

CITY OF
MEDICINE HAT
**ANNUAL
REPORT**

2020

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Medicine Hat
The Gas City

MEDICINE HAT, ALBERTA ■ DECEMBER 31, 2020



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CORPORATE GOVERNANCE



MAYOR'S MESSAGE

As for many others, 2020 was one of the most challenging years of my professional career. Between a global pandemic, economic crisis, social unrest, and political upheaval, the past year was challenging both physically and emotionally. We were thrust into untested waters, but in many ways this gave rise to opportunities for innovation, perseverance, and - in several cases - triumph.

One of the year's highlights came on May 4 when City Council approved the \$8.2 million Hat COVID Relief Framework to support residents and businesses in coping with and recovering from the economic impacts of the pandemic. The plan allowed us to avoid a tax increase, reinvest in local businesses, spur economic development, and support the community's most vulnerable residents. The economy was further bolstered later in the year by the announcement of federal and provincial stimulus spending, for which the City quickly formulated a

list of shovel-ready capital projects to put people back to work.

The municipal budget was also exposed to the financial effects of the pandemic, and with ongoing oil and gas losses and lower transfers from the province, the \$24 million budget shortfall identified in the Financially Fit Initiative in 2016 grew to \$27 million. Leaders identified the need to accelerate the efforts to balance the budget and create a sustainable municipality with less reliance on energy and legacy dividends. In December, Council passed a budget that addressed \$14.8 million of the shortfall, demonstrating a commitment by City staff and leadership to balance the books without relying on excessive tax increases. I am extremely proud that for both 2020 and 2021, we were able to hold property taxes at 2019 levels.

Through these trying times, important construction projects continued, ensuring safe and reliable infrastructure for residents and businesses in Medicine Hat while spurring residential and commercial development. Incentive programs attracted infill construction, builders broke ground in Coulee Ridge,

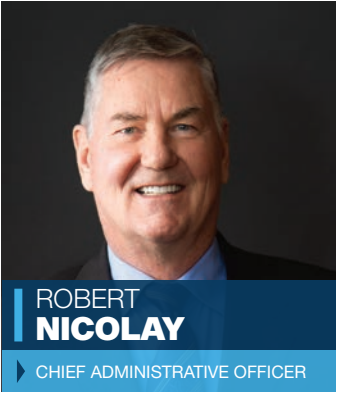
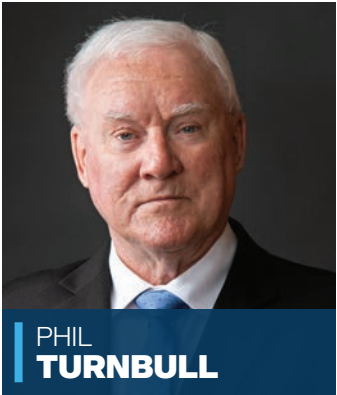
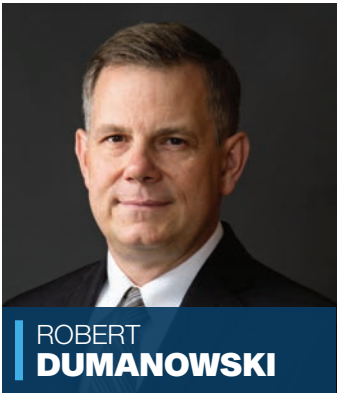
and extensive enhancements occurred at the YXH Gateway near the airport. Construction concluded on the 1.6 million square foot Aurora Sun structure, and though the future operation of the facility remains uncertain, it is a substantial asset in our tax base portfolio.

Now, it is time to look towards the future with hope. I'm optimistic we will soon be through the worst of the pandemic crisis, though we will all need to work together to recover from the long-term impacts. However, if the challenges in 2020 taught us one thing, it is how strong and resilient our community truly is.

I encourage you to read on and learn more about our municipal highlights of 2020.

Ted Clugston
Mayor
April 19, 2021

CITY
COUNCIL



ADMINISTRATIVE
COMMITTEE



CITY MANAGER'S MESSAGE

Reflecting on a year gone by is almost always an emotive exercise and 2020 is certainly no exception. For most of us, the year 2020 will be forever entrenched in our minds and hearts as one of profound peaks and valleys. We found peaks of creativity and problem-solving that were truly impressive; and we experienced valleys of isolation and distress as we sought to mitigate effects of the pandemic. As time passes though, I truly believe we will recall with even greater clarity the unconquerable human spirit and the resilience of community that revealed itself in 2020.

The prevailing theme for the City of Medicine Hat (and the world) in 2020 was of course prolonged response to the global pandemic. From early March through the remainder of the year, City staff worked relentlessly adjusting operations to adhere with ever-changing public health orders and supporting public awareness of the pandemic and its impacts. We also focused efforts to maintain continuity of essential municipal services such as our utilities, emergency/protective services, transportation and mobility services, and the range of City services and facilities our residents rely on us to provide. Sustaining the health of our staff quickly became a priority to ensure employee and public safety without major disruption of service to our residents.

We even went to extraordinary lengths to preserve some level of normalcy in enabling people to continue to pay their utility bills, get a development or building permit or inspection, and observe their local government in action through virtual meetings of City Council, and through adoption of a publicly vetted Municipal Development Plan, Inter-Municipal Development Plan, and the first ever Inter-Municipal Collaboration Framework achieved with the neighbouring jurisdictions of Cypress County and the Town of Redcliff.

Not only did the business of the City not stop during these unprecedented times, but the pandemic drove the City of Medicine Hat to innovate like never before.

The economic impacts of COVID-19 necessitated an intense response in an already challenging fiscal environment. We responded with the Accelerated Financially Fit Initiative – a revised version of the FFI effort launched in 2016. With the aim to address a \$27 million and growing annual financial gap, we launched a focused effort to find net cost savings through direct cost reduction, prudent service adjustments and bringing on new sources of non-tax rate revenue. In December, City Council approved a budget update that included a net cost reduction of almost \$15 million to be achieved in 2021, while maintaining property tax rates without increase at their 2019 levels. This is a remarkable budget achievement that will challenge us to deliver in 2021. It's an excellent start, but more work must be done to ensure

financial sustainability for the future generations of our community.

Throughout this annual report, you will read about a number of innovative projects and initiatives that are streamlining processes, reducing costs, improving service to residents and/or growing our assessment base. From the focused reformation of Invest Medicine Hat to the launch of our Citizen Facing Digital Strategy, the year was rife with continuous improvement accomplishments that are a direct reflection of our commitment to this community as responsible stewards of the public purse.

While it was a challenging year, we are proud to observe that amongst comparator municipalities in Alberta, Medicine Hat still has the lowest combined average for property taxes and utilities. We continue to enjoy an exceptionally high quality of life in Medicine Hat and the City team is committed to preserving our treasured Medicine Hat Advantage.

I am pleased to share our progress with the community.

Robert Nicolay
CAO/City Manager
April 19, 2021

BOARDS & COMMISSIONS

- Advisory Committee on Disability Issues
- Arts & Heritage Advisory Board
- Medicine Hat Public Library Board
- Senior Citizens Advisory Committee
- Social Development Advisory Board
- Transit Advisory Committee
- Urban Environment & Recreation Advisory Board
- Youth Advisory Board
- Assessment Review & Appeal Boards
- Composite Assessment Review Board
- Local Assessment Review Board
- Subdivision & Development Appeal Board
- Combative Sports Commission

CITY COMMITTEES

ADMINISTRATIVE & LEGISLATIVE REVIEW

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

AUDIT

Councillor D. Hirsch, Chair
Councillor P. Turnbull, Vice-Chair
Councillor J. McIntosh

CORPORATE SERVICES

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

DEVELOPMENT & INFRASTRUCTURE

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

ENERGY & UTILITIES

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

HERITAGE RESOURCES

Councillor J. McIntosh

PUBLIC SERVICES

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

COUNCIL APPOINTMENTS

CANADIAN BADLANDS LTD.

