

Agenda

REGULAR MEDICINE HAT CITY COUNCIL
City Hall – Council Chambers
Monday, April 22, 2024
4:45 PM – Closed Session
6:30 PM – Public Meeting

1. CLOSED SESSION

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

Items Discussed

- Facility Naming Rights (s.16 economic interests of a third party, s.24 advice from officials)
- Request from Administration (s.24 advice from officials)

2. CALL TO ORDER

3. 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.

4. MOMENT OF REFLECTION / PRAYER

5. ADOPTION OF PREVIOUS COUNCIL MEETING MINUTES

5.1. Regular Council Meeting Minutes - April 8, 2024

6. ADOPTION OF THE AGENDA

7. COUNCIL ANNOUNCEMENTS

8. CONSENT AGENDA

Receive for Corporate Record

- 8.1. Corporate Services Committee Meeting Minutes - March 28, 2024
- 8.2. Audit Committee Meeting Minutes - April 3, 2024
- 8.3. Corporate Services Committee Meeting Minutes - April 11, 2024

Receive for Information

- 8.4. 2023 Supply Chain Annual Report
- 8.5. 2022 Government Finance Officers Association Awards

- 8.6. 2023 Capital and Major Operating Expense Over Expended/Under Expended/Cancelled as at December 31, 2023
- 8.7. Capital Projects and Major Operating Expense (MOE) Carry Forwards as at December 31, 2023
- 8.8. Tri-annual Management Report for the Period Ending December 31, 2023
- 8.9. Police Commission Meeting Minutes - February 21, 2024
- 8.10. Municipal Planning Commission Meeting Minutes - April 3, 2024
- 8.11. Development Permits Approved February 12 - March 24, 2024
- 8.12. Corporate Services Committee Outstanding Items - March 28, 2024
- 8.13. Audit Committee Outstanding Items- April 3, 2024
- 8.14. Corporate Services Committee Outstanding Items - April 11, 2024

9. DELEGATION(S)

- 9.1. Medicine Hat Police Service - 2024 Downtown Strategy
Sponsor: City Manager

A presentation will be provided. Chief Murphy, Insp. Secondiak and Sgt. Bohrn will be in attendance.

10. UNFINISHED BUSINESS

- 10.1. Information Request
Sponsor: Mayor Clark
- 10.2. Bylaw 4735 to Amend the Unsightly Property Bylaw
Sponsor: Development and Infrastructure

For First Reading Only
Second/Third Reading anticipated to occur May 6, 2024

RECOMMENDATION THAT Council gives first reading to Bylaw 4735 to amend the Unsightly Property Bylaw.

11. NEW BUSINESS

- 11.1. New Proposed Whistleblower Policy 8046
Sponsor: City Manager

Karla Kochan, Director of People Services, will provide an introduction.

RECOMMENDATION THAT Council
 - rescinds Whistleblower Policy 8041; and
 - approves Whistleblower Policy 8046, as presented.

- 11.2. Revised Respectful Workplace Policy 8047, Rescind Original Respectful Workplace Policy 8023, Rescind Workplace Violence and Prevention Policy 8040

Sponsor: City Manager

Karla Kochan, Director of People Services, will provide an introduction.

RECOMMENDATION THAT Council

- rescinds Respectful Workplace Policy 8023;
- rescinds Workplace Violence and Prevention Policy 8040; and
- approves Respectful Workplace Policy 8047, as presented.

12. COMMITTEE BUSINESS

- 12.1. Bylaw 4813 to amend the Land Use Bylaw to Rezone 512, 517, 625 and 650 13th Street SE to Business Industrial District

Sponsor: Municipal Planning Commission

For First Reading Only

Public Hearing: May 21, 2024

RECOMMENDATION THAT Council gives first reading to Bylaw 4813 to amend the Land Use Bylaw.

- 12.2. Bylaw 4818 to amend the Land Use Bylaw to Rezone 640 Clay Avenue SE to Business Industrial District

Sponsor: Municipal Planning Commission

For First Reading Only

Public Hearing: May 21, 2024

RECOMMENDATION THAT Council gives first reading to Bylaw 4818 to amend the Land Use Bylaw.

- 12.3. 2024 Property Tax Bylaw

Sponsor: Corporate Services Committee

A presentation will be provided. Lola Barta, Director of Finance and Sue Sterkenburg, City Assessor will be in attendance.

RECOMMENDATION THAT Council:

- approves the revised Education, Cypress View Foundation and Designated Industrial Property requisitions in the 2024 Municipal Services Operating Budget, as presented;
- gives first reading and considers giving second and third readings to Bylaw 4816, the 2024 Property Tax Bylaw; and
- gives first reading and considers giving second and third reading to Bylaw 4817, the Student Dormitory Taxation Bylaw.

- 12.4. 2024 Supplementary Property Tax Bylaw
Sponsor: Corporate Services Committee

RECOMMENDATION THAT Council gives first reading and considers giving second and third readings to Bylaw 4819, the 2024 Supplementary Property Tax Bylaw.

- 12.5. 2023 City of Medicine Hat Financial Statements
Sponsor: Audit Committee

RECOMMENDATION THAT Council approves the 2023 City of Medicine Hat Financial Statements.

- 12.6. Reappointment of Auditors for 2024
Sponsor: Audit Committee

RECOMMENDATION THAT Council approves the reappointment of MNP LLP for the City of Medicine Hat Annual Audit Engagement for the 2024 Financial Statements.

- 12.7. Corporate Asset Management Policy
Sponsor: Corporate Services Committee

RECOMMENDATION THAT Council rescinds Development and Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy 0154 and approves Corporate Asset Management Policy 0181.

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

14. **COUNCIL MEMBER REPORTS**

15. **ADJOURNMENT**

NEXT CITY COUNCIL MEETING: May 6, 2024

**MINUTES OF THE REGULAR MEDICINE HAT
CITY COUNCIL MEETING
HELD ON MONDAY, APRIL 8, 2024 AT 6:30 PM
IN CITY HALL COUNCIL CHAMBERS**

PRESENT: Cllr. A. Knodel, Chair
Mayor L. Clark
Cllr. R. Dumanowski
Cllr. C. Hider
Cllr. D. Hirsch
Cllr. A. McGrogan
Cllr. R. Robins
Cllr. S. Sharps

ALSO PRESENT: A. Mitchell, City Manager
B. Stauth, Managing Director of Public Services
D. Egert, Managing Director of Corporate Services
P. Bohan, Managing Director of Development and Infrastructure
R. Pancoast, Managing Director of Energy, Land and Environment
B. Bullock, City Solicitor
L. Randle, City Clerk
R. Korven, Legislative Services Specialist

NOT PRESENT: Cllr. A. Van Dyke

1. CLOSED SESSION

Councillor R. Robins - Councillor D. Hirsch moved that City Council close the meeting to the public at 4:45 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 p.m. in Council Chambers.

Items Discussed

- Facility Naming Rights (s.16 economic interests of a third party, s.24 advice from officials) - postponed
- Council Strategy and Policy Development (s.19 confidential evaluations) - received for information
- Request from Administration (s.24 advice from officials) - received for information

The closed session concluded at 5:38 p.m.

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

Carried

2. CALL TO ORDER

The Chair called the meeting to order at 6:30 p.m.

3. **LAND ACKNOWLEDGEMENT**

The Chair provided the land acknowledgement.

4. **MOMENT OF REFLECTION / PRAYER**

Observed.

5. **ADOPTION OF PREVIOUS COUNCIL MEETING MINUTES**

(5.1.) **Regular Council Meeting Minutes - March 18, 2024**

Hearing no objection, the Chair declared the minutes of the March 18, 2024 Regular City Council Meeting adopted as presented.

(5.2.) **Special Council Meeting Minutes - March 21, 2024**

Hearing no objection, the Chair declared the minutes of the March 21, 2024 Special City Council Meeting adopted as presented.

6. **ADOPTION OF THE AGENDA**

The Chair declared the agenda adopted as presented.

7. **COUNCIL ANNOUNCEMENTS**

Councillor McGrogan made the following statement regarding The South Alberta Light Horse:

"I want to take this opportunity to thank the citizens of Medicine Hat who engaged the Canadian Armed Forces and the Minister of National Defence to save "The South Alberta Light Horse" in Medicine Hat and its subordinate Troop in Lethbridge from being given to a Calgary Regiment. Medicine Hat has been the home, for over a century, to the Sally Horse and its predecessor units, who fought in both World Wars through terrible Battles at places like Vimy Ridge and Normandy. Well over two hundred Sally Horse soldiers also served on Peacekeeping operations and helped fight fires and floods in Canada. In 2013, twenty-seven local soldiers filled the sandbags that saved our Water Treatment and Power Plants from being flooded when all other Reservists were being sent to help Calgary. We had our own soldiers from our own Regiment here when we needed them.

A special thanks the Minister of National Defence, the Honourable Bill Blair, for his Ministerial Investigation into the plan to change the home of the Regiment. Unfortunately, the plan has not been fully defeated as Medicine Hat and its Troop in Lethbridge, although remaining part of the Sally Horse, in name only, now fall under operational command of that Calgary unit. We are hopeful that the Minister will direct his team to undo this plan and fully return the SALH in Medicine Hat and Lethbridge back under the command of The South Alberta Light Horse and by properly resourcing recruiting to grow the Regiment back to its former strength of 195 soldiers from just four years ago.

Medicine Hat is a strong vibrant City, and like many cities our size across Canada, Medicine Hat has proven its ability to be a supportive home for an Army

Reserve Regiment during war and peacetime and the benefits of the regiment in this geographically isolated area of the province has been proven over and over, not to mention the importance of the identity and culture of Medicine Hat.”

8. **CONSENT AGENDA**

Councillor S. Sharps - Councillor C. Hider moved that Council approve the Consent agenda, as presented, with items 8.1 to 8.5 being received for the corporate record and items 8.6 to 8.12 being received for information.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

- (8.1.) Development and Infrastructure Committee Meeting Minutes - March 7, 2024
- (8.2.) Public Services Committee Meeting Minutes - March 11, 2024
- (8.3.) Development and Infrastructure Committee Meeting Minutes - March 21, 2024
- (8.4.) Public Services Committee Meeting Minutes - March 25, 2024
- (8.5.) Council Committee of the Whole Meeting Minutes - March 25, 2024
- (8.6.) 2023 Fire and Emergency Services Year-In-Review Report
Note: A presentation will be provided at a future Council meeting.
- (8.7.) Community Vibrancy Advisory Board Meeting Minutes - November 29, 2023 and January 31, 2024
- (8.8.) City of Medicine Hat Environmental Framework
- (8.9.) Development and Infrastructure Committee Outstanding Items - March 7, 2024
- (8.10.) Public Services Committee Outstanding Items- March 11, 2024
- (8.11.) Development and Infrastructure Committee Outstanding Items - March 21, 2024
- (8.12.) Public Services Committee Outstanding Items - March 25, 2024

9. **PUBLIC HEARING(S)**

- (9.1.) **Bylaw 4808 to amend the Land Use Bylaw to rezone the 800 Block of 2 Street SE as Medium Density Residential District**

- (9.1.1) Call to Order

The Chair called the public hearing to order at 6:35 p.m.

- (9.1.2) Introduction by Administration

Robert Sissons, Manager of Planning and Development Services, provided a presentation and answered questions of Council.

(9.1.3) Presentations / Submissions

The City Clerk advised that public notice of Bylaw 4808 was published in the Medicine Hat News on Saturday, March 16, 2024 and Saturday, March 23, 2024 and that a notification letter was mailed to 45 adjacent/abutting/vicinity property owners on March 6, 2024.

- One written submission was received from Alberta Infrastructure which expressed no objection.
- Alex McCuaig, a City resident, spoke against the Bylaw.
- Corrine Korf, an area resident, spoke against the Bylaw.

(9.1.4) Close Public Hearing

The Chair closed the public hearing at 7:08 p.m.

(9.1.5) Business Arising from the Hearing

Councillor A. McGrogan - Councillor R. Dumanowski moved that Council give second reading to Bylaw 4808.

For: 6; Against: 2; Absent: 1

Voting Against: Cllr. R. Robins, Cllr. S. Sharps

Carried

Councillor A. McGrogan - Councillor R. Dumanowski moved that Council give third and final reading to Bylaw 4808, a bylaw of the City of Medicine Hat to amend the Land Use Bylaw to Plan 1491, Block 2, Lots 6-20 inclusive as Medium Density Residential District.

For: 6; Against: 2; Absent: 1

Voting Against: Cllr. R. Robins, Cllr. S. Sharps

Carried

(9.2.) **Bylaw 4809 to amend the Land Use Bylaw to rezone 830A Balmoral Street SE as Neighborhood Commercial District**

(9.2.1) Call to Order

The Chair called the public hearing to order at 7:33 p.m.

(9.2.2) Introduction by Administration

Robert Sissons, Manager of Planning and Development Services, provided a presentation and answered questions of Council.

(9.2.3) Presentations / Submissions

The City Clerk advised that public notice of Bylaw 4809 was published in the Medicine Hat News on Saturday, March 16, 2024 and Saturday, March 23, 2024 and a notification letter was mailed to 85 adjacent/abutting/vicinity property owners on March 6, 2024.

- No written submissions were received.
- Kristen Mann, an area resident, asked questions related to the Bylaw.
- Joel McNally, a developer, spoke in favor of the Bylaw.

(9.2.4) Close Public Hearing

The Chair closed the public hearing at 7:57 p.m.

(9.2.5) Business Arising from the Hearing

Councillor A. McGrogan - Councillor S. Sharps moved that Council give second reading to Bylaw 4809.

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

Carried

Councillor A. McGrogan - Councillor S. Sharps moved that Council give third and final reading to Bylaw 4809, a bylaw of the City of Medicine Hat to amend the Land Use Bylaw to rezone 830A Balmoral Street SE as Neighborhood Commercial District.

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

Carried

(9.3.) **Bylaw 4810 to amend the Land Use Bylaw to rezone Plan 3204M, Block 3, Lot 37 to Medium Density Residential District**

(9.3.1) Call to Order

The Chair called the public hearing to order at 8:03 p.m.

(9.3.2) Introduction by Administration

Robert Sissons, Manager of Planning and Development Services, provided a presentation and answered questions of Council.

(9.3.3) Presentations / Submissions

The City Clerk advised that public notice of Bylaw 4810 was published in the Medicine Hat News on Saturday, March 16, 2024 and Saturday, March 23, 2024 and a notification letter was mailed to 19 adjacent/abutting/vicinity property owners on March 6, 2024.

- No written submissions were received.
- Daniel Marion, a City resident, spoke against the Bylaw.

(9.3.4) Close Public Hearing

The Chair closed the public hearing at 8:16 p.m.

(9.3.5) Business Arising from the Hearing

Councillor A. McGrogan - Councillor S. Sharps moved that Council give second reading to Bylaw 4810.

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

Carried

Councillor A. McGrogan - Councillor S. Sharps moved that Council give third and final reading to Bylaw 4810, a bylaw of the City of Medicine Hat to amend the Land Use Bylaw to rezone Plan 3204M, Block 3, Lot 37 to Medium Density Residential District.

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

Carried

At 8:22 p.m., Mayor L. Clark - Councillor S. Sharps moved that Council recess until 8:30 p.m.

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

Carried

10. **UNFINISHED BUSINESS**

(10.1.) **Bylaw 4805 - Council Code of Conduct**
First Reading: March 4, 2024

Councillor A. McGrogan - Councillor C. Hider moved that Council give second reading to Bylaw 4805.

While the above motion was pending, the matter was referred to the Administrative and Legislative Review committee as detailed below.

Mayor L. Clark - Councillor R. Robins moved that Council refer the Code of Conduct Bylaw No. 4805 ("Bylaw 4805") back to Administration to bring forward for council consideration:

1. Establishing a position of Integrity Commissioner that is independent of both Administration and Council
2. Amending Bylaw 4805 to make that Integrity Commissioner position responsible for all aspects of the administration of complaints under Bylaw 4805, including but not limited to, the acceptance of the complaint, initial assessment of the complaint, investigation of the complaint, informal resolution of the complaint, formal resolution of the complaint, and sanctions.
3. Amending section 18.4 of Bylaw 4805 to the effect that a complaint must be received by the Integrity Commissioner, not later than 90 days after the date

the person became aware of the conduct giving rise to the complaint. The Integrity Commissioner may use their discretion to grant extensions if:

- the delay occurred in good faith;
- it is in the public interest to conduct an investigation or to give consideration whether to conduct an investigation; and
- no substantial prejudice will result to any person because of the delay.

For: 4; Against: 4; Absent: 1

Voting Against: Cllr. C. Hider, Cllr. D. Hirsch, Cllr. A. McGrogan, Cllr. S. Sharps

Defeated

Councillor R. Robins - Councillor S. Sharps moved that Council refer the draft Code of Conduct Bylaw 4805 to the Outstanding Items List of the Administrative and Legislative Review Committee to allow Administration to complete a jurisdictional scan and review related to:

- the option of establishing an Integrity Commissioner position, including potential costs;
- the feasibility of the 90-day complaint window; and
- the functionality of public complaints;

and that the review be completed by the end of Q2.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

11. **NEW BUSINESS**

(11.1.) **Procedure Bylaw Amendment - Bylaw 4815**

Councillor C. Hider - Councillor S. Sharps moved that Council give first reading to Bylaw 4815, a bylaw of the City of Medicine Hat to amend the Procedure Bylaw.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

Councillor C. Hider - Councillor S. Sharps moved that Council give second reading to Bylaw 4815.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

Councillor C. Hider - Councillor S. Sharps moved that Council unanimously consent to have third reading of Bylaw 4815 at this meeting.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

Councillor C. Hider - Councillor S. Sharps moved that Council give third and final reading to Bylaw 4815, a bylaw of the City of Medicine Hat to amend the Procedure Bylaw.

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

Carried

(11.2.) Rotating Council Chair-Representative for Future Meetings

For the duration that the Mayor is not authorized to chair meetings or attend the Administrative Committee meetings, Council will adhere to the established rotating schedule for Deputy Mayor and Acting Mayor. Council requested that the schedule be made easily accessible on the City website.

(11.3.) Council Motions - Grant Programs

Councillor R. Robins - Councillor C. Hider moved that Council extend delivery timelines for administration to deliver the reports related to grant criteria for Non-Profit Agencies as requested by Council at the February 20, 2024, Regular Meeting, to Q3 2024.

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

Carried

(11.4.) Renaming of Boardroom 2-1 - Ted Grimm Conference Room

Councillor C. Hider - Councillor S. Sharps moved that Council approve renaming of Boardroom 2-1 to the "Ted Grimm Conference Room" in honour of former Mayor Ted Grimm.

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

Carried

(11.5.) Information Request

Council heard Mayor Clark's rationale related to the information request and discussion occurred but was not concluded. The item is postponed to the next regular Council meeting agenda.

12. COMMITTEE BUSINESS

(12.1.) Taking the Strong Towns Approach in Medicine Hat.

Shawn Champagne, Senior Planner, provided a presentation and answered questions of Council.

(12.2.) Bylaw 4735 to Amend the Unsightly Property Bylaw

Postponed to the next Regular Council meeting agenda.

(12.3.) Sports Wall of Fame Recommendation

Councillor R. Robins - Councillor R. Dumanowski moved that Council approve both Joseph Henry Fisher and Sensei Zorislav Krco be inducted into the Medicine Hat Sports Wall of Fame for their contributions to the sports of hockey and karate respectively.

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

Carried

(12.4.) 2024 Community Vibrancy Grant Distribution

Councillor R. Robins - Councillor C. Hider moved that Council approve distribution of the 2024 Community Projects and Activities Grants as per the Community Vibrancy Advisory Board recommendations for a total of \$40,500, as presented.

- Family Fun and Flight - \$10,000 - A free one-day event providing military, commercial and civilian aircraft displays to the general public at the Medicine Hat Airport.
- South Eastern Alberta Archaeology Society (SEAAS) - \$6,000 - 40th Anniversary Celebration of the Saamis Archaeological Site event with art, music, displays, tours, and hands on activities for all ages.
- Medicine Hat and District Chamber of Commerce - \$5,989 - Midnight Madness 2024 – an annual downtown pre-Black Friday late night shopping event to encourage local business support with free family-friendly activities.
- Keskikeymowin Planning Committee (Medicine Hat Public School Division) - \$5,000 - Spring celebration for grades 4 and 10 students from the Medicine Hat Public School division to provide awareness of the First Nations, Metis and Inuit peoples and their cultures.
- Medicine Hat Drug Coalition (Health Connections Association of South Eastern Alberta) - \$4,000 - International Overdose Awareness Day, a global event to raise awareness of drug overdose harms and deaths, and to reduce the stigma of drug-related deaths.
- REDI Enterprises Society - \$3,211 - Free outdoor family friendly movie night for persons of all abilities with snacks, run by The Action Group (TAG), a REDI Enterprises disabilities advocacy group
- Medicine Hat and District Chamber of Commerce - \$3,000 - Chili Cookoff – an annual event to encourage people to visit downtown and support Medicine Hat businesses and organizations.

- Medicine Hat Choral Society (Medicine Hat Concert Band Society) - \$1,000 - An inaugural gospel themed choral concert, for musicians' collaboration featuring a full choir with a rhythm section and soloists for community attendance.
- Move for Mental Health Fun Run/Walk Planning Committee (Medicine Hat Catholic Board of Education) - \$1,000 - Kick off for Mental Health Week, an annual event for discussion and education on mental health and local supports, providing a fun and engaging experience in a family-oriented atmosphere for people of all ages and abilities
- SafeLink Alberta - \$800 - A free community BBQ for International Harm Reduction Day with information about their programs and services to create a safer and healthier community
- Hat Horizons Radio Operators Club - \$500 - Training for radio operations and Ham radio licenses to help supply emergency communications during storms, floods, or any problems that interfere with local communications

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

(12.5.) New Incentive Policy 0179 and Amending Tax Incentive Bylaw 4667
Sponsor: Council Committee of the Whole

Councillor C. Hider - Councillor R. Dumanowski moved that Council give first reading to Bylaw 4799, a bylaw of the City of Medicine Hat to amend the Tax Incentive Bylaw.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

Councillor C. Hider - Councillor R. Dumanowski moved that Council rescind Incentive Policy 0170 and approve Incentive Policy 0179.

While the above motion was pending, Mayor L. Clark - Councillor R. Robins moved that item 1(d) under "Role of Administrative Committee" on page 3 of Incentive Policy 0179 be amended to remove "prior to having any involvement with an "Incentive Award".

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

The motion, as amended to read "that Council rescind Incentive Policy 0170 and approve Incentive Policy 0179, as amended" was voted on and carried.

For: 8; Against: 0; Absent: 1

Voting Against: (None)

Carried

Councillor C. Hider - Councillor R. Dumanowski moved that Council approve the City Centre Vibrancy Incentive Program and the Infill and Redevelopment Housing Incentive Program pursuant to Policy 0179.

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

Carried

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

There were no notices of motion.

14. **COUNCIL MEMBER REPORTS**

There were no reports.

15. **ADJOURNMENT**

The meeting adjourned at 11:00 p.m.

Adopted by City Council on April 22, 2024.

MAYOR LINNSIE CLARK
CHAIR

LARRY RANDLE
CITY CLERK

Corporate Services Committee MEETING MINUTES

Thursday, March 28, 2024
City Hall – Boardroom 2-1
4:00 PM

PRESENT: Councillor R. Dumanowski, Chair
Councillor C. Hider, Vice Chair

ALSO PRESENT: A. Mitchell, City Manager
L. Barta, Acting Managing Director Corporate Services
B. Bullock, City Solicitor (*remote attendance*)
C. Graham, Director Communications, Engagement and Marketing
S. Sterkenburg, Manager Assessment (*Items 1 & 2*)
T. Domian, Manager Supply Chain (*item 4*)
B. Danielson, Assessor (*Items 1 & 2*)
H. Toker, Executive Assistant

NOT PRESENT: Councillor A. Knodel

1. 2024 PROPERTY TAX BYLAW

Acting Managing Director Barta reviewed the proposed bylaw and provided a presentation. Committee heard that adoption of the 2024 Property Tax Bylaw will enable the City to levy and collect sufficient taxes to provide the funding approved in the 2024 budget, previously approved by Council in the amount of \$89,569,000. Assessment notices were mailed on February 28th and tax notices will be mailed on May 21st. The proposed new tax rates will result in a 4.4% increase to the municipal taxes for the median Single Family and Multi-Family Residential taxpayer, and a 4.2% increase to the Non-Residential taxpayer.

Conversation occurred around the changes to student dormitory taxation. Manger Sterkenburg advised that per the *Municipal Government Act* (MGA), Student Dormitories are exempt from municipal property tax unless a municipality passes a bylaw to make these properties taxable. These buildings can be taxed on the municipal portion only. Several other municipalities follow this practice.

Committee noted that they appreciate being presented with multiple scenarios and the effect on different property categories. They also expressed appreciation for the visual of how tax dollars are spent.

Following discussion the Corporate Services Committee recommended **THAT CITY COUNCIL:**

- a. **APPROVES ADOPTION OF THE REVISED REQUISITIONS (EDUCATION, CYPRESS VIEW FOUNDATION AND DESIGNATED INDUSTRIAL PROPERTY) IN THE 2024 MUNICIPAL SERVICES OPERATING BUDGET,**
- b. **APPROVES BYLAW NO. 4816, THE 2024 PROPERTY TAX BYLAW,**
- c. **RESCINDS BYLAW 2186, AND**
- d. **APPROVES BYLAW NO. 4817, THE STUDENT DORMITORY TAXATION BYLAW.**

ADOPTION

2. **2024 SUPPLEMENTARY PROPERTY TAX BYLAW**

Acting MD Barta presented this item. She noted that in any year Council passes a bylaw authorizing supplementary assessments to be prepared, the Council must in the same year pass a separate bylaw authorizing it to impose a supplementary property tax. The supplementary tax will be imposed on newly constructed buildings, additions or renovations completed and/or occupied in the current tax year, prorated by the number of months. It is anticipated the 2024 supplementary property assessments will generate approximately \$300,000 of property tax revenue.

If approved, notices will be mailed to affected properties at the end of October 2024.

The Corporate Services Committee recommended **THAT CITY COUNCIL APPROVES BYLAW NO. 4819, THE 2024 SUPPLEMENTARY PROPERTY TAX BYLAW.**

ADOPTION

3. **MANAGING DIRECTOR'S SERVICE AREA UPDATE – VERBAL**

Acting MD Barta provided an update in relation to the following:

Tax Action:

The tax action took place the morning of March 28th. The final list was reduced to four properties, three of which entered into legal agreements for payment plan and one property offered for auction, which did not sell. A letter to the property owner will be sent, in accordance with the MGA, advising that the City may become the owner of the property without further notice. The City will not take title to a property and accept liability until a full environmental assessment has occurred and there is a negotiated sale agreement in place.

Budget Process:

The 2025-2026 key budget assumptions will be coming to Council Committee of the Whole on April 23rd.

2023 Year End Financial Report

This will be presented to the Audit Committee on April 3rd. The 2023 Annual Report is in progress and will be released to the community in May.

Community Survey:

The biennial Community Survey, conducted by IPSOS, one of the largest market research and public opinion polling companies, will take place in May. The survey provides data on key indicators and the results will be reported in the summer. The first survey was done in May 2022 and the results are on the City website.

Committee received this information.

INFORMATION

4. 2023 SUPPLY CHAIN ANNUAL REPORT

Acting MD Barta introduced Tibor Domian, Manager of Supply Chain, who presented a summary of 2023 supply chain activity, as required in Policy 0173. Manager Domian summarized the different methods of procurement and a number of highlights including open competition statistics, total number and value of purchase orders issued, and purchasing card statistics. Manager Domian also reviewed several accomplishments including process and policy improvements, software implementation, and internal training and engagement activities. He also reviewed upcoming initiatives including Procurement Bylaw updates, process optimization and training efforts.

Regarding purchasing cards, Committee asked if the City would be better to pay via a different method as credit card transaction fees are often passed to the purchaser. It was noted that the City does receive a rebate from BMO for using credit cards; this rebate was approximately \$82,000 in 2023.

Conversation occurred around quality control and ensuring accuracy of orders upon receipt. Manager Domian explained that systems are in place; he provided an example that a storekeeper will place an order and a different storekeeper will receive, verify and enter that order into inventory.

Committee expressed thanks for the presentation and for all the work by the procurement team.

INFORMATION

5. COMMITTEE OUTSTANDING ITEMS

Acting MD Barta advised that there were no updates to be provided to the existing item on the list.

No new items were added.

INFORMATION

ADJOURNMENT

The meeting adjourned at 5:07 p.m.

Received by City Council on April 22, 2024.

COUNCILLOR R. DUMANOWSKI, CHAIR

L. RANDLE, CITY CLERK

Audit Committee MEETING MINUTES

Wednesday, April 3, 2024
City Hall – Boardroom 2-1
11:00 AM

PRESENT: Councillor D. Hirsch, Chair
Councillor S. Sharps, Vice Chair
Councillor A. Van Dyke

ALSO PRESENT: D. Egert, CFO/Managing Director of Corporate Services (*remote attendance*)
A. Mitchell, City Manager
L. Barta, Director of Finance
C. Graham, Director of Corporate Communications, Engagement and Marketing
S. Bhatti, Director of Corporate Planning and Performance
R. Wright, Manager of Treasury
C. Labonte, Accounting Supervisor
K. Young, Accounting Supervisor
O. Ndlovu, Manager of Enterprise Risk
H. Toker, Executive Assistant

MOTION TO CLOSE MEETING TO THE PUBLIC

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

Items Discussed

- Managing Director's Service Area Updates - Verbal (s.24 advice from officials)
- 2023 Year End Audit – MNP Findings (s.26 testing procedures, tests and audits)
- Audit Letters (s.27 legal/privileged information)
- Auditor's Caucus (s.26 testing procedures, tests and audits)
- Enterprise Risk Management Update (s.24 advice from officials)
- 2023 P-Card Internal Audit Report (s.26 testing procedures, tests and audits)
- 2023 Fraud Report (s.26 testing procedures, tests and audits)

CARRIED

MOTION TO OPEN MEETING TO THE PUBLIC

Councillor Van Dyke moved to re-open the meeting to the public.

CARRIED

1. CITY OF MEDICINE HAT FINANCIAL STATEMENTS

Managing Director Egert introduced this item and presented the CFO Report to Committee. He outlined the current environmental and external challenges facing the City including provincial and federal government funding changes, the impacts of inflation and commodity market volatility. MD Egert noted that the City has received a clean audit report from external auditors MNP and the Government Finance Officers Association (GFOA) financial reporting awards.

An overview of the City’s current financial position was provided, noting that for the first time, the City is in a position of net financial asset (value of \$27M). Overviews of operating expenses for the municipality and utility/energy were also provided noting capital spending was favorable by \$41M.

MD Egert explained that the budget is planned with a focus on the corporate strategic objective of ensuring the financial sustainability of the City through a balanced approach that maintains competitive property tax rates and utility charges, as well as efforts to eliminate the municipal budget gap (forecasted at \$7M for 2024); and ensuring fiscal capacity and flexibility to meet future obligations and opportunities.

Director Barta introduced the consolidated financial report and Manager Ryan Wright, City Treasurer, to speak to the investment portfolio. Committee heard that in 2023 the City saw a return of 8.84% on its investments; below the benchmark of 10.33% but above the expected return over the first 5 years of 5.55%.

Committee expressed thanks for the detailed yet understandable report. The Audit Committee recommended **THAT CITY COUNCIL APPROVES THE 2024 CITY OF MEDICINE HAT FINANCIAL STATEMENTS.**

ADOPTION

2. REAPPOINTMENT OF AUDITORS FOR 2024

On September 5, 2023, City Council approved MNP LLP as the external auditors for the City of Medicine Hat to audit the 2023 financial statements with an option to extend the engagement, one year at a time, up to an additional four years.

Committee recommended **THAT COUNCIL APPROVES THE REAPPOINTMENT OF MNP FOR THE CITY OF MEDICINE HAT ANNUAL AUDIT ENGAGEMENT FOR THE 2024 FINANCIAL STATEMENT.**

ADOPTION

3. MANAGING DIRECTOR’S SERVICE AREA UPDATES - VERBAL

Managing Director Egert provided updates in relation to the following:

Mandate of Audit Committee:

The Audit Committee is to provide oversight for three key areas:

- Appointment and oversight of external auditors
- System of internal controls and risk environment
- Ongoing financial reporting

Management Reports:

MD Egert provided an update on a multi-year effort underway to enhance the efficiency and timeliness of the tri-annual management reporting process.

ERM Manager:

Obed Ndlovu is the new Manager of Enterprise Risk. Committee will be introduced to Mr. Ndlovu further in the agenda.

Financial Sustainability:

There is much discussion in the community around this topic and the upcoming CFO report will look at the City’s financial position and why it is important.

Committee received this information.

INFORMATION

4. 2022 GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

MD Egert told Committee that the City is once again the recipient of the Government Financial Officers Association (GFOA) Awards for (i) the Canadian Award for Financial Reporting (CAnFR) for the year ending 2022 and (ii) the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ending 2022. The City has also received the Triple Crown award for receiving all three awards in 2022 (CAnFR, PAFR, and the Distinguished Budget Presentation Award for its two-year budget beginning January 1, 2023).

Committee congratulated staff for their efforts and noted that this lends external credibility, demonstrating high quality of work.

INFORMATION

5. INTRODUCTION TO NEW MANAGER OF ENTERPRISE RISK

MD Egert introduced Obed Ndlovu, the new manager of Enterprise Risk. Manager Ndlovu provided a brief presentation to committee on his background and role.

Committee welcomed Mr. Ndlovu to the City stating their appreciation for his knowledge in both enterprise risk and change management.

INFORMATION

6. **2023 CAPITAL AND MAJOR OPERATING EXPENSE OVER EXPENDED/UNDER EXPENDED/CANCELLED AS AT DECEMBER 31, 2023**

MD Egert spoke to this item noting that the City creates multi-year capital and operating budgets using the best information available however an amount of variation always occurs with a multi-year budget.

At December 31, 2023, capital projects of \$23,085,000 were completed and underspent and capital projects of \$1,815,000 were complete and overspent. There were four cancelled projects amounting to \$1,107,000.

At December 31, 2023, MOE projects totaling \$627,000 were complete and underspent and projects totaling \$127,000 were complete and overspent.

Committee received this information.

INFORMATION

7. **CAPITAL PROJECTS AND MAJOR OPERATING EXPENSE (MOE) CARRY FORWARDS AS AT DECEMBER 31, 2023**

MD Egert spoke to this item noting that the report provides information regarding the prior year and current year Capital and Major Operating Expense (MOE) Projects that are incomplete at December 31, 2023 and will be carried forward into 2024, as approved by the City Manager.

The total Capital projects value carried forward from prior years to 2024 is \$312,614,000. The total MOE value carried forward from prior years to 2024 is \$17,664,000.

MD Egert noted that staff are considering the creation of a project budget cancellation policy for money not spent after a specified amount of time.

Committee received this information.

INFORMATION

8. **TRI-ANNUAL MANAGEMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2023**

MD Egert reviewed the Tri-Annual Report, commenting that staff are considering ways to make this report more effective and efficient.

Conversation occurred around a trend in the report of positive variances reported due to staff vacancies; this was noted as a concern as the savings may come at the expense of service quality. It was noted that staff shortages are not a money-saving initiative, and the City is developing a workforce strategy.

This information was received by Committee.

INFORMATION

9. **COMMITTEE OUTSTANDING ITEMS**

There were no items on the list and no new items were added.

INFORMATION

ADJOURNMENT

The meeting adjourned at 2:40 PM.

Received by City Council on April 22, 2024.

COUNCILLOR DARREN HIRSCH, CHAIR

LARRY RANDLE, CITY CLERK

Corporate Services Committee MEETING MINUTES

Thursday, April 11, 2024
City Hall – Boardroom 2-1
4:00 PM

PRESENT: Councillor R. Dumanowski, Chair
Councillor C. Hider, Vice Chair
Councillor A. Knodel

ALSO PRESENT: A. Mitchell, City Manager
D. Egert, Managing Director of Corporate Services
B. Bullock, City Solicitor (*remote attendance*)
L. Barta, Director of Finance
J. Hogle, Director of Fleet, Facilities and Asset Management
T. Petryshyn, Corporate Communications Specialist
H. Toker, Executive Assistant

1. CORPORATE ASSET MANAGEMENT POLICY

Managing Director Egert introduced this item advising that it is intended to be a long-term strategic approach on our view of corporate assets; how we acquire, manage and renew them. The current asset management policy covers only a subset of the City's assets, therefore the new policy is designed to be inclusive of all corporate assets of the City and to provide a consistent approach across the organization allowing for evidence-based decision making. MD Egert highlighted the necessity to strike a balance between spending money today versus tomorrow and in taking a holistic, collaborative approach between departments.

Director of Fleet, Facilities and Asset Management, Jeff Hogle, provided a presentation. Director Hogle reiterated that asset management requires an integrated approach, involving all organization departments, to effectively manage existing and new assets and to deliver services to the customer. The new policy aims to collect and communicate data for better decision making around repair and replacement of assets and to provide long-term financial planning for future asset investments.

Committee felt encouraged that the City is developing a financially feasible and integrated plan. A question was asked around the time commitment required from staff to implement the new policy. Committee heard that there has been a position approved in the budget for an Asset Management Specialist and that several departments are already doing this work but that the information needs to be collected and collated.

Following discussion the Corporate Services Committee recommended **THAT CITY COUNCIL:**

- a. **RESCINDS POLICY #0154, AND**
- b. **APPROVES POLICY #0181, CORPORATE ASSET MANAGEMENT POLICY**

ADOPTION

2. MANAGING DIRECTOR’S SERVICE AREA UPDATE – VERBAL

MD Egert provided an update in relation to the following:

2023 Year End Financial Report:

This report was provided to the Audit Committee on April 3rd and will be provided to Council on April 22nd.

2025-2026 Key Budget Assumptions:

These will be coming forward to Council Committee of the Whole on April 23rd.

2023 Annual Report:

Work on the Annual Report is in progress, and it will be released to the community in May.

Biennial Community Survey:

This survey is conducted by IPSOS and will occur in May. It will provide data on key indicators and will be released in the summer. The first community survey was completed in May 2022 can be viewed on the City’s website.

2024 Property Tax Bylaw:

This will come forward to Council on April 22nd. The 2024 tax notices will be mailed to property owners on May 21st and will include the proposed new tax rates.

To date there have been 198 assessment inquires, less than half of previous years. Committee commented on this significant decrease, which MD Egert attributed largely to efforts of stable assessment results as well as education including sharing relevant information on the City’s website.

Committee received this information.

INFORMATION

3. COMMITTEE OUTSTANDING ITEMS

MD Egert advised that there were no updates to be provided to the existing item on the list.

No new items were added.

INFORMATION

ADJOURNMENT

The meeting adjourned at 4:33 p.m.

Received by City Council on April 22, 2024.

COUNCILLOR R. DUMANOWSKI, CHAIR

L. RANDLE, CITY CLERK

DATE: 2024-04-22	MEETING: REGULAR COUNCIL
DEPARTMENT: FINANCE – SUPPLY CHAIN	REPORT AUTHOR: TIBOR DOMIAN, MANAGER – SUPPLY CHAIN

2023 SUPPLY CHAIN ANNUAL REPORT

EXECUTIVE SUMMARY:

The 2023 Supply Chain Report provides a high-level overview of the City’s procurement, city stores and accounts payable operations.

STRATEGIC ALIGNMENT:

INNOVATION <input checked="" type="checkbox"/>	ECONOMIC EVOLUTION <input type="checkbox"/>	SERVICE ORIENTATION <input checked="" type="checkbox"/>
PARTNERSHIPS & GOVERNANCE <input checked="" type="checkbox"/>	COMMUNITY WELLNESS <input type="checkbox"/>	RESILIENCY & SUSTAINABILITY <input type="checkbox"/>

RECOMMENDATION:

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

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

There are no previous Council motions or directions regarding this report.

BACKGROUND / ANALYSIS:

The 2023 Supply Chain Annual Report gives an overview of the City’s Supply Chain organizational structure and provides a high-level summary of Procurement, City Stores and Accounts Payable, which are the three areas of Supply Chain at the City.

The report describes the different procurement methods that are used at the City, it provides highlights of the open competitions conducted through the year as well as four-year comparative information of purchase order types and values, accounts payable types and values, and an overview of the inventory managed under Supply Chain.

The report also provides a summary of the accomplishments achieved in Supply Chain during 2023 as well as a preview of the new goals and targets set for 2024.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

Internal and external engagement considerations are not applicable to this report.

POTENTIAL RISKS / IMPACTS:

Financial:

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

There is no Financial Impact of this report.

Health, Safety and Environmental:

This item has no HSE implications.

Legal / Legislative / Policy:

This item has no Legal implications.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

Public is informed of this report through Open Committee and Council.

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ALTERNATIVE OPTIONS / PROS AND CONS:

There are no alternatives or options to consider as this item is for information only.

IMPLEMENTATION PLAN:

There is no implementation plan as this item is for information only.

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-03-05
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services/CFO	2024-03-07
ATTACHMENTS:	1: Supply Chain Annual Report 2023 – PPT presentation	

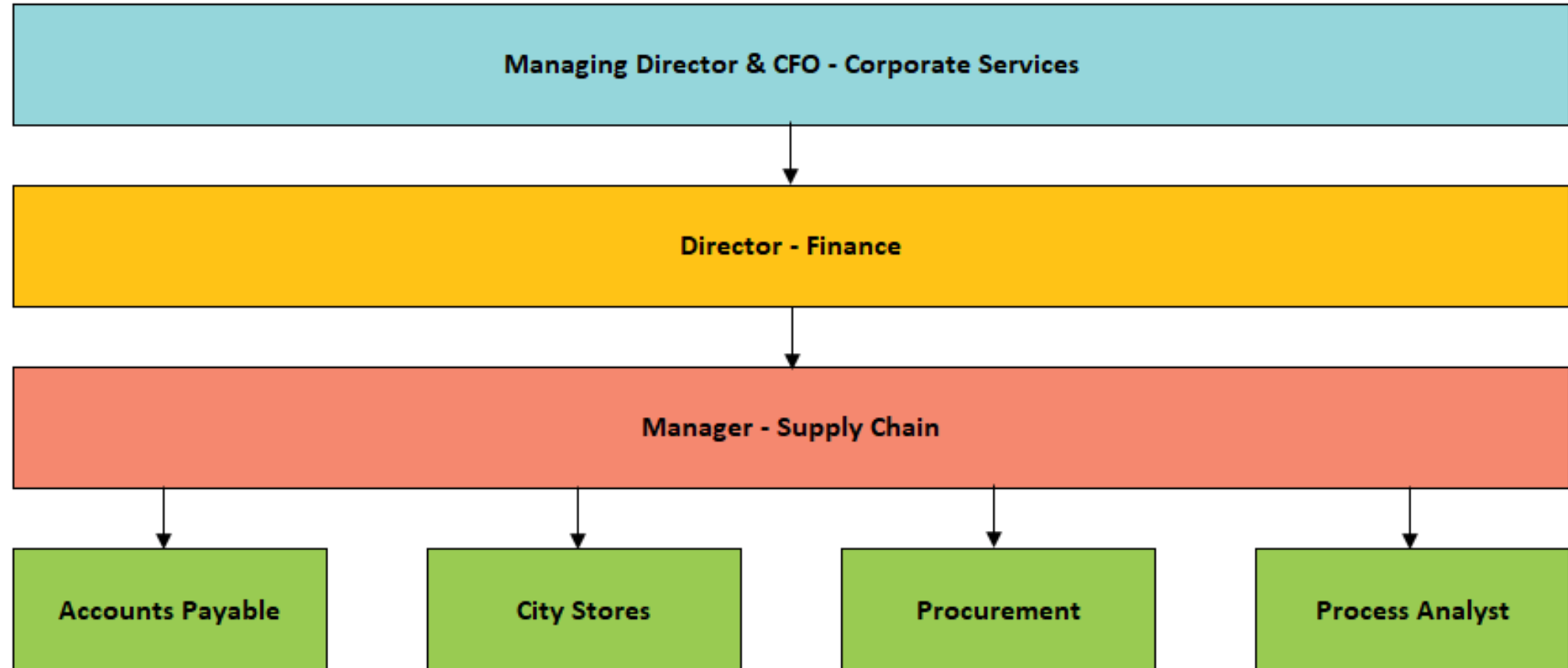


Supply Chain Annual Report 2023

Tibor Domian

Manager – Supply Chain

Supply Chain Team Structure



General framework for procurement at the City

- Public procurement principles (fair, open and transparent process with equal treatment for vendors).
- Internal and external governance (e.g. Trade agreements, City policies and bylaws).
- Proper valuation of the purchase, in order to select the most appropriate approach.
- The objective is to maximize the expected value for taxpayer's dollars and minimize the City's risk, while following the key principals, that guide all procurement decisions and actions.

Procurement Methods at the City

Standard procurement

- Ordering from existing (Citywide or Group Purchasing Org.) contract – no limit up to contract amount
- Low value purchases (PO or P-Card) – up to \$10,000
- Invitational competition* – up to \$75,000 when minimum 3 vendors are invited (*optional process for Departments)
- Open competition – any value over \$10,000

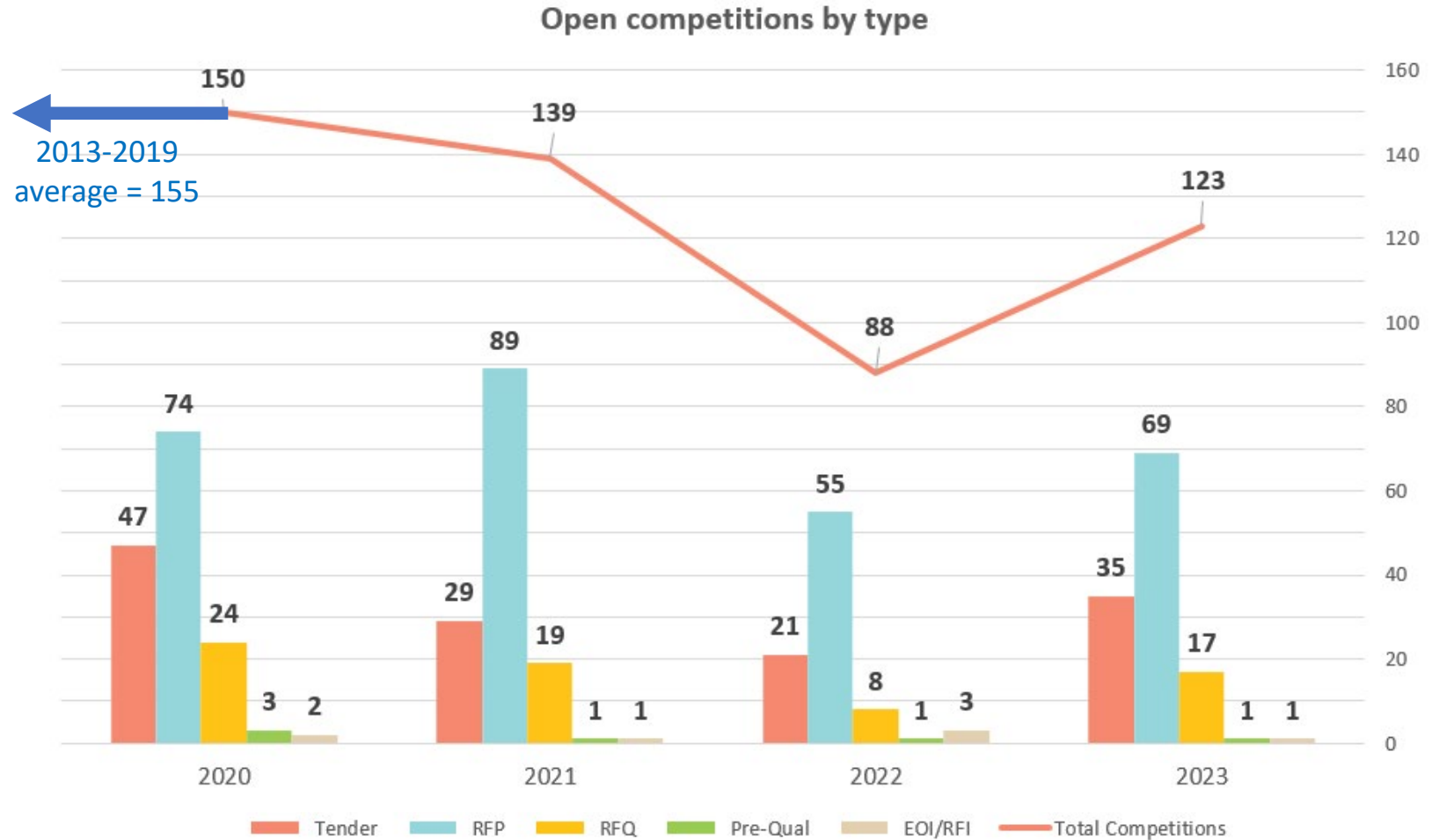
Non-standard procurement

- Non-competitive procurement (Sole Sourcing, Direct Awarding)
- Limited competition

Emergency purchases

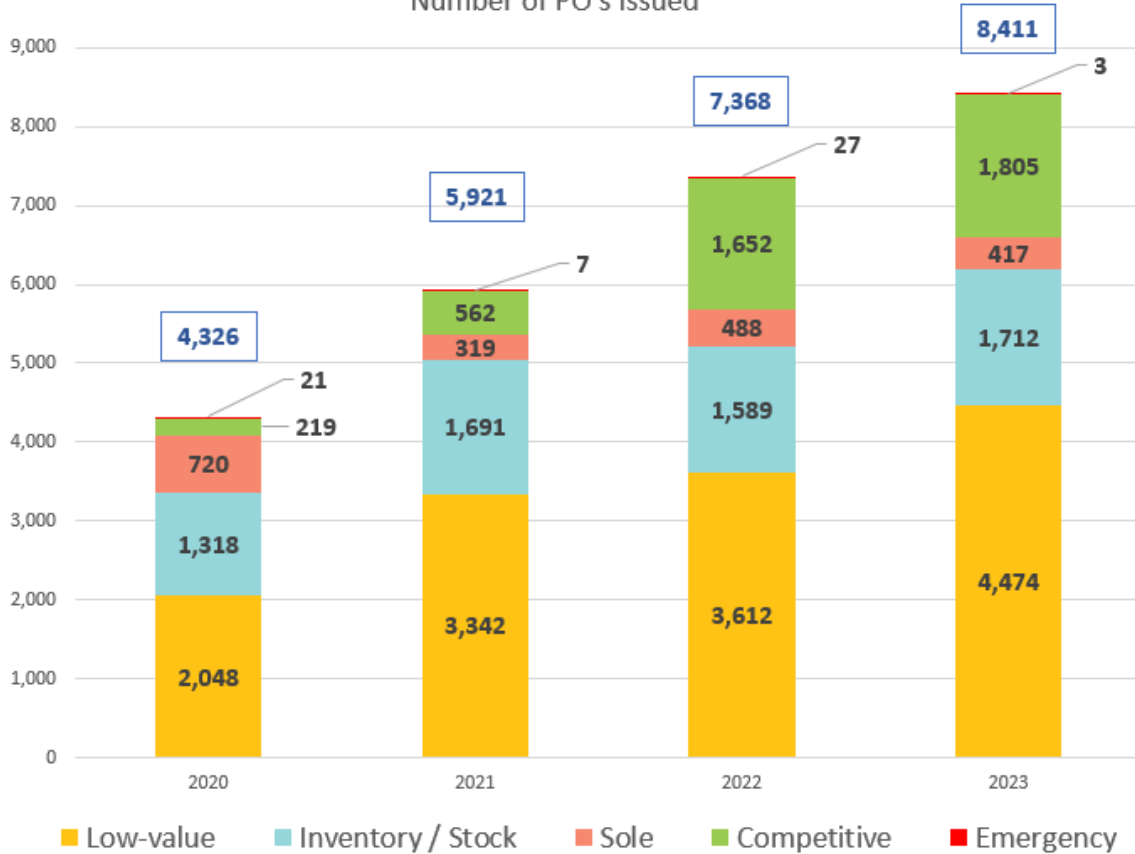
Procurement highlights – Open Competitions

- Competitions: 123
- Suppliers registered: 1376
- Bids received: 491
- Bids per competition: 4.1
- Contracts awarded: 156
- Contracts value: \$73.4M
 - Regional: \$49.6M
 - Provincial: \$19.4M
 - Other: \$4.4M

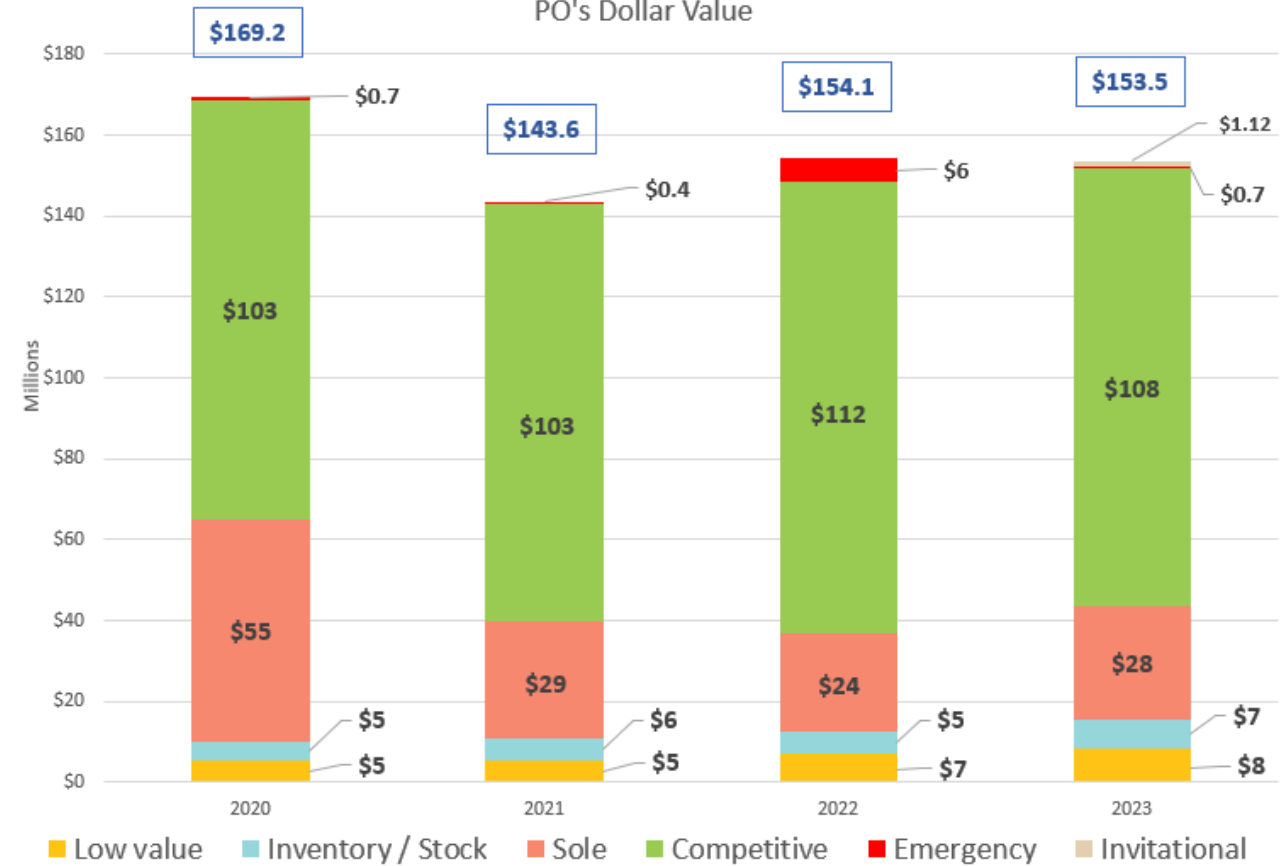


Procurement highlights

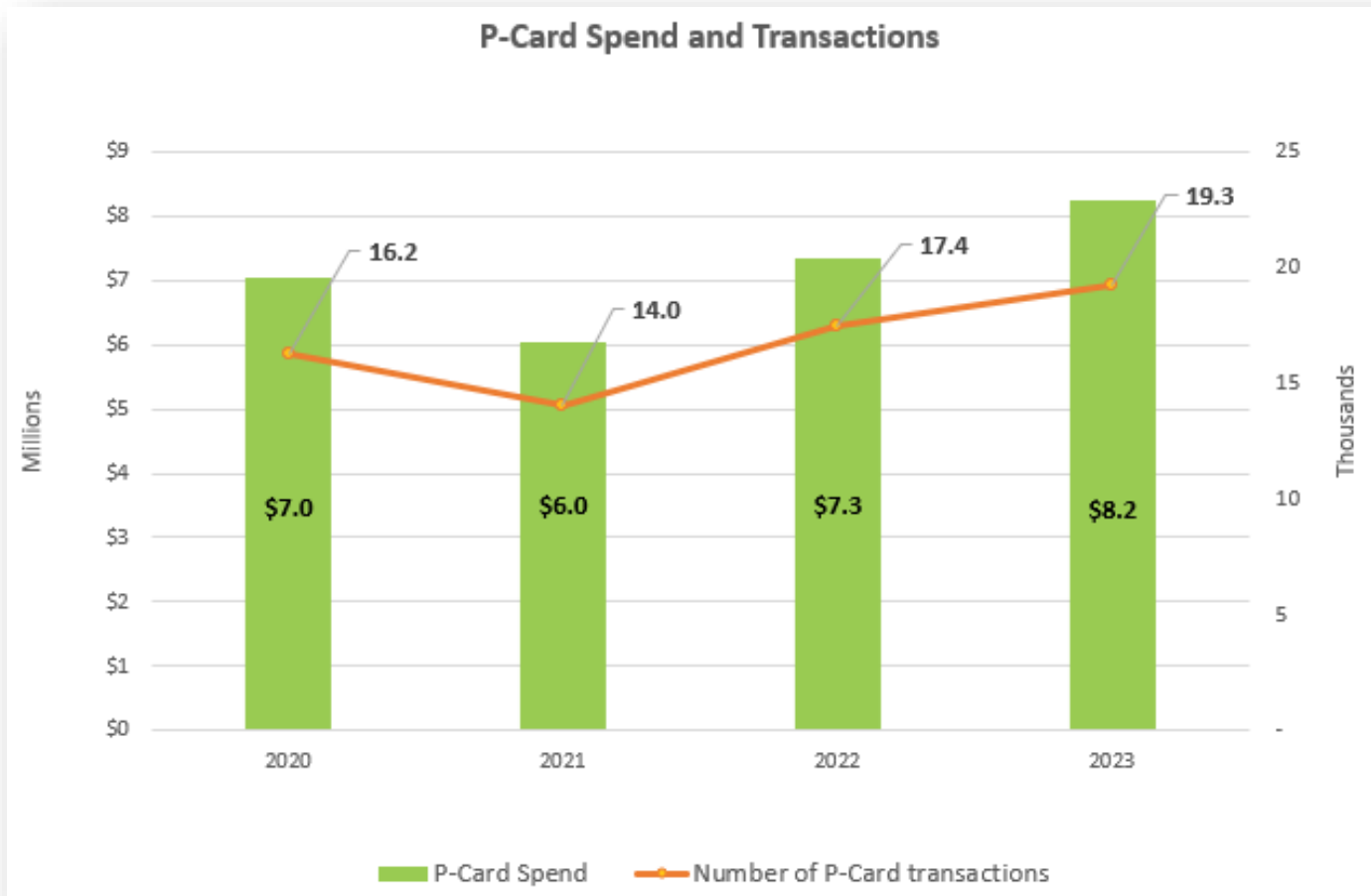
Number of PO's Issued



PO's Dollar Value



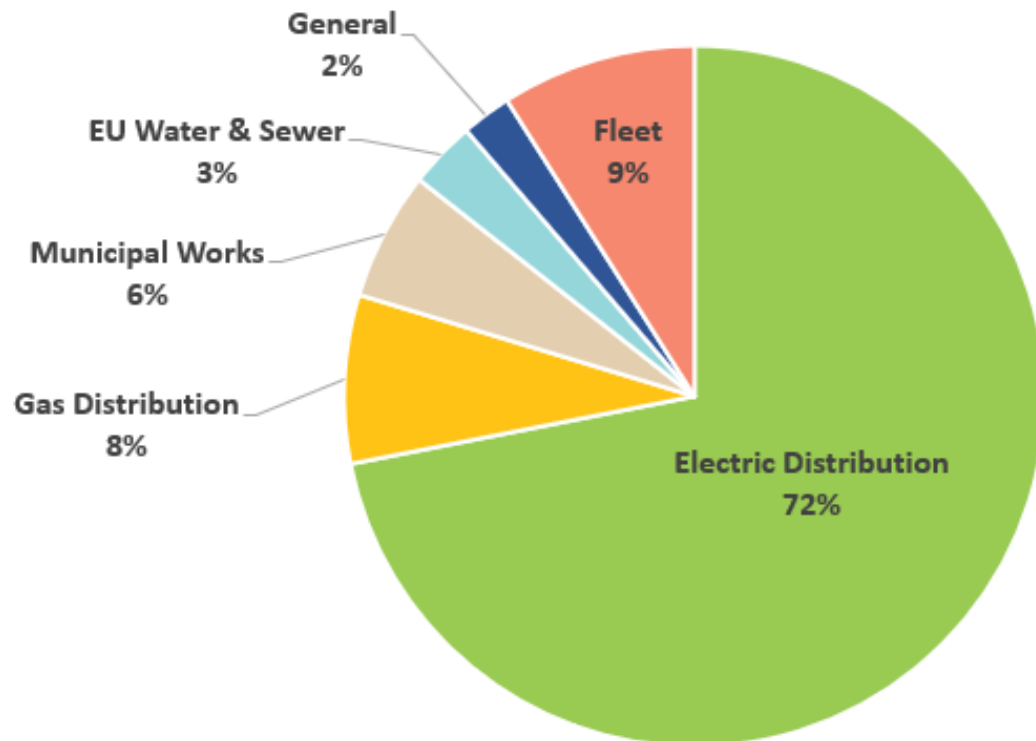
Procurement highlights – P-cards



- No of cardholders: 336
- New online approvals
- Completely paperless process
- Rebate received: \$82K

Inventory/Stores

Total value of inventory as of December 31, 2023: \$8.3M*



Different type of items stored:

Central Stores: 2,761

Fleet Stores: 2,842

Freight and deliveries:

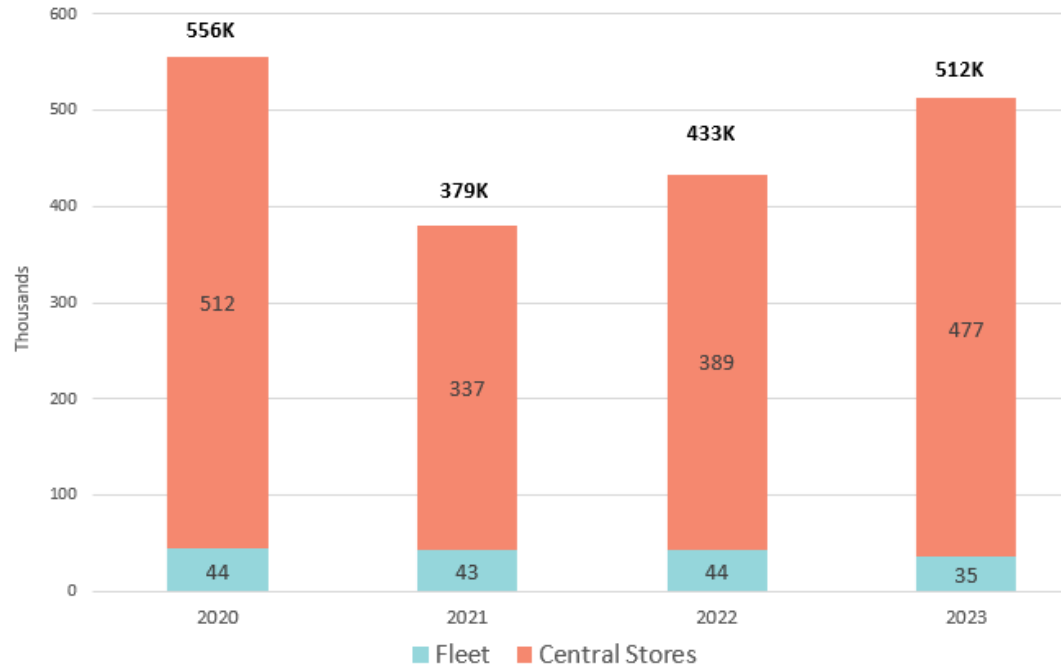
Incoming shipments received: over 2,000

Internal (Departmental) orders delivered: 444

*Note: The summary only includes inventory that is managed by Supply Chain at Fleet and Central Stores. Electric Generation holds about \$9.7M of inventory at their warehouse.

Inventory/Stores

Inventory levels by stock



Inventory levels by value



Challenges:

- Availability and lead-times.
- Price increases.

Accounts Payable

Invoice registrations 2023

24,007 total invoices registered

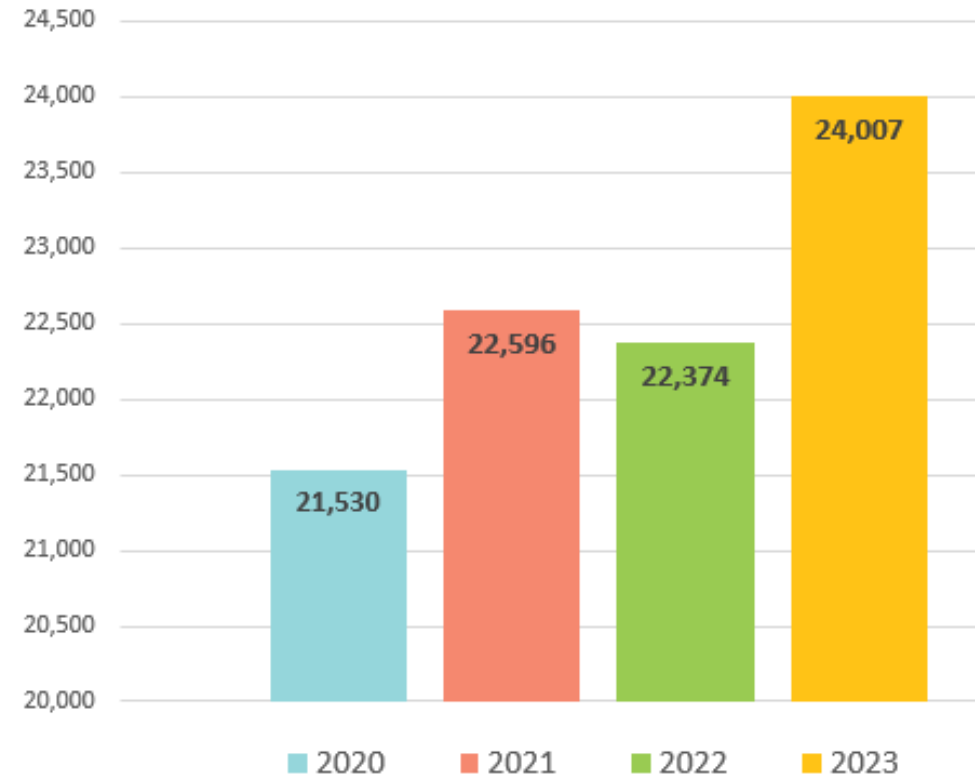
This translates to about:

- 461 weekly
- 96 daily
- about 8,000 per clerk/year

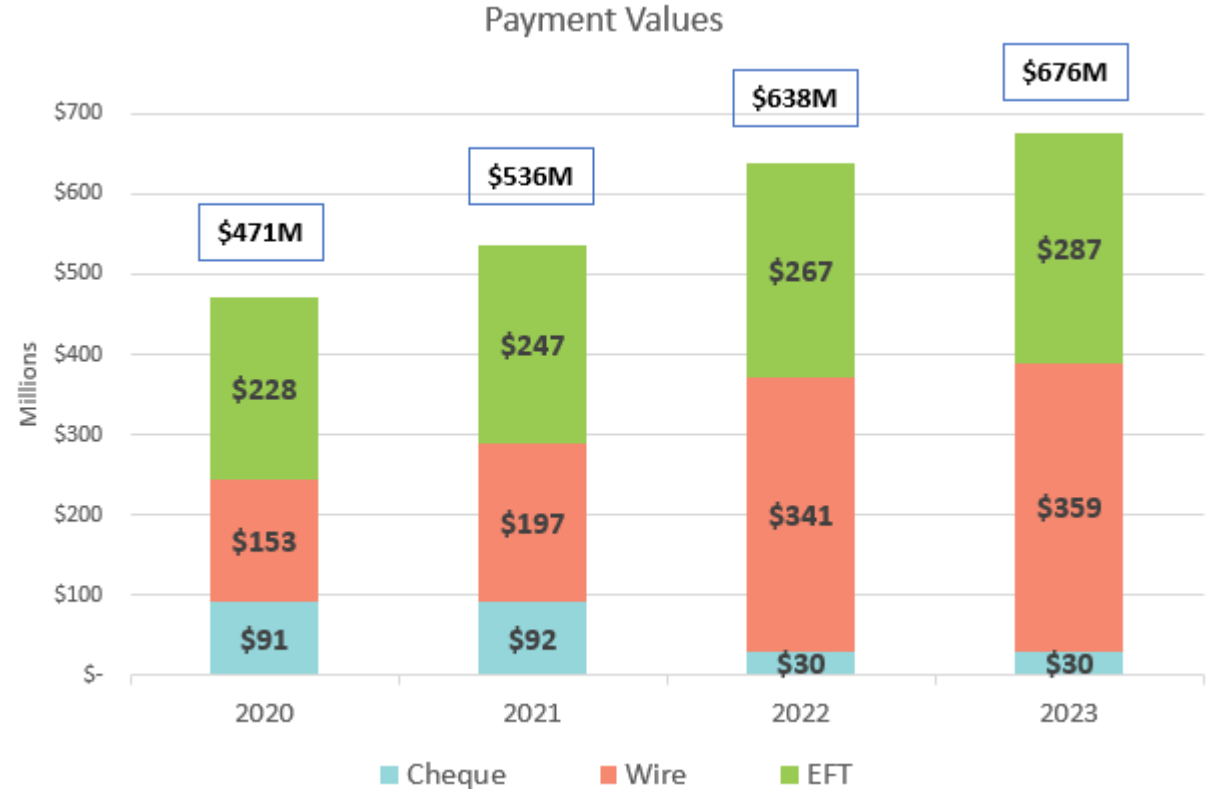
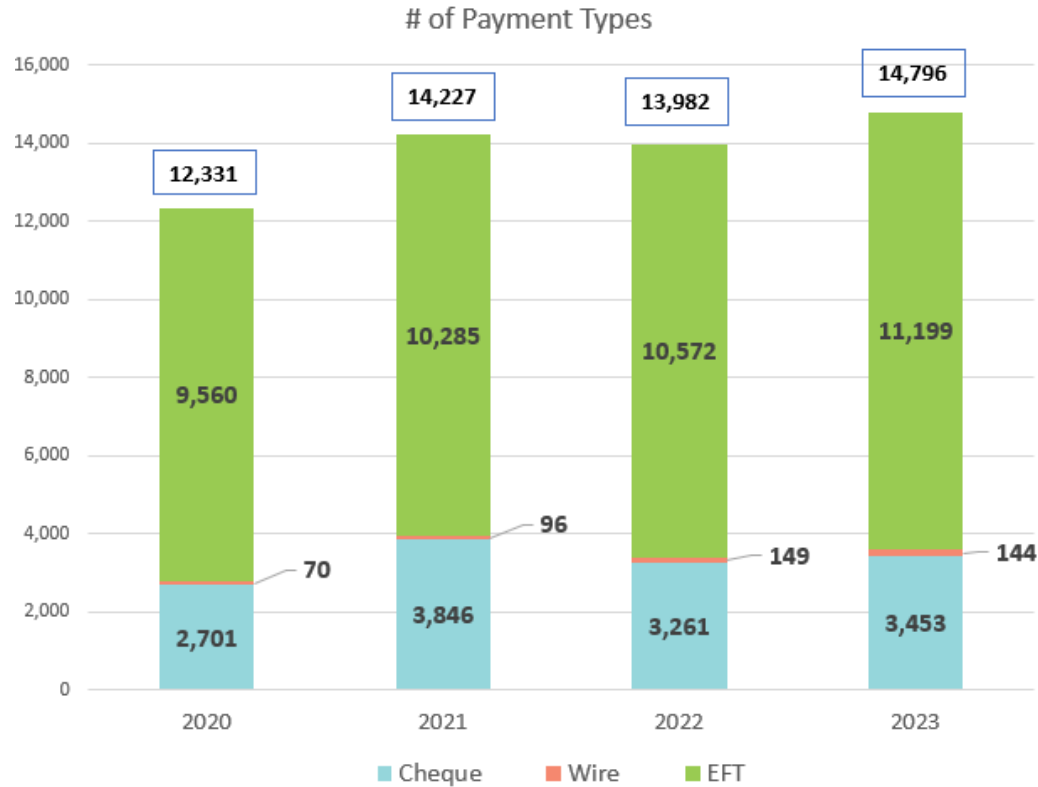
Kanbina AI (new Artificial Intelligence solution):

- 6,841 invoices were registered through Kanbina
- The accuracy of the system is 51%
- Target accuracy is over 85% when system is optimized

Invoices registered annually



Accounts Payable



94% of Supplier payments are on EFT compared to 89% in 2020

Average payment time: 23.77 days

Over 30 days: 7.4%; 0 – 30 days: 92.3 %; Paid early: 0.3%

2023 Accomplishment Highlights

- Accounts Payable AI supported invoice registration project (Kanbina) – went live in August.
- P-card online, electronic approvals project – implementation was completed in October.
- Procurement Policy and Protocols review was completed in August. The recommended changes resulted in updating the Spend and Commitment Authority Policy and Procurement Protocols.
- Continued efforts to establish Citywide contracts. Currently there are 31 different Citywide contracts available with 62 different suppliers.
- Continued efforts with building relationships with internal and external stakeholders:
 - Procurement and Warehouse engagement sessions –11 sessions between March-April.
 - Construction Association and Chamber of Commerce ongoing meetings typically twice a year.

What is coming this year?

- New Procurement Bylaw to delegate the signing of purchasing contracts.
- Procurement 101 training – Animated training videos and basic procurement manual for employees.
- Continue inventory management optimization efforts – Hiring of Inventory Management Supervisor, explore implementing alternative supply mechanisms to right-size current inventory.
- Implement automated AP payment proposal run process to replace the current, manual payment proposal process.
- Kanbina AI optimization – the target is to get to 85% accuracy by the end of the year.
- Continue dialogue with the MH Construction Association and MH Chamber of Commerce through focus group meetings.

Thank You!

Questions?

DATE: 2024-04-22	MEETING: REGULAR COUNCIL
DEPARTMENT: FINANCE	REPORT AUTHOR: LOLA BARTA, DIRECTOR OF FINANCE

2022 GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

EXECUTIVE SUMMARY:

The City of Medicine Hat is the recipient of the Government Finance Officers Association (GFOA) Awards: (i) the Canadian Award for Financial Reporting (CANFR) for the year ending 2022 and (ii) the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ending 2022.

GFOA has once again recognized the City of Medicine Hat as a recipient of the Triple Crown for receiving all three awards in 2022 (CANFR, PAFR, and the Distinguished Budget Presentation Award for its two-year budget beginning January 1, 2023).

STRATEGIC ALIGNMENT:

INNOVATION <input type="checkbox"/>	ECONOMIC EVOLUTION <input type="checkbox"/>	SERVICE ORIENTATION <input type="checkbox"/>
PARTNERSHIPS & GOVERNANCE <input checked="" type="checkbox"/>	COMMUNITY WELLNESS <input type="checkbox"/>	RESILIENCY & SUSTAINABILITY <input type="checkbox"/>

RECOMMENDATION:

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

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

There are no Council motions or directions on this item.

BACKGROUND / ANALYSIS:

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

- The City of Medicine Hat has received the Canadian Award for Financial Reporting (CANFR) for 2022 as well as a Canadian Award for Financial Reporting Achievement.
- The City has received the Popular Annual Financial Report Award (PAFR) for 2022.
- The City received the Distinguished Budget Presentation Award (2023-2024) for its two-year budget beginning January 1, 2023.

The Canadian Award for Financial Reporting has been awarded to the City by GFOA for its annual financial report. The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. Its attainment represents a significant accomplishment by a municipal government and its management.

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

When a Canadian Award for Financial Reporting is awarded to a government, a Canadian Award for Financial Reporting Achievement is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the CANFR. This award has been received by the City and Finance department since 2002 (this is the 21st year in a row).

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

The production of the City’s annual report is the result of the efforts from all departments and assembled by Corporate Communications. This is the 11th consecutive year the City has received this award.

GFOA's Triple Crown recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. The City received the Distinguished Budget Presentation Award for the 2023-2024 budget in 2023, which covers the two-year budget cycle.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

No engagement required. For information only.

POTENTIAL RISKS / IMPACTS:

Financial:

Funding Request:	No	
Budgeted Item:	No	
Funding Explanation:		
Budget Amendment Form?	No	

Health, Safety and Environmental:

There are no safety or environmental impacts.

Legal / Legislative / Policy:

There are no legal impacts.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

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

INFORM <input checked="" type="checkbox"/>	CONSULT <input type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS:

No options as this report is for information only.

IMPLEMENTATION PLAN:

N/A

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-01-18
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services and CFO	2024-01-22
ATTACHMENTS:	#1 – 2022 Canadian Award for Financial Reporting (CANFR) #2 – 2022 Award for Popular Annual Financial Reporting (PAFR) #3 – Distinguished Budget Presentation Award for year beginning January 1, 2023	



Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

City of Medicine Hat

Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Medicine Hat
Alberta**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Medicine Hat
Alberta**

For the Biennium Beginning

January 01, 2023

Christopher P. Morrill

Executive Director

DATE: 2024-04-22	MEETING: REGULAR COUNCIL
DEPARTMENT: FINANCE	REPORT AUTHOR: LOLA BARTA, DIRECTOR OF FINANCE

2023 CAPITAL AND MAJOR OPERATING EXPENSE

OVER EXPENDED/UNDER EXPENDED/CANCELLED AS AT DECEMBER 31, 2023

EXECUTIVE SUMMARY:

Provide information regarding the 2023 Capital and Major Operating Expense (MOE) Project overruns as well as the underspent, and cancelled, as approved by the City Manager.

STRATEGIC ALIGNMENT:

INNOVATION <input type="checkbox"/>	ECONOMIC EVOLUTION <input type="checkbox"/>	SERVICE ORIENTATION <input type="checkbox"/>
PARTNERSHIPS & GOVERNANCE <input type="checkbox"/>	COMMUNITY WELLNESS <input checked="" type="checkbox"/>	RESILIENCY & SUSTAINABILITY <input checked="" type="checkbox"/>

RECOMMENDATION:

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

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

N/A

BACKGROUND / ANALYSIS:

The City of Medicine Hat prepares multi-year capital and operating budgets. Capital and major operating expense budgets are prepared the year before the first year of the multi-year budget. For instance, the 2023-2024 capital and major operating expense budgets were prepared in early 2022. These budgets were based on the current known costs at the time to establish an estimate of costs and assumption for inflation. The budgets were drafted by departments, reviewed by their Managing Directors and submitted to the Administrative Committee for recommendation to City Council for their review and adoption.

As part of the City’s business cycle, City Council is advised of the progress on capital projects through the management reporting process. The information provided in this briefing note summarizes the variances from budget and provides comments on progress as at December 31, 2023.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

Engagement occurred with departments to determine capital project status.

POTENTIAL RISKS / IMPACTS:

Financial:

Funding Request:	No	
Budgeted Item:	Yes	Funding Source: Various
Funding Explanation:	As previously approved	
Budget Amendment Form?	No	

During the year, the City Manager approved the reallocation of funds and funding sources for various capital and major operating expense projects including reallocation of CAO contingency. Please see Attachment #1 for a summary of these projects and reasons behind the changes.

Capital Projects

At December 31, 2023, capital projects of \$23,085,000 were completed and underspent (Attachment #2) and capital projects of \$1,815,000 were complete and overspent (Attachment #3). There were four cancelled projects amounting to \$1,107,000 (Attachment #4).

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

Department (in \$000's)	Approved Budget	Expenses	Remaining Budget	Remaining Budget Appropriated		
				Completed Overspent	Completed Underspent	Cancelled
Municipal	\$ 40,254	\$ 38,418	\$ 1,836	\$ (342)	\$ 1,071	\$ 1,107
Police	490	448	42	(10)	52	-
Land	1,218	1,222	(4)	(4)	-	-
Environmental Utilities	17,409	17,660	(251)	(405)	154	-
UDS	7,515	7,395	120	(222)	342	-
Electric Generation	82,634	69,876	12,758	(815)	13,573	-
NGPR	16,984	9,108	7,876	(17)	7,893	-
Total	\$ 166,504	\$ 144,127	\$ 22,377	\$ (1,815)	\$ 23,085	\$ 1,107

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

The following table is a summary of funding required for over expended projects (in \$000's):

Infrastructure Reserve Loan	\$ 10
Community Capital Reserve	17
Transfer From Operating	1,216
Debenture	70
Third Party Contributions	495
Grants	7
Total	\$ 1,815

Major Operating Expense (MOE) Projects

At December 31, 2023, there were MOE projects totaling \$627,000 (see Attachment #6) that were complete and underspent and projects totaling \$127,000 that were complete and overspent (Attachment #7).

The following table shows the projects by major business unit:

Department	Approved Budget	Expenses	Remaining Budget	Remaining Budget Appropriated		
				Completed Overspent	Completed Underspent	Cancelled
Municipal	\$ 2,082	\$ 1,582	\$ 500	\$ (127)	\$ 627	\$ -
Total	\$ 2,082	\$ 1,582	\$ 500	\$ (127)	\$ 627	\$ -

Funding sources from the underspent projects are matched to the overspent projects that have an existing similar funding source. The funding of \$127,000 required for over expended projects was from the infrastructure reserve and operating. Any remaining funding not used is returned to its original funding source.

Health, Safety and Environmental:

There are no HSE impacts.

Legal / Legislative / Policy:

There are no legal impacts.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

Public is informed of all the City Manager approvals at the end of the year through an information briefing note to council.

INFORM <input checked="" type="checkbox"/>	CONSULT <input type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
--	--	--	--	--

ALTERNATIVE OPTIONS / PROS AND CONS:

There are no alternative options to consider as projects are completed, and funds have been spent.

IMPLEMENTATION PLAN:

Subject to City Manager approval, the budgets will be reallocated as indicated above. Any remaining funding not used is returned to its original funding source.

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-03-08
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services & CFO	2024-03-11
ATTACHMENTS:	#1: Summary of City Manager Capital/MOE Reallocation Approvals at 12-31-2023 #2: Summary of Completed and Under-Spent Capital Projects at 12-31-2023 #3: Summary of Completed and Over-Spent Capital Projects at 12-31-2023 #4: Summary of Cancelled Capital Projects at 12-31-2023 #5: Summary of Completed and Under-Spent MOE Projects at 12-31-2023 #6: Summary of Completed and Over-Spent MOE Projects at 12-31-2023	

Summary of City Manager Capital/MOE Reallocation Approvals
as at December 31, 2023
(in thousands of dollars)

Attachment #1

Department	Project Description	Original Approved Budget \$	Approved Reallocation \$	New Budget Amounts \$	Original Funding Source	New Funding Source	Reason for Change in Funding Source
Information Technology	ITD 2023 Hybrid Collaboration Technology and Meeting Rooms Leveraging	-	164	164	N/A	CAO Contingency	New project
Municipal Works	CAS-Surface-TCA WO-Downtown Pedestrian Underpass	-	20	20	N/A	CAO Contingency	New project
Fire and Emergency Services	FES - 2023 TCA - Eventide Recorder Refresh	-	71	71	N/A	CAO Contingency	New project
Fleet & Facilities	FFD FM 2023 City Hall Security, Space & Furnishings, Fixtures and Equipment Upgrades	-	565	565	N/A	CAO Contingency	New project
Planning & Development Services	CPL - 2023 MOE - Active Transportation Plan	125	-	125	Operating	Government Grant	Operating funding was changed by the CAO to grant funds.
Fleet & Facilities	COP - FLT - 2023 - Mobile Capital	570	62	632	Fleet Reserve	Government Grant	Reallocation of surplus grant funds
Community Development	CDV TCA 2020 Transit scheduling system	250	(62)	188	Reserve/Government Grant	Reserve/Government Grant	
Finance	FIN MOE 2018 Cogsdale Customer Service Mgmt (CSM) System	115	(73)	42	Operating	Operating	Reallocation of unused budget funds from completed and underspent MOE projects
	FIN Cogsdale Customer Service Management (CSM) System 2020	50	(32)	18	Operating	Operating	
	FIN Cogsdale Customer Service Management (CSM) System 2022	105	(105)	-	Operating	N/A	
	FIN-MOE-2023 ERP Optimization and Enhancements	375	210	585	Operating	Operating	
	FIN Flex-Suite Upgrades - Assessment & Tax 2019	70	(11)	59	Operating	Operating	
	FIN Flex-Suite Upgrades - Assessment & Tax 2020	106	(106)	-	Operating/Government Grant	N/A	
	FIN Flex-Suite Upgrades - Assessment & Tax 2021	106	(103)	3	Operating/Government Grant	Government Grant	
	FIN Flex-Suite Upgrades - Assessment & Tax 2022	74	220	294	Operating	Operating/Government Grant	
Environment, Land & Gas Production	Well Repair And Abandonments 2016 (Gas)	661	(95)	566	Reserves	Reserves	Reallocation of unused budget funds from completed and underspent capital projects
	Well Repair And Abandonments 2017 (Gas)	2,124	(300)	1,824	Reserves	Reserves	
	Well Repair And Abandonments 2018 (Gas)	1,232	(395)	837	Reserves	Reserves	
	Abandonments 2019 (Gas)	4,897	450	5,347	Reserves	Reserves	
	Abandonments 2021 (Gas)	2,447	(1,000)	1,447	Reserves	Reserves	
	Abandonments 2022 (Gas)	2,447	4,590	7,037	Reserves	Reserves	
	Abandonments 2023 (Gas)	3,500	50	3,550	Reserves	Reserves	
	Facility & Pipeline Repair & Abandonment 2017 (Gas)	1,180	(400)	780	Reserves	Reserves	
	Facility & Pipeline Repair & Abandonment 2018 (Gas)	791	(350)	441	Reserves	Reserves	
	Pipelines 2019 (Gas)	200	(50)	150	Working Capital	Working Capital	
	Surface Lease Abandonment 2020 (Gas)	98,188	(10,000)	88,188	Reserves	Reserves	
	Surface Lease Abandonment 2021 (Gas)	3,353	(3,000)	353	Reserves	Reserves	
	Surface Lease Abandonment 2022 (Gas)	3,353	10,500	13,853	Reserves	Reserves	
	NGPR 2022 Geological & Geophysical	16,000	(4,950)	11,050	Reserves/Working Capital/Government Grant	Reserves/Working Capital	
	EGD TCA - 2023 Clear Horizon	-	4,950	4,950	N/A	Government Grant	
Environmental Utilities	2020 Misc Water Distribution Upgrades	250	(20)	230	Working Capital	Working Capital	Reallocation of unused budget funds from completed and underspent capital projects
	2021 Miscellaneous Water Distribution Upgrades	250	20	270	Working Capital	Working Capital	
	2021 Water Mains Replacement - AMP	5,000	(520)	4,480	Debenture	Debenture	
	2023 Water Mains Asset Management Program	3,000	520	3,520	Debenture	Debenture	
	2021 Brier Park Gravity ByPass	400	(32)	368	Debenture	Debenture	
	2023 Brier Park Gravity Bypass	5,400	32	5,432	Debenture	Debenture	
	2021 Sewer Mains Asset Management Program	3,000	(415)	2,585	Debenture	Debenture	
	2023 Sewer Mains Asset Management Program	3,000	415	3,415	Debenture	Debenture	
Total		\$ 162,619	\$ 820	\$ 163,439			

**Summary of Completed and Under-Spent Capital Projects
as at December 31, 2023
(in thousands of dollars)**

#2

Attachment #2

Department	Project Description	Approved Budget	Expenses	Under Spent	Original Funding Source	FUNDING SOURCE:						Total	
						Internal Loan	Operating	Grant	Debenture	Reserves	Third Party		AROWC
Fleet Services	2023 - Mobile Capital (Units: 4444, 4459, 41, 54, 74, 81 and 640)	521	444	77	Fleet Reserve					77			77
	2022 - Mobile Capital (Units: 6612, 40, 51, 56, 71, 77 and 99)	639	568	71	Fleet Reserve					71			71
	2021 - Mobile Capital (Unit: 381)	595	595	-	Gran/Fleet Reserve					-			-
	2017 - SRVS AVL System	25	6	19	Fleet Reserve					19			19
	2019 - Mobile Capital (Unit 361)	402	287	115	Gran/Fleet Reserve					115			115
Facilities Management	2020 FLC Cogeneration	884	839	45	Grant/Community Capital Reserve					45			45
	2020 Gas City Campground & Crestwood Pool – fire & security alarms	95	67	28	Grant/Debenture				28				28
	2020 Esplanade & Family Leisure Centre – hot water tanks	75	66	9	Grant/Debenture				9				9
	2022 Moose Ice Slab Replacement	1,200	1,113	87	Infrastructure Reserve					87			87
	2019 Infrastructure Rehab Program	2,043	2,015	28	Grant/Internal loan/CAO Contingency	28							28
Information Technology	2021 CFDS - Citizen Digital Facing Transformation	880	877	3	Operating/Internal loans	3							3
	ICS TCA 2020 CFDS – Mobile App for City Hall Services – Due Dec 31/21	500	499	1	Grant/Reserve					1			1
Municipal Works	CAS-Surface-2023 TCA WO-Downtown Pedestrian Underpass	20	20	-	CAO Contingency					-	200		-
	MW 2020 - Rail Crossing Upgrades	400	200	200	Internal Loan / 3rd Party								200
	MW 2020 - South Railway Trail	500	427	73	MSP			73					73
	MWD Capital 2020 Trail Rehabilitation & Pedestrian/Cycling Trail Development – 2 locations – Due Dec 31/21	800	772	28	ICIP/MSI			28					28
	CAS TCA WO 2022 Storm Sewer Replacement/Renewal Program	1,920	1,920	-	MSI			-					-
	MWD TCA WO 2020 Bridge Repair / Rehab Program	2,260	2,230	30	MSI			30					30
Police	POL TCA 2022 WO - Information Technology Equipment	95	43	52	Operating		52						52
Community Development	CDV TCA 2020 Transit electronic fair collection – Due Dec 31/21	450	391	59	Grant/ Infrastructure Reserve			47		12			59
Parks and Recreation	PKRC - 2023 TCA - Medicine Hat Curling Club	870	870	-	Infrastructure Reserve								-
	PKRC - 2023 TCA - EDRP Improvement Program	750	750	-	Grant								-
	PKRC TCA 2021 - South Saskatchewan River Recreation Opportunities Program	100	100	-	Operating								-
	PKRC TCA 2021 - Hillside Cemetery Irrigation System Rehabilitation - Phase 2	400	400	-	Operating								-
	PKRC TCA 2021 - Rec Fitness Equip Replacement Program	200	200	-	Community Capital Reserve								-
	PKRC TCA 2020 - Bridge Rehabilitation Program	600	600	-	Grant								-
	PKRC TCA 2020 - Hillside Cemetery Columbarium Program - Phase 1	400	400	-	Grant								-
	PKRC TCA 2020 - Hillside Cemetery Irrigation System Rehabilitation	400	400	-	Grant								-
	PKRC TCA 2018 - Ball Diamond Dugout Replacement (Lions Park)	150	94	56	Grant			56					56
	PKRC TCA 2018 - Echo Dale WTP Infrastructure Upgrades	100	100	-	Grant								-
	PKRC TCA 2021 WO - Infrastructure Rehab Program	2,565	2,565	-	Debenture/Internal loan								-
	PKRC TCA 2020 - South Saskatchewan River Recreation Opportunities Program	1,925	1,783	142	Grant/Debenture/Operating/Infrastructure Reserve		20	110	12				142
Water	2020 Misc Water Distribution Upgrades	230	230	-	Operating/Working Capital		-						-
	2021 Water Meters	200	194	6	Operating/Working Capital		6						6
	2020 Water Systems Reinforcement Program	500	472	28	Operating/Working Capital		28						28
	2019 Miscellaneous Water Distribution Upgrades	216	206	10	Operating/Working Capital		10						10
	WTP - 2021 Sustaining Capital	100	100	-	Operating/Working Capital		-						-
	WTP - Valve Upgrades (2019)	250	235	15	Operating/Working Capital		15						15
	2021 Water Mains Replacement - AMP	4,480	4,416	64	Debenture				64				64
	WTP - Solids Handling Facility	3,000	3,000	-	Debenture				-				-
Sewer	2021 Brier Park Gravity ByPass	368	367	1	Debenture					1			1
	2022 Brier Park Gravity ByPass	5,400	5,383	17	Grant			17					17
	2021 Sewer Mains Asset Management Program	2,585	2,584	1	Debenture					1			1
Solid Waste	EU-2023-TCA-Collections Carts & Bins Program	80	68	12	Operating/Working Capital		12						12
UDS - Gas Distribution	2023 New Services	32	32	-	Operating/Working Capital		-						-
	2022 New Services	150	150	-	Debenture					-			-
	2022 Meters	168	168	-	Operating/Working Capital		-						-
	2022 Cathodic Protection	130	71	59	Operating/Working Capital		59						59
	2022 Asset & Integrity	41	41	-	Debenture					-			-
	2022 Transmission Mains	160	160	-	Debenture					-			-
	2022 Mains Extension & Replacement	329	329	-	Debenture					-			-
	2021 Asset & Integrity	455	455	-	Debenture					-			-
	2021 Meters	431	421	10	Debenture					10			10
	2020 Cathodic Protection	71	11	60	Operating/Working Capital		60						60
	2020 Asset & Integrity	64	60	4	Debenture					4			4
	2020 Meters	130	70	60	Operating/Working Capital		60						60
	2019 Regulating Stations	124	124	-	Operating/Working Capital		-						-
	2018 Communication Management System	110	68	42	Operating/Working Capital		42						42

**Summary of Completed and Under-Spent Capital Projects
as at December 31, 2023
(in thousands of dollars)**

Department	Project Description	Approved Budget	Expenses	Under Spent	Original Funding Source	FUNDING SOURCE:						Total	
						Internal Loan	Operating	Grant	Debenture	Reserves	Third Party		AROWC
UDS - Electric Distribution	2023 New Service Installs	116	116	-	Operating/Working Capital		-						-
	2023 Six Channel Relay Set	110	92	18	Operating/Working Capital		18						18
	2022 13 KV Underground Distribution Systems	258	258	-	Debenture								-
	2022 New Distribution Services	282	282	-	Debenture								-
	2022 13 KV Overhead Distribution Systems	132	132	-	Debenture								-
	2021 13 KV Overhead Distribution Systems	581	581	-	Debenture								-
	2021 New Distribution Services	255	255	-	Debenture								-
	2021 Meters	253	250	3	Operating/Working Capital		3						3
	2021 13 kV Underground Distribution Systems	243	243	-	Debenture								-
	2020 13 KV Underground Distribution Systems	46	46	-	Debenture								-
	2018 13 KV Overhead Distribution Systems	59	19	40	Debenture				40				40
	2018 Substations - Protection Systems	174	132	42	Debenture				42				42
	2018 13 KV Underground Distribution Systems	96	96	-	Debenture				-				-
	2017 Tools & Equipment	100	96	4	Debenture				4				4
	Electric Generation	Unit 12 & 3R UPS Replacement	560	302	258	Operating/Working Capital		258					
Server Upgrade		450	407	43	Operating/Working Capital		43						43
69 kV Yard Breaker Replacement Study		3,550	3,484	66	Operating/Working Capital		66						66
Unit 17		66,000	52,911	13,089	Debenture & Grant				13,089				13,089
Unit 16 Sump Evacuation System (SES)		357	240	117	Operating/Working Capital		117						117
Gas Production	2022 Facilities	2,010	-	2,010	Depletion					2,010			2,010
	2022 Office Equipment	25	-	25	Operating/Working Capital		25						25
	2021 Wells	1,300	262	1,038	Operating/Working Capital		1,038						1,038
	2021 Drilling & Completions	450	-	450	Depletion					450			450
	2021 Facilities	610	-	610	Operating/Working Capital		610						610
	2021 Office & Equipment	25	-	25	Operating/Working Capital		25						25
	2020 Wells	1,300	222	1,078	Depletion					1,078			1,078
	2020 Pipelines	1,800	70	1,730	Depletion					1,730			1,730
	2020 Facilities	500	17	483	Depletion					483			483
	2020 Office & Equipment	2	1	1	Operating/Working Capital		1						1
	2019 Wells	900	525	375	Operating/Working Capital		375						375
	2019 Acquisitions & Investments	108	108	-	Operating/Working Capital		-						-
	2019 Pipelines	150	148	2	Operating/Working Capital		2						2
	2019 Facilities	621	621	-	Operating/Working Capital		-						-
	2018 Well Repair & Abandonments	837	833	4	ARO/Depletion							4	4
	2017 Well Repair & Abandonments	1,824	1,810	14	ARO/Depletion							14	14
	2016 Well Repair & Abandonments	566	563	3	ARO/Depletion							3	3
2018 Facility & Pipeline Repair & Abandonment	441	440	1	ARO/Depletion							1	1	
2017 Facility & Pipeline Repair & Abandonment	780	736	44	ARO/Depletion							44	44	
ELGP - Land	2015 Unspecified Planning and Engineering	150	150	-	Operating/Working Capital								-
	2019 Unspecified Planning and Engineering	150	150	-	Operating/Working Capital								-
Total		\$ 130,739	\$ 107,654	\$ 23,085		\$ 31	\$ 2,945	\$ 361	\$ 13,304	\$ 6,178	\$ 200	\$ 66	\$ 23,085

**Summary of Completed and Over-Spent Capital
as at December 31, 2023
(in thousands of dollars)**

Department	Project Description	Approved Budget	Expenses	Over Spent Amount	Recommended Funding Source	Explanation	FUNDING SOURCE :						Total
							Internal Loan	Debenture	Grant	Operating	Reserves	Third Party	
Information Technology	ICS TCA 2021 CIP - Budget Only	1,670	1,676	6	Operating	Minor Cost Overrun				6			6
Facilities Management	2021 Animal Control facility	960	961	1	Operating	Minor Cost Overrun				1			1
	2022 Infrastructure Rehab Program	972	991	19	Operating	Minor Cost Overrun				19			19
	2017 ICS Data Centre HVAC Redundancy	525	595	70	Operating	Inflationary cost pressures				70			70
	2021 Infrastructure Rehab Program	1,900	1,948	48	Operating	Minor Cost Overrun				48			48
	2020 533 1st St SE - Addition	2,150	2,181	31	Operating	Minor Cost Overrun				31			31
	2020 Airport Terminal, Fleet, Tennis Club, Parks – roof replacement	750	784	34	Debenture	Minor Cost Overrun		34					34
	2020 Family Leisure Centre & Police – rooftop, makeup air, & air handling units	530	535	5	Debenture	Minor Cost Overrun		5					5
Municipal Works	MWD TCA WO 2020 Sidewalk Rehabilitation – Due Dec 31/21	1,001	1,008	7	ICIP/MSI	Minor Cost Overrun			7				7
ELGP - Land	2022-817 2nd ST SE Purchase	168	170	2	Operating	Minor Cost Overrun				2			2
	2008 Unspecified Open Market Acquisitions	750	752	2	Operating	Minor Cost Overrun				2			2
Fire & Emergency Services	FES - 2023 TCA - Live Fire Advanced Training System addition	40	59	19	Operating	Minor Cost Overrun						19	19
Police	POL-IT-2023-Server /Storage Refresh	395	405	10	Internal loan	Minor Cost Overrun	10						10
Parks & Recreation	PKRC TCA 2019 - Community Partnership Requests	600	671	71	Third Party	Minor Cost Overrun						71	71
	PKRC TCA 2020 - Pedestrian Bridge Deck Repair/Replacement, Sealing, Painting – 7 locations – Due Dec 31/21	2,025	2,054	29	Debenture	Minor Cost Overrun		29					29
	PKRC TCA 2019 - Infrastructure Rehab Program	3,355	3,357	2	Debenture	Minor Cost Overrun		2					2
Gas Distribution	2021 Mains Extension & Replacement	1,638	1,817	179	Operating	Inflationary cost pressures				179			179
Gas Production	2021 Acquisitions & Investments	20	36	16	Depletion	Minor Cost Overrun					16		16
	2016 Non-Operated	2,715	2,716	1	Depletion	Minor Cost Overrun					1		1
Electric Distribution	2019 Substations	777	820	43	Operating	Inflationary cost pressures				43			43
Electric Generation	T5R GSU Replacement	1,850	1,997	147	Operating	Cost overrun on transformer removal				147			147
	Blackstart Improvements	1,100	1,217	117	Operating	Inflationary cost pressures on cable				117			117
	Unit 15 Hot Section Replacement	5,267	5,701	434	Operating	Cost overrun due to unloading difficulties				434			434
	Unit 10 Hot Section Replacement	3,500	3,617	117	Operating	Cost overrun due to found work during inspection				117			117
Water	EUD - 2023 FAC - Heron Crossing	-	255	255	Third Party	Donated asset						255	255
	EU - 2023 TCA - Chinook Greenhouses	-	150	150	Third Party	Donated asset						150	150
Total		\$ 34,658	\$ 36,473	\$ 1,815			\$ 10	\$ 70	\$ 7	\$ 1,216	\$ 17	\$ 495	\$ 1,815

Summary of Cancelled Capital Projects
as at December 31, 2023

(in thousands of dollars)

Department	Project Description	Approved Budget	Original Funding Source	Explanation	FUNDING SOURCE:	
					Reserves	Total
Fleet Services	FFD - FLT - 2023 - Mobile Capital (Unit 4432)	87	Fleet Reserve	Unit no longer required	87	87
	FFD FLT - 2022 MTCA's (Units: 511, 212, 289, 4451 and 4498)	610	Fleet Reserve	Units no longer required	610	610
	FFD FLT - 2021 MTCA's (Units: 408 and 434)	190	Fleet Reserve	Units no longer required	190	190
	FFD FLT - 2019 MTCA's (Units: 523 and 560)	220	Fleet Reserve	Units no longer required	220	220
Total		\$ 1,107			\$ 1,107	\$ 1,107

**Summary of Completed and Under-Spent MOE Projects
as at December 31, 2023
(in thousands of dollars)**

Department	Project Description	Approved Budget	Expenses	Under Spent	Original Funding Source	FUNDING SOURCE:			Total
						Third Party	Operating	Reserves	
Finance	COVID Hat Support Framework - Local Business Reinvestment	1,000	428	572	Tax Rate Stabilization Reserve			572	572
Facilities Management	CAM FM City Hall Functional Planning (1030)	75	72	3	Operating		3		3
Planning & Development Services	PDS MOE 2018 INTER-MUNICIPAL COLLABORATIVE FRAMEWORK	260	225	35	Grant & 3rd Party	35			35
Parks & Recreation	PKRC MOE 2019 WO - Environmental Protection Coy fish removal from Ponds	50	34	16	Grant	16			16 -
Community Development	CDV - Admin - MOE 2020 WO - Community Vibrancy Grant	67	66	1	Operating		1		1
Total		\$ 1,452	\$ 825	\$ 627		\$ 51	\$ 4	\$ 572	\$ 627

**Summary of Completed and Over-Spent MOE Projects
as at December 31, 2023**

(in thousands of dollars)

Department	Project Name	Approved Budget	Expenses	Over Spent	Recommended Funding Source	Explanation	FUNDING SOURCE:		Total
							Infrastructure Reserve	Operating	
Facilities Management	2018 CAM MOE - Lean Project Implementation (1030)	120	156	36	Infrastructure Reserve	Inflationary cost pressures	36		36
Community Development	CDV - 2023 MOE - Table replacement	50	55	5	Operating	Minor Cost Overrun		5	5
Parks and Recreation	PKRC MOE 2019-21 - Parks Planning & Development Plans	460	546	86	Operating	Inflationary cost pressures		86	86
Total		\$ 630	\$ 757	\$ 127			\$ 36	\$ 91	\$ 127

DATE: 2024-04-22
MEETING: REGULAR COUNCIL
DEPARTMENT: FINANCE
**REPORT AUTHOR: LOLA BARTA,
DIRECTOR OF FINANCE**

**CAPITAL PROJECTS AND MAJOR OPERATING EXPENSE (MOE)
CARRY FORWARDS AS AT DECEMBER 31, 2023**

EXECUTIVE SUMMARY:

Provide information regarding the prior year and current year Capital and Major Operating Expense (MOE) Projects that are incomplete at December 31, 2023 and will be carried forward into 2024, as approved by the City Manager.

STRATEGIC ALIGNMENT:

INNOVATION	ECONOMIC EVOLUTION	SERVICE ORIENTATION
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PARTNERSHIPS & GOVERNANCE	COMMUNITY WELLNESS	RESILIENCY & SUSTAINABILITY
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

RECOMMENDATION:

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

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

There are no previous motions from Council.

BACKGROUND / ANALYSIS:

The City of Medicine Hat prepares multi-year capital and major operating expense budgets. The projects are approved by Council and prepared the year before the first year of the multi-year budget. For instance, the 2019-2022 capital and major operating expense budgets were prepared in early 2018. These budgets were based on information known at that time. Departments have initiated these projects but due to several circumstances some projects have had to be delayed or deferred into future years.

As part of the City's business cycle, City Council is advised of the progress on capital projects through the management reporting process during the fiscal year. The management reporting process provides variances from budget and provides comments on progress on a business unit basis. The information provided in this briefing note summarizes the capital and major operating expense requests from the business units to carry over into 2024 based on information available as of December 31, 2023.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The departments have reviewed the capital and MOE projects have indicated which project are still progressing and will be completed in a future year.

POTENTIAL RISKS / IMPACTS:

Financial:

Funding Request:	No	
Budgeted Item:	Yes	Funding Source: Various
Funding Explanation:	As per the previously approved funding sources.	
Budget Amendment Form?	No	

The total Capital projects carried forward from prior years to 2024 are \$312,614,000. The following table shows a summary of the projects by major business units (see Attachment #1 for details):

Tangible Capital Asset Carry Forward of Amounts Previously Approved						
	Approved Budget	Total Spend to Dec 31, 2023	Amount Carried Forward from 2023-2024	Amount Carried Forward from 2019-2022	Amount Carried Forward from Prior to 2019	Total Carry Forward Amount
(in \$000's)						
Corporate Services	\$ 27,560	\$ 11,608	\$ 14,658	\$ 1,282	\$ 12	\$ 15,952
Public Services	18,545	12,135	4,635	1,526	249	6,410
Development & Infrastructure	59,763	51,942	4,043	1,258	2,520	7,821
Land	151,901	105,470	-	13,410	33,021	46,431
Gas Distribution	7,658	3,720	2,499	1,439	-	3,938
Electric Distribution	44,927	5,111	37,557	2,059	200	39,816
Electric Generation	31,256	8,239	15,700	7,317	-	23,017
Water	39,360	18,008	3,312	17,968	72	21,352
Solid Waste	1,000	-	1,000	-	-	1,000
Sewer	19,519	8,086	7,825	3,355	253	11,433
Gas Production	225,436	89,992	7,846	114,840	12,758	135,444
TOTAL	626,925	314,311	\$ 99,075	\$ 164,454	\$ 49,085	\$ 312,614

The total MOE carried forward from prior years to 2024 are \$17,664,000. The following table shows a summary of the projects by major business unit (see Attachment #2 for details):

Major Operating Expense Carry Forward of Amounts Previously Approved						
	Approved Budget	Total Spend to Dec 31, 2023	Amount Carried Forward from 2023-2024	Amount Carried Forward from 2019-2022	Total Carry Forward Amount	
(in \$000's)						
General Government	\$ 8,674	\$ 2,547	\$ 1,405	\$ 4,722	\$ 6,127	
Corporate Services	9,346	1,183	7,039	1,124	8,163	
Police	90	-	90	-	90	
Public Services	2,751	755	1,597	399	1,996	
Development & Infrastructure	2,037	749	732	556	1,288	
TOTAL	\$ 22,898	\$ 5,234	\$ 10,863	\$ 6,801	\$ 17,664	

Health, Safety and Environmental:

There are no HSE impacts.

Legal / Legislative / Policy:

There are no legal impacts.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

Public is informed of all the City Manager approvals at the end of the year through an information briefing note to Council.

INFORM <input checked="" type="checkbox"/>	CONSULT <input type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS:

There are no other alternative options to consider as projects have been started and will require completion.

IMPLEMENTATION PLAN:

The capital and major operating expense projects will be carried over into 2024.
ELT to discuss in 2024 approach to reviewing and closing off capital that is no longer required.

REVIEWED BY & DATE:	Dennis Egert Managing Director of Corporate Services & CFO	2024-02-28
APPROVED BY & DATE:	Ann Mitchell City Manager	2024-03-04
ATTACHMENTS:	1: Tangible Capital Asset Carry Forward of Amount Previously Approved on December 31, 2023. 2: Major Operating Expense Carry Forward of Amounts Previously Approved on December 31, 2023.	

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

CORPORATE SERVICES:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
FIN:					
2023	FIN GMR - 2023 Capital Contingency WO	180	-	180	CAO Contingency
2023	FIN-Customer Care & Billing-2023-Taxation Software Replacement	700	79	621	Internal loan
Finance Total:		\$ 880	\$ 79	\$ 801	
ITD:					
2023	ITD 2023 Capital Infrastructure Program(CIP)	842	112	730	Debenture
2023	ITD 2023 Collaboration Ecosystem Program (SharePoint 2 year)	485	170	315	Internal loan
2023	ITD 2023 Remote Access Modernization	250	58	192	Operating/Working Capital
2023	ITD 2023 Hybrid Collaboration Technology and Meeting Rooms Leveraging (Budget Only)	164	159	5	Operating/Working Capital
2023	ITD-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	1,800	-	1,800	Debenture
2020	ICS TCA 2020 CFDS - Citizen Digital Facing Transformation	250	95	155	Operating/Working Capital
2020	ICS TCA Data Management Strategy 2020	60	60	-	Operating/Working Capital
2019	ICS TCA Cityworks Phase 3 2019	678	335	343	Internal loan
2017	UPS Replacement	75	75	-	Operating/Working Capital
2015	One Desktop (Citrix)	375	363	12	Internal loan
2021	ICS TCA 2021 CIP - Budget Only	1,670	1,676	(6)	Operating/Working Capital
ITD Total:		\$ 6,649	\$ 3,103	\$ 3,546	
Building & Fleet Services					
2023	FM - Hill Pool Cmponents Lifecycle	150	47	103	Internal loan
2023	FM - City Hall Security, Space & Furnishings, Fixtures and Equipment upgrade	565	-	565	CAO Contingency
2023	CAM FM-23 Ancillary Facility Infrastructure Repair Program	100	90	10	Operating/Working Capital
2023	FM - Confined Spaces Access Program	1,000	162	838	Debenture
2023	CAM FM-23 Infra rehab	2,432	2,143	289	Debenture
2023	CAM FM-23 Utility Infra Repair	1,000	1,010	(10)	Debenture
2022	CAM FM-22 Infra rehab	1,035	1,130	(95)	Operating
2023	FFD - FLT - 2023 - Mobile Capital	12,864	3,844	9,020	Grant/Fleet Reserve
2022	FFD FLT - 2022 MTCA's	885	-	885	Fleet Reserve
Building and Fleet Services Total:		\$ 20,031	\$ 8,426	\$ 11,605	
CORPORATE SERVICES TOTAL CARRY FORWARD:		\$ 27,560	\$ 11,608	\$ 15,952	

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

PUBLIC SERVICES:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	CDV - 2023 TCA - Community Housing IR	112	11	101	Operating
2023	CDV - 2023 TCA - Control Switches	50	37	13	Operating
2023	CDV - 2023 TCA - Bar Installation	150	128	22	Operating
2022	CDV TCA 2021 - Community Housing 247 & 251 Southlands Blvd	375	355	20	Community Capital
2020	CDV TCA 2020 Transit scheduling system	188	-	188	ICIP/Infrastructure reserve
Community Development Total:		\$ 875	\$ 531	\$ 344	
2023	FES - 2023 TCA - Next Generation 911	250	2	248	Internal Loan
2023	FES - 2023 TCA - Traffic Pre-emption	40	2	38	Operating
2023	FES - 2023 TCA - Eventide Recorder Refresh	71	58	13	CAO Contingency
2020	FES 911 TCA 2020 WO - Next Generation 911	100	-	100	Operating
2014	FES 911 TCA 2014 WO - NEXT GENERATION	406	157	249	Infrastructure Reserve
FES Total:		\$ 867	\$ 219	\$ 648	
2023	PKRC - 2023 TCA - Columbaria & Scattering Gardens Program	270	42	228	MSI
2023	PKRC - 2023 TCA - Hillside Cemetery Infrastructure Program	108	25	83	MSI
2023	PKRC - 2023 TCA - Towne Centre Washroom	540	-	540	Debenture
2023	PKRC - 2023 TCA - Bridges & Boardwalks Infrastructure Program	324	267	57	Canada Capital Building Fund (CCBF)
2023	PKRC - 2023 TCA - Playgrounds Infrastructure Program	216	-	216	Canada Capital Building Fund (CCBF)
2023	PKRC - 2023 TCA - Outdoor Lighting Infrastructure Program	324	40	284	Canada Capital Building Fund (CCBF)
2023	PKRC - 2023 TCA - Dog Off Leash Development Program	54	-	54	Operating (Incomplete TCA)
2023	PKRC - 2023 TCA - Parking Lot Infrastructure Program	270	205	65	Operating (Incomplete TCA)
2023	PKRC - 2023 TCA - Accessibility Program	108	61	47	Operating (Incomplete TCA)
2023	PKRC - 2023 TCA - Trail Infrastructure Program WO	917	620	297	Infrastructure Reserve
2023	PKRC - 2023 TCA - Community Partnerships Program	200	92	108	Operating
2023	PKRC - 2023 TCA - Drainage & Erosion Remediation Infrastructure Program	478	162	316	Internal loan/third party
2023	PKRC - 2023 TCA - Indoor/Outdoor Facilities Infrastructure Program	1,431	358	1,073	CCBF/Debenture
2023	PKRC - 2023 TCA - Irrigation Infrastructure Program - Construction	3,683	2,851	832	Debenture
2022	PKRC TCA 2022 WO - Hillside Cemetery Columbarium Program	175	167	8	Operating
2022	PKRC TCA 2022 WO - Tree Planting Initiative	125	25	100	Operating
2022	PKRC TCA 2022 WO - South Saskatchewan River Recreation Opportunities Program	100	86	14	Operating
2022	PKRC TCA 2022 WO - Cemetery Irrigation System Rehabilitation	400	335	65	Community Capital Reserve
2022	PKRC TCA 2022 - Accessibility Program	200	117	83	Operating
2020	PKRC TCA 2020 - Computerized Irrigation Upgrade	700	54	646	Canada Capital Building Fund (CCBF)
2020	PKRC TCA 2022 WO - Infrastructure Rehab Program	3,790	3,432	358	Debenture/Internal loan/operating
2020	PKRC TCA 2020 - Pickleball Court - due Dec 31/21	2,390	2,446	(56)	CFEP, Inra Reserve, 3rd party
Parks and Recreation Total:		\$ 16,803	\$ 11,385	\$ 5,418	
PUBLIC SERVICES TOTAL CARRY FORWARD:		\$ 18,545	\$ 12,135	\$ 6,410	

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

DEVELOPMENT & INFRASTRUCTURE:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
Planning & Development Services:					
2023	PDS - 2023 TCA - CityView to Workspace Migration	100	70	30	Infrastructure Reserve/Working Capital
Planning & Development Services Total:		\$ 100	\$ 70	\$ 30	
Municipal Works:					
2023	CAS - TCA2023 - Saamis Heights Emergency Access	250	145	105	CCBF
2023	CAS-MW-2023-TCA-3rd Street SE Road Rehabilitation	150	-	150	Internal Loan
2023	CAS-MW-2023-TCA-Laneway Rehabilitation	200	117	83	Operating/Working Capital
2023	CAS-MW-2023-TCA-Streetlight Replacement Program	200	176	24	CCBF
2023	CAS-MW-2023-TCA-Transportation Infrastructure Rehabilitation	5,000	4,358	642	MSI/CCBF
2023	CAS-MW-2023-TCA-Bridge Rehabilitation	1,000	105	895	CCBF
2023	CAS-MW-2023-TCA-Storm Sewer Rehabilitation Program	3,500	1,407	2,093	MSI/CCBF \$1CCBF / 2.5MSI
2023	CAS-Surface-2022 Calder Cres SE - Local Improvement	74	53	21	Internal Loan
2022	CAS TCA WO 2022 Infrastructure Rehab Program	5,175	4,284	891	CCBF
2021	MWD TCA WO 2021 Infrastructure Rehab Program	6,500	6,133	367	MSI
2017	MW-17 Street Light LED Conversion	2,375	2,357	18	MSI/CCBF
2013	FLOOD MITIGATION OVERLAND FLOW PROTECTION	35,239	32,737	2,502	Operating/Working Capital
Municipal Works Total:		\$ 59,663	\$ 51,872	\$ 7,791	
DEVELOPMENT & INFRASTRUCTURE (TAX SUPPORTED) TOTAL CARRY FORWARD:		\$ 59,763	\$ 51,942	\$ 7,821	

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

LAND						
YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source	
Phase 1: ID						
2006	SW Industrial	150	243	(93)	Working Capital	
2008	Burnside Estates - Commercial, Residential, Country Residential	400	403	(3)	Working Capital	
2012	WestVue	250	111	139	Working Capital	
2013	North East Crescent Heights 4C	-	116	(116)	Working Capital	
2013	Ranchlands 2	300	334	(34)	Working Capital	
2014	RiverWalk 1-6	4,000	1,835	2,165	Working Capital	
2015	Airport - South Node - Industrial	1,000	85	915	Working Capital	
2016	Riverside West - Residential	250	1	249	Working Capital	
Phase 2: Plan						
	Ranchlands 4 ER	250	71	179	Working Capital	
2012	Brier Run - Commercial, Industrial, Residential	14,500	1,106	13,394	Working Capital	
Phase 3: Design						
2007	Ranchlands 3C	17,082	5,026	12,056	Working Capital	
Phase 4: Build						
2015	IMH Airport - North Node - Commercial	7,000	6,087	913	Working Capital	
2019	IMH North West Industrial Park	14,000	1,155	12,845	Working Capital	
Phase 5: Sell						
2004	IMH Ranchlands 3	24,251	22,231	2,020	Working Capital	
2004	IMH Southlands 4	14,081	14,067	14	Working Capital	
2006	IMH Southlands 5	11,364	11,359	5	Working Capital	
2007	IMH Southlands 6	26,562	26,486	76	Working Capital	
2010	IMH Saamis Heights 7	8,200	7,632	568	Working Capital	
Miscellaneous:						
2007	Petro Canada Site B	286	108	178	Working Capital	
2013	CNG Fueling Station Site	1,700	1,554	146	Working Capital	
2015	Hopewell Trail	150		150	Working Capital	
2017	Inventory Review	100		100	Working Capital	
2019	Arena Servicing and Subdividing (155 Ash Ave SE)	2,500	2,268	232	Working Capital	
2020	MSP - Town Square	3,000	2,891	109	Working Capital	
2021	Unspecified Planning & Engineering	150	17	133	Working Capital	
2022	1482 5 Ave SE (Affordable Housing Site)	375	284	91	Working Capital	
Invest Medicine Hat Total:		\$ 151,901	\$ 105,470	\$ 46,431		
LAND TOTAL CARRY FORWARD:		\$ 151,901	\$ 105,470	\$ 46,431		

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

GAS DISTRIBUTION:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	Rural System Upgrades Phase 1	183	-	183	Operating/Working Capital
2023	Rural Replacement	100	-	100	Operating/Working Capital
2023	New Services	262	164	98	Operating/Working Capital
2023	Norwood System Upgrades	608	278	330	Operating/Working Capital
2023	High Pressure System Alterations	186	17	169	Operating/Working Capital
2023	Coulee Ridge Gas Installation	225	-	225	Operating/Working Capital & 3rd Party
2023	Gas Meters	1,250	396	854	Operating/Working Capital
2023	Crescent Heights Feeder Main Extension & Riverside Upgrade	1,401	861	540	Debenture
2022	New Services	93	33	60	Debenture & 3rd Party
2022	Meters	202	80	122	Operating/Working Capital
2022	Asset & Integrity	336	257	79	Debenture
2022	Transmission Mains	1,125	768	357	Debenture
2022	Mains Extension & Replacement	1,495	815	680	Debenture
2021	Asset & Integrity	45	50	(5)	Debenture
2019	Regulating Stations	147	1	146	Operating/Working Capital
Gas Distribution Total:		\$ 7,658	\$ 3,720	\$ 3,938	
GAS DISTRIBUTION TOTAL CARRY FORWARD:		\$ 7,658	\$ 3,720	\$ 3,938	

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

ELECTRIC DISTRIBUTION:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	Cable Replacement	310	2	308	Operating/Working Capital
2023	New Service Installs	269	286	(17)	Operating/Working Capital & 3rd Party
2023	MHS3 Lightning Protection	429	-	429	Operating/Working Capital
2023	Transformer Protection	513	-	513	Operating/Working Capital
2023	69 kV Bus Protection	860	3	857	Operating/Working Capital
2023	Station Service Upgrade	768	52	716	Operating/Working Capital
2023	Control Systems Hardware Upgrades	245	27	218	Operating/Working Capital
2023	Commercial Metering Test	60	-	60	Operating/Working Capital
2023	Revenue Meters	641	-	641	Operating/Working Capital
2023	Critical Substation Equipment Spares	270	-	270	Operating/Working Capital
2023	Oil Processing MH138-T23	98	-	98	Operating/Working Capital
2023	Tap Changer Controller Upgrade	120	-	120	Operating/Working Capital
2023	MHS-03 Duct System Upgrade	130	-	130	Operating/Working Capital
2023	T-11 Power Transformer Failing Bushing Replacement	168	-	168	Operating/Working Capital
2023	EOL Power Transformer Bushing Replacement	456	-	456	Operating/Working Capital
2023	Control Systems Cyber Requirements	400	342	58	Operating/Working Capital
2023	Coulee Ridge Electric Installations	405	86	319	Operating/Working Capital & 3rd Party
2023	MHS-11 Substation	24,000	378	23,622	Debenture
2023	30/40/60L Upgrade of Transmission Line Capacity Phase 1	2,200	476	1,724	Debenture
2023	Distribution Overhead System Renewal	3,509	1,214	2,295	Debenture
2023	Distribution Underground System Renewal	1,321	129	1,192	Debenture
2023	Line Protection Upgrade	1,028	53	975	Debenture
2023	Energy Games Microgrid Innovation	2,405	-	2,405	Debenture
2022	13 kV Underground Distribution Systems	402	320	82	Operating/Working Capital, 3rd Party & Grant
2022	New Distribution Services	98	118	(20)	Operating/Working Capital & 3rd Party
2022	Meters	50	-	50	Operating/Working Capital
2022	Fiber Installations	130	73	57	Debenture
2022	13 kV Overhead Distribution Systems	1,372	348	1,024	Debenture
2021	13 kV Overhead Distribution Systems	937	223	714	Debenture
2021	13 kV Underground Distribution Systems	420	422	(2)	Debenture
2021	New Distribution Services	(97)	3	(100)	Operating/Working Capital & 3rd Party
2020	13 kV Underground Distribution Systems	328	74	254	Debenture
2018	Substations - Switchgear	150	76	74	Debenture
2017	Buildings	532	406	126	Debenture
Electric Distribution Total:		\$ 44,927	\$ 5,111	\$ 39,816	
ELECTRIC DISTRIBUTION TOTAL CARRY FORWARD:		\$ 44,927	\$ 5,111	\$ 39,816	

Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

ELECTRIC GENERATION:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2022	Fire Protection System Upgrade	500	1	499	Operating/Working Capital
2022	MCC-7 Transfer Switch Replacement	200	4	196	Operating/Working Capital
2022	Power Boiler Nox Reduction	520	-	520	Operating/Working Capital
2022	PLC for Boiler Feedwater Pump	150	29	121	Operating/Working Capital
2022	Unit 12 Generator Rotor Replacement	5,740	1,467	4,273	Operating/Working Capital
2022	PD to PF Conversion Kit	4,000	2,442	1,558	Operating/Working Capital
2019	7 Plant Improvements	211	61	150	Operating/Working Capital
2023	Cyber Security Network Upgrade	910	-	910	Operating/Working Capital
2023	GSU T12 Replacement	1,750	-	1,750	Debenture
2023	Unit 15 Hot Section Replacement	5,325	4,113	1,212	Operating/Working Capital
2023	Energy Business Development	7,000	-	7,000	Operating/Working Capital
2023	Clear Horizon	4,950	122	4,828	Operating/Working Capital & Grant
Electric Generation Total:		\$ 31,256	\$ 8,239	\$ 23,017	

ELECTRIC GENERATION TOTAL CARRY FORWARD:		\$ 31,256	\$ 8,239	\$ 23,017	
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WATER:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	2023 Miscellaneous Water Distribution Upgrades Program	500	-	500	Operating/Working Capital
2023	2023 Condition Assessment of 1050mm Transmission Main River crossing	475	-	475	Operating/Working Capital
2023	2023 Critical Facility Site Security Upgrades	350	33	317	Operating/Working Capital
2023	2023 Water Mains Asset Management Program	3,520	1,500	2,020	Debenture
2022	2022 Miscellaneous Water Distribution Upgrades	250	-	250	Operating/Working Capital
2019	2019 Water Mains Replacement - Downtown Rehabilitation	500	220	280	Operating/Working Capital
2019	2019 Booster Station Electrical Upgrades (old 20810175)	150	102	48	Operating/Working Capital
2018	2018 Misc Water Distr Upgrades	350	278	72	Operating/Working Capital
2022	WTP - 2022 Sustaining Capital	150	60	90	Operating/Working Capital
2022	WTP - 2022 Repurpose Backflush Line Design	25	20	5	Operating/Working Capital
2022	WTP - 2022 1 SCU Raw Water Piping Design / Replacement	70	21	49	Operating/Working Capital
2022	WTP - 2022 Caustic Feasibility Study	50	22	28	Operating/Working Capital
2022	WTP - 2022 KMnO4 System Equipment	50	31	19	Operating/Working Capital
2021	WTP - 2021 Valve Upgrades	150	-	150	Operating/Working Capital
2022	2022 Water Mains Replacement - AMP	5,000	3,736	1,264	CCBF
2022	2022 Water Systems Reinforcement Program	1,000	681	319	Debenture
2020	WTP - 2020 Waste Solids Handling Facility	26,500	11,074	15,426	MSI - Capital
2021	2021 Miscellaneous Water Distribution Upgrades	270	230	40	Operating/Working Capital
Water Total:		\$ 39,360	\$ 18,008	\$ 21,352	

WATER TOTAL CARRY FORWARD:		\$ 39,360	\$ 18,008	\$ 21,352	
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Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

SOLID WASTE:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	EUD-2023-TCA WO-Food Waste Pilot	1,000	-	1,000	Operating/Working Capital
Solid waste Total:		\$ 1,000	\$ -	\$ 1,000	

SOLID WASTE TOTAL CARRY FORWARD:		\$ 1,000	\$ -	\$ 1,000	
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SEWER:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	2023 Micellaneous Collection System Upgrades program	390	86	304	Operating/Working Capital
2023	WWTP - 2023 AUTOMATIC FRONT GATE	129	56	73	Operating/Working Capital
2023	WWTP - 2023 3RD UV CHANNEL INSTALLATION	143	49	94	Operating/Working Capital
2023	2023 Sewer Mains Asset Management Program	3,415	1,493	1,922	Debenture
2023	2023 Brier Park Gravity Bypass	5,432	-	5,432	Debenture
2022	2022 Miscellaneous Collection System Upgrade	250	141	109	Operating/Working Capital
2021	2021 Miscellaneous Collection System Upgrade	280	272	8	Operating/Working Capital
2020	2020 Miscellaneous Collection System Upgrade	250	25	225	Operating/Working Capital
2019	Miscellaneous Collection System Upgrade (2019)	250	184	66	Operating/Working Capital
2019	Sewer Mains Replacement - Downtown Rehabilitation (2019)	500	221	279	Debenture
2019	Lift Station Facility Upgrade (2019)	500	240	260	Debenture
2022	WWTP - 2022 Sustaining Capital	100	90	10	Operating/Working Capital
2022	WWTP - 2022 Process Equipment	100	46	54	Operating/Working Capital
2022	WWTP - 2022 3rd UV Disinfection Channel	325	292	33	Operating/Working Capital
2022	WWTP - 2022 Engineering Study - Existing Bar Screens at Headworks	80	66	14	Operating/Working Capital
2022	WWTP - 2022 Engineering Study - Grit Removal System Upgrade	50	40	10	Operating/Working Capital
2022	WWTP - 2022 Evaluation Study of Bypass System (Trickling Filters)	50	47	3	Operating/Working Capital
2022	WWTP - 2022 Solids Contact Channel Blower Equipment	60	-	60	Operating/Working Capital
2022	WWTP - 2022 Enhanced H2S & LEL Detectors Upgrade	80	59	21	Operating/Working Capital
2021	WWTP - 2021 Sustaining Capital	150	131	19	Operating/Working Capital
2018	WWTP Building Sustainability	175	76	99	Operating/Working Capital
2022	2022 Sewer Mains Asset Management Program	3,000	2,077	923	Grant
2022	2022 Lift Station Facility Upgrade	1,000	109	891	Debenture
2020	2020 Lift Station Facility Upgrade	1,800	1,430	370	Debenture
2018	Misc Collection System Upgrades	1,010	856	154	Operating/Working Capital
Sewer Total:		\$ 19,519	\$ 8,086	\$ 11,433	

SEWER TOTAL CARRY FORWARD:		\$ 19,519	\$ 8,086	\$ 11,433	
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Tangible Capital Asset Carry Forward of Amounts Previously Approved

Attachment #1

Gas Production:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	WELLS	2,300	167	2,133	Operating/Working Capital
2023	MINERAL & LAND ACQUISITION	150	6	144	Operating/Working Capital
2023	PIPELINES	150	-	150	Operating/Working Capital
2023	SHALLOW GAS OPTIMIZATION	1,350	-	1,350	Operating/Working Capital
2023	ABANDONMENTS	3,550	244	3,306	ARO Working Capital
2023	FACILITIES	100	17	83	Operating/Working Capital
2023	NON-OPERATED	400	21	379	Operating/Working Capital
2023	SURFACE RECLAMATION	350	49	301	ARO Working Capital
2022	WELLS	1,300	73	1,227	Operating/Working Capital
2022	ACQUISITIONS & DIVESTMENTS	70	-	70	Gas Reserves
2022	PIPELINES	1,800	3	1,797	Operating/Working Capital
2022	DRILLING AND COMPLETIONS	3,812	1,243	2,569	Gas Reserves
2022	ABANDONMENTS	7,037	4,937	2,100	ARO Working Capital
2022	FACILITIES	100	-	100	Operating/Working Capital
2022	NON-OPERATED	933	46	887	Gas Reserves
2022	SURFACE LEASE ABANDONMENT	13,853	2,534	11,319	ARO Working Capital
2022	CLEAR HORIZON	12,050	1,395	10,655	Operating/Working Capital & Grant
2021	PIPELINES	925	44	881	Operating/Working Capital
2021	ABANDONMENTS	1,447	1,141	306	ARO Working Capital
2021	NON-OPERATED	815	9	806	Operating/Working Capital & Gas Reserves
2021	SURFACE LEASE ABANDONMENT	353	1	352	ARO Working Capital
2020	ABANDONMENTS	32,612	20,519	12,093	ARO Working Capital & Debenture
2020	NON-OPERATED	1,219	595	624	Gas Reserves
2020	SURFACE LEASE ABANDONMENT	88,188	19,879	68,309	ARO Working Capital & Debenture
2019	ABANDONMENTS	5,347	4,844	503	ARO Working Capital
2019	NON-OPERATED	2,200	1,958	242	Gas Reserves
2018	NON-OPERATED	4,820	4,738	82	Gas Reserves
2017	NON-OPERATED	3,399	3,227	172	Gas Reserves
12-2019	SURFACE LEASE ABANDONMENT	34,806	22,302	12,504	ARO Working Capital
Gas Production Total:		\$ 225,436	\$ 89,992	\$ 135,444	
NGPR TOTAL CARRY FORWARD:		\$ 225,436	\$ 89,992	\$ 135,444	

Major Operating Expense Carry Forward of Amounts Previously Approved

Attachment #2

GENERAL GOVERNMENT:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2020	ADC20 - MOE - Strategic Opportunity & Analysis Program (SOT)	2,035	950	1,085	CAO Repayable/CAO Non-Repayable
City Manager & Managing Directors Total:		\$ 2,035	\$ 950	\$ 1,085	
Economic Development					
2023	EDD MOE WO 2023-Northern & Regional Econ Develop Program (NRED)	400	-	400	Grant/Operating
2023	EDD MOE WO 2023 - Settlement, Integration & Language Project (SILP)	464	33	431	Grant/Operating
2023	EDD MOE 2023 - Immigration-Focused Labour Market Program (LMP)	75		75	Grant/Operating
2021	2021-2022 EDD Development Incentive Program	5,200	1,563	3,637	Reserves
Economic Development Total:		\$ 6,139	\$ 1,596	\$ 4,543	
Human Resources					
2023	HRD-2023 MOE-Total Compensation Review	200	-	200	Operating
2023	HRD-2023-MOE-HR Systems Optimization	300	1	299	Operating
Human Resources Total:		\$ 500	\$ 1	\$ 499	
GENERAL GOVERNMENT TOTAL CARRY FORWARD:		\$ 8,674	\$ 2,547	\$ 6,127	

Major Operating Expense Carry Forward of Amounts Previously Approved

Attachment #2

CORPORATE SERVICES:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
Building and Fleet Services:					
2020	CAM FLT MOE Automated Vehicle Locator (AVL) (1050)	420	80	340	Reserve
Building and Fleet Services Total:		\$ 420	\$ 80	\$ 340	
Finance:					
2023	FIN Electronic Invoicing (Kanbina)	105	101	4	Operating
2023	FIN Management Reporting	480	6	474	Operating
2023	FIN Treasury- 2023-Risk & Insurance Review	75	-	75	Operating
2023	FIN 2023/2024 - Cogsdale Customer Service Management (CSM) Upgrade	82	-	82	Operating
2023	FIN Flex-Suite Upgrades - Assessment & Tax 2022	294	-	294	MSI Grant/Operating
2023	Value for Money Audit	135	69	66	Operating
2023	Clean Energy Improvement Program (CEIP) Tax Software Modification	60	-	60	Operating
Finance Total:		\$ 1,231	\$ 176	\$ 1,055	
Information Technology:					
2022	ITD MOE WO Agresso Update 2022	265	23	242	Operating
2022	ITD - 2022 MOE - Finance UBW Upgrades	200	71	129	Operating
2021	ICS MOE WO Cybersecurity 2021	60	54	6	Operating
2021	ITD - Enterprise System Governance Committee (ESGC) – Digital Transformation	170	-	170	Internal loan
2021	ITD - SharePoint Online Stage 2	300	68	232	Internal loan
2021	ICS MOE Internal Digitization 2021	300	295	5	CAO Contingency (Repayable)
Information Technology Total:		\$ 1,295	\$ 511	\$ 784	
Corporate Planning and Performance:					
2023	CPP-2023 MOE Asset and Project Management Consulting Services WO	400	416	(16)	Working Capital
2023	CPP - 2023 MOE - Clean Energy Improvement Program	6,000	-	6,000	Debenture and Internal Loan
Corporate Planning and Performance Total:		\$ 6,400	\$ 416	\$ 5,984	
CORPORATE SERVICES TOTAL CARRY FORWARD:		\$ 9,346	\$ 1,183	\$ 8,163	

POLICE:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
2023	POL-2023-TASER CONVERSION	90	-	90	Operating
POLICE TOTAL CARRY FORWARD:		\$ 90	\$ -	\$ 90	

Major Operating Expense Carry Forward of Amounts Previously Approved

Attachment #2

PUBLIC SERVICES:

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
Fire Emergency Services:					
2020	FIRE MOE 2020 WO - Residential Sprinkler Incentive (Phase 1)	100	58	42	Council Operating Contingency
Fire Total:		\$ 100	\$ 58	\$ 42	
Community Development:					
2023	CDV - 2023 MOE - Esplanade-Arts Heritage and Entertainment Plan	80	13	67	Operating
2023	CDV - 2023 MOE - Public Art	130	-	130	Operating
2023	CDV - 2023 MOE - Community Well Being Plan Worker	100	-	100	Operating
2022	CDV Transit MOE 2022 WO - Electric Bus Study	100	7	93	Operating
2020	CDV - Transit - MOE 2020 WO - System Review	100	-	100	Operating
Community Development Total:		\$ 510	\$ 20	\$ 490	
Parks and Recreation:					
2023	PKRC - 2023 - Drawings Authentication and Specification Update WO	108	6	102	Operating
2023	PKRC - 2023 MOE - Parks & Recreation Strategic Plans Implementation	243	121	122	Operating
2023	PKRC - 2023 MOE - Saamis Teepee Painting WO	1,080	4	1,076	Operating
2022	PKRC MOE22 - 2022 Alberta Summer Games	125	-	125	Operating
2021	PKRC MOE 2021 WO - 2022 Alberta Summer Games	125	-	125	Operating
2019	PKRC MOE 2019-21 - Parks Planning & Development Plans	460	546	(86)	Operating
Parks and Recreation Total:		\$ 2,141	\$ 677	\$ 1,464	
PUBLIC SERVICES TOTAL CARRY FORWARD:		\$ 2,751	\$ 755	\$ 1,996	

DEVELOPMENT AND INFRASTRUCTURE

YR.	PROJECT DESCRIPTION	Approved Budget	Spend to Dec 31, 2023	Carry Forward	Funding Source
Planning and Development Services:					
2023	CPL - 2023 MOE - Active Transportation Plan	125	32	93	Operating/Working Capital & Grant
2023	CPL - 2023 MOE - Intermunicipal Collaboration	200	3	197	Grant
2022	CPL MOE 2022 City Centre Area Redevelopment Plan (CCARP)	250	10	240	Reserve/Working Capital
2022	PDS 2022 - Strong Towns Community Action Plan	212	208	4	Non-Repayable Council Contingency/Working Capital
2021	PDS 2020 WO MUNICIPAL SERVICING STANDARDS MANUAL REVIEW	50	-	50	Operating/Working Capital
2021	PDS 2021 MOE WO OFF-SITE LEVY BYLAW	125	3	122	Operating/Working Capital
Planning and Development Services Total:		\$ 962	\$ 256	\$ 706	
Municipal Works:					
2023	CAS-MW-2023-MOE-Roadway System Master Plan Update	250	71	179	Operating
2023	CAS-MW-2023-MOE-Storm System Regulatory Requirements WO	100	-	100	Operating
2023	CAS-MW-2023-MOE-Transportation Safety Plan WO	125	39	86	Operating
2022	CAS MOE WO 2022 Infrastructure Inspections/Maintenance Program	425	297	128	Grant/Operating
Municipal Works Total:		\$ 900	\$ 407	\$ 493	
Airport:					
2023	CAS-Airport 2023 MOE Airport Regulatory Compliance	125	48	77	Operating
2020	MWD WO MOE Airport Air Services	50	38	12	Operating
Airport Total:		\$ 175	\$ 86	\$ 89	
DEVELOPMENT & INFRASTRUCTURE TOTAL CARRY FORWARD:		\$ 2,037	\$ 749	\$ 1,288	

DATE: 2024-04-22

MEETING: REGULAR COUNCIL

DEPARTMENT: FINANCE

REPORT AUTHOR: CRYSTAL LABONTE
ACCOUNTING SUPERVISOR

TRI-ANNUAL MANAGEMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2023

EXECUTIVE SUMMARY:

The City provides Municipal Services (including Infrastructure) to its residents and surrounding area. It also operates enterprise business units offering Utility and Energy as well as Land Development. The December 2023 Tri-Annual Management Reports bring together the financial results of these activities.

