



Medicine Hat

CITY OF MEDICINE HAT

Annual Report

Year ended December 31, 2025



medicinehat.ca

TABLE OF CONTENTS

Corporate Governance

City Council	4
City Administration	4
Mayor & City Manager’s Message	5
Statement of Acknowledgement, Recognition & Respect	5
Boards & Commissions	6
Committees	6
Working Groups & External Appointments	6
Organizational Structure	7

Financial Report

Chief Financial Officer’s Message	31
GFOA Award	31
Risk Management	32
Management Reporting & Control	34
Financial Highlights	35
Demographics & Population	41
Financial Statements	42
Terms & Definitions	44

Strategic Priorities

Innovation	9
Economic Evolution	11
Service Orientation	15
Partnerships & Governance	18
Community Wellness	21
Resilience & Sustainability	27



Residents enjoy a live performance as part of the annual Porchfest. The 2025 edition featured 13 bands at various locations throughout the Southeast Hill neighbourhood.

CORPORATE GOVERNANCE



CITY COUNCIL



MAYOR
LINNSIE CLARK



COUNCILLOR
TED CLUGSTON



COUNCILLOR
BILL COCKS



COUNCILLOR
CHRIS HELLMAN



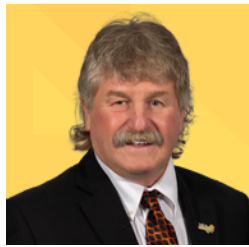
COUNCILLOR
YUSUF MOHAMMED



COUNCILLOR
CHERYL PHAFF



COUNCILLOR
DAN REYNISH



COUNCILLOR
BRIAN VARGA



COUNCILLOR
STUART YOUNG

CITY ADMINISTRATION



INTERIM
CITY MANAGER
JOSEPH HUTTER



DEVELOPMENT & INFRASTRUCTURE
MANAGING DIRECTOR
PAT BOHAN



CORPORATE SERVICES
INTERIM
MANAGING DIRECTOR & CFO
LOLA BARTA



ENERGY, LAND & ENVIRONMENT
MANAGING DIRECTOR
ROCHELLE PANCOAST



PUBLIC SERVICES
ACTING
MANAGING DIRECTOR
LEAH PRESTAYKO



CITY SOLICITOR
BENJAMIN BULLOCK



INTERIM
CITY CLERK
STEPHANIE ZUBRECKI



LINNSIE CLARK

JOSEPH HUTTER

MAYOR AND CITY MANAGER'S MESSAGE

In 2025, the City of Medicine Hat moved confidently into a new chapter – one defined by innovation, renewal, and a shared commitment to building a forward-looking community. From major infrastructure improvements, to strategic steps in energy transition, to strengthened regional partnerships; this was a year marked by thoughtful action and momentum.

One of the year's most high-profile developments came on the energy front. The City received regulatory approval to move forward with Saamis Solar Park, including the development of the first 75-megawatt phase. This step reflects Council and Administration's commitment to diversifying its power sources and preparing for the future of energy in Alberta, as well as reinforcing our position as a leader in municipal energy innovation.

The project continues to evolve in 2026, with City Council approving \$131.5 million to move forward with construction of the 75-megawatt phase of the project, contingent on securing a power purchase agreement with a committed customer before breaking ground.

Demonstrating accountability and transparency to our residents continued to be a priority for City Council. In 2025, the City began publishing regular reports on workforce metrics, senior leadership expenses, and development and building permit application times.

Medicine Hat Economic Development (MHED) marked 2025 as a year of action and advancement. A major highlight was the launch of the Southeast Alberta Economic Opportunity Strategy, developed in partnership with regional municipalities to create a shared roadmap for sustainable economic growth. MHED also released new industry reports offering real-time insights into the aerospace, defence, and manufacturing sectors, helping local businesses and investors understand opportunities and challenges in the region. These efforts were complemented by expanded business supports, and industry-focused events. This strategic, collaborative approach is elevating Medicine Hat's presence provincially and nationally, and ensuring the city is well positioned for long-term economic resilience.

Whether paving the way for sustainable innovation, modernizing public infrastructure, or strengthening regional partnerships, Medicine Hat spent 2025 laying the groundwork for a more connected, sustainable, and economically diverse future. Every initiative shared the same goal: to improve the lives of residents today while preparing responsibly for the opportunities of tomorrow.

> Statement of Acknowledgement, Recognition and Respect

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

Medicine Hat is situated on:

- Treaty 7 and neighbour to Treaty 4 territory
- Traditional lands of the Siksika (Blackfoot), Kainai (Blood), Piikani (Peigan), Stoney Nakoda, and Tsuut'ina (Sarcee) as well as the Cree, Sioux, and the Saulteaux bands of the Ojibwa peoples
- Homelands of the Métis Nation District 2 Battle River Territory



BOARDS

The City's boards consist of varying numbers of members, each with a different focus and meeting cadence, and serve to provide Council and Administration with advice and recommendations.

- Community Vibrancy Advisory Board
- Assessment Review Board
 - » Local Assessment Review Board (LARB)
 - » Composite Assessment Review Board (CARB)
- Medicine Hat Public Library Board
- Subdivision and Development Appeal Board

COMMISSIONS

Commissions act in a regulatory, guidance and support capacity in addition to providing advice and direction for sound governance.

- Combative Sports Commission
- Medicine Hat Police Commission
- Municipal Planning Commission

STANDING COMMITTEES

Standing committees provide ongoing analysis, oversight and recommendations on specific areas of City governance.

- Administrative and Legislative Review and Government Relations Committee
- Audit Committee
- Corporate Services Committee
- Council Employee Committee
- Development and Infrastructure Committee
- Emergency Advisory Committee
- Energy, Land and Environment Committee
- Municipal Names Committee
- Public Services Committee

WORKING GROUPS

Working groups advise and support Administration with a focus on specific tasks and topics.

- Working Group for Accessibility and Inclusion
- Working Group for Heritage Resources

EXTERNAL APPOINTMENTS

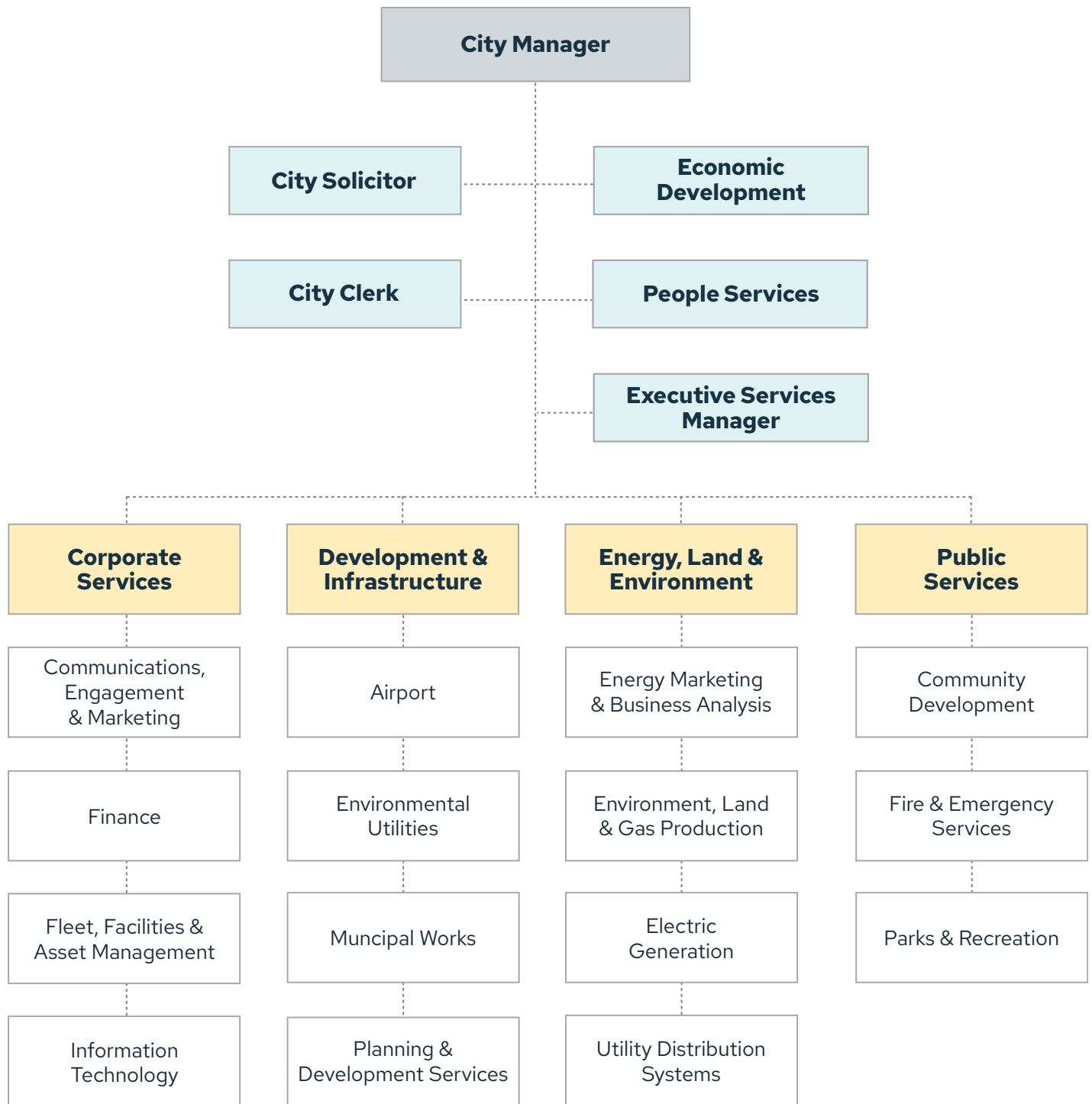
Many members of City Council also represent the City on committees and boards outside of the organization.

- Alberta Municipal Climate Leadership Council
- Chamber of Commerce
- Community Futures Entre-Corp
- Cypress View Foundation
- Friends of Medalta
- Highway 3 Twinning Association
- Inter-City Forum on Social Policy
- Intermunicipal Committee
- Medicine Hat Community Housing Society
- Medicine Hat Exhibition and Stampede
- Medicine Hat Public Library
- Palliser Economic Partnership
- Physician Attraction and Retention
- Regional Drainage Committee
- Shortgrass Library System
- Southeast Alberta Rural Renewal Steering Committee
- Tourism Medicine Hat Committee

Thorough descriptions of the roles, responsibilities, focus and vacancies of each of the City's committees, boards, commissions, working groups and external appointments can be viewed online at:

medicinehat.ca/governance

ORGANIZATIONAL STRUCTURE



STRATEGIC PRIORITIES

The **2023-2026 Strategic Plan** outlined Council's critical priorities and was intended to communicate Council's vision and goals to our community and partners, as well as provide direction to City Administration. **Six strategic priorities** were identified by City Council members as best suited to drive the organization and community forward.



Innovation



Economic
Evolution



Service
Orientation



Partnerships
& Governance



Community
Wellness



Resilience &
Sustainability

City Council's Strategic Plan
can be viewed online at:

medicinehat.ca/reports

STRATEGIC OBJECTIVE ONE INNOVATION



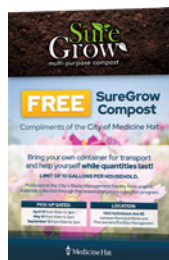
The City's **organizational culture** will encourage and celebrate innovation, creativity, and multidisciplinary collaboration. We will **empower individuals** in our organization and community to **present solutions** to problems.