Councillor P. Turnbull
Councillor B. Varga

CHAMBER OF COMMERCE

Councillor J. Turner

CITY CENTRE DEVELOPMENT AGENCY

Councillor K. Samraj

CYPRESS VIEW FOUNDATION

Councillor J. Friesen
Councillor J. Turner

FRIENDS OF MEDALTA SOCIETY

Councillor J. McIntosh

MEDICINE HAT COMMUNITY HOUSING SOCIETY

Councillor K. Samraj

MEDICINE HAT EXHIBITION & STAMPEDE

Councillor J. Turner

MEDICINE HAT PUBLIC LIBRARY

Councillor P. Turnbull

MUNICIPAL NAMES COMMITTEE

Councillor J. McIntosh

MUNICIPAL PLANNING COMMISSION

Councillor B. Varga, Chair
Councillor D. Hirsch

PALLISER ECONOMIC PARTNERSHIP

Councillor J. Turner

POLICE COMMISSION

Councillor J. Friesen
Councillor R. Dumanowski

SHORTGRASS LIBRARY SYSTEM

Councillor P. Turnbull

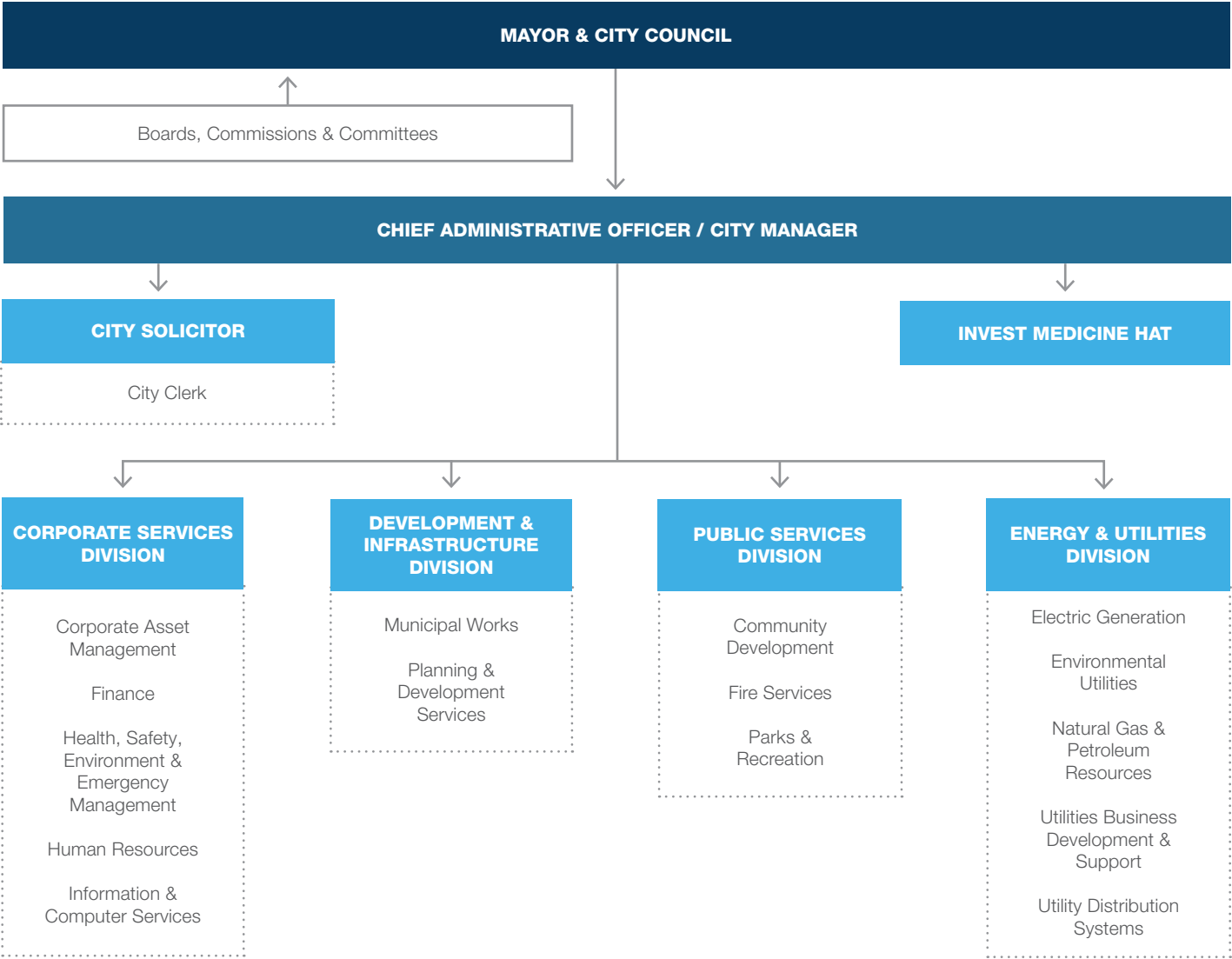
SUBDIVISION & DEVELOPMENT APPEAL BOARD

Councillor J. McIntosh
Councillor J. Turner

TOURISM MEDICINE HAT COMMITTEE

Councillor B. Varga

ORGANIZATIONAL STRUCTURE





STRATEGIC PRIORITIES

FISCAL RESPONSIBILITY

In December, City Council approved the Budget 2021 update, which included a \$14.8 million net cost reduction.

Accelerated Financially Fit Initiative (AFFI)

Medicine Hat enjoys the benefits of a long history of prosperity through profits from commodity assets. Sustained price weakness in oil and gas has eroded profitability, coupled with additional challenges created by the global pandemic and lower transfers from the Government of Alberta. The City of Medicine Hat now faces an annual budget gap of approximately \$27 million. As a result, in 2020 the City of Medicine Hat launched the Accelerated Financially Fit Initiative (AFFI), fast-tracking the initial austerity effort introduced in 2016.

AFFI will close the annual budget gap and enable a sustainable municipality that does not rely on funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases.



The AFFI focuses on developing and executing strategic opportunities including cost containment and service level adjustments, and leveraging of technology and digital innovation. In addition, a capital prioritization project will form part of the AFFI, which will define a framework to support capital project selection and drive capital efficiency. Further, Council supported a divisional realignment that will reduce

costs and increase organizational effectiveness.

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

Investing in Canada Infrastructure Program (ICIP) Grants

The City of Medicine Hat is eligible to receive \$13.4 million in federal funding under the Investing in Canada Infrastructure Program (ICIP) Public Transit Stream to support public transit infrastructure projects. In order to provide flexibility for municipal infrastructure, respond to the impacts of COVID-19, and to stimulate local construction, the provincial and federal governments adjusted program parameters to allow municipalities to choose whether to use their funding for eligible projects under the Public Transit Stream or to reallocate for projects under the newly created COVID-19 Resilience Stream. Under the new stream, the government will fund 80% of eligible capital costs for approved projects that must be completed by December 31, 2021.

After an extensive review and evaluation of eligible projects, the following list was approved by Council and forwarded for funding consideration:

- Transit electronic fare collection system - \$450,000 (grant portion \$360,000)
- Transit computer aided dispatch upgrade - \$250,000 (grant portion \$200,000)



Federal Minister of Infrastructure and Communities, the Honourable Catherine McKenna.

- Mobile channel for City services - \$500,000 (grant portion \$400,000)
- Athletic Ball Park shade canopy, seating, fence, gates, ticket office - \$3.1 million (grant portion \$2.24 million)
- Addition to 533 1 Street SE - \$2.2 million (grant portion \$1.6 million)
- Roof replacement/repair (four buildings) - \$750,000 (grant portion \$600,000)
- Rooftop units, make-up air, and air-handling units (two buildings) - \$530,000 (grant portion \$424,000)
- Fire and security alarms (two buildings) - \$95,000 (grant portion \$60,000)
- Hot water tanks (two buildings) - \$75,000 (grant portion of \$60,000)
- Trail rehabilitation and pedestrian/cycling trail development - \$1.4 million (grant portion \$1.08 million)
- Pedestrian bridge deck repair/replacement - \$3.3 million (grant portion \$2.56 million)
- Rehab existing sidewalks - \$1 million (grant portion \$800,635)
- Echo Dale water treatment plant enhancements - \$340,000 (grant portion \$240,000)
- Echo Dale reforestation - \$440,000 (grant portion \$320,000)

Not yet submitted (completion date December 2027)

- Transit bus replacements (2024-2057) - \$5.8 million (grant portion \$2.32 million)
- Transit scheduling system - \$250,000 (grant portion \$100,000)

Municipal Stimulus Program (MSP)

In the summer of 2020, the Government of Alberta announced the Municipal Stimulus Program, in response to the COVID-19 pandemic. Intended to stimulate the economy through job growth and red tape reduction, funding was allocated per capita, providing Medicine Hat a maximum contribution of \$7.5 million. The program identified extensive eligibility criteria, including no future burden on the tax rates, commencement of construction by 2021 and expending all grant funds by December 31, 2021.

The City submitted the following list for approval, focusing on projects that would otherwise not have started; will aid in future tourism and recreation; will leverage existing user group relations; and will enhance or better utilize City assets:

- Gas City Campground Camping Site Enhancements - \$1.3 million
- Multi-Use Trail Development/Extension - \$1.7 million
- Multi-Court Pickleball Facility - \$2 million
- Town Square, 603 1st Street SE - \$2 million
- BMX Track Upgrades \$500,000

New Digital Procurement Platform

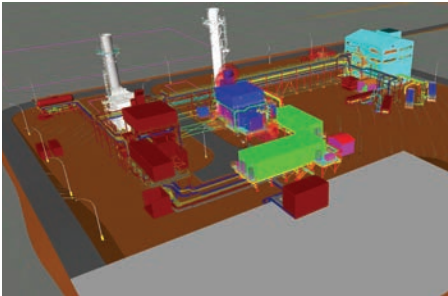
On July 6, 2020, the City of Medicine Hat launched a new eProcurement tool, Bids and Tenders, that allows vendors to register, view and download City of Medicine Hat bid opportunities online in one quick, easy and convenient location. The new system also electronically closes the bid session to avoid any ambiguity as to whether a bid was submitted on time. The tool allows questions to be asked and answered virtually, and amendments to be made digitally. This proved to be a very useful feature for vendors, especially during the COVID-19 pandemic as it also minimized the walk-in traffic to City Hall.

To date, there are 727 suppliers registered in the system, 387 of which are Alberta suppliers and 92 of which are local to Medicine Hat. Sixty bidding opportunities have been registered since July 2020 with 283 submissions received.



Unit 17

At an approved cost of \$66 million, Unit 17 is a natural gas combustion turbine that will increase the City's total generation capacity by 44 MW, assuring current supply demands and enabling further load growth. The General Electric (GE) LM6000PF simple cycle unit located at the Cousins West site is expected to be in service at the end of the first quarter in 2022. Unit 17 will ensure an 'N-1' (single contingency) supply adequacy and supports the City of Medicine Hat's exemption status under the Electric Utilities Act. The addition of Unit 17 will not impact residential electricity rates, which are calculated based on the average of the rates of the four Regulated Rate Option providers approved by the Alberta Utilities Commission under section 103(2) of the Electric Utilities Act.



3D model rendering showing the addition of Unit 17 turbine and stack (left side)

Closure of South Railway Drop-off Recycling Depot

Since the implementation of residential blue recycling carts in 2018, there has been a 65% reduction in the amount of materials dropped off at recycling depots. Of the four depots in Medicine Hat, the South Railway recycling depot near the Redi Bottle Recycling Depot received the lowest volume of materials and operated at the highest cost. As a result, it was permanently closed on July 31, 2020. The closure of this location resulted in a net savings of \$30,000 annually. The remaining three depots still offer appropriate geographic coverage to the entire city.



The South Railway depot was the least utilized of the City's four recycling locations

Generating Revenue by Completing Criminal Record Checks

In 2020, the 911 Communications Centre took on new work to earn additional revenue for the organization by providing contracted services for Sterling Backcheck, completing pre-employment criminal record checks for agencies across Canada. The City's 911 operators are able to use existing skills to conduct the checks while they are not attending to emergency calls. The agreement allows the City to make use of existing human resource and technology capacity to increase productivity.

10-year Recycling Agreement with Green For Life Environmental

In late 2019, Green For Life Environmental Inc. (GFL) took over interim residential and depot recycling services while the City of Medicine Hat conducted an appropriate procurement process for a new long-term service partner in recycling. After a competitive bid process, GFL and the City of Medicine Hat signed a 10-year recycling collection and processing agreement in February of 2020, ensuring long-term arrangements for recycling to continue at fair costs to the ratepayer.

Introduction of Sanitary Sewer Service Fees

In January 2020, the City introduced fees for various sewer services including CCTV inspections, sewer backup clearance, and root control, which were previously provided at no cost. The change reduced staff overtime and resulted in annual cost savings of over \$50,000 and approximately \$15,000 of additional annual revenue, while providing valuable contract work for local plumbing businesses in the process.



Sewer service line CCTV inspection camera

New Trash Compactor at Waste Management Facility

Aligning with the goal to maximize landfill airspace to ensure the site remains operational to 2050 and beyond, the City purchased a new trash compactor in 2020 for \$1.04 million, expecting to see a 10-30% increase in waste compaction capability. The unit will enable an increased compaction rate of 33% from the previous equipment. This created three to four months of additional airspace in phase one of the newly constructed northwest waste cell, which was expected to be fully occupied in 2020. Significant savings of landfill airspace is attributed to the use of GPS technology, the new compactor, and staff and resident commitment to proper waste placement.