STRATEGIC ALIGNMENT:

INNOVATION	ECONOMIC EVOLUTION	SERVICE ORIENTATION
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PARTNERSHIPS & GOVERNANCE	COMMUNITY WELLNESS	RESILIENCY & SUSTAINABILITY
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

RECOMMENDATION:

It is recommended through the Administrative Committee and Audit Committee, that Council receives the Tri-annual Management Report for the period ending December 31, 2023, for information.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

There are no previous Council motions or directions.

BACKGROUND / ANALYSIS:

Operations:

Rate Based (Utilities) earnings before interest, taxes, depreciation, and amortization (EBITDA) are \$38.7 million at December 31, 2023, which is higher than budget by \$0.9 million. This is primarily due to increased water consumption, lower gas third party transportation expenses and cost savings from staff vacancies. This is somewhat offset by unplanned pump failures and unbudgeted electrician hours in Sewer.

Commodity Based (Energy Commodity) earnings before interest, taxes, depreciation, and amortization (EBITDA) are \$156.6 million at December 31, 2023, which is higher than budget by \$83.4 million. This is primarily due to higher than budgeted electric commodity price and lower cost of gas due to lower commodity prices.

Land earnings before interest, taxes depreciation and amortization (EBITDA) is \$0.2 million, which is unfavourable by \$1.5 million at December 31, 2023. This is primarily due to less than budgeted residential, commercial, and other lot sales.

Tax Supported (Municipal Services) had a 2023 budget deficit of \$11.5 million which was funded through the tax rate stabilization reserve to achieve a balanced budget. The actual 2023 deficit was \$15.1 million which required an additional transfer of \$3.6 million from the tax rate stabilization reserve to achieve a balanced budget.

The deficit was primarily due to the increasing costs related to the inflationary pressures and increased energy costs (i.e. this has impacted the cost of utilities, fuel, materials, fertilizer), higher water usage due to dry weather conditions, higher than budget repairs on aging facilities, lower court fine revenue as a result of

increased high visibility markings on vehicles and equipment, and lower realized investment earnings as the market continues to recover from 2022 downturn in the market. This negative impact is somewhat offset by continued savings in salaries and wages as a result of staffing vacancies throughout the organization.

Capital:

The total approved capital budget of \$792.0 million consists of current year as well as prior year carry forwards.

Tangible Capital Asset (TCA) Activity	Approved budget (\$000's)	Spent to date (\$000's)	Remaining amount to spend (\$000's)	Estimated cost at completion (\$000's)	Variance from budget (\$000's)
TOTAL RATE BASED TCA	\$ 137,388	\$ 59,983	\$ 77,405	\$ 135,925	1,463
TOTAL COMMODITY TCA	\$ 356,308	\$ 177,214	\$ 179,094	\$ 316,629	39,679
TOTAL LAND TCA	\$ 153,119	\$ 106,693	\$ 46,426	\$ 153,119	-
TOTAL TAX SUPPORTED TCA	\$ 145,195	\$ 113,029	\$ 32,166	\$ 145,277	(82)
TOTAL CITY TCA	\$ 792,010	\$ 456,919	\$ 335,091	\$ 750,950	41,060

At December 31, 2023, \$456.9 million of the approved budget has been spent or committed. The remaining amount to spend to complete the projects is \$335.1 million and the total estimated cost to complete the current outstanding projects is \$751.0 million, which is \$41.0 million less than budget. The positive variance is primarily due to lower than expected costs in electric generation (\$11.2 million) mainly due to Unit 17 and lower than expected costs in gas production (\$28.5 million) mainly due to lower costs related to abandonment of assets.

Treasury:

At December 31, 2023, the City of Medicine Hat had \$733.0 million in cash and investments with \$235.8 million unrestricted and \$497.2 million restricted for operating, deferred revenue, capital, and the Heritage Savings Reserve. The entire \$733.0 million is invested by Treasury to form the investment portfolio.

The investment portfolio saw an overall return of 8.84% in 2023, which trailed the benchmark by 1.49%. The portfolio is well diversified by asset class and geography. The investment portfolio is expected to generate a positive annual return of 5.5% over a rolling five-year period.

The City utilizes debt to finance a portion of its capital program. At December 31, 2023, the City had outstanding debt of \$436.8 million consisting of \$389.6 million in long term debt, \$45.4 million in letters of credit, \$0.7 million in credit card debt and \$1.1 million in loan guarantees with an overall debt-to-revenue percentage of 43% which was below the internal threshold of 70% and the MGA limit of 100%.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

Departments have provided information regarding variances, forecasts, operating highlights, and updates on business plan goals.

The December Tri-annual report provides the City of Medicine Hat financial information for Council.

POTENTIAL RISKS / IMPACTS:

Financial:

Earnings Before Interest, Taxes, Depreciation, Amortization (EBITDA) or Net Surplus (Deficit)	As at December 31, 2023		
	Budget Net Surplus (Deficit) (in millions of dollars)	Actual Net Surplus (Deficit) (in millions of dollars)	Variance from Budget (in millions of dollars)
TOTAL RATE BASED EBITDA	37.8	38.7	0.9
TOTAL COMMODITY EBITDA	73.2	156.6	83.4
TOTAL LAND EBITDA	1.7	0.2	(1.5)
TOTAL TAX SUPPORTED SURPLU	0.0	0.0	0.0

Health, Safety and Environmental:

There are no Health, Safety and Environmental impacts related to the presentation of Financial Information.

Legal / Legislative / Policy:

There are no legal/legislative/policy requirements to present financial information throughout the year; it is internal practice to prepare Tri-Annual Management Reports to Council for information.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

The December Tri-annual report provides information to the public regarding the City’s finances.

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ALTERNATIVE OPTIONS / PROS AND CONS:

There are no alternative options related to the presentation of Financial Information.

IMPLEMENTATION PLAN:

This report is for information only.

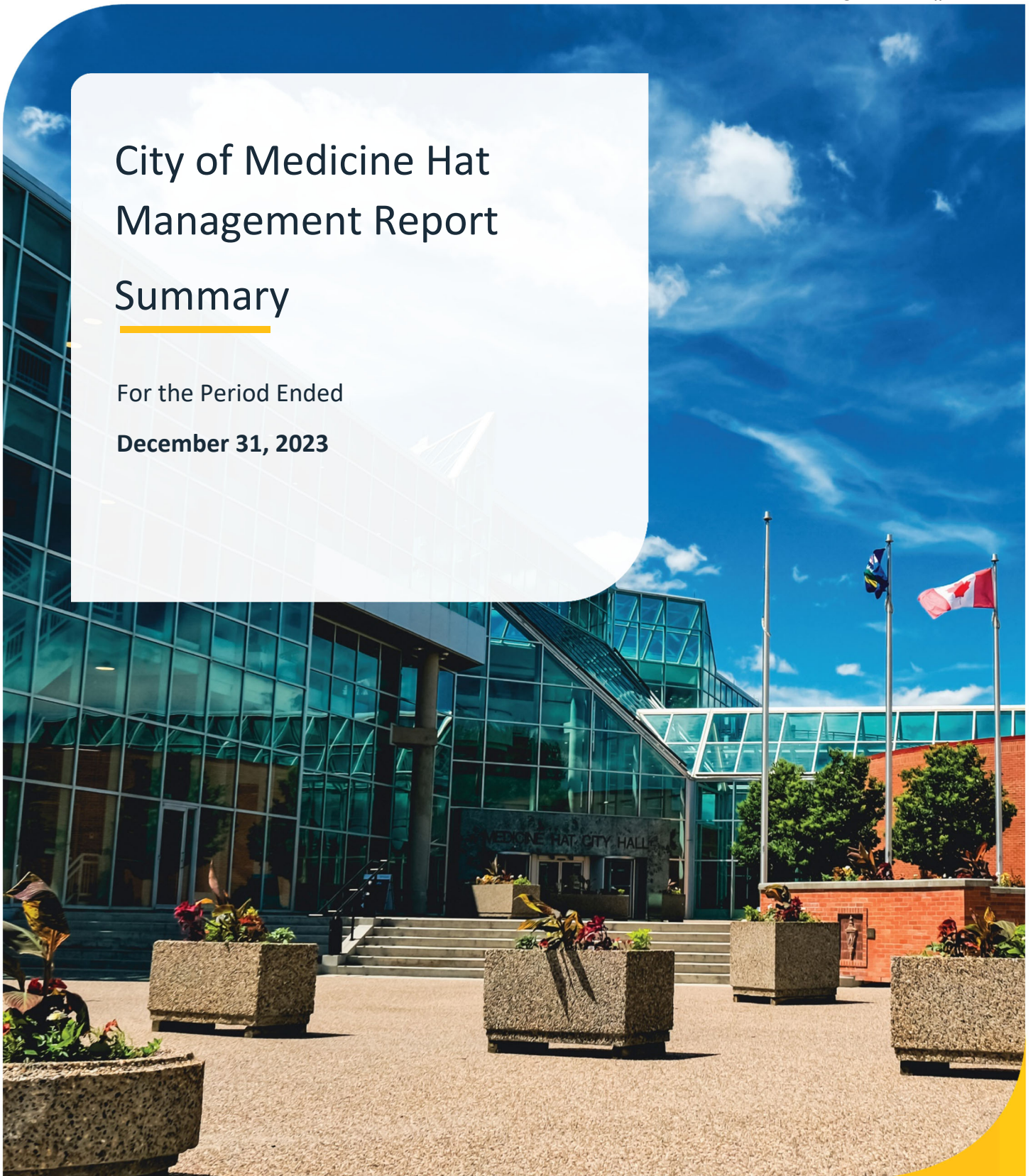
REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-03-04
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services and CFO	2024-03-18
ATTACHMENTS:	1: City of Medicine Hat Summary Management Report as of December 31, 2023 2: City of Medicine Hat Detailed Report and Supplemental Information as of December 31, 2023	

City of Medicine Hat Management Report

Summary

For the Period Ended

December 31, 2023



CITY OF MEDICINE HAT
MANAGEMENT REPORT - SUMMARY
For the Period Ended December 31, 2023
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EXECUTIVE SUMMARY

As of December 31, 2023

CORPORATE OVERVIEW - COMBINED SUMMARY											
Non-Consolidated	Net Year to Date Performance Actual Jan to Dec 2023				Net Balance of the Year Forecasted to Dec 2023 as at Nov 30			Net End of Year Performance Forecasted Jan to Dec 2023 as at Nov 30			
	Budget	Actual	Variance	Variance %	Budget	Forecast	Variance	Budget	Forecast	Variance	% Variance
TOTAL RATE BASED EBITDA	37,778	38,652	874	2%	-	2,383	2,383	37,778	41,035	3,257	9%
TOTAL COMMODITY EBITDA	73,203	156,613	83,410	114%	-	239	239	73,203	156,852	83,649	114%
TOTAL LAND EBITDA	1,740	248	(1,491)	-86%	-	157	157	1,740	405	(1,335)	-77%
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	-	-	-		-	1,471	1,471	-	1,471	1,471	0%

Rate Based:

Earnings before interest, taxes, depreciation, and amortization (EBITDA) are \$38.7 million at December 31, 2023, which is higher than budget by \$0.9 million.

This is primarily due to increased water consumption, lower gas third party transportation expenses and cost savings from staff vacancies. This is somewhat offset by unplanned pump failures and unbudgeted electrician hours in Sewer.

Commodity Based:

Earnings before interest, taxes, depreciation, and amortization (EBITDA) are \$156.6 million at December 31, 2023, which is higher than budget by \$83.4 million.

This is primarily due to higher than budgeted electric commodity price and lower cost of gas due to lower commodity prices.

Land:

Earnings before interest, taxes depreciation and amortization (EBITDA) is \$0.2 million, which is unfavorable by \$1.5 million at December 31, 2023.

This is primarily due to less than budgeted residential, commercial, and other lot sales.

Tax Supported (Municipal Services):

Municipal Services had a 2023 budget deficit of \$11.5 million which was funded through the tax rate stabilization reserve to achieve a balanced budget. The actual 2023 deficit was \$15.2M which required an additional transfer of \$3.6M from the tax rate stabilization reserve to achieve a balanced budget.

The deficit was primarily due to the increasing costs related to the inflationary pressures and increased energy costs (i.e. this has impacted the cost of utilities, fuel, materials, fertilizer), higher water usage due to dry weather conditions, higher than budget repairs on aging facilities, lower court fine revenue as a result of increased high visibility markings on vehicles and equipment, and lower investment earnings as the market continues to recover from 2022 economic downturn. This negative impact is somewhat offset by continued savings in salaries and wages as a result of staffing vacancies throughout the organization.

TAX SUPPORTED	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion		Discussion	
	Budget	Actual Jan to Dec 2023		Variance %	Forecasted to Dec 2023 as at Nov 30		Forecasted to Dec 2023 as at Nov 30	Forecasted Jan to Dec 2023 as at Nov 30		Variance %	Current Variance (explain your current budget variance)	Variance Driver (explain what is driving your change in variance to end of the year)			
		Actual	Variance		Budget	Forecast		Budget	Forecast						
GENERAL MUNICIPAL															
Property Taxes	\$ 84,661	\$ 84,213	\$ (448)	-1%	\$ -	\$ 282	\$ (282)	\$ 84,661	\$ 84,495	\$ (166)	0%	Unfavourable due to unbudgeted assessor adjustments.	Projection was more favourable than actual due to less than projected write-offs and tax cancellations.		
Revenue	\$ 8,368	\$ 7,437	\$ (931)	-11%	\$ -	\$ 23	\$ (23)	\$ 8,368	\$ 7,460	\$ (908)	-11%	Unfavourable related to lower than budgeted court fines due to increased high visibility markings on vehicles and equipment.	N/A		
Expenses	\$ 3,237	\$ (260)	\$ 3,497	108%	\$ -	\$ 1,593	\$ 1,593	\$ 3,237	\$ 1,333	\$ 1,904	59%	Favourable due to reversal of 2022 Municipal Assist amount and lower than budget investment fees from external investment managers.	Actuals are more favourable as Municipal Assist adjustment was not projected.		
Internal Revenue	\$ 1,019	\$ 915	\$ (104)	-10%	\$ -	\$ (2)	\$ 2	\$ 1,019	\$ 913	\$ (106)	-10%	Unfavourable due to lower than budgeted internal loan payments due to delayed spending on prior years capital projects, offset by higher than budgeted internal Municipal Consent & Access revenue.	N/A		
Internal Expenses	\$ 2,522	\$ 2,505	\$ 17	1%	\$ -	\$ 14	\$ 14	\$ 2,522	\$ 2,519	\$ 3	0%	N/A	N/A		
TOTAL GENERAL MUNICIPAL	\$ 85,239	\$ 90,320	\$ 2,031	2%	\$ -	\$ (1,304)	\$ 1,304	\$ 88,289	\$ 89,918	\$ 727	1%				
GENERAL GOVERNMENT															
MAYOR & COUNCILORS															
Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Expenses	\$ 799	\$ 804	\$ (5)	-1%	\$ -	\$ (6)	\$ (6)	\$ 799	\$ 798	\$ 1	0%	N/A	N/A		
Internal Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 8	\$ 1	\$ 7	88%	\$ -	\$ 1	\$ 1	\$ 8	\$ 2	\$ 6	75%	N/A	N/A		
MAYOR & COUNCILORS NET	\$ (807)	\$ (805)	\$ 2	0%	\$ -	\$ 5	\$ (5)	\$ (807)	\$ (800)	\$ 7	1%				
CITY MANAGER & MANAGING DIRECTORS															
Revenue	\$ -	\$ 15	\$ 15	0%	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 15	0%	N/A	N/A		
Expenses	\$ 2,649	\$ 2,989	\$ (340)	-13%	\$ -	\$ (140)	\$ (140)	\$ 2,649	\$ 2,849	\$ (200)	-8%	Unfavourable due to higher than budgeted recruitment expenses and employee benefits.	More unfavourable than projected due to unbudgeted training expenses reallocated from Human Resources.		
Internal Revenue	\$ 1,433	\$ 1,433	\$ -	0%	\$ -	\$ -	\$ -	\$ 1,433	\$ 1,433	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 20	\$ 23	\$ (3)	-15%	\$ -	\$ (1)	\$ (1)	\$ 20	\$ 22	\$ (2)	-10%	N/A	N/A		
CITY MANAGER & MANAGING DIRECTORS NET	\$ (1,236)	\$ (1,564)	\$ (328)	-27%	\$ -	\$ 141	\$ (141)	\$ (1,236)	\$ (1,423)	\$ (187)	-15%				
CITY SOLICITOR															
Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Expenses	\$ 942	\$ 871	\$ 71	8%	\$ -	\$ (13)	\$ (13)	\$ 942	\$ 858	\$ 84	9%	Favourable variance due to savings in salaries and wages as a result of staffing vacancies.	N/A		
Internal Revenue	\$ 588	\$ 588	\$ -	0%	\$ -	\$ -	\$ -	\$ 588	\$ 588	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 7	\$ 7	\$ -	0%	\$ -	\$ -	\$ -	\$ 7	\$ 7	\$ -	0%	N/A	N/A		
CITY SOLICITOR NET	\$ (361)	\$ (290)	\$ 71	20%	\$ -	\$ 13	\$ (13)	\$ (361)	\$ (277)	\$ 84	23%				
CITY CLERK															
Revenue	\$ 6	\$ 16	\$ 10	167%	\$ -	\$ 26	\$ (26)	\$ 6	\$ 42	\$ 36	600%	N/A	N/A		
Expenses	\$ 846	\$ 652	\$ 194	23%	\$ -	\$ 33	\$ 33	\$ 846	\$ 685	\$ 161	19%	Favourable variance due to savings in salaries and wages as a result of staffing vacancies.	N/A		
Internal Revenue	\$ 239	\$ 239	\$ -	0%	\$ -	\$ -	\$ -	\$ 239	\$ 239	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 17	\$ 14	\$ 3	18%	\$ -	\$ 1	\$ 1	\$ 17	\$ 15	\$ 2	12%	N/A	N/A		
CITY CLERK NET	\$ (618)	\$ (411)	\$ 207	33%	\$ -	\$ (8)	\$ 8	\$ (618)	\$ (419)	\$ 199	32%				
HUMAN RESOURCES															
Revenue	\$ 127	\$ 205	\$ 78	61%	\$ -	\$ (17)	\$ 17	\$ 127	\$ 188	\$ 61	48%	Favourable variance due to new renegotiated agreement with CUPE.	N/A		
Expenses	\$ 6,611	\$ 5,309	\$ 1,302	20%	\$ -	\$ 109	\$ 109	\$ 6,611	\$ 5,418	\$ 1,193	18%	Favourable variance due to savings in salaries and wages due to vacant positions and less spending on contracted services.	More favourable than projected due to cancellation of significant software that was deemed no longer required.		
Internal Revenue	\$ 4,207	\$ 4,101	\$ (106)	-3%	\$ -	\$ 11	\$ (11)	\$ 4,207	\$ 4,112	\$ (95)	-2%	Unfavourable variance due to lower than budgeted training internal recovery from departments due to staff vacancies throughout the organization.	N/A		
Internal Expenses	\$ 114	\$ 103	\$ 11	10%	\$ -	\$ 11	\$ 11	\$ 114	\$ 114	\$ -	0%	N/A	N/A		
HUMAN RESOURCES NET	\$ (2,391)	\$ (1,106)	\$ 1,285	54%	\$ -	\$ (126)	\$ 126	\$ (2,391)	\$ (1,232)	\$ 1,159	48%				
ECONOMIC DEVELOPMENT															
Revenue	\$ -	\$ 92	\$ 92	0%	\$ -	\$ -	\$ -	\$ -	\$ 92	\$ 92	0%	Favourable due to fees collected for the filming of "Alberta Alert" in the area and cost sharing revenue from Community Futures related to the Workforce Development Officer position which is still in recruitment stage.	N/A		
Expenses	\$ 1,179	\$ 952	\$ 227	19%	\$ -	\$ (5)	\$ (5)	\$ 1,179	\$ 947	\$ 232	20%	Favourable variance due to staffing vacancies and savings in contracted services and membership fees as the budget included membership costs that have now expired or have been reduced.	N/A		
Internal Revenue	\$ 1,470	\$ 1,470	\$ -	0%	\$ -	\$ -	\$ -	\$ 1,470	\$ 1,470	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 283	\$ 278	\$ 5	2%	\$ -	\$ 5	\$ 5	\$ 283	\$ 283	\$ -	0%	N/A	N/A		
ECONOMIC DEVELOPMENT NET	\$ 8	\$ 332	\$ 324	4050%	\$ -	\$ -	\$ -	\$ 8	\$ 332	\$ 324	4050%				
TOTAL GENERAL GOVERNMENT	\$ (5,409)	\$ (3,844)	\$ 1,561	29%	\$ -	\$ 26	\$ (26)	\$ (5,409)	\$ (3,819)	\$ 1,586	29%				
POLICE SERVICES															
Revenue	\$ 4,296	\$ 4,693	\$ 397	9%	\$ -	\$ (36)	\$ 36	\$ 4,296	\$ 4,657	\$ 361	8%	Favourable variance due to higher than expected police information check volumes, cadet training revenue, and Alberta Law Enforcement Response Team (ALERT) expense recoveries.	N/A		
Expenses	\$ 24,825	\$ 25,825	\$ (1,000)	-4%	\$ -	\$ (105)	\$ (105)	\$ 24,825	\$ 25,720	\$ (95)	-4%	Unfavourable variance due to higher than budgeted wages as a result of retroactive pay for union settlement, unmet management manpower, extra pay claims, and benefits shortfall; offset by lower than budgeted contracted services from IT subscriptions and commissionaires.	More unfavourable than projected due to unprojected commissionaires expenses.		
Internal Revenue	\$ 270	\$ 246	\$ (24)	-9%	\$ -	\$ 22	\$ (22)	\$ 270	\$ 268	\$ (2)	-1%	N/A	N/A		
Internal Expenses	\$ 2,074	\$ 2,086	\$ (12)	-1%	\$ -	\$ 3	\$ 3	\$ 2,074	\$ 2,089	\$ (15)	-1%	N/A	N/A		
TOTAL POLICE SERVICES	\$ (22,333)	\$ (22,972)	\$ (639)	-3%	\$ -	\$ 88	\$ (88)	\$ (22,333)	\$ (22,884)	\$ (651)	-2%				

TAX SUPPORTED	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion		Discussion	
	Budget	Actual Jan to Dec 2023	Variance	Variance %	Forecasted to Dec 2023 as at Nov 30 Budget	Forecast	Variance	Forecasted Jan to Dec 2023 as at Nov 30 Budget	Forecast	Variance	% Variance	Current Variance (explain your current budget variance)	Variance Driver (explain what is driving your change in variance to end of the year)		
CORPORATE SERVICES															
COMMUNICATIONS, ENGAGEMENT & MARKETING															
Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Expenses	\$ 1,236	\$ 981	\$ 255	-21%	\$ -	\$ (20)	\$ (20)	\$ 1,236	\$ 961	\$ 275	22%	Favourable variance due to staffing vacancies.	N/A		
Internal Revenue	\$ 426	\$ 426	\$ -	0%	\$ -	\$ -	\$ -	\$ 426	\$ 426	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 10	\$ 12	\$ (2)	-20%	\$ -	\$ (2)	\$ (2)	\$ 10	\$ 10	\$ -	0%	N/A	N/A		
COMMUNICATIONS, ENGAGEMENT & MARKETING NET	\$ (820)	\$ (567)	\$ 253	31%	\$ -	\$ 22	\$ (22)	\$ (820)	\$ (645)	\$ 275	34%				
FINANCE															
Revenue	\$ 811	\$ 879	\$ 68	8%	\$ -	\$ (196)	\$ 196	\$ 811	\$ 683	\$ (128)	-16%	Favourable variance due to the collection of self insurance premiums from internal departments.	More favourable than projected due to unbudgeted self insurance premium that was not projected in November.		
Expenses	\$ 13,614	\$ 12,733	\$ 881	6%	\$ -	\$ 126	\$ 126	\$ 13,614	\$ 12,859	\$ 755	6%	Favourable variance due to vacant positions and lower insurance premiums than budgeted.	More favourable than projected due to premiums on insurance renewals being lower than expected.		
Internal Revenue	\$ 9,944	\$ 9,634	\$ (310)	-3%	\$ -	\$ (41)	\$ 41	\$ 9,944	\$ 9,593	\$ (351)	-4%	Unfavourable due to budget discrepancy related to Customer Care & Billing internal recoveries.	N/A		
Internal Expenses	\$ 501	\$ 458	\$ 43	9%	\$ -	\$ 65	\$ 65	\$ 501	\$ 523	\$ (22)	-4%	N/A	More favourable than projected due to decreased mailroom charges.		
FINANCE NET	\$ (3,360)	\$ (2,678)	\$ 682	20%	\$ -	\$ (428)	\$ 428	\$ (3,360)	\$ (3,106)	\$ 254	8%				
FLEET & FACILITIES															
Revenue	\$ 155	\$ 198	\$ 43	28%	\$ -	\$ 27	\$ (27)	\$ 155	\$ 225	\$ 70	45%	N/A	N/A		
Expenses	\$ 13,021	\$ 14,890	\$ (1,869)	-14%	\$ -	\$ (229)	\$ (229)	\$ 13,021	\$ 14,661	\$ (1,640)	-13%	Unfavourable variance due to higher than expected contracted services and repairs to facilities.	More unfavourable than projected due to additional unanticipated repairs and unbudgeted employee benefits.		
Internal Revenue	\$ 17,940	\$ 24,798	\$ 6,858	38%	\$ -	\$ 78	\$ (78)	\$ 17,940	\$ 24,876	\$ 6,936	39%	Favourable variance due to budget discrepancy regarding how the internal charges and recoveries for fleet are allocated to various departments.	Less favourable than projected due to budget discrepancies offset by the continued decrease in internal recoveries in repairs and maintenance and fuel usage to the City's fleet assets.		
Internal Expenses	\$ 3,039	\$ 10,692	\$ (7,653)	-252%	\$ -	\$ 203	\$ 203	\$ 3,039	\$ 10,895	\$ (7,856)	-259%	Unfavourable variance due to budget discrepancy related to internal charges and recoveries for fleet assets allocated to various departments offset by the decrease in recoveries from repairs and maintenance and fuel usage to the City's fleet assets.	More favourable than projected due to the decrease in internal repairs and fuel costs needed on fleet units during the month of December.		
FLEET & FACILITIES NET	\$ 2,035	\$ (586)	\$ (2,621)	-129%	\$ -	\$ 131	\$ (131)	\$ 2,035	\$ (455)	\$ (2,490)	-122%				
INFORMATION TECHNOLOGY															
Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Expenses	\$ 9,812	\$ 8,610	\$ 1,202	12%	\$ -	\$ (87)	\$ (87)	\$ 9,812	\$ 8,523	\$ 1,289	13%	Favourable variance due to positional vacancies and savings in contracted licensing renewals.	Less favourable than projected due to significant software licensing costs that were incurred at yearend.		
Internal Revenue	\$ 7,918	\$ 6,976	\$ (942)	-12%	\$ -	\$ 152	\$ (152)	\$ 7,918	\$ 7,128	\$ (790)	-10%	Unfavourable variance due to lower than budgeted expenses, due to positional vacancies and timing of contracted licensing renewals, where the department recovers their costs.	Less favourable than projected due to increased savings in contracted licensing renewals and continued staff vacancies.		
Internal Expenses	\$ 52	\$ 48	\$ 4	8%	\$ -	\$ 4	\$ 4	\$ 52	\$ 52	\$ -	0%	N/A	N/A		
INFORMATION TECHNOLOGY NET	\$ (1,946)	\$ (1,682)	\$ 264	14%	\$ -	\$ 235	\$ (235)	\$ (1,946)	\$ (1,447)	\$ 499	26%				
CORPORATE PLANNING & PERFORMANCE															
Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Expenses	\$ 2,090	\$ 1,726	\$ 364	17%	\$ -	\$ 69	\$ 69	\$ 2,090	\$ 1,795	\$ 295	14%	Favourable variance due to positional vacancies and delayed spending in contracted goods and services.	More favourable than projected due to reduced spending on training, travel and contracted services.		
Internal Revenue	\$ 2,119	\$ 1,551	\$ (568)	-27%	\$ -	\$ (32)	\$ 32	\$ 2,119	\$ 1,519	\$ (600)	-28%	Unfavourable variance due to lower recoveries from external departments as a result of lower than anticipated costs and changes to allocations from corporate restructuring.	N/A		
Internal Expenses	\$ 18	\$ 12	\$ 6	33%	\$ -	\$ 2	\$ 2	\$ 18	\$ 14	\$ 4	22%	N/A	N/A		
CORPORATE PLANNING & PERFORMANCE NET	\$ 11	\$ (187)	\$ (198)	-1800%	\$ -	\$ (103)	\$ 103	\$ 11	\$ (290)	\$ (301)	-2736%				
TOTAL CORPORATE SERVICES	\$ (4,080)	\$ (5,700)	\$ (1,620)	-40%	\$ -	\$ (143)	\$ 143	\$ (4,080)	\$ (5,843)	\$ (1,763)	-43%				
DEVELOPMENT & INFRASTRUCTURE															
MUNICIPAL WORKS															
Revenue	\$ 460	\$ 766	\$ 306	67%	\$ -	\$ (6)	\$ 6	\$ 460	\$ 760	\$ 300	65%	Favourable variance due to increased street parking revenue, local improvement revenue, and recoveries related to infrastructure damage by third parties.	N/A		
Expenses	\$ 8,267	\$ 8,033	\$ 234	3%	\$ -	\$ 180	\$ 180	\$ 8,267	\$ 8,213	\$ 54	1%	Favourable variance due to staffing vacancies and lower than anticipated contracted services which are slightly offset by contract repair for MW Facility damage.	More favourable than projected due to consulting services that did not get completed before year end.		
Internal Revenue	\$ -	\$ 150	\$ 150	0%	\$ -	\$ (1)	\$ 1	\$ -	\$ 149	\$ 149	0%	Favourable due to unbudgeted recovery from the Parks and Recreation department.	N/A		
Internal Expenses	\$ 4,306	\$ 4,386	\$ (80)	-2%	\$ -	\$ (30)	\$ (30)	\$ 4,306	\$ 4,356	\$ (50)	-1%	Unfavourable variance due to higher than anticipated equipment and landfill usage.	N/A		
MUNICIPAL WORKS NET	\$ (12,113)	\$ (11,503)	\$ 610	5%	\$ -	\$ (157)	\$ 157	\$ (12,113)	\$ (11,660)	\$ 453	4%				
AIRPORT															
Revenue	\$ 640	\$ 788	\$ 148	23%	\$ -	\$ (29)	\$ 29	\$ 640	\$ 759	\$ 119	19%	Favourable variance due to grant income and increased airline traffic and passenger volumes.	N/A		
Expenses	\$ 990	\$ 912	\$ 78	8%	\$ -	\$ (22)	\$ (22)	\$ 990	\$ 890	\$ 100	10%	Favourable variance due to lower than anticipated contracted services for airport security due to an optimized airline schedule for flights.	N/A		
Internal Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A		
Internal Expenses	\$ 558	\$ 574	\$ (16)	-3%	\$ -	\$ 7	\$ 7	\$ 558	\$ 581	\$ (23)	-4%	N/A	N/A		
AIRPORT NET	\$ (908)	\$ (698)	\$ 210	23%	\$ -	\$ (14)	\$ 14	\$ (908)	\$ (712)	\$ 196	22%				

TAX SUPPORTED	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion		Discussion	
	Budget	Actual Jan to Dec 2023			Forecasted to Dec 2023 as at Nov 30			Forecasted Jan to Dec 2023 as at Nov 30				Current Variance		Variance Driver	
		Actual	Variance	Variance %	Budget	Forecast	Variance	Budget	Forecast	Variance	% Variance	(explain your current budget variance)		(explain what is driving your change in variance to end of the year)	
PLANNING & DEVELOPMENT SERVICES															
Revenue	\$ 2,789	\$ 2,231	\$ (558)	-20%	\$ -	\$ 3	\$ (3)	\$ 2,789	\$ 2,234	\$ (555)	-20%	Unfavourable variance is due to decreased safety code permits from external customers.	N/A		
Expenses	\$ 4,726	\$ 4,825	\$ (99)	-2%	\$ -	\$ (123)	\$ (123)	\$ 4,726	\$ 4,702	\$ 24	1%	Unfavourable variance is due to unmet managed manpower.	More unfavourable than projected due to unbudgeted employee benefits.		
Internal Revenue	\$ -	\$ 222	\$ 222	0%	\$ -	\$ -	\$ -	\$ -	\$ 222	\$ 222	0%	Favourable variance is due to permit revenue on the Water Treatment Residuals Plant.	N/A		
Internal Expenses	\$ 869	\$ 853	\$ 16	2%	\$ -	\$ 7	\$ 7	\$ 869	\$ 860	\$ 9	1%	N/A	N/A		
PLANNING & DEVELOPMENT SERVICES NET	\$ (2,806)	\$ (3,225)	\$ (419)	-15%	\$ -	\$ 119	\$ (119)	\$ (2,806)	\$ (3,106)	\$ (300)	-11%				
TOTAL DEVELOPMENT & INFRASTRUCTURE	\$ (15,827)	\$ (15,426)	\$ 401	3%	\$ -	\$ (62)	\$ 62	\$ (15,827)	\$ (15,478)	\$ 349	2%				
PUBLIC SERVICES															
FIRE & EMERGENCY SERVICES															
Fire															
Revenue	\$ 402	\$ 473	\$ 71	18%	\$ -	\$ (66)	\$ 66	\$ 402	\$ 407	\$ 5	1%	Favourable variance due to AHIMT revenue that should have been recognized in 2024 in addition to unbudgeted 2023 AHIMT revenue.	More favourable than projected due to higher than expected mutual aid related calls throughout December.		
Expenses	\$ 14,833	\$ 15,680	\$ (847)	-6%	\$ -	\$ (672)	\$ (672)	\$ 14,833	\$ 15,008	\$ (175)	-1%	Unfavourable variance due to retroactive pay for one-time stat holiday, managed manpower costs being higher than the savings associated with current position vacancies, increased training resulting in increased banked time, and accrual of wages in preparation for future retroactive payouts.	More unfavourable than projected due to unprojected accrual for retroactive pay related to future union settlement, and unprojected statutory holiday pay, vacation use, and overtime.		
Fire Net	\$ (14,431)	\$ (15,207)	\$ (776)	-5%	\$ -	\$ 606	\$ (606)	\$ (14,431)	\$ (14,601)	\$ (170)	-1%				
Communication Centre															
Revenue	\$ 1,071	\$ 1,195	\$ 124	12%	\$ -	\$ 11	\$ (11)	\$ 1,071	\$ 1,206	\$ 135	13%	Favourable variance due to higher than expected background check revenue and increase to 911 Mobility Grant.	N/A		
Expenses	\$ 2,045	\$ 2,222	\$ (177)	-9%	\$ -	\$ (64)	\$ (64)	\$ 2,045	\$ 2,158	\$ (113)	-6%	Unfavourable variance due to increased overtime due to ongoing training of 911 dispatchers and unmet management manpower being higher than the savings associated with the current position vacancies, offset by lower than budgeted contracted services.	More unfavourable than projected due to unprojected software expenses and unprojected December statutory holiday.		
Communication Centre Net	\$ (974)	\$ (1,027)	\$ (53)	-5%	\$ -	\$ 75	\$ (75)	\$ (974)	\$ (952)	\$ 22	2%				
Internal Revenue	\$ 267	\$ 307	\$ 40	15%	\$ -	\$ (3)	\$ 3	\$ 267	\$ 304	\$ 37	14%	N/A	N/A		
Internal Expenses	\$ 2,407	\$ 2,326	\$ 81	3%	\$ -	\$ 6	\$ 6	\$ 2,407	\$ 2,332	\$ 75	3%	Favourable variance due to less than budgeted fleet and Corporate Planning & Performance allocations, offset by higher than budgeted utilities.	N/A		
FIRE & EMERGENCY SERVICES NET	\$ (17,545)	\$ (18,253)	\$ (708)	-4%	\$ -	\$ 672	\$ (672)	\$ (17,545)	\$ (17,581)	\$ (36)	0%				
PARKS & RECREATION															
Big Marble Go Centre															
Revenue	\$ 2,967	\$ 3,171	\$ 204	7%	\$ -	\$ 29	\$ (29)	\$ 2,967	\$ 3,200	\$ 233	8%	Favourable variance is due to higher than budgeted admissions and ice/facility rentals.	N/A		
Expenses	\$ 4,204	\$ 4,265	\$ (60)	-1%	\$ -	\$ 88	\$ 88	\$ 4,204	\$ 4,353	\$ (149)	-4%	Unfavourable variance due to higher than budgeted salaries and wages, offset by less than budgeted spending on contracted services and materials.	More favourable than projected due to less than projected material spending in December		
Big Marble Go Centre Net	\$ (1,238)	\$ (1,094)	\$ 144	12%	\$ -	\$ (59)	\$ 59	\$ (1,238)	\$ (1,153)	\$ 85	7%				
Pools - Crestwood, Heights, Hill, Strathcona															
Revenue	\$ 305	\$ 317	\$ 12	4%	\$ -	\$ 17	\$ (17)	\$ 305	\$ 334	\$ 29	9%	N/A	N/A		
Expenses	\$ 877	\$ 834	\$ 44	5%	\$ -	\$ (46)	\$ (46)	\$ 877	\$ 788	\$ 90	10%	N/A	N/A		
Pools - Crestwood, Heights, Hill, Strathcona Net	\$ (572)	\$ (517)	\$ 55	10%	\$ -	\$ 63	\$ (63)	\$ (572)	\$ (453)	\$ 119	21%				
Rinks - Co-op Place, Moose, Hounds, Kinplex															
Revenue	\$ 992	\$ 1,022	\$ 31	3%	\$ -	\$ 147	\$ (147)	\$ 992	\$ 1,169	\$ 178	18%	N/A	More unfavourable than projected due to less than anticipated ice rentals.		
Expenses	\$ 1,643	\$ 1,866	\$ (223)	-14%	\$ -	\$ 250	\$ 250	\$ 1,643	\$ 2,116	\$ (473)	-29%	Unfavourable variance due to higher than budgeted wages, offset by savings in contracted services and materials.	More favourable than projected due to over projected December wages.		
Rinks - Co-op Place, Moose, Hounds, Kinplex Net	\$ (651)	\$ (844)	\$ (193)	-30%	\$ -	\$ (103)	\$ 103	\$ (651)	\$ (947)	\$ (296)	-45%				
Operations & Maintenance															
Revenue	\$ 283	\$ 263	\$ (20)	-7%	\$ -	\$ 38	\$ (38)	\$ 283	\$ 301	\$ 18	6%	N/A	N/A		
Expenses	\$ 5,154	\$ 5,569	\$ (415)	-8%	\$ -	\$ (57)	\$ (57)	\$ 5,154	\$ 5,512	\$ (358)	-7%	Unfavourable variance due to higher than budgeted materials and supplies from downtown vegetation maintenance and pest management, and unanticipated irrigation repairs. This is offset by lower than budget wages.	More unfavourable than projected due to higher than projected salaries and wages and contracted services throughout December.		
Operations & Maintenance Net	\$ (4,871)	\$ (5,306)	\$ (435)	-9%	\$ -	\$ 95	\$ (95)	\$ (4,871)	\$ (5,211)	\$ (340)	-7%				
Parks & Recreation - Other															
Revenue	\$ 1,726	\$ 2,231	\$ 505	29%	\$ -	\$ (124)	\$ 124	\$ 1,726	\$ 2,107	\$ 381	22%	Favourable variance due to higher than budgeted camper fees and perpetual care fees at the cemetery.	More favourable than projected due to revenue sources that were not included in the original projection amount.		
Expenses	\$ 3,497	\$ 4,688	\$ (1,192)	-34%	\$ -	\$ (643)	\$ (643)	\$ 3,497	\$ 4,045	\$ (549)	-16%	Unfavourable variance due to unbudgeted contracted services related to 2022 windstorm and higher than budget wages.	More unfavourable than projected due to unbudgeted wages that were not factored into initial projection amount.		
Internal Revenue	\$ 141	\$ 144	\$ 3	2%	\$ -	\$ -	\$ -	\$ 141	\$ 144	\$ 3	2%	N/A	N/A		
Internal Expenses	\$ 7,355	\$ 8,321	\$ (966)	-13%	\$ -	\$ (3)	\$ (3)	\$ 7,355	\$ 8,318	\$ (963)	-13%	Unfavourable variance due to higher than budgeted utilities, office rent, water usage, and Municipal Works allocations. This is offset by lower than budgeted Corporate Services allocations.	N/A		
Parks & Recreation - Other Net	\$ (8,984)	\$ (10,635)	\$ (1,650)	-18%	\$ -	\$ 522	\$ (522)	\$ (8,984)	\$ (10,112)	\$ (1,128)	-13%				
PARKS & RECREATION NET	\$ (16,316)	\$ (18,395)	\$ (2,079)	-13%	\$ -	\$ 519	\$ (519)	\$ (16,316)	\$ (17,876)	\$ (1,560)	-10%				

TAX SUPPORTED	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion <small>(explain your current budget variance)</small>	Discussion <small>(explain what is driving your change in variance to end of the year)</small>	
	Budget	Actual Jan to Dec 2023	Variance	Variance %	Forecasted to Dec 2023 as at Nov 30	Forecast	Variance	Forecasted Jan to Dec 2023 as at Nov 30	Forecast	Variance	% Variance			
COMMUNITY DEVELOPMENT														
Culture & Entertainment														
Revenue	\$ 5,873	\$ 7,116	\$ 1,243	21%	\$ -	\$ 25	\$ (25)	\$ 5,873	\$ 7,141	\$ 1,268	22%	Favourable variance is due to higher than budgeted parking revenue, rental revenue, sponsorship revenue, grant revenue, and higher attendance at regularly scheduled Co-op Place events resulting in higher ticket, food and beverage sales, and service charges.	N/A	
Expenses	\$ 7,723	\$ 9,353	\$ (1,630)	-21%	\$ -	\$ (418)	\$ (418)	\$ 7,723	\$ 8,935	\$ (1,212)	-16%	Unfavourable variance is due to higher than budgeted food and beverage costs as a result of higher attendance at regular scheduled events, higher than budgeted ticket and suite settlements for rental events, and higher than budgeted ticketing software costs and salaries and wages.	More unfavourable than projected due to higher than projected salaries and wages associated with high attendance at Co-op Place and ticketing software costs that were not included in projection amount.	
Culture & Entertainment Net	\$ (1,850)	\$ (2,237)	\$ (387)	-21%	\$ -	\$ 443	\$ (443)	\$ (1,850)	\$ (1,794)	\$ 56	3%			
Transit														
Revenue	\$ 1,001	\$ 1,320	\$ 319	32%	\$ -	\$ 8	\$ (8)	\$ 1,001	\$ 1,328	\$ 327	33%	Favourable variance is due to an increase in fare revenue from increased usage and unbudgeted advertising revenue.	N/A	
Expenses	\$ 4,217	\$ 4,508	\$ (291)	-7%	\$ -	\$ (14)	\$ (14)	\$ 4,217	\$ 4,494	\$ (277)	-7%	Unfavourable variance is due to higher than budgeted wages from overtime and unbudgeted software renewals.	N/A	
Transit Net	\$ (3,216)	\$ (3,188)	\$ 28	1%	\$ -	\$ 22	\$ (22)	\$ (3,216)	\$ (3,166)	\$ 50	2%			
Community Development - Other														
Revenue	\$ 1,691	\$ 2,143	\$ 452	27%	\$ -	\$ -	\$ -	\$ 1,691	\$ 2,143	\$ 452	27%	Favourable variance is due to unbudgeted grant revenue received.	N/A	
Expenses	\$ 2,685	\$ 2,746	\$ (61)	-2%	\$ -	\$ 32	\$ 32	\$ 2,685	\$ 2,778	\$ (93)	-3%	Unfavourable variance is due to higher than budgeted grants to non-profit organizations, materials, and fair entry subsidy, offset by lower than budgeted wages and contracted services.	N/A	
Internal Revenue	\$ 11	\$ 11	\$ -	0%	\$ -	\$ -	\$ -	\$ 11	\$ 11	\$ -	0%	N/A	N/A	
Internal Expenses	\$ 5,595	\$ 5,210	\$ 385	7%	\$ -	\$ 65	\$ 65	\$ 5,595	\$ 5,275	\$ 320	6%	Favourable variance is due to lower than budgeted fleet charges, Corporate Planning & Performance allocations, and Finance charges, offset by unbudgeted property taxes at Co-op Place.	More favourable than projected due to lower than budgeted utilities and finance charges, offset by higher than projected fleet charges.	
Community Development - Other Net	\$ (6,578)	\$ (5,802)	\$ 776	12%	\$ -	\$ (97)	\$ 97	\$ (6,578)	\$ (5,899)	\$ 679	10%			
COMMUNITY DEVELOPMENT NET	\$ (11,644)	\$ (11,227)	\$ 417	4%	\$ -	\$ 368	\$ (368)	\$ (11,644)	\$ (10,859)	\$ 785	7%			
TOTAL PUBLIC SERVICES	\$ (45,505)	\$ (47,875)	\$ (2,370)	-5%	\$ -	\$ 1,559	\$ (1,559)	\$ (45,505)	\$ (46,316)	\$ (811)	-2%			
OTHER ORGANIZATIONS														
Revenue	\$ -	\$ 126	\$ 126	0%	\$ -	\$ (58)	\$ 58	\$ -	\$ 68	\$ 68	0%	Favourable variance due to Library repaying the City for higher than budgeted expense for both 2022 and 2023.	More favourable than projected due to higher than projected wages throughout December added to the operating deficit.	
Expenses	\$ 2,553	\$ 2,598	\$ (45)	-2%	\$ -	\$ (44)	\$ (44)	\$ 2,553	\$ 2,554	\$ (1)	0%	N/A	N/A	
Internal Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A	
Internal Expenses	\$ 246	\$ 260	\$ (14)	-6%	\$ -	\$ 2	\$ 2	\$ 246	\$ 262	\$ (16)	-7%	N/A	N/A	
TOTAL OTHER ORGANIZATIONS	\$ (2,799)	\$ (2,732)	\$ 67	2%	\$ -	\$ (16)	\$ 16	\$ (2,799)	\$ (2,748)	\$ 51	2%			
ENERGY, LAND & ENVIRONMENT														
ENVIRONMENT, LAND & GAS PRODUCTION - TAX SUPPORTED														
Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A	
Expenses	\$ 2,091	\$ 1,734	\$ 357	17%	\$ -	\$ (8)	\$ (8)	\$ 2,091	\$ 1,726	\$ 365	17%	Favourable due to staff vacancies and unspent contracted services for contaminated sites management.	N/A	
Internal Revenue	\$ 1,440	\$ 1,440	\$ -	0%	\$ -	\$ -	\$ -	\$ 1,440	\$ 1,440	\$ -	0%	N/A	N/A	
Internal Expenses	\$ 15	\$ 4	\$ 11	73%	\$ -	\$ -	\$ -	\$ 15	\$ 4	\$ 11	73%	N/A	N/A	
ENVIRONMENT, LAND & GAS PRODUCTION - TAX SUPPORTED	\$ (666)	\$ (298)	\$ 368	55%	\$ -	\$ 8	\$ (8)	\$ (666)	\$ (290)	\$ 376	56%			
ENERGY MARKETING & BUSINESS ANALYSIS														
Revenue	\$ 325	\$ 261	\$ (64)	-20%	\$ -	\$ 88	\$ (88)	\$ 325	\$ 349	\$ 24	7%	Unfavourable variance due to lower than forecasted Hat Smart Recoveries.	More unfavourable than projected due to lower than forecasted Hat Smart recoveries.	
Expenses	\$ 2,560	\$ 1,849	\$ 711	28%	\$ -	\$ 361	\$ 361	\$ 2,560	\$ 2,210	\$ 350	14%	Favourable variance is due to professional consulting fees not yet utilized and vacant positions.	More favourable than projected due to professional consulting fees not utilized by year-end.	
Internal Revenue	\$ 1,838	\$ 1,499	\$ (339)	-18%	\$ -	\$ 397	\$ (397)	\$ 1,838	\$ 1,896	\$ 58	3%	Unfavourable variance is due to lower than budgeted expenses and a corresponding smaller recovery.	More unfavourable than projected due to lower recoveries on lower than forecasted expenses	
Internal Expenses	\$ 11	\$ 26	\$ (15)	-136%	\$ -	\$ -	\$ -	\$ 11	\$ 26	\$ (15)	-136%	N/A	N/A	
ENERGY MARKETING & BUSINESS ANALYSIS NET	\$ (408)	\$ (115)	\$ 293	72%	\$ -	\$ 124	\$ (124)	\$ (408)	\$ 9	\$ 417	102%			
TOTAL ENERGY, LAND & ENVIRONMENT	\$ (1,074)	\$ (413)	\$ 661	62%	\$ -	\$ 132	\$ (132)	\$ (1,074)	\$ (281)	\$ 793	74%			
TOTAL BEFORE FINANCE ACTIVITIES	\$ (8,734)	\$ (8,642)	\$ 92	1%	\$ -	\$ 289	\$ (289)	\$ (8,734)	\$ (8,352)	\$ 381	4%			
FINANCE ACTIVITIES														
Rebates	\$ (34,556)	\$ (34,546)	\$ 10	0%	\$ -	\$ 109	\$ (109)	\$ (34,556)	\$ (34,437)	\$ 119	0%	N/A	More unfavourable at year end due to higher usage of Fair Entry.	
Interest & principal	(8,951)	(8,582)	369	4%	-	(6)	6	(8,951)	(8,588)	363	4%	Favourable variance due to less funds borrowed on prior year projects.	N/A	
Transfer (to)/from reserves	28,419	(8,724)	(37,143)	-131%	-	35,066	(35,066)	28,419	26,342	(2,077)	-7%	Favourable variance as a result of higher than budget transfers from reserves to offset current year deficit, lower than budgeted transfer to Heritage Reserve, and unbudgeted transfer of Free Cash Flow to Tax Rate Stabilization Reserve.	More unfavourable as Free Cash Flow transfer was not budgeted.	
Investment income	20,822	17,494	(3,328)	-16%	-	6,013	(6,013)	20,822	23,507	2,685	13%	Unfavourable due to external investment managers realizing less earnings as they are still recovering from the 2022 downturn in the markets.	More unfavourable than projected as the forecasts included total returns, rather than actual realized returns; many of the capital gains were unrealized as they were carried into 2024 by external manager.	
Contribution from Utilities	3,000	3,000	-	0%	-	-	-	3,000	3,000	-	0%	Favourable as a result of 2023 calculated Free Cash Flow being allocated to the Tax Rate Stabilization Reserve	More favourable as Free Cash Flow transfer was not budgeted.	
Free cash flow (transfer from reserves)	-	40,000	40,000	0%	-	(40,000)	40,000	-	-	-	0%			
TOTAL FINANCE ACTIVITIES	\$ 8,734	\$ 8,642	\$ (92)	-1%	\$ -	\$ 1,182	\$ (1,182)	\$ 8,734	\$ 9,824	\$ 1,090	12%			
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	\$ -	\$ -	\$ -	0%	\$ -	\$ 1,471	\$ (1,471)	\$ -	\$ 1,471	\$ 1,471	0%			

LAND & PROPERTIES	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion Current Variance (explain your current budget variance)	Discussion Variance Driver (explain what is driving your change in variance to end of the year)	
	Budget	Actual	Variance	Variance %	Budget	Forecast	Variance	Budget	Forecast	Variance	% Variance			
LAND														
Revenue	\$ 5,737	\$ 2,703	\$ (3,034)	-53%	\$ -	\$ (118)	\$ 118	\$ 5,737	\$ 2,585	\$ (3,152)	-55%	Unfavourable variance due to less than budgeted residential, commercial, and other lot sales.	More favourable at yearend due to yearend adjustments for 3rd party cost sharing, and expired deposits being moved into revenue at yearend.	
Expenses	\$ 4,241	\$ 2,663	\$ 1,578	37%	\$ -	\$ (274)	\$ (274)	\$ 4,241	\$ 2,389	\$ 1,852	44%	Favourable variance due to less than budgeted cost of sales as a result of less lots sold.	More unfavourable at yearend due to the cost of sales relating to the affordable housing site, not being included in the November projection.	
Internal Revenue	\$ 905	\$ 905	\$ -	0%	\$ -	\$ -	\$ -	\$ 905	\$ 905	\$ -	0%	N/A	N/A	
Internal Expenses	\$ 661	\$ 696	\$ (35)	-5%	\$ -	\$ (0)	\$ (0)	\$ 661	\$ 696	\$ (35)	-5%	N/A	N/A	
LAND EBITDA	\$ 1,740	\$ 248	\$ (1,491)	-86%	\$ -	\$ 157	\$ 157	\$ 1,740	\$ 405	\$ (1,335)	-77%			
FINANCE ACTIVITIES														
Interest & principal	(6)	(6)	-	0%	-	-	-	(6)	(6)	-	0%	N/A	N/A	
Capital spend (on prior year projects)	750	750	-	0%	-	-	-	750	750	-	0%	N/A	N/A	
Free cash flow (transfer to reserves)	-	(765)	(765)	0%	-	818	(818)	-	53	53	0%	Unfavourable due to Free Cash Flow at yearend and more cash available to contribute. This was not budgeted for.	More unfavourable at yearend due to more Free Cash Flow to contribute than anticipated.	
TOTAL FINANCE ACTIVITIES	\$ 745	\$ (376)	\$ 1,121	150%	\$ -	\$ 1,174	\$ 1,068	\$ 745	\$ 798	\$ 53	7%			
TOTAL LAND	\$ 1,740	\$ 248	\$ (1,491)	-86%	\$ -	\$ 157	\$ (157)	\$ 1,740	\$ 405	\$ (1,335)	-77%			
TOTAL LAND EBITDA	\$ 1,740	\$ 248	\$ (1,491)	-86%	\$ -	\$ 157	\$ (157)	\$ 1,740	\$ 405	\$ (1,335)	-77%			

RATE BASED	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion Current Variance	Discussion Variance Driver
	Budget	Actual	Variance	Variance %	Budget	Forecast	Variance	Budget	Forecast	Variance	% Variance		
ENVIRONMENTAL UTILITIES													
ENVIRONMENTAL UTILITIES - WATER													
Revenue	\$ 25,098	\$ 25,732	\$ 634	3%	\$ -	\$ (84)	\$ (84)	\$ 25,098	\$ 25,648	\$ 550	2%	Favourable due to higher than anticipated residential consumption and lawn irrigation water volumes.	N/A
Expenses	\$ 9,259	\$ 9,170	\$ 89	1%	\$ -	\$ (193)	\$ 193	\$ 9,259	\$ 8,977	\$ 282	3%	Favourable due to lower than anticipated contracted and general services primarily due to delay in filter media study.	Actuals are more unfavourable to projections due to unbudgeted employee benefits.
Internal Revenue	\$ 2,629	\$ 2,919	\$ 290	11%	\$ -	\$ (334)	\$ (334)	\$ 2,629	\$ 2,585	\$ (44)	-2%	Favourable variance due to lower than anticipated internal charges and utilities.	N/A
Internal Expenses	\$ 6,871	\$ 6,802	\$ 69	1%	\$ -	\$ 59	\$ (59)	\$ 6,871	\$ 6,861	\$ 10	0%	N/A	N/A
ENVIRONMENTAL UTILITIES - WATER EBITDA	\$ 11,598	\$ 12,680	\$ 1,082	9%	\$ -	\$ (284)	\$ (284)	\$ 11,598	\$ 12,396	\$ 798	7%		
Interest & principal	(5,367)	(5,343)	23	0%	1,611	1,579	(32)	(3,756)	(3,765)	(9)	0%	N/A	N/A
Capital spend (on prior year projects)	(31,983)	(13,821)	18,162	57%	-	-	-	(31,983)	(13,821)	18,162	57%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Capital spend (on current year projects)	(4,845)	(1,938)	2,907	60%	-	-	-	(4,845)	(1,938)	2,907	60%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Free cash flow (transfer to / from reserves)	-	(4,259)	(4,259)	0%	-	3,032	3,032	-	(1,227)	(1,227)	0%	Unfavourable variance due to greater free cash flow available to contribute. No amount of Free Cash Flow was included in the 2023 budget.	Increasingly favourable variance due to lesser free cash flow available to contribute. No amount of Free Cash Flow was included in the 2023 budget.
Miscellaneous	-	1,172	1,172	0%	-	(1,172)	(1,172)	-	-	-	0%	Favourable variance is due to changes in working capital (A/R, A/P & inventory).	Increasingly unfavourable variance is due to changes in working capital (A/R, A/P & inventory).
ENVIRONMENTAL UTILITIES - WATER - CHANGE IN CASH	\$ (30,596)	\$ (12,776)	\$ 17,821	58%	\$ 1,611	\$ 4,421	\$ 2,810	\$ (28,985)	\$ (8,355)	\$ 20,631	71%		
ENVIRONMENTAL UTILITIES - SEWER													
Revenue	\$ 23,696	\$ 23,988	\$ 291	1%	\$ -	\$ (186)	\$ (186)	\$ 23,696	\$ 23,801	\$ 105	0%	Favourable due to higher residential and commercial municipal consumption.	N/A
Expenses	\$ 6,492	\$ 7,291	\$ (799)	-12%	\$ -	\$ (187)	\$ 187	\$ 6,492	\$ 7,104	\$ (613)	-9%	Unfavourable due to unplanned pump failures, unbudgeted electrician hours, higher than anticipated material costs, and partially offset by staffing vacancies.	Increasingly favourable variance due to projection including staffing vacancies and unspent contracted services.
Internal Revenue	\$ -	\$ 8	\$ 8		\$ -	\$ (8)	\$ (8)	\$ -	\$ -	\$ -		N/A	N/A
Internal Expenses	\$ 5,638	\$ 4,965	\$ 672	12%	\$ -	\$ (38)	\$ 38	\$ 5,638	\$ 4,927	\$ 710	13%	Favourable variance due to lower than anticipated internal charges and lower charges from fleet, utilities, building services, finance and BTO.	Increasingly favourable due to projection including lower than anticipated internal charges.
ENVIRONMENTAL UTILITIES - SEWER EBITDA	\$ 11,567	\$ 11,739	\$ 172	1%	\$ -	\$ 31	\$ 31	\$ 11,567	\$ 11,770	\$ 203	2%		
Interest & principal	(9,054)	(9,007)	47	1%	21,921	21,891	(30)	12,866	12,883	17	0%	N/A	N/A
Capital spend (on prior year projects)	(8,995)	(5,369)	3,626	40%	-	0	0	(8,995)	(5,369)	3,626	40%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Capital spend (on current year projects)	(9,509)	(1,685)	7,824	82%	-	-	-	(9,509)	(1,685)	7,824	82%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Free cash flow (transfer to / from reserves)	-	(4,403)	(4,403)	0%	-	2,834	2,834	-	(1,569)	(1,569)	0%	Unfavourable variance due to greater free cash flow available to contribute. No amount of Free Cash Flow was included in the 2023 budget.	Increasingly favourable variance due to lesser free cash flow available to contribute. No amount of Free Cash Flow was included in the 2023 budget.
Miscellaneous	-	971	971	0%	-	(971)	(971)	-	-	-	0%	Favourable variance is due to changes in working capital (A/R, A/P & inventory).	N/A
ENVIRONMENTAL UTILITIES - SEWER - CHANGE IN CASH	\$ (15,991)	\$ (8,676)	\$ 7,315	46%	\$ 21,921	\$ 24,706	\$ 2,785	\$ 5,930	\$ 16,030	\$ 10,100	170%		
ENVIRONMENTAL UTILITIES - SOLID WASTE													
Revenue	\$ 10,223	\$ 11,664	\$ 1,441	14%	\$ -	\$ (1,441)	\$ (1,441)	\$ 10,223	\$ 10,223	\$ -	0%	Favourable due to carbon credits being serialized and sold to Electric Generation.	N/A
Expenses	\$ 5,607	\$ 5,605	\$ 2	0%	\$ -	\$ (87)	\$ 87	\$ 5,607	\$ 5,518	\$ 89	2%	N/A	N/A
Internal Revenue	\$ 2,995	\$ 2,575	\$ (421)	-14%	\$ -	\$ 1,634	\$ 1,634	\$ 2,995	\$ 4,208	\$ 1,213	40%	Unfavourable due to reclassification of carbon credits to revenue line above.	Increasingly favourable variance from the November projection as the carbon credit accrual was included under internal revenue.
Internal Expenses	\$ 5,629	\$ 5,448	\$ 181	3%	\$ -	\$ 25	\$ (25)	\$ 5,629	\$ 5,473	\$ 156	3%	Favourable variance due to lower than anticipated internal charges for Fleet.	N/A
ENVIRONMENTAL UTILITIES - SOLID WASTE EBITDA	\$ 1,982	\$ 3,186	\$ 1,203	61%	\$ -	\$ 254	\$ 254	\$ 1,982	\$ 3,440	\$ 1,458	74%		
Interest & principal	(243)	(242)	1	0%	-	-	-	(243)	(243)	-	0%	N/A	N/A
Capital spend (on current year projects)	(1,080)	(68)	1,012	94%	-	-	-	(1,080)	(68)	1,012	94%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Free cash flow (transfer to / from reserves)	-	(930)	(930)	0%	-	(842)	(842)	-	(1,772)	(1,772)	0%	Unfavourable variance due to greater free cash flow available to contribute. No amount of Free Cash Flow was included in the 2023 budget.	Unfavourable variance due to greater free cash flow available to contribute. No amount of Free Cash Flow was included in the 2023 budget.
Miscellaneous	-	897	897	0%	-	(897)	(897)	-	-	-	0%	Favourable variance is due to changes in working capital (A/R, A/P & inventory).	Increasingly unfavourable variance is due to changes in working capital (A/R, A/P & inventory).
ENVIRONMENTAL UTILITIES - SOLID WASTE - CHANGE IN CASH	\$ 660	\$ 2,775	\$ 2,116	321%	\$ -	\$ (1,418)	\$ (1,418)	\$ 660	\$ 1,358	\$ 698	106%		
TOTAL ENVIRONMENTAL UTILITIES	\$ 25,147	\$ 27,604	\$ 2,457	10%	\$ -	\$ 1	\$ 1	\$ 25,147	\$ 27,606	\$ 2,459	10%		

RATE BASED	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion Current Variance	Discussion Variance Driver
	Budget	Actual	Actual Jan to Dec 2023	Variance	Variance %	Forecasted to Dec 2023 as at Nov 30	Budget	Forecast	Variance	Budget	Forecast		
UTILITY DISTRIBUTION SYSTEMS													
ELECTRIC DISTRIBUTION - OPERATING													
Revenue	\$ 22,229	\$ 21,738	\$ (491)	-2%	\$ -	\$ 236	\$ 236	\$ 22,229	\$ 21,974	\$ (255)	-1%	Unfavourable variance is due to less demand from industrial and large commercial customers.	More unfavourable than projected in November due to lower than anticipated demand from industrial and large commercial customers.
Expenses	\$ 8,241	\$ 8,825	\$ (583)	-7%	\$ -	\$ (324)	\$ 324	\$ 8,241	\$ 8,501	\$ (260)	-3%	Unfavourable variance is due to additional labour expenses pertaining to retroactive contract settlement.	More unfavourable than projected in November due to increased scope of reactive maintenance.
Internal Revenue	\$ 834	\$ 1,030	\$ 196	23%	\$ -	\$ (26)	\$ (26)	\$ 834	\$ 1,004	\$ 170	20%	Favourable variance is due to internal administration recoveries from Gas Distribution.	N/A
Internal Expenses	\$ 6,251	\$ 5,792	\$ 459	7%	\$ -	\$ (41)	\$ 41	\$ 6,251	\$ 5,751	\$ 500	8%	Favourable variance is due to lower charges from Operational Technology Systems due to subdepartments vacancies.	N/A
ELECTRIC DISTRIBUTION - OPERATING EBITDA	\$ 8,571	\$ 8,152	\$ (419)	-5%	\$ -	\$ 574	\$ 574	\$ 8,571	\$ 8,726	\$ 155	2%		
Interest & principal	26,129	(4,638)	(30,768)	-118%	-	(12)	(12)	26,129	(4,650)	(30,780)	-118%	Unfavourable variance is due to reduced borrowings in current year due to delayed capital spending on multi-year projects.	N/A
Capital spend (on prior year projects)	(4,958)	(2,651)	2,306	47%	-	(411)	(411)	(4,958)	(3,063)	1,895	38%	Favourable variance is due to delayed capital spending on multi-year projects.	More favourable than projected in November due to delayed capital spending on multi-year projects.
Capital spend (on current year projects)	(40,831)	(3,257)	37,574	92%	-	(894)	(894)	(40,831)	(4,152)	36,680	90%	Favourable variance is due to delayed capital spending on multi-year projects.	More favourable than projected in November due to delayed capital spending on multi-year projects.
Free cash flow (transfer to / from reserves)	-	716	716	0%	-	1,755	1,755	-	2,471	2,471	0%	Favourable variance is due to lower than budgeted free cash flow available to be contributed. Transfers from reserve were \$716K to offset the cash deficiency.	Less favourable than projected in November due to higher than projected free cash flow as a result of transfers for current year capital projects.
Miscellaneous	-	8,055	8,055	0%	-	(8,055)	(8,055)	-	-	-	0%	Favourable variance is due to changes in working capital (A/R, A/P & inventory).	More favourable than projected in November due to changes in working capital (A/R, A/P & inventory).
ELECTRIC DISTRIBUTION - OPERATING - CHANGE IN CASH	\$ (11,089)	\$ (851)	\$ 10,238	92%	\$ -	\$ 183	\$ 183	\$ (11,089)	\$ (667)	\$ 10,421	94%		
GAS DISTRIBUTION - OPERATING													
Revenue	\$ 14,826	\$ 13,098	\$ (1,728)	-12%	\$ -	\$ 1,629	\$ 1,629	\$ 14,826	\$ 14,726	\$ (100)	-1%	Unfavourable variance is due to lower than anticipated consumer demand over the warmer winter months.	More unfavourable than projected in November due to lower than anticipated consumer demand over the warmer winter months.
Expenses	\$ 7,545	\$ 7,337	\$ 209	3%	\$ -	\$ (162)	\$ 162	\$ 7,545	\$ 7,175	\$ 370	5%	Favourable variance is due to transportation expenses transferred to third parties.	Less favourable than projected in November due to less rechargeable expenses transferred to third parties.
Internal Revenue	\$ 106	\$ 251	\$ 145	138%	\$ -	\$ (12)	\$ (12)	\$ 106	\$ 239	\$ 133	126%	Favourable variance is due to recoveries on building assets.	N/A
Internal Expenses	\$ 3,327	\$ 3,115	\$ 211	6%	\$ -	\$ (28)	\$ 28	\$ 3,327	\$ 3,087	\$ 240	7%	Favourable variance is due to lower charges from Operational Technology Systems due to subdepartment vacancies.	N/A
GAS DISTRIBUTION - OPERATING EBITDA	\$ 4,060	\$ 2,896	\$ (1,163)	-29%	\$ -	\$ 1,807	\$ 1,807	\$ 4,060	\$ 4,703	\$ 644	16%		
Interest & principal	(393)	(1,830)	(1,437)	-366%	-	(3)	(3)	(393)	(1,833)	(1,441)	-367%	Unfavourable variance is due to reduced borrowings in current year due to delayed capital spending on multi-year projects.	N/A
Capital spend (on prior year projects)	(3,426)	(1,931)	1,495	44%	-	349	349	(3,426)	(1,582)	1,843	54%	Favourable variance is due to delayed capital spending on multi-year projects.	More favourable than projected in November due to delayed capital spending on multi-year projects.
Capital spend (on current year projects)	(4,247)	(1,748)	2,499	59%	-	36	36	(4,247)	(1,712)	2,535	60%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Free cash flow (transfer to / from reserves)	-	1,378	1,378	0%	-	(1,124)	(1,124)	-	254	254	0%	Favourable variance is due to lower than budgeted free cash flow available to be contributed. Transfers from reserve were \$1.4M to offset the cash deficiency.	More favourable than projected due to lower than projected free cash flow as a result of transfers for current year capital projects.
Miscellaneous	-	3,579	3,579	0%	-	(3,579)	(3,579)	-	-	-	0%	Favourable variance is due to changes in working capital (A/R, A/P & inventory).	More favourable than projected in November due to changes in working capital (A/R, A/P & inventory).
GAS DISTRIBUTION - OPERATING - CHANGE IN CASH	\$ (4,005)	\$ (689)	\$ 3,316	83%	\$ -	\$ 519	\$ 519	\$ (4,005)	\$ (170)	\$ 3,835	96%		
TOTAL UTILITY DISTRIBUTION SYSTEMS	\$ 12,631	\$ 11,048	\$ (1,583)	-13%	\$ -	\$ 2,381	\$ 2,381	\$ 12,631	\$ 13,429	\$ 798	6%		
TOTAL RATE BASED EBITDA	\$ 37,778	\$ 38,652	\$ 874	2%	\$ -	\$ 2,383	\$ 2,383	\$ 37,778	\$ 41,035	\$ 3,257	9%		

COMMODITY	Net Year to Date Performance				Net Balance of the Year			Net End of Year Performance				Discussion Current Variance	Discussion Variance Driver
	Budget	Actual Jan to Dec 2023	Variance	Variance %	Forecasted Jan to Dec 2023 as at Nov 30	Forecast	Variance	Budget	Forecast	Variance	% Variance		
COMMODITIES													
ELECTRIC GENERATION - OPERATING													
Revenue	\$ 204,097	\$ 336,315	\$ 132,218	65%	\$ -	\$ 5,961	\$ 5,961	\$ 204,097	\$ 342,276	\$ 138,180	68%	Favourable variance is due to higher sales to the pool as a result of higher electric commodity prices.	Less favourable than projected in November due to a lower than forecasted price and less spare capacity to sell to the grid.
Expenses	\$ 128,325	\$ 174,591	\$ (46,266)	-36%	\$ -	\$ 3,631	\$ (3,631)	\$ 128,325	\$ 178,222	\$ (49,897)	-39%	Unfavourable variance is due to a greater transfer to retail, which is the result of a higher commodity contract price. This is partially offset by lower fuel costs as a result of lower natural gas prices.	Less unfavourable than projected in November due to lower sales to the grid and therefore lower payment in lieu of taxes.
Internal Revenue	\$ 327	\$ 305	\$ (22)	-7%	\$ -	\$ 22	\$ 22	\$ 327	\$ 327	\$ -	0%	N/A	N/A
Internal Expenses	\$ 7,338	\$ 7,070	\$ 268	4%	\$ -	\$ 268	\$ (268)	\$ 7,338	\$ 7,338	\$ -	0%	Favourable variance is due to less carbon credits transferred from Solid Waste than budgeted.	More favourable than projected in November due to less carbon credits transferred from Solid Waste.
ELECTRIC GENERATION - OPERATING EBITDA	\$ 68,760	\$ 154,958	\$ 86,198	125%	\$ -	\$ 2,085	\$ 2,085	\$ 68,760	\$ 157,043	\$ 88,283	128%		
Interest & principal	(10,304)	(12,012)	(1,708)	-17%	-	(65)	(65)	(10,304)	(12,077)	(1,773)	-17%	Unfavourable variance is due to reduced borrowings in current year due to delayed capital spending on multi-year projects.	N/A
Transfer (to)/from reserves	(164)	(18,810)	(18,646)	-11401%	-	18,646	18,646	(164)	(164)	-	0%	Unfavourable variance is due to fund current year capital projects.	More unfavourable than projected in November due to transfer to capital for current year capital approvals.
Investment income	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Capital spend (on prior year projects)	(25,936)	(5,862)	20,075	77%	-	-	-	(25,936)	(5,862)	20,075	77%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Capital spend (on current year projects)	(19,935)	(4,235)	15,700	79%	-	-	-	(19,935)	(4,235)	15,700	79%	Favourable variance is due to delayed capital spending on multi-year projects.	N/A
Free cash flow (transfer to reserves)	(41,105)	(138,785)	(97,680)	-238%	-	7,054	7,054	(41,105)	(131,731)	(90,626)	-220%	Unfavourable variance is due to greater than budgeted free cash flow available to be contributed. Free cash flow available to contribute was \$138.8M in 2023.	More unfavourable than projected in November due to more free cash flow available to contribute.
Miscellaneous	-	34,727	34,727	0%	-	(34,727)	(34,727)	-	-	-	0%	Favourable variance is due to changes in working capital (A/R, A/P & inventory).	More favourable than projected in November due to changes in working capital (A/R, A/P & inventory).
ELECTRIC GENERATION - OPERATING - CHANGE IN CASH	\$ (28,684)	\$ 9,982	\$ 38,665	135%	\$ -	\$ (7,007)	\$ (7,007)	\$ (28,684)	\$ 2,975	\$ 31,658	110%		
GAS PRODUCTION - OPERATING													
Revenue	\$ 106,513	\$ 55,656	\$ (50,857)	-48%	\$ -	\$ (1,618)	\$ (1,618)	\$ 106,513	\$ 54,038	\$ (52,476)	-49%	Unfavourable variance due to actual gas commodity pricing coming in lower, as markets are oversupplied.	More favourable than projected in November due to higher than budgeted gas commodity sales volumes.
Expenses	\$ 101,558	\$ 50,785	\$ 50,773	50%	\$ -	\$ 237	\$ (237)	\$ 101,558	\$ 51,023	\$ 50,535	50%	Favourable variance as a result of savings in gas purchases due to the lower gas commodity price.	More unfavourable variance than projected in November as a result of higher investment management fees.
Internal Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	N/A	N/A
Internal Expenses	\$ 512	\$ 3,215	\$ (2,703)	-528%	\$ -	\$ (10)	\$ 10	\$ 512	\$ 3,206	\$ (2,694)	-526%	Unfavourable variance due to budget oversight in interdepartmental allocated costs.	N/A
GAS PRODUCTION - OPERATING EBITDA	\$ 4,443	\$ 1,655	\$ (2,788)	-63%	\$ -	\$ (1,846)	\$ (1,846)	\$ 4,443	\$ (191)	\$ (4,634)	-104%		
Interest & principal	(491)	(512)	(21)	-4%	-	-	-	(491)	(491)	-	0%	N/A	N/A
Transfer (to)/from reserves	-	(1,671)	(1,671)	0%	-	1,671	1,671	-	-	-	0%	Unfavourable variance is due to fund current year capital projects.	More unfavourable than projected in November due to transfer to capital for current year capital approvals.
Investment income	7,272	5,838	(1,434)	-20%	-	2,165	2,165	7,272	8,003	731	10%	Unfavourable mainly due to lower realized investment income than budgeted.	More unfavourable mainly due to lower realized investment income than forecasted for 2023.
Capital spend (on prior year projects)	(3,720)	(2,605)	1,115	30%	-	(1,372)	(1,372)	(3,720)	(3,977)	(257)	-7%	Favourable due to delayed capital spending on multi-year projects	More favourable variance from projected in November due to delayed capital spending on multi-year projects.
Capital spend (on current year projects)	(1,347)	(212)	1,136	84%	-	(572)	(572)	(1,347)	(784)	563	42%	Favourable due to delayed capital spending on multi-year projects	More favourable variance from projected in November due to delayed capital spending on multi-year projects
Capital spend (on prior year abandonment projects)	(33,064)	(12,638)	20,426	62%	-	(19,749)	(19,749)	(33,064)	(32,388)	676	2%	Favourable due to delayed capital spending on multi-year projects	More favourable variance from projected in November due to delayed capital spending on multi-year projects
Capital spend (on current year abandonment projects)	(7,635)	(293)	7,343	96%	-	(27)	(27)	(7,635)	(320)	7,316	96%	Favourable due to delayed capital spending on multi-year projects	More favourable variance from projected in November due to delayed capital spending on multi-year projects
Free cash flow (transfer to reserves)	-	1,540	1,540	0%	-	(1,188)	(1,188)	-	352	352	0%	Favourable variance due to the transfer of funds to cover cash requirements	More favourable than projected in November mainly due to higher cash requirements for 2023 than forecasted
Miscellaneous	-	-	-	0%	-	-	-	-	-	-	0%		
GAS PRODUCTION - OPERATING - CHANGE IN CASH	\$ (34,543)	\$ (8,897)	\$ 25,646	74%	\$ -	\$ (20,898)	\$ (20,898)	\$ (34,543)	\$ (29,795)	\$ 4,748	14%		
COMMODITIES	\$ 73,203	\$ 156,613	\$ 83,410	114%	\$ -	\$ 239	\$ 239	\$ 73,203	\$ 156,852	\$ 83,649	114%		
TOTAL COMMODITY EBITDA	\$ 73,203	\$ 156,613	\$ 83,410	114%	\$ -	\$ 239	\$ 239	\$ 73,203	\$ 156,852	\$ 83,649	114%		

Tax Supported
Capital Report Summary
As of December 31, 2023
(in thousands)

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
POLICE					
Projects less than \$1M					
Police	740	448	292	780	
TOTAL POLICE	740	448	292	780	
CORPORATE SERVICES					
Fleet & Facilities					
2023 MTCA's	13,472	4,289	9,183	13,472	Project in progress. Vehicles are being specified and ordered. Expected deliveries in 2024, 2025, 2026.
2023 Confined Spaces Access Program	1,000	162	838	1,000	Project is in progress and in the design phase. Projected to be completed in Q4 2024.
2023 FM Infrastructure Rehab Program	2,432	2,143	289	2,432	Projects are in progress. Anticipated completion Q4 2024.
2023 FM Utility Infrastructure Repair Program	1,000	1,010	(10)	1,010	Project is complete.
2022 MTCA's	2,134	568	1,566	2,179	Several units on order. Units #331 and #338 arrived in February, invoice still to come
2022 Moose Ice Slab Replacement	1,200	1,113	87	1,200	Project is complete.
2022 FM Infrastructure Rehab Program	2,011	2,122	(111)	2,113	Project is complete.
2021 FM Infrastructure Rehab Program	1,900	1,948	(48)	1,967	Project is complete.
2020 533 1st Street SE - Addition	2,150	2,182	(32)	2,182	Project is complete.
2019 FM Infrastructure Rehab Program	2,043	2,015	28	2,015	Project is complete.
Information Technology					
2021 ICS TCA 2021 CIP - Budget Only	1,670	1,676	(6)	1,670	Project is complete.
2023 BTO-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	1,800	-	1,800	1,800	Project is in planning and early procurement phase. Projected completion date is Q2 2025.
Projects less than \$1M					
Finance	880	79	801	880	
Fleet & Facilities	6,065	4,871	1,194	5,999	
Information & Technology	4,559	2,803	1,756	4,547	
TOTAL CORPORATE SERVICES	44,316	26,982	17,334	44,466	
DEVELOPMENT & INFRASTRUCTURE					
Municipal Works					
2023 Transportation Infrastructure Rehab	5,000	4,358	642	5,000	Construction at several transportation project locations started in spring and finish in the fall. Budget was fully committed to various transportation projects including Hill Road, Prospect Drive, Mill & Overlay Program. Remaining funds to be used for crack sealing, 2024 Engineering design and Woodman Ave SE rehabilitation.
2023 Bridge Rehabilitation	1,000	105	895	1,000	Bridge rehab design work underway. Construction deferred to 2024 to capture economy of scale by combining with 2024 work.
2023 Storm Sewer Rehabilitation Program	3,500	1,409	2,091	3,500	Construction at rehab project locations (Riverside and West Hill areas) started in July/August with completion in fall. CIPP liner work was tendered with construction to start Q2 of 2024.
2022 Infrastructure Rehab Program	5,175	4,284	891	5,175	Hill Road SE substantially completed in 2023. Remaining funds to be used for Environmental Utilities (EU) related project surface work (Brier Park bypass and 7th Street NW).
2022 Storm Sewer Replacement/Renewal Program	1,920	1,920	0	1,920	Construction substantially complete
2021 Infrastructure Rehabilitation Program	6,500	6,133	367	6,500	2nd Street NW surface work associated with EU's sewer project as well as Prospect Drive Road Rehab were completed in 2023. Remaining funds are committed the EU related 8th Street SE project surface works.
2020 Bridge Rehab Program	2,260	2,230	30	2,260	Construction substantially complete.
2020 Sidewalk Rehabilitation	1,001	1,008	(7)	1,008	Construction substantially complete.
2017 Street Light LED Conversion	2,375	2,357	18	2,375	Remaining funds have been committed to outstanding locations for completion in 2024.
2013 Flood Mitigation Overland Flow Protection - various locations	35,239	32,737	2,502	35,239	Remaining funds allocation to be finalized in 2024.
Projects less than \$1M					
Municipal Works	2,594	2,060	534	2,594	
Planning & Development Services	100	70	30	100	
TOTAL DEVELOPMENT & INFRASTRUCTURE	66,664	58,670	7,993	66,671	

Tax Supported
Capital Report Summary
As of December 31, 2023
(in thousands)

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
PUBLIC SERVICES					
Parks & Recreation					
2023 PKRC - 2023 TCA - Indoor/Outdoor Facilities Infrastructure Program	1,431	358	1,073	1,431	2023 Indoor/Outdoor Facilities Infrastructure Program is in a combination of investigation/proposal, design, and award phase. The full budget will be committed in entirety once Jeffries and Herald initiatives are closed and awarded.
2023 PKRC - 2023 TCA - Irrigation Infrastructure Program - Construction	3,683	2,851	832	3,683	2023 Irrigation Infrastructure Program is dedicated to construction via irrigation rehab Kiwanis Central Park, Big Marble Go Centre Playground area, 13th Ave east median, and to irrigation rehab and plantings at South Ridge Community Park; the remainder is dedicated to design for Gas City Campground NE quadrant, Southview/Simpson Parks, and Turner Park (construction for these design initiatives will occur in 2024).
2022 PKRC TCA 2022 - Infrastructure Rehab Program	3,790	3,432	358	3,790	2022 Infrastructure Rehabilitation Program projects are identified and progressing through design, tender, or construction/carryout phase. All will be completed by end of 2023 aside from warranty/maintenance/deficiencies items at Gershaw Interchange and Hillside Phase 3 and some remaining work within the Gas City Campground Backflow Prevention/Metering initiative.
2021 PKRC TCA 2021 - Infrastructure Rehab Program	2,565	2,565	0	2,565	Project is complete.
2020 PKRC TCA 2020 - South Saskatchewan River Recreation Opportunities Program	1,925	1,783	142	1,925	Project is complete.
2020 PKRC TCA 2020 - MSP - Pickleball Court	2,390	2,446	(56)	2,390	2020 Municipal Stimulus Program (MSP) Pickleball Facility initiative is over budget. Pickleball Amenities building budget is within this Project, construction anticipated to be completed in 2024. This project is being managed outside of PKRC.
2020 PKRC TCA 2020 - Pedestrian Bridge Deck Repair/Replacement, Sealing, Painting – 7 locations – Due Dec 31/21	2,025	2,054	(29)	2,025	Project is complete. Project overage was factored into 2023 Trails Infrastructure Program and will be allocated accordingly.
2019 PKRC TCA 2019 - Infrastructure Rehab Program	3,355	3,357	(2)	3,355	Project is complete.
Projects less than \$1M					
Fire & Emergency Services	907	278	630	855	
Parks & Recreation	10,079	6,883	3,196	10,017	
Community Development	1,325	922	404	1,325	
TOTAL PUBLIC SERVICES	33,476	26,929	6,547	33,361	
TOTAL TAX SUPPORTED CAPITAL	145,195	113,029	32,166	145,277	

Land
Capital Report Summary
As of December 31, 2023
(in thousands)

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
LAND					
Land & Properties					
Phase 1: ID					
RiverWalk 1-6	4,000	1,835	2,165	4,000	The next step in RiverWalk is the preparation of an Area Structure Plan (ASP) amendment. Timing of this is dependent upon inventory levels and projected lot sales. No current activity related to legacy correspondence with Journey Energy regarding the Environmental Reserve project.
Airport - South Node - Industrial	1,000	85	915	1,000	The area has significant development constraints pertaining to storm water management and as such the priority for development of the south node is low and no current efforts are being focused.
Phase 2: Plan					
Brier Run - Commercial, Industrial, Residential	14,500	1,106	13,394	14,500	The Area Structure Plan (ASP) was adopted by Council (T3 2019). When deemed appropriate to proceed dependent upon market conditions, next steps consist of finishing the high level Functional Servicing Report (FSR) engineering design or as otherwise directed.
Phase 3: Design					
Ranchlands 3C	17,082	5,026	12,056	17,082	Design Approval was received in 2020. Costs spent to date are related to oversizing of previous Ranchlands infrastructure to service Ranchlands 3C and work associated with the Concept Scheme amendment and Subdivision approval. Construction is deferred pending improved market conditions. At the request of local residents direction was given to construct the Ranchlands 2F&G trail system and construct a temporary trail through Ranchlands 3C. Both projects are complete and done final inspection in fall 2023 with minor final work planned for spring 2024.
Phase 4: Build					
Airport - North Node - Commercial	7,000	6,087	913	7,000	The Land Department developed 6.0 acres of groundside commercial / business industrial lands in the Central sector of the YXH Gateway (Phase II). Subdivision and construction were completed in T3 2022. Airport East Node brief Concept document in continuing to be completed. North Node Ph III will be going through final document reviews.
North West Industrial Park	14,000	1,155	12,845	14,000	The Area Structure Plan (ASP) was adopted in T1 2022. The Outline Plan, its specific Functional Servicing Report (FSR) and requested financial assessments are being pursued. Project includes plans for rail spurs and future potential heavy industrial development, as well as high pressure gas.
Phase 5: Sell					
Residential Lot Sales	84,458	81,777	2,682	84,458	The department maintains these lots and adjacent infrastructure until the lots are sold. Costs incurred in the Sell phase include maintenance and final construction activities required to obtain the Final Acceptance Certificate.
Miscellaneous:					
CNG Fueling Station Site	1,700	1,554	146	1,700	The remaining project funds will be expended when the road adjacent to the Compressed Natural Gas (CNG) Station is fully upgraded as part of the Airport East Node development. Airport East Node Concept timing to be confirmed.
Arena Servicing and Subdividing (155 Ash Ave SE)	2,500	2,268	232	2,500	Construction was completed in T3 2021. A conditional sales agreement is no longer active and the City will be looking to re-market the site.
MSP - Town Square	3,000	2,891	109	3,000	Part of the Municipal Stimulus Program (MSP), construction of the parking lot, canopy, lighting and landscaping are complete. Project has some warranty until T3 2024.
Projects less than \$1M					
Land & Properties	3,879	2,909	970	3,879	
TOTAL LAND CAPITAL	153,119	106,693	46,426	153,119	

Rate Based
Capital Report Summary
As of December 31, 2023
(in thousands)

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
RATE BASED						
Water						
2023	Water Mains Asset Management Program	3,520	1,500	2,020	3,520	Project is in progress. Costs will occur in both 2024 and 2025 until the project is complete.
2022	Water Mains Replacement Asset Mgmt Prog	5,000	3,736	1,264	5,010	Project is in progress. The project is expected in 2024 slightly above budget.
2022	Water Systems Reinforcement Programs	1,000	681	319	1,000	Project is in progress and will be completed in 2024.
2021	Water Mains Replacement Asset Mgmt Prog	4,480	4,416	64	4,416	Project is completed.
2020	Waste Solids Handling Facility	26,500	11,074	15,426	26,500	Project is in progress. Experienced archaeological delays in 2023 but estimating to be completed in 2024.
2016	Waste Solids Handling Facility	3,000	3,000	-	3,000	Project is in progress. Estimated to be completed by end of 2024.
Sewer						
2023	Sewer Mains Asset Management Program	3,415	1,493	1,922	3,415	Project is in progress. Estimated completion is 2025.
2023	Brier Park Gravity Bypass	5,432	-	5,432	5,432	Project will commence in 2024. Experienced supply chain delays in 2023.
2022	Sewer Mains Replacement Asset Mgmt	3,000	2,077	923	3,000	Project is in progress. Estimated completion date is 2024.
2022	Lift Station Facility Upgrade	1,000	109	891	1,000	Project is in progress. Estimated completion date is 2024.
2022	Brier Park Gravity Bypass	5,400	5,383	17	5,400	This project is complete.
2021	Sewer Mains Replacement Asset Mgmt	2,585	2,584	1	2,584	This project is complete.
2020	Lift Station Facility Upgrade	1,800	1,430	370	1,800	This project is substantially complete.
Solid Waste						
2023	Food Waste Pilot	1,000	-	1,000	1,000	Consulting and engineering services will occur in 2024. The balance of the project targeted to be completed in 2025.
Projects less than \$1M						
	Water	4,836	2,859	1,976	5,166	N/A
	Sewer	5,240	3,346	1,894	5,239	N/A
	Solid Waste	80	68	12	80	N/A
TOTAL ENVIRONMENTAL UTILITIES		77,288	43,756	33,531	77,562	

Rate Based
Capital Report Summary
As of December 31, 2023
(in thousands)

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
RATE BASED						
Electric Distribution						
2021	13 KV Overhead Distribution Systems	1,518	804	714	1,518	Projects in progress. Construction is well underway with final completion anticipated in Q3 2024.
2022	13 KV Overhead Distribution Systems	1,504	481	1,023	1,504	Projects in progress. Construction is well underway with final completion anticipated in Q3 2024.
2023	MHS-11 Substation	24,000	378	23,622	24,000	Project awaiting Alberta Utilities Commission approval. Projected completion date Q2 2027.
2023	30/40/60L Upgrade of Transmission Line Capacity Phase 1	2,200	476	1,724	2,200	Projects in progress. Design and regulatory approval is planned in 2024 with final completion anticipated in Q1 2025.
2023	Distribution Overhead System Renewal	3,509	1,214	2,295	3,509	Projects in progress. Construction began in 2023 and will continue in 2024, with final completion anticipated in Q4 2024.
2023	Distribution Underground System Renewal	1,321	129	1,192	1,321	Projects in progress. Construction began in 2023 and will continue in 2024, with final completion anticipated in Q4 2024.
2023	Line Protection Upgrade	1,028	53	975	1,028	Projects in progress. Construction is planned in 2024, with final completion anticipated in Q4 2024.
2023	Energy Innovation Challenge	2,405	-	2,405	850	Project to begin in Q2 2024. Program to be complete in Q3 or Q4 2025.
Gas Distribution						
2021	Mains Replacement	1,638	1,817	(179)	1,817	Project was completed in 2023.
2022	Mains Replacement	1,824	1,144	680	1,824	Projects in progress. Construction is underway with the majority of work taking place in 2023 and early 2024. Projected completion anticipated in Q2 2024.
2022	Distribution Transmission Mains	1,285	929	356	1,285	Project in progress. Projected completion anticipated in Q3 2024.
2023	Gas Meters	1,250	396	854	1,250	Meters on order, with long lead time, awaiting delivery. Timeline to be determined
2023	Crescent Heights Feeder Main Extension & Riverside Upgrade	1,401	861	540	1,401	Projects in progress. Construction is underway with the majority of work taking place in 2023 and early 2024. Projected completion anticipated in Q3 2024.
Projects less than \$1M						
	Electric Distribution	10,924	4,994	5,930	10,754	N/A
	Gas Distribution	4,294	2,551	1,743	4,101	N/A
TOTAL UTILITY DISTRIBUTION		60,100	16,227	43,874	58,363	
TOTAL RATE BASED CAPITAL		137,388	59,983	77,405	135,925	

Commodity
Capital Report Summary
As of December 31, 2023
(in thousands)

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
COMMODITY						
Gas Production						
2012-2023	Surface Lease Abandonment	137,550	44,766	92,784	130,520	Project in progress - anticipated under budget.
2017-2018	Facility & Pipeline Repair & Abandonment	1,221	1,176	45	1,176	Project completed under budget.
2016-2018	Well Repair and Abandonments	3,227	3,207	20	3,207	Project completed under budget.
2021	Drilling and Completions	450	-	450	-	Project completed under budget, as work was started in 2022-2023 and it's covered by the respective budget.
2022-2023	Drilling and Completions	5,162	1,243	3,919	3,816	Project in progress - anticipated under budget.
2019-2021	Facilities	1,731	638	1,093	638	Project completed under budget, as no facility work was commenced in 2021.
2022-2023	Facilities	2,210	17	2,193	200	Project in progress - anticipated under budget, mainly due to lower work required as facilities and other assets are in the abandonment process.
2016	Non-Operated	2,715	2,716	(1)	2,716	Project completed over budget for minor cost overruns.
2017-2023	Non-Operated	13,786	10,594	3,192	10,954	Project in progress - anticipated under budget.
2019-2021	Wells	3,500	1,009	2,491	1,032	Project completed under budget, mainly due to well repairs and maintenance have been focused on core assets, due to the accelerated abandonment program.
2022-2023	Wells	3,600	239	3,361	2,348	Project in progress - anticipated under budget.
2022	Geological & Geophysical	12,050	1,395	10,655	12,050	Project in progress - anticipated on budget.
2019-2020	Pipelines	1,950	218	1,732	218	Project completed under budget, mainly due to pipelines repairs and maintenance have been focused on core assets, due to the accelerated abandonment program.
2021-2023	Pipelines	2,875	47	2,828	318	Project in progress - anticipated under budget, mainly due to lower work required as pipelines and other assets are in the abandonment process.
2019-2023	Abandonment	49,993	31,685	18,308	44,430	Project in progress - anticipated under budget .
Electric Generation						
2023	GSU T12 Replacement	1,750	0	1,750	1,730	Transformer is currently being manufactured, to be delivered on budget in October 2024.
2023	Unit 15 Hot Section Replacement	5,325	4,113	1,212	7,028	Hot section work is in process and engine will be delivered by end of April 2024 and installed in May 2024. Over budget due to found work upon inspection.
2023	Energy Business Development	7,000	-	7,000	7,000	Project expected to be complete in Q4 of 2024 on budget.
2023	Carbon Capture (Clear Horizon)	4,950	122	4,828	4,950	Phase 2 Pre-FEED is 50% complete, scheduled to be completed by end of March 2024. Next steps will be determined once this phase is complete.
2017	69 kV Yard Breaker Replacement Study	3,550	3,484	66	3,484	Project completed under budget.
2020	T5R GSU Replacement	1,850	1,997	(147)	1,997	Project is complete and over budget by \$147K due to T1 transformer removal from yard and protection relay replacement.
2019	Blackstart Improvements	1,100	1,218	(118)	1,218	Project is complete and over budget by \$118K due to increases to the price of cable due to supply chain issues.
2022	Unit 12 Generator Rotor Replacement	5,740	1,467	4,273	5,740	Design drawings have been approved and rotor is in production stage, anticipate to be under budget with delivery in December 2024.
2020	Unit 17	66,000	52,911	13,089	52,911	Project is complete and substantially under budget.
2021	Unit 15 Hot Section Replacement	5,267	5,701	(434)	5,701	Project is complete and over budget due to unloading difficulties.
2022	Unit 10 Hot Section Replacement	3,500	3,617	(117)	3,617	Project completed in October 2023. Over budget due to found work upon inspection.
2022	PD to PF Conversion Kit	4,000	2,442	1,558	4,000	95% of materials have been received. Project expected to be completed in 2024 on budget.
Projects less than \$1M						
Gas Production		398	148	250	291	
Electric Generation		3,858	1,044	2,814	3,339	
TOTAL COMMODITY CAPITAL		356,308	177,214	179,094	316,629	
TOTAL COMMODITY CAPITAL		356,308	177,214	179,094	316,629	

Tax Supported
Major Operating Expense Report Summary
As of December 31, 2023
(in thousands)

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
GENERAL GOVERNMENT						
City Manager & Managing Directors						
2020	2020 - MOE - Strategic Opportunity & Analysis Program (SOT)	2,035	950	1,085	2,035	Project planning is in progress, with usage identified for 2024.
Economic Development						
2021/2023	2021-2022 EDD Development Incentive Program	5,200	1,563	3,637	5,200	The 2021-2022 Development Incentive Program is well underway and has been well received. Incentives included in spring 2023 tranche of funding include Infill Incentive, Waterfront District House Incentive, and Waterfront District Vibrancy Incentive.
Projects less than \$1M						
	Human Resources	500	1	499	500	
	Economic Development	939	33	906	-	
TOTAL GENERAL GOVERNMENT		8,674	2,548	6,127	7,735	
POLICE						
Projects less than \$1M						
	Police	90	-	90	90	
TOTAL POLICE		90	-	90	90	
CORPORATE SERVICES						
Corporate Planning & Performance						
2023	Clean Energy Improvement Program	6,000	-	6,000	6,000	Project was recently approved by council and is in the planning stage. Project will commence in Q2 2024 and run until Q4 2028.
Projects less than \$1M						
	Finance	1,553	724	829	1,779	
	Fleet & Facilities	615	643	(28)	651	
	Information & Technology	1,295	512	783	1,295	
	Corporate Planning & Performance	400	416	(16)	400	
TOTAL CORPORATE SERVICES		9,863	2,296	7,567	10,125	
DEVELOPMENT & INFRASTRUCTURE						
Projects less than \$1M						
	Municipal Works	900	408	492	900	
	Airport	175	86	89	175	
	Planning & Development Services	1,222	482	740	1,187	
TOTAL DEVELOPMENT & INFRASTRUCTURE		2,297	975	1,322	2,262	
PUBLIC SERVICES						
Parks & Recreation						
2023	PKRC - 2023/2024 MOE - Saamis Tepee Painting WO	1,080	4	1,076	1,080	2023/2024 Saamis Tepee Painting is being procured and project managed via City Assets - Facilities Management. The initiative is awarded and timelines are estimated to run from May to October 2024.
Projects less than \$1M						
	Fire & Emergency Services	175	137	38	175	
	Parks & Recreation	1,161	757	404	918	
	Community Development	627	141	486	534	
TOTAL PUBLIC SERVICES		3,043	1,040	2,003	2,707	
ENERGY, LAND & ENVIRONMENT						
Projects less than \$1M						
	Environment, Land & Gas Production	280	188	92	280	
TOTAL ENERGY, LAND & ENVIRONMENT		280	188	92	280	
TOTAL TAX SUPPORTED MOE		24,248	7,046	17,201	23,200	

EXECUTIVE SUMMARY

RESERVE BALANCES AS AT DECEMBER 31, 2023

(in thousands of dollars)

DESCRIPTION	Balance Dec 31/22	Additions	Deductions	Balance Dec 31/23
Operating	39,997	42,668	50,693	31,972
Capital	154,042	96,103	23,432	226,713
Heritage Savings	159,179	34,344	-	193,523
TOTAL RESERVES	353,218	173,115	74,125	452,208
DEFERRED REVENUE	58,468	(13,420)	-	45,048
UNRESTRICTED CASH	271,448	(35,659)	-	235,789
TOTAL RESTRICTED & UNRESTRICTED CASH	683,134	124,036	74,125	733,045

EXECUTIVE SUMMARY
CONTRIBUTIONS TO CORPORATE FUND & RESERVES AS AT DECEMBER 2023

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Actual
Water	\$ 1,044,000	\$ 1,065,000	\$ 275,000	\$ (496,000)	\$ -	\$ 4,258,000
Sewer	804,000	820,000	(4,385,000)	986,000	-	4,403,000
Solid Waste	413,000	421,000	2,750,000	2,530,000	-	930,000
Electric Distribution	1,276,000	1,398,000	8,562,000	2,472,000	-	(716,000)
Gas Distribution	1,565,000	1,716,000	5,076,000	3,823,000	-	(1,378,000)
Rate Based Subtotal	5,102,000	5,420,000	12,278,000	9,315,000	-	7,497,000
Land Subtotal	1,742,530	-	2,447,000	3,776,000	-	765,000
Gas Production	-	-	(6,900,000)	(1,721,000)	-	(1,540,000)
Electric Generation	42,006,000	8,290,000	73,441,000	96,699,000	41,105,000	138,785,000
Commodity Subtotal	42,006,000	8,290,000	66,541,000	94,978,000	41,105,000	137,245,000
Energy One Time Contribution to Tax Rate Stabilization Reserve	25,000,000	-	-	-	-	-
Total Contributions	\$ 73,850,530	\$ 13,710,000	\$ 81,266,000	\$ 108,069,000	\$ 41,105,000	\$ 145,507,000
Allocated As Follows:	2019	2020	2021	2023	2023	2023
Municipal General Fund	-	-	-	3,000,000	3,000,000	3,000,000
Capital Reserve	11,822,530	2,900,000	76,076,000	38,155,200	19,884,000	73,406,000
Operating Reserve	41,025,000	6,665,000	1,924,000	20,000,000	10,000,000	40,000,000
Heritage Savings reserve	21,003,000	4,145,000	3,266,000	46,913,800	8,221,000	29,101,000
Total	\$ 73,850,530	\$ 13,710,000	\$ 81,266,000	\$ 108,069,000	\$ 41,105,000	\$ 145,507,000

*Note: 2021 reflects the Free Cash Flow model that was adopted by Council as part of the Distributable Funds/Dividend Policy 0169

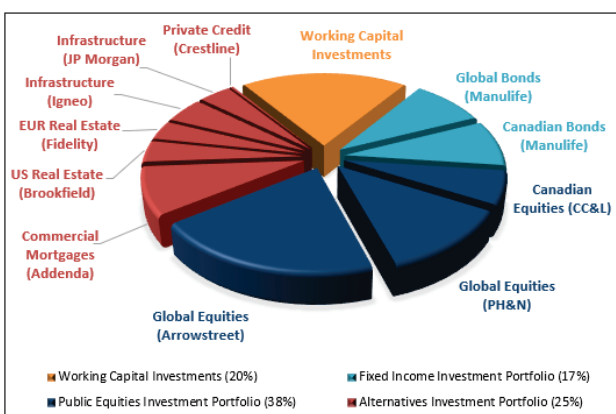
Investment Portfolio

\$730.9M	12	11	8.65%	8.84%
Total Market Value	External Investments	External Managers	YTD Performance (unhedged)	YTD Performance (hedged)

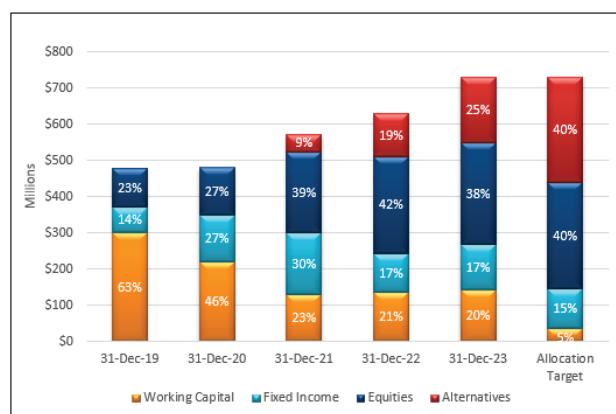
Asset Class	Manager	Market Value	% Total Portfolio	Unrealized Gain/Loss	YTD Return	YTD Benchmark
Working Capital	Internal	\$137,328,409	19%	\$0	5.49%	4.71%
Canadian Fixed Income	Manulife	\$61,444,338	8%	(\$6,030,199)	7.43%	6.69%
Global Fixed Income	Manulife	\$63,215,737	9%	(\$4,913,926)	7.03%	3.20%
Canadian Equities	CC&L	\$44,555,468	6%	(\$5,649,281)	9.80%	11.80%
Global Equities	PH&N	\$89,286,777	12%	(\$14,558,860)	8.73%	20.47%
Global Equities	Arrowstreet	\$146,988,936	20%	\$11,584,146	20.24%	18.32%
Commercial Mortgages	Addenda	\$63,841,753	9%	(\$1,441,683)	7.15%	5.02%
US Real Estate	Brookfield	\$28,604,552	4%	(\$3,781,307)	-19.10%	7.88%
European Real Estate	Fidelity	\$25,629,141	4%	(\$1,428,994)	-5.62%	3.76%
Infrastructure	Igneo	\$34,364,010	5%	\$2,257,088	9.39%	7.88%
Infrastructure	JP Morgan	\$27,927,092	4%	\$95,272	11.40%	7.88%
Private Credit	Crestline	\$2,543,788	0%	\$0	0.00%	0.00%
Total Portfolio - Unhedged		\$725,730,002	100%	(\$23,867,744)	8.65%	9.90%
Currency Overlay*	Mesirow	\$5,204,085	0%	\$5,204,085	0.43%	1.09%
Total Portfolio – Hedged		\$730,934,087	100%	(\$18,663,659)	8.84%	10.33%

* Mesirow currency management was appointed in 2022 to manage the City's investment portfolio's FX exposure using active currency overlay strategy. The investment portfolio's FX exposure at the end of December 2023 was \$365.6 million, 9 percent of which is actively managed by Mesirow.

Investments by Mandate



Investments by Asset Class

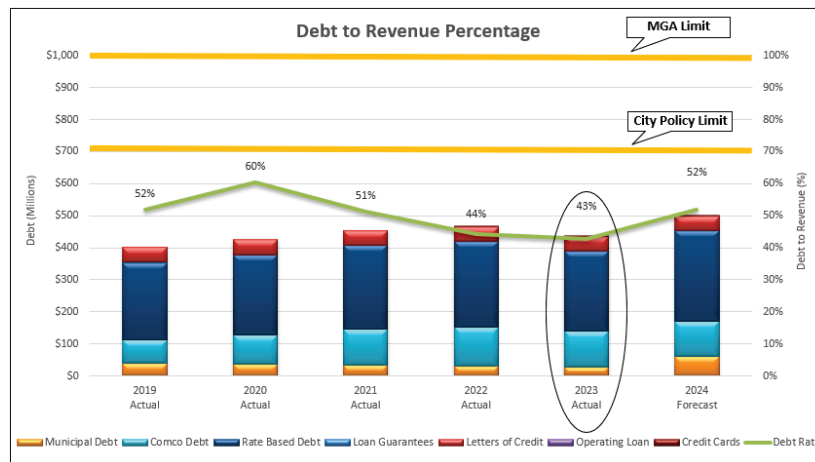


Debt Management

The City of Medicine Hat incorporates debt to finance a portion of its capital program. The use of debt is closely monitored to ensure that the City remains within Municipal Government Act regulations. Outstanding debt has interest payable at rates ranging from 1.79% to 6.25% with an average annual interest rate of 3.48%.

Debt to Revenue Percentage

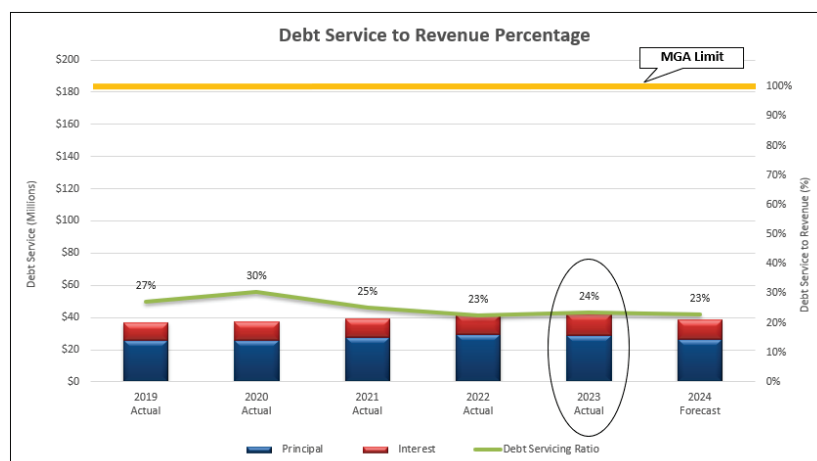
Per the Municipal Government Act, the City is required to remain within the Debt to Revenue Percentage of 100% of 2x revenue. The City's internal debt ratio goal is to remain under 70%, per Debt Management Policy 0176. On December 31, 2023, the City had debt outstanding of \$436.8 million consisting of \$389.6 million in long-term debt, \$45.4 million in letters of credit, \$0.7 million in credit cards and \$1.1 million in loan guarantees with an overall debt to revenue percentage of 43% of the revenue limit.



- Note:
- 2019-2022 Actual
 - 2023 Actual
 - 2024 Forecast
 - Based on Audited Revenue and Debt
 - Based on Unaudited Revenue and actual Debt
 - Based on forecasted Revenue and forecasted Debt
 - A 26% drop in revenue would result in the Debt to Revenue Percentage reaching the 70% City Policy Limit.

Debt Service to Revenue Percentage

Per the Municipal Government Act, the City is also required to remain within the Debt Service to Revenue Percentage of 100% of 0.35x revenue. On December 31, 2023, the City's Debt Servicing requirement for 2023 was 24% of the revenue limit.



Hedging

Hedging is the process of identifying, controlling, and minimizing exposure to commodity price movement.

Hedge Policy 0159 Compliance Status

Item	Status
Stabilize the cost of commodities/revenues	✓
Maintain reliable supplies for operations	✓
Mitigate financial risk exposure to City	✓
Follow internal controls (e.g., segregation of duties)	✓
Counterparty credit risk verified	✓

Gas Operations

- Energy commodities exhibit mean reversion over a long-term time horizon as higher prices drive higher production and discourage demand, eventually leading to lower prices. The opposite is also true as lower prices drive lower supply and eventually lead to an increase in commodity prices.
- Objective: To mitigate commodity price volatility risk by locking in the commodity price on a portion of volume.
- 2023 hedging: Maximum volume permitted to be hedged is set at 25% with the time horizon varying from 6 months to 3 years. The program is reviewed annually and adjusted as required.
- **2023 hedging: It was decided in the Q1 2023 hedging meeting that hedging volumes would increase the risk in the current environment and therefore no hedges were executed for this strategy in 2023.**

Foreign Exchange

- Strategy: lock in project economics to minimize uncertainty/losses from foreign currency transactions.
- **2023 hedging: Treasury entered into 5 forward contracts to hedge USD \$3.8 million FX exposure for the Energy Generation group.**

GENCO

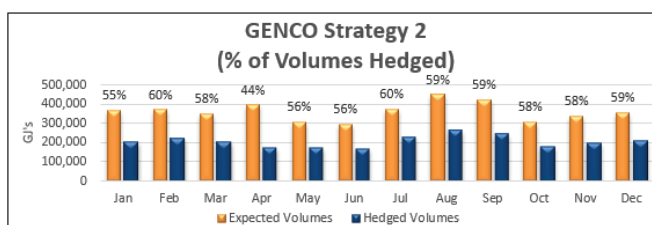
Strategy # 1:

- Protect margins for a portion of demand from large commercial/industrial class customers.
- No hedges have been executed for this strategy thus far in 2023.

Strategy #2:

- Lock in margin for a portion of demand for the City's regulated rate option customers.
- 2023 hedging: Maximum volume range permitted to be hedged is set at 60% with a time horizon of 30 days from the start of the month. The program is reviewed annually and adjusted as required.

Benefit:
Price certainty achieved on the 57% of volumes that were hedged.



Strategy #3:

- Optimize the City's assets when excess capacity can be sold at a favorable margin (Strategy 3A) and when power may be purchased at a more reasonable cost than internal generation (Strategy 3B).
- 2023 hedging:
 - Strategy 3A: Maximum volume permitted to be hedged is set at 60% with a maximum time horizon of 2 years. The program is reviewed annually and adjusted as required.
 - Strategy 3B: Up to 50% of off-peak requirements permitted to be hedged with a maximum time horizon of 90 days.

Benefit: 66 positions taken for a total of 535,200 GJ and 272,300 MWh executed under this strategy for 2023. 16 positions taken for a total of 91,000 GJ and 80,125 MWh executed under this strategy for 2024.

Loans, Guarantees & Letters of Credit

Loans to Outside Organizations

Organization	Loan Initiation (year)	Initial Amount	Balance Outstanding (Dec 31, 2023)	Maturity (year)
Medicine Hat Curling Club	2016	\$140,000	\$98,421	2033
Total		\$140,000	\$98,421	

Loan Guarantees

Organization	Loan Initiation (year)	Initial Amount	Balance Outstanding (Dec 31, 2023)	Maturity (year)
Connaught Golf & Country Club	2013	\$965,000	\$609,779	2034
Medicine Hat Golf & Country Club	2012	\$675,000	\$413,383	2034
Medicine Hat Golf & Country Club	2017	\$100,000	\$49,209	2027
Total		\$1,740,000	\$1,072,371	

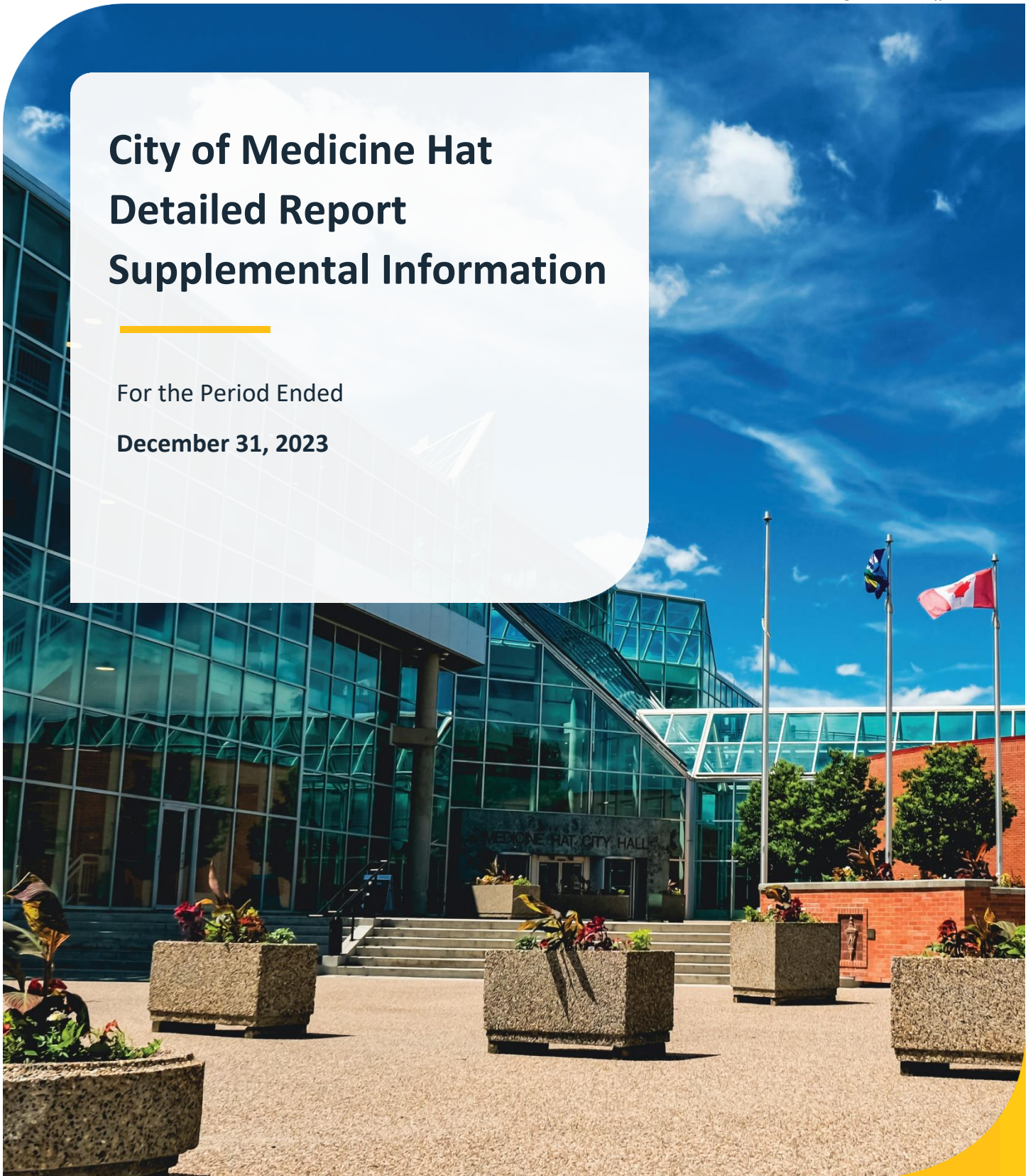
Letters of Credit

Organization	Amount	Additional Information
Natural Gas Exchange	\$10,500,000	Gas Operations - security for natural gas trading
Rural Municipality of Fox Valley	\$10,000	Gas Operations - reclamation assurity
Rural Municipality of Fox Valley	\$50,000	Gas Operations - reclamation assurity (roads)
SK Ministry of Economy	\$10,000,000	Gas Operations - liability management program
Alberta Energy Regulator	\$24,000,000	Gas Operations - liability management program
AESO (ISO)	\$800,000	GENCO - security for power pool trading
Total	\$45,360,000	
Under/(Over) Limit - \$75 million	\$29,640,000	

Note: - Gas Operations continues to review deposit and Letter of Credit requirements with regulators.

City of Medicine Hat Detailed Report Supplemental Information

For the Period Ended
December 31, 2023



CITY OF MEDICINE HAT MANAGEMENT REPORT

For the Period Ended December 31, 2023

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ELECTRIC GENERATION

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Sales						
Realized Gain/Loss on Risk Management Instrument	\$ -	\$ 8,809	\$ 8,809	\$ 8,056	\$ 8,056	1
Sales to Power Pool	57,931	106,982	49,051	59,344	117,275	2
Sales to Retail	105,198	183,515	78,317	78,876	184,074	3
Sales	40,966	31,995	(8,971)	(8,111)	32,855	4
Total	204,095	331,300	127,205	138,165	342,260	
Cost of Sales						
Payment in Lieu of Taxes	9,223	21,644	(12,420)	(15,794)	25,017	5
Carbon Tax	6,394	8,520	(2,126)	(1,831)	8,225	6
Transfer (from) to Retail	8,939	75,063	(66,125)	(65,068)	74,007	7
Fuel	76,776	43,165	33,611	31,977	44,799	8
Electric Energy Purchase	10,969	10,231	738	172	10,798	9
Total	112,301	158,623	(46,322)	(50,544)	162,846	
Gross Margin	91,794	172,677	80,883	87,621	179,414	
Revenue						
Administration	2	17	15	15	16	
Total	2	17	15	15	16	
Expenses						
Administration	2,336	2,137	199	244	2,092	
Operations	4,939	4,814	125	(82)	5,021	
Other	28	19	9	-	28	
Engineering	881	766	114	64	817	
Maintenance	7,839	8,231	(392)	421	7,418	10
Total	16,023	15,968	56	647	15,376	
Earnings Before Internal Cost Allocations	\$ 75,772	\$ 156,725	\$ 80,954	\$ 88,283	\$ 164,054	
Internal Revenue	327	305	(22)	-	327	
Internal Expenses	7,338	7,070	268	-	7,338	11
	(7,012)	(6,766)	246	-	(7,012)	
Earnings Before Interest, Taxes and Amortization	\$ 68,760	\$ 149,960	\$ 81,199	\$ 88,283	\$ 157,043	
Interest Expense	(3,094)	(3,062)	32	(33)	(3,127)	
Transfer to Capital	-	(17,279)	(17,279)	-	-	12
Amortization Expense	(20,342)	(19,914)	428	(92)	(20,434)	13
Accretion Expense	-	(459)	(459)	-	-	14
Net Earnings / (Loss)	\$ 45,324	\$ 109,245	\$ 63,921	\$ 88,157	\$ 133,481	
Unrealized Gain/Loss on Risk Management Instrument	-	4,998	4,998	-	-	15
Free Cash Flow (transfer to reserve)	(41,105)	(138,785)	(97,680)	(90,626)	(131,731)	16
Transfer to Reserves (expense)	(164)	(1,959)	(1,795)	-	(164)	17
Transfer from Reserves (revenue)	-	428	428	-	-	18
Net Earnings / (Loss) after Transfers	\$ 4,056	\$ (26,072)	\$ (30,128)	\$ (2,469)	\$ 1,587	

OPERATING NOTES

- Realized Gain on Risk Management Instruments is \$8.8M favourable due to risk management transactions settled in 2023. The difference from prior month forecast is a result of December settled risk management transactions.
- The average Pool Price in 2023 was 41% higher than 2023 forecasts. High prices resulted in an 37% increase in MWh exports to the grid making up 67% (\$32.9M) of the favourable variance. The remaining 33% (\$16.2M) favourable variance was made up of a 29% increase in realized \$/MWh on exports from asset optimization strategies. The overall \$49.1M favourable variance is partially offset by decreased Ancillary Services sales from selling a higher volume of spare capacity in the wholesale market rather than the Operating Reserve market. The decrease from previous month forecast is due to a lower forecasted Pool Price and less spare capacity available to sell to the grid.
- Sales to Retail is \$78.3M favourable due to price and volume. Price - favourable compared to budget resulting in \$81.3M more revenue. Volume - unfavourable compared to budget resulting in -\$3.0M less revenue.

ELECTRIC GENERATION

For the Period Ended December 31, 2023

4. Sales variance to date is -\$9.0M unfavourable due to a -\$6.0M decrease cost recoveries and a -\$3.0M decrease in ancillary service revenue. The unfavourable cost recovery portion was offset by the decrease in fuel and energy purchases and the decrease in ancillary service revenue was offset by increased Sales to Power Pool. The decrease from projected sales in the previous month was caused by lower ancillary services sales than projected for December.
5. Payment in Lieu of Taxes (PILOT) is -\$12.4M unfavourable due to a \$55.0M increase to sales to the pool subject to the City of Medicine Hat Payment in Lieu of Tax Regulation. The decrease from prior month's forecast is a result of calculating the PILOT savings on deductible costs of complying with emission regulations.
6. Carbon Tax is -\$2.1M unfavourable with -\$1.8M unfavourable from budget due to higher plant generation MWh and a higher emission intensity from forecast. Of the unfavourable variance 86% (-\$1.6M) was caused by an emission intensity increase of 4% from prior year and 14% (-\$220K) was caused by a 3% increase in MWh output from forecast. The remaining -\$300K was caused by the implementation of the financial instruments accounting policy to adjust the balance of Carbon Credits to the prescribed market rate rather than historical cost.
7. Transfer to Retail is \$75.1M at yearend. This is higher than budget due to the difference between the transfer price (sales to retail) and the commodity contract price.
8. Fuel expense is \$33.6M favourable due to a 49% decrease in forecasted natural gas fuel prices, partially offset by a 11% increase in consumption due to increased plant output to date. The decrease from prior month forecast is due to a decrease in consumption from forecast.
9. The \$738K favourable variance is due to decreases in natural gas and increases in electricity commodity prices providing more opportunities to optimize generation assets over purchasing power from third parties. The change from prior month projected variance is due to less volumes purchased from third parties in December.
10. Maintenance expenses were projected to be \$421K favourable at yearend, however the fall outage work continued to reflect inflationary increases and unanticipated equipment replacements for a total of -\$200K more than projected, in addition to a rotor failure which contributed to Unit 11's variance of -\$723K. These expenses were partially offset by vacant positions that are currently being filled (\$545K) which contributes to 2023's unfavourable yearend variance of -\$392K.
11. Internal Expenses are \$268K favourable due to the Solid Waste landfill credits not being charged out (\$423K), offset by Electric Generation's insurance premium being more than budgeted (-\$219K).
12. Transfer to Capital is -\$17.3M unfavourable due to current year capital funding.
13. Amortization expense is \$428K favourable due to lower than forecasted capitalizations, due to delay in capital projects being completed.
14. Accretion expense is -\$459K unfavourable due to implementation of the asset retirement accounting standard.
15. Unrealized Gain on Risk Management Instruments is \$5.0M favourable due to unrealized gain to adjust Carbon Credit instruments to market value at yearend. The difference from prior month forecast is a result of the implementation of the financial instruments accounting policy to record Carbon Credits at market value rather than historical cost.
16. Free cash flow is \$138.8M, which is greater than budget, due to more free cash flow available to contribute.
17. Transfer to Reserve is -\$1.8M unfavourable due to maintenance revenue collected from a major customer restricted for future capital expenditures.
18. Transfer from Reserve is \$428K favourable due to under budget capital projects where funding has been returned.

Operating Highlights

Completed Last Four Months

- Alberta Reliability Standards (ARS) audit closed out.
- Unit 11 Generator repairs made and rotor re-installed.
- Kicked off Carbon Capture Utilization and Storage (CCUS) Front End Engineering & Design (Pre-FEED) for Genco remote site.
- Busy Fall Outage Season on all gas turbine units (10, 11, 14, 15, 16, 17).

Planned Next Four Months

- Planning for Spring outages.
- Planning Unit 14 generator minor inspection.
- Gather data for Alberta Boiler Safety Association (ABSA) audit.
- Kick off Genco Asset Retirement Obligation (ARO) study.
- Continue CCUS Pre-FEED for Genco remote site.

ELECTRIC GENERATION

For the Period Ended December 31, 2023

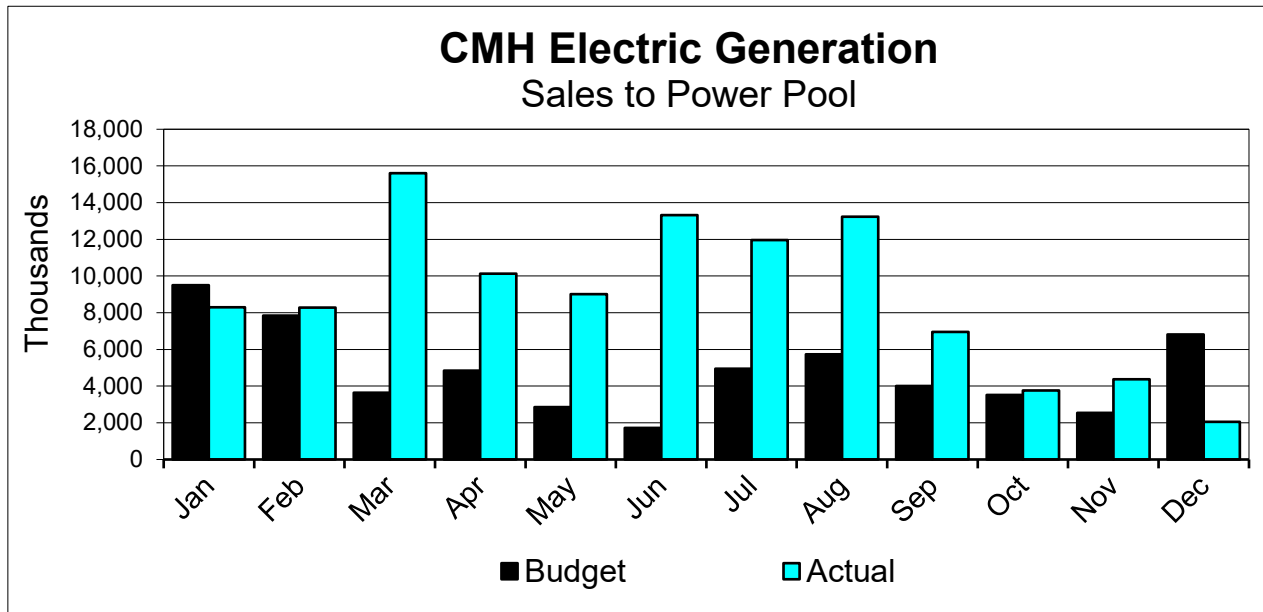
Report on Business Plan Goals

<p>Risk Based Asset Management Program</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Outages for 2023 completed as planned. 2. Continue to improve asset management planning & scheduling. 3. Capital projects for 2024 being executed as per schedule. 4. 10 year maintenance capital forecast updated. 5. ARO study for Genco initiated.
<p>Continue to Improve Safety and Regulatory Compliance Management</p> <p>Improve Safety Culture and Performance and develop and internalize regulatory reporting requirements while improving non-compliances.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Improve safety culture, collaboration with workers. 2. Self-certification data submitted and accepted. 3. ARS audit completed and closed out. 4. Continue to work with contractors and employees on ensuring diligence is maintained for our construction and maintenance/operations activities.
<p>Growth and Renewable Initiatives</p> <p>Electric Generation is one of the key departments in the development of new business opportunities that come to the City of Medicine Hat.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Renewable generation evaluation. 2. Progressing carbon capture Pre-FEED study for Genco, Stage Gate decision time following completion. 3. Hydrogen use being investigated.
<p>Operational Excellence</p> <p>Ensure reliability with increasing city load the availability of Electric Generation assets will become even more critical; Financial returns – achieve an annual return on assets through contractedness or supply to energy markets.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Unit 11 generator rotor repaired. 2. Excess power sold to power pool when possible. 3. Adept drawing management software added for improved drawing document control.
<p>Ensuring Success for the Future</p> <p>Develop future leaders through succession planning, ensure that new equipment and processes are adequately resourced, develop and execute required actions from the Employee Survey, and successfully build the new Residuals Plant.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Working on 2024 business plans 2. Compiling 2025/26 capital project information. 3. Annual succession plan updated.

ELECTRIC GENERATION

For the Period Ended December 31, 2023

Report on Performance Measures



ELECTRIC DISTRIBUTION

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Distribution Sales	\$ 21,812	\$ 21,004	\$ (808)	\$ (466)	\$ 21,346	1
Operations	418	735	317	210	628	2
Total	22,229	21,738	(491)	(255)	21,974	
Expenses						
Administration	91	172	(81)	(59)	150	
Operations	6,829	7,411	(581)	(300)	7,129	3
Engineering	1,321	1,242	79	99	1,222	
Total	8,241	8,825	(583)	(260)	8,501	
Earnings Before Internal Cost Allocations	\$ 13,988	\$ 12,914	\$ (1,074)	\$ (515)	\$ 13,473	
Internal Revenue	834	1,030	196	170	1,004	4
Internal Expenses	6,251	5,792	459	500	5,751	5
	(5,417)	(4,762)	655	670	(4,747)	
Earnings Before Interest, Taxes and Amortization	\$ 8,571	\$ 8,152	\$ (419)	\$ 155	\$ 8,726	
Interest Expense	(1,872)	(1,558)	314	302	(1,570)	6
Transfer to Capital	-	(7,244)	(7,244)	-	-	7
Amortization Expense	(5,779)	(6,105)	(326)	(544)	(6,323)	8
Gain (Loss) on Disposal of Assets	-	(13)	(13)	-	-	
Accretion Expense	-	(229)	(229)	-	-	9
Net Earnings / (Loss)	\$ 920	\$ (6,996)	\$ (7,917)	\$ (87)	\$ 833	
Free Cash Flow (transfer to reserve)	-	716	716	2,471	2,471	10
Transfer from Reserves (revenue)	-	18	18	-	-	
Net Earnings / (Loss) after Transfers	\$ 920	\$ (6,263)	\$ (7,183)	\$ 2,384	\$ 3,304	

OPERATING NOTES

- Distribution Sales is an unfavourable variance of -\$808K due to less consumption from customers.
- Operations Revenue is a favourable variance of \$317K primarily due to the volume of rechargeable services such as high load escorts, hydrovac supervision, and external maintenance provided to third parties larger than previously forecast. The year end variance is larger than anticipated due to those services being reactionary based on third-party activities.
- Operations expenses are -\$581K unfavourable due to additional labour expenses pertaining to retroactive contract settlement payments (\$419K) and unanticipated reactive maintenance required within substations (\$178K), partially offset by position vacancies (\$17K). The larger than anticipated unfavourable variance is primarily due to the scope of the reactive maintenance being larger than planned.
- Internal Revenue has a favourable variance of \$196K primarily due to internal administration recoveries from Gas Distribution for items such as building recovery and locate administration services.
- Internal Expenses has a favourable variance of \$459K primarily due to lower interdepartmental charges from departments positional vacancies (\$288K) and vehicle expenses (\$171K).
- Interest expense is \$314K favourable due to timing of prior years capital expenses and related borrowings.
- Transfer to Capital is -\$7.2M unfavourable due to current year capital funding.
- Amortization expense is -\$326K unfavourable due to higher than forecasted capitalizations.
- Accretion expense is -\$229K unfavourable due to implementation of the asset retirement accounting standard.
- Free cash flow resulted in a \$716K transfer from reserve to offset the cash deficit.

GAS DISTRIBUTION

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
				to Dec 31/23 at Nov 30/23	to Dec 31/23 at Nov 30/23	
Revenue						
Distribution Sales	\$ 14,785	\$ 13,026	\$ (1,759)	\$ (100)	\$ 14,685	1
Administration	5	1	(4)	-	5	
Operations	-	4	4	-	-	
Rechargeable	36	68	31	-	36	
Total	14,826	13,098	(1,728)	(100)	14,726	
Expenses						
Administration	552	501	51	40	512	
Operations	1,932	1,881	51	60	1,872	
Engineering	838	1,053	(215)	(130)	968	2
Rechargeable	4,223	3,901	322	400	3,823	3
Total	7,545	7,337	209	370	7,175	
Earnings Before Internal Cost Allocations	\$ 7,281	\$ 5,761	\$ (1,520)	\$ 271	\$ 7,551	
Internal Revenue	106	251	145	133	239	4
Internal Expenses	3,327	3,115	211	240	3,087	5
	(3,221)	(2,865)	356	373	(2,848)	
Earnings Before Interest, Taxes and Amortization	\$ 4,060	\$ 2,896	\$ (1,163)	\$ 643	\$ 4,703	
Interest Expense	(626)	(592)	33	30	(595)	
Transfer to Capital	-	(3,034)	(3,034)	-	-	6
Amortization Expense	(2,392)	(2,296)	96	(5)	(2,397)	
Gain (Loss) on Disposal of Assets	-	(111)	(111)	-	-	7
Accretion Expense	-	(28)	(28)	-	-	
Net Earnings / (Loss)	\$ 1,042	\$ (3,165)	\$ (4,208)	\$ 668	\$ 1,711	
Free Cash Flow (transfer to reserve)	-	1,378	1,378	254	254	8
Net Earnings / (Loss) after Transfers	\$ 1,042	\$ (1,605)	\$ (2,647)	\$ 922	\$ 1,965	

OPERATING NOTES

- Distribution Sales is an unfavourable variance of -\$1.8M due to much lower than anticipated consumer demand resulting from unusually warmer winter weather (\$2.2M), partially offset by favourable third-party transportation revenue for gas transportation costs attributable to Gas Distribution for transport of natural gas (\$447K).
- Engineering expenses are -\$215K unfavourable due to additional specialized software licensing expenses (\$76K), contracted services and materials (\$60K), and labour expenses charged to operating rather than capital projects (\$79K). The unfavourable year end variance is larger than anticipated primarily due to the increase in labour charges towards operating versus capital.
- Rechargeable expenses are \$322K favourable primarily due to reduced transportation expenses which were transferred to external third parties (\$533K), reduced property tax expenses outside the municipal boundaries (\$91K) and reduced cathodic protection expenses (\$89K) partially offset by additional maintenance service expenses (\$391K).
- Internal Revenue is \$145K favourable primarily due to interdepartmental usage of Gas Distribution building assets (\$116K), and interdepartmental administration by Gas Distribution for Utility Safety Partners locates pertaining to Gas Production assets (\$29K).
- Internal Expenses are \$211K favourable primarily as a result of lower interdepartmental charges due to vacancies.
- Transfer to Capital is -\$3.0M unfavourable due to current year capital funding.
- Loss on Disposal of Assets is due to replacement before assets were fully amortized.
- Free cash flow resulted in a \$1.4M transfer from reserve to offset the cash deficit.