Highlights of achievement for 2025:

- Received the **Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award** for the 2025–2026 municipal budget document, recognizing the City's excellence in financial planning, clarity, accountability, and communication.
- Offered eight secure **bike parking lockers** for rent in downtown Medicine Hat. This pilot aims to promote cycling as a safe, convenient, and viable mode of transportation by providing a safe place for cyclists to park.



- Hosted three **Free Compost Giveaway** events, offering residents the opportunity to bring a shovel and container and take home up to 10 gallons per household. The SureGrow multi-purpose compost is an all-natural soil amendment produced by the City from materials in the annual organics collection program.



- Earned **KultureCity® Sensory Inclusive™ Certification** for Co-op Place and the Esplanade Arts & Heritage Centre – the first two entertainment venues in Alberta to earn this certification. These venues are now better prepared to assist guests with sensory sensitivities in having the most comfortable and accommodating experience possible when attending an event.



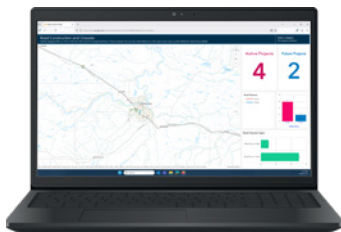
Two Medicine Hat venues became Alberta's first sensory-inclusive certified facilities.

- Launched the **Rec & Ride Youth Pass**, a collaborative initiative between the City and the YMCA of Southeastern Alberta. The initiative provided youth in Medicine Hat and area unlimited access to recreation facilities and transit for just \$50 from June 27 to September 5. A total of 627 youth purchased the pass in 2025.



REC & RIDE PASS

- Enhanced the online **Capital Project and Road Construction and Closures Maps** to provide more information about current and upcoming projects and closures. Projects with notable closures or service disruptions are posted on the map which includes a brief description, planned and actual timelines, approved project cost, and contact information for those wanting to learn more.



Capital Projects Map

Road Closures Map

- **Completed a refresh of medicinehat.ca.**

An accelerated end-of-life date for the previous content management system (CMS) required staff to quickly pivot to accommodate a significant unplanned website project. In less than six months, staff prepared for the transition, maintained the previous site while populating and reviewing content in the new system, and successfully launched the new site, adding improved functionality and modernizing the City's primary communication tool without adding additional staff resources. The website went on to win an Honourable Mention (in Government Websites) at the annual MarCom Awards put on by the Association of Marketing and Communications Professionals.

The project's total cost came in at under \$36,000. Initially quoted at \$80,920, staff were able to renegotiate the price of the project based on the accelerated timeline required by the vendor.

Three subsites administered by the City were transferred and reimagined in the migration (**Co-op Place**, **Medicine Hat Economic Development**, and **Southeast Alberta Municipal Immigration**) while a fourth was created to give **Parks and Recreation** more prominence in accordance with the number of visits it comprises of the website's total.

- Continued with the **Energy Innovation Challenge**, in partnership with Decentralised Energy Canada. Launched in 2023, the program selected three new innovators in the final intake; Take Energy Inc., Aqua-Cell Energy Inc., and Eguana Technologies. They join Arcus Power and Edgecom Energy, whose projects are already underway. The **Energy Innovation Challenge** is a groundbreaking three-year program designed to develop capacity that supports Alberta energy transition and diversifies the energy economy.



STRATEGIC OBJECTIVE TWO ECONOMIC EVOLUTION



We will have a **strong, diversified regional economy** and an economic ecosystem that encourages **entrepreneurship**.

Highlights of achievement for 2025:

- Received approval from the Alberta Utilities Commission to acquire the **Saamis Solar Park** project, giving Medicine Hat the option to build new solar generation capacity – a forward-looking step in local energy strategy. Detailed optimization and business case development continued through 2025. In early 2026, City Council approved a \$131.5 million budget to move forward with the 75 MW phase, contingent on securing a power purchase agreement with a committed customer before breaking ground.
- Received approval to upgrade electrical transmission line from the Alberta Utilities Commission to construct and operate the **East Ring Enhancement Project**. The project will upgrade 24 kilometres of 40-year-old electrical transmission line for a future increase in voltage from 69 kilovolts (kV) to 138 kV to support projected growth in commercial and residential electricity use in Medicine Hat’s service territory.
- Received approval from the Alberta Utilities Commission of the **Medicine Hat Southwest Substation** application (otherwise known as MHS-11). The decision grants approval to construct and operate the substation in the southeast quarter of Section 15, Township 12, Range 6, west of the Fourth Meridian (SE 15-12-06W4) which was identified as the preferred site in the City’s application. The substation is necessary to accommodate electric load growth in the south part of the City.
- Continued progress on the **Accelerated Abandonment Program** by cutting and capping 21 wellbores in 2025, leaving 56 of the most challenging wells remaining for abandonment. Through the year, crews continued decommissioning compressor sites and removing suspended pipeline within City limits. The City received reclamation certificates for 107 abandoned wellsites which officially eliminates the City’s liability and surface lease payments at those locations.
- Assigned the **Clear Horizon Carbon Sequestration Evaluation Agreement** to Imperial Oil Limited. Recognizing the important role that a carbon capture hub would play in retaining local industry partners, the City took the initiative to secure the rights to the project to ensure a hub was considered for the region. The City received approval from the Government of Alberta to assign the project to Imperial, effective February 18, 2025.
- Adopted the **Land and Real Estate Strategy**. This strategy sets a path to maximize the economic, social and environmental benefits of the City’s 5,000-acre land portfolio to accommodate residential, commercial, and industrial growth and community needs over the coming years.



➤ **Explored** the possibility of transitioning distribution and electric generation energy governance to a **Municipally Controlled Corporation (MCC)** with a Rate Review Committee, following an extensive third-party review of the governance structure and overall business philosophy for the City's current energy business. City Council defeated a motion to move forward with the establishment of an MCC, **opting to continue managing** the City's electric generation, electric distribution, gas distribution, and energy marketing and business analysis business units as they are today.

➤ Completed the **Southeast Alberta Economic Opportunity Strategy** in partnership with Cypress County, the County of 40 Mile, the Towns of Redcliff and Bow Island and the Village of Foremost. The strategy utilized funding from the Government of Alberta's Northern and Regional Economic Development grant program and was presented to City Council on January 20, 2025. The **strategy** prioritizes three sectors; aerospace and defence, agriculture and agri-food, and regional tourism, and identifies 17 initiatives.



➤ City Council established the **Southeast Alberta Economic Opportunity Advocacy committee**, a regional body comprised of Medicine Hat, Cypress County, the Towns of Redcliff and Bow Island, the County of 40 Mile, and the Village of Foremost, to create a unified voice for economic development, focusing on boosting key sectors and improving talent retention for a stronger, diversified regional economy.



➤ Held the **Workforce Economics Workshop**, hosted by Medicine Hat Economic Development. This full-day event assisted local employers in effectively recruiting, retaining, and managing quality employees.



➤ Released two **State of the Industry** reports, providing real-time insights into the **aerospace and defence** and **manufacturing** sectors. These studies identified challenges related to workforce, infrastructure and supply chain gaps, and outlined industry validated actionable next steps. The action items provided in the reports were later validated at industry roundtables attended by 26 industry representatives.



➤ Advanced a strong **pipeline of opportunities** with nearly \$4 billion in total project value moved through proposals, negotiations or final decisions for new project proposals, representing **more than 655 potential jobs** across sectors. Expansion proposals added \$224 million and another 600 potential jobs to the pipeline.

➤ Secured a **Settlement, Integration and Language Project (SILP)** grant of \$242,572. The City contributed an additional \$89,676 to support this effort to help address local labour shortages through activities such as the development of a workforce attraction toolkit, promotions, international education credential recognition and other events and activities.

➤ Continued the **City Centre Vibrancy Program**, aimed at supporting local businesses and property owners in enhancing the visual appeal of their commercial space. In 2025 six businesses were granted a total of \$95,000. The Housing Infill and Redevelopment Incentive also continued with seven applicants, \$1,845,000 distributed and 150 new units proposed.

➤ Amended the **Tax Incentive Bylaw 4667** to allow for multi-year tax incentives for multiple unit housing projects in the City and to expand the definition of Multiple Unit Residential Development to include backyard suites and secondary suites. This change aims to stimulate multi-family housing development in the city.

- Launched a **Residential Tax Exemption Program**, providing a municipal tax exemption that would apply to the increase in municipal property taxes resulting from new construction for a specified time period. The property must be located within city limits, must be a newly built multi-unit residential building, and must have received occupancy approval from the City's Planning & Development department. This program will replace the **Housing Infill and Redevelopment Incentive** which had seven applicants, \$1,845,000 distributed and 150 new units proposed in 2025.



RANCHLANDS

- Finalized the sale of **21 Ranchlands Boulevard NE**. The developer is proposing two four-storey buildings, each containing 24 residential units (48 units in total), along with parking to accommodate residents.



The entrance to the Ranchlands neighbourhood, 21 Ranchlands Boulevard NE occupies one of Medicine Hat's most desirable locations. The surrounding area is home to coulee views, walking trails, and Police Point Park.

Throughout the past year, **Medicine Hat Economic Development** actively represented the City's interests through a range of engagements – including hosting, sponsoring, attending, and speaking at key events and initiatives.



In its first full year with a dedicated investment attraction manager, Medicine Hat Economic Development handled a total of **65** investment inquiries. Collectively, these proposals exceed **\$4 billion** in potential value and could generate up to **1,255 jobs** for the local economy.



Quick Facts



Medicine Hat Regional Airport

medicinehat.ca/YXH

- **37,000** aircraft movements, **up 29%**
- **27,000** airline passengers served
- **862** patients transported by fixed-wing air ambulance
- **170+** missions flown by HALO
- **120** active flight training students
- **100+** jobs supported by tenants and service providers



Medicine Hat Economic Development

opportunitymedicinehat.ca 

- **\$95,000** in funds awarded and **six** downtown city centre properties upgraded through the City Centre Vibrancy Program
- **135** employer consultations, **86** job vacancies shared, **124** candidate interviews completed, and **113** endorsement letters issued through Southeast Alberta Municipal Immigration (SAMI) and the Rural Renewal Program
- **\$242,572.63** in grant funding secured via Settlement, Integration and Language Projects (SILP) grants
- **Two** sector strategies prepared (Aerospace & Defence and Agriculture) with **58** stakeholder interviews and **23** support referrals
- **Seven** workshops and events held, **five** events sponsored, and over **100** events attended



Housing Starts

- **92** total residential dwelling permits creating **300** dwelling units combined
 - » **33** single detached homes
 - » **14** duplexes
 - » **One** Tri/four-plex
 - » **41** permits for apartments with 247 units created (includes secondary suites and apartment buildings)
 - » **Three** manufactured homes



Planning & Development Services

- **574** building permits issued
- **502** development permits issued
- **3,632** business licenses issued

STRATEGIC OBJECTIVE THREE

SERVICE ORIENTATION



We will be **intentional** and **proactive**. We will understand and be **responsive** to our community and changing circumstances and people will find it **easy to deal with** the City.

Highlights of achievement for 2025:

- Assumed operations of **animal pound services** following the conclusion of a contract with a third party. The public can expect to see the same standards of care for animals in the facility, and the City will maintain partnership opportunities with groups like the Humane Society (SPCA), vet clinic(s), and other animal services (grooming, daycare, cremation, etc.), for the provision of services.



- Updated the **Parks Bylaw 4859** to align with the Parks and Recreation Master Plan to appropriately manage the popularity of City parks and trails. The updates also address current needs and unique qualities of parks and open spaces, including consideration for societal changes such as drones, e-bikes, and e-scooters.

