

2023-2024 Budget Report

January 2023
Medicine Hat, Alberta



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Budget Overview

Budget Overview:

Message from the CFO



The Government Finance Officers Association (GFOA) awarded the City of Medicine Hat the **Distinguished Budget Presentation Award** for the fiscal year beginning in 2019.

[Click here for more information.](#)

It is my privilege to introduce the City of Medicine Hat budget for 2023 and 2024.

This budget is focused on balance: (i) achieving the needs of the community as defined through the priorities and aspirations of Council, and (ii) ensuring stable revenue and continued fiscal sustainability.

Underpinning the budget are four broad objectives:

- Reflect and advance Council's strategic priorities as approved by Council on June 6, 2022
- Preserve high quality municipal and utility services valued by residents as reflected in the recent IPSOS Community Survey of August 2022
- Provide competitive property tax rates and utility rates as reflected in the recent 2021 survey of Property Tax & Utility Charges prepared by the City of Calgary
- Balance financial sustainability while maintaining organizational health as outlined in the Council Strategic Plan

A central theme throughout this budget includes an intentional and strategic investment in assets of the City, including:

- investment in our people assets to strategically restore staff levels in key priority areas to a sustainable level to preserve the current level of City service to the community that residents enjoy and are expecting as well as to advance Council's priorities, and
- investment in our physical assets (143 projects worth \$197 million) to increase our efficiency and maximize value in new and rehabilitated buildings, structures, utility infrastructure, roads, sidewalks and trails, and vehicles.

Municipal revenues include an annual base property tax increase of 4% (plus 1% for new construction growth) not only to offset municipal inflation, but also to meet regulatory and compliance requirements, support and improve organizational health and culture as well as respond to Council's strategic plan. Property taxes are a necessary component of municipal revenue used to fund services to the community such as: police and emergency services, parks, roads, trails, pools and rink facilities and related programs, culture and entertainment, transit, and library.

Our utility business is focused on ensuring sustainable long-term infrastructure to effectively deliver natural gas and electricity as well as water, sewer and solid waste services to customers within the City's service area at competitive rates while meeting or exceeding industry standards. Further, our integrated commodity business is facing a significant change and requires a strategic

view on how the City will transition to a decarbonized market in the future. To that end, we continue to optimize the natural gas generation assets and develop and implement an energy transition strategy.

We are in a different position today than we were just a few years ago in 2018. Prudent corporate decisions have moved us towards a bright future:

- reducing our well counts from 4,500 to 800 since 2018 resulted in largely eliminating our annual losses from the production of oil and gas (approximately \$30-50 million), and
- changing our investment policy to enhance investment returns in combination with greater amounts under investment (from profits from our commodity business) resulted in markedly increased expected investment income.

This has allowed us to fund a strategic investment of \$75M into our Heritage Saving Reserve to further secure the future for the residents of this City.

Our treasury management remains prudent (debt, portfolio investments and financial reserves) and has contributed to a strong and growing balance sheet which allows us to meet future challenges and fund our future capital requirements, obligations and strategic opportunities.

I want to acknowledge the commitment and dedication of the entire City team including Administration and Council in preparing this budget and providing value to the residents of Medicine Hat.

A handwritten signature in black ink, appearing to read 'Dennis Egert'.

Dennis Egert CPA, CA
Managing Director
Chief Financial Officer



City of Medicine Hat:
City Council



Linnsie Clark
Mayor



Robert Dumanowski
Councillor



Cassi Hider
Councillor



Darren Hirsch
Councillor



Allison Knodel
Councillor



Andy McGrogan
Councillor



Ramona Robins
Councillor

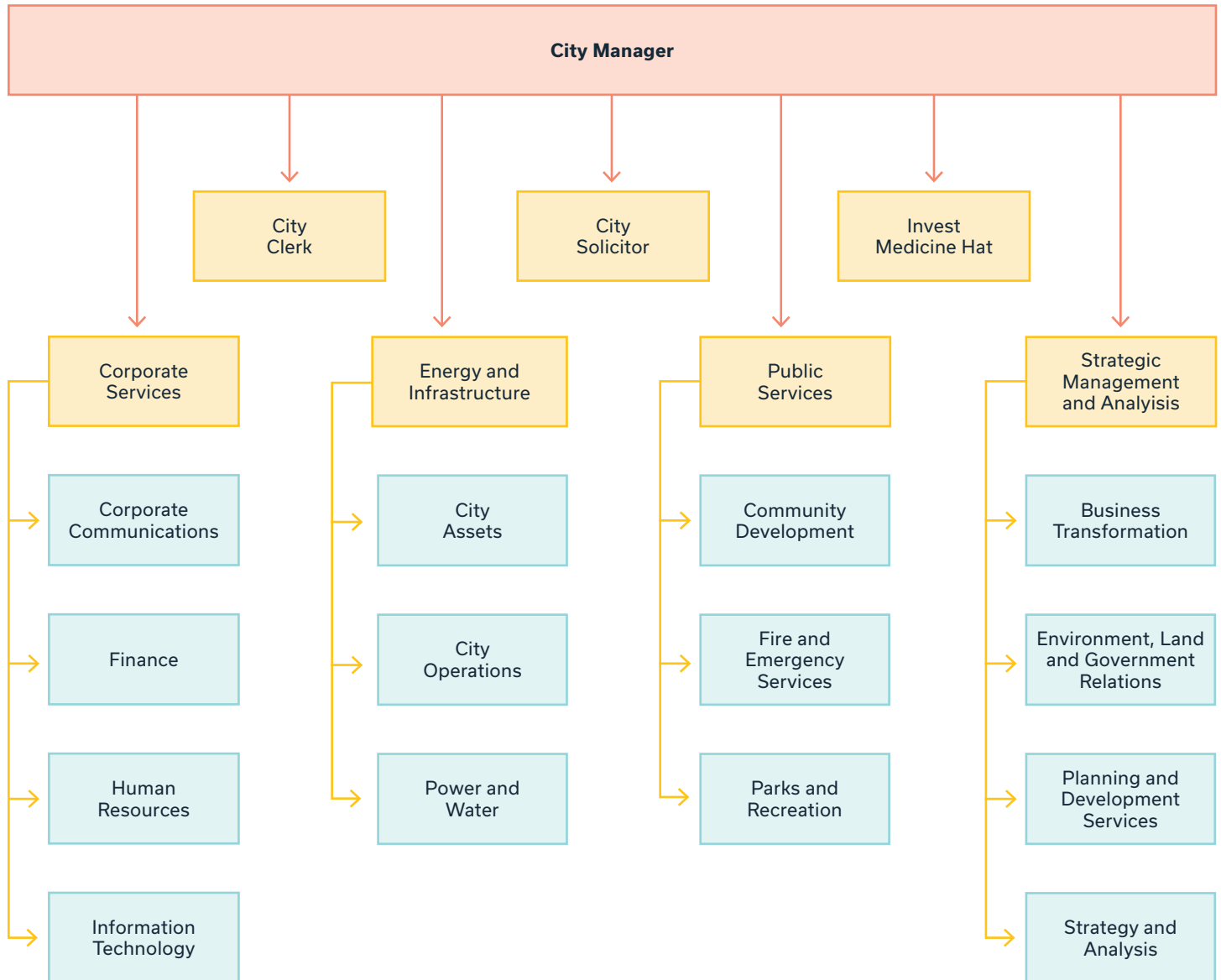


Shila Sharps
Councillor



Alison Van Dyke
Councillor

City of Medicine Hat Organizational Structure



City of Medicine Hat: Employment Information

Forecast as of August 10, 2022

Permanently Established Positions 2020-2026	2020	2021	2022	2023	2024	2025	2026
General Government	36	24	25	26	26	26	26
Corporate Services	201	149	155	163	164	164	164
Public Services	275	257	258	270	270	270	270
Police Services	150	148	148	153	153	153	153
Invest Medicine Hat	9	8	8	8	8	8	8
Strategic Management & Analysis	20	79	85	87	87	87	87
Energy & Infrastructure	313	359	354	354	354	354	354
Development & Infrastructure	83	-	-	-	-	-	-
Total Permanent Positions	1,087	1,024	1,033	1,061	1,062	1,062	1,062

A total of 29 positions were added in the 2023-2024 Budget:

GENERAL GOVERNMENT

City Solicitor

1

new position

Frontline position with focus on policy analysis.

CORPORATE SERVICES

Corporate Communications

2

new positions

Frontline positions to support and focus on internal communications and public participation

CORPORATE SERVICES

Human Resources

6

new positions

Frontline positions to support organizational development and corporate health and wellness.

CORPORATE SERVICES

Information Technology

1

new position

Frontline position to support cybersecurity requirements and measures.

PUBLIC SERVICES

Community Development

-1

position

One position reduced due to Seniors' Center now being operated by third party

PUBLIC SERVICES

Fire & Emergency Services

7

new positions

Positions required to comply with NFPA standards. Will ensure each platoon has appropriate number of firefighters to meet current demand and provide sufficient coverage.

PUBLIC SERVICES

Parks & Recreation

6

new positions

Three frontline positions required to support the business innovation team. Three positions required to assist with leadership and guidance.

POLICE SERVICES

Police Services

5

new positions

Positions to provide support in crime analysis, legal services (criminal lawyer), inspection, system administration and information technology

STRATEGIC MANAGEMENT & ANALYSIS

Planning & Development

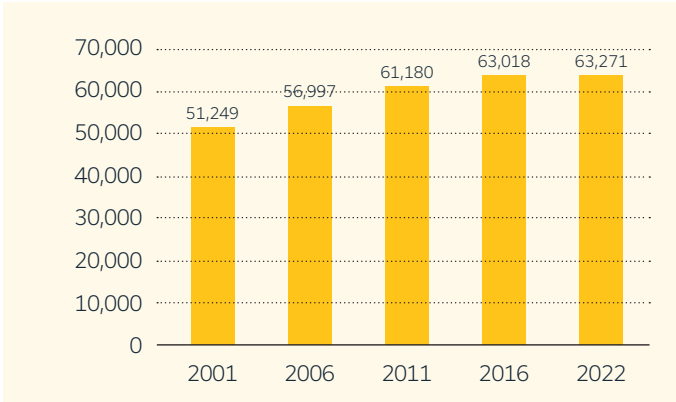
2

new positions

Positions added to support developer relationships and ensure compliance.

City of Medicine Hat:
Statistics & Demographics

POPULATION



POPULATION AGE

	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

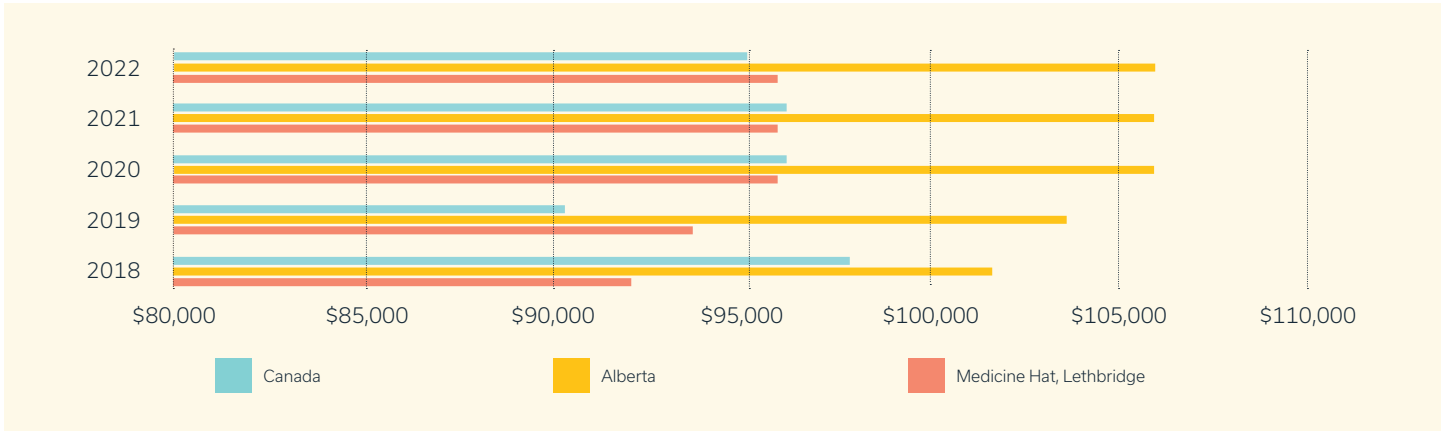
LARGEST CORPORATE TAX PAYERS IN MEDICINE HAT

Aurora Sun (2105657 Alberta Ltd)
Boulevard Real Estate Equities Ltd
Canadian Tire Properties Inc
Cancarb Limited
Chinook Village Housing Society Development Corporation
Medicine Hat Mall Inc
Skyline Retail Real Estate Holdings Inc
South Country Co-op Limited
Wal-Mart Canada Corp

LARGEST EMPLOYERS IN MEDICINE HAT

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

HOUSEHOLD MEDIAN INCOMES



Note: Figures for 2021 and 2022 reflect total income figures for 2020 as data is not yet available.

Strategic Planning Process: Strategy & Budget Planning



Strategic Planning Process

The strategic planning process begins with the development of City Council's strategic priorities. City Council develops the mission and vision for the City, laying down a set of strategic priorities that consider both external and internal factors and advance the City towards its desired future-state. Council establishes or refreshes its strategic priorities every four years within the first budget cycle of its term (See Council Strategic Priorities).

In response to City Council's strategic plan, executive leadership prepares the City's corporate strategic objectives and directs the preparation of two-year departmental business plans. These business plans communicate each department's alignment with Council's strategic plan and executive leadership's corporate strategic objectives and identify:

- the department's mandate, structure and core activities;
- departmental outcomes, including performance metrics and indicators;
- key objectives to support the achievement of each outcome; and,
- initiatives to support key objectives.

Based on these business plans, the departments complete their budget requests.

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

After Council has approved business plans, departments work with employees to establish workplans to meet departmental business plan goals and objectives.

The City monitors budgets and progress on strategic initiatives on a monthly basis. The City publishes a publicly available tri-annual report every four months detailing budget,

actual, and forecasted results. Individual employee workplans are reviewed by supervisors and managers with employees on a quarterly basis.

Corporate strategic objectives have been incorporated into departmental business plans and may evolve over time with Council priorities.

Budget Development

Key Budget Assumptions

The City of Medicine Hat utilizes a combination of bottom-up and top-down budgeting techniques. The budget process begins with the top-down approach; executive leadership recommends key budget assumptions that identify (1) costs that are widespread across the entire organization and (2) pressures external to the organization that Executive does not have control over (e.g., increasing interest rates).

During the 2023-24 budget cycle, executive leadership directed the application of the the following assumptions into the City's budget:

Revenue Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Property Tax Revenue (base 4% + assessment growth 1%)	5.0%	5.0%	5.0%	5.0%
User fees and charges increase	4%	4%	4%	4%
Investment income annual growth	3%	3%	3%	3%
Municipal Consent and Access fee increase	\$2M	\$1M	-	-

Expense Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Managed manpower rate (as % of salaries and wages)	(4.2%)	(4.2%)	(4.2%)	(4.2%)
Benefit rate (as % of salaries and wages)	20%	20%	20%	20%
Municipal inflation increase	4%	4%	4%	4%
Salaries and wages increase	2.5%	2.5%	2.5%	2.5%
Cost of borrowing increase	1%	2%	3%	3%

Operating Budgets

Using the key budget assumption process, executive leadership establishes a preliminary expectation of the cost for the budget years to continue business as usual. This provides the proper baseline for discussions about adding new services or initiatives that might be included in the department's business plans.

After the preliminary budget has been developed with the incorporation of key budget assumptions, departments are then able to request adjustments. There are two primary mechanisms for these adjustments:

- 1) Salaries and wages review; and,
- 2) Incremental operating budget adjustments.

Within the salaries and wages review, departments review their staffing compliment and modify or add new positions to the budget request.

Within the incremental operating budget adjustment process the department will review their budgets on a line-by-line basis and make adjustments as required. These adjustments are related to one of the following:

- Correction of a budget error
- New business plan initiatives or services
- Service level changes
- Reorganization or administrative changes

The result of this process is a budget that reflects both the top-down key budget assumptions of the executive leadership and the bottom-up adjustments and requests made by the departments. The budget is then ready to be analyzed, scrutinized, and sent for approval by senior leadership.

The 4-year operating forecast (2-year budget plus 2-year projection) is developed in conjunction with the above process.

Capital Budgets

Capital budgets requests are compiled by the departments to sustain current operations and deliver on the objectives identified in the departmental business plan. The City uses a ranking methodology, designed to turn qualitative benefits into an objective scoring system. Departments, in conjunction with their project requests, must rank their projects based on a ranking criteria to arrive at a score.

Projects and their relative scores are amalgamated across the entire city and all business units to determine the priority of project spending. The ranking committee will then review requests and compare with available funding to determine a list of recommended projects to include in the budget request. The capital budget is then ready to be sent for approval by senior leadership.

The 10-year capital plan (2-year budget plus 8-year forecast) is developed in conjunction with the above process.

Review and Approval

All budgets must move through several layers of approval:



At any stage in this process the reviewer can scrutinize the budget and request adjustments. The ultimate approval is City Council, who conducts a public review of the budget.

According to the MGA requirements, City Council must approve the budget before January 1st of the budget year.

Council will host several publicly televised meetings to discuss and scrutinize the budget. During this period of time questions posed by the public and Council to the City's Executive are made available on the [City's website](#). City Council approves operating budgets at the fund-level, including the approval of rates for utilities, services, and taxes. City Council also approves the capital budget at the project level and applicable funding sources.

After budget deliberations, City Council will request any adjustments required to the budget and then vote on its approval. If approved, the City will then use the approved budget and the related business plans to develop individual work plans and goals for its employees in order to execute on the business plan initiatives.

¹ 2022 and 2023 Inflation estimates were calculated based on economic forecasts from 5 of Canada's leading financial institutions during the period of March through June 2022. 2024 estimates were not available from these financial institutions and therefore the city based its 2024 forecast on the Government of Alberta's estimated inflation forecast in its 2022-23 budget.

Strategic Planning Process: Strategy & Budget Calendar

Budget Amendments

Amendments to the budget can happen throughout the year during a budget update or the next budget cycle. If necessary, a department can request a budget amendment through the budget amendment process. A budget amendment could be triggered when there is a(n):

1. Change to scope of a project or services;
2. New capital project requiring funding;
3. Additional funding required to complete a project;
4. Change in funding source needed.

Budget amendments require either Council or City Manager approval. Council must approve an increase in the operating or capital budget, including associated funding sources. In addition, Council must approve an increase in debt, but does not need to approve a decrease in debt.

The City Manager can approve budget amendments if there is no overall increase to debt, capital or operating and:

- Budget is redirected between divisions, departments, or subdepartments within the same fund;
- There is a proposed reduction to debt;
- A project is being deferred to a future year;
- There is contingency funding available for the project;
- A new project is being proposed that will use budget within an infrastructure rehabilitation program or other generic capital program.

Managing Directors and Directors can approve budget amendments if the change is between departments or subdepartments within their authority and none of the above issues above are triggered for Council or the City Manager.



High level timelines to support the execution of the 2023-26 strategic planning and budget cycle process are as follows:

January to March	City Council prepares strategic priorities
March to April	Department prepares business plans in alignment with Council's strategic priorities
May	Managing Directors review business plans Budget assumptions and key principles approved by City Council
May to June	Departments prepare capital plan; ranking committee and submit Tangible Capital Asset (TCA) and Major Operating Expense (MOE) projects to the TCA/MOE Ranking Committee
July	TCA/MOE ranking committee returns results to financial planning analysts and departments
July to August	Operating budget prepared by Directors
September	Executive Leadership reviews 10-year Capital Plan and operating budgets
October to November	Operating and capital budgets are reviewed with appropriate standing committee(s)
December 5	City Council review and approval of utilities and commodities operating and capital budgets Rate bylaw first reading
December 19	City Council review and approval of municipal operating and capital budget Rate bylaw second and third reading
Spring 2023	City Council approval of 2023 municipal tax rates

Strategic Planning Process:

Financial Policy Summary

The City of Medicine Hat is required to conform to certain legislation, bylaws, and city council policy when preparing its budget. These documents establish the basic framework for what is required to maintain accountability, transparency, and sustainability within the organization.

The City also seeks to benchmark its budget process against industry best standards and are guided by the principles established by the Government Finance Officers Association (GFOA).

The 2023-24 budget presented in this budget package complies with relevant legislation, bylaw, and financial policies.

Legislation

Municipal Government Act

The Municipal Government Act (MGA) is the guide to how municipalities operate, and is one of the most significant and far-reaching statutes in Alberta¹. It regulates how municipalities are funded and how as local governments they should govern and plan for growth. Section 242 through 249 of the Act specifically outlines the requirements for budgeting. Some rules in the Act include²:

- Operating and capital budgets must be passed before January 1st (242(1) and 245));
- Operating budgets cannot run a deficit (243(3));
- A city cannot have an accumulated deficit equity position (before considering equity in tangible capital assets) (244(1));
- No municipality can pass a property tax bylaw or business rate bylaw until the operating and capital budgets have been adopted by council (247);
- Municipalities can only spend what is authorized in the budget, except in the case of a legal or emergency matter (248 (1)); and,
- Council is responsible to establish procedures to authorize and verify expenditures that are not included in the budget (248(2)).

Alberta Utilities Commission

The Alberta Utilities Commission (AUC) is an independent, quasi-judicial agency of the province of Alberta that has a responsibility to ensure that customers receive safe and reliable electric and gas utility service at just and reasonable rates³.

The AUC is primarily responsible for regulating rates for electric, gas, water utilities as well as renewable power generation. Utility

rates present a unique economic challenge since most utility providers have a natural monopoly over the utilities for their region. The AUC seeks to protect customers from excess prices by regulating how much return on equity a municipality is allowed to earn from its utility clients. As such, the City's utility rates are governed by City Council and align with Alberta Utility Commission (AUC) regulations that establish the formula for calculating utility rates.

Bylaw

Heritage Savings Reserve (Bylaw No. 4422)

The Heritage Savings Reserve is the City of Medicine Hat's endowment for the long-term benefit of the citizens of the City. The reserve has been established to ensure the financial sustainability of the City into the future to assure that the citizens of Medicine Hat continue to receive high quality services and amenities.

The Heritage Savings Reserve Bylaw establishes the rules surrounding that endowment to assure that it continues to grow and is protected against inflation. These rules have certain interactions with the budget, including:

- Every year the City must transfer 20% of its remaining Free Cash Flow from Land (Invest Medicine Hat), Utilities and Commodities after considering capital and operating reserve requirements, therefore this free cash flow cannot be budgeted for other purposes;
- Once money has been transferred to the endowment it cannot be withdrawn or used for other budgetary purpose; and,
- The City is only able to budget to spend investment earnings from the Heritage Savings Reserve when those earnings exceed CPI inflation.

City Council Policy

Tax Discount Rate and Penalty Rate Policy (Policy No. 0120)

The Tax Discount Rate/ Tax Penalty Rate Policy provides a reasonable, reliable and consistent approach to determine on an annual basis, a recommendation for tax discount rates and tax penalties.

Debt Management Policy (Policy No. 176)

The Debt Management Policy provides principles and guidance for debt funding of municipal, Invest Medicine Hat, utility, and commodities capital projects.

¹ Municipal Government Act review | Alberta.ca

² The summary of MGA rules shown here is a paraphrased for the readability and are not meant to represent legal opinion or the interpretation of Courts or Legislators.

³ Distribution rates - AUC

*Subsidy Levels and User Fees for
Public Services Policy (Policy No. 0160)*

Provides a systematic approach to establish users fees for public services such as admission fees for the use of public facilities like the Big Marble Go Centre. Therefore, this policy guides the establishment of anticipated operating revenues the City can expect for user fees.

Investment Policy (Policy No. 0167)

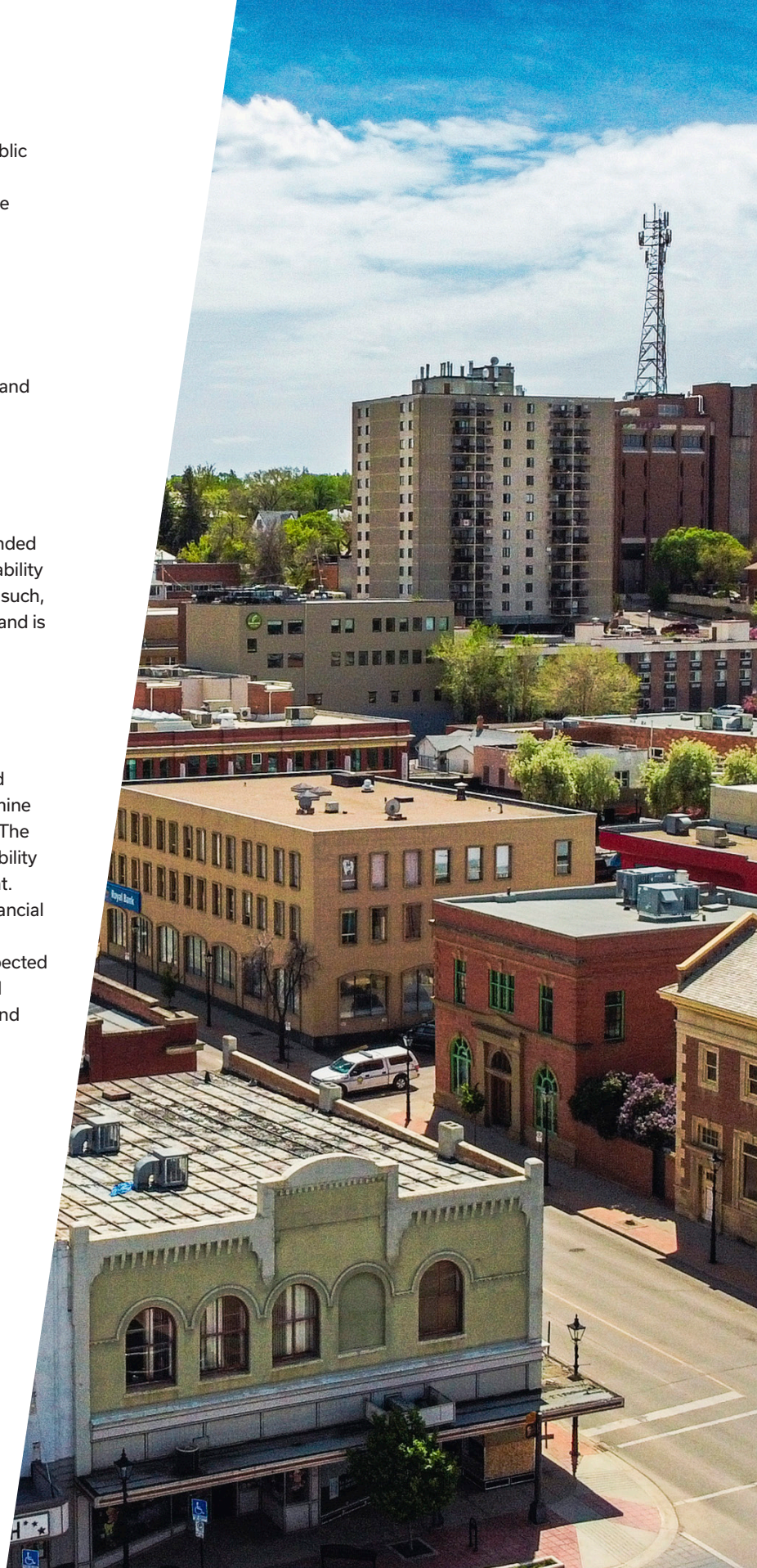
The Investment Policy provides guidance for the investment of funds in permitted capital markets to maximize returns at a prudent level of risk in accordance with all provincial statutes and regulations governing investment of municipal funds.

Financial Reserves Policy (Policy No. 0168)

The Financial Reserves Policy establishes the standards and guidelines for the City's prudent administration of financial reserves. The policy dictates how financial reserves will be funded and utilized for the purpose of providing sustainability and stability to the City's finances while facilitating long-term planning. As such, the maintenance of financial reserves is guided by this policy and is a central component of the budgeting process.

Distributable Funds/Dividend Policy (Policy No. 0169)

The Distributable Funds/ Dividend Policy establishes the procedures for calculating free cash flow from the City's for-profit business units: Land (Invest Medicine Hat), Utilities, and Commodities. The free cash flow calculation is used to determine the dividend that for-profit business units will pay to the City. The policy intends to strike a balance between long-term sustainability of these units and receiving a reasonable return on investment. Once dividends are calculated they are then distributed to financial reserves in accordance with the financial reserves policy (No. 0168). Understanding the potential dividends that can be expected from the business units and their implications for the financial reserves is a central function in long-term financial planning and budgeting.



City Council Strategic Plan

The 2023-2026 Strategic Plan outlines Council's strategic priorities and is intended to communicate Council's vision and goals to our community, and partners, and provide strategic direction to City administration. The City Manager is responsible for executing on Council's strategic priorities and establishing and reporting on metrics to measure administration's success in delivering on Council's strategic priorities. Council is then responsible for evaluating this success and refining this strategic plan, as required.



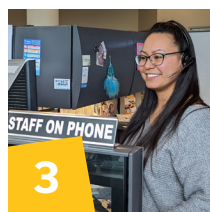
Innovation

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.



Economic Evolution

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



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.



Partnerships & Governance

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



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.



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.



Budget in **Brief**

Budget Overview:

Budget in Brief

Operating Budget Targets by Business Unit (in thousands)

	Business Unit Target	Budget 2022	Budget		Annual Variance Budget		Total
			2023	2024	2023	2024	
Municipal	Total Cash Requirements	-	-	-	-	-	-
Invest Medicine Hat	EBITDA*	5,117	650	(558)	(4,467)	(1,208)	(5,675)
Utilities	EBITDA	46,573	46,642	49,634	69	2,992	3,061
Commodities	EBITDA	46,584	73,302	54,305	26,718	(18,997)	7,721
Total EBITDA		98,274	120,594	103,381	22,320	(17,213)	5,107

* Earnings before Interest, Taxes, Depreciation and Amortization

The City segregates its operations into four major business units: Municipal, Invest Medicine Hat, Utilities, and Commodities.

- Municipal represents typical municipal operations including governance, strategy, corporate administration, community-related services, facilities and fleet management, asset management, and the Regional Airport.
- Invest Medicine Hat focuses primarily on economic and land development.
- Utilities refers to utility services such as water, sewer, solid waste, electric distribution and gas distribution.
- Commodities refers to operations primarily focused on the production of gas and electricity.

For more information on business units and fund structure please refer to **Appendix C, Fund Descriptions and Fund Structure**.

The City of Medicine Hat's operations span both for profit and non-profit activities. As such, the City uses different financial targets to assess the results of each business unit. The City is projecting earnings before interest, taxes, depreciation and amortization (EBITDA) from its profit-earning business units to be \$103.4M in 2024, an increase of \$5.1M (5.2%) from the 2022 budget.

Municipal Operating Budget (in thousands)

	Budget 2022	Budget		Variance	
		2023	2024	2023	2024
Revenue	123,144	136,635	144,164	13,491	7,529
Expenses*	(132,207)	(148,528)	(153,268)	(16,321)	(4,740)
Net Cost Allocations	17,410	20,017	20,428	2,607	411
Capital Cash Requirements	(10,612)	(12,842)	(11,204)	(2,230)	1,638
Transfers from/(to) Reserve	(6,735)	(6,327)	(6,125)	408	202
Transfer from Operating Reserve	9,000	11,045	6,005	2,045	(5,040)
Total Cash Requirement	-	-	-	-	-

* Excludes amortization

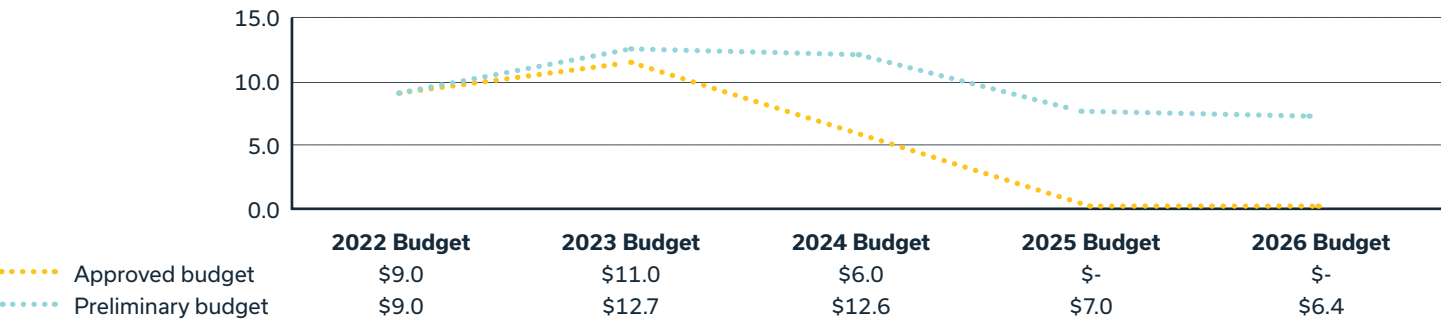
Total cash requirements show the amount of cash that the Municipal business unit contributes or requires from the organization on an annual basis. The City is legislatively required to budget for a total cash requirement that is no lower than zero.

If the City shows a positive figure (in the above table) it is anticipating a cash surplus. When the budgeted cash requirement is greater than cash anticipated to be earned through municipal operations, the City will cover its cash needs using a transfer of funds from its operating reserve. The balance

transferred from the operating reserve has historically been referred to as the municipal "budget gap" and represents the amount of spending that is being funded from reserves.

The above chart shows that the net cash requirement is nil and therefore the City is presenting a balanced budget for 2023 and 2024 in accordance with the requirements under the Municipal Government Act.

Municipal Operating Budget Transfers from the Operating Reserve



The City's approved Municipal operating budget projects that \$11.0M of transfers from the operating reserve are required in 2023 to balance the budget (up from \$9.0M budgeted for the 2022 budget). In 2024, it is anticipated that transfers will decline to \$6.0M, a decrease of \$5.0M. By 2025, the City is forecasting to no longer require transfers from the operating reserve in order to balance the budget. **See Operating Forecast for more details.**

During 2023, the primary driver of the increase to cash requirements is an increase in municipal operating expenses. In 2023, the City is anticipating expenses to increase \$16.3M (12.3%) from the 2022 budget. The primary drivers of the increase in expenses are:

- Municipal inflation across all services of 4%;
- Salary and wage inflation of 2.5%; and,
- The addition of 28 new permanently established positions across the organization.

In 2024, the primary driver of the decrease in cash requirements is an increase in revenue. In 2024, the City is anticipating revenue to increase by \$7.5M from the 2023 budget (5.5%). The primary drivers consist of:

- An anticipated 4% increase to property tax rates with a 1% growth to the assessment base;
- General revenue growth of 4% for fees and services;
- Increase to investment income due to forecasted increases to the investment portfolio balance; and,
- \$1.0M increase to the Municipal Consent and Access Fee.

Preliminary Budget versus Approved

On July 4, 2022 the executive proposed a preliminary budget to City Council that incorporated key budget assumptions such as inflationary increases of 4% and a property tax increase of 4% (See Strategic Planning Process for more details). This preliminary budget did not yet include any incremental increases for Council's strategic plan.

This preliminary budget envisioned transfers of \$12.7M and \$12.6M in 2023 and 2024 respectively. In addition, the preliminary budget forecasted continued reliance on operating transfers through the forecast period.

Differences between the preliminary and approved budget include:

- An adjustment for the growth of the property tax base from 0.5% to 1.0% annually.
- An adjustment for the growth in salaries and wages from 4.0% to 2.5% annually.
- Higher investment revenue projections included after performing a detailed analysis of forecasted portfolio balances and rates of returns anticipated for the budget period.

Budget Target by Business Unit

Invest Medicine Hat

Invest Medicine Hat EBITDA is anticipated to decline by \$5.7M (110.9%) in 2024 compared to the 2022 budget. The Invest Medicine Hat budget reflects status quo operations and sales of all land inventory on hand without the purchase of additional inventory. This budget represents a baseline of current operations without any future looking strategies incorporated. The Invest Medicine Hat Division has been undergoing transformation and a new leadership team is anticipated to establish a mandate for the division as well as present a new budget in the first half of 2023.

Utilities

Utilities EBITDA is anticipated to grow \$3.1M (6.6%) in 2024 when compared to the 2022 budget. Utility EBITDA is primarily driven by utility rate increases. As described in the strategic planning process section (see Financial Policy Summary), the City's utility rates are governed by City Council and align with Alberta Utility Commission (AUC) regulations that establishes the formula for calculating utility rates. Rate increases are calculated using a regulated rate of return which ensures that the City's rates will cover the cost of utilities while earning a return on capital invested in each utility. That return can be reinvested back into the utility or provided to the City to use towards other services and needs. This ensures that the City's utility operations are financially sustainable.

The primary drivers of increases to Utility EBITDA are inflationary pressures, new operational costs and capital needs within the City including;

- Anticipated inflationary pressures of 4%;
- The anticipated construction of a new power substation 11 in the southwest of the city, starting in 2023, to provide additional electric capacity; and,
- A new residual management facility that is anticipated to become operational in 2023. The residual management facility is a regulatory requirement that limits the impact of residual waste discharged into the South Saskatchewan River.

Commodities

Commodities are anticipated to experience an increase of \$7.7M (16.6%) in 2024 when compared to the 2022 budget. This is primarily due to strong commodity price forecasts for 2023 and 2024.

	Budget	Budget		Variance		Total
	2022	2023	2024	2023	2024	
Gas (\$/GJ)	3.32	5.20	4.59	1.88	(0.61)	1.27
Power (\$/MWh)	73.42	94.53	77.66	21.11	(16.87)	4.24
Oil (\$/BBI CDN)	72.35	82.50	73.47	10.15	(9.03)	1.12

The budgeted commodity price assumptions for the 2023 and 2024 budgets are higher than those budgeted for 2022. By 2024, gas is anticipated to be \$1.27/GJ higher than budgeted in 2022, power is anticipated to be \$4.24/MWh higher, and oil is anticipated to be \$1.12/BBI higher.

The power market is expected to stay strong in 2023 and 2024 as the market continues to transition as part of the Alberta Electric System Operator's (AESO) plan to achieve a net zero emissions electricity system by 2035. The phasing out of non-renewable energy sources such as coal has created a period of tight supply in the market and peaking generation which has increased the market price for power. This trend should continue until the base load for renewable electricity supply increases to meet demand.

Natural gas prices and oil prices are anticipated to remain strong throughout 2023 and 2024 due to increased power usage and higher liquefied natural gas (LNG) exports resulting from global supply demand issues in Europe which are anticipated to have a sustaining impact on the market.



Major Operating Expenses Budget Summary

Municipal Major Operating Expenses Budget (in thousands)

Division	Budget	Budget		Total
	2022	2023	2024	
Corporate Services	644	1,092	782	1,874
Public Services	425	1,791	648	2,439
Police Services	-	90	90	180
Strategic Management & Analysis	250	725	650	1,375
Energy & Infrastructure	565	600	-	600
Invest Medicine Hat	2,600	-	-	-
Total Major Operating Expense Funding	4,484	4,298	2,170	6,468

Major operating expenses are a budgeting technique used to identify large one-time operating expenses within the Municipal operating budget. The table above lists the major operating expenses by division.

In 2023, major operating expenses are budgeted at \$4.3M, \$0.2M lower than budget 2022. In 2024, major operating expenses are anticipated to drop by \$2.1M from the 2023 budget to a total of \$2.2M.

Over the two-year period the City budget consists of \$6.5M in major operating expenses, an average of \$3.2M annually. In the previous budget cycle, the average annual major operating expense budget was \$3.5M, \$0.3M higher than the current budget cycle.

A major investment in previous budget cycles was the Development Incentive Program through Invest Medicine Hat. The development incentive was designed to provide financial assistance to property owners undertaking commercial property improvements that add to the Waterfront District's vibrancy and livability. As mentioned in the section summary above, Invest Medicine Hat is going through transformation and is expected to come back in early 2023 with a strategic plan and budget. The current budget does not include funding for this program, however the program does have carryover funding that it will be utilizing in 2023.

For more information on major operating initiatives please consult the capital plan section of this budget.

Capital Budget Summary

Capital Budget by Business Unit (in thousands)

	Budget	Budget		Total	2-year Average
	2022	2023	2024		
Municipal	19,670	40,647	46,941	87,588	43,794
Invest Medicine Hat	-	-	-	-	-
Utilities	26,700	55,620	16,185	71,805	35,903
Commodities	30,668	16,285	11,150	27,435	13,718
Total Capital Funding	77,038	112,552	74,276	186,828	93,414

The table highlights the capital budgets for each business unit in 2023 and 2024. Each department prepares its capital budget requests in line with the capital budgeting guidelines. The budget requests for 2023 and 2024 total \$186.8M (an average of \$93.4M annually). These requests are approximately \$16.4M (21.3%) higher annually than the 2022 budget.

Major capital projects in 2023 and 2024 include the following:

\$87.6M for Municipal capital investment including:

- \$19.6M for fleet replacement;
- \$27.1M for road and transportation infrastructure;
- \$17.0M for parks infrastructure;
- \$14.3M buildings and facilities;

- \$1.8M for cybersecurity;
- \$2.5M for information technology infrastructure and financial software renewal;
- \$2.0M for contingency funding;
- \$0.7M for business process optimization;
- \$0.5M for parks community partnerships program; and,
- \$2.1M other minor capital projects.

\$0.0M for Invest Medicine Hat capital investment;

\$71.8M for Utilities capital investment include the following:

- \$24.0 million for the new electric Substation 11;
- \$15.7 million for the sustaining of sewer utility infrastructure;

- \$15.6 million for the sustaining of electric distribution infrastructure;
- \$6.5 million for the sustaining of gas distribution infrastructure;
- \$9.8 million for the sustaining of water distribution infrastructure; and,
- \$0.2 million for the sustaining of solid waste utility infrastructure.

\$27.4M for Commodities capital investment includes the following:

- \$17.8 million for the power plant infrastructure and equipment and,
- \$9.6 for well repair and abandonment projects.

Operating Impact of Capital

During the budget period the City is anticipating the following impact of Capital on its operations:

	Budget 2022	Budget 2023	Budget 2024
Amortization/Depletion/Accretion			
Municipal	41,551	41,551	41,551
Invest Medicine Hat	107	309	307
Utilities	17,629	19,542	20,130
Commodities	43,703	29,684	27,325
Total	102,990	91,085	89,313
Interest on Long-term Debt			
Municipal	1,039	979	1,522
Invest Medicine Hat	-	-	-
Utilities	8,026	8,875	10,683
Commodities	2,641	3,094	3,416
Total	11,706	12,947	15,620
Total Impact	114,696	104,033	104,933





Operating **Budget**

Operating Budget:

Municipal

Municipal

2023-2024 Operating Budget (Unconsolidated)¹
(in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Net Property Taxes	80,786	84,796	89,033
Sale of Services	13,464	16,952	18,506
Investment Income	8,280	14,882	16,281
Licenses, Fines and Penalties	6,692	5,924	6,042
Insurance Recovery	123	123	123
Other Revenue	6,524	6,089	6,301
Government Transfers for Operating	4,159	4,718	4,727
Contribution from Utilities and Land	3,115	3,150	3,150
TOTAL REVENUE	123,144	136,635	144,164
EXPENSES			
Salaries, Wages and Benefits	98,109	101,153	103,667
Contracted and General Services	22,729	32,102	33,337
Materials, Goods & Utilities	7,569	9,519	9,910
Provision for Allowances	27	30	30
Bank Charges & Short Term Interest	344	359	371
Grants and Other Transfers	1,353	3,317	3,377
Interest on Long-term Debt	1,039	979	1,522
Other Operating Expenses	1,038	1,069	1,053
Amortization and Provision for Abandonment	41,551	41,779	43,178
TOTAL EXPENSES	173,759	190,307	196,445
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	50,615	53,672	52,282
INTERNAL ALLOCATIONS			
Internal Recovery	50,317	50,126	51,509
Internal Charges and Transfers	32,906	30,108	31,081
TOTAL INTERNAL ALLOCATIONS	(17,410)	(20,018)	(20,428)
NET EXPENSES (REVENUES)	33,204	33,655	31,853
OPERATING CASH SOURCES			
Transfer From Reserves	(8,879)	(11,549)	(6,516)
TOTAL OPERATING CASH SOURCES	(8,879)	(11,549)	(6,516)
OPERATING CASH REQUIREMENTS			
Amortization	(41,551)	(41,779)	(43,178)
Transfer to MOE	1,146	4,298	2,170
TOTAL OPERATING CASH REQUIREMENTS	(40,405)	(37,481)	(41,008)
CAPITAL CASH REQUIREMENTS			
Debenture Principal	4,554	3,397	3,730
Transfer to Capital	1,869	1,574	1,659
Infrastructure Loan Principal	3,043	3,573	3,645
TOTAL CAPITAL CASH REQUIREMENTS	9,466	8,544	9,034
FUTURE FINANCIAL PLANS			
Transfer to Reserve	6,615	6,831	6,637
TOTAL FUTURE FINANCIAL PLANS	6,615	6,831	6,637
TOTAL CASH REQUIREMENTS (SURPLUS)	0	0	0

Totals may not add due to rounding

¹Unconsolidated figures are represented at their gross amount which includes both internal and external transactions. Therefore revenue and expense figures may appear larger than what is reflected in the consolidated financial statements.

Operating Budget:

Municipal

Municipal

2023-2024 Major Operating Expense Budget
(in thousands of dollars)

Project Description	Asset Category	2023 BUDGET	2024 BUDGET	BUDGET TOTAL
Business Transformation		400	350	750
Asset and Project Management Consulting Services	Sustaining Major Operating Expense	400	350	750
City Assets		600	-	600
Roadway System Master Plan Update	Growth Major Operating Expense	250	-	250
Storm System Regulatory Requirements	Sustaining Major Operating Expense	100	-	100
Transportation Safety Plan	Growth Major Operating Expense	125	-	125
Airport Regulatory Compliance	Sustaining Major Operating Expense	125	-	125
Community Development		360	-	360
Esplanade Arts Heritage and Entertainment Plan	Growth Major Operating Expense	80	-	80
Esplanade Table Replacement	Sustaining Major Operating Expense	50	-	50
Public Art	Growth Major Operating Expense	130	-	130
Community Well Being Plan	Growth Major Operating Expense	100	-	100
Environment, Land & Government Relations		200	-	200
Environmental Framework	Growth Major Operating Expense	200	-	200
Finance		592	382	974
ERP Optimization and Enhancements	Growth Major Operating Expense	375	300	675
Risk & Insurance Review	Sustaining Major Operating Expense	75	-	75
Cogsdale Customer Service Management (CSM) Upgrade	Sustaining Major Operating Expense	82	82	164
Clean Energy Improvement Program (CEIP) Tax Software Modification	Growth Major Operating Expense	60	-	60
Human Resources		500	400	900
Total Compensation Review	Sustaining Major Operating Expense	200	100	300
HR Systems Optimization	Sustaining Major Operating Expense	300	300	600
Parks & Recreation		1,431	648	2,079
Strategic Plans Implementation	Sustaining Major Operating Expense	243	324	567
Drawings Authentication and Specification Update	Sustaining Major Operating Expense	108	108	216
Saamis Teepee Upgrades	Sustaining Major Operating Expense	1,080	216	1,296
Planning & Development Services		125	300	425
Process Review	Sustaining Major Operating Expense	-	150	150
Active Transportation Plan	Growth Major Operating Expense	125	-	125
Cimarron Area Structure Plan Rewrite	Growth Major Operating Expense	-	150	150
Police Services		90	90	180
Taser Conversion	Growth Major Operating Expense	90	90	180
DEPARTMENTAL TOTAL		\$ 4,298	\$ 2,170	\$ 6,468

Operating Budget:

Invest Medicine Hat

Invest Medicine Hat

2023-2024 Operating Budget (Unconsolidated)¹ (in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Sale of Services	9,573	4,941	3,493
Licenses, Fines and Penalties	3	3	3
Other Revenue	570	793	775
TOTAL REVENUE	10,146	5,737	4,271
EXPENSES			
Salaries, Wages and Benefits	1,065	1,023	1,048
Contracted and General Services	994	1,033	1,075
Materials, Goods & Utilities	110	80	83
Cost of Land Sold	6,188	3,373	3,073
Amortization and Provision for Abandonment	107	309	307
TOTAL EXPENSES	8,463	5,818	5,586
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(1,682)	81	1,314
INTERNAL ALLOCATIONS			
Internal Recovery	4,523	1,688	1,743
Internal Charges and Transfers	1,210	958	986
TOTAL INTERNAL ALLOCATIONS	(3,313)	(731)	(756)
NET EXPENSES (REVENUES)	(4,995)	(650)	558
OPERATING CASH REQUIREMENTS			
Amortization	(107)	(309)	(307)
Transfer to MOE	2,600	0	0
TOTAL OPERATING CASH REQUIREMENTS	2,493	(309)	(307)
CAPITAL CASH REQUIREMENTS			
Infrastructure Loan Principal	110	0	0
TOTAL CAPITAL CASH REQUIREMENTS	110	0	0
TOTAL CASH REQUIREMENTS (SURPLUS)	(2,393)	(959)	251

Totals may not add due to rounding

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Operating Budget: Utilities

Utilities

2023-2024 Operating Budget (Unconsolidated)¹ (in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Municipal Taxes	227	227	227
Sale of Services	92,320	95,626	99,736
Other Revenue	708	220	219
TOTAL REVENUE	93,254	96,072	100,182
EXPENSES			
Salaries, Wages and Benefits	23,712	23,378	24,140
Contracted and General Services	8,508	9,510	9,668
Materials, Goods & Utilities	3,153	3,865	4,032
Provision for Allowances	86	86	86
Bank Charges & Short Term Interest	2	2	2
Interest on Long-term Debt	8,026	8,875	10,683
Other Operating Expenses	185	177	184
Amortization and Provision for Abandonment	17,629	19,542	20,130
Other Asset Adjustments	90	90	90
TOTAL EXPENSES	61,391	65,523	69,013
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(31,863)	(30,550)	(31,168)
INTERNAL ALLOCATIONS			
Internal Recovery	10,546	6,564	6,955
Internal Charges and Transfers	29,723	27,860	28,582
TOTAL INTERNAL ALLOCATIONS	19,177	21,296	21,628
NET EXPENSES (REVENUES)	(12,686)	(9,254)	(9,541)
OPERATING CASH REQUIREMENTS			
Amortization	(16,314)	(19,542)	(20,130)
TOTAL OPERATING CASH REQUIREMENTS	(16,314)	(19,542)	(20,130)
FUTURE FINANCIAL PLANS			
Transfer to Reserve	5,486	0	0
TOTAL FUTURE FINANCIAL PLANS	5,486	0	0
TOTAL CASH REQUIREMENTS (SURPLUS)	(23,513)	(28,796)	(29,670)

Totals may not add due to rounding

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Operating Budget: Utilities

Utilities

2023 Unconsolidated Operating Budget (By Fund)¹ (in thousands of dollars)

	WATER DISTRIBUTION	SEWER COLLECTION	SOLID WASTE & RECYCLING	GAS DISTRIBUTION	ELECTRIC DISTRIBUTION	2023 BUDGET
REVENUE						
Municipal Taxes	114	113	0	0	0	227
Sale of Services	24,836	23,543	10,223	14,821	22,202	95,626
Other Revenue	147	41	0	5	27	220
TOTAL REVENUE	25,098	23,696	10,223	14,826	22,229	96,072
EXPENSES						
Salaries, Wages and Benefits	6,465	4,369	2,705	3,566	6,271	23,378
Contracted and General Services	1,130	561	2,787	3,603	1,428	9,510
Materials, Goods & Utilities	1,674	1,648	128	346	69	3,865
Provision for Allowances	38	32	17	0	0	86
Bank Charges & Short Term Interest	0	0	2	0	0	2
Interest on Long-term Debt	3,161	3,185	34	626	1,869	8,875
Other Operating Expenses	0	5	0	100	71	177
Amortization and Provision for Abandonment	5,360	5,262	749	2,392	5,779	19,542
Other Asset Adjustments	0	0	90	0	0	90
Contribution to Reserves	0	0	0	0	0	0
TOTAL EXPENSES	17,829	15,063	6,510	10,632	15,488	65,523
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(7,269)	(8,633)	(3,712)	(4,194)	(6,741)	(30,550)
INTERNAL ALLOCATIONS						
Internal Recovery	2,629	0	2,995	106	834	6,564
Internal Charges and Transfers	6,822	5,517	5,609	3,257	6,655	27,860
TOTAL INTERNAL ALLOCATIONS	4,193	5,517	2,614	3,151	5,821	21,296
NET EXPENSES (REVENUES)	(3,076)	(3,117)	(1,098)	(1,042)	(920)	(9,254)
OPERATING CASH REQUIREMENTS						
Amortization	(5,360)	(5,262)	(749)	(2,392)	(5,779)	(19,542)
TOTAL OPERATING CASH REQUIREMENTS	(5,360)	(5,262)	(749)	(2,392)	(5,779)	(19,542)
TOTAL CASH REQUIREMENTS (SURPLUS)	(8,436)	(8,379)	(1,847)	(3,434)	(6,700)	(28,796)

Totals may not add due to rounding

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Operating Budget:

Utilities

Utilities

2024 Unconsolidated Operating Budget (By Fund)¹ (in thousands of dollars)

	WATER DISTRIBUTION	SEWER COLLECTION	SOLID WASTE & RECYCLING	GAS DISTRIBUTION	ELECTRIC DISTRIBUTION	2024 BUDGET
REVENUE						
Municipal Taxes	114	113	0	0	0	227
Sale of Services	26,094	24,184	10,478	15,254	23,726	99,736
Other Revenue	147	40	0	5	27	219
TOTAL REVENUE	26,355	24,337	10,478	15,259	23,753	100,182
EXPENSES						
Salaries, Wages and Benefits	6,656	4,470	2,787	3,651	6,577	24,140
Contracted and General Services	953	585	2,898	3,748	1,485	9,668
Materials, Goods & Utilities	1,747	1,720	133	359	72	4,032
Provision for Allowances	38	32	17	0	0	86
Bank Charges & Short Term Interest	0	0	2	0	0	2
Interest on Long-term Debt	3,188	3,316	30	773	3,376	10,683
Other Operating Expenses	0	5	0	104	74	184
Amortization and Provision for Abandonment	5,619	5,285	711	2,500	6,015	20,130
Other Asset Adjustments	0	0	90	0	0	90
Contribution to Reserves	0	0	0	0	0	0
TOTAL EXPENSES	18,201	15,413	6,666	11,134	17,599	69,013
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(8,155)	(8,923)	(3,812)	(4,125)	(6,153)	(31,168)
INTERNAL ALLOCATIONS						
Internal Recovery	2,747	0	3,253	108	848	6,955
Internal Charges and Transfers	7,037	5,609	5,698	3,396	6,843	28,582
TOTAL INTERNAL ALLOCATIONS	4,291	5,609	2,445	3,288	5,996	21,628
NET EXPENSES (REVENUES)	(3,864)	(3,314)	(1,367)	(837)	(158)	(9,541)
OPERATING CASH REQUIREMENTS						
Amortization	(5,619)	(5,285)	(711)	(2,500)	(6,015)	(20,130)
TOTAL OPERATING CASH REQUIREMENTS	(5,619)	(5,285)	(711)	(2,500)	(6,015)	(20,130)
TOTAL CASH REQUIREMENTS (SURPLUS)	(9,483)	(8,600)	(2,078)	(3,337)	(6,173)	(29,670)

Totals may not add due to rounding

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Operating Budget: Commodities

Commodities

2023-2024 Operating Budget (Unconsolidated)¹ (in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Sale of Services	335,294	393,415	338,055
Investment Income	5,100	7,272	7,327
Other Revenue	3,106	2,649	3,152
TOTAL REVENUE	343,500	403,335	348,535
EXPENSES			
Royalties	421	283	226
Salaries, Wages and Benefits	15,777	13,271	13,751
Contracted and General Services	13,555	14,963	16,351
Materials, Goods & Utilities	13,712	11,949	13,331
Cost of Oil and Gas Sold	225	6	6
Provision for Allowances	248	167	168
Bank Charges & Short Term Interest	1	1	1
Interest on Long-term Debt	3,213	3,702	3,416
Other Operating Expenses	89,850	103,662	84,008
Amortization and Provision for Abandonment	30,838	25,599	23,241
Other Asset Adjustments	12,865	4,084	4,084
TOTAL EXPENSES	180,705	177,688	158,582
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(162,795)	(225,647)	(189,952)
INTERNAL ALLOCATIONS			
Internal Recovery	71,551	90,019	71,583
Internal Charges and Transfers	220,291	268,480	230,644
TOTAL INTERNAL ALLOCATIONS	148,740	178,461	159,061
NET EXPENSES (REVENUES)	(14,054)	(47,186)	(30,891)
OPERATING CASH REQUIREMENTS			
Amortization	(26,974)	(23,700)	(21,530)
TOTAL OPERATING CASH REQUIREMENTS	(26,974)	(23,700)	(21,530)
FUTURE FINANCIAL PLANS			
Transfer to Reserve	22,422	164	0
TOTAL FUTURE FINANCIAL PLANS	22,422	164	0
TOTAL CASH REQUIREMENTS (SURPLUS)	(18,607)	(70,723)	(52,421)

Totals may not add due to rounding

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Operating Budget: Commodities

Commodities

2023 Unconsolidated Operating Budget (By Fund)¹ (in thousands of dollars)

	ELECTRIC GENERATION	ELECTRIC RETAIL	GAS PRODUCTION	GAS RETAIL	2023 BUDGET
REVENUE					
Sale of Services	201,163	128,053	18,909	45,290	393,415
Investment Income	0	0	7,272		7,272
Other Revenue	2,152	0	0	497	2,649
TOTAL REVENUE	203,315	128,053	26,181	45,786	403,335
EXPENSES					
Royalties	0	0	283	0	283
Salaries, Wages and Benefits	10,042	0	3,228	0	13,271
Contracted and General Services	12,439	0	2,524	0	14,963
Materials, Goods & Utilities	10,904	0	1,045	0	11,949
Cost of Oil and Gas Sold	0	0	6	0	6
Provision for Allowances	0	123	0	44	167
Bank Charges & Short Term Interest	1	0	0	0	1
Interest on Long-term Debt	3,094	0	608	0	3,702
Other Operating Expenses	9,223	0	94,438	0	103,662
Amortization and Provision for Abandonment	20,342	0	5,257	0	25,599
Other Asset Adjustments	0	0	4,084	0	4,084
TOTAL EXPENSES	66,046	123	111,475	44	177,688
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(137,269)	(127,930)	85,294	(45,742)	(225,647)
INTERNAL ALLOCATIONS					
Internal Recovery	1,108	997	87,891	23	90,019
Internal Charges and Transfers	93,053	128,928	735	45,765	268,480
TOTAL INTERNAL ALLOCATIONS	91,944	127,930	(87,156)	45,742	178,461
NET EXPENSES (REVENUES)	(45,324)	0	(1,862)	0	(47,186)
OPERATING CASH REQUIREMENTS					
Amortization	(20,342)	0	(3,358)	0	(23,700)
TOTAL OPERATING CASH REQUIREMENTS	(20,342)	0	(3,358)	0	(23,700)
FUTURE FINANCIAL PLANS					
Transfer to Reserve	164	0	0	0	164
TOTAL FUTURE FINANCIAL PLANS	164	0	0	0	164
TOTAL CASH REQUIREMENTS (SURPLUS)	(65,503)	0	(5,221)	0	(70,723)

Totals may not add due to rounding

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Operating Budget: Commodities

Commodities

2024 Unconsolidated Operating Budget (By Fund)¹ (in thousands of dollars)

	ELECTRIC GENERATION	ELECTRIC RETAIL	GAS PRODUCTION	GAS RETAIL	2024 BUDGET
REVENUE					
Sale of Services	168,016	114,120	15,329	40,591	338,055
Investment Income	0	0	7,327		7,327
Other Revenue	2,646	0	0	507	3,152
TOTAL REVENUE	170,661	114,120	22,656	41,098	348,535
EXPENSES					
Royalties	0	0	226	0	226
Salaries, Wages and Benefits	10,458	0	3,293	0	13,751
Contracted and General Services	13,694	0	2,657	0	16,351
Materials, Goods & Utilities	12,228	0	1,102	0	13,331
Cost of Oil and Gas Sold	0	0	6	0	6
Provision for Allowances	0	123	0	45	168
Bank Charges & Short Term Interest	1	0	0	0	1
Interest on Long-term Debt	2,811	0	605	0	3,416
Other Operating Expenses	7,778	0	76,229	0	84,008
Amortization and Provision for Abandonment	18,300	0	4,941	0	23,241
Other Asset Adjustments	0	0	4,084	0	4,084
TOTAL EXPENSES	65,271	123	93,143	45	158,582
NET EXPENSES (REVENUES) BEFORE INTERNAL ALLOCATIONS	(105,390)	(113,997)	70,487	(41,052)	(189,952)
INTERNAL ALLOCATIONS					
Internal Recovery	1,248	962	69,349	24	71,583
Internal Charges and Transfers	73,860	114,960	749	41,076	230,644
TOTAL INTERNAL ALLOCATIONS	72,612	113,997	(68,600)	41,052	159,061
NET EXPENSES (REVENUES)	(32,778)	0	1,887	0	(30,891)
OPERATING CASH REQUIREMENTS					
Amortization	(18,300)	0	(3,230)	0	(21,530)
TOTAL OPERATING CASH REQUIREMENTS	(18,300)	0	(3,230)	0	(21,530)
FUTURE FINANCIAL PLANS					
Transfer to Reserve	0	0	0	0	0
TOTAL FUTURE FINANCIAL PLANS	0	0	0	0	0
TOTAL CASH REQUIREMENTS (SURPLUS)	(51,079)	0	(1,342)	0	(52,421)

¹Totals may not add due to rounding

¹Unconsolidated figures are represented at their gross amount which includes both internal and external transactions. Therefore revenue and expense figures may appear larger than what is reflected in the consolidated financial statements.