UTILITY DISTRIBUTION SYSTEMS

For the Period Ended December 31, 2023

Operating Highlights

Completed Last Four Months

- Completed construction for the 2023 Electric and Gas Distribution infrastructure asset management program.
- Completed the 2023 preventive maintenance inspection programs within Electric and Gas Distribution franchise areas.
- Completed the 2023 Gas Distribution annual leak survey program.
- Ongoing completion of the 2023 Gas Distribution leak survey program.
- Ongoing development of an Alberta Utilities Commission (AUC) application package for the construction of an electric substation in the southwest of Medicine Hat.
- Ongoing public engagement regarding potential transmission line alignments as part of an ongoing development of an Alberta Utilities Commission (AUC) application package for mid-life service level upgrades to the southeastern electrical transmission ring.
- Ongoing cyclical replacement of gas and electrical revenue meters as part of the Utility's compliance with federal Measurement Canada regulations.

Planned Next Four Months

- Initiate planning for the 2024 asset management replacement project areas for both Gas and Electric Distribution franchise areas.
- Initiate winter 2024 preventative maintenance inspection programs within the Electric and Gas Distribution franchise areas.
- Ongoing design and construction of multiple developer-driven system extensions and service installation projects throughout the franchise area.
- Ongoing public engagement regarding the development of an Alberta Utilities Commission (AUC) application package for the construction of an electric substation in the south of Medicine Hat.
- Ongoing public engagement regarding potential transmission line alignments as part of an ongoing development of an Alberta Utilities Commission (AUC) application package for mid-life service level upgrades to the southeastern electrical transmission ring.
- Ongoing cyclical replacement of gas and electrical revenue meters as part of the Utility's compliance with federal Measurement Canada regulations.
- Ongoing preventative maintenance activities within the Electric and Gas Distribution franchise areas such as tree trimming in proximity to power lines and lifecycle infrastructure replacements.

UTILITY DISTRIBUTION SYSTEMS

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Asset & Infrastructure Management</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Cyclical and recurring infrastructure condition assessments based on detailed, industry-specific asset condition/inspection criteria for each asset to ensure all infrastructure is inspected within industry standard guidelines.2. Ongoing development of Infrastructure Management Plans based on a detailed risk analysis of potential impacts to services, employee and public safety, regulatory compliance, and fiscal impacts to the corporation.3. Ongoing and continuous improvement of the use of specialized computer maintenance management software to track infrastructure condition through time and provide valuable data employed to make future capital investment decisions.
<p>Operational Excellence</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Employed sophisticated computer modelling to optimize existing linear and vertical infrastructure including identification of efficiency opportunities which maximize available capacity while working towards execution of City Council approved projects which increase available capacity.2. Successfully executed 2023 tangible capital asset projects and within City Council approved budgetary and completion targets. Worked collaboratively with other departments and customers ensuring equitable and reasonable service level expectations were achieved.3. Ensured robust cost control and tracking of operational expenditures in support of corporate fiscal responsibility objectives. Developing mitigation plans to offset unanticipated expenditures should they occur.4. Provided ongoing professional, technical, and logistical support to other departments, and customers to assist them achieving their business objectives.5. Ongoing constructive dialogue with business partners, stakeholder groups, other municipal entities, and regulators to ensure services being provided are in alignment with current industry trends and best practices.
<p>Safety & Employee Wellness</p> <p>Utility Distribution Systems 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Ongoing review and continuous improvement of department safety systems to ensure compliance with the City of Medicine Hat Safety Management System and Alberta Occupational Health and Safety regulations. Ongoing review and continuous improvement of hazard assessments, safety inspections, incident investigations, standard operating procedures, and emergency response procedures.2. Scheduled regular inspections of worksites, in collaboration with its employees, with an objective of continuous improvement to ensure compliance with all Occupational Health and Safety regulations.3. Completing inspections for 2023 department construction sites monitoring the performance of our contractors to ensure compliance with all Occupational Health and Safety regulations.4. Ongoing review and developing continuous improvements of competency training for our employees to ensure team members have the tools and knowledge necessary to safely complete assigned accountabilities.5. Ongoing scheduling of training opportunities which support general employee mental health and wellness via collaborative discussions with employees within cyclical safety meetings.

UTILITY DISTRIBUTION SYSTEMS

For the Period Ended December 31, 2023

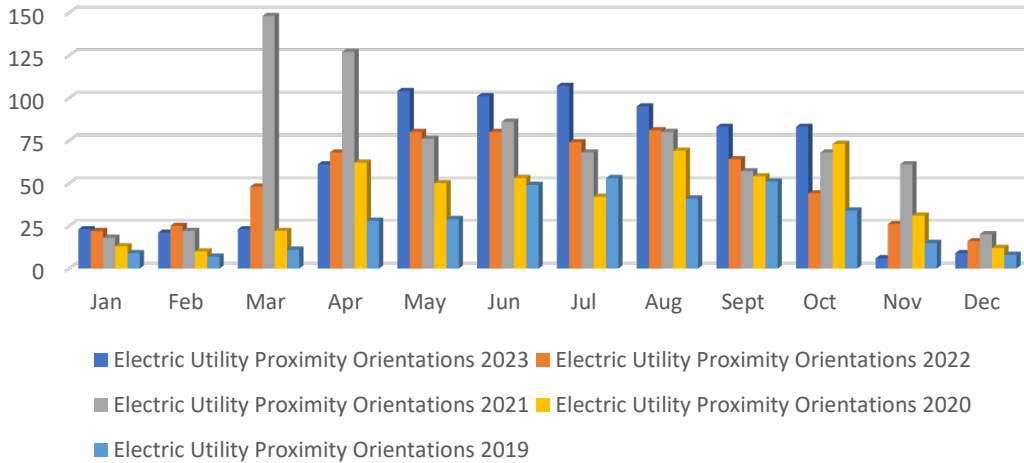
<p>Innovation</p> <p>Utility Distribution Systems operates within a rapidly evolving technological and regulatory environment which is experiencing significant change as part of a global energy transition movement. The adoption of new techniques and technologies, while considering prudent business analysis, 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Department continues progress on Energy Innovation Challenge in participation with Distributed Energy Canada and various industry stakeholders. Project launch Q1 2024.2. Completed the deployment of public-use electric vehicle charging infrastructure within the downtown core to assist evolving consumer expectations towards electric vehicle charging.
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UTILITY DISTRIBUTION SYSTEMS

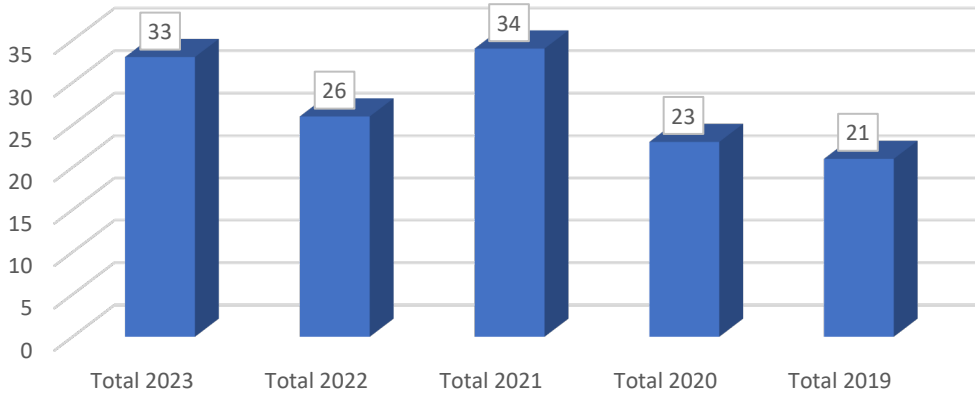
For the Period Ended December 31, 2023

Report on Performance Measures

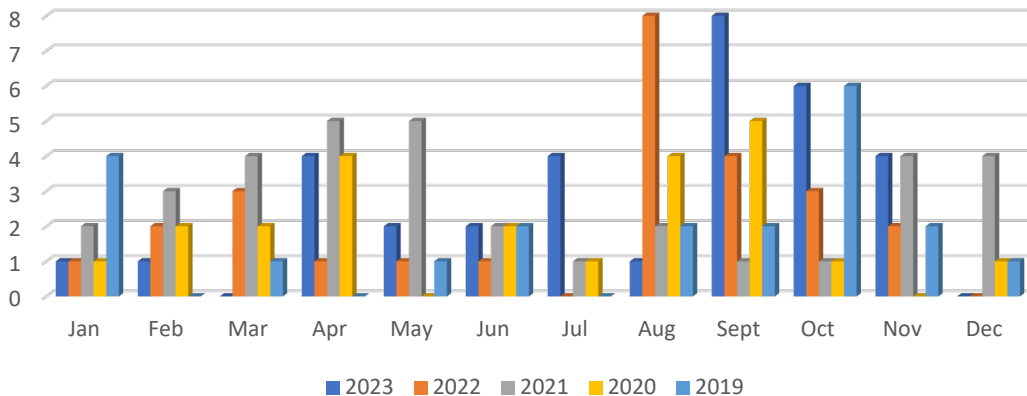
Electric Utility Proximity Orientations - Monthly



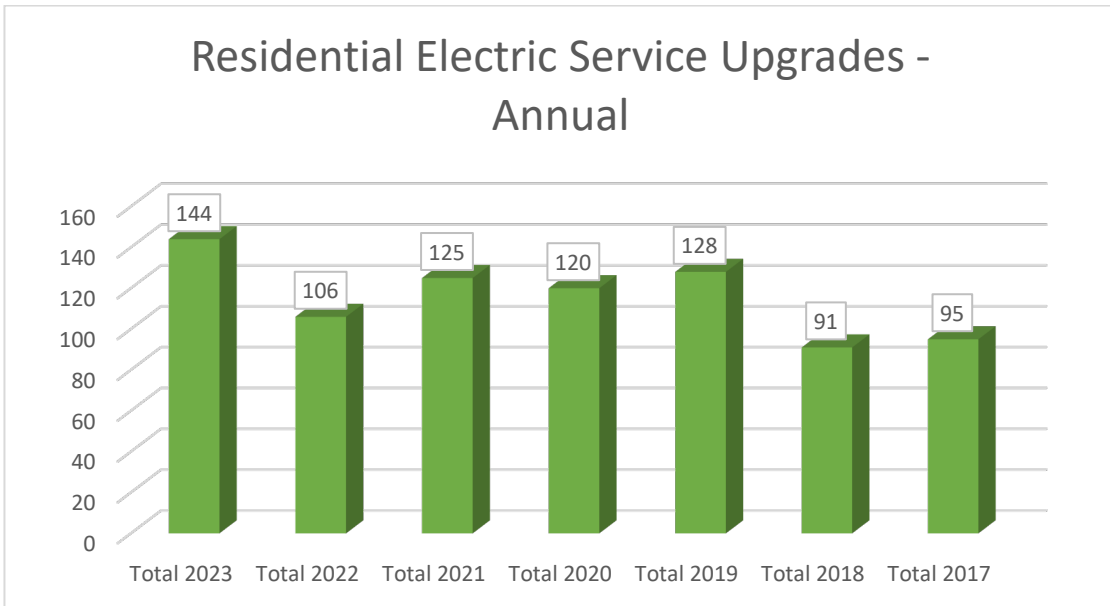
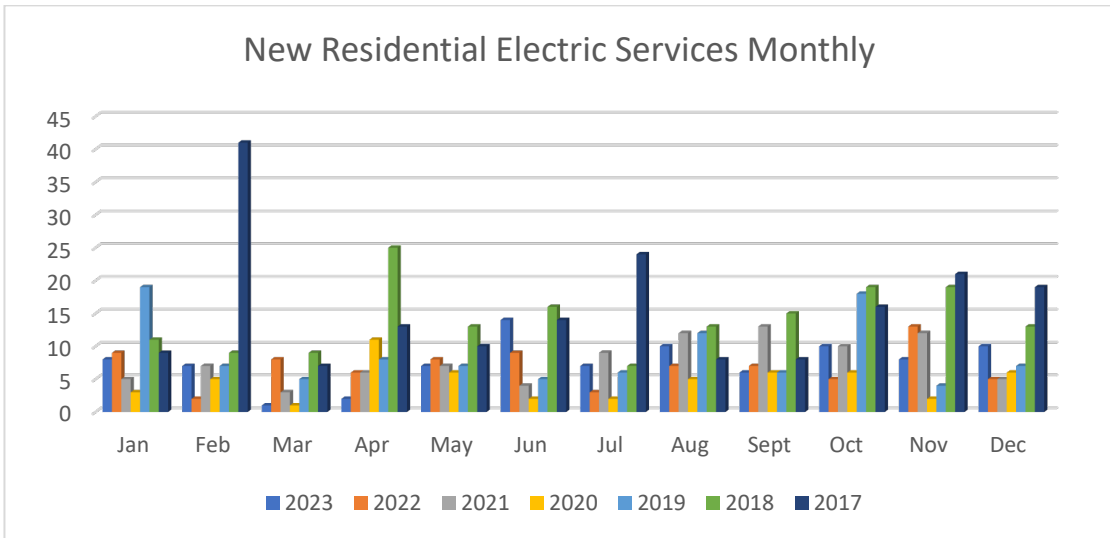
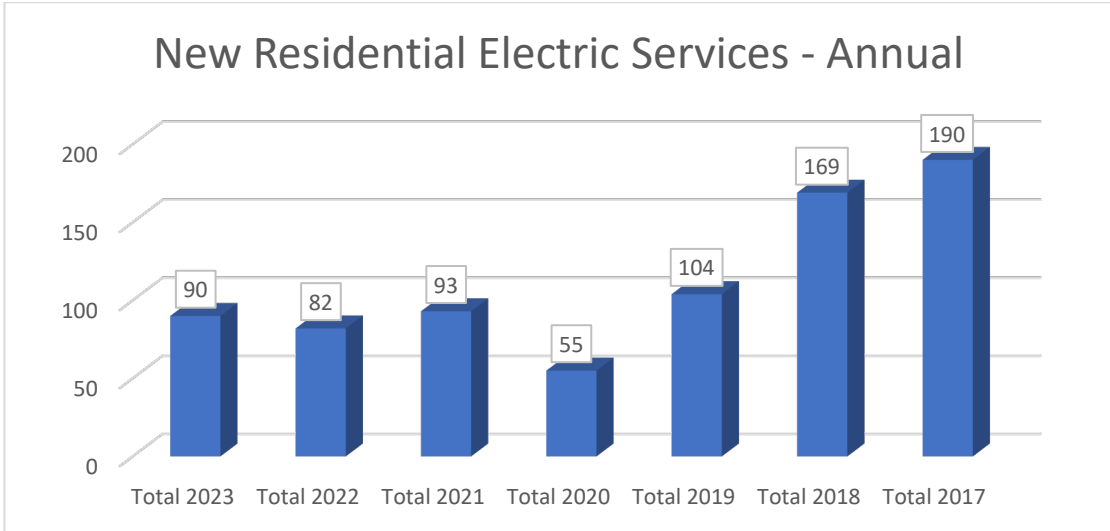
New Electric Commercial Services - Annual



New Electric Commercial Services - Monthly



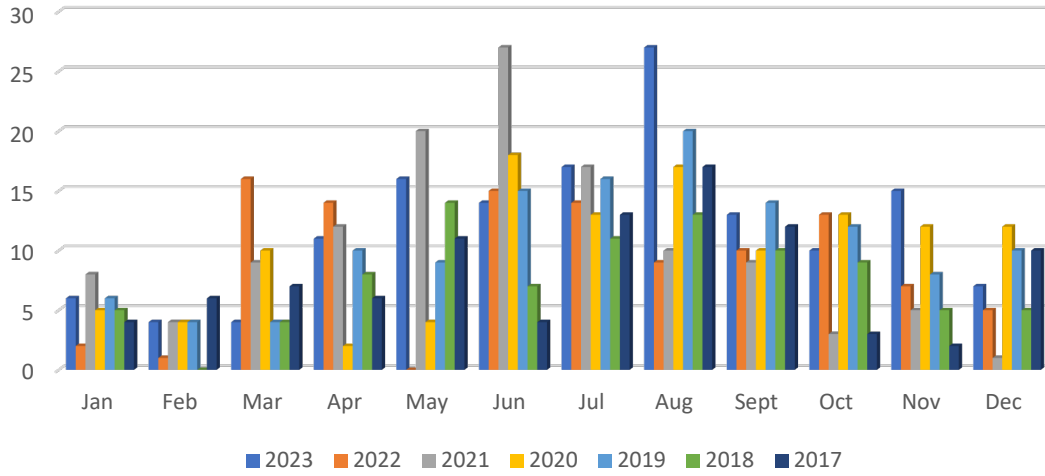
UTILITY DISTRIBUTION SYSTEMS
For the Period Ended December 31, 2023



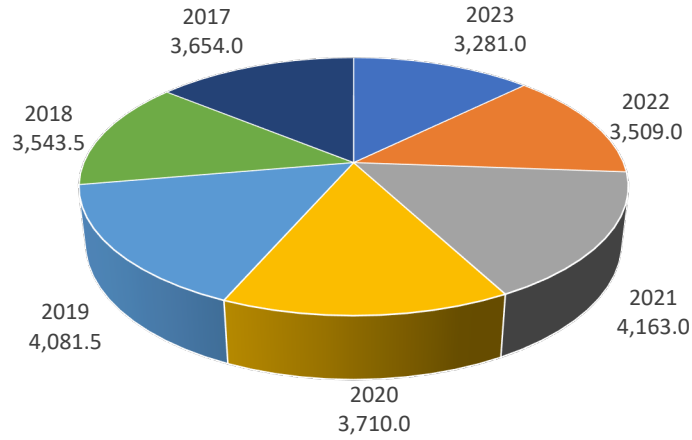
UTILITY DISTRIBUTION SYSTEMS

For the Period Ended December 31, 2023

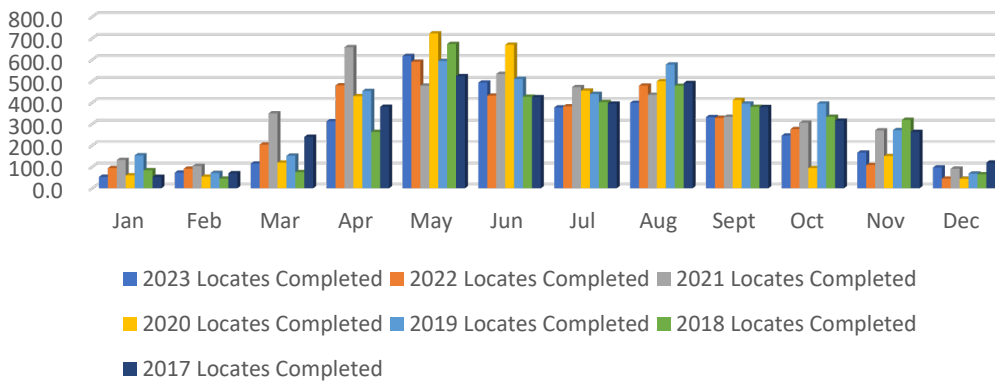
Residential Electric Service Upgrades - Monthly



Electric Locate Annual Totals Year Over Year

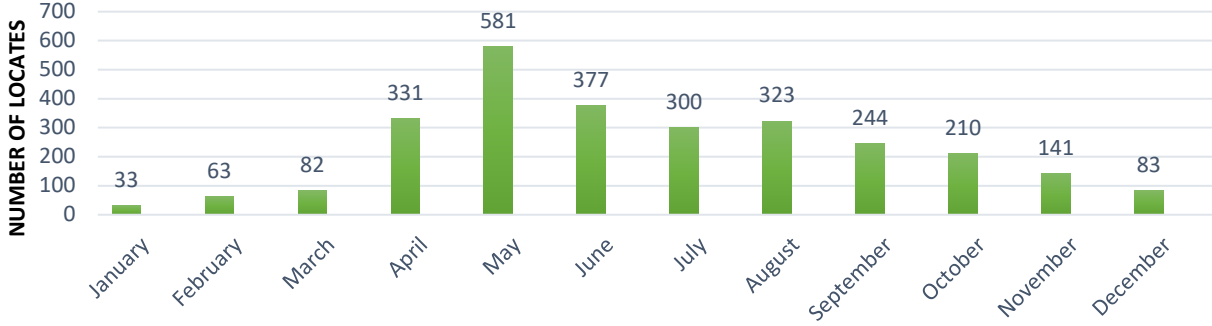


Electric Locate Monthly

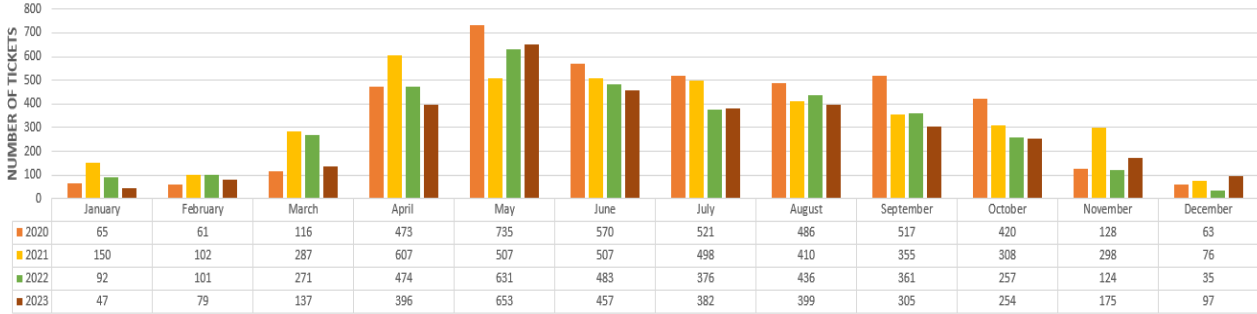


UTILITY DISTRIBUTION SYSTEMS
For the Period Ended December 31, 2023

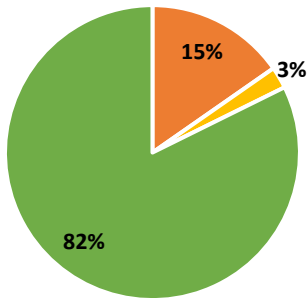
GAS DISTRIBUTION
2023 LOCATE TICKETS ATTENDED



GAS DISTRIBUTION ANNUAL LOCATE COMPARISON
LOCATE REQUESTS RECEIVED



GAS DISTRIBUTION - LOCATE ALLOCATION 2023



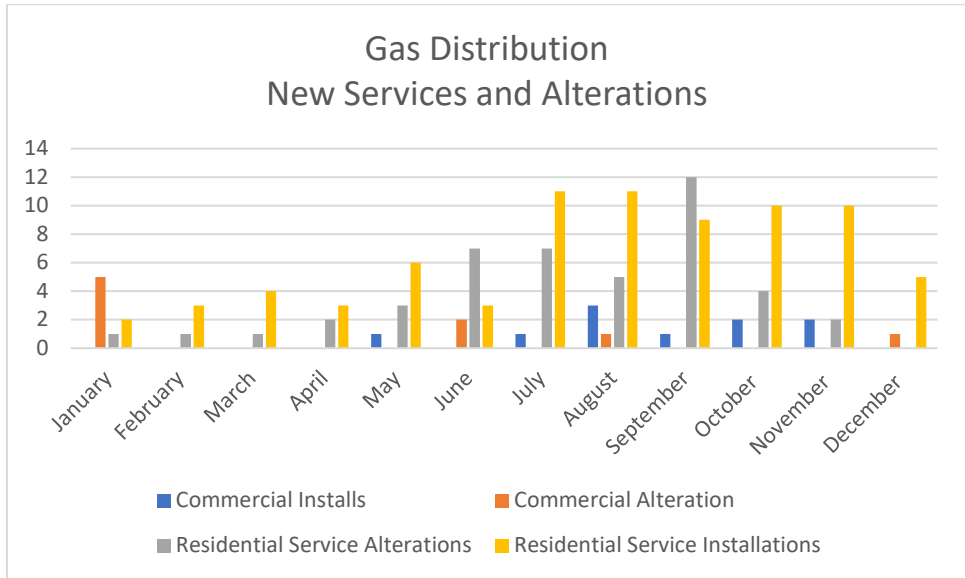
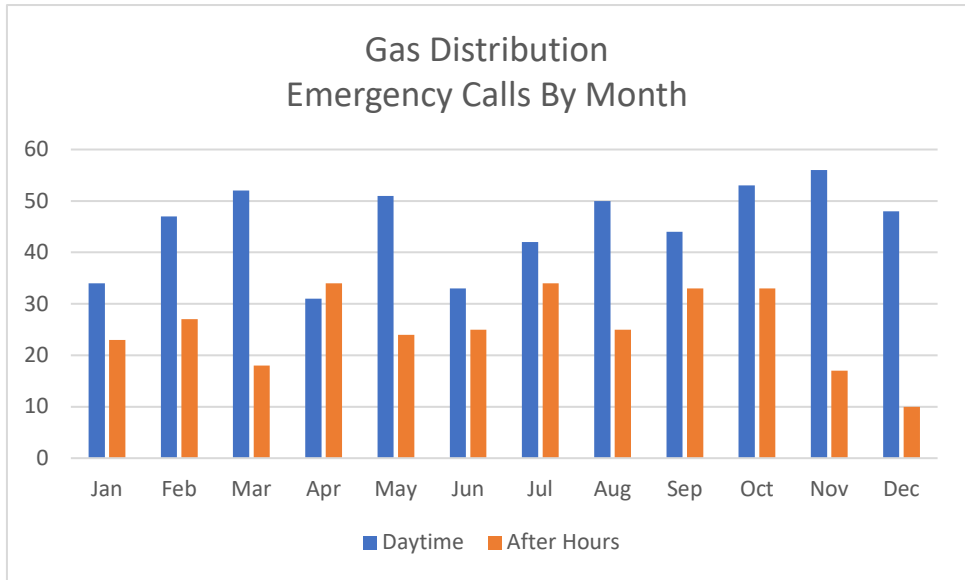
■ Clearances
 ■ Planning & Design
 ■ Attended

UTILITY DISTRIBUTION SYSTEMS

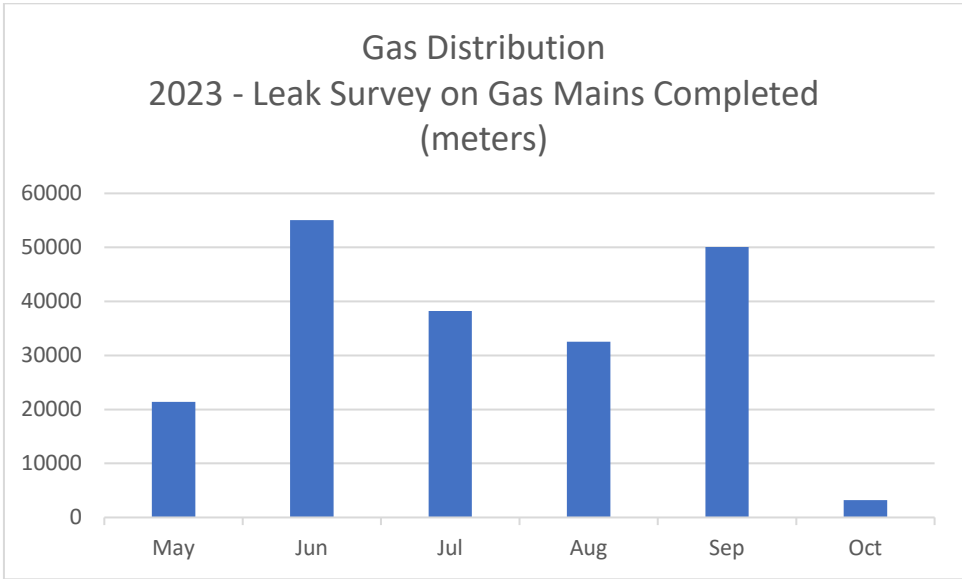
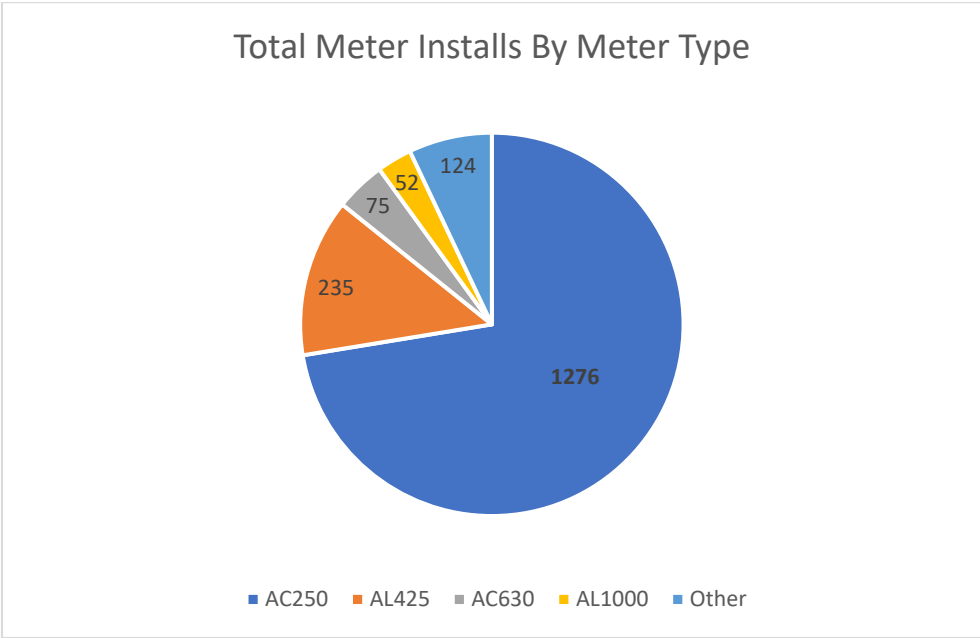
For the Period Ended December 31, 2023

GAS DISTRIBUTION WRITTEN AGREEMENTS - 2023

Agreements	Annual Totals
High Pressure Addendum	47
Feeder Pipeline Ground Disturbance Permit	70
High Pressure Ground Disturbance Permit	4



UTILITY DISTRIBUTION SYSTEMS
For the Period Ended December 31, 2023



***In addition to gas main leak survey, 9270 individual gas services leaks surveyed in 2023**

ENERGY, LAND AND ENVIRONMENT – TAX FUNDED

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
				to Dec 31/23 at Nov 30/23	to Dec 31/23 at Nov 30/23	
Expenses						
Environmental Strategy & Compliance	\$ 797	\$ 828	\$ (31)	\$ (31)	\$ 828	
Land & Properties	590	472	118	144	446	1
Environmental Strategy Administration	704	434	270	252	452	2
	2,091	1,734	357	365	1,726	
Net Surplus (Deficit) before Internal Cost Allocations	(2,091)	(1,734)	357	365	(1,726)	
Internal Revenue	1,440	1,440	-	-	1,440	
Internal Expenses	15	4	11	11	4	
	1,425	1,436	11	11	1,436	
Net Surplus (Deficit) before Cash Adjustments	(666)	(298)	368	376	(290)	
Transfer to Major Operating Expenses	(200)	(200)	-	-	(200)	
Net Cash Surplus (Requirements)	\$ (866)	\$ (498)	\$ 368	\$ 376	\$ (490)	
Net Surplus (Deficit)	\$ (866)	\$ (498)	\$ 368	\$ 376	\$ (490)	

OPERATING NOTES

- Land & Properties expenses are favourable \$118K as a result of staff vacancies.
- Administration expenses are favourable \$270K as a result of unspent contracted environmental services for contaminated sites management due to the development of a new process for procuring corporate environmental services. Upon development of the process, 5 categories of environmental services were identified resulting in numerous Request for Proposal submissions. Given time required to review submissions objectively and accurately, the contract was not awarded until Q1 2024.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Completed Draft Environmental Framework including goals, targets, strategies, and proposed actions. Received council approval of environmental topics and related goals.
- Environmental approvals and land consents for City projects as required to ensure compliance and best practices.
- Submitted reclamation certificate applications on 58 sites in Alberta and 129 sites in Saskatchewan.
- Completed Request for Qualifications process for corporate environmental consulting services.
- Ongoing remediation and reclamation of ~2400 oil and gas sites. Commenced remediation and reclamation activity on sites in Manyberries subject to Sage-grouse restricted activity period.

Planned Next Four Months

- Continue development of Environmental Framework Strategies and Actions including priority, implementation timeframe, required resource allocation and funding requirements.
- Award corporate wide environmental consulting services based on Request for Qualification process.
- Update department business plan and pertinent employee work plans to incorporate Land and Real Estate, Land Development Engineering and Gas Production because of corporate reorganization.

ENERGY, LAND AND ENVIRONMENT – TAX FUNDED

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Lead in the Development of an Environmental Framework</p> <p>The Framework 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Completed Draft Environmental Framework including goals, targets, strategies, and proposed actions. Received council approval of environmental topics and related goals.
<p>Operational Efficiency</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Completed update of agricultural lease and lease rates, renegotiation of leases ongoing.2. In the process of gathering existing biophysical data, contaminated sites information and environmental regulatory approvals into single database with targeted year-end completion.
<p>Contribute to the Corporate Government Relations Strategy</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Environmental approvals and land consents for City projects as required.2. Government relations strategy further defined due to corporate reorganization to fit operational need and ensure environmental and land compliance in City projects and ongoing gas production operations.

ENVIRONMENT, LAND & GAS PRODUCTION - LAND

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Sales						
Residential Land Sales	\$ 2,843	\$ 1,615	\$ (1,228)	(1,228)	\$ 1,615	1
Commercial Land Sales	800	-	(800)	(800)	-	2
Other Land Sales	1,298	265	(1,032)	(1,007)	290	3
Total	4,941	1,880	(3,061)	(3,036)	1,905	
Cost of Sales						
Residential Land Sales	2,473	1,562	910	847	1,626	1
Commercial Land Sales	500	-	500	500	-	2
Other Land Sales	400	552	(152)	224	176	3
Total	3,373	2,115	1,258	1,571	1,802	
Gross Margin	1,568	(234)	(1,802)	(1,465)	103	
Revenue						
Administration	-	1	1	-	-	
Operations	793	613	(180)	(116)	677	4
Other	3	209	205	-	3	5
Total	796	823	27	(116)	680	
Expenses						
Administration	510	388	122	51	459	6
Operations	233	154	79	130	103	
Other	125	6	119	120	25	7
Total	868	549	320	301	587	
Earnings Before Internal Cost Allocations	\$ 1,496	\$ 40	\$ (1,456)	\$ (1,280)	\$ 196	
Internal Revenue	905	905	-	-	905	
Internal Expenses	661	696	(35)	(35)	696	
	244	209	(35)	(35)	209	
Earnings Before Interest, Taxes and Amortization	\$ 1,740	\$ 248	\$ (1,491)	\$ (1,315)	\$ 405	
Interest Expense	(6)	(6)	-	-	(6)	
Transfer to Capital	-	(356)	(356)	-	-	8
Amortization	(302)	(309)	(7)	-	(302)	
Net Earnings / (Loss)	\$ 1,432	\$ (422)	\$ (1,854)	\$ (1,315)	\$ 97	
Free Cash Flow (transfer to reserve)	-	(765)	(765)	53	53	9
Net Earnings / (Loss) after Transfers	\$ 1,432	\$ (1,187)	\$ (2,619)	\$ (1,262)	\$ 150	

OPERATING NOTES

- Residential sales are currently unfavourable -\$1,228K and cost of sales are favourable \$910K, due to only six sales occurring this year. The budget included the sale of 50% of all forty-three remaining lots in Inventory. The gross margin on Residential sales was \$53K, compared to a budget of \$370K.
- Commercial sales are unfavourable -\$800K and cost of sales are favourable \$500K due to no sales occurring to date. The commercial budget includes one site, (21 Ranchlands Blvd). Due to economic conditions, an offer on this lot was rescinded.
- Other Land Sales are unfavourable -\$1,032K and cost of sales are unfavourable -\$152K. The budget included several potential infill lots being marketed, with four being sold during the year. The gross margin on Other Lands Sales was -\$287K. This is due to the revenue portion of the sale of the Affordable Housing site being included in internal revenue, as it was a transfer from Municipal to land as part of the agreement.
- Operations revenue is unfavourable -\$180K due to lower than budgeted land lease revenue. This is a result of some budgeted leases not continuing and proposed lease increases which have been delayed until 2024.

ENVIRONMENT, LAND & GAS PRODUCTION - LAND

For the Period Ended December 31, 2023

5. Other revenue is \$205K favourable due to deferred revenue from the Planning department (\$84K), and the Municipal Works department (\$84K), being moved into Land operations. The amounts were related to cost-sharing agreements collected from 3rd parties that should have been used to fund a Land Capital project. The project was completed in 2020 and was funded by working capital, so amounts were moved into Land revenue. The remaining variance of \$40K relates to deposits on leases and laydown areas that have expired, and amounts moved into revenue. The adjustments were recorded in December and not projected in November.
6. Administration expenses are \$122K favourable due to staff vacancies (\$101K), and reduced business travel and corporate training (\$10K).
7. Other expense is \$119K favourable due to lower than budgeted repairs and maintenance required on properties that the department is leasing to 3rd parties.
8. Transfer to Capital is -\$356K unfavourable due to Capital projects funded from working capital that were moved into restricted capital in the current year.
9. Free Cash Flow is -\$765K, which is greater than budget, due to more free cash flow available to contribute.

ENVIRONMENT, LAND & GAS PRODUCTION - LAND

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- Real estate and land development engineering responsibilities incorporated into Environment, Land & Gas Production department. All land and real estate functions corporate wide now within a single department.
- Updated real estate listings and contact information on City website.
- Nine property sales closed by year end.
- Initiated review of Real Estate Sales and Leasing policy.
- Deep utility service connection to the Affordable housing development lot installed by the city.

Planned Next Four Months

- Prepare additional infill lots for marketing consistent with Council objectives and advance surplus property sales; continue analysis of Expressions of Interest (EOI's) on real estate that has not been offered for sale.
- Advance 532 South Railway to open market.
- Revisit options for use / redevelopment of the Arena site.
- Airport – Continue targeted marketing strategy for YXH Gateway commercial lots and continue East Node Concept Plan with potential industrial sites and small airside commercial sites.
- Land and Real Estate to begin working on a Land Strategy to guide future department initiatives.

Report on Business Plan Goals

Develop, Manage, Market and Sell Land

This service is primarily responsible for the 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.

PROGRESS

1. Successfully recruited two Real Estate Specialist and a Manager of Land and Real Estate to build the full complement of staff required to complete all land real estate and leasing functions as a result of the creation of single corporate land department.
2. Awarded summer maintenance contract through Request for Proposal (RFP) process, and initiated winter maintenance RFP.
3. Nine property sales closed by year end.
4. Analysis ongoing of Expressions of Interest (EOI's) on real estate not listed for sale.

GAS PRODUCTION

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Gas Average Daily Volume (mcf/d)	9,293	9,748	455	343	9,637	
Gas Sales Volume (mcf)	3,392,073	3,557,983	165,910	125,279	3,517,352	
Spot Gas Price (\$/mcf)	\$5.47	\$2.90	(\$2.57)	(\$2.59)	\$2.87	
Oil Daily Volume (bbl/d)	9	16	6	6	15	
Oil Sales Volume (bbl)	3,445	5,793	2,348	2,164	5,609	
Oil Price (\$/bbl)	\$85.15	\$74.12	(\$11.03)	(\$23.65)	\$61.51	
Sales						
Gain/Loss on Risk Management Instrument	-	186	186	-	-	
Gas Sales from Production	18,545	10,304	(8,241)	(8,435)	10,110	1
Oil Sales	293	429	136	52	345	
Sales of Purchased Gas	87,887	43,738	(44,149)	(44,421)	43,466	2
Total	106,725	54,658	(52,067)	(52,804)	53,921	
Cost of Sales						
Transportation Revenue	210	282	(72)	(104)	314	
Gas Purchases	87,839	41,395	46,444	44,373	43,466	2
Carbon Tax	-	221	(221)	(221)	221	
Transfer (from) to Retail	(4)	(3,666)	3,662	5,784	(5,788)	3
Total	88,045	38,232	49,814	49,831	38,214	
Gross Margin	18,680	16,426	(2,254)	(2,972)	15,707	
Revenue						
Other Sales & Services	71	1,271	1,200	279	350	4
Royalties	(283)	(273)	10	49	(234)	
	(212)	998	1,210	328	116	
Expenses						
Administration	2,240	2,926	(687)	-	2,240	5
Operations & Maintenance	11,273	9,627	1,646	704	10,569	6
	13,513	12,554	959	704	12,809	
Earnings Before Internal Cost Allocations	\$ 4,955	\$ 4,871	\$ (84)	\$ (1,940)	\$ 3,015	
Internal Expenses	512	3,215	(2,703)	(2,694)	3,206	7
	(512)	(3,215)	(2,703)	(2,694)	(3,206)	
Earnings Before Interest, Taxes and Amortization	\$ 4,443	\$ 1,655	\$ (2,788)	\$ (4,634)	\$ (191)	
Interest Expense	(491)	(512)	(21)	-	(491)	
Interest Revenue	7,272	5,838	(1,434)	731	8,003	8
Transfer to Capital	-	(1,671)	(1,672)	-	-	9
Depreciation/Depletion/Accretion	(9,342)	(10,434)	(1,092)	(2,600)	(11,942)	10
Loss on Settlement of ARO	-	(11,704)	(11,704)	657	657	11
Impairment of Assets	-	(13,941)	(13,941)	-	-	12
Net Earnings / (Loss)	\$ 1,882	\$ (30,768)	\$ (32,651)	\$ (5,846)	\$ (3,963)	
Free cash flow (transfer to reserves)	-	1,540	1,540	352	352	13
Net Earnings / (Loss) after Transfers	\$ 1,882	\$ (29,228)	\$ (31,111)	\$ (5,494)	\$ (3,611)	

OPERATING NOTES

- Gas Sales from Production is -\$8.2M unfavourable to budget due to lower natural gas prices, offset by increased production volume.

Volume – natural gas production volumes are 455 mcf/d favourable to budget due to field operations maintaining higher flow through the winter with above average temperatures creating less freeze offs.

Price – the average price was -\$2.57/mcf unfavourable to budget due to increased supply throughout North America with no new major demands and reduced production at Liquid Natural Gas (LNG) export facilities.

- Sales of Purchased Gas (revenue section) is offset by Gas Purchases (expense section) and represents additional gas purchases and sales performed by Marketing to cover local demand not met by produced gas. Sales of Purchased Gas is

GAS PRODUCTION

For the Period Ended December 31, 2023

- \$44.1M unfavourable to budget due to lower natural gas price this is partially offset by increased sales volume to Genco. Gas Purchases is \$46.4M favourable due to lower natural gas price and booking of 2023 costs in 2022 as a result of a margin call that was not accrued during Christmas Holidays in 2022.
3. Transfer from Gas Retail is \$3.7M favourable primarily due to the gas supply differential between the cost of gas supplied by Gas Production (Alberta Energy Company 5A) and the revenue received for the sale of gas from Gas Retail (average energy rates).
 4. Other Sales & Services is \$1.2M favourable mainly due to Grants received for the Clear Horizon CCUS project (\$200K), a 2021 accounting correction of Gain/Loss on Sales (\$658K), higher than budgeted royalty revenue and overhead recoveries. The variance to November's projection is mainly due to the Gain/Loss on Sales and Grants received for the Clear Horizon CCUS project.
 5. Administration is -\$687K unfavourable mainly due to higher investment management fees than budgeted (\$568K). The variance with the November projection is due to the higher investment management fees settled in December.
 6. Operations & Maintenance is \$1.6M favourable mainly due to an accounting correction of 2022 Prepaid costs (\$1.2M), lower labour costs and overall operational expenses associated with timing of accelerated abandonment and optimization programs. The variance to November projection is mainly due to the previously mentioned accounting correction 2022 Prepaid costs.
 7. Internal Expenses is -\$2.7M unfavourable due to budget oversight in interdepartmental allocated costs.
 8. Interest Revenue is -\$1.4M unfavourable mainly due to lower realized investment income than forecasted for 2023.
 9. Transfer to Capital is -\$1.7M unfavourable mainly due to the funding of capital projects with Working Capital.
 10. Depreciation/Depletion/Accretion is -\$1.1M unfavourable mainly due to:
 - a. Depreciation is \$1.4M favourable due to lower overall amortization of ARO Assets due to the lower net book value of ARO Assets as at January 1, 2023.
 - b. Depletion is -\$300K unfavourable due to higher capital costs offset by lower depletion rate.
 - c. Accretion is -\$2.2M unfavourable due to higher Accretion of the ARO Liability for Medicine Hat, Northeast and Sandhills fields than was budgeted.
 11. Loss on Settlement of ARO is -\$11.7M unfavourable due to abandonments being completed sooner than anticipated.
 12. Impairment of Assets is -\$13.9M unfavourable as a result of the carrying value of the oil and gas assets being written down due to lower market values. The primary contributors to the write down in 2023 are the Forty Mile and Medicine Hat cash generating units (CGU).
 13. Free Cash Flows (Transfer from Reserve) for \$1.5M to Gas Production is a transfer from reserves to fund cash requirements.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Surface Casing Vent Flow repair efforts continue in preparation to eventually proceed to abandonment.
- Reclamation continues for reclamation certificate approval.

Planned Next Four Months

- Continue execution of abandonment well and pipeline clean up.
- Continue reclamation activities on current locations and new locations.
- Continue with optimization of gas wells.

GAS PRODUCTION

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Operational Excellence</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Optimization of existing gas production assets including identification of potential recompletion opportunities with the objective of reducing field decline rate is ongoing. 2. Ensuring robust cost control and tracking of operational expenditures in support of corporate fiscal responsibility objectives. Developing mitigation plans to offset unanticipated expenditures should they occur.
<p>Safety & Employee Wellness</p> <p>Gas Production 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Initiated review of department safety systems to ensure compliance with the City of Medicine Hat Safety Management System. Initiated review of hazard assessments, safety inspections, incident investigations, standard operating procedures, and emergency response procedures. 2. Initiated and scheduled regular inspections of worksites, in collaboration with its employees, with an objective of continuous improvement to ensure compliance with all Occupational Health and Safety regulations. 3. Reviewing competency training of our employees to ensure ongoing competency of staff in compliance with all Occupational Health and Safety regulations. 4. Initiated scheduling of training opportunities which support general employee wellness via collaborative discussions with employees within cyclical safety meetings. 5. Scheduled update and required training for update of Emergency Response Plan in T3.
<p>Innovation</p> <p>Environment, Land & Gas Production 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Participated in the development of the Environmental Framework as a stakeholder in cooperation with other departments, within the Corporate Boundary of Medicine Hat which align with the City Council strategic objectives. 2. Ongoing technical analysis of the geological feasibility of the development of a carbon capture and underground storage hub within Southeastern Alberta including detailed business case analysis.

GAS PRODUCTION

For the Period Ended December 31, 2023

SAFETY, ENVIRONMENT & REGULATORY

Safety, Environmental & Regulatory - T1, T2 & Year-End Report

Key Performance Indicators	Goal	T1	T2	T3	Total	2023
Lost Time Incidents	0	✓0	✓0	✓0	✓	0
Preventable Vehicle Incidents	0	✓0	✓0	✓0	✓	0
High Risk Environmental Incidents	0	✓0	✓0	✓0	✓	0
High Risk Regulatory Incidents	0	✓0	✓0	✓0	✓	0

September to December Notes

No reportable incidents from September to December.

Definitions

- Lost Time Incident – a lost workday occurs when the injured staff is unable to perform any regular or restricted work duties on any day after the day on which the injury occurred.
- Preventable Vehicle Accident – when everything reasonably practicable to prevent an accident was not done.
- High Risk Incident – as defined by the governing bodies in Alberta and Saskatchewan.

Sales Volume	Approved Budget	Actual	Variance
Natural Gas (mcf/d)	9,309	9,748	5%
Oil (bbl/d)	4	16	271%
Total (boe/d)	1,556	1,641	5%

Notes

Natural gas production is higher than budget due to unseasonably warmer weather and will have expected production uplifts with gas optimization continuing through the summer. Oil production is up due to adjustment made from Denzil disposition; however, this is partially offset by reduced production at Countess as a result of oil handling agreements in late Q1 early Q2 of 2023.

Definitions

- Boe/d – barrels of oil equivalent per day with natural gas converted at 1:6 ratio.
- Oil Fields – actuals include Manyberries, Queenstown & Countess.

Operating Excellence	Approved Budget	Actual	Variance
Admin Costs (\$/boe)	\$5.90	\$4.89	21%
NG Lifting Costs (\$/mcf)	\$1.12	\$1.51	-26%
Oil Lifting Costs (\$/bbl)	\$58.34	\$10.89	436%
Abandonment Cost (\$/Site)	\$46,621	\$45,808	2%

Notes

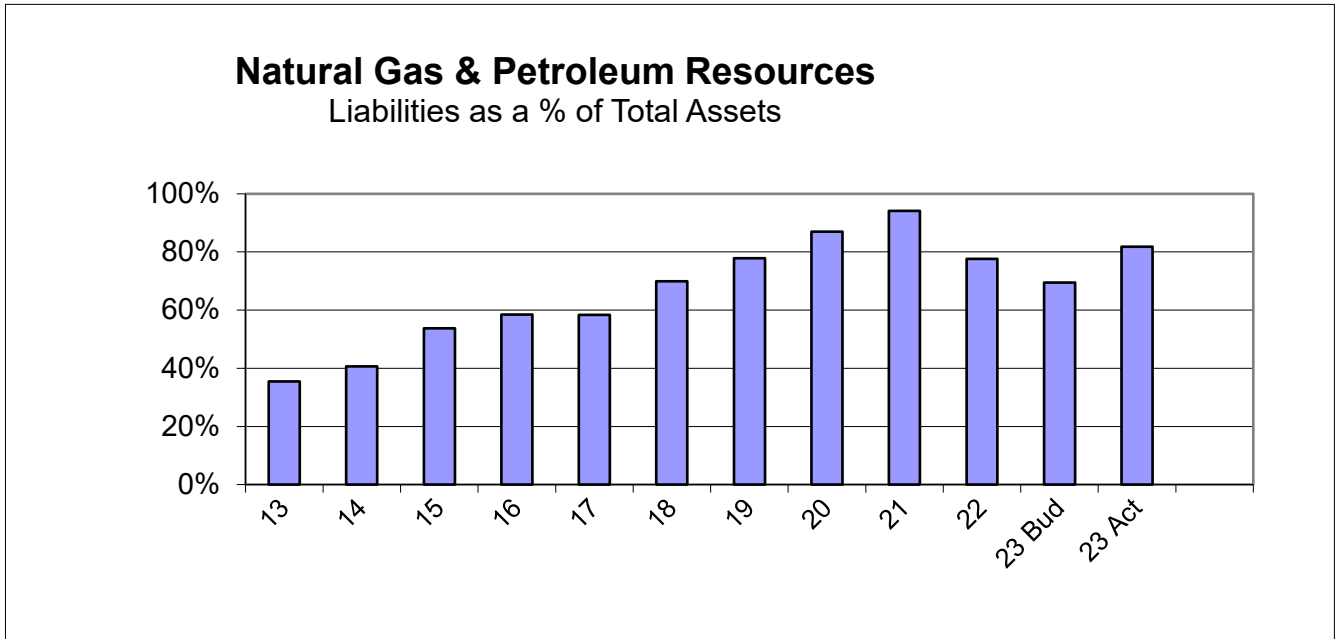
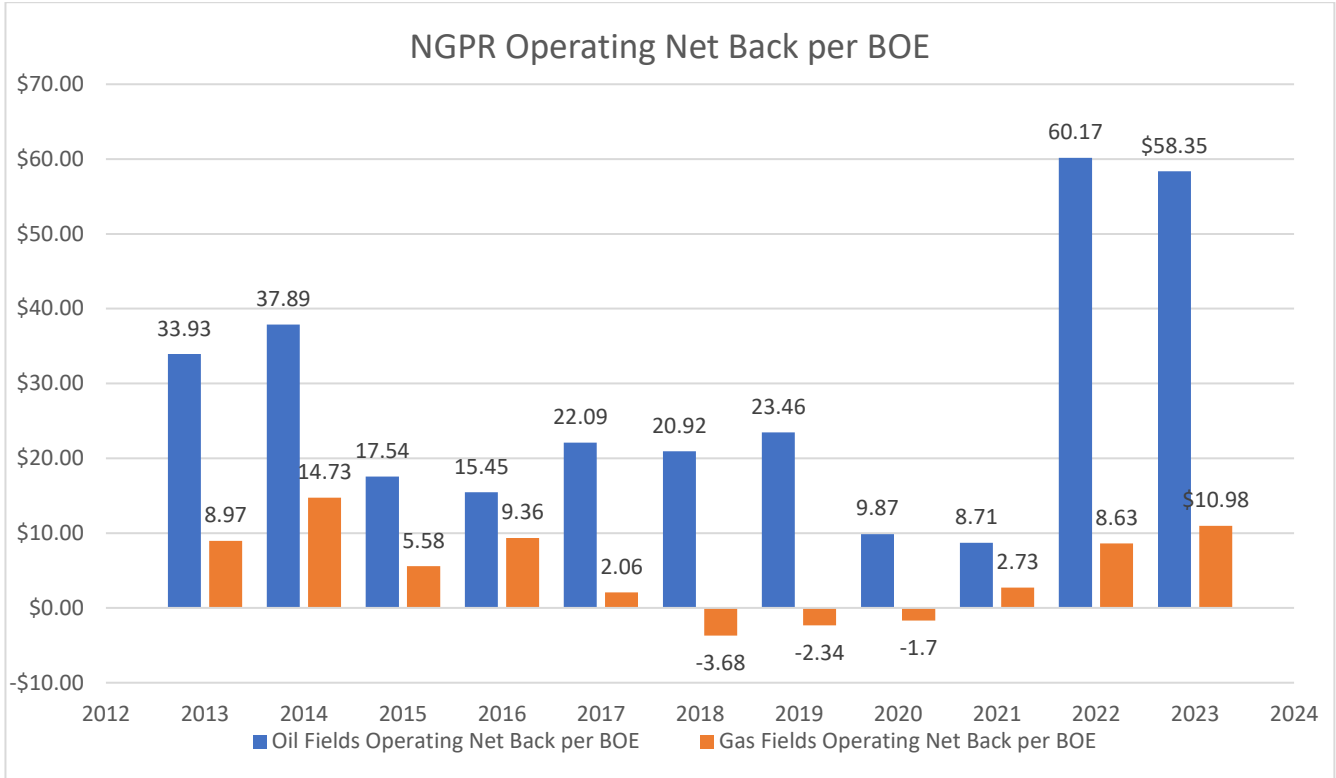
Administration costs are favourable to budget due to lower consulting costs for Project Clear Horizon.

Definitions

- Lifting Cost – the costs to operate/maintain wells, related equipment and facilities for oil and gas produced by the latter after the hydrocarbons have been found/acquired and developed for production.
- Abandonment Costs – the fixed costs (property taxes, regulatory administration, surface, and mineral leases) to maintain wells and land until site reclamations are complete.

GAS PRODUCTION

For the Period Ended December 31, 2023



ENERGY MARKETING & BUSINESS ANALYSIS

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Energy Marketing & Business Analysis	\$ 325	\$ 261	\$ (64)	\$ 24	\$ 349	1
	325	261	(64)	24	349	
Expenses						
Energy Marketing & Business Analysis	2,560	1,849	711	350	2,210	2
	2,560	1,849	711	350	2,210	
Net Surplus (Deficit) before Internal Cost Allocations	(2,235)	(1,588)	647	374	(1,861)	
Internal Revenue	1,838	1,499	(339)	58	1,896	3
Internal Expenses	11	26	(15)	(15)	26	
	1,827	1,473	(354)	43	1,870	
Net Surplus (Deficit) before Cash Adjustments	(408)	(115)	293	417	9	
Transfer to Reserves (expense)	-	109	109	(9)	(9)	4
Net Cash Surplus (Requirements)	\$ (408)	\$ (6)	\$ 402	\$ 408	\$ -	

OPERATING NOTES

1. Energy Marketing & Business Analysis has an unfavourable revenue variance of -\$64K, which is -\$88K more unfavourable than projected in November. This is due to lower than anticipated Energy Conservation Charge revenue in December.
2. Energy Marketing & Business Analysis has a favourable expense variance of \$711K. The favourable expenses are a result of under budget software licensing (\$128K), lower professional consulting fees (\$257K), and vacant positions (\$309K). This is more favourable than projected in November due to professional consulting fees not utilized by yearend.
3. Internal Revenues has an unfavourable variance of -\$339K. The unfavourable revenue is a result of lower than budgeted expenses, due to lower than budgeted and forecasted professional consulting fees and positional vacancies.
4. Transfer from Reserves is \$109K favourable due to lower than budgeted Hat Smart recoveries. This will be partially offset in 2024 as \$70K of unspent funds will be allocated back to the Nature's Best Reserve.

ENERGY MARKETING & BUSINESS ANALYSIS

For the Period Ended December 31, 2023

Operating Highlights

Completed Last Four Months

- Energy Marketing completed a budget update with updated commodity prices.
- Continued work on the Energy transition.
- Implemented the best of market commodity rates.

Planned Next Four Months

- Energy Marketing will complete scenario analysis on the Energy Long Range Forecast (LRF) model.
- Complete the review of the electric distribution cost of service model.
- Complete 2025-2026 budget related items (business plan and business case review).

Report on Business Plan Goals

Energy Transformation <p>In support of Energy & Infrastructure, Energy Marketing and Business 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.</p>	PROGRESS <ol style="list-style-type: none">1. Continued work on the energy transition strategy, where the City is reviewing potential carbon mitigation strategies under the proposed framework.2. Kick off of the Electric Generation & Gas Production (COMCO) review project.
Support Strategic Decision Making <p>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.</p>	PROGRESS <ol style="list-style-type: none">1. Continued work on the corporate long-range financial model.2. Implemented new interim retail rate offering.
Operational Excellence <p>As a business partner, optimize assets within the Energy, Land & Environment division's portfolio and manage the risk associated with these assets.</p>	PROGRESS <ol style="list-style-type: none">1. Kick off of the Electric Generation & Gas Production (COMCO) review project.2. Continued work on the corporate long-range financial model.

ENVIRONMENTAL UTILITIES – WATER

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Property Taxes	\$ 114	\$ 113	\$ (1)	\$ -	\$ 114	
Administration	24,898	25,465	567	550	25,448	1
Operations	86	155	68	-	86	
Total	25,098	25,732	634	550	25,648	
Expenses						
Administration	2,552	2,530	22	150	2,402	2
Operations	5,162	5,172	(10)	(74)	5,236	
Engineering	518	613	(95)	-	518	
Maintenance	1,026	855	172	206	820	3
Total	9,259	9,170	89	282	8,977	
Earnings Before Internal Cost Allocations	\$ 15,839	\$ 16,562	\$ 723	\$ 832	\$ 16,671	
Internal Revenue	2,629	2,919	290	(44)	2,585	4
Internal Expenses	6,871	6,802	69	10	6,861	
	(4,241)	(3,882)	359	(34)	(4,275)	
Earnings Before Interest, Taxes and Amortization	\$ 11,598	\$ 12,680	\$ 1,082	\$ 798	\$ 12,396	
Interest Expense	(3,162)	(3,138)	23	(9)	(3,171)	
Transfer to Capital	-	(1,345)	(1,345)	-	-	5
Amortization	(5,360)	(5,139)	221	-	(5,360)	6
Gain (Loss) on Disposal of Assets	-	(12)	(12)	-	-	
Accretion of Asset Retirement Obligations	-	(35)	(35)	-	-	
Net Earnings / (Loss)	\$ 3,076	\$ 3,010	\$ (66)	\$ 789	\$ 3,865	
Free Cash Flow (transfer to reserve)	-	(4,259)	(4,259)	(1,227)	(1,227)	7
Transfer from Reserves (revenue)	-	79	79	-	-	
Net Earnings / (Loss) after Transfers	\$ 3,076	\$ (1,170)	\$ (4,247)	\$ (438)	\$ 2,638	

OPERATING NOTES

1. Administration revenue is favourable by \$567K due mainly to higher residential consumption and lawn irrigation from higher seasonal temperatures which is offset by lower commercial and industrial water volumes.
2. Administration expenses are less favourable than projected due to unanticipated employee benefits.
3. Maintenance expenses are favourable by \$172K mainly due to lower than anticipated contracted and general services (\$180K) for the filter media study that has been delayed due to contractor availability and resources being utilized by other departments including water which is partially offset by salaries and wages (-\$68K) for unbudgeted electrician hours.
4. Internal revenues are favourable by \$290K due mainly to higher than anticipated internal recovery on internal charges (\$324K), and utilities (\$30K) offset by lower than estimated water sales. This is more favourable than projected in November as water charges to Parks and Recreation were not factored in.
5. Transfer to Capital expense is unfavourable -\$1.3K. This amount relates to current year capital projects that are funded from working capital and are not budgeted in operations.
6. Amortization expense is \$221K favourable due to later than budgeted spending on capital projects.
7. Free Cash Flow is -\$4.3M at yearend. No amount of Free Cash Flow was included in the 2023 budget.

ENVIRONMENTAL UTILITIES – SEWER

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
				to Dec 31/23 at Nov 30/23	to Dec 31/23 at Nov 30/23	
Revenue						
Property Taxes	\$ 113	\$ 113	\$ -	\$ -	\$ 113	
Administration	23,554	23,831	277	105	23,659	1
Operations	30	44	14	-	30	
Total	23,696	23,988	291	105	23,801	
Expenses						
Administration	502	692	(190)	(142)	645	2
Operations	4,472	5,129	(657)	(430)	4,902	3
Engineering	981	570	411	372	609	4
Maintenance	536	899	(363)	(412)	948	5
Total	6,492	7,291	(799)	(612)	7,104	
Earnings Before Internal Cost Allocations	\$ 17,204	\$ 16,696	\$ (508)	\$ (507)	\$ 16,697	
Internal Revenue	-	8	8	-	-	
Internal Expenses	5,638	4,965	672	710	4,927	6
	(5,638)	(4,958)	680	710	(4,927)	
Earnings Before Interest, Taxes and Amortization	\$ 11,567	\$ 11,739	\$ 172	\$ 203	\$ 11,770	
Interest Expense	(3,188)	(3,141)	47	17	(3,171)	
Transfer to Capital	-	(922)	(922)	-	-	7
Amortization	(5,262)	(4,852)	410	-	(5,262)	8
Gain (Loss) on Disposal of Assets	-	(347)	(347)	-	-	9
Accretion of Asset Retirement Obligations	-	(16)	(16)	-	-	
Net Earnings / (Loss)	\$ 3,117	\$ 2,460	\$ (657)	\$ 220	\$ 3,337	
Free Cash Flow (transfer to reserve)	-	(4,403)	(4,403)	(1,569)	(1,569)	10
Net Earnings / (Loss) after Transfers	\$ 3,117	\$ (1,943)	\$ (5,060)	\$ (1,349)	\$ 1,767	

OPERATING NOTES

- Administration revenue is favourable by \$277K due mainly to higher residential and commercial municipal consumption. Variance from projection is mainly due to the difference between the 2022 and 2023 year end accrual amounts.
- Administration expenses are unfavourable by -\$190K due mainly to unforeseen employee benefits and less amounts charged to water and other functions.
- Operations expenses are unfavourable by -\$657K due mainly to higher than anticipated sanitary sewer lift station pump failure & repairs for Field Operations (-\$268K) and higher than anticipated general operations (-\$231K) for Waste Water Treatment Plant (WWTP), higher than anticipated internal staff usage (-\$39K) and higher than anticipated material usage (-\$36K). The variance to November's projection is mainly due to more repairs and materials consumed.
- Engineering expenses are favourable by \$411K due mainly to staffing vacancies of (\$339K), and underspent contracted services of (\$78K) as no feasibility studies have occurred to date.
- Maintenance expenses are unfavourable by -\$363K due to unbudgeted electrician hours (-\$207K) and higher than anticipated materials (-\$156K) for the secondary Clarifier, general maintenance for Stainless Steel Pulley's, monster renew grinder maintenance and unforeseen repairs and replacement of equipment.
- Internal expenses are favourable by \$672K due mainly to lower than anticipated recovery on materials (\$385K); and lower than anticipated internal charges for fleet (\$69K), utilities (\$22K), Building Services (\$87K), Finance (\$81K), and Business Transformation office (\$73K).
- Transfer to Capital expense is unfavourable -\$922K. This amount relates to current year capital projects that are funded from working capital and are not budgeted in operations.
- Amortization expense is \$410K favourable due to later than budgeted spending on capital projects.
- Gain (Loss) on Disposal of Assets is unfavourable -\$347K as a result of no proceeds being received for assets that were disposed of in the year.
- Free Cash Flow is -\$4.4M which is greater than budget, due to more free cash flow available to contribute.

ENVIRONMENTAL UTILITIES – SOLID WASTE

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Residential Tipping Fee	\$ 468	\$ 370	\$ (98)	\$ -	\$ 468	
Administration	-	1,422	1,422	-	-	1
Operations	9,755	9,871	116	-	9,755	2
Total	10,223	11,664	1,441	-	10,223	
Expenses						
Administration	667	496	171	89	578	3
Operations	4,940	5,109	(169)	-	4,940	4
Total	5,607	5,605	2	89	5,518	
Earnings Before Internal Cost Allocations	\$ 4,615	\$ 6,059	\$ 1,444	\$ 89	\$ 4,704	
Internal Revenue	2,995	2,575	(421)	1,213	4,208	5
Internal Expenses	5,629	5,448	181	156	5,473	6
	(2,633)	(2,873)	(240)	1,369	(1,265)	
Earnings Before Interest, Taxes and Amortization	\$ 1,982	\$ 3,186	\$ 1,203	\$ 1,458	\$ 3,440	
Site Restoration & Abandonment	(90)	-	90	1,996	1,906	7
Interest Expense	(45)	(45)	1	-	(45)	
Transfer to Capital	-	(80)	(80)	-	-	
Amortization	(749)	(1,078)	(329)	(401)	(1,150)	7
Gain (Loss) on Disposal of Assets	-	(1)	(1)	-	-	
Accretion of Asset Retirement Obligations	-	(345)	(345)	-	-	7
Net Earnings / (Loss)	\$ 1,098	\$ 1,637	\$ 538	\$ 3,053	\$ 4,151	
Gain/Loss on Risk Management Instrument	-	228	228	-	-	8
Free Cash Flow (transfer to reserve)	-	(930)	(930)	(1,772)	(1,772)	9
Transfer from Reserves (revenue)	-	12	12	-	-	
Net Earnings / (Loss) after Transfers	\$ 1,098	\$ 946	\$ (152)	\$ 1,281	\$ 2,379	

OPERATING NOTES

1. Administration revenues are favourable by \$1.4M due to the carbon credit sold to Electric Generation.
2. Operations revenue is favourable by \$116K mainly due to more material received at the landfill.
3. Administration expenses are favourable by \$171K mainly due to coding error of (\$127K) for contracted engineering services.
4. Operations expenses are unfavourable -\$169K mainly due to the extra cleaning sumps out (\$30K), wood grinding contractor (\$62K), mattress shredding with rented water truck and driver for fire mitigation (\$15K), repairs to equipment contracted out (\$12K) and additional contracted service expenses to accept higher material volumes.
5. Internal revenue is unfavourable by \$421K mainly due carbon credits being serialized and sold to Electric Generation. The amount was projected in November; however, it was relocated to Administration Revenue.
6. Internal expenses are favourable by \$181K due mainly to less than budgeted internal expenses (\$124K) for fleet and (\$73K) for Business Transformation Office which was partially offset by higher than anticipated utilities (-\$52K).
7. Projections for Site Restoration & Abandonment, Amortization, Accretion of Asset Retirement Obligations and Adjustment on Adoption of PSAB 3450 have changed significantly due to first year adoption of PSAS 3280 - Asset Retirement Obligation and the retirement of the previous accounting standard PSAS 3270 - Landfill Closure and Post Closure Liability.
8. Gain/Loss on Financial Instrument is related to the revaluation of Carbon Credits to their prescribed rate. This variance was not projected in November.
9. Free Cash Flow is -\$930 which is greater than budget, due to more free cash flow available to contribute.

ENVIRONMENTAL UTILITIES – WATER, SEWER & SOLID WASTE

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- Completed initialization of Manhole inspection program. Compliance Technologists are creating benchmark and grading system in teamwork with Engineering Technologists.
- Completed draft water license analysis. Completed by EU- Engineering.
- Water Treatment Plant (WTP) Residuals management facility construction ongoing.
- Caustic Feed system study at WTP completed, awaiting final report.
- Finalizing study for updating Wastewater Treatment Plant (WWTP) headworks and grit removal screens.
- Developed public educational messaging for water shortage conservation.
- Completed presentation of waste management strategy to council Nov 6, 2023, and is now adopted.
- Completed presentation of food waste collection and processing pilot to council for approval. Capital \$1M project was approved.
- Completed registration of 30,000 carbon offset credits for years 2020-2022 from compost facility.
- Power gate installed at WWTP.
- WWTP Gravity Thickener Rebuild.
- WTP, WWTP, Distribution & Collections System Control and Data Acquisition (SCADA) upgrade nearing completion.
- WTP Annual Solids Contract Unit (SCU) maintenance completed.
- Install third Ultraviolet (UV) disinfection channel at WWTP Complete.

Planned Next Four Months

- Develop plan for path forward to manage compost code of practice changes which affect City of Medicine Hat composting operations. Working with regulator currently on compost facility approval to assist with change amendments.
- Award Request for Proposal (RFP) for Consulting & Engineering Services for Food Waste Pilot Program.
- Apply for grant funding for food waste pilot program Federation of Canadian Municipalities (FCM) and Environment and Climate Change Canada (ECCC) grants (2 grants).
- Register City of Medicine Hat (CMH) for Extended Producer Responsibility Program Assistance (EPR).
- Develop plans for hydrant flushing, uni-directional flushing, sewer main flushing. Capital project flushing in relations to current water management phase restrictions. Utilize water use to maximize required tasks and/or processes including Landfill water requirements.
- Execute water and sewer capital and maintenance projects. Construction completed for 2023.
- Ongoing with assistance from external consultants (pipe hunter).
- Continue foundation and building work for WTP residuals management facility.
- WWTP Return sludge line (RSS) Piping replacement ongoing.
- WTP, WWTP, Distribution & Collections System Control and Data Acquisition (SCADA) upgrade. Minor deficiency clean up.
- Repair of WTP High Lift Pump #7.
- 2023 Annual Operating reports to be submitted to Agri-Environmental Partnership of Alberta (AEPA).
- WWTP trickling filter hydraulics study.
- Update Drinking Water Safety plan and Water Shortage Management Plan.
- WWTP Gas detection system replacement ongoing.

ENVIRONMENTAL UTILITIES – WATER, SEWER & SOLID WASTE

For the Period Ended December 31, 2023

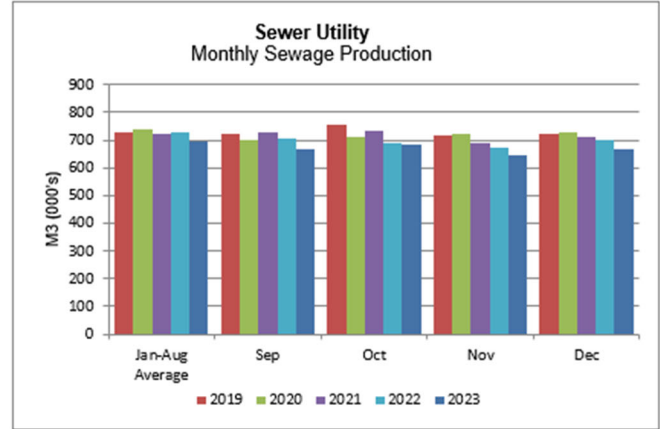
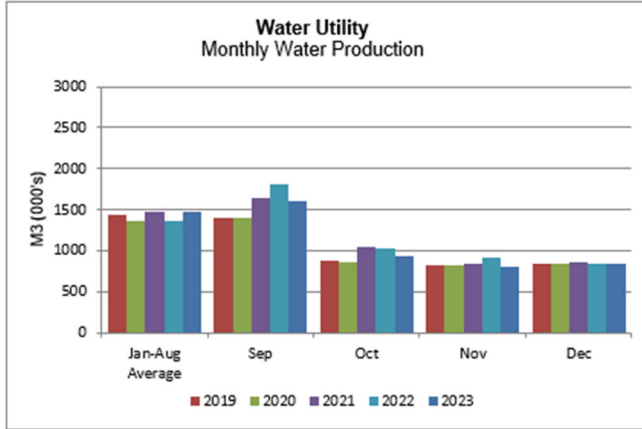
Report on Business Plan Goals

<p>Safety</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Joint Work Safety Committee continues to identify opportunities to create improvements to safe working practices. 2. Continued focus on Respect in the Workplace. 3. Supporting development of Stuff that Can Kill You (STKY) methodology to reduce workplace risk potential. 4. Established additional confined space training courses and developed a process to increase cadence of training and recording training plans and completions. 5. Operations support team conducted annual review and update of Drinking Water Safety plan and Water Shortage Management Plan. 6. Operations support team developed public educational messaging for water shortage conservation.
<p>Asset Management</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Commenced construction of eight Capital Projects with construction to be executed in 2023. Two projects are being re-tendered in 2024 due to contractor issues and completion of another project that has been deferred. 2. Initiated four Engineering and Design projects for future years construction. Designs completed and tendering underway for construction in 2024. 3. Sanitary sewer mains flushing program was implemented in a strategic manner driven by Phase 1 water shortage management restrictions. Continuous communication with Engineering Technologists is ongoing to produce more efficient flushing zones and priorities. 4. Fire hydrant flushing program continued through the construction season while respecting the Phase 1 water shortage management plan. 5. Compliance and Engineering Technologists began the benchmark Manhole inspections program by reviewing previous projects and creating a priority scaling system for future selections and budgeting purposes. 6. Completed physical security audit for 1108 Industrial Ave SE site. Install all recommended measures including the upgrade of yard site lighting, signage, barbwire, and building lighting; have all been executed. 7. New camera monitoring system installed at Southridge Reservoir. System has excellent capabilities with multiple functions/options. Provides great data for possible installations at other EU satellite locations. System is currently active.
<p>Develop Waste Management Strategy</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Completed the ten-year Waste Management Strategy. Presented to Council and was adopted in Nov 2024.

ENVIRONMENTAL UTILITIES – WATER, SEWER & SOLID WASTE

For the Period Ended December 31, 2023

Report on Performance Measures



MUNICIPAL WORKS

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Administration	\$ 3	\$ 77	\$ 74	\$ 74	\$ 77	1
Surface Operations	457	689	232	226	683	2
	460	766	306	300	760	
Expenses						
Administration	202	295	(93)	(96)	298	3
MW Engineering	1,664	1,369	295	150	1,514	4
Surface Operations	6,401	6,369	32	-	6,401	
	8,267	8,033	234	54	8,213	
Net Surplus (Deficit) before Internal Cost	(7,807)	(7,267)	540	354	(7,453)	
Internal Revenue	-	150	150	149	149	5
Internal Expenses	4,306	4,386	(80)	(50)	4,356	6
	(4,306)	(4,236)	70	99	(4,207)	
Net Surplus (Deficit) before Cash Adjustments	(12,113)	(11,503)	610	453	(11,660)	
Interest Expense	(382)	(325)	57	51	(331)	7
Principal	(1,082)	(1,073)	9	9	(1,073)	
Transfer to Major Operating Expe	(475)	(475)	-	-	(475)	
Transfer to Capital	(200)	(200)	-	-	(200)	
Net Cash Surplus (Requirements)	\$ (14,252)	\$ (13,576)	\$ 676	\$ 513	\$ (13,739)	
Amortization	(15,257)	(15,172)	85	-	(15,257)	8
Gain (Loss) on Disposal of Assets	-	(178)	(178)	-	(15,257)	9
Net Surplus (Deficit)	\$ (29,509)	\$ (28,926)	\$ 583	\$ 513	\$ (44,253)	

OPERATING NOTES

- Administration revenue is favourable \$74K due to revenue received for a local improvement completed this year. This revenue is offset in expenses incurred in a capital program.
- Surface Operations revenue is favourable \$232K due to unanticipated increased use of paid on-street parking (\$19K), third party work to support over dimensional load movements (\$11K), unexpected recoveries related to repairing damage to infrastructure by the public (\$36K) and the realization of deferred revenue for pavement defect repair and projects completed in the past (\$167K).
- Administration expenses are unfavourable by -\$93K due to the payment of a deductible (-\$100K) for an insured contracted repair to the Municipal Works facility.
- MW Engineering expenses are favourable by \$295K due to staff vacancies (\$150K) and consulting services planned but unable to be completed (\$152K). The difference between the projected and actual variance is a result of consulting services not able to complete the work desired before year end.
- Internal revenue is a favourable \$150K due to an interdepartmental revenue from the Parks department (\$131K) and signage work done for other departments (\$19K). The revenue is offset by interest and principal expenses paid by Surface Operations related to Parks assets, and internal expenses for sign construction.
- Internal expenses are unfavourable -\$80K due to higher internal equipment usage from external departments (-\$50K) and higher landfill use than anticipated (-\$30K).
- Interest Expense is favourable \$57K due to the timing of borrowing on capital projects.
- Amortization expense is favourable \$85K due to later than anticipated spending on capital projects.
- Gain (Loss) on Disposal of Assets is unfavourable -\$178K due to unbudgeted asset disposals.

MUNICIPAL WORKS

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- Completion of the fall street sweeping program, asphalt rehabilitation, overlay, lane grading, concrete repairs, storm maintenance.
- Complete construction of the 2023 Tangible Capital Asset (TCA) projects.
- Continued work on Transportation Master Plan, Transportation Safety Strategy and Active Transportation Strategy.
- Design and construction of Saamis Heights Special Use access.
- Completed detailed design and tender document preparation for 3rd Street SE water/sewer/road replacement and Division Avenue S. Road rehabilitation scheduled for 2024.

Planned Next Four Months

- On-going winter operations, the initiation of the spring street sweeping program as well as spring maintenance activities including drainage management and asphalt repairs.
- Support interdepartmental priorities such as: 2025-2026 Budget planning, Parks and Recreation and Municipal Works synergies, Automatic Vehicle Locator (AVL) operationalization for street sweeping.
- Continued work on Transportation Master Plan, Transportation Safety Strategy and Active Transportation Strategy.
- Initiation and engineering of the 2024 capital plan.
- Initiate the planning, inspections, training, and preparations for a potential River/Creek Flood 2024 Event.

MUNICIPAL WORKS

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Safety</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Successfully worked with our contractors and staff throughout the 2023 construction season on activities that promoted safety at contracted and City worksites, encouraging a safe workplace for all.2. Encouraged all staff to attend the Working Mind training and discussed opportunities to improve working conditions with managers and supervisors, targeting employee mental health.3. Completed construction project safety inspections throughout the construction season, ensuring project requirements were being met.
<p>Infrastructure Operations & Maintenance</p> <p>Municipal Works (MW) operates and maintains the City's transportation network including roads, sidewalks, bridges, street lighting and traffic signals. In addition, the City's storm management system is maintained and operated to ensure compliance with regulatory license requirements.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Completed established inspection targets for sidewalks and traffic signs utilizing CityWorks.2. Work on Storm Bylaw was identified as part of the City's Environmental Framework. Work will continue following Framework Action Plan prioritization.3. Initiated a review of the City's Snow and Ice Control in conjunction with the City's Service Level review initiative.4. MW Operations staff review several new technologies related to pavement assessment and repair to determine applicability to the City's needs.5. MW initiated discussions with affected departments regarding future maintenance of pedestrian facilities, i.e., sidewalks/trails.
<p>Asset Management</p> <p>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. MW 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Asset management project locations were tendered, and construction started in the spring. Construction was completed on time and budget at all construction locations.2. 2023 storm lining project locations were identified, and project was tendered and awarded. Construction scheduled in early 2024.3. The City of Medicine Hat 2023 State of Infrastructure Report was presented to City Council.4. MW continued to expand CityWorks use in departmental operations.

MUNICIPAL WORKS

For the Period Ended December 31, 2023

Innovative Transportation Network Management

MW Engineering and Operations provide a strategic multi-dimensional approach to management of our transportation network, with a focus on infrastructure planning, transportation demand management, strategic multi-modal corridor conceptual planning, network planning, major traffic impact reviews and road safety planning. Through innovation and emerging technologies, MW will maximize the safety, efficiency, reliability, and sustainability of the transportation network for all users while reducing the impact on the environment. We strive to respond to the community and work towards engineered solutions to meet their needs, taking into consideration all transportation network users.

PROGRESS

1. Work on the City's Transportation Master Plan, Transportation Safety Strategy, and Active Transportation Strategy was initiated and was included in the City's public engagement session in late 2023. Work continues into 2024 with anticipated completion in late 2024.
2. MW staff are encouraged to investigate opportunities to learn emerging technologies in the fields of engineering design, maintenance and operations of our transportation and storm infrastructure.
3. MW staff work with new techniques to improve communication with the public regarding upcoming construction projects. Work on a "fly-over" video of the upcoming Division Avenue rehabilitation project was initiated and will be used at an upcoming public engagement session.

AIRPORT

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Airport	640	788	\$ 148	\$ 119	\$ 759	1
	640	788	148	119	759	
Expenses						
Airport	990	912	78	100	890	2
	990	912	78	100	890	
Net Surplus (Deficit) before Internal Cost Allocations	(350)	(124)	226	219	(131)	
Internal Expenses	558	574	(16)	(23)	581	
	(558)	(574)	(16)	(23)	(581)	
Net Surplus (Deficit) before Cash Adjustments	(908)	(698)	210	196	(712)	
Interest Expense	(109)	(109)	-	-	(109)	
Principal	(279)	(279)	-	-	(279)	
Transfer to Major Operating Expenses	(125)	(125)	-	-	(125)	
Net Cash Surplus (Requirements)	\$ (1,421)	\$ (1,211)	\$ 210	\$ 196	\$ (1,225)	
Amortization	(1,474)	(1,515)	(41)	-	(1,474)	
Writedown of Assets	-	(9)				
Net Surplus (Deficit)	\$ (2,895)	\$ (2,735)	\$ 169	\$ 196	\$ (2,699)	

OPERATING NOTES

- Airport revenue is favourable by \$148K due to grant income which was not budgeted for (\$39K), and increased passenger and landing fees (\$109K) due to higher than anticipated scheduled airline traffic and passenger volumes which has exceeded budget.
- Airport expenses are favourable by \$78K due to lower than anticipated contracted services for airport security which is due to an optimized airline schedule for flights.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Hired seasonal Airport Maintenance Labourers.
- Airline passenger load factors traffic peaked during holiday travel season.
- Facilitated the successful HALO Emergency Services day event at the Airport.
- One hangar lease renewed.

Planned Next Four Months

- Initiate Airport Masterplan project.
- Continue work on Air Service Attraction and Retention.
- Prepare for spring and summer preventative maintenance tasks.
- Working with community groups on the hosting of open house events in 2024.

AIRPORT

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Transportation</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Regulatory Compliance project work continues.2. Working with community partners on hosting several airport open house events in 2024.3. All budgeted for staff positions were filled by November 2023.4. Renegotiation of expired or soon-to-be expired lease agreements with tenant/leaseholders continues.5. Air Service Restoration and Retention study finalized, air carrier meetings have begun and will continue in 2024.
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PLANNING & DEVELOPMENT SERVICES

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
E-permit Income	\$ 127	\$ 105	\$ (22)	\$ (24)	\$ 103	
Planning	1,102	1,122	20	(64)	1,038	1
Safety Codes Services	1,560	1,004	(556)	(467)	1,093	2
	2,789	2,231	(558)	(555)	2,234	
Expenses						
E-permit Expense	52	94	(42)	(42)	94	
Administration	1,056	1,012	44	131	925	3
Planning	2,086	2,081	5	-	2,086	
Safety Codes Services	1,532	1,638	(106)	(65)	1,597	4
	4,726	4,825	(99)	24	4,702	
Net Surplus (Deficit) before Internal Cost Allocations	(1,937)	(2,594)	(657)	(531)	(2,468)	
Internal Revenue	-	222	222	222	222	2
Internal Expenses	869	853	16	9	860	
	(869)	(631)	238	231	(638)	
Net Surplus (Deficit) before Cash Adjustments	(2,806)	(3,225)	(419)	(300)	(3,106)	
Principal	(9)	(9)	-	-	(9)	
Transfer to Major Operating Expenses	(75)	(75)	-	-	(125)	
Transfer to Reserves (expense)	(118)	(95)	23	-	(118)	
Transfer from Reserves (revenue)	52	116	64	-	52	5
Net Cash Surplus (Requirements)	\$ (2,956)	\$ (3,288)	\$ (332)	\$ (300)	\$ (3,306)	
Amortization	(35)	(35)	-	-	(35)	
Net Surplus (Deficit)	\$ (2,991)	\$ (3,323)	\$ (332)	\$ (300)	\$ (3,341)	

OPERATING NOTES

1. Planning revenues is \$20K favourable, which is \$84K more favourable than projected in November, primarily due to additional business licenses and subdivision approvals prior to yearend.
2. Safety Code Services revenue is -\$556K unfavourable, which is -\$89K more unfavourable than projected in November, due to lower-than-expected permitting revenue as a result of high interest rates disincentivizing construction. This is partially offset by favourable internal revenue of \$222K for safety code permits charged on the construction of the Water Treatment Residuals Plant for a net change of -\$334K.
3. Administration expenses are \$44K favourable, which is -\$87K more unfavourable than projected in November due to unbudgeted employee benefits incurred in December.
4. Safety Codes Services expenses are -\$106K unfavourable, due to higher than budgeted wages from unmet managed manpower being higher than the savings associated with the current positional vacancies.
5. Transfer from reserves is \$64K favourable due to higher than budgeted e-permit expenses, which was not calculated for the November projection.

PLANNING & DEVELOPMENT SERVICES

For the Period Ended December 31, 2023

Operating Highlights

Completed Last Four Months

- **Regulatory Approvals** – Development activity levels have been low in Q4 in comparison to historical trends. Two major subdivisions were registered, and several new multi-family developments are in the permitting process with prospected construction starting in 2024.
- **Land Use Bylaw Refresh Project** – Internal work is ongoing for the Land Use Bylaw Refresh Project.
- **Off-Site Levies (OSL)** – The annual rate update review is underway.
- **Municipal Servicing Standards Manual (MSSM) Refresh** – Working with internal departments collaboratively to understand needed updates, focusing on minor technical improvements. First phase of review focusing on administrative and minor technical improvements, expected completion in Q1 2024.
- **Cityview** – Migration project to web based version of Cityview system is complete with no major issues. Continuous improvements of the application process are being scoped out for 2024.
- **Strong Towns** – Phase 1 of project is completed. Phase 2 (implementation) will commence in 2024.
- **Active Transportation Strategy** – Project is underway as part and parcel of larger Transportation Master Plan project.

Planned Next Four Months

- **Regulatory Approvals** – Development activity levels are trending below long-term averages. Potential for increased activity in Q1 based on several projects in the pre-application decision stage. Major subdivisions will finalize construction activity over Q1, completing key infrastructure with turnover of major infrastructure to the City. No new major subdivisions expected over the course of 2024. Electrical constraints are impacting and preventing some development in the south and central part of the city. Expected impacts will continue until new electric substation is completed.
- **Land Use Bylaw Refresh Project** – Internal work will be ongoing for the Land Use Bylaw Refresh Project, which is tracking towards a completion timeframe of Q3 2024. Several planned public engagement events will be occurring in Q1 2024.
- **Off-site Levies** – Annual rate update review is underway, with the expected rate update to be brought forward for decision by the end of Q2 2024. Public engagement is to take place before bringing forward this item.
- **Municipal Servicing Standards Manual Refresh** – First phase of review focusing on administrative and minor technical improvements, expected completion in Q1 of 2024. A more specific review of key technical sections, including storm water and roads, to be completed in 2024/2025 for inclusion.
- **Cityview** – With Cityview Workspace migration completed, delayed enhancements can now be prioritized and implemented.
- **Strong Towns** – Phase 2 implementation ongoing. Monthly meetings with internal staff (focus on transportation) and quarterly meetings with other communities is ongoing.
- **Active Transportation Strategy** – Expected public engagement in Q1 on Active Transportation Strategy and larger Transportation Master Plan project.

PLANNING & DEVELOPMENT SERVICES

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Provide Excellent Customer Care</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Updated public notification process for development and rezoning has been implemented with new portable signage posted on site, an updated website where the public can view information and drawings, a comment submission portal and process has been rolled out, and web mapping tool showing all development across the city is under development with expected deployment in Q2 2024.2. Internal workflow processes have been updated which assists in moving applications through the regulatory review system more expediently. E.g. Adobe e-sign setup on numerous documents instantly circulates documents where multiple signatures required.3. Safety Code permits and Business License applications are progressing to improved online application processes following lessons learned with planning application implementation.4. Cityview Workspace migration project is completed which will enhance the functionality of the software program 'behind the scenes' for administration usage. New enhancements over 2024 will ensure a greater ease of use of the online permitting system on the customer side.
<p>Establish the Municipal Planning Foundation for Future Sustainability</p> <p>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).</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Aligning with the project charter, the Municipal Servicing Standards Manual review is progressing. Currently nearing completion of work with internal departments, refining items that need further clarity, and amending existing challenges. The first phase focuses on administrative and minor technical changes and clarification, with roll-out intended for Q1 2024.2. Implementation of a data driven analysis of proposed developments and rezonings is now in effect where the key metric of Value per Hectare is calculated on all projects with pre and post comparisons. Future inclusion will be development impact on infrastructure.3. Internal first stage creation of pre-approved building and development designs is underway. The intent is to roll out small applications (e.g. garages) early in 2024 with more complex development forms (e.g. small apartments and backyard suites) mid 2024.

GENERAL MUNICIPAL REVENUES

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Other General Municipal Revenue	8,362	7,441	(921)	(902)	7,460	1
Utilities Contributions	3,000	3,000	-	-	3,000	
Property Taxes	85,302	85,103	(199)	210	85,512	2
Property Tax Adjustments	(641)	(890)	(249)	(376)	(1,017)	3
	96,023	94,654	(1,369)	(1,068)	94,955	
Expenses						
Other General Municipal Revenue	152	(2,916)	3,068	1,975	(1,823)	4
Investment Expenses (General Fund)	3,085	2,659	426	(71)	3,156	5
	3,237	(257)	3,494	1,904	1,333	
Net Surplus (Deficit) before Internal Cost	92,786	94,911	2,125	836	93,622	
Internal Revenue	1,019	915	(104)	(106)	913	6
Internal Expenses	2,522	2,505	17	3	2,519	
	(1,503)	(1,590)	(87)	(103)	(1,606)	
Net Surplus (Deficit) before Cash Adjustments	91,283	93,321	2,038	733	92,016	
Rebates	(34,556)	(34,546)	10	119	(34,437)	7
Interest Revenue	20,822	17,494	(3,328)	2,685	23,507	8
Accretion of Asset Retirement Obligations	-	-	-	(42)	(42)	
Transfer from Capital Reserve	775	775	-	-	775	
Transfer from Reserves	45,342	48,961	3,619	687	46,029	9
Transfer to Reserves	(263)	(41,246)	(40,983)	(601)	(864)	6,10
Transfer to Heritage Savings Reserve	(5,940)	(5,243)	697	(2,013)	(7,953)	8
Free Cash Flow (transfer to reserve)	-	40,000	40,000	-	-	10
Net Cash Surplus (Requirements)	\$ 117,463	\$ 119,516	\$ 2,053	\$ 1,568	\$ 119,031	
Gain/Loss on Financial Instruments	-	(19,757)	(19,757)	-	-	11
Site Restoration	-	(9)	(9)	-	-	
Net Surplus (Deficit)	\$ 117,463	\$ 99,750	\$ (17,713)	\$ 1,568	\$ 119,031	

OPERATING NOTES

- Other General Municipal Revenue is unfavourable -\$921K at yearend due to lower than budgeted court fines due to increased high visibility markings on vehicles and equipment (-\$930K).
- Property Tax revenue is unfavourable- \$199K due to assessor adjustments (-\$221K) and yearend adjustments for over/under collected tax amounts (-\$264K) on tax requisitions offset by higher than budgeted Grants in Lieu of Property Tax (GIPOT) (\$371K). This variance is less favourable than projected in November as a result of yearend adjustments for over/under collected tax amounts.
- Property Tax Adjustments are unfavourable -\$249K due to higher than budgeted Grants In Lieu of Property Tax (GIPOT) cancellations (-\$176K) and unbudgeted assessor adjustments (-\$456K). This variance is offset by less than budgeted property tax cancellations (\$100K) and additional supplemental tax revenue (\$283K). This is less unfavourable than projected in November due to less than anticipated write-offs and tax cancellations.
- Other General Municipal Revenue expenses are favourable \$3.1M at yearend due adjustment related to prior year accrual for municipal assist (\$2.7M) and unspent contingency budget (\$100K). These adjustments were not projected in November.
- Investment Expenses (General Fund) are favourable \$426K due to investment fees from external managers being less than anticipated as a result of more money invested in working capital investments, which are managed internally and not through a third party. The variance is more favourable than projected at November 30 due to less fees being charged on external investments than was projected in addition to fee rebates that were received.
- Internal Revenue is unfavourable -\$104K due to lower than budgeted internal loan payments due to delayed spending on prior years capital projects. As a result of lower internal loan payments, Transfer to Reserves is also lower than budgeted.
- Rebates were less than favourable than projected at November 30 due to higher participation in the fair entry program in December.

GENERAL MUNICIPAL REVENUES

For the Period Ended December 31, 2023

8. Interest Revenue is unfavourable -\$3.3M due to external investment managers realizing less earnings as they are still recovering from the 2022 downturn in the markets. As a result of this unfavourable variance, the Transfer to Heritage Savings Reserve is less than budgeted as interest earned on the reserve is transferred directly to it. The yearend variances are different from what was projected in November as the forecasts included total returns, rather than actual realized returns; many of the capital gains were unrealized as they were carried into 2024 by external managers.
9. Transfer from Reserves is favourable \$3.6M at yearend as a result of higher than budget transfer to cover 2023 municipal deficit. Total deficit was \$15.2M made up of budgeted deficit \$11.0M plus approved funding for additional requests of \$0.5M plus unanticipated deficit of \$3.6M.
10. Transfer to Operating Reserves is \$41.0M unfavourable and Free Cash Flow (Transfer to Reserve) is \$40.0M favourable as a result of 2023 calculated Free Cash Flow being allocated to the Tax Rate Stabilization Reserve. This transfer was not projected in November 2023.
11. Gain/Loss on Financial Instruments is \$19.7M unfavourable at yearend as a result of new Public Sector Accounting Standards which were implemented in the year which require financial instruments, such as investments, to be revalued to market value at yearend. This amount was not budgeted or projected for in November 2023.

MAYOR & COUNCILORS
For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Expenses						
Legislative Support for Council	\$ 280	\$ 293	\$ (13)	\$ (10)	\$ 290	
Councilors	519	511	8	11	508	
	<u>799</u>	<u>804</u>	<u>(5)</u>	<u>1</u>	<u>798</u>	
Net Surplus (Deficit) before Internal Cost Allocations	(799)	(804)	(5)	1	(798)	
Internal Expenses	8	1	7	6	2	
	<u>(8)</u>	<u>(1)</u>	<u>7</u>	<u>6</u>	<u>(2)</u>	
Net Surplus (Deficit) before Cash Adjustments	(807)	(805)	2	7	(800)	
Net Cash Surplus (Requirements)	\$ (807)	\$ (805)	\$ 2	\$ 7	\$ (800)	
Net Surplus (Deficit)	\$ (807)	\$ (805)	\$ 2	\$ 7	\$ (800)	

OPERATING NOTES

N/A

CITY MANAGER & MANAGING DIRECTORS

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Public Services Administration	\$ -	\$ 15	\$ 15	\$ 15	\$ 15	
	-	15	15	15	15	
Expenses						
City Manager Administration	896	1,174	(278)	(82)	978	1
Corporate Services Administration	348	389	(41)	(26)	374	
Development & Infrastructure Administration	374	388	(14)	(15)	389	
Public Services Administration	528	602	(74)	(77)	605	2
Energy, Land & Environment Administration	503	436	67	-	503	3
	2,649	2,989	(340)	(200)	2,849	
Net Surplus (Deficit) before Internal Cost Allocations	(2,649)	(2,974)	(325)	(185)	(2,834)	
Internal Revenue	1,433	1,433	-	-	1,433	
Internal Expenses	20	23	(3)	(2)	22	
	1,413	1,410	(3)	(2)	1,411	
Net Surplus (Deficit) before Cash Adjustments	(1,236)	(1,564)	(328)	(187)	(1,423)	
Net Cash Surplus (Requirements)	\$ (1,236)	\$ (1,564)	\$ (328)	\$ (187)	\$ (1,423)	
Net Surplus (Deficit)	\$ (1,236)	\$ (1,564)	\$ (328)	\$ (187)	\$ (1,423)	

OPERATING NOTES

1. City Manager Administration expenses are -\$278K unfavourable at yearend due to higher than budgeted corporate training for executive (-\$159K) and higher than budgeted recruitment expenses and unmet managed manpower (-\$75K). This variance is higher than projected at November 30 as training expenses were reallocated from Human Resources.
2. Public Services Administration expenses are -\$74K unfavourable at yearend due to higher than budgeted employee benefits (-\$43K), and higher than budgeted recruitment expenses (-\$12K).
3. Energy, Land & Environment Administration is \$67K favourable at yearend due to less than budgeted salaries and wages as a result of the difference between the current and prior year vacation accruals allocated here. This difference was not included in the November 30 projected amount.

CITY SOLICITOR

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Expenses						
City Solicitor Office	\$ 942	\$ 871	\$ 71	\$ 84	\$ 858	1
	942	871	71	84	858	
Net Surplus (Deficit) before Internal Cost Allocations	(942)	(871)	71	84	(858)	
Internal Revenue	588	588	-	-	588	
Internal Expenses	7	7	-	-	7	
	581	581	-	-	581	
Net Surplus (Deficit) before Cash Adjustments	(361)	(290)	71	84	(277)	
Net Cash Surplus (Requirements)	\$ (361)	\$ (290)	\$ 71	\$ 84	\$ (277)	
Net Surplus (Deficit)	\$ (361)	\$ (290)	\$ 71	\$ 84	\$ (277)	

OPERATING NOTES

1. City Solicitor Office expenses are \$71K favourable at yearend due to staffing vacancies.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Significant bylaw and contract drafting projects were undertaken as well as various planning, real estate, and land development projects.
- Oversight and management of various dispute resolution and litigation matters involving the City.

Planned Next Four Months

- Continued work on various leases, land sale and land development agreements.
- Drafting new bylaws and contracts in accordance with Council direction.
- Continued management of litigation matters involving the City.

CITY SOLICITOR

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>The Bylaw Review and Updating Initiative</p> <p>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.</p>	<p>PROGRESS</p> <p>Completed drafting of the following Bylaws:</p> <ol style="list-style-type: none">1. Amendments to Electric Utility Bylaw2. Amendments to Gas Bylaw3. Amendments to Public Roads Bylaw
<p>Management of Major Litigation Matters</p> <p>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.</p> <p>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.</p>	<p>PROGRESS</p> <p>Litigation matters are confidential. Council receives confidential updates yearly regarding such matters.</p>

CITY SOLICITOR

For the Period Ended December 31, 2023

<p>Optimizing Internal Legal Service Delivery</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Despite being under-staffed for the first and second quarters of 2023, the City Solicitor Department continued to meet the expectations of its many internal clients. Bylaws and Contracts were completed expeditiously and professionally, along with all other legal services.2. Staff lawyers have attended seminars to stay current on the law and increase their knowledge in certain areas.3. Requests for legal services are ever-increasing.4. More urgent matters are given highest priority.
<p>Signing Authority Review</p> <p>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.</p> <p>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.</p>	<p>PROGRESS</p> <p>This project is scheduled to begin in 2024.</p>

CITY CLERK

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Committees and Appeal Boards	\$ 5	\$ 15	\$ 10	\$ 38	\$ 43	
City Clerk	1	1	-	(2)	(1)	
	6	16	10	36	42	
Expenses						
Committees and Appeal Boards	137	78	59	51	86	1
City Clerk	709	574	135	110	599	2
	846	652	194	161	685	
Net Surplus (Deficit) before Internal Cost Allocations	(840)	(636)	204	197	(643)	
Internal Revenue	239	239	-	-	239	
Internal Expenses	17	14	3	2	15	
	222	225	3	2	224	
Net Surplus (Deficit) before Cash Adjustments	(618)	(411)	207	199	(419)	
Interest Expense	(2)	(2)	-	-	(2)	
Principal	(25)	(25)	-	-	(25)	
Net Cash Surplus (Requirements)	\$ (645)	\$ (438)	\$ 207	\$ 199	\$ (446)	
Amortization	(34)	(16)	18	-	(34)	
Net Surplus (Deficit)	\$ (679)	\$ (454)	\$ 225	\$ 199	\$ (480)	

OPERATING NOTES

1. Committees and Appeal Boards expenses are \$59K favourable at yearend due to savings in contracted services, advertising, and training.
2. City Clerk expenses are \$135K favourable at yearend due to staffing vacancies (\$114K) and unspent contracted services (\$14K).

HUMAN RESOURCES

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Operations	\$ 127	\$ 204	\$ 77	\$ 61	\$ 188	1
	127	205	78	61	188	
Expenses						
Administration	916	587	329	353	563	2
Occupation Health & Safety	2,308	1,925	383	230	2,078	3
Operations	1,689	1,192	497	490	1,199	4
Organizational Effectiveness	1,698	1,605	93	120	1,578	5
	6,611	5,309	1,302	1,193	5,418	
Net Surplus (Deficit) before Internal Cost Allocations	(6,484)	(5,104)	1,380	1,254	(5,230)	
Internal Revenue	4,207	4,101	(106)	(95)	4,112	6
Internal Expenses	114	103	11	-	114	
	4,093	3,998	(95)	(95)	3,998	
Net Surplus (Deficit) before Cash Adjustments	(2,391)	(1,106)	1,285	1,159	(1,232)	
Transfer to Major Operating Expenses	(500)	(500)	-	-	(500)	
Transfer from Reserves (revenue)	452	91	(361)	(14)	438	7
Net Cash Surplus (Requirements)	\$ (2,439)	\$ (1,515)	\$ 924	\$ 1,145	\$ (1,294)	
Amortization	(7)	(7)	-	-	(7)	
Net Surplus (Deficit)	\$ (2,446)	\$ (1,522)	\$ 924	\$ 1,145	\$ (1,301)	

OPERATING NOTES

- Operations revenue is \$77K favourable due to a new renegotiated agreement with CUPE, where the department recovers costs relating to union business.
- Administration expenses are \$329K favourable due to savings in salaries and wages as a result of four vacant staff positions (\$393K), offset by unbudgeted advisory services (-\$64K).
- Occupation Health & Safety expenses are \$383K favourable due to three vacant staff positions (\$315K) and savings in contracted services (\$63K). Actual variance is \$153K more favourable than the original projection due to the cancellation of significant software that was deemed no longer required.
- Operations expenses are \$497K favourable due to four vacant staff positions.
- Organizational Effectiveness expenses are \$93K favourable due to savings in contracted services.
- Internal revenue is -\$106K unfavourable due to lower than budgeted training internal recovery from departments due to staff vacancies throughout the organization.
- Transfer from Reserves is -\$361K unfavourable due to lower than budgeted spending on development costs. This results in related recoveries exceeding expenses, where excess recoveries are transferred to the operating reserve to fund future organizational development initiatives. As a result, funding from the reserve is less than budgeted and was not considered in projecting the variance to yearend.

HUMAN RESOURCES

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- Have streamlined some manual tasks in recruitment with online program for reference checks and pre-employments (CERTN software).
- Redesigned HR organizational structure with more job family driven and planning for future state.
- Commenced work on new benefits program for organization.

Planned Next Four Months

- Launch of People Strategy.
- Launch of new benefits program.
- Commencing workforce planning with City Manager.

HUMAN RESOURCES

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Attract & Retain Exceptional Talent</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. This work is on hold while People Strategy is launched in February throughout the organization.
<p>HR Process Modernization and Capacity Expansion</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. This work is on hold while People Strategy is launched in February throughout the organization.
<p>Diversity, Equity, Inclusion and Accessibility</p> <p>The HR Department will promote the concepts of diversity, equity, inclusion, and accessibility (DEI).</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. This work is on hold while People Strategy is launched in February throughout the organization.
<p>Engaged Employee Experience</p> <p>The HR Department will continue to develop and deliver a “People First” approach to designing and delivering Human Resources 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. This work is on hold while People Strategy is launched in February throughout the organization.

ECONOMIC DEVELOPMENT

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Investment & Strategic Planning	\$ -	\$ 92	\$ 92	\$ 92	\$ 92	1
	-	92	92	92	92	
Expenses						
Investment & Strategic Planning	1,179	952	227	240	947	2
Total	1,179	952	227	240	947	
Net Surplus (Deficit) before Internal Cost Allocations	(1,179)	(860)	319	332	(855)	
Internal Revenue	1,470	1,470	-	-	1,470	
Internal Expenses	283	278	5	-	283	
	1,187	1,192	5	-	1,187	
Net Surplus (Deficit) before Cash Adjustments	8	332	324	332	332	
Interest Expense	(7)	(7)	-	-	(7)	
Principal	-	(19)	(19)	-	-	
Transfer to Major Operating Expenses	(374)	(374)	-	-	(374)	
Net Cash Surplus (Requirements)	\$ (373)	\$ (68)	\$ 305	\$ 332	\$ (49)	
Amortization	(7)	(7)	-	-	(7)	
Net Surplus (Deficit)	\$ (380)	\$ (75)	\$ 305	\$ 332	\$ (56)	

OPERATING NOTES

- Administration revenue is \$92K favourable due to fees collected for the filming of "Alberta Alert" in the area (\$32K), and cost sharing revenue from Community Futures related to the Workforce Development Officer position which is still in recruitment stage (\$60K).
- Administration expenses are \$227K favourable at yearend due to staffing vacancies (\$156K), savings in contracted services and membership fees as the budget included membership costs that have now expired or have been reduced (\$72K).

OPERATING HIGHLIGHTS

Completed Last Four Months

- Staffing: Recruited three Economic Development Officers.
- Incentives: Closed Incentive Programs for 2023.
- Regional Economic Development Strategy: Adjudicated ten proposals and notified the successful proponent.
- Rural Renewal Strategy: Appointed steering committee to support the strategy development of the Rural Renewal Program and engaged with Medicine Hat Local Immigration Partnership to ensure progress on the Rural Renewal Community Preparedness and Implementation.
- Other: Responded to investor enquires, supported Land Department, supported communications department on brand identity, hosted Opportunity Lethbridge to share best practices and collaboration opportunities, Salesforce updates for incentives, attended Economic Developers of Alberta Ministers Roundtable, Managed tour of SE Alberta for MLA Hunter, Promoted Medicine Hat Economic Development at APEX Business Growth Trade Show.

Planned Next Four Months

- Staffing: Recruit Rural Renewal Coordinator and additional Economic Development Officer.
- Incentives: Rescind policy 0170 and recommend new policy that will include 2024 incentive programs. Train new incentive staff on the new programs and prepare for spring launch. Lead Housing Investment Preparedness Program between Land and Planning and Economic Development Departments.
- Rural Renewal: Launch Southeast Alberta Immigration Program and collaborate with partners on the readiness programming.
- Regional Economic Development Strategy: Announce successful proponent to member councils and stakeholder organizations.
- Respond to investor enquires and attend meetings with economic stakeholders.

ECONOMIC DEVELOPMENT

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Marketing Medicine Hat</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Attended the Business Growth Tradeshow.2. Redeveloped Medicine Hat Economic Development community profile to support an investment attraction inquiry.
<p>Managing Economic Development Policies, Programs and Projects</p> <p>This service supports community economic development with a focus on business retention and expansion and investment attraction. This service collaborates with economic stakeholders in innovation and workforce development to achieve inter-related objectives. Key customers include existing business owners and investors, and those looking to Medicine Hat as an expansion location. We will:</p> <ul style="list-style-type: none">• 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.• Manage relationships with regional economic stakeholders.	<p>PROGRESS</p> <ol style="list-style-type: none">1. Developing strategy for Regional Rural Renewal Stream Program, now referred to as Southeast Alberta Immigration Program.2. Collaborated with Medicine Hat Local Immigration Partnership and other stakeholders to support community readiness for the Rural Renewal Program.3. Adjudicated regional strategy proposals and recommended successful proponent. Collaborated with procurement and legal on the development of agreement.4. Navigated investment inquiries.

POLICE SERVICE

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Police	\$ 4,296	\$ 4,693	\$ 397	\$ 361	\$ 4,657	1
	4,296	4,693	397	361	4,657	
Expenses						
Police	24,825	25,825	(1,000)	(895)	25,720	2
	24,825	25,825	(1,000)	(895)	25,720	
Net Surplus (Deficit) before Internal Cost	(20,529)	(21,132)	(603)	(534)	(21,063)	
Internal Revenue	270	246	(24)	(2)	268	
Internal Expenses	2,074	2,086	(12)	(15)	2,089	
	(1,804)	(1,840)	(36)	(17)	(1,821)	
Net Surplus (Deficit) before Cash Adjustments	(22,333)	(22,972)	(639)	(551)	(22,884)	
Interest Expense	(18)	(6)	12	12	(6)	
Principal	(86)	(40)	46	46	(40)	
Transfer to Capital	(90)	(90)	-	-	(90)	
Transfer from Reserves (revenue)	-	21	21	21	21	
Net Cash Surplus (Requirements)	\$ (22,527)	\$ (23,087)	\$ (560)	\$ (472)	\$ (21,178)	
Amortization	(210)	(197)	13	-	(210)	
Gain (Loss) on Disposal of Assets	-	(28)	(28)	-	-	
Net Surplus (Deficit)	\$ (22,737)	\$ (23,312)	\$ (575)	\$ (472)	\$ (21,388)	

OPERATING NOTES

- Police revenue is \$397K favourable due to higher than budgeted police information check volumes (\$151K), cadet training revenue (\$47K), and Alberta Law Enforcement Response Team (ALERT) expense recovery (\$219K), offset by less than budgeted extra duty contracts (-\$31K).
- Police expenses are -\$1M unfavourable due to higher than budgeted salaries and wages (due to retroactive pay for union settlement, unmet management manpower, extra pay claims, and benefits shortfall) (-\$1.17M), higher than budgeted materials for preparation of cadet training (-\$42K) and unbudgeted computer supplies and software (-\$41K). This is offset by less than budgeted contracted services from IT subscriptions and less than expected commissionaires spending (\$224K), in addition to less than budgeted spending on training (\$37K). The actual expense variance is \$105K more unfavourable than projected due to unprojected commissionaires expenses.

OPERATING HIGHLIGHTS

Completed Last Four Months

- The Medicine Hat Police Service (MHPS) hosted a professional development day for staff on October 17, 2023, with Russell Garnett as the keynote speaker discussing policing during the Holocaust. Tyler Pelke also spoke on the topic of finding peace after trauma and Pam August on how to change your mindset from problem to potential.
- Throughout the month of December, the Traffic Unit conducted several impaired driving check stops to promote safe roads over the holiday season which resulted in: 1,359 vehicles checked, and 4 Immediate Roadside Sanction (IRS) FAIL, 1 IRS Novice-Graduated Driver's License (Cannabis), 5 IRS Warnings - IRS Sanctions, 85 Vehicle Equipment Regulation Warnings, 26 Traffic Safety Act (TSA) Warnings, and 7 TSA tickets issued.

POLICE SERVICE

For the Period Ended December 31, 2023

Planned Next Four Months

- The MHPS will hold a Regimental Parade to celebrate and recognize the 125th anniversary of the MHPS on January 13, 2024.
- Starting on January 15, 2024, the MHPS will host a 24 weeklong police recruit training program class in Medicine Hat in partnership with Lethbridge College. The class will be comprised of four MHPS recruits and four Blood Tribe Police Service recruits.

POLICE SERVICE

For the Period Ended December 31, 2023

Report on Business Plan Goals

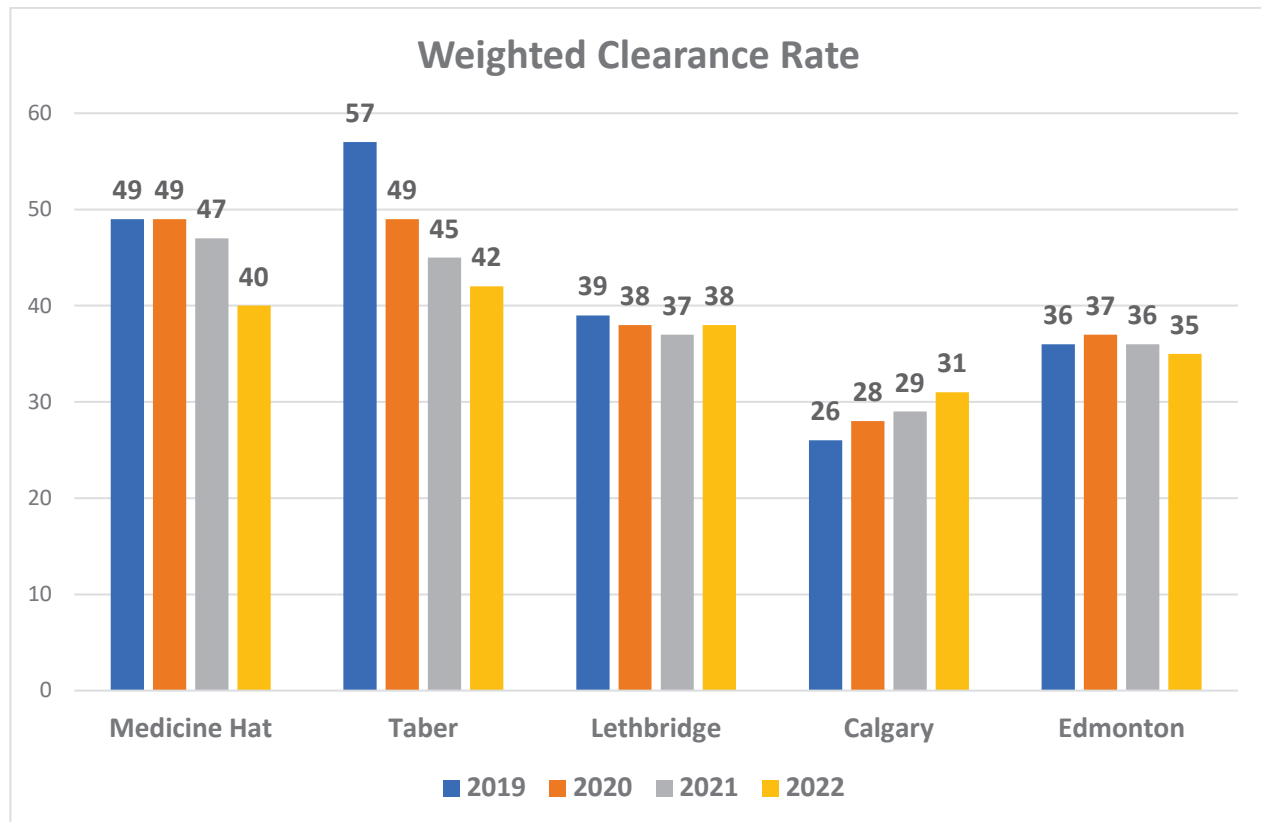
<p>COMMUNITY SAFETY</p> <p>The MHPS will continue to focus on effective reactive and proactive approaches to community safety issues and trends, such as domestic violence, mental health diversion, economic and property crime, road safety, drugs, and organized crime.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. ALERT successfully concluded a month-long investigation into a drug trafficking operation of a 38-year-old local male subject. Following the execution of two search warrants at residences in Medicine Hat, ALERT seized the following items: 32.17 grams of methamphetamine; 4.5 grams of fentanyl; \$405 in Canadian Currency. The male was charged with the following offences: Possession of Meth for the Purpose of Trafficking; Possession of Fentanyl for the Purpose of Trafficking; Possess Prohibited Weapon; Breach Release Order x 3; Breach Firearms Prohibition x 6; Proceeds of crime. 2. Patrol Officers responded to an alarm on Kingsway Ave SE at a computer store. Upon arrival, officers observed the front door had been smashed and was open. An Uncrewed Aerial Vehicle (drone) operator responded as did the K9 Team. The drone was able to register a heat signature in an alley nearby, the K9 Unit also was able to track to the same location where two suspects were actively trying to destroy evidence. Two males were taken into custody and charged accordingly.
<p>COMMUNITY ENGAGEMENT</p> <p>The MHPS will strive to strengthen relationships with community members through communication, engagement initiatives, and volunteer opportunities. The MHPS encourages members to collaborate with the community through active involvement in various committees, boards, and groups. Through this involvement the MHPS is better able to build relationships, understand community needs and adapt services provided as required.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Two long-term volunteers Brenda Taylor (32 years) and Kendra Albrecht (24 years) were honoured at the City of Medicine Hat Community Spirit Awards on October 18th. Both individuals are an integral part of the volunteer team, they offer emotional support to those navigating the adversarial justice system, empowering them to find their voice. Their dedication and unwavering commitment says a lot about their strength and quality of character, giving selflessly to help others which has had a profound and lasting impact on the lives of the community they work with every day. 2. In October, the Downtown Patrol Unit welcomed two new officers to the team, Cst. Mitch Young and Cst. Lisa Gervais, who together with Sgt. Brian Bohrn will work with businesses, social services, and the vulnerable population to address the policing needs of the downtown area.
<p>INNOVATION & EXCELLENCE IN SERVICE DELIVERY</p> <p>The MHPS will enhance our ability to provide high quality customer service to the community through the continued improvement of police equipment and information technology.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Four members of the Community Support Section were able to participate in an online Cyberbullying & Digital Threat Assessment Training course put on by Safer Schools Together. The course discussed strategies for prevention and intervention and identified current trends regarding victimization, cyberbullying's correlation to self-harm and took the officers through an interactive case study to highlight how best to support victims of cyberbullying. 2. MHPS's Digital Forensics officer attended a weeklong conference held by the Internet Crimes Against Children Task Force Program. The program was developed in response to the increasing number of children and teenagers using the internet and other technology, the proliferation of child sexual abuse images available electronically, and the heightened online activity by predators seeking unsupervised contact with underage victims. This training focused on current trends and the leading forensic analysis technology available used to combat these trends.

POLICE SERVICE

For the Period Ended December 31, 2023

<p>ORGANIZATIONAL WELLNESS</p> <p>The MHPS will ensure the psychological, physical, and legal wellbeing of all staff through training, policy, and procedure as well as contracted services.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. The MHPS engaged a part-time temporary employment contract for an Armourer to assist with maintaining service firearms. 2. The MHPS hosted four employee recognition lunches in appreciation for the hard work and dedication of all MHPS staff and volunteers over the past year.
<p>INVESTMENT IN HUMAN RESOURCES</p> <p>The MHPS will strive to provide a workforce that is reflective of the community we serve and further provide a respectful workplace that is founded on the MHPS core values and will deploy human resources to maximize effectiveness.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. The MHPS welcomed Mr. Brad Potts as the Supervisor of Municipal Enforcement Section. Brad has 18 years of experience in municipal law enforcement which include officer duties, Supervisor of Enforcement, and most recently the Manager of Animal Control Services in Hamilton, ON. 2. The MHPS reengaged two experienced police officers who returned to the MHPS after leaving to join other police agencies.

Report on Performance Measures



COMMUNICATIONS, ENGAGEMENT & MARKETING

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Expenses						
Marketing & Creative Services	1,236	981	255	275	961	1
	1,236	981	255	275	961	
Net Surplus (Deficit) before Internal Cost Allocations	(1,236)	(981)	255	275	(961)	
Internal Revenue	426	426	-	-	426	
Internal Expenses	10	12	(2)	-	10	
	416	414	(2)	-	416	
Net Surplus (Deficit) before Cash Adjustments	(820)	(567)	253	275	(545)	
Net Cash Surplus (Requirements)	\$ (820)	\$ (567)	\$ 253	\$ 275	\$ (545)	
Net Surplus (Deficit)	\$ (820)	\$ (567)	\$ 253	\$ 275	\$ (545)	

OPERATING NOTES

- Marketing & Creative Services expenses are \$255K favourable due to four vacant staff positions.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Hired and onboarded Manager of Marketing and Creative Services (in support of departmental reorganization earlier in 2023).
- Completed council mid-term report.
- Implemented improved online interface to submit council inquiries.
- Planned and hosted first cross-departmental open house on November 1.

Planned Next Four Months

- Continue recruitment and onboarding of vacant positions to support expanded departmental portfolio.
- Coordinate next cross departmental open house (Municipal Mingle).
- Complete and launch corporate annual report.
- Complete and begin implementation of comprehensive marketing strategy.
- Internal and external budget 2025-2026 communications planning and execution.

COMMUNICATIONS, ENGAGEMENT & MARKETING

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Public Participation</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Completed job description and evaluation of Public Participation Specialist position, which will be the lead in the completion of the framework and public participation activity.
<p>Strengthen Internal Communications</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Continue to publish bi-weekly employee newsletter with a focus on continuous improvement and increased readership.2. Planned and implemented employee town halls events (on behalf of executive) to foster informed, engaged employees.
<p>Reliable & Relevant Communications</p> <p>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.</p> <p>Marketing and Sponsorship</p> <p>We have a comprehensive marketing strategy that integrates all facets of City of Medicine Hat marketing (economic development; parks and recreation; and events, entertainment, and culture) and a clearly defined sponsorship program. We promote and celebrate the quality of life in our community as well as our many amenities and experiences and entice further investment in our community through effective marketing activities.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Launched weekly “Neat to Know” digital feature as a way for residents to conveniently receive a weekly bundling of important information via email or social media.2. Supported the communications needs of the community in many realms including changing energy rates/plans and budget update.3. Planned and hosted Community Spirit Awards, recognizing the accomplishments of outstanding contributors in our community. <p>PROGRESS</p> <ol style="list-style-type: none">1. Hired and onboarded Manager of Marketing and Creative Services2. Updated job description of marketing specialist position to ensure alignment to new areas of marketing.3. Marketing strategy development underway for implementation in Q4 2024.

FINANCE

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Divisional Finance	\$ 7	\$ 3	\$ (4)	\$ -	\$ 7	
Assessment & Taxation	1	2	1	-	1	
Customer Care & Billing	738	603	(135)	(128)	610	1
Treasury	-	201	201	-	-	2
Supply Chain	65	70	5	-	65	
	811	879	68	(128)	683	
Expenses						
Divisional Finance	330	334	(4)	-	330	
Financial Control & Reporting	2,530	2,142	388	380	2,150	3
Assessment & Taxation	1,725	1,661	64	55	1,670	4
Customer Care & Billing	2,570	2,518	52	40	2,530	5
Treasury	4,381	4,271	110	-	4,381	6
Supply Chain	2,078	1,807	271	280	1,798	7
	13,614	12,733	881	755	12,859	
Net Surplus (Deficit) before Internal Cost	(12,803)	(11,854)	949	627	(12,176)	
Internal Revenue	9,944	9,634	(310)	(351)	9,593	8
Internal Expenses	501	458	43	22	523	
	9,443	9,176	(267)	(329)	9,070	
Net Surplus (Deficit) before Cash Adjustments	(3,360)	(2,678)	682	298	(3,106)	
Principal	4	-	(4)	(4)	-	
Transfer to Major Operating Expenses	(592)	(592)	-	-	(592)	
Transfer to Reserves (expense)	-	(198)	(198)	-	-	2
Transfer from Reserves (revenue)	10	10	-	(10)	-	
Net Cash Surplus (Requirements)	\$ (3,938)	\$ (3,458)	\$ 480	\$ 284	\$ (3,698)	

OPERATING NOTES

- Customer Care & Billing revenues are -\$135K unfavourable primarily due to lower sales of services such as tax certificates (-\$55K) and utility sign on/ transfer to tax fees (-\$80K).
- Treasury revenues are \$201K favourable due to the collection of the self insurance premiums from internal departments to continue funding the Insurance Reserve. The insurance reserve was created in 2021 and no budget was set up for this revenue or transfer therefore, this was not projected in November.
- Financial Control & Reporting expenses are \$388K favourable primarily due to four vacant positions.
- Assessment & Taxation expenses are \$64K favourable due to vacant staff positions and lower than expected legal fees for appeal defense.
- Customer Care & Billing expenses are \$52K favourable primarily due to lower than anticipated contracted services (\$145K) offset by higher salaries and wages (-\$91K) to manage utility rate program changes and cost relief programs.
- Treasury expenses are \$110K favourable due to premiums on insurance renewals being lower than anticipated which had not been anticipated for in November.
- Supply Chain expenses are \$271K favourable due to staff vacancies (\$246K) and decreased spending in contracted goods and services including expenses related to the automated invoicing system (Kanbina) (\$25K).
- Internal revenue is -\$310K unfavourable due to a budgeting discrepancy related to Customer Care & Billing internal recoveries.

FINANCE

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- 2024 budget update was deliberated and approved by Council on November 20, 2023.
- Implementation of cost relief pressure program on customer utility accounts and new utility rate structure.
- Assessment appeals – all appeals resolved with tax dollar loss less than previous years.
- Completed implementation of new Public Sector Accounting Standards – Asset Retirement Obligation and Financial Instruments.

Planned Next Four Months

- MNP will conduct the annual audit of the December 31, 2023, financial statements. The yearend financial report will be presented to Audit Committee.
- Tax recovery proceedings such as tax sale auction, tax notification and lien registrations on March 28, 2024.
- Declaration of the Assessment roll on January 31, 2024, and preparation and mailing of the 2024 Assessment Notices on February 28, 2024.
- 2025-2026 budget process underway.

Report on Business Plan Goals

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.

PROGRESS

1. Business Optimization Projects: Electronic Invoicing project went live in August. Tax Replacement Software- planning is underway. "CAMAmap" project went live in May. Management report improvements project is in the planning stage.
2. Cogsdale billing system – number of changes have been made to incorporate the Government utility rebate programs, cost pressure relief program, new utility rate pricing, and updated microgeneration calculations.
3. Provided information and education to customers regarding new fixed rate options.
4. Procurement review was completed on the new policy and protocols. As a result, updates to the protocols and policies were to be completed and implemented by December 31.
5. Attended Spring Trade show (March) to provide information about assessment, taxation, utility rate & option choices, Hat Smart, ebilling for tax & utilities.
6. Participated in the Chamber/Construction Association Selling to Government session.
7. Customer Care Manager and City Assessor participated in the Tax Podcast with the Mayor.
8. Implementing P-card electronic approvals, pilot was completed, and the process has been fully implemented in all departments by December 31.

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.

PROGRESS

1. Flexible work program implemented.
2. Leading Human Performance being completed for all staff members.
3. Spring and Fall Finance Connect sessions were held.
4. Provided an opportunity for two customer service reps to backfill for 2 Accounts Payable positions.
5. Staff participated in Customer Service training – Dealing with Difficult People/Situational Awareness.
6. Delivered Active Shooter and Suspicious Package training to staff.
7. Staff attended the working mind training sessions.
8. Toronto-Dominion Bank presented a session on fraud, controls, and markets to the finance staff.
9. Co-hosted with Cypress County the Alberta Assessors Association (AAA) Assessor Symposium on September 20-22, 2023.

FINANCE

For the Period Ended December 31, 2023

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.

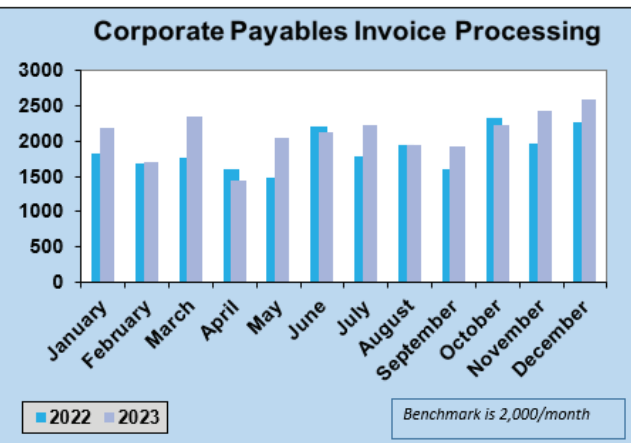
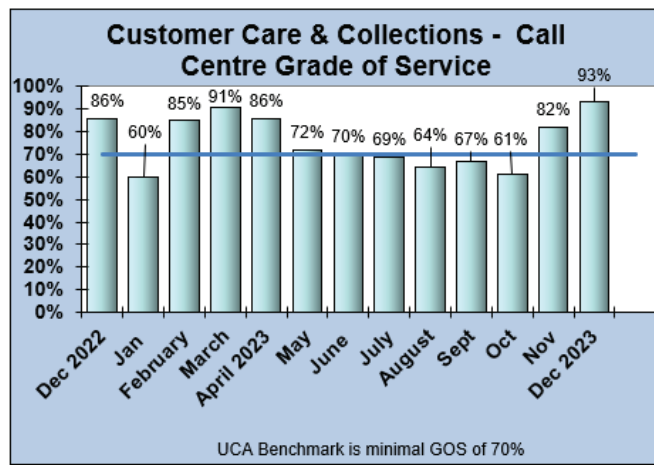
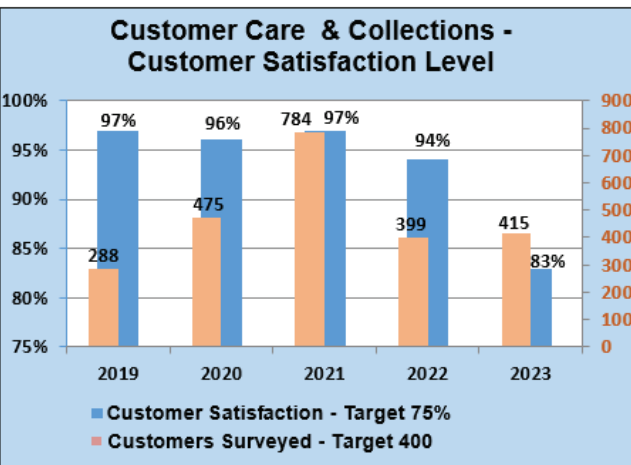
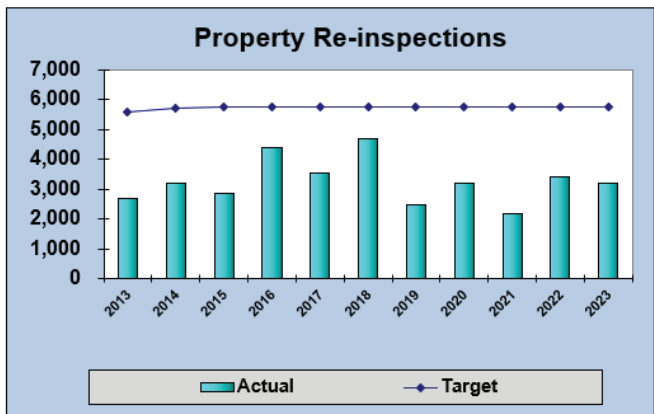
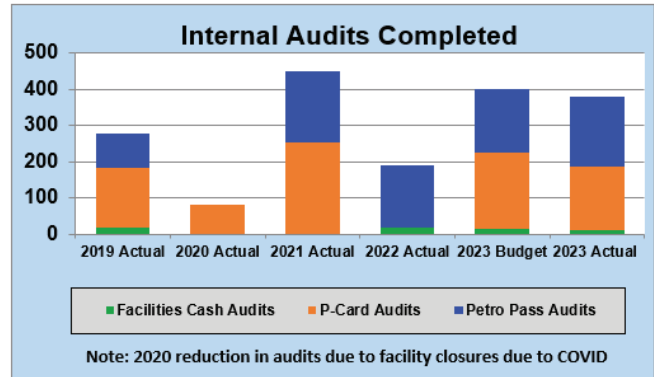
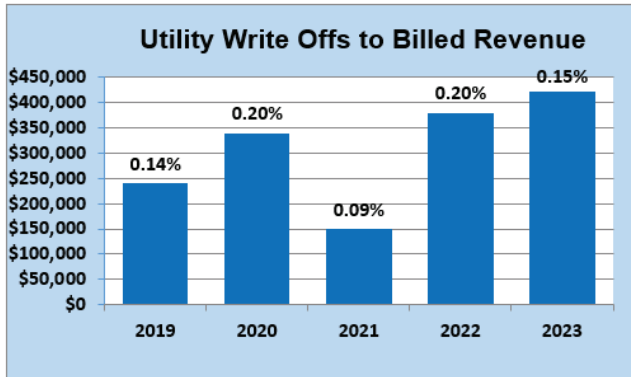
PROGRESS

1. 2022 Consolidated Financial Statements completed and received a clean audit opinion. Net financial debt decreased by \$152 million from 2021 and annual surplus increased by \$106 million.
2. Auditing Services Request for Proposal (RFP) was issued and awarded to MNP.
3. Received Government Finance Officers Association (GFOA) award for 2021 Financial Statements and received GFOA budget award for 2023-2024.
4. Debt and Investment policies were updated and approved.
5. Toronto-Dominion Bank operating line was increased to allow additional overdraft protection and remove the requirement for working capital cash to be held at short-term lower investment returns.
6. Continue to implement city wide contracts.

FINANCE

For the Period Ended December 31, 2023

Report on Performance Measures



Fleet & Facilities

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Facilities Management	\$ 155	\$ 131	\$ (24)	\$ -	\$ 155	
Fleet Services	-	67	67	70	70	1
	155	198	43	70	225	
Expenses						
Facilities Management	5,537	7,195	(1,658)	(1,400)	6,927	2
Fleet Services	7,121	7,155	(34)	-	7,121	
Administration	363	540	(177)	(250)	613	3
	13,021	14,890	(1,869)	(1,650)	14,661	
Net Surplus (Deficit) before Internal Cost Allocations	(12,866)	(14,692)	(1,826)	(1,580)	(14,436)	
Internal Revenue	17,940	24,798	6,858	6,936	24,876	4
Internal Expenses	3,039	10,692	(7,653)	(7,856)	10,895	4
	14,901	14,106	(795)	(920)	13,981	
Net Surplus (Deficit) before Cash Adjustments	2,035	(586)	(2,621)	(2,500)	(455)	
Interest Expense	(668)	(604)	64	56	(612)	5
Principal	(2,389)	(2,274)	115	115	(2,274)	5
Transfer to Capital	(100)	(240)	(140)	-	(100)	6
Transfer to Reserves (expense)	(5,671)	(5,649)	22	(100)	(5,771)	7
Net Cash Surplus (Requirements)	\$ (6,793)	\$ (9,353)	\$ (2,560)	\$ (2,429)	\$ (9,212)	
Amortization	(12,406)	(12,132)	274	-	(12,406)	8
Gain (Loss) on Disposal of Assets	-	6	6	100	100	9
Writedown of Assets	-	(466)	(466)	-	-	10
Net Surplus (Deficit)	\$ (19,199)	\$ (21,945)	\$ (2,746)	\$ (2,329)	\$ (21,518)	

OPERATING NOTES

- Fleet Services revenue is \$67K favourable due to unbudgeted insurance proceeds from third party damages and invoicing to third parties for fuel consumption at Compressed Natural Gas (CNG) stations.
- Facilities Management expenses are -\$1,658K unfavourable due to delayed completion of planned 2022 work (-\$149K), additional security upgrades to Utility Distribution Systems (-\$88K), higher than expected contracted snow and ice control costs (-\$74K), higher than anticipated repairs, labour and material costs (-\$682K), cooling, boiler and heating, ventilation and air conditioning repairs (HVAC) (-\$532K) and commissioning costs at various facilities (-\$133K).
- Administration expenses are -\$177K unfavourable due to unbudgeted employee benefits. This unfavourable variance is less than expected due to the Director position that remained vacant until the end of December.
- The favourable internal revenue variances and unfavourable internal expense variances are due to budget discrepancies regarding how the internal charges and recoveries for fleet are allocated to various departments. The net unfavourable variance of -\$795K is primarily due to the decreased internal recoveries in repairs and maintenance and fuel usage to the City's fleet assets (power plant, recreation, landfill, etc.). This unfavourable variance is less than originally anticipated due to the decrease in internal repairs and fuel costs needed on fleet units during the month of December.
- Interest Expense and principal are favourable \$64K and \$115K respectively, due to the timing of borrowing on capital projects.
- Transfer to Capital is -\$140K unfavourable due to additional unbudgeted costs incurred on capital projects.
- Transfer to Reserves (expense) is more favourable than projected in November primarily due to less than anticipated proceeds received on asset disposals which are transferred to the reserve.
- Amortization is \$274K favourable due to asset disposals and less than anticipated spending on capital projects.
- Gain (Loss) on Disposal of Assets is less favourable than projected due to lower than anticipated proceeds received on asset disposals.
- Writedown of Assets is unfavourable -\$466K due to the implementation of Public Sector Accounting Board (PSAB) 3280 pertaining to asset retirement obligations. The new costs relating to this standard (amortization and accretion) have been included in the 2024 budget update. This cost was not projected in November.

