CMH) utility customers experiencing financial issues beyond their control and having difficulties paying a CMH utility bill. Special stimulus fund to incent business attraction and economic development for the City, consistent with the strategic objectives of IMH. The remaining budget of \$800K will be re-allocated to IMH's new Development Incentive Program in Q1 2021.
Current FIN-2020 COVID Hat Support Framework - Community Warmth/Foundation of SE AB	1,000	146	854	1,000	
Current FIN-2020 COVID Hat Support Framework - Local Business Reinvestment	1,000	140	860	200	
Projects less than \$1M					
Finance	716	140	576	916	
Total Corporate Services	4,716	1,926	2,790	4,116	
Projects less than \$1M					
Admin Committee	1,310	580	730	1,310	Strategic Opportunity Team initiatives, including the Accelerated Financially Fit Initiative.
Information & Computer Services	465	57	408	465	
Corporate Asset Management	335	213	122	335	
Fire Services	225	68	157	175	
Community Development	139	20	120	139	
Parks & Outdoor Recreation	800	513	287	536	
Planning & Building Services	635	343	292	635	
Municipal Works	750	693	57	750	
Total Municipal MOE's	9,375	4,412	4,963	8,461	

\$(000's)

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTE
Invest Medicine Hat					
Total Invest Medicine Hat MOE's	\$ 890	\$ 590	\$ 299	\$ 639	The 2016-2018 Downtown Development Incentive program (DDIP) MOE's will be underbudget by \$251K, which will be re-allocated in Q1 2021 to a new Invest Medicine Hat Development Incentive program.

EXECUTIVE SUMMARY
TOTAL CASH & INVESTMENTS AS AT DECEMBER 31, 2020
(in thousands of dollars)

DESCRIPTION	Balance	Additions	Deductions	Balance	Projected Additions	Projected Deductions	Balance
	Dec 31/19			Dec 31/20			Dec 31/21
DEDICATED RESERVES							
Employee Development	1,488	191	-	1,679	-	-	1,679
Victim Assistance	20	-	-	20	-	-	20
Second Street S.E. - Remand Centre	84	-	-	84	-	-	84
Fleet Replacement	4,867	6,629	7,075	4,420	6,629	7,075	3,974
Art Acquisition	140	24	7	157	-	-	157
Infrastructure	18,823	21,573	6,116	34,280	5,893	10,097	30,076
Community Capital	19,185	221	9,547	9,859	200	2,727	7,332
Heritage Reserve	44,307	6,468	950	49,825	-	950	48,875
Tax Rate Stabilization	43,132	10,068	20,700	32,500	780	16,300	16,980
Insurance	-	6,000	-	6,000	-	-	6,000
Natures Best	1,299	52	-	1,351	27	25	1,353
Gas Depletion	-	13,317	-	13,317	-	8,294	5,023
Electric Facility and Equipment	7,972	9,105	891	16,186	-	7,037	9,149
TOTAL RESERVES	\$ 141,317	\$ 73,648	\$ 45,287	\$ 169,679	\$ 13,529	\$ 52,505	\$ 130,702

Restricted Capital Funds

Municipal	8,506
Gas	1,778
Electric	5,659
Environmental Utilities	(3,081)
Invest Medicine Hat	1,535
Subtotal Restricted Capital Funds	\$ 14,397

Total Restricted Capital and Reserve Funds **\$ 184,076**

Restricted Operating Funds

Municipal	11,350
Gas	7,848
Electric	7,423
Environmental Utilities	23,753
Invest Medicine Hat	22,253
Total Restricted Operating Funds	\$ 72,627

Unexpended Government Grants & Donations **\$ 38,642**

Unrestricted Funds

Municipal	28,648
Gas	189,191
Electric	(26,234)
Environmental Utilities	13,279
Invest Medicine Hat	(22,623)
Total Unrestricted Funds	\$ 182,261

Total Cash & Investments **\$ 477,605**

TREASURY REPORT

For the Period Ending December 31, 2020

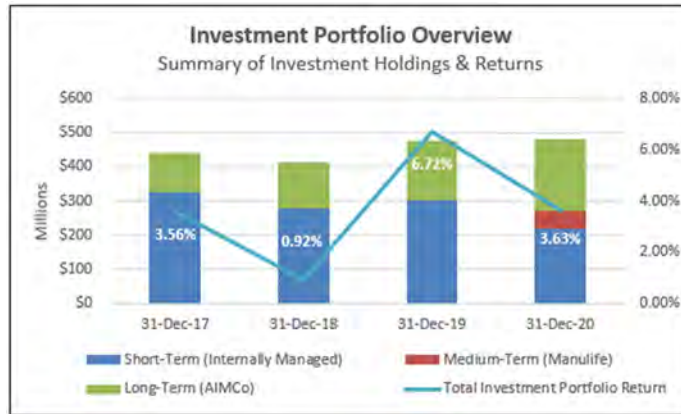
INVESTMENTS

Total Investment Portfolio - Overview

Overall, the City of Medicine Hat has a total investment portfolio of \$480.2 million (market value), split as follows:

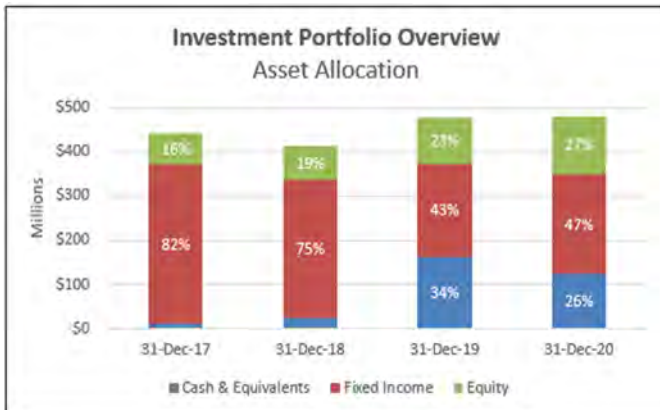
1. \$220.0 million are internally managed in cash, term deposits, GIC's and Bonds;
2. \$50.4 million are externally managed by Manulife in a fixed-income bond fund; and
3. \$209.8 million are externally managed by AIMCo in fixed-income and equities.

Note: Internally managed funds include funds held on deposit for working capital.



Summary of Portfolio Holdings – Asset Allocation

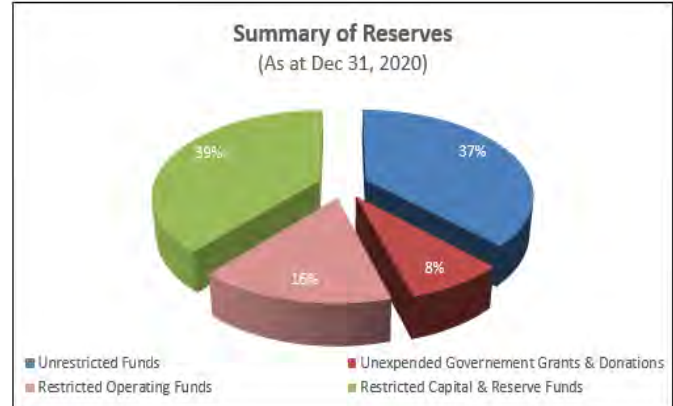
Of the \$480.2 million total investments held, a weighted balance is held in cash (26%), fixed-income securities (47%), and equities (27%).



Note: Cash & Equivalents includes cash held in savings accounts, chequing accounts, money market accounts and cashable GICs (short, medium and long-term). In 2019, returns on interest bearing accounts became higher than what could be earned in Fixed Income instruments, resulting in more cash being held.

Summary of Portfolio Holdings - Reserves

The City obtains funds from a number of sources including property taxes, utilities and user fees, as well as government grants and donations. A large portion of these funds is restricted for various purposes and therefore cannot be used in day-to-day operations.



Note: Effective January 1, 2021, a new Financial Reserves Policy will dissolve the current Reserves structure and consolidate into 3 categories: Operating Reserve Fund, Capital Reserve Fund and Heritage Savings Reserve Fund.

TREASURY REPORT

For the Period Ending December 31, 2020

INVESTMENTS (continued)

Short-Term Investment Portfolio - Internally Managed Investments

Terms

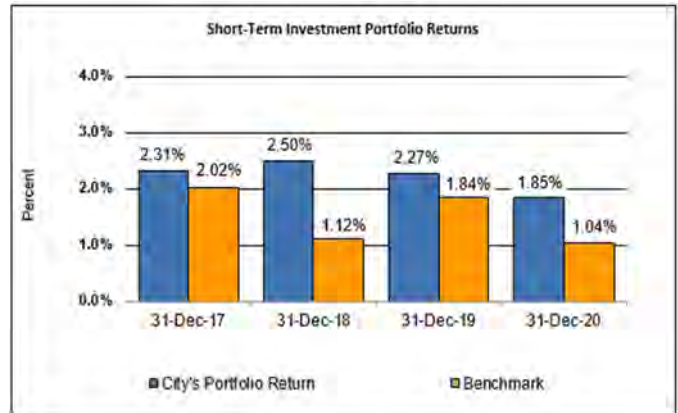
Of the \$220.0 million internally managed investments, \$215.0 million matures in less than 1 year and \$5.0 million matures in greater than 5 years. There are no investments that mature in 1-5 years.



Returns

Per Investment Policy 0167, the return on the internally managed investments are to be compared against industry benchmarks.

As noted below, portfolio returns are above benchmark for 2020.



Credit Ratings

Per Investment Policy 0167, internally managed funds will not have a credit rating below 'A' per 3rd party credit rating agency, DBRS.

As noted below, all investments fall within policy parameters.



Investment Portfolio by Limits

Per Investment Policy 0167, the internally managed fund will not have more than 15% invested with any single institution, based on the total value of the City's investment portfolio.

As noted below, all investments fall within policy parameters.



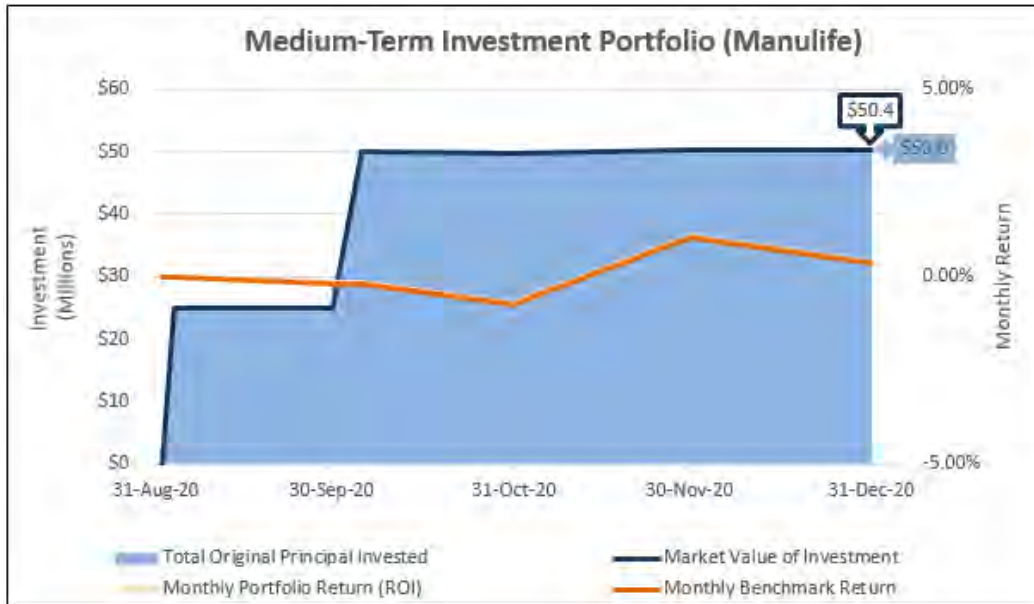
TREASURY REPORT

For the Period Ending December 31, 2020

INVESTMENTS (continued)

Medium-Term Investment Portfolio - Externally Managed Investments (Manulife)

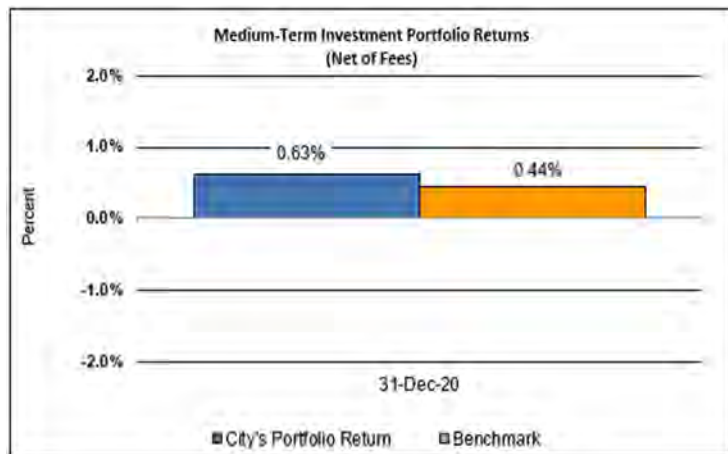
Performance Since Inception



Returns

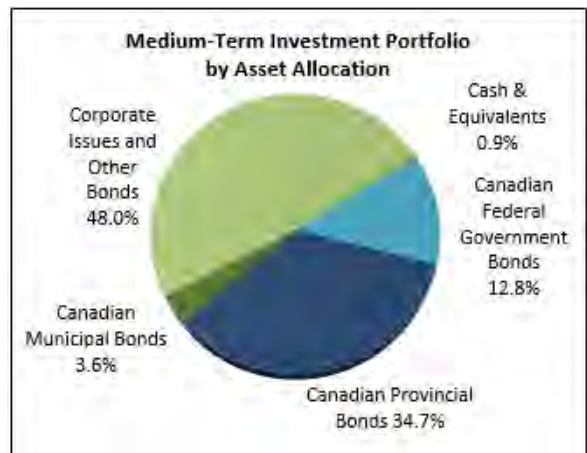
Per Investment Policy #0167, the return on the Medium-Term Investment Portfolio is to be compared against the FTSE Canada Universe Bond Index.

As noted below, portfolio returns since inception (Sept 1, 2020) are above the benchmark for 2020.



Asset Allocation

The asset allocation on the Medium-Term Investment Portfolio (Manulife Pooled Fund) is within the parameters set out in Investment Policy #0167.



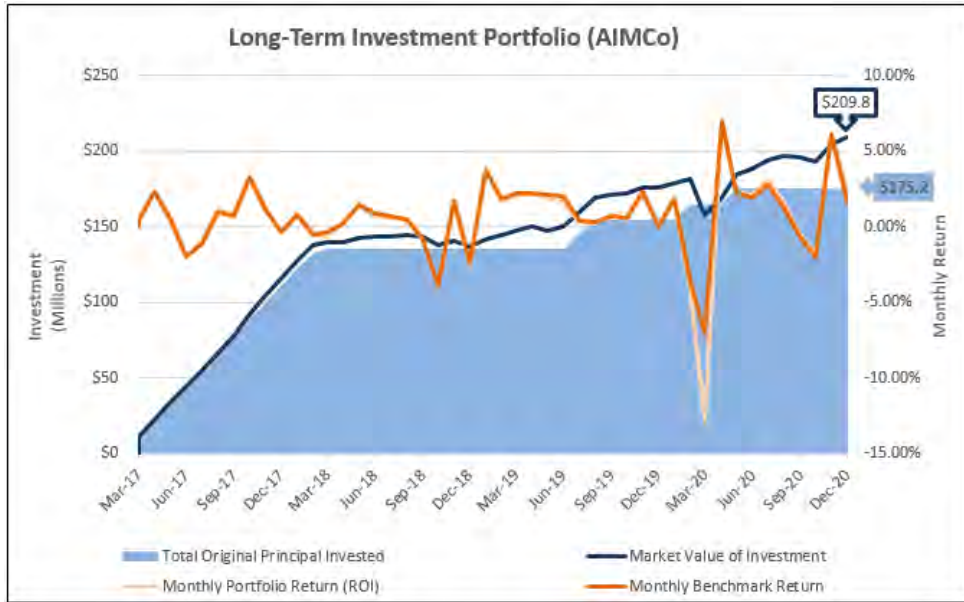
TREASURY REPORT

For the Period Ending December 31, 2020

INVESTMENTS (continued)

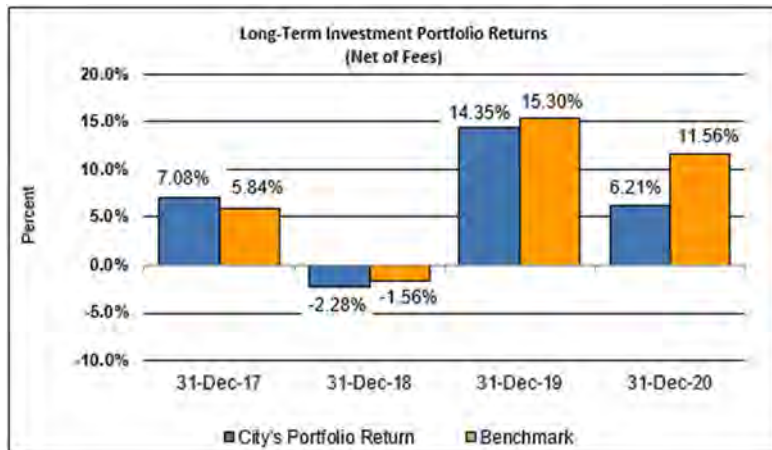
Long-Term Investment Portfolio - Externally Managed Investments (AIMCo)

Performance Since Inception



Returns

Per Investment Policy #0167, the return on the Long-Term Investment Portfolio is to be compared against benchmarks as established by AIMCo.



As can be seen, portfolio returns were below benchmark for the past 3 years.

However, the return since inception (March 1, 2017 to December 31, 2020) was 6.46%, which is above the City's investment return objective of 5.62% (Canadian CPI + 4%), per Investment Policy #0167.

Asset Allocation

The AIMCo asset allocation shown below is within the parameters set out in Investment Policy #0167.

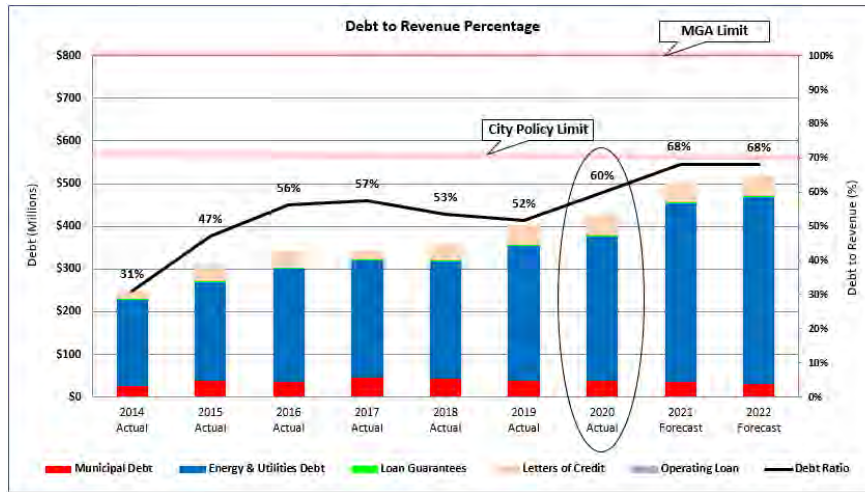


TREASURY REPORT

For the Period Ending December 31, 2020

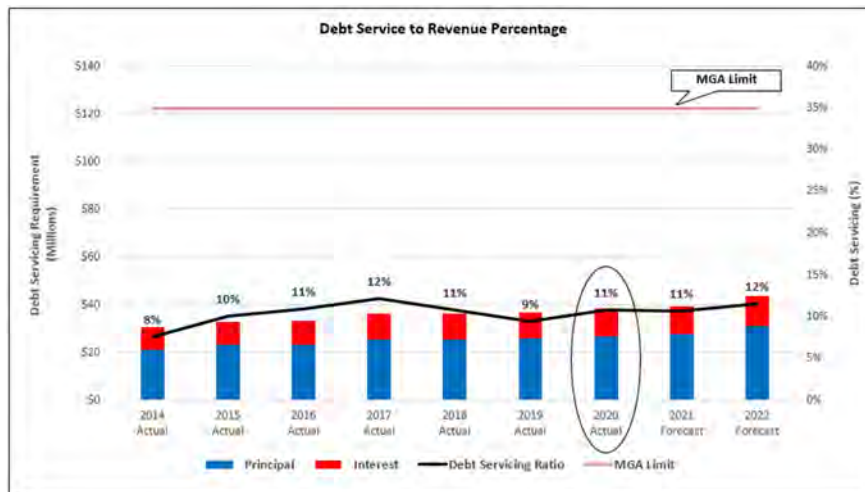
DEBT MANAGEMENT

The City of Medicine Hat incorporates debt to finance a portion of its capital program. The use of debt is closely monitored to ensure that the City remains within the Municipal Government Act regulations. The City's internal debt ratio goal is to remain under 70%, per Capital Debt Policy 0121. At December 31, 2020, the City had debt outstanding of \$424.8 million consisting of \$376.1 million in long-term debt, \$47.0 million in letters of credit, and \$1.7 million in loan guarantees with an overall debt to revenue percentage of 60%.



- Notes:**
- 2014-2019 - Based on Audited Revenue and Debt
 - 2020 Actual - Based on actual Debt outstanding at Dec 31, 2020 and **unaudited** Revenue
 - 2021-2022 Forecast - Based on forecasted Revenue and Debt

The City is required to remain within the Debt Service to Revenue Percentage per Municipal Government Act of 35% of revenue. At December 31, 2020, the City's Debt Servicing requirement for 2020 was 11% of revenue.



BRIEFING NOTE

INFORMATION

**2020 CAPITAL PROJECT AND MAJOR OPERATING EXPENSE
OVER EXPENDED/UNDER EXPENDED/CANCELLED PROJECTS
AS AT DECEMBER 31, 2020**

MARCH 31, 2021

ISSUE:

2020 Capital and Major Operating Expense Project overruns as well as the under spent and cancelled projects as at December 31, 2020, as approved by the Chief Administrative Officer (CAO).

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council receive this Briefing Note for information.

COUNCIL STRATEGIC PRIORITY:

Fiscal Management

KEY RISKS:**Health, Safety and Environmental Impact:**

N/A

Financial Impact

At December 31, 2020, capital projects of \$3,514,757 were completed and underspent (Attachment #3) and capital projects of were complete and overspent by \$294,596 (Attachment #2). There were no cancelled projects.

In 2020, the City of Medicine Hat reviewed all existing, approved capital projects to identify areas of cost savings. The review resulted in a reset of the capital budget, including the cancellation and reduction of capital projects totaling \$78,608,000. Council formally approved the capital budget reset on January 4, 2021.

The following table is a summary of the completed and cancelled projects by major business units:

Department	Approved Budget	Expenses	Remaining Budget	Remaining Budget Appropriated		
				Completed Overspent	Completed Underspent	Cancelled
Municipal	\$ 59,403,870	\$ 56,962,350	\$ 2,441,520	\$ (160,515)	\$ 2,602,036	\$ -
Police	66,000	69,964	(3,964)	(3,964)	-	-
Invest Medicine Hat	4,873,000	4,818,103	54,897	-	\$ 54,897	-
Environmental Utilities	33,063,636	32,630,729	432,907	-	432,907	-
UDS	11,876,418	11,864,265	12,153	(59,376)	71,529	-
Electric Generation	9,088,000	8,805,352	282,648	(70,741)	353,389	-
NGPR	-	-	-	-	-	-
Total	\$ 118,370,924	\$ 115,150,763	\$ 3,220,161	\$ (294,596)	\$ 3,514,757	\$ -

Funding sources from the underspent projects are matched to the overspent projects that have an existing similar funding source.

The following table is a summary of funding required for over expended projects:

Infrastructure Reserve Loan	\$ 595
Transfer From Operating	117,333
Debenture	214
CAM Fleet - Equipment Reserve	146,443
Third Party Contributions	30,011
Total	\$ 294,596

At December 31, 2020, there were major operating expenses (MOE) projects totaling \$59,316 (see Attachment #4) that were underspent, \$50,000 projects that were cancelled (see Attachment #5), and no MOE projects were complete and overspent.

The following table shows the projects by major business unit:

Department	Approved Budget	Expenses	Remaining Budget	Remaining Budget Appropriated		
				Completed Overspent	Completed Underspent	Cancelled
Municipal	\$ 1,115,000	\$ 1,005,684	\$ 109,316	\$ -	\$ 59,316	\$ 50,000
Total	\$ 1,115,000	\$ 1,005,684	\$ 109,316	\$ -	\$ 59,316	\$ 50,000

During the year, the CAO approved the reallocation of funds for various capital and major operating expense projects. Please see Attachment #1 for a summary of these projects and reasons behind the change in funding source.

Legal / Policy Impact:

N/A

Public Implications:

The public expectation is that the capital and major operating expense projects should be completed within budget.

BACKGROUND:

The City of Medicine Hat prepares multi-year capital and operating budgets. Capital and major operating expense budgets are prepared the year before the first year of the multi-year budget. For instance, the 2019 - 2022 capital and major operating expense budgets were prepared in early 2018. These budgets were based on the current known costs at the time to establish an estimate of costs and assumption for inflation. The budgets were drafted by departments, reviewed by their Commissioners and submitted to the Administrative Committee for recommendation to City Council for their review and adoption.

In 2020, the City of Medicine Hat reviewed all existing, approved capital projects to identify areas of cost savings. The review resulted in a reset of the capital budget, including the cancellation and reduction of capital projects totaling \$78,608,000. Council formally approved the capital budget reset on January 4, 2021.

As part of the City's business cycle, City Council is advised of the progress on capital projects through the management reporting process. The information provided in this briefing note summarizes the variances from budget and provides comments on progress as at December 31, 2020.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

N/A

IMPLEMENTATION PLAN:

N/A

PREPARED BY & DATE:	Vanessa Bonneville, Manager of Accounting	March 22, 2021
REVIEWED BY & DATE:	Lola Barta, General Manager of Finance	
APPROVED BY & DATE:	Dennis Egert, CFO/Managing Director, Corporate Services	
ATTACHMENTS:	#1: Summary of CAO Capital/MOE Reallocation Approvals as at 12-31-2020 #2: Summary of Completed and Over Spent Capital Projects as at 12-31-2020 #3: Summary of Completed and Under Spent Capital Projects as at 12-31-2020 #4: Summary of Completed and Under-Expended MOE Projects as at 12-31-2020 #5: Summary of Cancelled MOE Projects as at 12-31-2020	

**Summary of CAO Capital/MOE Reallocation Approvals
as at December 31, 2020**

Attachment #1

Department	Project Description	Original Approved Budget \$	Approved Reallocation \$	New Budget Amounts \$	Original Funding Source	New funding Source	Reason for Change in Funding Source
Finance	Value for Money Audit	-	15,000	15,000	MOE Operating	N/A	Council has directed that Parks and Recreation Master Plan is a priority. Money reallocated from Value for Money audit to PKRC
	Photocopier	-	11,500	11,500	N/A	Infrastructure Reserve	Required new photocopiers for Windows 10 conversion
ICS	Citizen Facing Digital Strategy (10 year capital plan)	-	100,000	100,000	N/A	Operating	Digital technical capabilities and reconfigure existing platforms
	Data Management Strategy	100,000	(100,000)	-	Operating	N/A	Allocate to Citizen Facing Digital Strategy
CAM FM	Marshall Avenue Storage	-	(100,000)	(100,000)	Internal Loan	Internal Loan	Move to FLC storage
	FLC Storage	-	100,000	100,000	Operating	Operating/Internal Loan	Move from Marshall Ave storage
	FLC Cogeneration Project	883,500	-	883,500	Grant/Reserve	Grant/Reserve	Increase grant funding
	FLC LED Lighting	1,900,000	-	1,900,000	Internal loan/Debtenture	Internal loan/Debtenture/Grant	Change to grant funding
	CAM BS IR 2016 Marshall Ave Storage Facility	1,000,000	(300,000)	700,000	Reserve - Infrastructure	Reserve - Infrastructure	Reallocate to SOT
	CAM BS TCA 2010 Police Services Building	21,775,000	(60,000)	21,715,000	\$21M Grant, \$575K Reserve - Infrastructure, \$200K Reserve - Internal Loans Municipal	\$21M Grant, \$575K Reserve - Infrastructure, \$140K Reserve - Internal Loans Municipal	Reallocate to SOT
CAM FLT	EU Construction Unit	225,000	(48,000)	177,000	Reserve	Reserve	Reallocate to Airport Deicer
	Airport Deicer	50,000	48,000	98,000	Grant	Grant	Utilize grant to purchase equipment
	Automated Vehicle Locator (AVL)	-	140,000	140,000	N/A	Infrastructure Reserve	Install AVL into heavy and light duty mobile equipment.
	Fire	225,000	100,000	325,000	Reserve	Reserve	Aquatics Rescue Truck budget
	Solid Waste	720,000	(100,000)	620,000	Reserve	Reserve	Move to Fire unit
	Zambonis	360,000	-	360,000	Reserve/Grant	Reserve/Grant	Increase grant funding
City Clerk	2020 Census	215,000	(215,000)	-	MOE Operating	MOE Operating	Move to Finance Value for Money audit
Municipal Works	2020 Bridge Rehab Program	1,400,000	1,100,000	2,500,000	1,240,000 GTF / \$160,000 Internal Loan	\$1,240,000 GTF / \$1,260,000 MSI	Reallocation budget from 2020 Storm Sewer Rehab Program
	2020 Storm Rehab Program	3,750,000	(1,100,000)	2,650,000	\$985,000 GTF / \$2,365,000 MSI / \$400,000 Internal Loan	\$985,000 GTF / \$1,265,000 MSI / \$400,000 Internal Loan	Reallocation budget to 2020 Bridge Rehab Program
PDS	Photocopier	-	11,500	11,500	N/A	Infrastructure Reserve	Required new photocopiers for Windows 10 conversion
CAO	Strategic Opportunity Team (SOT)	-	1,085,000	1,085,000	N/A	Infrastructure Reserve	Service Level Standards, Capital Prioritization, Change Management consulting and change funding to infrastructure reserve & 2020 surplus (controllable variance)
	CAO - 2020 Contingency Budget	500,000	(498,000)	2,000	Infrastructure Reserve	Infrastructure Reserve	IMH office space, copier/printers, SOT, AVL, Event Centre signage
	CAO - 2019 Contingency Budget	605,920	(335,000)	270,920	Infrastructure Reserve	Infrastructure Reserve	IMH office space
Parks and Recreation	Regional Event Centre Sign	-	85,000	85,000	N/A	CAO Contingency - Repayable	New signage is required for the Regional Event Centre as name has changed from "Canalta Centre" to "Co-op Place".
	PKRC TCA 2016 - Facility Accessibility Program	200,000	(150,000)	50,000	Reserve - Internal Loans Municipal	Reserve - Internal Loans Municipal	Reallocate to SOT
	PKRC TCA 2016 - Campground Expansion	450,000	(350,000)	100,000	Reserve - Internal Loans Municipal	Reserve - Internal Loans Municipal	Reallocate to SOT
	PKRC TCA 2019 - Gershaw Dr Interchange Landscape	200,000	(100,000)	100,000	Reserve - Infrastructure	Reserve - Infrastructure	Reallocate to SOT
	PKRC MOE 2020-22 - River Valley Downtown Corridor	50,000	(25,000)	25,000	Transfer From Operating	N/A	Reallocate to SOT
	2020 Infrastructure Rehabilitation -GPS/ Plotter/Signs	3,730,000	-	3,730,000	Debtenture	Operating	Purchase of GPS/Plotter/Digital signs for operating efficiencies. Money reallocated from Parks and Rec operating budget to infrastructure rehab to offset these debtenture costs.
	Parks and Recreation Master Plan	-	200,000	200,000	N/A	MOE Operating	Council has directed this as a priority. Money reallocated from Value for Money audit in Finance

**Summary of CAO Capital/MOE Reallocation Approvals
as at December 31, 2020**

Attachment #1

Department	Project Description	Original Approved Budget \$	Approved Reallocation \$	New Budget Amounts \$	Original Funding Source	New funding Source	Reason for Change in Funding Source
Invest Medicine Hat	IMH Leasehold Improvements	-	485,000	485,000	-	CAO Contingency - Repayable	Improvements to Invest Medicine Hat's new office space.
Electric Generation	Unit 10 Exhaust Collector	225,000	90,000	315,000	Equipment Reserve	Equipment Reserve	Projected over budget
	Spare LM6000 Engine	5,530,000	(90,000)	5,440,000	Working Capital/Equipment Reserve	Working Capital/Equipment Reserve	Projected under budget
	Waste Heat Recovery Unit	1,500,000	(1,500,000)	-	Working Capital/Equipment Reserve	N/A	Project cancelled
	Sump Evacuation System	150,000	(150,000)	-	Working Capital	N/A	Project cancelled
	Azzier Software (formerly PASTA)	172,000	(48,000)	124,000	Working Capital	Working Capital	Projected under budget
	Unit 17 Phase 1 & 2	1,000,000	1,698,000	2,698,000	Working Capital	Working Capital/Equipment Reserve	Projected over budget
Gas Distribution	Asset & Integrity - Prior	140,000	(140,000)	-	Working Capital	N/A	Project cancelled
	2020 Transmission Mains	170,000	(170,000)	-	Working Capital	N/A	Project cancelled
	2020 Regulating Stations	347,000	(297,000)	50,000	Working Capital	Working Capital	Projected under budget
	2020 Mains Extensions & Replacements	609,000	607,000	1,216,000	Debenture/Working Capital	Debenture/Working Capital	Projected over budget
Electric Distribution	MHS 10 Substation	16,109,100	-	16,109,100	Debenture/Third Party	Debenture/Third Party	Reallocate \$6.05M of 3rd party funds to capital project
Total		\$ 64,291,520	\$ -	\$ 64,291,520			

Summary of Completed and Over-Spent Capital Projects
as at December 31, 2020

Attachment #2

Department	Project Description	Approved Budget	Expenses	Over Spent Amount	Recommended Funding Source	Explanation	FUNDING SOURCE :					Total
							Internal Loan	Operating	Debenture	Reserves	3rd Party	
POL	POL TCA 2020 WO - Ancillary Equipment	48,000	51,964	3,964	Operating	Minor cost overrun		3,964				3,964
ICS	ICS TCA 10 Year Capital Improvement Program (CIP) 2019 ICS TCA Core IT Infrastructure Capacity Increases 2019	656,000	656,587	587	Internal loan	Minor cost overrun	587					587
		250,000	250,008	8	Internal loan	Minor cost overrun	8					8
CAM - FM	CAM FM Kinplex #1 Ice Slab and Board System	1,409,000	1,419,797	10,797	GTF	Minor cost overrun					10,797	10,797
CAM - FLT	FLT-18 Electric Distribution Unit #148	350,000	406,320	56,320	Fleet Reserve	Experienced price fluctuation since initial budgeting in 2018				56,320		56,320
	FLT-18 EU Sewer Unit #522	95,000	101,634	6,634	Fleet Reserve	Minor cost overrun				6,634		6,634
	FLT-18 EU Sewer Unit #556	120,000	159,712	39,712	Fleet Reserve	Experienced price fluctuation since initial budgeting in 2018				39,712		39,712
	FLT-18 Gas Distribution Unit #203	46,000	69,761	23,761	Fleet Reserve	Experienced price fluctuation since initial budgeting in 2018				23,761		23,761
	FLT-18 Gas Distribution Unit #234	45,000	65,016	20,016	Fleet Reserve	Experienced price fluctuation since initial budgeting in 2018				20,016		20,016
Municipal Works	MW-16 South Railway ST Upgrade	5,652,000	5,652,214	214	Debenture	Minor cost overrun			214			214
PKRC	PKRC TCA 2019 - Shrub Bed Removal and Rehabilitation PKRC TCA 2019 - Heald Park Redevelopment	135,274	135,279	5	Operating	Minor cost overrun		5				5
		300,000	300,081	81	GTF	Minor cost overrun					81	81
CDV	Seniors Centre Equipment Replacement Program CULTURE SPECIALIZED EQUIPMENT REPLACEMENT PROGRAM	40,000	40,242	242	Operating	Minor cost overrun		242				242
		493,000	493,374	374	Operating	Minor cost overrun		374				374
PDS	PDS 2020 Capital WO Photocopier/Printer	11,500	13,265	1,765	Infrastructure Rese	Minor cost overrun		1,765				1,765
UDS - Gas Distribution	Mains Extension & Replacement - Prior	100,725	108,258	7,533	Operating	Minor cost overrun		7,533				7,533
UDS - Electric Distribution	13 kV Overhead Distribution Systems - Prior New Distributed Services - Prior Substations Transformers - Prior Meters - Prior	1,628,707	1,644,315	15,608	Operating	Minor cost overrun		15,608				15,608
		166,982	186,115	19,133	3rd Party	Minor cost overrun					19,133	19,133
		500,000	510,922	10,922	Operating	Minor cost overrun		10,922				10,922
		50,000	56,180	6,180	Operating	Minor cost overrun		6,180				6,180
Electric Generation	Bobcat T66 compact Track Loader	-	70,741	70,741	Operating	Unbudgeted. Traded-in old units at value of \$62k to fund purchase		70,741				70,741
Total		\$ 12,097,188	\$ 12,391,784	\$ 294,596			\$ 595	\$ 117,333	\$ 214	\$ 146,443	\$ 30,011	\$ 294,596

Summary of Completed and Under-Spent Capital Projects
as at December 31, 2020

Department	Project Description	Approved Budget	Expenses	Under Spent	Original Funding Source	FUNDING SOURCE:					Total	
						Internal Loan	Operating	Debenture	Reserves	3rd Party		
ICS	ICS TCA Data Management Strategy 2019 Enterprise Document Mgmt System	180,000 850,000	179,995 757,959	5 92,041	Internal loan Internal loan / incomplete capital	5 92,041					5 92,041	
CAM - FM	MW Building Police Services Building Refurbish Existing Transit Maintenance Bays Tower Remediation Police Point Interpretive Centre Upgrades Marshall Ave. Storage Facility City Hall HVAC City Hall HVAC Fans	7,945,000 21,715,000 475,000 500,000 731,879 700,000 255,000 306,000	7,944,996 21,714,114 417,605 327,695 688,243 648,461 254,422 305,336	4 886 57,395 172,305 43,636 51,539 578 664	MSI Grant \$8M MSI Grant \$21M, Incomplete TCA \$575K, \$200K internal loan 3rd Call GreenTRIP/PTIF Debenture 3rd Party (Medicine Hat Accommodation Association) \$270,000, \$262,000 CFEP Grant, \$150,000 Co-op Community (3rd party), \$49,879 EAF Grant Operating Internal Loan Internal Loan		886		172,305		4 57,395 43,636 51,539 578 664	
CAM - FLT	FLT-18 EU Solid Waste Garbage Unit #656 FLT-18 EU Solid Waste Garbage Unit #657 FLT-18 EU Solid Waste Garbage Unit #658 FLT-18 EU Solid Waste Garbage Unit #659 FLT-18 Transit Unit #729 FLT-18 Transit Unit #748 FLT-18 Transit Unit #749 FLT-18 Transit Unit #750 FLT-18 Transit Unit #751 FLT-18 Transit Unit #752 FLT-18 Transit Unit #753 FLT -18 Municipal Works Unit #313 FL-17 TRANSIT UNIT #720 FL-17 TRANSIT UNIT #721 FL-17 TRANSIT UNIT #722 FL-17 TRANSIT UNIT #723 FL-17 TRANSIT UNIT #724 FL-17 TRANSIT UNIT #725 FL-17 TRANSIT UNIT #740 FL-17 TRANSIT UNIT #743 FL-17 TRANSIT UNIT #745 FL-17 TRANSIT UNIT #746 FL-17 TRANSIT UNIT #747	360,000 360,000 360,000 360,000 190,000 625,000 625,000 625,000 625,000 625,000 625,000 55,000 190,000 190,000 190,000 190,000 190,000 190,000 625,000 625,000 625,000 625,000 625,000 625,000	285,068 285,068 285,176 284,850 184,513 443,052 442,959 442,959 442,959 442,959 483,859 37,850 186,006 188,494 185,664 185,664 186,250 185,662 478,808 491,267 490,635 484,097 484,311	74,933 74,933 74,824 75,150 5,487 181,948 182,041 182,041 182,041 182,041 141,141 17,150 3,994 1,506 4,336 4,336 3,750 4,338 146,192 133,733 134,365 140,903 140,689	Fleet Reserve Fleet Reserve Fleet Reserve Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve Fleet Reserve \$753k GreenTRIP/PTIF, \$62k Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve \$753k GreenTRIP/PTIF, \$62k Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve 2/3 GreenTRIP, 1/3 Fleet Reserve					74,933 74,933 74,824 75,150 1,829 60,649 60,680 60,680 60,680 60,680 47,047 17,150 1,331 502 1,445 1,445 1,250 1,446 48,731 44,578 44,788 46,968 46,896	3,658 121,299 121,361 121,361 121,361 94,094 2,663 1,004 2,891 2,891 2,500 2,892 97,461 89,155 89,576 93,935 93,792	74,933 74,933 74,824 75,150 5,487 181,948 182,041 182,041 182,041 182,041 141,141 17,150 3,994 1,506 4,336 4,336 3,750 4,338 146,192 133,733 134,365 140,903 140,689
Municipal Works	MW-15 South Railway Street Upgrade MWD WO Capital -18 Intersection & Corridor Improve	1,000,000 22,000	1,000,000 21,925	- 75	Debenture Internal Loan						- 75	
Police	2020 WO - In Car and Body Worn Cameras	18,000	18,000	-	Operating						-	
Fire	2019 - Extrication tools replacement frontline units (jav 2020 - Infrastructure Rehabilitation Program 2020 - Attack Digital Fire Training System	250,000 55,000 46,000	231,745 44,635 43,658	18,255 10,365 2,342	Operating Operating Operating		18,255 10,365 2,342				18,255 10,365 2,342	
PKRC	PKRC TCA 2017 - Infrastructure Rehab Program PKRC TCA 2020 - Dog Off Leash Areas Development PKRC TCA 2020 - Family Leisure Centre Parking Lot PKRC TCA 2019 - Dog Off Leash Areas Development PKRC TCA 2018 - Outdoor Lighting Program PKRC TCA 2018 - Shrub Bed Removal Program Leisure Trail Development PKRC TCA 2018 - Hillside Cemetery Capacity Develop PKRC TCA 2018 - Open Space Redevelopment PKRC TCA 2017 - Shrub Bed Removal Program PKRC TCA 2017 - SSR Recreation Opportunities PKRC TCA 2017 - FLC PAVING PARKING LOT PKRC TCA 2017 - LANDSCAPE REDEVELOPMENT PKRC TCA 2016 - Campground Expansion PKRC TCA 2016 - Facility Accessibility Program - Moose Change Room	2,040,000 25,000 400,000 50,000 575,000 250,000 250,000 50,000 95,000 250,000 525,000 210,217 200,000 100,000 50,000	2,040,000 25,000 399,158 50,000 575,000 231,929 250,000 50,000 95,000 249,999 520,298 210,217 200,000 100,000 13,540	- - 842 - - 18,071 - - - 1 4,702 - - 36,460	MSI/Operating Operating Internal Loan Operating Operating Internal Loan Gas Tax MSI Grant Operating/Internal Loan Internal Loan Operating/Gas Tax Operating/ ACP Grant Gas Tax Internal Loan Internal Loan		842 18,071 1			4,702	- - 842 - - 18,071 - - - - 1 4,702 - - 36,460	