Capital **Budget**

Capital Budget:

Municipal

Municipal

2023-2024 Capital Plan

Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET	BUDGET TOTAL
Corporate Services		2,277	992	3,269
Taxation Software Replacement	Growth Capital - TCA	700	-	700
Capital Infrastructure Program (CIP)	Sustaining Capital - TCA	842	892	1,734
Collaboration Ecosystem Program (SharePoint)	Growth Capital - TCA	485	-	485
Remote Access Modernization	Sustaining Capital - TCA	250	-	250
IT As A Service End User Computer Device Refresh	Sustaining Capital - TCA	-	100	100
Energy and Infrastructure		24,960	36,393	61,353
Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA	5,000	5,250	10,250
Bridge Rehabilitation	Sustaining Capital - TCA	1,000	1,000	2,000
Storm Sewer Rehabilitation Program	Sustaining Capital - TCA	3,500	3,500	7,000
3rd Street SE Road Rehabilitation	Sustaining Capital - TCA	150	1,000	1,150
Division Avenue South Upgrade	Sustaining Capital - TCA	-	6,250	6,250
Laneway Rehabilitation	Sustaining Capital - TCA	200	200	400
Streetlight Replacement Program	Sustaining Capital - TCA	200	250	450
Confined Spaces Access Program	Sustaining Capital - TCA	1,000	-	1,000
Facility Accessibility	Sustaining Capital - TCA	-	700	700
Big Marble Go Centre Components Lifecycle	Sustaining Capital - TCA	-	1,500	1,500
Hill Pool Components Lifecycle	Sustaining Capital - TCA	150	1,255	1,405
Transit Parkade Safety/Security Hardware	Sustaining Capital - TCA	-	700	700
Infrastructure Repair Program	Sustaining Capital - TCA	2,250	2,250	4,500
Utility Infrastructure Repair Program	Sustaining Capital - TCA	1,000	1,000	2,000
City Hall Humidification Replacement	Sustaining Capital - TCA	-	1,250	1,250
Library Boiler Replacement	Sustaining Capital - TCA	-	1,000	1,000
Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	100	100	200
Fleet Services Mobile Capital	Sustaining Capital - TCA	10,410	9,188	19,598
General Government		1,000	1,000	2,000
City Manager Contingency		1,000	1,000	2,000
Police Services		395	-	395
Server / Storage Refresh	Growth Capital - TCA	395	-	395
Public Services		10,215	8,556	18,771
Next Generation 9-1-1	Growth Capital - TCA	250	-	250
Traffic Pre-emption Infrastructure	Growth Capital - TCA	40	-	40
Live Fire Advanced Training System Addition	Growth Capital - TCA	40	-	40
Thermal Image Cameras	Growth Capital - TCA	-	100	100
Trail Infrastructure Program	Sustaining Capital - TCA	917	917	1,834
Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA	3,683	3,802	7,485
Accessibility Program	Sustaining Capital - TCA	108	378	486
Columbaria & Scattering Gardens Program	Growth Capital - TCA	270	-	270
Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA	378	270	648
Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA	108	162	270
Towne Centre Washroom	Growth Capital - TCA	540	-	540
Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA	324	162	486
Playgrounds Infrastructure Program	Sustaining Capital - TCA	216	216	432
Community Partnerships Program	Sustaining Capital - TCA	200	300	500
Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	324	216	540
Dog Off Leash Development Program	Sustaining Capital - TCA	54	27	81
Echo Dale Regional Park Improvement Program	Sustaining Capital - TCA	750	-	750
Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	1,431	999	2,430
Parking Lot Infrastructure Program	Sustaining Capital - TCA	270	432	702
Community Housing Infrastructure Rehabilitation	Sustaining Capital - TCA	112	100	212
Esplanade Arts & Heritage Centre - Gallery Lighting Replacement	Sustaining Capital - TCA	-	125	125
Esplanade Arts & Heritage Centre - Control Switches	Sustaining Capital - TCA	50	-	50
Esplanade Arts & Heritage Centre - Stage Drape	Sustaining Capital - TCA	-	100	100
Esplanade Arts & Heritage Centre - Bar Installation	Growth Capital - TCA	150	-	150
Facility Indoor Digital Signage	Sustaining Capital - TCA	-	50	50

Capital Budget:

Municipal

Municipal 2023-2024 Capital Plan Tangible Capital Asset Summary (in thousands of dollars)

Transit Bus Zone Accessibility Improvements	Growth Capital - TCA	-	200	200
Strategic Management & Analysis		1,800	-	1,800
OT Network Refresh and Cybersecurity Controls	Sustaining Capital - TCA	1,800	-	1,800
TOTAL		\$ 40,647	\$ 46,941	\$ 87,588

FUNDING SOURCES	2023	2024	BUDGET TOTAL
Debenture	11,896	22,598	34,494
Government Grants	13,259	10,050	23,309
Internal Loan	3,508	3,068	6,576
Operating / Working Capital	1,574	1,659	3,233
Reserves	10,410	9,566	19,976
FINANCING TOTAL	\$ 40,647	\$ 46,941	\$ 87,588

Capital Budget: Utilities

Utilities

2023-2024 Capital Plan

Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET	BUDGET TOTAL
Electrical Distribution		38,021	1,620	40,141
New Substation 11	Growth Capital - TCA	24,000	-	24,000
New Service Installs	Growth Capital - TCA	385	385	770
Cable Replacement	Sustaining Capital - TCA	310	850	1,660
Upgrade of Transmission Line Capacity Phase 1	Growth Capital - TCA	2,200	-	2,200
Substation 3 Lightning Protection	Sustaining Capital - TCA	429	-	429
Substation 2 Transformer Protection	Sustaining Capital - TCA	513	-	513
Substation 3 Bus Protection	Sustaining Capital - TCA	860	-	860
Switchgear Replacement	Sustaining Capital - TCA	-	385	385
Substation 3 Station Service Upgrade	Sustaining Capital - TCA	768	-	768
Control Systems Hardware Upgrades	Sustaining Capital - TCA	245	-	245
Commercial Metering Test Set	Sustaining Capital - TCA	60	-	60
Six Channel Relay Set	Sustaining Capital - TCA	110	-	110
Revenue Meters	Sustaining Capital - TCA	641	-	641
Critical Substation Equipment Spares	Sustaining Capital - TCA	270	-	270
Oil Processing	Sustaining Capital - TCA	98	-	98
Tap Changer Controller Upgrade	Sustaining Capital - TCA	120	-	120
Substation 3 Duct System Upgrade	Sustaining Capital - TCA	130	-	130
Power Transformer Failing Bushing Replacement	Sustaining Capital - TCA	168	-	168
End of Line Power Transformer Bushing Replacement	Sustaining Capital - TCA	456	-	456
Control Systems Cyber Requirements	Sustaining Capital - TCA	400	-	400
Distribution Overhead System Renewal	Sustaining Capital - TCA	3,509	-	3,509
Distribution Underground System Renewal	Sustaining Capital - TCA	1,321	-	1,321
Line Protection Upgrade	Sustaining Capital - TCA	1,028	-	1,028
Gas Distribution		4,022	2,435	6,457
Rural System Upgrades Phase 1	Sustaining Capital - TCA	183	-	183
Rural Replacement	Sustaining Capital - TCA	100	-	100
New Services	Growth Capital - TCA	294	294	588
Norwood System Upgrades	Sustaining Capital - TCA	608	599	1,207
High Pressure System Alterations	Sustaining Capital - TCA	186	173	359
Gas Meters	Sustaining Capital - TCA	1,250	-	1,250
Crescent Heights Feeder Main Extension and Riverside Upgrade	Sustaining Capital - TCA	1,401	1,369	2,770
Sewer Utility		9,172	6,575	15,747
Miscellaneous Collection System Upgrades Program	Sustaining Capital - TCA	500	-	500
River Ridge Lift Station Upgrades	Sustaining Capital - TCA	-	500	500
Sewer Mains Asset Management Program	Sustaining Capital - TCA	3,000	4,275	7,275
3rd Street SE Sewer Mains Replacement	Sustaining Capital - TCA	-	1,200	1,200
Brier Park Gravity Bypass	Sustaining Capital - TCA	5,400	600	6,000
Automatic Front Gate	Growth Capital - TCA	129	-	129
UV Channel Installation	Growth Capital - TCA	143	-	143
Solid Waste Utility		80	80	160
Collections Carts & Bins Program	Sustaining Capital - TCA	80	80	160
Water Utility		4,325	5,475	9,800
Miscellaneous Water Distribution Upgrades Program	Sustaining Capital - TCA	500	-	500
3rd Street SE Water Mains Replacement	Sustaining Capital - TCA	-	1,200	1,200
Water Mains Asset Management Program	Sustaining Capital - TCA	3,000	4,275	7,275
Condition Assessment of Transmission Main River Crossing	Sustaining Capital - TCA	475	-	475
Critical Facility Site Security Upgrades	Sustaining Capital - TCA	350	-	350
TOTAL		\$ 55,620	\$ 16,185	\$ 71,805

FUNDING SOURCES	2023	2024	BUDGET TOTAL
Debtenture	44,859	12,319	57,178
Operating / Working Capital	10,761	3,866	15,127
FINANCING TOTAL	\$ 55,620	\$ 16,185	\$ 71,805

Capital Budget:

Commodities

Commodities

2023-2024 Capital Plan

Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET	BUDGET TOTAL
Electrical Generation		7,985	9,800	17,785
Cyber Security Network Upgrade	Sustaining Capital - TCA	910	-	910
Generator Step Up Transformer Replacement	Sustaining Capital - TCA	1,750	-	1,750
Unit 14 Hot Section Replacement	Sustaining Capital - TCA	-	5,600	5,600
Unit 15 Hot Section Replacement	Sustaining Capital - TCA	5,325	-	5,325
Surface Condenser Bundle Re-Tubing	Sustaining Capital - TCA	-	700	700
Substation Cable Trench, Control Cable Replacement and Automation	Growth Capital - TCA	-	3,500	3,500
Gas Production		8,300	1,350	9,650
Mineral and Land Acquisition	Sustaining Capital - TCA	150	-	150
Shallow Gas Optimization	Sustaining Capital - TCA	1,350	1,350	2,700
Well Repairs	Sustaining Capital - TCA	2,300	-	2,300
Well Abandonments	Sustaining Capital - TCA	2,500	-	2,500
Facilities	Sustaining Capital - TCA	100	-	100
Pipeline Abandonments	Sustaining Capital - TCA	600	-	600
Pipelines	Sustaining Capital - TCA	150	-	150
Reclamation	Sustaining Capital - TCA	350	-	350
Non-Operated	Sustaining Capital - TCA	400	-	400
Non-Operated Abandonment	Sustaining Capital - TCA	400	-	400
TOTAL		\$ 16,285	\$ 11,150	\$ 27,435

FUNDING SOURCES	2023	2024	BUDGET TOTAL
Debenture	1,750	3,500	5,250
Operating / Working Capital	14,535	7,650	22,185
FINANCING TOTAL	\$ 16,285	\$ 11,150	\$ 27,435



Debt

Debt

The City of Medicine Hat maintains (3) types of debt obligations and corresponding repayment: short-term debt, long-term debt, and loan guarantees.

Short-Term Debt

A combined Municipal Operating Loan Facility (Revolving) and Letter of Credit Facility are available to the City up to a maximum of \$75.0M, by way of prime rate-based loans and/or Letters of credit (in Canadian dollars). This facility is secured by Bylaw No. 4719.

The City has forecast for Letters of Credit in the amount of \$45.0M during the 2023-2024 budget period (2022 - \$45.0M). This leaves an available Municipal Operating Loan Facility of \$30.0M (2022 - \$5.0M).

Long-Term Debt

The City of Medicine Hat borrows money to finance capital projects. These loans are primarily borrowed from Loans to Local Authorities, a provincial authority, on a semi-annual repayment schedule. The City has other long-term debt outstanding with a financial institution that was structured over a 10-year period with 5 years interest only followed by 5 years of blended payments.

	Budget		
	2022	2023	2024
Municipal	\$ 31,152	\$ 41,460	\$ 60,692
Utilities	\$ 274,703	\$ 306,604	\$ 317,755
Commodities	\$ 120,972	\$ 112,012	\$ 113,577
Total debt	\$ 426,827	\$ 460,076	\$ 492,024
Comprised of:			
- Loans to Local Authorities	\$ 406,827	\$ 440,076	\$ 472,024
- Other Long Term-Debt	\$ 20,000	\$ 20,000	\$ 20,000
Total debt	\$ 426,827	\$ 460,076	\$ 492,024

Municipal external debt for the City of Medicine Hat primarily relates to borrowed funds for municipal infrastructure projects. The 2023-2024 budgeted Municipal debt includes \$2.6M in carryforward projects from 2022 as well as \$34.1M new debt funded projects in 2023 and 2024.

There is no external debt for the Invest Medicine Hat business unit.

Utilities external debt primarily includes borrowings for the City of Medicine Hat to build, maintain and replace infrastructure for the City's utility services. There are significant utility capital projects within the 2023-2024 budget cycle. The 2023-2024 budgeted utilities debt includes \$10.6M in carryforward projects from 2022 as well as \$67.7M new debt funded projects in 2023 and 2024.

Commodities external debt includes borrowings for growth capital, optimization of existing facilities and production assets as well as abandonment and reclamation. The 2023-2024 budgeted commodities debt includes \$8.3M new debt funded projects in 2023 and 2024.

Expected future principal and interest payments on outstanding and budgeted debt are as follows:

	Principal	Interest	Total
2022 Budget	\$ 29,477	\$ 12,189	\$ 41,666
2023 Budget	\$ 29,166	\$ 13,654	\$ 42,820
2024 Budget	\$ 28,885	\$ 16,130	\$ 45,015
2025 Forecast	\$ 29,457	\$ 16,937	\$ 46,394
2026 Forecast	\$ 29,676	\$ 15,849	\$ 45,525
2027 to 2052 (Maturity)	\$ 419,005	\$ 116,495	\$ 535,500
Total	\$ 566,666	\$ 191,254	\$ 756,920

Forecasted principal and interest payments are based on the scheduled repayments of all outstanding loans plus new repayments on borrowings from 2023-2024 budgeted capital projects.

Principal repayments are anticipated to remain relatively steady from 2022 to 2026 due to a combination of concluding payments on loans that mature during this period offset by new loan advances and corresponding repayments commencing.

Contrary to this, interest payments are forecasted to increase during the period as a result of new debt carrying higher interest payable than old debt. Forecasted interest rates on new debt are anticipated to average approximately 4.88 percent per annum versus the average annual interest rate for outstanding debt in 2022 is 3.61 percent.

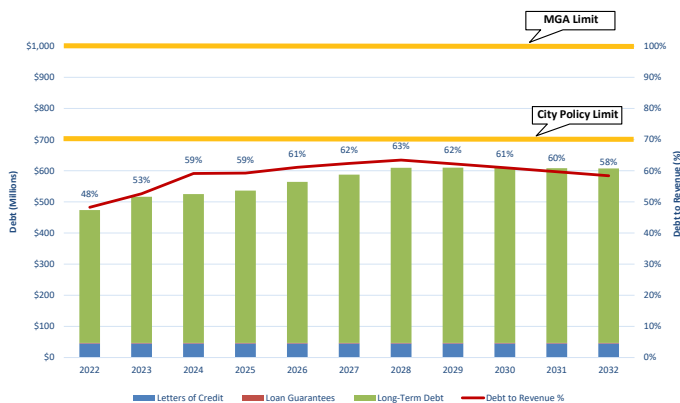
Loan Guarantees

Section 266 of the Municipal Government Act allows municipalities to guarantee the repayment of a loan between a lender and a non-profit organization or one of its controlled corporations. The City of Medicine Hat has passed bylaws guaranteeing loans to non-profit organizations to a maximum of \$1.7M (2021 - \$1.7M).

	Guaranteed Amount	Maturity (year)
Bylaw No. 4187	\$ 965	2034
Bylaw No. 4138	\$ 675	2034
Bylaw No. 4436	\$ 100	2027
Total	\$ 1,740	

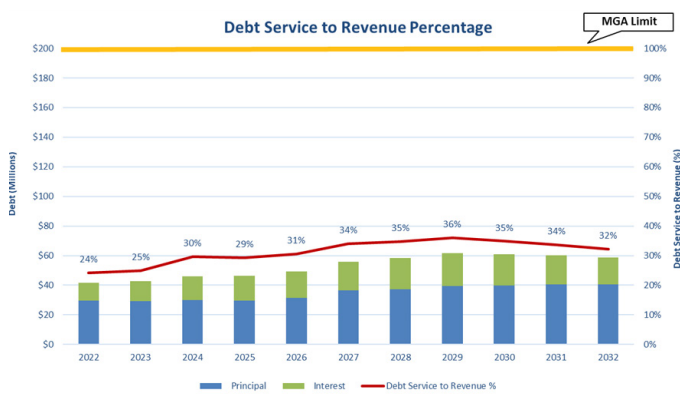
Debt Limits

The Minister of Municipal Affairs has prescribed total debt and debt servicing limits for municipalities in the province. The debt limit for the City of Medicine Hat is calculated based upon 2 times revenue, and the debt servicing limit is based upon 0.35 times revenue. Included in the debt calculation is long term debt as well as loan guarantees and letters of credit.



Year	Debt Servicing (\$M)	2x Revenue (\$M)	Debt to Revenue (%)
2022	41.7	981.4	48
2023	42.8	981.4	53
2024	46.0	887.6	59
2025	46.4	905.4	59
2026	49.4	923.5	61
2027	56.0	942.0	62
2028	58.3	960.8	63
2029	61.8	980.0	62
2030	60.9	999.6	61
2031	60.1	1019.6	60
2032	58.6	1040.0	58

Based on budgeted and forecasted debt obligations, the City of Medicine Hat is anticipated to remain well below the Municipal Affairs Debt to Revenue Percentage. The City's internal debt ratio goal is to remain under 70% of the Municipal Affairs 2.0 time revenue limit (per Debt Management Policy 0176). As illustrated, the City is forecasted to remain below both established limits.



Year	Debt Servicing (\$M)	35% Revenue (\$M)	Debt Servicing to Revenue (%)
2022	41.7	171.7	24
2023	42.8	171.7	25
2024	46.0	155.3	30
2025	46.4	158.4	29
2026	49.4	161.6	31
2027	56.0	164.8	34
2028	58.3	168.1	35
2029	61.8	171.5	36
2030	60.9	174.9	35
2031	60.1	178.4	34
2032	58.6	182.0	32

The City of Medicine Hat is also forecasted to remain below the Municipal Affairs debt service to revenue limit.

Bond Ratings

The City of Medicine Hat does not issue corporate bonds and therefore is not a rated municipality.



Operating **Forecast**

Operating Forecast: Summary

Forecasted Change in Accumulated Surplus (in thousands)

Change in Accumulated Surplus	Budget 2022	Budget 2023	Budget 2024	Forecast 2025	Forecast 2026
Municipal	(32,087)	(33,236)	(34,144)	(34,309)	(32,790)
Invest Medicine Hat	2,395	650	(558)	(1,020)	(1,058)
Utilities	7,200	9,253	9,541	10,432	12,052
Commodities	(8,368)	47,022	30,891	25,827	14,464
Corporate	33,411	(1,763)	2,997	9,765	10,879
Change in Accumulated Surplus	2,551	21,926	8,727	10,695	3,547
Opening Accumulated Surplus	1,293,309	1,295,860	1,317,787	1,326,513	1,337,208
Closing Accumulated Surplus	1,295,860	1,317,787	1,326,513	1,337,208	1,340,755

The City of Medicine Hat completes a 2-year budget with a 2-year operating forecast for a total of a 4-year planning horizon. The City's accumulated surplus as of the beginning of 2022 was \$1.293 Billion. By the end of 2026 the City is anticipating for the Accumulated Surplus of the City to increase by \$47.4M (3.7%). The forecasted change in accumulated surplus is positive over the forecast period. The Municipal Business Unit being the largest deterioration of accumulated surplus, offset by the contributions of the other business units and increases to the City reserves.

The increase in accumulated surplus is primarily due to budget 2023 where the budgeted increase in accumulated surplus is anticipated to be \$22.0M. While change to accumulated surplus is anticipated to remain positive throughout the forecast period, annual change in surplus is anticipated to decline from an increase \$22.0M in 2023 down to \$3.6M in 2026 primarily due to changes anticipated in the profitability of the Commodities Business Unit.

The Accumulated surplus represented in the above table is subject to change based on new or revised Accounting Standards issued by the Public Sector Accounting Board. Changes have not been quantified in the above table, however it should be noted that there are changes anticipated during the budget and forecast period that could impact the overall accumulated surplus for the City. For more information please refer to Note 1N of the Notes to the Consolidated Financial Statements in the City's detailed **2022 Financial Report**.



Operating Forecast: Municipal

Municipal Operating Forecast (Unconsolidated) (in thousands)

	Budget 2022	Budget 2023	Budget 2024	Forecast 2025	Forecast 2026
Revenue	123,144	136,635	144,164	154,715	158,230
Expense*	(132,208)	(148,528)	(153,267)	(158,209)	(162,531)
Amortization	(41,551)	(41,779)	(43,178)	(43,410)	(41,718)
Net Internal Recoveries	17,410	20,018	20,428	21,077	21,810
Net Revenue/(Expenses)	(33,205)	(33,655)	(31,853)	(25,827)	(24,209)
Major Operating Expenses	(1,146)	(4,298)	(2,170)	(2,170)	(2,170)
Transfers from/(to) reserves	2,264	4,717	(121)	(6,312)	(6,411)
Total Decline in Accumulated Surplus	(32,087)	(33,236)	(34,144)	(34,309)	(32,790)
Opening Accumulated Surplus	811,362	779,275	746,040	711,895	677,586
Closing Accumulated Surplus	779,275	746,040	711,895	677,586	644,796

*Excludes Amortization Expense

Municipal operations above show the forecasted change in accumulated surplus for the Municipal business unit. The accumulated surplus is forecasted to decline from \$811.4M at the beginning of 2022 to \$644.8M by the end of 2026, a total decline of \$166.6M (20.5%).

From 2022 to 2026 the annual decline in accumulated surplus is anticipated to increase slightly to (\$32.8M) from (\$32.1M) in 2022 (an increase of 2.2%). While the overall decline between 2022 and 2026 does not change significantly, the drivers of decline in surplus do change.

Transfers from reserves are reduced by \$8.7M between 2022 and 2026 in-line with the City's strategy to reduce reliance on reserves to fund operations.

Revenue over the same period is forecasted to increase by \$35.1M offsetting the anticipated growth in expenses of \$26.1M (including amortization and after recoveries).

The City has strategically planned to no longer be reliant on reserves to fund municipal cash requirements by 2025. The primary drivers of revenue are an increase of 5% annually to anticipated property tax revenues (4% from rate increases and 1% from base growth); as well as increases in investment income as a result of a planned increase to the city's targeted portfolio balance.

Expenses are anticipated to grow annually by 5.3%. The majority of growth in expense is experienced in the budget years (2023 and 2024). In 2023 and 2024, expense is anticipated to grow by 12.3% and 3.2% (see Budget in Brief section for more details). In 2025 and 2026 expense growth is anticipated to be 3.2% and 2.7% respectively. Primary drivers of expense growth in 2025 and 2026 include:

- 2.5% general increase to salaries and wage expense; and,
- 4% municipal inflation on non-salary expenses.

Operating Forecast:

Invest Medicine Hat

Invest Medicine Hat Operating Forecast (Unconsolidated) (in thousands)

	Budget 2022	Budget 2023	Budget 2024	Forecast 2025	Forecast 2026
Revenue	10,146	5,737	4,271	778	781
Expense*	(8,357)	(5,509)	(5,278)	(2,278)	(2,353)
Amortization	(107)	(309)	(307)	(304)	(302)
Net Internal Recoveries	3,313	731	756	784	816
Net Revenue/(Expenses)	4,995	650	(558)	(1,020)	(1,058)
Major Operating Expenses	(2,600)	0	0	0	0
Total Change in Accumulated Surplus	2,395	650	(558)	(1,020)	(1,058)
Opening Accumulated Surplus	34,789	37,184	37,834	37,276	36,256
Closing Accumulated Surplus	37,184	37,834	37,276	36,256	35,198

*Excludes Amortization Expense

Invest Medicine Hat operations above show the forecasted change in accumulated surplus for the Invest Medicine Hat Business Unit. The accumulated surplus is forecasted to increase from \$34.8M at the beginning of 2022 to \$35.2M by the end of 2026, a total increase of \$0.4M (1.2%).

From 2022 to 2026 the change in accumulated surplus declines from \$2.4M to (\$1.1M). As mentioned in the budget in brief, the Invest Medicine Hat portfolio is currently in transition and therefore the forecast has been established to reflect the sale of current land inventories by the end of 2024, with no forward-looking assumptions included. Therefore, no additional land purchases have been budgeted or forecasted for the business unit. Invest Medicine Hat is anticipated to come forward in early 2023 to provide a future strategy and budget.



Operating Forecast: Utilities

Utilities Operating Forecast (Unconsolidated) (in thousands)

	Budget 2022	Budget 2023	Budget 2024	Forecast 2025	Forecast 2026
Revenue	93,254	96,072	100,182	103,909	107,929
Expense*	(43,762)	(45,981)	(48,883)	(50,393)	(51,746)
Amortization	(17,629)	(19,542)	(20,130)	(20,774)	(21,017)
Net Internal Expenses	(19,177)	(21,296)	(21,628)	(22,310)	(23,114)
Net Revenue/(Expenses)	12,686	9,253	9,541	10,432	12,052
Transfers from/(to) reserve	(5,486)	0	0	0	0
Total Increase in Accumulated Surplus	7,200	9,253	9,541	10,432	12,052
Opening Accumulated Surplus	258,420	265,620	274,873	284,414	294,846
Closing Accumulated Surplus	265,620	274,873	284,414	294,846	306,898

*Excludes Amortization Expense

Utility operations above show the forecasted change in accumulated surplus for the Utility business unit. The accumulated surplus is forecasted to increase from \$258.4M at the beginning of 2022 to \$306.9M by the end of 2026, a total increase of \$48.5M (18.8%).

From 2022 to 2026 the annual increase in accumulated surplus increases to \$12.1M from \$7.2M in 2022 (an increase of 67.4%). The primary factor in the increase was a transfer to reserve scheduled for \$5.5M in 2022 that was not continued into the budget and forecast periods. The Utility's annual accumulated

surplus, prior to the transfer to reserve, has decreased by \$0.6M (5.0%) over the forecast period. This is primarily a result of expenses growing faster than revenues. Between 2022 and 2026 revenues increased on average 3.7% per year, compared to 4.3% growth per year in expenses during the same period. Likewise, amortization grew by 4.5% per year and net internal expenses are forecasted to grow by 4.8% per year.

Factors impacting the budget and forecast period are the same as those impacting the budget period. For more information please see the **Utility section** of the Budget in Brief.



Operating Forecast: Commodities

Commodities Operating Forecast (Unconsolidated) (in thousands)

	Budget 2022	Budget 2023	Budget 2024	Forecast 2025	Forecast 2026
Revenue	343,500	403,335	348,535	348,603	337,470
Expense*	(137,003)	(148,004)	(131,257)	(136,103)	(140,841)
Depreciation/Depletion/Accretion	(43,703)	(29,684)	(27,325)	(25,915)	(25,751)
Net Internal Expenses	(148,740)	(178,461)	(159,062)	(160,758)	(156,414)
Net Revenue/(Expenses)	14,054	47,186	30,891	25,827	14,464
Transfers from/(to) reserve	(22,422)	(164)	0	0	0
Total Increase (Decrease) in Accumulated Surplus	(8,368)	47,022	30,891	25,827	14,464
Opening Accumulated Surplus	105,104	96,736	143,758	174,649	200,476
Closing Accumulated Surplus	96,736	143,758	174,649	200,476	214,940

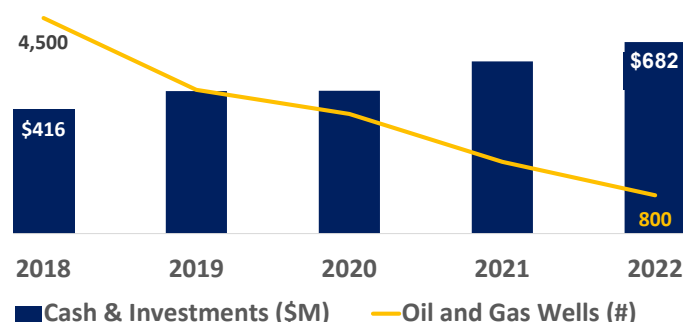
*Excludes Amortization Expense

Commodity operations above show the forecasted change in accumulated surplus for the Commodity Business Unit. The accumulated surplus is forecasted to increase from \$105.1M at the beginning of 2022 to \$214.9M by the end of 2026, a total increase of \$109.8M (104.5%).

In 2022, there is an anticipated decrease in Accumulated surplus of \$8.4M. This \$8.4M decrease is expected to improve in the budget and forecast periods primarily due to improved electric generation revenue from increased commodity prices and decreases to gas production expenditures.

Over the course of the budget and forecast horizon, net revenues are initially expected to increase from the 2022 budget primarily due to higher commodity prices budgeted in 2023 and 2024 than in 2022. However, these commodity prices are anticipated to decline steadily over the forecast horizon.

Expenditures related to gas production are anticipated to decrease in future years due to continued oil and gas well abandonment efforts.



From 2018 to 2022, the City of Medicine Hat's oil and gas well abandonment program has reduced the number of wells the city operates from approximately 4,500 to 800 (a decrease of 3,700). Many of these wells were no longer profitable resulting in losses for the city. The accelerated abandonment of these gas wells has resulted in an overall decrease to the losses the city is experiencing to maintain non-profitable wells. The remaining 800 oil wells are in various stages of abandonment and reclamation which often takes approximately 5 to 7 years to complete.

Other factors impacting the budget and forecast period are the same as those impacting the budget period. For more information please see the **Commodity** section of the Budget in Brief.

Operating Forecast: Reserves

Corporate Operating Forecast (Unconsolidated) (in thousands)

	Budget 2022	Budget 2023	Budget 2024	Forecast 2025	Forecast 2026
Transfers from/to Business Units:					
Municipal	(2,264)	(4,717)	121	6,312	6,411
Utilities	5,486	0	0	0	0
Commodities	22,422	164	0	0	0
Investment Income Designated to Reserve	10,882	5,940	6,026	6,603	7,618
Less: Dividends Paid to Municipal	(3,115)	(3,150)	(3,150)	(3,150)	(3,150)
Total Increase (Decrease) in Accumulated Surplus	33,411	(1,763)	2,997	9,765	10,879
Opening Accumulated Surplus	83,634	117,045	115,282	118,279	128,044
Closing Accumulated Surplus	117,045	115,282	118,279	128,044	138,923

The corporate accumulated surplus is forecasted to increase from \$83.6M at the beginning of 2022 to \$138.9M by the end of 2026, a total increase of \$55.3M (66.1%). The primary contributor to the increase is the contribution from Commodities that was budgeted for 2022. After 2022, the City has not budgeted for any transfers of accumulated surplus from its Business Units. Instead, the City intends to determine the business transfer at the end of the year in line with its Distributable Funds/Dividend and Reserve Policies.

In addition to the change in transfers, the City also anticipates investment income transferred to reserves to decline by \$3.3M (30%) between 2022 and 2026. This is primarily due to the city designating an additional \$2.3M of its 2022 investment income to reserve beyond that required under the Bylaw No. 4422. This additional payment is not anticipated in future periods.



Reserve Forecast

2022-2026 Reserve Forecast

Year	Operating	Capital	Heritage Savings	
			Reserve	Total
2022*	46,889	140,402	134,944	322,235
2023	36,199	135,538	140,884	312,621
2024	30,449	131,900	146,910	309,259
2025	29,929	127,345	149,907	307,181
2026	27,684	128,865	155,931	312,480

* 2022 has not been adjusted for actuals and represents the amounts available at the time the 2023-2024 budget was developed

Between 2022 and 2026, the City's reserve balance is anticipated to decline by \$9.8M (3.0%) before considering any free cash flow contributions from the Business Units. Free cash flow is the annual contribution made by the for-profit Business Units to the reserves from their profits during the year. See **Reserves Explained** for more details.

This decline is primarily due to a \$19.2M (41.0%) decline in the operating reserve balance and a \$11.5M (8.2%) decline in the capital reserve balance, offset somewhat by an increase of \$21.0M (15.6%) to the heritage savings reserve balance.

Operating Reserve Forecast

Year	Beginning			Ending Balance
	Balance	Additions	Deductions	
2022	37,173	19,914	-10,198	46,889
2023	46,889	355	-11,045	36,199
2024	36,199	355	-6,105	30,449
2025	30,449	355	-875	29,929
2026	29,929	355	-2,600	27,684

The Operating Reserve is used to stabilize fluctuations in operating activity and address the risk of revenue or expenditure volatility. The operating reserve is anticipated to decline \$19.2M (41.0%) between 2022 and 2026 (before any allocation of 2023-2026 free cash flow contributions).

The primary driver of the decline are withdrawals to cover operating cash requirements in the municipal operating budget. In 2023, the City anticipates transferring \$11M from its operating reserve to cover Municipal operating needs and \$6M in 2024. In addition, the city has earmarked contingency funds in its operating reserve for the 2026 Special Olympics.

Capital Reserve Forecast

Year	Beginning		Deductions	Ending Balance
	Balance	Additions		
2022	147,515	11,717	-18,830	140,402
2023	140,402	11,079	-15,943	135,538
2024	135,538	10,643	-14,281	131,900
2025	131,900	10,471	-15,025	127,345
2026	127,345	10,544	-9,025	128,865

The Capital Reserve is used to set aside funds for the City's future growth capital requirements. The Capital Reserve is anticipated to decline \$11.5M (8.2%) between 2022 and 2026 (before any allocation of 2023-2026 cash flow contributions).

The primary driver of the decline are withdrawals to cover the purchase of fleet equipment (capital budget schedule, projects 43810974 through 976). In addition, the city has budgeted for an additional contingency of \$2M each year over the forecast period.

Contributions to the Capital plan primarily consist of internal loan repayments and internal payments for fleet leases made by departments using City-owned vehicles.

Heritage Savings Reserve

Year	Beginning		Investment		Ending Balance
	Balance	Additions	Earnings	Deductions	
2022	57,364	75,000	2,580	-	134,944
2023	134,944	-	5,940	-	140,884
2024	140,884	-	6,026	-	146,910
2025	146,910	-	6,603	-3,606	149,907
2026	149,907	-	7,618	-1,594	155,931

The Heritage Savings Reserve is a perpetual endowment fund for the long-term financial benefit of the citizens of the City of Medicine Hat. Any funds contributed to the endowment are required to remain within the fund, however investment earnings on contributions that exceed an annualized inflationary target can be withdrawn from the fund to support municipal operations.

In 2022, the City designated \$75M to the Heritage Savings Reserve in order to accelerate the timing of when these endowment payments might be available to help support municipal operations. In 2025 and 2026 the City has forecasted endowment contributions of approximately \$3.6M and \$1.6M respectively.



Appendix A

GFOA Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Medicine Hat
Alberta**

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director



Appendix B

Business Plans & Briefing Notes

BRIEFING NOTE

DECISION

2023 AND 2024 BUDGETS MUNICIPAL TAX SUPPORTED AND INVEST MEDICINE HAT

NOVEMBER 2, 2022

ISSUE:

Adoption of the 2023 and 2024 budgets (Operating, Major Operating Expense (MOE) and Tangible Capital Asset (TCA)) for City of Medicine Hat Municipal Tax Supported and Invest Medicine Hat.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council:

- a) adopt the 2023 and 2024 **Municipal Tax Supported** Operating budgets, Major Operating Expense (MOE) budgets, and Tangible Capital Asset (TCA) budgets as well as related funding sources;
- b) adopt the 2023 and 2024 **Invest Medicine Hat** Operating budgets;
- c) in accordance with Distributable Funds/Dividend Policy #0169, approve the transfer of the 2022 projected Free Cash Flow of \$83.8M as follows:
 - i. \$25.3M to the Heritage Savings Reserve
 - ii. \$58.5M to Restricted Reserves
- d) receive for information:
 - i. Municipal Tax Supported Operating Forecast and 10 Year TCA and MOE Plans
 - ii. Invest Medicine Hat Operating Forecast and 10 Year Capital Plan

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

The 2023 and 2024 budgets incorporate City Council Strategic Priorities and seek to strike a reasonable balance between financial sustainability and organizational health while achieving the following objectives:

- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents,
- provide competitive property taxes and utility rates, and
- balance financial sustainability while maintaining organizational health

The 2023 and 2024 Invest Medicine Hat budgets seeks to support land development, sales and leasing activity anticipated in the current economic environment.

KEY RISKS:

Health, Safety and Environmental Impact:

The 2023 and 2024 Municipal Budgets will ensure the continued effective delivery of health, safety, and environmental safety throughout the organization.

Financial Impact:

Funding Request:	Yes	If yes, amount: See below
Budgeted Item:	Yes	Funding Source: As noted below
Funding Explanation:	As noted below	
Budget Amendment Form?	No	

City of Medicine Hat

Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	\$ CHANGE	2024 BUDGET	\$ CHANGE
Revenue	123.1	13.5	136.6	7.5	144.2	17.1%
Expenses*	132.2	16.3	148.5	4.7	153.3	15.9%
Net Revenues (Expenses)	(9.1)	(2.8)	(11.9)	2.8	(9.1)	0.5%
Internal Allocations	17.4	2.6	20.0	0.4	20.4	17.3%
Net Cash Requirement before Transfers	8.3	(0.2)	8.1	3.2	11.3	35.7%
Capital Cash Requirements*	(10.6)	(2.2)	(12.8)	1.6	(11.2)	5.6%
Transfer From/(To) Reserves	(6.7)	0.4	(6.3)	0.2	(6.1)	(9.1%)
Transfer From Operating Reserve	9.0	2.0	11.0	(5.0)	6.0	(33.3%)
Total Budget Surplus/ (Shortfall)	0.0	0.0	0.0	0.0	0.0	

*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense, Debenture Principle repayments, and other transfers from operating for capital spending.

City of Medicine Hat

Municipal TCA and MOE Budget (in millions)

	2023 BUDGET (\$)	2024 BUDGET (\$)	TOTAL BUDGET (\$)
Tangible Capital Assets (TCA)	40.7	46.9	87.6
Major Operating Expense (MOE)	4.3	2.2	6.5
Total	45.0	49.1	94.1

Invest Medicine Hat is comprised of two separate business units: (1) Economic Development and Investment – funded by property taxes; and (2) Land Development and Sales – funded by sales and leasing revenue. Total revenue/expense net figures are provided in the table below:

City of Medicine Hat

Invest Medicine Hat Operating Budget (in millions)

	2022 AMENDED BUDGET (\$)	2023/2022 BUDGET CHANGES (\$)	2023 BUDGET (\$)	2024/2023 BUDGET CHANGES (\$)	2024 BUDGET (\$)	2024/2022 BUDGET CHANGES %
Revenue	10.1	(4.4)	5.7	(1.5)	4.3	(57.9%)
Expenses*	8.4	(2.8)	5.5	(0.2)	5.3	(36.8%)
Net Revenues (Expenses)	1.8	(1.6)	0.2	(1.2)	(1.0)	(156.3%)
Internal Allocations	3.3	(2.6)	0.7	0.0	0.8	(77.2%)
Net Cash Requirement before Transfers	5.1	(4.1)	1.0	(1.2)	(0.3)	(104.9%)
Capital Cash Requirements*	2.7	(2.7)	0.0	0.0	0.0	(100.0%)
Transfer To Reserves	0.0	0.0	0.0	0.0	0.0	
Transfer From Reserves	0.0	0.0	0.0	0.0	0.0	
Total Budget Surplus/(Shortfall)	2.4	(1.4)	1.0	(1.2)	(0.3)	(110.5%)

*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense and other transfers for capital.

**the proposed IMH budget is a placeholder based on current state trajectory but with full expectation of being revisited with council once the resourcing plan and related strategies are confirmed (in progress with executive and council).*

Legal / Policy Impact:

The City of Medicine Hat is legislatively required to adopt a municipal budget before it may establish a bylaw for property tax requisition; the Municipal Government Act requires Council to adopt budgets prior to January 1 of each respective calendar year. Property tax rate bylaws for 2023 and for 2024 will be presented to City Council for approval in spring 2023 and 2024, respectfully.

The Municipal Budget was developed based on City Council strategic plan and in accordance with City of Medicine Hat policies and practices.

Public Implications:

This budget proposes an annual 4% increase to property tax revenues in both 2023 and 2024, with an additional 1% of property tax revenue related to assessment growth in each year. This increase in property tax revenue comes after a two-year property tax rate freeze that assisted City residents during the pandemic. However, it also comes during record inflationary pressures that are increasing the cost of living for local property owners.

The 2023 and 2024 Invest Medicine Hat budgets are based upon City Council's strategic priorities considering the expected economic environment in the near term for land development and sales.

BACKGROUND:

Introduction

Council must adopt an annual Operating budget (MGA 242(1)) and annual Capital budget (MGA 245) for each calendar year by January 1 of that calendar year.

- An Operating budget must include the estimated amount of expenditures and transfers including the amount needed to provide for the council's policies and programs;
- A Capital budget must include the estimated amount for the following:
 - a) the amount needed to acquire, construct, remove or improve capital property and anticipated funding sources;
 - b) the amount to be transferred from the operating budget.

In addition to the annual budget preparation and approval requirements each municipality must prepare a written plan including the following:

- Financial Plan (i.e. Operating forecast) – anticipated financial operations over a period of at least the next 3 financial years.
- Capital Plan (i.e. Capital forecast) – anticipated capital property additions over a period of at least the next 5 fiscal years (MGA 283.1(3)).

Council must annually review and update its financial plan and capital plan (MGA 283.1(6)).

On July 4, 2022, Administration recommended the following key budget assumptions in development of the 2023 and 2024 budgets as well as the 2025 and 2026 forecast:

Revenue Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Property Tax Revenue (Base 4% + Assessment Growth 1%)*	5.0%	5.0%	5.0%	5.0%
User Fees & Charges Increase	4%	4%	4%	4%
Investments Return Rate	3%	3%	3%	3%
Municipal Consent & Access Fee Increase	\$2M	\$1M	-	-

Expense Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Managed Manpower Rate (as % of Salaries & Wages)	(4.2%)	(4.2%)	(4.2%)	(4.2%)
Benefit Rate (as % of Salaries & Wages)	20%	20%	20%	20%
General Inflation Increase	4%	4%	4%	4%
Salaries & Wages Increase*	2.5%	2.5%	2.5%	2.5%
Cost of Borrowing Increase	1%	2%	3%	3%
Capital Funding Amount	\$1.5M	\$1.5M	\$1.5M	\$1.5M
MOE Funding Amount	\$2M	\$2M	\$2M	\$2M

*July 4, 2022 recommendation for annual assessment growth was 0.5% and annual salaries & wages was 4% but were subsequently revised to 1.0% and 2.5% respectively.

Corporate Results and Treasury Forecasts

Corporate Results - Permanently Established Positions

Through the 2023-2024 budget cycle process, it was determined that the establishment of an additional 29 permanently established positions (PEP's) additions is required to maintain existing service levels and organizational health (**Attachment #1** Corporate Results and Treasury Forecasts: Table #1).

Treasury Implications

Funding the proposed 2023 and 2024 Operating, Tangible Capital Asset, and Major Operating Expense budgets for all economic business units within the corporation is expected to have the following impact to on Treasury holdings and borrowings:

	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Debt Limit	52.6%	59.1%	59.2%	61.1%
Total Reserves (\$M)	357.9	360.6	350.5	339.8

In alignment with the procedures of the Capital Debt Management Policy #0121, the City of Medicine Hat is projected not to exceed the internal debt limit of 70% from 2023-2026 (**Attachment #1** Corporate Results and Treasury Forecasts: Table #2)

End of year reserve balances from 2022-26 include free cash flow contributions to reserves in alignment with the Distributable Funds/Dividend Policy #0169 (**Attachment #1** Corporate Results and Treasury Forecasts: Table #3).

Treasury holdings and borrowings are projected to meet internal policy limits, target debt/equity ratios, and provide a strong basis for financial health and sustainability into the future.

Municipal Budget

This Municipal tax Supported budget balances financial sustainability while maintaining organizational health. This budget further advances the implementation and optimization of the 2021 organizational realignment, filling in identified resource gaps to delivery of Council's policy, services and programs, as well as implementing Council's strategic plan.

With the application of the above assumptions, additional cost pressures identified by departments, and alignment of the budget to Council's strategic priorities, a municipal budget shortfall of approximately \$11.0M in 2023 and \$6.0M in 2024 is projected.

The Municipal Services is presented in **Attachment #2**: 2023-24 Municipal Services Operating budget assuming the shortfall is funded by reserves with a commitment to review and revise the 10 year Financially Fit Initiative plan for unexpected events and changes in the economic environment (e.g., Aurora Sun closure, post-COVID19 pandemic inflation, 2021 organizational restructure, 2023-2026 Council Strategic Plan).

The transfer of \$75M to Heritage Reserve by January 1, 2023, will create an endowment that will provide an increase in investment income, thereby reducing the annual municipal budget shortfall by approximately \$5M by 2025.

The Municipal Services 10 Year Tangible Capital Asset (TCA) and Major Operating Expense (MOE) plans (**Attachment #4**: 2023-2024 and 2025-2032 Tangible Capital Asset and **Attachment #5**: Major Operating Expense Budgets and Forecasts) represent capital requirements in each year of the budget cycle as required to maintain existing service levels to the community, while balancing financial sustainability.

Invest Medicine Hat

Management has reviewed assumptions contained in the 2022 Operating Budget Update previously approved by city council and proposed revisions in the 2023 and 2024 budgets (**Attachment #6: 2023-24 IMH Operating Budget**) related to the following:

- Updated sales forecasts to reflect current economic conditions, with a strategic focus on de-risking City owned lands to market industrial, commercial, and multi-use land opportunities
- Adjustments to salaries & wages, contracted services and internal charges in order to reflect the organizational realignment.

**the proposed IMH budget is a placeholder based on current state trajectory but with full expectation of being revisited with council once the resourcing plan and related strategies are confirmed (in progress with executive and council).*

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

The proposed Municipal Tax Supported and Investment Medicine hat budgets represent a wide range of options, judgements, and choices that the Executive believes are optimal at this time. Beyond this, options include:

- Recognize additional sustainable distributable cash/Dividend from utility business units to balance the budget
- Revise base property tax revenue assumption to 5% = approximately \$800k annual revenue
- Reduce operating expenses with a commitment to review and adjust (reduce) service levels accordingly
- Redirect a portion of the 2022 projected Free Cash Flow of \$83M to other Reserves including Council capital contingency.

IMPLEMENTATION PLAN:

Subject to Council approval, budgets and related funding will be implemented for 2023 and 2024.