Fleet & Facilities

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- Ongoing construction on the 2023 capital plans as per the Realty Asset Management Program (RAMP).
- Initiating planning and scheduling of 2024 RAMP construction projects including Big Marble Go Centre Components, Hill Pool Liner/Components, and the Library Boiler Replacement.
- Finalize risk analysis with user departments for the planned 2023 Fleet lifecycle replacements and unit specifications in cooperation with user departments.
- Initiate competitive bids and award construction of City Council approved capital projects being project managed on behalf of partner departments within the corporation.
- Ongoing completion of 2023 capital asset management program within Facilities Management (FM).
- Ongoing specification development and procurement of 2023 capital asset management program within Fleet Services.
- Build and complete the 2023 Police Service units, specifically, the five frontline units.

Planned Next Four Months

- Ongoing completion of the cyclical Facility Condition Assessment program on corporate realty assets.
- Beginning construction on the 2024 capital plans as per the Realty Asset Management Program.
- Review of Asset Management Policy and Program prior to bringing to committee.
- Initiating planning and submission of 2025/2026 RAMP capital and Fleet replacement capital budgets.
- Scheduled and bidding for construction projects including Big Marble Go Centre Components, Hill Pool Liner/Components, and the Library Boiler Replacement.
- Finalize risk analysis with user departments for the planned 2024 Fleet lifecycle replacements and unit specifications in cooperation with user departments.
- Craft and submission of 2025/2026 operating budget.
- Ongoing completion of 2024 capital asset management program within Facilities Management.
- Ongoing specification development and procurement of 2023/2024 capital asset management program within Fleet Services.

Fleet & Facilities

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Asset & Infrastructure Management</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Continuing scheduled infrastructure replacement programs within FM's capital budget. Responded to priority infrastructure projects at Municipal Works and Airport Terminal to accommodate unexpected damages. Continuing scheduled infrastructure condition assessments. Continuing to work through Fleet's 2024 capital replacements. Specifications, bidding, and award for the purchase of 6 Solid Waste Units completed. Working with Information Technology (IT) and Corporate Planning & Performance (CPP) to develop a method to gather data from multiple systems to streamline future condition assessments, capital replacements and budgeting.
<p>Operational Excellence</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Working with other departments on operational plans, including Facilities for the Future and Level of Service projects. Executing the Ammonia Integrity Management Plan, which is an industry best practice as per the Alberta Boilers Safety Association, ensuring safety for the community. Continuing to perform regulatory inspections, including but not limited to, elevator inspections as per the Alberta Elevating Devices and Amusement Rides Safety Association, emergency generator inspections as per Canadian Safety Standards, cross connection certifications to maintain integrity of potable water connections, fire detection system inspections, fire sprinkler system inspections and Level of Service requests. Continuing to perform Commercial Vehicle Inspections for all applicable mobile assets, as regulated by Alberta Transportation. Continuing to perform preventative maintenance on all mobile assets as per Original Equipment Manufacturer requirements, including but not limited to (B) and (C) Checks. Continuing to perform unplanned maintenance of mobile assets, as required.
<p>Safety and Employee Wellness</p> <p>Fleet & Facilities 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Continuing to perform quarterly Facility Management Inspections. Scheduling and completion of annual regulatory training, as necessary. Completing monthly hazmat inspections which ensures hazardous materials are being stored and disposed of safely. Completing monthly Fleet shop inspections, ensuring shop hazards continue to be identified collectively and corrected. Performing quarterly Compressed Natural Gas station inspections and site visits, ensuring the station continues to be safe and operational. Joint Work Health and Safety Committee meetings continue to occur, providing staff an opportunity to have direct impact over the safety of day-to-day operations. Safety Meetings scheduled and occurring, ensuring Safety Topics are discussed with all staff and allowing the opportunity for conversation and debate.

Fleet & Facilities

For the Period Ended December 31, 2023

<p>Innovation</p> <p>Fleet & Facilities 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Investigating data management with CPP group to automate reporting.2. Asset Management Policy and Program coming forward to assist decisions and budget priorities.3. Continuing Electric Vehicle Transit Study with third party contractor, along with a Capstone Project regarding the sustainability of the City's Heavy-Duty Fleet regarding alternative fuels.
<p>Asset Management</p> <p>Ongoing and long-term framework that allows City to make the best possible investment decisions for their infrastructure assets to ensure consistency and standardization to asset management plans.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Review in progress.

INFORMATION TECHNOLOGY

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance	Projected Actual	NOTE
				to Dec 31/23 at Nov 30/23	to Dec 31/23 at Nov 30/23	
Expenses						
Administration	\$ 1,226	1,507	\$ (281)	\$ (500)	\$ 1,726	1
Application Services	1,911	1,858	53	59	1,852	2
Technical Services	3,944	3,354	590	800	3,144	3
Technology Software / GIS	2,731	1,891	840	930	1,801	4
	9,812	8,610	1,202	1,289	8,523	
Net Surplus (Deficit) before Internal Cost Allocations	(9,812)	(8,610)	1,202	1,289	(8,523)	
Internal Revenue	7,918	6,976	(942)	(790)	7,128	5
Internal Expenses	52	48	4	-	52	
	7,866	6,928	(938)	(790)	7,076	
Net Surplus (Deficit) before Cash Adjustments	(1,946)	(1,682)	264	499	(1,447)	
Interest Expense	(131)	(122)	9	9	(122)	
Principal	(1,444)	(1,422)	22	22	(1,422)	
Transfer to Capital	(250)	(256)	(6)	-	(250)	
Net Cash Surplus (Requirements)	\$ (3,771)	\$ (3,482)	\$ 289	\$ 530	\$ (3,241)	
Amortization	(2,208)	(1,978)	230	-	(2,208)	6
Net Surplus (Deficit)	\$ (5,979)	\$ (5,460)	\$ 519	\$ 530	\$ (5,449)	

OPERATING NOTES

- Administration expenses are -\$281K unfavourable due to higher than budgeted replacements of PC and laptop units to meet department requirements and industry standards. Actual variance is \$219K more favourable than originally projected due to a reduction in the cost of end user computers, reduced spending on contracted services and reduced organization print/copying charges.
- Application Services expenses are \$53K favourable due to temporary staffing vacancies.
- Technical Services expenses are \$590K favourable due to the timing of large maintenance agreement invoices (\$770K), offset by higher than budgeted temporary wages and benefits (-\$180K). Actual variance is -\$210K less favourable than projected due to receipt of significant software licencing costs that fell below the prepaid reallocation threshold.
- Technology Software / GIS expenses are \$840K favourable as a result of staff vacancies (\$324K) and the timing of large licencing costs as a result of both new accounting procedures and the deferred timing of contracted licencing purchasing (\$516K). Actual variance is -\$90K less favourable than projected due to receipt of licencing costs that fell below the prepaid reallocation threshold.
- Internal Revenue has an unfavourable variance of -\$942K because of lower than budgeted expenses, due to staff vacancies and timing of contracted licencing renewals, where Technology Software / GIS recovers their monthly expenses. Actual variance is -\$152K more unfavourable as a result of increased savings in contracted licencing renewals and continued staff vacancies.
- Amortization is \$230K favourable due to less than anticipated spending on capital projects.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Substantially completed foundational roll out of Collaboration Ecosystem.
- Completed planned Smartphone Refresh project.

Planned Next Four Months

- Advance the functionality and deployment of the Collaboration Ecosystem.
- Complete data center power resiliency project.

INFORMATION TECHNOLOGY

For the Period Ended December 31, 2023

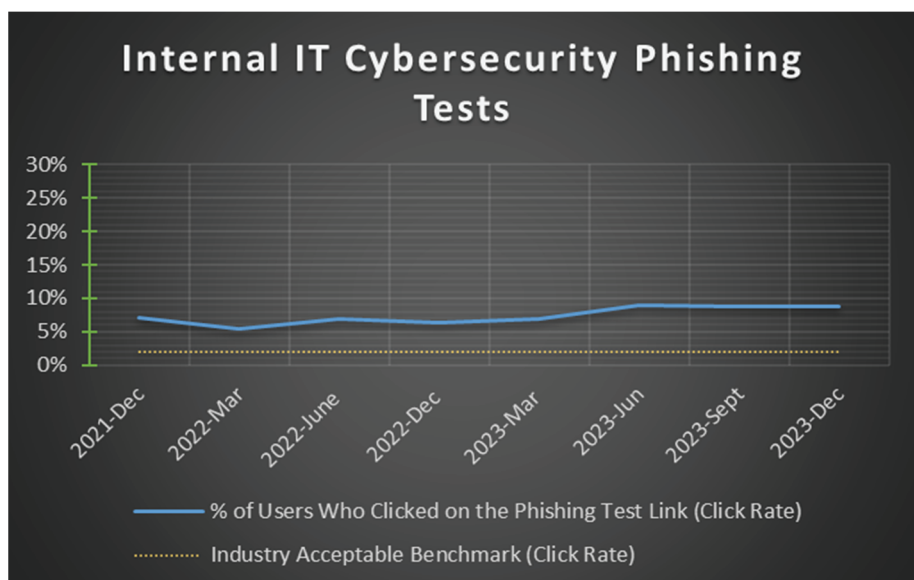
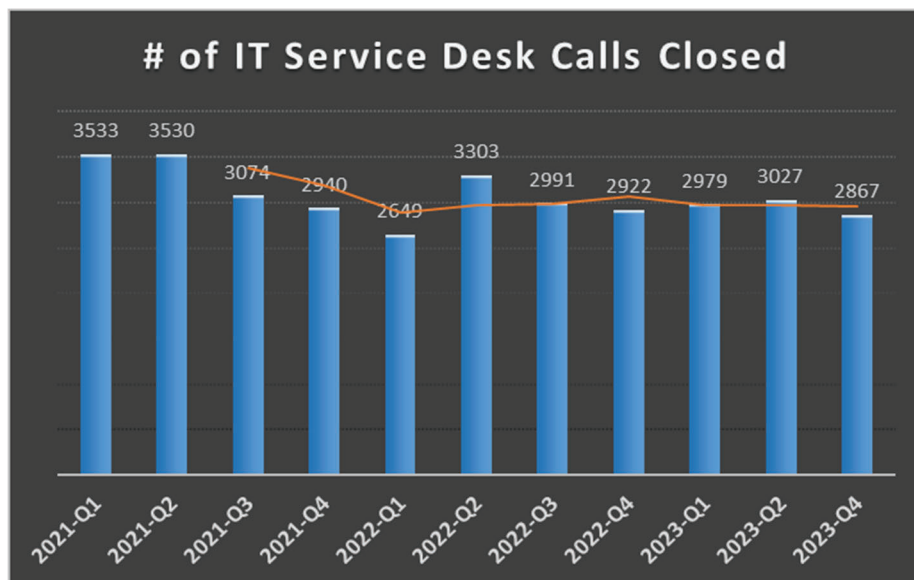
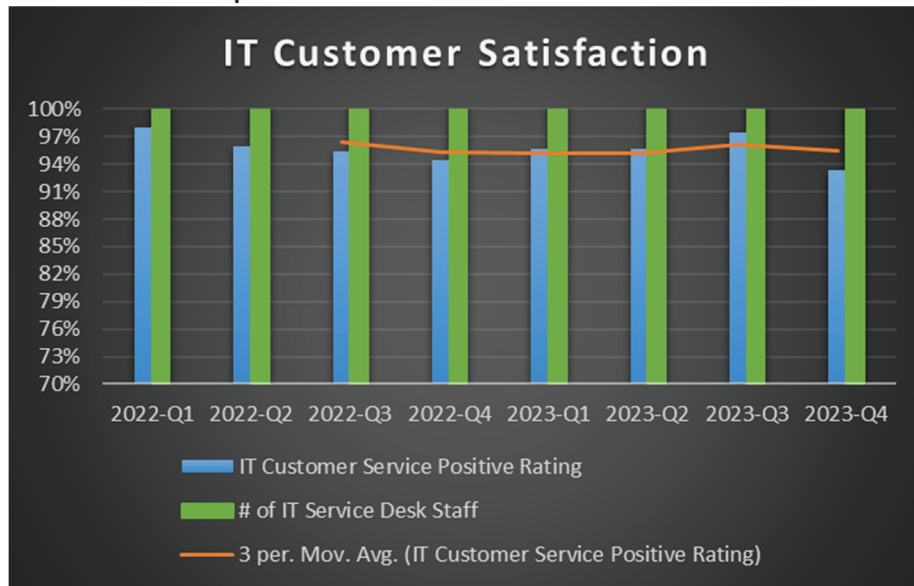
Report on Business Plan Goals

<p>Collaboration Through Technology</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Completed planned departmental roll out. 2. Completed Budget Office implementation.
<p>Cybersecurity</p> <p>Ensure consistent advancements in our cybersecurity posture to protect City assets and resources.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Implemented focused executive phishing education and phish testing. 2. Completed the National Institute of Standards and Technology (NIST) (IT) audit and Compliance Reporting (Operational Technology (OT)).
<p>Optimize Key Work Processes</p> <p>Work in conjunction with the leadership in Finance and Human Resources (HR) to optimize key processes through process redesign and systems alignment.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Finance completed initial review of management reporting process. 2. Human Resources optimization work is on hold.
<p>Relevant Information Technology</p> <p>Strategically evolve and align our information technology assets and infrastructure.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Preparations for Data Center United Parcel Service (UPS) replacement underway. 2. End user compute refresh deployment underway.
<p>Continually Improve the City’s Operational Technology Cybersecurity Program</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Advancements on auditing and reporting for OT completed for year end. 2. Continue to leverage 3rd party advisory services for OT cybersecurity.

INFORMATION TECHNOLOGY

For the Period Ended December 31, 2023

Report on Performance Measures



CORPORATE PLANNING & PERFORMANCE

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
				to Dec 31/23 at Nov 30/23	to Dec 31/23 at Nov 30/23	
Expenses						
Administration	\$ 765	592	\$ 173	\$ 135	\$ 630	1
Project Management	610	602	8	(35)	645	
Municipal Services Business Support	715	532	183	195	520	2
	2,090	1,726	364	295	1,795	
Net Surplus (Deficit) before Internal Cost Allocations	(2,090)	(1,726)	364	295	(1,795)	
Internal Revenue	2,119	1,551	(568)	(600)	1,519	3
Internal Expenses	18	12	6	4	14	
	2,101	1,539	(562)	(596)	1,505	
Net Surplus (Deficit) before Cash Adjustments	11	(187)	(198)	(301)	(290)	
Transfer to Major Operating Expenses	(400)	(416)	(16)	-	(400)	
Net Cash Surplus (Requirements)	\$ (389)	\$ (603)	\$ (214)	\$ (301)	\$ (690)	
Gain (Loss) on Disposal of Assets	-	(7)	(7)	-	-	
Net Surplus (Deficit)	\$ (389)	\$ (610)	\$ (221)	\$ (301)	\$ (690)	

OPERATING NOTES

- Administration expenses are \$173K favourable due to staff vacancies (\$115K) and the decreased spending in contracted goods and services (\$58K).
- Municipal Services Business Support has a favourable expense variance of \$183K. The favourable expense is the result of positional vacancies (\$148K) and reduced spending on training, travel, and contracted services (\$35K).
- Internal Revenues has an unfavourable variance of -\$568K due to lower recoveries from external departments as a result of the favourable expense variances in Note 1 and 2.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Municipal Business Support projects included: Co-op Place operating model review, support Facilities for the Future analysis, business case training and intermunicipal Sewer agreement negotiations.

Planned Next Four Months

- The team will onboard the Data & Dashboard Developer as well as the Enterprise Risk Manager positions.
- Support the 2025-2026 budget process through business case development and business plan support.
- Municipal Business Support projects include establishing a data repository, energy analytics (proof of concept), project management reporting, supporting business case and business plan development.
- Evaluate proposals and implement organizational strategic management software tool.

CORPORATE PLANNING & PERFORMANCE

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Support Strategic Decision Making</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Continued work on the intermunicipal sewer agreement with Redcliff. Worked with the Federation of Canadian Municipalities (FCM) on the Clean Energy Improvement Program (CEIP). Financial review for Environmental Utilities of impacts on the Environmental Framework. Transferred carbon credits from landfill facility to electric generation.
<p>Provide tools, training, and coaching on project management</p> <p>The Project Management Office (PMO) manages and oversees the framework for the management of projects through the project life cycle with defined project milestones. The PMO also develops the necessary policy guidance to ensure the stakeholders understand the business aspects of the PMO. Establish the set of policies, regulations, functions, processes, procedures, and responsibilities that define the establishment, management and control of projects, programs, or portfolios.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Designed roadmap for a corporate-wide Asset Management (AM) System. Created AM Policy document and Terms of Reference Worked to promote strong, recognizable AM competency and integrate/expand departmental AM framework, strategy, and planning across the organization. Promoted the development AM methodology, standardized language and guiding principles, processes, and templates. Supported the integration/communication of asset management and sustainability principles into the everyday operations of the City. Conducted a gap analysis and identified discrepancies between existing project management processes and corporate standards. Engaged with corporate governance teams to ensure alignment of project management processes with regulatory requirements and corporate policies. Developed communication plan to disseminate information about changes to processes and garner support from stakeholders. Collaborated with cross-functional teams to identify key project management processes and document them in a standardized framework. Established feedback mechanisms to gather input from project teams and stakeholders on the effectiveness of processes. Conducted surveys or feedback sessions to solicit input on the usability, relevance, and impact of implemented processes. Developed comprehensive project management process framework complete with documents and templates. Created templates and tools to support project managers in executing the defined processes effectively. Developed interactive video training modules explaining the principles, procedures, and tools and support manual to educate project managers and teams on the new framework.
<p>Corporate Strategic Planning</p> <p>The team will lead the business planning process to ensure alignment with strategic priorities and objectives. The team will support the development, training and implementation of departmental business plans and budgets.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> The team developed and rolled out business case training for the 2025-2026 budget cycle. The business plan template for 2025-2026 budget cycle was developed, training will be conducted in Q1 2024.

CORPORATE PLANNING & PERFORMANCE

For the Period Ended December 31, 2023

Enterprise Risk Management

This team (individual) will be a new resource within the organization and have accountability to review and roll out the enterprise risk management framework to the organization. The responsibility of this role is to lead the enterprise risk management (ERM) framework and process of risk management. This includes risk identification, risk evaluation, risk response, and risk monitoring and reporting, as well as implementation and management of the program and associated policies and procedures ensuring alignment with the corporate strategic and business plan and the defined risk tolerance. The risk management program ensures the City develops a healthy risk culture through effectively measuring strategic, enterprise, and operational risks and takes proactive measures to mitigate risk to an acceptable level.

PROGRESS

1. Manager Enterprise Risk onboard – February 2024.
2. Currently reviewing the current state assessment of Enterprise Risk Framework – next steps will be developed in the coming months.

FIRE & EMERGENCY SERVICES

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Communication Centre	\$ 1,071	\$ 1,195	\$ 124	\$ 135	\$ 1,206	1
Administration	-	80	80	78	78	2
Fire Suppression	400	378	(22)	(84)	316	3
Community Safety	2	14	12	10	12	
Training & Prevention	-	1	1	1	1	
	1,473	1,668	195	140	1,613	
Expenses						
Communication Centre	2,045	2,222	(177)	(113)	2,158	4
Administration	1,867	1,839	28	80	1,787	5
Fire Suppression	11,754	12,636	(882)	(278)	12,032	6
Community Safety	724	752	(28)	(8)	732	
Training & Prevention	488	453	35	31	457	
	16,878	17,902	(1,024)	(288)	17,166	
Net Surplus (Deficit) before Internal Cost Allocations	(15,405)	(16,234)	(829)	(148)	(15,553)	
Internal Revenue	267	307	40	37	304	
Internal Expenses	2,407	2,326	81	75	2,332	7
	(2,140)	(2,019)	121	112	(2,028)	
Net Surplus (Deficit) before Cash Adjustments	(17,545)	(18,253)	(708)	(36)	(17,581)	
Interest Expense	(6)	(6)	-	-	(6)	
Principal	(126)	(126)	-	-	(126)	
Transfer to Capital	(80)	(80)	-	-	(80)	
Net Cash Surplus (Requirements)	\$ (17,757)	\$ (18,465)	\$ (708)	\$ (36)	\$ (17,793)	
Amortization	(508)	(477)	31	-	(508)	
Net Surplus (Deficit)	\$ (18,265)	\$ (18,942)	\$ (677)	\$ (36)	\$ (18,301)	

OPERATING NOTES

- Communication Centre revenue is \$124K favorable primarily due to higher than anticipated backcheck revenue (\$70K) and higher than budgeted 911 Mobility Grant amounts (\$47K).
- Administration revenue is \$80K favorable due to All Hazards Incident Management Team (AHIMT) revenue which should have been recognized in 2022 (\$57K) and unbudgeted 2023 AHIMT revenue (\$23K).
- Fire Suppression revenue is \$62K more favourable than projected mainly due to a higher than projected mutual aid related calls throughout December.
- Communication Centre expenses are -\$177K unfavorable primarily due to increased overtime costs due to ongoing training of recently recruited 911 dispatchers (-\$111K) and unmet managed manpower being higher than the savings associated with the current position vacancies (-\$75K). This is offset by less than budgeted contracted and general service expenses (\$30K). The actual variance is -\$64K more unfavourable than projected due to unprojected software expenses that were expected to occur in 2024 (-\$20K) and unprojected December statutory holiday pay (-\$35K).
- Administration expenses are -\$52K more unfavourable than projected due to unprojected maintenance and subscription changes throughout December (-\$30K) and unprojected December vacation use (-\$20K).
- Fire Suppression expenses are -\$882K unfavorable due to higher than budgeted wages (-\$872K) because of increased training throughout the branch resulting in increased banked time, additional retroactive pay adjustments based on a one-time statutory holiday in 2022 being paid out in 2023, unmet managed manpower being higher than the savings associated with the current position vacancies, and accrual of wages in preparation for future retroactive payouts following collective bargaining. Actual Fire Suppression expenses are -\$604K more unfavourable than projected primarily due to unprojected accrual for retroactive pay related to future union settlement (-\$280K), and unprojected statutory holiday pay, vacation use, and overtime (-\$294K).
- Internal expenses are \$81K favourable due to lower than budgeted fleet allocations (\$55K) and Corporate Planning & Performance allocations (\$35K), offset by higher than budgeted utilities (-\$23K).

FIRE & EMERGENCY SERVICES

For the Period Ended December 31, 2023

OPERATING HIGHLIGHTS

Completed Last Four Months

- Updated the Municipal Emergency Management Plan.
- Recruited Logistics Training Officer and Chief Training Officer.
- Renewed 911 agreements between the City and other rural fire departments.
- Delivered leadership training to staff through a partnership with the Medicine Hat College.
- Finalized agreements with Rangeland Helicopters and the County of Forty Mile No. 8.

Planned Next Four Months

- Update the Emergency Management Bylaw.
- Release the Fire & Emergency Services Annual Year in Review Report.
- Finalize the 2025/2026 Business Plan and associated budget.
- Prepare to implement the Next Generation 911 call handling system.
- Recruit a Fire & Life Safety Educator.

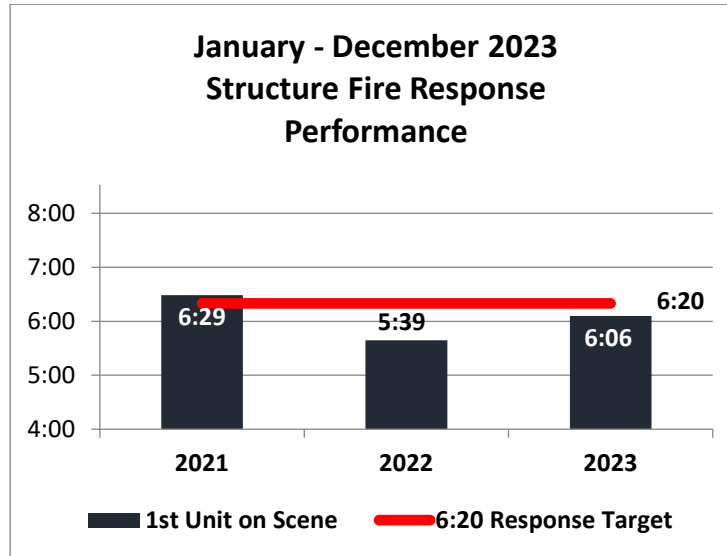
Report on Business Plan Goals

<p>Department Objective #1</p> <p>Increase operational safety, readiness, capacity, and ability throughout the department.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Completed the recruitment of 8 additional suppression firefighters, bolstering platoon strength to 20 per platoon. 2. Initiated traffic pre-emption project.
<p>Department Objective #2</p> <p>Leverage and maintain communication equipment and technology to maintain and improve service delivery.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Recruited Emergency Services IT Technician. 2. Continue to advance with the implementation of an NG-911 call handling system, as well as upgrading the recording system.
<p>Department Objective #3</p> <p>Actively promote regional 9-1-1 services through the Intermunicipal Collaboration Framework (ICF).</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Engaged with emergency services partners to highlight improvements in service provisions in our 911 Public Safety Answering Point (PSAP) and Dispatch Centre.
<p>Department Objective #4</p> <p>Establish a City Policy on residential sprinkler installation and incentives for greenfield and brownfield developments.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. This project will be reviewed in 2024.

FIRE & EMERGENCY SERVICES

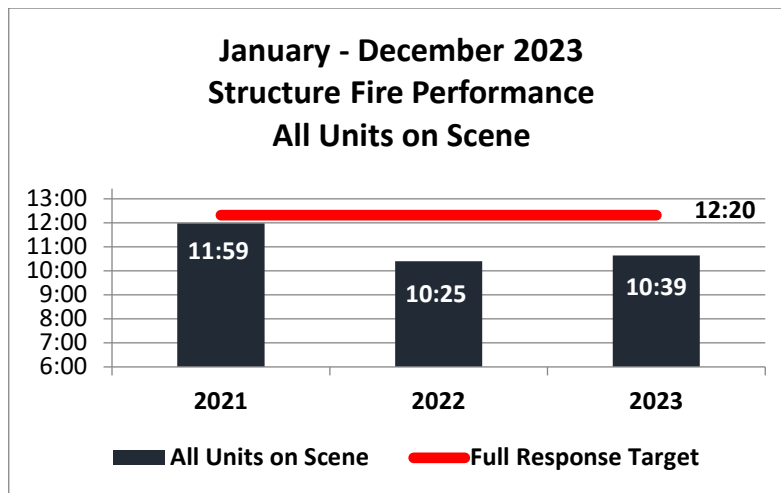
For the Period Ended December 31, 2023

Report on Performance Measures



Fire Services strives to respond with the first arriving Engine Company within 06:20 minutes 90% of the time (90th percentile performance). This Council-approved response time target for first-arriving engines is based on National Fire Protection Association (NFPA) Standards, tenability for occupants in burning buildings, and time to collapse when a fire is impinging on structural floor members.

The graph above illustrates that in this reporting period, Fire Services responded to structure fire incidents within 06:06 minutes 90% of the time. In 2022 (Jan-Dec), the 90th percentile performance time was 05:39. Fire Services monitors this response time data continually and looks forward to continuously improved performance with operations now at relocated fire stations.

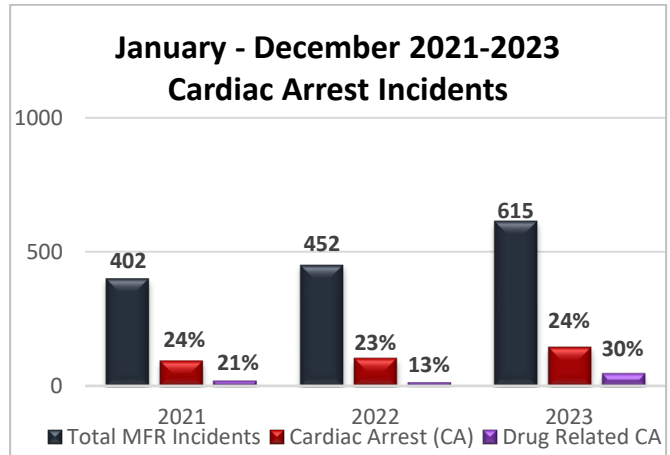
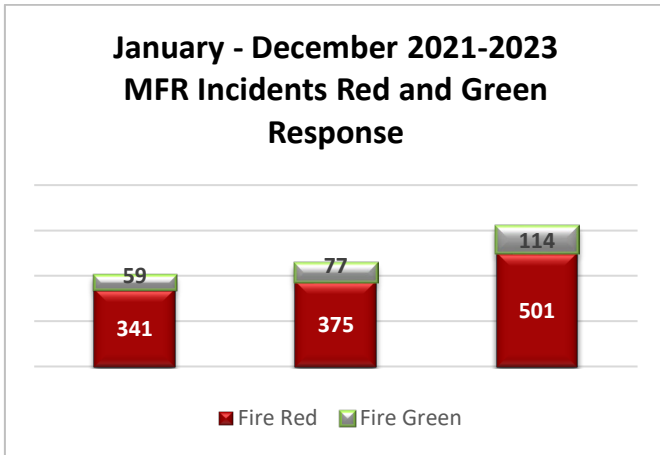


Fire Services strives to place two engine companies and one Ladder Company on scene in 12:20 minutes 90% of the time (90th percentile performance).

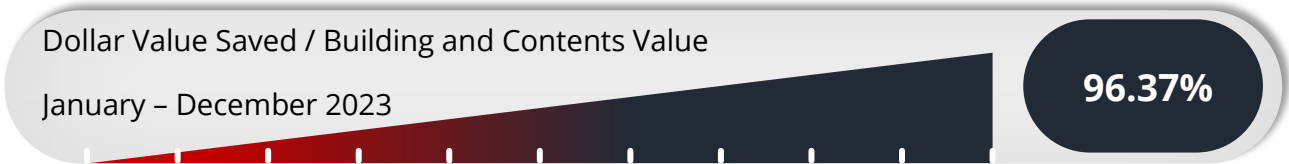
The graph above illustrates that in this 2023 reporting period, Fire Services placed all units on scene in 10:39 minutes 90% of the time. In 2022 (Jan-Dec), the 90th percentile performance was 10:25. Fire Services monitors this response time data continually and looks forward to continuous improved performance with operations now at relocated fire stations.

FIRE & EMERGENCY SERVICES

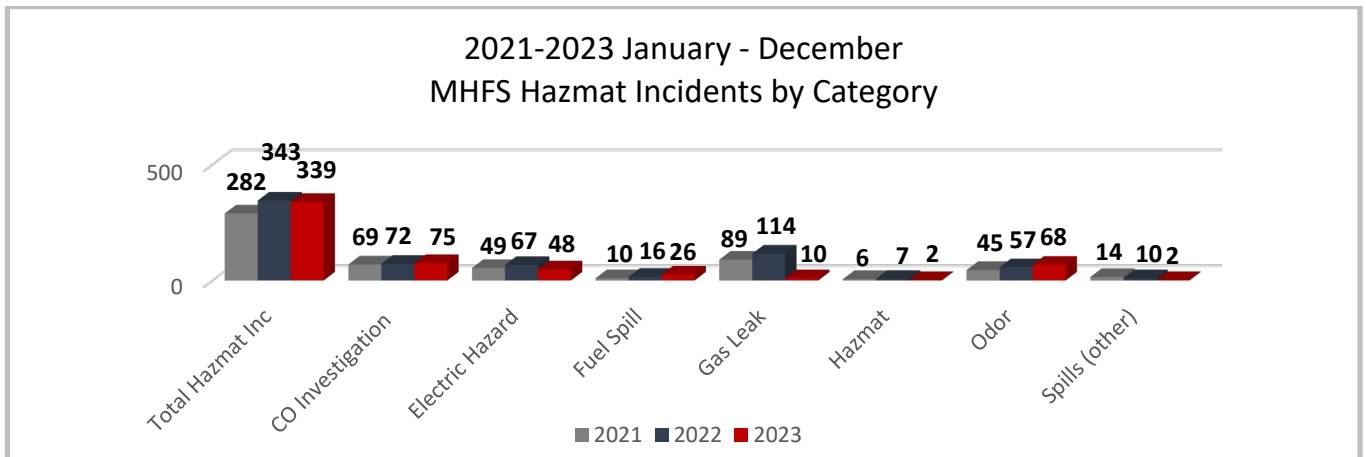
For the Period Ended December 31, 2023



Early intervention in serious medical emergencies improves patient outcomes. Medicine Hat Fire Services (MHFS) specifically tracks cardiac arrests and drug-related cardiac arrests as a measure of time-sensitive, life safety response. The response is achieved with a full engine company response to keep engine crews intact and ready to respond to the next emergency.



Early arrival by Fire Service crews reduces the percentage of dollar loss of buildings and contents. This property saving Key Performance Indicator indicates that in 2023 Fire Services saved 96.37% of the value of buildings and contents involved in structure fires.



Hazardous materials response KPI's can be a measure of life safety and environmental protection, however most calls are related to environmental protection in one way or another. As Hazardous Materials (HAZMAT) incidents have increased over the years, training of firefighters has changed from an Advanced Response Team responsibility to a platoon responsibility. All firefighters are trained to the HAZMAT Technician level (NFPA).

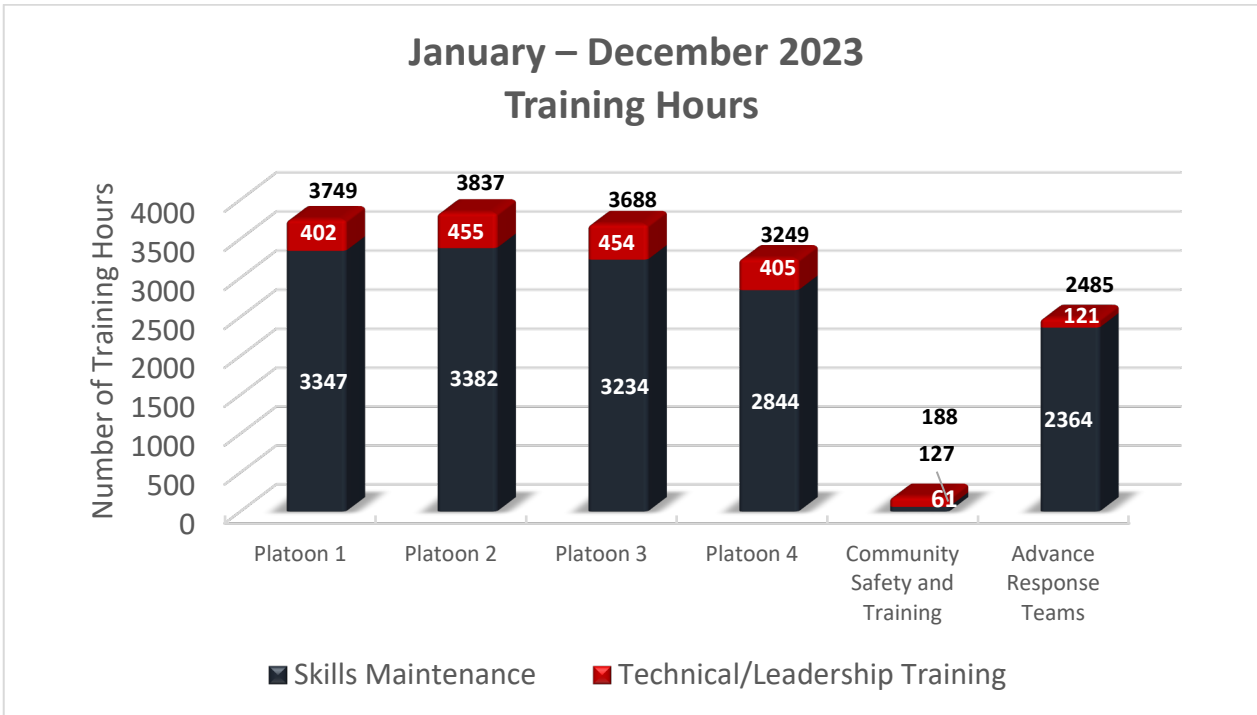
FIRE & EMERGENCY SERVICES

For the Period Ended December 31, 2023

Training Completed as per HRDP
January – December 2023



Responding with well-equipped and well-trained people assists Fire Services in delivering a high level of service to residents and visitors of Medicine Hat. The above Key Performance Indicator measures how we are doing in delivering training to those that are in leadership positions within the Department.

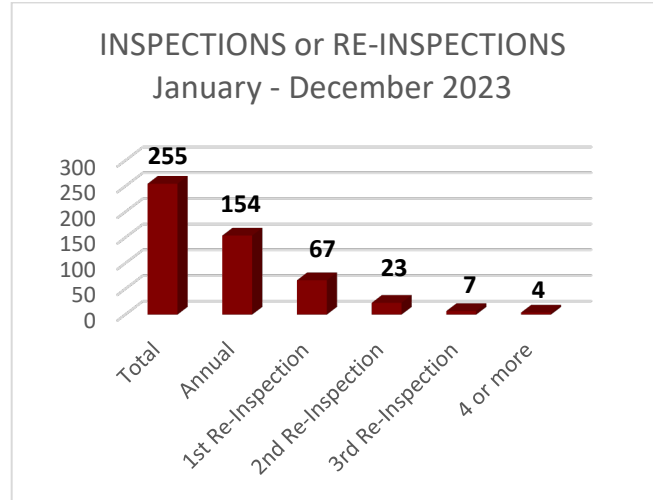
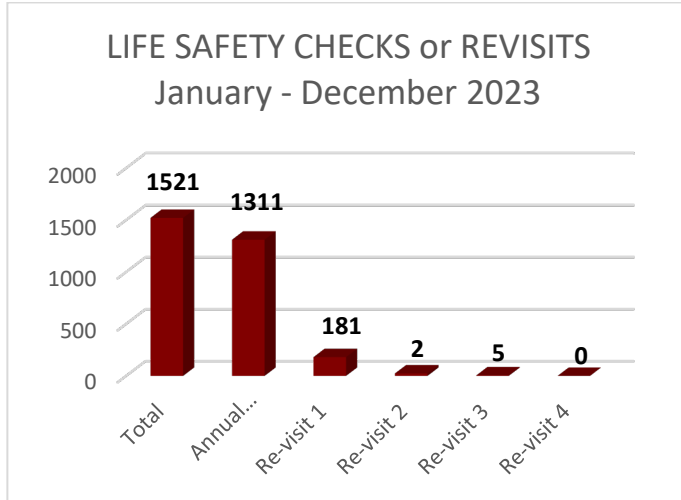


This Key Performance Indicator tracks the number of hours Fire Service members spend in both Skills Maintenance Training and Technical/Leadership Training.

FIRE & EMERGENCY SERVICES

For the Period Ended December 31, 2023

Number of Life Safety Checks (LSC) and Inspections completed:



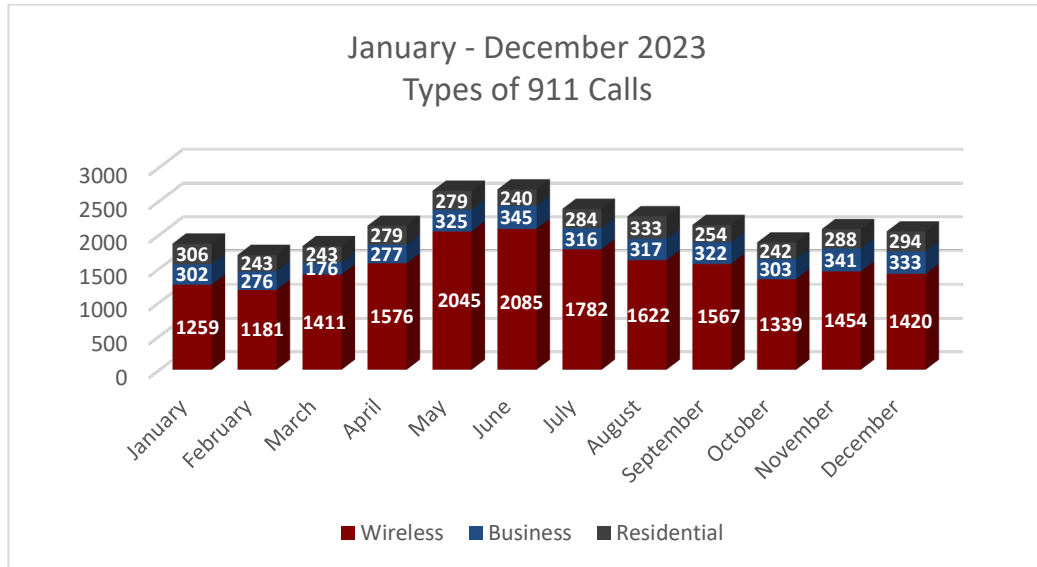
Total Annual LSC = 1521
 Jan – Dec Annual LSC completed = 1311
 Jan – Dec 1st Revisit = 181
 Jan – Dec 2nd Revisit = 2
 Jan – Dec 3rd Revisit = 5
 Jan – Dec 4th Revisit = 0

Total Inspections = 255
 Jan – Dec Annual Inspections completed = 154
 Jan – Dec 1st Reinspection = 67
 Jan – Dec 2nd Reinspection = 23
 Jan – Dec 3rd Reinspection = 7
 Jan – Dec 4th Reinspection = 4

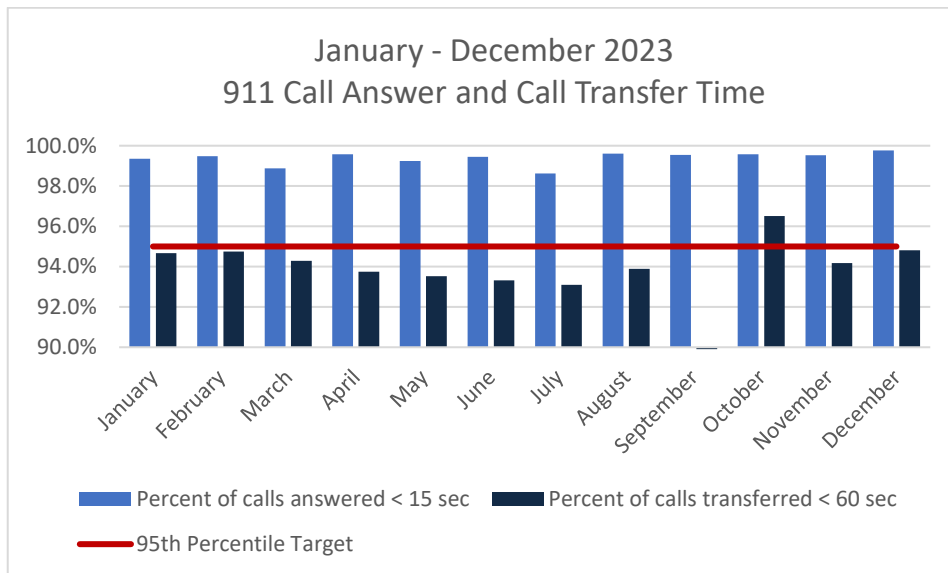
Life Safety Checks (LCS) and Inspections are key components of a fire-safe community program. Firefighters and Fire Prevention Officers perform LSCs and inspections throughout the year, collaborating with our business community to keep their businesses safe from fire and contribute to the community’s economic prosperity. Fire Services strives to work with business owners to achieve compliance without revisits in order to reduce costs. LSCs and non-urgent inspections were delayed due to COVID-19 but have resumed and are back on track to complete all annual Life Safety Checks and Inspections.

FIRE & EMERGENCY SERVICES
For the Period Ended December 31, 2023

911 KPI's



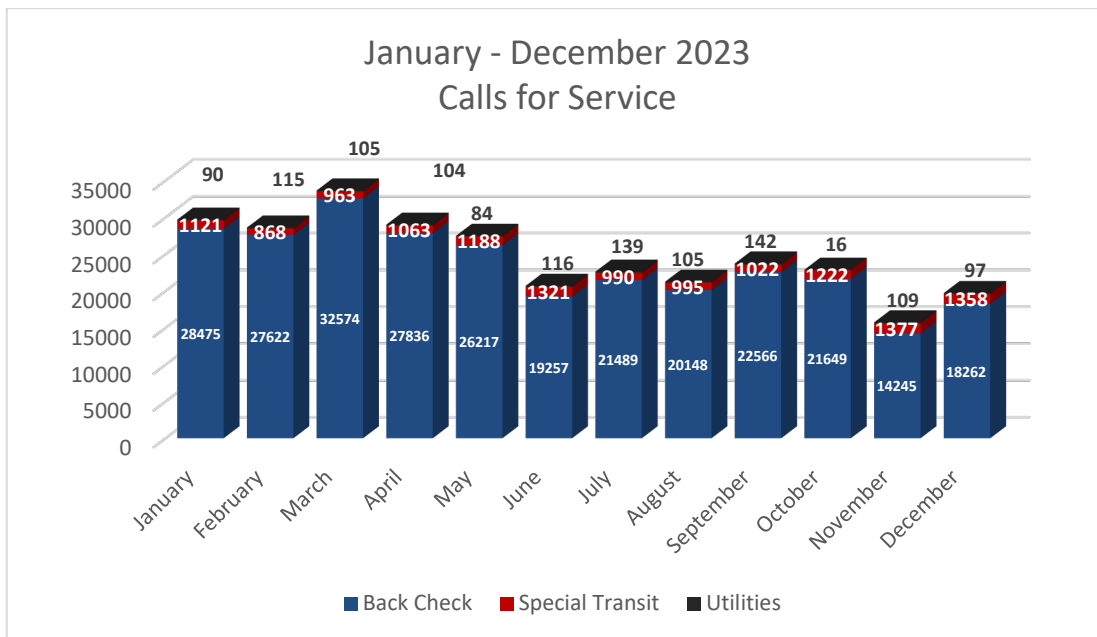
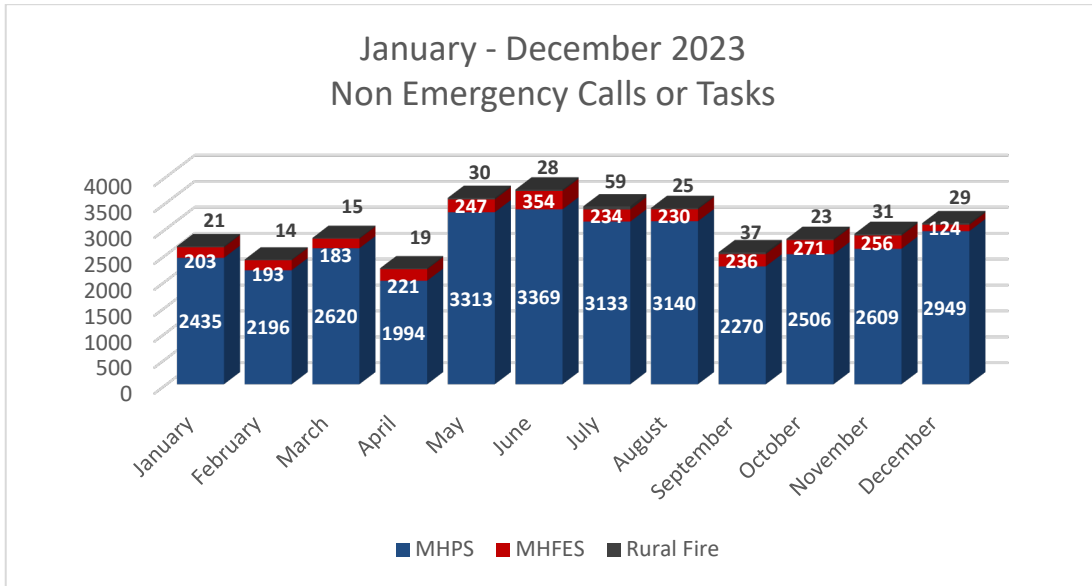
Alberta E9-1-1 Advisory Association (AEAA) collects the wireless 911 fees from the wireless carriers and distributes the funding through the 911 grant program to Public Safety Answering Points (PSAPS) that qualify by meeting Alberta 911 standards. Wireline telephone companies (TELUS, Bell, and Shaw) also distribute funding to Primary PSAPS.



Alberta 911 Standards require 911 call answer to occur within 15 seconds 95 percent of the time, and call transfer time to occur within 60 seconds 95 percent of the time.

FIRE & EMERGENCY SERVICES

For the Period Ended December 31, 2023



PARKS & RECREATION

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Administration	\$ 303	\$ 237	\$ (66)	\$ (40)	\$ 263	1
Operations & Maintenance	283	263	(20)	18	301	
Business & Innovation	1,394	1,922	528	559	1,953	2
Asset Planning	15	29	14	2	17	
Recreation	4,278	4,553	275	300	4,578	3
	6,273	7,004	731	839	7,112	
Expenses						
Administration	1,156	1,191	(35)	(100)	1,256	4
Operations & Maintenance	5,154	5,569	(415)	(358)	5,512	5
Business & Innovation	1,928	2,408	(480)	(470)	2,398	6
Asset Planning	385	415	(30)	(2)	387	
Recreation	6,752	7,639	(887)	(509)	7,261	7
	15,375	17,222	(1,847)	(1,439)	16,814	
Net Surplus (Deficit) before Internal Cost Allocations	(9,102)	(10,218)	(1,116)	(600)	(9,702)	
Internal Revenue	141	144	3	3	144	
Internal Expenses	7,355	8,321	(966)	(963)	8,318	8
	(7,214)	(8,177)	(963)	(960)	(8,174)	
Net Surplus (Deficit) before Cash Adjustments	(16,316)	(18,395)	(2,079)	(1,560)	(17,876)	
Interest Expense	(370)	(354)	16	8	(362)	
Principal	(1,162)	(1,127)	35	35	(1,127)	
Transfer to Major Operating Expenses	(1,431)	(1,431)	-	-	(1,431)	
Transfer to Capital	(632)	(632)	-	-	(632)	
Net Cash Surplus (Requirements)	\$ (19,911)	\$ (21,939)	\$ (2,028)	\$ (1,517)	\$ (21,428)	
Amortization	(6,082)	(5,841)	241	-	(6,082)	9
Gain (Loss) on Disposal of Assets	-	(2)	(2)	-	-	
Net Surplus (Deficit)	\$ (25,993)	\$ (27,782)	\$ (1,789)	\$ (1,517)	\$ (27,510)	

OPERATING NOTES

- Administration revenue is -\$66K unfavourable mainly due to lower than budgeted impounding and pet licenses.
- Business & Innovation revenue is \$528K favourable due to greater than budgeted revenue received at the Gas City Campground for the 2023 season (\$206K) as a result of greater than anticipated use of full service campsites and higher than budgeted perpetual care fees at the Hillside Cemetery (\$400K), offset by lower than budgeted cemetery lot sales and grave preparation charges (-\$73K).
- Recreation revenue is \$275K favourable due to higher than budgeted admissions, program registration, facility rentals, and ice utilization at Big Marble Go Centre (BMGC)(\$205K), and higher than budgeted ice and facility rentals at rinks and other facilities (\$60K).
- Administration expenses are \$65K more favourable than projected due to lower than projected contracted services for small animal control throughout December and fewer grants made to non-profit organizations than originally expected.
- Operations & Maintenance expenses are -\$415K unfavourable due to higher than budgeted materials & supplies expenses (-\$80K) as a result of required irrigation repairs, downtown vegetation maintenance, provision of hanging baskets, and pest management, and higher than budget contracted services mainly due to unanticipated irrigation repairs (-\$417K). This is offset by lower than budgeted wages (\$66K) from seasonal staff starting later than expected. The actual expense variance is -\$57K more unfavourable than projected due to higher than projected salaries and wages and contracted services throughout December.

PARKS & RECREATION

For the Period Ended December 31, 2023

6. Business & Innovation expenses are -\$480K unfavourable due to higher than budgeted contracted services (-\$306K) and materials (-\$56K) mainly due to work related to the July 2022 tornado at Echo Dale Regional Park that has been carried out in 2023 and contracted services at the Cemetery to compensate for staffing shortages. In addition, salaries and wages are unfavourable as a result of higher than budget wages at the campground and cemetery due to unbudgeted customer service time, increased cleaning due to popularity of comfort cabins, and backfill of a position at Hillside Cemetery (-\$123K).
7. Recreation expenses are -\$887K unfavourable due to unbudgeted bank charges (-\$40K) and higher than budgeted salaries & wages (-\$1.2M) mainly concentrated at the BMGC and ice facilities as a result of higher facility utilization and salaries and wages not included in the 2023 annual budget. The salary and wage budget has been adjusted in the 2024 budget update to reflect this variance. This is offset by savings in contracted services (\$198K) and materials & supplies (\$176K) mainly at BMGC as a result of winter projects delayed to 2024. The actual expense variance is -\$378K more unfavourable than projected due to unbudgeted wages, subsequently adjusted in 2024 budget update, not being included in the projection amount.
8. Internal expenses are unfavourable -\$966K due to higher than budgeted utilities (-\$546K), internal office rent (-\$116K), water usage allocations (-\$372K), and unbudgeted Municipal Works allocations (-\$132K). This is offset by lower than budget Corporate Planning & Performance allocations (\$140K) and Finance charges (\$26K).
9. Amortization expense is \$241K favourable due to delayed capital spending. This variance was not projected out at November 30.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Engaged with major stakeholders to continue progress on the Facilities for the Future project.
- Began winter operations of ice arenas and winter trail maintenance.
- Planning for issuing of Request for Proposals and Tenders for 2024 capital projects.
- Successful completion of transition to operations of the new pound services building.

Planned Next Four Months

- Finalizing new Joint Use Agreement with Medicine Hat College and education boards represented in our community.
- Bring forward the Outdoor Enjoyment Strategy, with a specific focus on off-leash areas, for Council direction and approval.
- Continued progress on the Facilities for the Future project with a plan to bring forward potential site locations to City Council for discussion and direction prior to broader public engagement.

PARKS & RECREATION

For the Period Ended December 31, 2023

Report on Business Plan Goals

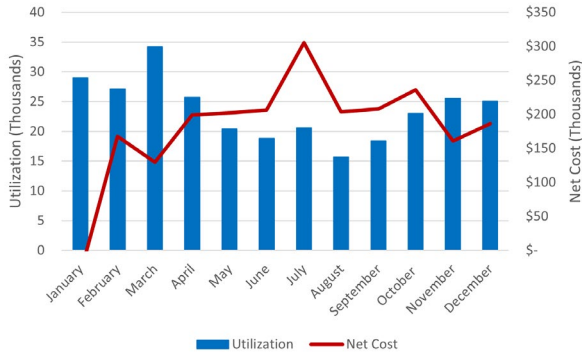
<p>Implementation of Parks and Recreation Master Plan</p> <p>To positively impact community health and wellbeing. The department will focus efforts on implementing the immediate-term, near-term and continued action items identified in the Parks and Recreation Master Plan.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Continued engagement with major stakeholders on the Facilities for the Future project.2. Finalized off-leash map options and received feedback from the Community Vibrancy Advisory Board. A Council Report and recommendation will be brought forward to City Council for approval.3. Continued work underway for the completion of the Parks Bylaw, Cemetery Bylaw updates and the destination parks vision.4. Echo Dale Future Plan will be brought forward to City Council in 2024 for direction and decision on inclusion in the Facilities for the Future project.
<p>Develop Comprehensive Asset Management Plan</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Facilities for Future – utilizing a Program Manager, continuing to engage with major stakeholders to plan for retirement, upgrading or replacing aging recreation facilities in the community.2. Continued participation in the Corporate Asset Management Steering Committee while continuing to advance the departmental Asset Management Plan as a Business Plan priority.
<p>Recreation, Retention, & Development of Staff</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Workplace Wellness Assessment now completed for Recreation / Aquatics with action items underway.2. Continued hosting “Lunch with the Management Team” and “Experience Parks and Recreation” events for staff to gain knowledge of departmental operations.3. Continuing to work closely with the People Services Department to prepare for the upcoming onboarding of seasonal staff. Successfully conducted several interviews for seasonal Parks staff at Medicine Hat College.

PARKS & RECREATION

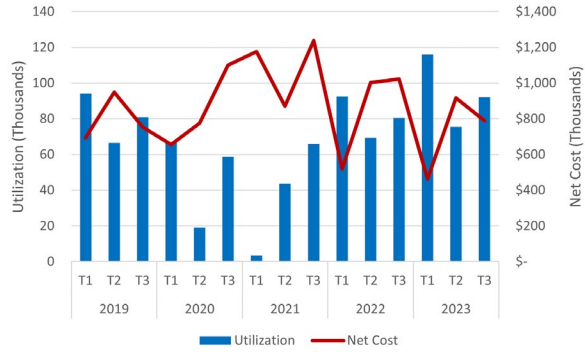
For the Period Ended December 31, 2023

Report on Performance Measures

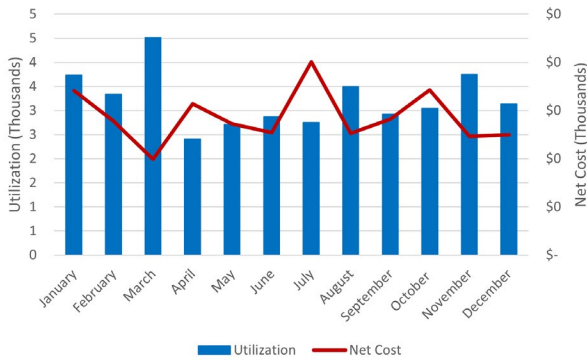
BMGC Monthly Utilization and Net Cost



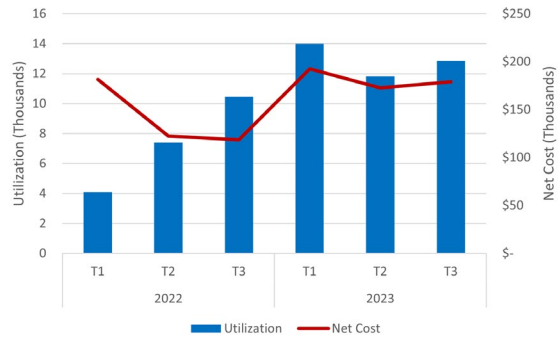
BMGC Utilization and Net Cost



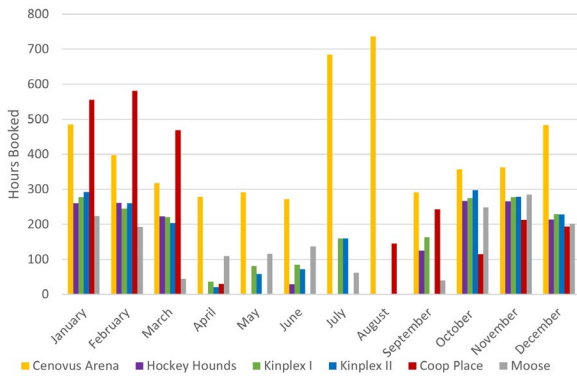
CRC Monthly Utilization and Net Cost



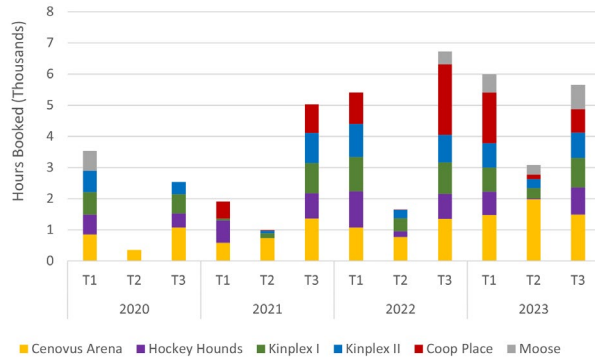
CRC Utilization and Net Cost



Ice Rink Monthly Utilization

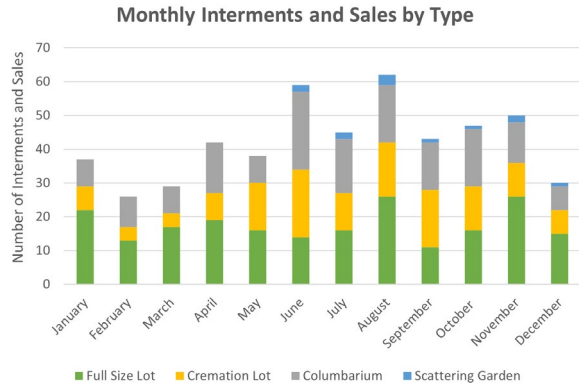
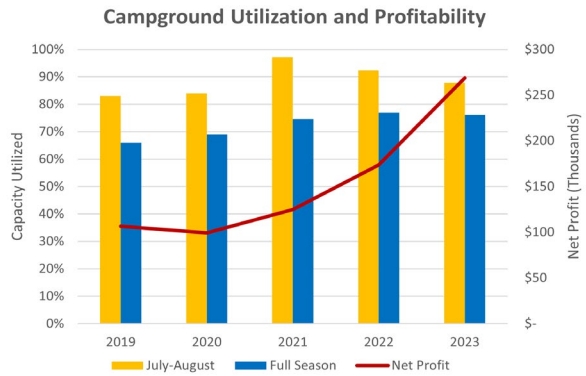
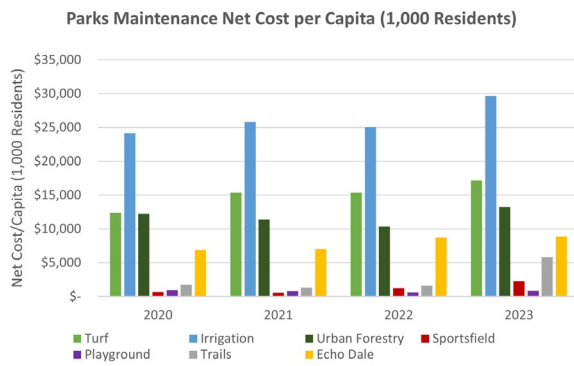
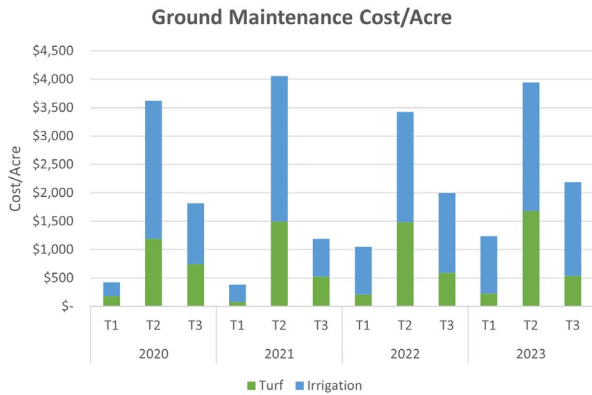
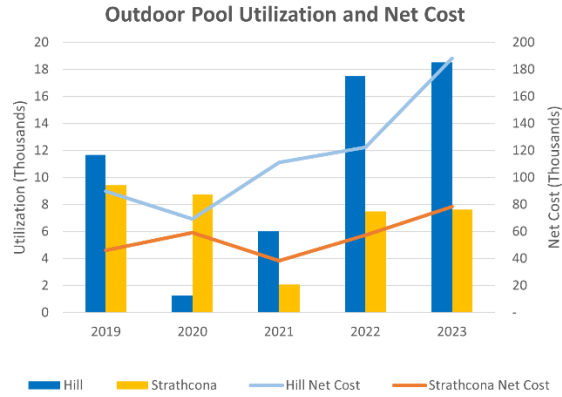
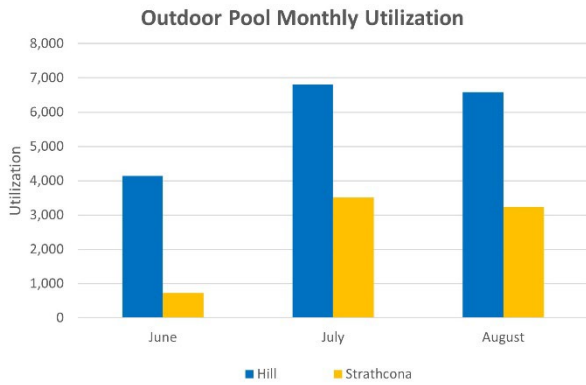


Ice Rink Utilization

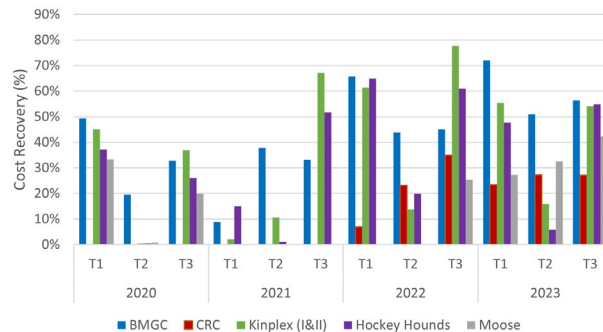


PARKS & RECREATION

For the Period Ended December 31, 2023



Recreation Facility Operating Cost Recovery Percentage



COMMUNITY DEVELOPMENT

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Administration	\$ -	\$ 126	\$ 126	\$ 126	\$ 126	1
Cultural Experiences & Events	1,749	1,323	(426)	(371)	1,378	2
Guest Experience & Operations	4,124	5,793	1,669	1,639	5,763	3
Community Supports	1,691	2,017	326	326	2,017	4
Transit Services	1,001	1,320	319	327	1,328	5
	8,565	10,579	2,014	2,047	10,612	
Expenses						
Administration	710	725	(15)	(60)	770	
Cultural Experiences & Events	3,000	2,753	247	280	2,720	6
Guest Experience & Operations	4,723	6,600	(1,877)	(1,492)	6,215	7
Community Supports	1,975	2,021	(46)	(33)	2,008	
Transit Services	4,217	4,508	(291)	(277)	4,494	8
	14,625	16,607	(1,982)	(1,582)	16,207	
Net Surplus (Deficit) before Internal Cost Allocations	(6,060)	(6,028)	32	465	(5,595)	
Internal Revenue	11	11	-	-	11	
Internal Expenses	5,595	5,210	385	320	5,275	9
	(5,584)	(5,199)	385	320	(5,264)	
Net Surplus (Deficit) before Cash Adjustments	(11,644)	(11,227)	417	785	(10,859)	
Interest Expense	(268)	(266)	2	-	(268)	
Principal	(273)	(269)	4	4	(269)	
Transfer to Major Operating Expenses	(360)	(365)	(5)	-	(360)	
Transfer to Capital	(312)	(312)	-	-	(312)	
Transfer to Reserves (expense)	(24)	(24)	-	-	(24)	
Transfer from Reserves (revenue)	-	11	11	12	12	
Net Cash Surplus (Requirements)	\$ (12,881)	\$ (12,452)	\$ 429	\$ 801	\$ (12,080)	
Amortization	(3,509)	(3,448)	61	-	(3,509)	10
Net Surplus (Deficit)	\$ (16,390)	\$ (15,900)	\$ 490	\$ 801	\$ (15,589)	

OPERATING NOTES

- Administration revenue is \$126K favourable due to an unbudgeted grant from the Museum Assistance Program - Indigenous Heritage Component.
- Culture, Experience & Events revenue is -\$426K unfavourable due to fewer events held at Co-Op Place (-\$464K), lower attendance at events held at the Esplanade (-\$46K), and budgeted museum and heritage grant that was not received (-\$27K). This is offset by higher than budgeted grants from Canada Arts Presentation Fund (CAPF) (\$53K), program fees from sold out summer camps and fall programming (\$30K), and other public programming (\$14K). The actual revenue variance is -\$55K more unfavourable than projected due to lower than projected ticket sales for December performances.
- Guest Experience & Operations revenue is \$1,669K favourable due to higher than budgeted parking revenue (\$41K), unbudgeted sponsorship revenue (\$138K), unbudgeted grant revenue (\$18K), higher than budgeted rental event revenue (\$102K), higher than budgeted box office service charges (\$126K) and significantly higher attendance at regularly scheduled events at Co-Op Place, including two sold out events, which has resulted in higher than budgeted ticket sales and box office fees (\$477K), service charges (\$116K), rent (\$85K), and food and beverage revenue (\$785K). This is offset by less than budgeted advertising revenue (-\$165K) and premium seating revenue (-\$54K).

COMMUNITY DEVELOPMENT

For the Period Ended December 31, 2023

4. Community Supports revenue is \$326K favourable due to unbudgeted grant funding for Low Income Transit Pass Pilot (LITP) (\$269K) and Family & Community Support Services (FCSS) funding (\$54K).
5. Transit Services revenue is \$319K favourable due to higher than budgeted regular transit fare from increased usage (\$297K) and increased advertising revenue (\$21K).
6. Culture, Experience & Events expenses are \$247K favourable due to fewer shows scheduled at Co-Op Place (\$387K), and less than budgeted artist and professional fees from fewer shows (\$71K). This is offset by unbudgeted salaries & wages due to unexpected cleanup for events at Co-op place, unmet managed manpower being higher than the savings associated with the current position vacancies (-\$175K), and increased materials and labour for public and educational programming (-\$36K).
7. Guest Experience & Operations expenses are -\$1,877K unfavourable due to increased food & beverage costs associated with higher attendance at regularly scheduled events at Co-Op Place (-\$808K), higher than budget ticket and suite settlements for rental events (-\$765K), higher than budget rental event settlements (-\$145K), overbudget staffing costs due to unmet managed manpower and overtime at Co-op Place (-\$199K), and higher than budgeted ticketing software costs (-\$105K), offset by lower than budgeted bank charges (\$145K). The actual expense variance is -\$385K more unfavourable due to higher than projected salaries and wages associated with high attendance at Co-op Place and ticketing software costs that were not included.
8. Transit Services expenses are -\$291K unfavourable due to higher than budgeted salaries and wages mainly a result of overtime being higher than the savings associated with the current position vacancies (-\$210K), and unbudgeted software renewals for Spare and Payment in Motion (-\$82K).
9. Internal expenses are \$385K favourable due to lower than budgeted fleet charges (\$329K), Corporate Planning & Performance allocations (\$68K), and finance charges (\$30K), offset by unbudgeted property taxes at Co-Op Place (-\$36K). The actual internal expense variance is \$65K more favourable than projected due to lower than projected utilities (\$99K) and finance charges (\$30K), offset by higher than projected fleet charges (-\$55K).
10. Amortization expense is \$61K favourable due to delayed spending on capital projects.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Renewed all premium seating agreements; successful hiring and on-boarding of seasonal Food & Beverage staff; completion of operational and financial review of Co-op Place; implementation of HotSpot parking at the Esplanade.
- The transition of Spare software for Special Transit has resulted in a 17% increase in riders accommodated compared to the same period in 2022, along with an accompanying cost-per-trip reduction; launch of the Route 56 peak service between Medicine Hat Mall and Strachan Road, with average boardings per hour quickly rising to the middle of the pack across all routes.
- Delivery of 5 successful entertainment experiences at Co-op Place; installation of 5 heritage interpretation signs; 3 successful free Esplanade events (Art in Motion, Pumpkin Smash and Midnight Madness).
- Drafting of vision statement, initial engagement session, and ongoing engagement planning as part of Phase 4 work on the Community Well-Being Plan.

Planned Next Four Months

- Operating model recommendation for Co-op Place to City Council, including analysis and budget request.
- Launch of 12-hr weekday Route 56 service on January 4th, based on the success of Route 56 peak-period service in late 2023.
- Initiation of Special Transit Review, to include Request for Proposal (RFP), stakeholder engagement, best practices review and gap analysis, and a draft policy update.
- Community engagement for the Arts, Heritage, and Entertainment Plan; Hosting George Littlechild exhibition “Here I am-can you see me?”; Community Vibrancy grant intake and adjudication.
- Hiring and commencement of a Community Inclusion Coordinator to advance actions for Walking the Path to Truth and Reconciliation; rollout of an engagement plan and engagement sessions, as a continuation of Phase 4 of the Community Well-Being Plan.

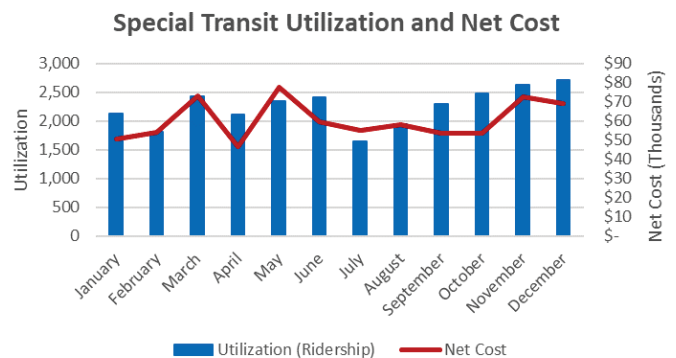
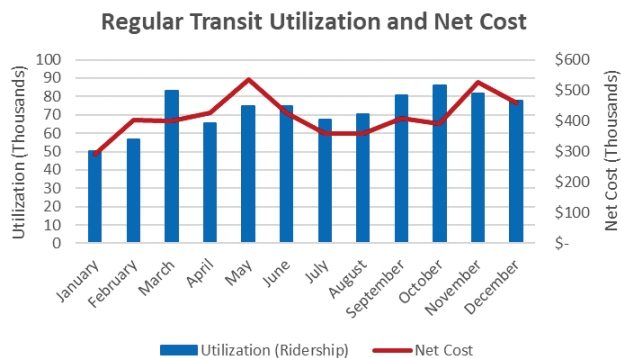
COMMUNITY DEVELOPMENT

For the Period Ended December 31, 2023

Report on Business Plan Goals

<p>Develop Community Well-being Plan</p> <p>Community well-being 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 well-being.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Community Well-being Plan third phase rollout and update to Public Services Committee.
<p>Modernization of Transit Services</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Ridership survey conducted to understand rider priorities and travel habits. Launch of the Route 56 peak service between Medicine Hat Mall and Strachan Road. Continued evaluation and updates to on-demand service as based on ridership numbers.
<p>Develop Arts, Heritage, and Entertainment Plan</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Consultant secured, community engagement underway.

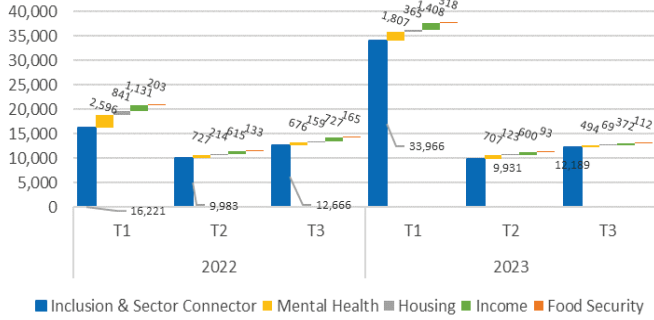
Report on Performance Measures



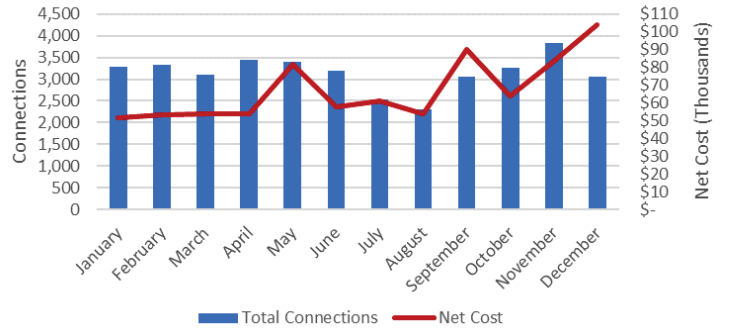
COMMUNITY DEVELOPMENT

For the Period Ended December 31, 2023

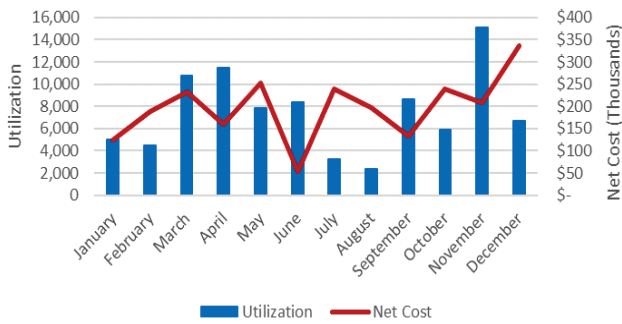
Community Support Connections



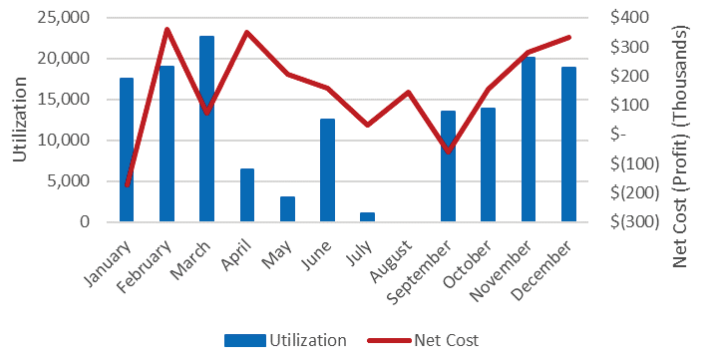
Community Support Connections and Net Cost



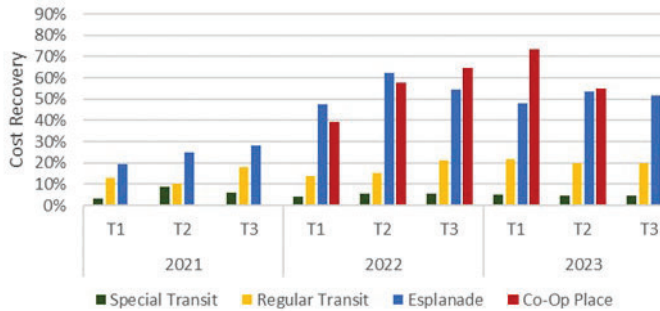
Esplanade Utilization and Net Cost



Coop Place Utilization and Net Cost



Community Development Operating Cost Recovery



OTHER ORGANIZATIONS

For the Period Ended December 31, 2023

(In thousands of dollars)

	2023 Budget	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/23 at Nov 30/23	Projected Actual to Dec 31/23 at Nov 30/23	NOTE
Revenue						
Library	\$ -	\$ 126	\$ 126	\$ 68	\$ 68	1
	-	126	126	68	68	
Expenses						
Library	2,008	2,100	(92)	(48)	2,056	1
Other Organizations	545	498	47	47	498	
	2,553	2,598	(45)	(1)	2,554	
Net Surplus (Deficit) before Internal Cost Allocations	(2,553)	(2,472)	81	67	(2,486)	
Internal Expenses	246	260	(14)	(16)	262	
	(246)	(260)	(14)	(16)	(262)	
Net Surplus (Deficit) before Cash Adjustments	(2,799)	(2,732)	67	51	(2,748)	
Interest Expense	(19)	(18)	1	-	(19)	
Principal	(100)	(100)	-	-	(100)	
Net Cash Surplus (Requirements)	\$ (2,918)	\$ (2,850)	\$ 68	\$ 51	\$ (2,867)	
Net Surplus (Deficit)	\$ (2,918)	\$ (2,850)	\$ 68	\$ 51	\$ (2,867)	

OPERATING NOTES

- Library revenue is \$126K favourable due to the Library repaying the City for higher than budgeted expenses for both 2022 (\$20K) and 2023 (\$105K). Increased expenses (-\$92K) are mainly the result of higher than budgeted wages related to a social worker funded through a grant which was received by the Library. Revenue is more favourable and expenses are more unfavourable than projected mainly due to higher than projected wages throughout December adding to the operating deficit.

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OPEN AGENDA - FEBRUARY 1

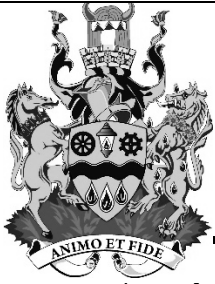
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**OPEN POLICE COMMISSION MEETING AGENDA
WEDNESDAY, FEBRUARY 21, 2024 at 6:00 PM
CITY COUNCIL CHAMBERS**

1. **LAND ACKNOWLEDGEMENT** **6:00 PM – 6:10 PM**
2. **CONFLICT OF INTEREST DECLARATION**
3. **AGENDA**
4. **MINUTES**
 - A. January 17, 2024 Open Meeting
5. **CHIEF’S COMMENDATION & PRESENTATION** **6:10 PM – 6:15 PM**
 - A. Chief’s Commendation – Cst. T. Olenic
 - B. MHPS 125th Anniversary Patch – Mr. G. Van Riper
6. **STANDING ITEMS**
 - A. Chair Report (Chair Jansen) **6:15 PM – 6:20 PM**
 - B. Police Budget Update (Chief Murphy)
7. **OFFICE OF THE CHIEF REPORT**
 - A. Operational Services Report (Inspector Secondiak) **6:20 PM – 6:25 PM**
 - B. Investigation & Support Services Report (Inspector West) **6:25 PM – 6:30 PM**
 - C. Chief’s Report (Chief Murphy) **6:30 PM – 6:35 PM**
8. **NEW BUSINESS**
 - A. Business Cards & Name Tags **6:35 PM – 6:40 PM**
 - B.
9. **ACTION ITEMS**
10. **PRESENTATION – PUBLIC SURVEY RESULTS** **6:40 PM – 6:55 PM**
11. **COMMUNITY CONSULTATION**
12. **UPCOMING MEETINGS**
 - Police Commission Open Meeting – **Wed Mar 20, 2024 at 6:00 PM**
City Council Chambers
 - Police Commission Open Meeting – **Wed Apr 17, 2024 at 6:00 PM**
City Council Chambers
13. **ADJOURNMENT**

**MINUTES OF THE GENERAL MEETING
MEDICINE HAT POLICE COMMISSION
HELD ON WEDNESDAY, FEBRUARY 21, 2024 AT 6:03 PM
CITY COUNCIL CHAMBERS**

PRESENT: Vice Chair S. Scahill
Mr. M. Johnson
Mr. P. Carolan
Mr. K. Serr
Councillor D. Hirsch
Councillor R. Dumanowski
Mr. G. Keen
Chief A. Murphy
Inspector J. West
Inspector B. Secondiak

ALSO: Mrs. R. Sittler
Mr. A. Milne
Mrs. M. Wagner
Mrs. M. Wall

ABSENT: Chair M. Jansen
Ms. G. Dirk
Mrs. E. Robles

1. LAND ACKNOWLEDGEMENT

Vice Chair Scahill read the land acknowledgment.

2. CONFLICT OF INTEREST DECLARATION

Vice Chair Scahill asked for notification of any conflict of interest. None stated.

3. FEBRUARY 21, 2024 AGENDA

Chief Murphy requested to move the Presentation of the Public Survey Results (#10) to follow the Chief's Commendation (#5.C).

Motion to approve the agenda of the February 21, 2024 Open Commission meeting as amended by: Mr. P. Carolan. Seconded by: Councillor Hirsch. Carried unanimously.

4. MINUTES

Motion to adopt the minutes of the Open Commission meeting held January 17th, 2024 as presented by: Councillor Dumanowski. Seconded by: Mr. M. Johnson. Carried unanimously.

5. CHIEF'S COMMENDATION & PRESENTATION

A) Chief's commendation – Cst. T. Olenic

Chief Murphy commended Cst. T. Olenic for his demonstration of situational awareness, quick response and compassion for an event that occurred on January 10, 2024. Cst. Olenic was engaged in his role as a School Resource Officer (SRO) at Medicine Hat High School (MHHS) when he heard a call reporting a single vehicle collision on 7 St SW, in front of MHHS. Cst. Olenic immediately self-deployed to the scene without hesitation.

Cst. Olenic was first on scene and observed the vehicle precariously hung up on a tree stump in the front lawn of a residence with the throttle of the vehicle still engaged. He observed the driver was incapacitated and the doors to the vehicle locked. He

assessed the seriousness of the situation and determined immediate intervention was required for the safety of the driver and to prevent further injury and property damage should the vehicle become dislodged.

Cst. Olenic breached the passenger side window to gain access and turn off the vehicle. He removed the unconscious driver and immediately initiated C.P.R. until EMS arrived and the Traffic units could attend. It was determined that the driver suffered a medical event resulting in his sudden death.

During the traffic investigation, one of the relatives of the deceased arrived on scene, having recognized the vehicle in the collision. Cst. Olenic then moved into a counselling role to tactfully and compassionately communicate the tragic news to the distraught family member, effectively performing an impromptu next of kin notification.

Cst. Olenic is commended for his courage and exceptional decision-making skills in responding to this incident without hesitation, as well as his selflessness and compassion in voluntarily engaging a distraught family member. Chief Murphy thanked Cst. Olenic for his exemplary display of courage and compassion.

B) MHPS 125th Anniversary Patch – Mr. G. Van Riper

In 2023 the MHPS put out a notice to the community of a competition to design a commemorative shoulder patch in honor of the MHPS' 125th Anniversary. After the competition closed, MHPS determined the winning submission was one designed by Mr. G. Van Riper.

Chief Murphy wanted to thank Mr. Van Riper for his work on designing the commemorative shoulder patch in honor of the 125th Anniversary. He presented Mr. Van Riper a plaque showcasing the current crest and the commemorative shoulder patch designed by Mr. Van Riper.

6. STANDING ITEMS

A) Chair Report

No report available.

B) Police Budget Update

Chief Murphy reported that the police service concluded the 2023 year with a negative variance, which is primarily due to retroactive pay settlements from the collective bargaining agreements negotiated by the City. The variance was addressed with a budget amendment approved by City Council in December and it is not expected to carry over into 2024.

7. OFFICE OF THE CHIEF REPORT

Inspector Secondiak spoke to the **Operational Services Report**. He highlighted an incident from the patrols section where officers received a call of an erratic male refusing to leave a business. The subject threatened police with a weapon and refused to comply with police. Officers chose to deploy the less lethal munitions options in order to subdue the subject, allowing police to take him into custody. He was charged with several counts of criminal code charges.

Insp. Secondiak spoke to an incident involving the K9 unit where police responded several times to a family dispute involving an intoxicated male causing a disturbance.

On the final call to the residence, Cst. MacPherson deployed PSD Bronx to search for the subject who fled prior to arrival. PSD Bronx located the male in a park and was arrested after a short foot pursuit. This incident highlights the value of the K9 unit for detection and apprehension work.

Insp. Secondiak reported that the Drug Treatment Court welcomed two new participants to the program. This program is extremely effective; however, it is very difficult for participants to enroll in and complete in entirety due to the intense nature of the program. To date, there have been 3 graduates from the program and police have not had any negative interaction with these individuals since completing the program.

Inspector West spoke to the **Investigative and Support Services Report**. He noted that all staff were assigned to complete the online Cultural Awareness and Humility Course, provided by the Canadian Police Knowledge Network.

Insp. West highlighted an ALERT file that targeted drug trafficking in the downtown core. The operation began in December 2023 and concluded on January 31, 2024 resulting in 10 subjects that were formally arrested and charged with approximately 50 counts of trafficking, possession for the purpose of trafficking and / or other criminal code charges.

Insp. West spoke to a Major Crimes Unit file where officers responded to a report of an armed robbery in Crescent Heights. Through some good old-fashioned police work, the investigation resulted in a 55-year-old male being arrested and charged with Armed Robbery along with several other criminal code charges.

Chief Murphy had nothing to add to the **Chief's Report**.

8. NEW BUSINESS

A. Business Cards & Name Tags – tabled to next meeting.

9. ACTION ITEMS

None.

10. PRESENTATION – PUBLIC SURVEY RESULTS

Mr. Milne thanked the commission for the opportunity to present the results from the public survey that was conducted in Fall 2023. He explained the parameters of the telephone-based survey and how they worked closely members of MHPS to ensure pertinent questions were asked on the survey. Mr. Milne explained that Framework uses a rating system of 1 to 7 as it encourages respondents to carefully consider their opinion for the question posed.

The margin of error is within 5% 19 times out of 20. Mr. Milne explained that they spoke to >1% of households in Medicine Hat and the sample mirrors the Alberta population.

Mr. Milne presented the findings of the survey. The top 3 strength findings of the survey concluded the following:

- Performance of the MHPS remains strong, despite this number dropping in 2023. There are external factors that contributed to this drop (i.e. economic uncertainty and the opioid crisis).
- Perception of police personnel conduct while performing their duties is strong.

Perceptions of police are informed by many factors and there is a correlation between general satisfaction being above 79% when factors such as efficiency, visibility or reliability are mentioned by respondents.

- Involvement of police officers with their community & citizens is also strong with a score of 83%. Being knowledgeable, professional and meeting expectations have continuously high scores.

Mr. Milne proceeded to share the top 3 areas to watch:

- Recommendations for improvement include having trust in the police service, feeling safe in Medicine Hat and knowledge and professionalism. There is some correlation between overall satisfaction and demographics.
- Public perceptions regarding safety and security in the community was scored at 70%. The areas of Medicine Hat where people feel uncomfortable going are downtown and the flats area. The level of not being comfortable has increased significantly since 2021.
- Communications with the community has dropped to 55% and this may be due to lack of awareness rather than actual communications.

11. COMMUNITY CONSULTATION

Nothing to report.

12. UPCOMING MEETINGS

Wednesday Mar 20, 2024 at 6:00 PM (Chambers)

Wednesday Apr 17, 2024 at 6:00 PM (Chambers)

13. ADJOURNMENT

Vice Chair Scahill declared the meeting adjourned at 7:04 PM.



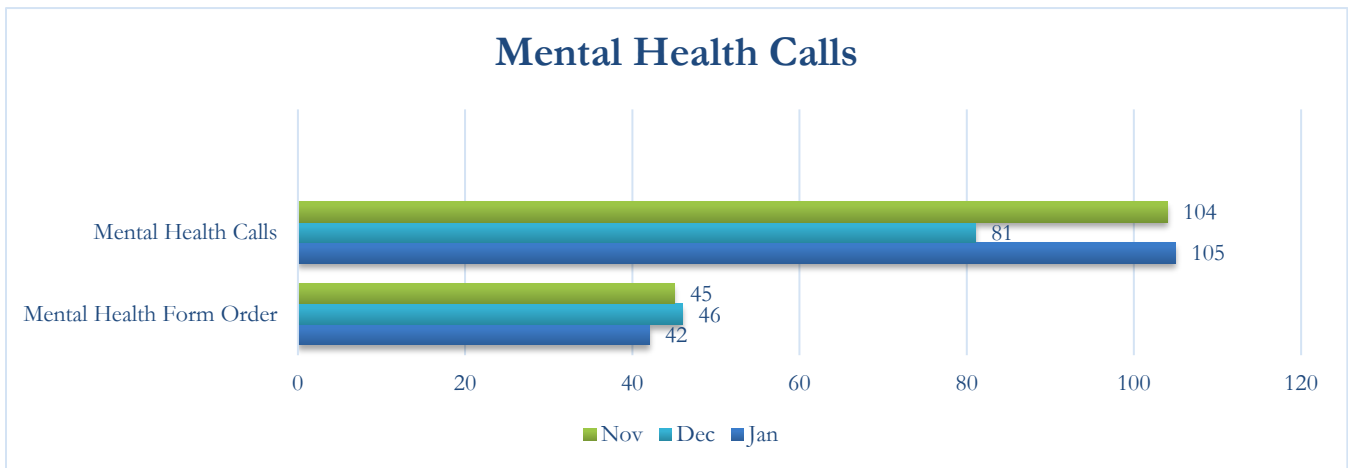
OFFICE OF THE CHIEF REPORT TO POLICE COMMISSION

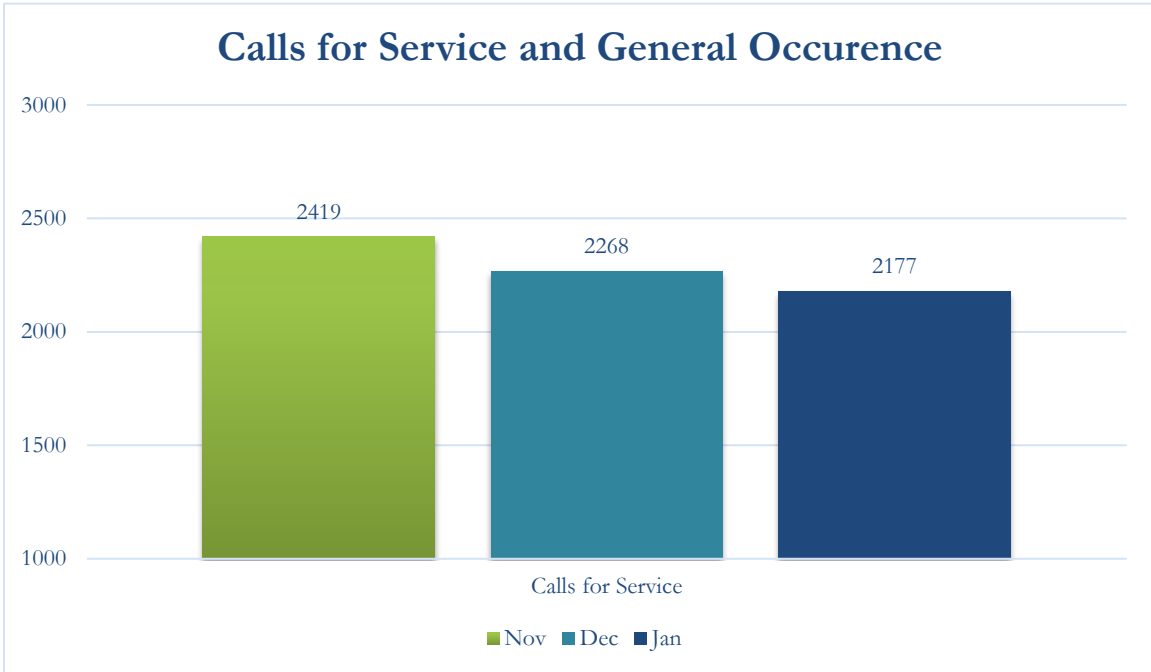
REPORT FOR JANUARY 2024
PUBLISHED FEBRUARY 2024

CHIEF'S REPORT

- Met with the newly appointed Police Commission members to familiarize them with the process for their first meeting.
- The service hosted the MHPS 125th Anniversary Celebration at the Cypress Center.
- Met with the City Clerk, Larry Randle, to discuss the Police commission voting process.
- Officiated over the swearing-in ceremony for the new MHPS/Blood Tribe Police Service cadet class.
- Officiated over the swearing -in ceremony for several new MHPS Auxiliary members.
- Met with the Executive of the newly formed Police Review Commission to ensure the MHPS had a voice in the ongoing development of the program.
- Met with the President of Medicine Hat College to discuss opportunities for future partnerships.
- Hosted the Executive of the newly formed Grande Prairie Police Service to assist with building their police service.
- Attended the Mayor's State of the City luncheon hosted by the chamber of Commerce.
- Met with the AHS Director for Public Health to discuss future partnerships.
- Attended a quarterly meeting with Mayor Clark to discuss issues related to our downtown.
- Met with City of Medicine Hat Managing Director of Development and Infrastructure, Pat Bohan, to discuss ongoing initiatives.

OCCURRENCES





January saw a decline in break and enters in general, however there was an increase to residential and attached garage break and enters. There were two series occurring in the county and into the City of Medicine Hat which are believed to be completed by the same offenders. These occurrences remain under investigation.

OPERATIONAL SERVICES HIGHLIGHTS

PATROL SECTION

- Patrol Officers received a call from a business in the 1800 block of Strachan Rd SE. There was an erratic male in the business refusing to leave. The 23-year-old male was located near the area and threatened police with a weapon.

The male refused to comply with police and was subdued with several less lethal munitions yet continued to try and evade police who were pursuing the subject. After a short distance, the effects of the deployment took effect allowing officers to take the male into custody. The male was charged with assault with a weapon, possession of a weapon dangerous to the public peace, possession of stolen property and breach of probation.

- A Patrol Officer observed a male breaking into a closed convenience store located in the 700 Block of Redcliff Dr SW. The 24-year-old male suspect was taken into custody without incident and charged accordingly.
- A 27-year-old repeat offender contacted Medicine Hat Fire Emergency Services 9-1-1 Centre on 49 occasions between January 8 and January 9, 2024. The vexatious nature of his calls interfered with the 9-1-1 Centre ability to effectively provide their essential service. The accused was arrested and charged with Harassing Telephone Calls.

K9

Deployment Types	November	December	January
Track	1	3	3
Building Search	2	1	-
Area Search	-	-	1
Direct Apprehension	1	-	-
Demo	-	2	-
Total Calls for Service*	4	6	4

*Some calls for service may involve multiple deployment types (building search/area search, track/evidence search, etc.)

- Police responded multiple times to a family dispute at a residence in Ross Glen. A male subject of that household was intoxicated by alcohol and causing a disturbance and damaging property, and at times posing a risk to the safety of the other family members, before running away each time police responded. On the final call to the residence, Cst. MacPherson deployed PSD Bronx to search for the subject who fled prior to arrival. PSD Bronx located the male in a park area. The male fled on foot from police and was arrested after a short foot pursuit. No K9 contact, no injuries.

- Police responded to Strathcona Park after a subject threatened suicide and fled on foot from a family member's car into the woods. Cst. MacPherson and PSD Bronx attended and located a human scent track, which led to the subject. The subject was apprehended under the Mental Health Act and transported to hospital for treatment. No K9 contact, no injury.
- Members of the K9 Unit completed their selection of our newest Police Service Dog (PSD) 14-month-old PSD Frezer. The dog has been teamed up with Cst. Guerra, who began his pre-training under the guidance of the Edmonton PS trainers and Sgt. White.

COMMUNITY SUPPORT UNIT (CSU)

SCHOOL RESOURCE OFFICERS

SRO Statistics	November	December	January
Violence Threat Risk Asses. (VTRA)	1	1	0
Informal Contacts – School Staff/Admin/Out Agency	386	299	509
Informal Contacts - Students	978	657	1013
Parent Contacts	53	36	60
In School Sanctions/warnings	16	10	14
Criminal Code Charges	0	0	0
Police Reports (Non-Charge)	11	10	15
Follow up reports	9	9	10
Tickets	0	3	0
After Hours School Activity	3	0	1
Presentations – School & community	27	10	6
Meetings	42	20	25
Total Duties	1527	1045	1653

- An SRO was made aware of a collision in front of their school. The SRO attended to the vehicle, made entry by breaking a window, made the vehicle safe, and attempted lifesaving first aid/CPR to the driver.

CALL CENTRE

Type	November	December	January
Number of Citizen Contacts	965	739	1026
Required officer advice only	320	249	322
Required reports generated by officer	165	140	193
Calls Routed to Patrols	10	9	13
Criminal Charge Sign-ins	13	18	21
Front counter walk-ins	390	271	395
Other Duties (SORCA/VTRA/Warrant executions, etc.)	67	52	82
Walk Ins for Reception (not counted in total duties)	518	327	408

DOWNTOWN PATROL UNIT (DPU)

Type	November	December	January
Persons Based	1	1	1
Property Based	11	6	6
Mental Health/Well Being Check	7	2	5
Drug/ Alcohol Related	2	3	1
Assistance Request	8	2	7
Suspicious Activity	7	7	4
Unwanted Guest	20	16	16
Weapon Offenses	0	0	0
Offender Accountability	3	0	0
Other	1	7	1
TOTAL	60	44	41

The Medicine Hat Drug Treatment Court welcomed two new participants to the program, bringing the total number to 10.



TRAFFIC UNIT

Impaired Driving	November	December	January
IRS Caution	8	*	8
IRS Fail	14	4	7
IRS Novice	2	1	0
Refusals	4	*	1
IRS Suspended Drivers	11	*	0
IRS 24 HR Suspensions	0	*	0
IRS Commercial	0	*	1

* Due to Holiday Season Impaired Driving Initiatives statistics were collected for those purposes. See January Report for specifics.

- The following testing was completed by Traffic members during their impaired driving investigations in January 2024:
 - i. Drug Recognition Expert analysis – 2
 - ii. Standard Field Sobriety Testing Roadside – 2

FORENSIC IDENTIFICATION UNIT (FIU)

FIU Statistics	November	December	January
Forensic Based Reports	125	133	127
Scenes Attended	18	10	22
Exhibits Processed-Latent Impressions & DNA	86	73	87

MUNICIPAL ENFORCEMENT SECTION

Calls for Service	November	December	January
Animal Control	93	73	101
Road Safety	114	75	148
Noise	3	6	8
Property Standards	8	13	7
Found Property	50	41	21
Officer Initiated Calls	58	34	33
Homeless Encampments	15	6	3
Aggressive dog calls	4	2	2
Fingerprints	74	79	75
Document Services	65	54	39
Total Calls	345	250	323

INVESTIGATION & SUPPORT SERVICES HIGHLIGHTS

ADMINISTRATIVE SERVICES SECTION

TRAINING UNIT

- All staff were assigned to complete the Cultural Awareness and Humility Course, provided online by the Canadian Police Knowledge Network.
- One member of MHPS's Alberta Law Enforcement Response Team (ALERT) attended a Civil Forfeiture and Money Laundering Course in Edmonton. This member has been designated as MHPS's gatekeeper and liaison for all civil forfeitures - which is when the

province confiscates assets, being either the proceeds of crime or the instrument of crime. The resources forfeited are used to fund victim compensation, crime prevention and crime remediation programs.

INFORMATION TECHNOLOGY (IT) SECTION

- The IT Section implemented the Servers & Storage refresh project, and Business Intelligence capability, Records Management System upgrade along with several other initiatives.
- Several dashboards are being developed for easy access to a variety of areas across the Service. These dashboards will allow data to be used more effectively and efficiently.
- A new subscription-based security software contract was put in place. This will result in an improvement in security and align with other subscription-based operational software.

PROFESSIONAL STANDARDS UNIT

ACTIVE FILES

	Total Files	Originated in 2024	Originated 2023	Originated 2022 or Earlier	Status:	
Police Act / Peace Officer Investigations	19	1	9	10	Initial Inquiries	1
					Abeyance	2
					Active Investigation	17
					LERB Review	0
	Total Files	Originated in 2024	Carried over from 2023	Carried over from 2022 or Earlier		
Criminal/ Statutory	0	0	0	0		

ORGANIZED CRIME SECTION

ALBERTA LAW ENFORCEMENT RESPONSE TEAMS (ALERT)

In December 2023, in response to the escalating opioid crisis and surge in drug overdoses within the community, Medicine Hat ALERT launched a focused investigation on drug trafficking in the downtown core. After identifying a network of drug traffickers, the operation was initiated with the objective of dismantling these networks.

The following items were purchased during undercover operations:

- 5.49 grams of methamphetamine
- 2.32 grams of fentanyl
- 8 Dilaudid pills
- The total street value of the drugs purchased is estimated at \$874.

On January 31st, members of Medicine Hat ALERT with the assistance of members of the Medicine Hat Police Service Operations Section concluded this investigation. A Search Warrant was authorized and executed on a local hotel room registered to a 48-year-old female and a 40-year-old male. The following items were seized during this search:

- 199 grams of methamphetamine
- 132 grams of fentanyl
- 19 grams of cocaine
- 53 Dilaudid pills
- \$4000 cash
- Packaging, scales, ledgers
- The total street value of the drugs seized is estimated at \$40,277

Charges and Arrests: As a result of this investigation 10 subjects have been formally arrested and charged with approximately 50 counts of trafficking, possession for the purpose of trafficking, and / or other criminal code charges.

SERVICE DIGITAL EVIDENCE COLLECTION

ACTIVITY	November	December	January
Devices Analyzed	8	9	9
Advanced Acquisitions (Gray Key)	3	8	8
Assist files	4	3	3

VICTIM ASSISTANCE (VA) UNIT

VA Statistics	November	December	January
Opened Files	144	122	92
In Station Assist to CFS or Police	15	12	20
Crisis Incident Response	18	5	10
Drop-in Services	3	0	2
Court Support / In Station (Mulder)	7	12	18
Court Orientation/Support	446	521	593
People Helped	82	73	98
Community Referrals	201	197	177

- Victim Assistance (VA) was requested by Redcliff Victim Assistance to assist with court support during a homicide trial. Two volunteers, one staff member and our Facility Dog Athena provided support during the 10-day trial as well as VA provided support at the courthouse during the decision.

CRIMINAL INVESTIGATIONS SECTION (CIS)

MAJOR CRIMES UNIT

Officers responded to a report of an armed robbery at a convenience store located in the 500 block of Rutherford Street NW. The investigation revealed that a lone male entered the store, brandished a weapon, and made off with an undisclosed amount of cash. The MHPS Criminal Investigation Section assumed the investigation and arrested and charged a 55-year-old male with the following: Armed Robbery, Possession of a Weapon Dangerous to the Public Peace, Wear a Disguise with Intent to Commit an Indictable Offence, and Assault with a Weapon.

FAMILY CRIME UNIT (FCU)

Family Crime Unit Activity	November	December	January
New Investigations	0	4	6
Child Forensic Interviews	5	1	5
Charges laid	2	0	1

SAFE FAMILIES INTERVENTION TEAM (SFIT)

Domestic Related Calls	November	December	January
Domestic Related calls for Service	19	35	33
Domestic Related Charge Files	3	12	4
Domestic Disputes	53	42	42
Domestic Dispute Charge Files	13	2	11
Total Calls	141	125	141
Total Charges	16	15	17

**MINUTES OF THE MUNICIPAL PLANNING COMMISSION
MEETING HELD ON WEDNESDAY, APRIL 3, 2024
AT 1:30 P.M. IN CITY HALL, COUNCIL CHAMBERS**

MEMBERS PRESENT: Chair, Councillor A. McGrogan
C. Cuthbertson
R. Simpson
P. Vanderham
J. Wilson
J. Wick

STAFF PRESENT: R. Sissons, Manager of Planning, P&DS
J. Popoff, City Planner, Director, P&DS
S. Moses, Planning Officer, P&DS
R. Arabsky, Planning Officer, P&DS
K. Eden, Executive Assistant, Executive Services

NOT PRESENT: Councillor S. Sharps

1. **CALL TO ORDER**

2. **INTRODUCTION**

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

3. **ADOPTION OF MINUTES**

THAT THE MINUTES OF FEBRUARY 21, 2024 BE ADOPTED AS PRESENTED.

CARRIED

4. **LAND USE BYLAW AMENDMENT(S)**

4.1 BYLAW NO. 4813, A BYLAW OF THE CITY OF MEDICINE HAT TO AMEND BYLAW NO. 4168, THE LAND USE BYLAW TO REZONE 512, 517, 625 AND 650 13 STREET SE TO BUSINESS INDUSTRIAL DISTRICT (I-B).

Moved by P. Vanderham, seconded by R. Simpson

IT IS RECOMMENDED THROUGH THE MUNICIPAL PLANNING COMMISSION THAT CITY COUNCIL APPROVE BYLAW NO. 4813 – TO AMEND BYLAW NO. 4168 TO REZONE 512, 517, 625 AND 650 13 STREET SE THE FROM MIXED USE DISTRICT (MU) TO BUSINESS INDUSTRIAL DISTRICT (I-B).

CARRIED

- 4.2 BYLAW NO. 4818, A BYLAW OF THE CITY OF MEDICINE HAT TO AMEND BYLAW NO. 4168, THE LAND USE BYLAW TO REZONE 640 CLAY AVENUE SE TO BUSINESS INDUSTRIAL DISTRICT (I-B).

Moved by R. Simpson, seconded by C. Cuthbertson

IT IS RECOMMENDED THROUGH THE MUNICIPAL PLANNING COMMISSION THAT CITY COUNCIL APPROVE BYLAW NO. 4818 – TO AMEND BYLAW NO. 4168 TO REZONE 640 CLAY AVENUE SE FROM HISTORIC CLAY DISTRICT (HC) TO BUSINESS INDUSTRIAL DISTRICT (I-B).

CARRIED

5. **DEVELOPMENT PERMITS APPROVED BY THE DEVELOPMENT OFFICER**

THAT THE REPORT OF DEVELOPMENT PERMITS APPROVED BY DEVELOPMENT OFFICERS DURING THE PERIOD FEBRUARY 12, 2024, TO MARCH 24, 2024 BE RECEIVED FOR INFORMATION.

CARRIED

6. **NEXT REGULAR MEETING** – April 17, 2024

7. **ADJOURNMENT** – The Chair declared the meeting adjourned at 1:57 p.m.

Adopted by the Municipal Planning Commission on April 17, 2024.

CHAIR

Development Permits Approved February 12-18, 2024

Type	Permit Number	Approval Date	Address	Proposal
Home Business - Minor				
	PLDP20230909	02/12/2024	14 SOUTHVIEW CRT SE	MOBILE BUSINESS UNIT (PHYSIOTHERAPY)
	PLDP20230897	02/12/2024	549 B PRINCESS AVE SE	DELIVERY SERVICE
	PLDP20240028	02/12/2024	5 SUNSET CRES SW	BOOKKEEPING
	PLDP20240059	02/12/2024	95 SIERRA DR SW	EXEMPT PROFESSIONAL (SOCIAL WORKER)
	PLDP20240060	02/14/2024	354 16 ST NE	GENERAL CONTRACTOR/PROJECT MANAGER
	PLDP20240083	02/14/2024	221 7 ST SE	CONSULTANT(FINE ART)
	PLDP20240080	02/14/2024	922 HOLT CRES NE	SAFETY SERVICES AND SUPPLIES
Subtotal				5
Residential Accessory Building				
	PLDP20240078	02/14/2024	480 7 ST NW	GARAGE
Subtotal				1
Count				5

Development Permits Approved February 19-25, 2024

Type	Permit Number	Approval Date	Address	Proposal	
Home Business - Minor					
	PLDP20240072	02/20/2024	11 EWART CRES SE	GENERAL CONTRACTOR/PROJECT MANAGER	
	PLDP20240077	02/20/2024	32 CLELLAND CRES S	REFRIGERATION AND AIR CONDITIONING	
	PLDP20240084	02/20/2024	578 12 ST NE	ELECTRICIAN	
	PLDP20240022	02/21/2024	1272 PARKVIEW DR NE	CONSULTANT (BUSINESS MODELING)	
	PLDP20240090	02/22/2024	798 4 AVE NE	PROJECT MANAGER /GENERAL CONTRACTOR(REALTOR)	
	PLDP20240096	02/24/2024	56 ROSS GLEN GREEN SE	JANITORIAL SERVICES	
	Subtotal				6
Change of Use					
	PLDP20240092	02/20/2024	753 15 ST SW	CHANGE OF USE (MOTOR VEHICLE SERVICE STATION)	
	PLDP20240085	02/21/2024	140 MAPLE AVE SE	CHANGE OF USE (OFFICES)	
	PLDP20240079	02/21/2024	511 4 AVE NE, Unit:120	CHANGE OF USE(HEALTH CARE OFFICE)	
	Subtotal				3
Residential Accessory Building					
	PLDP20240064	02/20/2024	84 SUNSET CRES SW	GARAGE WITH REAR SETBACK VARIANCE.	
	Subtotal				1
	Count				10

Development Permits Approved Feb 26 - Mar 3, 2024

Type	Permit Number	Approval Date	Address	Proposal
Home Business - Minor	PLDP20240093	02/26/2024	262 CARRY DR SE	JANITORIAL SERVICES
	PLDP20240069	02/28/2024	329 11 ST SE, Unit:4	ONLINE SALES (CLOTHING)
	PLDP20240063	02/28/2024	814 9 ST SE	ONLINE SALES (BIO-ORGANICS)
	PLDP20240019	03/01/2024	303 HAMPTONS WAY SE	PERSONAL CARE AID
	PLDP20240076	03/01/2024	32 CASTELANI CRES SE	FOOT CARE - EXEMPT PROFESSIONAL
	PLDP20230944	03/01/2024	19 CHINOOK PL SW	EXEMPT PROFESSIONAL (PSYCHOTHERAPY)
Subtotal				6
Change of Use				
	PLDP20240094	02/27/2024	221 4 AVE SE;	CHANGE OF USE (OFFICES).
Subtotal				1
Count				7

Development Permits Approved March 4-10, 2024

Type	Permit Number	Approval Date	Address	Proposal
Home Business - Minor				
	PLDP20240101	03/04/2024	15 SUNRISE CIR SW	SEPTIC TANKS
	PLDP20240105	03/06/2024	364 SHEPHERD CRES SE	JANITORIAL SERVICE
Subtotal				2
Sign				
	PLDP20240120	03/07/2024	301 SPENCER ST SE	PORTABLE SIGN
Subtotal				1
Count				3

Development Permits Approved March 11-17, 2024

Type	Permit Number	Approval Date	Address	Proposal	
Change of Use					
	PLDP20240108	03/11/2024	81 BRIER ESTATES WAY NW	CHANGE OF USE (MOTOR VEHICLE SERVICE STATION)	
	PLDP20240139	03/14/2024	1820 STRACHAN RD SE, Unit:104	CHANGE OF USE (RESTAURANT)	
	Subtotal				2
Home Business - Minor					
	PLDP20240123	03/12/2024	65 SUNWOOD CRES SW	PHOTOGRAPHY AND EQUIPMENT	
	PLDP20240118	03/12/2024	36 ELLIOTT ST SE	CONSULTANT (SOFTWARE DEVELOPMENT)	
	PLDP20240117	03/12/2024	2658 BURTON PL SE	BAKERY	
	PLDP20240131	03/12/2024	395 VISTA DR SE	SOLAR DESIGN AND INSTALLATION (ELECTRICIAN)	
	PLDP20240114	03/13/2024	520 D WOODMAN AVE SE	SILKSCREENING/EMBROIDERY	
	Subtotal				5
Swimming Pool/Hot Tub					
	PLDP20240145	03/14/2024	17 ROSSMERE WAY SE	SINGLE DETACHED HOUSE (IN GROUND SWIMMING POOL)	
	Subtotal				1
	Count				8

Development Permits Approved March 18-24, 2024

Type	Permit Number	Approval Date	Address	Proposal
Home Business - Minor				
	PLDP20240143	03/18/2024	169 SOMERSIDE RD SE	GENERAL CONTRACTOR / PROJECT MANAGER
	PLDP20240098	03/18/2024	261 CAMERON RD SE	ELECTRICIAN
	PLDP20240142	03/20/2024	65 COOPER RD SE	WINDOW CLEANING / PRESSURE WASHING
	PLDP20240151	03/20/2024	1255 YUILL ST SE	ADMINISTRATIVE CONSULTANT
	PLDP20240154	03/20/2024	1664 26 ST SE	JANITORIAL SERVICE
	PLDP20240110	03/20/2024	2599 THOMPSON CRES SE	COMPUTER NETWORKING/MONITORING
	PLDP20240057	03/22/2024	176 SPRUCE CLOSE SE	TRUCKING
	PLDP20240133	03/22/2024	11 ROSSMERE CLOSE SE	GENERAL CONTRACTOR/PROJECT MANAGER
Subtotal				8
Change of Use				
	PLDP20240082	03/19/2024	419 NORTH RAILWAY ST SE	CHANGE OF USE (COMMUNITY SOCIAL SERVICE)
	PLDP20240157	03/19/2024	734 15 ST SW	CHANGE OF USE (INDUSTRIAL SUPPORT SERVICES)
	PLDP20240171	03/20/2024	328 SOUTH RAILWAY ST SE	CHANGE OF USE(HEALTH CARE OFFICE)
Subtotal				3
Commercial/Industrial/Institutional				
	PLDP20240147	03/20/2024	880 A 2 ST SE	COMMERCIAL DEVELOPMENT (ACCESSORY USE)
	PLDP20240166	03/20/2024	3195 13 AVE SE	CHANGE OF USE (RETAIL & CONSUMER SERVICES)
Subtotal				2
Backyard Suite				
	PLDP20240061	03/20/2024	525 6 ST SE	BACKYARD SUITE
Subtotal				1
Count				14



MEDICINE HAT POLICE SERVICE

Serving and Protecting with Pride

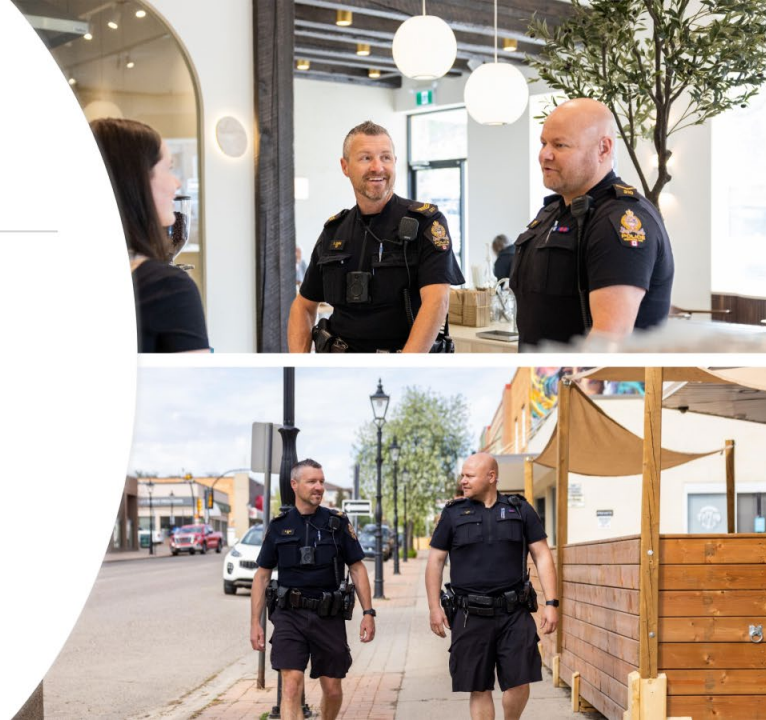
2024 MHPS Downtown Strategic Plan



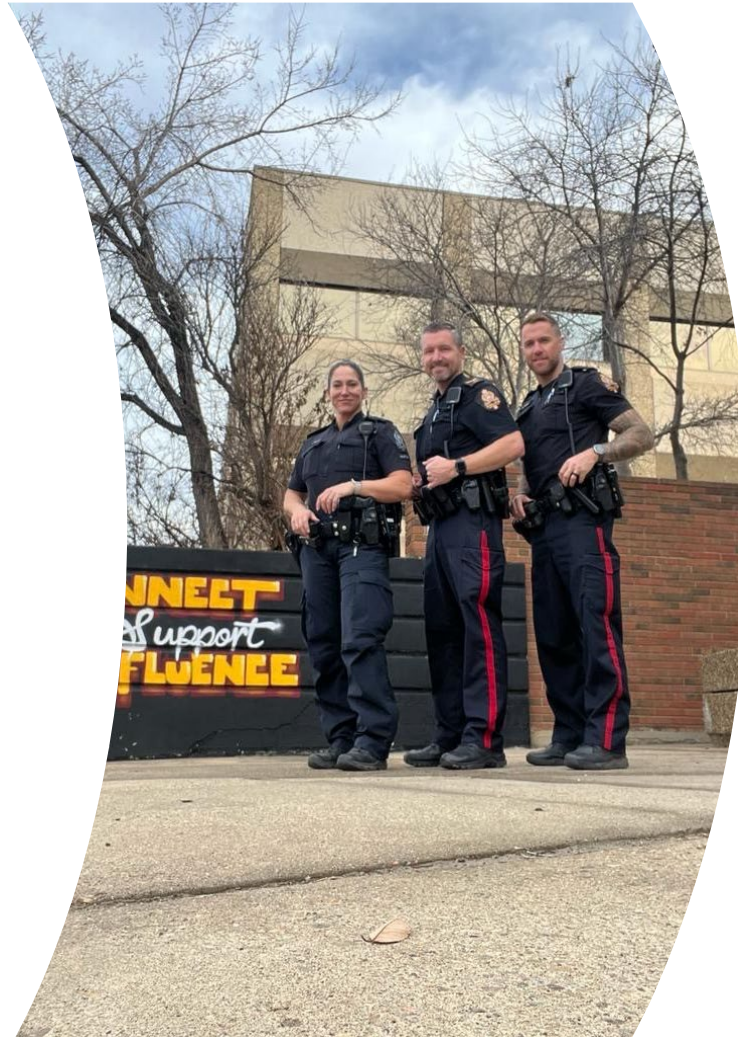
The Downtown Patrol Unit

Downtown Patrol Unit Mission

- Enhance the safety and promote a welcoming atmosphere in the downtown core

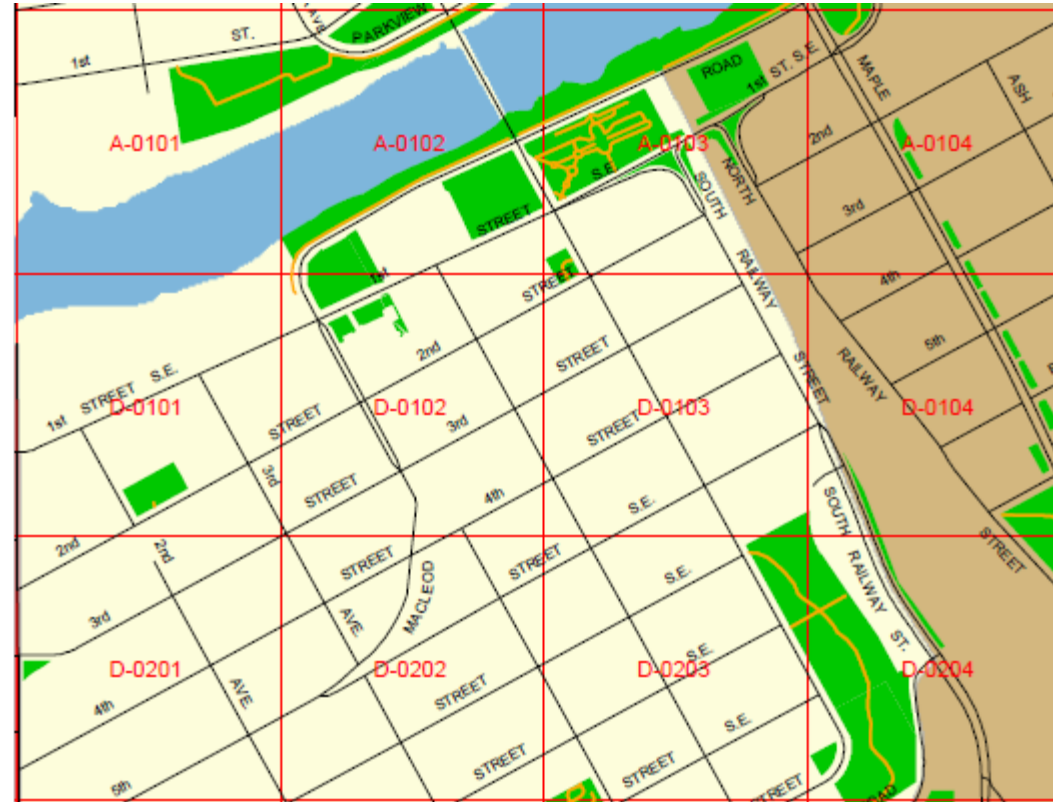


Sgt Brian Bohrn,
Cst Mitch Young,
Cst Lisa Gervais,
& Amber Thomson
Analyst



Area of Responsibility

3 Ave SE to North Railway St SE,
River Rd SE to 5 St SE



DPU Mandate

- Operational policing
- Community engagement
- Problem solving
- Community Partnerships
- Relationships



When should you contact the DPU?



- Emergency
- Need an officer today?
 - Call non-emergency number
 - Call or text DPU members



What are the main issues/concerns?

- Suspicious person(s)
- Unwanted Guest(s)
- Found Property
- Check the Well-Being
- Mental Health Concerns



Challenges

- Weather conditions
- Client readiness for change
- Housing disruption



Underlying Issues

- Mental Health
- Addiction
- Housing Instability

*Not unique to Medicine Hat



Crime Prevention Through Environmental Design

- DPU trained
- Identify issues
- Property analysis
- Normal users, abnormal users, observers (residents)
- Prevention of crime through access control and surveillance



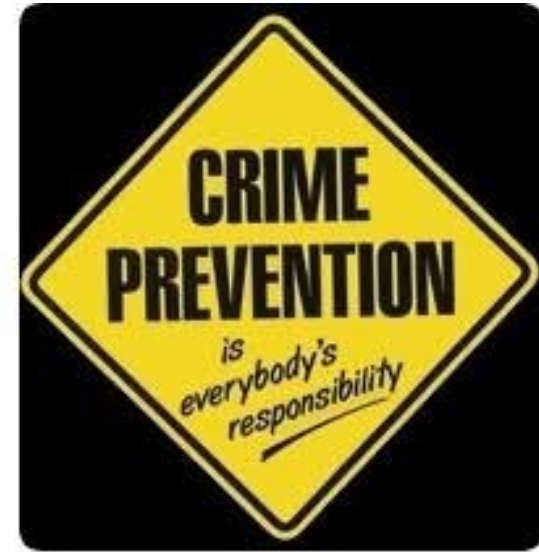
Ways to Protect Yourself

- Report all suspicious and unusual activity
- “Buddy system”
- Safe parking
- Restrict Access



Common Ways to Protect Your Property

- Report all suspicious & unusual activity
- Add lighting to dark areas
- Eliminate enclosure/gathering areas
- Shut off power to exterior electrical receptacles when not in use



© dak



Success...



- Contact with over 220 shops and services
- Bus Terminal loitering reduced- **security guards hired April 2022**
- Building relationships with numerous Social Service Agencies
- Building relationships with clientele - mutual respect
- Success stories: Housing, new businesses to area
- Police and Crisis Team (PACT)
- Alberta Health Services Outreach Team



2024 Downtown Strategic Plan

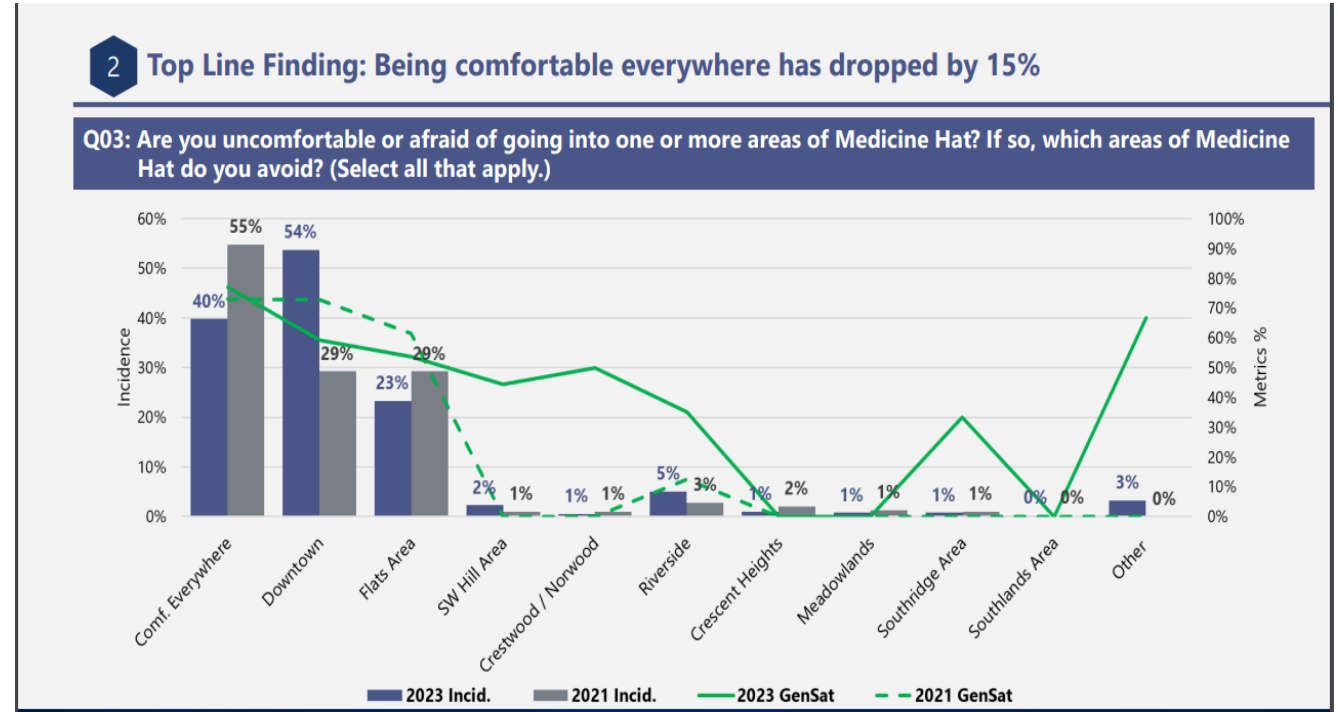
- Goals
- Safe and Vibrant downtown:
 - Fear of crime is reduced
 - Actual criminal offences are reduced
 - Greater awareness of roles and responsibilities of partner agencies
 - Ability to augment future plans based on results



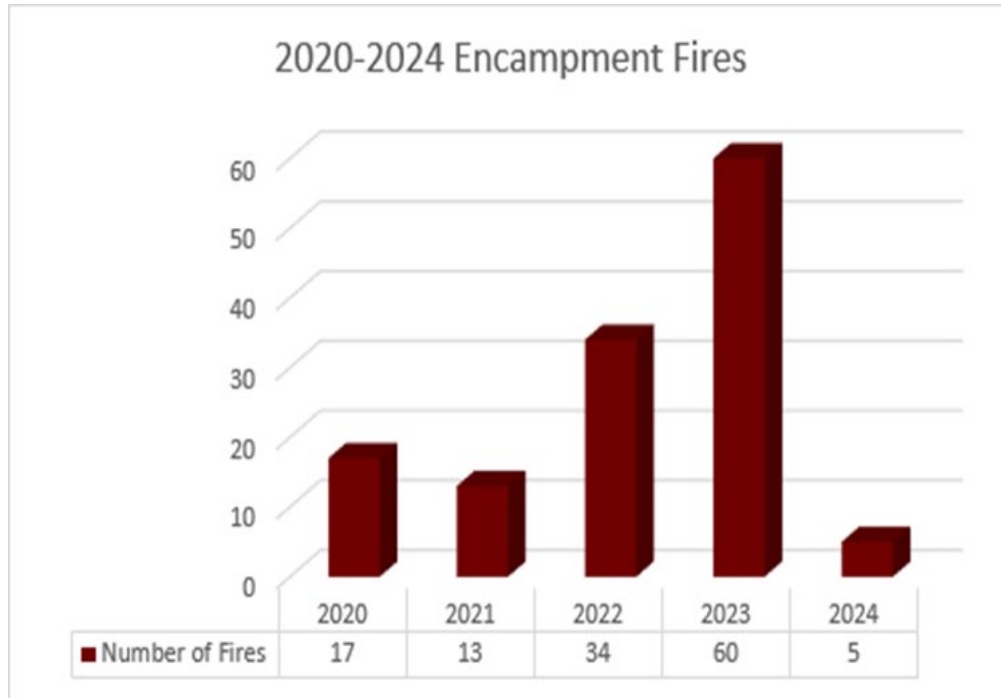
2023 Public Survey

The Downtown core of Medicine Hat continues to be a location where the community feels uncomfortable in attending.

Several factors influence this result including homelessness issues



Stakeholder concerns



- Medicine Hat Fire Service
 - Dramatic increase in fire calls at encampment locations
 - Dangerous scenarios with accelerants in dry conditions
- Parks and Recreation
 - Increase in encampment response
 - Increase in costs due to clean ups.

Strategies and Tactics (Overview)



- Strategy 1
 - Increase pro-active enforcement and community presence
- Strategy 2
 - Intelligence Gathering
- Strategy 3
 - Crime prevention and Deterrence
- Strategy 4
 - Ensure public confidence
- Strategy 5
 - Offender Accountability

Strategy 1

Increase pro-active enforcement and community presence

- Creation of P.E.A.C.E Team
 - Proactive Engagement and Community Enhancement Team
 - Collaboration with:
 - **MHPS Municipal Enforcement**
 - **Medicine Hat Fire Service**
 - **Community Housing**
 - **Parks and Recreation Department**
 - **Alberta Health Services**
 - **Miywasin Center**
- Identification of homeless encampments and those living outdoors:
 - Education
 - Supports
 - Safety
 - Assistance



Strategy 2

Intelligence gathering

- MHPS analyst
 - Analyze records for criminal activity
 - Disseminate information specific to downtown core
 - Tactical Intelligence meetings
- Street Operations
 - Record warnings and diversions



Strategy 3

Crime prevention and deterrence

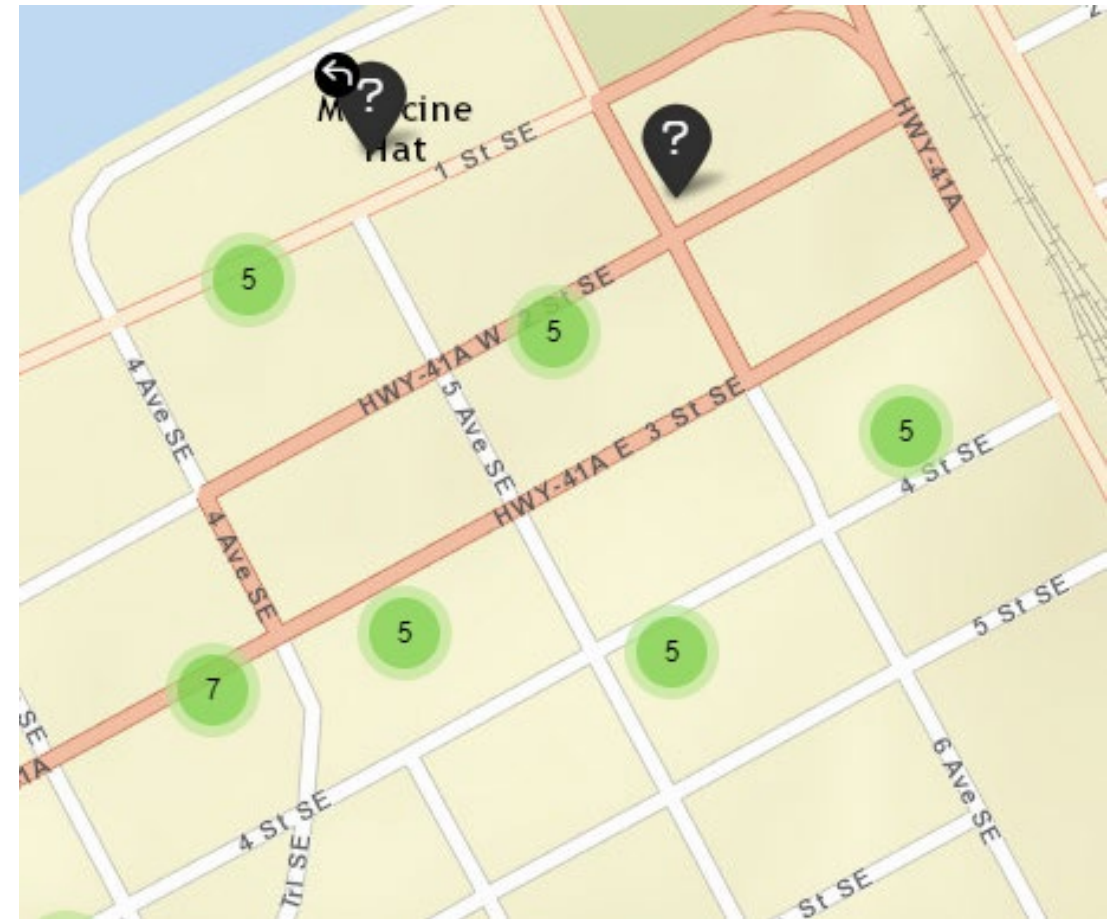
- Directed patrols
 - Based on intelligence
- Policing Plans
 - Policing plan for problem locations
- CPTED utilization
 - CPTED plans for requested or problem locations
- Public safety camera
 - Overt camera in identified locations (capital request)



Strategy 4

Public Confidence

- **Collaborative Presence in the downtown core**
 - Partner agencies involved in downtown foot patrols
 - Auxiliary Constables assigned to DPU for spring and summer months
- **Solicitation of Intelligence**
 - Generating new intelligence
 - Ease of data capture
 - Door to door inquiries



Strategy 5

Offender Accountability

- High risk individuals
 - Bail hearing packages created for identified “high risk” / “high frequency” persons involved in criminal behaviour
- Zero tolerance
 - Strict measures and zero tolerance for breaches of court-imposed bail conditions
- Reduce recidivism



Questions?



From: [Linnie Clark](#)
To: [Larry Randle](#); [COUNCIL](#)
Cc: [Ann Mitchell](#)
Subject: Written Inquiry for inclusion on the March 4, 2024 City of Medicine Hat Open Regular Council Meeting Agenda
Date: February 20, 2024 3:06:59 PM
Attachments: [image001.png](#)

Re: Written Inquiry for inclusion on the March 4, 2024 City of Medicine Hat Open Regular Council Meeting Agenda

Pursuant to Section 6.4(a) of the *Procedure Bylaw*, Bylaw No. 4725, I am providing this Written Inquiry for the following information, to be included on the March 4, 2024 Open Regular Meeting Agenda.

1. For each of the years 2020, 2021, 2022, and 2023:
 - a. the number of City employees paid or reimbursed for living expenses;
 - b. for each employee (by job title or position) paid or reimbursed for living expenses:
 - i. the duration for which they were paid or reimbursed for living expenses;
 - ii. the itemized living expenses for which they were paid or reimbursed;
 - iii. the amounts they were paid or reimbursed for living expenses on an itemized basis;
 - iv. the employee's position type (i.e., permanent part time, permanent full time, temporary, etc.).
 - c. the total amount of living expenses paid out or reimbursed.
1. For each of the years 2020, 2021, 2022 and 2023:
 - a. the basic terms of all severance agreements, including the precise sums, the date of the severance agreements, and the job title or position of the individual severed.

For your reference, please see County of Vermilion River #24 (Re), [Order F2007-025 \(oipc.ab.ca\)](#).
3. A detailed accounting of all funds reallocated by the City Manager in 2023, pursuant to Section 20 of the Administrative Organization Bylaw, Bylaw No. 4662, or otherwise.
4. Staff turnover statistics for each of the years 2020, 2021, 2022, 2023, by month.
5. The City Manager's 2023 itemized expenses and P-Card statements.
6. Each Managing Director's 2023 itemized expenses and P-Card statements.

Thanks!

