

Information Brief



Council Meeting date: November 17, 2025

Referred by: Administrative Committee – October 1, 2025
 Audit Committee – October 8, 2025

Prepared by: Kristen Young, Manager, Financial Control & Reporting/City Controller

Department: Finance

TRI-ANNUAL MANAGEMENT REPORT FOR THE PERIOD ENDING AUGUST 31, 2025

FOR INFORMATION ONLY

The City provides Municipal Services (including infrastructure) to its residents and surrounding area. It operates enterprise business units offering rate-based utility and energy production activities as well as land development and real estate. The August 2025 Tri-Annual Management Report brings together the financial results of these activities including the impact to reserves and the investment portfolio.

It is recommended, through the Administrative Committee and Audit Committee, that Council receives the Tri-annual Management Report for the period ending August 31, 2025, for information.

STRATEGIC ALIGNMENT

- | | | |
|---|--|--|
| Innovation
<input checked="" type="checkbox"/> | Economic Evolution
<input type="checkbox"/> | Service Orientation
<input type="checkbox"/> |
| Partnerships & Governance
<input type="checkbox"/> | Community Wellness
<input type="checkbox"/> | Resiliency & Sustainability
<input checked="" type="checkbox"/> |

RELEVANT LEGISLATION / PREVIOUS COUNCIL MOTIONS

On January 6, 2025, Budget Amendment Policy 0183 was approved by City Council. The policy states that all budget transfers must be reported on Tri-Annually.

On June 16, 2025, Council directed Administration to provide the following statistical information where there are greater than five data points for a reporting period within the tri-annual report:

1. A cumulative summary of severance payments;
2. A cumulative summary of bonuses paid provided that such information would not be an unreasonable invasion of privacy pursuant to relevant legislation as determined by the FOIP Head.
3. Total number of head count – with definitions

BACKGROUND / ANALYSIS

Operations

	As at August 31, 2025 (in millions of dollars)			Projected to December 31, 2025 (in millions of dollars)		
	Budget Net Surplus (Deficit)	Actual Net Surplus (Deficit)	Variance from Budget	Budget Net Surplus (Deficit)	Actual Net Surplus (Deficit)	Variance from Budget
Earnings Before Interest, Taxes, Depreciation, Amortization (EBITDA) or Net Surplus (Deficit)	32.2	36.4	4.2	0.0	2.0	2.0
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	(0.9)	(0.9)	0.0	(0.8)	(0.4)	0.4
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	23.5	27.4	3.9	41.5	43.2	1.7
TOTAL RATE BASED UTILITIES EBITDA	21.8	21.2	(0.6)	40.8	40.0	(0.8)

Tax Supported (Municipal Services):

The net surplus is \$36.4 million which is higher than budget by \$4.2 million at August 31, 2025. This is due to realized gains recognized on the sale of some investment equity positions, less than budgeted Grants in Lieu of Taxes (GIPO) write offs, three large permit applications in Planning & Development Services, and savings from positional vacancies. This favourable variance is offset by lower court fine revenue due to new Provincial legislation, unbudgeted legal fees related to Access to Information Act (ATIA) requests, and higher costs in Parks and Recreation due to unbudgeted salaries and wages and encampment clean up.

The deficit at December 31, 2025 is projected to be \$9.1 million which is favourable by \$2.0 million as the budget includes a \$11.1 million budget gap. This is due to higher than budgeted investment income related to high performing equity investments, offset by the continued decline in court fine revenue, higher projected wages in Fire and Emergency Services due to ongoing contract negotiations and less than budgeted backcheck revenue in 9-1-1 and Police.

Land Development & Real Estate:

Earnings before interest, taxes, depreciation and amortization (EBITDA) is a deficit of \$0.9 million, which is on budget as at August 31, 2025. This variance is projected to become \$0.4 million favourable at yearend due to higher than budgeted residential land sales.

Rate Based Utilities:

EBITDA is \$27.4 million at August 31, 2025, which is higher than budget by \$3.9 million. This is primarily due to the one-time sale of recycling carts, switching suppliers for chemicals at sewer, the delay in opening of the solids handling facility, offset by unbudgeted employee benefits. EBITDA variance is forecasted to be \$1.7 million higher than budget as these current variances continue, offset by unbudgeted repairs and maintenance costs in water and sewer.

Energy Production:

EBITDA is \$21.2 million at August 31, 2025, which is lower than budget by \$0.6 million. This is primarily due to lower electric pool prices in a highly competitive market, and lower gas commodity pricing in an oversupplied market. EBITDA is forecasted to be \$0.8 million lower than budget at December 31, 2025, due to lower gas commodity pricing and unbudgeted equipment overhauls of gas producing assets. This is offset by lower costs in Electric Generation as a result of the lower gas commodity prices.

Capital

The total approved capital budget of \$748.1 million consists of current year as well as prior year carry forwards.

Tangible Capital Asset (TCA) Activity	Approved budget (\$000's)	Spent to date (\$000's)	Estimated amount to spend to complete (\$000's)	Estimated cost at completion (\$000's)	Variance from budget (\$000's)
TOTAL TAX SUPPORTED TCA	\$ 141,099	\$ 83,501	\$ 57,943	\$ 141,444	-\$ 345
TOTAL LAND DEVELOPMENT & REAL ESTATE TCA	\$ 132,471	\$ 87,419	\$ 45,051	\$ 132,471	\$ -
TOTAL RATE BASED UTILITIES TCA	\$ 159,313	\$ 88,931	\$ 68,390	\$ 157,320	\$ 1,993
TOTAL ENERGY PRODUCTION TCA	\$ 315,228	\$ 155,250	\$ 98,097	\$ 253,347	\$ 61,881
TOTAL CITY TCA	\$ 748,111	\$ 415,101	\$ 269,481	\$ 684,582	\$ 63,529

At August 31, 2025, \$415.1 million of the approved budget has been spent or committed. The remaining amount to spend to complete the projects is \$269.5 million and the total estimated cost to complete the current outstanding projects is \$684.6 million, which is \$63.5 million less than budget. The positive variance is primarily due to lower than expected costs in gas production abandonments and the Clear Horizon project.

Budget Amendments and Contingency Spending

1. Council

At August 31, 2025, Council approved eight budget amendments: seven operating totaling \$6.2 million and one capital for \$0.7 million. The total tax impact of these amendments is 0.25%. A full listing of approved budget amendments is provided in Appendix 1, Page 18.

2. City Manager

At August 31, 2025, the City Manager (CAO) approved ten budget reallocations and/or funding sources changes: six operating and four capital. The reallocations and funding sources changes have a nil net effect on the overall operating and capital budgets. A full listing of approved budget amendments is provided in Appendix 1, Page 19.

The CAO also approved one critical budget amendment related to the Energy division approving \$3.1 Million. These details are included on Appendix 1, Page 19.

3. Contingency

At August 31, 2025, there were two requests for decisions approved in which the City Manager Operating Contingency was used: one was re-paid by a grant, resulting in a nil net effect and the other does not have a known cost at this time. These details are included on Appendix 1, Page 20.

There have been no budget amendments approved as of August 31, 2025 in which the City Manager Capital Contingency or Capital Grant Contingency have been used.

People Metrics

At August 31, 2025, a cumulative total of \$1.1 million has been paid out to 9 people in severance and \$0.5 million has been paid to 42 people in bonuses.

The total headcount of City of Medicine Hat employees at August 31, 2025 is 1590, which includes 68 vacant positions.

Headcount and permanently established positions are related but distinct. Headcount refers to the total number of individuals employed by the City, including full-time, part-time, temporary, and contract staff.

Permanently established positions are approved roles intended for ongoing service delivery and are typically included in the City's annual staffing plan. It is possible for an employee to hold more than one position.

It is possible for an employee to hold multiple positions, therefore inflating the headcount. In addition, headcount may be higher due to temporary or seasonal employees supporting City operations.

The details on People Metrics, including employment type definitions, can be found in Appendix 1, Page 21.

Treasury

At August 31, 2025 the projected cash and investments for the City of Medicine Hat to December 31, 2025 is \$789.1 million with \$170.8 million unrestricted and \$618.3 million restricted for operating, grants/donations, capital, abandonment obligations, energy transition, and the Medicine Hat Endowment Fund. Free cashflow contributions are forecasted to be \$14.6 million at December 31, 2025, which is lower than budget by \$2.0 million. The entire \$789.1 million is invested by Treasury to form the investment portfolio.

As of August 31, 2025 the market value of the investment portfolio is \$834.9 million with an overall return of 6.69%, which is above the benchmark by 1.09%.

The City utilizes debt to finance a portion of its capital program. On August 31, 2025 the City has outstanding debt of \$451.8 million consisting of \$403.8 million in long-term debt, \$46.5 million in letters of credit, \$0.5 million in credit cards and \$1.0 million in loan guarantees with an overall debt-to-revenue percentage of 53% which is below the internal threshold of 70% and the MGA limit of 100%.

FINANCIAL IMPLICATIONS

Financial impact of actual results at August 31, 2025 are described in the background/analysis section above.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

Departments have provided information regarding variances, forecasts, operating highlights, and updates on business plan goals. The August Tri-annual report provides the City of Medicine Hat financial information for Council.

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION

The public will be informed of the City’s financial results as of August 31, 2025

Inform <input checked="" type="checkbox"/>	Consult <input type="checkbox"/>	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
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ALTERNATIVE OPTIONS / PROS AND CONS

There are no alternative options related to the presentation of financial information

IMPLEMENTATION PLAN

This report is for information only.

REVIEWED/APPROVED BY:	Lola Barta Acting Managing Director of Corporate Services and CFO	2025-09-23
ATTACHMENTS:	1. City of Medicine Hat Summary Management Report as of August 31, 2025 2. City of Medicine Hat Detailed Management Report as of August 31, 2025 3. CFO Report Presentation	

City of Medicine Hat Management Report

Summary

For the Period Ended

August 31, 2025

Management Reports

For the Period Ended August 31, 2025

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EXECUTIVE SUMMARY

As of August 31, 2025

CORPORATE OVERVIEW - COMBINED SUMMARY (in \$000's)							
Business Units:	Net Year to Date Performance Actual Jan to Aug 2025			Net End of Year Performance Forecasted Jan to Dec 2025			
	Budget	Actual	Variance	Budget	Forecast	Variance	% Variance
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	32,236	36,436	4,200	-	1,961	1,961	0%
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	(894)	(871)	23	(824)	(400)	424	51%
TOTAL RATE BASED UTILITIES EBITDA	23,544	27,434	3,890	41,499	43,235	1,736	4%
TOTAL ENERGY PRODUCTION EBITDA	21,826	21,200	(626)	40,817	40,055	(762)	-2%

Tax Supported (Municipal Services):

The net surplus is \$36.4 million which is higher than budget by \$4.2 million at August 31, 2025. This is due to realized gains recognized on the sale of some investment equity positions, less than budgeted Grants in Lieu of Taxes (GIPOT) write offs, three large permit applications in Planning & Development Services, and savings from positional vacancies. This favourable variance is offset by lower court fine revenue due to new Provincial legislation, unbudgeted legal fees related to Access to Information Act (ATIA) requests, and higher costs in Parks and Recreation due to unbudgeted salaries and wages and encampment clean up.