**Summary of Completed and Under-Spent Capital Projects
as at December 31, 2020**

Department	Project Description	Approved Budget	Expenses	Under Spent	Original Funding Source	FUNDING SOURCE:					Total
						Internal Loan	Operating	Debenture	Reserves	3rd Party	
Invest Medicine Hat	L&P SOUTHLANDS 4B (18 ACRES W)	3,015,000	3,010,422	4,578	Working Capital		4,578				4,578
	L&P-UPGRD RD ADJCT TO OPT LNDS	1,223,000	1,222,781	219	Working Capital		219				219
	L&P-17 BURNSIDE ACCESS CONTROL	150,000	99,900	50,100	Working Capital		50,100				50,100
	2020 IMH Leasehold Improvements	485,000	485,000	-	Internal Loan		-				-
EU - Water	2019 General Capital - Photocopier	11,500	11,329	171	Working Capital		171				171
	2018 Mains Replacement - Asset Management Progra	6,900,000	6,899,581	419	Debenture			419			419
	2018 Water Main Extension Division Avenue	4,600,000	4,597,034	2,966	Debenture			2,966			2,966
	2018 10th Ave Valve Chamber Upgrade	800,000	797,003	2,997	Debenture			2,997			2,997
	2019 WTP - Critical Spares	62,000	24,005	37,995	Working Capital		37,995				37,995
	2018 WTP - CChem Rooms Pumps and Piping Replac	150,000	149,848	152	Working Capital		152				152
	2017 WTP - HLP 7 & 8 Rehab	250,000	186,933	63,067	Working Capital		63,067				63,067
	2017 WTP - 3 SCU Structural Rehab	241,000	190,831	50,169	Working Capital		50,169				50,169
EU - Sewer	2019 General Capital - Photocopier	11,500	11,450	50	Working Capital		50				50
	2018 Sewer Mains Replacement Asset Mgmt Program	6,900,000	6,900,000	-	Debenture			-			-
	2018 South Central Sanitary Trunk Sewer Rehab	1,500,000	1,500,000	-	Debenture			-			-
	2018 Thompson Lift Station Upgrade	1,000,000	1,000,000	-	Debenture			-			-
	2017 Sewer Mains Replacement - Downtown Rehabilitt	2,609,000	2,400,363	208,637	Debenture			208,637			208,637
	2017 Brier Park Gravity Bypass	3,500,000	3,486,989	13,011	Debenture			13,011			13,011
	2017 North Trunk Sanitary Sewer Upgrade - Brier Park	999,964	963,307	36,657	Debenture			36,657			36,657
	2018 WWTP Trickling Filters Rehab	400,000	394,537	5,463	Debenture			5,463			5,463
	2016 WWTP Electrical System Rehab (Main MCC)	500,000	498,597	1,403	Debenture			1,403			1,403
	2015 WWTP Control System Rehabilitation	250,000	243,441	6,559	Working Capital		6,559				6,559
EU - Solid Waste	2020 Collection Carts & Bin Program	49,000	48,606	394	Working Capital		394				394
	2019 Garage Building Projects	100,000	99,758	242	Working Capital		242				242
	2019 General Capital - Photocopier	11,500	9,163	2,337	Working Capital		2,337				2,337
	2017 Landfill Airspace Expansion	2,218,172	2,217,956	216	Working Capital		216				216
UDS - Gas Distribution	2020 New Distributed Services	141,486	141,480	6	Working Capital		6				6
	2020 Mains Extension & Replacement	216,032	216,031	1	Debenture/Working Capital			1			1
	2020 Meters	230,396	230,396	-	Working Capital						-
	2020 Cathodic Protection	62,244	60,851	1,393	Working Capital		1,393				1,393
	New Distributed Services - Prior	133,761	133,754	7	Working Capital		7				7
	Mains Extension & Replacement - Prior	639,331	639,328	3	Debenture			3			3
	Transmission Mains - Prior	190,000	188,189	1,811	Working Capital		1,811				1,811
	Regulating Stations - Prior	783,007	783,005	2	Working Capital		2				2
	Meters - Prior	392,000	367,433	24,567	Working Capital		24,567				24,567
Cathodic Protection - Prior	25,191	25,190	1	Working Capital		1				1	
UDS - Electric Distribution	2020 13 kV Overhead Distribution Systems	124,647	124,643	4	Debenture			4			4
	2020 13 kV Underground Distribution Systems	450,998	450,996	2	Debenture/Working Capital			2			2
	2020 New Distributed Services	238,516	238,507	9	Debenture			9			9
	13 kV Overhead Distribution Systems - Prior	135,191	135,188	3	Debenture			3			3
	13kV Underground Distribution Systems - Prior	856,875	856,864	11	Debenture			11			11
	New Distributed Services - Prior	42,232	42,229	3	Debenture			3			3
	Substations - Prior	170,000	126,297	43,703	Debenture			43,703			43,703
	Building Renovation - Prior	4,598,097	4,598,094	3	Debenture			3			3
Electric Generation	ARC Flash Study	80,000	63,443	16,557	Working Capital		16,557				16,557
	7 Pumphouse Condition Assessment	150,000	112,108	37,892	Equipment Reserve				37,892		37,892
	Unit 17 Phase 1 & 2	2,698,000	2,698,000	-	Working Capital						-
	Spare LM6000 Engine	5,710,000	5,427,572	282,428	Working Capital/Equipment Reserve				282,428		282,428
	Power Plant Security System	450,000	433,488	16,512	Equipment Reserve				16,512		16,512
Total		\$ 106,273,736	\$ 102,758,979	\$ 3,514,757		\$ 149,623	\$ 343,094	\$ 487,601	\$ 1,245,448	\$ 1,288,990	\$ 3,514,757

**Summary of Completed and Under-Expended MOE Projects
as at December 31, 2020**

Department	Project Description	Approved Budget	Expenses	Under Spent	Original Funding Source	FUNDING SOURCE:				Total
						Other Reserve	Operating	Reserves	3rd Party	
CAM	CAM MOE-18 Network Closet Wiring Standardization	75,000	20,269	54,731	MOE Operating (Incomplete MOE)		54,731			54,731
Parks and Recreation	PKRC MOE 2019 - Tree Maintenance Elm Scale Injections	200,000	200,000	-	Operating/MSI Operating					-
	PKRC MOE 2019 - Canalta Centre Equipment Replacement Program	60,000	55,415	4,585	MSI Operating				4,585	4,585
	PKRC MOE 2016 - Tree Inventory	80,000	80,000	-	Operating					-
Municipal Works	MW-2020 Infrastructure Inspections/Maint Program	300,000	300,000	-	MSI Operating					-
	MW-19 Infrastructure Maint Program (Bridge, Storm, Sidewalk, Streetlight)	350,000	350,000	-	MSI Operating					-
				-						-
Total		\$ 1,065,000	\$ 1,005,684	\$ 59,316		\$ -	\$ 54,731	\$ -	\$ 4,585	\$ 59,316

Summary of Cancelled MOE Projects
as at December 31, 2020

Attachment #5

Department	Project Description	Approved Budget	Original Funding Source	Explanation	FUNDING SOURCE:					Total
					Internal Loan	Operating	Debenture	Reserves	3rd Party	
Fire	2020 - Medicine Hat Fire Service Strategic Plan	50,000	Operating	Funding no longer required		50,000				50,000
										-
Total		\$ 50,000			\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000

Public Services Committee

MEETING MINUTES

Monday, April 12, 2021
City Hall – Boardroom 2-1
12:15 PM

PRESENT: Councillor J. Friesen, Chair
Councillor J. Turner, Vice-Chair
Councillor K. Samraj

ALSO PRESENT: B. Mastel, Managing Director of Public Services
B. Bullock, City Solicitor (*attended remotely*)
J. Will, Director of Parks and Recreation (*attended remotely*)
B. Stauth, Fire Chief and Director, Fire and Emergency Services (*attended remotely*)
L. Prestayko, Director of Community Development (*attended remotely*)
A. Wiebe, Corporate Communications Specialist
L. Perry, Executive Assistant

MOTION TO CLOSE MEETING TO THE PUBLIC

Councillor Turner, seconded by Councillor Samraj, made a motion to close the meeting to the public to discuss the following pursuant to the Freedom of Information and Protection of Privacy Act:

- Public Services Division Business Items (FOIP s. 24)

CARRIED

MOTION TO OPEN THE MEETING TO THE PUBLIC

Councillor Turner, seconded by Councillor Samraj, made a motion to open the meeting to the public.

CARRIED

ADJOURNMENT

The meeting adjourned at 2:05 PM.

RECEIVED BY CITY COUNCIL

April 19, 2021

Angela Cruickshank, City Clerk

Corporate Services Committee

MEETING MINUTES

Tuesday, April 13, 2021

City Hall – Boardroom 2-1

11:30 AM

PRESENT: Councillor R. Dumanowski, Chair
Councillor D. Hirsch, Vice Chair
Councillor B. Varga

ALSO PRESENT: K. Samraj, Councillor (*non-member of Committee, remote attendance*)
B. Mastel, Acting CAO/City Manager
D. Egert, CFO/Managing Director of Corporate Services
B. Bullock, City Solicitor (*remote attendance*)
L. Barta, Director of Finance
S. Sterkenburg, City Assessor
M. Brown, Manager of Support Services, Fire & Emergency Services (*remote attendance*)
J. Wheeler, Lead of Corporate Safety (*remote attendance*)
T. Petryshyn, Corporate Communications Specialist (*remote attendance*)
R. Korven, Executive Assistant

MOTION TO CLOSE MEETING TO THE PUBLIC

Councillor Varga seconded by Councillor Hirsch, made a motion to close the meeting to the public to discuss the following pursuant to the *Freedom of Information and Protection of Privacy Act*:

- Corporate Services Division Items (FOIP s. 24)
- Finance Item (FOIP s. 24)

CARRIED

MOTION TO OPEN MEETING TO THE PUBLIC

Councillor Varga, seconded by Councillor Hirsch, made a motion to open the meeting to the public.

CARRIED

1. RESCISSION OF TRANSPORTATION SAFETY POLICIES

Appendix A

Managing Director Egert introduced the item, advising that the general provisions of the policies recommended for rescission will be included in the City's Transportation Safety Program (the "Program"). The Program will incorporate the requirements of Alberta transportation safety legislation, reflect current City practices, and allow management to respond to changes and improvement opportunities in a timely manner.

Following discussion, the Corporate Services Committee recommends **THAT CITY COUNCIL RESCINDS THE FOLLOWING POLICIES:**

- **POLICY 8000, DRIVERS HANDBOOK**
- **POLICY 8001, VEHICLE ACCIDENT REVIEW COMMITTEE; AND**
- **POLICY 8032, LOSS OF VALID DRIVERS LICENSE POLICY.**

ADOPTION

ADJOURNMENT

The meeting adjourned at 12:48 PM.

RECEIVED BY CITY COUNCIL

April 19, 2021

Angela Cruickshank, City Clerk

RESCISSION OF TRANSPORTATION SAFETY POLICIES

MARCH 24, 2021

ISSUE:

Rescind three City of Medicine Hat (“City”) policies related to transportation employee safety, including Policy 8000 (Drivers Handbook), Policy 8001 (Vehicle Accident Review Committee), and Policy 8032 (Loss of Valid Drivers License) (collectively, the “Policies”)

The general provisions included in the Policies will be replaced by the City’s Transportation Safety Program (the “Program”).

RECOMMENDATION:

It is recommended through the Administrative Committee and the Corporate Services Committee that City Council rescinds the following policies:

- Policy 8000, Drivers Handbook
- Policy 8001, Vehicle Accident Review Committee; and
- Policy 8032, Loss of Valid Drivers License Policy.

COUNCIL STRATEGIC PRIORITY:

City Government

Council has recognized that the City maintains a focus on workplace safety. Developing and maintaining current programs related to transportation safety, specifically for City employees, supports a safe and healthy work environment.

KEY RISKS:

Health, Safety and Environmental Impact:

The Program will support the City’s compliance with current legislation and provide a consolidated document to reference all relevant transportation safety topics.

Financial Impact:

Funding Request:	No	N/A
Budgeted Item:	Yes	N/A
Funding Explanation:	N/A	
Budget Amendment Form?	No	

N/A

Legal / Policy Impact:

The implementation of the Program will reduce the number of Council approved policies, allowing management to immediately respond to changes in legislation and identified improvement opportunities.

Public Implications:

N/A

BACKGROUND:

The City is required to comply with various Alberta transportation safety legislation. The current Policies were approved and implemented in 1985 are therefore severely outdated. The Policies currently do not meet transportation safety legislation, nor do they reflect the current practices related to transportation safety for City employees.

The Program will serve as the foundation for the safety program for City Vehicles and equipment and will outline policies and procedures that will guide City employees in the safe operation of fleet units.

Section 40(1) of the Commercial Vehicle Certificate and Insurance Regulation (AR 314/2002) specifies that a carrier must establish, maintain and follow a written safety program. The

Transportation Safety Program contains specific criterion that must be addressed in a safety program, including but not limited to:

- a) Seat-belt use, drug and alcohol use, defensive driving, distracted driving, load security and fuelling;
- b) Proper records and recording of information including, as required, driver’s abstracts, dangerous goods documents, time records, and drivers’ daily logs;
- c) Policies that stipulate drivers are expected to comply with the law and policy and procedures related to driver training, responsibilities, conduct and discipline;
- d) Training for new employees and an ongoing program for evaluating their driving/equipment operating skills;
- e) Retention of complete records for each driver; and
- f) Policies for ensuring that drivers are properly qualified for the type of vehicle they operate.

As specified by the regulation, the City’s Transportation Safety Officer is considered the Safety Officer for this program.

The Program will: incorporate the requirements of Alberta transportation safety legislation; reflect the current City practices; and allow management to respond to improvement opportunities in a timely manner.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Continue to use the current Policies and expose the City to unnecessary legislative non-compliance. Not recommended as this is better suited as a Program at the administrative level.

IMPLEMENTATION PLAN:

The Program documentation will be accessible by all City employees and distribution of the Program details and delivery of related training to relevant City employees will commence immediately following Council rescission of the current Polices.

PREPARED BY & DATE:	Jason Wheeler Superintendent, HSE Operations	March 24, 2021
REVIEWED BY & DATE:	Merrick Brown Director, HSE & Emergency Management	
APPROVED BY & DATE:	Dennis Egert Managing Director, Corporate Services	
ATTACHMENTS:	1: Policy 8000, Drivers Handbook 2: Policy 8001, Vehicle Accident Review Committee 3: Policy 8032, Loss of Valid Drivers License Policy 4: City of Medicine Hat Transportation Safety Program Table of Contents	



POLICY

Title: DRIVERS HANDBOOK		Number: 8000
Reference:	Adopted by City Council: September 3, 1985 RWA H	Supersedes:
Prepared by: PERSONNEL DEPARTMENT		

STATEMENT

A HANDBOOK SHALL BE PREPARED WHICH WILL OUTLINE REGULATIONS GOVERNING THE OPERATION OF VEHICLES AND MOTORIZED EQUIPMENT WHICH ARE OWNED, RENTED OR LEASED BY THE CITY OF MEDICINE HAT.

PURPOSE

To educate and instruct operators of City vehicles and equipment in accepted practices and procedures related thereto with the objective of reducing accidents, costs and inconvenience.

Policy 8000 – Drivers Handbook		PROCEDURE
Authority:	Adopted by City Council: September 3, 1985	Page 2 of 6

1. DEFINITIONS

1.01 Accidents

The collision of a City vehicle which causes death, injury or property damage, regardless of the extent of the injury or damage caused.

1.02 Vehicle

A car, truck, or similar self-propelled conveyance, required to be licenced under the Motor Vehicle Administration Act.

1.03 Equipment

Any motorized unit not required to be licenced under the Motor Vehicle Administration Act. It may or may not be self-propelled, or be mounted on a truck or trailer.

1.04 Auxiliary Equipment

Any truck mounted equipment; either operated by means of a power take off (P.T.O.) from the truck motor or transmission, or if it has its source of power serviced in conjunction with the truck.

1.05 Power Tools

Motorized construction or maintenance tools. They are not self-propelled, and do not require a licence to operate.

1.06 Special Equipment Trailers

Are identified by their use, such as:

- (a) Steam boilers
- (b) Pole trailers
- (c) Reel trailers, etc.

2. RESPONSIBILITIES

2.01 Driver's Responsibilities

- (a) All accidents shall be reported IMMEDIATELY from the scene by radio or telephone to the Safety Supervisor at 529-8360 or 529-8282 pager #276 and/or their Department Head. Failure to report an accident may result in dismissal from City employment.
- (b) If involved in an accident it is a driver's responsibility to assist the injured or help in traffic control.
- (c) The Police must be notified IMMEDIATELY if:
 - (1) An injury occurs.
 - (2) Property is damaged.
 - (3) Accident involves parked cars or private property regardless of the amount of damage.

3. PROCEDURES

3.01 Procedures for Hand Book Revision

This Book will be revised when the need arises. Any suggestions for its improvement should be submitted in writing to the Safety Supervisor who will, in turn, prepare revisions for submission to the Board of Commissioners for consideration.

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant legislation or union agreement.

Policy 8000 – Drivers Handbook		PROCEDURE
Authority:	Adopted by City Council: September 3, 1985	Page 3 of 6

3.02 Conflict Between Rules and Regulations

Where there is any conflict between the rules and regulations of the City of Medicine Hat Police and the provisions of the policy, the rules and regulations of the City of Medicine Hat Police shall prevail.

3.03 Driver's Qualifications

Only authorized and qualified City employees or volunteers will be allowed to drive or operate City of Medicine Hat vehicles.

3.04 Driver's Licence

- (a) Every employee, who, in the course of his or her regular duties drives a City vehicle, must have a valid Province of Alberta driver's licence which permits him or her to drive the class of vehicle involved. This licence must be carried with the employee when carrying out any driving duty.
- (b) No employee shall drive a City of Medicine Hat vehicle in contravention of any restrictions set out on his or her Alberta Government driver's licence or City of Medicine Hat Proficiency card. All employees must be tested by the Safety Supervisor before being allowed to operate a City vehicle.

3.05 Authorization

Only persons authorized by his or her supervisor shall drive a City vehicle. The supervisor shall examine the Alberta Government Operator's licence and the City of Medicine Hat Proficiency card before assigning the employee to a vehicle or piece of equipment.

3.06 Liquor and Drugs

It shall be grounds for dismissal for an employee to drive, operate or have care, custody or control of a City of Medicine Hat vehicle if the employee is under the influence of alcohol or drugs or while their Provincial driver's licence is under suspension.

3.07 Use of Vehicles

City vehicles shall be used on City business only.

3.08 Use of Vehicles Outside Normal Working Hours or Out of City

No City of Medicine Hat vehicle may be driven outside normal working hours or beyond the City's boundaries without permission from either the Department Head, Commissioner or Supervisor.

3.09 Taking A Vehicle Home at Night

Permission to take vehicles home must be authorized by the Department Head.

3.11 Passengers

Non-City employees shall not be transported in City vehicles unless required to do so in the normal course of carrying out City business or unless otherwise authorized by the department Commissioner.

3.12 Front Seat

The number of passengers carried in the front seat of any City vehicle shall not exceed that number which allows the driver free access to all vehicle controls.

Policy 8000 – Drivers Handbook		PROCEDURE
Authority:	Adopted by City Council: September 3, 1985	Page 4 of 6

3. 13 Traffic Regulations - Regulations to be obeyed
All drivers of City of Medicine Hat vehicles shall obey:
- (a) The Criminal Code where it applies to vehicle operation
 - (b) The Highway Traffic Act
 - (c) The City of Medicine Hat Traffic and other related by-laws
 - (d) All provincial regulations respecting vehicles
3. 14 Use of Vehicles in Emergencies
Subject to Subsection 3.14, City of Medicine Hat vehicle drivers must obey all traffic regulations, even in emergencies. No privileges shall be taken which might involve the breaking of established laws or that might endanger other road users.
3. 15 Exceptions to Traffic Regulations
- (a) Work Areas: City of Medicine Hat vehicles are exempt from traffic regulations only when the area or streets are properly closed to traffic. Then drivers and operators should use extreme caution.
 - (b) Utility vehicles: The regulations of the Traffic By-law prohibiting stopping or parking do not apply to City of Medicine Hat utility vehicles actually engaged in necessary work requiring them to be stopped or parked contrary to such regulations. (A utility vehicle is one which is engaged in construction, maintenance or repairing services for the direct benefit of the general public.) This does not relieve the driver or operator from taking the necessary precautions to indicate the presence of his vehicle on the street while so parked or stopped by use of barricades or traffic cones, four way flashers and/or rotor lights.
 - (c) Police and Fire Vehicles: If required to do so for the purposes of carrying out their duties as a member of the City of Medicine Hat Police or Fire Department may drive and park a motor vehicle contrary to any rule of the road prescribed in the Highway Traffic Act or City by-law, if it is necessary and in the circumstances safe to do so.
3. 16 Flashing Lights (rotor or emergency flashers)
Flashing lights on city vehicles or equipment shall be used only for the purpose for which these lights were installed and must be turned off immediately after the conditions cease.
3. 17 Truck's Additional Requirements
In addition to other requirements in this policy, the following shall apply to truck operations:
- (a) Loading: No person shall remain in the cab of any City vehicle while it is being loaded by a crane, dragline or any other like equipment.
 - (b) Securing Loads: Every driver shall be certain that the load is firmly secured to the truck and that no ropes, chains or tarps hang loose. All objects which may extend beyond the limits of the truck are to be secure and properly flagged. The driver shall make sure that the load is distributed in such a way that no spillage will occur. Any load consisting of loose material which may blow or fall from a vehicle shall be covered by a tarp.

Policy 8000 – Drivers Handbook		PROCEDURE
Authority:	Adopted by City Council: September 3, 1985	Page 5 of 6

3. 18 Backing

A driver must be particularly careful when backing vehicles. Whenever possible a flagman, guide or other worker shall assist the driver. The use of a said guide does not relieve the driver's responsibility when carrying out this maneuver.

- (a) All personnel, except the driver, shall leave the cab before backing operations begin.
- (b) Helper(s) are to position themselves:
 - (1) Not less than 6 metres (20 feet) in front of the truck, or
 - (2) Not less than 3 metres (10 feet) to the rear of the truck and 1 metre (3 feet) out from the left rear of the box.
- (c) While reversing, the drivers or operators shall back at normal walking speed (5 km hr/3mp).
- (d) Only when backing operation is complete will the helper(s) return to the cab.
- (e) Special Precautions – In dead-end lanes or other places when the truck cannot be turned around after entering, it is to be backed in. This is to avoid backing into a stream of traffic when re-entering the street.
- (f) Under all ABNORMAL conditions the driver is to use his own judgment and when in doubt STOP AND RECHECK. ONLY BACK UP WHEN SAFE TO DO SO.

3. 19 Gas Pump Refueling Operations

- (a) No smoking within 3 metres of gas pump.
- (b) Engines must be turned off while refueling.
- (c) Nozzle control lever must be operated manually at all times. At no time shall the lever be controlled by any object used to replace the human hand.
- (d) Gasoline tanks on vehicles shall not be filled to the top if the vehicle is to be stored in a warm garage. Overflowing tanks shall be drained to a safe level immediately.
- (e) Each driver shall sign the gas issue sheet acknowledging receipt of fuel, unless the facility is automated, whereby automated fueling directions must be followed.

3. 20 Automated Refueling Instructions

- (a) Computrol screen will read 'Present Card'
- (b) Insert employee card at decal for less than 1 second
- (c) Computrol screen will read 'Personal Identity Number'
- (d) Punch in four digit security number
- (e) Computrol screen will read 'Present Vehicle Card'
- (f) Insert vehicle card at decal for less than 1 second
- (g) Computrol screen will read 'Odometer'
- (h) Punch in the odometer reading of the vehicle
- (i) If entry number is correct push O.K. button
- (j) Computrol screen will read 'Select Pump'
- (k) Punch in pump number 1 - 8 then the O.K. button
- (l) Computrol screen will read 'Begin Fueling'

3. 21 Mechanical and Other Defects

Only City of Medicine Hat vehicles which are in safe operating condition shall be driven. Mechanical and/or other defects must be reported immediately to the foreman and/or the City garage.

Policy 8000 – Drivers Handbook		PROCEDURE
Authority:	Adopted by City Council: September 3, 1985	Page 6 of 6

3. 22 Flat Tire

If a vehicle is equipped with a jack, tools and a spare tire, the driver or operator will change the tire and bring the flat tire to the City garage. Depending upon the circumstances, the tire may be repaired at once or a replacement provided or the driver asked to pick up the repaired tire at a later date.

3. 23 Vehicle Inspections

Drivers are responsible for ensuring that the following points are checked before moving a vehicle at the beginning of a shift: body damage; condition of tires and rims; pressure and tightness; cleanliness of windshield and lenses; oil and coolant levels; battery loads and acid levels; gas; wipers; horn; brakes; all lights; hydraulic hose lines; hoist operation; accident report. **REPORT DEFECTS IMMEDIATELY.**

3. 24 Information Required to Complete Accident Report Form

- (a) Licence number of other vehicle
- (b) Driver's and owner's name and address
- (c) Make, year, model of other vehicle
- (d) Insurance company of the other
- (e) Names of passengers
- (f) Witnesses or licence numbers of vehicles whose drivers may have seen the accident (when possible)
- (g) Extent of damage caused in accident (rough estimate)
- (h) Correct location of accident

PHONE SAFETY SUPERVISOR IMMEDIATELY!
529-8360 or 529-8282 - Pager #276

3. 25 Accident Discussion

NEVER ADMIT RESPONSIBILITY OR DISCUSS THE ACCIDENT EXCEPT TO OFFICIALS OF THE CITY OR THE POLICE DEPARTMENT.

If first at the scene of an accident, City drivers shall:

- (a) Contact police or ambulance as applicable
- (b) If qualified, administer First Aid where necessary
- (c) Protect the accident scene (where possible)

3. 26 Overnight Storage

Parking and storing of on-call twenty-four hour vehicles are the drivers' individual responsibility. Drivers shall leave vehicles only in authorized storage areas and prescribed parking position where applicable. Upon completion of parking the employee will usually examine the vehicle for general condition and notify supervisor immediately of any damage. When vehicles are stored outside of a building, whether fenced compound or not, the driver shall lock the vehicle and place the key on the designated hook board placed for that purpose. Under no circumstances shall the keys be taken home. When vehicles are stored inside a building, the vehicle shall be left unlocked with the keys in the ignition switch (except for the City Hall parkade).



POLICY

Title: VEHICLE ACCIDENT REVIEW COMMITTEE		Number: 8001
Reference:	Adopted by City Council: October 7, 1985 RWA H	Supersedes:
Prepared by: PERSONNEL DEPARTMENT		

STATEMENT

ALL VEHICLE ACCIDENTS INVOLVING CITY EMPLOYEES SHALL BE INVESTIGATED AND REVIEWED BY A COMMITTEE WHO SHALL DETERMINE IF THE ACCIDENT WAS PREVENTABLE OR NON-PREVENTABLE. A DEMERIT POINT AND PENALTY SYSTEM FOR PREVENTABLE ACCIDENTS SHALL BE INSTITUTED AS AN INDUCEMENT FOR THE OPERATORS OF CITY VEHICLES TO EXERCISE SKILL, CARE AND DILIGENCE IN THE PERFORMANCE OF THEIR DUTIES.

PURPOSE

1. To reduce the incidents of vehicle accidents which could be avoided by alert, skilled and defensive driving.
2. To set up a system of evaluation and remedial training for those employees who are responsible for a preventable accident.
3. To maintain a record of those employees who have poor driving experience and refer that record to the appropriate department manager for review and disciplinary action.

Policy 8001 – Vehicle Accident Review Committee		PROCEDURE
Authority:	Adopted by City Council: October 7, 1985	Page 2 of 6

1. DEFINITIONS

1.01 Vehicle Accidents

A vehicle accident is a collision of a City vehicle with another vehicle or object which causes death, injury or property damage, regardless of who is responsible, who is hurt or what is damaged.

1.02 Preventable Accident

- (a) A preventable accident is a vehicle accident in which the City driver failed to exercise every reasonable precaution to prevent the accident.
- (b) Responsibility to prevent or avoid an accident goes beyond carefully observing traffic rules and regulations. In spite of hazards of weather road and traffic conditions and other drivers faulty driving, and failure to obey traffic regulations, City drivers are expected to drive so as to prevent accidents.

1.03 Non-Preventable Accident

A non-preventable accident is a vehicle accident as defined above which occurred:

- (a) While the vehicle was properly parked.
- (b) Through an act of God, such as falling branches, falling rocks, road cave-ins, etc.
- (c) As the result of stones or objects thrown up by another vehicle.
- (d) Where the City vehicle was struck in the rear while slowing down or stopping providing warning that signals were given by the City unit.
- (e) Where the City vehicle was struck by another vehicle which comes through a stop sign, yield sign or a red light.
- (f) As the result of an accident where the Review Committee is satisfied that the City driver did everything that he reasonably could have done to prevent it.

1.04 Vehicle

For the purpose of this policy, when referring to a 'vehicle' it shall include:

- (a) Passenger cars
- (b) Buses
- (c) Trucks and trailers
- (d) Unlicensed motorized equipment including
- (e) Truck mounted auxiliary equipment

1.05 Review Committee

For the purpose of this policy shall mean 'Vehicle Accident Review Committee'.

1.06 Appeals Committee

For the purpose of this policy shall mean 'Vehicle Accident Appeals Committee'.

1.07 Assessment Guide

- (a) Adverse Light Conditions
Sun glare; dusk and dawn; poor headlights; over driving headlights at night; headlight glare from oncoming vehicles.
- (b) Adverse Weather Conditions
Rain, snow, sleet, fog, ice, etc.

Policy 8001 – Vehicle Accident Review Committee		PROCEDURE
Authority:	Adopted by City Council: October 7, 1985	Page 3 of 6

- (c) Adverse Traffic Conditions
These involve the presence of other users of the streets and highways. Traffic conditions can be congested or relatively light. The speed of the traffic can be fast or slow.
- (d) Adverse Road Conditions
This involves the way a highway or street was built, how it twists or turns, type of road surface, curves, hills, width of pavement, poorly marked roads, soft shoulders, ruts, etc.
- (e) Reasonable Avoidance Action
Action that is not extreme or excessive based upon sound judgment.
- (f) Traffic Laws
Regulations contained in the Highway Traffic Act and the City of Medicine Hat Traffic By-laws.
- (g) City Driving Regulations
Regulations contained in the City of Medicine Hat Driver's Hand Book.
- (h) Alertness
Alertness in driving is the habit of keeping one's attention focused on the driving job and free of distractions. It involves an attitude of watchfulness for accident causing factors and the ability to recognize them instantly.
- (i) Foresight
Foresight is the ability to anticipate and prepare for most eventualities. It consists of being able to size up traffic situations as far ahead as possible, to anticipate how they are likely to develop, and to decide whether these developments will endanger one's vehicle.
Foresight can be exercised on an immediate and long range basis. The driver who checks his vehicle over carefully before he starts out on a trip is exercising long range foresight. The driver who notices a traffic situation developing a block ahead is exercising immediate foresight.
- (j) Good Judgment
Good judgment implies a recognition of the alternative present in any traffic situation and the ability to arrive at a wise choice in time to avoid an accident. It depends on knowledge, experience and common sense.
- (k) Knowledge
Knowledge means knowing all the driving regulations, recognition of the hazards of driving and how to protect yourself from them.
- (l) Skill
Skill means the ability to manipulate the controls of a vehicle and to successfully perform the basic traffic maneuvers such as making turns, passing, reversing gears and parking.

2. RESPONSIBILITIES

- 2.01 Review Committee
See terms of reference Attachment 4.01.
- 2.02 Appeals Committee
See terms of reference Attachment 4.02.
- 2.03 Commissioner of Finance & Administration
Approve the chairman of the Review Committee as nominated by the Manager, Personnel Services.

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant legislation or union agreement.

Policy 8001 – Vehicle Accident Review Committee		PROCEDURE
Authority:	Adopted by City Council: October 7, 1985	Page 4 of 6

- 2.04 Manager of Personnel Services
Nominate a management representative as chairman of the Review Committee.
- 2.05 Commissioner of Utilities
Appoint a representative as chairman of the Appeals Committee.
- 2.06 Commissioner of Public Works
Appoint a representative as Vice-Chairman of the Appeals Committee.
- 2.07 Managers of Vehicle User Departments
Nominate management representatives and driver representatives for the Review Committee and Appeals Committee on request from the Chairman of the Review Committee and/or Appeals Committee.
- 2.08 City Drivers
 - (a) When appealing a decision of the Review Committee, shall forward the appeal in writing to the chairman of the Review Committee within 7 days after the mailing date of assessment.
 - (b) Shall be responsible for operating City vehicles safely in accordance with the rules and regulations contained in the Drivers Handbook.

3. PROCEDURES

- 3.01 Review Committee
See terms of reference Attachment 4.01.
- 3.02 Determination of Demerit Assessment
The Review Committee will use the Assessment Guide (Attachment 4.03) to determine:
 - (a) Whether the accident was preventable.
 - (b) Assess the appropriate demerit points to the driver involved.
- 3.03 Notification of Ruling of Committee
Drivers against whom demerits are assessed will be notified in writing of the Review Committee's ruling as well as their Department Head, and the applicable union or association.
- 3.04 Appeals Committee
See terms of reference Attachment 4.02.
- 3.05 Appeals Against Review Committee Ruling
 - (a) The responsible driver upon receipt of the Review Committee assessment may appeal the decision.
 - (b) The appeal must be received, in writing, by the chairman of the Review Committee within seven (7) days after the mailing date of the Committee's ruling.
 - (c) The driver's Department Head may, if he feels that the driver was unfairly dealt with, appeal the decision of the Review Committee on behalf of the driver.

Policy 8001 – Vehicle Accident Review Committee		PROCEDURE
Authority:	Adopted by City Council: October 7, 1985	Page 5 of 6

3.06 Consideration by the Appeals Committee

- (a) The Appeals Committee will meet within two weeks after receipt of an appeal from a driver by the chairman of the Review Committee. If, for good reasons the appeal hearing must be delayed two weeks, the driver will be notified by the chairman of the Committee.
- (b) The accident will be discussed in the presence of the driver and/or the driver's representative.
- (c) The Appeals Committee has the authority to:
 - (1) Uphold the decision of the Review Committee.
 - (2) Reduce the number of demerit points assessed by the Review Committee.
 - (3) Allow the appeal and remove the demerit points assessed.
 - (4) Increase the points assessed to a maximum of six.
- (d) A majority vote will determine the decision. The decision of the Appeals Committee shall be the final decision.

3.07 Driver's Rights

Drivers, when appearing before the Appeals Committee may bring a representative on their behalf to assist in presenting their case.

3.08 Demerit Point Assessment for Preventable Accidents

See terms of reference Attachment 4.03.

3.09 Demerit Points Reduction Procedures

Demerit points may be reduced for a driver with less than eight demerit points upon completion of Defensive Driving Course approved by the Personnel Services/Safety Division.

- (a) One demerit point may be taken off for taking the Defensive Driving Course and achieving sixty percent (60%) but less than seventy-five percent (75%) on the examination.
- (b) Two demerit points may be taken off for taking the Defensive Driving Course and achieving seventy-five percent (75%) but less than ninety percent (90%) on the examination.
- (c) Three demerit points may be taken off for taking the Defensive Driving Course and achieving a mark of ninety percent (90%) or more on the examination.
- (d) Demerit point reduction for taking a Defensive Driving Course will only be allowed ONCE in any 24 month period.
- (e) Once an employee reaches eight demerit points, a reduction in demerit points for taking Defensive Driving Courses may only be applied after the disciplinary process has taken place.
- (f) Two demerit points will be removed automatically after 12 months of accident free driving.

3.10 Merit Points

Merit points will be given to the drivers who have had a good driving record in the past. This merit will be applicable through the demerit assessment for preventable accidents, first offense only.

- (a) 3 - 5 years accident free assessment will be reduced by 1 demerit.
- (b) 6 - 8 years accident free assessment will be reduced by 2 demerits.
- (c) 9 - 10 years accident free assessment will be reduced by 3 demerits.
- (d) Over 10 years accident free assessment will be reduced by 4 demerits.

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant legislation or union agreement.

Policy 8001 – Vehicle Accident Review Committee		PROCEDURE
Authority:	Adopted by City Council: October 7, 1985	Page 6 of 6

4. ATTACHMENTS

- 4.01 Vehicle Accident Review Committee Terms of Reference
- 4.02 Vehicle Accident Appeals Committee Terms of Reference
- 4.03 Assessment Guide Voting Procedures
- 4.04 Disciplinary Action For Accidents Involving City of Medicine Hat Vehicles & Equipment

VEHICLE ACCIDENT REVIEW COMMITTEE

TERMS OF REFERENCE1. RESPONSIBILITY OF COMMITTEE TO:

- (a) Analyze all vehicle accident reports submitted.
- (b) Determine whether the accident was preventable or non-preventable by the City driver.
- (c) Assess appropriate demerit points to the driver involved as per assessment guide.
- (d) Notify those concerned, by the ruling of the Committee, advise departments concerned, when drivers are assessed demerits, they, as well as their department heads, shall be notified in writing of the assessment.

2. MEMBERSHIP:(a) Chairman

- (1) The Chairman shall be familiar with the City of Medicine Hat Safety regulations, The Vehicle Safety Program, and the Principles of Accident Prevention and Safety Supervision. He is a management representative nominated by the Manager of Personnel Services Department with the approval of the Commissioner of Finance and Administration.
- (2) He shall call all meetings, present the agenda and guide all discussion to ensure the best use of time using parliamentary procedures when practical.
- (3) He shall arrange for the selection of the committee members.
- (4) He shall ensure that each driver and others concerned are notified of the decision.
- (5) He shall vote on accidents under review.

(b) Vice-Chairman

- (1) The Vice-Chairman shall be elected by the Committee Members.
- (2) The Vice-Chairman will assume the duties of the Chairman in his absence.

3. TWO MANAGEMENT REPRESENTATIVES:

- (a) Two management representatives are selected annually from the different City departments. The department selected must be a user of vehicles and equipment. They are nominated by the Head of the Department upon request by the Chairman.
- (b) They shall join in the discussions of all accidents and vote on same.

4. TWO SENIOR DRIVER REPRESENTATIVES:

- (a) Two senior driver representatives are selected annually from different departments. These members shall be familiar with traffic conditions and everyday hazards of the job. The department selected must be users of vehicles and equipment. They are nominated by the head of the department upon request of the chairman. They shall join in discussions of all accidents and vote on same.

5. SPECIAL REPRESENTATIVES:

- (a) Representatives may be asked by the chairman to attend meetings to explain conditions pertaining to a particular accident but will not vote on any matter before the committee.

6. ROTATION OF MEMBERS:

- (a) Chairman will rotate the department drivers and management representatives in accordance with the number of drivers in each department who are users of vehicles and equipment.

7. CALLING OF MEETINGS:

- (a) Regular meetings to be held on or about the fifteenth of each month at the call of the chair.
- (b) Special meetings may be called by the chairman at any time or when requested by at least two members of the committee.
- (c) A quorum will consist of three voting members.

VEHICLE ACCIDENT APPEALS COMMITTEE

TERMS OF REFERENCE1. RESPONSIBILITY OF APPEALS COMMITTEE:

To resolve any appeals submitted by City drivers or management involving a City vehicle and where by the Accident Review Committee has judged the accident to be preventable.

2. AUTHORITY OF THE APPEALS COMMITTEE:

- (a) The Appeals Committee has the authority to decide any of the following:
 - (1) Uphold the decision of the Accident Review Committee.
 - (2) Reduce the number of demerit points assessed by the Accident Review Committee.
 - (3) Allow the appeal and remove the demerit points assessed.
 - (4) Increase the points assessed to a maximum of six.
- (b) A majority vote will determine the decision.
- (c) The decision of the Appeals Committee shall be the final decision.

3. MEMBERSHIP:

- (a) General
 - (1) Membership shall not include any voting member who considered the accident under appeal while sitting as a member of the Review Committee.
- (b) Chairman
 - (1) The Chairman will be a representative who is familiar with the City of Medicine Hat Safety Program, the Vehicle Safety Program, the Principles of Accident Prevention and Safety Supervision. He is appointed by the Commissioner of Utilities.
 - (2) The Chairman will preside over the meeting, guide discussion to ensure the best use of time and hear any appeal submitted by City vehicle drivers. The Chairman will vote on all accidents under review, he will follow parliamentary procedure when practical. The accident will be discussed in the presence of the driver, at the option of the driver.
- (c) Vice-Chairman
 - (1) The Vice-Chairman appointed by the Commissioner of Public Works will be a representative from the Public Works Division who is familiar with the Vehicle Safety Program and the principles of defensive driving.
 - (2) The Vice-Chairman is required to:
 - (i) Hear any appeals submitted by City vehicle drivers.
 - (ii) Vote on all matters before the Committee.

4. TWO-DRIVER REPRESENTATIVES: (ROTATED ANNUALLY)

- (a) The driver representatives will be senior drivers who have served on the Review Committee and who are familiar with Review Committee procedures. They are appointed by their manager at the request of the Review Committee chairman.
- (b) The driver representatives will join in any discussion of appeals and will vote on same.

5. SPECIAL NON-VOTING REPRESENTATIVE:

- (a) The special representative is the Safety Supervisor who, at the request of the Chairman, will arrange and notify committee members of the time and place of the meetings.

- (b) The Safety Supervisor will present the accident information to the Appeals Committee as it was presented to the Review Committee immediately prior to the driver's presentation of his appeal. At this time he will answer any questions asked by the committee members. The Safety Supervisor will remain in the room to answer any further questions asked as a result of the driver's presentation but will leave the room upon request.
 - (c) Special representatives may be called from time to time by the Review Committee to give technical and/or administrative advice.
6. CALLING OF MEETINGS:
- (a) The Appeals Committee will meet within two weeks after receipt of an appeal from a driver. If, for good reasons, the appeal hearing must be delayed beyond two weeks, the driver will be notified by the Chairman of the Committee.
 - (b) A quorum will consist of three members.
7. DRIVERS RIGHTS:
- (a) The driver, when appearing before the Appeals Committee, may bring a representative on his/her behalf to assist in presenting his/her case.

ASSESSMENT GUIDE VOTING PROCEDURES

1. LEVEL OF RESPONSIBILITY ACCORDING TO CIRCUMSTANCES OR DEGREE OF ERROR:
 - (a) Accidents determined as preventable by the Review Committee will be assessed demerit points according to the average of the vote as contained in the voting procedure on the assessment guide.
 - (b) In case of a tie vote in relation to preventable or non-preventable, the Chairman's vote shall prevail.