The City's new trash compactor hard at work



The first load of waste is deposited into the NW waste cell

Reduced Operational Hours at the Waste Management Facility

After a review of daily landfill volumes and a comparison to other facilities in the region, the City reduced the hours of operation at the Medicine Hat Waste Management Facility from seven days per week to six (closed on Sundays and statutory holidays.) This created immediate cost savings in both labour and fuel, and will elicit future savings as manpower can be reallocated to equipment maintenance that will provide long-term savings. Current landfill volumes are easily accommodated within the reduced hours of operation.

Electric Zambonis

In 2020, Fleet Services completed the commissioning of two new electric Zambonis. Analysis indicates that these units will reduce fuel cost by approximately 80% compared to the previous gasoline units, which translates to about \$6000 per year in savings.

An additional 30% in savings is anticipated in maintenance due to the elimination of oil changes and other services required by combustion engines. The units themselves create zero emissions, eliminating the health, safety and environmental risks/impacts related to CO2 and other emissions. The user experience also benefits, as odors related to emissions are no longer a factor.



Staff pose alongside one of the new electric Zambonis

"This is an electric vehicle that makes sense! Can spend most of the time plugged in, don't have to worry about 'range anxiety', low maintenance and no fumes from an internal combustion engine in an enclosed area. Great idea!"

- Len

Regional Events Centre Transition

During 2020, operational services of the Co-op Place (formerly Canalta Centre) transitioned to the City of Medicine Hat. Management will complete a comprehensive review of options for continued long-term operations in due course. This interim arrangement will enable a detailed evaluation of opportunities. A multi-disciplinary team worked

closely with the operator, ASM, to execute a smooth transition of all vendors, sponsors, tenants, and entertainers.

A review of facility systems and preventative maintenance programs offered opportunities for increased operating efficiencies, increased regulatory compliance, and improved lifecycle of facility assets.

Staff look forward to hosting the community for spectator events once

enhanced COVID restrictions are lifted by the Government of Alberta.



Co-op Place is now the branded name of the City's multi-use facility

Abandonment of Uneconomic Wells

In April, Council approved a \$125 million capital budget amendment to undertake abandonment of 2,000 of the City's uneconomic shallow gas wells and associated facilities over a two-year period. Natural Gas and Petroleum Resources (NGPR) began executing on the program by ceasing operation of the City's uneconomic shallow gas fields in Saskatchewan. Over 1,000 wells were abandoned in 2020, including initial steps at surface reclamation at an expense of \$8.3 million. This resulted in a \$4.9 million annual reduction in administration and operational costs.



The City of Medicine Hat continues to aggressively reduce its exposure to uncertain oil and natural gas liabilities

eBilling

Paperless billing is better for the environment, reduces paper waste, and saves mailing costs. In 2020, the rate of customers signed on for eBilling grew to 42% (from 38% in 2019) or 13,696 accounts (up from 11,680) following numerous enticing promotions and a creative community outreach at local schools. Having 42% of customers on eBilling translates into \$328,700 in savings per year.

Save some money. Save some trees. Sign up for eBilling today.

Help the environment and lower the City's operating costs by registering for eBilling paperless bills at www.medicinehat.ca/eUtility



Display at City Hall demonstrating how much waste is generated by paper billing

Citizen Facing Digital Strategy (CFDS)

The Citizen Facing Digital Strategy (CFDS) considers the opportunities to shift more activity online, expanding the ways in which residents can interact and do business with the municipality. The objective is not to eliminate existing channels, but rather drive the volume of interactions to more accessible, lower-cost online options. Digitizing services allows residents to access more effective and efficient interactions, thereby reducing demand on more traditionally expensive channels such as phone and in-person.

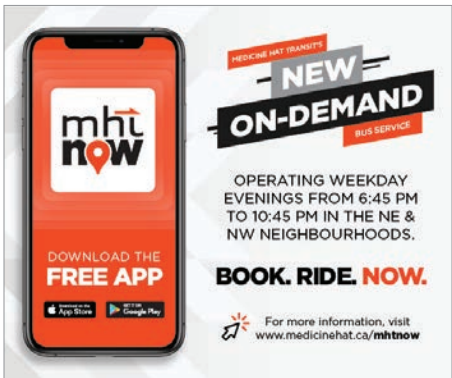
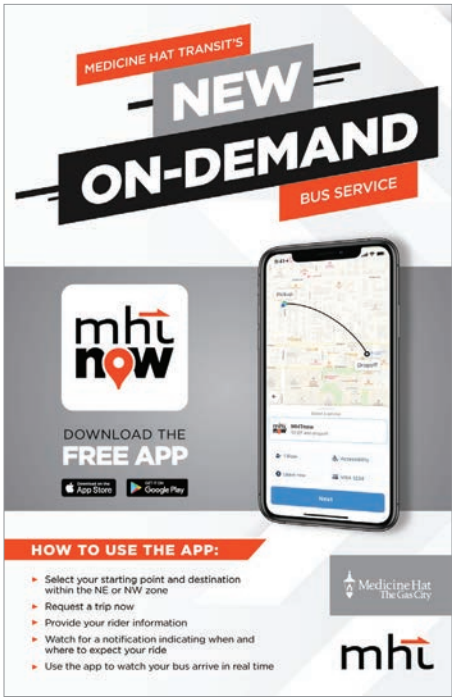
MHTnow

Transit Services introduced MHTnow, an on-demand pilot project, in September 2020 to explore opportunities to create a more efficient, flexible and adaptable transit system. The pilot began operating on weekday evenings in the north zone, which includes the northeast and northwest Crescent Heights neighbourhoods, replacing two fixed routes.

Data analysis after the first month showed an average wait time under six minutes, travel times averaging nine minutes, and 20% of north zone trips occurring within the zone. Total vehicle mileage on the transit fleet was significantly reduced.

The service in the central zone launched in November, replacing two fixed routes with on-demand service in the River Flats and South Hill areas.

Early findings show general improvement to rider experience due to reduced wait and travel times, and savings to the organization through a significant reduction in mileage travelled, fuel, maintenance and labour costs.



A user-awareness campaign was created to alert existing transit riders and potential new users of MHTnow.

30-foot Transit Buses

In 2020, Fleet Services completed the commissioning of 11 new 30-foot transit buses. The City achieved approximately \$1.2 million in capital cost savings by moving to the smaller buses, compared to the traditional 40-foot model. Lower operating costs are also anticipated with the smaller buses due to less required maintenance and reduced fuel consumption. Having smaller buses as part of the transit fleet also provides additional flexibility in service delivery in residential and low ridership areas.

"I really like MHTnow because it's way faster to get where you need to go without doing the whole route."

- Judy

"They are nice buses, I was on one this morning!"

- Jordyn



One of the City's new 30-foot buses

ECONOMIC VITALITY

Growing and diversifying the economy remains a priority for the City of Medicine Hat. By facilitating business, industry and tourism investment, the City contributes to increased employment, superior quality of life, and a vibrant, thriving community.

Relaunch of Invest Medicine Hat

In early 2020, the City of Medicine Hat reformed Invest Medicine Hat, consolidating investment attraction, corporate communications, business development, land development and land sales.

The year was marked with a number of noteworthy accomplishments from the group, including significant business support initiatives to combat the impacts of COVID-19 such as the Medicine Hat Business Innovation Grant (MHBIG), the ShopHERE program, and the Shop YXH online marketplace.

Read more on these accomplishments and others in the full Invest Medicine Hat annual report, available at www.investmedicinehat.ca.



Among the significant changes for Invest Medicine Hat was an in-house created visual identity refresh and updated brand package.



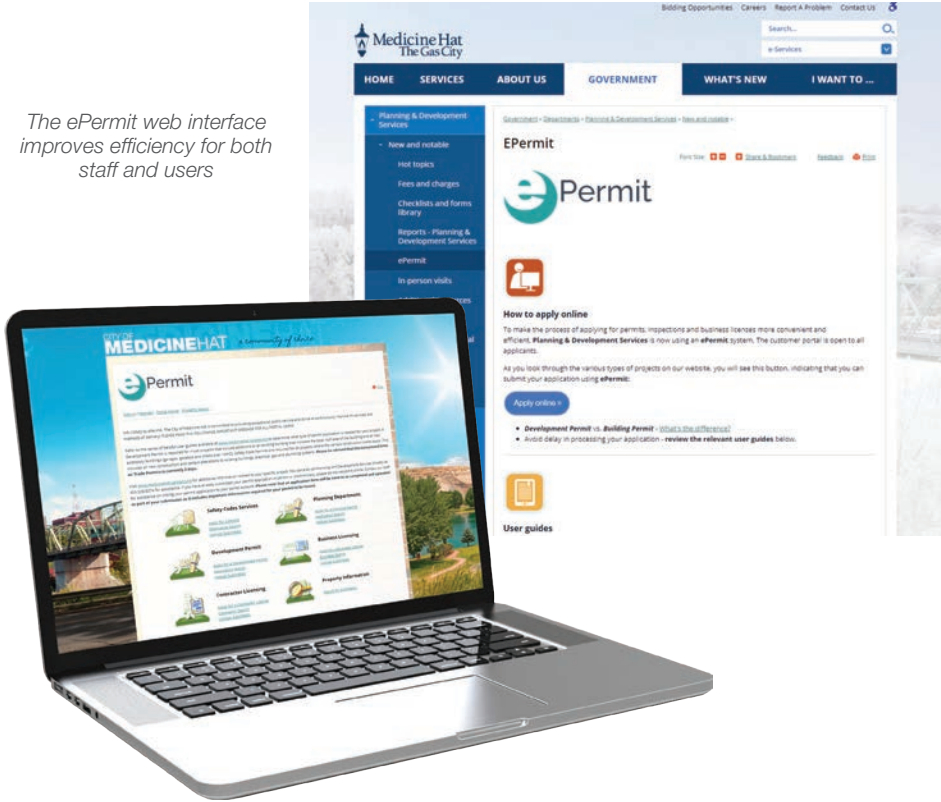
The Medicine Hat Business Innovation Grant (MHBIG) and the Shop YXH platform, both heavily supported by Invest Medicine Hat, were instrumental in helping local businesses 'pivot' to changing market conditions this past year.

ePermit

As part of an ongoing corporate initiative to enhance service to our residents and customers, Planning & Development Services implemented Phase 1 of the City's new ePermit system on June 15, 2020. The new ePermit system united two older legacy systems (Permit Tracking and Business License) which were in place since approximately 2005. The intent of the new system is to reduce permitting time, improve customer service and staff efficiency, enhance quality, and reduce traditional paper and filing activities.

