

# Agenda

REGULAR MEDICINE HAT CITY COUNCIL  
City Hall – Council Chambers  
Monday, November 07, 2022  
3:45 PM – Closed Session  
6:30 PM – Public Meeting

1. **CLOSED SESSION**

Subject to the [Freedom of Information and Protection of Privacy Act](#)

Items Discussed

- Retail Utility Product Structures [s. 24(1)(a)]
- Council and Committee Meeting Schedule [s. 29(1)(b)]
- Government Relations Verbal Update [s. 24(1)(a)]
- Community Engagement Verbal Update [s. 24(1)(a)]

2. **CALL TO ORDER**

3. **MOMENT OF PRAYER OR REFLECTION**

4. **LAND ACKNOWLEDGEMENT**

The City of Medicine Hat acknowledges that we live and work on treaty territory. The City pays respect to all Indigenous Peoples and honours their past, present and future. We recognize and respect their cultural heritages and relationships to the land.

5. **ADOPTION OF THE AGENDA**

6. **ADOPTION OF THE MINUTES**

(6.1.) Medicine Hat City Council Organizational Meeting - October 17, 2022

(6.2.) Regular City of Medicine Hat Council Meeting - October 17, 2022

7. **PRESENTATIONS**

(7.1.) Family Violence Prevention Month

Medicine Hat Women's Shelter Society

Natasha Carvalho, Executive Director and Peggy Revell,  
Community Education & Awareness Coordinator

## 8. **2023 AND 2024 BUDGETS**

- (8.1.) Opening Remarks and Introduction
  - Glenn Feltham, City Manager
  - Dennis Egert, CFO
- (8.2.) 2023 and 2024 Budgets - Municipal Tax Supported and Invest Medicine Hat
  - Vanessa Bonneville, City Controller
- (8.3.) 2023 and 2024 Energy & Infrastructure Division Commodity Business Operating & Capital Budget
  - Travis Tuchscherer, Manager, Energy Marketing & Business Analysis
- (8.4.) 2023 and 2024 City Operations - Rate Supported Operating & Capital Budget
  - Jaret Dickie, Manager, Municipal Services Business Support (combined presentation for items 8.4 & 8.5)

### Business Arising:

RECOMMENDATION THAT Council give first reading to Bylaw 4726, a bylaw of the City of Medicine Hat to amend certain rates, fees and charges in the Gas Utility Bylaw

RECOMMENDATION THAT Council give first reading to Bylaw 4727, a bylaw of the City of Medicine Hat to amend certain rates, fees and charges the Electric Utility Bylaw

- (8.5.) 2023 and 2024 Environmental Utilities Operating & Capital Budget

### Business Arising:

RECOMMENDATION THAT Council give first reading to Bylaw 4715, a bylaw of the City of Medicine Hat to amend certain rates and charges in Bylaw 1541 (commonly referred to as the Sewer Bylaw)

RECOMMENDATION THAT Council give first reading to Bylaw 4716, a bylaw of the City of Medicine Hat to amend certain rates and charges in the Waste Bylaw

RECOMMENDATION THAT Council give first reading to Bylaw 4717, a bylaw of the City of Medicine Hat to amend certain rates, fees and charges in the Water Service Bylaw

- (8.6.) 2023 and 2024 Draft Business Plans



(8.7.) Retail Utility Product Structures

Business Arising:

RECOMMENDATION THAT Council give first reading to Bylaw 4722, a bylaw of the City of Medicine Hat to amend the contract options in the Gas Utility Bylaw

RECOMMENDATION THAT Council give first reading to Bylaw 4723, a bylaw of the City of Medicine Hat to amend the contract options in the Electric Utility Bylaw

**9. COMMITTEE / COMMISSION BUSINESS ARISING**

(9.1.) Emergency Advisory Committee

9.1.1 Meeting Minutes - October 18, 2022

9.1.2 Meeting Highlights

(9.2.) Energy & Infrastructure Committee

9.2.1 Meeting Minutes - October 20, 2022

9.2.2 Meeting Highlights

(9.3.) Public Services Committee

9.3.1 Meeting Minutes - October 24, 2022

9.3.2 Truth and Reconciliation

RECOMMENDATION THAT Council approves the following actions for 2023:

- Development of a Diversity, Equity and Inclusion policy and framework to establish clarity and direction for the City corporation.
- Development/sourcing of training grounded in the Diversity, Equity and Inclusion policy and framework related to Indigenous history, anti-racism and intercultural awareness.
- In consultation with members of the Indigenous community, review the City's Statement of Acknowledgement, Recognition and Respect and the associated protocol for use.
- Continued efforts to repatriate Indigenous remains to Medicine hat from the University of Alberta for burial in the Hillside Cemetery.
- Recruitment and onboarding of a Community Inclusion Coordinator to support training, programming, consultation and relationship

building as well as provide advice and guidance on cultural matters. The position will provide opportunity to promote truth and reconciliation and increase efforts to promote Medicine Hat as a welcoming and inclusive community.

- Establishment of a Truth and Reconciliation Advisory Board (TRAB), including terms of reference for City Council approval, to continue dialogue and create a forum to review, monitor and achieve progress on Walking the Path to Truth and Reconciliation: 2022-2025. As part of the annual planning for the next calendar year, the TRAB will evaluate progress and suggest goals for the upcoming year.

### 9.3.3 Monarch Theatre

RECOMMENDATION THAT Council direct management to:

- A) Prepare and issue a Request for Proposal ('RFP') and evaluate submissions using the following criteria:
  - i) Intended use (evaluation weighting of 30%) – seek activities that promote vibrancy and commerce in the downtown. Ideally, those activities enhance entertainment opportunities and employment for community residents.
  - ii) Financial obligations of the City (evaluation weighting of 40%) – seek to maximize proceeds of sale and minimize/eliminate ongoing financial contributions of the city, both operating and capital. Although building sale will not be required, it will be a stated preference and be captured as such in the evaluation process.
  - iii) Organizational capacity and experience (evaluation weighting of 30%) – corporate history including financial performance, experience delivering upon intended use and managing facilities.
  - iv) Alignment with development plans and preservation of historic heritage significance – seek commitment to preserving the historical heritage of the building (mandatory).

- B) Include within the RFP requirements, and resulting contractual agreement(s), provisions to protect the historical heritage of the facility and maintain commercial activities consistent with those outlined within the proposal.
- C) Until a future operating model is established, continue to maintain the Monarch Theatre in a capacity to allow safe occupancy and operations. The City will open the facility for public use and programming on a limited basis to offer entertainment opportunities to the community. Staff will look for options to align with downtown events or community activities that can be bolstered by activities at the Monarch Theatre. It is expected the level of activity will be on average one event every four to six weeks.

#### 9.3.4 Meeting Highlights

### 10. **REPORTS FOR RECEPTION**

- (10.1) Police Commission Minutes – September 26, 2022

### 11. **NEW BUSINESS**

- (10.1.) BYLAW 4721 - Offsite Levy Bylaw Amendment  
Sponsor: Strategic Management and Analysis  
RECOMMENDATION THAT Council give first reading to Bylaw 4721, a bylaw of the City of Medicine Hat to amend the Offsite Levy Bylaw
- (10.2.) PROPOSED ROAD CLOSURE - SPENCER STREET  
Sponsor: Strategic Management and Analysis  
RECOMMENDATION THAT Council give all three readings to Bylaw 4720, a bylaw of the City of Medicine Hat to revise road closure Bylaw 4695

### 12. **COMMUNICATION(S)**

- (11.1.) Shortgrass Library - Population Figure Update and Budget Request 2023 & 2024
- (11.2.) City of Lethbridge - Request for Advocacy related to Fine Revenue

13. **NOTICE(S) OF MOTION**
14. **ADJOURNMENT**
15. **NEXT CITY COUNCIL MEETING:** November 21, 2022

**MINUTES OF THE  
MEDICINE HAT CITY COUNCIL ORGANIZATIONAL MEETING  
HELD ON MONDAY, OCTOBER 17, 2022 AT 6:30 PM  
IN CITY HALL COUNCIL CHAMBERS**

---

**PRESENT:** Mayor L. Clark, Chair  
Cllr. R. Dumanowski  
Cllr. C. Hider  
Cllr. D. Hirsch  
Cllr. A. Knodel  
Cllr. A. McGrogan  
Cllr. R. Robins  
Cllr. A. Van Dyke

**ALSO PRESENT:** Dr. G. Feltham, City Manager  
B. Mastel, Managing Director of Public Services  
D. Egert, Managing Director of Corporate Services  
B. Maynes, Managing Director of Energy & Infrastructure  
R. Pancoast, Managing Director of Strategic Management & Analysis  
B. Bullock, City Solicitor,  
A. Karbashewski, City Clerk  
R. Korven, Legislative Services Specialist

**NOT PRESENT** Cllr. S. Sharps

1. **Call to Order**
2. **Appointments of City Council Members to City of Medicine Hat Standing/Special Committees External Boards and Quasi Judicial Tribunals**

**[Appendix A]**

Councillor C. Hider - Councillor A. McGrogan moved that Council approve the Mayor's appointments of Council members to Standing and Special Committees of Council under Procedure Bylaw #2270 and that Council approve the Mayor's appointments of Council members to external Boards and Quasi-Judicial Tribunals.

**For: 8; Against: 0; Absent: 1**  
**Voting Against: (None)**

Carried

A list of the appointments is attached and on file with the City Clerk department.

3. **Adjournment**

The meeting adjourned at 6:32 PM.

Adopted by City Council on November 7, 2022

MAYOR LINNSIE CLARK, CHAIR

ARLENE KARBASHEWSKI, CITY CLERK

## **MAYOR'S APPOINTMENTS OF COUNCIL MEMBERS**

### **For the period October 17, 2022 – October 23, 2023**

Updated: October 2022

#### **APPOINTMENTS TO COMMITTEES REPORTING DIRECTLY TO COUNCIL**

##### **Administrative & Legislative Review Committee**

Councillor A. McGrogan, Chair  
Councillor A. Knodel, Vice-Chair  
Councillor R. Robins

##### **Audit Committee**

Councillor D. Hirsch, Chair  
Councillor S. Sharps, Vice-Chair  
Councillor A. McGrogan

##### **Corporate Services Committee**

Councillor R. Dumanowski, Chair  
Councillor S. Sharps, Vice-Chair  
Councillor C. Hider

##### **Economic, Land and Strategic Planning and Development Committee**

Councillor A. Van Dyke, Chair  
Councillor R. Dumanowski, Vice-Chair  
Councillor A. McGrogan

##### **Emergency Advisory Committee**

Mayor L. Clark  
Councillor R. Robins  
Councillor A. Van Dyke

##### **Energy & Infrastructure Committee**

Councillor A. Van Dyke, Chair  
Councillor R. Dumanowski, Vice-Chair  
Councillor A. McGrogan

##### **Public Services Committee**

Councillor R. Robins, Chair  
Councillor A. Van Dyke, Vice-Chair  
Councillor A. Knodel

#### **SPECIAL APPOINTMENTS**

##### **Civic Functions**

Councillor A. Knodel

##### **Community Futures Entre-Corp**

B. Mastel, Managing Director Public Services

##### **Council Employee Committee**

Councillor S. Sharps, Chair  
Councillor R. Robins, Vice Chair  
Councillor A. Van Dyke

##### **Highway 3 Twinning Assoc.**

Councillor D. Hirsch

##### **Inter-City Forum on Social Planning**

Councillor A. Van Dyke

##### **Regional Drainage Committee**

Councillor A. Van Dyke

#### **CITY REPRESENTATION ON OTHER BOARDS, COMMITTEES & COMMISSIONS**

##### **Chamber of Commerce**

Councillor A. Knodel

##### **Cypress View Foundation**

Councillor D. Hirsch  
Councillor R. Robins

##### **Friends of Medalta**

Councillor A. Knodel

##### **Intermunicipal Committee**

Councillor R. Dumanowski  
Councillor S. Sharps

##### **Medicine Hat Community Housing Society**

Councillor R. Robins

##### **Medicine Hat Exhibition & Stampede**

Councillor A. McGrogan

##### **Medicine Hat Public Library**

Councillor R. Robins

##### **Municipal Names Committee**

Councillor C. Hider

##### **Municipal Planning Commission**

Councillor D. Hirsch, Chair  
Councillor A. McGrogan

##### **Palliser Economic Partnership**

Councillor C. Hider  
Councillor S. Sharps

##### **Police Commission**

Councillor A. Van Dyke  
Councillor S. Sharps

##### **Shortgrass Library System**

Councillor A. Van Dyke

##### **Subdivision & Development Appeal Board**

Councillor C. Hider  
Councillor R. Dumanowski, Alternate

##### **Tourism Medicine Hat Committee**

Councillor C. Hider

**MINUTES OF THE REGULAR MEDICINE HAT  
CITY COUNCIL MEETING  
HELD ON MONDAY, OCTOBER 17, 2022 AT 6:30 PM  
IN CITY HALL COUNCIL CHAMBERS**

---

**PRESENT:** Mayor L. Clark, Chair  
Cllr. R. Dumanowski  
Cllr. C. Hider  
Cllr. D. Hirsch  
Cllr. A. Knodel  
Cllr. A. McGrogan  
Cllr. R. Robins  
Cllr. A. Van Dyke

**ALSO PRESENT:** Dr. G. Feltham, City Manager  
B. Mastel, Managing Director of Public Services  
D. Egert, Managing Director of Corporate Services  
B. Maynes, Managing Director of Energy & Infrastructure  
R. Pancoast, Managing Director of Strategic Management & Analysis  
B. Bullock, City Solicitor,  
A. Karbashewski, City Clerk  
R. Korven, Legislative Services Specialist

**NOT PRESENT** Cllr. S. Sharps

**1. CLOSED SESSION**

Councillor R. Robins - Councillor C. Hider moved that Council close the meeting to the public at 3:45 p.m. to discuss items pursuant to the [Freedom of Information and Protection of Privacy Act](#) and that Council reconvene for the public meeting at 6:30 PM in Council Chambers.

**For:** 8; **Against:** 0; **Absent:** 1  
**Voting Against:** (None)

Carried

**Items Discussed**

- Collective Bargaining Update [s. 16(1)(a)(ii)]
- Retail Update [s. 24(1)(g), 25(1)(b) and (c)]
- Proposed Intermunicipal Committee Coordinator [s. 24(1)(g)]
- Intermunicipal Committee Action Item [s. 24(1)(g)]
- Monarch Theatre [s. 16]

**2. CALL TO ORDER**

Called to order at 6:31 PM.

**3. MOMENT OF PRAYER OR REFLECTION**

Observed.



4. **LAND ACKNOWLEDGEMENT**

The Mayor provided the land acknowledgement.

5. **COUNCIL MEMBER ANNOUNCEMENTS**

Councillor Van Dyke spoke to the City being awarded with the following Canadian Gas Association awards:

- Corporate Safety Award for Employee Safety in recognition of the city's perfect employee safety scores;
- Corporate Safety Award for Vehicular Safety recognizing the organization's track record for reducing vehicle damages over the past year; and
- Michael Mulcahy Award for Excellence and Innovation in Customer Care and Service for significant achievement (over and above everyday activities) by members of the natural gas delivery industry in the area of innovation and service to natural gas customers.

Managing Director Maynes introduced the team members in attendance: Grayson Mauch – Director City Operations, Rob Ferguson – Manager Gas Distribution Operations, Andy Moon – Gas Operations Superintendent and Kris Kleemola – Gas Operations Foreman.

Council congratulated those in attendance and recognized the efforts of all staff.

6. **ADOPTION OF THE AGENDA**

Hearing no objection, the Mayor declared the agenda of the October 17, 2022 Regular City Council meeting adopted as presented.

7. **ADOPTION OF THE MINUTES**

(7.1.) **Regular City of Medicine Hat Council Meeting - October 3, 2022**

Hearing no objection, the Mayor declared the minutes of the October 3, 2022 Regular City Council Meeting adopted as amended.

8. **PUBLIC HEARING(S)**

(8.1.) **BYLAW NO. 4693** - a bylaw of the City of Medicine Hat to amend the Land Use Bylaw to re-zone 155 Ash Avenue SE from Community Services (CS) to High Density Mixed Use (MU-HD)

8.1.1 Introduction by City Staff

R. Sissons, Manager of Planning & Development Services, presented the proposed Land Use Bylaw amendment to address re-zoning requirements from Community Services to High Density Mixed Use. Re-zoning aligns with Council's Strategic Plan under resiliency and sustainability.

8.1.2 Call to Order

The Mayor called the public hearing to order at 6:47 pm.

8.1.3 Presentations / Submissions

Corrine Korf, resident of the City, was present to express concerns regarding the perimeter boundary of the land affected by the land use bylaw amendment and the potential effect it will have on traffic flow through the neighbouring areas.

No one else was present to speak in favor of or in opposition to the proposed Land Use bylaw amendment.

8.1.4 Close Public Hearing

The Mayor declared the public hearing closed at 6:52 pm.

8.1.5 Business Arising

**BYLAW NO. 4693 for Second and Third Readings**

Councillor D. Hirsch - Councillor R. Dumanowski, moved that Bylaw 4693, being an amendment to the Land Use Bylaw be read a second time.

**For: 8; Against: 0; Absent: 1**  
**Voting Against:** (None)

Carried

Councillor D. Hirsch - Councillor R. Dumanowski moved that Council give third and final reading to Bylaw 4693.

**For: 8; Against: 0; Absent: 1**  
**Voting Against:** (None)

Carried

(8.2.) **BYLAW NO. 4713** - a bylaw of the City of Medicine Hat to amend the Land Use Bylaw to re-zone 1752 10 Ave SW from Airport (A) to General Industrial (I-G)

8.2.1 Introduction by City Staff

R. Sissons, Manager of Planning & Development Services, presented the proposed Land Use Bylaw amendment to address re-zoning requirements from Airport to General Industrial. Re-zoning aligns with Council's Strategic Plan under resiliency and sustainability.

8.2.2 Call to Order

The Mayor called this public hearing to order at 7:09 pm.

8.2.3 Presentations / Submissions

No one was present to speak in favor of or in opposition to the proposed Land Use bylaw amendment.

8.2.4 Close Public Hearing

The Mayor declared the public hearing closed at 7:18 pm.

8.2.5 Business Arising

**BYLAW NO. 4713 for Second and Third Readings**

Councillor D. Hirsch - Councillor C. Hider, moved that Bylaw 4713 be read a second time.

**For: 8; Against: 0; Absent: 1**  
**Voting Against: (None)**

Carried

Councillor D. Hirsch - Councillor C. Hider moved that Council give third and final reading to Bylaw 4713.

**For: 8; Against: 0; Absent: 1**  
**Voting Against: (None)**

Carried

9. **COMMITTEE / COMMISSION BUSINESS ARISING**

(9.1.) **Audit Committee**

9.1.1 Meeting Minutes - October 4, 2022

Councillor D. Hirsch - Councillor A. McGrogan moved that Council adopt the minutes of the Audit Committee meeting held on October 4, 2022, as presented, for the corporate record.

**For: 8; Against: 0; Absent: 1**  
**Voting Against: (None)**

Carried

9.1.2 Meeting Highlights

Chair Hirsch highlighted the Tri-Annual Management Report and the City's financial health and sustainability.

(9.2.) **Energy & Infrastructure Committee**

9.2.1 Meeting Minutes - October 6, 2022

Councillor A. Van Dyke - Councillor A. McGrogan moved that Council adopt the minutes of the Energy & Infrastructure Committee meeting held on October 6, 2022, as presented, for the corporate record.

**For: 8; Against: 0; Absent: 1**  
**Voting Against: (None)**

Carried

9.2.2 Meeting Highlights

Chair Van Dyke highlighted the pilot project regarding traffic pattern changes for the intersection of Dunmore Road and Spencer Street.

(9.3.) **Public Services Committee**

9.3.1 Meeting Minutes - October 11, 2022

Councillor R. Robins - Councillor A. Van Dyke moved that Council adopt the minutes of the Public Services Committee meeting held on October 11, 2022, as presented, for the corporate record.

**For:** 8; **Against:** 0; **Absent:** 1  
**Voting Against:** (None)

Carried

9.3.2 Meeting Highlights

Chair Robins highlighted the Kerby Assembly and the programming at the Veiner Centre with a focus on healthy aging. Chair Robins also indicated that the Electronic Fare Management System for transit was demonstrated and Administration was commended for implementing this initiative.

Councillor Hider congratulated administration on the re-opening of the Moose Recreation Centre.

10. **NEW BUSINESS**

(10.1.) **Rural Renewal Community Designation**

Sponsor: Strategic Management and Analysis

Councillor C. Hider - Councillor R. Dumanowski moved that Council direct Administration to submit a community designation application on behalf of the City of Medicine Hat, allocate resources, work with economic development partners and pursue potential grant funding avenues.

Managing Director Pancoast presented the recommendation from the report and was present to answer questions of Council.

**For:** 8; **Against:** 0; **Absent:** 1  
**Voting Against:** (None)

Carried

(10.2.) **Municipal Planning Engagement**

Sponsor: Strategic Management and Analysis

Councillor A. Knodel - Councillor A. Van Dyke moved that Council

- Approves the participation of the City of Medicine Hat within the Strong Towns 2023 Community Action Lab;
- Directs City Administration to enter into an agreement to the satisfaction of the City Manager and City Solicitor with the Strong Towns organization for the Community Action Lab; and
- Approves an MOE in the amount of \$212,000 with the funding source from Capital Reserve (non-repayable council contingency).

Managing Director Pancoast presented the information regarding the opportunity for the City of Medicine to be a part of the Strong Towns 2023 Community Action Lab program. R. Sissons, Manager of Planning was present to answer questions

of Council and provided information on how the program fits within the City's growth management strategy and the municipal development plan.

**For: 8; Against: 0; Absent: 1**

**Voting Against: (None)**

Carried

**(10.3.) Consolidation Opportunity**

Sponsor: Strategic Management and Analysis

Councillor R. Dumanowski - Councillor A. Knodel moved that Council approves a budget amendment for \$168,000 to allow for the purchase 817 – 2nd Street SE.

Managing Director Pancoast presented information on an opportunity for the City to purchase a residential lot that is adjacent to City lands allowing for a consolidation of land which will provide a future development opportunity for the City.

**For: 8; Against: 0; Absent: 1**

**Voting Against: (None)**

Carried

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

There were no Notices of Motion received.

**12. ADJOURNMENT**

The Mayor declared the meeting adjourned at 7:57 pm.

Adopted by City Council on November 7, 2022

\_\_\_\_\_  
MAYOR LINNSIE CLARK, CHAIR

\_\_\_\_\_  
ARLENE KARBASHEWSKI, CITY CLERK

# Family Violence Prevention Month





## Our Programs & Services

### **24/7 SUPPORT:**

Help Line: 403-529-1091 or 1-800-661-7949

Text Line: 587-850-5885

Web Chat: [www.mhwss.ca](http://www.mhwss.ca)

**Phoenix Safe House Emergency Shelter**

**Musasa House Second Stage Shelter**

**Child & Youth Services – In Shelter & Outreach**

### **Outreach Services @ The Ridge**

Safe Families Intervention Team (SFIT)  
Partnership with the Medicine Hat Police  
Service

Domestic Abuse Response Team (Partnership  
with Alberta Health Services/Regional  
Hospitals)



# Our Numbers

April 1, 2021 – March 31, 2022

Phoenix Safe House Emergency Shelter	<b>200 adults</b> <i>(Previous year: 184)</i>	<b>80 children</b> <i>(94)</i>
Musasa House Second Stage Shelter	<b>21 adults</b> <i>(24)</i>	<b>32 children</b> <i>(47)</i>
Outreach Services	<b>830 adults</b> <i>(854)</i>	<b>126 children</b> <i>(184)</i>
Crisis Calls	<b>1,537</b> <i>(1,165)</i>	

**Total adults served: 1,121**  
*(1,135)*

**Total children served: 343**  
*(383)*

**Total Served: 1,464**  
*(1,518)*



## Text Line & Web Chat Launch

- Text **587-850-5885** or visit **mhwss.ca** to connect with a MHWSS crisis intervention worker.
- Launched in June with daytime hours (7AM-11PM daily)
- 24/7 as of November 1<sup>st</sup>
- People connecting on a daily basis & feedback is positive.
- Provides same service as help line: One-to-one support, safety planning, referrals, intake into shelter & MHWSS programming

## Domestic Abuse Response Team

- Partnership launched in November 2021 with Medicine Hat Regional Hospital
- **Proactive Approach:** Patients screened for domestic violence. If abuse is identified and patient gives permission, AHS will contact 24/7 MHWSS Dart Responder.
- 1-2 DART calls per month, positive outcomes with all calls in connecting them to supports and follow-up care

## Looking Forward

- Family Violence Rates climbing locally, provincially, and nationally
- Challenges for our clients:
  - Housing affordability/availability
  - Increased cost of living
  - Complex needs (e.g. mental health, substance use) requiring a broad community of care
- Continuing to build community partnerships, adapt



# Family Violence Prevention Month Activities

---

- Declaration Signing & Memorial Walk
- Purple ribbons throughout our community
- Pet Walk Nov. 13<sup>th</sup> @ 1PM, Kin Coulee Toboggan Hill
- #IWearPurpleBecause campaign on radio and social media
- Silent Witness Display at Medicine Hat Public Library
- Elder Abuse Display & Training at Veiner Centre
- Free educational webinars
- Christmas Hamper Campaign Launch

And much more – Full list available at **[www.mhwss.ca](http://www.mhwss.ca)**

# Medicine Hat Women's Shelter Society



## Report to the Community | 2021-22





## Medicine Hat Women's Shelter Society

*"In our most vulnerable time in our private lives, [MHWSS staff] discretion and empathy helped me make the positive decisions I needed to make, and their support helped me achieve my goal."*

### BOARD OF DIRECTORS 2021-22

#### President

Jennifer Kerslake

#### Vice President

Kristine Russell

#### Secretary

Debbie Stiles

#### Treasurer

Bailey O'Reilly

#### Directors:

George Best

Conor Doyle

Brent Secondiak

Ryan Thorburn

Miles Thorson

#### WHO WE ARE

The Medicine Hat Women's Shelter Society is a non-profit organization. Our services are available at no cost and we serve Medicine Hat and surrounding area.

#### OUR VISION

All individuals live free from violence and abuse.

#### OUR MISSION

The Medicine Hat Women's Shelter Society supports individuals impacted by family violence by providing them with safe shelter, education, advocacy and access to community resources. We are committed to social change by providing programs and services that promote treating all people with respect and dignity.

#### OUR GUIDING PRINCIPLES

- We believe that violent and abusive behavior is a deliberate choice;
- We honor that victims always respond and resist to abuse and violence;
- We believe that people have the capacity to change;
- We are committed to providing a positive social response to every person;
- We believe in providing a socially responsible and financially accountable organization to the community;
- We value innovative practices and strong advocacy that offers a strong public voice;
- We believe that dedicated and compassionate staff can effect change.

# PRESIDENT'S

# Message

On behalf of the Medicine Hat Women's Shelter Society's Board of Directors, it is an honour to share our annual Report to the Community as we reflect on this past year and look to the future.

Much of the Board's focus in this time frame has been the creation of a new strategic plan to guide us in the years ahead. We selected "A Flourishing Shelter Society" as the theme for this new plan, with an emphasis on four pillars: Culture, Facility, Funding, and Staff.

Family violence impacts everyone and anyone. It is imperative we build a **CULTURE** that is welcoming and inclusive to all. In recent years this has included expanding programming and services to be inclusive of all genders and we will continue to build upon this and other inclusive practices.

Our **FACILITIES** are home, even if just temporarily, for those staying in shelter. It's vital that these spaces be safe, functional, and accessible. This past summer our Musasa House Second Stage Shelter underwent renovations with this in mind, and we're currently looking at what renovations are needed at Phoenix Safe House Emergency Shelter.

Stable, predictable **FUNDING** is crucial to maintaining existing programming. We continue to look for ways to diversify our funding streams and build our Shelter Legacy Fund, especially as we look to meeting future needs within our community. As always, the generosity of our community is awe-inspiring, and a reflection of how deeply so many care about the work we do at MHWSS.

Our **STAFF** is the heart of this organization. Their kindness, knowledge and dedication are what clients remember long after their time with us has ended. As an organization that provides frontline crisis services, staff well-being must be a priority. Some ways we have done this include establishing a staff health spending account and employer funded RRSP plan – and we will continue to look for more ways to invest in our staff.

Our vision of all individuals living free from violence and abuse may seem impossible when faced with all the violence, anger, and pain in this world. But every day at MHWSS we see how change is possible. We witness the courage of those connecting with our supports and services to build safer and happier lives. Many are breaking cycles of violence that have existed for generations.

The board is honoured to be a part of their journey, and part of an organization like MHWSS that makes a safer, flourishing future possible.

Jennifer Kerslake





# COMMUNITY Address



One of my favorite times of day at work is when I am sitting at my computer and can look out at our back yard here at Phoenix Safe House. Especially during the summer months, it's when the children are out there playing, or participating in the SAFE camp. I see kids just being kids, in a safe place. They are loud, laughing and filled with peace that they are, for the time being, in a safe place free from the violence they experience at home.

At the MHWSS, we work diligently to ensure we are not only providing a safe place to land in a world of violence and fear, but also an environment of refuge and peace.

We strive hard to make sure when families arrive at our doors they are welcomed and offered a clean and safe bedroom at our emergency shelter, or townhouse at our second stage shelter. That they have nourishing food and staff available 24/7 to

listen and support and offer direction or encouragement.

We are here not to judge, but to walk along with our clients on their journey of healing. At times this is hard, especially when a client decides to return to the abusive partner. At least we know we have planted a seed and now they know where to go the next time they need safety, and even better, have the resources and skills to know how to keep themselves safe.

This is my 16th year with MHWSS, and I am so very honored to be a part of this amazing organization. We have a wonderful team who are passionate and dedicated and want the best for our clients and are willing to advocate and support. But they are tired, so very tired. This work is wonderful and challenging but takes an emotional toll.

This report is dedicated to my staff, I see you and I know how hard you are all

*We are here not to judge, but to walk along with our clients on their journey of healing.*

working to ensure our clients are treated with respect and dignity while receiving the supports and care they need.

This year launches our next three years of strategic planning, and I am so incredibly grateful and proud of our Board of Directors who chose to focus on culture, staff, facilities and funding as a focus for the next three years. Honoring the work our staff do every day, 24/7, 365 days a year is so incredibly important and validating.

This year we have a lot of exciting things to look forward to. We are constantly doing scans of our environment to ensure we are meeting clients' needs to the best of our ability.

In previous years, this has meant, expanding our capacity at the emergency shelter, adding on an onsite daycare, launching our Safe Families Intervention Team (SFIT) program with the Medicine Hat Police Service, partnering with Medicine Hat Community Housing Society to offer a Housing First program, and opening an offsite outreach building.

This past year we expanded into a partnership with Alberta Health Services to offer the Domestic Abuse Response Team (DART) program.

We also launched our text and web chat line this summer to increase the accessibility of our services in addition to our 24/7 help line. Initially our web chat and text line were available 7AM to 11PM daily, and this will soon expand to being available 24/7.

We are most thankful for our community and their incredible ongoing support. These have been a long 30 months of COVID, and we appreciate more than ever the generosity and kindness.

As you can imagine this has been an extra challenging time on the families we serve. A global pandemic and all the stressors that came with that exacerbated an already tense and difficult home situations.

We know our families are struggling and will continue to struggle for a long time to come and we want to ensure we are there for the long term with the programs and services they need to keep themselves safe.

So, thank you to all our funders, donors, volunteers, and staff. Without all of you, none of this would be possible, you are helping grow hope in our community!!

**Natasha Carvalho MSc RSW**  
Executive Director



# STATISTICS 2021-2022

**Phoenix Safe House** **200 Adults**  
Emergency Shelter **80 Children**

**24/7 Help Line** **1,537**  
@ Phoenix Safe House **Crisis Calls**

**Musasa House** **21 Adults**  
Second Stage Shelter **32 Children**

**Outreach Services** **830 Adults**  
**Adult Support Groups** - 41 group sessions held throughout the year, with a total of 28 participants **126 Children**

**Housing First** **70 Adults**  
with Medicine Hat Community Housing **27 Children**



**Christmas  
Hamper  
Program**

**137 Adults, 181 Children**

**S.A.F.E.**

2021 Summer Adventure  
Fun & Education Program

**16 Children**

*"I wouldn't be where I am today, in my life and mind, without the support of your program"*

**Treehouse  
Daycare**

**62 Children**



**ADULTS SERVED**

**1,121**

**CHILDREN SERVED**

**343**

**TOTAL SERVED**

**1,464**

# OUR STAFF

## Phoenix Safe House Emergency Shelter

- Manager of Residential Programs and Services
- Residential Programs Administrator
- Community Support Coordinator
- 6 Crisis Intervention Workers (CIWs)
- 2 CIW Client Care Coordinator
- 2 Part Time Help Line Support Workers
- 5 Relief CIWs
- 2 Child Support Workers
- 2 Child Care Workers
- Household Support Worker

## Musasa House Second Stage Shelter

- MH Client Care Coordinator
- 2 Child Support Workers

## Outreach Services

- Outreach Supervisor
- 4 Outreach Workers

## Administrative Team

- Executive Director
- Assistant Director
- Administrative Assistant
- Human Resources Administrator
- Community Education & Awareness Coordinator
- Volunteer & Donations Coordinator
- 1. 5 Facility Maintenance Workers

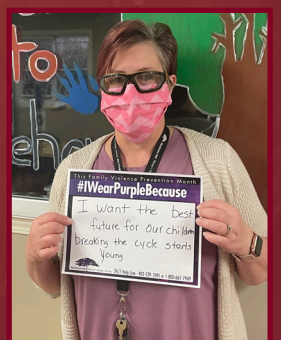
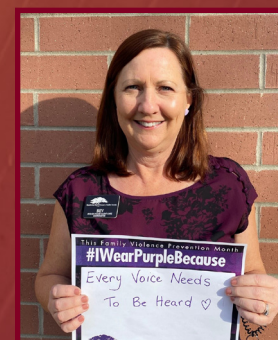
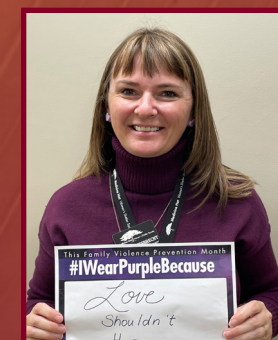
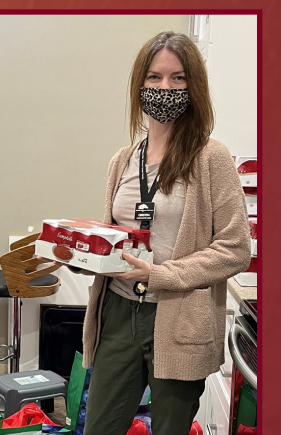
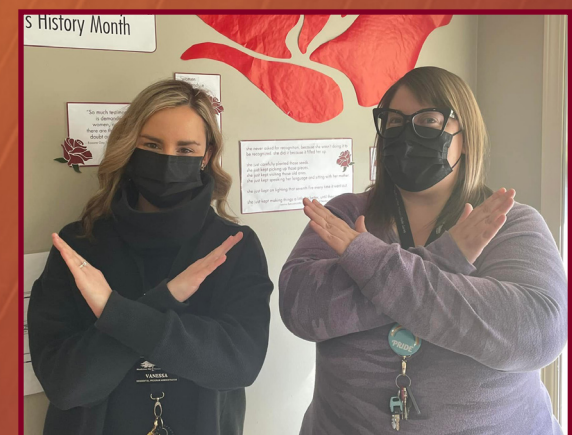
## MHC Practicum Students

- Crisis & Musasa - 2 fall, 2 winter Social Work Program
- Child Support - 1/ year Child & Youth Care Program

## SAFE Summer Students

- 2 during summer months

*As of September 1, 2022*



**OUR  
Volunteers**



**1,385+ hours**

of service provided by volunteers.

*A change in how we record volunteer hours means this amount reflects volunteer hours from October 2021 to March 2022.*



# 'A flourishing Shelter Society'



## Strategic PLAN

2022-2025



**W**hen our team set out to choose the theme of our new strategic plan, they selected "A Flourishing Shelter Society" as a fitting focus.

It's a theme that reflects our past successes, our strengths, and our goals for the future as we address emerging issues for our organization as we responded to the needs of our community.

MHWSS's previous strategic plan expired in 2020, with the COVID-19 pandemic delaying the commencement of the new strategic planning process until September 2021.

Many of the lessons learned throughout the pandemic were incorporated into our new strategic plan, as we continued to adapt to the changing needs of our community and an increased demand for services and supports.

Our staff has been key to navigating not just the pandemic, but our 40+ years of serving our community. Staff input was vital throughout the strategic planning process, and with them we explored the following themes:

- What do you value about the work you do and the role you play at MWHSS?
- If you could improve something about MHWSS's present services, what would it be?
- What do you think we could do that would have the biggest impact on our clients' lives?
- What is a small step we could take that would help us build a better culture for our employees?

From this feedback the strategic planning team established four focal areas: **Culture, Facility, Funding and Staff**, and developed "possibility statements" for each to guide our decisions and priorities in the years ahead.

Most importantly, our strategic plan is about our clients. Focusing on these four areas lays a foundation for helping them build lives free from violence, where they can pursue their goals in a state of dignity - and most of all, flourish.

## Strategic Plan Highlights:

### Culture

MHWSS is a flourishing organization because it supports and welcomes all populations to thrive in a safe, supportive, and inclusive environment to ensure all people live free from violence.

### Facility

MHWSS creates a flourishing community by providing a safe and dynamic shelter that connects programs and services adapted to needs.

MHWSS's facility needs are comprised of both short-term initiatives for existing structures, and a long-term vision to build an expanded shelter environment.

### Funding

MHWSS possesses stable resources to maintain programs and grow responsibly by diversifying funding streams.

### Staff

MHWSS makes a commitment to invest in current and future staff to create an engaging and collaborative environment that ensures fair compensation, benefits, and supports overall well-being.

MHWSS employees are mission-driven, service-centred individuals who work with individuals in a high stage of distress and trauma. Maintaining a healthy workforce is a vital component of MHWSS's ability to achieve its mission.

---

*"Human flourishing is best understood as a state in which all aspects of a person's life are good - happiness, mental and physical health, meaning/purpose, and close social relationships."*

---



# TEXT LINE & WEB CHAT

## The Medicine Hat Women's Shelter Society launched text line and web chat services this June.

By texting 587-850-5885 or visiting mhwss.ca daily between 7AM-11PM, community members can connect with a Crisis Intervention Worker for support, help, safety planning – and even arranging intake into shelter, just like they would be able to do through our 24/7 help line.

### Why a Text Line & Web Chat?

- Now a preferred form of communication for many people;
- Increases accessibility for those with disabilities or language barriers;
- Provides more options for those without access to a phone, or whose abuser may be monitoring their communications.

Currently MHWSS is one of two shelters in Alberta who provide this service.

We will continue to gather data and feedback as we move forward, to adapt how the program runs to best respond to our community's need.

We want to especially send a thank you to all our dedicated staff who put in many hours to make the launch of these new services possible!



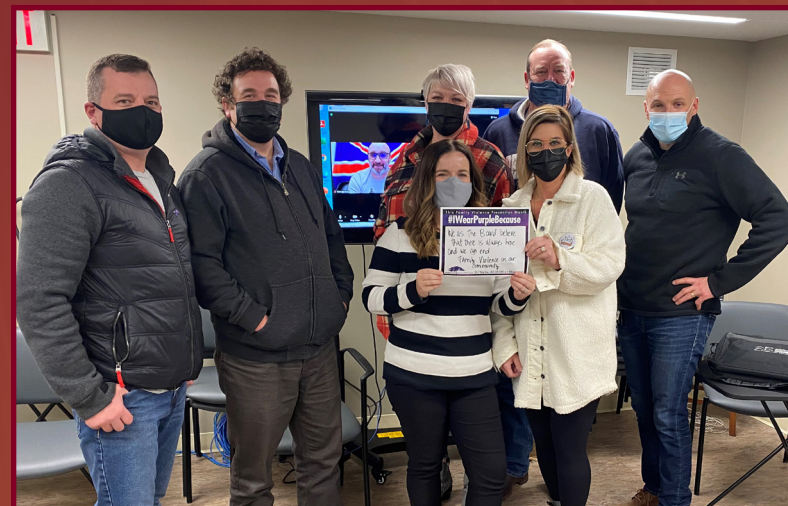
**CONNECTIONS  
MADE THROUGH  
WEB CHAT OR  
TEXT MESSAGE.**

*From June 1 to  
September 1, 2022*

**2,316 MINUTES SPENT IN  
CONVERSATION WITH  
CHATTERS**

**REFERRALS MADE** ... to a variety of local agencies, such as the Medicine Hat Police Service/RCMP, Addictions Support, Income Support, Legal Aid, and Mental Health Services.

*One individual who reached out to us was a former client. They shared that having the text line available made them feel comfortable reconnecting for the support they still needed.*



*"I struggle with guilt and regret and self-blame, but since I have been in this program it has helped me so much. It is giving me strength, insight, and hope."*



**Top Left:** MHWSS Outreach staff and Cst. Kinsi Steiger at our annual Memorial Walk for Family Violence Prevention Month. **Top Right:** Plains Midstream donated and built vegetable garden boxes for our Musasa House Clients. **Middle Left:** MHWSS Board members holding their #IWeirPurpleBecause sign for FVPM. **Bottom Left:** The amazing number of pajamas donated through the annual "Bring a Child a Smile" campaign, run by Educational Support Workers with CUPE Local 829. **Bottom Right:** A beautiful day for golf at our 2021 Charity Golf Classic, sponsored by Scotiabank Group.

### Website Redesign & Relaunch

Our newly redesigned website was launched in June alongside text line and web chat services. Visit mhwss.ca to see!



# Domestic Abuse Response Team

Our Domestic Abuse Response Team (DART) program launched at the Medicine Hat Regional Hospital mid-November 2021, and has since expanded to include the hospitals in Oyen, Taber, Brooks, and Bassano.

Screening for Intimate Partner Violence (IPV) in a healthcare setting creates opportunities that patients may not otherwise have to safely talk about their experience of abuse, connect to referrals and supports, increase their safety and improve their health.

The DART program began in 2017 as a pilot project between the Red Deer Regional Hospital ER Department and the Red Deer Outreach Centre, and has since expanded to various locations across Alberta.

Through our partnership with Alberta Health Services, hospital staff screen patients for family violence. If abuse is identified and the patient gives permission, AHS staff will then contact the MHWSS DART responder, who is available 24/7.

Our DART responder may attend in person or by phone to provide support, safety planning, danger assessment, referrals, transportation, and immediate access to MHWSS services such as intake into our Phoenix Safe House Emergency Shelter.

On average, there have been one to two DART

calls per month. Since the screening process is a newer one, we believe numbers will increase as hospital staff become more accustomed to asking the screening questions.

There have been positive outcomes from the calls we have responded to. Three DART clients have become Outreach Clients, and we assisted two individuals in accessing emergency shelter here and in Brooks. As well, we've successfully connected with each client for follow-up care, even if they did not connect with Outreach supports.

In August our DART coordinator visited the ER department at Oyen's Big Country Hospital to discuss any questions they had. Discussions have also taken place with staff and support liaison workers from the Bow Island Health

Centre on how to best support the Low-Level German Community.

Hospital staff are increasingly connecting with us to ask questions about family violence and our services, and we're excited to see these positive connections grow with the communities we're supporting.

*We've successfully connected with each client for follow-up care, even if they did not connect with Outreach supports.*

## Community Connection



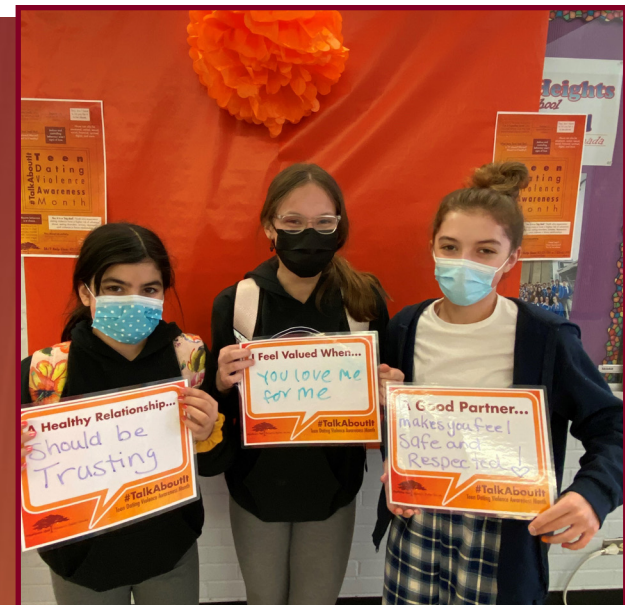
### Family Violence Prevention Month

- ✦ Purple ribbon put up throughout community by local schools, community members, and organizations.
- ✦ Annual Mayoral Declaration, Memorial Walk, and Pet Walk.
- ✦ #IWearPurpleBecause campaign on radio and social media.
- ✦ Displays at the Esplanade, Medicine Hat College, and Medicine Hat Public Library.
- ✦ Eight community webinars sharing information on family violence, MHWSS services, and building a safer, more inclusive community.



### Teen Dating Violence Awareness Month

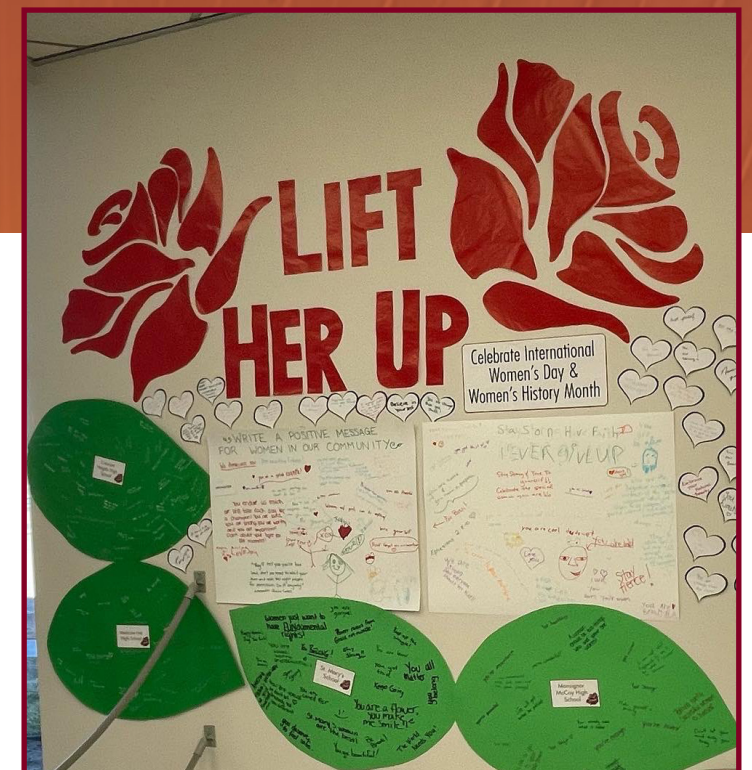
- ✦ Connected with 320+ local youth through presentations & lunchtime activities in February.



December 6th Vigil at Medicine Hat College to mark the National Day of Remembrance & Action on Violence Against Women.

### International Women's Day

- ✦ Interactive display at the Medicine Hat Public Library where community members were encouraged to write words of celebration and encouragement for women in our community to mark International Women's Day & Women's History Month.
- ✦ MHWSS staff and clients contributed by adding hearts to the display with positive messages.
- ✦ Students and staff at Monsignor McCoy High School, Crescent Heights High School, Medicine Hat High School, and St. Mary's Middle School also participated by filling up green leaves with positive messages.





# CLARE'S LAW & MHWSS

## What is Clare's Law?

Clare's Law was first enacted in the UK in remembrance of Clare Wood, who was murdered by an ex-partner in 2009.

Wood's family believes that had she been aware of her ex-partner's longstanding criminal record including multiple acts of violence against women, she would have never entered into a relationship with him.

## Clare's Law In Alberta:

The Disclosure to Protect Against Domestic Violence Act came into effect in Alberta in April 2021. It allows individuals who feel at risk for Intimate Partner Violence (IPV) to apply to see if their partner has a history of domestic violence, stalking/harassment, breaches of no contact orders and other relevant criminal acts.

A third party can apply on behalf of a person at risk, if they have consent. Police can disclose relevant criminal history to individuals at risk. The person whose information is being requested will not be notified.

## How is MHWSS involved?

MHWSS can assist individuals who wish to submit an application.

We are a partnering agency with the Medicine Hat Police Service for the disclosure portion of the application, so applicants are provided immediate connection to supports as they decide how to move forward with the information available.

While the reach of Clare's Law is limited since many cases of Family Violence are never reported to police, some positive outcomes from Clare's Law we've witnessed include how it can provide an individual insight into their partner's history, help them assess their risk, and connects them with our supports and services.

*"Making the first call was hard ... I'm so glad I did."*

## Beyond Medicine Hat:

In Alberta, 58% of women who completed a Danger Assessment with a shelter worker in 2020-21 were assessed to be in severe or extreme danger of being murdered by their intimate partner.

"Keira's Law" is currently awaiting second reading in the Canadian Senate, and if passed would require federally appointed judges to receive education on family violence. It's named after four-year-old Keira Kagan, who was murdered by her father while on a court-ordered visit in 2020, despite child welfare and a family court judge being informed he was showing behaviour consistent with a parent who would kill or harm a child.

The "More Than" National Awareness Campaign was launched this year by Women's Shelters Canada (WSC) to illustrate how organizations like MHWSS provide "more than" shelter.

The Canadian Femicide Observatory for Justice and Accountability recorded 173 women and girls murdered in Canada in 2021. This is a 26% increase from 2019. From available information, 35% were killed by a current/former intimate partner, 20% by family, 7% by an acquaintance, 5% by a stranger. In 34% of cases, the relationship to the victim was not disclosed by police/media.

# SHELTER LEGACY Program

## LET YOUR LEGACY LIVE ON

Join a remarkable group of individuals who have taken steps to ensure that programs and services are available for victims of family violence.

## WHAT IS AN ENDOWMENT FUND?

An endowment fund is an income source where the principal is never spent. The interest from the Endowment Fund is the only portion of the fund spent to support the work of the Medicine Hat Women's Shelter Society.

## ENDOWMENT OPTIONS

Bequests: Gifts or personal property, real estate or a specific sum of money.

Life Insurance: Through an existing policy or transfer ownership of existing policy.

Direct Gifts: Recognized with a Tax Receipt.

Retirement Funds: A charitable gift of all or any portion of funds remaining at death.

Gifts That Give Back: Gifts that provide a future gift for the society and a lifetime of income for the donor. This type of gift is irrevocable and provides immediate tax benefits for the donor, [ie. Remainder Trust.]

## TALK TO US!

We can explain more fully each of these gift plans, and assist you in meeting your financial needs and philanthropic desires.

**For more information about the Shelter Legacy Program, contact our executive director Natasha Carvalho — 403-527-8223 or natashac@mhwss.ca**

*"What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others."*

-Pericles

## LEGACY PROGRAM MEMBERS

Drew & Frances Barnes\*  
Gerry Carter\*  
Mike Salmon & Natasha Carvalho\*  
Cleanrite Services  
Joyce Condon\*  
Don & Doris Dempster\*  
Nick & Voula Douvis  
Dr. Trevor M. Brooks Professional Corporation  
Craig & Donna Elder\*  
Dianne & Cecil Finch\*  
Gerald & Elaine Freedman\*  
Muriel Glenn  
Lyn Gordon\* (in Memory of Toni Ward)  
Carol & Joel Heese\*

Kambi & Paul Heywood\*  
Hillcrest Church\*  
Bruce & Marlene Hubbard  
Heather & Danny Koch\*  
Blake Pederson & Angela Kolody  
Stan & Robin Krause  
Randy & Linda Lehr\*  
Victor & Myra Link  
PG Mastel  
Miles & Noel Maughan\*  
Amanda & Grant McCrie\*  
Andy & Sherry McGrogan\*  
Gerald Borch & Hilary Munro\*  
Mike King & Rose O'Donnell King\*

Bailey & Ryan O'Reilly  
Darlene & Todd O'Reilly\*  
Catherine Ohama\*  
Sandy & Kevin Redden\*  
Mark Lewall & Karen Saffran  
Marlene & Kevin Semrau  
Dan Kammerer & Cheryl Shabatura\*  
Sons of Abraham Congregation\*  
St. Paul Lutheran - Women's Missionary League\*  
Ron & Sheila Verhegge  
Deena & Mark West\*  
Jim & Anne White\*  
Tara Williams  
Anonymous\*

\*Shelter Legacy Program Founding Members

# MAJOR SUPPORTERS



@mhwomensshelter

**Presentation by the City Manager  
On the Proposed Budget for 2023 and 2024  
November 7<sup>th</sup> Council Meeting**

Let me briefly introduce the proposed budgets for 2023 and 2024 before passing things over to Managing Director Egert for a more complete introduction.

Through the budgetary process we balance the needs, priorities, and aspirations of the city, against revenue sources and fiscal sustainability. The proposed budget reflects re-investments in operations and capital of the City of Medicine Hat. It reflects a desire by our community to maintain our current high levels of service.

Our budgetary process is extensive. The process is informed by each department in the City. Departmental business plans are developed which set out operational and capital needs, in alignment with Council's Strategic Plan. We further examine and make recommendations on municipal tax revenues, and utility rates and fees.

An important question for any organization, particularly during a budgetary process is, are we living within our means – that is, are we financially sustainable? A study by KPMG recently defined financial sustainability as follows:

“Financial sustainability is the ability to meet current and future expenses as they arise and the capacity to respond to foreseeable changes and emerging risks.”  
KPMG, 2020

Sustainability for the city is not defined by a single revenue source or activity. In considering the sustainability of the City of Medicine Hat, it is useful to consider our activities in four categories:

- General municipal operations,
- Utilities and distribution,
- Energy generation (COMCO), and
- Investments.

General municipal operations are funded primarily through property tax revenues, utilities through rates, COMCO through the sale of energy, and investments from our savings (our reserves).

While three of the four streams are relatively stable and sustainable, the level of historic earning from COMCO is not. COMCO has two primary business lines: gas, and electric production. Neither, in the longer term, may be sustainable. Gas production is diminishing annually – simply stated, our gas fields are mostly played out. Earning from electrical generation also have longer term vulnerability. Almost all of our current electric generation is from gas. The Federal policy is a net-zero grid by 2035.

So, an appropriate question to ask is whether the City of Medicine Hat is financially sustainable without COMCO? I believe the answer is **yes**. Our expected earnings on utilities and investments are sufficient to offset shortfalls in municipal services. And we have a strong and growing balance sheet that allows us to meet future challenges and fund our future.

My answer 7 years ago, or even two years ago, would have been that we were not sustainable without COMCO. So, what has changed? We largely eliminated our losses from the production of Oil and Gas (\$30-50 million a year). Further, our expected investment income has increased markedly. This resulted from greater amounts under investment (from profits from COMCO) and a change in investment policy.

I stated that our expected earnings on utilities and investments are sufficient to offset shortfalls in municipal services But we present a municipal operating cash shortfall \$11 million in 2023, and \$6 million in 2024 (similar to the \$9 million shortfall budgeted from this year). Why?

This occurs for two reasons. First, our existing reserve policies do not flow all the earnings from utilities and investments to municipal services. Rather, much of these earnings are transferred into reserves, with a transfer back from reserves to municipal operations. Second, in the short-term accounting earnings and our cash position may vary significantly.

While sustainable, we must be prudent and vigilant. It is important that we continue to focus on our costs, both operating & capital. It is also important that we continue to focus on revenue generation – this includes both municipal taxes, and utility rates

I would like to briefly discuss the importance of municipal taxes in our sustainability. Municipal taxes are the primary means to pay for ongoing municipal operations. They are central to sustainability. Where these rates are not raised to reflect increased costs (municipal inflation) the municipality may be at risk. This is particularly an issue if a lower rate is paid for through a non-sustainable revenue source.

Let me close by thanking everyone involved in the budgetary process – this included many people from across the organization. Your efforts are greatly appreciated.



# City of Medicine Hat

## 2023 and 2024 Budgets

---

Presented to City Council



November 16, 2022



# Agenda

---

1. Introduction
2. 2023 and 2024 Budgets
3. Conclusion

# Introduction

---



- Reflect City Council Strategic Plan
- Outline resources required to deliver programs, services and facilities
- Strike reasonable balance between financial sustainability and organizational health
- Council to consider and approve 2023 and 2024 budgets prior to January 1

# Building a Healthy and Sustainable Community

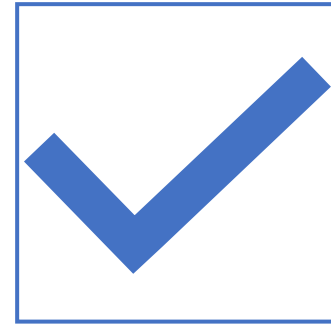
---

- The City of Medicine Hat is resilient and nimble, with a strong financial and organizational foundation that supports the advancement of Council's Strategic Plan:
  - Evolve with the needs and priorities of the community
  - Take risks while remaining effective stewards of community assets and the future
  - Cultivate and foster trusting internal and external relationships
  - Empower and develop talent to drive innovation

# Budget Objectives

---

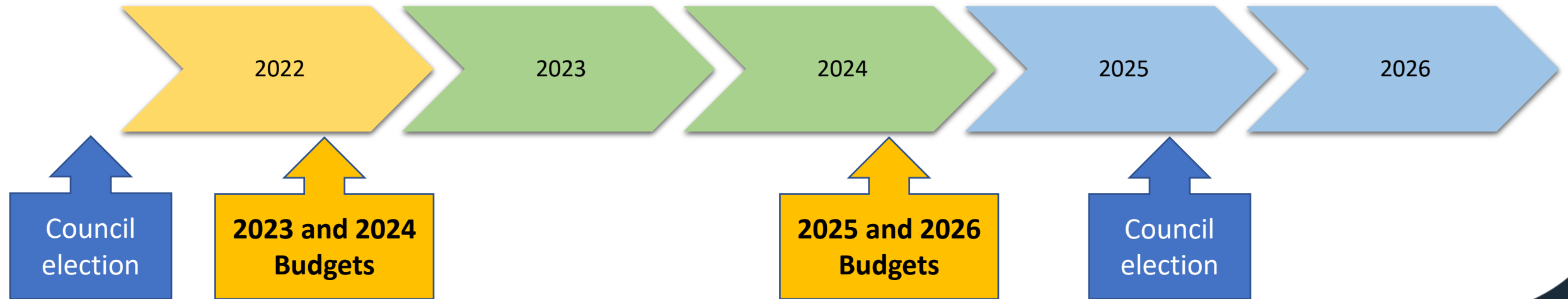
- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents
- Provide competitive property tax rates and utility rates
- Balance financial sustainability while maintaining organizational health



# Planning Cycle

Annual budgets prepared in multi-year planning cycles – Council to consider and approve:

- 2023 and 2024 budgets (in December 2022)
- 2025 and 2026 budgets (in December 2024)

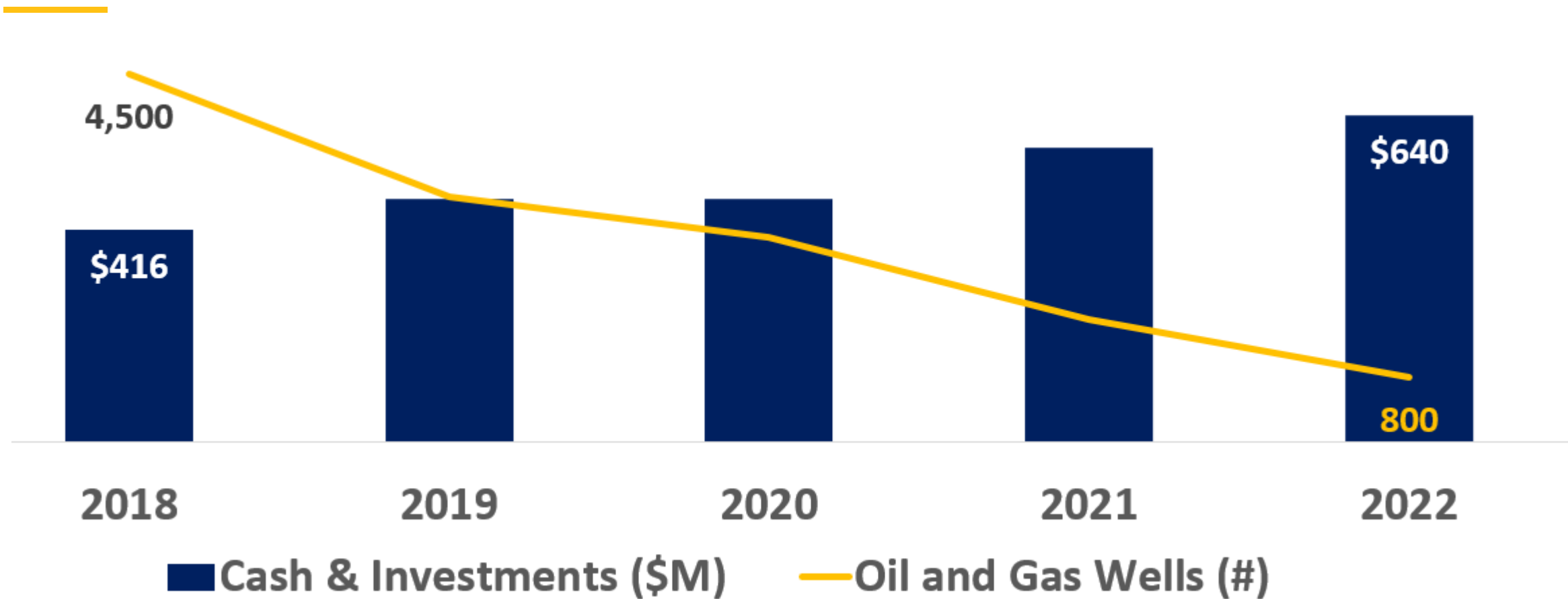


# Changing Environment

- New Council Strategic Plan
- Impact and response to the pandemic
- Volatility of commodity prices
- Government of Alberta reduction of transfers
- Inflation and interest rate hikes



# Path To Sustainability



The oil & gas well Abandonment Program contributed to the improvement of cash balances between 2019 - 2022

# Treasury Management

---

- Prudent debt and investment management ensures the ability to fund existing and future operating and capital requirements, liabilities and strategic opportunities
  - ✓ **Debt managed within Policy: projected 2024 Debt limit 59%**
    - Internal policy: 70%
    - MGA policy: 100%
  - ✓ **Cash and Investments managed within Policy: ~\$640M**



# Council Policies In Effect

---

- Capital Debt Management - #0121
- Subsidy Levels & User Fees for Public Service - #0160
- Investment Policy - #0167
- Financial Reserves - #0168
- Distributable Funds/Dividend - #0169

Service Levels

Utility Pricing

# Budget Assumptions

---

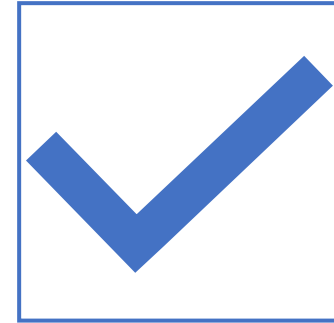
- Revenue
  - Property tax: 4% and assessment growth: 1%
  - User fees and charges: 4%
  - Municipal Consent of Access Fee: \$3M increase by 2024
- Expense
  - General municipal inflation, goods and services: 4%
  - Salary and wages: 2.5%
- Treasury
  - Average real return on investments: 3%
  - Average cost of borrowing: 3.6%

# CONCLUSION

# Conclusion

---

- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents
- Provide competitive property tax rates and utility rates
- Balance financial sustainability while maintaining organizational health now and into the future



# Budgets Timeline

---

- **Nov 7**                      **Open Council** – Introduce budgets with 1<sup>st</sup> reading of Rate bylaw
- **Nov 16**                    **Open Council Committee of the Whole** – Budget Deliberations
- **Nov 21 and Dec 5**      **Open Council** – Budget deliberations with 2<sup>nd</sup> & 3<sup>rd</sup> reading of Rate bylaw

# Questions

# Municipal Tax Supported and IMH

2023 and 2024  
Budgets



# Agenda

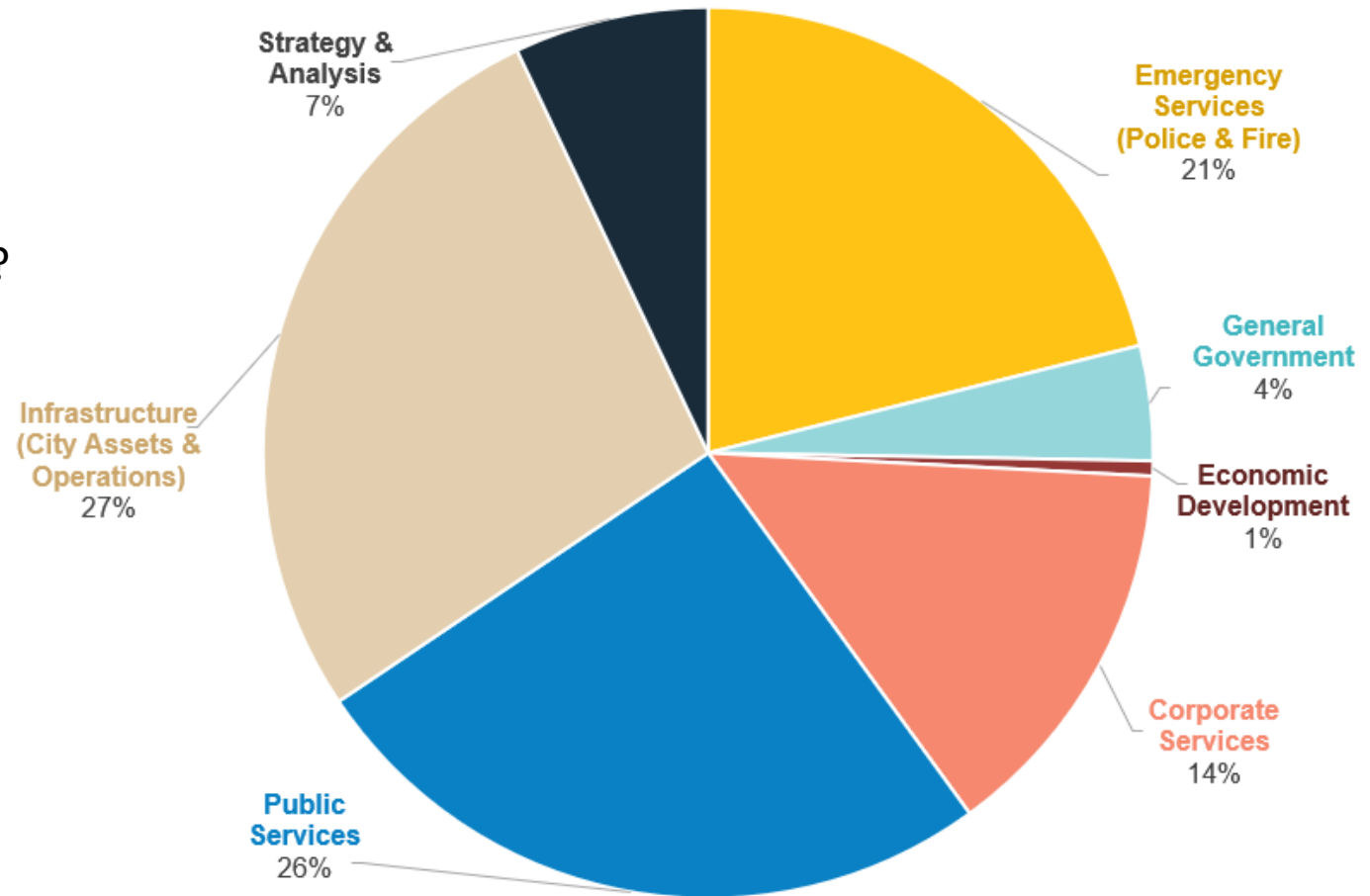
---

1. Introduction
2. Municipal Tax Supported and IMH – 2023 and 2024 Budgets
3. Conclusion and Recommendation



# Municipal Operations

Where do my property tax dollars go?

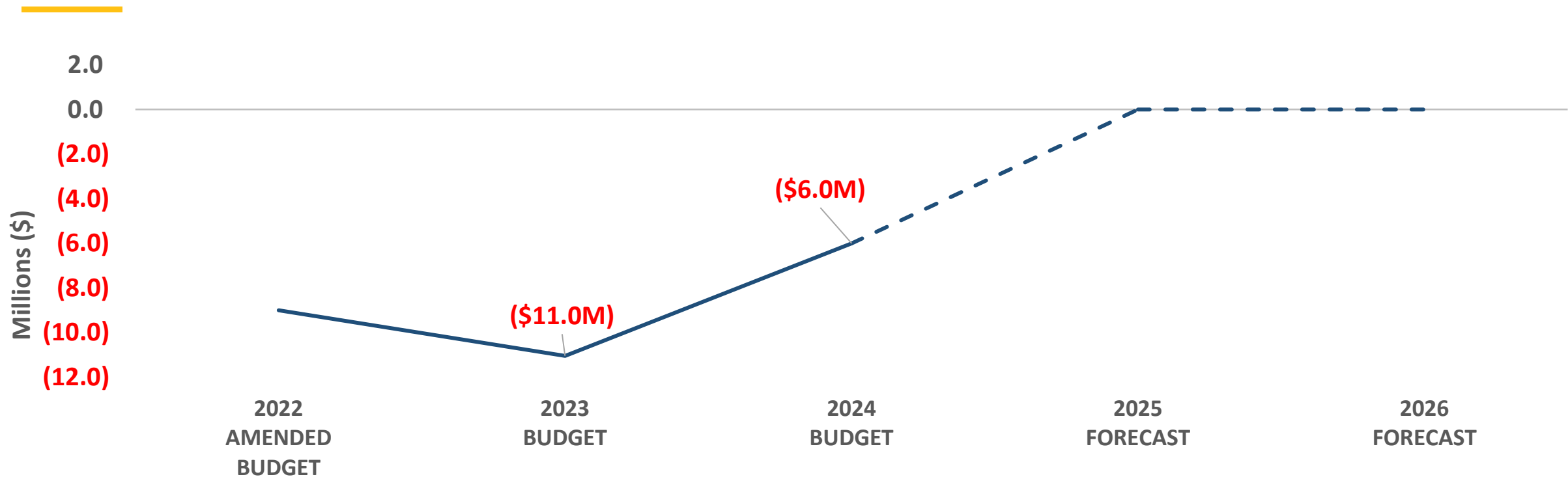


# Municipal Operations – Key Impacts to Achieve Priorities

---

- Property tax revenue increase reflects cost of service delivery and ~\$7.5M revenue shortfall resulting from 0% property tax increases in 2020 and 2021
- Capital plan includes budget and funding related to maintenance and upgrades deferred during COVID-19 pandemic
- Permanent positions added in key priority areas to support municipal services delivery
- Contributions to Heritage Savings Fund to achieve endowment income starting 2025 (\$50M approved and contributed in 2022 and proposed \$25M in 2023)

# Municipal Operations – Cash Requirements Forecast



Municipal budget cash shortfall is anticipated to resolve after 2025

# Municipal and IMH Operations – Cash Requirements

City of Medicine Hat

**Municipal and Invest Medicine Hat Operating Budget** *(in millions)*

	<b>2022 AMENDED BUDGET</b>	<b>\$ CHANGE</b>	<b>2023 BUDGET</b>	<b>\$ CHANGE</b>	<b>2024 BUDGET</b>
Revenue	123.1	13.5	136.6	7.5	144.2
Expenses*	132.2	16.3	148.5	4.7	153.3
Net Revenues (Expenses)	(9.1)	(2.8)	(11.9)	2.8	(9.1)
Internal Allocations	17.4	2.6	20.0	0.4	20.4
Net Cash Requirement before Transfers	8.3	(0.2)	8.1	3.2	11.3
Capital Cash Requirements*	(10.6)	(2.2)	(12.8)	1.6	(11.2)
Transfer From/(To) Reserves	(6.7)	0.4	(6.3)	0.2	(6.1)
Transfer From Operating Reserve	9.0	2.0	11.0	(5.0)	6.0
<b>Total Municipal Cash Requirements</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Land EBITDA**</b>	<b>2.4</b>	<b>(1.4)</b>	<b>1.0</b>	<b>1.2</b>	<b>0.2</b>

\*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense, debenture principle repayments, and transfers from operating to capital.

\*\*Earnings before interest, taxes depreciation and amortization.

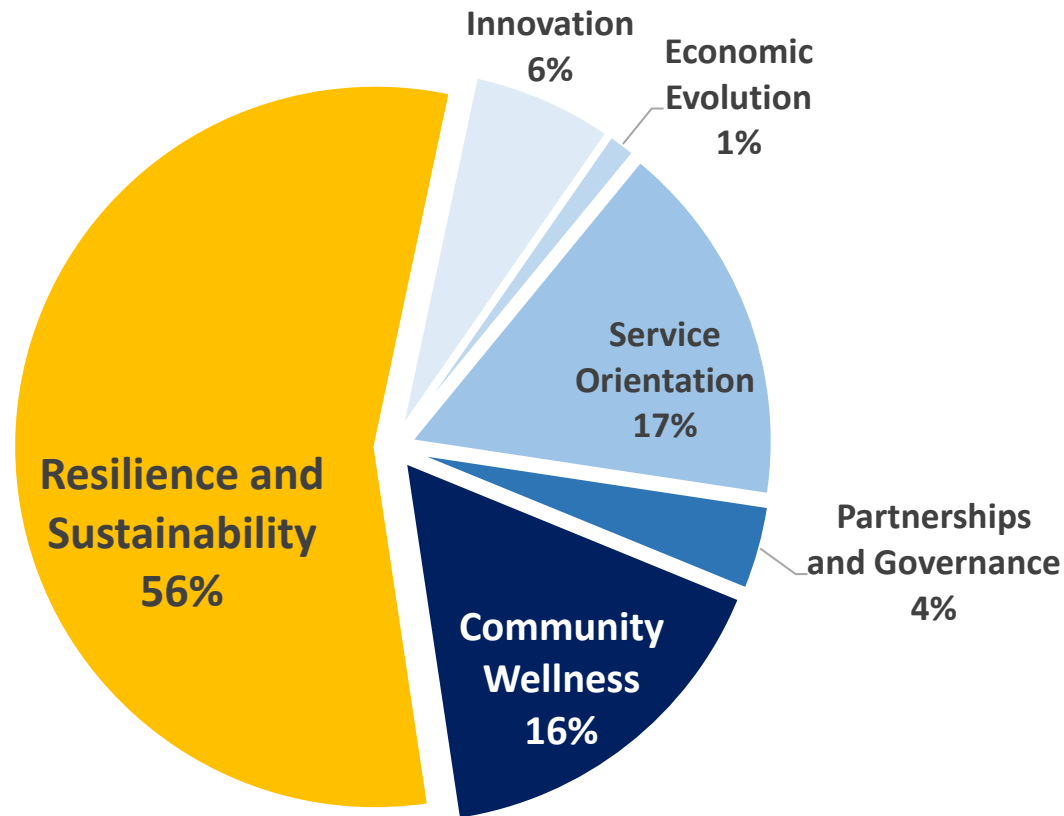
**2023 and 2024 municipal cash shortfall funded by Transfer From Operating Reserve**

# Capital Budget (and Major Operating Expenditures)

City of Medicine Hat  
Municipal TCA and MOE Budget *(in millions)*

	2023	2024	TOTAL
Tangible Capital Asset (TCA)	40.7	46.9	87.6
Major Operating Expense (MOE)	4.3	2.2	6.5
Total	45.0	49.1	94.1

# Capital Budget – Reflecting Council Strategic Priorities



# of projects by Council Priorities

## Resilience and Sustainability

- Infrastructure renewal: parks, trails, culture & recreation facilities, roads & bridges

## Community Wellness

- Community Housing infrastructure renewal
- Off Leash dog park development
- Echodale Regional Park improvement program

## Partnerships and Governance

- Community Partnerships Program

## Service Orientation

- Parks accessibility, culture and entertainment facility equipment renewal

## Innovation

- Business process optimization
- Technology to support internal collaboration and customer facing digitization

## Economic Evolution

- Town Square washrooms to increase event hosting opportunities

# Recommendation to Council

---

It is recommended that City Council:

- adopt the 2023 and 2024 **Municipal Tax Supported** and **Invest Medicine Hat** Operating, Major Operating and Capital budgets as well as related funding sources
- in accordance with Distributable Funds/Dividend Policy #0169, approve the transfer of the 2022 **projected** Free Cash Flow of \$83.8M as follows:
  - \$25M to the Heritage Savings Reserve
  - Remainder amount contributed to Restricted Reserves



# Thank You

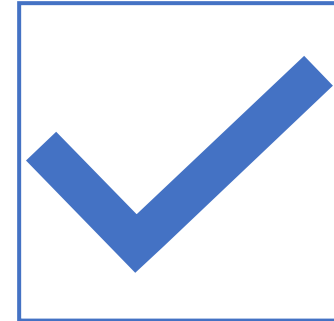
---

# CONCLUSION

# Conclusion

---

- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents
- Provide competitive property tax rates and utility rates
- Balance financial sustainability while maintaining organizational health now and into the future



# Budgets Timeline

---

- **Nov 7**                      **Open Council** – Introduce budgets with 1<sup>st</sup> reading of Rate bylaw
- **Nov 16**                    **Open Council Committee of the Whole** – Review budgets
- **Nov 21 and Dec 5**      **Open Council** – Budget deliberations with 2<sup>nd</sup> & 3<sup>rd</sup> reading of Rate bylaw

# Questions

**2023 AND 2024 BUDGETS  
MUNICIPAL TAX SUPPORTED AND INVEST MEDICINE HAT**

**NOVEMBER 2, 2022**

**ISSUE:**

Adoption of the 2023 and 2024 budgets (Operating, Major Operating Expense (MOE) and Tangible Capital Asset (TCA)) for City of Medicine Hat Municipal Tax Supported and Invest Medicine Hat.

**RECOMMENDATION:**

It is recommended through the Administrative Committee that City Council:

- a) adopt the 2023 and 2024 **Municipal Tax Supported** Operating budgets, Major Operating Expense (MOE) budgets, and Tangible Capital Asset (TCA) budgets as well as related funding sources;
- b) adopt the 2023 and 2024 **Invest Medicine Hat** Operating budgets;
- c) in accordance with Distributable Funds/Dividend Policy #0169, approve the transfer of the 2022 projected Free Cash Flow of \$83.8M as follows:
  - i. \$25.3M to the Heritage Savings Reserve
  - ii. \$58.5M to Restricted Reserves
- d) receive for information:
  - i. Municipal Tax Supported Operating Forecast and 10 Year TCA and MOE Plans
  - ii. Invest Medicine Hat Operating Forecast and 10 Year Capital Plan

**COUNCIL STRATEGIC PRIORITY:****Fiscal Responsibility**

The 2023 and 2024 budgets incorporate City Council Strategic Priorities and seek to strike a reasonable balance between financial sustainability and organizational health while achieving the following objectives:

- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents,
- provide competitive property taxes and utility rates, and
- balance financial sustainability while maintaining organizational health

The 2023 and 2024 Invest Medicine Hat budgets seeks to support land development, sales and leasing activity anticipated in the current economic environment.

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

The 2023 and 2024 Municipal Budgets will ensure the continued effective delivery of health, safety, and environmental safety throughout the organization.

**Financial Impact:**

Funding Request:	Yes	If yes, amount: See below
Budgeted Item:	Yes	Funding Source: As noted below
Funding Explanation:	As noted below	
Budget Amendment Form?	No	

City of Medicine Hat

**Municipal Operating Budget (in millions)**

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	\$ CHANGE	2024 BUDGET	\$ CHANGE
Revenue	123.1	13.5	136.6	7.5	144.2	17.1%
Expenses*	132.2	16.3	148.5	4.7	153.3	15.9%
Net Revenues (Expenses)	(9.1)	(2.8)	(11.9)	2.8	(9.1)	0.5%
Internal Allocations	17.4	2.6	20.0	0.4	20.4	17.3%
Net Cash Requirement before Transfers	8.3	(0.2)	8.1	3.2	11.3	35.7%
Capital Cash Requirements*	(10.6)	(2.2)	(12.8)	1.6	(11.2)	5.6%
Transfer From/(To) Reserves	(6.7)	0.4	(6.3)	0.2	(6.1)	(9.1%)
Transfer From Operating Reserve	9.0	2.0	11.0	(5.0)	6.0	(33.3%)
<b>Total Budget Surplus/ (Shortfall)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

\*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense, Debenture Principle repayments, and other transfers from operating for capital spending.

City of Medicine Hat

**Municipal TCA and MOE Budget (in millions)**

	2023 BUDGET (\$)	2024 BUDGET (\$)	TOTAL BUDGET (\$)
Tangible Capital Assets (TCA)	40.7	46.9	87.6
Major Operating Expense (MOE)	4.3	2.2	6.5
<b>Total</b>	<b>45.0</b>	<b>49.1</b>	<b>94.1</b>

Invest Medicine Hat is comprised of two separate business units: (1) Economic Development and Investment – funded by property taxes; and (2) Land Development and Sales – funded by sales and leasing revenue. Total revenue/expense net figures are provided in the table below:

City of Medicine Hat

**Invest Medicine Hat Operating Budget (in millions)**

	2022 AMENDED BUDGET (\$)	2023/2022 BUDGET CHANGES (\$)	2023 BUDGET (\$)	2024/2023 BUDGET CHANGES (\$)	2024 BUDGET (\$)	2024/2022 BUDGET CHANGES %
Revenue	10.1	(4.4)	5.7	(1.5)	4.3	(57.9%)
Expenses*	8.4	(2.8)	5.5	(0.2)	5.3	(36.8%)
Net Revenues (Expenses)	1.8	(1.6)	0.2	(1.2)	(1.0)	(156.3%)
Internal Allocations	3.3	(2.6)	0.7	0.0	0.8	(77.2%)
Net Cash Requirement before Transfers	5.1	(4.1)	1.0	(1.2)	(0.3)	(104.9%)
Capital Cash Requirements*	2.7	(2.7)	0.0	0.0	0.0	(100.0%)
Transfer To Reserves	0.0	0.0	0.0	0.0	0.0	
Transfer From Reserves	0.0	0.0	0.0	0.0	0.0	
<b>Total Budget Surplus/(Shortfall)</b>	<b>2.4</b>	<b>(1.4)</b>	<b>1.0</b>	<b>(1.2)</b>	<b>(0.3)</b>	<b>(110.5%)</b>

\*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense and other transfers for capital.

*\*the proposed IMH budget is a placeholder based on current state trajectory but with full expectation of being revisited with council once the resourcing plan and related strategies are confirmed (in progress with executive and council).*

**Legal / Policy Impact:**

The City of Medicine Hat is legislatively required to adopt a municipal budget before it may establish a bylaw for property tax requisition; the Municipal Government Act requires Council to adopt budgets prior to January 1 of each respective calendar year. Property tax rate bylaws for 2023 and for 2024 will be presented to City Council for approval in spring 2023 and 2024, respectfully.

The Municipal Budget was developed based on City Council strategic plan and in accordance with City of Medicine Hat policies and practices.



### **Public Implications:**

This budget proposes an annual 4% increase to property tax revenues in both 2023 and 2024, with an additional 1% of property tax revenue related to assessment growth in each year. This increase in property tax revenue comes after a two-year property tax rate freeze that assisted City residents during the pandemic. However, it also comes during record inflationary pressures that are increasing the cost of living for local property owners.

The 2023 and 2024 Invest Medicine Hat budgets are based upon City Council's strategic priorities considering the expected economic environment in the near term for land development and sales.

## **BACKGROUND:**

### **Introduction**

Council must adopt an annual Operating budget (MGA 242(1)) and annual Capital budget (MGA 245) for each calendar year by January 1 of that calendar year.

- An Operating budget must include the estimated amount of expenditures and transfers including the amount needed to provide for the council's policies and programs;
- A Capital budget must include the estimated amount for the following:
  - a) the amount needed to acquire, construct, remove or improve capital property and anticipated funding sources;
  - b) the amount to be transferred from the operating budget.

In addition to the annual budget preparation and approval requirements each municipality must prepare a written plan including the following:

- Financial Plan (i.e. Operating forecast) – anticipated financial operations over a period of at least the next 3 financial years.
- Capital Plan (i.e. Capital forecast) – anticipated capital property additions over a period of at least the next 5 fiscal years (MGA 283.1(3)).

Council must annually review and update its financial plan and capital plan (MGA 283.1(6)).

On July 4, 2022, Administration recommended the following key budget assumptions in development of the 2023 and 2024 budgets as well as the 2025 and 2026 forecast:

Revenue Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Property Tax Revenue (Base 4% + Assessment Growth 1%)*	5.0%	5.0%	5.0%	5.0%
User Fees & Charges Increase	4%	4%	4%	4%
Investments Return Rate	3%	3%	3%	3%
Municipal Consent & Access Fee Increase	\$2M	\$1M	-	-

Expense Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Managed Manpower Rate (as % of Salaries & Wages)	(4.2%)	(4.2%)	(4.2%)	(4.2%)
Benefit Rate (as % of Salaries & Wages)	20%	20%	20%	20%
General Inflation Increase	4%	4%	4%	4%
Salaries & Wages Increase*	2.5%	2.5%	2.5%	2.5%
Cost of Borrowing Increase	1%	2%	3%	3%
Capital Funding Amount	\$1.5M	\$1.5M	\$1.5M	\$1.5M
MOE Funding Amount	\$2M	\$2M	\$2M	\$2M

\*July 4, 2022 recommendation for annual assessment growth was 0.5% and annual salaries & wages was 4% but were subsequently revised to 1.0% and 2.5% respectively.

## **Corporate Results and Treasury Forecasts**

### **Corporate Results - Permanently Established Positions**

Through the 2023-2024 budget cycle process, it was determined that the establishment of an additional 29 permanently established positions (PEP's) additions is required to maintain existing service levels and organizational health (**Attachment #1** Corporate Results and Treasury Forecasts: Table #1).

### **Treasury Implications**

Funding the proposed 2023 and 2024 Operating, Tangible Capital Asset, and Major Operating Expense budgets for all economic business units within the corporation is expected to have the following impact to on Treasury holdings and borrowings:

	<b>2023 Forecast</b>	<b>2024 Forecast</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>
<b>Debt Limit</b>	52.6%	59.1%	59.2%	61.1%
<b>Total Reserves (\$M)</b>	357.9	360.6	350.5	339.8

In alignment with the procedures of the Capital Debt Management Policy #0121, the City of Medicine Hat is projected not to exceed the internal debt limit of 70% from 2023-2026 (**Attachment #1** Corporate Results and Treasury Forecasts: Table #2)

End of year reserve balances from 2022-26 include free cash flow contributions to reserves in alignment with the Distributable Funds/Dividend Policy #0169 (**Attachment #1** Corporate Results and Treasury Forecasts: Table #3).

Treasury holdings and borrowings are projected to meet internal policy limits, target debt/equity ratios, and provide a strong basis for financial health and sustainability into the future.

### **Municipal Budget**

This Municipal tax Supported budget balances financial sustainability while maintaining organizational health. This budget further advances the implementation and optimization of the 2021 organizational realignment, filling in identified resource gaps to delivery of Council's policy, services and programs, as well as implementing Council's strategic plan.

With the application of the above assumptions, additional cost pressures identified by departments, and alignment of the budget to Council's strategic priorities, a municipal budget shortfall of approximately \$11.0M in 2023 and \$6.0M in 2024 is projected.

The Municipal Services is presented in **Attachment #2**: 2023-24 Municipal Services Operating budget assuming the shortfall is funded by reserves with a commitment to review and revise the 10 year Financially Fit Initiative plan for unexpected events and changes in the economic environment (e.g., Aurora Sun closure, post-COVID19 pandemic inflation, 2021 organizational restructure, 2023-2026 Council Strategic Plan).

The transfer of \$75M to Heritage Reserve by January 1, 2023, will create an endowment that will provide an increase in investment income, thereby reducing the annual municipal budget shortfall by approximately \$5M by 2025.

The Municipal Services 10 Year Tangible Capital Asset (TCA) and Major Operating Expense (MOE) plans (**Attachment #4**: 2023-2024 and 2025-2032 Tangible Capital Asset and **Attachment #5**: Major Operating Expense Budgets and Forecasts) represent capital requirements in each year of the budget cycle as required to maintain existing service levels to the community, while balancing financial sustainability.

## **Invest Medicine Hat**

Management has reviewed assumptions contained in the 2022 Operating Budget Update previously approved by city council and proposed revisions in the 2023 and 2024 budgets (**Attachment #6: 2023-24 IMH Operating Budget**) related to the following:

- Updated sales forecasts to reflect current economic conditions, with a strategic focus on de-risking City owned lands to market industrial, commercial, and multi-use land opportunities
- Adjustments to salaries & wages, contracted services and internal charges in order to reflect the organizational realignment.

*\*the proposed IMH budget is a placeholder based on current state trajectory but with full expectation of being revisited with council once the resourcing plan and related strategies are confirmed (in progress with executive and council).*

### **OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

The proposed Municipal Tax Supported and Investment Medicine hat budgets represent a wide range of options, judgements, and choices that the Executive believes are optimal at this time. Beyond this, options include:

- Recognize additional sustainable distributable cash/Dividend from utility business units to balance the budget
- Revise base property tax revenue assumption to 5% = approximately \$800k annual revenue
- Reduce operating expenses with a commitment to review and adjust (reduce) service levels accordingly
- Redirect a portion of the 2022 projected Free Cash Flow of \$83M to other Reserves including Council capital contingency.

### **IMPLEMENTATION PLAN:**

Subject to Council approval, budgets and related funding will be implemented for 2023 and 2024.