2. DETAILS OF VOTING PROCEDURE USING THE ASSESSMENT GUIDE:
 - (a) Fill in report number.
 - (b) Place an 'x' in the #1 or #2 (but not both) column if applicable, as case is being reviewed.
 - (c) Identify preventable or non-preventable according to the number of 'x' entries. If only one 'x' appears, the voter may consider the non-preventable category.
 - (d) Tick off preventable or non-preventable.
 - (e) If a traffic law or City policy was violated with positive intent, then the 'x' shall be placed in the #2 column. EXAMPLE: A driver, who was trying to stop but could not because of ice and ran through a stop sign, did not do so with positive intent. A driver however, who ran through the stop sign on purpose because he was in a hurry did so with positive intent.
 - (f) The driver will receive a minimum of four demerit points for an 'x' in the #2 column.
 - (g) The voting members will complete their assessment sheets and hand them to the Chairman, who in turn, will total the assessments given and divide by number completed to arrive at an average to determine the final points to be assessed. If the average is other than a whole number (say 3,5), the Chairman will lower it to the smaller number. If the average is larger (say 3,6), the Chairman will raise it to the larger number. The maximum assessment for one accident is six points.
 - (h) The committee has the authority to decrease the points to a minimum of one or increase the points to a maximum of six if they feel the circumstances warrant.

3. ASSESSMENT GUIDE:
 - (a) Points may not be assessed for a non-preventable accident.
 - (b) The Committee may regard one entry only in the #1 column as non-preventable according to circumstances.
 - (c) Assess one point for each entry in the #1 column.
 - (d) Assess a minimum of four points for an entry in the #2 column.
 - (e) Each committee member, according to circumstances, may assess points to a maximum of six demerits for any on accident.
 - (f) Do not score points for the same error in more than one category or column.

Report Number _____
 Preventable _____
 Non-Preventable _____
 Points Assessed _____

DISCIPLINARY ACTION FOR ACCIDENTS INVOLVING
CITY OF MEDICINE HAT VEHICLES AND EQUIPMENT

Discipline shall be the responsibility of the employee's Department Head or representative thereof. The following is the minimum recommended action and should be administered according to the disciplinary policy laid out. Notification of any disciplinary measures administered under this policy are to be sent to the Personnel Services Department, Safety Division and to the applicable union or association. When a maximum of eight demerit points is reached by any driver, during any twenty-four month period his/her record of accidents shall be referred to his/her Department Head, or representative thereof, for disciplinary action, regardless of his/her position within the organization. It shall be the sole prerogative of the Personnel Manager to recall an employee's driver proficiency card upon the recommendation of the safety supervisor for just or sufficient cause. It shall also be the prerogative of the Accident Review Committee to refer a driver's record to his/her department for just sufficient cause such as:

- (a) Impaired while driving a City or leased vehicle.
- (b) Improper use of a City or leased vehicle.
- (c) A complete disregard of City policy, re: the use of a City or leased vehicle.

DISCIPLINE:

- (a) When a driver has been awarded demerit points for preventable accidents, notification is sent to the driver and his/her department. For drivers with less than eight accumulated demerits, the first step of disciplinary proceedings will be counseling by his/her supervisor and may include suspension from work duties (maximum of 3 days). The degree of discipline will be proportionate to the gravity of the accident and the number of previous vehicle accidents.
- (b) Where a driver has accumulated eight demerits, he/she shall be given a minimum three day suspension from work duties, and/or a minimum of three months demotion from driving duties. His/her employee drivers proficiency card shall be returned to the Personnel Services Department, Safety Division for the duration of the demotion.
- (c) Where a driver accumulates ten demerit points he/she shall be suspended from driving duties for a minimum period of six months following the accident review or the Appeal Committee's ruling and/or a period of work suspension of not less than five days.
- (d) In addition to the above, the employee's driver proficiency card shall be returned to the Personnel Services Department and shall not be reissued until the employee has undergone a complete retest by the Personnel Services Department, Safety Division.
- (e) Where drivers have received disciplinary action through either a driving suspension or a work suspension, they shall be reinstated at the conclusion of such suspension with a reduction to six total demerit points.
- (f) Prior to resuming driving duties, he/she shall be required to be completely retested by the Personnel Services Department, Safety Division.



POLICY

Title: LOSS OF VALID DRIVER'S LICENSE		Number: 8032
Reference: Board of Commissioners July 17, 1991	Adopted by City Council: July 22, 1991 HJ PO	Supersedes:
Prepared by: PERSONNEL SERVICES		

STATEMENT

WHERE EMPLOYEES ARE REQUIRED TO HOLD A VALID PROVINCE OF ALBERTA DRIVER'S LICENSE, AND SAID LICENSE IS SUSPENDED, THEY WILL BE SUBJECT TO REVIEW AND DETERMINATION OF STATUS.

PURPOSE

Establish a consistent approach to dealing with employees who lose their driving privileges.

Policy 8032 – Loss of Valid Driver's License		PROCEDURE
Authority:	Adopted by City Council: July 22, 1991	Page 2 of 2

1. DEFINITIONS

1.01 Operator's License

A license issued by the Alberta Motor Vehicle Branch to permit a person to drive a motor vehicle in the Province of Alberta.

1.02 Vehicle

A car, truck, or similar self-propelled conveyance required to be licensed under the Motor Vehicle Administration Act.

1.03 License Suspension

The privilege of driving being suspended for a given period of time.

1.04 Job Description

The position description utilized to describe responsibilities.

2. RESPONSIBILITIES

2.01 Employees

Employees who require a valid driver's license to perform the required function under their job description have the responsibility to report to management the loss of driving privileges.

2.02 Managers

Immediate non-union supervisors who have the responsibility of addressing the problem of an employee losing their driving privileges.

3. PROCEDURES

3.01 The employee reports the license suspension to his/her immediate supervisor.

3.02 Management considers the situation, each on its own merit, and explores the feasibility of alternative work where a valid driver's license is not required.

3.03 If management is unable to provide alternative work, then the employee is granted leave of absence without pay for the period of the suspension, provided that the suspension does not exceed one (1) year in duration.

3.04 If the suspension of driving privileges is for more than one (1) year, the employee will be terminated from employment with the City of Medicine Hat.

ATTACHMENT #4

HSE Management System Standard

Transportation Safety Program

**City of Medicine Hat
March 2021**



Medicine Hat
The Gas City

Table of Contents

1.	Applicability	7
1.1	Code of Driving Conduct.....	7
2.	Purpose	7
2.1	Scope.....	8
2.2	Transportation Safety.....	8
2.3	Designation of Safety Officer	9
2.4	Due Diligence	9
2.5	Transportation Safety Program Competency.....	9
3.	Definitions/Acronyms.....	10
4.	Drivers Responsibilities and Qualifications.....	16
4.1	Drivers Responsibility.....	16
4.2	Pre-Employment Driver’s Abstract.....	16
4.3	Driver’s Abstract.....	17
4.4	AMVIR Agreement.....	18
4.5	Operator Standards for City Drivers	18
4.6	Provincial Demerits.....	19
4.7	Possession of Operators Licence	19
4.8	Minors.....	19
4.9	Graduated Licence and Restrictions.....	19
4.10	Class of License and Restrictions.....	19
4.11	Class of License and Vehicles.....	19
4.12	Air Break Endorsement	22
4.13	Drivers Medicals	22
4.14	Driver Fitness and Monitoring – Medical Standards	22
4.15	Loss of Valid Operator’s Licence	23
4.16	Licence Renewal	23
4.17	Changing Class of Licence	23
4.18	Revoking of Driving Privileges.....	24
4.19	Discipline.....	24

5.	Driver Training and Education	25
5.1	Supervision of Learner.....	25
5.2	Mandatory Entry Level Training.....	25
5.3	Defensive Driving Training	25
5.4	Air Break Training.....	25
5.5	New Driving Training	26
5.6	NSC Commercial Operator Training.....	27
5.7	Business Unit Field Trainers	28
5.8	Other Applicable Training.....	29
5.8.1	Fire Extinguisher Training.....	29
5.8.2	Transportation of Dangerous Goods (TDG) Training	29
5.8.3	Vehicle Specific Training	29
5.9	Operators Evaluations	29
5.10	NSC Operator Evaluations.....	30
5.11	Training and Evaluation Frequency.....	31
6.	Safe Use and Operation	32
6.1	City Employees Only.....	32
6.2	Traffic Legislation.....	32
6.3	Occupational Health & Safety.....	33
6.4	Prior to Driving Each Shift	33
6.5	After Driving the Vehicle – At the End of the Shift.....	34
6.6	Speed Limits.....	34
6.7	Seat Belts.....	34
6.8	Smoking Prohibited	34
6.9	Fit for Duty	34
6.10	Operating Outside City Limits.....	35
6.11	Use of Vehicle Outside of Normal Working Hours	35
6.12	Personal Use of City Vehicles	36
6.13	Personal Vehicles for Work.....	37
6.13.1	Registration and Insurance.....	37

6.13.2	Maintenance	37
6.13.3	Security and Damage	37
6.14	Defensive Driving Training	37
6.15	Use of Vehicles in Emergencies	37
6.16	Transportation of Dangerous Goods	38
6.17	Flashing lights and Directional Arrows	38
6.18	Loading and Securing Cargo	38
6.19	Weights and Dimensions.....	39
6.20	Towing Trailers or Other Equipment.....	39
6.21	Backing.....	39
6.21.1	Backing Without a Guide	40
6.21.2	Backing With a Guide.....	40
6.22	Distance	42
6.23	Circle Check	42
6.24	Road Safety	42
6.25	Distracted Driving	43
6.26	Use of Headphones/Earbuds.....	44
6.27	Heavy Truck Route.....	44
6.28	Dangerous Goods Route.....	44
6.29	Reduced Idling	45
6.30	Automated Vehicle Location	46
7.	NSC Commercial Vehicles	46
7.1	National Safety Code (NSC) Rated Vehicles	46
7.2	Safety Fitness Certificate.....	46
7.3	Cargo Securement	47
7.4	Weight and Dimensions.....	50
7.5	Hours of Service	52
7.6	Trip Inspections.....	54
7.6.1	Trip Inspection Process.....	54
7.6.2	Safety Fitness Certificate	55

7.6.3	NSC Standard Schedule	56
7.7	Air Break Inspection	56
7.8	Driver Files.....	56
7.9	Vehicle File	57
7.10	Carrier Profile	57
7.11	Carrier Profile Management.....	58
7.12	CVSA Inspections.....	58
7.13	Traffic Conviction Reporting.....	58
7.14	NSC Commercial Drivers Responsibilities Agreement.....	59
8.	Safety, Maintenance and Inspection.....	59
8.1	General Care	59
8.2	Vehicle Parking and Storage.....	59
8.3	Washing Vehicles.....	60
8.4	Refueling City Vehicles	60
8.5	Compressed Natural Gas (NCG) Fuel Sites.....	60
8.5.1	CNG Emergency Shutdown	61
8.6	Fuel Spills	63
8.7	Fire at City Fuel Site	63
8.8	Fire Extinguishers	63
8.9	Fire Involving a City Vehicle	64
8.10	Traffic Safety Devices.....	64
8.11	Theft.....	65
8.12	Vehicle Damage.....	65
8.13	Mechanical Failure	65
8.14	Major Defects	66
8.15	Towing and Recovery	66
8.16	Flat Tires and Tire Maintenance.....	67
8.17	Accessories	67
8.18	Commercial Vehicle Inspection Program.....	67
8.19	Safety Inspections	68

8.20	Commercial Vehicle Safety Alliance Inspection.....	68
8.21	Lubrication, Preventative Maintenance Checks and Inspections.....	70
8.22	Inspection Schedule	72
9.	Collisions and Traffic Violations.....	74
9.1	Moving Violations – Photo Radar	74
9.2	Traffic Infractions.....	74
9.3	Citizen Complaints	75
9.4	Collisions	75
9.5	Collision Investigation and Classification	76
9.6	Preventable Collision.....	77
9.7	Demerit Points	80
9.7.1	Traffic Infractions.....	80
9.7.2	Collisions	81
9.7.3	Demerits	81
9.7.4	Demerit Notification.....	81
9.8	Appeal Process	81
10.	References.....	82
11.	Document Administration.....	83
11.1	Document Location	83
11.2	Review Schedule.....	83
11.3	Supporting Documents and their Location	83
12.	Revision Log	83

**MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING
HELD ON APRIL 15, 2021 AT 9:00 A.M.
IN CITY HALL CONFERENCE ROOM #2-1**

PRESENT: D. Egert, Managing Director, Corporate Services – Acting Chair
T. Clugston, Mayor (*remote attendance*)
B. Maynes, Managing Director, Energy & Infrastructure (*remote attendance*)
B. Bullock, City Solicitor (*remote attendance*)
A. Cruickshank, City Clerk

ALSO PRESENT: R. Pancoast, Managing Director, Strategic Analysis / Management (*remote attendance*)
C. Graham, Director of Marketing & Communications - Invest Medicine Hat

NOT PRESENT: B. Mastel, Acting Chief Administrative Officer/City Manager

1. **New Administrative Organization Bylaw** Appendix A

Administrative Committee referred the item to Council for adoption.

ADOPTION

2. **2021 Grants In Place Of Taxes (Gipot) Write-Offs** Appendix B

Administrative Committee referred the item to Council for information.

INFORMATION

Adjournment

The meeting adjourned at 10.30 am.

Received by City Council on April 19, 2021.

ANGELA CRUICKSHANK, CITY CLERK

BRIEFING NOTE

DECISION

NEW ADMINISTRATIVE ORGANIZATION BYLAW

APRIL 15, 2021

ISSUE:

Certain changes to the Administrative Organization Bylaw are required to operationalize an organization restructuring resolution approved by Council on December 7, 2020.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council approve Bylaw No. 4662, the Administrative Organization Bylaw.

COUNCIL STRATEGIC PRIORITY:

City Government

A high functioning municipal organization will enable continued and improved organizational performance. Periodic adjustments to administrative structures and resources to meet current and foreseeable needs ensures the City remains adept and competent in providing responsible service to the community.

KEY RISKS:**Health, Safety and Environmental Impact:**

N/A

Financial Impact:

N/A	No	
Budgeted Item:	No	
Funding Explanation:	N/A	
Budget Amendment Form?	No	

Legal / Policy Impact:

Additional revisions and amendments to other bylaws and policies may be required to fully operationalize Council's decision on this matter and these will come forward in due course.

Public Implications:

A clear organizational structure and coordination amongst resources deployed by the City of Medicine (the City) Hat will enable clarity for the public and greater effectiveness and efficiency for the administrative organization.

BACKGROUND:

On December 7, 2020 City Council adopted a recommendation from the Administrative Committee regarding a divisional realignment to meet current financial challenges and to ensure accountability and an effective and efficient delivery of service to City residents. Council was informed that support will be required for related bylaw and policy updates and changes.

Some of the key changes to the current Administrative Organization bylaw as found in proposed Bylaw No. 4662 are as follows:

- The new executive titles of "City Manager" and "Managing Director" are incorporated throughout the bylaw.
- The names of the City divisions have been updated where necessary (i.e. Energy and Infrastructure Division, Strategic Management and Analysis Division and Invest Medicine Hat Division)

- The powers, duties and functions of the City Manager include the powers, duties and functions formerly held by the Administrative Committee.
- Each reference to the Administrative Committee in other City bylaws, resolutions, policies and procedures is considered a reference to an administrative committee established by the City Manager under this Bylaw.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Adopt a bylaw that keeps the current Administrative Committee structure in place. This option is not recommended, as it does not allow the City Manager to make adjustments to the duties or functions of that Committee or to create other administrative committees as may be necessary to improve efficiency and effectiveness of the organization.

IMPLEMENTATION PLAN:

If passed by City Council, management will immediately take steps to implement the new Administrative Organization Bylaw No.4662.

PREPARED BY & DATE:	Robert Nicolay CAO/City Manager	
REVIEWED BY & DATE:	Ben Bullock City Solicitor	April 8, 2021
APPROVED BY & DATE:	Robert Nicolay CAO/City Manager	
ATTACHMENTS:	Bylaw No. 4662	

BYLAW NO. 4662

A BYLAW OF THE CITY OF MEDICINE HAT to establish the organizational structure of the City's administrative team.

WHEREAS every municipality in Alberta is required to establish by bylaw a position of chief administrative officer;

AND WHEREAS Council wishes to appoint a chief administrative officer and designated officers for the City;

AND WHEREAS it is necessary to determine by bylaw how the powers, duties and functions of the chief administrative officer are to be carried out;

AND WHEREAS Council feels it is important to have advice and input from additional administrative advisors and wishes to appoint designated officers, as provided for under the *Municipal Government Act*;

AND WHEREAS Council wishes to repeal Bylaw No. 4311;

NOW THEREFORE THE COUNCIL OF THE MUNICIPALITY, DULY ASSEMBLED, ENACTS AS FOLLOWS:

TITLE

1. This Bylaw may be referred to as the "Administrative Organization Bylaw".

DEFINITIONS

2. In this Bylaw, unless the context requires otherwise,
 - (a) "Act" means the *Municipal Government Act* RSA 2000 Chapter M-26, as amended or replaced from time to time;
 - (b) "City" means the Corporation of the City of Medicine Hat, and where the context so requires, means the land included in the boundaries of the City;
 - (c) "City Manager" means the chief administrative officer for the City, operating under the title of "City Manager";
 - (d) "Corporate Services Committee Representative" means a member of the Corporate Services Committee of Council appointed to oversee matters relating to labour relations;
 - (e) "Council Committee" means a council committee as defined in the *Act*, and, for greater certainty, does not include an administrative committee established by the City Manager under this Bylaw;
 - (f) "Divisions" means the Corporate Services Division, Invest Medicine Hat Division, Public Services Division, Strategic Management and Analysis Division and Energy and Infrastructure Division of the City;

- (g) “Managing Director” means an individual appointed to the position of Managing Director pursuant to section 26 of this Bylaw;
 - (h) “Municipal Powers and Duties” means any power or duty of the City in the *Act*, another enactment or a City bylaw, where the *Act*, enactment or bylaw does not specify who in the municipality may exercise the power or duty;
 - (i) “Natural Person Powers” means the capacity, rights, powers and privileges of a natural person, except to the extent limited by the *Act*, any other enactment or any City bylaw or policy.
3. Any word or group of words defined in the *Act* shall be given the meaning provided in the *Act* unless the context in which it is used herein requires otherwise.

COUNCIL

4. Council is responsible for
- (a) developing and evaluating the policies and programs of the City;
 - (b) carrying out the powers, duties and functions expressly given to Council under the *Act* or any other enactment; and
 - (c) ensuring that the City Manager appropriately performs the duties and functions and exercises the powers assigned to the City Manager under the *Act* or any other enactment or by Council.
5. Council shall appoint by resolution an individual to the position of City Manager.
6. Council shall determine by resolution the departments and business units in the Energy and Infrastructure Division, Corporate Services Division, Public Services Division, Strategic Management and Analysis Division, and Invest Medicine Hat Division, and, in addition, the departments and business units reporting directly to the City Manager.
7. Before passing a resolution under Section 6 Council shall obtain and consider the recommendations of the City Manager.
8. Council must not exercise a power or function or perform a duty that is by the *Act*, this Bylaw or any other enactment or City bylaw specifically assigned to the City Manager or designated officers.
9. Except for purposes of making inquiries, individual members of Council shall deal with the administration through the City Manager.
10. No individual member of Council may give orders, directives or instructions to the City Manager, Managing Directors, City Clerk, City Solicitor or any other City employee.

CITY MANAGER

11. A position for a City Manager for the City is established.
12. The City Manager:
- (a) is the administrative head of the City;
 - (b) shall ensure that City policies and programs are implemented;

- (c) shall advise and inform Council on City operations and affairs; and
 - (d) shall perform the duties and functions and exercise the powers assigned to the City Manager by this Bylaw, the *Act* and other enactments, or assigned by Council.
13. Without limiting the generality of the foregoing and in addition to the powers, duties and functions set out in section 12 of this Bylaw, the City Manager shall:
- (a) ensure that all matters referred to City administration are dealt with in an expeditious manner, having regard to other priorities and administrative resources;
 - (b) establish administrative committees as necessary for the proper and efficient administration of the City, including an administrative committee that includes the Mayor and City Clerk;
 - (c) establish procedures for meetings of administrative committees created pursuant to subsection 13(b) of this Bylaw;
 - (d) appoint up to 5 Managing Directors in accordance with section 26 and appoint the City Solicitor in accordance with section 36;
 - (e) supervise the Managing Directors and the City Solicitor;
 - (f) supervise the City departments and business units in the City that the City Manager is responsible to supervise directly;
 - (g) attend all meetings of Council, Council Committees and other committees that the City Manager is required to attend or considers it advisable to attend;
 - (h) cause to be prepared and recommend to Council policies and programs requested by Council or considered advisable by the City Manager;
 - (i) cause the City's operating and capital budgets and long range forecasts to be prepared;
 - (j) review and present to Council the City's operating and capital budgets and long range forecasts;
 - (k) ensure that the operations and affairs of the City are carried out within approved budget limits;
 - (l) submit to Council:
 - (i) after the passage of the City's operating budget, quarterly or at such other intervals as Council may direct, a statement of the City's revenues and expenditures in relation to the operating budget, and a progress report on the projects included in the budget with relevant explanations, and
 - (ii) after the passage of the City's capital budget, quarterly or at such other intervals as Council may direct, a progress report on the projects included in the capital budget;
 - (m) with respect to legal proceedings and claims, authorize
 - (i) commencement of any legal proceedings, and

- (ii) settlement of any legal proceedings or other claims, whether by the City or against the City;
 - (n) subject to the provisions of the City's Procurement Policy, award tenders or proposals for services to be rendered, construction to be done, projects to be carried out and goods and services to be supplied to the City, and on behalf of the City, enter into contracts or direct contracts to be entered into for such purposes.
- 14. References in the *Act* or other enactments to a municipality's chief administrative officer apply to the City Manager.
- 15. The City Manager may exercise Municipal Powers and Duties with respect to the operations and affairs of the City.
- 16. The City Manager may exercise Natural Person Powers with respect to the operations and affairs of the City.
- 17. The powers, duties and functions of the "Chief Commissioner", "CAO Municipal Services", "COO Energy Services" or "Chief Administrative Officer" set out in City bylaws are assigned to the City Manager, unless expressly provided otherwise in a bylaw.
- 18. The powers, duties and functions of the "Chief Commissioner", "CAO Municipal Services", "COO Energy Services" or "Chief Administrative Officer" set out in City policies and procedures are assigned to the City Manager, unless expressly provided otherwise in the policies or procedures.
- 19. The City Manager's powers, duties and functions are subject to the following limitations and restrictions:
 - (a) The City Manager shall comply with the provisions of the *Act* and all other enactments in carrying out the City Manager's powers, duties and functions.
 - (b) The City Manager shall comply with all orders, directives, judgments, decisions and rulings of courts, administrative tribunals and government entities in carrying out the City Manager's powers, duties and functions.
 - (c) The City Manager shall comply with the provisions of City bylaws, Council resolutions, City policies and procedures and contracts binding on the City in carrying out the City Manager's powers, duties and functions.
 - (d) The City Manager shall obtain the approval of the Corporate Services Committee Representative before the negotiations for each collective agreement are finalized.
 - (e) The City Manager shall ensure that each collective agreement negotiated with a union or association representing City employees is presented to Council for ratification in an expeditious manner.
 - (f) The City Manager shall be responsible for the negotiation of collective agreements involving City employees.
- 20. The City Manager may re-allocate City capital and operating funds on an inter-divisional or inter-departmental basis if the City Manager considers it advisable to do so to maintain the operations and affairs of the City within approved budget limits.

21. The City Manager may, in any year, between January 1 and the date of adoption by Council of the operating budget for that year, approve expenditures up to ninety per centum (90%) of the amount of the appropriations for the programs approved by Council for the previous year.
22. The City Manager may delegate any of the City Manager's powers, duties or functions to a designated officer or employee of the City.
23. The City Manager remains responsible to ensure that any power, duty or function delegated under section 22 is properly exercised or carried out.
24. Notwithstanding section 22, Council shall have the right to appoint an acting City Manager at any time that the City Manager is absent or the position of City Manager is vacant.

MANAGING DIRECTORS

25. Positions are hereby established for up to 5 designated officers to be known as Managing Directors.
26. A Managing Director shall be appointed by the City Manager.
27. The City Manager may revoke the appointment of a Managing Director.
28. A Managing Director may delegate any of the Managing Director's powers, duties or functions to any City employee within the Division that the Managing Director has been assigned to supervise.
29. A Managing Director remains responsible to ensure that any power, duty or function delegated under section 28 is properly exercised or carried out.
30. Notwithstanding section 28, the City Manager shall have the right to appoint an acting Managing Director at any time when a Managing Director is absent or a Managing Director position is vacant.
31. The Managing Directors shall report directly to and be supervised by the City Manager.
32. Each Managing Director shall be responsible to supervise directly the City departments and business units contained within the Division that the Managing Director has been assigned to supervise.
33. In addition to the foregoing responsibilities, a Managing Director shall be responsible to carry out such other powers, duties and functions as may be assigned by the City Manager.
34. In carrying out their responsibilities, each Managing Director shall
 - (a) ensure that all matters referred to the Division that they have been assigned to supervise are dealt with in an expeditious manner, having regard to other priorities and administrative resources;
 - (b) ensure that the operations and affairs of the Division that they have been assigned to supervise are carried out within approved budget limits; and
 - (c) attend all meetings of Council, Council Committees and other committees as they are required to attend.

CITY CLERK AND CITY SOLICITOR

35. Positions are hereby established for designated officers to be known as the City Clerk and City Solicitor.
36. The City Manager shall appoint the City Solicitor.
37. The City Manager may revoke the appointment of the City Solicitor.
38. The City Clerk shall be appointed by the City Solicitor.
39. The City Solicitor may revoke the appointment of the City Clerk.
40. The City Clerk and City Solicitor may delegate any of their powers, duties or functions to employees of the City within their respective departments.
41. The City Clerk and City Solicitor shall remain responsible to ensure that any power, duty or function delegated under section 40, is properly exercised or carried out.
42. Notwithstanding section 40, the City Manager shall have the right to appoint an acting City Solicitor at any time when the City Solicitor is absent or the position of City Solicitor is vacant.
43. Notwithstanding section 40, the City Solicitor shall have the right to appoint an acting City Clerk at any time when the City Clerk is absent or the position of City Clerk is vacant.
44. The City Solicitor shall report directly to and be supervised by the City Manager.
45. The City Clerk shall report directly to and be supervised by the City Solicitor.
46. The City Clerk shall exercise the following powers, duties and functions of a designated officer:

SECTION	POWER, DUTIES AND FUNCTIONS*	APPLICABLE ACT
62(2)(b)	Roadway acquisition certificate	Municipal Government Act
69	Consolidation of bylaws	Municipal Government Act
199	Electronic meetings	Municipal Government Act
213(1)(b)	Signing of minutes of Council meetings	Municipal Government Act
213(2)(b)	Signing of minutes of Committee meetings	Municipal Government Act
213(3)(b)	Signing of bylaws	Municipal Government Act
213(4)(b)	Signing of agreements other than purchase orders by chief elected official or by another person authorized by Council to sign them and by a designated officer	Municipal Government Act
455(1)	Functions of a clerk of assessment review board	Municipal Government Act
606(7)	Certificate of advertising	Municipal Government Act
612	Certified copies of bylaws, resolutions and records	Municipal Government Act

SECTION	POWER, DUTIES AND FUNCTIONS*	APPLICABLE ACT
627.1	Clerk of Subdivision and Development Appeal Board	Municipal Government Act
1(1)(i)(iii)	Powers, duties and functions of municipal secretary	Agricultural Pests Act
3(2)	Duty to forward copy of bylaw	Libraries Act
13(1)	Appointment of returning officer	Local Authorities Election Act

***Note:** The description of powers, duties and functions in this column is intended for convenience of reference only. The actual sections in the *Acts* should be referred to for a complete description of the powers, duties or functions.

47. In addition to the foregoing responsibilities, the City Clerk shall
 - (a) carry out such other duties or functions as may be assigned by the City Solicitor,
 - (b) supervise the City Clerk Department, and
 - (c) carry out the powers, duties and functions of the head of the local public body for the City for the purposes of the *Freedom of Information and Protection of Privacy Act*, RSA 2000 c. F-25 and any regulations enacted thereunder, as amended.

48. The City Solicitor shall provide all legal services required by the City in the City Solicitor's capacity as a designated officer.

49. In addition to the foregoing responsibilities, the City Solicitor shall
 - (a) carry out such other powers, duties and responsibilities as may be assigned by the City Manager; and
 - (b) supervise the City Solicitor Department.

50. In carrying out their responsibilities, the City Clerk and City Solicitor shall
 - (a) ensure that all matters referred to the City Clerk Department and City Solicitor Department are dealt with in an expeditious manner, having regard to other priorities and administrative resources;
 - (b) ensure that the operations and affairs of the City Clerk Department and City Solicitor Department are carried out within approved budget limits; and
 - (c) attend all meetings of Council, Council Committees and other committees that they are required to attend or consider it advisable to attend.

GENERAL

51. It is the intention of Council that if any provision of this Bylaw be declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.

52. The appointment of an individual holding the position of Managing Director, City Clerk or City Solicitor immediately prior to the coming into force of this Bylaw shall

continue under this Bylaw until the appointment is terminated. The appointment of an individual holding the position of City Manager immediately prior to the coming into force of this Bylaw shall continue under this Bylaw as the City Manager until the appointment is terminated.

- 53. Each reference to the "Administrative Committee", including the powers, duties and functions of the "Administrative Committee" set out in City bylaws, resolutions, policies or procedures shall be considered a reference to an administrative committee established by the City Manager, for the purpose of such reference, pursuant to this Bylaw.
- 54. Bylaw No. 4311, the Administrative Organization Bylaw, is repealed.
- 55. This Bylaw comes into force at the beginning of the day that it is passed.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: KEITH E. (TED) CLUGSTON

CITY CLERK: ANGELA CRUICKSHANK

BRIEFING NOTE

INFORMATION

2021 GRANTS IN PLACE OF TAXES (GIPOT) WRITE-OFFS

APRIL 15, 2021

ISSUE:

Government of Alberta Grants in Place of Taxes (GIPOT) has reduced grant payments for 2020 with a reduction of 50% resulting in a tax write-off of \$456,736.53 for the six local crown properties.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council receives this briefing note for information.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

We will be fiscally responsible in our decision making to support short and long-term sustainability of the City.

KEY RISKS:**Health, Safety and Environmental Impact:**

N/A

Financial Impact:

Funding Request:	No	If yes, amount: \$
Budgeted Item:	Yes	Funding Source:
Funding Explanation:		
Budget Amendment Form?	No	

The reduction of funding for the GIPOT amounts to a loss of revenue of \$456,736.53 for the 2020 taxation year. This amount was recorded as an uncollectible receivable in 2020 and therefore there is no impact to the 2021 revenues for this write-off.

Legal / Policy Impact:

N/A

Public Implications:

The majority of revenue that is raised by a municipality to cover the cost of its operation is from property taxes and any reduction in revenues is borne by the other property tax payers of the municipality.

BACKGROUND:

The Municipal Government Act (MGA) Section 366 outlines the Grants in Place of Taxes.

A municipality may apply for GIPOT funding if there is property in the municipality that the Crown has an interest in to assist with the cost of providing municipal services. GIPOT grants are based on the property taxes the Crown would pay if the property were not exempt from taxation. To receive GIPOT funding, tax notices for eligible properties must be submitted during the tax year the municipality is applying for funding.

GIPOT is a discretionary grant and penalties and interest charges are not eligible under the program. The Crown may pay a grant in respect to the property if in the Crown's opinion it is appropriate to do so.

On October 30, 2019, the Government of Alberta unexpectedly reduced the GIPOT grants in order to balance the provincial budget by 2022/23. For the 2019 tax year, applications were paid at approximately 75% of the eligible amount, which resulted in the City writing off \$227,071.15. For 2020, the reduction is 50% and for 2021, it is anticipated that most applications will continue to be paid out at approximately 50%. This reduction saves the Government of Alberta \$30.2 million in 2020/2021.

Municipal Affairs has requested that we do not adjust or reduce our tax notices, they will do the adjustment based on the tax notice that we send them. In accordance with the MGA, the City of Medicine Hat assessed and taxed six crown properties as if they were not exempt for taxes and submitted the tax

notices to the Government of Alberta. For 2020, the total tax levy for the six properties amounted to \$913,473.06. The tax notices were mailed in July 2020. In December 2020, notification was received from the province that the 2020 payments would be sent to the municipalities by March 31, 2021 with a reduction of 50%, resulting in a \$456,736.53 write off on taxes.

Reductions are estimated to continue at 50% for the 2021 tax year.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

N/A

IMPLEMENTATION PLAN:

The write-offs will be reflected on the tax accounts prior to the 2021 Tax Notices being submitted for the grant eligibility for 2021.

PREPARED BY & DATE:	Denise Schmaltz Manager of Customer Care and Billing	April 12, 2021
REVIEWED BY & DATE:	Lola Barta Director of Finance	
APPROVED BY & DATE:	Dennis Egert Managing Director, Corporate Services	
ATTACHMENTS:	None	

MINUTES OF THE MUNICIPAL PLANNING COMMISSION
MEETING HELD ON WEDNESDAY, MARCH 24, 2021
AT 2:30 P.M. IN CITY HALL, BOARDROOM 2-1

MEMBERS PRESENT: Chair, Councillor B. Varga
G. Johnson
K. Murdock
L. Thompson
T. Weigel (*attended via telephone*)

MEMBERS ABSENT: Vice-Chair, Councillor D. Hirsch
P. Vanderham

STAFF PRESENT: I. Ahmed, Acting General Manager – P&DS
K. Friesen, Administrative Support – P&DS
J. Genge, Senior Planner – P&DS
E. Onoferychuk, Superintendent of Planning Implementation – P&DS

1. CALL TO ORDER

2. INTRODUCTION

The Chair advised that any subdivision or development permit application refused or approved by the Municipal Planning Commission with or without conditions may be appealed to the Subdivision and Development Appeal Board (SDAB) subject to limitations on time to serve Notice of Appeal and Standing to Appeal, as set out in the *Municipal Government Act*. Further information and the required Notice of Appeal forms are available from the City Clerk Department on the third floor of City Hall.

3. ADOPTION OF MINUTES

Moved by K. Murdock, seconded by G. Johnson

THAT THE MINUTES OF FEBRUARY 24, 2021 BE ADOPTED AS PRESENTED.

CARRIED

4. LAND USE BYLAW AMENDMENT(S)

4.1 BYLAW NO. 4666 – TO REZONE 214 - 4 STREET SE FROM MEDIUM DENSITY RESIDENTIAL (R-MD) TO LOW DENSITY RESIDENTIAL (R-LD).

Moved by G. Johnson, seconded by L. Thompson

IT IS RECOMMENDED THROUGH THE MUNICIPAL PLANNING COMMISSION THAT CITY COUNCIL APPROVE BYLAW NO. 4666 TO REZONE 214 - 4 STREET SE FROM MEDIUM DENSITY RESIDENTIAL (R-MD) TO LOW DENSITY RESIDENTIAL (R-LD).

CARRIED

5. **LAND USE BYLAW REVIEW VERBAL UPDATE**

5.1 Land Use Bylaw Review – Verbal Update

Moved by K. Murdock, seconded by G. Johnson

THAT THE LAND USE BYLAW REVIEW VERBAL UPDATE BE RECEIVED FOR INFORMATION.

CARRIED

6. **DEVELOPMENT PERMITS APPROVED BY THE DEVELOPMENT OFFICER**
(APPENDIX A)

Moved by Thompson, seconded by T. Weigel

THAT THE REPORT OF DEVELOPMENT PERMITS APPROVED BY DEVELOPMENT OFFICERS DURING THE PERIOD FEBRUARY 18 TO MARCH 17, 2021 BE RECEIVED FOR INFORMATION.

CARRIED

7. **NEXT REGULAR MEETING** –April 14, 2021 at 2:30 P.M.

8. **ADJOURNMENT** – The Chair declared the meeting adjourned at 3:04 P.M.

Adopted by the Municipal Planning Commission on April 7, 2021.

CHAIR



2021-03-18

Development Permits Approved

Page 1 of 4

February 18 - March 17, 2021

Type	PermitNumber	Approval Date	Address	Proposal
New Residential Low Density				
	PLDP20210141	02-18-2021	49 HAMPTONS GATE SE	SINGLE DETACHED HOUSE
	PLDP20210173	03-05-2021	335 RANCLANDS BLVD NE, Medicine Hat, AB T1C0G8	SINGLE DETACHED HOUSE INCLUDING EXTERIOR SETBACK VARIANCE
	PLDP20210205	03-16-2021	40 COULEE RIDGE DR SW	SINGLE DETACHED HOUSE INCLUDING DRIVEWAY WIDTH VARIANCE
	PLDP20210236	03-16-2021	251 STERLING CRES SE	SINGLE DETACHED HOUSE
Subtotal				4
Sign				
	PLDP20210114	02-23-2021	924 16 ST SW, Unit:1	ONE FASCIA SIGN AND ONE PROJECTING SIGN
	PLDP20210130	02-24-2021	2802 BOX SPRINGS WAY NW	TWO FASCIA SIGNS
	PLDP20210134	03-02-2021	2960 DUNMORE RD SE, Medicine Hat, AB T1A8E3	TWO FASCIA SIGNS
	PLDP20210196	03-15-2021	1941 STRACHAN RD SE, Unit:105, Medicine Hat, AB T1B0G4	THREE FASCIA SIGNS
	PLDP20210237	03-15-2021	132 4 AVE SE, Medicine Hat, AB T1A8B5	TWO FASICA SIGNS
Subtotal				5
Covered Deck; New Residential Low Density				
	PLDP20210148	02-24-2021	43 COULEE RIDGE DR SW	SINGLE DETACHED HOUSE
Subtotal				1
Residential Accessory Building				
	PLDP20210097	02-24-2021	1811 20 AVE SE, Medicine Hat, AB T1A3X6	GARAGE (SHED)
	PLDP20210167	02-25-2021	557 7 ST NE, Medicine Hat, AB T1A5P9	GARAGE

Type	PermitNumber	Approval Date	Address	Proposal
	PLDP20210204	03-10-2021	272 COLTER CRES NW, Medicine Hat, AB T1A7B2	GARAGE
	PLDP20210169	03-10-2021	421 2 ST NW, Medicine Hat, AB T1A6J8	GARAGE INCLUDING SIZE AND ACCESSORY COVERAGE VARIANCES
Subtotal				4
Home Occupation - Minor				
	PLDP20210139	03-02-2021	431 13 ST SE, Medicine Hat, AB T1A1X1	CONSULTANT
	PLDP20210153	03-02-2021	630 ROSS GLEN DR SE, Medicine Hat, AB T1B3X4	LANDSCAPING
	PLDP20210037	03-02-2021	845 16A ST NE, Medicine Hat, AB T1A5W8	ONLINE SALES (HAND-MADE CRAFTS)
	PLDP20210128	03-02-2021	12 ROSSMERE WAY SE, Medicine Hat, AB T1B2M8	SERVICE (KINESIOLOGIST)
	PLDP20210151	03-02-2021	119 ROSSLAND RD SE, Medicine Hat, AB T1B2N2	MOBILE BUSINESS UNIT (PHOTOGRAPHY)
	PLDP20210155	03-03-2021	9 HEWITT CRT NE, Medicine Hat, AB T1C1N8	DISTRIBUTION/SALES (EAR SAVERS)
	PLDP20210149	03-03-2021	767 STEWART DR NW, Medicine Hat, AB T1A7C2	ONLINE SALES (ARTWORK)
	PLDP20210027	03-03-2021	116 STANFIELD WAY SE, Medicine Hat, AB T1B4J5	PLUMBING AND HEATING
	PLDP20210157	03-03-2021	387 13 ST SW, Medicine Hat, AB T1A4V3	MOBILE BUSINESS UNIT (PHOTOGRAPHY)
	PLDP20210179	03-03-2021	1502 7 AVE NE, Medicine Hat, AB T1A6E4	PHOTOGRAPHY AND EQUIPMENT
	PLDP20210029	03-09-2021	737 TAYLOR RD SE, Medicine Hat, AB T1B4B4	INTERIOR DECORATING/CONSULTANT

Type	PermitNumber	Approval Date	Address	Proposal
	PLDP20210194	03-09-2021	210 SHANNON DR SE, Medicine Hat, AB T1B4A8	DISTRIBUTION SALES (MICROGREENS)
	PLDP20201158	03-16-2021	529 4 ST SW, Medicine Hat, AB T1A4G2	CRANE AND HOISTING EQUIPMENT OPERATOR
	PLDP20210208	03-16-2021	223 POLICE POINT DR NE, Medicine Hat, AB T1C1S5	CONSULTANT
	PLDP20210210	03-16-2021	4878 SOUTHLANDS DR SE, Medicine Hat, AB T1B0L6	ONLINE SALES
	PLDP20210201	03-16-2021	202 12 ST SE, Medicine Hat, AB T1A1V3	ONLINE SALES (NEW & USED PRODUCTS)
	PLDP20210219	03-16-2021	558 HEMINGWAY CRES NE, Medicine Hat, AB T1C1X4	PETRO/WELL/OILFIELD SERVICE
	PLDP20210177	03-16-2021	1687 28 ST SE, Medicine Hat, AB T1A2H3	PLUMBING/GASFITTING/HEATI NG
	PLDP20210240	03-17-2021	586 SOMERSIDE VIEW SE	WHOLESALE (RESIDENT) - AUTO BROKER
	PLDP20210174	03-17-2021	89 SUNRISE WAY SW, Unit:9, Medicine Hat, AB T1B4X9	PRIVATE INVESTIGATOR
	Subtotal			20
Home Occupation - Major				
	PLDP20210083	03-02-2021	1116 QUEEN ST SE, Medicine Hat, AB T1A1B4	ONLINE SALES (BATH PRODUCTS)
	PLDP20210150	03-03-2021	7 ROSS HAVEN AVE SE, Medicine Hat, AB T1B2R2	DISTRIBUTION/SALES (PLASTICS)
	PLDP20201657	03-03-2021	864 13 ST NE, Medicine Hat, AB T1A5V5	MANICURE/PEDICURE/AESTHE TICIAN
	PLDP20210135	03-16-2021	6 COTTONWOOD CRT SW, Medicine Hat, AB T1B4R5	ELECTROLYSIS
	PLDP20210158	03-16-2021	44 TERRACE CIR NE, Medicine Hat, AB T1C0A4	DISTRIBUTION/SALES (CLOTHING)

Type	PermitNumber	Approval Date	Address	Proposal	
	PLDP20210118	03-16-2021	5 STARK BAY SE, Medicine Hat, AB T1B4P5	DISTRIBUTION/SALES (HANDMADE CANDLES)	
	PLDP20210226	03-16-2021	2046 HAWKE CRES NE, Medicine Hat, AB T1C1J5	ONLINE SALES (CLOTHING)	
Subtotal					7
Backyard Suite; New Residential Low Density					
	PLDP20210144	03-04-2021	49 SIERRA GREEN SW	SINGLE DETACHED HOUSE WITH SECONDARY SUITE	
Subtotal					1
Enclosed Deck					
	PLDP20210176	03-05-2021	25 HAMPTONS GATE SE	SINGLE DETACHED HOUSE (ENCLOSED DECK)	
Subtotal					1
Sign; Variance					
	PLDP20210175	03-08-2021	3216 13 AVE SE, Medicine Hat, AB T1B1H8	ONE LED SIGN INCLUDING AREA VARIANCE	
Subtotal					1
Change of Use					
	PLDP20210104	03-09-2021	480 3 ST SE, Medicine Hat, AB T1A0H1	CHANGE OF USE TO DISCRETIONARY USE BAR	
	PLDP20210209	03-10-2021	1275 30 ST SW, Unit:E, Medicine Hat, AB T1B3N4	CHANGE OF USE TO DISCRETIONARY USE INDUSTRIAL OPERATION (CRAFT PRODUCTION)	
Subtotal					2
Swimming Pool/Hot Tub					
	PLDP20210216	03-17-2021	531 ROSS GLEN DR SE, Medicine Hat, AB T1B2L1	SINGLE DETACHED HOUSE (ABOVE GROUND POOL)	
Subtotal					1
Count					47

BYLAW NO. 4662

A BYLAW OF THE CITY OF MEDICINE HAT to establish the organizational structure of the City's administrative team.