- Developed **Adaptive Transportation Services Policy 0185**, replacing Accessible Special Transit for Persons who Qualify. The new policy aims to improve the quality, safety and efficiency of the service. The process included a review of paratransit services that involved gathering feedback from clients, drivers, caregivers, agencies, and the public.



- Developed **Land and Real Estate Policy 0188** to replace the Acquisition and Sales Policy. The new policy sets authorization thresholds and guidelines for real estate transactions, ensuring effective and efficient management of the City's land inventory. It aims to strategically meet community needs while balancing adaptability to market conditions and financial sustainability.

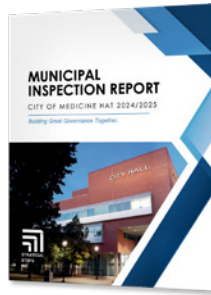
- Launched a **new eTax Portal** to provide residents an easier online option to manage property taxes. Residents can now access account information, choose paperless eBilling for tax notices, view assessment and tax notices, and make payments online. In 2025, 15% of all tax accounts signed up for tax eBilling.



- Identified improvements for **Whistleblower Policy 8046**, including extending eligibility for reporting to include contractors, suppliers, and members of the public; introducing an independent, third-party reporting mechanism that allows for anonymous disclosures; strengthening anti-retaliation protections for whistleblowers; and providing annual, anonymized reporting on the number and types of disclosures received and outcomes to council. The updated policy will come forward in 2026.

➤ Received the results of a **Municipal Inspection** and completed three directives issued by Alberta's Minister of Municipal Affairs:

- report back to the Minister on the City's plan to address the recommendations from the report,
- publish the inspection report on the City's website,
- and have Council, CAO and designated officers complete respectful workplace training.



➤ Completed the first phase of a **Service Level Inventory** to better understand and communicate the resources required to deliver municipal services. The inventory reflects the current state of external services (as of October 2025), and will assist in reviewing, evaluating, and improving services, service levels, processes, and delivery methods to meet community needs. The **inventory** is reviewed and updated annually to ensure it remains relevant and accurate.

➤ Enhanced the **application and approval process** for **festivals and events** in Medicine Hat. A new Festival and Event Application Form launched on the City's website. The updated process streamlines the application process by reducing required forms for event organizers, and improves data collection, accuracy, and efficiency for City departments.

➤ Began publishing **application times for development, building, and trades permits** each quarter on the City's **website**, part of an effort to provide predictable service levels to further strengthen confidence among the development community and all permit holders in Medicine Hat.

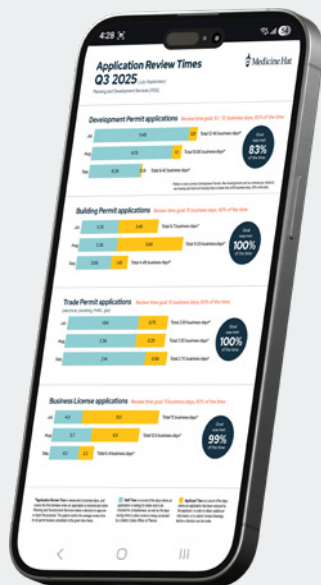
➤ Offered new two-hour, **free parking options** in Towne Square to enhance downtown accessibility.



Improved Access to Information

➤ The effort to make information accessible to the public in convenient ways continues. In 2025 the City began publishing:

- Workforce metrics
- Senior Leadership expenses
- Permit application review times
- Traffic counts



Policy Updates

➤ **New:**

- Public Member Appointments Policy 0187
- Adaptive Transportation Services Policy 0185 (replaced 0141)
- Land and Real Estate Policy 0188 and Procedure 0188 (replaced 0151)

Updated:

- Legal Representation and Indemnification of Council Members Policy 0146
- Budget Amendment Policy 0183
- City Council Remuneration 8043
- Spending and Commitment Authority Procedure 0174
- Car Allowance Procedure 0108
- Heritage Resources Procedure 0144

Quick Facts



Customer Care

- **Customer Satisfaction Surveys** – utility providers must undertake the same survey each year in accordance with the Alberta Utilities Commission (minimum sampling of 400 required)
 - » **95%** Utility Customer Satisfaction with 406 customer responses
 - » **89%** Utility Billing Customer Satisfaction with 480 customer responses
- **67%** of utility billing customers are on eBilling, an **increase of 4%**
- **15%** of tax accounts signed up for new eBilling option
- **33%** of tax accounts use the Tax Instalment Payment Plan (TIPP) to pay property taxes



Media Relations

- Responded to **208** media inquiries
- Sent **148** news releases/advisories



Website

- **524,097** independent website viewers
- **2,291,086** page views
- **8,762** completed online forms



Social Media

Facebook

- **5.9 million** views
- **169,709** page visits
- **1,516** new followers for a total of **24,623**

Instagram

- **107,130** views
- **29,239** reach
- **2,850** profile visits
- **455** new followers for a total of **3,859**

LinkedIn

- **147,649** impressions
- **12,946** page views
- **5,227** unique visitors
- **1,167** new followers for a total of **6,605**

YouTube

- **43,967** views
- **10,811** hours watched
- **241** new subscribers for a total of **1,643**



Fire & Emergency Services medicinehat.ca/fire

- **2,584** emergency incident responses
- Protected and saved **\$30,701,600 out of \$34,352,600** worth of property and infrastructure that caught fire; approximately **89.4%** of damage avoided
- Average response time – **6 minutes 18 seconds**; Council mandates 6 minutes 20 seconds (to get the first engine on scene)
- Read the full [MHFES Annual Report](#)

Medicine Hat Fire and Emergency Services celebrated its 125th Anniversary in 2025, dating back to the formation of the first fire brigade in 1900.



STRATEGIC OBJECTIVE FOUR PARTNERSHIPS & GOVERNANCE

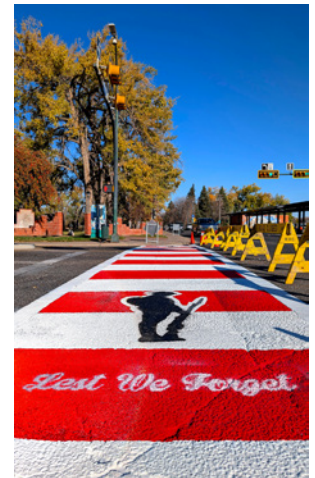


We will **succeed through collaboration** with our community and government partners and be a **trusted partner** in our community and region.

Highlights of achievement for 2025:

➤ Transitioned **residential recycling to a third-party** as part of the provincial Extended Producer Responsibility (EPR) framework. Under this new structure, the responsibility—and cost—of recycling single-use products, packaging, and printed paper shifted from residents to the producers of those materials, aiming to standardize recycling services across Alberta. The program is managed by Circular Materials, a registered Producer Responsibility Organization, which has contracted GFL Environmental for on-the-ground residential recycling collection in Medicine Hat.

➤ Installed a **Veteran’s Crosswalk** between City Hall and Riverside Veterans’ Memorial Park to honour the service of those who fought in the name of peace, and the sacrifice of those who gave their lives defending it. The crosswalk was installed in response to a request from local resident Edward Devine.

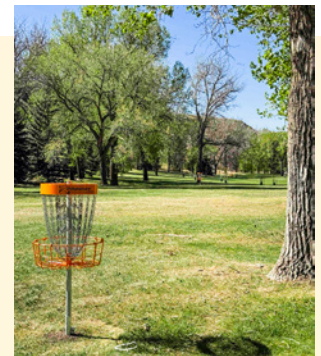
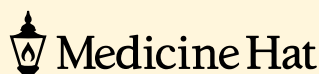


➤ Applied a secondary, commemorative name to a portion of 6th Avenue SE. The designation of **“Commerce Way”** coincided with the celebration of the Chamber of Commerce’s 125 years in operation in 2025.



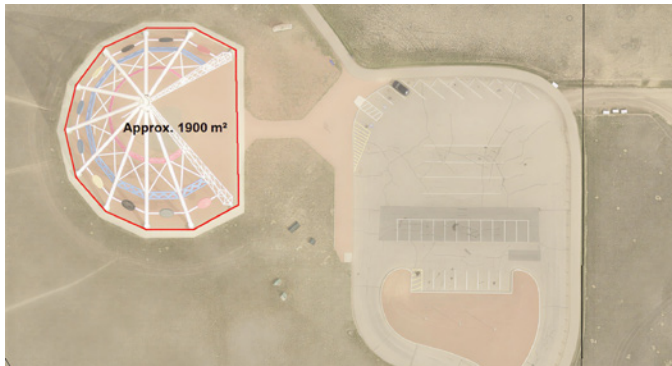
➤ Formed the **Resilient and Inclusive Task Force** – a group of elected officials, City Administration and community partners working collectively to develop and implement strategies and actions to bolster community capacity, enhance community safety and promote social cohesion.

➤ Partnered with **Medicine Hat College** to introduce a **new 18-hole disc golf course**. The course begins on the College grounds and extends into Kin Coulee Park. With this addition, there are now six 9-hole, no-cost disc golf courses available in Medicine Hat.



- The Truth and Reconciliation Recommendations Committee (TRRC) heard from the Indigenous community that the shale dancefloor at the Saamis Tepee was difficult to dance on, especially with moccasins. Parks and Recreation secured funding and partnered with the City’s new public participation specialist to design and implement the **Saamis Tepee Dancefloor Resurfacing engagement project**.

A partnership with Miywasin Friendship Centre placed engagement at the high end of the IAP2 spectrum—collaborate and empower. An Elder-led Indigenous gathering at Ómahksípiitaa, determined a guiding principle for this project was “for Indigenous people, by Indigenous people.” Miywasin has been at the table to influence all decisions, including hiring an Indigenous-led engineering consultant, ensuring the project reflects community priorities.



The City of Medicine Hat’s Public Participation Specialist collaborated with the Miywasin Friendship Centre on the Saamis Tepee Dancefloor Resurfacing Engagement Project, utilizing funds obtained by Parks & Recreation.

- Amended the **Tri-Area Municipal Development Plan**, a joint plan between Cypress County, Town of Redcliff, and City of Medicine Hat. Noteworthy updates include the creation of a new City of Medicine Hat Long Term Urban Growth Area for future urban expansion needs, a Rural Development Area (West-South) that will allow for new multi-lot country residential development opportunities, an Agri/Industrial Area located west of the Medicine Hat Regional Airport, and a Regional Heavy Industrial Collaborative Planning Area in the northwest replacing part of the current Commercial/Industrial Area.



One of Medicine Hat’s Sunshine Trolleys is pictured in front of City Hall. Tourism Medicine Hat operates the trolleys, offering guided tours throughout the city.

2025 Municipal Election

The municipal election – held every four years – took place on **Monday, October 20, 2025.**

The election determined the City of Medicine Hat’s Mayor and eight Councillors, five Trustees for the Medicine Hat Public School Division, and five Trustees for the Medicine Hat Catholic Board of Education, each for a four-year term from October 2025 to October 2029.



A full-time Chief Electoral Officer was hired for the 2025 election to manage the process due to the provincially mandated requirement to hand count ballots. Additional staff (approximately twice the number of previous elections) and the need to maintain a permanent voters list resulted in significantly higher costs than in the past when tabulators were used.

The City of Medicine Hat [website](#) also saw a dramatic increase in traffic as residents were keen to check results that were updated between the election on Monday and the final tally that was required by noon on Friday, October 24.