<b>PREPARED BY &amp; DATE:</b>	Aaron Hoimyr Financial Planning Analyst	October 31, 2022
<b>REVIEWED BY &amp; DATE:</b>	Vanessa Bonneville City Controller & Manager, Financial Control & Reporting	
<b>APPROVED BY &amp; DATE:</b>	Dennis Egert Managing Director Corporate Services	
<b>ATTACHMENTS:</b>	Attachment #1: Corporate Results and Treasury Forecasts Attachment #2: 2023-2024 Municipal Services Operating Budget Attachment #3: 2023-2026 Municipal Operating Budget & Forecast Attachment #4: 2023-2032 Municipal TCA Plan Attachment #5: 2023-2032 Municipal MOE Plan Attachment #6: 2023-2032 IMH Operating Budget Attachment #7: 2023-2026 IMH Operating Budget & Forecast	

## ATTACHMENT #1: Corporate Results and Treasury Forecasts

Table #1: Permanently Established Positions 2020 - 2024

	2020	2021	2022	2023	2024
General Government	36	24	25	26	26
Corporate Services	201	149	155	163	164
Public Services	275	257	258	270	270
Police	150	148	148	153	153
Invest Medicine Hat	9	8	8	8	8
Strategy Management & Analysis	20	79	85	87	87
Energy & Infrastructure	313	359	354	354	354
Development & Infrastructure	83	-	-	-	-
<b>Total Permanent Positions</b>	<b>1,087</b>	<b>1,024</b>	<b>1,033</b>	<b>1,061</b>	<b>1,062</b>

In 2021 the City of Medicine Hat undertook a significant organizational restructuring to develop a streamlined structure to operate more efficiently and effectively. Each area is structured as follows:

- General Government - includes City Manager; Managing Directors; Executive Assistants; City Solicitor and City Clerk
- Corporate Services - includes Human Resources; Corporate Communications; Information Technology; Finance
- Public Services - includes Community Development; Fire and Emergency Services; Park and Recreation
- Invest Medicine Hat - includes Investment and Land
- Strategy Management & Analysis (SM&A) - includes Strategy & Analysis; Environment Land & Government Relations; City Planning; Integrated Project Planning & Execution
- Energy & Infrastructure (E&I) - includes City Assets; City Operations; Engineering; Power and Water Plants
- Development & Infrastructure- departments were relocated to E&I and SM&A

Table #2: Debt Limit Forecast 2022 - 2026

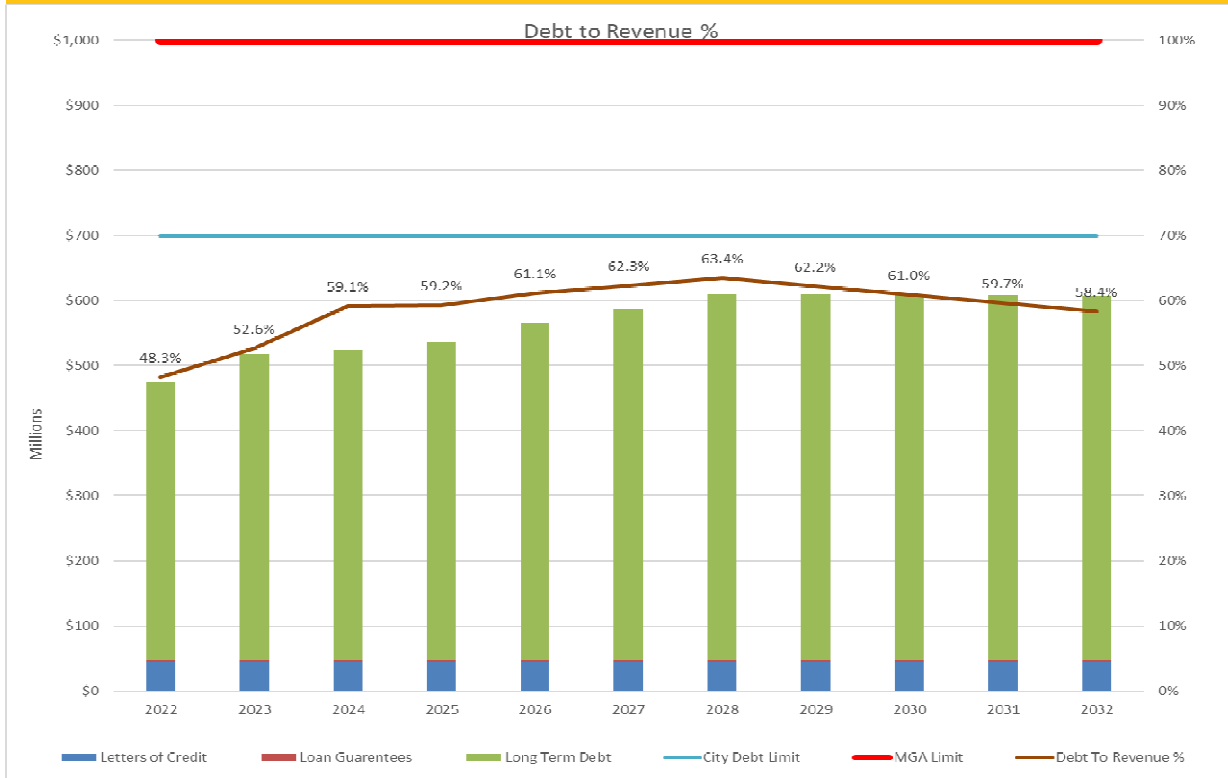


Table #3: 2022-2026 Reserves Forecast (in millions)

	2022	2023	2024	2025	2026
Operating Reserve	46.9	50.2	43.2	29.9	27.7
Capital Reserve	141.4	155.0	159.0	162.3	147.9
Heritage Savings Reserve	143.2	152.7	158.4	158.2	164.2
<b>Total</b>	<b>331.5</b>	<b>357.9</b>	<b>360.6</b>	<b>350.5</b>	<b>339.8</b>

## 2023-2024 MUNICIPAL SERVICES OPERATING BUDGET

City of Medicine Hat

## Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	% CHANGE	\$ CHANGE	2024 BUDGET	% CHANGE	REF NO.
<b>Revenue</b>								
Net Property Taxes	80,783	4,013	84,796	5.0%	4,237	89,033	5.0%	1
Other Revenue	30,966	2,841	33,806	9.2%	1,893	35,699	5.6%	2
Investment Income	8,280	6,602	14,882	79.7%	1,399	16,281	9.4%	3
Contribution from Utilities and Land	3,115	35	3,150	1.1%	-	3,150	0.0%	
<b>Total Revenue</b>	<b>123,144</b>	<b>13,491</b>	<b>136,635</b>	<b>11.0%</b>	<b>7,529</b>	<b>144,164</b>	<b>5.5%</b>	
<b>Expenses</b>								
Salaries, Wages and Benefits	96,209	4,944	101,153	5.4%	2,514	103,667	2.5%	4
Contracted and General Services	22,728	9,374	32,102	45.8%	1,236	33,337	3.8%	5
Materials, Goods & Utilities	7,569	1,950	9,519	24.8%	391	9,910	4.1%	6
Other Operating Expenses	5,701	53	5,753	1.0%	600	6,353	10.4%	7
<b>Total Expenses</b>	<b>132,207</b>	<b>16,321</b>	<b>148,528</b>	<b>13.1%</b>	<b>4,740</b>	<b>153,268</b>	<b>3.2%</b>	
<b>Net Cash Requirements Before Internal Transfers, Capital Requirements, and Reserve Transfers</b>	<b>- 9,063</b>	<b>- 2,830</b>	<b>- 11,893</b>	<b>- 0</b>	<b>2,789</b>	<b>- 9,104</b>	<b>0</b>	<b>-</b>
Internal Recovery	50,317	- 190	50,126	-0.4%	1,383	51,509	2.8%	
Internal Charges & Transfers	32,906	- 2,798	30,108	-8.5%	972	31,081	3.2%	
<b>Net Internal Charges and Transfers</b>	<b>17,410</b>	<b>2,607</b>	<b>20,018</b>	<b>15.0%</b>	<b>411</b>	<b>20,428</b>	<b>2.1%</b>	<b>8</b>
<b>Net Cash Requirements Before Capital Requirements and Reserve Transfers</b>	<b>8,348</b>	<b>- 223</b>	<b>8,125</b>	<b>-2.7%</b>	<b>3,200</b>	<b>11,324</b>	<b>39.4%</b>	
Capital Cash Requirements	- 10,612	- 2,230	- 12,842	21.0%	1,638	- 11,204	-12.8%	9
Transfer To Reserves	- 6,615	- 217	- 6,832	3.3%	195	- 6,637	-2.9%	10
Transfer From Reserves	265	239	504	89.9%	8	511	1.5%	11
Transfer From Operating Reserve	8,614	2,431	11,045	28.2%	5,040	6,005	-45.6%	12
<b>Total Cash Requirements</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>		

REF NO.	NOTE	\$
1	Annual increase due to 4% tax rate increase plus 1% assessment growth	4,013
2	Increase due to increase in Municipal Consent & Access Fee (2023-\$2.0M, 2024 - \$1.0M), additional event bookings at Esplanade and Coop place (\$1.5m) and increase in interest & penalties on arrears to reflect approved penalty rates (\$0.3M), offset by decrease in court fine revenue to reflect legislative changes (\$0.8M), and decrease in safety code revenue to reflect historical trends and current economic environment (\$0.1M).	2,841
3	Increase in investment income due to forecasted investment portfolio balance and execution of investment portfolio strategy in 2022.	6,602
4	Increase due to anticipated inflationary increase (\$2.4M) addition of 28 positions (\$2.5M).	4,944
5	Increase due to anticipated inflationary increases (\$1.0M), investment portfolio management fees resulting from executing the investment portfolio strategy (\$3.1M), increase in event bookings at Esplanade and Coop Place (\$1.7M), reclassification of annual road & sidewalk program expenses from Major Operating Expenses (\$1.2M), cybersecurity software & contractor support (\$0.6M), anticipated increase in vehicle fuel & maintenance expenses (\$0.5M), and additional inflationary increase in insurance premium expenses (\$0.4M) and software licence fees (\$0.3M).	9,374
6	Increase due to anticipated inflationary increases (\$0.3M) and expected additional inflationary increase in fuel & oil expenses (\$1.3M).	1,950
7	Increase in 2024 due to increase in debenture interest related to anticipated debenture borrowing to fund capital projects.	53
8	Internal recoveries decreased due to change in methodology (~\$2.2M) and fleet lease recoveries due to deferral of vehicle replacements (\$0.4M), offset by increases in expenses due to an increase in permanently established positions (\$0.8M) and expenses due to inflation (\$2.0M). Decrease in internal charges is due to change in methodology where charges/recoveries are no longer administered between shared corporate service departments (~\$1.7M) and costs are recovered primarily based on a department's proportionate number of permanent positions (~\$0.5M), and a decrease in fleet lease charges (\$0.4M).	2,607
9	Increase in 2023 is due to additional \$3.1M of funding for Major Operating Expenses (MOE) for a total of \$4M. MOE funding returns to \$2.2M in 2024. Partially offset by lower debenture principle payments (\$1.5M).	-2,230
10	Decrease due to lower fleet lease charges related to deferring vehicle replacements in prior years.	-217
11	Increase in transfer from Employee and Development operating reserve to fund related operating expenses.	239
12	Increase in funding required from the operating reserve is primarily due to an increase in permanently established positions and anticipated inflation on expenses.	2,431



## 2023-2026 MUNICIPAL OPERATING BUDGET &amp; FORECAST

City of Medicine Hat

## Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET	2025 FORECAST	2026 FORECAST
<b>Revenue</b>					
Net Property Taxes	80,783	84,796	89,033	93,485	98,160
Other Revenue	30,966	33,806	35,699	36,253	37,186
Investment Income	8,280	14,882	16,281	21,826	19,735
Contribution from Utilities and Land	3,115	3,150	3,150	3,150	3,150
<b>Total Revenue</b>	<b>123,144</b>	<b>136,635</b>	<b>144,164</b>	<b>154,714</b>	<b>158,230</b>
<b>Expenses</b>					
Salaries, Wages and Benefits	96,209	101,153	103,667	106,241	108,883
Contracted and General Services	22,728	32,102	33,337	34,286	35,538
Materials, Goods & Utilities	7,569	9,519	9,910	10,288	10,704
Other Operating Expenses	5,701	5,753	6,353	7,393	7,407
<b>Total Expenses</b>	<b>132,207</b>	<b>148,528</b>	<b>153,268</b>	<b>158,208</b>	<b>162,531</b>
<b>Net Cash Requirements Before Internal Transfers, Capital Requirements, and Reserve Transfers</b>	<b>- 9,063 -</b>	<b>11,893 -</b>	<b>9,104 -</b>	<b>3,494 -</b>	<b>4,302</b>
Internal Recovery	50,317	50,126	51,509	53,191	54,940
Internal Charges & Transfers	32,906	30,108	31,081	32,114	33,130
<b>Net Internal Charges and Transfers</b>	<b>17,410</b>	<b>20,018</b>	<b>20,428</b>	<b>21,077</b>	<b>21,810</b>
<b>Net Cash Requirements Before Capital Requirements and Reserve Transfers</b>	<b>8,348</b>	<b>8,125</b>	<b>11,324</b>	<b>17,583</b>	<b>17,509</b>
Capital Cash Requirements	- 10,612 -	12,842 -	11,204 -	11,271 -	11,097
Transfer To Reserves	- 6,615 -	6,832 -	6,637 -	6,831 -	6,939
Transfer From Reserves	265	504	511	519	528
Transfer From Operating Reserve	8,614	11,045	6,005	-	-
<b>Total Cash Requirements</b>	<b>0</b>	<b>0</b>	<b>0 -</b>	<b>0 -</b>	<b>0</b>

**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**ATTACHMENT #4**

**Municipal Services - Capital**

				BUDGET REQUEST		BUDGET FORECAST									
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	FLEET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL	
11210528	CAO Contingency			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	
23210671	CAS-MW-2023/24-TCA-Traffic Calming Measures	Sustaining Capital - TCA		-	-	150	150	-	-	-	-	-	-	300	
23210672	CAS-MW-2023/24-TCA-Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA		5,000	5,250	-	-	-	-	-	-	-	-	10,250	
23210673	CAS-MW-2023-TCA-City Fence Rehabilitation/Replacement	Sustaining Capital - TCA		-	-	100	-	-	-	-	-	-	-	100	
23210674	CAS-MW-2023/24-TCA-Bridge Rehabilitation	Sustaining Capital - TCA		1,000	1,000	-	-	-	-	-	-	-	-	2,000	
23210675	CAS-MW-2023/24-TCA-Multi-modal Transportation Connectivity	Growth Capital - TCA		-	-	100	100	-	-	-	-	-	-	200	
23210676	CAS-MW-2023-TCA-Finlay Bridge Decorative Lighting Replacement	Sustaining Capital - TCA		-	-	-	-	-	250	-	-	-	-	250	
23210677	CAS-MW-2023/24-TCA-Storm Sewer Rehabilitation Program	Sustaining Capital - TCA		3,500	3,500	-	-	-	-	-	-	-	-	7,000	
23210678	CAS-MW-2025-TCA-Kingsway Av Rehabilitation	Sustaining Capital - TCA		-	-	4,600	-	-	-	-	-	-	-	4,600	
23210679	CAS-MW-2023/24-TCA-Dunmore Road Rehabilitation	Sustaining Capital - TCA		-	-	2,500	2,200	-	-	-	-	-	-	4,700	
23210680	CAS-MW-2023/24-TCA-3rd Street SE Road Rehabilitation	Sustaining Capital - TCA		150	1,000	-	-	-	-	-	-	-	-	1,150	
23210681	CAS-MW-2023/24-TCA-South Boundary Road Rehabilitation	Sustaining Capital - TCA		-	-	-	-	4,400	-	-	-	-	-	4,400	
23210682	CAS-MW-2025-TCA-Intersection Traffic Signalization	Growth Capital - TCA		-	-	250	-	-	-	-	-	-	-	250	
23210683	CAS-MW-2023/24-TCA-Division Avenue South Upgrade	Sustaining Capital - TCA		-	6,250	-	-	-	-	-	-	-	-	6,250	
23210684	CAS-MW-2023/24-TCA-Laneway Rehabilitation	Sustaining Capital - TCA		200	200	-	-	-	-	-	-	-	-	400	
23210685	CAS-MW-2023/24-TCA-Storm System Upgrades	Sustaining Capital - TCA		-	-	500	-	-	-	-	-	-	-	500	
23210686	CAS-MW-2025 2028-TCA-Festive Light Replacement	Sustaining Capital - TCA		-	-	250	-	-	250	-	-	-	-	500	
23210687	CAS-MW-2023/24-TCA-Intersection Geometric Upgrades	Sustaining Capital - TCA		-	-	-	-	1,750	-	-	-	-	-	1,750	
23210688	CAS-MW-2027-TCA-Industrial Avenue SE Rehabilitation	Sustaining Capital - TCA		-	-	-	-	7,000	-	-	-	-	-	7,000	
23210689	CAS-MW-2028-TCA-SW Industrial Area Road Upgrades	Sustaining Capital - TCA		-	-	-	-	-	3,250	-	-	-	-	3,250	
23210690	CAS-MW-2028-TCA-Arterial Road Construction	Growth Capital - TCA		-	-	-	-	-	9,000	-	-	-	-	9,000	
23210691	CAS-MW-2025-32-TCA-Bridge Rehabilitation	Sustaining Capital - TCA		-	-	500	500	650	650	850	850	1,100	1,100	6,200	
23210692	CAS-MW-2025-32-TCA-Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA		-	-	5,500	5,750	6,000	11,000	11,250	11,500	11,750	12,000	74,750	
23210693	CAS-MW-2025-32-TCA-Storm Sewer Rehabilitation Program	Sustaining Capital - TCA		-	-	4,650	4,650	4,800	4,800	4,950	4,950	5,100	5,100	39,000	
23210695	CAS-MW-2025-2030-TCA-3rd Street SE Road Rehabilitation	Sustaining Capital - TCA		-	-	250	2,500	250	2,500	125	750	-	-	6,375	
23210696	CAS-MW-2025-TCA-Dunmore Road Rehabilitation	Sustaining Capital - TCA		-	-	1,800	-	-	-	-	-	-	-	1,800	
23210697	CAS-MW-2025-2032-TCA-Laneway Rehabilitation	Sustaining Capital - TCA		-	-	250	250	-	250	-	250	-	250	1,250	
23210698	CAS-MW-2025-2032-TCA-Traffic Calming Measures	Sustaining Capital - TCA		-	-	150	150	150	100	100	100	100	100	950	
23210699	CAS-MW-2025-TCA-Intersection Geometric Upgrades	Sustaining Capital - TCA		-	-	450	-	-	-	-	-	-	-	450	
23210700	CAS-MW-2026/27-TCA-3rd Street NE/NW Rehabilitation	Sustaining Capital - TCA		-	-	-	6,000	3,000	-	-	-	-	-	9,000	
23210702	CAS-MW-2025-2032-TCA-Multi-modal Transportation Connectivity	Growth Capital - TCA		-	-	100	100	100	100	100	100	100	100	800	
23210703	CAS-MW-2026-2032-TCA-City Fence Rehabilitation/Replacement	Sustaining Capital - TCA		-	-	-	500	500	500	500	500	500	500	3,500	
23210704	CAS-MW-2023/24-TCA-Connaught Dam Maintenance	Sustaining Capital - TCA		-	-	200	-	-	-	-	-	-	-	200	
23210705	CAS-MW-2025/32-TCA-College Avenue Bridge and Kipling Intersection	Sustaining Capital - TCA		-	-	-	1,000	9,000	-	-	-	-	-	10,000	
23210706	CAS-MW-2025-32-TCA-Storm System Upgrades	Sustaining Capital - TCA		-	-	8,000	8,000	8,500	8,500	9,000	9,000	9,500	10,000	70,500	
23210707	CAS-MW-2025/32-TCA-Industrial Ave Bridge Replacement	Sustaining Capital - TCA		-	-	-	-	-	6,500	-	-	-	-	6,500	
23210708	CAS-MW-2025/32-TCA-Day Street Bridge Replacement	Sustaining Capital - TCA		-	-	-	-	-	-	-	-	-	5,000	5,000	
23210709	CAS-MW-2025/32-TCA-Permanent Snow Disposal Site	Sustaining Capital - TCA		-	-	-	-	-	-	-	-	-	4,000	4,000	
23210710	CAS-MW-2023/24-TCA-Streetlight Replacement Program	Sustaining Capital - TCA		200	250	-	-	-	-	-	-	-	-	450	
24210510	CAS-Airport-2024-TCA-Airport Groundside Access Improvements	Growth Capital - TCA		-	-	350	-	-	-	-	-	-	-	350	
24210511	CAS-Airport-2024 TCA-Runway 09-27 Detailed Design and Construction	Sustaining Capital - TCA		-	-	5,000	-	-	-	-	-	-	-	5,000	
30210529	FES - 2023 TCA - Next Generation 911	Growth Capital - TCA		250	-	-	-	-	-	-	-	-	-	250	
30210530	FES - 2023 TCA - Provincial Infrastructure - Traffic Pre-emption	Growth Capital - TCA		40	-	-	-	-	-	-	-	-	-	40	
30210531	FES - 2023 TCA - Live Fire Advanced Training System addition	Growth Capital - TCA		40	-	-	-	-	-	-	-	-	-	40	
30210532	FES - 2024 TCA - Thermal Image Camera's	Growth Capital - TCA		-	100	-	-	-	-	-	-	-	-	100	
30210533	FES - 2025 TCA - Chemical & Gas Analyzer	Growth Capital - TCA		-	-	100	-	-	-	-	-	-	-	100	
30210534	FES - 2025-2032 TCA - Live Fire Advanced Fire Training System addition	Growth Capital - TCA		-	-	-	40	-	-	-	-	50	-	90	
30210535	FES - 2025-2032 TCA - Gas Detection Replacement	Growth Capital - TCA		-	-	90	-	-	-	-	-	-	-	90	
30210536	FES - 2025-2032 TCA - MDT replacement	Sustaining Capital - TCA		-	-	75	-	-	-	-	-	-	-	75	
30210537	FES - 2025-2032 TCA - SCBA Cylinder replacement	Sustaining Capital - TCA		-	-	-	-	-	-	-	135	-	-	135	
30210538	FES - 2025-2032 TCA - Station 3 Apron replacement	Sustaining Capital - TCA		-	-	-	-	100	-	-	-	-	-	100	
30210539	FES - 2025-2032 TCA - Portable Radios	Sustaining Capital - TCA		-	-	-	-	-	-	-	275	-	-	275	
30210540	FES - 2025-2032 TCA - Attack Digital Fire Training System	Growth Capital - TCA		-	-	-	35	-	-	-	-	-	-	35	
30210541	FES - 2025-2032 TCA - Dispatch Console	Growth Capital - TCA		-	-	-	-	50	1,200	-	-	-	-	1,250	
32610650	PKRC - 2023/2024 TCA - Trail Infrastructure Program	Sustaining Capital - TCA		917	917	-	-	-	-	-	-	-	-	1,834	
32610651	PKRC - 2023/2024 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA		3,683	3,802	-	-	-	-	-	-	-	-	7,485	
32610652	PKRC - 2023/2024 TCA - Accessibility Program	Sustaining Capital - TCA		108	378	-	-	-	-	-	-	-	-	486	
32610653	PKRC - 2023 TCA - Columbaria & Scattering Gardens Program	Growth Capital - TCA		270	-	-	-	-	-	-	-	-	-	270	
32610654	PKRC - 2023/2024 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA		378	270	-	-	-	-	-	-	-	-	648	
32610655	PKRC - 2023/2024 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA		108	162	-	-	-	-	-	-	-	-	270	
32610656	PKRC - 2023 TCA - Towne Centre Washroom	Growth Capital - TCA		540	-	-	-	-	-	-	-	-	-	540	
32610657	PKRC - 2023/2024 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA		324	162	-	-	-	-	-	-	-	-	486	
32610658	PKRC - 2023/2024 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA		216	216	-	-	-	-	-	-	-	-	432	

32610659	PKRC - 2025 to 2032 TCA - Irrigation Central Control System Program	Growth Capital - TCA	-	-	825	450	-	-	-	-	-	-	1,275
32610660	PKRC - 2023/2024 TCA - Community Partnerships Program	Sustaining Capital - TCA	200	300	-	-	-	-	-	-	-	-	500
32610661	PKRC - 2023/2024 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	324	216	-	-	-	-	-	-	-	-	540
32610663	PKRC - 2023/2024 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	54	27	-	-	-	-	-	-	-	-	81
32610665	PKRC - 2025 to 2032 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA	-	-	3,410	3,120	3,600	3,182	3,246	3,311	3,377	3,445	26,691
32610666	PKRC - 2025 to 2032 TCA - Accessibility Program	Sustaining Capital - TCA	-	-	350	357	364	371	379	425	434	442	3,122
32610667	PKRC - 2025-2032 TCA - Trail Infrastructure Program	Sustaining Capital - TCA	-	-	1,135	969	1,288	1,020	1,034	1,055	1,577	1,608	9,686
32610668	PKRC - 2025 to 2032 TCA - Columbaria & Scattering Gardens Program	Sustaining Capital - TCA	-	-	125	-	-	-	204	-	110	-	439
32610669	PKRC - 2025-2032 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA	-	-	75	250	75	-	250	255	260	265	1,430
32610670	PKRC - 2025-2032 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA	-	-	-	75	-	-	265	250	250	-	840
32610671	PKRC - 2025-2032 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA	-	-	220	225	229	234	238	243	248	253	1,890
32610672	PKRC - 2025-2032 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA	-	-	428	125	150	-	160	165	300	350	1,678
32610673	PKRC - 2025-2032 TCA - Community Partnerships Program	Sustaining Capital - TCA	-	-	400	408	416	424	434	442	450	459	3,433
32610674	PKRC - 2025 to 2032 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	-	-	204	-	208	212	216	221	225	230	1,516
32610675	PKRC - 2025-2032 TCA - South Saskatchewan River Recreation Opportunities Program	Sustaining Capital - TCA	-	-	200	825	106	108	110	113	115	117	1,694
32610676	PKRC - 2025-2032 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	-	-	-	-	27	-	110	113	-	68	318
32610677	PKRC - 2025-2032 TCA - EDRP Improvement Program	Growth Capital - TCA	-	-	500	5,000	1,500	2,000	-	1,500	500	500	11,500
32610678	PKRC - 2025-2032 TCA - Urban Forestry Tree Canopy Enhancement Program	Growth Capital - TCA	-	-	-	125	-	130	-	135	138	-	528
32610679	PKRC - 2025 to 2032 TCA - Urban Park Redevelopment & Open Space Program	Sustaining Capital - TCA	-	-	1,150	-	500	-	4,700	400	450	450	7,650
32610680	PKRC - 2025 to 2032 TCA - Lawn Bowling Facility Relocation Initiative	Sustaining Capital - TCA	-	-	125	500	-	-	-	-	-	-	625
32610681	PKRC - 2023 TCA - EDRP Improvement Program		750	-	-	-	-	-	-	-	-	-	750
33210537	PKRC - 2023/2024 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	1,431	999	-	-	-	-	-	-	-	-	2,430
33210538	PKRC - 2023/2024 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	270	432	-	-	-	-	-	-	-	-	702
33210539	PKRC - 2025 to 2032 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	-	-	975	725	1,152	786	810	1,038	1,370	1,910	8,766
33210540	PKRC - 2025-2032 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	-	-	540	507	528	451	424	433	433	442	3,758
33210541	PKRC - 2025 to 2032 TCA - Methanex Bowl Turf Replacement & Upgrades	Sustaining Capital - TCA	-	-	-	-	100	1,800	-	-	-	-	1,900
33210543	PKRC - 2025-2032 TCA - Technology Innovation Integration	Sustaining Capital - TCA	-	-	100	100	100	100	100	500	500	500	2,000
35610502	CDV - 2023 TCA - Community Housing IR	Sustaining Capital - TCA	112	100	500	500	-	-	-	-	-	-	1,212
36210512	CDV - 2024 TCA - Gallery Lighting Replacement	Sustaining Capital - TCA	-	125	-	-	-	-	-	-	-	-	125
36210513	CDV - 2025 TCA - Esplanade Digital Signage	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
36210515	CDV - 2023 TCA - Control Switches	Sustaining Capital - TCA	50	-	-	-	-	-	-	-	-	-	50
36210517	CDV - 2024 TCA - Esplanade Stage Drape	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
36210518	CDV - 2025 TCA - Towne Square Digital Sign	Growth Capital - TCA	-	-	175	-	-	-	-	-	-	-	175
36210520	CDV - 2024 TCA - Facility Indoor Digital Signage	Sustaining Capital - TCA	-	50	-	-	-	-	-	-	-	-	50
36210521	CDV - 2023 TCA - Bar Installation	Growth Capital - TCA	150	-	-	-	-	-	-	-	-	-	150
36210522	CDV - 2025-2032 TCA - Theatre seating replacement	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
36210523	CDV - 2025-2032 TCA - Co-op Place PA system	Growth Capital - TCA	-	-	500	-	-	-	-	-	-	-	500
36210524	CDV - 2025-2032 TCA-Co-op Place Clock	Sustaining Capital - TCA	-	-	-	-	-	5,000	-	-	-	-	5,000
37210526	CDV - 2024 TCA - Transit Bus Zone Accessibility Improvements	Growth Capital - TCA	-	200	-	-	-	-	-	-	-	-	200
37210529	CDV - 2025-2032 TCA - New Bus Shelters		-	-	200	200	200	200	200	-	-	-	1,000
37210530	CDV - 2025-2032 TCA - Terminal Shelter Updates		-	-	-	50	-	200	-	-	-	-	250
38410538	POL - 2023 TCA - Server /Storage Refresh	Growth Capital - TCA	395	-	-	-	-	-	-	-	-	-	395
38410540	POL - 2025 TCA - FARO DATA CAPTURE DEVICE	Growth Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
38410541	POL - 2025 TCA - LAW ENFORCEMENT DRONE	Growth Capital - TCA	-	-	20	-	-	-	-	-	-	-	20
38410546	POL - 2025-2032 TCA - THROW PHONE REPLACEMENT	Sustaining Capital - TCA	-	-	35	-	-	-	-	-	-	-	35
38410547	POL - 2025-2032 TCA - IT SERVER/STORAGE REFRESH	Sustaining Capital - TCA	-	-	-	-	-	395	-	-	-	-	395
38410548	POL - 2025-2032 TCA - FIREWALL REFRESH	Sustaining Capital - TCA	-	-	75	-	-	-	-	-	-	-	75
40210565	FIN-Customer Care & Billing - 2026 - Cash Register System Replacement	Growth Capital - TCA	-	-	-	250	-	-	-	-	-	-	250
40210566	FIN-Customer Care & Billing-2023-Taxation Software Replacement	Growth Capital - TCA	700	-	-	-	-	-	-	-	-	-	700
40210567	FIN-Customer Care & Billing-2024-Pathway to 311	Growth Capital - TCA	-	-	-	500	-	-	-	-	-	-	500
40210568	FIN-Customer Care & Billing-2024-Utility Bill Payment Kiosks	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
43410637	COP FM 2023-2026 Confined Spaces Access Program	Sustaining Capital - TCA	1,000	-	-	-	-	-	-	-	-	-	1,000
43410638	COP FM 2023-2024 Facility Accessibility	Sustaining Capital - TCA	-	700	-	-	-	-	-	-	-	-	700
43410639	COP FM 2023 Moose Arena Accessible Washrooms	Sustaining Capital - TCA	-	-	300	-	-	-	-	-	-	-	300
43410640	COP FM 2023-2026 Big Marble Go Centre Components Lifecycle	Sustaining Capital - TCA	-	1,500	-	-	-	-	-	-	-	-	1,500
43410641	COP FM 2023 City Hall Boardroom Modernization	Sustaining Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
43410642	COP FM 2023 Fleet Heavy Duty Bay CNG Upgrade	Growth Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410643	COP FM 2023 Hill Pool Components Lifecycle	Sustaining Capital - TCA	150	1,255	-	-	-	-	-	-	-	-	1,405
43410644	COP FM 2023 Crestwood Pool Components Lifecycle	Sustaining Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410645	COP FM 2023 Transit Parkade Safety/Security Hardware	Sustaining Capital - TCA	-	700	-	-	-	-	-	-	-	-	700
43410646	COP FM 2023- 2024 Infrastructure Repair Program	Sustaining Capital - TCA	2,250	2,250	-	-	-	-	-	-	-	-	4,500
43410647	COP FM 2023-2024 Utility Infrastructure Repair Program	Sustaining Capital - TCA	1,000	1,000	-	-	-	-	-	-	-	-	2,000
43410648	COP FM 2024 City Hall Humidification Replacement	Sustaining Capital - TCA	-	-	1,250	-	-	-	-	-	-	-	1,250
43410649	COP FM 2024 Library Boiler Replacement	Sustaining Capital - TCA	-	1,000	-	-	-	-	-	-	-	-	1,000
43410650	COP FM 2024 Corporate LED Lighting Upgrade	Sustaining Capital - TCA	-	-	-	1,000	-	-	-	-	-	-	1,000
43410651	COP FM 2024 City Hall Entries Design/Refurbish	Sustaining Capital - TCA	-	-	500	-	-	-	-	-	-	-	500
43410652	COP FM 2025-2032 Infrastructure Repair Program	Sustaining Capital - TCA	-	-	4,500	-	4,500	-	4,500	-	4,500	-	18,000
43410653	COP FM 2025-2032 Utility Infrastructure Repair Program	Sustaining Capital - TCA	-	-	2,000	-	2,000	-	2,000	-	2,000	-	8,000
43410654	COP FM 2025 Police Station Components Lifecycle	Sustaining Capital - TCA	-	-	3,000	-	-	-	-	-	-	-	3,000
43410655	COP FM 2027 Big Marble Go Centre Roofing	Sustaining Capital - TCA	-	-	-	-	1,000	-	-	-	-	-	1,000
43410656	COP FM 2028 City Hall Boiler Replacement	Sustaining Capital - TCA	-	-	-	-	-	1,000	-	-	-	-	1,000
43410657	COP FM 2029 Emergency Management Storage (10th Ave) Upgrades	Growth Capital - TCA	-	-	-	-	-	-	500	-	-	-	500
43410658	COP FM 2031 MW Shop Floor Refinishing	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	1,000	-	1,000

43410659	COP FM 2031 City Hall Parkade Roofing Replacement Phase 3	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	2,500	-	2,500
43410660	COP FM 2023 - 2026 Big Marble Go Centre Improvements	Growth Capital - TCA	-	-	1,600	-	-	-	-	-	-	-	1,600
43410662	COP FM 2023 City Hall Council Chambers Renovations	Growth Capital - TCA	-	-	1,500	-	-	-	-	-	-	-	1,500
43410663	COP FM 2026 Transit Parkade Washroom Relocation	Growth Capital - TCA	-	-	-	1,000	-	-	-	-	-	-	1,000
43410664	COP FM 2025 Southridge YMCA Roof	Sustaining Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410665	COP FM 2023 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	100	-	-	-	-	-	-	-	-	-	100
43410666	COP FM 2024 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
43810974	COP - FLT - 2023 - Mobile Capital	Sustaining Capital - TCA	10,410	-	-	-	-	-	-	-	-	-	10,410
43810975	COP - FLT - 2025 thru 2032 - Mobile Capital	Replacement - MTCA	-	-	8,859	6,755	8,119	15,700	20,522	13,924	5,788	6,676	86,343
43810976	COP - FLT - 2024 - Mobile Capital	Replacement - MTCA	-	9,188	-	-	-	-	-	-	-	-	9,188
43810977	COP - FLT 2024 - Second Wheel Loader for Landfill	Growth Capital - TCA	-	-	-	500	-	-	-	-	-	-	500
43810978	COP - FLT 2023 - Additional Sittler 1014 Compost Windrow Turner	Growth Capital - TCA	-	-	80	-	-	-	-	-	-	-	80
43810979	COP - FLT 2023 - Litter Vacuum Truck	Growth Capital - TCA	-	-	180	-	-	-	-	-	-	-	180
43810980	COP - FLT 2024 - Tandem Dump Truck for Landfill	Growth Capital - TCA	-	-	-	195	-	-	-	-	-	-	195
43810981	COP - FLT 2024 - Skid Steer for Landfill	Growth Capital - TCA	-	-	-	120	-	-	-	-	-	-	120
43810982	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #406	Growth Capital - TCA	-	-	148	-	-	-	-	-	-	-	148
43810983	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #452	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810984	COP - FLT 2024 - Briefing Note - Asset Upgrade Request - Parks - Unit #456	Growth Capital - TCA	-	-	-	120	-	-	-	-	-	-	120
43810985	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #472	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810986	COP - FLT 2023 - Asset Upgrade Request - Parks - Unit #475	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810987	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #480	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810988	COP - FLT 2023 - Briefing Note - New SUV - Parks	Growth Capital - TCA	-	-	60	-	-	-	-	-	-	-	60
43810989	COP - FLT 2023 - New Pickup, plow and sander for Rec	Growth Capital - TCA	-	-	100	-	-	-	-	-	-	-	100
43810990	COP - FLT 2025 - Mobile Four Post Runway Hoist	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
43810991	COP - FLT 2024 - Set of (4) Mobile Column Hoists	Growth Capital - TCA	-	-	-	100	-	-	-	-	-	-	100
44410502	BTO-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	Sustaining Capital - TCA	1,800	-	-	-	-	-	-	-	-	-	1,800
45210563	ITD 2023 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	842	-	-	-	842	-	-	-	-	-	842
45210565	ITD 2023 Collaboration Ecosystem Program (SharePoint 2 year)	Growth Capital - TCA	485	-	-	-	-	-	-	-	-	-	485
45210567	ITD 2025 Enterprise Dashboarding Strategy Development	Growth Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
45210568	ITD 2023 Remote Access Modernization	Sustaining Capital - TCA	250	-	-	-	-	-	-	-	-	-	250
45210569	ITD 2024 Capital Infrastructure Program (CIP)	Sustaining Capital - TCA	-	892	-	-	-	-	-	-	-	-	892
45210570	ITD 2025 Enterprise Dashboarding Strategy Execution	Growth Capital - TCA	-	-	225	-	-	-	-	-	-	-	225
45210571	ITD 2024 IT as a Service End User Compute Device Refresh	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
45210572	ITD 2025 Oracle Advanced Security Implementation	Growth Capital - TCA	-	-	300	-	-	-	-	-	-	-	300
45210573	ITD 2025 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	897	-	-	-	-	-	-	-	897
45210574	ITD 2026 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	793	-	-	-	-	-	-	793
45210575	ITD 2027 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	923	-	-	-	-	-	923
45210576	ITD 2028 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	901	-	-	-	-	901
45210577	ITD 2029 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	963	-	-	-	963
45210578	ITD 2030 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	1,064	-	-	1,064
45210579	ITD 2031 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	1,029	-	1,029
45210580	ITD 2032 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	938	938
45210581	ITD 2025 Cash Reg Replacement Planning and Implementation 2 yr	Sustaining Capital - TCA	-	-	165	-	-	-	-	-	-	-	165
45210582	ITD 2025 Flexsuite Replacement Planning and Implementation 2 yr	Sustaining Capital - TCA	-	-	275	-	-	-	-	-	-	-	275
45210583	ITD 2025 Collaboration Ecosystem (1 Year)	Growth Capital - TCA	-	-	275	-	-	-	-	-	-	-	275
45210584	ITD 2026 Enterprise Dashboarding Program Build Out - 1 year	Growth Capital - TCA	-	-	-	85	-	-	-	-	-	-	85
45210585	ITD 2027 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	500	-	-	-	-	-	500
45210586	ITD 2028 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	500	-	-	-	-	500
45210587	ITD 2029 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	500	-	-	-	500
45210588	ITD 2030 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	500	-	-	500
45210589	ITD 2031 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	-	500	-	500
45210590	ITD 2032 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	500	500
45210591	ITD 2027 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	250	-	-	-	-	-	250
45210592	ITD 2028 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	250	-	-	-	-	250
45210593	ITD 2029 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	250	-	-	-	250
45210594	ITD 2030 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	250	-	-	250
45210595	ITD 2031 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	250	-	250
45210596	ITD 2032 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	250	250
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 40,647</b>	<b>\$ 46,941</b>	<b>\$ 78,856</b>	<b>\$ 58,854</b>	<b>\$ 75,085</b>	<b>\$ 84,814</b>	<b>\$ 69,990</b>	<b>\$ 55,747</b>	<b>\$ 57,504</b>	<b>\$ 58,553</b>	<b>\$ 626,991</b>

	BUDGET REQUEST					BUDGET FORECAST					
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES (Cash Flow)											
Debtenture	11,896	22,598	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	222,494
Government Grants	13,259	10,050	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	111,309
Internal Loan	3,508	3,068	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,576
Operating / Working Capital	1,574	2,037	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	19,611
Reserves	10,410	9,188	39,356	19,354	35,585	45,314	30,490	16,247	18,004	19,053	243,001
FINANCING TOTAL	\$ 40,647	\$ 46,941	\$ 78,856	\$ 58,854	\$ 75,085	\$ 84,814	\$ 69,990	\$ 55,747	\$ 57,504	\$ 58,553	\$ 626,991

**Municipal Services - Operating**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
13310507	CLK-CITY CLERK-2025-MOE-Election	Sustaining Major Operating Expense	-	-	310	-	-	-	-	-	-	-	310
13310508	CLK-CITY CLERK-2023-MOE-Census	Sustaining Major Operating Expense	-	-	175	-	-	-	-	-	-	-	175
14310501	HRD-2023 MOE-Total Compensation Review	Sustaining Major Operating Expense	200	100	-	-	-	-	-	-	-	-	300
14310502	HRD-2023-MOE-HR Systems Optimization	Sustaining Major Operating Expense	300	300	-	-	-	-	-	-	-	-	600
23310503	CAS-MW-2023-MOE-Roadway System Master Plan Update	Growth Major Operating Expense	250	-	-	-	-	-	-	-	-	-	250
23310508	CAS-MW-2023-MOE-Storm System Regulatory Requirements	Sustaining Major Operating Expense	100	-	-	-	-	-	-	-	-	-	100
23310511	CAS-MW-2023-MOE-Transportation Safety Plan	Growth Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
23310513	CAS-MW-2025-MOE-Roadway System Master Plan Update	Sustaining Major Operating Expense	-	-	250	-	-	-	-	-	-	-	250
23310514	CAS-MW-2026-MOE-Connaught Dam Safety Review	Sustaining Major Operating Expense	-	-	-	75	-	-	-	-	-	-	75
23310515	CAS-MW-2025/32-MOE-Snow Dump Site Design	Sustaining Major Operating Expense	-	-	-	100	-	-	-	-	-	-	100
24310507	CAS-Airport-2023-MOE-Airport Regulatory Compliance	Sustaining Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
24310509	CAS-Airport-2024-MOE-Air Service Attraction	Growth Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
24310510	CAS-Airport-2025-MOE-Airport Maintenance Building Feasibility Study	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
24310511	CAS-Airport-2025-MOE-Glycol Management Assessment	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
26310508	CPL 2026 SLOPE STABILITY REVIEW	Sustaining Major Operating Expense	-	-	-	200	-	-	-	-	-	-	200
26310511	CPL-2023 MOE - Planning and Development Services Process Review	Sustaining Major Operating Expense	-	150	-	-	-	-	-	-	-	-	150
26310512	CPL - 2023 MOE - Active Transportation Plan	Growth Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
26310513	CPL - 2023 MOE Cimarron Area Structure Plan rewrite	Growth Major Operating Expense	-	150	-	-	-	-	-	-	-	-	150
30310504	FES - 2025 MOE - Residential Sprinkler Program	Growth Major Operating Expense	-	-	175	-	-	-	-	-	-	-	175
32710521	PKRC - 2023/2024 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	243	324	-	-	-	-	-	-	-	-	567
32710523	PKRC - 2023/2024 MOE - Drawings Authentication and Specification Update	Sustaining Major Operating Expense	108	108	-	-	-	-	-	-	-	-	216
32710524	PKRC - 2023/2024 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	1,080	216	-	-	-	-	-	-	-	-	1,296
32710525	PKRC - 2025 to 2032 MOE - Special Olympics Games	Sustaining Major Operating Expense	-	-	405	105	-	-	-	-	-	-	510
32710526	PKRC - 2025 to 2032 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	-	-	150	-	153	-	156	-	159	-	618
32710529	PKRC - 2025 to 2032 MOE - PKRC Planning & Development Plans	Sustaining Major Operating Expense	-	-	50	-	51	-	52	-	53	-	206
32710530	PKRC - 2025 to 2032 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	-	-	-	200	-	212	-	-	-	225	637
33310512	PKRC - 2025 to 2032 MOE - Games Hosting	Sustaining Major Operating Expense	-	-	-	-	-	125	125	-	52	-	302
36210511	CDV - 2023 MOE - Esplanade-Arts Heritage and Entertainment Plan	Growth Major Operating Expense	80	-	-	-	-	-	-	-	-	-	80
36210516	CDV - 2023 MOE - Table replacement	Sustaining Major Operating Expense	50	-	-	-	-	-	-	-	-	-	50
36210519	CDV - 2025 MOE - Museum Study	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
36310508	CDV - 2023 MOE - Public Art	Growth Major Operating Expense	130	-	-	-	-	-	-	-	-	-	130
36910511	CDV - 2023 MOE - Community Well Being Plan	Growth Major Operating Expense	100	-	-	-	-	-	-	-	-	-	100
37210527	CDV - 2024 MOE - Transit Network Electrification Assessment	-	-	-	-	-	-	-	-	50	-	-	50
38410539	POL - 2023 MOE - TASER CONVERSION	Growth Major Operating Expense	90	-	-	-	-	-	-	-	-	-	90
38410542	POL - 2025 MOE - GLOCK TRANSITION	Growth Major Operating Expense	-	-	111	-	-	-	-	-	-	-	111
38410545	POL - 2025-2032 MOE - TACT CARBINE REFRESH	Sustaining Major Operating Expense	-	-	70	-	-	-	-	-	-	-	70
38510510	POL - 2024 MOE - TASER CONVERSION	Sustaining Major Operating Expense	-	90	-	-	-	-	-	-	-	-	90
40310528	FIN-MOE-2023-2024 ERP Optimization and Enhancements	Growth Major Operating Expense	375	300	300	300	-	-	-	-	-	-	1,275
40310529	FIN-Treasury-2024-Strategic Asset Allocation (SAA) Study	Sustaining Major Operating Expense	-	-	60	-	-	65	-	-	70	-	195
40310530	FIN-Treasury-2023-Risk & Insurance Review	Sustaining Major Operating Expense	75	-	-	78	-	-	82	-	-	85	320
40310531	FIN-Customer Care & Billing-2023/2024-Cogsdale Customer Service Management (CSM) Upgrade	Sustaining Major Operating Expense	82	82	-	-	-	-	-	-	-	-	164
40310532	FIN-Customer Care & Billing-2023-Clean Energy Improvement Program (CEIP) Tax Software Modification	Growth Major Operating Expense	60	-	-	-	-	-	-	-	-	-	60
40310533	FIN-Customer Care & Billing-2024-Online Payment Gateway	Growth Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
40310536	FIN-Customer Care & Billing-2025-Cogsdale Cloud Business Case	Growth Major Operating Expense	-	-	124	-	-	-	-	-	-	-	124
40310538	FIN-Customer Care & Billing-2025/2026-FlexSuite Upgrade Modernization to APEX	Sustaining Major Operating Expense	-	-	500	-	-	-	-	-	-	-	500
40310539	FIN-SUPPLY CHAIN-2023-Inventory Management Process	Sustaining Major Operating Expense	-	-	150	-	-	-	-	-	-	-	150
40310540	FIN-Customer Care & Billing-2025/2032-Cogsdale Upgrade	Sustaining Major Operating Expense	-	-	85	85	87	87	89	89	182	-	704
44410501	BTO-2023 MOE-Asset and Project Management Consulting Services	Sustaining Major Operating Expense	400	350	-	-	-	-	-	-	-	-	750
44410503	BTO-2023/2024 MOE OT Shared Services and Software Upgrades	Sustaining Major Operating Expense	-	-	220	-	-	-	-	-	-	-	220
45310519	ITD 2025 ESGC Enterprise Systems Optimization	Growth Major Operating Expense	-	-	250	250	-	-	-	-	-	-	500
51210500	ELR - 2023 - MOE - Environmental Framework	Growth Major Operating Expense	200	-	-	-	-	-	-	-	-	-	200
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 4,298</b>	<b>\$ 2,170</b>	<b>\$ 3,635</b>	<b>\$ 1,393</b>	<b>\$ 291</b>	<b>\$ 277</b>	<b>\$ 716</b>	<b>\$ 139</b>	<b>\$ 516</b>	<b>\$ 310</b>	<b>\$ 13,745</b>

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Operating	4,298	2,170	3,635	1,393	291	277	716	139	516	310	13,745
<b>FINANCING TOTAL</b>	<b>\$ 4,298</b>	<b>\$ 2,170</b>	<b>\$ 3,635</b>	<b>\$ 1,393</b>	<b>\$ 291</b>	<b>\$ 277</b>	<b>\$ 716</b>	<b>\$ 139</b>	<b>\$ 516</b>	<b>\$ 310</b>	<b>\$ 13,745</b>



City of Medicine Hat

## Invest Medicine Hat Operating Budget (in millions)

ACTIVITY DESCRIPTION	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	% CHANGE	\$ CHANGE	2024 BUDGET	% CHANGE	REF NO.
Revenue								
Sale of Services	9,573	-4,632	4,941	(48.4)	-1,448	3,493	(29.3)	1
Licenses, Fines and Penalties	3	0	3	4.0	0	3	4.0	
Developer Levies	0	0	0	0.0	0	0	0.0	
Other Revenue	570	223	793	39.1	-18	775	(2.3)	2
<b>TOTAL REVENUE</b>	<b>10,146</b>	<b>-4,409</b>	<b>5,737</b>	<b>(43.5)</b>	<b>-1,465</b>	<b>4,271</b>	<b>(25.5)</b>	
Expenses								
Salaries, Wages and Benefits	1,065	-42	1,023	(3.9)	25	1,048	2.5	
Contracted and General Services	994	40	1,033	4.0	41	1,075	4.0	3
Materials, Goods & Utilities	110	-30	80	(27.3)	3	83	4.0	
Cost of Land Sold	6,188	-2,815	3,373	(45.5)	-300	3,073	(8.9)	1
<b>TOTAL EXPENSES</b>	<b>8,356</b>	<b>-2,847</b>	<b>5,509</b>	<b>(34.1)</b>	<b>-230</b>	<b>5,279</b>	<b>(4.2)</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>1,790</b>	<b>-1,561</b>	<b>228</b>	<b>(87.3)</b>	<b>-1,235</b>	<b>-1,007</b>	<b>(541.4)</b>	
Internal Allocations								
Internal Recovery	4,523	-2,834	1,688	(62.7)	54	1,743	3.2	4
Internal Charges and Transfers	1,210	-252	958	(20.8)	29	986	3.0	5
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>3,313</b>	<b>-2,582</b>	<b>731</b>	<b>(77.9)</b>	<b>25</b>	<b>756</b>	<b>3.5</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>5,103</b>	<b>-4,144</b>	<b>959</b>	<b>(81.2)</b>	<b>-1,210</b>	<b>-251</b>	<b>(126.2)</b>	

REF NO.	NOTE	\$
1	The Land Sales and Cost of Land Sold decreases are related to updated lot sales projections. There are no projected Industrial sales, and only 1 "infill" lot sale projected, and all single family Residential lots are projected to be all sold by the of 2024.	-2,964
2	The increase in other revenue relates to rental revenue on land owned by IMH, based on historical analysis that is being tracked in Salesforce.	205
3	Due to general inflationary pressures 4%.	81
4	For the Land department, the decrease in internal recovery is due to the 2022 budget including Reserve transfers for the Development incentive programs, and a one-time only recovery from Municipal to offset internal charges. Those programs do not have additional budget past 2022, and there is no offset recovery in 2023 and beyond. In addition, the Investment department recovers all of it's expenses (excluding amortization) from the Fund 11. The recovery has increased in line with the increase expenses.	-2,780
5	The decrease in internal charges is a result of the updated cost allocation methodology, with Land department overall being charged less charges from City departments and Investment	-223

City of Medicine Hat

**Invest Medicine Hat Operating Budget and Forecast** *(in millions)*

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET	2025 FORECAST	2026 FORECAST
<b>Revenue</b>					
Sale of Services	9,573	4,941	3,493	-0	2
Licenses, Fines and Penalties	3	3	3	3	4
Developer Levies	0	0	0	0	0
Other Revenue	570	793	775	775	775
<b>TOTAL REVENUE</b>	<b>10,146</b>	<b>5,737</b>	<b>4,271</b>	<b>778</b>	<b>781</b>
<b>Expenses</b>					
Salaries, Wages and Benefits	1,065	1,023	1,048	1,074	1,101
Contracted and General Services	994	1,033	1,075	1,118	1,162
Materials, Goods & Utilities	110	80	83	86	90
Cost of Land Sold	6,188	3,373	3,073	0	0
<b>TOTAL EXPENSES</b>	<b>8,356</b>	<b>5,509</b>	<b>5,279</b>	<b>2,278</b>	<b>2,353</b>
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>1,790</b>	<b>228</b>	<b>-1,007</b>	<b>-1,500</b>	<b>-1,572</b>
<b>Internal Allocations</b>					
Internal Recovery	4,523	1,688	1,743	1,797	1,854
Internal Charges and Transfers	1,210	958	986	1,013	1,039
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>3,313</b>	<b>731</b>	<b>756</b>	<b>784</b>	<b>816</b>
<b>NET EXPENSES (REVENUES)</b>	<b>5,103</b>	<b>959</b>	<b>-251</b>	<b>-716</b>	<b>-757</b>



# Commodity Based Business

2023-2024 Operating and Tangible  
Capital Asset Budget

**City Council**  
**November 7, 2022**



# Commodity Based Business (COMCO)

2023-2024 Operating and Tangible Capital Asset Budget

---

## Agenda

- Macro view of Commodity Markets
- COMCO Strategy
- Current Activities and Opportunities
- Budget Key Inputs
- 2022 in Review
- 2023-2024 Outlook
- Operations Budget Update
- Capital Budget Update
- Recommendation

# Macro View of Commodity Markets

---

Ongoing impacts due to:

- Significant volatility
- Supply response
- Substitution response

This market environment is going through a period of significant changes and requires a strategic view on how the City will transition to a decarbonized market in the future.

# COMCO Strategy

---

- Continue to optimize the GENCO natural gas generation assets
- Develop and implement an Energy Transition Strategy for the City
- Continue with long term strategic projects for Carbon Capture Utilization and Storage (CCUS) and hydrogen development
- Continue to execute the previously approved abandonment and reclamation program



# Current Activities and Opportunities

---

## Base Operations

- forecasted to be in a positive EBITDA position for 2023-2024

## Financial Plan

- Continue with shallow gas abandonment and reclamation program
- Streamline processes
- Optimize operations and facilities while discontinuing uneconomic business activities
- Optimize power assets while maximizing exports when possible
- Expect steady electric and natural gas retail demand alongside continued decline of natural gas production volumes

# Budget – Key Inputs

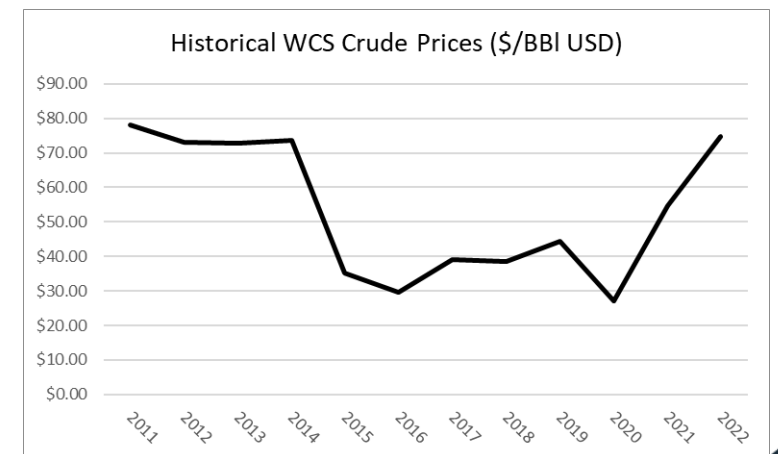
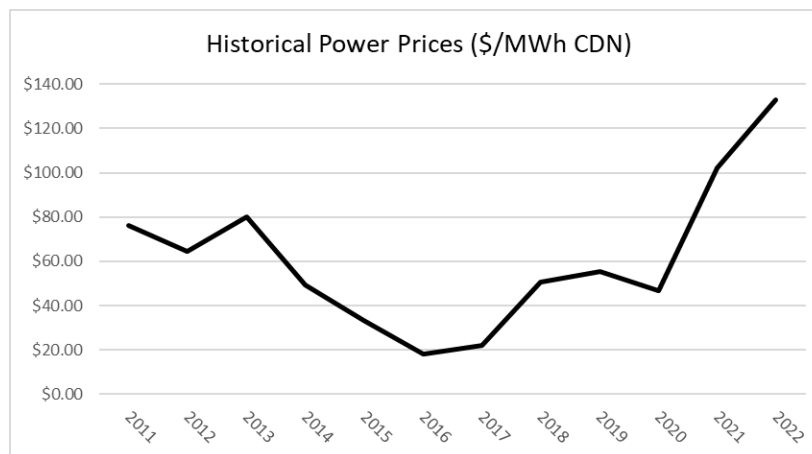
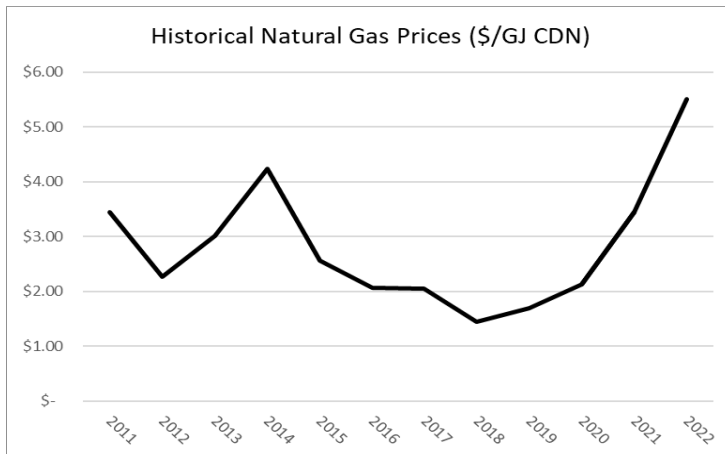
---

The 2023-2024 budget was conducted with the following key inputs implemented:

- Forward pricing and volume forecast
- Revenues (function of volume and price)
- Gas purchases and gas sales
- Operations and maintenance expenses
- Interest earnings/interest expense
- Depreciation expense
- Tangible Capital Asset Budget

# 2022 in Review

- Highest power prices since the market deregulated
- High market volatility
- Gas prices trading at highest level in years
- Strong oil prices



# 2023-2024 Outlook

---

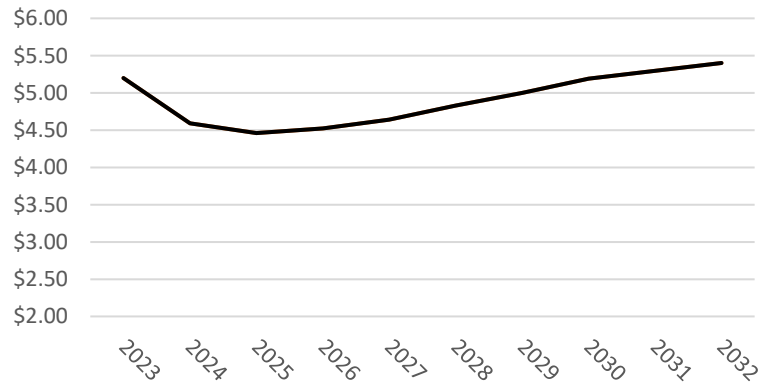
- Power market is expected to stay strong in 2023-2024 as the market continues to transition as part of net zero plan, this has created period where of tight supply and peaking generation setting market AESO System Marginal Price. This trend should continue until additions of base load combined cycle units
- Natural gas pricing has been very strong throughout 2022 and is expected to remain relatively strong throughout 2023-2024 due to increased power burn and LNG exports with global supply demand issues in Europe.

# Commodity Price

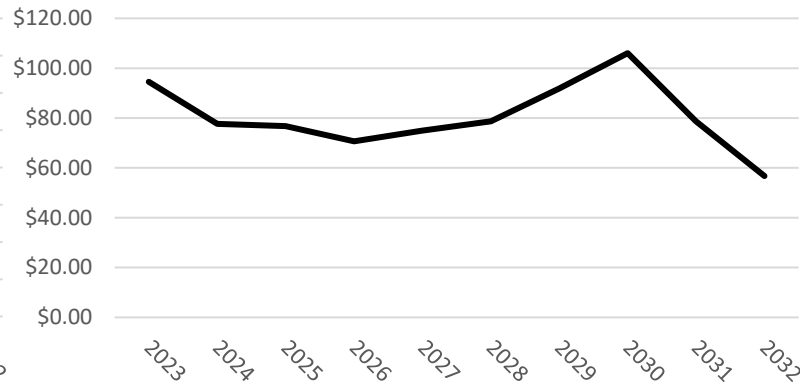
- 2023-2024 budget price vs. 2022 amended budgeted price

	2022 APPROVED BUDGET FORECAST PRICES	2023 / 2022 BUDGET CHANGES	2023 FORECAST	2023 / 2022 % CHANGES	2024 / 2023 BUDGET CHANGES	2024 FORECAST	2024 / 2023 % CHANGES
Gas	\$3.32	\$1.88	\$5.20	57%	(\$0.61)	\$4.59	-12%
Power	\$73.42	\$21.11	\$94.53	29%	(\$16.87)	\$77.66	-18%
Oil	\$72.35	\$10.16	\$82.50	14%	(\$9.03)	\$73.47	-11%

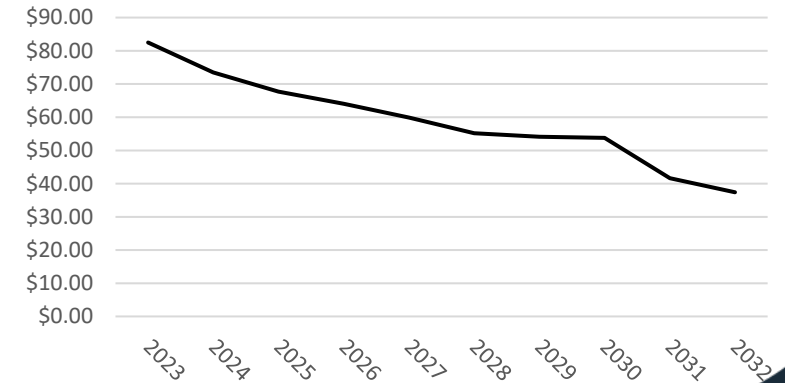
Forecast Natural Gas Prices (\$/GJ CDN)



Forecast Power Prices (\$/MWh CDN)



Forecast WCS Crude Prices (\$/BBI CDN)



# Operation Budget 2023-2024

Operating Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	\$260,973	\$49,754	\$310,727	19%	(\$54,564)	\$256,163	-18%
Expenses	\$205,131	\$25,636	\$230,767	12%	(\$37,847)	\$192,919	-16%
Transfers	\$9,306	(\$2,647)	\$6,658	-28%	\$2,280	\$8,938	34%
<b>EBITDA</b>	<b>\$46,537</b>	<b>\$26,765</b>	<b>\$73,302</b>	<b>58%</b>	<b>(\$18,996)</b>	<b>\$54,305</b>	<b>-26%</b>

\*Price forecast based on September (NGX - ICE and Western Canadian Select)

- Revenues higher due to higher forecasted commodity prices
- Expenses increase mainly due to increase in forecasted natural gas price in 2023-2024
- Transfers decrease due to a lower variance between retail contracts compared and market prices

\*EBITDA funds to be used largely for future capital expenditures, abandonment and reclamation expenditures, and debt payments. The estimated 2023-2024 performance of COMCO is expected to be strong but this is not expected to persist over the long term.



# Capital Budget Request 2023-2024

Tangible Capital Asset Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Growth Capital	\$6,632	(\$6,632)	\$0	-100%	\$0	\$0	0%
Sustaining Capital	\$20,788	(\$10,653)	\$10,135	-51%	\$1,015	\$11,150	10%
Abandonment & Reclamation	\$5,800	\$350	\$6,150	6%	(\$6,150)	\$0	-100%
<b>Tangible Capital Assets</b>	<b>\$33,220</b>	<b>(\$16,935)</b>	<b>\$16,285</b>	<b>-51%</b>	<b>(\$5,135)</b>	<b>\$11,150</b>	<b>-90%</b>

## Developmental drilling in operated assets:

- 2023-24 budget does not include any new growth capital.

## Lower sustaining capital due to asset dispositions

- Sustaining Capital will be used to optimize existing facilities and production assets.

## Abandonment and Reclamation Capital

- Mainly used for well repairs on Surface Vent Leaks and Manyberries abandonments.

# Recommendation

---

That City Council approve the 2023-2024 Commodity Based Business Tangible Capital Asset & Operating Budgets.

# Questions?

# BRIEFING NOTE

DECISION

## 2023-2024 ENERGY & INFRASTRUCTURE DIVISION COMMODITY BASED BUSINESS OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

### ISSUE:

Approval of the 2023-2024 Operating and Tangible Capital Asset Budget for the commodity-based business unit.

### RECOMMENDATION:

It is recommended through the Administrative Committee that City Council approve the 2023-2024 Operating Budget update as well as the 2023-2024 Tangible Capital Asset Budget update for the commodity-based energy business unit (Comco).

### COUNCIL STRATEGIC PRIORITY

Resilience & Sustainability

The 2023-2024 budget will prioritize sustaining capital investment based on detailed long-range business plans, optimize energy portfolio, and identify growth capital to support energy transition and green infrastructure opportunities.

### KEY RISKS:

#### Health, Safety and Environmental Impact:

The Energy & Infrastructure Division's objective to conduct business in a safe and ethical manner within regulatory standards and remain compliant. Environmental protection is a constant consideration.

#### Financial Impact:

Funding Request:	Yes	If yes, amount: As noted below.
Budgeted Item:	Yes	Funding Source: Reserves, Debenture, Working Capital and/or Third-Party Funding
Funding Explanation:	As noted below.	
Budget Amendment Form?	No	

The City of Medicine Hat operates within the commodity business; as such, Council accepts there is a higher risk associated with operating an oil, gas and power enterprise versus the standard *Municipal Government Act's* risk parameters.

### Operating Budget

Operating Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	\$260,973	\$49,754	\$310,727	19%	(\$54,564)	\$256,163	-18%
Expenses	\$205,131	\$25,636	\$230,767	12%	(\$37,847)	\$192,919	-16%
Transfers	\$9,306	(\$2,647)	\$6,658	-28%	\$2,280	\$8,938	34%
EBITDA	\$46,584	\$26,711	\$73,294	57%	(\$18,990)	\$54,304	-26%

\*2022 forecasts are based on YTD actuals as of September 30, 2022, plus remaining months re-forecasted using the most up-to-date data models and analysis.

**Legal / Policy Impact:**

The City of Medicine Hat, being an operator, is required to operate according to the *Oil and Gas Conservation Act and Electric Utilities Act* that is enforced and administered by the respective provincial regulator. Additionally, the Government of Canada has made commitments to reduce emissions which will impact the future regulatory landscape. The City as a responsible operator, is committed to adhering to these Acts and regulations and operating in an environmentally responsible manner.

**Public Implications:**

The 2023-2024 budgets were developed based on City Council's Strategic Priorities, most notably, Resilience & Sustainability; Partnerships & Governance; and Service Orientation. The public needs safe reliable energy provided at market competitive rates.

**BACKGROUND:**

The Operating Budget and Tangible Capital Asset Budget were prepared based on the commodity-based Business Plans which aligns with City Council's Strategic Priorities. A high-level review occurred with the following key changes implemented:

- Update to volumes to reflect changes to large commercial/industrial load forecast, continuation of the Abandonment & Reclamation (A&R) Program, asset dispositions and modifications to original plans.
- Update to commodity price forecasts which affect all revenues, Payment in Lieu of Tax, natural gas purchases, and carbon compliance costs.
- Update to Operations & Maintenance expenses corresponding with changes to volumes stemming from asset dispositions, continuation of the Abandonment Reclamation (A&R) Program and modifications to operating plans.
- Update to General & Administration expenses to correspond with a reduction in staffing requirements and increase in the expected carbon compliance cost (volume related).
- Update to Capital plans to reflect asset dispositions, small-scale development program to enhance existing asset portfolio, and prioritizing sustaining capital investments to ensure infrastructure integrity.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

It is recommended that Council approve the Comco 2023 - 2024 Operating Budget, Tangible Capital Asset Budget.

**IMPLEMENTATION PLAN:**

- Subject to Council approval, execute the 2023-2024 Operating and Tangible Capital Asset Budgets.
- Follow the 2023-2024 Business Plans.
- Measure results, communicate and celebrate successes.

PREPARED BY & DATE:	Joel Higgins, Business Analyst,  Josh Barclay Energy Marketing Specialist	October 28, 2022
REVIEWED BY & DATE:	Boyd Mostoway, Director, Medicine Hat Power & Water  Grayson Mauch, Director, City Operations  Travis Tuchscherer, Manager Energy Marketing and Business Analysis	
APPROVED BY & DATE:	Brad Maynes, Managing Director, Energy & Infrastructure	
ATTACHMENTS:	#1: 2023-2024 Comco Operating Budget #2: 2023-2024 Comco Capital Budget	

## OPERATING BUDGET

Operating Budget <small>in thousands (,000)</small>	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
<b>Revenue</b>							
Electric Generation	173,042	31,382	204,424	18%	(32,514)	171,909	-16%
Production	87,931	18,372	106,303	21%	(22,050)	84,254	-21%
<b>Total Revenues</b>	<b>260,973</b>	<b>49,754</b>	<b>310,727</b>	<b>19%</b>	<b>(54,564)</b>	<b>256,163</b>	<b>-18%</b>
<b>Expenses</b>							
Electric Generation	109,656	19,344	129,000	18%	(19,920)	109,080	-15%
Production	95,475	6,292	101,767	7%	(17,928)	83,839	-18%
<b>Total Expenses</b>	<b>205,131</b>	<b>25,636</b>	<b>230,767</b>	<b>12%</b>	<b>(37,847)</b>	<b>192,919</b>	<b>-16%</b>
Transfers (to)/from Gas Retail	24	(20)	4	-85%	(3)	1	-85%
Transfers (to)/from Electric Retail	(9,282)	2,620	(6,662)	-28%	(2,277)	(8,939)	34%
<b>Earnings Before Interest, Taxes and Amortization</b>							
	<b>46,584</b>	<b>26,718</b>	<b>73,302</b>	<b>57%</b>	<b>(18,996)</b>	<b>54,305</b>	<b>-26%</b>
Interest Revenue	5,100	2,172	7,272	43%	55	7,327	1%
Interest Expenses	(3,213)	(600)	(3,813)	19%	207	(3,606)	-5%
Amortization	(22,365)	2,023	(20,342)	-9%	2,042	(18,300)	-10%
Depreciation/Depletion/Accretion	(21,339)	11,997	(9,342)	-56%	317	(9,025)	-3%
<b>Net Earnings/ (Loss)</b>	<b>4,767</b>	<b>42,310</b>	<b>47,077</b>	<b>888%</b>	<b>(16,375)</b>	<b>30,702</b>	<b>-35%</b>



## CAPITAL BUDGET

Tangible Capital Asset Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Growth Capital	\$6,632	(\$6,632)	\$0	-100%	\$0	\$0	0%
Sustaining Capital	\$20,788	(\$10,653)	\$10,135	-51%	\$1,015	\$11,150	10%
Abandonment & Reclamation	\$5,800	\$350	\$6,150	6%	(\$6,150)	\$0	-100%
<b>Tangible Capital Assets</b>	<b>\$33,220</b>	<b>(\$16,935)</b>	<b>\$16,285</b>	<b>-51%</b>	<b>(\$5,135)</b>	<b>\$11,150</b>	<b>-90%</b>

- The Carbon Capture, Utilization, and Storage capital is not included in the 2022 approved budget above.

# **RATE SUPPORTED UTILITIES**

## **2023-2024 Rate Impacts**

---

**City Council  
November 7, 2022**



# Rate Supported Utilities 2023-2024 Rate Impacts

---

## Agenda

1. Which utilities are rate supported
2. Understanding utility rates (what they fund and how they are calculated)
3. Comparison of average monthly rates to other municipalities
4. Rate changes for 2023-2024
5. Rate supported budget 2023-2024
6. Budget recommendation
7. Bylaw recommendation

# Which utilities are rate supported

---

Rate supported areas of operation  
(not funded by municipal taxes)

## **Environmental Utilities**

- Water
- Sewer
- Solid waste

## **City Operations**

- Electric distribution
- Gas distribution

# Understanding rate supported utility rates

---

What do these rates fund?

- These charges pay for building, maintaining, administering, operating and replacing utility infrastructure and related services (not the electricity or natural gas that is used).
- These revenues ensure sustainable funding for utility services into the future.
- This rate design allows recovery of actual costs through time and a regulated return on invested capital.
- The City focuses on cost containment to minimize costs to the ratepayer.

# Understanding rate supported utility rates

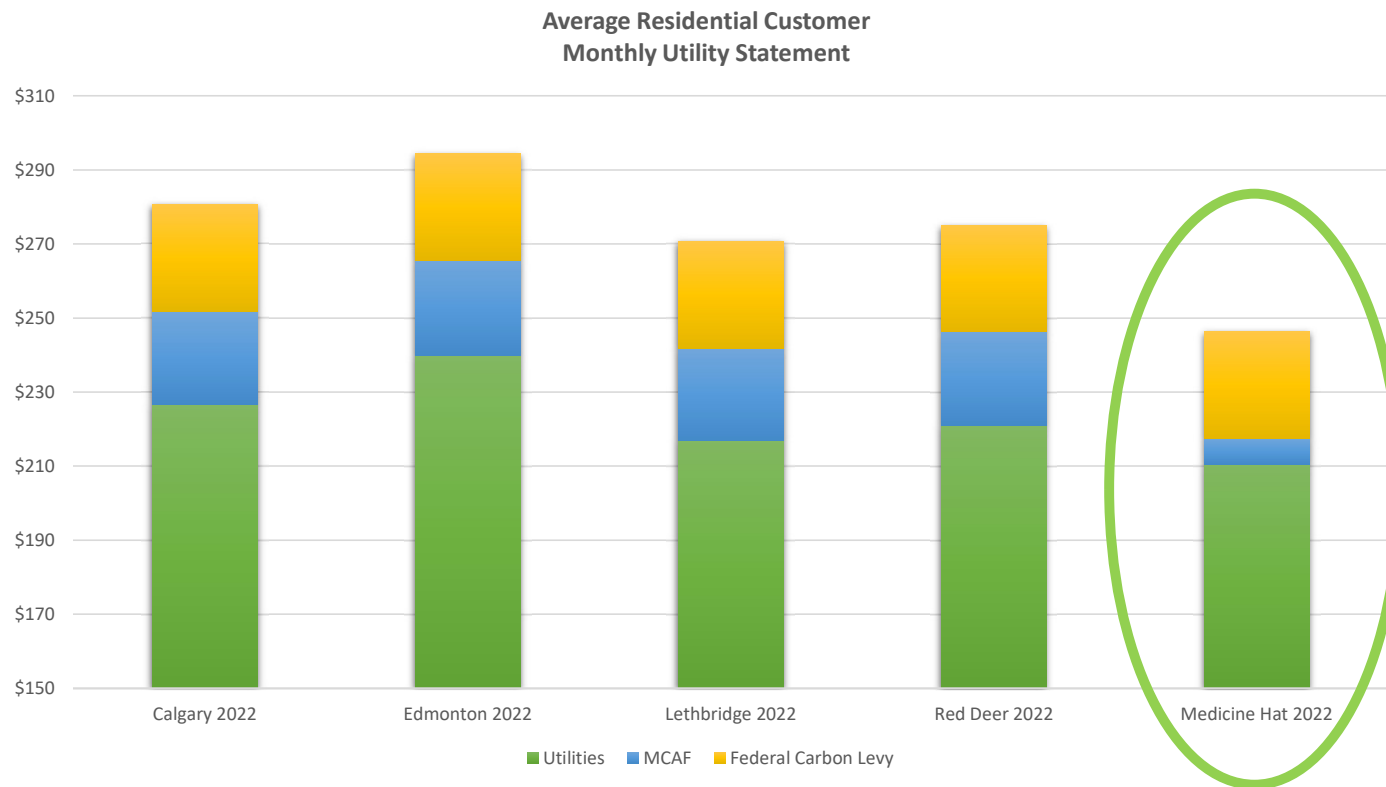
---

How are the rates calculated?

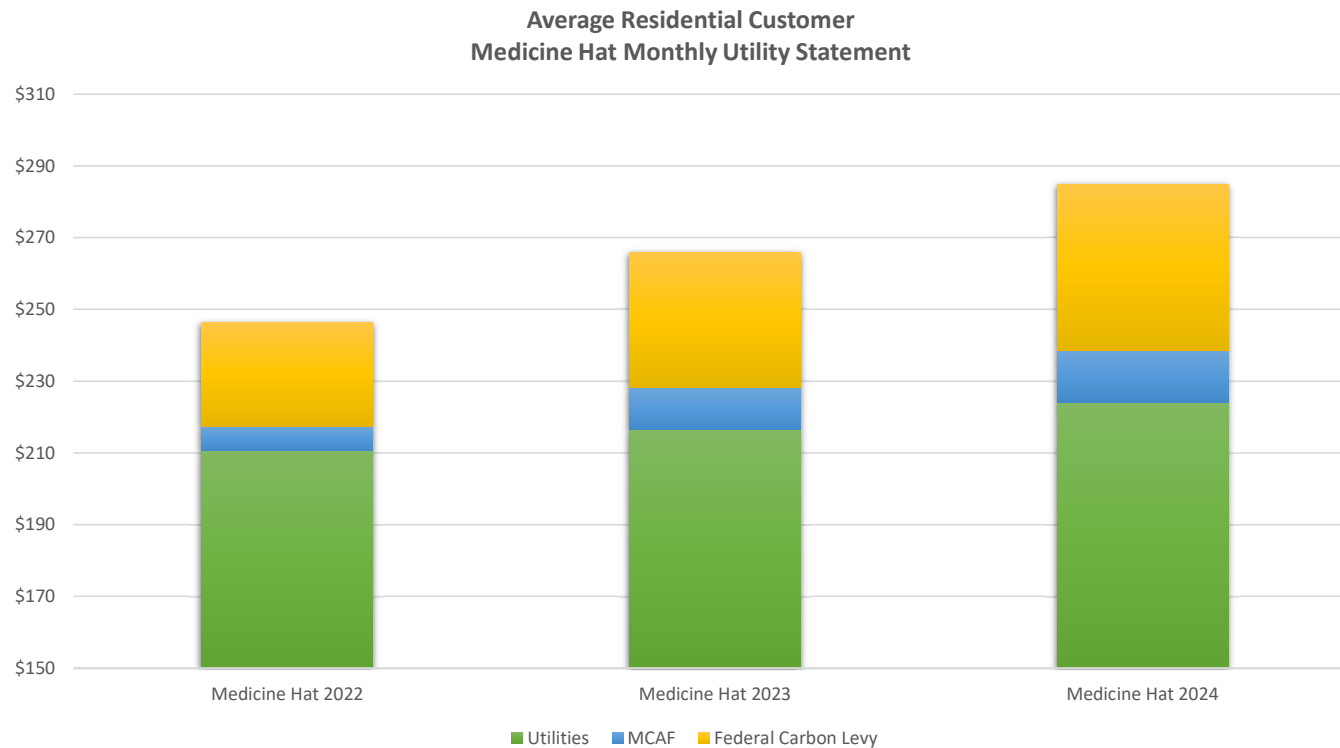
- Rate increases are driven by:
  - Inflation of goods and services;
  - Regulatory changes;
  - Aging infrastructure replacement;
  - Capital investment in climate resilient infrastructure;
  - Changes in customer consumption levels.
- The City calculates rates based on regulated rate design principles to achieve a revenue to cost ratio equal to one.



# Comparison of average monthly rates



# Medicine Hat averages from 2022-2024



## 2023-2024 Impacts on rate supported utility rates

(average residential per month)

\*excludes natural gas and electric commodity charges

Utility	2022 Bill Estimate	2023 Bill Estimate	% Change	2024 Bill Estimate	% Change
Electric Distribution*	\$46.07	\$47.89	3.9%	\$49.96	4.3%
Natural Gas Distribution*	\$39.94	\$39.73	(0.5%)	\$41.10	3.4%
Water	\$45.94	\$48.69	6.0%	\$50.88	4.5%
Sewer	\$52.04	\$53.08	2.0%	\$54.40	2.5%
Solid Waste	\$26.54	\$27.14	2.3%	\$27.77	2.5%
Sub Total	<b>\$210.58</b>	<b>\$216.53</b>	<b>2.8%</b>	<b>\$224.11</b>	<b>3.5%</b>
MCAF	\$6.91	\$11.75	70.0%	\$14.55	23.8%
TOTAL	<b>\$217.49</b>	<b>\$228.28</b>	<b>5.0%</b>	<b>\$238.66</b>	<b>4.5%</b>

## Rate Supported Utilities Budget 2023-2024

Earnings before taxes, interest, taxes, depreciation, amortization (EBITDA)

CAD \$ (in thousands)	2023 Budget	2024 Budget
Water Utility	11,596	12,671
Sewer Utility	10,149	10,652
Solid Waste Utility	1,882	2,107
Electric Distribution	14,389	15,544
Gas Distribution	7,211	7,397
<b>Total Rate Base Utilities</b>	<b>45,227</b>	<b>48,371</b>

\*EBITDA funds to be used largely for future capital expenditures and repayment of debt.

# Rate Supported Utilities Budget 2023-2024

Capital budget

CAD \$ (in thousands)	2023 Budget	2024 Budget
Water Utility	\$ 4,325	\$ 5,475
Sewer Utility	\$ 9,172	\$ 6,575
Solid Waste Utility	\$ 80	\$ 80
Electric Distribution	\$38,021	\$1,620
Gas Distribution	\$4,022	\$2,435
<b>Total Tangible Capital Assets</b>	<b>\$55,620</b>	<b>\$16,185</b>

# Budget Recommendations

---

That City Council approve:

- 2023-2024 Environmental Utilities – Rate Supported Operating and Capital Budget
- 2023-2024 Electric and Gas Distribution – Rate Supported Operating Budget



# Bylaw Recommendations

---

That City Council approve:

- 2023-2024 Water, Sewer and Solid Waste rates subject to passing of the Rate Bylaws
- 2023-2024 Electric Distribution rates subject to passing of the Rate Bylaws
- 2023-2024 Gas Distribution rates subject to passing of the Rate Bylaws

# Thank You

---

# BRIEFING NOTE

DECISION

## 2023 - 2024 CITY OPERATIONS - RATE SUPPORTED OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

### ISSUE:

Approval of the 2023-2024 City Operations – Rate Supported Operating & Capital Budget.

### RECOMMENDATION:

It will be recommended through the Administrative Committee that City Council approves the:

- a) 2023 - 2024 City Operations Operating Revenue and Expenditure Budget – Rate Supported.
- b) 2023 – 2024 City Operations Capital Budget
- c) Electric Distribution Rates for 2023 and 2024 subject to passing of the Electric Utility Rate Bylaw.
- d) Gas Distribution Rates for 2023 and 2024 subject to passing of the Gas Utility Rate Bylaws.

### COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility & Infrastructure Renewal

The key focus of the proposed 2023-2024 budget is sustainable long-term infrastructure management to effectively deliver natural gas and electric energy to customers within the City service area at competitive rates while meeting or exceeding industry standards.

### KEY RISKS:

#### Health, Safety and Environmental Impact:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on industry best practices, standards, and current provincial and federal regulations to ensure department activities meet all appropriate environmental considerations.

#### Financial Impact:

Funding Request:	Yes	If yes, amount: As noted below.
Budgeted Item:	Yes	Funding Source: Utility Rates
Funding Explanation:	Utility expenses are recovered through utility rates	
Budget Amendment Form?	No	

ELECTRIC DISTRIBUTION (000's)	2022 Budget	2023 / 2022 Budget Changes	2023 Budget	2023 / 2022 Budget % Changes	2024 / 2023 Budget Changes	2024 Budget	2024 / 2023 Budget % Changes
Revenues	21,211	1,018	22,229	5%	1,523	23,753	8%
Expenses	7,569	271	7,840	4%	368	8,208	5%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITA)	13,642	747	14,389	5%	1,155	15,544	8%
Average Residential Rate Increase (637 kWh / mo.)			\$1.82 / mo.			\$2.08 / mo.	

GAS DISTRIBUTION (000's)	2022 Budget	2023 / 2022 Budget Changes	2023 Budget	2023 / 2022 Budget % Changes	2024 / 2023 Budget Changes	2024 Budget	2024 / 2023 Budget % Changes
Revenues	15,277	-451	14,826	-3%	433	15,259	3%
Expenses	7,630	-15	7,615	0%	247	7,862	19%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITA)	7,647	-436	7,211	-6%	186	7,397	3%
Average Residential Rate Increase (11 GJ / mo.)			\$(0.21) / mo.			\$1.37 / mo.	

**Legal / Policy Impact:**

Utility Distribution System Rates for 2023 and 2024 subject to passing of the amended Electric and Gas Utility Rate Bylaws.

**Public Implications:**

The Operating Budgets and Tangible Capital Asset Budgets were developed based on City Council's strategic priorities and in accordance with corporate policies and industry best practices.

Rate impacts will vary by customer class. The average monthly increase for residential customers will be approximately \$1.61 per month in 2023 and \$3.45 per month in 2024.

**BACKGROUND:**

The 2023 and 2024 Operating Budgets and Tangible Capital Asset Budgets have been prepared based on the City Operations (formerly known as Utility Distribution System) Business Plan that follows sound industry practices, Federal and Provincial regulations, historical activity levels and growth trends. They are in alignment with City Council's strategic priorities.

The financial strategies in the Business Plan and Budgets reflect a continuation of City Council's policy for utilities to be financially sustainable by ensuring that the 2023 and 2024 revenue requirement is based on maintaining the revenue to cost ratio of 1 including a return on capital investment.

The City continues to pursue all opportunities to secure public funding sources to limit the amount of internal capital required.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

Do not adjust utility rates to reflect revenue requirements. This option is not recommended as utility rate revenue adjustments support the long-term financial sustainability of each utility.

**IMPLEMENTATION PLAN:**

Subject to Council approval, the rates will become effective on January 1, 2023.

<b>PREPARED BY &amp; DATE:</b>	Grayson Mauch, Director, City Operations	October 17, 2022
<b>APPROVED BY &amp; DATE:</b>	Brad Maynes, Managing Director, Energy and Infrastructure	
<b>ATTACHMENTS:</b>	#1: 2023-2024 Electric Distribution Operating Budget (Rate Supported) #2: 2023-2024 Gas Distribution Operating Budget (Rate Supported) #3: 2023-2024 Electric Distribution Tangible Capital Budget #4: 2023-2024 Gas Distribution Tangible Capital Budget #5: Bylaw No. 4726 to amend Bylaw No. 2489 the Gas Utility Bylaw #6: Bylaw No. 4727 to amend Bylaw No. 4688 the Electric Utility	

# ATTACHMENT #1

Electric Distribution  
2023 - 2024 OPERATING FORECAST  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.	2025 FORECAST	2025 BUDGET
<b>Revenue</b>										
Sale of Services	21,184	1,018	22,202	5%	1,523	23,726	7%	1	25,145	27,075
Other Revenue	27	0	27	0%	0	27	0%		27	27
<b>TOTAL REVENUE</b>	<b>21,211</b>	<b>1,018</b>	<b>22,229</b>	<b>5%</b>	<b>1,523</b>	<b>23,753</b>	<b>8%</b>		<b>26,034</b>	<b>27,978</b>
<b>Expenses</b>										
Salaries, Wages & Benefits	6,345	-73	6,271	-1%	305	6,577	5%		6,894	7,224
Contracted Services	1,132	295	1,428	26%	57	1,485	4%	3	1,544	1,606
Materials, Goods & Supplies	24	46	69	195%	3	72	4%		75	78
Other Operating Expenses	68	3	71	5%	3	74	4%		77	80
<b>TOTAL EXPENSES</b>	<b>7,569</b>	<b>271</b>	<b>7,840</b>	<b>4%</b>	<b>368</b>	<b>8,208</b>	<b>5%</b>		<b>15,670</b>	<b>16,322</b>
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION &amp; AMORTIZATION</b>	<b>13,642</b>	<b>747</b>	<b>14,389</b>	<b>5%</b>	<b>1,155</b>	<b>15,544</b>	<b>8%</b>		<b>10,364</b>	<b>11,657</b>
Internal Recovery	2,660	-1,826	834	-69%	14	848	2%	2	862	877
Internal Charges and Transfers	7,516	-861	6,655	-11%	189	6,843	3%	6	7,079	7,333
<b>Net Internal Charges</b>	<b>4,856</b>	<b>965</b>	<b>5,821</b>	<b>20%</b>	<b>175</b>	<b>5,996</b>	<b>3%</b>			
Amortization and Provision for Abandonment	4,636	1,143	5,779	25%	236	6,015	4%	5	6,601	6,925
Interest on Long-term Debt	1,691	178	1,869	11%	1,507	3,376	81%	4	3,225	3,233
<b>NET EXPENSES (REVENUES)</b>	<b>2,459</b>	<b>-1,539</b>	<b>920</b>	<b>-63%</b>	<b>-763</b>	<b>158</b>	<b>-83%</b>			
<b>Contribution to Reserves</b>	<b>1,570</b>	<b>(1,570)</b>	<b>-</b>	<b>-100%</b>	<b>0</b>	<b>-</b>	<b>#DIV/0!</b>		<b>-</b>	<b>-</b>
	(4,856) *	35%	(5,821)	13%		(5,996)	12%			

REF NO.	NOTE	\$
1	Sale of services increase is due to revenue requirements as a result of increased operating expenses and increased return on capital investment.	1,018
2	Internal recoveries decrease is due to lower recoveries of the electric owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-1,826
3	Contracted & general services expense increase is due to additional funds for 3rd party repairs, based on historical repairs, and a run to fail	295
4	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	178
5	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	1,143
6	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-861

## ATTACHMENT #2

Gas Distribution  
2023 - 2024 OPERATING FORECAST  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.	2025 FORECAST	2025 BUDGET
<b>Revenue</b>										
Sale of Services	15,272	-451	14,821	-3%	433	15,254	3%	1	15,615	15,999
Other Revenue	5	0	5	0%	0	5	0%		5	5
<b>TOTAL REVENUE</b>	<b>15,277</b>	<b>-451</b>	<b>14,826</b>	<b>-3%</b>	<b>433</b>	<b>15,259</b>	<b>3%</b>		<b>15,730</b>	<b>16,116</b>
<b>Expenses</b>										
Salaries, Wages & Benefits	3,721	-155	3,566	-4%	85	3,651	2%	3	3,738	3,826
Contracted Services	3,465	139	3,603	4%	144	3,748	4%	4	3,897	4,053
Materials, Goods & Supplies	332	13	346	4%	14	359	4%		374	389
Other Operating Expenses	112	-12	100	-11%	4	104	4%		108	112
<b>TOTAL EXPENSES</b>	<b>7,630</b>	<b>-15</b>	<b>7,615</b>	<b>0%</b>	<b>247</b>	<b>7,862</b>	<b>19%</b>		<b>11,623</b>	<b>12,008</b>
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION &amp; AMORTIZATION</b>	<b>7,647</b>	<b>(436)</b>	<b>7,211</b>	<b>-6%</b>	<b>186</b>	<b>7,397</b>	<b>3%</b>		<b>4,108</b>	<b>4,109</b>
Internal Recovery	374	-269	106	-72%	2	108	0	2	110	112
Internal Charges and Transfers	3,752	-495	3,257	-13%	139	3,396	4%	7	3,506	3,627
<b>Net Internal Charges</b>	<b>3,377</b>	<b>-226</b>	<b>3,151</b>	<b>-7%</b>	<b>136</b>	<b>3,288</b>	<b>4%</b>			
Amortization and Provision for Abandonment	1,941	451	2,392	23%	108	2,500	5%	6	2,522	2,498
Interest on Long-term Debt	524	101	626	19%	147	773	24%	5	786	796
<b>NET EXPENSES (REVENUES)</b>	<b>1,804</b>	<b>-762</b>	<b>1,042</b>	<b>-42%</b>	<b>-205</b>	<b>837</b>	<b>-20%</b>			
<b>Contribution to Reserves</b>	<b>1,517</b>	<b>(1,517)</b>	<b>-</b>	<b>-100%</b>	<b>784</b>	<b>784</b>	<b>#DIV/0!</b>		<b>-</b>	<b>-</b>

REF NO.	NOTE	\$
1	Sale of services decrease is due to revenue requirements as a result of reduced internal cost allocations.	-451
2	Internal recoveries decrease is due to lower recoveries of the gas owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-269
3	Salaries and wages expense decrease is due to changes to benefit calculations.	-155
4	Contracted & general services expense increase is due to inflationary increases.	139
5	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	101
6	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	451
7	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commission and interdepartmental charges to itself.	-495





**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Electric Distribution - Capital**

			BUDGET REQUEST					BUDGET FORECAST					
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
52610916	COP-ELD-2023-MHS-11 Substation	Growth Capital - TCA	24,000	-	-	-	-	-	-	-	-	-	24,000
52610917	COP-ELD-2023 -2024 extensions and Improvements for 3rd party developers	Growth Capital - TCA	-	-	803	803	-	-	-	-	-	-	1,606
52610918	COP-ELD-2023-2024 New Service Installs	Growth Capital - TCA	385	385	-	-	-	-	-	-	-	-	770
52610919	COP-ELD-2023 - 2024 Cable Replacement	Sustaining Capital - TCA	310	850	-	-	-	-	-	-	-	-	1,160
52610920	COP-ELD-2023 - 30/40/60L Upgrade of transmission line capacity Phase 1	Growth Capital - TCA	2,200	-	-	-	-	-	-	-	-	-	2,200
52610921	COP-ELD-2023-2024 Fuse Coordination	Sustaining Capital - TCA	-	-	51	-	-	-	-	-	-	-	51
52610922	COP-ELD-2023-MHS3 Lightning Protection	Sustaining Capital - TCA	429	-	-	-	-	-	-	-	-	-	429
52610923	COP-ELD-2023-MHS2 Transformer Protection	Sustaining Capital - TCA	513	-	-	-	-	-	-	-	-	-	513
52610924	COP-ELD-2023-MHS3 69kV bus protection	Sustaining Capital - TCA	860	-	-	-	-	-	-	-	-	-	860
52610925	COP-Electric Distribution-2025-30/40/60L Upgrade of transmission line capacity Phase 2	Growth Capital - TCA	-	-	23,300	-	-	-	-	-	-	-	23,300
52610926	COP-ELD-2023 Tower Estates Electric system replacement	Sustaining Capital - TCA	-	-	4,518	-	-	-	-	-	-	-	4,518
52610927	COP-Electric Distribution-2025-2032 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	803	803	803	803	803	803	803	803	6,424
52610928	COP-ELD-2024-Switchgear Replacement	Sustaining Capital - TCA	-	385	-	-	-	-	-	-	-	-	385
52610929	COP-Electric Distribution-2025-2032 Cable Replacement	Sustaining Capital - TCA	-	-	500	500	500	500	500	500	500	500	4,000
52610930	COP-Electric Distribution-2025-2032 New Service Installs	Growth Capital - TCA	-	-	583	583	583	583	583	583	583	583	4,664
52610931	COP-Electric Distribution-2032-MHS10 Transformer Addition	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	5,000	5,000
52610932	COP-Electric Distribution-2031-MHS10 Capacitor Bank	Growth Capital - TCA	-	-	-	-	-	-	-	-	1,500	-	1,500
52610933	COP-Electric Distribution-2032 MHS5 Station Service	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	1,000	1,000
52610934	COP-Electric Distribution-2032-New feeder to Kin Coulee Feeder from MHS11	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	2,000	2,000
52610935	COP-ELD-2023-2024 Energy Modernization	Growth Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
52610936	COP-ELD-2023-MHS3 Station service upgrade	Sustaining Capital - TCA	768	-	-	-	-	-	-	-	-	-	768
52610937	COP-Electric Distribution-2030-Recluser Replacement	Sustaining Capital - TCA	-	-	-	-	-	-	-	110	-	-	110
52610938	COP-Electric Distribution-2025 -2032 Switchgear Replacement	Sustaining Capital - TCA	-	-	250	250	250	250	250	250	250	250	2,000
52610939	COP-Electric Distribution-2031 Underground System Extension Ranchlands	Growth Capital - TCA	-	-	-	-	-	-	-	-	520	-	520
52610940	COP ELD 2023-2024 Control Systems Hardware Upgrades	Sustaining Capital - TCA	245	-	-	-	-	-	-	-	-	-	245
52610941	COP ELD 2023-2024 Commercial Metering Test Set	Sustaining Capital - TCA	60	-	-	-	-	-	-	-	-	-	60
52610943	COP ELD 2023-2024 Six Channel Relay Set	Sustaining Capital - TCA	110	-	-	-	-	-	-	-	-	-	110
52610944	COP ELD 2023-2024 Revenue Meters	Sustaining Capital - TCA	641	-	-	-	-	-	-	-	-	-	641
52610945	COP ELD 2023-2024 Oil Filtration Unit	Sustaining Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
52610946	COP ELD 2023-2024 Surveillant Upgrade	Growth Capital - TCA	-	-	320	-	-	-	-	-	-	-	320
52610947	COP ELD 2023-2024 Critical Substation Equipment Spares	Sustaining Capital - TCA	270	-	-	-	-	-	-	-	-	-	270
52610948	COP ELD 2023-2024 Oil Processing MH13B-T23	Sustaining Capital - TCA	98	-	-	-	-	-	-	-	-	-	98
52610949	COP ELD 2023-2024 Substation HVAC replacement	Sustaining Capital - TCA	-	-	145	-	-	-	-	-	-	-	145
52610950	COP ELD 2023-2024 Tap Changer Controller Upgrade	Sustaining Capital - TCA	120	-	-	-	-	-	-	-	-	-	120
52610951	COP ELD 2023-2024 MHS-03 Duct System Upgrade	Sustaining Capital - TCA	130	-	-	-	-	-	-	-	-	-	130
52610952	COP ELD 2023-2024 MHS-2 Security Camera's	Sustaining Capital - TCA	-	-	231	-	-	-	-	-	-	-	231
52610953	COP ELD 2023-2024 T-11 Power Transformer Falling Bushing Replacement	Sustaining Capital - TCA	168	-	-	-	-	-	-	-	-	-	168
52610954	COP ELD 2023-2024 EOL Power Transformer Bushing Replacement	Sustaining Capital - TCA	456	-	-	-	-	-	-	-	-	-	456
52610955	COP ELD 2023-2024 Control Systems Cyber Requirements	Sustaining Capital - TCA	400	-	-	-	-	-	-	-	-	-	400
52610956	COP ELD 2023-2024 Distribution Fiber System Renewal	Sustaining Capital - TCA	-	-	100	-	-	-	-	-	-	-	100
52610957	COP ELD 2023-2024 Distribution Overhead System Renewal	Sustaining Capital - TCA	3,509	-	-	-	-	-	-	-	-	-	3,509
52610958	COP ELD 2023-2024 Distribution Underground System Renewal	Sustaining Capital - TCA	1,321	-	-	-	-	-	-	-	-	-	1,321
52610959	COP ELD 2025-2032 Distribution Underground System Renewal	Sustaining Capital - TCA	-	-	7,102	-	-	-	-	-	-	-	7,102
52610960	COP ELD 2025-2032 Substation System Renewal	Sustaining Capital - TCA	-	-	7,200	-	-	-	-	-	-	-	7,200
52610961	COP ELD 2025-2032 Distribution Overhead System Renewal	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	-	-
52610962	COP ELD 2025-2032 Distribution Fiber System Renewal	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
52610963	COP ELD 2025-2032 Revenue Meters	Sustaining Capital - TCA	-	-	3,051	-	-	-	-	-	-	-	3,051
52610964	COP ELD 2025-2032 Control Systems Cyber System Renewal	Sustaining Capital - TCA	-	-	2,200	-	-	-	-	-	-	-	2,200
52610965	COP-Electric Distribution-2025-2027 Fuse Coordination	Sustaining Capital - TCA	-	-	195	-	-	-	-	-	-	-	195
52610967	COP-Electric Distribution-2025 - 2032 Energy Modernization	Growth Capital - TCA	-	-	700	700	700	700	700	700	700	700	5,600
52610968	COP-Electric Distribution-2032 New Dunmore Feeder	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	1,115	1,115
52610969	COP-ELD-2023 line protection upgrade	Sustaining Capital - TCA	1,028	-	-	-	-	-	-	-	-	-	1,028
52610970	COP-Electric Distribution-2025 MHS7 digital fault recording installation	Sustaining Capital - TCA	-	-	405	-	-	-	-	-	-	-	405
52610971	COP-Electric Distribution-2027-2032 Substation Upgrades	Growth Capital - TCA	-	-	-	-	24,003	-	-	-	-	-	24,003
52610972	COP-Electric Distribution-2025-2027 Online oil and DGA Monitoring	Sustaining Capital - TCA	-	-	2,543	-	-	-	-	-	-	-	2,543
52610973	COP-Electric Distribution-2026-2029 Protection upgrades	Sustaining Capital - TCA	-	-	-	1,582	-	-	-	-	-	-	1,582
52610974	COP ELD 2023-2024 Customer Power Quality Monitoring Tool	Sustaining Capital - TCA	-	-	20	-	-	-	-	-	-	-	20
DEPARTMENTAL TOTAL			\$ 38,021	\$ 1,620	\$ 55,870	\$ 5,221	\$ 26,839	\$ 2,836	\$ 2,836	\$ 2,946	\$ 4,856	\$ 11,951	\$ 152,996
			BUDGET REQUEST					BUDGET FORECAST					
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES (Cash Flow)													
Debtenture			32,058	-	26,909	2,889	26,089	2,086	2,086	2,086	4,106	10,201	108,510
Operating / Working Capital			5,963	1,620	28,961	2,332	750	750	750	860	750	1,750	44,486
FINANCING TOTAL			\$ 38,021	\$ 1,620	\$ 55,870	\$ 5,221	\$ 26,839	\$ 2,836	\$ 2,836	\$ 2,946	\$ 4,856	\$ 11,951	\$ 152,996



**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Gas Distribution - Capital**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
60410592	COP-GSD-2023 TCA-Rural System Upgrades Phase 1	Sustaining Capital - TCA	183	-	-	-	-	-	-	-	-	-	183
60410593	COP-GSD-2023 Rural Replacement	Sustaining Capital - TCA	100	-	-	-	-	-	-	-	-	-	100
60410594	COP-GSD-2023 - 2024 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	350	350	-	-	-	-	-	-	700
60410595	COP-GSD-2023-2024 new services	Growth Capital - TCA	294	294	-	-	-	-	-	-	-	-	588
60410596	COP-GSD-2023-2024 Norwood system upgrades	Sustaining Capital - TCA	608	599	-	-	-	-	-	-	-	-	1,207
60410597	COP-GSD-2023-2024 High Pressure system alterations	Sustaining Capital - TCA	186	173	-	-	-	-	-	-	-	-	359
60410598	COP-Gas Distribution-2025-2032 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	350	350	350	350	350	350	350	350	2,800
60410599	COP-Gas Distribution-2025-2032 new services	Growth Capital - TCA	-	-	446	446	446	446	446	446	446	446	3,568
60410600	COP-GSD-2023 Tower Estates pipeline replacement	Sustaining Capital - TCA	-	-	2,058	-	-	-	-	-	-	-	2,058
60410601	COP-GSD-2023 Station #117 Alterations	Sustaining Capital - TCA	-	-	143	-	-	-	-	-	-	-	143
60410602	COP-Gas Distribution-2025-2031 High Pressure system alterations	Sustaining Capital - TCA	-	-	807	581	240	1,200	-	-	60	-	2,888
60410603	COP-Gas Distribution-2025-2026 Norwood system upgrades	Sustaining Capital - TCA	-	-	622	486	-	-	-	-	-	-	1,108
60410606	COP-Gas Distribution-2027-2030 Crestwood system upgrade	Sustaining Capital - TCA	-	-	-	-	450	450	450	400	-	-	1,750
60410613	COP-Gas Distribution-2031 - 2032 NW Crescent Heights renewal	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	900	-	900
60410614	COP-Gas Distribution-2025-2032 Feeder Valve Replacement Program	Sustaining Capital - TCA	-	-	221	221	221	221	221	221	221	221	1,768
60410615	COP-Gas Distribution-2032 Rural system upgrades Phase 2	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	148	148
60410616	COP GSD 2023-24 Gas Meters	Sustaining Capital - TCA	1,250	-	-	-	-	-	-	-	-	-	1,250
60410617	COP GSD 2025-32 Gas Meters	Sustaining Capital - TCA	-	-	825	-	875	-	890	-	890	-	3,480
60410618	COP-GSD-2032 CL Land farm tap replacement	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	50	50
60410619	COP-Gas Distribution-2032 Replace anode bed	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	266	266
60410620	COP-GSD-2023-2024 Crescent Heights Feeder Main Extension and Riverside upgrade	Sustaining Capital - TCA	1,401	1,369	-	-	-	-	-	-	-	-	2,770
60410621	COP-Gas Distribution-2027 Replace R-7 anode bed	Sustaining Capital - TCA	-	-	-	-	133	-	-	-	-	-	133
60410622	COP-Gas Distribution-2025 Replace anode bed	Sustaining Capital - TCA	-	-	266	-	-	-	-	-	-	-	266
60410623	COP-Gas Distribution-2031 Replace R-9 anode bed	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	133	-	133
60410624	COP-Gas Distribution-2026 Replace R-14 anode bed	Sustaining Capital - TCA	-	-	-	133	-	-	-	-	-	-	133
60410625	COP-Gas Distribution-2025 Replace R-25 anode bed	Sustaining Capital - TCA	-	-	133	-	-	-	-	-	-	-	133
60410626	COP-Gas Distribution-2027 Replace high pressure water crossing	Sustaining Capital - TCA	-	-	-	-	1,334	-	-	-	-	-	1,334
60410627	COP-Gas Distribution-2028 Industrial Ave Redcliff Pipeline upgrade	Sustaining Capital - TCA	-	-	-	-	-	512	-	-	-	-	512
60410628	COP-Gas Distribution-2025-2029 Riverside upgrade	Sustaining Capital - TCA	-	-	1,379	1,369	1,178	1,178	1,178	-	-	-	6,282
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 4,022</b>	<b>\$ 2,435</b>	<b>\$ 7,600</b>	<b>\$ 3,936</b>	<b>\$ 5,227</b>	<b>\$ 4,357</b>	<b>\$ 3,535</b>	<b>\$ 1,417</b>	<b>\$ 3,000</b>	<b>\$ 1,481</b>	<b>\$ 37,010</b>

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Debtenture	1,401	1,369	1,146	1,146	796	796	796	796	796	796	9,838
Operating / Working Capital	2,621	1,066	6,454	2,790	4,431	3,561	2,739	621	2,204	685	27,172
<b>FINANCING TOTAL</b>	<b>\$ 4,022</b>	<b>\$ 2,435</b>	<b>\$ 7,600</b>	<b>\$ 3,936</b>	<b>\$ 5,227</b>	<b>\$ 4,357</b>	<b>\$ 3,535</b>	<b>\$ 1,417</b>	<b>\$ 3,000</b>	<b>\$ 1,481</b>	<b>\$ 37,010</b>

**BYLAW NO. 4726**

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 2489, the Gas Utility Bylaw.

**WHEREAS** Council considers it advisable to amend Bylaw No. 2489;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 2489 is amended as set out in this Bylaw.
2. The table in section 2 of Schedule “A” is deleted and replaced with the following:

“The 2023 rates and charges for services provided by the Gas Utility are as follows:

Rate Class	Administration Charge	Distribution Tariff		Commodity Charge	Environmental Conservation Charge	Municipal Consent & Access Fee (MCAF)
		Service Charge	Delivery Charge			
Rate Class A - Residential	\$0.0890 / day	\$0.7390 / day	\$1.354 / Gj	See Note (1)	\$0.90 / Gj - additional charge for gas in excess of 19 Gjs / Mth	See Note (2)
Rate Class A – Commercial, Industrial and other Non-Residential	\$0.0890 / day	\$0.7390 / day	\$1.354 / Gj	See Note (1)	-----	See Note (2)
Rate Class B –Commercial, Industrial and other Non-Residential	\$2.8790 / day	\$18.09 / day	\$0.618 / Gj	See Note (1)	-----	See Note (2)
Rate Class C –High Pressure Service	-----	\$50.94 / day	\$0.255 / Gj	-----	-----	See Note (2)
Rate Class D –Wheeling High Pressure Service	-----	-----	\$0.255 / Gj	-----	-----	See Note (2)

The 2024 rates and charges for services provided by the Gas Utility are as follows:

Rate Class	Administration Charge	Distribution Tariff		Commodity Charge	Environmental Conservation Charge	Municipal Consent & Access Fee (MCAF)
		Service Charge	Delivery Charge			
Rate Class A - Residential	\$0.0920 / day	\$0.7650 / day	\$1.399 / Gj	See Note (1)	\$0.90 / Gj - additional charge for gas in excess of 19 Gjs / Mth	See Note (2)
Rate Class A – Commercial, Industrial and other Non-Residential	\$0.0920 / day	\$0.7650 / day	\$1.399 / Gj	See Note (1)	-----	See Note (2)
Rate Class B –Commercial, Industrial and other Non-Residential	\$2.7230 / day	\$18.82 / day	\$0.637 / Gj	See Note (1)	-----	See Note (2)
Rate Class C –High Pressure Service	-----	\$52.13 / day	\$0.261 / Gj	-----	-----	See Note (2)
Rate Class D –Wheeling High Pressure Service	-----	-----	\$0.261 / Gj	-----	-----	See Note (2)

3. Section 2 of the Notes in Schedule “A” is deleted and replaced with the following:

“(2) The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The 2023 MCAF is 20.25% of the monthly Distribution Tariff Charge. The 2024 MCAF is 24.00% of the monthly Distribution Tariff Charge.”

4. In subsection 3.7 (b) of Schedule “A”, “\$4.35” is deleted and replaced with “\$5.50”.

5. Schedule “B” is repealed and replaced by the Schedule “B” attached to this Bylaw.

6. This Bylaw will come into force on January 1, 2023.

**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:** Linnsie Clark

**CITY CLERK:** Arlene Karbashewski

**SCHEDULE “B” TO BYLAW 2489****AS AMENDED BY BYLAW NO. 4726  
(Effective January 1, 2023)****RECONNECTION, DISCONNECTION AND TRANSFER FEES AND METER  
DISPUTE CHARGES****1. RECONNECTION, DISCONNECTION AND TRANSFER FEES**

The Consumer shall pay to the City a fee as follows:

		Effective January 1, 2023	Effective January 1, 2024
1.1	Transfer Fee for Premises Already Connected	\$17.00	\$17.34
1.2	Fee for reconnection where the gas service has been disconnected: (a) reconnection during normal working hours (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$74.11	\$75.27
	(b) Reconnection Fee - after hours	\$110.49	\$112.38
	(c) reconnection if reinstallation of meter and regulator is required.	Actual Cost	Actual Cost
1.3	Fee for disconnection: (a) disconnection during normal working hours (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$74.11	\$75.27
	(b) Disconnection Fee - after hours	\$110.49	\$112.38
1.4	Fee for issuance of disconnect warning notice	\$23.50	\$24.00

An application for reconnection or disconnection to be carried out on the same day as the application is made will be charged the “after normal working hours” fee if the application is received after 10:00 a.m. and overtime work is required to complete the reconnection or disconnection.

**2. METER DISPUTE SERVICE CHARGE**

The following charge is in reference to Section 25 “Meter Disputes”.

If testing indicates that the Gas meter is outside the accuracy limits acceptable to the government agency having jurisdiction, the billing adjustment will include a refund of the Meter Dispute Service Charge. The service charge includes the government agency’s testing fee and removal/replacement of meter.

		Effective January 1, 2023	Effective January 1, 2024
2.1	Meter Dispute Service Charge: (a) During normal working hours only (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$147.70	\$150.65

### 3. **TERMS OF PAYMENT**

Transfer, reconnection and disconnection fees and meter dispute service charge are payable at the time of application. Disconnect warning notice fee is payable upon issuance of the notice.

NOTE: WHEREVER APPLICABLE, THE GOODS AND SERVICES TAX SHALL BE ADDED TO THE FEES, RATES, CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY PURSUANT TO THIS BYLAW (SEE BYLAW NO. 2716).



**BYLAW NO. 4727**

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 2244, the Electric Utility Bylaw.

**WHEREAS** Council considers it advisable to amend Bylaw No. 2244;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

- 1) Bylaw No. 2244 is amended as set out in this Bylaw.
- 2) Section 1.1 (s) is repealed and replaced with the following:
 

““Renewable or alternative energy” means electric energy generated from

  - (i) products having current EcoLogo certification;
  - (ii) solar, if the greenhouse gas intensity of the electric energy produced is less than or equal to 150 kg per MWh, or
  - (iii) projects including wind, hydro, fuel cell, geothermal, biomass or other generation sources, if the greenhouse gas intensity of the electric energy produced and the total energy produced from the simultaneous generation of electric energy and production of thermal energy from the same fuel source has a greenhouse gas intensity of less than or equal to 418 kg per MWh, subject to approval by the CAO on a case by case basis, who shall take into account the following in reaching a decision:
    - (A) constraints on electricity supply in the proposed project area;
    - (B) requirements contained in the the City’s Land Use Bylaw, if applicable;
    - (C) requirements contained in any other applicable statutory plan(s);
    - (D) requirements contained in the City’s Community Noise Standards Bylaw, if applicable; and
    - (E) the forecasted economic benefits to the City resulting from a proposed project.”
- 3) In Schedule A on the first page and Schedule B on the first page, “Effective: January 1, 2022” is deleted and replaced with “Effective: January 1, 2023” and “Rate Approval: Bylaw 4688” is deleted and replaced with “Rate Approval: Bylaw 4723.”
- 4) In Schedule A, E.1.1 and Schedule B, N.1.1:
  - a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
 

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,
  - b) The Administration section is amended by deleting “\$0.0917 per day” and replacing with “2023 - \$0.102 per day, 2024 - \$0.0953 per day”,
  - c) The Distribution Access Service section is amended by deleting “\$0.4240 per day” and replacing with “2023 - \$0.44230 per day, 2024 - \$0.4730 per day”,
  - d) The Distribution Access Service section is amended by deleting “\$0.0218 per kWh” and replacing with “2023 - \$0.0228 per kWh, 2024 - \$0.0244 per kWh”,
  - e) The Capacity Charge section is amended by deleting “0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0.02727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 15.25% of the monthly Distribution Access Service Charges in 2023 and 18.00% of the monthly Distribution Access Service Charges in 2024.”

5) In Schedule A, E.2.1 and Schedule B, N.2.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,

- b) The Administration section is amended by deleting “\$0.0886 per day” and replacing with “2023 - \$0.099 per day, 2024 - \$0.0929 per day”,

- c) The Distribution Access Service section is amended by deleting “\$0.6274 per day” and replacing with “2023 - \$0.65530 per day, 2024 - \$0.69960 per day”,

- d) The Distribution Access Service section is amended by deleting “\$0.0099 per kWh” and replacing with “2023 - \$0.0104 per kWh, 2024 - \$0.0111 per kWh”,

- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

6) In Schedule A, E.3.1 and Schedule B, N.3.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,

- b) The Administration section is amended by deleting “\$0.0943 per day” and replacing with “2023 - \$0.1053 per day, 2024 - \$0.0988 per day”,

- c) The Distribution Access Service section is amended by deleting “\$0.6277 per day” and replacing with “2023 - \$0.6547 per day, 2024 - \$0.6984 per day”,

- d) The Distribution Access Service section is amended by deleting “\$0.0202 per kWh” and replacing with “2023 - \$0.0211 per kWh, 2024 - \$0.0225 per kWh”,

- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

7) In Schedule A, E.3.3 and Schedule B, N.3.3:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:  
“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,
- b) The Administration section is amended by deleting “\$0.6441 per day” and replacing with “2023 - \$0.7212 per day, 2024 - \$0.67580 per day”,
- c) The Distribution Access Service section is amended by deleting “\$2.6395 per day” and replacing with “2023 - \$2.7566 per day, 2024 - \$2.9411 per day”,
- d) The Distribution Access Service section is amended by deleting “\$5.45 per kVA” and replacing with “2023 - \$5.68 per kVa, 2024 - \$6.08 per kVa”,
- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”,
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

8) In Schedule A, E.4.1 and Schedule B, N.4.1:

- a) The Administration section is amended by deleting “\$11.8924 per day” and replacing with “\$13.30910 per day, 2024 - \$12.3548 per day”,
- b) The Distribution Access Service section is amended by deleting “\$2.5671 per day” and replacing with “2023 - \$2.68020 per day, 2024 - \$2.8635 per day”,
- c) The Distribution Access Service section is amended by deleting “\$4.93 per kVA” and replacing with “2023 - \$5.15 per kVA, 2024 - \$5.50 per kVA”,
- d) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

## 9) In Schedule A, E.5.1 and Schedule B, N.5.1:

- a) The Administration section is amended by deleting "\$57.7534 per day" and replacing with "2023 - \$65.375 per day, 2024 - \$61.2052 per day",
- b) The Distribution Access Service section is amended by deleting "\$2.4789 per day" and replacing with "2023 - \$2.5874 per day, 2024 - \$2.7638 per day",
- c) The Distribution Access Service section is amended by deleting "\$4.89 per kVA" and replacing with "2023 - \$5.11 per kVA, 2024 - \$5.46 per kVA",
- d) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh",
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

## 10) In Schedule A, E.6.1 and Schedule B, N.6.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:  
"pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.",
- b) The Administration section is amended by deleting "\$0.1189 per day" and replacing with "2023 - \$0.1332 per day, 2024 - \$0.1244 per day",
- c) The Distribution Access Service section is amended by deleting "\$0.2882 per day" and replacing with "2023 - \$0.3007 per day, 2024 - \$0.3212 per day",
- d) The Distribution Access Service section is amended by deleting "\$0.0122 per kWh" and replacing with, "2023 - \$0.01270 per kWh, 2024 - \$0.01360 per kWh",
- e) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh", and
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

## 11) In Schedule A, E.7 and Schedule B, N.7:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:  
"pay an Energy Charge for electrical energy consumption of \$0.130 per kWh."
- b) The Administration section is amended by deleting "\$0.1189 per day" and replacing with "2023 - \$0.13360 per day, 2024 - \$0.12430 per day",

- c) The Distribution Access Service section is amended by deleting "\$0.1665 per day" and replacing with "2023 - \$0.1737 per day, 2024 - \$0.186 per day",
- d) The Distribution Access Service section is amended by deleting "\$0.0086 per kWh" and replacing with "2023 - \$0.00890 per kWh, 2024 - \$0.0095 per kWh",
- e) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh",
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

12) In Schedule A, E.8 and Schedule B, N.8:

- a) The Administration section is amended by deleting "\$0.0151 per day" and replacing with "2023 - \$0.017 per day, 2024 - \$0.0159 per day",
- b) The Distribution Access Service section is amended by deleting "\$0.1542 per day" and replacing with "2023 - \$0.161 per day, 2024 - \$0.1719 per day",
- c) The Distribution Access Service section is amended by deleting "\$0.0075 per kWh" and replacing with "2023 - \$0.0079 per kWh, 2024 - \$0.0084 per kWh",
- d) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh", and
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

13) This Bylaw shall come into force on January 1, 2023.

**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: Linnsie Clark**

**CITY CLERK: Arlene Karbashewski**

# BRIEFING NOTE

DECISION

## 2023 – 2024 ENVIRONMENTAL UTILITIES OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

### ISSUE:

Approval of the 2023-2024 Environmental Utilities Operating & Capital Budget.

### RECOMMENDATION:

It is recommended through the Administrative Committee that City Council approves the:

- a) 2023-2024 Environmental Utilities Operating Revenue and Expenditure Budget
- b) 2023-2024 Environmental Utilities Capital Budget
- c) Environmental Utilities Rates for 2023 and 2024 subject to passing of the Water, Sewer, and Solid Waste Rate Bylaws.

### COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility & Infrastructure Renewal

The Energy & Infrastructure division supports fiscal responsibility through sustainable rates that ensure full cost recovery as well as a regulated return on capital investment. In addition to fiscal responsibility, the division has implemented a comprehensive risk-based asset management plan across all asset classes with a view to balance investment with operational efficiencies and costs.

### KEY RISKS:

#### Health, Safety and Environmental Impact:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on industry best practices, standards and current provincial and federal regulations to ensure department activities meet all appropriate environmental considerations.