The launch of ePermit has made the process of applying for permits, inspections and business licenses more convenient and efficient for both staff and applicants. Phase 2, expected in early 2021, will see the online electronic payment of permits and licensing fees through debit and credit cards.

The ePermit web interface improves efficiency for both staff and users



Residents can still visit City Hall in person in addition to accessing ePermit

INFRASTRUCTURE RENEWAL

Managing the City's aging assets to ensure quality, sustainable infrastructure continues to be a priority.

Family Leisure Centre Parking Lot Improvements



The parking area at the Family Leisure Centre is utilized by numerous groups, providing valuable space for the nearby Methanex Bowl and the BMX track.

The City completed a parking lot renewal project at the Family Leisure Centre in 2020, significantly enhancing the parking area and outdoor aesthetics of the facility.

Additional asphalt parking stalls on the northwest side of the building were

added, and accessible stalls now have adequate space for users and are placed closer to the main entrance of the facility for ease of access. Better sight lines and dedicated walkways increase safety for both drivers and pedestrians while the installation of new landscape features, outdoor

furniture, and a revitalized hardscape improve the overall visual appeal of the facility.

The Family Leisure Center offers indoor and outdoor recreation opportunities throughout the year and attracts close to 250,000 paid visits annually.

1 Street SW Rehabilitation Project

In 2019, the City of Medicine Hat replaced old and failing water, sanitary sewer, and storm sewer infrastructure through the 1 Street SW corridor. Construction continued into 2020 and included the installation of a new driving surface, traffic barriers, a pedestrian walking path and electrical conduit. Cosmetic landscape restoration completed the \$3.3 million upgrade.



New asphalt and trail along 1 Street SW

7 Street SE Water and Sanitary Upgrades

At a total project cost of \$3.1 million, the City replaced water and sanitary sewer mains along 7 Street SE between South Railway Street and Kingsway Avenue, including the Kingsway Avenue intersection. The upgrade addressed infrastructure

that was in poor condition and will ensure reliable and effective water and sanitary services within the project area for years to come.



Brier Park Gravity Bypass

Construction continued in 2020 on a multi-year, five-phase project to construct a gravity sanitary sewer trunk from the northwest quadrant of the city to the newly expanded Crescent Heights lift station on the north bank of the South Saskatchewan River east of Maple Avenue. The bypass will convey sewage from Brier Park, Box Springs, and the Town of Redcliff to the Crescent Heights lift station, accommodating long-term growth in the northwest industrial sectors of the city, and ultimately resulting in decommissioning an existing (Brier Park) lift station.

- Phase 1 extended from Brier Park to 3 Street and 10 Avenue NW, and was constructed in 2018/2019 at a total cost of \$6 million.

- Phase 2A connected the downstream end of the project from the Crescent Heights lift station to just west of the Canadian Pacific Railway (CPR) tracks. This phase was constructed in 2020 at a total projected cost of \$5.9 million.
- Phase 2B will continue from the CPR tracks, west along 2 Street NE, to just through the intersection of 2 Street NE and 1 Avenue NE. This phase will be constructed in 2021.
- Phases three to five are planned for the future.



Auger bore machine at work



Manhole installation on large diameter (1050 mm) sanitary sewer pipe

Division Avenue Valve Replacement

A two-year project to ensure effective functionality of water valves on a key transmission main in the water distribution system concluded in 2020 for a total project cost of \$7.95 million. During the project:

- water and sanitary mains that were in poor condition were replaced along 5 Street SW.
- additional mains were added on 12 Street SW and 1 Avenue SW to ensure service continued to area residents during construction.
- large diameter water main valves were replaced along Division Avenue S.

The upgrades provide a more robust water supply for residential and commercial customers in the area.

"I wanted pass along how great the crews are that are working in the area on the valve repair today. They are all so very nice and even came around today to remind me that the water will be off. I was most impressed with the fact that today is my garbage day and one of the guys came and grabbed my cart so that it can be collected for today."

- Linda, resident of Prospect Drive SW



Workers at 5 Street SE and Division Avenue



900 mm pipe along Bullivant Crescent SW

Waste Water Treatment Plant Electrical Upgrade

The Waste Water Treatment Plant (WWTP) is an essential service to Medicine Hat and the nearby communities it serves. A \$2 million electrical upgrade extended the asset's useful life by providing mid-life rehabilitation/replacement of the existing main electrical system

within the plant, including the main distribution panel, motor control centers, 600-volt system, 240-volt system, and the 800 kW standby generator.



800 kW standby generator



Final Effluent Pump House Motor Control Centre

Water Treatment Plant - Redundancy Project

To minimize disruption to water service during electrical maintenance, equipment failures, or emergency outages, the City installed a redundant 600-volt transformer, breakers and feeders at the Water Treatment Plant in 2020. At a cost of approximately \$87,000, the project avoided any interruption in service to residents, and allows power to be re-routed from different sources to avoid plant downtime in the event of scheduled or unexpected electrical outages.



New 600-volt transformer

Gilwell Park Irrigation Upgrades

Gilwell Park is a large green space that hosts a 9-hole disk golf course, a playground, and walking paths which are frequented by many living in the Crestwood and Southview neighbourhoods.

The park’s irrigation infrastructure had exceeded its lifespan and reached a point where it was no longer fiscally prudent to continue ongoing repair.

Staff took the opportunity to plant fescue grass as a pilot project. The natural, hardy grass requires less mowing and maintenance than Kentucky blue grass, decreasing water use and maintenance requirements within the park.



Aerial view of Gilwell Park showing walking path that winds from the Crestwood to Southview areas



Irrigation trench in Gilwell Park

This change is expected to reduce water use by approximately 50% once the grasses have fully established. The anticipated reduction in water use at this location is approximately 8,500 cubic metres per year. Ongoing water volume usage will be compared annually to evaluate the success of this pilot project for future parks.

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 ambience for visitors.

The irrigation system exceeded its lifespan and required ongoing maintenance due to system degradation. A new irrigation system, which is more reliable, easier to operate, and more efficient, was installed to maintain healthy turf and trees.

The Hillside Cemetery sells approximately 80-90 columbarium niches per year for cremation interment. New columbarium units are required to maintain options and locations for individuals and families. This project allowed for additional cremation interment space to be added to the area. Future phases of the columbarium expansion will be based on burial trends, historical sales, and needed niche availability.



New irrigation at Hillside Cemetery

Lighting Upgrades at Family Leisure Centre & Kinplex Arena

Thanks to funding from the Municipal Climate Change Action Centre's Recreation Energy Conservation Program, LED lighting upgrades were completed at the FLC and Kinplex arena sites. The program provided \$26,540 of grant funding for the FLC, and \$82,600 of grant funding for the Kinplex. The upgrades provide improved quality of lighting, reduced operating costs and a longer lifecycle for replacement.



LED lighting compliments the Kinplex's other upgrades of recent years



The Family Leisure Centre's olympic-sized ice surface and new lighting

COMMUNITY SAFETY & VIBRANCY

The City of Medicine Hat is committed to maintaining safety while building a vibrant community with a high quality of life.

Senior Services Consultation: Supporting Our Seniors Now and Into the Future

City staff completed an engagement process in 2020 to understand the current and future needs of the seniors' community. The process included 19 one-on-one interviews, four stakeholder workshops, five engagement kiosks, two community consultation sessions, a focus group, as well as online engagement through the City's public participation website, Shape Your City.

Seniors are a diverse group with shifting needs and priorities, and services and programming must evolve with changing needs. The Seniors Centre plays an important role in the community and seniors value having a voice in the decisions that impact their lives.

The City will use feedback from the engagement process to develop and guide future programs and services for seniors in the community.



Trade show exhibit inviting seniors in Medicine Hat to provide their input regarding the City's facilities residents for aged 50-plus



Recently renovated, both the Veiner Centre (pictured) and the Strathcona Centre offer a variety of activities, programs and services for active seniors

Lighting for a Cause: Saamis Tepee Illumination Program

The Saamis Tepee has been an iconic structure in Medicine Hat since its erection in 1991. With its grand height peaking over 65 metres, Medicine Hat's most prominent landmark is also an internationally recognized monument.

In 2020, the lighting on the structure was updated with RGB LED housing/lights, providing an enhanced opportunity for community groups. Through the 'Lighting for a Cause: Saamis Tepee Colour Illumination' program, groups are able to promote awareness of important social causes and emphasize the spirit of the community by accentuating and celebrating the spirit of living in Medicine Hat.



Community Vibrancy Grant

The COVID-19 pandemic caused a number of activities and events to be cancelled throughout 2020 and numerous City grants intended to support these events could no longer be put to best use.

A consolidated Community Vibrancy Grant program was developed to reallocate these funds towards opportunities that foster community spirit, celebrate local achievement, and promote community development in ways that accommodate Alberta Health recommendations to maintain community safety amidst the COVID-19 pandemic.

A total of 21 community organizations put forward applications for the \$39,000 in available funding. The successful applicants will stage a variety of events, activities and initiatives in 2021 to promote vibrancy in Medicine Hat.



Community Warmth

The Community Warmth Program supports customers who struggle to pay their utility bills and are facing disconnection. In 2020, the Community Warmth Program helped 33 families pay their utility bills with \$28,763 in support. Since the program began in 2010, 494 families have received assistance.

Utility customers may contribute monetary support to the program by adding a monthly donation amount to their utility statement. Contact Customer Service or sign up online at www.medicinehat.ca/communitywarmth.



HAT Smart 2020 Residential Incentive Program

Funded by high-consumption electric and gas residential utility customers through an Environmental Conservation Charge, HAT Smart is a

popular, award-winning environmental initiative. The program's mandate is to educate consumers and promote energy conservation and renewable energy initiatives. In 2020, rebates were offered for solar electric infrastructure, EnerGuide ratings for new homes, air conditioners, and a "Scratch & Win" opportunity to use towards eligible purchases. A total of \$237,498 was paid out in 174 rebates as follows:

- Solar: \$178,590
- EnerGuide Ratings: \$38,500
- Air Conditioners: \$15,400
- Scratch & Win: \$5,008

Urban Abandoned Well Management System

In order to ensure community safety, Natural Gas and Petroleum Resources (NGPR) continues to work closely with the Alberta Energy Regulator in monitoring, reporting and managing historical urban abandoned wellbores within city limits. Methane expellers are currently installed at some urban locations and monitoring occurs on an ongoing basis. Staff continuously examines innovative ideas and technological advances in methane emissions management for potential implementation in the urban environment, and ensures appropriate mitigation with development proposals in proximity to abandoned wells.