Linnie Clark BSc, JD
Mayor

City of Medicine Hat

Phone: 403-529-8181

Fax: 403-529-8182

DATE: 2024-04-08

MEETING: REGULAR COUNCIL

DEPARTMENT: CITY SOLICITOR

REPORT AUTHOR: MATTHEW KLASSEN, SOLICITOR

BYLAW NO. 4735 TO AMEND UNSIGHTLY PROPERTY BYLAW NO. 3117**EXECUTIVE SUMMARY:**

A bylaw to amend Unsightly Property Bylaw No. 3117.

STRATEGIC ALIGNMENT:

INNOVATION



ECONOMIC EVOLUTION



SERVICE ORIENTATION



PARTNERSHIPS & GOVERNANCE



COMMUNITY WELLNESS



RESILIENCY & SUSTAINABILITY

**RECOMMENDATION:**

It is recommended through the Administrative Committee and the Development & Infrastructure Committee that City Council pass Amending Bylaw No. 4735 to amend Unsightly Property Bylaw No. 3117.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

At the October 3, 2023 Open City Council meeting, Council directed administration to conduct a review of Bylaw No. 3117, pertaining to vacant and derelict properties and to report back to Council with options to enhance the effectiveness of the Bylaw and identify any gaps or shortcomings that may hinder its enforcement.

BACKGROUND / ANALYSIS:

The current Unsightly Property Bylaw was passed on March 3, 1998, and was amended on May 17, 2011. To address the request made by Council, a jurisdictional scan was conducted comparing Medicine Hat's bylaw to the bylaws of Calgary, Edmonton, Red Deer, Airdrie, Lethbridge, and Strathcona County. The results affirmed that Medicine Hat's bylaw is sound and provided insight into how it could be further strengthened to meet the current needs and expectations of the community.

The proposed amendments to the Unsightly Property Bylaw include:

1. Adding a definition of "Reasonable State of Repair" and imposing a positive obligation to maintain a property in a Reasonable State of Repair. (s.2.11.01, s.4(1), and s.4(2))
2. Adding a definition of "City Manager". (s.2.(4.01))

3. Adding a definition of “Dilapidated Vehicle”. (s. 2.5.01 and s.3)
4. Adding a definition of “Occupier”. (s.2.(8.01))
5. Expanding upon the coating requirements for exterior doors, windows or other openings covered with wood. (s.3(2)(e)(vi)d.)
6. Adding a new section prescribing minimum security standards. (s.12.1)
7. Adding a comprehensive new section prescribing property maintenance standards. (s.4)
8. Creating new offences relating to property maintenance and obstruction. [s. 13.(b), 13.(c), 13.(d), and 13.(e), s. 13.01, and s. 13.2]
9. Increasing the fines for first time offences. (s. 14)

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The review of the current Unsightly Property Bylaw was a result of Council’s direction. No external engagement occurred during this bylaw review.

POTENTIAL RISKS / IMPACTS:

Financial:

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

There is no cost implication for amending the current Unsightly Property Bylaw.

Health, Safety and Environmental:

There are minimal health, safety and environmental impacts associated with passing an amendment to the Unsightly Property Bylaw.

Legal / Legislative / Policy:

New provisions in the amended Unsightly Property Bylaw prescribe clear property maintenance standards, create additional offences, and increase fines for first time offences, which will facilitate enhanced enforcement of unsightly properties by the City.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

Public participation is not required; however, the public has expressed an interest in the management of unsightly properties.

INFORM <input checked="" type="checkbox"/>	CONSULT <input type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS:

Option 1: Do nothing. This option is not recommended as Council directed a review be done to enhance the effectiveness of the current bylaw. Through the jurisdictional scan, it was determined the current bylaw could be further strengthened.

IMPLEMENTATION PLAN:

If approved by Council, administration will make the amended Unsightly Property Bylaw accessible to the public on the City's website. Medicine Hat Police Service has reviewed the amending bylaw and supports the proposed changes.

REVIEWED BY & DATE:	Ben Bullock City Solicitor	2024-03-08
REVIEWED BY & DATE:	Pat Bohan Managing Director, Development & Infrastructure	2024-03-08
APPROVED BY & DATE:	Ann Mitchell City Manager	2024-03-08
ATTACHMENTS:	1: Amending Bylaw No. 4735 2: Redline of Unsightly Property Bylaw No. 3117	

BYLAW NO. 4735

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 3117, the Unsightly Property Bylaw.

WHEREAS Council considers it advisable to amend Bylaw No. 3117, the Unsightly Property Bylaw.

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

1. Bylaw No. 3117, the Unsightly Property Bylaw, is hereby amended as follows:
 - (a) The second sentence of the preamble is deleted and replaced with:

“WHEREAS the ***Municipal Government Act***, S.A. 2000, c.M-26 authorizes municipalities to deal with nuisances, including unsightly property, and the protection of people and property.”.
 - (b) In subsection 2. (1), “1994” is replaced with “2000” and “c.M-26.1” is replaced with “c.M-26”.
 - (c) Subsection 2. (3) is repealed and replaced with the following:

“2. (3) **“Bylaw Enforcement Officer”** means any police officer, peace officer or other person appointed or employed by the City having the authority to enforce bylaws.”.
 - (d) The following subsection is inserted following subsection 2. (4):

“2. (4.01) **“City Manager”** means the chief administrative officer of the City, operating under the title of “City Manager”;
 - (e) The following subsection is inserted following subsection 2. (5):

“2. (5.01) **“Dilapidated Vehicle”** means any vehicle that is:

 - (a) incapable of being safely operated;
 - (b) partially or fully wrecked or dismantled; or
 - (c) substantially damaged.”.
 - (f) The following subsection is inserted following subsection 2. (8):

“2. (8.01) **“Occupier”** means:

 - (a) a person who is in lawful physical possession of land or a Structure on the land; or
 - (b) a person who has responsibility for, and control over, the condition of land or a Structure on the land, the activities

conducted on that property, and the persons allowed to enter that property,

and for the purposes of this Bylaw, there may be more than one occupier of the same land or Structure on the land.”.

- (g) Subsection 2. (9) is repealed and replaced with the following:
- “2. (9) **“Order”** means a written order in accordance with section 545 or subsection 546(1)(c) of the **Act** issued pursuant to subsection 6(a) or (b) of this Bylaw.”.
- (h) The following subsection is inserted following subsection 2. (11):
- “2. (11.01) **“Reasonable State of Repair”** means the condition of being:
- (i) free from significant damage;
 - (ii) free from significant rot or other significant deterioration;
 - (iii) free from the presence or accumulation of hazardous materials (unless stored in accordance with applicable laws), noxious fumes, or sewage; and
 - (iv) safe for its intended use.”.
- (i) Subsection 3(2)(c) is amended to delete “wrecked or dismantled vehicles” and replace it with “one or more Dilapidated Vehicles”.
- (j) Subsection 3(2)(e)(iii) is amended to delete “pealing” and replace it with “peeling”.
- (k) Subsection 3(2)(e)(vi)(d) is repealed and replaced with:
- “3(2)(e)(vi)d. coated with an opaque protective finish that matches or complements the existing exterior finish of the Structure in a manner that is not detrimental to the surrounding area.”.
- (l) The following subsection is inserted following subsection 3. (3):
- “3. (4) No Owner or Occupier of a Property shall cause or permit the Property to become an Unsightly Property.”
- (m) The following provisions regarding Maintenance Standards for Property are added as Section 4:

“MAINTENANCE STANDARDS FOR PROPERTY

4. (1) An Owner or Occupier of Property shall ensure that all Structures on the Property are maintained so that:
- (a) the foundations;
 - (b) exterior walls;
 - (c) roof and eavestroughs;

- (d) windows, including frames, shutters, and awnings;
- (e) exterior doors, including frames, jambs, and awnings;
- (f) exterior landings;
- (g) balconies, porches, decks, patios;
- (h) steps, walkways, and sidewalks; and
- (i) fences,

are kept in a Reasonable State of Repair.

- (2) No person shall cause or permit a vacant Structure to become damaged or to deteriorate into a state of disrepair such that the Structure is an imminent danger to public safety.
- (3) If a Structure normally intended for human habitation or use is unoccupied then the Owner or Occupier may cover any door or window opening in the Structure with a solid piece of wood (or other similar suitable material) that is:
 - (a) installed from the exterior and fitted within the frame of the opening in a watertight manner;
 - (b) of a thickness sufficient to prevent unauthorized entry into the Structure;
 - (c) secured in a manner sufficient to prevent unauthorized entry into the Structure; and
 - (d) coated with an opaque protective finish that matches or complements the existing exterior finish of the Structure in a manner that is not detrimental to the surrounding area.
- (4) An Owner or Occupier of a Property shall complete any work, renovation, or action within twenty-four (24) months following the first issuance of the permit to perform the work, renovation, or action unless the Person who grants the permit allows for a shorter or longer period to complete such work, renovation, or action.
- (5) (a) If a Structure normally intended for human habitation or use has been declared unfit for human habitation or use by any health or building authority, then the Owner or Occupier of the Property on which the Structure is located shall:
 - (i) remedy the deficiencies in order for the declaration to be removed; or
 - (ii) remove or demolish the Structure;
- (b) Any work or action required by the Property Owner or Occupier pursuant to subsection (a) shall be completed:
 - (i) within the time specified by the health or building authority; or

- (ii) if no time is specified by the health or building authority, within twelve (12) months following the date of the declaration.”.
- (n) Section 5 is repealed and replaced with the following:
- “5. If a Bylaw Enforcement Officer forms the opinion that Property is Unsightly Property, or fails to comply with maintenance standards set out in section 4 of this Bylaw, the Bylaw Enforcement Officer may issue a written Direction to the Owner or Occupier of the Property. The Direction may require the Owner or Occupier of the Property to improve the appearance of the Property or to comply with any requirements set out in section 4 of this Bylaw in the manner specified and may state a time within which the person must comply with the Direction.”.
- (o) Section 6 is hereby repealed and replaced with the following:
- “6. (a) If in the opinion of a Designated Officer, Property is detrimental to the surrounding area because of its unsightly condition, the Designated Officer may issue a written Order in accordance with subsection 546(1)(c) of the **Act**.
- (b) A Designated Officer may issue a written Order under section 545 of the **Act** requiring the Owner or Occupier of the Property to comply with any requirements set out in Section 4 of this Bylaw.”.
- (p) Section 7 is amended by replacing “order” with “Order”.
- (q) Subsection 7. (a) is amended by replacing “550” with “549”.
- (r) Section 9 is amended by deleting “Second Floor” from the address and replacing it with “Third Floor”.
- (s) The following subsection is inserted following subsection 12. (b):
- “12. (b.1) Property meets the Maintenance Standards set out in section 4 of this Bylaw,”.
- (t) Subsection 12. (d) is repealed and replaced with the following:
- “12. (d) there has been compliance with an Order.”.
- (u) The following section is inserted following Section 12:
- “MINIMUM SECURITY REQUIREMENTS**
- 12.1 The City Manager may establish the minimum requirements for the purposes of subsections 3(2)(e)(vi)b., 3(2)(e)(vi)c., 4(3)(b), and 4(3)(c) of this Bylaw. If established by the City Manager, the City Manager shall cause such requirements to be posted on the City’s website.”.
- (v) Section 13 is repealed and replaced with the following:

“13. A person who fails to comply with:

- (a) Section 4(4);
- (b) Section 4(5);
- (c) A Direction issued in accordance with section 5;
- (d) an Order issued in accordance with subsection 6(a); or
- (e) an Order issued in accordance with subsection 6(b);

within the time specified therein is guilty if an offence.”.

(w) The following offence provision is added as Section 13.01:

“13.01. A person who fails to comply with:

- (a) Section 4(1);
- (b) Section 4(2);
- (c) Section 4(3); or
- (d) Section 13.2,

is guilty of an offence.”.

(x) The following provision is added as Section 13.2:

“13.2 A person shall not obstruct or hinder any other person in the exercise or performance of the other person’s powers or duties pursuant to this Bylaw.”.

(y) Section 14 is amended as follows:

- insert “,13.01, or 13.2” immediately after “section 13” in the second line of the first paragraph; and
- in subsection (a)(i), delete “\$250.00 nor more than \$400.00” and replace it with “\$300.00 nor more than \$500.00”.

2. This Bylaw comes into force on the date 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: Larry Randle

BYLAW NO. 3117

CONSOLIDATION OF A BYLAW OF THE CITY OF MEDICINE HAT to promote the maintenance of Property and to address Unsightly Property within the City of Medicine Hat.

WHEREAS the *Municipal Government Act*, S.A. ~~20001994~~, c.M-26-1 authorizes municipalities to deal with nuisances, including U~~u~~nsightly P~~p~~roperty, and the protection of people and property.

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

NAME OF BYLAW

1. This Bylaw may be cited as the “Unsightly Property Bylaw”.

DEFINITIONS

2. For the purposes of this Bylaw, the following words mean:
 - (1) **“Act”** means the *Municipal Government Act*, S.A. ~~20001994~~, c.M-26-1, as amended.
 - (2) **“Board”** means the City’s Subdivision and Development Appeal Board.
 - (3) ~~“Bylaw Enforcement Officer” means a person appointed as a Bylaw Enforcement Officer pursuant to City of Medicine Hat Bylaw No. 2463, and also includes any peace officer, police officer or special constable employed by the City’s Police Service.~~ **“Bylaw Enforcement Officer”** means any police officer, peace officer or other person appointed or employed by the City having the authority to enforce bylaws.
 - (4) **“City”** means the Municipal Corporation of the City of Medicine Hat.
 - (4.01) “City Manager” means the chief administrative officer of the City, operating under the title of “City Manager”.
 - (5) **“Council”** means the Municipal Council of the City.
 - (5.01) “Dilapidated Vehicle” means any vehicle that is:
 - (a) incapable of being safely operated;
 - (b) partially or fully wrecked or dismantled; or
 - (c) substantially damaged.
 - (6) **“Designated Officer”** means a designated officer in accordance with the **Act**.

(7) **“Direction”** means a written direction in accordance with section 5 of this Bylaw.

Amended by:
Bylaw 4031
May 17, 2011

(8) **“Non-Residential Property”** means all Property that is not Residential Property

(8.01) **“Occupier”** means:

(a) a person who is in lawful physical possession of land or a Structure on the land; or

(b) a person who has responsibility for, and control over, the condition of land or a Structure on the land, the activities conducted on the land or within a Structure on the land, and the persons allowed to enter the land or a Structure on the land.

and for the purposes of this Bylaw, there may be more than one occupier of the same land or Structure on the land.

(9) ~~“Order” means a written order in accordance with subsection 546(1)(c) of the Act.~~ **“Order”** means a written order in accordance with section 545 or subsection 546(1)(c) of the **Act** issued pursuant to subsection 6(a) or (b) of this Bylaw.

(10) **“Owner”** means:

(a) in respect of land, the person who is registered under the **Land Titles Act** as the owner of the fee simple estate in the land, and

- (b) in respect of Property other than land, the person in lawful possession of it.

Amended by:
Bylaw 4031
May 17, 2011

- (11) **“Property”** means:
- (i) a parcel of land,
 - (ii) a Structure, or
 - (iii) a parcel of land and any Structures located thereon.

(11.01) “Reasonable State of Repair” means the condition of being:

- (i) free from significant damage;
- (ii) free from significant rot;
- (iii) free from the presence or accumulation of hazardous materials (unless stored in accordance with applicable laws), noxious fumes, or sewage; and
- (iv) safe for its intended use.

Amended by:
Bylaw 4031
May 17, 2011

- (11.1) **“Residential Property”** means any Property that is solely used for residential purposes, and includes a residential dwelling that contains a home occupation business and a residential dwelling that is under construction.
- (12) **“Structure”** means a building or other thing erected or placed in, on, over or under land, whether or not it is so affixed to the land as to become transferred without special mention by a transfer or sale of the land.
- (13) **“Unsightly Property”** means Property described in section 3 of this Bylaw.

UNSIGHTLY PROPERTY

3. (1) Unsightly Property is Property that, in the opinion of a Bylaw Enforcement Officer, is detrimental to the surrounding area because of its unsightly condition.
- (2) Some factors which may be considered by a Bylaw Enforcement Officer in determining whether Property is Unsightly Property include the following:
- (a) the presence of uncut grass or weeds,
 - (b) the presence of trees, shrubs or other vegetation in such a manner that they interfere with the use of or obstruct visibility of street signage, sidewalks, roadway clearance, municipal works or public utilities,

- (c) the presence of ~~wrecked or dismantled vehicles~~ one or more Dilapidated Vehicles, including vehicles that are inoperable and unregistered,
- (d) the storage or accumulation of garbage, litter, refuse (including but not limited to building materials, tires, boxes, scrap material), equipment, dilapidated furniture or appliances, machinery, machinery parts or other similar materials or items,
- (e) specific or general lack of repair or maintenance including but not limited to:
 - (i) significant deterioration of Structures or portions of Structures;
 - (ii) broken or missing windows, siding, shingles, shutters, eaves or other building materials;
 - (iii) significant fading, chipping or peeling of painted areas of Structures;
 - (iv) exterior doors or windows in a Structure that do not operate as they were intended to or do not fit tightly within their frames when closed;
 - (v) exterior doors, windows or openings in a Structure that are not properly constructed or maintained so as to completely exclude rain;
 - (vi) exterior doors, windows or other openings in a Structure that are covered with wood where the wood is not:
 - a. installed from the exterior and fitted within the frame of the opening in a watertight manner;
 - b. of a thickness sufficient to prevent unauthorized entry to the Structure;
 - c. secured in a manner sufficient to prevent unauthorized entry to the Structure; or
 - d. coated with an opaque protective finish that matches or complements the existing exterior finish of the Structure in a manner that is not detrimental to the surrounding areas similar in colour to the colour of the Structure;
- (f) the location, zoning, use and visibility of Property.

(3) Subsection (2) is not intended to be an exhaustive list of factors which may be considered in determining whether Property is unsightly Property.

(4) No Owner or Occupier of a Property shall cause or permit the Property to become an Unsightly Property.

Amended by:
Bylaw 4031
May 17, 2011

MAINTENANCE STANDARDS FOR PROPERTY

4. (1) An Owner or Occupier of Property shall ensure that all Structures on the Property are maintained so that:
- (a) the foundations;
 - (b) exterior walls;
 - (c) roof and eavestroughs;
 - (d) windows, including frames, shutters, and awnings;
 - (e) exterior doors, including frames, jambs, and awnings;
 - (f) exterior landings;
 - (g) balconies, porches, decks, patios;
 - (h) steps, walkways, and sidewalks; and
 - (i) fences,
- of the Structures are kept in a Reasonable State of Repair.
- (2) No person shall cause or permit a vacant Structure to become damaged or to deteriorate into a state of disrepair such that the Structure is an imminent danger to public safety.
- (3) If a Structure normally intended for human habitation or use is vacant then the Owner or Occupier of the Structure shall secure the Structure from unauthorized entry and any door or window opening in the Structure may be covered with a solid piece of wood (or other similar suitable material) that is:
- (a) installed from the exterior and fitted within the frame of the opening in a watertight manner;
 - (b) of a thickness sufficient to prevent unauthorized entry into the Structure;
 - (c) secured in a manner sufficient to prevent unauthorized entry into the Structure; and
 - (d) coated with an opaque protective finish that matches or complements the existing exterior finish of the Structure in a manner that is not detrimental to the surrounding area.
- (4) An Owner or Occupier of a Property shall complete any work, renovation, or action within twenty-four (24) months following the first issuance of the permit to perform the work, renovation, or action unless the Person who grants the permit allows for a shorter or longer period to complete such work, renovation, or action.

- (5) (a) If a Structure normally intended for human habitation or use has been declared unfit for human habitation or use by any health or building authority, then the Owner or Occupier of the Property on which the Structure is located shall:
- (i) remedy the deficiencies in order for the declaration to be removed; or
 - (ii) remove or demolish the Structure;
- (b) Any work or action required by the Property Owner or Occupier pursuant to subsection (a) shall be completed:
- (i) within the time specified by the health or building authority; or
 - (ii) if no time is specified by the health or building authority, within twelve (12) months following the date of the declaration.

DIRECTION

5. ~~If a Bylaw Enforcement Officer forms the opinion that Property is Unsightly Property, the Bylaw Enforcement Officer may issue a written Direction to the Owner or occupier of the Property. The Direction may require the Owner or occupier of the Unsightly Property to improve the appearance of the Property in the manner specified and may state a time within which the person must comply with the Direction.~~ If a Bylaw Enforcement Officer forms the opinion that Property is Unsightly Property, or fails to comply with maintenance standards set out in section 4 of this Bylaw, the Bylaw Enforcement Officer may issue a written Direction to the Owner or Occupier of the Property. The Direction may require the Owner or Occupier of the Property to improve the appearance of the Property or to comply with any requirements set out in section 4 of this Bylaw in the manner specified and may state a time within which the person must comply with the Direction.

ORDERS

6. (a) If in the opinion of a Designated Officer, Property is detrimental to the surrounding area because of its unsightly condition, the Designated Officer may issue a written Order in accordance with subsection 546(1)(c) of the **Act**.
- (b) A Designated Officer may issue a written Order under section 545 of the **Act** requiring the Owner or Occupier of the Property to comply with any requirements set out in section 4 of this Bylaw.

CITY MAY REMEDY UNSIGHTLY CONDITION OF PROPERTY

7. If an ~~e~~O~~r~~der has been issued, the City may take whatever actions or measures are necessary to:

- (a) deal with the unsightly condition of Property in accordance with section ~~549550~~ of the **Act**, and
- (b) collect any unpaid costs or expenses incurred by the City in accordance with the **Act**.

The costs and expenses of the actions or measures taken by the City are charged in addition to any penalty imposed under this Bylaw.

REVIEW OF ORDERS

- 8. Council hereby delegates its power to review Orders under section 547 of the **Act** to the Board.
- 9. A person who receives an Order may request the Board to review the Order by written notice delivered to the following address:

The City Clerk
Office of the City Clerk
~~Second-Third~~ Floor, City Hall
580 First Street S.E.
Medicine Hat, AB T1A 8E6

within 7 days of the date the Order is received.

Amended by:
Bylaw 4031
May 17, 2011

DECISION OF BOARD

- 10. After reviewing the Order, the Board may confirm, vary, substitute or cancel the Order in accordance with subsection 547(2) of the **Act**.

APPEAL TO COURT

- 11. A person affected by the decision of the Board under section 10 may appeal to the Court of Queen's Bench in accordance with section 548 of the **Act**.

INSPECTION

- 12. A Designated Officer may inspect Property in accordance with section 542 of the **Act** for the purposes of determining whether:
 - (a) Property is Unsightly Property under this Bylaw,
 - (b) Property, because of its unsightly condition is detrimental to the surrounding area in accordance with section 546 of the **Act**,
 - (b.1) Property meets the Maintenance Standards set out in section 4 of this Bylaw,
 - (c) there has been compliance with a Direction issued under section 5 of this Bylaw, or

- (d) there has been compliance with an Order ~~issued in accordance with subsection 546(1)(c) of the Act.~~

MINIMUM SECURITY REQUIREMENTS

12.1 The City Manager may establish the minimum requirements for the purposes of subsections 3(2)(e)(vi)b., 3(2)(e)(vi)c., 4(3)(b), and 4(3)(c) of this Bylaw. If established by the City Manager, the City Manager shall cause such requirements to be posted on the City's website.

OFFENCE

13. A person who fails to comply with:

- (a) ~~a Direction issued in accordance with section 5;~~ Section 4(4);
~~(b) an Order issued in accordance with subsection 546(1)(c) of the Act;~~
~~(b) Section 4(5);~~
~~(c) a Direction issued in accordance with section 5;~~
~~(d) an Order issued in accordance with subsection 6(a);~~ or
~~(e) an Order issued in accordance with subsection 6(b);~~

within the time specified therein is guilty of an offence.

13.01 A person who fails to comply with:

- ~~(a) Section 4(1);~~
~~(b) Section 4(2);~~
~~(be) Section 4(23);~~
~~(cd) Section 4(34);~~ or
~~(d) Section 13.2,~~

is guilty of an offence.

Amended By: 13.1 Each day, or part of a day, that an offence under this Bylaw continues constitutes a separate offence.
 Bylaw 4031
 May 17, 2011

13.2 A person shall not obstruct or hinder any other person in the exercise or performance of the other person's powers or duties pursuant to this Bylaw.

PENALTY

Amended By: 14. If a Bylaw Enforcement Officer believes on reasonable and probable grounds that
Bylaw 4031 an offence has been committed under section 13, 13.01, or 13.2 of this Bylaw, a
May 17, 2011 summons under the *Provincial Offences Procedures Act*, RSA 2000, Chapter P-

34 may be issued by means of a violation ticket in respect of an alleged and contravention and the penalty payable upon conviction in a court of competent jurisdiction shall be:

- (a) In the case of a Residential Property:
 - (i) not less than \$~~2530~~0.00 nor more than \$5400.00 for a first offence by that person; and
 - (ii) not less than \$500.00 nor more than \$10,000.00 for any subsequent offence by that person; or
- (b) In the case of a Non-Residential Property:
 - (i) not less than \$500.00 nor more than \$1,000.00 for a first offence by that person; and
 - (ii) not less than \$2,000.00 nor more than \$10,000.00 for any subsequent offence by that person.

ENFORCEMENT OF THIS BYLAW

15. The City is not required to enforce this Bylaw. In deciding whether to enforce this Bylaw, the City may take into account any practical concerns, including available municipal budget and personnel resources.

REPEAL

16. The Minimum Maintenance Standards Bylaw, Bylaw No. 1864, is repealed.

COMING INTO FORCE

17. This Bylaw comes into force at the beginning of the day that it is passed.

READ A FIRST TIME in open Council on February 17, 1998.

READ A SECOND TIME in open Council on March 2, 1998.

READ A THIRD TIME in open Council on March 2, 1998.

SIGNED AND PASSED on March 3, 1998.

DATE: 2024-04-08
MEETING: REGULAR COUNCIL
DEPARTMENT: CITY MANAGER
REPORT AUTHOR: ANN MITCHELL, CITY MANAGER
NEW PROPOSED WHISTLEBLOWER POLICY #8046
EXECUTIVE SUMMARY:

The Whistleblower Policy was last updated and approved at City Council in 2014. The current Policy requires revision to incorporate procedures and language to reflect the City of Medicine Hat's ("the City") current organizational structure, stronger clarity and to elaborate the procedures regarding Whistleblowing and Misconduct.

STRATEGIC ALIGNMENT:

INNOVATION	ECONOMIC EVOLUTION	SERVICE ORIENTATION
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PARTNERSHIPS & GOVERNANCE	COMMUNITY WELLNESS	RESILIENCY & SUSTAINABILITY
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

RECOMMENDATION:

- It is recommended through the Administrative Committee that City Council approve rescinding the current Whistleblower Policy #8041 in its entirety and replace it with the revised Whistleblower Policy & Procedures #8046 attached to this Briefing Note.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

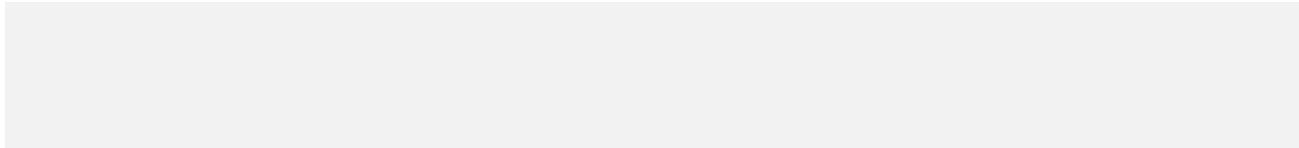
The original Whistleblower Policy #8041 was adopted by Council on October 14, 2014.

Direction from Council on February 6, 2023, to approve amendments to Policy 8041 was withdrawn and Council approved a motion directing administration to bring forward options to include investigations, timelines for reporting, provisions for training, requirements for investigators and further to consult with the unions on this policy prior to approval.

BACKGROUND / ANALYSIS:

The current state of the 2014 approved Whistleblower Policy does not have updated language to reflect the current organizational structure, along with procedures for handling complaints and appeals related to misconduct. The Policy does not address a procedure to implement an external confidential whistleblower phone line.

This service would be helpful as it gives employees another avenue to file a complaint. This would become a procedure to be attached to this Policy at a later timeframe once a vendor has been selected.



INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The proposed updated Policy will reflect the City’s accountability to its employees and residents and commitment to empowering the reporting of misconduct without fear of reprisal or retaliation.

POTENTIAL RISKS / IMPACTS:

Financial:

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

Health, Safety and Environmental:

The proposed updated Policy will ensure and reiterate the City’s commitment to providing a safe and transparent and accountable workplace, while strengthening the working environment for the employees of the City.

Legal / Legislative / Policy:

Ensuring the integrity of the City’s operations is paramount and this updated Policy will safeguard procedural fairness and natural justice. The City will be fair and objective when taking action in addressing any improprieties at the City.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

INFORM <input checked="" type="checkbox"/>	CONSULT	INVOLVE	COLLABORATE	EMPOWER
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ALTERNATIVE OPTIONS / PROS AND CONS:

If the recommended revised Policy is not approved, this would not reflect the current state of the organization and in addition, employees would not have better clarification of the procedures.

IMPLEMENTATION PLAN:

If the proposed updates to the Whistleblower Policy & Procedures #8046 are approved, People Services will:

- o Commence a change management plan to ensure all employees are trained and familiar with the updated Policy.
- o Work with Procurement for a Request for Proposal (RFP) process for an external confidential whistleblower phone line.
- o Commence work on a robust employee Code of Conduct.

APPROVED BY & DATE:	Ann Mitchell City Manager	2024-03-18
ATTACHMENTS:	1. Updated Policy & Procedures for Whistleblower Policy #8046 2. Current Whistleblower Policy #8041	



Title: WHISTLEBLOWER POLICY		Number: 8046
Reference: Administrative Committee - March 20, 2024	Adopted by City Council:	
	City Clerk	City Manager
Supersedes:		
Administered by: PEOPLE SERVICES DEPARTMENT		

STATEMENT

THE CITY OF MEDICINE HAT ("CITY") IS COMMITTED TO PROVIDING A SAFE, TRANSPARENT AND ACCOUNTABLE WORK ENVIRONMENT, WHERE EMPLOYEES WILL REPORT MISCONDUCT WITHOUT FEAR OF REPRISAL. THE CITY WILL BE FAIR AND OBJECTIVE WHEN TAKING ACTION IN ADDRESSING ANY IMPROPRIETIES AT THE CITY.

PURPOSE

The purpose of this policy is to address the commitment of the City of Medicine Hat to the ethical behavior of its Employees by providing an environment where City Employees are empowered to report misconduct without fear of reprisal or retaliation. Ensuring the integrity of the operations of the City is paramount and this policy will safeguard procedural fairness and natural justice.

This policy will also discourage and expose wrongdoing at the City that would alter the finances, reputation, and validity of the City, while strengthening the working environment for the Employees of the City.

This policy will establish how: (i) Employees will report Misconduct, (ii) Employees who in good faith report Misconduct will be protected from Reprisal, (iii) Responsible Adjudicators will investigate Complaints about Misconduct, and (iv) Employees found to have committed Misconduct may be subject to discipline.

APPLICATION

This policy applies to all City Employees and does not apply to any City Council members. For rules relating to the conduct of City Council members, please see applicable sections of the *Municipal Government Act* and its regulations, including Part 5 of the *Municipal Government Act*, as well as the Council Code of Conduct Bylaw.

This policy only applies to Misconduct, as defined below, and does not apply to matters related to job performance, terms of employment, or any other regular or day to day issues within the workplace that are not considered Misconduct, and which are managed through other City policies and procedures.

Policy No. 8046 – Whistleblower	POLICY
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Nothing herein shall be interpreted to lessen any duties, obligations, powers, procedures, or remedies expressly set forth in any other applicable policy, bylaw, agreement, statute, or other law in respect of Misconduct, including the making of Complaints about Misconduct, or the investigation of such Complaints.

ROLE OF COUNCIL

To receive, review and adopt this policy and any recommended amendments thereto. To advise persons contacting Members of Council in relation to matters described herein to contact the City Manager about their inquiry.

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ROLE OF ADMINISTRATIVE COMMITTEE

To receive, review and adopt any recommended amendments to the procedure of this policy.

1. DEFINITIONS

- 1.01 City means the municipal corporation of the City of Medicine Hat.
- 1.02 Complainant means an Employee who submits a Complaint in accordance with this policy.
- 1.03 Complaint means a detailed written allegation submitted by a Complainant to the Responsible Adjudicator stating that another Employee has engaged in Misconduct or stating that a specific violation of this or any related policy has occurred, together with all details and circumstances known to the Complainant in respect thereof.
- 1.04 Director of People Services – means the Director of the City of Medicine Hat’s People Services Department and includes any delegate of the Director or any person appointed to act in place of the Director.
- 1.05 Decision means a signed and dated written decision, issued by a Responsible Adjudicator, in respect of a Complaint, which identifies the reasons for the decision.
- 1.06 Employee includes any permanent, temporary, full time, part time, or casual Employee of the City and includes volunteers utilized by the City, and, for greater certainty, also includes all City Employees under any union or association jurisdiction as well as City Employees who are out of the scope of any union or association but does not include Members of Council.
- 1.07 Good Faith Is evident when a genuine Complaint is made without malice or consideration of personal benefit and there is reasonable belief that the report is true.
- 1.08 Misconduct means illegal or inappropriate conduct of an Employee, which includes, but is not limited to:
- a crime or suspected criminal activity.
 - an act or omission which is considered an offence under any applicable law or regulation.
 - gross mismanagement of public funds or City assets.
 - unethical behavior or practices.
 - a violation of this policy including the carrying out any Reprisal, authorizing or encouraging any Reprisal to be carried out, providing information to a Responsible Adjudicator that is known to be false by the person providing such information, destroying evidence for the purpose of frustrating an investigation, or making a Complaint in bad faith.

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- a violation of any other applicable statute that may harm the City or its reputation.
- a violation of any other City policy, procedure, or bylaw that may harm the City or its reputation.
- any other act or omission of an Employee that may harm:
 - the safety of persons or property; or
 - the environment; or
- an Employee knowingly directing or counselling another Employee to commit any of the above.

1.09 Reprisal means any measure taken or directed against an Employee which would affect the working conditions of that Employee with the aim of punishing the Employee for submitting a Complaint in good faith, acting as a Responsible Adjudicator, or otherwise carrying out the Employee’s duties pursuant to this policy including, without limitation:

- any oral or written reprimand.
- actual or threatened demotion or transfer.
- actual or threatened discontinuation or elimination of the Employee’s role.
- change in work hours.
- actual or threatened suspension.
- actual or threatened termination.
- actual or threatened loss of employment advancement opportunities.
- actual or threatened change in work duties.
- actual or threatened reduction in pay.
- actual or threatened change in reporting structure or work location.
- actual or threatened violence.
- actual or threatened harassment.
- any other threats, coercion, or actual or threatened interference or intimidation; or
- a threat to take any measures of the above.

However, constructive feedback, assignment of work, progressive discipline, corrections, and other directions and decisions administered in good faith in respect of an Employee shall not constitute Reprisal for the purposes of this policy.

1.10 Respondent means an Employee who is alleged, in a Complaint, to have committed Misconduct.

1.11 Responsible Adjudicator means the Employee responsible for receiving a Complaint and issuing a Decision in respect of such Complaint, who shall be:

- the Director of People Services, except if the Complaint involves allegations of Fraud which would then fall under the City’s Fraud Policy; and except if the Respondent holds the title of Director of People Services, or City Manager.
- the City Manager if the Respondent holds the title of Director of People Services.

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- Council, if the Respondent holds the title of City Manager; and
- the Director of Finance if the Complaint involves allegations of Fraud as defined in the Fraud Policy.

1.12 Responsible Investigator means the Responsible Adjudicator, or third party engaged by the Responsible Adjudicator to investigate a Complaint.

1.13 Supervisor means the Employee to whom an Employee directly reports, and in the case of the City Manager, the Supervisor is Council.

2. RESPONSIBILITIES

2.01 City Manager & Managing Directors

- (a) Through the Administrative Committee, receive and approve appropriate procedures in respect of this policy.
- (b) Actively and openly discourage Misconduct. Actively and openly encourage Employees to submit Complaints in circumstances where Misconduct is reasonably believed by an Employee, in good faith, to have occurred.
- (c) In co-operation with the Director of People Services, ensure that Responsible Adjudicators can investigate and issue a Decision in respect of a Complaint in a competent manner, and ensure appropriate action is taken to prevent and rectify any violations of this policy.
- (d) Assist Responsible Adjudicators managing Complaints as required, through the provision of support and budgetary resources.

2.02 Director of People Services

- (a) Monitor compliance with this policy, maintain records about Complaints, and Decisions, and provide reports regarding same to the City Manager, as requested.
- (b) Inform Employees about the contents of this policy, including protections against Reprisal under this policy, and related Employee supports, including Employee Assistance Programs.
- (c) Allocate resources to cover the cost of any external support reasonably required by a Responsible Adjudicator, including any external counsel engaged by the City Solicitor to carry out a function in accordance with this policy.
- (d) Upon request or otherwise as appropriate, assist Employees with the interpretation and application of this policy.
- (e) Assist Responsible Adjudicators in the investigation of Complaints and the determination of Decisions, as required, through the provision of support and budgetary resources; and

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- (f) Make recommendations to the Administrative Committee regarding proposed amendments to this policy and the procedure.
- (g) Prepare an annual report summarizing Complaints, investigations, and Decisions for the Executive Leadership Team.

2.03 Supervisors

- (a) Actively and openly promote awareness about this policy and about the duty of Employees reporting through the Supervisor to avoid Misconduct, and encourage Employees reporting through the Supervisor to submit Complaints in circumstances where Misconduct is reasonably believed by an Employee, in good faith, to have occurred; and
- (b) Prevent, as far as reasonably practicable, violations of this policy among Employees reporting through the Supervisor.

2.04 Responsible Adjudicators

- (a) Carry out the powers and duties of a Responsible Adjudicator in a competent, fair, timely and impartial manner in accordance with this policy; and
- (b) Communicate Decisions with respect to a Complaint to affected Supervisors and Employees.

2.05 Employees

- (a) Read and comply with this policy.
- (b) Understand and adhere to all applicable laws and regulations, policies, procedures, processes that are applicable to their role and responsibilities.
- (c) Have a proactive mindset to prevent and identify any Misconduct.
- (d) Avoid any conduct or circumstance that would constitute Misconduct.
- (e) Report Misconduct where the Employee believes in good faith that Misconduct has occurred.
- (f) Fully cooperate with a Responsible Adjudicator and Responsible Investigator in respect of any Complaint or investigation related thereto; and
- (g) Take all necessary action to prevent the alteration or destruction of documents or other evidence that may be relevant to any Complaint or investigation related thereto.

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3. PROCEDURES

3.01 Complaints

- (a) If an Employee experiences, witnesses or otherwise, in good faith, reasonably believes that Misconduct has occurred, the Employee should submit a Complaint, together with all relevant details and circumstances known to the Employee, to the Responsible Adjudicator in respect of such Complaint.
- (b) If the Employee is unsure who is the Responsible Adjudicator with respect to the Complaint, the Employee shall submit the Complaint to the Director of People Services who shall in turn submit the Complaint to the Responsible Adjudicator.
- (c) The City Manager may also designate a third-party reporting system which Employees may use to submit Complaints for referral to the appropriate Responsible Adjudicator.
- (d) Employees will not suffer Reprisal for any Complaint submitted in good faith even if, upon investigation, the Responsible Adjudicator dismisses the Complaint as unfounded.
- (e) The Responsible Adjudicator will not suffer Reprisal.

3.02 Investigation

- (a) the Responsible Adjudicator in receipt of a formal Complaint will in writing acknowledge receipt of same within 2 business days and will investigate same or appoint a Responsible Investigator to carry out the investigation. The Responsible Adjudicator will provide updates to the Complainant/Respondent at least once every 2 weeks until the investigation is completed. Following such investigation, the Responsible Adjudicator will issue a Decision, which Decision shall be provided to each of the Complainant, Respondent, as well as the Director of People Services, and the Supervisor of the Complainant/Respondent. The Decision may also be provided to the Supervisor's Supervisor as deemed appropriate.
- (b) The Responsible Investigator may conduct interviews with the Complainant, Respondent and any witnesses of the alleged Misconduct or Reprisal that is the subject of the Complaint.
- (c) The Respondent will be afforded the opportunity to respond to the Complaint including, but not limited to, the right to know the specific allegations contained in the Complaint.

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3.03 Reassignment and Administrative Leave

- (a) A Complainant may be temporarily reassigned to other duties during the investigation if such reassignment is appropriate and such reassignment is not a Reprisal, or, the Respondent may be placed on administrative leave for the duration of the Investigation.

3.04 Findings of the Investigation

- (a) Following their receipt of a Complaint and the subsequent investigation and analysis, the Responsible Adjudicator shall prepare and issue a Decision.
- (b) Upon receipt of a Decision stating that Misconduct has occurred, the Director of People Services will recommend a course of action to the Respondent's Supervisor. The Respondent will be given notice in writing by their Supervisor of the particulars and findings of the Decision. This requirement is subject to any collective agreement provisions respecting the rights of Employees during disciplinary proceedings, and to the City's Progressive Discipline Policy #8029.
- (c) If a Responsible Adjudicator or a Responsible Investigator determines at any time that a criminal offense may have occurred in connection with a Complaint, the Responsible Adjudicator will immediately inform the City Solicitor and the Director of People Services of same, and if, upon the prompt review of City Solicitor and the Director of People Services, it is determined that a criminal offence may have occurred in connection with the Complaint, then the matter will be referred by City Solicitor and Director of People Services to appropriate Police agencies, as appropriate.

3.05 Discipline

- (a) A Respondent who is found to have engaged in Misconduct may be subject to disciplinary action, up to and including dismissal, subject to any collective agreement provisions respecting the rights of Employees during disciplinary proceedings and to the City's Progressive Discipline Policy #8029.

3.06 Bad Faith Complaints

- (a) An Employee who knowingly makes a mischievous, false, or bad faith Complaint or who knowingly makes a false or misleading statement to a Responsible Investigator carrying out an investigation may be subject to disciplinary action, up to and including dismissal, subject to any collective agreement provisions respecting the rights of Employees during disciplinary proceedings and to the City's Progressive Discipline Policy #8029.

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3.07 Confidentiality

- (a) Where feasible, reasonable efforts will be made to keep the identities of Employees involved in an investigation anonymous, provided that such identities may be revealed directly or indirectly through the course of the investigation, as necessary or appropriate.
- (b) Employees who have knowledge of or who are participants in an investigation must treat all related information as confidential. Such information must not be discussed with anyone other than the Responsible Investigator, the Responsible Adjudicator, and police, or other regulatory investigators, as applicable.
- (c) Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know, as determined by the Responsible Adjudicator.
- (d) Where results are expected to be of public interest, the Responsible Adjudicator may, in consultation with the Director of Corporate Communications, City Solicitor and the Director of People Services, develop a public communications strategy. Any media inquiries regarding actual or alleged Misconduct, a Complaint, Decision, or investigation in respect thereof, shall be referred to the City Manager.

4. ADDITIONAL RESOURCES

- Respectful Workplace Policy (8023)
- Workplace Violence Prevention Policy (8040)
- Fraud Policy (8042)



POLICY

Title: Whistleblower Policy		Number: 8041
Reference: Administrative Committee October 16, 2014	Adopted by City Council: October 20, 2014 <i>AR MW</i>	Supersedes:
Prepared by: CITY SOLICITOR DEPARTMENT		

STATEMENT:

THE CITY OF MEDICINE HAT ("CITY") IS COMMITTED TO PROVIDING A SAFE AND TRANSPARENT ENVIRONMENT IN WHICH TO WORK, WHERE EMPLOYEES CAN REPORT INAPPROPRIATE ACTIVITIES OR BEHAVIOUR WITHOUT FEAR OF RETALIATION.

PRINCIPLES:

1. To provide:
 - a system of reporting for Employees to report suspected Standalone Wrongdoings;
 - for the investigation of alleged Standalone Wrongdoings; and,
 - for the discipline of Employees found to have committed a Standalone Wrongdoing.
2. To protect Employees who have reported or participated in an investigation, proceeding or hearing with respect to a Wrongdoing and who are experiencing Retaliatory Actions because of such reports.
3. To provide:
 - a system of reporting for Employees to report Retaliatory Actions;
 - a system of investigation for reported Retaliatory Actions; and,
 - for a system of discipline for Employees who engage in Retaliatory Actions.
4. This policy applies to all City Employees.

ROLE OF COUNCIL

To receive, review and adopt this policy and any recommended amendments thereto.

1. DEFINITIONS

- 1.01 Appeal - if the Complainant or Respondent disagrees with the decision resulting from an investigation, he or she can advise the General Manager of HR, who will direct the Appeal to the person who is one level above the General Manager or Designated Department Head who was involved in making the decision for disposition of the Complaint.
- 1.02 Complainant means an Employee who alleges that a Standalone Wrongdoing has occurred or that a violation of the Whistleblower Policy or has taken place.
- 1.03 Complaint means an allegation by an Employee that a Standalone Wrongdoing, Retaliatory Action or other violation of the Whistleblower Policy has taken place.
- 1.04 Designated Department Head means a person who has the responsibility to direct the management and operations of a City department but does not carry the title of General Manager (e.g., City Clerk, City Solicitor, Manager of Land and Properties, Manager of Cultural Development).
- 1.05 Employee includes any permanent, temporary, contract, full time, part time, and casual Employee on the City payroll, or volunteers utilized by the City. This includes Employees under any union or association jurisdiction and Employees who are out of the scope of a union.
- 1.06 Respondent means an Employee against whom a Complaint has been made.
- 1.07 Retaliatory Action includes:
- any oral or written reprimand;
 - suspension;
 - termination;
 - loss of advancement opportunities;
 - change in duties;
 - reduction in pay;
 - change in reporting structure or work location;
 - violence;
 - harassment;
 - threats;
 - coercion; or
 - interference or intimidation

directed at an Employee who in good faith has made a report or participated in an investigation, proceeding or hearing with respect to a suspected Wrongdoing or Retaliatory Action.

- 1.08 Standalone Wrongdoing means a Wrongdoing for which there is no reporting, investigative and/or disciplinary process outlined in any City policy, procedure, bylaw, or in any provincial or federal law or regulation or collective bargaining agreement.

1.09 Wrongdoing includes:

- any crime or suspected criminal activity;
- a violation of the City's:
 - Fraud Policy (#8042);
 - Respectful Workplace Policy (#8023);
 - Workplace Violence Prevention Policy (#8040);
 - Code of Ethics (#8006); or
 - any other City policy, procedure, or bylaw;
- a violation of any provincial or federal law or regulation;
- an act or omission that creates danger to the life, health or safety of others (other than a danger that is inherent in the performance of the duties or functions of an Employee);
- an act or omission that creates a substantial danger or harm to the environment; and,
- knowingly directing or counselling a person to commit any of the above.

2. RESPONSIBILITIES

2.01 City Council

- (a) Receive, review, amend, and adopt any recommended changes to the Whistleblower Policy.
- (b) Provide human and financial resources as they relate to investigating reports of Standalone Wrongdoings, preventing and investigating Retaliatory Action, and providing protection for Employees reporting suspected Wrongdoings and participating in investigations.

2.02 Chief Administrative Officer (CAO)/Chief Operating Officer (COO)/Commissioners

- (a) Ensure that appropriate administrative policies are in place and maintained to clearly define behaviour and conduct expected of City Employees;
- (b) Discourage Wrongdoing and Retaliatory Action;
- (c) In co-operation with the General Manager of HR, ensure proper action is taken to prevent and rectify any violations of the Whistleblower Policy.
- (d) Participate as required when a decision about a Complaint is under Appeal.

2.03 General Manager of Human Resources (HR)

- (a) Develop and maintain policies and procedures to clearly define behaviour and conduct expected of Employees.
- (b) Ensure that all reports of Standalone Wrongdoing and Retaliatory Action are assessed, and where appropriate, the reports will be investigated and resolved.
- (c) When a report of a Standalone Wrongdoing or Retaliatory Action is to be investigated, the General Manager of HR will investigate or appoint an investigator (internal or external) and ensure that adequate resources are available to complete the investigation.
- (d) In the event that a decision is under Appeal, provide the investigation report(s) for the Complaint to the person responsible for determining the Appeal.
- (e) Make recommendations to the Administrative Committee regarding amendments to this policy.

- (f) Report to the CAO and COO on Standalone Wrongdoings and Retaliatory Actions reported in their respective divisions, the results of any investigations, and the disciplinary actions taken against Employees who have engaged in Standalone Wrongdoings and Retaliatory Actions.
- 2.04 General Managers/Designated Department Heads
- (a) Clearly define behaviour and conduct expected of Employees.
 - (b) Discourage, detect, and prevent Wrongdoings and Retaliatory Action as far as reasonably possible.
 - (c) Ensure that all Employees are aware of this policy.
 - (d) Any Standalone Wrongdoing and/or Retaliatory Action reported to or witnessed by a General Manager or Designated Department Head must be reported immediately to the General Manager of HR.
 - (e) A Respondent's General Manager or Designated Department Head will communicate the outcome of any investigations and the resulting course of action to a Respondent.
- 2.05 Immediate Supervisors
- (a) Clearly define behaviour and conduct expected of Employees.
 - (b) Discourage, detect, and prevent Wrongdoings and Retaliatory Action as far as reasonably possible.
 - (c) Ensure that all Employees are aware of this policy.
 - (d) Any Standalone Wrongdoing and/or Retaliatory Action reported to or witnessed by an immediate supervisor must be reported immediately to the General Manager of HR.
- 2.06 Employees
- (a) If an Employee experiences or witnesses Standalone Wrongdoing or Retaliatory Action, they should report it immediately but in any event, as soon as reasonably possible.
 - (b) Wrongdoings or Retaliatory Action involving criminal activity must be reported to the police or the appropriate regulatory body immediately and to the General Manager, HR as soon as reasonably possible.
 - (c) All Employees are to fully cooperate with management, the General Manager of HR, and law enforcement agencies during the course of an investigation.

3. PROCEDURES

3.01 Reporting

- (a) If an Employee witnesses or has reasonable grounds to suspect a Standalone Wrongdoing or experiences or witnesses a Retaliatory Action, they should report it to their direct supervisor or manager immediately.
- (b) An initial report may be done verbally, and must be followed up with a written report.
- (c) If the Employee feels their direct supervisor or manager is involved in the suspected Standalone Wrongdoing or Retaliatory Action, they should notify their General Manager/Designated Department Head, or the next level of management, as the case may be.

- (d) When a General Manager, Designated Department Head or immediate supervisor receives a report of a suspected Standalone Wrongdoing or Retaliatory Action, he or she must report it immediately to the General Manager of HR, and then take immediate action to prevent the alteration or destruction of documents or other evidence that may be relevant to an investigation.
- (e) Employees will not be penalized for reporting in good faith, an allegation of a Standalone Wrongdoing or Retaliatory Action, even if, upon investigation, the allegation is unfounded.

3.02 Investigation

- (a) The General Manager of HR will assess each report of a Standalone Wrongdoing or Retaliatory Action.
- (b) If the General Manager of HR is implicated in the report of a Standalone Wrongdoing or Retaliatory Action, the CAO or COO, as the case may be, will assess the report.
- (c) The General Manager of HR will acknowledge receipt of a written report within 7 business days of receiving it.
- (d) If the General Manager of HR decides not to proceed further with an investigation of the Complaint, the Complainant will be informed, in writing, of the decision as well as their right to Appeal the decision.
- (e) Where a Complaint warrants further investigation, the General Manager of HR will investigate or appoint an investigator. The Respondent will be notified within 7 business days of a decision to investigate that a Complaint has been received, a summary of the particulars of the Complaint, and the steps that will be taken in an investigation.
- (f) A Complainant may be temporarily reassigned to other duties during the investigation if such reassignment is appropriate and such reassignment is not a Retaliatory Action, or, the Respondent may be placed on leave for the duration of the Investigation.
- (g) The General Manager of HR will conduct interviews with the Complainant, Respondent and any witnesses of the alleged Standalone Wrongdoing or Retaliatory Action.
- (h) The Respondent will be afforded reasonable opportunity to respond to the Complaint.

3.03 Findings

- (a) The findings of the investigation will be documented in a confidential report and the report may contain recommendations on how to prevent the Standalone Wrongdoing or Retaliatory Action in the future.
- (b) Where the allegations of a Standalone Wrongdoing or Retaliatory Action are substantiated, the General Manager of HR will recommend a course of action to the Respondent's General Manager or Designated Department Head. The Respondent will be given notice in writing by their General Manager or Designated Department Head of the particulars and findings of the investigation. Information will be provided on how to Appeal the decision and any resulting course of action. This requirement is subject to any collective agreement provisions respecting the rights of Employees during disciplinary proceedings, and to the City's Progressive Discipline Policy #8029.
- (c) The General Manager of HR will ensure the final decision, as well as the process for Appealing the decision is communicated to the Complainant and Respondent

and any other appropriate parties in a timely manner, and that the course of action determined for the Respondent is carried out.

- (d) Where results of the investigation find reasonable grounds to indicate that a criminal activity may have occurred, the matter will be turned over to law enforcement officials.

3.04 Discipline

- (a) A Respondent who is found to have engaged in a Standalone Wrongdoing or Retaliatory Action will be subject to disciplinary action, up to and including dismissal, subject to any collective agreement provisions respecting the rights of Employees during disciplinary proceedings and to the City's Progressive Discipline Policy #8029.

3.05 Bad faith reports

- (a) An Employee who knowingly makes a mischievous, false or bad faith Complaint or knowingly makes a false or misleading statement during an investigation will be subject to disciplinary action, up to and including dismissal, subject to any collective agreement provisions respecting the rights of Employees during disciplinary proceedings and to the City's Progressive Discipline Policy #8029.
- (b) The General Manager of the Employee making the bad faith report or false or misleading statement, in consultation with the General Manager of HR, will determine the action that is to be taken with respect to the Employee.

3.06 Confidentiality

- (a) All reasonable efforts will be made to keep the identities of Employees involved in an investigation anonymous, however, identities may be revealed directly or indirectly through the course of the investigation.
- (b) All Employees who have knowledge of or who are participants in an investigation of an allegation of a Standalone Wrongdoing or Retaliatory Action must treat all information received confidentially. The matter must not be discussed with anyone other than the Investigator, his or her team, and police, or other regulatory investigators, if applicable.
- (c) Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know, as determined by the General Manager of HR.
- (d) Where results are expected to be of public interest, the General Manager of HR may develop a public communications strategy in consultation with the Corporate Communications Manager. Any media inquiries during or after the investigation must be referred to the General Manager of HR or the CAO or COO.

Resources

3.07 Resources available to the Complainant and other Employees involved in the investigative process

- (a) The General Manager of HR and the Complainant's General Manager or Designated Department Head (as the case may be) will be responsible for:
- i. Maintaining regular communication with the Complainant;
 - ii. Ensuring the Complainant and other Employees are aware of Employee Assistance Programs and any other programs for support, including a referral to the City's Occupational Health Nurse, if required; and,
 - iii. Managing the Complainant's expectations.

Appeals

3.08 Appealing a decision

- (a) The findings of the investigation and the disciplinary action may be appealed by the Respondent or Complainant.
- (b) Appeals must be in writing and be received by the General Manager of HR within 30 days of the Complainant's or Respondent's receipt of the decision.
- (c) Decisions resulting from the Appeal are the final decision of the City.

4. ADDITIONAL RESOURCES

Respectful Workplace Policy (8023)
Workplace Violence Prevention Policy (8040)
Fraud Policy (8042)

DATE: 2024-04-08
MEETING: REGULAR COUNCIL
DEPARTMENT: CITY MANAGER
REPORT AUTHOR: ANN MITCHELL, CITY MANAGER
REVISED RESPECTFUL WORKPLACE POLICY #8047
RESCIND ORIGINAL RESPECTFUL WORKPLACE POLICY #8023
RESCIND WORKPLACE VIOLENCE AND PREVENTION POLICY #8040
EXECUTIVE SUMMARY:

As a result of an Occupational Health and Safety Order for section 390.7 of the OHS Code, which was an order to review the Workplace Violence Prevention #8040, this was also an opportunity to review the Respectful Workplace Policy #8023 and combine these two Policies with a consolidated new Respectful Workplace Policy #8047.

The original Respectful Workplace Policy has not been reviewed since 2018.

STRATEGIC ALIGNMENT:

INNOVATION	ECONOMIC EVOLUTION	SERVICE ORIENTATION
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PARTNERSHIPS & GOVERNANCE	COMMUNITY WELLNESS	RESILIENCY & SUSTAINABILITY
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

RECOMMENDATION:

- It is recommended through the Administrative Committee that City Council approve rescinding the current Workplace Violence and Prevention Policy #8040 in its entirety.
- It is recommended through the Administrative Committee that City Council approve rescinding the current Respectful Workplace Policy #8023 in its entirety.
- It is further recommended that the Administrative Committee approve the proposed Procedures to the new comprehensive Respectful Workplace Policy #8047 and that City Council approves the new proposed Policy.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

The Respectful Workplace Policy #8023 was adopted by Council on October 20, 2014.

The Workplace Violence Prevention Policy #8040 was adopted by Council on August 5, 2014. It was brought forward to Administrative Committee on June 7, 2023.

BACKGROUND / ANALYSIS:

With combining the two Policies, the new proposed Respectful Workplace Policy is a more comprehensive Policy. City employees will now have one Policy to reference for clarity. There was overlap in terms of harassment between both Policies. With the updated Respectful Workplace Policy, it is a clearer reporting process with an updated process for filing complaints, an appeal process and where the incident form can be found. Language in the Policy is much clearer in terms of definitions of harassment, clearer process for filing a complaint and appeal.

Occupational Health and Safety is aware of the combining of the Policies and have no issue as the Code does not specify Workplace Violence and Prevention Policies must be separate.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The proposed updated Policy will reflect the City’s accountability to its employees and commitment to empowering the reporting of misconduct without fear of reprisal or retaliation. It will also align with the provincial standards we are required to meet through Occupational Health and Safety Workplace Violence Prevention.

POTENTIAL RISKS / IMPACTS:

Financial:

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

Health, Safety and Environmental:

The proposed updated Policy will ensure and reiterate the City’s commitment to providing a safe and transparent and accountable workplace, while strengthening the working environment for the employees of the City. It will also align with the provincial standards we are required to meet through Occupational Health and Safety Workplace Violence Prevention.

Legal / Legislative / Policy:

Ensuring the integrity of the City’s operations is paramount and this updated Policy will safeguard procedural fairness and natural justice. The City will be fair and objective when taking action in addressing any improprieties at the City. It will also align with the provincial standards we are required to meet through Occupational Health and Safety Workplace Prevention.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

INFORM <input checked="" type="checkbox"/>	CONSULT	INVOLVE	COLLABORATE	EMPOWER
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ALTERNATIVE OPTIONS / PROS AND CONS:

If the recommended revised Policy is not approved, this would not reflect the current state of the organization and in addition, employees would not have better clarification of the procedures.

IMPLEMENTATION PLAN:

If the proposed updates to the Respectful Workplace Policy & Procedures #8047 are approved, People Services will:

- Commence a change management plan to ensure all employees are trained and familiar with the updated Policy.
- Work with Occupational Health and Safety to meet our obligations with the work order.

APPROVED BY & DATE:	Ann Mitchell City Manager	2024-03-18
ATTACHMENTS:	1. Updated Policy & Procedures for Respectful Workplace Policy #8047 2. Current Workplace Violence Prevention Policy #8040 3. Current Respectful Workplace Policy #8023	

Title: RESPECTFUL WORKPLACE POLICY		Number: 8047
Reference: Administrative Committee March 20, 2024	Adopted by City Council:	
	City Clerk	City Manager
		Supersedes:
Administered by: PEOPLE SERVICES DEPARTMENT		

STATEMENT

THE CITY OF MEDICINE HAT ("CITY") IS COMMITTED TO CREATING AND SUSTAINING A WORKPLACE THAT SUPPORTS AN ENVIRONMENT WHERE EVERY PERSON IS TREATED WITH DIGNITY AND RESPECT AND AN ENVIRONMENT THAT ENSURES EQUAL OPPORTUNITY, IS FREE OF DISCRIMINATION, HARASSMENT OR VIOLENCE, AND IS INCLUSIVE, PRODUCTIVE, POSITIVE, SAFE AND RESPECTFUL TO ALL EMPLOYEES, VOLUNTEERS AND THE PUBLIC.

THIS POLICY IS CRITICAL TO THE VISION OF A DIVERSE WORKPLACE WHERE PEOPLE ARE ATTENTIVE AND INFORMED TO THE RIGHTS AND NEEDS OF EVERYONE AND ARE PARTICIPATING IN A CULTURE OF CARE AND RESPECT. WHEN HARM DOES HAPPEN, THE CITY WILL ENSURE THAT THERE IS CAPACITY THROUGHOUT THE WORKPLACE TO SUPPORT AND ASSIST WITH REPAIR AND REBUILDING OF RELATIONSHIPS AND TO TRANSFORM ROOT CAUSES.

PRINCIPLES

1. The City values behaviours where people support each other, build healthy relationships, achieve excellent results and fulfill their potential. These behaviours set the foundation, so every employee can thrive and grow.
2. The City believes that individual dignity, mutual respect, self-esteem, and a sense of personal wellbeing provide a healthy and respectful foundation for a productive work environment.
3. Every employee has the right to be treated in a fair, reasonable and respectful manner. For this to be a normal part of our environment, the City will establish a common understanding of expectations and behaviours that will foster a respectful and inclusive workplace.

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4. The City will take the necessary steps to eliminate workplace violence and harassment, or, if elimination is not reasonably practicable, control the hazards of workplace violence and harassment. All employees are to support this policy and refrain from engaging in any form of disrespectful behaviour or workplace violence.
5. The City supports the principle of equal access to employment, promotions, training, and career development for all employees based on job-related knowledge, skill, and ability.
6. Employees are empowered to resolve issues and to deal with Disrespectful Workplace Behaviours in a direct, healthy, and expeditious manner honouring conflict resolution principles while preserving individual dignity and respect.
7. All City employees have a responsibility to foster a respectful workplace in a spirit of cooperation involving management, staff, unions, community groups, customers, anyone who acts on behalf of the City, and the general public. Behaviours that harass, discriminate, are disrespectful or violent will not be tolerated.

ROLE OF COUNCIL

To receive, review and adopt this policy and any recommended amendments thereto.

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1. DEFINITIONS

- 1.01 Appeals - Where the Complainant or Respondent disagrees with the decision resulting from an investigation they can advise the Director of People Services who will direct the appeal to the Appeal and Decision Body set out in Section 3.06 who was involved in making the decision for disposition of the Complaint.
- 1.02 Complaint – an allegation by an employee or prospective employee that a violation of this policy has taken place.
- 1.03 Complainant – A person(s) who alleges that an offense or violation of this policy or *Alberta Human Rights Act* has taken place.
- 1.04 Discrimination – Discrimination includes, but is not limited to, differential treatment or any action or policy having an adverse impact on an individual or group of individuals based on Protected Grounds.
- 1.05 Disrespectful Workplace Behaviour – Conduct, comments, actions, or gestures that are unwelcome to an individual, and serve no valid work-related purpose. It may be a single incident that is serious and has significant impact or a repeated behavior that in isolation seems minor but has a significant impact on the work environment. This includes, but is not limited to:
- Humiliating, intimidating, insulting, demeaning, annoying, embarrassing, bullying or otherwise offensive behaviour;
 - Refusing to cooperate with others and deliberately avoiding or excluding others from relevant work activities;
 - Written or verbal comments, behaviour or jokes that are degrading, offensive, demeaning, embarrassing, or insulting;
 - Spreading malicious rumours;
 - Vandalism and other damage to people or property;
 - Abuse of authority such as intimidation, threats, blackmail, or coercion;
 - Retaliation through words or actions against a Complainant for making a Complaint under this Policy or the *Alberta Human Rights Act*;
 - Discrimination;
 - Harassment; and
 - Workplace Violence.

If the Disrespectful Workplace Behaviour is related to any of the Protected Grounds, it may also be prohibited under the *Alberta Human Rights Act*.

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1.06 Harassment

- (a) Is any single incident or repeated incidents of objectionable or unwelcome conduct, comment, bullying or action by a person that the person knows or ought reasonably to know will or would cause offence, humiliation, degradation, or embarrassment to an employee, or adversely affects the employee's health and safety.
- (b) Harassment includes, but is not limited to, unwelcome behaviour, physical contact, comments, jokes, gestures, posters, articles, or treatment in general that offends, demeans, or causes personal humiliation and/or embarrassment, or which causes a hostile, intimidating, or abusive work environment regardless of intent.
- (c) Harassment most often involves a pattern of behavior, however in some circumstances, a single incident could be severe enough to constitute harassment.
- (d) Harassment can be a form of discrimination when it relates to a Protected Ground.
- (e) Harassment does not include consensual relationships, mutually welcome social invitations or interactions, or reasonable action taken by the City or any director/manager/supervisor relating to the management and direction of workers.
- (f) The following are some examples of Workplace Harassment, but are not limited to:
 - Threats, leering, intimidation, insults;
 - Negative or derogatory comments, actions, or gestures;
 - Condescending comments that undermine someone else's reputation, work, or confidence;
 - Abuse of power such as improper use of seniority to intimidate, demean or undermine;
 - Yelling or shouting;
 - Taunting or jokes that will negatively isolate or target a person or group;
 - An individual or group of individuals treating an employee in an intimidating manner;
 - Malicious gossiping or the spreading of false information or rumours that result in embarrassment or humiliation, or impact an employee's performance or reputation;
 - Inappropriate and unwelcome inquires about an individual's personal life;

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- Intentional sabotage or interference with an individual's ability to complete their work;
 - Intentionally withholding relevant information, failing to include an employee in relevant communication or failing to provide an employee with the direction that is necessary to perform their essential job duties;
 - Making derogatory insults, comments, jokes, or inappropriate comments/questions based on a Protected Ground.
- (g) The following examples of legitimate workplace actions are not harassment when they are carried out in good faith:
- Assignment and direction of work;
 - Supervisor requests for updates or status reports;
 - Direct supervision, that can include meetings/discussions regarding performance expectations; or
 - Decisions regarding the approval or non-approval of days off, vacation, or flexible work arrangements.

Harassment is also addressed in the Workplace Violence and Harassment Prevention Plan available on Insite. Please refer to that Plan for more information.

- 1.07 Inclusive – Recognizing the value of diversity among employees, workgroups, customers, and the public with different backgrounds including but not limited to cultures, strengths, opinions, and experiences, and ensuring that no one is left out based on any of these characteristics nor any Protected Grounds.
- 1.08 Lead Investigator – The individual set out in Section 3.06, or their delegate, responsible for investigating a Complaint under this policy.
- 1.09 Protected Grounds – The *Alberta Human Rights Act* prohibits discrimination based on the protected grounds of race, religious beliefs, colour, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status, gender, gender identity, gender expression and sexual orientation.
- 1.10 Respondent – A person(s) whom a Complaint has been filed against.
- 1.11 Sexual Harassment
- (a) Sexual harassment is unwelcome or unwanted behaviour that is sexual in nature. Sexual harassment may sometimes, but not always, be an attempt by one person to exert power over another person. The harassment may have a negative effect for the person experiencing the harassment, regardless of what the harasser intended.

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- (b) Sexual harassment can include such things as suggestive remarks, jokes or invitations, comments about physical appearance, sharing suggestive sexual images, leering, or whistling, unwanted physical contact, outright demands for sexual favours, or physical abuse.
- (c) Workplace sexual harassment can include a wide range of behaviors. Examples of workplace sexual harassment can include, but are not limited to:
- Sexual advances, demands or conditions made by a superior or someone who could influence, or is reasonably believed to have the power to influence, another person’s employment condition or opportunities;
 - Displaying, virtually sending, or posting sexually explicit or offensive material;
 - Inappropriate staring, leering, whistling;
 - Expressions of sexual interest after being informed that such interest is unwelcome;
 - Inappropriate or unwanted physical contact;
 - Objectionable or unwelcome comments about a person’s gender identity, gender expression or sexual orientation;
 - Gestures, comments, and jokes of a sexual nature that cause embarrassment or discomfort;
 - Inappropriate comments or inquiries regarding a person’s sex life;
 - Threats of reprisal or actual reprisal against someone who has refused a sexual invitation;
 - Actions of a sexual nature that are not directed at a particular person but create a hostile or offensive environment;
 - Unwelcome remarks about a person’s appearance or physical attributes;
 - Derogatory threats, terms, taunts, or other language that is sexual or gender-based; and
 - Sexual assault or indecent exposure.

1.12 Workplace Violence

- (a) Workplace Violence, whether it is at a work site or workplace, or is otherwise work-related, means the threatened, attempted, or actual conduct of a person that causes, or is likely to cause physical injury, psychological injury and includes domestic and/or sexual violence.

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- (b) Examples of Workplace Violence can include, but not be limited to:
 - Threatening behaviour such as shaking fists, destroying property, throwing objects;
 - Verbal or written threats that express an intent to inflict harm;
 - Physical attacks;
 - Threats, including coercion; and
 - Angry, violent outbursts.
- (c) Domestic violence consists of a pattern of behavior used by one person to gain power and control over another with whom that person has or has had a personal relationship. Acts of domestic violence such as physical violence, emotional or psychological intimidation, verbal abuse or stalking which happen in or otherwise affect the workplace or any work site can be addressed under this Policy.
- (d) Workplace Violence may occur when employees are working alone or outside of regular hours and is not limited to the work site. Workplace Violence can occur at off-site business-related functions including:
 - Attending conferences, training, workshops and/or trade shows; or
 - Any other instance that is related to employment with the City.

1.13 Hazard Assessment, Elimination and Control

- (a) "Hazard" references a situation or condition that may be dangerous to the safety and/or health of workers. If an existing or potential hazard to employee's is identified, the employer must take measures to eliminate the hazard. If the elimination of the hazard is not practical, the employer must control the hazard through controls set out by administration or personal protective equipment.

2. RESPONSIBILITIES

All City employees have a collective responsibility to demonstrate values and consistently model behaviours that promote, support and sustain a respectful workplace through our words and actions.

2.01 City Council

- (a) Receive, review, amend and adopt any recommended changes to the Respectful Workplace Policy.

2.02 Administrative Committee

- (a) Make recommendations to City Council regarding changes to the Respectful Workplace Policy.
- (b) Approves changes to Procedures.

2.03 City Manager/Managing Directors

- (a) Be a role model for respectful behavior.
- (b) Ensure awareness of and compliance with the Respectful Workplace Policy within their divisions.
- (c) Ensure proper action is taken, in co-operation with the Director of People Services, to prevent and rectify any violations of the Respectful Workplace Policy.
- (d) Take immediate action to deal with Disrespectful Workplace Behaviour.
- (e) As far as reasonably possible, ensure no person to whom this policy applies suffers retaliatory action as a result of making a Complaint or for providing information in an investigation in accordance with this policy.
- (f) Refer all Complaints to the Director of People Services or the City Solicitor in accordance with Section 3.06.
- (g) Participate as required when a decision about a Complaint is appealed.

2.04 Directors/Managers/Supervisors

- (a) Be a role model for respectful behavior.
- (b) Ensure awareness of and compliance with the Respectful Workplace Policy within their departments.
- (c) Ensure proper action is taken, in co-operation with the Director of People Services, to prevent and rectify any violations of the Respectful Workplace Policy within their departments.
- (d) As far as reasonably possible, ensure no person to whom this policy applies suffers retaliatory action as a result of making a Complaint or for providing information in an investigation in accordance with this policy.
- (e) Refer all Complaints to the Director of People Services or the City Solicitor
- (f) Cooperate as required with the Lead Investigator or their delegate during an investigation.
- (g) Where the results of the investigation support the allegations of the Complaint the Director/Manager/Supervisor of the Respondent shall:
 - i. work with the Director of People Services to develop a recommendation for disposition of the Complaint and determine a course of action,
 - ii. communicate the outcome of the investigation to the Respondent including any resulting course of action to be taken, and
 - iii. provide support and coaching as required to ensure the Respondent's Immediate Supervisor can support the decision for disposition of the Complaint in a satisfactory manner.

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- (h) Ensure employees are aware of the support options available to them if they are subject to Disrespectful Workplace Behaviours, including the Employee Assistance Program (**EAP**).
- (i) Ensure a hazard assessment (if applicable) is conducted that identifies existing or potential hazards relating to Workplace Violence. The determination of a hazard assessment will be conducted by the Director of People Services, in conjunction with Occupational Health and Safety.
- (j) Develop and document adequate controls, if applicable, for each hazard identified to ensure cases of Workplace Violence can be reduced or eliminated.
- (k) Ensure all employees are aware of all existing potential hazards and controls related to Workplace Violence.

2.05 Immediate Supervisor

- (a) Be a role model for respectful behavior.
- (b) Ensure employees are provided the opportunity to attend training related to the Respectful Workplace Policy.
- (c) Take appropriate action to protect employees and others in the workplace and put a stop, as far as reasonably possible, to any Disrespectful Workplace Behaviour they are aware of.
- (d) Refer all Complaints and immediately report all instances of Workplace Violence to the Director of People Services.
- (e) Provide support and/or coaching as required to ensure employees comply with the disposition of a Complaint in a satisfactory manner.
- (f) Ensure employees are aware of the support options available to them if they are subject to Disrespectful Workplace Behaviours, including the EAP and aid employees subjected to Workplace Violence.

2.06 Director of People Services

- (a) Ensure that they, or a suitable delegate, receives, coordinates, reviews and investigates Complaints regarding violation of the principles of this policy.
- (b) In cooperation with applicable Director/Manager/Supervisor of the parties to the Complaint, formulate an agreed upon course of action for the disposition of the Complaint in a timely manner.
- (c) At the conclusion of an investigation, summarize and review the findings with the applicable Director/Manager/Supervisor as necessary.
- (d) Ensure that the Complainant is advised of the findings of the investigation.
- (e) Ensure that any course of action determined for the Respondent is carried out.

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- (f) If a decision is under appeal, provide the relevant investigation report to the person responsible to resolve the Appeal.
- (g) Provide information to the City Manager concerning the types of Complaints reported and the outcome of investigations as they occur while maintaining confidentiality to the extent possible.
- (h) Advise and make recommendations to Managing Directors, Directors, Managers, and Supervisors in dealing with potential violations of the Respectful Workplace Policy.
- (i) Make recommendations to the Administrative Committee regarding amendments to this policy.

2.07 People Services Department

- (a) Administer this policy and ensure review of the policy every two years or when a serious incident of Workplace Violence or Harassment occurs.
- (b) Provide training and support to all employees ensuring the effective implementation of this policy.
- (c) Collect relative data and information of all reported incidents for analysis.
- (d) Communicate the intent and guidelines of the Respectful Workplace Policy to all employees.
- (e) Respond to and make recommendations to the Director of People Services regarding policies and procedures contravening the Respectful Workplace Policy.
- (f) Maintain confidentiality of any report of Workplace Violence or Harassment, or Complaint and subsequent investigation to the extent possible, including not disclosing the circumstances related to the report/Complaint, the name(s) of the reporting employee, Complainant, the Respondent, and any witnesses, except:
 - i. where necessary to investigate the Complaint or to take corrective action, or to inform the parties involved in the Complaint of the results of the investigation and any corrective action to be taken to address the Complaint;
 - ii. where necessary to inform employees of a specific or general threat of violence or potential violence; or
 - iii. as required by law.

Where information must be disclosed in order to inform employees of a specific or general threat of violence, the People Services Department will only disclose the minimum amount of personal information necessary to inform employees of the threat.

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- (g) As far as reasonably possible, ensure no persons suffer retaliatory action as a result of making a Complaint or for providing information in an investigation in accordance with this policy.
- (h) Ensure employees are aware of the support options available to them, including the EAP, if they are subject to Disrespectful Workplace Behaviours.
- (i) Post the Respectful Workplace Policy in all City of Medicine workplace and work site locations.
- (j) Provide information and training to all City employees on the policy, procedures, hazard assessment, elimination, and control processes (if and where applicable).
- (k) Ensure serious injuries and accidents are reported to the appropriate regulator in the jurisdiction where the serious incident or accident occurred.
- (l) Participate in the investigation of reported Workplace Violence related incidents and make recommendations for corrective measures.

2.08 Employees

- (a) Promote behaviours that will uphold a respectful workplace and follow processes established in this policy regardless of whether directly impacted by or witness to Disrespectful Workplace Behaviours between others.
- (b) Understand and comply with the policy and procedures, and complete any training required by this policy.
- (c) Participate in the hazard assessment, elimination and control processes, where applicable to Workplace Violence and Harassment.
- (d) Utilize the informal resolution process wherever possible and ensure that Respectful Workplace Behaviour is modelled regardless of whether they are the Complainant or the Respondent.
- (e) In accordance with the Whistleblower Policy, report any incidents of retaliatory action as a result of making a Complaint or involvement in the investigation.
- (f) Take immediate and appropriate action to report any incident of Workplace Violence to their immediate supervisor and the Director of People Services.
- (g) Participate in the investigation of Workplace Violence and/or any Complaints, as required.
- (h) Seek medical attention as required following an incident of Workplace Violence.
- (i) Utilize the support options that are available when impacted by Workplace Violence, Harassment, Discrimination or Disrespectful Workplace Behaviours.

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3. PROCEDURES

- 3.01 This policy applies to all City employees, contractors, volunteers, and anyone else who acts on behalf of the City, and at all City facilities, locations visited by employees on City-related business and locations of work-based social gatherings.
- 3.02 All City employees, contractors, volunteers, and anyone else who acts on behalf of the City, are to always promote and model respectful workplace behaviour. The City will not tolerate Disrespectful Workplace Behaviour.
- 3.03 Training is a critical component of any City policy. Training on this policy will be mandatory for all employees in any work location.
- 3.04 Reporting of Workplace Violence
- (a) Incidents of immediate crisis or danger involving weapons, physical injury, signs of threatening of physical injury must be reported immediately to the City of Medicine Hat Police by calling 911.
 - (b) Incidents of Workplace Violence must be reported to the Director of People Services and the Director/Manager/Supervisor immediately.
 - (c) Details of any incident relative to Workplace Violence or harassment must be documented on the City of Medicine Hat incident form that can found on Insite. This form must immediately be sent to the Director of People Services.
 - (d) Any and all incidents of, or informal or formal reports of Workplace Violence and Harassment will be investigated. Upon notification of an incident, the relevant Director/Manager/Supervisor, and where applicable the Director of People Services, in consultation with People Services staff, will review the details surrounding the situation and determine an appropriate resolution.
 - (e) A copy of the written investigation will be provided to an Occupational Health and Safety Officer, upon request.
 - (f) Workplace Violence reported under this Section 3.04 of the policy may also be the subject of a Complaint. If an incident of Workplace Violence is the subject of a Complaint, the process for reporting and investigating a Complaint will be followed, as set out in Section 3.06 below, in addition to the incident being reported in accordance with this Section.

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3.05 Informal Procedure/ Direct Resolution of Disrespectful Workplace Behaviours – The City’s goal is to have employees directly communicate when they perceive a party is engaging in Disrespectful Workplace Behaviours in order to resolve any conflict. If circumstances make this difficult or there is an inability to resolve the issues between the parties, they can proceed to access a greater level of assistance in this process. The steps of the Informal Procedure are as follows:

- (a) Advise the alleged offender that their behaviour is unacceptable and unwelcome. This approach is best used at the time of the offense or as soon as possible afterwards. This can be done verbally, or in writing and may include expressing the negative effects of the Disrespectful Workplace Behaviour.
- (b) This could lead to clarifying misunderstandings, apologizing, and establishing an agreed upon action plan to improve working relationships.
- (c) If the Disrespectful Workplace Behaviour does not stop, or if the Complainant feels uncomfortable addressing the issue with the other party, the Complainant can speak with their supervisor or union representative. People Services, at the direction of the Director of People Services, will be available to provide guidance and/or direction as required.
- (d) If the Complainant does not feel the matter can be resolved by speaking with their supervisor and union representative, they should proceed with the formal complaint process set out below.
- (e) The employee should keep a written record of the incident(s) of Disrespectful Workplace Behaviour as well as the action they have taken to stop the inappropriate behaviour. The notes should include as much information as possible, such as dates, times, places, nature of behaviour and names of possible witnesses.

3.06 Formal Resolution

(a) Filing a Complaint

- i. To make a Complaint, the Complainant should submit a signed, written Complaint outlining the allegations of Disrespectful Workplace Behaviour, using the Respectful Workplace Complaint Form, describing specific incidents, the dates, times, and any witnesses, to the Director of People Services. If the City Manager is the Complainant, they shall submit the written Complaint to City Council. If the Director of People Services, or any employee of the People Services Department is the Complainant or the Respondent to a Complaint, the Complaint shall be submitted to the City Solicitor for external investigation.
- ii. Complaints must be filed within six months from the date of the most recent incident of Disrespectful Workplace Behaviour cited in the Complaint. Once a Complaint is received, it will be kept strictly confidential, to the extent reasonably possible, including not disclosing the circumstances related to the Complaint, the name(s) of the Complainant, the Respondent, and any witnesses, except:

- where necessary to investigate the Complaint or to take corrective action, or to inform the parties involved in the Complaint of the results of the investigation and any corrective action to be taken to address the Complaint;
- where necessary to inform employees of a specific or general threat of violence or potential violence; or
- as required by law.

Where information must be disclosed in order to inform employees of a specific or general threat of violence, the City will only disclose the minimum amount of personal information necessary to inform employees of the threat.

- iii. Table 1 describes the investigation and appeal responsibilities for each type of Respondent:

Table 1

Respondent	Lead Investigator	Responsibility for Decision to Investigate	Appeal & Decision Body
City Manager	External Investigator as appointed by City Solicitor	City Solicitor	City Council
City Solicitor	City Manager	Administrative & Legislative Review Committee	External Investigator as appointed by City Solicitor
Managing Director	External Investigator as appointed by City Solicitor	City Manager	External Investigator as appointed by City Solicitor
Director, People Services	External Investigator as appointed by City Solicitor	City Solicitor	External Investigator as appointed by City Solicitor
People Services Staff	External Investigator as appointed by City Solicitor	City Solicitor	City Manager
All Other Staff	Director of People Services	Respondent's Director, Manager, or Supervisor	Managing Director of Respective Division

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(b) Investigation

- i. All Complaints will be investigated. The Complainant has the right to request the formal investigation be ceased if an acceptable resolution has been achieved between the Complainant and Respondent. However, the City has the authority to pursue an investigation and resolution process with or without the Complainant's consent if there is sufficient cause for an investigation.
- ii. The Lead Investigator or their delegate will respond in writing to the Complainant advising that the Complaint has been received, and whether it falls within the scope of this policy.
- iii. Within 10 days, the Lead Investigator or their delegate will conduct a preliminary review of the facts and will determine the method of investigation or action required to resolve the issue. The formality and scope of the investigation will be determined by the specific circumstances of each Complaint.
- iv. If the decision is made not to proceed further with an investigation, the Lead Investigator will inform the Complainant, in writing, of the decision as well as their right to appeal the decision.
- v. If the Complaint appears to have sufficient grounds to warrant further investigation, the Lead Investigator will:
 - inform the Complainant, in writing, and advise the steps to be taken to investigate and resolve the Complaint; and
 - inform the Respondent, in writing that a Complaint has been received, provide them with a summary of the particulars of the Complaint, and advise the steps to be taken to investigate and resolve the Complaint.

(c) Further Investigation

- i. Within 15 days, the Lead Investigator or their delegate will conduct interviews with the Complainant, Respondent, and witnesses of the alleged incident(s) of Disrespectful Workplace Behaviour(s). Upon request, participants will be given the opportunity to review and confirm the information they provide.
- ii. The Respondent shall be afforded reasonable opportunity to respond to the Complaint.
- iii. All Complaints and investigations into Complaints shall be treated in confidence to the extent possible.

(d) Outcome of the Complaint

- i. If the results of the investigation support the allegations of the Complaint, any appropriate corrective actions shall be determined through the investigation and will be documented and implemented by People Services as soon as reasonably practicable.

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

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- ii. If an allegation is substantiated the Respondent may be subject to disciplinary action in accordance with the Progressive Discipline Policy #8029.
- iii. People Services will inform the Complainant the Respondent of the results of the investigation and of any corrective action that has been taken or that will be taken.
- iv. The Director of People Services will ensure that the final decision as well as the process for appealing the decision is communicated to the appropriate parties in a timely manner.

(e) Appeals

- i. The Complainant or the Respondent may appeal the final decision and will notify the Director of People Services of their wish to appeal.
- ii. Appeals must be in writing and be received by the Director of People Services within 30 days of the Complainant's or Respondent's (as the case may be) receipt of the decision.
- iii. Appeals will be investigated as described in Table 1. Decisions resulting from the Appeal are the final decision of the City.
- iv. Appeals will be heard and a decision made within 20 days of the appeal filed.

(f) False, Vexatious and Malicious Complaints

- i. Complaints that are made in bad faith or are vexatious or malicious in nature may lead to the discipline of the Complainant. Complainants who in good faith file a Complaint based on mistaken facts or assumptions are not subject to discipline.

(g) Retaliation

- i. The City will not condone retaliation against any Complainant exercising their rights in good faith under the Respectful Workplace Policy or applicable legislation, including but not limited to the *Alberta Human Rights Act*. Retaliatory actions are grounds for discipline, up to and including termination.

(h) Reporting of Results

- i. The findings of all Complaints and recommendations for preventing similar incidences will be summarized in a report to the Administrative Committee on an annual basis.

3.07 Alberta Human Rights Commission (“Commission”)

- (a) The Commission was established under the *Alberta Human Rights Act* to foster equality and reduce discrimination.
- (b) This independent Commission resolves and settles complaints of discrimination based on any of the Protected Grounds.



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- (c) All individuals, whether employed by the City or not, have the right to make a complaint at any time to the Commission in accordance with the provisions of the *Alberta Human Rights Act*. (Note: there are time limitations for filing a complaint under the *Alberta Human Rights Act*).
- (d) The Respectful Workplace Policy is not intended to discourage a worker from exercising rights pursuant to any other law, including the *Alberta Human Rights Act*.

4. ADDITIONAL RESOURCES

Alberta Human Rights Act
Occupational Health and Safety Act
 Whistleblower Policy (8041)

Policy

Title: WORKPLACE VIOLENCE PREVENTION		Number: 8040
Reference: Administrative Committee - June 25, 2014 Administrative Committee - October 31, 2018 Administrative Committee - June 7, 2023	Adopted by City Council: August 5, 2014	
	City Clerk 	City Manager 
Supersedes:		
Prepared by: HUMAN RESOURCES		

STATEMENT

THE CITY OF MEDICINE HAT IS COMMITTED TO MAINTAINING A WORKPLACE FREE OF VIOLENCE.
 ANY ACT OF VIOLENCE COMMITTED BY, OR AGAINST, WORKERS, CONTRACTORS, VOLUNTEERS, VISITORS, OR THE GENERAL PUBLIC IS UNACCEPTABLE AND WILL NOT BE TOLERATED.
 ACTS OF VIOLENCE ARE CONSIDERED A SERIOUS OFFENCE FOR WHICH AN INVESTIGATION WILL BE CONDUCTED AND NECESSARY CORRECTIVE ACTIONS IMPOSED.

PRINCIPLES

1. This policy applies to all employees of the City of Medicine Hat, including but not limited to regular, temporary, and contract employees, volunteers, members of the general public, visitors to City facilities, or individuals conducting business with the City of Medicine Hat.
2. The City will take the necessary steps to ensure a workplace free from violence. All employees are expected to support this policy and refrain from engaging in any form of Workplace Violence.
3. Any employee that has been subjected to an act of Workplace Violence should be encouraged to access the support and assistance they may require.
4. Training will be provided to all employees on this Policy and Procedures.
5. No action will be taken against an individual for making a complaint, unless the complaint is made maliciously or without reasonable and probable grounds.

ROLE OF COUNCIL

1. To receive, review and adopt this policy and any recommended amendments thereto.

Policy No. 8040 – Workplace Violence Prevention Policy		PROCEDURE
Approved by:	Administrative Committee - June 7, 2023	Page 2 of 6

1. DEFINITIONS

- 1.01 Workplace Violence - Violence, whether at a work site, or work related, means the threatened, attempted, or actual conduct of a person that causes, or is likely to cause physical injury.
- (a) Examples of workplace violence include, but are not limited to:
- (1) Threatening behavior such as shaking fists, destroying property, throwing objects;
 - (2) Verbal or written threats that express an intent to inflict harm, and;
 - (3) Physical attacks.
- (b) Workplace Violence is not limited to the work site. Workplace Violence can occur at off-site business related functions including:
- (1) Working alone;
 - (2) Working outside of regular work hours;
 - (3) Attending conferences and trade shows;
 - (4) Any other instance that is related to employment with the City.
- 1.02 Complainant – A person(s) who alleges an offense of workplace violence has taken place and/or a violation of this policy, Canada Labour Code Part II, or other legislation.
- 1.03 Director, Human Resources – The Director of the City of Medicine Hat’s Human Resources Department and includes any delegate of the Director or any person appointed to act in place of the Director.
- 1.04 Respondent - An individual against whom an allegation that could constitute a violation of this policy have been made.
- 1.05 Incident Reporting - Incidents of Workplace Violence must be documented on a City incident report.
- 1.06 Hazard Assessment, Elimination and Control - “Hazard” means a situation, condition or thing that may be dangerous to the safety or health of workers. If an existing or potential hazard to workers is identified, the employer must take measures to eliminate the hazard. If elimination of the hazard is not reasonably practicable, the employer must control the hazard through the use of engineering controls, administrative controls, a combination of both, or personal protective equipment.

2. RESPONSIBILITIES

- 2.01 City Manager and Managing Directors
- (a) Support and uphold the principles of this policy and procedures.
- 2.02 Directors/Managers/Supervisors
- (a) Understand and adhere to this policy and procedures.

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- (b) Ensure a Hazard Assessment is conducted that identifies existing or potential hazards relating to Workplace Violence taking into account the work performed.
- (c) Develop and document adequate controls for each hazard identified to ensure situations of Workplace Violence can be reduced or eliminated.
- (d) Ensure all employees are aware of all existing or potential hazards and controls.
- (e) Contact Corporate Safety Advisors and the Director, Human Resources immediately upon notification of any act of Workplace Violence.
- (f) Offer assistance to the employee(s) subjected to Workplace Violence.
- (g) Perform an annual review of the Hazard Assessment, Elimination and Control process.

2.03 Human Resources Department (HR)

- (a) Administer this policy and ensure ongoing review.
- (b) Provide support to departments to ensure effective implementation of the Workplace Violence Prevention Policy and Procedures.
- (c) Ensure serious injuries and accidents are reported to the respective regulator in the jurisdiction where the serious injury or accident occurred.
- (d) Participate in the investigation of reported Workplace Violence related incidents and make recommendations for corrective measures.
- (e) Review, analyze and track all reported incidents of Workplace Violence.

2.04 Employee Responsibilities

- (a) Understand and comply with this policy and procedures. Federally regulated employees are governed by the Canada Labour Code Part II.
- (b) Participate in the Hazard Assessment, Elimination and Control Process.
- (c) Take immediate and appropriate action to report any incident of Workplace Violence to their immediate supervisor and/or department manager, and the Director, Human Resources.
- (d) Report any situation of potential Workplace Violence immediately.
- (e) Cooperate with all stakeholders to resolve matters arising under this policy.
- (f) Participate in the investigation of Workplace Violence, as required.
- (g) Seek appropriate support from available resources as required when confronted with Workplace Violence or threats of Workplace Violence.
- (h) Seek appropriate medical attention if required.
- (i) Attend Workplace Violence awareness training.

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- 2.05 Mandatory “Violence in the Workplace Prevention Procedure” Components
- (a) Post the Workplace Violence Prevention Policy Statement and Principles page in all locations.
 - (b) All employees must be instructed on how to recognize workplace hazards, the appropriate response, and how to obtain assistance.
 - (c) Provide information and training to all City employees on the policy, procedures, departmental Hazard Assessment, Elimination and Control Processes.
 - (d) Understand the established processes for reporting and investigating occurrences of Workplace Violence.

3. PROCEDURES

- 3.01 Training-
- (a) Training is a critical component of any Workplace Violence prevention strategy. Training is mandatory for employees, supervisors, and staff members at any work location where an incident of Workplace Violence may occur.
 - (b) Departments in specialized high risk occupations such as Police, By-Law Enforcement, Parking Control, shall be required to implement available specialized training programs for employees.

- 3.02 Reporting Emergencies
- (a) Incidents of immediate danger involving weapons, physical injury or obvious signs of abusive threats must be reported immediately to the Police by calling 911. Critical information must be provided including the nature of the incident; whether the perpetrator(s) are still present; whether weapons are involved; etc.
 - (b) Incidents of Workplace Violence must be reported immediately to the department manager and/or supervisor, plus. the Director, Human Resources.
 - (c) Details of the incident must be documented on the Incident Report and include the date, time, location, who was involved, nature of the Workplace Violence, names of witnesses, and other pertinent information.
 - (d) HSE will determine if the incident is reportable to the respective regulator.
 - (e) The manager, supervisor, and where applicable the Director, Human Resources, in consultation with HSE, will review the details surrounding the situation and determine the appropriate corrective action to resolve the issue.
 - (f) Additional internal or external resources or agencies may be required to provide assistance.

- 3.03 Reporting Non-Emergencies
- (a) Employees shall report threatening statements or behaviour that gives one reasonable grounds to believe that there is a potential for Workplace Violence immediately to their department manager and/or supervisor.

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- (b) Upon notification of such allegations, the department manager and/or supervisor shall contact HSE and the Director, Human Resources for advice and direction.
- (c) Details of the incident shall be documented on the Incident Report by the employee(s) involved.

3.04 Formal Complaint

- (a) Formal complaints must be documented on the City's Incident Report.

3.05 Investigation

- (a) All incidents of Workplace Violence must be investigated.
- (b) Upon notification of an incident, the department manager/supervisor and HSE will conduct a preliminary review of the facts to determine if there are reasonable and probable grounds to warrant an in-depth investigation.
- (c) The department manager and/or supervisor, in consultation with HSE shall initiate a detailed, formal investigation.
- (d) If an allegation of Workplace Violence is substantiated the offender may be subject to disciplinary action in accordance with the Progressive Discipline Policy #8029 (Addendum 2).
- (e) Appropriate corrective actions shall be determined through the investigation.
- (f) Corrective actions must be documented and implemented as soon as reasonably practicable.
- (g) A copy of the written investigation report shall be provided to an Occupational Health and Safety Officer, upon request.

3.06 Right to Assistance

- (a) Human Resources will ensure that appropriate resources are available to any employee(s) who has been subjected to an injury and/or adverse symptom resulting from an incident of Workplace Violence.

3.07 No Recriminations

- (a) It is the responsibility of all persons involved in the processing of a complaint to ensure that the Complainant is neither penalized nor subjected to any prejudicial treatment because of making the complaint (refer to Whistleblower Policy #8041).
- (b) The Workplace Violence Prevention Policy is not intended to discourage a worker from exercising rights pursuant to any other law.

3.08 False Accusations

- (a) A person, who submits a complaint in good faith, even where the complaint cannot be proven, has not violated the policy.
- (b) If an investigation results in a finding that the Complainant falsely accused the Respondent of workplace violence knowingly or in a malicious manner, the complainant may be subject to disciplinary action in accordance with the Progressive Discipline Policy #8029.

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3.09 Confidentiality

- (a) All workplace violence incident details will remain confidential including the names of the Complainant, the Respondent, and any witnesses, except:
- i. where necessary to investigate the incident or to take corrective action, or to inform the parties involved in the incident of the results of the investigation and any corrective action to be taken to address the incident,
 - ii. where necessary to inform workers of a specific or general threat of violence or potential violence, at which point only the necessary information will be disclosed, or
 - iii. as required by law.

3.10 Evaluation

- (a) The Workplace Violence Prevention Policy will be reviewed every three years from the date of approval.
- (b) Ongoing evaluation of this policy and procedures will be performed to monitor the effectiveness of the established procedures.

3.11 Record Keeping

- (a) The Incident Report, Investigation and corresponding documents, must be maintained in a secure location for a minimum of two years from the date of the incident.
- (b) Investigation reports must be available for review by an Occupational Health and Safety Officer upon request.

4. ADDITIONAL RESOURCES

Progressive Discipline Policy #8029
 Alberta Occupational Health and Safety, Act, Regulation and Code
 Whistleblower Protection Policy #8041
 Respectful Workplace Policy #8023
 Canada Labour Code Part II

Policy

Title: RESPECTFUL WORKPLACE		Number: 8023
Reference: Administrative Committee - October 16, 2014 Administrative Committee November 15, 2018	Adopted by City Council: October 20, 2014	
	City Clerk	Chief Administrative Officer
		Supersedes: 8034 Equal Opportunity Policy
Prepared by: HUMAN RESOURCES		

STATEMENT

THE CITY OF MEDICINE HAT ("CITY") IS COMMITTED TO CREATING AND SUSTAINING A WORKPLACE THAT ENSURES EQUAL OPPORTUNITY, IS FREE OF DISCRIMINATION OR HARASSMENT, AND IS INCLUSIVE, PRODUCTIVE, POSITIVE, SAFE AND RESPECTFUL TO ALL EMPLOYEES, VOLUNTEERS AND THE PUBLIC.

PRINCIPLES

1. The City values behaviours where people support each other, build healthy relationships, achieve excellent results and fulfill their potential. These behaviours set the foundation so every employee is able to thrive and grow.
2. The City believes that individual dignity, mutual respect, self-esteem and a sense of personal wellbeing provide a healthy and respectful foundation for a productive work environment.
3. Every employee has the right to be treated in a fair, reasonable and respectful manner. For this to be a normal part of our environment, the City will establish a common understanding of expectations and behaviours that will foster a respectful and inclusive workplace.
4. The City supports the principle of equal access to employment, promotions, training and career development for all employees based on job-related knowledge, skill and ability.
5. Employees are empowered to resolve issues and to deal with Disrespectful Workplace Behaviours in a direct, healthy and expeditious manner honouring conflict resolution principles while preserving individual dignity and respect.
6. All City employees have a responsibility to foster a respectful workplace in a spirit of cooperation involving management, staff, unions, community groups, customers, anyone who acts on behalf of the City, and the general public. Behaviours that harass, discriminate, are disrespectful or violent will not be tolerated.

ROLE OF COUNCIL

1. To receive, review and adopt this policy and any recommended amendments thereto.

Policy No. 8023 – Respectful Workplace Policy		PROCEDURE
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1. DEFINITIONS

- 1.01 Appeals - Where the Complainant or Respondent to the Complaint disagrees with the decision resulting from an investigation he/she can advise the General Manager of Human Resources who will direct the appeal to the person who is one level above the General Manager or Designated Department Head who was involved in making the decision for disposition of the Complaint.
- 1.02 Complaint -
- (a) An internal Complaint is an allegation by an employee or prospective employee made to a representative of the City that a violation of this policy has taken place.
- (b) An external Complaint is an allegation by a City employee or member of the public filed with the Alberta Human Rights Commission alleging the City, (or a person acting on behalf of the City), has engaged in Discrimination, including Sexual Harassment, in contravention of the *Alberta Human Rights Act*.
- 1.03 Complainant - A person(s) who alleges that an offense or violation of this policy or *Alberta Human Rights Act* has taken place.
- 1.04 Designated Department Head (DDH) - A person who has the responsibility to direct the management and operations of a City department but does not carry the title of General Manager (e.g., City Clerk, City Solicitor, Manager of Land and Properties).
- 1.05 Discrimination - Discrimination includes, but is not limited to, differential treatment or any action or policy having an adverse impact on an individual or group of individuals based on Protected Grounds.
- 1.06 Disrespectful Workplace Behaviour - Conduct, comments, actions or gestures that are unwelcome to an individual, and serve no valid work related purpose. It may be a single incident that is serious and has significant impact or a repeated behavior that in isolation seems minor but has a significant impact on the work environment. This includes, but is not limited to:
- Bullying or intimidation;
 - Refusing to cooperate with others and deliberately avoiding or excluding others from relevant work activities;
 - Written or verbal comments, behaviour or jokes that are degrading, offensive, demeaning, embarrassing or insulting;
 - Spreading malicious rumours;
 - Breaching personal disclosure;
 - Vandalism and other damage to people or property ;
 - Abuse of authority such as intimidation, threats, blackmail or coercion;
 - Discrimination; and,
 - Harassment

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1.07 Harassment

- (a) Is a form of Discrimination and includes any behaviour or practice, including Sexual Harassment, which is deemed inappropriate by its adverse effect on an individual's employment, job performance and/or personal dignity and will not be tolerated within the City workplace.
- (b) Harassment includes, but is not limited to, unwelcome behaviour, physical contact, comments, jokes, gestures, posters, articles or treatment in general that offends, demeans, or causes personal humiliation and/or embarrassment regardless of the intent of the action.
- (c) If the Disrespectful Workplace Behaviour is based on any of the Protected Grounds it is also prohibited under the *Alberta Human Rights Act*.
- (d) Harassment does not include consensual relationships, mutually welcome social invitations or interactions, or constructive feedback about work performance.

1.08 Inclusive - Recognizing the value of diversity among employees, workgroups, customers, and the public with different backgrounds including but not limited to cultures strengths, opinions and experiences, and ensuring that no one is left out on the basis of any of these nor the Protected Grounds.

1.09 Protected Grounds - The *Alberta Human Rights Act* prohibits discrimination based on the protected grounds of race, colour, ancestry, place of origin, religious beliefs, gender, age, physical disability, mental disability, marital status, family status, source of income and sexual orientation.

1.10 Respondent - A person(s) whom a Complaint has been filed against.

1.11 Sexual Harassment

- (a) Unwanted sexual advances, unwanted requests for sexual favours, and other unwanted verbal or physical conduct of a sexual nature.
- (b) Sexual harassment can include such things as pinching, patting, rubbing or leering, "dirty" jokes, pictures or pornographic materials, comments, suggestions, innuendoes, requests or demands of a sexual nature.

2. RESPONSIBILITIES

All City employees have a collective responsibility to demonstrate values and consistently model behaviours that promote, support and sustain a respectful workplace through our words and actions at all times

2.01 City Council

- (a) Receive, review, amend and adopt any recommended changes to the Respectful Workplace Policy.

2.02 Administrative Committee

- (a) Make recommendations to City Council regarding changes to the Respectful Workplace Policy.

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2.03 Chief Administrative Officer (CAO)/ Commissioners

- (a) Be a role model for respectful behavior.
- (b) Ensure awareness of and compliance with the Respectful Workplace Policy within their divisions.
- (c) Ensure proper action is taken, in co-operation with the General Manager of Human Resources, to prevent and rectify any violations of the Respectful Workplace Policy.
- (d) Take prompt action to deal with Disrespectful Workplace Behaviour.
- (e) As far as reasonably possible, ensure no person to whom this policy applies suffers retaliatory action as a result of making a Complaint or for providing information in an investigation in accordance with this policy.
- (f) Refer all internal or external Complaints that violate this policy to the General Manager of Human Resources.
- (g) Participate as required when a decision about a Complaint is appealed.

2.04 General Managers/ Designated Department Heads

- (a) Be a role model for respectful behavior.
- (b) Ensure awareness of and compliance with the Respectful Workplace Policy within their departments.
- (c) Ensure proper action is taken, in co-operation with the General Manager of Human Resources, to prevent and rectify any violations of the Respectful Workplace Policy within their departments.
- (d) As far as reasonably possible, ensure no person to whom this policy applies suffers retaliatory action as a result of making a Complaint or for providing information in an investigation in accordance with this policy.
- (e) Refer all internal or external Complaints that violate this policy to the General Manager of Human Resources.
- (f) Cooperate as required with the General Manager of Human Resources or his/her delegate during an investigation.
- (g) Where the results of the investigation support the allegations of the Complaint the General Manager/DDH of the Respondent shall:
 - i. work with the General Manager of Human Resources to develop a recommendation for disposition of the Complaint and determine a course of action,
 - ii. communicate the outcome of the investigation to the Respondent including any resulting course of action to be taken, and

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iii. provide support and coaching as required to ensure the Respondent's Immediate Supervisor can support the decision for disposition of the Complaint in a satisfactory manner.

(h) Ensure employees are aware of the support options available to them if they are subject to Disrespectful Workplace Behaviours, including the Occupational Health Nurses (OHN) and Employee Assistance Program (EAP).

2.05 Immediate Supervisor

(a) Be a role model for respectful behavior.

(b) Ensure employees are provided the opportunity to attend an educational session related to the Respectful Workplace Policy.

(c) Take appropriate action to protect employees and others in the workplace and put a stop, as far as reasonably possible, to any Disrespectful Workplace Behaviour they are aware of.

(d) Refer all internal or external Complaints to the General Manager of Human Resources.

(e) Provide support and/or coaching as required to ensure employees comply with the disposition of a Complaint in a satisfactory manner.

(f) Ensure employees are aware of the support options available to them if they are subject to Disrespectful Workplace Behaviours, including the OHN and EAP.

2.06 General Manager of Human Resources

(a) Ensure that he/she, or a suitable delegate, receives, coordinates, reviews and investigates both internal and external Complaints regarding violation of the principles of this policy.

(b) In cooperation with applicable General Manager(s)/DDH of the parties to the Complaint, formulate an agreed upon course of action for the disposition of the Complaint in a timely manner.

(c) At the conclusion of an investigation, summarize and review the findings with the applicable General Manager(s)/DDH(s) as necessary.

(d) Ensure that the Complainant is advised of the findings of the investigation

(e) Ensure that any course of action determined for the Respondent is carried out.

(f) In the event that a decision is under appeal, provide investigation reports of all internal or external Complaints to the person responsible to resolve the Appeal.

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- (g) Provide information to the CAO concerning the types of Complaints reported and the outcome of investigations as they occur without violating the Complainants' rights of confidentiality, to the extent possible, including not disclosing the circumstances related to the Complaint, the name(s) of the Complainant, the Respondent, and any witnesses, except:
 - i. where necessary to investigate the Complaint or to take corrective action, or to inform the parties involved in the Complaint of the results of the investigation and any corrective action to be taken to address the Complaint, or
 - ii. as required by law.
- (h) Advise and make recommendations to Commissioners, General Managers, DDHs and Supervisors in dealing with potential violations of the Respectful Workplace Policy.
- (i) Make recommendations to the Administrative Committee regarding amendments to this policy.

2.07 Human Resources Department

- (a) Communicate the intent and guidelines of the Respectful Workplace Policy to all employees.
- (b) Respond to and make recommendations to the General Manager of Human Resources regarding policies and procedures contravening the Respectful Workplace Policy.
- (c) Maintain confidentiality of the Complaint and subsequent investigation to the extent possible, including not disclosing the circumstances related to the Complaint, the name(s) of the Complainant, the Respondent, and any witnesses, except:
 - i. where necessary to investigate the Complaint or to take corrective action, or to inform the parties involved in the Complaint of the results of the investigation and any corrective action to be taken to address the Complaint, or
 - ii. as required by law.
- (d) As far as reasonably possible, ensure no persons suffer retaliatory action as a result of making a Complaint or for providing information in an investigation in accordance with this policy.
- (e) Ensure employees are aware of the support options available to them, including an OHN and EAP, if they are subject to Disrespectful Workplace Behaviours.

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2.08 Employees

- (a) Promote behaviours that will uphold a respectful workplace and follow processes established in this policy regardless of whether directly impacted by or witness to Disrespectful Workplace Behaviours between others.
- (b) Utilize the informal resolution process wherever possible and ensure that Respectful Workplace Behaviour is modelled regardless of whether they are the Complainant or the Respondent.
- (c) In accordance with the Whistleblower Policy, report any incidents of retaliatory action as a result of making a Complaint or involvement in the investigation.
- (d) Utilize the support options that are available when impacted by Harassment, Discrimination or Disrespectful Workplace Behaviours, including the OHN and EAP.

3. PROCEDURES

- 3.01 This policy applies to all City employees, contractors, volunteers and anyone else who acts on behalf of the City, and at all City facilities, locations visited by employees on City related business and locations of work-based social gatherings.
- 3.02 All City employees, contractors, volunteers and anyone else who acts on behalf of the City, are to promote and model respectful workplace behaviour at all times. The City will not tolerate Disrespectful Workplace Behaviour.
- 3.03 Informal Procedure/ Direct Resolution – The City’s goal is to have employees directly communicate when they perceive a party is engaging in Disrespectful Workplace Behaviours in order to resolve any conflict. If circumstances make this difficult or there is an inability to resolve the issues between the parties, they can proceed to access a greater level of assistance in this process. The steps of the Informal Procedure are as follows:
 - (a) Advise the alleged offender that their behaviour is unacceptable and unwelcome. This approach is best used at the time of the offense or as soon as possible afterwards. This can be done verbally, or in writing and may include expressing the negative effects of the Disrespectful Workplace Behaviour.
 - (b) This could lead to clarifying misunderstandings, apologizing, and establishing an agreed upon action plan to improve working relationships.
 - (c) If the Disrespectful Workplace Behaviour does not stop, or if the Complainant feels at risk by addressing the issue with the other party, the Complainant can speak with their supervisor or union representative. Human Resources will be available to provide guidance and/or direction as required.
 - (d) If the Complainant does not feel the matter can be resolved by speaking with their supervisor and union representative, they should proceed with the formal complaint process through Human Resources.

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- (e) The employee should keep a written record of the incident(s) of Disrespectful Workplace Behaviour as well as the action they have taken to stop the inappropriate behaviour. The notes should include dates, times, places, nature of behaviour and names of possible witnesses.

3.04 Formal Resolution

(a) Filing a Complaint

- i. The Complainant submits a signed, written Complaint outlining the allegations of Disrespectful Workplace Behaviour, describing specific incidents, the dates, times and any witnesses, to the General Manager of Human Resources.
- ii. Complaints must be filed within six months from the date of the most recent incident of Disrespectful Workplace Behaviour cited in the Complaint. Once a Complaint is received, it will be kept strictly confidential, to the extent reasonably possible, including not disclosing the circumstances related to the Complaint, the name(s) of the Complainant, the Respondent, and any witnesses, except:
 - where necessary to investigate the Complaint or to take corrective action, or to inform the parties involved in the Complaint of the results of the investigation and any corrective action to be taken to address the Complaint, or
 - as required by law.
- iii. Table 1 describes the investigation and appeal responsibilities for each type of Respondent:

Table 1

Respondent	Lead Investigator	Decision of Investigation	Appeal & Decision Body
CAO	City Solicitor	Administrative & Legislative Review Committee	City Council
City Solicitor	CAO	Administrative & Legislative Review Committee	City Council
Commissioner	General Manager, Human Resources	CAO	CAO with City Solicitor Support
General Manager, Human Resources	Commissioner, Corporate Services	Commissioner of Corporate Services	CAO
Human Resources Staff	Commissioner, Corporate Services	Corporate Services Commissioner	CAO
All Other Staff	General Manager, Human Resources	General Manager of Department, or Designated Department Head	Commissioner of Respective Division

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- iv. All Complaints will be investigated. The Complainant has the right to request the formal investigation be ceased if an acceptable resolution has been achieved between the Complainant and Respondent. However, the City has the authority to pursue an investigation and resolution process with or without the Complainant's consent if there is sufficient cause for an investigation.
- v. The General Manager of Human Resources or delegate will respond in writing to the Complainant advising that the Complaint has been received, and whether it falls within the scope of this policy.
- vi. If the General Manager of Human Resources decides not to proceed further with an investigation, the Complainant will be informed, in writing, of the decision as well as their right to appeal the decision.
- vii. If the Complaint appears to have sufficient grounds to warrant further investigation, the General Manager of Human Resources or delegate will inform the Complainant, in writing, and advise the steps to be taken to investigate and resolve the Complaint.
- viii. If the Complaint appears to have sufficient grounds to warrant further investigation, the General Manager of Human Resources or delegate will inform the Respondent, in writing, that a Complaint has been received and provide them with a summary of the particulars of the Complaint, and advise the steps to be taken to investigate and resolve the Complaint.

(b) Further Investigation

- i. The General Manager of Human Resources, or delegate, will conduct interviews with the Complainant, Respondent and witnesses of the alleged incident(s) of Disrespectful Workplace Behaviour(s). Upon request participants will be given the opportunity to review and confirm the information they provide.
- ii. The Respondent shall be afforded reasonable opportunity to respond to the Complaint.
- iii. All Complaints and investigations into Complaints shall be treated in confidence to the extent possible.

(c) Outcome of the Complaint

- i. Upon conclusion of the investigation, if the results of the investigation support the allegations of the Complaint, the General Manager of Human Resources will recommend a course of action for the disposition of the Complaint to the General Manager/DDH of the Respondent who shall then communicate a final decision and course of action to the Respondent. Remedies may include, but are not limited to:
 - Mediation;
 - Coaching, Education or Training;

Policy No. 8023 – Respectful Workplace Policy		PROCEDURE
Approved by:	Administrative Committee - October 31, 2018	PAGE 10 OF 11

- Progressive Discipline;
 - Termination; and/or,
 - Other remedies that may flow from the investigation report.
- ii. If the result of the investigation does not support the allegations of the Complaint, a letter will be provided to the Respondent indicating that the allegations have not been substantiated by the investigation. The Respondent may request this letter to be placed on their personnel file.
 - iii. The General Manager of Human Resources will ensure the final decision as well as the process for appealing the decision is communicated to the appropriate parties in a timely manner.
- (d) Appeals
- i. The Complainant or the Respondent may appeal the final decision and will notify the General Manager of Human Resources of their wish to appeal.
 - ii. Appeals must be in writing and be received by the General Manager of Human Resources within 30 days of the Complainant's or Respondent's (as the case may be) receipt of the decision.
 - iii. Appeals will be investigated as described in Table 1. Decisions resulting from the Appeal are the final decision of the City.
 - iv. Employees also have the right to discuss their situation and options with other external sources, such as Alberta Human Rights Commission.
- (e) False Vexatious and Malicious Complaints
- i. Complaints that are made in bad faith and are vexatious or malicious in nature may lead to the discipline of the Complainant. Complainants who file a Complaint based on mistaken facts or assumptions are not subject to discipline.
- (f) Reporting of Results
- i. The findings of all complaints and recommendations for preventing similar incidences will be summarized in a report to Administrative Committee on an annual basis.

3.05 Alberta Human Rights Commission

- (a) The Commission was established under the *Alberta Human Rights Act* to foster equality and reduce discrimination.
- (b) This independent Commission resolves and settles complaints of discrimination based on any of the Protected Grounds.
- (c) All individuals, whether or not employed by the City, have the right to make a complaint at any time to the Alberta Human Rights Commission in accordance

Policy No. 8023 – Respectful Workplace Policy		PROCEDURE
Approved by:	Administrative Committee - October 31, 2018	PAGE 11 OF 11

with the provisions of the Alberta Human Rights Act. (Note: there are time limitations for filing a complaint under the *Alberta Human Rights Act*).

- (d) The Respectful Workplace Policy is not intended to discourage a worker from exercising rights pursuant to any other law, including the *Alberta Human Rights Act*.

4. ADDITIONAL RESOURCES

Alberta Human Rights Act
 Workplace Violence Prevention Policy (8040)
 Whistleblower Policy (8041)

DATE: 2024-04-22
MEETING: REGULAR COUNCIL
DEPARTMENT: PLANNING AND DEVELOPMENT SERVICES
REPORT AUTHOR: REBECCA ARABSKY, PLANNER, PLANNING AND DEVELOPMENT SERVICES
BYLAW NO. 4813
REZONING OF 512, 517, 625 AND 650 13 STREET SE TO BUSINESS INDUSTRIAL DISTRICT
EXECUTIVE SUMMARY:

Proposed Land Use Bylaw Amendment to rezone 512, 517, 625 and 650 13 Street SE to Business Industrial District (I-B) to accommodate future development.

STRATEGIC ALIGNMENT:
INNOVATION

ECONOMIC EVOLUTION

SERVICE ORIENTATION

PARTNERSHIPS & GOVERNANCE

COMMUNITY WELLNESS

RESILIENCY & SUSTAINABILITY

RECOMMENDATION:

It is recommended through the Municipal Planning Commission that City Council approves Bylaw No. 4813, a Land Use Bylaw amendment to rezone 512, 517, 625 and 650 13 Street SE to Business Industrial District (I-B).

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

No previous Council motions or directions.

BACKGROUND / ANALYSIS:

The proposed Land Use Bylaw Amendment is to rezone 512, 517, 625 and 650 13 Street SE (the “subject lands”) to Business Industrial District (I-B) from Mixed Use District (MU). The subject lands are currently being used as a combination of indoor and outdoor Self Storage facilities. 512 13 Street SE contains numerous shipping containers. 517 13 Street SE contains a mix of shipping containers and recreational vehicle storage. 625 13 Street SE contains numerous recreational vehicles stored on site. 650 13 Street SE includes a large building and outdoor Self-Storage.

The existing Self Storage Facility has operated for a number of years and slowly expanded over time but is now considered a legal Non-Conforming Use since it is neither a Permitted nor Discretionary Use within the Mixed Use District. The property owner has submitted the rezoning application with plans to accommodate future intensification to the Self Storage Facility operations upon these sites.

The subject lands have several development constraints such as:

- containing multiple utility right-of-ways (UROWs) registered to the certificates of title;
- the subject lands are partially located within the flood fringe;

- geophysical risk due to their proximity to the bottom of the escarpment; and
- are semi-land locked with no direct access to a public street.

The subject lands are located behind Spencer Street SE with road access from a lane off Spencer Street SE or from Kingsway Avenue SE through the narrow roadway of 13 Street SE. The immediate surrounding properties include other lands used as outdoor storage and a retail and consumer services business. The area is surrounded by coulees, located directly north and northwest, which are designated as Environmental Reserve and zoned as Open Space District (OS). At the top of the coulees are residential properties. Along Spencer Street SE there are a mix of residential properties and commercial businesses zoned Mixed Use District (MU). Along Kingsway Avenue SE there are commercial businesses. This area of the City is in transition and redevelopment is happening slowly on neighbouring sites.

The property owner has also been in contact with the Land & Real Estate department to discuss the possibility of a potential road closure and sale of a portion of 13 Street SE between 512 and 517 13 Street SE. This aspect of the overall future plans for the sites will go to Council as a separate road closure bylaw. If this portion of road is closed and sold to the applicant, this will require a land designation. This portion of road could be captured with the Land Use Bylaw refresh project which will be presented to Council for potential adoption in late 2024.

If the rezoning of the subject sites is approved, the property owner’s future plans include two phases of development. Phase 1 will include the construction of a two storey heated Indoor Self Storage Facility with one side of the building abutting the property line of the two sites (512 and 517 13 Street SE). A condition of approval of the DP would be to consolidate the two lots to create a larger parcel for the development. Phase 2 of the proposal would be to remove the recreational vehicles from 625 13 Street SE and install unheated drive-up storage units on this site. These phased projects will require development permit approval and are separate from this rezoning application but have been included as context for future plans for the sites. Since Self Storage is neither a Permitted nor Discretionary Use within the Mixed Use District (MU) of Land Use Bylaw No. 4168 the proposed development is unable to be approved.

The proposed rezoning will allow the property owner to make investments and improvements to their sites. Planning and Development Services supports the lands being rezoned as Business Industrial District (I-B).

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The request (2024-17 TCC Circulation) was circulated to the Technical Coordinating Committee for review and comment regarding the land rezoning. The TCC circulation identified some of the major constraints such as the UROWs as well as limited servicing within the area. Any technical concerns relating to a proposed development will be addressed through the future Development Permit process.

The Municipal Government Act (MGA) requires municipalities in Alberta to advertise and hold a public hearing for amendments to the Land Use Bylaw. The City of Medicine Hat sends out notification letters to adjacent landowners, advertises online through the CMH website, advertises in the newspaper, and posts a notification sign on the site prior to the public hearing, which is held during the regular Council meeting. At the time of the MPC meeting, the comment period for the posted sign is still open to the public. The comment period will be concluded prior to Council meeting and any comments will be considered and provided during the presentation to Council.

POTENTIAL RISKS / IMPACTS:

Financial:

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

All costs of the Land Use Bylaw amendment are borne by the landowner. All future development costs will be borne by the landowner.

Economic and Financial Impact of future development

The three subject sites which have shipping containers and recreational vehicles stored on site currently have a value per hectare (VPH) within a range of \$800,000 to \$1,000,000. The subject site which contains a building has a VPH of \$1.29 million. Estimated future VPH would likely be similar or slightly above the existing building on site and would have a marginal positive impact on the tax base in the long term.

Health, Safety and Environmental:

All health, safety and environmental concerns will be addressed at the time of the Development Permit application.

Legal / Legislative / Policy:

Municipal Development Plan (MDP)

The subject sites are located within the City Center Sector of the Municipal Development Plan. Current land uses within this sector are mostly residential, mixed use, community service and open space. Some areas are within the flood plain. The site is identified near an intensification corridor along Kingsway Avenue SE and Spencer Street SE with typologies of urban villages and corridors which include denser areas where people tend to shop, eat and gather. Condominiums, townhouses, mixed-use buildings, recreations centres and commercial uses are common.

Section 3 – How We Grow

Section 3.3 – Strong Economy

- *Priority 1 – Foster a prosperous economy that is sustainable, equitable and enables a high quality of life (p. 41).*
- *Guiding Policy 3 – The City should work with industry and regional stakeholders to support and facilitate:

 - a. *Commercial and industrial development opportunities including proactive business retention, expansion and attraction;**

Section 4 – Where We Grow

- *Priority 3 – Establish urban villages by increasing density in strategic locations and along specific transportation corridors (p. 66).*
 - *Guiding Policy 1 – Strategic locations within the city should be transitioned into nodes of denser development. **Intensification efforts should be focused on underutilized areas within these locations, such as surface parking lots.***

New Life for Old Spaces

A vacant, derelict or underutilized site tends to have a negative impact on the surrounding area in several ways. It is likely to negatively affect the value of nearby properties and may discourage new development. It can also potentially attract vagrancy and criminal activity...(p. 71).

The subject sites are currently underutilized and contains a mix of shipping containers and recreational vehicle storage. Rezoning the subject sites to Business Industrial District (I-B) will allow the property

owner the ability to invest in and make improvements upon their sites. This is a form of adding new life to old spaces. Outdoor self-storage facilities can be viewed as one of the lowest tiers of industrial development. The proposal has no increased impact on the surrounding area as this is an existing use. This proposal to rezone the subject site is in alignment with the Municipal Development Plan.

South Flats Area Redevelopment Plan

The South Flats Area Redevelopment Plan (ARP) was adopted in in 1985 and the subject lands are within the boundary of this plan. However, considering the age of the ARP (approaching 40 years), any guiding policy contained within the Municipal Development Plan would supersede ARP policies.

Land Use Bylaw (LUB)

The Land Use Bylaw describes the purpose of the Business Industrial District (I-B) *to create a transition area between commercial and industrial Districts in which commercial activities occur primarily indoors and do not create adverse impacts to other lands, while allowing for limited activity in outdoor areas.* There are only four listed Permitted Uses within the Business Industrial District (I-B) where most on-site activities occur indoors and would not create impacts to surrounding areas. There are numerous Discretionary Uses within the Business Industrial District (I-B). Each proposal would be evaluated by Planning and Development Services to ensure impacts to the surrounding properties were minimal.

The Self-Storage Facility has been operating over these subject sites for several years and is now considered a legal Non-Conforming Use. Over time the Land Use Bylaw has changed, and Self-Storage Facility is neither a Permitted nor Discretionary Use within the Mixed Use District (MU), so any development proposal regarding the Self- Storage Facility and requiring a development permit for these sites would be refused under this current district. Expansion of the Self-Storage Facility over the subject sites goes beyond the parameters of Section 11.9 as well.

Section 11.9 Non-Conforming Uses and Non-Conforming Buildings states:

(iv) A Non-Conforming Use of part of a Site may not be extended or transferred in whole or in part to any other part of the Site and no additional Buildings may be constructed on the Site while the Non-Conforming Use continues.

(v) A Non-Conforming Building may continue to be used but the Building may not be enlarged, added to, rebuilt or structurally altered except:

(1) to make it a conforming Building, or

(2) for routine maintenance of the Building, if the Development Authority considers it necessary.

Any development proposal regarding the Self- Storage Facility which requires a Development Permit for these sites would necessitate a rezoning of the lands. The proposed rezoning complies with the Land Use Bylaw No. 4168.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

This Land Use Bylaw amendment has met the criteria of the MGA for advertisement and Council’s public notification process to post a sign on site to inform, provide clarity, and allow the public to review and comment on the proposal for consideration in the decision.

INFORM <input type="checkbox"/>	CONSULT <input checked="" type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS:

Alternative Option 1 – Refuse the rezoning application

This option is not recommended as rezoning the land is required to allow the landowner to make improvements to the site and intensify the Self Storage Facility operations.

Alternative Option 2 – Rezone the subject sites to Direct Control District (DC)

This option is viable, however, not recommended because there are plans and policies in place that provide guidance for these sites. There are no unique parameters required for the development of the sites that would necessitate a Direct Control zoning.

IMPLEMENTATION PLAN:

Subject to City Council approval of the rezoning, the next step in the land development process is the submission of a Development Permit application.

REVIEWED BY & DATE:	Brad Irwin, RPP, MCIP Planner	2024-03-25
APPROVED BY & DATE:	Robert Sissons, RPP, MCIP Manager of Planning	2024-03-25
ATTACHMENTS:	1: Bylaw No. 4813	

BYLAW NO. 4813

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 4168, the City of Medicine Hat Land Use Bylaw.

AND WHEREAS the land shown on the Location Map in Schedule "A" to this Bylaw and legally described as Plan 1595M Block 30 Lot 12-14, OT; Plan 1513394, Block 34, Lot 12; Plan 9412430 Block 15, Lot 23 and Plan 483M, Block 15, Lots 5-9 (hereinafter referred to as the "subject lands") are presently designated as Mixed Use District (MU);

AND WHEREAS an application has been made to re-designate the subject lands as Business Industrial District (I-B) in the City of Medicine Hat Land Use Bylaw;

AND WHEREAS the requirements of the *Municipal Government Act* RSA 2000, Chapter M-26 with regard to the advertising of this Bylaw have been complied with;

AND WHEREAS copies of this Bylaw and related documents were made available for inspection by the public at the office of the City Clerk as required by the *Municipal Government Act* RSA 2000, Chapter M-26;

AND WHEREAS in accordance with the City's policies and procedures respecting Land Use Bylaw amendments, copies of this Bylaw and related documents were forwarded to the Municipal Planning Commission and to the Director of Planning & Development Services, for review and comment;

AND WHEREAS in accordance with the requirements of the Municipal Government Act, RSA 2000, C M-26, a public hearing was held with respect to this Bylaw.

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

1. This Bylaw may be cited as Land Use Amending Bylaw No. 4813.
2. Bylaw No. 4168, being the City of Medicine Hat Land Use Bylaw, is hereby amended by re-designating the subject lands as Business Industrial District (I-B) as shown in Schedule "A".
3. This Bylaw comes into force on the date it is passed.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

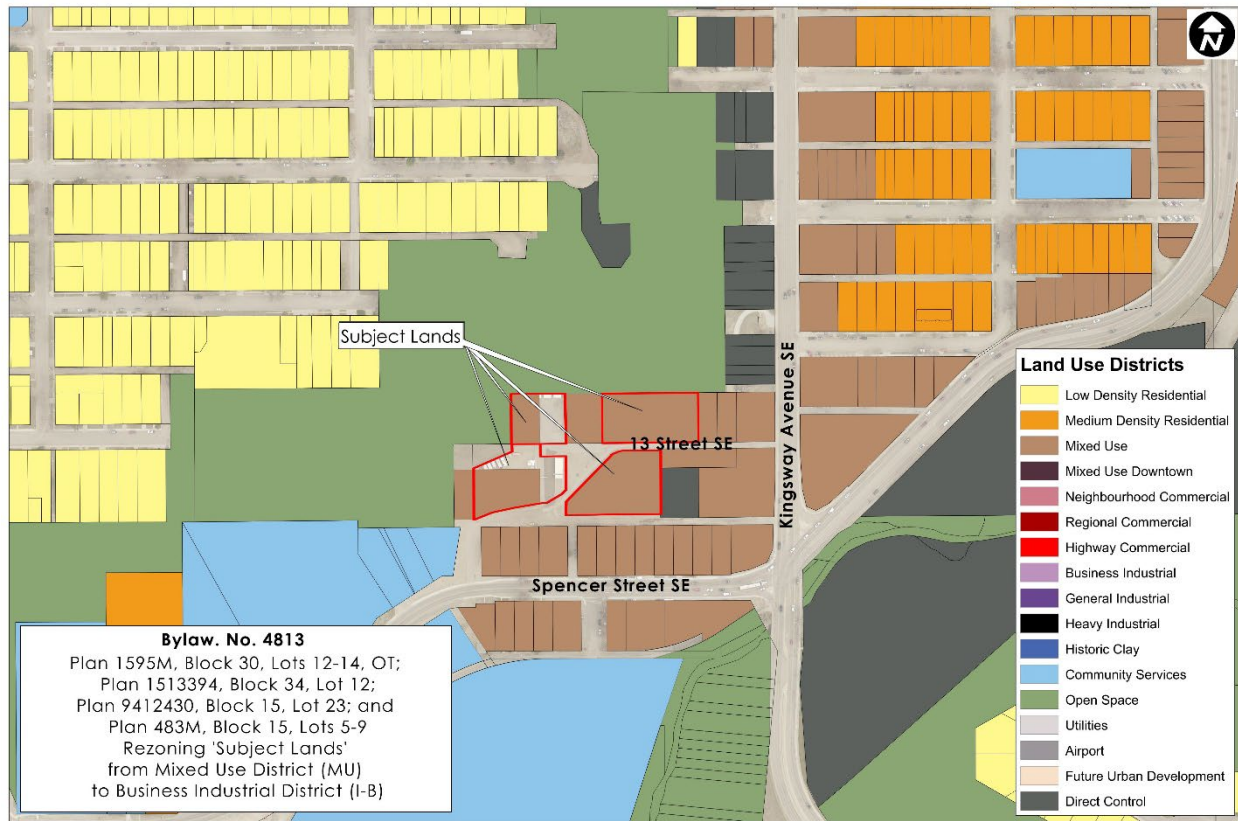
READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Larry Randle

Schedule "A" Bylaw No. 4813



DATE: 2024-04-22**MEETING: REGULAR COUNCIL****DEPARTMENT: PLANNING & DEVELOPMENT SERVICES****REPORT AUTHOR: SANDRA MOSES, PLANNER, PLANNING AND DEVELOPMENT SERVICES****BYLAW NO. 4818****REZONING 640 CLAY AVE SE TO BUSINESS INDUSTRIAL DISTRICT (I-B)****EXECUTIVE SUMMARY:**

Proposed Land Use Bylaw Amendment to rezone 640 Clay Ave SE from Historic Clay District (HC) to Business Industrial District (I-B) to accommodate a future development.

STRATEGIC ALIGNMENT:**INNOVATION****ECONOMIC EVOLUTION****SERVICE ORIENTATION****PARTNERSHIPS & GOVERNANCE****COMMUNITY WELLNESS****RESILIENCY & SUSTAINABILITY****RECOMMENDATION:**

It is recommended through the Municipal Planning Commission that City Council approves Bylaw No. 4818, a Land Use Bylaw amendment to rezone 640 Clay Ave SE to Business Industrial District (I-B).

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

No previous Council motions or directions.

BACKGROUND / ANALYSIS:

The proposed Land Use Bylaw Amendment is to rezone 640 Clay Ave SE from Historic Clay District (HC) to Business Industrial District (I-B). The intent of Rezoning is to accommodate an expansion of the Self-Storage Facility adjacent to the site.

The site is a part of the South Flats Area Redevelopment Plan (ARP) and the River Flats Area Redevelopment Plan (ARP). The immediate surrounding area consists predominantly of industrial operations, with CP Railway lines directly south of the site within the Direct Control District (DC). There are some Mixed-Use District (MU) sites located north of the site, with uses such as the Self-Storage Facility on the west, and to the north a commercial building currently operated as “Top Hat Bingo Association”, as well as a small vacant site. The east of the site is zoned Historic Clay District (HC) with Industrial Operations (clay and ceramics) use, currently operated as “Plainsman Clays Ltd”. The subject site is currently vacant and unused.

The primary access to the site is from Clay Ave SE and additional access may be provided from the existing Self-Storage Facility at 1003 Bridge Street SE. There are residential properties around the site, but the location of the site presents adequate physical separation and no impact to the properties.

Considering the location of the site there is no anticipated impact for rezoning the site to Business Industrial (I-B) to accommodate the expansion of the existing Self-Storage Facility which is an appropriate use of a currently vacant and underutilized site.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The proposed rezoning was not circulated to the Technical Coordinating Committee (TCC) at this time as Planning has been in discussions with an applicant of a potential development proposal coming forward. The development proposal will be circulated to the TCC and will provide more technical details than the rezoning application which will allow for a more comprehensive review and considerations for site development.

The Municipal Government Act (MGA) requires municipalities in Alberta to advertise and hold a public hearing for amendments to the Land Use Bylaw. The City of Medicine Hat sends out notification letters to adjacent landowners, advertises online through the CMH website, advertises in the newspaper, and posts a notification sign on the site prior to the public hearing, which is held during the regular Council meeting.

POTENTIAL RISKS / IMPACTS:

Financial:

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

All costs of the Land Use Bylaw amendment are borne by the landowner/agent. The site is currently vacant, and future development of this site would have a positive impact on the tax base in the long term.

The vacant site is currently assessed at approximately \$36,300, which is a Value Per Hectare of \$0.07 million/ha. The impact to the tax base will be determined by the type of development proposal received for the site. The estimated Value per Hectare (VPH) based on similar developments city range from \$0.3 million/ha to \$2.3 million/ha. The most comparable development is estimated at \$1.97 million/ha.

Please note, this is only an estimate, and these numbers could vary significantly based on what is ultimately proposed for the site.

Health, Safety and Environmental:

There may be potential contamination of the site due to proximity to CP Railway Operations. This is likely not a concern for the proposed use of the site. However, all health, safety and environmental concerns will be addressed at the time of the development permit application.

Legal / Legislative / Policy:

Municipal Development Plan (MDP)

The site is located within what the Municipal Development Plan (MDP) identifies as the City Centre Sector where current land uses are mostly residential, mixed use, community service and open space.

The proposal to rezone the site from Historic Clay District (HC) to Business Industrial District (B-I) is compliant with the Municipal Development Plan (MDP) and aligns with a Strategic Goal - Strong Economy. It is also in alignment with the MH priority to foster a prosperous economy that is sustainable, equitable and enables a high quality of life.

Section 3 – How We Grow

Section 3.3 – Strong Economy

- *Priority 1 – Foster a prosperous economy that is sustainable, equitable and enables a high quality of life.*
- *Guiding Policy 3 – The City should work with industry and regional stakeholders to support and facilitate:*
 - a. *Commercial and industrial development opportunities including proactive business retention, expansion and attraction;*

New Life for Old Spaces

A vacant, derelict, or underutilized site tends to have a negative impact on the surrounding area in several ways. It is likely to negatively affect the value of nearby properties and may discourage new development. It can also potentially attract vagrancy and criminal activity...

The subject site is currently underutilized and rezoning the subject site to Business Industrial District (I-B) will allow the ability to invest in and expand economic activity on the site.

This proposal to rezone the subject site is in alignment with the Municipal Development Plan.

River Flats Area Redevelopment Plan (ARP)

The proposed site is located within the River Flats Area Redevelopment Plan (ARP). The site is situated in what the ARP identifies as the Historic Clay Neighbourhood, which is intended to support the “Historic Clay District’s” vision for tourism, interpretation, and education of the unique qualities of this heritage area. This proposed rezoning is incompatible with the River Flats Area Redevelopment Plan (ARP), however, given the age of the River Flats ARP (2011) any conflicting principles and policies with the MDP, the MDP shall prevail.

Due to the age of this area, it was initially developed out according to the South Flats ARP and took on an industrial context. The River Flats ARP speaks to a broader area in regard to Historic Clay District’s vision. Although the proposal does not align with the River Flats ARP, given the location of the subject site, the rezoning from Historic Clay District (HC) to Business Industrial District (I-B) does not take away from the River Flats ARP's vision to support the heritage qualities of the area.

South Flats Area Redevelopment Plan (ARP)

The South Flats Area Redevelopment Plan (ARP) was adopted in in 1985 and the subject lands are within the boundary of this plan. However, considering the age of the ARP (approaching 40 years), any guiding policy contained within the Municipal Development Plan would supersede ARP policies.

Land Use Bylaw (LUB)

The Land Use Bylaw describes the purpose of the Business Industrial District (I-B) as to create a transition area between commercial and industrial Districts in which commercial activities occur primarily indoors and do not create adverse impacts to other lands, while allowing for limited activity in outdoor areas. Rezoning the subject site to Business Industrial (I-B) for the proposed development aligns with the purpose of the Business Industrial District and is compatible with the surrounding land uses.

The site falls under Schedule “A” (River Flats Overlay) within the Land Use Bylaw. The main purpose of this overlay is to ensure new developments in the River Flats community are sensitive in scale to existing developments and maintain the traditional character and pedestrian-friendly design of the streetscape. The site is isolated from residential spaces and there is no anticipated impact on adjacent sites for this reason. Specific requirements may be applied as necessary at the time of the Development Permit.