WHEREAS every municipality in Alberta is required to establish by bylaw a position of chief administrative officer;

AND WHEREAS Council wishes to appoint a chief administrative officer and designated officers for the City;

AND WHEREAS it is necessary to determine by bylaw how the powers, duties and functions of the chief administrative officer are to be carried out;

AND WHEREAS Council feels it is important to have advice and input from additional administrative advisors and wishes to appoint designated officers, as provided for under the *Municipal Government Act*;

AND WHEREAS Council wishes to repeal Bylaw No. 4311;

NOW THEREFORE THE COUNCIL OF THE MUNICIPALITY, DULY ASSEMBLED, ENACTS AS FOLLOWS:

TITLE

1. This Bylaw may be referred to as the "Administrative Organization Bylaw".

DEFINITIONS

2. In this Bylaw, unless the context requires otherwise,
 - (a) "*Act*" means the *Municipal Government Act* RSA 2000 Chapter M-26, as amended or replaced from time to time;
 - (b) "City" means the Corporation of the City of Medicine Hat, and where the context so requires, means the land included in the boundaries of the City;
 - (c) "City Manager" means the chief administrative officer for the City, operating under the title of "City Manager";
 - (d) "Corporate Services Committee Representative" means a member of the Corporate Services Committee of Council appointed to oversee matters relating to labour relations;
 - (e) "Council Committee" means a council committee as defined in the *Act*, and, for greater certainty, does not include an administrative committee established by the City Manager under this Bylaw;
 - (f) "Divisions" means the Corporate Services Division, Invest Medicine Hat Division, Public Services Division, Strategic Management and Analysis Division and Energy and Infrastructure Division of the City;

- (g) “Managing Director” means an individual appointed to the position of Managing Director pursuant to section 26 of this Bylaw;
 - (h) “Municipal Powers and Duties” means any power or duty of the City in the *Act*, another enactment or a City bylaw, where the *Act*, enactment or bylaw does not specify who in the municipality may exercise the power or duty;
 - (i) “Natural Person Powers” means the capacity, rights, powers and privileges of a natural person, except to the extent limited by the *Act*, any other enactment or any City bylaw or policy.
3. Any word or group of words defined in the *Act* shall be given the meaning provided in the *Act* unless the context in which it is used herein requires otherwise.

COUNCIL

4. Council is responsible for
- (a) developing and evaluating the policies and programs of the City;
 - (b) carrying out the powers, duties and functions expressly given to Council under the *Act* or any other enactment; and
 - (c) ensuring that the City Manager appropriately performs the duties and functions and exercises the powers assigned to the City Manager under the *Act* or any other enactment or by Council.
5. Council shall appoint by resolution an individual to the position of City Manager.
6. Council shall determine by resolution the departments and business units in the Energy and Infrastructure Division, Corporate Services Division, Public Services Division, Strategic Management and Analysis Division, and Invest Medicine Hat Division, and, in addition, the departments and business units reporting directly to the City Manager.
7. Before passing a resolution under Section 6 Council shall obtain and consider the recommendations of the City Manager.
8. Council must not exercise a power or function or perform a duty that is by the *Act*, this Bylaw or any other enactment or City bylaw specifically assigned to the City Manager or designated officers.
9. Except for purposes of making inquiries, individual members of Council shall deal with the administration through the City Manager.
10. No individual member of Council may give orders, directives or instructions to the City Manager, Managing Directors, City Clerk, City Solicitor or any other City employee.

CITY MANAGER

11. A position for a City Manager for the City is established.
12. The City Manager:
- (a) is the administrative head of the City;
 - (b) shall ensure that City policies and programs are implemented;

- (c) shall advise and inform Council on City operations and affairs; and
 - (d) shall perform the duties and functions and exercise the powers assigned to the City Manager by this Bylaw, the *Act* and other enactments, or assigned by Council.
13. Without limiting the generality of the foregoing and in addition to the powers, duties and functions set out in section 12 of this Bylaw, the City Manager shall:
- (a) ensure that all matters referred to City administration are dealt with in an expeditious manner, having regard to other priorities and administrative resources;
 - (b) establish administrative committees as necessary for the proper and efficient administration of the City, including an administrative committee that includes the Mayor and City Clerk;
 - (c) establish procedures for meetings of administrative committees created pursuant to subsection 13(b) of this Bylaw;
 - (d) appoint up to 5 Managing Directors in accordance with section 26 and appoint the City Solicitor in accordance with section 36;
 - (e) supervise the Managing Directors and the City Solicitor;
 - (f) supervise the City departments and business units in the City that the City Manager is responsible to supervise directly;
 - (g) attend all meetings of Council, Council Committees and other committees that the City Manager is required to attend or considers it advisable to attend;
 - (h) cause to be prepared and recommend to Council policies and programs requested by Council or considered advisable by the City Manager;
 - (i) cause the City's operating and capital budgets and long range forecasts to be prepared;
 - (j) review and present to Council the City's operating and capital budgets and long range forecasts;
 - (k) ensure that the operations and affairs of the City are carried out within approved budget limits;
 - (l) submit to Council:
 - (i) after the passage of the City's operating budget, quarterly or at such other intervals as Council may direct, a statement of the City's revenues and expenditures in relation to the operating budget, and a progress report on the projects included in the budget with relevant explanations, and
 - (ii) after the passage of the City's capital budget, quarterly or at such other intervals as Council may direct, a progress report on the projects included in the capital budget;
 - (m) with respect to legal proceedings and claims, authorize
 - (i) commencement of any legal proceedings, and

- (ii) settlement of any legal proceedings or other claims, whether by the City or against the City;
 - (n) subject to the provisions of the City's Procurement Policy, award tenders or proposals for services to be rendered, construction to be done, projects to be carried out and goods and services to be supplied to the City, and on behalf of the City, enter into contracts or direct contracts to be entered into for such purposes.
- 14. References in the *Act* or other enactments to a municipality's chief administrative officer apply to the City Manager.
- 15. The City Manager may exercise Municipal Powers and Duties with respect to the operations and affairs of the City.
- 16. The City Manager may exercise Natural Person Powers with respect to the operations and affairs of the City.
- 17. The powers, duties and functions of the "Chief Commissioner", "CAO Municipal Services", "COO Energy Services" or "Chief Administrative Officer" set out in City bylaws are assigned to the City Manager, unless expressly provided otherwise in a bylaw.
- 18. The powers, duties and functions of the "Chief Commissioner", "CAO Municipal Services", "COO Energy Services" or "Chief Administrative Officer" set out in City policies and procedures are assigned to the City Manager, unless expressly provided otherwise in the policies or procedures.
- 19. The City Manager's powers, duties and functions are subject to the following limitations and restrictions:
 - (a) The City Manager shall comply with the provisions of the *Act* and all other enactments in carrying out the City Manager's powers, duties and functions.
 - (b) The City Manager shall comply with all orders, directives, judgments, decisions and rulings of courts, administrative tribunals and government entities in carrying out the City Manager's powers, duties and functions.
 - (c) The City Manager shall comply with the provisions of City bylaws, Council resolutions, City policies and procedures and contracts binding on the City in carrying out the City Manager's powers, duties and functions.
 - (d) The City Manager shall obtain the approval of the Corporate Services Committee Representative before the negotiations for each collective agreement are finalized.
 - (e) The City Manager shall ensure that each collective agreement negotiated with a union or association representing City employees is presented to Council for ratification in an expeditious manner.
 - (f) The City Manager shall be responsible for the negotiation of collective agreements involving City employees.
- 20. The City Manager may re-allocate City capital and operating funds on an inter-divisional or inter-departmental basis if the City Manager considers it advisable to do so to maintain the operations and affairs of the City within approved budget limits.

21. The City Manager may, in any year, between January 1 and the date of adoption by Council of the operating budget for that year, approve expenditures up to ninety per centum (90%) of the amount of the appropriations for the programs approved by Council for the previous year.
22. The City Manager may delegate any of the City Manager's powers, duties or functions to a designated officer or employee of the City.
23. The City Manager remains responsible to ensure that any power, duty or function delegated under section 22 is properly exercised or carried out.
24. Notwithstanding section 22, Council shall have the right to appoint an acting City Manager at any time that the City Manager is absent or the position of City Manager is vacant.

MANAGING DIRECTORS

25. Positions are hereby established for up to 5 designated officers to be known as Managing Directors.
26. A Managing Director shall be appointed by the City Manager.
27. The City Manager may revoke the appointment of a Managing Director.
28. A Managing Director may delegate any of the Managing Director's powers, duties or functions to any City employee within the Division that the Managing Director has been assigned to supervise.
29. A Managing Director remains responsible to ensure that any power, duty or function delegated under section 28 is properly exercised or carried out.
30. Notwithstanding section 28, the City Manager shall have the right to appoint an acting Managing Director at any time when a Managing Director is absent or a Managing Director position is vacant.
31. The Managing Directors shall report directly to and be supervised by the City Manager.
32. Each Managing Director shall be responsible to supervise directly the City departments and business units contained within the Division that the Managing Director has been assigned to supervise.
33. In addition to the foregoing responsibilities, a Managing Director shall be responsible to carry out such other powers, duties and functions as may be assigned by the City Manager.
34. In carrying out their responsibilities, each Managing Director shall
 - (a) ensure that all matters referred to the Division that they have been assigned to supervise are dealt with in an expeditious manner, having regard to other priorities and administrative resources;
 - (b) ensure that the operations and affairs of the Division that they have been assigned to supervise are carried out within approved budget limits; and
 - (c) attend all meetings of Council, Council Committees and other committees as they are required to attend.

CITY CLERK AND CITY SOLICITOR

- 35. Positions are hereby established for designated officers to be known as the City Clerk and City Solicitor.
- 36. The City Manager shall appoint the City Solicitor.
- 37. The City Manager may revoke the appointment of the City Solicitor.
- 38. The City Clerk shall be appointed by the City Solicitor.
- 39. The City Solicitor may revoke the appointment of the City Clerk.
- 40. The City Clerk and City Solicitor may delegate any of their powers, duties or functions to employees of the City within their respective departments.
- 41. The City Clerk and City Solicitor shall remain responsible to ensure that any power, duty or function delegated under section 40, is properly exercised or carried out.
- 42. Notwithstanding section 40, the City Manager shall have the right to appoint an acting City Solicitor at any time when the City Solicitor is absent or the position of City Solicitor is vacant.
- 43. Notwithstanding section 40, the City Solicitor shall have the right to appoint an acting City Clerk at any time when the City Clerk is absent or the position of City Clerk is vacant.
- 44. The City Solicitor shall report directly to and be supervised by the City Manager.
- 45. The City Clerk shall report directly to and be supervised by the City Solicitor.
- 46. The City Clerk shall exercise the following powers, duties and functions of a designated officer:

SECTION	POWER, DUTIES AND FUNCTIONS*	APPLICABLE ACT
62(2)(b)	Roadway acquisition certificate	Municipal Government Act
69	Consolidation of bylaws	Municipal Government Act
199	Electronic meetings	Municipal Government Act
213(1)(b)	Signing of minutes of Council meetings	Municipal Government Act
213(2)(b)	Signing of minutes of Committee meetings	Municipal Government Act
213(3)(b)	Signing of bylaws	Municipal Government Act
213(4)(b)	Signing of agreements other than purchase orders by chief elected official or by another person authorized by Council to sign them and by a designated officer	Municipal Government Act
455(1)	Functions of a clerk of assessment review board	Municipal Government Act
606(7)	Certificate of advertising	Municipal Government Act
612	Certified copies of bylaws, resolutions and records	Municipal Government Act

SECTION	POWER, DUTIES AND FUNCTIONS*	APPLICABLE ACT
627.1	Clerk of Subdivision and Development Appeal Board	Municipal Government Act
1(1)(i)(iii)	Powers, duties and functions of municipal secretary	Agricultural Pests Act
3(2)	Duty to forward copy of bylaw	Libraries Act
13(1)	Appointment of returning officer	Local Authorities Election Act

***Note:** The description of powers, duties and functions in this column is intended for convenience of reference only. The actual sections in the *Acts* should be referred to for a complete description of the powers, duties or functions.

47. In addition to the foregoing responsibilities, the City Clerk shall
- (a) carry out such other duties or functions as may be assigned by the City Solicitor,
 - (b) supervise the City Clerk Department, and
 - (c) carry out the powers, duties and functions of the head of the local public body for the City for the purposes of the *Freedom of Information and Protection of Privacy Act*, RSA 2000 c. F-25 and any regulations enacted thereunder, as amended.
48. The City Solicitor shall provide all legal services required by the City in the City Solicitor's capacity as a designated officer.
49. In addition to the foregoing responsibilities, the City Solicitor shall
- (a) carry out such other powers, duties and responsibilities as may be assigned by the City Manager; and
 - (b) supervise the City Solicitor Department.
50. In carrying out their responsibilities, the City Clerk and City Solicitor shall
- (a) ensure that all matters referred to the City Clerk Department and City Solicitor Department are dealt with in an expeditious manner, having regard to other priorities and administrative resources;
 - (b) ensure that the operations and affairs of the City Clerk Department and City Solicitor Department are carried out within approved budget limits; and
 - (c) attend all meetings of Council, Council Committees and other committees that they are required to attend or consider it advisable to attend.

GENERAL

51. It is the intention of Council that if any provision of this Bylaw be declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.
52. The appointment of an individual holding the position of Managing Director, City Clerk or City Solicitor immediately prior to the coming into force of this Bylaw shall

continue under this Bylaw until the appointment is terminated. The appointment of an individual holding the position of City Manager immediately prior to the coming into force of this Bylaw shall continue under this Bylaw as the City Manager until the appointment is terminated.

- 53. Each reference to the "Administrative Committee", including the powers, duties and functions of the "Administrative Committee" set out in City bylaws, resolutions, policies or procedures shall be considered a reference to an administrative committee established by the City Manager, for the purpose of such reference, pursuant to this Bylaw.
- 54. Bylaw No. 4311, the Administrative Organization Bylaw, is repealed.
- 55. This Bylaw comes into force at the beginning of the day that it is passed.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: KEITH E. (TED) CLUGSTON

CITY CLERK: ANGELA CRUICKSHANK

ISSUE:

The 2020 City of Medicine Hat Financial Report is being presented to City Council for approval.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council approves the 2020 City of Medicine Hat Financial Statements.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

The 2020 Financial Statements provides an overview of the City of Medicine Hat’s financial performance.

KEY RISKS:

Health, Safety and Environmental Impact:

N/A

Financial Impact:

Funding Request:	No	If yes, amount: \$
Budgeted Item:	No	Funding Source:
Funding Explanation:	N/A	
Budget Amendment Form?	No	

N/A

Legal / Policy Impact:

Section 276 (1) of the Municipal Government Act states that each municipality must prepare annual financial statements of the municipality for the immediate preceding year in accordance with:

- (a) generally accepted accounting principles for municipal governments recommended from time to time by the Canadian Institute of Chartered Accountants; and
- (b) any modification of the principles or any supplementary accounting standards or principles established by the Minister by regulation.

The Canadian Auditing Standards require that those in the City with recognized authority take responsibility for the Financial Statements. Once City Council has approved the financial statements, the external auditors may date and issue the audit report.

Public Implications:

Top quality financial reporting is essential if the City of Medicine Hat is to be fully accountable to the citizens and to others with an interest in the City’s finances.

BACKGROUND:

The Canadian Auditing Standards Board establishes the date which appears in the auditor’s report. The auditor dates and issues their audit opinion after those with recognized authority have asserted that they have taken responsibility for the Financial Statements. The implication to the City is that Council must approve the financial statements prior to the audit report being dated and issued.

The 2020 Financial Report demonstrates a constructive “spirit of full disclosure” designed to clearly communicate the City of Medicine Hat’s financial story and to motivate potential users and user groups to read the report.

Executive Summary

Overall, the City finished 2020 with a strong financial position including an accumulated surplus of \$1,237.8 million and a favorable net financial debt decrease of \$12.1 million from 2019. This includes portfolio investments of \$480 million offset by debt of \$425M and Asset Retirement Obligations related to our oil and gas business of \$256M. The accumulated surplus decreased by \$29.5 million from 2019 as a result of the impact of the COVID-19 pandemic and the decline in oil and gas commodity prices.

The City is currently mitigating its operating challenges in two areas: (i) Municipal – annual lost \$23M dividend plus impact from recent headwinds, and (ii) NGPR – annual losses due to low commodity prices where we do not see any price recovery in the near term. As a result, the City is focusing its efforts to mitigate these challenges on two fronts. Accelerated Financially Fit Initiative (AFFI) was launched to fast-track the execution of the initial Financially Fit Initiative effort launched in 2016. This initiative aims to close the budget gap and create a sustainable municipality that does not rely on funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases. Further, NGPR is executing its strategy to reduce approximately 2,000 gas well thereby reducing annual cash losses as well as extinguishing the related obligation for abandonment and reclamation.

Subsequent to December 31, 2020, the City of Medicine Hat sold natural gas and related assets and retirement obligations to a third party with an effective date of the sale being October 1, 2020. These net assets are classified as property held for sale at December 31, 2020. The sale closed February 1, 2021

Operations:

Revenue decreased by \$7.5 million when compared to budget primarily due to lower sales in municipal services (\$5 million) related to facility closures and reduced services in response to the COVID-19 pandemic, lower energy and utility sales (\$21.2 million) related to low commodity prices and sales volumes, and lower than expected commercial and residential lot sales (\$3.8 million). Unfavourable revenue variances are offset by higher than budgeted investment income (\$9.1 million), developer levies (\$6.1 million) and operating grants (\$8.1 million).

Revenues in 2020 are lower than 2019 revenues by \$36.7 million primarily due to lower gas, oil and electric revenues related to low commodity prices and low sales volumes.

Expenses excluding non-cash items such as amortization, impairments and disposal expenses were lower than budget by \$20.6 million primarily related to lower activity in municipal services and gas utility due to a slower economy related to the COVID-19 pandemic and vacant positions held throughout the organization. The City recognized impairments of \$17.2 million primarily related to the oil and gas assets as a result of continually declining current and forward market commodity price for natural gas and oil and losses on disposals of assets during the year of \$11.4 million. The City does not include non-cash impairment items in its budget due to the uncertainty of amounts from year to year.

Expenses in 2020 are higher than 2019 due to losses on disposal of assets during the year partially offset by lower activity due to slower economy and temporary layoffs related to facility closures required to comply with the COVID-19 pandemic regulations.

Capital:

Actual capital expenditures for the year were \$105.7 million less properties held for sale of \$28.7 million for a net amount of \$77.0 million plus contributions from developers of \$0.2 million. The current year expenditures include \$60.0 million for projects carried forward from previous budget years.

The 2020 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as reserves, operating funds, debenture borrowing, and third party contributions.

The remaining amount to spend to complete the projects is \$221.0 million.

Reserves:

Treasury holdings of \$477.6 million are accounted for as follows:

- Restricted reserves and capital of \$184.3 million, which is primarily dedicated to capital activities, was higher than the prior year by \$13.5 million. This is due to reinvested contributions from Electric Generation (\$29.9 million) offset by funding for capital of \$13.4 million and \$4.2 million to municipal operations to fund the one time COVID tax credit and deferral of property taxes and utilities.
- The other restricted amounts include operating funds, which represents accumulated surpluses from operations of \$72.6 million and restricted funds for grants and trust of \$38.6 million.
- The balance of \$182.1 million is not restricted.

Contributions:

Following a Comco (Genco and NGPR) distributable cash model, Electric Generation contributed \$29.9 million of which \$21.6 million was allocated to Gas and \$8.3 million was transferred to municipal services and allocated 50% to the Heritage Savings Reserve, 15% to the Tax Rate Stabilization Reserve, and 35% to the Infrastructure Reserve.

Treasury: Cash, Investments, & Long Term Debt:

Treasury holdings were approximately \$477.6 million:

- \$222.3 million internally managed in cash, term deposits, GIC’s and Bonds, realizing an annualized return of 1.85%.
- \$51.6 million externally managed by Manulife in a fixed-income bond fund, realizing a return since inception (September 2020) of 0.63%
- \$203.7 million externally managed by AIMCo in fixed-income and equities, realizing an annualized return of 6.21%

During 2020, total long-term debt increased \$22.4 million to \$376.1 million with new debt issued of \$48.4 million more than offsetting debt principal repayments of \$26.0 million.

At December 31, 2020, the City is at 60% of the debt limit and 30% of the debt servicing limit established by the Minister of Municipal Affairs.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

N/A

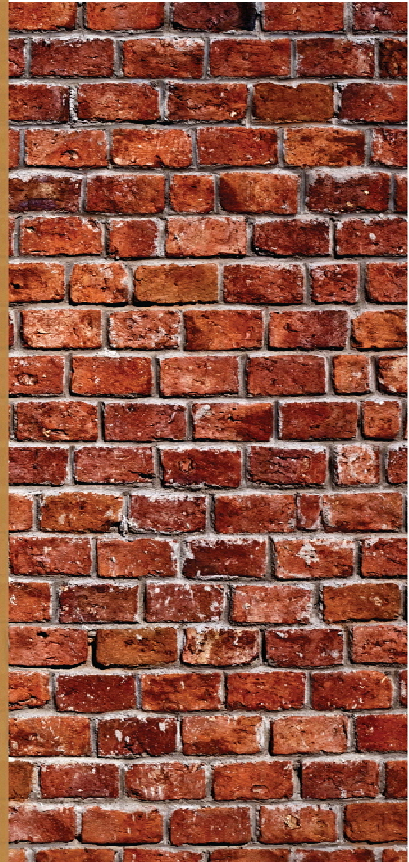
IMPLEMENTATION PLAN:

Upon Council approval of the 2020 Financial Report, staff will obtain the Auditor’s Report. The 2020 Financial Report will then be posted to the City of Medicine Hat’s web site.

PREPARED BY & DATE:	Vanessa Bonneville Manager of Accounting	March 31, 2021
REVIEWED BY & DATE:	Lola Barta General Manager of Finance	
APPROVED BY & DATE:	Dennis Egert Commissioner of Corporate Services	
ATTACHMENTS:	#1 – 2020 Financial Report	

2020 Financial Report

December 31, 2020
City of Medicine Hat
Medicine Hat, Alberta, Canada



City of Medicine Hat, Alberta, Canada

2020 FINANCIAL REPORT

For the year ended December 31, 2020

*This Financial Report has been prepared and compiled by the
City of Medicine Hat Finance Department in cooperation with
all municipal and utilities departments.*



**Information on the City of Medicine Hat
is available via the internet at
www.medicinehat.ca**

TABLE OF CONTENTS

Page

INTRODUCTORY

City Council	2
2020 Organizational Structure	3
Treasurer's Report	4

FINANCIAL STATEMENTS

Management's Responsibility for Reporting	15
Independent Auditor's Report	16
Consolidated Statement of Financial Position	19
Consolidated Statement of Operations	20
Consolidated Statement of Change in Net Financial Debt	21
Consolidated Statement of Cash Flows	22
Consolidated Tangible Capital Assets (Schedule 1)	23
Consolidated Schedule of Municipal Taxes (Schedule 2)	24
Consolidated Government Transfers (Schedule 3)	25
Schedule of Segmented Disclosures (Schedule 4)	26
Consolidated Expenses by Object & of Other Operating Expenses (Schedule 5 & 5A).....	28
Notes to the Consolidated Financial Statements.....	29

FINANCIAL & STATISTICAL SCHEDULES (unaudited)

Demographics and Other Information	55
Financial Comparison 2016 - 2020	56
Financial Synopsis.....	58
Taxation and Assessment	59
Summary of Unrestricted Surplus and Restricted Surplus - Reserves.....	60
Long Term Debt	61
Consolidated Expenses by Object	62
Schedule of Operating Revenue & Expenses by Division, Department, & Object.....	63
Schedule of Capital Segmented Reporting	92
Schedules of Capital Financing & Expenses by Department	93



Back row: Brian Varga, Robert Dumanowski, Kris Samraj, Jim Turner, Julie Friesen, Darren Hirsch
Front row: Phil Turnbull, Ted Clugston, Jamie McIntosh

STANDING COMMITTEES

Audit Committee

Councillor D. Hirsch, Chair
 Councillor P. Turnbull, Vice Chair
 Councillor J. McIntosh
 D. Egert, Corporate Services Commissioner, Advisor

Corporate Services Committee

Councillor R. Dumanowski, Chair
 Councillor D. Hirsch, Vice Chair
 Councillor B. Varga

Development & Infrastructure Committee

Councillor R. Dumanowski, Chair
 Councillor J. Turner, Vice Chair
 Councillor J. McIntosh

Energy & Utilities Committee

Councillor P. Turnbull, Chair
 Councillor J. McIntosh, Vice Chair
 Councillor J. Turner

Public Services Committee

Councillor J. Friesen, Chair
 Councillor J. Turner, Vice Chair
 Councillor K. Samraj

Heritage Resource Committee

Councillor J. McIntosh, Council Representative

Administrative & Legislative Review Committee

Councillor D. Hirsch, Chair
 Councillor J. Friesen, Vice Chair
 Councillor R. Dumanowski

Administrative Committee

T. Clugston, Mayor
 R. Nicolay, Chief Administrative Officer, Chair
 B. Mastel, Public Services Commissioner
 D. Egert, Corporate Services Commissioner
 S. Schwartzenberger, Development & Infrastructure Commissioner
 B. Maynes, Energy & Utilities Division Commissioner
 B. Schmitt, City Solicitor
 A. Cruickshank, City Clerk
 C. Graham, Corporate Communications Manager, Advisor

SPECIAL COMMITTEES

Canadian Badlands: Councillors P. Turnbull & B. Varga

Chamber of Commerce: Councillor J. Turner

City Centre Development Agency: Councillor K. Samraj

Civic Functions: Councillor K. Samraj

Cypress View Foundation: Councillors J. Friesen & J. Turner

Friends of Medalta Society: Councillor J. McIntosh

Highway #3 Twinning Association: Councillor J. Turner

Medicine Hat Community Housing Society: Councillor K. Samraj

Medicine Hat Exhibition & Stampede: Councillor J. Turner

Medicine Hat Public Library: Councillor P. Turnbull

Municipal Names Committee: Councillor J. McIntosh

Municipal Planning Commission: Councillors B. Varga & D. Hirsch

Palliser Economic Partnership: Councillor J. Turner

Police Commission: Councillors J. Friesen & R. Dumanowski

Regional Drainage: Councillor K. Samraj

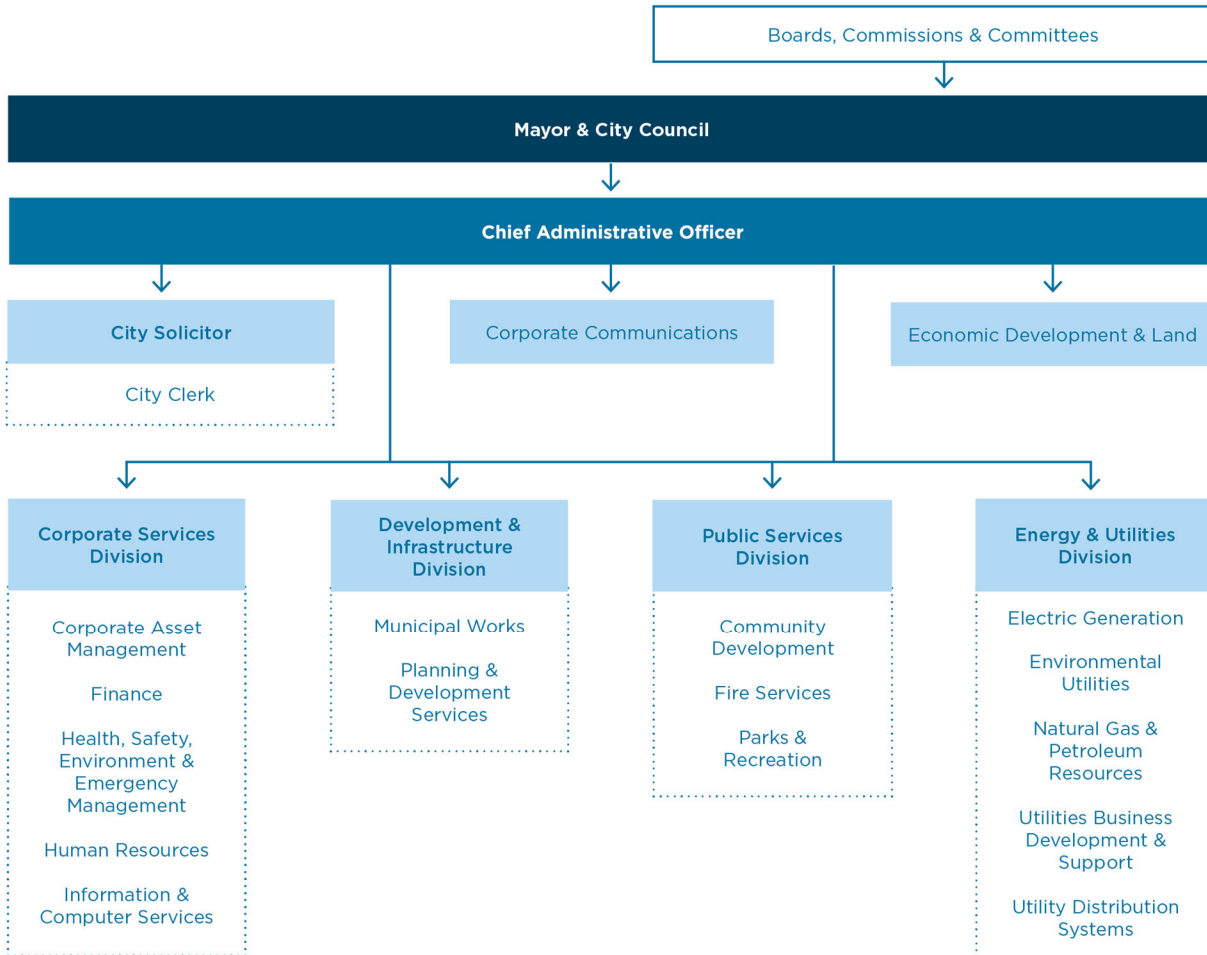
Shortgrass Library System: Councillor P. Turnbull

Subdivision & Devel. Appeal Board: Councillors J. McIntosh & J. Turner

Tourism Medicine Hat: Councillor B. Varga

Organizational Structure

As at December 31, 2020



A new organizational structure was approved by City Council on December 7, 2020 to be effective January 1, 2021. The City of Medicine Hat continues to implement these changes and will include a new chart in future reporting once all changes have been completed.

Treasurer's Report

For the year ending December 31, 2020

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2020. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 19, 2021.

The City provides multiple services to residents in Medicine Hat and surrounding area. At a municipal level it provides:

- protection to its citizens (fire, police and bylaw services, 9-1-1 communications, community development services)
- recreation and culture activities
- road, bridge, sidewalk and trail maintenance
- city planning and development

The City also operates enterprise business units offering the following services:

- water, sewer and solid waste management
- land and property development and business support development
- integrated commodity related businesses including natural gas exploration and production and electric generation
- natural gas and electric distribution services

The financial statements bring together the financial results of these activities. In doing so, the City is responsible for both accuracy of the data and completeness and fairness of the presentation, including all disclosures. This report provides users with an overview of the City of Medicine Hat's financial performance.

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2020. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used against budgets and past financial performance, and is divided into seven sections:

- **Introduction** – Provides an overview of the Treasurer's Report.
- **Canadian GFOA Award for Financial Reporting.**
- **Risk Management** - Discussion of risks and risk management strategies.
- **Management Reporting and Control** - Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** - Presents a review of the City of Medicine Hat's activities and financial position for the fiscal year ended December 31, 2020. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts.
- **Financial and Statistical Schedules (unaudited)** - Presents a variety of statistical and financial information on a multi-year comparative basis.



A handwritten signature in black ink, appearing to read 'Dennis Egert', written over a white background.

Dennis Egert
Managing Director of Corporate
Services/Chief Financial Officer
April 19, 2021

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

CANADIAN GFOA AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2019, for the eighteenth year in a row. 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 entity must publish an easily readable and efficiently organized annual financial report with contents conforming to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

City of Medicine Hat
Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2019

Christopher P. Morill
Executive Director/CEO

RISK MANAGEMENT

This section of the report details the City's exposure to risk and uncertainty to enable the reader to make informed judgments about the implications of these risks on the City's financial position.

(a) Operational Risk Management

The City's operations are insured under a conventional municipal insurance program, which includes property, liability and automobile coverage as well as an oil and gas insurance program and power plant property insurance programs. These insurance programs include self-retention components for those losses within the various deductible levels.

(b) Public Safety

Medicine Hat Police Service continues to keep pace with community growth and the demand for services from residents. The use of technology, equipment and continued training and development of police service personnel ensures public and officer safety.

Fire Services provides life and property protection to the community through rapid response to fire or rescue emergency, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire Services monitors growth patterns and recommends changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city. In 2013, Council approved the Fire Service Response Coverage Optimization Plan, which resulted in significant response coverage improvements to residents and improved safety for firefighters.

The City operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island, a regional population of approximately 75,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization and overall protocol compliance.

(c) Treasury Management

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. In 2015, the City was included by Municipal Affairs in the Major Cities Investment Regulation, which provides access to a broader range of investment opportunities, including public shares of companies. The regulation expands the investment opportunities for the City's financial reserve funds.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Internally managed portfolios consist of investments in money market instruments and bonds. The external investment portfolios are managed by Alberta Investment Management Corporation (AIMCo) and Manulife Investment Management. These funds are invested in assets permitted by the Major Cities Investment Regulation.

The goal of Policy #0167 is to ensure that the investment of City funds is made in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the City, and conforming to all provincial statutes and regulations governing the investment of municipal funds.

Investment performance is benchmarked to market benchmarks that are replicable, measurable and fair comparisons to the portfolios being measured. The treasury team meets to review the investment portfolio and quarterly activity. A treasury report, complete with performance indicators, is compiled tri-annually and distributed to the Audit Committee and City Council.

In addition, internal control procedures are designed to ensure that the daily handling of cash is managed securely. Each member of the treasury team must sign a disclosure statement to ensure their personal business activities do not conflict with the investment activities of the City.

(d) Environmental

The Health, Safety and Environmental department provides corporate support and ensures regulatory compliance with regard to environmental matters. The department completes the regulatory activities (including the administration of Environmental Management Policy #0148), supports the operating departments in completing their due diligence with respect to environmental activities, and provides current information on evolving and emerging environmental regulatory requirements. One of the goals is to keep City Council informed of the City's progress in striving for continual improvement in management systems and communication focusing on both compliance and proactive excellence in matters of environmental stewardship.

(e) Market Commodity Prices

The City's revenues are affected by changes in market spot prices for natural gas and oil production and electric generation. The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or revenues, maintaining reliable supplies for operations/sales, and mitigating financial risk exposure to the City.

MANAGEMENT REPORTING AND CONTROL

The following section describes the planning, reporting and audit process.

(a) Strategic Planning and Budgeting

City Council developed a strategic plan highlighting priorities, strategies, goals and key results for the planning period 2019-2022. Based on the direction set out in the strategic plan, four-year departmental business plans are prepared. These business plans communicate each department's alignment with the strategic plan and identify:

- the core services/programs of the department and key performance indicators,
- departmental primary customers,
- significant risks and trends faced by the department, including mitigation plans,
- strategic objectives, rationale, indicators of success and action plans of the department.



TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Budget guidelines and high-level financial projections are developed. Based on these guidelines and departmental business plans, departments develop their budget requests. City Council has approved the adoption of a four-year operating budget and a four-year capital budget with a six-year projection. The Administrative Committee reviews departmental budgets and when satisfied that budgets are aligned with the business plans, the budget recommendation is presented for City Council approval.

The operating budget lays out the revenues and expenses for the planning periods that will be required to deliver City services to residents.

A ten-year capital plan is developed for all departments. The capital plans identify proposed capital project expenditures and their corresponding sources of funding.

For the 2019-2022 budget period, the City employed a capital ranking process for the tax supported departments. This process is intended to ensure that capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

(b) Accounting

The City of Medicine Hat manages the accounting function in five core divisions: Corporate Services, Public Services, Development and Infrastructure, Energy and Utilities, Invest Medicine Hat, as well as Medicine Hat Police Services. Each division is responsible for managing the delivery of services in accordance with the resources allocated. All divisions share a common accounting and reporting system. Financial and accounting services are administered under the direction of the Managing Director of Corporate Services and delivered to each division based on requirements.

(c) Auditing

The *Municipal Government Act* requires municipal councils to appoint an independent auditor. In 2019, Medicine Hat City Council re-appointed KPMG LLP as auditor for 2020, with the option of renewing the engagement for an additional four years.

The role of the external auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the financial report, and to express an opinion that the financial statements are free from any material misstatements. The auditor advises management and the Audit Committee of any control or operational matters that may have been identified during the audit.

The Audit Committee, comprised of three members of City Council, is a standing committee of City Council. The Audit Committee is responsible for recommending the appointment of the independent auditor, reviewing the terms of the engagement and overseeing management's responsibilities for financial reporting. The Audit Committee meets with management and the independent auditors to discuss the scope and timing of the audit, to review the auditor's findings and to ensure that management is carrying out its responsibilities.

Financial progress is reported to the Audit Committee throughout the year on a tri-annual basis. These progress updates examine financial performance relative to approved budgets and forecast updates.

FINANCIAL HIGHLIGHTS

Financial Trend Summary 2020

The financial data below provides an overview of key financial information over the past two years. Readers should review this report in conjunction with the accompanying *Consolidated Financial Statements and Note Disclosures* located on the City's website at <https://www.medicinehat.ca/government/publications-plans-reports/financial-reports>.

Due to the overall decline in gas and oil commodity prices, as well as additional challenges created by the global pandemic and lower transfers from the Government of Alberta, the City is experiencing lower revenues. The current estimated budget gap is approximately \$27 million. As a result, the City of Medicine Hat has launched the Accelerated Financially Fit Initiative (AFFI), fast-tracking the initial Financially Fit Initiative effort launched in 2016. This initiative aims to close the budget gap and create a sustainable municipality that does not rely on funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

The AFFI efforts will focus on strategic opportunities including cost containment and service level adjustments, range and level of services provided, and leveraging technology and digital innovation. The capital prioritization project will define a framework to support capital project selection to align with the City's strategies and identify a capital allocation governance to drive capital efficiency. Further, a divisional realignment has been designed to reduce cost and increase organizational effectiveness.

This overall effort will ensure that our local government has balanced budgets and our community continues to thrive and remain vibrant, innovative and resilient for generations to come.

The Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties. In order to better reflect the operations of oil and gas properties and to provide more financial transparency, the City uses International Financial Reporting Standards (IFRS) to account for its oil and gas assets.

In thousands of dollars

Consolidated Financial Position	2020	2019
Assets	\$ 563,457	\$ 526,888
Liabilities	<u>762,747</u>	<u>738,323</u>
Net financial debt	(199,290)	(211,435)
Non-financial assets	80,148	97,485
Net tangible capital assets	<u>1,356,948</u>	<u>1,381,269</u>
Total non-financial assets	1,437,096	1,478,754
Accumulated surplus	<u>\$1,237,806</u>	<u>\$1,267,319</u>

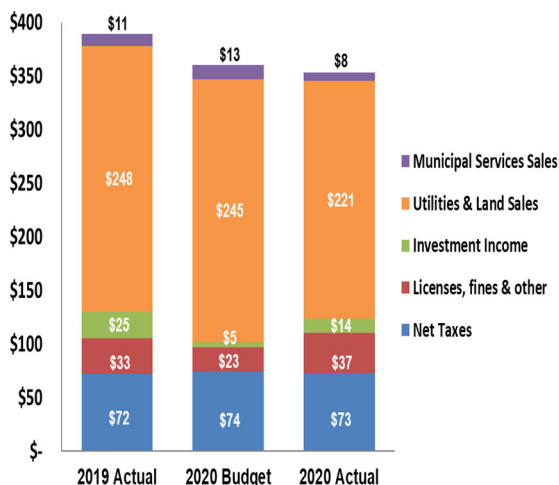
2020 Operating Results	Revenue	Expenses	Annual Surplus (Deficit)
General Fund	\$ 154,392	\$ 167,946	\$ (13,554)
Utilities	309,472	341,040	(31,568)
Consolidation adjustments	<u>(111,348)</u>	<u>(107,244)</u>	<u>(4,104)</u>
Subtotal	352,516	401,742	(49,226)
Capital contributions and grants	<u>19,713</u>	-	<u>19,713</u>
Subtotal	19,713	-	19,713
Total	<u>\$ 372,229</u>	<u>\$ 401,742</u>	<u>\$ (29,513)</u>

The 2020 accumulated surplus decreased by \$29.5 million as a result of the impact of the COVID-19 pandemic and the decline in oil and gas commodity prices. Capital contributions and grants represent funding used for various capital projects such as: Esplanade and library building rehabilitation, Strathcona Centre modernization, Finlay Bridge rehabilitation, and irrigation improvements at various parks.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues



Revenue before capital contributions and grants was \$7.5 million lower than budget (\$352.5 million versus budget of \$360.0 million) mainly due to Sales in municipal services lower than budget by \$5.0 million primarily due to closed facilities in compliance with COVID-19 regulations.

Utility and land sales revenues were lower than budget by \$24.0 million primarily due to lower oil and gas sales of \$19.0 million (related to low sales volumes and low price of oil) and lower land sales of \$3.8 million (primarily due to lower commercial and residential lot sales).

This was offset by licenses, fines and other revenue being higher than budget by \$14.0 million primarily due to developer levies of \$6.1 million and government transfers for operating of \$8.1 million (primarily the one-time Municipal Sustainability Operating Transfer grant).

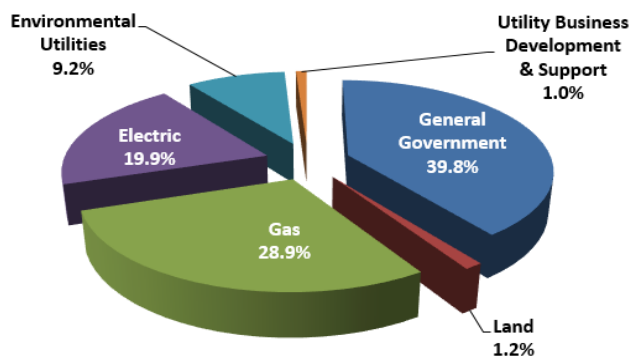
Revenues in 2020 are lower than 2019 revenues by \$36.7 million primarily due to lower gas, oil and electric revenues related to low commodity prices and low sales volumes.

