

CITY OF MEDICINE HAT

Annual Report

2021



NOTICE

This document was originally created as an 'interactive' online presentation, with clickable links and scrollable pages.

Due to security concerns, that version of the presentation is no longer available as it can not be hosted on our own server. This PDF serves as the replacement for that document.

Though nearly complete, some information may not be present in this PDF. We apologize for any inconvenience.

Table of Contents



CORPORATE GOVERNANCE



STRATEGIC PRIORITIES



FINANCIAL REPORT

Annual
Report

2021



MAYOR'S
MESSAGE



CITY
COUNCIL



ADMINISTRATIVE
COMMITTEE



CITY MANAGER'S
MESSAGE



BOARDS



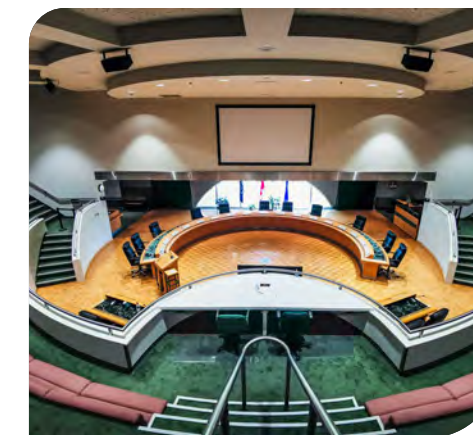
COMMISSIONS



STANDING
COMMITTEES



WORKING
GROUPS



COUNCIL
APPOINTMENTS



ORGANIZATIONAL
STRUCTURE



Mayor's Message

Linnsie Clark

Mayor, City of Medicine Hat
April 18, 2022

This report outlines the City of Medicine Hat's activities and accomplishments throughout 2021. So, I want to start my message by thanking our previous mayor and councillors for their dedicated service and contributions to our community, especially through such a difficult period.

I think we can all agree that 2021 was an intense year. Together we endured yet another year of a global pandemic, with all its associated impacts. In its wake, the pandemic has left new struggles and aggravated pre-existing struggles, like mental ill-health, substance use issues, and housing and food insecurity.

Supply chain disruption and changing consumer demand exacerbated inflationary pressure throughout 2021. Near year end natural gas prices rose to heights we have not seen since 2014, while decarbonization pressures continue to escalate and demand changes to the energy landscape that is so much a part of our city's identity. People in our community, and across the country, are facing financial challenges, and the impacts of changing family dynamics, isolation, and uncertainty.

Yet throughout the past year, I have been continually impressed by the fortitude of so many in our community, who even in the face of such adversity have shown patience, kindness, and a genuine interest in the success of our community and the people within it. Many in our community also answered last year's challenges with creativity, innovation, and transformation. Much of this innovation, along with the technologies, processes and procedures accelerated by the pandemic will persist and our community and economy will be better for it.

Looking ahead to 2022, City Council is focused on finalizing a strategic plan that reflects what we collectively heard from this community, both during our campaigns and since being sworn in on November 1. I am profoundly grateful for the support we have received and the patience of our community as Council transitions into its governance role. We recognize that we have a great deal of work to do.

However, after a municipal election last fall that seated seven new councillors, it is apparent that our community has the energy and will to harness what is great about Medicine Hat, while ambitiously imagining and blazing a new path forward.

To propel Medicine Hat into the next phase of our evolution we must recognize the importance and interdependency of the health of our people, partnerships, environment, economy, and organization. We must capitalize on the rapid transformation that adversity has provoked and empower the amazing people, organizations, and businesses in our community to be agents of our collective success.

I am excited for what we can achieve together. We are a community built on energy, ingenuity, practicality, and co-operation. I know that together we will secure Medicine Hat's future as a vibrant, sustainable, and enduring community.

In Memoriam
Jim Turner
October 18, 1948 - September 21, 2021

City Council



Robert Dumanowski



Cassi Hider



Darren Hirsch



Allison Knodel



Andy McGrogan



Ramona Robins



Shila Sharps



Alison Van Dyke

Administrative Committee



Linnsie Clark

MAYOR



Merete Heggelund

INTERIM CITY MANAGER



Dennis Egert

CORPORATE SERVICES
MANAGING DIRECTOR & CFO



Eric Van Enk

INVEST MEDICINE HAT
ACTING MANAGING DIRECTOR



Brian Mastel

PUBLIC SERVICES
MANAGING DIRECTOR



Brad Maynes

ENERGY & INFRASTRUCTURE
MANAGING DIRECTOR



Rochelle Pancoast

STRATEGIC MANAGEMENT & ANALYSIS
MANAGING DIRECTOR



Ben Bullock

CITY SOLICITOR



Angela Cruickshank

CITY CLERK



City Manager's Message

A handwritten signature in black ink, appearing to read 'Merete Heggelund'.

Merete Heggelund
Interim City Manager
April 20, 2022

Having recently rejoined the organization, I'm struck by the quantity and quality of accomplishments delivered in a year fraught with so many challenges.

The COVID-19 pandemic necessitated a range of responses - from occupancy limits to closures to the restriction exemption program - we were continually faced with the need to adapt how we offer our services to the community.

In addition, both the provincial and federal governments created major stimulus programs to provide an economic boost in municipalities across the country. Here in Medicine Hat, we saw an influx of over \$18 million to support infrastructure and construction projects, from trail expansion to Athletic Park upgrades. City staff mobilized quickly to support these unplanned projects adding significant amenities to our community.

Adaptability was certainly the prevalent theme of the year both for our employees and our community, and I offer my praise to everyone for their patience, determination, and resilience.

As we see restrictions being lifted across the country and around the world, we hope the worst of the pandemic is behind us. While the past two years have been challenging, they have also provided us a tremendous opportunity to learn and adapt. They say necessity is the mother of invention, and the drastic adjustments that were required during the pandemic certainly drove technology enhancements and innovation across the organization. As you read through the annual report, you'll see the fruits of these efforts.

Looking ahead to 2022 and beyond, it is important that we take time to pause and reflect on our collective experiences and learnings. I am optimistic that these learnings will serve us well in our efforts to build a healthy, responsive organization and a vibrant, sustainable community.

Boards

ADVISORY BOARDS

Community Vibrancy Advisory Board

Community Vibrancy Advisory Board focuses on recreation, leisure, culture, arts and social matters in the community. Member responsibilities are found in Bylaw No. 4661. The board will consist of nine members and will meet at least eight times a year. Members are asked to participate in sub-committee work and community activities as well.

Medicine Hat Public Library Board

Each trustee is responsible for participating in discussion and decision making regarding library policy and expenditures. The Board is collectively responsible for all aspects of library operation. Complete roles and responsibilities of a library board member can be found on the Medicine Hat Public Library website.

ASSESSMENT REVIEW & APPEAL BOARDS

Composite Assessment Review Board (CARB)

Hears and decides on complaints against the assessments of any (multi-commercial units) land, improvements, business or local improvements in the City of Medicine Hat.

Local Assessment Review Board (LARB)

Hears and decides on complaints against the assessments of residential properties with three or fewer dwelling units, farmland or a tax notice other than a property tax notice in the City of Medicine Hat.

Subdivision and Development Appeal Board (SDAB)

Hears subdivision appeals and development appeals in accordance with the provisions of the Municipal Government Act and Bylaw No. 3009.

Commissions

Combative Sports Commission

Combative Sports Commission's mandate is to act in a regulatory capacity for Committee and Council with respect to regulating, governing, and controlling combative sports within Medicine Hat.

Bylaw No. 4048 grants the Commission the authority to regulate both professional and amateur combative sports (i.e. boxing and mixed martial arts), but the rules and regulations exempt well- established amateur governing bodies (i.e. Alberta Amateur Boxing Association), and provides the Commission the flexibility to exempt other governing bodies if required.

The Commission continually reviews their Bylaw and Rules and Regulations and makes amendments to modernize and update their operating procedures.

Municipal Planning Commission

Roles and responsibilities of a library board member can be found on the Medicine Hat Public Library website.

Duties of the Commission include:

- exercising development powers and duties on behalf of the City in accordance with the Subdivision and Development Authorities Bylaw
- carrying out such other functions and duties as assigned to the commission by Council

Medicine Hat Police Commission

The Medicine Hat Police commission provides overall direction through support and guidance to the Chief of Police, ensuring a safe and secure community.

Core Values:

- **Respect** - We respect our people and the community we serve.
- **Accountability** - We are accountable to each other and those we serve.
- **Honesty** - We are forthright, direct and honest with our community and ourselves.
- **Integrity** - We conduct ourselves in an ethical manner; maintaining confidentiality, trust and objectivity.

Standing Committees

Administrative Committee

The Administrative Committee is comprised of the administrative heads of the City organization and approves qualified tenders, authorizes initiation of legal proceedings more than \$50,000, recommends policies and programs, and directs the preparation of operating and capital budgets and long-range forecasts for presentation to Council.

Members:

- Mayor
- City Manager
- City Solicitor
- City Clerk
- Managing Director of Corporate Services
- Managing Director of Energy and Infrastructure
- Managing Director of Public Services
- Managing Director of Strategic Management and Analysis

Administrative & Legislative Review Committee

The Administrative and Legislative Review Committee deals with matters relating to legislation, administration and organization, as referred to it by Council.

Members:

- Councillor Andy McGrogan, Chair
- Councillor Allison Knodel, Vice-Chair
- Councillor Demona Bohinc

Energy & Infrastructure Committee

Energy & Infrastructure Committee's focus is policy issues, for which the committee is assigned, and analysis of, and recommendation to Council on ways and means of dealing with matters placed before them including issues on:

- Electric generation and distribution
- Environmental utilities
- Municipal infrastructure
- Natural gas production and distribution
- Utilities sustainability
- Operation and maintenance of City facilities as well as lifecycle of mobile vehicle fleet

Members:

- Councillor Alison Van Dyke, Chair
- Councillor Robert Dumanowski, Vice-Chair
- Councillor Andy McGrogan
- Energy & Infrastructure Division Managing Director (advisor)

Public Services Committee

Focuses on policy issues, for which the committee is assigned, and analysis of, and recommendation to, Council on ways and means of dealing with matters placed before them including issues on:

- Indoor / outdoor recreation
- Parks and trails

Working Groups

Working Group for Heritage Resources

Our city is rich in heritage resources, both public and private. The purpose of the Heritage Resources Working Group is to support the protection of these valuable resources for future generations.

Heritage resources include built structures, streetscapes, historical and archeological sites, as well as landscapes, archeological specimens and natural features of heritage and historical significance.

The mandate of the working group is to assist with promoting the conservation, preservation, restoration, retention, and awareness of local heritage resources. This work will be based upon the Province of Alberta's Historical Resources Act - R.S.A. 2000.

The Heritage Resources Working Group will:

- Encourage protection of heritage resources that are representative of Medicine Hat's history
- Promote public awareness of heritage resources, including existing and lost resources
- Enhance public understanding of and participation in the conservation of heritage resources

Working Group for Accessibility and Inclusion

The Working Group for Accessibility & Inclusion (WGAI) is an advisory body under the City of Medicine Hat's Community Development department. Its primary purpose is to advise and support City departments on issues related to persons with physical, developmental and mental health disabilities. The WGAI recognizes both visible and invisible disabilities. Its goals include equitable participation of persons with disabilities, and all of the City of Medicine Hat's public facilities, programs and services are accessible and inclusive.

Council Appointments

Chamber of Commerce

Councillor Allison Knodel

Civic Functions

Councillor Allison Knodel

Community Futures Entre-Corp

Public Services Managing Director
Brian Mastel

Cypress View Foundation

Councillor Darren Hirsch
Councillor Ramona Robins

Friends of Medalta

Councillor Allison Knodel

Highway 3 Twinning Association

Councillor Darren Hirsch

Intermunicipal Committee

Councillor Robert Dumanowski
Councillor Shila Sharps

Medicine Hat Community Housing Society

Councillor Ramona Robins

Medicine Hat Exhibition & Stampede

Councillor Andy McGrogan

Medicine Hat Public Library

Councillor Ramona Robins

Municipal Names Committee

Councillor Cassi Hider

Palliser Economic Partnership

Councillor Cassi Hider
Councillor Shila Sharps

Police Commission

Councillor Alison Van Dyke
Councillor Shila Sharps

Regional Drainage Committee

Councillor Alison Van Dyke

Shortgrass Library System

Councillor Alison Van Dyke

Subdivision & Appeal Development Board

Councillor Cassi Hider
Councillor Robert Dumanowski

Tourism Medicine Hat Committee

Councillor Cassi Hider

Organizational Structure



STRATEGIC PRIORITIES



FISCAL
RESPONSIBILITY



ECONOMIC
VITALITY



INFRASTRUCTURE
RENEWAL



COMMUNITY SAFETY
& VIBRANCY



SUNSHINE
HOSPITALITY



CITY
GOVERNMENT

Fiscal Responsibility

TABLE OF
CONTENTS

STRATEGIC
PRIORITIES
MENU



ACCELERATED
FINANCIALLY FIT



THE FUTURE
OF POWER



SALE OF
GLAUC C OILFIELD



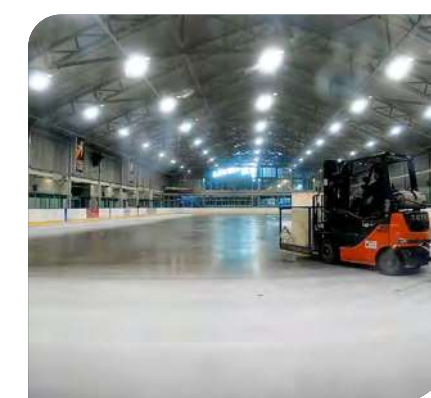
EYREMORE, DENZEL
& PAKOWKI ASSET
DISPOSITIONS



SHAMROCK
RECYCLING DEPOT
RELOCATION



EBILLING



MUNICIPAL
CLIMATE CHANGE
ACTION GRANT



KERBY CENTRE
ASSUMES OPERATION
OF VEINER CENTRE

Accelerated Financially Fit

The City of Medicine Hat continued to focus on the Accelerated Financially Fit Initiative (AFFI), aiming to reduce costs and create a financially sustainable municipality that does not rely on funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases.

The Accelerated Financially Fit Initiative refocuses on the execution of budget solving initiatives and strategic opportunities including revenue growth, cost containment, service level adjustments, range and level of services provided, and leveraging technology and digital innovation to better connect with residents while reducing costs.

A number of these initiatives, including a significant redesign of the organizational structure, were implemented in 2021 resulting in largely achieving the \$14.8M net target. This progress was achieved while maintaining property taxes at 2019 rates.

There is approximately \$9M still to resolve in the 2022. The gap will be funded through reserves; however, this will be adjusted accordingly as additional revenues and cost savings initiatives are identified.



The Future of Power

Evaluating Opportunities with Commodity Assets

As part of an ongoing effort to both investigate opportunities and manage risk in a rapidly evolving energy industry, the City of Medicine Hat undertook an active exploration of the value of its electric generation assets (GENCO) in early 2021. The City confirmed in February that there is no pending sale, and that any future possible sale would be subject to stakeholder consultation and rigorous municipal and regulatory approval. It remains prudent to continually evaluate the financial performance and strategic value of any and all City assets.



Sale of Glauc C Oilfield

In December 2020, Council approved the sale of the non-operated working interest of the **Glauc C** oilfield, which accounts for approximately 27% of the oilfield. The sale to Cache Island Corp., a private energy transition company with conventional oil and gas assets and renewable energy projects, was finalized in February, relieving the City of the financial obligations related to abandonment and reclamation.



Eyremore (partial), Denzel & Pakowki Asset Dispositions

In November 2020, Council approved the divestiture of three oil and gas assets whose sales were finalized in 2021:

- Eyremore (partial - located near Brooks) whose natural gas wells were slated for abandonment and reclamation in early-mid 2021. The main facility and approximately 85 of 130 wells were divested.
- Denzil (located in Saskatchewan) consists of nine oil wells, only one of which was actively producing
- Pakowki (60 km south of Medicine Hat) consists of two oil wells, which were both shut-in

The dispositions also relieved the City of \$6.2 million in expenditures related to asset retirement obligation and contributed to the efforts of the Accelerated Financially Fit initiative to reduce the City's reliance on annual dividends from its energy businesses.



Shamrock Recycling Depot Relocation

The City of Medicine Hat and the South Country Co-op partnered to relocate the drop-off recycling depot located behind the Shamrock Bottle Depot at 172 Altawana Drive NE to a new location in the parking lot of the Northlands Co-op at 20 Northlands Way NE. The three sites at Northlands, Kipling Street and Medicine Hat Mall provide geographic coverage to the north, central, and south areas of the community for recycling items that are not accepted or do not fit in the blue residential recycling carts. The land near the Shamrock depot remains part of the City's land portfolio to be evaluated for further development or alternative use.



The former location of the recycling depot at the base of Altawana Dr NE



The recycling depot's new location in the Northlands Co-op parking lot



"South Country Co-op demonstrates endless commitment to our community through thoughtful partnerships that benefit our residents, their members, and our environment. We are grateful to them for providing a convenient location for residents on the north side of the city to recycle."

Jamie Garland, Manager of Services, City Assets

eBilling

Paperless billing is better for the environment, reduces paper waste, and saves mailing costs. In 2021, the ratio of customers signed on for eBilling grew to 49% (from 42% in 2020). This translates to 16,024 accounts, up from 13,696 in 2020. Each paper bill is estimated to cost \$2 when factoring in the stamp, envelope, paper, ink, printing processing time, and mail clerk time, which translates into \$384,576 of savings in 2021.

The City continues to encourage this sustainable option through a variety of promotions.



Municipal Climate Change Action Grant

A new water treatment system was installed at the Big Marble Go Centre thanks to a grant provided by the Municipal Climate Change Action Centre (MCCAC). The non-chemical treatment system uses significantly lower water temperatures to flood the Cenovus Arena ice, which will lower utility costs of the building and provide an improved ice surface for patrons. The new water treatment system will also spur additional cost savings for the Cenovus Arena by improving efficiencies related to ice building and maintenance.

Your browser can't play this video.
[Learn more](#)



Kerby Centre Assumes Operation of Veiner Centre

In January, Kerby Assembly was awarded a multi-year contract to operate the City's seniors' centres. Kerby's proposal provided an extensive suite of new services and programs focused on wellness, lifelong learning and transitional supports for stages of life, while still including the existing options at the Veiner and Strathcona Centres. These enhancements will better serve our growing seniors demographic and allow the City to maximize the value of these important City assets.

Kerby assumed operations of the Meals on Wheels program in August and a full operation of the Veiner and Strathcona Centres began in September. In addition to increasing the selection of services available to the community, the City decreased costs by approximately \$190,000 annually. The City retains ownership and responsibility for facility maintenance and management.



Economic Vitality

TABLE OF
CONTENTS

STRATEGIC
PRIORITIES
MENU



MUNICIPAL STIMULUS
PROGRAM (MSP)



INVESTING IN CANADA
INFRASTRUCTURE
PROGRAM



UNIT 17
CONSTRUCTION



BUSINESS
INNOVATION GRANT



WELCOME BACK
WESTJET



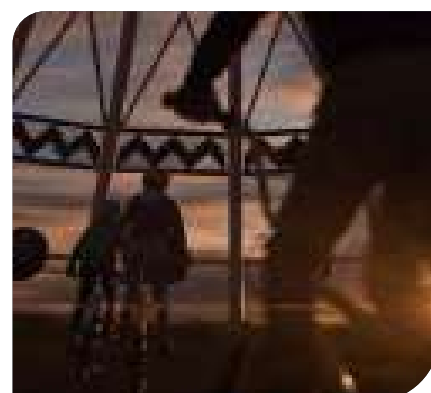
SOUTHEAST ALBERTA
HYDROGEN HUB



CARBON CAPTURE
UTILIZATION & STORAGE



DEVELOPMENT
INCENTIVE PROGRAM



MARKETING THE
FILM INDUSTRY



SALESFORCE



LAND SALES

Municipal Stimulus Program (MSP)

The Municipal Stimulus Program was announced in 2020 in response to the COVID-19 pandemic. Designed by the Province of Alberta to stimulate the economy through job growth and red tape reduction, funding was allocated on a per capita basis, providing the City of Medicine Hat with a maximum contribution of \$7.5 million.

Eligibility required no future burden on tax rates, construction commencement by 2021, and expending all grant funds by December 31, 2021, except where a project extension has been granted by government officials.

The City submitted five projects for approval focusing on projects that will aid in future tourism and recreation, leverage existing user group relations, and enhance City assets. The City of Medicine Hat received approval to proceed with the five projects as submitted.



PICKLEBALL FACILITY (\$2.0M IN MSP FUNDING)

Community members, the Medicine Hat Pickleball Club and the City broke ground in July on the multi-court pickleball facility, located southeast of the Big Marble Go Centre. The new courts will provide an opportunity to host regional, provincial and national level tournaments, in addition to increased playing options for clubs, leagues, schools, as well as the community.