PREPARED BY & DATE:	Aaron Hoimyr Financial Planning Analyst	October 31, 2022
REVIEWED BY & DATE:	Vanessa Bonneville City Controller & Manager, Financial Control & Reporting	
APPROVED BY & DATE:	Dennis Egert Managing Director Corporate Services	
ATTACHMENTS:	Attachment #1: Corporate Results and Treasury Forecasts Attachment #2: 2023-2024 Municipal Services Operating Budget Attachment #3: 2023-2026 Municipal Operating Budget & Forecast Attachment #4: 2023-2032 Municipal TCA Plan Attachment #5: 2023-2032 Municipal MOE Plan Attachment #6: 2023-2032 IMH Operating Budget Attachment #7: 2023-2026 IMH Operating Budget & Forecast	

ATTACHMENT #1: Corporate Results and Treasury Forecasts

Table #1: Permanently Established Positions 2020 - 2024

	2020	2021	2022	2023	2024
General Government	36	24	25	26	26
Corporate Services	201	149	155	163	164
Public Services	275	257	258	270	270
Police	150	148	148	153	153
Invest Medicine Hat	9	8	8	8	8
Strategy Management & Analysis	20	79	85	87	87
Energy & Infrastructure	313	359	354	354	354
Development & Infrastructure	83	-	-	-	-
Total Permanent Positions	1,087	1,024	1,033	1,061	1,062

In 2021 the City of Medicine Hat undertook a significant organizational restructuring to develop a streamlined structure to operate more efficiently and effectively. Each area is structured as follows:

- General Government - includes City Manager; Managing Directors; Executive Assistants; City Solicitor and City Clerk
- Corporate Services - includes Human Resources; Corporate Communications; Information Technology; Finance
- Public Services - includes Community Development; Fire and Emergency Services; Park and Recreation
- Invest Medicine Hat - includes Investment and Land
- Strategy Management & Analysis (SM&A) - includes Strategy & Analysis; Environment Land & Government Relations; City Planning; Integrated Project Planning & Execution
- Energy & Infrastructure (E&I) - includes City Assets; City Operations; Engineering; Power and Water Plants
- Development & Infrastructure- departments were relocated to E&I and SM&A

Table #2: Debt Limit Forecast 2022 - 2026

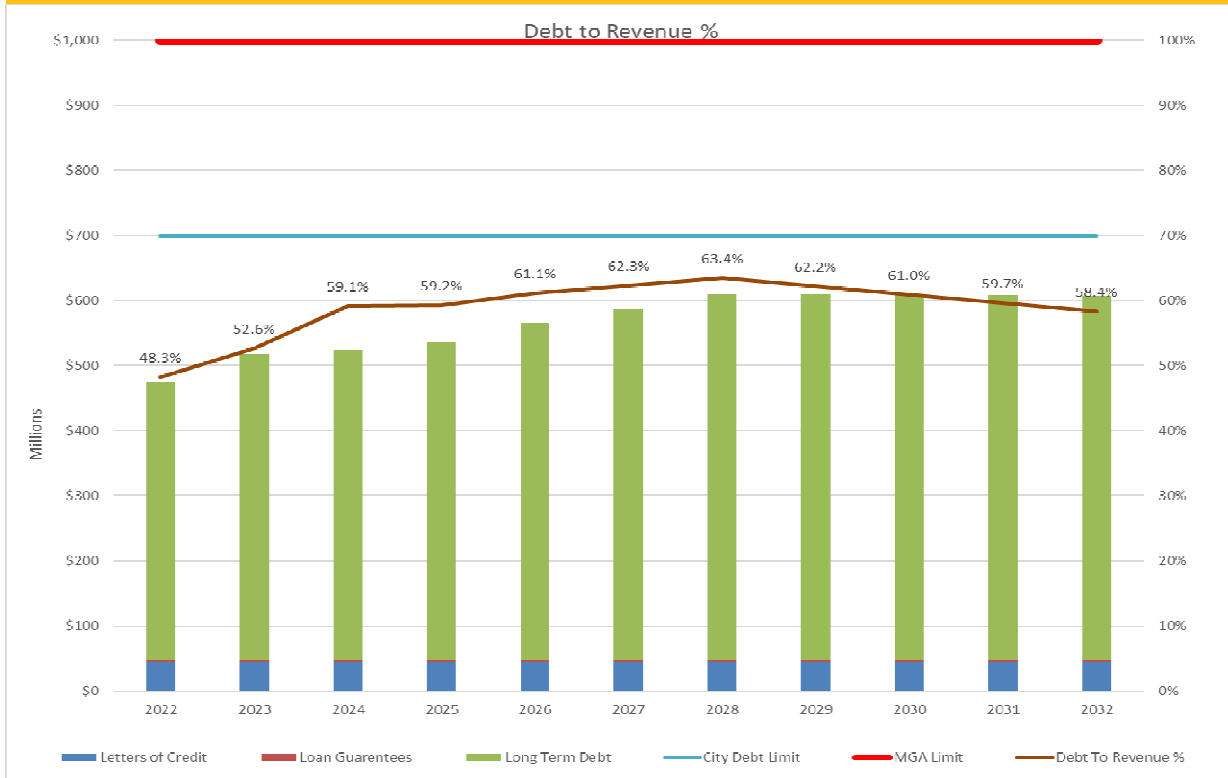


Table #3: 2022-2026 Reserves Forecast (in millions)

	2022	2023	2024	2025	2026
Operating Reserve	46.9	50.2	43.2	29.9	27.7
Capital Reserve	141.4	155.0	159.0	162.3	147.9
Heritage Savings Reserve	143.2	152.7	158.4	158.2	164.2
Total	331.5	357.9	360.6	350.5	339.8

2023-2024 MUNICIPAL SERVICES OPERATING BUDGET

City of Medicine Hat

Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	% CHANGE	\$ CHANGE	2024 BUDGET	% CHANGE	REF NO.
Revenue								
Net Property Taxes	80,783	4,013	84,796	5.0%	4,237	89,033	5.0%	1
Other Revenue	30,966	2,841	33,806	9.2%	1,893	35,699	5.6%	2
Investment Income	8,280	6,602	14,882	79.7%	1,399	16,281	9.4%	3
Contribution from Utilities and Land	3,115	35	3,150	1.1%	-	3,150	0.0%	
Total Revenue	123,144	13,491	136,635	11.0%	7,529	144,164	5.5%	
Expenses								
Salaries, Wages and Benefits	96,209	4,944	101,153	5.4%	2,514	103,667	2.5%	4
Contracted and General Services	22,728	9,374	32,102	45.8%	1,236	33,337	3.8%	5
Materials, Goods & Utilities	7,569	1,950	9,519	24.8%	391	9,910	4.1%	6
Other Operating Expenses	5,701	53	5,753	1.0%	600	6,353	10.4%	7
Total Expenses	132,207	16,321	148,528	13.1%	4,740	153,268	3.2%	
Net Cash Requirements Before Internal Transfers, Capital Requirements, and Reserve Transfers	- 9,063	- 2,830	- 11,893	- 0	2,789	- 9,104	0	-
Internal Recovery	50,317	- 190	50,126	-0.4%	1,383	51,509	2.8%	
Internal Charges & Transfers	32,906	- 2,798	30,108	-8.5%	972	31,081	3.2%	
Net Internal Charges and Transfers	17,410	2,607	20,018	15.0%	411	20,428	2.1%	8
Net Cash Requirements Before Capital Requirements and Reserve Transfers	8,348	- 223	8,125	-2.7%	3,200	11,324	39.4%	
Capital Cash Requirements	- 10,612	- 2,230	- 12,842	21.0%	1,638	- 11,204	-12.8%	9
Transfer To Reserves	- 6,615	- 217	- 6,832	3.3%	195	- 6,637	-2.9%	10
Transfer From Reserves	265	239	504	89.9%	8	511	1.5%	11
Transfer From Operating Reserve	8,614	2,431	11,045	28.2%	5,040	6,005	-45.6%	12
Total Cash Requirements	0	0	0		0	0		

REF NO.	NOTE	\$
1	Annual increase due to 4% tax rate increase plus 1% assessment growth	4,013
2	Increase due to increase in Municipal Consent & Access Fee (2023-\$2.0M, 2024 - \$1.0M), additional event bookings at Esplanade and Coop place (\$1.5m) and increase in interest & penalties on arrears to reflect approved penalty rates (\$0.3M), offset by decrease in court fine revenue to reflect legislative changes (\$0.8M), and decrease in safety code revenue to reflect historical trends and current economic environment (\$0.1M).	2,841
3	Increase in investment income due to forecasted investment portfolio balance and execution of investment portfolio strategy in 2022.	6,602
4	Increase due to anticipated inflationary increase (\$2.4M) addition of 28 positions (\$2.5M).	4,944
5	Increase due to anticipated inflationary increases (\$1.0M), investment portfolio management fees resulting from executing the investment portfolio strategy (\$3.1M), increase in event bookings at Esplanade and Coop Place (\$1.7M), reclassification of annual road & sidewalk program expenses from Major Operating Expenses (\$1.2M), cybersecurity software & contractor support (\$0.6M), anticipated increase in vehicle fuel & maintenance expenses (\$0.5M), and additional inflationary increase in insurance premium expenses (\$0.4M) and software licence fees (\$0.3M).	9,374
6	Increase due to anticipated inflationary increases (\$0.3M) and expected additional inflationary increase in fuel & oil expenses (\$1.3M).	1,950
7	Increase in 2024 due to increase in debenture interest related to anticipated debenture borrowing to fund capital projects.	53
8	Internal recoveries decreased due to change in methodology (~\$2.2M) and fleet lease recoveries due to deferral of vehicle replacements (\$0.4M), offset by increases in expenses due to an increase in permanently established positions (\$0.8M) and expenses due to inflation (\$2.0M). Decrease in internal charges is due to change in methodology where charges/recoveries are no longer administered between shared corporate service departments (~\$1.7M) and costs are recovered primarily based on a department's proportionate number of permanent positions (~\$0.5M), and a decrease in fleet lease charges (\$0.4M).	2,607
9	Increase in 2023 is due to additional \$3.1M of funding for Major Operating Expenses (MOE) for a total of \$4M. MOE funding returns to \$2.2M in 2024. Partially offset by lower debenture principle payments (\$1.5M).	-2,230
10	Decrease due to lower fleet lease charges related to deferring vehicle replacements in prior years.	-217
11	Increase in transfer from Employee and Development operating reserve to fund related operating expenses.	239
12	Increase in funding required from the operating reserve is primarily due to an increase in permanently established positions and anticipated inflation on expenses.	2,431

2023-2026 MUNICIPAL OPERATING BUDGET & FORECAST

City of Medicine Hat

Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET	2025 FORECAST	2026 FORECAST
Revenue					
Net Property Taxes	80,783	84,796	89,033	93,485	98,160
Other Revenue	30,966	33,806	35,699	36,253	37,186
Investment Income	8,280	14,882	16,281	21,826	19,735
Contribution from Utilities and Land	3,115	3,150	3,150	3,150	3,150
Total Revenue	123,144	136,635	144,164	154,714	158,230
Expenses					
Salaries, Wages and Benefits	96,209	101,153	103,667	106,241	108,883
Contracted and General Services	22,728	32,102	33,337	34,286	35,538
Materials, Goods & Utilities	7,569	9,519	9,910	10,288	10,704
Other Operating Expenses	5,701	5,753	6,353	7,393	7,407
Total Expenses	132,207	148,528	153,268	158,208	162,531
Net Cash Requirements Before Internal Transfers, Capital Requirements, and Reserve Transfers	- 9,063 -	11,893 -	9,104 -	3,494 -	4,302
Internal Recovery	50,317	50,126	51,509	53,191	54,940
Internal Charges & Transfers	32,906	30,108	31,081	32,114	33,130
Net Internal Charges and Transfers	17,410	20,018	20,428	21,077	21,810
Net Cash Requirements Before Capital Requirements and Reserve Transfers	8,348	8,125	11,324	17,583	17,509
Capital Cash Requirements	- 10,612 -	12,842 -	11,204 -	11,271 -	11,097
Transfer To Reserves	- 6,615 -	6,832 -	6,637 -	6,831 -	6,939
Transfer From Reserves	265	504	511	519	528
Transfer From Operating Reserve	8,614	11,045	6,005	-	-
Total Cash Requirements	0	0	0 -	0 -	0



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

ATTACHMENT #4

Municipal Services - Capital

				BUDGET REQUEST				BUDGET FORECAST						
				2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	FLEET CATEGORY											
11210528	CAS-Contingency			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
23210671	CAS-MW-2023/24-TCA-Traffic Calming Measures	Sustaining Capital - TCA		-	-	150	150	-	-	-	-	-	-	300
23210672	CAS-MW-2023/24-TCA-Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA		5,000	5,250	-	-	-	-	-	-	-	-	10,250
23210673	CAS-MW-2023-TCA-City Fence Rehabilitation/Replacement	Sustaining Capital - TCA		-	-	100	-	-	-	-	-	-	-	100
23210674	CAS-MW-2023/24-TCA-Bridge Rehabilitation	Sustaining Capital - TCA		1,000	1,000	-	-	-	-	-	-	-	-	2,000
23210675	CAS-MW-2023/24-TCA-Multi-modal Transportation Connectivity	Growth Capital - TCA		-	-	100	100	-	-	-	-	-	-	200
23210676	CAS-MW-2023-TCA-Finlay Bridge Decorative Lighting Replacement	Sustaining Capital - TCA		-	-	-	-	-	250	-	-	-	-	250
23210677	CAS-MW-2023/24-TCA-Storm Sewer Rehabilitation Program	Sustaining Capital - TCA		3,500	3,500	-	-	-	-	-	-	-	-	7,000
23210678	CAS-MW-2025-TCA-Kingsway Av Rehabilitation	Sustaining Capital - TCA		-	-	4,600	-	-	-	-	-	-	-	4,600
23210679	CAS-MW-2023/24-TCA-Dunmore Road Rehabilitation	Sustaining Capital - TCA		-	-	2,500	2,200	-	-	-	-	-	-	4,700
23210680	CAS-MW-2023/24-TCA-3rd Street SE Road Rehabilitation	Sustaining Capital - TCA		150	1,000	-	-	-	-	-	-	-	-	1,150
23210681	CAS-MW-2023/24-TCA-South Boundary Road Rehabilitation	Sustaining Capital - TCA		-	-	-	-	4,400	-	-	-	-	-	4,400
23210682	CAS-MW-2025-TCA-Intersection Traffic Signalization	Growth Capital - TCA		-	-	250	-	-	-	-	-	-	-	250
23210683	CAS-MW-2023/24-TCA-Division Avenue South Upgrade	Sustaining Capital - TCA		-	6,250	-	-	-	-	-	-	-	-	6,250
23210684	CAS-MW-2023/24-TCA-Laneway Rehabilitation	Sustaining Capital - TCA		200	200	-	-	-	-	-	-	-	-	400
23210685	CAS-MW-2023/24-TCA-Storm System Upgrades	Sustaining Capital - TCA		-	-	500	-	-	-	-	-	-	-	500
23210686	CAS-MW-2025 2028-TCA-Festive Light Replacement	Sustaining Capital - TCA		-	-	250	-	-	250	-	-	-	-	500
23210687	CAS-MW-2023/24-TCA-Intersection Geometric Upgrades	Sustaining Capital - TCA		-	-	-	-	1,750	-	-	-	-	-	1,750
23210688	CAS-MW-2027-TCA-Industrial Avenue SE Rehabilitation	Sustaining Capital - TCA		-	-	-	-	7,000	-	-	-	-	-	7,000
23210689	CAS-MW-2028-TCA-SW Industrial Area Road Upgrades	Sustaining Capital - TCA		-	-	-	-	-	3,250	-	-	-	-	3,250
23210690	CAS-MW-2028-TCA-Arterial Road Construction	Growth Capital - TCA		-	-	-	-	-	9,000	-	-	-	-	9,000
23210691	CAS-MW-2025-32-TCA-Bridge Rehabilitation	Sustaining Capital - TCA		-	-	500	500	650	650	850	850	1,100	1,100	6,200
23210692	CAS-MW-2025-32-TCA-Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA		-	-	5,500	5,750	6,000	11,000	11,250	11,500	11,750	12,000	74,750
23210693	CAS-MW-2025-32-TCA-Storm Sewer Rehabilitation Program	Sustaining Capital - TCA		-	-	4,650	4,650	4,800	4,800	4,950	4,950	5,100	5,100	39,000
23210695	CAS-MW-2025-2030-TCA-3rd Street SE Road Rehabilitation	Sustaining Capital - TCA		-	-	250	2,500	250	2,500	125	750	-	-	6,375
23210696	CAS-MW-2025-TCA-Dunmore Road Rehabilitation	Sustaining Capital - TCA		-	-	1,800	-	-	-	-	-	-	-	1,800
23210697	CAS-MW-2025-2032-TCA-Laneway Rehabilitation	Sustaining Capital - TCA		-	-	250	250	-	250	-	250	-	250	1,250
23210698	CAS-MW-2025-2032-TCA-Traffic Calming Measures	Sustaining Capital - TCA		-	-	150	150	150	100	100	100	100	100	950
23210699	CAS-MW-2025-TCA-Intersection Geometric Upgrades	Sustaining Capital - TCA		-	-	450	-	-	-	-	-	-	-	450
23210700	CAS-MW-2026/27-TCA-3rd Street NE/NW Rehabilitation	Sustaining Capital - TCA		-	-	-	6,000	3,000	-	-	-	-	-	9,000
23210702	CAS-MW-2025-2032-TCA-Multi-modal Transportation Connectivity	Growth Capital - TCA		-	-	100	100	100	100	100	100	100	100	800
23210703	CAS-MW-2026-2032-TCA-City Fence Rehabilitation/Replacement	Sustaining Capital - TCA		-	-	-	500	500	500	500	500	500	500	3,500
23210704	CAS-MW-2023/24-TCA-Connaught Dam Maintenance	Sustaining Capital - TCA		-	-	200	-	-	-	-	-	-	-	200
23210705	CAS-MW-2025/32-TCA-College Avenue Bridge and Kipling Intersection	Sustaining Capital - TCA		-	-	-	1,000	9,000	-	-	-	-	-	10,000
23210706	CAS-MW-2025-32-TCA-Storm System Upgrades	Sustaining Capital - TCA		-	-	8,000	8,000	8,500	8,500	9,000	9,000	9,500	10,000	70,500
23210707	CAS-MW-2025/32-TCA-Industrial Ave Bridge Replacement	Sustaining Capital - TCA		-	-	-	-	-	6,500	-	-	-	-	6,500
23210708	CAS-MW-2025/32-TCA-Day Street Bridge Replacement	Sustaining Capital - TCA		-	-	-	-	-	-	-	-	-	5,000	5,000
23210709	CAS-MW-2025/32-TCA-Permanent Snow Disposal Site	Sustaining Capital - TCA		-	-	-	-	-	-	-	-	-	4,000	4,000
23210710	CAS-MW-2023/24-TCA-Streetlight Replacement Program	Sustaining Capital - TCA		200	250	-	-	-	-	-	-	-	-	450
24210510	CAS-Airport-2024-TCA-Airport Groundside Access Improvements	Growth Capital - TCA		-	-	350	-	-	-	-	-	-	-	350
24210511	CAS-Airport-2024 TCA-Runway 09-27 Detailed Design and Construction	Sustaining Capital - TCA		-	-	5,000	-	-	-	-	-	-	-	5,000
30210529	FES - 2023 TCA - Next Generation 911	Growth Capital - TCA		250	-	-	-	-	-	-	-	-	-	250
30210530	FES - 2023 TCA - Provincial Infrastructure - Traffic Pre-emption	Growth Capital - TCA		40	-	-	-	-	-	-	-	-	-	40
30210531	FES - 2023 TCA - Live Fire Advanced Training System addition	Growth Capital - TCA		40	-	-	-	-	-	-	-	-	-	40
30210532	FES - 2024 TCA - Thermal Image Camera's	Growth Capital - TCA		-	100	-	-	-	-	-	-	-	-	100
30210533	FES - 2025 TCA - Chemical & Gas Analyzer	Growth Capital - TCA		-	-	100	-	-	-	-	-	-	-	100
30210534	FES - 2025-2032 TCA - Live Fire Advanced Fire Training System addition	Growth Capital - TCA		-	-	-	40	-	-	-	-	50	-	90
30210535	FES - 2025-2032 TCA - Gas Detection Replacement	Growth Capital - TCA		-	-	90	-	-	-	-	-	-	-	90
30210536	FES - 2025-2032 TCA - MDT replacement	Sustaining Capital - TCA		-	-	75	-	-	-	-	-	-	-	75
30210537	FES - 2025-2032 TCA - SCBA Cylinder replacement	Sustaining Capital - TCA		-	-	-	-	-	-	-	135	-	-	135
30210538	FES - 2025-2032 TCA - Station 3 Apron replacement	Sustaining Capital - TCA		-	-	-	-	100	-	-	-	-	-	100
30210539	FES - 2025-2032 TCA - Portable Radios	Sustaining Capital - TCA		-	-	-	-	-	-	-	275	-	-	275
30210540	FES - 2025-2032 TCA - Attack Digital Fire Training System	Growth Capital - TCA		-	-	-	35	-	-	-	-	-	-	35
30210541	FES - 2025-2032 TCA - Dispatch Console	Growth Capital - TCA		-	-	-	-	50	1,200	-	-	-	-	1,250
32610650	PKRC - 2023/2024 TCA - Trail Infrastructure Program	Sustaining Capital - TCA		917	917	-	-	-	-	-	-	-	-	1,834
32610651	PKRC - 2023/2024 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA		3,683	3,802	-	-	-	-	-	-	-	-	7,485
32610652	PKRC - 2023/2024 TCA - Accessibility Program	Sustaining Capital - TCA		108	378	-	-	-	-	-	-	-	-	486
32610653	PKRC - 2023 TCA - Columbaria & Scattering Gardens Program	Growth Capital - TCA		270	-	-	-	-	-	-	-	-	-	270
32610654	PKRC - 2023/2024 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA		378	270	-	-	-	-	-	-	-	-	648
32610655	PKRC - 2023/2024 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA		108	162	-	-	-	-	-	-	-	-	270
32610656	PKRC - 2023 TCA - Towne Centre Washroom	Growth Capital - TCA		540	-	-	-	-	-	-	-	-	-	540
32610657	PKRC - 2023/2024 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA		324	162	-	-	-	-	-	-	-	-	486
32610658	PKRC - 2023/2024 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA		216	216	-	-	-	-	-	-	-	-	432

32610659	PKRC - 2025 to 2032 TCA - Irrigation Central Control System Program	Growth Capital - TCA	-	-	825	450	-	-	-	-	-	-	1,275
32610660	PKRC - 2023/2024 TCA - Community Partnerships Program	Sustaining Capital - TCA	200	300	-	-	-	-	-	-	-	-	500
32610661	PKRC - 2023/2024 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	324	216	-	-	-	-	-	-	-	-	540
32610663	PKRC - 2023/2024 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	54	27	-	-	-	-	-	-	-	-	81
32610665	PKRC - 2025 to 2032 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA	-	-	3,410	3,120	3,600	3,182	3,246	3,311	3,377	3,445	26,691
32610666	PKRC - 2025 to 2032 TCA - Accessibility Program	Sustaining Capital - TCA	-	-	350	357	364	371	379	425	434	442	3,122
32610667	PKRC - 2025-2032 TCA - Trail Infrastructure Program	Sustaining Capital - TCA	-	-	1,135	969	1,288	1,020	1,034	1,055	1,577	1,608	9,686
32610668	PKRC - 2025 to 2032 TCA - Columbaria & Scattering Gardens Program	Sustaining Capital - TCA	-	-	125	-	-	-	204	-	110	-	439
32610669	PKRC - 2025-2032 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA	-	-	75	250	75	-	250	255	260	265	1,430
32610670	PKRC - 2025-2032 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA	-	-	-	75	-	-	265	250	250	-	840
32610671	PKRC - 2025-2032 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA	-	-	220	225	229	234	238	243	248	253	1,890
32610672	PKRC - 2025-2032 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA	-	-	428	125	150	-	160	165	300	350	1,678
32610673	PKRC - 2025-2032 TCA - Community Partnerships Program	Sustaining Capital - TCA	-	-	400	408	416	424	434	442	450	459	3,433
32610674	PKRC - 2025 to 2032 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	-	-	204	-	208	212	216	221	225	230	1,516
32610675	PKRC - 2025-2032 TCA - South Saskatchewan River Recreation Opportunities Program	Sustaining Capital - TCA	-	-	200	825	106	108	110	113	115	117	1,694
32610676	PKRC - 2025-2032 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	-	-	-	-	27	-	110	113	-	68	318
32610677	PKRC - 2025-2032 TCA - EDRP Improvement Program	Growth Capital - TCA	-	-	500	5,000	1,500	2,000	-	1,500	500	500	11,500
32610678	PKRC - 2025-2032 TCA - Urban Forestry Tree Canopy Enhancement Program	Growth Capital - TCA	-	-	-	125	-	130	-	135	138	-	528
32610679	PKRC - 2025 to 2032 TCA - Urban Park Redevelopment & Open Space Program	Sustaining Capital - TCA	-	-	1,150	-	500	-	4,700	400	450	450	7,650
32610680	PKRC - 2025 to 2032 TCA - Lawn Bowling Facility Relocation Initiative	Sustaining Capital - TCA	-	-	125	500	-	-	-	-	-	-	625
32610681	PKRC - 2023 TCA - EDRP Improvement Program		750	-	-	-	-	-	-	-	-	-	750
33210537	PKRC - 2023/2024 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	1,431	999	-	-	-	-	-	-	-	-	2,430
33210538	PKRC - 2023/2024 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	270	432	-	-	-	-	-	-	-	-	702
33210539	PKRC - 2025 to 2032 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	-	-	975	725	1,152	786	810	1,038	1,370	1,910	8,766
33210540	PKRC - 2025-2032 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	-	-	540	507	528	451	424	433	433	442	3,758
33210541	PKRC - 2025 to 2032 TCA - Methanex Bowl Turf Replacement & Upgrades	Sustaining Capital - TCA	-	-	-	-	100	1,800	-	-	-	-	1,900
33210543	PKRC - 2025-2032 TCA - Technology Innovation Integration	Sustaining Capital - TCA	-	-	100	100	100	100	100	500	500	500	2,000
35610502	CDV - 2023 TCA - Community Housing IR	Sustaining Capital - TCA	112	100	500	500	-	-	-	-	-	-	1,212
36210512	CDV - 2024 TCA - Gallery Lighting Replacement	Sustaining Capital - TCA	-	125	-	-	-	-	-	-	-	-	125
36210513	CDV - 2025 TCA - Esplanade Digital Signage	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
36210515	CDV - 2023 TCA - Control Switches	Sustaining Capital - TCA	50	-	-	-	-	-	-	-	-	-	50
36210517	CDV - 2024 TCA - Esplanade Stage Drape	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
36210518	CDV - 2025 TCA - Towne Square Digital Sign	Growth Capital - TCA	-	-	175	-	-	-	-	-	-	-	175
36210520	CDV - 2024 TCA - Facility Indoor Digital Signage	Sustaining Capital - TCA	-	50	-	-	-	-	-	-	-	-	50
36210521	CDV - 2023 TCA - Bar Installation	Growth Capital - TCA	150	-	-	-	-	-	-	-	-	-	150
36210522	CDV - 2025-2032 TCA - Theatre seating replacement	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
36210523	CDV - 2025-2032 TCA - Co-op Place PA system	Growth Capital - TCA	-	-	500	-	-	-	-	-	-	-	500
36210524	CDV - 2025-2032 TCA-Co-op Place Clock	Sustaining Capital - TCA	-	-	-	-	-	5,000	-	-	-	-	5,000
37210526	CDV - 2024 TCA - Transit Bus Zone Accessibility Improvements	Growth Capital - TCA	-	200	-	-	-	-	-	-	-	-	200
37210529	CDV - 2025-2032 TCA - New Bus Shelters		-	-	200	200	200	200	200	-	-	-	1,000
37210530	CDV - 2025-2032 TCA - Terminal Shelter Updates		-	-	-	50	-	200	-	-	-	-	250
38410538	POL - 2023 TCA - Server /Storage Refresh	Growth Capital - TCA	395	-	-	-	-	-	-	-	-	-	395
38410540	POL - 2025 TCA - FARO DATA CAPTURE DEVICE	Growth Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
38410541	POL - 2025 TCA - LAW ENFORCEMENT DRONE	Growth Capital - TCA	-	-	20	-	-	-	-	-	-	-	20
38410546	POL - 2025-2032 TCA - THROW PHONE REPLACEMENT	Sustaining Capital - TCA	-	-	35	-	-	-	-	-	-	-	35
38410547	POL - 2025-2032 TCA - IT SERVER/STORAGE REFRESH	Sustaining Capital - TCA	-	-	-	-	-	395	-	-	-	-	395
38410548	POL - 2025-2032 TCA - FIREWALL REFRESH	Sustaining Capital - TCA	-	-	75	-	-	-	-	-	-	-	75
40210565	FIN-Customer Care & Billing - 2026 - Cash Register System Replacement	Growth Capital - TCA	-	-	-	250	-	-	-	-	-	-	250
40210566	FIN-Customer Care & Billing-2023-Taxation Software Replacement	Growth Capital - TCA	700	-	-	-	-	-	-	-	-	-	700
40210567	FIN-Customer Care & Billing-2024-Pathway to 311	Growth Capital - TCA	-	-	-	500	-	-	-	-	-	-	500
40210568	FIN-Customer Care & Billing-2024-Utility Bill Payment Kiosks	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
43410637	COP FM 2023-2026 Confined Spaces Access Program	Sustaining Capital - TCA	1,000	-	-	-	-	-	-	-	-	-	1,000
43410638	COP FM 2023-2024 Facility Accessibility	Sustaining Capital - TCA	-	700	-	-	-	-	-	-	-	-	700
43410639	COP FM 2023 Moose Arena Accessible Washrooms	Sustaining Capital - TCA	-	-	300	-	-	-	-	-	-	-	300
43410640	COP FM 2023-2026 Big Marble Go Centre Components Lifecycle	Sustaining Capital - TCA	-	1,500	-	-	-	-	-	-	-	-	1,500
43410641	COP FM 2023 City Hall Boardroom Modernization	Sustaining Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
43410642	COP FM 2023 Fleet Heavy Duty Bay CNG Upgrade	Growth Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410643	COP FM 2023 Hill Pool Components Lifecycle	Sustaining Capital - TCA	150	1,255	-	-	-	-	-	-	-	-	1,405
43410644	COP FM 2023 Crestwood Pool Components Lifecycle	Sustaining Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410645	COP FM 2023 Transit Parkade Safety/Security Hardware	Sustaining Capital - TCA	-	700	-	-	-	-	-	-	-	-	700
43410646	COP FM 2023- 2024 Infrastructure Repair Program	Sustaining Capital - TCA	2,250	2,250	-	-	-	-	-	-	-	-	4,500
43410647	COP FM 2023-2024 Utility Infrastructure Repair Program	Sustaining Capital - TCA	1,000	1,000	-	-	-	-	-	-	-	-	2,000
43410648	COP FM 2024 City Hall Humidification Replacement	Sustaining Capital - TCA	-	1,250	-	-	-	-	-	-	-	-	1,250
43410649	COP FM 2024 Library Boiler Replacement	Sustaining Capital - TCA	-	1,000	-	-	-	-	-	-	-	-	1,000
43410650	COP FM 2024 Corporate LED Lighting Upgrade	Sustaining Capital - TCA	-	-	-	1,000	-	-	-	-	-	-	1,000
43410651	COP FM 2024 City Hall Entries Design/Refurbish	Sustaining Capital - TCA	-	-	500	-	-	-	-	-	-	-	500
43410652	COP FM 2025-2032 Infrastructure Repair Program	Sustaining Capital - TCA	-	-	4,500	-	4,500	-	4,500	-	4,500	-	18,000
43410653	COP FM 2025-2032 Utility Infrastructure Repair Program	Sustaining Capital - TCA	-	-	2,000	-	2,000	-	2,000	-	2,000	-	8,000
43410654	COP FM 2025 Police Station Components Lifecycle	Sustaining Capital - TCA	-	-	3,000	-	-	-	-	-	-	-	3,000
43410655	COP FM 2027 Big Marble Go Centre Roofing	Sustaining Capital - TCA	-	-	-	-	1,000	-	-	-	-	-	1,000
43410656	COP FM 2028 City Hall Boiler Replacement	Sustaining Capital - TCA	-	-	-	-	-	1,000	-	-	-	-	1,000
43410657	COP FM 2029 Emergency Management Storage (10th Ave) Upgrades	Growth Capital - TCA	-	-	-	-	-	-	500	-	-	-	500
43410658	COP FM 2031 MW Shop Floor Refinishing	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	1,000	-	1,000

43410659	COP FM 2031 City Hall Parkade Roofing Replacement Phase 3	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	2,500	-	2,500
43410660	COP FM 2023 - 2026 Big Marble Go Centre Improvements	Growth Capital - TCA	-	-	1,600	-	-	-	-	-	-	-	1,600
43410662	COP FM 2023 City Hall Council Chambers Renovations	Growth Capital - TCA	-	-	1,500	-	-	-	-	-	-	-	1,500
43410663	COP FM 2026 Transit Parkade Washroom Relocation	Growth Capital - TCA	-	-	-	1,000	-	-	-	-	-	-	1,000
43410664	COP FM 2025 Southridge YMCA Roof	Sustaining Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410665	COP FM 2023 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	100	-	-	-	-	-	-	-	-	-	100
43410666	COP FM 2024 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
43810974	COP - FLT - 2023 - Mobile Capital	Sustaining Capital - TCA	10,410	-	-	-	-	-	-	-	-	-	10,410
43810975	COP - FLT - 2025 thru 2032 - Mobile Capital	Sustaining Capital - TCA	-	-	8,859	6,755	8,119	15,700	20,522	13,924	5,788	6,676	86,343
43810976	COP - FLT - 2024 - Mobile Capital	Sustaining Capital - TCA	-	9,188	-	-	-	-	-	-	-	-	9,188
43810977	COP - FLT 2024 - Second Wheel Loader for Landfill	Growth Capital - TCA	-	-	-	500	-	-	-	-	-	-	500
43810978	COP - FLT 2023 - Additional Sittler 1014 Compost Windrow Turner	Growth Capital - TCA	-	-	80	-	-	-	-	-	-	-	80
43810979	COP - FLT 2023 - Litter Vacuum Truck	Growth Capital - TCA	-	-	180	-	-	-	-	-	-	-	180
43810980	COP - FLT 2024 - Tandem Dump Truck for Landfill	Growth Capital - TCA	-	-	-	195	-	-	-	-	-	-	195
43810981	COP - FLT 2024 - Skid Steer for Landfill	Growth Capital - TCA	-	-	-	120	-	-	-	-	-	-	120
43810982	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #406	Growth Capital - TCA	-	-	148	-	-	-	-	-	-	-	148
43810983	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #452	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810984	COP - FLT 2024 - Briefing Note - Asset Upgrade Request - Parks - Unit #456	Growth Capital - TCA	-	-	-	120	-	-	-	-	-	-	120
43810985	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #472	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810986	COP - FLT 2023 - Asset Upgrade Request - Parks - Unit #475	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810987	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #480	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810988	COP - FLT 2023 - Briefing Note - New SUV - Parks	Growth Capital - TCA	-	-	60	-	-	-	-	-	-	-	60
43810989	COP - FLT 2023 - New Pickup, plow and sander for Rec	Growth Capital - TCA	-	-	100	-	-	-	-	-	-	-	100
43810990	COP - FLT 2025 - Mobile Four Post Runway Hoist	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
43810991	COP - FLT 2024 - Set of (4) Mobile Column Hoists	Growth Capital - TCA	-	-	-	100	-	-	-	-	-	-	100
44410502	BTO-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	Sustaining Capital - TCA	1,800	-	-	-	-	-	-	-	-	-	1,800
45210563	ITD 2023 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	842	-	-	-	-	-	-	-	-	-	842
45210565	ITD 2023 Collaboration Ecosystem Program (SharePoint 2 year)	Growth Capital - TCA	485	-	-	-	-	-	-	-	-	-	485
45210567	ITD 2025 Enterprise Dashboarding Strategy Development	Growth Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
45210568	ITD 2023 Remote Access Modernization	Sustaining Capital - TCA	250	-	-	-	-	-	-	-	-	-	250
45210569	ITD 2024 Capital Infrastructure Program (CIP)	Sustaining Capital - TCA	-	892	-	-	-	-	-	-	-	-	892
45210570	ITD 2025 Enterprise Dashboarding Strategy Execution	Growth Capital - TCA	-	-	225	-	-	-	-	-	-	-	225
45210571	ITD 2024 IT as a Service End User Compute Device Refresh	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
45210572	ITD 2025 Oracle Advanced Security Implementation	Growth Capital - TCA	-	-	300	-	-	-	-	-	-	-	300
45210573	ITD 2025 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	897	-	-	-	-	-	-	-	897
45210574	ITD 2026 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	793	-	-	-	-	-	-	793
45210575	ITD 2027 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	923	-	-	-	-	-	923
45210576	ITD 2028 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	901	-	-	-	-	901
45210577	ITD 2029 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	963	-	-	-	963
45210578	ITD 2030 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	1,064	-	-	1,064
45210579	ITD 2031 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	1,029	-	1,029
45210580	ITD 2032 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	938	938
45210581	ITD 2025 Cash Reg Replacement Planning and Implementation 2 yr	Sustaining Capital - TCA	-	-	165	-	-	-	-	-	-	-	165
45210582	ITD 2025 Flexsuite Replacement Planning and Implementation 2 yr	Sustaining Capital - TCA	-	-	275	-	-	-	-	-	-	-	275
45210583	ITD 2025 Collaboration Ecosystem (1 Year)	Growth Capital - TCA	-	-	275	-	-	-	-	-	-	-	275
45210584	ITD 2026 Enterprise Dashboarding Program Build Out - 1 year	Growth Capital - TCA	-	-	-	85	-	-	-	-	-	-	85
45210585	ITD 2027 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	500	-	-	-	-	-	500
45210586	ITD 2028 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	500	-	-	-	-	500
45210587	ITD 2029 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	500	-	-	-	500
45210588	ITD 2030 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	500	-	-	500
45210589	ITD 2031 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	-	500	-	500
45210590	ITD 2032 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	500	500
45210591	ITD 2027 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	250	-	-	-	-	-	250
45210592	ITD 2028 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	250	-	-	-	-	250
45210593	ITD 2029 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	250	-	-	-	250
45210594	ITD 2030 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	250	-	-	250
45210595	ITD 2031 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	250	-	250
45210596	ITD 2032 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	250	250
DEPARTMENTAL TOTAL			\$ 40,647	\$ 46,941	\$ 78,856	\$ 58,854	\$ 75,085	\$ 84,814	\$ 69,990	\$ 55,747	\$ 57,504	\$ 58,553	\$ 626,991

	BUDGET REQUEST		BUDGET FORECAST									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL	
FUNDING SOURCES (Cash Flow)												
Debtenture	11,896	22,598	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	222,494	
Government Grants	13,259	10,050	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	111,309	
Internal Loan	3,508	3,068	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,576	
Operating / Working Capital	1,574	2,037	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	19,611	
Reserves	10,410	9,188	39,356	19,354	35,585	45,314	30,490	16,247	18,004	19,053	243,001	
FINANCING TOTAL	\$ 40,647	\$ 46,941	\$ 78,856	\$ 58,854	\$ 75,085	\$ 84,814	\$ 69,990	\$ 55,747	\$ 57,504	\$ 58,553	\$ 626,991	



2023 - 2032 OPERATING BUDGET
Summary of Major Operating Expense Budget Requests
In thousands of dollars

ATTACHMENT #5

Municipal Services - Operating

			BUDGET REQUEST					BUDGET FORECAST					
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
13310507	CLK-CITY CLERK-2025-MOE-Election	Sustaining Major Operating Expense	-	-	310	-	-	-	-	-	-	-	310
13310508	CLK-CITY CLERK-2023-MOE-Census	Sustaining Major Operating Expense	-	-	175	-	-	-	-	-	-	-	175
14310501	HRD-2023 MOE-Total Compensation Review	Sustaining Major Operating Expense	200	100	-	-	-	-	-	-	-	-	300
14310502	HRD-2023-MOE-HR Systems Optimization	Sustaining Major Operating Expense	300	300	-	-	-	-	-	-	-	-	600
23310503	CAS-MW-2023-MOE-Roadway System Master Plan Update	Growth Major Operating Expense	250	-	-	-	-	-	-	-	-	-	250
23310508	CAS-MW-2023-MOE-Storm System Regulatory Requirements	Sustaining Major Operating Expense	100	-	-	-	-	-	-	-	-	-	100
23310511	CAS-MW-2023-MOE-Transportation Safety Plan	Growth Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
23310513	CAS-MW-2025-MOE-Roadway System Master Plan Update	Sustaining Major Operating Expense	-	-	250	-	-	-	-	-	-	-	250
23310514	CAS-MW-2026-MOE-Connaught Dam Safety Review	Sustaining Major Operating Expense	-	-	-	75	-	-	-	-	-	-	75
23310515	CAS-MW-2025/32-MOE-Snow Dump Site Design	Sustaining Major Operating Expense	-	-	-	100	-	-	-	-	-	-	100
24310507	CAS-Airport-2023-MOE-Airport Regulatory Compliance	Sustaining Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
24310509	CAS-Airport-2024-MOE-Air Service Attraction	Growth Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
24310510	CAS-Airport-2025-MOE-Airport Maintenance Building Feasibility Study	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
24310511	CAS-Airport-2025-MOE-Glycol Management Assessment	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
26310508	CPL 2026 SLOPE STABILITY REVIEW	Sustaining Major Operating Expense	-	-	-	200	-	-	-	-	-	-	200
26310511	CPL-2023 MOE - Planning and Development Services Process Review	Sustaining Major Operating Expense	-	150	-	-	-	-	-	-	-	-	150
26310512	CPL - 2023 MOE - Active Transportation Plan	Growth Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
26310513	CPL - 2023 MOE Cimarron Area Structure Plan rewrite	Growth Major Operating Expense	-	150	-	-	-	-	-	-	-	-	150
30310504	FES - 2025 MOE - Residential Sprinkler Program	Growth Major Operating Expense	-	-	175	-	-	-	-	-	-	-	175
32710521	PKRC - 2023/2024 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	243	324	-	-	-	-	-	-	-	-	567
32710523	PKRC - 2023/2024 MOE - Drawings Authentication and Specification Update	Sustaining Major Operating Expense	108	108	-	-	-	-	-	-	-	-	216
32710524	PKRC - 2023/2024 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	1,080	216	-	-	-	-	-	-	-	-	1,296
32710525	PKRC - 2025 to 2032 MOE - Special Olympics Games	Sustaining Major Operating Expense	-	-	405	105	-	-	-	-	-	-	510
32710526	PKRC - 2025 to 2032 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	-	-	150	-	153	-	156	-	159	-	618
32710529	PKRC - 2025 to 2032 MOE - PKRC Planning & Development Plans	Sustaining Major Operating Expense	-	-	50	-	51	-	52	-	53	-	206
32710530	PKRC - 2025 to 2032 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	-	-	-	200	-	212	-	-	-	225	637
33310512	PKRC - 2025 to 2032 MOE - Games Hosting	Sustaining Major Operating Expense	-	-	-	-	-	125	125	-	52	-	302
36210511	CDV - 2023 MOE - Esplanade-Arts Heritage and Entertainment Plan	Growth Major Operating Expense	80	-	-	-	-	-	-	-	-	-	80
36210516	CDV - 2023 MOE - Table replacement	Sustaining Major Operating Expense	50	-	-	-	-	-	-	-	-	-	50
36210519	CDV - 2025 MOE - Museum Study	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
36310508	CDV - 2023 MOE - Public Art	Growth Major Operating Expense	130	-	-	-	-	-	-	-	-	-	130
36910511	CDV - 2023 MOE - Community Well Being Plan	Growth Major Operating Expense	100	-	-	-	-	-	-	-	-	-	100
37210527	CDV - 2024 MOE - Transit Network Electrification Assessment		-	-	-	-	-	-	-	50	-	-	50
38410539	POL - 2023 MOE - TASER CONVERSION	Growth Major Operating Expense	90	-	-	-	-	-	-	-	-	-	90
38410542	POL - 2025 MOE - GLOCK TRANSITION	Growth Major Operating Expense	-	-	111	-	-	-	-	-	-	-	111
38410545	POL - 2025-2032 MOE - TACT CARBINE REFRESH	Sustaining Major Operating Expense	-	-	70	-	-	-	-	-	-	-	70
38510510	POL - 2024 MOE - TASER CONVERSION	Sustaining Major Operating Expense	-	90	-	-	-	-	-	-	-	-	90
40310528	FIN-MOE-2023-2024 ERP Optimization and Enhancements	Growth Major Operating Expense	375	300	300	300	-	-	-	-	-	-	1,275
40310529	FIN-Treasury-2024-Strategic Asset Allocation (SAA) Study	Sustaining Major Operating Expense	-	-	60	-	-	65	-	-	70	-	195
40310530	FIN-Treasury-2023-Risk & Insurance Review	Sustaining Major Operating Expense	75	-	-	78	-	-	82	-	-	85	320
40310531	FIN-Customer Care & Billing-2023/2024-Cogsdale Customer Service Management (CSM) Upgrade	Sustaining Major Operating Expense	82	82	-	-	-	-	-	-	-	-	164
40310532	FIN-Customer Care & Billing-2023-Clean Energy Improvement Program (CEIP) Tax Software Modification	Growth Major Operating Expense	60	-	-	-	-	-	-	-	-	-	60
40310533	FIN-Customer Care & Billing-2024-Online Payment Gateway	Growth Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
40310536	FIN-Customer Care & Billing-2025-Cogsdale Cloud Business Case	Growth Major Operating Expense	-	-	124	-	-	-	-	-	-	-	124
40310538	FIN-Customer Care & Billing-2025/2026-FlexSuite Upgrade Modernization to APEX	Sustaining Major Operating Expense	-	-	500	-	-	-	-	-	-	-	500
40310539	FIN-SUPPLY CHAIN-2023-Inventory Management Process	Sustaining Major Operating Expense	-	-	150	-	-	-	-	-	-	-	150
40310540	FIN-Customer Care & Billing-2025/2032-Cogsdale Upgrade	Sustaining Major Operating Expense	-	-	85	85	87	87	89	89	182	-	704
44410501	BTO-2023 MOE-Asset and Project Management Consulting Services	Sustaining Major Operating Expense	400	350	-	-	-	-	-	-	-	-	750
44410503	BTO-2023/2024 MOE OT Shared Services and Software Upgrades	Sustaining Major Operating Expense	-	-	220	-	-	-	-	-	-	-	220
45310519	ITD 2025 ESGC Enterprise Systems Optimization	Growth Major Operating Expense	-	-	250	250	-	-	-	-	-	-	500
51210500	ELR - 2023 - MOE - Environmental Framework	Growth Major Operating Expense	200	-	-	-	-	-	-	-	-	-	200
DEPARTMENTAL TOTAL			\$ 4,298	\$ 2,170	\$ 3,635	\$ 1,393	\$ 291	\$ 277	\$ 716	\$ 139	\$ 516	\$ 310	\$ 13,745

	BUDGET REQUEST			BUDGET FORECAST							
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES (CASH FLOW)											
Operating	4,298	2,170	3,635	1,393	291	277	716	139	516	310	13,745
FINANCING TOTAL	\$ 4,298	\$ 2,170	\$ 3,635	\$ 1,393	\$ 291	\$ 277	\$ 716	\$ 139	\$ 516	\$ 310	\$ 13,745

City of Medicine Hat

Invest Medicine Hat Operating Budget (in millions)

ACTIVITY DESCRIPTION	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	% CHANGE	\$ CHANGE	2024 BUDGET	% CHANGE	REF NO.
Revenue								
Sale of Services	9,573	-4,632	4,941	(48.4)	-1,448	3,493	(29.3)	1
Licenses, Fines and Penalties	3	0	3	4.0	0	3	4.0	
Developer Levies	0	0	0	0.0	0	0	0.0	
Other Revenue	570	223	793	39.1	-18	775	(2.3)	2
TOTAL REVENUE	10,146	-4,409	5,737	(43.5)	-1,465	4,271	(25.5)	
Expenses								
Salaries, Wages and Benefits	1,065	-42	1,023	(3.9)	25	1,048	2.5	
Contracted and General Services	994	40	1,033	4.0	41	1,075	4.0	3
Materials, Goods & Utilities	110	-30	80	(27.3)	3	83	4.0	
Cost of Land Sold	6,188	-2,815	3,373	(45.5)	-300	3,073	(8.9)	1
TOTAL EXPENSES	8,356	-2,847	5,509	(34.1)	-230	5,279	(4.2)	
NET BEFORE INTERNAL ALLOCATIONS	1,790	-1,561	228	(87.3)	-1,235	-1,007	(541.4)	
Internal Allocations								
Internal Recovery	4,523	-2,834	1,688	(62.7)	54	1,743	3.2	4
Internal Charges and Transfers	1,210	-252	958	(20.8)	29	986	3.0	5
TOTAL INTERNAL ALLOCATIONS	3,313	-2,582	731	(77.9)	25	756	3.5	
NET EXPENSES (REVENUES)	5,103	-4,144	959	(81.2)	-1,210	-251	(126.2)	

REF NO.	NOTE	\$
1	The Land Sales and Cost of Land Sold decreases are related to updated lot sales projections. There are no projected Industrial sales, and only 1 "infill" lot sale projected, and all single family Residential lots are projected to be all sold by the of 2024.	-2,964
2	The increase in other revenue relates to rental revenue on land owned by IMH, based on historical analysis that is being tracked in Salesforce.	205
3	Due to general inflationary pressures 4%.	81
4	For the Land department, the decrease in internal recovery is due to the 2022 budget including Reserve transfers for the Development incentive programs, and a one-time only recovery from Municipal to offset internal charges. Those programs do not have additional budget past 2022, and there is no offset recovery in 2023 and beyond. In addition, the Investment department recovers all of it's expenses (excluding amortization) from the Fund 11. The recovery has increased in line with the increase expenses.	-2,780
5	The decrease in internal charges is a result of the updated cost allocation methodology, with Land department overall being charged less charges from City departments and Investment	-223

City of Medicine Hat

Invest Medicine Hat Operating Budget and Forecast *(in millions)*

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET	2025 FORECAST	2026 FORECAST
Revenue					
Sale of Services	9,573	4,941	3,493	-0	2
Licenses, Fines and Penalties	3	3	3	3	4
Developer Levies	0	0	0	0	0
Other Revenue	570	793	775	775	775
TOTAL REVENUE	10,146	5,737	4,271	778	781
Expenses					
Salaries, Wages and Benefits	1,065	1,023	1,048	1,074	1,101
Contracted and General Services	994	1,033	1,075	1,118	1,162
Materials, Goods & Utilities	110	80	83	86	90
Cost of Land Sold	6,188	3,373	3,073	0	0
TOTAL EXPENSES	8,356	5,509	5,279	2,278	2,353
NET BEFORE INTERNAL ALLOCATIONS	1,790	228	-1,007	-1,500	-1,572
Internal Allocations					
Internal Recovery	4,523	1,688	1,743	1,797	1,854
Internal Charges and Transfers	1,210	958	986	1,013	1,039
TOTAL INTERNAL ALLOCATIONS	3,313	731	756	784	816
NET EXPENSES (REVENUES)	5,103	959	-251	-716	-757

BRIEFING NOTE

DECISION

2023 - 2024 CITY OPERATIONS - RATE SUPPORTED OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

ISSUE:

Approval of the 2023-2024 City Operations – Rate Supported Operating & Capital Budget.

RECOMMENDATION:

It will be recommended through the Administrative Committee that City Council approves the:

- a) 2023 - 2024 City Operations Operating Revenue and Expenditure Budget – Rate Supported.
- b) 2023 – 2024 City Operations Capital Budget
- c) Electric Distribution Rates for 2023 and 2024 subject to passing of the Electric Utility Rate Bylaw.
- d) Gas Distribution Rates for 2023 and 2024 subject to passing of the Gas Utility Rate Bylaws.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility & Infrastructure Renewal

The key focus of the proposed 2023-2024 budget is sustainable long-term infrastructure management to effectively deliver natural gas and electric energy to customers within the City service area at competitive rates while meeting or exceeding industry standards.

KEY RISKS:

Health, Safety and Environmental Impact:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on industry best practices, standards, and current provincial and federal regulations to ensure department activities meet all appropriate environmental considerations.

Financial Impact:

Funding Request:	Yes	If yes, amount: As noted below.
Budgeted Item:	Yes	Funding Source: Utility Rates
Funding Explanation:	Utility expenses are recovered through utility rates	
Budget Amendment Form?	No	

ELECTRIC DISTRIBUTION (000's)	2022 Budget	2023 / 2022 Budget Changes	2023 Budget	2023 / 2022 Budget % Changes	2024 / 2023 Budget Changes	2024 Budget	2024 / 2023 Budget % Changes
Revenues	21,211	1,018	22,229	5%	1,523	23,753	8%
Expenses	7,569	271	7,840	4%	368	8,208	5%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITA)	13,642	747	14,389	5%	1,155	15,544	8%
Average Residential Rate Increase (637 kWh / mo.)			\$1.82 / mo.			\$2.08 / mo.	

GAS DISTRIBUTION (000's)	2022 Budget	2023 / 2022 Budget Changes	2023 Budget	2023 / 2022 Budget % Changes	2024 / 2023 Budget Changes	2024 Budget	2024 / 2023 Budget % Changes
Revenues	15,277	-451	14,826	-3%	433	15,259	3%
Expenses	7,630	-15	7,615	0%	247	7,862	19%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITA)	7,647	-436	7,211	-6%	186	7,397	3%
Average Residential Rate Increase (11 GJ / mo.)			\$(0.21) / mo.			\$1.37 / mo.	

Legal / Policy Impact:

Utility Distribution System Rates for 2023 and 2024 subject to passing of the amended Electric and Gas Utility Rate Bylaws.

Public Implications:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on City Council's strategic priorities and in accordance with corporate policies and industry best practices.

Rate impacts will vary by customer class. The average monthly increase for residential customers will be approximately \$1.61 per month in 2023 and \$3.45 per month in 2024.

BACKGROUND:

The 2023 and 2024 Operating Budgets and Tangible Capital Asset Budgets have been prepared based on the City Operations (formerly known as Utility Distribution System) Business Plan that follows sound industry practices, Federal and Provincial regulations, historical activity levels and growth trends. They are in alignment with City Council's strategic priorities.

The financial strategies in the Business Plan and Budgets reflect a continuation of City Council's policy for utilities to be financially sustainable by ensuring that the 2023 and 2024 revenue requirement is based on maintaining the revenue to cost ratio of 1 including a return on capital investment.

The City continues to pursue all opportunities to secure public funding sources to limit the amount of internal capital required.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Do not adjust utility rates to reflect revenue requirements. This option is not recommended as utility rate revenue adjustments support the long-term financial sustainability of each utility.

IMPLEMENTATION PLAN:

Subject to Council approval, the rates will become effective on January 1, 2023.