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TAX SUPPORTED	Net Year to Date Performance Actual Jan to Aug 2025				Discussion Current Variance	Net End of Year Performance Forecasted Jan to Dec 2025				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
GENERAL MUNICIPAL										
Property Taxes	\$ 93,146	\$ 93,777	\$ 631	1%	Favourable variance due to higher than budget linear taxes and less than budgeted Grants in Lieu of Property Tax (GIPOPT) write-offs.	\$ 93,096	\$ 93,775	\$ 679	0%	Favourable variance projected at yearend due to continuation of current variance and less than budgeted property tax cancellations.
Revenue	\$ 6,403	\$ 6,170	\$ (233)	-4%	Unfavourable due to lower court fine revenue as a result of new Provincial legislation on automated traffic enforcement, offset by higher than budgeted Municipal Consent and Access Fees, interest on arrears taxes, parking fines, and unbudgeted vending machine revenue.	\$ 9,918	\$ 9,491	\$ (427)	-4%	Unfavourable variance projected to yearend due to reduction in court fine revenue from new provincial legislation.
Expenses	\$ 2,169	\$ 2,379	\$ (210)	-10%	Unfavourable due to unbudgeted realized losses on foreign currency transactions.	\$ 5,205	\$ 5,267	\$ (62)	-1%	Unfavourable due to unbudgeted realized losses on foreign exchange, offset by less than budgeted investment fees.
Internal Revenue	\$ 798	\$ 839	\$ 41	5%	N/A	\$ 798	\$ 863	\$ 65	8%	Favourable at yearend due to higher than budgeted Municipal Consent & Access Fees.
Internal Expenses	\$ 574	\$ 581	\$ (7)	-1%	N/A	\$ 635	\$ 642	\$ (7)	-1%	N/A
TOTAL GENERAL MUNICIPAL	\$ 97,604	\$ 97,826	\$ 222	0%		\$ 97,972	\$ 98,220	\$ 248	0%	
GENERAL GOVERNMENT										
MAYOR & COUNCILORS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 541	\$ 549	\$ (8)	-1%	N/A	\$ 846	\$ 846	\$ -	0%	N/A
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 163	\$ 163	\$ -	0%	N/A	\$ 164	\$ 164	\$ -	0%	N/A
MAYOR & COUNCILORS NET	\$ (704)	\$ (712)	\$ (8)	-1%		\$ (1,010)	\$ (1,010)	\$ -	0%	
CITY MANAGER & MANAGING DIRECTORS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 1,609	\$ 1,679	\$ (70)	-4%	Unfavourable due to unbudgeted employee benefits.	\$ 2,515	\$ 2,692	\$ (177)	-7%	Unfavourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 2,516	\$ 2,516	\$ -	0%	N/A	\$ 2,516	\$ 2,516	\$ -	0%	N/A
Internal Expenses	\$ 403	\$ 404	\$ (1)	0%	N/A	\$ 410	\$ 411	\$ (1)	0%	N/A
CITY MANAGER & MANAGING DIRECTORS NET	\$ 504	\$ 433	\$ (71)	-14%		\$ (409)	\$ (587)	\$ (178)	-44%	
CITY SOLICITOR										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 697	\$ 666	\$ 31	4%	N/A	\$ 1,090	\$ 1,053	\$ 37	3%	N/A
Internal Revenue	\$ 1,090	\$ 1,090	\$ -	0%	N/A	\$ 1,090	\$ 1,090	\$ -	0%	N/A
Internal Expenses	\$ 268	\$ 268	\$ -	0%	N/A	\$ 272	\$ 272	\$ -	0%	N/A
CITY SOLICITOR NET	\$ 125	\$ 156	\$ 31	25%		\$ (272)	\$ (235)	\$ 37	14%	
CITY CLERK										
Revenue	\$ 4	\$ 14	\$ 10	250%	N/A	\$ 6	\$ 16	\$ 10	167%	N/A
Expenses	\$ 651	\$ 959	\$ (308)	-47%	Unfavourable due to unbudgeted legal fees related to Access to Information Act (ATIA) requests and higher than budgeted wages due to vacancy adjustments being higher than the savings associated with the annual position vacancies.	\$ 998	\$ 1,389	\$ (391)	-39%	Unfavourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 796	\$ 796	\$ -	0%	N/A	\$ 796	\$ 796	\$ -	0%	N/A
Internal Expenses	\$ 249	\$ 255	\$ (6)	-2%	N/A	\$ 251	\$ 255	\$ (4)	-2%	N/A
CITY CLERK NET	\$ (100)	\$ (404)	\$ (304)	-304%		\$ (447)	\$ (832)	\$ (385)	-86%	
PEOPLE SERVICES										
Revenue	\$ 91	\$ 179	\$ 88	97%	Favourable variance due to higher than budgeted reimbursements for union related work.	\$ 136	\$ 263	\$ 127	93%	Favourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 4,625	\$ 3,929	\$ 696	15%	Favourable variance due to lower than budgeted wages from vacant positions and delayed spending on contracted services.	\$ 7,362	\$ 6,484	\$ 878	12%	Favourable variance projected to yearend due to lower than budgeted wages from vacant positions offset by unbudgeted spending on culture commitment project.
Internal Revenue	\$ 6,341	\$ 6,322	\$ (19)	0%	N/A	\$ 6,749	\$ 6,749	\$ -	0%	N/A
Internal Expenses	\$ 878	\$ 873	\$ 5	1%	N/A	\$ 898	\$ 898	\$ -	0%	N/A
PEOPLE SERVICES NET	\$ 929	\$ 1,699	\$ 770	83%		\$ (1,375)	\$ (370)	\$ 1,005	73%	
ECONOMIC DEVELOPMENT										
Revenue	\$ 43	\$ 30	\$ (13)	-30%	N/A	\$ 65	\$ 65	\$ -	0%	N/A
Expenses	\$ 1,252	\$ 1,206	\$ 46	4%	N/A	\$ 1,588	\$ 1,604	\$ (16)	-1%	Unfavourable by yearend due to vacancy adjustment being higher than budgeted salary and wages.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 437	\$ 438	\$ (1)	0%	N/A	\$ 443	\$ 443	\$ -	0%	N/A
ECONOMIC DEVELOPMENT NET	\$ (1,646)	\$ (1,614)	\$ 32	2%		\$ (1,966)	\$ (1,982)	\$ (16)	-1%	
TOTAL GENERAL GOVERNMENT	\$ (892)	\$ (442)	\$ 450	50%		\$ (5,479)	\$ (5,016)	\$ 463	8%	
POLICE SERVICES										
Revenue	\$ 1,698	\$ 1,572	\$ (126)	-7%	Unfavourable variance due to lower than anticipated ALERT recovery, backcheck revenue and School Resource Officer funding as a result of delay in the finalization of the contract.	\$ 4,675	\$ 4,405	\$ (270)	-6%	Unfavourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 18,320	\$ 18,132	\$ 188	1%	Favourable due to savings in contracted services and staff vacancies, offset by increased benefits costs.	\$ 28,181	\$ 27,737	\$ 444	2%	Favourable variance projected to yearend due to projected staff vacancies and savings in contracted services (security and DNA services).
Internal Revenue	\$ 125	\$ 98	\$ (27)	-22%	N/A	\$ 197	\$ 170	\$ (27)	-14%	N/A
Internal Expenses	\$ 3,329	\$ 3,296	\$ 33	1%	N/A	\$ 3,867	\$ 3,834	\$ 33	1%	N/A
TOTAL POLICE SERVICES	\$ (19,826)	\$ (19,758)	\$ 68	0%		\$ (27,176)	\$ (26,998)	\$ 180	1%	

TAX SUPPORTED	Net Year to Date Performance Actual Jan to Aug 2025				Discussion Current Variance	Net End of Year Performance Forecasted Jan to Dec 2025				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
CORPORATE SERVICES										
COMMUNICATIONS, ENGAGEMENT & MARKETING										
Revenue	\$ -	\$ 2	\$ 2	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 928	\$ 852	\$ 76	8%	Favourable due to staff vacancies.	\$ 1,458	\$ 1,358	\$ 100	7%	Favourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 1,312	\$ 1,312	\$ -	0%	N/A	\$ 1,312	\$ 1,312	\$ -	0%	N/A
Internal Expenses	\$ 351	\$ 350	\$ 1	0%	N/A	\$ 355	\$ 355	\$ -	0%	N/A
COMMUNICATIONS, ENGAGEMENT & MARKETING NET	\$ 33	\$ 112	\$ 79	239%		\$ (501)	\$ (401)	\$ 100	20%	
FINANCE										
Revenue	\$ 334	\$ 535	\$ 201	60%	Favourable due to higher tax certificate and search fees than budget.	\$ 679	\$ 757	\$ 78	11%	Favourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 9,800	\$ 9,647	\$ 153	2%	Favourable due to staff vacancies and decreased insurance premiums.	\$ 14,588	\$ 14,381	\$ 207	1%	Favourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 10,355	\$ 10,268	\$ (87)	-1%	Unfavourable due to lower insurance recoveries as a result of decreased insurance premiums.	\$ 12,109	\$ 12,013	\$ (96)	-1%	Unfavourable variance projected at yearend due to continuation of current variance.
Internal Expenses	\$ 2,396	\$ 2,464	\$ (68)	-3%	Unfavourable due to higher mailroom charges as a result of increased postage fees.	\$ 2,586	\$ 2,658	\$ (72)	-3%	Unfavourable variance projected at yearend due to continuation of current variance.
FINANCE NET	\$ (1,507)	\$ (1,308)	\$ 199	13%		\$ (4,386)	\$ (4,269)	\$ 117	3%	
FLEET & FACILITIES										
Revenue	\$ 111	\$ 117	\$ 6	5%	N/A	\$ 166	\$ 166	\$ -	0%	N/A
Expenses	\$ 10,076	\$ 9,554	\$ 522	5%	Favourable due to lower fuel costs, vacant staff positions and lower utilization of contracted services.	\$ 15,386	\$ 15,236	\$ 150	1%	Favourable variance projected to yearend due to lower fuel costs, delayed federal carbon taxes and staff vacancies.
Internal Revenue	\$ 20,985	\$ 19,888	\$ (1,097)	-5%		\$ 27,991	\$ 26,346	\$ (1,645)	-6%	
Internal Expenses	\$ 7,884	\$ 7,424	\$ 460	6%	Net unfavourable variance due to lower than anticipated lease revenues related to capital asset replacement deferrals and lower recoveries and expenses related to fuel usage and unit repairs.	\$ 11,059	\$ 10,369	\$ 690	6%	Net unfavourable variance projected to yearend due to ongoing capital asset deferrals and decreased unit repair costs.
FLEET & FACILITIES NET	\$ 3,136	\$ 3,027	\$ (109)	-3%		\$ 1,712	\$ 907	\$ (805)	-47%	
INFORMATION TECHNOLOGY										
Revenue	\$ -	\$ 4	\$ 4	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 7,359	\$ 7,414	\$ (55)	-1%	Unfavourable due to higher mobility service charges for cellular devices and increased salary and wage costs relating to benefits and unmet vacancy adjustments.	\$ 11,431	\$ 11,733	\$ (302)	-3%	Unfavourable variance projected to yearend due to unmet vacancy adjustment, higher benefit costs and increased mobility and postage expenses.
Internal Revenue	\$ 11,206	\$ 11,233	\$ 27	0%	N/A	\$ 11,323	\$ 11,323	\$ -	0%	N/A
Internal Expenses	\$ 740	\$ 743	\$ (3)	0%	N/A	\$ 764	\$ 764	\$ -	0%	N/A
INFORMATION TECHNOLOGY NET	\$ 3,107	\$ 3,080	\$ (27)	-1%		\$ (872)	\$ (1,174)	\$ (302)	-35%	
CORPORATE PLANNING & PERFORMANCE										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 739	\$ 590	\$ 149	20%	Favourable due to less utilization of contracted services.	\$ 1,148	\$ 948	\$ 200	17%	Favourable variance projected to yearend due to continued savings relating to less utilization of contracted services and staff vacancies.
Internal Revenue	\$ 1,017	\$ 1,017	\$ -	0%	N/A	\$ 1,017	\$ 1,017	\$ -	0%	N/A
Internal Expenses	\$ 230	\$ 227	\$ 3	1%	N/A	\$ 234	\$ 234	\$ -	0%	N/A
CORPORATE PLANNING & PERFORMANCE NET	\$ 48	\$ 200	\$ 152	317%		\$ (385)	\$ (165)	\$ 200	55%	
TOTAL CORPORATE SERVICES	\$ 4,817	\$ 5,111	\$ 294	6%		\$ (4,412)	\$ (5,102)	\$ (690)	-16%	
DEVELOPMENT & INFRASTRUCTURE										
MUNICIPAL WORKS										
Revenue	\$ 30	\$ 59	\$ 29	97%	N/A	\$ 45	\$ 85	\$ 40	89%	N/A
Expenses	\$ 5,137	\$ 4,667	\$ 470	9%	Favourable due to vacancies, delayed spending on contracted services and materials until work starts to ramp up for the rest of the year, offset by higher than budgeted overtime related to snow and ice control.	\$ 9,107	\$ 9,097	\$ 10	0%	Favourable variance projected to decrease at yearend as timing of budget and actuals align.
Internal Revenue	\$ -	\$ 13	\$ 13	0%	N/A	\$ 130	\$ 130	\$ -	0%	N/A
Internal Expenses	\$ 3,783	\$ 3,541	\$ 242	6%	Favourable due to increased equipment recoveries from overlay program work and work for other departments occurring earlier in the year than normal.	\$ 4,775	\$ 4,695	\$ 80	2%	Favourable due to lower than expected fleet costs and utilities.
MUNICIPAL WORKS NET	\$ (8,890)	\$ (8,136)	\$ 754	8%		\$ (13,707)	\$ (13,577)	\$ 130	1%	
AIRPORT										
Revenue	\$ 463	\$ 479	\$ 16	3%	N/A	\$ 695	\$ 695	\$ -	0%	N/A
Expenses	\$ 829	\$ 603	\$ 226	27%	Favourable due to less security required on site as a result of reducing down to one flight per day and delayed spending related to the Air Service and Commercial Attraction and Retention initiative as well as repair and maintenance activities.	\$ 1,293	\$ 1,266	\$ 27	2%	Favourable variance projected to decrease at yearend as timing of budget and actuals align.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 674	\$ 697	\$ (23)	-3%	N/A	\$ 758	\$ 781	\$ (23)	-3%	N/A
AIRPORT NET	\$ (1,040)	\$ (821)	\$ 219	21%		\$ (1,356)	\$ (1,352)	\$ 4	0%	