With the expansion of the available amenities at the Big Marble Go Centre, construction of the multi-court facility expanded to



Investing in Canada Infrastructure Program (ICIP)

In 2020, the federal government announced the new COVID-19 Resilience funding stream under the Investing in Canada Infrastructure Program (ICIP).

The federal and provincial government adjusted previous ICIP parameters in response to COVID-19, allowing municipalities to choose whether to continue to use their approved funding for eligible projects under the original Public Transit Stream, or to reallocate for projects that would stimulate local construction and support economic recovery from the pandemic. Under the new stream, the government funded 80% of eligible capital costs for approved projects. Remaining project costs were funded through existing capital budgets.

The City of Medicine Hat chose to reallocate \$10.9 million of the eligible \$13.4 million ICIP funds towards COVID-19 Resilience Stream. In October 2020, City Council approved a project list for submission and the City received funding for all projects.

Please note we have opted not to include project costs in the ICIP section. Projects were supported by additional City funds and the scope of some were expanded post application, making it very difficult to provide accurate, consistent info.

ADDITION TO 533 1 ST SE MUNICIPAL OFFICE

The project involved a single-story addition to the building to support long-term consolidation of City facilities. The added municipal office space will allow the City to reduce the amount of leased office space required for municipal services, prompting annual cost-savings. The project is expected to be complete in 2022.



Unit 17 Construction

In April 2021, the City of Medicine Hat broke ground on Unit 17, a LM6000PF simple-cycle gas turbine power generation plant that will add 44 megawatts to the City's generation capacity. Unit 17 is located on City-owned land at the Cousins West power plant site west of Box Springs Road and 52 Street Northwest, adjacent to Unit 16, which was commissioned in 2017. The turbine includes a heat recovery unit that increases efficiency and a selective catalytic reduction (SCR) system to reduce nitrous oxide (NOx) emissions to meet airshed and environmental approval requirements. At an approved cost of \$66 million, Unit 17 is projected to be under budget and in full operation by April 2022, only one year from start of construction.

Your browser can't play this video.
[Learn more](#)



FROM LEFT TO RIGHT:

*Energy & Infrastructure Managing Director Brad Maynes,
then-Mayor Ted Clugston and Medicine Hat Power & Water
Director Brian Strandlund break ground on Unit 17*

City of Medicine Hat Business Innovation Grant

On May 4, 2020 City Council approved an \$8.2M assistance package to support the community in coping with and recovering from the economic impacts of COVID-19. Of the \$8.2M, \$2M was allocated for reinvestment into the local business community. Coined as the Medicine Hat Business Innovation Grant (MHBIG), Invest Medicine Hat and Community Futures Entre Corp promoted the program and dispersed funds in four allotments of \$500,000.

On April 12, 2021, the fourth and final tranche was released. Based on an analysis of the first three allotments of the MHBIG, grant criteria were adjusted to ensure the program was meeting the needs of local businesses.

Revised guidelines included support for new technology including the implementation of customer relationship management ("CRM") software systems to enable business to operate remotely and safely, development of additional revenue streams, and installation of video camera technology to help monitor isolated workers and provide security for the building and business assets.

The total grant funds stimulated over \$2.25M in economic activity within the community for local businesses and contractors, and helped small businesses sustain in an environment of mandatory closures and strict guidelines for operations.



Welcome Back WestJet

On June 28, 2021, members of City Council and staff proudly welcomed back WestJet as they resumed operations in Medicine Hat after suspending local operations in March due to faltering demand related to COVID-19.

Your browser can't play this video.
[Learn more](#)



Watch the "Welcome Back!" video



Members of City Council & the Administrative Committee were on hand to officially welcome WestJet's return

Southeast Alberta Hydrogen Hub: Fueling a New Future

As the world moves towards clean energy, the City of Medicine Hat is responding by partnering with local industry and government to address this global shift.

On August 13, 2021, the City of Medicine Hat announced it had established the Southeast Alberta Hydrogen Task Force (The Task Force). Composed of major industry and government organizations, the Task Force will produce foundational tools required to understand how to integrate hydrogen into the economy of Southeast Alberta.

The Task Force is exploring Southeast Alberta's potential as Canada's second hydrogen hub, analyzing the region's unique strengths and opportunities that could make it among the world's lowest cost producers of low-carbon hydrogen.

The long-term vision is to replace the economic impact of the oil and gas sector that once was this region's primary economic driver. Using similar infrastructure and labour skillsets, hydrogen represents opportunities to transition toward a clean and sustainable future.

The foundational report is expected to be completed by early 2022 which will be used as a marketing tool to attract industry and investment. The foundational report will outline the potential demand for hydrogen in the region as well as opportunities for the early adoption of hydrogen as both a transportation and heating fuel.



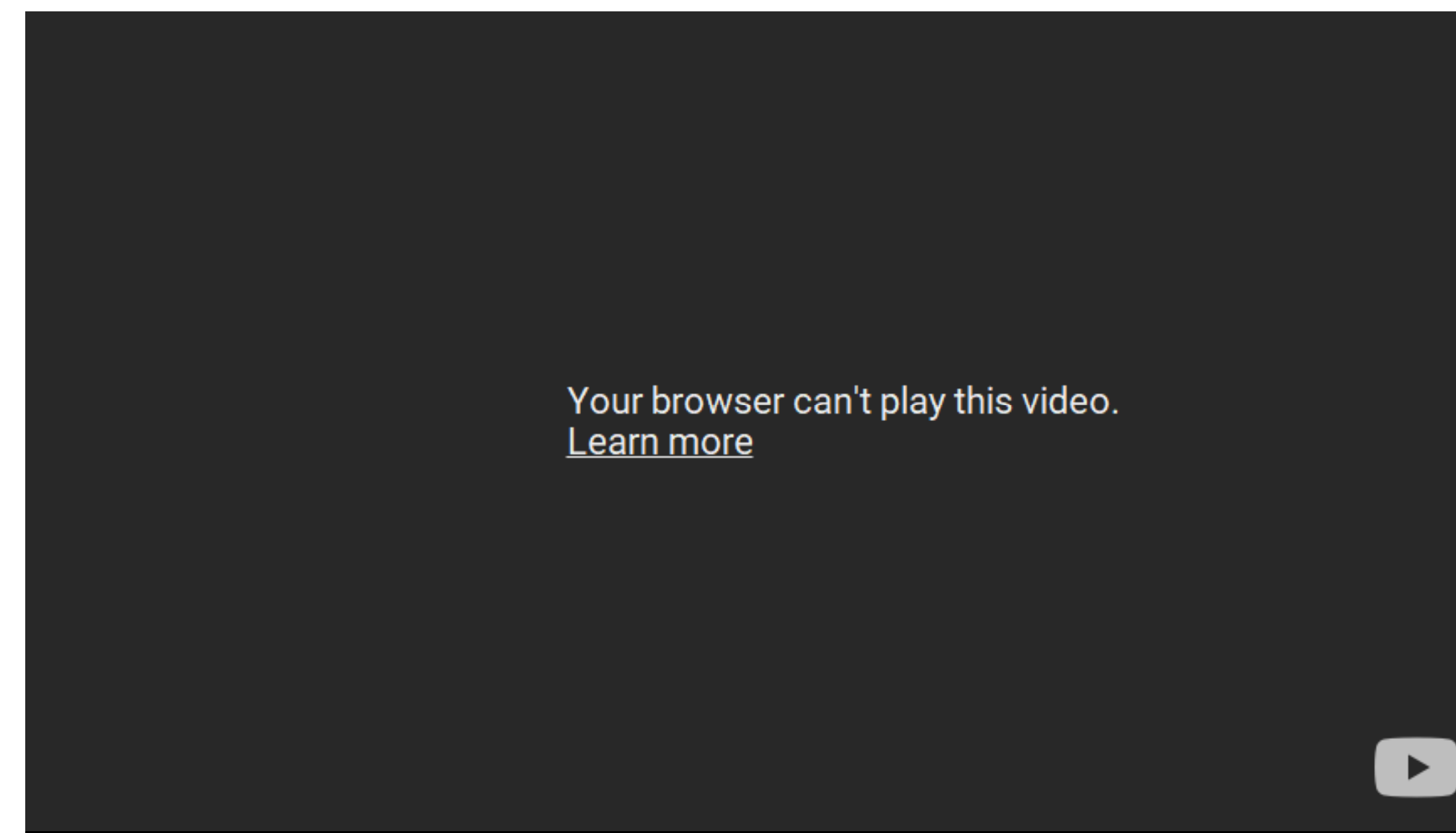
Carbon Capture Utilization and Storage (CCUS)

On December 2, 2021, MP Glen Motz advocated in the House of Commons for 'Project Clear Horizon', a large-scale Carbon Capture Utilization and Storage (CCUS) project led by the City of Medicine Hat, Methanex, and CF Industries.

Federal carbon taxes are expected to rise from \$50 per tonne to \$170 per tonne by the year 2030. This escalation in carbon taxes will substantially increase the cost of electricity generation from burning natural gas or other fossil fuels unless CCUS infrastructure is built to capture the CO₂ and mitigate the impact of carbon taxes. Without bold action, escalating carbon taxes will have a negative impact on Southeast Alberta's economy and standard of living.

'Project Clear Horizon' is the single largest business retention and expansion opportunity in Southeast Alberta. The project will offset carbon taxes with the ability to capture and store CO₂, reducing the impact of carbon taxes and creating a competitive advantage for generations to come. Industries requiring carbon capture technology will be naturally attracted to industrial hubs which have invested in this infrastructure. With a limited number of CCUS hubs expected in the country, Medicine Hat will be extremely well positioned to attract industrial growth.

The City of Medicine Hat is uniquely positioned to lead this initiative given its advanced knowledge of local geology from decades of owning and operating an oil and gas company.



MP Glen Motz speaks in the House of Commons

Development Incentive Program

Invest Medicine Hat managed the 2021 Development Incentive Program designed to stimulate investment and support economic growth that would not have otherwise occurred.

The development incentive program included six incentives: Brownfield Redevelopment Tax Incentive, Commercial-Industrial Development Tax Incentive, Waterfront District Housing Incentive, Waterfront District Vibrancy Incentive, Builder's Incentive, and, the Infill Incentive.

With all the incentives combined, over 70 businesses received money towards their development projects in 2021, which was leveraged into approximately \$5.6M of total spending in the community.

Some of the local businesses that benefitted from the program in 2021 included: ACE Hardware, Botanicals, Gravity Sports, Local Pub & Eatery, Izote Latin Cocina, Stone Furs, and Moose & Squirrel Artisan Market.

[Read about Local Pub & Eatery's Incentive Story](#)

[Read about the Development Incentives at work on North Railway](#)



Maple Ave ACE Hardware - 760 3rd St SE



Botanicals - 505A N Railway St

Marketing the Film Industry

In March the Government of Alberta announced it was boosting the province's film and television tax credit by \$19.5M, to \$50M, to find ways to attract more film business to Alberta.

Recognizing the economic development opportunities of the film industry, Invest Medicine Hat established marketing materials and key contacts with Travel Alberta and the Province to promote Medicine Hat as a film-friendly location.

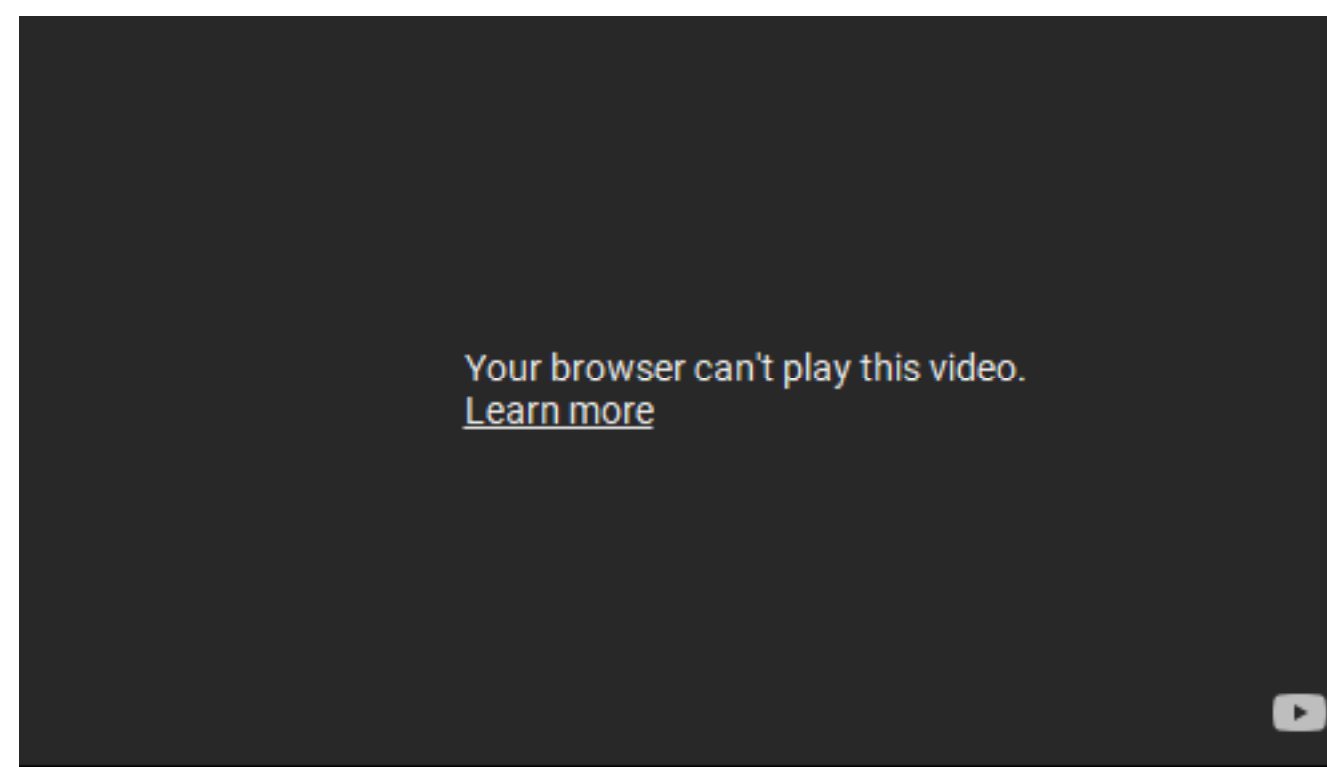
In April 2021, the City welcomed its first major production and supported Crowsnest Films and Keep Alberta Rolling in accessing resources, permits, and locations in the city to support the filming of three commercials for connectFirst Credit Union.



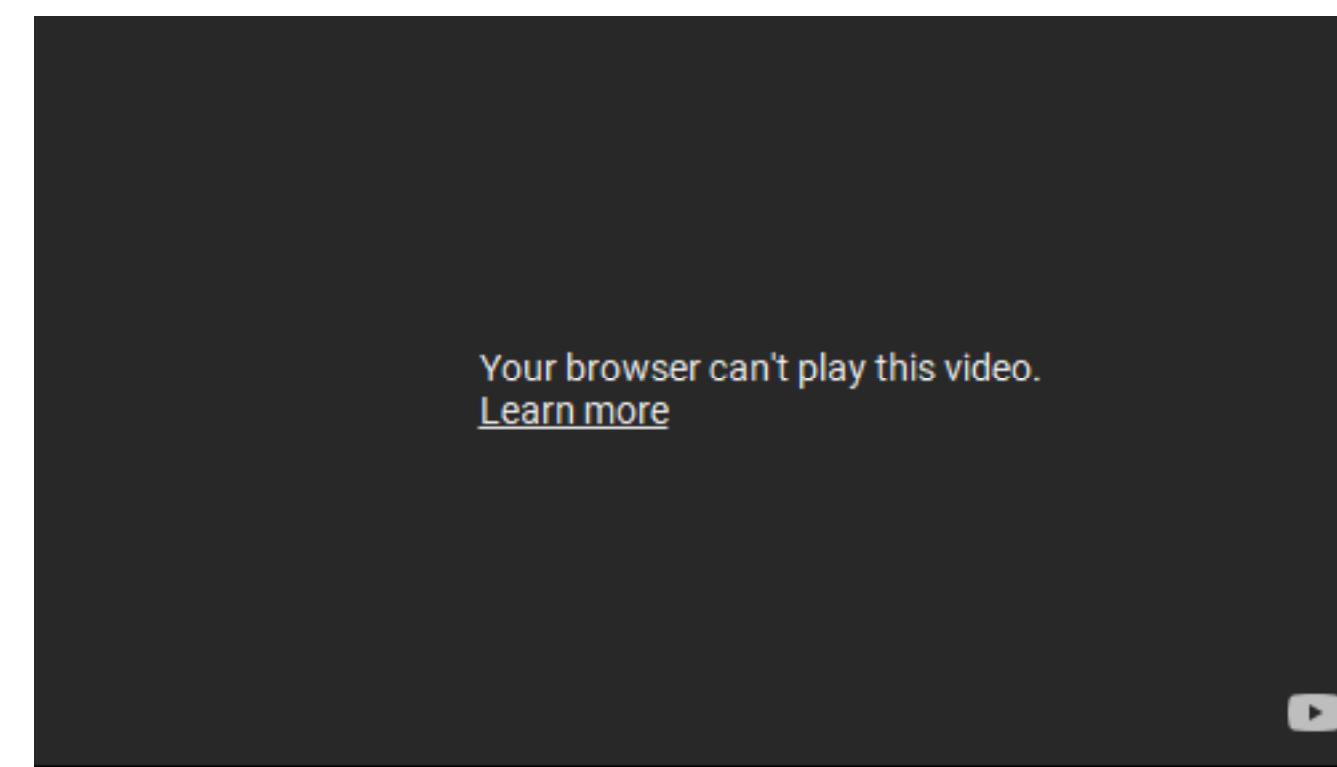
"Medicine Hat is an undiscovered gem of wonderful picturesque locations that photograph beautifully – a great backdrop to any movie. Thank you for everything and for the opportunity to meet so many great people and make new friends."