PREPARED BY & DATE:	Grayson Mauch, Director, City Operations	October 17, 2022
APPROVED BY & DATE:	Brad Maynes, Managing Director, Energy and Infrastructure	
ATTACHMENTS:	#1: 2023-2024 Electric Distribution Operating Budget (Rate Supported) #2: 2023-2024 Gas Distribution Operating Budget (Rate Supported) #3: 2023-2024 Electric Distribution Tangible Capital Budget #4: 2023-2024 Gas Distribution Tangible Capital Budget #5: Bylaw No. 4726 to amend Bylaw No. 2489 the Gas Utility Bylaw #6: Bylaw No. 4727 to amend Bylaw No. 4688 the Electric Utility	

ATTACHMENT #1

Electric Distribution
2023 - 2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.	2025 FORECAST	2025 BUDGET
Revenue										
Sale of Services	21,184	1,018	22,202	5%	1,523	23,726	7%	1	25,145	27,075
Other Revenue	27	0	27	0%	0	27	0%		27	27
TOTAL REVENUE	21,211	1,018	22,229	5%	1,523	23,753	8%		26,034	27,978
Expenses										
Salaries, Wages & Benefits	6,345	-73	6,271	-1%	305	6,577	5%		6,894	7,224
Contracted Services	1,132	295	1,428	26%	57	1,485	4%	3	1,544	1,606
Materials, Goods & Supplies	24	46	69	195%	3	72	4%		75	78
Other Operating Expenses	68	3	71	5%	3	74	4%		77	80
TOTAL EXPENSES	7,569	271	7,840	4%	368	8,208	5%		15,670	16,322
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	13,642	747	14,389	5%	1,155	15,544	8%		10,364	11,657
Internal Recovery	2,660	-1,826	834	-69%	14	848	2%	2	862	877
Internal Charges and Transfers	7,516	-861	6,655	-11%	189	6,843	3%	6	7,079	7,333
Net Internal Charges	4,856	965	5,821	20%	175	5,996	3%			
Amortization and Provision for Abandonment	4,636	1,143	5,779	25%	236	6,015	4%	5	6,601	6,925
Interest on Long-term Debt	1,691	178	1,869	11%	1,507	3,376	81%	4	3,225	3,233
NET EXPENSES (REVENUES)	2,459	-1,539	920	-63%	-763	158	-83%			
Contribution to Reserves	1,570	(1,570)	-	-100%	0	-	#DIV/0!		-	-

(4,856) * 35% (5,821) 13% (5,996) 12%

REF NO.	NOTE	\$
1	Sale of services increase is due to revenue requirements as a result of increased operating expenses and increased return on capital investment.	1,018
2	Internal recoveries decrease is due to lower recoveries of the electric owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-1,826
3	Contracted & general services expense increase is due to additional funds for 3rd party repairs, based on historical repairs, and a run to fail	295
4	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	178
5	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	1,143
6	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-861

ATTACHMENT #2

Gas Distribution
2023 - 2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.	2025 FORECAST	2025 BUDGET
Revenue										
Sale of Services	15,272	-451	14,821	-3%	433	15,254	3%	1	15,615	15,999
Other Revenue	5	0	5	0%	0	5	0%		5	5
TOTAL REVENUE	15,277	-451	14,826	-3%	433	15,259	3%		15,730	16,116
Expenses										
Salaries, Wages & Benefits	3,721	-155	3,566	-4%	85	3,651	2%	3	3,738	3,826
Contracted Services	3,465	139	3,603	4%	144	3,748	4%	4	3,897	4,053
Materials, Goods & Supplies	332	13	346	4%	14	359	4%		374	389
Other Operating Expenses	112	-12	100	-11%	4	104	4%		108	112
TOTAL EXPENSES	7,630	-15	7,615	0%	247	7,862	19%		11,623	12,008
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	7,647	(436)	7,211	-6%	186	7,397	3%		4,108	4,109
Internal Recovery	374	-269	106	-72%	2	108	0	2	110	112
Internal Charges and Transfers	3,752	-495	3,257	-13%	139	3,396	4%	7	3,506	3,627
Net Internal Charges	3,377	-226	3,151	-7%	136	3,288	4%			
Amortization and Provision for Abandonment	1,941	451	2,392	23%	108	2,500	5%	6	2,522	2,498
Interest on Long-term Debt	524	101	626	19%	147	773	24%	5	786	796
NET EXPENSES (REVENUES)	1,804	-762	1,042	-42%	-205	837	-20%			
Contribution to Reserves	1,517	(1,517)	-	-100%	784	784	#DIV/0!		-	-

REF NO.	NOTE	\$
1	Sale of services decrease is due to revenue requirements as a result of reduced internal cost allocations.	-451
2	Internal recoveries decrease is due to lower recoveries of the gas owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-269
3	Salaries and wages expense decrease is due to changes to benefit calculations.	-155
4	Contracted & general services expense increase is due to inflationary increases.	139
5	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	101
6	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	451
7	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commission and interdepartmental charges to itself.	-495



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Electric Distribution - Capital

			BUDGET REQUEST					BUDGET FORECAST					
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
52610916	COP-ELD-2023-MHS-11 Substation	Growth Capital - TCA	24,000	-	-	-	-	-	-	-	-	-	24,000
52610917	COP-ELD-2023 -2024 extensions and Improvements for 3rd party developers	Growth Capital - TCA	-	-	803	803	-	-	-	-	-	-	1,606
52610918	COP-ELD-2023-2024 New Service Installs	Growth Capital - TCA	385	385	-	-	-	-	-	-	-	-	770
52610919	COP-ELD-2023 - 2024 Cable Replacement	Sustaining Capital - TCA	310	850	-	-	-	-	-	-	-	-	1,160
52610920	COP-ELD-2023 - 30/40/60L Upgrade of transmission line capacity Phase 1	Growth Capital - TCA	2,200	-	-	-	-	-	-	-	-	-	2,200
52610921	COP-ELD-2023-2024 Fuse Coordination	Sustaining Capital - TCA	-	-	51	-	-	-	-	-	-	-	51
52610922	COP-ELD-2023-MHS3 Lightning Protection	Sustaining Capital - TCA	429	-	-	-	-	-	-	-	-	-	429
52610923	COP-ELD-2023-MHS2 Transformer Protection	Sustaining Capital - TCA	513	-	-	-	-	-	-	-	-	-	513
52610924	COP-ELD-2023-MHS3 69kV bus protection	Sustaining Capital - TCA	860	-	-	-	-	-	-	-	-	-	860
52610925	COP-Electric Distribution-2025-30/40/60L Upgrade of transmission line capacity Phase 2	Growth Capital - TCA	-	-	23,300	-	-	-	-	-	-	-	23,300
52610926	COP-ELD-2023 Tower Estates Electric system replacement	Sustaining Capital - TCA	-	-	4,518	-	-	-	-	-	-	-	4,518
52610927	COP-Electric Distribution-2025-2032 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	803	803	803	803	803	803	803	803	6,424
52610928	COP-ELD-2024-Switchgear Replacement	Sustaining Capital - TCA	-	385	-	-	-	-	-	-	-	-	385
52610929	COP-Electric Distribution-2025-2032 Cable Replacement	Sustaining Capital - TCA	-	-	500	500	500	500	500	500	500	500	4,000
52610930	COP-Electric Distribution-2025-2032 New Service Installs	Growth Capital - TCA	-	-	583	583	583	583	583	583	583	583	4,664
52610931	COP-Electric Distribution-2032-MHS10 Transformer Addition	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	5,000	5,000
52610932	COP-Electric Distribution-2031-MHS10 Capacitor Bank	Growth Capital - TCA	-	-	-	-	-	-	-	-	1,500	-	1,500
52610933	COP-Electric Distribution-2032 MHS5 Station Service	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	1,000	1,000
52610934	COP-Electric Distribution-2032-New feeder to Kin Coulee Feeder from MHS11	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	2,000	2,000
52610935	COP-ELD-2023-2024 Energy Modernization	Growth Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
52610936	COP-ELD-2023-MHS3 Station service upgrade	Sustaining Capital - TCA	768	-	-	-	-	-	-	-	-	-	768
52610937	COP-Electric Distribution-2030-Recluser Replacement	Sustaining Capital - TCA	-	-	-	-	-	-	-	110	-	-	110
52610938	COP-Electric Distribution-2025 -2032 Switchgear Replacement	Sustaining Capital - TCA	-	-	250	250	250	250	250	250	250	250	2,000
52610939	COP-Electric Distribution-2031 Underground System Extension Ranchlands	Growth Capital - TCA	-	-	-	-	-	-	-	-	520	-	520
52610940	COP ELD 2023-2024 Control Systems Hardware Upgrades	Sustaining Capital - TCA	245	-	-	-	-	-	-	-	-	-	245
52610941	COP ELD 2023-2024 Commercial Metering Test Set	Sustaining Capital - TCA	60	-	-	-	-	-	-	-	-	-	60
52610943	COP ELD 2023-2024 Six Channel Relay Set	Sustaining Capital - TCA	110	-	-	-	-	-	-	-	-	-	110
52610944	COP ELD 2023-2024 Revenue Meters	Sustaining Capital - TCA	641	-	-	-	-	-	-	-	-	-	641
52610945	COP ELD 2023-2024 Oil Filtration Unit	Sustaining Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
52610946	COP ELD 2023-2024 Surveillance Upgrade	Growth Capital - TCA	-	-	320	-	-	-	-	-	-	-	320
52610947	COP ELD 2023-2024 Critical Substation Equipment Spares	Sustaining Capital - TCA	270	-	-	-	-	-	-	-	-	-	270
52610948	COP ELD 2023-2024 Oil Processing MH13B-T23	Sustaining Capital - TCA	98	-	-	-	-	-	-	-	-	-	98
52610949	COP ELD 2023-2024 Substation HVAC replacement	Sustaining Capital - TCA	-	-	145	-	-	-	-	-	-	-	145
52610950	COP ELD 2023-2024 Tap Changer Controller Upgrade	Sustaining Capital - TCA	120	-	-	-	-	-	-	-	-	-	120
52610951	COP ELD 2023-2024 MHS-03 Duct System Upgrade	Sustaining Capital - TCA	130	-	-	-	-	-	-	-	-	-	130
52610952	COP ELD 2023-2024 MHS-2 Security Camera's	Sustaining Capital - TCA	-	-	231	-	-	-	-	-	-	-	231
52610953	COP ELD 2023-2024 T-11 Power Transformer Falling Bushing Replacement	Sustaining Capital - TCA	168	-	-	-	-	-	-	-	-	-	168
52610954	COP ELD 2023-2024 EOL Power Transformer Bushing Replacement	Sustaining Capital - TCA	456	-	-	-	-	-	-	-	-	-	456
52610955	COP ELD 2023-2024 Control Systems Cyber Requirements	Sustaining Capital - TCA	400	-	-	-	-	-	-	-	-	-	400
52610956	COP ELD 2023-2024 Distribution Fiber System Renewal	Sustaining Capital - TCA	-	-	100	-	-	-	-	-	-	-	100
52610957	COP ELD 2023-2024 Distribution Overhead System Renewal	Sustaining Capital - TCA	3,509	-	-	-	-	-	-	-	-	-	3,509
52610958	COP ELD 2023-2024 Distribution Underground System Renewal	Sustaining Capital - TCA	1,321	-	-	-	-	-	-	-	-	-	1,321
52610959	COP ELD 2025-2032 Distribution Underground System Renewal	Sustaining Capital - TCA	-	-	7,102	-	-	-	-	-	-	-	7,102
52610960	COP ELD 2025-2032 Substation System Renewal	Sustaining Capital - TCA	-	-	7,200	-	-	-	-	-	-	-	7,200
52610961	COP ELD 2025-2032 Distribution Overhead System Renewal	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	-	-
52610962	COP ELD 2025-2032 Distribution Fiber System Renewal	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
52610963	COP ELD 2025-2032 Revenue Meters	Sustaining Capital - TCA	-	-	3,051	-	-	-	-	-	-	-	3,051
52610964	COP ELD 2025-2032 Control Systems Cyber System Renewal	Sustaining Capital - TCA	-	-	2,200	-	-	-	-	-	-	-	2,200
52610965	COP-Electric Distribution-2025-2027 Fuse Coordination	Sustaining Capital - TCA	-	-	195	-	-	-	-	-	-	-	195
52610967	COP-Electric Distribution-2025 - 2032 Energy Modernization	Growth Capital - TCA	-	-	700	700	700	700	700	700	700	700	5,600
52610968	COP-Electric Distribution-2032 New Dunmore Feeder	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	1,115	1,115
52610969	COP-ELD-2023 line protection upgrade	Sustaining Capital - TCA	1,028	-	-	-	-	-	-	-	-	-	1,028
52610970	COP-Electric Distribution-2025 MHS7 digital fault recording installation	Sustaining Capital - TCA	-	-	405	-	-	-	-	-	-	-	405
52610971	COP-Electric Distribution-2027-2032 Substation Upgrades	Growth Capital - TCA	-	-	-	-	24,003	-	-	-	-	-	24,003
52610972	COP-Electric Distribution-2025-2027 Online oil and DGA Monitoring	Sustaining Capital - TCA	-	-	2,543	-	-	-	-	-	-	-	2,543
52610973	COP-Electric Distribution-2026-2029 Protection upgrades	Sustaining Capital - TCA	-	-	-	1,582	-	-	-	-	-	-	1,582
52610974	COP ELD 2023-2024 Customer Power Quality Monitoring Tool	Sustaining Capital - TCA	-	-	20	-	-	-	-	-	-	-	20
DEPARTMENTAL TOTAL			\$ 38,021	\$ 1,620	\$ 55,870	\$ 5,221	\$ 26,839	\$ 2,836	\$ 2,836	\$ 2,946	\$ 4,856	\$ 11,951	\$ 152,996
			BUDGET REQUEST					BUDGET FORECAST					
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES (Cash Flow)													
Debtenture			32,058	-	26,909	2,889	26,089	2,086	2,086	2,086	4,106	10,201	108,510
Operating / Working Capital			5,963	1,620	28,961	2,332	750	750	750	860	750	1,750	44,486
FINANCING TOTAL			\$ 38,021	\$ 1,620	\$ 55,870	\$ 5,221	\$ 26,839	\$ 2,836	\$ 2,836	\$ 2,946	\$ 4,856	\$ 11,951	\$ 152,996



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Gas Distribution - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST			BUDGET FORECAST							
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
60410592	COP-GSD-2023 TCA-Rural System Upgrades Phase 1	Sustaining Capital - TCA	183	-	-	-	-	-	-	-	-	-	183
60410593	COP-GSD-2023 Rural Replacement	Sustaining Capital - TCA	100	-	-	-	-	-	-	-	-	-	100
60410594	COP-GSD-2023 - 2024 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	350	350	-	-	-	-	-	-	700
60410595	COP-GSD-2023-2024 new services	Growth Capital - TCA	294	294	-	-	-	-	-	-	-	-	588
60410596	COP-GSD-2023-2024 Norwood system upgrades	Sustaining Capital - TCA	608	599	-	-	-	-	-	-	-	-	1,207
60410597	COP-GSD-2023-2024 High Pressure system alterations	Sustaining Capital - TCA	186	173	-	-	-	-	-	-	-	-	359
60410598	COP-Gas Distribution-2025-2032 extensions and improvements for 3rd party developers	Growth Capital - TCA	-	-	350	350	350	350	350	350	350	350	2,800
60410599	COP-Gas Distribution-2025-2032 new services	Growth Capital - TCA	-	-	446	446	446	446	446	446	446	446	3,568
60410600	COP-GSD-2023 Tower Estates pipeline replacement	Sustaining Capital - TCA	-	-	2,058	-	-	-	-	-	-	-	2,058
60410601	COP-GSD-2023 Station #117 Alterations	Sustaining Capital - TCA	-	-	143	-	-	-	-	-	-	-	143
60410602	COP-Gas Distribution-2025-2031 High Pressure system alterations	Sustaining Capital - TCA	-	-	807	581	240	1,200	-	-	60	-	2,888
60410603	COP-Gas Distribution-2025-2026 Norwood system upgrades	Sustaining Capital - TCA	-	-	622	486	-	-	-	-	-	-	1,108
60410606	COP-Gas Distribution-2027-2030 Crestwood system upgrade	Sustaining Capital - TCA	-	-	-	-	450	450	450	400	-	-	1,750
60410613	COP-Gas Distribution-2031 - 2032 NW Crescent Heights renewal	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	900	-	900
60410614	COP-Gas Distribution-2025-2032 Feeder Valve Replacement Program	Sustaining Capital - TCA	-	-	221	221	221	221	221	221	221	221	1,768
60410615	COP-Gas Distribution-2032 Rural system upgrades Phase 2	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	148	148
60410616	COP GSD 2023-24 Gas Meters	Sustaining Capital - TCA	1,250	-	-	-	-	-	-	-	-	-	1,250
60410617	COP GSD 2025-32 Gas Meters	Sustaining Capital - TCA	-	-	825	-	875	-	890	-	890	-	3,480
60410618	COP-GSD-2032 CL Land farm tap replacement	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	50	50
60410619	COP-Gas Distribution-2032 Replace anode bed	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	266	266
60410620	COP-GSD-2023-2024 Crescent Heights Feeder Main Extension and Riverside upgrade	Sustaining Capital - TCA	1,401	1,369	-	-	-	-	-	-	-	-	2,770
60410621	COP-Gas Distribution-2027 Replace R-7 anode bed	Sustaining Capital - TCA	-	-	-	-	133	-	-	-	-	-	133
60410622	COP-Gas Distribution-2025 Replace anode bed	Sustaining Capital - TCA	-	-	266	-	-	-	-	-	-	-	266
60410623	COP-Gas Distribution-2031 Replace R-9 anode bed	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	133	-	133
60410624	COP-Gas Distribution-2026 Replace R-14 anode bed	Sustaining Capital - TCA	-	-	-	133	-	-	-	-	-	-	133
60410625	COP-Gas Distribution-2025 Replace R-25 anode bed	Sustaining Capital - TCA	-	-	133	-	-	-	-	-	-	-	133
60410626	COP-Gas Distribution-2027 Replace high pressure water crossing	Sustaining Capital - TCA	-	-	-	-	1,334	-	-	-	-	-	1,334
60410627	COP-Gas Distribution-2028 Industrial Ave Redcliff Pipeline upgrade	Sustaining Capital - TCA	-	-	-	-	-	512	-	-	-	-	512
60410628	COP-Gas Distribution-2025-2029 Riverside upgrade	Sustaining Capital - TCA	-	-	1,379	1,369	1,178	1,178	1,178	-	-	-	6,282
DEPARTMENTAL TOTAL			\$ 4,022	\$ 2,435	\$ 7,600	\$ 3,936	\$ 5,227	\$ 4,357	\$ 3,535	\$ 1,417	\$ 3,000	\$ 1,481	\$ 37,010

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST			BUDGET FORECAST							
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
Debtenture	1,401	1,369	1,146	1,146	796	796	796	796	796	796	9,838
Operating / Working Capital	2,621	1,066	6,454	2,790	4,431	3,561	2,739	621	2,204	685	27,172
FINANCING TOTAL	\$ 4,022	\$ 2,435	\$ 7,600	\$ 3,936	\$ 5,227	\$ 4,357	\$ 3,535	\$ 1,417	\$ 3,000	\$ 1,481	\$ 37,010

BYLAW NO. 4726

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 2489, the Gas Utility Bylaw.

WHEREAS Council considers it advisable to amend Bylaw No. 2489;

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

1. Bylaw No. 2489 is amended as set out in this Bylaw.
2. The table in section 2 of Schedule “A” is deleted and replaced with the following:

“The 2023 rates and charges for services provided by the Gas Utility are as follows:

Rate Class	Administration Charge	Distribution Tariff		Commodity Charge	Environmental Conservation Charge	Municipal Consent & Access Fee (MCAF)
		Service Charge	Delivery Charge			
Rate Class A - Residential	\$0.0890 / day	\$0.7390 / day	\$1.354 / Gj	See Note (1)	\$0.90 / Gj - additional charge for gas in excess of 19 Gjs / Mth	See Note (2)
Rate Class A – Commercial, Industrial and other Non-Residential	\$0.0890 / day	\$0.7390 / day	\$1.354 / Gj	See Note (1)	-----	See Note (2)
Rate Class B –Commercial, Industrial and other Non-Residential	\$2.8790 / day	\$18.09 / day	\$0.618 / Gj	See Note (1)	-----	See Note (2)
Rate Class C –High Pressure Service	-----	\$50.94 / day	\$0.255 / Gj	-----	-----	See Note (2)
Rate Class D –Wheeling High Pressure Service	-----	-----	\$0.255 / Gj	-----	-----	See Note (2)

The 2024 rates and charges for services provided by the Gas Utility are as follows:

Rate Class	Administration Charge	Distribution Tariff		Commodity Charge	Environmental Conservation Charge	Municipal Consent & Access Fee (MCAF)
		Service Charge	Delivery Charge			
Rate Class A - Residential	\$0.0920 / day	\$0.7650 / day	\$1.399 / Gj	See Note (1)	\$0.90 / Gj - additional charge for gas in excess of 19 Gjs / Mth	See Note (2)
Rate Class A – Commercial, Industrial and other Non-Residential	\$0.0920 / day	\$0.7650 / day	\$1.399 / Gj	See Note (1)	-----	See Note (2)
Rate Class B –Commercial, Industrial and other Non-Residential	\$2.7230 / day	\$18.82 / day	\$0.637 / Gj	See Note (1)	-----	See Note (2)
Rate Class C –High Pressure Service	-----	\$52.13 / day	\$0.261 / Gj	-----	-----	See Note (2)
Rate Class D –Wheeling High Pressure Service	-----	-----	\$0.261 / Gj	-----	-----	See Note (2)

3. Section 2 of the Notes in Schedule “A” is deleted and replaced with the following:

“(2) The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The 2023 MCAF is 20.25% of the monthly Distribution Tariff Charge. The 2024 MCAF is 24.00% of the monthly Distribution Tariff Charge.”

4. In subsection 3.7 (b) of Schedule “A”, “\$4.35” is deleted and replaced with “\$5.50”.

5. Schedule “B” is repealed and replaced by the Schedule “B” attached to this Bylaw.

6. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____

READ A SECOND TIME in open Council on _____

READ A THIRD TIME in open Council on _____

SIGNED AND PASSED on _____

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE “B” TO BYLAW 2489**AS AMENDED BY BYLAW NO. 4726
(Effective January 1, 2023)****RECONNECTION, DISCONNECTION AND TRANSFER FEES AND METER
DISPUTE CHARGES****1. RECONNECTION, DISCONNECTION AND TRANSFER FEES**

The Consumer shall pay to the City a fee as follows:

		Effective January 1, 2023	Effective January 1, 2024
1.1	Transfer Fee for Premises Already Connected	\$17.00	\$17.34
1.2	Fee for reconnection where the gas service has been disconnected: (a) reconnection during normal working hours (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$74.11	\$75.27
	(b) Reconnection Fee - after hours	\$110.49	\$112.38
	(c) reconnection if reinstallation of meter and regulator is required.	Actual Cost	Actual Cost
1.3	Fee for disconnection: (a) disconnection during normal working hours (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$74.11	\$75.27
	(b) Disconnection Fee - after hours	\$110.49	\$112.38
1.4	Fee for issuance of disconnect warning notice	\$23.50	\$24.00

An application for reconnection or disconnection to be carried out on the same day as the application is made will be charged the “after normal working hours” fee if the application is received after 10:00 a.m. and overtime work is required to complete the reconnection or disconnection.

2. METER DISPUTE SERVICE CHARGE

The following charge is in reference to Section 25 “Meter Disputes”.

If testing indicates that the Gas meter is outside the accuracy limits acceptable to the government agency having jurisdiction, the billing adjustment will include a refund of the Meter Dispute Service Charge. The service charge includes the government agency’s testing fee and removal/replacement of meter.

		Effective January 1, 2023	Effective January 1, 2024
2.1	Meter Dispute Service Charge: (a) During normal working hours only (8:30 a.m. to 3:30 p.m. Monday to Friday)	\$147.70	\$150.65

3. TERMS OF PAYMENT

Transfer, reconnection and disconnection fees and meter dispute service charge are payable at the time of application. Disconnect warning notice fee is payable upon issuance of the notice.

NOTE: WHEREVER APPLICABLE, THE GOODS AND SERVICES TAX SHALL BE ADDED TO THE FEES, RATES, CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY PURSUANT TO THIS BYLAW (SEE BYLAW NO. 2716).

BYLAW NO. 4727

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 2244, the Electric Utility Bylaw.

WHEREAS Council considers it advisable to amend Bylaw No. 2244;

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

- 1) Bylaw No. 2244 is amended as set out in this Bylaw.
- 2) Section 1.1 (s) is repealed and replaced with the following:

““Renewable or alternative energy” means electric energy generated from

 - (i) products having current EcoLogo certification;
 - (ii) solar, if the greenhouse gas intensity of the electric energy produced is less than or equal to 150 kg per MWh, or
 - (iii) projects including wind, hydro, fuel cell, geothermal, biomass or other generation sources, if the greenhouse gas intensity of the electric energy produced and the total energy produced from the simultaneous generation of electric energy and production of thermal energy from the same fuel source has a greenhouse gas intensity of less than or equal to 418 kg per MWh, subject to approval by the CAO on a case by case basis, who shall take into account the following in reaching a decision:
 - (A) constraints on electricity supply in the proposed project area;
 - (B) requirements contained in the the City’s Land Use Bylaw, if applicable;
 - (C) requirements contained in any other applicable statutory plan(s);
 - (D) requirements contained in the City’s Community Noise Standards Bylaw, if applicable; and
 - (E) the forecasted economic benefits to the City resulting from a proposed project.”
- 3) In Schedule A on the first page and Schedule B on the first page, “Effective: January 1, 2022” is deleted and replaced with “Effective: January 1, 2023” and “Rate Approval: Bylaw 4688” is deleted and replaced with “Rate Approval: Bylaw 4723.”
- 4) In Schedule A, E.1.1 and Schedule B, N.1.1:
 - a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,
 - b) The Administration section is amended by deleting “\$0.0917 per day” and replacing with “2023 - \$0.102 per day, 2024 - \$0.0953 per day”,
 - c) The Distribution Access Service section is amended by deleting “\$0.4240 per day” and replacing with “2023 - \$0.44230 per day, 2024 - \$0.4730 per day”,
 - d) The Distribution Access Service section is amended by deleting “\$0.0218 per kWh” and replacing with “2023 - \$0.0228 per kWh, 2024 - \$0.0244 per kWh”,
 - e) The Capacity Charge section is amended by deleting “0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0.02727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 15.25% of the monthly Distribution Access Service Charges in 2023 and 18.00% of the monthly Distribution Access Service Charges in 2024.”

5) In Schedule A, E.2.1 and Schedule B, N.2.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,

- b) The Administration section is amended by deleting “\$0.0886 per day” and replacing with “2023 - \$0.099 per day, 2024 - \$0.0929 per day”,

- c) The Distribution Access Service section is amended by deleting “\$0.6274 per day” and replacing with “2023 - \$0.65530 per day, 2024 - \$0.69960 per day”,

- d) The Distribution Access Service section is amended by deleting “\$0.0099 per kWh” and replacing with “2023 - \$0.0104 per kWh, 2024 - \$0.0111 per kWh”,

- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

6) In Schedule A, E.3.1 and Schedule B, N.3.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:

“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,

- b) The Administration section is amended by deleting “\$0.0943 per day” and replacing with “2023 - \$0.1053 per day, 2024 - \$0.0988 per day”,

- c) The Distribution Access Service section is amended by deleting “\$0.6277 per day” and replacing with “2023 - \$0.6547 per day, 2024 - \$0.6984 per day”,

- d) The Distribution Access Service section is amended by deleting “\$0.0202 per kWh” and replacing with “2023 - \$0.0211 per kWh, 2024 - \$0.0225 per kWh”,

- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and

- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

7) In Schedule A, E.3.3 and Schedule B, N.3.3:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
“pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.”,
- b) The Administration section is amended by deleting “\$0.6441 per day” and replacing with “2023 - \$0.7212 per day, 2024 - \$0.67580 per day”,
- c) The Distribution Access Service section is amended by deleting “\$2.6395 per day” and replacing with “2023 - \$2.7566 per day, 2024 - \$2.9411 per day”,
- d) The Distribution Access Service section is amended by deleting “\$5.45 per kVA” and replacing with “2023 - \$5.68 per kVa, 2024 - \$6.08 per kVa”,
- e) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”,
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

8) In Schedule A, E.4.1 and Schedule B, N.4.1:

- a) The Administration section is amended by deleting “\$11.8924 per day” and replacing with “\$13.30910 per day, 2024 - \$12.3548 per day”,
- b) The Distribution Access Service section is amended by deleting “\$2.5671 per day” and replacing with “2023 - \$2.68020 per day, 2024 - \$2.8635 per day”,
- c) The Distribution Access Service section is amended by deleting “\$4.93 per kVA” and replacing with “2023 - \$5.15 per kVA, 2024 - \$5.50 per kVA”,
- d) The Capacity Charge section is amended by deleting “\$0.02631 per kWh” and replacing with “2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh”, and
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

“The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024.”

9) In Schedule A, E.5.1 and Schedule B, N.5.1:

- a) The Administration section is amended by deleting "\$57.7534 per day" and replacing with "2023 - \$65.375 per day, 2024 - \$61.2052 per day",
- b) The Distribution Access Service section is amended by deleting "\$2.4789 per day" and replacing with "2023 - \$2.5874 per day, 2024 - \$2.7638 per day",
- c) The Distribution Access Service section is amended by deleting "\$4.89 per kVA" and replacing with "2023 - \$5.11 per kVA, 2024 - \$5.46 per kVA",
- d) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh",
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

10) In Schedule A, E.6.1 and Schedule B, N.6.1:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
"pay an Energy Charge for electrical energy consumption of \$0.130 per kWh.",
- b) The Administration section is amended by deleting "\$0.1189 per day" and replacing with "2023 - \$0.1332 per day, 2024 - \$0.1244 per day",
- c) The Distribution Access Service section is amended by deleting "\$0.2882 per day" and replacing with "2023 - \$0.3007 per day, 2024 - \$0.3212 per day",
- d) The Distribution Access Service section is amended by deleting "\$0.0122 per kWh" and replacing with, "2023 - \$0.01270 per kWh, 2024 - \$0.01360 per kWh",
- e) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh", and
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

11) In Schedule A, E.7 and Schedule B, N.7:

- a) Paragraph (b) in the Contract Option section is repealed and replaced with the following:
"pay an Energy Charge for electrical energy consumption of \$0.130 per kWh."
- b) The Administration section is amended by deleting "\$0.1189 per day" and replacing with "2023 - \$0.13360 per day, 2024 - \$0.12430 per day",

- c) The Distribution Access Service section is amended by deleting "\$0.1665 per day" and replacing with "2023 - \$0.1737 per day, 2024 - \$0.186 per day",
- d) The Distribution Access Service section is amended by deleting "\$0.0086 per kWh" and replacing with "2023 - \$0.00890 per kWh, 2024 - \$0.0095 per kWh",
- e) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh",
- f) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

12) In Schedule A, E.8 and Schedule B, N.8:

- a) The Administration section is amended by deleting "\$0.0151 per day" and replacing with "2023 - \$0.017 per day, 2024 - \$0.0159 per day",
- b) The Distribution Access Service section is amended by deleting "\$0.1542 per day" and replacing with "2023 - \$0.161 per day, 2024 - \$0.1719 per day",
- c) The Distribution Access Service section is amended by deleting "\$0.0075 per kWh" and replacing with "2023 - \$0.0079 per kWh, 2024 - \$0.0084 per kWh",
- d) The Capacity Charge section is amended by deleting "\$0.02631 per kWh" and replacing with "2023 - \$0.02674 per kWh, 2024 - \$0. 2727 per kWh", and
- e) The Municipal Consent and Access Fee (MCAF) section is repealed and replaced with the following:

"The MCAF is a franchise charge set by the City of Medicine Hat to access municipal land to construct, operate and maintain distribution systems serving City customers. The MCAF is 9.30% of the monthly Distribution Access Service Charges and 18.00% of the monthly Distribution Access Service Charges in 2024."

13) This Bylaw shall come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

BRIEFING NOTE

DECISION

2023 – 2024 ENVIRONMENTAL UTILITIES OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

ISSUE:

Approval of the 2023-2024 Environmental Utilities Operating & Capital Budget.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council approves the:

- a) 2023-2024 Environmental Utilities Operating Revenue and Expenditure Budget
- b) 2023-2024 Environmental Utilities Capital Budget
- c) Environmental Utilities Rates for 2023 and 2024 subject to passing of the Water, Sewer, and Solid Waste Rate Bylaws.

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility & Infrastructure Renewal

The Energy & Infrastructure division supports fiscal responsibility through sustainable rates that ensure full cost recovery as well as a regulated return on capital investment. In addition to fiscal responsibility, the division has implemented a comprehensive risk-based asset management plan across all asset classes with a view to balance investment with operational efficiencies and costs.

KEY RISKS:

Health, Safety and Environmental Impact:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on industry best practices, standards and current provincial and federal regulations to ensure department activities meet all appropriate environmental considerations.

Financial Impact:

Funding Request:	Yes	If yes, amount: See Below
Budgeted Item:	Yes	Funding Source: Utility Rates
Funding Explanation:	Utility expenses are recovered through utility rates	
Budget Amendment Form?	No	

WATER (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	28,789	(1,063)	27,726	(4%)	1,376	29,102	5%
Expenses	16,247	(117)	16,130	(1%)	301	16,431	2%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	12,542	(946)	11,596	(8%)	1,075	12,671	9%
Average Residential Rate Increase (15 m3 / mo)				\$2.75 / mo			\$2.19 / mo

SEWER (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	22,821	877	23,698	4%	638	24,336	3%
Expenses	11,414	719	12,133	6%	288	12,421	2%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	11,407	158	11,565	1%	350	11,915	3%
Average Residential Rate Increase				\$1.04 / mo			\$1.06 / mo

SOLID WASTE (000's)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	12,667	552	13,218	4%	512	13,731	4%
Expenses	11,332	5	11,337	0%	287	11,624	3%
Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)	1,335	547	1,881	41%	225	2,107	12%
Average Residential Rate Increase				\$0.60 / mo			\$0.63 / mo

Legal / Policy Impact:

Environmental Utilities Rates for 2023 and 2024 subject to passing of the amended Water, Sewer, and Solid Waste Rate Bylaws.

Public Implications:

The Operating Budgets and Tangible Capital Asset Budgets were developed based on City Council's strategic priorities and in accordance with corporate policies and industry best practices.

Rate impacts will vary by customer class. The average monthly increase for residential customers will be approximately \$4.39 per month in 2023 and \$3.88 per month in 2024.

BACKGROUND:

The Operating Budgets and Tangible Capital Asset Budgets have been prepared based on the City Assets and Medicine Hat Power and Water (formerly known as Environmental Utilities) Business Plans that follows sound industry practices, Federal and Provincial regulations, historical activity levels and growth trends. They are in alignment with City Council's strategic priorities.

The financial strategies in the Business Plan and Budgets reflect a continuation of City Council's policy for utilities to be financially sustainable by ensuring that the 2023 and 2024 revenue requirement is based on maintaining the revenue to cost ratio of 1 including a return on capital investment.

The City continues to pursue all opportunities to secure public funding sources to limit the amount of internal capital required.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

Do not adjust utility rates to reflect revenue requirements. This option is not recommended as utility rate revenue adjustments support the long-term financial sustainability based on Council's policy to achieve full cost recovery within each budget cycle.

IMPLEMENTATION PLAN:

Subject to Council approval, the rates will become effective on January 1, 2023.

PREPARED BY & DATE:	Pat Bohan, Director, City Assets Boyd Mostoway Director, Medicine Hat Power & Water	October 31, 2022
APPROVED BY & DATE:	Brad Maynes, Managing Director, Energy and Infrastructure	
ATTACHMENTS:	#1: 2023-2024 Environmental Utilities Operating Budget (Rate Supported) #2: 2023-2024 Environmental Utilities Capital Budget (Rate Supported) #3: Bylaw No. 4715 to amend Bylaw No. 1541, the Sewer Bylaw #4: Bylaw No. 4716 to amend Bylaw No. 1805, the Waste Bylaw #5: Bylaw No. 4717 to amend Bylaw No. 2379, the Water Service Bylaw	

Water Utility
2023-2024 OPERATING PLAN
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenue								
Municipal Taxes	114	0	114	0%	0	114	0%	
Sale of Services	23,466	1,370	24,836	6%	1,258	26,094	5%	1
Other Revenue	137	10	147	8%	0	147	0%	
Internal Recovery	5,072	-2,443	2,629	-48%	117	2,747	4%	2
TOTAL REVENUE	28,789	-1,063	27,726	-4%	1,376	29,102	10%	
Expenses								
Salaries, Wages & Benefits	5,780	685	6,465	12%	190	6,656	3%	3
Contracted Services	817	313	1,130	38%	-177	953	-16%	4
Materials, Goods & Supplies	1,447	227	1,674	16%	73	1,747	4%	4
Provision for Allowances	38	-1	38	-1%	0	38	0%	
Interest on Long-term Debt	2,944	217	3,161	7%	27	3,188	1%	5
Amortization and Provision for Abandonment	5,084	276	5,360	5%	259	5,619	5%	6
Internal Charges and Transfers	8,165	-1,343	6,822	-16%	215	7,037	3%	2
TOTAL EXPENSES	24,275	375	24,650	2%	588	25,238	2%	
NET REVENUES (EXPENSES)	4,514	(1,438)	3,076	-32%	788	3,864	26%	
Contribution to Reserves	1,108	(1,108)	-	-100%	0	-		

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	1,370
2	Decrease in internal charges and transfers as a result of the new cost allocation methodology; allocations now go directly to Sewer, Solid Waste, WTP and WWTP that were historically charged to Water.	-1,100
3	Salaries increased due to positions moved between Sewer and Water departments. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	685
4	Contracted Services and Materials increased due to repairs required at the Water Treatment Plant.	541
5	Interest on long term debt increased as a result of more debt funding for capital projects.	217
6	Amortization increase due to current projects expected to be completed in 2022.	276

Sewer Utility
2023 - 2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenue								
Municipal Taxes	113	0	113	0%	0	113	0%	
Sale of Services	22,508	1,036	23,544	5%	639	24,183	3%	1
Other Revenue	193	-152	41	-79%	-1	40	-1%	2
Internal Recovery	7	-7	0	-100%	0	0		
TOTAL REVENUE	22,821	877	23,698	4%	638	24,336	1%	
Expenses								
Salaries, Wages & Benefits	4,984	-615	4,369	-12%	100	4,470	2%	3
Contracted Services	475	86	561	18%	23	585	4%	
Materials, Goods & Supplies	1,251	397	1,648	32%	72	1,720	4%	4
Provision for Allowances	32	0	32	0%	0	32	0%	
Interest on Long-term Debt	2,826	359	3,185	13%	131	3,316	4%	5
Other Operating Expenses	5	0	5	4%	0	5	4%	
Amortization and Provision for Abandonment	5,053	209	5,262	4%	23	5,285	0%	6
Internal Charges and Transfers	4,667	850	5,517	18%	92	5,609	2%	7
TOTAL EXPENSES	19,293	1,286	20,579	7%	444	21,022	0	
NET REVENUES (EXPENSES)	3,528	(409)	3,119	-12%	195	3,314	6%	
Contribution to Reserves	853	(853)	-	-100%	0	-	-	

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	1,036
2	Other Revenue decreased due to a change in services related to sewer clearing. The City now charges for this service and as such, is seeing a decrease in service requests from the public.	-152
3	Salaries decreased due to positions moved between Sewer and Water departments. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	-615
4	Materials, Goods & Supplies increased as a result of inflation as well as budgeting for equipment usage to align with historic actual expenses.	397
5	Interest on long term debt increased as a result of more debt funding for capital projects.	359
6	Amortization increase due to current projects expected to be completed in 2022.	209
7	Increase in internal charges and transfers as a result of the new cost allocation project.	850

Solid Waste Utility
2023-2024 OPERATING FORECAST
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenue								
Sale of Services	9,889	334	10,223	3%	255	10,478	2%	1
Other Revenue	346	-346	0	-100%	0	0		2
Internal Recovery	2,432	563	2,995	23%	257	3,253	9%	3
TOTAL REVENUE	12,667	551	13,218	4%	513	13,731	11%	
Expenses								
Salaries, Wages & Benefits	2,882	-177	2,705	-6%	82	2,787	3%	4
Contracted Services	2,620	167	2,787	6%	111	2,898	4%	5
Materials, Goods & Supplies	99	29	128	29%	5	133	4%	
Provision for Allowances	17	-1	17	-3%	0	17	0%	
Bank Charges & Short Term Interest	1	1	2	56%	0	2	4%	
Interest on Long-term Debt	39	-5	34	-12%	-5	30	-13%	
Amortization and Provision for Abandonment	914	-165	749	-18%	-38	711	-5%	6
Other Asset Adjustments	90	0	90	0%	0	90	0%	
Internal Charges and Transfers	5,623	-14	5,609	0%	88	5,698	2%	
TOTAL EXPENSES	12,285	-165	12,120	-1%	244	12,364	2%	
NET REVENUES (EXPENSES)	382	716	1,098	187%	269	1,367	24%	
Contribution to Reserves	438	1,157	1,595	264%	226	1,821		

REF NO.	NOTE	\$
1	Sale of Services revenue increase is to recover increased operating expenses as well as the increased investment in capital projects.	334
2	Other Revenue decreased as a result in a reporting change to carbon credit revenue. This was historically reported as other revenue, however, starting in 2023, it will be recorded as an internal recovery as these will be transferred to Electric Generation.	-346
3	Internal Recovery increased as a result of the reporting change to carbon credit revenue and a marginal increase in the tipping fee at the landfill.	563
4	Salaries decreased due to positions moves within the department. Staff positions adjusted within City Assets to deliver a net reduction with in the department in salaries, wages & benefits.	-177
5	Contracted Services increased due to inflation.	167
6	Amortization decrease due to a capital projects in 2022 being cancelled and completed under budget.	-165



2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Water Utility - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST					BUDGET FORECAST						
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL	
20610567	PLT MHPW WTP - 2023 BUILDING CARD ACCESS	Growth Capital - TCA	-	-	-	94	-	-	-	-	-	-	94	
20610568	PLT MHPW WTP - 2023 12PH BACKFLUSH REPURPOSING	Growth Capital - TCA	-	-	128	-	-	-	-	-	-	-	128	
20610570	PLT MHPW WTP - 2024 PLANT 3 AIR SCOUR PIPING REPLACEMENT	Sustaining Capital - TCA	-	-	189	-	-	-	-	-	-	-	189	
20610571	PLT MHPW WTP - 2023-2024 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	-	400	-	-	-	-	-	-	400	
20610572	PLT MHPW WTP - 2025-2032 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	1,200	-	-	-	-	-	-	-	1,200	
20610573	PLT MHPW WTP - 2026 LED LIGHTING UPGRADE	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	-	-	
20610574	PLT MHPW WTP - 2026 PLANT 4 FILTER VAVLES REPLACEMENT	Sustaining Capital - TCA	-	-	-	473	-	-	-	-	-	-	473	
20810614	CAS-EU-2023/24-TCA-Water-Miscellaneous Water Distribution Upgrades Program	Sustaining Capital - TCA	500	-	-	-	-	-	-	-	-	-	500	
20810615	CAS-EU-2027/28-TCA-Water-South Reservoir Expansion - Pump#6	Growth Capital - TCA	-	-	-	-	650	-	-	-	-	-	650	
20810616	CAS-EU-2025-TCA-Water-Booster Station Electrical Upgrades	Sustaining Capital - TCA	-	-	150	-	-	-	-	-	-	-	150	
20810617	CAS-EU-2027-TCA-Water-Deep Well Anode Beds Cathodic Protection	Sustaining Capital - TCA	-	-	-	-	300	-	-	-	-	-	300	
20810618	CAS-EU-2029/32-TCA-Water-Automated Meter Infrastructure AMI Water Meter replacements program	Sustaining Capital - TCA	-	-	-	-	-	-	250	3,500	3,500	3,500	10,750	
20810619	CAS-EU-2024-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	1,200	-	-	-	-	-	-	-	-	1,200	
20810620	CAS-EU-2025-2030-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	-	350	1,400	300	1,400	400	1,900	-	-	5,750	
20810621	CAS-EU-2025-TCA-Water-North Reservoir Main Twinning	Growth Capital - TCA	-	-	8,400	-	-	-	-	-	-	-	8,400	
20810622	CAS-EU-2026-TCA-Water-Kipling St SE Main Twinning	Sustaining Capital - TCA	-	-	-	5,200	-	-	-	-	-	-	5,200	
20810623	CAS-EU-2023-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	3,000	-	-	-	-	-	-	-	-	-	3,000	
20810624	CAS-EU-2025-2032-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	-	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	49,000	
20810625	CAS-EU-2025-TCA-Water-Main Reservoir Upgrades	Growth Capital - TCA	-	-	7,100	-	-	-	-	-	-	-	7,100	
20810626	CAS-EU-2025-2026-TCA-Water-College Ave SE Main Twinning	Growth Capital - TCA	-	-	800	3,200	-	-	-	-	-	-	4,000	
20810627	CAS-EU-2026-2027-TCA-Water-Airport Booster Station Main Twinning	Growth Capital - TCA	-	-	-	400	1,800	-	-	-	-	-	2,200	
20810628	CAS-EU-2026-2027-TCA-Water-Harlow Park Transmission Main Interconnect	Sustaining Capital - TCA	-	-	-	250	950	-	-	-	-	-	1,200	
20810629	CAS-EU-2025-2026-TCA-Water-Ranchlands Pressure Reducing Valves	Growth Capital - TCA	-	-	450	-	-	-	-	-	-	-	450	
20810630	CAS-EU-2031-2032-TCA-Water-Transmission Line Expansion (NW Booster Station to Box Springs Road #2)	Growth Capital - TCA	-	-	-	-	-	-	-	-	3,500	13,700	17,200	
20810631	CAS-EU-2032-TCA-Water-NW Booster Station Expansion Pump #4	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	100	100	
20810632	CAS-EU-2029-2030-TCA-Water-North Reservoir Expansion Cell #2	Growth Capital - TCA	-	-	-	-	-	-	700	2,700	-	-	3,400	
20810633	CAS-EU-2027-2028-TCA-Water-Main Reservoir Expansion Cell #3	Growth Capital - TCA	-	-	-	-	1,500	7,500	-	-	-	-	9,000	
20810634	CAS-EU-2027/31-TCA-Water-Water Valves Replacement Program	Sustaining Capital - TCA	-	-	-	-	500	-	-	-	500	-	1,000	
20810635	CAS-EU-2025/32-TCA-Water-Miscellaneous Water Distribution Upgrades program	Sustaining Capital - TCA	-	-	2,000	-	-	-	-	-	-	-	2,000	
20810636	CAS-EU-2025/32-TCA-Water Meters Program	Sustaining Capital - TCA	-	-	1,600	-	-	-	-	-	-	-	1,600	
20810637	CAS-EU-2027/32-TCA-Water-Booster Station Electrical Upgrades program	Sustaining Capital - TCA	-	-	-	-	400	-	-	-	-	-	400	
20810638	CAS-EU-2024-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	4,275	-	-	-	-	-	-	-	-	4,275	
20810639	CAS-EU-2023-TCA- Water- Condition Assessment of 1050mm Transmission Main River crossing	Sustaining Capital - TCA	475	-	-	-	-	-	-	-	-	-	475	
20810640	CAS-EU-2026-TCA-Water- Police Point Park Aquifer Pump House and Wells Upgrades	Growth Capital - TCA	-	-	-	1,700	-	-	-	-	-	-	1,700	
20810641	CAS-EU-2023-TCA-Water-Critical Facility Site Security Upgrades	Sustaining Capital - TCA	350	-	-	-	-	-	-	-	-	-	350	
20810642	CAS-EU-2025-TCA-Water-SW Sector Servicing Strategy	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200	
20810643	CAS-EU-2025/26-TCA-Water Meters Program	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400	
DEPARTMENTAL TOTAL			\$ 4,325	\$ 5,475	\$ 27,967	\$ 18,117	\$ 12,400	\$ 14,900	\$ 7,350	\$ 15,100	\$ 14,500	\$ 24,300	\$ 144,434	

	BUDGET REQUEST					BUDGET FORECAST					
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES											
Debtenture	3,000	5,475	17,078	5,394	2,450	-	-	-	-	-	33,397
Offsite Levies	-	-	-	-	1,500	7,500	700	2,700	3,500	13,800	29,700
Operating / Working Capital	1,325	-	10,889	12,723	8,450	7,400	6,650	12,400	11,000	10,500	81,337
FINANCING TOTAL	\$ 4,325	\$ 5,475	\$ 27,967	\$ 18,117	\$ 12,400	\$ 14,900	\$ 7,350	\$ 15,100	\$ 14,500	\$ 24,300	\$ 144,434

2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET
Summary of Capital (TCA) Budget Requests
In thousands of dollars

Sewer Utility - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST		BUDGET FORECAST								
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
21410620	CAS-EU-2023/24-TCA-Sewer-Miscellaneous Collection System Upgrades program	Sustaining Capital - TCA	500	-	-	-	-	-	-	-	-	-	500
21410621	CAS-EU-2024-TCA-Sewer- River Ridge Lift Station Upgrades	Sustaining Capital - TCA	-	500	-	-	-	-	-	-	-	-	500
21410622	CAS-EU-2025/2030-TCA-Sewer- Lift Station Electrical & Mechanical Upgrades program	Sustaining Capital - TCA	-	-	550	-	-	-	-	-	-	-	550
21410623	CAS-EU-2028-TCA-Sewer-Sewer Effluent Monitoring Station	Sustaining Capital - TCA	-	-	-	-	-	100	-	-	-	-	100
21410624	CAS-EU-2025-TCA-Sewer-IXL Lift Station Pump	Sustaining Capital - TCA	-	-	650	-	-	-	-	-	-	-	650
21410625	CAS-EU-2025/26-TCA-Sewer-Parkview Siphon Sewer - Headworks Rehabilitation	Sustaining Capital - TCA	-	-	550	-	-	-	-	-	-	-	550
21410626	CAS-EU-2027/28-TCA-Sewer-Northlands Lift Station Refurbishment	Sustaining Capital - TCA	-	-	-	-	780	-	-	-	-	-	780
21410627	CAS-EU-2025/26-TCA-Sewer-Harlow Lift Station Generator & Building Upgrade	Sustaining Capital - TCA	-	-	930	-	-	-	-	-	-	-	930
21410628	CAS-EU-2027-TCA-Sewer-River Ridge Lift Station Replacement	Sustaining Capital - TCA	-	-	-	-	2,500	-	-	-	-	-	2,500
21410629	CAS-EU-2025/32-TCA-Sewer-Miscellaneous Collection System Upgrades program	Sustaining Capital - TCA	-	-	2,000	-	-	-	-	-	-	-	2,000
21410630	CAS-EU-2023-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	3,000	-	-	-	-	-	-	-	-	-	3,000
21410631	CAS-EU-2025-2032-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	-	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	49,000
21410632	CAS-EU-2024-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	1,200	-	-	-	-	-	-	-	-	1,200
21410633	CAS-EU-2025-2028-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	-	350	1,400	300	1,400	-	-	-	-	3,450
21410634	CAS-EU-2023-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	5,400	-	-	-	-	-	-	-	-	-	5,400
21410635	CAS-EU-2025-2027-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	-	3,700	300	1,500	-	-	-	-	-	5,500
21410636	CAS-EU-2031-2032-TCA-Sewer-Box Springs Lift Station	Growth Capital - TCA	-	-	-	-	-	-	-	-	900	3,400	4,300
21410637	CAS-EU-2031-2032-TCA-Sewer-Box Springs Force Main	Growth Capital - TCA	-	-	-	-	-	-	-	-	4,800	19,200	24,000
21410638	CAS-EU-2029-2030-TCA-Sewer-Strachan Rd / Dunmore Rd SE Sanitary Sewer Upgrades	Growth Capital - TCA	-	-	-	-	-	-	1,900	7,700	-	-	9,600
21410639	CAS-EU-2026-2027-TCA-Sewer-10th Ave SW Trunk Expansion	Growth Capital - TCA	-	-	-	60	240	-	-	-	-	-	300
21410640	CAS-EU-2029-2030-TCA-Sewer-Coulee Ridge Lift Station / Forcemain Expansion	Growth Capital - TCA	-	-	-	-	-	-	900	3,400	-	-	4,300
21410641	CAS-EU-2025-TCA-Sewer-Southlands 7 Lift Station	Growth Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
21410642	CAS-EU-2025-TCA-Sewer-Southlands 7 Forcemain	Growth Capital - TCA	-	-	800	-	-	-	-	-	-	-	800
21410643	CAS-EU-2024-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	4,275	-	-	-	-	-	-	-	-	4,275
21410644	CAS-EU-2024-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	600	-	-	-	-	-	-	-	-	600
21410645	CAS-EU-2026-TCA-Sewer-Southlands 7 Lift Station	Growth Capital - TCA	-	-	-	1,300	-	-	-	-	-	-	1,300
21410646	CAS-EU-2026-TCA-Sewer-Southlands 7 Forcemain	Growth Capital - TCA	-	-	-	3,100	-	-	-	-	-	-	3,100
21610557	PLT MHPW WWTP - 2023-2024 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	-	300	-	-	-	-	-	-	300
21610558	PLT MHPW WWTP - 2023 AUTOMATIC FRONT GATE	Growth Capital - TCA	129	-	-	-	-	-	-	-	-	-	129
21610559	PLT MHPW WWTP - 2024 SOUTH RIVER BANK IMPROVEMENTS	Sustaining Capital - TCA	-	-	-	5,083	-	-	-	-	-	-	5,083
21610560	PLT MHPW WWTP - 2023 3RD UV CHANNEL INSTALLATION	Growth Capital - TCA	143	-	-	-	-	-	-	-	-	-	143
21610561	PLT MHPW WWTP - 2025-2032 SUSTAINING CAPITAL	Sustaining Capital - TCA	-	-	1,200	-	-	-	-	-	-	-	1,200
21610562	PLT MHPW WWTP - 2025 PRIMARY SLUDGE HANDLING ALTERNATIVES	Growth Capital - TCA	-	-	2,175	-	-	-	-	-	-	-	2,175
21610563	PLT MHPW WWTP - 2025 HEADWORKS SCREENS UPGRADE	Growth Capital - TCA	-	-	1,500	-	-	-	-	-	-	-	1,500
21610564	PLT MHPW WWTP - 2025 HEADWORKS GRIT REMOVAL UPGRADE	Growth Capital - TCA	-	-	920	-	-	-	-	-	-	-	920
21610565	PLT MHPW WWTP - 2025 TRICKLING FILTER RECIRCULATION IMPROVEMENTS	Growth Capital - TCA	-	-	485	-	-	-	-	-	-	-	485
21610566	PLT MHPW WWTP - 2025 SOLIDS CONTACT BLOWER REPLACEMENT	Growth Capital - TCA	-	-	102	-	-	-	-	-	-	-	102
21610568	PLT MHPW WWTP - 2026 DAMAGED TUNNEL REPAIR	Sustaining Capital - TCA	-	-	-	414	-	-	-	-	-	-	414
21610569	PLT MHPW WWTP - 2026 LED LIGHTING UPGRADE	Growth Capital - TCA	-	-	-	243	-	-	-	-	-	-	243
DEPARTMENTAL TOTAL			\$ 9,172	\$ 6,575	\$ 21,312	\$ 17,200	\$ 11,320	\$ 7,500	\$ 8,800	\$ 18,100	\$ 12,700	\$ 29,800	\$ 142,279

FUNDING SOURCES	BUDGET REQUEST		BUDGET FORECAST								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
Debtenture	8,400	5,475	5,182	243	-	-	-	-	-	-	19,300
Offsite Levies	-	-	1,200	4,460	240	-	2,800	11,100	5,700	22,600	48,100
Operating / Working Capital	772	1,100	14,930	12,497	11,080	7,500	6,000	7,000	7,000	7,000	74,879
FINANCING TOTAL	\$ 9,172	\$ 6,575	\$ 21,312	\$ 17,200	\$ 11,320	\$ 7,500	\$ 8,800	\$ 18,100	\$ 12,700	\$ 29,800	\$ 142,279

2023 - 2032 TANGIBLE CAPITAL ASSET BUDGET

Summary of Capital (TCA) Budget Requests

In thousands of dollars

Solid Waste Utility - Capital

PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
22210526	CAS-EU-2023-TCA-Collections Carts & Bins Program	Sustaining Capital - TCA	80	-	-	-	-	-	-	-	-	-	80
22210527	CAS-EU-2024-TCA-Collection Carts & Bins Program	Sustaining Capital - TCA	-	80	-	-	-	-	-	-	-	-	80
22210528	CAS-EU-2025-2032-TCA-Collection Carts & Bins program	Sustaining Capital - TCA	-	-	80	80	80	80	80	80	80	80	640
22410528	CAS-EU-2023-TCA-SWL-Landfill Airspace Optimization SE Cell	Growth Capital - TCA	-	-	10,000	-	-	-	-	-	-	-	10,000
22610517	CAS-EU-2023-TCA-SWD-Food Waste Organics Composting Facility	Growth Capital - TCA	-	-	8,000	-	-	-	-	-	-	-	8,000
DEPARTMENTAL TOTAL			\$ 80	\$ 80	\$ 18,080	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 18,800

FUNDING SOURCES (Cash Flow)	BUDGET REQUEST		BUDGET FORECAST								10 YEAR TOTAL
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Debtenture	-	-	18,000	-	-	-	-	-	-	-	18,000
Operating / Working Capital	80	80	80	80	80	80	80	80	80	80	800
FINANCING TOTAL	\$ 80	\$ 80	\$ 18,080	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 80	\$ 18,800

BYLAW NO. 4715

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 1541, a bylaw of the City of Medicine Hat regulating the use of Public and Private Sewers and Drains and the Disposal of Sewage and the Discharge of Waters and Waste into the Medicine Hat Sewer System.

WHEREAS City Council considers it advisable to amend Bylaw No. 1541;

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

1. Bylaw No. 1541 is hereby amended.
2. Section 506 is amended by deleting section 701(c) and replacing with Schedule "A".
3. Section 511 is amended by deleting section 701 and replacing with Schedule "A".
4. Section 701 is repealed and replaced with the following:

"All persons owning or occupying property connected with the sewage system of the City shall pay sewerage charges as set out in Schedule "A" of this Bylaw."
3. Schedule "A" attached hereto is hereby added.
4. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE "A" TO BYLAW NO. 1541
AS AMENDED BY BYLAW NO. 4715 – DECEMBER X, 2022
(EFFECTIVE JANUARY 1, 2023)

**THE PUBLIC AND PRIVATE SEWERS AND DRAINS AND THE DISPOSAL OF SEWAGE
AND THE DISCHARGE OF WATERS AND WASTE INTO THE MEDICINE HAT SEWER
SYSTEM BYLAW OF THE CITY OF MEDICINE HAT**

1. RATES FOR SEWER SERVICE CHARGE:

Sewer Service Charge – Based on water meter size charged at a daily rate of:

<u>Meter Size (mm)</u>	<u>Meter Size (inches)</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15	5/8	\$1.7692	\$1.8134
20	3/4	\$1.7692	\$1.8134
25	1	\$1.7692	\$1.8134
40	1 ½	\$1.7692	\$1.8134
50	2	\$1.7692	\$1.8134
75	3	\$1.7692	\$1.8134
100	4	\$1.7692	\$1.8134
150	6	\$1.7692	\$1.8134
200	8	\$1.7692	\$1.8134
250	10	\$1.7692	\$1.8134

2. RATES FOR RESIDENTIAL SEWAGE CHARGE

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed*	\$0.00	\$0.00

**Winter sewage volume for residential customers – sewage volumes billed between November 1st to March 31st will be equal to water usage in cubic meters.*

Summer sewage volume billed between April 1st to October 31st inclusive, shall be equal to the winter peak sewage volume during the immediate previous winter period.

The winter peak sewage volume shall be determined by the peak water usage recorded during the five monthly utility statements that were billed November 1st to March 31st inclusive. For purposes of this calculation, all monthly water usage figures of less than 7 cubic meters shall be replaced with 7 cubic meters prior to averaging.

3. RATES FOR NON-RESIDENTIAL SEWAGE CHARGE

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed	\$1.8480	\$1.8942

4. RATES FOR PROPERTIES CONNECTED TO THE CITY'S WASTEWATER SYSTEM BUT SERVED IN WHOLE OR IN PART WITH WATER FROM A SOURCE OTHER THAN THE CITY:

Provided the waste or sewage is within the limits set out in section 506, the charge is to follow the table below. The customer shall, at their own expense, install and maintain an approved meter upon which the sewage charge shall thereupon be determined.

<u>Sewage Charge</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
Based on the cubic metres of water consumed	\$1.8480	\$1.8942

5. RATES FOR SEWAGE DISCHARGE EXCEEDING ANY OR ALL LIMITS SET OUT IN SECTION 506 SHALL BE CHARGES AS FOLLOWS:

N x NON-RESIDENTIAL SEWAGE CHARGE

Where $N = 1 \text{ plus } (A / 2100) + (B / 1200) + (C / 300)$

- 'A' is the difference between the actual B.O.D. in parts per million and the allowable B.O.D. in parts per million.
- 'B' is the difference between the actual suspended solids in parts per million and the allowable suspended solids in parts per million.
- 'C' is the difference between the actual fat, oil or grease in parts per million and the allowable fat, oil or grease in parts per million.