Rezoning the subject site to Business Industrial (I-B) to accommodate future expansion of the neighbouring Self-Storage Facility aligns with the purpose of the district.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

This Land Use Bylaw amendment has met the criteria of the MGA for advertisement and Council’s public notification process to post a sign on site to inform, provide clarity, and allow the public to review and comment on the proposal for consideration in the decision.

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ALTERNATIVE OPTIONS / PROS AND CONS:

Alternative Option 1 – Refuse the rezoning.

This option is not recommended as the proposed future development will allow the ability to invest in and expand economic activity on the currently vacant and underutilized site. Additionally, future development of this site would have a substantial positive impact on the tax base in the long term.

IMPLEMENTATION PLAN:

Subject to City Council approval of the rezoning, the next step in the land development process is the submission of a development permit application.

REVIEWED BY & DATE:	Brad Irwin, RPP, MCIP Planner	2024-03-25
APPROVED BY & DATE:	Robert Sissons, RPP, MCIP Manager of Planning	2024-03-27
ATTACHMENTS:	1: Bylaw No. 4818	

BYLAW NO. 4818

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 4168, the City of Medicine Hat Land Use Bylaw.

AND WHEREAS the land shown on the Location Map in Schedule "A" to this Bylaw and legally described as Plan 7610770, Block O (hereinafter referred to as the "subject lands") is presently designated as Historic Clay District (HC);

AND WHEREAS an application has been made to re-designate the subject lands as Business Industrial District (I-B) in the City of Medicine Hat Land Use Bylaw;

AND WHEREAS the requirements of the *Municipal Government Act* RSA 2000, Chapter M-26 with regard to the advertising of this Bylaw have been complied with;

AND WHEREAS copies of this Bylaw and related documents were made available for inspection by the public at the office of the City Clerk as required by the *Municipal Government Act* RSA 2000, Chapter M-26;

AND WHEREAS in accordance with the City's policies and procedures respecting Land Use Bylaw amendments, copies of this Bylaw and related documents were forwarded to the Municipal Planning Commission and to the Director of Planning & Development Services, for review and comment;

AND WHEREAS in accordance with the requirements of the Municipal Government Act, RSA 2000, C M-26, a public hearing was held with respect to this Bylaw.

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

1. This Bylaw may be cited as Land Use Amending Bylaw No. 4818.
2. Bylaw No. 4168, being the City of Medicine Hat Land Use Bylaw, is hereby amended by re-designating the subject lands as Business Industrial District (I-B) as shown in Schedule "A".
3. This Bylaw comes into force on the date 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: Linnisie Clarke

CITY CLERK: Larry Randle

Schedule "A"
Bylaw No. 4818



DATE: 2024-04-22
MEETING: REGULAR COUNCIL
DEPARTMENT: FINANCE
**REPORT AUTHOR: SUE STERKENBURG, MANAGER
AND CITY ASSESSOR**
2024 PROPERTY TAX BYLAW
EXECUTIVE SUMMARY:

To establish the 2024 Property Tax Bylaw and to incorporate the revised requisitions into the 2024 Municipal Services Operating Budget.

Adoption of the 2024 Property Tax Bylaw will enable the City to levy and collect sufficient taxes to provide the funding approved in the 2024 budget to support expenses, requisitions, and transfers. The appropriation for property tax revenue for the 2024 Operating Budget has been previously approved by Council in the amount of \$89,569,000.

STRATEGIC ALIGNMENT:
INNOVATION

ECONOMIC EVOLUTION

SERVICE ORIENTATION

PARTNERSHIPS & GOVERNANCE

COMMUNITY WELLNESS

RESILIENCY & SUSTAINABILITY

RECOMMENDATION:

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

- (a) Approves adoption of the revised requisitions (Education, Cypress View Foundation and Designated Industrial Property) in the 2024 Municipal Services Operating Budget,
- (b) Approves Bylaw No. 4816, the 2024 Property Tax Bylaw,
- (c) Rescinds Bylaw 2186, and
- (d) Approves Bylaw No. 4817, the Student Dormitory Taxation Bylaw.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

There are no previous Council motions or directions.

BACKGROUND / ANALYSIS:

The assessment roll has been completed and related property assessment notices were mailed on February 28, 2024. The 2024 tax notices to be mailed May 21st will include the proposed new tax rates which will result in a 4.4% increase to the municipal tax rate for the median Single Family and Multi-Family Residential taxpayer, and 4.2% increase to the municipal tax rate for the Non-Residential taxpayer.

Property Tax Bylaws

Section 353 of the MGA states that each City Council must pass a property tax bylaw annually which authorizes it to impose a tax in respect of property in the municipality, in order to raise revenue to be used toward the payment of expenditures and transfers, as set out in the budget of the municipality and the requisitions.

- The 2024 Municipal Services Budget has been previously approved by City Council requiring \$89,569,000 of tax revenue.
- The 2024 Education Property Tax requisition received from the Province has increased for 2024 by \$1,351,114 and now requires \$26,795,972 of tax revenue. While education property tax rates will be frozen, strong growth in property values and increased development across the province means education property tax revenue is expected to grow overall by 9.2% or \$229M in year 2024-25. The Tax Levy amount of \$26,877,540 on Schedule A of the Tax Bylaw has been increased by \$81,567 to adjust for the under collection from 2023.
- The 2024 Cypress View Foundation requisition has been received requiring \$1,275,158 of tax revenue, an increase of \$30,700 (2.5%) from prior year. The Tax Levy amount of \$1,272,878 on Schedule A of the Tax Bylaw has been decreased by \$2,284 to adjust for the over collection from 2023.
- The 2024 Designated Industrial Property requisition has been received requiring \$32,130 of tax revenue to be paid by taxable Designated Industrial property owners, an increase of \$1,380 from prior year.

As part of the 2024 Budget, City Council approval is requested to incorporate the requisitions into the 2024 Operating Budget.

Student Dormitory Taxation Bylaw

Section 363(1) of the MGA states that student dormitories are exempt from municipal property tax unless such municipality passes a bylaw to make the property taxable.

Bylaw 2186 – The Nursing Home and College Residence Taxing Bylaw was passed by Council on December 21, 1981 making nursing homes and college residences subject to municipal taxes. This bylaw is 43 years old and requires updating. This outdated bylaw has been replaced with Bylaw 4817 (attachment #4), which replaces the term college residence with student dormitories for taxation in a similar manner as municipalities Lethbridge, Grande Prairie, Calgary, Edmonton, Red Deer, Camrose, MD of Wood Buffalo, Cochrane and Brooks. Nursing home reference is removed as the MGA was updated in the past to state the requirements for exemption: administered under the Nursing Home Act, Senior Citizen Housing Act and senior citizen lodge accommodations as defined in the Alberta Housing Act.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

Residential: If the recommendation is approved, the impact on the median home assessed at \$315,000 will be an overall property tax increase of \$133 (4.7%) per year or \$11.09 per month (Municipal: \$92 per year; Education: \$41 per year; Cypress View Foundation: \$0.41 per year). The median assessment value change for single family residential is 2.8%, however, individual homeowners will see various property tax amounts depending on the change in assessment of their property.

Non-residential: Non-residential property has an overall median assessment increase of 2.6% from 2023. The overall tax rate has been increased by 3.4% which includes municipal tax rate increase of 4.27%. The impact on a non-residential property where the average assessment value has seen a 2.6% change will see an overall tax increase in the municipal tax, Cypress View requisition and an increase in the education tax. For example, a sample property assessed at \$1,000,000 in 2024 that increased to \$1,026,000 would see a \$672 annual property tax increase. Individual property owners in this category will see various property tax amounts depending on the change in assessment.

The following chart is a comparison of the 2024 to 2023 tax rates:

LEVY DESCRIPTION	Single Family		Multi- Family		Farm Land		Non-Residential	
	2024	2023	2024	2023	2024	2023	2024	2023
Education	2.4940	2.4307	2.4940	2.4307	2.4940	2.4307	3.6122	3.7149
Cypress View Foundatio	0.1256	0.1278	0.1256	0.1278	0.1256	0.1278	0.1256	0.1278
Municipal	6.7838	6.6744	7.7542	7.8755	17.2889	17.1955	16.1707	15.9113
Total	9.4034	9.2329	10.3738	10.4340	19.9085	19.7540	19.9085	19.7540
Percentage Difference Total	1.8%		-0.6%		0.8%		0.8%	
Municipal Percent Difference for Median Assessment	1.6%		-1.5%		0.5%		1.6%	

POTENTIAL RISKS / IMPACTS:

Financial:

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

No financial impact to property owners as the 2024 property tax revenue of \$89,569,000 has been previously approved by Council.

Health, Safety and Environmental:

There are no HSE impacts.

Legal / Legislative / Policy:

The MGA requires Council to annually pass a property tax bylaw.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

The public will be informed of the changes to the 2024 property tax bylaws. the 2024 property tax notices will be mailed out to property owners on May 21st.

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ALTERNATIVE OPTIONS / PROS AND CONS:

Additional scenarios were considered and are provided in attachment #3. If Council chooses to proceed with an alternate scenario, an amending motion will be required to align Schedule A of Bylaw 4816 with the chosen scenario.

IMPLEMENTATION PLAN:

Following City Council’s final approval of the 2024 Property Tax Bylaw, the Finance Department will prepare and send the 2024 Property Tax Notices to the ratepayers.

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-03-15
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services and CFO	2024-03-18
ATTACHMENTS:	1: Bylaw No. 4816 2024 Property Tax Bylaw 2: 2024 Municipal Property Tax Presentation 3: Alternative Scenarios 4: Bylaw No. 4817 Student Dormitory Taxation Bylaw	

BYLAW NO. 4816

A BYLAW OF THE CITY OF MEDICINE HAT to authorize Council to impose a property tax for the year 2024 and to exempt certain property from taxation for the year 2024.

WHEREAS Section 353 of the *Municipal Government Act* RSA 2000 Chapter M-26, as amended, requires Council to annually pass a property tax bylaw;

AND WHEREAS a property tax bylaw authorizes a council to impose a tax in respect of property to raise revenue to be used towards the payment of requisitions and expenditures and transfers set out in a municipality's budget;

AND WHEREAS Section 297 of the *Act* allows Council by bylaw to divide the residential and non-residential assessment classes into sub-classes;

AND WHEREAS Section 364 of the *Act* allows Council by bylaw to exempt from taxation machinery and equipment used for manufacturing or processing;

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

1. TITLE

This Bylaw may be referred to as the "2024 Property Tax Bylaw".

2. DEFINITIONS

(1) In this Bylaw,

- (a) "*Act*" means the *Municipal Government Act*, RSA 2000, c. M-26, and regulations made under the *Municipal Government Act*;
- (b) "business day" means any day other than a Saturday, Sunday or statutory holiday in Medicine Hat, Alberta;
- (c) "designated industrial property" means designated industrial property as defined under Section 284(1)(f.01) of the *Act*;
- (d) "dwelling unit" means self-contained premises occupied or intended to be occupied as a separate place of residence;
- (e) "farm land" means farm land as defined under Section 297(4)(a) of the *Act*;
- (f) "Finance Department" means the Finance Department of the City of Medicine Hat;
- (g) "life-lease agreement" means an agreement pursuant to which
 - (i) a resident of a dwelling unit occupies the dwelling unit as a life tenant, and

- (ii) the resident has paid the owner of the dwelling unit the market value for a sale of the dwelling unit in consideration for the granting of the life tenancy;
 - (h) "multi-family residential property" means all residential property other than single family residential property and vacant residential property;
 - (i) "non-residential" means non-residential as defined under Section 297(4)(b) of the *Act*;
 - (j) "property tax" means a tax in respect of property imposed pursuant to Division 2 of Part 10 of the *Act*;
 - (k) "regulations" means Matters Relating to Assessment and Taxation Regulation, 2018, Alberta Regulation 203/2017;
 - (l) "residential" means residential as defined under Section 297(4)(c) of the *Act*;
 - (m) "single family residential property" means residential property where the total number of dwelling units on the property, whether contained in a single building or more than 1 building, does not exceed 4 and shall be deemed to include a residential condominium unit and a dwelling unit held or intended to be held under a life-lease agreement; and
 - (n) "vacant residential property" means residential property with no improvements located on, in, over or under the property.
- (2) All other words used in this Bylaw that are defined in the *Act* shall have the meanings given to those words in the *Act* except where specifically defined otherwise in this Bylaw or required by the context in which the words are used in this Bylaw.

3. ASSESSMENT SUB-CLASSES

- (1) Assessment Class 1 - Residential is divided into the following sub-classes:
 - (a) single family residential property,
 - (b) multi-family residential property, and
 - (c) vacant residential property.
- (2) Assessment Class 2 - Non-Residential. No sub-classes.
- (3) Assessment Class 3 – Farm land. No sub-classes.
- (4) Assessment Class 4 – Machinery & Equipment. No sub-classes.
- (5) The sub-classes established under this section shall continue to apply from year to year unless otherwise amended by bylaw.

4. **PROPERTY TAX**

- (1) The Finance Department is authorized and directed to impose and collect a property tax for the year 2024 at the rates set out in Schedule "A" to this Bylaw.
- (2) In Schedule "A":
 - (a) "ASFF" means The Alberta School Foundation Fund established under the *Education Act*, SA 2012, c. E-0.3;
 - (b) "Med. Hat CSRD #20" means The Medicine Hat Catholic Separate Regional Division No. 20;
 - (c) "Designated Industrial Property Requisition" means the designated industrial property set by the Minister in accordance with Section 359.3 of the *Act*;
 - (d) "Designated Industrial Property, Non-Residential" means designated industrial property;
 - (e) "Designated Industrial Property, Machinery & Equipment" means the machinery & equipment located within a designated industrial property;
 - (f) "Single Family" means single family residential property;
 - (g) "Vacant Residential" means vacant residential property;
 - (h) "Multi Family" means multi-family residential property;
 - (i) "Farm Land" means farm land; and
 - (j) "Non-Residential" means non-residential property.

5. **PAYMENT**

- (1) Property tax imposed pursuant to this Bylaw shall be paid to the Finance Department at City Hall, 580 - 1st Street S.E., Medicine Hat.
- (2) Subject to the provisions of Bylaw No. 3302, the Tax Instalment Payment Plan Bylaw, as amended, and Bylaw No. 3303, the Tax Arrears Instalment Payment Plan Bylaw, as amended, property tax imposed pursuant to this Bylaw shall be paid on or before the **last business day of June**, in the current year.
- (3) The provisions of Bylaw No. 3191 the Tax Penalties Bylaw, as amended, shall apply to all property tax imposed pursuant to this Bylaw that is not paid on or before the **last business day of June**, in the current year.

6. **EXEMPTIONS FROM TAXATION**

- (1) As provided for in Section 364(1.1) of the *Act*, the following property is exempt from taxation for the year 2024:

- (a) One hundred per cent (100%) of the assessment of machinery and equipment used for manufacturing or processing shall be exempt for purposes of general municipal taxes, management body requisition taxes and designated industrial property requisition taxes. For greater clarity, this is marked with a * on Schedule "A" to this Bylaw.
- (2) For purposes of this Section:
 - (a) "general municipal taxes" means the property taxes imposed pursuant to this Bylaw to raise the tax revenues shown under the heading "General Municipal" in Schedule "A" to this Bylaw;
 - (b) "management body requisition taxes" means the property taxes imposed pursuant to this Bylaw to raise the tax revenues for the Cypress View Foundation Requisition set out in Schedule "A" to this Bylaw;
 - (c) "designated industrial property requisition taxes" means the property taxes imposed pursuant to this Bylaw to raise the tax revenue for the designated industrial property requisition set by the Minister in accordance with Section 359.3 of the *Act*; and
 - (d) "machinery and equipment" does not include any component as defined in Section 297(4)(a.1)(i) or (ii) of the *Act*.

7. INTERPRETATION

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

8. COMING INTO FORCE

This Bylaw shall come 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: L. RANDLE

SCHEDULE "A" TO BYLAW NO. 4816 ASSESSMENT & TAXATION RATES 2024 TOTAL TAX RATE	TAX LEVY <i>*adjusted over/under</i>	APPLICABLE ASSESSMENT	TAX RATE
EDUCATION REQUISITIONS:			
ASFF EDUCATION REQUISITION			
ASFF REQUISITION (RESIDENTIAL & FARM LAND)	16,873,927.23	6,812,542,020	0.0024940
ASFF REQUISITION (NON-RESIDENTIAL)	5,903,204.00	1,613,305,968	0.0036122
ASFF REQUISITION (MACHINERY & EQUIPMENT) *		390,149,759	
TOTAL ASFF	22,777,131	8,815,997,747	
OPTED-OUT SCHOOL BOARDS:			
MED. HAT CSRD #20 REQ'N (RESIDENTIAL & FARM LAND)	3,396,733.39	1,315,137,237	0.0024940
MED. HAT CSRD #20 REQ'N (NON-RESIDENTIAL)	703,675.30	215,728,115	0.0036122
MED. HAT CSRD #20 REQ'N (MACHINERY & EQUIPMENT) *		174,073,960	
TOTAL OPTED-OUT SCHOOL BOARD - MED. HAT CSRD #20	4,100,409	1,530,865,352	
TOTAL EDUCATION REQUISITION	26,877,540	9,956,713,340	
MANAGEMENT BODY REQUISITION:			
CYPRESS VIEW FDN. (ALL CLASSES EXCLUDING M & E)	1,272,874.00	10,136,451,010	0.0001256
CYPRESS VIEW FDN. (MACHINERY & EQUIPMENT) *		564,223,719	
TOTAL MANAGEMENT EDUCATION REQUISITION	1,272,874	10,700,674,729	
DESIGNATED INDUSTRIAL PROPERTY REQUISITION: **			
DESIGNATED INDUSTRIAL PROPERTY, NON-RESIDENTIAL	32,130	419,993,400	0.0000765
DESIGNATED INDUSTRIAL PROPERTY, MACHINERY & EQUIPMENT *	0.00	187,373,300	0.0000000
TOTAL DESIGNATED INDUSTRIAL PROPERTY REQUISITION	32,130		
GENERAL MUNICIPAL:			
SINGLE FAMILY & VACANT RESIDENTIAL	52,416,425	7,732,741,596	0.0067838
MULTI-FAMILY	3,188,226	411,567,461	0.0077542
FARM LAND	17,874	1,032,600	0.0172889
NON-RESIDENTIAL	33,946,837	2,096,551,123	0.0161707
TAXABLE ASSESSMENT	89,569,363	10,241,892,780	
MACHINERY & EQUIPMENT *	0	564,223,719	0.0000000
TOTAL GENERAL MUNICIPAL	89,569,363	10,806,116,499	
TOTAL REQUIRED TAX REVENUES	117,751,906		
<i>These tax levy values have been adjusted for previous years over and under levies as per section 359 (3) of the MGA.</i>			
<i>* Council has exempted Machinery and Equipment under this bylaw.</i>			
<i>** The assessment and requisition of Designated Industrial Property is the responsibility of the Province of Alberta.</i>			

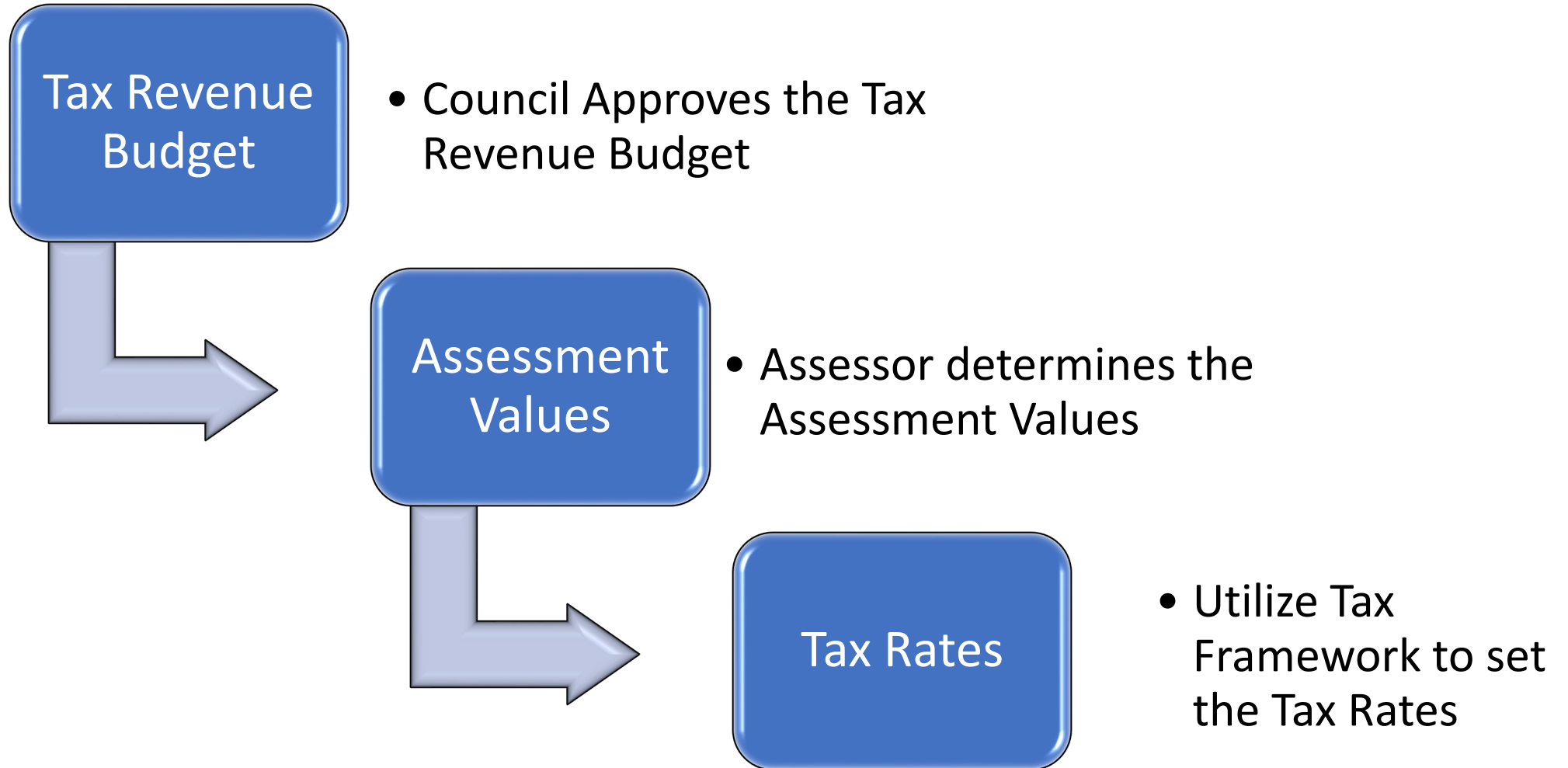


Municipal Property Tax Rates 2024

Agenda

- Provide an overview of the Assessment, Market, and Growth changes in 2024
- Provide Scenarios for Council to consider when setting the 2024 Municipal Property Tax Rates
- Request approval for establishing the 2024 Property Tax Rates

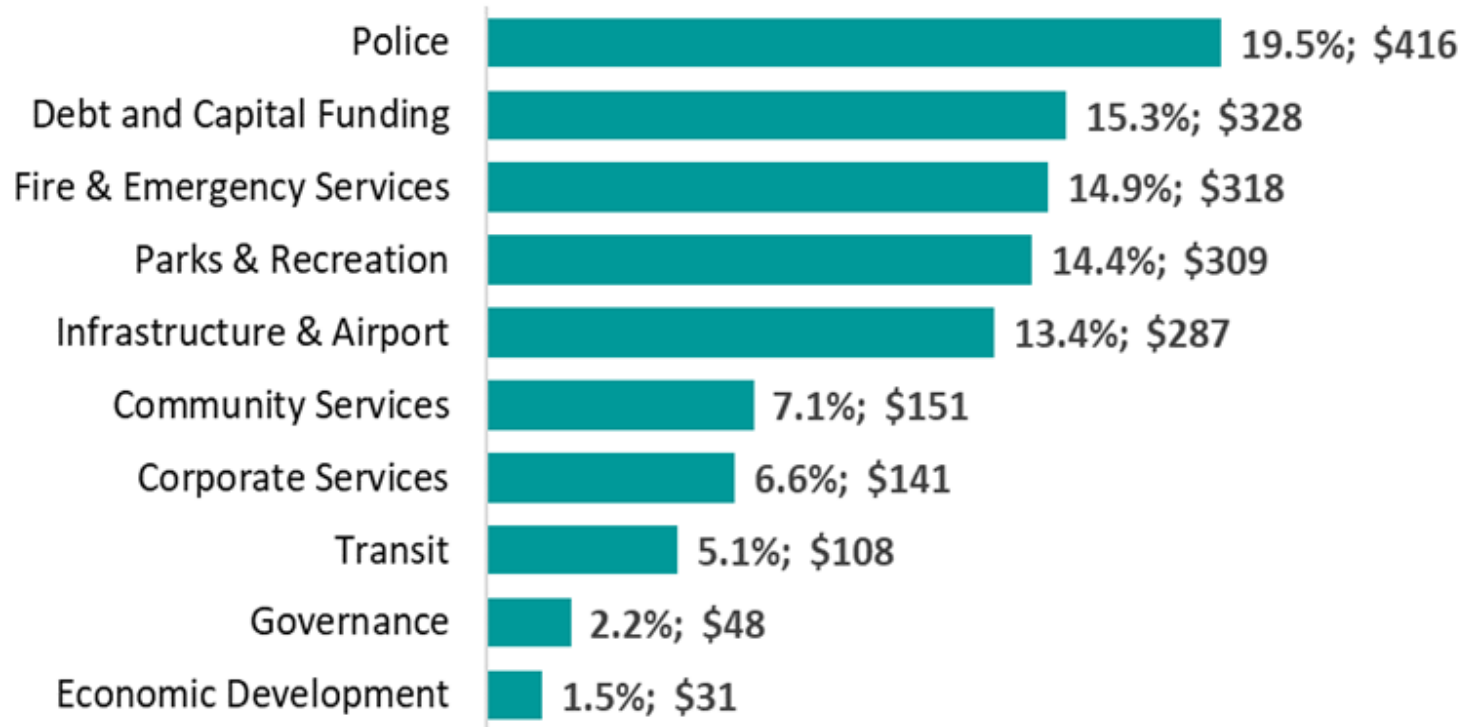
3 Step Process for Setting Tax Rates:



Where do my Tax Dollars Go:

Approved 2024 Budget \$89.6M

Net Costs per Home

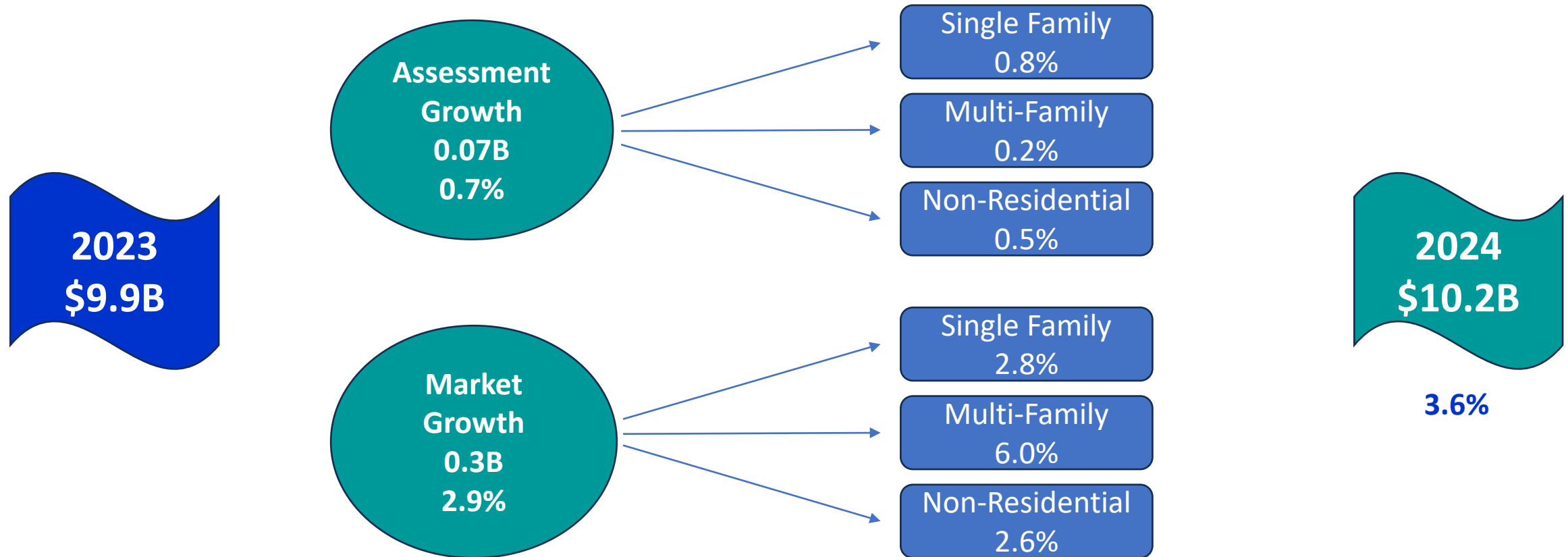


Property taxes are not a fee for service but a way of distributing the cost for local government services

Based on median home value of \$315,000; annual municipal tax of \$2,137

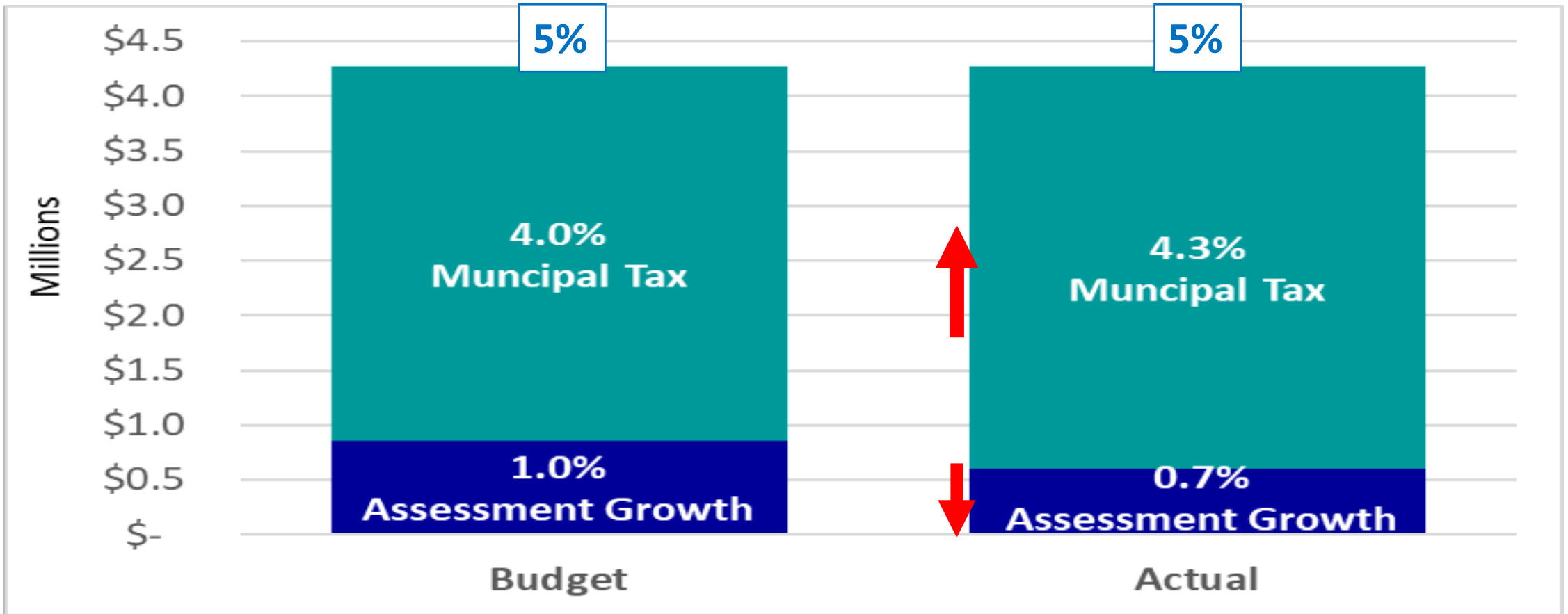
Assessment & Market Changes:

Assessment Growth
Budget Growth = 1.0% vs Actual Growth = 0.7%



Net Municipal Tax Revenue Increase

2024 Approved Budget \$89.6M = 5% Increase



Applying Principles & Guidelines to Set Tax Rates:

The primary focus for setting tax rates is to **mitigate the impact** through consideration to tax rate changes; tax rate ratios and property tax increase/decrease for assessment classes.

Principles:

- Fairness and Equity,
- Predictability and Stability;
- Comparability;
- Transparency & Visibility of the tax system

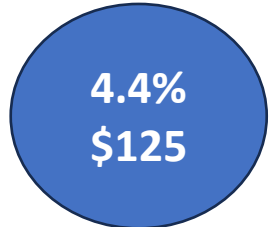
Guidelines:

- ❖ Impact to prior year Tax Revenue Distribution
- ❖ Impact to prior year Tax Ratio
- ❖ Comparable Tax Rate Ratio
- ❖ Market value changes
- ❖ Assessment Growth changes

Scenario 1: Tax Revenue Distribution Remains The Same

Single Family

59%



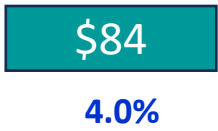
2024 Median Assessment Value



2023 Total



Municipal



Education/
Cypress View

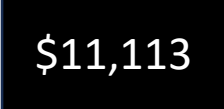
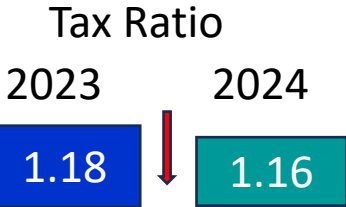


2024 Total



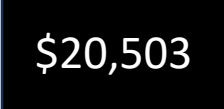
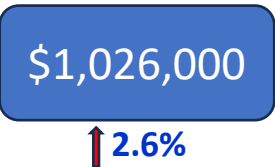
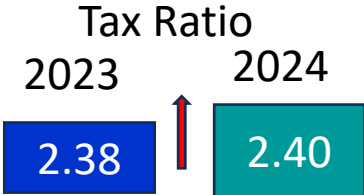
Multi-Family

3%



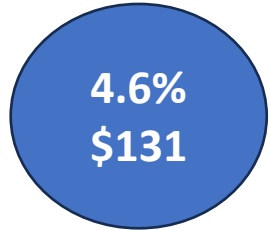
Non-Residential

38%



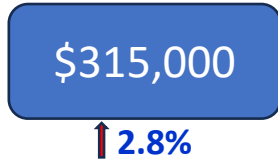
Scenario 2: Tax Ratios Remains The Same

Single Family 59%



59%

2024 Median
Assessment Value



2023 Total



Municipal



Education/
Cypress View



2024 Total

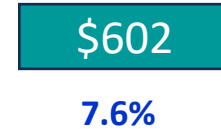
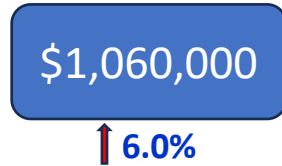
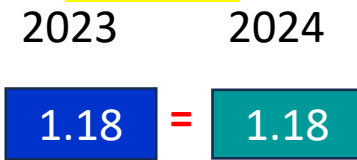


Multi-Family 4%

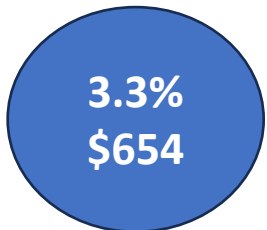


4%

Tax Ratio

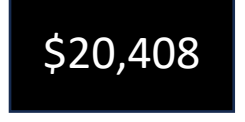
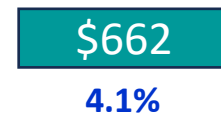
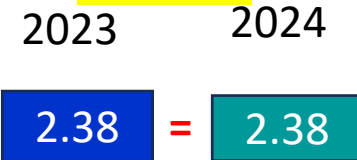


Non-Residential 37%



37%

Tax Ratio



Scenario 3: Municipal Tax Rates The Same (cap NR tax ratio)

Single Family

58%

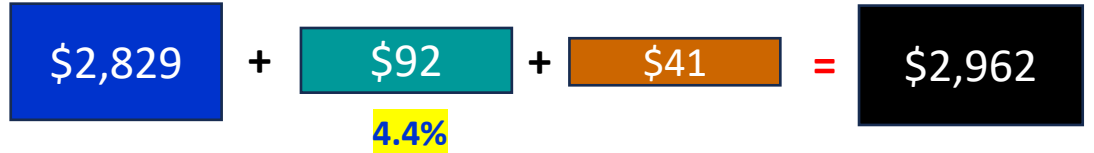
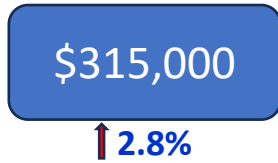
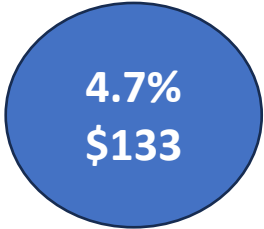
2024 Median
Assessment Value

2023 Total

Municipal

Education/
Cypress View

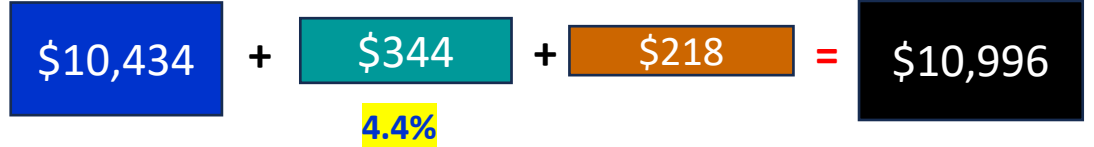
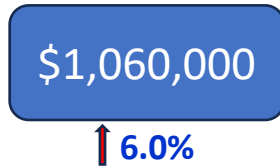
2024 Total



Multi-Family

4%

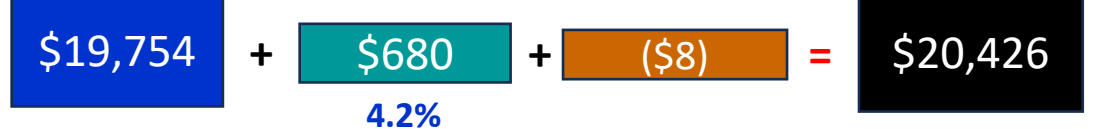
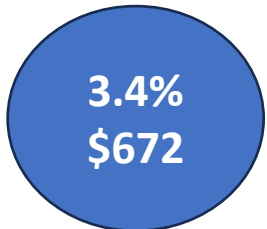
Tax Ratio
2023 2024



Non-Residential

38%

Tax Ratio
2023 2024



Education Property Taxes

- ✓ City of Medicine Hat also required to collect Education Taxes on behalf of Province
 - included as an additional line on the Property Tax Notice
- ✓ Across the province, Education Tax revenues will grow by approximately 9.2%
 - Education Tax rates will be frozen
 - strong growth in property values & increased development
- ✓ For CMH, Education Taxes will increase by \$1,351k (5.3%) from prior year

Requesting Council to:

- ✓ Approve Scenario **3** to establish the 2024 Tax Rate:
 - Municipal tax rate increases 4.4% for Single Family & Multi-Family median property
 - Municipal tax rate increases 4.2% for Non-residential median property
- ✓ Adopt the revised Education, Cypress View Foundation, and Designated Industrial Property requisitions in the 2024 Municipal Services Operating Budget.
- ✓ Consider giving **first** reading to Bylaw No. 4816, the 2024 Property Tax Bylaw, with 2nd & 3rd reading to follow on May 6, 2024, thereby approving the 2024 Property Tax Rates.

End

SCENARIO 1: Tax Distribution stays the same and applied against new assessment values

SCENARIO 1	2023			2024							
	Mill Rate	Tax Distribution	Tax Ratio	Tax Distribution	Tax Ratio	% Mill Rate Change	% Market Change	Municipal Tax % Impact	Municipal Tax \$ Impact	TOTAL Tax \$ Impact	TOTAL Tax % Impact
Single Family (SF)	6.6744	59%	1.18	59%	1.16	1.2%	2.8%	4.0%	\$84	\$125	4.4%
Multi-Family (MF)	7.8755	3%	2.38	3%	2.40	-0.1%	6.0%	5.9%	\$460	\$679	6.5%
Non-Residential (NR)	15.9113	38%	2.38	38%	2.40	2.1%	2.6%	4.7%	\$756	\$749	3.8%

SCENARIO 2: Tax Ratio stays the same and applied against new assessment values

SCENARIO 2	2023			2024							
	Mill Rate	Tax Distribution	Tax Ratio	Tax Distribution	Tax Ratio	% Mill Rate Change	% Market Change	Municipal Tax % Impact	Municipal Tax \$ Impact	TOTAL Tax \$ Impact	TOTAL Tax % Impact
Single Family (SF)	6.6744	59%	1.18	59%	1.18	1.5%	2.8%	4.3%	\$89	\$131	4.6%
Multi-Family (MF)	7.8755	3%	2.38	4%	2.38	1.6%	6.0%	7.6%	\$602	\$821	7.9%
Non-Residential (NR)	15.9113	38%	2.38	37%	2.38	1.5%	2.6%	4.1%	\$662	\$654	3.3%

SCENARIO 3: Non-Residential Tax Ratio remains unchanged and applied against new assessment values

SCENARIO 3	2023			2024							
	Mill Rate	Tax Distribution	Tax Ratio	Tax Distribution	Tax Ratio	% Mill Rate Change	% Market Change	Municipal Tax % Impact	Municipal Tax \$ Impact	TOTAL Tax \$ Impact	TOTAL Tax % Impact
Single Family (SF)	6.6744	59%	1.18	58%	1.14	1.6%	2.8%	4.4%	\$92	\$133	4.7%
Multi-Family (MF)	7.8755	3%	2.38	4%	1.14	-1.5%	6.0%	4.4%	\$344	\$562	5.4%
Non-Residential (NR)	15.9113	38%	2.38	38%	2.38	1.6%	2.6%	4.2%	\$680	\$672	3.4%

BYLAW NO. 4817

A BYLAW OF THE CITY OF MEDICINE HAT to render student dormitories subject to taxation within the City of Medicine Hat.

WHEREAS section 363(1) of the Act provides that student dormitories are exempt from taxation imposed in respect of property by a municipality unless such municipality passes a bylaw to make the property taxable;

WHEREAS section 363(3) of the Act provides that a municipality may by bylaw make certain exempt properties subject to taxation to any extent the council of such municipality considers appropriate other than for the purpose of raising revenue needed to pay the requisitions referred to in section 326(1)(a) of the Act;

AND WHEREAS Council for the City of Medicine Hat deems it appropriate to impose property tax in respect of properties used in connection with student dormitories within the geographic limits of the City of Medicine Hat;

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

1. **SHORT TITLE**

1.1 This Bylaw may be cited as the "Student Dormitories Taxation Bylaw".

2. **DEFINITIONS**

2.1 "Act" means the *Municipal Government Act* RSA 2000, Chapter M-26.

2.2 "Student Dormitories" are student dormitories as defined in section 326(1)(b) of the Act;

3. **TAXATION OF STUDENT DORMITORIES**

3.1 Pursuant to section 363(3) of the Act, all Student Dormitories within the City of Medicine Hat shall be subject to taxation under Division 2 of Part 10 of the Act commencing on the date this Bylaw is passed.

4. **REPEALED BYLAW**

4.1 Bylaw No. 2186 and all amendments thereto are hereby repealed.

5. **COMING INTO FORCE**

5.1 This Bylaw comes into force on 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: Larry Randle

DATE: 2024-04-22

MEETING: REGULAR COUNCIL

DEPARTMENT: FINANCE

REPORT AUTHOR: SUE STERKENBURG, MANAGER AND CITY ASSESSOR

2024 SUPPLEMENTARY PROPERTY TAX BYLAW

EXECUTIVE SUMMARY:

If in any year a Council passes a bylaw authorizing supplementary assessments to be prepared, the Council must in the same year also pass a separate bylaw authorizing it to impose a supplementary property tax.

STRATEGIC ALIGNMENT:

INNOVATION <input type="checkbox"/>	ECONOMIC EVOLUTION <input type="checkbox"/>	SERVICE ORIENTATION <input type="checkbox"/>
PARTNERSHIPS & GOVERNANCE <input checked="" type="checkbox"/>	COMMUNITY WELLNESS <input type="checkbox"/>	RESILIENCY & SUSTAINABILITY <input checked="" type="checkbox"/>

RECOMMENDATION:

It is recommended through the Administrative Committee and Corporate Services Committee that City Council:
(a) Approves Bylaw No. 4819, the 2024 Supplementary Property Tax Bylaw

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

On April 6, 2020, City Council passed Bylaw 4620, the Continuous Supplementary Assessment Bylaw, as per Section 369(1) of the Municipal Government Act, RSA 2000, M-26. This Bylaw authorized the City to calculate a supplemental assessment for 2020 and subsequent years. City Council must in the same year also pass a separate bylaw authorizing it to impose a supplementary tax.

A Council that passes a bylaw referred to in subsection (1) must use the tax rates set by its property tax bylaw as the supplementary tax rates to be imposed. Bylaw No. 4819 meets that requirement.

BACKGROUND / ANALYSIS:

The City of Medicine Hat first imposed a Supplementary Assessment & Tax Rate Bylaw in the year 2006. Supplementary assessments calculated for the last five years resulted in the following tax revenues:

SUPPLEMENTARY YEAR	2018	2019	2020	2021	2022	2023
TOTAL TAX \$	\$912,471	\$408,625	\$154,834	\$364,355	\$488,652	\$282,800
Municipal	\$839,166	\$320,971	\$120,049	\$282,300	\$438,496	\$224,657
Cypress View Foundation	\$6,176	\$2,750	\$1,222	\$2,471	\$3,519	\$2,653
Education - School	\$67,129	\$84,904	\$33,564	\$79,584	\$46,637	\$55,490
# of Supp accounts	140	131	77	98	128	104

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

There are no internal and external engagements.

POTENTIAL RISKS / IMPACTS:

Financial:

Funding Request:	No	
Budgeted Item:	No	
Funding Explanation:		
Budget Amendment Form?	No	

Additional tax revenue will be received due to the increase in assessment value due to newly constructed buildings, additions or renovations completed and/or occupied in the current year. In 2023, supplementary property assessments were processed for 104 accounts with resulting tax revenue amounting to \$224,657 for the municipal portion, \$55,490 for the education portion and \$2,653 for the Cypress View Foundation for a total of \$282,800. It is anticipated that the 2024 supplementary property assessments will generate approximately \$300,000 of property tax revenue for the municipal portion.

Health, Safety and Environmental:

There are no HSE impacts.

Legal / Legislative / Policy:

Subject to the provisions of Section 369 of the Municipal Government Act, the supplementary property tax rates for 2024 are the same as the property tax rates set by the 2024 Property Tax Bylaw

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

The supplementary tax will be imposed on newly constructed buildings, additions, or renovations completed and/or occupied in the current tax year prorated by the number of months. This will also affect properties where the buildings were not completed on December 31 of the year prior to the current tax year and are now complete and/or occupied.

INFORM <input checked="" type="checkbox"/>	CONSULT <input type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS:

Do not pass Bylaw No. 4819. This is not recommended, as occupants of properties constructed during the year are able to access community amenities. To remain equitable, property owners benefitting from the municipal services should contribute towards the costs of providing them.

IMPLEMENTATION PLAN:

If approved, the Assessment Department will implement a supplementary tax on the affected properties, prepare a supplementary tax roll, and mail notices at the end of October 2024.

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-03-15
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services & CFO	2024-03-18
ATTACHMENTS:	1: Bylaw No. 4819, the 2024 Supplementary Property Tax Bylaw	

BYLAW NO. 4819

A BYLAW OF THE CITY OF MEDICINE HAT to authorize the Council of the City to impose a 2024 supplementary property tax.

WHEREAS Section 369 of the *Act* provides that the council of a municipality must pass a supplementary property tax bylaw to authorize it to impose a supplementary property tax in respect of property for which supplementary assessments have been prepared;

AND WHEREAS Council passed Bylaw No. 4620, the Continuous Supplementary Assessment Bylaw, to authorize supplementary property assessments to be prepared during 2020 and subsequent years;

AND WHEREAS Council has passed Bylaw No. 4816, the 2024 Property Tax Bylaw, to authorize imposition of property taxes at the rates set out in the Bylaw;

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

1. This Bylaw may be cited as the “2024 Supplementary Property Tax Bylaw”.
2. In this Bylaw “*Act*” means the *Municipal Government Act*, R.S.A. 2000, c. M-26.
3. A supplementary property tax shall apply to all supplementary assessments which have been prepared in 2024 in accordance with the Continuous Supplementary Assessment Bylaw.
4. Subject to the provisions of Section 369 of the *Act*, the supplementary property tax rates for 2024 are the same as the property tax rates set by the 2024 Property Tax Bylaw.
5. A supplementary property tax roll shall be prepared in accordance with Section 369 of the *Act*.
6. (1) Supplementary property tax notices shall be prepared in accordance with Section 369 of the *Act* for all taxable property shown on the supplementary property tax roll of the City of Medicine Hat.

(2) Supplementary property tax notices shall be sent in accordance with Section 369 of the Act to the persons liable to pay the taxes.

7. Bylaw No. 4780 is hereby repealed.

8. This Bylaw shall come 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:LARRY RANDLE

DATE: 2024-04-22

MEETING: REGULAR COUNCIL

DEPARTMENT: FINANCE

REPORT AUTHOR: LOLA BARTA, DIRECTOR OF FINANCE

2023 CITY OF MEDICINE HAT FINANCIAL STATEMENTS

EXECUTIVE SUMMARY:

The 2023 City of Medicine Hat Financial Report is being presented to City Council for approval.

STRATEGIC ALIGNMENT:

<p>INNOVATION</p> <p><input type="checkbox"/></p>	<p>ECONOMIC EVOLUTION</p> <p><input type="checkbox"/></p>	<p>SERVICE ORIENTATION</p> <p><input type="checkbox"/></p>
<p>PARTNERSHIPS & GOVERNANCE</p> <p><input checked="" type="checkbox"/></p>	<p>COMMUNITY WELLNESS</p> <p><input type="checkbox"/></p>	<p>RESILIENCY & SUSTAINABILITY</p> <p><input type="checkbox"/></p>

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council approves: The 2023 City of Medicine Hat Financial Statements.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

N/A

BACKGROUND / ANALYSIS:

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

The 2023 Financial Report demonstrates a constructive “spirit of full disclosure” designed to clearly communicate the City of Medicine Hat’s financial story and to motivate potential users and user groups to read the report.

Executive Summary:

Financial Position:

In 2023 financial assets increased at a higher rate than financial liabilities resulting in a significant decrease in net financial debt of \$38.9 million from 2022. The increase in assets was due to an increase in financial investments as a result of higher contributions from our integrated commodity business and investment returns. Liability decreases were a result of a decrease in accounts payable and deferred revenue as well as long-term debt. Debt principal repayments were \$28.9 million and no new debt was issued in 2023.

At December 31, 2023, the City is at 43% of the debt limit and 24% of the debt servicing limit established by the Minister of Municipal Affairs.

Capital:

The City’s approved 2023 budget for capital items was \$125.5 million. Actual capital expenditures for the year were \$73.3 million plus contributions from developers of \$0.6 million. The current year capital expenditures include \$42.0 million for projects carried forward from previous budget years.

The 2023 capital projects include improvements to municipal infrastructure (facilities, roads, storm water, & parks), Electric & Gas Distribution infrastructure and Environmental Utilities infrastructure. The gas & oil properties assets decreased due to an impairment of \$14.6 million.

Accumulated surplus:

Accumulated surplus increased by \$63.0 million from 2022 primarily due to increased restricted surplus reserves which is largely dedicated to capital activities. Contributions of free cash flow amounted to \$145.5 million in 2023 and was distributed as \$73.4 million to the capital reserves; \$40.0 million to the operating reserve and \$29.1 million to the Heritage Savings Reserve. The contributions to reserves were offset by capital spending of \$23.4 million and \$50.7 million to support municipal operations.

Operations:

Consolidated net earnings was \$63.0 million, which was higher than budget by \$73.2 million.

Total revenues were higher than budget by \$56.8 million mainly due to higher electric revenues of \$51.5 million related to higher commodity prices. Grants were also higher than budget by \$14.1 million due to grants received for the Alberta gas & electric rebate programs, Canada Community Building Fund, and Municipal Sustainability Initiative (MSI). This is offset by lower land sales of \$3.1 million primarily due to lower lot sales. Investment income was also lower than budget by \$4.8 million as a result of the markets continuing to recover from the 2022 economic downturn.

Expenses were lower than budget by \$16.4 million due to reversal of prior years’ impairments of \$84.4 million as a result of the lower gas purchases due to lower commodity prices and lower materials and supplies due to purchasing less electricity from the power purchase agreement. This was offset by impairments related to oil and gas properties and disposal of assets of \$14.6 million.

Investments:

Investments, loans and advances increased \$27.7 million from 2022 to \$666.7 million largely due to higher contributions from our integrated commodity business.

The City of Medicine Hat generated a total investment portfolio return of 8.84% for the year ended December 31, 2023, which is below the corresponding benchmark of 10.33%. The returns have seen an increase in 2023 as the markets continue to recover from the economic downturn.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

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

POTENTIAL RISKS / IMPACTS:

Financial:

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

The Financial Statements are required under legislation within the Municipal Government Act.

Health, Safety and Environmental:

There are no health, safety, or environmental concerns.

Legal / Legislative / Policy:

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

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

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

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

The Financial Statements are made public so residents and stakeholders can be made aware of the City of Medicine Hat’s financial position.

INFORM <input checked="" type="checkbox"/>	CONSULT <input type="checkbox"/>	INVOLVE <input type="checkbox"/>	COLLABORATE <input type="checkbox"/>	EMPOWER <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS:

No other options have been considered as these are a requirement of the Municipal Government Act.

IMPLEMENTATION PLAN:

Upon Council approval of the 2023 Financial Report, staff will obtain the Auditor’s Report. The 2023 Financial Report will then be posted to the City of Medicine Hat’s website.

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-03-07
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services & CFO	2024-03-18
ATTACHMENTS:	#1 – 2023 Financial Report #2 – CFO Presentation #3 – 2023 Financial Statement Presentation #4 – 2023 Annual Investment Report	

CITY OF MEDICINE HAT

2023 FINANCIAL REPORT

For the Year Ended December 31, 2023
Medicine Hat, Alberta, Canada

City of Medicine Hat, Alberta, Canada

2023 FINANCIAL REPORT

For the year ended December 31, 2023

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



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

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City Council



Back row: Shila Sharps, Darren Hirsch, Cassi Hider, Robert Dumanowski

Front row: Andy McGrogan, Ramona Robins, Linnsie Clark, Alison Van Dyke, Allison Knodel

STANDING COMMITTEES

Administrative & Legislative Review Committee

Councillor A. McGrogan, Chair
Councillor A. Knodel, Vice Chair
Councillor R. Dumanowski

Audit Committee

Councillor D. Hirsch, Chair
Councillor S. Sharps, Vice Chair
Councillor A. Van Dyke
D. Egert, Corporate Services Managing Director & CFO, Advisor

Corporate Services Committee

Councillor R. Dumanowski, Chair
Councillor C. Hider, Vice Chair
Councillor A. Knodel

Development & Infrastructure Committee

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

Emergency Advisory Committee

Mayor L. Clark
Councillor R. Robins
Councillor D. Hirsch

Energy, Land & Environment Committee

Councillor D. Hirsch, Chair
Councillor A. Van Dyke, Vice Chair
Councillor S. Sharps

Public Services Committee

Councillor R. Robins, Chair
Councillor R. Dumanowski, Vice Chair
Councillor C. Hider

Administrative Committee

L. Clark, Mayor
A. Mitchell, City Manager, Chair
B. Stauth, Public Services Managing Director
D. Egert, Corporate Services Managing Director & CFO
P. Bohan, Development & Infrastructure Managing Director
R. Pancoast, Energy, Land and Environment Managing Director
B. Bullock, City Solicitor
L. Randle, City Clerk
C. Graham, Communications, Engagement & Marketing Director, Advisor

SPECIAL COMMITTEES

Chamber of Commerce: Councillor S. Sharps

Civic Functions: Councillor A. Knodel

Community Futures Entre-Corp: Mayor L. Clark

Cypress View Foundation: Mayor L. Clark & Councillor R. Robins

Friends of Medalta Society: Councillor A. Knodel

Highway #3 Twinning Association: Councillor D. Hirsch

Intermunicipal Committee: Mayor L. Clark & Councillor S. Sharps

Medicine Hat Community Housing Society: Mayor L. Clark

Medicine Hat Exhibition & Stampede: Councillor A. McGrogan

Medicine Hat Public Library: Councillor R. Robins

Municipal Names Committee: Councillor C. Hider

Municipal Planning Commission: Councillors A. McGrogan & S. Sharps

Palliser Economic Partnership: Mayor L. Clark & Councillors C. Hider

Police Commission: Councillors D. Hirsch & R. Dumanowski

Physician Attraction & Retention: Councillors A. Van Dyke & S. Sharps

Regional Drainage: Councillor A. Van Dyke

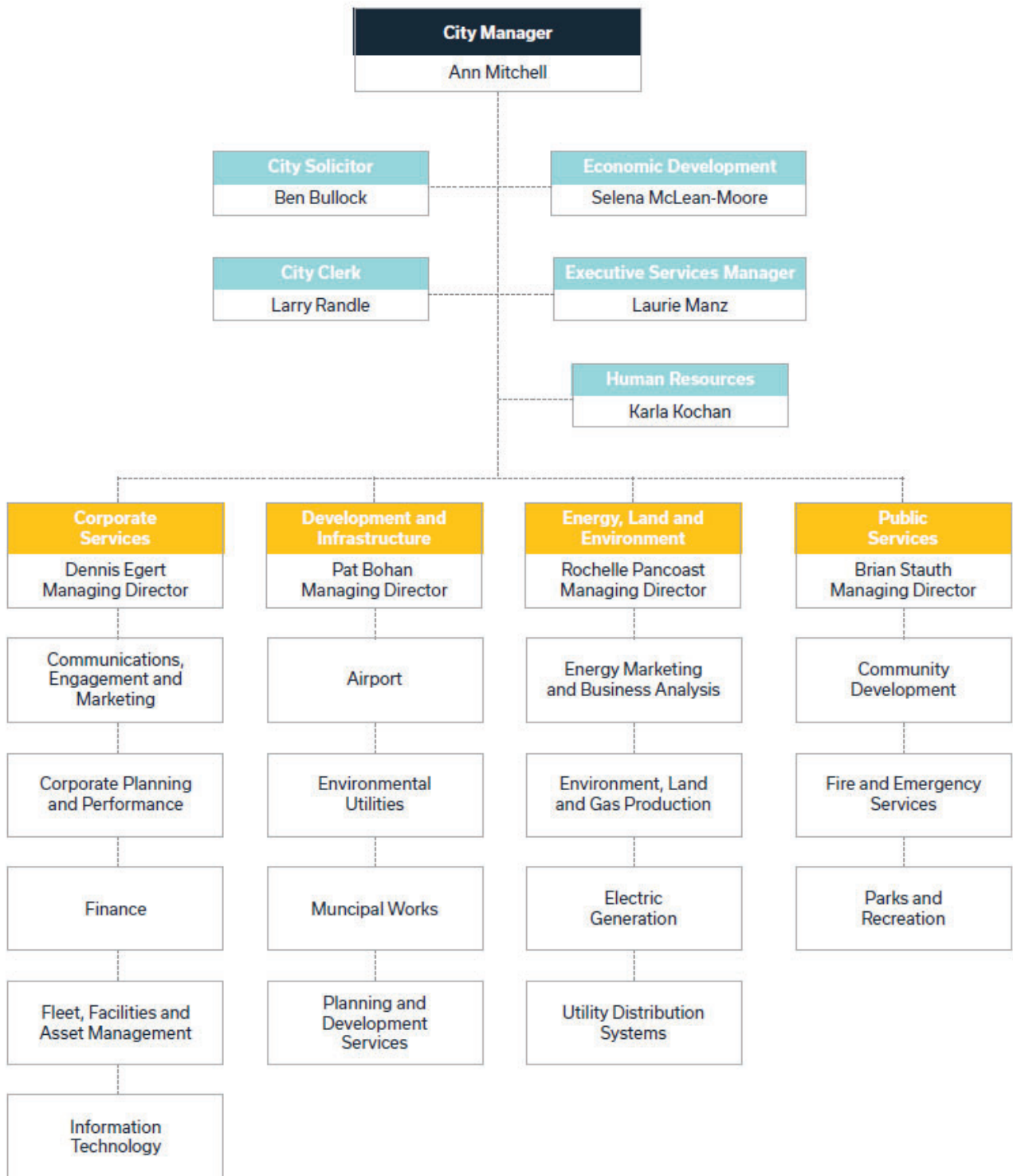
Shortgrass Library System: Councillor A. Van Dyke

Subdivision & Devel. Appeal Board: Councillors C. Hider & S. Sharps (Alternative)

Tourism Medicine Hat: Councillor C. Hider

Organizational Structure

As at December 31, 2023



CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2023. MNP LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 22, 2024.

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

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

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

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

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

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2023. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used compared to budgets and past financial performance, and is divided into seven sections:

- **Introduction** – Provides an overview of the Chief Financial Officer's Report.
- **Canadian GFOA Award for Financial Reporting** - Recognition of high-quality financial reports.
- **Risk Management** - Discussion of risks and risk management strategies.
- **Management Reporting and Control** - Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** - Presents a review of the City of Medicine Hat's activities and financial position for the fiscal year ended December 31, 2023. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts.



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

Dennis Egert
Managing Director of Corporate
Services/Chief Financial Officer
April 22, 2024

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

CANADIAN GFOA AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2022, for the 21st year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

RISK MANAGEMENT

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

(a) Enterprise Risk Management

In 2021 the City engaged a consultant to support the development and implementation of an Enterprise Risk Management (ERM) framework. The ERM framework is the guiding document that defines the methodology, process and the related roles and responsibilities. It will support strong and well-informed governance decision making and ensure that enterprise risks and opportunities are identified, assessed and managed to an acceptable level. The implementation is progressing resulting in a framework, a risk register, and an approved risk action plan which will be incorporated into the strategic planning process.

(b) Operational Risk Management

As a result of continued insurance premium rate increases over the past few years, the City undertook a third-party review of its insurance program that included recommendations to self-insure certain components of the City's insurance program to reduce overall premium costs while remaining within the City's risk tolerance. The insurance program continues to provide insurance coverage for the majority of the City's major losses that involve third-party property damage or bodily injury and/or damage to City property (buildings/equipment/vehicles), contributing to long-term sustainability of City assets. To accommodate self-insuring certain components of the insurance program, a dedicated insurance reserve was established (included within the operating reserve) to fund future, large insurance claims.

(c) Public Safety

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

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

Fire and Emergency Services also operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island – a regional population of approximately 77,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization, and overall protocol compliance.

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

(d) Treasury Management

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

In 2021, the City engaged a consultant to perform a review of its investment portfolio with the objective of assessing the appropriateness of the current asset mix policy and exploring alternative asset mixes while maintaining an appropriate balance between investment return and risk. The recommendation was to transition the City's investment portfolio from significant fixed income exposure to a more diverse portfolio including fixed income, equities, and alternative investments. This new portfolio has been structured to achieve the City's overall long-term objectives of optimizing investment returns through the investment cycle while maintaining an appropriate level of risk; generating sufficient investment returns to cover annual net spending; capital preservation; as well as conforming to all provincial statutes and regulations governing the investment of municipal funds.

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. Included in investments are internally managed portfolios of investments in money market and fixed income securities. The City also has external investment portfolios managed by third-party investment managers including Addenda Capital, Arrowstreet Capital, Brookfield Asset Management, Connor, Clark & Lunn Investment Management, Crestline Investors, Fidelity International, Igneo Infrastructure Partners, JP Morgan Investment Management, Manulife Investment Management, Mesirow Financial Investment Management, and Phillips, Hager & North Institutional. These funds are invested across the following asset classes: Canadian & global fixed income and equities, infrastructure, real estate, commercial mortgages, private credit, and currency. These funds are invested in assets permitted by the Major Cities Investment Regulation.

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

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

(d) Environmental

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

(e) Market Commodity Prices

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

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

MANAGEMENT REPORTING AND CONTROL

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

Strategic Planning and Budgeting

City Council developed a strategic plan highlighting priorities, strategies, goals and key results for the planning period 2023-2026. Based on the direction set out in the strategic plan, departmental business plans are prepared. These business plans communicate each department's alignment with the strategic plan and identify:

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



Budget guidelines and long-range financial projections are developed. Based on these guidelines and departmental business plans, departments develop their budget requests. City Council has approved the adoption of a two-year operating budget with a two-year projection as well as a two-year capital budget with an eight-year projection.

The Administrative Committee reviews departmental budgets and when satisfied that budgets are aligned with the business plans, the budget recommendation is presented for City Council deliberation and approval.

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

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

For the 2023-2024 budget period, the City employed a capital ranking process for all departments. This process is intended to ensure that available capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

(a) Accounting

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

(b) Auditing

The Municipal Government Act requires municipal councils to appoint an independent auditor. MNP LLP was awarded a one-year Audit Contract in 2023 with an option to extend the engagement annually through 2027, subject to City Council's annual reappointment of auditors. City council approved MNP LLP's appointment for the 2023 audit.

CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

FINANCIAL HIGHLIGHTS

Financial Trend Summary 2023

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

In 2023 the City experienced higher than expected annual surplus despite the external pressures stemming from continued inflationary pressures, lingering impacts from COVID-19, the Government of Alberta reduction in municipal funding and market volatility impacting commodity prices and investment returns. The higher surplus is primarily due to increased revenues as a result of higher electric commodity prices; increased investment income due to higher returns and additional grants received primarily related to the electricity and natural gas rebate program.

In 2023 the City's municipal budget anticipated an \$11 million gap which was funded through financial reserves to achieve a balanced budget. The 2023 actual municipal deficit was \$15.1 million, which required an additional transfer of \$3.6 million from reserves to fully fund the deficit. The City continues to focus its efforts on identifying strategic opportunities including revenue growth, cost containment, service level clarity and related adjustments, and leveraging technology and digital innovation to reduce its reliance on the financial reserves to achieve a balanced budget.

As a result of the declining gas and oil commodity prices over the past few years, the City decided to accelerate the abandonment and reclamation of its uneconomic oil and gas properties. The budgeted cost of the program is expected to be \$125 million to be financed through a combination of working capital (\$45 million) and debenture borrowing (\$80 million). As of year-end 2023 the accelerated abandonment program is virtually complete with almost 1,900 wells fully abandoned and under reclamation. Technical and logistical issues continue to be examined for the remaining wells in the program and abandonment will occur as these issues are resolved. The program ensures the City is fostering the wellbeing of the environment by safely meeting end of life obligations for its energy development activities.

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

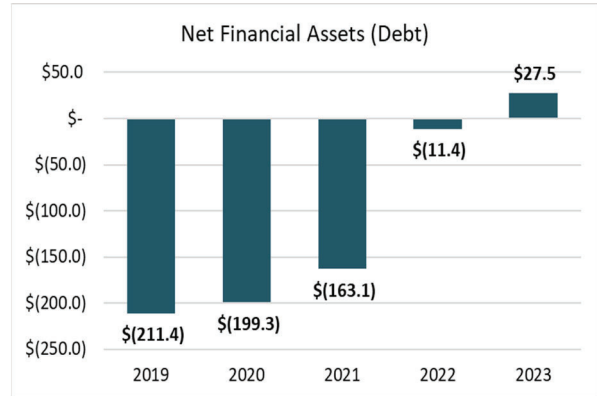
CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

Financial Summary

In 2023 financial assets increased at a higher rate than financial liabilities resulting in a significant decrease in net financial debt of \$38.9 million from 2022. The increase in assets was due to an increase in financial investments as a result of higher contributions from our integrated commodity business and investment returns. Liability decreases were a result of a decrease in accounts payable and deferred revenue as well as long-term debt. Net financial debt has seen a decrease over the past 5 years primarily due to increased financial investments.

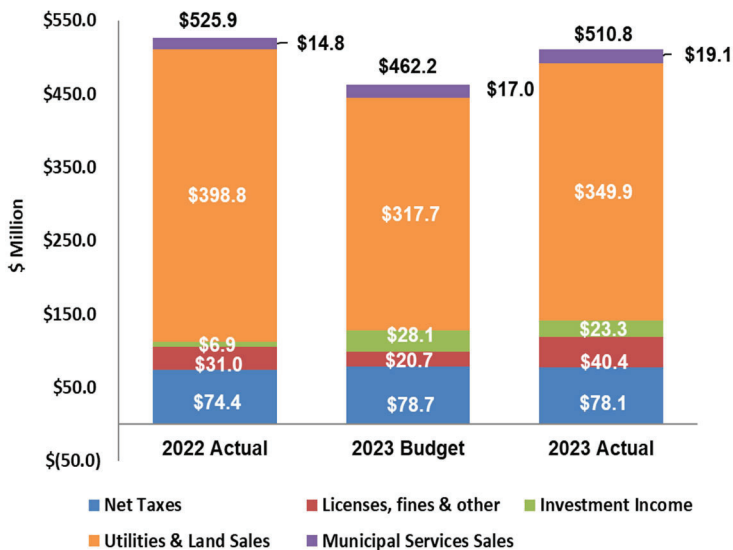
<i>In thousands of dollars</i>		
Consolidated Financial Position	2023	2022
Assets	\$ 800,350	\$ 792,497
Liabilities	772,818	803,907
Net financial assets (debt)	27,532	(11,410)
Non-financial assets	39,890	35,825
Long-lived assets	42,112	7,355
Net tangible capital assets	1,393,337	1,422,663
Total non-financial assets	1,475,339	1,465,843
Accumulated surplus	\$1,502,871	\$1,454,433



<i>In thousands of dollars</i>		
Consolidated Operating Results	2023	2022
Revenue	\$ 510,837	\$ 525,935
Expenses	473,429	391,509
Subtotal	37,408	134,426
Other revenue	25,560	26,698
Annual Surplus	\$ 62,968	\$ 161,124

The 2023 annual surplus was \$63 million primarily due to higher electric commodity prices. Other revenue represents capital contributions and grant funding used for various capital projects such as: transition to clean energy; building rehabilitations; pedestrian trails and bridge rehabilitation; and sidewalk, roads and storm sewer rehabilitation.

Revenues



Revenue before capital contributions and grants was \$48.6 million higher than budget (\$510.8 million versus budget of \$462.2 million). This is mainly due to Utilities and Land Sales revenues being higher than budget by \$32.2 million as a result of higher electric revenues of \$51.5 million related to higher commodity prices. This is offset by lower land sales of \$3.1 million primarily due to lower lot sales. Investment income was lower than budget by \$4.8 million as a result of the markets continuing to recover from the 2022 economic downturn.

Revenues in 2023 are lower than 2022 revenues by \$15.1 million primarily due to easing gas and electric commodity prices offset by higher investment income.

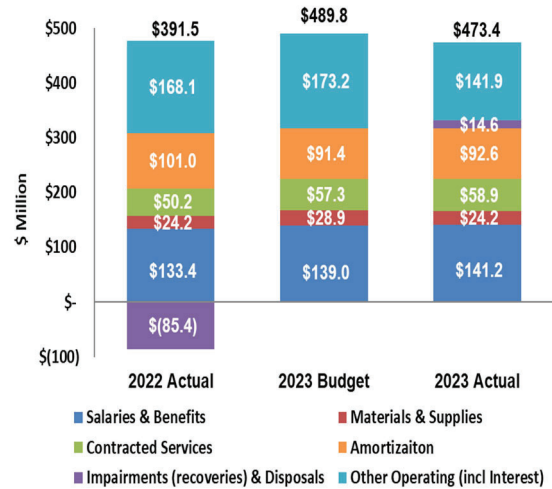
CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

Expenses

The Consolidated Schedule of Expenses by Object details 2023 actual (\$473.4 million) and budget (\$489.8 million) by expense type. Variances from budget for salaries and benefits is primarily related to union contracts being settled at higher than budget. Materials and supplies are less than budget due to purchasing less electricity from the power purchase agreement. Operating expense are less than budget primarily due to less natural gas purchases as a result of lower gas commodity prices.

The 2023 actual expenses are higher than 2022 primarily due to recognizing a \$14.6 million impairment on oil and gas properties whereas 2022 recognized an \$85.4 million recovery; higher salaries and benefits due to union contract settlements; and additional staff to maintain current service levels. This is somewhat offset by lower other operating expenses related to lower gas purchases as a result of lower gas commodity prices.

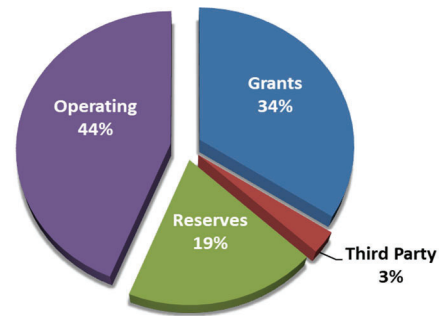


Capital Expenditures

The City's approved 2023 budget for capital items was \$125.5 million. Actual capital expenditures for the year were \$73.3 million plus contributions from developers of \$0.6 million. The current year expenditures also include \$42 million for projects carried forward from previous budget years.

The 2023 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as financial reserves, operating funds, and third-party contributions.

Capital Funding Sources

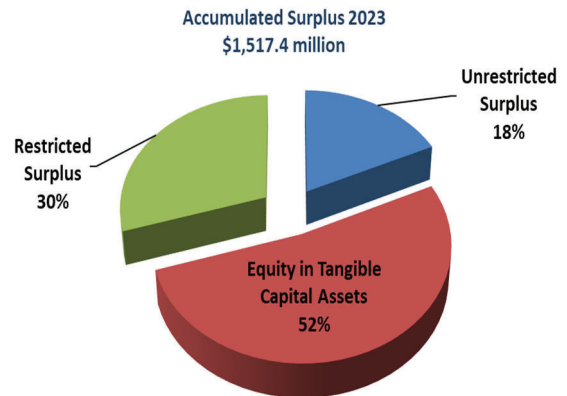


Accumulated Surplus

The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2023, the consolidated fund and equity balances increased by \$63 million to \$1,517.4 million.

\$274 million of the accumulated surplus is unrestricted. This unrestricted amount is used as working capital to fund day to day operating activities of the City as well as asset retirement obligations. The restricted amount is \$452.2 million and is largely dedicated to capital activities of the organization.

Equity in the City's tangible capital assets decreased by \$212.9 million to \$791.2 million this year primarily as a result of the recognition of asset retirement obligations as per the new public sector accounting standards.

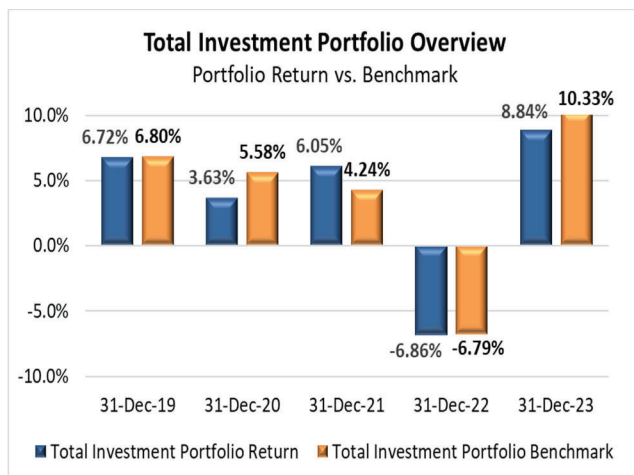
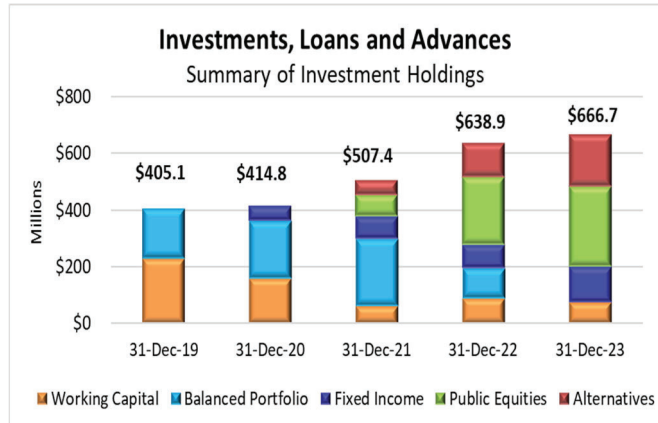


CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

Investments

Investments, loans and advances increased \$27.7 million from 2022 to \$666.7 million largely due to higher contributions from our integrated commodity business.



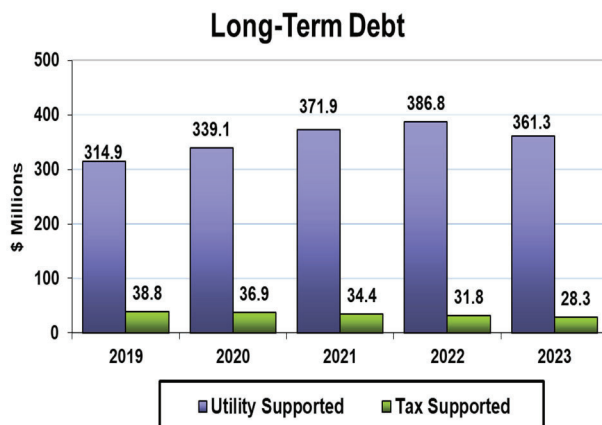
The City of Medicine Hat generated a total investment portfolio return of 8.84% for the year ended December 31, 2023, which is below the corresponding benchmark of 10.33%. The returns have seen an increase in 2023 as the markets continue to recover from the economic downturn.

In 2021, the City approved an update to the Investment Policy to include a new strategic asset allocation consisting of public equities, fixed income, working capital, and alternatives. It is expected that the new investment portfolio asset allocation will earn an average nominal return of 5.5% annually measured over a rolling five-year period. The transition to the new asset allocation is a long-term strategy to optimize the risk-return ratio for the City.

Long-Term Debt

During 2023, total long-term debt decreased \$28.9 million to \$389.6 million as a result of debt principal repayments of \$28.9 million. No new debt was issued in 2023.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose of these calculations, actual total debt includes long-term debt as well as loan guarantees in the amount of \$1.1 million, credit card debt of \$0.7 million, and letters of credit issued of \$45.4 million.



The City's 2023 debt limits are as follows:

(in millions of dollars)	2023
Debt Limit	\$ 1,021.7
Actual Total Debt	436.8 43%
AMOUNT UNDER LIMIT	\$ 584.9
Debt Servicing Limit	\$ 178.8
Actual Debt Servicing	42.1 24%
AMOUNT UNDER LIMIT	\$ 136.7

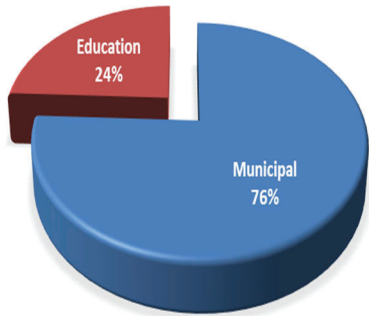
CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

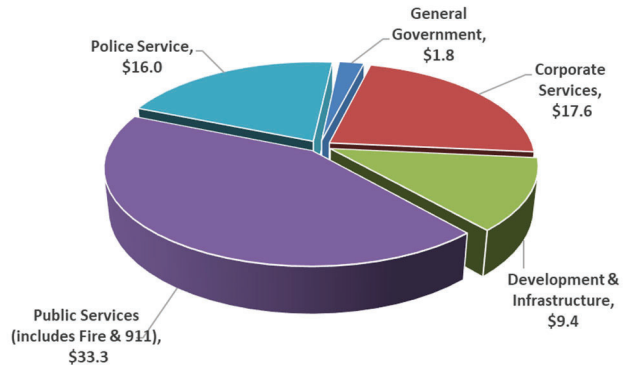
Use of Municipal Tax Revenue

Net municipal property tax revenue of \$78.1 million is used to fund the consolidated general fund operating expenses of \$227.3 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

Where our municipal property tax dollars went in 2023.

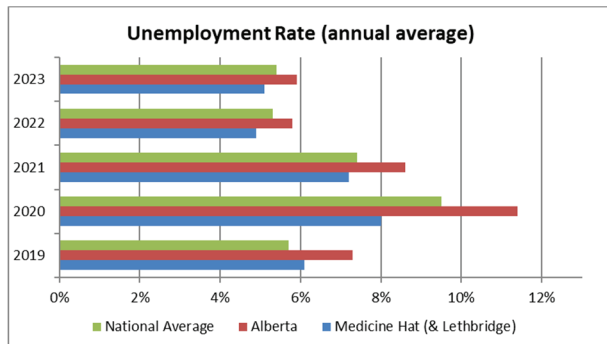
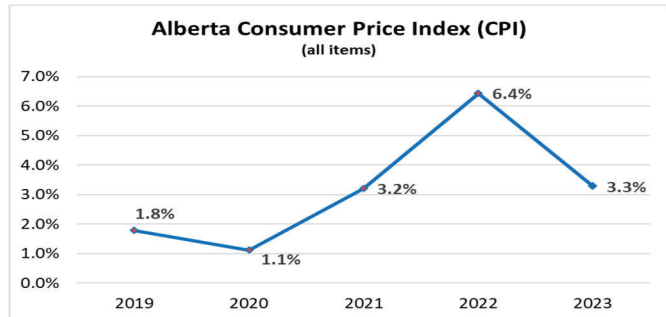


Use of Municipal Tax Revenue (Millions)



Economic Indicators

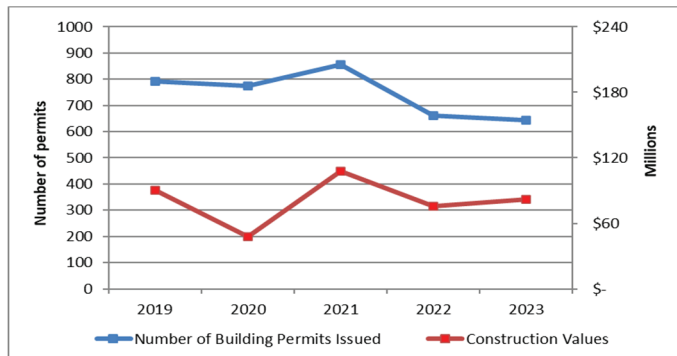
Alberta Consumer Price Index (CPI) saw an increase in 2021 and 2022 with a decline in 2023 as the economy started to recover from the past two years.



The combined unemployment rate for the Medicine Hat and Lethbridge region at the end of 2023 was 5.3%, while the 2023 average was 5.1%. The average Alberta unemployment rate for 2022 was 5.9% compared to 5.4% for Canada. These remained consistent with 2022 as the economy continues to recover from the COVID-19 pandemic.

Number of Building Permits Issued and Related Construction Values

In 2023, the number of building permits issued decreased to 643 primarily due to a decrease in new development. The related estimated value of construction in 2023 saw an increase from prior year to \$82 million due to higher construction values.

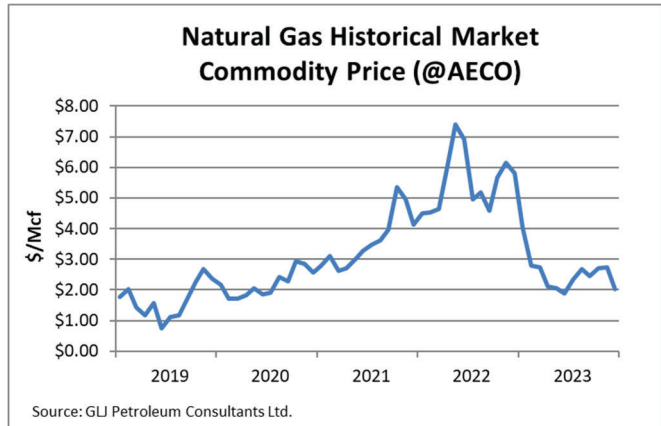


CHIEF FINANCIAL OFFICER'S REPORT

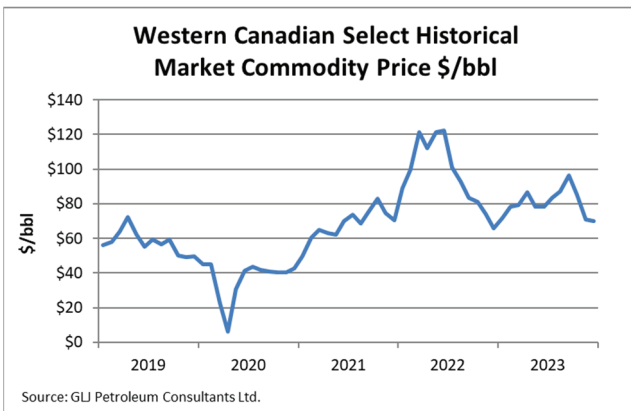
FOR THE YEAR ENDED DECEMBER 31, 2023

Gas

Natural gas prices have started to show signs of trending back to \$2.00/GJ levels with 2023 settling at \$2.53/GJ. Storage levels are at the high end of the five-year average due to supply currently outpacing demand. There is limited new demand available to offset the new supply in the market. This trend is expected to continue for 2024, or until the LNG Canada facility comes online creating new demand and export market aside from Eastern Canada and United States.



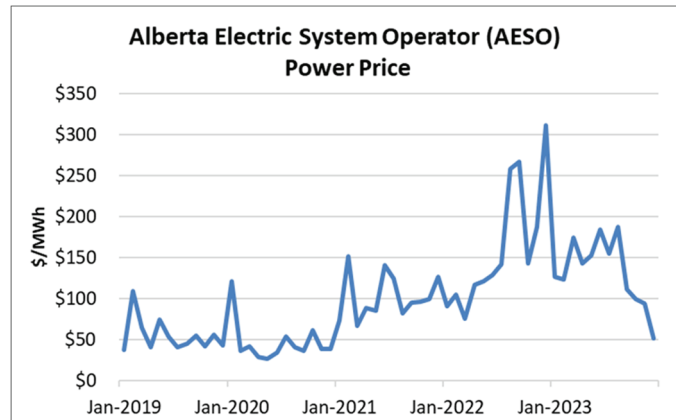
Oil



Oil prices declined to below the levels before the Russian/Ukrainian conflict. However, Russia is still able to supply the market and the market is in balance for supply and demand which has resulted in less volatility. If OPEC volume cuts were cancelled the market could see over supply and pricing could weaken. City of Medicine Hat has limited oil exposure currently as there are only two remaining oil wells in service as the Manyberries field is currently in the abandonment and reclamation stage.

Power

Power prices in 2023 stabilized and trended back to historic levels towards the end of the year. System Marginal Price (SMP) ended 2023 at \$133.63/MWh, Economic withholding early in the year had contributed to the higher pool prices. The projected forward curve price is expected to be lower due to increased supply from the new Cascade Energy Facility coming into full production in Q2 2024. This, however, could be somewhat offset by lower hydro electric supply as a result of lower than normal water reservoir levels and potential retirement of higher cost/low efficiency assets.



Financial Statements and Notes

Government Finance Officers Association Awards

The City of Medicine Hat has provided award winning financial reporting for the past 21 years.

The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. Its attainment represents a significant accomplishment by a municipal government and its management.

GFOA also provides a Distinguished Budget Presentation Award to municipalities that prepare high-quality budget documents and strive to improve budget transparency in their community. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool. The City of Medicine Hat received the Distinguished Budget Presentation Award for its two-year budget cycle (2023-2024).



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Medicine Hat
Alberta**

For its Annual
Financial Report
for the Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Medicine Hat
Alberta**

For the Biennium Beginning

January 01, 2023

Christopher P. Morrell

Executive Director

Management's Responsibility for Reporting
For the Year Ended December 31, 2023

The City of Medicine Hat's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2023 and the results of its operations for the year then ended.

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

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

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

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



City Manager

April 22, 2024



Chief Financial Officer

To the Members of Council of City of Medicine Hat:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of City of Medicine Hat (the "City"), which comprise the statement of financial position as at December 31, 2023, and the consolidated statements of operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2023, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statement for the year ended December 31, 2022 was audited by another auditor who expressed an unmodified opinion on those statements on April 17, 2023.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is included within the 2023 Financial Report information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the City is in compliance with the Debt Limit Regulation. A detailed account of the City's debt limit can be found in Note 11.

Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta Regulation 313/2000, we confirm that the City is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 17.

Medicine Hat, Alberta

April 22, 2024

MNP LLP

Chartered Professional Accountants

CONSOLIDATED

Statement of Financial Position

As at December 31, 2023 (in thousands of dollars)

	2023	2022
Financial assets		
Cash and cash equivalents (Note 2)	\$ 66,386	\$ 44,188
Accounts receivable, net of allowances (Note 3)	51,796	97,523
Investments, loans and advances (Note 4)	666,659	638,946
Land held for resale (Note 5)	10,333	10,523
Inventories for resale (Note 6)	144	151
Deposits (Note 7)	5,032	1,166
Total financial assets	800,350	792,497
Liabilities		
Trade accounts payable	30,480	55,598
Accrued liabilities (Note 8)	21,300	26,417
Deferred revenue (Note 9)	45,048	58,468
Long-term debt (Note 11)	389,654	418,581
Asset retirement obligation (Note 12)	254,568	217,086
Other long-term liabilities (Note 13)	31,768	27,757
Total liabilities	772,818	803,907
Net financial assets (debt)	27,532	(11,410)
Non-financial assets		
Inventories for consumption	18,633	15,620
Prepaid assets	3,697	2,917
Land held for future development (Note 14)	17,560	17,288
Long-lived assets (Schedule 1) (Note 15)	42,112	7,355
Tangible capital assets (Schedule 1) (Note 15)	1,393,337	1,422,663
Total non-financial assets	1,475,339	1,465,843
Total accumulated surplus	\$ 1,502,871	\$ 1,454,433
Accumulated surplus consists of the following:		
Accumulated surplus (Note 16)	1,517,401	1,454,433
Accumulated remeasurement gains (losses)	(14,530)	-
Total accumulated surplus	\$ 1,502,871	\$ 1,454,433

Commitments, operating and capital (Notes 20 and 22)
Contingent asset and liabilities (Note 23)
Contractual rights (Note 24)

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

CONSOLIDATED

Statement of Operations

For the year ended December 31, 2023 (in thousands of dollars)

	2023 Budget	2023 ACTUAL	2022 ACTUAL
Revenue (Schedule 4)			
Municipal taxes (Schedule 2)	\$ 78,711	\$ 78,137	\$ 74,430
Sale of services			
General Government	16,952	19,117	14,812
Gas	44,009	27,618	46,549
Electric	211,324	262,830	292,563
Water	24,316	25,083	23,783
Sewer	22,997	23,397	23,005
Solid Waste	10,097	9,091	9,194
Land	4,941	1,891	3,701
Other income			
Investment income	28,094	23,332	6,954
Licenses, fines and penalties	5,927	4,464	5,313
Insurance recovery	123	129	336
Development levies	857	1,321	896
Government transfers for operating (Schedule 3)	6,251	12,947	16,643
Other	7,555	21,480	7,756
Total revenue	462,154	510,837	525,935
Expenses (Schedule 4 and Schedule 5)			
General Government	242,191	227,251	183,875
Gas	122,206	101,755	72,234
Electric	81,485	102,804	96,228
Water	17,829	17,722	16,394
Sewer	15,063	15,384	14,247
Solid Waste	6,511	7,084	5,196
Land	4,543	1,429	3,335
Total expenses	489,828	473,429	391,509
Excess (deficiency) of revenue over expenses			
- before other revenue	(27,674)	37,408	134,426
Other revenue (Schedule 4)			
Contributed tangible capital assets	-	625	133
Government transfers for capital (Schedule 3)	17,489	24,935	26,565
Total other revenue	17,489	25,560	26,698
Annual surplus	(10,185)	62,968	161,124
Accumulated surplus, beginning of year	1,454,433	1,454,433	1,293,309
Accumulated surplus, end of year	\$ 1,444,248	\$ 1,517,401	\$ 1,454,433

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

CONSOLIDATED

Statement of Change in Net Financial Assets (Debt)

For the year ended December 31, 2023 (in thousands of dollars)

	2023 Budget	2023	2022
Annual surplus	\$ (10,185)	\$ 62,968	\$ 161,124
Amortization of tangible capital assets	83,871	83,309	88,320
Amortization of long-lived asset	-	1,363	-
Impairments (recoveries)	-	13,941	(84,424)
Loss on disposal of tangible capital assets	-	699	1,454
Loss on disposal of long-lived assets	-	13	-
Developers contribution of tangible capital assets	-	(625)	(133)
Acquisition of tangible capital assets	(124,520)	(73,261)	(76,309)
Proceeds from sale of tangible capital assets	-	83	123
Decrease (increase) in long-lived assets	3,358	(30,953)	64,003
	(47,476)	57,537	154,158
Acquisition of inventories and supplies	(9,766)	(9,765)	(23,235)
Net acquisition (disposition) of land held for future development	(338)	(272)	(1,320)
Acquisition of prepaid assets	(14,272)	(14,273)	(10,792)
Consumption of inventories and supplies	6,752	6,752	21,932
Use of prepaid assets	13,493	13,493	10,978
Accumulated remeasurement gains (losses)	-	(14,530)	-
	(4,131)	(18,595)	(2,437)
Decrease (increase) in net financial debt	(51,607)	38,942	151,721
Net financial debt, beginning of year	(11,410)	(11,410)	(163,131)
Net financial assets (debt), end of year	\$ (63,017)	\$ 27,532	\$ (11,410)

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

CONSOLIDATED

Statement of Remeasurement Gains and Losses For the year ended December 31, 2023 (in thousands of dollars)

	2023 ACTUAL	2022 ACTUAL
Adjustment on adoption of the financial instruments standard	\$ (51,479)	\$ -
Unrealized gains (losses) attributable to:		
Foreign exchange	(1,759)	-
Short-term investments		
Investments	12,525	-
Long-term investments		
Designated fair value	(19)	-
Equity instruments	31,820	-
	42,567	
Realized (gains) losses, reclassified to the statement of operations:		
Foreign exchange	200	-
Short-term investments	(4,813)	-
Long-term investments	(1,005)	-
	(5,618)	-
Net change in remeasurement gains for the year	36,949	-
Accumulated remeasurement gains (losses), end of the year	\$ (14,530)	-

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

CONSOLIDATED

Statement of Cash Flows

For the year ended December 31, 2023 (in thousands of dollars)

	2023	2022
Net inflow (outflow) of cash related to the following activities:		
Operating		
Annual surplus	\$ 62,968	\$ 161,124
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	83,309	88,320
Amortization of long-lived asset	1,363	-
Impairments (recoveries)	13,941	(84,424)
Loss on disposal of tangible capital assets	699	1,454
Loss on disposal of long-lived assets	13	-
Developers contribution of tangible capital assets	(625)	(133)
Non-cash items relating to capital and investing activities:		
Unrealized gain (loss) on financial instruments	(14,530)	-
Non-cash changes to operations (net change):		
Decrease (increase) in accounts receivable	45,727	(18,972)
Decrease (increase) in land held for resale	190	(381)
Decrease (increase) in inventories for resale	7	(11)
Decrease (increase) in deposits	(3,866)	2,554
Increase (decrease) in trade accounts payable	(25,118)	18,763
Increase (decrease) in accrued liabilities	(5,117)	4,317
Decrease in deferred revenue	(13,420)	(3,030)
Increase (decrease) in asset retirement obligations	37,482	(61,056)
Increase in other long-term liabilities	4,011	1,087
Increase in inventories for consumption	(3,013)	(1,303)
Decrease (increase) in prepaid assets	(780)	185
Increase in land held for future development	(272)	(809)
Cash provided by operating transactions	182,969	107,685
Capital		
Acquisition of tangible capital assets	(73,261)	(76,309)
Proceeds from sale of tangible capital assets	83	123
Decrease (increase) in long-lived assets	(30,953)	64,003
Cash applied to capital transactions	(104,131)	(12,183)
Investing		
Decrease (increase) in investments, loans and advances	(27,713)	(131,584)
Cash applied to investing transactions	(27,713)	(131,584)
Financing		
Long-term debt issued and assumed	-	41,741
Long-term debt repaid	(28,927)	(29,475)
Cash provided by financing transactions	(28,927)	12,266
Change in cash and equivalents during the year	22,198	(23,816)
Cash and cash equivalents, beginning of year	44,188	68,004
Cash and cash equivalents, end of year	66,386	44,188

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

CONSOLIDATED
SCHEDULE OF TANGIBLE AND LONG-LIVED CAPITAL ASSETS
As at December 31, 2023 (in thousands of dollars)

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2023	2022
Cost:									
Balance, beginning of year	\$ 48,399	\$ 168,869	\$ 384,645	\$ 1,596,785	\$ 648,380	\$ 136,767	\$ 52,553	\$ 3,036,398	\$ 2,925,265
Adjustment relating to recognition of asset retirement obligations:									
Balance, beginning of year	-	-	-	-	112,327	-	-	112,327	-
Disposal of long-lived assets	-	-	-	-	(13)	-	-	(13)	-
Recovery of long-lived assets	-	-	-	-	5,180	-	-	5,180	-
Long-lived assets	-	-	4,128	8,043	18,782	-	-	30,953	-
Balance, beginning of year, as restated	48,399	168,869	388,773	1,604,828	784,656	136,767	52,553	3,184,844	2,925,265
Acquisition of tangible capital assets	49	5,988	11,046	37,414	1,576	3,097	1,635	60,805	117,271
Construction-in-progress	-	891	(1,229)	8,168	1,141	1,342	2,768	13,081	(40,829)
Disposal of tangible capital assets	-	(35)	(121)	(2,296)	-	(424)	(136)	(3,012)	(12,244)
Recoveries (impairment) of tangible capital assets	-	-	-	-	(19,121)	-	-	(19,121)	46,935
Balance, end of year	48,448	175,713	398,469	1,648,114	768,252	140,782	56,820	3,236,597	3,036,398
Accumulated amortization:									
Balance, beginning of year	-	75,936	128,997	725,680	574,076	77,422	31,624	1,613,735	1,536,082
Adjustment relating to recognition of asset retirement obligations:									
Balance, beginning of year	-	-	-	-	104,971	-	-	104,971	-
Asset retirement obligation	-	-	562	325	476	-	-	1,363	-
Balance, beginning of year, as restated	-	75,936	129,559	726,005	679,523	77,422	31,624	1,720,069	1,536,082
Annual amortization	-	7,786	10,306	47,630	3,692	9,997	3,898	83,309	88,320
Accumulated amortization on disposals	-	(33)	(44)	(1,695)	(1)	(321)	(136)	(2,230)	(10,667)
Balance, end of year	-	83,689	139,821	771,940	683,214	87,098	35,386	1,801,148	1,613,735
Net book value of tangible capital assets (Note 15)	\$ 48,448	\$ 92,024	\$ 258,648	\$ 876,174	\$ 85,038	\$ 53,684	\$ 21,434	\$ 1,435,449	\$ 1,422,663
2022 net book value of tangible capital assets (Note 15)	\$ 48,399	\$ 92,933	\$ 255,648	\$ 871,105	\$ 74,304	\$ 59,345	\$ 20,929	\$ 1,422,663	

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

CONSOLIDATED

Schedule 2

Schedule of Municipal Taxes For the year ended December 31, 2023 (in thousands of dollars)

	2023 Budget	2023	2022
Taxation			
Real property taxes	\$ 104,555	\$ 103,997	\$ 100,301
Linear property taxes	639	639	660
Special assessments and local improvement taxes	235	279	203
	<hr/>	<hr/>	<hr/>
	105,429	104,915	101,164
Requisitions			
Alberta School Foundation	21,531	21,582	21,820
Catholic Board of Education	3,914	3,918	3,921
Cypress View Foundation	1,244	1,247	964
Designated Industrial Property	29	31	29
	<hr/>	<hr/>	<hr/>
	26,718	26,778	26,734
Municipal taxes	<hr/>	<hr/>	<hr/>
	\$ 78,711	\$ 78,137	\$ 74,430

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

CONSOLIDATED
Schedule of Government Transfers
For the year ending December 31, 2023
(In thousands of dollars)

Schedule 3

	2023			2022
	Provincial	Federal	Total	
Unconditional operating transfers				
Payment in Place of Taxes	\$ 877	\$ 86	963	\$ 734
Conditional operating				
Active Transportation Fund	-	32	32	-
Alberta Community Partnership (ACP)	3	-	3	(6)
Alberta Energy - Electricity & Natural Gas Rebate Program	6,463	-	6,463	9,666
Alberta Foundation of the Arts Travelling Exhibition Program	222	-	222	196
Alberta Health - SafeLink Alberta Society (Needle Debris Mitigation)	54	-	54	54
Alberta Labour Market Partnership Program (LMPP)	-	-	-	10
Alberta Museums Association	-	-	-	25
Alberta Relief for Shortfalls for Transit Operators (RESTOR)	-	-	-	628
All Hazards Incident Management Team (AHIMT)	80	-	80	15
Canada Council for the Arts	-	60	60	60
Canadian Council of Archives	-	10	10	-
Canadian Heritage Grant	-	197	197	574
Canadian Museums Association	-	8	8	20
Fair Entry - Low Income Transit Pass	269	-	269	-
Family and Community Support Services (FCSS)	1,653	-	1,653	1,599
Municipal Climate Change Action Centre – Climate Resilience Capacity Building Program	80	-	80	-
Municipal Policing Assistance	1,412	-	1,412	1,012
Municipal Sustainability Initiative Operating (MSIO)	419	-	419	710
Police Officer Grant	-	-	-	400
Settlement, Integration, and Language Program (SILP)	16	-	16	-
Victims of Crime Fund Grant	279	-	279	276
Western Economic Diversification Canada - Regional Air Transportation Initiative	-	39	39	-
911 Mobility Grant	688	-	688	670
	12,515	432	12,947	16,643
Conditional capital				
Airport Capital Assistance Program (ACAP)	-	447	447	428
Alberta Community Resilience Program (ACRP)	-	-	-	756
Canada Community-Building Fund (CCBF)	6,658	-	6,658	9,590
Canada Community Revitalization Fund (CRF)	-	-	-	750
Climate Change & Emissions Management Corp (CCEMC)	60	-	60	-
Enabling Accessibility Fund (EAF)	52	-	52	-
Environment & Parks - Industrial Energy Efficiency and Carbon Capture Utilization and Storage Program	-	-	-	4,223
Innovation and Clean Growth in the Natural Resources Sectors - Energy Innovation Program (EIP NRCan)	-	559	559	-
Investing in Canada Infrastructure Program (ICIP)	-	359	359	1,373
Major Community Facilities Program (MCFP)	20	-	20	-
Municipal Climate Change Action Center (MCCAC)	8	-	8	281
Municipal Sustainability Initiative (MSI)	16,772	-	16,772	8,404
Municipal Stimulus Program (MSP)	-	-	-	760
	23,570	1,365	24,935	26,565
Total government transfers	\$ 36,085	\$ 1,797	\$ 37,882	\$ 43,208

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

Consolidated Schedule of Segmented Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2023 (in thousands of dollars)

	Tax Supported	Reserve Fund	Gas Utility	Electric Utility	Water Utility	Sewer Utility	Solid Waste Utility	Land	Consolidation Adjustments	2023 Consolidated
Revenue										
Municipal taxes	\$ 83,322	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (5,411)	\$ 78,137
Sales of services	19,117	-	72,330	269,459	25,551	23,849	10,241	1,891	(53,411)	369,027
Investment income	17,494	-	5,838	-	-	-	-	-	-	23,332
Licenses, fines and penalties	4,464	-	-	-	-	-	-	-	-	4,464
Insurance recovery	129	-	-	-	-	-	-	-	-	129
Development levies	503	-	182	636	-	-	-	-	-	1,321
Government transfers for operating	6,484	-	-	6,463	-	-	-	-	-	12,947
Other	7,519	-	1,327	8,957	68	26	1,423	812	1,348	21,480
Internal recoveries	26,054	-	32	1,850	1,196	8	2,575	905	(32,620)	-
Contribution from reserves	40,000	149,142	2,918	-	-	-	-	-	(192,060)	-
Transfer from Utilities and Land	3,150	-	-	-	-	-	-	-	(3,150)	-
	208,236	149,142	82,627	287,365	26,928	23,996	14,239	3,608	(285,304)	510,837
Expenses										
Salaries, wages and benefits	103,647	-	6,692	16,446	6,517	4,633	2,845	388	-	141,168
Contracted and general services	33,132	-	6,039	15,435	844	672	2,631	115	-	58,868
Materials, goods and utilities	7,955	-	614	11,268	1,979	1,692	129	2,118	(1,546)	24,209
Provisions for allowances	30	-	164	123	38	32	17	-	-	404
Bank charges and short term interest	245	-	101	3	-	-	5	43	-	397
Interest on long-term debt	980	-	1,104	4,620	3,138	3,138	34	-	-	13,014
Total grants and other transfers	4,703	-	-	-	-	-	-	-	-	4,703
Other operating expenses	35,030	-	60,229	28,190	20	-	-	-	-	123,469
Amortization of tangible capital assets	40,772	-	5,955	25,535	5,135	4,852	750	310	-	83,309
Amortization of long-lived asset	68	-	479	484	4	1	326	1	-	1,363
Impairments/ (recoveries)	-	-	13,941	-	-	-	-	-	-	13,941
Loss on disposal of tangible capital assets	213	-	111	13	12	348	2	-	-	699
Loss on disposal of long-lived assets	-	-	13	-	-	-	-	-	-	13
Gain on disposal of long-lived liabilities	-	-	(79)	-	-	-	-	-	-	(79)
Accretion on asset retirement obligations	476	-	6,392	687	35	16	345	-	-	7,951
Internal charges and transfers	8,650	-	7,005	57,153	5,920	4,473	5,126	699	(89,026)	-
Contribution to reserves	-	46,634	-	138,069	4,259	4,403	930	765	(195,060)	-
	235,901	46,634	108,760	298,026	27,901	24,260	13,140	4,439	(285,632)	473,429
Excess (deficiency) of revenue over expenses	\$ (27,665)	\$ 102,508	\$ (26,133)	\$ (10,661)	\$ (973)	\$ (264)	\$ 1,099	\$ (831)	\$ 328	\$ 37,408
Other										
Contributed assets	\$ 220	\$ -	\$ -	\$ -	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ 625
Government transfers for capital	9,651	-	559	81	11,762	2,882	-	-	-	24,935
Total other	9,871	-	559	81	12,167	2,882	-	-	-	25,560
Annual surplus (deficit)	\$ (17,794)	\$ 102,508	\$ (25,574)	\$ (10,580)	\$ 11,194	\$ 2,618	\$ 1,099	\$ (831)	\$ 328	\$ 62,968

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

Consolidated Schedule of Segmented Disclosures (Note 26)

Schedule 4

For the year ended December 31, 2022 (in thousands of dollars)

	Tax Supported	Reserve Fund	Gas Utility	Electric Utility	Water Utility	Sewer Utility	Solid Waste Utility	Invest Medicine Hat	Consolidation Adjustments	2022 Consolidated
Revenue										
Municipal taxes	\$ 79,272	\$ -	\$ -	\$ -	\$ 54	\$ 113	\$ -	\$ -	\$ (5,009)	\$ 74,430
Sales of services	14,812	-	131,513	298,872	23,783	23,633	9,962	3,820	(92,788)	413,607
Investment income	4,589	-	2,365	-	-	-	-	-	-	6,954
Licenses, fines and penalties	5,313	-	-	-	-	-	-	-	-	5,313
Insurance recovery	333	-	-	-	3	-	-	-	-	336
Development levies	118	-	234	544	-	-	-	-	-	896
Government transfers for operating	6,977	-	-	9,666	-	-	-	-	-	16,643
Other	7,317	-	(1,022)	(3,648)	52	25	346	622	4,064	7,756
Internal recoveries	23,369	-	66	3,180	996	41	2,340	4,492	(34,484)	-
Contribution from reserves	23,000	110,286	1,721	-	496	-	-	-	(135,503)	-
Transfer from Utilities and Land	150	-	-	-	-	-	-	-	(150)	-
	165,250	110,286	134,877	308,614	25,384	23,812	12,648	8,934	(263,870)	525,935
Expenses										
Salaries, wages and benefits	94,784	-	7,253	17,216	6,030	4,564	2,785	780	-	133,412
Contracted and general services	29,940	-	5,302	10,161	721	667	2,586	780	-	50,157
Materials, goods and utilities	13,494	-	960	6,491	1,679	1,379	157	3,169	(3,083)	24,246
Provisions for allowances	4	-	937	(138)	(136)	(61)	44	-	-	650
Bank charges and short term interest	224	-	108	3	-	-	5	18	-	358
Interest on long-term debt	1,035	-	1,001	4,086	3,015	2,906	38	-	-	12,081
Total grants and other transfers	3,695	-	-	-	-	-	-	383	-	4,078
Other operating expenses	(348)	-	133,055	32,021	16	53	(1,175)	-	-	163,622
Amortization of tangible capital assets	40,220	-	10,972	26,354	5,017	4,693	755	309	-	88,320
Impairments/ (recoveries)	-	-	(84,935)	-	-	-	-	511	-	(84,424)
Loss on disposal of tangible capital assets	827	-	26	34	52	46	1	468	-	1,454
Gain on disposal of long-lived assets	-	-	(2,445)	-	-	-	-	-	-	(2,445)
Internal charges and transfers	11,510	-	4,951	96,145	6,497	3,933	3,847	1,207	(128,090)	-
Contribution to reserves	-	25,217	3,823	99,171	-	986	2,530	3,776	(135,503)	-
	195,385	25,217	81,008	291,544	22,891	19,166	11,573	11,401	(266,676)	391,509
Excess (deficiency) of revenue over expenses	\$ (30,135)	\$ 85,069	\$ 53,869	\$ 17,070	\$ 2,493	\$ 4,646	\$ 1,075	\$ (2,467)	\$ 2,806	\$ 134,426
Other										
Contributed assets	\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133
Government transfers for capital	13,979	-	-	4,223	3,035	4,578	-	750	-	26,565
Total other	14,112	-	-	4,223	3,035	4,578	-	750	-	26,698
Annual surplus (deficit)	\$ (16,023)	\$ 85,069	\$ 53,869	\$ 21,293	\$ 5,528	\$ 9,224	\$ 1,075	\$ (1,717)	\$ 2,806	\$ 161,124

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

CONSOLIDATED

Schedule 5

Schedule of Expenses By Object
For the year ended December 31, 2023
(in thousands of dollars)

	2023 Budget	2023	2022
Expenses			
Salaries, wages and benefits	\$ 138,958	\$ 141,168	\$ 133,412
Contracted and general services	57,392	58,868	50,157
Materials, goods and utilities	28,873	24,209	24,246
Provisions for allowances	284	404	650
Bank charges and short term interest	970	397	358
Interest on long-term debt	12,951	13,014	12,081
Total grants and other transfers	4,040	4,703	4,078
Other operating expenses (Schedule 5A)	154,957	123,469	150,937
Amortization of tangible capital assets	83,871	83,309	88,320
Amortization of long-lived asset	3,358	1,363	1,934
Accretion on asset retirement obligations	4,174	7,951	10,751
Impairments (recoveries)	-	13,941	(84,424)
Loss on disposal of tangible capital assets	-	699	1,454
Loss (gain) on disposal of long-lived assets	-	13	(2,445)
Gain on disposal of long-lived liabilities	-	(79)	-
Total expenses	\$ 489,828	\$ 473,429	\$ 391,509

CONSOLIDATED

Schedule 5A

Schedule of Other Operating Expenses
For the year ended December 31, 2023
(in thousands of dollars)

	2023 Budget	2023	2022
Other Operating Expenses			
Natural Gas & Oil asset retirement obligation loss on settlement	\$ -	\$ 11,704	\$ 13,050
Natural Gas purchases	87,839	41,395	99,219
Natural Gas & Oil surface and mineral leases	6,673	6,576	7,108
Natural Gas & Oil royalties	283	273	680
Taxes or taxes in lieu	9,294	21,717	22,480
Natural Gas & Oil transportation	210	282	228
Other	50,658	41,522	8,172
Total other operating expenses	\$ 154,957	\$ 123,469	\$ 150,937

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

(A) BASIS OF CONSOLIDATION

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

1. Municipal Services

Activities associated with the provision of conventional municipal services including General Services (Mayor and Councillors, Managing Directors, City Clerk, City Solicitor, Human Resources, and Economic Development), Corporate Services (Finance, Communication, Engagement & Marketing, Information & Technology, Fleet & Facilities, and Corporate Planning & Performance), Public Services (Fire & Emergency Services, Community Development, Parks & Recreation), Development & Infrastructure (Municipal Works, Airport and Planning & Development), and Police Service.

2. Land, Energy, and Utility Services

Self-supporting activities, which provide Land Development, Electricity (Generation, Distribution and Retail), Natural Gas (Production, Distribution, and Marketing), and Environmental Utilities (Water, Sewer and Solid Waste).

Interdepartmental and organizational transactions and balances are eliminated.

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

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

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

The Schedule of Municipal Taxes levied includes operating requisitions for the Alberta School Foundation, Catholic Board of Education, Cypress View Foundation, and Designated Industrial Properties.

(B) BASIS OF ACCOUNTING

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

1. Revenues

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

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

The City passed Bylaw No. 4422 to establish a Heritage Savings Reserve, which will be administered as an endowment fund for the benefit of citizens of the City. Endowment contributions consist of internal allocations by the City, the principal of which is required to be maintained intact in perpetuity. Investment income allocated for the preservation of endowment capital is recognized in the statement of operations in the period it is received.

2. Tax Revenues

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

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

3. Expenses

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

(C) CASH AND CASH EQUIVALENTS

Cash and temporary investments are comprised of deposits and short-term investments with original maturity dates of 90 days or less held with Canadian chartered banking institutions.

(D) INVESTMENTS, LOANS AND ADVANCES

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy No. 0167. Included in investments are internally managed portfolios of investments in money market and fixed income securities. The City also has external investment portfolios managed by third party investment managers including Addenda Capital, Arrowstreet Capital, Brookfield Asset Management, Connor, Clark & Lunn Investment Management, Crestline Investors, Fidelity International, Igneo Infrastructure Partners, JP Morgan Investment Management, Manulife Investment Management, Mesirow Financial Investment Management, and Phillips, Hager & North Institutional. These funds are invested across the following asset classes: Canadian & Global fixed income and equities, infrastructure, real estate, commercial mortgages, private credit, and currency.

Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Investments measured at cost are recorded at the original cost net of amortized discounts and premiums on a portfolio basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when realized they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at cost. The related interest rate swaps are recorded at fair value.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

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

(E) FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Monetary assets and liabilities denominated in a foreign currency, and non-monetary items at fair value denominated in a foreign currency, are adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the statement of operations and the unrealized balances are reversed from the statement of measurement gains and losses and recognized in the statement of operations.

(F) INVENTORIES FOR RESALE

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

(G) LAND HELD FOR RESALE

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

The cost of land held for resale includes costs related to land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and levelling charges. Related development costs incurred to provide infrastructure such as water, sewer, gas, electric, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(H) PENSION EXPENSES

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

(I) JOINT VENTURE ACCOUNTING

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

(J) OVER-LEVIES AND UNDER-LEVIES

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

If the actual levy exceeds the requisition, the over-levy is accrued as a liability. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(K) ASSET RETIREMENT OBLIGATION

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The landfill capital asset is being amortized using the units of production method, while the buildings capital assets affected by the asbestos liability are being amortized with the building over their estimated useful lives as outlined in Note 1L.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(L) NON-FINANCIAL ASSETS

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

1. Tangible Capital Assets

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

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

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

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

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

(iii) Subsequent Costs

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

(iv) Depletion and Depreciation

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

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

(v) Impairment

E&E Assets:

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

PP&E:

The carrying amounts of the City's oil & gas related non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

impairment testing, assets are grouped into cash generating units (CGU), the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The recoverable amount of an asset or a CGU is the greater of its value in use or its fair value less cost to sell.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate, which would be applied by such a market participant to arrive at a net present value of the CGU.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the City's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proven and unproven volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Reversals of impairments are recognized when factors or circumstances that triggered the original impairment have changed. Impairments can only be reversed in future periods up to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment losses been previously recognized. Goodwill impairments are not reversed.

(M) LOAN GUARANTEES

Periodically the City provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in the City's consolidated financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of the City until the City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, the City's resulting liability would be recorded in the consolidated financial statements.

(N) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts, provision for contingencies, deferred land charges, contaminated sites, estimated retirement of long-lived assets, the value of contributed assets, estimated useful lives of tangible capital assets, and impairments.

The City uses significant estimates with regards to the accounting for its operations. Significant estimates related to those operations are outlined below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

1. Gas Utility

Amounts recorded for depletion and depreciation and amounts used for impairment calculations are based on estimates of oil and natural gas reserves and future prices and costs required to develop those reserves. The estimates of reserves are subject to measurement uncertainty including estimates of future prices, costs, discount rates and related cash flows. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Other provisions are recognized in the period when it becomes probable that there will be a future cash outflow.

IFRS requires that the City's oil and gas assets be aggregated into cash generating units, based on their ability to generate largely independent cash flows, which are used to assess the assets for impairment. The determination of the City's cash generating units is subject to management's judgment.

Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

2. Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Net costs to remediate include, but are not limited to: assessment costs, maintenance and monitoring costs, and internal and external direct operating and/or capital costs relating to remediation and/or reclamation.

Amounts recorded for remediation efforts on contaminated sites are based on estimates of costs required to assess and risk manage or remediate. The cost, prediction, and timing of future outflow estimates are based on a combination of in-house expertise, judgment and assumptions, past experience, and external quotes and are subject to measurement uncertainty. The recognition of the liability assumes the City is responsible or accepts responsibility for the contamination and that it will incur future costs to remediate. The impact of this measurement uncertainty could be material to the financial statements in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Liabilities for contaminated sites are included in other long-term liabilities in the Consolidated Statement of Financial Position (Note 13).

3. Asset Retirement Obligations

The City's implementation of PS 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs. Actual results could differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(O) FUTURE ACCOUNTING CHANGES

1. Revenue

PS approved PS 3400, which comes into effect for fiscal years beginning on or after April 1, 2023. PS 3400 provides guidance on when to recognize revenue arising from exchange transactions and from unilateral transactions. This section is to be adopted retroactively or prospectively. The City has not yet adopted this section or determined the effect on the Financial Statements.

2. Public Private Partnerships

The Canadian Public Sector Accounting Board approved PS 3160, which comes into effect for fiscal years beginning on or after April 1, 2023. PS 3160 provides standards for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements. This section is to be adopted retroactively with or without prior period restatement. The City has not yet adopted this section or determined the effect on the Financial Statements.

3. Purchased Intangibles

The Canadian Public Sector Accounting Board issued a new guideline PSG 8, which comes into effect for fiscal years beginning on or after April 1, 2023. PSG 8 provides guidance on recognizing purchased intangibles in financial statements. This section is to be adopted retroactively with or without prior period restatement. The City has not yet adopted this section or determined the effect on the Financial Statements.

(P) ADOPTION OF NEW ACCOUNTING STANDARDS

1. PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation:

On January 1, 2023, the City adopted Public Accounting Standards *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the City's accounting policy choices.

In accordance with the provisions of this new standard, the City reflected the following adjustments at January 1, 2023:

- Investments: balances were revalued to market value resulting in an opening balance decrease in investments of \$53,284.
- Foreign exchange: as a result of the revaluation to market value of investments, foreign exchange was calculated on those investments in foreign currency which resulted in an increase in investments of \$466.
- Carbon credits: balances were revalued to the 2022 prescribed rate resulting in an increase to the value of deposits of \$1,339.

These adjustments are reflected in the opening adjustment on the statement of remeasurement gains and losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

2. PS 3280 – Asset Retirement Obligations:

On January 1, 2023, the City adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing *Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the prospective basis at the date of adoption. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The City removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS3280 on January 1, 2023, using the prospective method. The liability represents the required closure and post-closure care for the landfill sites owned by the City. The landfill sites were purchased at the same time in 1969, and the liability was measured as of the date of purchase of the sites, when the liability was assumed. The buildings had an expected useful life of 20 years, and the estimate has not changed since purchase. As of the date of adoption of the standard, the relevant discount rate is 4.90% per annum.

On January 1, 2023, the City recognized an additional asset retirement obligation relating to several buildings owned by the City that contain asbestos. The buildings were originally purchased over various years and the liability was measured as of the date of purchase of the buildings when the liability was assumed. The buildings have an expected useful life of 25-75 years, and the estimate has not been changed since purchase.

On adoption of PS3280, the City recognized that Oil & Gas Assets had been previously held under a similar accounting standard for Asset Retirement Obligations (CICA 3010) and adopted PS3280 in its place in 2023. Due to the similarity in the methods to recognize the obligation arising for Oil & Gas Assets for CICA 3010 and PSAB 3280, there were no significant changes to the measurement of the asset retirement obligation.

In accordance with the provisions of this new standard, the Organization reflected the following adjustments at January 1, 2023:

- Landfill obligation:
 - An increase of \$8,043 to the landfill capital asset account, representing the revalued estimate of the obligation as of the date of adoption.
 - An increase of \$8,043 to the existing \$2,764 landfill closure and post closure costs to adjust the asset retirement obligation to the amount of \$10,807. This represents the revalued \$12,729 obligation discounted to the present value amount using a rate of 3.02%.
- Asbestos obligation:
 - An increase of \$4,128 to the buildings, capital asset account, representing the original estimate of the obligation as of the date of adoption.
 - An asset retirement obligation in the amount of \$4,128, representing the original \$5,841 obligation discounted to the present value amount using a rate of 3.02%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

- Oil & Gas obligation:
 - No adjustment required as previously evaluated under a similar accounting standard (CICA 3010), and there are no significant changes in methodology for PSAB 3280.

The detailed impact on the Financial Statements has been disclosed in Note 12: Asset Retirement Obligations, Note 15: Tangible Capital Assets, and Note 16: Accumulated Surplus.

NOTE 2: CASH AND CASH EQUIVALENTS

	2023	2022
Cash	\$ 44,533	\$ 11,880
Designated assets	21,853	32,308
TOTAL	\$ 66,386	\$ 44,188

Designated assets represent restricted amounts aggregating \$21,853 (2022 - \$32,308) for programs held exclusively for eligible capital projects (Note 9). Interest earned on designated assets was at an average interest rate of 5.14% (2.27% - 2022) and amounted to \$2,156 for 2023 (2022 - \$1,229).

NOTE 3: ACCOUNTS RECEIVABLE, net of allowances

(A) TAXES AND BUSINESS IMPROVEMENTS LEVIES RECEIVABLE

	2023	2022
Current Taxes Receivable	\$ 5,200	\$ 4,643
SUB-TOTAL	\$ 5,200	\$ 4,643

(B) ACCOUNTS RECEIVABLE

	2023	2022
Trade Accounts Receivable	\$ 47,752	\$ 94,046
Less: Allowance for Doubtful Accounts	(1,156)	(1,166)
SUB-TOTAL	\$ 46,596	\$ 92,880
TOTAL	\$ 51,796	\$ 97,523

Each year an analysis of the accounts receivable accounts are undertaken to identify accounts that are considered uncollectible. An account is deemed uncollectible when all collection avenues have been exhausted or a customer is in receivership or bankruptcy. In some cases, a judgement through Alberta Small Claims Court has been rewarded with no ability to collect. Every effort is made to collect monies and procedures are reviewed to streamline the billing and collection options.

The accounts receivable written off was \$441 (2022 - \$1,149); the tax receivable written off was \$nil (2022 - \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

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NOTE 4: INVESTMENTS, LOANS AND ADVANCES

Effect On Balance Due to PS 3450 Adoption

As a result of the City adopting PS 3450 prospectively, balances for 2023 are valued at fair value (2022 – at cost).

	2023		2022	
	Cost	Market Value	Cost	Market Value
Federal Government and Agencies	\$ -	\$ -	\$ 2,451	\$ 2,243
Managed Portfolio Funds	612,269	593,606	547,811	496,202
Canadian Banks	45,000	45,000	77,557	77,557
Others	28,053	28,053	11,127	11,127
TOTAL	\$ 685,322	\$ 666,659	\$ 638,946	\$ 587,129

These investments include both internally and externally managed funds. The internally managed funds are invested in fixed income investments recorded at cost with interest rates from 5.70 percent to 6.45 percent (2022 - 1.35 percent to 5.45 percent) and mature in 2024 (2022 - periods 2023 through 2031). The investments have an average expected yield of 6.12 percent (2022 – 3.86 percent) and an average term of 0.66 (2022 – 0.32) years to maturity. The managed portfolio funds are externally managed by Addenda Capital, Arrowstreet Capital, Brookfield Asset Management, Connor, Clark & Lunn Investment Management, Crestline Investors, Fidelity International, Igneo Infrastructure Partners, JP Morgan Investment Management, Manulife Investment Management, Mesirov Financial Investment Management, and Phillips, Hager & North Institutional. These funds are invested across the following asset classes: Canadian & Global fixed income and equities, infrastructure, real estate, commercial mortgages, private credit, and currency.

The composition of portfolio investments is as follows:

	2023 (Market Value)				2022 (Cost)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fixed Income								
Canadian government and corporate	-	61,444	-	61,444	-	40,858	-	40,858
Foreign government and corporate	-	63,216	-	63,216	-	40,886	-	40,886
Pooled investment funds	-	-	-	-	-	46,379	-	46,379
Pooled Canadian mortgages	-	-	63,842	63,842	-	-	57,316	57,316
Equities								
Canadian equities	44,556	-	-	44,556	30,382	-	-	30,382
Foreign equities	236,276	-	-	236,276	207,504	-	-	207,504
Pooled investment funds	-	-	-	-	60,251	-	-	60,251
Other								
Cash and money market funds	70,411	-	-	70,411	90,589	-	-	90,589
Real estate	-	-	54,234	54,234	-	-	16,308	16,308
Infrastructure	-	-	62,291	62,291	-	-	47,346	47,346
Private credit	-	-	2,636	2,636	-	-	223	223
Derivatives	-	-	7,753	7,753	-	-	904	904
TOTAL	\$ 351,243	\$ 124,660	\$ 190,756	\$ 666,659	\$ 388,726	\$ 128,123	\$ 122,097	\$ 638,946

The table above provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable. The fair value measurements are derived from:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

The amounts categorized as others in investments, loans and advances includes \$2,549 (2022 - \$1,331) of accrued realized gain on outstanding hedges, as well as loans receivables of \$98 (2022 - \$223). No allowance for doubtful accounts has been recognized on the loans receivables. These loans are forgiven once the amount is repaid. The following table provides details of the loans receivable.

	2023			2022		
	Balance	Valuation Allowance ¹	Principal Payments	Balance	Valuation Allowance ¹	Principal Payments
SALTA Gymnastics Club	\$ -	\$ -	\$ 7	\$ 7	\$ -	\$ 7
Medicine Hat YMCA	-	6	132	118	14	132
Medicine Hat Curling Club ²	98	-	-	98	-	11
SUB-TOTAL	\$ 98	\$ 6	\$ 139	\$ 223	\$ 14	\$ 150

¹ Valuation Allowances relates to interest free loans and represents the amount of interest implicit in the loan payments if it were interest bearing. There are no interest free loans outstanding at December 31, 2023.

² Medicine Hat Curling Club loan is due in 2033 with annual instalments of \$11, bearing interest at 2.25%.

NOTE 5: LAND HELD FOR RESALE

Land held for resale includes \$10,333 of developed properties held for sale (2022 - \$10,523).

NOTE 6: INVENTORIES FOR RESALE

	2023	2022
Concessions	144	151
TOTAL	\$ 144	\$ 151

NOTE 7: DEPOSITS

	2023	2022
Postage	\$ 29	\$ 20
Refundable Containers	28	28
Gas Operating Deposits	6	6
Supply Transmission Deposit	1,038	1,100
Carbon Credits	3,912	-
Gas Royalty Deposits	19	12
TOTAL	\$ 5,032	\$ 1,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 8: ACCRUED LIABILITIES

	2023	2022
Wages and Salaries	\$ 5,139	\$ 5,856
Vacation Pay	7,075	6,981
Interest on Long-Term Debt	1,501	1,648
Deferred Charges	-	3,174
Royalties	56	68
Other Liabilities	7,529	8,690
TOTAL	\$ 21,300	\$ 26,417

NOTE 9: DEFERRED REVENUE & GOVERNMENT TRANSFERS

(A) DEFERRED REVENUE

	Balance 2022	Additions 2023	Reductions 2023	Balance 2023
Deposits	\$ 13,166	\$ 1,116	\$ 3,336	\$ 10,946
Deferred Revenue	6,543	330	1,077	5,796
Active Transportation Fund	-	50	32	18
Airport Capital Assistance Program	447	-	447	-
Alberta Community Partnership	7	150	10	147
Alberta Labour Market Partnership	-	65	-	65
Alberta Museums Association	-	25	-	25
All Hazards Incident Management Team (AHIMT) Grant	163	57	80	140
Bell West	10	-	-	10
Canada Community- Building Fund (CCBF)	8,677	4,526	6,658	6,545
Canadian Heritage Foundation	-	220	197	23
Community Warmth Deposits	3	31	32	2
Investing in Canada Infrastructure Program	1	358	359	-
Municipal Climate Change Action Centre – Climate Resilience Capacity Building Program	60	20	80	-
Municipal Stimulus Program (MSP) - COVID-19	190	-	190	-
Municipal Sustainability Initiative - Capital	28,887	7,989	16,772	20,104
Municipal Sustainability Initiative - Operating	312	868	419	761
Northern and Regional Economic Development Program (NRED)	-	200	-	200
Pitch Trust	2	-	-	2
Settlement, Integration and Language Program (SILP)	-	280	16	264
TOTAL	\$ 58,468	\$ 16,285	\$ 29,705	\$ 45,048

Funds from Active Transportation Fund, Alberta Community Partnership, Alberta Labour Market Partnership, Alberta Museums Association, All Hazards Incident Management Team Grant, Canada Community- Building Fund, Canadian Heritage Foundation, Investing in Canada Infrastructure Program, Municipal Sustainability Initiative, Northern and Regional Economic Development Program (NRED) and Settlement, Integration and Language Program (SILP) are restricted to eligible projects as approved under their respective funding agreements. Unexpended funds related to the advances are supported by cash and cash equivalents (Note 2) of \$21,853 (2022 - \$32,308) held exclusively for these projects. Included in deferred revenue for Municipal Sustainability Initiative – Capital is \$6,438 (2022 - \$6,436) of funds not yet received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(B) GOVERNMENT TRANSFERS

Major government transfers recognized by the City during the year were: Alberta Energy – Electricity & Natural Gas Rebate Program (used to offset utility bills of rate payers), Canada Community Building Fund (used primarily for bridge infrastructure upgrades and recreation infrastructure), Family and Community Support Services (used for not for profit organizations providing social services), Innovation and Clean Growth in the Natural Resources Sectors - Energy Innovation Program (EIP NRCan) (used to support transition to clean energy), Municipal Sustainability Initiative Capital Grant (used primarily for rehabilitation of road and storm sewer infrastructure and rehabilitation of various administrative buildings and public facilities), Municipal Sustainability Initiative Operating Grant (used primarily for sidewalk maintenance and bridge maintenance), Municipal Policing Assistance and Police Officer grant (used to support police services), and 911 Mobility Grant (used to fund operating costs of 911 operations).

NOTE 10: SHORT-TERM DEBT

A combined Municipal Operating Loan Facility (Revolving) and Letter of Credit Facility are available to the City up to a maximum of \$75 million (2022 - \$50 million), by way of prime rate based loans and/or Letters of Credit (in Canadian dollars). This facility is secured by Bylaw No. 4230. At December 31, 2023, there were Letters of Credit issued in the amount of \$45,360 (2022 – \$45,360) leaving an available Municipal Operating Loan Facility of \$29,640 (2022 - \$4,640).

A Corporate Credit Card Facility is available to the City up to a maximum of \$1.2 million. This facility is secured by Bylaw No. 3967. At December 31, 2023, there was outstanding credit card debt in the amount of \$726 (2022 – \$841).

NOTE 11: LONG-TERM DEBT

(A)

	2023	2022
Tax Supported	\$ 28,340	\$ 31,757
Utilities Rate Supported		
- Electric	142,264	154,261
- Gas	36,133	37,370
- Water	88,934	95,189
- Sewer	93,047	98,895
- Solid Waste	936	1,109
Total Utilities	361,314	386,824
TOTAL DEBT	\$ 389,654	\$ 418,581
Comprised of:		
- Alberta Capital Finance Authority	\$ 369,654	\$ 398,581
- Other Long Term-Debt	20,000	20,000
TOTAL DEBT	\$ 389,654	\$ 418,581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(B) Expected future principal and interest payments are as follows:

	Principal	Interest
2024	26,536	12,157
2025	24,150	11,280
2026	24,104	10,457
2027	26,827	9,606
2028	25,372	8,760
2029-2051	262,665	57,692
TOTAL	\$ 389,654	\$ 109,952

The debentures have interest payable at rates ranging from 1.79 percent to 6.25 percent (2022 - 1.79 percent to 6.25 percent) per annum before Provincial Subsidy and mature in periods 2024 through 2051 (2022 - 2023 through 2051). The average annual interest rate for 2023 is 3.48 (2021 - 3.59) percent. For qualifying debentures, the Province of Alberta rebates 60 percent of interest in excess of 8 percent, 9 percent, and 11 percent to a maximum annual rate of 12.5 percent depending on the date borrowed. Debenture debt is issued on the credit and security of the City of Medicine Hat.

Interest on long-term debt paid in 2023 was \$13,014 (2022 - \$12,081).

(C) **DEBT PER CAPITA**
(not in thousands of dollars)

	2023	2022
Tax Supported Debentures	\$ 448	\$ 502
Rate Supported Debentures	5,711	6,114
TOTAL	\$ 6,159	\$ 6,616

Debt per capita is based on the official census of 63,271 for 2023 (63,271 for 2022) for the City of Medicine Hat.

(D) The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit is calculated based upon 2.0 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the Actual Debt calculation are loans outstanding as well as Loan Guarantees and Letters of Credit issued.

	2023	2022
Debt Limit	\$1,021,674	\$1,051,870
Letters of Credit Issued (Note 10)	45,360	45,360
Corporate Credit Card Debt (Note 10)	726	841
Long-Term Debt (Note 11A)	389,654	418,581
Loan Guarantees (Note 11E)	1,072	1,157
AMOUNT UNDER LIMIT	\$ 584,862	\$ 585,931
Debt Servicing Limit	\$ 178,793	\$ 184,077
Actual Debt Servicing (Long and Short-Term Debt)	42,086	41,666
AMOUNT UNDER LIMIT	\$ 136,707	\$ 142,411

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(E) LOAN GUARANTEES

Section 266 of the Municipal Government Act allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed the following Bylaws guaranteeing loans to non-profit organizations.

Bylaw Number	Bylaw Passed by City Council	Guarantee	2023		2022	
			Maximum Loan Amount	2023 Balance	Maximum Loan Amount	2022 Balance
Bylaw 4187	September 3, 2013	Connaught Golf & Country Club	965	610	965	657
Bylaw 4138	November 6, 2012	Medicine Hat Golf & Country Club	675	413	675	440
Bylaw 4436	June 20, 2017	Medicine Hat Golf & Country Club	100	49	100	60
TOTAL			\$ 1,740	\$ 1,072	\$ 1,740	\$ 1,157

The Loan Guarantees identified above are at various interest rates with a maximum repayment term of 20 years (2022 – 20 years). All loans are in good standing at December 31, 2023.

NOTE 12: ASSET RETIREMENT OBLIGATIONS

	Liability Balance, December 31, 2022	Liability Balance, January 1, 2023	Accretion Expense	Change in Estimate	Liability Balance, December 31, 2023
Asset Retirement Obligation – Gas and Oil Properties	\$ 214,322	\$ 214,322	\$ 6,364	\$ 17,360	\$ 238,046
Asset Retirement Obligation – Asbestos Abatement	-	4,128	1,262	-	5,390
Asset Retirement Obligation – Sanitary Landfill	2,764	10,807	325	-	11,132
TOTAL	\$ 217,086	\$ 229,257	\$ 7,951	\$ 17,360	\$ 254,568

Gas and Oil Properties

December 31, 2023, the estimated undiscounted cash flows, prior to any current year cost change estimates, required to settle the decommissioning obligations with respect to the Gas Utility were \$234,523 (2022 - \$235,669), calculated using an inflation rate of 2.46 (2022 – 2.27) percent per annum. The estimated fair value of this liability was \$238,046 (2022 - \$214,322) after discounting the estimated cash flows at a rate of 6.05 (2022 – 6.31) percent. At December 31, 2023, the expected timing of payment for settlement of the obligations ranges from 1 to 15 years (2022 - 1 to 15 years). The City has not designated assets for settling decommissioning obligations.

During the year ended December 31, 2023, the City accelerated the abandonment of certain wells and compressors which expedited the abandonment time frame. A total of \$13,049 (2022 - \$19,169) was incurred to settle the obligations. \$11,704 (2022 - \$13,050) was charged to operating expenses as a result of accelerating the timeline on the abandonment program, resulting in a net reduction of \$1,345 (2022 - \$6,119) related to decommissioning liabilities.