2025 Municipal Election Facts and Figures

- 6 mayoral candidates
- 39 councillor candidates
- 13 Public School Trustee candidates
- 10 Separate (Catholic) School Trustee candidates
- \$447,877.04** total cost
- 367 staff hired to work advance/election polls
- 49,691 eligible voters
- 37% voter turnout

Voting Methods

- 39% of voters cast their ballot at advance polls
- 57% of voters cast their ballot on election day
- 1% of voters cast their ballot by special ballot
- 2% of voters cast their ballot at a long-term care facility during advance polls
- 1% of voters cast their ballot at a long-term care facility on election day
- 14% of all voters (1,456) who cast their ballot on election day did so at the Big Marble Go Centre, making it the busiest polling station



Residents elected five first-time councillors, along with three experienced candidates who had previously served on City Council.

STRATEGIC OBJECTIVE FIVE COMMUNITY WELLNESS



People will **love** living and being in our City. Our community will be **vibrant** and lifelong residents and newcomers alike, from all walks of life, will feel a sense of **security and belonging** in Medicine Hat.

Highlights of achievement for 2025:

- Adopted the **Community Wellbeing Plan, Momentum**, a strategic document that outlines the community's top goals and priorities around health and well-being. It is made up of specific ideas about how to improve well-being for residents and families.



- Completed public engagement and approved funding for preliminary design work for two major projects: **South-Side Outdoor Aquatic Facility** and **Brier Run Sports Field Development**. Initial engagement results showed strong community support with 81.9% in favour of the South-Side Outdoor Aquatic Facility and 74.8% in favour of the Brier Run Sports Field Development. These proposed projects represent a significant step toward modernizing recreation infrastructure and meeting future community needs.

- A multi-year engagement process, the **Transportation Master Plan** featured internal engagement, a workshop with 14 equity-seeking interest groups, and a public survey. Feedback collected from the public helped to shape the draft plan's guiding principles, action items, potential outcomes, and priorities. Following community feedback, work on this policy document was temporarily paused to focus on additional engagement, an assessment of the 2026 IPSOS Community Survey results, and further consideration of Council.



Participation initiatives give residents a meaningful way to learn, engage, and contribute – building satisfaction and trust in local government. Effective engagement doesn't happen in isolation; it takes coordinated effort across departments to gather broad input and drive real impact.

- Relunched the **Snow Angels** campaign for the first time since 2020 to encourage neighbours to help one another with snow removal, especially seniors and residents with mobility or health challenges. Organized by the City with local partners including Unison at Veiner Centre and the Medicine Hat Police Service’s bylaw enforcement, the initiative enables residents to sign up as a “Snow Angel” to assist neighbours, or request help and display a sign indicating assistance needed.



- Partnered with Volunteer Alberta to host a **free volunteerism learning series** *Rooted in Action - volunteerism learning series* aimed at rejuvenating and educating the volunteer base in the community. The series was hosted by the City, facilitated by Volunteer Alberta, and made possible through funding from the Family and Community Support Services (FCSS) program.
- Formed a focus group to assist in developing an implementation strategy for the **Arts, Heritage, and Entertainment Plan** (AHEP). This marked the first step in this multi-year plan.
- Hosted **Hill Yeah**, a free pool party and barbecue to celebrate the completion of two significant projects in that area of the city: **Division Avenue rehabilitation** and **Hill Pool renovations**.

Division Avenue reopened to the community in June after a year-long project that included pavement renewal, underground utility work, and a ‘complete streets’ design. Hill Pool was renovated with upgraded change room facilities, a new accessible washroom and change room, updated lobby space, new sunshades with solar panels, new perimeter fencing, deck lighting, and more. Hundreds of community members stopped by to enjoy the fun – even in the rain!



- Advanced **Neighbourhood Associations** (NAs). With five NAs developed and another five forming, the program offers event items (tables, chairs, etc.) to borrow and a toolkit to assist residents to start their own NAs, the program hosted 15 events connecting 4,650 people in 2025.

Neighbourhood Association Quick Facts:

- **15** events hosted
- **10** new partnerships developed
- **Five** NAs developed (with another five-six developing)
- **44** lending library items borrowed/used
- **15** community events attended (had info table at or presented at)
- **100%** of people attending NA hosted events said that they would like to attend events like this in the future (330 responses)
- **100%** of people attending agreed that “as a result of Neighbourhood Associations, I am more connected with others in my neighbourhood” (330 responses)
- **100%** of people responding agreed that “as a result of attending neighbourhood events, I have met new people from my community” (89 responses)

- Completed the third year of the **Community Microgrant** program, which offers up to \$500 for small-scale, community building events. Microgrants have ripple effects – increased social connection, reduced isolation, neighbour support, advocacy for local improvements, and stronger community resilience. In 2025, 23 microgrants were awarded, with a total of 1,616 participants.



- Hosted a **National Indigenous Peoples Day celebration** for the community, honouring the enduring presence and profound knowledge of the Siksika, Kainai, Piikani, Stoney Nakoda, Tsuut’ina, Cree, Sioux, Saulteaux, and Métis Nation District 2 Battle River Territory.



- Released a **capital grant application program**, a standardized application and evaluation process to address requests for capital funding from non-profit community organizations. Seeing a significant increase in funding requests over a five-year period, the City saw the need for a framework that would receive and evaluate requests consistently and fairly to ensure City Council is able to make informed decisions.
- Approved a capital grant application from the Medicine Hat Women's Shelter in support of the **Phoenix Safe House emergency shelter expansion** project in the amount of \$1.85 million.

- Medicine Hat Family and Community Support Services (FCSS) awarded \$813,920 in funding from January 1, 2026, to December 31, 2027, to support **six external projects/programs** within the community stemming from the 2025 grant intake window.



- The **Community Vibrancy Grant** awarded \$25,000 total to five recipients in the Community Projects and Activities grant stream, while \$85,000 total was awarded to eight recipients in the Annual Festivals and Events grant stream.

- Hosted the biennial **Community Spirit Awards**, recognizing individuals, groups, teams, organizations and businesses who have made an extraordinary contribution to the community, and who by their dedication, activities and/or accomplishments have enhanced the quality of life in Medicine Hat.



Awards of Excellence

Heart of Medicine Hat:
LaVerne Noble

Change Maker:
Medicine Hat Skateboard Association

Awards of Service

Arts & Culture:
Bev Duke

Community Inclusion:
Davie James
Dan Hager & Julie Lacasse

Compassion:
Shae Fedorak
Paul Carolan

Environment:
Marilyn Kusler

Sports & Recreation:
Glen Mori



LaVerne Noble's longstanding contributions to the senior community made her a worthy recipient of the Heart of Medicine Hat Award of Excellence.



The Medicine Hat Skateboard Association (MHSA), led by president Sam Larsen, received the Change Maker Award of Excellence for their outstanding contributions through innovation, advocacy, and leadership.

Quick Facts



Fair Entry Program

- **509 new** approved household applications
 - » **444** Transit service applicants
 - » **335** Recreation service applicants
 - » **204** Esplanade service applicants
- As of January 1, 2025, applications for Relief Credit on utility bills are no longer accepted



Medicine Hat Transit

- **1,006,961** boardings on regular transit
- **38.6%** of regular transit trips were Fair Entry users
- **15.3** trips per capita on regular transit
- **1.4** trips per capita on adaptive transit



Big Marble Go Centre

- **Over 250,000** paid visits for users
- **Nearly 500,000** visitors through the doors (including rentals, swim and track meets, ice sports games, and events spectators)



Community Warmth

- Total donations: **\$24,369** which provided **25 families with utility assistance**
- **237** utility customers participated in the monthly donation via their utility bill, contributing **\$1,724 per month** to the program
- If you would like to contribute to Community Warmth, visit medicinehat.ca



Adaptive Transit is available for anyone who, due to a physical and/or cognitive disability, cannot use the regular transit service.



The Big Marble Go Centre is Medicine Hat's recreational hub for healthy, active living, offering a wide range of structured and unstructured activities for all ages. It serves as a community gathering space where individuals and families can pursue fitness goals, learn new skills, and connect with others.



Total 100% Beef Hot Dogs sold: **13,292**

- Equal to the full weight of **4.15** mature beef cows.

Twizzlers packages sold: **4,608**

- If you were to line up every piece of Twizzler end to end, they would span **19.8** kilometres.

Candy bags sold: **10,529**

- This is **3,706.2** lbs of candy.

Popcorn sold: **18,679** bags

- This is equal to **27%** of the city's population each buying a bag of popcorn!

Aquafina water sold: **29,904**

- Enough to fill **118** average bath tubs.

Coors Original cans sold: **20,252**

- You would make **\$2,025.20** at the bottle depot if you were to take back those empties.



Main Theatre:

- **71** events took place in the Esplanade Theatre with over **44,000** people in attendance.
- 2025 programming in the Esplanade Theatre spanned the genres of country, folk, rock, classical, dance, jazz, theatre, opera, ballet and more, offering audiences a rich mix of traditional, contemporary, and culturally diverse performances.

Archives:

- The archives saw **11,608** unique visitors to the [online catalogue](#) with an additional **2,000+** inquiries made by phone, e-mail and social media.
- The Esplanade collection includes **1.52 linear kilometres** of paper and photographic records and **399,261** digital assets.



Education:

- **257** education classes were offered to the public with **3,025** participants in attendance.

Galleries:

- The Esplanade developed and presented **17** fine art exhibitions by artists, including **99** Canadian artists, **31** of which were Medicine Hat residents.
- Approximately **1,120** works of art were displayed. **20,107** people engaged with the items in our galleries and collections through **150** presented programs.
- **127,000** visitors to our travelling exhibitions program (TREX) in the SE Alberta region.

STRATEGIC OBJECTIVE SIX

RESILIENCE & SUSTAINABILITY



We understand the importance and **interdependency** of the success of our people, partnerships, environment, economy, and organization to accomplishing our goal of being a **vibrant, sustainable, enduring** community.

Highlights of achievement for 2025:

- Identified **\$2 million in savings** for the 2025–2026 budget. The budget had already included zero increases for inflation over the 2023–2024 budget, and a reduction of \$4.1 million in capital budgets compared to 2023–2024 cycle. The additional \$2 million reduction was comprised of 27% (\$540,000) staffing efficiencies, 73% (\$1,460,000) in administration and support costs from investment management fees, fuel, irrigation, concrete and storm sewer, office training and travel costs, and contracted services.

This reduction represents a tax impact of approximately 2% and ensures that efficiencies are achieved without compromising the quality of services provided to the community.

- The **HAT Smart** residential incentive program supports homeowners and builders looking to pursue water and energy efficiency upgrades. In 2025, HAT Smart distributed \$145,689 to 255 participants through four main initiatives: New Homes, Existing Homes, EnerGuide® Home Evaluations, and Scratch and Win. An additional \$28,710 supported 239 Scratch and Win rebates on low-cost household energy-saving purchases.



- Led a **full-scale evacuation response exercise** at Medicine Hat College, simulating the arrival and reception of evacuees from a wildfire-impacted Northern First Nations community. The drill tested emergency reception processes, inter-agency coordination, culturally sensitive approaches, and a new resource-tracking software tool.



- Completed **LED retrofits** at 12 local facilities as part of an ongoing effort to find operational cost savings and efficiencies within the organization. The effort was made possible through a partnership with the Municipal Climate Change Action Centre's Community Energy Conservation program, funded by the Government of Alberta, which provided \$430,000 towards the project. The project replaced 2,357 lights and updated 883 fluorescent tubes to LED retrofit bulbs and is estimated to save \$97,960 in utility costs annually.