**László Uhrík, Locations Manager,
AB411 Film Location Services Inc.**

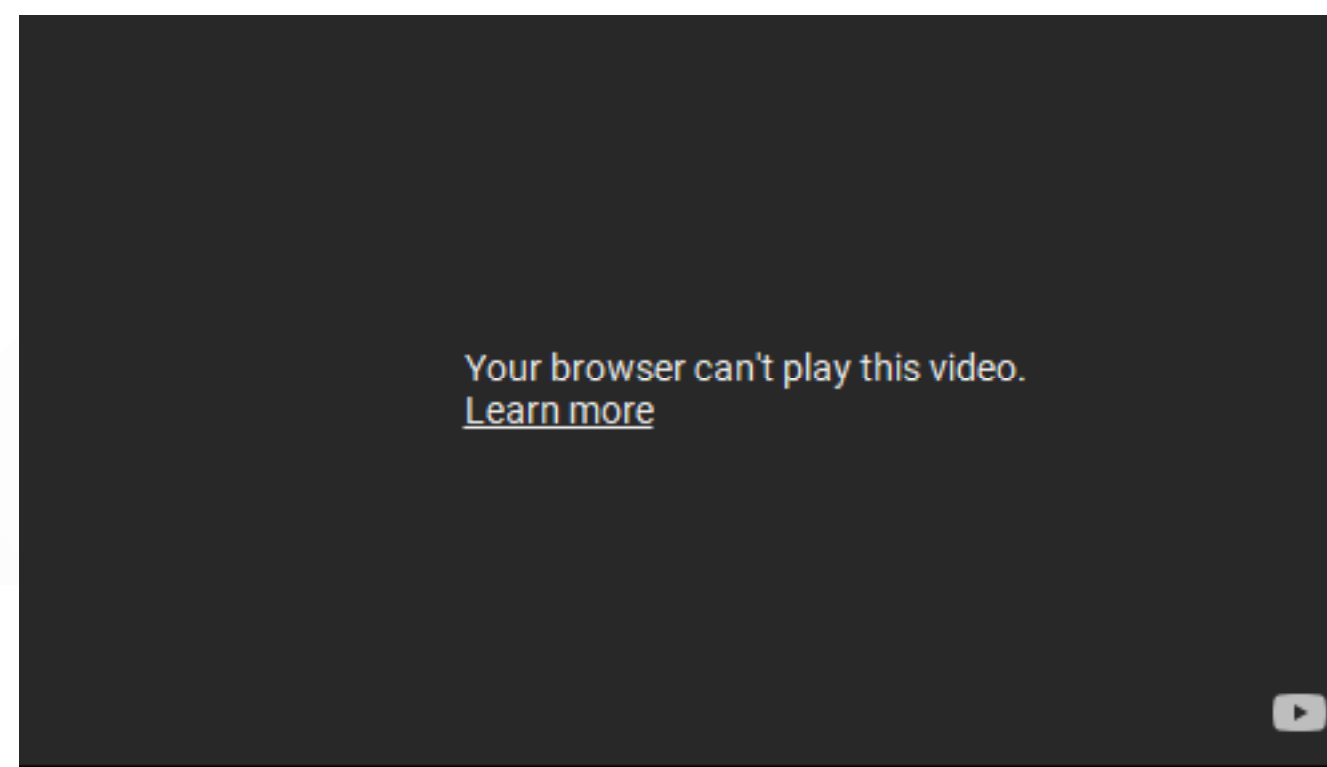
Commercial 1: "HERE"



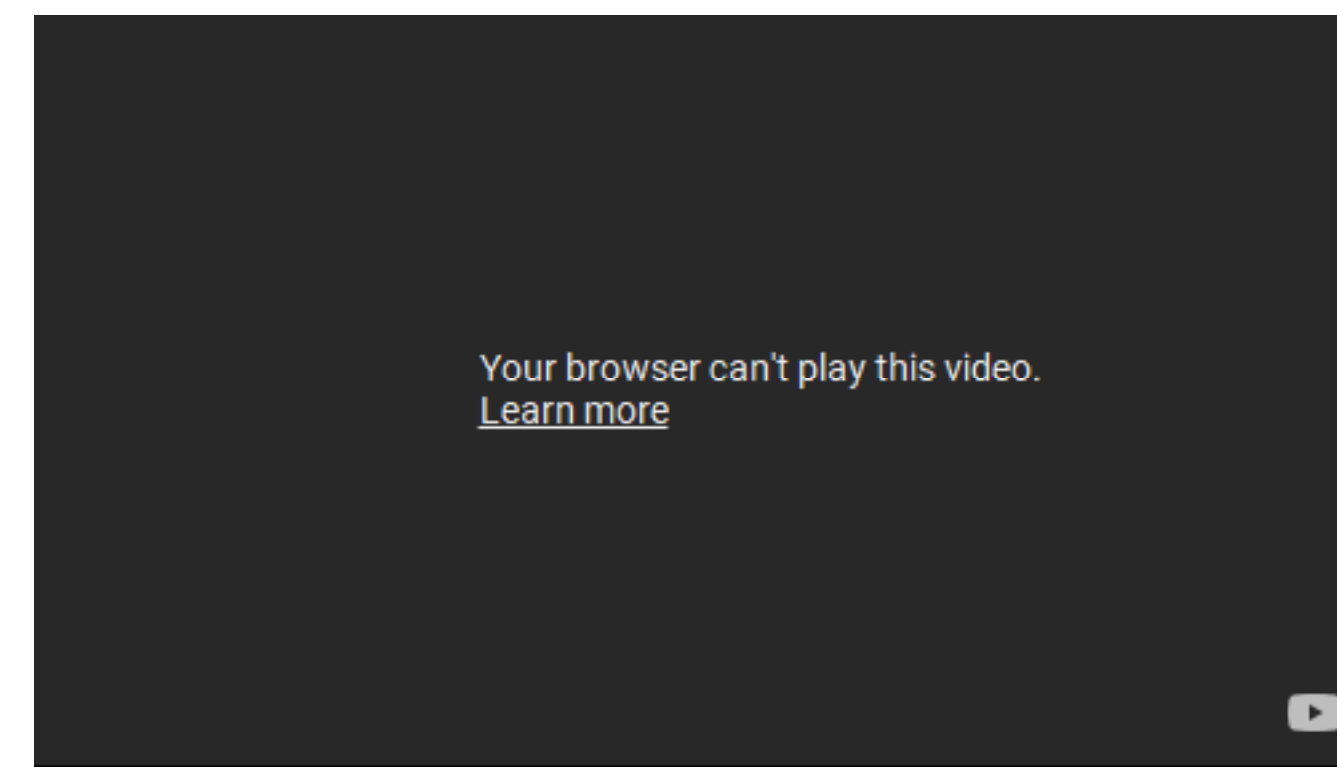
Commercial 2: "STARGAZERS"



Commercial 3: "WE ARE ONE"



"Behind The Scenes" with Crowsnest Films



Salesforce

Invest Medicine Hat continued to utilize and build its Salesforce Customer Relationship Management (CRM) software to support functions related to business development, land sales, and investment. The software has streamlined internal processes and provides an efficient and secure way to manage the City's land and real estate portfolio as well as potential business leads.

The CRM software provides immediate access to critical information to enable timely decisions and to support reporting to City officials. Furthermore, in 2021, a project management section was built to provide the organization with critical information, secured in the cloud to efficiently support our business development community with their projects.



Land Sales

The City's Invest Medicine Hat (IMH) department manages a large inventory of commercial and residential land owned by the City and works closely with the private sector to understand challenges and barriers to investment.

By simplifying parcels of land and addressing zoning issues, IMH aims to reduce the risk for developers and provide investment-ready land opportunities. IMH continues to rebalance the land portfolio by divesting residential lots and focusing on de-risking commercial and industrial land to assist with business attraction and expansion.



YXH GATEWAY AND AIRPORT LANDS

The Medicine Hat Regional Airport (YXH) is a gateway to the City of Medicine Hat, Southeast Alberta and Southeast Saskatchewan, providing vital transportation linkages including aviation facilities. To leverage YXH's potential as a catalyst for growth in the region, the development of airport lands has been a key priority for Invest Medicine Hat.

YXH Gateway is a new commercial business park in Southeast Alberta, presenting a unique opportunity to develop at the airport, with three new parcels of land totaling 7.96 acres. This development is part of a larger airport improvement initiative that has been taking place over the past number of years including landscaping to the entrance of the terminal, large airside land development lots (one now home of Canwest), airstrip asphalt and lighting



Infrastructure Renewal

TABLE OF
CONTENTS

STRATEGIC
PRIORITIES
MENU



WATER, SEWER &
STORM SYSTEM
UPGRADES



KIPLING & SPENCER
STREET CORRIDOR



LIFT STATION
REHABILITATION



RIVERSIDE/BRIER PARK
SANITARY SEWER
TRUNKLINE



SOUTHVIEW DRIVE
SEWER LINING
PROJECT



CENTENNIAL DRIVE NW
RAIL CROSSING
UPGRADES



CITY HALL
GLASS REPLACEMENT



NW GAS FEEDER
MAIN EXTENSION



ROSS GLEN TOWNE CENTRE
IRRIGATION PROJECT



STAIRS IN
KIN COULEE PARK



HILLSIDE CEMETERY
UPGRADES & EXPANSION

Water, Sewer & Storm Sewer Rehabilitation/Upgrades

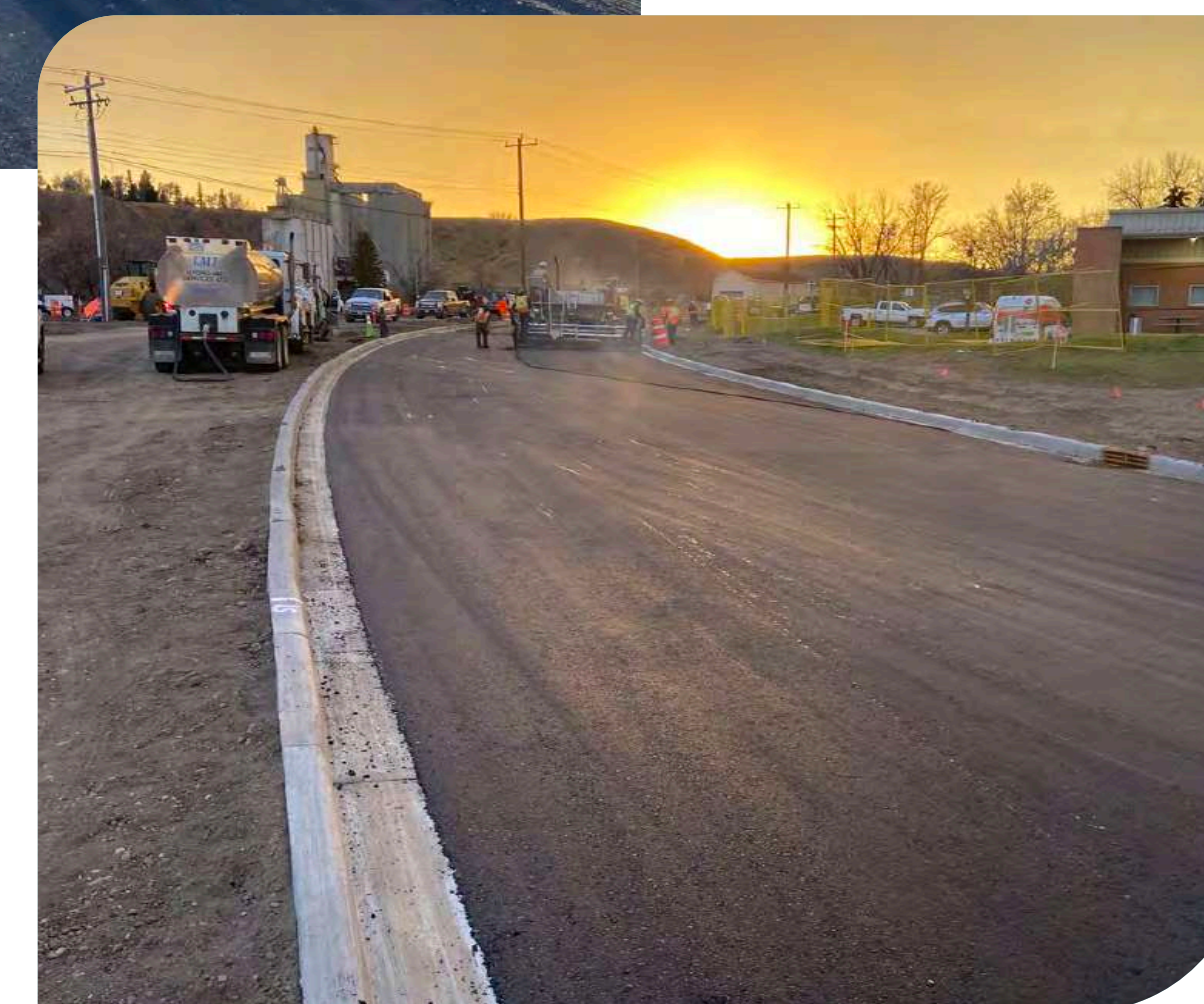
As part of the City's ongoing strategy to address aging critical infrastructure, the City invested approximately \$15 million to replace water and sanitary sewer mains in 2021. To take advantage of the synergies of scope and location of the work, and to avoid multiple disruptions in the areas, other City departments coordinated to perform work on underground gas, electric and storm sewer infrastructure, and surface roadway improvements at the same time:

- Division Avenue S from 2 Street SE to 3 Street SE: **\$2.5 million**
- 17 Street SW from 9 Avenue SW and 10 Avenue SW: **\$1.3 million**
- 5 Street SE from Maple Avenue SE to Allowance Avenue SE: **\$2.2 million**
- 12 Street SW from Bullivant Crescent to 4 Avenue SW: **\$2.5 million**
- Foundry Street SE from Smelter Avenue SE to Allowance Avenue SE: **\$1.6 million**
- Belfast Street SE from 4 Avenue SE to 6 Avenue SE: **\$2.2 million**
- 2 Avenue NE from 7 Street NE to 12 Street NE: **\$2.4 million**
- 3 Street SW and 4 Street SW: **\$0.5 million**
- Storm sewer cure-in-place pipe lining program: **\$0.5 million**



Completed Kipling & Spencer Street Corridor

Carrying over from water and sewer rehabilitation in 2020, crews completed the final portion of road rehabilitation, top-lift paving, landscaping, and trail installation along the Kipling Street and Spencer Street corridor in 2021. The project included changes in lane configurations on Kipling Street SE between College Avenue SE and 3 Avenue SE to improve safety and traffic flow. Investment: **\$5.9 million**



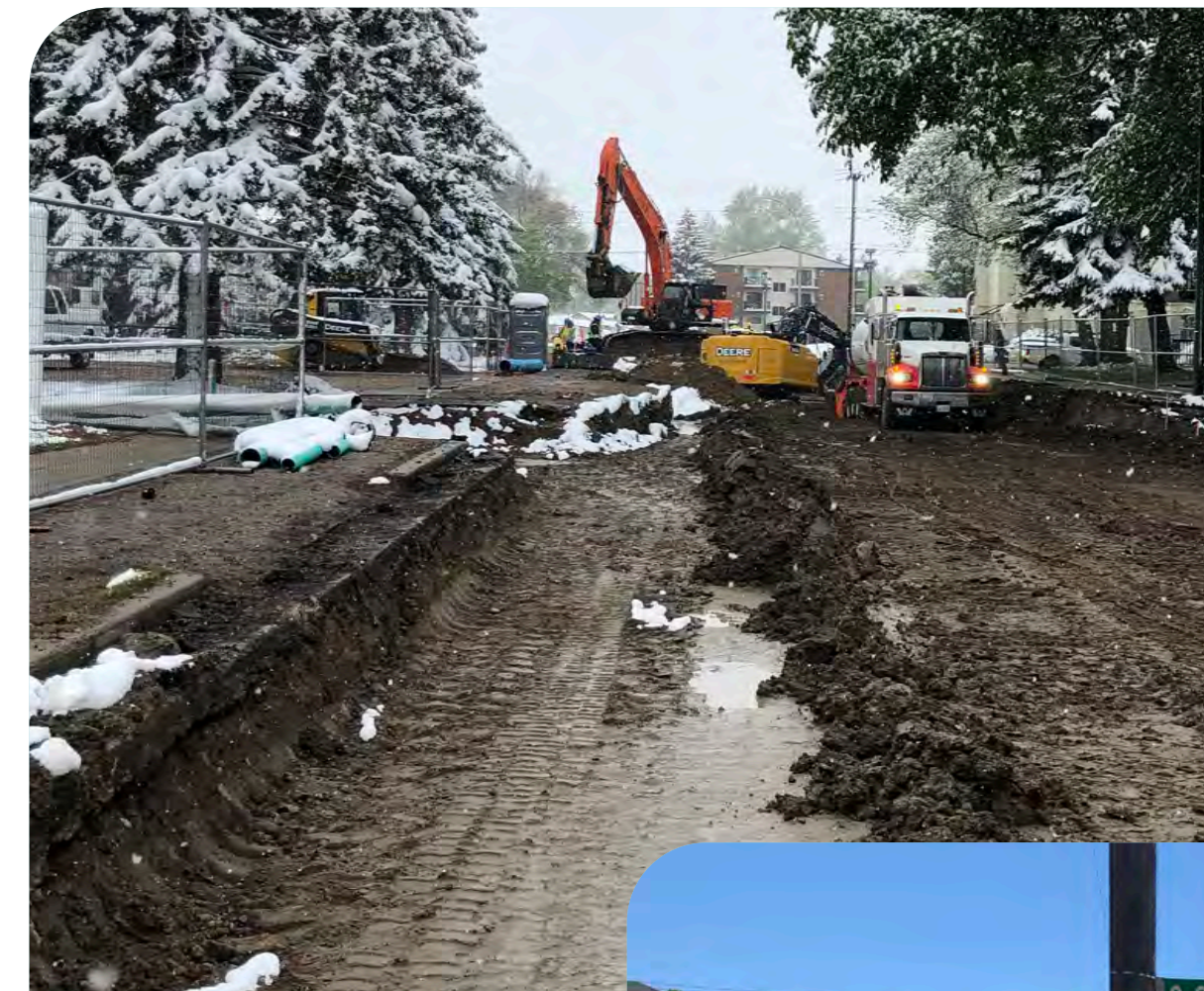
Lift Station Rehabilitation

As part of the capital asset management plan, the City of Medicine Hat replaced or upgraded four sanitary lift stations in 2021. The Thompson lift station near the Ross Glen neighbourhood had reached the end of its operational life cycle and was replaced. The Brier Park lift station received upgrades that extended the useful life of the asset. Water service and bathrooms were added to the Southlands sanitary lift station and the SW Sector lift station (near Canyon Creek). Investment: **\$4.1 million**



Riverside/Brier Park Sanitary Sewer Trunkline

A multi-year project to install a new sanitary sewer trunkline in Riverside, just north of the South Saskatchewan River, Phase 2B was completed in 2021 as part of the long-term sewer management strategy. The trunkline diverts sewage flow from the northwest quadrant of the city (Box Springs, Brier Park, Redcliff) to the newly renovated lift station on the north bank of the river near Police Point Park. The City took advantage of synergies between the scope and location of the work around 2 Street NE by also conducting maintenance on the natural gas distribution system and roadway improvements to the intersection at the mouth of Finlay Bridge. Investment: **\$4.4 million**



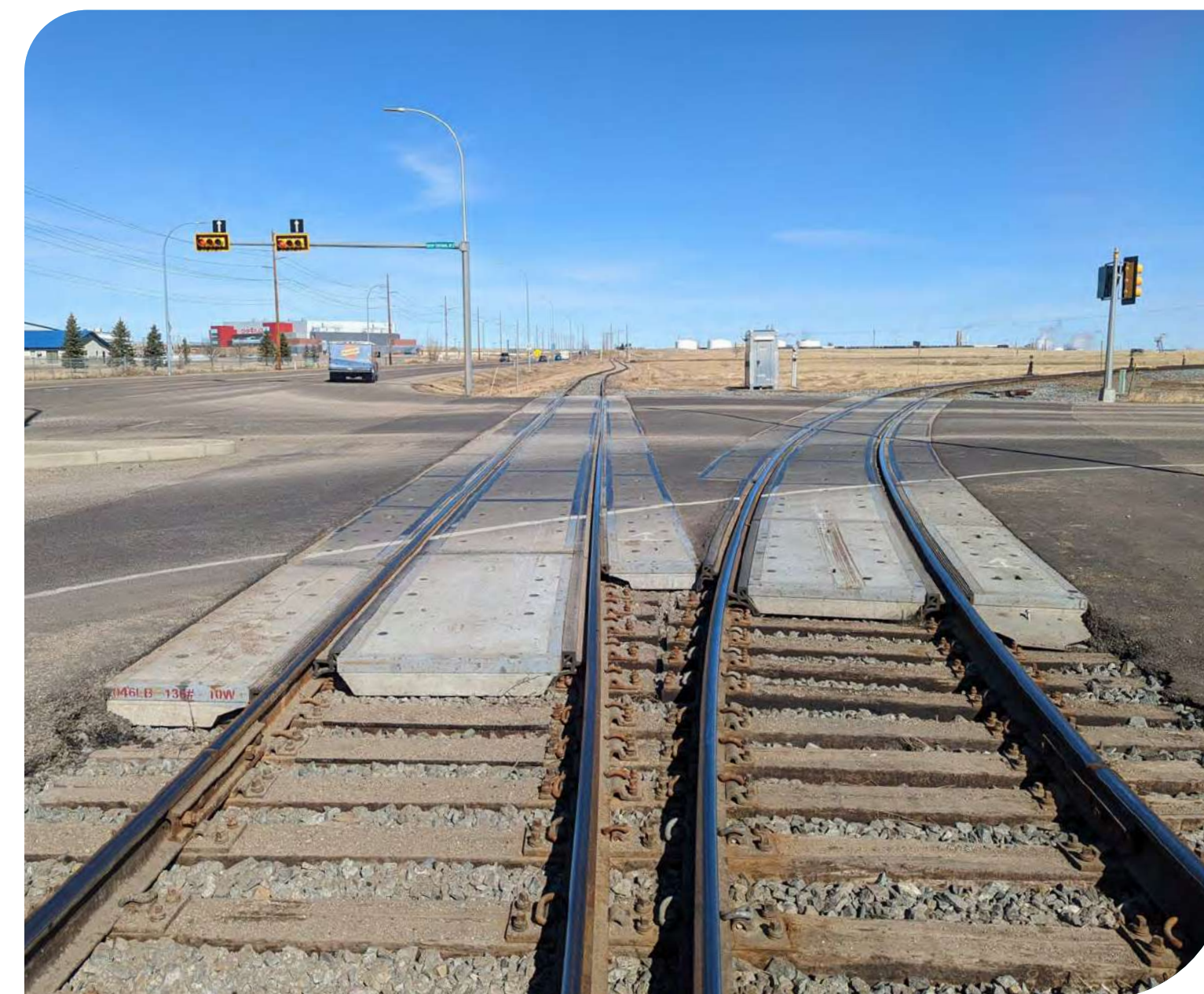
Southview Drive Sewer Lining Project

A sanitary sewer lining project on the sewer system along Southview Drive SE between Trans Canada Way SE and Dunmore Road SE saw the complete rejuvenation of concrete infrastructure that had experienced degradation from high sulphate levels. The repair used innovative technology consisting of draining and cleaning the existing pipe, inserting an epoxy liner through the sewer system between two manholes, and then curing it in place with steam. The technology allows full restoration of the sewer trunk without having to excavate and expose the piping. Sewer service remained operational in the area throughout the duration of the project by diverting the sewage overland by hose. Investment: **\$1.8 million**



Rail Crossing Upgrades at Rotary Centennial Drive NW

The City of Medicine Hat supported Canadian Pacific Railway (CPR) and contributed \$150,000 to replace failed wooden planks at the rail crossing on Rotary Centennial Drive NW (east of Box Springs Road NW) with concrete panels. The concrete upgrade achieved a durable, safe and smooth driving surface, reducing future maintenance and associated traffic disruptions.