TAX SUPPORTED	Net Year to Date Performance Actual Jan to Aug 2025				Discussion Current Variance	Net End of Year Performance Forecasted Jan to Dec 2025				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
PLANNING & DEVELOPMENT SERVICES										
Revenue	\$ 1,674	\$ 2,883	\$ 1,209	72%	Favourable due to more businesses renewing their licenses at the beginning of the year and three large permit applications received to date.	\$ 2,512	\$ 3,240	\$ 728	29%	Favourable variance projected to yearend due to the three large applications received to date.
Expenses	\$ 3,218	\$ 3,061	\$ 157	5%	Favourable due to staff vacancies and delayed spending in contracted and general services.	\$ 5,048	\$ 4,978	\$ 70	1%	Favourable variance projected due to continued staff vacancies.
Internal Revenue	\$ -	\$ 6	\$ 6	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 1,205	\$ 1,194	\$ 11	1%	N/A	\$ 1,233	\$ 1,233	\$ -	0%	N/A
PLANNING & DEVELOPMENT SERVICES NET	\$ (2,749)	\$ (1,368)	\$ 1,383	50%		\$ (3,769)	\$ (2,971)	\$ 798	21%	
TOTAL DEVELOPMENT & INFRASTRUCTURE	\$ (12,679)	\$ (10,323)	\$ 2,356	19%		\$ (18,832)	\$ (17,900)	\$ 932	5%	
PUBLIC SERVICES										
FIRE & EMERGENCY SERVICES										
Fire										
Revenue	\$ 416	\$ 431	\$ 15	4%	N/A	\$ 456	\$ 459	\$ 3	1%	N/A
Expenses	\$ 10,403	\$ 10,129	\$ 274	3%	Favourable due to delayed spending on contracted services lower than budgeted wages due to unsettled union contract.	\$ 16,317	\$ 16,967	\$ (650)	-4%	Unfavourable variance projected at yearend due to unmet vacancy adjustment and higher than budgeted salaries and wages related to anticipated union contract settlements.
Fire Net	\$ (9,987)	\$ (9,698)	\$ 289	3%		\$ (15,861)	\$ (16,508)	\$ (647)	-4%	
Communication Centre										
Revenue	\$ 887	\$ 759	\$ (128)	-14%	Unfavourable due to less than budgeted backcheck revenue as additional municipalities are now providing this service.	\$ 1,228	\$ 1,001	\$ (227)	-18%	Unfavourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 1,694	\$ 1,580	\$ 114	7%	Favourable due to delayed spending on software licensing.	\$ 2,554	\$ 2,506	\$ 48	2%	Favourable variance projected to decrease at yearend as timing of budget and actuals align.
Communication Centre Net	\$ (807)	\$ (821)	\$ (14)	-2%		\$ (1,326)	\$ (1,505)	\$ (179)	-13%	
Internal Revenue	\$ 948	\$ 963	\$ 15	2%	N/A	\$ 948	\$ 971	\$ 23	2%	N/A
Internal Expenses	\$ 2,541	\$ 2,567	\$ (26)	-1%	N/A	\$ 2,913	\$ 2,915	\$ (2)	0%	N/A
FIRE & EMERGENCY SERVICES NET	\$ (12,387)	\$ (12,123)	\$ 264	2%		\$ (19,152)	\$ (19,957)	\$ (805)	-4%	
PARKS & RECREATION										
Big Marble Go Centre										
Revenue	\$ 2,100	\$ 2,349	\$ 249	12%	Favourable due to higher than budgeted admissions, facility rentals and lease agreements.	\$ 3,304	\$ 3,662	\$ 358	11%	Favourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 3,460	\$ 3,499	\$ (39)	-1%	N/A	\$ 5,137	\$ 5,330	\$ (193)	-4%	Unfavourable variance projected at yearend due continued increased wages in programming, fitness, and customer service; as well as planned spending on contracted services.
Big Marble Go Centre Net	\$ (1,360)	\$ (1,150)	\$ 210	15%		\$ (1,833)	\$ (1,668)	\$ 164	9%	
Pools - Crestwood, Heights, Hill, Strathcona										
Revenue	\$ 262	\$ 254	\$ (8)	-3%	N/A	\$ 326	\$ 324	\$ (2)	0%	N/A
Expenses	\$ 760	\$ 710	\$ 50	7%	Favourable due to lower than budgeted salaries and wages due to delayed opening of Hill Pool and Crestwood Pool closure.	\$ 1,092	\$ 955	\$ 137	13%	Favourable variance projected at yearend due to continuation of current variance.
Pools - Crestwood, Heights, Hill, Strathcona Net	\$ (498)	\$ (456)	\$ 42	8%		\$ (766)	\$ (631)	\$ 135	18%	
Rinks - Co-op Place, Moose, Hounds, Kinplex										
Revenue	\$ 473	\$ 613	\$ 140	30%	Favourable due to additional tournament bookings.	\$ 1,011	\$ 1,024	\$ 13	1%	Favourable variance expected to decrease due to fewer tournament bookings through the fall.
Expenses	\$ 1,416	\$ 1,521	\$ (104)	-7%	Unfavourable due to higher than anticipated wages due to additional ice bookings and Medicine Hat Tigers playoff games.	\$ 2,109	\$ 2,258	\$ (149)	-7%	Unfavourable variance projected at yearend due to continuation of current variance.
Rinks - Co-op Place, Moose, Hounds, Kinplex Net	\$ (944)	\$ (908)	\$ 36	4%		\$ (1,097)	\$ (1,233)	\$ (136)	-12%	
Parks										
Revenue	\$ 1,358	\$ 1,444	\$ 86	6%	Favourable due to increased camping fees and facility rentals.	\$ 1,813	\$ 1,851	\$ 38	2%	N/A
Expenses	\$ 5,401	\$ 6,101	\$ (700)	-13%	Unfavourable variance due to additional temporary wages and unbudgeted costs related to snow removal, irrigation repairs and encampment cleanup.	\$ 7,374	\$ 8,131	\$ (757)	-10%	Unfavourable variance projected at yearend due to continuation of current variance.
Parks Net	\$ (4,043)	\$ (4,657)	\$ (614)	-15%		\$ (5,561)	\$ (6,280)	\$ (719)	-13%	
Parks & Recreation - Other										
Revenue	\$ 85	\$ 124	\$ 39	46%	N/A	\$ 348	\$ 384	\$ 36	10%	N/A
Expenses	\$ 2,201	\$ 2,292	\$ (91)	-4%	Unfavourable due to higher than budgeted wages related to temporary staff.	\$ 3,830	\$ 3,946	\$ (116)	-3%	Unfavourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 70	\$ 124	\$ 54	77%	Favourable due to higher than budgeted urban forestry work.	\$ 70	\$ 124	\$ 54	77%	Favourable variance projected at yearend due to continuation of current variance.
Internal Expenses	\$ 7,124	\$ 7,406	\$ (282)	-4%	Unfavourable variance due to higher than budgeted internal utility charges.	\$ 9,467	\$ 9,513	\$ (46)	0%	N/A
Parks & Recreation - Other Net	\$ (9,170)	\$ (9,450)	\$ (280)	-3%		\$ (12,879)	\$ (12,951)	\$ (72)	-1%	
PARKS & RECREATION NET	\$ (16,015)	\$ (16,622)	\$ (607)	-4%		\$ (22,136)	\$ (22,764)	\$ (628)	-3%	

TAX SUPPORTED	Net Year to Date Performance Actual Jan to Aug 2025				Discussion Current Variance	Net End of Year Performance Forecasted Jan to Dec 2025				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
COMMUNITY DEVELOPMENT										
Culture & Entertainment										
Revenue	\$ 3,354	\$ 4,334	\$ 980	29%	Favourable due to increased food and beverage revenue, offset by fewer hosted events at the Esplanade & Co-op Place.	\$ 5,624	\$ 6,262	\$ 638	11%	Favourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 4,987	\$ 5,673	\$ (686)	-14%	Unfavourable due to increased food and wage costs as a result of unbudgeted Medicine Hat Tigers WHL playoff games, which is offset by fewer non-sporting events, resulting in lower artist fees.	\$ 7,882	\$ 8,756	\$ (874)	-11%	Unfavourable variance projected at yearend due to continuation of current variance.
Culture & Entertainment Net	\$ (1,633)	\$ (1,339)	\$ 294	18%		\$ (2,258)	\$ (2,494)	\$ (236)	-10%	
Transit										
Revenue	\$ 904	\$ 1,192	\$ 288	32%	Favourable due to increased ridership due to increased use of low income programs.	\$ 1,381	\$ 1,685	\$ 304	22%	Favourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 3,170	\$ 3,408	\$ (238)	-8%	Unfavourable due to higher budgeted salary, wages and benefits and increased security costs.	\$ 4,959	\$ 5,264	\$ (305)	-6%	Unfavourable variance projected at yearend due to continuation of current variance.
Transit Net	\$ (2,266)	\$ (2,216)	\$ 50	2%		\$ (3,578)	\$ (3,579)	\$ (1)	0%	
Community Development - Other										
Revenue	\$ 1,361	\$ 1,734	\$ 373	27%	Favourable due to higher than budgeted grant revenue.	\$ 1,793	\$ 2,289	\$ 496	28%	Favourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 2,089	\$ 2,121	\$ (32)	-2%	N/A	\$ 3,111	\$ 3,475	\$ (364)	-12%	Unfavourable variance projected at yearend due to increased usage of the refugee/fair entry subsidy and timing grant payments to 3rd parties.
Internal Revenue	\$ -	\$ 22	\$ 22	0%	N/A	\$ -	\$ 13	\$ 13	0%	N/A
Internal Expenses	\$ 5,951	\$ 5,741	\$ 210	4%	Favourable due to lower than budgeted internal fleet charges.	\$ 7,090	\$ 6,973	\$ 117	2%	Favourable variance projected at yearend due to continuation of current variance.
Community Development - Other Net	\$ (6,679)	\$ (6,106)	\$ 573	9%		\$ (8,408)	\$ (8,146)	\$ 262	3%	
COMMUNITY DEVELOPMENT NET	\$ (10,578)	\$ (9,661)	\$ 917	9%		\$ (14,244)	\$ (14,219)	\$ 25	0%	
TOTAL PUBLIC SERVICES	\$ (38,980)	\$ (38,406)	\$ 574	1%		\$ (55,532)	\$ (56,940)	\$ (1,408)	-3%	
OTHER ORGANIZATIONS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 1,796	\$ 1,872	\$ (76)	-4%	Unfavourable due to increased salaries and wages, due to increased summer staffing covered by grants.	\$ 2,751	\$ 2,801	\$ (50)	-2%	Unfavourable due to increased salaries and wages, due to increased summer staffing covered by grants.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 255	\$ 219	\$ 36	14%	N/A	\$ 314	\$ 290	\$ 24	8%	N/A
TOTAL OTHER ORGANIZATIONS	\$ (2,051)	\$ (2,091)	\$ (40)	-2%		\$ (3,065)	\$ (3,091)	\$ (26)	-1%	
ENERGY, LAND & ENVIRONMENT										
ENVIRONMENT, LAND & GAS PRODUCTION - TAX SUPPORTED										
Revenue	\$ 274	\$ 278	\$ 4	1%	N/A	\$ 398	\$ 417	\$ 19	5%	N/A
Expenses	\$ 1,634	\$ 1,413	\$ 221	14%	Favourable variance due to lower than budgeted Hat Smart expenses and contaminated sites spending that will occur later in the year.	\$ 2,522	\$ 2,454	\$ 68	3%	Favourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 1,449	\$ 1,449	\$ -	0%	N/A	\$ 1,449	\$ 1,449	\$ -	0%	N/A
Internal Expenses	\$ 364	\$ 371	\$ (7)	-2%	N/A	\$ 367	\$ 378	\$ (11)	-3%	N/A
ENVIRONMENT, LAND & GAS PRODUCTION - TAX SUPPORTED NET	\$ (275)	\$ (57)	\$ 218	79%		\$ (1,042)	\$ (966)	\$ 76	7%	
ENERGY MARKETING & BUSINESS ANALYSIS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 1,418	\$ 912	\$ 506	36%	Favourable due to not utilizing consulting fees and savings in salaries and wages due to positional vacancies.	\$ 2,202	\$ 1,554	\$ 648	29%	Favourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 1,466	\$ 915	\$ (551)	-38%	Unfavourable due to lower recoveries on reduced expenses.	\$ 2,200	\$ 1,554	\$ (646)	-29%	Unfavourable variance projected at yearend due to continuation of current variance.
Internal Expenses	\$ 267	\$ 265	\$ 2	1%	N/A	\$ 272	\$ 272	\$ -	0%	N/A
ENERGY MARKETING & BUSINESS ANALYSIS NET	\$ (219)	\$ (262)	\$ (43)	-20%		\$ (274)	\$ (272)	\$ 2	1%	
TOTAL ENERGY, LAND & ENVIRONMENT	\$ (494)	\$ (319)	\$ 175	35%		\$ (1,316)	\$ (1,238)	\$ 78	6%	
TOTAL BEFORE FINANCE ACTIVITIES	\$ 27,499	\$ 31,598	\$ 4,099	15%		\$ (17,840)	\$ (18,063)	\$ (223)	-1%	
FINANCE ACTIVITIES										
Rebates										
Interest & principal	(6,803)	(7,997)	(1,194)	0%	Unfavourable due to timing of capital expenditures.	\$ (6,802)	\$ (7,996)	(1,194)	-18%	Unfavourable variance projected at yearend due to continuation of current variance.
Transfer (to)/from reserves	(798)	(777)	21	0%	N/A	\$ (8,452)	\$ (10,630)	(2,178)	-26%	Unfavourable variance projected at yearend as higher investment income results in more money transferred to Medicine Hat Endowment, Energy Transition and Abandonment Obligation reserves.
Investment income	12,338	9,849	(2,489)	-20%	Unfavourable variance due to timing of investment income.	\$ 30,094	\$ 31,887	1,793	6%	Favourable variance projected at yearend due to higher than budgeted realized returns on equity investments.
Gain/Loss on Financial Instruments	-	3,763	3,763	0%	Favourable variance projected at yearend as a result of realized gains from selling some equity positions.	\$ -	\$ 3,763	3,763	0%	Favourable variance projected at yearend due to continuation of current variance.
Contribution from Utilities	-	-	-	0%	N/A	\$ 3,000	\$ 3,000	-	0%	N/A
TOTAL FINANCE ACTIVITIES	\$ 4,737	\$ 4,838	\$ 101	2%		\$ 17,840	\$ 20,024	\$ 2,184	12%	
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	\$ 32,236	\$ 36,436	\$ 4,200	13%		\$ -	\$ 1,961	\$ 1,961	0%	

LAND DEVELOPMENT & REAL ESTATE	Net Year to Date Performance				Discussion	Net End of Year Performance				Discussion
	Budget	Actual	Variance	Variance %		Forecasted Jan to Dec 2025		Variance		
ENERGY, LAND & ENVIRONMENT										
ENVIRONMENT, LAND & GAS PRODUCTION - LAND										
Revenue	\$ 2,753	\$ 4,305	\$ 1,552	56%	Favourable variance due to 33 residential lots being sold from January to August, while only 17 lot sales were budgeted. This is offset by a budget oversight which will be corrected in the 2026 budget update.	\$ 4,126	\$ 6,749	\$ 2,623	64%	Favourable variance projected at yearend due to the sale of an additional 16 residential lots and 2 commercial lots.
Expenses	\$ 2,784	\$ 4,308	\$ (1,524)	-55%	Unfavourable variance due to higher than budgeted cost of sales as a result of 33 residential lots being sold from January to August, while only 17 lot sales were budgeted. This is offset by timing of commercial sales, and a budget oversight which will be corrected in the 2026 budget update.	\$ 4,209	\$ 6,409	\$ (2,200)	-52%	Unfavourable variance projected at yearend due to the sale of an additional 16 residential lots and 2 commercial lots.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ 130	\$ 130	\$ -	0%	N/A
Internal Expenses	\$ 863	\$ 868	\$ (5)	0%	N/A	\$ 870	\$ 870	\$ -	0%	N/A
ENVIRONMENT, LAND & GAS PRODUCTION - LAND EBITDA	\$ (894)	\$ (871)	\$ 23	100%		\$ (824)	\$ (400)	\$ 424	51%	
FINANCE ACTIVITIES										
Interest & principal	(4)	(4)	-	0%	N/A	(4)	(4)	-	0%	N/A
Capital spend (on prior year projects)	38	17	21	55%	N/A	150	150	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(2,103)	714	2,817	134%	Favourable variance projected at yearend as a result of additional cash flow required to sustain operations.
TOTAL FINANCE ACTIVITIES	\$ 33	\$ 13	\$ 21	62%		\$ (1,957)	\$ 860	\$ 2,817	144%	
TOTAL ENERGY, LAND & ENVIRONMENT	\$ (894)	\$ (871)	\$ 23	100%		\$ (824)	\$ (400)	\$ 424	51%	
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	\$ (894)	\$ (871)	\$ 23	100%		\$ (824)	\$ (400)	\$ 424	51%	