#### Financial Impact:

Funding Request:	Yes	If yes, amount: See Below
Budgeted Item:	Yes	Funding Source: Utility Rates
Funding Explanation:	Utility expenses are recovered through utility rates	
Budget Amendment Form?	No	

WATER (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	28,789	(1,063)	27,726	(4%)	1,376	29,102	5%
Expenses	16,247	(117)	16,130	(1%)	301	16,431	2%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	12,542	(946)	11,596	(8%)	1,075	12,671	9%
Average Residential Rate Increase (15 m3 / mo)				\$2.75 / mo			\$2.19 / mo



SEWER (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	22,821	877	23,698	4%	638	24,336	3%
Expenses	11,414	719	12,133	6%	288	12,421	2%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	11,407	158	11,565	1%	350	11,915	3%
Average Residential Rate Increase				\$1.04 / mo			\$1.06 / mo

SOLID WASTE (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	12,667	552	13,218	4%	512	13,731	4%
Expenses	11,332	5	11,337	0%	287	11,624	3%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	1,335	547	1,881	41%	225	2,107	12%
Average Residential Rate Increase				\$0.60 / mo			\$0.63 / mo

**Legal / Policy Impact:**

Environmental Utilities Rates for 2023 and 2024 subject to passing of the amended Water, Sewer, and Solid Waste Rate Bylaws.

**Public Implications:**

The Operating Budgets and Tangible Capital Asset Budgets were developed based on City Council's strategic priorities and in accordance with corporate policies and industry best practices.

Rate impacts will vary by customer class. The average monthly increase for residential customers will be approximately \$4.39 per month in 2023 and \$3.88 per month in 2024.

**BACKGROUND:**

The Operating Budgets and Tangible Capital Asset Budgets have been prepared based on the City Assets and Medicine Hat Power and Water (formerly known as Environmental Utilities) Business Plans that follows sound industry practices, Federal and Provincial regulations, historical activity levels and growth trends. They are in alignment with City Council's strategic priorities.

The financial strategies in the Business Plan and Budgets reflect a continuation of City Council's policy for utilities to be financially sustainable by ensuring that the 2023 and 2024 revenue requirement is based on maintaining the revenue to cost ratio of 1 including a return on capital investment.

The City continues to pursue all opportunities to secure public funding sources to limit the amount of internal capital required.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

Do not adjust utility rates to reflect revenue requirements. This option is not recommended as utility rate revenue adjustments support the long-term financial sustainability based on Council's policy to achieve full cost recovery within each budget cycle.

**IMPLEMENTATION PLAN:**

Subject to Council approval, the rates will become effective on January 1, 2023.

<b>PREPARED BY &amp; DATE:</b>	Pat Bohan, Director, City Assets  Boyd Mostoway Director, Medicine Hat Power & Water	October 31, 2022
<b>APPROVED BY &amp; DATE:</b>	Brad Maynes, Managing Director, Energy and Infrastructure	
<b>ATTACHMENTS:</b>	#1: 2023-2024 Environmental Utilities Operating Budget (Rate Supported) #2: 2023-2024 Environmental Utilities Capital Budget (Rate Supported) #3: Bylaw No. 4715 to amend Bylaw No. 1541, the Sewer Bylaw #4: Bylaw No. 4716 to amend Bylaw No. 1805, the Waste Bylaw #5: Bylaw No. 4717 to amend Bylaw No. 2379, the Water Service Bylaw	

Water Utility  
2023-2024 OPERATING PLAN  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Municipal Taxes	114	0	114	0%	0	114	0%	
Sale of Services	23,466	1,370	24,836	6%	1,258	26,094	5%	1
Other Revenue	137	10	147	8%	0	147	0%	
Internal Recovery	5,072	-2,443	2,629	-48%	117	2,747	4%	2
<b>TOTAL REVENUE</b>	<b>28,789</b>	<b>-1,063</b>	<b>27,726</b>	<b>-4%</b>	<b>1,376</b>	<b>29,102</b>	<b>10%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	5,780	685	6,465	12%	190	6,656	3%	3
Contracted Services	817	313	1,130	38%	-177	953	-16%	4
Materials, Goods & Supplies	1,447	227	1,674	16%	73	1,747	4%	4
Provision for Allowances	38	-1	38	-1%	0	38	0%	
Interest on Long-term Debt	2,944	217	3,161	7%	27	3,188	1%	5
Amortization and Provision for Abandonment	5,084	276	5,360	5%	259	5,619	5%	6
Internal Charges and Transfers	8,165	-1,343	6,822	-16%	215	7,037	3%	2
<b>TOTAL EXPENSES</b>	<b>24,275</b>	<b>375</b>	<b>24,650</b>	<b>2%</b>	<b>588</b>	<b>25,238</b>	<b>2%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>4,514</b>	<b>(1,438)</b>	<b>3,076</b>	<b>-32%</b>	<b>788</b>	<b>3,864</b>	<b>26%</b>	
<b>Contribution to Reserves</b>	<b>1,108</b>	<b>(1,108)</b>	<b>-</b>	<b>-100%</b>	<b>0</b>	<b>-</b>		

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	1,370
2	Decrease in internal charges and transfers as a result of the new cost allocation methodology; allocations now go directly to Sewer, Solid Waste, WTP and WWTP that were historically charged to Water.	-1,100
3	Salaries increased due to positions moved between Sewer and Water departments. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	685
4	Contracted Services and Materials increased due to repairs required at the Water Treatment Plant.	541
5	Interest on long term debt increased as a result of more debt funding for capital projects.	217
6	Amortization increase due to current projects expected to be completed in 2022.	276

Sewer Utility  
2023-2024 OPERATING FORECAST  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Municipal Taxes	113	0	113	0%	0	113	0%	
Sale of Services	22,508	1,036	23,544	5%	639	24,183	3%	1
Other Revenue	193	-152	41	-79%	-1	40	-1%	2
Internal Recovery	7	-7	0	-100%	0	0		
<b>TOTAL REVENUE</b>	<b>22,821</b>	<b>877</b>	<b>23,698</b>	<b>4%</b>	<b>638</b>	<b>24,336</b>	<b>1%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	4,984	-615	4,369	-12%	100	4,470	2%	3
Contracted Services	475	86	561	18%	23	585	4%	
Materials, Goods & Supplies	1,251	397	1,648	32%	72	1,720	4%	4
Provision for Allowances	32	0	32	0%	0	32	0%	
Interest on Long-term Debt	2,826	359	3,185	13%	131	3,316	4%	5
Other Operating Expenses	5	0	5	4%	0	5	4%	
Amortization and Provision for Abandonment	5,053	209	5,262	4%	23	5,285	0%	6
Internal Charges and Transfers	4,667	850	5,517	18%	92	5,609	2%	7
<b>TOTAL EXPENSES</b>	<b>19,293</b>	<b>1,286</b>	<b>20,579</b>	<b>7%</b>	<b>444</b>	<b>21,022</b>	<b>0</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>3,528</b>	<b>(409)</b>	<b>3,119</b>	<b>-12%</b>	<b>195</b>	<b>3,314</b>	<b>6%</b>	
<b>Contribution to Reserves</b>	<b>853</b>	<b>(853)</b>	<b>-</b>	<b>-100%</b>	<b>0</b>	<b>-</b>	<b>-</b>	

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	1,036
2	Other Revenue decreased due to a change in services related to sewer clearing. The City now charges for this service and as such, is seeing a decrease in service requests from the public.	-152
3	Salaries decreased due to positions moved between Sewer and Water departments. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	-615
4	Materials, Goods & Supplies increased as a result of inflation as well as budgeting for equipment usage to align with historic actual expenses.	397
5	Interest on long term debt increased as a result of more debt funding for capital projects.	359
6	Amortization increase due to current projects expected to be completed in 2022.	209
7	Increase in internal charges and transfers as a result of the new cost allocation project.	850

Solid Waste Utility  
2023-2024 OPERATING FORECAST  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Sale of Services	9,889	334	10,223	3%	255	10,478	2%	1
Other Revenue	346	-346	0	-100%	0	0		2
Internal Recovery	2,432	563	2,995	23%	257	3,253	9%	3
<b>TOTAL REVENUE</b>	<b>12,667</b>	<b>551</b>	<b>13,218</b>	<b>4%</b>	<b>513</b>	<b>13,731</b>	<b>11%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	2,882	-177	2,705	-6%	82	2,787	3%	4
Contracted Services	2,620	167	2,787	6%	111	2,898	4%	5
Materials, Goods & Supplies	99	29	128	29%	5	133	4%	
Provision for Allowances	17	-1	17	-3%	0	17	0%	
Bank Charges & Short Term Interest	1	1	2	56%	0	2	4%	
Interest on Long-term Debt	39	-5	34	-12%	-5	30	-13%	
Amortization and Provision for Abandonment	914	-165	749	-18%	-38	711	-5%	6
Other Asset Adjustments	90	0	90	0%	0	90	0%	
Internal Charges and Transfers	5,623	-14	5,609	0%	88	5,698	2%	
<b>TOTAL EXPENSES</b>	<b>12,285</b>	<b>-165</b>	<b>12,120</b>	<b>-1%</b>	<b>244</b>	<b>12,364</b>	<b>2%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>382</b>	<b>716</b>	<b>1,098</b>	<b>187%</b>	<b>269</b>	<b>1,367</b>	<b>24%</b>	
<b>Contribution to Reserves</b>	<b>438</b>	<b>1,157</b>	<b>1,595</b>	<b>264%</b>	<b>226</b>	<b>1,821</b>		

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	334
2	Other Revenue decreased as a result in a reporting change to carbon credit revenue. This was historically reported as other revenue, however, starting in 2023, it will be recorded as an internal recovery as these will be transferred to Electric Generation.	-346
3	Internal Recovery increased as a result of the reporting change to carbon credit revenue and a marginal increase in the tipping fee at the landfill.	563
4	Salaries decreased due to positions moves within the department. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	-177
5	Contracted Services increased due to inflation.	167
6	Amortization decrease due to a capital projects in 2022 being cancelled and completed under budget.	-165



**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Water Utility - Capital**

			BUDGET REQUEST					BUDGET FORECAST					
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY											
20610567	PLT MHPW WTP - 2023 BUILDING CARD ACCESS	Growth Capital - TCA	-	-	-	94	-	-	-	-	-	-	94
20610568	PLT MHPW WTP - 2023 12PH BACKFLUSH REPURPOSING	Growth Capital - TCA	-	-	128	-	-	-	-	-	-	-	128
20610570	PLT MHPW WTP - 2024 PLANT 3 AIR SCOUR PIPING REPLACEMENT	Sustaining Capital - TCA	-	-	189	-	-	-	-	-	-	-	189
20610571	PLT MHPW WTP - 2023-2024 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	-	400	-	-	-	-	-	-	400
20610572	PLT MHPW WTP - 2025-2032 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	1,200	-	-	-	-	-	-	-	1,200
20610573	PLT MHPW WTP - 2026 LED LIGHTING UPGRADE	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	-	-
20610574	PLT MHPW WTP - 2026 PLANT 4 FILTER VAVLES REPLACEMENT	Sustaining Capital - TCA	-	-	-	473	-	-	-	-	-	-	473
20810614	CAS-EU-2023/24-TCA-Water-Miscellaneous Water Distribution Upgrades Program	Sustaining Capital - TCA	500	-	-	-	-	-	-	-	-	-	500
20810615	CAS-EU-2027/28-TCA-Water-South Reservoir Expansion - Pump#6	Growth Capital - TCA	-	-	-	-	650	-	-	-	-	-	650
20810616	CAS-EU-2025-TCA-Water-Booster Station Electrical Upgrades	Sustaining Capital - TCA	-	-	150	-	-	-	-	-	-	-	150
20810617	CAS-EU-2027-TCA-Water-Deep Well Anode Beds Cathodic Protection	Sustaining Capital - TCA	-	-	-	-	300	-	-	-	-	-	300
20810618	CAS-EU-2029/32-TCA-Water-Automated Meter Infrastructure AMI Water Meter replacements program	Sustaining Capital - TCA	-	-	-	-	-	-	250	3,500	3,500	3,500	10,750
20810619	CAS-EU-2024-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	1,200	-	-	-	-	-	-	-	-	1,200
20810620	CAS-EU-2025-2030-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	-	350	1,400	300	1,400	400	1,900	-	-	5,750
20810621	CAS-EU-2025-TCA-Water-North Reservoir Main Twinning	Growth Capital - TCA	-	-	8,400	-	-	-	-	-	-	-	8,400
20810622	CAS-EU-2026-TCA-Water-Kipling St SE Main Twinning	Sustaining Capital - TCA	-	-	-	5,200	-	-	-	-	-	-	5,200
20810623	CAS-EU-2023-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	3,000	-	-	-	-	-	-	-	-	-	3,000
20810624	CAS-EU-2025-2032-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	-	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	49,000
20810625	CAS-EU-2025-TCA-Water-Main Reservoir Upgrades	Growth Capital - TCA	-	-	7,100	-	-	-	-	-	-	-	7,100
20810626	CAS-EU-2025-2026-TCA-Water-College Ave SE Main Twinning	Growth Capital - TCA	-	-	800	3,200	-	-	-	-	-	-	4,000
20810627	CAS-EU-2026-2027-TCA-Water-Airport Booster Station Main Twinning	Growth Capital - TCA	-	-	-	400	1,800	-	-	-	-	-	2,200
20810628	CAS-EU-2026-2027-TCA-Water-Harlow Park Transmission Main Interconnect	Sustaining Capital - TCA	-	-	-	250	950	-	-	-	-	-	1,200
20810629	CAS-EU-2025-2026-TCA-Water-Ranchlands Pressure Reducing Valves	Growth Capital - TCA	-	-	450	-	-	-	-	-	-	-	450
20810630	CAS-EU-2031-2032-TCA-Water-Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	Growth Capital - TCA	-	-	-	-	-	-	-	-	3,500	13,700	17,200
20810631	CAS-EU-2032-TCA-Water-NW Booster Station Expansion Pump #4	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	100	100
20810632	CAS-EU-2029-2030-TCA-Water-North Reservoir Expansion Cell #2	Growth Capital - TCA	-	-	-	-	-	-	700	2,700	-	-	3,400
20810633	CAS-EU-2027-2028-TCA-Water-Main Reservoir Expansion Cell #3	Growth Capital - TCA	-	-	-	-	1,500	7,500	-	-	-	-	9,000
20810634	CAS-EU-2027/31-TCA-Water-Water Valves Replacement Program	Sustaining Capital - TCA	-	-	-	-	500	-	-	-	500	-	1,000
20810635	CAS-EU-2025/32-TCA-Water-Miscellaneous Water Distribution Upgrades program	Sustaining Capital - TCA	-	-	2,000	-	-	-	-	-	-	-	2,000
20810636	CAS-EU-2025/32-TCA-Water Meters Program	Sustaining Capital - TCA	-	-	1,600	-	-	-	-	-	-	-	1,600
20810637	CAS-EU-2027/32-TCA-Water-Booster Station Electrical Upgrades program	Sustaining Capital - TCA	-	-	-	-	400	-	-	-	-	-	400
20810638	CAS-EU-2024-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	4,275	-	-	-	-	-	-	-	-	4,275
20810639	CAS-EU-2023-TCA- Water- Condition Assessment of 1050mm Transmission Main River crossing	Sustaining Capital - TCA	475	-	-	-	-	-	-	-	-	-	475
20810640	CAS-EU-2026-TCA-Water- Police Point Park Aquifer Pump House and Wells Upgrades	Growth Capital - TCA	-	-	-	1,700	-	-	-	-	-	-	1,700
20810641	CAS-EU-2023-TCA-Water-Critical Facility Site Security Upgrades	Sustaining Capital - TCA	350	-	-	-	-	-	-	-	-	-	350
20810642	CAS-EU-2025-TCA-Water-SW Sector Servicing Strategy	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
20810643	CAS-EU-2025/26-TCA-Water Meters Program	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
DEPARTMENTAL TOTAL			\$ 4,325	\$ 5,475	\$ 27,967	\$ 18,117	\$ 12,400	\$ 14,900	\$ 7,350	\$ 15,100	\$ 14,500	\$ 24,300	\$ 144,434

	BUDGET REQUEST					BUDGET FORECAST					
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES											
Debtenture	3,000	5,475	17,078	5,394	2,450	-	-	-	-	-	33,397
Offsite Levies	-	-	-	-	1,500	7,500	700	2,700	3,500	13,800	29,700
Operating / Working Capital	1,325	-	10,889	12,723	8,450	7,400	6,650	12,400	11,000	10,500	81,337
FINANCING TOTAL	\$ 4,325	\$ 5,475	\$ 27,967	\$ 18,117	\$ 12,400	\$ 14,900	\$ 7,350	\$ 15,100	\$ 14,500	\$ 24,300	\$ 144,434



**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Sewer Utility - Capital**

			BUDGET REQUEST		BUDGET FORECAST								
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
21410620	CAS-EU-2023/24-TCA-Sewer-Micellaneous Collection System Upgrades program	Sustaining Capital - TCA	500	-	-	-	-	-	-	-	-	-	500
21410621	CAS-EU-2024-TCA-Sewer- River Ridge Lift Station Upgrades	Sustaining Capital - TCA	-	500	-	-	-	-	-	-	-	-	500
21410622	CAS-EU-2025/2030-TCA-Sewer- Lift Station Electrical & Mechanical Upgrades program	Sustaining Capital - TCA	-	-	550	-	-	-	-	-	-	-	550
21410623	CAS-EU-2028-TCA-Sewer-Sewer Effluent Monitoring Station	Sustaining Capital - TCA	-	-	-	-	-	100	-	-	-	-	100
21410624	CAS-EU-2025-TCA-Sewer-IXL Lift Station Pump	Sustaining Capital - TCA	-	-	650	-	-	-	-	-	-	-	650
21410625	CAS-EU-2025/26-TCA-Sewer-Parkview Siphon Sewer - Headworks Rehabilitation	Sustaining Capital - TCA	-	-	550	-	-	-	-	-	-	-	550
21410626	CAS-EU-2027/28-TCA-Sewer-Northlands Lift Station Refurbishment	Sustaining Capital - TCA	-	-	-	-	780	-	-	-	-	-	780
21410627	CAS-EU-2025/26-TCA-Sewer-Harlow Lift Station Generator & Building Upgrade	Sustaining Capital - TCA	-	-	930	-	-	-	-	-	-	-	930
21410628	CAS-EU-2027-TCA-Sewer-River Ridge Lift Station Replacement	Sustaining Capital - TCA	-	-	-	-	2,500	-	-	-	-	-	2,500
21410629	CAS-EU-2025/32-TCA-Sewer-Miscellaneous Collection System Upgrades program	Sustaining Capital - TCA	-	-	2,000	-	-	-	-	-	-	-	2,000
21410630	CAS-EU-2023-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	3,000	-	-	-	-	-	-	-	-	-	3,000
21410631	CAS-EU-2025-2032-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	-	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	49,000
21410632	CAS-EU-2024-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	1,200	-	-	-	-	-	-	-	-	1,200
21410633	CAS-EU-2025-2028-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	-	350	1,400	300	1,400	-	-	-	-	3,450
21410634	CAS-EU-2023-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	5,400	-	-	-	-	-	-	-	-	-	5,400
21410635	CAS-EU-2025-2027-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	-	3,700	300	1,500	-	-	-	-	-	5,500
21410636	CAS-EU-2031-2032-TCA-Sewer-Box Springs Lift Station	Growth Capital - TCA	-	-	-	-	-	-	-	-	900	3,400	4,300
21410637	CAS-EU-2031-2032-TCA-Sewer-Box Springs Force Main	Growth Capital - TCA	-	-	-	-	-	-	-	-	4,800	19,200	24,000
21410638	CAS-EU-2029-2030-TCA-Sewer-Strachan Rd / Dunmore Rd SE Sanitary Sewer Upgrades	Growth Capital - TCA	-	-	-	-	-	-	1,900	7,700	-	-	9,600
21410639	CAS-EU-2026-2027-TCA-Sewer-10th Ave SW Trunk Expansion	Growth Capital - TCA	-	-	-	60	240	-	-	-	-	-	300
21410640	CAS-EU-2029-2030-TCA-Sewer-Coulee Ridge Lift Station / Forcemain Expansion	Growth Capital - TCA	-	-	-	-	-	-	900	3,400	-	-	4,300
21410641	CAS-EU-2025-TCA-Sewer-Southlands 7 Lift Station	Growth Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
21410642	CAS-EU-2025-TCA-Sewer-Southlands 7 Forcemain	Growth Capital - TCA	-	-	800	-	-	-	-	-	-	-	800
21410643	CAS-EU-2024-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	4,275	-	-	-	-	-	-	-	-	4,275
21410644	CAS-EU-2024-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	600	-	-	-	-	-	-	-	-	600
21410645	CAS-EU-2026-TCA-Sewer-Southlands 7 Lift Station	Growth Capital - TCA	-	-	-	1,300	-	-	-	-	-	-	1,300
21410646	CAS-EU-2026-TCA-Sewer-Southlands 7 Forcemain	Growth Capital - TCA	-	-	-	3,100	-	-	-	-	-	-	3,100
21610557	PLT MHPW WWTP - 2023-2024 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	-	300	-	-	-	-	-	-	300
21610558	PLT MHPW WWTP - 2023 AUTOMATIC FRONT GATE	Growth Capital - TCA	129	-	-	-	-	-	-	-	-	-	129
21610559	PLT MHPW WWTP - 2024 SOUTH RIVER BANK IMPROVEMENTS	Sustaining Capital - TCA	-	-	-	5,083	-	-	-	-	-	-	5,083
21610560	PLT MHPW WWTP - 2023 3RD UV CHANNEL INSTALLATION	Growth Capital - TCA	143	-	-	-	-	-	-	-	-	-	143
21610561	PLT MHPW WWTP - 2025-2032 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	1,200	-	-	-	-	-	-	-	1,200
21610562	PLT MHPW WWTP - 2025 PRIMARY SLUDGE HANDLING ALTERNATIVES	Growth Capital - TCA	-	-	2,175	-	-	-	-	-	-	-	2,175
21610563	PLT MHPW WWTP - 2025 HEADWORKS SCREENS UPGRADE	Growth Capital - TCA	-	-	1,500	-	-	-	-	-	-	-	1,500
21610564	PLT MHPW WWTP - 2025 HEADWORKS GRIT REMOVAL UPGRADE	Growth Capital - TCA	-	-	920	-	-	-	-	-	-	-	920
21610565	PLT MHPW WWTP - 2025 TRICKLING FILTER RECIRCULATION IMPROVEMENTS	Growth Capital - TCA	-	-	485	-	-	-	-	-	-	-	485
21610566	PLT MHPW WWTP - 2025 SOLIDS CONTACT BLOWER REPLACEMENT	Growth Capital - TCA	-	-	102	-	-	-	-	-	-	-	102
21610568	PLT MHPW WWTP - 2026 DAMAGED TUNNEL REPAIR	Sustaining Capital - TCA	-	-	-	414	-	-	-	-	-	-	414
21610569	PLT MHPW WWTP - 2026 LED LIGHTING UPGRADE	Growth Capital - TCA	-	-	-	243	-	-	-	-	-	-	243
DEPARTMENTAL TOTAL			\$ 9,172	\$ 6,575	\$ 21,312	\$ 17,200	\$ 11,320	\$ 7,500	\$ 8,800	\$ 18,100	\$ 12,700	\$ 29,800	\$ 142,279

	BUDGET REQUEST			BUDGET FORECAST								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL	
FUNDING SOURCES												
Debtenture	8,400	5,475	5,182	243	-	-	-	-	-	-	19,300	
Offsite Levies	-	-	1,200	4,460	240	-	2,800	11,100	5,700	22,600	48,100	
Operating / Working Capital	772	1,100	14,930	12,497	11,080	7,500	6,000	7,000	7,000	7,000	74,879	
FINANCING TOTAL	\$ 9,172	\$ 6,575	\$ 21,312	\$ 17,200	\$ 11,320	\$ 7,500	\$ 8,800	\$ 18,100	\$ 12,700	\$ 29,800	\$ 142,279	

**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Solid Waste Utility - Capital**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
22210526	CAS-EU-2023-TCA-Collections Carts & Bins Program	Sustaining Capital - TCA	80	-	-	-	-	-	-	-	-	-	80
22210527	CAS-EU-2024-TCA-Collection Carts & Bins Program	Sustaining Capital - TCA	-	80	-	-	-	-	-	-	-	-	80
22210528	CAS-EU-2025-2032-TCA-Collection Carts & Bins program	Sustaining Capital - TCA	-	-	80	80	80	80	80	80	80	80	640
22410528	CAS-EU-2023-TCA-SWL-Landfill Airspace Optimization SE Cell	Growth Capital - TCA	-	-	10,000	-	-	-	-	-	-	-	10,000
22610517	CAS-EU-2023-TCA-SWD-Food Waste Organics Composting Facility	Growth Capital - TCA	-	-	8,000	-	-	-	-	-	-	-	8,000
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 18,080</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 18,800</b>

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Debtenture	-	-	18,000	-	-	-	-	-	-	-	18,000
Operating / Working Capital	80	80	80	80	80	80	80	80	80	80	800
<b>FINANCING TOTAL</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 18,080</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 80</b>	<b>\$ 18,800</b>

---

**BYLAW NO. 4715**


---

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 1541, a bylaw of the City of Medicine Hat regulating the use of Public and Private Sewers and Drains and the Disposal of Sewage and the Discharge of Waters and Waste into the Medicine Hat Sewer System.

**WHEREAS** City Council considers it advisable to amend Bylaw No. 1541;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 1541 is hereby amended.
2. Section 506 is amended by deleting section 701(c) and replacing with Schedule "A".
3. Section 511 is amended by deleting section 701 and replacing with Schedule "A".
4. Section 701 is repealed and replaced with the following:  

"All persons owning or occupying property connected with the sewage system of the City shall pay sewerage charges as set out in Schedule "A" of this Bylaw."
3. Schedule "A" attached hereto is hereby added.
4. This Bylaw will come into force on January 1, 2023.

**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: Linnsie Clark**

---

**CITY CLERK: Arlene Karbashewski**

**SCHEDULE "A" TO BYLAW NO. 1541**  
**AS AMENDED BY BYLAW NO. 4715 – DECEMBER X, 2022**  
**(EFFECTIVE JANUARY 1, 2023)**

**THE PUBLIC AND PRIVATE SEWERS AND DRAINS AND THE DISPOSAL OF SEWAGE  
AND THE DISCHARGE OF WATERS AND WASTE INTO THE MEDICINE HAT SEWER  
SYSTEM BYLAW OF THE CITY OF MEDICINE HAT**

**1. RATES FOR SEWER SERVICE CHARGE:**

Sewer Service Charge – Based on water meter size charged at a daily rate of:

<b><u>Meter Size (mm)</u></b>	<b><u>Meter Size (inches)</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
15	5/8	\$1.7692	\$1.8134
20	3/4	\$1.7692	\$1.8134
25	1	\$1.7692	\$1.8134
40	1 ½	\$1.7692	\$1.8134
50	2	\$1.7692	\$1.8134
75	3	\$1.7692	\$1.8134
100	4	\$1.7692	\$1.8134
150	6	\$1.7692	\$1.8134
200	8	\$1.7692	\$1.8134
250	10	\$1.7692	\$1.8134

**2. RATES FOR RESIDENTIAL SEWAGE CHARGE**

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed*	\$0.00	\$0.00

*\*Winter sewage volume for residential customers – sewage volumes billed between November 1<sup>st</sup> to March 31<sup>st</sup> will be equal to water usage in cubic meters.*

*Summer sewage volume billed between April 1<sup>st</sup> to October 31<sup>st</sup> inclusive, shall be equal to the winter peak sewage volume during the immediate previous winter period.*

*The winter peak sewage volume shall be determined by the peak water usage recorded during the five monthly utility statements that were billed November 1<sup>st</sup> to March 31<sup>st</sup> inclusive. For purposes of this calculation, all monthly water usage figures of less than 7 cubic meters shall be replaced with 7 cubic meters prior to averaging.*

**3. RATES FOR NON-RESIDENTIAL SEWAGE CHARGE**

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed	\$1.8480	\$1.8942

**4. RATES FOR PROPERTIES CONNECTED TO THE CITY'S WASTEWATER SYSTEM BUT SERVED IN WHOLE OR IN PART WITH WATER FROM A SOURCE OTHER THAN THE CITY:**

Provided the waste or sewage is within the limits set out in section 506, the charge is to follow the table below. The customer shall, at their own expense, install and maintain an approved meter upon which the sewage charge shall thereupon be determined.

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed	\$1.8480	\$1.8942

**5. RATES FOR SEWAGE DISCHARGE EXCEEDING ANY OR ALL LIMITS SET OUT IN SECTION 506 SHALL BE CHARGES AS FOLLOWS:**

*N x NON-RESIDENTIAL SEWAGE CHARGE*

Where  $N = 1 \text{ plus } (A / 2100) + (B / 1200) + (C / 300)$

- 'A' is the difference between the actual B.O.D. in parts per million and the allowable B.O.D. in parts per million.
- 'B' is the difference between the actual suspended solids in parts per million and the allowable suspended solids in parts per million.
- 'C' is the difference between the actual fat, oil or grease in parts per million and the allowable fat, oil or grease in parts per million.

The minimum charge shall remain at the non-residential sewage charge per cubic metre of water consumed. To determine the rate charged each month, the City will run tests of the sewage being discharged into its sewer system by each industry at varying times during the year and the charges will be based on an average of the readings of such tests. The test will be conducted in accordance with standard tests defined in section 510.

**BYLAW NO. 4716**

---

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 1805, The Waste Bylaw.

**WHEREAS** it is considered advisable to amend rates and charges imposed pursuant to The Waste Bylaw;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 1805, The Waste Bylaw, is hereby amended.
2. Schedule "A" to Bylaw No. 1805 is repealed and replaced by Schedule "A" attached to this Bylaw.
3. Schedule "B" to Bylaw No. 1805 is repealed and replaced by Schedule "B" attached to this Bylaw.
4. This Bylaw will come into force on January 1, 2023.

**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: Linnsie Clark**

---

**CITY CLERK: Arlene Karbashewski**



**SCHEDULE "A" TO BYLAW NO. 1805**  
**AS AMENDED BY BYLAW NO. 4716 – DECEMBER X, 2022**  
**(Effective January 1, 2023)**

All rates and charges set out in this Schedule are payable by the customers to whom they apply, irrespective of the volume of waste (if any) generated at a given time, or over a period of time, by the customer for pick-up and disposal by the City.

**1. RATES FOR RESIDENTIAL WASTE REMOVAL:**

**(A) Basic residential rate (per unit / per day):**

<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
\$0.5544	\$0.5655

(Note: This rate applies to detached single family homes, duplexes, triplexes and fourplexes. All other buildings used in whole or in part for residential occupancy will be charged on the basis of the centralized pick-up rate, where applicable, or at commercial/industrial rates based on the number and capacity of bins, and frequency of service.)

**(B) Rate for centralized collection (per unit / per day):**

<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
\$0.4652	\$0.4745

(Note: This rate applies to residential buildings containing more than four dwelling units where all Residential Waste Carts and Yard Waste Carts are placed in a centralized location for collection. If more than one collection per week is required, the amount charged will be the monthly rate per unit multiplied by a factor equal to the number of collections per week, on average.). A customer whose Residential Waste or Residential Recyclables is collected in the manner described in this paragraph, shall comply with the provisions of this Bylaw pertaining to Residential Waste collection or Residential Recyclables collection, as the case may be, including the set out standards established by the CAO from time to time.

**(C) Additional Residential Waste Cart rate (per unit / per day):**

<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
\$0.5544	\$0.5655

**(D) Residential Recycle Cart rate (per unit / per day):**

<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
\$0.2694	\$0.2775

**2. RATES FOR COMMERCIAL/INDUSTRIAL WASTE REMOVAL:****(A) Rate for customers without bins (per day):**

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.8611	\$0.8783

(Note: This rate applies to commercial/industrial premises that are not included in arrangements with the Solid Waste Utility for centralized pick-up. Where such arrangements have been made the rate/unit/month will be the same as the rate for centralized pick-up at residential premises, and will be subject to the same provisions for an increased charge if more than one pick-up per week is required.)

**(B) Rates for customers with 3 yd<sup>3</sup> capacity bins:**

For each weekly pick-up (per bin / per day)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$3.4747	\$3.5442

**(C) Rates for customers with 1.5 yd<sup>3</sup> capacity bins:**

For each weekly pick-up (per bin / per day)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$1.7374	\$1.7721

**(D) Rate for extra bin pickup (per bin / per pickup)**

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$26.43	\$26.96

- (E) A customer who requests the City to unlock a commercial bin or to open a gate in order to access a bin shall be charged a fee at the rate of \$7.50 per five minutes of additional driver time, or portion thereof, for each pick-up pursuant to paragraph 2(B), 2(C) or 2(D). The fee for each customer shall be based on the City's estimate of the additional driver time required in order to access the bin.

### 3. TIPPING FEE FOR WASTE DISPOSAL AT SANITARY LANDFILL SITE

Landfill Disposal Rates (per tonne):

<b><u>Waste Type</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
(A) Basic Sanitary Waste	\$85.00	\$90.00
(B) Non-Residential Yard Waste	\$25.00	\$25.00
(C) Clean Wood	\$25.00	\$25.00
(D) Clean Drywall	\$25.00	\$25.00
(E) Metal	\$25.00	\$25.00
(F) Asbestos <i>*Plus Waste Requiring Special Handling Fee</i>	\$170.00*	\$175.00*
(G) Appliances Containing Chlorofluorocarbon (CFC)	\$20.00/item	\$20.00/item
(H) Bulky items (mattress, sofa, etc.)	\$15.00/item	\$15.00/item
(I) Waste Requiring Special Handling	\$60.00	\$65.00

The minimum tipping fee shall be \$8.00 per vehicle.

A surcharge of \$20.00 will be placed on any load that is not properly secured.

### 4. OTHER FEES AND CHARGES

- |     |                                    |             |
|-----|------------------------------------|-------------|
| (A) | Customer requested Service Change  | \$50.00     |
| (B) | Replacement of lost or stolen cart | actual cost |
| (C) | Repairs to damaged cart            | actual cost |

(Note: The customer will be charged for repairs or replacement if the cart was lost, stolen or damaged due to the customer's neglect, as determined by the CAO.)

**SCHEDULE "B" TO BYLAW NO. 1805**  
**AS AMENDED BY BYLAW NO. 4716 – DECEMBER X, 2022**  
**(Effective January 1, 2023)**

**WASTE DIVERSION CHARGE**

1. Subject to Section 2 of this Schedule, the waste diversion charge, pursuant to Section 6.1(3) of this Bylaw, is:

<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
\$0.0809 per day	\$0.0826 per day

2. Where the owners or occupants of residential premises within a building containing more than one residential premises do not receive utility bills, the person receiving monthly utility bills for the building in which the residential premises are located will pay the waste diversion charge and, in addition, pay the waste diversion charge multiplied by the number of residential premises in the building.

**BYLAW NO. 4717**

---

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 2379, the Water Service Bylaw.

**WHEREAS** it is considered advisable to amend certain fees, rates and charges set out in Schedule "A" to the Water Service Bylaw No. 2379.

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 2379, the Water Service Bylaw, is hereby amended.
2. Schedule "A" is repealed and replaced by Schedule "A" attached to this Bylaw.
3. This Bylaw will come into force on January 1, 2023.

**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: Linnsie Clark**

---

**CITY CLERK: Arlene Karbashewski**

**SCHEDULE "A" TO BYLAW NO. 2379**  
**AS AMENDED BY BYLAW NO. 4717 – DECEMBER X, 2022**  
**(EFFECTIVE JANUARY 1, 2023)**

**THE WATER SERVICE BYLAW OF THE CITY OF MEDICINE HAT**

**1. CLASS "A" RATES FOR METERED SERVICES (OTHER THAN AQUIFER):**

Water Service Charge – Based on Water Meter Size charged at a daily rate of:

<b><u>Meter Size (mm)</u></b>	<b><u>Meter Size (inches)</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
15	5/8	\$1.000	\$1.0450
20	3/4	\$1.000	\$1.0450
25	1	\$1.000	\$1.0450
40	1 ½	\$1.000	\$1.0450
50	2	\$1.000	\$1.0450
75	3	\$1.000	\$1.0450
100	4	\$1.000	\$1.0450
150	6	\$1.000	\$1.0450
200	8	\$1.000	\$1.0450
250	10	\$1.000	\$1.0450

In addition to the Water Service Charge, the amount payable by each Consumer per cubic metre of water used is:

<b><u>Usage Rate</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
In-City Consumer	\$1.2216	\$1.2766
Non-Resident Consumer* (\$ per cubic metre)	\$1.4620	\$1.5278

\* The term "non-resident Consumer" means the Cypress County, the Green Valley Water Association and the Roytal Water Users' Association, regardless of whether the water purchased by these Consumers is used inside or outside the corporate boundaries of the City of Medicine Hat, and any other Consumer purchasing water for use outside the corporate boundaries of the City of Medicine Hat.

**2. CLASS "B" TEMPORARY USE RATE:**

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$2.2140 per day	\$2.3026 per day

**3. CLASS "C" INSTALLATION AND REMOVAL CHARGE FOR SEASONAL METER INSTALLATION:**

<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15mm (5/8") Service	\$70.42	\$73.59
20mm (3/4") Service	\$70.42	\$73.59
25mm (1") Service	\$70.42	\$73.59
32mm (1 1/4") Service	\$79.27	\$82.84
38mm (1 1/2") Service	\$95.85	\$100.16
50mm (2") Service	\$95.85	\$100.16
75mm (3") Service	\$119.73	\$125.11
100mm (4") Service	\$119.73	\$125.11

**4. CLASS "D" STANDBY CHARGE:**

Applicable to all buildings situated on City Water Lines but not connected to them.

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.0266 per square metre of building area per day	\$0.0277 per square metre of building area per day



**5. CLASS “E” SERVICE CHARGE PER DAY FOR FIRE SPRINKLER SYSTEMS:**

<b><u>DESCRIPTION</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
50mm (2”) System	\$0.3454	\$0.3609
75mm (3”) System	\$0.4611	\$0.4818
100mm (4”) System	\$0.5790	\$0.6051
150mm (6”) System	\$0.6925	\$0.7237
200mm (8”) System	\$0.8120	\$0.8485
250mm (10”) System	\$0.9182	\$0.9595
300mm (12”) System	\$1.0752	\$1.1236
Individual Fire Hydrants (on private property)	\$0.6356	\$0.6642

**6. CLASS “F” AQUIFER RATE**

For all water drawn from the “Police Point Aquifer” (Reference: Licence #07997, File #16713-2 under the *Water Act*) the rate is:

<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
\$0.4084 per cubic metre	\$0.4268 per cubic metre

**7. MISCELLANEOUS FEES, RATES AND CHARGES**

<b><u>BYLAW SECTION</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
10(b)(i)	Deposit for use of hydrant	\$445.00	\$465.00
10(b)(v)	Minimum charge for use of hydrant	\$127.00	\$133.00
13(e)	Private Fire Service per day	\$0.6356	\$0.6642
16	Disconnection of service in pavement	\$3,126.00	\$3,267.00
16	Disconnection of service other than pavement	\$2,260.00	\$2,362.00

<b><u>BYLAW SECTION</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
21(a)	Thawing frozen service (per hour)	\$119.00	\$124.00
22(a)	Meter repair or replacement costs for meters shall be billed at cost of labour and materials	Actual Cost	Actual Cost
22(d)(iii)	20mm water meter initial installation	\$110.00	\$115.00
22(d)(iii)	20mm water meter replacement	\$132.00	\$138.00
22(d)(iii)	25mm water meter initial installation	\$170.00	\$178.00
22(d)(iii)	25mm water meter replacement	\$187.00	\$195.00
31	Dispute Meter Test Residential*	\$175.00	\$175.00
31	Dispute Meter Test Commercial*	\$225.00	\$225.00
34	Deposit for temporary water supply	\$69.00	\$72.00
35(b)	Disconnection of Service	\$71.00	\$74.00

<b><u>BYLAW SECTION</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>Effective January 1, 2023</u></b>	<b><u>Effective January 1, 2024</u></b>
35(b)	Reconnection of Service	\$71.00	\$74.00
36	Application Fee	\$15.00	\$15.00
41(b)	Disconnection warning notice	\$20.00	\$20.00
41(c)	Disconnection of Service	\$71.00	\$74.00
41(c)	Reconnection of Service	\$71.00	\$74.00
41.1	Non-attendance after appointment has been scheduled	\$81.00	\$85.00

\*If the meter is tested by a third party, the fee shall be the cost of the third-party test plus shipping, if applicable.

**NOTE:** WHEREVER APPLICABLE, THE GOODS AND SERVICES TAX SHALL BE ADDED TO THE FEES, RATES, CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY PURSUANT TO THE PROVISIONS OF THIS BYLAW (SEE BYLAW NO. 2716)

# City of Medicine Hat Business Plans

2023 - 2024



# **CITY OF MEDICINE HAT**

## **2023 – 2024 BUSINESS PLANS**

### **TABLE OF CONTENTS**

#### **ENERGY & INFRASTRUCTURE**

CITY ASSETS	1
CITY OPERATIONS	12
MEDICINE HAT POWER & WATER	23

#### **STRATEGIC MANAGEMENT & ANALYSIS**

STRATEGY & ANALYSIS	30
ENVIRONMENT, LAND & GOVERNMENT RELATIONS	34
CITY PLANNING	40
BUSINESS TRANSFORMATION OFFICE	45

#### **INVEST MEDICINE HAT** 51

#### **GENERAL GOVERNMENT**

MAYOR, COUNCILORS, CITY MANAGER, MANAGING DIRECTORS, AND GMR	56
CITY SOLICITOR	60

#### **CORPORATE SERVICES**

HUMAN RESOURCES	66
CORPORATE COMMUNICATIONS	71
FINANCE	75
INFORMATION & TECHNOLOGY	81

#### **PUBLIC SERVICES**

FIRE & EMERGENCY SERVICES	86
PARKS & RECREATION	92
COMMUNITY DEVELOPMENT	99

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Energy and Infrastructure – City Assets

---

## Energy and Infrastructure – City Assets

### Business Plan 2023 – 2024

---

#### Departmental Mandate and Structure

City Assets purpose is to provide safe, reliable, and effective water distribution, wastewater collection, transportation, and waste management systems in a financially prudent, environmentally responsible, and strategic manner.

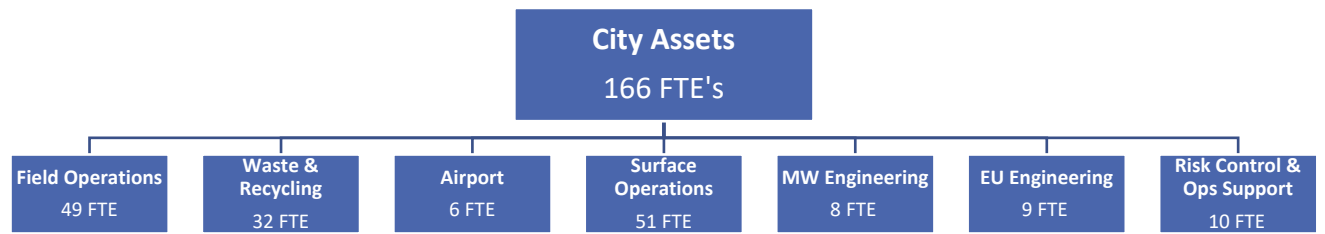
Utility Rate supported potable water distribution maintenance, construction, rapid repair response for City owned water reservoirs, booster stations, manholes, pipes, fire flow & hydrants and aquifers. We provide waste collection maintenance, construction, rapid repair response – pipes, lift stations and force mains. We collect commercial and residential solid waste, recycling, yard waste and operate the City's Waste Management Facility. We have dedicated focus (and staff) on Risk Control (assessment, management and financing) of our facilities, practices, operations, and maintenance.

In addition to our utility rate supported services, City Assets provides assessment supported services for City roads, sidewalks, traffic signals, streetlights, stormwater, bridges, a dam, and the Medicine Hat Regional Airport.

City Assets provides the following services:

1. With a focus on employee, resident, contractor, and partner safety first
2. With an eye to ensuring the community is consulted appropriately and impacts caused by construction and maintenance activities are minimized
3. With the intent of reporting activity, progress, plans and deliverables in an open and transparent way with complete and thorough disclosure
4. With a balance of optimized service levels, cost, internal and contracted service delivery
5. With engineering and design services utilizing City expertise combined with external experts as needed
6. With our Administration and Technical Support team responding to inquiries from our residents, city leaders, suppliers, partners, and other internal departments
7. Meeting and / or exceeding federal, provincial and all regulatory requirements
8. Adhering to industry best practices, standards, codes, and standards
9. Ensuring spending and investment decisions (Capital, Major Operating Expense, and Maintenance) are evidence and data based
10. With equitable, professional, technical, and non-technical support and services to internal and external customers
11. Striving to create and maintain comfortable, respectful, and functional work environments for employees, customers, and contracted service providers
12. In times of distress and when Emergencies arise, we ensure we are as prepared as possible including overland flood protection and will respond with speed, compassion, and dedication.





	2022	2023	2024	2025	2026
<b>FTEs</b>	166	166	166	166	166
<b>PEPs</b>	139	139	139	139	139

#### **DEPARTMENT KEY OBJECTIVE #1:**

***Safety*** - Maintain a strong commitment to the Health and Safety of our employees, partners, contractors, and residents. Being safe is personal to us and it is reflected in the decisions we make, the actions we take and it is front of mind every day. We exercise safe practices to meet legislative and Occupational Health and Safety regulatory requirements and to ensure everyone goes home safe. We recognize efficient health and safety programs promote operational efficiency and lead to a reduction of costs associated with workplace incidents and injuries.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY;**
- **COUNCIL PRIORITY: 6.4**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Transportation*** - The Medicine Hat Regional Airport (YXH) is a critical transportation hub for our community and an important symbol of relevance and connection to the rest of the world.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION ;**
- **COUNCIL PRIORITY: 3.1, 3.2, 3.3**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Asset Management*** - The Engineering and Field Operations Departments oversee the broad accountability for Risk-based Asset Management. We comply with all regulatory requirements for the distribution of water, discharge of sewage and stormwater, multiple modes of transportation, disposition of solid waste and recycling. City Asset staff completes important maintenance and management work which results in extended asset life and ensures safe operation. We do our best to optimize available funds to ensure our systems are safe, reliable, and efficient.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION RESILIENCE & SUSTAINABILITY;**
- **COUNCIL PRIORITY: 3.3, 6.5, 6.7, 6.9, 6.10**

#### **DEPARTMENT KEY OBJECTIVE #4:**

***Develop Waste Management Strategy*** - Assess the opportunities for waste management with regional partners. Waste management strategies will facilitate the reduction of raw material usage, conservation of finite landfill resources and promote environmental sustainability.

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 4.3, 6.5, 6.6**

City Assets - Surface & Airport  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Municipal Taxes	3	0	3	0.0	-3	0	(100.0)	
Sale of Services	461	3	464	0.7	17	481	3.7	
Insurance Recovery	0	0	0	0.0	0	0	0.0	
Other Revenue	264	-47	217	(17.7)	6	223	2.8	
Government Transfers for Operating	142	275	417	193.4	0	417	0.0	1
<b>TOTAL REVENUES</b>	<b>869</b>	<b>232</b>	<b>1,101</b>	<b>26.6</b>	<b>20</b>	<b>1,121</b>	<b>1.9</b>	
Expenses								
Salaries, Wages and Benefits	5,283	491	5,775	9.3	142	5,917	2.5	2
Contracted and General Services	1,320	1,342	2,662	101.7	-5	2,657	(0.2)	3
Materials, Goods & Utilities	360	250	610	69.4	24	635	4.0	4
Provision for Allowances	0	0	0	0.0	0	0	0.0	
Bank Charges & Short Term Interest	4	0	4	4.0	0	5	4.0	
Grants and Other Transfers	0	0	0	0.0	0	0	0.0	
Interest on Long-term Debt	307	-58	250	(18.8)	-40	210	(15.9)	5
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	16,198	533	16,731	3.3	32	16,763	0.2	6
(Gain)/Loss on Disposal of Assets	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>23,474</b>	<b>2,559</b>	<b>26,033</b>	<b>10.9</b>	<b>154</b>	<b>26,187</b>	<b>0.6</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>22,605</b>	<b>2,327</b>	<b>24,932</b>	<b>10.3</b>	<b>133</b>	<b>25,066</b>	<b>0.5</b>	
Internal Recovery	0	-0	0	(100.0)	0	0	0.0	
Internal Charges and Transfers	4,507	805	5,312	17.9	139	5,451	2.6	7
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>4,507</b>	<b>805</b>	<b>5,312</b>	<b>17.9</b>	<b>139</b>	<b>5,451</b>	<b>2.6</b>	
<b>NET EXPENSES ( REVENUES)</b>	<b>27,111</b>	<b>3,133</b>	<b>30,244</b>	<b>11.6</b>	<b>273</b>	<b>30,517</b>	<b>0.9</b>	

REF NO.	NOTE	\$
1	Increase is the result of additional Municipal Sustainability Initiative Operating funding being utilized through the department's operating budget. In prior years, the Municipal Sustainability Initiative funding was used as part of the department's Major Operating Expense projects. In 2023, those projects are in the City Assets operating budget.	275
2	Increase is a result of the adding budget for an unfunded position at the Airport and application of management estimates and assumptions.	491
3	Increase is due to 2023 Major Operating Expense requests being moved into Operating (\$850K), increase in cost estimates for concrete and storm maintenance (\$150K), additional Airport security and resources needed to accommodate increased flights (\$100K). The remaining increase reflects the key budget assumption, as well as minor increases in other areas.	1,342
4	Increase relates to adjustments in equipment and gravel usage to better reflect historical trends.	250
5	Decrease due to expected timing of debenture borrowing as related to capital spending.	-58
6	Amortization has increased to reflect new projects completed in 2022 and being amortized in 2023.	533
7	Internal charges have increased due to the updated cost allocation methodology where the department has seen increases in internal charges as well as new internal charges from new City business units.	805

City Assets - Water Utility Field Operations  
2023 - 2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Municipal Taxes	114	0	114	0%	0	114	0%	
Sale of Services	23,466	1,370	24,836	6%	1,258	26,094	5%	1
Other Revenue	137	10	147	7%	0	147	0%	
Internal Recovery	5,072	-2,443	2,629	-48%	118	2,747	4%	2
<b>TOTAL REVENUE</b>	<b>28,789</b>	<b>-1,063</b>	<b>27,726</b>	<b>-4%</b>	<b>1,376</b>	<b>29,102</b>	<b>10%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	4,225	279	4,504	7%	111	4,615	2%	3
Contracted Services	461	0	461	0%	19	480	4%	
Materials, Goods & Supplies	375	43	418	11%	17	435	4%	
Provision for Allowances	38	0	38	0%	0	38	0%	
Interest on Long-term Debt	2,139	379	2,518	18%	106	2,624	4%	4
Amortization and Provision for Abandonment	2,990	118	3,108	4%	184	3,292	6%	5
Internal Charges and Transfers	6,444	-1,692	4,752	-26%	134	4,886	3%	2
<b>TOTAL EXPENSES</b>	<b>16,672</b>	<b>-873</b>	<b>15,799</b>	<b>-5%</b>	<b>571</b>	<b>16,370</b>	<b>4%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>12,117</b>	<b>(190)</b>	<b>11,927</b>	<b>-2%</b>	<b>805</b>	<b>12,732</b>	<b>7%</b>	
<b>Contribution to Reserves</b>	<b>1,108</b>	<b>(1,108)</b>	<b>-</b>	<b>-100%</b>	<b>0</b>	<b>-</b>		

REF NO.	NOTE	\$
1	Sale of Services revenue increase as the result of increased operating expenses as well as an increased return on capital projects.	1,370
2	Decrease in internal charges & transfers as a result of new cost allocation project and allocations going directly to Sewer, Solid Waste, Water Treatment Plant and Waste Water Treatment Plant that were historically charged to Water.	-751
3	Salaries increased due to two positions being moved from Sewer to Engineering.	279
4	Interest on long term debt increased as a result of more debt funding for capital projects.	379
5	Amortization increase due to current projects expected to be completed in 2022.	118

City Assets - Sewer Utility Field Operations  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Municipal Taxes	113	0	113	0%	0	113	0%	
Sale of Services	22,508	1,036	23,544	5%	640	24,183	3%	1
Other Revenue	193	-152	41	-79%	-1	40	-2%	2
Internal Recovery	7	-7	0	-100%	0	0		
<b>TOTAL REVENUE</b>	<b>22,821</b>	<b>877</b>	<b>23,698</b>	<b>4%</b>	<b>639</b>	<b>24,336</b>	<b>0%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	3,592	-462	3,130	-13%	67	3,197	2%	3
Contracted Services	304	12	316	4%	13	329	4%	
Materials, Goods & Supplies	529	145	674	27%	27	701	4%	4
Provision for Allowances	32	0	32	0%	0	32	0%	
Interest on Long-term Debt	2,516	424	2,940	17%	160	3,100	5%	5
Other Operating Expenses	5	0	5	0%	1	6	20%	
Amortization and Provision for Abandonment	3,855	343	4,198	9%	119	4,317	3%	6
Internal Charges and Transfers	2,798	637	3,435	23%	7	3,442	0%	7
<b>TOTAL EXPENSES</b>	<b>13,631</b>	<b>1,099</b>	<b>14,730</b>	<b>8%</b>	<b>394</b>	<b>15,124</b>	<b>0</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>9,190</b>	<b>(223)</b>	<b>8,968</b>	<b>-2%</b>	<b>245</b>	<b>9,212</b>	<b>3%</b>	
<b>Contribution to Reserves</b>	<b>853</b>	<b>(853)</b>	<b>-</b>	<b>-100%</b>	<b>0</b>		<b>-</b>	

REF NO.	NOTE	\$
1	Sale of Services revenue increase as the result of increased operating expenses as well as an increased return on capital projects.	1,036
2	Other Revenue decreased due to a change in services related to sewer clearing. The City now charges for this service and as such, is seeing a decrease in service requests from the public.	-152
3	Salaries decreased due to two positions being moved from Sewer to Engineering.	-462
4	Materials, Goods & Supplies increased as a result of inflation as well as budgeting for equipment usage to align with actuals which has not been budgeted for previously.	145
5	Interest on long term debt increased as a result of more debt funding for capital projects.	424
6	Amortization increase due to current projects expected to be completed in 2022.	343
7	Increase in internal charges and transfers as a result of the new cost allocation project.	637

City Assets - Waste & Recycling  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Sale of Services	9,889	334	10,223	3%	255	10,478	2%	1
Other Revenue	346	-346	0	-100%	0	0		2
Internal Recovery	2,432	564	2,996	23%	257	3,253	9%	3
<b>TOTAL REVENUE</b>	<b>12,667</b>	<b>552</b>	<b>13,219</b>	<b>4%</b>	<b>512</b>	<b>13,731</b>	<b>11%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	2,882	-177	2,705	-6%	82	2,787	3%	4
Contracted Services	2,620	167	2,787	6%	111	2,898	4%	5
Materials, Goods & Supplies	99	29	128	29%	5	133	4%	
Provision for Allowances	17	0	17	0%	0	17	0%	
Bank Charges & Short Term Interest	1	0	1	0%	0	1	0%	
Interest on Long-term Debt	39	-5	34	-13%	-4	30	-12%	
Amortization and Provision for Abandonment	914	-165	749	-18%	-39	710	-5%	6
Other Asset Adjustments	90	0	90	0%	0	90	0%	
Internal Charges and Transfers	5,623	-14	5,609	0%	89	5,698	2%	
<b>TOTAL EXPENSES</b>	<b>12,285</b>	<b>-165</b>	<b>12,120</b>	<b>-1%</b>	<b>244</b>	<b>12,364</b>	<b>2%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>382</b>	<b>717</b>	<b>1,099</b>	<b>188%</b>	<b>268</b>	<b>1,367</b>	<b>24%</b>	
<b>Contribution to Reserves</b>	<b>438</b>	<b>1,157</b>	<b>1,595</b>	<b>264%</b>	<b>226</b>	<b>1,821</b>		

REF NO.	NOTE	\$
1	Sale of Services revenue increase as the result of increased operating expenses as well as an increased return on capital projects.	334
2	Other Revenue decreased as a result in a reporting change to carbon credit revenue. This was historically reported as other revenue, however, starting in 2023, it will be recorded as an internal recovery as these will be transferred to Electric Generation.	-346
3	Internal Recovery increased as a result of increased tipping fees at the landfill.	564
4	Salaries decreased as an electrician was moved from Solid Waste to Water Treatment Plant.	- 177
5	Contracted Services increased due to inflation.	167
6	Amortization decrease due to a capital projects in 2022 being cancelled and completed under budget.	-165





**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**City Assets**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
20810614	CAS-EU-2023/24-TCA-Water-Miscellaneous Water Distribution Upgrades Program	Sustaining Capital - TCA	500	-
20810619	CAS-EU-2024-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	1,200
20810623	CAS-EU-2023-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	3,000	-
20810638	CAS-EU-2024-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	4,275
20810639	CAS-EU-2023-TCA- Water- Condition Assessment of 1050mm Transmission Main River crossing	Sustaining Capital - TCA	475	-
20810641	CAS-EU-2023-TCA-Water-Critical Facility Site Security Upgrades	Sustaining Capital - TCA	350	-
21410620	CAS-EU-2023/24-TCA-Sewer- Miscellaneous Collection System Upgrades program	Sustaining Capital - TCA	500	-
21410621	CAS-EU-2024-TCA-Sewer- River Ridge Lift Station Upgrades	Sustaining Capital - TCA	-	500
21410630	CAS-EU-2023-TCA-Sewer- Sewer Mains Asset Management Program	Sustaining Capital - TCA	3,000	-
21410632	CAS-EU-2024-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	1,200
21410634	CAS-EU-2023-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	5,400	-
21410643	CAS-EU-2024-TCA-Sewer- Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	4,275
21410644	CAS-EU-2024-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	600
22210526	CAS-EU-2023-TCA-Collections Carts & Bins Program	Sustaining Capital - TCA	80	-
22210527	CAS-EU-2024-TCA-Collection Carts & Bins Program	Sustaining Capital - TCA	-	80
23210672	CAS-MW-2023/24- TCA- Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA	5,000	5,250
23210674	CAS-MW-2023/24- TCA- Bridge Rehabilitation	Sustaining Capital - TCA	1,000	1,000
23210677	CAS-MW-2023/24- TCA- Storm Sewer Rehabilitation Program	Sustaining Capital - TCA	3,500	3,500
23210680	CAS-MW-2023/24- TCA- 3rd Street SE Road Rehabilitation	Sustaining Capital - TCA	150	1,000
23210683	CAS-MW-2023/24- TCA- Division Avenue South Upgrade	Sustaining Capital - TCA	-	6,250
23210684	CAS-MW-2023/24- TCA- Laneway Rehabilitation	Sustaining Capital - TCA	200	200
23210710	CAS-MW-2023/24- TCA - Streetlight Replacement Program	Sustaining Capital - TCA	200	250
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 23,355</b>	<b>\$ 29,580</b>

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST	
	2023	2024
Debtenture	11,400	18,200
Government Grants	9,700	9,050
Internal Loan	150	1,150
Operating / Working Capital	2,105	1,180
<b>FINANCING TOTAL</b>	<b>\$ 23,355</b>	<b>\$ 29,580</b>



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### City Assets

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
23310503	CAS-MW-2023-MOE-Roadway System Master Plan Update	Growth Major Operating Expense	250	-
23310508	CAS-MW-2023-MOE-Storm System Regulatory Requirements	Sustaining Major Operating Expense	100	-
23310511	CAS-MW-2023-MOE-Transportation Safety Plan	Growth Major Operating Expense	125	-
24310507	CAS-Airport-2023-MOE-Airport Regulatory Compliance	Sustaining Major Operating Expense	125	-
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 600</b>	<b>\$ -</b>

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST	
	2023	2024
Operating	600	-
<b>FINANCING TOTAL</b>	<b>\$ 600</b>	<b>\$ -</b>

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Energy and Infrastructure – City Operations

---

## Energy and Infrastructure – City Operations

### Business Plan 2023 – 2024

---

#### Departmental Mandate and Structure

City Operations provides a diverse range of safe, reliable, and cost-effective services to both internal and external customers of the City of Medicine Hat. Areas of accountability include oil & gas production, gas distribution, electric transmission and distribution, corporate facilities, corporate fleet, engineering and design services, project management, and customer care.

Gas distribution, electric transmission, and electric distribution services are provided to our valued residential, commercial, and industrial customers within Medicine Hat, Town of Redcliff, and Municipal District of Cypress County as per the Alberta Utilities Commission (AUC) designated franchise areas. Corporate facilities management and fleet asset management services are provided to both internal and third-party contracted service providers including the provision of expert project management services for facilities and capital projects. Specialized engineering and design services for gas and electric distribution infrastructure are provided to developer, commercial, and industrial partners within the designated franchise boundary. Finally, high quality customer care provides respectful and expeditious interactions with all customers, both internal and external to the City of Medicine Hat, as it pertains to the department's areas of accountability.

The City Operations Department structures its resources, business plan and budget based on the following assumptions:

- The department operates to all federal, provincial, and local regulatory standards
- The department operates to industry best practices, codes, and standards
- Department capital and maintenance programs are based on robust data incorporating risk-based analysis into detailed asset management programs
- The City of Medicine Hat (CMH) Electric Distribution System and customers located in the AUC designated franchise area will continue to maintain exemption from all requirements of Part 7 of the Electric Utility Act (EUA)
- The Electric and Gas Distribution utilities maintain revenue to cost ratio of greater than or equal to 1 to ensure long term financial sustainability
- The department plans for activity levels based on past trends and emerging regulatory, environmental, or industry initiatives
- The department shall provide equitable, professional, technical, and non-technical support and services to internal and external customers
- The department strives to create and maintain comfortable, respectful, and functional work environments for employees, customers, and contracted service providers
- Safety of customers and employees is of paramount importance to the department



	2022	2023	2024	2025	2026
<b>FTE's</b>	161	163	163	163	163
<b>PEP's</b>	145	142	142	142	142

#### **DEPARTMENT KEY OBJECTIVE #1:**

**ASSET & INFRASTRUCTURE MANAGEMENT:** *Providing safe, reliable, cost-effective, and well-maintained corporate infrastructure is key to meeting service level expectations and long-term viability of the department. Infrastructure has finite life that requires investments to maintain, extend the useful life, and/or enhance capabilities which meet evolving service level expectations while achieving long term reliability, regulatory compliance, environmental, and fiscal sustainability.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 3.3, 4.10, 6.2 & 6.7**

#### **DEPARTMENT KEY OBJECTIVE #2:**

**OPERATIONAL EXCELLENCE** - *Providing dependable, and cost-effective services are crucial to the well-being and quality of life for customers. Therefore responsible, and sustainable provision of those services is of paramount importance. This model ensures the department strives for best-in-class performance in all areas of accountability reinforcing value to the ratepayers and taxpayers.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 3.1, 3.3, 4.8, 4.10, 6.1, 6.2, 6.3 & 6.7**

#### **DEPARTMENT KEY OBJECTIVE #3**

**SAFETY & EMPLOYEE WELLNESS** - *City Operations is accountable for areas with high safety risk potential. Employees, and the public, shall always be protected. The department shall ensure respectful, environmentally responsible, operations throughout all areas of accountability. The department values collaborative engagement seeking appropriate mitigation of risk to its employees, the public, and the environment.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 3.3, 4.5, 4.8, 4.9, 6.2 & 6.4**

#### **DEPARTMENT KEY OBJECTIVE #4:**

**INNOVATION** - *The City Operations Department operates within a rapidly evolving technological and regulatory environment which is experiencing significant change as part of a global energy transition*

*movement. The adoption of new techniques and technologies, while considering prudent business analysis, ensures long term sustainable services. Significant opportunities can be realized through leveraging technological advancements while partnering with other industry or municipal experts to ensure services are maintained to industry standards while maintaining cost competitiveness.*

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION; RESILIENCE & SUSTAINABILITY ;**
- **COUNCIL PRIORITY: 2.2, 2.3, 6.2, 6.3 & 6.5**



City Operations - Building Services  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenues</b>								
Sale of Services	149	6	155	4.0	6	161	4.0	
Licenses, Fines and Penalties	0	0	0	0.0	0	0	0.0	
Other Revenue	0	0	0	0.0	0	0	0.0	
<b>TOTAL REVENUES</b>	<b>149</b>	<b>6</b>	<b>155</b>	<b>4.0</b>	<b>6</b>	<b>161</b>	<b>4.0</b>	
<b>Expenses</b>								
Salaries, Wages and Benefits	2,584	-197	2,387	(7.6)	59	2,446	2.5	1
Contracted and General Services	2,491	8	2,499	0.3	100	2,599	4.0	
Materials, Goods & Utilities	425	17	442	4.0	18	460	4.0	
Provision for Allowances	0	0	0	0.0	0	0	0.0	
Bank Charges & Short Term Interest	0	0	0	0.0	0	0	0.0	
Interest on Long-term Debt	285	-22	263	(7.9)	177	439	67.3	
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	6,065	302	6,367	5.0	105	6,472	1.6	2
(Gain)/Loss on Disposal of Assets	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>11,850</b>	<b>108</b>	<b>11,958</b>	<b>0.9</b>	<b>459</b>	<b>12,416</b>	<b>3.8</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>11,701</b>	<b>102</b>	<b>11,803</b>	<b>0.9</b>	<b>452</b>	<b>12,255</b>	<b>3.8</b>	
Internal Recovery	3,814	740	4,553	19.4	82	4,636	1.8	3
Internal Charges and Transfers	1,487	188	1,675	12.6	30	1,705	1.8	4
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-2,327</b>	<b>-552</b>	<b>-2,878</b>	<b>23.7</b>	<b>-52</b>	<b>-2,930</b>	<b>1.8</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>9,374</b>	<b>-450</b>	<b>8,924</b>	<b>(4.8)</b>	<b>400</b>	<b>9,324</b>	<b>4.5</b>	

REF NO.	NOTE	\$
1	Salaries & wages expense decrease is due to correction of time recovery accounts based on historical actuals.	-197
2	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	302
3	Internal recoveries increase is due to implementation of the cost allocation project, resulting in greater building recoveries for maintenance of the City's facilities.	740
4	Internal charges expense increase is due to interest paid to the infrastructure reserve, as a result of an increase in approved internal loan funded capital.	188

City Operations - Fleet Services  
2023 - 2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenues</b>								
Sale of Services	0	0	0	0.0	0	0	0.0	
Insurance Recovery	0	0	0	0.0	0	0	0.0	
Other Revenue	0	0	0	0.0	0	0	0.0	
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	
<b>Expenses</b>								
Salaries, Wages and Benefits	1,839	66	1,905	3.6	47	1,951	2.4	1
Contracted and General Services	1,087	326	1,414	30.0	57	1,470	4.0	2
Materials, Goods & Utilities	2,471	1,332	3,803	53.9	152	3,955	4.0	3
Interest on Long-term Debt	42	-9	33	(21.6)	-9	23	(28.2)	
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	7,591	-1,553	6,039	(20.5)	326	6,365	5.4	4
(Gain)/ Loss on Disposal of Assets	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>13,030</b>	<b>163</b>	<b>13,193</b>	<b>1.2</b>	<b>572</b>	<b>13,765</b>	<b>4.3</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>13,030</b>	<b>163</b>	<b>13,193</b>	<b>1.2</b>	<b>572</b>	<b>13,765</b>	<b>4.3</b>	
Internal Recovery	13,238	2	13,240	0.0	93	13,333	0.7	
Internal Charges and Transfers	1,015	636	1,650	62.6	60	1,710	3.6	5
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-12,223</b>	<b>633</b>	<b>-11,590</b>	<b>(5.2)</b>	<b>-33</b>	<b>-11,623</b>	<b>0.3</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>808</b>	<b>796</b>	<b>1,603</b>	<b>98.5</b>	<b>538</b>	<b>2,142</b>	<b>33.6</b>	

REF NO.	NOTE	\$
1	Salaries & wages expense increased due to inflationary increases.	66
2	Contracted & general services expense increase is due to additional funds for 3rd party specialty equipment repairs.	326
3	Materials expense increase is due to increases in the cost of diesel and gasoline.	1,332
4	Amortization expense decrease is due to delays in the procurement of replacement vehicles, as a result of supply	-1,553
5	Internal charges expense increase is due to the implementation of the cost allocation project, and include increased charges from Stores & Inventory, Human Resources, and City Utilities.	636

City Operations - Electrical Distribution  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	21,184	1,018	22,202	5%	1,523	23,726	7%	1
Other Revenue	27	0	27	0%	0	27	0%	
<b>TOTAL REVENUES</b>	<b>21,211</b>	<b>1,018</b>	<b>22,229</b>	<b>5%</b>	<b>1,523</b>	<b>23,753</b>	<b>8%</b>	
Expenses								
Salaries, Wages & Benefits	6,345	-73	6,271	-1%	305	6,577	5%	3
Contracted Services	1,132	295	1,428	26%	57	1,485	4%	
Materials, Goods & Supplies	24	46	69	195%	3	72	4%	
Other Operating Expenses	68	3	71	5%	3	74	4%	
<b>TOTAL EXPENSES</b>	<b>7,569</b>	<b>271</b>	<b>7,840</b>	<b>4%</b>	<b>368</b>	<b>8,208</b>	<b>5%</b>	
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION &amp; AMORTIZATION</b>	<b>13,642</b>	<b>747</b>	<b>14,389</b>	<b>5%</b>	<b>1,155</b>	<b>15,544</b>	<b>8%</b>	
Internal Recovery	2,660	-1,826	834	-69%	14	848	2%	2
Internal Charges and Transfers	7,516	-861	6,655	-11%	189	6,843	3%	6
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>4,856</b>	<b>965</b>	<b>5,821</b>	<b>20%</b>	<b>175</b>	<b>5,996</b>	<b>3%</b>	
Amortization and Provision for Abandonment	4,636	1,143	5,779	25%	236	6,015	4%	5
Interest on Long-term Debt	1,691	178	1,869	11%	1,507	3,376	81%	4
<b>NET EXPENSES (REVENUES)</b>	<b>2,459</b>	<b>-1,539</b>	<b>920</b>	<b>-63%</b>	<b>-763</b>	<b>158</b>	<b>-83%</b>	
<b>Contribution to Reserves</b>	<b>1,570</b>	<b>-1,570</b>	<b>-</b>	<b>-100%</b>	<b>0</b>	<b>-</b>	<b>0%</b>	

REF NO.	NOTE	\$
1	Sale of services increase is due to revenue requirements as a result of increased operating expenses and increased return on capital investment.	1,018
2	Internal recoveries decrease is due to lower recoveries of the electric owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-1,826
3	Contracted & general services expense increase is due to additional funds for 3rd party repairs, based on historical repairs, and a run to fail maintenance strategy.	295
4	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	178
5	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	1,143
6	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-861

City Operations - Gas Distribution  
2023 -2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Sale of Services	15,272	-451	14,821	-3%	433	15,254	3%	1
Other Revenue	5	0	5	0%	0	5	0%	
<b>TOTAL REVENUE</b>	<b>15,277</b>	<b>-451</b>	<b>14,826</b>	<b>-3%</b>	<b>433</b>	<b>15,259</b>	<b>3%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	4,678	-921	3,757	-20%	93	3,850	2%	3
Contracted Services	3,524	142	3,665	4%	146	3,812	4%	4
Materials, Goods & Supplies	442	17	460	4%	19	478	4%	
Other Operating Expenses	112	-12	100	-11%	4	104	4%	
<b>TOTAL EXPENSES</b>	<b>8,756</b>	<b>-774</b>	<b>7,982</b>	<b>-9%</b>	<b>262</b>	<b>8,244</b>	<b>19%</b>	
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION &amp; AMORTIZATION</b>	<b>6,521</b>	<b>323</b>	<b>6,844</b>	<b>5%</b>	<b>171</b>	<b>7,015</b>	<b>3%</b>	
Internal Recovery	374	-269	106	-72%	2	108	0	2
Internal Charges and Transfers	3,754	-403	3,351	-11%	143	3,494	4%	7
<b>Net Internal Charges</b>	<b>3,379</b>	<b>-134</b>	<b>3,245</b>	<b>-4%</b>	<b>140</b>	<b>3,386</b>	<b>4%</b>	
Amortization and Provision for Abandonment	1,941	451	2,392	23%	108	2,500	5%	6
Interest on Long-term Debt	524	101	626	19%	147	773	24%	5
<b>NET EXPENSES (REVENUES)</b>	<b>676</b>	<b>-95</b>	<b>581</b>	<b>-14%</b>	<b>-224</b>	<b>357</b>	<b>-39%</b>	
<b>Contribution to Reserves</b>	<b>1,517</b>	<b>(1,517)</b>	<b>-</b>	<b>-100%</b>	<b>784</b>	<b>784</b>	<b>0%</b>	

REF NO.	NOTE	\$
1	Sale of services decrease is due to revenue requirements as a result of reduced internal cost allocations.	-451
2	Internal recoveries decrease is due to lower recoveries of the gas owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-269
3	Salaries and wages expense decrease is due to changes to benefit calculations.	-921
4	Contracted & general services expense increase is due to inflationary increases.	142
5	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	101
6	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	451
7	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-403

Gas Production	2022 Amended Budget	2023/2022 BUDGET CHANGES	2023 Budget	2023/2022 BUDGET % CHANGES	2024/2023 BUDGET CHANGES	2024 Budget	2024/2023 BUDGET % CHANGES	REF NO.
Volumes								
NG - TIK (mcf)	3,708,053	-310,367	3,397,686	-8%	-202,837	3,194,849	-6%	
Daily (mcf/d)	10,159	-850	9,309	-8%	-580	8,729	-6%	
Incline / (Decline)			-6.1%			-6.2%		
Oil & Liquids (bbl)	57,451	-54,017	3,434	-94%	-556	2,878	-16%	
Daily (bbl/d)	157	-148	9	-94%	-2	8	-16%	
Incline / (Decline)			-86.3%		1	-16.4%	-81%	
BOE/day			1561		-94	1467	-6%	
Price (CAD \$)								
NG (\$/mcf)	\$3.42	\$2.04	\$5.47	60%	-1	\$4.71	-14%	
Oil & Liquids (\$/bbl)	\$72.35	\$10	\$82.50	14%	-9	\$73.47	-11%	
Revenues								
Gas Sales from Production	\$12,692	\$5,853	\$18,545	46%	(\$3,511)	\$15,034	-19%	1
Sales of Purchased Gas	\$71,247	\$16,640	\$87,887	23%	(\$18,539)	\$69,348	-21%	2
Oil Sales	\$4,156	(\$3,863)	\$293	-93%	(\$73)	\$220	-25%	3
Other Sales & Services	\$592	(\$522)	\$71	-88%	\$4	\$74	5%	4
Risk Management Instrument	\$0	\$0	\$0	0%	\$0	\$0	0%	
Royalties	(\$421)	\$138	(\$283)	-33%	\$57	(\$226)	-20%	
Oil & Gas Transportation	(\$336)	\$126	(\$210)	-38%	\$12	(\$198)	-6%	
Total Revenue:	\$87,931	\$18,372	\$106,303	21%	(\$22,050)	\$84,254	-21%	
Expenses (000's)								
Administration & Overhead	\$8,722	(\$5,369)	\$3,352	-62%	\$98	\$3,450	3%	5
Operations & Maintenance	\$15,505	(\$4,930)	\$10,575	-32%	\$513	\$11,089	5%	5
Gas Purchases	\$71,247	\$16,592	\$87,839	23%	(\$18,539)	\$69,300	-21%	2
Total Expenses:	\$95,475	\$6,292	\$101,767	7%	(\$17,928)	\$83,839	-18%	
Transfer from (to) Gas Retail	\$24	(\$27)	(\$4)	-115%	\$3	(\$1)	-85%	
EBITDA	(\$7,520)		\$4,533			\$414		
Interest Earnings	\$5,100	\$2,172	\$7,272	43%	\$55	\$7,327	1%	6
Interest Expense	(\$572)	(\$36)	(\$608)	6%	\$3	(\$605)	0%	
DDA	(\$21,339)	\$11,997	(\$9,342)	0%	\$317	(\$9,025)	-3%	7
E&E Expenses	\$0	\$0	\$0	0%	\$0	\$0	0%	
Gain/Loss on Settle. of ARO	\$0	\$0	\$0	0%	\$0	\$0	0%	
Impairment	\$0	\$0	\$0	0%	\$0	\$0	0%	
Loss on Disp. Of Assets	\$0	\$0	\$0	0%	\$0	\$0	0%	
Net Earnings (Loss)	(\$24,331)	\$26,187	\$1,855	-8%	(\$3,744)	(\$1,889)	-202%	

REF NO.	NOTE	\$
1	Reduction in volume due to lower production as a result of abandonments	5,853
2		16,640
3	Lower gas production due to abandonments results in an increase in gas purchases to supply local demand.	(3,863)
4	Reduction in revenue primarily due to decrease in pricing and oil well divestitures.	(522)
5	Decrease in expenses primarily due to reduction in staffing, overhead expenses and well site maintenance expenses as a result of decreased operations related to abandonments.	(10,299)
6	Increase in interest earnings due to investment portfolio strategy executed by Treasury	2,172
7	Change in depreciation due to reduced number of wells related to divestitures and ongoing abandonment program	11,997



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET  
Summary of Capital (TCA) Budget Requests  
*In thousands of dollars*

City Operations

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	FLEET CATEGORY	BUDGET REQUEST	
				2023	2024
43410637	COP FM 2023-2026 Confined Spaces Access Program	Sustaining Capital - TCA		1,000	-
43410638	COP FM 2023-2024 Facility Accessibility	Sustaining Capital - TCA		-	700
43410640	COP FM 2023-2026 Big Marble Go Centre Components Lifecycle	Sustaining Capital - TCA		-	1,500
43410643	COP FM 2023 Hill Pool Components Lifecycle	Sustaining Capital - TCA		150	1,255
43410645	COP FM 2023 Transit Parkade Safety/Security Hardware	Sustaining Capital - TCA		-	700
43410646	COP FM 2023- 2024 Infrastructure Repair Program	Sustaining Capital - TCA		2,250	2,250
43410647	COP FM 2023-2024 Utility Infrastructure Repair Program	Sustaining Capital - TCA		1,000	1,000
43410648	COP FM 2024 City Hall Humidification Replacement	Sustaining Capital - TCA		-	1,250
43410649	COP FM 2024 Library Boiler Replacement	Sustaining Capital - TCA		-	1,000
43410665	COP FM 2023 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA		100	-
43410666	COP FM 2024 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA		-	100
43810974	COP- FLT - 2023 - Mobile Capital	Sustaining Capital - TCA	Replacement - MTCA	10,410	-
43810976	COP- FLT - 2024 - Mobile Capital	Sustaining Capital - TCA	Replacement - MTCA	-	9,188
52610916	COP-ELD-2023-MHS- 11 Substation	Growth Capital - TCA		24,000	-
52610918	COP-ELD-2023-2024 New Service Installs	Growth Capital - TCA		385	385
52610919	COP-ELD-2023 - 2024 Cable Replacement	Sustaining Capital - TCA		310	850
52610920	COP-ELD-2023 - 30/40/60L Upgrade of transmission line capacity Phase 1	Growth Capital - TCA		2,200	-
52610922	COP-ELD-2023-MHS3 Lightning Protection	Sustaining Capital - TCA		429	-
52610923	COP-ELD-2023-MHS2 Transformer Protection	Sustaining Capital - TCA		513	-
52610924	COP-ELD-2023-MHS3 69kV bus protection	Sustaining Capital - TCA		860	-
52610928	COP-ELD-2024-Switchgear Replacement	Sustaining Capital - TCA		-	385
52610936	COP-ELD-2023-MHS3 Station service upgrade	Sustaining Capital - TCA		768	-
52610940	COP ELD 2023-2024 Control Systems Hardware Upgrades	Sustaining Capital - TCA		245	-
52610941	COP ELD 2023-2024 Commercial Metering Test Set	Sustaining Capital - TCA		60	-
52610943	COP ELD 2023-2024 Six Channel Relay Set	Sustaining Capital - TCA		110	-
52610944	COP ELD 2023-2024 Revenue Meters	Sustaining Capital - TCA		641	-
52610947	COP ELD 2023-2024 Critical Substation Equipment Spares	Sustaining Capital - TCA		270	-
52610948	COP ELD 2023-2024 Oil Processing MH138-T23	Sustaining Capital - TCA		98	-
52610950	COP ELD 2023-2024 Tap Changer Controller Upgrade	Sustaining Capital - TCA		120	-
52610951	COP ELD 2023-2024 MHS-03 Duct System Upgrade	Sustaining Capital - TCA		130	-
52610953	COP ELD 2023-2024 T-11 Power Transformer Failing Bushing Replacement	Sustaining Capital - TCA		168	-
52610954	COP ELD 2023-2024 EOL Power Transformer Bushing Replacement	Sustaining Capital - TCA		456	-
52610955	COP ELD 2023-2024 Control Systems Cyber Requirements	Sustaining Capital - TCA		400	-
52610957	COP ELD 2023-2024 Distribution Overhead System Renewal	Sustaining Capital - TCA		3,509	-
52610958	COP ELD 2023-2024 Distribution Underground System Renewal	Sustaining Capital - TCA		1,321	-
52610969	COP-ELD-2023 line protection upgrade	Sustaining Capital - TCA		1,028	-
60410592	COP-GSD-2023 TCA-Rural System Upgrades Phase 1	Sustaining Capital - TCA		183	-
60410593	COP-GSD-2023 Rural Replacement	Sustaining Capital - TCA		100	-
60410595	COP-GSD-2023-2024 new services	Growth Capital - TCA		294	294
60410596	COP-GSD-2023-2024 Norwood system upgrades	Sustaining Capital - TCA		608	599
60410597	COP-GSD-2023-2024 High Pressure system alterations	Sustaining Capital - TCA		186	173
60410616	COP GSD 2023-24 Gas Meters	Sustaining Capital - TCA		1,250	-
60410620	COP-GSD-2023-2024 Crescent Heights Feeder Main Extension and Riverside upgrade	Sustaining Capital - TCA		1,401	1,369
61210503	COP- GASPROD - 2023-24 Mineral and Land Acquisition	Sustaining Capital - TCA		150	-
61810505	COP- GASPROD - 2023 Shallow Gas Optimization	Sustaining Capital - TCA		1,350	-
61810506	COP- GASPROD - 2024 Shallow Gas Optimization	Sustaining Capital - TCA		-	1,350
62210503	COP- GASPROD - 2023-24 Well Repairs	Sustaining Capital - TCA		2,300	-
62410634	COP- GASPROD - 2023-24 Well Abandonments	Sustaining Capital - TCA		2,500	-
62610503	COP- GASPROD - 2023-24 Facilities	Sustaining Capital - TCA		100	-
63010503	COP- GASPROD - 2023-24 Pipeline Abandonments	Sustaining Capital - TCA		600	-
63210503	COP- GASPROD - 2023-24 Pipelines	Sustaining Capital - TCA		150	-
63612762	COP- GASPROD - 2023-24 Reclamation	Sustaining Capital - TCA		350	-
67010503	COP- GASPROD - 2023-24 Non-Operated	Sustaining Capital - TCA		400	-
67210503	COP- GASPROD - 2023-24 Non-operated Abandonment	Sustaining Capital - TCA		400	-
DEPARTMENTAL TOTAL				\$ 65,253	\$ 24,348

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST	
	2023	2024
Debtenture	37,709	11,024
Internal Loan	150	-
Operating / Working Capital	16,984	4,136
Reserves	10,410	9,188
FINANCING TOTAL	\$ 65,253	\$ 24,348

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Energy & Infrastructure – Medicine Hat Power and Water

## Energy and Infrastructure – Medicine Hat Power & Water

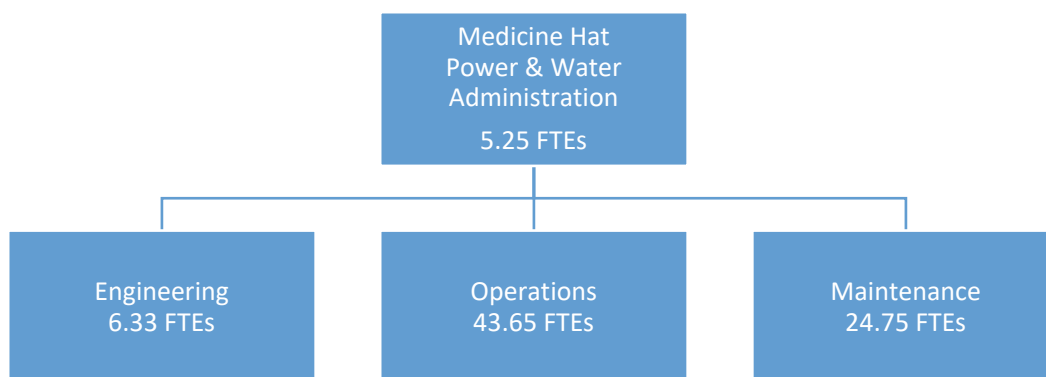
### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

Medicine Hat Power and Water (MHPW) departments provides safe, reliable, cost-effective electricity generation as well as Water and Wastewater treatment for our residential, commercial, and industrial customers. The department also performs all Operations and Maintenance of these facilities as well as the development and implementation of Capital projects within these departmental areas. We have a fully staffed technical department that services all these areas as well.

The MHPW Department structures its resources, business plan and budget based on the following assumptions:

- The department operates to provincial and local regulatory standards.
- The department operates to industry best practices, codes, and standards.
- The City of Medicine Hat (CMH) Electric Generation will continue to maintain exemption from all requirements of Part 95 of the Electric Utility Act (EUA) to the benefit of the city and its customers.
- Maximize profitability while ensuring safe, reliable, and compliant Electric Generation. We aspire to have maximum runtime/availability for our units.
- The department plans for activity levels based on past trends, future predictions, and emerging regulatory issues.
- These same operating principles above are applied to the Water and Wastewater Treatment plants as well.
- Project initiation, planning and project management of construction are used on all MHPW projects



	2022	2023	2024	2025	2026
FTEs	79.98	80.98	80.98	80.98	80.98
PEPs	72	73	73	73	73



#### **DEPARTMENT KEY OBJECTIVE #1:**

***Risk-Based Asset Management Program*** - Providing reliable electricity generation, safe reliable supply of water and wastewater to the City of Medicine Hat Residents and Industrial Customers. Maintaining our Asset base infrastructure is key to meeting service level expectations and long-term profitability of the facilities. Infrastructure has a finite life that requires sustaining capital investments to extend and/or replace existing infrastructure to ensure service level reliability.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.2, 6.3, 6.7 & 6.9**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Continue to Improve Safety and Regulatory Compliance Management*** - Improve Safety Culture and Performance and develop and internalize regulatory reporting requirements while improving non-compliances

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.4 & 6.7**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Growth and Renewable Initiatives*** - Medicine Hat Power and Water is one of the key departments in the development of new business opportunities that come to the City of Medicine Hat.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY ; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 6.3, 6.5, 6.6, 6.10, 2.1, and 2.2**

#### **DEPARTMENT KEY OBJECTIVE #4:**

***Operational Excellence to ensure:*** Reliability with increasing city load the availability of GENCO assets will become even more critical; Financial returns – achieve an annual return on assets through contractedness or supply to energy markets.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 1.1, 1.8, 6.1 & 6.3**

**DEPARTMENT KEY OBJECTIVE #5:**

*Ensuring Success for the future*

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION
- COUNCIL PRIORITY: 6.1, 6.4, and 6.9

Medicine Hat Power & Water - Electric Generation  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenue</b>								
Sales to Retail	89,462	15,736	105,198	18%	-15,618	89,580	-15%	1
Sales to Power Pool	45,424	12,507	57,931	28%	-14,406	43,525	-25%	2
Business Services	38,156	3,137	41,293	8%	-2,489	38,804	-6%	3
<b>TOTAL REVENUE</b>	<b>173,042</b>	<b>31,381</b>	<b>204,423</b>	<b>18%</b>	<b>-32,514</b>	<b>171,909</b>	<b>-16%</b>	
<b>Expenses</b>								
Salaries, Wages & Benefits	9,837	205	10,042	2%	416	10,458	4%	
Contracted Services	9,437	3,002	12,439	32%	1,256	13,694	10%	4
Materials, Goods & Supplies	1,896	95	1,991	5%	157	2,148	8%	
Electrical Energy Purchases	10,567	-1,654	8,913	-16%	1,168	10,080	13%	5
Bank Charges & Short Term Interest	1	0	1	0%	0	1	0%	
Interest on Long-term Debt	2,641	453	3,094	17%	-283	2,811	-9%	6
Payment in Lieu of Tax	9,287	-64	9,223	-1%	-1,445	7,778	-16%	
Amortization and Provision for Abandonment	22,364	-2,022	20,342	-9%	-2,042	18,300	-10%	7
Fuel	52,831	23,945	76,776	45%	-16,167	60,609	-21%	8
Transfer To/(From) Retail	9,282	-343	8,939	-4%	-3,392	5,546	-38%	9
Internal Charges and Transfers	6,518	820	7,338	13%	366	7,704	5%	10
<b>TOTAL EXPENSES</b>	<b>134,661</b>	<b>24,436</b>	<b>159,097</b>	<b>18%</b>	<b>-19,967</b>	<b>139,130</b>	<b>-13%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>38,381</b>	<b>6,944</b>	<b>45,325</b>	<b>18%</b>	<b>(12,546)</b>	<b>32,779</b>	<b>-28%</b>	
<b>Contribution to Reserves</b>	<b>22,258</b>	<b>18,847</b>	<b>41,105</b>	<b>85%</b>	<b>-11,497</b>	<b>29,609</b>		

REF NO.	NOTE	\$
1	Sales to Retail increase due to higher forecast market volatility compared to the prior year.	15,736
2	Increase due to higher forecasted market volatility from prior year	12,507
3	Increase related to variable cost recovery increase on third-party contracts	3,137
4	Contracted Services increased as a result contracted Chief Inspector position (\$100K), PRC005 Alberta Electric System Operator Reliability Program requirements (\$225K), Heat Recovery Steam Generator, major inspections, routine maintenance that did not occur in 2022 but is scheduled for 2023 (\$1.1M).	3,002
5	Decrease in forecasted purchased energy volume requirements from prior	-1,654
6	Interest on long term debt increased as a result of repayment for Unit 17 starting in 2023.	453
7	Amortization decrease due to a capital projects in 2022 being completed under budget.	-2,022
8	Increase in due to forecasted natural gas price volatility	23,945
9	Transfer To/(From) Retail decrease due to difference between transfer price and commodity contract price.	-343
10	Increase in internal charges and transfers as a result of the new cost allocation project.	820

**Medicine Hat Power & Water - Water Treatment Plant**  
**2023-2024 Operating Plan**  
**Financial Summary (in thousands of dollars)**

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Expenses</b>								
Salaries, Wages & Benefits	1,555	407	1,962	26%	79	2,041	4%	1
Contracted Services	356	313	669	88%	-196	473	-29%	2
Materials, Goods & Supplies	1,072	184	1,256	17%	56	1,312	4%	3
Interest on Long-term Debt	805	-162	643	-20%	-78	565	-12%	4
Amortization and Provision for Abandonment	2,094	158	2,252	8%	75	2,327	3%	5
Internal Charges and Transfers	1,721	349	2,070	20%	81	2,151	4%	6
<b>TOTAL EXPENSES</b>	<b>7,603</b>	<b>1,249</b>	<b>8,852</b>	<b>16%</b>	<b>17</b>	<b>8,869</b>	<b>-26%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>(7,603)</b>	<b>(1,249)</b>	<b>(8,852)</b>	<b>16%</b>	<b>(17)</b>	<b>(8,869)</b>	<b>0%</b>	

REF NO.	NOTE	\$
1	Salaries increased due to four positions being added that were not funded in 2022.	407
2	Contracted Services increased to accommodate upcoming services/maintenance required.	313
3	Materials, Goods & Supplies increased as a result of significant increase in quoted costs due to inflation.	184
4	Interest on long term debt decreased as a result of less debt funding for capital projects.	-162
5	Amortization increase due to current projects expected to be completed in 2022.	158
6	Increase in internal charges and transfers as a result of the new cost allocation project.	349

**Medicine Hat Power & Water - Waste Water Treatment Plant**  
**2023-2024 Operating Plan**  
**Financial Summary (in thousands of dollars)**

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Expenses</b>								
Salaries, Wages & Benefits	1,392	-152	1,240	-11%	33	1,273	3%	1
Contracted Services	171	74	245	43%	11	256	4%	
Materials, Goods & Supplies	722	252	974	35%	46	1,020	5%	2
Interest on Long-term Debt	310	-65	245	-21%	-29	216	-12%	
Amortization and Provision for Abandonment	1,198	-134	1,064	-11%	-96	968	-9%	3
Internal Charges and Transfers	1,869	213	2,082	11%	85	2,167	4%	4
<b>TOTAL EXPENSES</b>	<b>5,662</b>	<b>188</b>	<b>5,850</b>	<b>3%</b>	<b>50</b>	<b>5,900</b>	<b>-5%</b>	
<b>NET REVENUES (EXPENSES)</b>	<b>(5,662)</b>	<b>(188)</b>	<b>(5,850)</b>	<b>3%</b>	<b>(50)</b>	<b>(5,900)</b>	<b>1%</b>	

REF NO.	NOTE	\$
1	Salaries decreased due to the reallocation of an unfilled millwright position from the Waste Water Treatment Plant to Electric Generation to recruit for a planner position to coordinate all Plants.	-152
2	Materials, Goods & Supplies increased as a result of significant increase in quoted costs due to inflation.	252
3	Amortization decrease due to a capital projects in 2022 being completed under budget.	-134
4	Increase in internal charges and transfers as a result of the new cost allocation project.	213



**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Medicine Hat Power and Water**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
21610558	PLT MHPW WWTP - 2023 AUTOMATIC FRONT GATE	Growth Capital - TCA	129	-
21610560	PLT MHPW WWTP - 2023 3RD UV CHANNEL INSTALLATION	Growth Capital - TCA	143	-
52810602	PLT MHPW - 2023 Cyber Security Network Upgrade	Sustaining Capital - TCA	910	-
52810603	PLT MHPW - 2023 GSU T12 Replacement	Sustaining Capital - TCA	1,750	-
52810604	PLT MHPW - 2024 UNIT 14 HOT SECTION REPLACEMENT	Sustaining Capital - TCA	-	5,600
52810605	PLT MHPW - 2023 UNIT 15 HOT SECTION REPLACEMENT	Sustaining Capital - TCA	5,325	-
52810607	PLT MHPW - 2024/2025 3R Surface Condenser Bundle Re-tubing	Sustaining Capital - TCA	-	700
52810608	PLT MHPW - 2024 69KV Substation Cable Trench, Control Cable replacement and substation automation	Growth Capital - TCA	-	3,500
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 8,257</b>	<b>\$ 9,800</b>

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST	
	2023	2024
Debtenture	-	3,500
Operating / Working Capital	8,257	6,300
<b>FINANCING TOTAL</b>	<b>\$ 8,257</b>	<b>\$ 9,800</b>

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

---

## Department Business Plan

### Strategic Management & Analysis – Strategy & Analysis

## Strategic Management & Analysis – Strategy & Analysis

### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

The Strategy & Analysis team is a centralized team that provides defined revenue management support into the energy and utility departments, assists the organization in establishing clear direction through evidence-based analysis and provides independent and future oriented strategic support to the organization. In addition, the team provides cross functional leadership for special / strategic projects that the City is interested in evaluating, pursuing or developing. Where the team is responsible for certain outcomes within the organization, (e.g. energy and utility revenue management) Directors of the respective areas maintain full accountability for the success of their departments.

The overall mission is to provide support service with a focus on the following areas:

- Business Analytics & Strategic Direction
- Long Range Financial Planning
- Energy Marketing and commodity business development
- Commercial Management
- Special Project Facilitation, Development and Support



	2022	2023	2024	2025	2026
FTEs	20	19	19	19	19
PEPs	20	19	19	19	19

#### **DEPARTMENT KEY OBJECTIVE #1:**

***Energy Transformation** – In support of Energy & Infrastructure, Strategy and Analysis will recommend, and as applicable, deliver a balanced approach to energy transformation that considers carbon risk and mitigation while continuing to maintain competitive retail pricing options in the delivery of reliable energy supply.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY – 1.1, 2.2, 2.3**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Support Strategic Decision Making** - The team will drive new value as a business partner for internal departments and the executive team, by contributing credible analysis that informs strategic decision making, and by leading a strategic planning process that will support an aligned corporate direction. Qualitative and quantitative analysis will include business case development, benchmarking to help identify areas for focused continuous improvement, understanding business risks and alternatives with assessment of innovative solutions for the benefit of the organization and community. Manage risk through long-term contracts and hedging where appropriate*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 4.2, 4.3, 4.10, 6.1, 6.3**



Strategy & Analysis  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Cash Items								
Investment Income	0	0	0	0.0	0	0	0.0	
<b>TOTAL CASH ITEMS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	
Expenses								
Salaries, Wages and Benefits	2,057	628	2,685	30.5	67	2,753	2.5	1
Contracted and General Services	716	258	974	36.1	26	1,000	2.7	2
Materials, Goods & Utilities	5	318	323	6,369.0	13	336	4.0	3
Amortization and Provision for Abandonment	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>2,778</b>	<b>1,205</b>	<b>3,983</b>	<b>43.4</b>	<b>106</b>	<b>4,089</b>	<b>2.7</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>2,778</b>	<b>1,205</b>	<b>3,983</b>	<b>43.4</b>	<b>106</b>	<b>4,089</b>	<b>2.7</b>	
Internal Recovery	2,895	731	3,626	25.2	116	3,742	3.2	4
Internal Charges and Transfers	118	-94	23	(80.3)	1	24	4.0	5
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-2,778</b>	<b>-825</b>	<b>-3,603</b>	<b>29.7</b>	<b>-115</b>	<b>-3,718</b>	<b>3.2</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>0</b>	<b>380</b>	<b>380</b>	<b>526,761.6</b>	<b>-9</b>	<b>371</b>	<b>(2.4)</b>	

REF NO.	NOTE	\$
1	Salaries & wages expense increase is due to the corporate reorganization, where Permanently Established Positions were moved from commodity based business units to municipal operations.	628
2	Contracted & general services expense increase is due to the corporate reorganization, where 3rd party contracted budgets were moved from commodity based business units to municipal operations.	258
3	Materials expense increase is due to the corporate reorganization, where computer licensing budgets were moved from commodity based business units to municipal operations	318
4	Internal recoveries increase is due to the corporate reorganization, and the implementation of the cost allocation project where Permanently Established Positions were moved from commodity based business units to municipal operations, and subsequently recovered back from commodity based business units.	731
5	Internal charges decrease is due to the implementation of the cost allocation project where internal costs are no longer charged to the department.	-94

## Department Business Plan

### Strategic Management & Analysis – Environment, Land & Government Relations

## Strategic Management & Analysis – Environment, Land & Government Relations

### Business Plan 2023 – 2024

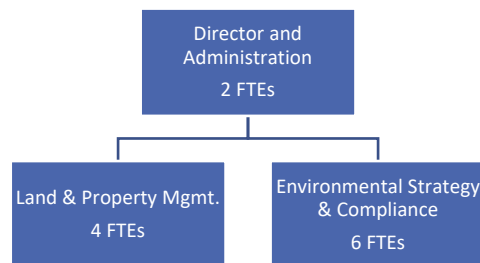
#### Departmental Mandate and Structure

Environment, Land and Government Relations drives responsible environmental stewardship and sustainability; delivers efficient land and lease administration services; and serves as a City advocacy voice fostering favorable intergovernmental relations.

Core business objectives include:

- Development and implementation of strategies and processes to ensure corporate wide compliance with relevant environmental legislation.
- Steward of the City's approach to environmental sustainability (beyond compliant levels).
- Serve as collaborative lead in climate resiliency, carbon mitigation initiatives and water security measures.
- Ensure timely cost-effective remediation and reclamation of the City's abandoned oil and gas assets in compliance with federal and provincial legislation.
- Act on behalf of the City to ensure appropriate land agreements and approvals are in place subsequently fostering and maintaining positive relationships with government land managers and environmental regulators, City lessors and lessees.
- Create and maintain a centralized City of Medicine Hat real estate lease portfolio to ensure consistency in terms, contractual conditions, and rental rates to ensure maximum return on value.
- Serve as the City's conduit to other levels of government to ensure consistent goal driven messaging.

*(As a newer department some of the core objectives are in the process of being established)*



	2022	2023	2024	2025	2026
FTEs	13	12	12	12	12
PEPs	13	12	12	12	12

#### **DEPARTMENT KEY OBJECTIVE #1:**

*Lead in the development of an Environmental Framework that will serve as a cohesive overarching strategy to provide guidance on integrating wise resource management into City programs and policies with greater depth and intention while reducing the City's vulnerability to future environmental changes in the face of increasing climate uncertainty. Demonstrating commitment to the environment can help attract business, employees and other new residents stimulating the local economy and contributing positively to quality of life. Facilitating efficient and effective decision making with clear environmental objectives will improve City operations. Fostering stakeholder engagement and providing environmental strategies and actions into area redevelopment plans and City policies will increase community vibrancy.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 4.8, 6.5**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Operational Efficiency** - lead in the creation and implementation of a Brownfield Development Strategy. Brownfield redevelopment encourages infill development, environmental remediation, and community revitalization. Redevelopment of brownfields within the City establishes a larger municipal tax base and increases utilization of municipal infrastructure. Redeveloped brownfields are often better used, more attractive, have higher property values, present less risk of environmental harm to adjacent properties, and contribute to the economic, environmental, and social health of the community.*

*Centralized management of the City's real estate lease portfolio will ensure appropriate stakeholder engagement, consistency in contractual conditions, and ensure maximum return on value.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 6.8**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Contribute to the corporate government relations strategy.** Success is achieved through proactive collaborative relationships with departments and agencies at all levels of government. Environment, Land and Government Relations has fostered working relationships built on trust with federal and provincial environmental regulators and land managers, First Nations, municipal governments, and Special Areas boards.*

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY – 3.6, 4.6, 4.8**

Environment, Land & Government Relations  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,959	-242	1,717	(12.3)	43	1,760	2.5	1
Contracted and General Services	64	233	297	361.9	34	331	11.4	2
Materials, Goods & Utilities	74	3	77	4.0	3	80	4.0	
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>2,097</b>	<b>-6</b>	<b>2,091</b>	<b>(0.3)</b>	<b>80</b>	<b>2,171</b>	<b>3.8</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>2,097</b>	<b>-6</b>	<b>2,091</b>	<b>(0.3)</b>	<b>80</b>	<b>2,171</b>	<b>3.8</b>	
Internal Recovery	517	923	1,440	178.5	42	1,482	2.9	3
Internal Charges and Transfers	39	-24	15	(61.3)	1	16	4.0	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-478</b>	<b>-947</b>	<b>-1,425</b>	<b>198.1</b>	<b>-41</b>	<b>-1,466</b>	<b>2.9</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>1,619</b>	<b>-953</b>	<b>666</b>	<b>(58.9)</b>	<b>38</b>	<b>704</b>	<b>5.7</b>	

REF NO.	NOTE	\$
1	Salaries & wages expense decrease is due to the removal of 1 Permanently Established Position, and revision of the calculation for the benefits expense.	-242
2	Contracted & general services expense increase is due to additional funds to support contaminated sites management, crossing and proximity agreements, and 3rd party consent and ground disturbance consulting.	233
3	Internal recoveries increase is due to the corporate reorganization, and the implementation of the cost allocation project where Permanently Established Positions were moved from commodity based business units to municipal operations, and subsequently recovered back from commodity based units.	923



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Environment, Land & Government Relations

			BUDGET REQUEST	
			2023	2024
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY		
51210500	ELR - 2023 - MOE - Environmental Framework	Growth Major Operating Expense	200	-
DEPARTMENTAL TOTAL			\$ 200	\$ -

		BUDGET REQUEST	
		2023	2024
FUNDING SOURCES (CASH FLOW)			
Operating		200	-
FINANCING TOTAL		\$ 200	\$ -

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

---

## Department Business Plan

### Strategic Management & Analysis – Planning & Development Services



## Strategic Management & Analysis – Planning & Development Services

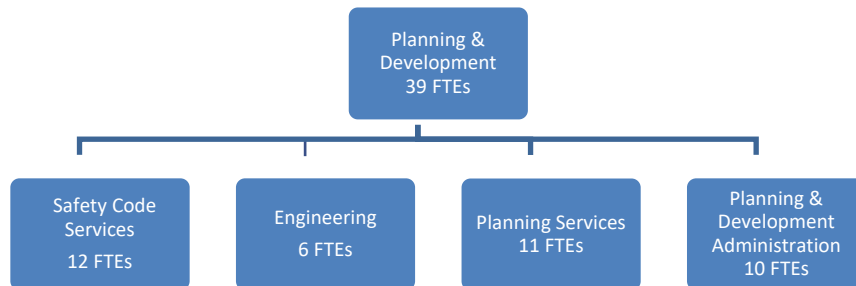
### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

The Planning & Development Services department provides leadership to the Corporation and the community in achieving its Municipal Development Plan vision as a “Community of Choice” by facilitating the continued development of a safe, attractive, and sustainable community which meets the needs of all segments of the population.