The minimum charge shall remain at the non-residential sewage charge per cubic metre of water consumed. To determine the rate charged each month, the City will run tests of the sewage being discharged into its sewer system by each industry at varying times during the year and the charges will be based on an average of the readings of such tests. The test will be conducted in accordance with standard tests defined in section 510.

BYLAW NO. 4716

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 1805, The Waste Bylaw.

WHEREAS it is considered advisable to amend rates and charges imposed pursuant to The Waste Bylaw;

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

1. Bylaw No. 1805, The Waste Bylaw, is hereby amended.
2. Schedule "A" to Bylaw No. 1805 is repealed and replaced by Schedule "A" attached to this Bylaw.
3. Schedule "B" to Bylaw No. 1805 is repealed and replaced by Schedule "B" attached to this Bylaw.
4. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE "A" TO BYLAW NO. 1805
AS AMENDED BY BYLAW NO. 4716 – DECEMBER X, 2022
(Effective January 1, 2023)

All rates and charges set out in this Schedule are payable by the customers to whom they apply, irrespective of the volume of waste (if any) generated at a given time, or over a period of time, by the customer for pick-up and disposal by the City.

1. RATES FOR RESIDENTIAL WASTE REMOVAL:

(A) Basic residential rate (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.5544	\$0.5655

(Note: This rate applies to detached single family homes, duplexes, triplexes and fourplexes. All other buildings used in whole or in part for residential occupancy will be charged on the basis of the centralized pick-up rate, where applicable, or at commercial/industrial rates based on the number and capacity of bins, and frequency of service.)

(B) Rate for centralized collection (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.4652	\$0.4745

(Note: This rate applies to residential buildings containing more than four dwelling units where all Residential Waste Carts and Yard Waste Carts are placed in a centralized location for collection. If more than one collection per week is required, the amount charged will be the monthly rate per unit multiplied by a factor equal to the number of collections per week, on average.). A customer whose Residential Waste or Residential Recyclables is collected in the manner described in this paragraph, shall comply with the provisions of this Bylaw pertaining to Residential Waste collection or Residential Recyclables collection, as the case may be, including the set out standards established by the CAO from time to time.

(C) Additional Residential Waste Cart rate (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.5544	\$0.5655

(D) Residential Recycle Cart rate (per unit / per day):

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.2694	\$0.2775

2. RATES FOR COMMERCIAL/INDUSTRIAL WASTE REMOVAL:**(A) Rate for customers without bins (per day):**

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.8611	\$0.8783

(Note: This rate applies to commercial/industrial premises that are not included in arrangements with the Solid Waste Utility for centralized pick-up. Where such arrangements have been made the rate/unit/month will be the same as the rate for centralized pick-up at residential premises, and will be subject to the same provisions for an increased charge if more than one pick-up per week is required.)

(B) Rates for customers with 3 yd³ capacity bins:

For each weekly pick-up (per bin / per day)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$3.4747	\$3.5442

(C) Rates for customers with 1.5 yd³ capacity bins:

For each weekly pick-up (per bin / per day)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$1.7374	\$1.7721

(D) Rate for extra bin pickup (per bin / per pickup)

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$26.43	\$26.96

- (E) A customer who requests the City to unlock a commercial bin or to open a gate in order to access a bin shall be charged a fee at the rate of \$7.50 per five minutes of additional driver time, or portion thereof, for each pick-up pursuant to paragraph 2(B), 2(C) or 2(D). The fee for each customer shall be based on the City's estimate of the additional driver time required in order to access the bin.

3. TIPPING FEE FOR WASTE DISPOSAL AT SANITARY LANDFILL SITE

Landfill Disposal Rates (per tonne):

<u>Waste Type</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
(A) Basic Sanitary Waste	\$85.00	\$90.00
(B) Non-Residential Yard Waste	\$25.00	\$25.00
(C) Clean Wood	\$25.00	\$25.00
(D) Clean Drywall	\$25.00	\$25.00
(E) Metal	\$25.00	\$25.00
(F) Asbestos <i>*Plus Waste Requiring Special Handling Fee</i>	\$170.00*	\$175.00*
(G) Appliances Containing Chlorofluorocarbon (CFC)	\$20.00/item	\$20.00/item
(H) Bulky items (mattress, sofa, etc.)	\$15.00/item	\$15.00/item
(I) Waste Requiring Special Handling	\$60.00	\$65.00

The minimum tipping fee shall be \$8.00 per vehicle.

A surcharge of \$20.00 will be placed on any load that is not properly secured.

4. OTHER FEES AND CHARGES

- | | | |
|-----|------------------------------------|-------------|
| (A) | Customer requested Service Change | \$50.00 |
| (B) | Replacement of lost or stolen cart | actual cost |
| (C) | Repairs to damaged cart | actual cost |

(Note: The customer will be charged for repairs or replacement if the cart was lost, stolen or damaged due to the customer's neglect, as determined by the CAO.)

SCHEDULE "B" TO BYLAW NO. 1805
AS AMENDED BY BYLAW NO. 4716 – DECEMBER X, 2022
(Effective January 1, 2023)

WASTE DIVERSION CHARGE

1. Subject to Section 2 of this Schedule, the waste diversion charge, pursuant to Section 6.1(3) of this Bylaw, is:

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.0809 per day	\$0.0826 per day

2. Where the owners or occupants of residential premises within a building containing more than one residential premises do not receive utility bills, the person receiving monthly utility bills for the building in which the residential premises are located will pay the waste diversion charge and, in addition, pay the waste diversion charge multiplied by the number of residential premises in the building.

BYLAW NO. 4717

A BYLAW OF THE CITY OF MEDICINE HAT to amend Bylaw No. 2379, the Water Service Bylaw.

WHEREAS it is considered advisable to amend certain fees, rates and charges set out in Schedule "A" to the Water Service Bylaw No. 2379.

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

1. Bylaw No. 2379, the Water Service Bylaw, is hereby amended.
2. Schedule "A" is repealed and replaced by Schedule "A" attached to this Bylaw.
3. This Bylaw will come into force on January 1, 2023.

READ A FIRST TIME in open Council on _____.

READ A SECOND TIME in open Council on _____.

READ A THIRD TIME in open Council on _____.

SIGNED AND PASSED on _____.

MAYOR: Linnsie Clark

CITY CLERK: Arlene Karbashewski

SCHEDULE "A" TO BYLAW NO. 2379
AS AMENDED BY BYLAW NO. 4717 – DECEMBER X, 2022
(EFFECTIVE JANUARY 1, 2023)

THE WATER SERVICE BYLAW OF THE CITY OF MEDICINE HAT

1. CLASS "A" RATES FOR METERED SERVICES (OTHER THAN AQUIFER):

Water Service Charge – Based on Water Meter Size charged at a daily rate of:

<u>Meter Size (mm)</u>	<u>Meter Size (inches)</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15	5/8	\$1.000	\$1.0450
20	3/4	\$1.000	\$1.0450
25	1	\$1.000	\$1.0450
40	1 ½	\$1.000	\$1.0450
50	2	\$1.000	\$1.0450
75	3	\$1.000	\$1.0450
100	4	\$1.000	\$1.0450
150	6	\$1.000	\$1.0450
200	8	\$1.000	\$1.0450
250	10	\$1.000	\$1.0450

In addition to the Water Service Charge, the amount payable by each Consumer per cubic metre of water used is:

<u>Usage Rate</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
In-City Consumer	\$1.2216	\$1.2766
Non-Resident Consumer* (\$ per cubic metre)	\$1.4620	\$1.5278

* The term "non-resident Consumer" means the Cypress County, the Green Valley Water Association and the Roytal Water Users' Association, regardless of whether the water purchased by these Consumers is used inside or outside the corporate boundaries of the City of Medicine Hat, and any other Consumer purchasing water for use outside the corporate boundaries of the City of Medicine Hat.

2. CLASS "B" TEMPORARY USE RATE:

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$2.2140 per day	\$2.3026 per day

3. CLASS "C" INSTALLATION AND REMOVAL CHARGE FOR SEASONAL METER INSTALLATION:

<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
15mm (5/8") Service	\$70.42	\$73.59
20mm (3/4") Service	\$70.42	\$73.59
25mm (1") Service	\$70.42	\$73.59
32mm (1 1/4") Service	\$79.27	\$82.84
38mm (1 1/2") Service	\$95.85	\$100.16
50mm (2") Service	\$95.85	\$100.16
75mm (3") Service	\$119.73	\$125.11
100mm (4") Service	\$119.73	\$125.11

4. CLASS "D" STANDBY CHARGE:

Applicable to all buildings situated on City Water Lines but not connected to them.

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.0266 per square metre of building area per day	\$0.0277 per square metre of building area per day

5. CLASS "E" SERVICE CHARGE PER DAY FOR FIRE SPRINKLER SYSTEMS:

<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
50mm (2") System	\$0.3454	\$0.3609
75mm (3") System	\$0.4611	\$0.4818
100mm (4") System	\$0.5790	\$0.6051
150mm (6") System	\$0.6925	\$0.7237
200mm (8") System	\$0.8120	\$0.8485
250mm (10") System	\$0.9182	\$0.9595
300mm (12") System	\$1.0752	\$1.1236
Individual Fire Hydrants (on private property)	\$0.6356	\$0.6642

6. CLASS "F" AQUIFER RATE

For all water drawn from the "Police Point Aquifer" (Reference: Licence #07997, File #16713-2 under the *Water Act*) the rate is:

<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
\$0.4084 per cubic metre	\$0.4268 per cubic metre

7. MISCELLANEOUS FEES, RATES AND CHARGES

<u>BYLAW SECTION</u>	<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
10(b)(i)	Deposit for use of hydrant	\$445.00	\$465.00
10(b)(v)	Minimum charge for use of hydrant	\$127.00	\$133.00
13(e)	Private Fire Service per day	\$0.6356	\$0.6642
16	Disconnection of service in pavement	\$3,126.00	\$3,267.00
16	Disconnection of service other than pavement	\$2,260.00	\$2,362.00

<u>BYLAW SECTION</u>	<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
21(a)	Thawing frozen service (per hour)	\$119.00	\$124.00
22(a)	Meter repair or replacement costs for meters shall be billed at cost of labour and materials	Actual Cost	Actual Cost
22(d)(iii)	20mm water meter initial installation	\$110.00	\$115.00
22(d)(iii)	20mm water meter replacement	\$132.00	\$138.00
22(d)(iii)	25mm water meter initial installation	\$170.00	\$178.00
22(d)(iii)	25mm water meter replacement	\$187.00	\$195.00
31	Dispute Meter Test Residential*	\$175.00	\$175.00
31	Dispute Meter Test Commercial*	\$225.00	\$225.00
34	Deposit for temporary water supply	\$69.00	\$72.00
35(b)	Disconnection of Service	\$71.00	\$74.00

<u>BYLAW SECTION</u>	<u>DESCRIPTION</u>	<u>Effective January 1, 2023</u>	<u>Effective January 1, 2024</u>
35(b)	Reconnection of Service	\$71.00	\$74.00
36	Application Fee	\$15.00	\$15.00
41(b)	Disconnection warning notice	\$20.00	\$20.00
41(c)	Disconnection of Service	\$71.00	\$74.00
41(c)	Reconnection of Service	\$71.00	\$74.00
41.1	Non-attendance after appointment has been scheduled	\$81.00	\$85.00

*If the meter is tested by a third party, the fee shall be the cost of the third-party test plus shipping, if applicable.

NOTE: WHEREVER APPLICABLE, THE GOODS AND SERVICES TAX SHALL BE ADDED TO THE FEES, RATES, CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY PURSUANT TO THE PROVISIONS OF THIS BYLAW (SEE BYLAW NO. 2716)

BRIEFING NOTE

DECISION

2023-2024 ENERGY & INFRASTRUCTURE DIVISION COMMODITY BASED BUSINESS OPERATING & CAPITAL BUDGET

NOVEMBER 2, 2022

ISSUE:

Approval of the 2023-2024 Operating and Tangible Capital Asset Budget for the commodity-based business unit.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council approve the 2023-2024 Operating Budget update as well as the 2023-2024 Tangible Capital Asset Budget update for the commodity-based energy business unit (Comco).

COUNCIL STRATEGIC PRIORITY

Resilience & Sustainability

The 2023-2024 budget will prioritize sustaining capital investment based on detailed long-range business plans, optimize energy portfolio, and identify growth capital to support energy transition and green infrastructure opportunities.

KEY RISKS:

Health, Safety and Environmental Impact:

The Energy & Infrastructure Division's objective to conduct business in a safe and ethical manner within regulatory standards and remain compliant. Environmental protection is a constant consideration.

Financial Impact:

Funding Request:	Yes	If yes, amount: As noted below.
Budgeted Item:	Yes	Funding Source: Reserves, Debenture, Working Capital and/or Third-Party Funding
Funding Explanation:	As noted below.	
Budget Amendment Form?	No	

The City of Medicine Hat operates within the commodity business; as such, Council accepts there is a higher risk associated with operating an oil, gas and power enterprise versus the standard *Municipal Government Act's* risk parameters.

Operating Budget

Operating Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenues	\$260,973	\$49,754	\$310,727	19%	(\$54,564)	\$256,163	-18%
Expenses	\$205,131	\$25,636	\$230,767	12%	(\$37,847)	\$192,919	-16%
Transfers	\$9,306	(\$2,647)	\$6,658	-28%	\$2,280	\$8,938	34%
EBITDA	\$46,584	\$26,711	\$73,294	57%	(\$18,990)	\$54,304	-26%

*2022 forecasts are based on YTD actuals as of September 30, 2022, plus remaining months re-forecasted using the most up-to-date data models and analysis.

Legal / Policy Impact:

The City of Medicine Hat, being an operator, is required to operate according to the *Oil and Gas Conservation Act and Electric Utilities Act* that is enforced and administered by the respective provincial regulator. Additionally, the Government of Canada has made commitments to reduce emissions which will impact the future regulatory landscape. The City as a responsible operator, is committed to adhering to these Acts and regulations and operating in an environmentally responsible manner.

Public Implications:

The 2023-2024 budgets were developed based on City Council's Strategic Priorities, most notably, Resilience & Sustainability; Partnerships & Governance; and Service Orientation. The public needs safe reliable energy provided at market competitive rates.

BACKGROUND:

The Operating Budget and Tangible Capital Asset Budget were prepared based on the commodity-based Business Plans which aligns with City Council's Strategic Priorities. A high-level review occurred with the following key changes implemented:

- Update to volumes to reflect changes to large commercial/industrial load forecast, continuation of the Abandonment & Reclamation (A&R) Program, asset dispositions and modifications to original plans.
- Update to commodity price forecasts which affect all revenues, Payment in Lieu of Tax, natural gas purchases, and carbon compliance costs.
- Update to Operations & Maintenance expenses corresponding with changes to volumes stemming from asset dispositions, continuation of the Abandonment Reclamation (A&R) Program and modifications to operating plans.
- Update to General & Administration expenses to correspond with a reduction in staffing requirements and increase in the expected carbon compliance cost (volume related).
- Update to Capital plans to reflect asset dispositions, small-scale development program to enhance existing asset portfolio, and prioritizing sustaining capital investments to ensure infrastructure integrity.

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

It is recommended that Council approve the Comco 2023 - 2024 Operating Budget, Tangible Capital Asset Budget.

IMPLEMENTATION PLAN:

- Subject to Council approval, execute the 2023-2024 Operating and Tangible Capital Asset Budgets.
- Follow the 2023-2024 Business Plans.
- Measure results, communicate and celebrate successes.

PREPARED BY & DATE:	Joel Higgins, Business Analyst, Josh Barclay Energy Marketing Specialist	October 28, 2022
REVIEWED BY & DATE:	Boyd Mostoway, Director, Medicine Hat Power & Water Grayson Mauch, Director, City Operations Travis Tuchscherer, Manager Energy Marketing and Business Analysis	
APPROVED BY & DATE:	Brad Maynes, Managing Director, Energy & Infrastructure	
ATTACHMENTS:	#1: 2023-2024 Comco Operating Budget #2: 2023-2024 Comco Capital Budget	

OPERATING BUDGET

Operating Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Revenue							
Electric Generation	173,042	31,382	204,424	18%	(32,514)	171,909	-16%
Production	87,931	18,372	106,303	21%	(22,050)	84,254	-21%
Total Revenues	260,973	49,754	310,727	19%	(54,564)	256,163	-18%
Expenses							
Electric Generation	109,656	19,344	129,000	18%	(19,920)	109,080	-15%
Production	95,475	6,292	101,767	7%	(17,928)	83,839	-18%
Total Expenses	205,131	25,636	230,767	12%	(37,847)	192,919	-16%
Transfers (to)/from Gas Retail	24	(20)	4	-85%	(3)	1	-85%
Transfers (to)/from Electric Retail	(9,282)	2,620	(6,662)	-28%	(2,277)	(8,939)	34%
Earnings Before Interest, Taxes and Amortization							
	46,584	26,718	73,302	57%	(18,996)	54,305	-26%
Interest Revenue	5,100	2,172	7,272	43%	55	7,327	1%
Interest Expenses	(3,213)	(600)	(3,813)	19%	207	(3,606)	-5%
Amortization	(22,365)	2,023	(20,342)	-9%	2,042	(18,300)	-10%
Depreciation/Depletion/Accretion	(21,339)	11,997	(9,342)	-56%	317	(9,025)	-3%
Net Earnings/ (Loss)	4,767	42,310	47,077	888%	(16,375)	30,702	-35%

CAPITAL BUDGET

Tangible Capital Asset Budget in thousands (,000)	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES
Growth Capital	\$6,632	(\$6,632)	\$0	-100%	\$0	\$0	0%
Sustaining Capital	\$20,788	(\$10,653)	\$10,135	-51%	\$1,015	\$11,150	10%
Abandonment & Reclamation	\$5,800	\$350	\$6,150	6%	(\$6,150)	\$0	-100%
Tangible Capital Assets	\$33,220	(\$16,935)	\$16,285	-51%	(\$5,135)	\$11,150	-90%

- The Carbon Capture, Utilization, and Storage capital is not included in the 2022 approved budget above.

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

General Government –

Mayor & Councilors

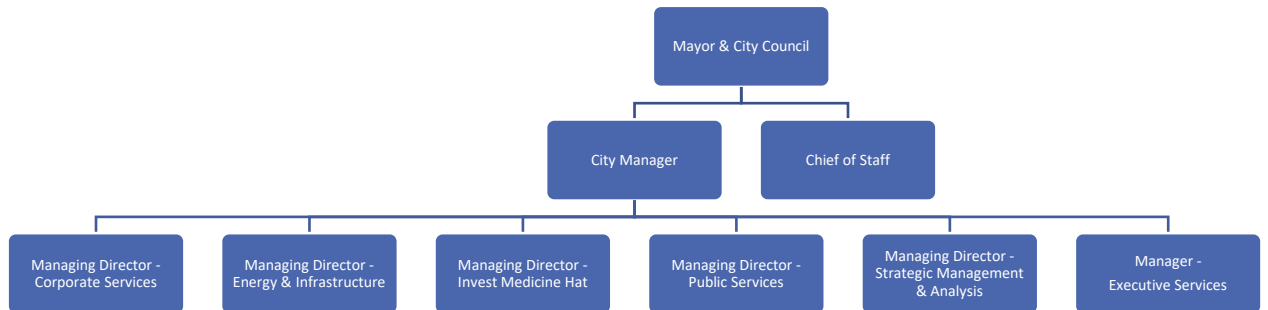
City Manager & Managing Directors

General Municipal Revenues

General Government

Business Plan 2023 – 2024

Departmental Mandate and Structure



	2022	2023	2024	2025	2026
FTE	15	15	15	15	15
PEP	15	15	15	15	15

General Government-Mayor & Councilors
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,000	-70	930	(7.0)	23	953	2.5	1
Contracted and General Services	42	60	101	142.8	4	105	4.0	2
Materials, Goods & Utilities	2	2	3	124.0	0	3	4.0	
TOTAL EXPENSES	1,043	-9	1,034	(0.8)	27	1,062	2.7	
NET BEFORE INTERNAL ALLOCATIONS	1,043	-9	1,034	(0.8)	27	1,062	2.7	
Internal Charges and Transfers	23	-15	8	(65.7)	0	8	4.0	
TOTAL INTERNAL ALLOCATIONS	23	-15	8	(65.7)	0	8	4.0	
NET EXPENSES (REVENUES)	1,066	-24	1,042	(2.3)	28	1,070	2.7	

REF NO.	NOTE	\$
1	Decrease is due to the updating of wages and benefits for permanent employees.	-70
2	Increase is primarily the result of increased corporate training and travel budgets for the Mayor, Councilors, and Council resources.	60

General Government- City Manager & Managing Directors
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	2,259	-31	2,228	(1.4)	-102	2,126	(4.6)	
Contracted and General Services	161	-4	157	(2.7)	6	163	4.0	
Materials, Goods & Utilities	29	-0	29	(0.9)	1	30	4.0	
TOTAL EXPENSES	2,449	-35	2,414	(1.4)	-95	2,319	(3.9)	
NET BEFORE INTERNAL ALLOCATIONS	2,449	-35	2,414	(1.4)	-95	2,319	(3.9)	
Internal Recovery	7,466	-6,032	1,433	(80.8)	38	1,471	2.6	1
Internal Charges and Transfers	6,302	-6,283	20	(99.7)	-1	19	(3.2)	1
TOTAL INTERNAL ALLOCATIONS	-1,163	-251	-1,414	21.5	-38	-1,452	2.7	
NET EXPENSES (REVENUES)	1,285	-286	1,000	(22.2)	-133	867	(13.3)	

REF NO.	NOTE	\$
1	The decrease in internal recovery and charges is the result of the updated cost allocation methodology. In 2022, departments would charge the Utilities Commissioner (included in this subdepartment) who would then recover costs and charge the appropriate departments within other funds. In 2023, charges were allocated directly to the departments within other funds and therefore did not flow through City Manager & Managing Directors.	251

General Government- General Municipal Revenues
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Municipal Taxes	106,311	4,989	111,301	4.7	5,697	116,998	5.1	1
Sale of Services	3,000	2,000	5,000	66.7	1,000	6,000	20.0	2
Investment Income	19,162	838	20,000	4.4	1,524	21,524	7.6	3
Licenses, Fines and Penalties	3,752	-612	3,141	(16.3)	0	3,141	0.0	4
Other Revenue	88	-88	0	(100.0)	0	0	0.0	5
Government Transfers for Operating	564	203	768	36.1	-178	589	(23.2)	6
Tax Requisitions	-26,687	-1,201	-27,887	4.5	-1,254	-29,141	4.5	1
TOTAL REVENUES	106,191	6,130	112,321	5.8	6,789	119,111	6.0	
Expenses								
Salaries, Wages and Benefits	179	-179	0	(100.0)	0	0	0.0	7
Contracted and General Services	-0	3,085	3,085	3,085.0	0	3,085	0.0	8
Materials, Goods & Utilities	200	-200	0	(100.0)	0	0	0.0	9
Other Operating Expenses	400	-200	200	(50.0)	0	200	0.0	10
TOTAL EXPENSES	779	2,506	3,285	321.5	0	3,285	0.0	
NET BEFORE INTERNAL ALLOCATIONS	-105,412	-3,624	-109,036	3.4	-6,789	-115,826	6.2	
Contribution from Utilities and Land	3,115	35	3,150	1.1	0	3,150	0.0	
Internal Recovery	622	398	1,019	64.0	2	1,021	0.2	11
Internal Charges and Transfers	4,939	-3,103	1,836	(62.8)	68	1,904	3.7	12
TOTAL INTERNAL ALLOCATIONS	1,203	-3,536	-2,333	(294.0)	66	-2,267	(2.8)	
NET EXPENSES (REVENUES)	-104,210	-7,160	-111,370	6.9	-6,723	-118,093	6.0	

REF NO.	NOTE	\$
1	Annual increase due to tax rate increase plus 1% assessment growth.	4,989
2	Increase to Municipal Consent & Access Fee.	2,000
3	Increase in investment income due to change in investment mix (shift from Public Equities to Alternatives) which results in a higher yield.	838
4	Decrease in meter fines is based on historical trends; decrease in court fines due to new Automated Traffic Enforcement regulation.	-612
5	Sponsorships are now budgeted in the department the sponsorship is associated with (i.e., Co-op Place naming rights in Community Development).	-88
6	Increase from prior year budget is based on 2022 actuals; increase from 2022 actuals agrees.	203
7	2022 budget was related to retirement agreement in another department which needed to remain confidential.	-179
8	Fees paid to investment managers for new investment portfolio mix; not budgeted for in 2022.	3,085
9	No Municipal assets in 2023 onward.	-200
10	Reduction in contingency budgets; to be confirmed at council workshop in October.	-200
11	Increased interest on internal loans for capital projects as per the Treasury/ Corporate funding schedule for the 2023-2024 budget.	398
12	Primarily due to reduced funding for development incentives to Invest Medicine Hat. In addition, General Municipal Revenues is no longer being charged for Strategy and Analysis Business Support due to the new cost allocation methodology.	-3,103

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

General Government – City Solicitor's Office

General Government – City Solicitor’s Office

Business Plan 2023 – 2024

Departmental Mandate and Structure

The departmental mandate of the City Solicitor’s Office is to provide the municipal corporation with strategic legal advice, litigation management and other legal and City Clerk services in a timely, prioritized, responsive and professional manner to help facilitate City Council’s strategic priorities and objectives, and promote corporate and business unit success.

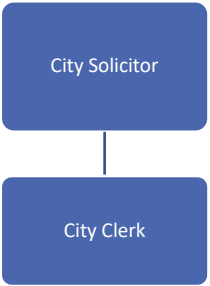
As Chief Legal Officer of the City, the City Solicitor oversees and manages a lean and resourceful team of solicitors and legal assistants, and a responsive and procedurally oriented City Clerk’s Department.

The City Solicitor and the solicitors within the City Solicitor’s Office, provide legal advice to a variety of internal stakeholders within our civic government, including Council, Standing Committees, and business units. The sole client of the City Solicitor’s Office is always the municipal corporation itself, in accordance with standards applicable to the legal profession.

The legal services provided by the City Solicitor’s Office include:

- reviewing, interpreting, and providing legal advice in respect of:
 - City bylaws and policies
 - contracts, Memorandum Of Understandings, and other legal documents, and amendments thereto, including leases, real estate purchase agreements, easements, caveats, and other documents to be registered at a Land Titles Office, oil and gas contracts, development agreements, service agreements, performance agreements, etc.
 - legislation, regulations, and case law applicable to the City, including the Municipal Government Act, general municipal law, corporate and commercial law, environmental law, real estate law, planning law, procurement law, labour, and employment law, etc.
 - questions about the City’s statutory authority, jurisdiction, and legal standing, and about compliance, litigation, and bylaw enforcement matters
- preparing and drafting:
 - proposed bylaws and policies
 - proposed contracts, Memorandum Of Understandings, and other legal documents, and amendments thereto, etc.
- managing:
 - litigation, arbitration, mediation, and other formal dispute resolution processes to which the City is a party, including civil and quasi-judicial proceedings
 - the prosecution of bylaw enforcement matters, including all correspondence, appearances and documentation related thereto
 - the City’s acquisition of specialized external legal services, including when and from whom to obtain specialized external legal services

- correspondence to persons represented by legal counsel in their dealings with the City, including developers, parties to a legal proceeding, certain ticket holders, etc.



	2022	2023	2024	2025	2026
FTE	10	11	11	11	11
PEP	10	11	11	11	11

DEPARTMENT KEY OBJECTIVE #1:

The Bylaw Review and Updating Initiative – an initiative to review, amend, replace and, where appropriate, craft new bylaws to ensure matters falling within the City’s jurisdiction are appropriately regulated in accordance with Council’s strategic objectives.

RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:

- **COUNCIL’S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 2.4**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Recruiting, onboarding, and integrating a fourth solicitor into the City Solicitor’s Office will enable the City Solicitor to allocate legal service requests among staff to ensure internal capacity and set a project schedule for the Bylaw Review and Updating Initiative.
2. Coincidental to launching recruitment of a fourth solicitor, the City Solicitor’s Office will review its existing Legislative Action Plan, adjusting as necessary in accordance with the Strategic Plan of Council and direction provided by the City Manager, and share the results of same with the City Manager.

DEPARTMENT KEY OBJECTIVE’S MEASUREMENT OF SUCCESS:

- 1.a Onboard fourth solicitor – **Q1 – 2023**
- 2.a Adopt program schedule for Bylaw Review and Updating Initiative – **Q2- 2023**
 - i. update program schedule for Bylaw Review and Updating Initiative from time to time in accordance with feedback from City Manager, and
 - ii. carry out work and achieve milestones in accordance with program schedule for Bylaw Review and Updating Initiative.

DEPARTMENT KEY OBJECTIVE #2:

Management of Major Litigation Matters - the City is involved in a variety of litigation matters, in some instances as a plaintiff, complainant or appellant and in other cases as a defendant, or respondent. Such litigation can impact the City in major strategic and organization-wide ways, including with respect to human resource, financial resources, operational processes, relationships with third parties, reputational risks, and insurance implications, to name but a few.

Litigation, even when handled by external legal counsel, often consumes significant solicitor resources within the City Solicitor's Office insofar as solicitors receive and review updates from external legal counsel and facilitate requests for direction from the external legal counsel about the City's records. A significant amount of time and resources from the City Solicitor Department and other applicable City departments, and substantial legal fees may be incurred for specialized outside legal counsel

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.1**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Successful dispute resolution in the opinion of the City Manager and affected departments
1. Efficient management of City resources in responding to the litigation matters
2. Efficient management of outside legal counsel and their legal fees

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Effectively manage and move litigation matters along prudently – **ongoing**
- 1.b Work collaboratively with affected City departments – **ongoing**
- 2.a Serving as the point of entry for parties commencing court proceedings against the City - **ongoing**
- 2.b Maintaining a diary of critical dates to ensure that limitation periods are observed and attained - **ongoing**
3. In conjunction with affected City departments closely monitor outside legal fees and effectively manage City resources – **ongoing**

DEPARTMENT KEY OBJECTIVE #3:

Optimizing Internal Legal Service Delivery – effectively and efficiently managing and optimizing the intake and processing of legal service requests in order to help all divisions and business units meet Council’s objectives.

The City Solicitor’s Office provides legal advice and services to all divisions and departments of the City and is eager to identify any opportunities for improvement in accordance with in-house legal industry best practices related to the intake and processing of legal services requests.

In recent years, the City Solicitor’s Office has experienced an ever-increasing demand for legal services, despite temporary staffing changes which resulted in only two on-staff solicitors for the organization in much of 2021.

The City of Medicine Hat has unique needs for legal services due to its ownership of gas and electric utilities and major land development initiatives, and as such does not admit to an easy apples-to-apples comparison with other municipalities in Alberta.

RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:

- **COUNCIL’S STRATEGIC PRIORITY AREA: INNOVATION**
- **COUNCIL PRIORITY: 1.8**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Continue to give staff solicitors opportunities to expand their skills and knowledge base
2. Use of external counsel for matters outside of our in-house expertise, or as workload otherwise requires
3. Maximize the efficient and effective use of City Solicitor’s Office staff and resources

DEPARTMENT KEY OBJECTIVE’S MEASUREMENT OF SUCCESS:

1. Provide external training opportunities to Solicitors based on needs of the Department and interests of the Solicitor – **Q1-2023 – Q4-2023**
2. Collaborate with applicable City departments on the use of external counsel as needed – **Q1-2023 – Q4-2024**
3. Ensure all staff are fully tasked and that projects are prioritized in accordance with Council Priorities – **Q1-2023 – Q4-2024**

DEPARTMENT KEY OBJECTIVE #4:

Signing Authority Review - with input from Council and other internal stakeholders, bring forward a bylaw for Council consideration whereby Council will delegate contract signing authority throughout the organization, as appropriate, for certain types of contracts in accordance with organizational risk tolerances.

The City of Medicine Hat is unique among other Alberta municipalities which we have surveyed insofar as the City has not yet delegated contract signing authority throughout the organization.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION**
- **COUNCIL PRIORITY: 1.8**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Prepare and bring forward a bylaw that would delegate contract signing authority throughout the organization in accordance with best practices for risk and resource management within Alberta municipalities.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Bring forward a Briefing Note to Council with a recommendation to delegate contract signing authority – **Q1-2023**
- 1.b Once Council has endorsed the concept, draft a bylaw accordingly – **Q1-2023**
- 1.c Update Executive Leadership Team and City Manager as appropriate regarding the changes to contract signing processes, if approved by Council – **Q1-2023**

City Solicitor
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Other Revenue	5	2	6	33.3	0	6	0.0	
TOTAL REVENUES	5	2	6	33.3	0	6	0.0	
Expenses								
Salaries, Wages and Benefits	1,404	81	1,485	5.8	35	1,521	2.4	1
Contracted and General Services	144	26	169	17.8	7	176	4.0	
Materials, Goods & Utilities	30	3	33	10.8	1	34	4.0	
Amortization and Provision for Abandonment	18	16	34	92.0	0	34	0.0	
TOTAL EXPENSES	1,595	126	1,721	7.9	43	1,764	2.5	
NET BEFORE INTERNAL ALLOCATIONS	1,590	125	1,715	7.9	43	1,758	2.5	
Internal Recovery	973	-147	826	(15.1)	21	848	2.6	2
Internal Charges and Transfers	100	-74	26	(73.8)	0	27	1.2	3
TOTAL INTERNAL ALLOCATIONS	-874	73	-800	(8.4)	-21	-821	2.6	
NET EXPENSES (REVENUES)	716	198	915	27.7	22	937	2.4	

REF NO.	NOTE	\$
1	Salaries, Wages and Benefits budgets have increased due to an added position in 2023.	81
2	Internal recovery budget has decreased due to a new allocation methodology in the Solicitor's office where costs are recovered based on time allocation.	-147
3	Internal charges budget has decreased due to the updated Information Technology allocation is no longer charging General Government or Corporate Services departments.	-74

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Corporate Services –

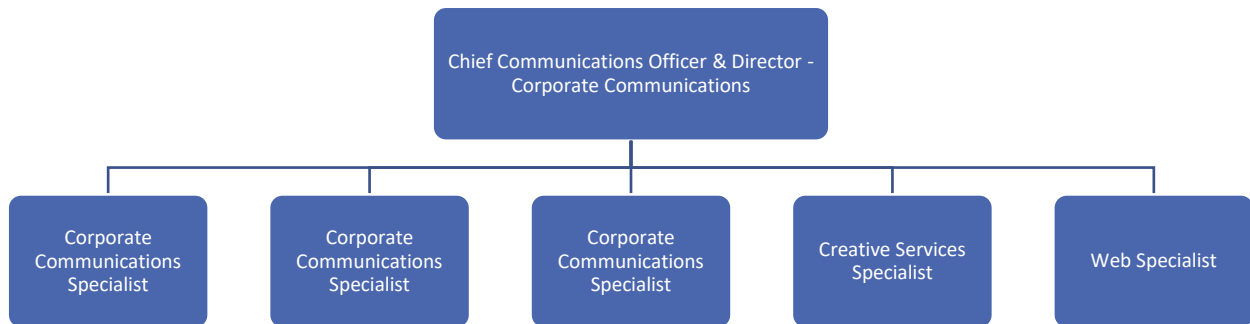
Corporate Communications

Corporate Services – Corporate Communications

Business Plan 2023 – 2024

Departmental Mandate and Structure

The Corporate Communications department's role is to build and maintain public trust and confidence in our organization through strategic communications, and promote Medicine Hat as a place to work, live and invest. We work with all departments, senior leadership, executive and City Council to facilitate internal and external communications with a variety of stakeholder groups. Core activities of the department include strategic communications, website strategy and oversight, media relations, social media, issues/crisis management, internal communications, public participation planning and support, social media, visual identity, and graphic design.



	2022	2023	2024	2025	2026
FTE	5	7	7	7	7
PEP	5	7	7	7	7

DEPARTMENT KEY OBJECTIVE #1:

***Public Participation** – Public participation efforts are delivered effectively and consistently throughout the organization. Both community and City Council expectations on public participation opportunities are growing and City of Medicine requires a formal framework to better define and coordinate public engagement efforts to meet these expectations.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 4.6**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. As identified in the Communications and Public Participation Strategy (CAPPS), Corporate Communications will lead the development and implementation of the organization's public participation framework. The framework will be established in accordance with International Association for Public Participation (IAP2) standards and guidelines.

The framework will:

- Formally define processes and standards to support employees in their Public Participation efforts
- Develop toolkit of planning resources and training options
- Create predictable corporate schedule of participation opportunities
- Build greater visibility/understanding of social media analytics
- Leverage insights and data from resident inquiries (2X14 and Customer Service Representative group)
- Refine existing tools to ensure public implications are considered more carefully (e.g., briefing notes)
- Develop key indicators to measure effectiveness of engagement activities

The project will also include a comprehensive community survey that will provide benchmark data from an unbiased, statistically relevant sample.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Community Survey – **Q2 2024**
- 1.b Development of framework components – **Q1 2023**
- 1.c Roll out of framework and associated change management strategy – **Q2–Q3 2023**
- 1.d Project reporting / recommendations (potential for added resources) – **Q3 2023**
- 1.e Develop evaluation process and performance metrics for public participation activities – **Q4 2023**

DEPARTMENT KEY OBJECTIVE #2:

***Strengthen Internal Communications** – We have a strong system of internal communications. Strong Internal communications are a critical organizational success factor contributing to improved employee awareness and engagement, while providing opportunities to share information, build relationships, and improve collaboration across departments.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 4.4, 6.4**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Corporate Communications will develop a strong system of internal communications to promote employee engagement and awareness, enhance internal culture and encourage ambassadorship in the community.
2. We will also continue to improve internal communications processes and develop and promote our opportunities for internal information sharing.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Complete renewed intranet (SharePoint) site – **Q1 2023**
 - Increase employee's knowledge of departmental functions across the organization.
 - Improve access to/awareness of employee resources and training materials
 - Support employee engagement
- 1.b Improve internal communications processes with associated standards and guidelines and implement – **Q2 2023**
- 1.c Provide communications, social media, and media relations training and support to relevant employees – **Q3 2023 – Q4 2024**
- 2.a Develop and promote effective employee feedback methods that enable management to hear from employees – **Q2 2024**

DEPARTMENT KEY OBJECTIVE #3:

***Reliable & Relevant Communications** – City information is consistently delivered and is accessible, accurate and timely. A strong communications and public participation strategy allows the City to demonstrate transparency and build a greater sense of trust amongst all stakeholder groups by consistently delivering accurate, timely, relevant information. Finding opportunities to celebrate accomplishments and success supports community wellness and vibrancy.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE ;**
- **COUNCIL PRIORITY: 4.6, 4.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Continuous monitoring and improvement to existing communications practices and platforms is an ongoing area of focus for the department. The City will use a proactive approach to communications to increase trust, identify and mitigate issues, and achieve stakeholder awareness of relevant City matters.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Continuous Improvement of Digital Platforms
 - Consolidate web assets (Esplanade Arts & Heritage Centre, Co-op Place, Invest Medicine Hat) to ensure consistent, quality online experience for visitors – **Q1 2023**
 - Conduct annual website satisfaction survey to gather community feedback and gauge user satisfaction – **Q2 2023 and 2024**
 - Quarterly Website Governance Committee meetings with analytics reports to review user feedback, evaluate performance, determine emerging web needs, and identify/implement appropriate actions – **Q1, Q2, Q3 and Q4 2023 and 2024**
- 1.b Collaborate with Executive Services Team to evaluate/improve briefing note template and associated training – **Q2 2023**
- 1.c Update Media Relations Strategy and implement – **Q3 2023**
- 1.d Update Social Media Strategy and implement – **Q2 2024**
- 1.e Improve Council awareness of timely issues via consistent process – **Q2 2023**

Corporate Communications
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	521	115	636	22.0	15	651	2.4	1
Contracted and General Services	93	-4	89	(3.9)	41	130	45.5	
Materials, Goods & Utilities	35	-32	3	(90.3)	0	4	4.0	
TOTAL EXPENSES	649	79	729	12.2	56	785	7.7	
NET BEFORE INTERNAL ALLOCATIONS	649	79	729	12.2	56	785	7.7	
Internal Recovery	390	37	426	9.4	33	459	7.7	
Internal Charges and Transfers	81	-75	6	(92.6)	0	6	4.0	2
TOTAL INTERNAL ALLOCATIONS	-309	-111	-420	36.1	-32	-453	7.7	
NET EXPENSES (REVENUES)	341	-32	308	(9.4)	23	332	7.6	

REF NO.	NOTE	\$
1	The increase in Salaries & Wages is due to 2 new permanent employee positions for 2023.	115
2	The decrease in internal charges is due to Information Technology no longer charging departments in the Corporate Services division and an internal charge from Invest Medicine Hat which will not continue past 2022.	-75

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Corporate Services – Finance

Corporate Services – Finance

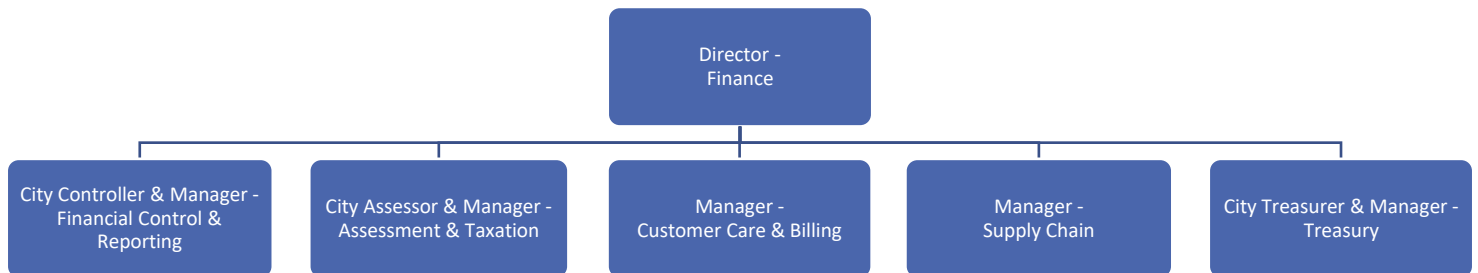
Business Plan 2023 – 2024

Departmental Mandate and Structure

Finance is the process owner – defining centre led City of Medicine Hat related policy, procedures and process including procurement & payments, travel expenses & allowances, investment of treasury funds, debt management, accounting practice and estimates, distributable cash & reserves, customer billing & collection, fraud investigation and internal auditing.

Finance is the service provider – delivering day to day services in an efficient and effective manner to customers including management and financial reporting, customer service & call centre, billing and collection of taxes, utilities and other, risk management including insurance program & claims, investment & debt management, business planning, procurement & payment, central & fleet stores, fair and equitable property assessments as well as stable and predictable tax environment.

Finance is a trusted internal advisor – providing business support to operations including financial & risk modelling, loss control inspections, capital/major operating expense funding, briefing notes for standing committees, business planning, supporting implementation of new programs or systems (including Enterprise Resource Planning system), management reporting & analysis, relationships with external stakeholders.



	2022	2023	2024	2025	2026
FTE	82.4	82.4	82.4	82.4	82.4
PEP	80	80	80	80	80

DEPARTMENT KEY OBJECTIVE #1:

***Customer Service Optimization** - Deliver optimal customer service to customers by leveraging existing or new technologies, business processes, tools, and communications to enhance the customer experience, customer knowledge and customer satisfaction. Leveraging emerging technologies and best practice to provide increased service levels; ability to respond to a changing environment; and meet the needs of our customers. People will find it easy to deal with the City.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION ; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 3.1, 3.2, 3.3, 4.2, 4.4, 4.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Provide a high level of service and exceptional residential and customer experience through continued pro-active communication, education, and knowledge sessions to Council, customers/residents, key stakeholders (chamber, construction association) and the vendor community through the website, social media, Town Hall Meetings, Trade Shows, and through Shape Your City, as well as through customer engagement and surveys.
2. Adapt our policies, procedures, and technologies to meet the needs of people using them by focusing on improved business efficiencies to allow ease of point of contact and flexibility. Optimize technologies on current systems and enhance the external/internal use and functionality of the City of Medicine Hat website as a self-service portal.
3. Ensure governance excellence and define benchmarks for measuring our success in achieving governance excellence through timely and accurate revenue billing and reporting.
4. Creating a one window approach for customer information and inquiries (MyMH Portal; Virtual City Hall 24/7 access and leverage other City facilities and staff).

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Increase customer utilization of self-service tools, including new resident welcome packages, resulting in a reduction of 5% of staff assisted requests for programs while meeting customer expectations – **Q4 2024**
- 1.b Enhance and create service added options in an easy, understandable format to educate customers on available business programs – **Q1 2023**
- 1.c Develop web-based training/education sessions for internal and/or external customers. (Supply Chain Management 101 for Procurement, Understanding your Utility Bill, Assessment 101, Management Reporting 101, etc.) – **Q4 2023**
- 1.d Continue to communicate and work with the vendor community to ensure we have a strong and competitive market for bidding opportunities – **Q4 2023**
- 2.a Utility eBilling enrollment to reach 55% by the end of 2023 and implementation of Accounts Receivable eBilling – **Q4 2024**
- 2.b Implementation of tax and assessment eBilling with enrollment to reach 20% (e-forms for Municipal Government Act 299/300 requests, Computer Assisted Mass Appraisal software (CAMALot) portal for Request For Information (RFI) non-residential & MF submissions, Assessment/Tax widget) – **Q4 2023**
- 2.c Prepare strategic Enterprise Resource Planning optimization plan (5-yr roadmap) for Enterprise System Governance Committee (ESGC) approval such as regular upgrades and increased functionality; CAMALot and Geographic Information Systems (GIS) integration; automate detailed

management reports and corporate overview – **Q2 2023**; Automate consolidated financial statements – **Q4 2023**

2.d Research and investigate opportunity for new tools/software such as CaseWare and Priority Based Budgeting. Prepare project proposal with planned implementation – **Q4 2024**

2.e Converting all outstanding cost properties to Marshall & Swift costing manual. An outstanding audit recommendation from Alberta Municipal Affairs. Target 15-20 properties annually – **Q4 2024**

2.f Increase Tax Installment Payment Plan (TIPP) taxpayer participation by 5% - **Q4 2024**

3.a Prepare effective intuitive management reporting that is easy to understand and provides useful information that allows for discussion, analysis and decision making by the organization – **Q4 2023**

4.a MyMHPortal to be fully functional by **Q4 2024**.

DEPARTMENT KEY OBJECTIVE #2:

Embracing, Supporting and Developing our Team Talent - Improving the employee experience with a supportive, positive work culture and staff retention by ensuring the right people are in the right places with the right resources to pursue corporate opportunities, objectives, goals, and values. Enhancing employee morale will result in increased job satisfaction and productivity while promoting a safe workplace, both physically and psychologically. Engaged employees result in job satisfaction, high productivity, successful business objectives and low turnover.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; SERVICE ORIENTATION**
- **COUNCIL PRIORITY: 1.3, 1.4, 1.7, 1.8, 3.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Foster a culture that supports employee engagement and promotes opportunities for development.
2. Seamless transition of recruiting internal staff into retirement/vacant positions with no lost knowledge to the department or operational disruption.
3. Engage staff to be comfortable to share opinions, suggestions and needs by providing opportunities for open and trusting communications.
4. Create a culture that empowers staff to take the lead and make decisions by rewarding those initiatives and innovative achievements.
5. Create an environment that supports staff with physical and mental health well-being.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Develop a succession plan for next generation leadership roles and high-risk finance positions – **Q4 2023**
- 1.b Staff engaged in department and tail gate meetings (i.e. weekly, monthly, etc.). As well annually, all unionized employees complete at least one Leading Human Performance and Performance that Shines review with their supervisor which includes identifying future development opportunities – **Q1 2023 to Q4 - 2024**
- 2.a Develop training programs to ensure staff are fully trained in their roles as well as cross trained to provide coverage and support to other team members – **Q4 2023**
- 3.a Increase employee engagement by having the Managers and Finance Director more visible to create a comfortable and appropriate environment for dialogue with management – **Q1 - 2023 to Q4 - 2024**
- 3.b Semi-annual Finance Connect sessions with employee attendance >80% - **Q1 2023 to Q4 2024**
- 4.a Celebrate team accomplishments, successes, and high performing talent to demonstrate appreciation and value in a timely manner (at least two events per year) – **Q1 2023 to Q4 2024**
- 4.b Provide and encourage peer recognition opportunities through corporate Values Awards and departmental recognition programs – **Q1 2023 to Q4 2024**
- 5.a Regular check-ins with staff and regular one-one staff meetings with awareness of supports available to enhance physical and mental health well-being (i.e., Employee Assistance Program, Occupational Health, and community resources etc.) – **Q1 2023 to Q4 2024**

DEPARTMENT KEY OBJECTIVE #3:

Financial Wellbeing - Ensure the City has healthy finances and long-term financial stability, while maintaining organizational health, resilience, and compliance with regulatory bodies. Ensure responsible spending decisions and managing our debt and liabilities while balancing the need to save for future generations.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY ; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 4.3, 4.7, 4.9, 6.1, 6.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Ensure long-term financial stability through prudent management of our finances including managing the Investment Portfolio in a way that will generate higher returns compared to benchmark while maintaining an appropriate level of risk.
2. Manage the City's long-term obligations and financial reserves by identifying the best sources of funding for projects while ensuring debt to equity targets are maintained and use of debt is within the appropriate limits.
3. Rationalize the insurance program to find the right balance between self-insurance and third-party insurance and between coverage and premium levels.
4. Develop a grant management process and governance framework.
5. Ensure the City has healthy finances and long-term financial stability by creating the framework (principles/guidelines) of a sustainable organization.
6. Ensure property assessments are fair and equitable and the tax environment is stable and predictable. Create processes and mechanisms to establish a stable tax environment for individual property owners.
7. Review 1 to 2 operating models annually to identify opportunities for efficiencies and cost savings.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Ensure governance excellence and define benchmarks by managing, monitoring, and rebalancing the investment portfolio to ensure that it will generate an average return of 4.9% per year over a market cycle (5-7 years) – **Q1 2023 to Q4 2024**
- 1.b Refine the investment portfolio asset mix by rebalancing and adding new asset classes such as private credit and/or private equity – **Q1 2023 to Q4 2024**
- 1.c Reduce the weight of Working Capital to 5% to achieve higher returns while ensuring cash is still available to meet obligations – **Q4 2024**
- 1.d Complete an investment asset allocation review every three years - **Q4 2025**
- 1.e Make decisions, organization wide, that are transparent, justifiable and in the public interest by continuing to negotiate prices on contracts; working collaboratively with other agencies to create the best buying power; creating city wide contracts (target 10-20 annually) – **Q1 2023 to Q4 2024**
- 2.a Implement the Reserves Policy, set debt/equity ratios, develop long-term cash flow forecasts and capital improvement plans to ensure long-term financial sustainability and supports the future needs of our community – **Q2 2023**

- 2.b Review long term liabilities (Asset Retirement Obligations) to ensure liabilities are valued appropriately and appropriate funding is available for the abandonment and reclamation process – **Q4 2023**
- 3.a Expand the self-insurance program to new areas such as automotive liability to reduce third-party insurance coverage and premiums. As well, look to reduce overall coverage levels and/or increase deductibles to decrease insurance premiums. Insurance coverage should acknowledge the City's risk mitigation efforts by reflecting them in the premiums – **Q1 2023 to Q4 2024**
- 3.b Complete a third-party review of the insurance program every three years to ensure our insurance approach and risk related to appropriate level of retention and self-insurance is still valid – **Q2 2023**
- 4.a Formalize grant processes and procedures. Clarify roles & responsibilities and create a Grant Governance Committee to oversee the grant management process develop and maintain relations with granting agencies, and ensure we are maximizing the funding dollars coming into our community – **Q2 2023**
- 5.a Develop the framework and metrics to define our benchmarks for measuring our success and track our progress of being a sustainable organization. (i.e., municipal base budget expense per capita comparable to other municipalities; tax dollars per resident; reduction in financial debt position). Sustainable framework and metrics to be developed – **Q4 2024**
- 6.a Three-year averaging (entered into CAMA lot) to create processes and mechanisms to establish a stable tax environment. Reduce fluctuations in assessment values resulting in reduced number of appeals (between 30-60) and minimal 2x14 enquiries – **Q4 2023**
- 7.a Review inventory management process with a proposal plan of how to proceed – **Q4 2023**
- 7.b. Review Accounts Payable processes for improvements, including electronic invoicing capabilities – **Q4 2023**

Finance
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	649	33	682	5.1	38	720	5.6	
Other Revenue	209	-38	171	(18.2)	2	173	1.1	
TOTAL REVENUES	858	-5	853	(0.6)	40	893	4.7	
Expenses								
Salaries, Wages and Benefits	8,540	328	8,869	3.8	265	9,134	3.0	1
Contracted and General Services	3,789	690	4,479	18.2	178	4,657	4.0	2
Materials, Goods & Utilities	196	-6	190	(3.0)	22	212	11.7	
Provision for Allowances	27	3	30	11.1	0	30	0.0	
Bank Charges & Short Term Interest	78	-3	75	(4.1)	1	76	1.6	
Other Operating Expenses	26	-1	25	(2.3)	0	25	0.0	
Amortization and Provision for Abandonment	83	-32	50	(39.3)	31	81	61.1	
TOTAL EXPENSES	12,738	979	13,718	7.7	497	14,215	3.6	
NET BEFORE INTERNAL ALLOCATIONS	11,880	984	12,864	8.3	457	13,321	3.6	
Internal Recovery	7,779	2,165	9,944	27.8	385	10,330	3.9	3
Internal Charges and Transfers	1,294	-794	500	(61.4)	48	548	9.7	4
TOTAL INTERNAL ALLOCATIONS	-6,486	-2,959	-9,445	45.6	-337	-9,782	3.6	
NET EXPENSES (REVENUES)	5,395	-1,975	3,420	(36.6)	120	3,540	3.5	

REF NO.	NOTE	\$
1	The increase in Salaries & Wages is in line with key budget assumptions.	328
2	The increase in contracted services is due to increased insurance premiums for City-owned properties, and increased software licensing costs related to existing and new operational applications.	690
3	Internal recovery has increased as a result of the new cost allocation methodology where Customer Service, Treasury, Financial Control & Reporting and Supply Chain management recoveries have increased from 2022.	2,165
4	Internal charges has decreased primarily as a result of the new cost allocation methodology where Information Technology is no longer charging departments in the Corporate Service division.	-794

Finance
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
FIN-Customer Care & Billing-2023-Taxation Software Replacement	Growth Capital - TCA	700	-
DEPARTMENTAL TOTAL		\$ 700	\$ -

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Internal Loan	700	-
FINANCING TOTAL	\$ 700	\$ -

Finance
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
FIN-MOE-2023-2024 ERP Optimization and Enhancements	Growth Major Operating Expense	375	300
FIN-Treasury-2023-Risk & Insurance Review	Sustaining Major Operating Expense	75	-
FIN-Customer Care & Billing-2023/2024-Cogsdale Customer Service Management (CSM) Upgrade	Sustaining Major Operating Expense	82	82
FIN-Customer Care & Billing-2023-Clean Energy Improvement Program (CEIP) Tax Software Modification	Growth Major Operating Expense	60	-
DEPARTMENTAL TOTAL		\$ 592	\$ 382

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Operating	592	382
FINANCING TOTAL	\$ 592	\$ 382

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Corporate Services – Human Resources

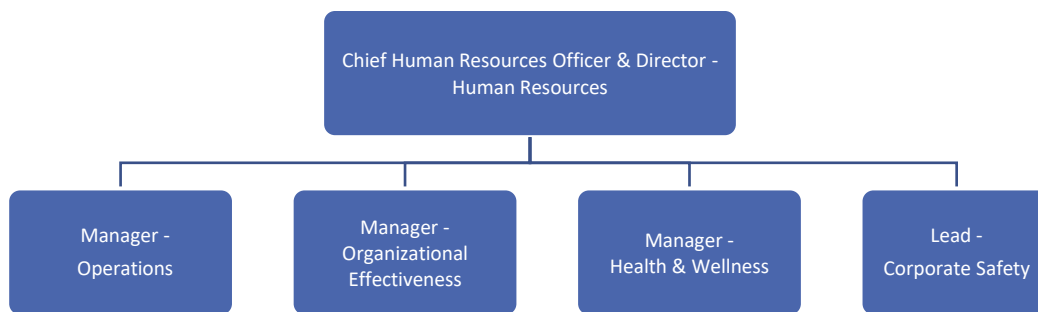
Corporate Services – Human Resources

Business Plan 2023 – 2024

Departmental Mandate and Structure

The Human Resources (HR) Department provides professional advice, guidance, and services to the organization in the areas of: (i) HR strategy, labour relations; (ii) recruitment; (iii) organization design and development; (iv) organizational and employee safety; (v) employee wellness, occupational health and claims management; (vi) pension, benefits and payroll administration; (vii) compensation administration, HR policies or collective agreement issues. The department also assists the organization in the development, implementation, and monitoring of their health, safety, and environment systems.