RATE BASED UTILITIES	Net current Performance Actual Jan to Aug 2025				Discussion Current Variance	Net End of Year Performance Forecasted Jan to Dec 2025				Discussion Variance at Yearend
	Budget	Actual	Variance	% Variance		Budget	Forecast	Variance	% Variance	
ENVIRONMENTAL UTILITIES										
ENVIRONMENTAL UTILITIES - WATER										
Revenue	\$ 18,601	\$ 18,459	\$ (140)	-1%	Unfavourable variance mainly due to cooler temperatures and increased rainfall.	\$ 28,035	\$ 27,889	\$ (146)	-1%	Unfavourable variance projected due to continuation of current variance.
Expenses	\$ 7,194	\$ 6,570	\$ 624	9%	Favourable variance due to cost savings related to chemicals, savings in operating expenses related to the delayed opening of the solids handling facility and staff vacancies.	\$ 11,102	\$ 11,430	\$ (328)	-3%	Unfavourable variance projected due to an unbudgeted clarifier repair, partially offset by staff vacancies.
Internal Revenue	\$ 1,083	\$ 914	\$ (169)	-16%	Unfavourable variance due to less of a recovery related to lower overhead costs than budgeted.	\$ 2,689	\$ 2,270	\$ (419)	-16%	Unfavourable variance projected at yearend due to continuation of current variance as well as anticipated lower than budgeted water consumption from PKRC.
Internal Expenses	\$ 5,361	\$ 5,056	\$ 305	6%	Favourable variance due to lower than budgeted utilities and internal equipment charges.	\$ 6,792	\$ 6,486	\$ 306	5%	Favourable variance projected at yearend due to continuation of current variance.
ENVIRONMENTAL UTILITIES - WATER EBITDA	\$ 7,128	\$ 7,748	\$ 620	9%		\$ 12,829	\$ 12,242	\$ (587)	-5%	
Interest & principal	(2,983)	(2,727)	256	0%	Favourable variance due to timing of prior years capital expenses and related borrowings.	4,492	4,748	256	6%	Favourable variance projected at yearend due to continuation of current variance.
Transfer (to)/from reserves	-	-	-	0%	N/A	(3,920)	(3,920)	-	0%	N/A
Investment income	-	21	21	0%	N/A	-	21	21	0%	N/A
Capital spend (on prior year projects)	(5,462)	(8,023)	(2,561)	-47%	Unfavourable variance due to increased capital spend earlier in the year related to the solids handling facility which is now in the commissioning phase.	(8,193)	(8,193)	-	0%	N/A
Capital spend (on current year projects)	(2,812)	(1,565)	1,247	44%	Favourable variance due to delayed capital spending on multi-year projects.	(4,218)	(4,218)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	1,037	2,254	1,217	117%	Favourable variance projected at yearend due to more cash flow required in order to sustain business unit.
Miscellaneous	-	(1,675)	(1,675)	0%	Unfavourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ENVIRONMENTAL UTILITIES - WATER - CHANGE IN CASH	\$ (4,129)	\$ (6,222)	\$ (2,093)	-51%		\$ 2,027	\$ 2,934	\$ 907	45%	
ENVIRONMENTAL UTILITIES - SEWER										
Revenue	\$ 16,788	\$ 16,906	\$ 119	1%	Favourable due to higher commercial volumes and third party service revenue from new developments.	\$ 25,224	\$ 25,291	\$ 67	0%	N/A
Expenses	\$ 5,046	\$ 4,407	\$ 640	13%	Favourable variance due to more time coded to water than budgeted as a result of distribution issues, reduced material costs related to cancelled contracts and staff vacancies.	\$ 7,787	\$ 7,254	\$ 533	7%	Favourable variance projected at yearend due to continuation of current variances, partially offset by repairs at the Waste Water Treatment Plant.
Internal Revenue	\$ -	\$ 4	\$ 4	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 4,230	\$ 4,157	\$ 74	2%	N/A	\$ 5,414	\$ 5,340	\$ 74	0%	N/A
ENVIRONMENTAL UTILITIES - SEWER EBITDA	\$ 7,511	\$ 8,347	\$ 836	11%		\$ 12,022	\$ 12,696	\$ 674	6%	
Interest & principal	2,475	2,855	379	0%	Favourable variance due to timing of prior years capital expenses and related borrowings.	7,880	8,259	379	5%	Favourable variance projected at yearend due to continuation of current variance.
Transfer (to)/from reserves	-	1	1	0%	N/A	(4,482)	(4,481)	1	0%	N/A
Capital spend (on prior year projects)	(2,351)	(2,245)	106	4%	Favourable variance due to delayed capital spending on multi-year projects.	(3,526)	(3,526)	-	0%	N/A
Capital spend (on current year projects)	(780)	(135)	645	83%	Favourable variance due to delayed capital spending on multi-year projects.	(1,170)	(1,170)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	1,402	232	(1,170)	-83%	Unfavourable variance projected at yearend due to less cash flow required to sustain business unit.
Miscellaneous	-	1,737	1,737	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ENVIRONMENTAL UTILITIES - SEWER - CHANGE IN CASH	\$ 6,856	\$ 10,561	\$ 3,705	54%		\$ 12,126	\$ 12,010	\$ (116)	-1%	
ENVIRONMENTAL UTILITIES - SOLID WASTE										
Revenue	\$ 6,272	\$ 7,094	\$ 822	13%	Favourable variance mainly due to one time sale of recycling carts, increased sump waste volumes and increased recycling revenue.	\$ 9,822	\$ 9,982	\$ 160	2%	Favourable variance projected at yearend due to continuation of current variance, offset by decrease in budgeted emission offset credits as a result of the program extension not being approved.
Expenses	\$ 3,160	\$ 3,314	\$ (154)	-5%	Unfavourable variance due to increased landfill maintenance, higher than budgeted benefits and unmet vacancy adjustment.	\$ 4,634	\$ 4,808	\$ (174)	-4%	Unfavourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 1,868	\$ 1,955	\$ 87	5%	N/A	\$ 2,864	\$ 2,951	\$ 87	3%	N/A
Internal Expenses	\$ 4,217	\$ 3,857	\$ 360	9%	Favourable variance due to less fleet expenses as new equipment has not yet been received.	\$ 5,755	\$ 5,395	\$ 360	0%	Favourable variance projected at yearend due to continuation of current variance.
ENVIRONMENTAL UTILITIES - SOLID WASTE EBITDA	\$ 763	\$ 1,878	\$ 1,115	100%		\$ 2,297	\$ 2,730	\$ 433	19%	
Interest & principal	(234)	(234)	-	0%	N/A	(234)	(234)	-	0%	N/A
Transfer (to)/from reserves	-	-	-	0%	N/A	(130)	(130)	-	0%	N/A
Capital spend (on prior year projects)	(329)	(487)	(158)	-48%	Unfavourable due to higher than projected capital spend in the first half of the year related to the food and waste pilot project.	(493)	(493)	-	0%	N/A
Capital spend (on current year projects)	(120)	(50)	70	58%	N/A	(180)	(180)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(1,934)	(2,367)	(433)	-22%	Unfavourable variance projected at yearend due to less cash flow required to sustain business unit.
Miscellaneous	-	417	417	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ENVIRONMENTAL UTILITIES - SOLID WASTE - CHANGE IN CASH	\$ 81	\$ 1,524	\$ 1,443	1786%		\$ (674)	\$ (674)	\$ (0)	0%	
TOTAL ENVIRONMENTAL UTILITIES	\$ 15,403	\$ 17,973	\$ 2,570	17%		\$ 27,148	\$ 27,668	\$ 520	2%	
UTILITY DISTRIBUTION SYSTEMS										

RATE BASED UTILITIES	Net current Performance Actual Jan to Aug 2025				Discussion Current Variance	Net End of Year Performance Forecasted Jan to Dec 2025				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
ELECTRIC DISTRIBUTION - OPERATING										
Revenue	\$ 16,397	\$ 16,469	\$ 72	0%	N/A	\$ 24,783	\$ 24,855	\$ 72	0%	N/A
Expenses	\$ 6,850	\$ 6,744	\$ 106	2%	Favourable variance is due to staff vacancies and time charged to capital projects rather than operating, partially offset by unbudgeted employee benefits.	\$ 10,707	\$ 10,832	\$ (125)	-1%	Unfavourable variance projected at yearend due to unbudgeted substation assessments and employee benefits, offset by savings in salaries and wages from vacancies and time charged to capital.
Internal Revenue	\$ 1,714	\$ 1,959	\$ 245	14%	Favourable variance is due to higher than budgeted recovery of administration overhead due to increased administration expenses.	\$ 2,529	\$ 2,775	\$ 245	10%	Favourable variance projected at yearend due to continuation of current variance.
Internal Expenses	\$ 6,047	\$ 5,917	\$ 129	2%	Favourable variance is due to vacancies in support departments resulting in decreased internal charges.	\$ 6,820	\$ 6,691	\$ 129	2%	Favourable variance projected at yearend due to continuation of current variance.
ELECTRIC DISTRIBUTION - OPERATING EBITDA	\$ 5,214	\$ 5,767	\$ 552	11%		\$ 9,786	\$ 10,108	\$ 322	3%	
Interest & principal	2,144	724	(1,420)	-66%	Unfavourable variance due to timing of borrowing on multi-year projects.	2,144	724	(1,420)	-66%	Unfavourable variance projected at yearend due to continuation of current variance.
Transfer (to)/from reserves	-	130	130	0%	Favourable variance due to return of working capital from complete capital projects.	(3,983)	(3,853)	130	3%	Favourable variance due to return of working capital from complete capital projects.
Capital spend (on prior year projects)	(22,242)	(6,124)	16,118	72%	Favourable variance due to delayed capital spending on multi-year projects.	(33,363)	(16,659)	16,704	50%	Favourable variance projected at yearend due to continuation of current variance.
Capital spend (on current year projects)	(7,722)	(607)	7,115	92%	Favourable variance due to delayed capital spending on multi-year projects.	(11,583)	(3,703)	7,880	68%	Favourable variance projected at yearend due to continuation of current variance.
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(1,006)	(1,289)	(283)	-28%	Unfavourable variance projected at yearend as a result of less cash flow required to sustain operations.
Miscellaneous	-	122	122	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ELECTRIC DISTRIBUTION - OPERATING - CHANGE IN CASH	\$ (22,606)	\$ 11	\$ 22,618	100%		\$ (38,006)	\$ (14,672)	\$ 23,333	61%	
GAS DISTRIBUTION - OPERATING										
Revenue	\$ 11,606	\$ 11,497	\$ (109)	-1%	Unfavourable variance due to reduced consumption from Rate Class A & B customers.	\$ 16,468	\$ 16,359	\$ (109)	-1%	Unfavourable variance projected at yearend due to continuation of current variance.
Expenses	\$ 5,230	\$ 4,321	\$ 910	17%	Favourable variance is due to staff vacancies, time charged to capital projects rather than operating and favourable gas transportation contract expenses.	\$ 7,958	\$ 6,922	\$ 1,036	13%	Favourable variance projected at yearend due to continuation of current variance.
Internal Revenue	\$ 12	\$ 92	\$ 80	656%	N/A	\$ 18	\$ 98	\$ 80	437%	N/A
Internal Expenses	\$ 3,461	\$ 3,575	\$ (114)	-3%	Unfavourable variance due to reallocation of administration expenses charged from Electric Distribution.	\$ 3,963	\$ 4,076	\$ (114)	-3%	Unfavourable variance projected at yearend due to continuation of current variance.
GAS DISTRIBUTION - OPERATING EBITDA	\$ 2,927	\$ 3,694	\$ 767	26%		\$ 4,565	\$ 5,459	\$ 894	20%	
Interest & principal	455	3,381	2,926	643%	Favourable variance due to timing of borrowing on multi-year projects.	455	3,381	2,926	643%	Favourable variance projected at yearend due to continuation of current variance.
Transfer (to)/from reserves	-	-	-	N/A	N/A	(1,798)	(1,798)	-	0%	N/A
Capital spend (on prior year projects)	(804)	(360)	445	55%	Favourable variance due to delayed capital spending on multi-year projects.	(1,207)	(960)	246	20%	Favourable variance projected at yearend due to continuation of current variance.
Capital spend (on current year projects)	(3,158)	(587)	2,571	81%	Favourable variance due to delayed capital spending on multi-year projects.	(4,737)	(4,483)	254	5%	Favourable variance projected at yearend due to continuation of current variance.
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(583)	(1,111)	(528)	-91%	Unfavourable variance projected at yearend as a result of less cash flow required to sustain operations.
Miscellaneous	-	(360)	(360)	0%	Unfavourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
GAS DISTRIBUTION - OPERATING - CHANGE IN CASH	\$ (581)	\$ 5,768	\$ 6,348	100%		\$ (3,304)	\$ 488	\$ 3,792	115%	
TOTAL UTILITY DISTRIBUTION SYSTEMS	\$ 8,141	\$ 9,461	\$ 1,320	16%		\$ 14,351	\$ 15,567	\$ 1,216	8%	
TOTAL RATE BASED UTILITIES EBITDA	\$ 23,544	\$ 27,434	\$ 3,890	17%		\$ 41,499	\$ 43,235	\$ 1,736	4%	