Asbestos Abatement

Asset Retirement Obligations associated with the City's Buildings were recognized as a result of the adoption of PS 3280. Relevant legislation including the *Asbestos Code of Practice* obligates the entity to remove asbestos in a specified manner once the assets are no longer held for productive use. At December 31, 2023, the estimated undiscounted cash flows required to settle decommissioning obligations with respect to Asbestos Abatement were \$5,841, calculated using an inflation rate of 2.46 percent per annum. The discount rate used to discount the estimated cash flows to arrive at an estimated value of the liability of \$5,390 was 3.02 percent. At December 31, 2023, the expected timing of payment to settle decommissioning obligations ranges from 5 to 75 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

Sanitary Landfill

The scope of PS 3280 includes the restoration costs associated with solid waste landfills. The City is legally and contractually obligated to perform reclamation activities regardless of the volume of waste accepted once the asset is no longer held for productive use. PS 3280 obligates the City to recognize the total obligation once waste is accepted and to increase the carrying amount of the related asset by the same amount. On January 1, 2023, an increase of \$8,043 was made to the prior year \$2,764 landfill closure and post closure costs to adjust the asset retirement obligation to the amount of \$10,807. At December 31, 2023, the estimated undiscounted cash flows required to settle decommissioning obligations with respect to the City's Sanitary Landfill were \$12,729, calculated using an inflation rate of 2.46 percent per annum. The discount rate used to discount the estimated cash flows to arrive at an estimated value of the liability of \$11,132 was 3.02 percent. At December 31, 2023, the expected timing of payment to settle decommissioning obligation is 33 years.

NOTE 13: OTHER LONG-TERM LIABILITIES

	2023	2022
Offsite Contributions	\$ 22,397	\$ 18,317
Contaminated Sites - Abandonment & Restoration	357	347
Deferred Charges	1,364	1,448
Employee Retirement Benefits Liability (Note 19)	7,650	7,645
TOTAL	\$ 31,768	\$ 27,757

At December 31, 2023 the estimated undiscounted cash flows required to settle the contaminated sites were \$367 (2022 – \$400), calculated using an inflation rate of 2.46 (2022 – 2.38) per cent per annum. The estimated fair value of this liability was \$357 (2022 – \$347) after discounting the estimated cash flows at a rate of 5.00 (2022 – 4.90) per cent. The amount of anticipated recoveries included in this estimate is \$nil (2022 - \$nil). The City has not designated assets for settling decommissioning obligations. The change in estimated cash flows required from 2022 to 2023, relates to revised cost estimates on the Industrial Berm site, two sites that were formally leased to third parties, and one former fuel station. In addition, there were two new sites included in 2023 which include an electric transformer repair building and a former veterinarian clinic adjacent to the railway. In 2023, the estimated cash flows were lower than 2022.

The sources of the contamination for which the liability has been recorded include: sites where underground storage tanks have leaked, sites where polycyclic aromatic hydrocarbons (PAHs) and petroleum hydrocarbons (PHCs) exceeded the remediation guidelines, sites containing contaminated groundwater associated with the disposal of snow, and sites where old tanks and barrels/drums could potentially contain polychlorinated biphenyl (PCBs). At December 31, 2023, the expected timing of payment for settlement of the obligations ranges from 1 to 10 years (2022 – 1 to 10 years).

Operational sites which are still being used productively (Water Treatment Plant, Power Plant, Airport, fuelling stations) will be revaluated annually to determine if a decommissioning obligation is required. Factors which would require a decommissioning liability include but are not limited to a communicated plan to decommission, technological improvements, legislation changes and the ability to sell or rent the operations to a third party.

Additional sites where liabilities have not been recognized as estimated costs to clean up the site are not readily available or obtainable through analysis of historical or similar operations include: two snow dump sites; a compost facility near the Landfill; and a former shooting range, where there is potential soil and groundwater contamination; a site where hydrocarbon and metals contamination exceeds guidelines. This site had been leased to a third party and is now vacant and not being utilized for a productive purpose. It was recommended that the City of Medicine Hat monitor the site until more information is revealed about the extent of such costs. There were no new sites added in 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 14: LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of costs relating to the acquisition and development of land the City plans to subdivide and sell in future years. Land included in this category is still in the planning and development stage and is not expected to be sold in the short-term.

NOTE 15: TANGIBLE AND LONG-LIVED CAPITAL ASSETS

	2023 Net Book Value	2022 Net Book Value
Land	\$ 48,448	\$ 48,399
Land Improvements	92,024	92,933
Buildings	255,082	255,648
Engineering Structures	868,456	871,105
Gas and Oil Properties	54,209	74,304
Machinery, Equipment and Furnishings	53,684	59,345
Vehicles	21,434	20,929
Total Tangible Capital Assets	1,393,337	1,422,663
Long-Lived Assets	42,112	7,355
TOTAL	\$ 1,435,449	\$ 1,430,018

Capital assets under construction are carried at cost. Amortization will commence with productive use. Included in the above is capital assets under construction aggregating \$46,730 (2022- \$33,624). The value of capital assets currently under construction and not being amortized increased by \$13,081 (2022 – decreased by \$40,829) as a net transfer to productive use. Contributed capital assets received and recognized in the year from developers for various infrastructure works and parks is \$625 (2022 - \$133). 2023 contributed capital assets relate to leasehold improvements from the local golf courses and land improvements to private subdivisions.

The City did recognize a write down \$13,941 (2022 – -\$84,935 recovery), which relates to the oil and gas assets as a result of the decrease in provable and probable reserves and the decrease in current and forward market commodity price for natural gas and oil.

Effect On Balance Due to PS 3280 Adoption

The 2023 net book value of long-lived assets increased by \$34,757 due to the recognition of the decommissioning obligation associated with asbestos abatement of \$3,566; sanitary landfill of \$7,718; and gas and oil properties of \$23,473. The 2022 net book value of long-lived asset amount of \$7,355 is related to the decommissioning obligation associated with the gas and oil properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 16: ACCUMULATED SURPLUS

Accumulated surplus consist of unrestricted and restricted amounts and equity in tangible capital assets as follows:

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets		
			Total 2023	Total 2022	
Balance, beginning of year	\$ 97,133	\$ 353,218	\$ 1,004,082	\$ 1,454,433	\$ 1,293,309
Annual surplus (deficit)	62,968	-	-	62,968	161,124
Unrestricted funds designated for future use	(173,115)	173,115	-	-	-
Restricted funds used for operations	74,125	(74,125)	-	-	-
Funded tangible and long-lived capital assets	(119,520)	-	119,520	-	-
Contributed tangible capital assets	(625)	-	625	-	-
Disposal of tangible and long-lived capital assets	795	-	(795)	-	-
Impairment	13,941	-	(13,941)	-	-
Annual amortization expense	84,672	-	(84,672)	-	-
Asset Retirement Obligation	254,568	-	(254,568)	-	-
Asset retirement obligation accretion expense	7,951	-	(7,951)	-	-
Long term debt repaid	(28,927)	-	28,927	-	-
BALANCE, END OF YEAR	\$ 273,966	\$ 452,208	\$ 791,227	\$ 1,517,401	\$ 1,454,433

Effect On Balance Due to PS 3280 Adoption

The asset retirement obligation of \$254,568 has been included in equity and reflects the amounts for settling decommissioning obligations (Note 12).

1. Unrestricted Surplus

The unrestricted surplus represents accumulated surpluses from operations, which have not been designated by City Council for any specific use.

UNRESTRICTED SURPLUS (DEFICIT)	2023	2022
General Government	\$ 9,171	\$ 13,649
Gas	215,971	15,607
Electric	(16,304)	6,339
Water	16,210	19,525
Sewer	7,137	8,973
Solid Waste	16,773	12,754
Land	25,008	20,286
TOTAL	\$ 273,966	\$ 97,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

2. Restricted Surplus

The City of Medicine Hat developed Financial Reserve Policy No. 0168 and a Distributable Funds/Dividend Policy No. 0169, which were adopted by Council on December 21, 2020.

The objective of these policies is to promote strong financial leadership and planning to encourage long term sustainability of the Corporation. The policies require earnings are retained at a level to account for all administration, operation, sustaining capital and maintenance costs of existing equipment required to provide the current level of service in each business unit. As well, the policies require that distributable funds (free cash flow) are provided to fund financial reserves (operating and capital) for financing future growth capital and future asset retirement obligations, supporting asset management planning, and planning for operational contingencies.

The Financial Reserve Policy established the following reserves:

- The Operating Reserve Fund is to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
- The Capital Reserve Fund is to maintain adequate capital to fund the City's Growth Capital requirements and Asset Retirement Obligations (ARO).
- The Heritage Savings Reserve Fund is to provide an endowment fund for the benefit of the citizens of the City.

The distributable funds/dividends are allocated in a tiered priority to the various reserves in accordance with the Financial Reserve Policy.

RESTRICTED SURPLUS - RESERVES	Balance 2022	2023 Additions	2023 Reductions	Balance 2023
Operating	\$ 39,997	\$ 42,668	\$ 50,693	\$ 31,972
Capital	154,042	96,103	23,432	226,713
Heritage Savings	159,179	34,344	-	193,523
TOTAL	\$ 353,218	\$ 173,115	\$ 74,125	\$ 452,208

3. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2023	2022
Tangible capital assets (Schedule 1)	\$ 3,236,597	\$ 3,036,398
Accumulated amortization (Schedule 1)	(1,801,148)	(1,613,735)
Asset Retirement Obligation (Note 12)	(254,568)	-
Long-term debt (Note 11)	(389,654)	(418,581)
TOTAL	\$ 791,227	\$ 1,004,082

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 17: SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer (CAO), and designated officers as required by provincial regulation 313/2000 is as follows:

	2023			2022		
	2023 Salary ¹	Benefits & Allowances ²	Total 2023	2022 Salary ¹	Benefits & Allowances ²	Total 2022
Mayor Linnsie Clark	\$ 148	\$ 31	\$ 179	\$ 141	\$ 27	\$ 168
Councillor:						
Dumanowski, R	48	13	61	46	12	58
Hirsch, D	48	11	59	46	10	56
Knodel, A	49	5	54	47	5	52
Hider, C	49	12	61	47	11	58
Robins, R	48	15	63	45	9	54
Sharps, S	49	20	69	47	14	61
Van Dyke, A	48	13	61	45	8	53
McGrogan, A	48	22	70	47	14	61
Chief Administrative Officer (CAO) ³	280	59	339	432	32	464
Designated Officers (10)	1,343	246	1,589	1,477	259	1,736

¹ Salary includes regular base pay and vacation payouts.

² Benefits and Allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees (where applicable) including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, expense allowances, car allowances, per diem payments, gross honoraria, travel allowances and professional memberships and tuitions.

³ Chief Administrative Officer (CAO) - 2022 amounts include interim CAO's hired to fill the vacancy until the CAO position was filled in February 2023.

NOTE 18: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves 291,259 members in 2022 (281,765 in 2021) and 437 employers in 2022 (435 in 2021). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves 7,812 members in 2022 (7,670 in 2021) and 7 employers (2021 – 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

During 2023, the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 8.45 percent (2022 – 8.45 percent) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.23 percent (2022 – 12.80 percent) for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 percent (2022 - 14.55).

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2023 were \$10,807 (2022 - \$10,236). Total current service contributions by the employees for 2023 were \$9,757 (2022 - \$9,240).

At December 31, 2022 LAPP disclosed an actuarial surplus of \$12.7 billion (2021 - surplus of \$11.9 billion).

At December 31, 2022 SFPP disclosed an actuarial surplus of \$265.3 million (2021 – surplus of \$424.2 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 19: EMPLOYEE BENEFIT OBLIGATIONS

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2022, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2022 with a projection for 2023. The 2023 valuation gave rise to an actuarial gain, the gain will offset the prior year loss and will begin amortization in 2024. The unamortized balance is \$2,031 (2022 - \$2,264). Information about the plan is as follows:

	2023	2022
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 7,645	\$ 6,927
Current Service Cost	135	286
Interest Cost	271	248
Benefits Paid	(168)	(14)
Amortization of net actuarial loss	(233)	198
BALANCE, END OF YEAR (Note 13)	\$ 7,650	\$ 7,645

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligation are as follows:

	2023	2022
Discount Rate	5.05%	5.05%
Rate of Compensation Increases	3.00%	3.00%
Expected Average Remaining Service Life	9.72 years	9.12 years

NOTE 20: OPERATING COMMITMENTS

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2023 was \$20,747 (Gas) and \$9,866 (Electric) (2022 - \$30,850 and \$9,726 respectively).

NOTE 21: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2023 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 22 provides the approved capital budget for 2023.

	2023 Budget
Revenue	
Approved operating budgets	\$ 590,985
Adjustments	(128,831)
	<u>462,154</u>
Expense	
Approved operating budgets	651,088
Adjustments	(161,260)
	<u>489,828</u>
Other revenue	
Government transfers for capital	17,489
	<u>17,489</u>
ANNUAL SURPLUS (DEFICIT)	\$ (10,185)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

NOTE 22: CAPITAL COMMITMENTS

(A) 2023 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Debt is the 2023 approved Capital Budget. The actual expenditures of \$73,886 (2022 - \$76,442) includes amounts carried forward from previous budget years, as well as costs related to the 2023 budget and developer contributions of tangible capital assets. In 2023, actual expenditures are presented net of properties held for sale.

(B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2023 a number of capital projects were in progress and will be completed in 2024 or subsequent years. The unexpended appropriation related to these projects is \$312,618 (2022 - \$275,697). Significant projects are:

- **Gas Utility**

Drilling and Completions (\$3,919), Well Abandonments (\$111,093), Projects Operated by Third Parties (\$3,192), Pipelines and Wells (\$6,188), Clear Horizon Carbon Capture (\$10,655) and Distribution Systems (\$3,938).

- **Electric Utility**

Unit 12 Generator Rotor Replacement (\$4,274), LM6000PD Engine to LM6000PF Engine Conversion (\$1,558), GSU T12 Replacement (\$1,212), Unit 15 Hot Section Replacement (\$1,212), Energy Business Development (\$7,000), Clear Horizon Carbon Capture (\$4,828), MHS-11 Substation (\$23,622) Transmission Line Capacity Upgrades (\$1,724) and Distribution Systems (\$5,439).

- **Municipal Works**

Transportation Infrastructure Rehabilitation (\$642), Bridge Rehabilitation (\$895), Storm Sewer Rehabilitation Program (\$2,093), Infrastructure Rehabilitation Program (\$1,258), and Flood Mitigation Overland Flow Protection (\$2,502).

- **Parks and Recreation**

Indoor Facilities Infrastructure Program (\$1,073), Irrigation Infrastructure Program and upgrade (\$1,478), 2022 Infrastructure Program (\$358).

- **Fleet & Facilities**

Confined Spaces Access Program (\$838), 2023 Infrastructure Rehabilitation Program (\$289), and vehicle and equipment purchases (\$9,905), City Hall Upgrades (\$565).

- **Information Technology**

Operational Technology (OT) Network Refresh and OT Cybersecurity Controls (\$1,800) and Infrastructure Program (\$730).

- **Water Utility**

Water Main Replacements (\$3,564), Waste Solids Handling Facility (\$15,426).

- **Sewer Utility**

Sewer Main Asset Management Program (\$3,124), Lift Station Facility Upgrade (\$1,521), Brier Park Gravity Bypass (\$5,432).

- **Solid Waste Utility**

Food Waste Pilot (\$1,000).

- **Land**

Unspent budgets relating to subdivisions being developed for sale include Ranchlands (\$14,255), Southlands (\$663), Riverwalk (\$2,165), Airport (\$1,828), Brier Run (\$13,394), and NW Industrial Park (\$12,845).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

(C) CAPITAL PLAN

The following is the City Council approved 2023 - 2024 Capital Plans with projections for 2025 – 2032 for the Gas Utility, Electric Utility, Environmental Utilities, Municipal Services, and Land Development:

2023 Budget	125,544
2024 Budget	74,776
2025 - 2032 Projection	645,171
TOTAL	\$ 845,491

Financing sources identified:

	2023	2024
Government Grants	\$ 17,384	\$ 10,050
Current Revenues	34,143	13,675
Debentures		
Tax Supported	11,896	22,598
Utilities Rate Supported	47,576	15,819
Reserves	13,918	12,634
Direct Charges and Other	627	-
TOTAL	\$ 125,544	\$ 74,776

NOTE 23: CONTINGENT ASSETS AND LIABILITIES

(A) Contingent Assets

Contingent assets are disclosed, when a future event is likely to confirm the existence of the asset. These possible assets arise from conditions existing as at the financial statement date or situations involving current uncertainty.

The City has not disclosed an asset for certain future events as the dates of reimbursement and the extent of the settlements cannot be reasonably determined at this time.

(B) Contingent Liabilities

Various claims have been made against the City as at December 31, 2023. If proven, it is possible that these claims may have a material adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

The City has not recognized a liability for certain legal obligations, primarily environmental and other liabilities related to facilities, equipment, and land. The liabilities are not recognized as the dates of the remediation and estimated costs are unknown and as such the fair value of these liabilities cannot be reasonably determined.

Contaminated sites are not accrued as liabilities in the Consolidated Statement of Financial Position, if there is uncertainty about one or more of the following: the contamination exceeding a standard, expected future costs, or the party responsible for the contamination. Continued efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites or changes in the assessments of existing sites. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

Southridge Recreation and Wellness Centre:

In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the value of all its initial contribution at construction of \$1,800, together with an additional contribution at opening of \$24. However, if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1,200 contributed by the YMCA through a 2016 Budget Amendment approved by Council, for the renovation and expansion of the weight and cardio room at the complex. In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the unamortized amount (according to the agreement) in that calendar year.

The above contingent liabilities for The Southridge Recreation and Wellness Centre are not accrued as liabilities in the Consolidated Statement of Financial Position as there is uncertainty of whether the agreement will terminate prior to 2044.

NOTE 24: CONTRACTUAL RIGHTS

The City has entered into the following agreements:

- a) Property development agreements, which require the developers to contribute various infrastructure assets to the City. The timing and extent of these future contributions will vary depending on development activity and fair value of the assets received at time of contribution and therefore cannot be reasonably determined at this time.
- b) Utility agreements to sell natural gas, crude oil, and electricity production to third parties. The timing and extent of future revenues will vary due to uncertain commodity market prices and volumes and therefore cannot be reasonably determined at this time.

NOTE 25: FINANCIAL INSTRUMENTS

The City, as part of its operations, carries a number of financial instruments. It is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy No. 0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or stabilizing revenues, maintaining reliable supplies for operations/sales, and mitigating the financial risk exposure to the City.

NOTE 26: SEGMENTED DISCLOSURES

Segmented disclosures (Schedule 4) are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated on a reasonable basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
 - General Government is comprised of Corporate Administration, Mayoral and Councilor services, City Solicitor, City Clerk, Human Resources, and Economic Development.
 - Corporate Services is comprised of Finance, Information Technology, Fleet & Facilities, Communications, Engagement & Marketing, and Corporate Planning & Performance.
 - Development & Infrastructure is comprised of Municipal Works, Airport, Planning & Development Services, and Risk Control and Operations.
 - Public Services is comprised of Fire & Emergency Services, Community Development, and Parks & Recreation.
 - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market, and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The Gas Utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost-effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The Electric Utility is operated on a self-sustaining basis.
- d) Water Utility treats and distributes potable water to City of Medicine Hat water customers. The Water department ensures all treated water meets the rigid safety, quality, monitoring, recording, and reporting parameters of Federal, Provincial, water industry and local standards. The Water Utility is operated on a self-sustaining basis.
- e) Sewer Utility collects and treats sanitary wastewater from City of Medicine Hat sewer customers. The Sewer department ensures all treated wastewater meets the rigid safety, environmental, monitoring, recording, and reporting parameters of Federal, Provincial, wastewater industry and local standards. The Sewer Utility is operated on a self-sustaining basis.
- f) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The Solid Waste Utility is operated on a self-sustaining basis.
- g) Land development includes the City's role as a land developer in the areas of acquisition, development, and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The Land department is operated on a self-sustaining basis.

The segmented reports display revenue and expenses sorted by accounts. The City's reporting levels are defined as follows:

A) REVENUE

- **Municipal taxes** include all annual municipal property taxes and excludes all special assessments and requisitions.
- **Sale of services** includes all third-party revenues generated through the normal course of business, including revenues generated by, but not limited to facility usage, parking, natural gas, electric, water, sewer and solid waste revenues and sale of land.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

- **Investment income** includes all investment revenue earned on account of short-term and long-term deposits and investments.
- **Licenses, fines and penalties** includes all revenue received for business licenses, development permits, photo radar tickets, speeding tickets, and penalties charged on overdue accounts.
- **Insurance recovery** includes monies received on account of City insurance claims.
- **Development levies** are charges to developers to help cover the cost of city services provided to their development.
- **Government transfers for operating** include provincial and/or federal transfers provided to the City to fund operating activities.
- **Other** includes any minor sources of revenue not appropriately categorized above.
- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Contribution from reserves** includes funds transferred from reserves as per the Financial Reserve Policy #0168 and the Distributable Funds/Dividend Policy #0169. The funds are transferred to a corporate reserve fund before being distributed to business units and allocated to the appropriate restricted reserves.
- **Transfers from Utilities and Land** include contributions from Utilities and Land to tax supported operations.

B) EXPENSES

- **Salaries, wages, and benefits** include all salaries, wages (including overtime, statutory holidays, shift differential, relief time), employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, goods, and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.
- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short-term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long-term debt** includes interest charge on the principal portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.
- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets and amortization of long-lived assets** is a way of representing, for accounting purposes, how capital and long-lived assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time and must eventually be replaced. Amortization shows the cost of the "use of the asset" each year over the life of the asset.
- **Accretion on asset retirement obligations** is the periodic recognition of an expense associated with the increase in the present value of the asset retirement obligation liability over time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

(in thousands of dollars)

- **Impairments** are the expenses recorded to reduce the value of assets, when the assets are worth less on the market than the value listed on the company's balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value, then the asset is considered impaired and must be written down to its fair value. **Reversal of Impairments** are recorded when factors or circumstances that triggered the original impairment have changed. Impairments can be reversed up to the amount necessary to restore the asset to its pre-impairment carrying amount, less any subsequent depletion and depreciation that would have been recognized.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Loss (gain) on disposal of long-lived assets** reflects the difference between the net proceeds and the net carrying amount of the asset and the related reduction or recovery in the decommissioning liabilities associated with the disposal of the long-lived assets.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.
- **Contribution to reserves** includes funds transferred from the business units to the restricted reserve funds as per the Financial Reserve Policy #0168 and the Distributable Funds/Dividend Policy #0169.

NOTE 27: COMPARATIVE INFORMATION

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year surplus.

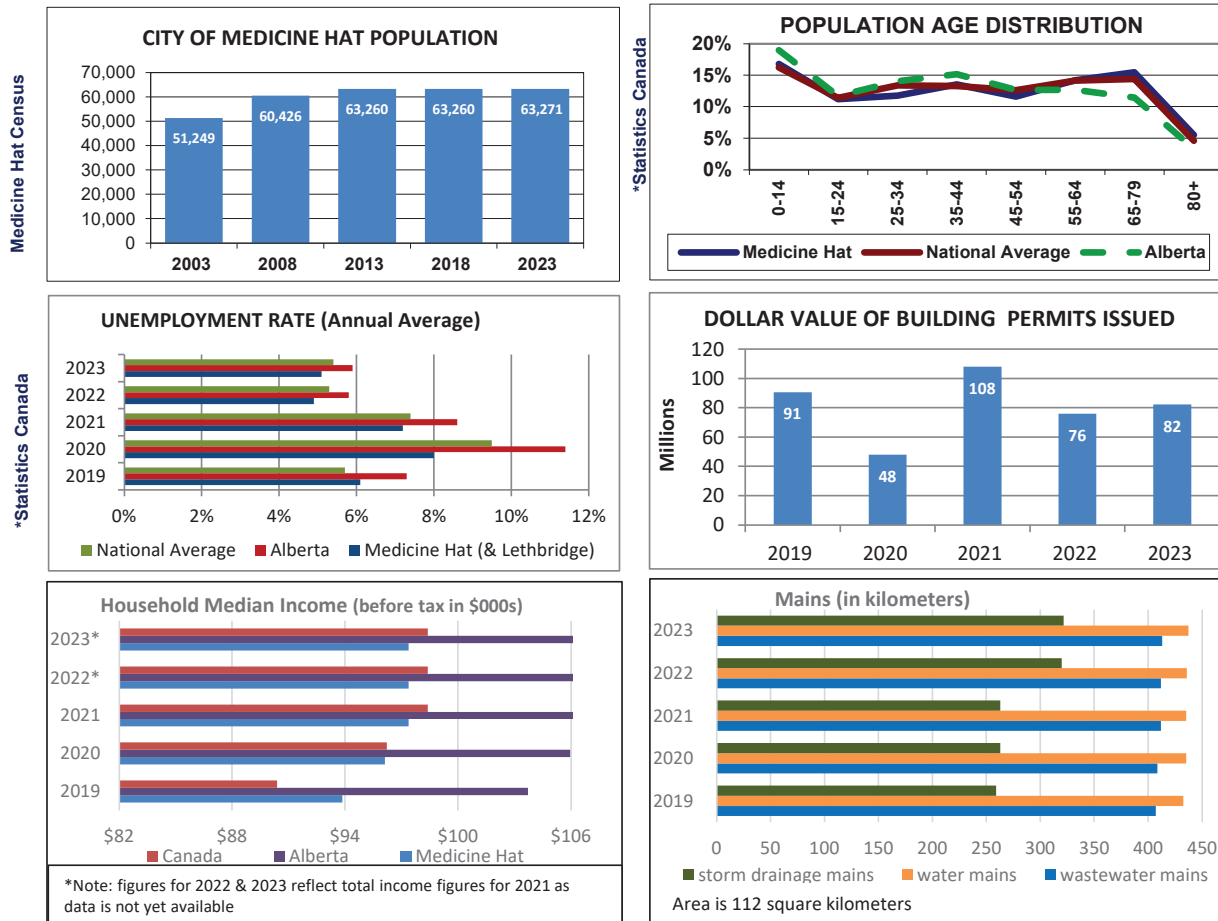
NOTE 28: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

Financial and Statistical Schedules (unaudited)

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

DEMOGRAPHICS & OTHER INFORMATION



LARGEST CORPORATE TAXPAYERS IN MEDICINE HAT

Medicine Hat Mall Inc	Canadian Tire Properties Inc
2105657 Alberta Ltd (Aurora Sun)	Avenue Living (2014) GP Ltd
The Meadowlands Development Corporation	Cancarb Limited
Skyline Retail Real Estate Holdings Inc	Wal-Mart Canada Corp
South Country Co-op Limited	Royop (Southlands) Development Ltd

LARGEST EMPLOYERS IN MEDICINE HAT

Public	Private
Medicine Hat Regional Hospital	South Country Co-op (all locations)
City of Medicine Hat	The Real Canadian Superstore
Medicine Hat School District	Canadian Pacific Railway
Medicine Hat College	Wal-Mart
Province of Alberta	Goodyear

CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2019 - 2023

	2019	2020	2021	2022	2023
General Government	37	36	24	26	75
Corporate Services	191	201	149	155	197
Public Services	275	275	257	256	270
Police	150	150	148	154	154
Invest Medicine Hat	6	9	8	8	-
Strategy Management & Analysis	20	20	79	86	-
Energy, Land & Environment	325	313	359	365	177
Development & Infrastructure	83	83	-	-	209
Total Permanent Positions	1,087	1,087	1,024	1,050	1,082

Note: As part of the 2023 organizational restructuring, Invest Medicine Hat was split into General Government and Energy, Land & Environment. Strategy Management & Analysis was reallocated to Corporate Services as well as Energy, Land & Environment. Human Resources was moved from Corporate Services to General Government. A number of departments within Energy, Land & Environment was split into Development & Infrastructure.

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2019 - 2023

(In thousands of dollars)

STATEMENT OF FINANCIAL POSITION

	2023	2022	2021	2020	2019
Financial assets					
Cash and cash equivalents	\$ 66,386	\$ 44,188	\$ 68,004	\$ 62,824	\$ 71,119
Accounts receivable (net of allowances)	51,796	97,523	78,551	47,407	42,716
Investments, loans & advances	666,659	638,946	507,362	414,781	405,053
Land and other assets held for resale	10,333	10,523	10,653	35,237	4,679
Inventories for resale	144	151	140	114	63
Deposits	5,032	1,166	3,720	3,094	3,258
Total financial assets	800,350	792,497	668,430	563,457	526,888
Liabilities					
Trade accounts payable	30,480	55,598	36,835	26,084	29,820
Accrued liabilities	21,300	26,417	22,100	34,226	20,467
Deferred revenue	45,048	58,468	61,498	38,642	52,966
Long-term debt	389,654	418,581	406,316	376,072	353,727
Asset retirement obligation	254,568	217,086	278,142	262,197	258,765
Other long-term liabilities	31,768	27,757	26,670	25,526	22,578
Total liabilities	772,818	803,907	831,561	762,747	738,323
Net financial assets (debt)	27,532	(11,410)	(163,131)	(199,290)	(211,435)
Non-financial assets					
Inventories for consumption	18,633	15,620	14,317	15,191	15,678
Prepaid assets	3,697	2,917	3,102	2,148	2,131
Land held for future development	17,560	17,288	16,479	19,969	18,924
Long lived assets	42,112	7,355	33,359	42,840	60,752
Tangible capital assets	1,393,337	1,422,663	1,389,183	1,356,948	1,381,269
Total non-financial assets	1,475,339	1,465,843	1,456,440	1,437,096	1,478,754
Accumulated surplus	\$ 1,502,871	\$ 1,454,433	\$ 1,293,309	\$ 1,237,806	\$ 1,267,319
Accumulated surplus consists of the following:					
Unappropriated surplus	1,517,401	1,454,433	1,293,309	1,237,806	1,267,319
Accumulated remeasurement gains (losses)	(14,530)	-	-	-	-
Total accumulated surplus	\$ 1,502,871	\$ 1,454,433	\$ 1,293,309	\$ 1,237,806	\$ 1,267,319

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FINANCIAL COMPARISON 2019 - 2023

(In thousands of dollars)

STATEMENT OF OPERATIONS

	2023	2022	2021	2020	2019
REVENUE:					
Taxes	\$ 104,915	\$ 101,164	\$ 97,977	\$ 98,560	\$ 96,178
Less - requisitions	(26,778)	(26,734)	(26,067)	(25,427)	(24,429)
	<u>78,137</u>	<u>74,430</u>	<u>71,910</u>	<u>73,133</u>	<u>71,749</u>
Sale of services					
General Government and Council	5,004	3,142	3,055	2,034	880
Corporate Services and Other Supports	802	782	778	679	957
Parks, Recreation and Culture	11,806	9,502	4,572	3,962	7,418
Emergency Services	874	863	674	516	456
Planning and Infrastructure	631	523	355	388	1,190
Gas	27,618	46,549	36,361	37,235	53,784
Electric	262,830	292,563	196,393	127,710	139,725
Environmental Utilities	57,571	55,982	54,790	49,921	50,350
Land	1,891	3,701	4,082	5,548	4,204
Other income					
Investment income	23,332	6,954	41,572	13,963	25,096
Licenses, fines and penalties	4,464	5,313	6,142	4,909	6,404
Insurance recovery	129	336	2,895	813	300
Development levies	1,321	896	1,674	6,977	4,804
Government transfers for operating	12,947	16,643	5,223	12,607	6,098
Other	21,480	7,756	13,342	12,121	15,786
Total revenue	\$ 510,837	\$ 525,935	\$ 443,818	\$ 352,516	\$ 389,201
EXPENSES:					
General Government and Council	\$ 39,632	\$ 9,825	\$ 7,137	\$ 6,504	\$ 7,992
Corporate Services and Other Supports	65,329	59,635	56,252	52,340	49,245
Parks, Recreation and Culture	46,652	43,155	35,601	36,518	39,537
Emergency Services	44,452	42,044	39,575	40,514	40,681
Planning and Infrastructure	31,186	29,216	28,158	28,288	27,812
Gas	101,755	81,257	130,116	115,792	122,161
Electric	102,804	96,228	84,824	79,741	68,660
Environmental Utilities	40,190	35,837	34,737	37,260	35,322
Land	1,429	3,335	3,565	4,785	3,546
Total expenses	\$ 473,429	\$ 400,532	\$ 419,965	\$ 401,742	\$ 394,956
Excess (Deficiency) of revenue over expenses - before other revenue	\$ 37,408	\$ 125,403	\$ 23,853	\$ (49,226)	\$ (5,755)
Other					
Contributed tangible capital assets	625	133	2,195	243	538
Government transfers for capital	24,935	35,588	29,455	19,470	20,320
Total other	<u>25,560</u>	<u>35,721</u>	<u>31,650</u>	<u>19,713</u>	<u>20,858</u>
Annual (deficit) surplus	\$ 62,968	\$ 161,124	\$ 55,503	\$ (29,513)	\$ 15,103

Trends:

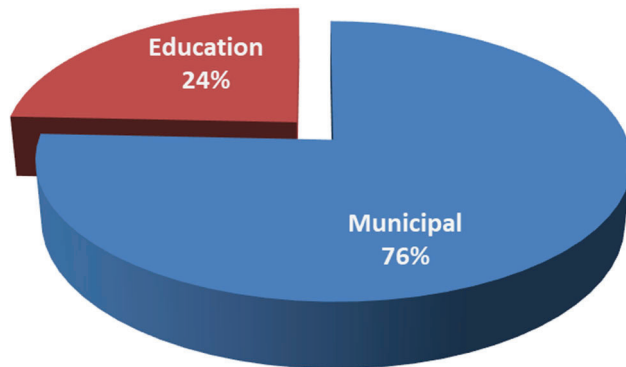
Revenues have increased from 2019 to 2023 mainly due to higher property taxes to align with inflationary increases as well as higher Electric revenues as a result of higher commodity prices. In 2020 revenues decreased due to the COVID-19 pandemic and a decline in oil, gas and electric commodity prices. 2023 revenues decreased primarily due to lower electric commodity prices.

Expenses have increased since 2019 mainly due to inflationary increases and increased activity in Electric resulting in higher taxes in lieu as well as higher amortization due to the implementation of new simple cycle generation. The decrease in 2022 expenses is due to staffing vacancies held throughout the organization as well as the reversal of prior years impairments in oil and gas as a result of the increase in provable and probable reserves and the increase in current and forward market commodity price for natural gas and oil. In 2023 General Government expenses increased as a result of providing a \$33.2 million cost relief pressure program to its residents and small/medium business owners within the franchise area of the City of Medicine Hat to assist with the recent high cost of living. 2023 Gas expenses increased as a result of recognizing a \$14.6 million impairment on oil and gas assets.

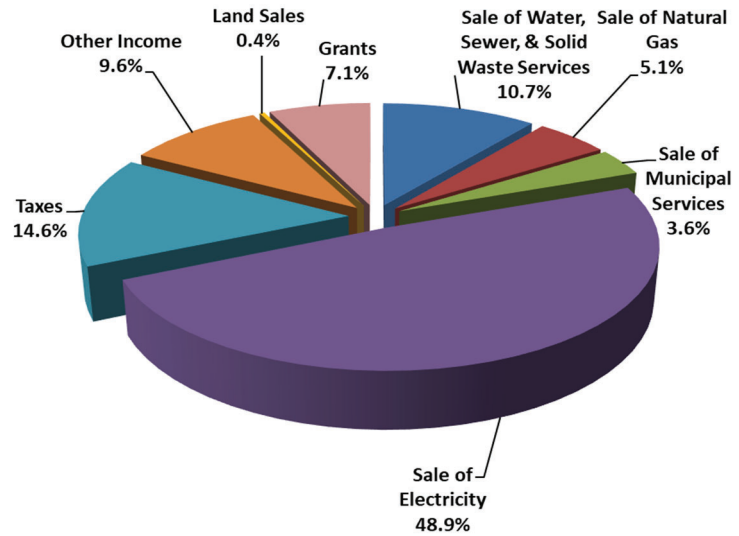
FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

Financial Synopsis: 2023 Operating Activities

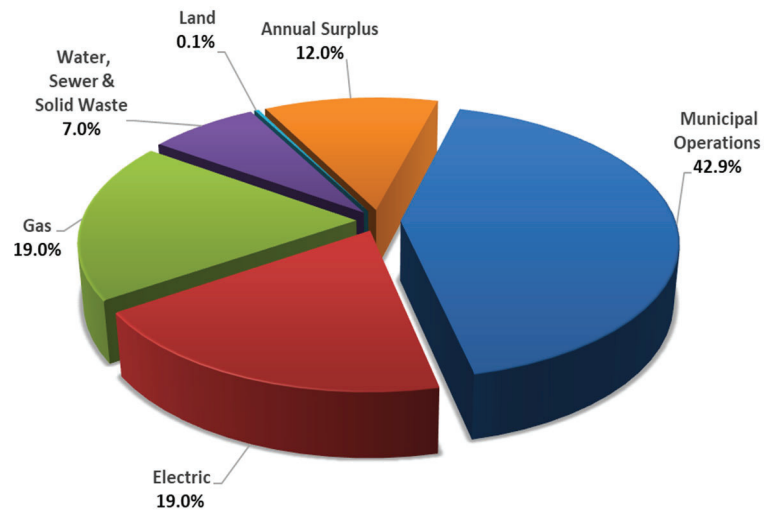
Where our tax dollars went in 2023
Education / Municipal
Property Tax



Where the money comes from \$536 Million



Where the money goes \$536 Million



FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2023

TAXATION & ASSESSMENT

MILL RATES

	2023	2022	2021	2020	2019
MUNICIPAL					
Single family	6.6744	6.8108	6.8034	7.1152	6.7302
Apartments	7.8755	7.9557	8.3090	8.8781	8.7125
Farmland	17.1955	17.3438	16.4809	34.5368	33.2291
Commercial and industrial	15.9113	15.7962	15.2807	15.7102	15.1159
EDUCATION					
Single family	2.4307	2.6137	2.5465	2.4622	2.5883
Apartments	2.4307	2.6137	2.5465	2.4622	2.5883
Farmland	2.4307	2.6137	2.5465	2.4622	2.5883
Commercial and industrial	3.7149	4.1613	3.7467	3.4922	3.5949
OTHER					
Single family	0.1278	0.1053	0.1067	0.1035	0.1040
Apartments	0.1278	0.1053	0.1067	0.1035	0.1040
Farmland	0.1278	0.1053	0.1067	0.1035	0.1040
Commercial and industrial	0.1278	0.1053	0.1067	0.1035	0.1040

PROPERTY TAXES LEVIED

(In thousands of dollars)

	2023	2022	2021	2020	2019
PROPERTY TAX LEVY					
Municipal	\$ 77,219	\$ 73,567	\$ 71,138	\$ 72,126	\$ 70,320
Education	25,500	25,741	25,087	24,474	23,474
Other	1,278	993	980	953	955
TOTAL REAL PROPERTY	\$ 103,997	\$ 100,301	\$ 97,205	\$ 97,553	\$ 94,749
Current taxes collected	99,436	96,318	92,067	89,429	90,828
% of current taxes collected (includes real + linear property taxes)	95.03%	95.40%	94.19%	91.21%	94.79%
OTHER MAJOR TAXES LEVIED					
Linear property taxes	\$ 639	\$ 660	\$ 545	\$ 497	\$ 1,074
Local improvements	279	203	227	510	355
TOTAL MAJOR TAX LEVIED	\$ 918	\$ 863	\$ 772	\$ 1,007	\$ 1,429

ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2023	2022	2021	2020	2019
Residential	\$ 7,456,353,374	\$ 6,998,752,689	\$ 6,748,869,568	\$ 6,709,679,101	\$ 6,748,338,079
Multi-family	391,393,709	347,462,670	324,069,416	304,505,120	285,797,772
Farmland	1,051,000	1,095,600	1,196,118	1,243,600	1,232,900
Commercial and industrial	2,038,617,038	1,920,232,705	1,945,336,496	2,022,067,648	1,957,893,244
TOTAL TAXABLE ASSESSMENT	\$ 9,887,415,121	\$ 9,267,543,664	\$ 9,019,471,598	\$ 9,037,495,469	\$ 8,993,261,995

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2023

(In thousands of dollars)

SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

UNRESTRICTED SURPLUS	2023	2022	2021	2020	2019
General	\$ 9,171	\$ 12,274	\$ 12,185	\$ 11,673	\$ 12,956
Gas	215,971	15,607	(1,973)	7,848	8,109
Electric	(16,304)	6,339	(10,682)	7,100	6,044
Water	16,210	19,525	18,439	15,834	14,938
Sewer	7,137	8,973	6,296	(2,577)	(2,484)
Solid Waste	16,773	14,129	11,890	10,496	9,503
Land	25,008	20,286	21,360	22,253	19,885
TOTAL UNRESTRICTED SURPLUS	273,966	97,133	57,515	72,627	68,951
RESTRICTED SURPLUS - RESERVES					
Operating	31,972	39,997	35,822	40,510	50,220
Capital	226,713	154,042	156,475	93,968	76,299
Heritage Savings	193,523	159,179	60,630	49,825	44,307
TOTAL RESTRICTED SURPLUS - RESERVES	452,208	353,218	252,927	184,303	170,826
TOTAL RESERVES & SURPLUS	\$ 726,174	\$ 450,351	\$ 310,442	\$ 256,930	\$ 239,777

FINANCIAL & STATISTICAL SCHEDULES *(Unaudited)*

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2023

(In thousands of dollars)

LONG TERM DEBT

	2023	2022	2021	2020	2019
LONG TERM DEBT					
Debt supported by taxes	\$ 28,340	\$ 31,757	\$ 34,387	\$ 36,928	\$ 38,791
Debt supported by utilities	361,314	386,824	371,929	339,144	314,936
TOTAL TAX SUPPORTED AND UTILITIES DEBT	\$ 389,654	\$ 418,581	\$ 406,316	\$ 376,072	\$ 353,727

DEBT PER CAPITA

(not in thousands of dollars)

	2023	2022	2021	2020	2019
Tax supported	\$ 448	\$ 502	\$ 543	\$ 584	\$ 613
Utility supported	5,711	6,114	5,878	5,361	4,978
TOTAL DEBT PER CAPITA	\$ 6,159	\$ 6,616	\$ 6,421	\$ 5,945	\$ 5,591

LONG & SHORT-TERM DEBT CHARGES AS A % OF TOTAL EXPENSES

	2023	2022	2021	2020	2019
Actual debt servicing (long and short term)	\$ 42,086	\$ 41,666	\$ 39,224	\$ 37,518	\$ 36,862
Total operating expenses	473,429	391,509	419,965	401,742	394,956
PERCENTAGE	8.89%	10.64%	9.34%	9.34%	9.33%

LEGAL DEBT LIMIT

	2023	2022	2021	2020	2019
Debt limit	\$ 1,021,674	\$ 1,051,870	\$ 887,636	\$ 705,032	\$ 778,402
Total debt	389,654	418,581	406,316	376,072	353,727
Loan guarantees	1,072	1,157	1,244	1,740	1,740
Credit card debt	726	841	-	-	-
Letters of credit issued	45,360	45,360	46,960	46,960	47,310
AMOUNT UNDER LIMIT	\$ 584,862	\$ 585,931	\$ 433,116	\$ 280,260	\$ 375,625
Percentage used	42.75%	44.30%	51.21%	60.25%	51.74%

DEBT SERVICING LIMIT

	2023	2022	2021	2020	2019
Debt servicing limit	\$ 178,793	\$ 184,077	\$ 155,336	\$ 123,381	\$ 136,220
Actual debt servicing (short and long term)	42,086	41,666	39,224	37,518	36,862
AMOUNT UNDER LIMIT	\$ 136,707	\$ 142,411	\$ 116,112	\$ 85,863	\$ 99,358
Percentage used	23.54%	22.64%	25.25%	30.41%	27.06%

FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2019 - 2023

(In thousands of dollars)

CONSOLIDATED EXPENSES BY OBJECT

	2023 Budget	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Salaries, wages and benefits	\$ 138,958	\$ 141,168	\$ 133,412	\$ 128,326	\$ 131,885	\$ 134,236
Contracted and general services	57,392	58,868	50,157	43,289	47,096	48,291
Materials, goods and utilities	28,873	24,209	24,246	28,562	26,982	29,729
Provisions for allowances	284	404	650	1,238	1,124	998
Bank charges and short-term interest	970	397	358	468	386	334
Interest on long-term debt	12,951	13,014	12,081	11,488	11,382	10,963
Grants and other transfers	4,040	4,703	4,078	5,199	5,429	3,817
Other operating expenses	154,957	123,469	150,937	85,893	47,682	53,912
Amortization of tangible capital assets	83,871	83,309	88,320	79,539	79,292	79,325
Amortization of long-lived asset	3,358	1,363	1,934	5,374	11,688	8,023
Accretion on asset retirement obligations	4,174	7,951	10,751	10,058	10,309	10,182
Impairments (recoveries)	-	13,941	(84,424)	13,574	17,187	14,550
Loss on disposal of tangible capital assets	-	699	1,454	2,609	11,389	1,227
Loss (gain) on disposal of long-lived assets	-	13	(2,445)	4,348	(89)	(631)
Gain on disposal of long-lived liabilities	-	(79)	-	-	-	-
TOTAL EXPENSES	\$ 489,828	\$ 473,429	\$ 391,509	\$ 419,965	\$ 401,742	\$ 394,956

SCHEDULE OF CAPITAL SEGMENTED REPORTING (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2019-2023

(In thousands of dollars)

	2023	2022	2021	2020	2019
Capital Expenditures:					
Municipal services	\$ 28,927	\$ 29,439	\$ 40,905	\$ 36,530	\$ 42,829
Gas utility	6,380	3,604	2,603	4,129	12,545
Electric utility	16,005	27,115	31,986	37,537	33,121
Environmental utilities	22,881	15,610	23,824	27,000	27,780
Land	(307)	674	4,370	732	25
Total Capital Spending	73,886	76,442	103,688	105,928	116,300
Financing Sources Applied:					
Contributed assets - private	625	133	2,195	243	538
Debt - ACFA	-	41,741	37,940	38,472	51,277
Debt - internal	1,239	5,569	4,459	5,212	7,426
Developers levies	1,321	896	1,675	6,962	4,498
Government transfers	24,935	26,565	29,455	19,470	20,217
From (to) operating	32,005	14,622	14,997	17,763	27,162
From (to) reserves	12,795	12,234	4,248	8,190	26,316
Total Funding	72,920	101,760	94,969	96,312	137,434
Increase (decrease) in fund balance	(966)	25,318	(8,719)	(9,616)	21,134
Capital fund balance, beginning of year	30,897	5,579	14,298	23,914	2,780
Capital fund balance, end of year	\$ 29,931	\$ 30,897	\$ 5,579	\$ 14,298	\$ 23,914

OUR VISION

To make Medicine Hat a “community of choice.”

OUR MISSION

To deliver value through exceptional public service.

OUR VALUES

We are committed to the following core values, which we believe enable us to achieve our vision:

- Respect
- Integrity
- Accountability
- Courage
- Caring

MEDICINE HAT COUNCIL'S STRATEGIC PLAN 2023 - 2026

Six strategic priorities:

- Innovation
- Economic Evolution
- Service Orientation
- Partnerships and Governance
- Community Wellness
- Resilience and Sustainability





CHIEF FINANCIAL OFFICER

Report

As of December 31, 2023

AGENDA

1. Current Environment
2. Financial Performance
3. Financial Health

Current Environment

External Challenges

ALBERTA BUDGET 2024 – reduced funding for CMH

Highlights

- \$367M surplus projected
- spending → healthcare, education & disaster contingency
- surplus cash → \$2.0B to savings, \$4.4B to repay debt
- annual LGFF infrastructure grant to CMH reduced by 21%
 - ✓ reduced from \$11.1M (10 year avg.) to approx. \$8.8M



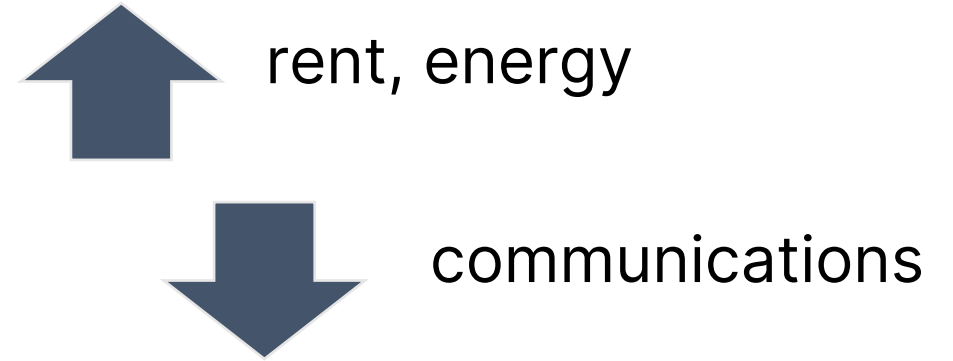
Finance Minister Nate Horner

Government of Alberta provides significant infrastructure funding to CMH

INFLATION – increasing costs

Alberta Inflation Rate = 4.2% (February 2024)

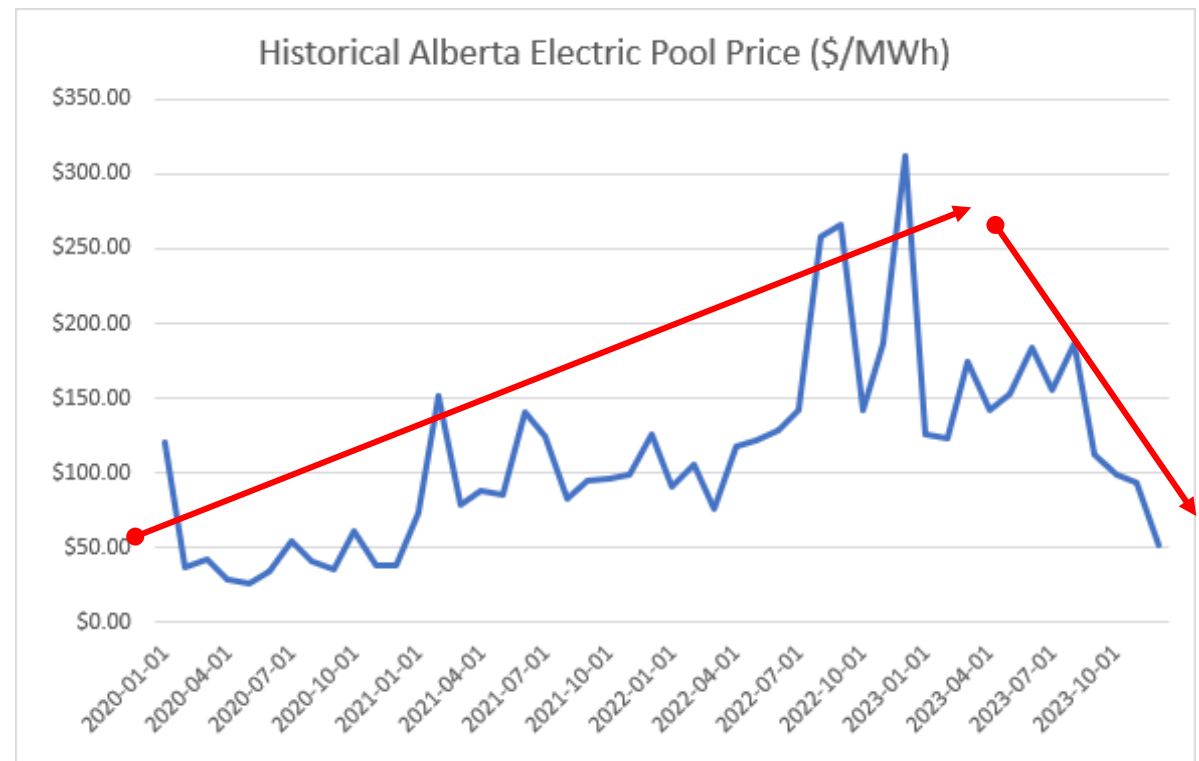
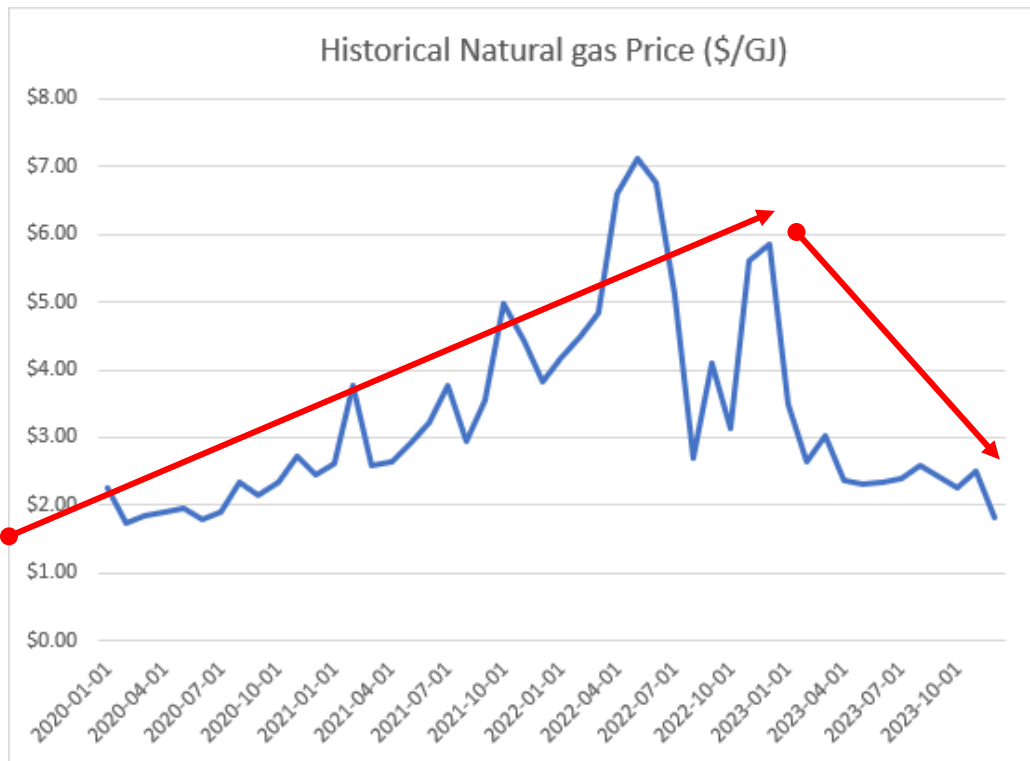
- inflation persistent
 - ✓ everyone is impacted
- Bank of Canada paused interest rate hikes
 - ✓ key interest rate remains at 5%
- Canada core inflation rate within target range
 - ✓ inflation ultimate target 2%



Inflation increases cost of providing services to the community

VOLATILITY – downward trend

Commodity Price Trends



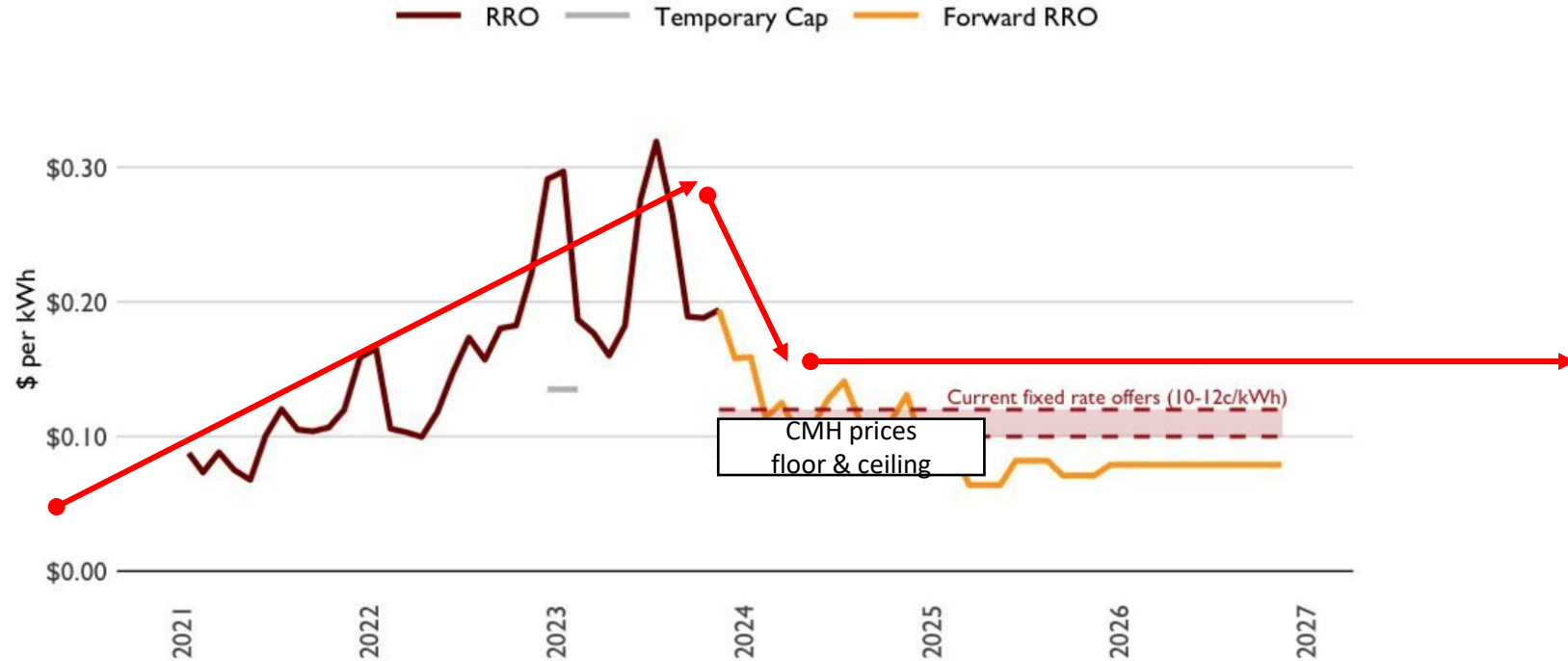
Commodity prices are trending downwards

ELECTRICITY – stability

Power Prices

Cheaper power prices ahead for Albertans

Forward markets point to a return to historically normal prices by March 2024



Source for forward data: <https://www.theice.com/marketdata/reports/255>
Note: Govt 13.5c rate cap in effect Jan-Mar 2023, expected to add approx. 2.5c/kWh afterwards through Dec 2024 (included in chart).
Data as of 2023-12-13. Chart by @bcshaffer

Return to normal prices for Medicine Hat

ELECTRICITY – Energy business review

Council Direction

- Three-pronged approach:
 - ✓ *Cost Pressure Relief* program = \$33.2M credits
 - ✓ interim electricity “best of market” rates
 - ✓ 3rd party review of energy business
- AB Government in discussion with Federal Government on transition

CMH navigating through a volatile electricity industry

Financial Performance

December 31, 2023

INDEPENDENT AUDIT REPORT



new independent City auditor

Consolidated financial statements and notes – responsibilities:

- Management – preparation with fair presentation
- Audit Committee – oversight of financial reporting process
- MNP LLP – ensure free from material misstatement

MNP LLP providing clean audit opinion for Council approval

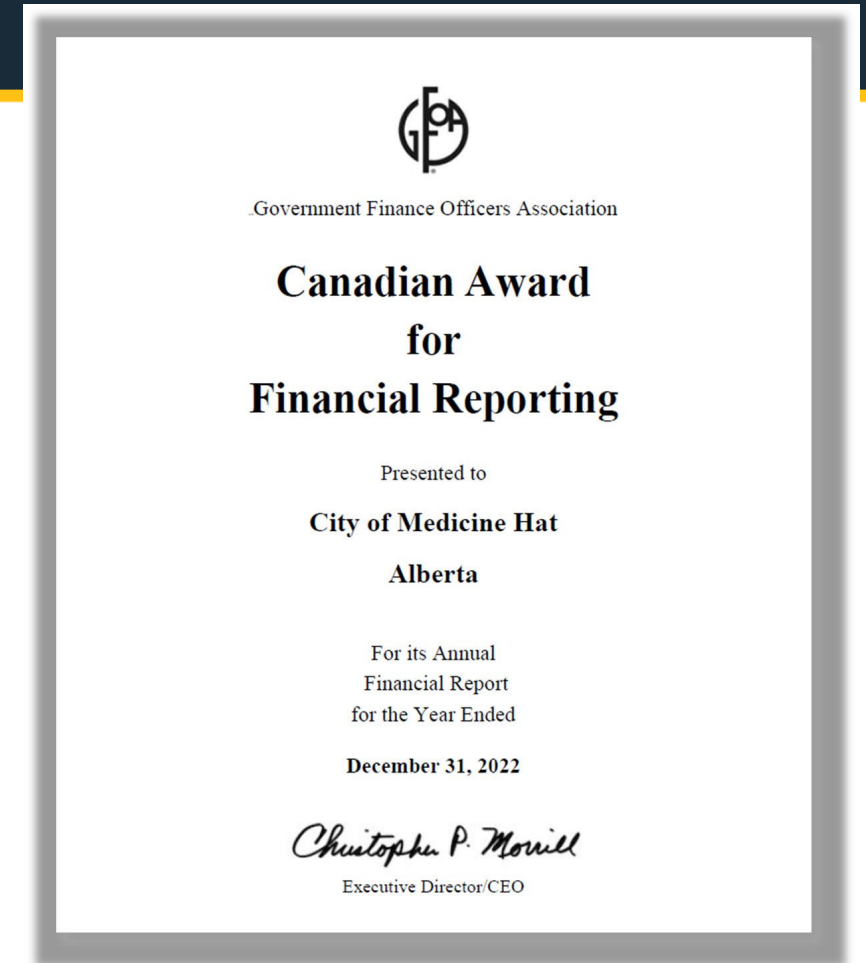
GFOA REPORTING AWARDS

Award for Financial Reporting

- Canadian Award for Financial Reporting (21 years)



**Government Finance
Officers Association**



Quality and transparent financial reporting is vital for accountability to residents of MH

FINANCIAL POSITION (compared to prior year)

Investment Portfolio (MV)		Debt	
\$733 million	\$102 million ↑	\$437 million	\$28 million ↓
Net Capital Assets		Asset Retirement Obligation	
\$1.4 billion	no change	\$255 million	\$37 million ↑

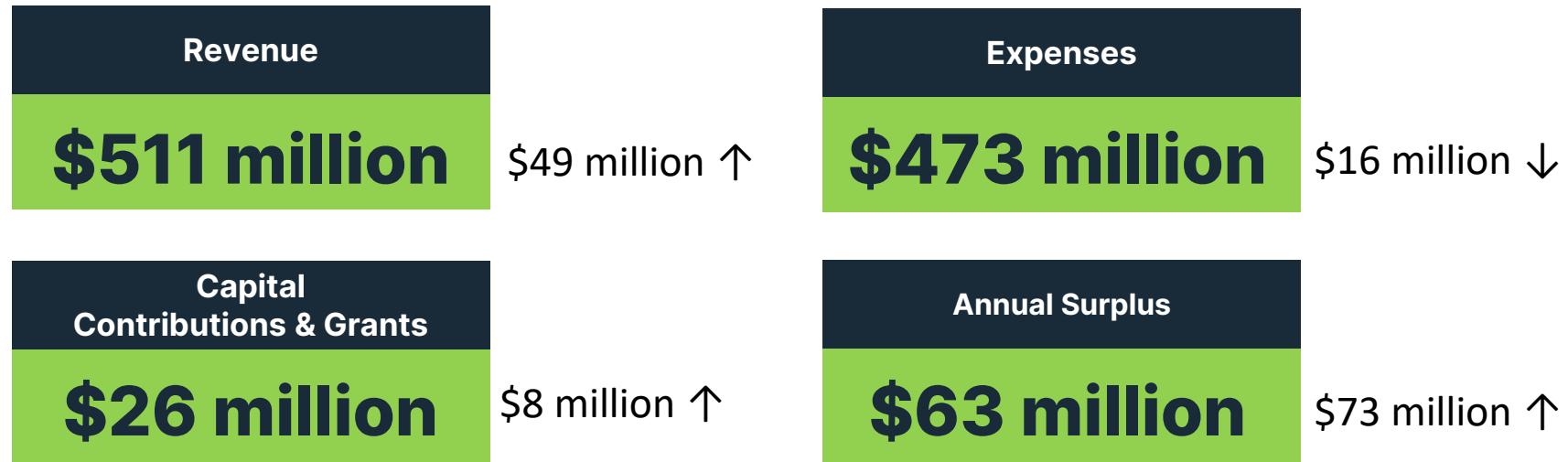
Increased investment portfolio from business unit earnings & investment portfolio results

Lower debt due to pausing new borrowing in high interest rate environment

Asset retirement obligations reflect increased costs of decommissioning obligations

Treasury policies contribute to strong balance sheet

STATEMENT OF OPERATIONS (compared to budget)



Strong revenues from electric commodity prices, offset by lower “realized” investment income

Lower power pool purchases & natural gas commodity prices, offset by recent union settlements

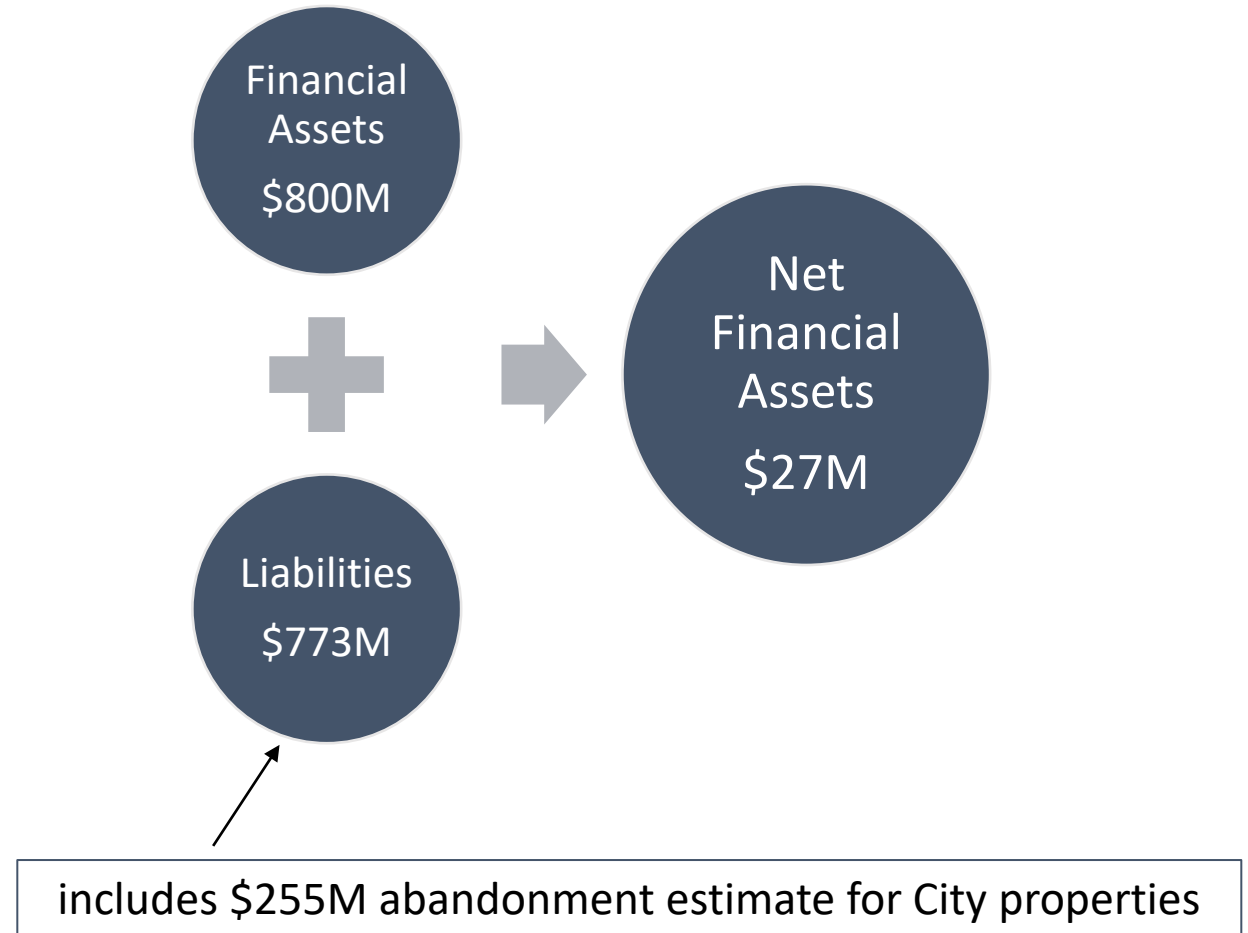
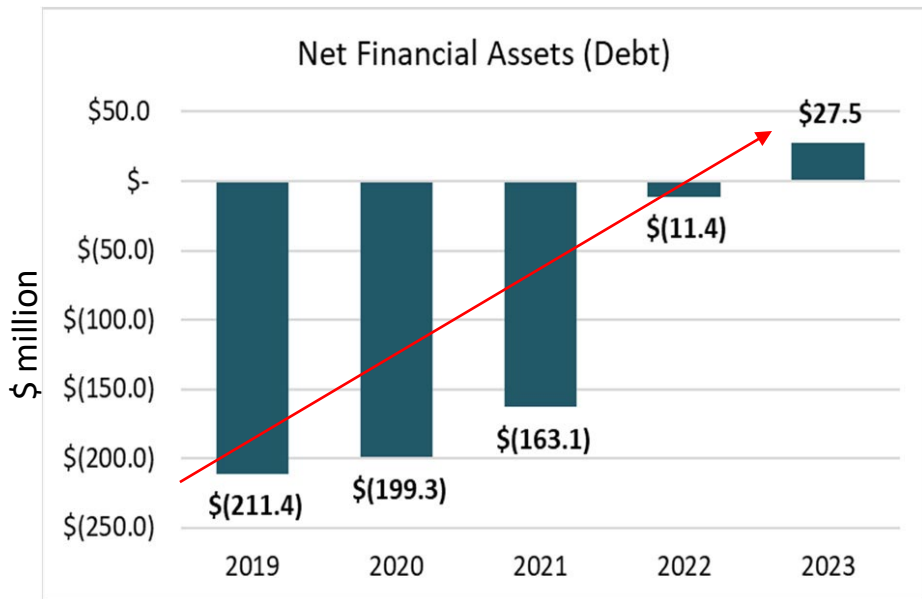
Annual surplus improved significantly due to strong net earnings

Statement of Operations reflects improvement as well as volatility of commodity markets

NET FINANCIAL ASSETS – significant improvement

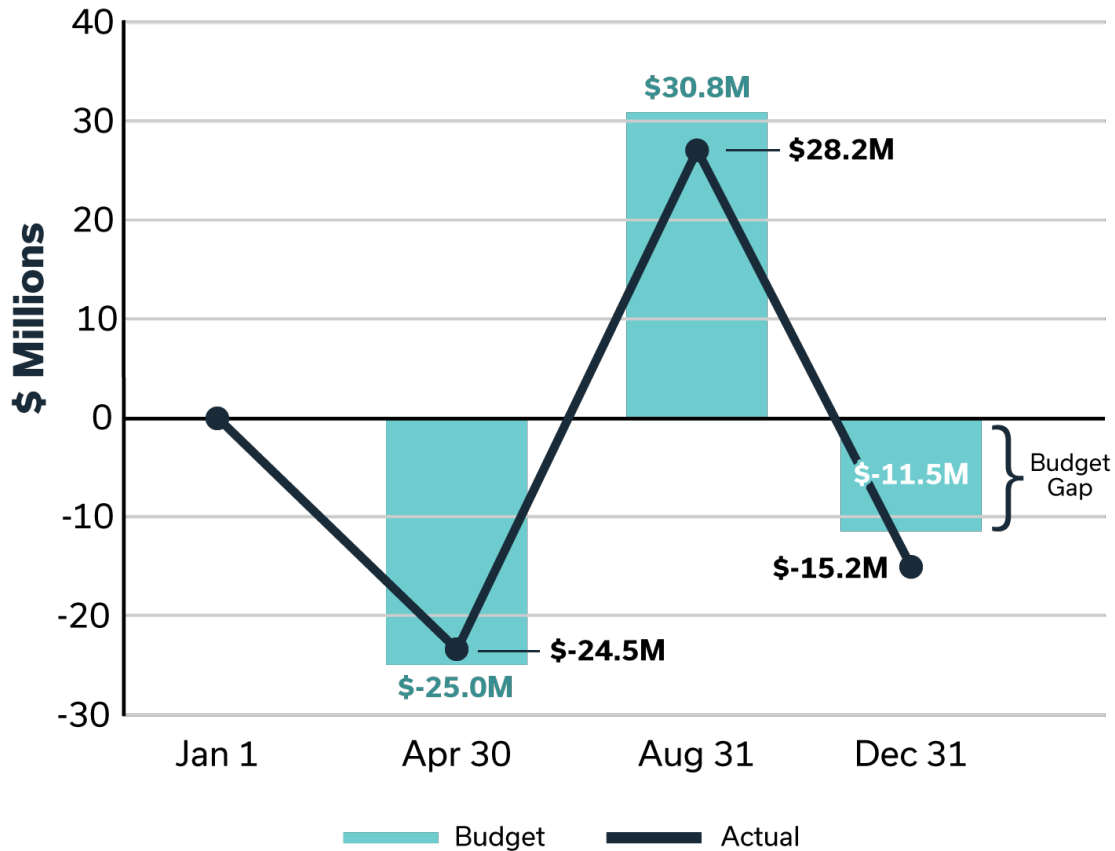
Key Indicator

Are there sufficient liquid financial assets to satisfy recorded liabilities?



OPERATIONING PERFORMANCE: **MUNICIPAL** (compared to budget)

Operating Surplus (Deficit)



Operating Highlights – to December 31

- actual deficit = \$15.2 million (budget deficit = \$11.5 million)
→ funded by tax rate stabilization reserve
- ✓ overall inflationary pressures
- ✓ higher energy costs (utilities, fuel, materials, fertilizer)
- ✓ higher water usage due to dry summer weather
- ✓ higher repairs on aging facilities
- ✓ lower court fines due to visible markings on vehicles
- ✓ lower realized investment earnings
- ✓ offset by savings due to temporary staff vacancies
- management reports are prepared on a regular basis

OPERATIONING PERFORMANCE: UTILITIES/ENERGY

(in millions of dollars)	As at December 31, 2023		
	Budget Net Surplus	Actual Net Surplus	Variance from Budget
TOTAL RATE BASED EBITDA	\$ 37.8	\$ 38.7	\$ 0.9
TOTAL COMMODITY EBITDA	\$ 73.2	\$ 156.6	\$ 83.4
TOTAL EBITDA	\$ 111.0	\$ 195.3	\$ 84.3
Less: capital requirements		(45.5)	
Less: asset retirement requirements		(12.9)	
Less: debt servicing		(33.6)	
Add: new debt		0.0	
Add: interest earnings		5.8	
Changes in working capital		49.2	
Free cash flow (transfer to reserve)		(144.7)	
Total		\$ 13.6	

RATE BASED – positive variance \$0.9M:

- increased water consumption and lower 3rd party gas transportation contract expenses
- savings due to temporary staff vacancies
- offset by unplanned pump failures & electrician hours

COMMODITY BASED – positive variance \$83.4M:

- commodity volatility in Alberta
- higher than budget electricity commodity price for sales to the power pool
- lower cost of natural gas

\$144.7M to financial reserves as per Council Policy for future capital infrastructure & obligations

CAPITAL SPENDING

Capital Projects = \$41M (5.2%) favorable variance

Open Capital Projects – December 31, 2023

Approved capital	\$792M
Less: spent & committed to date	(\$457M)
Less: remaining to be spent – forecast	(\$294M)
Expected favourable variance (5.2%)	\$41M



Favourable variance largely due to lower Unit 17 construction costs & gas production

INVESTMENT MANAGEMENT

Investment Portfolio (MV) = \$733M (Dec 2022: \$631M)

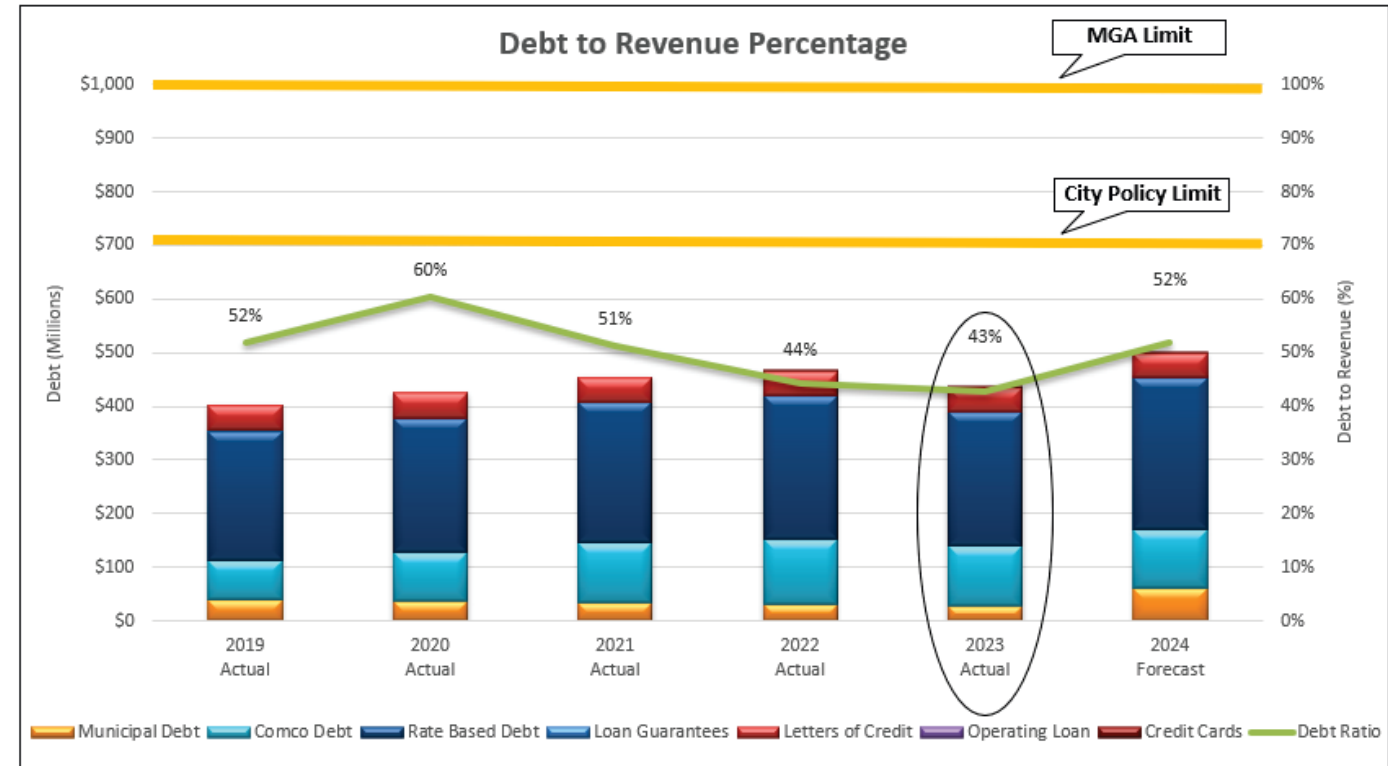
- Performance
 - ✓ 2023 return = 8.84% (below benchmark by 1.49%)
- Investment strategy
 - ✓ top-tier investment managers
 - ✓ well diversified by asset class & geography
 - ✓ long-term approach with respect to volatility
- Portfolio positioned to generate approx. 5.5% annually over a five-year period

CMH investment portfolio is well managed and in compliance with regulation and policy

DEBT MANAGEMENT

Debt = \$437M (Dec 2022: \$465M)

- CMH within debt limits
 - 2023 actual = 43%
 - 2024 forecast = 52%
- Average annual interest rate = 3.48%
 - annual interest paid = \$13M
- Revenue impacts debt limits



Debt is well managed and in compliance with regulated and policy limits

FINANCIAL RESERVES

Financial Reserves = \$733M (Dec 2022: \$683M)

- Council policy establishes financial reserves
- Community value → to fund future obligations and requirements:
 - ✓ day-to-day bills and obligations
 - ✓ future replacement of assets & infrastructure, including abandonments
 - ✓ cover operating shortfalls and unexpected events
 - ✓ holding other level of government grants and donations
 - ✓ energy transition
 - ✓ future growth opportunities

Financial reserves contribute to sustainability ensuring fiscal capacity and flexibility

Unrestricted/Working Capital = \$235M

- day to day expenses
- operating obligations

Capital Reserve = \$227M

- future capital
- asset retirement obligations

Operating Reserve = \$32M

- cover operating shortfalls
- unexpected events

Heritage Savings Reserve = \$194M

- endowment fund

Grants/Donations = \$45M

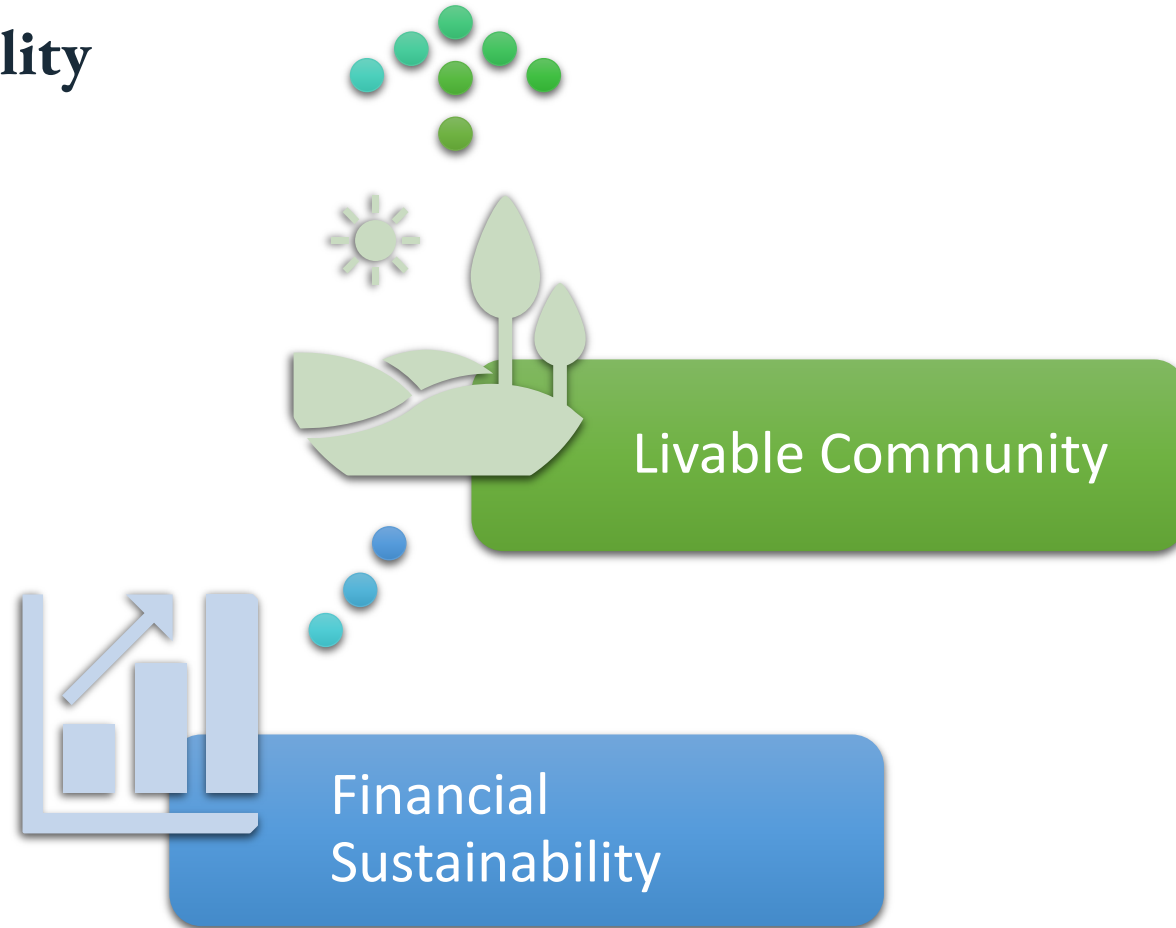
- dedicated for specific projects

Financial Health

2023

BALANCED APPROACH

Stability leads to Livability



Corporate Strategic Objectives – financial sustainability

Goal #3.1

Balance delivery of services with competitive tax & utility charges

Key Outcomes:




- ✓ competitive property taxes and utility charges – (City of Calgary survey) ●
- ✓ eliminate municipal budget gap – (2024 gap = \$7M) ●

Corporate Strategic Objectives – financial sustainability

Goal #3.2

Ensure fiscal capacity and flexibility – to meet future obligations and opportunities

Key Outcomes:

- ✓ sufficient financial reserves – current asset renewals and capital growth – (in progress) 
- ✓ eliminate net financial debt – (net financial asset = \$27M) 
- ✓ development of operating plan in response to Energy business review – (review in progress) 

Financial Sustainability – City response

Components of Sustainability

- Balanced budget
- Stable revenues
- Living within our means
- Maintaining assets & infrastructure
- Appropriate level of financial reserves
- Managing enterprise risks and opportunities



Financial sustainability ensures we keep the advantages we have today

End

2023 Consolidated Financial Statements and Investment Portfolio Overview

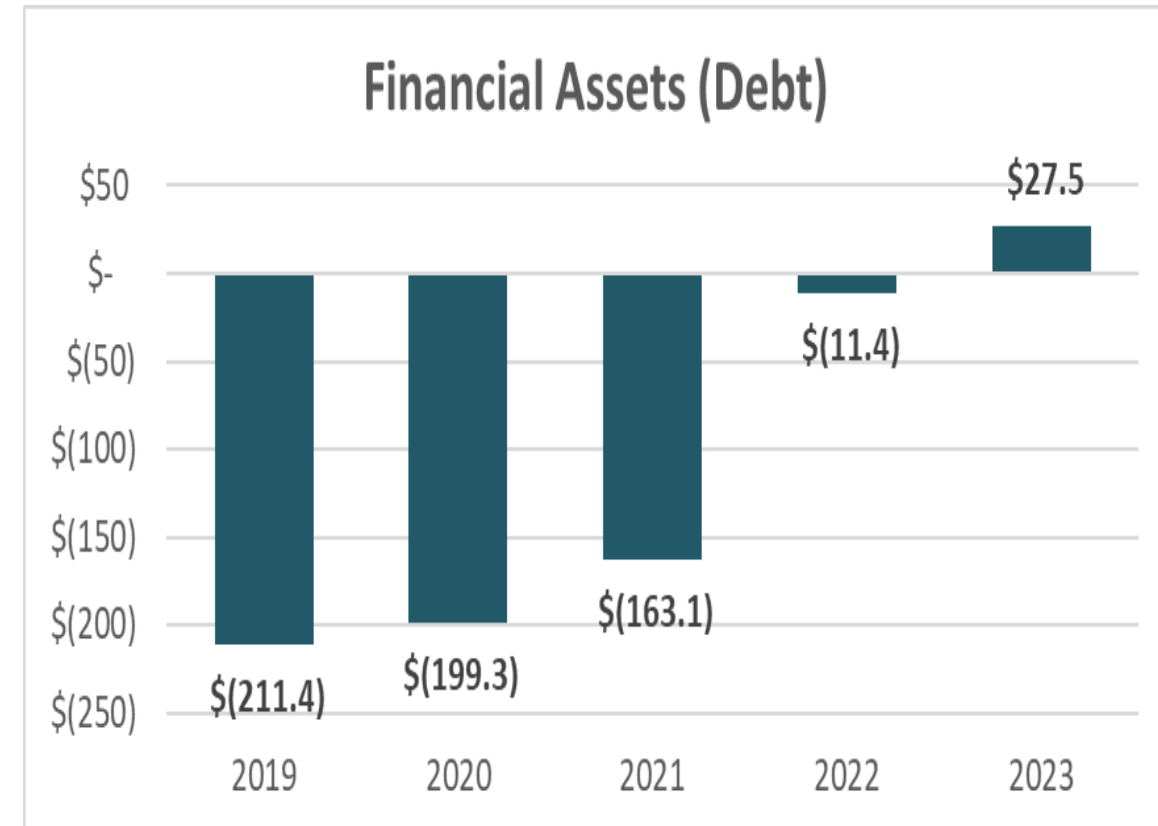


OVERVIEW

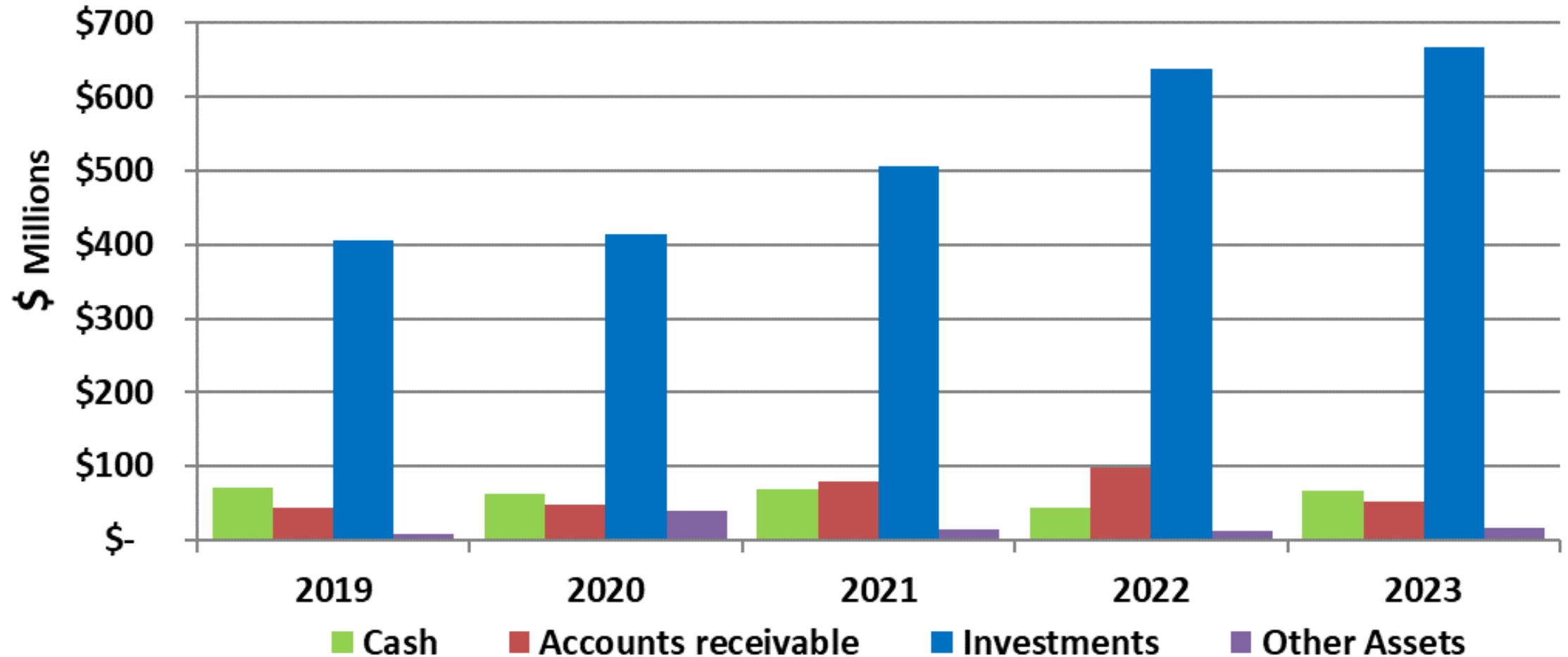
1. New Public Sector Accounting Standards adopted:
 - a) Asset Retirement Obligations
 - b) Financial Instruments
2. Decrease in net financial debt as financial assets increased at a higher rate than financial liabilities
3. Annual surplus is positive due to current year revenues exceeding expenses

CONSOLIDATED FINANCIAL POSITION

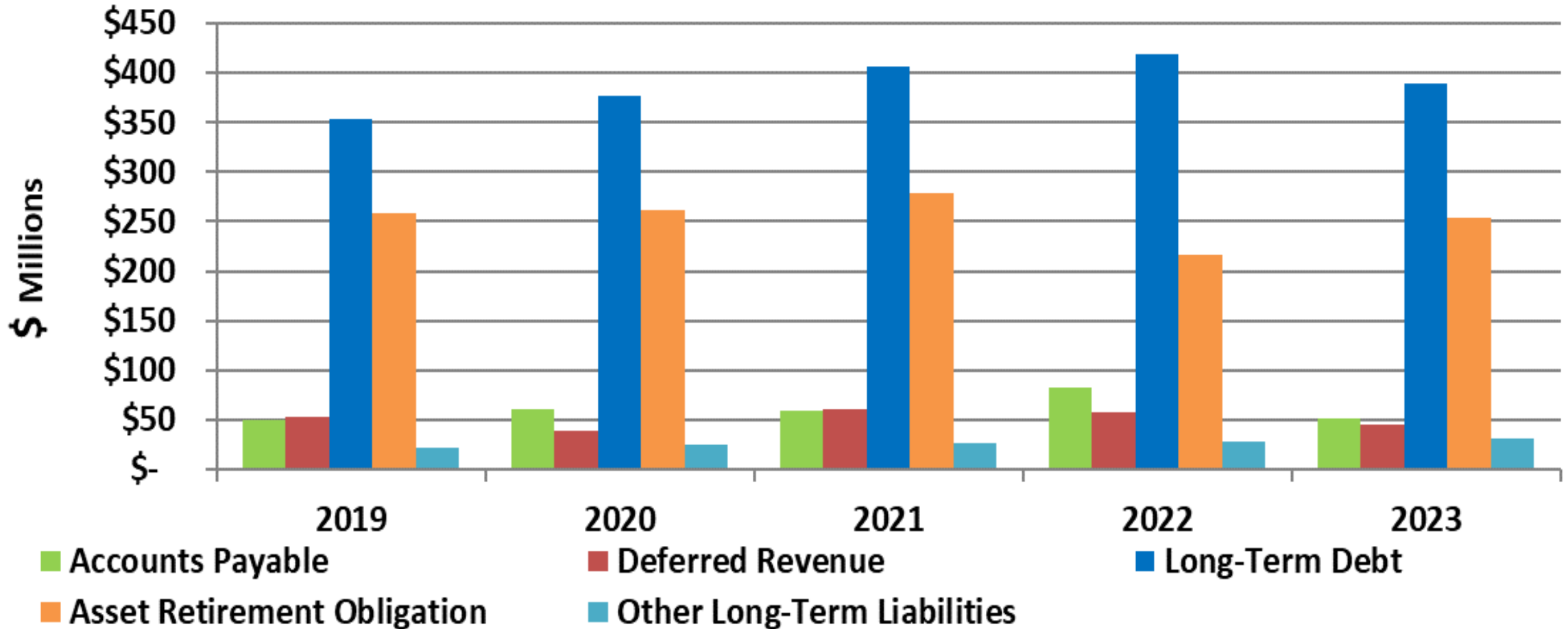
	2022 Actual (\$ Millions)	2023 Actual (\$ Millions)
Financial Assets	792.5	800.3
Liabilities	803.9	772.8
Net Financial Assets (Debt)	(11.4)	27.5
Non-Financial Assets	35.7	40.0
Long-Lived Assets	7.4	42.1
Capital Assets	1,422.7	1,393.3
Accumulated Surplus	1,454.4	1,502.9



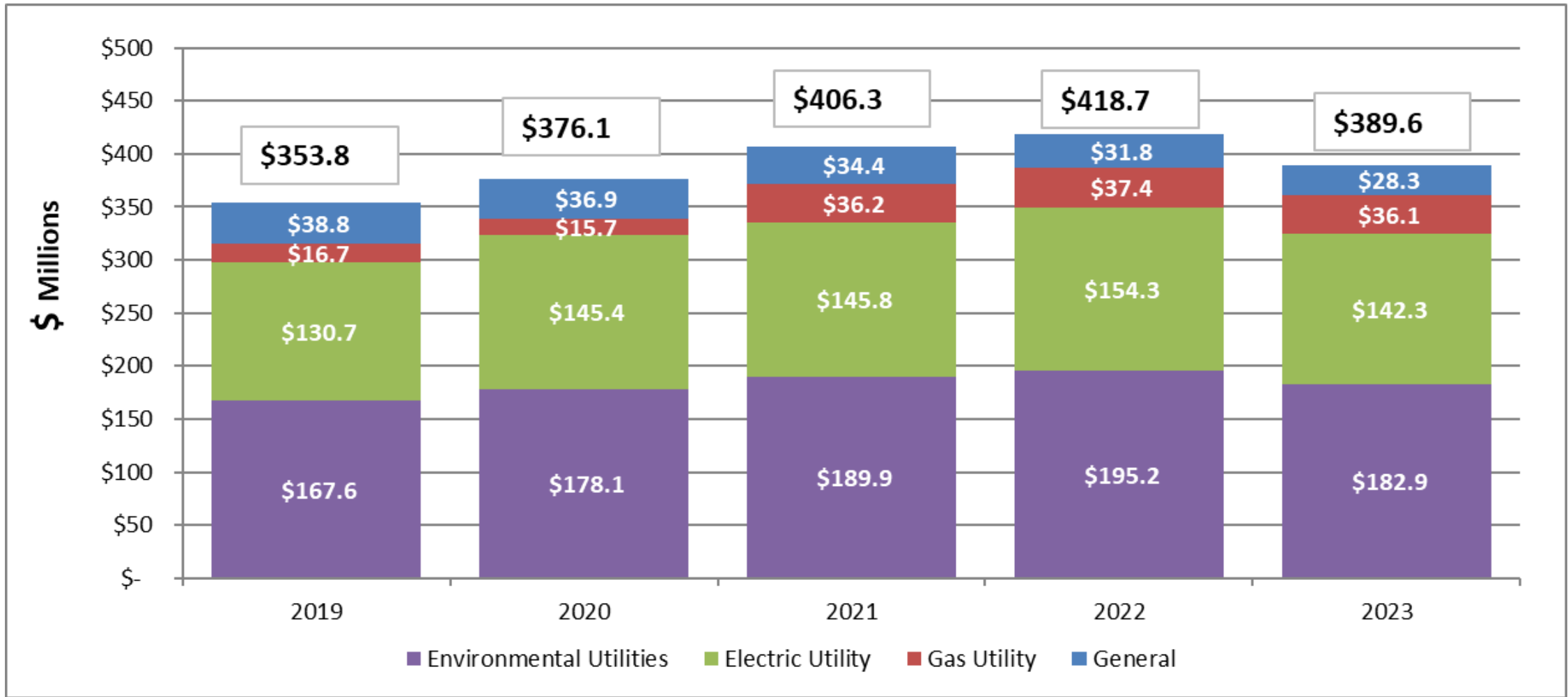
FINANCIAL ASSETS – (what we own)



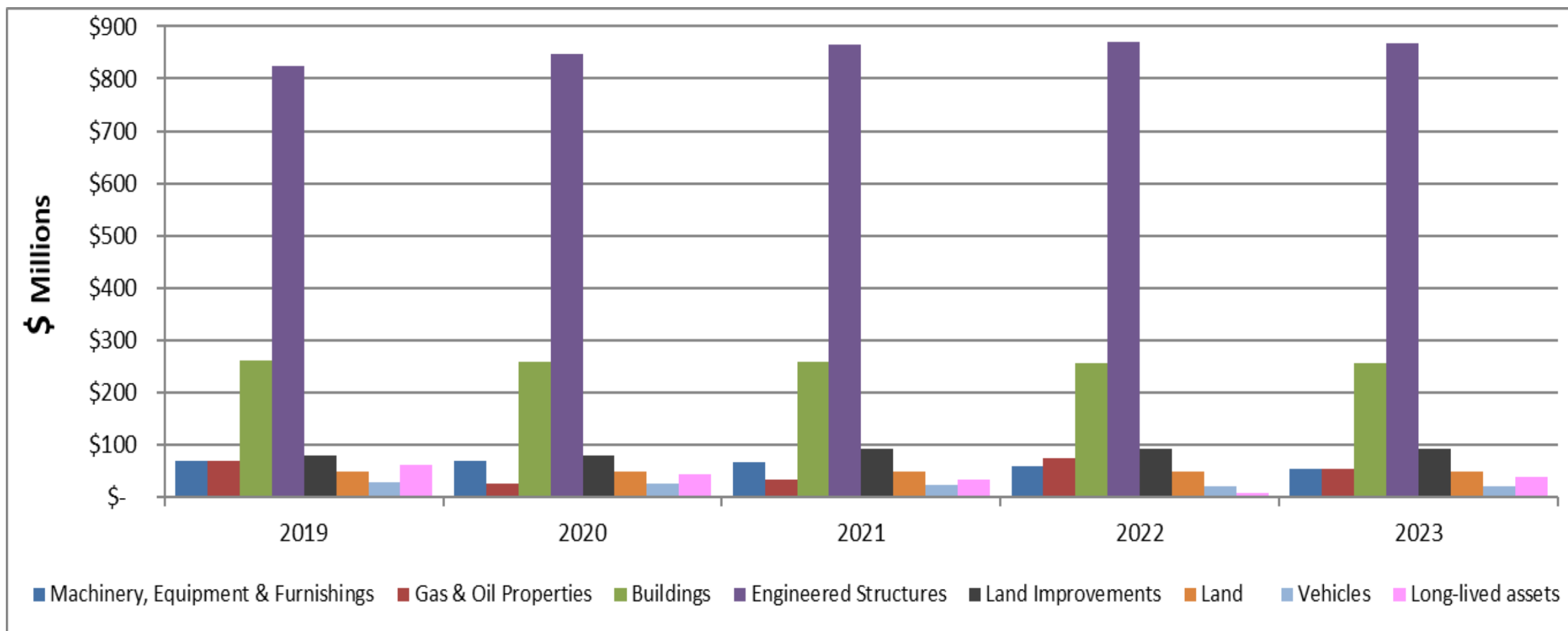
LIABILITIES – (what we owe)



LONG TERM DEBT OUTSTANDING

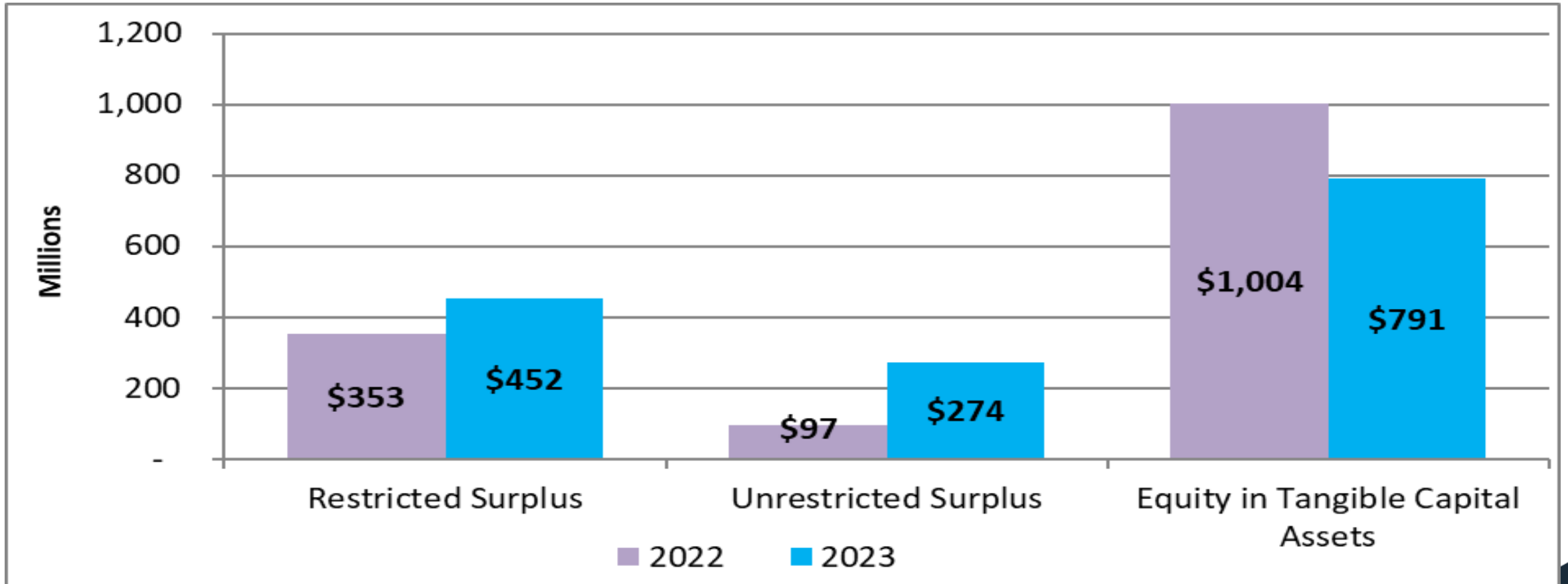


TANGIBLE CAPITAL ASSETS



ACCUMULATED SURPLUS

2023 of \$1,517.4M vs 2022 of \$1,454.4M



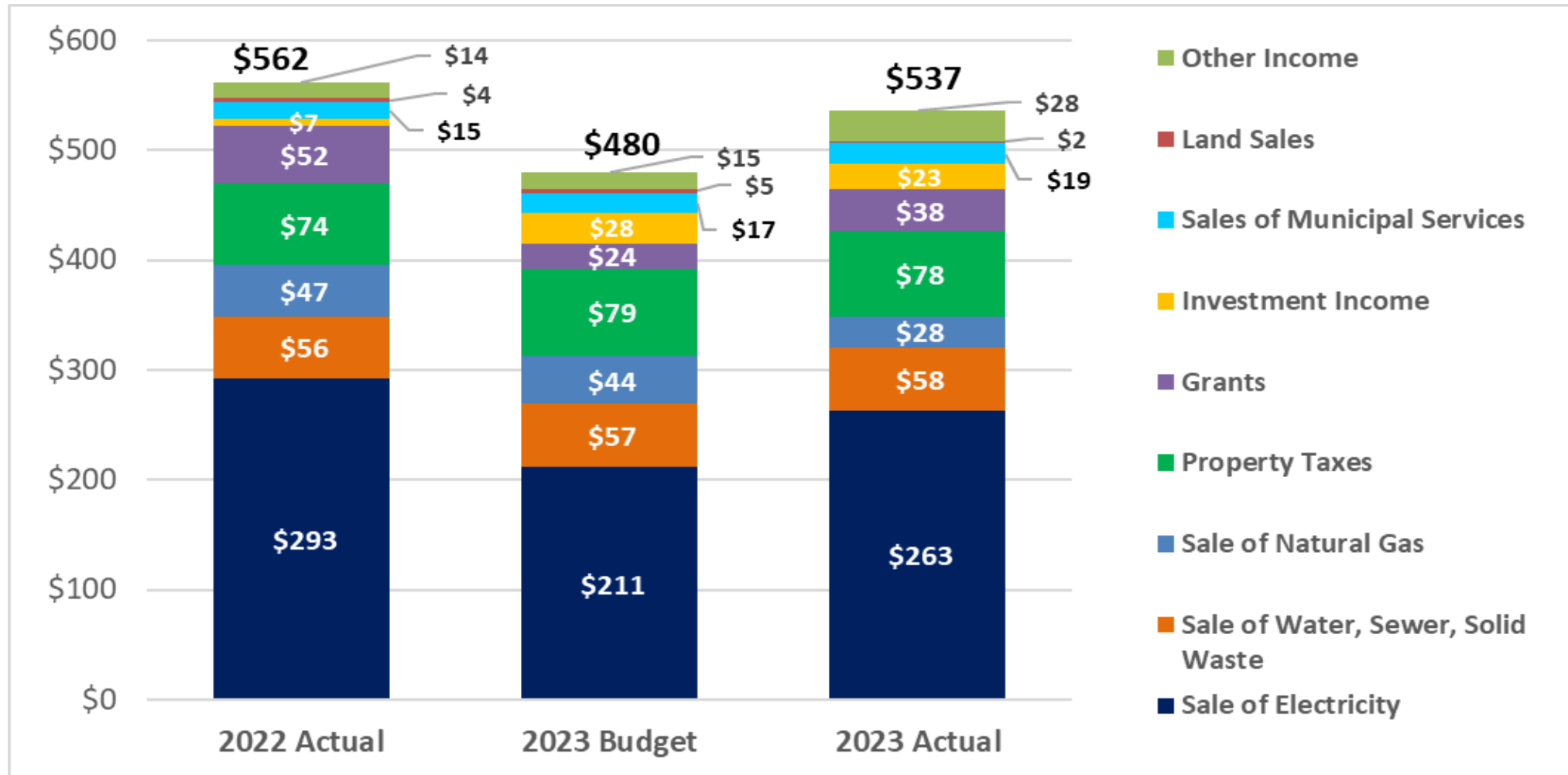
2023 REMEASUREMENT OF GAINS AND LOSSES

	2023 ACTUAL
Adjustment on adoption of the financial instruments standard	\$ (51,479)
Unrealized gains (losses) attributable to:	
Foreign exchange	(1,759)
Short-term investments	
Investments	12,525
Long-term investments	
Designated fair value	(19)
Equity instruments	31,820
	42,567
Realized (gains) losses, reclassified to the statement of operations:	
Foreign exchange	200
Short-term investments	(4,813)
Long-term investments	(1,005)
	(5,618)
Net change in remeasurement gains for the year	36,949
Accumulated remeasurement gains (losses), end of the year	\$ (14,530)

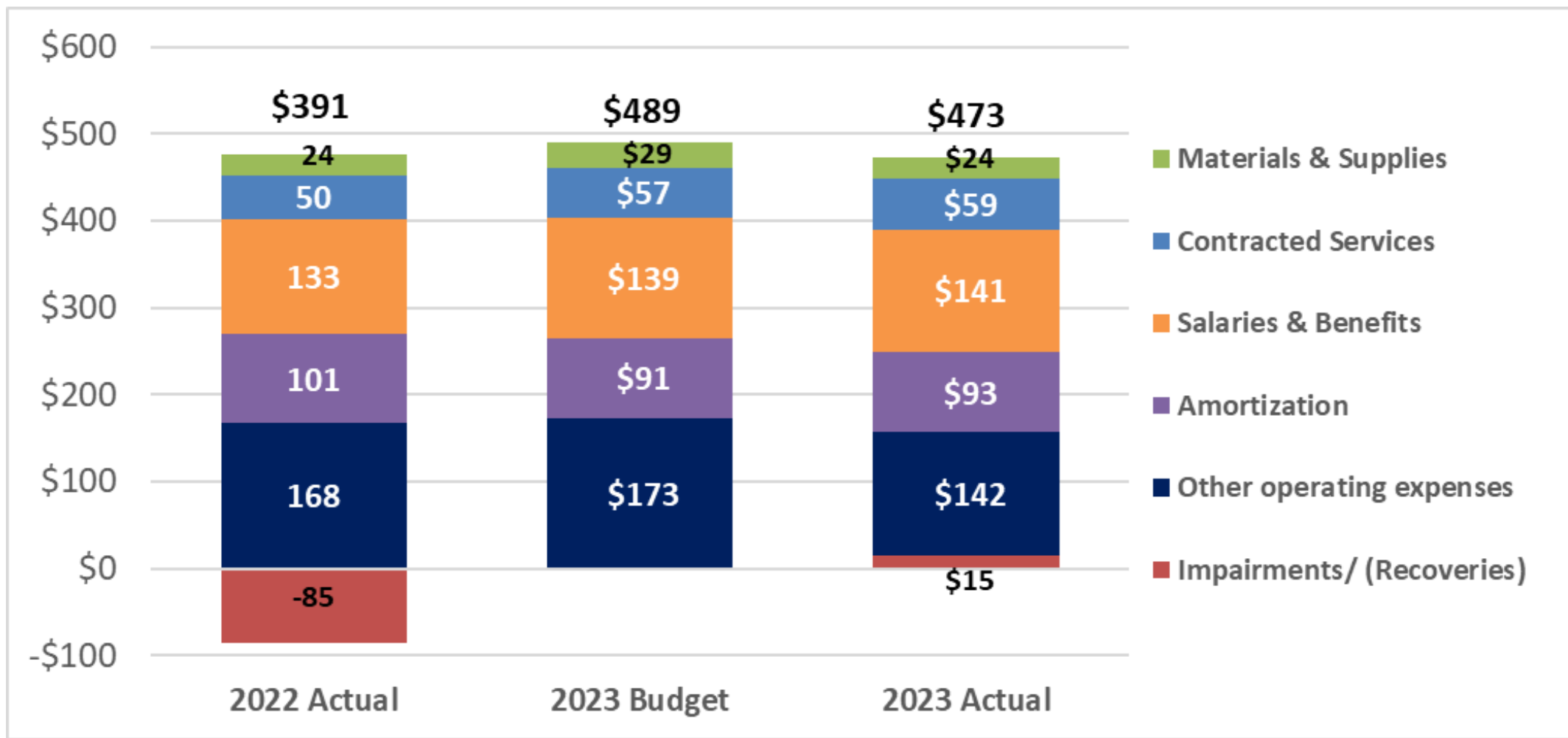
2023 CONSOLIDATED OPERATIONS

	2022 Actual	2023 Budget	2023 Actual
Revenue	552.6	479.6	536.4
Expenses	391.5	489.8	473.4
Annual Surplus	161.1	(10.2)	63.0
Accumulated Surplus (Open)	1,293.3	1,454.4	1,454.4
Accumulated Surplus (Close)	1,454.4	1,444.2	1,517.4
Accumulated remeasurement gains (losses)	-	-	(14.5)
Total accumulated surplus	1,454.4	1,444.2	1,502.9

2023 REVENUE BY SOURCE



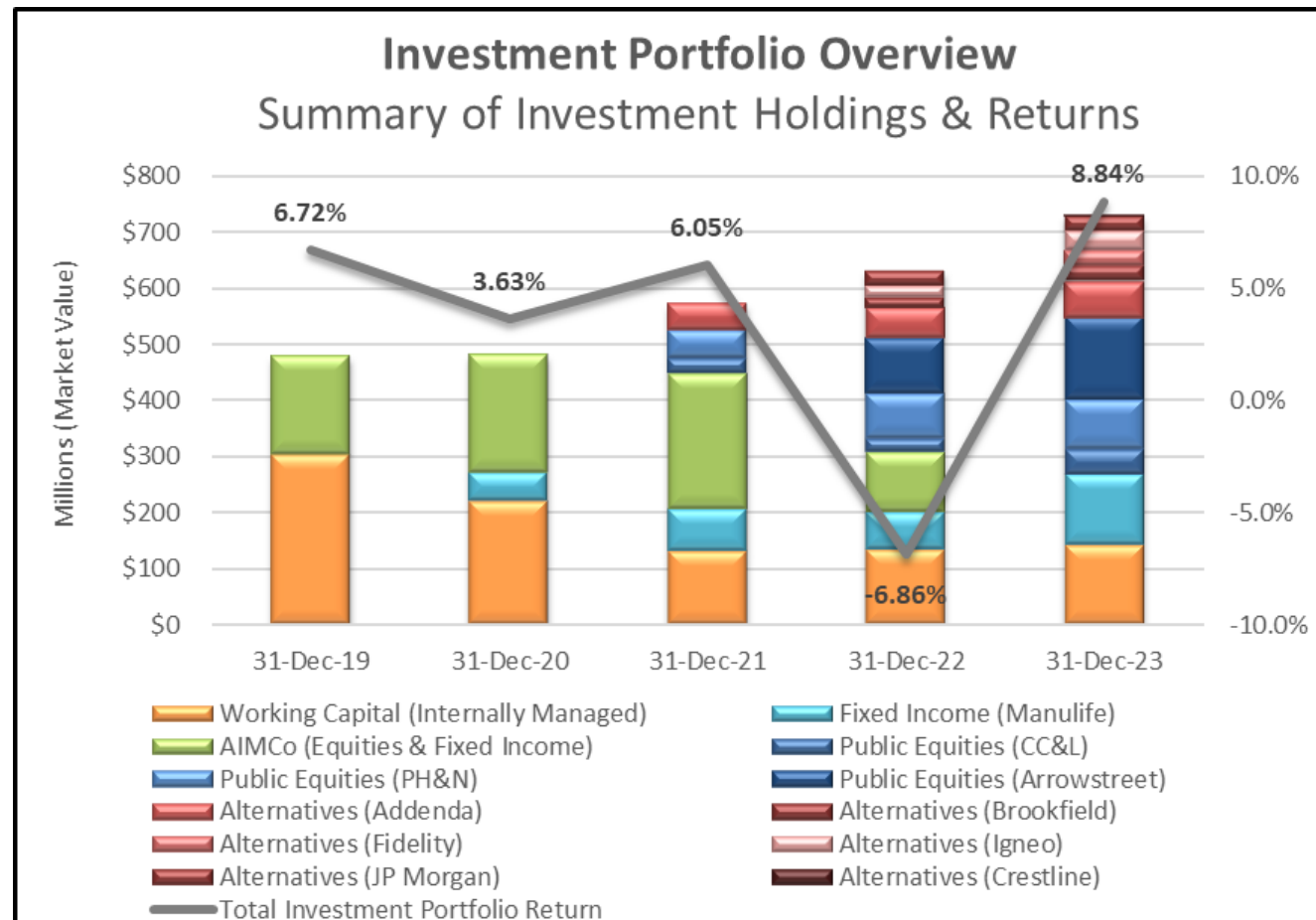
2023 EXPENSE BY SOURCE



Investment Portfolio Overview

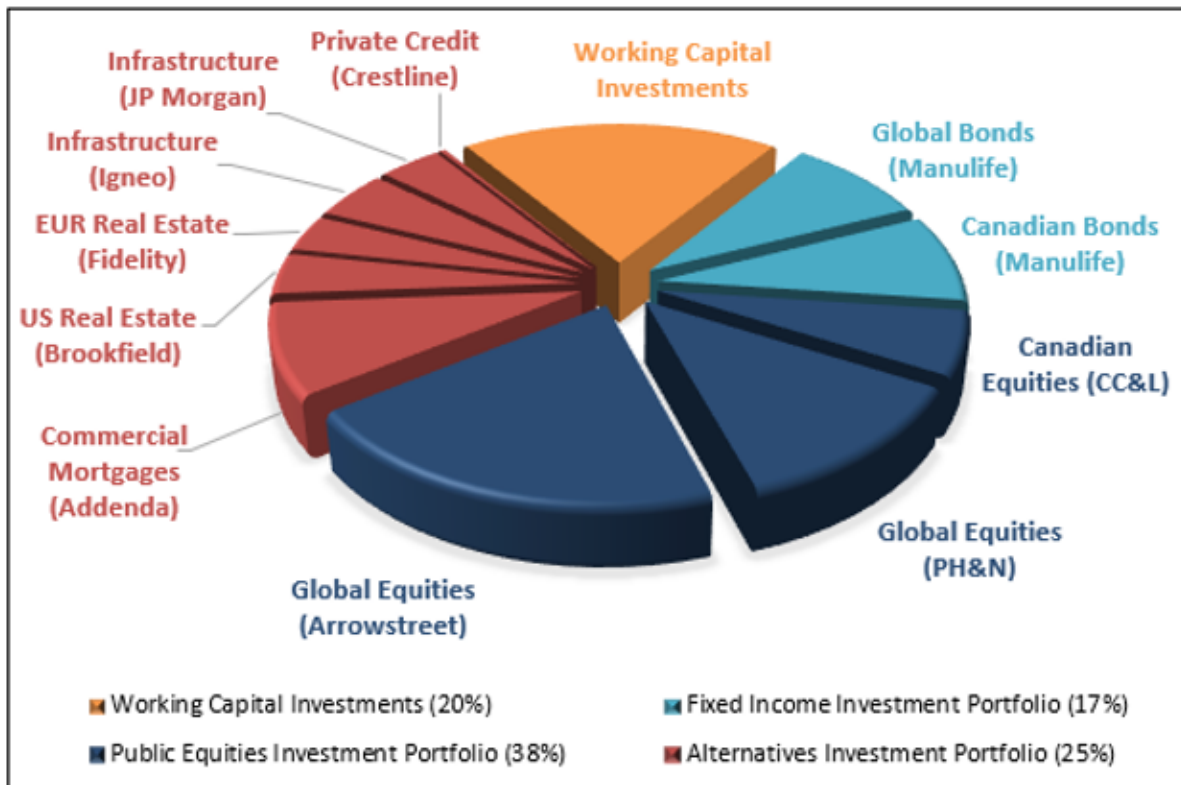
On December 31, 2023, the City of Medicine Hat had a total investment portfolio of \$730.9 million (market value), split as follows:

Asset Class	Manager	Market Value	% Total Portfolio
Working Capital	Internal	\$142,532,494	20%
Canadian Fixed Income	Manulife	\$61,444,338	8%
Global Fixed Income	Manulife	\$63,215,737	9%
Canadian Equities	CC&L	\$44,555,468	6%
Global Equities	PH&N	\$89,286,777	12%
Global Equities	Arrowstreet	\$146,988,936	20%
Commercial Mortgages	Addenda	\$63,841,753	9%
US Real Estate	Brookfield	\$28,604,552	4%
European Real Estate	Fidelity	\$25,629,141	4%
Infrastructure	Igneo	\$34,364,010	5%
Infrastructure	JP Morgan	\$27,927,092	4%
Private Credit	Crestline	\$2,543,788	0%
Total Portfolio – Hedged		\$730,934,087	100%

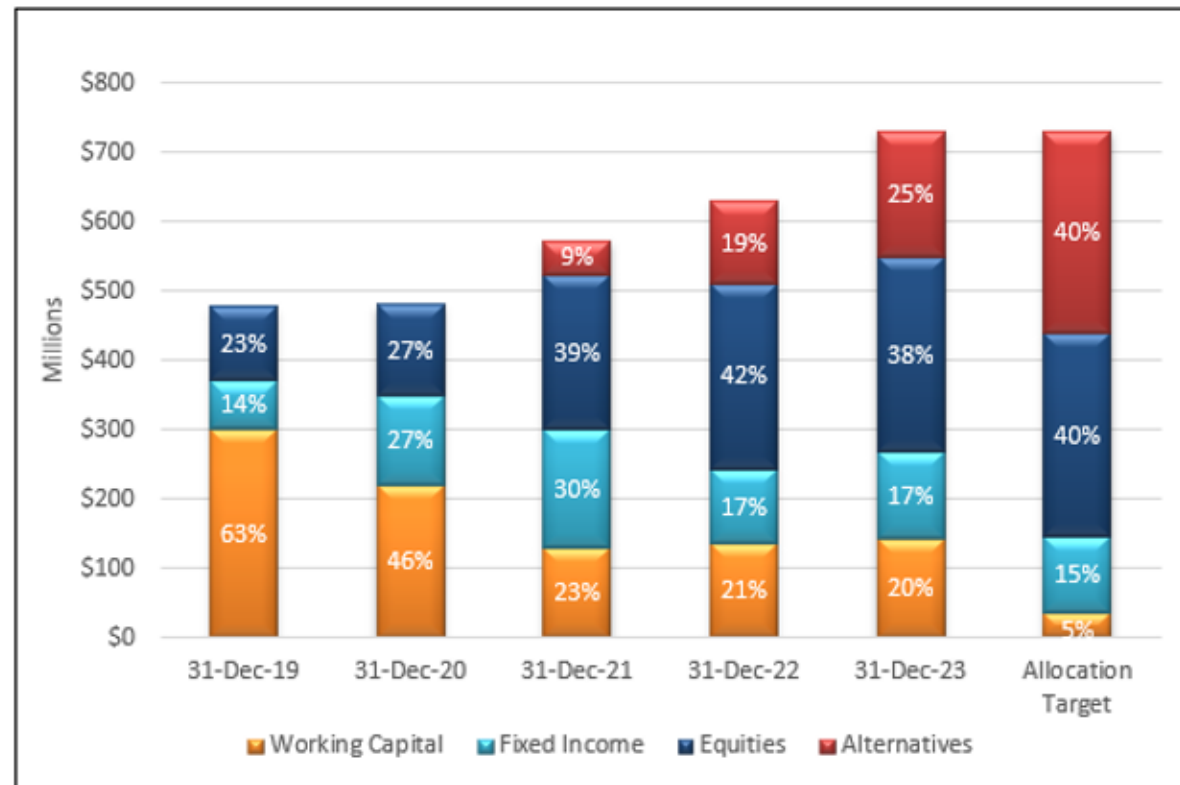


Investment Portfolio Overview

Investments by Mandate



Investments by Asset Class



Investment Portfolio – Commentary

Global Market Outlook

- ❖ Global economic growth is expected to be 3.1% in 2024
 - Emerging economies 4.1%
 - Advanced economies 1.5%
 - USA 2.1%; Canada 1.4%
- ❖ Deglobalization and growing trade restrictions will put negative pressure on global trade growth
 - projected to be 3.3%, below the historical average of 4.9%.
- ❖ Geopolitical risks are on the rise due to structural competition between the US and China, the ongoing war between Russia and Ukraine, and the Israel-Hamas conflict in the Middle East

Investment Portfolio – Commentary

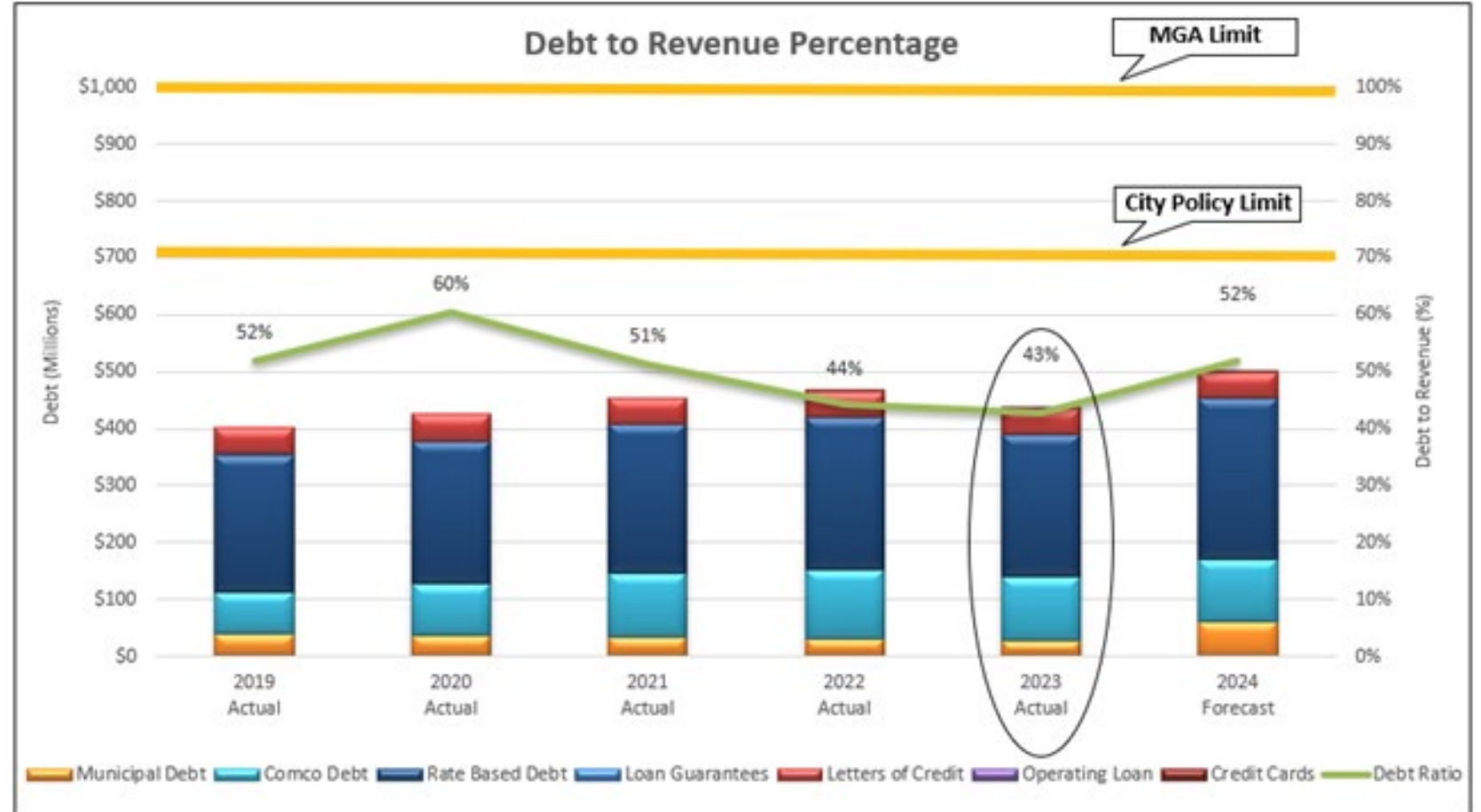
Interest Rate & Investment Outlook

- ❖ Inflation has moderated significantly and additional rate hikes are unlikely
- ❖ Markets are pricing in multiple interest rate cuts for 2024 and fixed income markets have started to rally
- ❖ A reduction in interest rates will have a negative impact on working capital portfolio returns, but will positively impact fixed income, equities, and real assets
- ❖ The City of Medicine Hat's investment portfolio is a diversified, multi-asset class portfolio consisting of Canadian and Global investments in public and private markets
- ❖ Our investment managers have positioned the portfolio to take advantage of yield curve positioning and continue to invest in companies with resilient earnings growth

Debt Management

The City uses debt to finance a portion of its capital program. The use of debt is closely monitored to ensure that the City remains within the MGA and City Policy limits.

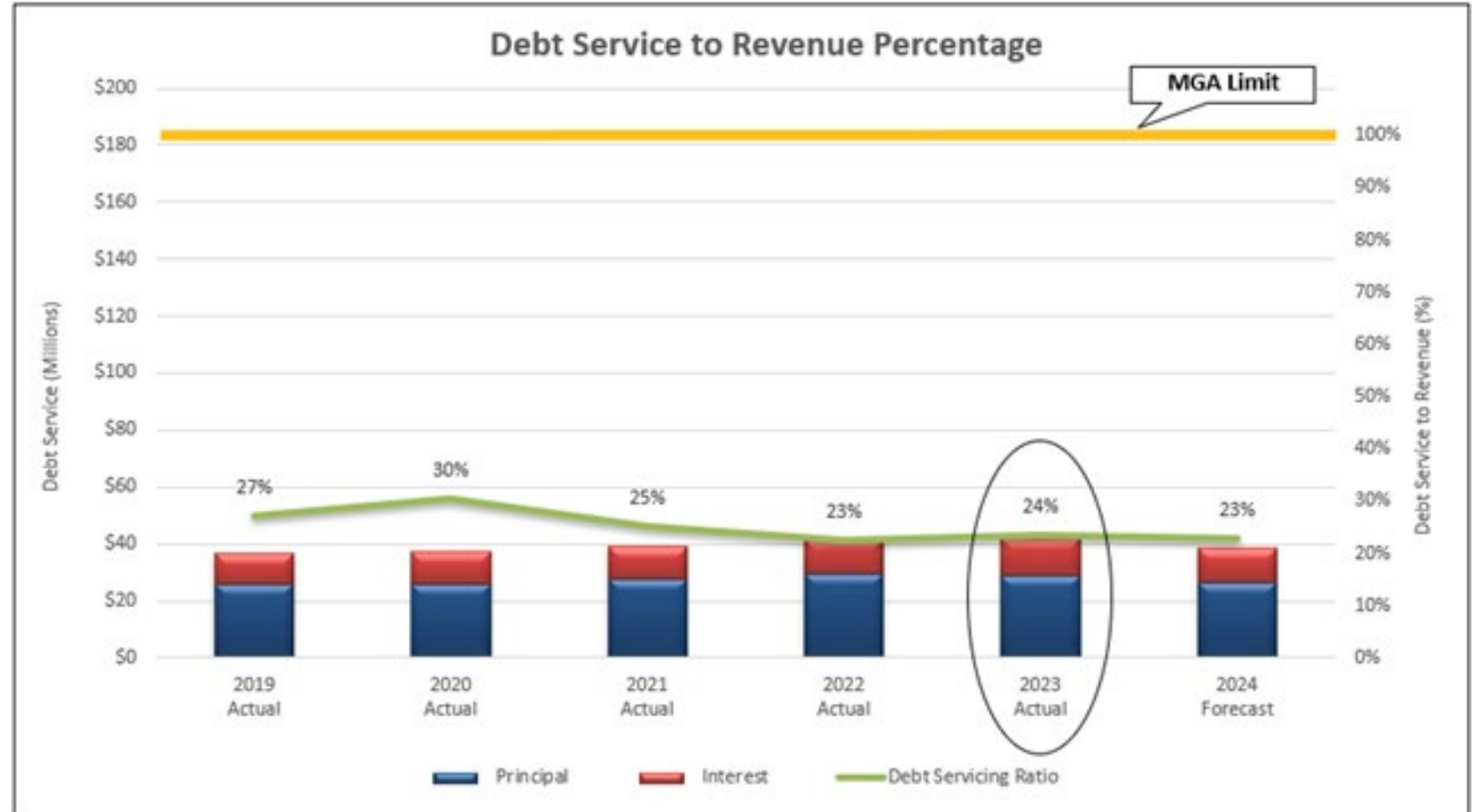
On December 31, 2023, the City had outstanding debt of \$436.8 million (includes long-term debt, letters of credit, credit cards & loan guarantees).



Debt Management

Debt servicing is also closely monitored to ensure that the City remains below the MGA limit.

The City's Debt Servicing requirement for 2023 was 24% of revenue limit.



Thank You

QUESTIONS?

2023 Annual Investment Report

Overview of Investment Portfolio and
Annual Performance Review

Treasury
December 31, 2023



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Investment Management Executive Summary	3
Summary of Investments	3
Compliance	4
Portfolio Performance	4
Fixed Income & Working Capital	5
Equities	6
Alternatives	7
Market Outlook	10

Investment Management Executive Summary

Overview

This report provides a summary of the performance of the City of Medicine Hat's investment portfolio, as well as the market value of investments for the period ending December 31, 2023.

The market value of total assets under management was \$730.9 million as at December 31, 2023. The value of assets under management increased by \$100 million from the previous year, and the total portfolio generated an annual hedged return of 8.84% but lagged the benchmark return by 149 bps. The growth in assets under management resulted from higher dividends from the city-owned and operated electric generation business and strong investment portfolio performance.

Internally managed portfolio AUM (assets under management) was \$137.3 million at the end of 2023, and the portfolio posted a return of 5.49% versus the benchmark return of 4.71%. The externally managed portfolio generated an unhedged return of 9.90% with a market value of \$593.6 million.

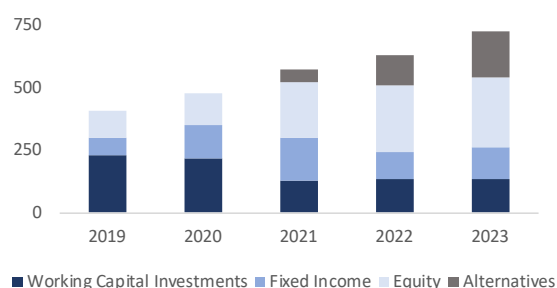
Investment Objectives

- Preservation of capital: The safety of the principal is a primary objective, and all investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
- Mitigation of risk: The City shall mitigate investment risk through asset allocation and diversification, the use of investment restrictions, and hedging.
- Earn a competitive rate of return by maximizing risk-adjusted returns and protecting the real value of the portfolio.

Summary of Investments

As at December 31, 2023, the market value of the City's investment portfolio was \$730.9 million, an increase of 15.9% or \$100.1 million from the previous year.

Investment Portfolio (\$ millions)	Market Value				
	2019	2020	2021	2022	2023
Internal Managed Portfolio					
Working Capital Investments	230.6	220.0	130.6	134.6	137.3
External Managed Portfolio					
Fixed Income	68.5	130.3	169.5	109.0	124.6
Equity	107.6	129.9	223.2	267.5	280.9
Alternatives	-	-	50.2	119.5	182.9
FX Overlay				0.2	5.2
Total	406.7	480.2	573.5	630.8	730.9



Compliance

For the quarter ending December 31, 2023, all the funds were compliant with the Municipal Government Act of Alberta, Chapter M-26, Major Cities Investment Regulation, and the City of Medicine Hat Investment Policy (Policy # 0167). Compliance statements from investment managers are received and reviewed quarterly. The internally managed working capital portfolio was in compliance with all requirements as outlined in Policy # 0167.

Investment Policy Targets & Ranges

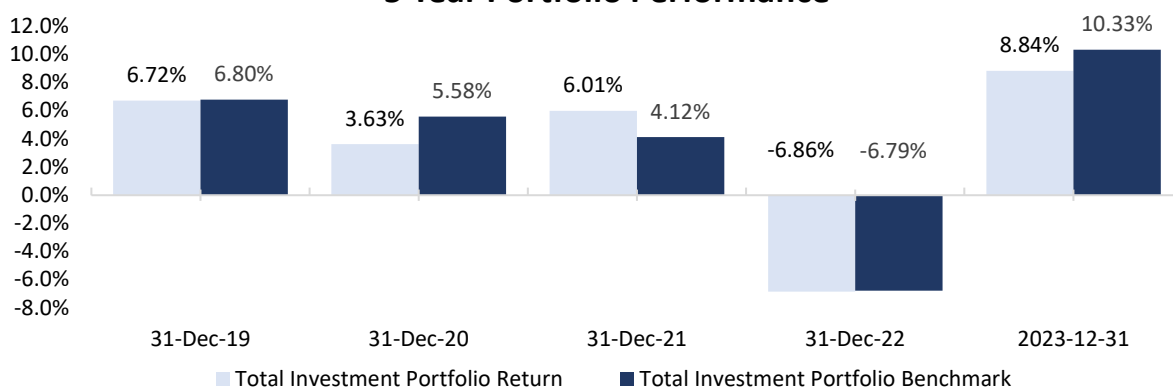
Investment Policy Ranges ¹			
Asset Class	Ranges	Current Allocation	Long-Term Targets
Working Capital	0% - 15%	18.8%	5%
Fixed Income	10% - 20%	17.0%	15%
Public Equities	30% - 50%	38.4%	40%
Alternatives	30% - 50%	25.0%	40%

1. Once asset mix implementation is complete the portfolio allocations will be in line with long term strategic asset allocation targets.