- Received \$1,709,519 from the **Growing Canada's Community Canopies** (GCCC) grant, with the City of Medicine Hat contributing funds through reserves in the amount of \$1,750,000. GCCC is an initiative led by the Federation of Canadian Municipalities' Green Municipal Fund and supports tree planting in communities across Canada to grow, manage, and protect their tree canopies. The City of Medicine Hat's goal is to plant 2,400 trees in public spaces over three years.



- Completed the second phase of the **gas feeder main** installation in Norwood by adding 650 metres of six-inch steel medium-pressure main along Dunmore Road. Once the full project is finished, it will support broader system upgrades in both the Crestwood and Norwood areas by transitioning to modern, long life pipeline materials.
- Continued the multi-year renewal on the **low-pressure gas infrastructure** in the Norwood/Crestwood neighbourhood. In 2025, crews installed 500 metres of new 0.75-inch poly gas line services to 30 customers and 450 metres of new poly gas mains in the area, retiring 1,400 metres of aging 1.25-inch steel gas services and 400 metres of 70-year-old four-inch steel gas mains.
- Updated the **Municipal Servicing Standards Manual** (MSSM), the first refresh completed on the MSSM since December 2015. The MSSM outlines the minimum specifications required for City infrastructure to inform developers and contractors. When infrastructure is built to support growth in the community, Municipal Servicing Standards ensure that it meets the City's mandated level of quality. This allows for cost effective maintenance through the lifecycle of new infrastructure.

- The Parks and Recreation Department paved approximately **5.6 kilometres** of the Heritage Trail Network as part of the annual trail rehabilitation program. The two primary sections of trail repaved in 2025 were along Viterra Trail and South Ridge Trail.

➤ **Capital projects** in City parks included:

- Noble Park upgrade
- Harlow Park rehabilitation
- Palliser Park rehabilitation
- Herald multi-sport court rehabilitation
- Ross Glen multi-sport high board rink rehabilitation
- Lions Park court enhancement



The rehabilitation of the multi-sport rink and court adds yet another distinction to Ross Glen Park, among the city's busiest activity destinations.

- Installed a small **solar array** on the new shade structure at Hill Pool, with support from a grant from the Government of Alberta delivered by the Municipal Climate Change Action Centre's Municipal Electricity Generation Program. The 24 solar panels will generate 12,423 kilowatt-hours of electricity, or about 20 per cent of Hill Pool's annual electrical consumption. The grant provided \$7,560, approximately 20 percent of the installation cost.



Quick Facts



Electrical Distribution

- **0.91** average power outages per customer
- **0.98** average outage duration per customer
- **1.2 hours** average restoration time per outage
- **258.4 MW** peak summer demand
- **223.1 MW** peak winter demand



Environmental Utilities

- **247,922 litres of water** consumed by the public from water bottle fill stations, saving 495,844 average size plastic water bottles - a **28% increase** over 2024 (386,228 bottles)
- **28,018,908 kg** of material diverted at the landfill, including clean fill, contaminated soil and recyclable items such as e-waste, household hazardous waste, paint and more
- **15,701,950 kg of garbage** and **4,042,640 kg of organic yard waste** materials collected by Solid Waste Collections
- **15,594,108 m3 of water** (15,594,108,000 litres) treated by the Water Treatment Plant
- **8,340,940 m3 of sewage** (8,340,940,000 litres) treated by the Wastewater Treatment Plant



Parks & Recreation medicinehat.ca/parksandrec

- **22,139 trees** maintained on public property
- **740 acres** of irrigated turf mowed and maintained by staff
- Approximately **37,000** flowers, perennials and fescue plants grown, planted and maintained by staff each season



Municipal Works

- **2.26 kilometres** of total sidewalk repaired
- **11.3 kilometres** of road rehabilitated
- **28** wheelchair ramps installed
- **2.04 kilometres** of storm system mains replaced
- **8.9 kilometres** of storm lines cleaned
- **3,259** total service requests



A road resurfacing crew laying fresh asphalt on a residential street.

FINANCIAL REPORT



CFO'S MESSAGE



I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2025.

MNP LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 20, 2026.

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

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

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

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

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

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2025. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used compared to budgets and past financial performance, and is divided into seven sections:

- **Introduction** – Provides an overview of the Chief Financial Officer's Report.
- **Canadian GFOA Award for Financial Reporting** – Recognition of high-quality financial reports.
- **Risk Management** – Discussion of risks and risk management strategies.
- **Management Reporting and Control** – Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** – Presents a review of the City of Medicine Hat's activities and financial position for the fiscal year ended December 31, 2025. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** – Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts. The detailed financial reports can be found on medicinehat.ca.

Lola Barta

Interim Managing Director of Corporate Services and Chief Financial Officer

The **Government Finance Officers Association** of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2024, for the 23rd year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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



Risk Management

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

Enterprise Risk Management

The City approved Policy O184 Enterprise Risk Management (ERM) in 2024 which establishes a structured and comprehensive approach to managing risks across the organization. It forms a framework for systematic identification, assessment, and mitigation of risks, ensuring alignment with industry standards to support better decision-making and the City's strategic objectives.

The policy ensures that risk management is integrated into all operations, fostering a culture of risk awareness and resilience throughout the organization. A structured framework has been developed to identify and assign risk events to specific enterprise risks; designate executive sponsors and risk owners; and endorse key controls, which demonstrates the City's coordinated efforts to mitigate identified risks. An ERM committee is in place to provide continuous oversight to ensure regular monitoring and accountability for enterprise risks. Top risks and emerging trends are regularly reviewed, and updates are provided to Audit Committee.

Operational Risk Management

As a result of a continued desire to maintain a cost-effective insurance program, the City has elected to self-insure certain components to reduce overall premium costs while remaining within the City's risk tolerance. This hybrid risk management strategy combines self-insurance with traditional coverage. The City continues to maintain traditional insurance coverage for the majority of the City's major risk exposures that involve third-party property damage or bodily injury and/or damage to City property (buildings/equipment/vehicles), contributing to long-term sustainability of City assets. To accommodate the self-insured components of the insurance program, a dedicated insurance reserve

is maintained (included within the operating reserve) to pay for potential future losses associated with these internally retained risks.

Public Safety

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

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

Fire and Emergency Services also operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island – a regional population of approximately 77,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization, and overall protocol compliance.

Treasury Management

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy O167. In 2015, the City was included by Municipal Affairs in the Major Cities Investment Regulation, which provides access to a broader range of investment opportunities, including publicly traded shares of companies. The regulation expands the investment opportunities for the City's financial reserve funds.

In 2021, the City engaged a consultant to perform a review of its investment portfolio with the objective of assessing the appropriateness of the current asset mix

policy and exploring alternative asset mixes while maintaining an appropriate balance between investment return and risk. The recommendation was to transition the City's investment portfolio from significant fixed income exposure to a more diverse portfolio including fixed income, equities, and alternative investments. This new portfolio has been structured to achieve the City's overall long-term objectives of optimizing investment returns through the investment cycle while maintaining an appropriate level of risk; generating sufficient investment returns to cover annual net spending; capital preservation; as well as conforming to all provincial statutes and regulations governing the investment of municipal funds.

Included in investments are internally managed portfolios of investments in money market and fixed income securities. The City also has external investment portfolios managed by third-party investment managers including Addenda Capital, Apollo Global Management, Arrowstreet Capital, Brookfield Asset Management, Connor, Clark & Lunn Investment Management, Crestline Investors, Fidelity International, Igneo Infrastructure Partners, JP Morgan Investment Management, Manulife Investment Management, and Phillips, Hager & North Institutional. These funds are invested across the following asset classes: Canadian & global fixed income and equities, infrastructure, real estate, commercial mortgages, private credit, and currency. These funds are invested in assets permitted by the Major Cities Investment Regulation.

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

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

Environmental

The Environment, Land and Gas Production department provides corporate support and ensures regulatory compliance with regard to environmental matters. The department completes regulatory activities, supports the operating departments in completing their due diligence with respect to environmental activities, and provides current information on evolving and emerging environmental regulatory requirements. One of the goals is to keep City Council informed of the City's progress in striving for continual improvement in management systems and communication focusing on both compliance and proactive excellence in matters of environmental stewardship.

Market Commodity Prices

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



Utility line workers perform overhead line work on a wooden utility pole. The City of Medicine Hat is the electricity source, transmitter, distributor, and the retailer for the community.

Management Reporting & Control

The following section describes the planning, reporting and audit process.



- 1 Council Strategic Priorities
- 2 Corporate Strategic Objectives
- 3 Business Plans
- 4 Operating & Capital Budgets
- 5 Council Deliberation & Approval

Strategic Planning & Budgeting

City Council developed a strategic plan highlighting priorities, strategies, goals and key results for the planning period 2023-2026. Based on the direction set out in the strategic plan, departmental business plans are prepared. These business plans communicate each department’s alignment with the strategic plan and identify:

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

Budget guidelines and long-range financial projections are developed. Based on these guidelines and departmental business plans, departments develop their budget requests. City Council has approved the adoption of a two-year operating budget with a two-year projection as well as a two-year capital budget with an eight-year projection.

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

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

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

For the 2025-2026 budget period, the City employed a capital ranking process for all departments. This process is intended to ensure that available capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

Accounting

The City of Medicine Hat manages the accounting function in five core divisions: Corporate Services; Public Services; Development and Infrastructure; Energy, Land and Environment; General Government; as well as Medicine Hat Police Service, which is administered through the Police Act.

Each division is responsible for managing the delivery of services in accordance with the resources allocated. All divisions share a common accounting and reporting system. Financial and accounting services are administered under the direction of the Managing Director of Corporate Services and delivered to each division based on requirements.



As part of its 125th Anniversary, Medicine Hat Fire and Emergency Services hosted an Open House at Fire Station 2. Residents had the opportunity to watch MHFES members demonstrate the tools and techniques used by firefighters.

Auditing

The Municipal Government Act requires municipal councils to appoint an independent auditor. MNP LLP was awarded a one-year Audit Contract in 2023 with an option to extend the engagement annually through 2027, subject to City Council's annual reappointment of auditors. City Council approved MNP LLP's appointment for the 2025 audit.

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

The Audit Committee, comprised of three members of City Council, is a standing committee of City Council. Their mandate includes recommending the appointment of the independent auditor, reviewing the terms of the engagement, and overseeing management's responsibilities for financial reporting. The Audit Committee meets with management and the independent auditors to discuss the scope and timing of the audit, to review the auditor's findings and to ensure that management is carrying out its responsibilities.

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



The Audit Committee is responsible for oversight of the appointment and performance of the independent auditor of the City's financial performance, system of internal controls and risk, ongoing financial reporting and any other matters referred to it by Council.

Financial Highlights

Financial Trend Summary 2025

The financial data below provides an overview of key financial information over the past year with prior year comparatives. Readers should review this report in conjunction with the accompanying Consolidated Financial Statements and Note Disclosures located on the City's [website](#).

In 2025 the City experienced higher than expected annual surplus despite the external impact of continued inflationary pressures, market volatility impacting commodity prices, and the Government of Alberta reduction in municipal funding. The higher surplus is primarily due to increased investment income due to higher returns and the recognition of gains as a result of rebalancing the portfolio.

In 2025 the City's municipal budget anticipated an \$11.1 million gap which was funded through financial reserves to achieve a balanced budget. As a result of higher than budgeted investment earnings, municipal operations ended the year with a surplus of \$10.5M, which was transferred to the operating (investment income) reserve. These funds have been set in reserves to offset any future investment losses that may occur. The City continues to focus its efforts on identifying strategic opportunities including revenue growth, cost containment, service level clarity and related adjustments, and leveraging technology and digital innovation to reduce its reliance on the financial reserves to achieve a balanced budget.