Core Services provided by the department include:

- Administrative Support
- Development Services – Engineering
- Development Services – Planning
- Development Services - Business Licensing
- Safety Codes Services – Construction Permits and Inspection Services



	2022	2023	2024	2025	2026
FTEs	40	39	39	39	39
PEPs	36	38	38	38	38

#### **DEPARTMENT KEY OBJECTIVE # 1:**

*Provide excellent customer care in the delivery of planning and development services. This includes clarity of process, reducing any unnecessary process and administrative burden, and minimizing response times to support the development process and support growth*

*Streamlining the development process and matching our services with the public's expectations is critical. This includes providing a modern development digital application process that allows customers to submit applications, communicate with the City, and pay fees digitally.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION ; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 3.1, 3.3, 2.4, 4.5, and 4.7.**

#### **DEPARTMENT KEY OBJECTIVE #2:**

*Establish the municipal planning foundation for future sustainable development*

*The City establishes the standards for infrastructure that the public and private sector constructs which the City is ultimately responsible for. The standard of infrastructure affects the initial capital cost, but also the long-term maintenance and replacement costs borne by the ratepayers. These servicing standards must follow and conform to the community's long-term plan, the Municipal Development Plan (MDP).*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY ; COMMUNITY WELLNESS**
- **COUNCIL PRIORITY: 6.1, 6.2, 6.5, 6.7, 6.9, 5.8, 1.5 and 3.3.**

Planning & Development Services  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	7	0	7	4.0	0	7	4.0	1
Licenses, Fines and Penalties	2,839	-56	2,783	(2.0)	118	2,901	4.2	
Other Revenue	0	0	0	0.0	0	0	0.0	
Government Transfers for Operating	0	0	0	0.0	0	0	0.0	
<b>TOTAL REVENUES</b>	<b>2,846</b>	<b>-56</b>	<b>2,790</b>	<b>(2.0)</b>	<b>118</b>	<b>2,909</b>	<b>4.2</b>	
Expenses								
Salaries, Wages and Benefits	4,172	272	4,445	6.5	110	4,555	2.5	2
Contracted and General Services	203	18	221	8.9	9	229	4.0	
Materials, Goods & Utilities	61	-9	51	(15.4)	2	53	4.0	
Bank Charges & Short Term Interest	1	8	9	824.5	0	9	0.4	
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	70	-35	35	(49.7)	0	35	0.0	
<b>TOTAL EXPENSES</b>	<b>4,506</b>	<b>254</b>	<b>4,761</b>	<b>5.6</b>	<b>121</b>	<b>4,882</b>	<b>2.5</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>1,660</b>	<b>310</b>	<b>1,971</b>	<b>18.7</b>	<b>2</b>	<b>1,973</b>	<b>0.1</b>	
Internal Recovery	0	0	0	0.0	0	0	0.0	3
Internal Charges and Transfers	419	451	869	107.6	34	904	4.0	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>419</b>	<b>451</b>	<b>869</b>	<b>107.6</b>	<b>34</b>	<b>904</b>	<b>4.0</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>2,079</b>	<b>761</b>	<b>2,840</b>	<b>36.6</b>	<b>37</b>	<b>2,877</b>	<b>1.3</b>	

REF NO.	NOTE	\$
1	Licences, fines and penalties revenue decreased as a result of adjustments to safety code permit revenue to reflect historical trends and current economic conditions.	-56
2	Salaries & wages expense increased due to the addition of 2 new Permanently Established Positions, and inflationary increases.	272
3	Internal charges expense increase is due to the implementation of the cost allocation project, and include increased charges from City Solicitor, Human Resources, and Environment, Land & Government Relations.	451



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Planning & Development Services

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
26310511	CPL-2023 MOE - Planning and Development Services Process Review	Sustaining Major Operating Expense	-	150
26310512	CPL - 2023 MOE - Active Transportation Plan	Growth Major Operating Expense	125	-
26310513	CPL - 2023 MOE Cimarron Area Structure Plan rewrite	Growth Major Operating Expense	-	150
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 125</b>	<b>\$ 300</b>

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST	
	2023	2024
Operating	125	300
<b>FINANCING TOTAL</b>	<b>\$ 125</b>	<b>\$ 300</b>

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Strategic Management & Analysis – Business Transformation Office

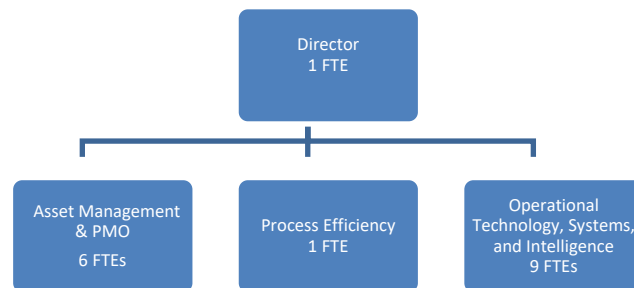
## Strategic Management & Analysis – Business Transformation Office

### Business Plan 2023 – 2024

The Business Transformation Office (BTO) is an internally focused service department that leads, guides, and supports other departments and divisions in the realization of their goals and objectives. The BTO has a unique suite of services that range from management system development and implementation to process improvement to the ongoing support of a number of key enterprise-wide and/or business workflow software systems.

Core Services provided by the department include:

- Standardized systems approach to asset management & project management design and implementation
  - Process efficiency & workflow digitization support services
  - Operational technology cybersecurity
  - Enterprise system software maintenance and support (Geographic Information System, Automated Metering Infrastructure, Cityworks, etc.)
  - Stage gate controls and corporate-wide tracking of objectives and targets to support execution performance management
- (As a newer department some of the core objectives are in the process of being established)



	2022	2023	2024	2025	2026
FTEs	17	18	18	18	18
PEPs	17	18	18	18	18

#### **DEPARTMENT KEY OBJECTIVE #1:**

*Design and implement a corporate-wide Asset Management System - deliver additional value to residents and other stakeholders by developing systems to manage the City's diverse asset portfolio to deliver the desired level of service at the lowest possible total cost of ownership.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.2, 6.7, 6.9**

#### **DEPARTMENT KEY OBJECTIVE #2:**

*Continually improve the City's Operational Technology Cybersecurity program - the City's Operational Technology ('OT') includes a diverse combination of software and hardware components that are used to provide utility services efficiently and effectively to the community. There is a natural but increasing growth of cybersecurity threats that could impact the City's ability to maintain service to the community. A cybersecurity program is an essential component of any utility service provider.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.1**

#### **DEPARTMENT KEY OBJECTIVE #3:**

*Continue to provide tools, training, and coaching on process improvement - the foundational step of any process is to define and document it. That documentation offers a base for process clarity, process communication, a reference for onboarding and cross-training, and also to assist as a starting point for identifying improvement opportunities or even process digitization. There is a need and a desire to continue to find efficiencies in business processes across the corporation. Due to the sheer volume of different processes across the City, it is necessary to prioritize business process documentation and/or improvement opportunities. A frequent and desirable outcome of the process efficiency review is the digitization of workflows.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION**
- **COUNCIL PRIORITY: 1.5**

Business Transformation Office  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	2,499	-19	2,481	(0.7)	61	2,542	2.5	1
Contracted and General Services	663	598	1,261	90.1	20	1,282	1.6	
Materials, Goods & Utilities	17	1	18	4.0	1	19	4.0	
Interest on Long-term Debt	0	0	0	0.0	79	79	100.0	
Amortization and Provision for Abandonment	0	0	0	0.0	90	90	100.0	
<b>TOTAL EXPENSES</b>	<b>3,180</b>	<b>580</b>	<b>3,760</b>	<b>18.2</b>	<b>251</b>	<b>4,012</b>	<b>6.7</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>3,180</b>	<b>580</b>	<b>3,760</b>	<b>18.2</b>	<b>251</b>	<b>4,012</b>	<b>6.7</b>	
Internal Recovery	2,419	941	3,359	38.9	72	3,431	2.1	2
Internal Charges and Transfers	63	-41	22	(65.7)	1	22	4.0	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-2,356</b>	<b>-982</b>	<b>-3,338</b>	<b>41.7</b>	<b>-71</b>	<b>-3,409</b>	<b>2.1</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>824</b>	<b>-402</b>	<b>423</b>	<b>(48.7)</b>	<b>180</b>	<b>603</b>	<b>42.6</b>	

REF NO.	NOTE	\$
1	Contracted & general services expense increase is due to additional funds for cybersecurity software and 3rd party consultant funds to support the cybersecurity team.	598
2	Internal recoveries increase is due to the corporate reorganization, and the implementation of the cost allocation project where costs are recovered from the supported departments.	941





2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET  
Summary of Capital (TCA) Budget Requests  
*In thousands of dollars*

Business Transformation Office

		BUDGET REQUEST	
		2023	2024
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	
44410502	BTO- 2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	Sustaining Capital - TCA	
DEPARTMENTAL TOTAL		\$ 1,800	\$ -

	BUDGET REQUEST	
	2023	2024
FUNDING SOURCES (Cash Flow)		
Debtenture	1,800	-
FINANCING TOTAL	\$ 1,800	\$ -



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Business Transformation Office

			BUDGET REQUEST	
			2023	2024
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY		
44410501	BTO-2023 MOE-Asset and Project Management Consulting Services	Sustaining Major Operating Expense	400	350
DEPARTMENTAL TOTAL			\$ 400	\$ 350

			BUDGET REQUEST	
			2023	2024
FUNDING SOURCES (CASH FLOW)				
Operating			400	350
FINANCING TOTAL			\$ 400	\$ 350

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Invest Medicine Hat

---

## Invest Medicine Hat

### Business Plan 2023 – 2024

---

#### Departmental Mandate and Structure

Invest Medicine Hat (IMH) helps new, expanding and relocating businesses access market and business resources in Medicine Hat.

In June 2022, following the resignation of Invest Medicine Hat’s remaining leadership roles (leaving one vacant Managing Director and two vacant Director roles), all powers, functions, and leadership authorities were delegated on an interim basis to Managing Director of the Strategic Management and Analysis Division. ***This Business Plan should be taken within a transitional context, with recognition that City leadership and City Council are actively revisiting IMH’s mandate and resourcing needs.***

Unless/until a change in direction is confirmed the team will continue to assist existing businesses and new investors by focusing on three key priorities:

1. **Market Medicine Hat**

- Market Medicine Hat to attract investment and skilled labour; and
- Continue the Invest Medicine Hat and Shop YXH brands, including website management, content creation, and social media updates.

2. **Maintain Existing Programs and Projects**

- Manage existing incentives programs, and recommend new incentive programs;
- Manage existing projects and programs such as the Southeast Alberta Hydrogen Hub, Project Clear Horizon, Shop YXH Marketplace Community, development incentives, industry development initiatives and more; and
- Manage relationships with regional economic stakeholders.

3. **Develop, Manage, Market and Sell Land**

- Be the first point of contact for investors looking to purchase City-owned parcels of land (including in the Northwest Industrial Park, airport, infill lots, and residential subdivisions);
- Act as client advisor and liaison to other City departments, to facilitate the land sales process; and
- Manage, market and sell surplus land parcels and develop strategic buyer interest in lands that are under development.

#### Human Resource Capacity

All staff currently report via delegated authority to Managing Director, Strategic Management & Analysis but the team’s budget includes a vacant Managing Director and two vacant Director positions. The department has six (6) additional full time individual contributor employees.

	2022	2023	2024	2025	2026
FTEs	8	8	8	8	8
PEPs	8	8	8	8	8

#### **DEPARTMENT KEY OBJECTIVE #1:**

**Marketing Medicine Hat** - This service supports economic development, land development and sales, as well as broader community economic development. Key customers include internal departments, growing and expanding businesses from Medicine Hat, and more distant businesses looking to locate to Medicine Hat. We will market Medicine Hat to attract investment and skilled labour.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION; SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE; COMMUNITY WELLNESS; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 1.7, 2.2, 3.1, 3.3, 4.1, 4.3, 4.4, 4.9, 5.9, 6.8, 6.10**

#### **DEPARTMENT KEY OBJECTIVE #2:**

**Managing Economic Development Policies, Programs and Projects** – This service supports community economic development with a focus on business retention and expansion and investment attraction. This service works with economic stakeholders in innovation and workforce development to achieve inter-related objectives. Key customers include existing business owners and investors, as well as those looking to Medicine Hat as an expansion location.

- Manage existing economic development incentive programs, including any proposed / new tax incentives;
- Manage existing projects and programs such as the Southeast Alberta Hydrogen Hub, Project Clear Horizon, Shop YXH, as well as industry development initiatives; and
- Manage relationships with regional economic stakeholders.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION; SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.1, 1.3, 1.9, 2.1, 2.2, 2.3, 2.4, 3.1, 3.3, 4.1, 4.9**

#### **DEPARTMENT KEY OBJECTIVE #3:**

**Develop, Manage, Market and Sell Land** – This service is primarily responsible for development and sale of City-owned residential, commercial and industrial land, with a focus on leveraging strategic assets in order to maximize return on investment. Key customers include business owners, entrepreneurs, investors, and land developers. This service also manages City-owned property (i.e. surface management, leases).

- First point of contact for investors looking to purchase City-owned parcels of land in the Northwest Industrial Park, airport, infill lots, and residential subdivisions;
- Act as client advisor and liaison to other City departments, to facilitate the land sales process;

- *Manage, market and sell surplus land parcels and develop strategic buyer interest in lands that are under development.*

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION; SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.1, 1.9, 2.1, 2.4, 3.1, 4.9**

Invest Medicine Hat - Investment  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Other Revenue	0	0	0	0.0	0	0	0.0	
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	
Expenses								
Salaries, Wages and Benefits	536	7	542	1.2	14	556	2.5	
Contracted and General Services	671	27	698	4.0	28	725	4.0	
Materials, Goods & Utilities	34	1	35	4.0	1	37	4.0	
Grants and Other Transfers	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	8	-1	7	(15.0)	0	7	0.0	
<b>TOTAL EXPENSES</b>	<b>1,249</b>	<b>34</b>	<b>1,282</b>	<b>2.7</b>	<b>43</b>	<b>1,325</b>	<b>3.3</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>1,249</b>	<b>34</b>	<b>1,282</b>	<b>2.7</b>	<b>43</b>	<b>1,325</b>	<b>3.3</b>	
Internal Recovery	1,365	193	1,558	14.2	54	1,613	3.5	1
Internal Charges and Transfers	124	167	291	135.0	9	300	3.2	2
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-1,241</b>	<b>-26</b>	<b>-1,267</b>	<b>2.1</b>	<b>-45</b>	<b>-1,312</b>	<b>3.5</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>8</b>	<b>7</b>	<b>15</b>	<b>95.5</b>	<b>-2</b>	<b>13</b>	<b>(13.3)</b>	

REF NO.	NOTE	\$
1	Investment recovers all of its expenses (excluding amortization) from Municipal departments. The recovery has increased in line with the increase expenses.	193
2	The increase in internal charges is a result of the updated cost allocation methodology, with the Investment department overall being charged more than in 2022.	167

Invest Medicine Hat - Land  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	9,573	-4,632	4,941	(48.4)	-1,448	3,493	(29.3)	1
Licenses, Fines and Penalties	3	0	3	4.0	0	3	4.0	
Developer Levies	0	0	0	0.0	0	0	0.0	
Other Revenue	570	223	793	39.1	-18	775	(2.3)	2
<b>TOTAL REVENUES</b>	<b>10,145</b>	<b>-4,409</b>	<b>5,737</b>	<b>(43.5)</b>	<b>-1,465</b>	<b>4,271</b>	<b>(25.5)</b>	
Expenses								
Salaries, Wages and Benefits	529	-48	481	(9.1)	12	492	2.5	
Contracted and General Services	323	13	336	4.0	13	349	4.0	
Materials, Goods & Utilities	76	-31	44	(41.5)	2	46	4.0	
Cost of Land Sold	6,188	-2,815	3,373	(45.5)	-300	3,073	(8.9)	1
Provision for Allowances	0	0	0	0.0	0	0	0.0	
Bank Charges & Short Term Interest	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	99	203	302	204.5	-2	300	(0.5)	3
Inventory Adjustments	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>7,214</b>	<b>-2,679</b>	<b>4,535</b>	<b>(37.1)</b>	<b>-274</b>	<b>4,261</b>	<b>(6.1)</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>-2,931</b>	<b>1,729</b>	<b>-1,202</b>	<b>(59.0)</b>	<b>1,191</b>	<b>-11</b>	<b>(99.1)</b>	
Internal Recovery	3,158	-3,028	130	(95.9)	0	130	0.0	4
Internal Charges and Transfers	1,086	-419	667	(38.6)	19	686	2.9	5
Contribution to Reserves	0	0	0	0.0	0	0	0.0	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-2,072</b>	<b>2,608</b>	<b>537</b>	<b>(125.9)</b>	<b>19</b>	<b>556</b>	<b>3.6</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>-5,003</b>	<b>4,338</b>	<b>-665</b>	<b>(86.7)</b>	<b>1,210</b>	<b>545</b>	<b>(182.0)</b>	

REF NO.	NOTE	\$
1	The Land Sales and Cost of Land Sold decreases are related to updated lot sales projections. There are no projected Industrial sales, and only 1 "infill" lot sale projected, and all single family residential lots are projected to be all sold by the of 2024.	-1,816
2	The increase in other revenue relates to rental revenue on land owned by Invest Medicine Hat, based on historical analysis that is being tracked in Salesforce.	223
3	Amortization has increased as capital projects are completed in 2022 and will be amortized starting in 2023.	203
4	The decrease in internal recovery is due to the 2022 budget including reserve transfers for the development incentive programs, and a one-time only recovery from Municipal to offset internal charges. Those programs do not have additional budget past 2022, and there is no offset recovery in 2023 and beyond.	-3,028
5	The decrease in internal charges is a result of the updated cost allocation methodology, with the Land department overall being charged less from City departments.	-419

## Department Business Plan

General Government –

Mayor & Councilors

City Manager & Managing Directors

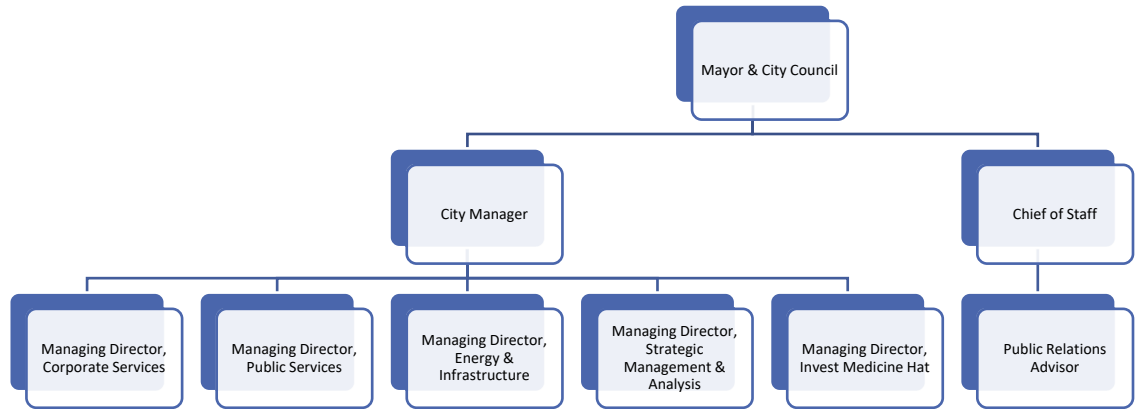
General Municipal Revenues



## General Government

### Business Plan 2023 – 2024

#### Departmental Mandate and Structure



	2022	2023	2024
<b>FTEs</b>	17	17	17
<b>PEPs</b>	17	17	17

Mayor & Councilors  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,000	-70	930	(7.0)	23	953	2.5	1
Contracted and General Services	42	60	101	142.8	4	105	4.0	2
Materials, Goods & Utilities	2	2	3	124.0	0	3	4.0	
<b>TOTAL EXPENSES</b>	<b>1,043</b>	<b>-9</b>	<b>1,034</b>	<b>(0.8)</b>	<b>27</b>	<b>1,062</b>	<b>2.7</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>1,043</b>	<b>-9</b>	<b>1,034</b>	<b>(0.8)</b>	<b>27</b>	<b>1,062</b>	<b>2.7</b>	
Internal Charges and Transfers	23	-15	8	(65.7)	0	8	4.0	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>23</b>	<b>-15</b>	<b>8</b>	<b>(65.7)</b>	<b>0</b>	<b>8</b>	<b>4.0</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>1,066</b>	<b>-24</b>	<b>1,042</b>	<b>(2.3)</b>	<b>28</b>	<b>1,070</b>	<b>2.7</b>	

REF NO.	NOTE	\$
1	Decrease is due to the updating of wages and benefits for permanent employees, where 2022 budgets were estimated for the 2 new council resources.	-70
2	Increase is the result of increased corporate training and travel budgets for the Mayor, Councilors, and Council resources.	60

City Manager & Managing Directors  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	2,259	-31	2,228	(1.4)	-102	2,126	(4.6)	
Contracted and General Services	161	-4	157	(2.7)	6	163	4.0	
Materials, Goods & Utilities	29	-0	29	(0.9)	1	30	4.0	
<b>TOTAL EXPENSES</b>	<b>2,449</b>	<b>-35</b>	<b>2,414</b>	<b>(1.4)</b>	<b>-95</b>	<b>2,319</b>	<b>(3.9)</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>2,449</b>	<b>-35</b>	<b>2,414</b>	<b>(1.4)</b>	<b>-95</b>	<b>2,319</b>	<b>(3.9)</b>	
Internal Recovery	7,466	-6,032	1,433	(80.8)	38	1,471	2.6	1
Internal Charges and Transfers	6,302	-6,283	20	(99.7)	-1	19	(3.2)	1
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-1,163</b>	<b>-251</b>	<b>-1,414</b>	<b>21.5</b>	<b>-38</b>	<b>-1,452</b>	<b>2.7</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>1,285</b>	<b>-286</b>	<b>1,000</b>	<b>(22.2)</b>	<b>-133</b>	<b>867</b>	<b>(13.3)</b>	

REF NO.	NOTE	\$
1	The decrease in Internal recovery and charges is the result of the updated cost allocation methodology. In 2022, departments would charge the Utilities Commissioner who would then recover costs and charge the appropriate Utilities sub-departments. In 2023, departments are charging directly to individual Utilities sub-departments and areas.	251

General Municipal Revenues  
2023 - 2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenues</b>								
Municipal Taxes	106,645	4,995	111,640	4.7	5,694	117,334	5.1	1
Sale of Services	3,000	2,000	5,000	66.7	1,000	6,000	20.0	2
Investment Income	19,162	1,660	20,822	8.7	1,485	22,307	7.1	3
Licenses, Fines and Penalties	3,752	-612	3,141	(16.3)	0	3,141	0.0	4
Other Revenue	88	-88	0	(100.0)	0	0	0.0	5
Government Transfers for Operating	564	203	768	36.1	-178	589	(23.2)	6
Tax Requisitions	-26,687	-1,201	-27,887	4.5	-1,254	-29,141	4.5	1
<b>TOTAL REVENUES</b>	<b>106,525</b>	<b>6,136</b>	<b>112,660</b>	<b>5.8</b>	<b>6,787</b>	<b>119,447</b>	<b>6.0</b>	
<b>Expenses</b>								
Municipal Taxes	-333	-6	-339	1.7	3	-336	(0.8)	
Salaries, Wages and Benefits	179	-179	0	(100.0)	0	0	0.0	7
Contracted and General Services	-0	3,085	3,085	(4,279,858.5)	0	3,085	0.0	8
Materials, Goods & Utilities	200	-200	0	(100.0)	0	0	0.0	9
Provision for Allowances	0	0	0	0.0	0	0	0.0	
Bank Charges & Short Term Interest	0	0	0	0.0	0	0	0.0	
Other Operating Expenses	400	-200	200	(50.0)	0	200	0.0	10
<b>TOTAL EXPENSES</b>	<b>446</b>	<b>2,500</b>	<b>2,946</b>	<b>560.5</b>	<b>3</b>	<b>2,948</b>	<b>0.1</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>-105,412</b>	<b>-3,624</b>	<b>-109,036</b>	<b>3.4</b>	<b>-6,789</b>	<b>-115,826</b>	<b>6.2</b>	
Contribution from Utilities and Land	3,115	35	3,150	1.1	0	3,150	0.0	
Internal Recovery	622	398	1,019	64.0	2	1,021	0.2	11
Internal Charges and Transfers	4,939	-3,103	1,836	(62.8)	68	1,904	3.7	12
Contribution to Reserves	0	0	0	0.0	0	0	0.0	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>1,203</b>	<b>-3,536</b>	<b>-2,333</b>	<b>(294.0)</b>	<b>66</b>	<b>-2,267</b>	<b>(2.8)</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>-104,210</b>	<b>-7,160</b>	<b>-111,370</b>	<b>6.9</b>	<b>-6,723</b>	<b>-118,093</b>	<b>6.0</b>	

REF NO.	NOTE	\$
1	Annual increase due to 4% tax rate increase plus 1% assessment growth	4,995
2	Increase Municipal Consent & Access Fee	2,000
3	Increase in investment income due to change in investment mix (shift from Public Equities to Alternatives) which results in a higher yield.	1,660
4	Decrease in meter fines is based on historical trends; decrease in court fines due to new Automated Traffic Enforcement regulation.	-612
5	Sponsorship income previously budgeted in general revenues are now budgeted at the department level.	-88
6	Increase from prior year budget is based on historical trends and anticipated assessment increase on buildings owned by the Alberta Government.	203
7	Decrease due to temporary reclassification of employment benefits in 2022 to ensure confidentiality	-179
8	Investment portfolio management fees required to support the strategic investment portfolio strategy.	3,085
9	Decrease due to reduction in Municipal Assist as the program expires at December 31, 2022.	-200
10	Reduction due to reduction in reduction of internal loan funded capital contingency.	-200
11	Increased interest on internal loans for capital projects as per the Treasury/Corporate funding schedule for the 2023-24 budget	398
12	Primarily due to reduced funding for development incentives to Invest Medicine Hat. In addition, no longer being charged for Strategy and Analysis Business Support due to the new cost allocation methodology.	-3,103

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### General Government – City Solicitor's Office

---

## General Government – City Solicitor’s Office

### Business Plan 2023 – 2024

---

#### Departmental Mandate and Structure

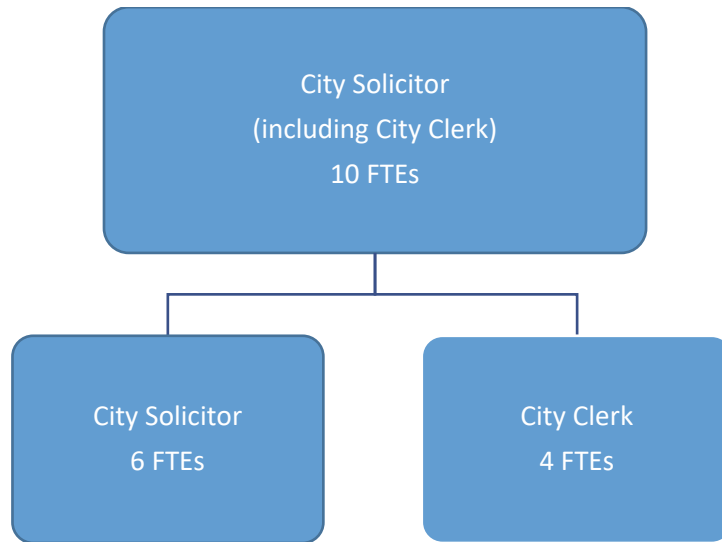
The departmental mandate of the City Solicitor’s Office is to provide the municipal corporation with strategic legal advice, litigation management and other legal and City Clerk services in a timely, prioritized, responsive and professional manner in order to help facilitate City Council’s strategic priorities and objectives, and promote corporate and business unit success.

As Chief Legal Officer of the City, the City Solicitor oversees and manages a lean and resourceful team of solicitors and legal assistants, and a responsive and procedurally oriented City Clerk’s Department.

The City Solicitor and the solicitors within the City Solicitor’s Office, provide legal advice to a variety of internal stakeholders within our civic government, including Council, Standing Committees, and business units. The sole client of the City Solicitor’s Office is always the municipal corporation itself, in accordance with standards applicable to the legal profession.

The legal services provided by the City Solicitor’s Office include:

- reviewing, interpreting, and providing legal advice in respect of:
  - City bylaws and policies
  - contracts, MOUs, and other legal documents, and amendments thereto, including leases, real estate purchase agreements, easements, caveats and other documents to be registered at a Land Titles Office, oil and gas contracts, development agreements, service agreements, performance agreements, etc.
  - legislation, regulations and case law applicable to the City, including the MGA, general municipal law, corporate and commercial law, environmental law, real estate law, planning law, procurement law, labour and employment law, etc.
  - questions about the City’s statutory authority, jurisdiction and legal standing, and about compliance, litigation and bylaw enforcement matters
- preparing and drafting:
  - proposed bylaws and policies
  - proposed contracts, MOUs, and other legal documents, and amendments thereto, etc.
- managing:
  - litigation, arbitration, mediation and other formal dispute resolution processes to which the City is a party, including civil and quasi-judicial proceedings
  - the prosecution of bylaw enforcement matters, including all correspondence, appearances and documentation related thereto
  - the City’s acquisition of specialized external legal services, including when and from whom to obtain specialized external legal services
- correspondence to persons represented by legal counsel in their dealings with the City, including developers, parties to a legal proceeding, certain ticket holders, etc.



	2022	2023	2024	2025	2026
<b>FTEs</b>	10	11	11	11	11
<b>PEPs</b>	10	11	11	11	11

#### **DEPARTMENT KEY OBJECTIVE #1:**

The Bylaw Review and Updating Initiative – an initiative to review, amend, replace and, where appropriate, craft new bylaws to ensure matters falling within the City’s jurisdiction are appropriately regulated in accordance with Council’s strategic objectives.

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- **COUNCIL’S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 2.4**

#### **DEPARTMENT KEY OBJECTIVE #2:**

Management of Major Litigation Matters - the City is involved in a variety of litigation matters, in some instances as a plaintiff, complainant or appellant and in other cases as a defendant, or respondent. Such litigation can impact the City in major strategic and organization-wide ways, including with respect to human resource, financial resources, operational processes, relationships with third parties, reputational risks, and insurance implications, to name but a few.

Litigation, even when handled by external legal counsel, often consumes significant solicitor resources within the City Solicitor’s Office insofar as solicitors receive and review updates from external legal counsel and facilitate requests for direction from the external legal counsel about the City’s records. A significant amount of time and resources from the City Solicitor Department and other applicable City departments, and substantial legal fees may be incurred for specialized outside legal counsel

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- **COUNCIL’S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.1**

#### **DEPARTMENT KEY OBJECTIVE #3:**

Optimizing Internal Legal Service Delivery – effectively and efficiently managing and optimizing the intake and processing of legal service requests in order to help all divisions and business units meet Council’s objectives.

The City Solicitor’s Office provides legal advice and services to all divisions and departments of the City and is eager to identify any opportunities for improvement in accordance with in-house legal industry best practices related to the intake and processing of legal services requests.

In recent years, the City Solicitor’s Office has experienced an ever-increasing demand for legal services, despite temporary staffing changes which resulted in only two on-staff solicitors for the organization in much of 2021.

The City of Medicine Hat has unique needs for legal services due to its ownership of gas and electric utilities and major land development initiatives, and as such does not admit to an easy apples-to-apples comparison with other municipalities in Alberta.

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION**
- **COUNCIL PRIORITY: 1.8**

**DEPARTMENT KEY OBJECTIVE #4:**

Signing Authority Review - with input from Council and other internal stakeholders, bring forward a bylaw for Council consideration whereby Council will delegate contract signing authority throughout the organization, as appropriate, for certain types of contracts in accordance with organizational risk tolerances.

The City of Medicine Hat is unique among other Alberta municipalities which we have surveyed insofar as the City has not yet delegated contract signing authority throughout the organization.

**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION**
- **COUNCIL PRIORITY: 1.8**



City Solicitor  
2023 - 2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Other Revenue	5	2	6	33.3	0	6	0.0	
<b>TOTAL REVENUES</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>33.3</b>	<b>0</b>	<b>6</b>	<b>0.0</b>	
Expenses								
Salaries, Wages and Benefits	1,404	81	1,485	5.8	35	1,521	2.4	1
Contracted and General Services	144	26	169	17.8	7	176	4.0	
Materials, Goods & Utilities	30	3	33	10.8	1	34	4.0	
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	18	16	34	92.0	0	34	0.0	
<b>TOTAL EXPENSES</b>	<b>1,595</b>	<b>126</b>	<b>1,721</b>	<b>7.9</b>	<b>43</b>	<b>1,764</b>	<b>2.5</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>1,590</b>	<b>125</b>	<b>1,715</b>	<b>7.9</b>	<b>43</b>	<b>1,758</b>	<b>2.5</b>	
Internal Recovery	973	-147	826	(15.1)	21	848	2.6	2
Internal Charges and Transfers	100	-74	26	(73.8)	0	27	1.2	3
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-874</b>	<b>73</b>	<b>-800</b>	<b>(8.4)</b>	<b>-21</b>	<b>-821</b>	<b>2.6</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>716</b>	<b>198</b>	<b>915</b>	<b>27.7</b>	<b>22</b>	<b>937</b>	<b>2.4</b>	

REF NO.	NOTE	\$
1	Salaries, Wages and Benefits budgets have increased due to a position added for 2023.	81
2	Internal recovery budget has decreased due to a new allocation methodology in the Solicitor's office where costs are recovered based on time allocation.	-147
3	Internal charges budget has decreased due to the updated Information Technology allocation no longer being charged to General Government or Corporate Services departments.	-74

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Corporate Services – Human Resources

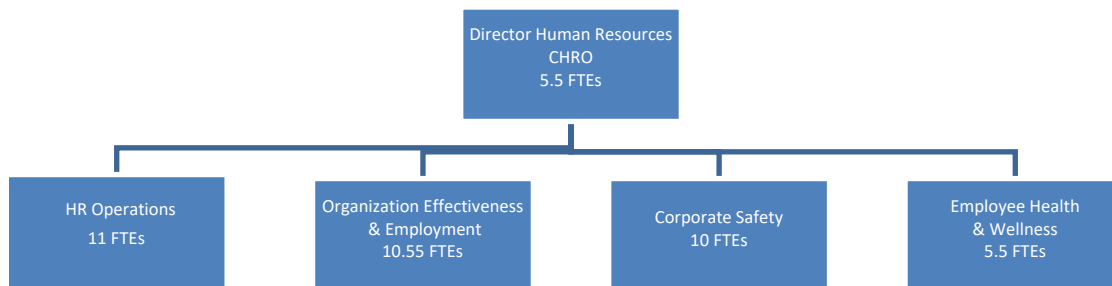
## Corporate Services – Human Resources

### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

The Human Resources Department provides professional advice, guidance, and services to the organization in the areas of: (i) HR strategy, labour relations; (ii) recruitment; (iii) organization design and development; (iv) organizational and employee safety; (v) employee wellness, occupational health and claims management; (vi) pension, benefits and payroll administration; (vii) compensation administration, HR policies or collective agreement issues. The department also assists the organization in the development, implementation, and monitoring of their health, safety, and environment systems.

The department provides strategic solutions and advice to issues and opportunities such as organization development (including design), recruitment and retention, developing a diverse workforce, managing an aging workforce, developing succession plans, and continuously supporting a constructive work culture.



	2022	2023	2024	2025	2026
FTEs	37.55	42.55	42.55	42.55	42.55
PEPs	38	44	44	44	44

#### **DEPARTMENT KEY OBJECTIVE #1:**

***Attract & Retain Exceptional Talent*** – The HR Department will critically review and strategically enhance its talent attraction and retention programs to ensure that we focus on and are successful in attracting and retaining exceptional people at the City of Medicine Hat.

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- COUNCIL’S STRATEGIC PRIORITY AREA: INNOVATION: SERVICE ORIENTATION
- COUNCIL PRIORITY – 1.4; 1.7; 1.8; 3.7

#### **DEPARTMENT KEY OBJECTIVE #2:**

***HR Process Modernization and Capacity Expansion*** – The HR Department will critically review and enhance work processes and make changes in a logical and purposeful way to deliver enhanced service to client departments for the ultimate benefit of employees and, by extension, city residents.

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- COUNCIL’S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION
- COUNCIL PRIORITY – 3.1; 3.3

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Diversity, Equity, Inclusion and Accessibility*** – The HR Department will promote the concepts of diversity, equity, inclusion, and accessibility.

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- COUNCIL’S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS
- COUNCIL PRIORITY – 5.2; 5.3

#### **DEPARTMENT KEY OBJECTIVE #4:**

***Engaged Employee Experience*** – The HR Department will continue to develop and deliver a “People First” approach to designing and delivering HR services that addresses all aspects of the employee experience ensuring they are successful throughout the entire employee lifecycle. The emphasis throughout will be to promote a positive, healthy, and safety-oriented culture with highly engaged employees that encourages problem solving, recognizes achievement, and values health and wellness.

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- COUNCIL’S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; RESILIENCE & SUSTAINABILITY
- COUNCIL PRIORITY – 5.11, 6.4

Human Resources  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	0	0	0	0.0	0	0	0.0	
Other Revenue	210	-83	127	(39.5)	5	132	4.0	1
<b>TOTAL REVENUES</b>	<b>210</b>	<b>-83</b>	<b>127</b>	<b>(39.5)</b>	<b>5</b>	<b>132</b>	<b>4.0</b>	
Expenses								
Salaries, Wages and Benefits	4,599	760	5,358	16.5	133	5,492	2.5	2
Contracted and General Services	930	250	1,180	26.9	48	1,227	4.1	3
Materials, Goods & Utilities	79	-7	72	(9.2)	3	74	4.0	
Amortization and Provision for Abandonment	9	-2	7	(23.6)	0	7	0.0	
<b>TOTAL EXPENSES</b>	<b>5,617</b>	<b>1,000</b>	<b>6,617</b>	<b>17.8</b>	<b>184</b>	<b>6,801</b>	<b>2.8</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>5,407</b>	<b>1,083</b>	<b>6,490</b>	<b>20.0</b>	<b>179</b>	<b>6,669</b>	<b>2.8</b>	
Internal Recovery	2,768	1,438	4,207	52.0	129	4,336	3.1	4
Internal Charges and Transfers	331	-217	114	(65.6)	4	117	3.1	5
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-2,437</b>	<b>-1,656</b>	<b>-4,093</b>	<b>67.9</b>	<b>-126</b>	<b>-4,219</b>	<b>3.1</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>2,970</b>	<b>-573</b>	<b>2,397</b>	<b>(19.3)</b>	<b>53</b>	<b>2,450</b>	<b>2.2</b>	

REF NO.	NOTE	\$
1	The decrease in Other Revenue is due to a reduction in expected recoveries from Union representatives coding time to Human Resources. The department then bills the Union for those costs. There will also be a reduction in the departments' expense budget and the 2 should net out to zero.	-83
2	The increase in Salaries & Wages is due to the addition of 8 new Permanently Established Positions for 2023.	760
3	The increase in contracted services is due the increased training, travel as a result of the addition of 8 new Permanently Established Positions.	250
4	The increase in Internal recovery is a due to updated methodology's for recovery from other City departments. The Safety allocation has increased as it is now based on historical actual time spent in each area. The Human Resources allocation is now based on Permanently Established Positions by subdepartment.	1,438
5	The decrease in internal charges is due to updated cost allocation methodology where Information Technology department is longer charging any departments with Corporate Services.	-217

*The Operating Budget includes funding for 7 new positions. These positions are necessary to enable the HR department to deliver the proposed department objectives for 2023 & 2024 and also maintain expected service levels.*

*History:*

*A departmental review determined that the HR department is not appropriately structured or resourced to meet the service level needs of its clients. The department is seeking to implement a Business Partner Model to better service City departments. HR is requesting seven (7) new positions to implement the proposed new structure and business model. Funding for these new proposed positions plus additional funding to address seven (7) partially funded existing positions is included in the enclosed operating budget.*



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Human Resources

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
14310501	HRD-2023 MOE-Total Compensation Review	Sustaining Major Operating Expense	200	100
14310502	HRD-2023-MOE-HR Systems Optimization	Sustaining Major Operating Expense	300	300
DEPARTMENTAL TOTAL			\$ 500	\$ 400

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST	
	2023	2024
Operating	500	400
FINANCING TOTAL	\$ 500	\$ 400

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Corporate Services –

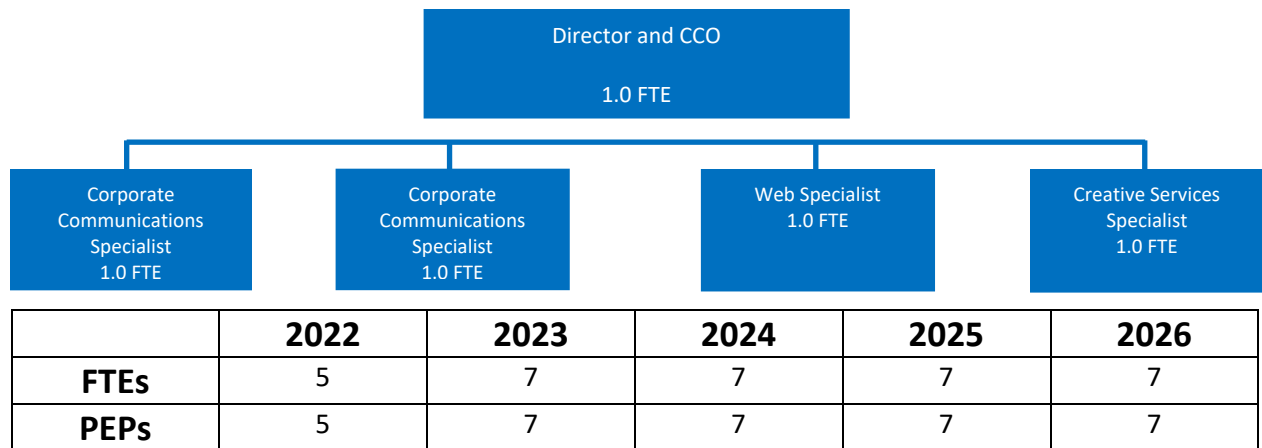
### Corporate Communications

## Corporate Services – Corporate Communications

### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

The Corporate Communications department's role is to build and maintain public trust and confidence in our organization through strategic communications, and promote Medicine Hat as a place to work, live and invest. We work with all departments, senior leadership, executive and City Council to facilitate internal and external communications with a variety of stakeholder groups. Core activities of the department include strategic communications, website strategy and oversight, media relations, social media, issues/crisis management, internal communications, public participation planning and support, social media, visual identity, and graphic design.





#### **DEPARTMENT KEY OBJECTIVE #1:**

***Public Participation** – Public participation efforts are delivered effectively and consistently throughout the organization. Both community and City Council expectations on public participation opportunities are growing and City of Medicine requires a formal framework to better define and coordinate public engagement efforts to meet these expectations.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 4.6**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Strengthen Internal Communications** – We have a strong system of internal communications. Strong Internal communications are a critical organizational success factor contributing to improved employee awareness and engagement, while providing opportunities to share information, build relationships, and improve collaboration across departments.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 4.4, 6.4**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Reliable & Relevant Communications** – City information is consistently delivered and is accessible, accurate and timely. A strong communications and public participation strategy allows the City to demonstrate transparency and build a greater sense of trust amongst all stakeholder groups by consistently delivering accurate, timely, relevant information. Finding opportunities to celebrate accomplishments and success supports community wellness and vibrancy.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE ;**
- **COUNCIL PRIORITY: 4.6, 4.9**

Corporate Communications  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Other Revenue	0	0	0	0.0	0	0	0.0	
TOTAL REVENUES	0	0	0	0.0	0	0	0.0	
Expenses								
Salaries, Wages and Benefits	521	115	636	22.0	15	651	2.4	1
Contracted and General Services	93	-4	89	(3.9)	41	130	45.5	
Materials, Goods & Utilities	35	-32	3	(90.3)	0	4	4.0	
TOTAL EXPENSES	649	79	729	12.2	56	785	7.7	
NET BEFORE INTERNAL ALLOCATIONS	649	79	729	12.2	56	785	7.7	
Internal Recovery	390	37	426	9.4	33	459	7.7	
Internal Charges and Transfers	81	-75	6	(92.6)	0	6	4.0	2
TOTAL INTERNAL ALLOCATIONS	-309	-111	-420	36.1	-32	-453	7.7	
NET EXPENSES (REVENUES)	341	-32	308	(9.4)	23	332	7.6	

REF NO.	NOTE	\$
1	The increase in Salaries & Wages is due to 2 new positions for 2023, which will be split with Human Resources.	115
2	The decrease in Internal charges is due to Information Technology no longer charging departments in the Corporate Services division and an internal charge from Invest Medicine Hat which will not continue past 2022.	-75

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Corporate Services – Finance

## Corporate Services – Finance

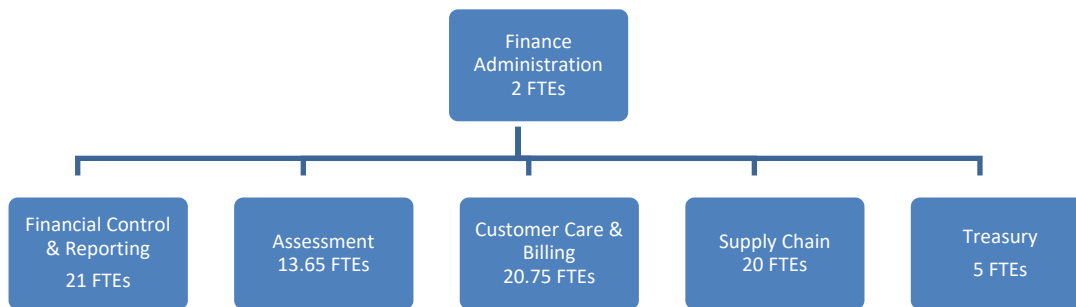
### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

Finance is the process owner – defining centre led CMH related policy, procedures and process including procurement & payments, travel expenses & allowances, investment of treasury funds, debt management, accounting practice and estimates, distributable cash & reserves, customer billing & collection, fraud investigation and internal auditing.

Finance is the service provider – delivering day to day services in an efficient and effective manner to customers including management and financial reporting, customer service & call centre, billing and collection of taxes, utilities and other, risk management including insurance program & claims, investment & debt management, business planning, procurement & payment, central & fleet stores, fair and equitable property assessments as well as stable and predictable tax environment.

Finance is a trusted internal advisor – providing business support to operations including financial & risk modelling, loss control inspections, capital/MOE funding, briefing notes for standing committees, business planning, supporting implementation of new programs or systems (including ERP system), management reporting & analysis, relationships with external stakeholders.



	2022	2023	2024	2025	2026
FTEs	82.4	82.4	82.4	82.4	82.4
PEPs	80	80	80	80	80

#### **DEPARTMENT KEY OBJECTIVE #1:**

***Customer Service Optimization*** - Deliver optimal customer service to customers by leveraging existing or new technologies, business processes, tools, and communications to enhance the customer experience, customer knowledge and customer satisfaction. Leveraging emerging technologies and best practice to provide increased service levels; ability to respond to a changing environment; and meet the needs of our customers. People will find it easy to deal with the City.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION ; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 3.1, 3.2, 3.3, 4.2, 4.4, 4.7**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Embracing, Supporting and Developing our Team Talent*** - Improving the employee experience with a supportive, positive work culture and staff retention by ensuring the right people are in the right places with the right resources to pursue corporate opportunities, objectives, goals, and values. Enhancing employee morale will result in increased job satisfaction and productivity while promoting a safe workplace, both physically and psychologically. Engaged employees result in job satisfaction, high productivity, successful business objectives and low turnover.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; SERVICE ORIENTATION**
- **COUNCIL PRIORITY: 1.3, 1.4, 1.7, 1.8, 3.7**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Financial Wellbeing*** - Ensure the City has healthy finances and long-term financial stability, while maintaining organizational health, resilience, and compliance with regulatory bodies. Ensure responsible spending decisions and managing our debt and liabilities while balancing the need to save for future generations.

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY ; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 4.3, 4.7, 4.9, 6.1, 6.7**

Finance  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenues</b>								
Sale of Services	649	33	682	5.1	38	720	5.6	
Insurance Recovery	0	0	0	0.0	0	0	0.0	
Other Revenue	209	-38	171	(18.2)	2	173	1.1	
<b>TOTAL REVENUES</b>	<b>858</b>	<b>-5</b>	<b>853</b>	<b>(0.6)</b>	<b>40</b>	<b>893</b>	<b>4.7</b>	
<b>Expenses</b>								
Salaries, Wages and Benefits	8,540	328	8,869	3.8	265	9,134	3.0	1
Contracted and General Services	3,789	690	4,479	18.2	178	4,657	4.0	2
Materials, Goods & Utilities	196	-6	190	(3.0)	22	212	11.7	
Provision for Allowances	27	3	30	11.1	0	30	0.0	
Bank Charges & Short Term Interest	78	-3	75	(4.1)	1	76	1.6	
Other Operating Expenses	26	-1	25	(2.3)	0	25	0.0	
Amortization and Provision for Abandonment	83	-32	50	(39.3)	31	81	61.1	
<b>TOTAL EXPENSES</b>	<b>12,738</b>	<b>979</b>	<b>13,718</b>	<b>7.7</b>	<b>497</b>	<b>14,215</b>	<b>3.6</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>11,880</b>	<b>984</b>	<b>12,864</b>	<b>8.3</b>	<b>457</b>	<b>13,321</b>	<b>3.6</b>	
Internal Recovery	7,779	2,165	9,944	27.8	385	10,330	3.9	3
Internal Charges and Transfers	1,294	-794	500	(61.4)	48	548	9.7	4
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-6,486</b>	<b>-2,959</b>	<b>-9,445</b>	<b>45.6</b>	<b>-337</b>	<b>-9,782</b>	<b>3.6</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>5,395</b>	<b>-1,975</b>	<b>3,420</b>	<b>(36.6)</b>	<b>120</b>	<b>3,540</b>	<b>3.5</b>	

REF NO.	NOTE	\$
1	The increase in Salaries & Wages is in line with the key budget assumptions.	328
2	The increase in contracted services is due to increased Insurance premiums for City owned properties, and increased software licensing costs related to existing and new operational applications.	690
3	Internal recovery has increased as a result of the new cost allocation methodology where Customer Service, Treasury, Financial Control & Reporting and Supply Chain management recoveries have increased from 2022.	2,165
4	Internal recovery has increased as a result of the new cost allocation methodology where Information Technology is no longer charging departments in the Corporate Service division.	-794



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET  
Summary of Capital (TCA) Budget Requests  
*In thousands of dollars*

Finance

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
40210566	FIN- Customer Care & Billing-2023- Taxation Software Replacement	Growth Capital - TCA	700	-
DEPARTMENTAL TOTAL			\$ 700	\$ -

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST	
	2023	2024
Internal Loan	700	-
FINANCING TOTAL	\$ 700	\$ -



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Finance

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
40310528	FIN-MOE-2023-2024 ERP Optimization and Enhancements	Growth Major Operating Expense	375	300
40310530	FIN-Treasury-2023-Risk & Insurance Review	Sustaining Major Operating Expense	75	-
40310531	FIN-Customer Care & Billing-2023/2024-Cogsdale Customer Service Management (CSM) Upgrade	Sustaining Major Operating Expense	82	82
40310532	FIN-Customer Care & Billing-2023-Clean Energy Improvement Program (CEIP) Tax Software Modification	Growth Major Operating Expense	60	-
DEPARTMENTAL TOTAL			\$ 592	\$ 382

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST	
	2023	2024
Operating	592	382
FINANCING TOTAL	\$ 592	\$ 382



**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Corporate Services – Information Technology

## Corporate Services – Information Technology

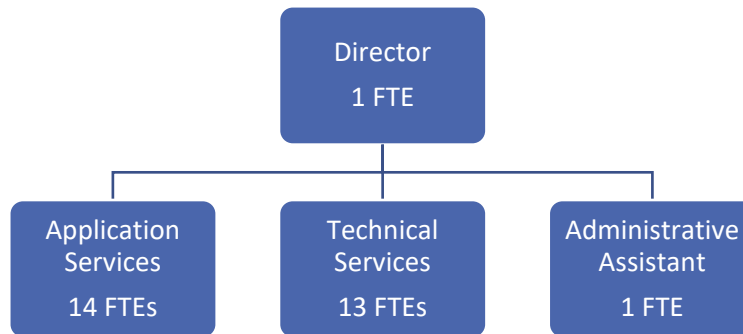
### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

Information Technology (IT) enables the City to achieve its vision and mission by providing departments with a stable, scalable, secure, and cost-effective information technology environment. IT provides technical and enterprise systems support/hosting services, analysis, and consulting, which enables departments to deliver their services in an effective and efficient manner.

IT is focused on providing professional service and strategic advice to its customers and business partners, continuously improving, and maintaining the City's technology infrastructure and software applications assets while delivering secure and innovative solutions that meet customer needs and goals. Our commitment is to improve and maintain the technology assets and deliver excellent customer service while providing responsive and pragmatic technology solutions to support the business of the City of Medicine Hat.

Our IT vision is ***“A valued partner in your success”*** and our mission is ***“Your IT team delivers value through innovative, high-quality technology support and solutions empowering you to succeed.”***



	2022	2023	2024	2025	2026
FTEs	29	32	33	33	33
PEPs	32	32	33	33	33

#### **DEPARTMENT KEY OBJECTIVE #1:**

***Collaboration through Technology** – Leverage the existing Microsoft 365 Platform to establish a technology ecosystem for all business units to build effective and efficient processes that promotes collaboration. This will primarily be the promotion and adoption of Microsoft 365 SharePoint Online including business unit SharePoint (SP) sites and a migration away from the legacy network shared drives.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; SERVICE ORIENTATION**
- **COUNCIL PRIORITY: 1.3, 1.5, 1.6, 1.8, 1.9, 3.2, 3.3**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Cybersecurity** – Ensure consistent advancements in our cybersecurity posture to protect City assets and resources.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.5, 1.6, 1.8, 1.9, 4.7, 4.9**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Optimize Key Work Processes** – Work in conjunction with the leadership in Finance and Human Resources to optimize key processes through process redesign and systems alignment.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; SERVICE ORIENTATION**
- **COUNCIL PRIORITY: 1.5, 1.6, 1.8, 1.9, 3.3, 3.5**

#### **DEPARTMENT KEY OBJECTIVE #4:**

***Relevant Information Technology** – Strategically evolve and align our information technology assets and infrastructure.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 1.5, 1.9, 6.1, 6.2, 6.7**

Information Technology  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	3,465	302	3,767	8.7	208	3,975	5.5	1
Contracted and General Services	2,660	128	2,788	4.8	188	2,977	6.8	2
Materials, Goods & Utilities	505	21	526	4.2	21	547	4.0	
Bank Charges & Short Term Interest	0	0	0	0.0	0	0	0.0	
Interest on Long-term Debt	19	-8	11	(41.6)	35	46	312.9	
Amortization and Provision for Abandonment	2,022	185	2,208	9.2	369	2,577	16.7	3
<b>TOTAL EXPENSES</b>	<b>8,671</b>	<b>629</b>	<b>9,300</b>	<b>7.3</b>	<b>822</b>	<b>10,121</b>	<b>8.8</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>8,671</b>	<b>629</b>	<b>9,300</b>	<b>7.3</b>	<b>822</b>	<b>10,121</b>	<b>8.8</b>	
Internal Recovery	6,264	-902	5,361	(14.4)	351	5,712	6.5	4
Internal Charges and Transfers	173	-14	158	(8.3)	-7	151	(4.6)	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>-6,091</b>	<b>888</b>	<b>-5,203</b>	<b>(14.6)</b>	<b>-358</b>	<b>-5,561</b>	<b>6.9</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>2,580</b>	<b>1,517</b>	<b>4,097</b>	<b>58.8</b>	<b>463</b>	<b>4,560</b>	<b>11.3</b>	

REF NO.	NOTE	\$
1	The increase in Salaries & Wages is due to 3 positions in Applications Services that were previously funded by capital programs, which will now be included in the base operating budget starting in 2023.	302
2	The increase in contracted services is consistent with the key budget assumption.	128
3	Amortization has increased as a result of new projects that will be completed in 2023.	185
4	The decrease in Internal recovery is a result of the updated Cost allocation methodology, where Information Technology is no longer charging departments within the Corporate Services division.	-902



**2023 - 2024 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Information Technology**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
45210563	ITD 2023 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	842	-
45210565	ITD 2023 Collaboration Ecosystem Program (SharePoint 2 year)	Growth Capital - TCA	485	-
45210568	ITD 2023 Remote Access Modernization	Sustaining Capital - TCA	250	-
45210569	ITD 2024 Capital Infrastructure Program (CIP)	Sustaining Capital - TCA	-	892
45210571	ITD 2024 IT as a Service End User Compute Device Refresh	Sustaining Capital - TCA	-	100
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 1,577</b>	<b>\$ 992</b>

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST	
	2023	2024
Debtenture	842	892
Internal Loan	485	-
Operating / Working Capital	250	100
<b>FINANCING TOTAL</b>	<b>\$ 1,577</b>	<b>\$ 992</b>

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Public Services – Fire & Emergency Services

## Public Services – Fire & Emergency Services

### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

Fire and Emergency Services follows this Mission Statement, “Medicine Hat Fire and Emergency Services provides optimum protection and prevention for our residents, businesses, and visitors. We are continually adapting to uphold the quality of life and public safety in our community. We will focus on our core values to provide services that exceed the expectations of our residents.” We do this through empowerment of employees, and decision making at all levels that adheres to our department values of Accountability, Integrity, Respect, Professionalism, Caring, and Teamwork. Service to our residents is our number one consideration in all aspects of service delivery.

#### **Communications**

This branch provides complete and comprehensive call-answer and dispatch services, through a centralized/integrated 9-1-1 communications centre, for a broad range of first responders in the City of Medicine Hat and surrounding region. Includes 9-1-1 emergencies, utility emergencies (City), and non-emergency first response calls.

#### **Fire Prevention**

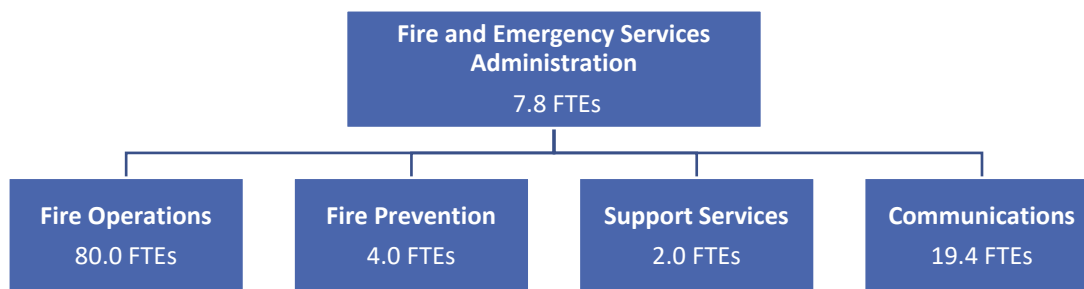
This branch is responsible for designing and implementing fire safety and injury reduction programs that are suited for all segments of the community. Prevention also conducts fire investigations, code enforcement, and plans review in support of the Technical Coordinating Committee functions.

#### **Fire Operations**

This branch is responsible for all emergency response including fire suppression, rescue, hazmat, and aquatics rescue. It also completes a significant amount of the fire safety and fire prevention activities in conjunction with the Fire Prevention Branch. The majority of training hours are spent in Fire Operations.

#### **Support Services**

This branch provides business support and analytical services to foster the cycle of continuous improvement. Health Safety and Environment initiatives, as well as Emergency Management are also key focus areas for Support Services.



	2022	2023	2024	2025	2026
FTEs	106	113.2	113.2	113.2	113.2
PEPs	104	111	111	111	111

#### **DEPARTMENT OBJECTIVE #1:**

*Increase operational safety, readiness, capacity, and ability throughout the department.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; COMMUNITY WELLNESS; RESILIENCE AND SUSTAINABILITY**
- **COUNCIL PRIORITIES – 3.1, 3.7, 3.8, 5.4, 6.2, 6.4**

#### **DEPARTMENT OBJECTIVE #2:**

*Leverage and maintain communication equipment and technology to maintain and improve service delivery.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; SERVICE ORIENTATION; RESILIENCE AND SUSTAINABILITY**
- **COUNCIL PRIORITY – 1.8, 3.3, 6.2**

#### **DEPARTMENT OBJECTIVE #3:**

*Actively promote regional 9-1-1 services through the Intermunicipal Collaboration Framework (ICF)*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE;**
- **COUNCIL PRIORITY – 4.3**

#### **DEPARTMENT OBJECTIVE #4:**

*Establish a City Policy on residential sprinkler installation and incentives for greenfield and brownfield developments.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 4.8, 6.8**

#### **DEPARTMENT OBJECTIVE #5:**

*Improve ability to provide/access accurate diagnosis, treatment, and appropriate return to work plans for employees suffering from mental illness and injuries.*



**RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY;**
- **COUNCIL PRIORITY – 6.4**

Fire & Emergency Services  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	644	14	658	2.1	14	672	2.2	
Insurance Recovery	80	0	80	0.0	0	80	0.0	
Other Revenue	117	-21	96	(17.9)	0	96	0.0	
Government Transfers for Operating	388	253	640	65.2	0	640	0.0	1
<b>TOTAL REVENUES</b>	<b>1,228</b>	<b>245</b>	<b>1,474</b>	<b>20.0</b>	<b>14</b>	<b>1,488</b>	<b>1.0</b>	
Expenses								
Salaries, Wages and Benefits	14,882	606	15,488	4.1	375	15,863	2.4	2
Contracted and General Services	435	159	595	36.6	89	684	14.9	3
Materials, Goods & Utilities	221	74	295	33.5	12	307	4.0	4
Other Operating Expenses	0	0	0	0.0	0	0	0.0	
Amortization and Provision for Abandonment	338	170	508	50.2	-62	446	(12.1)	
<b>TOTAL EXPENSES</b>	<b>15,876</b>	<b>1,009</b>	<b>16,886</b>	<b>6.4</b>	<b>414</b>	<b>17,299</b>	<b>2.4</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>14,648</b>	<b>764</b>	<b>15,412</b>	<b>5.2</b>	<b>399</b>	<b>15,811</b>	<b>2.6</b>	
Internal Recovery	158	109	267	69.3	9	277	3.5	
Internal Charges and Transfers	1,606	807	2,413	50.2	82	2,495	3.4	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>1,448</b>	<b>697</b>	<b>2,145</b>	<b>48.2</b>	<b>73</b>	<b>2,218</b>	<b>3.4</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>16,096</b>	<b>1,461</b>	<b>17,557</b>	<b>9.1</b>	<b>472</b>	<b>18,029</b>	<b>2.7</b>	

REF NO.	NOTE	\$
1	Increase in Government Transfers for Operating due to higher 911 Mobility grant payments.	253
2	Increase in wages is due to \$307K inflation, and the addition of 7 new permanent positions. This is offset by lower benefits when compared to 2022 due to a lower percentage being used.	606
3	Increase in contracted services due to addition of Versa term Software (\$55K) and Next Generation 911 call handling fees (\$64K). In addition to increases in corporate training for Incident Command System specific training (\$18K), leadership development courses and higher live fire training costs (\$23K).	159
4	Increase in materials due to higher advanced response team costs (\$30K) and the addition of materials previously classified as capital.	74



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET  
Summary of Capital (TCA) Budget Requests  
*In thousands of dollars*

Fire & Emergency Services

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
30210529	FES - 2023 TCA - Next Generation 911	Growth Capital - TCA	250	-
30210530	FES - 2023 TCA - Provincial Infrastructure - Traffic Pre-emption	Growth Capital - TCA	40	-
30210531	FES - 2023 TCA - Live Fire Advanced Training System addition	Growth Capital - TCA	40	-
30210532	FES - 2024 TCA - Thermal Image Camera's	Growth Capital - TCA	-	100
DEPARTMENTAL TOTAL			\$ 330	\$ 100

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST	
	2023	2024
Internal Loan	250	-
Operating / Working Capital	80	100
FINANCING TOTAL	\$ 330	\$ 100

**BUDGET 2023 – 2024**

**CITY OF MEDICINE HAT**

---

## Department Business Plan

### Public Services – Parks & Recreation

---

## Public Services – Parks & Recreation

### Business Plan 2023 – 2024

---

#### Departmental Mandate and Structure

The Parks and Recreation Department provides both indoor and outdoor recreation opportunities through the development and maintenance of a diverse urban landscape, using the most effective and efficient means possible, with a focus on sound environmental practices to preserve and protect our natural and built environments. The department also engages residents in meaningful, accessible recreation experiences to foster individual and community health and wellbeing.

##### ***Recreation***

Provides accessible and affordable facilities/services that encourage active living opportunities for all residents. Facilities include two indoor pools, outdoor swimming locations, and the multi-sport Big Marble Go Centre. Liaising with user groups and community sports organizations is a key part of their mandate.

##### ***Business and Innovation***

Researches, develops, and implements best-practices and efficiency initiatives across the department. Responsible for developing and maintaining business agreements and contracts. Oversees planning and business operations of the municipal-owned campground, concessions, cemetery, and regional park.

##### ***Operations and Maintenance***

Provides maintenance of open spaces, including approximately 700 acres of manicured green space and 3,700 acres of non-manicured areas (environmental reserve, etc.). Planting and maintenance of approximately 35 flower beds, 425 shrub beds and the management of approximately 28,000 trees in the city's urban forest. Parks Maintenance also maintains over 160 km of leisure trails, 21 ball diamonds, 14 sport fields, 10 sets of tennis courts, 77 playgrounds, 4 outdoor water parks and 11 outdoor rinks. Liaising with user groups and community sports organizations is a key part of their mandate. The team also provides planning and detailed design/development of parks and infrastructure, including data base management and geographic information.

In addition, this team provides facility maintenance and operations for a broad range of facilities, including indoor/outdoor pools, ice arenas and recreation facilities. Works in conjunction with Building Services to perform facility maintenance and set-up for programming activities.

##### ***Asset Planning***

Responsible for planning the department's capital budget and long-term capital forecast. Planning oversees design and executes project management of parks infrastructure projects, trails, sports fields, and major capital projects. Works in conjunction with Building Services to plan upgrades to recreation facilities, ice arenas and aquatics facilities.

### ***Community Connections***

Responsible for managing the ongoing relationship with user-groups, community stakeholders and partner organizations for special projects and initiatives. Oversees communication and marketing activities within the department and coordinates with Corporate Communications on advertisements, media releases and community engagement.

**Parks & Recreation**  
167.38 FTE  
(includes 1 in Administration)

<b>Asset Planning</b> 6.0 FTEs	<b>Business &amp; Innovation</b> 8.0 FTEs	<b>Community Connections</b> 16.55 FTEs	<b>Operations &amp; Maintenance</b> 85.67 FTEs	<b>Recreation</b> 50.16 FTEs
-----------------------------------	--	--	---	---------------------------------

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>FTEs</b>	166.38	167.38	167.38	167.38	167.38
<b>PEPs</b>	74	78	78	78	78

#### **DEPARTMENT OBJECTIVE #1:**

***Implementation of Parks and Recreation Master Plan** - to positively impact community health and wellbeing. The department will focus efforts on implementing the immediate-term, near-term and continued action items identified in the Parks and Recreation Master Plan.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; COMMUNITY WELLNESS**
- **COUNCIL PRIORITY: 1.9, 5.5**

#### **DEPARTMENT OBJECTIVE #2:**

***Develop Comprehensive Asset Management Plan** - to address the aging parks infrastructure and facilities within the community. The department will develop a comprehensive asset management plan to address capital upgrades and replacement of aging infrastructure and facilities. Prioritizing projects through risk-based asset management ensures that resources are put towards assets with the highest degrees of criticality and considers the impacts of deferring capital upgrade allocation for each asset. Many Parks and Recreation assets are reaching the end of their life cycle and a proactive replacement plan will reduce service interruptions.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 4.7, 6.6, 6.9**

#### **DEPARTMENT OBJECTIVE #3:**

***Recruitment, Retention, & Development of Staff** - the department has identified the need to recruit and develop staff to maintain operations and implement strategic objectives and projects. The current labour market has an abundance of comparable jobs available for job seekers. As such, the department has experienced challenges in recruiting staff as well as high turnover in roles that are essential to operating recreation facilities and maintaining park spaces.*

#### **RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:**

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 1.7, 6.1**

**Parks & Recreation**  
**2023-2024 Operating Plan**  
**Financial Summary (in thousands of dollars)**

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenues</b>								
Sale of Services	3,786	111	3,897	2.9	155	4,051	4.0	1
Insurance Recovery	43	-0	43	(0.0)	0	43	0.0	
Other Revenue	2,182	151	2,333	6.9	0	2,333	0.0	2
<b>TOTAL REVENUES</b>	<b>6,011</b>	<b>261</b>	<b>6,273</b>	<b>4.3</b>	<b>155</b>	<b>6,428</b>	<b>2.5</b>	
<b>Expenses</b>								
Salaries, Wages and Benefits	10,618	184	10,802	1.7	266	11,068	2.5	3
Contracted and General Services	2,499	487	2,986	19.5	115	3,101	3.8	4
Materials, Goods & Utilities	1,312	270	1,582	20.6	58	1,640	3.6	5
Provision for Allowances	0	0	0	0.0	0	0	0.0	
Bank Charges & Short Term Interest	32	1	33	4.0	1	35	4.0	
Grants and Other Transfers	190	0	190	0.0	0	190	0.0	
Interest on Long-term Debt	96	49	145	51.4	314	459	217.3	
Other Operating Expenses	17	1	18	4.0	1	18	4.0	
Amortization and Provision for Abandonment	8,303	-2,221	6,082	(26.7)	344	6,426	5.7	
(Gain)/Loss on Disposal of Assets	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>23,067</b>	<b>-1,229</b>	<b>21,838</b>	<b>(5.3)</b>	<b>1,099</b>	<b>22,937</b>	<b>5.0</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>17,055</b>	<b>-1,490</b>	<b>15,565</b>	<b>(8.7)</b>	<b>944</b>	<b>16,509</b>	<b>6.1</b>	
Internal Recovery	152	-11	141	(7.3)	3	144	2.0	
Internal Charges and Transfers	5,079	2,808	7,887	55.3	322	8,209	4.1	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>4,927</b>	<b>2,819</b>	<b>7,746</b>	<b>57.2</b>	<b>319</b>	<b>8,065</b>	<b>4.1</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>21,982</b>	<b>1,329</b>	<b>23,311</b>	<b>6.0</b>	<b>1,263</b>	<b>24,574</b>	<b>5.4</b>	

REF NO.	NOTE	\$
1	Increase in revenue is due to increased camper fees as a result of new Echo Dale Regional Park camp stalls (\$10K), new comfort camping and added full service sites (\$25K). In addition, a portion of the increase is also the result of Tepee operations moving from Community Development to Parks & Recreation (\$10K) and additional revenue from the third party operator of concessions in line with operating agreement (\$35K).	111
2	Increase in other revenue the result of multiple factors. Firstly, the addition of sponsorship revenue for the Big Marble Go Centre, new pickleball facility, and fitness centre (\$10K). Second, increase in dog and cat licenses that will now be collected through Alberta Pound and Rescue Centre and remitted to Parks & Recreation (\$80K). Next, increase in tree replacement revenue based on historical trends (\$9K) and the addition of Tepee lighting revenue (\$3K). Lastly, these increases are offset by a decrease in sport field revenue based on historical trends (-\$47K).	151
3	The increase in wages is due to inflation \$223K and the addition of six Permanently Established Positions and the removal of 1 Permanently Established Position (\$380K). This is offset by the removal of wages for 3 positions that are now funded by capital projects. This is offset by lower benefits when compared to 2022 due to a lower percentage being used.	184
4	Increase in contracted and general services is the result of a number of factors. Firstly, increase in telecommunications for increased public wi-fi abilities (\$30K). Second, increase in subscription for Yardstick and Data Lake software not previously budgeted for (\$27K). Third, increase in other contracted services for higher chemical and fuel costs for pest control, increased tree pruning requirements (\$37K), Echo Dale Regional Park lake and beach maintenance (\$37K), fitness instructor contract (\$97K), and various services that were not previously budgeted for (\$63). Next, there is an increase for Tepee expenses moved from Community Development and repairs on fitness equipment (\$10K). Lastly, there are operating costs in relation to the Parks master plan (\$25K).	487
5	Increase in materials due to a number of factors. Firstly, due to the pandemic the prices of various supplies have increased such as fertilizer (\$37K), irrigation parts (\$15K), tress (\$15K), metal, lumber, playground and other repair materials (\$56K). Second, additional Echo Dale Regional Park beach and lake maintenance (\$37K), additional funds to supplement innovation project start up costs and materials (\$25K). Lastly, an increase in internal equipment usage due to historical trends (\$156K). These increase are offset by a reduction in concession expenses due to them being contracted out to third party (-\$80K) and the removal of parts and tires expenses that are now handled through fleet (-\$80K).	270





**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Parks & Recreation**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
32610650	PKRC - 2023/2024 TCA - Trail Infrastructure Program	Sustaining Capital - TCA	917	917
32610651	PKRC - 2023/2024 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA	3,683	3,802
32610652	PKRC - 2023/2024 TCA - Accessibility Program	Sustaining Capital - TCA	108	378
32610653	PKRC - 2023 TCA - Columbaria & Scattering Gardens Program	Growth Capital - TCA	270	-
32610654	PKRC - 2023/2024 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA	378	270
32610655	PKRC - 2023/2024 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA	108	162
32610656	PKRC - 2023 TCA - Towne Centre Washroom	Growth Capital - TCA	540	-
32610657	PKRC - 2023/2024 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA	324	162
32610658	PKRC - 2023/2024 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA	216	216
32610660	PKRC - 2023/2024 TCA - Community Partnerships Program	Sustaining Capital - TCA	200	300
32610661	PKRC - 2023/2024 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	324	216
32610663	PKRC - 2023/2024 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	54	27
32610681	PKRC - 2023 TCA - EDRP Improvement Program		750	-
33210537	PKRC - 2023/2024 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	1,431	999
33210538	PKRC - 2023/2024 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	270	432
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 9,573</b>	<b>\$ 7,881</b>

	BUDGET REQUEST	
	2023	2024
<b>FUNDING SOURCES (Cash Flow)</b>		
Debtenture	5,004	4,801
Government Grants	3,559	800
Internal Loan	378	918
Operating / Working Capital	632	984
Reserves	-	378
<b>FINANCING TOTAL</b>	<b>\$ 9,573</b>	<b>\$ 7,881</b>



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Parks & Recreation

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
32710521	PKRC - 2023/2024 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	243	324
32710523	PKRC - 2023/2024 MOE - Drawings Authentication and Specification Update	Sustaining Major Operating Expense	108	108
32710524	PKRC - 2023/2024 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	1,080	216
DEPARTMENTAL TOTAL			\$ 1,431	\$ 648

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST	
	2023	2024
Operating	1,431	648
FINANCING TOTAL	\$ 1,431	\$ 648

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

---

## Department Business Plan

### Public Services – Community Development

## Public Services – Community Development

### Business Plan 2023 – 2024

#### Departmental Mandate and Structure

Community Development is focused on enhancing the liveability, quality of life, wellbeing, engagement and inclusivity of our community by developing, delivering and/or facilitating access to public transportation; community programming and supports; cultural and entertainment experiences and facilities.

##### ***Transit Services:***

Conventional, Specialized and On-Demand Public Transit.

##### ***Community Supports:***

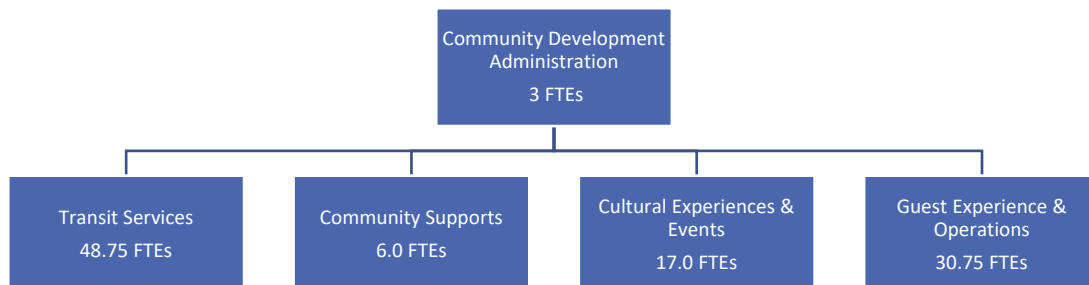
Social Supports; Community Resources Worker Program; Inclusion; Family & Community Support Services (FCSS); Senior Services; Housing and a variety of community use spaces.

##### ***Cultural Experiences and Events:***

Entertainment, Cultural and Education Programming and Coordination; Collections, Galleries and Archives Management; Heritage; Public Art; Marketing and Promotions; and Corporate Partnerships; Community Group Liaison

##### ***Guest Experience & Operations:***

Includes Facilities Management, Services and Rentals at Co-op Place, Esplanade, Ewart Duggan House, and Cultural Centre; Guest Services; Box Office; Volunteer Coordination; Event Management; Safety and Security; Food and Beverage Services; and Operations Support.



	2022	2023	2024	2025	2026
FTEs	98.0	105.5	105.5	105.5	105.5
PEPs	82.0	81.0	81.0	81	81

#### **DEPARTMENT KEY OBJECTIVE #1:**

***Develop Community Wellbeing Plan** – Community wellbeing is supported and improved, and community social issues are identified and addressed. The plan will support the City’s efforts to convene, facilitate and coordinate a community response aimed at addressing wellbeing.*

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- **COUNCIL’S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.8, 4.1-4.3, 5.1-5.6, 5.9, 5.10, 6.2**

#### **DEPARTMENT KEY OBJECTIVE #2:**

***Modernization of Transit Services** - A safe, accessible, adaptable, and scalable transit system that provides the best value for each tax dollar spent is in place to meet community needs.*

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- **COUNCIL’S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.5, 3.3, 4.2, 4.3, 5.1, 5.2, 5.8, 6.2**

#### **DEPARTMENT KEY OBJECTIVE #3:**

***Develop Arts, Heritage and Entertainment Plan** - The local arts, heritage and entertainment ecosystem is enhanced and strengthened, facilitating quality, engaging and inclusive opportunities for the community to participate in meaningful and accessible experiences in a variety of contexts.*

#### **RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:**

- **COUNCIL’S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 2.1, 3.5, 4.1- 4.3, 5.2, 5.3, 5.5, 5.9, 5.10**

Community Development  
2023-2024 Operating Plan  
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
<b>Revenues</b>								
Sale of Services	4,519	1,571	6,090	34.8	324	6,413	5.3	1
Insurance Recovery	0	0	0	0.0	0	0	0.0	
Other Revenue	1,044	-539	504	(51.7)	21	525	4.2	2
Government Transfers for Operating	1,940	32	1,971	1.6	9	1,980	0.4	
<b>TOTAL REVENUES</b>	<b>7,502</b>	<b>1,063</b>	<b>8,565</b>	<b>14.2</b>	<b>354</b>	<b>8,919</b>	<b>4.1</b>	
<b>Expenses</b>								
Salaries, Wages and Benefits	8,297	65	8,362	0.8	205	8,567	2.5	3
Contracted and General Services	3,046	1,717	4,763	56.4	129	4,891	2.7	4
Materials, Goods & Utilities	690	-116	574	(16.8)	23	597	4.0	5
Bank Charges & Short Term Interest	228	9	237	4.0	9	246	4.0	
Grants and Other Transfers	489	61	550	12.5	2	552	0.4	6
Interest on Long-term Debt	266	-8	258	(2.9)	-8	250	(3.1)	
Other Operating Expenses	0	185	185	100.0	7	192	4.0	7
Amortization and Provision for Abandonment	694	2,815	3,509	405.9	122	3,631	3.5	
(Gain)/ Loss on Disposal of Assets	0	0	0	0.0	0	0	0.0	
<b>TOTAL EXPENSES</b>	<b>13,709</b>	<b>4,729</b>	<b>18,437</b>	<b>34.5</b>	<b>490</b>	<b>18,928</b>	<b>2.7</b>	
<b>NET BEFORE INTERNAL ALLOCATIONS</b>	<b>6,207</b>	<b>3,666</b>	<b>9,872</b>	<b>59.1</b>	<b>136</b>	<b>10,009</b>	<b>1.4</b>	
Internal Recovery	11	0	11	0.0	0	11	0.0	
Internal Charges and Transfers	5,511	-277	5,234	(5.0)	93	5,327	1.8	
<b>TOTAL INTERNAL ALLOCATIONS</b>	<b>5,500</b>	<b>-277</b>	<b>5,223</b>	<b>(5.0)</b>	<b>93</b>	<b>5,316</b>	<b>1.8</b>	
<b>NET EXPENSES (REVENUES)</b>	<b>11,707</b>	<b>3,388</b>	<b>15,095</b>	<b>28.9</b>	<b>229</b>	<b>15,325</b>	<b>1.5</b>	

REF NO.	NOTE	\$
1	Service revenue increased mainly due to revenue at Co-op Place for previously unbudgeted amounts related to transition from third party operator (\$1.3 Million) and increases for updated rates (\$220K). In addition, revenue also increased due to an increase in service charges in line with projected sales (\$48K) and parking revenue for Town Square (\$48K). This was then offset by a decrease in transit revenue based on prior year trends (-\$269K) and charter services no longer provided (-\$25K), decreased club and lounge ticket sales based on prior year trends (-\$86K), removal of Teepee revenue transferred to Parks & Recreation (-\$10K), and other service revenue no longer expected to be received (-\$70K).	1,571
2	Decrease in other revenue due to revised estimates related to rental revenue based on historical trends (-\$62K), offset by increase in donations revenue to account for Redcliff Co-op Place donations (\$10K).	-539
3	Increase in wages is due to \$170K inflation and the additional of 3 positions, and a small increase in temp wages (\$20K). This is offset by lower benefits when compared to 2022 due to a lower percentage being used.	65
4	Increase in contracted & General services is largely due to unbudgeted expenses at Co-op Place related to transition from third party operator. Expenses that were unbudgeted in 2022 total \$1.2 million including an additional increase in box office expense at Co-op Place (\$300K) and Esplanade (\$219K) in line with ticket sales. In addition, marketing expenses were increased by \$75K to account for them at gross amount rather than net, software expense was increased by \$35K to account for software licenses that were previously unbudgeted, consulting fees were increased by \$25K for a feasibility study on Museum update, and contracted services were increased by \$72K to account for additional Commissionaires security at bus terminal. These increases were offset by decreases in contracted services for third party operator of Senior Centre (-\$42K) and a general expectation of fewer projects (-\$49K)	1,717
5	Materials good and utilities have decreased due to reduction of food & beverage supplies in line with decrease in revenue (\$114K), decrease in Town Square expenses including reallocation to contracted services (-\$96K), offset by addition of computer software for implementation of new food & beverage software (\$32K).	-116
6	Increase in grants to not for profit organizations due to introduction of microgrants for FCSS (\$8K) and increase for Safelink Consulting agreement (\$54K).	61
7	Other operating expenses increased to account for previously unbudgeted refugee program (\$80K) and Fair Entry Subsidy program (\$105K).	185



**2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET**  
**Summary of Capital (TCA) Budget Requests**  
*In thousands of dollars*

**Community Development**

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
35610502	CDV - 2023 TCA - Community Housing IR	Sustaining Capital - TCA	112	100
36210512	CDV - 2024 TCA - Gallery Lighting Replacement	Sustaining Capital - TCA	-	125
36210515	CDV - 2023 TCA - Control Switches	Sustaining Capital - TCA	50	-
36210517	CDV - 2024 TCA - Esplanade Stage Drape	Sustaining Capital - TCA	-	100
36210520	CDV - 2024 TCA - Facility Indoor Digital Signage	Sustaining Capital - TCA	-	50
36210521	CDV - 2023 TCA - Bar Installation	Growth Capital - TCA	150	-
37210526	CDV - 2024 TCA - Transit Bus Zone Accessibility Improvements	Growth Capital - TCA	-	200
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 312</b>	<b>\$ 575</b>

	BUDGET REQUEST	
	2023	2024
<b>FUNDING SOURCES (Cash Flow)</b>		
Government Grants	-	200
Operating / Working Capital	312	375
<b>FINANCING TOTAL</b>	<b>\$ 312</b>	<b>\$ 575</b>



## 2023 - 2032 OPERATING BUDGET

### Summary of Major Operating Expense Budget Requests

*In thousands of dollars*

#### Community Development

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST	
			2023	2024
36210511	CDV - 2023 MOE - Esplanade- Arts Heritage and Entertainment Plan	Growth Major Operating Expense	80	-
36210516	CDV - 2023 MOE - Table replacement	Sustaining Major Operating Expense	50	-
36310508	CDV - 2023 MOE - Public Art	Growth Major Operating Expense	130	-
36910511	CDV - 2023 MOE - Community Well Being Plan	Growth Major Operating Expense	100	-
<b>DEPARTMENTAL TOTAL</b>			<b>\$ 360</b>	<b>\$ -</b>

FUNDING SOURCES (CASH FLOW)	BUDGET REQUEST	
	2023	2024
Operating	360	-
<b>FINANCING TOTAL</b>	<b>\$ 360</b>	<b>\$ -</b>



### RETAIL PRODUCT STRUCTURES

NOVEMBER 7, 2022

#### ISSUE:

The City has reviewed the energy based retail offerings available in the province and the current City offerings. This is not the broad rate review requested by City council that is pending but this is a review that is done when updating our bylaws for the budget updates. The City is recommending changes to the retail offerings to offer similar offerings available in the province while considering the City's ability to manage the risk associated with the retail offerings. These changes impact the number and design of products/offerings available to the customer. For clarity, existing retail offering design and the recommended design changes are expected to result in similar energy prices for customers, particularly in the near term (since both designs update to reflect 2023 market conditions).

#### RECOMMENDATION:

It is recommended that City Council approve Bylaw 4722 and Bylaw 4723. A summary of the embedded changes to the retail offerings include:

1. **Natural Gas**
  - a) **Regulated Rate Offering** – This offering changes to a price based on the weighted average 120 day buying window price for the forecasted volume.
  - b) **Contract Rate Fixed** – This changes to have the fixed price offering reset every quarter and to a 12-month term. To clarify a customer would get the fixed price posted at the time they sign up and would remain on that rate for 12 months.
  - c) **Contract Rate Variable** – This is a new offering where the customer would pay the actual average settled price for the month of consumption plus \$1/GJ.
2. **Electricity - Residential, Farm, Small and Medium Commercial, Unmetered Services and Rental Lighting**
  - a) **Regulated Rate Offering** – No change
  - b) **Contract Rate Fixed** – This changes to have the fixed price reset quarterly with a 12-month term.
  - c) **Contract Rate Variable** – This is a new offering for residential customers. The rate would be set using the average settled price plus \$20/MWh.
3. **Electricity – Large Commercial and Industrial**
  - a) **Regulated Rate Offering**– This changes to the average of the RRO providers in Alberta to keep a market equivalent rate and match the residential offering.
  - b) **Energy Supply Price (ESP) Contract** – No change
  - c) **Contract Rate Variable** - This used to be the default offering for Large Commercial & Industrial customers. The rate would be set using the average settled price plus \$20/MWh.

#### COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

This City is looking to offer market complete retail rates and maximize the returns from the commodity business units, consistent with typical practice across the energy industry.

#### KEY RISKS:

**Health, Safety and Environmental Impact:**

N/A

**Financial Impact:**

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

The revenues from the retail offerings flow through to the operating budgets of the commodity business units. Any remaining revenue from the commodity business is paid out as a dividend for the benefit of City of Medicine Hat taxpayers.

**Legal / Policy Impact:**

N/A

**Public Implications:**

The amendments to the Bylaws impact the number and design of products/offerings available to the customer to be more consistent with other Alberta energy retailers.

**BACKGROUND:**

The City is a vertically integrated utility for natural gas and electricity which means the City owns the commodity and the distribution/transmission for these commodities. The City also acts as the retail provider for these commodities and the revenues from the retail business flows through to commodity business units (COMCO). COMCO looks to provide market competitive retail offerings and maximize the profits from the business unit. Any free cash flow from these business units is paid out as dividends. This approach mirrors industry practice.

Staff have reviewed the products offered by other retailers in Alberta and the City's current offerings. When considering potential changes to the rate offerings, the City looked at the ability for the rate to be market competitive, the administrative effort associated with the offering, and the ability for the City to mitigate the risk associated with the offering. The current fixed rate offering is challenging when trying to manage the risk associated with this product. For example, when the CMH offered a natural gas fixed rate to customers in 2022 the City then had to purchase spot gas to support this contract. This created a price difference due the static price based on the contract and a changing market price. With a 50% uptake on the natural gas fixed price rate that is equal to about 2.5M GJs. Therefore, for every \$1 difference between the fixed rate and the market rate leaves the City exposed by \$2.5M.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

- Do nothing and continue to offer the existing retail options. This is not recommended as the fixed price rate offerings are creating significant risk to the commodity business units and could unintentionally provide an energy price subsidy to a select group of customers. This risk/subsidy arises in volatile market environments when it is more likely that a static fixed price set before the year is significantly different than market price movements that occur throughout the year.
- Update the fixed rate offerings only. This is not recommended. While this would help alleviate the risk of these contracts, there are other rate changes that would help the City align with other retail offerings.
- Update the retail offerings with the recommendations listed above. This is the recommended approach as it will allow the City to offer similar rate offerings as other retail providers in Alberta and allow the City the ability to manage the risk associated with the offerings.

**IMPLEMENTATION PLAN:**

The City would proceed with the recommended changes to the retail offerings to be effective January 1, 2023 including appropriate communication to customers. For clarity, customers that are in fixed rate contracts will have their contracts honoured until the end of the contract term. After that period, the customer will have to move to one of the new offerings or go onto the default rate.

<b>PREPARED BY &amp; DATE:</b>	Travis Tuchscherer Manager Energy Marketing and Analysis	November 7, 2022
<b>REVIEWED BY &amp; APPROVED BY &amp; DATE:</b>	Brad Maynes Managing Director, Energy & Infrastructure Rochelle Pancoast Managing Director, Strategic Management & Analysis	
<b>ATTACHMENTS:</b>	Attachment #1 – Bylaw #4722 Attachment #2 – Bylaw #4723	

**BYLAW NO. 4722**

---

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 2489, the Gas Utility Bylaw.

**WHEREAS** Council considers it advisable to amend Bylaw No. 2489;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 2489 is amended as set out in this Bylaw.
2. Section 3 of Schedule "A" is repealed and replaced with the following:

**"CONTRACT OPTION"**

- 3.1 A Consumer who satisfies the requirements for application of Rate Class A or Rate Class B may elect one of the contract options.
- 3.2 A Consumer's election of the contract options must be made in accordance with procedures established by the CAO.
- 3.3 Billing for natural gas consumption under the contract options will be effective the first day of the next billing period.
- 3.4 A Consumer who elects one of the contract options will discontinue the contract option only after the Consumer is billed under the FP<sub>g</sub> contract option for at least twelve consecutive billing periods.
- 3.5 Billing for natural gas commodity consumption under the contract options will cease effective the first day of the next billing period after the twelve-month contract has ended. A Consumer will default back to the Market Reference Price option unless the Consumer has signed up for a new contract offering for the next 12-month period.
- 3.6 The City reserves the right to discontinue the contract option offerings at any time. For clarity, existing contracts will be honoured through their remaining terms.
- 3.7 If a Consumer that signed the contract is no longer in possession of the property in question, then the contract shall automatically terminate and the new Customer in possession of the property will be required to enter into a new contract if they desire.
- 3.8 A Consumer who elects the Fixed Price Gas (FP<sub>g</sub>) Contract Option will:
  - (a) continue to be responsible to pay all rates and charges applicable to the Consumer's rate classification, with the exception of the Commodity Charge applicable to that rate classification; and
  - (b) pay a Commodity Charge for natural gas consumption per gigajoule at the price then in effect as stated on the City's website on the date the Consumer signs up for this contract option, and the Consumer shall continue to pay a Commodity Charge for natural gas

consumption at the same price for a period of twelve consecutive billing months. The price will be updated quarterly on the City's website. All Consumers are bound by the price in effect as of the date of sign up for this contract option.

- 3.9 A Consumer who elects the Variable Price Gas (VP<sub>g</sub>) Contract Option will:
- (a) continue to be responsible to pay all rates and charges applicable to the Consumer's rate classification, with the exception of the Commodity Charge applicable to that rate classification; and
  - (b) pay a Commodity Charge for natural gas consumption per gigajoule of average market price for the month of consumption plus \$1/GJ. The average price will be the simple average of the same day Alberta Energy Company (AECO) market price."

3. This Bylaw will come into force on January 1, 2023.

**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: Linnsie Clark**

\_\_\_\_\_  
**CITY CLERK: Arlene Karbashewski**

---

**BYLAW NO. 4723**

---

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 2244, the Electric Utility Bylaw.

**WHEREAS** Council considers it advisable to amend Bylaw No. 2244;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

- 1) Bylaw No. 2244 is amended as set out in this Bylaw.
- 2) In Schedule A for Consumer Classes E.1.1, E.2.1, E.3.3, E.6.1, and E.7 and in Schedule B for Consumer Classes N.1.1, N.2.1, N.3.1, N.3.3, N.6.1, and N.7, the Contract Option section is repealed and replaced with the following:

“A Consumer who satisfies the requirements for application of this Rate Classification may elect to sign up for a competitive contract option that is listed below.

A Consumer’s election of the contract option must be made in accordance with procedures established by the Chief Administrative Officer.

Billing for electrical energy consumption under the contract options will be effective the first day of the next billing period.

A Consumer who elects a contract option will discontinue the contract option only after the consumer is billed under the contract option for at least twelve consecutive billing periods. After the twelve-month contract has ended, the Consumer will default back to the Market Reference Price option unless the Consumer has signed up for a new contract offering for the next 12-month period.

Billing for electrical energy consumption under the contract option will cease effective the first day of the next new billing period after the Consumer has been on the contract option for twelve consecutive billing periods.

There are two contract options for this rate class, the ESPf (firm) and Variable contract offerings. The City reserves the right to discontinue these contract option offerings at any time. For clarity, existing contracts will be honoured through their remaining terms.

A Consumer who elects the ESPf (firm) contract option will:

- (a) continue to be responsible to pay all rates and charges applicable to the Consumer’s rate classification, with the exception of the Energy Charge applicable to that rate classification; and
- (b) pay an Energy Charge for electrical energy consumption at the price (\$/kWh) then in effect as stated on the City’s website on the date the Consumer signs up for the ESPf (firm) option, and the Consumer shall continue to pay an Energy Charge for electric energy consumption at that same price for a period of twelve consecutive billing months. The price will be updated quarterly on the City’s website. All Consumers are bound by the price in effect as of the date of sign up for this contract option.

A Consumer who elects the Variable contract option will:

- (a) continue to be responsible to pay all rates and charges applicable to the Consumer's rate classification, with the exception of the Energy Charge applicable to that rate classification; and
- (b) the Energy Charge shall be a per kWh charge, adjusted monthly, that is equal to the monthly average Alberta Power Pool price as established and published by the Alberta Electrical System Operator (AESO) plus \$0.020 per kWh for the applicable billing period. This Energy Charge under this contract option will be applicable for twelve consecutive billing periods."

- 3) In Schedule A for Consumer Classes E.4.1, E.5.1, and E.8 and in Schedule B for Consumer Classes N.4.1, N.5.1, and N.8, the Energy Charge section is repealed and replaced with the following:

"The Energy Charge shall be a per kWh charge, adjusted monthly, that is equal to the Market Reference Price. Market Reference Price is defined as the average of the rates for owners whose regulated rate tariffs are approved by the Alberta Utilities Commission under section 103(2) of the *Electric Utilities Act* for that calendar month as posted by the Alberta Utilities Commission on its website page under *Regulated Rate Option Regulation*.

If the information is not available on the Alberta Utilities Commission website for any reason, the Energy Charge shall remain the same as the Energy Charge for the last month when the information was available on the Alberta Utilities Commission website, unless adjusted by a resolution passed by Council pursuant to section 34(2)."

- 4) This Bylaw shall come into force on January 1, 2023.

**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: Linnsie Clark**

\_\_\_\_\_  
**CITY CLERK: Arlene Karbashewski**

# Emergency Advisory Committee

## MEETING MINUTES

Tuesday, October 18, 2022

City Hall, Boardroom 2-1

1:30 P.M.

---

**PRESENT:** Mayor L. Clark, Chair  
Councillor R. Robins  
Councillor A. Van Dyke

**ALSO PRESENT:** Dr. G. Feltham, City Manager  
B. Mastel, Managing Director of Public Services  
B. Maynes, Managing Director of Energy & Infrastructure  
A. Nelson, Chief of Staff  
B. Stauth, Director of Fire and Emergency Services & Fire Chief  
G. Mauch, Director of City Assets  
C. Graham, Director of Corporate Communications  
M. Brown, Manager of Support Services  
L. Perry, Executive Assistant

### 1. 2022 EMERGENCY RESPONSE AFTER ACTION REVIEWS

#### APPENDIX A

Mr. Mastel explained After Action Reviews (AAR's) are best practice in emergency management and are part of the cycle of continuous improvement. He further outlined Committee's role to stay informed on emergency preparedness and response capabilities and to oversee associated policies as well as resource allocation.

Mr. Brown provided a presentation on the 2022 Emergency Response AAR's, reviewing the Flood Response Exercise (May 18, 2022) and Severe Wind Incident (July 18, 2022). Mr. Brown summarized the purpose of AAR's, the nature of exercises undertaken by the City, and the provincially legislated emergency planning requirements. For each incident, Mr. Brown also described strengths identified, learnings acquired, and opportunities for improvement within response systems. Full details are included in Appendix A.

Committee extended appreciation for the information provided.

**INFORMATION**

### 2. INTRODUCTION TO ALBERTA INCIDENT MANAGEMENT SYSTEM (AIMS)

Mr. Brown provided an overview, explaining Alberta is implementing a province-wide system that will define a standardized system of emergency response in Alberta. This step will ensure that all municipalities are using the same language and processes to allow for effective collaboration and inter-agency coordination during emergencies.

**INFORMATION**



**ADJOURNMENT**

The meeting adjourned at 3:25 P.M.

**RECEIVED BY CITY COUNCIL**

November 7, 2022

---

---

**Angela Cruickshank, City Clerk**

## BRIEFING NOTE

## INFORMATION

2022 FLOOD RESPONSE EXERCISE AND  
JULY 2022 SEVERE WIND INCIDENT AFTER ACTION REVIEWS

OCTOBER 13, 2022

**ISSUE:**

The City facilitated a functional exercise in May 2022 to evaluate our preparedness level for flood response and responded to a severe wind incident in July 2022. Following all large-scale emergency exercises and responses, the City conducts a formal after-action review (AAR) where strengths and opportunities for improvement are identified.

**RECOMMENDATION:**

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

**COUNCIL STRATEGIC PRIORITY:**

Community Safety and Vibrancy

The City will maintain the safety of our community and continue to build vibrancy and a high quality of life.

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

During any exercise or incident response, the City places a high degree of importance on responder safety, health, wellness, and accountability. The AAR process reviews worker health and safety and if required, identifies opportunities for improvement and associated corrective actions.

**Financial Impact:**

Funding Request:	No	N/A
Budgeted Item:	Yes	Funding Source: Operating
Funding Explanation:	All exercises, responses, and associated after action reviews are funded through existing operating budgets.	
Budget Amendment Form?	No	

N/A

**Legal / Policy Impact:**

The *Alberta Emergency Management Act* and the *Local Authority Emergency Management Regulation* regulates all aspects of municipal emergency management activities, including preparedness, response, and recovery efforts. The City is committed to complying with and when appropriate, exceeding minimum legislative requirements. The AAR process reviews legislative compliance associated with the City's response activities.

**Public Implications:**

During each exercise or incident response, regardless of the hazard, the City prioritizes all response activities in the following order of priority: life safety, incident stabilization, and the protection of property and the environment. The City's top priority is the life safety of the public and the results of AARs are heavily focused on this priority.

**BACKGROUND:**

The City conducted a functional flood response exercise in May 2022, focusing on the first eight hours of the City's response to the formal notification from the provincial River Forecast Centre. Personnel throughout all departments within the City were involved in the exercise where the event was simulated in real time with the exception of the deployment of actual resources. The City also responded to an actual incident involving severe winds in July 2022 where critical infrastructure and property was severely damaged. In both instances, formal AARs were conducted where strengths and opportunities for improvement related to the responses were identified. Recommended corrective actions have also been included as part of the AAR.

Strengths and opportunities for improvement resulting from the AARs were included in the following categories:

- Initial notification and deployment;
- Tactical operations;
- Incident technology;
- Incident Command System principles;
- Technical resources and materials;
- Situational awareness;
- Interoperable communication; and
- Incident resource management.

AARs following large scale exercises and incident responses are focused on system-based strengths and opportunities for improvement, rather than the technical response of each operation.

#### **OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

Under the *Local Authority Emergency Management Regulation*, the City is required to conduct an AAR following every large scale exercise and incident response and submit the results of the AAR to the Alberta Emergency Management Agency. Furthermore, the City is committed to continuous improvement related to all City processes, including emergency management activities. Not conducting an AAR would result in non-compliance with legislation and would not be consistent with the City's stance on continuous improvement.

#### **IMPLEMENTATION PLAN:**

Following the report to the Emergency Advisory Committee, Fire & Emergency Services will submit the AAR results to the Alberta Emergency Management Agency and action the identified opportunities for improvement.

<b>PREPARED BY &amp; DATE:</b>	Merrick Brown Manager of Support Services / Director of Emergency Management, Fire & Emergency Services	October 7, 2022
<b>APPROVED BY &amp; DATE:</b>	Brian Mastel Managing Director of Public Services	
<b>ATTACHMENTS:</b>	Attachment #1: Emergency Advisory Committee PowerPoint Presentation Attachment #2: 2022 Flood Response Exercise After Action Review Report Attachment #3: July 2022 Severe Wind Incident After Action Review Report	



# 2022 Emergency Response After Action Reviews

A review of the Flood Response  
Exercise and the July Severe Wind  
Incident

October 7, 2022

# Introduction

An after action review (AAR) analyzes the management of or response to an incident, exercise, or event by identifying strengths to be maintained and built upon, as well as identifying potential areas of improvement.

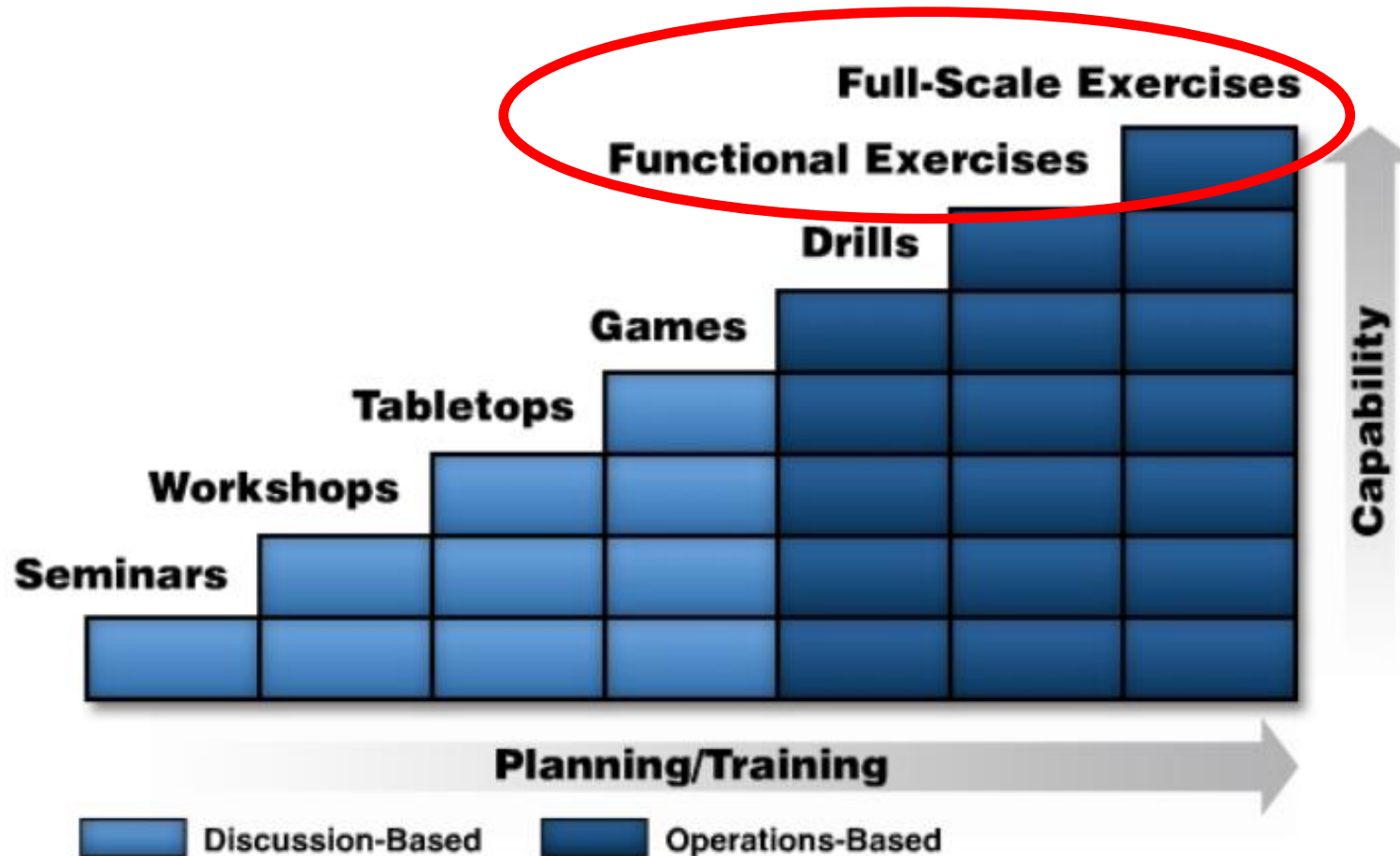
The City conducts formal AARs following every large-scale incident or exercise and in response, generates a formal report to assist in improvement planning.