Expenses

Overall the City operating expenses for the year were \$4.3 million higher than budget mainly due to impairments and losses on disposal of assets during the year.

2020 expenses are higher than 2019 expenses by \$6.8 million due to losses on disposal of assets during the year offset by lower activity due to slower economy related to COVID-19 pandemic.

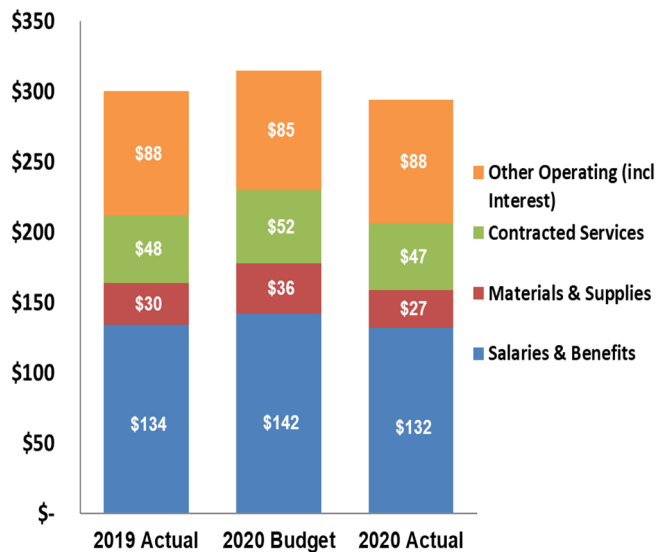
Consolidated Operating Expenses by Division



Expenses by Type

The Consolidated Schedule of Expenses by Object details 2020 actual (\$401.7 million) and budget (\$397.4 million) by expense type. The chart to the right excludes non-cash items such as amortization, impairments and disposal expenses of \$107.8 million (2020 budget of \$82.8 million). Variances from budget for contracted services and materials and supplies are mostly related to lower activity in municipal services and gas utility due to a slower economy related to the COVID-19 pandemic. Variances from budget for salaries and benefits is due to vacant positions held throughout the organization and temporary layoffs related to facility closures required to comply with Alberta Health Service's (AHS) pandemic regulations.

The 2020 actual expenses by type are lower than 2019 due to a decrease in materials and supplies and salaries and benefits as a result of vacant positions held throughout the organization and temporary layoffs related to facility closures related to AHS pandemic regulations.



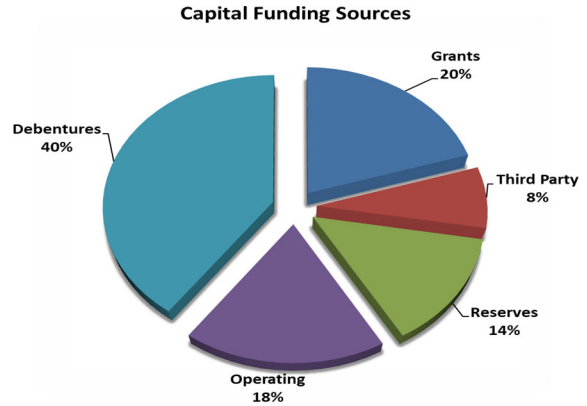
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

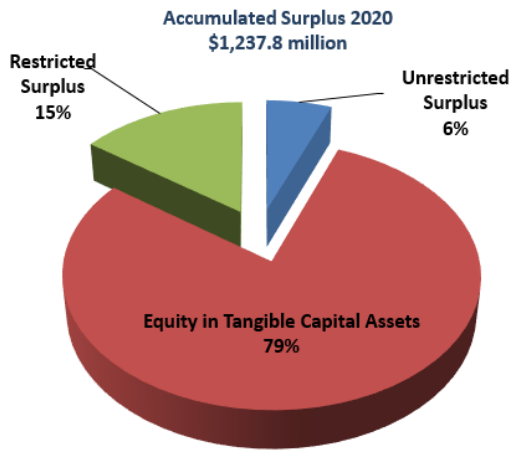
2020 Capital Expenditures

The City's approved 2020 budget for capital items was \$185.3 million. Actual capital expenditures for the year were \$105.7 million less properties held for sale of \$28.7 million for a net amount of \$77.0 million plus contributions from developers of \$0.2 million. The current year expenditures include \$60.0 million for projects carried forward from previous budget years.

The 2020 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as reserves, operating funds, debenture borrowing, and third party contributions.



Accumulated Surplus



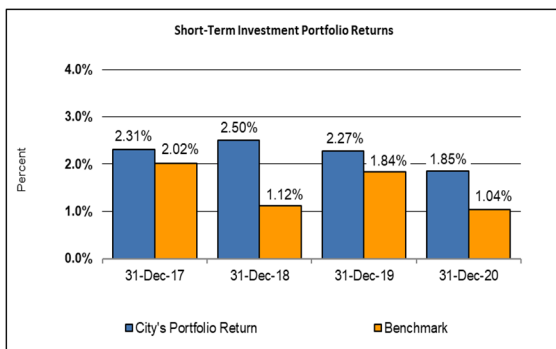
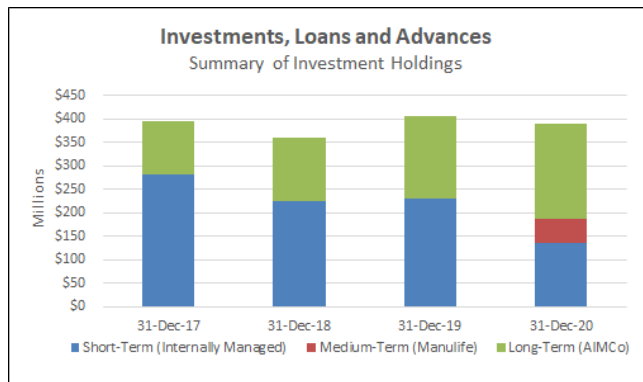
The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2020, the consolidated fund and equity balances decreased by \$29.5 million to \$1,237.8 million.

\$72.6 million of the accumulated surplus is unrestricted. This unrestricted amount is used as working capital to fund day to day operating activities of the City. The restricted amount is \$184.3 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets decreased by \$46.6 million to \$980.9 million this year as a result of asset divestitures in Natural Gas and Petroleum Resources and an increase in long-term debt.

Investments

Investments, loans and advances decreased \$14.3 million from 2019 to \$390.7 million largely due to lower capital grants received from the province.

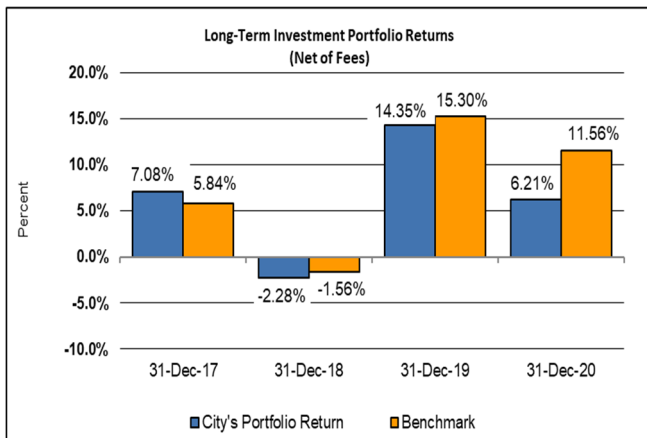
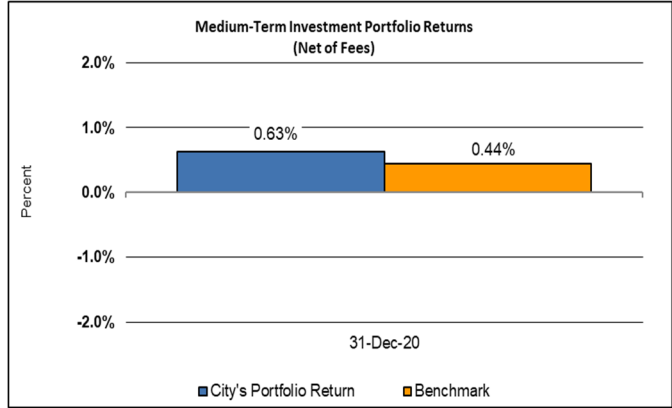


The City of Medicine Hat's return on short-term internally managed investments for the year ended December 31, 2020 averaged 1.85% higher than the customized blend of indices set to align with the portfolio composition of 1.04%. The City's average portfolio return has outperformed the stated benchmark over the last five years.

TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

In 2020, the City contributed to a medium-term externally managed investment portfolio managed by Manulife Investment Management. Overall, \$51.6 million was invested with Manulife (\$50 million of principal and \$1.6 million of re-invested earnings). The return since inception (September 2, 2020) to December 31, 2020 was 0.63% (0.19% higher than the benchmark of 0.44%).



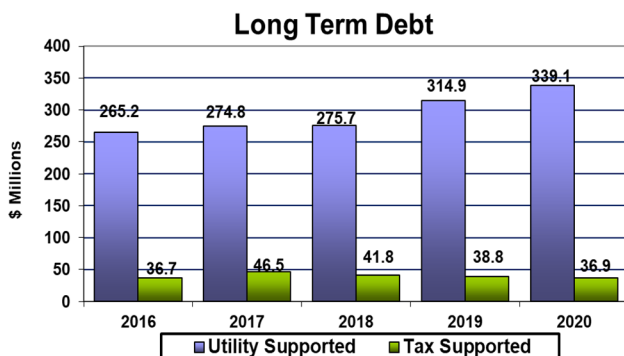
In 2020, the City continued to contribute to the long-term externally managed investment portfolio, managed by the Alberta Investment Management Corporation (AIMCo). Overall, \$203.7 million has been invested with AIMCo (\$175.24 million of principal and \$28.53 million of re-invested earnings). The return for the year ended December 31, 2020 was 6.21% (5.35% lower than the benchmark of 11.56%). Since inception (March 1, 2017 to December 31, 2020) the fund return was 6.46% (0.84% higher than the benchmark return of 5.62%). The fund target allocations are 40% money markets and fixed-income and 60% equities.

Long-Term Debt

During 2020, total long-term debt increased \$22.4 million to \$376.1 million with debt principal repayments of \$26.0 million being offset by new debt issued of \$48.4 million. New debt represents \$3.0 million for improvements to general government assets, \$20.9 million related to environmental utility assets, and \$24.5 million relate to electric utility assets.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose of these calculations, actual total debt includes long and short-term debt as well as loan guarantees in the amount of \$1.7 million and letters of credit issued of \$46.9 million.

The City's 2020 debt limits are as follows:



<i>(in millions of dollars)</i>		2020
Debt Limit		\$ 705.0
Actual Total Debt		424.7
AMOUNT UNDER LIMIT		\$ 280.3
Debt Servicing Limit		\$ 123.4
Actual Debt Servicing		37.5
AMOUNT UNDER LIMIT		\$ 85.9

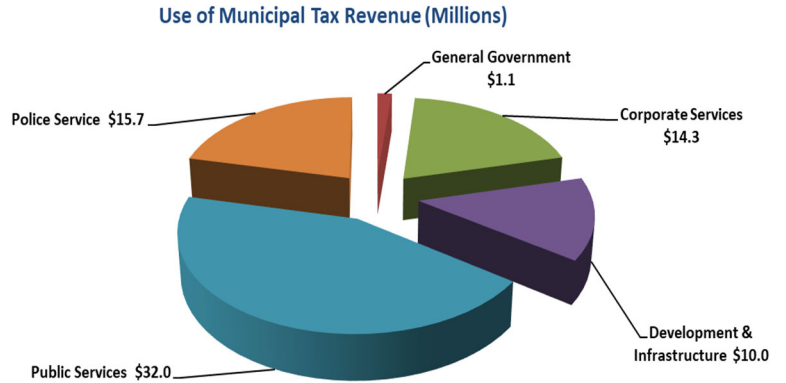
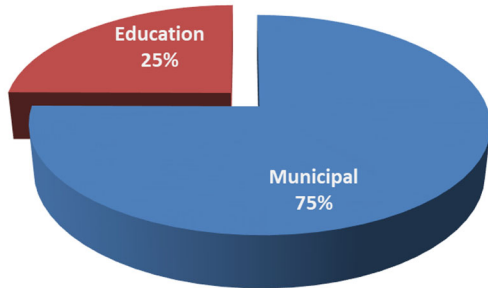
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Use of Municipal Tax Revenue

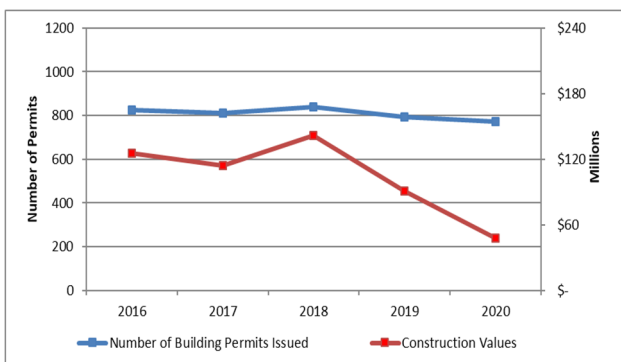
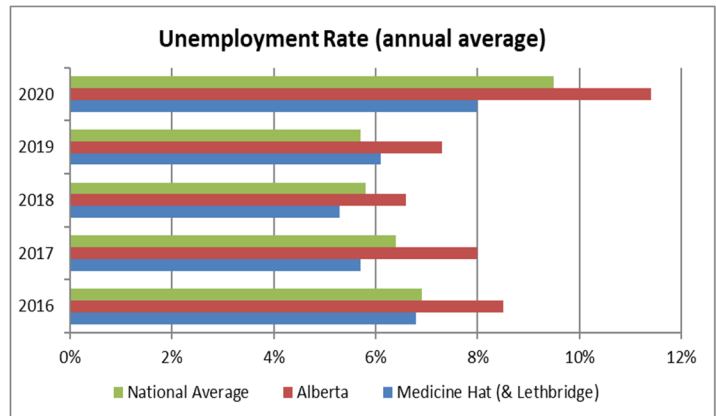
Net municipal property tax revenue of \$73.1 million (45.6%) is used to fund the consolidated general fund operating expenses of \$160.4 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our property tax dollars went in 2020.



Economic Indicators

The combined unemployment rate for Medicine Hat and Lethbridge at the end of 2020 was 10.5%, while the 2020 average was 8.0%. The average Alberta unemployment rate for 2020 was 11.4% compared to 9.5% for Canada. The increases are primarily due to the COVID-19 pandemic.



Number of Building Permits Issued and Related Construction Values

In 2020, the number of building permits issued decreased to 773 primarily due to a decrease in new development. The related estimated value of construction in 2020 also saw a decrease from prior year to \$48 million due to the majority of permits being issued for construction values under \$0.1 million.

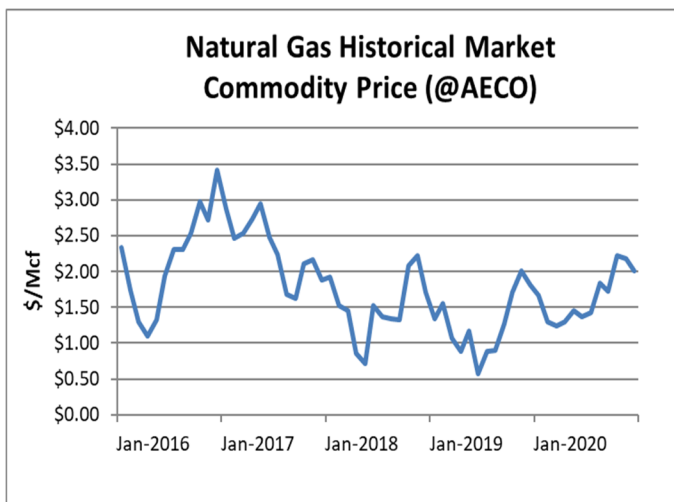
TREASURER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

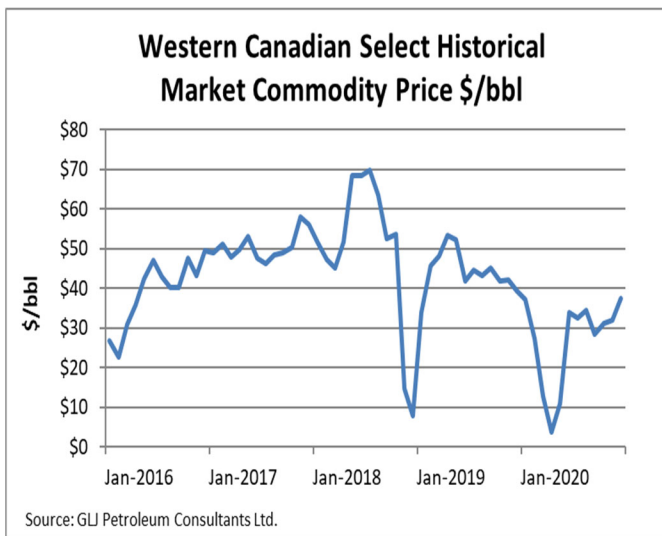
Gas

Natural gas prices showed signs of stabilization throughout 2020 as a result of shut-in oil production due to pandemic demand destruction, and resulted in loss of associated natural gas production. We continued to see stabilization trends throughout the summer with Trans Canada Energy using temporary service protocol to encourage gas into storage and egress out of Alberta. Market outlook continues to show signs of stabilization with larger demand for natural gas supplies for electrical generation and petrochemical production.

2020 sales gas volume from production for the City of Medicine Hat was 6,937,090 Mcf. A \$1 per Mcf change in the commodity price would affect annual gross revenue by \$6.9 million.



Oil

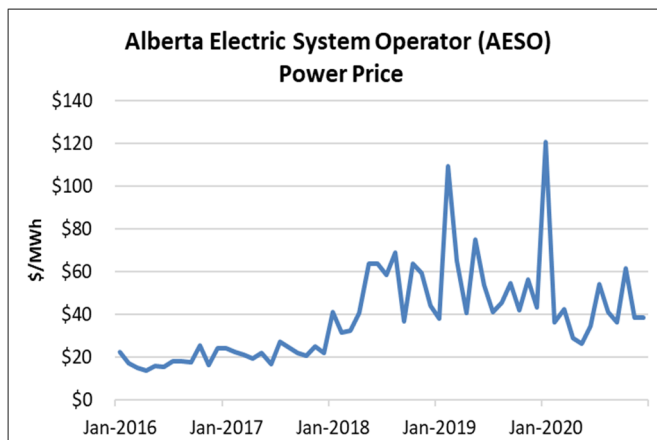


The COVID-19 pandemic had a significant unfavourable impact on commodity prices, with the May West Texas Intermediate contract hitting an all-time low of -37.63. The oil markets responded by shutting in production throughout the world, where the futures price was higher than the current market price for fear of storage capacity. As borders reopened and summer driving increased, oil demand and production increased. Industry trend in North America has seen a shift of utilizing free cash flow from investing in development and exploration to reducing liabilities and providing incentives to increase investment interest to an industry that has seen a large-scale fleeing of capital.

2020 oil production for the City of Medicine Hat was 249,595 barrels. A \$1 per barrel change in the commodity price would affect annual gross revenue by \$249,595.

Power

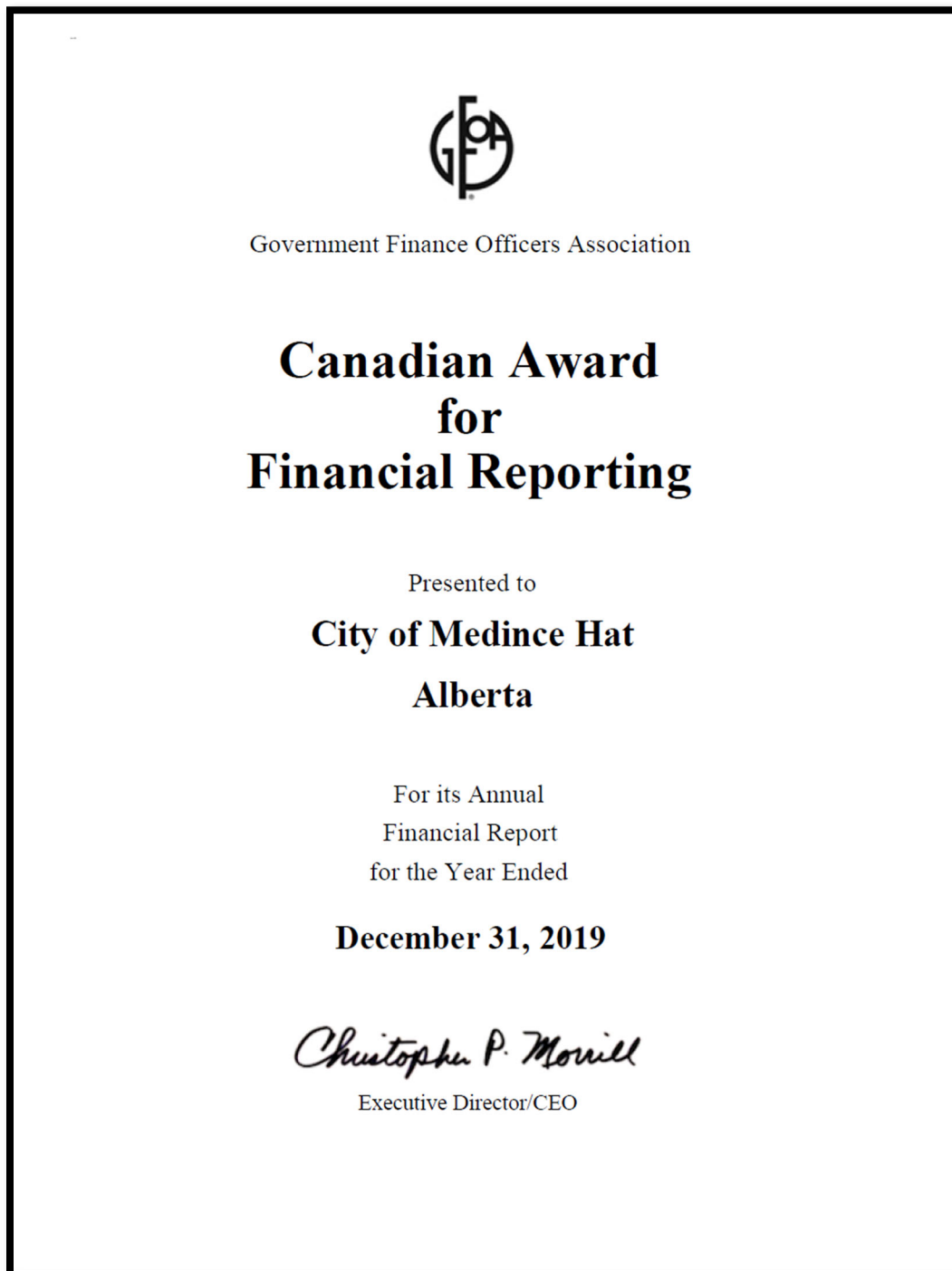
Power prices in 2020 started very strong until the COVID-19 pandemic showed signs of demand destruction, with commercial load dropping off due to work at home mandates and complete shut downs in the oil and gas industry. As industry reopened throughout early summer, so did market outlook. Market volatility continued to increase as coal-fired generators prepared to transition generation facilities from coal to natural gas, or mothball. Market outlook continues to show signs of strength as industry determines proper mix of renewals and storage options.



Financial Statements

The City of Medicine Hat has provided award winning financial reporting for the past 18 years.

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. Its attainment represents a significant accomplishment by a municipal government and its management.



Management's Responsibility for Reporting

For the Year Ended December 31, 2020

The City of Medicine Hat's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2020 and the results of its operations for the year then ended.

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

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

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

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

Chief Administrative Officer
DRAFT

Treasurer

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor and Members of the Council of the City of Medicine Hat

Opinion

We have audited the consolidated financial statements of City of Medicine Hat (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, changes in net financial debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

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

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Lethbridge, Canada

DRAFT

CONSOLIDATED
Statement of Financial Position
As at December 31, 2020 (in thousands of dollars)

	2020	2019
Financial assets		
Cash and temporary investments (Note 2)	\$ 86,874	\$ 71,119
Accounts receivable, net of allowances (Note 3)	47,407	42,716
Investments, loans and advances (Note 4)	390,731	405,053
Land and other assets held for resale (Note 5)	35,237	4,679
Inventories for resale (Note 6)	114	63
Deposits (Note 7)	3,094	3,258
Total financial assets	563,457	526,888
Liabilities		
Trade accounts payable	26,084	29,820
Accrued liabilities (Note 8)	34,226	20,467
Deferred revenue (Note 9)	38,642	52,966
Long-term debt (Note 11)	376,072	353,727
Other long-term liabilities (Note 12)	287,723	281,343
Total liabilities	762,747	738,323
Net financial debt	(199,290)	(211,435)
Non-financial assets		
Inventories for consumption	15,191	15,678
Prepaid assets	2,148	2,131
Land held for future development (Note 13)	19,969	18,924
Long lived assets	42,840	60,752
Tangible capital assets (Schedule 1) (Note 14)	1,356,948	1,381,269
Total non-financial assets	1,437,096	1,478,754
Accumulated surplus (Note 15)	\$ 1,237,806	\$ 1,267,319

Commitments, operating and capital (Notes 20 and 22)
Contingent asset and liabilities (Note 23)
Contractual rights (Note 24)
Subsequent events (Note 26)
COVID-19 impact and contingency (Note 27)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED

Statement of Operations

For the year ended December 31, 2020 (in thousands of dollars)

	2020 Budget	2020	2019
Revenue (Schedule 4)			
Municipal taxes (Schedule 2)	\$ 73,809	\$ 73,133	\$ 71,749
Sale of services			
General Government	12,562	7,579	10,901
Gas	55,835	37,235	53,784
Electric	128,019	127,710	139,725
Water	22,296	21,467	22,098
Sewer	20,320	18,870	19,000
Solid Waste	9,617	9,584	9,252
Invest Medicine Hat	9,341	5,548	4,204
Other income			
Investment income	4,766	13,963	25,096
Licenses, fines and penalties	5,757	4,909	6,404
Insurance recovery	123	813	300
Development levies	878	6,977	4,804
Government transfers for operating (Schedule 3)	4,454	12,607	6,098
Other	12,231	12,121	15,786
Total revenue	360,008	352,516	389,201
Expenses (Schedule 4 and Schedule 5)			
General Government	174,318	160,368	162,422
Gas	104,886	115,792	122,161
Electric	65,577	79,741	68,660
Water	16,503	15,504	15,072
Sewer	14,937	14,372	13,730
Solid Waste	6,606	7,384	6,520
Utilities Business Development & Support	4,361	3,796	2,845
Invest Medicine Hat	10,241	4,785	3,546
Total expenses	397,429	401,742	394,956
Deficiency of revenue over expenses			
- before other revenue	(37,421)	(49,226)	(5,755)
Other revenue (Schedule 4)			
Contributed tangible capital assets	-	243	538
Government transfers for capital (Schedule 3) (Note 9)	44,232	19,470	20,320
Total other revenue	44,232	19,713	20,858
Annual surplus (deficit)	6,811	(29,513)	15,103
Accumulated surplus, beginning of year	1,267,319	1,267,319	1,252,216
Accumulated surplus, end of year	\$ 1,274,130	\$ 1,237,806	\$ 1,267,319

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED

Statement of Change in Net Financial Debt For the year ended December 31, 2020 (in thousands of dollars)

	2020 Budget	2020	2019
Annual surplus (deficit)	\$ 6,811	\$ (29,513)	\$ 15,103
Amortization of tangible capital assets	82,888	79,292	79,325
Impairments	-	17,187	14,550
Loss on disposal of tangible capital assets	-	11,389	1,227
Developers contribution of tangible capital assets	-	(243)	(538)
Acquisition of tangible capital assets	(185,308)	(77,026)	(115,763)
Proceeds from sale of tangible capital assets	-	1,628	1,030
Decrease (increase) in long lived assets	6,532	10,247	(518)
	(89,077)	12,961	(5,584)
Acquisition of inventories and supplies	(2,309)	(5,097)	(7,915)
Net acquisition of land held for future development	(1,286)	(1,286)	(2,210)
Acquisition of prepaid assets	(14,207)	(14,262)	(10,991)
Consumption of inventories and supplies	1,889	5,584	6,033
Use of prepaid assets	14,245	14,245	10,820
	(1,668)	(816)	(4,263)
Decrease (increase) in net financial debt	(90,745)	12,145	(9,847)
Net financial debt, beginning of year	(211,435)	(211,435)	(201,588)
Net financial debt, end of year	\$ (302,180)	\$ (199,290)	\$ (211,435)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2020 (in thousands of dollars)

	2020	2019
Net inflow (outflow) of cash related to the following activities:		
Operating		
Annual surplus (deficit)	\$ (29,513)	\$ 15,103
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	79,292	79,325
Impairments	17,187	14,550
Loss on disposal of tangible capital assets	11,389	1,227
Developers contribution of tangible capital assets	(243)	(538)
Non-cash items relating to capital and investing activities:		
Decrease (increase) in long lived assets	10,247	(518)
Non-cash changes to operations (net change):		
Decrease (increase) in accounts receivable	(4,691)	3,239
Decrease (increase) in land and other assets held for resale	(30,799)	863
Decrease (increase) in inventories for resale	(51)	21
Decrease (Increase) in deposits	164	(2,474)
Increase (decrease) in trade accounts payable	(3,736)	2,115
Increase (decrease) in accrued liabilities	13,759	2,090
Increase (decrease) in deferred revenue	(14,324)	8,650
Increase (decrease) in other long-term liabilities	6,380	18,979
Decrease (increase) in inventories for consumption	487	(1,882)
Decrease (increase) in prepaid assets	(17)	(171)
Decrease (increase) in land held for future development	(1,045)	(2,210)
Cash provided by operating transactions	54,486	138,369
Capital		
Acquisition of tangible capital assets	(77,026)	(115,763)
Proceeds from sale of tangible capital assets	1,628	1,030
Cash applied to capital transactions	(75,398)	(114,733)
Investing		
Decrease (increase) in restricted cash and temporary investments	11,024	(3,735)
Decrease (increase) in investments, loans and advances	14,322	(45,057)
Cash applied to investing transactions	25,346	(48,792)
Financing		
Long-term debt issued and assumed	48,364	62,097
Long-term debt repaid	(26,019)	(25,932)
Cash provided by financing transactions	22,345	36,165
Change in cash and equivalents during the year	26,779	11,009
Cash and cash equivalents, beginning of year	36,043	25,034
Cash and cash equivalents, end of year	62,822	\$ 36,043
Cash and cash equivalents (Note 2) consist of the following:		
Cash	\$ 86,874	\$ 71,119
Less: restricted portion of cash and temporary investments	(24,052)	(35,076)
Total	\$ 62,822	\$ 36,043

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED
SCHEDULE OF TANGIBLE CAPITAL ASSETS
As at December 31, 2020 (in thousands of dollars)

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2020	2019
Cost:									
Balance, beginning of year	\$ 48,398	\$ 135,622	\$ 364,995	\$ 1,420,829	\$ 711,839	\$ 124,217	\$ 56,009	\$ 2,861,909	\$ 2,778,095
Acquisition of tangible capital assets	1	4,342	12,571	63,650	2,658	9,862	9,048	102,132	111,415
Construction-in-progress	-	1,394	(4,941)	14,741	(1,107)	(1,085)	(5,204)	3,798	4,886
Reclassify to held for sale	-	-	-	-	(95,781)	-	-	(95,781)	-
Disposal of tangible capital assets	-	(562)	(3,204)	(15,536)	-	(4,748)	(7,051)	(31,101)	(19,070)
Write down of tangible capital assets	-	-	-	-	(9,281)	-	-	(9,281)	(13,417)
Balance, end of year	48,399	140,796	369,421	1,483,684	608,328	128,246	52,802	2,831,676	2,861,909
Accumulated amortization:									
Balance, beginning of year	-	56,350	103,285	597,692	641,475	54,128	27,710	1,480,640	1,418,128
Annual amortization	-	6,254	9,637	43,089	6,884	9,148	4,280	79,292	79,325
Reclassify to held for sale	-	-	-	-	(67,120)	-	-	(67,120)	-
Accumulated amortization on disposals	-	(540)	(2,324)	(4,383)	-	(4,412)	(6,425)	(18,084)	(16,813)
Balance, end of year	-	62,064	110,598	636,398	581,239	58,864	25,565	1,474,728	1,480,640
Net book value of tangible capital assets	\$ 48,399	\$ 78,732	\$ 258,823	\$ 847,286	\$ 27,089	\$ 69,382	\$ 27,237	\$ 1,356,948	\$ 1,381,269
2019 net book value of tangible capital assets (Note 14)	\$ 48,398	\$ 79,272	\$ 261,710	\$ 823,137	\$ 70,364	\$ 70,089	\$ 28,299		\$ 1,381,269

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED

Schedule 2

Schedule of Municipal Taxes
For the year ended December 31, 2020
(in thousands of dollars)

	2020 Budget	2020	2019
Taxation			
Real property taxes	\$ 98,235	\$ 97,553	\$ 94,749
Linear property taxes	497	497	1,074
Special assessments and local improvement taxes	463	510	355
	<hr/> 99,195	<hr/> 98,560	<hr/> 96,178
Requisitions			
Alberta School Foundation	20,570	20,636	19,717
Catholic Board of Education	3,890	3,838	3,757
Cypress View Foundation	926	927	926
Designated Industrial Property	-	26	29
	<hr/> 25,386	<hr/> 25,427	<hr/> 24,429
Municipal taxes	\$ 73,809	\$ 73,133	\$ 71,749

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED

Schedule 3

Schedule of Government Transfers For the year ending December 31, 2020 (In thousands of dollars)

	2020			2019
	Provincial	Federal	Total	
Unconditional operating transfers				
Payment in Place of Taxes	\$ 536	\$ 73	\$ 609	\$ 1,020
Conditional operating				
Affordable Housing Grant	-	-	-	77
Alberta Community Partnership (ACP)	111	-	111	59
Alberta Employment Programs	-	-	-	29
Alberta Foundation of the Arts Travelling Exhibition Program	161	-	161	234
Alberta Historic Resources Foundation	-	-	-	3
Alberta Museums Association	25	-	25	25
Alberta Seniors & Housing	-	-	-	8
Alberta Traffic Safety Fund	6	-	6	3
Alberta Transportation - Highway 3 Shuttle	221	-	221	192
Alberta Labour Market Partnership Program (LMPP)	30	-	30	38
All Hazards Incident Management Team (AHIMT)	19	-	19	44
Archives Society of Alberta	6	-	6	-
Canadian Council of Archives	-	13	13	-
Canada Council for the Arts	-	75	75	30
Canadian Heritage Grant	-	53	53	48
Canadian Medical Association Foundation	-	29	29	-
Canadian Museums Association	-	-	-	4
Child and Family Services Alberta (CFSA)	29	-	29	124
Emergency Management Preparedness Program	-	-	-	5
Employment and Social Development Canada Grant (ESDC)	-	4	4	-
Family and Community Support Services (FCSS)	1,570	-	1,570	1,538
Municipal Cannabis Transition Program	-	-	-	73
Municipal Operating Support Transfer (MOST)	6,950	-	6,950	-
Municipal Policing Assistance	1,012	-	1,012	1,012
Municipal Sustainability Initiative Operating (MSIO)	748	-	748	458
Natural Resources Canada	-	-	-	32
Police Officer Grant	400	-	400	400
Victims of Crime Fund Grant	186	-	186	274
911 Mobility Grant	350	-	350	368
	12,360	247	12,607	6,098
Conditional capital				
Alberta Community Resilience Program (ACRP)	353	-	353	(3,465)
Canadian Cultural Spaces Fund (CCSF)	-	-	-	286
Gas Tax Fund (GTF)	5,501	-	5,501	4,642
Federal Small Communities Fund (SCF)	-	-	-	2,113
GreenTrip	1,809	-	1,809	4,625
Local Flood Mitigation Measures (LFM)	345	-	345	-
Municipal Climate Change Action Center (MCCAC)	239	-	239	-
Municipal Sustainability Initiative (MSI)	11,098	-	11,098	12,119
Municipal Stimulus Program (MSP)	125	-	125	-
	19,470	-	19,470	20,320
Total government transfers	\$ 31,830	\$ 247	\$ 32,077	\$ 26,418

Schedule of Segment Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2020 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2020 Consolidated
Revenue										
Municipal taxes	\$ 76,934	\$ -	\$ -	\$ -	\$ 388	\$ 113	\$ -	\$ -	\$ (4,302)	\$ 73,133
Sales of services	7,579	65,641	132,893	-	21,732	20,484	9,708	5,548	(35,592)	227,993
Investment income	6,805	6,328	799	31	-	-	-	-	-	13,963
Licenses, fines and penalties	4,909	-	-	-	-	-	-	-	-	4,909
Insurance recovery	506	-	256	-	47	-	3	1	-	813
Development levies	374	355	6,233	-	-	-	-	15	-	6,977
Government transfers for operating	12,577	-	-	-	-	-	-	30	-	12,607
Other	9,932	1,114	2,993	404	(11)	(76)	882	795	(3,912)	12,121
Internal recoveries	20,916	206	2,250	3,530	884	18	2,388	2,244	(32,436)	-
Transfer from Utilities and Land	13,860	21,246	-	-	-	-	-	-	(35,106)	-
	154,392	94,890	145,424	3,965	23,040	20,539	12,981	8,633	(111,348)	352,516
Expenses										
Salaries, wages and benefits	86,606	11,786	15,282	2,601	5,564	4,857	2,968	1,952	269	131,885
Contracted and general services	21,402	8,648	10,363	1,162	749	770	2,698	1,304	-	47,096
Materials, goods and utilities	6,233	3,817	12,544	28	1,485	1,801	127	3,813	(2,866)	26,982
Provisions for allowances	695	64	246	-	43	55	21	-	-	1,124
Bank charges and short term interest	247	117	1	-	-	(1)	5	17	-	386
Interest on long-term debt	1,227	546	3,886	-	2,995	2,676	52	-	-	11,382
Total grants and other transfers	5,172	-	-	-	-	-	-	257	-	5,429
Other operating expenses	104	64,916	3,846	-	(3)	44	772	-	-	69,679
Amortization of tangible capital assets	37,606	9,043	23,030	-	4,654	4,159	733	67	-	79,292
Impairments	-	16,946	-	-	-	-	-	241	-	17,187
Loss on disposal of tangible capital assets	889	(26)	10,517	-	7	1	1	-	-	11,389
Gain on disposal of long lived assets	-	(89)	-	-	-	-	-	-	-	(89)
Internal charges and transfers	7,765	10,019	70,039	122	4,893	4,881	5,318	1,610	(104,647)	-
	167,946	125,787	149,754	3,913	20,387	19,243	12,695	9,261	(107,244)	401,742
Excess (deficiency) of revenue over expenses	\$ (13,554)	\$ (30,897)	\$ (4,330)	\$ 52	\$ 2,653	\$ 1,296	\$ 286	\$ (628)	\$ (4,104)	\$ (49,226)
Other										
Contributed assets	\$ 235	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243
Government transfers for capital	19,449	-	-	-	-	-	-	21	-	19,470
Total other	19,684	-	8	-	-	-	-	21	-	19,713
Annual surplus (deficit)	\$ 6,130	\$ (30,897)	\$ (4,322)	\$ 52	\$ 2,653	\$ 1,296	\$ 286	\$ (607)	\$ (4,104)	\$ (29,513)

Schedule of Segment Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2019 (in thousands of dollars)

	Tax Supported	Gas Utility	Electric Utility	Utilities Business Development & Support	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2019 Consolidated
Revenue										
Municipal taxes	\$ 76,027	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (4,504)	\$ 71,749
Sales of services	11,112	81,738	145,240	-	22,319	19,147	9,473	4,204	(34,269)	258,964
Investment income	3,514	20,658	898	26	-	-	-	-	-	25,096
Licenses, fines and penalties	6,408	-	-	-	-	-	-	(4)	-	6,404
Insurance recovery	294	-	-	-	-	-	-	6	-	300
Development levies	1,287	532	2,719	-	-	-	-	266	-	4,804
Government transfers for operating	6,028	-	-	32	-	-	-	38	-	6,098
Other	5,215	(120)	2,517	-	3,976	353	1,280	754	1,811	15,786
Internal recoveries	41,933	132	2,284	3,149	1,075	-	2,370	3,599	(54,542)	-
Transfer from Utilities and Land	70,271	-	-	-	-	-	-	-	(70,271)	-
	222,089	102,940	153,658	3,207	27,483	19,613	13,123	8,863	(161,775)	389,201
Expenses										
Salaries, wages and benefits	88,154	14,649	14,677	2,101	5,576	4,725	3,139	790	425	134,236
Contracted and general services	23,388	10,920	8,383	706	649	830	2,235	1,180	-	48,291
Materials, goods and utilities	7,581	4,272	13,186	29	1,505	1,762	159	2,994	(1,759)	29,729
Provisions for allowances	706	94	111	-	38	32	17	-	-	998
Bank charges and short term interest	200	118	1	-	-	-	-	15	-	334
Interest on long-term debt	1,332	522	3,673	-	2,865	2,493	78	-	-	10,963
Total grants and other transfers	3,538	-	-	-	-	-	-	279	-	3,817
Other operating expenses	120	64,916	6,777	-	11	19	270	4	-	72,117
Amortization of tangible capital assets	36,047	12,700	21,731	1	4,358	3,835	610	43	-	79,325
Impairments	-	14,550	-	-	-	-	-	-	-	14,550
Loss on disposal of tangible capital assets	1,066	6	81	-	58	15	1	-	-	1,227
Gain on disposal of long lived assets	-	(631)	-	-	-	-	-	-	-	(631)
Internal charges and transfers	31,584	9,374	102,744	116	5,011	4,643	5,083	2,691	(161,246)	-
	193,716	131,490	171,364	2,953	20,071	18,354	11,592	7,996	(162,580)	394,956
Excess (deficiency) of revenue over expenses	\$ 28,373	\$ (28,550)	\$ (17,706)	\$ 254	\$ 7,412	\$ 1,259	\$ 1,531	\$ 867	\$ 805	\$ (5,755)
Other										
Contributed assets	\$ 538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538
Government transfers for capital	20,320	-	-	-	-	-	-	-	-	20,320
Total other	20,858	-	-	-	-	-	-	-	-	20,858
Annual surplus (deficit)	\$ 49,231	\$ (28,550)	\$ (17,706)	\$ 254	\$ 7,412	\$ 1,259	\$ 1,531	\$ 867	\$ 805	\$ 15,103

CONSOLIDATED

Schedule 5

Schedule of Expenses By Object
For the year ended December 31, 2020
(in thousands of dollars)

	2020 Budget	2020	2019
Expenses			
Salaries, wages and benefits	\$141,890	\$ 131,885	\$ 134,236
Contracted and general services	51,696	47,096	48,291
Materials, goods and utilities	35,958	26,982	29,729
Provisions for allowances	298	1,124	998
Bank charges and short term interest	295	386	334
Interest on long-term debt	13,068	11,382	10,963
Total grants and other transfers	3,674	5,429	3,817
Other operating expenses (Schedule 5A)	67,662	69,679	72,117
Amortization of tangible capital assets	82,888	79,292	79,325
Impairments	-	17,187	14,550
Loss on disposal of tangible capital assets	-	11,389	1,227
Gain on disposal of long lived assets	-	(89)	(631)
Total expenses	\$ 397,429	\$ 401,742	\$ 394,956

CONSOLIDATED

Schedule 5A

Schedule of Other Operating Expenses
For the year ended December 31, 2020
(in thousands of dollars)

	2020 Budget	2020	2019
Other Operating Expenses			
Natural Gas & Oil asset retirement obligation depreciation & accretion	\$ 16,399	\$ 29,860	\$ 20,901
Natural Gas purchases	20,987	24,492	25,763
Natural Gas & Oil surface and mineral leases	10,457	10,274	11,141
Natural Gas & Oil royalties	5,481	(495)	4,795
Taxes or taxes in lieu	4,981	3,929	6,903
Natural Gas & Oil transportation	2,058	1,282	1,737
Other	7,299	337	877
Total Other Operating Expenses	\$ 67,662	\$ 69,679	\$ 72,117

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of the City of Medicine Hat (the "City") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the City of Medicine Hat are as follows:

(A) BASIS OF CONSOLIDATION

The Consolidated Financial Statements reflect the assets, liabilities, revenues and expenses and changes in net financial debt of the reporting entity. This entity includes all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to City Council for the administration of their financial affairs and resources. They include the following:

1. Municipal Services

Activities associated with the provision of conventional municipal services including General Administrative Services, Invest Medicine Hat, Corporate Services (Finance, Human Resources, Information & Computer Services, Health Safety & Environment, and Corporate Asset Management), Public Services (Fire Services, Community Development, Parks & Recreation), Development & Infrastructure (Municipal Works and Planning, Building & Development) and Police Service (Police Service and Bylaw Enforcement).