As a result of the declining gas and oil commodity prices over the past few years, the City decided to accelerate the abandonment and reclamation of its uneconomic oil and gas properties. The budgeted cost of the program is expected to be \$125 million to be financed through a combination of working capital and reserves (\$45 million) and debenture borrowing (\$80 million). As of year-end 2025, the accelerated abandonment program is substantially complete with almost 2,100 wells fully abandoned and under reclamation. Technical and logistical issues continue to be examined for the remaining wells in the program and abandonment will occur as these issues are resolved. The program ensures the City is fostering the wellbeing of the environment by safely meeting end of life obligations for its energy development activities.

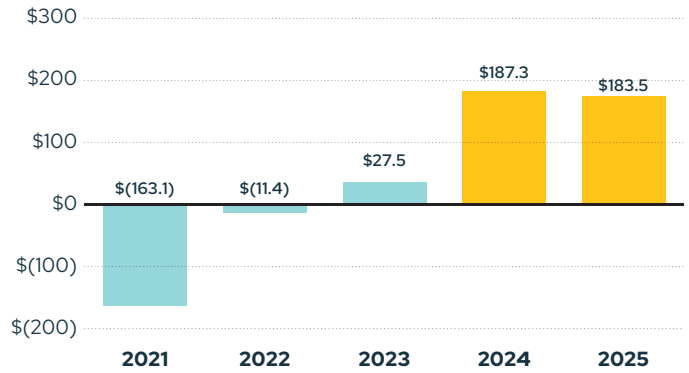
Financial Summary

In 2025, net financial assets declined slightly compared to 2024. Although financial investments grew due to higher financial investment returns, liabilities also increased as a result of new long-term debt borrowings and a higher Asset Retirement Obligation stemming from the recognition of power generation related liabilities during the year. Net financial assets have continued to rise steadily over the past five years, driven primarily by growth in financial investments and reductions in gas production asset retirement obligations.

Consolidated Financial Position	2025	2024
Assets	\$ 907,515	\$ 822,286
Liabilities	724,008	634,991
Net financial assets (debt)	183,507	187,295
Non-financial assets	48,646	55,980
Net tangible capital assets	1,509,289	1,444,919
Total non-financial assets	1,557,935	1,500,899
Accumulated surplus	\$ 1,741,442	\$ 1,688,194

(in thousands of dollars)

Net Financial Assets (Debt)



Consolidated Operating Results	2025	2024
Revenue	\$ 436,033	\$ 428,482
Expenses	420,634	314,546
Subtotal	15,399	113,936
Other revenue	24,498	31,412
Annual Surplus	\$ 39,897	\$ 145,348

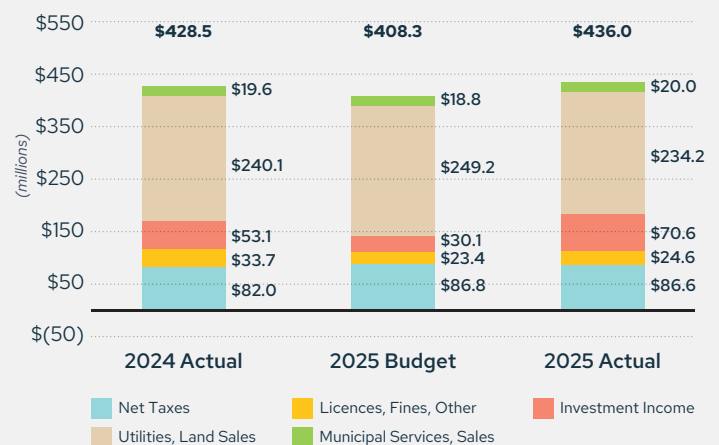
(in thousands of dollars)

The 2025 annual surplus was \$39.9 million primarily related to higher investment income. However, this is less than the prior year primarily due to a large recovery being recognized in 2024 for oil and gas assets. Other revenue represents capital contributions and grant funding used for various capital projects such as building rehabilitations; pedestrian trails and bridge rehabilitation; sidewalk, roads and storm sewer rehabilitation; wastewater treatment facility; and sub-division development.

Revenues

Revenue before capital contributions and grants was \$27.7 million higher than budget (\$436.0 million versus budget of \$408.3 million). This is mainly due to higher than budgeted investment income (\$40.5 million) due to better than anticipated market performance as well as recognition of gains as a result of rebalancing the portfolio. In addition, higher than anticipated land sales occurred throughout 2025 on residential lots (\$2.9 million). This is offset by lower revenue in energy production as a result of lower electric revenues of \$10.3 million and lower gas revenues of \$8.4 million related to lower commodity prices.

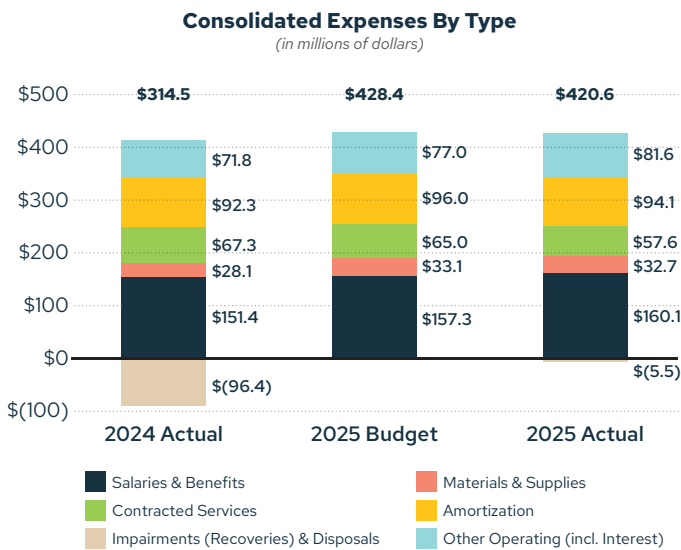
Revenues in 2025 are higher than 2024 revenues by \$7.6 million primarily due to higher investment income offset by lower electric commodity prices.



Expenses

The Consolidated Schedule of Expenses by Object details 2025 actual (\$420.6 million) and budget (\$428.4 million) by expense type. Variances from budgets is primarily related to less than budgeted spending in contracted and general services due to more work being done internally. In addition, there was a \$5.5 million recovery (write-up) in Oil and Gas assets which was not budgeted.

The 2025 actual expenses are higher than 2024 primarily due to recognizing a \$96.4 million recovery (write-up) in 2024 on oil and gas assets. Salaries and wages also increased due to additional staffing required to maintain service levels and to fill previously vacant positions. More work is being completed internally, which has contributed to higher wage costs and reduced reliance on contracted services compared to the prior year.

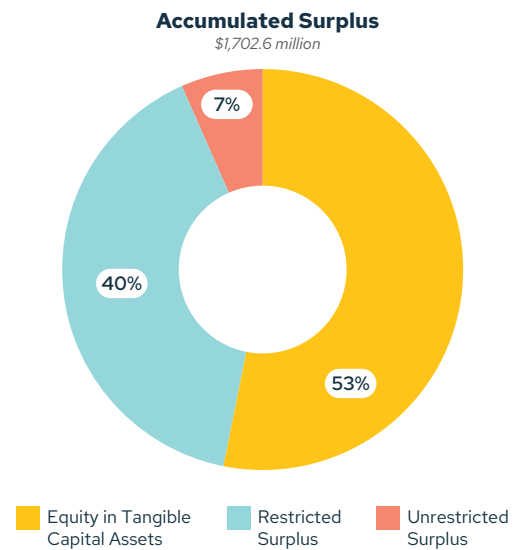


Accumulated Surplus

The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2025, the consolidated fund and equity balances increased by \$39.9 million to \$1,702.6 million. \$111.8 million of the accumulated surplus is unrestricted.

This unrestricted amount is used as working capital to fund day-to-day operating activities of the City. The restricted amount is \$686.1 million and is largely dedicated to capital activities of the organization and the Medicine Hat Endowment Fund.

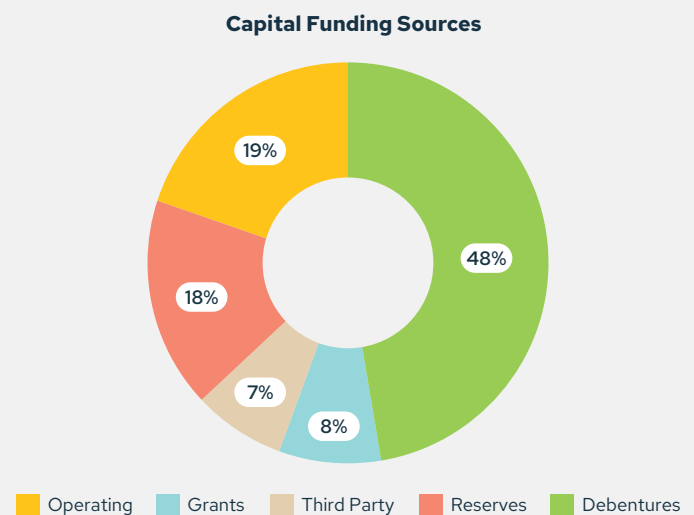
Equity in the City's tangible capital assets decreased by \$39.4 million to \$904.7 million this year primarily as a result of the recognition of energy generation asset retirement obligations and the increase in long term debt borrowing on capital projects.



Capital Expenditures

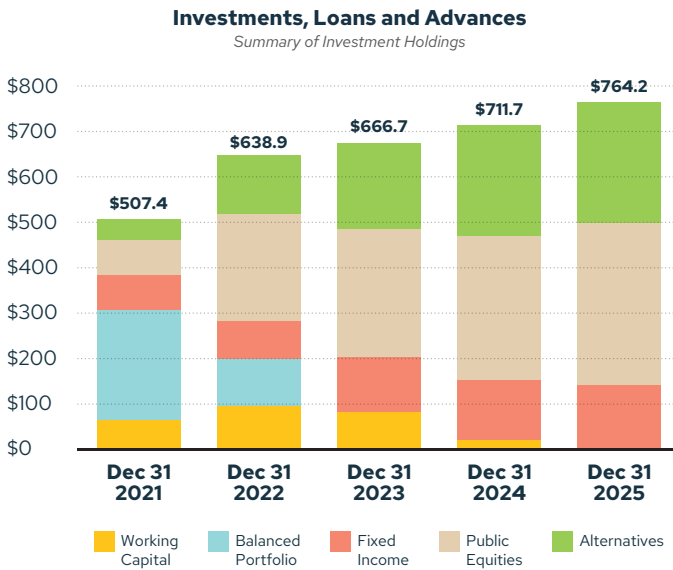
The City's approved 2025 budget for capital items was \$100.1 million. Actual capital expenditures for the year were \$96.1 million plus contributions from developers of \$11.5 million. The current year expenditures also include \$63.8 million for projects carried forward from previous budget years.

The 2025 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as debentures, financial reserves, operating funds, and third-party contributions.