ENERGY PRODUCTION	Net Year to Date Performance				Discussion Current Variance	Net End of Year Performance				Discussion Variance Driver
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
ENERGY, LAND & ENVIRONMENT										
ELECTRIC GENERATION - OPERATING										
Revenue	\$ 87,086	\$ 89,268	\$ 2,182	3%	Favourable variance due to greater sales to retail, as a result of a higher price than budgeted. This is partially offset by lower sales to the pool and third party sales, as a result of lower pool prices and a customer having an unprojected extended outage at the beginning of the year.	\$ 128,592	\$ 141,208	\$ 12,615	10%	Favourable variance projected to continue to yearend due to large commercial and industrial customers being on the default market rate partially offset by less than budgeted ancillary sales.
Expenses	\$ 52,442	\$ 53,944	\$ (1,502)	-3%	Unfavourable variance due to a higher transfer to retail, as a result of the difference between the default market rate and the best of market rate, partially offset by lower cost and consumption of fuel and optimization of lower cost carbon emission offsets.	\$ 74,071	\$ 83,696	\$ (9,625)	-13%	Unfavourable variance projected to continue to yearend due to a higher transfer to retail, as a result of the difference between the default market rate and the best of market rate, partially offset by lower cost and consumption of fuel.
Internal Revenue	\$ 105	\$ 70	\$ (35)	-33%	N/A	\$ 158	\$ 158	\$ -	0%	N/A
Internal Expenses	\$ 6,692	\$ 6,666	\$ 26	0%	N/A	\$ 7,245	\$ 7,245	\$ -	0%	N/A
ELECTRIC GENERATION - OPERATING EBITDA	\$ 28,056	\$ 28,728	\$ 672	2%		\$ 47,434	\$ 50,424	\$ 2,990	6%	
Interest & principal	(8,012)	(7,491)	521	7%	Favourable variance due to timing of borrowing on multi-year projects.	(8,012)	(7,491)	521	7%	Favourable variance projected at yearend due to continued current variance.
Transfer (to)/from reserves	-	-	-	N/A	N/A	(22,075)	(22,075)	-	0%	N/A
Capital spend (on prior year projects)	(32,847)	(17,742)	15,105	46%	Favourable variance due to delayed capital spending on multi-year projects.	(49,270)	(29,337)	19,934	40%	Favourable variance projected at yearend due to delayed capital spending on multi-year projects.
Capital spend (on current year projects)	(13,100)	(128)	12,972	99%	Favourable variance due to delayed capital spending on multi-year projects.	(19,650)	(1,598)	18,052	92%	Favourable variance projected at yearend due to delayed capital spending on multi-year projects.
Free Cash Flow (transfer (to)/from reserve)	-	-	-	0%	N/A	(17,346)	(20,357)	(3,011)	-17%	Unfavourable variance projected at yearend due more free cash flow to contribute.
Miscellaneous	-	5,868	5,868	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ELECTRIC GENERATION - OPERATING - CHANGE IN CASH	\$ (25,903)	\$ 9,234	\$ 35,137	136%		\$ (68,920)	\$ (30,434)	\$ 38,486	56%	
GAS PRODUCTION - OPERATING										
Revenue	\$ 28,084	\$ 18,744	\$ (9,340)	-33%	Unfavourable variance due to lower gas commodity pricing as markets are oversupplied, as well as lower volumes from production due to freeze offs from the extremely low temperatures during cold snaps causing slower flow.	\$ 43,173	\$ 31,924	\$ (11,248)	-26%	Unfavourable variance projected at yearend due to sales of purchased gas driven by lower gas prices than budgeted.
Expenses	\$ 31,135	\$ 23,431	\$ 7,705	25%	Favourable variance as a result of savings in gas purchases due to the lower gas commodity price.	\$ 45,960	\$ 38,813	\$ 7,146	16%	Favourable variance projected at yearend due to cost of purchased gas driven by lower gas prices than budgeted offset by unbudgeted equipment overhauls.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 3,179	\$ 2,841	\$ 338	11%	Favourable variance due to less support required from Energy Marketing and Business Analysis, and lower than budget utility and fleet costs.	\$ 3,830	\$ 3,480	\$ 350	9%	Favourable variance project at yearend due to continuation of current variance.
GAS PRODUCTION - OPERATING EBITDA	\$ (6,230)	\$ (7,528)	\$ (1,298)	-21%		\$ (6,617)	\$ (10,369)	\$ (3,752)	-57%	
Interest & principal	(491)	(491)	-	0%	N/A	(491)	(491)	-	0%	N/A
Capital spend (on prior year projects)	(2,733)	(10)	2,724	100%	Favourable variance due to delayed capital spending on multi-year projects.	(4,100)	(4,100)	-	0%	N/A
Capital spend (on prior year abandonment projects)	(10,715)	(10,538)	178	2%	N/A	(16,073)	(16,073)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	7,108	7,621	513	7%	Favourable variance projected at yearend as higher cash requirements forecasted for the year than budgeted.
Miscellaneous	-	2,222	2,222	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
GAS PRODUCTION - OPERATING - CHANGE IN CASH	\$ (20,170)	\$ (16,345)	\$ 3,826	19%		\$ (20,173)	\$ (23,412)	\$ (3,239)	-16%	
TOTAL ENERGY, LAND & ENVIRONMENT	\$ 21,826	\$ 21,200	\$ (626)	-3%		\$ 40,817	\$ 40,055	\$ (762)	-2%	
TOTAL ENERGY PRODUCTION EBITDA	\$ 21,826	\$ 21,200	\$ (626)	-3%		\$ 40,817	\$ 40,055	\$ (762)	-2%	

**Tax Supported
Capital Report Summary
As of August 31, 2025
(in thousands)**

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
POLICE					
Projects less than \$1M					
Police	404	324	80	410	
TOTAL POLICE	404	324	80	410	
GENERAL GOVERNMENT					
Projects less than \$1M					
People Services	-	-	-	-	
General Municipal Revenue	1,000	-	1,000	1,000	
TOTAL GENERAL GOVERNMENT	1,000	-	1,000	1,000	
CORPORATE SERVICES					
Fleet & Facilities					
2025 Facilities Management Infrastructure Rehabilitation Program	2,750	1,049	1,701	2,750	2025 program in progress.
2025 Ancillary Infrastructure Rehabilitation Program	1,750	465	1,285	1,750	2025 Ancillary Program in progress. Contractors engaged.
2025 FFD-TCA-2025 Big Marble Go Centre Components	1,000	73	927	1,000	2025 BMCC components in progress. Contractor engaged.
2025 FFD-TCA-2025-Energy Efficiency Component Upgrades	1,000	1,029	(29)	1,030	2025 Energy Efficiency Program in progress. 95% complete - target of July for completion.
2024 City Hall Humidification Replacement	1,250	419	831	1,250	2024 City Hall Humidification - Construction in progress.
2024 Hill Pool Components Lifecycle	1,255	1,156	99	1,255	2024 Hill Pool Components - Construction in progress.
2024 Library Boiler Replacement	1,000	913	87	1,000	2024 Library Boiler Project - 80% complete.
2024 FM Infrastructure Rehab Program	2,250	2,274	(24)	2,250	2024 Infrastructure Program - 95% complete - outstanding deficiencies.
2024 Utility Infrastructure Repair Program	1,000	1,005	(5)	1,006	2024 Utility Infrastructure Program - outstanding deficiencies.
2023 MTCA's	13,472	7,884	5,588	13,472	The 2023 Fleet replacement program is in progress - 55% assigned, 12% ordered, 03% are at tender, 10% on hold, 03% cancelled.
2024 MTCA's	7,928	2,352	5,576	7,928	The 2024 Fleet replacement program is in progress - 27% assigned, 12% ordered, 04% are at tender, 06% on hold, 00% cancelled.
2025 MTCA's	7,000	151	6,849	7,000	The 2024 Fleet replacement program is in progress - 13% assigned, 22% ordered, 35% are at tender, 04% on hold, 04% cancelled.
Information Technology					
2023 BTO-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	1,800	1,044	756	1,800	Project is in execution phase, approx. 70% complete. Projected completion date is Q4 2026.
Projects less than \$1M					
Finance	700	626	74	700	
Fleet & Facilities	4,694	1,335	3,359	4,622	
Information & Technology	3,955	2,358	1,597	3,842	
TOTAL CORPORATE SERVICES	52,804	24,133	28,671	53,154	
DEVELOPMENT & INFRASTRUCTURE					
Municipal Works					
2025 Transportation Infrastructure Rehabilitation Program	6,250	2,257	3,993	6,250	Construction on several transportation projects has recently been completed, with additional work scheduled for completion this fall. The full budget has been allocated to initiatives such as the Mill & Overlay Program, Local Road Rehabilitation, and Laneway Rehabilitation.
2025 Stormwater Infrastructure Rehabilitation Program	3,250	3,145	105	3,250	Construction of the 3 Avenue Storm Upgrade project is nearing completion, with the remaining funds committed to this project.
2025 3rd Street NE/NW Rehabilitation	1,368	174	1,194	1,368	Design work is currently underway, followed by the preparation of tender documents. The full project budget has been allocated to these activities and to construction services when the project continues into 2026.
2025 Downtown Surface Upgrades	1,150	6	1,144	1,150	Design work is underway. The full project budget has been allocated to design activities and to construction when the project continues into 2027.
2024 Bridge Rehabilitation	1,000	616	384	1,000	The original scope of bridge rehabilitation work is complete, with the remaining budget to be used for inspections and repairs in 2025/26.
2024 Transportation Infrastructure Rehabilitation	5,250	4,566	684	5,250	Remaining funds to be used for MW infrastructure upgrade.
2024 Storm Sewer Rehabilitation Program	3,500	1,324	2,176	3,500	The remaining funds are committed to 3 Avenue Storm sewer upgrade project and Cured-in-Place Pipe (CIPP) lining rehabilitation of storm sewers at various locations, as well as repairs to Southlands Pond 2.
2024 3rd Street SE Road Rehabilitation	3,800	3,142	658	3,800	3 Street SE and 6 Avenue SE project is substantially complete. The remaining funds are committed to the remaining work and warranty period.
2024 Division Ave South Upgrade	6,250	5,232	1,018	6,250	Construction of the Division Avenue South Upgrade Project is mostly complete, with the exception of the trail connection at the College Avenue intersection. Additional upgrade work has also been identified along Dotty Avenue and will be carried out later this year into 2026. The remaining budget will be used to complete this outstanding scope.
2023 Transportation Infrastructure Rehab	5,000	4,982	18	5,000	Remaining funds to be used for transportation infrastructure upgrade in 2025.
2022 Infrastructure Rehab Program	5,875	5,117	758	5,875	Remaining funds to be used for infrastructure upgrade in 2025.
2021 Infrastructure Rehabilitation Program	6,500	6,377	123	6,500	Remaining funds to be used for infrastructure upgrade in 2025.
2017 Street Light LED Conversion	2,375	2,357	18	2,375	Remaining funds have been committed to outstanding work on Box Springs Road and will be completed in 2025.
Projects less than \$1M					
Municipal Works	2,500	674	1,826	2,500	
Airport	520	-	520	520	
Planning & Development Services	100	90	10	90	
TOTAL DEVELOPMENT & INFRASTRUCTURE	54,688	40,059	14,629	54,678	
PUBLIC SERVICES					
Parks & Recreation					
2024 PKRC - 2024 TCA - Irrigation Infrastructure Program - Construction & Design	3,802	3,275	527	3,802	2024 Irrigation Construction & Design will be expensed by Q4 2025 as construction initiatives complete. Projects include Cottonwood Way design/construction, Noble Park design/construction, SF Scott Park design, Turner Park construction, Southview/Simpson construction, and Hillside Cemetery construction.
2023 PKRC - 2023 TCA - Indoor/Outdoor Facilities Infrastructure Program	1,431	1,244	187	1,431	2023 Indoor/Outdoor Facilities Infrastructure Program will be expensed by Q4 2025 as the Herald Court rehabilitation initiative construction is completed.
2023 PKRC - 2023 TCA - Irrigation Infrastructure Program - Construction	3,683	3,600	83	3,683	2023 Irrigation Infrastructure Program will be expensed by Q4 2025 as the Herald Court rehabilitation initiative construction (irrigation portion) is completed.
2022 PKRC TCA 2022 - Infrastructure Rehab Program	3,790	3,729	61	3,790	2022 Infrastructure Rehabilitation Program will be expensed by Q4 2025 as the Hillside Cemetery Phase 3 construction initiative is completed.
2025 PKRC-TCA-2025-Irrigation Infrastructure Program	3,510	746	2,764	3,510	2025 Irrigation Infrastructure Program will be expensed by Q3 2026 as design/construction projects carry into the following year. Projects include Gershaw Interchange Aesthetic Enhancement design/construction, SF Scott Park construction, and Harlow/Noble Park construction.
2025 PKRC-TCA-2025-Trail Infrastructure Program	1,500	-	1,500	1,500	2025 Trail Infrastructure Program will be expensed by Q2 2026 as construction project deficiencies will likely be completed in the following year.
2025 PKRC-TCA-2025-Indoor/Outdoor Facilities Infrastructure Program	1,075	41	1,034	1,075	2025 Indoor/Outdoor Facilities Infrastructure Program will be expensed by Q2 2026 as construction projects carry into the following year. Projects include the EDRP Boat Lake Island Aesthetic Enhancement construction and Lions Park Tennis Court Rehabilitation construction.
Projects less than \$1M					
Fire & Emergency Services	511	136	375	511	
Parks & Recreation	11,798	6,095	5,701	11,798	
Community Development	1,115	128	987	1,114	
TOTAL PUBLIC SERVICES	32,203	18,985	13,218	32,202	
TOTAL TAX SUPPORTED CAPITAL	141,098	83,501	57,588	141,444	

**Land and Properties
Capital Report Summary
As of August 31, 2025
(in thousands)**

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
LAND DEVELOPMENT & REAL ESTATE					
Land Development & Real Estate					
Phase 1: ID					
RiverWalk 1-6	4,000	1,869	2,131	4,000	The next step in RiverWalk is the preparation of an Area Structure Plan (ASP) amendment. Timing of this is dependent upon inventory levels, projected lot sales and overall land strategy determination. No current activity related to legacy correspondence with Journey Energy regarding the Environmental Reserve project.
Airport - South Node - Industrial	1,000	418	582	1,000	The area has significant development constraints pertaining to storm water management and as such the priority for development of the south node is low and no current efforts are being focused.
Phase 2: Plan					
Brier Run - Commercial, Industrial, Residential	14,500	1,116	13,384	14,500	The Area Structure Plan (ASP) was adopted by Council (T3 2019). When deemed appropriate to proceed dependent upon market conditions and overall land strategy, next steps consist of finishing the high level Functional Servicing Report (FSR) engineering design or as otherwise determined.
Phase 3: Design					
Ranchlands 3C	17,082	5,051	12,031	17,082	Design Approval was received in 2020. Costs spent to date are related to oversizing of previous Ranchlands infrastructure to service Ranchlands 3C and work associated with the Concept Scheme amendment and Subdivision approval. Construction is deferred pending improved market conditions and overall land strategy determination. At the request of local residents direction was given to construct the Ranchlands 2F&G trail system and construct a temporary trail through Ranchlands 3C. Both projects are complete and done final inspection in fall 2023 with minor repair work completed summer 2024. A small 10-12 lot development is planned for engineering and design in 2025 and construction in 2026 within Ranchlands Phase 3C along Ranchlands Blvd
Phase 4: Build					
Airport - North Node - Commercial	7,000	6,115	885	7,000	The Land Department developed 6.0 acres of groundside commercial / business industrial lands in the Central sector of the YXH Gateway (Phase II). Subdivision and construction was completed in T3 2022. Airport East Node brief Concept documentation remains to be completed. North Node Ph III is yet to go through final document reviews and is currently on hold.
North West Industrial Park	14,000	1,155	12,845	14,000	The Area Structure Plan (ASP) was adopted in T1 2022. The Outline Plan, its specific Functional Servicing Report (FSR) and requested financial assessments are next steps dependent on overall land strategy.
Phase 5: Sell					
Residential Lot Sales	70,378	67,785	2,592	70,378	The department maintains these lots and adjacent infrastructure until the lots are sold. Costs incurred in the Sell phase include maintenance and final construction activities required to obtain the Final Acceptance Certificate.
Miscellaneous:					
Arena Servicing and Subdividing (155 Ash Ave SE)	2,500	2,311	189	2,500	Construction was completed in T3 2021. A conditional sales agreement is no longer active and the City will be pursuing steps to eventually re-market the site.
Projects less than \$1M					
Land & Properties	2,011	1,600	411	2,011	
TOTAL LAND & PROPERTIES CAPITAL	132,471	87,419	45,051	132,471	