City Hall Glass Replacement

The windows on City Hall's three-story glass atrium, as well as along the Legislative Hallway outside of Council chambers, were replaced for the first time since the building opened in 1983. The windows had reached the end of their useful life, no longer providing the thermal protection required in the building's unique glass architectural design. This capital upgrade cost \$220,000.



View of the Legislative Hallway with atrium on the right

NW Gas Feeder Main Extension

Adding to more than 700 km of gas main distribution infrastructure, a new steel distribution line was installed in the future Brier Run development area to add system resiliency to northwest side of the City. These necessary improvements worth \$668,000 will support future growth and address low pressure concerns.



Ross Glen Towne Centre Irrigation Project

Work to replace irrigation infrastructure throughout the Ross Glen Towne Centre began in the spring and continued through to the fall. These upgrades were completed in order maintain the health of trees and grass in the area.



Stairs in Kin Coulee Park

Construction to replace the stairs at the toboggan hill in Kin Coulee Park began in late August and was completed before the first snowfall.

These stairs see high utilization year-round as they connect to numerous trails through the park and college grounds.



Hillside Cemetery Irrigation Upgrades, Columbarium Expansion

Hillside Cemetery hosts one of the city's largest manicured turf areas and urban forests, providing privacy aesthetics and a peaceful ambiance for visitors.

The irrigation system exceeded its lifespan and required ongoing maintenance due to system degradation. Installation of a new irrigation system, which is more reliable, easier to operate, and more efficient began in 2020. Phase 2A and 2B of the project are now completed, with Phase 3 anticipated to begin in 2022.



Community Safety & Vibrancy

TABLE OF
CONTENTS

STRATEGIC
PRIORITIES
MENU



OVERLAND
FLOW PROTECTION



WATER LEAD
SAMPLING PROGRAM



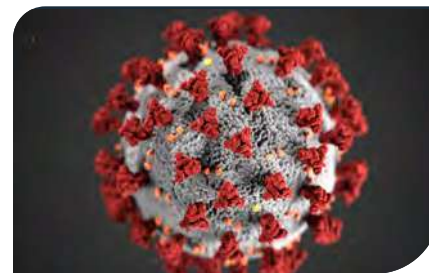
NEW ELECTRIC
VEHICLES



GFL STREET TEAM
RESULTS



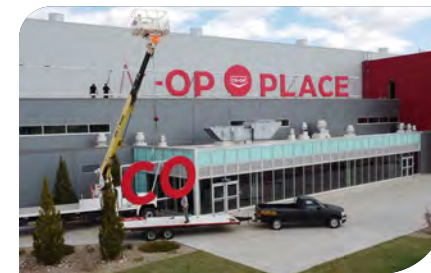
COVID RELIEF CREDIT
& COMMUNITY
WARMTH PROGRAM



COVID PROTOCOL
AND RESTRICTION
EXEMPTION PROGRAM



MOBILE VACCINE
CLINIC



NAMING RIGHTS OF
CO-OP PLACE & SIGN
UNVEILING



TRANSIT LAUNCHES
ROUTE 46



TRANSIT
DAY PASS



MHTNOW LAUNCHES
SUNDAY SERVICE
IN NE & NW



CONNECTING
COMMUNITY



NATIONAL DAY FOR
TRUTH &
RECONCILIATION



FIRE BAN DUE TO
EXTREME HEAT



BIG MARBLE FARMS
BECOMES NAMING
PARTNER FOR FLC



BOAT LAUNCH AT
FIRE STATION 1



MEALS ON WHEELS
DURING PANDEMIC



COMMUNITY
VIBRANCY GRANTS

Completion of Overland Flow Protection Strategy

The City of Medicine Hat achieved a monumental milestone in October when it completed the third and final phase of the Industrial Avenue berm, thereby concluding the Overland Flow Protection Strategy initiated after the devastating flood of 2013. Earlier in the year, the final 370 metres of the Harlow berm, which spans the area between the South Saskatchewan River and the residential properties from Harris Street to 7 Avenue SW, was completed. The full Harlow berm is 1,130 metres long ranging in height from 1.5 metres to 7.2 metres. The full Industrial Avenue berm is 1,125 metres long ranging in height from one metre to four metres.

The completed Overland Flow Protection Strategy provides protection for a coincident "1 in 100 year" flood event on each of the South Saskatchewan River, Seven Persons Creek, and Ross Creek, plus an additional metre of free board.



Phase 2 of the Harlow berm looking west



Industrial Ave berm looking east

Water Lead Sampling Program

In response to changes announce in 2019 to Health Canada's maximum acceptable concentration for lead in drinking water (reduced from 0.010 milligrams per litre to 0.005 milligrams per litre), the City of Medicine Hat conducted a provincially-mandated water sampling program to determine Medicine Hat's baseline in relation to the new guidelines. Eighty samples were collected from inside private properties and submitted for analysis by September 30, 2021. The results of the study (expected in 2022) will identify if mitigation strategies are required in order to gain regulatory compliance by 2024.

There are no lead pipes within the City-owned water distribution infrastructure and the City regularly tests for lead. Results have consistently shown that lead concentration within the City's water distribution system is well below the limit established by provincial and federal legislation, averaging only 0.00063 milligrams per litre over the last 10 years.



"Because of ongoing diligent stewardship of our water system, Medicine Hat is well-positioned to exceed all minimum requirements and is expecting very little impact as a result of this lead sampling, monitoring and management program. When results are returned, we will evaluate our circumstance to develop an appropriate course of action, if any, at that time. We're excited to have this opportunity to determine our baseline in accordance with the new regulation."

Pat Bohan, Director, City Assets

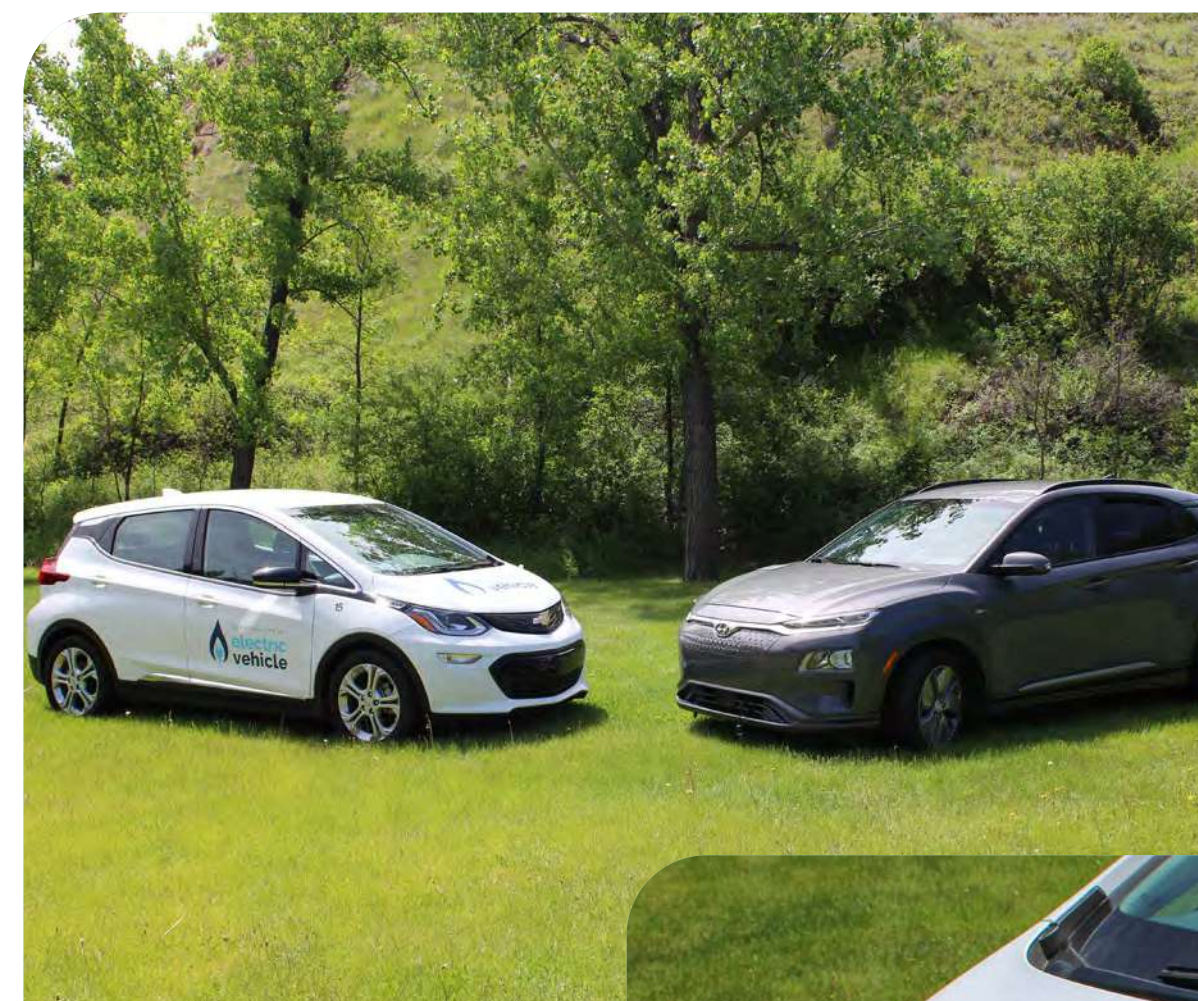
Two New Electric Vehicles

A grant program through the Municipal Climate Change Action Centre (MCCAC) provided \$30,000 towards the purchase and commissioning of a 2021 Chevrolet Bolt and a 2020 Hyundai Kona, as well as the installation of a Type 2 Electric Vehicle (EV) charging station. This grant, combined with \$10,000 in federal Incentive for Zero-Emission Vehicles (iZEV) grant funding, allowed the City to invest in electric technology that will reduce operational costs, while remaining under the original capital budget. To date, the City's fleet includes eight full electric mobile assets, including scissor lifts, forklifts, small utility vehicles, and two electric ice resurfacers.



"We realize significant cost savings with each electric vehicle added to the City's fleet. In both fuel and maintenance costs, we have estimated that we'll see savings of up to 80 per cent compared to a traditional fuel vehicle. In addition, switching to electric vehicles will eliminate operational emissions, leading to a reduction in environmental impact."

Cory Earle, Manager, Fleet Services



GFL Street Team Results

Through the month of June, the City's recycling provider, GFL Environmental Inc., conducted their annual "Street Team" recycling cart audits to help educate residents on proper recycling habits and avoiding contamination. The results indicate an improvement in 2021 from 2020.

In 2020, the GFL Street Team inspected 1,909 recycling carts over two weeks in June and found 95 to be contaminated, less than 5%. In 2021, the team inspected 2,127 carts and found only 88 to be contaminated, or 4.14%, indicating residents are doing a better job ensuring only approved recyclable material is placed in their recycling carts. Common contaminants included clothing, styrofoam and yard waste.



"We use a catchy phrase in the recycling realm: 'don't trash a batch.' It is disheartening to have to dump a batch of recycling into the landfill because it has been contaminated with unrecyclable materials. This doesn't satisfy the resident, the City, GFL, or the environment. The Street Team program helps to keep recyclables where they belong."

Jamie Garland
Manager of Services, City Assets



A contaminated blue cart can contaminate the entire truckload of recycling, causing it to be deposited in the landfill instead of the intended environmental use. To find out what is and isn't accepted in your blue cart, please visit www.medicinehat.ca/recycle

COVID Relief Credit & Community Warmth Program

In August, City Council unanimously approved a second COVID-19 relief program totaling \$4.5 million, after approving an initial COVID-19 relief package in 2020.

The COVID Relief Credit applied to all utility account holders with the City of Medicine Hat including residential, commercial and industrial accounts. The approval of the credit helped offset high electricity costs due to increased consumption during the hot summer. Each City of Medicine Hat utility account received a one-time credit of \$136.

Utility account holders who did not need the support were encouraged to donate their credit to the Community Warmth program, which supports those struggling to pay their utility bills. Ninety-eight customers donated \$13,418 from this rebate back towards Community Warmth.



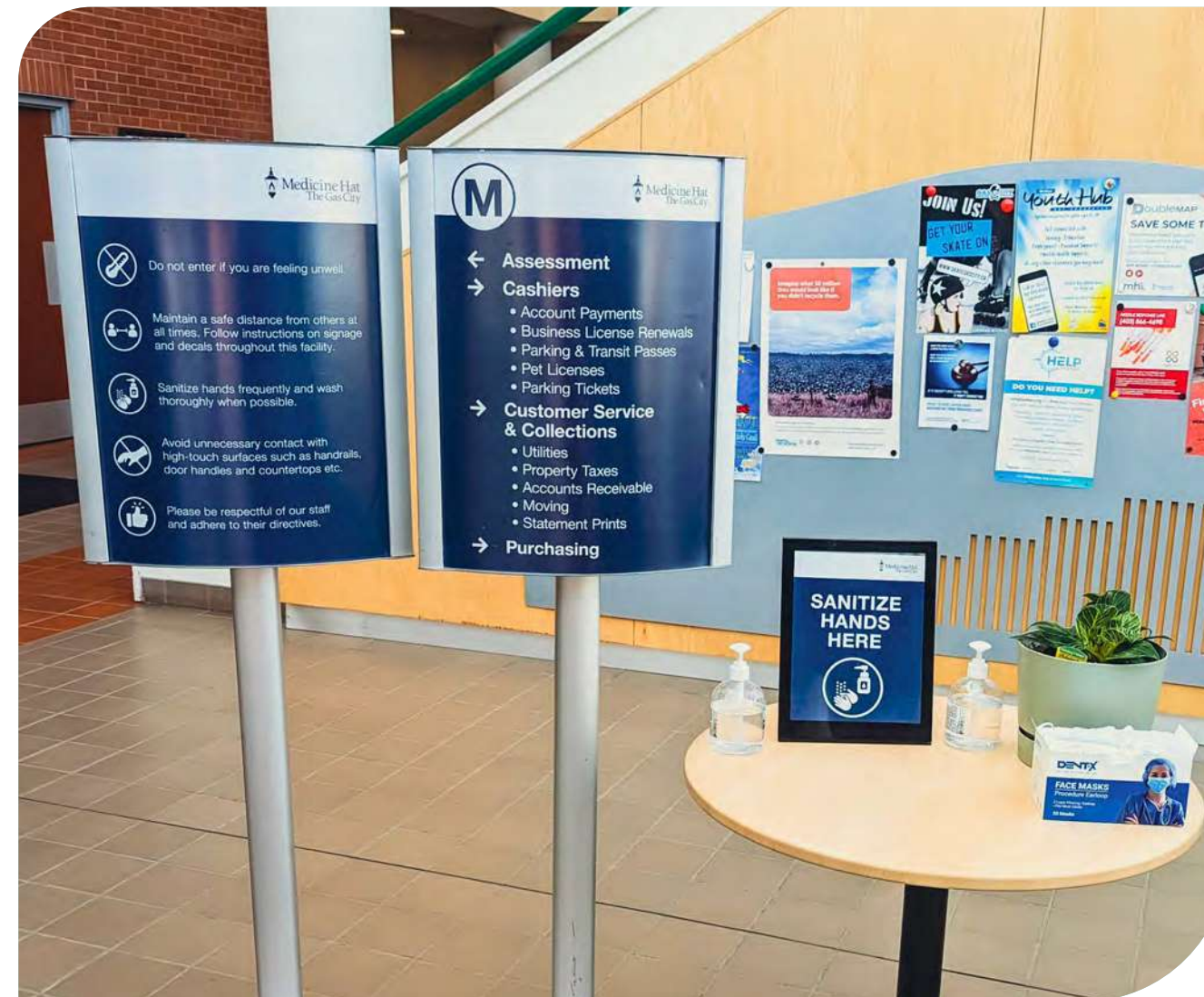
Community Warmth is an ongoing assistance program administered by The Salvation Army to utility customers who are experiencing financial issues beyond their control. The City of Medicine Hat supports the program by providing a convenient, cost effective mechanism for customers to donate by adding a pre-designated contribution, in increments of \$1, to their utility payment each month.

www.medicinehat.ca/communitywarmth

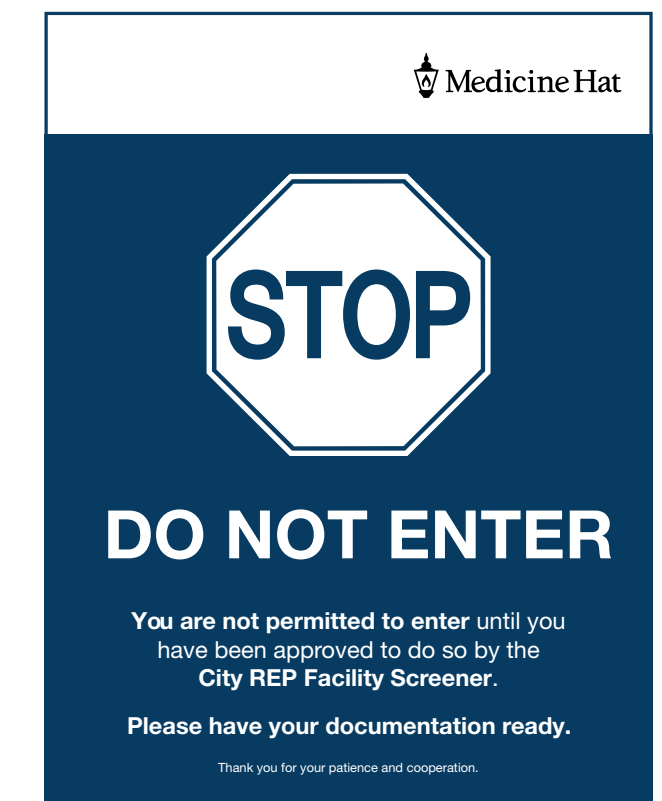
COVID Protocol & Restriction Exemption Program

In addition to mandatory masking and physical distancing requirements, the City opted to introduce the Province of Alberta's Restriction Exemption Program at City-operated facilities in September to support staff and patron safety, while still offering programming and events to the community.

Additional measures were introduced in December following a rise in COVID-19 cases. Facilities saw reduced capacity and concession closures where required to help prevent further spread.



Sanitization stations such as the one above and signage encouraging people not to enter if feeling unwell were a common site at City facilities throughout the pandemic



Examples of COVID-19 signage utilized at numerous City facilities

Mobile Vaccine Clinic

The City partnered with Medicine Hat College and Medicine Hat Mall to bring a mobile vaccination clinic to the community during the fall. The clinic was available to anyone eligible to receive their first or second dose.

The mobile clinic, hosted by 19 to Zero, was another way for residents and visitors to get vaccinated and saw great participation from the community.



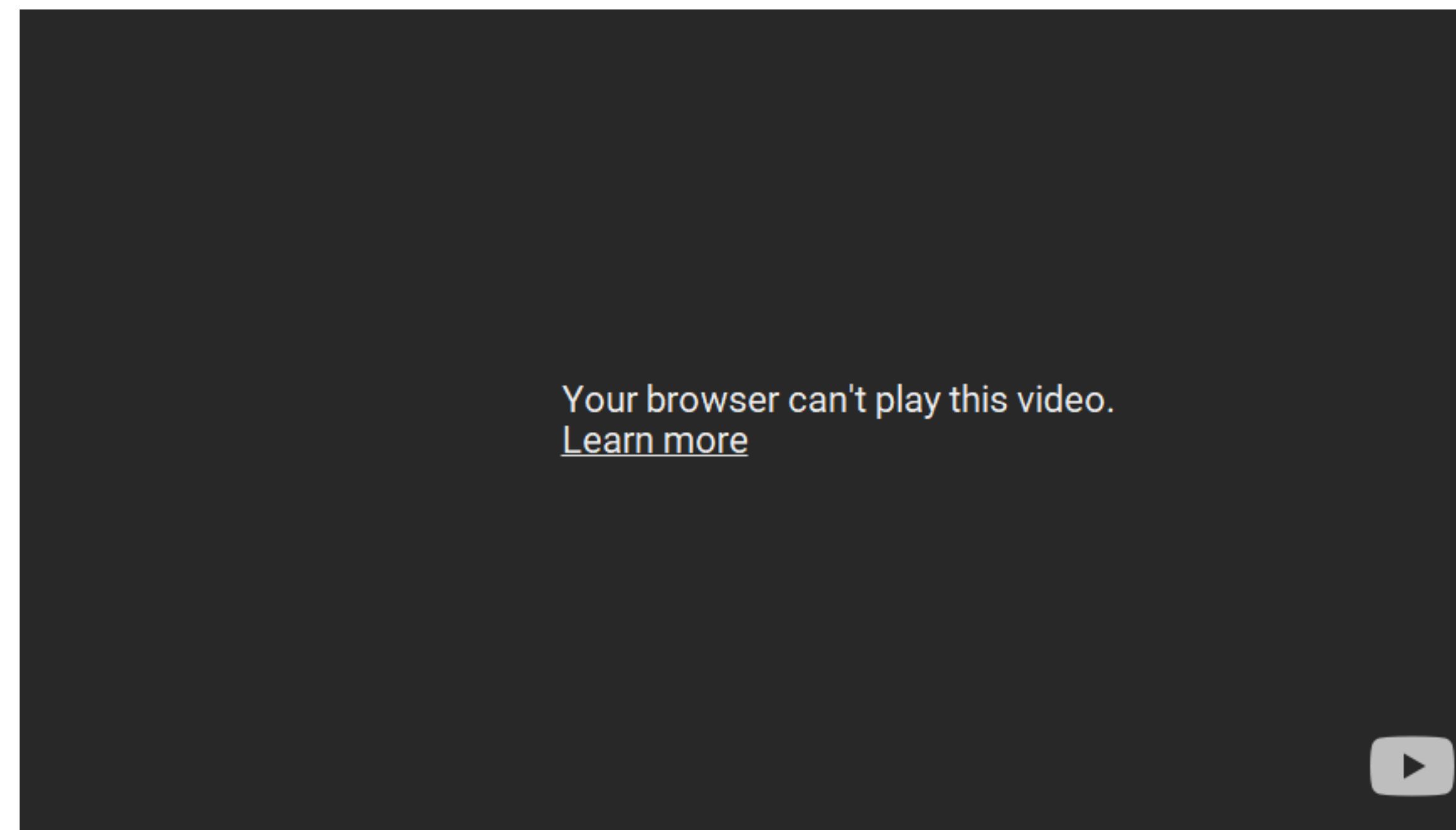
Photo courtesy of CHAT News

Naming Rights of Co-op Place & Sign Unveiling



The City proudly marked the official re-opening of the regional event centre under its new name, Co-op Place, on October 1. A ribbon cutting ceremony was held to celebrate the new name and partnership with South-Country Co-op, which has a long history in Medicine Hat and surrounding areas supporting numerous events and causes, including the Medicine Hat and District Health Foundation, HALO, and more.