Westvue Dog Park Opening

2020 saw the opening of the City's newest dog park, Westvue, located near Gas City Campground. The City, in partnership with the Gas City Canine Cruisers Club, designed and constructed the approximate 40-acre, fenced, off-leash area for the community to enjoy.

The park features space for both large and small dogs, double entry gates at two locations, waste disposal bins, and ample parking. The landscapes and views are an ideal location, providing plenty of space for dogs to run.

Staff were able to preserve the natural aesthetic of the land, creating a beautiful and safe site for all dog owners to enjoy.

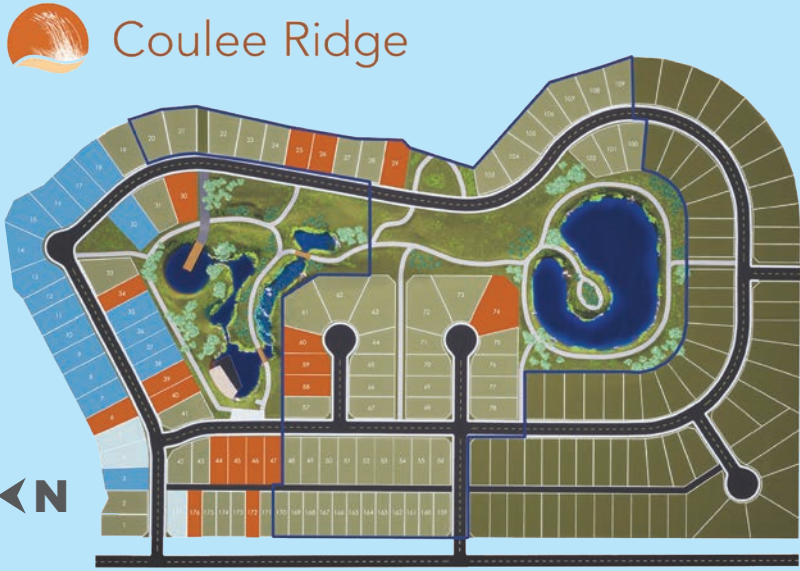


Westvue Dog Park provides additional recreational opportunities for dog owners

Coulee Ridge

The City approved the Coulee Ridge subdivision design for Phase 1, which allowed the private developer an opportunity to commence construction on the development infrastructure.

With support from the City, the majority of the infrastructure was completed in 2020. As the land development infrastructure proceeded, the City worked with the land developer and homebuilders to streamline regulatory processes. This allowed home construction to begin while the final components of the infrastructure were still underway.



Aerial view of Coulee Ridge lot profiles

Hamptons Area Structure Plan Amendment

Planning & Development Services completed an amendment to the adopted Hamptons Area Structure Plan (ASP) to allow for improvements to the manufactured home park and the potential development of additional units in the vacant and underutilized areas of the existing development.

The ASP amendment supports Cove Communities' vision and intent to upgrade the development by improving vehicular site access, storm water drainage, and the interface with the adjacent Hamptons development – all while creating the opportunity for additional dwelling units. These improvements set the foundation for revitalization of and reinvestment in the community.

Staff worked collaboratively with the private developer to ensure technical and legislative requirements were met while achieving the community's expectations for the neighbourhood. City Council adopted the Hamptons ASP amendment in May, 2020.

Capitalizing on the recreational, cultural and natural assets of the community to promote tourism, wellness and quality of life continues to be a focus for the City of Medicine Hat. The following highlights demonstrate this priority.

MyMH Summer Campaign

COVID-19 altered the landscape for many residents, and with travel restrictions in place and significant impacts on local disposable income, many had to cancel or scale-back summer plans. City staff approached Tourism Medicine Hat to partner on a summer campaign meant to encourage residents to plan a memorable “staycation” while supporting local businesses, and celebrating the unique attributes and attractions in our community. The objectives of the campaign were to support local business and a shop local philosophy, celebrate Medicine Hat attractions and landmarks, support community morale through COVID-19, and provide community members enjoyable staycation ideas.

This initiative sparked new inspiration and discovery within the city, encouraging residents to share their summer highlights online. On one



Residents were encouraged to find marked locations around town for a 'share-worthy' photo.



social media platform alone, over 725 images were captured and tagged as #myMHsummer.



Playground Management Plan

In 2020, staff worked to update the existing Playground Management Plan. The project helped identify new trends and leading industry best practices, including multi-dimensional play spaces, natural play, adult play, fitness integration, accessibility/ inclusion, as well as necessary amenity considerations needed to help residents continue to grow and thrive in the community.

Staff engaged with the community throughout the process, including a public survey, stakeholder group discussion, conversations at the tradeshow and Family Leisure Centre, and children and youth-focused engagement.

The Playground Management Plan includes updated principles, guidelines and standards for the distribution and development of playgrounds, utilizing best management practices, data, statistics and playground development trends.



Connecting Community Campaign

Launched in 2020, Connecting Community was designed to enhance local sense of community and pride of place. Short videos, socially distanced conversations, events, and personal actions help showcase Hatters who call Medicine Hat home.

The Connecting Community campaign encourages inclusion and participation, learning about and from one another, and discovering connections to one another.

The Alberta Human Rights Education and Multiculturalism Fund, Family Community Support Services, and the Premier’s Council on the Status of Persons with Disabilities provided funding for the project.

Connecting Community partner organizations include:

- The Connection
- Medicine Hat College
- Medicine Hat Public Library
- Medicine Hat Local Immigration Partnership
- Miywasin Friendship Centre
- Saamis Immigration Services Association
- Shaw TV
- Unisphere

Elm Scale Management Project

European elm scale, an invasive species of insect known to have significant impacts on the health of trees, was identified on the City’s mature elm trees. American elm trees make up approximately 15% of our urban forest and provide a unique beauty and broad, arching canopy over our prairie city.

In 2020, City staff worked to proactively treat more than 80 municipal trees that were identified as having this insect, as well as any adjacent elms to manage and control the invasive pest. Treatment included the injection of TreeAzin, a biopesticide proven to be very effective in reducing elm scale populations.



Elm scale injection at the base of the trunk

Target Herbivory in Police Point Park

In summer 2020, the City conducted targeted herbivory with goats to control weed growth and spread in Police Point Park. The goats helped control the spread of an invasive, noxious, plant species – leafy spurge – which the City is legislated to undertake efforts to control.

Staff selected Police Point Park for the pilot project due to its abundance of leafy spurge, landscape complexities, possibility for integration with interpretive programs, and distance from high-traffic areas. Approximately 185 goats were on site for two treatment rotations of seven days. Goats worked along the perimeter of the park, secondary and natural trails, as well as utility access corridors.



The goats were effective at their task, considerably reducing leafy spurge in the park

The treatments were very successful and resulted in a significant decrease of leafy spurge in the park. The parks department will adopt this technique as an ongoing practice within the City’s integrated pest management operations because of its efficacy on long-term weed control, low costs and positive public perception.

"Fantastic! Glad we're going back to traditional methods to move ahead!"
- Maureen

"Are we allowed to pet them? Asking for a friend!"
- Jeremy





Whether on location or social media, the goats proved to be quite the draw

Crescent Heights Skate Spot

In 2020, the City collaborated with the Medicine Hat Skateboard Association as part of the community partnership engagement program to build a skate spot in Crescent Heights. The location provides an inline skate, scooter, and skateboard amenity, creating positive recreational activities for youth at no cost.

City funding for the project was supplemented by a Community Facility Enhancement Program (CFEP) grant, third-party donors, and the Medicine Hat Skateboard Association, while New Line Skateparks Inc. offered professional design at no cost.



The Crescent Heights skate spot provides a location for local users in addition to the Inland Skate Park on Kipling Street



Strathcona Park River Stairs


The South Saskatchewan River is an asset with recreation, commercial, and tourism generating potential that is utilized by residents and visitors alike.

Concrete steps were constructed in Strathcona Island Park to improve access to the river and provide additional shoreline protection and aesthetic improvements to the existing boat launch. The steps provide an additional entry/egress point for non-motorized flotation devices, freeing up access to the adjacent motorized boat launch and compliment the surrounding picnic and viewpoint areas for pedestrian utilization. The total project cost was \$260,000.



Step construction at Strathcona Island Park

"This is good to hear. I look forward to the City taking advantage of the lovely river we have in the city."
- Joey



Pollinator Park

The Police Point Pollinator Park was established in spring 2020 through a partnership with Enactus MHC, and a team of highly committed volunteers.

Fencing was placed around the area while prairie grass seed, native flowering plant seed, and native plants were planted over the spring and summer months. A tepee-like structure was included as a trellis for plants. Bee houses were also incorporated while future landscaping plans include strategies to increase pollinator habitat and further support native pollinator populations.

Enactus MHC donated the funding for the project, while volunteers offered more than 150 hours to tend to the maintenance of the park.

The 2021 and future growing seasons will require additional maintenance, volunteer support, and commitment from Parks & Recreation to keeping the pollinator park buzzing.



Volunteer-built bee house installed on site



Members of Enactus, volunteers and City of Medicine Hat employees

Please bee careful...

Pollinators at work!

This pollinator park offers food and shelter for many different pollinators. Help protect the bees and native species.

Visit www.medicinehat.ca for more information.



Informative signage developed in coordination with Corporate Communications

The City aims to stand out as a well-governed, organized, and accessible organization that is transparent, accountable, and responsive to community needs and expectations, and supports a positive employee culture.

Hat COVID Relief Framework

In May 2020, City Council approved a COVID-19 assistance package to support residents and business in coping with and recovering from the economic impacts of the pandemic.

Council spent a great deal of time considering how best to support the community during the COVID-19 pandemic. It was important to take a thoughtful approach to ensure the decisions would have a significant impact to the community. The City chose to augment and support provincial and federal programs and customize for local conditions.

The COVID relief package included up to \$8.2 million in support consisting of the following:



Utilities

- Utility bill payments for 6,866 customers were deferred for 90 days without penalty or disconnection.
- After the deferral period ended, customers could enter into a utility arrears repayment plan and spread out their deferred amounts over a 12-month period or negotiate their own payment plan.
- If customers owned their property and wanted their deferred amount transferred to their tax roll, the \$40 transfer fee was waived.



Property Taxes

- \$3.9 million property tax credit for all property classes achieved by cancelling a 3.5% municipal tax increase and restoring the tax rate to what it was in 2019.
- Deferred due date for taxes from June 30 to September 30 without penalties.
- Established tax arrears payment plan agreements beginning June 1, 2020 with a term ending no later than December 1, 2022 and waived arrears penalties.
- Allowed for payment of property taxes by credit card between June 2 and August 21 with no credit card processing fees.