**Rate Based Utilities
Capital Report Summary
As of August 31, 2025
(in thousands)**

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
RATE BASED UTILITIES						
Water						
2025	Water Distribution Asset Management Program	4,061	71	3,990	4,061	Approximately 93% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under this budget item. The remaining 7% of funds will be utilized to complete engineering and construction work on other planned projects. It's anticipated that 80% of the funds will be expended by the end of 2025, 20% in 2026, and minor amounts in 2027 to bring projects to full completion.
2025	Southridge Reservoir Rehabilitation	1,000	1	999	700	Project is currently under internal design. The construction tender is anticipated to be issued later in 2025. It's anticipated that approximately 70% of the funds will be expended in 2025, and the remaining 20% expended in 2026. Project anticipated to be under budget \$300K.
2025	North Reservoir Rehabilitation	1,200	-	1,200	1,200	Project is currently in internal design phase. The construction tender is anticipated to be issued later in 2025. It's anticipated that approximately 5% of the funds will be expended in 2025, and the remaining 95% expended in 2026.
2025	Harlow Water Transmission Main Interconnect	1,250	1,200	50	1,250	100% of funds have been allocated and are being utilized to fund construction on the Harlow Interconnect project. It's anticipated that 100% of the funds will be expended by the end of 2025.
2024	3 St SE Water Mains Replacement	1,590	1,478	112	1,590	Approximately 95% of the funds have been allocated and are being utilized to complete construction in the 3 St SE Downtown project area. Any unspent funds will be returned once the project is fully complete.
2024	Water Mains Asset Management Program	4,275	3,125	1,150	4,275	Approximately 97% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under this budget item. The remaining 3% of funds will be utilized to complete engineering and construction work on other planned projects. It's anticipated that 94% of the funds will be expended by the end of 2025, and 6% in 2026 to bring projects to full completion.
2023	Water Mains Asset Management Program	3,520	3,238	282	3,520	Approximately 100% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under the budget item. It's anticipated that 100% of the funds will be expended by the end of 2025.
2022	Water Mains Asset Management Program	1,000	944	56	1,000	Approximately 100% of funds have been allocated and are being utilized to fund engineering and construction on the project areas listed under the budget item. It's anticipated that 100% of the funds will be expended by the end of 2025.
2020	Waste Solids Handling Facility	34,450	33,620	830	34,375	Commissioning is complete and project is going through optimization process. Project is expected to be underbudget by \$75K.
Sewer						
2025	Sewer Collection Asset Management Program	3,205	43	3,162	3,205	Approximately 36% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under the budget item. The remaining unallocated funds will be utilized to complete engineering and construction work on other planned projects. It's anticipated that 23% of the funds will be expended by the end of 2025, 77% in 2026, and minor amounts in 2027 to bring projects to full completion.
2025	Influent Channel Screens and Grit Removal Upgrades	4,737	67	4,670	4,737	Consultant is in initial stages of assessing concrete conditions to select equipment and begin design phase. Project expected to be complete in 2027 and on budget.
2024	3 St SE Sewer Mains Replacement	1,590	1,475	115	1,590	Approximately 95% of the funds have been allocated and are being utilized to complete construction in the 3 St SE Downtown project area. Project expected to be complete in 2026. Any unspent funds will be returned once the project is fully complete.
2024	Sewer Mains Asset Management Program	4,275	3,255	1,020	4,275	Approximately 95% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under the budget item. The remaining 5% of funds will be utilized to complete engineering and construction work on other planned projects. It's anticipated that 92% of the funds will be expended by the end of 2025, and 8% in 2026 to bring projects to full completion.
2023	Sewer Mains Asset Management Program	3,415	3,237	178	3,415	Approximately 100% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under the budget item. It's anticipated that 100% of the funds will be expended by the end of 2025.
2023	Brier Park Gravity Bypass	5,432	4,088	1,344	5,432	Approximately 84% of the funds have been allocated and are being utilized to complete engineering and construction on the Brier Park Gravity Bypass project. It's anticipated that 76% of the funds will be expended by the end of 2025, 2% in 2026, and 22% in 2027 to bring the project to full completion.
2022	Lift Station Facility Upgrade	1,000	989	11	1,000	Project construction is largely complete and now in the commissioning phase. Project will be complete by the end of 2025 and on budget.
2020	Lift Station Facility Upgrade	1,800	1,485	315	1,800	Design phase of the project complete, currently sourcing required material. Project will be complete by the end of 2025 and on budget.

**Rate Based Utilities
Capital Report Summary
As of August 31, 2025
(in thousands)**

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
RATE BASED UTILITIES						
Solid Waste						
2023	Food Waste Pilot	1,000	993	7	993	Project is complete and underbudget by \$7K.
Projects less than \$1M						
	Water	5,808	1,498	4,310	5,763	
	Sewer	4,271	980	3,291	4,271	
	Solid Waste	130	50	80	130	
TOTAL ENVIRONMENTAL UTILITIES		89,009	61,838	27,172	88,583	
Electric Distribution						
2025	Substation Renewal	2,000	42	1,958	2,000	Project in design phase. Anticipated completion in Q4 2027.
2025	Distribution Overhead System Renewal	1,940	157	1,783	1,940	Project is in active construction. Anticipated completion in Q3 2026.
2025	East Ring Enhancement Project Phase 2	1,000	-	1,000	1,000	Project in design phase. Anticipated completion in Q4 2027.
2025	Substation Replacement	4,000	-	4,000	4,000	Project has yet to commence. Design anticipated to begin in Q4 2025.
2023	MHS-11 Substation	24,000	4,372	19,628	24,000	Project recently received Alberta Utilities Commission (AUC) approval and is in design phase. Projected completion date Q2 2027.
2023	30/40/60L Upgrade of Transmission Line Capacity Phase 1	2,200	1,326	874	2,200	Project recently received AUC approval. Will move to design phase in Q4 2025.
2023	Distribution Overhead System Renewal	3,509	3,456	53	3,509	Project is in active construction. Anticipated completion in Q3 2025.
2023	Line Protection Upgrade	1,028	221	807	1,028	Projects in progress. Construction is planned in 2025, with final completion anticipated in Q3 2026.
2023	Energy Innovation Challenge	2,405	850	1,555	850	City's portion of costs on this project has been fully committed. Remaining costs will be paid by 3rd parties. Program is in execution phase.
2023	Distribution Underground System Renewal	1,321	1,419	(98)	1,321	Project is complete and over budget costs will be reallocated.
2022	Distribution Overhead System Renewal	1,512	548	964	1,512	Project is in active construction. Anticipated completion in Q4 2025.
2021	Distribution Overhead System Renewal	1,523	995	528	1,523	Project is in active construction. Anticipated completion in Q4 2025.
2020	Distribution Underground System Renewal	1,048	758	290	1,048	Project is in active construction. Anticipated completion in Q4 2025.
Gas Distribution						
2023	Gas Meters	1,350	1,354	(4)	1,350	Projects is complete and will be on budget after costs are reallocated.
2022	Transmission Mains	1,285	1,008	277	1,285	Projects in progress. Finishing work on last two projects. Anticipated completion in Q4 2025.
2022	Mains Extension & Replacement	1,824	1,550	274	1,824	Projects in progress. Construction is complete with final work being complete later this year. Anticipated completion in Q4 2025.
Projects less than \$1M						
	Electric Distribution	11,721	6,848	4,873	11,721	
	Gas Distribution	6,638	2,188	4,449	6,626	
TOTAL UTILITY DISTRIBUTION		70,304	27,093	43,211	68,737	
TOTAL RATE BASED UTILITIES CAPITAL		159,313	88,931	70,383	157,320	

**Energy Production
Capital Report Summary
As of August 31, 2025
(in thousands)**

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
ENERGY PRODUCTION					
Gas Production					
2012-2023 Surface Lease Abandonment	117,550	65,321	52,229	93,200	Project in progress - anticipated under budget.
2022-2024 Drilling and Completions	6,512	1,347	5,165	5,860	Project in progress - anticipated under budget.
2017-2023 Non-Operated	13,786	10,692	3,094	11,169	Project in progress - anticipated under budget.
2022-2023 Wells	3,600	323	3,277	323	Project in progress - anticipated under budget.
2022 Clear Horizon	12,050	1,612	10,438	1,612	Project completed in April 2025 under budget.
2021-2023 Pipelines	1,875	108	1,767	240	Project in progress - anticipated under budget.
2019-2023 Abandonment	69,993	38,257	31,736	62,081	Project in progress - anticipated under budget.
Electric Generation					
2025 Unit 10 Turbine Major Overhaul	11,000	-	11,000	11,000	Contract and PO issued and scheduled for Spring of 2026.
2025 Unit 17 Turbine Hot Section	7,000	-	7,000	-	Project cancelled due to low run hours on unit.
2024 69Kv SUBSTATION CABLE TRENCH, CONTROL CABLE REPLACEMENT	3,500	2,118	1,382	2,998	Major construction and commissioning work is complete, control system migration to be completed by December 2025.
2024 UNIT 14 HOT SECTION REPLACEMENT	6,800	4,313	2,487	6,633	Turbine conversion has been delivered to site, palladium combustor overhaul to be completed in October.
2024 UNIT 11 TURBINE MAJOR OVERHAUL	13,881	8,924	4,957	13,824	Hot section currently being overhauled, work delayed due to parts supply. Scheduled for completion in Q1 2026.
2024 UNIT 16 TURBINE MAJOR OVERHAUL	12,000	2,843	9,157	11,943	Contract has been awarded and unit being sent to depot in October 2025.
2024 12 STEAM TURBINE MAJOR OVERHAUL	2,000	1,023	977	1,023	Project completed end of April 2025 under budget.
2024 3R STEAM TURBINE MAJOR OVERHAUL	2,000	-	2,000	2,000	Contract has been awarded with overhaul to be conducted in Spring of 2026.
2024 12 GENERATOR ROTOR REWIND & REPLACEMENT 3R	1,200	823	377	823	Rotor is on site, project complete and under budget.
2024 10 GENERATOR ROTOR REPLACEMENT	2,000	391	1,609	1,991	In manufacturing stage, on schedule and under budget for delivery in October 2025.
2024 11 GENERATOR ROTOR REPLACEMENT	2,100	1,043	1,057	1,893	In manufacturing stage, on schedule and under budget for delivery in November 2025.
2022 Unit 12 Generator Rotor Replacement	5,740	5,835	(95)	5,835	Project is complete and slightly over budget. Overage to be funded by operating.
2023 Energy Business Development	7,000	6,896	104	6,896	Project is complete under budget.
2023 Carbon Capture (Clear Horizon)	4,950	399	4,551	4,950	Phase 2 Pre-FEED is complete. Recommendations were presented to closed council in June 2024 and subsequently put on hold.
2023 GSU T12 Replacement	1,750	1,788	(38)	1,788	Project is complete and slightly over budget. Overage to be funded by operating.
Projects less than \$1M					
Gas Production	1,420	198	1,222	1,229	
Electric Generation	5,521	996	4,525	4,036	
TOTAL ENERGY, LAND & ENVIRONMENT	315,228	155,250	159,978	253,347	
TOTAL ENERGY PRODUCTION CAPITAL	315,228	155,250	159,978	253,347	

City of Medicine Hat
One-time Expenses and Initiatives Report Summary
As of August 31, 2025
(in thousands)

TAX SUPPORTED ONE-TIME EXPENSES AND INITIATIVES						
		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
GENERAL GOVERNMENT						
City Manager & Managing Directors						
2020	2020 - MOE - Strategic Opportunity & Analysis Program (SOT)	1,721	1,709	12	1,721	Project in progress and will be on budget and completed in 2025.
Economic Development						
2021/2023	2021-2022 EDD Development Incentive Program	5,200	2,193	3,007	5,200	In 2024 the incentive program included housing, infill, and redevelopment incentive program and city centre vibrancy incentive. 10 projects for a total of \$1,845,000 are committed. This equates to 160 new units. 2024 City Centre Vibrancy funded eight properties for a total of \$200,000. This program is still in progress and anticipated to be on budget.
2025	2025 - EDD-OTOI-2025-Development Incentives	2,600	101	2,499	2,600	2025 Vibrancy Incentive Program was approved by Council in Q2. Through a partnership between Medicine Hat Economic Development and Community Futures Entre-Corp, an initial tranche of \$100,000 has been fully subscribed. \$76,500 was allocated to a City Centre Program intended to increase activity. Funds were used to provide additional free parking and a partnership was formed with Tourism Medicine Hat for two shop local campaigns and a marketing campaign. An additional \$100,000 will be allocated to a Crime Prevention Through Environmental Design (CPTED) Incentive program which will be presented to Council in Q4 of 2025. The remainder of the development incentives will be discussed with Council in Q4 of 2025 and Q1 of 2026.
Projects less than \$1M						
	Mayor & Councilors	100	85	15	100	
	City Clerk	450	5	445	450	
	People Services	1,097	137	960	1,097	
	Economic Development	1,546	853	693	1,546	
	General Municipal Revenues	100	3	97	100	
TOTAL GENERAL GOVERNMENT		12,814	5,086	7,729	12,814	
POLICE						
Projects less than \$1M						
	Police	220	33	187	220	
TOTAL POLICE		220	33	187	220	
CORPORATE SERVICES						
Projects less than \$1M						
	Finance	1,913	655	1,258	1,913	
	Fleet & Facilities	565	416	149	630	
	Information & Technology	2,333	1,085	1,248	2,392	
	Corporate Planning & Performance	399	103	296	399	
TOTAL CORPORATE SERVICES		7,060	2,258	4,802	7,184	
DEVELOPMENT & INFRASTRUCTURE						
Projects less than \$1M						
	Municipal Works	1,324	397	927	1,324	
	Airport	615	271	344	615	
	Planning & Development Services	1,050	353	697	1,050	
TOTAL DEVELOPMENT & INFRASTRUCTURE		2,989	1,021	1,968	2,989	
PUBLIC SERVICES						
Parks & Recreation						
2023	PKRC - 2023/2024 MOE - Saamis Tepee Painting WO	1,080	493	587	1,080	2023/2024 Saamis Tepee Painting initiative including structural repair is complete. Remaining funds were to supplement the dance floor media upgrade. Working with Communications, Engagement and Marketing on extensive Indigenous relationship building and community engagement. Funds expected to be expensed by Q4 2026.
2025	PKRC-OTOI-2025-Growing Canada's Community Canopy	3,460	-	3,460	3,460	The Growing Canada's Community Canopy initiative will commence this upcoming spring and will be complete by Q3 2026.
Projects less than \$1M						
	Fire & Emergency Services	100	65	35	100	
	Parks & Recreation	1,604	1,139	465	1,604	
	Community Development	430	155	275	430	
TOTAL PUBLIC SERVICES		6,674	1,853	4,821	6,674	
ENERGY, LAND & ENVIRONMENT						
Energy, Land & Environment						
2023/2024	ELG - 2024 MOE - Clean Energy Improvement Program	6,782	71	6,711	6,782	Clean Energy Improvement Program (CEIP) began in Q3 of 2024. This is a four year program that will be completed in 2027.
Projects less than \$1M						
	Environment, Land & Gas Production	605	276	329	605	
TOTAL ENERGY, LAND & ENVIRONMENT		7,387	348	7,040	7,387	
TOTAL TAX SUPPORTED ONE-TIME EXPENSES AND INITIATIVES		37,144	10,598	26,546	37,268	