The department provides strategic solutions and advice to issues and opportunities such as organization development (including design), recruitment and retention, developing a diverse workforce, managing an aging workforce, developing succession plans, and continuously supporting a constructive work culture.



	2022	2023	2024	2025	2026
FTE	37	43	43	43	43
PEP	38	44	44	44	44

DEPARTMENT KEY OBJECTIVE #1:

***Attract & Retain Exceptional Talent** – The HR Department will critically review and strategically enhance its talent attraction and retention programs to ensure that we focus on and are successful in attracting and retaining exceptional people at the City of Medicine Hat.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION: SERVICE ORIENTATION**
- **COUNCIL PRIORITY – 1.4; 1.7; 1.8; 3.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Develop hiring approach to identify desired demographics and soft skills.
2. Establish a talent development and training framework to provide staff with skills and competencies necessary to contribute, excel, and succeed.
3. Support a performance management framework to ensure that supervisors have the training and tools to proactively work with staff to meet or exceed operational expectations.
4. Work with organization leaders to develop and enhance succession planning.
5. Continue to facilitate organization-wide workforce planning.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a We will build on 2021/2022 initiatives to establish a methodology in 2023 to increase our ability to identify applicants who match the City's current and future needs – **Q4 2023**
- 2.a We will establish a balanced learning and training investment program for the organization – **Q3 2023**
- 2.b We will focus on identifying and delivering necessary training opportunities to ensure employee skill sets align with the current and future needs of the organization – **Q1-Q4 2023**
- 2.c We will provide tools and training to facilitate strong and positive employee/supervisor relationships that will contribute to a positive corporate culture – **Q1-Q4 2023**
- 3.a We will work with our customer departments to identify the necessary actions to prepare our current employees to succeed in future roles (learning new skills, etc.) – **Q1-Q4 2023**
- 4.a We will initiate a succession planning process for the top three levels of the organization with a target of completing the initial version – **Q2-Q4 2023**
- 5.a We will work with our client departments to identify current and future organizational needs and prepare/execute plans to acquire/develop the necessary skills and individuals to meet organizational needs – **Q1-Q4 2024**

DEPARTMENT KEY OBJECTIVE #2:

HR Process Modernization and Capacity Expansion – The HR Department will critically review and enhance work processes and make changes in a logical and purposeful way to deliver enhanced service to client departments for the ultimate benefit of employees and, by extension, city residents.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION**
- **COUNCIL PRIORITY – 3.1; 3.3**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. HR Systems Optimization Project(s) by leveraging existing enterprise systems
 - 1.1.1 Continue to facilitate organization-wide workforce planning
 - 1.1.2 Health & Wellness organization and case management
 - 1.1.3 Key performance indicators

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Collaborate with Business Transformation Office and Information Technology to identify, rank and execute opportunities to deliver enhanced services – **Q1 2023 – Q4 2024**
- 1.b We will focus on data and intelligence gathering related to motivational drivers to attract and retain valued employees then using this data to develop and communicate and execute relevant programs and initiatives – **Q1-Q4 2023**

DEPARTMENT KEY OBJECTIVE #3:

Diversity, Equity, Inclusion and Accessibility – The HR Department will promote the concepts of diversity, equity, inclusion, and accessibility.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS**
- **COUNCIL PRIORITY – 5.2; 5.3**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Identify a diversity and inclusion framework for the organization that defines scope, approach, and implementation strategy.
2. Reflect our commitment to diversity, equity, inclusion, and accessibility through the review and update of Human Resources Department policies, procedures, and programs.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a We will develop a terms of reference document for the preparation of a Diversity & Inclusion Framework – **Q4 2023**
- 2.a We will prepare the Diversification & Inclusion Framework – **Q2 2024**

DEPARTMENT KEY OBJECTIVE #4:

Engaged Employee Experience – The HR Department will continue to develop and deliver a “People First” approach to designing and delivering Human Resources services that addresses all aspects of the employee experience ensuring they are successful throughout the entire employee lifecycle. The emphasis throughout will be to promote a positive, healthy, and safety-oriented culture with highly engaged employees that encourages problem solving, recognizes achievement, and values health and wellness.

RELATIONSHIP TO COUNCIL’S STRATEGIC PLAN:

- **COUNCIL’S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 5.11, 6.4**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Undertake a planned Total Compensation Review initiative which will result in all management and non-union professional positions to be balanced with both internal and external relativity.
2. Continued focus on corporate safety planning.
3. Additional attention on employee wellness initiatives with a focus on proactive measures.
4. Recognize and celebrate accomplishment of employees and the organization.
5. Ensure employee engagement.

DEPARTMENT KEY OBJECTIVE’S MEASUREMENT OF SUCCESS:

- 1.a Total Compensation Review (base and benefits)
 - i. Phase 1 – Research & Design through 3rd party consultant including compensation philosophy – **Q1-Q4 2023**
 - ii. Phase 2 – Implementation – **Q1-Q4 2024**
- 2.a We will develop programs, training, and measurements to enhance the employee and organizational commitment to a strong safety culture – **Q1 2023-Q4 2024**
- 3.a We will develop and implement a strategy to enhance employee wellness and engagement which will lead to enhanced health for individuals and reduced health related absences – **Q4 2023**
- 4.a Ensure employee recognition and reward programs are timely, effective, and relevant – **Q3 2023**
- 5.a Measure employee engagement every two years with response plan.
 - 1.1 Targeted “Pulse” survey(s) – **Q2 2023**
 - 1.2 Comprehensive bi-annual survey – **Q2 2024**

Human Resources
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Other Revenue	210	-83	127	(39.5)	5	132	4.0	1
TOTAL REVENUES	210	-83	127	(39.5)	5	132	4.0	
Expenses								
Salaries, Wages and Benefits	4,599	760	5,358	16.5	133	5,492	2.5	2
Contracted and General Services	930	250	1,180	26.9	48	1,227	4.1	3
Materials, Goods & Utilities	79	-7	72	(9.2)	3	74	4.0	
Amortization and Provision for Abandonment	9	-2	7	(23.6)	0	7	0.0	
TOTAL EXPENSES	5,617	1,000	6,617	17.8	184	6,801	2.8	
NET BEFORE INTERNAL ALLOCATIONS	5,407	1,083	6,490	20.0	179	6,669	2.8	
Internal Recovery	2,768	1,438	4,207	52.0	129	4,336	3.1	4
Internal Charges and Transfers	331	-217	114	(65.6)	4	117	3.1	5
TOTAL INTERNAL ALLOCATIONS	-2,437	-1,656	-4,093	67.9	-126	-4,219	3.1	
NET EXPENSES (REVENUES)	2,970	-573	2,397	(19.3)	53	2,450	2.2	

REF NO.	NOTE	\$
1	The decrease in Other Revenue is due to a reduction in expected recoveries from Union representatives that code their time to Human Resources. The department then bills the Union for those costs. There is also an equal reduction in the departments' expense budget for these items.	-83
2	The increase in Salaries & Wages is due to the net addition of six permanent employees for 2023.	760
3	The increase in contracted services is due to increased training and travel as a result of the six additional permanent employees (as above).	250
4	The increase in Internal recovery is a due to updated methodologies for recovery. For example, the Safety allocation which Human Resources charges out to other departments for the cost of corporate operating safety has increased as it is now based on historical actual time spent in each area. The Human Resources allocation is now based on Permanent employees by subdepartment.	1,438
5	The decrease in internal charges is due to updated cost allocation methodology where Information Technology department is longer charging any departments with Corporate Services.	-217

Human Resources
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024
		BUDGET	BUDGET
HRD-2023 MOE-Total Compensation Review	Sustaining Major Operating Expense	200	100
HRD-2023-MOE-HR Systems Optimization	Sustaining Major Operating Expense	300	300
DEPARTMENTAL TOTAL		\$ 500	\$ 400

FUNDING SOURCES	2023	2024
	BUDGET	BUDGET
Operating	500	400
FINANCING TOTAL	\$ 500	\$ 400

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Corporate Services – Information Technology

Corporate Services – Information Technology

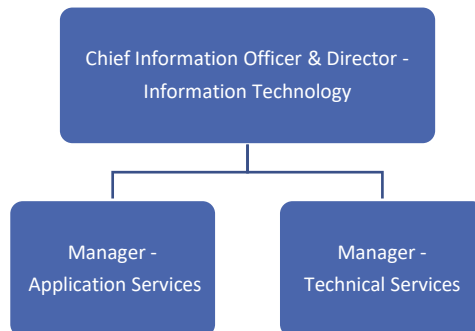
Business Plan 2023 – 2024

Departmental Mandate and Structure

Information Technology (IT) enables the City to achieve its vision and mission by providing departments with a stable, scalable, secure, and cost-effective information technology environment. IT provides technical and enterprise systems support/hosting services, analysis, and consulting, which enables departments to deliver their services in an effective and efficient manner.

IT is focused on providing professional service and strategic advice to its customers and business partners, continuously improving, and maintaining the City's technology infrastructure and software applications assets while delivering secure and innovative solutions that meet customer needs and goals. Our commitment is to improve and maintain the technology assets and deliver excellent customer service while providing responsive and pragmatic technology solutions to support the business of the City of Medicine Hat.

Our IT vision is ***“A valued partner in your success”*** and our mission is ***“Your IT team delivers value through innovative, high-quality technology support and solutions empowering you to succeed.”***



	2022	2023	2024	2025	2026
FTE	29	32	33	33	33
PEP	32	32	33	33	33

DEPARTMENT KEY OBJECTIVE #1:

***Collaboration through Technology** – Leverage the existing Microsoft 365 Platform to establish a technology ecosystem for all business units to build effective and efficient processes that promotes collaboration. This will primarily be the promotion and adoption of Microsoft 365 SharePoint Online including business unit SharePoint (SP) sites and a migration away from the legacy network shared drives.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; SERVICE ORIENTATION**
- **COUNCIL PRIORITY: 1.3, 1.5, 1.6, 1.8, 1.9, 3.2, 3.3**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Establish pilot with key departments creating SharePoint (SP) sites and migration of documentation from shared network drives.
2. Apply learnings from the pilot to create an organizational change and deployment plan.
3. Execute on the established plan to enable SP sites for each business unit and migrate documents from network shared drives to appropriate location (OneDrive, SharePoint, OnBase, etc.)

DEPARTMENT KEY OBJECTIVE MEASUREMENT OF SUCCESS:

1. Pilot with Information Technology and Corporate Communications departments to enable SharePoint (SP) sites and migrate documentation from shared network drives – **Q1 2023**
2. Apply learnings from the pilot to create an organizational change and deployment plan including resourcing - **Q1 2023**
3. Execute on the established plan to enable SP sites for each business unit and migrate documents from network shared drives to appropriate location (OneDrive, SharePoint, OnBase, etc.)
 - a. Stage 3 business units (to be determined) implementation complete - **Q2 2023**
 - b. Stage 4 business units (to be determined) implementation complete - **Q4 2023**
 - c. Shared network folder decommission plan approved - **Q2 2023**
 - d. Initiate shared network folder decommission plan execution - **Q1 2024**

DEPARTMENT KEY OBJECTIVE #2:

***Cybersecurity** – Ensure consistent advancements in our cybersecurity posture to protect City assets and resources.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.5, 1.6, 1.8, 1.9, 4.7, 4.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Align all cybersecurity initiatives with the appropriate National Institute of Standards and Technology (NIST).
2. Focus on priority cybersecurity initiatives that can effectively and pragmatically mitigate risk.
3. Ensure ongoing education, internal phish testing and awareness campaigns are a key component of our cybersecurity posture.

DEPARTMENT KEY OBJECTIVE MEASUREMENT OF SUCCESS:

1. Audit our cybersecurity posture advancements against the NIST rating for the City – **Q4 2023 & Q4 2024**
2. Develop and execute annual cybersecurity action plan – **Q1 2023 & Q1 2024**
3. Demonstrate reduced user click rates through user education, managerial awareness program, and internal phishing campaigns – **Q4 2023 & Q4 2024**

DEPARTMENT KEY OBJECTIVE #3:

Optimize Key Work Processes – Work in conjunction with the leadership in Finance and Human Resources to optimize key processes through process redesign and systems alignment.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; SERVICE ORIENTATION
- COUNCIL PRIORITY: 1.5, 1.6, 1.8, 1.9, 3.3, 3.5

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Create achievable plans for optimization of processes.
2. Leverage internal resources to deliver more efficient and effective processes.
3. Apply program management principles and agile delivery mechanism to create momentum and sustainable change.

DEPARTMENT KEY OBJECTIVE MEASUREMENT OF SUCCESS:

1. Ensure that the optimization program is supported by Information Technology and Business Transformation resources as required by the project plan – **2023 & 2024**
2. Develop a coordinated plan in conjunction with Finance and Human Resources – **Q1 2023**
3. Deliver 100% of the planned process improvements for both Human Resources and Finance by applying agile techniques for delivering minimum viable products releases with incremental value – **Q4 2024**

DEPARTMENT KEY OBJECTIVE #4:

Relevant Information Technology – Strategically evolve and align our information technology assets and infrastructure.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 1.5, 1.9, 6.1, 6.2, 6.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Use creative and innovative methods to ensure full life of information technology assets are realized.
2. Consistently maintain and replace information technology infrastructure assets as per a plan aligned with industry best practices and the evolution of technology to ensure maximum optimization.
3. Work to maximize and leverage the existing investments in information technology infrastructure.

DEPARTMENT KEY OBJECTIVE MEASUREMENT OF SUCCESS:

1. Update and maintain the 5-year Technology and Application Strategic Roadmap in alignment with City of Medicine Hat leadership and business unit requirements - **Q1 2023 & Q1 2024**
2. Revise 10-year Capital Infrastructure Plan to enable 5-year Technology and Application Roadmap - **Q1 2023 & Q1 2024**
3. Complete Capital Infrastructure Plan annually
 - a. Distribution/Access Layer Network Switch Replacement Project
 - i. Phase 1 – **Q3 2023**
 - ii. Phase 2 – **Q2 2024**
 - b. Core Networking Controls Refresh – **Q3 2024**
 - c. Data Center Uninterruptible Power System Replacement – **Q2 2023**
 - d. Cybersecurity Firewall Infrastructure Replacement – **Q4 2024**

Information Technology
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	3,465	302	3,767	8.7	208	3,975	5.5	1
Contracted and General Services	2,660	128	2,788	4.8	188	2,977	6.8	2
Materials, Goods & Utilities	505	21	526	4.2	21	547	4.0	
Interest on Long-term Debt	19	-8	11	(41.6)	35	46	312.9	
Amortization and Provision for Abandonment	2,022	185	2,208	9.2	369	2,577	16.7	3
TOTAL EXPENSES	8,671	629	9,300	7.3	822	10,121	8.8	
NET BEFORE INTERNAL ALLOCATIONS	8,671	629	9,300	7.3	822	10,121	8.8	
Internal Recovery	6,264	-902	5,361	(14.4)	351	5,712	6.5	4
Internal Charges and Transfers	173	-14	158	(8.3)	-7	151	(4.6)	
TOTAL INTERNAL ALLOCATIONS	-6,091	888	-5,203	(14.6)	-358	-5,561	6.9	
NET EXPENSES (REVENUES)	2,580	1,517	4,097	58.8	463	4,560	11.3	

REF NO.	NOTE	\$
1	The increase in Salaries & Wages is due to 3 positions in Applications Services that were utilizing Major Operating Expense budgets in 2022, which will now be included in the operating budget starting in 2023.	302
2	The increase in contracted services is consistent with key budget assumptions.	128
3	Amortization has increased as a result of new projects that will be completed in 2023.	185
4	The decrease in internal recovery is a result of the updated cost allocation methodology, where Information Technology is no longer charging departments within the Corporate Services division.	-902

Information Technology
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
ITD 2023 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	842	-
ITD 2023 Collaboration Ecosystem Program (SharePoint 2 year)	Growth Capital - TCA	485	-
ITD 2023 Remote Access Modernization	Sustaining Capital - TCA	250	-
ITD 2024 Capital Infrastructure Program (CIP)	Sustaining Capital - TCA	-	892
ITD 2024 IT as a Service End User Compute Device Refresh	Sustaining Capital - TCA	-	100
DEPARTMENTAL TOTAL		\$ 1,577	\$ 992

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Debenture	842	892
Internal Loan	485	-
Operating / Working Capital	250	100
FINANCING TOTAL	\$ 1,577	\$ 992

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Energy and Infrastructure – City Assets

Energy and Infrastructure – City Assets

Business Plan 2023 – 2024

Departmental Mandate and Structure

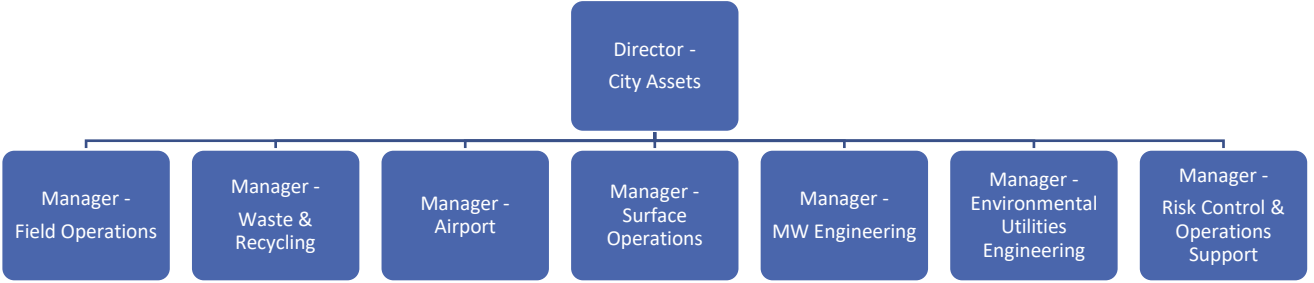
City Assets purpose is to provide safe, reliable, and effective water distribution, wastewater collection, transportation, and waste management systems in a financially prudent, environmentally responsible, and strategic manner.

Utility Rate supported potable water distribution maintenance, construction, rapid repair response for City owned water reservoirs, booster stations, manholes, pipes, fire flow & hydrants and aquifers. We provide waste collection maintenance, construction, rapid repair response – pipes, lift stations and force mains. We collect commercial and residential solid waste, recycling, yard waste and operate the City's Waste Management Facility. We have dedicated focus (and staff) on Risk Control (assessment, management, and financing) of our facilities, practices, operations, and maintenance.

In addition to our utility rate supported services, City Assets provides assessment supported services for City roads, sidewalks, traffic signals, streetlights, stormwater, bridges, a dam, and the Medicine Hat Regional Airport.

City Assets provides the following services:

1. With a focus on employee, resident, contractor, and partner safety first
2. With an eye to ensuring the community is consulted appropriately and impacts caused by construction and maintenance activities are minimized
3. With the intent of reporting activity, progress, plans and deliverables in an open and transparent way with complete and thorough disclosure
4. With a balance of optimized service levels, cost, internal and contracted service delivery
5. With engineering and design services utilizing City expertise combined with external experts as needed
6. With our Administration and Technical Support team responding to inquiries from our residents, city leaders, suppliers, partners, and other internal departments
7. Meeting and / or exceeding federal, provincial and all regulatory requirements
8. Adhering to industry best practices, standards, codes, and standards
9. Ensuring spending and investment decisions (Capital, Major Operating Expense, and Maintenance) are evidence and data based
10. With equitable, professional, technical, and non-technical support and services to internal and external customers
11. Striving to create and maintain comfortable, respectful, and functional work environments for employees, customers, and contracted service providers
12. In times of distress and when Emergencies arise, we ensure we are as prepared as possible including overland flood protection and will respond with speed, compassion, and dedication.



	2022	2023	2024	2025	2026
FTE	168	168	168	168	168
PEP	139	139	139	139	139

DEPARTMENT KEY OBJECTIVE #1:

Safety - Maintain a strong commitment to the Health and Safety of our employees, partners, contractors, and residents. Being safe is personal to us and it is reflected in the decisions we make, the actions we take, and it is front of mind every day. We exercise safe practices to meet legislative and Occupational Health and Safety regulatory requirements and to ensure everyone goes home safe. We recognize efficient health and safety programs promote operational efficiency and lead to a reduction of costs associated with workplace incidents and injuries.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY;**
- **COUNCIL PRIORITY: 6.4**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Senior Management will attend Joint Work Safety Committee Meetings and play an active role in responding to issues raised by workers
2. We will develop and encourage relentless improvement of safe practices
3. Leaders will openly support and enforce agreed upon safe practice recommendations

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. Development of 4 different confined space training exercises with 100% of applicable staff trained – **Q4 2023** and 6 different exercises – **Q4 2024**
2. Site based formal safety briefings tracked and completed once per year for staff, contractors, and visitors for each of City Assets operating facilities. When environmental conditions are present, additional briefing(s) will be mandated, controlled, and recorded - **Ongoing**
 - 2.1 Landfill, Collections Garage, Environmental Utilities Vehicle Garage (including wash bay), Municipal Works Vehicle Garage, Sign Shop, Pump, Source Control, Equipment Storage and any other identified location
3. We will evaluate workload and review expectations of 100% of our Safety Sensitive employees – **Q4 2024**

DEPARTMENT KEY OBJECTIVE #2:

Transportation - The Medicine Hat Regional Airport (YXH) is a critical transportation hub for our community and an important symbol of relevance and connection to the rest of the world.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION ;**
- **COUNCIL PRIORITY: 2.1,2.2**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Dedicate staff to focus on airport/aviation attraction
2. Develop a long-term strategic plan
3. Actively engage Planning & Development to evaluate options for development including building types
4. Actively engage with Invest Medicine Hat to promote YXH

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. Add staff to ground crew in conjunction with increase to airport movements – **Q3 2023**
2. Air Service Retention and Attraction Long term Strategic Plan developed – **Q4 2024**
3. Increase in executed Air-side leases of 50% over 2022 – **Q4 2024**
4. Airside partner collaboration for the evaluation of a potential airshow at YXH – **Q4 2023**

DEPARTMENT KEY OBJECTIVE #3:

***Asset Management** - The Engineering and Field Operations Departments oversee the broad accountability for Risk-based Asset Management. We comply with all regulatory requirements for the distribution of water, discharge of sewage and stormwater, multiple modes of transportation, disposition of solid waste and recycling. City Asset staff completes important maintenance and management work which results in extended asset life and ensures safe operation. We do our best to optimize available funds to ensure our systems are safe, reliable, and efficient.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION RESILIENCE & SUSTAINABILITY;**
- **COUNCIL PRIORITY: 3.3, 6.5, 6.7, 6.9, 6.10**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. We maintain records of current and planned infrastructure along with as-built records of our assets
2. We develop short, medium, and long-term plans to identify degrading assets and schedule upgrades and replacement based on the best technical solution in concert with community impacts when implementing
3. We play a critical role in Technical Coordination with other City departments and external infrastructure owners/providers to ensure we optimize both cost and limit repeated site visits wherever possible. This includes strategic and tactical engagement to provide rapid response to business proponents considering development in the Medicine Hat area
4. We will aggressively evaluate and pursue funding opportunities and explore new funding models where appropriate
5. We will conduct industry best practices review
6. We will explore and evaluate new technologies for maintenance and repair
7. We will develop clear alignment of service levels and community expectations

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. Identify critical infrastructure, risks and impacts quantified, project prioritization, engineering and design complete for 50% of identified projects with execution plan – **Q1 2023**
2. Comprehensive annual asset management reporting updates across entire portfolio to committee and council – **Q4 2023 & Q4 2024**
3. Stormwater review and recommendations, funding model and bylaw developed and implemented – **Q4 2024**
4. In conjunction with external consultants, develop a Transportation Safety Plan by the end of 2023 with design developed and capital planning / execution thereafter – **Q4 2023**
5. Complete 3 pilot projects to assess traffic calming effectiveness – **Q4 2024**
6. We will have integrated Cityworks use across City Assets and evaluate additional functionality – **Q4 2023 to Q4 2024**

DEPARTMENT KEY OBJECTIVE #4:

Develop Waste Management Strategy - Assess the opportunities for waste management with regional partners. Waste management strategies will facilitate the reduction of raw material usage, conservation of finite landfill resources and promote environmental sustainability.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 4.3, 6.5, 6.6**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Develop personal relationships with regional players and establish a dataset of common opportunities for additional diversion opportunities, evaluation of organics collection
2. Development of Solid Waste Strategy
3. Development of a Construction waste diversion opportunities

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. Priorities include food waste recycling, landfill cell expansion (life extension) and optimized alignment with ICM partners – **Q4 2025**
- 2.a Completion of Solid Waste Strategy, development of action plan, design requirements, and priority selection and project execution – **Q2 2023 to Q1 2024**
- 2.b Complete one of 2023-2033 Solid Waste strategy's – **Q4 2024**
- 2.c Compost Code of Practice implementation/design revisions met – **Q4 2024**
3. Complete predesign, design engineering new landfill waste cell – **Q4 2024**

City Assets-Surface & Airport
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Municipal Taxes	3	0	3	0.0	-3	0	(100.0)	
Sale of Services	461	3	464	0.7	17	481	3.7	
Other Revenue	264	-47	217	(17.7)	6	223	2.8	
Government Transfers for Operating	142	275	417	193.4	0	417	0.0	1
TOTAL REVENUES	869	232	1,101	26.6	20	1,121	1.9	
Expenses								
Salaries, Wages and Benefits	5,283	491	5,775	9.3	142	5,917	2.5	2
Contracted and General Services	1,320	1,342	2,662	101.7	-5	2,657	(0.2)	3
Materials, Goods & Utilities	360	250	610	69.4	24	635	4.0	4
Bank Charges & Short Term Interest	4	0	4	4.0	0	5	4.0	
Interest on Long-term Debt	307	-58	250	(18.8)	-40	210	(15.9)	5
Amortization and Provision for Abandonment	16,198	533	16,731	3.3	32	16,763	0.2	6
TOTAL EXPENSES	23,474	2,559	26,033	10.9	154	26,187	0.6	
NET BEFORE INTERNAL ALLOCATIONS	22,605	2,327	24,932	10.3	133	25,066	0.5	
Internal Charges and Transfers	4,507	805	5,312	17.9	139	5,451	2.6	7
TOTAL INTERNAL ALLOCATIONS	4,507	805	5,312	17.9	139	5,451	2.6	
NET EXPENSES (REVENUES)	27,111	3,133	30,244	11.6	273	30,517	0.9	

REF NO.	NOTE	\$
1	Increase is the result of additional Municipal Sustainability Initiative operating funding being utilized through the department's operating budget. In prior years, the Municipal Sustainability Initiative funding was used as part of the department's Major Operating Expense projects. In 2023, those projects are in the City Assets-Municipal Works operating budget.	275
2	Increase is a result of adding budget for an unfunded position at the Airport, as well as the key budget assumptions.	491
3	Increase is due to 2023 Major Operating Expense requests being moved into Operating (\$850K), adding back budget for concrete and storm work which was cut as part of Accelerated Financially Fit Initiatives (\$150K), additional Airport security and resources needed to accommodate increased flights (\$100K). The remaining increase reflects the key budget assumptions, as well as increases in other areas.	1,342
4	Increase relates to adjustments in equipment and gravel usage to better reflect actuals.	250
5	Decrease reflects external and internal debt being paid off as per documents provided from Treasury.	-58
6	Amortization has increased to reflect new projects completed in 2022 and being amortized in 2023.	533
7	Internal charges have increased due to the updated cost allocation methodology where the department has seen increases in internal charges as well as new internal charges from new City business units.	805

City Assets-Water Utility Field Operations
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Municipal Taxes	114	0	114	0.0	0	114	0.0	
Sale of Services	23,466	1,370	24,836	5.8	1,258	26,094	5.1	1
Other Revenue	137	10	147	7.3	0	147	0.0	
Internal Recovery	5,072	-2,443	2,629	(48.2)	118	2,747	4.5	2
TOTAL REVENUES	28,789	-1,063	27,726	(3.7)	1,376	29,102	5.0	
Expenses								
Salaries, Wages and Benefits	4,225	279	4,504	6.6	111	4,615	2.5	3
Contracted and General Services	461	0	461	0.0	19	480	4.1	
Materials, Goods & Supplies	375	43	418	11.5	17	435	4.1	
Provision for Allowances	38	0	38	0.0	0	38	0.0	
Interest on Long-term Debt	2,139	379	2,518	17.7	106	2,624	4.2	4
Amortization and Provision for Abandonment	2,990	118	3,108	3.9	184	3,292	5.9	5
Internal Charges and Transfers	6,444	-1,692	4,752	(26.3)	134	4,886	2.8	2
TOTAL EXPENSES	16,672	-873	15,799	(5.2)	571	16,370	3.6	
NET EXPENSES (REVENUES)	(12,117)	190	(11,927)	(1.6)	(805)	(12,732)	6.8	
CONTRIBUTION TO RESERVES	1,108	(1,108)	-	(100.0)	0	-	0.0	

REF NO.	NOTE	\$
1	Sale of Services revenue increase as the result of increased operating expenses as well as an increased return on capital projects.	1,370
2	Decrease in internal charges and transfers as a result of the new cost allocation project and allocations going directly to Sewer Operations, Waste & Recycling, Water Treatment Plant and Waste Water Treatment Plant that were historically charged to Water Operations.	-751
3	Salaries increased due to two positions being moved from Sewer Operations to Engineering.	279
4	Interest on long term debt increased as a result of more debt funding for capital projects.	379
5	Amortization increase due to current projects expected to be completed in 2022.	118

City Assets-Sewer Utility Field Operations
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Municipal Taxes	113	0	113	0.0	0	113	0.0	
Sale of Services	22,508	1,036	23,544	4.6	640	24,183	2.7	1
Other Revenue	193	-152	41	(78.8)	-1	40	(2.4)	2
Internal Recovery	7	-7	0	(100.0)	0	0		
TOTAL REVENUES	22,821	877	23,698	3.8	639	24,336	2.7	
Expenses								
Salaries, Wages and Benefits	3,592	-462	3,130	(12.9)	67	3,197	2.1	3
Contracted and General Services	304	12	316	3.9	13	329	4.1	
Materials, Goods & Supplies	529	145	674	27.4	27	701	4.0	4
Provision for Allowances	32	0	32	0.0	0	32	0.0	
Interest on Long-term Debt	2,516	424	2,940	16.9	160	3,100	5.4	5
Other Operating Expenses	5	0	5	0.0	1	6	20.0	
Amortization and Provision for Abandonment	3,855	343	4,198	8.9	119	4,317	2.8	6
Internal Charges and Transfers	2,798	637	3,435	22.8	7	3,442	0.2	7
TOTAL EXPENSES	13,631	1,099	14,730	8.1	394	15,124	2.7	
NET EXPENSES (REVENUES)	-9,190	223	-8,968	(2.4)	-245	-9,212	2.7	
CONTRIBUTION TO RESERVES	853	-853	0	(100.0)	0	0	0.0	

REF NO.	NOTE	\$
1	Sale of Services revenue increase as the result of increased operating expenses as well as an increased return on capital projects.	1,036
2	Other Revenue decreased due to a change in services related to sewer clearing. The City now charges for this service and as such, is seeing a decrease in service requests from the public.	-152
3	Salaries decreased due to two positions being moved from Sewer Operations to Engineering.	-462
4	Materials, Goods & Supplies increased as a result of inflation as well as budgeting for equipment usage to align with actuals which has not been budgeted for previously.	145
5	Interest on long term debt increased as a result of more debt funding for capital projects.	424
6	Amortization increase due to current projects expected to be completed in 2022.	343
7	Increase in internal charges and transfers as a result of the new cost allocation project.	637

City Assets-Waste & Recycling
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	9,889	334	10,223	3.4	255	10,478	2.5	1
Other Revenue	346	-346	0	(100.0)	0	0	0.0	2
Internal Recovery	2,432	564	2,996	23.2	257	3,253	8.6	3
TOTAL REVENUES	12,667	552	13,219	4.4	512	13,731	3.9	
Expenses								
Salaries, Wages and Benefits	2,882	-177	2,705	(6.1)	82	2,787	3.0	4
Contracted & General Services	2,620	167	2,787	6.4	111	2,898	4.0	5
Materials, Goods & Supplies	99	29	128	29.3	5	133	3.9	
Provision for Allowances	17	0	17	0.0	0	17	0.0	
Bank Charges & Short Term Interest	1	0	1	0.0	0	1	0.0	
Interest on Long-term Debt	39	-5	34	(12.8)	-4	30	(11.8)	
Amortization and Provision for Abandonment	914	-165	749	(18.1)	-39	710	(5.2)	6
Other Asset Adjustments	90	0	90	0.0	0	90	0.0	
Internal Charges and Transfers	5,623	-14	5,609	(0.2)	89	5,698	1.6	
TOTAL EXPENSES	12,285	-165	12,120	(1.3)	244	12,364	2.0	
NET EXPENSES (REVENUES)	(382)	(717)	(1,099)	187.7	(268)	(1,367)	24.4	
CONTRIBUTION TO RESERVES	438	1,157	1,595	264.2	226	1,821	14.2	

REF NO.	NOTE	\$
1	Sale of Services revenue increase as the result of increased operating expenses as well as an increased return on capital projects.	334
2	Other Revenue decreased as a result in a reporting change to carbon credit revenue. This was historically reported as other revenue, however, starting in 2023, it will be recorded as an internal recovery as these will be transferred to Electric Generation.	-346
3	Internal Recovery increased as a result of increased tipping fees at the landfill.	564
4	Salaries decreased as an electrician was moved from Waste & Recycling to Water Treatment Plant.	-177
5	Contracted Services increased due to inflation.	167
6	Amortization decrease due to a capital projects in 2022 being cancelled and completed under budget.	-165

City Assets
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
CAS-EU-2023/24-TCA-Water-Miscellaneous Water Distribution Upgrades Program	Sustaining Capital - TCA	500	-
CAS-EU-2024-TCA-Water-3 St SE Water Mains Replacement	Sustaining Capital - TCA	-	1,200
CAS-EU-2023-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	3,000	-
CAS-EU-2024-TCA-Water-Water Mains Asset Management Program	Sustaining Capital - TCA	-	4,275
CAS-EU-2023-TCA- Water- Condition Assessment of 1050mm Transmission Main River crossing	Sustaining Capital - TCA	475	-
CAS-EU-2023-TCA-Water-Critical Facility Site Security Upgrades	Sustaining Capital - TCA	350	-
CAS-EU-2023/24-TCA-Sewer-Micellaneous Collection System Upgrades program	Sustaining Capital - TCA	500	-
CAS-EU-2024-TCA-Sewer- River Ridge Lift Station Upgrades	Sustaining Capital - TCA	-	500
CAS-EU-2023-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	3,000	-
CAS-EU-2024-TCA-Sewer-3 St SE Sewer Mains Replacement	Sustaining Capital - TCA	-	1,200
CAS-EU-2023-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	5,400	-
CAS-EU-2024-TCA-Sewer-Sewer Mains Asset Management Program	Sustaining Capital - TCA	-	4,275
CAS-EU-2024-TCA-Sewer-Brier Park Gravity Bypass	Sustaining Capital - TCA	-	600
CAS-EU-2023-TCA-Collections Carts & Bins Program	Sustaining Capital - TCA	80	-
CAS-EU-2024-TCA-Collection Carts & Bins Program	Sustaining Capital - TCA	-	80
CAS-MW-2023/24-TCA-Transportation Infrastructure Rehabilitation	Sustaining Capital - TCA	5,000	5,250
CAS-MW-2023/24-TCA-Bridge Rehabilitation	Sustaining Capital - TCA	1,000	1,000
CAS-MW-2023/24-TCA-Storm Sewer Rehabilitation Program	Sustaining Capital - TCA	3,500	3,500
CAS-MW-2023/24-TCA-3rd Street SE Road Rehabilitation	Sustaining Capital - TCA	150	1,000
CAS-MW-2023/24-TCA-Division Avenue South Upgrade	Sustaining Capital - TCA	-	6,250
CAS-MW-2023/24-TCA-Laneway Rehabilitation	Sustaining Capital - TCA	200	200
CAS-MW-2023/24-TCA -Streetlight Replacement Program	Sustaining Capital - TCA	200	250
DEPARTMENTAL TOTAL		\$ 23,355	\$29,580

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Debenture	11,400	18,200
Government Grants	9,700	9,050
Internal Loan	150	1,150
Operating / Working Capital	2,105	1,180
FINANCING TOTAL	\$ 23,355	\$29,580

City Assets
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
CAS-MW-2023-MOE-Roadway System Master Plan Update	Growth Major Operating Expense	250	-
CAS-MW-2023-MOE-Storm System Regulatory Requirements	Sustaining Major Operating Expense	100	-
CAS-MW-2023-MOE-Transportation Safety Plan	Growth Major Operating Expense	125	-
CAS-Airport-2023-MOE-Airport Regulatory Compliance	Sustaining Major Operating Expense	125	-
DEPARTMENTAL TOTAL		\$ 600	\$ -

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Operating	600	-
FINANCING TOTAL	\$ 600	\$ -

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Energy and Infrastructure – City Operations

Energy and Infrastructure – City Operations

Business Plan 2023 – 2024

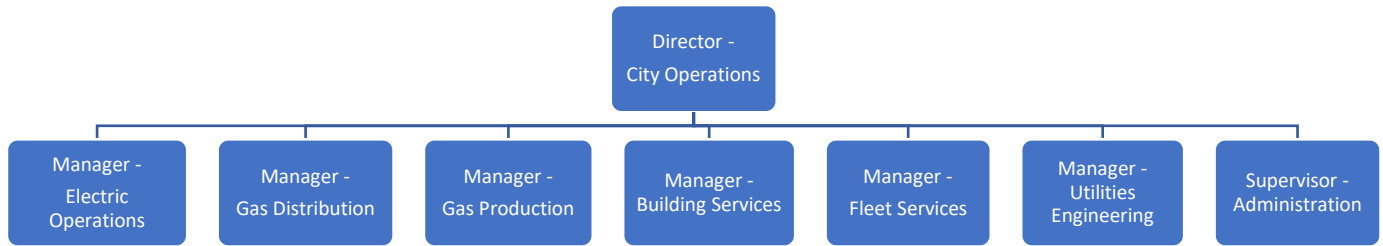
Departmental Mandate and Structure

City Operations provides a diverse range of safe, reliable, and cost-effective services to both internal and external customers of the City of Medicine Hat (CMH). Areas of accountability include oil & gas production, gas distribution, electric transmission and distribution, corporate facilities, corporate fleet, engineering and design services, project management, and customer care.

Gas distribution, electric transmission, and electric distribution services are provided to our valued residential, commercial, and industrial customers within Medicine Hat, Town of Redcliff, and Municipal District of Cypress County as per the Alberta Utilities Commission (AUC) designated franchise areas. Corporate facilities management and fleet asset management services are provided to both internal and third-party contracted service providers including the provision of expert project management services for facilities and capital projects. Specialized engineering and design services for gas and electric distribution infrastructure are provided to developer, commercial, and industrial partners within the designated franchise boundary. Finally, high quality customer care provides respectful and expeditious interactions with all customers, both internal and external to the City of Medicine Hat, as it pertains to the department's areas of accountability.

The City Operations Department structures its resources, business plan and budget based on the following assumptions:

- The department operates to all federal, provincial, and local regulatory standards
- The department operates to industry best practices, codes, and standards
- Department capital and maintenance programs are based on robust data incorporating risk-based analysis into detailed asset management programs
- The City of Medicine Hat (CMH) Electric Distribution System and customers located in the AUC designated franchise area will continue to maintain exemption from all requirements of Part 7 of the Electric Utility Act (EUA)
- The Electric and Gas Distribution utilities maintain revenue to cost ratio of greater than or equal to 1 to ensure long term financial sustainability
- The department plans for activity levels based on past trends and emerging regulatory, environmental, or industry initiatives
- The department shall provide equitable, professional, technical, and non-technical support and services to internal and external customers
- The department strives to create and maintain comfortable, respectful, and functional work environments for employees, customers, and contracted service providers
- Safety of customers and employees is of paramount importance to the department



	2022	2023	2024	2025	2026
FTE	150	147	147	147	147
PEP	145	142	142	142	142

DEPARTMENT KEY OBJECTIVE #1:

ASSET & INFRASTRUCTURE MANAGEMENT: *Providing safe, reliable, cost-effective, and well-maintained corporate infrastructure is key to meeting service level expectations and long-term viability of the department. Infrastructure has finite life that requires investments to maintain, extend the useful life, and/or enhance capabilities which meet evolving service level expectations while achieving long term reliability, regulatory compliance, environmental, and fiscal sustainability.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 3.3, 4.10, 6.2 & 6.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Identify and prioritize sustaining capital investment requirements by employing detailed asset evaluations, coupled with risk-based planning objectives, seeking to optimize infrastructure useful-life. Capital investments which balance sustainable services to customers, infrastructure integrity, and safety ensures projects are planned and executed based on the highest priority needs while funding requirements are optimized in the interest of fiscal responsibility.
2. Identifying and prioritizing growth capital investment requirements employing sophisticated computerized system models which account for evolving consumer demands paired with current and future infrastructure capacity. Reports are utilized in the development of a detailed business case analysis for future capital investment recommendations to City Council.

DEPARTMENT KEY OBJECTIVES MEASUREMENT OF SUCCESS:

- 1.a Completion of ongoing infrastructure condition assessments based on detailed, industry-specific asset condition/ inspection criteria for each asset on a cyclical, reoccurring schedule to ensure all infrastructure is inspected within industry standard guidelines – **Q4 2024**
- 1.b Ongoing development of Infrastructure Management Plans and Realty Asset Management Plans based on a detailed risk analysis of potential impacts to services, employee and public safety, regulatory compliance, and fiscal impacts to the corporation – **Q4 2024**
- 1.c Employ the use of specialized computer maintenance management software to track infrastructure condition through time and provide valuable data employed to make future capital investment decisions – **Q2 2023**
- 2.a Employ the use of specialized computer modeling software within electric transmission, electric distribution, and gas distribution infrastructure which tracks demand growth within complex infrastructure systems to assist in the development of long-term capital investment recommendations to City Council for consideration in future business cycles – **Q2 2023**
- 2.b Maintain a comprehensive corporate space management plan for the different types of spaces within the City of Medicine Hat inventory. Procure and employ specialized management software to optimize space utilization while balancing capital reinvestments with fiscal responsibility – **Q4 2023**

- 2.c Maintain a comprehensive Facilities Condition Assessment program informing the Realty Asset Management Program. Maintain a minimum score of “Fair” (60% score) at all corporate facilities based on a cyclical inspection schedule – **Q4 2024**
- 2.d Maintain a comprehensive vehicle asset management plan for all vehicle assets deployed to internal departments within the Corporation including the collaborative development of a detailed evaluation tool utilized when making asset reinvestment recommendations between Fleet Services and the user department – **Q4 2023**

DEPARTMENT KEY OBJECTIVE #2:

***OPERATIONAL EXCELLENCE** - Providing dependable, and cost-effective services are crucial to the well-being and quality of life for customers. Therefore responsible, and sustainable provision of those services is of paramount importance. This model ensures the department strives for best-in-class performance in all areas of accountability reinforcing value to the ratepayers and taxpayers.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 3.1, 3.3, 4.8, 4.10, 6.1, 6.2, 6.3 & 6.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Balance quality service with fiscal responsibility thereby ensuring sustainable operations of CMH infrastructure for the betterment of the public and other user departments. Ensure a revenue to cost ratio of 1 or greater within rate funded utilities to maintain long term economic viability of the utilities.
2. Meet or exceed industry best practices in each applicable area thereby ensuring high quality services which continue to evolve in unison with modern consumer and industry expectations.
3. Meet or exceed all regulatory requirements in each applicable area ensuring ongoing corporate compliance with all regulations at a federal, provincial, and local level.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Optimization of existing gas production assets including the identification of potential recompletion opportunities with the objective of reducing field decline rate. Complete a well review on all remaining producing assets. **Q4 – 2024**
- 1.b Optimization of existing linear and vertical infrastructure including identification of efficiency opportunities to maximize available capacity prior to recommending tangible capital asset upgrades. **Q4 – 2024**
- 1.c Complete all tangible capital projects and utility service requests within City Council approved budgetary and completion targets. Work collaboratively with other departments, developers, and customers ensuring equitable and reasonable service level expectations are achieved while seeking to mitigate impacts of construction. **Q4 - 2024**
- 1.d Ensure robust cost control and tracking of operational expenditures in support of corporate fiscal responsibility objectives. Develop mitigation plans to offset unanticipated expenditures should they occur. **Q4 - 2023**
- 2.a Provide ongoing professional, technical, and logistical support to other departments, developers, and customers to assist them achieving their business objectives. **Q1 - 2023**
- 2.b Maintain levels of service for corporate facility maintenance which are financially sustainable and based on desired service versus cost per square area better than International Facility Management Association (IFMA) industry standards. Institute best practices for renovations and construction through CMH Facility Design Guidelines to gain efficiencies, including energy intensity. **Q4 - 2024**
- 2.c Regular and constructive dialogue with business partners, stakeholder groups, other municipal and utility entities, and regulators to ensure services being provided are in alignment with current

industry trends and best practices. This work is in conjunction with ongoing collaboration with industry peers on new work methods, tools, materials, and equipment with the goal of improving service efficacy. **Q4 – 2023**

- 3.a Ammonia Integrity Management Plan for systems installed in corporate recreational facilities and audits of Pressure Vessel Integrity Management Plans within City Operations accountabilities as per applicable regulatory standards. **Q4 - 2023**

DEPARTMENT KEY OBJECTIVE #3

***SAFETY & EMPLOYEE WELLNESS** - City Operations is accountable for areas with high safety risk potential. Employees, and the public, shall always be protected. The department shall ensure respectful, environmentally responsible, operations throughout all areas of accountability. The department values collaborative engagement seeking appropriate mitigation of risk to its employees, the public, and the environment.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 3.3, 4.5, 4.8, 4.9, 6.2 & 6.4**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. The department ensures a safe, respectful workplace for its employees through adherence to all applicable health and safety regulations, corporate policies, and industry best practices. All team members actively participate in their own safety and wellness through participation in department initiatives.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Regular audit of department safety systems to ensure compliance with the City of Medicine Hat Safety Management System. All hazard assessments, safety inspections, incident investigations, standard operating procedures, and emergency response procedures shall be maintained in compliance with all corporate directives. **Q4 - 2023**
- 1.b The department shall regularly conduct inspections of worksites, in collaboration with its employees, with an objective of continuous improvement to ensure compliance with all Occupational Health and Safety regulations. **Q1 - 2023**
- 1.c The department shall regularly inspect department construction sites including monitoring the performance of its contractors to ensure compliance with all Occupational Health and Safety regulations. **Q3 – 2023**
- 1.d The department shall ensure appropriate training of its employees to ensure ongoing competency of staff in compliance with all Occupations Health and Safety regulations. **Q4 - 2024**
- 1.e The department participates in public orientation and training opportunities supporting the continued education of safety around infrastructure. Opportunities include educational presentations at local area schools, site orientations, trade shows, media, industry presentations, and direct customer support. **Q2 - 2023**
- 1.f The department will collaboratively seek training opportunities in support of general employee wellness including the inclusion of regular discussions at cyclical safety meetings. **Q4 – 2023**

DEPARTMENT KEY OBJECTIVE #4:

***INNOVATION** - The City Operations Department operates within a rapidly evolving technological and regulatory environment which is experiencing significant change as part of a global energy transition movement. The adoption of new techniques and technologies, while considering prudent business analysis, ensures long term sustainable services. Significant opportunities can be realized through leveraging technological advancements while partnering with other industry or municipal experts to ensure services are maintained to industry standards while maintaining cost competitiveness.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION; RESILIENCE & SUSTAINABILITY ;**
- **COUNCIL PRIORITY: 2.2, 2.3, 6.2, 6.3 & 6.5**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. The City of Medicine Hat seeks continuous improvement through the adoption of technological advances developed to meet industry and customers changing expectations. The department paces change in alignment with the global energy transition movement and seeks opportunities for adoption of lower carbon energy technologies in support of City Council priorities.
2. The department thoroughly reviews technological advancement opportunities balancing fiscal responsibility, customer expectations, and local technical feasibility. Corporate energy usage intensity is reduced through the application of energy efficiency programs including the adoption of renewables technologies and/or alternative fuels where appropriate.
3. The department acts as a responsible business advisor and subject matter expert with applicable entities who have investment interest in low-carbon technologies within corporate boundaries or surrounding region.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Explore the technical and geological feasibility of the development of a Carbon Capture and Underground Storage (CCUS) hub within Southeastern Alberta. Develop detailed business case analyses, in coordination with other internal departments, with respect to the commercial feasibility of the construction and operation of a CCUS hub in or around Medicine Hat. **Q4 - 2024**
- 1.b Participate in the development of a plan, in cooperation with other departments, for utility and/or microgeneration renewable energy solutions within the Corporate Boundary of Medicine Hat which align with the Environmental Master Plan. **Q3 - 2024**
- 2.a Review technical feasibility of installing solar generation on various corporate facilities as a means of reducing the Corporation's overall carbon intensity. Develop an execution plan for long term integration of renewable energy solutions on corporate facilities based on City Council direction. **Q3 - 2024**
- 2.b Institute an energy efficiency improvement program intended to seek continuous improvement of energy intensity realized at corporate-use facilities. **Q4 - 2023**
- 2.c Review technical feasibility of deploying public-use Electric Vehicle (EV) charging infrastructure at various public spaces to assist evolving consumer expectations towards EV charging. Develop an execution plan for multiple high-capacity installations based on City Council direction. **Q3 - 2024**

2.d Review technical feasibility of blending alternative lower-carbon fuel sources within the gas distribution infrastructure including an applicable business case analysis determining the economic viability of potential capital investments required. Submit a long-term capital improvement plan for City Council consideration reflecting infrastructure needs associated with lower-carbon fuel blending into the distribution system for inclusion into future business cycles.