The City of Medicine Hat acted quickly and determinedly to craft a response framework to mitigate the effects of the pandemic; the result was an \$8.2 million plan that provided impressive per-capita funding unmatched anywhere else in the province

Payment Deferral

- \$300,000 was allocated to the provincially mandated three-month payment deferral of property taxes and utilities with a 12-month repayment plan for arrears and up to 24 months on a case-by-case basis.

Up to \$1 million support for vulnerable residents

- Within the COVID relief package, \$46,000 was provided to Community Warmth, assisting 58 customers with utility payments, and \$100,000 was provided to Community Foundation of Southeast Alberta with an additional \$40,000 matched by the Government of Alberta.
- The remaining balance will be allocated in 2021 as required.

Up to \$1M for inducements to achieve/expedite economic development

- Plus financial amendments to existing contractual arrangements on a case-by-case basis. This fund was facilitated by the CAO/City Manager office and \$140,000 was provided in 2020.

\$2 million grant for reinvestment into local businesses

- The Medicine Hat Business Innovation Grant was facilitated through Community Futures Entre-Corp.
- In 2020, \$1.5 million was distributed with the remaining \$500,000 to be allocated in 2021.

COVID Response - Esplanade and Veiner Centre

Due to restrictions and ongoing public health measures set forth by the Government of Alberta, the Esplanade and the Veiner Centre closed to the public on March 16, 2020.

A plan was developed to open the facilities when it was safe, financially viable and community need was evident. The plan addressed staffing resources, types of programming, mask usage, physical distancing, and ensured all regulatory requirements were met regarding contact tracing.

A suite of online programs was developed under the umbrella *Come Together Virtually*.

Virtual programming

- Online art classes
- Virtual museum tours
- Weekly videos featuring collection pieces
- Weekly videos featuring behind the scenes tours
- Virtual School Art Exhibit

Outdoor programming

- A Night Before Christmas Downtown Story Walk
- Flats Walking tour with Theresa Eisenbarth

COVID Response - Transit Service

Transit Services took many actions to reduce the potential spread of COVID-19 to ensure safety of our operators and transit users.

- In April, fare collection was eliminated and rear-door entry was implemented to minimize interaction between operators and passengers.
- In June, plexi-glass barriers were installed on all regular buses in order to protect operators. A reduced fare was reintroduced.
- New cleaning protocols were implemented, including increased frequency of sanitization and use of an electrostatically applied disinfecting spray.

Additionally, Transit Services worked to ensure the efficiency of the system, reducing service levels to match passenger traffic, and exploring new ways to deliver services including an on-demand service model.



Transit staff utilizing sterilization equipment

Working Remotely Program

Working remotely became a focused effort for office-based employees in 2020 to accommodate full or partial office closures due to the pandemic. A phenomenon that began as a temporary, interim measure, led to the development of a work-from-home protocol to ensure operations and productivity were maintained. Remote working is now being explored as a feasible permanent solution for some employees. The intention is to create a mutually beneficial relationship between employees and the City, depending on the employee's circumstance and role in the organization, without negatively impacting service to residents.

Program completion and launch are expected in 2021.



Home offices became a reality for many in 2020

Emergency Pandemic Response

The City activated the Emergency Coordination Centre (ECC) early in the pandemic (March) and remained active through 2020, focused on three primary objectives:

Objective 1 - Support the community throughout the pandemic

Offered support services to the general public and community organizations, established a central call-centre and website to address community concerns and connect residents in need of support with community resources, hosted weekly press conferences to aid community awareness, launched the *Act NOW* awareness campaign to encourage compliance with public health orders.

Objective 2 - Support provincial objectives

Liaised with the province frequently, provided resources where required, relayed provincial information to the public through various communication channels, and responded to ongoing closure and reopening of City facilities.

Objective 3 - Ensure the continuity of City operations

Modified City operations (primarily essential services) to ensure service/ staffing redundancies were in place. Business continuity plans were adapted throughout 2020 in response to increased knowledge of virus transmission and behavior.

"Thank you to the various city workers and representatives, including the police department, for continuing to do your best to keep us safe."

- Michele



"Thank you crews, for being in cold trucks, graters and plows while we are home safe and warm. All your hard work in miserable conditions is appreciated."

- Louise



Advisory Board and Committee Review

Municipalities have historically utilized advisory boards and committees to represent the broader resident perspective; however, advancements in technology now allow wider public engagement on many topics.

Recognizing this, staff completed an advisory board and committee review in 2020. The review examined efficacy and effectiveness of the existing structure and further identified opportunities to realign resources and practices through a more adaptive and versatile structure. The intent was to ensure value exists for all parties, including City Council, the City organization, volunteers and the community at large.

Following the review, several advisory boards and committees, including the Heritage Resources Committee, were retired. New opportunities for public engagement will be established in 2021, including a Community Vibrancy Advisory Board.

Utility Billing Customer Satisfaction

The City of Medicine Hat calculated and delivered 400,000 utility bills (paper and ebills) in 2020. A customer satisfaction survey with 527 respondents garnered a 92% customer satisfaction rate, which well exceeds the Alberta Utilities Commission (AUC) standard of 75%. Overall customer satisfaction was rated on the accuracy and timeliness of the utility billing, along with ease of readability and understanding.



Customer Service Call Centre Metrics

The Customer Service Call Centre assisted 66,600 customers in 2020 with a call answering rate of 93%, which exceeds the Alberta Utilities Commission (AUC) standard of 70%. Furthermore, staff achieved a 96% satisfaction rate during those calls, well exceeding the AUC benchmark of 75%.

myMH - Medicine Hat Master Plan (Municipal Development Plan)

The myMH Master Plan is a long-range vision for the future growth and development of the community. The high-level plan provides a broad conceptual framework that serves as the foundation for more detailed City plans, and guides ongoing City operations. It also defines goals, policies and concepts that provide long-term guidance for community stakeholders, including City Council, City administration, developers and the public.

The myMH Master Plan was adopted by City Council on October 5, 2020, and has a planning horizon of 30 years.



View the full myMH Master Plan online at shapeyourcity.medicinehat.ca

Tri-Area Intermunicipal Collaboration Framework and Tri-Area Intermunicipal Development Plan

In March 2020, the City of Medicine Hat, Cypress County and Town of Redcliff jointly adopted the Tri-Area Intermunicipal Collaboration Framework (ICF) and the updated Tri-Area Intermunicipal Development Plan (IDP). The ICF facilitates coordinated examination of ways to improve the delivery of services provided to residents in more than one municipality. The IDP will guide land use and development decisions on lands where there are “intermunicipal interests”. A \$200,000 provincial grant was the primary funding source for this initiative. These documents and the ongoing working relationships between the three municipalities help promote collaboration and decision-making for the benefit of the three municipalities and the region.

FINANCIAL REPORT



TREASURER'S REPORT

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

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

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

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

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

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

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



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

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.

Operational Risk Management

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

Public Safety

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

Fire Services provides life and

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

The City operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island, a regional population of approximately 75,000 residents. The aim is to maintain a level of service that

meets or exceeds industry standards with respect to call answer times, prioritization and overall protocol compliance.

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.

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

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

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

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

Environmental

The Health, Safety and Environmental department provides corporate support and ensures regulatory compliance with regard to environmental matters. The department completes the regulatory

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

Market Commodity Prices

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

Canadian GFOA Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2019, for the eighteenth year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.



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

MANAGEMENT REPORTING & CONTROL

The following section describes the planning, budgeting, accounting and reporting 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.

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

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

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

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

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



Accounting

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



Auditing

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

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

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

auditor’s findings and to ensure that management is carrying out its responsibilities.

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



FINANCIAL HIGHLIGHTS

Financial Trend Summary 2020

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

Due to the overall decline in gas and oil commodity prices, as well as additional challenges created by the global pandemic and lower transfers from the Government of Alberta, the City is experiencing lower revenues. The current estimated budget gap is approximately \$27 million. As a result, the City of Medicine Hat has launched the Accelerated Financially Fit Initiative (AFFI), fast-tracking the initial Financially Fit Initiative effort launched in 2016. This initiative aims to close the



budget gap and create a sustainable municipality that does not rely on annual funding from financial reserves, dividends from volatile commodity sales, or excessive property tax increases.

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

realignment will reduce cost and increase organizational effectiveness.

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

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

Consolidated Financial Position *[unaudited]*

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

2020 Operating Results

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

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

Revenues

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

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

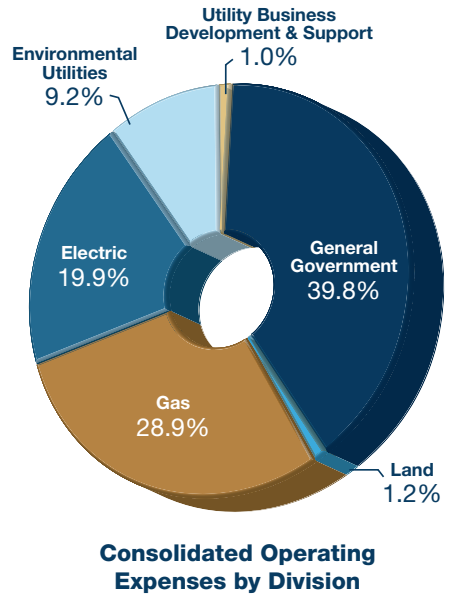
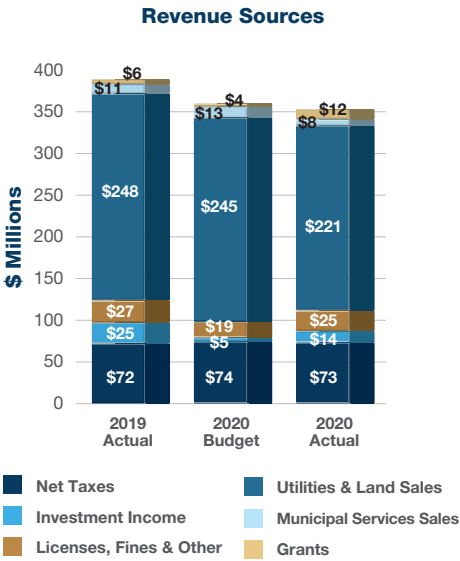
This was offset by licenses, fines and other revenue being higher than budget by \$14.0 million primarily due to developer levies of \$6.1 million and government transfers for operating of \$8.1 million (primarily the one-time Municipal Sustainability Operating Transfer grant).