Two AARs will be presented:

- 2022 Flood Response AAR (functional exercise)
- July 2022 Severe Wind Incident (actual incident)



# Exercise Complexity



We focus our attention on functional and full-scale exercises (an actual incident response is equivalent to a full-scale exercise).



# Flood Response Exercise

The 2022 Flood Response Exercise was designed as a functional exercise where we simulate more than one incident location and requires exercise players to fill specific roles as if the incident were occurring.

We did not deploy actual resources to locations throughout the area.



# Flood Response Strengths

---

## 1. Initial Notification

- The River Forecast Centre successfully alerted the City, which was passed through a 911 dispatcher to the Deputy Director of Emergency Management, who in turn initiated the formal response through the City's internal emergency call-out system.

## 2. Tactical Operations

- The City has well established and documented flood response procedures, well-trained staff identified for flood response operations, and established and well-maintained flood migration materials (temporary and permanent).

## 3. Evacuation Processes

- Over the past two years, the City has built robust written plans related to evacuation, trained dedicated City staff to focus on evacuations, and designed technology to assist in the real time tracking of evacuation progress.



# Flood Response Opportunities for Improvement

---

## 1. Incident Command System Principles

- Incident management processes requires additional attention, specifically with operations-based staff. Following the exercise, it was identified that operations-based staff has received minimal training on incident management processes.
  - **ACTION:** Revise the emergency management training matrix for all incident management personnel including operations-based staff and City senior/middle management.

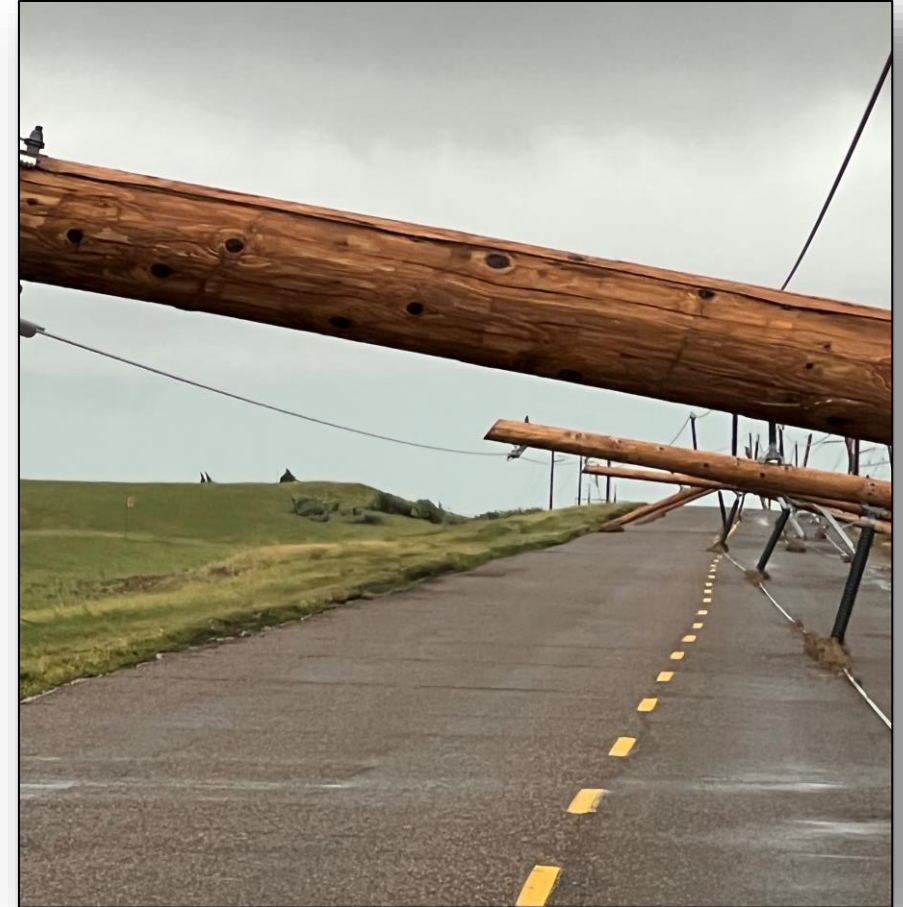
## 2. Technical Resources and Materials

- The City's Municipal Emergency Management Plan and Emergency Social Services Plan did not reflect the current practices in place. This was known prior to entering the exercise due to emergency management legislative changes coming into force in late 2022 (i.e. Alberta Incident Management System).
  - **ACTION:** Complete a full review and revision of the MEMP and ESS Plan to reflect current emergency management practices within the City. This will also include the review and revision of volunteer management and emergency call centre processes.

# Severe Wind Incident

The July 2022 Severe Wind Incident resulted in public and private damage to property and related infrastructure throughout Cypress County, Medicine Hat, and Redcliff.

Through Environment and Climate Change Canada, the incident was later re-classified as a EF-2 tornado. Winds associated with the incident reached 190 km per hour in Cypress County with a downburst moving directly through Medicine Hat and Redcliff reaching wind speeds of 150 km per hour.



# Severe Wind Incident Complexity

---

Although we manage multiple outage incidents in any given year, this incident was unique for the following reasons:

- **Severity:** This incident reached speeds of approximately 150 km per hour with a downburst pattern causing severe damage in a short period of time. The last known incident with wind speed that approached this year's occurred during the October 2017 plow wind with observed wind speeds reaching close to 140 km per hour.
- **Seasonality:** Historically, Medicine Hat experiences the highest wind speeds in October of each year. Although high wind speeds are not desirable at any time of the year, experiencing high winds in October decreases the overall impact to Medicine Hat residents due to comfortable outdoor temperatures. The incident impacted Medicine Hat when outdoor temperatures exceeded 37°C during daytime periods, causing potential cascading events.

# Severe Wind Strengths

---

## 1. Situational Awareness

- Due to the widespread impact to property and infrastructure coupled with the intensity of the incident, establishing an accurate common operating picture was critical to progressing to further objectives, including repairing/restoring infrastructure required for life safety. Within 16 hours of the incident, a full common operating picture was displayed which included the location of all damaged property and infrastructure.

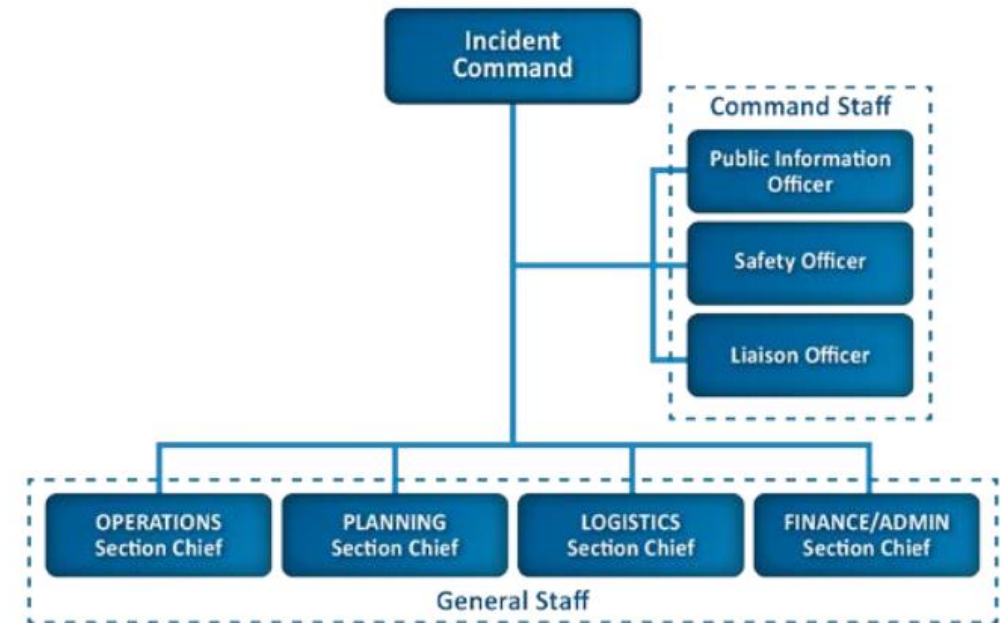
## 2. Incident Command Roles and Responsibilities

- Upon formalizing the Incident Command Post very early in the response phase, the City and other supporting organizations were able to expedite response activities. This relied on individuals and organizations to clearly understand emergency response roles and responsibilities that differ from routine operational roles and responsibilities, including reporting relationships and job responsibilities.

# Severe Wind Opportunities for Improvement

## 1. Interoperable Communications

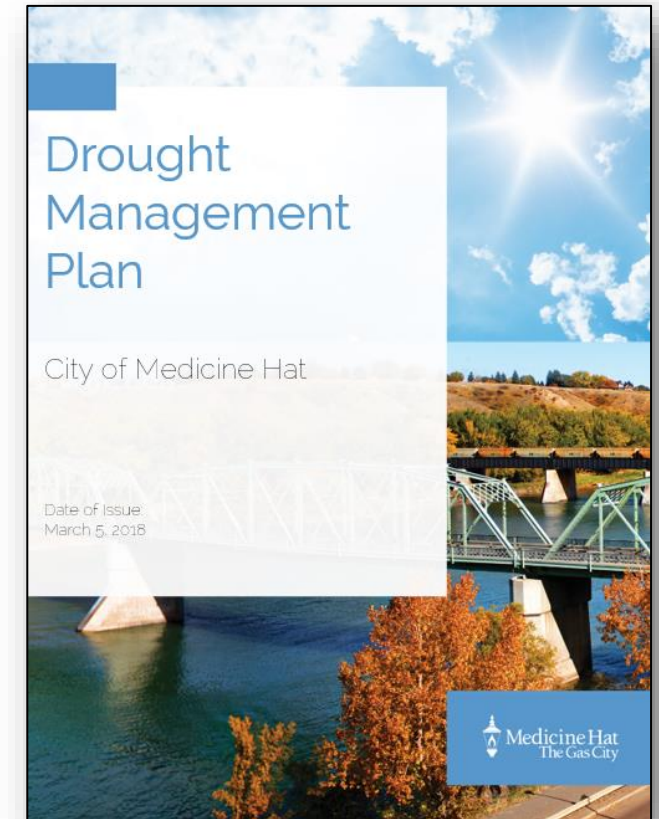
- Interoperable communications allows the correct person to communicate the correct message using the correct method. This does not only include first responder to first responder but includes all communications during an incident. Opportunities for improvement were identified following the review of the City's communications between Cypress County and the Town of Redcliff during the incident.
- **ACTION:** In coordination with Cypress County and the Town of Redcliff, review and revise the pre-defined interoperable communication process embedded within the Regional Emergency Management Plan.



# Severe Wind Opportunities for Improvement

## 1. Incident Resource Management

- Incident resource management refers to the ability to use resources (e.g. people, equipment, materials) in the most effective manner to meet the current objectives for the time. External parties did not fully understand the City's priorities, intended use of available resources, and response objectives. This caused confusion related to internal operational timelines, external expectations, and public communications.
  - **ACTION:** Develop a documented, hazard-specific severe weather response plan. Although this plan is currently a component of the MEMP, a separate severe weather response plan should be built out to include a concept of operations for each severe weather hazard known priorities, and pre-established triggers based on severity. Development will include external stakeholders.





# Conclusion

The City has experienced numerous high severity incidents over the years. On average, the City has responded to at least one major incident per year since 2018.

Including actual incidents and the complex exercises, the City has experience and is well prepared to respond to large scale incidents on short notice.





# 2022 Flood Response Exercise After Action Review

A review of the City's response to the 2022  
Flood Response Exercise

Fire & Emergency Services  
August 23, 2022



## Table of Contents

Introduction.....	3
Exercise Overview.....	3
Findings.....	3
Survey Results.....	3
Analysis of Objectives .....	6
Strengths.....	7
Initial Notification and Deployment .....	7
Tactical Operations.....	8
Evacuation Technology .....	8
Opportunities for Improvement .....	8
Incident Command System Principles .....	8
Technical Resources and Materials .....	8
Conclusion .....	9
 Appendix A: Attendance List .....	 10
Appendix B: Exercise Photos .....	12
Appendix C: Exercise Player Manual.....	14

## Introduction

An after action review (AAR) analyzes the management of or response to an incident, exercise, or event by identifying strengths to be maintained and built upon, as well as identifying potential areas of improvement. The City of Medicine Hat (City) conducts formal AARs following every large-scale incident or exercise and in response, generates a formal report to assist in improvement planning.

The AAR report provides an overview of the event (e.g. incident, exercise), the method of evaluation, associated findings, and an improvement plan.

## Exercise Overview

The 2022 Flood Response Exercise (Exercise) was designed as a functional exercise. A functional exercise simulates more than one incident location and requires exercise players to fill specific roles as if the incident were occurring; however, do not deploy actual resources to locations throughout the area. Three incident locations were simulated, including the individual responder locations throughout the area (completed using floor projection), the Emergency Operations Centre (EOC) which included all Command and General Staff, and a Reception Centre under the control of Emergency Social Services (ESS).

The Exercise was initiated through a formal notification to the City from the River Forecast Centre (RFC) followed by an emergency notification through the City's automated internal emergency notification system. Players were then requested to deploy and position resources as they would while utilizing the City's River Flood Response Plan. EOC injects occurred naturally through the deployment and movement of resources at the individual site level.

Although the exercise functioned as designed and all exercise objectives were evaluated, various exercise artificialities had minor negative impacts to the overall outcome of the player experience. Time jumps throughout the day caused the operational cadence of the exercise to be out of sync between the individual responder locations, the EOC, and the Reception Centre. This issue will be addressed in future functional exercises using additional exercise controllers and refined simulation cell procedures.

## Findings

Strengths and opportunities for improvement were identified throughout the Exercise. Both quantitative and qualitative assessments of the City's response was conducted through surveys of players, one-on-one interviews, general observations, and a formal hot wash at the conclusion of the Exercise. Although numerous strengths and opportunities for improvement were identified, only central themes have been included in the AAR.

## Survey Results

In total, 56 individuals participated in the exercise. This includes 54 exercise players, one exercise controller, and one Alberta Emergency Management Agency (AEMA) representative. 23 survey responses were received following the exercise. The survey requested participants to provide a quantitative assessment of their experience associated with the exercise design, feedback regarding strengths during the exercise, observations for areas of improvement, feedback on useful resources and additional resources for future exercises, and recommendations on how future exercises can be improved.

### Exercise Design

Participants provided the following feedback regarding the exercise design (based on percentage of responses per assessment factor):

Assessment Factor	Strongly Disagree			Strongly Agree	
Pre-exercise briefings were informative and provided the necessary information for my role in the exercise.	0%	0%	0%	39%	61%
The exercise scenario was plausible and realistic.	0%	0%	0%	26%	74%
Exercise participants included the right people in terms of level of seniority or experience and mix of disciplines.	0%	0%	4%	39%	57%
Participants were actively involved in the exercise.	0%	0%	4%	22%	74%
Exercise participation was appropriate for someone in my field with my level of experience/training.	0%	0%	4%	39%	57%
The exercise increased my understanding about, and familiarity with, the capabilities and resources of other participating organizations (if applicable).	0%	0%	0%	26%	74%
After this exercise, I am better prepared to deal with the capabilities and hazards addressed.	0%	0%	0%	43%	57%

### Observed Strengths

Participants provided the following written responses regarding the observed strengths (examples only):

- *"Great communication among team members, very focused audience. I have never participated in a tabletop exercise, but the realism of the functional exercise was like a real-life event".*
- *"High level of engagement, knowledge of the participants, good plans and processes."*
- *"A lot of experience in the room".*
- *"I felt there was some extremely talented staff that were in attendance and took off running full steam ahead. Dept SMEs brought their knowledge and expertise".*
- *"Knowing what an evacuation actually looks like from the human side".*
- *"The attempt to move through the Planning P. The right people were at the exercise".*
- *"One of the biggest things that I noticed was that people were very actively engaged in the exercise and had a vested interest in making it a success. It was also great to see the blend of old and new faces, with experienced participants mentoring and coaching the new folks. Knowing that it is a safe learning environment that focuses on process disconnects rather than judging peoples' performance really helps everyone to step out of their comfort zone and try new things without fear of repercussions — this aspect is critical to the success of the day".*
- *"It feels like more folks are there because they want to be better, feels like the team is creating positive momentum. I really like having the large orientation and then disperse into teams".*

### **Observed Areas for Improvement**

Participants provided the following written responses regarding the observed areas for improvement (examples only):

- *"Communication was the biggest breakdown. Many people that were not familiar with ICS. Need more training on forms".*
- *"Pre-develop processes (e.g. how to set-up a call centre)".*
- *"More 'stop and think' sessions. More familiarity with forms at the IAP. Better communication between Operations and Planning".*
- *"One place I would want to keep an eye on would be the planning section and resource people who maybe have information on where equipment is and what is being used. Knowing what is out there and what is being used would be important for me to know and I need to try to keep on that. If somebody needs a bus and I promise them but later found they have all been sent to help evacuations and I didn't know would be an example of a fail for me".*
- *"Communication gaps within Operations".*
- *"A central website (dashboard) that has the objectives and anticipated event details (anticipated flow rate, timeframe to peak) would be helpful (so as to ensure that we are not playing the game of telephone)".*
- *"We need to keep copies of emergency management plans in OneDrive or somewhere that does not require direct city network access".*

### **Observed Useful Exercise Materials and Suggested Materials for Future Exercises**

Participants provided the following written responses regarding which exercise materials were most useful and any additional materials or resources that would be useful for future exercises (examples only):

- *"The laminated wall charts were extremely useful for easily finding things at glance (ICS structure and names - to find the person to talk to; next meeting time; objectives; resources etc.). Planning received great feedback on the GIS tools used for the exercise".*
- *"Helpful to have all the supplies at hand. Difficult to print and scan documents (minimal access to equipment)".*
- *"The All-Hazards Incident Management Team Guide was very useful. The group I was working with referenced it throughout the day".*
- *"Provide additional AHIMT guides to everybody".*
- *"Additional dry erase wall documents for 'Meetings' (1 for Agenda and 1 for Times) 'Objectives' wall document (for dry erase markers). Allows the incident objectives to be displayed easily for everyone (It may be useful to create 2 documents for each one listed above). A photocopier/printer near/with the Documentation Leader. Separate rooms for each section would be ideal. Hearing everyone else and seeing the activity going on can be distracting. When we went and did the IC Briefing to set objectives, it was nice to have a quiet place on the couch".*
- *"I found the bins at the table to start off were beneficial. Having the support and some SME staff available to better understand the first few hours of work in the first operational period".*

### ***Observed Recommendations for Future Exercises***

Participants provided the following written responses regarding recommendations on how this exercise or future exercises could be improved or enhanced (examples only):

- *I had very productive conversation with Operations about tracking resources (people or vehicles). We have an existing technology (AVL – GeoTab and ArcGIS Tracker) that could be used in the future to assist with tracking resources.*
- *“Slow the exercise down next time”.*
- *“Bring in the players as it would occur in real life. In the flood exercise, if real-world is starting ground operations on day 2, then run the scenario like that. Have the sections come in and get everything they need ready. Ensure sections don't jump the gun and start doing tasks”.*
- *“I would suggest that having a stronger focus on the critical meetings (planning, tactics, etc.) would be of great value to ensure everyone understands them, what is needed to make them successful, and how they should occur”.*
- *“We need to determine the relevance and importance of sewer isolation valves (ie. Where are they, do the sweepers have to check if people have closed them and mark accordingly). There was a list of addresses in the response plan, and the first question by safety codes was “can we show these on a map?” I believe that we should leverage the technology and methodology used for construction and closures to show the public which areas and roads are closed due to flooding and/or flood mitigation measures”.*
- *“Everybody needs to be trained in at least ICS 300”.*
- *“It may have been good to have more working breakout spaces”.*

### **Analysis of Objectives**

The Exercise was planned and developed with the intent of meeting the pre-established objectives. Additional expectations were established to provide greater clarity to the objectives. The expectations were as follows:

- The simulated deployment and placement of resources as they would for the first operational period. As time permits, it is highly recommended that the field operations staff continue throughout the remaining days to verify the efficient use of resources; however, still maintain the placement of resources as they would for the first operational period to ensure alignment with other EOC functions (e.g. real time resource tracking). This also includes People Support functions (e.g. ESS, Evacuation).
- The development of a full Incident Action Plan for the next operational period.
- The real time tracking of resources and the display of an accurate common operating picture.
- Utilization of all Command, Planning, Logistics and Finance functions. This also includes the use of proper Incident Command System documentation.
- The use of all processes and plans to ensure objectives are met for future operational periods, including volunteer planning and management, evacuation planning and execution, etc.
- The declaration of a State of Local Emergency (simulation dependent on City Council availability).

The ability to perform each objective is identified in the following table. The evaluation is based on survey results, observations, and investigation of existing processes following the Exercise.

Objective	Performed without challenges	Performed with some challenges	Performed with major challenges	Unable to be performed
Utilize City resources effectively and efficiently for a river flooding event.		✓		
Effectively use the River Flood Response Plan, the Community Evacuation Plan, the Emergency Social Services Plan, the Crisis Communications Plan, and relevant department procedures and plans, including volunteer management.		✓		
Generate a complete and relevant Incident Action Plan for the next operational period.		✓		
Effectively use the Incident Command System for a river flooding event.		✓		
<b>Ratings Definitions:</b> <ul style="list-style-type: none"> <li>• <b>Performed without challenges:</b> The targets and critical tasks associated with the objective were completed in a manner that achieved the objective(s) and did not negatively impact the performance of other activities. Performance of this activity did not contribute to additional health and/or safety risks for the public or for emergency workers, and it was conducted in accordance with applicable plans, procedures, and regulations.</li> <li>• <b>Performed with some challenges:</b> The targets and critical tasks associated with the objective were completed in a manner that achieved the objective(s) and did not negatively impact the performance of other activities; however, opportunities to enhance effectiveness and/or efficiency were identified. Performance of this activity did not contribute to additional health and/or safety risks for the public or for emergency workers, and it was conducted in accordance with applicable plans, policies, procedures, regulations, and laws.</li> <li>• <b>Performed with major challenges:</b> The targets and critical tasks associated with the objective were completed in a manner that achieved the objective(s), but some or all of the following were observed: demonstrated performance had a negative impact on the performance of other activities; contributed to additional health and/or safety risks for the public or for emergency workers; and/or was not conducted in accordance with applicable plans, policies, procedures, regulations, and laws.</li> <li>• <b>Unable to be performed:</b> The targets and critical tasks associated with the objective were not performed in a manner that achieved the objective(s).</li> </ul>				

## Strengths

### Initial Notification and Deployment

The Exercise initiating event consisted of a formal notification from the RFC to the City regarding an impending flood incident. The initial notification and response steps as outlined the River Flood Response Plan (RFRP) worked as outlined including:

- RFC notification to 911 Dispatch;
- 911 Dispatch forwarding the RFC call to the on-call Deputy Director of Emergency Management (DDEM); and
- On-call DDEM issuing internal response notifications and facilitating an initial briefing with all respective City personnel.

Although challenges were experienced with the City's internal notification service provider, including a delayed call-out and confusion with the service provider at the onset of the request, the City's defined initial notification and response steps functioned as intended.

## Tactical Operations

City operational departments were well coordinated throughout the City's response to the Exercise. Operations Section staff, including City Assets, City Operations, Medicine Hat Power and Water, Parks and Recreation, Police, ESS, and Evacuation have robust processes and procedures to ensure an effective operational response is carried out. Throughout the exercise, it was observed that there is little to no concern related to an operational response to a flood related incident.

## Evacuation Technology

Throughout 2022, Fire & Emergency Services (FES) with the expertise from other City Departments developed a system to allow for real time identification of evacuation status. The system supports FES's goal to build upon a technology based common operating picture.

The results from the use and evaluation of the evacuation system were positive with minor opportunities for improvement. Overall, the system performed effectively with minimal user training required prior to field use.

## Opportunities for Improvement

### Incident Command System Principles

Although tactical operations were observed to be working as intended, incident management, specifically Incident Command System (ICS) use was identified as an opportunity for improvement. This was primarily identified with Operations Section staff and included the following observations:

- Confusion regarding meeting purpose (e.g. tactics, planning);
- Confusion regarding ICS form use and purpose; and
- Confusion regarding resource tracking and availability.

Following the Exercise, FES investigated past training opportunities specifically for operations-based staff. Past formal training was minimal and identified a gap between Operations and the remaining sections (i.e. Planning, Logistics, Finance).

**ACTION:** Revise the emergency management training matrix for all incident management personnel including Operations staff and City senior/middle management (e.g. ICS 300, Planning P Workshop).

### Technical Resources and Materials

Throughout the Exercise, current technical resources and materials were identified as either inconsistent with current City practices or were unavailable. Examples include:

- The City's Municipal Emergency Management Plan (MEMP) and ESS Plan did not reflect the current practices in place. This was known prior to entering the Exercise and was primarily due to known emergency management legislative changes coming into force in late 2022. Updates to the MEMP and ESS Plan were intentionally delayed for this reason.
- Critical written practices, including volunteer management and call centre management were either inaccurate or did not exist.

**ACTION:** Complete a full review and revision of the MEMP and ESS Plan to reflect current emergency management practices within the City. The review and revision will also include the review, revision and/or development of volunteer management and call centre processes.

## Conclusion

The 2022 Flood Response Exercise confirmed that the City is well positioned and resourced to effectively respond to a river flooding incident. Initial notification and response, tactical operations, and recent technology developments indicate that the City is focused on continuous improvement.

Although tactical operations were identified as a strength, the overall management of the incident requires improvement. ICS training and ICS principles in general do not dictate how an organization responds to an incident at the field-based level but rather assists with managing incidents of scale, including management by objectives, resource utilization, and accountability.



## **Appendix A: Attendance List**

Participant	Department/Agency
Merrick Brown	Fire & Emergency Services
Garry Dzioba	Alberta Emergency Management Agency
Ashley Wiebe	Corporate Communications
Terra Petryshyn	Corporate Communications
Jason Wheeler	Human Resources
Scott Carter	Strategy & Analysis
Camille Goodheart	City Solicitor's Office
Chad Eakins	Fire & Emergency Services
Paul Blasetti	Fire & Emergency Services
Scott Hanelt	Fire & Emergency Services
Pat Bohan	City Assets
Jeremy Petryshyn	City Assets
Carlie Collier	City Assets
Chris Coslovich	City Assets
Dave Genio	Parks & Recreation
Craig Maunder	City Assets
Stan Nowakowski	City Assets
Tory Coombs	Engineering
Brian Graham	City Assets
Al Pribyl	City Assets
Boyd Mostoway	Medicine Hat Power & Water
Grayson Mauch	City Operations
Shona Dickie	Community Development
Shantel Ottenbreit	Community Development
Scott Richter	Parks & Recreation
Trampas Brown	Community Development
Leslie Jerry	Community Development
Renee Fenwick	Parks & Recreation

Participant	Department/Agency
Melissa Stockton	Community Development
Elgin Mann JR	Planning & Development Services
Jennifer Utrera Barrientos	Community Development
Sandi Reimer	Community Development
Joe West	Medicine Hat Police Service
Garnet Decker	Fire & Emergency Services
Donna Medwed	Fire & Emergency Services
Melissa MacKenzie	Human Resources
Jaci Fox	Fire & Emergency Services
Nigel Forster	Business Transformation Office
Mike Tulis	Business Transformation Office
Laurie Schlachter	Community Development
Justin Brunelle	Business Transformation Office
Troy Bjelland	Fire & Emergency Services
Tibor Domian	Finance
Robbie Miller	Finance
Kara Brake	Parks & Recreation
Cal Conner	City Operations
Brian Schlachter	City Operations
Jeff Hoglund	City Operations
Kristen Young	Finance
Kade Kopec	Finance
Jaret Dickie	Strategy & Analysis
Anabell Marroquin	Community Development
Bonnie-Lou Yaroshko	Community Development
Leah Prestayko	Community Development
Rebecca Hirsch	Parks & Recreation
Ed Stiles	Parks & Recreation

## **Appendix B: Exercise Photos**



Operations Section staff shown evaluating resource placement and utilization.



Planning Section Chief shown facilitating an Operational Period Briefing.

## **Appendix C: Exercise Player Manual**



## PLAYER MANUAL

<b>Exercise Name</b>	2022 Flood Response
<b>Exercise Date(s)</b>	May 18, 2022
<b>Scope</b>	This exercise is a scenario-driven, operations-based functional exercise designed to test the effectiveness of relevant flood response plans and processes.
<b>Purpose</b>	The purpose of this exercise is to verify the City's ability to effectively respond to a high impact river flood event throughout the first operational period.
<b>Exercise Objectives</b>	<ul style="list-style-type: none"> <li>Assess the ability to utilize City resources effectively and efficiently for a river flooding event.</li> <li>Assess the effectiveness of the River Flood Response Plan, the Community Evacuation Plan, the Emergency Social Services Plan, the Crisis Communications Plan, and relevant department procedures and plans, including volunteer management.</li> <li>Assess the ability to generate a complete and relevant Incident Action Plan for the next operational period.</li> <li>Assess the ability to effectively use the Incident Command System for a river flooding event.</li> </ul>
<b>Point of Contact</b>	Merrick Brown Manager of Support Services City of Medicine Hat Phone: (403) 525-8686 Email: merbro@medicinehat.ca

## Table of Contents

Part 1 – General Information .....	4
Purpose.....	4
Goals.....	4
Exercise Objectives.....	4
Exercise Structure.....	4
Participant Roles and Responsibilities.....	5
Exercise Assumptions and Artificialities.....	5
No Duff .....	5
Part 2 – Exercise Tasks .....	6
Facility Use.....	6
Exercise Task Expectations .....	6
Part 3 – Post-Exercise Evaluation.....	6
Hot Wash.....	7
Participant Feedback Survey .....	7
After-Action Review .....	7
Improvement Planning.....	7
Part 4 – Schedule .....	7
Part 5 – Participant List.....	7
Appendix A – Participant Survey.....	9



## PLAYER MANUAL

### Part 1 – General Information

#### Purpose

The purpose of this exercise is to verify the City's ability to effectively respond to a high impact river flood event throughout the first operational period.

#### Goals

Exercise goals for this exercise include:

- Testing existing plans to prepare for, mitigate, respond to and recover from incidents.
- Increasing the effectiveness of coordination for plans and actions with agency partners.
- Strengthening the use of the Incident Command System for multi-operational period incidents.
- Identifying areas for improvement relative to specific objectives and core capabilities and use as the basis to develop an improvement plan.

#### Exercise Objectives

Although the general objectives for any exercise include basic training and familiarity with incident management processes, the overarching objectives for this exercise include:

- Assessing the ability to utilize City resources effectively and efficiently for a river flooding event.
- Assessing the effectiveness of the River Flood Response Plan, the Community Evacuation Plan, the Emergency Social Services Plan, the Crisis Communications Plan, and relevant department procedures and plans, including volunteer management.
- Assessing the ability to generate a complete and relevant Incident Action Plan for the next operational period.
- Assessing the ability to effectively use the Incident Command System for a river flooding event.

#### Exercise Structure

This exercise will be a scenario-driven, operations-based functional exercise. Throughout the exercise, the controller guides the players through the exercise by presenting major injects and minor injects.

- Major injects change the course of the exercise to meet the pre-established exercise objectives and typically affect all players within the exercise.
- Minor injects evaluate the skills of an individual position or section. They may also be used to ensure players are reasonably challenged. Minor injects are developed and distributed to the players as required.

The exercise begins with an initiating event that summarizes a key scenario event occurring within that timeframe. Following the initiating event, players will respond to the injects based on the position they are filling and as if the event was real.

At the conclusion of the exercise, the controller will moderate a hot wash/post-exercise review with the players. During the hot wash, players will have the opportunity to complete the Participant Feedback Survey. This form allows players to comment candidly on the key strengths and opportunities for improvement identified through the exercise discussions, as well as on the effectiveness of the exercise.

## PLAYER MANUAL

---

### Participant Roles and Responsibilities

The term participant encompasses several groups of people, not just those playing in the exercise. The following paragraphs describe the groups of participants involved in the exercise and their respective roles and responsibilities.

- **Players:** Players respond to the situation presented, based on expert knowledge of response procedures, current plans and procedures, and insights derived from training.
- **Controllers:** During an exercise, the controller(s) is/are responsible for moderating and keeping player actions focused on exercise objectives and core capabilities, and ensuring relevant issues are explored as thoroughly as possible within time constraints. Controllers may also provide situation updates and additional information. They will also resolve questions as required and evaluate player actions compared to the exercise objectives. Controllers will be identified with beige vests.
- **Observers:** Observers may observe any part of the exercise and may, at the request of the controller, evaluate and mentor players. Observers will be identified with beige vests.

### Exercise Assumptions and Artificialities

In any exercise, assumptions and artificialities may be necessary to complete play in the time allotted and/or account for logistical limitations. Exercise participants should accept that assumptions and artificialities are inherent in any exercise and should not allow these considerations to negatively impact their participation or perceptions.

The following assumptions apply to this exercise:

- The exercise is conducted in a no-fault learning environment wherein capabilities, plans, systems, and processes will be evaluated.
- Players respond to the injects and other exercise information from the perspective of their position, agency or organization's current policies, plans, processes, and capabilities.
- The exercise scenario is plausible, and events occur as they are presented in the scenario, allowing for artificialities. Players do recognize that satisfying the exercise objectives may require incorporation of unrealistic aspects (e.g., time jumps). Every effort has been made by the exercise design team to balance realism with exercise time constraints and to create an effective learning and evaluation environment.
- All players receive information at the same time.

### No Duff

If at anytime an actual emergency occurs throughout the day, any participant may call "No Duff" and the exercise will immediately pause, and an evaluation will occur. Participants should inform the controller who will then broadcast a "No Duff" message to all participants.

## PLAYER MANUAL

### Part 2 – Exercise Tasks

#### Facility Use

The exercise will begin with the initiating event, which is a formal notification from the River Forecast Centre. Utilizing the River Flood Response Plan and other relevant department procedures and plans, the exercise players will utilize three separate areas within the facility.

- **Outbanks Room:** This room is designated as the Emergency Operations Centre (EOC). For the purpose of a flood response and clarity within the Incident Command System, the EOC fulfills the function of the Incident Command Post. All command and control functions associated with flood response occurs through the EOC, including incident action planning. Command, Logistics, Planning, Finance, and various personnel within Operations will function from this room throughout the exercise.
- **Main Stage:** The main stage is designated for the field operations. Operations staff will place mini resources on the stage (floor projection) as they would be situated in a real event. The majority of Operations, with the exception of Emergency Social Services (ESS) will function from this room throughout the exercise.
- **Green Room:** This room is designated for ESS staff and will simulate a Reception Centre. ESS staff will conduct a walk through/talk through of activities associated with the event in real time.

#### Exercise Task Expectations

The exercise will simulate the first day of a flood response, beginning with initial notification. Expectations associated with the exercise include:

- The simulated deployment and placement of resources as they would for the first operational period. As time permits, it is highly recommended that the field operations staff continue throughout the remaining days to verify the efficient use of resources; however, still maintain the placement of resources as they would for the first operational period to ensure alignment with other EOC functions (e.g. real time resource tracking). This also includes People Support functions (e.g. ESS, Evacuation).
- The development of a full Incident Action Plan for the next operational period.
- The real time tracking of resources and the display of an accurate common operating picture.
- Utilization of all Command, Planning, Logistics and Finance functions. This also includes the use of proper Incident Command System documentation.
- The use of all processes and plans to ensure objectives are met for future operational periods, including volunteer planning and management, evacuation planning and execution, etc.
- The declaration of a State of Local Emergency (simulation dependent on City Council availability).

### Part 3 – Post-Exercise Evaluation

During the exercise discussion, capability gaps and opportunities for improvement may be identified and captured for discussion in the post-exercise debriefings and evaluation. The exercise findings and evaluation will be captured in the After Action Review (AAR) Report and provide the basis to formulate the corrective actions documented in the Improvement Plan.

## PLAYER MANUAL

### Hot Wash

At the conclusion of exercise play, the controller will moderate the hot wash as a brief and constructive review discussion. All participants must attend the hot wash. A hot wash provides an opportunity for exercise participants, immediately following the conduct of an exercise, to discuss strengths evidenced during the discussions and areas for improvement. It also allows controllers to seek clarification regarding player actions and decision-making processes. Players may also offer suggestions to improve future exercises.

### Participant Feedback Survey

Participant Feedback Surveys provide players with the opportunity to comment candidly on exercise activities and exercise design. The Participant Feedback Survey must be completed and submitted to the controller prior to leaving the facility.

### After-Action Review

The exercise design team will coordinate the evaluation of the exercise and the compilation of the AAR Report based on the findings compiled by the participant feedback forms, observations and notes. The AAR Report summarizes key information related to evaluation. The AAR primarily focuses on the analysis of core capabilities, including capability performance, strengths and areas for improvement. AAR Reports also include basic exercise information, including the exercise name, type of exercise, dates, location, participating agencies, specific threat or hazard, and a brief scenario description.

### Improvement Planning

Improvement planning is the process by which the observations recorded in the AAR Report are resolved through development of concrete corrective actions. Decision-makers can then prioritize and track the AAR observations as a part of a continuous corrective action program.

## Part 4 – Schedule

Time	Activity	Location
0830 hrs – 0915 hrs	Exercise orientation	Main Theatre
0915 hrs – 0930 hrs	Exercise initiating event	Cutbanks Room
0930 hrs – 1530 hrs	Exercise play (working lunch at approximately 1200 hrs)	Main Theatre, Cutbanks Room, Green Room
1530 hrs – 1600 hrs	Hot wash (post exercise evaluation)	Main Theatre

## Part 5 – Participant List

The following participant list should be considered as tentative and is subject to change at any point up to and during the exercise. Furthermore, for the purpose of training and skill development, multiple participants may fill one position and assist each other throughout the exercise (e.g. job shadowing).

## PLAYER MANUAL

Participant	Position/Operation
Merrick Brown	Exercise Controller
Garry Dzioba	AEMA – Agency Rep
Brian Staath	Incident Commander
Ashley Wiebe	Information Officer
Terra Petryshyn	Information Officer
Jason Wheeler	Safety Officer
Scott Carter	Liaison Officer
Jamie Freeman	Legal Officer
Chad Eakins	Operations Section Chief
Paul Blazetti	Operations Section Chief
Scott Hanelt	Operations Section Chief
Pat Bohan	Property Protection
Jeremy Petryshyn	Property Protection
Carlie Collier	Property Protection
Dave Genio	Property Protection
Craig Maunder	Property Protection
Stan Nowakowski	Property Protection
Tory Coombs	Property Protection
Brian Graham	Utility Protection - EU
Brian Strandlund	Utility Protection
Boyd Mostoway	Utility Protection - Plants
Grayson Mauch	Utility Protection
Shona Dickie	People Support - ESS
Shantel Ottenbreit	People Support - ESS
Scott Richter	People Support – Evac
Trampas Brown	People Support – Evac
Jaret Dickie	People Support - Evac
Anabell Marroquin	People Support - ESS
Bonnie-Lou Yaroshko	People Support - ESS
Leslie Jerry	People Support - ESS

Participant	Position/Operation
Donna Merkl	People Support - ESS
Renee Fenwick	People Support - ESS
Ed Stiles	People Support - ESS
Leah Prestayko	People Support
Rebecca Hirsch	People Support - ESS
Melissa Stockton	People Support - ESS
Elgin Mann JR	People Support
Jennifer Utrera Barrientos	People Support - ESS
Joanne Ellis	People Support - ESS
Donna Merkl	People Support - ESS
Sandi Reimer	People Support - ESS
Joe West	Security (Police)
Joe Cartwright	Planning Section Chief
Garnet Decker	Planning Section Chief
Donna Medwed	Resource Unit leader
Melissa MacKenzie	Resource Unit Leader
Jaci Fox	Situation Unit Leader
Nigel Forster	Situation Unit Leader
Mike Tulis	Situation Unit – GIS
Laurie Schlachter	Documentation Unit Leader
Justin Brunelle	Logistics Section Chief
Troy Bjelland	Logistics Section Chief
Tibor Domian	Supply Unit Leader
Robbie Miller	Supply Unit Leader
Kara Brake	Food Unit Leader
Cal Conner	Communications Unit Leader
Brian Schlachter	Ground Support Unit Leader
Lola Barta	Finance Section Chief
Kristen Young	Finance Section Chief
Kade Kopec	Finance Section Chief

Colour Legend

Incident Commander	Command Staff	Operations Section	Planning Section	Logistics Section	Finance/Admin Section
--------------------	---------------	--------------------	------------------	-------------------	-----------------------

## Appendix A – Participant Survey



## Participant Survey

Thank you for participating in this exercise. Your observations, comments, and input are greatly appreciated, and provide invaluable insight that will better prepare our community against threats and hazards. Any comments provided will be treated in a sensitive manner and all personal information will remain confidential. Please keep comments concise, specific, and constructive.

### Part I: General Information

Please enter your responses in the form field or check box after the appropriate selection.

**Name (optional):** \_\_\_\_\_

**Position Title (optional):** \_\_\_\_\_

**Agency Affiliation:** \_\_\_\_\_

**Exercise Role:** ☐ Player ☐ Controller ☐ Observer ☐ Evaluator

### Part II: Exercise Design

Please rate, on a scale of 1 to 5, your overall assessment of the exercise relative to the statements provided, with 1 indicating strong disagreement and 5 indicating strong agreement.

Assessment Factor	Strongly Disagree			Strongly Agree	
Pre-exercise briefings were informative and provided the necessary information for my role in the exercise.	1	2	3	4	5
The exercise scenario was plausible and realistic.	1	2	3	4	5
Exercise participants included the right people in terms of level of seniority or experience and mix of disciplines.	1	2	3	4	5
Participants were actively involved in the exercise.	1	2	3	4	5
Exercise participation was appropriate for someone in my field with my level of experience/training.	1	2	3	4	5
The exercise increased my understanding about, and familiarity with, the capabilities and resources of other participating organizations (if applicable).	1	2	3	4	5
The exercise provided the opportunity to address significant decisions in support of critical mission areas.	1	2	3	4	5
After this exercise, I am better prepared to deal with the capabilities and hazards addressed.	1	2	3	4	5

## PLAYER MANUAL

---

### Part III: Participant Feedback

1. I observed the following strengths during this exercise:

2. I observed the following areas for improvement during this exercise:



## PLAYER MANUAL

---

3. Which exercise materials were most useful? Please identify any additional materials or resources that would be useful for future exercises.

4. Please provide any recommendations on how this exercise or future exercises could be improved or enhanced.

# July 2022 Severe Wind Incident After Action Review

A review of the City's response to the July  
2022 Severe Wind Incident.

Fire & Emergency Services  
October 4, 2022

## Table of Contents

Introduction.....	3
Scope .....	3
Incident Overview.....	3
Findings.....	5
Strengths.....	5
Situational Awareness .....	5
Incident Command Roles and Responsibilities .....	5
Opportunities for Improvement .....	5
Interoperable Communications.....	5
Incident Resource Management .....	6
Conclusion .....	6
 Appendix A: City Operations After Action Report .....	 7

## Introduction

An after action review (AAR) analyzes the management of or response to an incident, exercise, or event by identifying strengths to be maintained and built upon, as well as identifying potential areas of improvement. The City of Medicine Hat (City) conducts formal AARs following every large-scale incident or exercise and in response, generates a formal report to assist in improvement planning.

The AAR report provides an overview of the event (e.g. incident, exercise), the method of evaluation, associated findings, and an improvement plan.

## Scope

The scope of the AAR is centred around incident management, rather than the technical and tactical response from each individual operation (e.g. City Operations, Parks & Recreation). Incident management includes, but is not limited to:

- Initial deployment and establishment of the Incident Management Team;
- Operations of the Incident Management Team;
- Emergency communications,
- Incident action planning and execution;
- Responder accountability and safety;
- Incident resource management; and
- Interoperable communication and collaboration between operations, City Senior Leadership, City Elected Officials, and regional partners (e.g. Alberta Health Services, Cypress County, Redcliff).

## Incident Overview

The July 2022 Severe Wind Incident (Incident) began on July 18, 2022 resulting in public and private damage to property and related infrastructure throughout Cypress County, Medicine Hat, and Redcliff. Through Environment and Climate Change Canada (ECCC), the incident was later re-classified as a EF-2 tornado. Winds associated with the incident reached 190 km per hour in Cypress County with a downburst moving directly through Medicine Hat and Redcliff reaching wind speeds of 150 km per hour.

The City's response to the incident started with a request for mutual aid assistance from Cypress County Fire. Medicine Hat Fire Operations responded to multiple damaged residential properties around the Holsom Road area shortly after 13:00. The downburst impacted Medicine Hat shortly after resulting in damaged City infrastructure, including electric distribution and transmission systems, trees, buildings and transportation routes. A formal request was made from City Operations to Fire & Emergency Services for the deployment of the City's Incident Management Team at approximately 13:45. An Incident Command Post, as defined in the Municipal Emergency Management Plan was established at the City Operations building in Brier Park at approximately 14:30 with City Operations maintaining command of the Incident.

At the onset of the incident, the Incident Command Post was focused primarily on life safety priorities. This included conducting rapid damage assessments of all infrastructure impacting life safety, repairing/restoring infrastructure that directly impacted the life safety of residents, and creating redundancy plans should infrastructure not be repaired/restored (e.g. cooling centres, temporary housing for the most vulnerable residents). The redundancy plans were not required as infrastructure required for life safety was repaired/restored within the first 24 hours of the incident.

Over the next 48 hours, the Incident Command Post adjusted their priorities in accordance with the pre-established Incident Command System (ICS) priorities in order of importance, including life safety, incident stabilization, and the protection of property and the environment. The use of ICS for all municipalities in Alberta is mandated by the Executive Director of the Alberta Emergency Management Agency (AEMA). Once it was determined that a threat to one of the three ICS priorities could not be determined by the Incident Command Post, the City's Incident Management Team was demobilized and transitioned recovery efforts to City Operations.

Although City Operations manages multiple outage incidents in any given year, this incident was unique for the following reasons:

- **Severity:** Most wind related incidents that City Operations responds to results from wind speeds between 100 km per hour to 130 km per hour. This incident reached speeds of approximately 150 km per hour with a downburst pattern causing severe damage in a short period of time. The last known incident with wind speed that approached the July 18, 2022 wind speeds occurred during the October 2017 plow wind with observed wind speeds reaching close to 140 km per hour.
- **Seasonality:** Historically, Medicine Hat experiences the highest wind speeds in October of each year. Although high wind speeds are not desirable at any time of the year, experiencing high winds in October decreases the overall impact to Medicine Hat residents due to less foliage on trees and comfortable outdoor temperatures. The incident impacted Medicine Hat when foliage was full and outdoor temperatures exceeded 37°C during daytime periods.

Furthermore, the declaration of a State of Local Emergency (SOLE) was available through the City; however, the extraordinary powers available through a SOLE were not required. Extraordinary powers available, but not required, includes the ability to:

- Acquire or utilize any real or personal property considered necessary to prevent, combat or alleviate the effects of an emergency or disaster;
- Authorize or require or make an order to authorize or require any qualified person to render aid of a type the person is qualified to provide;
- Control or prohibit or make an order to control or prohibit travel;
- Provide for or make an order to provide for the restoration of essential facilities and the distribution of essential supplies and provide, maintain and co-ordinate or make an order to provide, maintain and co-ordinate emergency medical, welfare and other essential services;
- Order the evacuation of persons and the removal of livestock and personal property that is or may be affected by a disaster and make arrangements for the adequate care and protection of those persons or livestock and of the personal property;
- Authorize the entry into any building or on any land, without warrant, by any person in the course of implementing an emergency plan or program;
- Cause the demolition or removal of any trees, structures or crops if the demolition or removal is necessary or appropriate in order to reach the scene of a disaster, or to attempt to forestall its occurrence or to combat its progress;
- Procure or fix prices or make an order to procure or fix prices for food, clothing, fuel, equipment, medical supplies, or other essential supplies and the use of any property, services, resources or equipment for the duration of the state of emergency; or
- Authorize the conscription or make an order for the conscription of persons needed to meet an emergency.

## Findings

Strengths and opportunities for improvement were identified during and following the incident. Assessments of the City's response were conducted through electronic surveys of incident personnel, group discussions, one-on-one interviews, and general observations. Although numerous strengths and opportunities for improvement were identified, only central themes have been included in the AAR.

## Strengths

### Situational Awareness

Due to the widespread impact to property and infrastructure coupled with the intensity of the incident, establishing an accurate common operating picture was critical to progressing to further objectives, including repairing/restoring infrastructure required for life safety. Within 16 hours of the incident, a full common operating picture was displayed which included the location of all damaged property and infrastructure.

The common operating picture allowed operations to prioritize infrastructure for restoration and in some cases, total replacement. The priority of the repair/restoration of the infrastructure followed the same pre-established ICS priorities used to establish objectives, including life safety, incident stabilization, and the protection of property and the environment.

### Incident Command Roles and Responsibilities

The primary purpose of using ICS during large scale incident response is to eliminate the silos that naturally exist between operational groups within organizations and between organization where multiple organizations are participating in the response efforts. ICS also allows for operational groups to operate more efficiently by removing non-operational tasks from them and re-directing these tasks to another group embedded within the ICS structure.

Upon formalizing the Incident Command Post very early in the response phase, the City and other supporting organizations were able to expedite response activities. This relied on individuals and organizations to clearly understand emergency response roles and responsibilities that differ from routine operational roles and responsibilities, including reporting relationships and job responsibilities.

## Opportunities for Improvement

### Interoperable Communications

Interoperable communications occurs when one operational group communicates with another operational group working in the same area or on the same objective. Interoperable communications during a response can also occur between two organizations that may be impacted by the same event; however, still need to communicate primarily based on geography. The success of interoperable communications occurs when communications are clearly understood and received between operations or organizations; whereas, errors in interoperable communications can cause competing and at times, opposing response objectives.

Opportunities for improvement with interoperable communications were identified following the City's unintentional, unauthorized use of a Cypress County road. The City directed industrial workers to this road when it was identified that Box Springs Road was impassible. Although Cypress County provided the City with a representative to attend the City's Incident Command Post, this action was not clearly communicated to the Cypress County representative.

**ACTION:** In coordination with Cypress County and the Town of Redcliff, review and revise the pre-defined interoperable communication process embedded within the Regional Emergency Management Plan.



## Incident Resource Management

Incident resource management refers to the ability to use resources (e.g. people, equipment, materials) in the most effective manner to meet the current objectives for the time. This is also reliant on the ability to obtain these resources, deploy these resources to the identified location, and track them to verify that they are meeting the objectives. Opportunities for improvement related to incident resource management were identified in the following two instances:

- The City's Incident Command Post experienced a minor operations-based silo throughout the incident. City Operations responds to, and effectively mitigates multiple outages per year without requiring a formal Incident Command Post. Recognizing the severity of this incident, it was required; however, challenges were experienced with City Operations fully integrating into the Incident Command Post. This created challenges related to resource management.
- External parties did not fully understand the City's priorities and response objectives. This caused confusion related to internal operational timelines, external expectations, and public communications.

**ACTION:** Develop a documented, hazard-specific severe weather response plan. Although this plan is currently a component of the Municipal Emergency Management Plan, a separate severe weather response plan should be built out to include a concept of operations for each severe weather hazard (e.g. snow, wind, heat), known priorities, and pre-established triggers based on severity. Impacted stakeholders will be invited to participate in the development and/or review of the documented plan.

## Conclusion

The July 2022 Severe Wind Incident identified that Medicine Hat is not immune to severe wind incidents, including tornadoes. The incident also identified that the City is capable of quickly transitioning from a routine operational model to a cross-organizational response model, incorporating both internal and external operational support. Although the City continues to effectively respond to both small and large scale incidents, opportunities for improvement identified through this incident will be actioned appropriately,

## **Appendix A: City Operations After Action Report**



# RESPONSE REPORT



## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>TH</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 1 / 11

### SCOPE

This report contains information for a major event that impacted reliability on Monday, July 18<sup>th</sup>, 2022, in the City of Medicine Hat's Electric Distribution Service Area. The contents of the report are consistent with reporting and record keeping requirements for system reliability.

## 1 OVERVIEW

### 1.2 Weather Event

- 1.2.1 On July 18, 2022, an EF-2 tornado touched down about 10 km southwest of Redcliff, bringing a wind speed of up to 190 km/h. The tornado was followed by a downburst – a strong downward and outward wind system – rated at EF-1 with winds up to 150 km/h that tracked northeast across portions of Redcliff and Medicine Hat.

### 1.3 Storm Impact

- 1.3.1 Severe winds resulted in the failure of ~97 power poles and associated transmission and distribution infrastructure which resulted in widespread outages and ~67,000 customer-hours of interruption.

**Figure 1a. Medicine Hat Area Storm Clouds on July 18, 2022**





## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

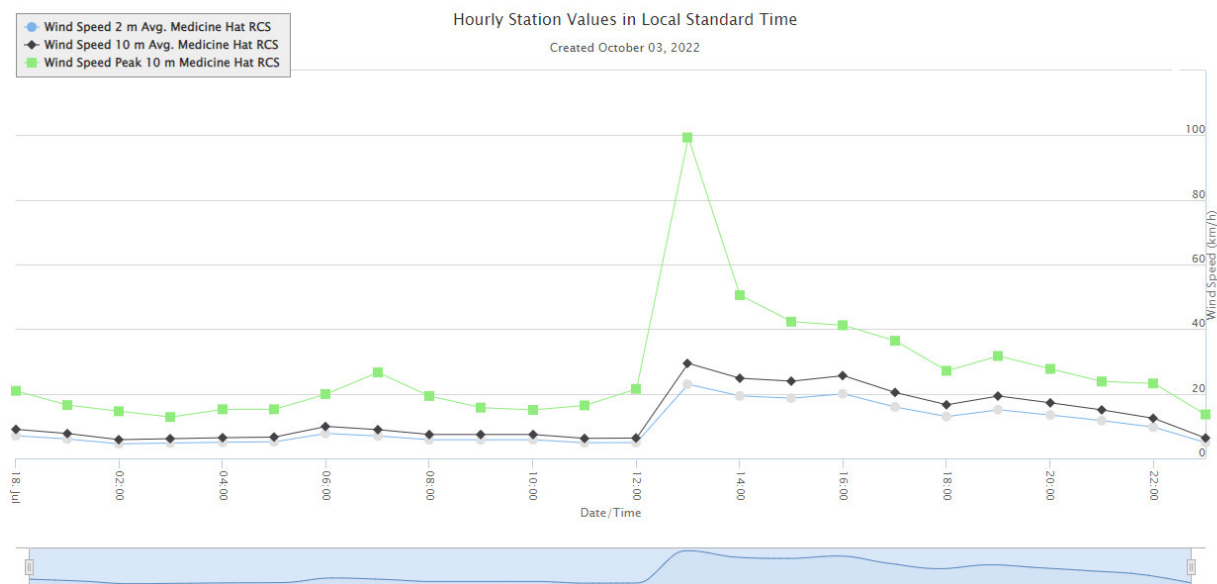
Page 2 / 11

## 2 PRIOR TO MAJOR EVENT

### 2.2 Forecasting & Alerts

- 2.2.1 There was no weather alert issued by Environment Canada.
- 2.2.2 Wind gusts jumped rapidly near 13:30 hours without warning or lead-up.

**Figure 2a. Hourly Wind Speeds As Recorded from Weather Station on July 18, 2022**



### 2.3 Staffing Levels

- 2.3.1 No warning was given, as such arrangements were not made to increase staffing levels, availability, or plan for impacts to the hours of service.
- 2.3.2 Minimum Operational coverage requirements were maintained on day of event as per internal protocol.



## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 3 / 11

### 3 DURING MAJOR EVENT

#### 3.2 Extreme Winds

3.2.1 On July 18, 2022, at approximately 13:20

- a. An EF-2 tornado touched down ~10 km southwest of Redcliff, with wind speeds of up to 190 km/h.
- b. The tornado was followed by a downburst – a strong downward and outward wind system – rated at EF-1 with winds up to 150 km/h that tracked northeast across portions of Redcliff and Medicine Hat.

3.2.2 Adverse weather and extreme winds caused substantial damage to power poles and vegetation, which in turn further damaged overhead distribution wires and equipment.

3.2.3 A Northern Tornadoes Project (NTP) ground and drone survey was completed for Cypress County and Redcliff. For an interactive map summarizing their findings, refer to link here: <https://ntpopendata-westernu.opendata.arcgis.com/apps/cypress-county-redcliff-ab-event-summary-map/explore>

#### 3.3 Impact on Electric Utility Infrastructure and Public Safety

3.3.1 During the initial event there were 2 separate locations with members of the public trapped in vehicles with downed power lines on the vehicle. Multiple lines of various potential voltages were on the ground in multiple locations placing the public and first responders at risk until lines could be verified isolated and grounded. A streetlight also fell onto the highway with traffic approaching at highway speeds. Other risks to the public and responders came from broken/damaged electrical infrastructure and/or tree limbs that created zones with overhead dropping/falling hazards.

3.3.2 High level impact of overhead distribution failed and/or damaged assets

- a. 1 Substation Transformer and the related protection systems/devices (Further testing/evaluation ongoing);
- b. Various substation equipment and protection systems are being evaluated;
- c. 97 Broken Power Poles;
- d. ~4,100 meters of Transmission and Distribution Overhead Power Line Conductor;
- e. ~500 meters of Secondary Overhead Line Conductor;
- f. ~1,400m of Fiber Optic Cable;
- g. 5 Pole-mounted Transformers;
- h. 1 Street Light

3.3.3 The City of Medicine Hat has 10 substations, of those 2 are regulating substations and 3 are Transmission only. Of the 5 Distribution Substations 40% (2) were taken offline as a result of the damaged overhead infrastructure immediately impacting system capacity, switching logistics and restoration availability.

3.3.4 The City of Medicine Hat has a total of 11 Transmission lines connecting the substations. Of those, 36% of total Transmission lines were out of service with substantial asset damage impacting contingency scenarios typically in place. The 2 substations that were isolated by the event had all 3 connecting circuits (or 100%) of system redundancy impacted that required extensive repairs.



## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

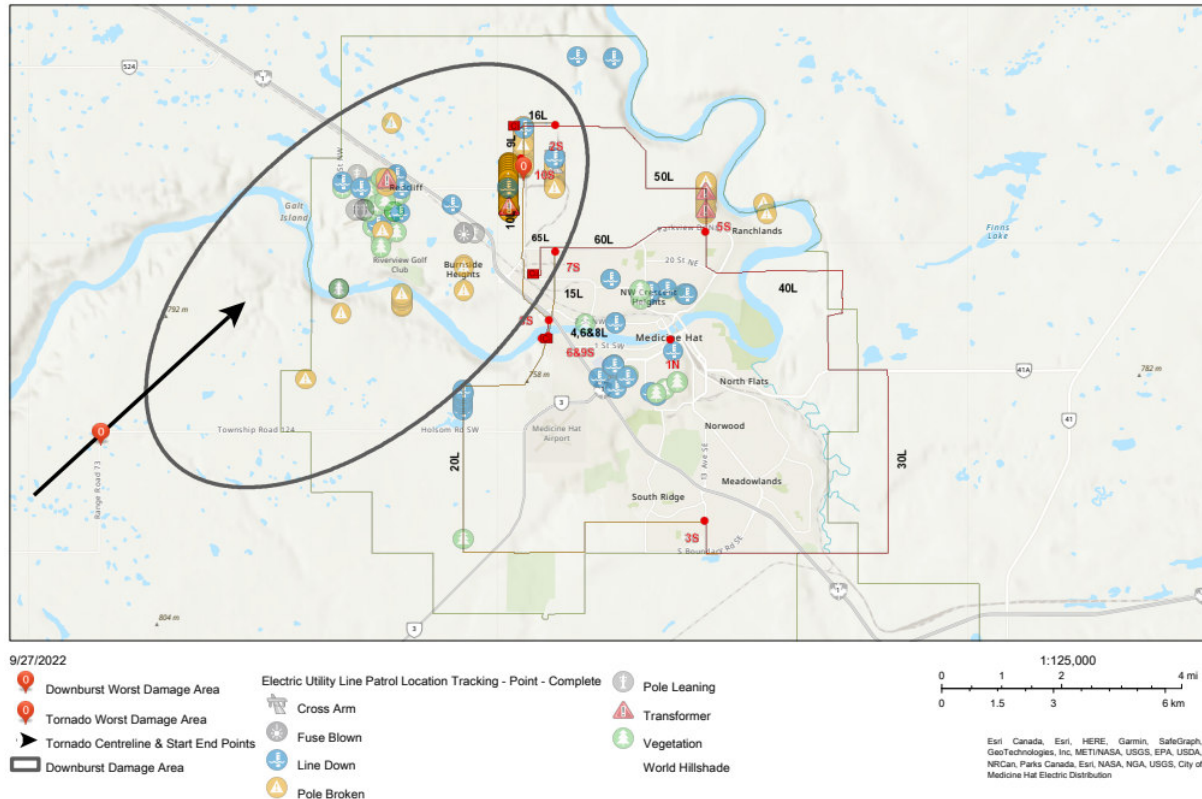
EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 4 / 11

- 3.3.5 CMH Substations were subjected to transient fault conditions on both the high and low sides of the power transformers during this event. As a result, some assets saw radical changes in power factor and capacitance that are currently being evaluated to determine if any further action is required.

**Figure 3a. Damage Tracks (As Confirmed by NTP) with Assessed Damage to Overhead Electric Assets**



### 3.4 Impact on Customer Reliability

- 3.4.1 Approximately 5,825 customer meters were interrupted during the Major Event. This represents approximately 18% of the total customer base.
- 3.4.2 Power was restored to 90% of the customers who were interrupted approximately 20 hours later at 09:30 hours.
- 3.4.3 The total outage hours for the full storm period was approximately 67000 Cust-Hrs.
- 3.4.4 A period of rolling blackouts were forced to occur around 14:30 hours July 19<sup>th</sup> to prevent overloading contingency scenario that was put in place.
- 3.4.5 There were areas damaged from the storm that experienced outages on the days after the storm, which are also included in this Major Event.
- 3.4.6 Distribution repairs were completed for the final residential customer on July 23<sup>rd</sup> at 22:54.



## ADVERSE WEATHER (EXTREME WIND)

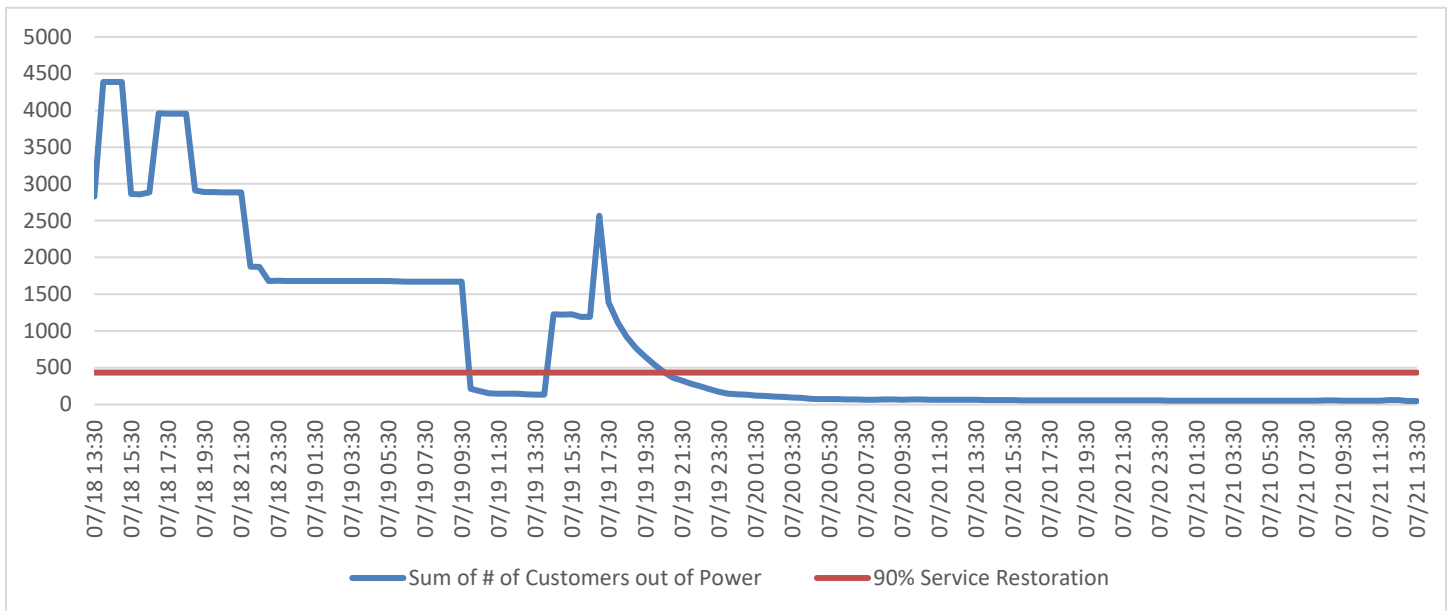
JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 5 / 11

**Table 2a. Total Sum of Customer Out of Power (First 72 Hours)**



### 3.5 Communication and Outreach

- 3.5.1 The City of Medicine Hat issued estimated times of restoration and relevant updates on public safety via its various social media platforms and public facing website.
- 3.5.2 Between July 18-25, City of Medicine Hat issued the following types of updates for customers:
- Status updates on restoration efforts, including customer counts;
  - Safety tips, especially relating to downed wires;
  - Reminders and messaging to help keep field crews safe;
  - Damage assessments and challenges in the field (damage to electrical equipment, fallen trees and wires, etc.); and
  - Breakdowns of the restoration process.
- 3.5.3 Local TV news outlet CHAT News interviewed various members of incident command and subject matter experts regarding the major event. Articles can be found at <https://chatnewstoday.ca/>.

### 3.6 Damage Assessment & Restoration of Service

- 3.6.1 Damage assessment is the critical first step in restoring service effectively. All available field personnel were immediately dispatched to outage locations to evaluate the extent of damage and respond to any public safety hazards (i.e. downed lines and vital roadway clearing).



## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

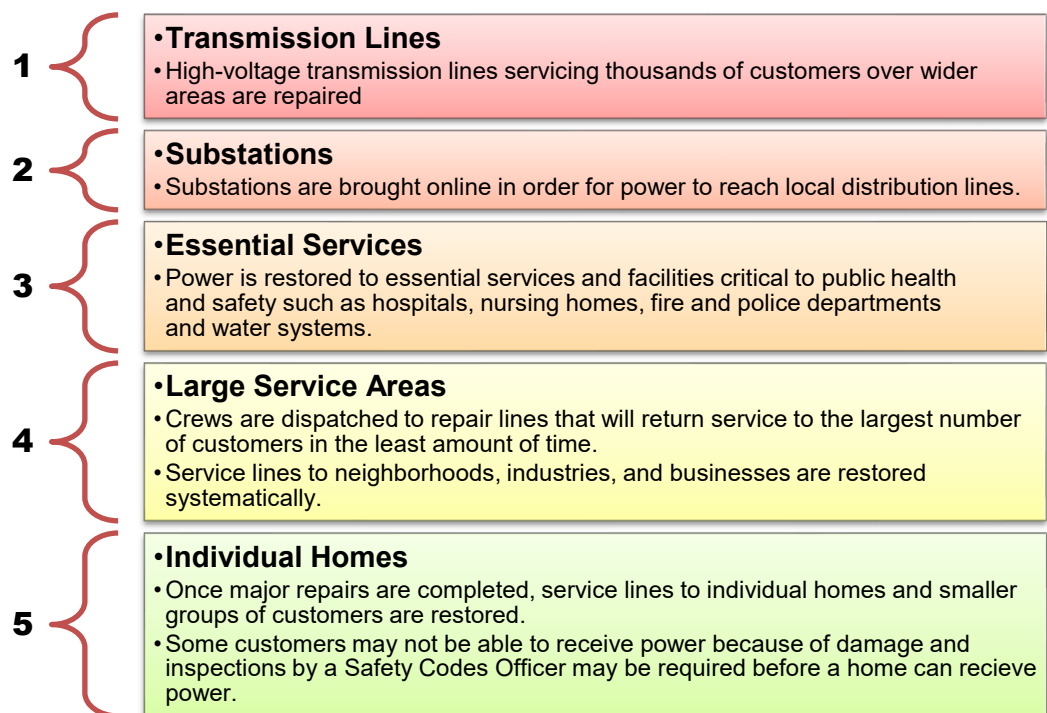
EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 6 / 11

- 3.6.2 Assessed damage details were sent to Electric Command Operations and was aggregated on an ArcGIS Map along with the applicable Electric Infrastructure and shared with Overall Incident Command and the Electric System Control Centre. Electric Command used this information to provide an estimate of the overall extent of the damage and what would be required to complete the necessary repairs.
- 3.6.3 Assessed damage and customer information from the Outage Management System (OMS) was combined with other relevant information present to determine service restoration priorities.
- 3.6.4 In order to ensure power was restored in a safe and effective manner, the restoration hierarchy as listed below in Figure 3b drove the way crews were dispatched.
- 3.6.5 Note, order of restoration often overlaps, and repairs efforts in lower priorities often commence while work is still under way in higher priority categories.

**Figure 3b. Priority Steps During Restoration**





## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 7 / 11

### 3.7 Labour & Equipment Shortages

- 3.7.1 All available Operations field staff responded with reporting and public safety initiatives. As the event occurred during peak vacation time, this number expanded as the event progressed and staff became available.
- 3.7.2 Due to the scope and magnitude of this Major Event, minimum coverage requirements were not sufficient and external crews were brought in for support.
- 3.7.3 External support labour was provided by contractors and utility peers such as ATCO, FORTISAB, City of Lethbridge, Nixon, Hydrodig, C&K, RONCO and NIWA Crane.

### 3.8 Material Shortages

- 3.8.1 Inventory levels are set to be able to absorb certain levels of increased demand for emergency purposes. However, the scale of the event could not have been forecasted and material shortages did occur requiring emergency Purchase Orders to be issued.
- 3.8.2 Material support was provided by vendors and distributors including Anixter, EECOL, Guillevin, Stella Jones, Domino High Voltage, Rexel, Westburne, K-Line and Cooper/EATON.

### 3.9 Field Worker Impacts

- 3.9.1 SCADA notifications alerted the Electric Distribution Operations team of simultaneous outages affecting thousands of customers at 13:24 hours. Initially Electric Operations Command had no information about the severity of the system impact – only that 4 transmission lines, multiple feeders and 2 entire distribution substations were without power or in alarm.
- 3.9.2 The incident command structure was enacted, and crews called back to base. Staff were reorganized into response teams and redeployed to assess damage and respond to unsafe conditions.
- 3.9.3 When response teams began assessing the extensive damage the Operations Manager determined the electrical event required additional resources and requested the City Operations Director to escalate the event to level 3 of the City's Incident Command System and calls for outside assistance were made.
- 3.9.4 Customer service representatives received an overwhelming number of calls regarding not only outages, but also incidents where compromised electrical infrastructure posed critical safety risks to the public. These scenarios were prioritized and included a motorist trapped with conductor on their vehicle and a pole with attached conductors that had fallen onto a RV.





## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 8 / 11

- 3.9.5 The ongoing restoration required CMH Electric Operations to remain in its command structure (after the initial incident command structure disbanded) for 2 weeks with extended working hours. All normal electric operations ceased. This included locators (alberta1Call), high loads, scheduled construction work and safety supervision for third party excavation in proximity to powerlines.
- 3.9.6 With portion of Fiber lines damaged the control room had no visibility of affected assets and field crews were tasked with manual operation and verification of status. This additional step impacted both the time for restoration and required information submission to the Alberta Electric System Operator.
- 3.9.7 The average daytime temperature was 37.7°C. This coupled with the average 18-hour days, created unique challenges for the Health and Safety of the crews resulting in the following mitigation strategy for heat-related illnesses:
- a. Activating the Fatigue Management Procedure and Process
  - b. Self monitoring
  - c. Cooling break plans
  - d. Hydration deliveries
- 3.9.8 Electric workers understand and place controls for the hazards related to storm restoration work. Part of the hazard mitigation required road closures and lane reductions for traffic and pedestrians. Multiple instances of the public moving barricades, driving into work zones exposed workers to risks and damaging equipment and materials. Additional resources to assist in traffic control had to be deployed.

## 4 AFTER THE MAJOR EVENT

### 4.2 Review Process

- 4.2.1 An After-Action Review process was conducted following Electric Operations response to the Major Event. This process engaged stakeholders who participated in restoration activities to review the response, identify any opportunities for continuous improvement and action these opportunities as applicable.
- 4.2.2 Further review of communication methods, crew deployment strategies, and key switch locations as a result of this adverse weather storm is underway.
- 4.2.3 A review of near misses and incidents during the event identified:
- a. Downed line public/responder risk. (11190, 11208)
  - b. Motor Vehicle Collision impacting restoration resources. (11036, 11039)
  - c. Worker stung by a wasp. (10993)
  - d. Dielectric oil releases. (11001, 10999, 10997)
  - e. Impacted system control/monitoring assets (10959, 11169, 11191, 11220, 11233, 11168, 11206, 11218, 11219, 11192)
  - f. Revenue meter installation impacts. (11019, 11021, 11121, 11221, 11018)
  - g. Control system communication outage (11170)
  - h. Property damage (11123, 11126, 11291)





## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 9 / 11

- i. Hours of Service Impacts (11147, 11158)
- j. Grass fire near rebuilt lines (11189)
- k. Heat impact to workers (11207)
- l. Traffic risk to workers (11144, 11143, 11145)
- m. Material/tool Impacts (11112, 11195, 11196, 11193)
- n. Internal communication/resourcing (11199, 11210)

### 4.3 Call to Action

- 4.3.1 Electric Operations will expand the Power Restoration Response Process to include non-Electric Operations staff from City Operations that may be called to assist in restoration efforts in support roles with:
  - a. defined roles and expectations;
  - b. reference to required training;
  - c. established processes; and
  - d. communication strategies.
- 4.3.2 All power lines damaged in the weather event met the CSA weather loading construction requirements for the region. The Utility is reviewing and evaluating alternative construction materials. The Utility is also evaluating the design criteria and standards to potentially reflect greater level of climate resiliency on critical feeders.
- 4.3.3 Continue asset renewal program and fund necessary upgrades or improvements where needed to minimize reliability impact of events such as Adverse Weather.
- 4.3.4 Provide damage assessment and hazard response training for all those potentially called upon in an emergency event, specifically non-Power Line Technician field staff within Electric Operations.
- 4.3.5 Evaluate grid modernization technology to increase operational effectiveness during the Major Events.
- 4.3.6 Evaluate mutual aid assistance opportunities with peer utilities and 3<sup>rd</sup> party contractors.
- 4.3.7 Review Inventory levels and critical spare availability.
- 4.3.8 It cannot be assumed the public understands the risk associated with downed power lines as identified when a member of the public moved a downed power line out of a roadway prior to electric crews arriving on site. Messaging regarding staying clear of lines is communicated during events and year-round as part of a hazard awareness strategy. Review messaging and work with corporate communications to improve information acquisition through repetition.



## ADVERSE WEATHER (EXTREME WIND)

JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 10 / 11

### 5 APPENDIX

#### 5.2 Lessons Learned

- 5.2.1 Hotel Charges were unexpectedly high in some instances for out-of-town workers.
- 5.2.2 Material Availability: in addition to already low levels of some types of material with supply chain issues, there were not enough critical spares for multiple transmission line failures. This should be modelled, and minimum emergency material supplies updated.
- 5.2.3 Communication with Control Room: due to physical limitations of space, the communication strategy should be evaluated to ensure that the System operator and the Incident Commander are always in sync.
- 5.2.4 Tools Shortages: due to the severity of cascade failures, Electric Operations did not have enough stringing tools and relied on our partners to supply us with the proper tooling to facilitate reconductoring. Additionally, there were not enough temporary ground chains.
- 5.2.5 Critical Substation assets were impacted, and further evaluation is required.
- 5.2.6 The distribution line cascade failures all utilized 795 ACSR conductor. The increased capacity of the conductor should be evaluated against the liability of the added weight.
- 5.2.7 Training Simulation: in conjunction with ERP, plan for outage simulations with large groups of staff to simulate large, multi feeder outage events to determine best course of actions and find gaps.
- 5.2.8 Operations was able to perform switching operations to restore power to the customers in an efficient manner thanks to the benefits seen in the Outage Management System (OMS).
- 5.2.9 System monitoring and operation of automated/remote devices significantly reduced the impact of the event.
- 5.2.10 Reliable communications with field staff ensured successful operation of manual equipment



## ADVERSE WEATHER (EXTREME WIND)

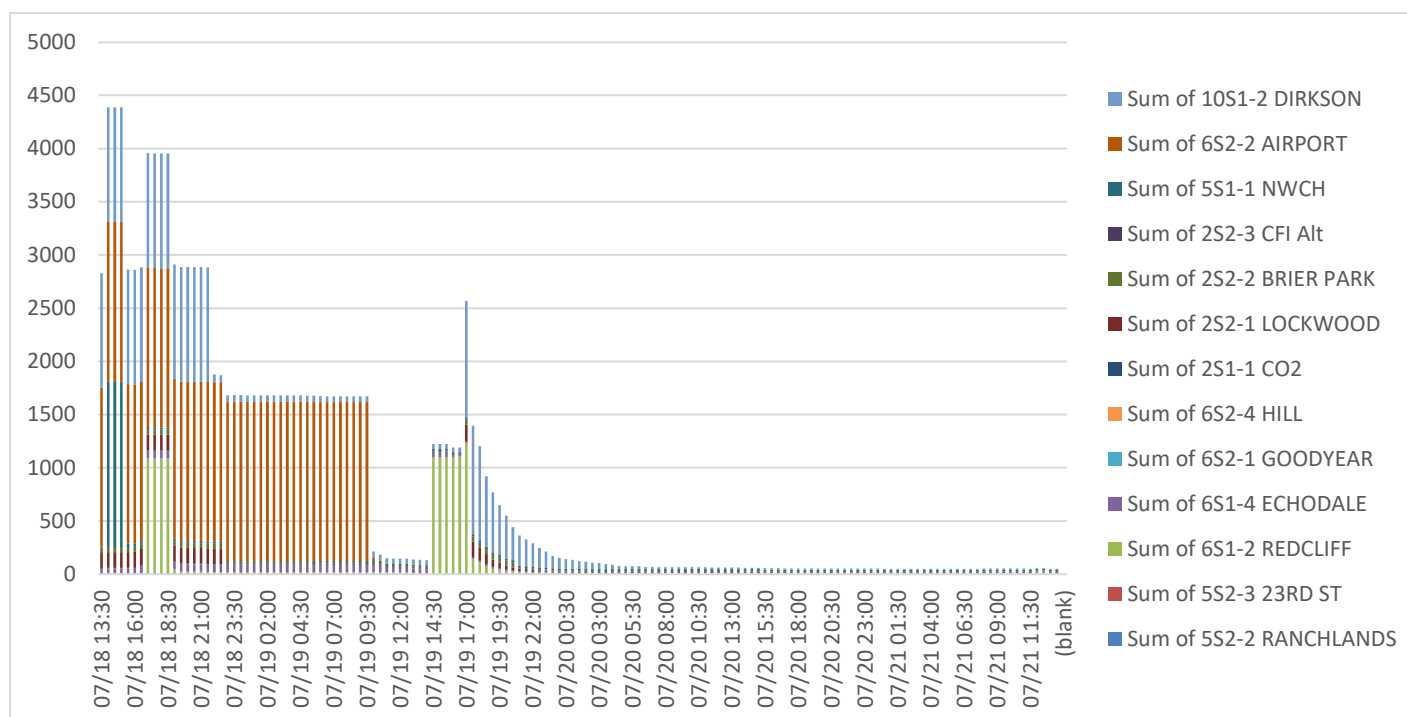
JULY 18<sup>th</sup>, 2022

EO-MRR-001.00-e

Date Filled: 2022/10/06

Page 11 / 11

Figure 5a. Feeder Outages and Restoration Times



### CHAT News:

- <https://chatnewstoday.ca/2022/07/18/extreme-weather-whips-through-medicine-hat-and-area-homes-destroyed/>
- <https://chatnewstoday.ca/2022/07/18/tornado-touches-down-heavy-hail-in-southeastern-alberta/>
- <https://chatnewstoday.ca/2022/07/19/clean-up-underway-after-powerful-storm/>
- <https://chatnewstoday.ca/2022/07/19/approximately-100-residents-still-without-power/>
- <https://chatnewstoday.ca/2022/07/19/cypress-county-families-suffered-tremendous-loss-in-storm-says-cao/>
- <https://chatnewstoday.ca/2022/07/19/holsom-road-residents-devastated-by-summer-storm/>
- <https://chatnewstoday.ca/2022/07/20/county-mapping-shows-scope-of-storms-destructive-path/>
- <https://chatnewstoday.ca/2022/07/20/storm-caused-considerable-damage-at-echo-dale-says-city/>
- <https://chatnewstoday.ca/2022/07/21/cleanup-underway-after-summer-storm-sweeps-through-echo-dale-park-2/>
- <https://chatnewstoday.ca/2022/07/24/environment-canada-confirms-tornado-touched-down-near-redcliff/>
- <https://chatnewstoday.ca/2022/07/25/a-long-narrow-path-and-evidence-of-rotation-tornado-and-downburst-to-blame-for-storm-damage/>
- <https://chatnewstoday.ca/2022/07/25/trees-damaged-in-storm-fall-power-knocked-out-to-some-south-of-city/>
- <https://chatnewstoday.ca/2022/07/25/county-extends-storm-response/>
- <https://chatnewstoday.ca/2022/07/26/city-continuing-repair-on-electrical-infrastructure-damaged-by-storm/>

# ENERGY & INFRASTRUCTURE COMMITTEE MEETING MINUTES

Thursday, October 20, 2022

Medicine Hat Power & Water - 1502 Powerhouse Road SW

3:33 P.M.

---

**PRESENT:** Councillor A. Van Dyke, Chair  
Councillor R. Dumanowski, Vice-Chair  
Councillor A. McGrogan  
Mayor L. Clark, Ex-Officio

**ALSO PRESENT:** B. Maynes, Managing Director, Energy & Infrastructure  
G. Mauch, Director, City Operations (*remote attendance*)  
P. Bohan, Director, City Assets  
B. Mostoway, Director, Medicine Hat Power & Water  
B. Bullock, City Solicitor (*remote attendance*)  
R. St. Jean, Public Relations Advisor  
A. Nelson, Chief of Staff  
T. Petryshyn, Corporate Communications Specialist  
J. Anderson, Executive Assistant

A Safety Briefing was provided to those in attendance due to the meeting taking place at Medicine Hat Power & Water.

## 1. MANAGING DIRECTOR'S SERVICE AREA UPDATE – VERBAL

Managing Director Maynes provided updates in relation to the following:

1. Commodity Pricing – An expensive winter is ahead (around the world, not just in our community) as it relates to electricity. The electricity price may rise to as high as \$0.21 per kilowatt hour in January. Most coal plants are now converted to natural gas with only 1,200 MW of coal left in three plants (one of which is shut down), so coal is having little effect on pricing. Next spring, electricity is predicted to see relief, decreasing to the \$0.10-\$0.12 range.

Natural Gas was trading at \$1.75/GJ on Thursday in what is typically considered the shoulder-season and seasonal maintenance time for gas production. The predictions see pricing in the \$5-6 range this winter and down to \$3-4 in spring.

2. Gas Odour – On Wednesday, October 19, 2022, during bi-yearly seasonal maintenance, new odorant was injected into the gas stream near Saamis Heights, resulting in 24 calls to report gas odour from residents in the south end of the city. Each residence was checked for hazards and cleared. This was a part of regular operations and there was no cause for concern.
3. 3<sup>rd</sup> Street SE – Preparations are underway to plan for critical water and sewer upgrades on 3<sup>rd</sup> Street SE downtown in the next two-three years and options are being considered related to a potential dedicated bike lane in the downtown. The project will include full excavation of the roadway and may be disruptive. Staff will work closely with affected businesses and residents to ensure business continuity, access, and support occur throughout the duration of the project.
4. Solid Waste – It is now wood grinding season, and the mulch will be combined into the regular composting activity.
5. Medicine Hat Regional Airport – Rosewood Bistro has opened Rosewood Café in the terminal at the airport to serve travellers. The current hours of operation are Wednesday through Sunday from 9:00 AM to 1:30 PM.

6. Carry Drive SE Road Project – The roadway reopened to the public. The meridian that was added at the corner of Southview Drive and Carry Drive allows for a new left-turn lane. This was not immediately clear until the lines were painted, therefore, some confusion occurred from motorists in the area, and this has hopefully now been alleviated.
7. Service Standards Manual – Staff are continuing to work through steps to implement a minimum 200-amp electrical service in new builds.
8. Alberta Pound & Rescue Centre – The new building is currently at the drywall stage and is expected to be ready for occupancy next summer. Some of the existing structures at the location will be demolished this fall.
9. 533 First Street SE – This building which is located across the street from City Hall is in the final stages of construction and will be ready for occupancy in December. This office space will be utilized by City staff.
10. Project Clear Horizon – Staff are making presentations about the project at conferences like the Society of Petroleum Engineers and a Southeast Alberta Economic Growth Summit at the Medicine Hat College.
11. EV Charging – The City of Medicine Hat received a provincial grant from the Municipal Climate Change Action Centre (MCCAC) in Alberta for 46% of eligible cost up to a maximum of \$70,000 towards Electric Vehicle (EV) chargers. There will be two level-2 chargers (four parking spots) placed in Towne Square and one level-3 charger (two parking stalls) at the Esplanade. The chargers can be relocated in the future, if required.
12. Upcoming Presentations – Two presentations will come forward to Committee related to Gas Wells in our Backyard and the Asset Management Program.

Managing Director Maynes expressed appreciation for the support received.

Committee expressed appreciation both for the information provided and for staff efforts in all areas.

**INFORMATION**

## **2. COMMITTEE OUTSTANDING ITEMS**

**[APPENDIX A]**

Committee reviewed the current Outstanding Items List, attached as Appendix A. No further items were added to the list.

Staff continue to work on these matters and information will be provided in due course.

**INFORMATION**

**There was not a Closed session.**

### **Adjournment**

The meeting adjourned at 4:05 P.M.

**RECEIVED BY CITY COUNCIL**

November 7, 2022

**Arlene Karbashewski, City Clerk**



# Public Services Committee

## MEETING MINUTES

Monday, October 24, 2022

City Hall, Boardroom 2-1

8:00 A.M.

---

**PRESENT:** Councillor R. Robins, Chair  
Councillor A. Van. Dyke, Vice-Chair  
Councillor A. Knodel (*attended remotely*)  
Mayor L. Clark, Ex-Officio (*attended remotely*)

**ALSO PRESENT:** Dr. G. Feltham, City Manager  
B. Mastel, Managing Director of Public Services  
B. Bullock, City Solicitor (*attended remotely*)  
L. Prestayko, Director of Community Development  
J. Will, Director of Parks and Recreation  
B. Stauth Fire Chief and Director of Fire & Emergency Services (*attended remotely*)  
S. Schwanzenberger, Director of Human Resources (*attended remotely*)  
C. Graham, Director of Corporate Communications  
A. Nelson, Manager of Cultural Experiences & Events (*attended remotely*)  
G. Williams, Manager of Organizational Effectiveness (*attended remotely*)  
R. St. Jean, Public Relations Advisor (*attended remotely*)  
L. Perry, Executive Assistant

### 1. LAND ACKNOWLEDGEMENT

### 2. TRUTH AND RECONCILIATION RECOMMENDATIONS – STAFF RESPONSE

#### APPENDIX A

Mr. Mastel provided an overview, explaining City Council received the Truth and Reconciliation Recommendations Committee's (TRRC) *Walking the Path to Truth and Reconciliation: 2022-2025* report and directed staff to prepare a plan outlining actions and resources required to implement the recommendations. Mr. Mastel indicated staff have completed that work (see Attachment 1 of Appendix A) and developed recommended actions for the 2023 year (also denoted by grey shading in the appendix).

Mr. Mastel clarified staff did not address some of the recommendations such as Council advocacy, Council training and Mayoral proclamations as these items are within City Council purview and can be accomplished with little additional involvement or resources from administration.

Following robust discussion, the Public Service Committee recommends **THAT CITY COUNCIL APPROVES THE FOLLOWING ACTIONS FOR 2023:**

- **DEVELOPMENT OF A DIVERSITY, EQUITY AND INCLUSION POLICY AND FRAMEWORK TO ESTABLISH CLARITY AND DIRECTION FOR THE CITY CORPORATION.**
- **DEVELOPMENT/SOURCING OF TRAINING GROUNDED IN THE DIVERSITY, EQUITY AND INCLUSION POLICY AND FRAMEWORK RELATED TO**

**INDIGENOUS HISTORY, ANTI-RACISM AND INTERCULTURAL AWARENESS.**

- **IN CONSULTATION WITH MEMBERS OF THE INDIGENOUS COMMUNITY, REVIEW THE CITY'S STATEMENT OF ACKNOWLEDGEMENT, RECOGNITION AND RESPECT AND THE ASSOCIATED PROTOCOL FOR USE.**
- **CONTINUED EFFORTS TO REPATRIATE INDIGENOUS REMAINS TO MEDICINE HAT FROM THE UNIVERSITY OF ALBERTA FOR BURIAL IN THE HILLSIDE CEMETERY.**
- **RECRUITMENT AND ONBOARDING OF A COMMUNITY INCLUSION COORDINATOR TO SUPPORT TRAINING, PROGRAMMING, CONSULTATION AND RELATIONSHIP BUILDING AS WELL AS PROVIDE ADVICE AND GUIDANCE ON CULTURAL MATTERS. THE POSITION WILL PROVIDE OPPORTUNITY TO PROMOTE TRUTH AND RECONCILIATION AND INCREASE EFFORTS TO PROMOTE MEDICINE HAT AS A WELCOMING AND INCLUSIVE COMMUNITY.**
- **ESTABLISHMENT OF A TRUTH AND RECONCILIATION ADVISORY BOARD (TRAB), INCLUDING TERMS OF REFERENCE FOR CITY COUNCIL APPROVAL, TO CONTINUE DIALOGUE AND CREATE A FORUM TO REVIEW, MONITOR AND ACHIEVE PROGRESS ON WALKING THE PATH TO TRUTH AND RECONCILIATION: 2022-2025. AS PART OF THE ANNUAL PLANNING FOR THE NEXT CALENDAR YEAR, THE TRAB WILL EVALUATE PROGRESS AND SUGGEST GOALS FOR THE UPCOMING YEAR.**

**ADOPTION**

**3. CITY OF MEDICINE HAT MONARCH THEATRE**

**APPENDIX B**

Mr. Mastel introduced this item advising in January 2022, the City issued an Expression of Interest and receiving responses from a number of interested parties. The City entered negotiations directly with a proponent interested in acquiring the facility. Negotiations were unsuccessful in arriving at terms mutually agreeable to both parties.

Mr. Mastel explained Management is now recommending staff be directed to prepare and issue a Request for Proposal (RFP), as doing so would clearly outline evaluation criteria and describe the City's preferences that would receive higher ratings. Mr. Mastel outlined scoring dimensions and indicated that while the RFP process is underway, the City will continue to maintain the Monarch Theatre in a capacity to allow safe occupancy and operations. The facility will be opened for public use and programming on a limited basis to offer entertainment opportunities to the community.

Following discussion, the Public Services Committee recommends **CITY COUNCIL DIRECT MANAGEMENT TO:**

- A) PREPARE AND ISSUE A REQUEST FOR PROPOSAL ('RFP') AND EVALUATE SUBMISSIONS USING THE FOLLOWING CRITERIA:**
  - I. INTENDED USE (EVALUATION WEIGHTING OF 30%) – SEEK ACTIVITIES THAT PROMOTE VIBRANCY AND COMMERCE IN THE DOWNTOWN.**



IDEALLY, THOSE ACTIVITIES ENHANCE ENTERTAINMENT OPPORTUNITIES AND EMPLOYMENT FOR COMMUNITY RESIDENTS.

- II. FINANCIAL OBLIGATIONS OF THE CITY (EVALUATION WEIGHTING OF 40%) – SEEK TO MAXIMIZE PROCEEDS OF SALE AND MINIMIZE/ELIMINATE ONGOING FINANCIAL CONTRIBUTIONS OF THE CITY, BOTH OPERATING AND CAPITAL. ALTHOUGH BUILDING SALE WILL NOT BE REQUIRED, IT WILL BE A STATED PREFERENCE AND BE CAPTURED AS SUCH IN THE EVALUATION PROCESS.
  - III. ORGANIZATIONAL CAPACITY AND EXPERIENCE (EVALUATION WEIGHTING OF 30%)– CORPORATE HISTORY INCLUDING FINANCIAL PERFORMANCE, EXPERIENCE DELIVERING UPON INTENDED USE AND MANAGING FACILITIES.
  - IV. ALIGNMENT WITH DEVELOPMENT PLANS AND PRESERVATION OF HISTORIC HERITAGE SIGNIFICANCE – SEEK COMMITMENT TO PRESERVING THE HISTORICAL HERITAGE OF THE BUILDING (MANDATORY).
- B) INCLUDE WITHIN THE RFP REQUIREMENTS, AND RESULTING CONTRACTUAL AGREEMENT(S), PROVISIONS TO PROTECT THE HISTORICAL HERITAGE OF THE FACILITY AND MAINTAIN COMMERCIAL ACTIVITIES CONSISTENT WITH THOSE OUTLINED WITHIN THE PROPOSAL.
  - C) UNTIL A FUTURE OPERATING MODEL IS ESTABLISHED, CONTINUE TO MAINTAIN THE MONARCH THEATRE IN A CAPACITY TO ALLOW SAFE OCCUPANCY AND OPERATIONS. THE CITY WILL OPEN THE FACILITY FOR PUBLIC USE AND PROGRAMMING ON A LIMITED BASIS TO OFFER ENTERTAINMENT OPPORTUNITIES TO THE COMMUNITY. STAFF WILL LOOK FOR OPTIONS TO ALIGN WITH DOWNTOWN EVENTS OR COMMUNITY ACTIVITIES THAT CAN BE BOLSTERED BY ACTIVITIES AT THE MONARCH THEATRE. IT IS EXPECTED THE LEVEL OF ACTIVITY WILL BE ON AVERAGE ONE EVENT EVERY FOUR TO SIX WEEKS.

**POST MEETING NOTE:**

Committee was incorrectly advised the Historic Designation primarily protected the exterior façade. There are a number of interior elements identified as historically significant and are protected by the current bylaw.

**ADOPTION**

**4. MANAGING DIRECTOR'S SERVICE AREA UPDATE - VERBAL**

Managing Director Mastel provided updates in relation to the following:

- 1. Monarch Theatre Halloween Activities – The Rocky Horror Picture Show is an interactive movie experience taking place at the Monarch Theatre on Friday, October 28, 2022 at 7:30 p.m. Tickets are available for purchase at tixx.ca.
- 2. Medicine Hat Curling Club – Mr. Mastel explained the Curling Club building is the oldest recreational facility in the city, and the original slab is still in place. Leaks in the brine line caused start-up activities to be discontinued. Work is underway to determine the extent of the repairs required, but Management expects, due to the age of the ice slab and nature of the issues, any remedial action will be short-term in

nature and it is likely some or all of the ice sheets will not be available for operations without significant maintenance or replacement. The facility is owned by the Curling Club, while the City owns the land. The club has 400 members and offers youth programming. Management will continue to monitor this matter and update Committee as appropriate.

3. Fire Prevention Week, October 9-15, 2022 – Mr. Mastel summarized Fire and Emergency Services endeavors to raise awareness and provide education on fire prevention efforts.

Committee extended appreciation for the information provided.

**INFORMATION**

#### 5. COMMITTEE OUTSTANDING ITEMS

#### APPENDIX C

Staff continue to work on existing matters as outlined in Appendix C and will provide an update to Committee as appropriate.

**INFORMATION**

#### 6. ADJOURNMENT

The meeting adjourned at 9:20 A.M.

**RECEIVED BY CITY COUNCIL**

November 7, 2022

\_\_\_\_\_  
**Arlene Kerbashewski, City Clerk**

## BRIEFING NOTE

## DECISION

TRUTH & RECONCILIATION RECOMMENDATIONS –  
STAFF RESPONSE

OCTOBER 19, 2022

**ISSUE:**

On July 4, 2022, City Council received the Truth and Reconciliation Recommendations Committee's (TRRC) Walking the Path to Truth and Reconciliation: 2022-2025. The document recommends actions the City of Medicine Hat can take over a multi-year period to promote reconciliation and build stronger relationships between the City and Indigenous peoples.

City Council received the report and directed staff to develop a high-level plan outlining steps, milestones and resources required to implement the TRRC's recommendations for City Council's consideration. In developing the plan, staff prioritized activities and considered factors for success, including policy requirements and resources and are recommending actions to be taken in 2023. Staff's recommendations do not cover TRRC items such as Council advocacy, Council training and Mayoral proclamation as those items are within City Council purview and can be accomplished with little additional involvement or resources from administration.

**RECOMMENDATION:**

It is recommended through the Administrative Committee and the Public Services Committee that City Council approves the following actions for 2023:

- Development of a Diversity, Equity and Inclusion policy and framework to establish clarity and direction for the City corporation.
- Development/sourcing of training grounded in the Diversity, Equity and Inclusion policy and framework related to Indigenous history, anti-racism and intercultural awareness.
- In consultation with members of the Indigenous community, review the City's Statement of Acknowledgement, Recognition and Respect and the associated protocol for use.
- Continued efforts to repatriate Indigenous remains to Medicine Hat from the University of Alberta for burial in the Hillside Cemetery.
- Recruitment and onboarding of a Community Inclusion Coordinator to support training, programming, consultation and relationship building as well as provide advice and guidance on cultural matters. The position will provide opportunity to promote truth and reconciliation and increase efforts to promote Medicine Hat as a welcoming and inclusive community.
- Establishment of a Truth and Reconciliation Advisory Board (TRAB), including Terms of Reference for City Council approval, to continue dialogue and create a forum to review, monitor and achieve progress on Walking the Path to Truth and Reconciliation: 2022-2025. As part of the annual planning for the next calendar year, the TRAB will evaluate progress and suggest goals for the upcoming year.

**COUNCIL STRATEGIC PRIORITY:**

Community Wellness

5.3 Ensure that the City's actions reflect our commitment to honouring the Indigenous people in Medicine Hat and their past, present and future.

**KEY RISKS:**

**Health, Safety and Environmental Impact:** N/A

**Financial Impact:**

Funding Request:	No	
Budgeted Item:	No	
Funding Explanation:		
Budget Amendment Form?	No	

Financial impacts will be dependent upon City Council's decision on which recommendations to implement. See Attachment #1 for estimated costs, including funding sources and identification of which have been incorporated into the draft 2023-24 operating budget. Additionally, some

recommendations are dependent upon resources being approved through the 2023-2024 budget, including new Permanently Established Positions to support Human Resources' training team.

Other recommendations would be subject to future budget approvals, such as the hosting of the Provincial Indigenous Games.

**Legal / Policy Impact:**

The TRRC recommendations have touchpoints with many City of Medicine Hat (City) policies and procedures, including but not limited to:

- 0144 Heritage Resources Policy
- 0155 Municipal Facility, Roadway and Community Naming Policy
- 0158 Archives, Art Gallery and Museum Mandate Policy
- 0165 Public Participation Policy
- 8014 Learning and Development Policy

Other guiding documents include but are not limited to:

- Statement of Acknowledgement, Recognition and Respect
- Collections Management Procedure

Notably, the City does not have an Equity, Diversity and Inclusion policy. A policy and related procedures would establish clarity and strategic direction in these areas, providing an anchor to ground learning and development opportunities related to Indigenous history, anti-racism and intercultural awareness. Moving forward with training in these areas without an articulated policy, may result in a missed opportunity to connect and communicate strategic alignment.

**Public Implications:**

The TRRC was established to work collaboratively with Indigenous peoples to create a plan to address the spirit of the Calls to Action. These collaborative efforts resulted in the TRRC recommendations and describe efforts to promote reconciliation between the City and Indigenous peoples. Consideration for and implementation of TRRC recommendations will assist in developing trust between municipal government institutions and Indigenous peoples residing in Medicine Hat.

**BACKGROUND:**

In 2015, the Truth and Reconciliation Commission of Canada (TRC) released its final report with 94 Calls to Action to redress the legacy of residential schools and advance the process of Canadian reconciliation. The 94 Calls to Action include Calls directed at federal, provincial, and municipal levels of government, separately and collectively.

In August 2021, City Council approved the Community Vibrancy Advisory Board (CVAB) establishing an ad hoc committee to develop a plan, for City Council consideration, to address the spirit and intent of the TRC report and Calls to Action. The TRRC Terms of Reference and membership were approved by City Council on December 6, 2021. Membership included five CVAB members and seven public members. Membership was updated in 2022.

In June 2022, following a review of the Calls to Action directed at municipal governments and at all levels of government collectively, the TRRC finalized recommendations. The TRRC's recommendations were achieved by consensus decision making. The recommendations of the TRRC were forwarded to the June 22, 2022, CVAB meeting for their consideration.

The Public Services Committee meeting of June 27, 2022 received the Walking the Path to Truth and Reconciliation: 2022-2025 recommendations through CVAB for adoption. The Public Services Committee recommended that Council direct Management to prepare a plan outlining:

- Next steps and measurable milestones;
- Relevant considerations; and
- Resources required to make progress on recommendation outlined.

This motion was adopted at the Medicine Hat City Council meeting of July 4, 2022.

The recommendations were shared with multiple departments with a request to contribute to the high-level plan, including Human Resources, Parks and Recreation, Corporate Communications, Planning and Development, and Community Development.

The delivery of recommendations to City Council fulfills the TRRC's terms of reference as a CVAB ad hoc committee. An event was held October 12, 2022 to celebrate the work of the committee and promote continued relationship building and learning.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS**

1. *Proceed to implement all of the recommendations as presented by the TRRC.* A phased approach with a manageable scope will better allow for continuous improvement with sustainable results, allowing the organization to focus resources, take action and evaluate impact. This option would also require significant resources, both new and diverted and would preclude staff from completing other work relevant to City Council's strategic direction.
2. *Implement mandatory Indigenous based training for all staff, such as the 4 Seasons Reconciliation course.* If implemented as is, specifically without the development of a Diversity, Equity and Inclusion policy to anchor the work, efforts may not take hold as well as desired and make little sustainable impact.
3. *Recruit and onboard an Indigenous Relations Advisor.* This position would provide leadership and advice on Indigenous matters, cultures, and protocols; support training and education efforts; promote relationship building; and coordinate events and activities to support awareness initiatives. Similar positions are held at Medicine Hat College, Medicine Hat Public School Division and Medicine Hat Catholic Board of Education, where focus is also on providing direct supports for Indigenous students. Expectation from TRRC was that this position would be held by an individual with Indigenous descent.
4. *Provide no additional human resources to support implementation of Council approved TRRC recommendations.* This option would preclude staff from completing other work relevant to City Council's strategic direction, including focus on general community well-being, community partnerships and inclusion.
5. *Create a Truth and Reconciliation Committee as a subset of the Community Vibrancy Advisory Board (CVAB).* This option would limit focus on Indigenous matters and limit time and opportunity for necessary discussion in a culturally appropriate fashion. An opportunity exists to link a TRAB with CVAB through membership appointments as established in TRAB's Terms of Reference if desired.
6. *Do not establish a TRAB.* A TRAB will help advance and provide a forum for continued consultation on TRRC recommendations not approved for focus in 2023. Additionally, a TRAB will provide a forum for ongoing operations (road naming), for matters as they arise and for continued relationship building and learning.
7. *Cease discussions with University of Alberta to repatriate remains held by the University to Medicine Hat.* Discoveries of unmarked graves at former residential school sites has led to greater awareness of the residential school system and increased calls for reconciliation efforts, including repatriation of remains. Staff from the City and University are working together to establish a plan, which will include consultation with local Indigenous communities, to repatriate remains to Medicine Hat in a manner which is culturally sensitive and appropriate.
8. *Mayoral proclamation, Council advocacy and Council training.* Staff have not provided recommendations on these pieces of the TRRC report as they are within City Council purview and can be accomplished with little additional involvement or resources from administration.

**IMPLEMENTATION PLAN:**

The implementation of Council approved TRRC recommendations will require resources to be assigned, human and financial. Depending on which recommendations City Council chooses to approve, work may need to be re-prioritized, budget amendments may be required for 2022 and/or budget requests for 2023-2024 may need to be updated. Action on the plan, phased or otherwise, will be monitored and evaluated, with annual reports to City Council.