Q3 - 2024

2.e Review technical infrastructure requirements within the electric distribution system required to meet future consumer expectations with respect to higher levels of electric vehicle and/or other high electric energy usage devices within the residential rate class. Submit a long-term capital improvement plan for City Council consideration reflecting infrastructure needs associated with EV charging for inclusion into future business cycles. **Q3 – 2024**

2.f Review technical feasibility of incorporating alternative fuel vehicles into the current corporate fleet including refueling and or charging infrastructure required to successfully adopt. Submit a long-term capital replacement plan for City Council consideration for the inclusion into future business cycles. **Q3 - 2024**

City Operations-Building Services
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	149	6	155	4.0	6	161	4.0	
TOTAL REVENUES	149	6	155	4.0	6	161	4.0	
Expenses								
Salaries, Wages and Benefits	2,584	-197	2,387	(7.6)	59	2,446	2.5	1
Contracted and General Services	2,491	8	2,499	0.3	100	2,599	4.0	
Materials, Goods & Utilities	425	17	442	4.0	18	460	4.0	
Interest on Long-term Debt	285	-22	263	(7.9)	177	439	67.3	
Amortization and Provision for Abandonment	6,065	302	6,367	5.0	105	6,472	1.6	2
TOTAL EXPENSES	11,850	108	11,958	0.9	459	12,416	3.8	
NET BEFORE INTERNAL ALLOCATIONS	11,701	102	11,803	0.9	452	12,255	3.8	
Internal Recovery	3,814	740	4,553	19.4	82	4,636	1.8	3
Internal Charges and Transfers	1,487	188	1,675	12.6	30	1,705	1.8	4
TOTAL INTERNAL ALLOCATIONS	-2,327	-552	-2,878	23.7	-52	-2,930	1.8	
NET EXPENSES (REVENUES)	9,374	-450	8,924	(4.8)	400	9,324	4.5	

REF NO.	NOTE	\$
1	Salaries & wages expense decrease is due to correction of time recovery accounts based on historical actuals.	-197
2	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	302
3	Internal recoveries increase is due to implementation of the cost allocation project, resulting in greater building recoveries for maintenance of the city's facilities.	740
4	Internal charges expense increase is due to interest paid to the infrastructure reserve, as a result of an increase in approved internal loan funded capital.	188

City Operations-Fleet Services
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,839	66	1,905	3.6	47	1,951	2.4	1
Contracted and General Services	1,087	326	1,414	30.0	57	1,470	4.0	2
Materials, Goods & Utilities	2,471	1,332	3,803	53.9	152	3,955	4.0	3
Interest on Long-term Debt	42	-9	33	(21.6)	-9	23	(28.2)	
Amortization and Provision for Abandonment	7,591	-1,553	6,039	(20.5)	326	6,365	5.4	4
TOTAL EXPENSES	13,030	163	13,193	1.2	572	13,765	4.3	
NET BEFORE INTERNAL ALLOCATIONS	13,030	163	13,193	1.2	572	13,765	4.3	
Internal Recovery	13,238	2	13,240	0.0	93	13,333	0.7	
Internal Charges and Transfers	1,015	636	1,650	62.6	60	1,710	3.6	5
TOTAL INTERNAL ALLOCATIONS	-12,223	633	-11,590	(5.2)	-33	-11,623	0.3	
NET EXPENSES (REVENUES)	808	796	1,603	98.5	538	2,142	33.6	

REF NO.	NOTE	\$
1	Salaries & wages expense increased due to inflationary increases.	66
2	Contracted & general services expense increase is due to additional funds for third party specialty equipment repairs.	326
3	Materials expense increase is due to increases in the cost of diesel and gasoline.	1,332
4	Amortization expense decrease is due to delays in the procurement of replacement vehicles, as a result of supply chain issues.	-1,553
5	Internal charges expense increase is due to the implementation of the cost allocation project, and include increased charges from Stores & Inventory, Human Resources, and City Utilities.	636

City Operations-Electrical Distribution
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	21,184	1,018	22,202	4.8	1,523	23,726	6.9	1
Other Revenue	27	0	27	0.0	0	27	0.0	
TOTAL REVENUES	21,211	1,018	22,229	4.8	1,523	23,753	6.9	
Expenses								
Salaries, Wages and Benefits	6,345	-73	6,271	(1.2)	305	6,577	4.9	
Contracted and General Services	1,132	295	1,428	26.1	57	1,485	4.0	2
Materials, Goods & Supplies	24	46	69	195.3	3	72	4.0	
Other Operating Expenses	68	3	71	4.7	3	74	4.0	
TOTAL EXPENSES	7,569	271	7,840	3.6	368	8,208	4.7	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	13,642	747	14,389	5.5	1,155	15,544	8.0	
Internal Recovery	2,660	-1,826	834	(68.7)	14	848	1.6	3
Internal Charges and Transfers	7,516	-861	6,655	(11.5)	189	6,843	2.8	4
TOTAL INTERNAL ALLOCATIONS	4,856	965	5,821	19.9	175	5,996	3.0	
Amortization and Provision for Abandonment	4,636	1,143	5,779	24.6	236	6,015	4.1	5
Interest on Long-term Debt	1,691	178	1,869	10.5	1,507	3,376	80.6	6
NET EXPENSES (REVENUES)	2,459	-1,539	920	(62.6)	-763	158	(82.9)	
CONTRIBUTION TO RESERVES	1,570	-1,570	-	(100.0)	-	-	0.0	

REF NO.	NOTE	\$
1	Sale of services increase is due to revenue requirements as a result of increased operating expenses and increased return on capital investment.	1,018
2	Contracted & general services expense increase is due to additional funds for third party repairs, based on historical repairs, and a run to fail maintenance strategy.	295
3	Internal recoveries decrease is due to lower recoveries of the electric owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-1,826
4	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-861
5	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	1,143
6	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	-861

City Operations-Gas Distribution
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	15,272	-451	14,821	(3.0)	433	15,254	2.9	1
Other Revenue	5	0	5	0.0	0	5	0.0	
TOTAL REVENUES	15,277	-451	14,826	(3.0)	433	15,259	2.9	
Expenses								
Salaries, Wages and Benefits	4,678	-921	3,757	(19.7)	93	3,850	2.5	2
Contracted and General Services	3,524	142	3,665	4.0	146	3,812	4.0	3
Materials, Goods & Supplies	442	17	460	3.9	19	478	4.1	
Other Operating Expenses	112	-12	100	(10.6)	4	104	4.0	
TOTAL EXPENSES	8,756	-774	7,982	(8.8)	262	8,244	3.3	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	6,521	323	6,844	4.9	171	7,015	2.5	
Internal Recovery	374	-269	106	(71.8)	2	108	2.1	4
Internal Charges and Transfers	3,754	-403	3,351	(10.7)	143	3,494	4.3	5
TOTAL INTERNAL ALLOCATIONS	3,379	-134	3,245	(4.0)	140	3,386	4.3	
Amortization and Provision for Abandonment	1,941	451	2,392	23.2	108	2,500	4.5	6
Interest on Long-term Debt	524	101	626	19.3	147	773	23.5	7
NET EXPENSES (REVENUES)	676	-95	581	(14.0)	-224	357	(38.6)	
CONTRIBUTION TO RESERVES	1,517	-1,517	-	(100.0)	784	784	-	

REF NO.	NOTE	\$
1	Sale of services decrease is due to revenue requirements as a result of reduced internal cost allocations.	-451
2	Salaries and wages expense decrease is due to changes to benefit calculations.	-921
3	Contracted & general services expense increase is due to inflationary increases.	142
4	Internal recoveries decrease is due to lower recoveries of the gas owned building, due to the implementation of the cost allocation project, and less resulting charges to some Municipal departments and itself.	-269
5	Internal charges expense decrease is due to the implementation of the cost allocation project, and include decreased charges from the Utilities Commissioner and interdepartmental charges to itself.	-403
6	Amortization expense increase is due to amortization of capital assets, as a result of an increase in approved capital.	451
7	Interest on long term debt expense increase is due to interest paid on capital projects, as a result of an increase in approved debt funded capital.	101

City Operations-Gas Production
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Volumes								
NG - TIK (mcf)	3,708,053	-310,367	3,397,686	(8.4)	-202,837	3,194,849	(6.0)	
Daily (mcf/d)	10,159	-850	9,309	(8.4)	-580	8,729	(6.2)	
Incline / (Decline)			-6.1%			-6.2%		
Oil & Liquids (bbl)	57,451	-54,017	3,434	(94.0)	-556	2,878	(16.2)	
Daily (bbl/d)	157	-148	9	(94.0)	-2	8	(16.4)	
Incline / (Decline)			-86.3%		1	-16.4%	(81.0)	
BOE/day			1,561		-94	1,467	(6.0)	
Price (CAD \$)								
NG (\$/mcf)	3.42	2.04	5.47	59.7	-1	4.71	(13.8)	
Oil & Liquids (\$/bbl)	72.35	10	82.50	14.0	-9	73.47	(10.9)	
Revenues								
Gas Sales from Production	12,692	5,853	18,545	46.1	-3,511	15,034	(18.9)	1
Sales of Purchased Gas	71,247	16,640	87,887	23.4	-18,539	69,348	(21.1)	2
Oil Sales	4,156	-3,863	293	(92.9)	-73	220	(24.8)	3
Other Sales & Services	592	-522	71	(88.1)	4	74	5.0	4
Royalties	-421	138	-283	(32.8)	57	-226	(20.2)	
Oil & Gas Transportation	-336	126	-210	(37.5)	12	-198	(5.9)	
TOTAL REVENUES	87,931	18,372	106,303	20.9	-22,050	84,254	(20.7)	
Expenses								
Administration & Overhead	8,722	-5,369	3,352	(61.6)	98	3,450	2.9	5
Operations & Maintenance	15,505	-4,930	10,575	(31.8)	513	11,089	4.9	5
Gas Purchases	71,247	16,592	87,839	23.3	-18,539	69,300	(21.1)	2
TOTAL EXPENSES	95,475	6,292	101,767	6.6	-17,928	83,839	(17.6)	
Transfer from (to) Gas Retail	24	-27	-4	(115.4)	3	-1	(84.9)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION	-7,520		4,533			414		
Interest Earnings	5,100	2,172	7,272	42.6	55	7,327	0.8	6
Interest Expense	-572	-36	-608	6.3	3	-605	(0.5)	
Depreciation, Depletion & Amortization	-21,339	11,997	-9,342	(56.2)	317	-9,025	(3.4)	7
NET EARNINGS (LOSS)	-24,331	26,187	1,855	(107.6)	-3,744	-1,889	(201.8)	

REF NO.	NOTE	\$
1	Reduction in volume due to lower production as a result of abandonments.	5,853
2	Lower gas production due to abandonments results in an increase in gas purchases to supply local demand.	16,640
3	Reduction in revenue primarily due to decrease in pricing and oil well divestitures.	(3,863)
4	Reduction in revenue primarily due to decrease in production related to abandonment and divestitures.	(522)
5	Decrease in expenses primarily due to reduction in staffing, overhead expenses and well site maintenance expenses as a result of decreased operations related to abandonments.	(10,299)
6	Increase in interest earnings due to investment portfolio strategy executed by Treasury.	2,172
7	Change in depreciation due to reduced number of wells related to divestitures and ongoing abandonment program.	11,997

City Operations
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	FLEET CATEGORY	2023 BUDGET	2024 BUDGET
COP FM 2023-2026 Confined Spaces Access Program	Sustaining Capital - TCA		1,000	-
COP FM 2023-2024 Facility Accessibility	Sustaining Capital - TCA		-	700
COP FM 2023-2026 Big Marble Go Centre Components Lifecycle	Sustaining Capital - TCA		-	1,500
COP FM 2023 Hill Pool Components Lifecycle	Sustaining Capital - TCA		150	1,255
COP FM 2023 Transit Parkade Safety/Security Hardware	Sustaining Capital - TCA		-	700
COP FM 2023-2024 Infrastructure Repair Program	Sustaining Capital - TCA		2,250	2,250
COP FM 2023-2024 Utility Infrastructure Repair Program	Sustaining Capital - TCA		1,000	1,000
COP FM 2024 City Hall Humidification Replacement	Sustaining Capital - TCA		-	1,250
COP FM 2024 Library Boiler Replacement	Sustaining Capital - TCA		-	1,000
COP FM 2023 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA		100	-
COP FM 2024 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA		-	100
COP - FLT - 2023 - Mobile Capital	Sustaining Capital - TCA	Replacement - MTCA	10,410	-
COP - FLT - 2024 - Mobile Capital	Sustaining Capital - TCA	Replacement - MTCA	-	9,188
COP-ELD-2023-MHS-11 Substation	Growth Capital - TCA		24,000	-
COP-ELD-2023-2024 New Service Installs	Growth Capital - TCA		385	385
COP-ELD-2023 - 2024 Cable Replacement	Sustaining Capital - TCA		310	850
COP-ELD-2023 - 30/40/60 L Upgrade of transmission line capacity Phase 1	Growth Capital - TCA		2,200	-
COP-ELD-2023-MHS3 Lightning Protection	Sustaining Capital - TCA		429	-
COP-ELD-2023-MHS2 Transformer Protection	Sustaining Capital - TCA		513	-
COP-ELD-2023-MHS3 69kV bus protection	Sustaining Capital - TCA		860	-
COP-ELD-2024-Switchgear Replacement	Sustaining Capital - TCA		-	385
COP-ELD-2023-MHS3 Station service upgrade	Sustaining Capital - TCA		768	-
COP ELD 2023-2024 Control Systems Hardware Upgrades	Sustaining Capital - TCA		245	-
COP ELD 2023-2024 Commercial Metering Test Set	Sustaining Capital - TCA		60	-
COP ELD 2023-2024 Six Channel Relay Set	Sustaining Capital - TCA		110	-
COP ELD 2023-2024 Revenue Meters	Sustaining Capital - TCA		641	-
COP ELD 2023-2024 Critical Substation Equipment Spares	Sustaining Capital - TCA		270	-
COP ELD 2023-2024 Oil Processing MH138- T23	Sustaining Capital - TCA		98	-
COP ELD 2023-2024 Tap Changer Controller Upgrade	Sustaining Capital - TCA		120	-
COP ELD 2023-2024 MHS-03 Duct System Upgrade	Sustaining Capital - TCA		130	-
COP ELD 2023-2024 T-11 Power Transformer Failing Bushing Replacement	Sustaining Capital - TCA		168	-
COP ELD 2023-2024 EOL Power Transformer Bushing Replacement	Sustaining Capital - TCA		456	-
COP ELD 2023-2024 Control Systems Cyber Requirements	Sustaining Capital - TCA		400	-
COP ELD 2023-2024 Distribution Overhead System Renewal	Sustaining Capital - TCA		3,509	-
COP ELD 2023-2024 Distribution Underground System Renewal	Sustaining Capital - TCA		1,321	-
COP-ELD-2023 line protection upgrade	Sustaining Capital - TCA		1,028	-
COP-GSD-2023 TCA-Rural System Upgrades Phase 1	Sustaining Capital - TCA		183	-
COP-GSD-2023 Rural Replacement	Sustaining Capital - TCA		100	-
COP-GSD-2023-2024 new services	Growth Capital - TCA		294	294
COP-GSD-2023-2024 Norwood system upgrades	Sustaining Capital - TCA		608	599
COP-GSD-2023-2024 High Pressure system alterations	Sustaining Capital - TCA		186	173
COP GSD 2023-24 Gas Meters	Sustaining Capital - TCA		1,250	-
COP-GSD-2023-2024 Crescent Heights Feeder Main Extension and Riverside upgrade	Sustaining Capital - TCA		1,401	1,369
COP - GASPROD - 2023-24 Mineral and Land Acquisition	Sustaining Capital - TCA		150	-
COP - GASPROD - 2023 Shallow Gas Optimization	Sustaining Capital - TCA		1,350	-
COP - GASPROD - 2024 Shallow Gas Optimization	Sustaining Capital - TCA		-	1,350
COP - GASPROD - 2023-24 Well Repairs	Sustaining Capital - TCA		2,300	-
COP - GASPROD - 2023-24 Well Abandonments	Sustaining Capital - TCA		2,500	-
COP - GASPROD - 2023-24 Facilities	Sustaining Capital - TCA		100	-
COP - GASPROD - 2023-24 Pipeline Abandonments	Sustaining Capital - TCA		600	-
COP - GASPROD - 2023-24 Pipelines	Sustaining Capital - TCA		150	-
COP - GASPROD - 2023-24 Reclamation	Sustaining Capital - TCA		350	-
COP - GASPROD - 2023-24 Non-Operated	Sustaining Capital - TCA		400	-
COP - GASPROD - 2023-24 Non-operated Abandonment	Sustaining Capital - TCA		400	-
DEPARTMENTAL TOTAL			\$ 65,253	\$24,348

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Debenture	37,709	11,024
Internal Loan	150	-
Operating / Working Capital	16,984	4,136
Reserves	10,410	9,188
FINANCING TOTAL	\$ 65,253	\$24,348

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Energy & Infrastructure – Medicine Hat
Power and Water

Energy and Infrastructure – Medicine Hat Power & Water

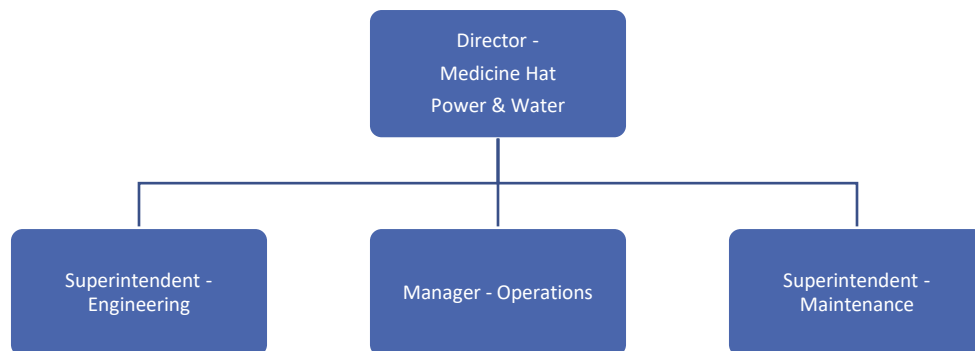
Business Plan 2023 – 2024

Departmental Mandate and Structure

Medicine Hat Power and Water (MHPW) departments provides safe, reliable, cost-effective electricity generation as well as Water and Wastewater treatment for our residential, commercial, and industrial customers. The department also performs all Operations and Maintenance of these facilities as well as the development and implementation of Capital projects within these departmental areas. We have a fully staffed technical department that services all these areas as well.

The MHPW Department structures its resources, business plan and budget based on the following assumptions:

- The department operates to provincial and local regulatory standards.
- The department operates to industry best practices, codes, and standards.
- The City of Medicine Hat (CMH) Electric Generation will continue to maintain exemption from all requirements of Part 95 of the Electric Utility Act (EUA) to the benefit of the city and its customers.
- Maximize profitability while ensuring safe, reliable, and compliant Electric Generation. We aspire to have maximum runtime/availability for our units.
- The department plans for activity levels based on past trends, future predictions, and emerging regulatory issues.
- These same operating principles above are applied to the Water and Wastewater Treatment plants as well.
- Project initiation, planning and project management of construction are used on all MHPW projects



	2022	2023	2024	2025	2026
FTE	79.98	80.98	80.98	80.98	80.98
PEP	72	73	73	73	73

DEPARTMENT KEY OBJECTIVE #1:

***Risk-Based Asset Management Program** - Providing reliable electricity generation, safe reliable supply of water and wastewater to the City of Medicine Hat Residents and Industrial Customers. Maintaining our Asset base infrastructure is key to meeting service level expectations and long-term profitability of the facilities. Infrastructure has a finite life that requires sustaining capital investments to extend and/or replace existing infrastructure to ensure service level reliability.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.2, 6.3, 6.7 & 6.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Identifying and prioritizing sustaining capital investment requirements by employing sound scope development and project management ensures that projects are planned and executed based on the highest priority and risk requirements, while funding requirements are optimized in the interest of fiscal responsibility.
2. Implement detailed asset condition/inspection criteria and associated plans for each asset class within the Power Generation and Water Treatment systems on a schedule to ensure all assets are maintained within best practice guidelines. This information will be documented and managed using our Asset Management System.
3. Pre-planning of all long-term outages will be performed a minimum of 12 months prior to an outage.
4. Post Outage reporting will be compiled and recommendations for equipment sustainability will be performed by Engineering.
5. Ensure that succession plans are in place for all key positions, as well as ensuring that our staff are trained and adhering to in place procedures as following industry best practices.
6. Both the Water Treatment and Wastewater Treatment plants have detailed long range capital plans that include scope and costs. These plans take into consideration changes in the city population out to the year 2050. These plans are also used for new larger customers.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Ensure that Asset Management process is followed by all for keeping the Asset Management plan register up to date – **Q4 2023, Q4 2024** (and 2.a.)
- 1.b Ensure that Engineering Work Scope Documents support Capital asks by detailed scope, cost, and schedule requirements – **Q2 2023, Q3 2024** (and 6.a)
- 3.a Ensure that long range capital projects are being developed 2 to 5 years out and updating Asset Management Plan register – **Q3 2023, Q3 2024** (and 6.b)
- 3.b Major Outages are being pre-planned and resourced 1 to 1.5 years in advance, and that the Alberta Electric System Operator (AESO) outage schedule is being updated to reflect changes – **Quarterly update annual.** (and 4.a)

DEPARTMENT KEY OBJECTIVE #2:

Continue to Improve Safety and Regulatory Compliance Management - Improve Safety Culture and Performance and develop and internalize regulatory reporting requirements while improving non-compliances

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.4 & 6.7**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. While we have a very good safety record at our facilities, we will continue to work with Operations/Maintenance and staff to identify new Key Performance Indicators and improve existing ones as required.
 - a. Continue to focus efforts on housekeeping and job observation audits. Both Health, Safety & Environment (HSE) and plant supervision will further enhance audits and training around this.
 - b. Use Intelx to track safety incident classifications and develop strategy, training, and communication to reduce non compliances. HSE representative will work with staff to understand common themes for injury type incidents and improvements to reduces
 - c. Standardize safety programs/processes and standards between Electric Generation and Water Treatment plants
 - d. Training will be managed to ensure all personnel receive appropriate training that is effective for the jobs they perform. HSE Specialist will assist in achieving training that follows provincial requirements.
2. Continue to improve training and communication processes on further reducing the Alberta Reliability Standards (ARS) and Independent System Operator (ISO) non-compliances.
 - a. Further Enhance in place procedures and increase Operator understanding and training in ARS and ISO Standards and Rules.
 - b. Work with Strategy and Analysis (Marketing) on better communication protocols in real time with the operators

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1a. Audit departmental safety systems regularly for compliance with City of Medicine Hat safety management systems – **Q4 2023 & 2024**
- 1b. All levels of site management to conduct regular inspections of worksites throughout the year with workers, the intent being continuous improvement of work sites and work processes – **Q4 2023 & 2024**
- 1c. Oversight by City of Medicine Hat will be provided on worksite construction projects to ensure compliance to Occupational Health & Safety and City of Medicine Hat safety regulations. Concurrent with projects – **Quarterly reviews and audits**
2. Audit of safety training for employees will be done annually, and all appropriate training will be kept current. **Q1 2023, Q1 2024**

DEPARTMENT KEY OBJECTIVE #3:

Growth and Renewable Initiatives - Medicine Hat Power and Water is one of the key departments in the development of new business opportunities that come to the City of Medicine Hat.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY ; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 6.3, 6.5, 6.6, 6.10, 2.1, and 2.2**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. We will work with Invest Medicine Hat, the Strategy and Analysis and other supporting groups to support technical requirements within our realm of expertise of new business proposals.
2. We will keep abreast of changing government regulations and renewable energy initiatives and look for opportunities to further our generation mix with a focus on shifting strategically to more renewable energy generation as justified

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1a. Supply Strategy and Analysis group with required technical inputs to effectively evaluate potential opportunities and proposals – **Q4 2023**
- 1b. We will look for available government funding to offset required borrowing of Capital for approved projects that materialize – **Quarterly 2023-2024**
2. Work with local industry to explore synergies and collaborative efforts for the next generation asset. Depending on outcome of this, finalize size, location for new build and submit applications to Alberta Utilities Commission (AUC) and Alberta Environment and Parks (AEP) – **Ongoing - Q4 2023, Q4 2024**

DEPARTMENT KEY OBJECTIVE #4:

***Operational Excellence to ensure:** Reliability with increasing city load the availability of Electric Generation assets will become even more critical; Financial returns – achieve an annual return on assets through contractedness or supply to energy markets.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 1.1, 1.8, 6.1 & 6.3**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Update and review Risk Register quarterly to ensure risks are identified and have risk mitigation plans in place for both Operations & Maintenance (O&M) and Capital.
2. Work with Strategy and Analysis group and Accounting to ensure that revenue forecasts and Operations, Maintenance and Administrative (OM&A) expenses are optimized through effective marketing and focused attention on expenditures.
3. Optimize planned outage durations by ensuring adequate planning and resourcing of work (amount of work performed in least amount of time, safely).
4. Continue to ensure that both Maintenance and Engineering processes are optimized to ensure work is planned and scheduled while optimizing outage duration timing.
5. Develop O&M and Capital budgets for next business cycle.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. Plant reliability Key Performance Indicators will maintain at 93.75% or better – Monthly
2. Reduced forced outages and optimize planned outage events. Quarterly Review
3. Achieve an annual return on assets of 10%.
4. Strive to achieve "O" safety/environmental incidents. Monthly review

DEPARTMENT KEY OBJECTIVE #5:

Ensuring Success for the future

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 6.1, 6.4, and 6.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Develop future leaders through succession planning
2. Ensure that new equipment and processes are adequately resourced.
3. Develop and execute required actions from the Employee Survey
4. Successful build of the new Residuals plant

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1a. Have detailed succession plan developed for all key positions – Q4 Annually
- 1b. Plan for retirements in maintenance group and look at potential apprenticeships – Q4 Annually
2. Manage the Residuals Plant build project to ensure that it is done safely, on budget and on schedule. Ensure that any operational/and maintenance costs are developed into the 2024 budget including extra manpower resourcing. Q4 2023
3. From the data received from the employee survey, we will work to address areas of required improvement through a department action plan
4. Evaluate new equipment and process requirements, and ensure we have adequate resources to support these.

Medicine Hat Power & Water- Electric Generation
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sales to Retail	89,462	15,736	105,198	17.6	-15,618	89,580	(14.8)	1
Sales to Power Pool	45,424	12,507	57,931	27.5	-14,406	43,525	(24.9)	2
Business Services	38,156	3,137	41,293	8.2	-2,489	38,804	(6.0)	3
TOTAL REVENUES	173,042	31,381	204,423	18.1	-32,514	171,909	(15.9)	
Expenses								
Salaries, Wages and Benefits	9,837	205	10,042	2.1	416	10,458	4.1	
Contracted and General Services	9,437	3,002	12,439	31.8	1,256	13,694	10.1	4
Materials, Goods & Supplies	1,896	95	1,991	5.0	157	2,148	7.9	
Electrical Energy Purchases	10,567	-1,654	8,913	(15.7)	1,168	10,080	13.1	5
Bank Charges & Short Term Interest	1	0	1	0.0	0	1	0.0	
Interest on Long-term Debt	2,641	453	3,094	17.2	-283	2,811	(9.1)	6
Payment in Lieu of Tax	9,287	-64	9,223	(0.7)	-1,445	7,778	(15.7)	
Amortization and Provision for Abandonment	22,364	-2,022	20,342	(9.0)	-2,042	18,300	(10.0)	7
Fuel	52,831	23,945	76,776	45.3	-16,167	60,609	(21.1)	8
Transfer To/(From) Retail	9,282	-343	8,939	(3.7)	-3,392	5,546	(37.9)	9
Internal Charges and Transfers	6,518	820	7,338	12.6	366	7,704	5.0	10
TOTAL EXPENSES	134,661	24,436	159,097	18.1	-19,967	139,130	(12.6)	
NET EXPENSES (REVENUES)	(38,381)	(6,944)	(45,325)	18.1	12,546	(32,779)	(27.7)	
CONTRIBUTION TO RESERVES	22,258	18,847	41,105	84.7	-11,497	29,609	(28.0)	

REF NO.	NOTE	\$
1	Sales to Retail increase due to higher forecast market volatility compared to the prior year.	15,736
2	Increase due to higher forecasted market volatility from prior year	12,507
3	Increase related to variable cost recovery increase on third-party contracts	3,137
4	Contracted Services increased as a result of contracted Chief Inspector position (\$100K), PRC005 Alberta Electric System Operator Reliability Program requirements (\$225K), Heat Recovery Steam Generator, major inspections, routine maintenance that did not occur in 2022 but is scheduled for 2023 (\$1.1M).	3,002
5	Decrease in forecasted purchased energy volume requirements from prior year	-1,654
6	Interest on long term debt increased as a result of repayment for Unit 17 starting in 2023.	453
7	Amortization decrease due to a capital projects in 2022 being completed under budget.	-2,022
8	Increase in forecasted natural gas price volatility	23,945
9	Transfer To/(From) Retail	-343
10	Increase in internal charges and transfers as a result of the new cost allocation project.	820

Medicine Hat Power & Water-Water Treatment Plant
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,555	407	1,962	26.2	79	2,041	4.0	1
Contracted and General Services	356	313	669	87.9	-196	473	(29.3)	2
Materials, Goods & Supplies	1,072	184	1,256	17.2	56	1,312	4.5	3
Interest on Long-term Debt	805	-162	643	(20.1)	-78	565	(12.1)	4
Amortization and Provision for Abandonment	2,094	158	2,252	7.5	75	2,327	3.3	5
Internal Charges and Transfers	1,721	349	2,070	20.3	81	2,151	3.9	6
TOTAL EXPENSES	7,603	1,249	8,852	16.4	17	8,869	0.2	
NET EXPENSES (REVENUES)	7,603	1,249	8,852	16.4	17	8,869	0.2	

REF NO.	NOTE	\$
1	Salaries increased due to four positions being added that were not funded in 2022.	407
2	Contracted Services increased to accommodate upcoming services/ maintenance required.	313
3	Materials, Goods & Supplies increased as a result of significant increase in quoted costs due to inflation.	184
4	Interest on long term debt decreased as a result of less debt funding for capital projects.	-162
5	Amortization increase due to current projects expected to be completed in 2022.	158
6	Increase in internal charges and transfers as a result of the new cost allocation project.	349

Medicine Hat Power & Water-Waste Water Treatment Plant
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,392	-152	1,240	(10.9)	33	1,273	2.7	1
Contracted and General Services	171	74	245	43.3	11	256	4.5	
Materials, Goods & Supplies	722	252	974	34.9	46	1,020	4.7	2
Interest on Long-term Debt	310	-65	245	(21.0)	-29	216	(11.8)	
Amortization and Provision for Abandonment	1,198	-134	1,064	(11.2)	-96	968	(9.0)	3
Internal Charges and Transfers	1,869	213	2,082	11.4	85	2,167	4.1	4
TOTAL EXPENSES	5,662	188	5,850	3.3	50	5,900	0.9	
NET EXPENSES (REVENUES)	5,662	188	5,850	3.3	50	5,900	0.9	

REF NO.	NOTE	\$
1	Salaries decreased due to the reallocation of an unfilled millwright position from the Waste Water Treatment Plant to Electric Generation to recruit for a planner position to coordinate all Plants.	-152
2	Materials, Goods & Supplies increased as a result of significant increase in quoted costs due to inflation.	252
3	Amortization decrease due to a capital projects in 2022 being completed under budget.	-134
4	Increase in internal charges and transfers as a result of the new cost allocation project.	213

Medicine Hat Power & Water
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024
		BUDGET	BUDGET
PLT MHPW WWTP - 2023 AUTOMATIC FRONT GATE	Growth Capital - TCA	129	-
PLT MHPW WWTP - 2023 3RD UV CHANNEL INSTALLATION	Growth Capital - TCA	143	-
PLT MHPW - 2023 Cyber Security Network Upgrade	Sustaining Capital - TCA	910	-
PLT MHPW - 2023 GSU T12 Replacement	Sustaining Capital - TCA	1,750	-
PLT MHPW - 2024 UNIT 14 HOT SECTION REPLACEMENT	Sustaining Capital - TCA	-	5,600
PLT MHPW - 2023 UNIT 15 HOT SECTION REPLACEMENT	Sustaining Capital - TCA	5,325	-
PLT MHPW - 2024/2025 3R Surface Condenser Bundle Re-tubing	Sustaining Capital - TCA	-	700
PLT MHPW - 2024 69KV Substation Cable Trench, Control Cable replacement and substation automation	Growth Capital - TCA	-	3,500
DEPARTMENTAL TOTAL		\$8,257	\$9,800

FUNDING SOURCES	2023	2024
	BUDGET	BUDGET
Debenture	1,750	3,500
Operating / Working Capital	6,507	6,300
FINANCING TOTAL	\$8,257	\$9,800

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Invest Medicine Hat

Invest Medicine Hat

Business Plan 2023 – 2024

Departmental Mandate and Structure

Invest Medicine Hat (IMH) helps new, expanding and relocating businesses access market and business resources in the City of Medicine Hat (CMH).

In June 2022, following the resignation of Invest Medicine Hat's remaining leadership roles (leaving one vacant Managing Director and two vacant Director roles), all powers, functions, and leadership authorities were delegated on an interim basis to Managing Director of the Strategic Management and Analysis Division. ***This Business Plan should be taken within a transitional context, with recognition that City leadership and City Council are actively revisiting IMH's mandate and resourcing needs.***

Unless/until a change in direction is confirmed the team will continue to assist existing businesses and new investors by focusing on three key priorities:

1. **Market Medicine Hat**

- Market Medicine Hat to attract investment and skilled labour; and
- Continue the Invest Medicine Hat and Shop YXH brands, including website management, content creation, and social media updates.

2. **Maintain Existing Programs and Projects**

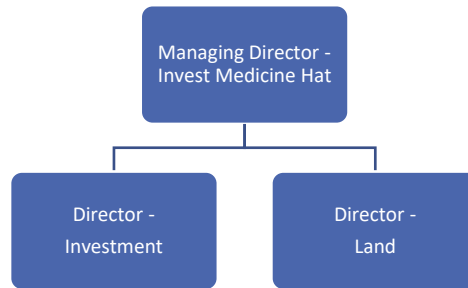
- Manage existing incentives programs, and recommend new incentive programs;
- Manage existing projects and programs such as the Southeast Alberta Hydrogen Hub, Project Clear Horizon, Shop YXH Marketplace Community, development incentives, industry development initiatives and more; and
- Manage relationships with regional economic stakeholders.

3. **Develop, Manage, Market and Sell Land**

- Be the first point of contact for investors looking to purchase City-owned parcels of land (including in the Northwest Industrial Park, airport, infill lots, and residential subdivisions);
- Act as client advisor and liaison to other City departments, to facilitate the land sales process; and
- Manage, market, and sell surplus land parcels and develop strategic buyer interest in lands that are under development.

Human Resource Capacity

All staff currently report via delegated authority to Managing Director, Strategic Management & Analysis but the team's budget includes a vacant Managing Director and two vacant Director positions. The department has six (6) additional full time individual contributor employees.



	2022	2023	2024
FTE	9	9	9
PEP	9	9	9

DEPARTMENT KEY OBJECTIVE #1:

***Marketing Medicine Hat** - This service supports economic development, land development and sales, as well as broader community economic development. Key customers include internal departments, growing and expanding businesses from Medicine Hat, and more distant businesses looking to locate to Medicine Hat. We will market Medicine Hat to attract investment and skilled labour.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION; SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE; COMMUNITY WELLNESS; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 1.7, 2.2, 3.1, 3.3, 4.1, 4.3, 4.4, 4.9, 5.9, 6.8, 6.10**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

- Brand management of InvestMedicineHat.ca and ShopYXH.ca, including content creation, website updates, social media updates, social media engagement, e-mail newsletter, advertising, and so on.
- Target Sector marketing including sector profile update, in-depth research and analysis i.e., Southeast Alberta Hydrogen Hub Foundation Report, cluster analysis, attending trade shows, communicating competitive advantage.
- Economic stakeholder outreach and marketing to trade offices, consulates, and ministries, at the federal and provincial level.

Initiative #1 – InvestMedicineHat.ca

InvestMedicineHat.ca is the City of Medicine Hat's investment attraction website and is a key pillar of the land and economic development program. The website will remain current with appropriate target sector profiles, fresh news and stories, current land listings, and more. Additional actions to deliver strategic marketing campaigns, stakeholder relations management and more will be ongoing.

Initiative #2 – ShopYXH.ca

ShopYXH.ca is the City of Medicine Hat's shop local website and is a key pillar of the community economic development program. Ongoing efforts are necessary to manage business member relationships, keep business profiles current, develop strategic 'local first' campaigns, drive awareness, manage the digital platform, and to regularly communicate with local business owners to assess needs, trends, and overall business landscape.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

Success is achieved when investors and economic stakeholders are aware of (and acting on) Medicine Hat's competitive advantages as a place to locate and grow a business. Key measures of success include number of website, social and other impressions and inquiries, number of familiarization tours by investors / new residents to Medicine Hat, as facilitated by the department, and more.

DEPARTMENT KEY OBJECTIVE #2:

Managing Economic Development Policies, Programs and Projects – This service supports community economic development with a focus on business retention and expansion and investment attraction. This service collaborates with economic stakeholders in innovation and workforce development to achieve inter-related objectives. Key customers include existing business owners and investors, as well as those looking to Medicine Hat as an expansion location.

- *Manage existing economic development incentive programs, including any proposed / new tax incentives;*
- *Manage existing projects and programs such as the Southeast Alberta Hydrogen Hub, Project Clear Horizon, Shop YXH, as well as industry development initiatives; and*
- *Manage relationships with regional economic stakeholders.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION; SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.1, 1.3, 1.9, 2.1, 2.2, 2.3, 2.4, 3.1, 3.3, 4.1, 4.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

Initiative #1 – Incentives

Incentives bylaws, policies, procedures, and day-to-day management is a key pillar of the City of Medicine Hat's effort to support existing business, attract new business, and to grow and support the local economy. Continue to support incentive applicants to apply for and understand the incentive programs the CMH offers. Provide a high level of customer service to applicants to work with them on their projects.

Initiative #2 – Project Clear Horizon

Carbon capture and storage is a collaborative project required to capture and store carbon dioxide emissions, with an aim of retaining existing business, and attracting new business in the petrochemical and other manufacturing sectors. IMH will support efforts related to grant management, commercial agreements, locating services and more.

Initiative #3 – Southeast Alberta Hydrogen Hub

Hydrogen production is a high potential investment attraction opportunity for the City of Medicine Hat, and a key opportunity for future industrial growth at the Northwest Industrial Park. Work will build from the Southeast Alberta Hydrogen Hub Task Force's Foundation Report to explore options to formalize a "Southeast Alberta Hydrogen Hub," to pursue related grant opportunities, and to realize potential hydrogen production and/or hydrogen fueling stations locally.

Initiative #4 – Stakeholder Relations

The City of Medicine Hat economic development team plays a key role in maintaining stakeholder relations with many external organizations including Invest in Canada and Invest Alberta including consulates and trade offices, as well as local relationships including the Medicine Hat and District

Chamber of Commerce, Community Futures Entre-Corp, Palliser Economic Partnership, Tourism Medicine Hat, Verge Economic Development, and more. Core work in this area will relate to the development and implementation of a stakeholder engagement plan and contributing to stakeholder-led economic development programs and projects.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

Incentive related success is achieved when businesses are investing in commercial and industrial growth including downtown revitalization, infill development, brownfield development, and large-scale commercial-industrial development. Key measure of success for incentives includes overall economic impact and spin-off, client feedback and testimonials, and more.

Project Clear Horizon progress will be measured based on defined stage gates to proceed or not to proceed (based on new information learned in each development stage) with related business cases and risk management tools.

Southeast Alberta Hydrogen Hub success will occur when investor(s) makes a final investment decision to produce hydrogen in Medicine Hat, particularly evidenced when land is purchased in the Northwest Industrial Park. Leading indicators will include both the volume of engagements as well as the progression of such engagements towards successful investment decision(s).

DEPARTMENT KEY OBJECTIVE #3:

***Develop, Manage, Market and Sell Land** – This service is primarily responsible for development and sale of City-owned residential, commercial, and industrial land, with a focus on leveraging strategic assets in order to maximize return on investment. Key customers include business owners, entrepreneurs, investors, and land developers. This service also manages City-owned property (i.e., surface management, leases).*

- *First point of contact for investors looking to purchase City-owned parcels of land in the Northwest Industrial Park, airport, infill lots, and residential subdivisions;*
- *Act as client advisor and liaison to other City departments, to facilitate the land sales process;*
- *Manage, market, and sell surplus land parcels and develop strategic buyer interest in lands that are under development.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION ; ECONOMIC EVOLUTION; SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.1, 1.9, 2.1, 2.4, 3.1, 4.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

Initiative #1 – Residential Lot Sales

This service requires customer outreach, administration and management of ongoing deals, lot inventory knowledge, and more, with a target of 20 lot sales per year (subject to inventory levels).

Initiative #2 – Commercial Lot Sales

This service requires an innovation and entrepreneurial mindset and must be responsive to the needs of developers while maintaining awareness of the City's goal to achieve orderly development.

Initiative #3 – Industrial Land Development

The City of Medicine Hat does not currently own any industrial land that is serviced and ready for sale. Phase 1 development of the Northwest Industrial Park is a key focus to prepare industrial land for market, including completion of a marketing plan for what is one of Western Canada's most significant parcels of industrial land.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

Residential and commercial land sales success will be measured by the number of lots sold and left in inventory, days on market, and the related revenue achieved above the cost of parcel development.

Industrial land development success will be measured by the timeline to readiness, with stage gate milestones progressed in the interim (i.e., due diligence, servicing, grading, etc.).

Invest Medicine Hat- Investment
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	536	7	542	1.2	14	556	2.5	
Contracted and General Services	671	27	698	4.0	28	725	4.0	
Materials, Goods & Utilities	34	1	35	4.0	1	37	4.0	
Amortization and Provision for Abandonment	8	-1	7	(15.0)	0	7	0.0	
TOTAL EXPENSES	1,249	34	1,282	2.7	43	1,325	3.3	
NET BEFORE INTERNAL ALLOCATIONS	1,249	34	1,282	2.7	43	1,325	3.3	
Internal Recovery	1,365	193	1,558	14.2	54	1,613	3.5	1
Internal Charges and Transfers	124	167	291	135.0	9	300	3.2	2
TOTAL INTERNAL ALLOCATIONS	-1,241	-26	-1,267	2.1	-45	-1,312	3.5	
NET EXPENSES (REVENUES)	8	7	15	95.5	-2	13	(13.3)	

REF NO.	NOTE	\$
1	Investment recovers all of its expenses (excluding amortization) from Municipal departments. The recovery has increased in line with the increase in expenses.	193
2	The increase in internal charges is a result of the updated cost allocation methodology, with the Investment department overall being charged more than in 2022.	167

Invest Medicine Hat- Land
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	9,573	-4,632	4,941	(48.4)	-1,448	3,493	(29.3)	1
Licenses, Fines and Penalties	3	0	3	4.0	0	3	4.0	
Other Revenue	570	223	793	39.1	-18	775	(2.3)	2
TOTAL REVENUES	10,145	-4,409	5,737	(43.5)	-1,465	4,271	(25.5)	
Expenses								
Salaries, Wages and Benefits	529	-48	481	(9.1)	12	492	2.5	
Contracted and General Services	323	13	336	4.0	13	349	4.0	
Materials, Goods & Utilities	76	-31	44	(41.5)	2	46	4.0	
Cost of Land Sold	6,188	-2,815	3,373	(45.5)	-300	3,073	(8.9)	1
Amortization and Provision for Abandonment	99	203	302	204.5	-2	300	(0.5)	3
TOTAL EXPENSES	7,214	-2,679	4,535	(37.1)	-274	4,261	(6.1)	
NET BEFORE INTERNAL ALLOCATIONS	-2,931	1,729	-1,202	(59.0)	1,191	-11	(99.1)	
Internal Recovery	3,158	-3,028	130	(95.9)	0	130	0.0	4
Internal Charges and Transfers	1,086	-419	667	(38.6)	19	686	2.9	5
TOTAL INTERNAL ALLOCATIONS	-2,072	2,608	537	(125.9)	19	556	3.6	
NET EXPENSES (REVENUES)	-5,003	4,338	-665	(86.7)	1,210	545	(182.0)	

REF NO.	NOTE	\$
1	The Land Sales and Cost of Land Sold decreases are related to updated lot sales projections. There are no projected industrial sales, and only 1 infill lot sale projected, and all single family residential lots are projected to be all sold by the end of 2024.	-1,816
2	The increase in other revenue relates to rental revenue on land owned by Invest Medicine Hat, based on historical analysis that is being tracked in Salesforce.	223
3	Amortization has increased as capital projects are completed in 2022 and will be amortized starting in 2023.	203
4	The decrease in internal recovery is due to the 2022 budget including reserve transfers for the development incentive programs, and a one-time only recovery from Municipal to offset internal charges. Those programs do not have additional budget past 2022, and there is no offset recovery in 2023 and beyond.	-3,028
5	The decrease in internal charges is a result of the updated cost allocation methodology, with the Land department overall being charged less from City departments.	-419

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Public Services – Community Development

Public Services – Community Development

Business Plan 2023 – 2024

Departmental Mandate and Structure

Community Development is focused on enhancing the liveability, quality of life, well-being, engagement, and inclusivity of our community by developing, delivering and/or facilitating access to public transportation; community programming and supports; cultural and entertainment experiences and facilities.

Transit Services:

Conventional, Specialized and On-Demand Public Transit.

Community Supports:

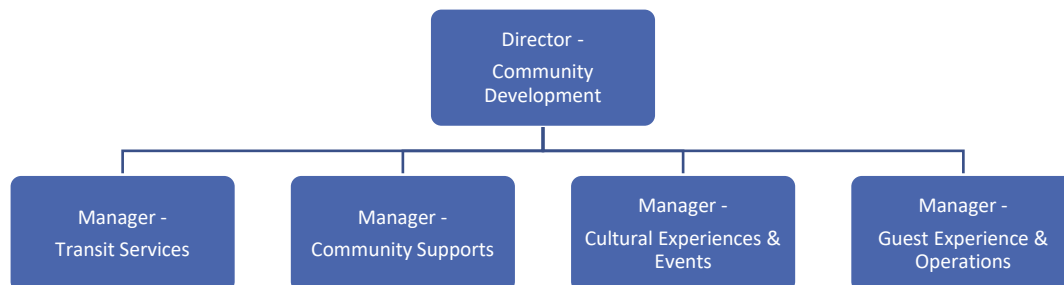
Social Supports; Community Resources Worker Program; Inclusion; Family & Community Support Services (FCSS); Senior Services; Housing and a variety of community use spaces.

Cultural Experiences and Events:

Entertainment, Cultural and Education Programming and Coordination; Collections, Galleries and Archives Management; Heritage; Public Art; Marketing and Promotions; and Corporate Partnerships; Community Group Liaison

Guest Experience & Operations:

Facilities Management, Services and Rentals at Co-op Place, Esplanade Arts & Heritage Centre, Ewart Duggan House, and Cultural Centre; Guest Services; Box Office; Volunteer Coordination; Event Management; Safety and Security; Food and Beverage Services; and Operations Support.



	2022	2023	2024	2025	2026
FTE	98.0	105.5	105.5	105.5	105.5
PEP	82.0	81.0	81.0	81.0	81.0

DEPARTMENT KEY OBJECTIVE #1:

Develop Community Well-being Plan – Community well-being is supported and improved, and community social issues are identified and addressed. The plan will support the City's efforts to convene, facilitate and coordinate a community response aimed at addressing well-being.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.8, 4.1-4.3, 5.1-5.6, 5.9, 5.10, 6.2**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Utilize the Community Well-being plan to focus and drive action and approaches to social issues or opportunities.
2. Support and facilitate Medicine Hat to be a vibrant and welcoming place for all.
3. Ensure that the City's actions reflect our commitment to honouring the Indigenous people in Medicine Hat and their past, present, and future.
4. Ensure the community is aware, connected and engaged in efforts to support individual and community well-being, and identify and address social issues.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Complete the Community Well-being Plan – **Q3 2023**
- 1.b Implement immediate and short-term actions and strategies, as outlined in the Community Well-being Plan, in a strategic and coordinated manner – **Q4 2024**
- 1.c Plan for long-term action accountabilities and timelines, as outlined in the Community Well-being plan – **Q4 2024**
- 1.d Review and align resources, including structure and responsibilities, as needed to support implementation of the Community Well-being Plan – **Q1 2024**
- 1.e Establish a special projects coordinator position to support community development, including planning and developing policy – **Q2 2023**
- 1.f Review and update City funding (FCSS and other funding models and programs) to ensure future funding opportunities align with the needs and priorities identified in the Community Well-being plan – **Q3 2023**
- 1.g Establish funding to cover costs of non-FCSS services provided by business unit, such as Emergency Social Services (ESS) and management of various contracts – **Q1 2023**
2. A plan to facilitate and promote Medicine Hat as a welcoming place of opportunity for all is developed – **Q4 2023**
3. Implement actions identified by the Truth and Reconciliation Recommendations Committee (TRRC) as approved by City Council – **Q4 2024**
4. Complete and implement a communications and engagement plan for the development of the Community Well-being Plan – **Q1 2023**

DEPARTMENT KEY OBJECTIVE #2:

***Modernization of Transit Services** - A safe, accessible, adaptable, and scalable transit system that provides the best value for each tax dollar spent is in place to meet community needs.*

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 1.5, 3.3, 4.2, 4.3, 5.1, 5.2, 5.8, 6.2**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Maintain focus on serving the social needs of the community, ensuring safety and customer service are at the heart of Transit Services.
2. Employ an approach of continuous improvement to achieve incremental and sustainable improvements to the transit system.
3. Increase engagement with transit riders, stakeholders, and the community to provide greater opportunity to help shape future transit services.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Establish service levels and standards to guide service delivery – **Q4 2023**
- 1.b Update and align systems, standards, processes, and protocols for Transit staff, supported by documentation, change management and training – **Q4 2024**
- 1.c Re-establish Transit Superintendent position to support increased use of ever evolving technology, including system selection, implementation and management, project management including stakeholder engagement, vendor support/service, and ongoing data review and analysis – **Q1 2023**
- 1.d Conduct, complete, and implement results of Special Transit review – **Q4 2023**
- 2.a Introduce the on-demand service model to South Zone, testing appropriateness for occasional or permanent utilization – **Q4 2023**
- 2.b Explore options to integrate booking platforms across service models and implement recommendation – **Q2 2024**
3. Develop a Transit-specific communications and engagement strategy to support education, awareness, and public participation in Transit operations – **Q2 2023**

DEPARTMENT KEY OBJECTIVE #3:

Develop Arts, Heritage and Entertainment Plan - The local arts, heritage and entertainment ecosystem is enhanced and strengthened, facilitating quality, engaging and inclusive opportunities for the community to participate in meaningful and accessible experiences in a variety of contexts.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: COMMUNITY WELLNESS; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY: 2.1, 3.5, 4.1- 4.3, 5.2, 5.3, 5.5, 5.9, 5.10**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Develop an Arts, Heritage, and Entertainment Plan to focus efforts and drive action and approaches.
2. Meet audiences where they are at to provide meaningful and accessible experiences.
3. Provide a seamless guest experience regardless of location, event type or format to promote quality, safe and comfortable experiences.
4. Increase engagement with partners, stakeholders, and the community to provide greater opportunity to lead or participate in the definition, creation, and delivery of arts, heritage, and entertainment experiences

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a An Arts, Heritage, and Entertainment Plan is developed and communicated – **Q4 2023**
- 1.b Immediate and short-term actions and strategies are implemented, as outlined in the Arts, Heritage, and Entertainment Plan, in a strategic and coordinated manner – **Q4 2024**
- 1.c Long-term actions accountabilities and timelines are planned for, as outlined in the Arts, Heritage, and Entertainment Plan – **Q4 2024**
- 1.d The Arts, Heritage, and Entertainment Plan is utilized to drive decision making around a post-pandemic business model and operational models – **Q4 2024**
- 2.a An annual program plan is developed to engage residents in meaningful experiences, delivered through the effective and efficient use of resources – **Q4 2023 & Q4 2024**
- 2.b Capacity is increased to deliver programming through the addition of casual and contract instructors, artists, educators, programmers, etc. – **Q2 2023**
- 3.a Systems, standards, processes, and protocols are aligned across venues, supported by documentation, communication, and training – **Q4 2023**
- 3.b An additional Facility Technician position is created to support event technology selection, implementation, and support, including use of Teams and other platforms, in Council Chambers, meeting rooms, theatres and other venues – **Q1 2023**
4. A communications and engagement plan is completed and implemented for the Arts, Heritage, and Entertainment Plan with ongoing communication as strategies and actions are implemented – **Q2 2023**

Community Development
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	4,519	1,571	6,090	34.8	324	6,413	5.3	1
Other Revenue	1,044	-539	504	(51.7)	21	525	4.2	2
Government Transfers for Operating	1,940	32	1,971	1.6	9	1,980	0.4	
TOTAL REVENUES	7,502	1,063	8,565	14.2	354	8,919	4.1	
Expenses								
Salaries, Wages and Benefits	8,297	65	8,362	0.8	205	8,567	2.5	3
Contracted and General Services	3,046	1,717	4,763	56.4	129	4,891	2.7	4
Materials, Goods & Utilities	690	-116	574	(16.8)	23	597	4.0	5
Bank Charges & Short Term Interest	228	9	237	4.0	9	246	4.0	
Grants and Other Transfers	489	61	550	12.5	2	552	0.4	6
Interest on Long-term Debt	266	-8	258	(2.9)	-8	250	(3.1)	
Other Operating Expenses	0	185	185	100.0	7	192	4.0	7
Amortization and Provision for Abandonment	694	2,815	3,509	405.9	122	3,631	3.5	
TOTAL EXPENSES	13,709	4,729	18,437	34.5	490	18,928	2.7	
NET BEFORE INTERNAL ALLOCATIONS	6,207	3,666	9,872	59.1	136	10,009	1.4	
Internal Recovery	11	0	11	0.0	0	11	0.0	
Internal Charges and Transfers	5,511	-277	5,234	(5.0)	93	5,327	1.8	
TOTAL INTERNAL ALLOCATIONS	5,500	-277	5,223	(5.0)	93	5,316	1.8	
NET EXPENSES (REVENUES)	11,707	3,388	15,095	28.9	229	15,325	1.5	

REF NO.	NOTE	\$
1	Service revenue increased mainly due to revenue at Co-op Place for previously unbudgeted amounts (\$1.3M), increases for updated rates (\$220K), and to true up budget to be accounted for it as gross rather than net (\$300K). In addition, revenue also increased due to an increase in service charges in line with projected sales (\$48K), parking revenue for Town Square (\$48K), and to true up seat charges to be accounted for as gross rather than net (\$88K). This was then offset by a decrease in transit revenue based on prior year trends (-\$269K) and charter services no longer provided (-\$25K), decreased club and lounge ticket sales based on prior year trends (-\$86K), removal of Teepee revenue transferred to Parks & Recreation (-\$10K), and other service revenue no longer expected to be received (-\$70K).	1,571
2	Decrease in other revenue due to reduction in rentals based on different calculations in 2022 budget (-\$389K) as well as further decreases in rental revenues in line with prior year trends (-\$62K), offset by increase in donations revenue to account for Redcliff Co-op Place donations (\$10K).	-539
3	Increase in wages is due to \$170K inflation, the additional of 3 positions that have a higher annual salary than the 3 removed positions (\$101K), and a small increase in temp wages (\$20K). This is offset by lower benefits when compared to 2022 due to a lower assumption being used.	65
4	Increase in contracted & general services is largely due to unbudgeted expenses at Co-op Place. Expenses that were unbudgeted in 2022 total \$1.2 million including an additional increase in box office expense at Co-op Place (\$300K) and Esplanade (\$219K) in line with ticket sales. In addition, marketing expenses were increased by \$75K to account for them at gross amount rather than net, software expense was increased by \$35K to account for Square and In-time licenses that were previously unbudgeted, consulting fees were increased by \$25K for a feasibility study on Museum updates, and contracted services were increased by \$72K to account for additional Commissionaires security at bus terminal. These increases were offset by decreases in contracted services for third party operator of Senior Centre (-\$42K) and a general expectation of fewer projects (-\$49K).	1,717
5	Materials good and utilities have decreased due to reduction of food & beverage supplies in line with decreases in revenue (\$114K), decrease in Towne Square expenses including reallocation to contracted services (-\$96K), offset by addition of computer software for implementation of new food & beverage software (\$32K).	-116
6	Increase in grants to not for profit organizations due to introduction of microgrants for Family & Community Support Services (\$8K) and increases for Safelink Consulting agreement (\$54K).	61
7	Other operating expenses increased to account for previously unbudgeted refugee program (\$80K) and Fair Entry Subsidy program (\$105K).	185

Community Development
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
<i>CDV - 2023 TCA - Community Housing IR</i>	<i>Sustaining Capital - TCA</i>	112	100
<i>CDV - 2024 TCA - Gallery Lighting Replacement</i>	<i>Sustaining Capital - TCA</i>	-	125
<i>CDV - 2023 TCA - Control Switches</i>	<i>Sustaining Capital - TCA</i>	50	-
<i>CDV - 2024 TCA - Esplanade Stage Drape</i>	<i>Sustaining Capital - TCA</i>	-	100
<i>CDV - 2024 TCA - Facility Indoor Digital Signage</i>	<i>Sustaining Capital - TCA</i>	-	50
<i>CDV - 2023 TCA - Bar Installation</i>	<i>Growth Capital - TCA</i>	150	-
<i>CDV - 2024 TCA - Transit Bus Zone Accessibility Improvements</i>	<i>Growth Capital - TCA</i>	-	200
DEPARTMENTAL TOTAL		\$ 312	\$ 575

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Government Grants	-	200
Operating / Working Capital	312	375
FINANCING TOTAL	\$ 312	\$ 575

Community Development
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
<i>CDV - 2023 MOE - Esplanade-Arts Heritage and Entertainment Plan</i>	<i>Growth Major Operating Expense</i>	80	-
<i>CDV - 2023 MOE - Table replacement</i>	<i>Sustaining Major Operating Expense</i>	50	-
<i>CDV - 2023 MOE - Public Art</i>	<i>Growth Major Operating Expense</i>	130	-
<i>CDV - 2023 MOE - Community Well Being Plan</i>	<i>Growth Major Operating Expense</i>	100	-
DEPARTMENTAL TOTAL		\$ 360	\$ -

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Operating	360	-
FINANCING TOTAL	\$ 360	\$ -

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Public Services – Fire & Emergency Services

Public Services – Fire & Emergency Services

Business Plan 2023 – 2024

Departmental Mandate and Structure

Fire and Emergency Services follows this Mission Statement, “Medicine Hat Fire and Emergency Services provides optimum protection and prevention for our residents, businesses, and visitors. We are continually adapting to uphold the quality of life and public safety in our community. We will focus on our core values to provide services that exceed the expectations of our residents.” We do this through empowerment of employees, and decision making at all levels that adheres to our department values of Accountability, Integrity, Respect, Professionalism, Caring, and Teamwork. Service to our residents is our number one consideration in all aspects of service delivery.

Communications

This branch provides complete and comprehensive call-answer and dispatch services, through a centralized/integrated 9-1-1 communications centre, for a broad range of first responders in the City of Medicine Hat and surrounding region. Includes 9-1-1 emergencies, utility emergencies (City), and non-emergency first response calls.

Fire Prevention

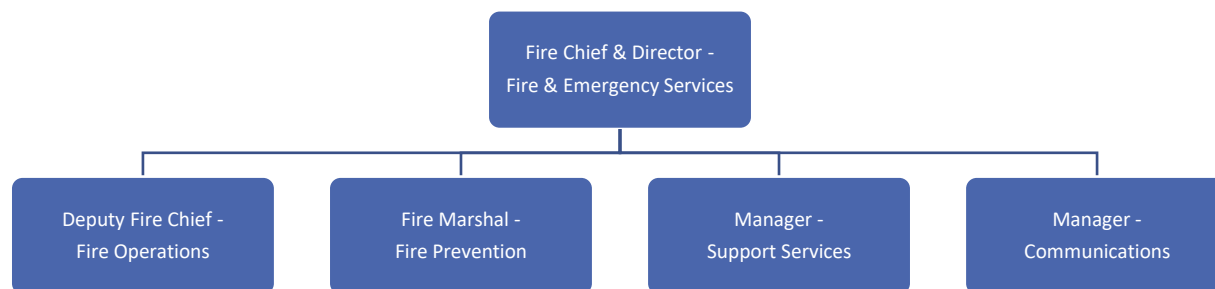
This branch is responsible for designing and implementing fire safety and injury reduction programs that are suited for all segments of the community. Prevention also conducts fire investigations, code enforcement, and plans review in support of the Technical Coordinating Committee functions.

Fire Operations

This branch is responsible for all emergency response including fire suppression, rescue, hazmat, and aquatics rescue. It also completes a significant amount of the fire safety and fire prevention activities in conjunction with the Fire Prevention Branch. The majority of training hours are spent in Fire Operations.

Support Services

This branch provides business support and analytical services to foster the cycle of continuous improvement. Health Safety and Environment initiatives, as well as Emergency Management are also key focus areas for Support Services.