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

Expenses

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

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



Expenses by Type

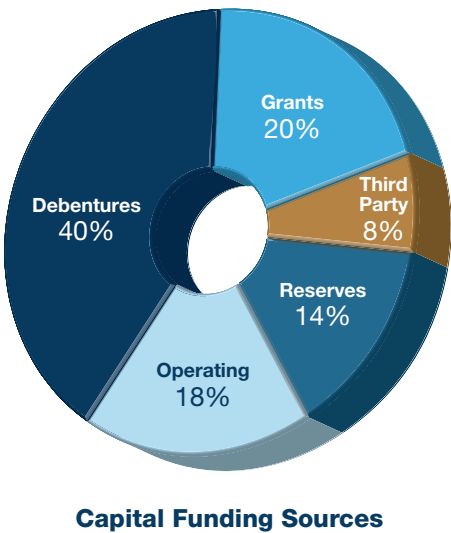
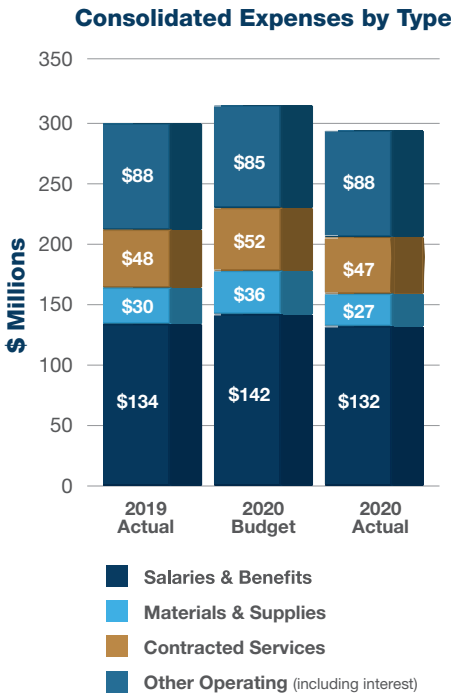
The Consolidated Schedule of Expenses by Object details 2020 actual (\$401.7 million) and budget (\$397.4 million) by expense type. The chart to the right excludes non-cash items such as amortization, impairments and disposal expenses of \$107.8 million (2020 budget of \$82.8 million). Variances from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

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

2020 Capital Expenditures

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

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



Accumulated Surplus

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

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

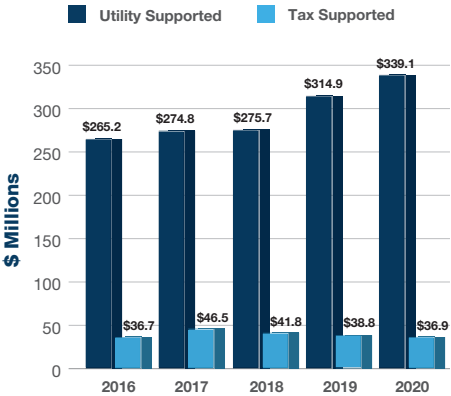
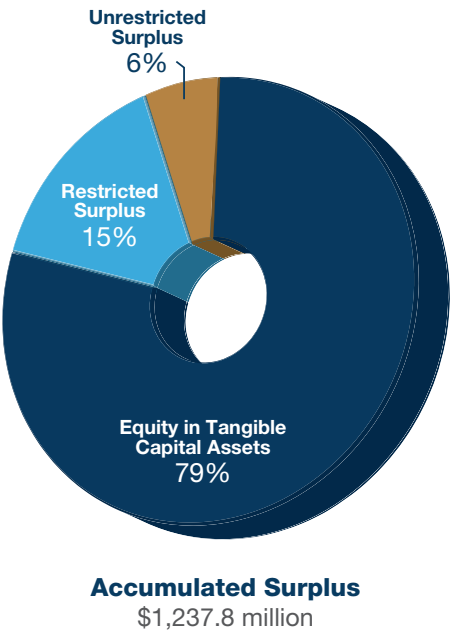
Equity in the City's tangible capital assets decreased by \$46.6 million to \$980.9 million this year as a result of asset divestitures in Natural Gas and Petroleum Resources and an increase in long-term debt.

Long-Term Debt

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

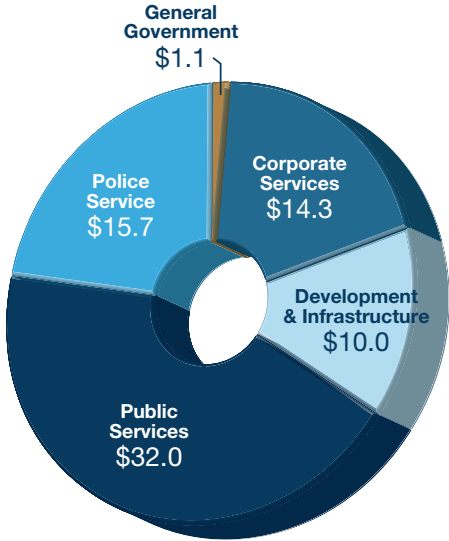
The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose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

City's Debt Levels		
(in millions of dollars)		
2020		
Debt Limit	\$705.0	
Actual Total Debt	\$424.7	60%
Amount Under Limit	\$280.3	
Debt Servicing Limit	\$123.4	
Actual Debt Servicing	\$37.5	30%
Amount Under Limit	\$85.9	

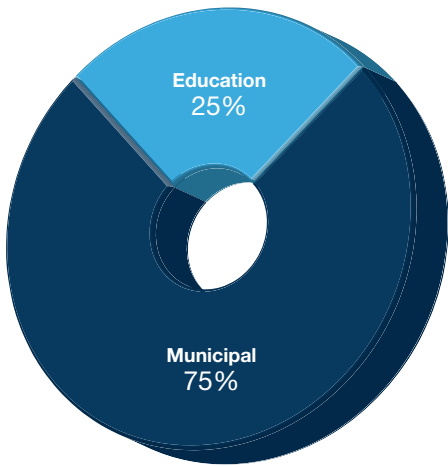


Use of Muncpal Tax Revenue

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



Use of Municipal Tax Revenue (Millions)



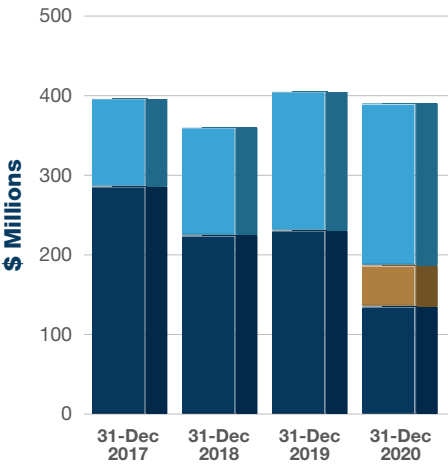
Where Property Tax Dollars Went in 2020

Investments

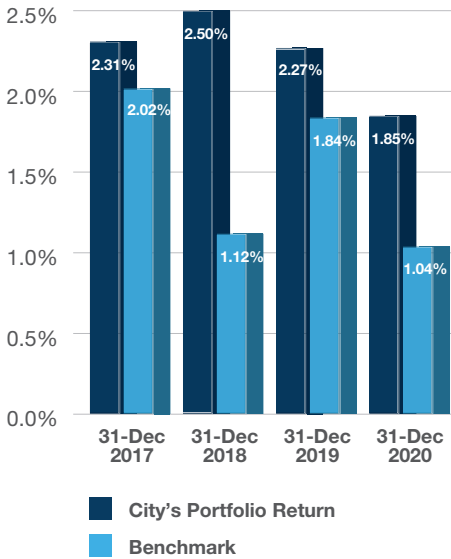
Investments, loans and advances decreased \$14.3 million from 2019 to \$390.7 million largely due to lower capital grants received from the province.

Investment Portfolio Overview
Summary of Investment Holdings

- Short-Term (Internally Managed)
- Medium-Term (Manulife)
- Long-Term (AIMCo)

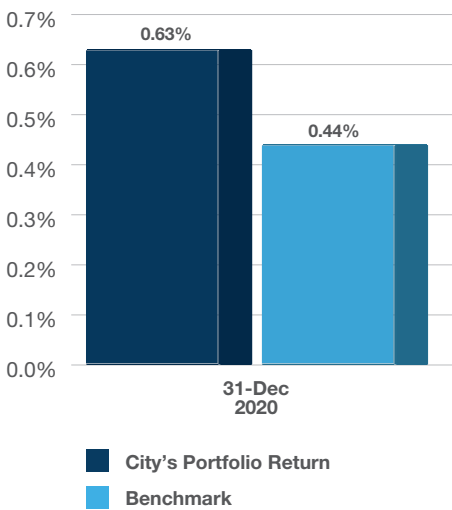


Short-Term Investment Portfolio Returns



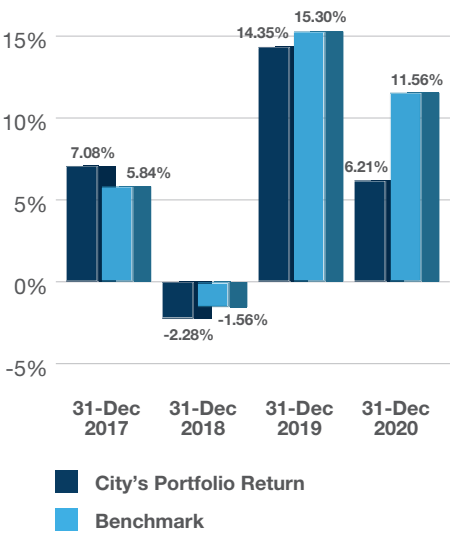
The City of Medicine Hat's return on short-term internally managed investments for the year ended December 31, 2020 averaged 1.85% higher than the customized blend of indices set to align with the portfolio composition of 1.04%. The City's average portfolio return has outperformed the stated benchmark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

Medium-Term Investment Portfolio Returns (Net of Fees)



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

Long-Term Investment Portfolio Returns (Net of Fees)



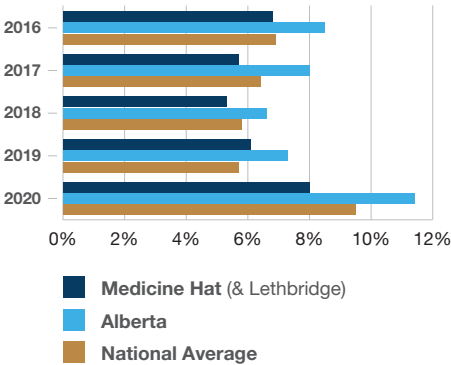
In 2020, the City continued to contribute to the long-term externally managed investment portfolio, managed by the Alberta Investment Management Corporation (AIMCo). Overall, \$203.7 million has been invested with AIMCo (\$175.24 million of principal and \$28.53 million of re-invested earnings). The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

ECONOMIC INDICATORS

Unemployment Rate

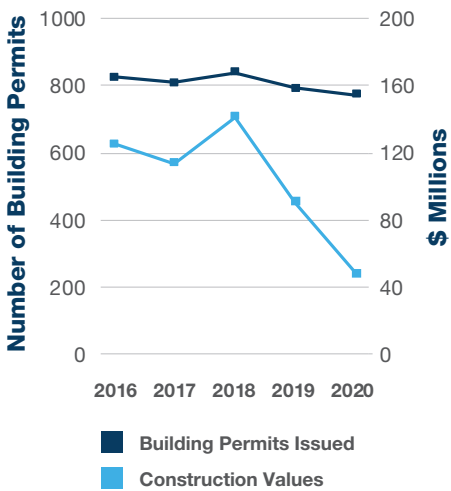
The combined unemployment rate for Medicine Hat and Lethbridge at the end of 2020 was 10.5%, while the 2020 average was 8.0%. The average Alberta unemployment rate for 2020 was 11.4% compared to 9.5% for Canada. The increases are primarily due to the COVID-19 pandemic.