Located in the Box Springs Business Park, Co-op Place is a state-of-the-art facility and is considered one of the City's premiere entertainment venues and home to the Medicine Hat Tigers.



Co-op Place sign installation and unveiling

Transit Day Pass

August also included the launch of the new Medicine Hat Transit day pass. The day pass allows riders unlimited access to transit throughout the day, encouraging repeated use, and is available to all riders for \$6.50 upon boarding.

The pass replaces transfers, which have been unavailable since the spring of 2020 due to ongoing pandemic concerns.

A promotional graphic for the Medicine Hat Transit Day Pass. The background is white with a subtle geometric pattern of grey triangles and circles. The text 'RIDE ALL DAY' is prominently displayed in the upper left, with 'RIDE' in orange and 'ALL DAY' in large, bold black letters. Below this, 'WITH THE' is written in small black text, followed by a red arrow pointing to the 'mht' logo. A red banner with the word 'NEW' in white is positioned above the 'mht' logo. The 'mht' logo itself is in a large, bold, black font, with a red arrow pointing to the right. Below the logo, the words 'DAY PASS' are written in white on a black rectangular background. To the right of the main text, there is a vertical image of the actual day pass, which is purple and white, showing the date 'TUE 31 AUG 2021', the word 'DAYPASS', the number '000001', and the 'mht' logo. Below the main text, a red banner with white text reads 'UNLIMITED ALL-DAY transit access for only \$6.50!'. Below this banner, the text 'Purchase yours from the driver when boarding and enjoy all-day travel!' is written in black. At the bottom, a black bar contains the website 'www.medicinehat.ca/transit' in white, followed by the Medicine Hat logo and the text 'Medicine Hat The Gas City'.

RIDE
ALL DAY

WITH THE

NEW

mht

DAY PASS

Purchase yours from the driver when boarding and enjoy all-day travel!

** Exact change required upon boarding. **

UNLIMITED
ALL-DAY
transit access
for only
\$6.50!

www.medicinehat.ca/transit

 Medicine Hat
The Gas City

MHTnow Sunday Service in NE/NW & Central Areas

Transit's on-demand option, MHTnow, expanded by introducing a Sunday service in the northeast and northwest areas of the city in May.

In July, the Sunday service was expanded once more to include residents in the South Hill and River Flats neighbourhoods.

Pre-determined pick-up and drop-off locations allow riders to travel within these areas and to the downtown terminal to transfer onto regular transit routes. The on-demand approach provides savings in fuel and maintenance due to reduced mileage, without compromising service availability in lower ridership periods and areas.



LAUNCHING **SUNDAY SERVICE**
IN THE NE & NW NEIGHBOURHOODS

MEDICINE HAT'S **ON-DEMAND** TRANSIT SERVICE WILL OPERATE ON **SUNDAYS** FROM 8:15 AM TO 7:15 PM

BOOK. RIDE. NOW.



MEDICINE HAT TRANSIT'S **ON-DEMAND** BUS SERVICE

EXPANDING TO THE **CENTRAL ZONE**
ON
SUNDAY, JULY 4

MEDICINE HAT TRANSIT'S **ON-DEMAND** BUS SERVICE




Download on the App Store GET IT ON Google Play

HOW TO USE THE APP:

- ▶ Select your starting point and destination within the MHTnow service areas
- ▶ Request a trip now
- ▶ Provide your rider information
- ▶ Watch for a notification indicating when and where to expect your ride
- ▶ Use the app to watch your bus arrive in real time
- ▶ Trips can be booked same day only
- ▶ Alternatively, you may call 403.529.8214 and follow the prompts to book your ride

For more information, visit www.medicinehat.ca/mhtnow

Medicine Hat
The Gas City



Connecting Community

A community initiative launched in 2020 continued to bring Hatters together to start conversations about what makes us who we are.

The Connecting Community project appears throughout the community and online. Large-scale posters are on display at several City facilities, including City Hall, Big Marble Go Centre and the Esplanade Arts & Heritage Centre.

The City also collaborated with Shaw Spotlight TV to produce a series of #imahatter videos, available on the City website.



Connecting Community poster at City Hall



Social media post

National Day for Truth & Reconciliation

The National Day for Truth and Reconciliation was introduced to honour the lost children and Survivors of residential schools, their families and communities. Public commemoration of the tragic and painful history and ongoing impacts of residential schools is a vital component of the reconciliation process.

The City of Medicine Hat formally observed the first National Day for Truth and Reconciliation as a statutory holiday on September 30. The Saamis Tepee was lit orange to bring awareness to this important day.



The Saamis Tepee



An Indigenous dancer performs at Riverside Veterans Memorial Park

Fire Ban Due To Extreme Heat

Due to the extreme high temperature and dry conditions, Medicine Hat Fire and Emergency Services placed the city under a fire ban in June.

Throughout the summer no open burning was allowed, which included wood-burning fire pits and the use of charcoal BBQs.

Prairie grasses and brush on hills, in coulees, and natural open spaces was tinder dry. Fire and Emergency Services worked with the Parks and Recreation department in assessing these areas and decided to suspend all rough-cut mowing operations to mitigate the risk of fire during the hot and dry weather conditions. Rough-cut mowing occurs on non-manicured grassed areas like road right of ways or dryland areas and carries higher risk of equipment striking an object or potentially sparking due to the presence of large rocks, culverts, and general discarded debris.

The fire ban was partially lifted at the end of August and a partial fire ban remained in place until December.



A large grass fire in the north of the City in June encroached upon major industrial areas

Big Marble Farms Becomes Naming Partner for FLC

The City announced Big Marble Farms as the new title sponsor of the Family Leisure Centre in December. Installation of new facility signs will be complete in spring 2022 with an official grand opening to celebrate the partnership.

Big Marble Go Centre is a state-of-the-art recreation and leisure facility that sits on 57 acres of land. It is home to the Kinsmen Aquatic Park, Cenovus Arena, the South Country Co-op Fitness Centre, an indoor fieldhouse, a multi-purpose gymnasium, the Methanex Bowl, and a soon-to-be-completed 20-court pickleball facility. It is also home to countless sport teams and clubs.



Boat Launch at Fire Station 1

A new boat launch, connecting emergency crews and the public with additional access to the South Saskatchewan River, was completed in November.

The launch, located on the north side of the river near Fire Station #1, provides Fire and Emergency Services with easier and rapid access to the river to conduct rescue operations.

Residents and visitors also have access to launch various non-motorized watercrafts, including kayaks and paddleboards safely onto the river.



Continuity of Meals on Wheels Program During Pandemic

Prior to Kerby Assembly taking over as operators of the Veiner Centre, the City continued to manage operations through the pandemic, including the Meals on Wheels program.

City staff contributed approximately 686 hours to the program between January 1 and March 15. Volunteers were able to contribute approximately 1358 hours between March 15 and August 5.



Community Vibrancy Grants

Building on the success in 2020, the Community Vibrancy Grant was offered for a second year to support projects which bolster community spirit and promote quality of life in our community.

The purpose of the Community Vibrancy Grant is to provide one-time funding for projects that promote vibrancy, emphasize the spirit of the community, promote recreation, leisure, social, arts, cultural or heritage opportunities, as well as a sense of belonging.

The following recipients were selected and later approved by Council:

- Family Fun and Flight
- Medicine Hat Dance Project Society
- Medicine Hat Folk Music Club
- Medicine Hat Jazz Society
- Medicine Hat Local Immigration Partnership
- Medicine Hat Rotary Music Festival
- Medicine Hat Skateboard Association
- Roadworn Productions & Management
- SE Hill Neighborhood Association
- Southern Alberta Pop Up Parks Association
- Spectrum Festival Foundation

The total amount made available was \$39,000.





DANDELION
FALL PROGRAM



MYMH SUMMER



2026 SPECIAL
OLYMPICS CANADA
SUMMER GAMES



CITY PURCHASES
MONARCH THEATRE



PARKS & REC MASTER
PLAN & FACILITIES
FOR THE FUTURE



FLC PLAYGROUND
RELOCATION



PUBLIC TREE
DECORATING



GOATS AT
POLICE POINT PARK



MCKENZIE SHARLAND
GROCERY NAMED A
HISTORIC RESOURCE



NATURAL PLAYGROUND
AT KIWANIS CENTRAL
PARK



HISTORICAL PLAQUE
UNVEILING AT
SARATOGA PARK



VOLUNTEER
RECRUITMENT
AT CO-OP PLACE



BUCKTHORN REMOVAL
IN POLICE POINT PARK



DOWNTOWN
STORIES



CANADA DAY
PARTNERSHIP WITH MHES



RANCHLANDS
TRAIL EXTENSION

Dandelion Fall Program

Staff initiated a fall control program to control the spread of dandelions and other broad leaf weeds as part of the integrated pest management program.

Dandelion presence provides more flowers for bee pollination while research has found that weeds absorb the active ingredient when performing chemical control more efficiently, leading to less weed growth and spread come the following spring.



myMHsummer

COVID-19 continued to alter the landscape and daily activities for many residents, and with travel restrictions in place and significant impacts on local disposable income, many people had to cancel or scale-back regular holiday plans. City staff continued its partnership with Tourism Medicine Hat on the second annual myMHsummer campaign meant to encourage residents to plan a memorable "staycation" while supporting local businesses and celebrating the unique attributes and attractions in our community.

Capitalizing the learnings and excitement from the first campaign in 2020, Tourism Medicine Hat and the City of Medicine Hat created new experiences, itineraries, and local ventures that supported local business and a shop local philosophy, celebrated Medicine Hat attractions and landmarks, supported community morale through the pandemic, and provided members enjoyable staycation ideas.

This initiative continued to spark new inspiration and discovery with the community, encouraging residents to share their summer highlights online and celebrate their city. One on social media platform alone, over 650 images were captured and shared as #mhMHsummer from residents and tourists.

Your browser can't play this video.
[Learn more](#)



City Awarded 2026 Special Olympics Canada Summer Games

In October, the City of Medicine Hat was pleased to confirm Special Olympics Canada approved Medicine Hat as the host city for the 2026 Special Olympics Canada Summer Games.

The City of Medicine Hat was slated to host the games in 2022, but COVID impacts resulted in a cancellation. The Medicine Hat Alberta Games Society resubmitted a bid for consideration for the 2026 event.

These Games will provide not only an incredible opportunity to showcase the community, but also spur substantial economic impact within the city.

The Special Olympics Canada Summer Games is a national sporting event for Canadian athletes with an intellectual disability. To compete, each athlete must qualify at their local and provincial/territorial levels before moving on. Alternating between the Special Olympics Canada Summer and Winter Games every two years, cities across Canada can bid on hosting the National Games.

The 2026 even in Medicine Hat will be the qualifying event for athletes to represent Special Olympics Team Canada at the Special Olympics World Games in 2028.

***Special
Olympics***



City Purchases Monarch Theatre

Following the disestablishment of the City Centre Development Agency, the City purchased the valued historic asset as a way to ensure the preservation and appropriate future use of the building.

The City put forth a request to the public in early 2022 seeking expressions of interest to determine the future of the Monarch Theatre.



Parks & Rec Master Plan and Facilities for the Future

Community engagement began this summer to update the Parks & Recreation Master Plan to bring it in alignment with the Municipal Development Plan. The updated document will serve as a guide for decision making, helping the community to grow and develop numerous areas, including open space, recreation, social development, culture, environmental stewardship, and how it interacts with other areas of the public realm.

Several pop-up engagement sessions were held throughout the summer and fall, and an online survey was created for residents to share their feedback.

Through the engagement, staff determined additional conversations would be necessary around the aging infrastructure and facilities around the community.

New opportunities were created so the public could better understand the communities wants and needs, as well as the short, medium and long-term needs of City buildings.



FLC Playground Relocation

In order to accommodate the pickleball courts, the ship-style play structure was removed while a relocation project began. Staff engaged key stakeholders in ongoing discussions, while aligning future plans with the Playground Management Plan. The new playground is expected to be constructed in 2022.



Public Tree Decorating

Ahead of the holiday season, a new public tree decorating permit was introduced for anyone who may be interested in decorating trees on city-owned land in time for the holidays.



Trees lit up in BATUS Park

Goats at Police Point Park

Approximately 200 goats returned to Police Point Park in June to help control leafy spurge, an invasive weed species common in southern Alberta.

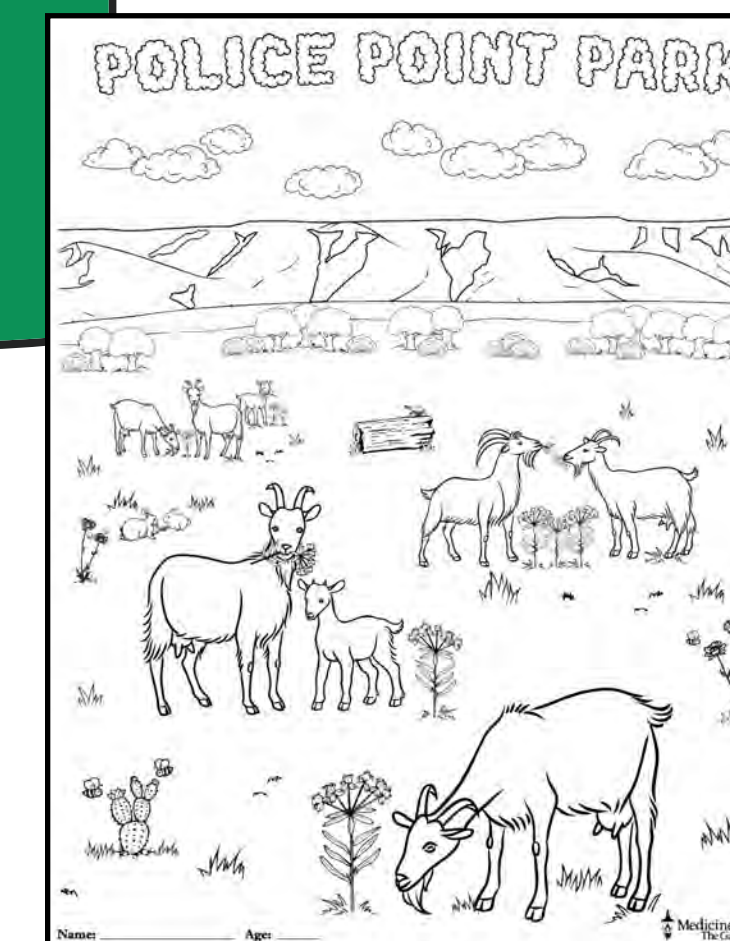
The goats were first brought to the park in 2020 as a pilot project. This method of weed control, known as target browsing, can be very effective in preventing this noxious weed species from spreading. The goats eat the weeds destroying the seeds, preventing further spread.

Parks staff have attempted to get rid of the weed using a variety of techniques in the past, but have found success in the target browsing project. The preventative measure helps stop the weed from spreading while also improving soil conditions and allowing native vegetation to thrive.

To celebrate the community response to the project, the City launched a colouring contest and designed t-shirts for the winners of a naming contest held on social media.



The goats have become a popular attraction at Police Point Park



T-shirt design and colouring contest page

Historical plaque unveiling at McKenzie Sharland Grocery

Constructed in 1912 and located at 1113 Dominion Street SE, the McKenzie Sharland Grocery is valued as a landmark which contributes to the heritage character of the River Flats neighbourhood as a colourful and varied working-class community with a blend of industrial, commercial, and residential dwellings.

The City was working through the designation process at the time of the 2013 flood. The building, along with neighbouring houses, suffered considerable flood damage. The City took over the property and was able to repair the foundation before selling the property in 2016 to Cube Development Ltd who took on the project of restoring this historic piece of Medicine Hat.

The property is now a unique feature of [McKenzie Mews](#), a small pocket of new homes on the corner of Dominion Street and Washington Avenue.



Natural Playground at Kiwanis Central Park

The new natural playground in Kiwanis Central Park is open to children and their families all year long. This innovative playground allows children to climb, jump and explore a replicated forest environment and continues to draw people of all ages to Kiwanis Central Park.

This playground was made possible through a partnership with the Kiwanis Club of Medicine Hat. The City of Medicine Hat would like to thank all contributors to the playground development, including:

- Kiwanis Club of Medicine Hat
- Province of Alberta - CFEP (Community Facility Enhancement Program)
- Alberta Blue Cross
- Pembina Pipeline Corporation
- Medicine Hat Early Childhood Coalition
- Dr. Lena Derie-Gillespie



Historical Plaque Unveiling at Saratoga Park

In honour of our local history and to celebrate a historical site, the City, in partnership with the Miywasin Friendship Centre, hosted a plaque unveiling ceremony in an area marking the traditional lands near Saratoga Park in September.

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.



"This area is significant to the Metis people who first called Medicine Hat home. This evening is about sharing memories and stories about Saratoga Park."

Brenda Mercer, Miywasin Friendship Centre



Volunteer Recruitment at Co-op Place

With the operations of Co-op Place now under City management, a volunteer recruitment was held for positions including ticket scanners, greeters and ushers. These customer-facing community members help ensure patrons are welcomed by a friendly face when attending events.

The City assumed operations of the facility in August of 2020 in response to the dynamic economic challenges created by the pandemic. Providing opportunities for volunteerism is one of the changes the City implemented as the venue operator and has been proven successful in other City venues.

The City is pleased to offer opportunities for the community to volunteer in many aspects of program delivery. Volunteering builds strong, resilient communities by connecting individuals through shared experiences. Volunteers build the capacity of a community and in doing so reap the rewards of an increased sense of belonging, greater social connection and the development of new relationships.



Buckthorn Removal in Police Point Park

The City worked with members of Grasslands Naturalists to remove an invasive species found in Police Point Park.

Buckthorn can grow as large as a mature tree and is native to Europe and Asia. The species is considered to be a prohibited noxious weed in Alberta because it is capable of outcompeting native species and negatively impacting biodiversity.

Members have treated and/or removed more than 75 shrubs of varying sizes in trial areas throughout Police Point Park. The group will share their findings with the Parks and Recreation Integrated Pest Management team to determine how effective these control methods are.



Downtown Stories

This summer, Downtown Stories, a smartphone heritage experience filled with fun interactive and living memories of 17 sites in the heart of the city, launched to the community.

Downtown Stories is a series of mobile webpages available by scanning a QR code, by texting a phone number with a key word, or through a hyperlink. It is meant to be experienced on site via a smartphone but can also be explored from a home computer. The interactive stories celebrate the city's past and present, as well as the spirit of community connection by incorporating audio and visual elements, encouraging you to engage in the story.