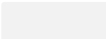
<b>PREPARED BY &amp; DATE:</b>	Leah Prestayko, Director, Community Development	October 13, 2022
<b>REVIEWED BY &amp; DATE:</b>	Brian Mastel, Managing Director, Public Services	
<b>APPROVED BY &amp; DATE:</b>	Brian Mastel, Managing Director, Public Services	
<b>ATTACHMENTS:</b>	Attachment #1 – Response to TRRC’s Walking the Path to Truth and Reconciliation: 2022-2025	

Response to Truth and Reconciliation Recommendations Committee's  
Walking the Path to Truth and Reconciliation: 2022-2025

RECOMMENDATION	ACTION	COST	BUDGET WINDOW
<b>Education and Training</b>			
1. Mandatory Indigenous developed and delivered education for City Council and City staff, including but not limited to: (Call 57) a. Local and national history of Indigenous peoples; b. Treaties, Indigenous treaty rights and inherent rights; c. History and legacy of residential and day schools; d. History and general overview of the Truth and Reconciliation Commission of Canada, the Commission's principles for reconciliation, and the 94 Calls to Action; and e. e. History and general overview of the United Nations Declaration on the Rights of Indigenous Peoples	4 Seasons of Reconciliation online training course from e-learning producer Reconciliation Education and the First Nations University of Canada.	\$65,000  (Training implementation dependent upon approval of new staff requested through 2023-24 HR budget.)	To be funded through the Corporate Training Reserve. No additional budget allocation required for 2023.
2. Mandatory skills-based training for City staff in anti-racism and general intercultural awareness and competency. (Call 57)	Unconscious Bias Training from the Canadian Diversity Initiative. Leader and staff training available.  Cultural Awareness and Anti-Racism Training - Anti-Racism Education, and Understanding and Mitigating Bias from the Centre for Race and Culture - Prejudice Habit-Breaking training from the University of Wisconsin	Leaders approx. \$100,000 / All Staff approx. \$50,000  Leaders approx. \$100,000 / All Staff approx. \$100,000	To be funded through the Corporate Training Reserve. No additional budget allocation required for 2023.

Grey shading indicates items recommended by administration for inclusion in 2023 Business Plan.

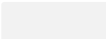
3. Opportunity for all City Council members and Executive staff members to participate in a blanket exercise and take part in an Indigenous led tour of the Saamis Tepee. (Call 57)	Blanket Exercise - offer twice early in a City Council term.  Saamis Tepee Tour - offer twice within a City Council term.	Blanket Exercise \$1,500 X 2 = \$3000  Saamis Tepee Tour \$2,000 x 2 = \$4,000	
<b>Recognition and Awareness</b>			
1. Review the City's Statement of Acknowledgement, Recognition and Respect in consultation with Indigenous members of the community. Update content and protocol as determined by the consultation process.	Convene a group including Indigenous members to review and reflect on the City's Statement of Acknowledgement, Recognition and Respect and guidelines/protocols for use. Incorporate training and tools to support individuals to personalize land acknowledgements.	\$5,000	Included in draft 2023/24 budget
Document and share local Indigenous history, which may include:			
a. Collecting and sharing the history and impact of residential schools, day schools and industrial schools; (Call 75)	Develop an accessible narrative regarding the local residential school, disseminated through a communication resource for public, schools, etc., interpretive signage (including a bench for reflection), and other small publications.	\$5,000	
b. Posting information on local Indigenous history on City website;	Develop web pages dedicated to local Indigenous history and the City's efforts to support Truth and Reconciliation.	N/A	
c. Protection and preservation of archeological discoveries and artefacts; and	Develop a framework to promote archeological preservation and interpretation, including identifying provincial and municipal roles and responsibilities and how both levels of government can best work together.	\$40,000 to contract support from external expert.	
d. Repatriation of Indigenous remains.	Work with University of Alberta to have remains repatriated to Medicine Hat. City to manage reburial and co-host repatriation event.	\$30,000	Included in draft 2023/24 budget
Celebrate and showcase Indigenous history, peoples, and cultures, which may include:			

 Grey shading indicates items recommended by administration for inclusion in 2023 Business Plan.

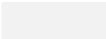
a. Annual Mayoral proclamation of Healing and Reconciliation Week;	Mayor to issue proclamation recognizing Healing and Reconciliation Week.	N/A	
b. Facilitating, supporting, and promoting Indigenous cultural opportunities, for residents and visitors;	Facilitate and promote Indigenous cultural opportunities through Museum, Art Gallery, Entertainment, Event, Archive and programming activity. Explore further interpretation of the Saamis Archaeological Site in partnership with stakeholders.	Programming to be covered through operating budgets. Future interpretation of Saamis Archaeological Site may result in a capital budget request.	
c. Naming of roads or areas; and	Engage with members of the Indigenous community and/or advisory bodies to identify appropriate names to be submitted for consideration through the Municipal Names Committee.	May be costs if celebratory events held in conjunction with naming.	
d. Exploring hosting the Provincial Indigenous Games. (Call 88)	Undertake discussions with Sport and Event Council and Games Society regarding ability to host Provincial Indigenous Games. If supportive and recognizing that the Canada Special Olympics are being held in Medicine Hat in 2026, develop a timeline. Establishment of a Bid Committee and a Host Committee will be required for submission of a bid to host the games.	Proposed budget and Council support request to be brought forward if initial exploration is successful.	



Relationship Building and Engagement			
<p>1. Establish an advisory and advocacy committee, reporting to Public Services Committee, to:</p> <ul style="list-style-type: none"> <li>a. Participate in implementation of the plan as appropriate;</li> <li>b. Monitor action on the plan; and</li> <li>c. Make further recommendations as deemed necessary by the advisory committee, including recommendations related to Call 55.</li> </ul> <p>Committee Terms of Reference to include compensation for participation and youth representation in the Committee's membership.</p>	Establish a Truth and Reconciliation Advisory Board, including creating a Terms of Reference for Council approval.	\$10,000 per year.	Not included in draft 2023/24 budget
<p>2. Establish a City staff position and budget to:</p> <ul style="list-style-type: none"> <li>a. Provide leadership and advice on Indigenous matters, cultures, and protocols;</li> <li>b. Support training and education efforts;</li> <li>c. Promote reconciliation and relationship building; and</li> <li>d. d. Coordinate events and activities to support awareness initiatives.</li> </ul>	Establish permanent Indigenous Relations Advisor position. Develop job description. Recruit and hire.	Approximately \$115,000 per year, including wages, benefits and expenses.	Not included in draft 2023/24 budget
<p>3. Engage with members of the Indigenous community as appropriate on matters relating to municipal policy, planning, systems, programs, and services, to ensure Indigenous voices and perspectives are heard and considered.</p>	<p>Include as a defined subset of activity in the development of the City's public participation framework. Will seek to ensure:</p> <ul style="list-style-type: none"> <li>- Indigenous participation in general public participation activity, and</li> <li>- public participation that specifically seeks representative participation from Indigenous community.</li> </ul>	\$15,000 to contract support from external expert.	

 Grey shading indicates items recommended by administration for inclusion in 2023 Business Plan.

Advocacy			
1. City Council and the Committee will advocate to the provincial and federal levels of government, as well as local MLAs and MP, to have data provided as described in Call 55 to the National Council for Reconciliation, and to have that data shared with local Indigenous peoples and the City.	Mayor to send letter on behalf of City Council.	N/A	
2. City Council to advocate to the provincial government to make funding for restorative justice available to the community of Medicine Hat.	Mayor to send letter on behalf of City Council.	N/A	
3. City Council to request that Medicine Hat Police Commission:			
a. Provide annual updates on actions taken to make progress on Call 55 sections V-VII; and	Mayor to send letter on behalf of City Council.	N/A	
b. Ask candidates for the position of Medicine Hat Police Chief for their reflections on the Calls to Action and consider the responses as part of the decision-making process.	Mayor to send letter on behalf of City Council.	N/A	
Reporting			
1. City to provide annual reports or current data as requested by the National Council for Reconciliation. (Call 55).	City to provide annual reports.	N/A	
	City to respond to requests as received.	N/A	
2. City to report annually for the duration of the three-year plan on actions taken in response to the Truth and Reconciliation Commission of Canada's 94 Calls to Action and actions to promote positive relationship building with Indigenous Peoples; a. Report to be made to Public Services Committee; and b. Report to be shared with National Council for Reconciliation. (Call 77)	Staff to provide annual reports to Public Services Committee for information. Reports to be shared with National Council for Reconciliation.	N/A	

 Grey shading indicates items recommended by administration for inclusion in 2023 Business Plan.

## BRIEFING NOTE

## DECISION

CITY OF MEDICINE HAT  
MONARCH THEATRE

OCTOBER 19, 2022

**ISSUE:**

In June 2021, prior to dissolution of the City Centre Development Agency ('CCDA'), the City of Medicine Hat acquired the Monarch Theatre with intention to facilitate transition to a new future owner that would use it in a way aligned with the redevelopment and vibrancy aspirations in the City's Municipal Development Plan.

In January 2022, the City issued an Expression of Interest receiving responses from interested parties, all of which indicated a desire to activate the space in ways aligning with the Municipal Development Plan ('MDP'). The City entered negotiations directly with a proponent interested in acquiring the facility. Negotiations were unsuccessful in arriving at terms mutually agreeable to both parties.

**RECOMMENDATION:**

It is recommended through the Administrative Committee that the Public Services Committee recommend to City Council:

- a) Management prepare and issue a Request for Proposal ('RFP') and evaluate submissions using the following criteria:
  - a. Intended use (evaluation weighting of 30%) – seek activities that promote vibrancy and commerce in the downtown. Ideally, those activities enhance entertainment opportunities and employment for community residents.
  - b. Financial obligations of the City (evaluation weighting of 40%) – seek to maximize proceeds of sale and minimize/eliminate ongoing financial contributions of the City, both operating and capital. Although building sale will not be required, it will be a stated preference and be captured as such in the evaluation process.
  - c. Organizational capacity and experience (evaluation weighting of 30%) – corporate history including financial performance, experience delivering upon intended use and managing facilities.
  - d. Alignment with development plans and preservation of Historic Heritage significance – seek commitment to preserving the historical heritage of the building (mandatory).
- b) Include within the RFP requirements and resulting contractual agreement(s) provisions to protect the historical heritage of the facility and maintain commercial activities consistent with those outlined within the proposal.
- c) Until a future operating model is established, the City will continue to maintain the Monarch Theatre in a capacity to allow safe occupancy and operations. The facility will be opened for public use and programming on a limited basis to offer entertainment opportunities to the community. Staff will look for options to align with downtown events or community activities that can be bolstered by activities at the Monarch Theatre. It is expected the level of activity will be on average one event every four to six weeks.

**COUNCIL STRATEGIC PRIORITY:**

Community Wellness: Continue to develop a downtown that is vibrant, safe and welcoming and that is a destination for people of all ages.

Partnerships & Governance: Use the expertise and best practice of government, institutions, not-for-profit, and private industry in planning and delivery of programs and services.

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

The City's facility management team has inspected the building and performed all necessary maintenance to allow full occupancy and safe operation of the building. The site has also been inspected for presence of asbestos that would affect future maintenance or renovations.

**Financial Impact:**

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

Currently, the City is incurring holding costs related to the building including site inspections, security, insurance, and utilities.

With programming every four to six weeks, existing staff will activate the space. Programming will be developed internally or in conjunction with community partners as part of their community event plans. Food and beverage and technical staff from Co-op Place and the Esplanade will be scheduled as needed. It is expected revenues generated will offset the incremental variable costs incurred for program delivery.

**Terms of the facility acquisition:**

Purchase price: \$205,000

**Maintenance since assuming ownership:**

\$19,000 of repairs have been made to the building with continuity of services for security, utilities, insurance, and regular site inspections. For the size and age of the building, this is expected to average \$75,000/year.

**Future maintenance:**

City staff have identified the following maintenance should be completed within the next 5 years: replace the roof, upgrade lighting and repair and paint the exterior brick and parapet. It is estimated the costs of completing this work will be approximately \$375,000.

**Legal / Policy Impact:**

The Monarch Theatre, as well as the land it sits on, is designated as a Municipal Historic Resource under Bylaw No. 4312.

**Public Implications:**

The public desires preservation of historical resources and supports enterprises that contribute to an active and vibrant downtown. The Monarch Theatre is a municipally designated heritage resource that adds to the unique character in the downtown commercial area. The theatre can seat just over 400 patrons and has presented many films to the community over its 110 years of operations.

**BACKGROUND:**

In June 2021, prior to dissolution of the CCDA, the City of Medicine Hat acquired the Monarch Theatre with intention to facilitate transition to a new future owner that would use it in a way aligned with the redevelopment and vibrancy aspirations in the City's Municipal Development Plan (MDP).

An Expression of Interest (EOI) was published on January 20, 2022-February 28, 2022 seeking submissions from parties interested in operating the facility. A site viewing was arranged on February 10, 2022 to allow interested parties to view the interior of the building and respond to questions. The suggested structure for submissions was to include a vision for the space, specific intended activities and uses, conditions for success including City of Medicine Hat contributions, anticipated community impact and benefit, and any other pertinent information to the proposal.

The EOI process was non-binding and an opportunity for interested parties to outline their ambitions and proposed structure, based on the information they had available. The stated goals by the City when acquiring the Monarch Theatre were to identify a suitable buyer that would operate the facility in a manner aligned with the MDP. The City entered negotiations directly with a proponent, however, negotiations were unsuccessful in arriving at mutually agreeable terms.

A Request for Proposal (RFP) will clearly outline evaluation criteria and describe the City's preferences that would receive higher ratings. Scoring dimensions will include:

- a. Intended use – seek activities that promote vibrancy and commerce in the downtown. Ideally, those activities enhance entertainment opportunities and employment for community residents.
- b. Financial obligations of the City – seek to minimize/eliminate ongoing financial contributions of the City, both operating and capital.
- c. Organizational capacity and experience – corporate history including financial performance, experience delivering upon intended use and managing facilities.
- d. Alignment with development plans and preservation of Historic Heritage significance – seek commitment to preserving the historical heritage of the building.

Since the City's purchase of the Monarch Theatre, the facility has been maintained with some repairs made to the building with continuity of services for security, utilities, insurance, and regular site inspections. It is available for use. The Society of the Friends of the Monarch Theatre hosted the Monarch Theatre's 110th birthday celebration on December 18, 2021 in the facility, including birthday cake, movie showing, concessions and merchandise sales. Alberta Day celebrations on Sept. 3, 2022 included a historical display, Indigenous cultural performance, two movies and free popcorn. Opportunities exist to utilize the Monarch Theatre to naturally align with activity in the downtown core, including holiday celebrations and community events. Staff have established a plan to see the facility used every four to six weeks, with a goal of implementing a minimum of two events prior to year-end.

#### OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

1. *Sell the facility through an auction or listed sale process.* There is a desire to obtain a commitment from a future owner regarding their intended operations and preservation of the historical heritage of the building.
2. *Long-term operating lease.* The intended approach when the City acquired the building was to facilitate the transition to a future owner. Although the City could retain greater control regarding the operations, use, and maintenance through ownership these objectives can be achieved using contractual tools.
3. *Short term operating lease.* The desire is to focus on identifying and transitioning to the future operator rather than exploring interim lease options. City staff will lead programming and be able to partner with community organizations to offer entertainment opportunities at the theatre until the future operator is in place.
4. *City staff program and operate the facility.* A number of submissions were received through the Expression of Interest (EOI) process from individuals and organizations showing a high level of creativity, capability, and interest to operate the facility in a manner aligned with the aspirations for the downtown as outlined within the Municipal Development Plan. The preferred service model is a third party operated facility.

#### IMPLEMENTATION PLAN:

The RFP process will be managed in accordance with the City's policies and will be open to any interested parties via the City's Bids and Tenders website. The parties who participated in the EOI process will be advised of the opportunity to participate in the RFP. The RFP will include a provision allowing for post evaluation negotiation with proponents. Staff will prepare and issue the RFP based on the above noted evaluation criteria.

<b>PREPARED BY &amp; DATE:</b>	Brian Mastel Managing Director of Public Services	October 18, 2022
<b>REVIEWED BY &amp; DATE:</b>	Leah Prestayko Director of Community Development	
<b>APPROVED BY &amp; DATE:</b>	Brian Mastel Managing Director of Public Services	
<b>ATTACHMENTS:</b>	None	



TABLE OF CONTENTS



**OPEN AGENDA - SEPTEMBER ..... 1**

**MINUTES OF THE JUN 23 OPEN MEETING .....2**

**OFFICE OF THE CHIEF REPORT .....6**

CHIEF’S REPORT .....7

OPERATIONAL SERVICES HIGHLIGHTS .....9

INVESTIGATIVE & SUPPORT SERVICES HIGHLIGHTS .....12



**OPEN POLICE COMMISSION MEETING AGENDA  
MONDAY, SEPTEMBER 26, 2022 at 6:30 PM  
CITY COUNCIL CHAMBERS**

---

1. **LAND ACKNOWLEDGEMENT** **6:30 PM – 6:40 PM**
2. **CONFLICT OF INTEREST DECLARATION**
3. **AGENDA**
4. **MINUTES**
  - A. Jun 23, 2022 minutes for adoption **6:40 PM – 6:45 PM**
5. **STANDING ITEMS**
  - A. Police Budget Update (A/Chief West) **6:45 PM – 6:50 PM**
6. **OFFICE OF THE CHIEF REPORT**
  - A. Investigation & Support Services Report (Inspector Secondiak) **6:50 PM – 6:55 PM**
  - B. Operational Services Report (A/Inspector Graham) **6:55 PM – 7:00 PM**
  - C. Chief's Report (A/Chief West) **7:00 PM – 7:05 PM**
7. **NEW BUSINESS**
  - A.
8. **ACTION ITEMS**
9. **COMMUNITY CONSULTATION** **7:05 PM – 7:10 PM**
10. **UPCOMING MEETINGS**
  - Police Commission Open Meeting – **Thu Oct 27, 2022 at 6:00 PM**  
City Council Chambers
  - Police Commission Open Meeting – **Thu Nov 24, 2022 at 6:00 PM**  
City Council Chambers
11. **ADJOURNMENT**



**MINUTES OF THE GENERAL MEETING  
MEDICINE HAT POLICE COMMISSION  
HELD ON MONDAY, SEPTEMBER 26, 2022 AT 6:44 PM  
CITY COUNCIL CHAMBERS**

<b>PRESENT:</b>	Chair Mr. T. Rodych Vice-Chair Mr. T. Meidinger Mr. M. Thorson Councillor S. Sharps A/Chief J. West Inspector B. Secondiak A/Inspector J. Graham Mr. G. Keen	<b>ALSO:</b>	Mrs. R. Sittler Mrs. S. Michels
		<b>ABSENT:</b>	Mr. M. Jansen Ms. G. Dirk Councillor A. Van Dyke

---

**1. LAND ACKNOWLEDGEMENT**

Vice Chair Meidinger read the land acknowledgment.

**2. CONFLICT OF INTEREST DECLARATION**

None stated.

**3. SEPTEMBER 26, 2022 AGENDA**

**Motion to approve the agenda of the Sep 26, 2022 Open Commission meeting.**

**Motioned By: Councillor Sharps. Seconded by: Mr. M. Thorson. Carried unanimously.**

**4. MINUTES**

**Motion to approve the minutes of the Open Commission meeting held June 23, 2022, as presented.**

**Motioned By: Mr. T. Meidinger. Seconded by: Mr. M. Thorson. Carried unanimously.**

**5. STANDING ITEMS**

**A) Police Budget Update**

A/Chief West advised that the department is on track to have a \$264k positive variance by year-end.

**6. OFFICE OF THE CHIEF REPORT**

Inspector Secondiak highlighted some points in the **Investigative and Support Services Report**.

The patrol supervisors and members of PACT attended a virtual training session entitled Health IM. This is the new electronic pre-mental health screener that will be used on patrols. It provides a great set of questions that provide rigor to mental health concerns, and it delivers analytics that help to tailor the response.

In the Organized Crime Section, he drew attention to the successful seizure of a considerable amount of illegal drugs by the patrol team and ALERT.

Also, under the Regional Property Crime section, Inspector Secondiak highlighted the successful conclusion of an investigation that resulted in the seizure of drugs and weapons and gave rise to a number of charges against a Southwest Hill area resident.

A/Inspector Graham spoke to the **Operational Services Report**, highlighting some key points. In the Patrol Section, police responded to a report of two males where one man was brandishing a weapon. The description provided allowed the men to be located quickly. The men were challenged by police and taken into custody. One of the men was in possession of a loaded 9mm pistol. He was charged with several firearms related offences.

A/Inspector Graham also spoke highly of the Drug Treatment Court (DCT) program. One individual in particular has been able to turn his life around in an amazing way with the help of this program.

Chair Rodych inquired as to what the general atmosphere on the streets for the MHPS is right now. A/Inspector Graham responded that it was very busy. And their busy time has shifted from nights to days, possibly due to the closure of some of the nightclubs.

A/Chief West spoke to the **Chief's Report**. The PACT team has been re-established with two full-time employees, one of whom is a psychiatric nurse which will be a benefit to MHPS when dealing with mental health calls. In a joint effort between MHPS and Canadian Mental Health, a Community Assisted Response Team (CARE) has been established. They will respond independently to low-risk mental health emergency calls.

Staying out an about in the community, he attended some functions: the July 1<sup>st</sup> celebrations and the stampede were two.

## 7. NEW BUSINESS

### A.

None.

## 8. ACTION ITEMS

None.

## 9. COMMUNITY CONSULTATION

Two members of the community, Mr. D. Dietrich and Mr. F. Lewis, are very concerned about the noise level of vehicles climbing the Division Avenue hill from First Street. They have measured the noise levels from decibel levels in the nineties all the way up to 110 decibels. Mr. Dietrich stated that we need enforcement, ticketing, and impounding. He added that the current Noise Bylaw, while inadequate, is not being enforced either.

Mr. Dietrich had two suggestions for the Police Commission:

- 1) He asked that they communicate with the City Council to update the Noise Bylaw to match the much more stringent bylaws in Red Deer and the City of Edmonton.
- 2) He asked that the MHPS purchase a noise level meter and train officers to use it.

A/Chief West said that he is fully supportive of a rigorous bylaw. Such a bylaw requires enforceable specifics.

The first step is that Councillor Sharps will take the issue back to Council and see if we can get some support for bylaw amendments.

We will also look into better equipment and better tools.

The Commission thanked the presenters for their well-researched presentation, and for bringing their concerns forward.

#### **10. UPCOMING MEETINGS**

Police Commission Open Meeting –Council Chambers

**Oct 27, 2022, at 6:00 PM**

Police Commission Open Meeting – City Council Chambers

**Nov 24, 2022, at 6:00 PM**

#### **11. ADJOURNMENT**

Chair T Rodych declared the meeting adjourned at 7:21 PM.



# OFFICE OF THE CHIEF REPORT TO POLICE COMMISSION

---

REPORT FOR AUGUST 2022  
PUBLISHED SEPTEMBER 2022

---

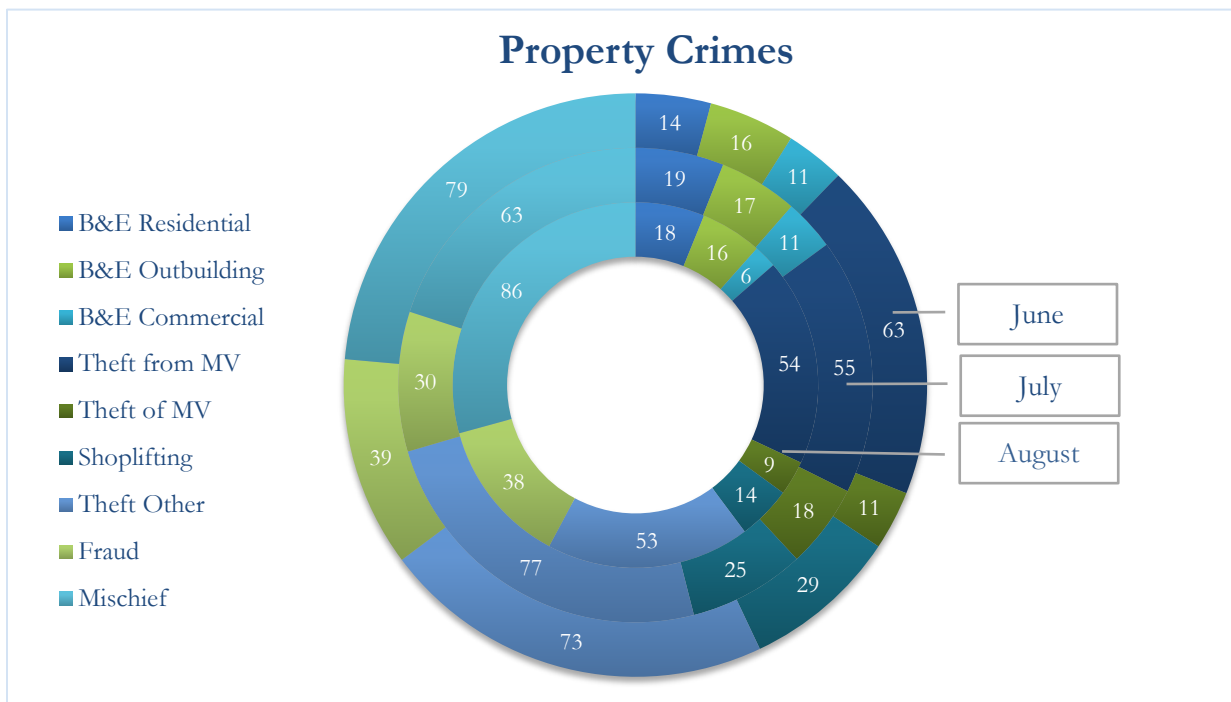
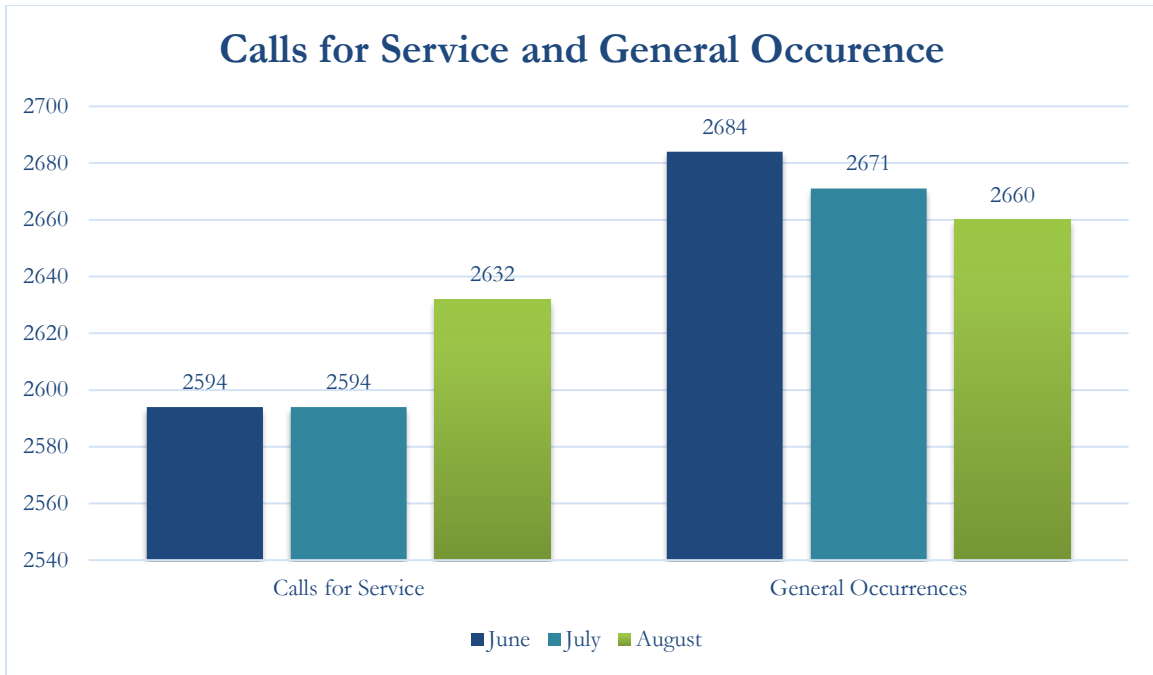
---

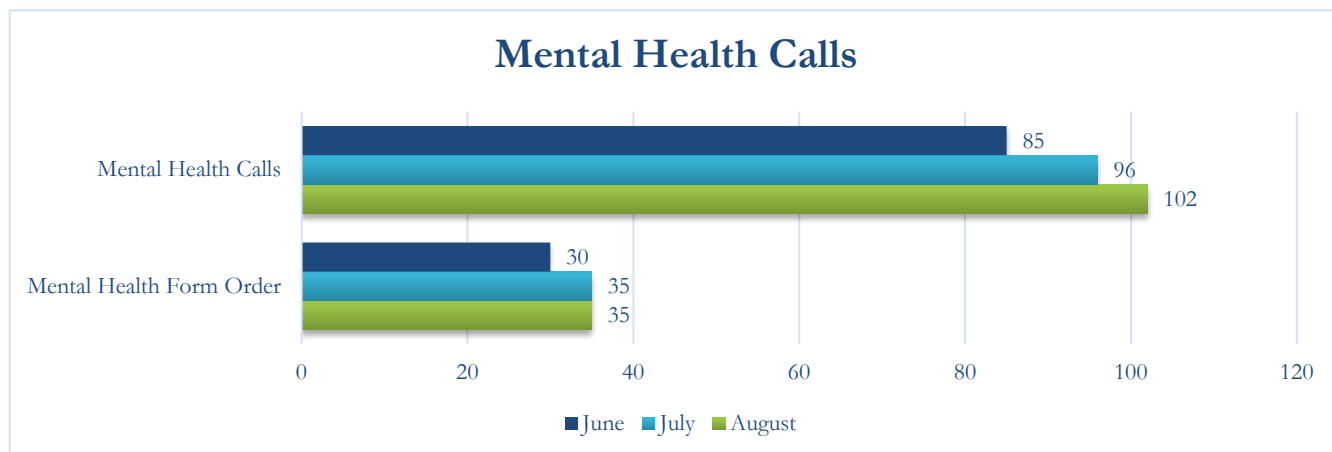
## CHIEF'S REPORT

---

- This month the MHPS staff participated in change management training provided by the City. The training followed the employee engagement survey earlier this year. Approximately 60 of the 155 employees took the survey. Some themes that were established included improving organizational culture, the need for more effective communication and improving mental health and wellness programs. The MHPS intends to work closely with the City as they roll out strategies to improve the workplace.
- The Chief attended the Canadian Association of Chiefs of Police Conference in Quebec City, where the core topic was “Building Public Trust and Confidence”.
- The Police and Crisis Team (PACT) was re-established with two full time employees who will work directly out of the MHPS and work with PACT Officers when available. The new PACT team will also have the ability to respond into the field to support officers already responding to mental health calls.
- The Service and Canadian Mental Health Association are pleased to announce the development of an alternative crisis response program in our community entitled CARE. Community Assisted Response, that will respond independently to low-risk mental health emergency calls and help to decriminalize the response to mental illness, addictions, and homelessness.
- The Service engaged two new volunteer auxiliary police officers. The auxiliary officer program is a great developmental opportunity for persons interested in a future law enforcement career. Three recent auxiliaries will be participating in the upcoming cadet training.

# OCCURRENCES





## OPERATIONAL SERVICES HIGHLIGHTS

### PATROL SECTION

- Police responded to the area of Ross Glen RD SE and Ross Haven AVE SE for a report of two suspicious males, with one male observed brandishing a handgun. Information provided to Medicine Hat 911 was that one of the males pulled a handgun from his waistband and pointed it at a passing car after a brief verbal exchange with the occupants of that vehicle. Upon arrival police located two males matching the provided descriptions in the parking lot of the Ross Glen water park. Both males were challenged by attending police and taken into immediate custody. A 27-year-old male was found in possession of a loaded 9mm Glock pistol with an additional loaded magazine on his person and was charged with several firearms related offences.
- Police responded to a serious assault on the riverbank of the South Saskatchewan River in Strathcona Park. As a result of the investigation, a Medicine Hat male (32 years of age) was arrested and charged with the following offences. Aggravated Assault Possession of a Weapon Dangerous to the public x 2 Breach of Release Order x 2.

### K9

Deployment Types	June	July	August
Track	3	2	1
Building Search	1	1	1

<b>Evidence Search</b>	2	0	0
<b>Area Search</b>	1	1	0
<b>Direct Apprehension</b>	0	0	0
<b>Containment/Stage 1</b>	2	2	1
<b>Demo</b>	3	0	0
<b>Total Calls for Service</b>	<b>12</b>	<b>5</b>	<b>3</b>

- Police responded to a break and enter in progress to a vacant residence on the Southeast Hill. The offender had been chased into that house by the complainant of a car prowling. Police surrounded the residence and Cst. Page and PSD Hutch responded. K9 presence and announcements were issued into the residence and resulted in a female surrendering to police. No K9 contact was made with the offender.

---

## OPERATIONAL SUPPORT SECTION

---

### COMMUNITY SUPPORT UNIT (CSU)

- The School Resource Officers (SRO's) engaged in numerous presentations to all of their schools in assemblies and classes introducing themselves, explaining their roles as an SRO and how they can offer assistance, and setting expectations within the schools.
- A/Sgt. Bohrn created a presentation on different police agencies, laws, and consequences and he and Cst. Clarke conducted two presentations to Saamis Immigration youth.
- A School Resource Officer (SRO) completed a Violent Threat Risk Assessment (VTRA) on a youth as a result of concerning behaviour at a non-sanctioned school event.
- SROs engaged in numerous presentations to their respective schools.

### CALL CENTRE

	June	July	August
<b>Number of Citizen Contacts</b>	673	581	515
<b>Required officer advice only</b>	142	131	80
<b>Required reports generated by officer</b>	236	166	147
<b>Calls Routed to Patrols</b>	12	7	15
<b>Number of monthly sign-ins</b>	49	46	43
<b>Number of monthly front counter walk-ins</b>	218	151	206
<b>Other Duties (SORCA/VTRA/Warrant executions, etc.)</b>	16	16	24
<b>Walk Ins for Reception (not counted in total duties)</b>	783	581	422

### DOWNTOWN PATROL UNIT

Top Occurrences	June	July	August
<b>Welfare/Mental Health Check</b>	12	2	9
<b>Property Based</b>	4	3	7



<b>Unwanted Person</b>	17	6	11
<b>Assistance Request</b>	9	6	9
<b>Suspicious Activity</b>	13	16	22

- Five participants currently in Drug Treatment Court (DTC), one new participant scheduled to join on September 14, and one scheduled to graduate on September 14.

#### **TRAFFIC UNIT**

- The Traffic Unit completed seven wide load escorts.
- Traffic members successfully concluded an alcohol regulatory audit for the province.

#### **FORENSIC IDENTIFICATION UNIT**

<b>FIU Statistics</b>	<b>June</b>	<b>July</b>	<b>August</b>
<b>Forensic Based Reports</b>	158	157	149
<b>Scenes Attended</b>	20	24	17
<b>Exhibits processed for latent impressions &amp; DNA</b>	47	85	69

---

#### **MUNICIPAL ENFORCEMENT SECTION**

---

<b>Calls for Service</b>	<b>June</b>	<b>July</b>	<b>August</b>
<b>Animal Control</b>	154	159	153
<b>Road Safety</b>	118	98	113
<b>Noise</b>	6	6	4
<b>Unsightly Property</b>	64	98	95
<b>Found Property</b>	59	58	74
<b>Officer Initiated Calls</b>	23	41	32
<b>Aggressive dog calls</b>	6	6	6
<b>Fingerprints</b>	116	104	116
<b>Document Services</b>	102	10	89
<b>Total Calls</b>	499	516	540

---

# INVESTIGATION & SUPPORT SERVICES HIGHLIGHTS

---

## ADMINISTRATIVE SERVICES SECTION

---

### TRAINING UNIT

- Four control tactics instructors attended a Conducted Energy Weapon instructor course.
  - The patrol supervisors and members of PACT attended a virtual training session entitled Health IM. Health IM is the new electronic pre-mental health screener that will be used on patrols. The supervisors and members of PACT will then be training other members of the Service on the new system.
- 

### INFORMATION TECHNOLOGY (IT) SECTION

---

- MHPS IT supported two new operational initiatives by creating infrastructure for the CARE team and HealthIM.
  - In addition, the IT section continued work with the vendor and various sections and units to prepare for the switch to a new software platform for Photo Radar processing.
- 

### PROFESSIONAL STANDARDS UNIT

---

#### ACTIVE FILES

	Total Files	Originated in 2022	Originated 2021	Originated 2020 or Earlier	Status:	
<b>Police Act / Peace Officer Investigations</b>	14	4	4	6	Initial Inquiries	3
					Abeyance	2
					Active Investigation	9
					LERB Review	0
	Total Files	Originated in 2022	Carried over from 2021	Carried over from 2020 or Earlier		
<b>Criminal/ Statutory</b>	1	0	1	0		

---

## ORGANIZED CRIME SECTION

---

Members of a MHPS Patrol Team with the assistance of Medicine Hat ALERT investigated a drug complaint from a citizen at a southeast area hotel. ALERT's Organized Crime Section set up surveillance at this location which began a one-day investigation into a previously known drug trafficker. Within hours, a 37-year-old male was arrested in connection with the alleged offences. A search warrant was subsequently drafted and authorized for a hotel room associated to the subject male. A search of this room was conducted and the following items were seized:

- 423 grams of Cocaine (Street value of \$42,600);
- 252 grams of Methamphetamine (Street value of \$15,120);
- 242 grams of Fentanyl (Street value of \$48,400).

The combined street value of all seized drugs is approximately \$106,120.

The male was charged with Possession for the Purpose of Trafficking x 3, Possession of Stolen Property Under \$5000, Failure to Comply with a Release Order x2, and Obstruction.

## REGIONAL PROPERTY CRIME UNIT (RPCU)

- The Regional Property Crime Unit conducted investigations involving stolen property, stolen vehicles, break and enter, bail violations and other property related crimes in Medicine Hat that resulted in nine Criminal Code charges.

RPCU Seizures	Value
Recovered Stolen Property Medicine Hat	\$6,360.00
Recovered Stolen Property Rural	-
Drugs	4,820.00
<b>TOTAL Value of Seizures</b>	<b>\$11,180.00</b>

- RPCU arrested a Southwest Hill area resident concluding a month-long investigation. The investigation was in relation to firearms offences and possession of illegal drugs for the purpose of trafficking. Following the arrest and with the assistance of members of the Organized Crime Section, a search warrant was executed at a residence. The following items were seized throughout this investigation:
  - 9 mm Rifle and ammunition;
  - Conducted Energy Weapon;
  - Crossbow;
  - 31 grams of Methamphetamine (Street value \$1890);
  - 15 grams of Fentanyl (Street value \$2930);
  - \$6360 cash was also seized as Proceeds of Crime.

The combined street value of all seized drugs is approximately \$4,820. The 41-year-old male resident was charged with Possession for the Purpose of Trafficking x 2, Possession of a Prohibited Weapon, Proceeds of Crime and several firearms related offences. An aggravating

factor in this matter was that this target residence was located just over a block away from a junior high school.

---

### VICTIM ASSISTANCE UNIT

---

VA Statistics	June	July	August
<b>Opened Files</b>	324	257	130
<b>In Station Assist to CFS or Police</b>	37	41	25
<b>Crisis Incident Response</b>	17	6	18
<b>Drop-in Services</b>	5	8	10
<b>Court Support / In Station (Mulder)</b>	6	10	48
<b>Court Orientation/Support</b>	56	46	48
<b>People Helped</b>	255	175	110
<b>Community Referrals</b>	171	252	131

### CRIMINAL INVESTIGATIONS SECTION (CIS)

---

- CIS investigated an aggravated assault that occurred between inmates at the Medicine Hat Remand Centre. Two males were charged with Aggravated Assault after causing major facial injuries to the victim.
- CIS has commenced an investigation into an international romance fraud that has cost the local victim \$120,000 to date, further information will be released when the investigation is concluded.

---

### FAMILY CRIME UNIT

---

- Nine new files for investigation.
- Twelve Child Forensic Interviews (CFI) were completed.
- Nine additional audio/video interviews were completed.
- Joint investigation with Child and Family Services (CFS) identifying significant risk of harm to female and her children from Domestic partner/father and currently living in shelter. With joint efforts and support provided, victims came forward and made disclosure of significant physical abuse with weapons which had been ongoing for years.

Domestic Related Calls	June	July	August
<b>Domestic Related calls for Service</b>	43	29	44
<b>Domestic Related Charge Files</b>	16	12	19
<b>Domestic Disputes</b>	38	53	38
<b>Domestic Dispute Charge Files</b>	14	13	10
<b>Total Calls</b>	125	137	131
<b>Total Charges</b>	37	25	32

## OFFSITE LEVY BYLAW AMENDMENT

NOVEMBER 7, 2022

**ISSUE:**

Pursuant to section 9 of Bylaw No. 4157 (the “Offsite Levy Bylaw”), Administration reviewed the levy projects and rates and has provided an updated Off-Site Levy (“OSL”) framework and rates, along with a corresponding amending Bylaw, No. 4721, for consideration.

OSL’s are a funding mechanism a municipality may use to allocate shared offsite infrastructure costs across geographically benefiting areas. This cost/hectare allocation assumes a ‘cost causation’ principle and is founded on a continuum of historical spend as well as a 25-year forecast spend. An OSL is paid by benefiting stakeholders including developers, the municipality, and neighboring communities. Developers pay the OSL at time of development or subdivision. Best practice is for municipalities to update the actuals and forecast spend, and related methodology, on a frequent basis. This is the first update following the City’s approval of the guiding Municipal Development Plan (“MDP”) in 2020.

**RECOMMENDATION:**

It is recommended that City Council:

1. pass amending bylaw No. 4721 to amend the Off-Site Levy Bylaw; and
2. allow the Municipal Development Subsidy (generally referred to as “Municipal Assist”) to expire on December 31<sup>st</sup>, 2022.

**COUNCIL STRATEGIC PRIORITY:**

Economic Evolution

- Section 2.4 – ensure that our policies, procedures, and bylaws are transparent, clear, purposeful, and necessary, and where applicable aligned with those of the Province of Alberta to facilitate efficient and cost-effective development.

Partnership & Governance

- Section 4.8 – ensure that economic development, community development, environmental sustainability, and exceptional governance are themes integrated into each City department; and
- Section 4.10 – begin and end with data.

Resilience & Stability

- Section 6.10 - expand our industrial and commercial tax base, including by improving regulatory conditions, infrastructure, and service delivery.

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

N/A

**Financial Impact:**

Funding Request:	No	If yes, amount: \$ <a href="#">Click here to enter text.</a>
Budgeted Item:	No	Funding Source: Choose if Applicable
Funding Explanation:	N/A	
Budget Amendment Form?	No	

OSL are a significant funding mechanism for a municipality. The City of Medicine Hat (“CMH”) OSL framework is made up of \$403.83 million of off-site infrastructure.

The updated OSL framework includes:

- \$143.71 million of developer contributed costs (developer portion);

- \$253.64 million of municipal contributed costs (City portion); with
- \$5.4 million identified as being received as special ear marked grants, and \$1.08 million is attributed to neighboring municipalities.

The City has front-ended 25.98 million that will be recouped through the OSL framework. The City has collected 51.98 million to date. For each infrastructure category, the below table outlines the total cost of infrastructure, the costs related to the OSL rate (developer portion), OSL collected to date, and the overall reserve balances as of 2020.<sup>1</sup>

<b>Infrastructure Category</b>	<b>Total Cost</b>	<b>OSL Cost</b>	<b>OSL Collected to Date</b>	<b>Adjusted OSL Cost</b>	<b>Reserve Balances (2020)</b>
Water	\$65.94 million	\$24.94 million	\$19.78 million	\$5.14 million	\$8.086 million
Sanitary	\$131 million	\$42.42 million	\$9.91 million	\$32.51 million	(\$32.075) million
Transportation	\$184.90 million	\$29.18 million	\$17.26 million	\$11.92 million	\$3.828 million
Stormwater	\$21.98 million	\$10.39 million	\$5.03 million	\$5.36 million	(\$5.816) million

All financial details are found in the Offsite Levy Rates Review Report by Corvus Business Advisors in Attachment #1.

With the proposed bylaw amendments, the weighted **average OSL rate will decrease by 56%** (totaling **\$102,012** per net ha) in comparison to the average rate of 2019 (being **\$234,644** per net ha.)

The primary reasons for this decrease is (a) updated infrastructure projects and reduced costs allocated to future development and (b) the increase in forecast land development within the 25-year review period.

#### **Legal / Policy Impact:**

The Municipal Government Act (MGA) requires that the information that a municipality uses in calculation of an off-site levy be current and that OSL bylaws are reviewed periodically. The amendments to the OSL Bylaw were derived from the review and include an updated framework and report.

#### **Public Implications:**

The MGA and OSL Regulations identify requirements of a municipality for stakeholder consultation during the creation and review of an OSL Bylaw. The City commenced consultation at the earliest opportunity and provided stakeholders the opportunity to provide input on an ongoing basis. Two focused stakeholder sessions were conducted regarding the updated OSL framework and rates, in August and September of 2022 with feedback being incorporated into the updates. A "What We Heard" report was produced in Attachment #2 to summarize the discussion and feedback.

#### **BACKGROUND:**

An OSL framework is a funding mechanism to support growth. An OSL is not a tax. An OSL transparently and equitably allocates off-site infrastructure capital costs to those that benefit. The City and developers pay their portion of OSL's based on the benefit a project has to the existing community (City portion) and the benefit to new growth (developer portion). An OSL can only be collected one time for land being developed or subdivided. Council received a high-level presentation on OSL's at the August 15, 2022, Council meeting, slides are found in Attachment #3 as information.

<sup>1</sup> 2020 was the selected cut-off date based on when the OSL review project started. As part of the future annual update, the framework will be updated to reflect 2021 and 2022 actuals.

OSL may only be used for certain categories of infrastructure that are specifically identified in the MGA, and can only be used to pay for the capital cost of:

- New or expanded facilities for storage, transmission, treatment, or supplying of water
- New or expanded facilities for the treatment, movement, or disposal of sanitary sewage
- New or expanded storm sewer drainage facilities
- New or expanded roads required for or impacted by a subdivision or development
- Land required for, or in connection with any of the above facilities

Bill 48 further introduced new categories of facilities, in which the capital cost or cost of land may be incorporated into an OSL framework for <sup>2</sup>:

- New or expanded community recreation facilities
- New or expanded fire hall facilities
- New or expanded police station facilities, and
- New or expanded libraries

The CMH first adopted an OSL Bylaw in 1975, with Bylaw No. 4157 being the most recent update. OSL Bylaw No. 4157 was approved in 2013 and consolidated previous bylaws. The current OSL Bylaw utilizes the CORVUS financial model to determine OSL rates. The model is based on a rolling 25-year window of anticipated growth and the infrastructure needed to support this growth.

In 2020, the City began a review of the existing OSL framework (which had not been updated since 2013) and OSL rates (which had not be updated since 2019). An extensive amount of work went into the review to ensure alignment with best practices with Alberta municipalities while providing for development appropriately. The goal of the review was:

- Maintain a balance amongst the City, developers, builders, taxpayers, and ratepayers in terms of their responsibilities relative to the servicing costs of development within the City.
- Align the OSL Bylaw with the 2020 Municipal Development Plan (MDP).
- Align the OSL framework with current City bylaws and Council priorities, and changes to provincial legislation and regulations
- De-couple the Municipal Assist from the OSL framework, with incentivization being managed separately.

The outcome of the review is an updated framework that more accurately reflects both anticipated growth and the infrastructure required to support growth. **OSL rates have lowered in many areas of the City**, as shown in Attachment #4. An OSL model is intended to be fluid, change over time, and is to be closely managed. **The new OSL rates also place Medicine Hat at the lower end of OSL rates in comparison to other Alberta Municipalities of similar size**, however, a direct comparison of an OSL from one community to another is difficult to make due to the unique servicing needs of each community.

The core changes to the OSL framework from the OSL Bylaw review include:

- New 'benefitting areas' that align with infrastructure servicing areas and leading practices in Alberta. The entire City boundary is now included in the OSL framework, and mapped into 12 benefitting areas, in comparison to 17 specific benefitting areas previously.
- An updated growth staging plan that aligns with the 2020 MDP, that more accurately reflects the anticipated growth in Medicine Hat. 637 ha of land is forecasted to be developed over the 25-year window; this is 7% of the available land (total of 8,720 ha) within the city for development. This is an increase of 12% of land usage and puts downward pressure on the rates.
- Removal and addition of infrastructure projects to ensure alignment with the 2020 MDP and anticipated growth. The list of OSL projects was significantly changed and included removal of large-scale water and wastewater treatment plants upgrades which were identified to be more aligned with technology and regulatory upgrades than required for growth.
- Infrastructure costs and benefitting allocations to the developer portion and City portion were updated to reflect the new benefitting areas.

---

<sup>2</sup> Bill 48, the *Red Tape Implementation Act*, 2020 (no. 2) Off-Site Leviers Regulation.



- Removal of “Node Zero”, an average OSL rate applied to areas without a specifically identified OSL rate in the OSL framework. This practice does not align with current leading practices.
- The introduction of an “Established Area” (Benefitting Area 8), that does not contribute to OSL’s. This was introduced on the basis that this area has sufficient infrastructure to support growth and does not receive a meaningful benefit from the updated OSL project list. Other funding mechanism, such as redevelopment levies, may be utilized if infrastructure improvements are needed for large scale redevelopment projects. Alleviating this area from OSL, further supports redevelopment and intensification.
- The transportation category of infrastructure was updated to allocate benefit through population growth instead of land area, as this was deemed more suitable for triggering project needs. This change is favorable towards the development community while recognizing that the entire community benefits from the transportation system.
- The model did not introduce facilities, such as recreation facilities, fire halls, police stations, or libraries at this time, as there has not been an identified need for these facilities related to anticipated growth. This will be continually reviewed as part of annual updates and will require background studies to understand the need of these facilities related to growth.

Municipal Assist was introduced in 2013 to partially offset the developer portion of the OSL. The City paid the portion of the Municipal Assist with expectations that the City would realize an increase in assessment revenue, a robust development community, and efficient use of existing infrastructure through intensification. The Municipal Assist had been a broadly applied tool, across all development activity, and the City was the only municipality in Alberta to deploy this tool. The Municipal Assist naturally expires at the end of 2022. The decoupling of the Municipal Assist from the OSL, particularly at a time when the City is refreshing the OSL methodology and related rates, is seen as a return to evidence-based cost formulation. It is currently assumed that the City is looking to be more intentional about the types of growth it is seeking going forward and will leverage targeted policy choices, (via incentives) to appropriately encourage such growth. More specifically, Invest Medicine Hat will be conducting a review of the competitiveness of attracting developers to our area (including cost of developed land and payment of OSL) and will be returning to offer Council a recommended incentive approach to drive outcomes that align with Council’s growth desires.

The above proposed changes to the OSL framework support growth on a cost causation basis with the latest information available. The new methodology and related rates are now significantly lower than past OSL rates and at a level where the Municipal Assist is generally unnecessary and can expire at the end of the year with minimal impact to the development community. Further targeted development support can be guided strategically by Council through application of appropriate incentive tools (that will be managed separately from the OSL framework).

## **OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS**

- a) Do not update the model and Off-Site Levy Bylaw and continue with the 2013 framework and 2017 rates. This is not recommended as it does not align with the 2020 Municipal Development Plan and does not accurately represent anticipated growth, nor the infrastructure required to support this, further the MGA requires that the information used in the OSL calculations (i.e., the CORVUS report) be kept current.
- b) Discontinue the OSL framework. This is not recommended as an OSL framework benefits the development community by sharing the cost of large-scale infrastructure between those who benefit.
- c) Renew the Municipal Assist program. This is not recommended, as the new OSL rates have lowered substantially and place Medicine Hat at a competitive advantage in comparison to other Alberta municipalities. Variations of the recommended OSL framework were explored, with the recommended way forward being that which most aligned with Council Strategic Priorities, leading practices in Alberta and the MGA and OSL Regulations. Council retains the policy choice outside the OSL framework to create and apply targeted incentives to achieve desired growth.



## IMPLEMENTATION PLAN:

If the Bylaw Amendment No. 4721 is approved by City Council, new rates will come into effect as of January 1, 2023. The Off-site Levy Policy and Procedures Manual will be updated to reflect the new OSL framework and rates and associated policies. The Off-site Levy Policy and Procedures Manual ensures consistent processes for OSL collection, front-ending, exemptions, updates, reporting, and overall standard operating procedures.

Subdivisions that have received approval but not yet been endorsed prior to the Bylaw Amendment being approved will still be eligible for the previous rates or may be adjusted for the new rates to accommodate a transition period. Any new subdivisions or development permits brought forward following the Bylaw approval will be subject to the new rates.

The OSL Bylaw will be reviewed on an annual basis to ensure the framework and rates remain current. Annual reporting to Council will be completed at year-end on levies collected.

Separately, Invest Medicine Hat will bring forward economic growth incentives for Council consideration to further enhance desired growth outcomes.

<b>PREPARED BY &amp; DATE:</b>	Randi Buchner Superintendent of Engineering – Planning & Development Services	October 18, 2022
<b>REVIEWED BY &amp; DATE:</b>	Amanda Brinda City Planner and Director of Development Services	
<b>APPROVED BY &amp; DATE:</b>	Rochelle Pancoast Managing Director, Strategic Management & Analysis	
<b>ATTACHMENTS:</b>	Attachment #1 – Bylaw 4721 & Offsite Levy Rate Review (CORVUS) Attachment #2 – What We Heard Report Attachment #3 – OSL 101 Presentation to Council August 15, 2022 Attachment #4 – Map of OSL Rates	

**BYLAW NO. 4721**

---

**A BYLAW OF THE CITY OF MEDICINE HAT** to amend Bylaw No. 4157, the Off-Site Levy Bylaw.

**WHEREAS** the *Off-Site Levies Regulation AR 187/2017*, requires that the information used to calculate an off-site levy must be kept current;

**AND WHEREAS** Council has advertised its intention to consider this Bylaw pursuant to section 606 of the Act;

**AND WHEREAS** City Administration has consulted with the development industry concerning the amendments in this Bylaw;

**NOW THEREFORE THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 4157 is amended as set out in this Bylaw.
2. The fourth “**AND WHEREAS**” clause within the preamble is amended to read as follows:

“**AND WHEREAS** City Administration has consulted with representatives in the development industry and has presented the methodology for the OSL framework and rates”.
3. Section 2 is amended by adding a new definition, as subsection 2(b.1) as follows:

“2(b.1)        “**benefitting area**” means one or more off-site levy areas that directly benefits from the leviable infrastructure, where the benefit is defined as furthering the availability of access or servicing. A map showing the twelve (12) benefitting areas within the City is included as Schedule “D” of this Bylaw.”
4. Subsection 5(a) is amended to read as follows:

“5(a)        The City shall be divided into benefitting areas as shown on Schedule “D” for the purposes of calculating the levies to be imposed on land to be subdivided or development within those areas.”
5. Subsection 5(b) is deleted.
6. Section 6 is amended to read as follows:

- “6 (a) Subject to section 3, levies shall be imposed on all subdivision areas and development areas and shall be paid in accordance with Schedule “B”.
  - (b) Levies are not imposed on a subdivision area or development area, where the subdivision or development does not significantly increase the burden on off-site infrastructure, as determined by the Chief Administrative Officer.
  - (c) Levies are deemed to have been imposed whether or not the imposition of the levies is made a specific condition of subdivision or development approval.”
- 7. Subsection 9(a) is amended to read as follows:
  - “9(a) The City shall review the levy projects and the levy rates at least every two (2) years.”
- 8. Schedule “A” is deleted and replaced with Schedule “A” of this Bylaw.
- 9. A new subsection 1(a) is added to Schedule “B” as follows:
  - “1(a) Where levies are imposed, levy amounts are as per Schedule “A” at the date of plan endorsement”.
- 10. A new subsection 2(a) is added to Schedule “B” as follows:
  - “2(a) Where levies are imposed, levy amounts are as per Schedule “A” at the date of issuance of the development permit”.
- 11. Schedule “D” is deleted and replaced with Schedule “B” of this Bylaw.
- 12. Schedule “E” is deleted and replaced with Schedule “C” of this Bylaw.
- 13. Schedule “F” is deleted, including its reference in subsection 17(a) and 17(b)(ii).
- 14. This Bylaw will come into force on January 1, 2023.

**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 – LINNSIE CLARK**

---

**CITY CLERK – ARLENE KARBASHEWSKI**

**Schedule “A”****Schedule “A”****AMOUNT OF LEVIES****Storm Sewer, Sanitary Sewer, Roads and Water**

1. The levy amount applicable to land to be subdivided or developed and located within a benefitting area identified in Schedule “D” shall be determined by reference to the benefitting area in which the land is located. Table A-1 of this schedule sets out the amount of the levies for land within each benefitting area.
2. The levies for storm sewer, sanitary sewer, roads and water shall be calculated in accordance with the following:

Storm Sewer Levy	=	amount referred to in Table A-1 of this schedule, as applicable	x	subdivision area or development area (in hectares)
Sanitary Sewer Levy	=	amount referred to in Table A-1 of this schedule, as applicable	x	subdivision area or development area (in hectares)
Roads Levy	=	amount referred to in Table A-1 of this schedule, as applicable	x	subdivision area or development area (in hectares)
Water Levy	=	amount referred to in Table A-1 of this schedule, as applicable	x	subdivision area or development area (in hectares)

TABLE A-1

Benefitting Area	Transportation Levies (\$/ha)	Water Levies (\$/ha)	Sanitary Levies (\$/ha)	Stormwater Levies (\$/ha)	Total Levies (\$/ha)
1	\$20,809	-	\$28,004	-	\$48,813
2	\$20,809	\$15,052	\$65,774	-	\$101,635
3	\$20,809	\$15,052	\$82,756	\$31,351	\$149,968
4	\$20,809	\$15,052	\$82,756	\$31,351	\$149,968
5	\$20,800	\$11,658	\$854	-	\$33,331
6	\$20,809	-	\$28,858	-	\$49,667
7	\$20,809	-	\$81,902	-	\$102,711

8	-	-	-	-	-
9	\$20,809	-	\$42,601	-	\$63,411
10	\$20,809	-	\$38,828	-	\$59,637
11	\$20,809	-	\$116,926	-	\$137,736
12	\$20,809	-	\$126,778	\$20,719	\$168,307

**Schedule “B”**

**Schedule “D”**  
**Map of Benefitting Areas**



Benefitting Areas			
No.	Name	No.	Name
1	North Reserve Lands	7	Burnside
2	North West Industrial Park	8	Established Area
3	Box Springs Business Park	9	Airport Lands
4	Brier Park	10	Westvue
5	Brier Run	11	South West Residential
6	Ranchlands	12	South East Residential



**Schedule “C”**

**Schedule “E”**

**CORVUS Off-Site Levy Review**



## City of Medicine Hat: Offsite Levy Rates Review

October 7<sup>th</sup>, 2022

---

**Prepared by:**

Greg Weiss, President  
CORVUS Business Advisors  
9670 – 95 Avenue  
Edmonton, AB T6C 2A4  
(780) 428-4110  
[gweiss@corvusbusinessadvisors.com](mailto:gweiss@corvusbusinessadvisors.com)

This document has been prepared by CORVUS Business Advisors for the sole purpose and exclusive use of the City of Medicine Hat.

October 7<sup>th</sup>, 2022

City of Medicine Hat  
580 First Street SE  
Medicine Hat, Alberta  
T1A 8E6

**RE: City of Medicine Hat Offsite Levy Rates Review**

Enclosed is our report underpinning the review of the City's offsite levy rates. If you have any questions do not hesitate to contact me.

Respectfully,

A handwritten signature in dark ink, appearing to read "Greg Weiss", followed by a long horizontal line.

Greg Weiss  
President

## 1 DOCUMENT INFORMATION

Version		
Number	Revision Date	Description
1.0	October 7 <sup>th</sup> , 2022	Final

## 2 CONTENTS

<b>1</b>	<b>DOCUMENT INFORMATION .....</b>	<b>I</b>
<b>2</b>	<b>CONTENTS.....</b>	<b>II</b>
<b>3</b>	<b>INTRODUCTION.....</b>	<b>1</b>
3.1	INTRODUCTION .....	1
3.2	METHODOLOGY .....	1
<b>4</b>	<b>KEY FINDINGS.....</b>	<b>2</b>
<b>5</b>	<b>RATES .....</b>	<b>4</b>
<b>6</b>	<b>RECOMMENDATIONS.....</b>	<b>5</b>
<b>7</b>	<b>ACKNOWLEDGEMENTS.....</b>	<b>6</b>
<b>8</b>	<b>DISCLAIMER.....</b>	<b>6</b>
	<b>APPENDIX A: OFFSITE LEVY AREAS AND STAGING.....</b>	<b>7</b>
	<b>APPENDIX B: WATER OFFSITE INFRASTRUCTURE.....</b>	<b>11</b>
	<b>APPENDIX C: SANITARY OFFSITE INFRASTRUCTURE .....</b>	<b>19</b>
	<b>APPENDIX D: TRANSPORTATION OFFSITE INFRASTRUCTURE .....</b>	<b>30</b>
	<b>APPENDIX E: STORMWATER OFFSITE INFRASTRUCTURE.....</b>	<b>40</b>
	<b>APPENDIX F: RATE COMPARISON .....</b>	<b>48</b>

## 3 INTRODUCTION

### 3.1 Introduction

Bylaw 4157 established by the City of Medicine Hat (“the City”) in 2013 and last updated in 2019 defines offsite levy charges for water, sanitary sewer, roads, and stormwater infrastructure in the municipality. The City wishes to update this bylaw, amending certain infrastructure in alignment with the City’s current capital plans, ensuring updated costs and development forecasts are reflected fairly and equitably in rates.

This report outlines the methodology and information used to update the offsite levy charges for the City, as well as other key findings and recommendations.

### 3.2 Methodology

The City maintains various capital plans, and these plans have been used to generate key inputs for this offsite levy rates review. City staff and their engineering advisors reviewed existing plans and identified offsite projects for water, sanitary sewer, roads, and stormwater<sup>1</sup>. The City’s review also included determination of cost allocation to existing development, future development, benefiting areas, etc.

Support provided by CORVUS Business Advisors included:

- Incorporation of offsite levy area measurements and land development forecasts (provided by City staff).
- Incorporation of infrastructure costs and allocation percentages for existing development, new development, and other parties (provided by City staff).
- Reconciliation of offsite levy reserve opening balances (historical details provided by City staff).
- Development of offsite levy rates and associated report.
- Review of offsite levy rates with staff and Council.

Offsite levy rates within the City’s offsite levy model are forecast using a rolling 25-year review period. During this review, a cut-off date of **December 31<sup>st</sup>, 2020** was established (the most recent year-end when the project commenced), and so the 25-year review period stems from **2021 to 2045**. Project expenditures, offsite levy receipts etc. were gathered as “actuals” from City financial records up to the cut-off date. Beyond the cut-off date, all financial details are estimates. When the City completes its next rate update, information from January 1<sup>st</sup>, 2021 up to the new cut-off date will be converted from estimates to actuals.

Costs that benefit development prior to and within the review period are included in rates. Costs that benefit development beyond the review period (called “financial oversizing”) are excluded from rates. In future years, when rates are updated, and the rolling 25-year period

---

<sup>1</sup> It is not within CORVUS’ scope of work to review or assess capital plans. Infrastructure requirements, costs, allocations etc. are determined by the municipality and their engineering/consulting advisors.

moves further out, offsite infrastructure costs beyond 2045 will gradually find their way into rates.

## 4 KEY FINDINGS

Key findings pertaining to the update of City offsite levy rates are as follows:

- Offsite infrastructure costs to be included in the offsite levy bylaw total approximately **\$403.83 million** (current dollars). An overview of offsite infrastructure costs and maps is provided in Appendices B1, C1, D1, and E1.

Before determining how the infrastructure costs will be allocated to parties that benefit (e.g., existing development, new development, other municipalities etc.), financing provided by way of special ear-marked/conditional grants and other contributions are deducted from offsite infrastructure costs. For this update, the City has identified approximately **\$5.40 million** in special grants and contributions. An overview of special grants and contributions and resulting net costs is provided in Appendices B2, C2, D2, and E2.

The residual benefit allocated to existing development (the City's share) is approximately **\$253.64 million**. The share allocated to other stakeholders (e.g., neighbouring municipalities) is **\$1.08 million**.

That portion of cost which is allocated to future development totals approximately **\$143.71 million** (\$36.79 million + \$106.92 million) and is based on the allocations shown in Appendices B4, C4, D4, and E4. However, a portion of the cost allocated to future development is beyond the 25-year review period (called "financial oversizing"). Financial oversizing is determined based on the anticipated year of construction (construction staging) which is provided in Appendices B3, C3, D3, and E3.

Of the **\$143.71 million** in total offsite infrastructure costs allocated to future development, the share allocated to future development that is included in rates today (the offsite levy share) is approximately **\$106.92 million**, as shown in the table below. A complete summary of offsite infrastructure net cost "flow-thru" is provided in Appendices B6, C6, D6, and E6.

Summary of Infrastructure Costs & Allocations

Infrastructure	Special Grants & Contributions	Muni Share of Costs	Other Stakeholders' Share of Costs	Developer Cost Beyond 25 Yrs (Financial Oversizing)	Developer Costs (In Rates)	Total Costs
Transportation	\$ -	\$ 146,073,387	\$ -	\$ 9,645,762	\$ 29,183,873	\$ 184,903,022
Water	\$ -	\$ 34,426,135	\$ -	\$ 6,597,754	\$ 24,918,239	\$ 65,942,127
Sanitary	\$ 5,400,000	\$ 61,544,768	\$ 1,084,974	\$ 20,545,454	\$ 42,429,469	\$ 131,004,664
Stormwater	\$ -	\$ 11,591,979	\$ -	\$ -	\$ 10,386,986	\$ 21,978,965
Total	\$ 5,400,000	\$ 253,636,268	\$ 1,084,974	\$ 36,788,970	\$ 106,918,567	\$ 403,828,779

Before allocating infrastructure costs to benefitting lands, offsite levy costs must be reduced by the amount of levies collected to date. Up to December 31<sup>st</sup>, 2021, the City has collected **\$51.98 million** as shown in Appendices B5, C5, D5, and E5.

Summary of Offsite Levy Collections

Levies Collected To Date	
Transportation	\$ 17,264,429
Water	\$ 19,782,374
Sanitary	\$ 9,906,399
Stormwater	\$ 5,028,534
Total	\$ 51,981,737

- To facilitate the allocation of infrastructure costs to those lands that benefit from the infrastructure, the City is parsed into **12** offsite levy areas. The area boundaries, numbering schema, and area measurements are described in *Appendix A* along with an offsite levy map; and an overview of offsite infrastructure allocations to each benefitting area is provided in Appendices B7, C7, D7, and E7.
- To calculate offsite levy rates, it is necessary to forecast the amount of land that will develop during the 25-year review period. Land development forms the denominator of the rate calculation. A larger denominator reduces rates but could potentially result in under-collection thereby placing an increased burden on taxpayers. A smaller denominator increases rates but could potentially result in over-collection thereby placing an increased burden on future development. Accordingly, land development forecasts need to be (a) reasonable and reflect current planning assumptions including the current pace of development in the community, and (b) updated regularly.

For this update, the City is forecasting development of approximately **637 ha.** over the 25-year review period. The land development forecast and underpinning assumptions are shown in *Appendix A*.

- **Offsite Levy Accounts.** The City is managing offsite levy receipts and withdrawals via 4 accounts, in alignment with MGA requirements (i.e., one account for each infrastructure type). The reason that an account is required for each infrastructure type is because offsite levies can only be used for the type of infrastructure for which they were collected (e.g., water levies can only be used to construct water offsite infrastructure, not sanitary infrastructure etc.). An overview of updated account balances is shown in Appendices B8, C8, D8, and E8.
- **Interest.** Offsite levy accounts activities (both actual and forecast) are impacted by interest. Actual reserve inflows and forecast account balances that are in a positive position earn interest (as required by the MGA). Actual reserve outflows and forecast account balances that are in a negative position are charged interest (forecast balances that are negative indicate that front-ending will be required).

An overview of account interest rates and forecast balances over the 25-year review period is shown in Appendices B9, C9, D9, and E9.

- **Front-ending.** Front-ending is an extremely important concept that underpins rigorous management of offsite levies. Front-ending represents debts owed by future development to the municipality for past construction undertaken by the municipality on behalf of future development—i.e., a municipality will often pay for its share of an offsite infrastructure project in addition to that portion of the project which benefits future development when offsite levy reserve balances are insufficient to pay for



future development's share of the project.

Because front-ending balances represent debts owed to the municipality, they need to be clearly reflected in official City documents such as levy account balances, financial statements (e.g., front-ending notes), or accounts receivables, etc. This documentation enables the City to collect on these debts as future development occurs, and offsite levies are collected.

At end 2020, the overall net front-ending due to the City was **\$25.98 million**. A complete reconciliation of balances for each of the accounts is provided in Appendices B8, C8, D8, and E8.

#### Summary of Account Balances & Front-ending

Reserve Balance	
Transportation	\$ 3,828,643
Water	\$ 8,086,782
Sanitary	\$ (32,075,858)
Stormwater	\$ (5,815,593)
Total	\$ (25,976,026)

## 5 RATES

For future development to pay for its share of the **\$403.83 million** infrastructure costs either built already or contained in the City's future capital plans, rates are **\$102,012 per net hectare** on a weighted average basis. These rates reflect the actual cost of infrastructure required to facilitate development in the City. A comparison of offsite levy rates with other municipalities is summarized in *Appendix F*.

Since the last update, rates are decreasing an average of **~56%**. The primary reasons for this decrease are: (a) the updated infrastructure projects and reduced costs allocated to future development, and (b) the increase in forecast land development within the 25-year review period.

#### Summary of Offsite Levy Charges (Per Net Ha) <sup>2</sup>

	Transportation	Water	Sanitary	Storm	Total
High	\$ 20,809	\$ 15,052	\$ 126,778	\$ 31,351	\$ 168,307
Low	\$ -	\$ -	\$ -	\$ -	\$ -
Weighted Average	\$ 20,809	\$ 4,828	\$ 67,014	\$ 9,361	\$ 102,012

<sup>2</sup> Highs, lows, and weighted averages are shown for information purposes only. Developers pay the actual offsite levy charges pertaining to their specific offsite levy area.

Area #	Transportation	Water	Sanitary	Storm	Total
1.0	\$ 20,809	\$ -	\$ 28,004	\$ -	\$ 48,813
2.0	\$ 20,809	\$ 15,052	\$ 65,774	\$ -	\$ 101,635
3.0	\$ 20,809	\$ 15,052	\$ 82,756	\$ 31,351	\$ 149,968
4.0	\$ 20,809	\$ 15,052	\$ 82,756	\$ 31,351	\$ 149,968
5.0	\$ 20,809	\$ 11,668	\$ 854	\$ -	\$ 33,331
6.0	\$ 20,809	\$ -	\$ 28,858	\$ -	\$ 49,667
7.0	\$ 20,809	\$ -	\$ 81,902	\$ -	\$ 102,711
8.0	\$ -	\$ -	\$ -	\$ -	\$ -
9.0	\$ 20,809	\$ -	\$ 42,601	\$ -	\$ 63,411
10.0	\$ 20,809	\$ -	\$ 38,828	\$ -	\$ 59,637
11.0	\$ 20,809	\$ -	\$ 116,926	\$ -	\$ 137,736
12.0	\$ 20,809	\$ -	\$ 126,778	\$ 20,719	\$ 168,307

## 6 RECOMMENDATIONS

CORVUS recommends the following:

1. Implement the updated offsite levy rates outlined in Section 5.
2. Amend the offsite levy account balances in City documentation to align with Appendices B8, C8, D8, and E8. In so doing, remove excess cash from offsite levy reserves (if any) as pay down of front-ending debts owed to the City.

## 7 ACKNOWLEDGEMENTS

CORVUS Business Advisors would like to thank all City of Medicine Hat staff who supported the work of this rate update.

## 8 DISCLAIMER

CORVUS Business Advisor has relied upon the City of Medicine Hat and its engineering/consulting advisors to provide all the data and information used to construct the offsite levy model and create the rates, such as planning data and assumptions, development forecasts and assumptions, infrastructure costs and costs estimates, allocations to benefitting parties, allocation to benefitting areas, historical financial details, and other assumptions etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

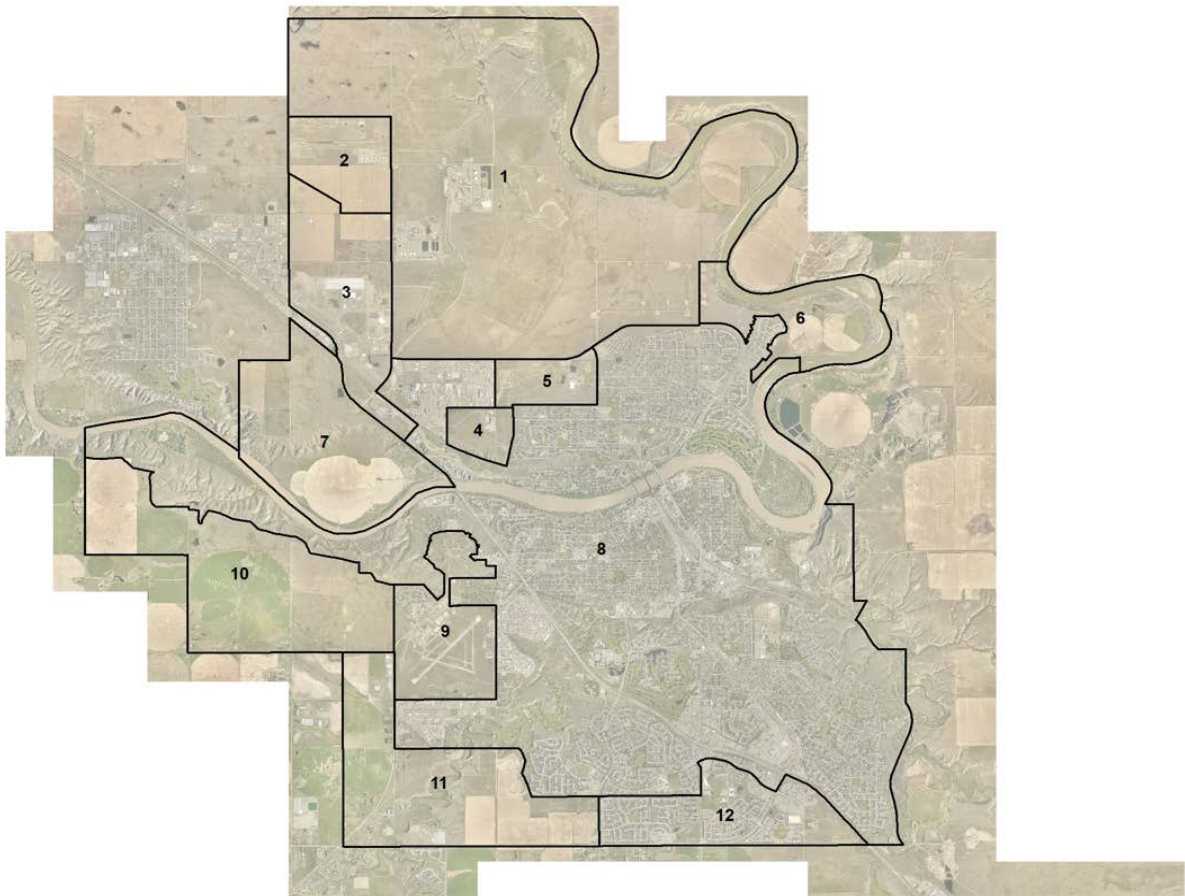
Offsite levy rates are not intended to stay static; they are based upon educated assumptions and the best available information of the day. Planning assumptions, cost estimates etc. can change each year. Accordingly, the Municipal Government Act requires that offsite levy rates be updated with the most available information on a regular basis and a status report provided to Council annually. When information changes, it will be reflected in a future update, and rates adjusted accordingly.

## APPENDIX A: OFFSITE LEVY AREAS AND STAGING

### A1. Offsite Levy Areas

The City is parsed into **12** offsite levy areas, as shown in the map below. Areas take into consideration existing/planned infrastructure basins as well as natural and man-made barriers (e.g., rivers, highways, etc.), developed areas, etc. All offsite levy infrastructure costs are allocated to one or more areas.

Offsite Levy Areas



Total net development area, the amount of land available for development across all offsite levy areas, is approximately **8720 net ha**. Allowances have been made to net development area calculations for environmental reserves, municipal reserves, and rights of way and other non-chargeable areas if applicable. As of December 31<sup>st</sup>, 2020 (the cut-off date), approximately **4084 net ha**. were developed, leaving a balance of approximately **4637 net ha**. for development in the future.

Offsite Levy Net Development Area

Area Ref. #	Development Area Location	Land Use	Gross Area (ha)	Environmental Reserves	Sub-total	Municipal Reserves	Arterial Right of Way and Other Non-Chargeable	Net Development Area
1	North Reserve Lands	Other	2,784.65	505.91	2,278.74	31.56	32.71	2,214.47
2	North West Industrial Park	Other	228.27	-	228.27	-	9.17	219.10
3	Box Springs Business Park	Other	462.17	-	462.17	-	53.70	408.47
4	Brier Park	Other	84.59	9.04	75.55	-	3.75	71.80
5	Brier Run	Other	128.32	-	128.32	3.63	10.45	114.24
6	Ranchlands	Other	330.43	183.47	146.96	14.69	-	132.27
7	Burnside	Other	634.08	201.51	432.57	39.88	27.80	364.89
8	Established Area	Other	5,115.81	1,560.45	3,555.36	-	245.48	3,309.88
9	Airport Lands	Other	340.15	-	340.15	-	12.13	328.02
10	Westvue	Other	812.21	-	812.21	79.72	14.99	717.50
11	South West Residential	Other	702.88	124.16	578.72	31.16	46.95	500.61
12	South East Residential	Other	388.60	0.97	387.63	8.46	39.95	339.22
<b>Total</b>			<b>12,012.16</b>	<b>2,585.51</b>	<b>9,426.65</b>	<b>209.10</b>	<b>497.08</b>	<b>8,720.47</b>

Summary of Offsite Levy Net Development Area

Description	ha.
Gross Development Area	12,012.16
Less Environment Reserve	2,585.51
Less Municipal Reserve	209.10
Less ROW Allowance	497.08
Net Development Area	8,720.47

\*Note: 1 Hectare (ha.) = ~2.47 Acres

Net development area definitions will be applied in determining offsite levy obligations of developers on application for subdivision or development within the City of Medicine Hat. Net development area is defined as follows:

- Gross Area – The area of lands to be developed in hectares that have not previously paid an offsite levy.
  - Less: Any environmental reserves contained within the development area.
  - Less: A 10% allowance for Municipal Reserves.
  - Less: Arterial road right of way that bisects the development lands and other non-chargeable areas if applicable.
- Equals: Net Developable Area, which is the area subject to offsite levies.

## A2. Development Staging

A rate planning period of 25-years underpins the offsite levy model and rate calculations. Many municipalities use this planning period as it provides a reasonable timeframe to recoup the costs associated with offsite levy infrastructure construction, and it aligns with the timeframes of many municipal capital planning and construction cycles.

Of the **8720 net ha.** of development area available across all offsite levy development areas, planners estimate that approximately **637 net ha. (7%)** will develop during the next 25-years (the rate planning period) as shown in the tables below.

Summary of Anticipated Development during the 25-year Rate Planning Period

Description	ha.	
Developed to Date	4,083.90	46.8%
Developed In Next 25 Years	637.31	7.3%
Developed Beyond 25 Years	3,999.26	45.9%
Net Development Area	8,720.47	

Anticipated Development During the 25-year Rate Planning Period

Area Ref. #	Area Developed in Next 25 years (Net ha.)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
1	25.000	-	5.00	-	-	-	-	5.00	-	-	-	-	5.00	-	-	-	-	5.00	-	-	-	-	5.00	-	-	-
2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	120.000	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-
4	20.000	-	5.00	-	-	5.00	-	-	5.00	-	-	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	83.080	-	-	-	10.00	10.00	10.00	10.00	-	10.00	10.00	-	10.00	-	10.00	3.08	-	-	-	-	-	-	-	-	-	-
6	113.130	-	-	10.00	10.00	-	10.00	10.00	-	10.00	10.00	-	10.00	10.00	-	10.00	10.00	-	13.13	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	80.000	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-
10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	120.000	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12	76.100	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.10	-	-	-	-	-	-	-	-	-
	637.31	-	30.00	30.00	40.00	25.00	50.00	35.00	25.00	40.00	40.00	15.00	55.00	20.00	30.00	33.08	31.10	10.00	38.13	5.00	15.00	15.00	20.00	5.00	25.00	5.00

## APPENDIX B: WATER OFFSITE INFRASTRUCTURE

### B1. Water Offsite Infrastructure Costs

To support future growth, water offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$65.94 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Water Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	South Reservoir and Transmission Line	\$ 10,681,701	\$ -	\$ -	\$ 10,681,701
2	North Reservoir	\$ 8,618,112	\$ 1,298	\$ -	\$ 8,619,410
3	South Reservoir Cell #2	\$ 4,990,610	\$ 191,837	\$ -	\$ 5,182,447
4	South Reservoir Pump #4	\$ 366,957	\$ 10,258	\$ -	\$ 377,215
7	NW Booster and Transmission Main	\$ 14,651,020	\$ 755,334	\$ -	\$ 15,406,354
19	Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	\$ -	\$ -	\$ 17,160,000	\$ 17,160,000
20	North West Booster Station Expansion Pump #4	\$ -	\$ -	\$ 100,000	\$ 100,000
21	North Reservoir Cell Expansion #2	\$ -	\$ -	\$ 3,375,000	\$ 3,375,000
23	South Ridge Reservoir Expansion Cell	\$ -	\$ -	\$ 5,040,000	\$ 5,040,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ -	\$ -	\$ -
		<b>\$ 39,308,399</b>	<b>\$ 958,728</b>	<b>\$ 25,675,000</b>	<b>\$ 65,942,127</b>

\*Costs estimates are reflected in current dollars.

\*\*Estimates include engineering costs and contingencies.

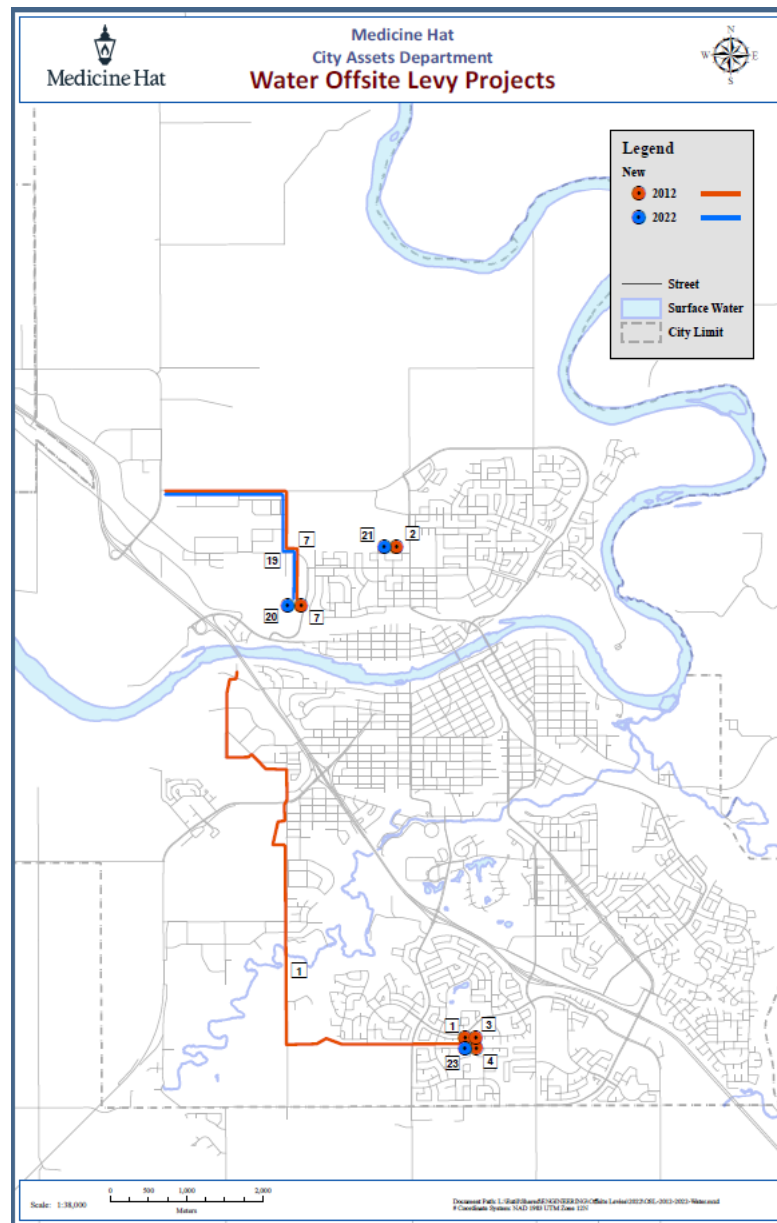
\*\*\*Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

\*\*\*\*Financing interest costs to date (if any) are included in the cost of work completed.

\*\*\*\*\*Project numbering may be out of sequence as rows containing deleted projects are hidden.



### Location of Water Projects



## B2. Water Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0.00** in special grants and contributions for water offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$65.94 million**.

Special Grants and Contributions for Water Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Reduced Project Estimated Cost
1	South Reservoir and Transmission Line	\$ 10,681,701	\$ -	\$ -	\$ 10,681,701
2	North Reservoir	\$ 8,619,410	\$ -	\$ -	\$ 8,619,410
3	South Reservoir Cell #2	\$ 5,182,447	\$ -	\$ -	\$ 5,182,447
4	South Reservoir Pump #4	\$ 377,215	\$ -	\$ -	\$ 377,215
7	NW Booster and Transmission Main	\$ 15,406,354	\$ -	\$ -	\$ 15,406,354
19	Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	\$ 17,160,000	\$ -	\$ -	\$ 17,160,000
20	North West Booster Station Expansion Pump #4	\$ 100,000	\$ -	\$ -	\$ 100,000
21	North Reservoir Cell Expansion #2	\$ 3,375,000	\$ -	\$ -	\$ 3,375,000
23	South Ridge Reservoir Expansion Cell	\$ 5,040,000	\$ -	\$ -	\$ 5,040,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ -	\$ -	\$ -
		<b>\$ 65,942,127</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,942,127</b>

**B3. Water Infrastructure Staging**

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Water Infrastructure Staging

Item	Project Description	Construction Start Year
1	South Reservoir and Transmission Line	1998
2	North Reservoir	2000
3	South Reservoir Cell #2	2006
4	South Reservoir Pump #4	2006
7	NW Booster and Transmission Main	2008
19	Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	2032
20	North West Booster Station Expansion Pump #4	2032
21	North Reservoir Cell Expansion #2	2030
23	South Ridge Reservoir Expansion Cell	2033

\*The pro rata share of project cost beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Costs are inflated to the year of construction using an inflation rate of 4% in the first year, 5% in the second year, 4% in the third year, and 3% thereafter.

**B4. Water Offsite Infrastructure Benefiting Parties**

The water offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties were include:

- City of Medicine Hat – that portion of cost which is required to service existing residents.
- Other Stakeholders – other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Medicine Hat Future Development (Financial Oversizing) – that portion of cost

which benefits future development beyond the 25-year review period.

- City of Medicine Hat Future Development (in Rates) – all growth-related infrastructure (i.e., leviable water infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of water offsite levy infrastructure costs to benefiting parties.

#### Allocation of Water Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	South Reservoir and Transmission Line	\$ 10,681,701	81.860%		0.000%	18.140%
2	North Reservoir	\$ 8,619,410	88.170%		0.000%	11.830%
3	South Reservoir Cell #2	\$ 5,182,447	81.860%		0.000%	18.140%
4	South Reservoir Pump #4	\$ 377,215	81.860%		0.000%	18.140%
7	NW Booster and Transmission Main	\$ 15,406,354	20.000%		0.000%	80.000%
19	Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	\$ 17,160,000	20.000%		35.200%	44.800%
20	North West Booster Station Expansion Pump #4	\$ 100,000	20.000%		35.200%	44.800%
21	North Reservoir Cell Expansion #2	\$ 3,375,000	61.000%		14.040%	24.960%
23	South Ridge Reservoir Expansion Cell	\$ 5,040,000	98.000%		0.960%	1.040%
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -				100.0%

\*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

## **B5. Existing Receipts & Adjusted Levy Cost**

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$24.92 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$19.78 million** (\$10.74 million + \$9.05 million) in offsite levies to date and results in an adjusted offsite levy cost of approximately **\$5.14 million**.

#### Offsite Levy Funds Collected to Date & Adjusted Levy Cost

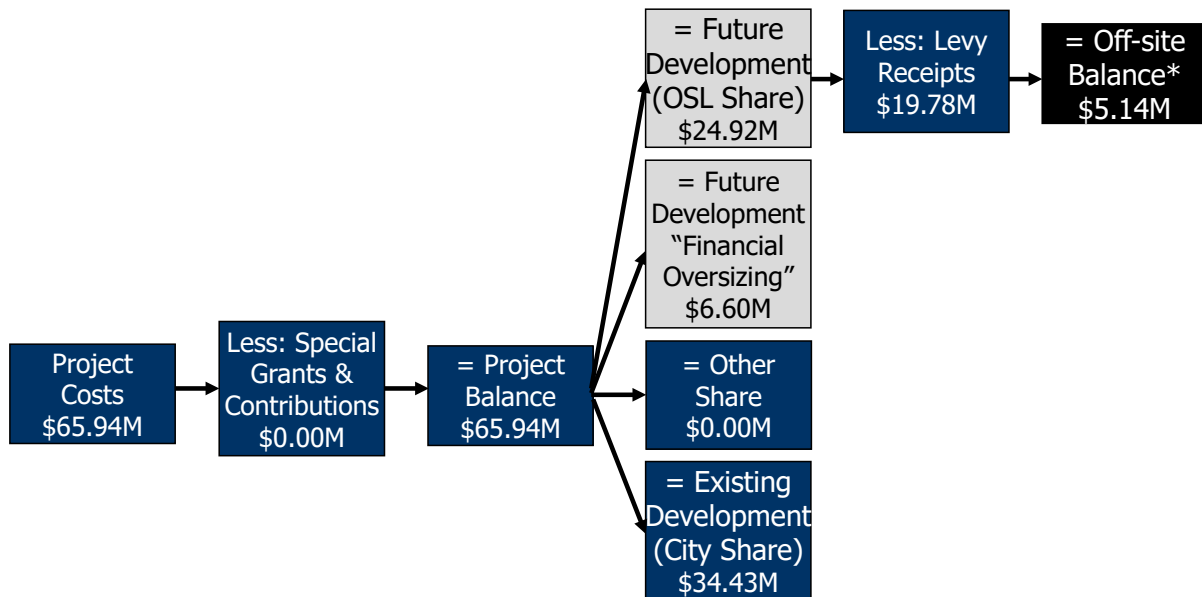
Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2012	Offsite Levy Funds Collected Starting Jan 1, 2013	Adjusted Developer (Levy) Cost
1	South Reservoir and Transmission Line	\$ 1,937,660	\$ 3,307,104	\$ -	\$ (1,369,443)
2	North Reservoir	\$ 1,019,676	\$ 2,699,793	\$ -	\$ (1,680,117)
3	South Reservoir Cell #2	\$ 940,096	\$ 761,034	\$ 72,770	\$ 106,291
4	South Reservoir Pump #4	\$ 68,427	\$ 55,958	\$ 5,067	\$ 7,401
7	NW Booster and Transmission Main	\$ 12,325,083	\$ 1,969,038	\$ 2,578,414	\$ 7,777,631
19	Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	\$ 7,687,680	\$ -	\$ 5,160,617	\$ 2,527,063
20	North West Booster Station Expansion Pump #4	\$ 44,800	\$ -	\$ 30,074	\$ 14,726
21	North Reservoir Cell Expansion #2	\$ 842,400	\$ -	\$ 1,097,277	\$ (254,877)
23	South Ridge Reservoir Expansion Cell	\$ 52,416	\$ -	\$ 102,413	\$ (49,997)
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ 1,942,816	\$ -	\$ (1,942,816)
		<b>\$ 24,918,239</b>	<b>\$ 10,735,743</b>	<b>\$ 9,046,631</b>	<b>\$ 5,135,864</b>

## **B6. Summary of Water Offsite Levy Cost Flow-through**

As shown in the figure below, the total cost for water infrastructure that forms the basis of

the rate is approximately **\$5.14 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section B4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

#### Total Water Offsite Levy Costs



## **B7. Water Infrastructure Benefiting Areas**

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefitting areas were determined by City staff and their engineering advisors. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

#### Benefiting Areas for Water Offsite Infrastructure

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	South Reservoir and Transmission Line	\$ (1,369,443)											1	1
2	North Reservoir	\$ (1,680,117)					1	1						
3	South Reservoir Cell #2	\$ 106,291											1	1
4	South Reservoir Pump #4	\$ 7,401											1	1
7	NW Booster and Transmission Main	\$ 7,777,631		1	1	1	1							
19	Transmission Line Expansion (NW Booster Station to Box Springs R	\$ 2,527,063		1	1	1	1							
20	North West Booster Station Expansion Pump #4	\$ 14,726		1	1	1	1							
21	North Reservoir Cell Expansion #2	\$ (254,877)	1				1	1						
23	South Ridge Reservoir Expansion Cell	\$ (49,997)												1
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DE	\$ (1,942,816)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 5,135,864												

## **B8. Reserve Balance**

The balance of the City's water reserve at December 31<sup>st</sup>, 2020 is **\$8,086,781.61**. This updated balance takes into consideration expenditures up to end-2020 and assumes that front-ending debts will be drawn down via a withdrawal of all available cash in the account.

Water Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Unallocated OSL Receipts 2011 & Prior	\$ 2,594,314.73		\$ 2,594,314.73
OSL Receipt 2012	\$ 277,206.61		\$ 2,871,521.34
Project Expenditures - Account Withdrawals Applied to Projects 2012 & Prior		\$ 965,196.62	\$ 1,906,324.72
Interest Adjustment 2012	\$ 36,490.85		\$ 1,942,815.57
<b>Account Balance per Muni Records 2012 &amp; Prior</b>			<b>\$ 1,942,815.57</b>
Project Expenditures - Additional Front-ending 2012 & Prior		\$ 1,482,378.57	\$ 460,437.00
<b>Balance</b>			<b>\$ 460,437.00</b>
<b>2013</b>			
Interest on Opening Balance	\$ 9,208.74	\$ -	\$ 469,645.74
Project Expenditures - Account Withdrawals Applied to Projects		\$ 965,196.99	\$ (495,551.25)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (702,881.50)	\$ 207,330.25
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 207,330.25
OSL Receipts	\$ 390,001.34		\$ 597,331.59
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 597,331.59
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 8,445.47	\$ 588,886.12
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 588,886.12
Interest Adjustment for OSL Receipts	\$ 3,900.01		\$ 592,786.13
<b>Closing Balance</b>			<b>\$ 592,786.13</b>
<b>2014</b>			
Interest on Opening Balance	\$ 11,855.72	\$ -	\$ 604,641.85
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 604,641.85
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 244,225.19	\$ 360,416.66
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 360,416.66
OSL Receipts	\$ 441,765.05		\$ 802,181.71
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 802,181.71
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 802,181.71
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 802,181.71
Interest Adjustment for OSL Receipts	\$ 4,417.65		\$ 806,599.36
<b>Closing Balance</b>			<b>\$ 806,599.36</b>
<b>2015</b>			
Interest on Opening Balance	\$ 16,131.99	\$ -	\$ 822,731.34
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 822,731.34
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 225,184.43	\$ 597,546.91
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 597,546.91
OSL Receipts	\$ 333,491.31		\$ 931,038.22
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 931,038.22
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 931,038.22
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 931,038.22
Interest Adjustment for OSL Receipts	\$ 3,334.91		\$ 934,373.14
<b>Closing Balance</b>			<b>\$ 934,373.14</b>
<b>2016</b>			
Interest on Opening Balance	\$ 18,687.46	\$ -	\$ 953,060.60
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 953,060.60
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 205,142.36	\$ 747,918.24
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 747,918.24
OSL Receipts	\$ 285,344.13		\$ 1,033,262.37
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 1,033,262.37
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 1,033,262.37
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 1,033,262.37
Interest Adjustment for OSL Receipts	\$ 2,853.44		\$ 1,036,115.81
<b>Closing Balance</b>			<b>\$ 1,036,115.81</b>
<b>2017</b>			
Interest on Opening Balance	\$ 20,722.32	\$ -	\$ 1,056,838.13
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 1,056,838.13
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 184,045.40	\$ 872,792.73
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 872,792.73
OSL Receipts	\$ 1,013,256.72		\$ 1,886,049.45
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 1,886,049.45
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 1,886,049.45
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 1,886,049.45
Interest Adjustment for OSL Receipts	\$ 10,132.57		\$ 1,896,182.01
<b>Closing Balance</b>			<b>\$ 1,896,182.01</b>

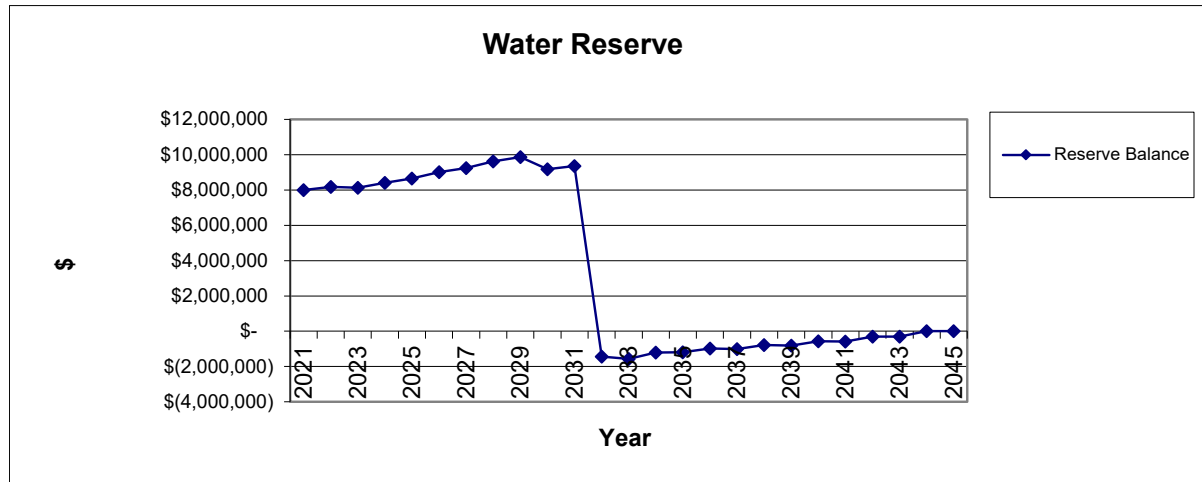
<b>2018</b>			
Interest on Opening Balance	\$ 37,923.64	\$ -	\$ 1,896,182.01
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 1,934,105.65
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 163,119.32	\$ 1,934,105.65
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 1,770,986.34
OSL Receipts	\$ 4,272,539.19		\$ 6,043,525.53
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 6,043,525.53
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 6,043,525.53
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 6,043,525.53
Interest Adjustment for OSL Receipts	\$ 21,149.07		\$ 6,064,674.60
<b>Closing Balance</b>			\$ 6,064,674.60
<b>2019</b>			\$ 6,064,674.60
Interest on Opening Balance	\$ 121,293.49	\$ -	\$ 6,185,968.09
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 6,185,968.09
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 145,765.34	\$ 6,040,202.75
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 6,040,202.75
OSL Receipts	\$ 627,389.07		\$ 6,667,591.82
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 6,667,591.82
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 6,667,591.82
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 6,667,591.82
Interest Adjustment for OSL Receipts	\$ 3,105.58		\$ 6,670,697.39
<b>Closing Balance</b>			\$ 6,670,697.39
<b>2020</b>			\$ 6,670,697.39
Interest on Opening Balance	\$ 133,413.95	\$ -	\$ 6,804,111.34
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 6,804,111.34
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 129,925.61	\$ 6,674,185.73
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 6,674,185.73
OSL Receipts	\$ 1,405,637.97		\$ 8,079,823.70
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 8,079,823.70
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 8,079,823.70
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 8,079,823.70
Interest Adjustment for OSL Receipts	\$ 6,957.91		\$ 8,086,781.61
<b>Closing Balance</b>			\$ 8,086,781.61

## B9. Development and Water Infrastructure Staging Impacts

Water offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of water infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality's front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **3.62%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Water Offsite Levy Reserve Balances<sup>3</sup>Anticipated Water Offsite Levy Reserve Balances

			Opening Balance	\$ 8,086,782
Year	Receipts	Expenditure	Interest	Balance
2021	\$ -	\$ 164,014	\$ 79,228	\$ 8,001,996
2022	\$ 234,811	\$ 145,569	\$ 80,912	\$ 8,172,150
2023	\$ -	\$ 125,410	\$ 80,467	\$ 8,127,208
2024	\$ 303,451	\$ 100,579	\$ 83,301	\$ 8,413,380
2025	\$ 224,520	\$ 71,280	\$ 85,666	\$ 8,652,286
2026	\$ 321,932	\$ 50,209	\$ 89,240	\$ 9,013,249
2027	\$ 144,796	\$ 11,863	\$ 91,462	\$ 9,237,643
2028	\$ 288,596	\$ 3,316	\$ 95,229	\$ 9,618,152
2029	\$ 153,614	\$ 1,382	\$ 97,704	\$ 9,868,088
2030	\$ 362,337	\$ 1,142,965	\$ 90,875	\$ 9,178,334
2031	\$ 105,119	\$ 23,909	\$ 92,595	\$ 9,352,139
2032	\$ 384,403	\$ 11,124,297	\$ (50,237)	\$ (1,437,991)
2033	\$ -	\$ 77,670	\$ (54,867)	\$ (1,570,529)
2034	\$ 407,813	\$ -	\$ (42,090)	\$ (1,204,806)
2035	\$ 56,494	\$ -	\$ (41,569)	\$ (1,189,880)
2036	\$ 243,723	\$ -	\$ (34,251)	\$ (980,408)
2037	\$ -	\$ -	\$ (35,491)	\$ (1,015,899)
2038	\$ 258,565	\$ -	\$ (27,415)	\$ (784,749)
2039	\$ -	\$ -	\$ (28,408)	\$ (813,157)
2040	\$ 274,312	\$ -	\$ (19,506)	\$ (558,351)
2041	\$ -	\$ -	\$ (20,212)	\$ (578,563)
2042	\$ 291,018	\$ -	\$ (10,409)	\$ (297,955)
2043	\$ -	\$ -	\$ (10,786)	\$ (308,741)
2044	\$ 308,741	\$ -	\$ (0)	\$ (0)
2045	\$ -	\$ -	\$ (0)	\$ (0)

<sup>3</sup> In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).



## APPENDIX C: SANITARY OFFSITE INFRASTRUCTURE

### C1. Sanitary Offsite Infrastructure Costs

To support future growth, sanitary offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$131.00 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

#### Summary of Sanitary Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	Parkview Siphon - Twin Lines (1996)	\$ 1,487,012	\$ -	\$ -	\$ 1,487,012
2	Porcelaine Avenue (IXL Yard) (1997)	\$ 1,081,559	\$ -	\$ -	\$ 1,081,559
3	SW Trunk Upgrade Spencer Street to Porcelaine Avenue (2001)	\$ 2,741,890	\$ -	\$ -	\$ 2,741,890
4	SW Sanitary Trunk - SW Industrial and Ajax Coulee (2002)	\$ 2,570,085	\$ 5,836	\$ -	\$ 2,575,921
5	Altawana Drive Pipe Tripling (2002)	\$ 365,520	\$ 1,285	\$ -	\$ 366,804
6	Purmal Forcemain Twin Lines (2003)	\$ 11,296,631	\$ 91,999	\$ -	\$ 11,388,630
7	SW Sanitary Trunk - Electric Yard (2004)	\$ 2,282,901	\$ 31,049	\$ -	\$ 2,313,949
9	Southlands Lift Station and Forcemain (2004)	\$ 10,439,155	\$ 148,345	\$ -	\$ 10,587,500
11	South Central Trunk Upgrade - Ronan Place (2006)	\$ 395,573	\$ 13,587	\$ -	\$ 409,160
12	3rd Street NW Trunk Line (2006)	\$ 3,501,913	\$ 137,951	\$ -	\$ 3,639,864
13	South Boundary Road Sanitary Trunk Main (2006)	\$ 7,663,118	\$ -	\$ -	\$ 7,663,118
14	South West Sector (Desert Blume) Lift Station and Forcemain (2006)	\$ 2,007,901	\$ 70,629	\$ -	\$ 2,078,530
16	SW Trunk Sanitary Sewer Upgrade - Ajax Coulee / Parks Yard (2011)	\$ 295,257	\$ 27,607	\$ -	\$ 322,863
21	Purmal Lift Station	\$ 6,555,287	\$ -	\$ 9,251	\$ 6,564,538
22	Crescent Heights Lift Station and Forcemain	\$ 6,501,436	\$ -	\$ 2,569	\$ 6,504,005
23	Brier Park Gravity Bypass Phase 1	\$ 5,878,851	\$ -	\$ -	\$ 5,878,851
24	Brier Park Gravity Bypass Phase 2	\$ 4,240,937	\$ -	\$ 18,954	\$ 4,259,892
25	Brier Park Gravity Bypass Phase 2B	\$ -	\$ -	\$ 2,254,656	\$ 2,254,656
26	Brier Park Gravity Bypass Phase 3	\$ -	\$ -	\$ 7,755,921	\$ 7,755,921
27	Brier Park Gravity Bypass Phase 4A	\$ -	\$ -	\$ 5,640,000	\$ 5,640,000
28	Brier Park Gravity Bypass Phase 4B	\$ -	\$ -	\$ 2,160,000	\$ 2,160,000
29	Brier Park Gravity Bypass Phase 5	\$ -	\$ -	\$ 1,320,000	\$ 1,320,000
30	Box Springs Lift Station	\$ -	\$ -	\$ 4,300,000	\$ 4,300,000
31	Box Springs Forcemain	\$ -	\$ -	\$ 18,000,000	\$ 18,000,000
33	Strachan Road/Dunmore Sanitary Upgrades	\$ -	\$ -	\$ 9,600,000	\$ 9,600,000
34	10th Avenue SW Trunk Sewer Expansion	\$ -	\$ -	\$ 300,000	\$ 300,000
35	Coulee Ridge Lift Station and Forcemain Expansion	\$ -	\$ -	\$ 4,300,000	\$ 4,300,000
36	Southlands 7 Lift Station	\$ -	\$ -	\$ 1,670,000	\$ 1,670,000
37	Southlands 7 Forcemain	\$ -	\$ -	\$ 3,840,000	\$ 3,840,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ -	\$ -	\$ -
		<b>\$ 69,305,027</b>	<b>\$ 528,287</b>	<b>\$ 61,171,351</b>	<b>\$ 131,004,664</b>

\*Costs estimates are reflected in current dollars.