2. Energy/Utility Services

Self-supporting activities, which provide Electricity (Generation, Distribution and Retail), Natural Gas (Production, Distribution, and Marketing), Environmental Utilities (Water, Sewer and Solid Waste) and Utilities Business Development and Support (alternative and renewable energy and environmental education and outreach).

Interdepartmental and organizational transactions and balances are eliminated.

School administration is completely independent of City Council and is subject to control by the Provincial Government pursuant to the provisions of the *School Act*. The only relationship between the School Boards and the City is that the City is obligated to collect and remit funds raised by taxes as determined by the Province.

Cypress View Foundation is completely independent of City Council and is subject to control by the Provincial Government pursuant to the provisions of the *Municipal Government Act* and the *Alberta Housing Act*. The relationship between the Cypress View Foundation and the City is that the City is obligated to collect and remit funds raised by taxes deemed necessary by the Province.

Designated industrial property includes linear property, railway, and specific major plants. Assessment of these property types is carried out separately by the province. The provincial assessor's assessment reflects the specifications and characteristics for these regulated properties and the valuation standard, as outlined in the *Municipal Government Act* regulations.

The Schedule of Municipal Taxes levied includes operating requisitions for the Alberta School Foundation, Catholic Board of Education, and Cypress View Foundation. Amounts collected for the City Centre Development Agency that are not part of the municipal reporting entity are excluded from Municipal Taxes.

The statements exclude trust assets that are administered for the benefit of external parties. A schedule of these trust assets is included in Note 16.

(B) BASIS OF ACCOUNTING

The Consolidated Financial Statements are prepared using the accrual basis of accounting.

1. Revenues

The accrual basis of accounting records revenue as it is earned and measurable. Sales and user fees are accounted for in the period in which the events occurred that gave rise to the revenues.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

Government transfers from senior levels of government are recognized in the financial statements in the period that gives rise to the transfer occurring, providing the transfers are authorized, the City has met any eligible criteria and a reasonable estimate of the amounts can be made.

2. Tax Revenues

Tax revenues are recognized once City Council passes the bylaw approving the current year tax assessment and tax rate. Tax rate categories include: real property taxes (residential and non-residential), linear property taxes and local improvement taxes. Requisitions operating as flow through arrangements are excluded from revenue.

Taxes receivable are measured once the tax rate bylaw is passed. The property owner's share of the improvement is recognized as revenue, and recorded as receivable, in the period that the project expenditures are completed. Taxes receivable are measured at their net realizable value. Net realizable value excludes individually identified taxes in arrears considered uncollectable through the tax recovery process. Taxes received in advance of the next tax year are recorded as a customer credit and liability until the bylaw is passed.

3. Expenses

Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay with the exception of pension expenses as disclosed in Note 1F.

(C) INVESTMENTS, LOANS AND ADVANCES

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. Included in investments are internally managed portfolios consisting of investments in money market instruments and bonds. The City also has external investment portfolios managed by third party investment managers Alberta Investment Management Corporation (AIMCo) and Manulife Investment Management, consisting of short and long-term investments including money market securities, bonds, and other fixed income securities, Canadian and foreign equities and alternative investments. Investments are recorded at the lower of original cost net of amortized discounts and premiums and market value on a portfolio basis. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Loans and advances result from the City providing financing to other entities that provide services, which benefit the citizens of the City of Medicine Hat. These loans and advances are recorded at amortized costs less any allowances for doubtful accounts using the effective interest rate. Allowances for doubtful accounts are recognized when collection is in doubt and measured at the lower of cost and net recoverable value. Loans and advances are reviewed on an annual basis by management.

(D) INVENTORIES FOR RESALE

Inventories for resale and gas in storage are valued at the lower of cost or net realizable value with cost determined by the average cost method.

(E) LAND AND OTHER ASSETS HELD FOR RESALE

Land and other assets held for resale is recorded at the lower of cost or net realizable value. The cost of land held for resale is determined on a specific item basis.

The cost of land and other assets held for resale includes costs related to 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, sewer, gas, electric, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function.

Land and other assets held for resale also includes disposition of natural gas properties when divestiture by sale is likely. These assets are recorded at the lesser of fair value less costs to sell and their carrying amount, and depletion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

(F) PENSION EXPENSES

The City participates in multi-employer defined benefit pension plans, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due. These plans are accounted for as defined contribution plans.

(G) JOINT VENTURE ACCOUNTING

Some of the City's production activities related to oil and gas are contracted jointly with third parties. These statements reflect only the City's proportionate interest in such activities.

(H) OVER-LEVIES AND UNDER-LEVIES

Over-levies and under-levies arise from the difference between the actual tax 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. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(I) DECOMMISSIONING OBLIGATION

The City's oil and gas production activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category. Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas the increase/decrease due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

(J) LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

(K) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

1. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of an asset.

Government contributions for the acquisition of capital assets are recorded as revenue in the Consolidated Statement of Operations and do not reduce the related capital assets costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

Tangible capital assets at cost less residual value are amortized on a straight-line basis over their estimated useful lives as follows:

Land Improvements	4 to 25 years
Buildings	15 to 50 years
Engineered Structures	7 to 75 years
Machinery, Equipment & Furnishings	5 to 25 years
Vehicles	3 to 20 years

Carrying costs directly attributable to the acquisition, construction, development/betterment, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Assets under construction are not amortized until the asset is available for use. Interest charges are not capitalized. No assets have been recognized at nominal value.

Donated and Contributed tangible capital assets are recorded at estimated fair market value at the date of contribution and are recorded as revenue.

The City has works of art, museum collections, archives and various cultural and historic treasures that have aesthetic and historic value that are worth preserving perpetually. These items are not recognized in the tangible capital asset records, because a reasonable estimate of the future economic benefit associated with these items cannot be made.

2. Oil & Gas Exploration and Evaluation (E&E) Assets and Property, Plant and Equipment (PP&E)

As the Public Sector Accounting Standards (PSAS) is silent on the treatment of resource properties, to better reflect the operations of the oil and gas properties and to provide more financial transparency, the City has elected to adopt the guidance provided under International Financial Reporting Standards (IFRS).

(i) Exploration and Evaluation (E&E) Assets

Costs incurred prior to acquiring the legal right to explore an area are charged directly to net income.

Costs incurred after the legal right to explore is obtained but before technical feasibility and commercial viability of the area has been established are capitalized as E&E assets. These costs generally include unproved property acquisition costs, geological and geophysical costs, sampling and appraisals, related drilling and completion costs and directly attributable internal costs.

Once an area is determined to be technically feasible and commercially viable the accumulated costs are tested for impairment. The carrying value, net of any impairment, is then reclassified to PP&E as a Developed and Producing (D&P) asset. If an area is determined not to be technically feasible and commercially viable, or the City discontinues its exploration and evaluation activity, any unrecoverable costs are charged to net income.

(ii) Property, Plant and Equipment (PP&E) Assets

Property, plant and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and impairment losses. The cost of D&P assets includes transfers from exploration and evaluation assets, the cost to complete and tie-in the wells, facility costs, the cost of recognizing provisions for future restoration and decommissioning geological and geophysical costs, and directly attributable overheads.

D&P assets are grouped into cash generating units (CGU) for impairment testing. The City has grouped its development and production assets into the 10 CGUs. When significant parts of an item of property, plant and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the statement of operations.

(iii) Subsequent Costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in net earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in operating expenses as incurred.

(iv) Depletion and Depreciation

The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related total proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Proved and probable reserves are reviewed every year. The review is conducted by internally qualified reserve evaluators who follow and attest to the Canadian Oil and Gas Evaluation Handbook (COGE) process. The evaluation process represents the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

(v) Impairment

E&E Assets:

E&E assets are tested for impairment when indicators of impairment exist or when technical feasibility and commercial viability are established and the assets are reclassified to PP&E. The impairment test compares the E&E assets' carrying value to their recoverable amount plus any excess recoverable amounts on D&P assets. E&E assets that are determined not to be technically feasible and commercially viable are charged to net income.

PP&E:

The carrying amounts of the City's oil & gas related non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped into cash generating units (CGU), the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The recoverable amount of an asset or a CGU is the greater of its value in use or its fair value less cost to sell.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate, which would be applied by such a market participant to arrive at a net present value of the CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the City's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proven and unproven volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Reversals of impairments are recognized when factors or circumstances that triggered the original impairment have changed. Impairments can only be reversed in future periods up to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment losses been previously recognized. Goodwill impairments are not reversed.

(L) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts, provision for contingencies, deferred land charges, contaminated sites, and prior year tangible capital asset historical costs and related amortization or impairment.

The City uses significant estimates with regards to the accounting for its operations. Significant estimates related to those operations are outlined below.

1. Gas Utility

Amounts recorded for depletion and depreciation and amounts used for impairment calculations are based on estimates of oil and natural gas reserves and future prices and costs required to develop those reserves. The estimates of reserves are subject to measurement uncertainty including estimates of future prices, costs, discount rates and related cash flows. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Other provisions are recognized in the period when it becomes probable that there will be a future cash outflow.

IFRS requires that the City's oil and gas assets be aggregated into cash generating units, based on their ability to generate largely independent cash flows, which are used to assess the assets for impairment. The determination of the City's cash generating units is subject to management's judgment.

Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

2. Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Net costs to remediate include, but are not limited to: assessment costs, maintenance and monitoring costs, and internal and external direct operating and/or capital costs relating to remediation and/or reclamation.

Amounts recorded for remediation efforts on contaminated sites are based on estimates of costs required to assess and risk manage or remediate. The cost, prediction, and timing of future outflow estimates are based on a combination of in house expertise, judgment and assumptions, past experience, and external quotes and are subject to measurement uncertainty. The recognition of the liability assumes the City is responsible or accepts responsibility for the contamination and that it will incur future costs to remediate. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Liabilities for contaminated sites are included in other long-term liabilities in the Consolidated Statement of Financial Position (Note 12C).

(M) FUTURE ACCOUNTING CHANGES

1. Financial Instruments, Foreign Currency Translation and Financial Statement Presentation

PS 1201 comes into effect for fiscal years beginning on or after April 1, 2022. This includes adoption of PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments. While early adoption is permitted, all four of the sections must be adopted in the same year.

PS 3450 provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The section requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the City. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for de-recognition of financial liabilities.

PS 2601 Foreign Currency Translation establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items at fair value denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. This new statement will include the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currency.

The City has not yet adopted these sections or determined the effect on the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

2. Portfolio Investments

PS 3041 comes into effect for fiscal years beginning on or after April 1, 2022. Early adoption is permitted, however this section must be adopted at the same time as PS Section 2601 and PS Section 3450. This section is to be adopted prospectively. This section replaces the existing PS Section 3040 Portfolio Investments. The new sections provide for the removal of the distinction between temporary and portfolio investments, with the implication that when temporary investments are not cash equivalents they are accounted for as portfolio investments. This section was amended to conform to Financial Instruments (PS 3450) and now includes pooled investments. This entails an examination of the rights associated with units within a pooled investment fund, rather than the funds underlying the investment. The City has not yet adopted these sections or determined the effect on the Financial Statements.

3. Revenue

PS approved PS 3400, which comes into effect for fiscal years beginning on or after April 1, 2023. PS 3400 provides guidance on when to recognize revenue arising from exchange transactions and from unilateral transactions. This section is to be adopted retroactively or prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

4. Asset Retirement Obligations

PS approved PS 3280, which comes into effect for fiscal years beginning on or after April 1, 2022. PS 3280 provides guidance on when to recognize, how to calculate, and what to disclose for all asset retirement obligations. Asset retirement obligations occur, if an entity chooses to discontinue use of its tangible capital asset and must incur a cash outlay to do so. This section is to be adopted prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

(N) ADOPTION OF NEW ACCOUNTING STANDARDS

No new accounting standards were adopted in the year ended December 31, 2020.

NOTE 2: CASH AND RESTRICTED TEMPORARY INVESTMENTS

	2020	2019
Cash	\$ 62,822	\$ 36,043
Restricted Temporary Investments	24,052	35,076
TOTAL	\$ 86,874	\$ 71,119

Temporary investments represent restricted amounts aggregating \$24,052 (2019 - \$34,733) for programs including the Municipal Sustainability Initiative (MSI) Capital Fund Program, Alberta Community Resilience Program (ACRP) for overland flooding and the Federal Gas Tax Fund (GTF) are held exclusively for eligible capital projects. Municipal Operating Support Transfer (MOST) and the Municipal Sustainability Initiative Operating (MSIO) Grant Programs are for operating activities, and restricted amounts aggregating \$0 (2019 – \$343) for Alberta Disaster Recovery program funding for the 2014 flood damages and related mitigation measures.

These investments have an average yield of 2.42 (2019 – 2.27) percent and an average term of 61 (2019 – 267) days to maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 3: ACCOUNTS RECEIVABLE, net of allowances

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2020	2019
Current Taxes Receivable	\$ 8,620	\$ 4,995
City Centre Development Agency	54	22
Less: Allowance for Tax Adjustments	(2)	(3)
SUB-TOTAL	\$ 8,672	\$ 5,014

(B) ACCOUNTS RECEIVABLE

	2020	2019
Trade Accounts Receivable	\$ 40,201	\$ 39,164
Less: Allowance for Doubtful Accounts	(1,466)	(1,462)
SUB-TOTAL	\$ 38,735	\$ 37,702

TOTAL	\$ 47,407	\$ 42,716
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Each year an analysis of the accounts receivable accounts are undertaken to identify accounts that are considered uncollectible. An account is deemed uncollectible when all collection avenues have been exhausted or a customer is in receivership or bankruptcy. In some cases, a judgement through Small Claims has been rewarded with no ability to collect. Every effort is made to collect monies and procedures are reviewed to streamline the billing and collection options.

The accounts receivable written off was \$420 (2019 - \$267); the tax receivable written off was \$3 (2019 - \$3).

NOTE 4: INVESTMENTS, LOANS AND ADVANCES

	2020		2019	
	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ 13,166	\$ 19,299	\$ 13,764	\$ 19,299
Provincial Government and Agencies	25,000	25,000	10,000	10,000
Managed Portfolio Funds	255,312	260,217	174,407	176,123
Canadian Banks	95,648	86,477	205,760	205,833
Others	1,605	1,619	1,122	1,122
TOTAL	\$ 390,731	\$ 392,612	\$ 405,053	\$ 412,377

These investments include both internally and externally managed funds. The internally managed funds are invested in high interest savings accounts, fixed income, and bond investments recorded at cost with interest rates from 0.29 percent to 8.0 percent (2019 - 1.86 percent to 8.0 percent) and mature in periods 2021 through 2031 (2019 - 2020 through 2031). The investments have an average expected yield of 2.11 (2019 - 2.22) percent and an average term of 0.50 (2019 - 0.74) years to maturity. The managed portfolio funds are externally managed by Alberta Investment Management Corporation (AIMCo) and Manulife Investment Management. These investments are recorded at cost and are in a balanced portfolio of 38.13 percent fixed income and 61.87 percent equity securities (2019 - 40.00 percent fixed income and 60.00 percent equity securities).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

The amounts categorized as others in investments, loans and advances includes \$1,164 (2019 - \$662) of prepayment security from Rainbow Energy Marketing Corporation, which forms part of a 2017 energy purchase agreement between the City of Medicine Hat and Rainbow Energy Marketing Corporation as well as loans receivables of \$441 (2019 - \$460). No allowance for doubtful accounts has been recognized on the loans receivables. These loans are forgiven once the amount is repaid. The following table provides details of the loans receivable.

	2020			2019			Original Loan	Term (Years)	Year Loaned	Interest Rate
	Balance	Valuation Allowance ¹	Principal Payments	Balance	Valuation Allowance ¹	Principal Payments				
SALTA Gymnastics Club	\$ 21	\$ 2	\$ 7	\$ 25	\$ 5	\$ 7	\$ 150	20	2003	4.27%
Medicine Hat YMCA	259	41	-	245	55	30	500	20	2003	6.00%
City Centre Development Authority	56	4	20	74	6	20	200	11	2011	5.50%
Medicine Hat Curling Club	105	2	9	116	-	8	140	15	2016	2.25%
SUB-TOTAL	\$ 441	\$ 49	\$ 36	\$ 460	\$ 66	\$ 65				

¹ Valuation Allowances relates to interest free loans and represents the amount of interest implicit in the loan payments if it were interest bearing

NOTE 5: LAND AND OTHER ASSETS HELD FOR SALE

Land and other assets held for sale includes \$30,450 of oil and gas properties held for sale (2019 - \$41). The City entered into an agreement to divest of certain oil and natural gas assets with an effective date of October 1, 2020. These assets represent 14.89% of our yearly production. The transaction closed on February 1, 2021.

The assets and related long term liabilities have been classified as assets held for sale and recorded at the lesser of fair value less costs to sell and their carrying amount, and depletion at December 31, 2020. The liabilities classified as held for sale represents the asset retirement obligation associated with this disposition.

Land and other assets held for sale also includes \$4,787 of developed properties held for sale (2019 - \$4,638).

NOTE 6: INVENTORIES FOR RESALE

	2020	2019
Gas Inventory	\$ 1	\$ -
Concessions	113	63
TOTAL	\$ 114	\$ 63

NOTE 7: DEPOSITS

	2020	2019
Postage	\$ 35	\$ 31
Refundable Containers	28	28
Operating Deposits	3,023	3,192
Gas Royalty Deposits	8	7
TOTAL	\$ 3,094	\$ 3,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 8: ACCRUED LIABILITIES

	2020	2019
Wages and Salaries	\$ 5,751	\$ 3,118
Vacation Pay	6,804	6,433
Interest on Long-Term Debt	1,787	1,910
Deferred Charges	528	1,003
Royalties	53	84
Other Liabilities	19,303	7,919
TOTAL	\$ 34,226	\$ 20,467

NOTE 9: DEFERRED REVENUE & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUE

	Balance 2019	Additions 2020	Reductions 2020	Balance 2020
Deposits	\$ 14,574	\$ 4,117	\$ 8,232	\$ 10,459
Deferred Revenue	3,302	8,061	7,243	4,120
Alberta Community Partnership	146	48	111	83
Alberta Community Resilience Grant	4,150	102	353	3,899
Alberta Transportation – Safety Fund	10	-	8	2
Alberta Transportation – Highway 3 Shuttle	161	241	221	181
All Hazards Incident Management Team (AHIMT) Grant	48	52	19	81
Bell West	10	-	-	10
Community Warmth Deposits	2	28	30	-
Federal Gas Tax Fund	9,593	3,882	5,501	7,974
Green TRIP	1,030	779	1,809	-
Local Flood Mitigation	343	2	345	-
Municipal Stimulus Program (MSP) - COVID-19	-	2,901	125	2,776
Municipal Operating Support Transfer (MOST) - COVID-19	-	6,950	6,950	-
Municipal Sustainability Initiative - Capital	19,590	408	11,098	8,900
Municipal Sustainability Initiative - Operating	5	898	748	155
Pitch Trust	2	-	-	2
TOTAL	\$ 52,966	\$ 28,469	\$ 42,793	\$ 38,642

Funds from Alberta Cities Transportation Program, Alberta Community Partnership, Alberta Community Resilience Grant, Federal Gas Tax Fund, Green Transit Incentives Program (GreenTRIP), and Municipal Sustainability Initiative are restricted to eligible capital projects as approved under the funding agreement. Unexpended funds related to the advances are supported by temporary investments (Note 2) of \$24,052 (2019 - \$34,733) held exclusively for these projects.

(B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Family and Community Support Services (used for not for profit organizations providing social services), Municipal Operating Support Transfer (used for operating losses or deficits incurred as a result of COVID-19 impacts on revenues and operations), Municipal Sustainability Initiative Capital Grant (used primarily for rehabilitation of road and storm sewer infrastructure and rehabilitation of various administrative buildings and public facilities), Municipal Sustainability Initiative Operating Grant (used primarily for sidewalk maintenance and bridge maintenance), Municipal Policing Assistance and Police Officer grant (used to support police services), Federal Gas Tax Grant (used primarily for bridge infrastructure upgrades and recreation infrastructure), Federal Small Communities Fund (used for flood protection) and GreenTRIP (used for Transit buses).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 10: SHORT-TERM DEBT

A combined Municipal Operating Loan Facility (Revolving) and Letter of Credit Facility are available to the City up to a maximum of \$50 million, by way of prime rate based loans and/or Letters of Credit (in Canadian dollars). This facility is secured by Bylaw No. 4230.

At December 31, 2020, there were Letters of Credit issued in the amount of \$46,960 (2019 – \$47,310) and a Municipal Operating Loan Facility of \$3,040 (2019 - \$2,690).

NOTE 11: LONG-TERM DEBT

(A)

	2020	2019
Tax Supported	\$ 36,928	\$ 38,791
Utilities Rate Supported		
- Electric	145,361	130,724
- Gas	15,659	16,657
- Water	91,118	86,118
- Sewer	85,532	79,710
- Solid Waste	1,474	1,727
Total Utilities	339,144	314,936
TOTAL DEBT	\$ 376,072	\$ 353,727
Comprised of:		
- Province of Alberta	\$ 376,072	\$ 353,727
TOTAL DEBT	\$ 376,072	\$ 353,727

(B) Expected future principal and interest payments are as follows:

	Principal	Interest
2021	27,696	11,528
2022	28,270	10,552
2023	26,558	9,561
2024	24,073	8,653
2025	21,590	7,872
2026-2050	247,885	53,492
TOTAL	\$ 376,072	\$ 101,658

The debentures have interest payable at rates ranging from 1.088 percent to 6.75 percent (2019 - 1.088 percent to 6.75 percent) per annum before Provincial Subsidy, and mature in periods 2021 through 2049 (2019 - 2020 through 2049). The average annual interest rate for 2020 is 3.81 (2019 – 3.95) percent. For qualifying debentures, the Province of Alberta rebates 60 percent of interest in excess of 8 percent, 9 percent, and 11 percent to a maximum annual rate of 12.5 percent depending on the date borrowed. Debenture debt is issued on the credit and security of the City of Medicine Hat.

Interest on long-term debt paid in 2020 was \$11,382 (2019 – \$10,963).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

(C) DEBT PER CAPITA
(not in thousands of dollars)

	2020	2019
Tax Supported Debentures	\$ 584	\$ 613
Rate Supported Debentures	5,361	4,978
TOTAL	\$ 5,945	\$ 5,591

Debt per capita is based on the official census of 63,260 for 2020 (63,260 for 2019) for the City of Medicine Hat.

(D) The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is calculated based upon 2.0 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the Actual Debt calculation are loans outstanding as well as Loan Guarantees and Letters of Credit issued.

	2020	2019
Debt Limit	\$ 705,032	\$ 778,402
Loan Guarantees (Note 11 E)	1,740	1,740
Letters of Credit Issued (Note 10)	46,960	47,310
Actual Total Debt	376,072	353,727
AMOUNT UNDER LIMIT	\$ 280,260	\$ 375,625
Debt Servicing Limit	\$ 123,381	\$ 136,220
Actual Debt Servicing (Long and Short-Term Debt)	37,518	36,862
AMOUNT UNDER LIMIT	\$ 85,863	\$ 99,358

(E) LOAN GUARANTEES

Section 266 of the *Municipal Government Act* allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed the following Bylaws guaranteeing loans to non-profit organizations to a maximum of \$1,740 (2019 - \$1,740).

Bylaw Number	Bylaw Passed by City Council	Guarantee	2020		
			Maximum Loan Amount	2020 Balance	2019 Balance
Bylaw 4187	September 3, 2013	Connaught Golf & Country Club	965	746	767
Bylaw 4138	November 6, 2012	Medicine Hat Golf & Country Club	675	504	518
Bylaw 4436	June 20, 2017	Medicine Hat Golf & Country Club	100	79	83
TOTAL			\$ 1,740	\$ 1,329	\$ 1,368

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years (2019 – 20 years). All loans are in good standing at December 31, 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 12: OTHER LONG-TERM LIABILITIES

(A)

	2020	2019
Offsite Contributions	\$ 17,256	\$ 13,140
Asset Retirement Obligation - Gas and Oil Properties	256,534	253,874
Contaminated Sites - Abandonment & Restoration	292	1,439
Sanitary Landfill - Site Abandonment and Restoration	5,663	4,891
Deferred Charges	1,602	1,890
Employee Retirement Benefits Liability (Note 19)	6,376	6,109
TOTAL	\$ 287,723	\$ 281,343

(B) At December 31, 2020, the estimated undiscounted cash flows required to settle the decommissioning obligations with respect to the Gas Utility were \$259,539 (2019 - \$316,303), calculated using an inflation rate of 1.67 (2019 - 1.65) percent per annum. The estimated fair value of this liability was \$256,534 (2019 - \$253,874) after discounting the estimated cash flows at a rate of 4.47 (2019 - 4.79) percent. At December 31, 2020, the expected timing of payment for settlement of the obligations ranges from 1 to 15 years (2019 - 1 to 60 years). The City has not designated assets for settling decommissioning obligations.

(C) At December 31, 2020 the estimated undiscounted cash flows required to settle the contaminated sites were \$295 (2019 - \$1,998), calculated using an inflation rate of 1.67 (2019 - 1.65) percent per annum. The estimated fair value of this liability was \$292 (2019 - \$1,439) after discounting the estimated cash flows at a rate of 1.44 (2019 - 1.76) percent. The amount of anticipated recoveries included in this estimate is \$0. The City has not designated assets for settling decommissioning obligations. The change in estimated cash flows required from 2019 to 2020, relates to the two sites where the City was required to develop a Remedial Action Plan (RAP) in 2020. This plan includes only monitoring and soil sampling in the first three years. In 2019, the estimated cash flows included excavation, soil disposal and delineation, for which costs are much higher.

The sources of the contamination for which the liability has been recorded include: one site where underground storage tanks have leaked and two sites where polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) exceeded the remediation guidelines. At December 31, 2020, the expected timing of payment for settlement of the obligations ranges from 1 to 10 years (2019 - 1 to 10 years).

Operational sites which are still being used productively (Water Treatment Plant, Power Plant, Airport, fuelling stations etc.) will be revaluated annually to determine if a decommissioning obligation is required. Factors which would require a decommissioning liability include, but are not limited to: a communicated plan to decommission, technological improvements, legislation changes and the ability to sell or rent the operations to a third party.

Additional sites where liabilities have not been recognized as estimated costs to clean up the site are not readily available or obtainable through analysis of historical or similar operations include: three snow dump sites; a site where hydrocarbon values exceed Alberta Tier 1 guideline; a site where the soil lead impacts exceed current guidelines; a former electric transformer repair building, where old tanks and barrels/drums could potentially contain polychlorinated biphenyl (PCBs); a compost facility near the Landfill and a former shooting range, where there is potential soil and groundwater contamination; a site added in 2019 where hydrocarbon and metals contamination exceeds guidelines. This site had been leased to a third party prior to 2019, it is now vacant and not being utilized for a productive purpose. There were no new sites added in 2020. It was recommended that the City of Medicine Hat monitor the site until more information is revealed about the extent of such costs.

(D) The accrued liability for closure and post closure costs of the City's Landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post closure care, prorated on the basis of the current air space utilized (in cubic meters), over the total estimated air space of the site. The net present value of the estimated closure and post closure costs was calculated using a rate of return equal to 2.41 (2019 - 2.71) percent assuming inflation of 1.67 (2019 - 1.65) percent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

(E) The following summarizes the total net present value for the estimated costs of Sanitary Landfill closure and post closure care:

	2020		2019	
Estimated Site Capacity m ³ (000's)	4,635		4,635	
Estimated Capacity used m ³ (000's)	2,985		2,920	
Estimated Capacity remaining m³ (000's)	1,650	35.6%	1,715	37.0%
Estimated Closure Costs	\$ 9,360		\$ 9,360	
Estimated Post Closure Costs	3,543		3,543	
Estimated Total Costs	12,903		12,903	
Portion of Total Liability remaining to be recognized	7,240		8,012	
ACCRUED LIABILITY PORTION	\$ 5,663	43.9%	\$ 4,891	37.9%

The total capacity of the site is estimated at 4,635,000 cubic meters. The estimated remaining capacity of the landfill site is 1,650,000 (2019 – 1,714,668) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2055 (35 years). The City has not designated assets for settling closure or post closure liabilities.

NOTE 13: LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of costs relating to the acquisition and development of land the City plans to subdivide and sell in future years. Land included in this category is still in the planning and development stage and is not expected to be sold in the short-term.

NOTE 14: TANGIBLE CAPITAL ASSETS

	2020 Net Book Value	2019 Net Book Value
Land	\$ 48,399	\$ 48,398
Land Improvements	78,732	79,272
Buildings	258,823	261,710
Engineering Structures	847,286	823,137
Gas and Oil Properties	27,089	70,364
Machinery, Equipment and Furnishings	69,382	70,089
Vehicles	27,237	28,299
TOTAL	\$ 1,356,948	\$ 1,381,269

The net book value of capital assets currently under construction and not being amortized increased by \$3,798 (2019 – increase by \$4,886). Contributed capital assets received and recognized in the year from developers for various infrastructure works and related land and parks, and recorded on the consolidated financial statements is \$243 (2019 - \$538). 2020 contributed capital assets relate primarily to leasehold improvements from the Medicine Hat Public Library and local golf courses.

In 2020, the City did not capitalize any interest. The City did recognize an impairment of \$17,187 (2019 - \$14,550), which primarily relates to the oil and gas assets as a result of the continually declining current and forward market commodity price for natural gas and oil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 15: ACCUMULATED SURPLUS

Accumulated surplus consist of unrestricted and restricted amounts and equity in tangible capital assets as follows:

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2020	Total 2019
Balance, beginning of year	\$ 68,951	\$ 170,826	\$ 1,027,542	\$ 1,267,319	\$ 1,252,216
Annual surplus (deficit)	(29,513)	-	-	(29,513)	15,103
Unrestricted funds designated for future use	(38,410)	38,410	-	-	-
Restricted funds used for operations	24,933	(24,933)	-	-	-
Funded tangible capital assets	(28,662)	-	28,662	-	-
Contributed tangible capital assets	(243)	-	243	-	-
Disposal of tangible capital assets	13,017	-	(13,017)	-	-
Impairment	9,281	-	(9,281)	-	-
Annual amortization expense	79,292	-	(79,292)	-	-
Long term debt repaid	(26,019)	-	26,019	-	-
BALANCE, END OF YEAR	\$ 72,627	\$ 184,303	\$ 980,876	\$ 1,237,806	\$ 1,267,319

1. Unrestricted Surplus

The unrestricted surplus represents accumulated surpluses from operations, which have not been designated by City Council for any specific use.

The General Fund Policy directs that special one-time grants and any surplus not required in order to maintain the unrestricted target balance of seven percent of prior year's budgeted gross expenses be designated a restricted amount. In 2020, \$603 was designated as restricted (2019 - \$1,932).

The Electric Operating Fund Policy directs that surplus in excess of seven percent of prior years budgeted gross expenses will be designated a restricted amount at the end of the current year. In 2020, the Electric Utility reported an excess surplus of \$5,469 (2019 - \$1,752), which was designated as a restricted amount.

With respect to the Gas Utility, policy directs that surplus be designated a restricted amount at the end of the current year. In 2020, the Gas Utility reported an excess surplus of \$13,317 (2019 - \$0) which was designated as a restricted amount.

UNRESTRICTED SURPLUS (DEFICIT)	2020	2019
General Government	\$ 11,350	\$ 12,633
Utilities Business Development & Support	323	323
Gas	7,848	8,109
Electric	7,100	6,044
Water	15,834	14,938
Sewer	(2,577)	(2,484)
Solid Waste	10,496	9,503
Invest Medicine Hat	22,253	19,885
TOTAL	\$ 72,627	\$ 68,951

2. Restricted Surplus

The total Restricted Surplus is the combination of the Capital and Reserves:

	2020	2019
Restricted Surplus - Capital	\$ 14,397	\$ 24,013
Restricted Surplus - Reserves	169,906	146,813
TOTAL	\$ 184,303	\$ 170,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

Restricted Surplus - Capital

This restricted surplus is specifically held for financial activities related to capital assets.

RESTRICTED SURPLUS (DEFICIT) - CAPITAL	2020	2019
General Government	\$ 8,506	\$ 8,092
Gas	1,778	3,870
Electric	5,659	8,507
Water	(77)	(630)
Sewer	(3,220)	1,303
Solid Waste	216	729
Invest Medicine Hat	1,535	2,142
TOTAL	\$ 14,397	\$ 24,013

Restricted Surplus - Reserves

These amounts are used to report on and manage monies that have a specific restriction regarding their intended uses.

RESTRICTED SURPLUS - RESERVES	Balance 2019	2020 Additions	2020 Reductions	Balance 2020
Employee Development	\$ 1,488	\$ 191	\$ -	\$ 1,679
Victim Assistance	20	-	-	20
Second Street Properties	84	-	-	84
Fleet Replacement	4,867	6,629	7,076	4,420
Art Acquisitions	140	24	7	157
Infrastructure	18,823	21,574	6,116	34,281
Employee Benefits	5,496	232	5,501	227
Community Capital	19,185	221	9,547	9,859
Tax Rate Stabilization	43,132	10,068	20,700	32,500
Heritage Savings	44,307	6,468	950	49,825
Insurance	-	6,000	-	6,000
Nature's Best	1,299	52	-	1,351
Electric Facility and Equipment	7,972	9,105	891	16,186
Gas Depletion	-	13,317	-	13,317
TOTAL	\$ 146,813	\$ 73,881	\$ 50,788	\$ 169,906

3. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2020	2019
Tangible capital assets (Schedule 1)	\$ 2,831,676	\$ 2,861,909
Accumulated amortization (Schedule 1)	(1,474,728)	(1,480,640)
Long-term debt (Note 11)	(376,072)	(353,727)
TOTAL	\$ 980,876	\$ 1,027,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 16: TRUST FUNDS

Funds held in trust are monies received and held on behalf of third parties. These monies are maintained, invested and accounted for in accordance with the terms of the trust arrangements. Trust investments are held in temporary investments in money market instruments such as term deposits, treasury bills, and commercial paper. Investments are recorded at the lower of original cost or market value. The cost of these investments at December 31, 2020 are \$1,759 (2019 - \$1,869). Trust investments and liabilities are not included in the City's financial statements.

A summary of Trust fund activities by the City of Medicine Hat are as follows:

	Balance 2019	Additions	Interest Earned	Funds Released	Balance 2020
Cemetery - Perpetual Care	\$ 1,869	\$ 201	\$ 19	\$ 330	\$ 1,759
TOTAL TRUST FUNDS	\$ 1,869	\$ 201	\$ 19	\$ 330	\$ 1,759

NOTE 17: SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer (CAO), and designated officers as required by provincial regulation 313/2000 is as follows:

	2020			2019		
	2020 Salary ¹	Benefits & Allowances ²	Total 2020	2019 Salary ¹	Benefits & Allowances ²	Total 2019
Mayor Ted Clugston	\$ 133	\$ 25	\$ 158	\$ 130	\$ 25	\$ 155
Councillor:						
Dumanowski, R	44	12	56	43	12	55
Friesen, J	44	13	57	43	11	54
Hirsch, D	43	9	52	43	10	53
Mcintosh, J	43	11	54	43	11	54
Samraj, K	44	10	54	43	10	53
Turnbull, P	43	9	52	43	11	54
Turner, J	43	9	52	43	6	49
Varga, B	43	9	52	43	14	57
Chief Administrative Officer (CAO)	374	32	406	338	33	371
Designated Officers (7)	1,362	215	1,577	1,333	217	1,550

¹ Salary includes regular base pay and vacation payouts.

² Benefits and Allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees (where applicable) including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, expense allowances, car allowances, per diem payments, gross honoraria, travel allowances and professional memberships and tuitions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 18: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves about 274,151 members in 2019 (2018 – 265,813) and 420 employers in 2019 (2018 - 421). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves about 7,506 members in 2019 (2018 – 7,375) and 7 employers (2018 – 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2020, the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 9.39 percent (2019 – 9.39 percent) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84 percent (2019 – 13.84 percent) for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 percent.

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2020 were \$11,114 (2019 - \$11,083). Total current service contributions by the employees for 2020 were \$10,135 (2019 - \$10,111).

At December 31, 2019 LAPP disclosed an actuarial surplus of \$7.9 billion (2018 - \$3.47 billion).

At December 31, 2019 SFPP disclosed an actuarial deficit of \$184.6 million (2018 – surplus \$191.2 million).

NOTE 19: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2020, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2020 with a projection for 2021. The valuation gave rise to an actuarial loss of \$2,002 (2019 – \$0) that will be amortized beginning 2021. Information about the plan is as follows:

	2020	2019
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 6,109	\$ 5,835
Current Service Cost	-	170
Interest Cost	422	234
Benefits Paid	(155)	(130)
BALANCE, END OF YEAR	\$ 6,376	\$ 6,109

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligation are as follows:

	2020	2019
Discount Rate	2.80%	4.00%
Rate of Compensation Increases	3.00%	3.00%
Expected Average Remaining Service Life	7.84 years	8.84 years

NOTE 20: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2020 was \$13,661 (Gas) and \$8,251 (Electric) (2019 - \$201 and \$9,318 respectively). Gas commitments include natural gas purchases required to meet demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 21: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2020 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 22 provides the approved capital budget for 2020.

	2020 Budget
Revenue	
Approved operating budgets	\$ 438,117
Adjustments	(78,109)
	360,008
Expense	
Approved operating expenses	511,502
Adjustments	(114,073)
	397,429
Other revenue	
Contributed capital assets	-
Government transfers for capital	44,232
	44,232
ANNUAL SURPLUS	\$ 6,811

NOTE 22: CAPITAL COMMITMENTS

(A) 2020 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Debt is the 2020 approved Capital Budget. The actual expenditures of \$77,269 (2019 - \$116,301) includes amounts carried forward from previous budget years, as well as costs related to the 2020 Budget and developer contributions of tangible capital assets. In 2020, actual expenditures are presented net of properties held for sale.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2020 a number of capital projects were in progress and will be completed in 2021 or subsequent years. The unexpended appropriation related to these projects is \$221,837 (2019 - \$194,882). Significant projects are:

- **Gas Utility**
Oil and Gas Facilities (\$899), Well Repair and Abandonments (\$1,200), Projects Operated by Third Parties (\$5,321) and Pipeline and Wells (\$3,291).
- **Electric Utility**
T5R Generator Step Up Transformer Replacement (\$1,500), Unit 17 (\$46,914), Blackstart Improvements (\$1,098), 13 kV Distribution Systems (\$967) and Distribution Substations (\$1,823).
- **Municipal Works**
Infrastructure Rehabilitation Program (\$1,847), Trail Rehabilitation & Pedestrian Cycling (\$1,236) Pedestrian Bridge Deck Repair/Replacement (\$1,200), Sidewalk Rehabilitation (\$1,001) and Flood Mitigation Projects (\$6,811).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

- Parks**
 Gas City Campground (\$1,266), South Saskatchewan River Recreation Opportunities Program (\$1,200), Pickleball Court (\$1,950), Athletic Ball Park (\$3,042), Pedestrian Bridge Deck (\$2,091) and Parks Infrastructure Rehabilitation Program (\$2,467).
- Corporate Asset Management**
 Family Leisure Centre Cogeneration (\$883), Airport Terminal, Fleet, Tennis Club, Parks – roof replacement (\$750), 533 1st Street SE (\$2,119), and 2019 and 2020 vehicle and equipment purchases (\$3,781).
- Water Utility**
 Water Main Replacements (\$5,277), Anthes Redwater Program (\$841), Waste Solids Handling Facility (\$26,500) and Solids Handling Facility (\$2,391).
- Sewer Utility**
 Sewer Main Asset Management Program (\$6,081), Brier Park Gravity Bypass (\$4,515), Lift Station Facility Upgrade (\$2,094), Anthes Redwater Program (\$837), and Brier Park Lift Station Upgrade (\$862).
- Invest Medicine Hat**
 Unspent budgets relating to subdivisions being developed for sale include: Ranchlands (\$14,866), Riverwalk (\$3,290), Airport (\$1,875), Town Square (\$1,979), Brier Run (\$9,439), Arena Servicing and Subdividing (\$1,346), and NW Industrial Park (\$13,783).

(C) CAPITAL IMPROVEMENT PLAN

The following is the City Council approved 2020 Capital Improvement Plans with projections for 2021 – 2026 for the Gas Utility, the Electric Utility, the Environmental Utilities, General Government and Invest Medicine Hat:

2020	\$ 185,308
2021 Projection	56,873
2022 - 2026 Projection	514,101
TOTAL	\$ 756,282

Financing sources identified:

	2020	2021
Government Grants	\$ 52,796	\$ 8,300
Current Revenues	9,428	16,681
Debentures		
Tax Supported	3,943	1,775
Utilities Rate Supported	97,802	14,080
Reserves	20,774	15,487
Direct Charges and Other	565	550
TOTAL	\$ 185,308	\$ 56,873

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 23: CONTINGENT ASSETS AND LIABILITIES

(A) Contingent Assets

Contingent assets are disclosed, when a future event is likely to confirm the existence of the asset. These possible assets arise from conditions existing as at the financial statement date or situations involving current uncertainty.

The City has not disclosed an asset for certain future events as the dates of reimbursement and the extent of the settlements cannot be reasonably determined at this time.

(B) Contingent Liabilities

Various claims have been made against the City as at December 31, 2020. If proven, it is possible that these claims may have a material adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

The City has not recognized a liability for certain legal obligations, primarily environmental and other liabilities related to facilities, equipment and land. The liabilities are not recognized as the dates of the remediation and estimated costs are unknown and as such the fair value of these liabilities cannot be reasonably determined.