Unemployment Rate (annual average)



Building Permits Issued and Related Construction Values

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



Gas

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

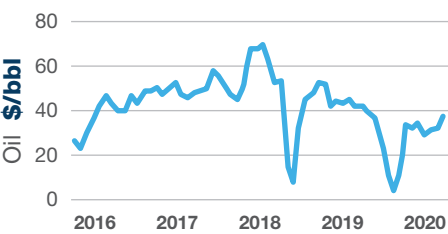
2020 sales gas volume from production for the City of Medicine Hat was 6,937,090 Mcf. A \$1 per Mcf change in the commodity price would affect annual gross revenue by \$6.9 million.



Oil

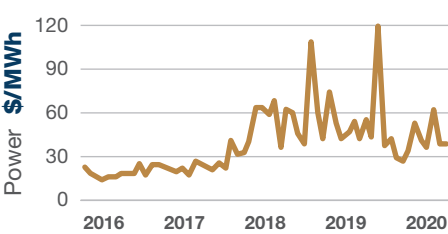
The COVID-19 pandemic had a significant unfavourable impact on commodity prices, with the May West Texas Intermediate contract hitting an all-time low of -37.63. The oil markets responded by shutting in production throughout the world, where the futures price was higher than the current market price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

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

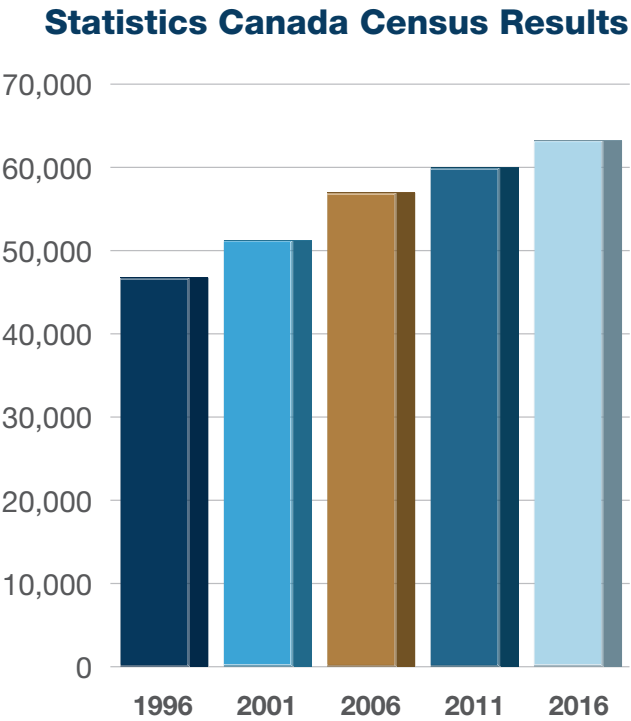


Power

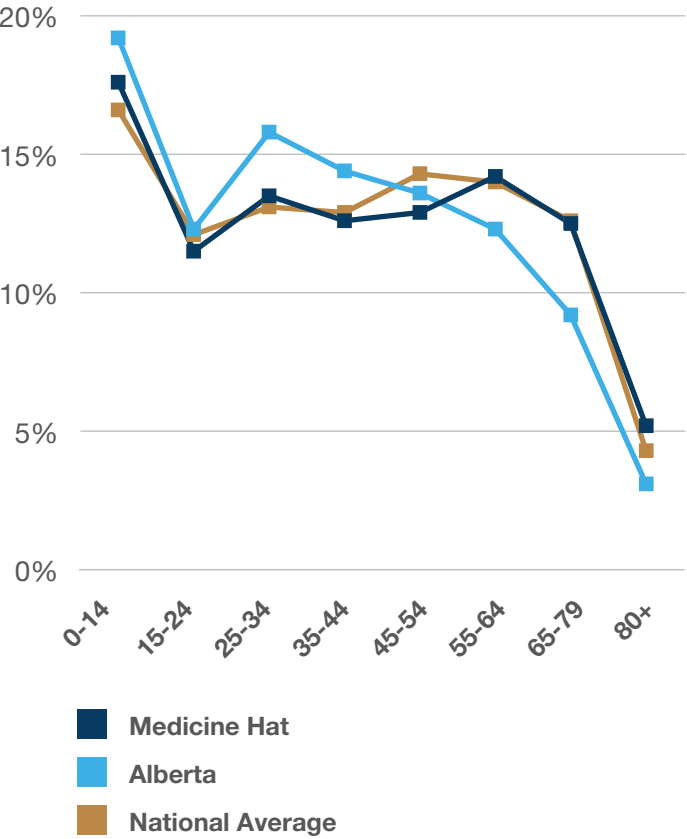
Power prices in 2020 started very strong until the COVID-19 pandemic showed signs of demand destruction, with commercial load dropping off due to work at home mandates and complete shut downs in the oil and gas industry. As industry reopened throughout early summer, so did market outlook. Market volatility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



Medicine Hat
Population



Population Age
Distribution



City of Medicine Hat Permanent
Established Positions

	2016	2017	2018	2019	2020
General Government ¹	43	43	41	37	36
Corporate Services ²	173	172	178	191	201
Public Services	274	275	275	275	275
Police	150	150	151	150	150
Development & Infrastructure	89	89	89	83	83
Total Tax Supported Permanent Positions	729	729	734	736	745
Gas Utility ³	134	-	-	-	-
Electric Utility ⁴	107	-	-	-	-
Utility Distribution Systems ⁵	-	93	89	92	92
Natural Gas and Petroleum Resources	-	97	97	82	69
Electric Generation	-	46	45	45	45
Utility Business Development & Support	-	11	15	20	20
Environmental Utilities	105	107	106	106	107
Invest Medicine Hat	6	6	6	6	9
Total Utility Permanent Positions	352	360	358	351	342
Total Permanent Positions	1,081	1,089	1,092	1,087	1,087

2016 - 2020 information has been represented to reflect the change as a result of an organizational restructuring

Note 1: 2016 - 2018 included Health, Safety, Environment & Emergency Management

Note 2: 2019 - 2020 includes Health, Safety, Environment & Emergency Management

Note 3: 2016 included Gas Distribution and Natural Gas and Petroleum Resources

Note 4: 2016 included Electric Distribution, Electric Generation, and Utility Business Development and Support

Note 5: 2017 - 2020 includes Gas Distribution and Electric Distribution

Medicine Hat's
Largest Employers

Public

- Medicine Hat Regional Hospital
- City of Medicine Hat
- Medicine Hat School District
- Medicine Hat College
- Province of Alberta

Private

- South Country Co-op (all locations)
- The Real Canadian Superstore
- Canadian Pacific Railway
- Wal-Mart
- Goodyear

CONSOLIDATED FINANCIAL STATEMENTS

Statements as of December 31, 2020
and in thousands of dollars.

Consolidated Statement of Financial Position *[unaudited]*

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

Consolidated Statement of Change in Net Financial (Debt) Assets *[unaudited]*

	2020 Budget	2020	2019
Annual surplus (deficit)	\$6,811	\$(29,513)	\$15,103
Acquisition of tangible capital assets	(185,308)	(77,269)	(116,301)
Amortization/disposal of tangible capital assets	89,420	119,743	95,614
	(89,077)	12,961	(5,584)
Acquisition/consumption of inventories & supplies	(420)	487	(1,882)
Net acquisition of land held for future development	(1,286)	(1,286)	(2,210)
Acquisition/consumption of prepaid assets	38	(17)	(171)
	(1,668)	(816)	(4,263)
Increase in net financial debt	(90,745)	12,145	(9,847)
Net financial debt, beginning of year	(211,435)	(211,435)	(201,588)
Net financial debt, end of year	\$(302,180)	\$(199,290)	\$(211,435)

Consolidated Statement of Operations *[unaudited]*

	2020 Budget	2020	2019
Revenue	\$360,008	\$352,516	\$389,201
Expenses	397,429	401,742	394,956
Deficiency of revenue over expenses before other revenue	(37,421)	(49,226)	(5,755)
Other revenue			
Capital contributions and grants	44,232	19,713	20,858
Annual surplus (deficit)	6,811	(29,513)	15,103
Accumulated surplus, beginning of year	1,267,319	1,267,319	1,252,216
Accumulated surplus, end of year	\$1,274,130	\$1,237,806	\$1,267,319

Consolidated Statement of Cash Flows *[unaudited]*

	2020	2019
Net inflow (outflow) of cash related to the following activities		
Operating		
Annual surplus (deficit)	\$(29,513)	\$15,103
Non-cash items included in annual surplus	107,625	94,564
Non-cash items relating to capital and investing activities	10,247	(518)
Non-cash changes to operations [net change]	(33,873)	29,220
Cash provided by operating transactions	54,486	138,369
Cash applied to capital transactions	(75,398)	(114,733)
Cash provided by investing transactions	25,346	(48,792)
Cash provided by (used by) financing transactions	22,345	36,165
Change in cash and equivalents during the year	26,779	11,009
Cash & cash equivalents, beginning of year	81,100	25,034
Cash & cash equivalents, end of year	\$107,879	\$36,043
<i>Cash and cash equivalents consist of the following:</i>		
Cash	86,874	71,119
Less: restricted portion of cash & temporary investments	(24,052)	(35,076)
Accumulated surplus	\$62,822	\$36,043

Accumulated surplus

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.

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 listed 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.





CITY OF MEDICINE HAT

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