\*\*Estimates include engineering costs and contingencies.

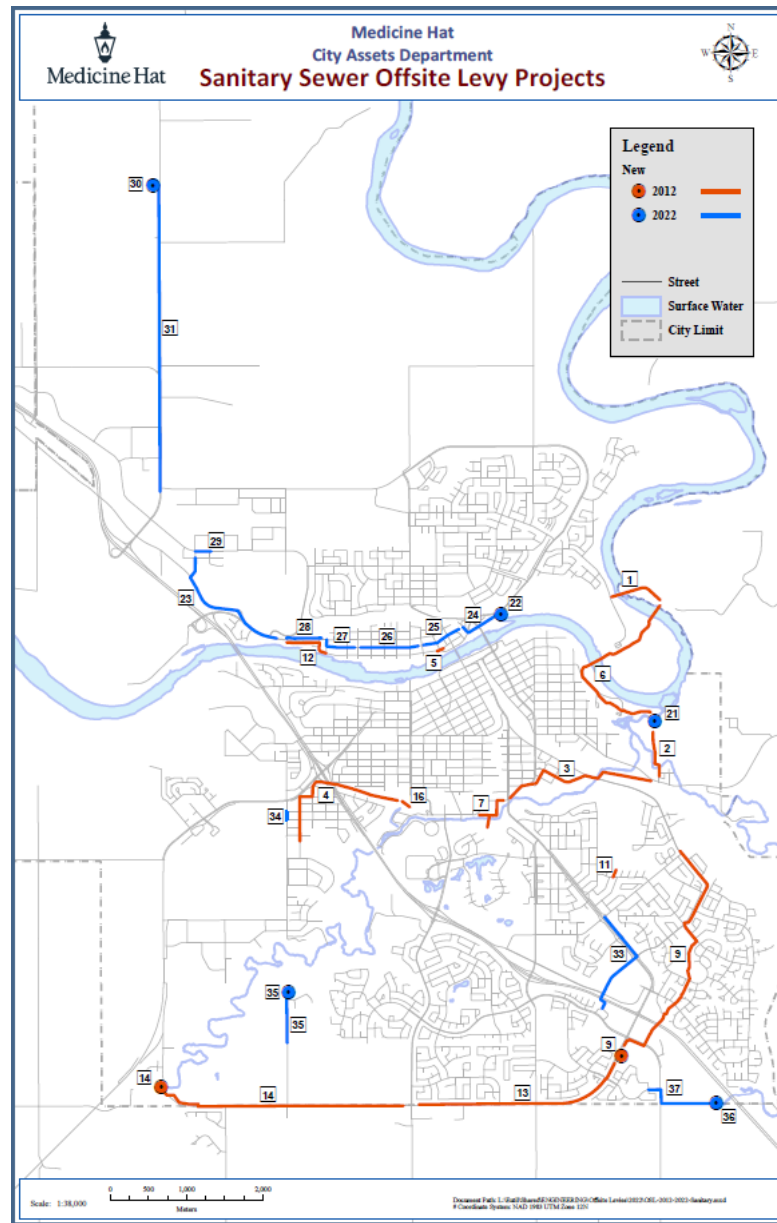
\*\*\*Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

\*\*\*\*Financing interest costs to date (if any) are included in the cost of work completed.

\*\*\*\*\*Project numbering may be out of sequence as rows containing deleted projects are hidden.



### Location of Sanitary Projects



## C2. Sanitary Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$5.40 million** in special grants and contributions for sanitary offsite levy infrastructure as shown in the table below (note, if the City receives additional grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$125.60 million**.

### Special Grants and Contributions for Sanitary Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Reduced Project Estimated Cost
1	Parkview Siphon - Twin Lines (1996)	\$ 1,487,012	\$ -	\$ -	\$ 1,487,012
2	Porcelaine Avenue (IXL Yard) (1997)	\$ 1,081,559	\$ -	\$ -	\$ 1,081,559
3	SW Trunk Upgrade Spencer Street to Porcelaine Avenue (2001)	\$ 2,741,890	\$ -	\$ -	\$ 2,741,890
4	SW Sanitary Trunk - SW Industrial and Ajax Coulee (2002)	\$ 2,575,921	\$ -	\$ -	\$ 2,575,921
5	Altawana Drive Pipe Tripling (2002)	\$ 366,804	\$ -	\$ -	\$ 366,804
6	Purmal Forcemain Twin Lines (2003)	\$ 11,388,630	\$ -	\$ -	\$ 11,388,630
7	SW Sanitary Trunk - Electric Yard (2004)	\$ 2,313,949	\$ -	\$ -	\$ 2,313,949
9	Southlands Lift Station and Forcemain (2004)	\$ 10,587,500	\$ -	\$ -	\$ 10,587,500
11	South Central Trunk Upgrade - Ronan Place (2006)	\$ 409,160	\$ -	\$ -	\$ 409,160
12	3rd Street NW Trunk Line (2006)	\$ 3,639,864	\$ -	\$ -	\$ 3,639,864
13	South Boundary Road Sanitary Trunk Main (2006)	\$ 7,663,118	\$ -	\$ -	\$ 7,663,118
14	South West Sector (Desert Blume) Lift Station and Forcemain (2006)	\$ 2,078,530	\$ -	\$ -	\$ 2,078,530
16	SW Trunk Sanitary Sewer Upgrade - Ajax Coulee / Parks Yard (2011)	\$ 322,863	\$ -	\$ -	\$ 322,863
21	Purmal Lift Station	\$ 6,564,538	\$ -	\$ -	\$ 6,564,538
22	Crescent Heights Lift Station and Forcemain	\$ 6,504,005	\$ -	\$ -	\$ 6,504,005
23	Brier Park Gravity Bypass Phase 1	\$ 5,878,851	\$ -	\$ -	\$ 5,878,851
24	Brier Park Gravity Bypass Phase 2	\$ 4,259,892	\$ -	\$ -	\$ 4,259,892
25	Brier Park Gravity Bypass Phase 2B	\$ 2,254,656	\$ -	\$ -	\$ 2,254,656
26	Brier Park Gravity Bypass Phase 3	\$ 7,755,921	\$ 5,400,000	\$ -	\$ 2,355,921
27	Brier Park Gravity Bypass Phase 4A	\$ 5,640,000	\$ -	\$ -	\$ 5,640,000
28	Brier Park Gravity Bypass Phase 4B	\$ 2,160,000	\$ -	\$ -	\$ 2,160,000
29	Brier Park Gravity Bypass Phase 5	\$ 1,320,000	\$ -	\$ -	\$ 1,320,000
30	Box Springs Lift Station	\$ 4,300,000	\$ -	\$ -	\$ 4,300,000
31	Box Springs Forcemain	\$ 18,000,000	\$ -	\$ -	\$ 18,000,000
33	Strachan Road/Dunmore Sanitary Upgrades	\$ 9,600,000	\$ -	\$ -	\$ 9,600,000
34	10th Avenue SW Trunk Sewer Expansion	\$ 300,000	\$ -	\$ -	\$ 300,000
35	Coulee Ridge Lift Station and Forcemain Expansion	\$ 4,300,000	\$ -	\$ -	\$ 4,300,000
36	Southlands 7 Lift Station	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
37	Southlands 7 Forcemain	\$ 3,840,000	\$ -	\$ -	\$ 3,840,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELET	\$ -	\$ -	\$ -	\$ -
		<b>\$ 131,004,664</b>	<b>\$ 5,400,000</b>	<b>\$ -</b>	<b>\$ 125,604,664</b>

### C3. Sanitary Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Sanitary Infrastructure Staging

Item	Project Description	Construction Start Year
1	Parkview Siphon - Twin Lines (1996)	1996
2	Porcelaine Avenue (IXL Yard) (1997)	1997
3	SW Trunk Upgrade Spencer Street to Porcelaine Avenue (2001)	2001
4	SW Sanitary Trunk - SW Industrial and Ajax Coulee (2002)	2002
5	Altawana Drive Pipe Tripling (2002)	2002
6	Purmal Forcemain Twin Lines (2003)	2003
7	SW Sanitary Trunk - Electric Yard (2004)	2004
9	Southlands Lift Station and Forcemain (2004)	2004
11	South Central Trunk Upgrade - Ronan Place (2006)	2006
12	3rd Street NW Trunk Line (2006)	2006
13	South Boundary Road Sanitary Trunk Main (2006)	2006
14	South West Sector (Desert Blume) Lift Station and Forcemain (2006)	2006
16	SW Trunk Sanitary Sewer Upgrade - Ajax Coulee / Parks Yard (2011)	2011
21	Purmal Lift Station	2014
22	Crescent Heights Lift Station and Forcemain	2014
23	Brier Park Gravity Bypass Phase 1	2017
24	Brier Park Gravity Bypass Phase 2	2019
25	Brier Park Gravity Bypass Phase 2B	2021
26	Brier Park Gravity Bypass Phase 3	2022
27	Brier Park Gravity Bypass Phase 4A	2023
28	Brier Park Gravity Bypass Phase 4B	2024
29	Brier Park Gravity Bypass Phase 5	2025
30	Box Springs Lift Station	2046
31	Box Springs Forcemain	2046
33	Strachan Road/Dunmore Sanitary Upgrades	2030
34	10th Avenue SW Trunk Sewer Expansion	2027
35	Coulee Ridge Lift Station and Forcemain Expansion	2030
36	Southlands 7 Lift Station	2025
37	Southlands 7 Forcemain	2025

\*The pro rata share of project cost beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Costs are inflated to the year of construction using an inflation rate of 4% in the first year, 5% in the second year, 4% in the third year, and 3% thereafter.

#### C4. Sanitary Offsite Infrastructure Benefiting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties were include:

- City of Medicine Hat – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Medicine Hat Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Medicine Hat Future Development (in Rates) – all growth-related infrastructure (i.e., leviable sanitary infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of sanitary offsite levy infrastructure costs to

benefiting parties.

#### Allocation of Sanitary Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	Parkview Siphon - Twin Lines (1996)	\$ 1,487,012	64.066%		0.000%	35.934%
2	Porcelaine Avenue (IXL Yard) (1997)	\$ 1,081,559	71.451%		0.000%	28.549%
3	SW Trunk Upgrade Spencer Street to Porcelaine Avenue (2001)	\$ 2,741,890	80.292%		0.000%	19.708%
4	SW Sanitary Trunk - SW Industrial and Ajax Coulee (2002)	\$ 2,575,921	64.340%		0.000%	35.660%
5	Altawana Drive Pipe Tripling (2002)	\$ 366,804	8.574%		0.000%	91.426%
6	Purmal Forcemain Twin Lines (2003)	\$ 11,388,630	48.458%		0.000%	51.542%
7	SW Sanitary Trunk - Electric Yard (2004)	\$ 2,313,949	70.480%		0.000%	29.520%
9	Southlands Lift Station and Forcemain (2004)	\$ 10,587,500	46.553%	4.799%	0.000%	48.648%
11	South Central Trunk Upgrade - Ronan Place (2006)	\$ 409,160	96.523%		0.000%	3.477%
12	3rd Street NW Trunk Line (2006)	\$ 3,639,864	41.488%		0.000%	58.512%
13	South Boundary Road Sanitary Trunk Main (2006)	\$ 7,663,118	46.553%	7.528%	0.000%	45.919%
14	South West Sector (Desert Blume) Lift Station and Forcemain (2006)	\$ 2,078,530			0.000%	100.000%
16	SW Trunk Sanitary Sewer Upgrade - Ajax Coulee / Parks Yard (2011)	\$ 322,863	66.604%		0.000%	33.396%
21	Purmal Lift Station	\$ 6,564,538	54.000%		0.000%	46.000%
22	Crescent Heights Lift Station and Forcemain	\$ 6,504,005	8.000%		0.000%	92.000%
23	Brier Park Gravity Bypass Phase 1	\$ 5,878,851	79.000%		0.000%	21.000%
24	Brier Park Gravity Bypass Phase 2	\$ 4,259,892	79.000%		0.000%	21.000%
25	Brier Park Gravity Bypass Phase 2B	\$ 2,254,656	79.000%		0.000%	21.000%
26	Brier Park Gravity Bypass Phase 3	\$ 2,355,921	79.000%		0.840%	20.160%
27	Brier Park Gravity Bypass Phase 4A	\$ 5,640,000	79.000%		1.680%	19.320%
28	Brier Park Gravity Bypass Phase 4B	\$ 2,160,000	79.000%		2.520%	18.480%
29	Brier Park Gravity Bypass Phase 5	\$ 1,320,000	79.000%		3.360%	17.640%
30	Box Springs Lift Station	\$ 4,300,000	19.000%		81.000%	0.000%
31	Box Springs Forcemain	\$ 18,000,000	19.000%		81.000%	0.000%
33	Strachan Road/Dunmore Sanitary Upgrades	\$ 9,600,000	98.000%		0.720%	1.280%
34	10th Avenue SW Trunk Sewer Expansion	\$ 300,000	85.000%		3.600%	11.400%
35	Coulee Ridge Lift Station and Forcemain Expansion	\$ 4,300,000	3.000%		34.920%	62.080%
36	Southlands 7 Lift Station	\$ 1,670,000	22.000%		12.480%	65.520%
37	Southlands 7 Forcemain	\$ 3,840,000	22.000%		12.480%	65.520%
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELET	\$ -				100.0%
		\$ 125,604,664				

\*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

## **C5. Existing Receipts & Adjusted Levy Cost**

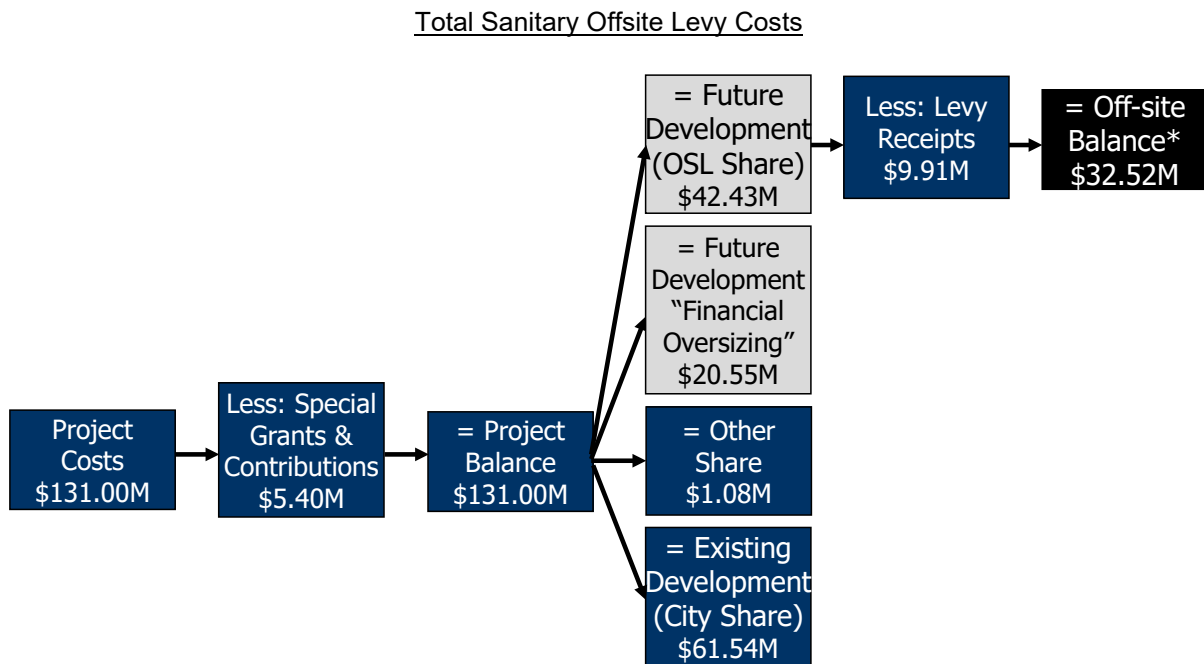
Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$42.43 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$9.91 million** (\$6.48 million + \$3.43 million) in offsite levies to date, and this results in an adjusted offsite levy cost of approximately **\$32.52 million**.

Offsite Levy Funds Collected to Date & Adjusted Levy Cost

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2012	Offsite Levy Funds Collected Starting Jan 1, 2013	Adjusted Developer (Levy) Cost
1	Parkview Siphon - Twin Lines (1996)	\$ 534,343	\$ 313,865	\$ 3,623	\$ 216,855
2	Porcelaine Avenue (IXL Yard) (1997)	\$ 308,774	\$ 242,099	\$ 7,014	\$ 59,661
3	SW Trunk Upgrade Spencer Street to Porcelaine Avenue (2001)	\$ 540,372	\$ 459,471	\$ 2,705	\$ 78,196
4	SW Sanitary Trunk - SW Industrial and Ajax Coulee (2002)	\$ 918,574	\$ 498,694	\$ -	\$ 419,880
5	Altawana Drive Pipe Tripling (2002)	\$ 335,355	\$ 68,271	\$ 0	\$ 267,084
6	Purmal Forcmain Twin Lines (2003)	\$ 5,869,928	\$ 1,740,543	\$ 434,412	\$ 3,694,972
7	SW Sanitary Trunk - Electric Yard (2004)	\$ 683,078	\$ 395,882	\$ 9,603	\$ 277,593
9	Southlands Lift Station and Forcmain (2004)	\$ 5,150,607	\$ 1,351,786	\$ 562,671	\$ 3,236,150
11	South Central Trunk Upgrade - Ronan Place (2006)	\$ 14,226	\$ 40,667	\$ (7,768)	\$ (18,672)
12	3rd Street NW Trunk Line (2006)	\$ 2,129,757	\$ 372,493	\$ 51,938	\$ 1,705,327
13	South Boundary Road Sanitary Trunk Main (2006)	\$ 3,518,827	\$ 786,292	\$ 404,736	\$ 2,327,800
14	South West Sector (Desert Blume) Lift Station and Forcmain (2006)	\$ 2,078,530	\$ 204,706	\$ 277,546	\$ 1,596,278
16	SW Trunk Sanitary Sewer Upgrade - Ajax Coulee / Parks Yard (2011)	\$ 107,823	\$ 3,972	\$ -	\$ 103,851
21	Purmal Lift Station	\$ 3,019,687	\$ -	\$ 234,801	\$ 2,784,886
22	Crescent Heights Lift Station and Forcmain	\$ 5,983,685	\$ -	\$ 101,263	\$ 5,882,422
23	Brier Park Gravity Bypass Phase 1	\$ 1,234,559	\$ -	\$ 130,316	\$ 1,104,243
24	Brier Park Gravity Bypass Phase 2	\$ 894,577	\$ -	\$ 94,429	\$ 800,148
25	Brier Park Gravity Bypass Phase 2B	\$ 473,478	\$ -	\$ 49,979	\$ 423,499
26	Brier Park Gravity Bypass Phase 3	\$ 474,954	\$ -	\$ 50,135	\$ 424,819
27	Brier Park Gravity Bypass Phase 4A	\$ 1,089,648	\$ -	\$ 115,020	\$ 974,628
28	Brier Park Gravity Bypass Phase 4B	\$ 399,168	\$ -	\$ 42,135	\$ 357,033
29	Brier Park Gravity Bypass Phase 5	\$ 232,848	\$ -	\$ 24,579	\$ 208,269
30	Box Springs Lift Station	\$ -	\$ -	\$ 57,648	\$ (57,648)
31	Box Springs Forcmain	\$ -	\$ -	\$ 241,318	\$ (241,318)
33	Strachan Road/Dunmore Sanitary Upgrades	\$ 122,880	\$ -	\$ 90,257	\$ 32,623
34	10th Avenue SW Trunk Sewer Expansion	\$ 34,200	\$ -	\$ 1,372	\$ 32,828
35	Coulee Ridge Lift Station and Forcmain Expansion	\$ 2,669,440	\$ -	\$ 148,762	\$ 2,520,678
36	Southlands 7 Lift Station	\$ 1,094,184	\$ -	\$ 90,673	\$ 1,003,511
37	Southlands 7 Forcmain	\$ 2,515,968	\$ -	\$ 208,493	\$ 2,307,475
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELET	\$ -	\$ -	\$ -	\$ -
		\$ 42,429,469	\$ 6,478,742	\$ 3,427,657	\$ 32,523,071

**C6. Summary of Sanitary Offsite Levy Cost Flow-through**

As shown in the figure below, the total costs for sanitary infrastructure that forms the basis of the rate is approximately **\$32.52 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section C4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



## C7. Sanitary Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Benefiting Areas for Sanitary Offsite Infrastructure

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	Parkview Siphon - Twin Lines (1996)	\$ 216,855			1	1	1	1						
2	Porcelaine Avenue (IXL Yard) (1997)	\$ 59,661									1	1	1	1
3	SW Trunk Upgrade Spencer Street to Porcelaine Avenue (2001)	\$ 78,196									1	1	1	
4	SW Sanitary Trunk - SW Industrial and Ajax Coulee (2002)	\$ 419,880									1	1		
5	Altawana Drive Pipe Tripling (2002)	\$ 267,084							1					
6	Purmal Forcmain Twin Lines (2003)	\$ 3,694,972									1	1	1	1
7	SW Sanitary Trunk - Electric Yard (2004)	\$ 277,593									1		1	
9	Southlands Lift Station and Forcmain (2004)	\$ 3,236,150											1	1
11	South Central Trunk Upgrade - Ronan Place (2006)	\$ (18,672)												1
12	3rd Street NW Trunk Line (2006)	\$ 1,705,327			1	1			1					
13	South Boundary Road Sanitary Trunk Main (2006)	\$ 2,327,800											1	1
14	South West Sector (Desert Blume) Lift Station and Forcmain (2006)	\$ 1,596,278											1	
16	SW Trunk Sanitary Sewer Upgrade - Ajax Coulee / Parks Yard (2011)	\$ 103,851									1			
21	Purmal Lift Station	\$ 2,784,886									1	1	1	1
22	Crescent Heights Lift Station and Forcmain	\$ 5,882,422	1	1	1	1		1	1					
23	Brier Park Gravity Bypass Phase 1	\$ 1,104,243		1	1	1			1					
24	Brier Park Gravity Bypass Phase 2	\$ 800,148		1	1	1			1					
25	Brier Park Gravity Bypass Phase 2B	\$ 423,499		1	1	1			1					
26	Brier Park Gravity Bypass Phase 3	\$ 424,819		1	1	1			1					
27	Brier Park Gravity Bypass Phase 4A	\$ 974,628		1	1	1			1					
28	Brier Park Gravity Bypass Phase 4B	\$ 357,033		1	1	1			1					
29	Brier Park Gravity Bypass Phase 5	\$ 208,269		1	1	1			1					
30	Box Springs Lift Station	\$ (57,648)		1	1	1			1					
31	Box Springs Forcmain	\$ (241,318)		1	1	1			1					
33	Strachan Road/Dunmore Sanitary Upgrades	\$ 32,623												1
34	10th Avenue SW Trunk Sewer Expansion	\$ 32,828									1		1	
35	Coulee Ridge Lift Station and Forcmain Expansion	\$ 2,520,678											1	
36	Southlands 7 Lift Station	\$ 1,003,511												1
37	Southlands 7 Forcmain	\$ 2,307,475												1
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	1	1	1	1	1	1	1	1	1	1	1	1

**C8. Reserve Balance**

The balance of the City's sanitary reserve at December 31<sup>st</sup>, 2020 is **\$(32,075,857.86)**. This updated balance takes into consideration expenditures up to end-2020 and assumes that front-ending debts will be drawn down via a withdrawal of all available cash in the account.

Sanitary Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Unallocated OSL Receipts 2011 & Prior	\$ -		\$ -
OSL Receipt 2012	\$ 54,758.80		\$ 54,758.80
Project Expenditures - Account Withdrawals Applied to Projects 2012 & Prior		\$ 55,093.13	\$ (334.33)
Interest Adjustment 2012	\$ 334.33		\$ 0.00
<b>Account Balance per Muni Records 2012 &amp; Prior</b>			<b>\$ 0.00</b>
Project Expenditures - Additional Front-ending 2012 & Prior		\$ 12,724,155.97	\$ (12,724,155.97)
<b>Balance</b>			<b>\$(12,724,155.97)</b>
<b>2013</b>			<b>\$(12,724,155.97)</b>
Interest on Opening Balance	\$ -	\$ 445,345.46	\$ (13,169,501.43)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 418,507.33	\$ (13,588,008.76)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 49,591.31	\$ (13,637,600.07)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (13,637,600.07)
OSL Receipts	\$ 403,388.02		\$ (13,234,212.05)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 3,896.77	\$ (13,238,108.82)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 3,661.94	\$ (13,241,770.76)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (13,241,770.76)
Interest Adjustment for OSL Receipts	\$ 4,033.88		\$ (13,237,736.88)
<b>Closing Balance</b>			<b>\$(13,237,736.88)</b>



## City of Medicine Hat Offsite Levy Rates Review

<b>2014</b>			
Interest on Opening Balance	\$ -	\$ 463,320.79	\$(13,237,736.88)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(13,701,057.67)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 521,325.11	\$(14,222,382.78)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(14,222,382.78)
OSL Receipts	\$ 236,324.45		\$(13,986,058.33)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 4,054.06	\$(13,990,112.39)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(13,990,112.39)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(13,990,112.39)
Interest Adjustment for OSL Receipts	\$ 2,363.24		\$(13,987,749.14)
<b>Closing Balance</b>			\$(13,987,749.14)
<b>2015</b>			\$(13,987,749.14)
Interest on Opening Balance	\$ -	\$ 489,571.22	\$(14,477,320.36)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(14,477,320.36)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 668,722.90	\$(15,146,043.26)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(15,146,043.26)
OSL Receipts	\$ 391,027.64		\$(14,755,015.62)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 4,283.75	\$(14,759,299.37)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(14,759,299.37)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(14,759,299.37)
Interest Adjustment for OSL Receipts	\$ 3,910.28		\$(14,755,389.09)
<b>Closing Balance</b>			\$(14,755,389.09)
<b>2016</b>			\$(14,755,389.09)
Interest on Opening Balance	\$ -	\$ 516,438.62	\$(15,271,827.71)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(15,271,827.71)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 1,576,457.21	\$(16,848,284.92)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(16,848,284.92)
OSL Receipts	\$ 82,579.80		\$(16,765,705.12)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 4,518.84	\$(16,770,223.96)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(16,770,223.96)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(16,770,223.96)
Interest Adjustment for OSL Receipts	\$ 825.80		\$(16,769,398.16)
<b>Closing Balance</b>			\$(16,769,398.16)
<b>2017</b>			\$(16,769,398.16)
Interest on Opening Balance	\$ -	\$ 586,928.94	\$(17,356,327.09)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(17,356,327.09)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 4,012,140.79	\$(21,368,467.89)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(21,368,467.89)
OSL Receipts	\$ 265,954.21		\$(21,102,513.67)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 5,135.63	\$(21,107,649.30)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(21,107,649.30)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(21,107,649.30)
Interest Adjustment for OSL Receipts	\$ 2,659.54		\$(21,104,989.76)
<b>Closing Balance</b>			\$(21,104,989.76)
<b>2018</b>			\$(21,104,989.76)
Interest on Opening Balance	\$ -	\$ 738,674.64	\$(21,843,664.40)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(21,843,664.40)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 3,658,414.41	\$(25,502,078.81)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(25,502,078.81)
OSL Receipts	\$ 704,534.14		\$(24,797,544.67)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 5,761.66	\$(24,803,306.34)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(24,803,306.34)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(24,803,306.34)
Interest Adjustment for OSL Receipts	\$ 3,487.44		\$(24,799,818.89)
<b>Closing Balance</b>			\$(24,799,818.89)
<b>2019</b>			\$(24,799,818.89)
Interest on Opening Balance	\$ -	\$ 867,993.66	\$(25,667,812.55)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(25,667,812.55)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 3,423,000.65	\$(29,090,813.20)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(29,090,813.20)
OSL Receipts	\$ 238,785.32		\$(28,852,027.89)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 6,770.35	\$(28,858,798.24)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(28,858,798.24)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(28,858,798.24)
Interest Adjustment for OSL Receipts	\$ 1,181.99		\$(28,857,616.25)
<b>Closing Balance</b>			\$(28,857,616.25)



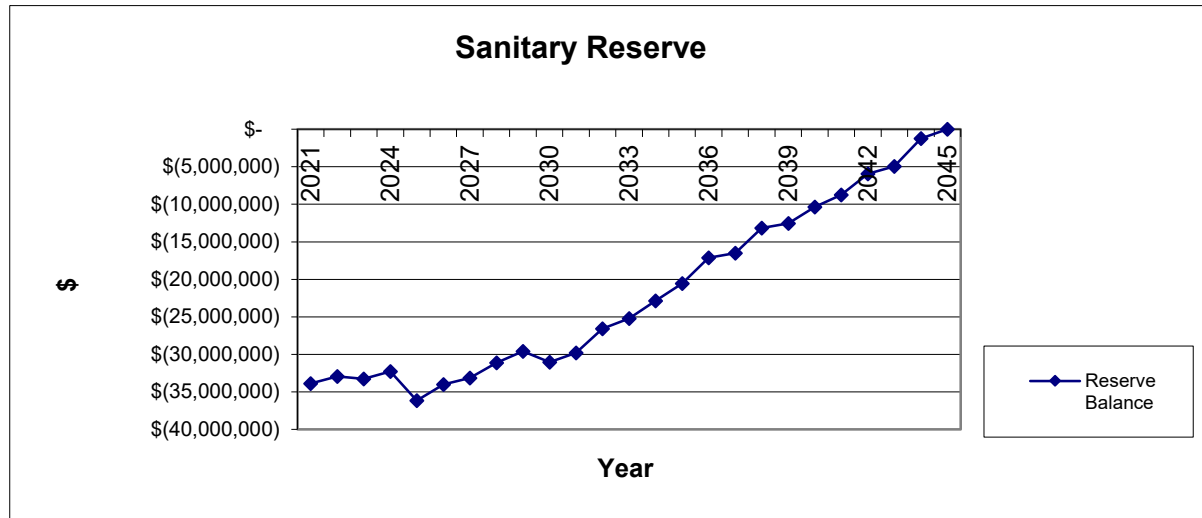
<b>2020</b>			
Interest on Opening Balance	\$ -	\$ 1,010,016.57	\$(28,857,616.25)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$(29,867,632.82)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 3,255,850.62	\$(33,123,483.44)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(33,123,483.44)
OSL Receipts	\$ 1,050,304.70		\$(32,073,178.74)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 7,878.13	\$(32,081,056.87)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$(32,081,056.87)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$(32,081,056.87)
Interest Adjustment for OSL Receipts	\$ 5,199.01		\$(32,075,857.86)
<b>Closing Balance</b>			\$(32,075,857.86)

## C9. Development and Sanitary Infrastructure Staging Impacts

Sanitary offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party that constructs and pays up front for infrastructure that benefits other parties. The front-end (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality's front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **3.62%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Sanitary Offsite Levy Reserve Balances<sup>4</sup>Anticipated Sanitary Offsite Levy Reserve Balances

Year	Receipts	Expenditure	Opening Balance	
			Interest	Balance
2021	\$ -	\$ 625,172	\$ (1,183,777)	\$ (33,884,807)
2022	\$ 2,703,870	\$ 607,151	\$ (1,150,729)	\$ (32,938,817)
2023	\$ 2,110,955	\$ 1,274,174	\$ (1,162,094)	\$ (33,264,130)
2024	\$ 2,661,118	\$ 519,326	\$ (1,126,629)	\$ (32,248,966)
2025	\$ 1,919,372	\$ 4,534,129	\$ (1,262,067)	\$ (36,125,790)
2026	\$ 3,336,460	\$ 20,382	\$ (1,187,712)	\$ (33,997,423)
2027	\$ 2,054,646	\$ 34,412	\$ (1,157,574)	\$ (33,134,763)
2028	\$ 3,144,234	\$ 14,155	\$ (1,086,170)	\$ (31,090,855)
2029	\$ 2,556,306	\$ 4,312	\$ (1,033,107)	\$ (29,571,967)
2030	\$ 3,177,514	\$ 3,568,040	\$ (1,084,642)	\$ (31,047,136)
2031	\$ 2,279,902	\$ 163	\$ (1,041,380)	\$ (29,808,775)
2032	\$ 4,185,343	\$ -	\$ (927,568)	\$ (26,551,000)
2033	\$ 2,233,221	\$ 1,997	\$ (880,376)	\$ (25,200,152)
2034	\$ 3,135,880	\$ (1,612)	\$ (798,668)	\$ (22,861,329)
2035	\$ 3,043,073	\$ -	\$ (717,421)	\$ (20,535,677)
2036	\$ 4,006,098	\$ -	\$ (598,371)	\$ (17,127,950)
2037	\$ 1,208,557	\$ -	\$ (576,282)	\$ (16,495,675)
2038	\$ 3,808,578	\$ -	\$ (459,273)	\$ (13,146,370)
2039	\$ 1,034,417	\$ -	\$ (438,453)	\$ (12,550,406)
2040	\$ 2,573,620	\$ -	\$ (361,160)	\$ (10,337,946)
2041	\$ 1,897,086	\$ -	\$ (305,559)	\$ (8,746,419)
2042	\$ 3,001,066	\$ -	\$ (207,982)	\$ (5,953,335)
2043	\$ 1,164,246	\$ -	\$ (173,365)	\$ (4,962,454)
2044	\$ 3,770,456	\$ -	\$ (43,150)	\$ (1,235,148)
2045	\$ 1,235,148	\$ -	\$ (0)	\$ (0)

<sup>4</sup> In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

## APPENDIX D: TRANSPORTATION OFFSITE INFRASTRUCTURE

### D1. Transportation Offsite Infrastructure Costs

To support future growth, transportation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$184.90 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

#### Summary of Transportation Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Cost
1	Parkview Drive Phase 2 (2012)	\$ 11,340,846	\$ -	\$ 639,154	\$ 11,980,000
2	South Ridge Drive Phase 1 (2012)	\$ 11,089,304	\$ -	\$ 463,838	\$ 11,553,142
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 8,099,206	\$ -	\$ 28,052	\$ 8,127,258
4	College Avenue & Kipling Street Intersection Upgrade	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
6	West Boundary Road	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
7	Box Springs Road Upgrade Phase 1	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000
8	Box Springs Road Upgrade Phase 2	\$ -	\$ -	\$ 5,600,000	\$ 5,600,000
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 3,907,437	\$ -	\$ 5,184	\$ 3,912,621
10	13th Avenue SE	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000
12	South Boundary Road Phase 2 )	\$ -	\$ -	\$ 11,000,000	\$ 11,000,000
13	South West Medicine Hat Connector	\$ -	\$ -	\$ 32,000,000	\$ 32,000,000
15	Parkview Drive Phase 1	\$ 5,800,000	\$ -	\$ -	\$ 5,800,000
16	Black & White Trail SE	\$ 4,650,000	\$ -	\$ -	\$ 4,650,000
17	South Boundary Road Phase 1	\$ 14,450,000	\$ -	\$ -	\$ 14,450,000
19	Rotary Centennial Drive	\$ -	\$ -	\$ 13,975,000	\$ 13,975,000
20	Box Springs Road Phase 3	\$ -	\$ -	\$ 4,225,000	\$ 4,225,000
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ -	\$ -	\$ 2,625,000	\$ 2,625,000
22	Broadway Avenue Upgrade	\$ -	\$ -	\$ 6,880,000	\$ 6,880,000
23	South Boundary Road and Southlands Dr Intersection	\$ -	\$ -	\$ 250,000	\$ 250,000
24	South Ridge Drive Upgrade	\$ -	\$ -	\$ 2,580,000	\$ 2,580,000
25	South Boundary Road Phase 3	\$ -	\$ -	\$ 15,695,000	\$ 15,695,000
26	Parkview Dr. Upgrade to Four Lane	\$ -	\$ -	\$ 5,400,000	\$ 5,400,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT	\$ -	\$ -	\$ -	\$ -
		<b>\$ 61,836,794</b>	<b>\$ -</b>	<b>\$ 123,066,228</b>	<b>\$ 184,903,022</b>

\*Costs estimates are reflected in current dollars.

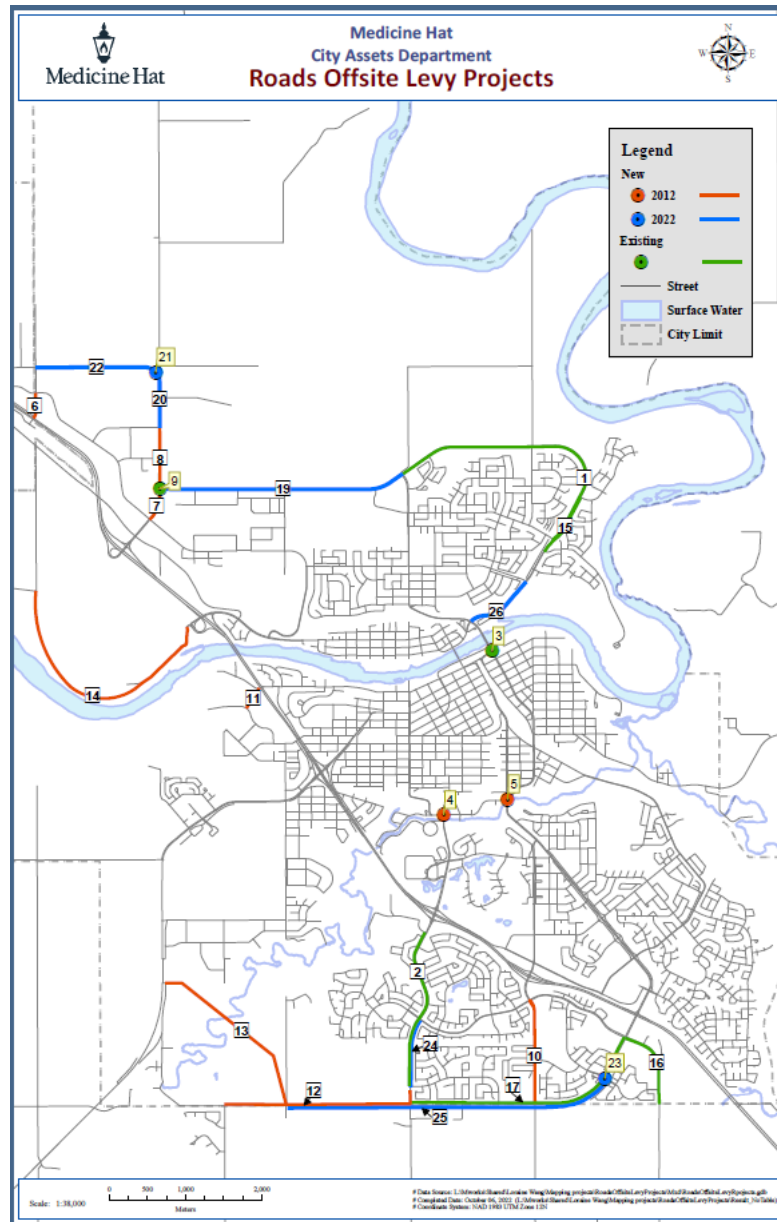
\*\*Estimates include engineering costs and contingencies.

\*\*\*Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

\*\*\*\*Project numbering may be out of sequence as rows containing deleted projects are hidden.

\*\*\*\*\*Debenture Interest (if any) reflects only future interest. Interest incurred to date is included in the Cost of Completed Work.

### Location of Transportation Projects



## D2. Transportation Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0** in special grants and contributions for transportation offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$184.90 million**.

Special Grants and Contributions for Transportation Offsite Infrastructure

Item	Project Description	Total Project Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Reduced Project Cost
1	Parkview Drive Phase 2 (2012)	\$ 11,980,000	\$ -	\$ -	\$ 11,980,000
2	South Ridge Drive Phase 1 (2012)	\$ 11,553,142	\$ -	\$ -	\$ 11,553,142
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 8,127,258	\$ -	\$ -	\$ 8,127,258
4	College Avenue & Kipling Street Intersection Upgrade	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000
6	West Boundary Road	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
7	Box Springs Road Upgrade Phase 1	\$ 2,700,000	\$ -	\$ -	\$ 2,700,000
8	Box Springs Road Upgrade Phase 2	\$ 5,600,000	\$ -	\$ -	\$ 5,600,000
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 3,912,621	\$ -	\$ -	\$ 3,912,621
10	13th Avenue SE	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000
12	South Boundary Road Phase 2 )	\$ 11,000,000	\$ -	\$ -	\$ 11,000,000
13	South West Medicine Hat Connector	\$ 32,000,000	\$ -	\$ -	\$ 32,000,000
15	Parkview Drive Phase 1	\$ 5,800,000	\$ -	\$ -	\$ 5,800,000
16	Black & White Trail SE	\$ 4,650,000	\$ -	\$ -	\$ 4,650,000
17	South Boundary Road Phase 1	\$ 14,450,000	\$ -	\$ -	\$ 14,450,000
19	Rotary Centennial Drive	\$ 13,975,000	\$ -	\$ -	\$ 13,975,000
20	Box Springs Road Phase 3	\$ 4,225,000	\$ -	\$ -	\$ 4,225,000
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 2,625,000	\$ -	\$ -	\$ 2,625,000
22	Broadway Avenue Upgrade	\$ 6,880,000	\$ -	\$ -	\$ 6,880,000
23	South Boundary Road and Southlands Dr Intersection	\$ 250,000	\$ -	\$ -	\$ 250,000
24	South Ridge Drive Upgrade	\$ 2,580,000	\$ -	\$ -	\$ 2,580,000
25	South Boundary Road Phase 3	\$ 15,695,000	\$ -	\$ -	\$ 15,695,000
26	Parkview Dr. Upgrade to Four Lane	\$ 5,400,000	\$ -	\$ -	\$ 5,400,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NO	\$ -	\$ -	\$ -	\$ -
		<b>\$ 184,903,022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 184,903,022</b>

**D3. Transportation Infrastructure Staging**

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Transportation Infrastructure Staging

Item	Project Description	Construction Start Year
1	Parkview Drive Phase 2 (2012)	2012
2	South Ridge Drive Phase 1 (2012)	2012
3	Maple Avenue & 1st Street Intersection Upgrade	2013
4	College Avenue & Kipling Street Intersection Upgrade	2027
5	Kingsway Avenue & Spencer Street Intersection Upgrade	2028
6	West Boundary Road	2016
7	Box Spings Road Upgrade Phase 1	2037
8	Box Spings Road Upgrade Phase 2	2031
9	Box Springs Road & 23rd Street Intersection Upgrade	2015
10	13th Avenue SE	2029
12	South Boundary Road Phase 2 )	2030
13	South West Medicine Hat Connector	2032
15	Parkview Drive Phase 1	2007
16	Black & White Trail SE	2008
17	South Boundary Road Phase 1	2009
19	Rotary Centennial Drive	2028
20	Box Springs Road Phase 3	2026
21	Box Springs Road/Broadway Ave Intersection Upgrade	2026
22	Broadway Avenue Upgrade	2029
23	South Boundary Road and Southlands Dr Intersection	2027
24	South Ridge Drive Upgrade	2034
25	South Boundary Road Phase 3	2031
26	Parkview Dr. Upgrade to Four Lane	2036

\*The pro rata share of project cost beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Costs are inflated to the year of construction using an inflation rate of 4% in the first year, 5% in the second year, 4% in the third year, and 3% thereafter.

#### **D4. Transportation Offsite Infrastructure Benefiting Parties**

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by the City's staff and engineering advisors. The potential benefiting parties were include:

- City of Medicine Hat – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Medicine Hat Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Medicine Hat Future Development (in Rates) – all growth-related infrastructure (i.e., leviable transportation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City staff.

### Allocation of Transportation Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	Parkview Drive Phase 2 (2012)	\$ 11,980,000	79.000%		0.000%	21.000%
2	South Ridge Drive Phase 1 (2012)	\$ 11,553,142	79.000%		0.000%	21.000%
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 8,127,258	79.000%		0.000%	21.000%
4	College Avenue & Kipling Street Intersection Upgrade	\$ 4,000,000	79.000%		5.040%	15.960%
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 6,000,000	79.000%		5.880%	15.120%
6	West Boundary Road	\$ 2,500,000	79.000%		0.000%	21.000%
7	Box Springs Road Upgrade Phase 1	\$ 2,700,000	79.000%		13.440%	7.560%
8	Box Springs Road Upgrade Phase 2	\$ 5,600,000	79.000%		8.400%	12.600%
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 3,912,621	79.000%		0.000%	21.000%
10	13th Avenue SE	\$ 9,000,000	79.000%		6.720%	14.280%
12	South Boundary Road Phase 2 )	\$ 11,000,000	79.000%		7.560%	13.440%
13	South West Medicine Hat Connector	\$ 32,000,000	79.000%		9.240%	11.760%
15	Parkview Drive Phase 1	\$ 5,800,000	79.000%		0.000%	21.000%
16	Black & White Trail SE	\$ 4,650,000	79.000%		0.000%	21.000%
17	South Boundary Road Phase 1	\$ 14,450,000	79.000%		0.000%	21.000%
19	Rotary Centennial Drive	\$ 13,975,000	79.000%		5.880%	15.120%
20	Box Springs Road Phase 3	\$ 4,225,000	79.000%		4.200%	16.800%
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 2,625,000	79.000%		4.200%	16.800%
22	Broadway Avenue Upgrade	\$ 6,880,000	79.000%		6.720%	14.280%
23	South Boundary Road and Southlands Dr Intersection	\$ 250,000	79.000%		5.040%	15.960%
24	South Ridge Drive Upgrade	\$ 2,580,000	79.000%		10.920%	10.080%
25	South Boundary Road Phase 3	\$ 15,695,000	79.000%		8.400%	12.600%
26	Parkview Dr. Upgrade to Four Lane	\$ 5,400,000	79.000%		12.600%	8.400%
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT	\$ -				100.0%
		<b>\$ 184,903,022</b>				

\*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

## D5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$29.18 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$17.26 million** (\$7.92 million + \$9.34 million) in offsite levies to date, and results in an adjusted offsite levy cost of approximately **\$11.92 million**.

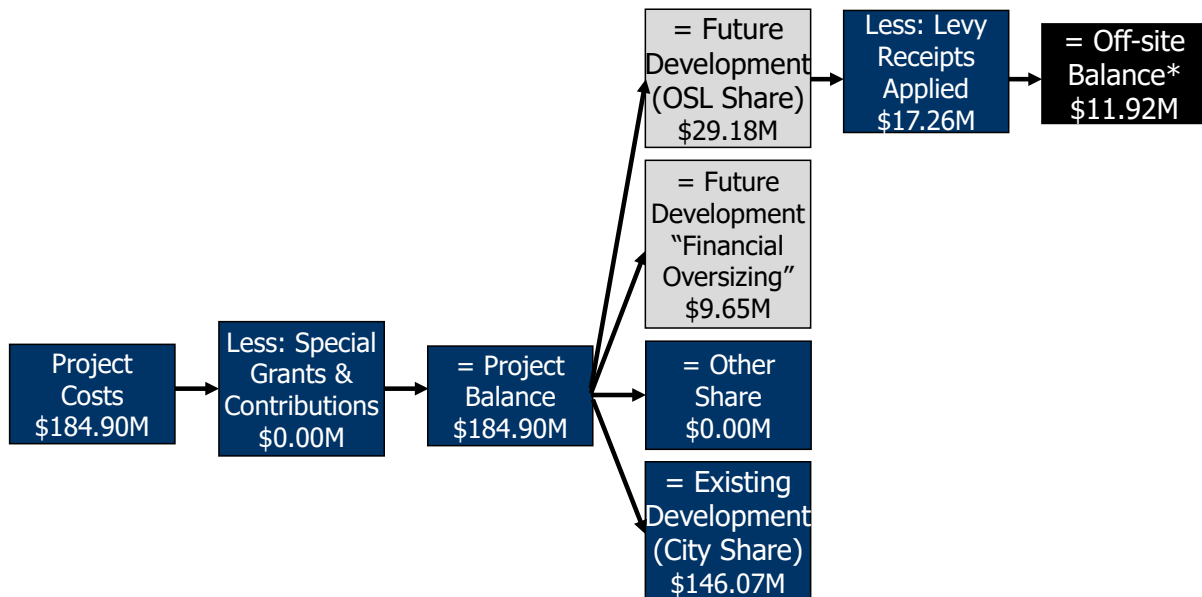
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2012	Offsite Levy Funds Collected Starting Jan 1, 2013	Adjusted Developer (Levy) Cost
1	Parkview Drive Phase 2 (2012)	\$ 2,515,800	\$ -	\$ 842,008	\$ 1,673,792
2	South Ridge Drive Phase 1 (2012)	\$ 2,426,160	\$ 133,239	\$ 767,413	\$ 1,525,507
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 1,706,724	\$ -	\$ 571,220	\$ 1,135,504
4	College Avenue & Kipling Street Intersection Upgrade	\$ 638,400	\$ -	\$ 213,665	\$ 424,735
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 907,200	\$ -	\$ 303,629	\$ 603,571
6	West Boundary Road	\$ 525,000	\$ -	\$ 175,711	\$ 349,289
7	Box Springs Road Upgrade Phase 1	\$ 204,120	\$ -	\$ 68,317	\$ 135,803
8	Box Springs Road Upgrade Phase 2	\$ 705,600	\$ -	\$ 236,156	\$ 469,444
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 821,650	\$ -	\$ 274,997	\$ 546,654
10	13th Avenue SE	\$ 1,285,200	\$ -	\$ 430,141	\$ 855,059
12	South Boundary Road Phase 2 )	\$ 1,478,400	\$ -	\$ 494,803	\$ 983,597
13	South West Medicine Hat Connector	\$ 3,763,200	\$ -	\$ 1,259,498	\$ 2,503,702
15	Parkview Drive Phase 1	\$ 1,218,000	\$ -	\$ 407,650	\$ 810,350
16	Black & White Trail SE	\$ 976,500	\$ -	\$ 326,823	\$ 649,677
17	South Boundary Road Phase 1	\$ 3,034,500	\$ 1,133,748	\$ 636,159	\$ 1,264,593
19	Rotary Centennial Drive	\$ 2,113,020	\$ -	\$ 707,203	\$ 1,405,817
20	Box Springs Road Phase 3	\$ 709,800	\$ -	\$ 237,562	\$ 472,238
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 441,000	\$ -	\$ 147,597	\$ 293,403
22	Broadway Avenue Upgrade	\$ 982,464	\$ -	\$ 328,819	\$ 653,645
23	South Boundary Road and Southlands Dr Intersection	\$ 39,900	\$ -	\$ 13,354	\$ 26,546
24	South Ridge Drive Upgrade	\$ 260,064	\$ -	\$ 87,040	\$ 173,024
25	South Boundary Road Phase 3	\$ 1,977,570	\$ -	\$ 661,869	\$ 1,315,701
26	Parkview Dr. Upgrade to Four Lane	\$ 453,600	\$ -	\$ 151,815	\$ 301,785
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT	\$ -	\$ 6,653,992	\$ -	\$ (6,653,992)
		<b>\$ 29,183,873</b>	<b>\$ 7,920,979</b>	<b>\$ 9,343,450</b>	<b>\$ 11,919,443</b>

**D6. Summary of Transportation Offsite Levy Cost Flow-through**

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately **\$11.92 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section D4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



Total Transportation Offsite Levy Costs**D7. Transportation Infrastructure Benefiting Areas**

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Benefiting Areas for Transportation Offsite Infrastructure

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	Parkview Drive Phase 2 (2012)	\$ 1,673,792	1	1	1	1	1	1	1		1	1	1	1
2	South Ridge Drive Phase 1 (2012)	\$ 1,525,507	1	1	1	1	1	1	1		1	1	1	1
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 1,135,504	1	1	1	1	1	1	1		1	1	1	1
4	College Avenue & Kipling Street Intersection Upgrade	\$ 424,735	1	1	1	1	1	1	1		1	1	1	1
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 603,571	1	1	1	1	1	1	1		1	1	1	1
6	West Boundary Road	\$ 349,289	1	1	1	1	1	1	1		1	1	1	1
7	Box Springs Road Upgrade Phase 1	\$ 135,803	1	1	1	1	1	1	1		1	1	1	1
8	Box Springs Road Upgrade Phase 2	\$ 469,444	1	1	1	1	1	1	1		1	1	1	1
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 546,654	1	1	1	1	1	1	1		1	1	1	1
10	13th Avenue SE	\$ 855,059	1	1	1	1	1	1	1		1	1	1	1
12	South Boundary Road Phase 2 )	\$ 983,597	1	1	1	1	1	1	1		1	1	1	1
13	South West Medicine Hat Connector	\$ 2,503,702	1	1	1	1	1	1	1		1	1	1	1
15	Parkview Drive Phase 1	\$ 810,350	1	1	1	1	1	1	1		1	1	1	1
16	Black & White Trail SE	\$ 649,677	1	1	1	1	1	1	1		1	1	1	1
17	South Boundary Road Phase 1	\$ 1,264,593	1	1	1	1	1	1	1		1	1	1	1
19	Rotary Centennial Drive	\$ 1,405,817	1	1	1	1	1	1	1		1	1	1	1
20	Box Springs Road Phase 3	\$ 472,238	1	1	1	1	1	1	1		1	1	1	1
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 293,403	1	1	1	1	1	1	1		1	1	1	1
22	Broadway Avenue Upgrade	\$ 653,645	1	1	1	1	1	1	1		1	1	1	1
23	South Boundary Road and Southlands Dr Intersection	\$ 26,546	1	1	1	1	1	1	1		1	1	1	1
24	South Ridge Drive Upgrade	\$ 173,024	1	1	1	1	1	1	1		1	1	1	1
25	South Boundary Road Phase 3	\$ 1,315,701	1	1	1	1	1	1	1		1	1	1	1
26	Parkview Dr. Upgrade to Four Lane	\$ 301,785	1	1	1	1	1	1	1		1	1	1	1
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO N	\$ (6,653,992)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 11,919,443												

**D8. Reserve Balance**

The balance of the City's transportation reserve at December 31<sup>st</sup>, 2020 is **\$3,828,642.93**. This updated balance takes into consideration expenditures up to end-2020 and assumes that front-ending debts will be drawn down via a withdrawal of all available cash in the account.

### Transportation Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Unallocated OSL Receipts 2011 & Prior	\$ 6,406,247.28		\$ 6,406,247.28
OSL Receipts 2012	\$ 274,082.22		\$ 6,680,329.50
Project Expenditures - Account Withdrawals Applied to Projects 2012 & Prior		\$ 133,239.07	\$ 6,547,090.43
Interest Adjustment 2012	\$ 106,901.16		\$ 6,653,991.59
<b>Account Balance per Muni Records 2012 &amp; Prior</b>			<b>\$ 6,653,991.59</b>
Project Expenditures - Additional Front-ending 2012 & Prior		\$ 7,076,257.82	\$ (422,266.23)
<b>Balance</b>			<b>\$ (422,266.23)</b>
<b>2013</b>			\$ (422,266.23)
Interest on Opening Balance	\$ -	\$ 14,779.32	\$ (437,045.55)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 4,451,398.00	\$ (4,888,443.55)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (2,861,016.55)	\$ (2,027,427.00)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (2,027,427.00)
OSL Receipts	\$ 1,232,377.82		\$ (795,049.18)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 129.32	\$ (795,178.50)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 38,949.73	\$ (834,128.23)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (834,128.23)
Interest Adjustment for OSL Receipts	\$ 12,323.78		\$ (821,804.45)
<b>Closing Balance</b>			<b>\$ (821,804.45)</b>
<b>2014</b>			\$ (821,804.45)
Interest on Opening Balance	\$ -	\$ 28,763.16	\$ (850,567.61)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ (850,567.61)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 1,575,570.78	\$ (2,426,138.39)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (2,426,138.39)
OSL Receipts	\$ 620,283.23		\$ (1,805,855.16)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 251.68	\$ (1,806,106.83)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ (1,806,106.83)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (1,806,106.83)
Interest Adjustment for OSL Receipts	\$ 6,202.83		\$ (1,799,904.00)
<b>Closing Balance</b>			<b>\$ (1,799,904.00)</b>
<b>2015</b>			\$ (1,799,904.00)
Interest on Opening Balance	\$ -	\$ 62,996.64	\$ (1,862,900.64)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 893,000.00	\$ (2,755,900.64)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 32,758.96	\$ (2,788,659.60)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (2,788,659.60)
OSL Receipts	\$ 1,096,112.68		\$ (1,692,546.92)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 551.22	\$ (1,693,098.14)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 7,813.75	\$ (1,700,911.89)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (1,700,911.89)
Interest Adjustment for OSL Receipts	\$ 10,961.13		\$ (1,689,950.76)
<b>Closing Balance</b>			<b>\$ (1,689,950.76)</b>
<b>2016</b>			\$ (1,689,950.76)
Interest on Opening Balance	\$ -	\$ 59,148.28	\$ (1,749,099.04)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 1,365,000.00	\$ (3,114,099.04)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (811,385.67)	\$ (2,302,713.37)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (2,302,713.37)
OSL Receipts	\$ 136,878.83		\$ (2,165,834.54)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 517.55	\$ (2,166,352.09)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 11,943.75	\$ (2,178,295.84)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (2,178,295.84)
Interest Adjustment for OSL Receipts	\$ 1,368.79		\$ (2,176,927.05)
<b>Closing Balance</b>			<b>\$ (2,176,927.05)</b>
<b>2017</b>			\$ (2,176,927.05)
Interest on Opening Balance	\$ -	\$ 76,192.45	\$ (2,253,119.49)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ (2,253,119.49)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (11,218.98)	\$ (2,241,900.51)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (2,241,900.51)
OSL Receipts	\$ 1,205,006.97		\$ (1,036,893.54)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 666.68	\$ (1,037,560.23)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ (1,037,560.23)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (1,037,560.23)
Interest Adjustment for OSL Receipts	\$ 12,050.07		\$ (1,025,510.16)
<b>Closing Balance</b>			<b>\$ (1,025,510.16)</b>

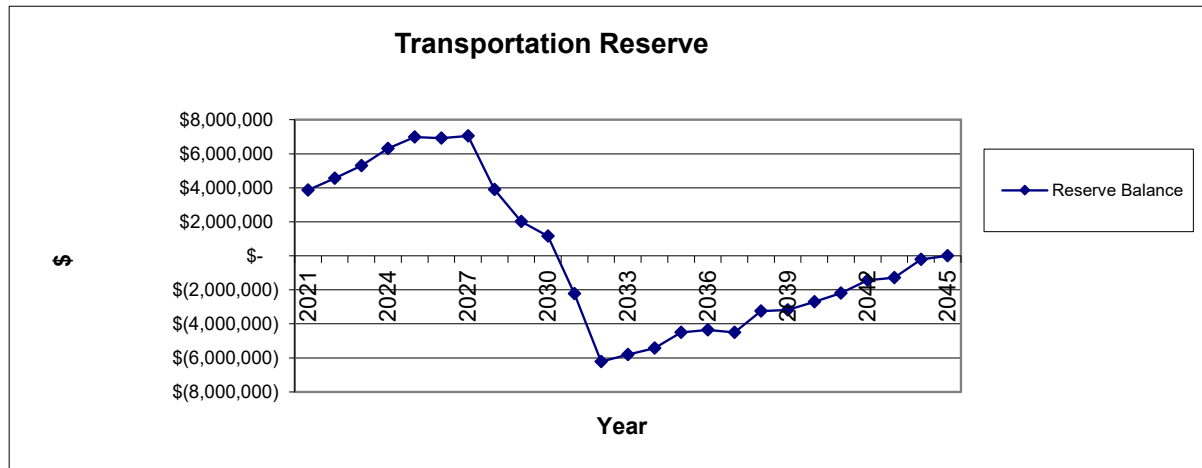
<b>2018</b>			\$ (1,025,510.16)
Interest on Opening Balance	\$ -	\$ 35,892.86	\$ (1,061,403.01)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ (1,061,403.01)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (7,525.00)	\$ (1,053,878.01)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (1,053,878.01)
OSL Receipts	\$ 3,208,132.14		\$ 2,154,254.13
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 279.96	\$ 2,153,974.17
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 2,153,974.17
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 2,153,974.17
Interest Adjustment for OSL Receipts	\$ 15,880.25		\$ 2,169,854.42
<b>Closing Balance</b>			\$ 2,169,854.42
<b>2019</b>			\$ 2,169,854.42
Interest on Opening Balance	\$ 43,397.09	\$ -	\$ 2,213,251.51
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 2,213,251.51
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 15,899.96	\$ 2,197,351.55
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 2,197,351.55
OSL Receipts	\$ 447,456.46		\$ 2,644,808.00
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 2,644,808.00
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 2,644,808.00
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 2,644,808.00
Interest Adjustment for OSL Receipts	\$ 2,214.91		\$ 2,647,022.91
<b>Closing Balance</b>			\$ 2,647,022.91
<b>2020</b>			\$ 2,647,022.91
Interest on Opening Balance	\$ 52,940.46	\$ -	\$ 2,699,963.37
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 2,699,963.37
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 2,699,963.37
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 2,699,963.37
OSL Receipts	\$ 1,123,120.11		\$ 3,823,083.48
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ 3,823,083.48
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ 3,823,083.48
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ 3,823,083.48
Interest Adjustment for OSL Receipts	\$ 5,559.44		\$ 3,828,642.93
<b>Closing Balance</b>			\$ 3,828,642.93

## D9. Development and Transportation Infrastructure Staging Impacts

Transportation offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of transportation infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party that constructs and pays up front for infrastructure that benefits other parties. The front-end (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality's front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **3.62%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Transportation Offsite Levy Reserve Balances<sup>5</sup>Anticipated Transportation Offsite Levy Reserve Balances

			Reserve Balance	\$ 3,828,643
Year	Receipts	Expenditure	Interest	Balance
2021	\$ -	\$ -	\$ 38,286	\$ 3,866,929
2022	\$ 649,254	\$ -	\$ 45,162	\$ 4,561,345
2023	\$ 681,717	\$ -	\$ 52,431	\$ 5,295,493
2024	\$ 945,314	\$ -	\$ 62,408	\$ 6,303,215
2025	\$ 608,546	\$ -	\$ 69,118	\$ 6,980,878
2026	\$ 1,253,605	\$ 1,386,533	\$ 68,479	\$ 6,916,429
2027	\$ 903,849	\$ 841,762	\$ 69,785	\$ 7,048,301
2028	\$ 664,975	\$ 3,860,499	\$ 38,528	\$ 3,891,304
2029	\$ 1,095,878	\$ 2,985,526	\$ 20,017	\$ 2,021,673
2030	\$ 1,128,754	\$ 2,004,801	\$ 11,456	\$ 1,157,083
2031	\$ 435,981	\$ 3,747,699	\$ (77,998)	\$ (2,232,633)
2032	\$ 1,646,556	\$ 5,413,911	\$ (217,200)	\$ (6,217,187)
2033	\$ 616,710	\$ -	\$ (202,737)	\$ (5,803,214)
2034	\$ 952,817	\$ 396,925	\$ (189,953)	\$ (5,437,275)
2035	\$ 1,082,159	\$ -	\$ (157,655)	\$ (4,512,771)
2036	\$ 1,047,908	\$ 734,473	\$ (152,016)	\$ (4,351,352)
2037	\$ 347,056	\$ 340,428	\$ (157,279)	\$ (4,502,002)
2038	\$ 1,363,026	\$ -	\$ (113,631)	\$ (3,252,608)
2039	\$ 184,096	\$ -	\$ (111,080)	\$ (3,179,592)
2040	\$ 568,857	\$ -	\$ (94,509)	\$ (2,705,243)
2041	\$ 585,923	\$ -	\$ (76,719)	\$ (2,196,040)
2042	\$ 804,667	\$ -	\$ (50,368)	\$ (1,441,741)
2043	\$ 207,202	\$ -	\$ (44,690)	\$ (1,279,230)
2044	\$ 1,067,089	\$ -	\$ (7,679)	\$ (219,820)
2045	\$ 219,820	\$ -	\$ (0)	\$ (0)

<sup>5</sup> In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

## APPENDIX E: STORMWATER OFFSITE INFRASTRUCTURE

### E1. Stormwater Offsite Infrastructure Costs

To support future growth, stormwater offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$21.98 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Stormwater Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	South Boundary Road Storm Trunk (2008)	\$ 11,689,000	\$ -	\$ -	\$ 11,689,000
2	Northwest Storm Trunk - Component A (2015)	\$ 10,289,965	\$ -	\$ -	\$ 10,289,965
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ -	\$ -	\$ -
		<b>\$ 21,978,965</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,978,965</b>

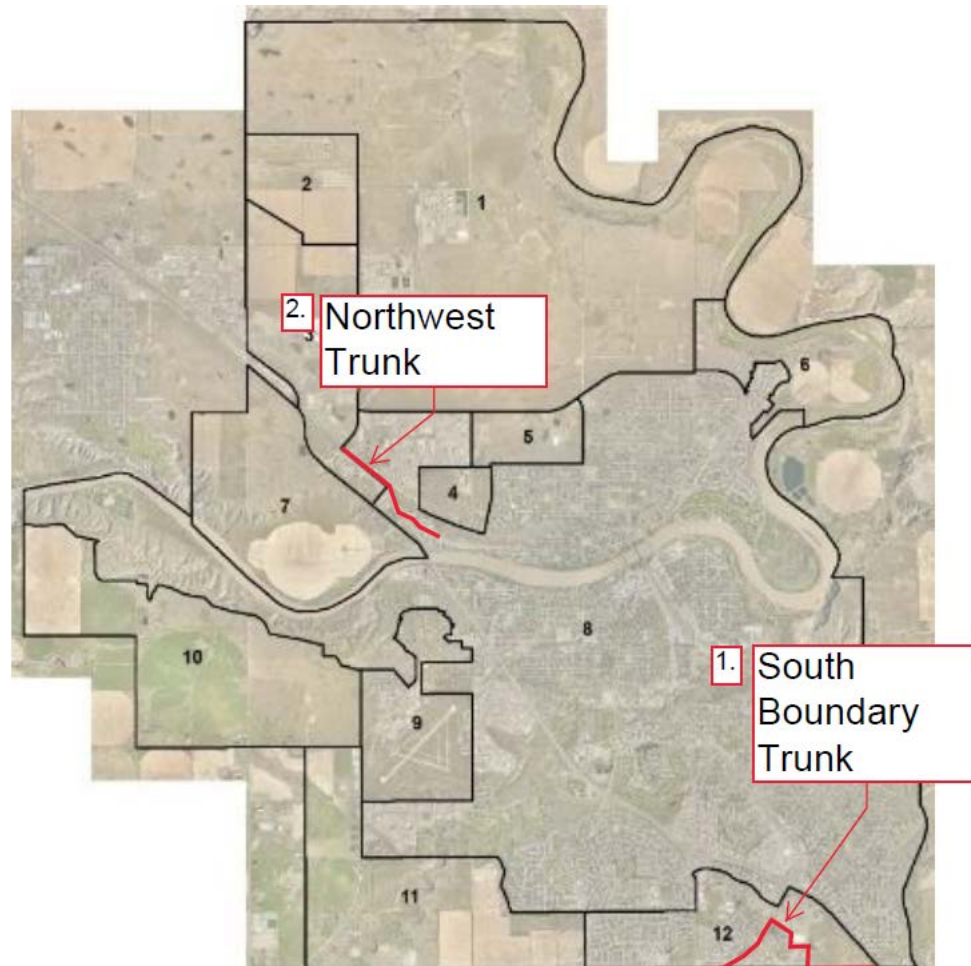
\*Costs estimates are reflected in current dollars.

\*\*Estimates include engineering costs and contingencies.

\*\*\*Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

\*\*\*\*Financing interest costs to date (if any) are included in the cost of work completed.

\*\*\*\*\*Project numbering may be out of sequence as rows containing deleted projects are hidden.

Location of Stormwater Projects**E2. Stormwater Offsite Infrastructure Grants & Contributions to Date**

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0.00** in special grants and contributions for stormwater offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$21.98 million**.

Special Grants and Contributions for Stormwater Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Reduced Project Estimated Cost
1	South Boundary Road Storm Trunk (2008)	\$ 11,689,000	\$ -	\$ -	\$ 11,689,000
2	Northwest Storm Trunk - Component A (2015)	\$ 10,289,965	\$ -	\$ -	\$ 10,289,965
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ -	\$ -	\$ -
		<b>\$ 21,978,965</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,978,965</b>



### E3. Stormwater Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Stormwater Infrastructure Staging

Item	Project Description	Construction Start Year
1	South Boundary Road Storm Trunk (2008)	2008
2	Northwest Storm Trunk - Component A (2015)	2015

\*The pro rata share of project cost beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Costs are inflated to the year of construction using an inflation rate of 4% in the first year, 5% in the second year, 4% in the third year, and 3% thereafter.

### E4. Stormwater Offsite Infrastructure Benefiting Parties

The stormwater offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties were include:

- City of Medicine Hat – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Medicine Hat Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Medicine Hat Future Development (in Rates) – all growth-related infrastructure (i.e., leviable stormwater infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of stormwater offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City staff.

Allocation of Stormwater Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	South Boundary Road Storm Trunk (2008)	\$ 11,689,000	71.000%		0.000%	29.000%
2	Northwest Storm Trunk - Component A (2015)	\$ 10,289,965	32.000%		0.000%	68.000%
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -				100.000%
		<b>\$ 21,978,965</b>				

\*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are

updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

## E5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$10.39 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$5.03 million** (\$2.48 million + \$2.55 million) in offsite levies to date, and results in an adjusted offsite levy cost of approximately **\$5.36 million**.

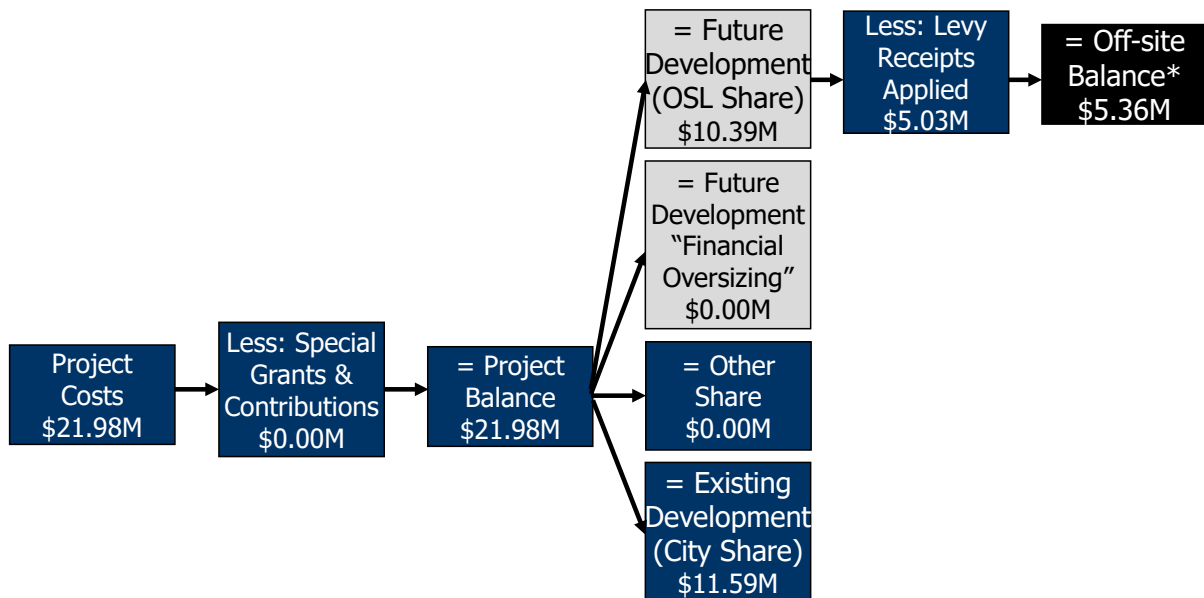
### Offsite Levy Funds Collected to Date & Adjusted Levy Cost

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2012	Offsite Levy Funds Collected Starting Jan 1, 2013	Adjusted Developer (Levy) Cost
1	South Boundary Road Storm Trunk (2008)	\$ 3,389,810	\$ 741,679	\$ 721,852	\$ 1,926,278
2	Northwest Storm Trunk - Component A (2015)	\$ 6,997,176	\$ -	\$ 1,830,603	\$ 5,166,574
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ 1,734,400	\$ -	\$ (1,734,400)
		<b>\$ 10,386,986</b>	<b>\$ 2,476,079</b>	<b>\$ 2,552,455</b>	<b>\$ 5,358,452</b>

## E6. Summary of Stormwater Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for stormwater infrastructure that forms the basis of the rate is approximately **\$5.36 million**. The cost allocations to each benefiting party are based on the benefiting percentages shown in Section F4. The offsite levy balance (due from developers) is allocated to various benefiting areas (as described in the next section).

### Total Stormwater Offsite Levy Costs



## E7. Stormwater Infrastructure Benefiting Areas



Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

#### Benefiting Areas for Stormwater Offsite Infrastructure

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	South Boundary Road Storm Trunk (2008)	\$ 1,926,278												1
2	Northwest Storm Trunk - Component A (2015)	\$ 5,166,574			1	1								
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO	\$ (1,734,400)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 5,358,452												

## E8. Reserve Balance

The balance of the City's stormwater reserve at December 31st, 2020 is \$(5,815,592.54). This updated balance takes into consideration expenditures up to end-2020 and assumes that front-ending debts will be drawn down via a withdrawal of all available cash in the account.

#### Stormwater Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Unallocated OSL Receipts 2011 & Prior	\$ 1,673,074.38		\$ 1,673,074.38
OSL Receipt 2012	\$ 33,629.81		\$ 1,706,704.19
Project Expenditures - Account Withdrawals Applied to Projects 2012 & Prior		\$ -	\$ 1,706,704.19
Interest Adjustment 2012	\$ 27,695.46		\$ 1,734,399.65
<b>Account Balance per Muni Records 2012 &amp; Prior</b>			<b>\$ 1,734,399.65</b>
Project Expenditures - Additional Front-ending 2012 & Prior		\$ 2,648,130.70	\$ (913,731.05)
<b>Balance</b>			<b>\$ (913,731.05)</b>
<b>2013</b>			
Interest on Opening Balance	\$ -	\$ 31,980.59	\$ (945,711.64)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ (945,711.64)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ (945,711.64)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (945,711.64)
OSL Receipts	\$ 340,023.83		\$ (605,687.81)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 279.83	\$ (605,967.64)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ (605,967.64)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (605,967.64)
Interest Adjustment for OSL Receipts	\$ 3,400.24		\$ (602,567.40)
<b>Closing Balance</b>			<b>\$ (602,567.40)</b>
<b>2014</b>			
Interest on Opening Balance	\$ -	\$ 21,089.86	\$ (623,657.26)
Project Expenditures - Account Withdrawals Applied to Projects		\$ -	\$ (623,657.26)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ (623,657.26)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (623,657.26)
OSL Receipts	\$ 163,245.30		\$ (460,411.95)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 184.54	\$ (460,596.49)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ -	\$ (460,596.49)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (460,596.49)
Interest Adjustment for OSL Receipts	\$ 1,632.45		\$ (458,964.04)
<b>Closing Balance</b>			<b>\$ (458,964.04)</b>
<b>2015</b>			
Interest on Opening Balance	\$ -	\$ 16,063.74	\$ (475,027.78)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 138,529.50	\$ (613,557.28)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (44,329.44)	\$ (569,227.84)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (569,227.84)
OSL Receipts	\$ 310,994.78		\$ (258,233.06)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 140.56	\$ (258,373.61)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 1,212.13	\$ (259,585.75)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (259,585.75)
Interest Adjustment for OSL Receipts	\$ 3,109.95		\$ (256,475.80)
<b>Closing Balance</b>			<b>\$ (256,475.80)</b>

<b>2016</b>			\$ (256,475.80)
Interest on Opening Balance	\$ -	\$ 8,976.65	\$ (265,452.45)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 102,079.40	\$ (367,531.85)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (32,665.41)	\$ (334,866.44)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (334,866.44)
OSL Receipts	\$ 35,446.68		\$ (299,419.76)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 78.55	\$ (299,498.31)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 893.19	\$ (300,391.50)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (300,391.50)
Interest Adjustment for OSL Receipts	\$ 354.47		\$ (300,037.03)
<b>Closing Balance</b>			\$ (300,037.03)
<b>2017</b>			\$ (300,037.03)
Interest on Opening Balance	\$ -	\$ 10,501.30	\$ (310,538.33)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 52,578.49	\$ (363,116.82)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 73,490.44	\$ (436,607.26)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (436,607.26)
OSL Receipts	\$ 110,862.58		\$ (325,744.68)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 91.89	\$ (325,836.57)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 460.06	\$ (326,296.63)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (326,296.63)
Interest Adjustment for OSL Receipts	\$ 1,108.63		\$ (325,188.00)
<b>Closing Balance</b>			\$ (325,188.00)
<b>2018</b>			\$ (325,188.00)
Interest on Opening Balance	\$ -	\$ 11,381.58	\$ (336,569.58)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 929,150.29	\$ (1,265,719.87)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 3,280,298.25	\$ (4,546,018.12)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (4,546,018.12)
OSL Receipts	\$ 1,164,669.85		\$ (3,381,348.27)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 88.78	\$ (3,381,437.05)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 7,247.37	\$ (3,388,684.42)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (3,388,684.42)
Interest Adjustment for OSL Receipts	\$ 5,765.12		\$ (3,382,919.30)
<b>Closing Balance</b>			\$ (3,382,919.30)
<b>2019</b>			\$ (3,382,919.30)
Interest on Opening Balance	\$ -	\$ 118,402.18	\$ (3,501,321.48)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 772,524.26	\$ (4,273,845.74)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 1,711,377.60	\$ (5,985,223.34)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (5,985,223.34)
OSL Receipts	\$ 189,476.77		\$ (5,795,746.57)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 923.54	\$ (5,796,670.11)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 6,025.69	\$ (5,802,695.80)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (5,802,695.80)
Interest Adjustment for OSL Receipts	\$ 937.91		\$ (5,801,757.89)
<b>Closing Balance</b>			\$ (5,801,757.89)
<b>2020</b>			\$ (5,801,757.89)
Interest on Opening Balance	\$ -	\$ 203,061.53	\$ (6,004,819.41)
Project Expenditures - Account Withdrawals Applied to Projects		\$ 20,798.67	\$ (6,025,618.08)
Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ (6,655.57)	\$ (6,018,962.51)
Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (6,018,962.51)
OSL Receipts	\$ 204,105.76		\$ (5,814,856.75)
Interest Adjustment for Project Expenditures - Account Withdrawals Applied to Projects		\$ 1,583.88	\$ (5,816,440.63)
Interest Adjustment for Project Expenditures - Additional Front-ending (Not Incl Financing Costs)		\$ 162.23	\$ (5,816,602.86)
Interest Adjustment for Project Expenditures - Additional Front-ending (Financing/Debtenture Costs)		\$ -	\$ (5,816,602.86)
Interest Adjustment for OSL Receipts	\$ 1,010.32		\$ (5,815,592.54)
<b>Closing Balance</b>			\$ (5,815,592.54)

## E9. Development and Stormwater Infrastructure Staging Impacts

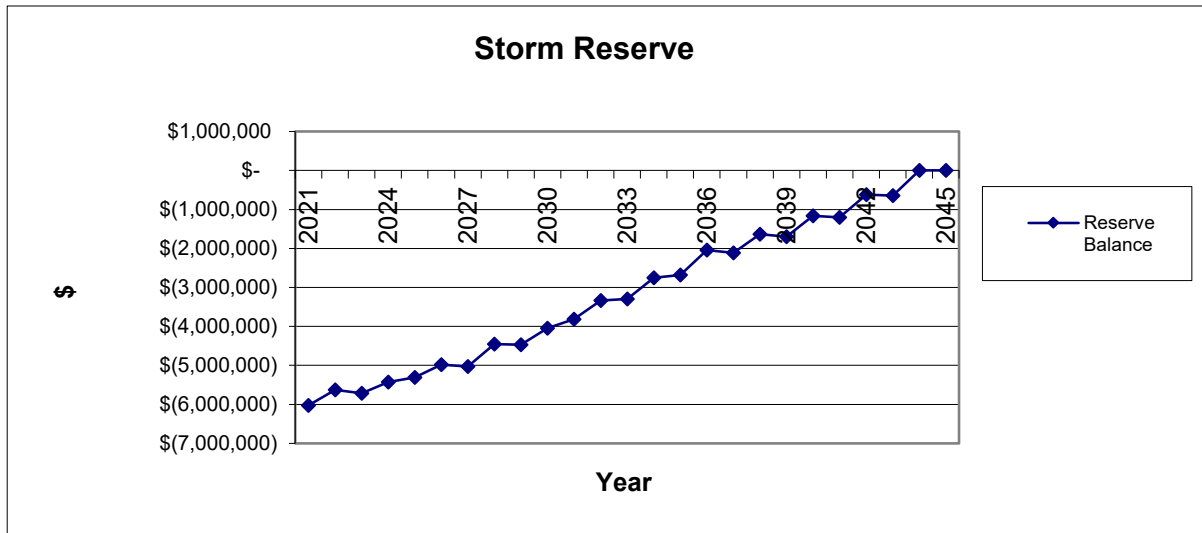
Stormwater offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of stormwater infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party that constructs and pays up front for infrastructure that benefits other parties. The front-end (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality's front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure

construction, a **3.62%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Stormwater Offsite Levy Reserve Balances<sup>6</sup>



<sup>6</sup> In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

Anticipated Stormwater Offsite Levy Reserve Balances

		Opening Balance			\$ (5,815,593)
Year	Receipts	Expenditure	Interest	Balance	
2021	\$ -	\$ -	\$ (210,524)	\$ (6,026,117)	
2022	\$ 596,808	\$ -	\$ (196,541)	\$ (5,625,850)	
2023	\$ 113,127	\$ -	\$ (199,561)	\$ (5,712,283)	
2024	\$ 473,694	\$ -	\$ (189,637)	\$ (5,428,226)	
2025	\$ 304,543	\$ -	\$ (185,477)	\$ (5,309,160)	
2026	\$ 502,542	\$ -	\$ (174,000)	\$ (4,980,617)	
2027	\$ 128,562	\$ -	\$ (175,644)	\$ (5,027,700)	
2028	\$ 733,511	\$ -	\$ (155,450)	\$ (4,449,638)	
2029	\$ 136,391	\$ -	\$ (156,140)	\$ (4,469,387)	
2030	\$ 565,615	\$ -	\$ (141,317)	\$ (4,045,088)	
2031	\$ 363,641	\$ -	\$ (133,268)	\$ (3,814,715)	
2032	\$ 600,061	\$ -	\$ (116,370)	\$ (3,331,024)	
2033	\$ 153,510	\$ -	\$ (115,026)	\$ (3,292,541)	
2034	\$ 636,605	\$ -	\$ (96,145)	\$ (2,752,080)	
2035	\$ 162,858	\$ -	\$ (93,730)	\$ (2,682,952)	
2036	\$ 712,278	\$ -	\$ (71,338)	\$ (2,042,012)	
2037	\$ -	\$ -	\$ (73,921)	\$ (2,115,933)	
2038	\$ 538,545	\$ -	\$ (57,101)	\$ (1,634,490)	
2039	\$ -	\$ -	\$ (59,169)	\$ (1,693,658)	
2040	\$ 571,342	\$ -	\$ (40,628)	\$ (1,162,944)	
2041	\$ -	\$ -	\$ (42,099)	\$ (1,205,042)	
2042	\$ 606,137	\$ -	\$ (21,680)	\$ (620,586)	
2043	\$ -	\$ -	\$ (22,465)	\$ (643,051)	
2044	\$ 643,051	\$ -	\$ 0	\$ 0	
2045	\$ -	\$ -	\$ 0	\$ 0	

## APPENDIX F: RATE COMPARISON

The table below compares the City of Medicine Hat offsite levy rates to rates in other municipalities.

Municipality / Area	Average Per Ha.
City of Beaumont* Residential (roads, water, sewer)	\$53,900 - \$77,600 (2019)
City of Lacombe* (roads, water, sewer, storm)	\$19,800 - \$120,100 (2013)
City of Brooks* (roads, water, sewer, storm)	\$79,823 (2021)
City of Beaumont* Industrial (roads, water, sewer)	\$80,900 - \$116,390 (2019)
City of Medicine Hat* (roads, water, sewer, storm)	\$102,012 (2022) In Progress
City of Cold Lake* (roads, water, sewer, storm)	\$103,000 (2007)
City of Fort Saskatchewan* (South Fort) (roads, water, sewer, storm)	\$104,100 (2017)
City of Lloydminster (roads, water, sewer)	\$112,900 (2011)
City of Leduc* (roads, water, sewer)	\$138,500 (2021)
City of Spruce Grove* (roads, water, sewer)	\$150,000 (2022) TBC In Progress
Town of Okotoks (roads, water, sewer)	\$198,600 (2020)
Town of Cochrane (roads, water, sewer, storm, recreation)	\$250,000 (2020)
City of Red Deer* (roads, water, sewer, storm)	\$203,300 (2019)
Red Deer County (Gasoline Alley) (roads, water, sewer, storm)	\$220,000 (2017)
Strathcona County (New Growth Areas)* (roads, water, sewer, storm)	\$ 251,000 (2021)
City of Lethbridge (roads, water, sewer, storm)	\$281,000 (2020)
City of Chestermere* (roads, water, sewer, storm, recreation)	\$295,960 (2022) In Progress
City of St. Albert* (roads, water, sewer, storm)	+\$325,000 (2022)
City of Edmonton (roads, water, sewer, storm)	+\$400,000
City of Calgary Green Field Area (roads, water, sewer, storm, comm svc, stabilization)	\$495,000 - \$544,000

\*CORVUS clients

\*\*Information adapted from recent online sources (2021). Note, some municipalities have updated (or are in the process of updating) levy rates, but these rates were not available online at the time of writing.

# Offsite Levy Review - Stakeholder Consultation

---

## “What We Heard” Report

Planning & Development Services  
October 5, 2022

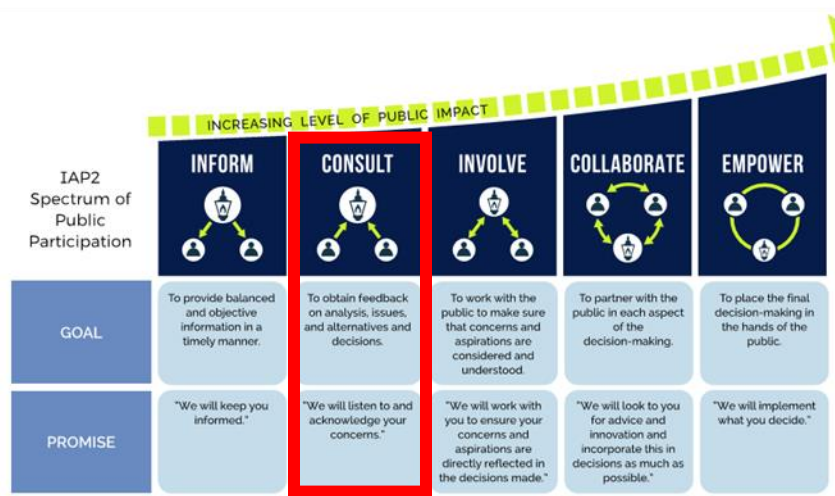
## Offsite Levy (OSL) Review - Stakeholder Engagement

Planning and Development Services completed two Stakeholder Engagement Sessions on August 11, 2022 and September 21, 2022. There were a total of 29 attendees from the development community at the two sessions. The first session focused on introducing the changes to the framework, the second session was for questions and answers.

### Stakeholder Requirements:

Under the MGA and OSL Regulations:

- A municipality must **consult**, in good faith:
  - Before making a final determination on defining and addressing existing and future projects
  - When determining the methodology on which to base the offsite levy.
- A municipality must **consult**, in good faith:
  - On the calculation of the levy with stakeholders in the benefiting area was the off-site levy will apply.
  - Consultation must begin at the earliest opportunity and allow stakeholders the ability to provide input on an ongoing basis.
  - During the consultation, the municipality must make all calculations, data, and assumptions available.
- **Consultation** must begin at the earliest opportunity and provide stakeholders with the ability to give input on an ongoing basis.



### General Themes Heard:

Below is a summary of the general themes heard from the Stakeholder Sessions:

- Concerns that draft OSL rates in the northwest of the City are high.
- General desire to better understand how the model and its inputs work.
- Desire for transparency in OSL collected, and alignment with MGA and OSL regulations.
- Importance of competitiveness with other municipalities while understanding that it is not a direct comparison.
- Improved understanding of the benefit of an OSL framework, as well as alternatives i.e., developer paid infrastructure through cost sharing agreements, endeavor's to assist and the risk associated with this.
- Incentivization remains important to the development community, however it is understood that within the scope of this project the goal is to de-couple the Municipal Assist incentives. It is acknowledged that the development community is seeking OSL

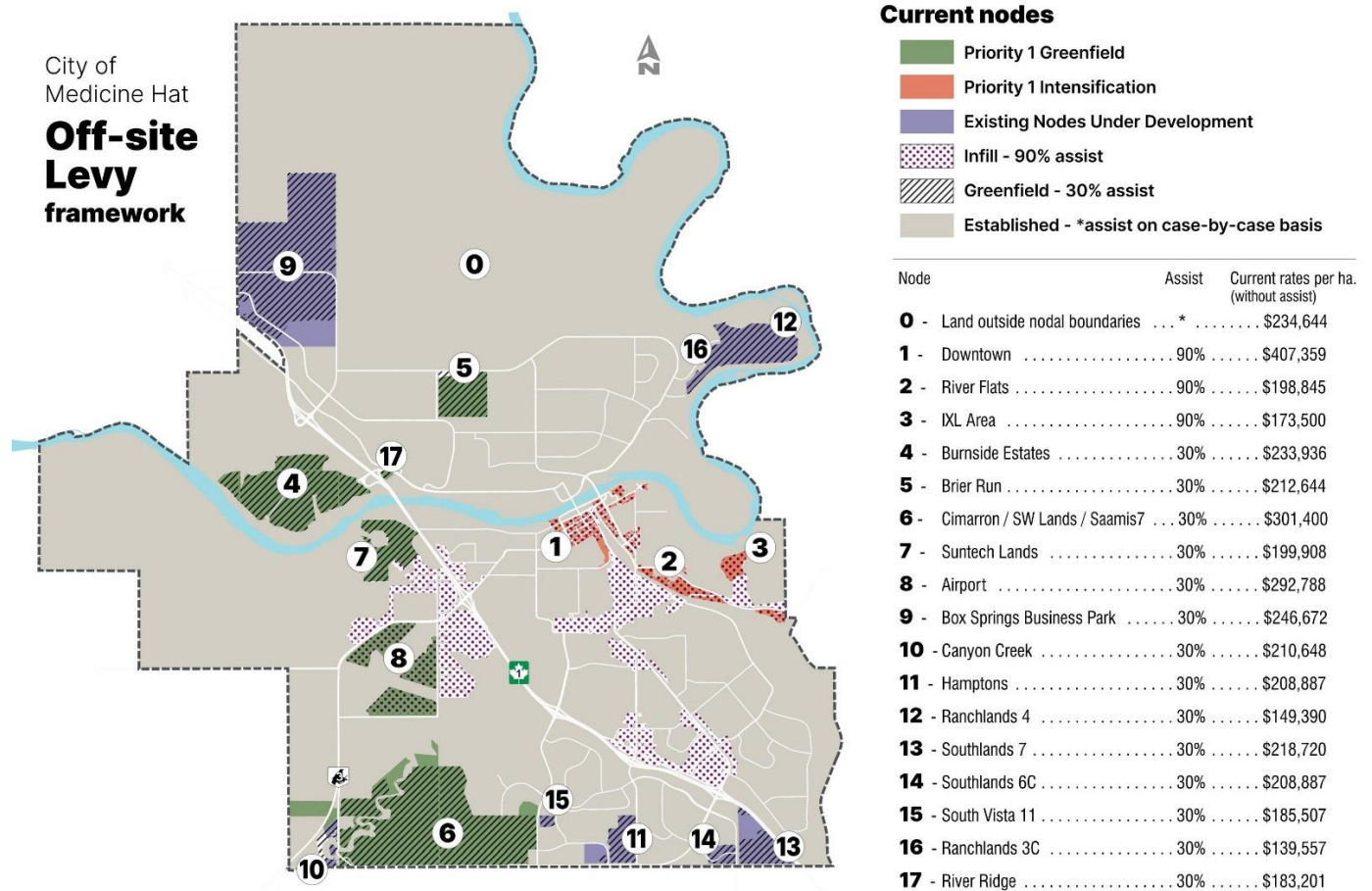


rates that are fair and equitable, as well as incentivization moving forward that supports development aspirations.

## Preview of Draft Rates:

In an effort to provide clarity on all previous benefitting areas and OSL Rates, and new benefitting areas and the draft new rates, the following maps are provided.

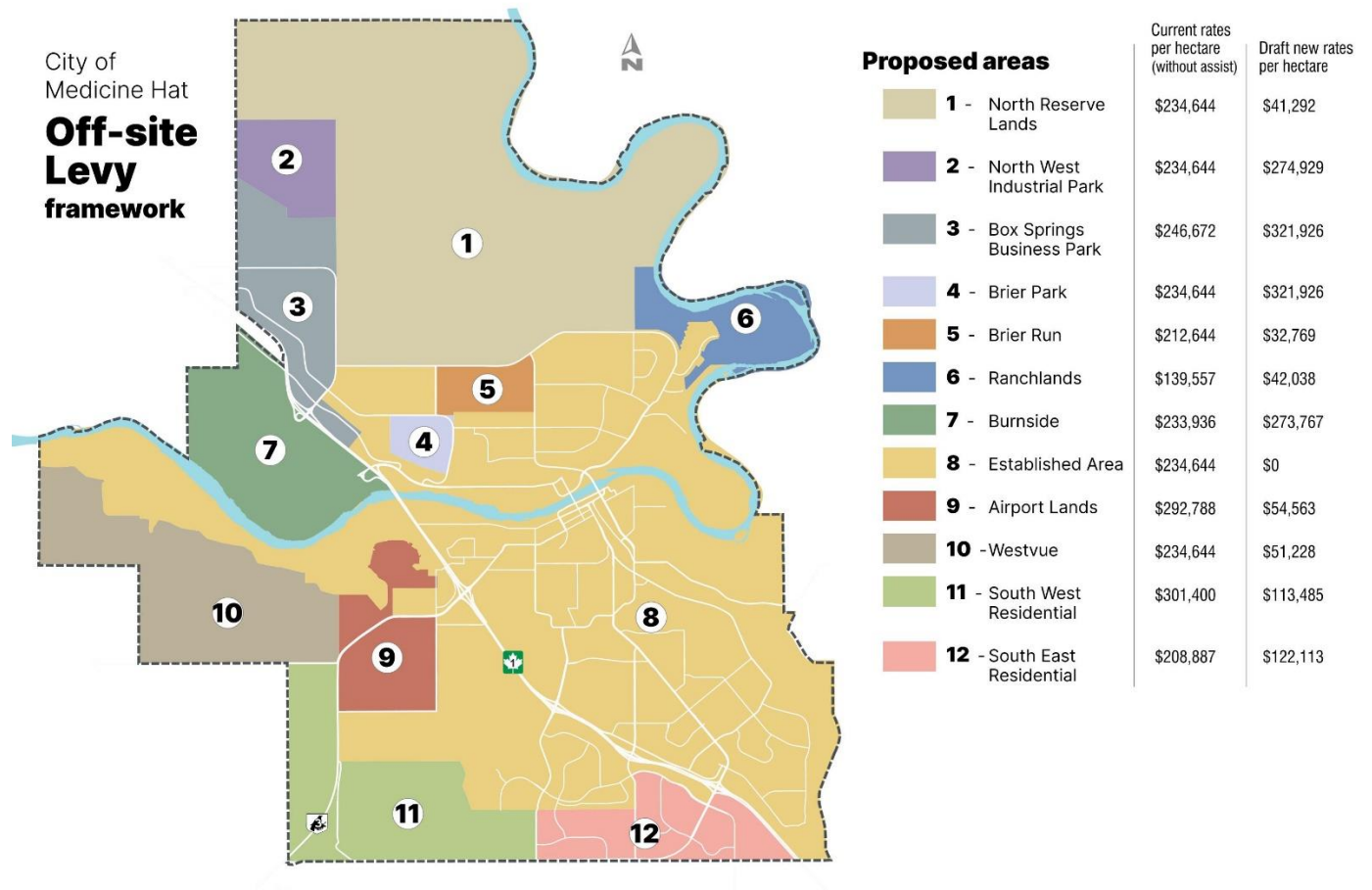
**Map 1: Old Benefitting Areas and Current Rates with Municipal Assist**



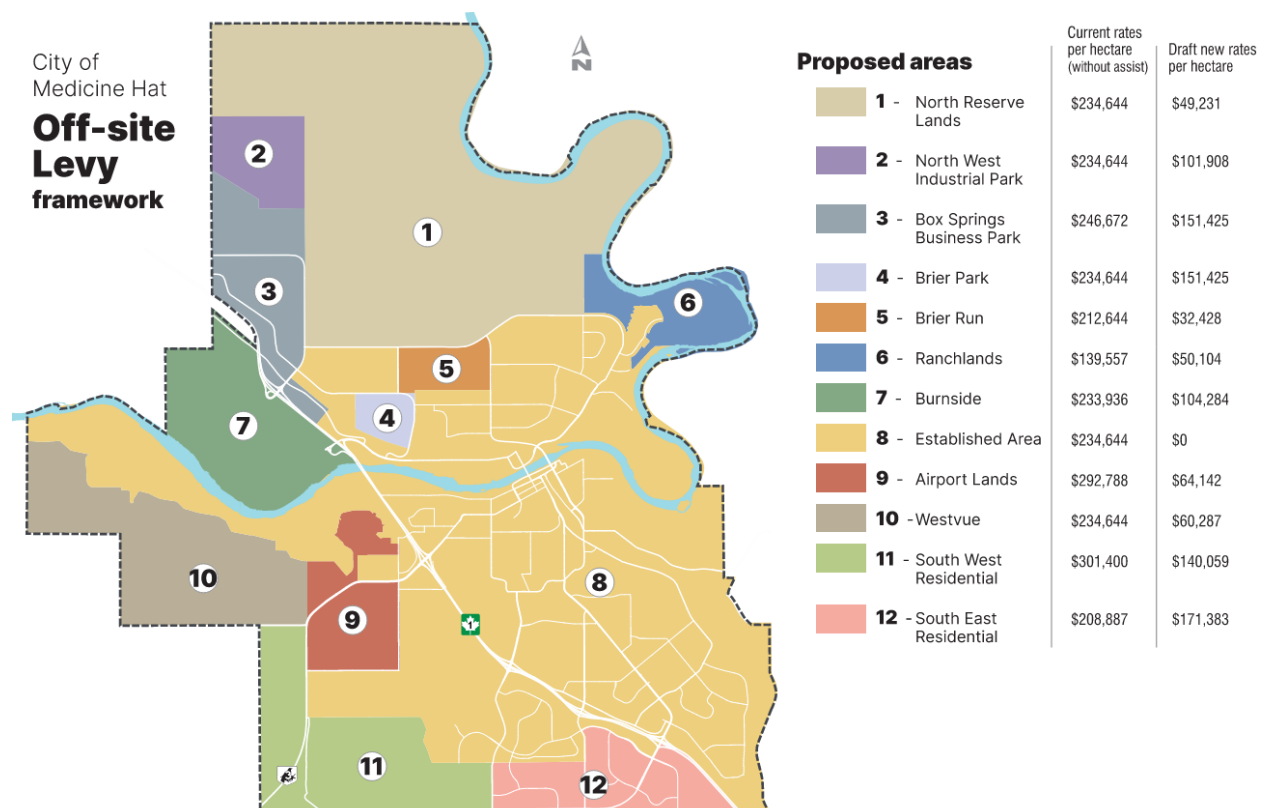


## Map 2: New Benefitting Areas and Draft New OSL Rates (Comparing Previous Rates)

### Version 1 (first engagement session):



## Version 2 (following second engagement session):



The City will be moving forward with finalizing a report and OSL rates in a recommendation to Council based on Version 2 above.

## Questions & Answers:

### Stakeholder Engagement #2 Questions and Answers

From discussions held at Esplanade Small Theatre on 21 September 2022.

1. *Medicine Hat methodology of subsidization for development has been compared to other Cities. What are the differences, and why?*
  - The City of Medicine Hat CMH subsidizes OSL's currently as a direct subsidy. This ends as of 31 Dec 2022 when the assistance is intended to be de-coupled from the bylaw. Other municipalities have different methods to subsidize development as well as different ways to calculate OSL's. The MGA regulates how to allocate OSL's, or not, for various infrastructure at a municipality's discretion.

- It is difficult to compare OSL from one community to another for a number of reasons. Other municipalities are different in the geographical position, have different physical, commercial, industrial, and social issues driving their development. All of this drives differences in the ways they are serviced and supported, making any direct comparison extremely difficult.
- OSL rates may be compared overall to other cities, recognizing these differences, and as such, the CMH current rates appear to be lower overall.
- CMH has adopted 4 main types of infrastructure for inclusion in its OSL – road, water, storm, sanitary. The updates to the MGA and OSL Regulations identify the opportunity to include an additional infrastructure type: community facilities, including police, fire, libraries, and recreational facilities to the list. At this time CMH has not included these and it will require some additional public and stakeholder engagement to plan for the addition of these to the bylaw.
- Currently the CMH administration understands that the development community is interested in further incentivization. Based on proposed OSL rates, it is recommended that the Municipal Assist is ended.

**Table 1 OSL Comparison with other Communities (Weighted Average after First Stakeholder Session)**

Municipality / Area	Average Per Ha.
City of Beaumont* Residential (roads, water, sewer)	\$53,900 - \$77,600 (2019)
City of Lacombe* (roads, water, sewer, storm)	\$19,800 - \$120,100 (2013)
City of Brooks* (roads, water, sewer, storm)	\$79,823 (2021)
City of Beaumont* Industrial (roads, water, sewer)	\$80,900 - \$116,390 (2019)
City of Cold Lake* (roads, water, sewer, storm)	\$103,000 (2007)
City of Fort Saskatchewan* (South Fort) (roads, water, sewer, storm)	\$104,100 (2017)
City of Lloydminster (roads, water, sewer)	\$112,900 (2011)
<b>City of Medicine Hat* (roads, water, sewer, storm) 2022 Draft</b>	<b>\$126,871 (2022) Draft In Progress</b>
City of Leduc* (roads, water, sewer)	\$138,500 (2021)
City of Spruce Grove* (roads, water, sewer)	\$150,000 (2022) TBC In Progress
Town of Okotoks (roads, water, sewer)	\$198,600 (2020)
Town of Cochrane (roads, water, sewer, storm, recreation)	\$250,000 (2020)
City of Red Deer* (roads, water, sewer, storm)	\$203,300 (2019)
Red Deer County (Gasoline Alley) (roads, water, sewer, storm)	\$220,000 (2017)
<b>City of Medicine Hat* (subsidy) (roads, water, sewer, storm)</b>	<b>\$234,500 (2019) Old Rate</b>
Strathcona County (New Growth Areas)* (roads, water, sewer, storm)	\$ 251,000 (2021)
City of Lethbridge (roads, water, sewer, storm)	\$281,000 (2020)
City of Chestermere* (roads, water, sewer, storm, recreation)	\$295,960 (2022) In Progress
City of St. Albert* (roads, water, sewer, storm)	+\$325,000 (2022)
City of Edmonton (roads, water, sewer, storm)	+\$400,000
City of Calgary Green Field Area (roads, water, sewer, storm, comm svc, stabilization)	\$495,000 - \$544,000

2. *Some effort has been made in the past to make the OSL Affordable and the CMH Competitive. In the past there has been some consideration to remove specific infrastructure from the OSL's, for example roads. Is it possible to remove these things from the bylaw itself?*
  - The decision of what infrastructure to include in the OSL is within the municipality's purview.
  - The decision to include all of the present infrastructure was made for a number of reasons.
    - The inclusion allows for the developer and the City to share the costs of the new infrastructure. It reduces the risks to the developer of becoming over extended, with the City upfronting the costs. It shares the costs of the infrastructure throughout all of the benefitting areas creating a fair distribution of costs.