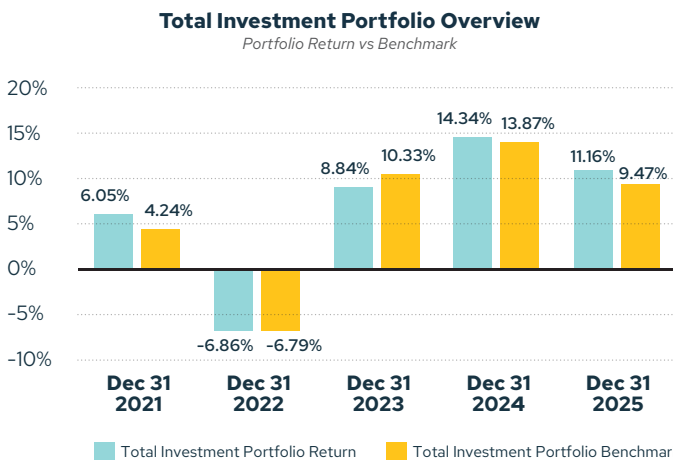
Investments

Investments, loans and advances increased \$52.5 million from 2024 to \$764.2 million largely due to better market performance throughout 2025.



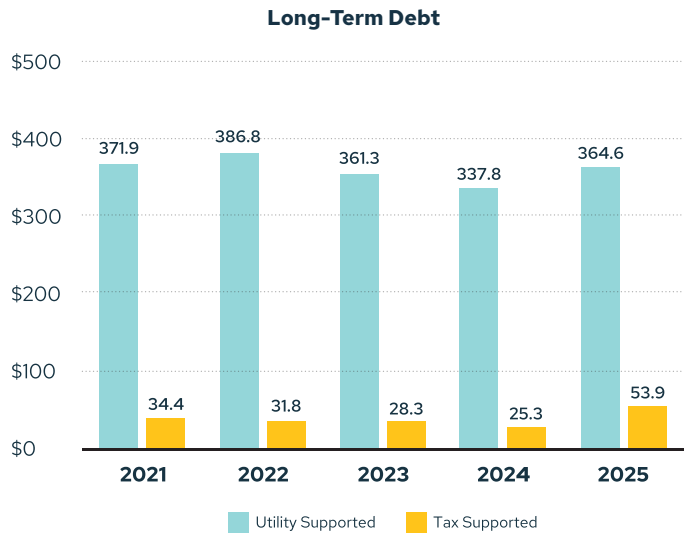
The City of Medicine Hat generated a total investment portfolio return of 11.16% for the year ended December 31, 2025, which is 1.69% higher than the corresponding benchmark of 9.47%.

In 2021, the City approved an update to the Investment Policy to include a new strategic asset allocation consisting of public equities, fixed income, working capital, and alternatives. It is expected that the new investment portfolio asset allocation will earn an average nominal return of 5.5% annually measured over a rolling five-year period. The transition to the new asset allocation is a long-term strategy to optimize the risk-return ratio for the City.



Long-Term Debt

During 2025, total long-term debt increased by \$55.4 million to \$418.5 million as a result of debt issued of \$80.6 million and principal repayments of \$25.2 million.



The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose of these calculations, actual total debt includes long-term debt as well as loan guarantees in the amount of \$0.9 million, credit card debt of \$0.5 million, and letters of credit issued of \$45.4 million.

City of Medicine Hat 2025 Debt Limits

	2025
Debt Limit	\$ 872.1
Actual Total Debt	53% \$ 465.3
Amount Under Limit	\$ 406.8

Debt Servicing Limit	\$ 152.6
Actual Debt Servicing	25% \$ 37.6
Amount Under Limit	\$ 115.0

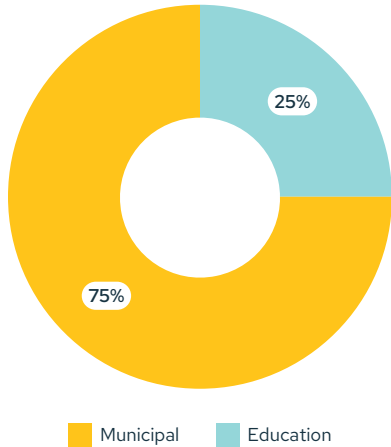
(in millions of dollars)

In accordance with Debt Management Policy (No. 0176), the City of Medicine Hat adheres to a more stringent self-imposed debt limit of 70% of the limit as defined by the Municipal Government Act.

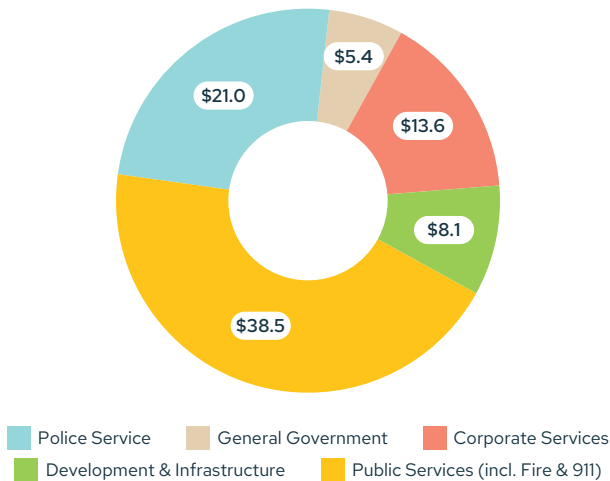
Use of Municipal Tax Revenue

Net municipal property tax revenue of \$86.6 million is used to fund the consolidated general fund operating expenses of \$218.2 million. Other revenue sources mainly include investment income, sales of services, government grants, fees and permits.

Where municipal property tax dollars went in 2025



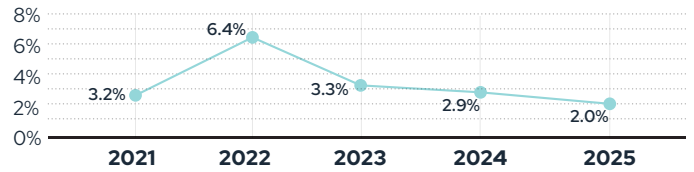
Use of Municipal Tax Revenue (in millions of dollars)



Economic Indicators

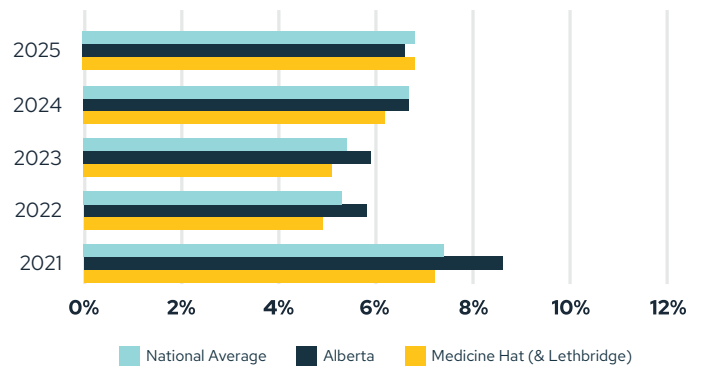
Over the past five years, Alberta has experienced slower Consumer Price Index (CPI) growth as housing costs have risen more moderately than in other provinces due to stronger supply and less pressure on rents and home prices. Price increases for goods have also eased as supply chain conditions normalized following earlier disruptions from the pandemic. Additionally, food inflation has moderated from prior highs, contributing to more subdued overall price growth across the province.

Alberta Consumer Price Index (CPI) (all items)



The Medicine Hat–Lethbridge region ended 2025 with a 6.3% unemployment rate, compared to a 6.8% annual average. Alberta and Canada averaged 6.7% and 6.8% respectively. Local increases reflect labour force growth outpacing available jobs, most likely influenced by shifting immigration policy and a broader economic slowdown.

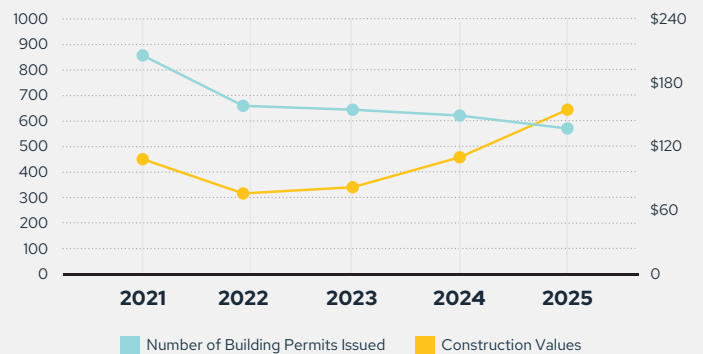
Unemployment Rate (annual average)



Number of Building Permits Issued and Related Construction Values

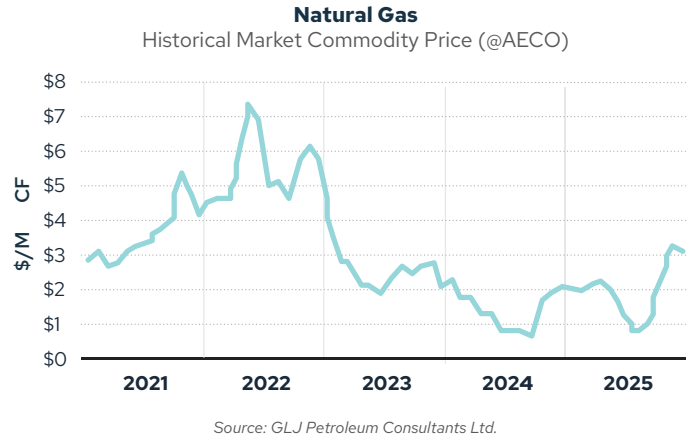
In 2025, the number of building permits issued decreased to 574 primarily due to a decrease in new development. The related estimated value of construction in 2025 saw an increase from prior year to \$152 million due to higher construction values.

Building Permits and Construction Values



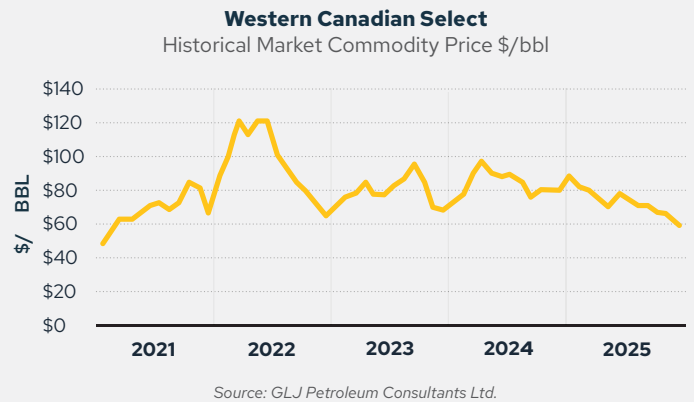
Gas

Natural gas prices for 2025 averaged \$1.61/GJ, which is higher than last year but still below historical norms. A record low price of \$0.33/GJ occurred in September due to an oversupplied market and limited pipeline capacity caused by outages and constraints in the Fort McMurray region. Overall, Alberta’s natural gas pricing remains heavily influenced by regional pipeline bottlenecks and restricted egress. While the introduction of LNG Canada represents an important step toward expanding market access, sustained price recovery above \$3.00/GJ will require additional takeaway capacity beyond what is currently available. Until further infrastructure is in place, in province demand alone will not be sufficient to support materially higher price levels, and pricing is expected to remain sensitive to transportation constraints.