Portfolio Performance

Investment Performance	2023		2022	
	Portfolio	Benchmark	Portfolio	Benchmark
Working Capital	5.49%	4.71%	3.22%	1.82%
Fixed Income	7.23%	4.92%	-11.75%	-12.09%
Public Equities	14.93%	17.97%	-3.61%	-6.42%
Alternatives	2.23%	6.20%	NA	NA
Total Portfolio - Unhedged	8.65%	9.90%	-5.86%	-6.58%
Total Portfolio - Hedged	8.84%	10.33%	-6.86%	-6.79%

5 Year Portfolio Performance



Fixed Income Portfolio

Objective: Invest in a diversified portfolio of fixed income securities to meet the investment objectives of preservation of capital, inflation protection, risk mitigation and risk-adjusted return optimization. The fixed income investment universe includes Canadian bonds, global fixed income securities, emerging market debt, and high-yield bonds.

The year 2022 was challenging for bonds as base rates increased due to monetary tightening and credit spreads widened, indicating reduced investor confidence, which put a combined downward pressure on bond prices. Inflation eased during the quarter but remained high during the year. Although the interest rates remain elevated, the bond markets posted strong returns in the fourth quarter of 2023 as the markets started to call for a pause in the hiking cycle, marking the end of monetary tightening and anticipating that central banks will begin cutting rates in 2024. Due to declining yields, the bonds posted a strong performance in 2023, as price and yields have an inverse relationship. The longer-duration bonds outperformed the shorter-duration bonds as higher-duration bonds tend to be more price-sensitive to changes in interest rates. The FTSE Canada Universe Bond index returned 6.69%, and the Bloomberg Multiverse Index returned 3.20% in 2023.

Both Manulife's Canadian and Global fixed-income strategies exceeded their respective benchmark returns in 2023. The Canadian bond mandate had a higher duration versus their respective benchmarks, which, combined with sector

positioning and security selection in the financials, energy, and real estate sectors, helped the strategy outperform its benchmark. The global bond mandate's outperformance was mainly derived from country and sector allocation, as the strategy had an overweight to high-yield corporates and the US bond market. High-yield bonds did quite well in 2023, as the credit markets remained resilient and rewarded the managers with exposure to the riskier pockets of the market. Currency management was also a positive contributor to the performance of the global strategy as it added 14 bps of outperformance versus the benchmark, and it was mainly driven by the depreciation of the US dollar against the Canadian dollar.

Manager	AUM (millions)	Portfolio Return	Benchmark Return
Manulife - Canadian Core	61.4	7.43%	6.69%
Manulife - Global Unconstrained	63.2	7.03%	3.20%
Total	124.7	7.23%	4.92%

Equities

Objective: Invest in a diversified portfolio of Canadian and Global equities in both developed and emerging markets to achieve long-term capital appreciation, better risk-adjusted returns, and some inflation protection.

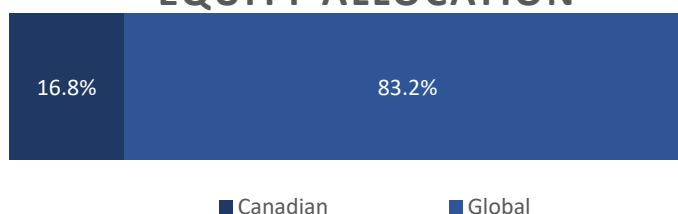
Global markets rebounded in 2023 after suffering a significant decline in 2022. Although the base rates remained elevated, the central bank's reluctance to further hike rates was seen by markets as a likely end of the rate hiking cycle. Most MSCI World sectors, except for the energy sector, posted positive returns during Q4-2023. However, on a year to date basis, all MSCI World sectors posted positive performance. PHN's global equity mandate posted a return of 7.79% in Q4, only 87 bps behind its benchmark return, but lagged the one-year benchmark return by 11.74%. PHN had posted strong returns in Q4, but the mandate could not narrow the relative underperformance gap due to its holdings in the US Financials sector, which detracted in performance as some of the US Banks went out of business in the first half of the year, and the sector underperformed as a whole in 2023. PHN's position in copper mining firm First Quantum Minerals also contributed to its underperformance as its mining operations in Panama were shut down due to a court ruling. The overall mandate has shown signs of recovery since Q3-2023, as is evident by its Q4 performance data, followed by a strong monthly performance posted in January 2024.

The CCL Canadian equity strategy returned 9.80% but lagged its benchmark return by 200 bps. The majority of the underperformance was driven by security selection in the financials, consumer staples, and consumer discretionary sectors.

The Arrowstreet global equity strategy posted strong returns in 2024. The mandate returned 20.24% and exceeded its benchmark return by 192 bps. The overall equity portfolio is well diversified, and over the long term, the portfolio is expected to deliver strong uncorrelated risk-adjusted returns.

Manager	AUM (\$ millions)	Portfolio Return	Benchmark Return
CCL - CDN	44.6	9.80%	11.80%
PHN - GBL	89.3	8.73%	20.47%
Arrowstreet - GBL	147.0	20.24%	18.32%
Total	280.8	14.93%	17.97%

EQUITY ALLOCATION



Alternatives

Commercial Mortgages

Objective: Maximize income, inflation protection, and total return while investing in a diversified portfolio of high quality first mortgages secured by real property in Canada.

Investor sentiment remained strong in industrial, multi-family, and select retail (grocery and pharmacy anchored) property types. The hospitality sector continued to face headwinds as uncertainty around growth and recovery continues to persist.

Addenda's Canadian Commercial Mortgage mandate returned 7.15% during the year and exceeded its benchmark

return by 213 bps. Addenda's portfolio has an overweight to industrial properties and also had a substantial allocation to multifamily properties; both of these property types are defensive in nature. The mandate had an underweight to office and retail, which is reflective of weaker fundamentals in the office market as the sector is undergoing structural changes as more and more organizations are adopting remote and hybrid work models. Also, the portfolio has minimal exposure to construction and land loans, which protected portfolio returns as rising inflation and declining valuations would have put downward pressure on portfolio returns. The exposure to the retail sector is primarily focused on community-oriented grocery and pharmacy-anchored properties, which provide essential shopping experiences and are more resilient to economic downturns than traditional retail malls.

Manager	AUM (\$ millions)	Portfolio Return	Benchmark Return
Addenda	63.8	7.15%	5.02%

PROPERTY TYPE



■ Residential ■ Industrial ■ Retail ■ Office ■ Other

Alternatives - Continued

Real Assets

Objective: Maximize income, inflation protection and total return while investing in a diversified portfolio of high quality real estate and infrastructure investments.

2023 was a mixed year for real assets. While infrastructure investments performed well and exceeded their respective benchmark returns, the real estate investment portfolio not only posted negative returns, but also fell short of its return target of CPI + 4%. The relative underperformance of real estate was partly due to high interest rates. Not only do higher interest rates increase the cost of borrowing and negatively impact fund

Manager	AUM (millions)	Portfolio Return	Benchmark Return
Brookfield - US Real Estate	28.6	-19.10%	7.88%
Fidelity - European Real Estate	25.6	-5.62%	3.76%
Igneo - Global Infrastructure	34.4	9.39%	7.88%
JP Morgan - Global Infrastrucutre	27.9	11.40%	7.88%
Total	116.5	-0.27%	4.44%

returns, but they also increase the cap rate and discount rates used to discount the cash flow of income-producing assets. Higher interest rates, combined with elevated vacancy levels, especially in the office market, put downward pressure on the valuation of real estate portfolios. Multifamily and industrial portfolios maintained higher occupancy levels along with rent growth, but the write-down of office assets was the largest contributor to underperformance.

The infrastructure asset class has posted strong returns in 2023, as both Igneo and JP Morgan exceeded their benchmark returns. Both of the infrastructure funds the City of Medicine Hat has invested in are diversified across different geographies and product types. A large portion of the revenue comes from contracted/regulated assets, which provides downside protection and upside participation as cash flows are more predictable. Infrastructure investments also offer a natural inflation hedge as portfolio companies can pass higher costs on to their consumers.

Alternatives - Continued

FX Overlay

Objective: Protect the market value of foreign-denominated assets by mitigating foreign currency risk exposure within the investment portfolio.

Most of the City's FX exposure is to the USD – 71% at year-end. The Canadian dollar (CAD) remained volatile against the USD but ended the year strongly as it appreciated 2.4% against the US dollar in 2023. The currency overlay mandate had realized losses of CAD 3.8 million during 2023 but ended the year with an unrealized gain position of CAD 5.2 million and posted an overall gain of CAD 1.4 million for the year. The realized losses were paid out of the working capital portfolio and are reflected in the year-end balance.

Manager	Portfolio Return	Realized Gain/Loss (\$ millions)	Unrealized Gain/Loss (\$ millions)
Mesirow	0.43%	-3.80	5.20

The weakness of the USD was driven by the dovish view of the Fed on further interest rate hikes, and markets priced in 75 bps of rate cuts by the end of 2024, weakening the US dollar against CAD. The Canadian dollar also ended the year with a strong performance against the euro (EUR), the second largest FX exposure (13.2%) in the investment portfolio.

The weakness of the USD was driven by the dovish view of the Fed on further interest rate hikes, and markets priced in 75 bps of rate cuts by the end of 2024, weakening the US dollar against CAD. The Canadian dollar also ended the year with a strong performance against the euro (EUR), the second largest FX exposure (13.2%) in the investment portfolio.

Private Credit

Objective: Maximize income, inflation protection, and total return while investing in a diversified portfolio of private credit investments.

In Q1 2023, the Administrative Committee approved adding private credit to the asset mix for the City of Medicine Hat's investment portfolio. Two private credit managers, Crestline and Apollo, were selected to manage the USD 80 million private credit allocation. Crestline focuses on companies in lower-middle to middle-market space, while Apollo targets large-cap companies. It diversifies the borrower pool and ensures the two funds are not competing for the same deals. Apollo is also targeting to allocate a quarter of the fund's commitment in Western Europe, which will provide further geographical diversification. Crestline's first capital call for USD 1.9 million was funded in December, and Apollo is expected to make the first capital call in the first half of 2024. Due to the limited investment period, the return data is unavailable for Crestline.

Investment Manager	Total Commitment	Capital Called	Remaining Commitment
Crestline	USD 30M	USD 1.9M	USD 28.1M
Apollo	USD 30M	-	USD 30M

Market Outlook

Global markets made a much-needed comeback in 2023, especially in the fourth quarter when equities and bonds posted large positive returns. In 2023, investors were concerned with

elevated inflation levels and fears of recession. The global economy proved to be more resilient as inflation started to come down. Despite the obstacles, i.e. the US regional bank crisis, all major equity and bond indexes posted strong returns in 2023.

Growth in the global economy is expected to be 3.1% in 2024; emerging and developing economies are expected to grow at 4.1%, exceeding the 1.5% growth expected for advanced economies. The IMF's world economic outlook for Real GDP growth for the US and Canada is 2.1% and 1.4%, respectively.

Deglobalization and growing trade restrictions will put negative pressure on global trade growth. World trade growth is projected to be 3.3%, below its historical average growth rate of 4.9%. Geopolitical risks are on the rise due to structural competition between the US and China, the ongoing war between Russia and Ukraine, and the Israel-Hamas conflict in the Middle East. Geopolitical tensions in the Middle East are forcing container ships to take longer routes to mitigate the risk of attacks. It has negatively impacted the supply chains, as container ships' freight prices and delivery times have increased.

Inflation has moderated in both the US and Canada and if this trend stays the course, future rate hikes are highly unlikely. Markets are anticipating that the central banks will start cutting rates in 2024. The magnitude and the frequency of the rate cuts will depend on whether the economy heads towards a soft landing or a recession. A recession would force central banks to cut rates more aggressively than in the soft landing scenario. A reduction in interest rates will have a negative impact on the working capital portfolio returns, but all else equal, lower interest rates will positively impact fixed income, equities, and real assets returns, which will outweigh the negative impact on the working capital portfolio.

The City of Medicine Hat's investment portfolio is a multi-asset class, diversified portfolio consisting of Canadian and Global investments. Our investment managers have positioned the portfolio to take advantage of yield curve positioning and continue to invest in companies with resilient earnings growth. As a result, we believe that our asset allocation and diversified investment strategies are well-positioned to remain resilient during periods of slower growth while meeting our longer-term risk and return requirements.

DATE: 2024-04-22

MEETING: REGULAR COUNCIL

DEPARTMENT: FINANCE

REPORT AUTHOR: LOLA BARTA, DIRECTOR OF FINANCE

REAPPOINTMENT OF AUDITORS FOR 2024

EXECUTIVE SUMMARY:

Reappointment of MNP LLP as the External Auditors for the City of Medicine Hat to audit the 2024 financial statements.

STRATEGIC ALIGNMENT:

INNOVATION <input type="checkbox"/>	ECONOMIC EVOLUTION <input type="checkbox"/>	SERVICE ORIENTATION <input type="checkbox"/>
PARTNERSHIPS & GOVERNANCE <input checked="" type="checkbox"/>	COMMUNITY WELLNESS <input type="checkbox"/>	RESILIENCY & SUSTAINABILITY <input checked="" type="checkbox"/>

RECOMMENDATION:

It is recommended through the Administrative Committee and the Audit Committee that City Council approves the reappointment of MNP for the City of Medicine Hat annual audit engagement for the 2024 financial statements.

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

On September 5, 2023, City Council approved MNP LLP as the external auditors for the City of Medicine Hat to audit the 2023 financial statements with an option to extend the engagement, one year at a time, up to an additional four years, subject to City Council’s annual reappointment of auditors.

BACKGROUND / ANALYSIS:

MNP LLP was awarded a one-year Audit Contract in 2023 with a year-to-year extension through 2027, subject to City Council’s annual reappointment of auditors. An increase to the yearly contract price will be adjusted by the Consumer Price Index as long as the City’s scope of operations does not change. The 2025 audit fees also reflect the additional requirement for audit of the City of Medicine Hat pension plans (Local Authorities Pension Plan (LAPP) and Special Forces Pension Plan (SFPP)) on a tri-annual basis.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

The Auditing services are for the City of Medicine Hat as well as the Medicine Hat Airport, Allied Oil & Gas Corp., and the Medicine Hat Public Library.

High quality financial reporting is essential for the City of Medicine Hat to remain accountable to residents and stakeholders interested in the City’s finances. The External Audit provides an independent opinion that the financial statements fairly represent the financial position of the City of Medicine Hat.

POTENTIAL RISKS / IMPACTS:

Financial:

Funding Request:	No	If yes, amount: \$Click to enter text.
Budgeted Item:	Yes	Funding Source: Choose if Applicable
Funding Explanation:		
Budget Amendment Form?	No	

Auditing fees have been included in the annual budget.

MNP was awarded a one-year contract in 2023, with an option to extend the engagement, one year at a time, up to an additional four years, subject to City Council’s annual reappointment of auditors. Fees proposed by MNP for professional services (all inclusive, except GST) are as follows:

	City of Medicine Hat	Medicine Hat Airport	Allied Oil & Gas Corp.	Medicine Hat Public Library Option 1***	Medicine Hat Public Library Option 2***	Total Option 1	Total Option 2
2023*	\$ 108,250	\$ 10,000	\$ 750	\$ 13,000	\$ 14,500	\$ 132,000	\$ 133,500
2024	\$ 107,380	\$ 8,320	\$ 780	\$ 11,440	\$ 13,000	\$ 127,920	\$ 129,480
2025**	\$ 117,675	\$ 8,653	\$ 811	\$ 11,898	\$ 13,520	\$ 139,037	\$ 140,659
2026	\$ 116,142	\$ 8,999	\$ 844	\$ 12,374	\$ 14,061	\$ 138,358	\$ 140,046
2027	\$ 120,788	\$ 9,359	\$ 877	\$ 12,868	\$ 14,623	\$ 143,893	\$ 145,647

*2023 includes a one-time setup fee

**2025 includes the additional audit required for the City of Medicine Hat pension plans (completed on a tri-annual basis)

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

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

Health, Safety and Environmental:

No HSE impacts as the vendor has the appropriate WCB and insurance coverage. A review of safety protocols will be completed when the vendor is on site

Legal / Legislative / Policy:

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

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

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

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

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ALTERNATIVE OPTIONS / PROS AND CONS:

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

IMPLEMENTATION PLAN:

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

REVIEWED BY & DATE:	Lola Barta Director of Finance	2024-01-09
APPROVED BY & DATE:	Dennis Egert Managing Director of Corporate Services and CFO	2024-01-10
ATTACHMENTS:	None	

DATE: 2024-04-22
MEETING: REGULAR COUNCIL
**DEPARTMENT: FLEET, FACILITIES AND ASSET
MANAGEMENT**
**REPORT AUTHOR: JEFF HOGLUND, DIRECTOR
FLEET, FACILITIES AND ASSET MANAGEMENT**
CORPORATE ASSET MANAGEMENT POLICY
EXECUTIVE SUMMARY:

This policy and program rescinds and replaces Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy. It supports the application of corporate asset management principles through the operating business plans and operating/capital budget process. It is designed to:

1. Communicate the City’s commitment to Asset Management (AM).
2. Provide clear communication and guidance for the city's long-term asset management strategies through mid-term asset management plans, and current asset management activities including business planning and budget processes.
3. Provide a consistent and integrated approach to developing and implementing the organization’s Asset Management program to support corporate strategies, and plans.
4. Support the City’s strategic goals and objectives, by communicating department asset management activities to demonstrate accountable, evidence-based decision-making for business planning and budget processes and clarify the required outcomes.

STRATEGIC ALIGNMENT:
INNOVATION

ECONOMIC EVOLUTION

SERVICE ORIENTATION

PARTNERSHIPS & GOVERNANCE

COMMUNITY WELLNESS

RESILIENCY & SUSTAINABILITY

RECOMMENDATION:

Recommend through the Administrative Committee and Corporate Services Committee that City Council:

- rescinds Policy 0154, and
- approves Policy Number 0181, Corporate Asset Management Policy

PREVIOUS COUNCIL MOTIONS / DIRECTIONS:

Replaces Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy.

Supports Medicine Hat City Council Strategic Plan 2023-2026, 6. Resilience & Sustainability, 6.7 Understand, successfully manage, and report on our long-term maintenance obligations and infrastructure liabilities

BACKGROUND / ANALYSIS:

Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy was adopted in 2014. It is specific in the City of Medicine Hat assets it applies to and does not consider all corporate assets.

As per Canadian Network of Asset Management: “Asset management is an integrated approach, involving all organization departments, to effectively manage existing and new assets to deliver services to the customer (CNAM Asset Management 101)”.

The updated and recommended Corporate Asset Management Policy expands to encompass a corporate approach rather than being specific to certain city infrastructure.

The following principles ensure that Asset Management decisions reflect long-term approach in supporting City of Medicine Hat becoming more sustainable and resilient:

1. Customer Service Focused – manage City assets appropriately in order to efficiently and effectively deliver the defined level of service.
2. Long-term Sustainability and Resilience – City assets consider the needs of both current and future generations.
3. Holistic Approach – collaboration across departments and disciplines to realize optimal value of City assets for the community.
4. Fiscal Responsibility – maintain prioritized capital investment plans of City Assets considering aggregate value for the community, affordability, risk and intergenerational equity.
5. Innovation and Continual Improvement – review effectiveness of asset management framework and related processes and make adjustments as required.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

An internal Asset Management Governance committee was established for stakeholder engagement in crafting the updated policy. Policy and program were circulated for review and feedback prior to presentation.

POTENTIAL RISKS / IMPACTS:

Financial:

Funding Request:	No	
Budgeted Item:	No	
Funding Explanation:		
Budget Amendment Form?	No	

Operating funding of Asset Management Specialist position included in approved 2024 Operating Budget Amendment.

Health, Safety and Environmental:

This policy will support the Enterprise Risk Management program, operating and capital budgets assisting with recognizing risks from asset failure

Legal / Legislative / Policy:

This policy will support annual Federal and Provincial reporting, will support operating and capital budget creation, support Enterprise Risk Management initiatives, and support grant funding applications.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION:

N/A

ALTERNATIVE OPTIONS / PROS AND CONS:

OPTION1: Continue Policy 0154. Not recommended as it is restrictive to only specific City of Medicine Hat asset types and does not capture full corporate assets scope.

IMPLEMENTATION PLAN:

On approval, the proposed Asset Management Program will be instituted utilizing the annual review process and development of action plans and reporting to support operating and capital budget considerations.

REVIEWED BY & DATE:	Jeff Hoglund Director, Fleet, Facilities, Asset Management	2024-03-18
APPROVED BY & DATE:	Dennis Egert Managing Director, Corporate Services	2024-03-19
ATTACHMENTS:	1 City of Medicine Hat, Corporate Asset Management Policy 2: City of Medicine Hat, Asset Management Program 3: Corporate Asset Management Policy & Program Presentation 4: Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy	

Title: CORPORATE ASSET MANAGEMENT POLICY		Number: 0181
Reference: Administrative Committee - March 27, 2024 Corporate Services Committee - April 11, 2024	Adopted by City Council:	
	City Clerk	Chief Administrative Officer
		Supersedes: Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy
Prepared by: FLEET, FACILITIES AND ASSET MANAGEMENT		

STATEMENT

THE CITY OF MEDICINE HAT WILL UTILIZE A LONG-TERM STRATEGIC APPROACH TO ACQUIRE, MANAGE AND RENEW ITS CORPORATE ASSETS.

THE ASSET MANAGEMENT POLICY IS A CRITICAL ELEMENT OF THE CITY'S OVERALL ASSET MANAGEMENT PROGRAM WHICH WILL INFORM COUNCIL'S STRATEGIC PLAN AND CONTRIBUTE TO BUSINESS PLANNING, ENTERPRISE RISK PLANNING, AND BOTH OPERATING AND BUDGET DECISIONS.

PRINCIPLES

The following principles ensure that Asset Management decisions reflect long-term approach in supporting City of Medicine Hat becoming more sustainable and resilient:

1. Customer Service Focused – manage City assets appropriately in order to efficiently and effectively deliver the defined level of service.
2. Long-term Sustainability and Resilience – City assets to consider the needs of both current and future generations.
3. Holistic Approach – collaboration across departments and disciplines to realize optimal value of City assets for the community.
4. Fiscal Responsibility – maintain prioritized capital investment plans of City assets considering aggregate value for the community, affordability, risk, and intergenerational equity.
5. Innovation and Continual Improvement – review effectiveness of asset management framework and related processes and make adjustments as required.

Policy No. 0181 – Corporate Asset Management Policy		POLICY
Adopted by:	City Council -	

ROLE OF COUNCIL

1. To receive, review and adopt this policy and any recommended amendments thereto.
2. Articulate community values, provide high-level oversight and prioritize effective stewardship of services and assets in decision-making processes.
3. To endorse and approve human and financial resources to support the implementation of the Asset Management Principles.

Policy No. 0181 – Corporate Asset Management Policy		PROCEDURE
Approved by:	Administrative Committee – March 27, 2024	Page 3 of 5

SCOPE

This Policy applies to the acquisition and management of City of Medicine Hat Assets. It complements but does not replace corporate strategic plans, corporate goals and objectives, business plans, risk management plans, or regulatory requirements as updated and amended.

1. DEFINITIONS

- 1.01 Asset – An asset is an item, thing or entity that has potential or actual value to an organization. The value can be tangible or intangible, financial or non-financial and exist to support service delivery to the community. City of Medicine Hat examples include water, sanitary sewer, storm, transportation, electrical generation, utility distribution, parks and recreation, information technology and vertical infrastructure (facilities).
- 1.02 Asset Management – An integrated approach, involving all organization departments, to effectively manage existing and new assets to deliver services to the customer. The intent of asset management is to maximize benefits, manage risk and provide satisfactory levels of service to the community in a sustainable manner.
- 1.03 Asset Management Roadmap – Step-by-step plan guiding the actions, responsibilities, resources, and timeframes to implement the asset management strategy and deliver asset management objectives.
- 1.04 Asset Management Program – An asset management system approach will ensure the application of asset management practices on a corporate level to maximize consistency of approach among diverse business units. Elements that make up the Asset Management Program can include documents, procedures, tools, data, and assets.
- 1.05 Operating and capital budget – This is a system for funding investment and asset acquisition, operations, maintenance, replenishment, and disposal. It is a projection of the City's revenue and major, long-term, and operational expenses.
- 1.06 Governance structure – This includes process flows, procedures, and reporting mechanisms that implement governance at the level of job responsibilities. It helps ensure that decision-making processes remain structured, transparent, and focused on the overall objectives of the organization.
- 1.07 Levels of Service – The parameters or combination of parameters that reflect socio-cultural, financial/economic, and environmental outcomes that the organization delivers. They describe the outputs or objectives that the City intends to deliver, including measures at the corporate, stakeholder, and asset operator levels of the organization. They are the composite indicators such as quality, quantity, reliability, responsiveness, safety, and cost, for a particular activity or service area against which service performance may be measured.

Policy No. 0181 – Corporate Asset Management Policy		PROCEDURE
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1.08 Management information systems – This is an application of information systems for asset data and record storage, including but not limited to approximate value, age, remaining useful life, and condition. It provides insights about asset performance through reports and dashboards and can be used for other support functions like scheduling, costing etc.

2. RESPONSIBILITIES

2.01 City Council

- (a) To receive, validate and adopt this policy by a resolution passed by City Council.
- (b) Articulate community values, provide high-level oversight and prioritize effective stewardship of services and assets in decision-making processes.
- (c) To endorse and approve human and financial resources to support the implementation of the Asset Management Principles.

2.02 Leadership Team and Management

- (a) Endorse the asset management policy and champion asset management practices across the organization.
- (b) Communicate the vision and goals of the asset management framework at a corporate level and provide the guidance necessary to ensure alignment and integration across the organization.
- (c) Create and maintain an Asset Management Governance Structure to lead the development of asset management practices and to oversee their application across the organization.
- (d) Provide input and direction to corporate asset management strategies and work plans to ensure consistency with other corporate initiatives.
- (e) Review asset management implementation and continuous improvement progress within the division's portfolio and report system progress to the Administrative Committee and/or council.
- (f) Provide regular updates and reports to Council on achievements, opportunity areas and strategic adjustments.
- (g) Steward a culture of continuous improvement in asset management with staff and Council.
- (h) Revisit the procedures and make amendments as required through Administrative Committee

2.03 Departmental Staff

- (a) Utilize existing and new processes, procedures and tools as part of the asset management program.
- (b) Carry out asset management activities as guided by the asset management program and roadmap.
- (c) Track and report asset management program progress and results.
- (d) Participate in the regular review of all documentation, data, and asset measurement tools to ensure continued relevance and applicability of existing policies and practices as it pertains to their area of expertise.
- (e) Work with asset management information systems staff to ensure systems development and functionality meets asset management needs.

Policy No. 0181 – Corporate Asset Management Policy		PROCEDURE
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3. ADMINISTRATIVE GUIDELINES

3.01 Service-focused

- (a) Long-term service outcomes are documented and the lifecycle of assets and the service they provide is considered in decision-making
- (b) Levels of service and trade-offs between costs and services, are based on long-term sustainability, and are informed by staff, Council, the public and other stakeholders
- (c) Risks to the long-term sustainability of services are documented, and communicated
- (d) Prioritization between new and existing infrastructure is guided by long-term service needs
- (e) Service levels consider natural assets and climate change in consideration of the City of Medicine Hat Environmental Framework
- (f) Service levels are compliant with regulatory requirements and reflect current industry best practices

3.02 Integrated decision-making based on data

- (a) Decisions are approached holistically, incorporate departmental knowledge, and consider trade-offs between service, risk, and cost/funding across departments
- (b) City demonstrates fiscal responsibility, transparency, and stewardship in decision-making
- (c) Decisions consider existing plans for new and existing infrastructure
- (d) Outcomes of trade-off decision-making processes are communicated
- (e) Departments collaborate during priority-based planning and budgeting processes

3.03 Communication and support

- (a) Asset management principles are applied at all levels of the City
- (b) Roles and terminology are clear and are understood across the organization
- (c) Resources are in place to support success in roles
- (d) The City stewards a culture of trust and collaboration

3.04 Culture of data management

- (a) Data management approach supports people, then process, then technology required
- (b) Staff knowledge and experience is valued, retained, and captured within process and procedures to improve service delivery
- (c) Information is reliable and accessible to those who need it
- (d) The City continues to evolve and maintain a complete and accurate asset inventory.

3.05 Continuous Improvement

- (a) Asset management training and/or development opportunities will be provided for staff and Council
- (b) Progress is tracked on the asset management roadmap and reported regularly
- (c) The City's asset management program is revisited periodically and adjusted as necessary
- (d) The City's asset management policy shall be revisited and adjusted as necessary

CITY OF MEDICINE HAT

2024 FFAM Corporate Asset Management Policy & Program

For more information, contact:

Jeff Hoglund

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March 2024

2024 City of Medicine Hat, Fleet, Facilities, Asset Management (FFAM) Corporate Asset Management Policy & Program

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Overview

What is Asset Management? As defined by the Canadian Network of Asset Management:

“Asset management is an integrated approach, involving all organization departments, to effectively manage existing and new assets to deliver services to the customer (CNAM Asset Management 101)”

The City of Medicine Hat Asset Management Policy and Program is designed to:

1. Communicate the City’s commitment to Asset Management (AM).
2. Provide clear communication and guidance for the city's long-term asset management strategies, mid-term asset management plans, and current asset management activities through business planning and budget processes.
3. Provide a consistent and integrated approach to developing and implementing the organization’s Asset Management program to support corporate strategies, and plans.
4. Support the city’s strategic goals and objectives, by communicating department asset management activities to demonstrate accountable, evidence-based decision-making for business planning and budget processes and clarify the required outcomes.

This policy and program will support the application of corporate asset management principles through the operating business plans and operating/capital budget process.

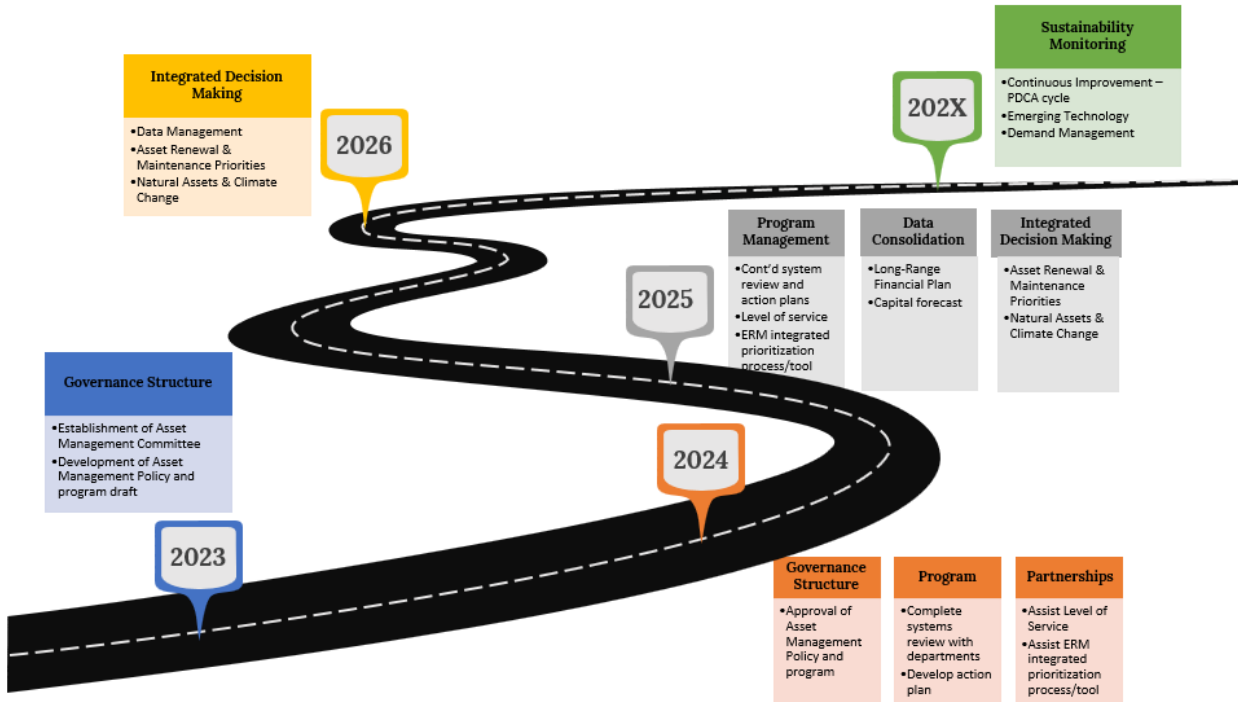
Asset Management (FFAM) will administer the Asset Management Program.

A Road Map has been developed for the phasing of developing the Asset Management Program.

Road Map

The Asset Management Road Map is presented in phases.

CMH Asset Management Roadmap



Phase 1 in 2024 is to finalize and present a Corporate Asset Management Policy to rescind and replace Policy Number 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy, to encompass all City of Medicine Hat assets and departments.

Phase 2 is to complete the Asset Management Program review and develop action plans with the appropriate operating departments. This information is held at the department level and will be coordinated by FFAM as managers of the program.

FFAM will also assist and collaborate the work being done by the Enterprise Risk Management group, and Level of Service project as these are core components of asset management principles.

Phase 3 will be development and maturing the reporting system and program to collect and report the asset data regularly.

Program

The program is the framework, to guide and report on asset management processes currently being done by the unique operating departments, for the assets within their portfolios. This program then supports departmental business planning and the development of operating and capital budgets, as well as long-term financial requirements. The program is based on the following principles:

2024 City of Medicine Hat, FFAM Asset Management Policy & Program

Principles:

1. Service-focused

- a. Long-term service outcomes are documented and the lifecycle of assets and the service they provide is considered in decision-making
- b. Levels of service and trade-offs between costs and services, are based on long-term sustainability, and are informed by staff, Council, the public and other stakeholders.
- c. Risks to the long-term sustainability of services are documented, and communicated.
- d. Prioritization between new and existing infrastructure is guided by long-term service needs.
- e. Service levels consider natural assets and climate change in consideration of the City of Medicine Hat Environmental Framework
- f. Service levels are compliant with regulatory requirements and reflect current industry best practices.

2. Integrated decision-making based on data

- a. Decisions are approached holistically, incorporate departmental knowledge, and consider trade-offs between service, risk, and cost/funding across departments.
- b. City demonstrates fiscal responsibility, transparency, and stewardship in decision-making.
- c. Decisions consider existing plans for new and existing infrastructure.
- d. Outcomes of trade-off decision-making processes are communicated.
- e. Departments collaborate during priority-based planning and budgeting processes.

3. Communication and support

- a. Asset management principles are applied at all levels of the City.
- b. Roles and terminology are clear and are understood across the organization.
- c. Resources are in place to support success in roles.
- d. The City stewards a culture of trust and collaboration

4. Culture of data management

- a. Data management approach supports people, then process, then technology required.
- b. Staff knowledge and experience is valued, retained, and captured within process and procedures to improve service delivery .
- c. Information is reliable and accessible to those who need it.
- d. The City continues to evolve and maintain a complete and accurate asset inventory.

5. Continuous Improvement

- a. Asset management training and/or development opportunities will be provided for staff and Council .
- b. Progress is tracked on the asset management roadmap and reported regularly.
- c. The City's asset management program is revisited periodically and adjusted as necessary.
- d. The City's asset management policy shall be revisited and adjusted as necessary.

Six (6) Elements are identified within the program to provide the tools and data to support business planning, operating and capital budgets, and the City's regulatory and long-term financial requirements.

This follows the program provided by the Government of Alberta, Municipal Affairs, Municipal Asset Management, *Getting Started/Toolkit User Guide* (<https://open.alberta.ca/dataset/c1851ba7-67f7-422e-985e-c329df0aff79/resource/6495e35b-bb1d-4fbd-b90d-65b0918dcdf0/download/2015-11-18-toolkit-final.pdf>)

Element	Inquiry	Goals
Element 1: Asset Inventory & Condition Assessment	What assets does the City own? Are they identified at the appropriate level (whole of a piece or system, i.e.: building, street network, power pole, reservoir, fleet unit etc.)?	Review asset inventories, and condition assessments, and end of anticipated service life with operating departments. Assist inventory development as needed. Develop standardized reporting, from multiple systems/ data collection (i.e.City Works, Azure etc.)
Element 2: Levels of Service	Is there an identified Level of Service for the asset? Internal focus vs external community focus LOS (e.g.: Facilities Management: internal LOS focus. Recreation: external community LOS focus.)	Review regulatory and corporate levels of service. Assist development of LOS as needed.
Element 3: Risk Management	What are the related risks to City assets, and related acceptable levels of risk to City assets?	Review risk assessments and anticipated end of service life with operating departments. Assist development risk assessments as needed.
Element 4: Costs and Replacement Value	What are City assets worth? What is the replacement value?	Review replacement values with operating departments and Risk & Treasury. Assist data collection with departments as needed
Element 5: Implementing Asset Management Plan – Business Planning & Budget	How much do we invest in City assets, operating and capital, based on corporate direction for acceptable risk appetite and levels of service? Is this identified in the department Business Plans?	Review current and anticipated operating and capital costs with operating departments. Assist with budget processes. Discover/develop benchmarks of corporate investment vs industry/City standards
Element 6: Reporting and Administration for Continuous Improvement	Do we collect and present our asset data on a regular basis? Do we develop and action plan for continuous improvement	Develop annual asset management report leveraging existing ERP wherever possible including inventory, values, conditions, and investment (current and future). To be reviewed by Governance Committee, ELT, and shared to Council with annual report.

An annual report will be submitted based on review of the six (6) Elements. This review is designed to identify how complete each of the goals in the elements are for each applicable operating department. This is similar to other frameworks such as the City of Medicine Hat, Health and Safety System annual audit, and Ammonia Integrity Management System review. It will include a summary of inventory, condition/risk, and ongoing asset management metrics (i.e.: Cityworks WOs completed, regulatory reporting/inspections completed etc.) as a section for each operating department.

This reflects and leverages existing work and KPI's already being completed by departments and allows FFAM to support the corporation in developing asset management plans. This also assists the Enterprise Risk Management program in summarizing the conditions of assets and related risks in one place. This also assists the long-term financial planning, business planning, business casing and budget process by summarizing the conditions of the assets and risks in one place.

Detailed presentation of a specific operating department's asset report may be provided to the appropriate committee level and Council if so desired, including greater information on department specific metrics, KPI's and asset risks.

An aerial photograph of Medicine Hat, Alberta, Canada, showing a mix of urban buildings, green spaces, and a prominent bridge crossing a river. The sky is clear and blue. The image is partially obscured by a white text box on the left side.

Corporate Asset Management Policy & Program

Policy & Program Update 2024

Asset Management Policy & Program

Presentation Summary

- Asset Management: Definition and Benefits
- Progress To Date & Roadmap
- Proposed Policy & Program
- Next Steps



Asset Management Policy & Program

Definition & Benefits

What is Asset Management? As defined by the Canadian Network of Asset Management:

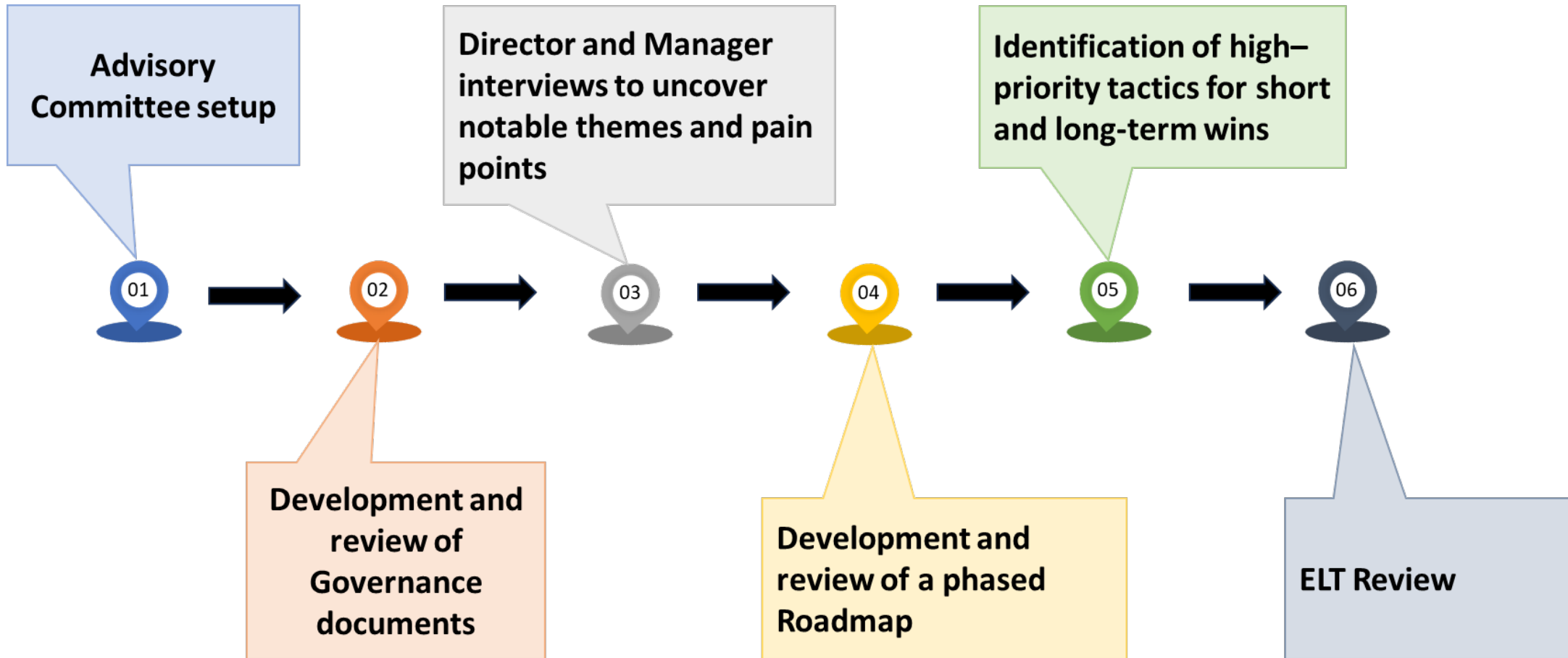
“Asset management is an integrated approach, involving all organization departments, to effectively manage existing and new assets to deliver services to the customer (CNAM Asset Management 101)”

Benefits of Asset Management:

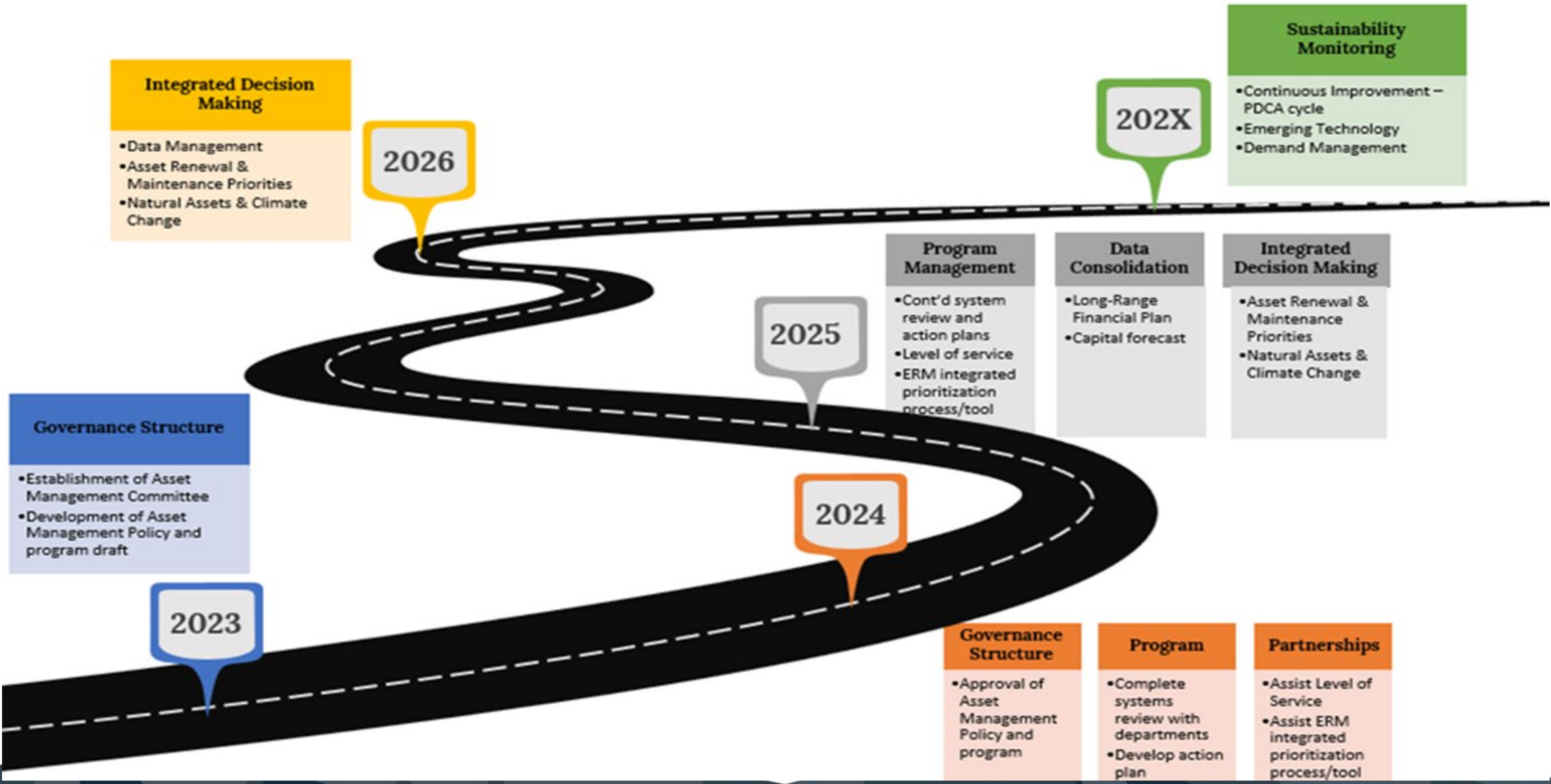
- Proactive management of City infrastructure to provide desired levels of service
- Collects and communicates data for better decision making based on service, risk, and costs
- Provides long term financial planning for future asset investments

Asset Management Policy & Program

Progress to Date



CMH Asset Management Roadmap



Asset Management Policy & Program

Policy

Rescinds and replaces Policy 0154: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy to encompass all City of Medicine Hat assets and departments

Principles:

1. Customer Service Focused – manage City assets appropriately in order to efficiently and effectively deliver the defined level of service.
2. Long-term Sustainability and Resilience – City assets to consider the needs of both current and future generations.
3. Holistic Approach – collaboration across departments and disciplines to realize optimal value of City assets for the community.
4. Fiscal Responsibility – maintain prioritized capital investment plans of City assets considering aggregate value for the community, affordability, risk, and intergenerational equity.
5. Innovation and Continual Improvement – review effectiveness of asset management framework and related processes and make adjustment as required.

Asset Management Policy & Program

Program

Follows the program provided by Government of Alberta, Municipal Affairs, Municipal Asset Management, *Getting Started/Toolkit User Guide*

Provides the framework to guide and report current asset management processes being done by operating departments.

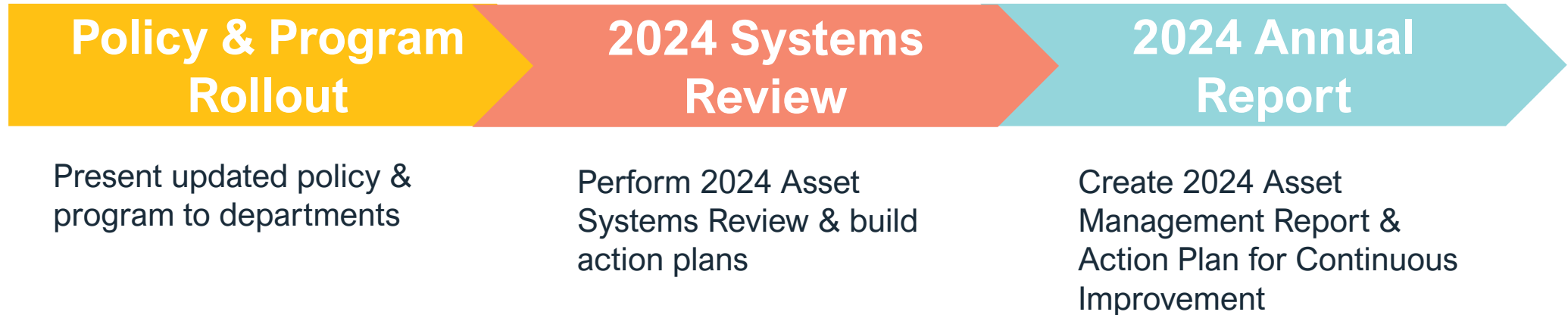
Supports business planning, development of operating/capital budgets & long-term financial requirements

6 Elements Identified:

1. Asset Inventory
2. Levels of Service
3. Risk Management & Condition Assessment
4. Costs & Replacement Value
5. Implementation: Business Planning & Budget
6. Reporting & Administration for Continuous Improvement

Asset Management Policy & Program

Next Steps




Asset Management Policy & Program

Further Questions?



POLICY

Title: Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy		Number: 0154
Reference: Administrative Committee – February 26, 2014	Adopted by City Council: March 17, 2014 	Supersedes:
Prepared by: COMMISSIONER OF DEVELOPMENT & INFRASTRUCTURE		

STATEMENT:

THE CITY WILL UNDERTAKE A LONG TERM STRATEGIC APPROACH TO MANAGING ITS WATER, SEWER, STORM AND TRANSPORTATION INFRASTRUCTURE TO ENSURE THAT THIS INFRASTRUCTURE MEETS PRESCRIBED LEVELS OF SERVICE.

PURPOSE:

1. The Level of Service for Water infrastructure shall be based on water quality, water flow and leakage index with an endeavour to achieve these levels of service in all pipes by the year 2042.
2. The Level of Service for Sewer and Storm infrastructure shall be based on camera inspection with an endeavour to achieve these levels of service in all pipes by the year 2042.
3. The Level of Service for Transportation infrastructure shall be based on the following:
 - a. Roads – Pavement Quality Index with an endeavour to achieve this level of service by 2042.
 - b. Sidewalks – Defect rating with an endeavour to achieve this level of service by 2042.
 - c. Bridges – Alberta Transportation Bridge Inspection and Maintenance System and Canadian Highway Code with an endeavour to maintain this level of service at all times.
 - d. Street Lights – Sound engineering principles that allow infrastructure to meet applicable guideline performance measures, such as Transportation Association of Canada (TAC) Roadway Lighting Guidelines, with an endeavour to achieve this level of service by 2042.
 - e. Traffic and Pedestrian Signals – Sound engineering principles that allow infrastructure to meet applicable guideline performance measures, such as TAC, with an endeavour to achieve this level of service by 2042.
 - f. Dams – Canadian Dam Safety requirements with an endeavour to maintain this level of service at all times.
 - g. Airport infrastructure – Transport Canada requirements with an endeavour to maintain this level of service at all times.
4. Administration shall maintain a rolling 10 year aging infrastructure upgrade plan and report progress to City Council annually.
5. All capital budgets to achieve these levels of services must be approved by City Council.

ROLE OF COUNCIL

To receive, review and adopt this policy and any recommended amendments thereto.

Policy 0154 – Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy		PROCEDURE
Authority:	Adopted by City Council: March 17,2014	Page 2 of 3

1. DEFINITIONS

- 1.01 Infrastructure includes water, sanitary sewer, storm and transportation assets as identified in the baseline report attached in clause 4.01.
- 1.02 Level of Service is defined for water, sanitary, storm and transportation infrastructure in the baseline report attached in clause 4.01.

2. RESPONSIBILITIES

- 2.01 City Council
 - (a) Adoption of the annual update report and strategic plan.
 - (b) Adoption of capital and operating budgets to support the strategy.
 - (c) Set mill rates and utility rates to fund operating and capital budgets to support the strategy.
 - (d) Adoption of borrowing bylaws required for capital projects funded by long term debt.
- 2.02 Administrative Committee
 - (a) Approval of procedures relating to funding capital activities.
 - (b) Recommend Council adoption of the annual update report and strategic plan.
- 2.03 Commissioner of Development & Infrastructure
 - (a) Recommend capital activities and changes to levels of service.
 - (b) Recommend resources needed to achieve the levels of service.
 - (c) Provide a rolling 10 year aging infrastructure strategy.
 - (d) Provide an annual report to Council on achievements, challenges and strategic adjustments using the report attached in clause 4.01 as the baseline.
- 2.04 General Manager of Environmental Utilities
 - (a) Identify resources and capital activities to achieve levels of service for Water and Sewer infrastructure.
- 2.05 General Manager of Municipal Works
 - (a) Identify resources and capital activities to achieve levels of service for Transportation and Storm infrastructure.

3. PROCEDURES

- 3.01 Commissioner of Development & Infrastructure
 - (a) Recommend annual supporting budget requirements.
 - (b) Recommend grant funding opportunities.
 - (c) Prepare the annual report and strategic plan.
- 3.02 General Manager of Environmental Utilities
 - (a) Complete annual assessments.
 - (b) Identify budget requirements through the Operating and Capital Budget process.
 - (c) Establish aging infrastructure upgrade priorities.
 - (d) Provide information for the annual report.

Policy 0154 – Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Policy		PROCEDURE
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3.03 General Manager of Municipal Works

- (a) Complete annual assessments.
- (b) Identify budget requirements through the Operating and Capital Budget process.
- (c) Establish aging infrastructure upgrade priorities.
- (d) Provide information for the annual report.

4. APPENDIX

- 4.01 Development & Infrastructure Water, Sewer, Storm and Transportation Aging Infrastructure Replacement Strategic Plan dated February 20, 2014.

**DEVELOPMENT & INFRASTRUCTURE
WATER, SEWER, STORM AND
TRANSPORTATION AGING
INFRASTRUCTURE REPLACEMENT
STRATEGIC PLAN**



Date: February 20, 2014

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1. INTRODUCTION

The City of Medicine Hat is a typical Canadian municipality which provides traditional services to its community including, amongst other services, water, sanitary, storm sewers and transportation services that include roads, sidewalks, traffic signals, bridges, a dam and an airport. The estimated replacement value of this infrastructure is \$6.2B. Since Medicine Hat is over a century old, the City also owns infrastructure over 100 years old which exceeds its service life. Like many Canadian municipalities, planning for the replacement of aging infrastructure is a daunting exercise. Funding the replacement of aging infrastructure is a long term challenge for all municipalities.

Purpose: The purpose of this Strategic Plan is to provide broad 30 year technical and financial direction to address aging water, sanitary, storm and transportation infrastructure.

Many governments refer to the process of developing and managing a deliberate, systematic and long term strategy to plan, implement and finance aging infrastructure replacement as *asset management*. Although City departments have been managing assets for years, the key change needed for the future is to increase the pace of aging infrastructure replacement to catch up on the past backlog and to achieve a stable state of ongoing replacement. This process could take upwards of 30 years to achieve.

A high level, long term review of water and sanitary sewer assets has been completed by the Environmental Utilities department and a similar review of transportation and storm sewer assets has been completed by the Municipal Works department. This Strategic Plan identifies these assets, their levels of services, general conditions and the gap between condition and service levels. The long term strategy to plan and implement aging infrastructure replacement is presented along with discussion on the financial challenge. City Council support for specific implementation plans will be requested through the established City Business Plan and Budget process.

Note: Financial numbers presented in this report are in 2013 dollars.

2. DESCRIPTION OF WATER, SEWER, STORM AND TRANSPORTATION ASSETS

The City's water utility infrastructure includes a water treatment plant, potable water reservoirs, booster stations and distribution mains and system infrastructure including valves, hydrants, pressure reducing valves and other appurtenances. The City's sewer utility infrastructure includes a waste water treatment plant, lift stations and collection mains and system infrastructure including manholes, forcemains, air release valves and other appurtenances. The City's storm system infrastructure includes storm sewer pipes, catch basins, storm management ponds, lift stations, and outfalls. The City also owns and operates a dam.

The City's transportation infrastructure includes roads (primary highway connectors, arterial, collector and local, complete with signs, painted roadway markings and street lights), sidewalks, pedestrian and vehicle traffic signals, pedestrian and vehicular bridges, and an airport (runway, storm sewer and lighting). Table 1 summarizes the quantity of this infrastructure while Appendix A contains maps.

Table 1: Water, Sewer, Storm and Transportation Infrastructure

Asset	Infrastructure	Quantity
Water	Water Treatment Plant	1
	Storage Reservoirs	4 (total capacity of 59,000 cubic metres)
	Potable Water Booster (pump) Stations	6
	Aquifer Booster Station	1 with three aquifer wells.
	Transmission and distribution mains	424,065 metres
	System isolation valves	5,306
	Other valves and vaults (Pressure, air, metering)	112
	Hydrants	1,614
	Sewer	Waste Water Treatment Plant
Lift Stations		16
Lift Station Forcemains		24,464 metres
Collection mains		367,599 metres
Manholes and vaults		4,912
Air release and metering vaults		29
Storm	Storm mains	256,082 metres of mains 60,010 metres of catch basin leads
	Catch Basins and manholes	7,633
	Storm outfalls	263
	Storm lift Stations	2
	Storm management ponds	14
Dam	Dam	1
Roads	Arterials	182 lane km
	Collectors	118 lane km
	Local	602 lane km
	Primary Highway Connector	40 lane km
	Lanes (gravel/paved)	344 lane km
	Center, lane and bicycle lines	206 km
	Roadway marking symbols	560 units
	Signs	14,782
Sidewalks	Sidewalks	496 km
Traffic Signals	Vehicular	53 intersections
	Pedestrian signals	16
	Pedestrian warning signals	2
	Street lights	8,344
Bridges	Bridges	21
Airport	Runways	2

3. ASSET VALUE

Table 2 summarizes the replacement value of this infrastructure.

Table 2: Replacement Value

Water, Sewer, Storm and Transportation Assets	Replacement Value (\$ Millions)
Water Treatment Plant	\$102
Booster Stations and Reservoirs	\$116
Distribution mains, valves, hydrants, etc.	\$2,120
Water Utility Total	\$2,338
Waste Water Treatment Plant	\$120
Lift Stations	\$40
Collection systems, manholes ,etc.	\$1,965
Sewer Utility Total	\$2,125
Roads network	\$825
Sidewalks	\$200
Street Lights, Traffic Signals, Pedestrian Signals	\$50
Bridges	\$100
Airport (runway, taxiway, roads, parking, lights)	\$61
Transportation System Total	\$1,236
Storm System and Dam Total	\$499

4. ASSET SERVICE LIFE AND LEVELS OF SERVICE

Like most municipalities, the City's water and sewer utilities have aging infrastructure concerns. Fundamentally, water and sewer pipes have a service life of about 80 years. The City has pipes in the ground considerably older than 80 years.

The water utility considers the following three Levels of Service when determining the need for infrastructure replacement:

- No adverse impacts on water quality (aesthetics) primarily caused by tuberculation in cast iron and ductile iron pipe.
- No adverse impacts on pipe diameter that reduces the pipe flow capacity primarily caused by tuberculation in cast iron and ductile iron pipe.
- A water distribution system Infrastructure Leakage Index (ILI) of less than 2 on an 8 point scale.

The sewer utility considers the primary Level of Service indicator for sewer main replacement to be Closed Circuit Television (CCTV) camera inspection with a subsequent condition rating of less than 16 on a 25 point scale.

The service life of a road varies with the component of the road and the type of road. Annually, one third of the roadways are evaluated and a Pavement Quality Index (PQI) assigned. The level of service for roads is expressed as a PQI number. Table 3 summarizes the road network service life and level of service.

Table 3: Service Life and level of Service for Roads

Road Type	Surface component	Base component	Level of Service
Arterial	20 years	30 years	PQI - 65
Collector	20 years	40 years	PQI - 55
Local	40 years	40 years	PQI - 40
Primary Highway Connector	20 years	30 years	PQI - 65
Lanes (gravel/paved)	30 years	N/A	N/A

The service life for sidewalks is 50 years. The primary indicator for replacement of sidewalk is visual inspection, with a defect rating of 15 or less on a 30 point scale, as established through the Sidewalk Asset Management Plan. The defect ratings are based on type (displacement, missing part, cracking, spalling or depression) and the location in relation to pedestrian traffic level.

The service life for bridges is 75 years. The level of service is based on inspection as per the Alberta Transportation's Bridge Inspection and Maintenance System. A High (1 year), Medium (2-3 year) or Low (3-5 year) priority rating is assigned to the defect.

The service life for street lights is 30 years. The operational level of service is based on a lighting standard according to Transportation Association of Canada (TAC) Roadway Lighting Guidelines. There is no established level of service for the remaining portions of the street light infrastructure.

The service life for traffic and pedestrian signal lights is 30 years. The level of service is based on a combination of data on equipment details, collision history, road classification and road geometry and guidelines outlined by the Transportation Association of Canada (TAC). There is no established level of service for the signal infrastructure.

The service life for storm pipes and ponds is 75 years and 45 years for lift stations. The major and minor storm water systems are designed to avoid personal injury, property damage, hydraulic surcharge of the minor system, environmental damage, and minimize erosion associated with the respective designed rainfall events.

- The level of service indicator for pipes is based on a condition rating Asset Risk Index (ARI, 1-25), which is a product of the impact and probability of system failure.
- The impact index is a function of the consequence of the failure, and the probability index is a function of material type, design life, age and Pipeline Assessment and Certification Program (PACP, CCTV inspections).
- The target level of service based on the ARI is less than 20 on a 25 point scale.

The service life for the dam is 75 years. The level of service is based on the Canadian Dam Safety Guidelines.

The service life for the airport runway, taxiway and airfield lights is 30 years and 75 years for the storm infrastructure. The level of service for the runway infrastructure is based on Transport Canada requirements.

5. ASSET CONDITION AND GAP BETWEEN CONDITION AND LEVEL OF SERVICE

- 5.1 Water Infrastructure: A high level assessment of the City's water mains to quantify the amount of pipe that may not meet the previously noted Levels of Service is initially made from asset information on pipe age and pipe material. Seven percent of the City's water pipes (20,507 metres) are currently older than 80 years while 69,293 metres (19%) of the City's water pipes are currently older than 50 years. Appendix A, Figure 8 shows the water mains data and locations in the city of mains older than 50 years. The most problematic types of water pipe in the City's water system are cast iron and ductile iron pipe which experience tuberculation growth that lead to adverse impacts on water quality (aesthetics), reduced pipe flow and are more prone to leakage. There are 68,837 metres of iron pipe in the ground. The City's 2011 water distribution system ILI is 3.83. The order of magnitude of the gap for the Water Utility is the replacement of approximately 69 km of water pipe as a reasonable long term technical goal to address water quality challenges, pipe flow reductions and system leakage concerns.
- 5.2 Sewer Infrastructure: A high level assessment of the City's sewer mains to quantify the amount of pipe that may not meet the previously noted Levels of Service is initially made from asset information on pipe age and pipe material. Twelve percent of the City's sewer pipes (46,553 metres) are currently older than 80 years while 104,495 metres (27%) of the City's sewer pipes are currently older than 50 years. Appendix A, Figure 9 shows the sewer mains data and locations in the city of mains older than 50 years. The most problematic type of sewer pipe in the City's sewer system is concrete pipe and some of the clay pipe. These pipes tend to show more pipe failure resulting in leakage and infiltration and typically have CCTV Condition ratings of greater than 16. There are 26,183 metres of concrete pipe and 217,838 metres of clay pipe in the ground. The order of magnitude of the gap for the Sewer Utility is the replacement of approximately 104 km of sewer pipe as a reasonable long term technical goal to address condition ratings above 16.
- 5.3 Road Network: The 2012 Roadway Present Status Report determined that 19%, or 179 lane km, of the roadway network does not meet the level of service as prescribed by the established PQI ratings. The most problematic types of roadway in the City's system are arterial and primary highway connectors. Forty-seven percent (47%), or 86 lane km, of the arterial road network and thirty-seven percent (37%), or 15 lane km, of the primary highway connectors are in poor condition and are in need of treatment. In total, approximately 400 lane km of the roads require treatment over the next 10 years. Appendix A, Figure 10 shows the road network that does not meet the prescribe level of service.
- 5.4 Sidewalks: A review of the sidewalks determined that there are 1,072 defect locations, totaling 5,400 lineal metres that do not meet the prescribed level of service (15 out of 30). Defects with ratings above 15 were determined to pose a greater risk to pedestrian traffic and increased liability to the City of Medicine Hat. The type of defect that is most problematic to pedestrians is displacement defects.

- 5.5 Bridges: A 2013 review of the pedestrian and vehicle bridges determined that the overall inventory is in good condition, continue to be safe, and are at an appropriate level of service for public use. Deficiencies identified in the review have been corrected (e.g. Dunmore Bridge) or are programed to be completed based on the priority levels assigned (e.g. Maple Bridge). While the bridges are currently in reasonable condition, specific bridges (e.g. Finlay, Day Street, Industrial Avenue, and multiple pedestrian bridges) over the next 40 years will require rehabilitation or replacement to extend the service life of the crossing and meet the levels of service required.
- 5.6 Street Lights: A complete review of street lighting has not been completed to date; however, Municipal Works started replacing existing street light luminaires with Light Emitting Diode (LED) technology in 2013 and will continue the program over the next several years. The luminaire replacement with LED technology will address the deficiencies in the lighting levels as per the Transportation Association of Canada (TAC) guidelines in addition to extending service life. The current determination of the replacement needs for the street light infrastructure (steel poles, bases, electrical wire, and luminaire) is reactionary-based. During luminaire replacement, the remaining infrastructure condition will be captured and used to better define an asset management replacement program.
- 5.7 Traffic Signals: A complete review of traffic signal system (steel poles, bases, and electrical wire) has not been completed to date; however, in 2013 Municipal Works replaced existing traffic signal lights with Light Emitting Diode (LED) technology, including audible pedestrian crossings with countdown timers. The current traffic control operations of the infrastructure meets the service levels required; however, currently the replacement needs for the traffic signal infrastructure (steel poles, bases, electrical wire and heads) is reactionary-based. An assessment of traffic signal infrastructure is scheduled for 2014.
- 5.8 Storm Infrastructure: A high level assessment of the storm mains was completed to quantify the amount of pipe that may not meet the previously noted Levels of Service. In addition, the Storm Water Maintenance Management System has added information to the current inventory, based on CCTV (PACP) inspections.
- Five percent (5%) of the City's storm pipes (11,583 metres) are currently older than 80 years old, while twenty percent (20%) of the City's sewer pipes are currently older than 50 years. Appendix A, Figure 8 shows the age of the storm mains system.
 - Approximately 11,500 metres of the system received a condition rating ARI of greater than 20 which are considered High Risk Assets.
 - Seventy percent (70%) of the storm system is comprised of concrete or clay pipe. The most problematic type of sewer pipe in the City's storm system is concrete pipe and some of the clay pipe. These pipes tend to show more pipe failure resulting in leakage and infiltration.
 - The 14 storm ponds meet level of service requirements.
 - The 2 lift stations meet level of service requirements.

In addition to the aging storm infrastructure requiring replacement, storm water studies have identified multiple areas requiring upgraded systems (undersized or lack of system) to meet the current servicing standards. The upgrading of systems based on capacity is an additional gap to the storm water asset management requirements.

- 5.9 Dam: The dam meets the Canadian Dam Safety requirements.
- 5.10 Airport: A complete review of airport infrastructure is required to provide a comprehensive asset management plan for the airport. Below is a high level summary of airport requirements:
- A 2013 pavement evaluation showed that airside pavement surfaces were generally in fair to poor condition and rehabilitation is required. The rehabilitation work has been identified in the proposed 2015-2016 Municipal Works Business Plan. Preliminary estimates for pavement rehabilitation range from \$8.4M to \$11.2M.
 - Sixty-four percent (64%) of the airport storm system is in good condition and the remaining thirty-six percent (36%) requires additional assessment to determine its condition.
 - The Airport Terminal Building is undergoing a major expansion and renovation in 2013/2014. The buildings replacement and condition assessment has been captured through the City RAMP program.
 - No funds have been identified for runway, taxiway, parking lot, and airfield lights or storm infrastructure in the current 10 year capital program.

6. LONG TERM CHALLENGE

6.1 Prioritization

The development of a long term strategy is based on a system to prioritize aging infrastructure upgrades to maximize the use of financial resources for the greatest outcome. A systemic approach to selecting what infrastructure is in greatest need of replacement for its condition and ability to meet its level of service is underway. In addition, it is intended to develop a replacement program that coordinates replacements of water, sewer, storm and roads wherever possible to maximize efficiencies and minimize costs.

The water utility and sewer utility components of this Strategic Plan are focused on underground piping systems. Treatment plants and pump stations have been managed with respect to aging infrastructure in the past decade through the capital budget process as required for the specific plant or pump station. The magnitude of these upgrades is considerably smaller than the magnitude of the underground piping systems. In order to develop a 30 year strategy to replace 69 km of water mains and 104 km of sewer mains, the Environmental Utilities department has initiated a review of all water mains infrastructure information including pipe age, material type, leak history, capacity assessments, service areas and other available technical information. Similarly, the department has initiated a review of all sewer mains infrastructure information including pipe age, material type, leak history, CCTV assessments, service areas and other available technical information. This data is used to develop a prioritization strategy for long term annual replacement goals.

In order to develop a strategy to inspect, maintain and replace assets based on need, the Municipal Works department has initiated projects to define inventory and asset management practices for the assets, such as storm water, airport infrastructure, street lights and traffic signals. Currently roads, sidewalks, bridges and the dam have systems in place for defining maintenance and replacement programs. A system to rank project implementation priorities is anticipated to be in place for the 2015-2016 Business Plan.

6.2 Financial

Addressing aging infrastructure is a long term issue. The water and sewer long term goal is to replace 69 km of water mains and 104 km of sewer mains over a three decade period. The order of magnitude costs per decade of replacing aging water and sewer infrastructure through a comprehensive and deliberate asset management approach are summarized in Table 4. The transportation and storm sewer long term goal is to achieve the level of service outlined above and eliminate the gaps identified over a three decade period. The order of magnitude costs per decade of replacing transportation and storm sewer infrastructure through a comprehensive and deliberate asset management approach are summarized in Table 5.

Table 4: Water and Sewer Aging Infrastructure Replacement Costs for Next 3 Decades

Decade	Water	Sewer	Total
2012-2021	\$44,100,000	\$43,100,000	\$87,200,000
2022-2031	\$62,000,000	\$90,000,000	\$152,000,000
2032-2041	\$81,000,000	\$149,000,000	\$230,000,000
30 Year Total	\$187,100,000	\$282,100,000	\$469,200,000

Note: Figures are stated in current year dollars and would need to be adjusted for inflation.

Table 5: Transportation & Storm Aging Infrastructure Replacement Costs for Next 3 Decades

Decade	Road Network	Sidewalks	Bridges	Storm System	Street & Traffic Lights	Airport
2012-2021	\$75,600,000	\$6,200,000	\$10,900,000	\$36,429,000	\$6,950,000	\$13,075,000
2022-2031	\$72,000,000	\$3,000,000	\$6,000,000	\$60,000,000	\$2,000,000	\$21,000,000
2032-2041	\$80,000,000	\$4,000,000	\$30,000,000	\$70,000,000	\$8,100,000	\$11,000,000
30 Year Total	\$227,600,000	\$13,200,000	\$46,900,000	\$166,429,000	\$17,050,000	\$45,075,000

Note: Figures are stated in current year dollars and would need to be adjusted for inflation.

The above costs do not necessarily represent a proposed capital budget plan; however, they highlight an order of magnitude (i.e. \$985M) to address a long term challenge over three decades.

For the water system, once the 69 km of iron pipe is replaced, the remaining pipe material is of a more durable nature and may have a longer service life that could lead to a strategy of a reduced pace of replacement starting in the fourth decade. For the sewer system, once the 104 km of concrete and portion of clay pipe inventory is replaced, the remaining pipe in the ground will consist of more durable plastic pipe and possibly clay pipe in more reasonable condition. Assuming the remaining clay pipe is in favorable condition in 30 years, this could result in a reduced pace of replacement starting in the fourth decade.

Table 4 identifies a costly infrastructure replacement forecast for water and sewer for the next 30 years. Successfully addressing these anticipated upgrades requires sound, long term financial planning strategies. The water and sewer utilities have three sources of revenue for capital investment including off-site levy and grant program revenues and revenues from the sales of water and sewer services. Off-site levy revenue for water and sewer utilities cannot be used for financing aging infrastructure projects. The City has allocated the majority of federal and provincial grants, such as the Municipal Sustainability Initiative (MSI) and the Alberta Municipal Infrastructure Program (AMIP), to mill rate supported projects rather than to water and sewer projects. This strategy to place more of the financial burden on water and sewer rates was a reasonable approach in the past two decades because Medicine Hat water and sewer rates were significantly below Alberta average. Since Medicine Hat rates have carried the investment burden over the past two decades while other communities have shared the burden with the use of grant programs, the City may need to review the past strategies and consider an updated and balanced approach for financing strategies for future capital investment. Financial strategic opportunities for replacement of aging infrastructure include the ability of the City to raise funds through rates and through the allocation of City controlled federal and provincial grant funds aimed at aging infrastructure replacement.

The investment program identified in Table 4 is ambitious. It will take the Environmental Utilities department several years to ramp up to an on-going pace of upgrades. Similarly, there should be a gradual escalation of investment to help the rate payers adjust to the rates needed to acquire the annual revenues to finance the program. Appendix B, Table B-1 proposes a gradual implementation of an aging infrastructure replacement program. In 2011, City Council approved that capital program for 2012 to 2014 and saw the 2015 to 2021 forecast. The annual rate impact for each of these potential Water and Sewer capital investment plans starting in 2015 is found in Table B-2. These rate impacts are incremental from this previous year and are independent of any other rate increases driven by other reasons such as other capital programs, inflation, etc. These rate impacts are based on the capital plan being financed through debenture loans. These rate impacts also assume no grant funding is applied to any water or sewer aging infrastructure project. Should City Council assign any Council controlled federal or provincial grants to any project, or should there be ear marked aging infrastructure grants available specifically for water and sewer projects, then the rate impact would be reduced accordingly.

The funding requirements identified in Table 5 demonstrate the difference in asset management practices required for the different assets. Funding required for roads, sidewalks and storm system replacement will gradually increase, after the backlog is addressed, due to increasing quantity of asset reaching its end of life. The funding for the airport, dam, street lights, traffic lights and bridges will fluctuate due to the lifecycle of the individual components or sub assets captured within the asset class. For example, bridges at the end of the service life will require rehabilitation or replacement and will result in a single expenditure. Whereas roads and sidewalks can have localized defects rehabilitated throughout the service life so as to extend the life of the complete asset segment.

The Municipal Works department currently has various sources of funding available for capital investment. The main funding sources available include mill rate funding, grant funding and third party funding.

- Mill rate funding includes tax supported debentures (projects exceeding \$1M), internal loans and funds for corporate reserves.
- Grant funding (which can have a limited existence and restrictive uses) includes basic capital grant, Alberta Municipal Infrastructure Program (AMIP), Municipal Sustainability Initiative (MSI) and Federal Gas Tax Fund.
- Third party funding for aging infrastructure includes Airports Capital Assistance Program (ACAP).

Development of a storm system utility is currently being explored. A business model that manages maintenance, replacement and capacity based requirements with a sustainable funding source is required to maintain the asset and environmental impact.

Similar to water and sewer, new investment into the transportation and storm sewer replacement programs with current materials and practices will provide longer service lives for the assets. In addition the asset replacement will utilize, when possible, lower maintenance materials and designs. The efficient use of future grant funding sources and tax supported sources will ensure that the required long term service level of each asset is achieved.

The investment program identified in Table 5 is also ambitious for the transportation and storm sewer infrastructure. It will take the Municipal Works department several years to ramp up to an on-going pace of upgrades. Similarly, there should be a gradual escalation of investment to help the tax payers adjust to the tax rate needed to acquire the annual revenues to finance the program. Appendix C, Tables C-1 to C-5 propose a gradual implementation of an aging infrastructure replacement program. In 2011, City Council approved that capital program for 2012 to 2014 and saw the 2015 to 2021 forecast. The annual tax rate impact for each of these potential transportation and storm infrastructure capital investment plans starting in 2015 is found in Table C-6. These tax rate impacts are incremental from the previous year and are independent of any other rate increases driven by other reasons such as other capital programs, inflation, etc. These rate impacts assume no grant funding is applied to any transportation or storm aging infrastructure project. Should City Council assign any Council controlled federal or provincial grants to any project, or should there be ear marked aging infrastructure grants available specifically for transportation and storm projects, then the tax rate impact would be adjusted accordingly.

7. STRATEGIC PLAN PRINCIPLES

With the above understanding of the breadth of municipal infrastructure owned and operated by the City for its residents, it can be appreciated that a long term strategic plan implemented with flexibility through each budget cycle is required to successfully manage over \$6B of assets in a responsible service and fiscal manner. At this point in Medicine Hat's history, a significant backlog of needed aging infrastructure replacement has accumulated. Unfortunately, this backlog will continue to grow and increase the magnitude of the challenge. The ability to defer a long term program is limited.

This Water, Sewer, Storm and Transportation Aging Infrastructure Replacement Strategic Plan is a broad 30 year plan with four components including investment goals, levels of service, reporting and budgeting.

Part 1 – 30 Year Investment Goals

The broad 30 year investment goals are summarized in Appendix B, Table B-1 for water and sewer and in Appendix C, Tables C-1 to C-5 for storm and transportation infrastructure.

Part 2 - Levels of Service

This Strategic Plan is based on pursuing the following broad levels of service for each infrastructure component.

1. The level of service for water infrastructure is based on achieving the water quality standard, water flow standard and water system leakage index in all pipes by the year 2042.
2. The level of service for sewer and storm infrastructure are based on addressing deficiencies identified by camera inspections in all pipes by the year 2042.
3. The level of service targets for transportation infrastructure are as follows:
 - a. Roads – maintaining applicable pavement quality index for all roads by 2042.
 - b. Sidewalks – meeting applicable defect rating for all sidewalks by 2042.
 - c. Bridges – meeting Alberta Transportation Bridge Inspection and Maintenance System and Canadian Highway Code requirements at all times.
 - d. Street Lights – sound engineering principles that allow infrastructure to meet applicable guideline performance measures, such as Transportation Association of Canada (TAC) Roadway Lighting Guidelines, and shall achieve this level of service by 2042.
 - e. Traffic and Pedestrian Signals – sound engineering principles that allow infrastructure to meet applicable guideline performance measures, such as TAC, and shall achieve this level of service by 2042.
 - f. Dams – meeting Canadian Dam Safety requirements at all times.
 - g. Airport Infrastructure – meeting Transport Canada requirements at all times.

Part 3 - Reporting

Annual reporting is critical to understanding achievements and exercising flexibility by making adjustments during the course of the 30 year horizon. Administration will maintain a rolling 10 year aging infrastructure upgrade plan and report progress through an annual report to City Council on the achievements, challenges and strategic adjustments to the on-going implementation of the Strategic Plan.

Part 4 - Budgeting

Capital budgets to achieve these levels of services will be presented to City Council through the established business planning and budgeting process to enable City Council to consider the pace of upgrades and the financial impact of the upgrades. This will enable City Council to make any adjustments Council considers appropriate during each business planning and budgeting cycle.

8. SUMMARY AND CONCLUSION

The City's water, sewer, storm and transportation infrastructure replacement value is in the order of \$6.2B. There exists a backlog of aging infrastructure in need of replacement to meet its service life. The challenge is significant and could take up to 30 years to reach a steady state and an investment in the order of \$985M. A deliberate and systematic approach is needed to respond to this challenge.

This Water, Sewer, Storm and Transportation Aging Infrastructure Placement Strategic Plan provides a broad framework that identifies 30 year investment goals to achieve specific levels of service with annual reporting requirements to enable City Council to exercise flexibility through the established business plan and budget cycle.

9. RECOMMENDATION

It is recommended that City Council receive this Water, Sewer, Storm and Transportation Aging Infrastructure Placement Strategic Plan for information.

APPENDIX A: INFRASTRUCTURE MAPS

- Figure 1: Water System Booster Stations and Reservoirs
- Figure 2: Sanitary System Catchment Areas
- Figure 3: Road Network
- Figure 4: Sidewalks
- Figure 5: Bridges and Culverts
- Figure 6: Storm Sewer System
- Figure 7: Airport Infrastructure
- Figure 8: Watermains 50 Years of Age and Older
- Figure 9: Sewer mains 50 Years of Age and Older
- Figure 10: Road Network Backlog
- Figure 11: Streetlight Approximate Ages

APPENDIX B: WATER & SEWER INVESTMENT PLANS AND FINANCIAL IMPACT

- Table B-1: Water & Sewer Aging Infrastructure Investment Schedule 2012-2041
- Table B-2: Water & Sewer Rate Impacts 2015-2041

APPENDIX C: STORM & TRANSPORTATION INVESTMENT PLANS AND FINANCIAL IMPACT

- Table C-1: Roads Aging Infrastructure Investment Schedule 2012-2041
- Table C-2: Sidewalks Aging Infrastructure Investment Schedule 2012-2041
- Table C-3: Street Lights and Traffic Signals Aging Infrastructure Investment Schedule 2012-2041
- Table C-4: Bridges Aging Infrastructure Investment Schedule 2012-2041
- Table C-5: Storm System Aging Infrastructure Investment Schedule 2012-2041
- Table C-6: Storm & Transportation Tax Rate Impacts 2015-2041

APPENDIX A: INFRASTRUCTURE MAPS

Figure 1: Water System Booster Stations and Reservoirs

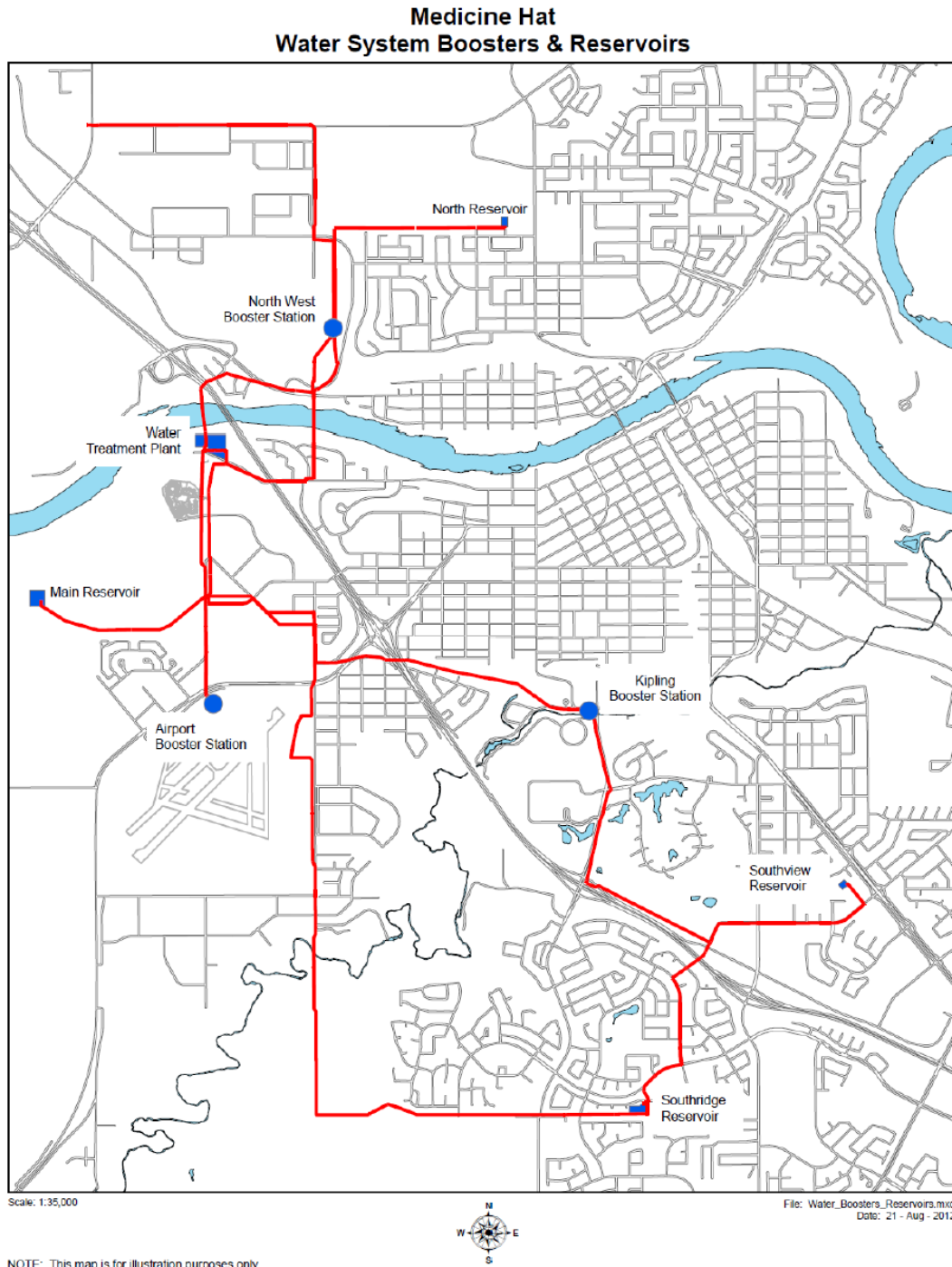
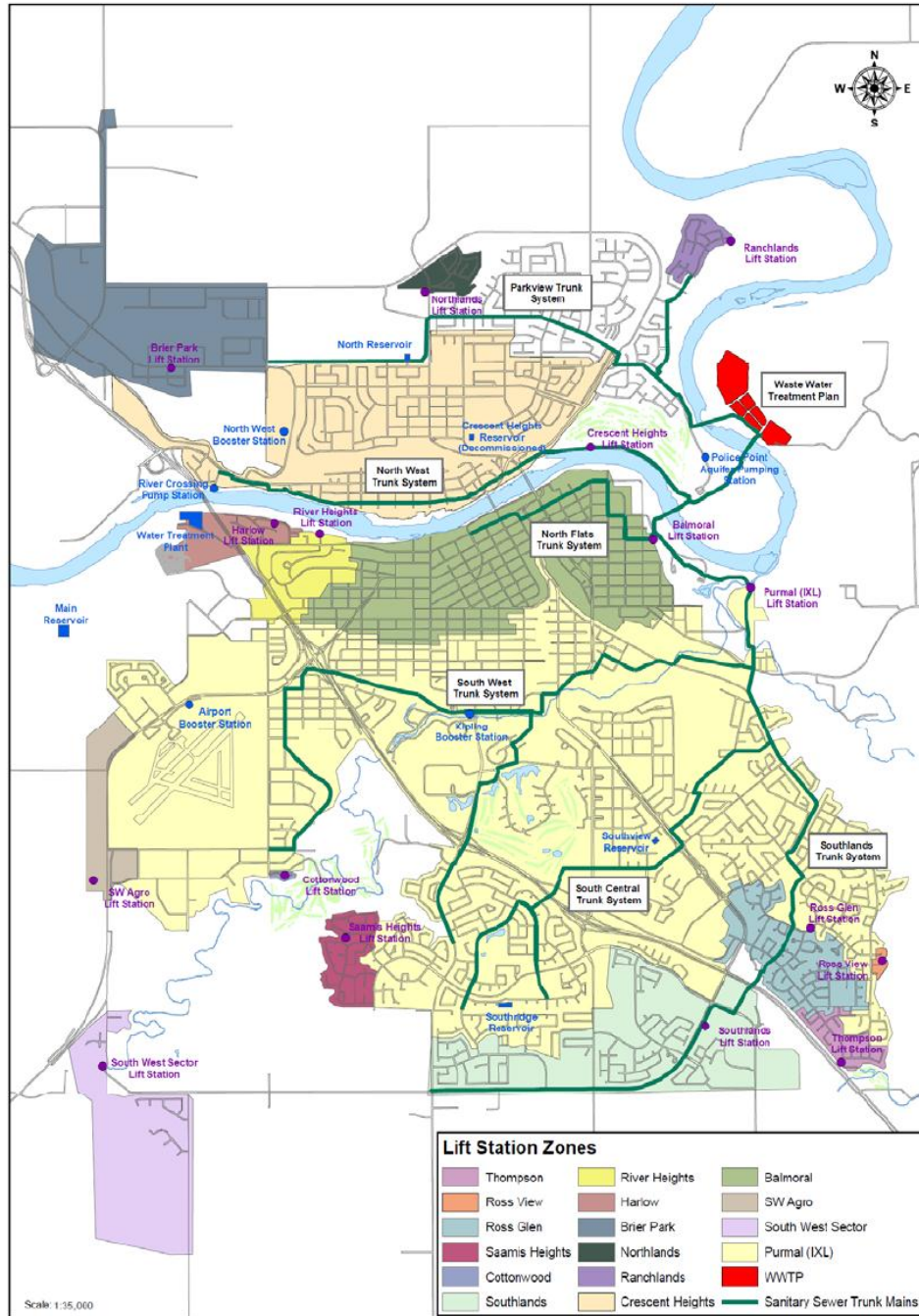


Figure 2: Sanitary Sewer Catchment Areas



**Medicine Hat
Sanitary Lift Station Zones**

Environmental Utilities
Engineering/GIS

NOTE: This map is for illustration purposes only.

Figure 3: Road Network

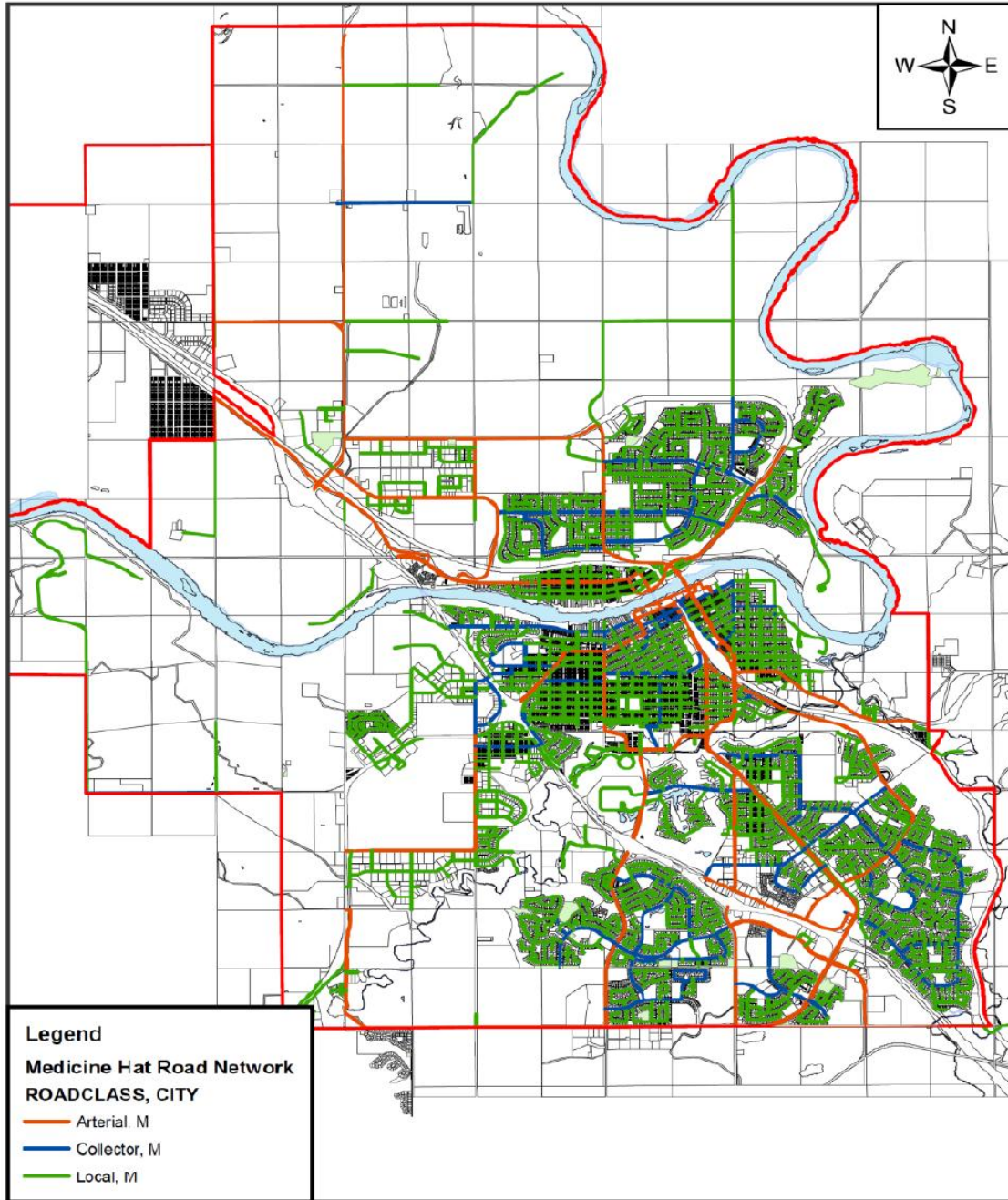


Figure 4: Sidewalks

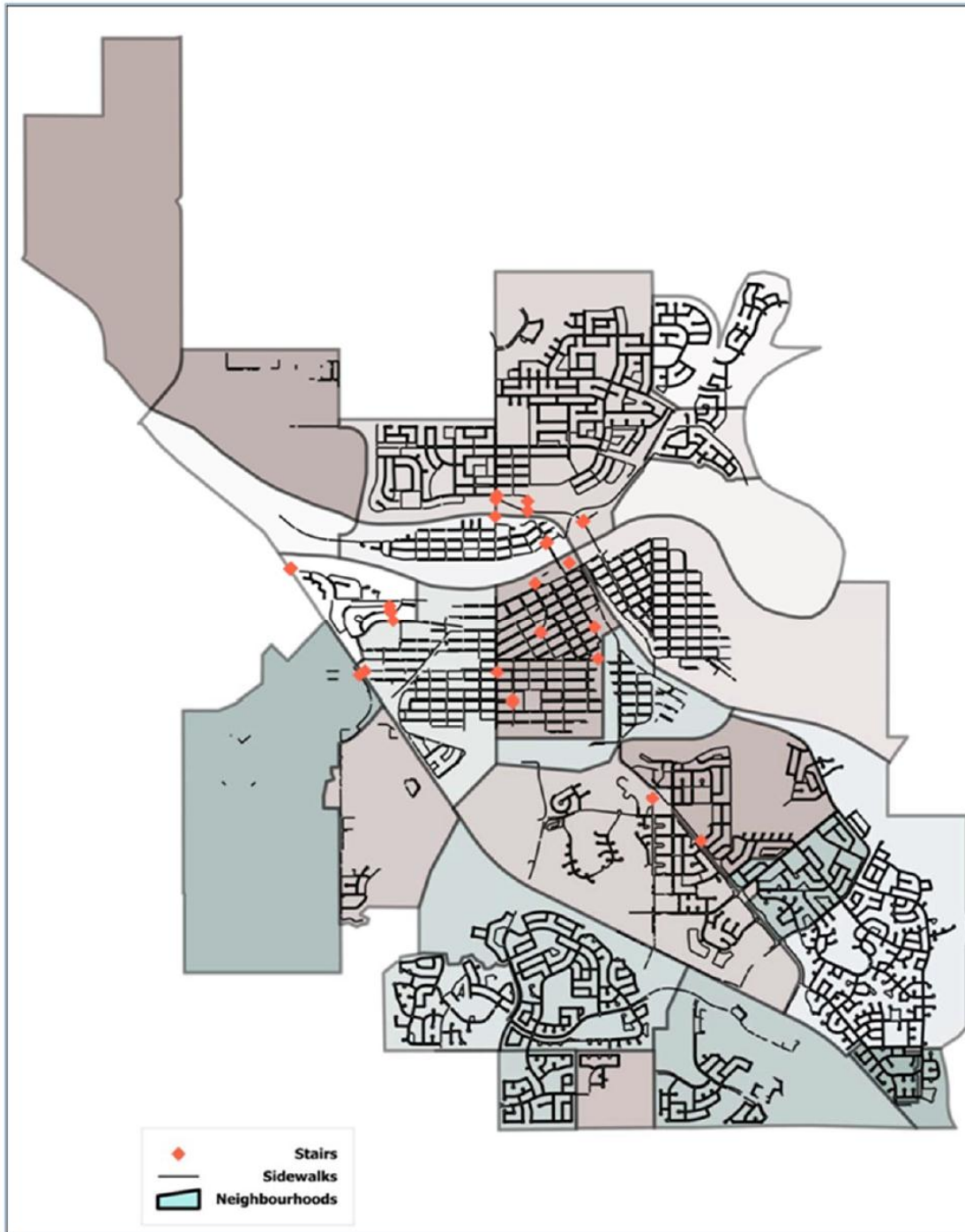


Figure 5: Bridges and Culverts

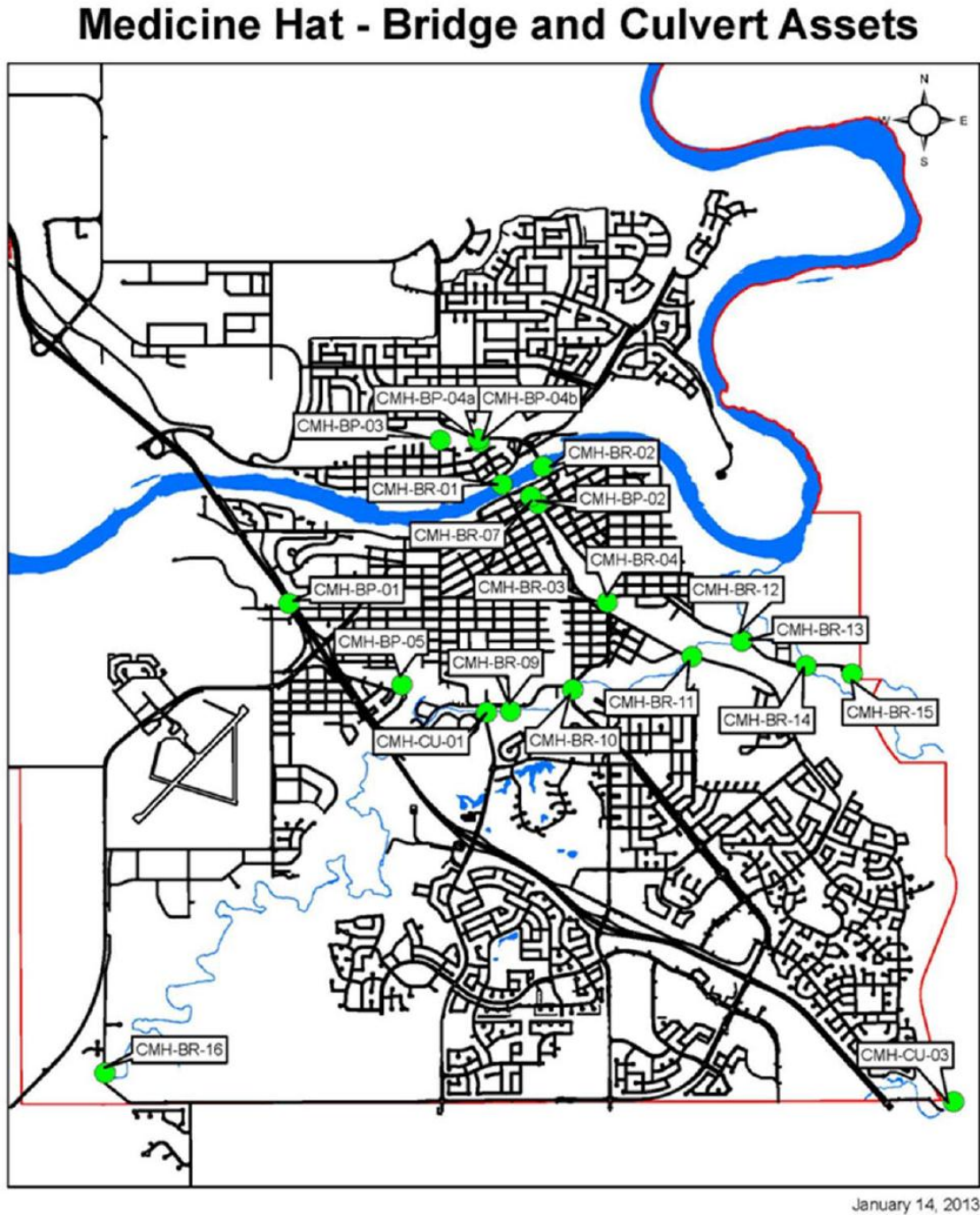


Figure 6: Storm Sewer System

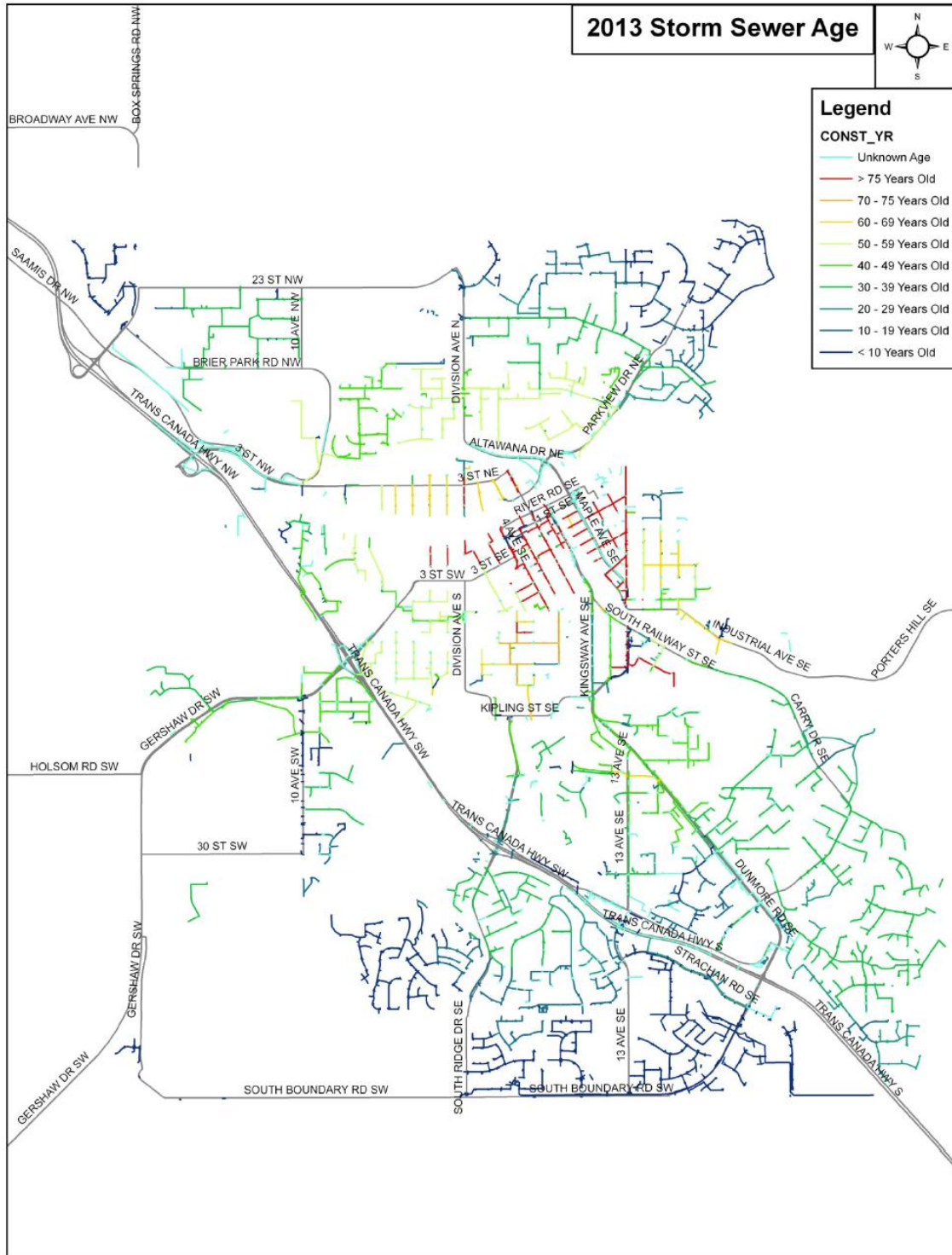


Figure 7: Airport Infrastructure



Figure 8: Watermains 50 Years of Age and Older

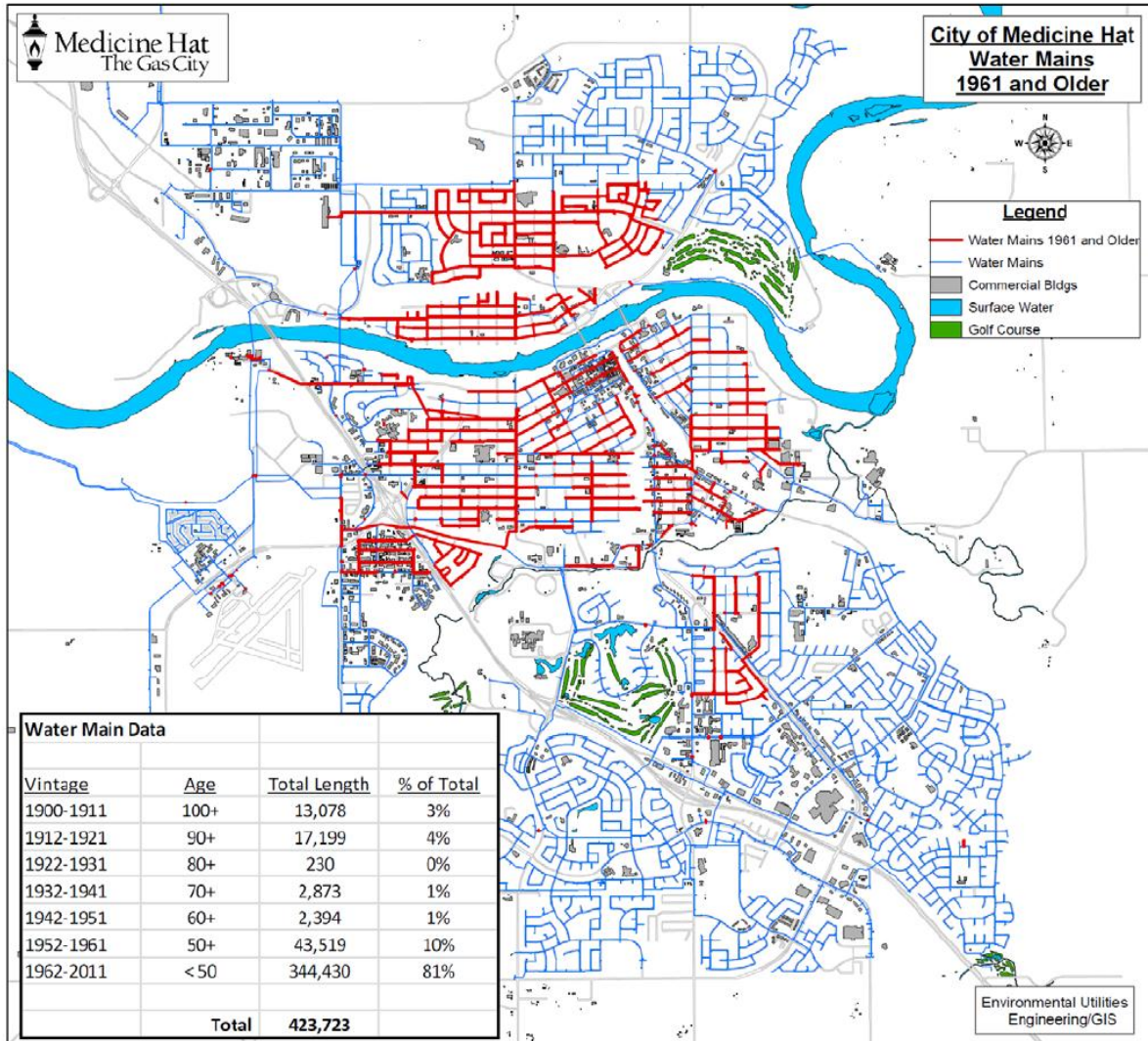


Figure 9: Sewer mains 50 Years of Age and Older

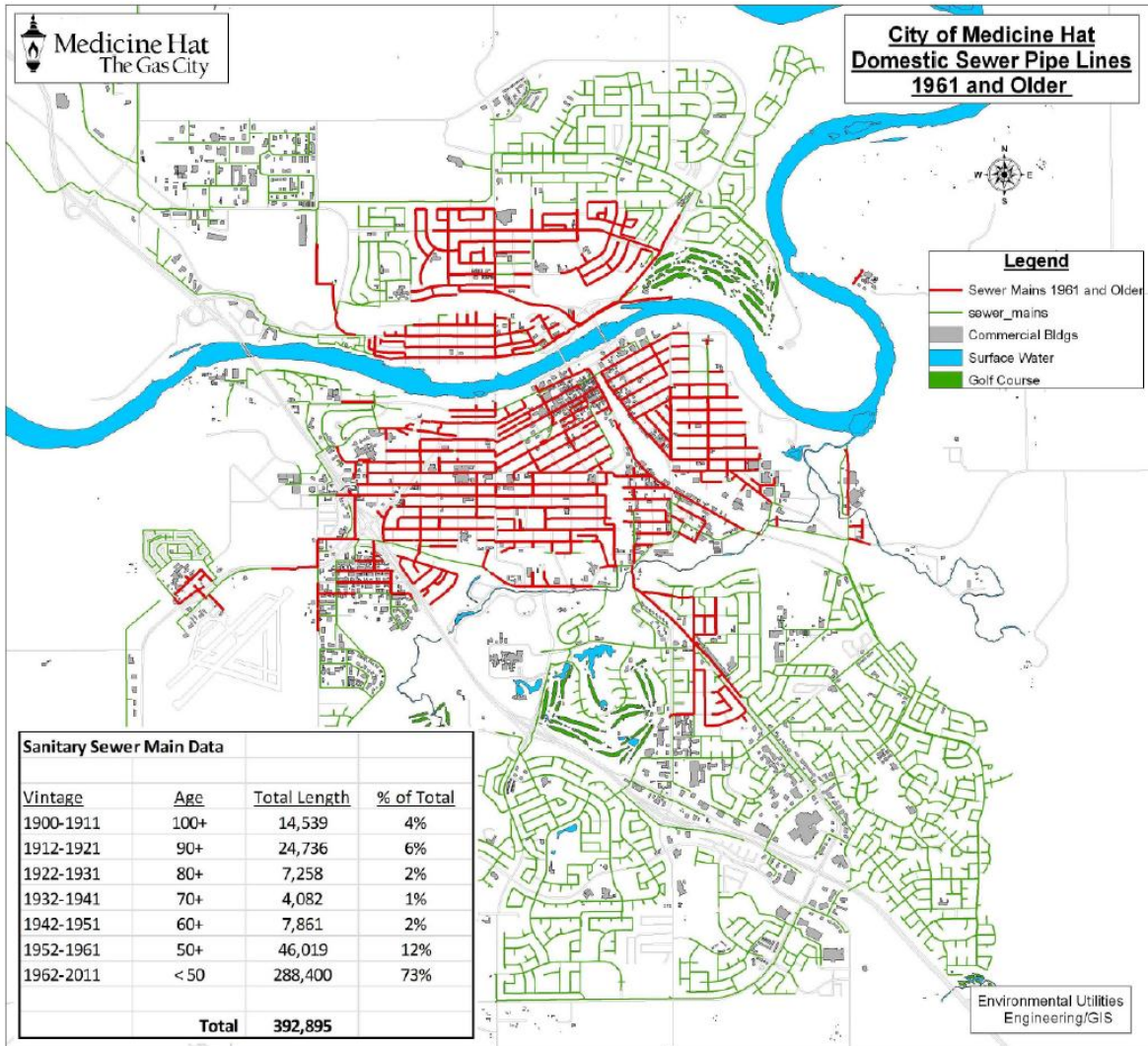


Figure 10: 2012 Road Network Backlog

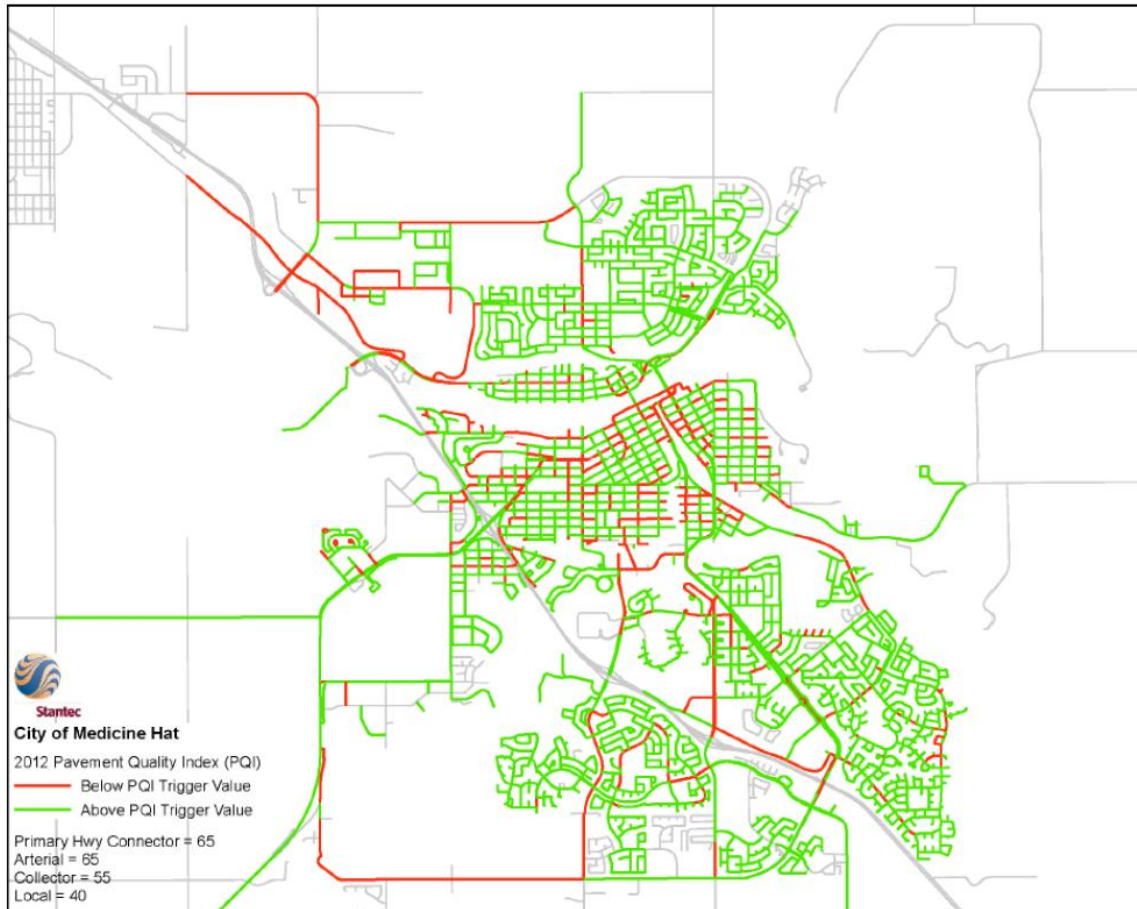
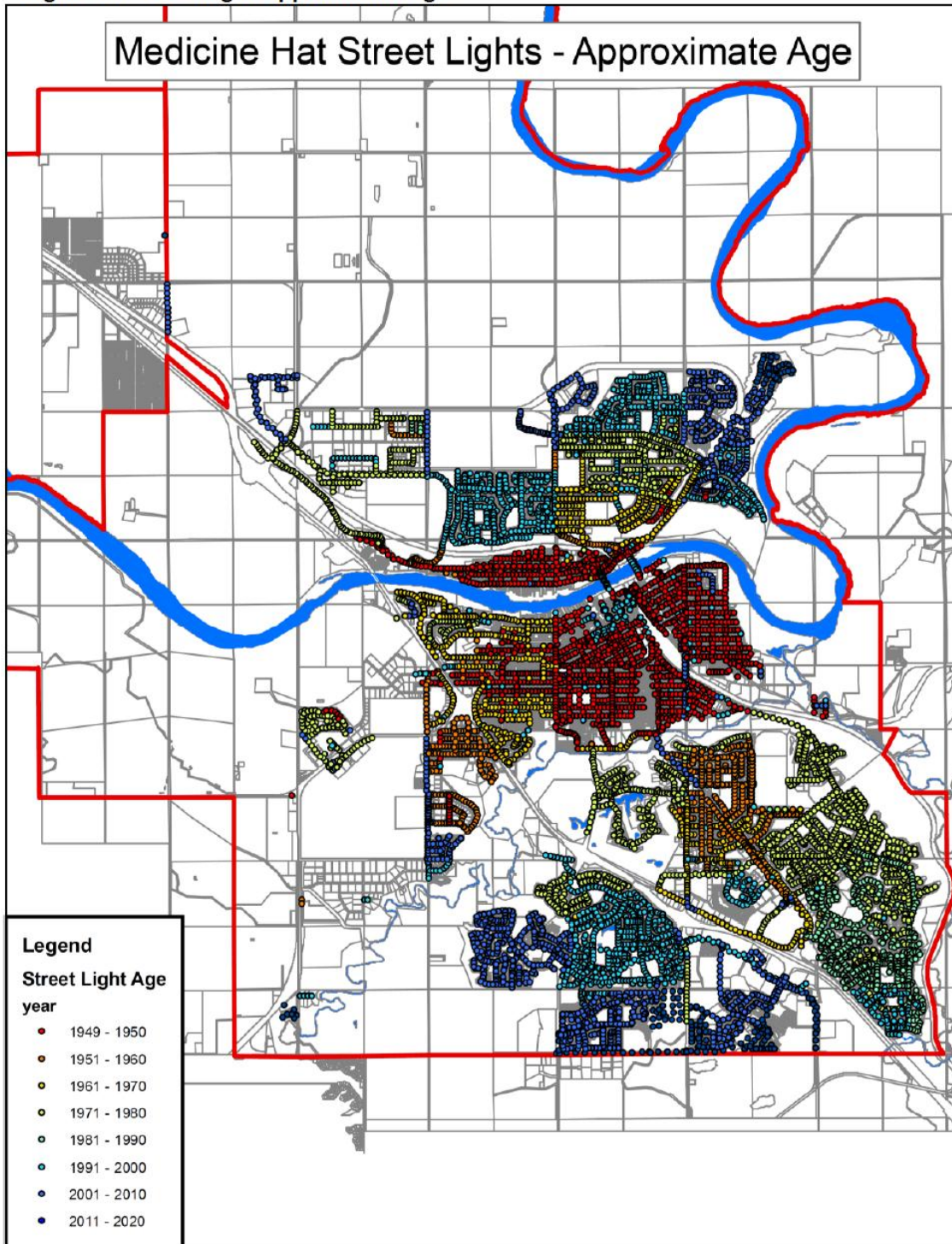


Figure 11: Streetlight Approximate Age



APPENDIX B: WATER & SEWER INVESTMENT PLANS AND FINANCIAL IMPACT

Table B-1: Water & Sewer Aging Infrastructure Investment Schedule 2012-2041

Year	Water	Sewer	Total
2012 Approved	\$4,600,000	\$3,600,000	\$8,200,000
2013 Approved	\$2,000,000	\$2,000,000	\$4,000,000
2014 Approved	\$3,000,000	\$3,000,000	\$6,000,000
2015	\$4,500,000	\$4,500,000	\$9,000,000
2016	\$3,000,000	\$3,000,000	\$6,000,000
2017	\$5,500,000	\$5,500,000	\$11,000,000
2018	\$5,500,000	\$5,500,000	\$11,000,000
2019	\$5,000,000	\$5,000,000	\$10,000,000
2020	\$5,000,000	\$5,000,000	\$10,000,000
2021	\$6,000,000	\$6,000,000	\$12,000,000
2012-2021	\$44,100,000	\$43,100,000	\$87,200,000
2022	\$6,000,000	\$7,000,000	\$13,000,000
2023	\$6,000,000	\$7,000,000	\$13,000,000
2024	\$6,000,000	\$8,000,000	\$14,000,000
2025	\$6,000,000	\$8,000,000	\$14,000,000
2026	\$6,000,000	\$9,000,000	\$15,000,000
2027	\$6,000,000	\$9,000,000	\$15,000,000
2028	\$6,000,000	\$10,000,000	\$16,000,000
2029	\$6,000,000	\$10,000,000	\$16,000,000
2030	\$7,000,000	\$11,000,000	\$18,000,000
2031	\$7,000,000	\$11,000,000	\$18,000,000
2022-2031	\$62,000,000	\$90,000,000	\$152,000,000
2032	\$7,000,000	\$12,000,000	\$19,000,000
2033	\$7,000,000	\$13,000,000	\$20,000,000
2034	\$8,000,000	\$14,000,000	\$22,000,000
2035	\$8,000,000	\$14,000,000	\$22,000,000
2036	\$8,000,000	\$15,000,000	\$23,000,000
2037	\$8,000,000	\$15,000,000	\$23,000,000
2038	\$8,000,000	\$16,000,000	\$24,000,000
2039	\$9,000,000	\$16,000,000	\$25,000,000
2040	\$9,000,000	\$17,000,000	\$26,000,000
2041	\$9,000,000	\$17,000,000	\$26,000,000
2032-2041	\$81,000,000	\$149,000,000	\$230,000,000
30 Year Total	\$187,100,000	\$282,100,000	\$469,200,000

Notes: Capital Plan for 2012-2014 has been approved by City Council.
Capital Plan from 2015 to 2021 has been forecasted to City Council.
Figures are stated in current year dollars and would need to be adjusted for inflation.

Table B-2: Water & Sewer Rate Impacts 2012-2041

Year	Proposed Water Investment Plan	Water Incremental Rate Increase	Proposed Sewer Investment Plan	Sewer Incremental Rate Increase
2012 Approved	\$4,600,000	0.00%	\$3,600,000	0.00%
2013 Approved	\$2,000,000	0.00%	\$2,000,000	0.00%
2014 Approved	\$3,000,000	0.99%	\$3,000,000	0.00%
2015	\$4,500,000	1.97%	\$4,500,000	2.36%
2016	\$3,000,000	1.86%	\$3,000,000	2.22%
2017	\$5,500,000	2.00%	\$5,500,000	2.37%
2018	\$5,500,000	2.47%	\$5,500,000	2.92%
2019	\$5,000,000	2.21%	\$5,000,000	2.60%
2020	\$5,000,000	1.97%	\$5,000,000	2.31%
2021	\$6,000,000	2.07%	\$6,000,000	2.42%
2012-2021	\$44,100,000	NA	\$43,100,000	NA
2022	\$6,000,000	2.15%	\$7,000,000	2.74%
2023	\$6,000,000	2.02%	\$7,000,000	2.80%
2024	\$6,000,000	1.91%	\$8,000,000	2.83%
2025	\$6,000,000	1.80%	\$8,000,000	2.86%
2026	\$6,000,000	1.70%	\$9,000,000	2.87%
2027	\$6,000,000	1.61%	\$9,000,000	2.88%
2028	\$6,000,000	1.52%	\$10,000,000	2.87%
2029	\$6,000,000	1.44%	\$10,000,000	2.86%
2030	\$7,000,000	1.52%	\$11,000,000	2.84%
2031	\$7,000,000	1.60%	\$11,000,000	2.82%
2022-2031	\$62,000,000	NA	\$90,000,000	NA
2032	\$7,000,000	1.51%	\$12,000,000	2.79%
2033	\$7,000,000	1.43%	\$13,000,000	2.91%
2034	\$8,000,000	1.53%	\$14,000,000	2.93%
2035	\$8,000,000	1.45%	\$14,000,000	2.88%
2036	\$8,000,000	1.54%	\$15,000,000	3.01%
2037	\$8,000,000	1.47%	\$15,000,000	2.82%
2038	\$8,000,000	1.42%	\$16,000,000	2.93%
2039	\$9,000,000	1.47%	\$16,000,000	2.76%
2040	\$9,000,000	1.42%	\$17,000,000	2.85%
2041	\$9,000,000	1.47%	\$17,000,000	2.68%
2032-2041	\$81,000,000	NA	\$149,000,000	NA
30 Year Total	\$187,100,000	NA	\$282,100,000	NA

Notes: Capital Plan for 2012-2014 has been approved by City Council.
Capital Plan from 2015 to 2021 has been forecasted to City Council.
Figures are stated in current year dollars and would need to be adjusted for inflation.

APPENDIX C: STORM & TRANSPORTATION INVESTMENT PLANS AND FINANCIAL IMPACT

Table C-1: Roads Aging Infrastructure Investment Schedule 2012-2041

Year	Investment Plan if Backlog Addressed by 2041 (Recommended)	Investment Plan if Backlog Addressed by 2021	Annual Reduction of 30 Year Total
--	--	--	\$227,600,000
2012 Approved	\$4,500,000	\$4,500,000	\$223,100,000
2013 Approved	\$3,400,000	\$3,400,000	\$219,700,000
2014 Approved	\$4,700,000	\$4,700,000	\$215,000,000
2015	\$4,000,000	\$9,000,000	\$211,000,000
2016	\$4,300,000	\$9,000,000	\$206,700,000
2017	\$4,600,000	\$9,000,000	\$202,100,000
2018	\$4,900,000	\$9,000,000	\$197,200,000
2019	\$5,200,000	\$9,000,000	\$192,000,000
2020	\$5,500,000	\$9,000,000	\$186,500,000
2021	\$5,800,000	\$9,000,000	\$180,700,000
2012-2021	\$46,900,000	\$75,600,000	--
2022	\$6,100,000	\$9,000,000	\$174,600,000
2023	\$6,400,000	\$7,000,000	\$168,200,000
2024	\$6,700,000	\$7,000,000	\$161,500,000
2025	\$7,000,000	\$7,000,000	\$154,500,000
2026	\$7,400,000	\$7,000,000	\$147,100,000
2027	\$7,700,000	\$7,000,000	\$139,400,000
2028	\$8,000,000	\$7,000,000	\$131,400,000
2029	\$8,300,000	\$7,000,000	\$123,100,000
2030	\$8,600,000	\$7,000,000	\$114,500,000
2031	\$8,900,000	\$7,000,000	\$105,600,000
2022-2031	\$75,100,000	\$72,000,000	--
2032	\$9,200,000	\$8,000,000	\$96,400,000
2033	\$9,500,000	\$8,000,000	\$86,900,000
2034	\$9,800,000	\$8,000,000	\$77,100,000
2035	\$10,100,000	\$8,000,000	\$67,000,000
2036	\$10,400,000	\$8,000,000	\$56,600,000
2037	\$10,700,000	\$8,000,000	\$45,900,000
2038	\$11,000,000	\$8,000,000	\$34,900,000
2039	\$11,300,000	\$8,000,000	\$23,600,000
2040	\$11,600,000	\$8,000,000	\$12,000,000
2041	\$12,000,000	\$8,000,000	\$0
2032-2041	\$105,600,000	\$80,000,000	--
30 Year Total	\$227,600,000	\$227,600,000	--

Notes: Capital Plan for 2012-2014 has been approved by City Council.
 Capital Plan for 2015-2041 has been forecasted.
 Figures are stated in current year dollars and would need to be adjusted for inflation.
 Current backlog is approximately \$42.5M, either paid off by 2041 (recommended) or 2021.
 Investment Plans include backlog requirements plus annual needs requirements.
 The Annual Reduction of 30 Year Total shows the 30 year total reduced annually by the recommended investment plan budget.
 30 Year Total = \$227,600,000 Backlog = \$42,500,000 2012 to 2041 Annual Needs = \$185,100,000

Table C-2: Sidewalks Aging Infrastructure Investment Schedule 2012-2041

Year	Investment Plan with Backlog Addressed by 2021
2012 Approved	\$300,000
2013 Approved	\$700,000
2014 Approved	\$700,000
2015	\$700,000
2016	\$700,000
2017	\$700,000
2018	\$700,000
2019	\$700,000
2020	\$700,000
2021	\$300,000
2022	\$300,000
2023	\$300,000
2024	\$300,000
2025	\$300,000
2026	\$300,000
2027	\$300,000
2028	\$300,000
2029	\$300,000
2030	\$300,000
2031	\$300,000
2032	\$400,000
2033	\$400,000
2034	\$400,000
2035	\$400,000
2036	\$400,000
2037	\$400,000
2038	\$400,000
2039	\$400,000
2040	\$400,000
2041	\$400,000
30 Year Total	\$13,200,000

Notes: Capital Plan for 2012-2014 has been approved by City Council.
 Capital Plan for 2015-2041 has been forecasted.
 Figures are stated in current year dollars and would need to be adjusted for inflation.
 Current backlog is approximately \$3.5M.
 Backlog to be addressed by 2021 with future funding addressing new defects.

Table C-3: Street and Traffic Lights Aging Infrastructure Investment Schedule 2012-2041

Year	Investment Plan
2012 Approved	\$750,000
2013 Approved	\$750,000
2014 Approved	\$750,000
2015	\$1,250,000
2016	\$1,250,000
2017	\$1,250,000
2018	\$200,000
2019	\$200,000
2020	\$200,000
2021	\$200,000
2022	\$200,000
2023	\$200,000
2024	\$200,000
2025	\$200,000
2026	\$200,000
2027	\$200,000
2028	\$200,000
2029	\$200,000
2030	\$250,000
2031	\$250,000
2032	\$250,000
2033	\$900,000
2034	\$900,000
2035	\$900,000
2036	\$900,000
2037	\$900,000
2038	\$900,000
2039	\$900,000
2040	\$900,000
2041	\$900,000
30 Year Total	\$17,250,000

Notes: Capital Plan for 2012-2014 has been approved by City Council.
 Capital Plan for 2015-2041 has been forecasted.
 Figures are stated in current year dollars and would need to be adjusted for inflation.
 Street lights are being converted to LED over the next 4 years. With a life span of 15 to 20 years, current installations are anticipated to start failing in 2030 with full replacement required to start in 2033.

Table C-4: Bridges Aging Infrastructure Investment Schedule 2012-2041

Year	Investment Plan	Notes
2012 - 2021	\$11,600,000	1
2022 - 2031	\$6,000,000	2
2032 - 2041	\$30,000,000	3
30 Year Total	\$47,600,000	

Notes:

1. The budget identified is for the rehabilitation of Maple Avenue Bridge, minor rehabilitation of various pedestrian bridges and vehicle bridges.
2. The budget identified is in anticipation of replacement of the Dunmore Road Bridge, and replacement of pedestrian bridges crossing CPR tracks.
3. The budget identified is for replacement/major rehabilitation of the Finlay Bridge.

Miscellaneous:

Capital Plan for 2012-2014 has been approved by City Council.
 Capital Plan for 2015-2041 has been forecasted.
 Capital plan has been identified based on the need to maintain the structural integrity of bridges to provide safe passage.
 Figures are stated in current year dollars and would need to be adjusted for inflation.

Table C-5: Storm System Aging Infrastructure Investment Schedule 2012-2041

Year	Investment Plan if Backlog Addressed by 2041 (Recommended)	Investment Plan if Backlog Addressed by 2021	Annual Reduction of 30 Year Total
--	--	--	\$166,429,000
2012 Approved	\$929,000	\$929,000	\$165,500,000
2013 Approved	\$500,000	\$500,000	\$165,000,000
2014 Approved	\$0	\$0	\$165,000,000
2015	\$3,000,000	\$5,000,000	\$162,000,000
2016	\$3,200,000	\$5,000,000	\$158,800,000
2017	\$3,500,000	\$5,000,000	\$155,300,000
2018	\$3,700,000	\$5,000,000	\$151,600,000
2019	\$4,000,000	\$5,000,000	\$147,600,000
2020	\$4,200,000	\$5,000,000	\$143,400,000
2021	\$4,400,000	\$5,000,000	\$139,000,000
2012-2021	\$27,429,000	\$36,429,000	--
2022	\$4,700,000	\$6,000,000	\$134,300,000
2023	\$4,900,000	\$6,000,000	\$129,400,000
2024	\$5,200,000	\$6,000,000	\$124,200,000
2025	\$5,400,000	\$6,000,000	\$118,800,000
2026	\$5,600,000	\$6,000,000	\$113,200,000
2027	\$5,900,000	\$6,000,000	\$107,300,000
2028	\$6,100,000	\$6,000,000	\$101,200,000
2029	\$6,400,000	\$6,000,000	\$94,800,000
2030	\$6,600,000	\$6,000,000	\$88,200,000
2031	\$6,800,000	\$6,000,000	\$81,400,000
2022-2031	\$57,600,000	\$60,000,000	--
2032	\$7,100,000	\$7,000,000	\$74,300,000
2033	\$7,300,000	\$7,000,000	\$67,000,000
2034	\$7,500,000	\$7,000,000	\$59,500,000
2035	\$7,800,000	\$7,000,000	\$51,700,000
2036	\$8,000,000	\$7,000,000	\$43,700,000
2037	\$8,300,000	\$7,000,000	\$35,400,000
2038	\$8,500,000	\$7,000,000	\$26,900,000
2039	\$8,700,000	\$7,000,000	\$18,200,000
2040	\$9,000,000	\$7,000,000	\$9,200,000
2041	\$9,200,000	\$7,000,000	\$0
2032-2041	\$81,400,000	\$70,000,000	--
30 Year Total	\$166,429,000	\$166,429,000	--

Notes: Capital Plan for 2012-2014 has been approved by City Council.
 Capital Plan for 2015-2041 has been forecasted.
 Figures are stated in current year dollars and would need to be adjusted for inflation.
 Current backlog is approximately \$31.1M, either paid off by 2041 (recommended) or 2021.
 Investment Plans include backlog requirements plus annual needs requirements.
 The Annual Reduction of 30 Year Total shows the 30 year total reduced annually by the recommended investment plan budget.
 30 Year Total = \$166,429,000 Backlog = \$31,100,000 2012 to 2041 Annual Needs = \$135,329,000

Table C-6: Storm & Transportation Tax Rate Impacts 2012-2041

Year	Proposed Storm Investment Plan	Storm Incremental Tax Rate Increase	Proposed Transportation Investment Plan	Transportation Incremental Tax Rate Increase
2012 Approved	\$929,000	0.00%	\$5,550,000	0.00%
2013 Approved	\$500,000	0.00%	\$13,850,000	0.00%
2014 Approved	--	0.00%	\$6,150,000	0.00%
2015	\$3,000,000	0.31%	\$6,000,000	2.04%
2016	\$3,200,000	0.34%	\$6,300,000	0.22%
2017	\$3,500,000	0.39%	\$6,600,000	0.00%
2018	\$3,700,000	0.42%	\$5,800,000	0.45%
2019	\$4,000,000	0.41%	\$6,100,000	0.38%
2020	\$4,200,000	0.44%	\$6,400,000	0.42%
2021	\$4,400,000	0.50%	\$8,900,000	1.15%
2012-2021	\$27,429,000	2.81%	\$71,650,000	4.66%
2022	\$4,700,000	0.59%	\$6,600,000	0.37%
2023	\$4,900,000	0.62%	\$6,900,000	0.50%
2024	\$5,200,000	0.65%	\$7,200,000	0.42%
2025	\$5,400,000	0.68%	\$7,500,000	0.46%
2026	\$5,600,000	0.71%	\$13,900,000	1.31%
2027	\$5,900,000	0.83%	\$8,200,000	0.68%
2028	\$6,100,000	0.86%	\$8,500,000	0.61%
2029	\$6,400,000	0.89%	\$8,800,000	0.65%
2030	\$6,600,000	0.93%	\$9,100,000	0.69%
2031	\$6,800,000	0.96%	\$9,400,000	0.73%
2022-2031	\$57,600,000	7.72%	\$86,100,000	6.42%
2032	\$7,100,000	1.10%	\$12,800,000	1.59%
2033	\$7,300,000	1.14%	\$13,800,000	1.10%
2034	\$7,500,000	1.18%	\$14,100,000	1.54%
2035	\$7,800,000	1.22%	\$14,400,000	1.59%
2036	\$8,000,000	1.25%	\$14,700,000	1.64%
2037	\$8,300,000	1.29%	\$15,000,000	1.76%
2038	\$8,500,000	1.33%	\$15,300,000	1.69%
2039	\$8,700,000	1.37%	\$15,600,000	1.74%
2040	\$9,000,000	1.40%	\$15,900,000	1.79%
2041	\$9,200,000	1.44%	\$16,200,000	1.75%
2032-2041	\$81,400,000	12.72%	\$147,800,000	16.19%
30 Year Total	\$166,429,000	23.25%	\$305,550,000	27.27%

Notes: Capital Plan for 2012-2014 has been approved by City Council.
Capital Plan from 2015-2021 has been forecasted to City Council.
Figures are stated in current year dollars and would need to be adjusted for inflation.
Tax increases are based on the 2012 tax base.

Significant Assumptions:

Roads infrastructure assumes Basic Capital Grant (or equivalent) equal to \$60/person annually. Funding for roads capital would be 34% grant funded; 11% operating budget; and 55% debenture.

Interest rates on debenture borrowing:

2012-2016	3.4%
2017-2021	4.0%
2022-2026	5.0%
2027-2031	5.0%
2032-2036	7.0%
2037-2041	7.0%