Contaminated sites are not accrued as liabilities in the Consolidated Statement of Financial Position if there is uncertainty about one or more of the following: the contamination exceeding a standard, expected future costs, or the party responsible for the contamination. Continued efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites or changes in the assessments of existing sites. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

Southridge Recreation and Wellness Centre:

In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the value of all its initial contribution at construction of \$1,800, together with an additional contribution at opening of \$24. However if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1,200 contributed by the YMCA through a 2016 Budget Amendment approved by Council, for the renovation and expansion of the weight and cardio room at the complex. In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the unamortized amount (according to the agreement) in that calendar year.

The above contingent liabilities for The Southridge Recreation and Wellness Centre are not accrued as liabilities in the Consolidated Statement of Financial Position as there is uncertainty of whether the agreement will terminate prior to 2044.

NOTE 24: CONTRACTUAL RIGHTS

The City has entered into the following agreements:

- a) Property development agreements, which require the developers to contribute various infrastructure assets to the City. The timing and extent of these future contributions will vary depending on development activity and fair value of the assets received at time of contribution and therefore cannot be reasonably determined at this time.
- b) Utility agreements to sell natural gas, crude oil, and electricity production to third parties. The timing and extent of future revenues will vary due to uncertain commodity market prices and volumes and therefore cannot be reasonably determined at this time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 25: FINANCIAL INSTRUMENTS

The City, as part of its operations, carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or stabilizing revenues, maintaining reliable supplies for operations/sales, and mitigating the financial risk exposure to the City.

NOTE 26: SUBSEQUENT EVENTS

Organizational restructuring

Effective January 1, 2021, Council authorized administration to carry out a restructuring and reorganization strategy. At this time, there is no detailed plan in place to accurately measure the timing and quantify the outflow of economic benefits. Any known and certain restructuring obligations have been recognized as a provision in accrued liabilities.

Disposition of natural gas assets

Subsequent to December 31, 2020, the City of Medicine Hat sold natural gas and related assets and retirement obligations to a third party with an effective date of the sale being October 1, 2020. These net assets are classified as property held for sale at December 31, 2020. The sale closed February 1, 2021.

Business Improvement Area (BIA) tax and Loan Receivables

City Council approved the adoption of the City Centre Development Agency (CCDA) 2021 budget on February 1, 2021.

On February 16, 2021, the City of Medicine Hat received a petition to disestablish the City Centre Development Agency (CCDA). Pursuant to AR 93/2016 s.25 (1), Council directed City administration to draft a bylaw to disestablish the CCDA to allow for a vote of the taxpayers of the Business Improvement Area (BIA).

If the vote to disestablish the CCDA were successful, the City would no longer be required to collect the Business Improvement Area Tax (2020 – \$121).

NOTE 27: COVID-19 IMPACT AND CONTINGENCY

The World Health Organization declared a global pandemic for COVID-19 on March 11, 2020. Consequently, on March 17, 2020, the Government of Alberta declared a state of public health emergency over the COVID-19 pandemic and enacted measures for its citizens and businesses to follow, intended to minimize the impact of the disease.

The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the operating results and financial position of the City of Medicine Hat in the future. The City of Medicine Hat did not experience any significant financial implications in relation to the COVID-19 pandemic.

COVID-19 relief was provided to the City of Medicine Hat in the form of the Municipal Operating Support Transfer ("MOST") grant in the amount of \$6,950 received from the Province of Alberta. At December 31, 2020, the City of Medicine Hat was eligible for capital grant funding of up to \$7,520 from the Province of Alberta's Municipal Stimulus Program and \$10,945 from the Government of Canada's Investing In Canada Infrastructure Program COVID-19 Resilience Stream.

There are also other factors which may present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect of these items is not practicable at this time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

NOTE 28: SEGMENT DISCLOSURES

Segment disclosures (Schedule 4) are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
 - General Government is comprised of Corporate Administration, Mayoral and Aldermanic services, City Clerk and Legal.
 - Corporate Services is comprised of Finance, Information and Computer Services, Corporate Asset Management (Building Services and Fleet Services), Health Safety & Environment, and Human Resources.
 - Development & Infrastructure is comprised of Planning, Building and Development, and Municipal Works (municipal operations and airport).
 - Public Services is comprised of Fire Services, Community Development (social development, senior services, transit, cultural development, and 9-1-1 communications), and Parks & Recreation (facilities maintenance and management, arboriculture, horticulture, campground and cemetery, and indoor recreation and leisure).
 - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) Utility Business and Development Support provides corporate and community focus on energy conservation and renewable energy education, incentives and leadership through a variety of utility related initiatives.
- e) Water Utility treats and distributes potable water to City of Medicine Hat water customers. The Water department ensures all treated water meets the rigid safety, quality, monitoring, recording and reporting parameters of Federal, Provincial, water industry and local standards. The Water Utility is operated on a self-sustaining basis.
- f) Sewer Utility collects and treats sanitary wastewater from City of Medicine Hat sewer customers. The Sewer department ensures all treated wastewater meets the rigid safety, environmental, monitoring, recording and reporting parameters of Federal, Provincial, wastewater industry and local standards. The Sewer Utility is operated on a self-sustaining basis.
- g) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The Solid Waste Utility is operated on a self-sustaining basis.
- h) Invest Medicine Hat is comprised of land development, municipal use property activities, corporate communications and marketing. Land development includes the City's role as a land developer in the areas of acquisition, development and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The Land department is operated on a self-sustaining basis, Economic Development and Corporate Communications are supported by property taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

The segmented reports display revenue and expenses sorted by accounts. The City's object codes are defined as follows:

A) REVENUE

- **Municipal taxes** include all annual municipal property taxes and excludes all special assessments and requisitions.
- **Sale of services** includes all third party revenues generated through the normal course of business, including revenues generated by, but not limited to facility usage, parking, natural gas, electric, water, sewer and solid waste revenues and sale of land.
- **Investment income** includes all investment revenue earned on account of short-term and long-term deposits and investments.
- **Licenses, fines and penalties** includes all revenue received for business licenses, development permits, photo radar tickets, speeding tickets and penalties charged on overdue accounts.
- **Insurance recovery** includes monies received on account of City insurance claims.
- **Development levies** are charges to developers to help cover the cost of city services provided to their development.
- **Government transfers for operating** include provincial and/or federal transfers provided to the City to fund operating activities.
- **Other** includes any minor sources of revenue not appropriately categorized above.
- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Transfers from Utilities and Land** include contributions from Utilities and Land to tax supported operations.

B) EXPENSES

- **Salaries wages and benefits** include all salaries, wages (including overtime, statutory holidays, shift differential, relief time), employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, supplies and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.
- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short-term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long-term debt** includes interest charge on the principal portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.
- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time, and must eventually be replaced. Depreciation shows the cost of the "use of the asset" each year over the life of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

(in thousands of dollars)

- **Impairments** are the expenses recorded to reduce the value of assets, when the assets are worth less on the market than the value listed on the company's balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value, then the asset is considered impaired and must be written down to its fair value.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Gain on disposal of long lived assets** reflects the reduction in the decommissioning liabilities associated with the disposal of the Gas properties.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.

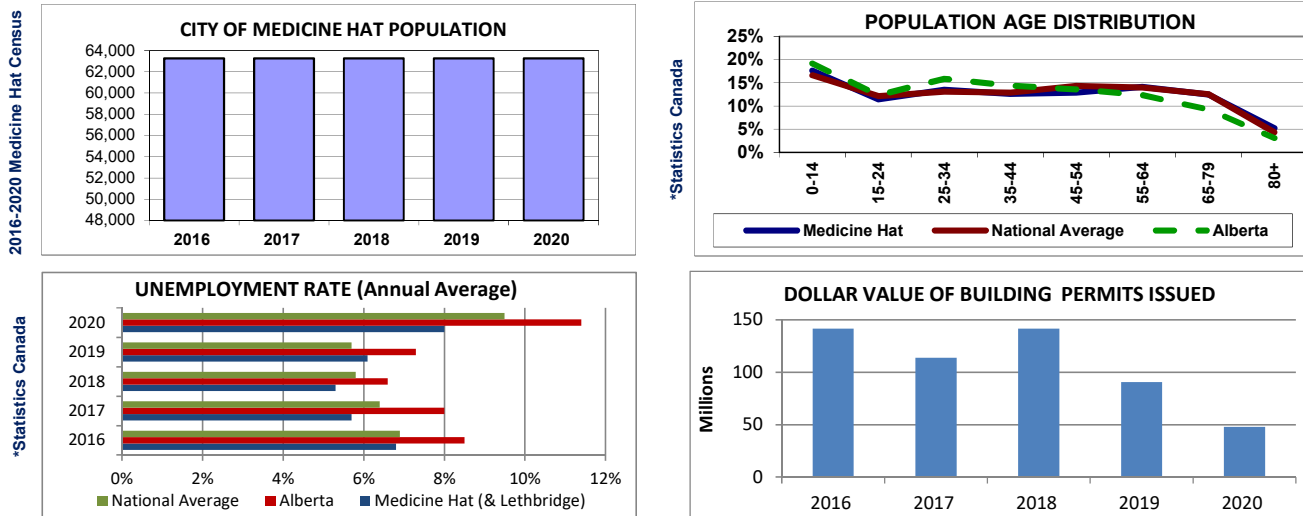
NOTE 29: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

DEMOGRAPHICS & OTHER INFORMATION



OTHER

	2016	2017	2018	2019	2020
Area, square kilometers	112	112	112	112	112
Km of wastewater mains	402	404	404	407	409
Km of water mains	429	429	429	433	435
Km of storm drainage mains	252	255	275	259	263

LARGEST CORPORATE TAX PAYERS IN MEDICINE HAT

Medicine Hat Mall Inc	Medicine Hat Hwy 1 Properties Inc
2105657 Alberta Ltd	Wal-Mart Canada Corp
Boulevard Real Estate Equities Ltd	Canadian Tire Properties Inc
South Country Co-op Limited	Bayfield Southview Centre Inc
The Meadowlands Development Corporation	Royop (Southlands) Development Ltd

LARGEST EMPLOYERS IN MEDICINE HAT

Public	Private
Medicine Hat Regional Hospital	South Country Co-op (all locations)
City of Medicine Hat	The Real Canadian Superstore
Medicine Hat School District	Canadian Pacific Railway
Medicine Hat College	Wal-Mart
Province of Alberta	Goodyear

CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2016 - 2020

	2016	2017	2018	2019	2020
General Government ¹	43	43	41	37	36
Corporate Services ²	173	172	178	191	201
Public Services	274	275	275	275	275
Police	150	150	151	150	150
Development & Infrastructure	89	89	89	83	83
Total Tax Supported Permanent Positions	729	729	734	736	745
Gas Utility ³	134	-	-	-	-
Electric Utility ⁴	107	-	-	-	-
Utility Distribution Systems ⁵	-	93	89	92	92
Natural Gas and Petroleum Resources	-	97	97	82	69
Electric Generation	-	46	45	45	45
Utility Business Development & Support	-	11	15	20	20
Environmental Utilities	105	107	106	106	107
Invest Medicine Hat	6	6	6	6	9
Total Utility Permanent Positions	352	360	358	351	342
Total Permanent Positions	1,081	1,089	1,092	1,087	1,087

2016 - 2020 information has been represented to reflect the change as a result of an organizational restructuring

Note 1: 2016 - 2018 included Health, Safety, Environment & Emergency Management

Note 2: 2019 - 2020 includes Health, Safety, Environment & Emergency Management

Note 3: 2016 included Gas Distribution and Natural Gas and Petroleum Resources

Note 4: 2016 included Electric Distribution, Electric Generation, and Utility Business Development and Support

Note 5: 2017 - 2020 includes Gas Distribution and Electric Distribution

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2016 - 2020

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2020	2019	2018	2017	2016
Financial assets					
Cash and temporary investments	\$ 86,874	\$ 71,119	\$ 56,375	\$ 42,654	\$ 45,399
Accounts receivable (net of allowances)	47,407	42,716	45,955	50,888	40,855
Investments, loans & advances	390,731	405,053	359,996	393,694	432,774
Land and other assets held for resale	35,237	4,679	5,542	6,362	6,625
Inventories for resale	114	63	84	61	75
Deposits	3,094	3,258	784	597	689
Total financial assets	\$ 563,457	\$ 526,888	\$ 468,736	\$ 494,256	\$ 526,417
Liabilities					
Trade accounts payable	\$ 26,084	\$ 29,820	\$ 27,705	\$ 32,574	\$ 27,748
Accrued liabilities	34,226	20,467	18,377	16,134	17,791
Deferred revenue	38,642	52,966	44,316	38,169	41,915
Long-term debt	376,072	353,727	317,562	321,307	301,881
Other long-term liabilities	287,723	281,343	262,364	241,778	279,245
Total liabilities	762,747	738,323	670,324	649,962	668,580
Net financial (debt) assets	(199,290)	(211,435)	(201,588)	(155,706)	(142,163)
Non-financial assets					
Inventories for consumption	15,191	15,678	13,796	12,686	11,749
Prepaid assets	2,148	2,131	1,960	2,245	2,689
Land held for future development	19,969	18,924	16,714	15,536	15,359
Long lived assets	42,840	60,752	61,367	72,124	103,325
Tangible capital assets	1,356,948	1,381,269	1,359,967	1,321,773	1,285,951
Total non-financial assets	1,437,096	1,478,754	1,453,804	1,424,364	1,419,073
Accumulated Surplus	\$ 1,237,806	\$ 1,267,319	\$ 1,252,216	\$ 1,268,658	\$ 1,276,910

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2016 - 2020

(In thousands of dollars)

STATEMENT OF OPERATIONS

	2020	2019	2018	2017	2016
REVENUE FROM:					
Taxes	\$ 98,560	\$ 96,178	\$ 93,261	\$ 89,664	\$ 86,109
Less - requisitions	-25,427	-24,429	-23,888	-23,808	-22,985
	<u>73,133</u>	<u>71,749</u>	<u>69,373</u>	<u>65,856</u>	<u>63,124</u>
Sale of services					
General Government	7,579	10,901	10,485	11,459	10,800
Gas	37,235	53,784	55,053	60,902	87,565
Electric	127,710	139,725	116,702	67,673	59,630
Water	21,467	22,098	21,630	21,246	18,227
Sewer	18,870	19,000	17,367	16,029	15,189
Solid Waste	9,584	9,252	9,584	9,348	8,757
Invest Medicine Hat	5,548	4,204	6,986	8,600	3,321
Other income					
Investment income	13,963	25,096	5,093	8,103	9,469
Licenses, fines and penalties	4,909	6,404	6,723	6,560	6,703
Insurance recovery (clawback)	813	300	1,788	245	234
Development levies	6,977	4,804	3,089	1,609	2,162
Government transfers for operating	12,607	6,098	6,154	5,717	5,759
Other	12,121	15,786	7,047	13,454	13,268
Total revenue	<u>\$ 352,516</u>	<u>\$ 389,201</u>	<u>\$ 337,074</u>	<u>\$ 296,801</u>	<u>\$ 304,208</u>
EXPENSES:					
General Government	\$ 160,368	\$ 162,422	\$ 156,254	\$ 155,783	\$ 149,834
Gas	115,792	122,161	126,883	103,229	123,972
Electric	79,741	68,660	60,945	49,976	48,928
Water	15,504	15,072	14,097	13,736	12,164
Sewer	14,372	13,730	13,585	13,007	12,152
Solid Waste	7,384	6,520	5,953	5,745	5,821
Utilities Business Development & Support	3,796	2,845	2,032	1,583	968
Invest Medicine Hat	4,785	3,546	3,367	3,178	3,061
Total expenses	<u>\$ 401,742</u>	<u>\$ 394,956</u>	<u>\$ 383,116</u>	<u>\$ 346,237</u>	<u>\$ 356,900</u>
(Deficiency) Excess of revenue over expenses					
- before other revenue	\$ (49,226)	\$ (5,755)	\$ (46,042)	\$ (49,436)	\$ (52,692)
Other					
Contributed tangible capital assets	243	538	105	690	2,456
Government transfers for capital	19,470	20,320	29,495	40,494	20,482
Total other	<u>19,713</u>	<u>20,858</u>	<u>29,600</u>	<u>41,184</u>	<u>22,938</u>
Annual (deficit) surplus	<u>\$ (29,513)</u>	<u>\$ 15,103</u>	<u>\$ (16,442)</u>	<u>\$ (8,252)</u>	<u>\$ (29,754)</u>

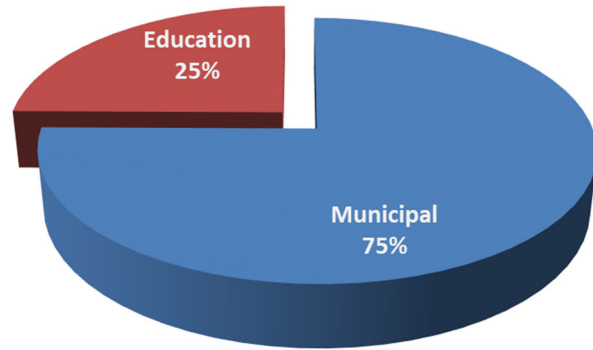
Trends:

Lower revenues and expenses from 2016 and 2017 are mainly due to continued pressure on commodity prices in Gas & Electric and the divestiture of a portion of gas producing assets in 2017. In 2018 and 2019, revenues increased mainly due to higher Electric revenues as a result of higher commodity prices and an increase in investment revenue in 2019. Regulations in response to the COVID-19 pandemic had a negative impact on revenues in 2020. Revenues decreased from 2019 primarily due to low commodity prices and sales volumes in Gas & Electric. Facility closures and reduced municipal services in 2020 resulted in lower revenues and expenses in General Government.

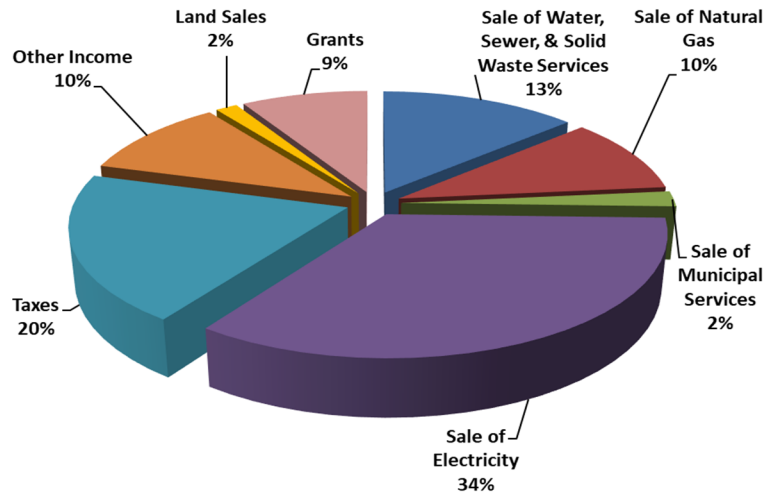
FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

Financial Synopsis: 2020 Operating Activities

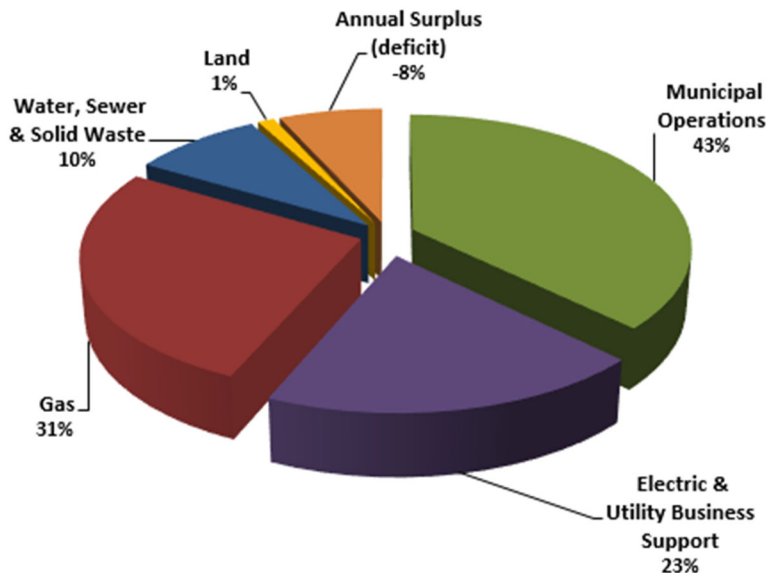
Where our tax dollars went in 2020
Education / Municipal
Property Tax



Where the money comes
from \$372 Million



Where the money goes
\$372 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

TAXATION & ASSESSMENT

MILL RATES

	2020	2019	2018	2017	2016
MUNICIPAL					
Single family	7.1152	6.7302	6.6563	6.4139	6.1569
Apartments	8.8781	8.7125	8.4588	7.9800	7.4770
Farmland	34.5368	33.2291	32.2613	30.6477	28.8641
Commercial and industrial	15.7102	15.1159	15.3104	15.0271	14.4213
EDUCATION					
Single family	2.4622	2.5883	2.5249	2.4789	2.3924
Apartments	2.4622	2.5883	2.5249	2.4789	2.3924
Farmland	2.4622	2.5883	2.5249	2.4789	2.3924
Commercial and industrial	3.4922	3.5949	3.4146	3.8474	3.7349
OTHER					
Single family	0.1035	1.040	0.1038	0.0999	0.0975
Apartments	0.1035	1.040	0.1038	0.0999	0.0975
Farmland	0.1035	1.040	0.1038	0.0999	0.0975
Commercial and industrial	0.1035	1.040	0.1038	0.0999	0.0975

PROPERTY TAXES LEVIED (In thousands of dollars)

PROPERTY TAX LEVY	2020	2019	2018	2017	2016
Municipal	\$ 72,126	\$ 70,320	\$ 67,954	\$ 64,447	\$ 61,649
Education	24,474	23,474	22,974	22,948	22,158
Other	953	955	914	860	827
TOTAL REAL PROPERTY	\$ 97,553	\$ 94,749	\$ 91,842	\$ 88,255	\$ 84,634
Current taxes collected	89,429	90,828	88,937	86,003	83,139
% of current taxes collected	91.21%	94.79%	95.72%	96.30%	96.95%
OTHER MAJOR TAXES LEVIED					
Linear property taxes	\$ 497	\$ 1,074	\$ 1,074	\$ 1,057	\$ 1,124
Local improvements	510	355	344	352	348
TOTAL MAJOR TAX LEVIED	\$ 1,007	\$ 1,429	\$ 1,418	\$ 1,409	\$ 1,472

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2020	2019	2018	2017	2016
Residential	\$ 6,709,679,101	\$ 6,748,338,079	\$ 6,623,705,015	\$ 6,589,676,450	\$ 6,528,357,231
Multi-family	304,505,120	285,797,772	283,264,172	282,360,100	269,857,171
Farmland	1,243,600	1,232,900	2,079,900	2,582,900	5,900,334
Commercial and industrial	2,022,067,648	1,957,893,244	1,802,923,977	1,735,553,696	1,773,582,591
TOTAL TAXABLE ASSESSMENT	\$ 9,037,495,469	\$ 8,993,261,995	\$ 8,711,973,064	\$ 8,610,173,146	\$ 8,577,697,327

FINANCIAL & STATISTICAL SCHEDULES *(Unaudited)*

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2020	2019	2018	2017	2016
General	\$ 11,350	\$ 12,633	\$ 12,667	\$ 11,688	\$ 11,298
Utilities Business Development & Support	323	323	288	122	(24)
Gas	7,848	8,109	10,499	9,092	7,643
Electric	7,100	6,044	5,507	5,726	5,480
Water	15,834	14,938	8,995	5,242	2,576
Sewer	(2,577)	(2,484)	(1,555)	(877)	369
Solid Waste	10,496	9,503	7,706	5,834	5,810
Economic Development & Land	22,253	19,885	18,912	18,148	12,444
TOTAL UNRESTRICTED SURPLUS	72,627	68,951	63,019	54,975	45,596
RESTRICTED SURPLUS - RESERVES					
Employee development	1,679	1,488	1,743	1,763	1,644
Victim assistance	20	20	20	19	17
Second street properties	84	84	84	84	84
Fleet replacement	4,420	4,867	8,950	10,326	1,840
Art acquisitions	157	140	139	109	99
Infrastructure	34,281	18,823	15,892	16,309	21,372
Employee benefits	227	5,496	5,921	5,695	6,440
Community capital	9,859	19,185	21,433	23,622	26,346
Tax Rate Stabilization Reserve	32,500	43,132	22,137	19,059	-
Heritage Savings	49,825	44,307	22,217	3,259	-
Insurance	6,000	-	-	-	-
Natures Best Reserve	1,351	1,299	1,080	866	870
Electric facilities and equipment	16,186	7,972	32,960	29,197	68,935
Gas depletion	13,317	-	11,258	59,563	61,631
TOTAL RESTRICTED SURPLUS - RESERVES	169,906	146,813	143,834	169,871	189,278
TOTAL RESERVES & SURPLUS	\$ 242,533	\$ 215,764	\$ 206,853	\$ 224,846	\$ 234,874

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

LONG TERM DEBT

	2020	2019	2018	2017	2016
LONG TERM DEBT					
Debt supported by taxes	\$ 36,928	\$ 38,791	\$ 41,817	\$ 46,484	\$ 36,662
Debt supported by utilities	339,144	314,936	275,745	274,823	265,219
TOTAL TAX SUPPORTED AND UTILITIES DEBT	\$ 376,072	\$ 353,727	\$ 317,562	\$ 321,307	\$ 301,881

DEBT PER CAPITA (not in thousands of dollars)

	2020	2019	2018	2017	2016
Tax supported	\$ 584	\$ 613	\$ 661	\$ 738	\$ 582
Utility supported	5,361	4,978	4,359	4,362	4,209
TOTAL DEBT PER CAPITA	\$ 5,945	\$ 5,591	\$ 5,020	\$ 5,100	\$ 4,791

LONG & SHORT-TERM DEBT CHARGES AS A % OF TOTAL EXPENSES

	2020	2019	2018	2017	2016
Actual debt servicing (long and short term)	\$ 38,378	\$ 36,862	\$ 36,410	\$ 36,190	\$ 33,211
Total operating expenses	401,742	394,956	383,116	346,237	356,900
PERCENTAGE	9.55%	9.33%	9.50%	10.45%	9.31%

LEGAL DEBT LIMIT

	2020	2019	2018	2017	2016
Debt limit	\$ 705,032	\$ 778,402	\$ 674,148	\$ 593,602	\$ 608,416
Total debt	376,072	353,727	317,562	321,307	301,881
Loan guarantees	1,740	1,740	2,240	2,240	2,140
Letters of credit issued	46,960	47,310	40,413	17,523	38,816
AMOUNT UNDER LIMIT	\$ 280,260	\$ 375,625	\$ 313,933	\$ 252,532	\$ 265,579
Percentage used	60.25%	51.74%	53.43%	57.46%	56.35%

DEBT SERVICING LIMIT

	2020	2019	2018	2017	2016
Debt servicing limit	\$ 123,381	\$ 136,220	\$ 117,976	\$ 103,880	\$ 106,473
Actual debt servicing (short and long term)	37,518	36,892	36,410	36,190	33,211
AMOUNT UNDER LIMIT	\$ 85,863	\$ 99,328	\$ 81,566	\$ 67,690	\$ 73,262
Percentage used	30.41%	27.08%	30.86%	34.84%	31.19%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
Salaries, wages and benefits	\$ 141,890	\$ 131,885	\$ 134,236	\$ 129,327	\$ 129,487	\$ 129,360
Contracted and general services	51,696	47,096	48,291	51,152	46,097	51,262
Materials, goods and utilities	35,958	26,982	29,729	27,698	29,336	42,337
Provisions for allowances	298	1,124	998	376	333	289
Bank charges and short-term interest	295	386	334	343	130	1,684
Interest on long-term debt	13,068	11,382	10,963	11,072	10,547	9,970
Grants and other transfers	3,674	5,429	3,817	3,570	3,941	3,940
Other operating expenses	67,662	69,679	72,117	60,868	55,889	40,639
Amortization of tangible capital assets	82,888	79,292	79,325	72,931	68,435	63,035
Impairments	-	17,187	14,550	25,033	28,416	13,610
Loss (gain) on disposal of tangible capital assets	-	11,389	1,227	746	16,852	774
Gain on disposal of long lived liabilities	-	(89)	(631)	-	(43,226)	-
TOTAL EXPENSES	\$ 397,429	\$ 401,742	\$ 394,956	\$ 383,116	\$ 346,237	\$ 356,900

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DIVISION

GENERAL FUND

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
General Government	\$ 104,618	\$ 122,455	\$ 162,705	\$ 134,350	\$ 127,425	\$ 78,453
Corporate Services	15,177	14,668	15,803	17,194	14,909	9,426
Development & Infrastructure	4,320	3,326	5,375	6,469	7,379	7,694
Public Services	13,810	9,604	13,570	13,326	13,108	12,467
Police Services	3,597	4,353	3,833	3,624	3,646	7,342
TOTAL REVENUE	141,522	154,406	201,286	174,963	166,467	115,382
EXPENSES						
General Government	10,262	9,472	12,506	12,929	6,746	3,393
Corporate Services	59,183	50,768	49,434	47,387	45,376	39,708
Development & Infrastructure	30,389	29,701	29,296	28,966	31,111	28,928
Public Services	59,123	54,818	58,279	57,084	56,685	54,641
Police Services	23,370	23,187	23,398	22,666	22,043	22,932
TOTAL EXPENSES	182,327	167,946	172,913	169,032	161,961	149,602
Excess (deficiency) of revenue over expenses	\$ (40,805)	\$ (13,540)	\$ 28,373	\$ 5,931	\$ 4,506	\$ (34,220)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

GENERAL GOVERNMENT

CAO & Commissioners, City Solicitor & City Clerk; Corporate Communications; General Municipal Revenues; Mayor & Councillors

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
CAO & Commissioners	\$ 6,372	\$ 6,307	\$ 6,153	\$ 4,358	\$ 4,293	\$ 744
City Solicitor & City Clerk	333	331	331	301	285	553
Corporate Communications	-	-	365	360	353	349
General Municipal Revenues	97,913	115,817	155,856	129,331	122,494	76,807
TOTAL REVENUE	104,618	122,455	162,705	134,350	127,425	78,453
EXPENSES						
CAO & Commissioners	3,859	3,164	3,818	1,823	1,682	(1,591)
City Solicitor & City Clerk	1,619	1,540	1,421	1,544	1,646	1,590
Corporate Communications	-	-	543	561	566	566
General Municipal Revenues	4,005	4,014	5,983	8,325	2,209	2,198
Mayor and Councillors	779	754	741	676	643	630
TOTAL EXPENSES	10,262	9,472	12,506	12,929	6,746	3,393
Excess (deficiency) of revenue over expenses	\$ 94,356	\$ 112,983	\$ 150,199	\$ 121,421	\$ 120,679	\$ 75,060

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CAO & COMMISSIONERS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Other income						
Internal recovery	\$ 6,372	\$ 6,307	\$ 6,153	\$ 4,358	\$ 4,293	\$ 743
Other revenue	-	-	-	-	-	1
TOTAL REVENUE	6,372	6,307	6,153	4,358	4,293	744
EXPENSES						
Salaries, wages and benefits	2,010	2,212	2,117	1,958	1,909	2,045
Contracted and general services	152	592	147	64	70	50
Materials and supplies	45	19	23	19	18	31
Other operating expenses	1,310	-	-	-	-	-
Internal charges	342	341	1,531	(218)	(315)	(3,717)
TOTAL EXPENSES	3,859	3,164	3,818	1,823	1,682	(1,591)
Excess (deficiency) of revenue over expenses	\$ 2,513	\$ 3,143	\$ 2,335	\$ 2,535	\$ 2,611	\$ 2,335

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CITY SOLICITOR & CITY CLERK

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Other income						
Internal recovery	\$ 328	\$ 328	\$ 314	\$ 291	\$ 271	\$ 548
Other revenue	5	3	6	10	10	5
Government transfers						
Government transfers for operating	-	-	11	-	4	-
TOTAL REVENUE	333	331	331	301	285	553
EXPENSES						
Salaries, wages and benefits	1,409	1,366	1,255	1,282	1,262	1,308
Contracted and general services	147	103	109	163	288	213
Materials and supplies	45	53	35	34	44	38
Amortization	18	18	18	18	10	21
Internal charges	-	-	4	47	42	10
TOTAL EXPENSES	1,619	1,540	1,421	1,544	1,646	1,590
Excess (deficiency) of revenue over expenses	\$ (1,286)	\$ (1,209)	\$ (1,090)	\$ (1,243)	\$ (1,361)	\$ (1,037)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE COMMUNICATIONS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Other income						
Internal recovery	\$ -	\$ -	\$ 365	\$ 360	\$ 352	\$ 348
Other revenue	-	-	-	-	1	1
TOTAL REVENUE	-	-	365	360	353	349
EXPENSES						
Salaries, wages and benefits	-	-	481	490	489	496
Contracted and general services	-	-	56	66	62	79
Materials and supplies	-	-	5	3	11	7
Internal charges	-	-	1	2	4	(16)
TOTAL EXPENSES	-	-	543	561	566	566
Excess (deficiency) of revenue over expenses	\$ -	\$ -	\$ (178)	\$ (201)	\$ (213)	\$ (217)

Information for 2020 is now included under Invest Medicine Hat

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GENERAL MUNICIPAL REVENUES

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Net taxes	\$ 78,254	76,934	75,896	\$ 73,434	\$ 69,269	\$ 66,518
Sale of services	2,338	2,032	1,090	-	-	105
Other income						
Investment income	3,766	6,805	3,514	2,793	3,175	2,657
Licences, fines and penalties	3,017	3,023	4,004	3,569	4,023	533
Internal recovery	(71)	555	59	57	381	357
Other revenue	5,088	5,039	1	1,128	240	404
Contributions from utilities	5,521	13,870	70,271	47,302	44,252	4,809
Government transfers						
Government transfers for operating	-	7,559	1,021	1,048	1,154	1,424
TOTAL REVENUE	97,913	115,817	155,856	129,331	122,494	76,807
EXPENSES						
Salaries, wages and benefits	-	-	-	-	-	143
Contracted and general services	1,250	-	-	-	214	197
Materials and supplies	600	1,488	2,471	991	696	410
Provision for allowances	-	648	679	2	2	-
Other expenses	300	-	(2)	22	-	2
Bank charges and short term interest	-	-	21	-	-	-
Internal charges	1,855	1,878	2,814	7,310	1,297	1,446
TOTAL EXPENSES	4,005	4,014	5,983	8,325	2,209	2,198
Excess (deficiency) of revenue over expenses	\$ 93,908	\$ 111,803	\$ 149,873	\$ 121,006	\$ 120,285	\$ 74,609

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MAYOR & COUNCILLORS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Other Income						
Internal recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	729	739	717	628	591	587
Contracted and general services	48	12	22	36	44	39
Materials and supplies	2	3	2	7	4	8
Internal charges	-	-	-	5	4	(4)
TOTAL EXPENSES	779	754	741	676	643	630
Excess (deficiency) of revenue over expenses	\$ (779)	\$ (754)	\$ (741)	\$ (676)	\$ (643)	\$ (630)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

CORPORATE SERVICES

Health, Safety & Environment; Finance; Information & Computer Services; Corporate Asset Management; Human Resources

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Health, Safety & Environment	\$ 60	\$ 78	\$ 1,311	\$ 1,140	\$ 1,106	\$ 1,099
Finance	4,989	4,654	4,659	5,017	5,160	2,790
Information & Computer Services	2,053	2,065	1,968	2,862	3,108	1,598
Corporate Asset Management	7,551	7,512	7,379	7,628	5,039	3,441
Human Resources	524	359	486	547	496	498
TOTAL REVENUE	15,177	14,668	15,803	17,194	14,909	9,426
EXPENSES						
Health, Safety & Environment	2,467	2,349	2,249	1,977	1,779	1,883
Finance	17,063	12,838	11,253	11,467	12,249	10,783
Information & Computer Services	7,626	6,892	6,732	6,740	7,758	6,487
Corporate Asset Management	27,866	25,310	25,952	23,227	20,432	17,437
Human Resources	4,161	3,379	3,248	3,976	3,158	3,118
TOTAL EXPENSES	59,183	50,768	49,434	47,387	45,376	39,708
Excess (deficiency) of revenue over expenses	\$ (44,006)	\$ (36,100)	\$ (33,631)	\$ (30,193)	\$ (30,467)	\$ (30,282)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HEALTH, SAFETY & ENVIRONMENT

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 31	\$ 32	\$ 32	\$ 31	\$ 31	\$ 31
Other Income						
Internal recovery	27	26	1,223	1,094	1,072	1,048
Insurance recovery	-	1	-	-	-	-
Other revenue	-	-	7	-	1	1
Government transfers						
Government transfers for operating	2	19	49	15	2	19
TOTAL REVENUE	60	78	1,311	1,140	1,106	1,099
EXPENSES						
Salaries, wages and benefits	2,088	1,790	1,880	1,588	1,424	1,547
Contracted and general services	213	335	216	230	202	212
Materials and supplies	26	66	10	12	35	20
Amortization of tangible capital assets	140	142	142	141	140	140
Internal charges	-	16	1	6	(22)	(36)
TOTAL EXPENSES	2,467	2,349	2,249	1,977	1,779	1,883
Excess (deficiency) of revenue over expenses	\$ (2,407)	\$ (2,271)	\$ (938)	\$ (837)	\$ (673)	\$ (784)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FINANCE

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 666	\$ 466	\$ 603	\$ 660	\$ 562	\$ 495
Other income						
Internal recovery	4,114	3,987	3,842	4,167	4,406	2,076
Insurance recovery	-	-	-	-	-	1
Other revenue	209	201	214	186	204	206
Government transfers						
Government transfers for operating	-	-	-	4	(12)	12
TOTAL REVENUE	4,989	4,654	4,659	5,017	5,160	2,790
EXPENSES						
Salaries, wages and benefits	8,605	8,242	7,781	7,896	8,058	7,784
Contracted and general services	3,541	3,215	2,948	3,221	487	764
Materials and supplies	251	(829)	217	817	755	332
Provision for allowances	27	45	27	27	27	27
Bank charges	74	190	63	66	(38)	1,510
Grants and other transfers	-	1,786	-	-	-	-
Interest on long-term debt - infrastructure	-	-	-	-	-	26
Other operating expenses	4,417	55	77	(561)	(12)	46
Amortization of tangible capital assets	34	22	24	28	40	47
Loss on disposal of tangible capital assets	-	-	-	-	29	-
Internal charges	114	112	116	(27)	2,903	247
TOTAL EXPENSES	17,063	12,838	11,253	11,467	12,249	10,783
Excess (deficiency) of revenue over expenses	\$ (12,074)	\$ (8,184)	\$ (6,594)	\$ (6,450)	\$ (7,089)	\$ (7,993)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INFORMATION & COMPUTER SERVICES

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Other income						
Internal recovery	\$ 2,053	\$ 2,065	\$ 1,968	\$ 2,862	\$ 3,106	\$ 1,552
Other revenue	-	-	-	-	2	38
Government transfers						
Government transfers for operating	-	-	-	-	-	8
TOTAL REVENUE	2,053	2,065	1,968	2,862	3,108	1,598
EXPENSES						
Salaries, wages and benefits	3,308	3,056	3,082	3,110	3,581	3,754
Contracted and general services	2,199	2,101	1,996	2,137	1,977	1,548
Materials and supplies	63	74	59	82	315	376
Interest on long-term debt - infrastructure	14	42	52	9	79	38
Other operating expenses	-	-	4	8	22	-
Amortization of tangible capital assets	1,964	1,552	1,413	1,145	858	528
Loss on disposal of tangible capital assets	-	-	16	38	768	-
Internal charges	78	67	110	211	158	243
TOTAL EXPENSES	7,626	6,892	6,732	6,740	7,758	6,487
Excess (deficiency) of revenue over expenses	\$ (5,573)	\$ (4,827)	\$ (4,764)	\$ (3,878)	\$ (4,650)	\$ (4,889)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

CORPORATE ASSET MANAGEMENT

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 217	\$ 213	\$ 239	\$ 391	\$ 223	\$ 251
Other income						
Internal recovery	7,334	7,141	6,769	5,651	4,183	2,489
Developer Levies	-	49	327	801	470	-
Insurance recovery	-	63	25	696	151	101
Other revenue	-	46	19	28	12	600
Government transfers						
Government transfers for operating	-	-	-	61	-	-
TOTAL REVENUE	7,551	7,512	7,379	7,628	5,039	3,441
EXPENSES						
Salaries, wages and benefits	5,142	4,854	5,178	4,545	4,547	4,396
Contracted and general services	3,886	5,669	7,109	7,100	4,593	3,839
Materials and supplies	4,159	1,793	1,130	1,134	1,297	727
Interest on long-term debt - ACFA	425	378	396	492	290	273
Other operating expenses	140	57	52	106	140	65
Amortization of tangible capital assets	13,284	11,682	10,604	9,359	8,540	8,542
Loss (gain) on disposal of tangible capital assets	-	254	480	(277)	1,098	(52)
Internal charges	830	623	1,003	768	(73)	(353)
TOTAL EXPENSES	27,866	25,310	25,952	23,227	20,432	17,437
Excess (deficiency) of revenue over expenses	\$ (20,315)	\$ (17,798)	\$ (18,573)	\$ (15,599)	\$ (15,393)	\$ (13,996)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

HUMAN RESOURCES

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ -	\$ -	\$ 1	\$ -	\$ 92	\$ -
Other income						
Internal recovery	324	243	259	345	255	358
Other revenue	200	116	186	195	149	133
Government transfers						
Government transfers for operating	-	-	40	7	-	7
TOTAL REVENUE	524	359	486	547	496	498
EXPENSES						
Salaries, wages and benefits	2,918	2,854	2,718	2,747	2,349	2,348
Contracted and general services	1,129	470	456	970	525	511
Materials and supplies	94	34	57	75	60	68
Amortization of tangible capital assets	13	12	8	5	74	141
Internal charges	7	9	9	179	150	50
TOTAL EXPENSES	4,161	3,379	3,248	3,976	3,158	3,118
Excess (deficiency) of revenue over expenses	\$ (3,637)	\$ (3,020)	\$ (2,762)	\$ (3,429)	\$ (2,662)	\$ (2,620)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

DEVELOPMENT & INFRASTRUCTURE

Planning, Building & Development; Municipal Works

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Planning, Building & Development	\$ 2,620	\$ 2,009	\$ 2,510	\$ 3,091	\$ 2,459	\$ 2,524
Municipal Works	1,700	1,317	2,865	3,378	4,920	5,170
TOTAL REVENUE	4,320	3,326	5,375	6,469	7,379	7,694
EXPENSES						
Planning, Building & Development	4,849	4,393	4,319	4,181	4,110	4,253
Municipal Works	25,540	25,308	24,977	24,785	27,001	24,675
TOTAL EXPENSES	30,389	29,701	29,296	28,966	31,111	28,928
Excess (deficiency) of revenue over expenses	\$ (26,069)	\$ (26,375)	\$ (23,921)	\$ (22,497)	\$ (23,732)	\$ (21,234)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of Services	\$ 7	\$ 24	\$ 20	\$ 25	\$ 17	\$ 9
Other income						
Licences, fines and penalties	2,613	1,845	2,301	3,040	2,409	2,440
Internal recovery	-	-	29	9	16	39
Insurance recovery	-	20	-	-	-	-
Developer levies	-	-	40	-	-	-
Other revenue	-	9	15	17	17	12
Government transfers						
Government transfers for operating	-	111	105	-	-	24
TOTAL REVENUE	2,620	2,009	2,510	3,091	2,459	2,524
EXPENSES						
Salaries, wages and benefits	4,242	4,050	3,840	3,840	3,810	3,987
Contracted and general services	227	196	356	169	171	197
Materials and supplies	109	61	43	56	59	59
Other expenses	125	-	-	1	-	-
Bank charges & short term interest	1	1	1	-	-	-
Interest on long-term debt - ACFA	-	-	-	-	1	1
Amortization of tangible capital assets	77	23	7	8	10	10
Internal charges	68	62	72	107	59	(1)
TOTAL EXPENSES	4,849	4,393	4,319	4,181	4,110	4,253
Excess (deficiency) of revenue over expenses	\$ (2,229)	\$ (2,384)	\$ (1,809)	\$ (1,090)	\$ (1,651)	\$ (1,729)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