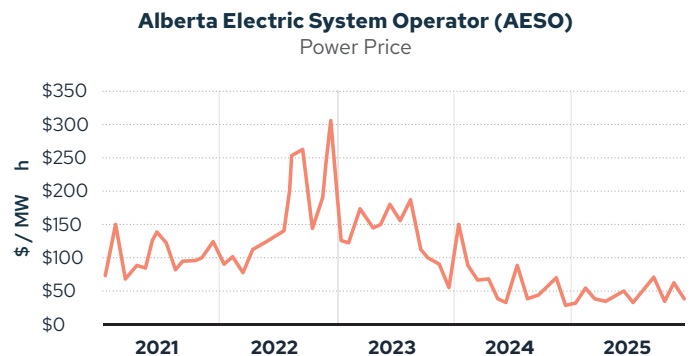
Oil

Oil prices have declined slightly in 2025 but have remained stable compared to the fluctuations seen in prior years. With political unrest in the Middle East and South America, oil prices have seen extreme volatility in the beginning of 2026. Market sentiment is for oil prices to settle back to the \$65-\$70/bbl range. City of Medicine Hat has limited oil exposure. There are only two remaining oil wells in service as the Manyberries field is currently in the abandonment and reclamation stage.



Power

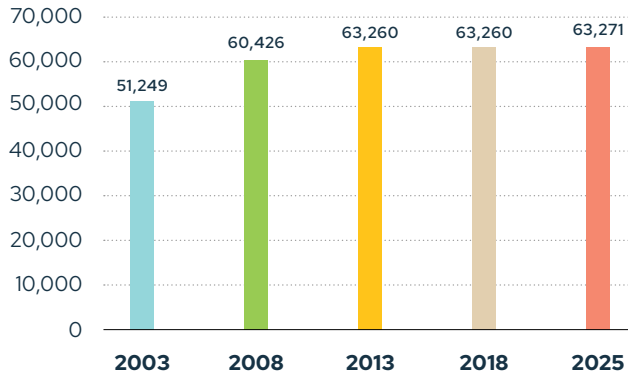
Power prices in 2025 continued to trend lower and are trending back to 2016 price levels. System Marginal Price (SMP) ended 2025 at \$43.68/MWh which is a \$19.06/MWh drop from 2024. The additions of renewable generation, coupled with other supply sources outpaced new demand. Alberta is currently in a state of potential demand growth with lower power prices than most other jurisdictions in North America. Forward forecasts are showing a slight price movement but should stay in the \$45-\$60/MWh range in 2026.



Demographics & Population

Population

Data from Canadian Census



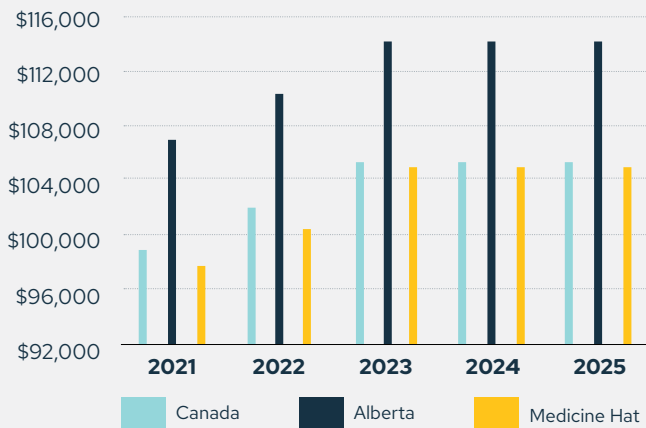
Note: Figures for 2025 reflect population figures for 2023 as data is not yet available

Population Age

Data from Canadian Census

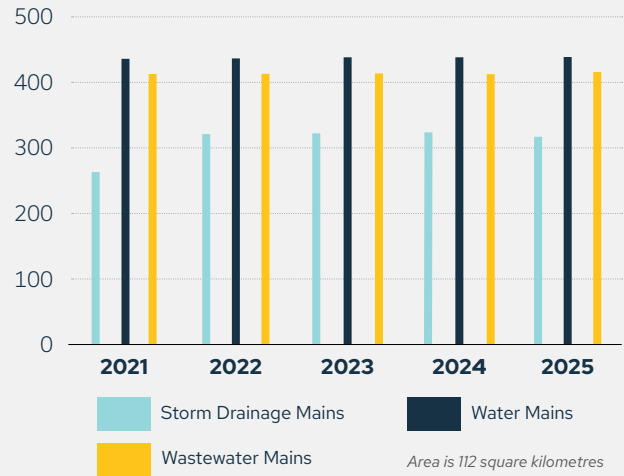
	Medicine Hat	Alberta	Canada
0-14	10,635	809,640	6,012,795
15-24	7,075	498,505	4,215,230
25-34	7,420	598,725	4,940,345
35-44	8,555	646,610	4,910,750
45-54	7,330	540,540	4,672,520
55-64	8,985	539,390	5,218,910
65-79	9,775	486,680	5,319,491
80+	3,496	142,535	1,701,940
Total	63,271	4,262,635	36,991,981

Household Median Income



Note: Figures for 2024 and 2025 reflect total income figures for 2023 as data is not yet available

Mains (km)



Largest Corporate Tax Payers in Medicine Hat

- > Medicine Hat Mall Inc
- > The Meadowlands Development Corporation
- > Skyline Retail Real Estate Holdings Inc
- > South Country Co-op Limited
- > Canadian Tire Properties
- > Avenue Living (2014) GP Ltd
- > Cancarb Limited
- > Chinook Village Housing Society
- > Wal-Mart Canada Corp
- > Royop (Southlands) Development Ltd

Largest Employers in Medicine Hat

- Public**
 - > Medicine Hat Regional Hospital
 - > City of Medicine Hat
 - > Medicine Hat School District
 - > Medicine Hat College
 - > Province of Alberta
- Private**
 - > South Country Co-op (all locations)
 - > The Real Canadian Superstore
 - > Canadian Pacific Kansas City
 - > Wal-Mart
 - > Goodyear

City of Medicine Hat
Budgeted Full Time Equivalent (FTE) - Employees

	2024	2025
General Government	77.0	74.4
Corporate Services	203.8	203.8
Public Services	391.4	400.1
Police	159.5	164.5
Energy, Land & Environment	193.4	186.9
Development & Infrastructure	236.0	235.0
Total FTEs	1,261.1	1,264.7

Note: In 2024, the City of Medicine Hat changed the methodology from tracking the numbers of positions from Permanently Established Positions (PEPs) to Full Time Equivalents (FTEs). This data is not available prior to 2024.



Community Development staff gather at a downtown summer event.

Financial Statements

Consolidated Statement of Financial Position (unaudited)	2025	2024
Assets	\$ 907,515	\$ 822,286
Liabilities	724,008	634,991
Net financial assets	183,507	187,295
Non-financial assets	48,646	55,980
Net tangible capital assets	1,509,289	1,444,919
Total non-financial assets	1,557,935	1,500,899
Accumulated surplus	\$ 1,741,442	\$ 1,688,194
Accumulated surplus consists of the following:		
Accumulated Operating Surplus	1,702,646	1,662,749
Accumulated Remeasurement Gains (Losses)	38,796	25,445
Total Accumulated Surplus	\$ 1,741,442	\$ 1,688,194

As at December 31, 2025 (in thousands of dollars)

Consolidated Statement of Operations (unaudited)	2025 Budget	2025	2024
Revenue	\$ 408,300	\$ 436,033	\$ 428,482
Expenses	428,364	420,634	314,546
Surplus (deficiency) of revenue over expenses			
before other revenue	(20,064)	15,399	113,936
Other revenue			
Capital contributions and grants	18,073	24,498	31,412
Annual surplus (deficit)	(1,991)	39,897	145,348
Accumulated Surplus (beginning of year)	1,662,749	1,662,749	1,517,401
Accumulated Surplus (end of year)	\$ 1,660,758	\$ 1,702,646	\$ 1,662,749

For the year ended December 31, 2025 (in thousands of dollars)

Note: The consolidated statement of financial position and the consolidated statement of operations don't agree because of the accumulated measurement gains.

Consolidated Statement of Change in Net Financial Debt (unaudited)	2025 Budget	2025	2024
Annual surplus	\$ (1,991)	\$ 39,897	\$ 145,348
Acquisition of tangible capital assets	(110,114)	(107,588)	(113,985)
Decrease (increase) in tangible capital assets	-	(38,881)	115,326
Amortization/Impairments/Recoveries/Disposal of assets	88,089	82,063	(10,497)
	(24,016)	(24,509)	136,192
Acquisition/consumption of inventories and supplies	(1,774)	(1,774)	(453)
Net acquisition of land held for future development	469	279	(1,735)
Acquisition/consumption of prepaid assets	8,865	8,865	(14,216)
Accumulated remeasurement gains (losses)	-	13,351	39,975
	7,560	20,721	23,571
Increase (decrease) in net financial debt	(38,739)	(3,788)	159,763
Net financial assets, beginning of year	187,295	187,295	27,532
Net financial assets, end of year	\$ 148,556	\$ 183,507	\$ 187,295

For the year ended December 31, 2025 (in thousands of dollars)

Consolidated Statement of Cash Flows (unaudited)	2025	2024
Net inflow (outflow) of cash related to the following activities:		
Operating		
Annual surplus	\$ 39,897	\$ 145,348
Non-cash items included in annual surplus	30,766	103,119
Non-cash items relating to capital and investing activities	13,351	39,975
Non-cash changes to operations (net change)	42,524	(128,898)
Cash provided by operating transactions	126,538	159,544
Cash applied to capital transactions	(95,174)	(112,275)
Cash used by investing transactions	(52,433)	(45,061)
Cash provided (used) by financing transactions	55,384	(26,536)
Change in cash and equivalents during the year	34,317	(24,328)
Cash and cash equivalents, beginning of year	42,058	66,386
Cash and cash equivalents, end of year	\$ 76,373	\$ 42,058

For the year ended December 31, 2025 (in thousands of dollars)

Consolidated Statement of Remeasurement Gains and Losses (unaudited)	2025	2024
Accumulated remeasurement gains (losses), beginning of year	\$ 25,445	\$ (14,530)
Unrealized gains (losses)	48,683	76,083
Realized gains (losses)	(35,332)	(36,108)
Net change in remeasurement gains for the year	13,351	39,975
Accumulated remeasurement gains (losses), end of year	\$ 38,976	\$ 25,445

For the year ended December 31, 2025 (in thousands of dollars)



Winter in Medicine Hat transforms the landscape with delicate hoarfrost and a South Saskatchewan River that stubbornly resists freezing over entirely.

Terms & Definitions

Accumulated Surplus

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

Amortization of Tangible Capital Assets

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

Annual Deficit

Expenses exceed the revenues.

Annual Surplus

Excess of revenues over expenses

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

Cash Equivalents

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

Impairments

Expenses recorded to reduce the value of assets when the assets are worth less on the market than the carrying value listed on the company's balance sheet. Reversal of impairments or recoveries are recorded when factors or circumstances that triggered the original impairment have changed.

Loss (Gain) on Disposal of Tangible Capital Assets

Reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than (less than) the net proceeds on disposal, there is a loss (gain) on disposal.

Net Financial Assets

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

Net Financial Debt

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



Medicine Hat's railway yard as seen from the North Flats in early fall colours.



Medicine Hat

CITY OF MEDICINE HAT

Annual Report

medicinehat.ca



CITY OF MEDICINE HAT • 580 FIRST STREET SE • MEDICINE HAT, AB T1A 8E6

We acknowledge that Southern Alberta is situated on the traditional lands of the Siksika (Blackfoot), Kainai (Blood), Piikani (Peigan), Stoney Nakoda, and Tsuut'ina (Sarcee) as well as the Cree, Sioux and the Saulteaux bands of the Ojibwa peoples. We also honour and acknowledge that we are on the homelands of the Métis Nation District 2 Battle River Territory. Medicine Hat is situated on Treaty 7 and is neighbour to Treaty 4 territory.