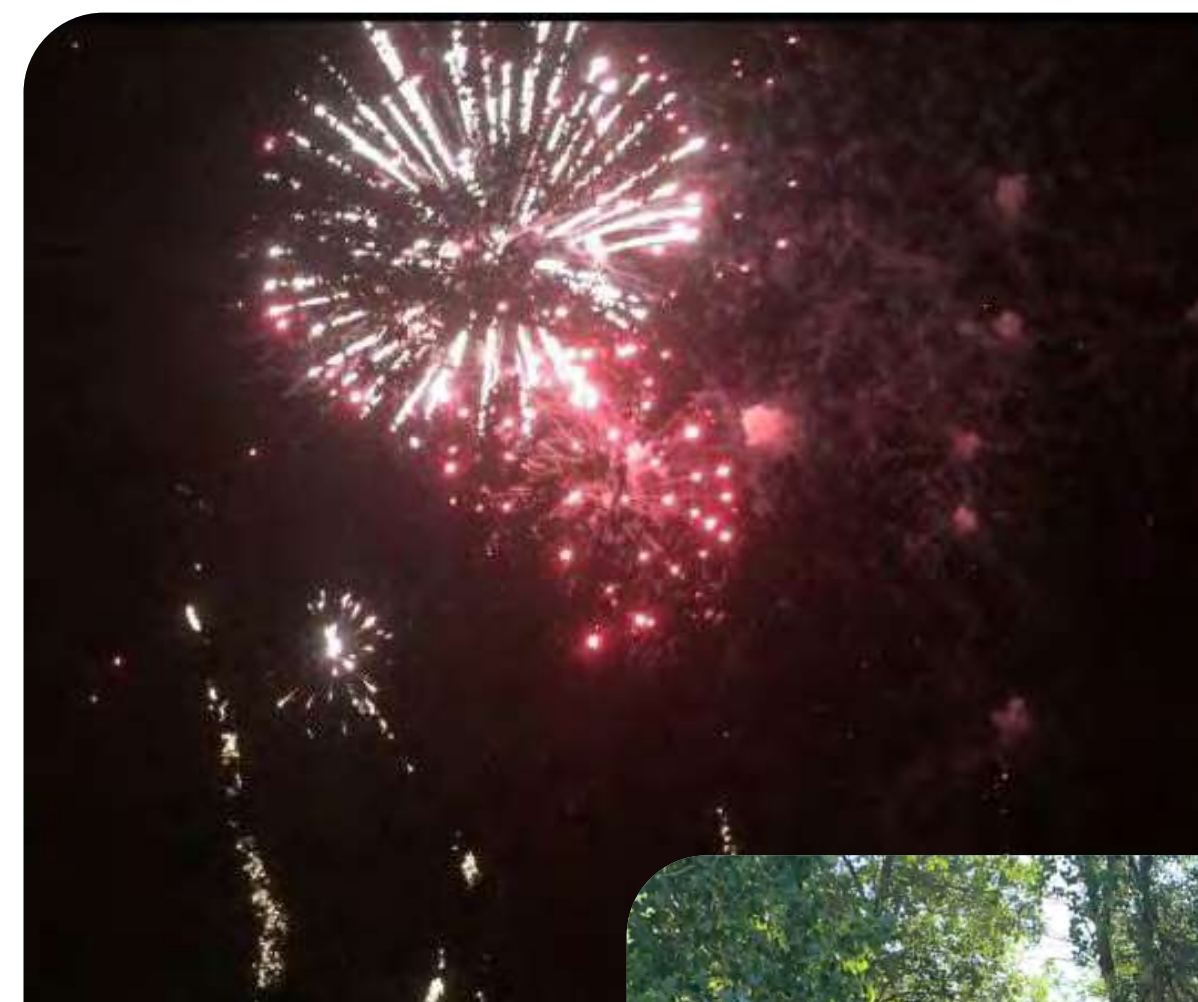
[Take a walk through our downtown.](#)



Canada Day Partnership with MHES

The City was thrilled to announce the Medicine Hat Exhibition and Stampede would be hosting a Canada Day celebration at the Stampede grounds.

Stampede officials planned a safe, family friendly celebration which followed all Alberta Health guidelines and restrictions. The celebration was accessible, multigenerational, and included a multicultural event with numerous activities as well as a fireworks display.



Ranchlands Trail Extension

Approximately 1.8 kilometres of new trail now connects to an existing network in the Ranchlands residential subdivision and through to the Parkview Drive trail.

These trails, built with limestone rock, weave through an area which is protected by the province. Staff worked to ensure all environmental rules and regulations were followed to protect the sensitive landscape while enhancing the natural area.

Interpretive signs along the path celebrate the local ecosystem and provide trail users with information about the local geology, wildlife, flora and archeology.

The City thanks members of Medicine Hat College and Grassland Naturalists who helped create the reclamation seed mix which helped to repair and naturalize construction impacts surrounding the trail.



City Government

TABLE OF
CONTENTS

STRATEGIC
PRIORITIES
MENU



TRIPLE CROWN
AWARD FROM GFOA



CITIZEN FACING
DIGITAL STRATEGY



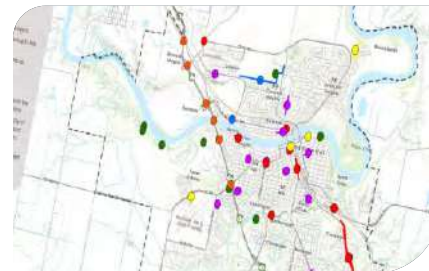
NEW WEBSITE &
MYMH PORTAL



REDESIGNED
INTERACTIVE
VOICE RELAY



CITY WEBSITE &
MYMH PORTAL
EARN GOLD MEDAL



INTERACTIVE
CITY PROJECTS &
ROAD CLOSURES MAP



2021 MUNICIPAL
ELECTION



ESTABLISHMENT OF
COMMUNITY
VIBRANCY BOARD



ECONOMIC
DEVELOPERS OF
ALBERTA AWARD



MINISTER'S AWARD
FOR MUNICIPAL
EXCELLENCE



CITY'S 115TH
ANNIVERSARY



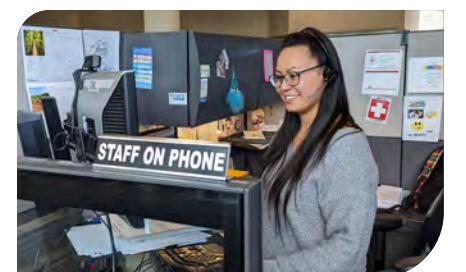
ELECTION SIGN
RECYCLING PILOT
PROGRAM



MYMH APPI
AWARD



UTILITY BILLING
CUSTOMER SATISFACTION
STATISTICS



CUSTOMER SERVICE
CALL CENTRE
METRICS



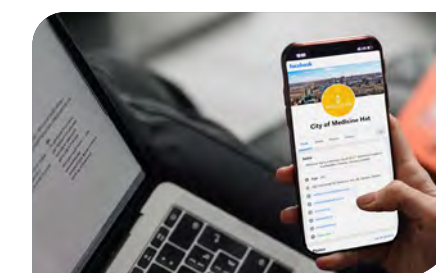
FIXED RATE
APPLICATIONS



IBEW COLLECTIVE
AGREEMENT



INVESTMENT
STRATEGY



COMMUNICATIONS
STATISTICS

Triple Crown Award from the GFOA

In September of 2021, the City of Medicine Hat received three Government Finance Officers Association (GFOA) awards for the 2019 year: the Canadian Award for Financial Reporting for the year ending 2019, the Award for Outstanding Achievement in Popular Annual Financial Reporting for the year ending 2019, and the Award for Outstanding Budget Presentation for the 2019-2022 budget. GFOA has recognized the City of Medicine Hat as a recipient of the Triple Crown status for receiving all three awards in the same year.

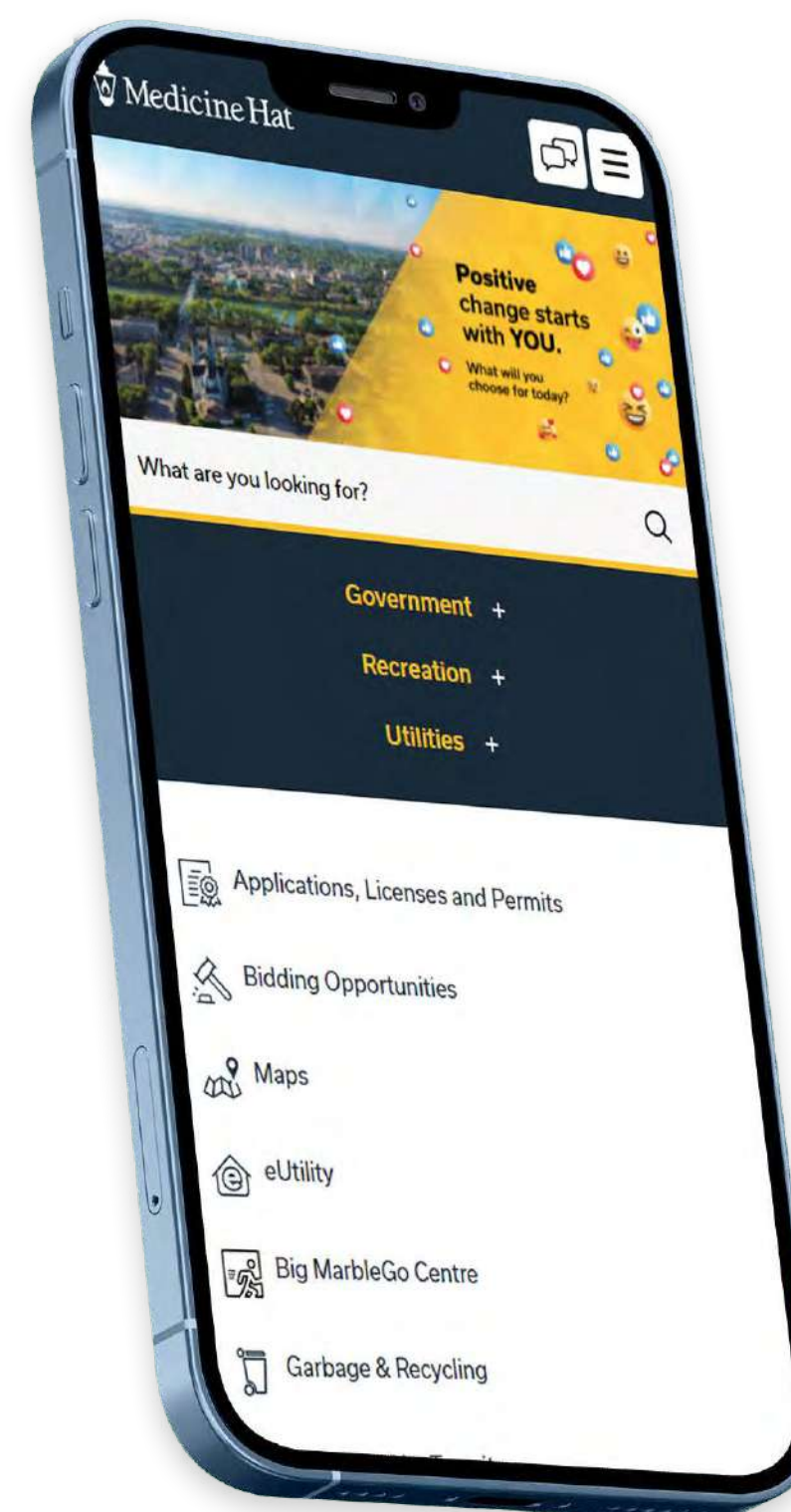


Citizen Facing Digital Strategy

The Citizen-Facing Digital Strategy (CFDS) is a three to five-year effort focusing on analyzing and enhancing digital services, ultimately improving how we communicate digitally with our users. It focuses on the following themes:

- Improve the customer journey
- Provide better service with less effort
- Streamline the request process
- Minimize duplication of effort
- Make doing business online easier
- Leverage existing software investments

In 2021, much progress was made on the CFDS, including the launch of a redesigned website, a custom myMH Portal, revamped Interactive Voice Relay system (one telephone number to access all services), and the consolidation of payment gateways to streamline payment options.



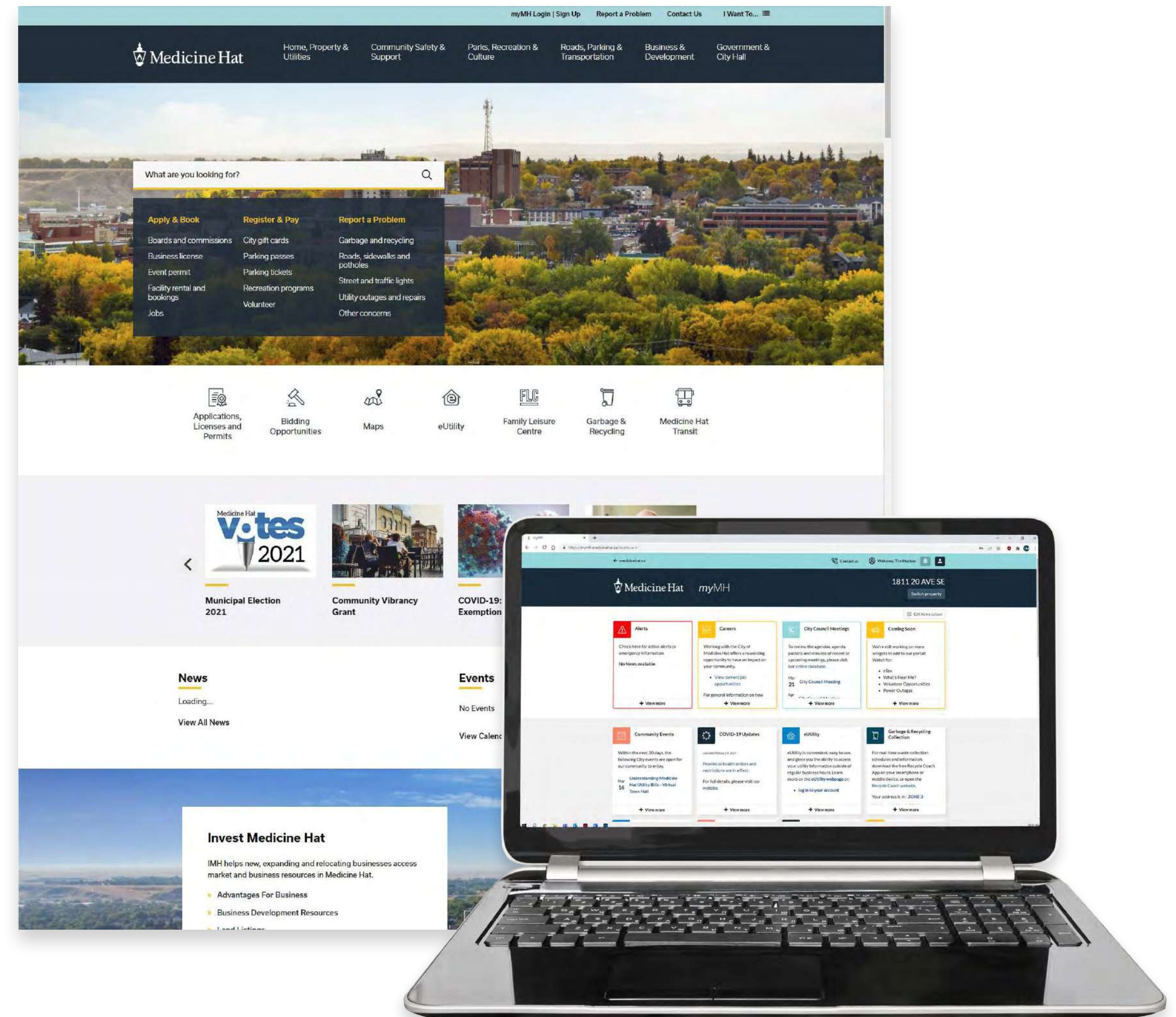
New Website and myMH Portal

After several months of development, the City launched a new corporate website and myMH portal in September. Offering an intuitive navigation, a mobile responsive design, alignment with accessibility standards and new and enhanced options to do business online – the new platforms are a pivotal step in the City of Medicine Hat's effort to serve customers more effectively in a digital world.

The myMH portal is a convenient way for residents to stay connected with the City and the information they care about. Residents can create an account that is tied to their address and use location-based services to provide custom information and create a dashboard of City information that is relevant to them one convenient place.

The project was part of the City's comprehensive citizen-facing digital strategy (CFDS) being implemented over a three to five-year period.

The City of Medicine Hat thanks the Government of Canada for supporting this project through the COVID-19 Resilience funding stream under the existing Investing in Canada Infrastructure Program (ICIP). The ICIP COVID-19 Resilience Stream targets a broad range of projects that can be actioned and completed quickly to support employment and economic activity to help offset challenges brought on by the pandemic.



Redesigned Interactive Voice Relay (one-number phone access)

As part of the CFDS, the City launched one-number telephone access through a redesign of the Interactive Voice Relay (IVR) system. Callers can dial 403-529-8100 to reach an array of services at the City of Medicine Hat. The system introduces callers to a tree menu that was designed using metrics captured from the City's telephone system and consultation with departments. Callers are prompted to select keywords to determine what department they are looking for or have the option to press zero and speak to a customer service representative.

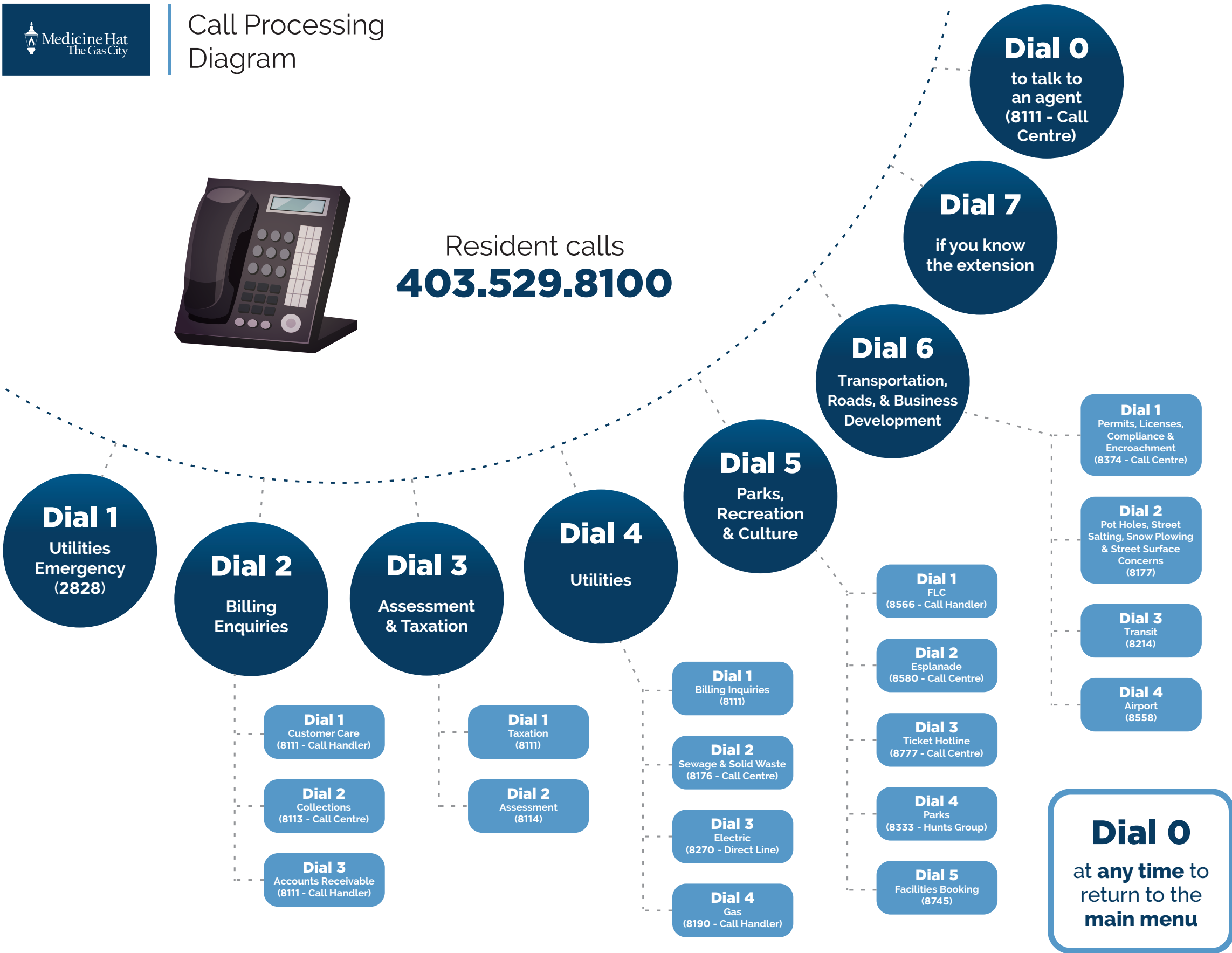
The one-number system improves service delivery to Medicine Hat residents by eliminating the need to look up different department numbers.



Call Processing Diagram



Resident calls
403.529.8100



City Website & myMH Portal Receive Gold Medal Award

The City of Medicine Hat's new website and myMH portal received a Gold Medal in the Annual MarCom Awards (Digital Media Category), administered by the Association of Marketing and Communication Professionals.

The MarCom Awards honour excellence in marketing and communication while recognizing the creativity, hard work, and generosity of industry professionals.