MUNICIPAL WORKS

Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 1,078	\$ 364	\$ 1,170	\$ 939	\$ 855	\$ 1,040
Taxes	7	7	131	119	129	158
Other income						
Internal recovery	(2)	8	9	22	3,165	2,594
Insurance recovery	-	39	16	90	1	27
Developer levies	200	134	818	1,344	302	1,182
Other revenue	277	351	376	270	70	198
Government transfers						
Government transfers for operating	140	414	345	594	398	(29)
TOTAL REVENUE	1,700	1,317	2,865	3,378	4,920	5,170
EXPENSES						
Salaries, wages and benefits	5,661	5,666	5,489	5,583	5,729	5,534
Contracted and general services	1,702	1,416	1,711	2,352	3,860	3,084
Materials and supplies	394	475	281	256	1,827	1,719
Interest on long-term debt - ACFA	420	414	477	526	537	520
Bank charges & short term interest	4	1	5	-	-	-
Other operating expenses	350	18	(18)	38	1	9
Amortization of tangible capital assets	15,665	15,453	15,304	14,644	13,456	12,867
Loss (gain) on disposal of tangible capital assets	-	514	315	40	791	368
Internal charges	1,344	1,351	1,413	1,346	800	574
TOTAL EXPENSES	25,540	25,308	24,977	24,785	27,001	24,675
Excess (deficiency) of revenue over expenses	\$ (23,840)	\$ (23,991)	\$ (22,112)	\$ (21,407)	\$ (22,081)	\$ (19,505)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY DEPARTMENT

PUBLIC SERVICES

Community Development; Parks & Recreation; Fire Services; Public Organizations

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Community Development	\$ 6,832	\$ 4,565	\$ 6,477	\$ 6,602	\$ 6,710	\$ 6,389
Parks & Recreation	6,531	4,591	6,579	6,461	5,915	5,641
Fire Services	447	448	514	263	483	437
Public Organizations	-	-	-	-	-	-
TOTAL REVENUE	13,810	9,604	13,570	13,326	13,108	12,467
EXPENSES						
Community Development	15,606	13,442	14,982	14,711	14,676	14,679
Parks & Recreation	26,580	25,369	27,012	26,499	26,325	24,000
Fire Services	14,065	13,215	13,429	12,908	12,741	12,800
Public Organizations	2,872	2,792	2,856	2,966	2,943	3,162
TOTAL EXPENSES	59,123	54,818	58,279	57,084	56,685	54,641
Excess (deficiency) of revenue over expenses	\$ (45,313)	\$ (45,214)	\$ (44,709)	\$ (43,758)	\$ (43,577)	\$ (42,174)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

COMMUNITY DEVELOPMENT

Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 3,820	\$ 1,761	\$ 3,336	\$ 3,786	\$ 3,922	\$ 3,766
Other income						
Internal recovery	9	37	27	110	125	117
Insurance recovery	-	4	13	6	1	23
Developer levies	-	-	-	1	6	-
Other revenue	404	227	446	349	49	143
Government transfers						
Government transfers for operating	2,599	2,536	2,655	2,350	2,607	2,340
TOTAL REVENUE	6,832	4,565	6,477	6,602	6,710	6,389
EXPENSES						
Salaries, wages and benefits	10,199	9,988	10,298	10,282	10,090	10,643
Contracted and general services	2,864	1,449	2,293	2,933	2,818	2,638
Materials and supplies	660	519	633	628	1,427	2,095
Other expenses	-	-	1	5	-	22
Bank charges	239	13	51	107	93	62
Grants and other transfers	449	452	437	219	693	489
Amortization of tangible capital assets	688	549	508	480	478	476
Loss on disposal of tangible capital assets			250	-	88	-
Internal charges	507	472	511	57	(1,011)	(1,746)
TOTAL EXPENSES	15,606	13,442	14,982	14,711	14,676	14,679
Excess (deficiency) of revenue over expenses	\$ (8,774)	\$ (8,877)	\$ (8,505)	\$ (8,109)	\$ (7,966)	\$ (8,290)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PARKS & RECREATION

Public Services

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
REVENUE						
Sale of services	\$ 4,096	\$ 2,340	\$ 4,129	\$ 4,379	\$ 5,271	\$ 4,702
Other income						
Internal recovery	72	73	86	89	92	110
Insurance recovery	43	272	6	7	56	38
Developer levies	365	191	102	222	316	-
Other revenue	1,955	1,413	2,168	1,758	180	646
Government transfers						
Government transfers for operating	-	302	88	6	-	145
TOTAL REVENUE	6,531	4,591	6,579	6,461	5,915	5,641
EXPENSES						
Salaries, wages and benefits	10,652	9,250	10,529	10,252	10,168	9,737
Contracted and general services	3,307	3,808	3,732	3,710	3,665	3,089
Materials and supplies	1,361	1,362	1,497	1,508	1,700	1,939
Bank charges	32	40	59	65	52	38
Other expenses	217	(6)	7	(1)	51	53
Interest on long-term debt - ACFA	384	361	372	394	420	443
Grants and other transfers	187	157	281	214	211	179
Amortization of tangible capital assets	7,889	7,839	7,700	7,532	7,346	6,600
Loss on disposal of tangible capital assets	-	87	7	-	-	102
Internal charges	2,551	2,471	2,828	2,825	2,712	1,820
TOTAL EXPENSES	26,580	25,369	27,012	26,499	26,325	24,000
Excess (deficiency) of revenue over expenses	\$ (20,049)	\$ (20,778)	\$ (20,433)	\$ (20,038)	\$ (20,410)	\$ (18,359)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

FIRE SERVICES

Public Services

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
REVENUE						
Sale of services	\$ 310	\$ 344	\$ 376	\$ 259	\$ 478	\$ 386
Other income						
Internal recovery	-	1	17	4	(4)	1
Insurance recovery	80	63	63	-	-	-
Developer levies	15	-	-	-	-	-
Other revenue	42	-	30	-	9	7
Government transfers						
Government transfers for operating	-	40	28	-	-	43
TOTAL REVENUE	447	448	514	263	483	437
EXPENSES						
Salaries, wages and benefits	13,135	12,426	12,674	12,131	12,043	12,385
Contracted and general services	272	267	274	277	289	288
Materials and supplies	208	188	195	177	270	356
Other expenses	150	-	-	-	-	-
Interest on long-term debt - ACFA	-	-	-	-	-	2
Amortization of tangible capital assets	182	179	165	157	154	137
Loss (gain) on disposal of tangible capital assets	-	34	(11)	-	66	27
Internal charges	118	121	132	166	(81)	(395)
TOTAL EXPENSES	14,065	13,215	13,429	12,908	12,741	12,800
Excess (deficiency) of revenue over expenses	\$ (13,618)	\$ (12,767)	\$ (12,915)	\$ (12,645)	\$ (12,258)	\$ (12,363)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

PUBLIC ORGANIZATIONS

Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	-	-	-	-	-	-
EXPENSES						
Salaries, wages and benefits	1,953	1,824	1,970	1,942	1,965	1,994
Contracted and general services	-	-	-	47	24	33
Materials and supplies	-	3	1	2	108	113
Interest on long-term debt - ACFA	32	32	36	39	44	47
Grants and other transfers	664	727	636	719	626	810
Internal charges	223	206	213	217	176	165
TOTAL EXPENSES	2,872	2,792	2,856	2,966	2,943	3,162
Excess (deficiency) of revenue over expenses	\$ (2,872)	\$ (2,792)	\$ (2,856)	\$ (2,966)	\$ (2,943)	\$ (3,162)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

POLICE SERVICE

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
REVENUE						
Sale of Services	\$ -	\$ -	\$ 1	\$ 17	\$ 8	\$ 15
Other income						
Licences, fines and penalties	123	41	102	108	115	3,729
Internal recovery	107	124	189	181	184	176
Insurance recovery	-	64	106	(4)	(29)	(23)
Other revenue	1,655	2,529	1,748	1,735	1,804	1,872
Government transfers						
Government transfers for operating	1,712	1,595	1,687	1,587	1,564	1,573
TOTAL REVENUE	3,597	4,353	3,833	3,624	3,646	7,342
EXPENSES						
Salaries, wages and benefits	19,752	20,114	20,115	19,432	19,593	20,105
Contracted and general services	2,331	1,769	1,964	2,494	1,986	1,938
Materials and supplies	945	926	923	754	859	1,044
Other expenses	1	3	-	1	1	5
Interest on long-term debt - infrastructure	-	-	-	-	1	1
Amortization of tangible capital assets	148	136	153	142	118	108
Loss (gain) on disposal of tangible capital assets	-	-	8	-	-	-
Internal charges	193	239	235	(157)	(515)	(269)
TOTAL EXPENSES	23,370	23,187	23,398	22,666	22,043	22,932
Excess (deficiency) of revenue over expenses	\$ (19,773)	\$ (18,834)	\$ (19,565)	\$ (19,042)	\$ (18,397)	\$ (15,590)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

GAS

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 80,533	\$ 65,641	\$ 81,738	\$ 74,700	\$ 77,962	\$ 102,568
Other income						
Investment income	1,000	6,328	20,658	1,411	4,334	5,148
Internal recoveries	-	206	132	13	99	144
Development levies	298	355	532	388	425	(71)
Other revenue	887	22,360	(120)	2,034	1,052	1,516
Government transfers for operating	-	-	-	46	-	-
TOTAL REVENUE	82,718	94,890	102,940	78,592	83,872	109,305
EXPENSES						
Salaries, wages and benefits	18,447	11,786	14,649	15,423	15,800	15,969
Contracted and general services	12,646	8,648	10,920	12,892	13,383	20,681
Materials, goods and utilities	5,782	3,817	4,272	4,566	5,563	17,377
Provisions for allowances	64	64	94	122	118	73
Bank charges and short term interest	80	117	118	67	19	70
Interest on long term debt	567	546	522	543	523	548
Other operating expenses	55,530	64,916	64,916	56,345	55,047	44,551
Amortization of tangible capital assets	11,770	9,043	12,700	11,834	13,918	13,501
Impairment	-	16,946	14,550	24,991	28,329	13,432
(Gain)/Loss on disposal of tangible capital assets	-	(26)	6	127	13,661	105
(Gain)/Loss on disposal of long lived assets	-	(89)	(631)	-	(43,226)	-
Internal charges and transfers	8,023	8,303	7,809	8,085	7,129	5,966
TOTAL EXPENSES	112,909	124,071	129,925	134,995	110,264	132,273
Excess (deficiency) of revenue over expenses before Contribution	(30,191)	(29,181)	(26,985)	(56,403)	(26,392)	(22,968)
Contribution to General	1,737	1,716	1,565	1,419	1,330	1,278
Excess (deficiency) of revenue over expenses after Contribution	\$ (31,928)	\$ (30,897)	\$ (28,550)	\$ (57,822)	\$ (27,722)	\$ (24,246)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

ELECTRIC

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 133,313	\$ 132,893	\$ 145,240	\$ 122,039	\$ 71,524	\$ 63,558
Other income						
Investment income	-	799	898	898	932	1,934
Internal recoveries	2,739	2,250	2,284	1,317	2,911	2,561
Development levies	-	6,233	2,719	332	90	506
Insurance Recovery	-	-	-	928	-	-
Government transfers for operating	-	-	-	176	-	3
Other revenue	396	3,249	2,517	1,091	3,026	2,496
TOTAL REVENUE	136,448	145,424	153,658	126,781	78,483	71,058
EXPENSES						
Salaries, wages and benefits	16,267	15,282	14,677	13,216	13,434	13,672
Contracted and general services	8,755	10,363	8,383	6,709	6,108	6,602
Materials, goods and utilities	11,274	12,544	13,186	12,429	9,665	11,297
Provisions for allowances	120	246	111	119	101	102
Bank charges and short term interest	1	1	1	23	-	-
Interest on long term debt	4,050	3,886	3,673	3,768	3,553	2,951
Other operating expenses	4,889	3,846	6,777	5,119	925	684
Amortization of tangible capital assets	20,221	23,030	21,731	19,255	15,995	13,385
Loss on disposal of tangible capital assets	-	10,517	81	328	137	250
Internal charges and transfers	35,726	39,391	38,192	28,910	25,468	22,207
TOTAL EXPENSES	101,303	119,106	106,812	89,876	75,386	71,150
Excess (deficiency) of revenue over expenses before Contribution	35,145	26,318	46,846	36,905	3,097	(92)
Contribution to other funds	39,718	30,648	64,552	39,090	40,828	912
Excess (deficiency) of revenue over expenses after Contribution	\$ (4,573)	\$ (4,330)	\$ (17,706)	\$ (2,185)	\$ (37,731)	\$ (1,004)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

UTILITIES BUSINESS DEVELOPMENT & SUPPORT

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Investment income	\$ -	\$ 32	\$ 26	\$ 18	\$ 14	\$ 14
Internal recoveries	4,476	3,933	3,149	2,273	1,737	1,024
Government transfers for operating	-	-	32	197	-	-
TOTAL REVENUE	4,476	3,965	3,207	2,488	1,751	1,038
EXPENSES						
Salaries, wages and benefits	2,701	2,601	2,101	1,392	997	541
Contracted and general services	1,622	1,161	706	606	567	80
Materials, goods and utilities	37	28	29	36	10	8
Other operating expenses	-	-	-	-	-	335
Amortization of tangible capital assets	1	1	1	1	1	1
Internal charges and transfers	115	122	116	75	35	276
TOTAL EXPENSES	4,476	3,913	2,953	2,110	1,610	1,241
Excess (deficiency) of revenue over expenses	\$ -	\$ 52	\$ 254	\$ 378	\$ 141	\$ (203)

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

WATER

Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Taxes	\$ 114	\$ 388	\$ 113	\$ 113	\$ 113	\$ 113
Sale of services	22,567	21,732	22,319	21,843	21,400	18,384
Other income						
Internal recovery	4,855	884	1,075	742	1,236	859
Other revenue	72	(11)	3,976	1,291	213	383
Developer levies	-	47	-	-	-	265
Government transfers						
Government transfers for operating	-	-	-	11	-	(7)
TOTAL REVENUE	27,608	23,040	27,483	24,000	22,962	19,997
EXPENSES						
Salaries, wages & benefits	5,530	5,564	5,576	4,760	4,588	4,477
Contracted and general services	857	749	649	724	907	1,129
Materials and supplies	1,476	1,485	1,505	1,325	1,606	1,478
Provisions for allowances	38	43	38	37	37	37
Interest on long-term debt	3,514	2,995	2,865	2,813	2,871	2,929
Other expenses	-	(3)	11	-	(35)	13
Amortization of tangible capital assets	5,088	4,654	4,358	4,046	3,726	3,413
Loss on disposal of tangible capital assets	-	7	58	398	43	19
Internal charges and transfers	8,463	4,893	3,967	3,626	3,365	3,382
TOTAL EXPENSES	24,966	20,387	19,027	17,729	17,108	16,877
Excess (deficiency) of revenue over expenses before Contribution	2,642	2,653	8,456	6,271	5,854	3,120
Contribution to General	-	-	1,044	1,024	994	994
Excess (deficiency) of revenue over expenses after Contribution	\$ 2,642	\$ 2,653	\$ 7,412	\$ 5,247	\$ 4,860	\$ 2,126

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SEWER

Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Taxes	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
Sale of services	20,564	20,484	19,147	17,509	16,131	15,294
Other income						
Internal recovery	7	18	-	-	-	3
Other revenue	11	(76)	353	610	20	64
Developer levies	-	-	-	-	-	282
Government transfers						
Government transfers for operating	-	-	-	53	-	-
TOTAL REVENUE	20,695	20,539	19,613	18,285	16,264	15,756
EXPENSES						
Salaries, wages & benefits	4,781	4,857	4,725	5,028	4,717	4,349
Contracted and general services	495	770	830	867	1,025	769
Materials and supplies	1,252	1,801	1,762	1,592	1,399	1,583
Provisions for allowances	32	55	32	31	31	31
Interest on long-term debt	3,609	2,676	2,493	2,389	2,465	2,342
Other expenses	5	43	19	-	2	-
Amortization of tangible capital assets	4,763	4,159	3,835	3,658	3,177	2,647
Loss on disposal of tangible capital assets	-	1	15	30	166	1
Internal charges and transfers	5,462	4,881	3,839	3,521	2,942	2,782
TOTAL EXPENSES	20,399	19,243	17,550	17,116	15,924	14,504
Excess (deficiency) of revenue over expenses before Contribution	296	1,296	2,063	1,169	340	1,252
Contribution to General	-	-	804	788	765	765
Excess (deficiency) of revenue over expenses after Contribution	\$ 296	\$ 1,296	\$ 1,259	\$ 381	\$ (425)	\$ 487

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

SOLID WASTE

Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
REVENUE						
Sale of services	\$ 9,744	\$ 9,708	\$ 9,473	\$ 9,797	\$ 9,502	\$ 8,914
Other income						
Internal recovery	2,169	2,388	2,370	2,105	1,598	862
Other revenue	325	882	1,280	194	47	34
Insurance recovery	-	3	-	-	-	-
Government transfers						
Government transfers for operating	-	-	-	-	-	(13)
TOTAL REVENUE	12,238	12,981	13,123	12,096	11,147	9,797
EXPENSES						
Salaries, wages & benefits	2,941	2,968	3,139	3,180	2,850	2,775
Other Personnel Costs						
Contracted and general services	2,544	2,698	2,235	2,147	1,799	1,798
Materials and supplies	106	127	159	192	548	581
Provisions for allowances	17	21	17	38	17	17
Interest on long-term debt	54	52	78	97	116	134
Other expenses	92	777	270	(191)	58	(431)
Amortization of tangible capital assets	852	733	610	435	356	334
Loss on disposal of tangible capital assets	-	1	1	61	3	2
Internal charges and transfers	5,834	5,318	4,670	4,778	3,799	2,392
TOTAL EXPENSES	12,440	12,695	11,179	10,737	9,546	7,602
Excess (deficiency) of revenue over expenses before Contribution	(202)	286	1,944	1,359	1,601	2,195
Contribution to General	-	-	413	405	393	393
Excess (deficiency) of revenue over expenses after Contribution	\$ (202)	\$ 286	\$ 1,531	\$ 954	\$ 1,208	\$ 1,802

The above represents actual transactions before consolidation eliminations

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF OPERATING REVENUE & EXPENSES BY OBJECT

INVEST MEDICINE HAT

	2020 Budget	2020 Actual	2019 Restated	2018 Restated	2017 Restated	2016 Restated
REVENUE						
Sale of services	\$ 9,341	\$ 5,548	\$ 4,204	\$ 6,986	\$ 8,600	\$ 3,321
Other income						
Interest, penalties and extensions	3	-	(4)	6	13	1
Other revenue	705	794	754	1,317	1,362	2,432
Internal Recovery	2,362	2,245	6	-	-	-
Developers Levies	-	1	266	-	-	-
Internal recovery	-	15	3,599	1,497	1,511	1,386
Government transfers						
Government transfers for operating	-	30	38	-	-	7
TOTAL REVENUE	12,411	8,633	8,863	9,806	11,486	7,147
EXPENSES						
Salaries, wages and benefits	1,373	1,952	790	791	716	687
Contracted and general services	1,508	1,304	1,180	1,282	1,216	1,274
Materials and supplies	7,068	3,813	2,994	4,789	6,417	2,320
Other expenses	-	-	4	-	-	-
Bank charges & short term interest	-	17	15	12	2	2
Grants & other transfers	200	257	279	190	137	141
Amortization of tangible capital assets	92	67	43	44	40	135
Impairment	-	241	-	42	87	178
Gain \ loss on sale of assets	-	-	-	-	-	(45)
Internal charges and transfers	985	1,610	948	923	895	1,283
TOTAL EXPENSES	11,226	9,261	6,253	8,073	9,510	5,975
Excess (deficiency) of revenue over expenses before Contribution	1,185	(628)	2,610	1,733	1,976	1,172
Contribution to General	-	-	1,743	4,426	-	-
Excess (deficiency) of revenue over expenses after Contribution	\$ 1,185	\$ (628)	\$ 867	\$ (2,693)	\$ 1,976	\$ 1,172

The above represents actual transactions before consolidation eliminations

SCHEDULE OF CAPITAL SEGMENTED REPORTING
FOR THE YEAR ENDED DECEMBER 31, 2020 (In thousands of dollars)

	Total Tax Supported	Gas Utility	Utilities Business				Sewer Utility	Solid Waste Utility	Invest Medicine Hat	2020 Consolidated
			Electric Utility	Development & Support	Water Utility					
Financing										
Contributed assets - private	\$ 243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243
Debt - ACFA	2,982	-	14,608	-	10,122	10,760	-	-	-	38,472
Debt - infrastructure reserve	4,704	-	-	-	-	-	-	508	-	5,212
Developer levies	374	355	6,233	-	-	-	-	-	-	6,962
Government transfers for capital	19,449	-	-	-	-	-	-	21	-	19,470
Operations	1,407	1,220	13,418	-	1,290	593	(248)	83	-	17,763
Reserves	7,786	461	430	-	-	-	-	(487)	-	8,190
	<u>36,946</u>	<u>2,036</u>	<u>34,689</u>	<u>-</u>	<u>11,412</u>	<u>11,353</u>	<u>(248)</u>	<u>125</u>	<u>-</u>	<u>96,313</u>
Expenses										
Engineered structures	13,786	(24,992)	36,070	-	10,746	15,839	-	-	-	51,450
Buildings	5,705	-	1,287	-	-	-	27	612	-	7,631
Machinery and equipment	7,663	460	180	-	113	37	77	95	-	8,625
Land Improvements	5,532	-	-	-	-	-	161	25	-	5,718
Mobile equipment	3,845	-	-	-	-	-	-	-	-	3,845
	<u>36,531</u>	<u>(24,532)</u>	<u>37,537</u>	<u>-</u>	<u>10,859</u>	<u>15,876</u>	<u>265</u>	<u>732</u>	<u>-</u>	<u>77,269</u>
Change in Capital Fund	\$ 415	\$ 26,568	\$ (2,848)	\$ -	\$ 553	\$ (4,523)	\$ (513)	\$ (607)	\$ -	\$ 19,044

* Note: Gas Utility engineered structures includes net tangible capital property held for sale of \$28,661

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

GENERAL FUND

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
General Government	\$ 502	\$ -	\$ -	\$ -	\$ 24	\$ 55
Corporate Services	13,634	14,945	25,724	19,744	34,313	18,873
Development & Infrastructure	15,513	14,427	13,661	20,627	27,126	13,757
Public Services	19,571	7,398	5,031	5,358	5,421	11,886
Police Services	241	175	165	466	116	62
TOTAL FINANCING	49,461	36,946	44,581	46,195	67,000	44,633
EXPENSES						
General Government	502	-	-	-	24	55
Corporate Services	13,634	15,002	24,293	28,825	24,917	22,622
Development & Infrastructure	15,513	14,543	13,730	25,494	23,341	15,016
Public Services	19,571	6,829	4,642	5,386	5,421	11,785
Police Services	241	157	165	466	131	87
TOTAL EXPENSES	49,461	36,531	42,830	60,171	53,834	49,565
CHANGE IN CAPITAL FUND	\$ -	\$ 415	\$ 1,751	\$ (13,976)	\$ 13,166	\$ (4,932)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

GENERAL GOVERNMENT DIVISION

General Municipal Revenues; CAO & Commissioners, City Solicitor & City Clerk; Corporate Communications; Mayor & Councillors

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ 55
Reserves	502	-	-	-	-	-
TOTAL FINANCING	502	-	-	-	24	55
EXPENSES						
Engineered structures	502	-	-	-	-	-
Machinery and equipment	-	-	-	-	24	55
TOTAL EXPENSES	502	-	-	-	24	55
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GENERAL MUNICIPAL REVENUES

General Government

No Capital

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

CAO & COMMISSIONERS

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Reserves	\$ 502	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCING	502	-	-	-	-	-
EXPENSES						
Engineered structures	502	-	-	-	-	-
TOTAL EXPENSES	502	-	-	-	-	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

CITY SOLICITOR & CITY CLERK

General Government

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ 55
TOTAL FINANCING	-	-	-	-	24	55
EXPENSES						
Machinery and equipment	-	-	-	-	24	55
TOTAL EXPENSES	-	-	-	-	24	55
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CORPORATE COMMUNICATIONS

General Government

No Capital

MAYOR & COUNCILLORS

General Government

No Capital

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

CORPORATE SERVICES DIVISION

Health, Safety & Environment; Corporate Asset Management; Finance; Human Resources; & Information & Computer Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Developers levies	\$ -	\$ 49	\$ 327	\$ 801	\$ -	\$ -
Debt - ACFA	1,400	1,400	1,600	-	9,804	(325)
Debt - internal	2,600	2,767	3,363	482	3,391	2,733
Government transfers	3,295	3,799	9,563	7,875	16,168	10,096
Operations	150	310	667	1,734	1,231	1,675
Other	-	143	280	595	867	608
Reserves	6,189	6,477	9,924	8,257	2,852	4,086
TOTAL FINANCING	13,634	14,945	25,724	19,744	34,313	18,873
EXPENSES						
Engineered structures	-	-	6	284	-	-
Buildings	7,464	4,804	9,169	15,408	20,000	12,362
Machinery and equipment	780	6,230	6,235	5,030	2,714	4,447
Land improvements	123	123	366	221	321	-
Mobile equipment	5,267	3,845	8,517	7,882	1,882	5,813
TOTAL EXPENSES	13,634	15,002	24,293	28,825	24,917	22,622
CHANGE IN CAPITAL FUND	\$ -	\$ (57)	\$ 1,431	\$ (9,081)	\$ 9,396	\$ (3,749)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

HEALTH, SAFETY & ENVIRONMENT

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Reserves	\$ -	\$ -	\$ -	\$ (92)	\$ -	\$ -
TOTAL FINANCING	-	-	-	(92)	-	-
EXPENSES						
Machinery and equipment	-	-	-	-	16	-
TOTAL EXPENSES	-	-	-	-	16	-
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ -	\$ (92)	\$ (16)	\$ -

CORPORATE ASSET MANAGEMENT

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Developers levies	\$ -	\$ 49	\$ 327	\$ 801	\$ -	\$ -
Debt - ACFA	1,400	1,400	1,600	-	5,638	(325)
Debt - internal	1,848	2,127	2,126	257	2,770	1,320
Government transfers	3,295	3,121	9,137	7,320	15,870	10,096
Other	-	143	280	595	867	608
Operations	150	150	-	1,718	1,156	35
Reserves	6,177	6,477	10,116	8,264	2,483	4,089
TOTAL FINANCING	12,870	13,467	23,586	18,955	28,784	15,823
EXPENSES						
Engineered structures	-	-	6	284	-	-
Buildings	7,464	4,804	9,169	15,408	20,000	12,362
Machinery and equipment	16	4,838	3,764	2,249	617	-
Land improvements	123	123	366	221	321	-
Mobile equipment	5,267	3,845	8,517	7,882	1,882	5,813
TOTAL EXPENSES	12,870	13,610	21,822	26,044	22,820	18,175
CHANGE IN CAPITAL FUND	\$ -	\$ (143)	\$ 1,764	\$ (7,089)	\$ 5,964	\$ (2,352)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

FINANCE

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ (458)	\$ -
Debt - internal	-	-	-	-	-	483
Operations	-	-	50	-	-	1,550
Reserves	12	-	(187)	-	-	-
TOTAL FINANCING	12	-	(137)	-	(458)	2,033
EXPENSES						
Machinery and equipment	12	-	63	-	-	1,833
TOTAL EXPENSES	12	-	63	-	-	1,833
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (200)	\$ -	\$ (458)	\$ 200

HUMAN RESOURCES

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14
Reserves	-	-	(5)	85	-	-
TOTAL FINANCING	-	-	(5)	85	-	14
EXPENSES						
Machinery and equipment	-	-	72	-	-	14
TOTAL EXPENSES	-	-	72	-	-	14
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (77)	\$ 85	\$ -	\$ -

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

INFORMATION & COMPUTER SERVICES

Corporate Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - ACFA	\$ -	\$ -	\$ -	\$ -	\$ 4,624	\$ -
Debt - internal	752	640	1,237	225	621	930
Government transfers	-	678	426	555	298	-
Reserves	-	-	-	-	369	(3)
Operations	-	160	617	16	75	76
TOTAL FINANCING	752	1,478	2,280	796	5,987	1,003
EXPENSES						
Machinery and equipment	752	1,392	2,336	2,781	2,081	2,600
TOTAL EXPENSES	752	1,392	2,336	2,781	2,081	2,600
CHANGE IN CAPITAL FUND	\$ -	\$ 86	\$ (56)	\$ (1,985)	\$ 3,906	\$ (1,597)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

DEVELOPMENT & INFRASTRUCTURE DIVISION

Planning, Building & Development; & Municipal Works

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ 481	\$ 1,574
Debt - ACFA	-	-	-	-	3,516	1,835
Debt - internal	1,050	1,057	2,902	45	108	450
Developers levies	200	134	817	1,344	-	1,080
Government transfers	14,251	12,944	8,128	18,401	22,143	4,491
Land sales	-	-	-	6	184	319
Operations	-	-	-	1,250	2,050	1,651
Other	-	-	-	-	186	-
Reserves	12	292	1,814	(419)	(1,542)	2,357
TOTAL FINANCING	15,513	14,427	13,661	20,627	27,126	13,757
EXPENSES						
Engineered structures	15,501	13,796	13,666	18,883	15,823	14,849
Machinery and equipment	12	747	4	55	94	167
Land improvements	-	-	60	6,556	7,424	-
TOTAL EXPENSES	15,513	14,543	13,730	25,494	23,341	15,016
CHANGE IN CAPITAL FUND	\$ -	\$ (116)	\$ (69)	\$ (4,867)	\$ 3,785	\$ (1,259)

BUSINESS SUPPORT

Development & Infrastructure

No Capital

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

PLANNING, BUILDING & DEVELOPMENT

Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ 45	\$ 108	\$ 122
Reserves	12	13	-	-	200	-
TOTAL FINANCING	12	13	-	45	308	122
EXPENSES						
Machinery and equipment	12	129	4	55	94	167
TOTAL EXPENSES	12	129	4	55	94	167
CHANGE IN CAPITAL FUND	\$ -	\$ (116)	\$ (4)	\$ (10)	\$ 214	\$ (45)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

MUNICIPAL WORKS

Development & Infrastructure

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Contributed assets - private	\$ -	\$ -	\$ -	\$ -	\$ 481	\$ 1,574
Debt - ACFA	-	-	-	-	3,516	1,835
Debt - internal	1,385	1,057	2,902	-	-	328
Developers levies	200	134	817	1,344	-	1,080
Government transfers	10,965	12,944	8,128	18,401	22,143	4,491
Land sales	-	-	-	6	184	319
Operations	-	-	-	1,250	2,050	1,651
Other	-	-	-	-	186	-
Reserves	-	279	1,814	(419)	(1,742)	2,357
TOTAL FINANCING	12,550	14,414	13,661	20,582	26,818	13,635
EXPENSES						
Engineered structures	12,550	13,796	13,666	18,883	15,823	14,849
Machinery and equipment	-	618	-	-	-	-
Land improvements	-	-	60	6,556	7,424	-
TOTAL EXPENSES	12,550	14,414	13,726	25,439	23,247	14,849
CHANGE IN CAPITAL FUND	\$ -	\$ -	\$ (65)	\$ (4,857)	\$ 3,571	\$ (1,214)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

PUBLIC SERVICES DIVISION

Community Development; Parks & Recreation; and Fire Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Contributed assets - private	\$ -	\$ 100	\$ 478	\$ 105	\$ 209	\$ 106
Debt - ACFA	2,543	1,582	-	-	-	-
Debt - internal	1,000	880	978	401	557	936
Developers levies	365	191	102	185	-	-
Government transfers	13,432	2,706	2,526	3,122	2,156	5,895
Land sales	-	-	-	92	163	607
Operations	1,000	925	827	817	576	1,431
Other	-	-	43	-	14	461
Third party contribution	-	-	-	-	-	7
Reserves	1,231	1,014	77	636	1,746	2,443
TOTAL FINANCING	19,571	7,398	5,031	5,358	5,421	11,886
EXPENSES						
Engineered structures	3,600	125	(352)	1,383	442	-
Buildings	3,050	830	1,599	671	2,318	6,853
Machinery and equipment	1,601	529	913	399	474	1,349
Land	-	-	46	-	-	3,551
Land improvements	11,320	5,345	2,436	2,933	2,186	32
TOTAL EXPENSES	19,571	6,829	4,642	5,386	5,421	11,785
CHANGE IN CAPITAL FUND	\$ -	\$ 569	\$ 389	\$ (28)	\$ -	\$ 101

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

COMMUNITY DEVELOPMENT

Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ 60	\$ 25	\$ 88
Government transfers	660	45	745	304	73	333
Operations	100	100	142	52	11	215
Third party contribution	-	-	-	-	-	7
Reserves	290	290	(94)	(38)	10	(297)
TOTAL FINANCING	1,050	435	793	378	119	346
EXPENSES						
Engineered structures	-	-	-	-	38	-
Buildings	-	-	175	6	5	13
Machinery and equipment	1,050	80	602	361	76	256
Land improvements	-	-	-	55	-	-
TOTAL EXPENSES	1,050	80	777	422	119	269
CHANGE IN CAPITAL FUND	\$ -	\$ 355	\$ 16	\$ (44)	\$ -	\$ 77

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

PARKS & RECREATION

Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Contributed assets - private		\$ 100	\$ 478	\$ 105	\$ 209	\$ 106
Debt - ACFA	2,543	1,582	-	-	-	-
Debt - internal	1,000	880	978	341	473	243
Developers levies	365	191	102	185	-	-
Government transfers	12,772	2,661	1,781	2,818	2,083	5,562
Land sales	-	-	-	92	163	607
Operations	845	770	389	765	565	1,204
Other	-	-	43	-	14	461
Reserves	895	755	223	518	1,717	2,740
TOTAL FINANCING	18,420	6,939	3,994	4,824	5,224	10,923
EXPENSES						
Engineered structures	3,600	125	(352)	1,383	404	-
Buildings	3,050	830	1,424	665	2,313	6,840
Machinery and equipment	450	129	302	(58)	320	476
Land	-	-	46	-	-	3,551
Land improvements	11,320	5,345	2,436	2,878	2,186	32
TOTAL EXPENSES	18,420	6,429	3,856	4,868	5,224	10,899
CHANGE IN CAPITAL FUND	\$ -	\$ 510	\$ 138	\$ (44)	\$ -	\$ 24

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

FIRE SERVICES

Public Services

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ -	\$ 59	\$ 605
Operations	55	55	296	-	-	12
Reserves	46	(31)	(52)	156	19	-
TOTAL FINANCING	101	24	244	156	78	617
EXPENSES						
Machinery and equipment	101	320	9	96	78	617
TOTAL EXPENSES	101	320	9	96	78	617
CHANGE IN CAPITAL FUND	\$ -	\$ (296)	\$ 235	\$ 60	\$ -	\$ -

POLICE SERVICE

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - internal	\$ -	\$ -	\$ -	\$ 292	\$ 72	\$ 9
Operations	171	175	165	34	45	53
Reserves	70	-	-	140	(1)	-
TOTAL FINANCING	241	175	165	466	116	62
EXPENSES						
Machinery and equipment	241	157	165	466	131	87
TOTAL EXPENSES	241	157	165	466	131	87
CHANGE IN CAPITAL FUND	\$ -	\$ 18	\$ -	\$ -	\$ (15)	\$ (25)

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

GAS

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - ACFA	\$ 1,059	\$ -	\$ 2,134	\$ 500	\$ 1,500	\$ -
Developers levies	-	355	533	388	425	(71)
Operations	1,503	1,220	4,055	1,597	1,185	2,464
Reserves	8,100	461	5,753	17,034	14,491	9,461
TOTAL FINANCING	10,662	2,036	12,475	19,519	17,601	11,854
EXPENSES						
Engineered structures	10,277	(24,992)	11,698	18,724	18,462	9,807
Buildings	-	-	509	-	-	-
Machinery and equipment	385	460	338	575	831	415
TOTAL EXPENSES	10,662	(24,532)	12,545	19,299	19,293	10,222
CHANGE IN CAPITAL FUND	\$ -	\$ 26,568	\$ (70)	\$ 220	\$ (1,692)	\$ 1,632

* Note: 2020 Actual Engineered structures includes net tangible capital property held for sale of \$28,661

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

ELECTRIC

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - ACFA	\$ 69,136	\$ 14,608	\$ 12,146	\$ 4,887	\$ 10,225	\$ 28,236
Developers levies	-	6,233	2,719	332	90	531
Government transfers	-	-	-	-	27	-
Operations	2,178	13,418	18,509	9,621	17,803	10,566
Reserves	410	430	7,330	3,900	-	11,931
TOTAL FINANCING	71,724	34,689	40,704	18,740	28,145	51,264
EXPENSES						
Engineered structures	71,674	36,070	29,552	16,526	39,644	45,296
Buildings	-	1,287	1,408	3,002	1,227	921
Machinery and equipment	50	180	2,161	229	447	382
Land improvements	-	-	-	153	108	23
Land	-	-	-	-	212	-
TOTAL EXPENSES	71,724	37,537	33,121	19,910	41,638	46,622
CHANGE IN CAPITAL FUND	\$ -	\$ (2,848)	\$ 7,583	\$ (1,170)	\$ (13,493)	\$ 4,642

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

UTILITIES BUSINESS DEVELOPMENT & SUPPORT

No Capital

WATER

Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - ACFA	\$ 14,232	\$ 10,122	\$ 16,903	\$ 2,900	\$ 5,000	\$ 4,950
Developers levies	-	-	-	-	-	223
Government transfers	19,418	-	-	-	-	-
Operations	1,226	1,290	1,028	1,037	1,355	3,327
TOTAL FINANCING	34,876	11,412	17,931	3,937	6,355	8,500
EXPENSES						
Engineered structures	33,650	10,746	12,863	11,703	7,326	7,001
Buildings	-	-	-	150	-	-
Machinery and equipment	1,226	113	(182)	3,001	478	607
Land improvements	-	-	-	(1)	-	(27)
TOTAL EXPENSES	34,876	10,859	12,681	14,853	7,804	7,581
CHANGE IN CAPITAL FUND	\$ -	\$ 553	\$ 5,250	\$ (10,916)	\$ (1,449)	\$ 919

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

SEWER

Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Debt - ACFA	\$ 11,000	\$ 10,760	\$ 18,494	\$ 2,900	\$ 2,500	\$ 11,200
Debt - Infrastructure	-	-	174	19	-	-
Developers levies	-	-	-	-	-	528
Land sales	-	-	-	-	-	1
Operations	750	593	1,713	549	339	2,144
Other	-	-	-	(45)	-	-
TOTAL FINANCING	11,750	11,353	20,381	3,423	2,839	13,873
EXPENSES						
Engineered structures	11,750	15,839	12,482	16,005	14,505	10,663
Buildings	-	-	-	36	-	-
Machinery and equipment	-	37	146	37	-	119
Land Improvements	-	-	-	(44)	311	145
Land	-	-	173	19	-	-
TOTAL EXPENSES	11,750	15,876	12,801	16,053	14,816	10,927
CHANGE IN CAPITAL FUND	\$ -	\$ (4,523)	\$ 7,580	\$ (12,630)	\$ (11,977)	\$ 2,946

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

SOLID WASTE

Environmental Utilities

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Operations	\$ 250	\$ (248)	\$ (88)	\$ 121	\$ 1,054	\$ 1,028
TOTAL FINANCING	250	(248)	(88)	121	1,054	1,028
EXPENSES						
Engineered structures	-	-	(164)	25	139	6
Buildings	-	27	130	172	67	(105)
Machinery and equipment	65	77	46	1,886	79	64
Land improvement	185	161	2,286	(32)	89	82
TOTAL EXPENSES	250	265	2,298	2,051	374	47
CHANGE IN CAPITAL FUND	\$ -	\$ (513)	\$ (2,386)	\$ (1,930)	\$ 680	\$ 981

The above represents actual transactions before consolidation eliminations.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2016 - 2020

(In thousands of dollars)

SCHEDULE OF CAPITAL FINANCING & EXPENSES BY DIVISION

INVEST MEDICINE HAT

	2020 Budget	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
FINANCING						
Government transfers	\$ 2,000	\$ 21	\$ -	\$ -	\$ -	\$ -
Debt - internal	-	508	9	217	68	-
Operations	-	83	-	3	-	30
Reserves	485	(487)	1,441	-	40	-
TOTAL FINANCING	2,485	125	1,450	220	108	30
EXPENSES						
Engineered structures	-	-	16	8	512	-
Buildings	485	612	9	217	68	-
Machinery and equipment	-	95	-	4	-	26
Land improvements	2,000	25	-	-	27	4
Land	-	-	-	-	(489)	510
TOTAL EXPENSES	2,485	732	25	229	118	540
CHANGE IN CAPITAL FUND	\$ -	\$ (607)	\$ 1,425	\$ (9)	\$ (10)	\$ (510)

The above represents actual transactions before consolidation eliminations.

OUR VISION

To make Medicine Hat a “community of choice.”

OUR MISSION

To deliver value through exceptional public service.

OUR VALUES

We are committed to the following core values, which we believe enable us to achieve our vision:

- Respect
- Integrity
- Accountability
- Courage
- Caring

MEDICINE HAT COUNCIL’S STRATEGIC PLAN 2019 - 2022

Six strategic priorities:

- Fiscal Responsibility
- Economic Vitality
- Infrastructure Renewal
- Community Safety and Vibrancy
- Sunshine Hospitality
- City Government



Medicine Hat
The Gas City

Medicine Hat City Council

Strategic Priorities

2019-2022



Fiscal Responsibility

We will be fiscally responsible in our decision making to support short and long-term sustainability of the City.



Community Safety & Vibrancy

We will maintain the safety of our community and continue to build vibrancy and a high quality of life.



Economic Vitality

We will grow and diversify our economy with increased employment and industry and tourism investment opportunities.



Sunshine Hospitality

We will capitalize on our recreational, cultural and natural assets to promote our community.



Infrastructure Renewal

We will focus on managing aging assets to ensure quality and sustainable infrastructure.



City Government

The City increasingly stands out as a well-governed and well-organized municipal corporation with a positive corporate culture.

The strategic priorities focus the limited energy and resources of the organization on those issues/initiatives that are most critical to the organization's success. Effective governance and leadership is integral to the organization's ability to advance Council's priorities.



Medicine Hat
The Gas City