City of Medicine Hat
 One-time Expenses and Initiatives Report Summary
 As of August 31, 2025
 (in thousands)

RATE-BASED UTILITIES ONE-TIME EXPENSES AND INITIATIVES					
	APPROVED	SPENT	REMAINING	EST'D COST AT	
	BUDGET	TO DATE	BUDGET	COMPLETION	NOTES
DEVELOPMENT & INFRASTRUCTURE					
Projects less than \$1M					
Environmental Utilities	705	29	676	705	
TOTAL DEVELOPMENT & INFRASTRUCTURE	705	29	676	705	
TOTAL RATE-BASED UTILITIES ONE-TIME EXPENSES AND INITIATIVES	705	29	676	705	

City of Medicine Hat
City Council Approved Budget Amendments
As of August 31, 2025
(In thousands)

Council Approved Budget Amendments
2025 Operating Budget Amendments:

Approved Date	Description	Business Unit	Department	Budget Amendment		Net Impact	Type	Funding Source	Tax Impact (%)
				Revenue	Expense				
April 7, 2025	Growing Canada's Community Canopies (GCCC) Tree Planting Program ¹	Municipal	Parks & Recreation	\$0	\$3,460	\$3,460	One-time	Government Grant/Operating Reserves	0.09%
April 7, 2025	Property Tax Bylaw Growth Revenue Shortfall ²	Municipal	General Municipal Revenues	\$520	\$0	\$520	Ongoing	Operating Reserves	0.03%
May 20, 2025	Medicine Hat Exhibition & Stampede Preliminary Concept Design ³	Municipal	Fleet & Facilities	\$0	\$250	\$250	One-time	Operating Reserves	0.01%
June 2, 2025	Medicine Hat Women's Shelter Society Grant ⁴	Municipal	Corporate Planning & Performance	\$0	\$1,850	\$1,850	One-time	Operating Reserves	0.09%
June 16, 2025	Regional Emergency Management Plan ⁵	Municipal	People Services	(\$125)	\$125	\$0	One-time	Government Grant	0.00%
July 21, 2025	IBEW Collective Bargaining Agreement Settlement ⁶	Energy Production	Electric Generation	\$0	\$116	\$116	Ongoing	Working Capital	0.00%
		Rate-Based Utilities	Environmental Utilities	\$0	\$42	\$42			0.00%
July 21, 2025	Settlement, Integration & Language Project ⁷	Municipal	Economic Development	(\$332)	\$332	\$0	One-time	Government Grant/Operating	0.00%
Total				\$63	\$6,175	\$6,238			0.21%

Notes:

¹ One-time Operating Initiative for the Parks & Recreation Department's application for the GCCC grant that would provide \$1,709,519 with a City of Medicine Hat contribution of \$1,750,000 funded through reserves.

² Adoption of the 2025 Property Tax Bylaw requires a revision of \$520,000 to generate the municipal tax change of 5.6%, which was approved through the 2025 Municipal Operating Budget.

This is due to physical assessment growth falling below the budgeted 0% change for the 2025 tax year as a result of increased exemptions of both non-profit organizations and farming operations.

³ Preliminary concept design and project costing for reduced north grandstand option for Medicine Hat Exhibition & Stampede.

⁴ Grant application from Medicine Hat's Women's Shelter Society in support of Phoenix Safe House emergency shelter expansion project.

⁵ Update Regional Emergency Management Plan, which specifies local collaboration during a disaster affecting the area, through successful application to Alberta Community Partnerships provincial grant.

⁶ Collective bargaining agreement settlement between the City of Medicine Hat and Local Union 254 of the International Brotherhood of Electrical Workers (IBEW) to reflect wage growth and retroactive pay.

⁷ One-time Operating Initiative for the Economic Development Department's application for the SILP grant through Alberta Jobs, Economy, and Trade.

Government grant funding would provide \$242,572 with a City of Medicine Hat contribution of \$89,676 reallocated from previously approved operating funds.

Council Approved Budget Amendments
2025 Capital Budget Amendments:

Date	Description	Business Unit	Department	Budget Year	Approved Budget	Approved Reallocation	Adjusted Budget	Funding Source	Tax Impact (%)
April 7, 2025	Saamis Solar Detailed Due Diligence ¹	Energy Production	Electric Generation	2025	\$0	\$675	\$675	Energy Transition Reserve	0.00%
Total					\$0	\$675	\$675		0.00%

Notes:

¹ The Saamis Solar Detailed Due Diligence is an important phase of the project development work that is necessary to inform a decision to proceed or not proceed with construction of the overall Saamis Solar project.

City of Medicine Hat
City Manager Approved Budget Amendments
As of August 31, 2025
(in thousands)

**City Manager Approved Budget Amendments
2025 Operating Budget Reallocations:**

Approved Date	Description	Business Unit	Department	Budget Amendment		Net Impact	Type
				Revenue	Expense		
March 18, 2025	Energy Business Review Reallocation ¹	Municipal	City Manager & Managing Directors	\$0	\$35	\$0	One-time
			Corporate Planning & Performance	\$0	(\$35)	\$0	One-time
April 23, 2025	Medicine Hat Public Library (MHPL) Excess Budget ²	Municipal	Other Organizations	\$0	(\$43)	\$0	One-time
			General Municipal Revenues	\$0	\$43	\$0	One-time
May 15, 2025	Alberta Law Enforcement Response Team (ALERT) Police Clerk ³	Municipal	Police Services	(\$90)	\$90	\$0	Ongoing
June 25, 2025	Investment Attraction Strategy & Action Plan ⁴	Municipal	Economic Development	(\$41)	\$41	\$0	One-time
June 26, 2025	Reallocate Increased Service Level Costs from Transit Services to Fleet Services ⁵	Municipal	Community Development	\$0	(\$250)	(\$250)	Ongoing
			Fleet & Facilities	\$0	\$250	\$250	
Total				(\$131)	\$131	\$0	

Notes:

¹ Additional funding was requested to adjust the scope of the current project to add third party financial advice into the draft MCC financial analysis and related business plan.

The added scope will enhance the quality of the information that will be delivered from the project, which will improve confidence in decision making at key stage gate(s).

² As part of the 2025-2026 budget development process, a placeholder of \$2,708,781 for MHPL was included in the City's proposed budget, while the MHPL Board approved 2025 budget request was for \$2,666,103.

Given the timing of the submission and the minimal difference between allocated budget and MHPL's request, the City's proposed budget was not amended prior to being put forward for Council approval.

³ New permanently established position for full-time Police Clerk.

There will be no cost to the City of Medicine Hat as funding for this position will be recovered from ALERT with a three-year commitment in place.

⁴ Amendment of existing funding source from operating to federal grant through successful application to Can Export Community Investments Program.

⁵ Reallocation of increased service level costs pertaining to maintenance, fuel and repairs from Transit Services to Fleet Services.

**City Manager Approved Budget Amendments
2025 Capital Budget Reallocations and Critical Capital Approvals:**

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget	Approved Reallocation	Adjusted Budget	Funding Source
				2025	\$225	\$33	\$258	Internal Loan
March 3, 2025	Unit 11 Turbine Overhaul & Unit 14 Hot Section Replacement (Critical) ²	Energy Production	Electric Generation	2025	\$11,981	\$1,900	\$13,881	Working Capital
				2025	\$5,600	\$1,200	\$6,800	Working Capital
May 12, 2025	Water Treatment Plant Residuals Management Facility Change in Funding Source ³	Rate-Based Utilities	Environmental Utilities	2020	\$7,950	(\$2,590)	\$5,360	Reserves
					\$26,500	\$2,590	\$29,090	Government Grants
May 12, 2025	Reallocate Fleet Growth Capital Budget Requests ⁴	Municipal	Airport	2025	\$550	(\$550)	\$0	Government Grants
			Community Development		\$750	(\$750)	\$0	Reserves
			Municipal Works		\$500	(\$500)	\$0	Reserves
			People Services		\$40	(\$40)	\$0	Reserves
		Rate-Based Utilities	Environmental Utilities		\$50	(\$50)	\$0	Reserves
		Municipal	Fleet & Facilities		\$0	\$1,890	\$1,890	Government Grants / Reserves
July 31, 2025	Trans Canada Trail Accessibility & Inclusion ⁵	Municipal	Parks & Recreation	2025	\$428	(\$35)	\$393	Reserves
					\$0	\$35	\$35	Government Grants
August 25, 2025	Reallocate Land Capital Budget ⁶	Land	Environment, Land & Gas Production	2014	\$4,000	(\$2,398)	\$1,602	Working Capital
				2008	\$400	\$14	\$414	Working Capital
				2013	\$300	\$34	\$334	Working Capital
				2021	\$150	\$2,350	\$2,500	Working Capital
Total					\$59,484	\$3,100	\$62,584	

Notes:

¹ Reallocation of unused budget funds for crisis negotiator communication device (throw phone) to further support firearm replacements.

² Approval to use additional funds from working capital as per Budget Amendment Policy O183 to complete critical turbine repairs.

A Briefing Note will be routed to Council once total costs are known to increase the capital budget by the amount spent.

³ Change in funding source from capital reserve to Municipal Sustainability Initiative (MSI) to utilize remaining unallocated grant funds.

⁴ Reallocation of 2025 Growth Capital budget requests for vehicles, from the Department which prepared the Business Case to the Fleet & Facilities Department, which will be procuring the new vehicles.

⁵ Change in funding source from capital reserve to Trans Canada Trail (TCT) grant funding for engineering design of accessible boardwalk along South Saskatchewan River.

⁶ Budget reallocation focuses on key land development areas and supports initial planning and engineering work in alignment of recently completed Land and Real Estate Strategy.

City of Medicine Hat
Contingency Budget Amendments
As of August 31, 2025
(in thousands)

City Manager Operating Contingency
2025 Operating Budget Amendments:

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
				2025	\$100
March 24, 2025	Medicine Hat Police Services (MHPS) Data Enhancement Grant ¹	Municipal	Police Services	2025	(\$30)
July 28, 2025	Personnel Matter Investigation ²	Municipal	Mayor & Councilors	2025	\$30
				2025	-
Balance - City Manager Operating Contingency					\$100

Notes:

¹ MHPS was successful in Alberta government grant application, which is to be received in the amount of \$60,000 split equally over two years (2025-2026).

The City Manager operating contingency fund will be reimbursed upon receipt of the grant.

² Council authorized to retain and instruct an investigator to provide report to Council as discussed in July 28, 2025 closed session. The invoice has not yet been received.

City Manager Capital Contingency
2025 Capital Budget Amendments:

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
				2025	\$500
Balance - City Manager Capital Contingency					\$500

Capital Grant Contingency
2025 Capital Budget Amendments:

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
				2025	\$500
Balance - Capital Grant Contingency					\$500

**City of Medicine Hat
People Metrics
As of August 31, 2025**

Payment Metric	Number of People	Cumulative Amount (in thousands)
Severance Payments	9	\$ 1,102
Bonus Payments ^{1,2}	42	\$ 532

*1. Bonus payments made in 2025 based on 2024 metrics.
2. Bonus payments are not tax supported.*

Headcount & Union %		
CUPE	872	54.84%
PERMANENT	536	33.71%
TEMPCASUAL	241	15.16%
TEMPSEASONAL	56	3.52%
TEMPTERM	14	0.88%
VACANT	25	1.57%
IAFF_LOCAL263	88	5.53%
PERMANENT	87	5.47%
TEMPTERM	1	0.06%
IBEW_ELEC_DISTRIBUTION	57	3.58%
PERMANENT	47	2.96%
TEMPCASUAL	1	0.06%
TEMPTERM	6	0.38%
VACANT	3	0.19%
IBEW_ELEC_GENERATION	53	3.33%
PERMANENT	52	3.27%
TEMPCASUAL	1	0.06%
NON_UNION_MGMT	253	15.91%
PERMANENT	217	13.65%
TEMPCASUAL	3	0.19%
TEMPSEASONAL	1	0.06%
TEMPTERM	2	0.13%
TEMPWITHBENS	1	0.06%
VACANT	29	1.82%
POLICE	118	7.42%
PERMANENT	100	6.29%
TEMPTERM	7	0.44%
VACANT	11	0.69%
POLICE_SENIOR_OFFICERS	2	0.13%
PERMANENT	2	0.13%
WITHOUT_UNION	147	9.25%
TEMPCASUAL	135	8.49%
TEMPOVPROG	4	0.25%
TEMPSEASONAL	7	0.44%
TEMPTERM	1	0.06%
TOTAL	1590	100.00%

Employment Type Definitions	
Permanent Employee	Generally, an employee hired in a continuous permanent capacity with guaranteed annual hours, and no scheduled end-date of employment. Eligible for all benefits including pension.
Temporary Employee	Generally, an employee hired to assist in peak work periods (including seasonal work) or to relieve for a permanent employee who is on an approved leave of absence, and is subject to layoff at the end of the assignment. If there is an end-date, see Temp-Term definition. The employee may or may not be eligible for benefits. If the employee is eligible for benefits, see Temp With Benefits definition.
Temp With Benefits	Generally, an employee hired to assist in peak work periods (including seasonal work) or to relieve for a permanent employee who is on an approved leave of absence, and is subject to layoff at the end of the assignment. The employee is eligible for benefits.
Temp Term	Generally, an employee hired to assist in peak work periods (including seasonal work) or to relieve for a permanent employee who is on an approved leave of absence, and is subject to layoff at the end of the assignment. There is an end-date to the employee's contract.
Temp Seasonal	Generally, an employee hired to assist in a seasonal capacity, and is subject to layoff at the end of the assignment.
Temp Gov Prog	Generally, an employee hired to assist in a seasonal capacity, and is subject to layoff at the end of the assignment. Funding for the position is provided by the provincial and/or federal government via government grants and programs.
Temp Casual	Generally, an employee hired to assist in peak work periods (including seasonal work), on a part-time or casual basis, and is subject to layoff at the end of the assignment.
Vacant Position	An active position that is unencumbered.