Since its inception in 2004, MarCom has evolved into one of the largest, most-respected creative competitions in the world. Each year about 6,500 print and digital entries are submitted from dozens of countries.

eSolutionsGroup (a GHD Company), the Digital Media company that supported the project, submitted the City of Medicine Hat's website and myMH portal to MarCom Awards for consideration.

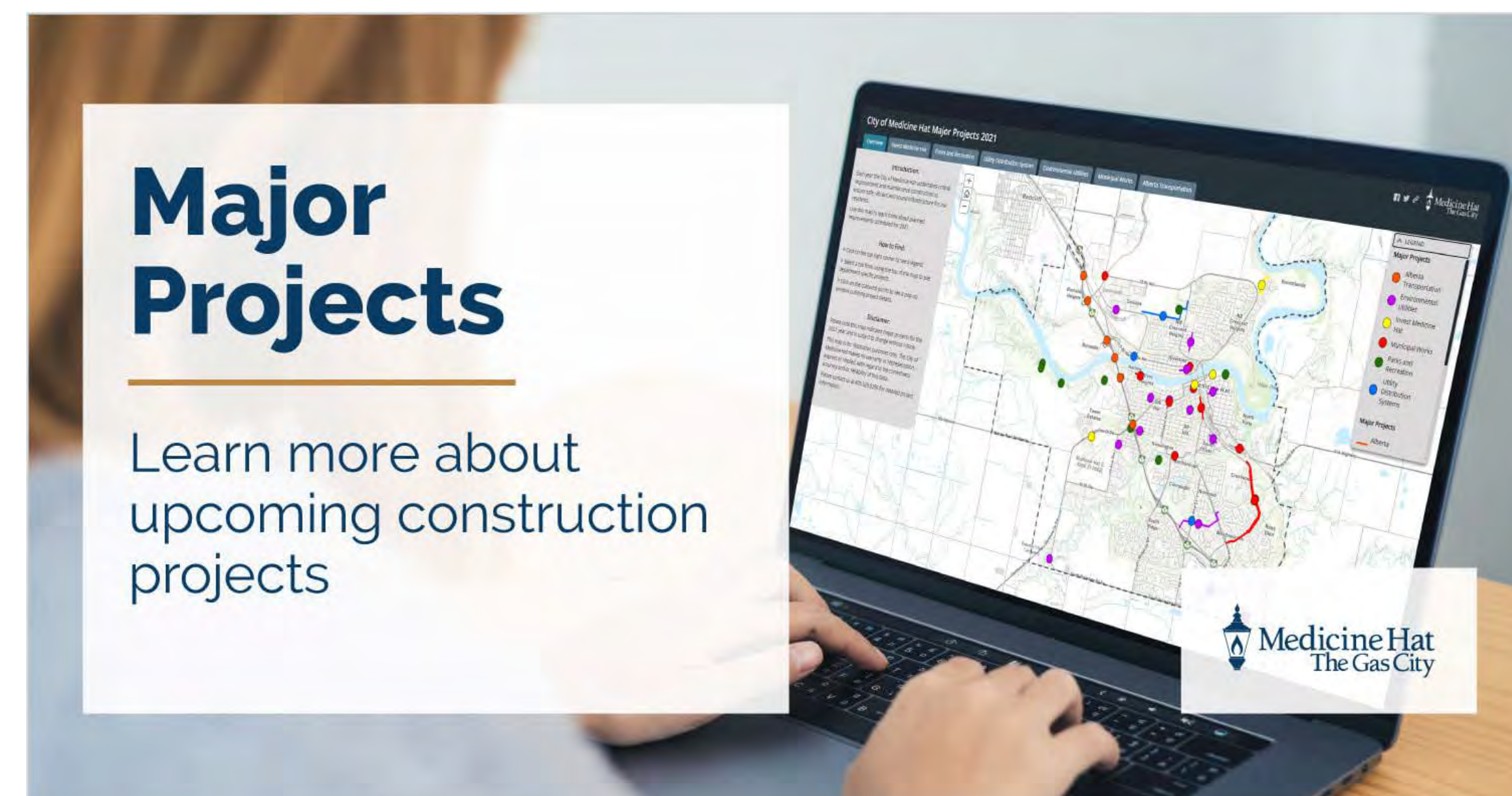


Interactive City Projects & Road Closures Map

To better inform residents of upcoming, in-progress and completed construction projects, the City launched an [interactive project map](#) and [road closures map](#).

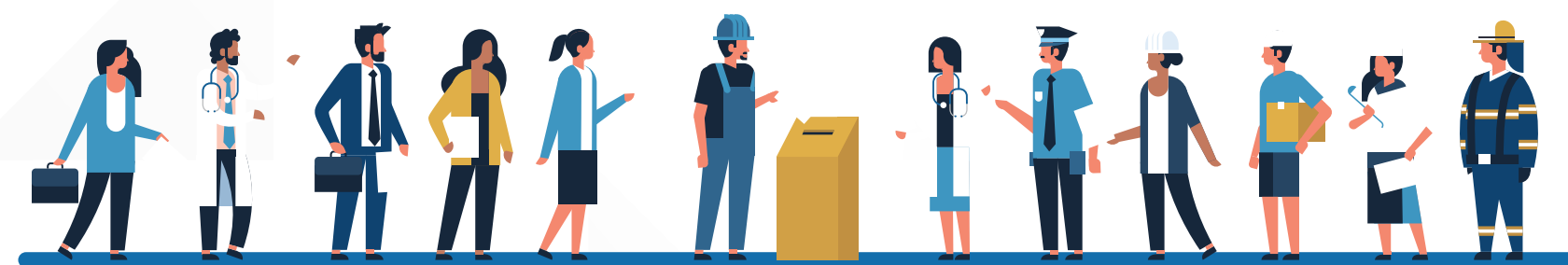
Data is pulled from the Geographic Information Systems (GIS) system, harnessing technology already in place. The City Projects map identifies major infrastructure ventures planned by various departments for the upcoming year. Each project highlighted on the map includes a description, an expected start and end date, and information about the project cost and was designed with residents in mind.

Residents can also access a real-time interactive road closures map as they travel around the community. The pop-up screens include information about what work is taking place, whether the road is fully closed or partially closed and the expected duration of the closure.



2021 Municipal Election

Medicine Hat
Votes



The City of Medicine Hat Municipal Council election took place on Monday, October 18, 2021. The newly elected Mayor and City Councillors were sworn in on Monday, November 1, 2021.

Your browser can't play this video.
[Learn more](#)



Establishment of Community Vibrancy Advisory Board

In April, City Council passed a bylaw to establish the Community Vibrancy Advisory Board and began a recruitment looking for individuals who were eager to make a positive, meaningful and lasting impact on our community.

This board, consisting of nine community members, acts as an advisory group to Public Service Committee and City Council. It is an important source of input and advice to help create a vibrant community.

This group of individuals works together on a variety of important topics, including recreation, social, leisure, culture, and arts in order to support quality of life into the future. Members also participate in sub-committee work and various community engagement activities, including acting as the selection committee for the Community Spirit Awards, as well as reviewing and recommending grant applications.

The advisory board also contributed to the establishment of the Truth & Reconciliation Recommendations Committee, which will work to develop recommendations related to municipal areas of responsibilities in response to the Truth and Reconciliation Commission of Canada's Calls to Action and promote reconciliation and stronger relationships between the City and Indigenous peoples.



The Economic Developers of Alberta Award

On May 21 2021, the City of Medicine Hat's Invest Medicine Hat in partnership with APEX Alberta, Community Futures Entre-Corp, the Medicine Hat & District Chamber of Commerce and the Brooks Chamber of Commerce, won a 'Business Retention and Expansion' award at the 2021 Economic Developers Alberta (EDA) Annual Awards of Excellence.

The EDA's Annual Awards of Excellence honours Alberta individuals and organizations for their outstanding and innovative projects in economic development.



Minister's Award for Municipal Excellence

In September the City of Medicine Hat was awarded the Innovative Approach to Economic Supports in the Building Economic Strength category of the Minister's Awards for Municipal Excellence.

Commended on the City's efforts to support the local business community, the 'City of Medicine Hat Business Innovation Grant' and the 'Shop YXH Marketplace' platform were highlighted as innovative initiatives which help to build strong, prosperous, and resilient communities.

The Minister's Awards Review Committee reviewed 64 submissions cross five categories and the City of Medicine Hat was selected as one of the winners of this prestigious award.



City's 115th Anniversary

Medicine Hat, the small frontier settlement established in 1883, was incorporated as a city on May 9, 1906. With the circumstances surrounding the global pandemic, City officials marked the 115th anniversary quietly, safely and responsibly by releasing a commemorative historical webpage and the video featured here.



"Medicine Hat is growing and we believe we will have a big city there one of these fine days. Business is good all around Medicine Hat and there is plenty of money in the country. We expect to see a huge influx of settlers this spring. The agricultural and cattle projects could not be very much better."

J.L. Morris, visiting lumber manufacturer, February 1906

Your browser can't play this video.
[Learn more](#)



Election Sign Recycling Pilot Program

In response to the increased volume of campaign signage during the 2021 Municipal Election, the City of Medicine Hat established a pilot program to allow mayoral, council and school board candidates to recycle their campaign signs free of charge at the Kipling Bulk Recycling Depot at 240 Kipling Street SE. The bin was in place for ten days following the election and had to be dumped twice, collecting 485 kg (almost 1/2 ton) of recycled signs.



myMH APPI Award

The City of Medicine Hat's myMH Master Plan was one of three recipients out of 13 submissions for the prestigious Planning Award of Merit from the Alberta Professional Planners Institute (APPI). The Planning Awards acknowledge meritorious plans and projects, undertaken in whole or in part by members of the Institute, that significantly contribute to the livability of communities in Alberta, the Northwest Territories and Nunavut.

Read more about the APPI Planning Awards and view the full list of winners [here](#).

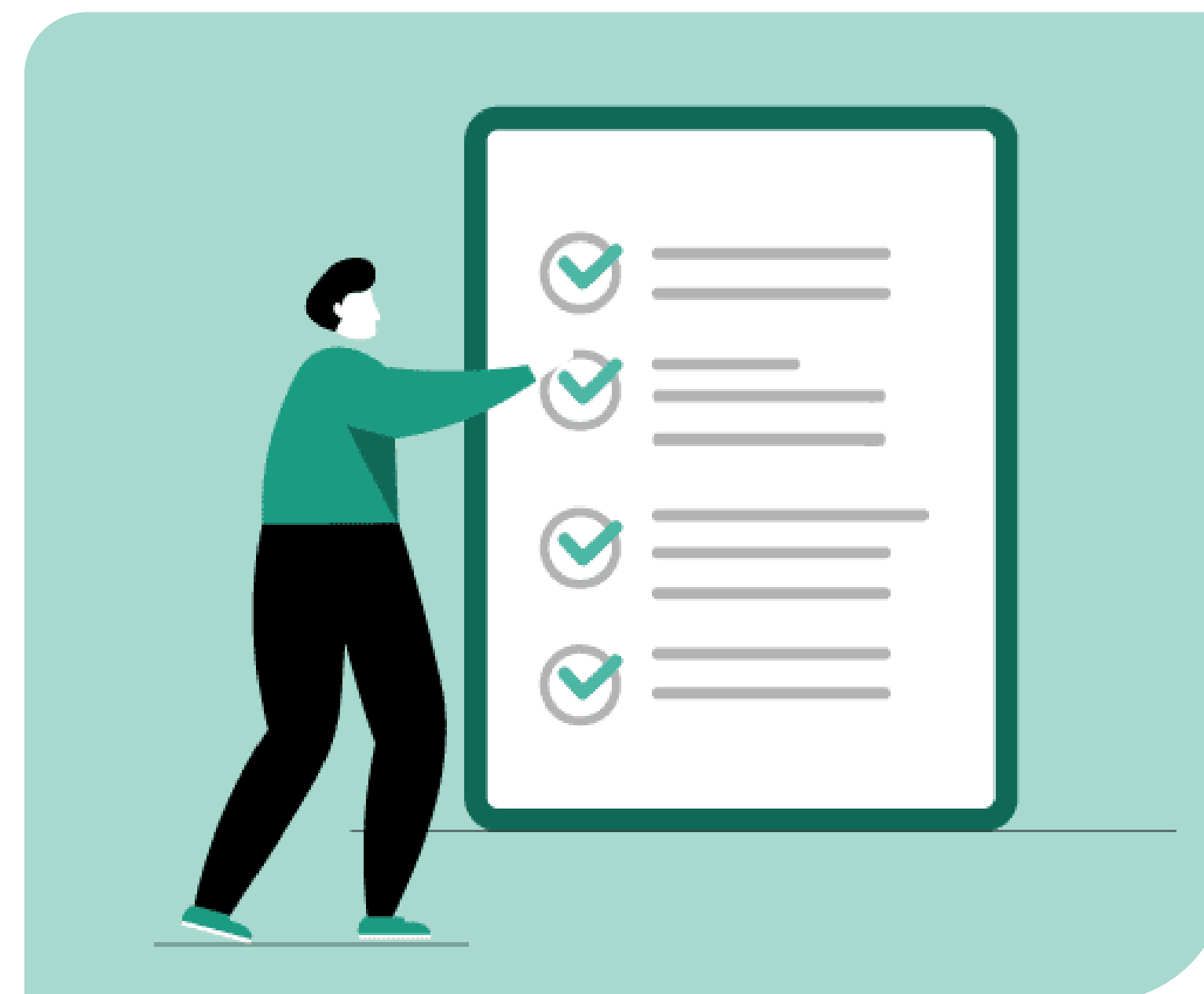


"We're honoured for this opportunity to remind to our residents that there are people hard at work every day ensuring the strategic developmental direction of Medicine Hat is guided and governed by policies set out in a structured, innovative, and now award-winning municipal development plan."

Amanda Brinda, City Planner & Director of Development Services

Utility Billing Customer Satisfaction Statistics

A customer satisfaction survey with 784 responses garnered a 97% satisfaction level, which well exceeds the Alberta Utilities Commission standard of 75%. Overall customer satisfaction was rated on the accuracy and timeliness of utility billing, along with readability and ease of understanding.



Customer Service Call Centre Metrics

The Customer Service Call Centre assisted 79,200 customers in 2021 with a call answering rate of 88% which exceeds the Alberta Utilities Commission standard of 70%.

In addition, staff achieved a 97% satisfaction rate during those calls.



Fixed Rate Applications

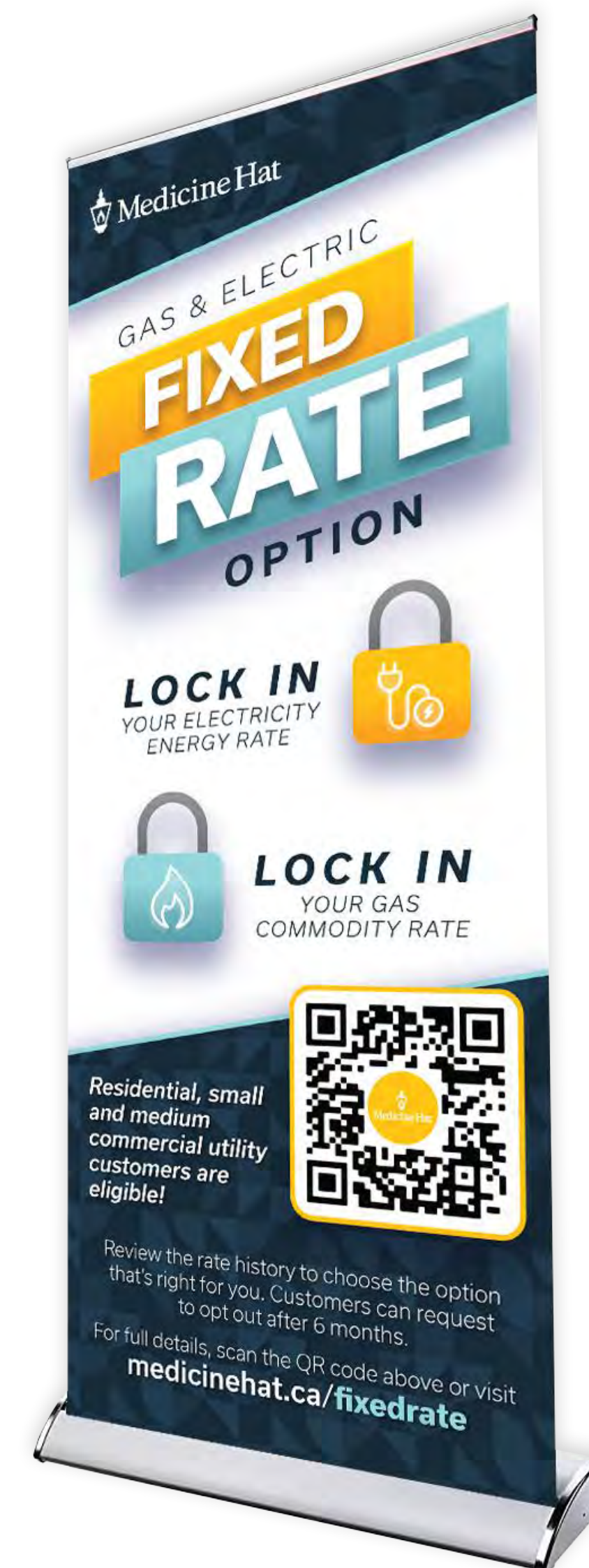
During 2021, volatility in commodity rates continued to impact utility rates. The City of Medicine Hat offers a fixed rate program for those looking to achieve more predictable utility bills.

At the end of 2021 there were:

- 9,504 customers signed up on gas fixed rates (35% of customers)
- 11,345 customers signed up on electric fixed rates (35% of customers)

A significant influx occurred during the final quarter of 2021. As of October 8, 2021 there were:

- 182 customers signed up on gas fixed rates (0.7% of customers)
- 2,788 customers signed up on electric fixed rates (8.6% of customers)



IBEW Collective Agreement

The City of Medicine Hat ratified a mediator's recommendation resulting in the renewal of two collective agreements with Local Union 254 of the International Brotherhood of Electrical Workers.

The previous agreements covering employees at the Power Plant, Water Treatment Plant, and Electric Distribution expired on December 31, 2019. Both new agreements are effective for a term of four years from January 1, 2020 until December 31, 2023.

Though a long, complicated round of bargaining, the City was able to work with IBEW to find an outcome that was mutually acceptable considering the general economic conditions in Alberta, providing certainty for the City, the Union and our employees during very uncertain times.



Investment Strategy

In late 2020, the City engaged Mercer Canada to review and advise on the City's investment portfolio. Based on the review, and in consultation with the City's Investment Review Panel, changes were made and the City adopted a "Growth Plus" asset mix. The change is expected to significantly increase returns by approximately 2% or \$10 million per annum on a \$500 million portfolio.

To accommodate the transition to a target Growth Plus asset mix, the City worked with Manulife and AIMCo to change the current fixed income and equities structure within these portfolios. In addition, new investment manager(s) will be engaged to manage the portfolio including commercial mortgages, global equity, Canadian equity and Canadian real estate.

This change to the strategic asset allocation mix is the latest element in the City's investment approach and strategy that has evolved over the past several years.



Communications Statistics

Media Relations

The City issued 232 press releases and responded to 418 separate media inquiries in 2021.

Social Media Statistics

The City of Medicine Hat remained active on Twitter and Facebook through 2021 while pausing to refocus efforts on Instagram. The following statistics reflect activity from January 1 to December 31, 2021.

Facebook: The City's Facebook page was visited by 30,596 accounts (1.9% more than last year) and had 17,857 followers by the end of 2021, an increase of 1,138. The page's content reached 560,926 unique accounts. The City also spent \$2,718.52 on paid advertising with 62,174 people seeing the ads 686,961 times.

Twitter: In 2021, 603 tweets garnered 805,900 impressions on the City's Twitter page. The account gained 174 net new followers, had 44,239 unique profile views, and was mentioned by others 1,256 times.

Instagram: The City's Instagram profile was viewed 1,604 times in 2021 and gained 324 new followers bringing the total number to 1,977. The minimal content published on the profile in 2021 reached 3,154 unique viewers.

YouTube: In 2021, videos on the City's YouTube channel had 16,960 views with a watch time of 1,592.3 hours. Notably, the City began livestreaming Council meetings on YouTube on 2021, in addition to the livestream on OnBase. The most popular videos of 2021 were the Waterfront Development District (1,975 views) and the Swearing In Ceremony at the November 1, 2021 Council meeting (1,231 views). The channel had 187 subscribers by the end of the year.

Definitions

- Reach - the number of individual people (accounts) who saw our content at least once
- Impressions - the number of times our content was viewed

For example, one person (reach) could see our content more than once (impressions).

Follow us!