- Not including this infrastructure into the OSL framework would put the entire cost of these projects on the development community to build to ensure growth may continue.
  - The current iteration of the OSL has reduced the cost split for the transportation framework between the CMH and the developer from a rough 55/45 split to a more 79/21 split where the CMH pays the larger portion.
3. *The new map details out the entirety of the City into specific Areas or basins. How were these benefitting areas identified and decided upon?*
    - The entire City OSL areas were remapped based on infrastructure needs aligned to the planned growth identified in the Municipal Development Plan (MDP). These areas were also reviewed with consideration for how they would be serviced and the existing and planned infrastructure supplying services to those areas, specifically the water and sanitary sewer systems.
  4. *Does this align with the MDP?*
    - Yes, the new areas align with where the city is growing and how.
  5. *From the tentative New OSL Rates (Version 1) presented it is clear that some of the areas have some significant increase in the rates. Regarding fees being higher in NW what is causing this and what is being done to ensure these rates are equitable and well managed?*
    - The Northwest areas are industrial for the most part. It is extremely difficult to estimate the needs of different types of industry. For example, some could be extremely high water users, or extremely high users of sanitary systems. For this reason, the systems proposed for these areas have been identified as larger. With the current understanding of the growth rates in this area being significantly slower than was expected in 2013, there is a need for us to review the servicing for this area. This will provide further clarity on needs and costs in this area.
    - It is for this reason that there are two major projects that are being pushed out past the current planning horizon while our Environmental Utilities Department redefines the needs and servicing plans for this area. The two major projects identified are the Box Springs Lift Station and the Box Springs Forcemain.
    - This change in the projects should have the effect of reducing the drastic increase in the OSL for these areas to a more reasonable cost.
    - It must be noted that if the requirement for these systems is confirmed that they will at some future date be added in, however may have a different scope of the project.
  6. *If an off-site project has benefit for only one developer's area, is it still an off-site project?*
    - No, a project benefitting only one developer in one area is considered to be an On-Site Project, even if the infrastructure is actually not on the site. For example, the Brier Run Stormwater trunk runs from Brier Run south to the river. As it only services the Brier Run development, it is considered to be an on-site project even though it actually is built off of the site.
  7. *In reviewing the allocation of lands to areas 2 and 3, is it possible to review the allocation of land to each? That is to say can area 3 be solely Box Springs and Area 2 everything North of Broadway?*

- In reviewing these areas, it is important to understand that they were sized based on the natural breaks in services provided to these areas. For instance, the sanitary flow from this area is serviced by two systems. The flows from area 2 the Northwest Industrial Park flow directly to the East, whereas those from Area 3, Box Springs, flow South then East in two different systems.
  - Ownership sometimes does impact the divisions as this can also help to identify the way growth patterns are created and helps to identify the differing needs of these types of properties. As discussed, Industrial lands are very difficult to identify needs for prior to their development.
8. *A comment from the development community identified that it was the City's (IMH) desire to create the Northwest Industrial Park. There was a very pertinent question identifying whether this desire, and the supporting Capital costs, should be the City's (IMH) as this servicing is a desire of the City to put it in place? The understanding was that the infrastructure to support this enterprise are driving the increase in costs in this area.*
- This comment is taken as feedback. As a general note, communities evolve over time and so do infrastructure and servicing needs. This broader discussion, however, is outside the scope of the pure OSL framework.
9. *Developers noted that the average overall rate may be decreasing however, the costs associated to different areas of growth were generally similar or increasing. Need to understand why this was and how it will impact them.*
- The City has reviewed the existing processes and ensure that the model was refreshed to identify solely those projects and their associated timelines that were needed within the identified 25-year planning window. The intent was to create an OSL framework that was meaningful for the actual costs of infrastructure required off-site in support of growth, and that the costs would be equitably shared between the City and those developments benefiting from that infrastructure.
  - The outcome of this exercise was to create OSL Rates/Ha for each type of infrastructure that were aligned to the specific growth in those areas and were accurately reflecting the true cost of growth.
  - These costs generally tended to decrease overall from an average of roughly \$244,000/Ha to an average of \$126,000/Ha, **and further reduced to \$104,000 in the final draft version.**
  - The main reasons for some increases to the amounts being identified was the inclusion of some very high price tag projects that benefit specific areas. As identified in Questions 5 and 8 above these rates are under review and specific impacting projects are being reconsidered for their inclusion, pending confirmation of requirement from the EU servicing study surrounding need and timing. This will tend to reduce the identified costs until confirmation of need is received.
10. *Discussions around specific infrastructure needs and benefits, especially for the SW Lift Station were held. The understanding of benefitting areas was brought up. A query as to how these areas were identified and how the projects were created, costed, and brought forward to the model was made.*
- An opportunity for the Chamber and some various members to attend a meeting with the Planning and Engineering Staff to be shown the methodology for the creation of these projects and how the benefitting areas (Cost Splits) were created was put forward. This meeting has been set up for further discussion.

11. *How does the CMH manage all of this data and create our OSL Costs?*
- The CMH uses an OSL Model to manage the OSL framework. This model is comprised of multiple spreadsheets for tracking information, all linked together. This model uses a **Rolling** 25-year window to manage the projects and costs.
  - The intent is that the information input into the model is updated on an annual basis. This includes the projects identified as required to support growth, the known and estimated costs for projects, the intended staging plan for when the projects will come to fruition coupled directly with the staging plan identified in the MDP and subsequent ASP's in the queue.
  - As the OSL Rates are based solely on what is currently known, we rely on the costs identified in the Model to calculate those costs applicable to the next year. These along with the staging plan will be reviewed annually to ensure the most accurate project requirements and costs are being applied.
  - Costs estimates are updated as clarity on actuals becomes available.
  - Some of the issues with the current OSL framework and rates are that the OSL Rates are from 2017 and do not reflect inflation or today's costs.
12. *Since there is not any current staging program associated with areas 2, 7, and 10, why are they included, and why are there OSL Rates associated with them?*
- These areas were identified so that the entirety of the areas identified for future growth in the community were identified and mapped out. The present costs are based on current understandings of plans and timelines available to us. As these areas begin to be developed the projects, timelines and costs associated to them will be updated.
  - In comparison to our old method, the areas identified were small and generally they had very specific projects related to them if a development fell outside of these areas, then the Average OSL (Node Zero) rate was applied.
  - The new method is based on growth and timing for that growth including the servicing requirements to support that growth.
13. *Other communities send out annual surveys to developers querying what they plan to develop in the following year (s). Why does CMH not do that?*
- We rely on the Staging plans provided by developers. This area is also tied to the MDP related to them. As communities and areas are developed, we correlate that development with the existing staging plans (i.e., stages 1,2,3,4.) as well as reserve lands.
  - Planning and Development Services manages upcoming development projects closely.
  - If there are changes by a developer regarding development plans (i.e., Not proceeding with stage 3) this would need to be addressed through the MDP.
  - As a takeaway there is an opportunity for Planning and Development Services to engage more frequently with developers on future growth sites to try and maintain a better handle on expectations and desired outcomes.
14. *How do OSL's apply to existing and future Industrial builds relating to owned lands?*
- If an industry was to develop currently, they would pay the rates that are currently in effect within their area as per the OSL Bylaw.



- If they were to develop in the future, their rates would be impacted by any additional growth and servicing requirements that are identified to be required to support growth. OSL rates change over time.
  - By using OSL's the City basically provides the front end funding to ensure the infrastructure is constructed to support growth. This removes a great deal of risk for developers who would need to collect back their costs from developments that could become stalled out and pass over any agreements or sunset clauses. Front-ended projects may further create complicated contracts, such as cost sharing agreements.
15. *Node 5 was recognized as having no storm or sanitary levies. The question was, how, or why, does this happen?*
- This area is being built up in a previously serviced area. The sanitary systems in the area is already established with sufficient capacity to take this additional load with no requirement for upgrades due to the growth.
  - As identified earlier, since the Storm is needed for Brier Run but only benefits one development, it becomes an on-site project 100% at the cost of the developer.
  - The OSL framework contains only projects that benefit several areas or developers.
16. *For clarity then, in Brier Run, there is a Storm Trunk required. This may have been included in OSL Previously... would it be included now?*
- No, It is a project that benefits one sole area and developer and as such is treated as an on-site project.
17. *A desire to ensure transparency and clarity of information and process was stated. Will there be the ability for the Developers to see what has been charged, collected, and expended on their projects.*
- Information from the past is available when requested. There will be an annual report in line with the new OSL Regulations that will ensure clarity in the fees collected, for what types of infrastructure, what is held, and what has been used to date.
  - These reports will be made available to Council and the public annually.
18. *Will there be council assistance with regards to these costs in the way of an incentive program or something like it?*
- At this time this is an unknown.
  - The intent originally was to create reasonable rates that accurately reflected the infrastructure needs to support growth but better aligned with a way forward without further assistance from the municipality.
  - Currently there is still a suite of other incentivization programs available to assist with development.

The following were specific emailed questions received prior to the Engagement session and their answers. Question that were similar to those answered above, were removed.

19. *It stated in the presentation (Aug 2022) that Medicine Hat is the only municipality providing municipal assist for offsite levies. However, I think it is important to look at what*

other municipalities of similar size charge. (SEE ABOVE FOR COMPARISON TABLE) For example, in our previous research we noted that Grande Prairie only charged for transportation, but not water, storm and sanitary. In St. Albert, the assist was called a “demonstrated benefit”.

- The information identified that Medicine Hat was the only municipality that provided a Municipal Assistance (subsidy) program directly for OSL’s.
- Other municipalities may provide for assistance in many other ways, accounting for the differences in OSL rates amongst various jurisdictions.
- As stated previously OSL rates cannot be compared directly due to the differences in community area, types of infrastructure, types and differences in industry, and land layouts, etc.

20. *What are the development nodes based on, as I noticed a few variables? The MDP has six City sectors on page 19, but there are 12 nodes in the model:*

- As identified above, the benefitting areas are based on the water and sewer service areas. The growth staging plan is aligned with the 2020 MDP.

21. *Areas are very different from the previous model to this model. Why these changes? It appears that some of the areas have remained very much the same. Why Brier Run is split into 2 nodes versus having them as one node?*

- This is based on the infrastructure needed for servicing and how the servicing provided to these areas is split into different systems.

**Table 2: Comparison by Stakeholder of Previous Levy with Draft Levy**

Area	Previous Node	Proposed Node	Previous Levy	Total Levy cost
North Reserve Lands	None	1	\$0	\$41,292
Northwest Industrial Park	None	2	\$0	\$274,929
Box Springs Business Park	9	3	\$246,672	\$321,926
Brier Park	5	4	\$212,644	\$321,926
Brier Run	5	5		\$32,769
Ranchlands	12	6	\$149,390	\$42,038
	16		\$139,557	
Burnside	4	7	\$233,936	\$273,767



Established Area	0	8	\$234,602	\$0
	1		\$407,359	
	2		\$198,845	
	3		\$173,500	
	17		\$183,201	
Airport Lands	8	9	\$292,788	\$54,563
Westvue	7	10	\$199,908	\$51,228
South West Residential	6	11	\$301,400	\$113,485
	10		\$210,648	
South East Residential	11	12	\$208,887	\$122,113
	13		\$218,720	
	14		\$208,887	
	15		\$185,507	
Average			\$222,581	\$150,003

22. *Some nodes went down in costs significantly, some stayed relatively the same, but Box Springs went up by almost \$100,000, seemingly because the node was changed, and more projects added to that one. This is what I was comparing in the table above. One other minor detail was that when you take out the \$0.00 value from the established area the average actually goes up on the new levy costs, compared to what the notes provided (still lower than previously, but wanted to make sure the information being presented was as accurate as possible). I obtained my numbers on the previous levy from the City bylaw on the website.*
- The \$0.00 areas cannot be removed in this spreadsheet due to the formulas. This spreadsheet is purely to show data inputs.
23. *Does the 8720 ha of land available for development include FUD?*
- Yes.
24. *I wanted to confirm that the 637 ha of land development is the staging/development timeline based on MDP?*
- Yes, all considerations are taking the MDP and its current understanding of the build-out of the community into account.
25. *There are a few hidden rows on the linked data interaction tool spreadsheet, including the ones below. I could not expand or unhide them as it is a protected sheet, and this impacted some analysis.*
- These rows are hidden because there is no data in them. The spreadsheet is intended to share data inputs.
26. *We would like to understand the data more clearly, and from the last presentation it stated to ask for a meeting to attend City Hall to be engaged directly with the Tool and the Data. This would be valuable for a few of us that would like to dive in a bit deeper.*
- Meetings have been set for further discussions.

Additional information was requested with regards to other specific projects:

27. Project 1 – Sanitary Sewer - Parkview siphon. *The project description lists it as a project in 1996. That is 26 years ago. What criteria is used to take projects off the list?*
- Projects stay on the “list” until they are fully paid off, at which time they can be removed. (The model works in such a way that it is actually not necessary to remove anything as once it is paid off it has no impacts on the rates, in this case they are just “turned off.” The “Developer Cost” allocation is listed at 36% of the total cost, which includes debenture interest.
- a) *The interest is quite significant, 45% of the total project cost. Is this because the project was done so long ago?*
- The interest portion is consistent with all other projects. The City makes all efforts to borrow only the amount to be spent in the upcoming year. There are 3 loans for the Parkview Siphon project. With interest rates between 3.1% and 3.4%.
- b) *Is debenture interest calculated to the date when the project is expected to be paid off by levies, i.e., in 2043?*
- The borrowing period for OSL model purposes in 20 years.
28. *Many of the nodes that benefit from this project are not anticipated to be fully developed by 2043 (The total area anticipated to be developed in nodes 3-6 by 2043 equals 336.21 ha, while the total area in nodes 3-6 is 726.78 ha.)*
- a) *Is the developer cost of \$534,343 allocated to the anticipated development area (336.21 ha) or the total benefitting area (726.78 ha)?*
- The Model is based on a 25-year rolling planning window. As each year passes it moves to the right including more land applicable to the current planning for development.
- b) *What happens if more area in the applicable nodes is developed by 2043?*
- The Model is adjusted on an annual basis. The Model is intended to be fluid and adapt, the only year in which it is 100% accurate is for the upcoming year. This is the reasoning behind using a rolling model.
- c) *What happens if less area in the applicable nodes is developed?*
- Same as above, the model accounts for changes such as this.
- d) *How often is the cost allocation adjusted?*
- The model will be updated annually.
29. *Projects 21-24 (projects that are new to the OSL) show expenditures up to Dec 31, 2020, but no debenture interest or Future loan/debenture interest is shown for these project as it is for projects 1-16.*
- The model is being updated to 2020, future updates will further update these figures.
30. *Purmal lift station (Project #21);*

- a) \$9k construction is shown under Future expenditures but not shown under construction staging (is the percentage too low?)
- This is an early preliminary cost and is not the final cost as the project has just been added. As more information becomes available the project details will be updated and will be accounted for in the next iteration of annual updates.
- b) *Benefitting areas are shown as 9, 10, 11, and 12, which includes the NEW “Westvue” area. I think an explanation as to the additional areas would be appreciated.*
- Westvue is fed also by the south system, the previous OSL model did not include these lands in the mapping.
31. *How are the rates calculated, i.e.,*
- a) *Is the developer cost (column AB on Project Details tab) the cost anticipated to be recovered over the next 25 years or do any previously paid levy amounts get subtracted off first? I.e., Is the “Allocation to future development” (column Y) percentage updated on a yearly basis?*
- It is based on the point in time in which the project is brought into the model, and is for the entire project costs, this is not impacted by the 25-year window. The model accounts for inflation, etc. Actual costs are updated into the model when known. The model only sets rates for the upcoming year. The “allocation to future development” stays the same, as it is based on the benefit when the project is brought into the model, and does not change as an example, the 10<sup>th</sup> Avenue SW Trunk Sewer Expansion – at the time which the project is brought into the model, 85% of the total project costs benefits the City, and 18% benefits the developer. The 15% is brought into the model to be shared between the benefiting areas associated with this project.
32. *Area Measurements & Staging tab; The Net Development Area (ha.) column I, – is this the remaining area to be developed, or the area of the entire node.*
- This is land available to be developed.
33. *The reduction in the number of nodes obviously caused some changes to the boundaries of existing nodes, however I think some explanation is due, i.e.,;*
- a) *BSBP node 3;*
- Why is the area north of Broadway Avenue included? It would seem more logical to include that area as part of node 2.*
    - As discussed in the meeting, the two areas have two different servicing needs.
  - It looks like the Pointe lands have been added to this node as well.*
    - For the same reasons as above.
  - Not sure why the Box Springs lift station and forcemain projects are listed as Box Springs. Wouldn't it be more appropriate to call it the NW Industrial lift station and forcemain? I.e., those projects don't benefit BSBP do they?*
    - These two projects have been moved outside the 25 year window until further clarity can be brought to them. The scope and name of the project may change.
- b) *SE Residential node 12; I don't understand how the Southwest Sector (Desert Blume) Lift station and forcemain (2006) (project 14) would benefit this node.*

- These lands all feed into the trunk main on South Boundary Road, but SW sector LS and FM (Desert Blume) will not benefit node 12. This will be updated.
34. *SW Residential node 11; The Coulee Ridge lift station and force main Expansion project is allocated to this entire node but really just benefits a portion of the node (i.e., the eastern quarter section doesn't benefit).*
- The Coulee Ridge Lift Station and Forcemain expansion will be a replacement for the existing lift station, so any areas being serviced by the existing lift station will benefit from this project.
35. *As a general question, can you confirm that the amount in total Expenditures (A) or Construction Cost (column L) is the total cost of the project or just the cost attributed to the portion of the project that is considered 'growth'.*
- The Total Project Cost is a summary of several columns and is found at column "R" "Total Project Cost". The "Developers Cost" is the cost Attributable to Growth and it is found at Column "AB". It is a function of the amount "Allocation to Future Development (Offsite Levy)" found at Column "Y" multiplied by the "Total Project Cost" found at column "R".
36. *What are the contingencies and how are those calculated?*
- Contingencies are the amount of capital identified due to the requirement to have cash on hand for exigencies during construction. Historically it has been identified that in general an amount of 20% of the construction cost is most applicable for these costs
37. *For large industrial sites, can you explain what may trigger offsite levies in circumstances where we have an existing industrial site so we can circulate that in writing.*
- Regarding existing industrial sites that are already "Built Out." The OSL should already have been paid either at the subdivision stage or the development permit stage.
  - Should there be a desire to further develop lands on those sites; if the OSL has already been paid, then there would be no further charges owing. If, however the area was not paid, then the OSL identified for those lands at the time of the subdivision or development permit.

## Questions about Specific Infrastructure Types:

### Transportation:

38. *The list has a number of projects that had costs incurred prior to 2020 and are in the model, so to confirm – these are not projects that can change in terms of allocations or how they work in the model, or can they?*
- No, these projects are already identified, and their costs and inputs are included within the model
39. *Three projects within transportation don't have remarks on the mapping, so there isn't detail in terms of what the scope of the project is (4, 5 and 13), if you can provide further detail*
- These are pure intersection upgrade projects where further remarks didn't appear to be needed.

40. *Project # 11 – Extension of 11<sup>th</sup> Ave SW to TCH and project #14 – could be considered a new item needed for growth, but from the looks of the mapping, they could also be considered a developer cost versus an offsite project for two reasons – it is very specific to those nodes; they are not yet built out and are not connectors for overall traffic flow for the City as they are very direct access into each node.*
- *In reviewing the Data Interaction Tool There is neither a Project #11 or #14. The Map included as information was an interim map and had a few additional projects on it that were considered and removed before creation of the DIT.*
41. *Project 11 is listed as TBD, so I wondered if it should even be considered an offsite project until it's confirmed.*
- *As identified directly above. This is not an OSL project at this time. The map included as information was an interim map and had a few additional projects on it that were considered and removed before creation of the DIT.*
42. *For new transportation projects, is there any way to obtain the detail on what portion is considered needed for growth versus just infrastructure upgrades? For projects 18-24 - I'm not quite sure what the upgrade is, as it's listed as new, but based on the description, I'm not sure what is benefitting growth.*
- *As identified, Transportation projects are considered to benefit the entire City. With the change in the calculation method to align the growth of the City by population more closely to these needs, the impact of each of these projects has been significantly reduced. As required, once a plan shows an increase in population using a main or arterial route, it triggers, or "Warrants", a need for an increase in capacity which is what these projects represent. They will allow for the increase in traffic created by the population growth supported by the new development.*
43. *I think transportation in general, is debatable when you look at many of the projects and their purpose. Many upgrades are moving from 2 lanes to four lanes or intersection upgrades. There are also existing projects, such as the Maple Ave/1<sup>st</sup> St Intersection, that I would suggest are road improvements/traffic flow/safety versus needed for growth purposes. Projects such as four lane upgrades or intersection improvements/upgrades I would suggest is a municipal cost covered by taxpayer dollars versus covered by developers, as it's an infrastructure benefit that the whole city benefits from. While infrastructure improvements can be viewed as necessary for growth, it could also be argued that intersections need improvement for better traffic flow and safety regardless of growth? Improving from 2 lane to 4 lane could be deemed the same, particularly in higher traffic corridors or corridors where there is a large movement of commercial goods. This would pertain to projects 1-10 and perhaps 18-25. In addition, many of the transportation projects were done without growth occurring and could be deemed as necessary for overall safety and traffic flow improvements versus driven as they don't seem to be driven/construction because of growth specifically.*
- *As identified in response to question 44. The increase in traffic is identified in response to an increase in population growth. There are also benefits to these projects being completed by the City and not burdening the development community.*

**Water:**

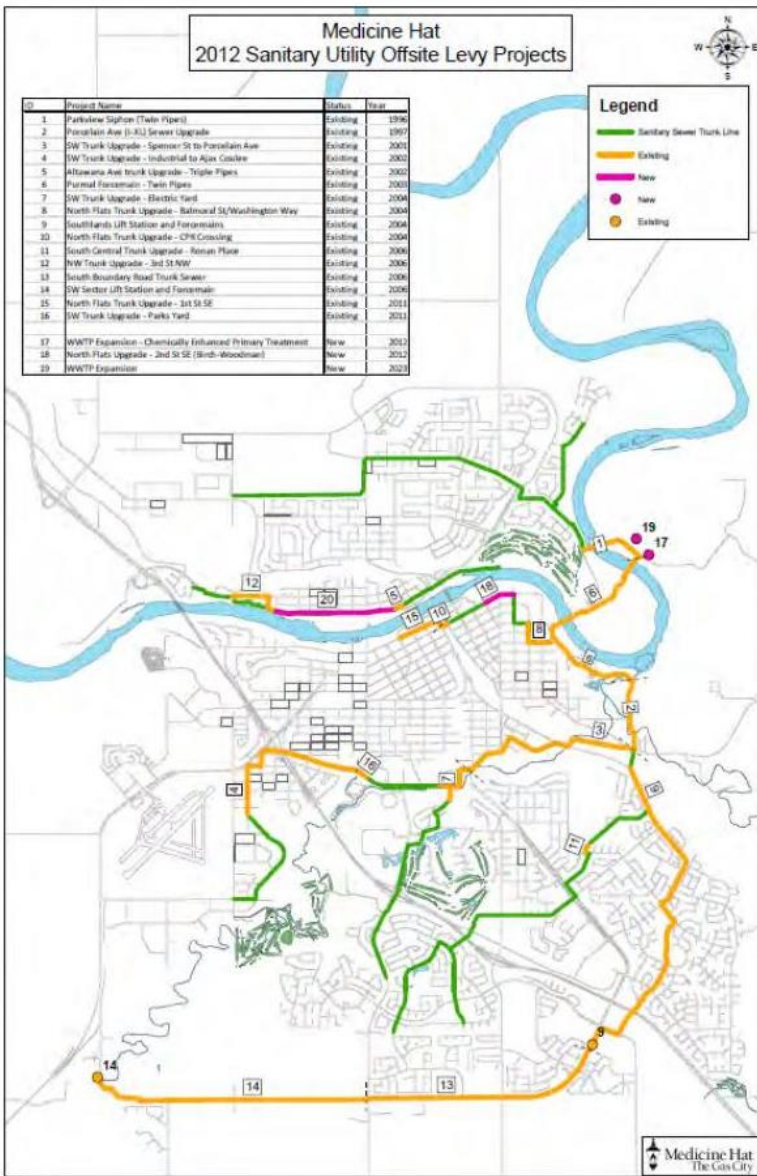
44. *I see 8 projects on the map, but 9 listed on the data tool. The project key listed on the map, doesn't completely match up to the description on the data interaction tool. Would*

*you be able to update the data interaction tool or the map, so they match, and we can see which projects are assigned to the node/location on the map?*

- i. I didn't see South Reservoir pump 2 on the map or the south reservoir and transmission line.*
  - *2012 water and sanitary maps have been provided to help clarify from 2012 Corvus final report.*
- ii. Is project F on the map, the same as project 3 on the data tool?*
  - *2012 water and sanitary maps have been provided to help clarify from 2012 Corvus final report.*

## **2012 OSL Sanitary Projects Map**

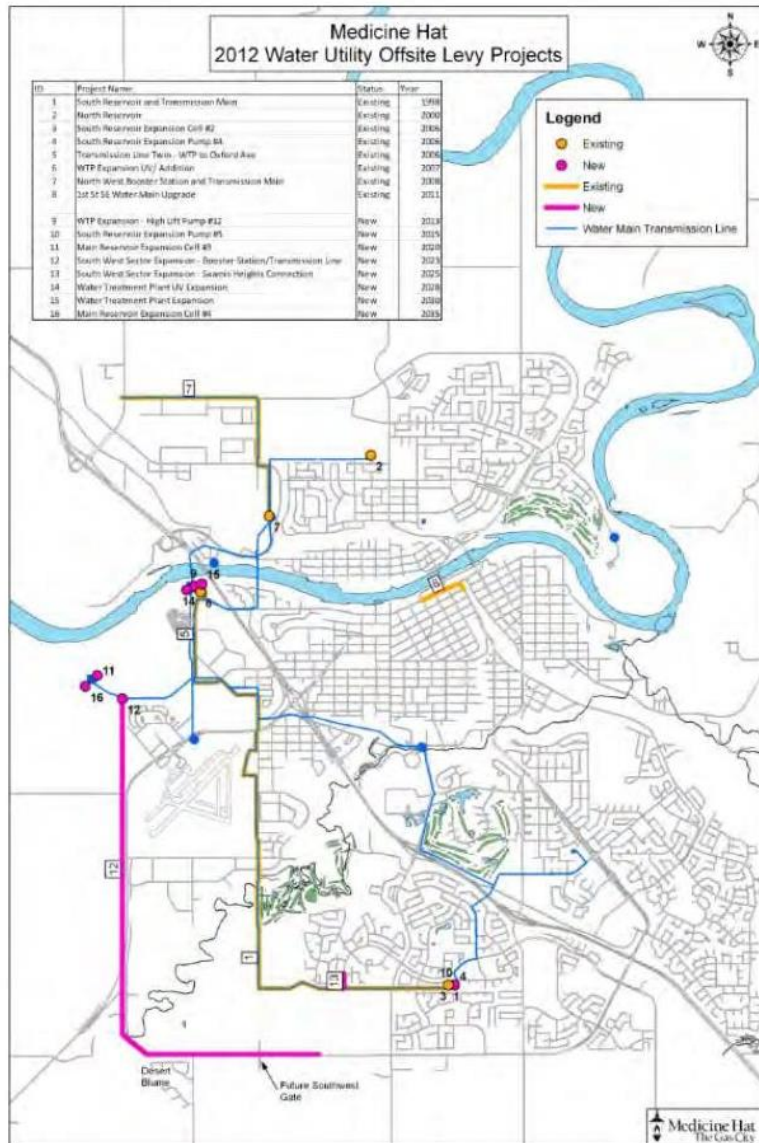
## Location of Sanitary Offsite Infrastructure



## 2012 OSL Water Projects Map



### Location of Water Offsite Infrastructure



45. I believe it was stated in the meeting, for some of the NW projects and particularly because many of them are not slated to begin for another 10 years and it's unknown as to what will actually be required, if they should even be on the offsite project list yet?
- Adding projects to the list allows the City to begin planning for these projects and give the development community a forward look at what these projects may look like. As they are not yet brought into the model, the costs remain outside the 25-year window. It's more of a preference to add them to the list, to ensure transparency.

### **Sanitary:**

46. Many of these projects are in Node 8 and so it's hard to decipher the benefitting nodes based on this map. I've attached the 2012 map for comparison purposes. Projects 33-47 make sense as it's very specific to those nodes. For the Box Spring Lift and Force Main, I would have expected those projects were completed for current development in Box



*Springs, but if it's for growth, then it would make sense that those would be more specific to the growth in nodes 1 & 2 versus 3.*

- As indicated, these two projects have been moved outside the 25-year window. Secondly, these projects are being clarified as to what areas they will benefit, as there are two potential systems for them to tie into.

**Storm:**

47. *Why is the Northwest Storm Trunk not allocated to 1, and 2 as well as 3 and 4?*

- As previously identified, the NW Storm Trunk services area 3 and 4 and areas 1 and 2 are serviced by storm infrastructure that runs from Crescent Heights towards the east.

**Specific Questions surrounding Box Springs Business Park:**

48. *With the 2 sanitary projects for the NWIP removed from the OSL list, because they are outside the 25-year window. Would the same logic not apply for most or all of the Brier Park gravity bypass sanitary projects which are being built solely to handle the extra flow from the two projects being removed?*

- The Brier Park Gravity Bypass is scheduled for construction to be able to handle the identified growth for the areas that it services including both BSBP and existing parts of the City.

49. *We again are strongly advocating that BSBP become their own node.*

- OSL Benefitting Areas are based on similar servicing needs, it is recommended that these Areas remain as is to align with that principle.

50. *Lastly, we do believe BSBP lands and lands north of Broadway should be in different nodes. Most of our servicing has been in place for over 15 years, there is not a single service component yet to reach the land north of Broadway and their costs are substantially different than ours, along with the fact that there has not been one levy dollar collected for those lands.*

- Offsite Levy projects service multiple benefitting areas and are identified to support future growth. Areas to the north will also pay their equitable portion of Offsite levies as the land develops further. BSBP only pays their fair portion of OSL.

# City of Medicine Hat

## Offsite Levy Rate Update

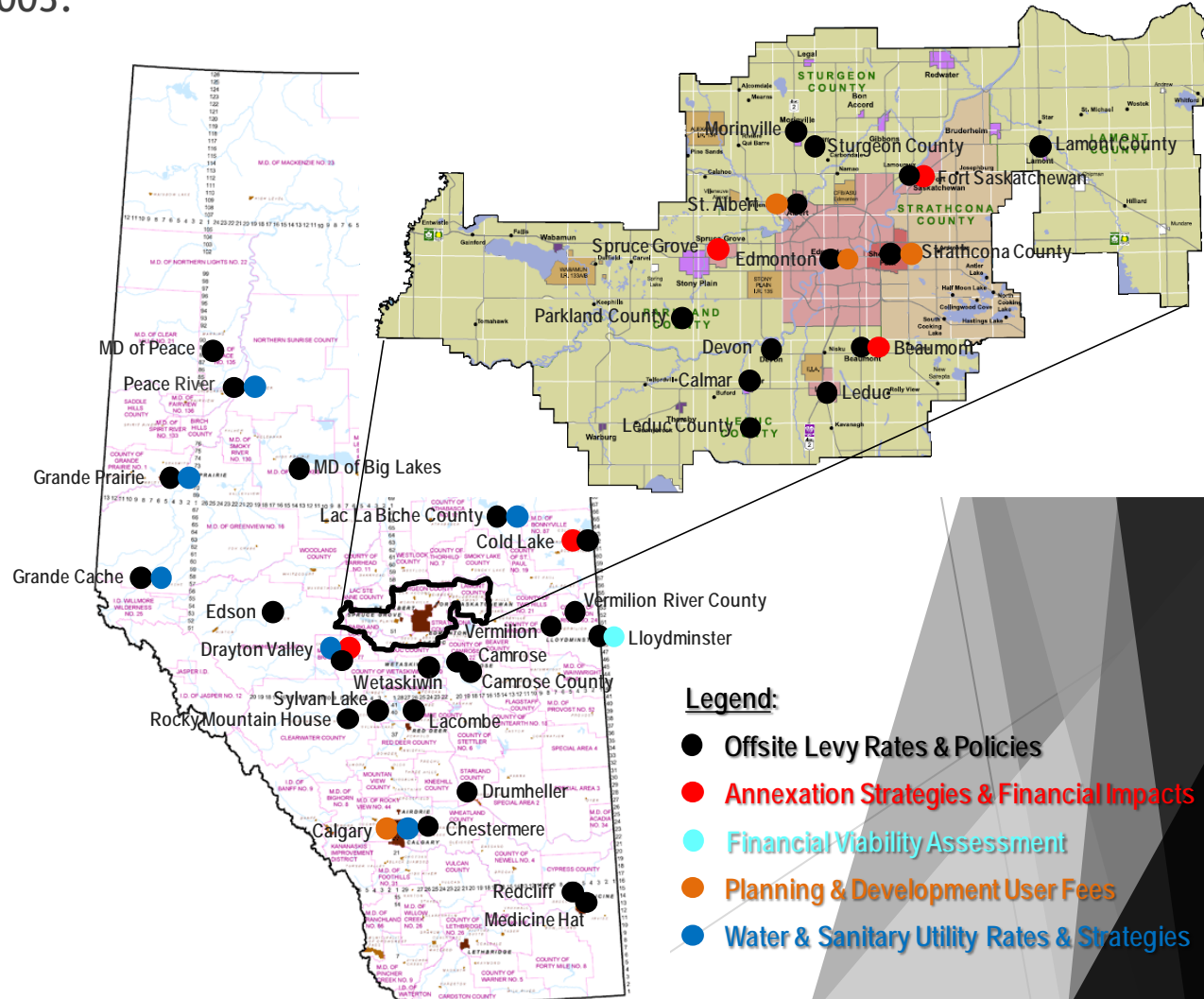
Jul/Aug 2022

# Agenda

- ▶ About Offsite Levies
- ▶ Legislation & Regulations
- ▶ Development Areas and Development Staging
- ▶ Rate Calculation Process
  - ▶ Example - Transportation Infrastructure
- ▶ Summary
  - ▶ Infrastructure Costs
  - ▶ Front-ending
- ▶ Q&A - **Please Hold Questions Until The End**

# CORVUS Background

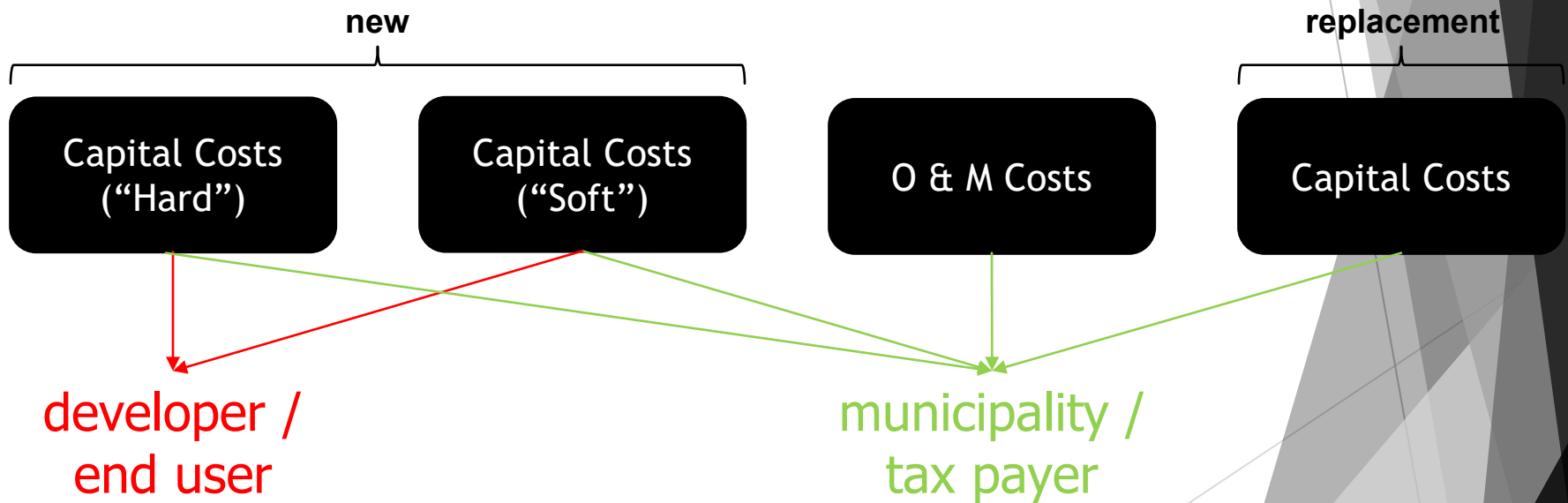
- ▶ CORVUS was created in 2003.
- ▶ Specialty financial services and rate design:
  - ▶ Offsite levies
  - ▶ Utility rates
  - ▶ Annexation FIA
- ▶ CORVUS models in place in over 45 municipalities.



DRAFT  
439

# Who Pays for What?

- ▶ The law in Alberta strikes a reasonable balance between those costs paid for by the end-user versus those paid for by the community as a whole:



# Onsite vs. Offsite Infrastructure

- Developers are responsible for constructing and/or paying for all infrastructure that is needed to support their development.

Usually constructed by developers:

- Certain infrastructure is located on the land being developed (i.e., onsite):
  - Local and collector roads, intersections
  - Water distribution lines
  - Sanitary laterals and collectors
  - etc.

Usually constructed by the municipality:

- Certain infrastructure is located away from the land being developed (i.e., offsite):
  - Arterial roads
  - Water transmission mains and reservoirs
  - Trunk sewers and lift stations
  - Water and sanitary treatment facilities
  - Recreation facilities

- Ultimately, the cost of this infrastructure is passed on from the developer to the new end-user / home buyer.

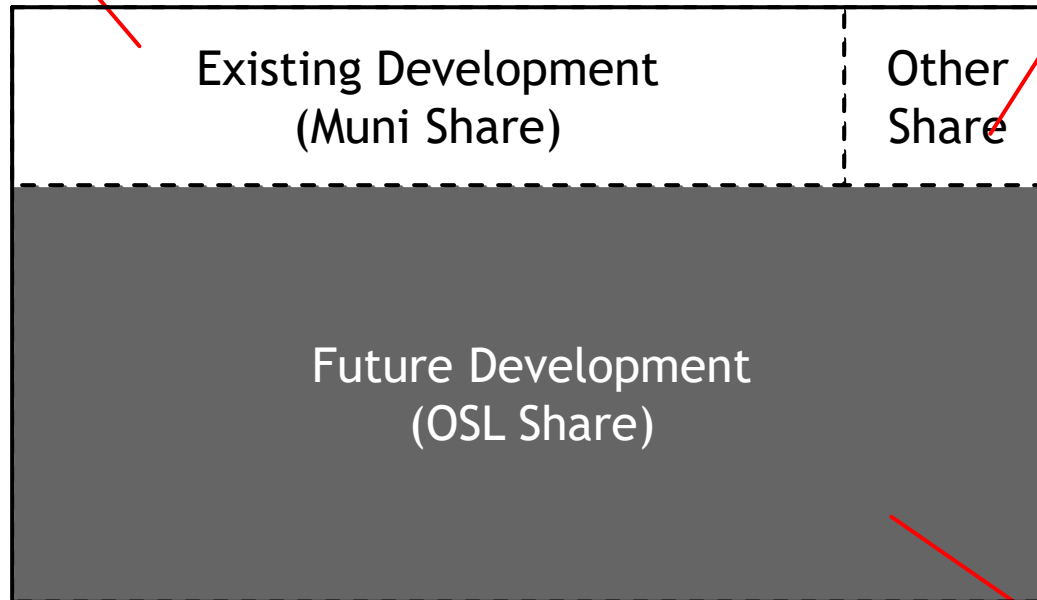
# Development Charges & Levies

- ▶ The MGA provides municipalities with two mechanisms for allocating the costs of new development to developers / end-users:
  - ▶ Development Agreements - Negotiated agreements used for “on site” infrastructure but may also assign responsibility for off-sites.
  - ▶ Offsite Levies - Pre-established charges used for specific “off site” infrastructure. Two possible triggers:
    - ▶ Subdivision
    - ▶ Development

- ▶ Advantages
  - ▶ Ease of administration - no negotiation.
  - ▶ Consistent outcome - pre established, full cost rate.
  - ▶ Transparency - all costs known up front, developers can plan.
  - ▶ Level playing field - no one developer has a negotiation advantage.
  - ▶ Equity and fairness - developers pay for infrastructure they benefit from.

# Financing Offsite Infrastructure Costs

Utility  
Rates,  
Taxes, etc.



Funding  
Agreement b/w  
City & Other  
Muni's

Offsite Levy  
Charges



# Offsite Levy Legislation

- ▶ Section 648 of MGA.
- ▶ New infrastructure only, not maintenance or rehab or replacement
- ▶ Used to pay the capital cost of
  - ▶ New or expanded water facilities. } Pre 2004
  - ▶ New or expanded sanitary sewage facilities. }
  - ▶ New or expanded stormwater drainage facilities. } 2004
  - ▶ New or expanded roads, including interchanges. }
  - ▶ New or expanded recreation facilities. }
  - ▶ New or expanded fire halls. } 2017
  - ▶ New or expanded police stations. }
  - ▶ New or expanded libraries. }
- ▶ Offsite levies may be collected only once in respect of land that is developed or subdivided.
- ▶ Funds must be accounted for separately. Funds collected earn interest.
- ▶ Must be used only the specified purposes for which the funds were collected.
- ▶ Are established under bylaw. But the bylaw does not necessarily have to include all 8 infrastructure types.

# Offsite Levy Regulations (AR 187/2017)

- ▶ Are to be determined in good faith.
- ▶ Recognize the unique or special circumstances of the municipality.
- ▶ **There is to be full disclosure of levy costs & assumptions.**
- ▶ There is a shared responsibility between municipalities & developers for defining infrastructure requirements.
- ▶ **All parties that benefit participate in the cost on an equitable basis related to the degree of benefit.**
- ▶ Coordinate infrastructure with neighbouring municipalities where practical .
- ▶ **Methodology is to be consistently applied across the municipality (but does not mean the same rate everywhere).**
- ▶ Method of calculation is to be clear.
- ▶ **Information used to calculate levies is to be kept current. And the bylaw must include a requirement for a periodic review, and an annual report outlining all levies received, payments, etc.**
- ▶ Calculations should describe specific infrastructure facilities, benefiting areas, supporting technical data and analysis, mechanisms to address cost increases over time. For recreation, fire, police, and library infrastructure, the calculation of may also include supporting statutory plans, policies or agreements that identify the need for and benefits from the new facilities, and the anticipated growth horizon.
- ▶ Calculations are to be determined in consultation with affected landowners & developers.

Some of these regulations were transferred to the  
MGA June 1<sup>st</sup>, 2021.

DRAFT

# Your Offsite Levy Model

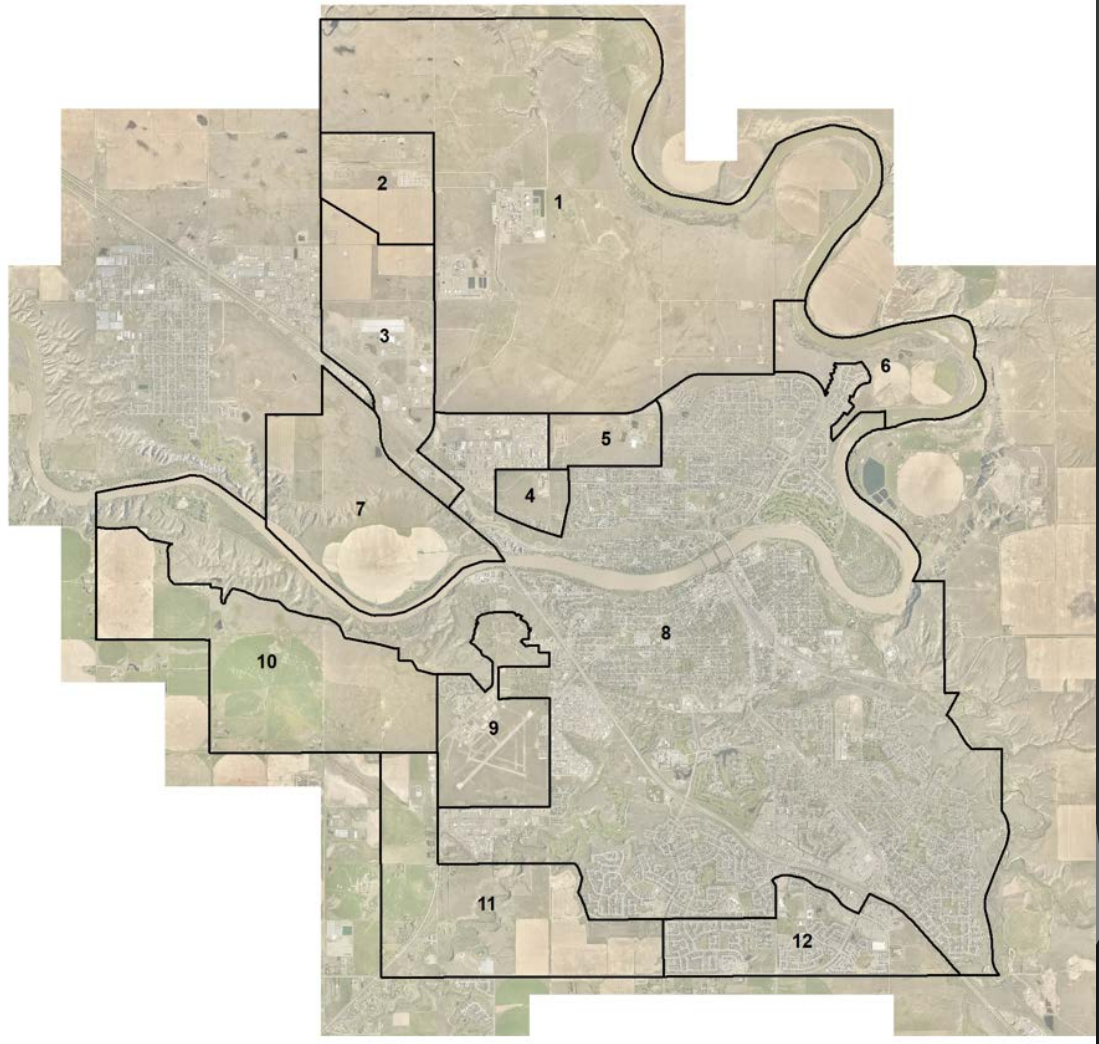
Global Inputs & Flags	<div> <div>Medicine Hat The Gas City</div> <div>Offsite Levy Model</div> </div>								Confidentiality Agreement
Development Area	Transportation Cost Estimates	Water Cost Estimates	Sanitary Cost Estimates	Stormwater Cost Estimates	Recreation Cost Estimates	Fire Cost Estimates	Police Cost Estimates	Library Cost Estimates	Offsite Levy Rates
Service Demand Factor	Transportation Expenditures	Water Expenditures	Sanitary Expenditures	Stormwater Expenditures	Recreation Expenditures	Fire Expenditures	Police Expenditures	Library Expenditures	Offsite Levy Receipts
Development Staging Plan	Transportation Debentures	Water Debentures	Sanitary Debentures	Stormwater Debentures	Recreation Debentures	Fire Debentures	Police Debentures	Library Debentures	Reports
	Transportation Facilities	Water Facilities	Sanitary Facilities	Stormwater Facilities	Recreation Facilities	Fire Facilities	Police Facilities	Library Facilities	Muni Costs
	Transportation Allocation	Water Allocation	Sanitary Allocation	Stormwater Allocation	Recreation Allocation	Fire Allocation	Police Allocation	Library Allocation	
	Transportation Staging	Water Staging	Sanitary Staging	Stormwater Staging	Recreation Staging	Fire Staging	Police Staging	Library Staging	Global Staging Adjustment
	Transportation Reserve	Water Reserve	Sanitary Reserve	Stormwater Reserve	Recreation Reserve	Fire Reserve	Police Reserves	Library Reserves	Start New Year Rates

# Development Area

DRAFT

# Offsite Levy Areas

- ▶ Lands within the City boundary are subdivided into 12 offsite levy areas.
- ▶ In alignment with leading practices, the City staff have updated the offsite levy framework to reflect all lands in the City, and in alignment with infrastructure basins.



# Development Area Measurements

- ▶ Offsite levy rates are based on net development area
  - ▶ Gross area - Area not developed and where an off-site levy has not previously been collected.
  - ▶ Less Environmental Reserves - undevelopable land, etc.
  - ▶ Less Municipal Reserves - 10% of reduced gross area
  - ▶ Less Right of Way - Arterial roads
- ▶ The City has ~8720 ha. of land available for development.

Description	ha.	
Gross Development Area	12,012.16	
Less Environment Reserve	2,585.51	
Less Municipal Reserve	209.10	
Less ROW Allowance	407.08	
Net Development Area	8,720.47	
Developed to Date	4,083.90	46.8%
Developed In Next 25 Years	637.31	7.3%
Developed Beyond 25 Years	3,999.26	45.9%
Net Development Area	8,720.47	

# Land Development Forecast

- Forecast of land development has been updated to reflect current realities.
- The City forecasts ~637 Ha of land development over the next 25 years.
- This is an increase of 12% and puts downward pressure on rates, all other things being equal.

Area Ref. #	Development Area Location	Area Developed in Next 25 years (Net ha.)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
1.3	North Reserve Lands	25.000	-	5.00	-	-	-	-	5.00	-	-	-	-	5.00	-	-	-	-	5.00	-	-	-	-	5.00	-	-	-
2.3	North West Industrial Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3.3	Box Springs Business Park	120.000	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-	10.00	-
4.3	Brier Park	20.000	-	5.00	-	-	5.00	-	-	5.00	-	-	5.00	-	-	-	-	10.00	-	-	-	-	-	-	-	10.00	-
5.3	Brier Run	83.080	-	-	-	10.00	10.00	10.00	10.00	-	10.00	10.00	-	10.00	-	10.00	3.08	-	-	-	-	-	-	-	-	-	-
6.3	Ranchlands	113.130	-	-	10.00	10.00	-	10.00	10.00	-	10.00	10.00	-	10.00	10.00	-	10.00	10.00	-	13.13	-	-	-	-	-	-	-
7.3	Burnside	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.3	Established Area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.3	Airport Lands	80.000	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-	-	10.00	-
10.3	Westvue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3	South West Residential	120.000	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12.3	South East Residential	76.100	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.10	-	-	-	-	-	-	-	-	-
13.3	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.3	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.3	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		637.31	-	30.00	30.00	40.00	25.00	50.00	35.00	25.00	40.00	40.00	15.00	55.00	20.00	30.00	33.08	31.10	10.00	38.13	5.00	15.00	15.00	20.00	5.00	25.00	5.00

# Transportation

DRAFT<sub>451</sub>



# Transportation Infrastructure

- ▶ The City has 23 tpt offsite infrastructure projects.
- ▶ The estimated cost of transportation infrastructure is \$184.90 million.

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Cost
1	Parkview Drive Phase 2 (2012)	\$ 11,340,846	\$ -	\$ 639,154	\$ 11,980,000
2	South Ridge Drive Phase 1 (2012)	\$ 11,089,304	\$ -	\$ 463,838	\$ 11,553,142
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 8,099,206	\$ -	\$ 28,052	\$ 8,127,258
4	College Avenue & Kipling Street Intersection Upgrade	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
6	West Boundary Road	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
7	Box Spings Road Upgrade Phase 1	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000
8	Box Spings Road Upgrade Phase 2	\$ -	\$ -	\$ 5,600,000	\$ 5,600,000
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 3,907,437	\$ -	\$ 5,184	\$ 3,912,621
10	13th Avenue SE	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000
11		\$ -	\$ -	\$ -	\$ -
12	South Boundary Road Phase 2 )	\$ -	\$ -	\$ 11,000,000	\$ 11,000,000
13	South West Medicine Hat Connector	\$ -	\$ -	\$ 32,000,000	\$ 32,000,000
14		\$ -	\$ -	\$ -	\$ -
15	Parkview Drive Phase 1	\$ 5,800,000	\$ -	\$ -	\$ 5,800,000
16	Black & White Trail SE	\$ 4,650,000	\$ -	\$ -	\$ 4,650,000
17	South Boundary Road Phase 1	\$ 14,450,000	\$ -	\$ -	\$ 14,450,000
18		\$ -	\$ -	\$ -	\$ -
19	Rotary Centennial Drive	\$ -	\$ -	\$ 13,975,000	\$ 13,975,000
20	Box Springs Road Phase 3	\$ -	\$ -	\$ 4,225,000	\$ 4,225,000
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ -	\$ -	\$ 2,625,000	\$ 2,625,000
22	Broadway Avenue Upgrade	\$ -	\$ -	\$ 6,880,000	\$ 6,880,000
23	South Boundary Road and Southlands Dr Intersection	\$ -	\$ -	\$ 250,000	\$ 250,000
24	South Riidge Drive Upgrade	\$ -	\$ -	\$ 2,580,000	\$ 2,580,000
25	South Boundary Road Phase 3	\$ -	\$ -	\$ 15,695,000	\$ 15,695,000
26	Parkview Dr. Upgrade to Four Lane	\$ -	\$ -	\$ 5,400,000	\$ 5,400,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT	\$ -	\$ -	\$ -	\$ -
		<b>\$ 61,836,794</b>	<b>\$ -</b>	<b>\$ 123,066,228</b>	<b>\$ 184,903,022</b>

DRAFT<sub>452</sub>

# Transportation Contributions & Grants

- The City has/will receive \$0.00 in special earmarked/conditional grants and contributions. The reduced project cost is ~\$184.90 million.

Item	Project Description	Total Project Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Reduced Project Cost
1	Parkview Drive Phase 2 (2012)	\$ 11,980,000	\$ -	\$ -	\$ 11,980,000
2	South Ridge Drive Phase 1 (2012)	\$ 11,553,142	\$ -	\$ -	\$ 11,553,142
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 8,127,258	\$ -	\$ -	\$ 8,127,258
4	College Avenue & Kipling Street Intersection Upgrade	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000
6	West Boundary Road	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
7	Box Springs Road Upgrade Phase 1	\$ 2,700,000	\$ -	\$ -	\$ 2,700,000
8	Box Springs Road Upgrade Phase 2	\$ 5,600,000	\$ -	\$ -	\$ 5,600,000
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 3,912,621	\$ -	\$ -	\$ 3,912,621
10	13th Avenue SE	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000
11		\$ -	\$ -	\$ -	\$ -
12	South Boundary Road Phase 2 )	\$ 11,000,000	\$ -	\$ -	\$ 11,000,000
13	South West Medicine Hat Connector	\$ 32,000,000	\$ -	\$ -	\$ 32,000,000
14		\$ -	\$ -	\$ -	\$ -
15	Parkview Drive Phase 1	\$ 5,800,000	\$ -	\$ -	\$ 5,800,000
16	Black & White Trail SE	\$ 4,650,000	\$ -	\$ -	\$ 4,650,000
17	South Boundary Road Phase 1	\$ 14,450,000	\$ -	\$ -	\$ 14,450,000
18		\$ -	\$ -	\$ -	\$ -
19	Rotary Centennial Drive	\$ 13,975,000	\$ -	\$ -	\$ 13,975,000
20	Box Springs Road Phase 3	\$ 4,225,000	\$ -	\$ -	\$ 4,225,000
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 2,625,000	\$ -	\$ -	\$ 2,625,000
22	Broadway Avenue Upgrade	\$ 6,880,000	\$ -	\$ -	\$ 6,880,000
23	South Boundary Road and Southlands Dr Intersection	\$ 250,000	\$ -	\$ -	\$ 250,000
24	South Ridge Drive Upgrade	\$ 2,580,000	\$ -	\$ -	\$ 2,580,000
25	South Boundary Road Phase 3	\$ 15,695,000	\$ -	\$ -	\$ 15,695,000
26	Parkview Dr. Upgrade to Four Lane	\$ 5,400,000	\$ -	\$ -	\$ 5,400,000
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT	\$ -	\$ -	\$ -	\$ -
		<b>\$ 184,903,022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 184,903,022</b>

DRAFT

# Allocation of Infrastructure Cost

- ▶ **City share** represents that portion of cost which benefits existing development.
- ▶ Other stakeholder share represents the **County share** (if any).
- ▶ Financial “oversizing” represents the **developers share of cost that sits beyond the 25 year** review period. Oversizing is determined by separating out the pro rata portion of cost beyond the 25 year review period using the anticipated year of construction. As the years move forward and rates are updated, additional costs are included in rate calculations. Other stakeholder share shown as 100% represents projects staged beyond the 25 year review period.
- ▶ The **offsite levy share** represent that portion of developer cost that forms the basis of rates today.

Item	Project Description	Reduced Project Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	Parkview Drive Phase 2 (2012)	\$ 11,980,000	79.000%		0.000%	21.000%
2	South Ridge Drive Phase 1 (2012)	\$ 11,553,142	79.000%		0.000%	21.000%
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 8,127,258	79.000%		0.000%	21.000%
4	College Avenue & Kipling Street Intersection Upgrade	\$ 4,000,000	79.000%		5.040%	15.960%
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 6,000,000	79.000%		5.880%	15.120%
6	West Boundary Road	\$ 2,500,000	79.000%		0.000%	21.000%
7	Box Springs Road Upgrade Phase 1	\$ 2,700,000	79.000%		13.440%	7.560%
8	Box Springs Road Upgrade Phase 2	\$ 5,600,000	79.000%		8.400%	12.600%
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 3,912,621	79.000%		0.000%	21.000%
10	13th Avenue SE	\$ 9,000,000	79.000%		6.720%	14.280%
11		\$ -			0.000%	100.000%
12	South Boundary Road Phase 2 )	\$ 11,000,000	79.000%		7.560%	13.440%
13	South West Medicine Hat Connector	\$ 32,000,000	79.000%		9.240%	11.760%
14		\$ -			0.000%	100.000%
15	Parkview Drive Phase 1	\$ 5,800,000	79.000%		0.000%	21.000%
16	Black & White Trail SE	\$ 4,650,000	79.000%		0.000%	21.000%
17	South Boundary Road Phase 1	\$ 14,450,000	79.000%		0.000%	21.000%
18		\$ -			0.000%	100.000%
19	Rotary Centennial Drive	\$ 13,975,000	79.000%		5.880%	15.120%
20	Box Springs Road Phase 3	\$ 4,225,000	79.000%		4.200%	16.800%
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 2,625,000	79.000%		4.200%	16.800%
22	Broadway Avenue Upgrade	\$ 6,880,000	79.000%		6.720%	14.280%
23	South Boundary Road and Southlands Dr Intersection	\$ 250,000	79.000%		5.040%	15.960%
24	South Ridge Drive Upgrade	\$ 2,580,000	79.000%		10.920%	10.080%
25	South Boundary Road Phase 3	\$ 15,695,000	79.000%		8.400%	12.600%
26	Parkview Dr. Upgrade to Four Lane	\$ 5,400,000	79.000%		12.600%	8.400%
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -				100.0%

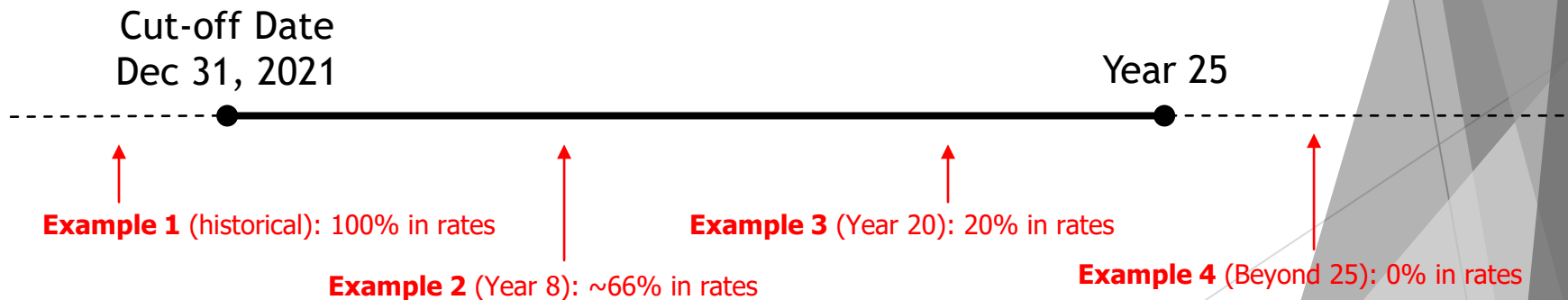
\$ 184,803,022

DRAFT 454

# Construction Staging

- ▶ Reserve balances, rate calculations, and financial oversizing are all impacted by the anticipated construction start year.
- ▶ The calculation of offsite levy rates in the CORVUS model is based upon a 25-year review period (this period is “rolling”, which means it looks out a little further each year rates are updated).
- ▶ Only historical costs and costs that are “pro-rated” in the 25-year review period are included in rates today.
- ▶ Project costs that are “pro-rated” beyond the 25-year review period are not in rates today, but will be added to rates in the future as they gradually enter the 25-year review period.

Item	Project Description	Construction Start Year
1	Parkview Drive Phase 2 (2012)	2012
2	South Ridge Drive Phase 1 (2012)	2012
3	Maple Avenue & 1st Street Intersection Upgrade	2013
4	College Avenue & Kipling Street Intersection Upgrade	2027
5	Kingsway Avenue & Spencer Street Intersection Upgrade	2028
6	West Boundary Road	2016
7	Box Springs Road Upgrade Phase 1	2037
8	Box Springs Road Upgrade Phase 2	2031
9	Box Springs Road & 23rd Street Intersection Upgrade	2015
10	13th Avenue SE	2029
11		
12	South Boundary Road Phase 2 )	2030
13	South West Medicine Hat Connector	2032
14		
15	Parkview Drive Phase 1	2007
16	Black & White Trail SE	2008
17	South Boundary Road Phase 1	2009
18		
19	Rotary Centennial Drive	2028
20	Box Springs Road Phase 3	2026
21	Box Springs Road/Broadway Ave Intersection Upgrade	2026
22	Broadway Avenue Upgrade	2029
23	South Boundary Road and Southlands Dr Intersection	2027
24	South Ridge Drive Upgrade	2034
25	South Boundary Road Phase 3	2031
26	Parkview Dr. Upgrade to Four Lane	2036



DRAFT

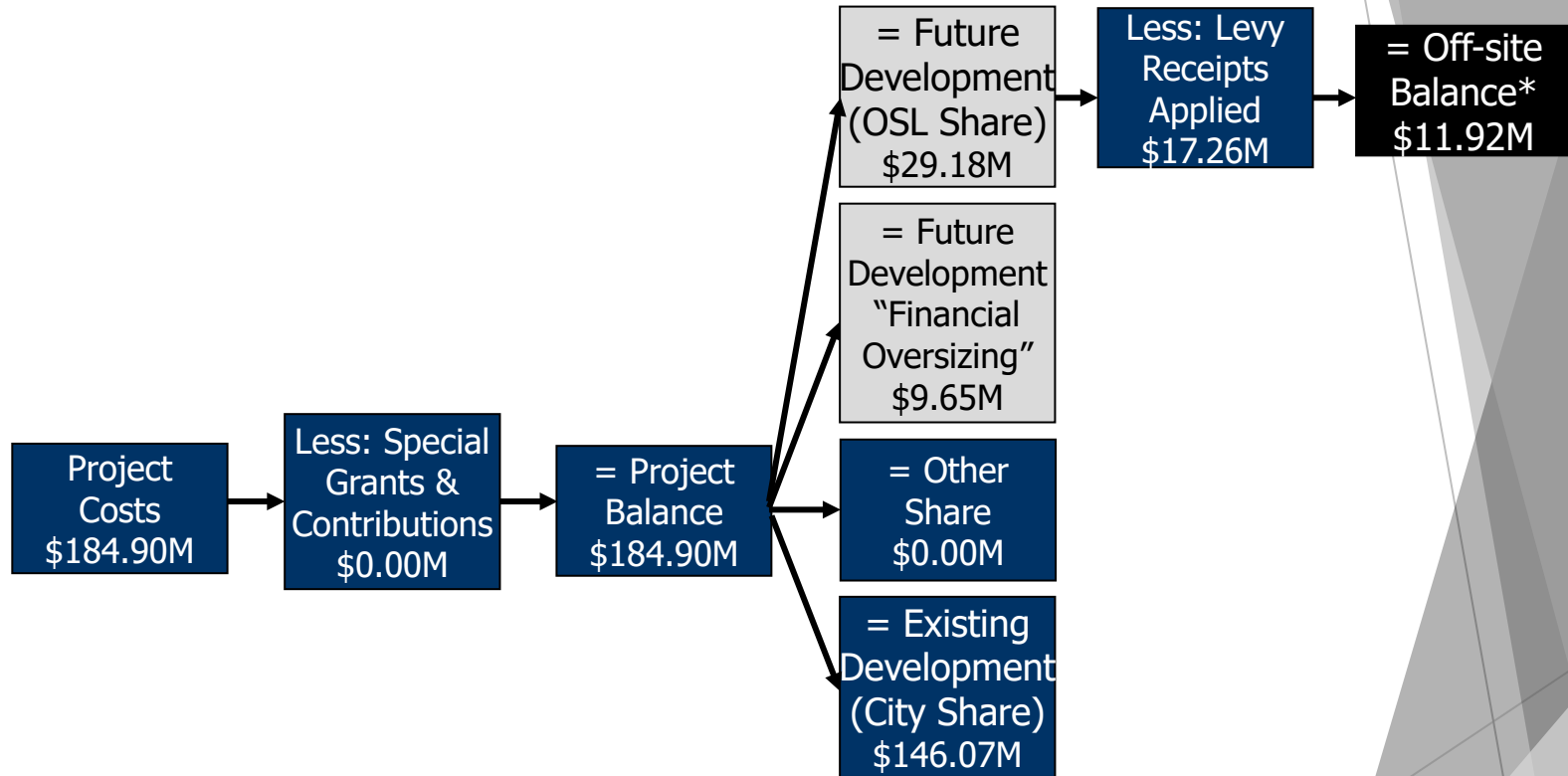
# Adjusted Developer Cost

- After accounting for offsite levy funds applied to projects up to Dec 31, 2020, the adjusted developer cost is ~\$11.92 million.

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2012	Offsite Levy Funds Collected Starting Jan 1, 2013	Adjusted Developer (Levy) Cost
1	Parkview Drive Phase 2 (2012)	\$ 2,515,800	\$ -	\$ 842,008	\$ 1,673,792
2	South Ridge Drive Phase 1 (2012)	\$ 2,426,160	\$ 133,239	\$ 767,413	\$ 1,525,507
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 1,706,724	\$ -	\$ 571,220	\$ 1,135,504
4	College Avenue & Kipling Street Intersection Upgrade	\$ 638,400	\$ -	\$ 213,665	\$ 424,735
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 907,200	\$ -	\$ 303,629	\$ 603,571
6	West Boundary Road	\$ 525,000	\$ -	\$ 175,711	\$ 349,289
7	Box Springs Road Upgrade Phase 1	\$ 204,120	\$ -	\$ 68,317	\$ 135,803
8	Box Springs Road Upgrade Phase 2	\$ 705,600	\$ -	\$ 236,156	\$ 469,444
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 821,650	\$ -	\$ 274,997	\$ 546,654
10	13th Avenue SE	\$ 1,285,200	\$ -	\$ 430,141	\$ 855,059
11		\$ -	\$ -	\$ -	\$ -
12	South Boundary Road Phase 2 )	\$ 1,478,400	\$ -	\$ 494,803	\$ 983,597
13	South West Medicine Hat Connector	\$ 3,763,200	\$ -	\$ 1,259,498	\$ 2,503,702
14		\$ -	\$ -	\$ -	\$ -
15	Parkview Drive Phase 1	\$ 1,218,000	\$ -	\$ 407,650	\$ 810,350
16	Black & White Trail SE	\$ 976,500	\$ -	\$ 326,823	\$ 649,677
17	South Boundary Road Phase 1	\$ 3,034,500	\$ 1,133,748	\$ 636,159	\$ 1,264,593
18		\$ -	\$ -	\$ -	\$ -
19	Rotary Centennial Drive	\$ 2,113,020	\$ -	\$ 707,203	\$ 1,405,817
20	Box Springs Road Phase 3	\$ 709,800	\$ -	\$ 237,562	\$ 472,238
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 441,000	\$ -	\$ 147,597	\$ 293,403
22	Broadway Avenue Upgrade	\$ 982,464	\$ -	\$ 328,819	\$ 653,645
23	South Boundary Road and Southlands Dr Intersection	\$ 39,900	\$ -	\$ 13,354	\$ 26,546
24	South Ridge Drive Upgrade	\$ 260,064	\$ -	\$ 87,040	\$ 173,024
25	South Boundary Road Phase 3	\$ 1,977,570	\$ -	\$ 661,869	\$ 1,315,701
26	Parkview Dr. Upgrade to Four Lane	\$ 453,600	\$ -	\$ 151,815	\$ 301,785
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT DELETE	\$ -	\$ 6,653,992	\$ -	\$ (6,653,992)
		<b>\$ 29,183,873</b>	<b>\$ 7,920,979</b>	<b>\$ 9,343,450</b>	<b>\$ 11,919,443</b>

DRAFT<sub>456</sub>

# Allocation to Benefiting Parties



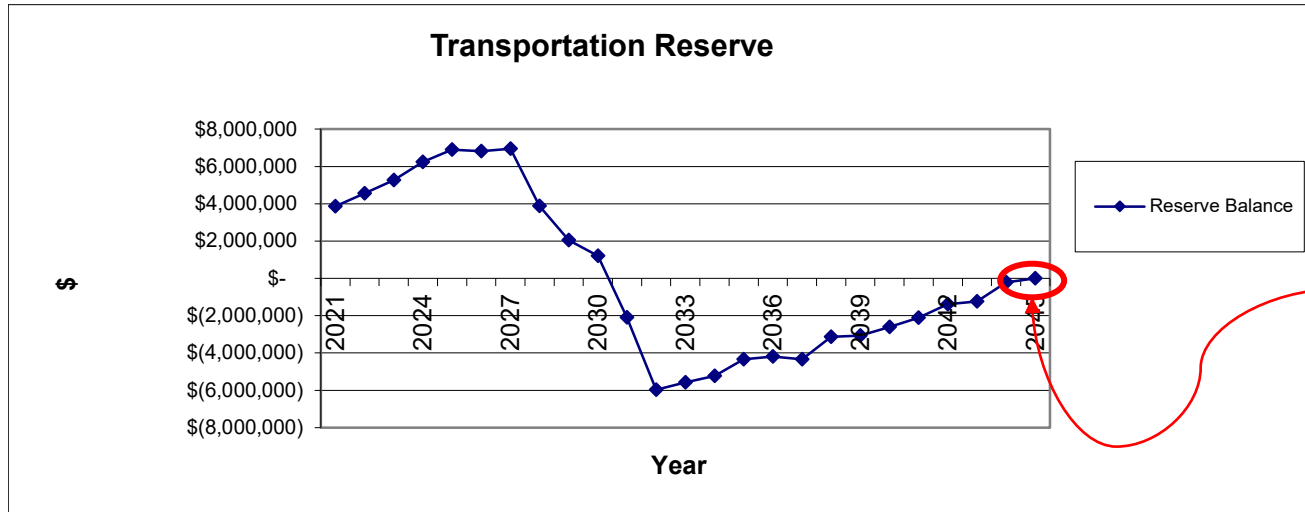
# Benefiting Areas

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	Parkview Drive Phase 2 (2012)	\$ 1,673,792	1	1	1	1	1	1	1		1	1	1	1
2	South Ridge Drive Phase 1 (2012)	\$ 1,525,507	1	1	1	1	1	1	1		1	1	1	1
3	Maple Avenue & 1st Street Intersection Upgrade	\$ 1,135,504	1	1	1	1	1	1	1		1	1	1	1
4	College Avenue & Kipling Street Intersection Upgrade	\$ 424,735	1	1	1	1	1	1	1		1	1	1	1
5	Kingsway Avenue & Spencer Street Intersection Upgrade	\$ 603,571	1	1	1	1	1	1	1		1	1	1	1
6	West Boundary Road	\$ 349,289	1	1	1	1	1	1	1		1	1	1	1
7	Box Spings Road Upgrade Phase 1	\$ 135,803	1	1	1	1	1	1	1		1	1	1	1
8	Box Spings Road Upgrade Phase 2	\$ 469,444	1	1	1	1	1	1	1		1	1	1	1
9	Box Springs Road & 23rd Street Intersection Upgrade	\$ 546,654	1	1	1	1	1	1	1		1	1	1	1
10	13th Avenue SE	\$ 855,059	1	1	1	1	1	1	1		1	1	1	1
11	0	\$ -												
12	South Boundary Road Phase 2 )	\$ 983,597	1	1	1	1	1	1	1		1	1	1	1
13	South West Medicine Hat Connector	\$ 2,503,702	1	1	1	1	1	1	1		1	1	1	1
14	0	\$ -												
15	Parkview Drive Phase 1	\$ 810,350	1	1	1	1	1	1	1		1	1	1	1
16	Black & White Trail SE	\$ 649,677	1	1	1	1	1	1	1		1	1	1	1
17	South Boundary Road Phase 1	\$ 1,264,593	1	1	1	1	1	1	1		1	1	1	1
18	0	\$ -												
19	Rotary Centennial Drive	\$ 1,405,817	1	1	1	1	1	1	1		1	1	1	1
20	Box Springs Road Phase 3	\$ 472,238	1	1	1	1	1	1	1		1	1	1	1
21	Box Springs Road/Broadway Ave Intersection Upgrade	\$ 293,403	1	1	1	1	1	1	1		1	1	1	1
22	Broadway Avenue Upgrade	\$ 653,645	1	1	1	1	1	1	1		1	1	1	1
23	South Boundary Road and Southlands Dr Intersection	\$ 26,546	1	1	1	1	1	1	1		1	1	1	1
24	South Riidge Drive Upgrade	\$ 173,024	1	1	1	1	1	1	1		1	1	1	1
25	South Boundary Road Phase 3	\$ 1,315,701	1	1	1	1	1	1	1		1	1	1	1
26	Parkview Dr. Upgrade to Four Lane	\$ 301,785	1	1	1	1	1	1	1		1	1	1	1
100	Unallocated Offsite Levies Collected to Dec 31, 2012 - DO NOT	\$ (6,653,992)	1	1	1	1	1	1	1		1	1	1	1
		\$ 11,919,443												



# Transportation Infrastructure Staging

- Transportation infrastructure will be need to front-ended as the offsite levy reserve will contain sufficient funds to meet construction timing.



The interest staging adjustment built into the rates ensures that the reserve always returns to breakeven.

- Currently, reserve balances earn interest at 1.00% and reserve shortfalls are charged interest of 3.62%.



# Summary

DRAFT<sub>460</sub>

# Summary of Costs & Allocations

- ▶ Developers (offsite levy) share of infrastructure costs built into rates today is **\$121.65 million**.
- ▶ This is a decrease of ~23%. This means an decrease in rates all other things being equal.

Infrastructure	Special Grants & Contributions	Muni Share of Costs	Other Stakeholders' Share of Costs	Developer Cost Beyond 25 Yrs (Financial Oversizing)	Developer Costs (In Rates)	Total Costs
Transportation	\$ -	\$ 146,073,387	\$ -	\$ 9,645,762	\$ 29,183,873	\$ 184,903,022
Water	\$ -	\$ 37,938,291	\$ -	\$ 6,712,816	\$ 21,291,020	\$ 65,942,127
Sanitary	\$ 5,400,000	\$ 53,142,240	\$ 1,084,974	\$ 10,590,870	\$ 60,786,581	\$ 131,004,664
Stormwater	\$ -	\$ 11,591,979	\$ -	\$ -	\$ 10,386,986	\$ 21,978,965
Total	\$ 5,400,000	\$ 248,745,897	\$ 1,084,974	\$ 26,949,448	\$ 121,648,460	\$ 403,828,779

# Front-ending Summary

- ▶ Offsite levy account balances have been updated to include all historical front-ending up to end-2020 (the cut-off date for this project). This does not include projects that were removed by the City between 1996 and 2005 prior to the full collection of levies.
- ▶ Updated front-ending balances will ensure the City will be able to collect on these amounts as levies are collected (~\$37.9 million).
- ▶ The model uses excess funds in the levy accounts as partial paydown of historical front-ending.
- ▶ Though excess funds can be repatriated for any purpose the City chooses, however it is recommended these funds be dedicated to constructing/front-ending upcoming OSL projects.

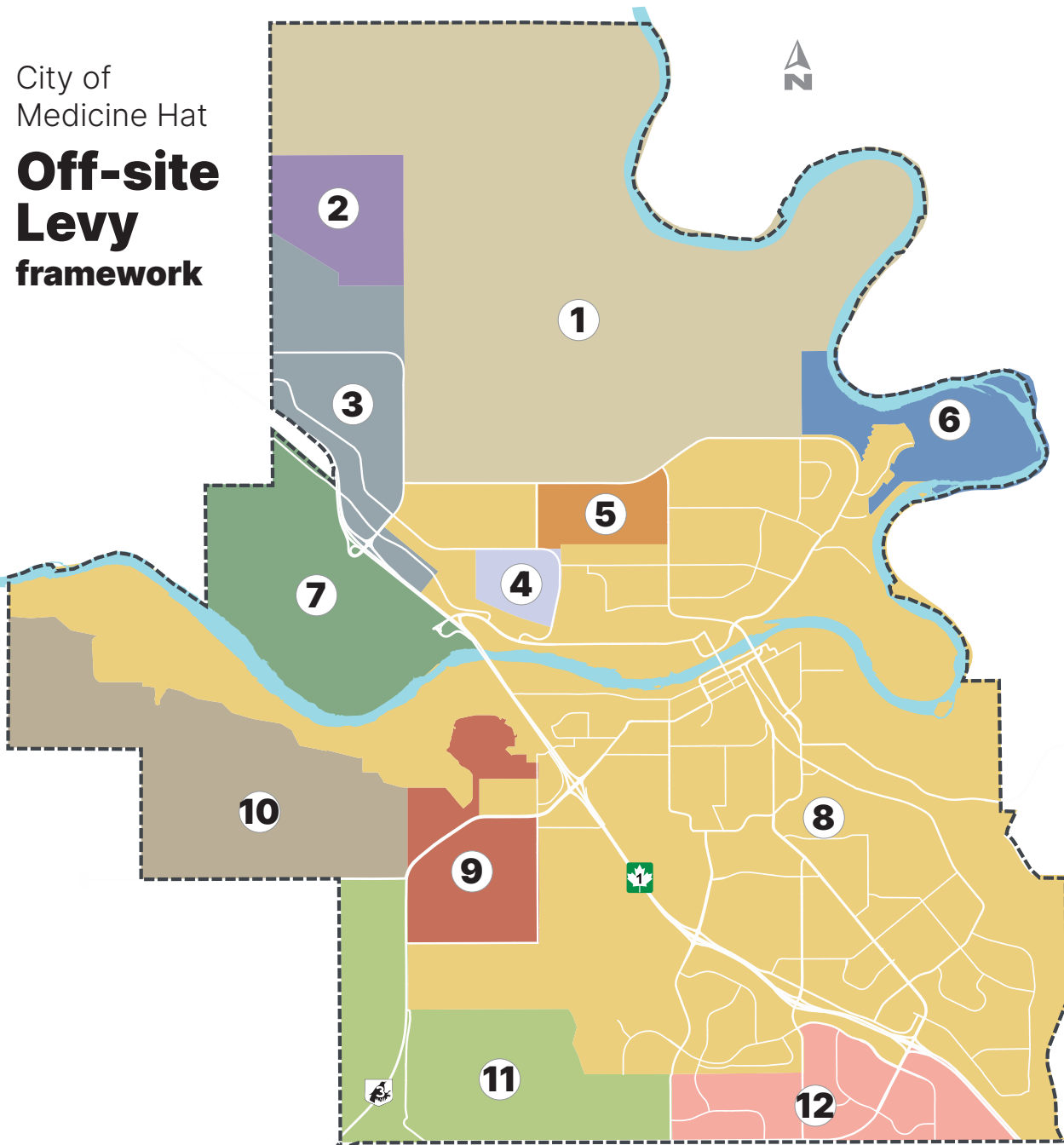
Reserve Balance	
Transportation	\$ 3,828,643
Water	\$ 8,986,782
Sanitary	\$ (32,075,858)
Stormwater	\$ (5,815,593)

# Thank-you

Greg Weiss  
780-428-4110  
gweiss@corvusbusinessadvisors.com

City of  
Medicine Hat

# Off-site Levy framework



## Proposed areas

		Current rates per hectare (without assist)	Draft new rates per hectare
	<b>1</b> - North Reserve Lands	\$234,644	\$48,813
	<b>2</b> - North West Industrial Park	\$234,644	\$101,635
	<b>3</b> - Box Springs Business Park	\$246,672	\$149,968
	<b>4</b> - Brier Park	\$234,644	\$149,968
	<b>5</b> - Brier Run	\$212,644	\$33,331
	<b>6</b> - Ranchlands	\$139,557	\$49,667
	<b>7</b> - Burnside	\$233,936	\$102,711
	<b>8</b> - Established Area	\$234,644	\$0
	<b>9</b> - Airport Lands	\$292,788	\$63,411
	<b>10</b> - Westvue	\$234,644	\$59,637
	<b>11</b> - South West Residential	\$301,400	\$137,736
	<b>12</b> - South East Residential	\$208,887	\$168,307

## PROPOSED ROAD CLOSURE – SPENCER STREET

November 7, 2022

**ISSUE:**

Bylaw 4695 was signed and passed on April 19, 2022. Alberta Land Titles rejected the original Road Closure Bylaw. It is suggested the wording within the amended Bylaw read: "The road described as Area 'A' on the survey plan \_\_\_\_\_ is hereby closed." as a standard form of legal description.

**RECOMMENDATION:**

It is recommended that City Council give 3 readings to revised road closure bylaw intended to close the road west of 511 Spencer Street SE shown on Aerial Photograph (Attachment #1) and as described in Bylaw 4720, (Attachment #2), graphically shown on Road Closure Plan (Schedule A).

**COUNCIL STRATEGIC PRIORITY:**

N/A

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

N/A

**Financial Impact:**

Funding Request:	No	
Budgeted Item:	No	
Funding Explanation:		
Budget Amendment Form?	No	

**Legal / Policy Impact:**

N/A.

**Public Implications:**

N/A

**BACKGROUND:**

N/A

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

N/A

**IMPLEMENTATION PLAN:**

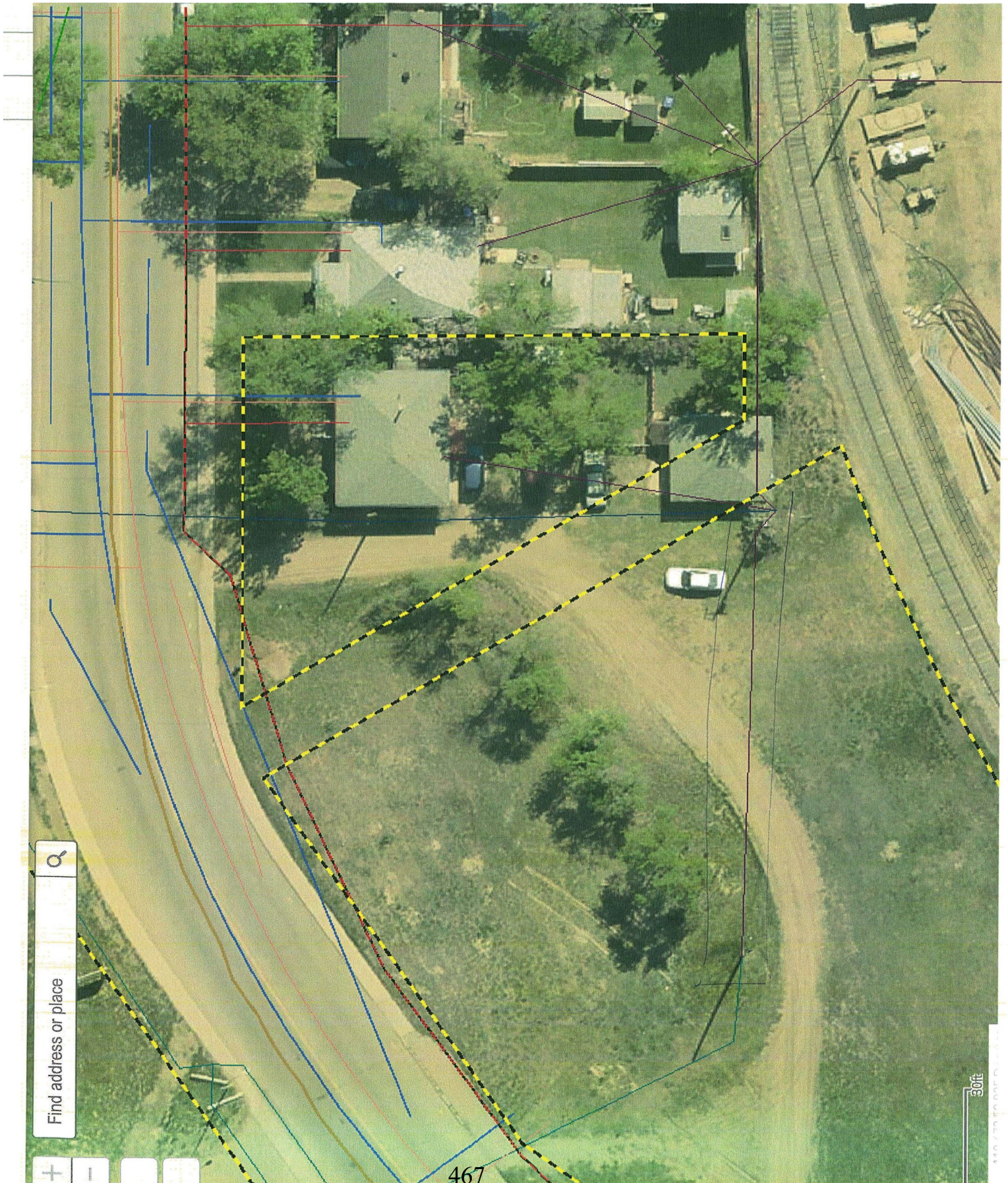
Subject to City Council direction, the following will occur:

1. First Reading of the road closure bylaw will occur on November 7, 2022.
2. Under the Municipal Government Act it does not require advertising and can receive all 3 readings.
3. The bylaw would then be directed to Land Titles with a request to issue a title for the closed road.
4. A consolidation plan would then be submitted to Land Titles Office to consolidate the closed road with adjacent properties.

<b>PREPARED BY &amp; DATE:</b>	Ryan Staples Surface Land & Projects Coordinator	October 6, 2022
<b>REVIEWED BY &amp; DATE:</b>	Laura Butterfield Manager of Land & Property Management Kevin Redden Director Environment Land & Government Relations	
<b>APPROVED BY &amp; DATE:</b>	Rochelle Pancoast Managing Director Strategic Management and Analysis	
<b>ATTACHMENTS:</b>	Attachment #1: Aerial Photograph Attachment #2: Bylaw 4720	



ATTACHMENT #1





## BYLAW NO. 4720

**A BYLAW OF THE CITY OF MEDICINE HAT** to revise Bylaw No. 4695.

**WHEREAS** Section 63 of the ***Municipal Government Act***, RSA 2000, c. M-26 ("**MGA**") empowers council to revise any of its bylaws, without materially affecting the bylaw in principle or substance, to correct technical errors or bring out more clearly what is considered to be the meaning of a bylaw;

**AND WHEREAS** pursuant to section 65 of the MGA, a bylaw made in accordance with section 63 and the resulting revised bylaw are deemed to have been made in accordance with all other requirements of the MGA respecting the passing and approval of those bylaws, including any requirements for advertising and public hearings;

**AND WHEREAS** in accordance with section 63(4) of the MGA the City Manager has certified in writing that the proposed revisions were prepared in accordance with section 63 of the MGA;

**AND WHEREAS** Council wishes to revise Bylaw No. 4695.

**NOW THEREFORE THE MUNICIPAL CORPORATION OF MEDICINE HAT, IN COUNCIL ASSEMBLED, ENACTS AS FOLLOWS:**

1. Bylaw No. 4695 is revised by this Bylaw.
2. Bylaw 4695 is hereby revised as follows:
  - a. section 1 is deleted and replaced with:
 

*"The road described as Area "A" on the survey plan \_\_\_\_\_ is hereby closed. A copy of the said plan is attached hereto as Schedule "A" for illustrative purposes only."*
  - b. The following is added after section 1:
 

*"1.1 This Bylaw may be referred to as "revised Bylaw No. 4695"."*
3. 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 – LINNSIE CLARK

\_\_\_\_\_  
CITY CLERK– ARLENE KARBASHEWSKI





2375 – 10<sup>th</sup> Ave. S.W., Medicine Hat, AB., T1A 8G2  
Phone: 403-529-0550 Fax: 403-528-2473

September 14<sup>th</sup>, 2022

City of Medicine Hat  
Mayor Linnsie Clark and City Council  
580 1 St SE  
Medicine Hat, AB T1A 8E6

***Re: Shortgrass Population Figure update and Budget Request 2023 & 2024***

Dear Mayor Clark and Members of Council:

The Shortgrass Library System (SLS) Board of Trustees, which consists of appointees from our member municipalities, including Councillor Van Dyke, passed its 2023 & 2024 Operating Budget today. This budget includes the per capita Municipal Levy, which must be approved by your Council. The 2023 Municipal Levy was increased by 1.16% to \$4.97 in 2023. The Municipal Levy for 2024 was approved at \$5.13.

Additionally, the Shortgrass Board of Trustees rescinded the motion to begin using the population estimates published by the Alberta Treasury Board and Finance, as previously outlined in a letter to council dated July 6, 2022. Instead, the population figures used by Alberta Municipal Affairs since 2016 (based on the 2016 Federal Census) will continue to be used for the 2023 budget year.

Please note that these amounts are subject to change, as newly released official population figures become available by Alberta Municipal Affairs.

Year	Requested increase	Per capita Municipal Levy	Population Based on 2016 AB Municipal Affairs	Population x per capita amount = total Municipal Levy
2023	1.16% over 2022	\$4.97	63,260	\$314,402.20
2024	3.22% over 2023	\$5.13	63,260	\$324,523.80

In addition to the Municipal Levy, the library managers group took a vote and it was decided that for 2023 the Library Materials Levy will be kept at \$5.08, which is 0% over 2022. The Materials Levy amount is provided as information only, and does not require a motion from Council.

Year	Requested increase	Per capita Materials Levy	Population x per capita amount = total Materials Levy
2023	0% Increase over 2022	\$5.08	\$321,360.80

Once Council has had a chance to review the Municipal Levy requests and, if it is approved, please provide a letter indicating the approval to our CEO, Petra Mauerhoff.

Please feel free to contact representatives of our Board or our CEO if you require further information.

Respectfully,



Dwight Kilpatrick  
Chair, Shortgrass Library System Board

CC: Leah Prestayko, General Manager, Community Development  
Alison Van Dyke, Shortgrass Library Board Trustee

*Attachment: Amended 2023 & Draft 2024 Shortgrass Library System Operating Budgets*



	B	Q	R	S	U	V
2	Shortgrass Library Board Operating Budget	2022 approved	2022 YTD actuals (as of July 19/22)	2023 DRAFT approved September 2021	2023 AMENDED DRAFT (to be approved August 2022)	2024 DRAFT (to be approved Aug 2022)
3	REVENUE					
5	Grants					
6	Provincial Operating Grant	\$496,907	\$496,907	\$496,907	\$496,907	\$495,907
7	Library Services Grant	\$18,515	\$18,515	\$18,515	\$18,515	\$18,515
8	Total Municipal Affairs (Prov) Grants	\$515,422	\$515,422	\$515,422	\$515,422	\$514,422
11	Total Special Grants	\$0	\$0	\$0	\$0	\$0
12	Total Grants	\$515,422	\$515,422	\$515,422	\$515,422	\$514,422
13						
14	Municipal Requisitions Operational					
26	Total Municipal Requisitions	\$527,405	\$505,686	\$532,665	\$533,524	\$551,087
27						
28	SLS - Materials					
30	Total SLS - Materials	\$107,349	\$98,666	\$107,349	\$107,349	\$107,349
52						
53	Investment (Interest) Income					
58	Total Investment Income	\$1,450	\$2,130	\$1,450	\$5,000	\$5,000
59						
60	Contracts	\$5,000	\$4,997	\$5,000	\$14,000	\$14,000
61	Other Reimbursements					
64	Total Other Reimbursements	\$0	\$887	\$0	\$0	\$0
65						
66	Carryover from Previous Budget Year	\$32,663		\$49,693	\$0	\$0
67						
68	TOTAL REVENUE - OPERATING	\$1,189,289	\$1,127,788	\$1,211,579	\$1,175,295	\$1,191,858.00
69						
70	EXPENSE					
71						
72	Board Expenses					
73	Board Conferences/Workshops/Travel	\$1,000	\$1,245	\$1,000	\$500	\$500
74	Board Meetings/Travel/M meal Expense	\$5,500	\$731	\$5,500	\$5,000	\$5,000
75	Total Board Expenses	\$6,500	\$1,976	\$6,500	\$5,500	\$5,500
76						
77	Administration					
78	Insurance - Liability	\$4,500	\$3,023	\$4,800	\$4,000	\$4,160
79	Advertising/Interview Expense	\$1,500	\$452	\$1,500	\$1,500	\$1,500
80	Bank Charges	\$100	\$6	\$100	\$100	\$100
83	Total Misc./Stationery/Equipment	\$2,200	\$533	\$2,200	\$1,800	\$1,800
84	Computer Software Purch/Repairs	\$1,000	\$322	\$1,000	\$1,000	\$800
85	Computer Hardware	\$1,000	\$70	\$1,000	\$1,000	\$800
86	Photocopying Charges	\$1,200	\$381	\$1,200	\$800	\$800
87	Memberships/Subscriptions	\$11,000	\$8,577	\$13,000	\$11,000	\$12,000
88	Fees	\$21,000	\$2,624	\$22,000	\$22,000	\$23,000
89	Staff Conference/Workshop	\$3,000	\$1,420	\$3,000	\$6,000	\$3,000
90	Meeting - Travel & Meal Exp	\$4,000	\$672	\$4,000	\$4,000	\$2,000
91	Worker's Compensation	\$4,800	\$1,954	\$5,000	\$5,000	\$5,000
95	Total Administration Salaries & Benefits	\$178,246	\$94,791	\$184,394	\$187,364	\$181,498
96	Total Administration	\$233,546	\$114,825	\$243,194	\$245,564	\$236,458
97						
98	Promotions/Public Relations					
99	Advertising & Printing	\$1,500	\$350	\$1,800	\$1,800	\$1,800
100	Promotions/Cards & Gifts	\$4,000	\$529	\$4,000	\$5,000	\$5,000
101	Alberta Library Conference	\$0	\$0	\$5,000	\$0	\$0
102	Total Promotions/Public Relations	\$5,500	\$879	\$10,800	\$6,800	\$6,800
103						
104	Mem Library Man Travel & Training					
105	Workshops	\$4,500	\$0	\$1,000	\$2,500	\$1,000
106	Member Lib. Travel/Education	\$4,250	\$2,704	\$4,250	\$4,250	\$4,250
107	Total Mem Library Managers Exp	\$8,750	\$2,704	\$5,250	\$6,750	\$5,250
108						
109	Programs to Libraries					
110	Summer Reading Programs	\$12,750	\$2,974	\$12,750	\$14,000	\$14,500
111	Author Tours	\$0	\$0	\$0	\$0	\$0
112	Special Projects (Programming Supplies)	\$8,250	\$1,070	\$8,250	\$8,500	\$9,182
113	Total Programs to Libraries	\$21,000	\$4,044	\$21,000	\$22,500	\$23,682
114						



	B	Q	R	S	U	V
2	Shortgrass Library Board Operating Budget	2022 approved	2022 YTD actuals (as of July 19/22)	2023 DRAFT approved September 2021	2023 AMENDED DRAFT (to be approved August 2022)	2024 DRAFT (to be approved Aug 2022)
115	<b>Building Costs</b>					
116	Building Maintenance	\$35,000	\$20,872	\$35,000	\$38,000	\$39,520
117	Materials & Supplies	\$5,000	\$1,642	\$5,000	\$5,000	\$5,200
118	Insurance	\$10,000	\$5,680	\$11,000	\$8,000	\$8,320
119	Utilities	\$35,000	\$12,791	\$37,000	\$30,000	\$31,200
120	<b>Total Building Costs</b>	<b>\$85,000</b>	<b>\$40,985</b>	<b>\$88,000</b>	<b>\$81,000</b>	<b>\$84,240</b>
121						
122	<b>Technical/Public Services</b>					
123	Cataloguing Software/Tools	\$24,000	\$12,025	\$24,000	\$24,500	\$25,658
124	Online Payments - Operating	\$5,750	\$4,723	\$5,854	\$5,620	\$5,820
125	Processing Supplies	\$6,000	\$1,977	\$6,500	\$6,800	\$7,140
126	Tech Stationary Supplies	\$500	\$400	\$500	\$500	\$500
127	Computer Hardware Purchase	\$3,000	\$1,415	\$3,000	\$3,000	\$3,000
128	Computer Software/Support	\$300	\$17,652	\$300	\$60,550	\$62,972
129	Equipment Purchases/Maintenance	\$500	\$136	\$500	\$500	\$500
140	<b>Total Sal/Ben-Tech/Public Services</b>	<b>\$578,325</b>	<b>\$246,736</b>	<b>\$582,615</b>	<b>\$450,151</b>	<b>\$465,398</b>
143	<b>Total Salaries/Benefits - Contracts</b>				<b>\$5,500</b>	<b>\$6,000</b>
144	<b>Total Tech/Public ServicesExp</b>	<b>\$618,375</b>	<b>\$285,064</b>	<b>\$623,269</b>	<b>\$557,121</b>	<b>\$576,988</b>
145						
146	<b>Delivery &amp; Communications</b>					
147	SLS Postage & Shipping/Handling	\$3,500	\$808	\$3,500	\$3,500	\$3,500
148	Van Insurance	\$2,700	\$2,821	\$2,800	\$3,000	\$3,120
149	Van Operating Expenses	\$18,000	\$6,389	\$18,500	\$20,000	\$21,200
150	<b>Total Van Expenses</b>	<b>\$20,700</b>	<b>\$9,210</b>	<b>\$21,300</b>	<b>\$23,000</b>	<b>\$24,320</b>
153	<b>Total Salary &amp; Benefits Delivery</b>	<b>\$62,500</b>	<b>\$19,343</b>	<b>\$63,014</b>	<b>\$64,063</b>	<b>\$65,654</b>
154	ILS - Shortgrass	\$35,849	\$35,846	\$36,924	\$37,283	\$38,774
155	<b>Total ILS</b>	<b>\$35,849</b>	<b>\$35,846</b>	<b>\$36,924</b>	<b>\$37,283</b>	<b>\$38,774</b>
156	Phone Services	\$1,800	\$396	\$1,850	\$1,850	\$1,850
157	TM3 Telemessaging DC	\$592	\$578	\$610	\$610	\$610
158	Mobility	\$50	\$0	\$50	\$50	\$50
159	<b>Total SLS Phone</b>	<b>\$2,442</b>	<b>\$974</b>	<b>\$2,510</b>	<b>\$2,510</b>	<b>\$2,510</b>
160	Internet - Domain Names	\$60	\$41	\$60	\$60	\$60
161	Internet & supernet	\$17,090	\$5,485	\$17,244	\$16,073	\$16,123
162	<b>Total SLS Internet Exp AcctsDC</b>	<b>\$17,150</b>	<b>\$5,526</b>	<b>\$17,304</b>	<b>\$16,133</b>	<b>\$16,183</b>
163	Bibliocommons	\$13,884	\$12,421	\$14,260	\$14,100	\$14,656
164	Bibliocommons App	\$0	\$0	\$0	\$0	\$0
165	Licensing/Maintenance Agreements	\$11,800	\$7,134	\$11,961	\$26,570	\$26,597
166	<b>Total Licensing &amp; BC</b>	<b>\$25,684</b>	<b>\$19,555</b>	<b>\$26,221</b>	<b>\$40,670</b>	<b>\$41,253</b>
167	<b>Total Delivery &amp; Communications</b>	<b>\$167,825</b>	<b>\$91,262</b>	<b>\$170,773</b>	<b>\$187,159</b>	<b>\$192,194</b>
168						
169	<b>Additional Resources</b>					
170	Electronic Data Bases	\$22,000	\$11,338	\$22,000	\$42,189	\$42,574
171	SLS Headquarters Reference	\$500	\$0	\$500	\$500	\$250
172	Library 2 U	\$0	\$0	\$0	\$0	\$0
173	ILL Expenses	\$0	\$0	\$0	\$350	\$350
174	Rural Ser Pay BI/For/Gra/Red/Irv/MH	\$16,293	\$16,293	\$16,293	\$16,293	\$16,293
175	<b>Total Additional Resources</b>	<b>\$38,793</b>	<b>\$27,631</b>	<b>\$38,793</b>	<b>\$59,332</b>	<b>\$59,467</b>
176						
180	<b>Special Grants Expenses</b>					
184	<b>Total Special Grants</b>	<b>\$0</b>	<b>\$3,710</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
185						
196	<b>Employee Benefits Expense - Additional</b>					
197	LAPP Expense	\$4,000	\$20	\$4,000	\$3,200	\$1,280
198	<b>Total Employee Benefits Expense</b>	<b>\$4,000</b>	<b>\$20</b>	<b>\$4,000</b>	<b>\$3,200</b>	<b>\$1,280</b>
199						
200	<b>Contingencies &amp; Non SLS Expenses</b>					
203	<b>Total Contingencies &amp; Non SLS Exp</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$369</b>	<b>\$0</b>
204						
207	<b>TOTAL EXPENSE - OPERATING</b>	<b>\$1,189,289</b>	<b>\$573,100</b>	<b>\$1,211,579</b>	<b>\$1,175,295</b>	<b>\$1,191,858</b>
208						
209	<b>NET INCOME/LOSS</b>	<b>\$0</b>	<b>\$554,688</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



# CITY OF *Lethbridge*

October 25, 2022

Dear Mayor:

I am seeking your support and that of other Mayors, in forwarding correspondence to the Honourable Tyler Shandro, Minister of Justice and Solicitor General, regarding Provincial Traffic Enforcement fine revenue. Communities across Alberta are in the process of drafting budgets for up to four years that include significant requests from our police services and funding this important resource adequately will be a challenge.

The Lethbridge Police Service is one of several municipalities in Alberta that generates revenue from Provincial Traffic Enforcement fines. Currently, Lethbridge Police issue summons with specified penalties in excess of \$7 million annually. Recently, the GOA increased its portion of fine revenue to 40% received from municipalities. For Lethbridge, this represents approximately \$2.8-million-dollars in revenue generated by the Lethbridge Police Service that is retained by the GOA. The GOA portion of these funds is returned to general revenues and only 60% is returned to the city or police service of origin. Calgary generates significantly more fine revenue but as you know, the decision by the GOA directly affects your police budget as revenues are returned to the Calgary Police Service. They will be facing a deficit of approximately 13% this year as more funds are retained by the GOA.

Police Services are currently involved in budgeting processes that must confront the reality of a post-Covid environment, significant increases in rates of crime and violent crime, homeless encampments, an Opioid crisis that continues unabated, and serious and organized crime that tax the resources of every community across this Province. In addition, recruiting has never been more difficult and with several collective agreements poised to provide officers with significant pay raises that have been held in abeyance for two or more years, communities will struggle to provide the resources their police services desperately require.

Through fiscal responsibility, good management, and some luck, the Province of Alberta has generated a \$3.9-billion-dollar surplus this year and is poised to reap these benefits again next year. The City of Lethbridge is advocating with other municipalities to the Government of Alberta to return all funds generated from fine revenues directly to the police services that generated the fine revenue so that these funds may be applied to offset the burden of tax-supported policing.





# CITY OF *Lethbridge*

The Lethbridge Police Service is seriously understaffed (as are some other police services) and will require a significant infusion of capital to sustain and improve the efficiency and effectiveness of policing. The GOA is in an enviable position to be able to assist Albertans with a measure of tax relief that may go a distance in conveying its commitment to safe and secure communities.

Thank you for your consideration of this important issue and I look forward to your support by corresponding directly with Minister Shandro.

Sincerely,

Blaine Hyggen, Mayor  
City of Lethbridge



# WE HAVE ENERGY

**The 2023-2026 Strategic Plan** outlines Council's strategic priorities and is intended to communicate Council's vision and goals to our community, and partners, and provide strategic direction to City Administration. The City Manager is responsible for executing on Council's strategic priorities and establishing and reporting on metrics to measure Administration's success in delivering on Council's strategic priorities. Council is then responsible for evaluating this success and refining this Strategic Plan, as required.

## 1 INNOVATION

The City's organizational culture will encourage and celebrate innovation, creativity, and multidisciplinary collaboration. We will empower individuals in our organization and community to present solutions to problems.

## 2 ECONOMIC EVOLUTION

We will have a strong, diversified regional economy and an economic ecosystem that encourages entrepreneurship.

## 3 SERVICE ORIENTATION

We will be intentional and proactive. We will understand and be responsive to our community and changing circumstances and people will find it easy to deal with the City.

## 4 PARTNERSHIPS & GOVERNANCE

We will succeed through collaboration with our community and government partners and be a trusted partner in our community and region.

## 5 COMMUNITY WELLNESS

People will love living and being in our City. Our community will be vibrant and lifelong residents and newcomers alike, from all walks of life, will feel a sense of security and belonging in Medicine Hat.

## 6 RESILIENCE & SUSTAINABILITY

We understand the importance and interdependency of the success of our people, partnerships, environment, economy, and organization to accomplishing our goal of being a vibrant, sustainable, enduring community.