Notes
Headcount is the total number of people working at an organization, including both permanent and temporary staff.
Full Time Equivalent (FTE's) represents how many full-time hours employees have worked. It combines both part-time and full-time workers' hours to figure out how many full-time employees it would take to meet staffing needs.
While each position is usually filled by one person, it is possible for more than one person to hold a portion of an allocated FTE. Therefore, it is possible for headcount to be higher than the number of FTE's in the organization.

EXECUTIVE SUMMARY

RESERVE BALANCES AS AT AUGUST 31, 2025

(in thousands of dollars)

DESCRIPTION	Balance Dec 31/24	Projected Additions	Projected Deductions	Projected Balance Dec 31/25
Operating	35,437	16,614	16,674	35,377
Capital	208,471	13,471	29,789	192,153
Medicine Hat Endowment Fund	207,632	8,091	5,000	210,723
Abandonment Obligations	76,273	2,972	-	79,245
Energy Transition	76,273	2,972	675	78,570
TOTAL RESERVES	604,086	44,120	52,138	596,068
DEFERRED REVENUE	27,961	-	5,690	22,271
UNRESTRICTED CASH	121,731	49,049	-	170,780
TOTAL RESTRICTED & UNRESTRICTED CASH	753,778	93,169	57,828	789,119

EXECUTIVE SUMMARY
CONTRIBUTIONS TO CORPORATE FUND & RESERVES PROJECTED TO DECEMBER 31, 2025

	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2025 Projected
Water	\$ 275,000	\$ (496,000)	\$ 4,258,000	\$ 2,756,000	\$ (1,000,323)	\$ (2,254,000)
Sewer	(4,385,000)	986,000	4,403,000	2,062,000	(1,396,394)	(232,000)
Solid Waste	2,750,000	2,530,000	930,000	(239,000)	1,933,821	2,367,000
Electric Distribution	8,562,000	2,472,000	(716,000)	2,717,000	1,006,161	1,289,000
Gas Distribution	5,076,000	3,823,000	(1,378,000)	162,000	582,783	1,111,000
Rate Based Utilities Subtotal	12,278,000	9,315,000	7,497,000	7,458,000	1,126,048	2,281,000
Land Development & Real Estate	2,447,000	3,776,000	765,000	1,840,000	2,103,173	(404,000)
Land Development & Real Estate Subtotal	2,447,000	3,776,000	765,000	1,840,000	2,103,173	(404,000)
Gas Production	(6,900,000)	(1,721,000)	(1,540,000)	(4,964,000)	(7,108,315)	(7,621,000)
Electric Generation	73,441,000	96,699,000	138,785,000	7,497,000	20,562,573	20,357,000
Energy Production Subtotal	66,541,000	94,978,000	137,245,000	2,533,000	13,454,258	12,736,000
Total Contributions	\$ 81,266,000	\$ 108,069,000	\$ 145,507,000	\$ 11,831,000	\$ 16,683,479	\$ 14,613,000
Allocated As Follows:	2021	2022	2023	2024	2025	2025
Municipal General Fund	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Capital Reserve	76,076,000	38,155,200	73,406,000	-	13,683,479	-
Operating Reserve	1,924,000	20,000,000	40,000,000	8,831,000	-	11,613,000
Medicine Hat Endowment Fund	3,266,000	46,913,800	29,101,000	-	-	-
Abandonment Obligations Reserve	-	-	-	-	-	-
Energy Transition Reserve	-	-	-	-	-	-
Total	\$ 81,266,000	\$ 108,069,000	\$ 145,507,000	\$ 11,831,000	\$ 16,683,479	\$ 14,613,000

Investment Portfolio

\$834.9M
Total Market Value

12
External Investments

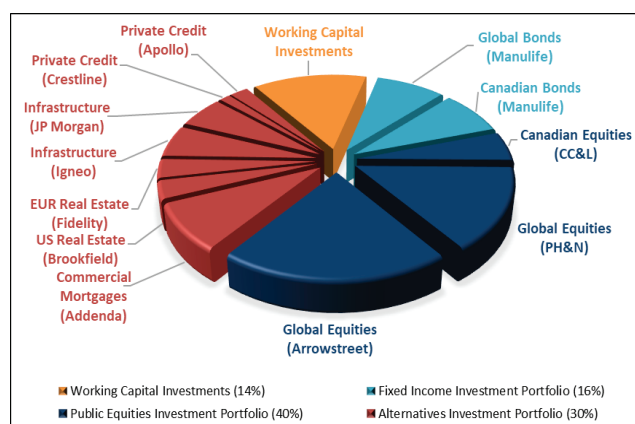
11
External Managers

6.69%
YTD Performance

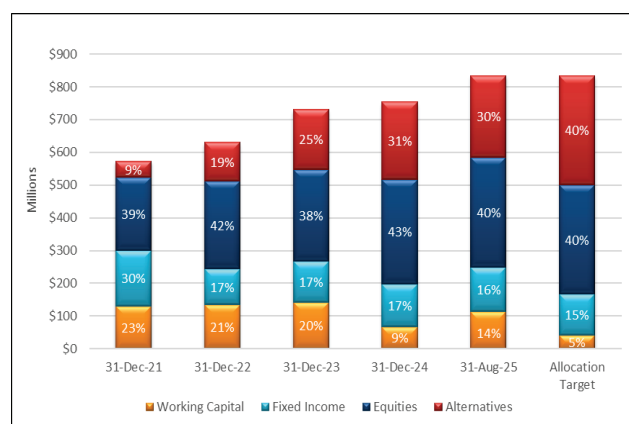
Asset Class	Manager	Market Value	% Total Portfolio	Unrealized Gain/Loss	YTD Return	YTD Benchmark
Working Capital	Internal	\$113,630,544	14%	\$1,549,518	2.28%	1.93%
Canadian Fixed Income	Manulife	\$65,836,375	8%	(\$5,812,926)	1.64%	1.07%
Global Fixed Income	Manulife	\$69,008,787	8%	(\$3,516,21)	4.52%	2.45%
Canadian Equities	CC&L	\$43,222,585	5%	\$6,289,536	15.63%	17.59%
Global Equities	PH&N	\$123,251,974	15%	\$7,302,554	7.19%	8.61%
Global Equities	Arrowstreet	\$170,394,049	20%	\$50,809,969	14.37%	9.13%
Commercial Mortgages	Addenda	\$71,028,472	9%	\$738,523	3.84%	2.69%
US Real Estate	Brookfield*	\$26,692,151	3%	(\$7,337,455)	-5.89%	4.93%
European Real Estate	Fidelity	\$27,925,011	3%	\$308,211	10.92%	4.93%
Infrastructure	Igneo	\$47,279,179	6%	\$4,772,433	1.50%	4.93%
Infrastructure	JP Morgan*	\$46,992,535	6%	\$5,727,622	4.20%	4.93%
Private Credit	Crestline*	\$11,220,355	1%	\$141,118	1.73%	4.93%
Private Credit	Apollo*	\$18,458,026	2%	\$68,502	2.32%	4.93%
Total Portfolio		\$834,940,045	100%	\$61,040,784	6.69%	5.60%

* Performance reporting is on a one quarter lag.

Investments by Mandate



Investments by Asset Class

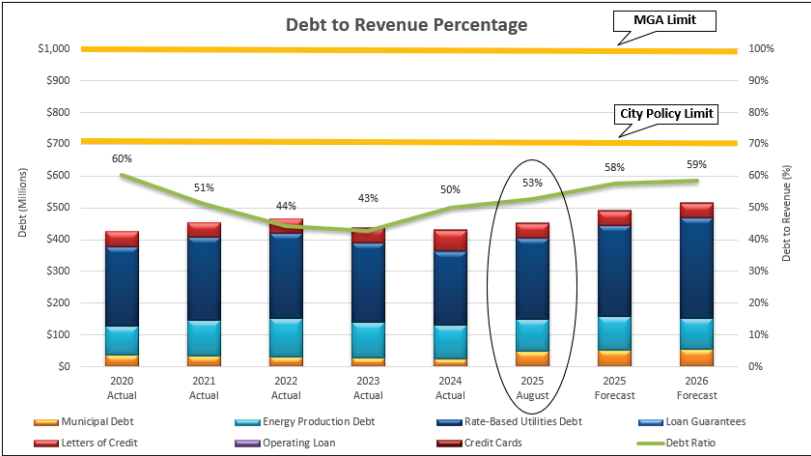


Debt Management

The City of Medicine Hat incorporates debt to finance a portion of its capital program. The use of debt is closely monitored to ensure that the City remains within Municipal Government Act regulations. Outstanding debt has interest payable at rates ranging from 1.79% to 6.25% with an average annual interest rate of 3.44%.

Debt to Revenue Percentage

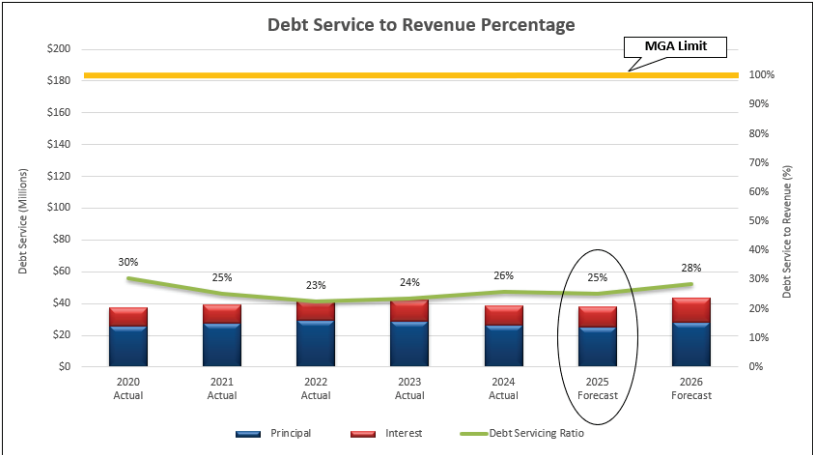
Per the Municipal Government Act, the City is required to remain within the Debt to Revenue Percentage of 100% of 2x revenue. The City’s internal debt ratio goal is to remain under 70%, per Debt Management Policy 0176. On August 31, 2025, the City had debt outstanding of \$451.8 million consisting of \$403.8 million in long-term debt, \$46.5 million in letters of credit, \$0.5 million in credit cards and \$1.0 million in loan guarantees with an overall debt to revenue percentage of 53% of the revenue limit.



- Note:
- 2019-2024 Actual – Based on Audited Revenue and Debt
 - 2025 August – Based on forecasted Revenue and actual Debt
 - 2025-2026 Forecast – Based on forecasted Revenue and forecasted Debt
 - An 18% and 16% respective drop in revenue would result in the Debt to Revenue Percentage reaching the 70% City Policy Limit.

Debt Service to Revenue Percentage

Per the Municipal Government Act, the City is also required to remain within the Debt Service to Revenue Percentage of 100% of 0.35x revenue. On August 31, 2025, the City’s Debt Servicing requirement for 2025 was forecasted to be 25% of the revenue limit.



Hedging

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

Hedge Policy 0159 Compliance Status

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

Gas Operations

- Energy commodities exhibit mean reversion over a long-term time horizon as higher prices drive higher production and discourage demand, eventually leading to lower prices. The opposite is also true as lower prices drive lower supply and eventually lead to an increase in commodity prices.
- Objective: To mitigate commodity price volatility risk by locking in the commodity price on a portion of volume.
- 2025 hedging: Maximum volume permitted to be hedged is set at 25% with the time horizon varying from 6 months to 3 years. The program is reviewed annually and adjusted as required.
- **2025 hedging: No hedges have been executed for this strategy as of August 2025. Hedging volumes will increase the risk, and it was decided in the Q1 2023 hedging meeting not to hedge for now.**

Foreign Exchange

- Strategy: lock in project economics to minimize uncertainty/losses from foreign currency transactions.
- **2025 hedging: Treasury settled two contracts in 2024, one contract in January 2025 and one contract in July 2025. There are currently no outstanding FX hedges.**

GENCO

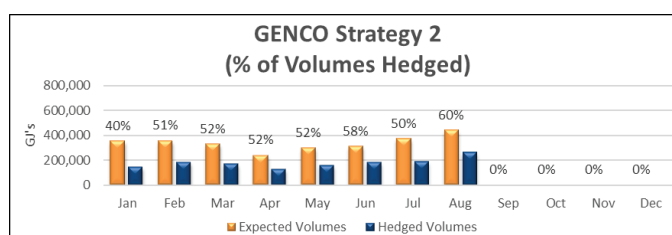
Strategy # 1:

- Protect margins for a portion of demand from large commercial/industrial class customers.
- No hedges have been executed for this strategy so far in 2025.

Strategy #2:

- Lock in margin for a portion of demand for the City's regulated rate option customers.
- 2025 hedging: Maximum volume permitted to be hedged is set at 60% with a time horizon of 30 days from the start of the month. The program is reviewed annually and adjusted as required.

Benefit:
Price certainty achieved on the
52% of volumes that were hedged.



Strategy #3:

- Optimize the City's assets when excess capacity can be sold at a favorable margin (Strategy 3A) and when power may be purchased at a more reasonable cost than internal generation (Strategy 3B).
- 2025 hedging:
 - Strategy 3A: Maximum volume permitted to be hedged is set at 60% with a maximum time horizon of 2 years. The program is reviewed annually and adjusted as required.
 - Strategy 3B: Up to 50% of off-peak requirements permitted to be hedged with a maximum time horizon of 90 days.

Benefit: 6 positions taken for a total of 35,000 GJ and 14,160 MWh executed under this strategy for 2025.

Loans, Guarantees & Letters of Credit

Loans to Outside Organizations

Organization	Loan Initiation (year)	Initial Amount	Balance Outstanding (Aug 31, 2025)	Maturity (year)
Medicine Hat Curling Club	2016	\$140,000	\$89,535	2034
Total		\$140,000	\$89,535	

Loan Guarantees

Organization	Loan Initiation (year)	Initial Amount	Balance Outstanding (Dec 31, 2024)	Maturity (year)
Connaught Golf & Country Club	2013	\$965,000	\$561,427	2034
Medicine Hat Golf & Country Club	2012	\$675,000	\$384,467	2034
Medicine Hat Golf & Country Club	2017	\$100,000	\$38,230	2027
Total		\$1,740,000	\$984,124	

Letters of Credit

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

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