CHIEF FINANCIAL
OFFICER'S REPORT



CANADIAN GFOA
AWARD



RISK
MANAGEMENT



MANAGEMENT
REPORTING & CONTROL



FINANCIAL
HIGHLIGHTS



ECONOMIC
INDICATORS



DEMOGRAPHICS
& POPULATION



CONSOLIDATED
FINANCIAL
STATEMENTS



FINANCIAL TERMS
& DEFINITIONS



Chief Financial Officer's Report

Dennis Egert

Managing Director of Corporate Services
& Chief Financial Officer
April 18, 2022

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2021. KPMG LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 18, 2022.

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

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

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

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

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

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2021. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used against budgets and past financial performance, and is divided into seven sections:

- Introduction - provides an overview of the Treasurer's Report
- Canadian GFOA Award for Financial Reporting - 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, 2021; the analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules
- Financial Statements - presents the consolidated financial statements, supporting statements, notes and schedules; these statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts
- Financial and Statistical Schedules (unaudited) - presents a variety of statistical and financial information on a multi-year comparative basis

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, 2020, for the nineteenth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to
City of Medicine Hat
AB

For its Annual
Financial Report
for the Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Risk Management

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

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 will be the guiding document that defines the methodology, process and the role and responsibilities. It will aid in strong and well-informed governance decision making and ensure that enterprise risks are identified and mitigated to an acceptable level. The work is progressing and will result in a framework, a risk register, and approved risk action plans which will be used as part of the 2023-2026 strategic plan.

Operational Risk Management

As a result of continued 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 in order to reduce overall 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 involves third party property damage or bodily injury and/or property 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 formal insurance reserve was established (included within the operating reserve) to mitigate future large insurance claims.

City operations have been impacted by the COVID-19 pandemic and related restrictions. To ensure continuity of services and alignment with provincial guidelines, the City implemented a number of protocols and procedures to ensure staff and customer safety while attending City facilities such as following the Alberta Health Services guidelines, developing business

Treasury Management

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

In 2021, the City engaged a consultant to perform a review its investment portfolio with the objective of assessing the appropriateness of the current asset mix policy and exploring alternative asset mixes while maintaining appropriate balance between return and risk. The recommendation was to transition the City's investment portfolio from significant fixed income exposure to a more diverse portfolio including equities and alternative investments. The new portfolio structure was developed to achieve the City's overall long-term objectives of achieving an overall net real return of 4%; generate sufficient investment return to cover yearly net spending; capital preservation and achieve steady investment returns.

The new investment portfolio includes internally managed portfolios consisting of investments in money market instruments and bonds as well as external investment portfolios managed by third party investment managers, Alberta Investment Management Corporation (AIMCo), Manulife Investment Management, Connor Clark & Lunn, Phillips Hager & North, and Addenda Capital, consisting of fixed income securities, Canadian and foreign equities and alternative investments. These funds are invested in assets permitted by the Major Cities Investment Regulation.

The goal of Policy #0167 is to ensure that the investment of City funds is made in a manner

Management Reporting & 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 2019-2022. Based on the direction set out in the strategic plan, four-year departmental business plans are prepared. These business plans communicate each department's alignment with the strategic plan and identify:

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

Governance Our Business Cycle

#1 Planning

- Municipal Development Plan
- Strategic Planning

Budget guidelines and high-level financial projections are developed. Based on these guidelines and departmental business plans, departments develop their budget requests. City Council has approved the adoption of a four-year operating budget and a four-year capital budget with a six-year projection.

The Administrative Committee reviews departmental budgets and when satisfied that budgets are aligned with the business plans, the budget recommendation is presented for City Council approval.

#4 Reporting

- Monthly Reports
- Annual Report

#2 Business Planning

Accounting

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

Auditing

The *Municipal Government Act* requires municipal councils to appoint an independent auditor. In 2019, Medicine Hat City Council re-appointed KPMG LLP as its external auditor, with the option of renewing the engagement for an additional four years. City council approved KPMG LLP's appointment for the 2021 audit.

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

The Audit Committee, comprised of three members of City Council, is a standing committee of City Council. The Audit Committee is responsible for recommending the appointment of the independent auditor, reviewing the terms of the engagement and overseeing

Financial Highlights

Financial Trend Summary 2021

The financial data on this page 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 by clicking the link at the top left of this page.

In 2021, the City experienced higher revenues despite the external pressures stemming from the Government of Alberta reduction in municipal funding, operating impacts from our response to COVID-19, and related ongoing uncertainty (including facility closures, travel bans, higher unemployment, financial constraints and additional required safety protocols) and continued market volatility impacting commodity prices and investment returns. The increased revenues are primarily due to higher electric commodity prices and higher returns on financial investments.

In 2020, the City's municipal budget gap was identified as being approximately \$27 million. As a result, the City of Medicine Hat launched the **Accelerated Financially Fit Initiative (AFFI)**, fast-tracking the initial Financially Fit Initiative effort launched in 2016. This initiative focuses on strategic opportunities including revenue growth, as well as cost containment and service level adjustments, range and level of services provided, and leveraging technology and digital innovation in order to connect with residents. A number of these initiatives, including the divisional realignment, were implemented in 2021, which resulted in largely achieving

the \$14.8 million 2021 AFFI target set for the year. As a result of these efforts over the past years, the municipal budget gap for 2022 has reduced to approximately \$9.1 million. The City will continue with these efforts to ensure that our local government has balanced budgets and our community continues to thrive and remain vibrant, innovative and resilient for generations to come.

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 and will be financed through a combination of working capital (\$45 million) and debenture borrowing (\$80 million). By the end of 2022, it is expected that over 2,000 currently producing wells will be abandoned and en route to being reclaimed. 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.

In 2021, financial assets increased at a higher rate than financial liabilities, resulting in a decrease in net financial

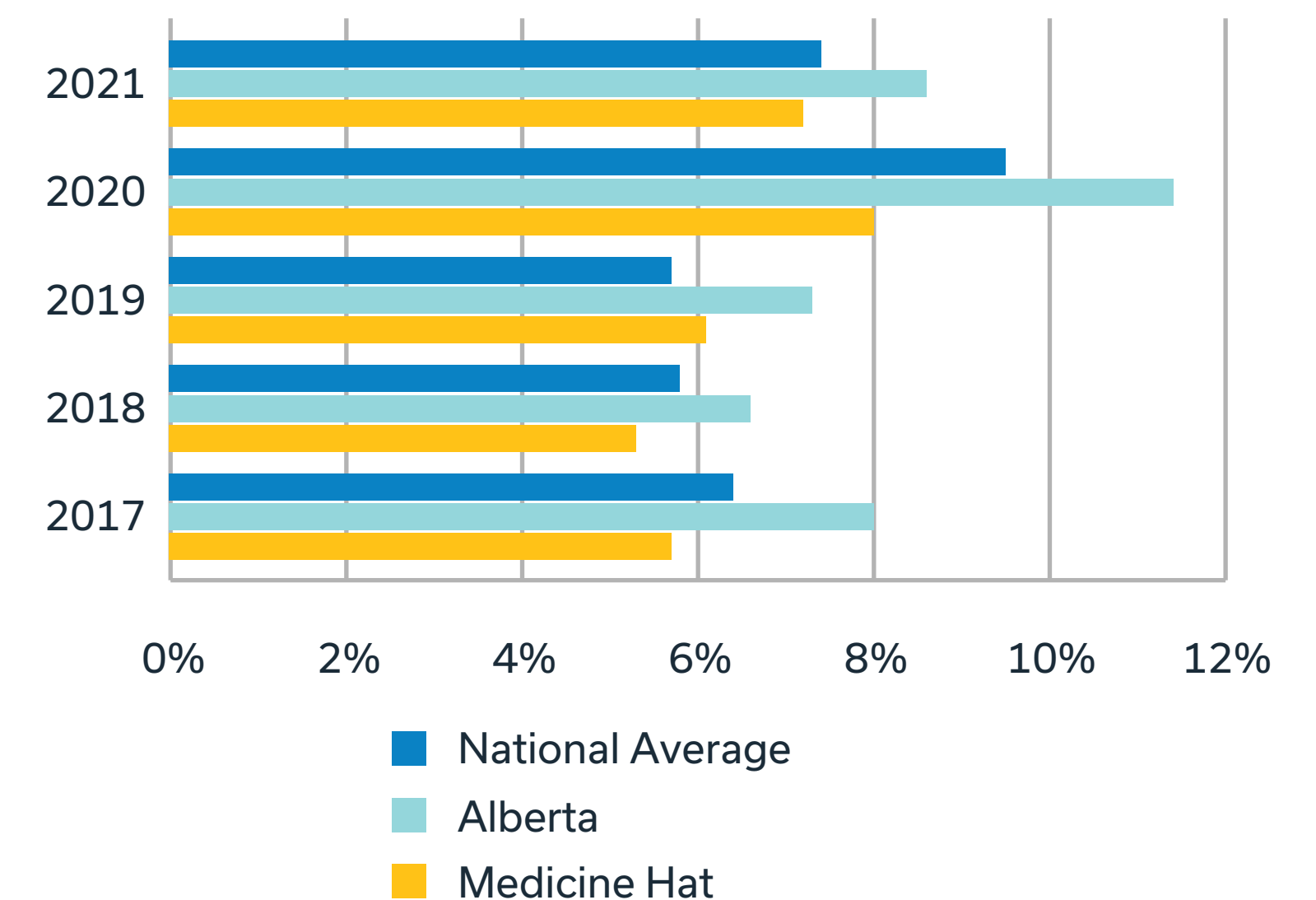
Consolidated Financial Position		
in thousands of dollars		
	2021	2020

Economic Indicators

UNEMPLOYMENT RATE

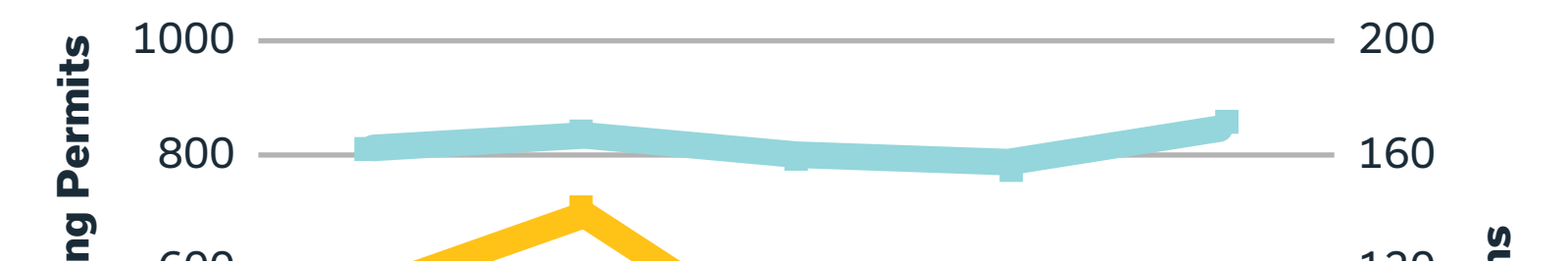
The combined unemployment rate for Medicine Hat and Lethbridge at the end of 2021 was 6.5%, while the 2021 average was 7.2%. The average Alberta unemployment rate for 2021 was 8.6% compared to 7.4% for Canada. The decreases are primarily due to the easing of the COVID-19 pandemic restrictions.

Unemployment Rate
(annual average)



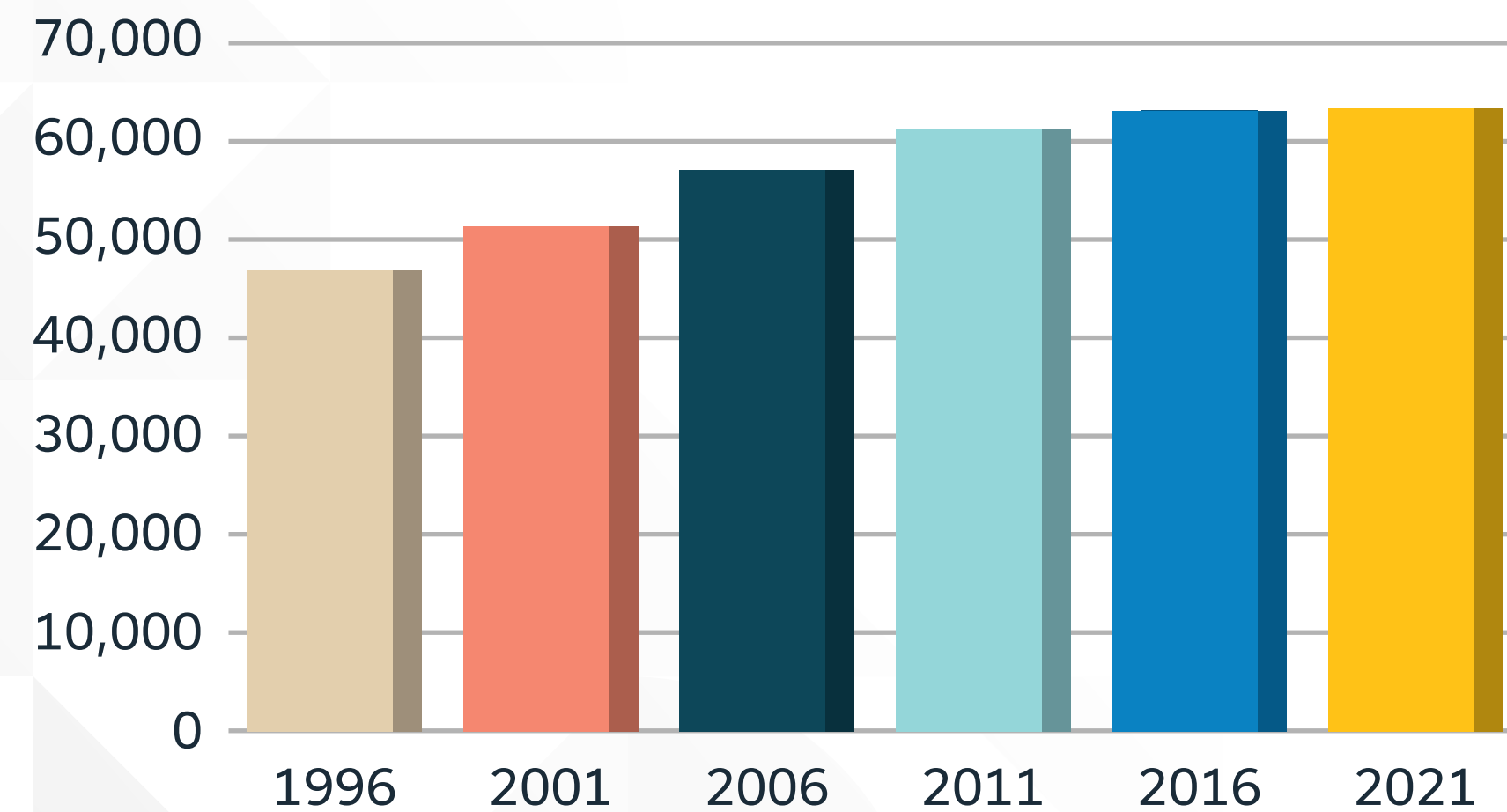
BUILDING PERMITS ISSUED AND RELATED CONSTRUCTION VALUES

In 2021, the number of building permits issued increased to 857, primarily due to an increase in new development. The related estimated value of construction in 2021 also saw an increase from the prior year to \$108 million, due to the majority

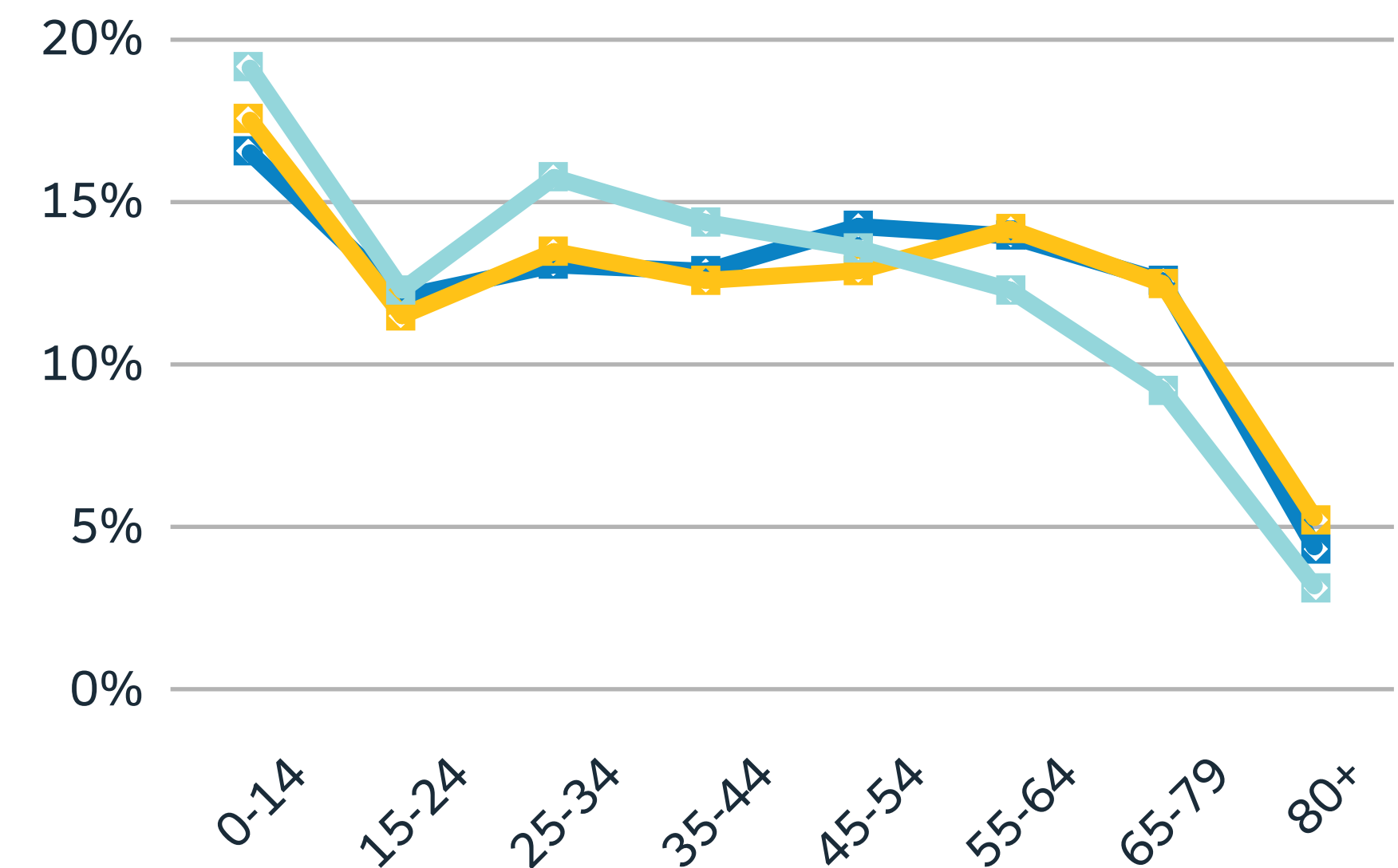


Demographics & Population

City of Medicine Hat Population



Population Age Distribution



LARGEST CORPORATE TAX PAYERS IN MEDICINE HAT

Consolidated Financial Statements

Statements as of December 31, 2021.

Consolidated Statement of Financial Position (unaudited)			
<i>in thousands of dollars</i>			
	2021	2020	
Assets	\$668,415	\$563,457	
Liabilities	831,561	762,747	
Net Financial Debt	(163,146)	(199,290)	
Non-financial assets	67,272	80,148	
Net tangible capital assets	1,389,183	1,356,948	
Total non-financial assets	1,456,455	1,437,096	
Accumulated surplus	\$1,293,309	\$1,237,806	

Consolidated Statement of Operations (unaudited)			
<i>in thousands of dollars</i>			
	2021 Budget	2021	2020
Revenue	\$357,467	\$443,818	\$352,516
Expenses	393,472	419,965	401,742

Financial Terms & Definitions

Accumulated Surplus

The amount by which all assets (financial and non-financial) exceed all liabilities. An accumulated surplus indicates that the municipality has net resources that can be used to provide future services.

Annual Deficit

Expenses exceed the revenues.

Annual Surplus

The excess of revenues over expenses.

The annual surplus or deficit shows whether the revenues raised in the year were sufficient to cover the year's costs.

Amortization

Amortization of tangible capital assets is a way of representing, for accounting purposes, how capital assets decline in value over time due to wear and obsolescence.

Cash Equivalents

Include unrestricted cash in the bank and short term (90 days or less) investments. Cash is restricted when an external agency requires cash to be used for a specified purpose.

Impairments

Expenses recorded to reduce the value of assets when the assets are worth less on the market than the carrying value on the company's balance sheet.

Loss (gain) on Disposal

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 (less than) the net proceeds on disposal, there is a loss (gain) on disposal.

Net Financial Assets

When financial assets are greater than the municipality's liabilities. A net financial asset position indicates the municipality has the necessary financial resources on hand for future operations.

Net Financial Debt

When financial assets are less than the municipality's liabilities. A net financial debt position indicates the municipality requires future revenues to pay for past transactions and events.