	2022	2023	2024	2025	2026
FTE	106	113.2	113.2	113.2	113.2
PEP	104	111	111	111	111

DEPARTMENT OBJECTIVE #1:

Increase operational safety, readiness, capacity, and ability throughout the department.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; COMMUNITY WELLNESS; RESILIENCE AND SUSTAINABILITY**
- **COUNCIL PRIORITIES – 3.1, 3.7, 3.8, 5.4, 6.2, 6.4**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Provide additional support and capacity for fire operations, including training and logistics, to stabilize staffing levels, move towards compliance with National Fire Protection Association (NFPA) Standard 1710, create additional capacity for strategic initiatives and support long-term leadership resilience and succession planning in the department.
2. Support Fire and Emergency Services' vision of remaining progressive and innovative by dedicating funding to maintain and progress current operations and specialty services that support the equipment and training needed to provide the service.
3. Enhance training for City staff throughout the organization with a role in disaster response and continue to build upon disaster risk mitigation and organizational resilience throughout all phases of emergency management.
4. Leverage technology applications to support a timely and effective response, including the ability to expedite the activation of the Emergency Operations Centre and the ability to maintain real-time situational awareness across the organization.
5. Combine Fire Prevention and Support Services into one branch that will play the lead role in all community safety initiatives including, fire safety, fire prevention, technological improvements, and emergency management. Align the Communications Centre as a branch within Fire and Emergency Services, with appropriate leadership roles assigned.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Increase admin support by .2 FTE – **Q1 2023**
- 1.b Bolster platoon strength by two firefighters per platoon to accommodate increased managed sick leaves and move towards compliance with NFPA 1710. Desired suppression staffing levels will increase. Firefighter and resident safety will be enhanced in low hazard structure fire situations while access to off duty staff for medium and high hazard responses will increase. Additionally, suppression overtime will be significantly reduced from current levels – **Q1 2023**
- 1.c Provide funding to support traffic pre-emption on provincial infrastructure in the 2023-2024 capital budget – **Q1 2023**
- 2.a Identify, develop, and implement specific budget funding for advanced response teams recognizing reoccurring training costs and equipment costs in the 2023-2024 operating budget.
- 2.b Identify and develop costs for end-of-life requirements and service requirements for critical equipment such as gas detection, thermal imaging cameras, breathing apparatus, and new specialized equipment thereby eliminating the infrastructure reserve capital expenditure with specific capital needs requests in the 2023-2024 capital budget – **Q1 2023**

- 3.a Provide thorough analysis on the relocation of the existing Emergency Operations Centre to a permanent location including the pre-installation and configuration of required technology and hardware allowing for minimal to no set-up when it's use is required. Based on the results of this analysis, a capital request could be put forward in future business plans – **Q4 2024**
- 3.b Increase the number of competent and willing staff throughout the organization that can support Fire & Emergency Services during disaster response operations, including annual refresher training and exercise participation throughout this business plan cycle – **Q4 2024**
- 4.a Identify, develop, and implement a new internal emergency call-out system, specifically for internal staff call-ins and availability reviews during disaster responses – **Q4 2023**
- 4.b Identify and develop a software based common operating picture allowing for department field input of situation updates and a further roll-up of the real time disaster response situation within the Emergency Operations Centre – **Q4 2024**
- 5.a Present for approval a new department org chart highlighting the combination of Fire Prevention and Support Services into the Community Safety Branch and recognition of the Communications Center as a branch within Fire and Emergency Services – **Q1 2023**
- 5.b Communicate changes in department, update job descriptions for roles/responsibilities/accountabilities, update procedures and assignments accordingly – **Q1 2023**

DEPARTMENT OBJECTIVE #2:

Leverage and maintain communication equipment and technology to maintain and improve service delivery.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; SERVICE ORIENTATION; RESILIENCE AND SUSTAINABILITY**
- **COUNCIL PRIORITY – 1.8, 3.3, 6.2**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Evaluate current systems to find ways that technology will improve operational outcomes.
2. Ensure there is depth and capacity to demonstrate responsibility for Alberta First Responder Radio Communication System (AFRRCS) Agency Administrator and Technical Administrator as a member of the Medicine Hat Police Services (MHPS) Information Technology (IT) team. This individual would support a coordinated effort in the architecture of the AFRRCS Agency Fleet Map for the City of Medicine Hat and current Agency Administrator(s). Establish a Mid-Level IT resource that is committed to the 9-1-1 Communications Centre IT needs as a member of the MHPS IT team. With Communications Centre operating on the MHPS network it is important to secure this individual to work within the current architecture of the MHPS network and all associated technologies connected to it (vehicle Mobile Data Terminals (MDT), vmobile Computer Aided Dispatch (CAD) etc.)
3. Identify a plan to prioritize hardware in the Evergreen project plan
Establish a strategy within the plan to ensure we demonstrate financially responsible decisions when reassigning hardware as per the detailed Evergreen Project plan.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Investigate and implement a Fire Fighter Accountability software. This software would enhance incident and scene management, situational awareness, and firefighter safety – **Q4 2024**
- 1.b Investigate creating a team of drone pilots that would cross train in the organization. This team would support Fire and Emergency Services, Police, as well as Geographic Information Systems (GIS) and Utilities – **Q4 2023**
- 2.a MHPS to recruit a Mid-Level System Administrator on the IT team. Ensure the recruit has the skill set or willing to obtain the skill set to support the needs for AFRRCS operations for all First Responders on the Medicine Hat AFRRCS Agency – **Q1-Q2 2023**
- 3.a Inventory current hardware and feed this information into the Evergreen plan – **Q3 2023**

DEPARTMENT OBJECTIVE #3:

Actively promote regional 9-1-1 services through the Intermunicipal Collaboration Framework (ICF)

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE;**
- **COUNCIL PRIORITY – 4.3**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. The IMF committee can engage in discussion on how and when to return to regional 9-1-1 services in southeastern Alberta.
2. Fire and Emergency Services can engage with specific emergency service partners to highlight improvements in service provision of our 9-1-1 Public Safety Answering Point (PSAP) and Dispatch Center.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Fire and Emergency Services will examine per capita charges for considering increased provincial grant funding – **Q2 2023**
- 1.b The ICF committee will engage in discussions to service southeastern Alberta through our 9-1-1 PSAP and Dispatch Center – **Q3 2023**
- 2.a Southeastern Alberta is benefiting from service provision of 9-1-1 PSAP and dispatch services to all regional municipalities – **Q1 2024**

DEPARTMENT OBJECTIVE #4:

Establish a City Policy on residential sprinkler installation and incentives for greenfield and brownfield developments.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 4.8, 6.8**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. A policy on requirement of residential sprinklers in greenfield and brownfield developments should be established.
2. A policy on the incentivization of residential sprinkler installation in greenfield and brownfield developments should be established.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Develop a recommendation on residential sprinkler requirements in greenfield and brownfield developments – **Q2 2024**
- 2.a Develop a recommendation on incentivization of residential sprinkler installation in greenfield and brownfield developments – **Q2 2024**

DEPARTMENT OBJECTIVE #5:

Improve ability to provide/access accurate diagnosis, treatment, and appropriate return to work plans for employees suffering from mental illness and injuries.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY;**
- **COUNCIL PRIORITY – 6.4**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Establish diagnosis and treatment strategies over and above current Employee and Family Assistance Program (EFAP) options.
2. Provide funding for improved diagnosis and treatment options for employees so they can return to work as healthy and productive employees.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Work with Corporate Health and Wellness to examine and analyze diagnosis and treatment plans that will lower the overall cost of mental illness and injury absences to the corporation – **Q4 2023**
- 2.a Have funding for and contracts with third parties in place to support employees requiring treatment from mental health illness and injuries – **Q2 2024**

Fire & Emergency Services
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	644	14	658	2.1	14	672	2.2	
Insurance Recovery	80	0	80	0.0	0	80	0.0	
Other Revenue	117	-21	96	(17.9)	0	96	0.0	
Government Transfers for Operating	388	253	640	65.2	0	640	0.0	1
TOTAL REVENUES	1,228	245	1,474	20.0	14	1,488	1.0	
Expenses								
Salaries, Wages and Benefits	14,882	606	15,488	4.1	375	15,863	2.4	2
Contracted and General Services	435	159	595	36.6	89	684	14.9	3
Materials, Goods & Utilities	221	74	295	33.5	12	307	4.0	4
Amortization and Provision for Abandonment	338	170	508	50.2	-62	446	(12.1)	
TOTAL EXPENSES	15,876	1,009	16,886	6.4	414	17,299	2.4	
NET BEFORE INTERNAL ALLOCATIONS	14,648	764	15,412	5.2	399	15,811	2.6	
Internal Recovery	158	109	267	69.3	9	277	3.5	
Internal Charges and Transfers	1,606	807	2,413	50.2	82	2,495	3.4	
TOTAL INTERNAL ALLOCATIONS	1,448	697	2,145	48.2	73	2,218	3.4	
NET EXPENSES (REVENUES)	16,096	1,461	17,557	9.1	472	18,029	2.7	

REF NO.	NOTE	\$
1	Increase in Government Transfers for Operating due to higher 9-1-1 Mobility grant payments.	253
2	Increase in wages is due to (\$307K) inflation, and the addition of 7 new permanent positions. This is offset by lower benefits when compared to 2022 due to a lower percentage being used.	606
3	Increase in contracted services due to addition of Versaterm Software (\$55K) and Next Generation 9-1-1 call handling fees (\$64K). In addition to increases in corporate training for Incident Command System specific training (\$18K), leadership development courses and higher live fire training costs (\$23K).	159
4	Increase in materials due to higher advanced response team costs (\$30K) and the addition of materials previously classified as capital.	74

Fire & Emergency Services
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
<i>FES - 2023 TCA - Next Generation 911</i>	<i>Growth Capital - TCA</i>	250	-
<i>FES - 2023 TCA - Provincial Infrastructure - Traffic Pre-emption</i>	<i>Growth Capital - TCA</i>	40	-
<i>FES - 2023 TCA - Live Fire Advanced Training System addition</i>	<i>Growth Capital - TCA</i>	40	-
<i>FES - 2024 TCA - Thermal Image Camera's</i>	<i>Growth Capital - TCA</i>	-	100
DEPARTMENTAL TOTAL		\$ 330	\$ 100

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Internal Loan	250	-
Operating / Working Capital	80	100
FINANCING TOTAL	\$ 330	\$ 100

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Public Services – Parks & Recreation

Public Services – Parks & Recreation

Business Plan 2023 – 2024

Departmental Mandate and Structure

The Parks and Recreation Department provides both indoor and outdoor recreation opportunities through the development and maintenance of a diverse urban landscape, using the most effective and efficient means possible, with a focus on sound environmental practices to preserve and protect our natural and built environments. The department also engages residents in meaningful, accessible recreation experiences to foster individual and community health and wellbeing.

Recreation

Provides accessible and affordable facilities/services that encourage active living opportunities for all residents. Facilities include two indoor pools, outdoor swimming locations, and the multi-sport Big Marble Go Centre. Liaising with user groups and community sports organizations is a key part of their mandate.

Business and Innovation

Researches, develops, and implements best-practices and efficiency initiatives across the department. Responsible for developing and maintaining business agreements and contracts. Oversees planning and business operations of the municipal-owned campground, concessions, cemetery, and regional park.

Operations and Maintenance

Provides maintenance of open spaces, including approximately 700 acres of manicured green space and 3,700 acres of non-manicured areas (environmental reserve, etc.). Planting and maintenance of approximately 35 flower beds, 425 shrub beds and the management of approximately 28,000 trees in the city's urban forest. Parks Maintenance also maintains over 160 km of leisure trails, 21 ball diamonds, 14 sport fields, 10 sets of tennis courts, 77 playgrounds, 4 outdoor water parks and 11 outdoor rinks. Liaising with user groups and community sports organizations is a key part of their mandate. The team also provides planning and detailed design/development of parks and infrastructure, including data base management and geographic information.

In addition, this team provides facility maintenance and operations for a broad range of facilities, including indoor/outdoor pools, ice arenas and recreation facilities. Works in conjunction with Building Services to perform facility maintenance and set-up for programming activities.

Asset Planning

Responsible for planning the department's capital budget and long-term capital forecast. Planning oversees design and executes project management of parks infrastructure projects, trails, sports fields, and major capital projects. Works in conjunction with Building Services to plan upgrades to recreation facilities, ice arenas and aquatics facilities.

Community Connections

Responsible for managing the ongoing relationship with user-groups, community stakeholders and partner organizations for special projects and initiatives. Oversees communication and marketing activities within the department and coordinates with Corporate Communications on advertisements, media releases and community engagement.



	2022	2023	2024	2025	2026
FTE	166.38	167.38	167.38	167.38	167.38
PEP	72	78	78	78	78

DEPARTMENT OBJECTIVE #1:

Implementation of Parks and Recreation Master Plan - to positively impact community health and wellbeing. The department will focus efforts on implementing the immediate-term, near-term and continued action items identified in the Parks and Recreation Master Plan.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; COMMUNITY WELLNESS**
- **COUNCIL PRIORITY: 1.9, 5.5**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Identify where continued engagement with stakeholders is needed on Continued, Immediate-term and Near-term action items identified in the Master Plan. Planning engagement activities is essential to ensure the success of implementation efforts and ensures alignment with stakeholder needs.
2. Increased focus on creating an environmental stewardship role through researching best practices and comparisons of communities with successful stewardship practices is a critical component of developing a stronger environmental stance.
3. Planning for aging facilities requires the management of various inputs, including key stakeholders and regional partners, to reach a decision on the future of recreation facilities in our community while maintaining a regional focus.
4. Increased focus on public engagement by aligning the departmental communications/engagement strategy with the corporate Public Participation Framework.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Development of a department-specific communications and engagement strategy to increase engagement activities with the community on initiatives and projects – **Q2 2023**
- 1.b Continued, Immediate-term and Near-term action items incorporated in the 2023 and 2024 department capital and operating budgets and begin implementation – **Q4 2024**
- 1.c Add an additional resource (Business & Innovation Coordinator) to support initiatives related to the Parks & Recreation Master Plan – **Q3 2023**
- 1.d Enhance the departmental focus on developing, tracking, and maintaining contracts with user groups and partner organizations through the addition of a dedicated resource (Metrics and Contracts Administration) – **Q3 2023**
- 2.a Create an inventory of Municipal Reserve parcels and initiate inventory for environmentally sensitive areas – **Q2 2024**
- 2.b In collaboration with the Planning Department, begin planning for environmental-impact assessment of known future projects as an action item of the Master Plan – **Q4 2024**
- 3.a Develop business cases for each scenario and present to City Council for direction. Following direction from City Council, begin planning any changes/upgrades/consolidation/replacement of facilities with regional partners – **Q2 2023**
- 3.b Collaborate with key stakeholders and regional partners on the future of all recreation facilities in the region – **Q2 2023**
- 4.a Finalize alignment of departmental communication/engagement strategy with corporate public participation framework – **Q2 2024**

- 4.b Addition of a dedicated resource (Marketing & Engagement Coordinator) to focus on increasing marketing and community engagement activities as an outcome of the Parks and Recreation Master Plan. – **Q2 2023**

DEPARTMENT OBJECTIVE #2:

Develop Comprehensive Asset Management Plan - to address the aging parks infrastructure and facilities within the community. The department will develop a comprehensive asset management plan to address capital upgrades and replacement of aging infrastructure and facilities. Prioritizing projects through risk-based asset management ensures that resources are put towards assets with the highest degrees of criticality and considers the impacts of deferring capital upgrade allocation for each asset. Many Parks and Recreation assets are reaching the end of their life cycle and a proactive replacement plan will reduce service interruptions.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 4.7, 6.6, 6.9**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Identifying and prioritizing capital investment requirements by employing risk-based planning ensures that projects are planned and executed based on the highest priority needs while funding requirements are optimized in the interest of fiscal responsibility.
2. Utilize both corporate and departmental asset management principles and tools to identify asset upgrade prioritization and planning.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Implementation of risk matrix for departmental assets – **Q4 2023**
- 1.b Finalize the development of an updated, robust asset management program that assists with determining capital priorities utilizing data focusing on risk, service disruption, financial impact, community impact and other relevant criteria – **Q4 2024**
2. Implement detailed asset condition/inspection criteria and associated plans for each asset class within a cyclical, reoccurring schedule to ensure all infrastructure assets are inspected within established guidelines – **Q4 2024**

DEPARTMENT OBJECTIVE #3:

Recruitment, Retention, & Development of Staff - the department has identified the need to recruit and develop staff to maintain operations and implement strategic objectives and projects. The current labour market has an abundance of comparable jobs available for job seekers. As such, the department has experienced challenges in recruiting staff as well as high turnover in roles that are essential to operating recreation facilities and maintaining park spaces.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 1.7, 6.1**

OPERATIONAL STRATEGIES TO ACHIEVE DEPARTMENT OBJECTIVE:

1. Development of robust recruitment initiative.
2. Retention strategies aimed at decreasing staff turnover and developing staff will be critical to ensure the department retains key operational knowledge.
3. Development of formalized Job Knowledge Transfer processes are essential to ensure working knowledge is not lost when employees exit the organization.
4. Continued development and delivery of a comprehensive, competency-based safety training program to ensure the health and safety of our staff.
5. Development and delivery of training for staff related to innovation.

OPERATIONAL OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a In-house training for Aquatics staff developed. Formalize a "community-wide" approach in conjunction with the Medicine Hat YMCA to recruit and train candidates to fill Lifeguard positions. Reduction in turnover and recruitment timelines will be indicators of success – **Q4 2023**
- 1.b Recruitment and retention initiative developed and implemented resulting in reduced turnover in positions that are difficult to recruit and experience higher-than-average turnover – **Q2 2024**
- 2.a Development of retention-based strategies focused on staff development and career progression that showcases how applicants, new employees and existing employees looking to change careers how they can advance career goals within the organization. Reduction in staff turnover will be indicator of success – **Q4 2024**
- 2.b In collaboration with the Human Resources Department, develop a formalized retention strategy for positions experiencing higher than average turnover – **Q2 2024**
- 2.c Conversion of ongoing temporary Administrative Assistant position to a permanent basis – **Q3 2023**
- 3.a Development and implementation of a formalized Job Knowledge Transfer process with a focus on reduced onboarding time for new staff – **Q1 2024**
- 4.a Formalize process for daily tailgate safety meetings, including documentation and forms, to identify potential hazards and discuss safety priorities and updated safety protocols prior to the 2023 season commencing – **Q1 2023**
- 4.b Completion of safety audit focusing on lock-out/tag-out procedures, hazard assessments and staff competency – **Q3 2023**
- 5.a Develop process for staff to actively bring forward innovative ideas for improving service and creating efficiency in the delivery of operational objectives – **Q2 2024**

Parks & Recreation
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	3,786	111	3,897	2.9	155	4,051	4.0	1
Insurance Recovery	43	-0	43	(0.0)	0	43	0.0	
Other Revenue	2,182	151	2,333	6.9	0	2,333	0.0	2
TOTAL REVENUES	6,011	261	6,273	4.3	155	6,428	2.5	
Expenses								
Salaries, Wages and Benefits	10,618	184	10,802	1.7	266	11,068	2.5	3
Contracted and General Services	2,499	487	2,986	19.5	115	3,101	3.8	4
Materials, Goods & Utilities	1,312	270	1,582	20.6	58	1,640	3.6	5
Bank Charges & Short Term Interest	32	1	33	4.0	1	35	4.0	
Grants and Other Transfers	190	0	190	0.0	0	190	0.0	
Interest on Long-term Debt	96	49	145	51.4	314	459	217.3	
Other Operating Expenses	17	1	18	4.0	1	18	4.0	
Amortization and Provision for Abandonment	8,303	-2,221	6,082	(26.7)	344	6,426	5.7	
TOTAL EXPENSES	23,067	-1,229	21,838	(5.3)	1,099	22,937	5.0	
NET BEFORE INTERNAL ALLOCATIONS	17,055	-1,490	15,565	(8.7)	944	16,509	6.1	
Internal Recovery	152	-11	141	(7.3)	3	144	2.0	
Internal Charges and Transfers	5,079	2,808	7,887	55.3	322	8,209	4.1	
TOTAL INTERNAL ALLOCATIONS	4,927	2,819	7,746	57.2	319	8,065	4.1	
NET EXPENSES (REVENUES)	21,982	1,329	23,311	6.0	1,263	24,574	5.4	

REF NO.	NOTE	\$
1	Increase in revenue is due to increased camper fees as a result of new Echo Dale Regional Park camp stalls (\$10K), new comfort camping and added full service sites (\$25K). In addition, a portion of the increase is also the result of Tepee operations moving from Community Development to Parks & Recreation (\$10K) and additional revenue from the third party operator of concessions in line with operating agreement (\$35K).	111
2	Increase in other revenue the result of additional sponsorship revenue for the Big Marble Go Centre, new pickleball facility, and fitness centre (\$10K); increases in dog and cat licenses that will now be collected through Alberta Pound And Rescue Centre and remitted to Parks & Recreation (\$80K); increase in tree replacement revenue based on historical trends (\$9K) and the addition of Tepee lighting revenue (\$3K); increases are offset by a decrease in sport field revenue based on historical trends (-\$47K).	151
3	The increase in wages is due to inflation \$223K and the addition of six Permanently Established Positions and the removal of one position (\$380K). This is offset by the removal of wages for three positions that are now budgeted out of capital projects. This is offset by lower benefits when compared to 2022 due to a lower percentage being used.	184
4	Increase in contracted and general services is the result of additional telecommunications for increased public wi-fi abilities (\$30K); increase in subscription for Yardstick and Data Lake software not previously budgeted for (\$27K); increase in other contracted services for higher chemical and fuel costs for pest control, increased tree pruning requirements (\$37K), Echo Dale Regional Park lake and beach maintenance (\$37K), fitness instructor contract (\$97K), and various services that were not previously budgeted for (\$63); increase for Tepee expenses moved from Community Development and repairs on fitness equipment (\$10K) and operating costs in relation to the Parks master plan (\$25K).	487
5	Increase in materials due to prices of various supplies have increased such as fertilizer (\$37K), irrigation parts (\$15K), trees (\$15K), metal, lumber, playground and other repair materials (\$56K); additional Echo Dale Regional Park beach and lake maintenance (\$37K), additional funds to supplement innovation project start-up costs and materials (\$25K); increase in internal equipment usage due to historical trends (\$156K); these increases are offset by a reduction in concession expenses being contracted out to third party (-\$80K) and the removal of parts and tires expenses that are now handled through Fleet Services (-\$80K).	270

Parks & Recreation
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
PKRC - 2023/2024 TCA - Trail Infrastructure Program	Sustaining Capital - TCA	917	917
PKRC - 2023/2024 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA	3,683	3,802
PKRC - 2023/2024 TCA - Accessibility Program	Sustaining Capital - TCA	108	378
PKRC - 2023 TCA - Columbaria & Scattering Gardens Program	Growth Capital - TCA	270	-
PKRC - 2023/2024 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA	378	270
PKRC - 2023/2024 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA	108	162
PKRC - 2023 TCA - Towne Centre Washroom	Growth Capital - TCA	540	-
PKRC - 2023/2024 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA	324	162
PKRC - 2023/2024 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA	216	216
PKRC - 2023/2024 TCA - Community Partnerships Program	Sustaining Capital - TCA	200	300
PKRC - 2023/2024 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	324	216
PKRC - 2023/2024 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	54	27
PKRC - 2023 TCA - EDRP Improvement Program		750	-
PKRC - 2023/2024 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	1,431	999
PKRC - 2023/2024 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	270	432
DEPARTMENTAL TOTAL		\$9,573	\$7,881

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Debenture	5,004	4,801
Government Grants	3,559	800
Internal Loan	378	918
Operating / Working Capital	632	984
Reserves	-	378
FINANCING TOTAL	\$9,573	\$7,881

Parks & Recreation
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024
		BUDGET	BUDGET
<i>PKRC - 2023/2024 MOE - Parks & Recreation Strategic Plans Implementation</i>	<i>Sustaining Major Operating Expense</i>	243	324
<i>PKRC - 2023/2024 MOE - Drawings Authentication and Specification Update</i>	<i>Sustaining Major Operating Expense</i>	108	108
<i>PKRC - 2023/2024 MOE - Saamis Tepee Upgrades</i>	<i>Sustaining Major Operating Expense</i>	1,080	216
DEPARTMENTAL TOTAL		\$1,431	\$ 648

FUNDING SOURCES	2023	2024
	BUDGET	BUDGET
Operating	1,431	648
FINANCING TOTAL	\$1,431	\$ 648

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Strategic Management & Analysis – Business Transformation Office

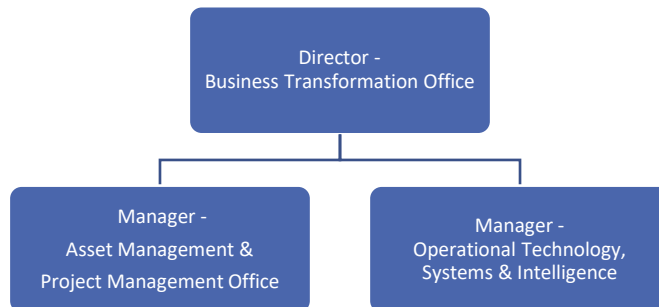
Strategic Management & Analysis – Business Transformation Office

Business Plan 2023 – 2024

The Business Transformation Office (BTO) is an internally focused service department that leads, guides, and supports other departments and divisions in the realization of their goals and objectives. The BTO has a unique suite of services that range from management system development and implementation to process improvement to the ongoing support of a number of key enterprise-wide and/or business workflow software systems.

Core Services provided by the department include:

- Standardized systems approach to asset management & project management design and implementation
 - Process efficiency & workflow digitization support services
 - Operational technology cybersecurity
 - Enterprise system software maintenance and support (Geographic Information System, Automated Metering Infrastructure, Cityworks, etc.)
 - Stage gate controls and corporate-wide tracking of objectives and targets to support execution performance management
- (As a newer department some of the core objectives are in the process of being established)



	2022	2023	2024	2025	2026
FTE	17	18	18	18	18
PEP	17	18	18	18	18

DEPARTMENT KEY OBJECTIVE #1:

Design and implement a corporate-wide Asset Management System - deliver additional value to residents and other stakeholders by developing systems to manage the City's diverse asset portfolio to deliver the desired level of service at the lowest possible total cost of ownership.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.2, 6.7, 6.9**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

- An Asset Management Advisory Committee has been created to help guide the development of a combination of policies and procedures that culminate in an asset management report for Council.
- Having a fully implemented Asset Management System allows for better decision making at all levels of the organization as the impacts of decisions regarding resource allocation can quickly be assessed and any identified risks can be mitigated.
- A gap assessment will be conducted to identify the system components already present in the different asset classes and to identify the areas for further system development.
- This gap assessment will inform the creation of asset class specific Asset Management Plans and the larger corporate Strategic Asset Management Plan.
- A corporate standard for Project Management processes will be designed and implemented to better execute on asset management plans.
- The capital allocation process will be updated to include stage gate controls and expanded business case and options analyses to support better execution of asset management plans.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- Design and implement a corporate-wide process for project management – **Q1 2023**
- Update the capital allocation process – **Q2 2023**
- Set service level standards using leading practice measures and regulatory compliance benchmarks – **Q4 2024**
- Establish an asset management program framework that:
 - Defines and documents required elements for administrative procedures
 - Defines required elements for an asset management strategy and plan
 - Identifies clear responsibilities and accountabilities in creating, administering, and executing an asset management program
 - Sets minimum standards for asset managers to achieve in order to evidence delivery of a quality asset management program across the organization**Q4 2026**

DEPARTMENT KEY OBJECTIVE #2:

Continually improve the City's Operational Technology Cybersecurity program - the City's Operational Technology ('OT') includes a diverse combination of software and hardware components that are used to provide utility services efficiently and effectively to the community. There is a natural but increasing growth of cybersecurity threats that could impact the City's ability to maintain service to the community. A cybersecurity program is an essential component of any utility service provider.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY: 6.1**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

Implementation of cybersecurity tools such as:

- Cybersecurity Asset Inventory,
- Vulnerability Management, and
- Patch Management

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- Prepare a Council approved OT Cybersecurity Policy – **Q1 2023**
- Have a project plan prepared for implementation – **Q2 2023**
- Have 70% of all cybersecurity assets tracked and monitored with a risk assessment and develop a plan for the additional 30% - **Q4 2023**

DEPARTMENT KEY OBJECTIVE #3:

Continue to provide tools, training, and coaching on process improvement - the foundational step of any process is to define and document it. That documentation offers a base for process clarity, process communication, a reference for onboarding and cross-training, and also to assist as a starting point for identifying improvement opportunities or even process digitization. There is a need and a desire to continue to find efficiencies in business processes across the corporation. Due to the sheer volume of different processes across the City, it is necessary to prioritize business process documentation and/or improvement opportunities. A frequent and desirable outcome of the process efficiency review is the digitization of workflows.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION**
- **COUNCIL PRIORITY: 1.5**
- **CORPORATE STRATEGIC OBJECTIVE - TBD**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Determine the fundamental systems for continual improvement to aid in decision making and prioritization.
2. A cultural shift is required in the organization to critically look at how we are currently performing a process and find different, innovative, and ultimately more efficient ways to deliver a service to the community.
3. Focusing efforts on Corporate Services lead processes has the added benefit of the efficiencies affecting other areas of the organization (example: efficiencies in a procurement process can save time in the other areas that procure goods and services).
4. Compiling a high-level inventory of business processes can help to identify areas of higher priority.
5. The BTO can provide systems, tools, forms, templates, training and coaching in different process efficiency tactics.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- Prepare a high-level inventory of business process and provide recommendations for process efficiency reviews – **Q2 2023**
- Provide a training plan for how to integrate process efficiency practices into day-to-day operations – **Q4 2023**

Business Transformation Office
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	2,499	-19	2,481	(0.7)	61	2,542	2.5	1
Contracted and General Services	663	598	1,261	90.1	20	1,282	1.6	
Materials, Goods & Utilities	17	1	18	4.0	1	19	4.0	
Interest on Long-term Debt	0	0	0	0.0	79	79	100.0	
Amortization and Provision for Abandonment	0	0	0	0.0	90	90	100.0	
TOTAL EXPENSES	3,180	580	3,760	18.2	251	4,012	6.7	
NET BEFORE INTERNAL ALLOCATIONS	3,180	580	3,760	18.2	251	4,012	6.7	
Internal Recovery	2,419	941	3,359	38.9	72	3,431	2.1	2
Internal Charges and Transfers	63	-41	22	(65.7)	1	22	4.0	
TOTAL INTERNAL ALLOCATIONS	-2,356	-982	-3,338	41.7	-71	-3,409	2.1	
NET EXPENSES (REVENUES)	824	-402	423	(48.7)	180	603	42.6	

REF NO.	NOTE	\$
1	Contracted & general services expense increase is due to additional funds for cybersecurity software and third party consultant funds to support the cybersecurity group.	598
2	Internal recoveries increase is due to the corporate re-organization, and the implementation of the cost allocation project where costs are recovered from the supported departments.	941

Business Transformation Office
 2023-2024 Capital Plan
 Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024
		BUDGET	BUDGET
<i>BTO- 2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls</i>	<i>Sustaining Capital - TCA</i>	1,800	-
DEPARTMENTAL TOTAL		\$1,800	\$ -

FUNDING SOURCES	2023	2024
	BUDGET	BUDGET
Debenture	1,800	-
FINANCING TOTAL	\$1,800	\$ -

Business Transformation Office
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024
		BUDGET	BUDGET
BTO- 2023 MOE- Asset and Project Management Consulting Services	Sustaining Major Operating Expense	400	350
DEPARTMENTAL TOTAL		\$ 400	\$ 350

FUNDING SOURCES	2023	2024
	BUDGET	BUDGET
Operating	400	350
FINANCING TOTAL	\$ 400	\$ 350

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Strategic Management & Analysis –
Environment, Land & Government Relations

Strategic Management & Analysis – Environment, Land & Government Relations

Business Plan 2023 – 2024

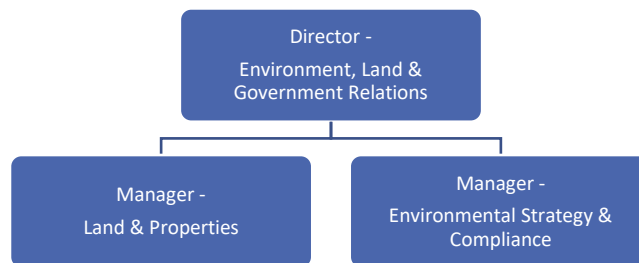
Departmental Mandate and Structure

Environment, Land and Government Relations (ELGR) drives responsible environmental stewardship and sustainability; delivers efficient land and lease administration services; and serves as a City advocacy voice fostering favorable intergovernmental relations.

Core business objectives include:

- Development and implementation of strategies and processes to ensure corporate wide compliance with relevant environmental legislation.
- Steward of the City's approach to environmental sustainability (beyond compliant levels).
- Serve as collaborative lead in climate resiliency, carbon mitigation initiatives and water security measures.
- Ensure timely cost-effective remediation and reclamation of the City's abandoned oil and gas assets in compliance with federal and provincial legislation.
- Act on behalf of the City to ensure appropriate land agreements and approvals are in place subsequently fostering and maintaining positive relationships with government land managers and environmental regulators, City lessors and lessees.
- Create and maintain a centralized City of Medicine Hat real estate lease portfolio to ensure consistency in terms, contractual conditions, and rental rates to ensure maximum return on value.
- Serve as the City's conduit to other levels of government to ensure consistent goal driven messaging.

(As a newer department some of the core objectives are in the process of being established)



	2022	2023	2024	2025	2026
FTE	13	12	12	12	12
PEP	13	12	12	12	12

DEPARTMENT KEY OBJECTIVE #1:

Lead in the development of an Environmental Framework that will serve as a cohesive overarching strategy to provide guidance on integrating wise resource management into City programs and policies with greater depth and intention while reducing the City's vulnerability to future environmental changes in the face of increasing climate uncertainty. Demonstrating commitment to the environment can help attract business, employees and other new residents stimulating the local economy and contributing positively to quality of life. Facilitating efficient and effective decision making with clear environmental objectives will improve City operations. Fostering stakeholder engagement and providing environmental strategies and actions into area redevelopment plans and City policies will increase community vibrancy.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE ; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 4.8, 6.5**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Implement a corporate outcomes-based land and environment planning process for projects and operations whereby subject matter experts are engaged in the project planning stage to ensure required environmental due diligence is practiced and appropriate regulatory consents are obtained.
2. Create an internal environmental information repository to centralize data and determine environmental reporting obligations to regulatory bodies.
3. Lead in the development and implementation of a corporate Environmental Framework in collaboration with 3rd party consultant.
4. Stem financial loss by timely completion of Natural Gas & Petroleum Resources' asset retirement obligations through ongoing management of remediation and reclamation program for approximately 2500 abandoned oil and gas sites.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Complete land and environment planning process for City projects and formalize ELGR services to support departments – **Q1 2023**
- 1.b Complete a request for qualifications for environmental consultants' support of City projects and implement ELGR consultant management protocol for all third-party environmental work being conducted on behalf of the City – **Q1 2023**
2. Gather source information in spatial database; develop internal stakeholder communication process **Q1 -Q4 2023**
3. Engage third party consultant to assist in facilitation of Environmental Framework planning mid 2022 to year end 2023. Deliver Environmental Framework with established vision and principles and defined strategies and actions to meet goals and targets – **Q4 2023**
4. Ensure Alberta Site Rehabilitation Program and Saskatchewan Accelerated Site Closure Program deadlines for project submissions are met by reclamation consultants **Q1 2023**. Provide ongoing

reclamation program oversight and inputs regarding methodology and ensure timely completion of Detailed Site Assessments and submission of Reclamation Certificate applications. **Q1 – Q4**

DEPARTMENT KEY OBJECTIVE #2:

***Operational Efficiency** - lead in the creation and implementation of a Brownfield Development Strategy. Brownfield redevelopment encourages infill development, environmental remediation, and community revitalization. Redevelopment of brownfields within the City establishes a larger municipal tax base and increases utilization of municipal infrastructure. Redeveloped brownfields are often better used, more attractive, have higher property values, present less risk of environmental harm to adjacent properties, and contribute to the economic, environmental, and social health of the community.*

Centralized management of the City's real estate lease portfolio will ensure appropriate stakeholder engagement, consistency in contractual conditions, and ensure maximum return on value.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 6.8**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Evaluate real estate lease documents to ensure consistency and conduct a comparative review of fees versus current market value in consort with a stakeholder communication process.
2. Complete a comprehensive inventory of contaminated sites within the City through information collected in the environmental information repository.
3. Lead in the collaborative build of a brownfield development strategy by establishing project scope and objectives; engaging stakeholders for maximum utilization; implementing a process to evaluate and report on progress and effectiveness.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Review of all real estate lease contracts and rates – **Q3 2023**
- 1.b All real estate leases reviewed, updated, and renegotiated – **Q4 2023**
2. Compile the City's existing biophysical data, contaminated sites information and environmental regulatory approvals into single database – **Q4 2023**
- 3.a Assess the information gathered in the environmental report repository to identify a comprehensive inventory of City owned brownfield sites – **Q4 2023**
- 3.b Establish, implement, and communicate a brownfield development strategy in accordance with the 2020 Municipal Development Plan – **Q2 2023**

DEPARTMENT KEY OBJECTIVE #3:

Contribute to the corporate government relations strategy. Success is achieved through proactive collaborative relationships with departments and agencies at all levels of government. Environment, Land and Government Relations has fostered working relationships built on trust with federal and provincial environmental regulators and land managers, First Nations, municipal governments, and Special Areas boards.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION; PARTNERSHIP & GOVERNANCE**
- **COUNCIL PRIORITY – 3.6, 4.6, 4.8**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Centralize communication with environmental regulators and land managers to ensure consistency in approach in consideration of the City's business objectives.
2. ELGR to serve as City's lead when procedural aspects of the duty to consult is delegated to the City as a project proponent.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- 1.a Collaborate with applicable departments and define process for engagement of environmental regulators and land managers – **Q2 2023**
- 1.b Participate in development and implementation of the City's government relations strategy as required, anticipated to be within 6 months of onboarding the new Chief of Staff role that reports to Council – **Q4 2023**
2. Clearly define ELGR's role in the corporate strategy and communicate both internally and externally within one month of corporate government relations strategy completion – **Q2 2024**

Environment, Land & Government Relations
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	1,959	-242	1,717	(12.3)	43	1,760	2.5	1
Contracted and General Services	64	233	297	361.9	34	331	11.4	2
Materials, Goods & Utilities	74	3	77	4.0	3	80	4.0	
TOTAL EXPENSES	2,097	-6	2,091	(0.3)	80	2,171	3.8	
NET BEFORE INTERNAL ALLOCATIONS	2,097	-6	2,091	(0.3)	80	2,171	3.8	
Internal Recovery	517	923	1,440	178.5	42	1,482	2.9	3
Internal Charges and Transfers	39	-24	15	(61.3)	1	16	4.0	
TOTAL INTERNAL ALLOCATIONS	-478	-947	-1,425	198.1	-41	-1,466	2.9	
NET EXPENSES (REVENUES)	1,619	-953	666	(58.9)	38	704	5.7	

REF NO.	NOTE	\$
1	Salaries & wages expense decrease is due to the removal of one Permanently Established Position, and revision of the calculation for the benefits expense.	-242
2	Contracted & general services expense increase is due to additional funds to support contaminated sites management, crossing and proximity agreements, and third party consent and ground disturbance consulting.	233
3	Internal recoveries increase is due to the corporate reorganization, and the implementation of the cost allocation project where Permanently Established Positions were moved from Commodity departments to Municipal departments, and subsequently recovered back from Commodity departments.	923

Environment, Land & Government Relations
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
<i>ELR - 2023 - MOE - Environmental Framework</i>	<i>Growth Major Operating Expense</i>	200	-
DEPARTMENTAL TOTAL		\$ 200	\$ -

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Operating	200	-
FINANCING TOTAL	\$ 200	\$ -

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Strategic Management & Analysis – Planning & Development Services

Strategic Management & Analysis – Planning & Development Services

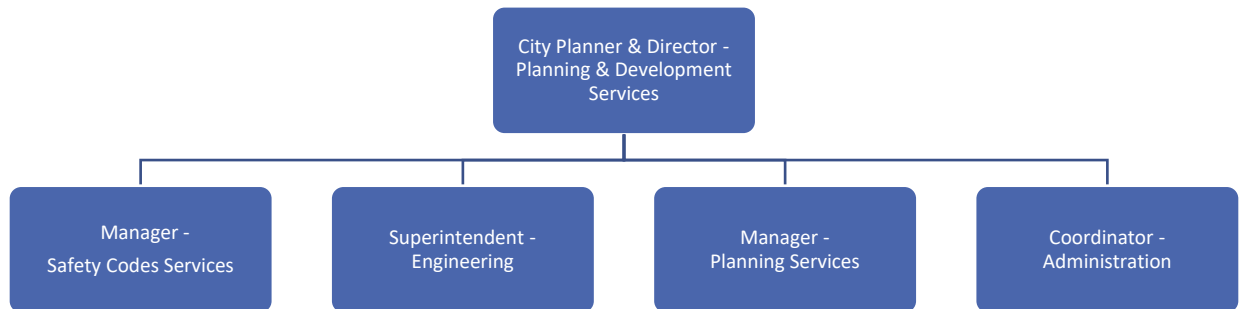
Business Plan 2023 – 2024

Departmental Mandate and Structure

The Planning & Development Services department provides leadership to the Corporation and the community in achieving its Municipal Development Plan vision as a “Community of Choice” by facilitating the continued development of a safe, attractive, and sustainable community which meets the needs of all segments of the population.

Core Services provided by the department include:

- Administrative Support
- Development Services – Engineering
- Development Services – Planning
- Development Services - Business Licensing
- Safety Codes Services – Construction Permits and Inspection Services



	2022	2023	2024	2025	2026
FTE	37	38	38	38	38
PEP	36	38	38	38	38

DEPARTMENT KEY OBJECTIVE # 1:

Provide excellent customer care in the delivery of planning and development services. This includes clarity of process, reducing any unnecessary process and administrative burden, and minimizing response times to support the development process and support growth

Streamlining the development process and matching our services with the public's expectations is critical. This includes providing a modern development digital application process that allows customers to submit applications, communicate with the City, and pay fees digitally.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: SERVICE ORIENTATION ; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY: 3.1, 3.3, 2.4, 4.5, and 4.7.**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE

- Conduct a customer survey to solicit feedback regarding the services we provide
- Implement a fully functional web-based E-Permitting system that allows customers to digitally submit applications, communicate with City staff and pay fees digitally
- Review outdated Bylaws and modernize where appropriate; new Bylaws are developed to support new business trends

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- Comprehensive review of department processes, supported by best practice benchmarking and stakeholder feedback – **Q4 2023**. Roadmap for proposed process improvements – **Q2 2024**. Implementation of road map – **Q4 2025**.
- Review and propose any identified improvement recommendations for the Municipal Planning Commission model – **Q4 2022**.
- Recruit, onboard and operationalize a department stakeholder relations specialist that will focus on driving customer service and process improvements. Dedicated department email and phone line that is directed into this individual for customer service support to be implemented – **Q2 2023**.
- Implement web-based E-Permitting – **Q4 2023**.
- Complete a review of the Technical Coordinating Committee – **Q2 2023**.
- Comprehensive update of the Business Licensing Bylaw – **Q2 2023**.

DEPARTMENT KEY OBJECTIVE #2:

Establish the municipal planning foundation for future sustainable development

The City establishes the standards for infrastructure that the public and private sector constructs which the City is ultimately responsible for. The standard of infrastructure affects the initial capital cost, but also the long-term maintenance and replacement costs borne by the ratepayers. These servicing standards must follow and conform to the community's long-term plan, the Municipal Development Plan (MDP).

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: RESILIENCE & SUSTAINABILITY ; COMMUNITY WELLNESS**
- **COUNCIL PRIORITY: 6.1, 6.2, 6.5, 6.7, 6.9, 5.8, 1.5 and 3.3.**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

- Ensure the City's servicing standards, growth management plan, infrastructure replacement plans, and development incentive programs align with the MDP.
- Facilitate departments collaboration with neighbouring municipalities on services where it is mutually beneficial.
- Work with Economic Attraction Team to review potential opportunities to encourage development to align with the MDP.
- Work with neighbouring municipalities and City departments to arrive at an agreed upon growth area for each municipality.

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

- Complete a comprehensive review of the Off-Site Levies Bylaw by **Q4 2022** with implementation effective **Q1 2023**.
- Complete a comprehensive review of the Municipal Servicing Standards Manual – **Q4 2023** with implementation effective.
- Comprehensive review and rewrite of the Land Use Bylaw completed – **Q2 2023**.
- Complete the City Centre Area Redevelopment Plan – **Q4 2023**.
- Complete an update to the Cimarron Area Structure Plan – **Q4 2024**.
- Collaborate with departments to align their infrastructure replacement plans and development incentive programs with the MDP – **Q4 2023**.
- Develop a policy regarding the sale of Municipal Reserve parcels – **Q2 2023**.
- Work with the Parks and Recreation and City Assets Departments to develop an Active Transportation Plan – **Q4 2024**.
- Work with the Parks and Recreation Department to produce a parks and recreation space assessment for the City – **Q4 2026**.
- Progress the Intermunicipal Collaboration Framework action plan with an interim joint review and reset complete – **Q4 2024**.

Planning & Development Services
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	7	0	7	4.0	0	7	4.0	
Licenses, Fines and Penalties	2,839	-56	2,783	(2.0)	118	2,901	4.2	1
TOTAL REVENUES	2,846	-56	2,790	(2.0)	118	2,909	4.2	
Expenses								
Salaries, Wages and Benefits	4,172	272	4,445	6.5	110	4,555	2.5	2
Contracted and General Services	203	18	221	8.9	9	229	4.0	
Materials, Goods & Utilities	61	-9	51	(15.4)	2	53	4.0	
Bank Charges & Short Term Interest	1	8	9	824.5	0	9	0.4	
Amortization and Provision for Abandonment	70	-35	35	(49.7)	0	35	0.0	
TOTAL EXPENSES	4,506	254	4,761	5.6	121	4,882	2.5	
NET BEFORE INTERNAL ALLOCATIONS	1,660	310	1,971	18.7	2	1,973	0.1	
Internal Charges and Transfers	419	451	869	107.6	34	904	4.0	3
TOTAL INTERNAL ALLOCATIONS	419	451	869	107.6	34	904	4.0	
NET EXPENSES (REVENUES)	2,079	761	2,840	36.6	37	2,877	1.3	

REF NO.	NOTE	\$
1	Licenses, fines and penalties revenue decreased as a result of adjustments to safety code permit revenue, based on historical performance.	-56
2	Salaries & wages expense increased due to the addition of 2 new Permanently Established Positions, and inflationary increases.	272
3	Internal charges expense increase is due to the implementation of the cost allocation project, and include increased charges from City Solicitor, Human Resources, and Environmental Land & Government Relations.	451

Planning & Development Services
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
CPL- 2023 MOE - Planning and Development Services Process Review	Sustaining Major Operating Expense	-	150
CPL - 2023 MOE - Active Transportation Plan	Growth Major Operating Expense	125	-
CPL - 2023 MOE Cimarron Area Structure Plan rewrite	Growth Major Operating Expense	-	150
DEPARTMENTAL TOTAL		\$ 125	\$ 300

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Operating	125	300
FINANCING TOTAL	\$ 125	\$ 300

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Strategic Management & Analysis – Strategy & Analysis

Strategic Management & Analysis – Strategy & Analysis

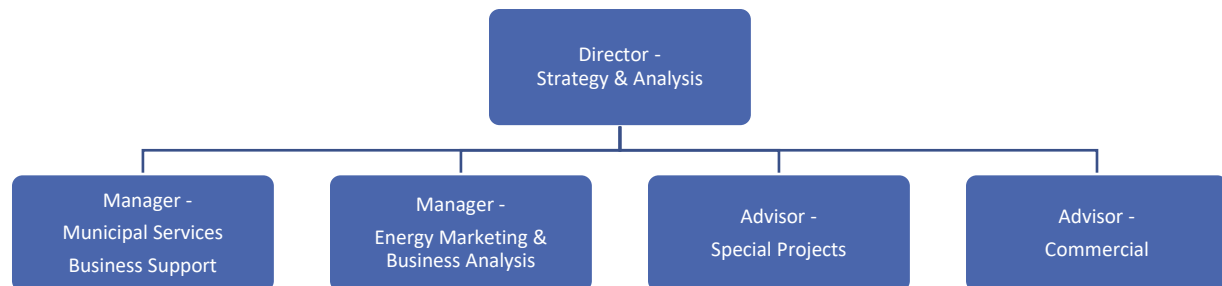
Business Plan 2023 – 2024

Departmental Mandate and Structure

The Strategy & Analysis team is a centralized team that provides defined revenue management support into the energy and utility departments, assists the organization in establishing clear direction through evidence-based analysis and provides independent and future oriented strategic support to the organization. In addition, the team provides cross functional leadership for special / strategic projects that the City is interested in evaluating, pursuing or developing. Where the team is responsible for certain outcomes within the organization, (e.g., energy and utility revenue management) Directors of the respective areas maintain full accountability for the success of their departments.

The overall mission is to provide support service with a focus on the following areas:

- Business Analytics & Strategic Direction
- Long Range Financial Planning
- Energy Marketing and commodity business development
- Commercial Management
- Special Project Facilitation, Development and Support



	2022	2023	2024	2025	2026
FTE	20	19	19	19	19
PEP	20	19	19	19	19

DEPARTMENT KEY OBJECTIVE #1:

Energy Transformation – In support of Energy & Infrastructure, Strategy and Analysis will recommend, and as applicable, deliver a balanced approach to energy transformation that considers carbon risk and mitigation while continuing to maintain competitive retail pricing options in the delivery of reliable energy supply.

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: INNOVATION; ECONOMIC EVOLUTION**
- **COUNCIL PRIORITY – 1.1, 2.2, 2.3**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Understand key energy change drivers/levers and how they could impact City objectives
2. Policy advocacy & response - engage in the Alberta power market redesign; advocate and subsequently respond to extract value/mitigate risk both for the City and our customers in the new design
3. Greenhouse Gas (GHG) credit management - actively manage GHG credit portfolio including creating / using / banking / selling strategies to minimize cost and risks to the organization
4. Build relationships – with key customers, industry, and other commercial stakeholders

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. Identify decarbonization strategies to pursue while considering risk tolerance, acceptable levels of investment, and business case analysis and evidence based decision-making principles.
Structure into a strategic decarbonization framework – **Q1 2024**
2. Establish a local framework, (and, if applicable, embed in a local bylaw,) that defines treatment of net-self supply of electricity by City customers provided it aligns with the Electricity Statutes (Modernizing Alberta's Electricity Grid) Amendment Act, 2022 and related subsequent regulations. – **Q4 2023**
3. Collaborate with City departments on credit creation opportunities and define GHG credit optimization strategy for the City – **Q2 2023**
4. Before, during creation, and after delivery of the Strategic Decarbonization Framework, develop & foster informal and formal (contractual) relationships with government, stakeholders, businesses and service providers to facilitate discussions and related actions for advancing energy transition opportunities with a goal of understanding or pursuing;
 - a. the legal and regulatory framework and policies for options being considered,
 - b. local emitters strategies, requirements, concerns & desires,
 - c. grant funding possibilities on energy transition strategies,
 - d. solutions with the mindset of retention and attraction of industry and/or City carbon exposure management**Q4 2024**

DEPARTMENT KEY OBJECTIVE #2:

Support Strategic Decision Making - The team will drive new value as a business partner for internal departments and the executive team, by contributing credible analysis that informs strategic decision making, and by leading a strategic planning process that will support an aligned corporate direction. Qualitative and quantitative analysis will include business case development, benchmarking to help identify areas for focused continuous improvement, understanding business risks and alternatives with assessment of innovative solutions for the benefit of the organization and community. Manage risk through long-term contracts and hedging where appropriate

RELATIONSHIP TO COUNCIL'S STRATEGIC PLAN:

- **COUNCIL'S STRATEGIC PRIORITY AREA: PARTNERSHIP & GOVERNANCE; RESILIENCE & SUSTAINABILITY**
- **COUNCIL PRIORITY – 4.2, 4.3, 4.10, 6.1, 6.3**

STRATEGIES TO ACHIEVE DEPARTMENT KEY OBJECTIVE:

1. Prioritized review of energy and utility rates, including rate-based utilities & commodity offerings
2. Long term financial forecasts are developed to highlight the expected cash flows from the organization to assist in long-term decision-making
3. Develop consistent business case methodology & templates that provide evidence-based information for decision makers
4. Assist with credible business analytics to provide executive with information and options required to make informed direction and support for high priority, high profile projects and business development projects

DEPARTMENT KEY OBJECTIVE'S MEASUREMENT OF SUCCESS:

1. In anticipation of water conservation objectives being included in the pending Environmental Framework, recommend new water and wastewater rate structure together with an expanded HAT Smart mandate – **Q2-Q4 2024**
2. (a) Establish and implement a long-range financial forecast planning process – **Q4 2023**
(b) Inform the Enterprise Risk Management process by providing quantified financial estimates for identified risks using the long term corporate financial model – **Q4 2023-Q1 2024**
3. Support the delivery of base case and alternate long term capital plans by delivering necessary business cases for the benefit of decision makers, where appropriate – **Q2-Q3 2023**
4. Support Public Services by delivering a Facilities for the future business case, in a stage gated approach to inform capital investment and service level decision making – **Q2 2024**

Strategy & Analysis
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Expenses								
Salaries, Wages and Benefits	2,057	628	2,685	30.5	67	2,753	2.5	1
Contracted and General Services	716	258	974	36.1	26	1,000	2.7	2
Materials, Goods & Utilities	5	318	323	6,369.0	13	336	4.0	3
TOTAL EXPENSES	2,778	1,205	3,983	43.4	106	4,089	2.7	
NET BEFORE INTERNAL ALLOCATIONS	2,778	1,205	3,983	43.4	106	4,089	2.7	
Internal Recovery	2,895	731	3,626	25.2	116	3,742	3.2	4
Internal Charges and Transfers	118	-94	23	(80.3)	1	24	4.0	5
TOTAL INTERNAL ALLOCATIONS	-2,778	-825	-3,603	29.7	-115	-3,718	3.2	
NET EXPENSES (REVENUES)	0	380	380	38,000.0	-9	371	(2.4)	

REF NO.	NOTE	\$
1	Salaries & wages expense increase is due to the corporate reorganization, where Permanently Established Positions were moved from Commodity departments to Municipal departments.	628
2	Contracted & general services expense increase is due to the corporate reorganization, where third party contracted budgets were moved from Commodity departments to Municipal departments.	258
3	Materials expense increase is due to the corporate reorganization, where computer licensing budgets were moved from Commodity departments to Municipal departments.	318
4	Internal recoveries increase is due to the corporate reorganization, and the implementation of the cost allocation project where Permanently Established Positions were moved from Commodity departments to Municipal departments, and subsequently recovered back from Commodity departments.	731
5	Internal charges decrease is due to the implementation of the cost allocation project where internal costs are no longer charged to the department.	-94

BUDGET 2023 – 2024

CITY OF MEDICINE HAT

Department Business Plan

Police Services

Police Services

Business Plan 2023 – 2024

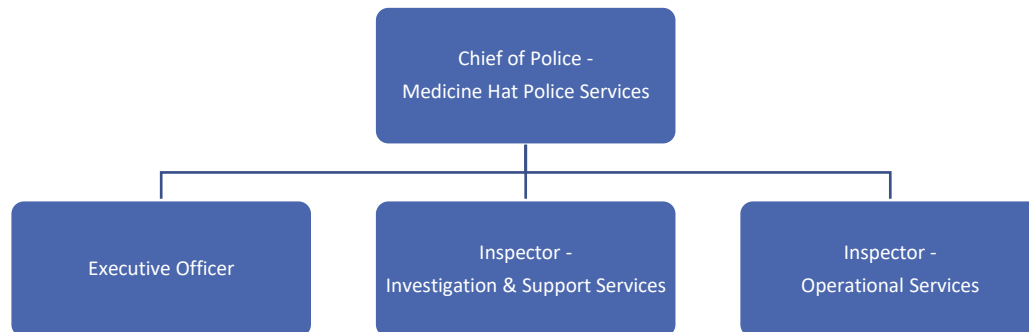
Departmental Mandate and Structure

Medicine Hat Police Services (MHPS) mission is to serve and protect our community with pride through professional and progressive policing. The vision is to optimize the safety and security of our community. The Police Service achieves our mission and vision through commitment to and demonstration of our organizational core values:

- *INTEGRITY* - being honest and ethical
- *RESPECT* - acknowledging, accepting, and valuing ourselves and others
- *COURAGE* - doing the right thing in the face of adversity
- *ACCOUNTABILITY* - accepting responsibility for our actions

The Core Services provided include:

- Office of the Chief: Provides oversight to the Operational and Support Services divisions, Legal Services, Financial Services, Communications and Wellness Programming
- Investigation & Support Services Division: Administrative Services Section, Criminal Investigation Section, Organized Crime Section, Information Technology Section, and Information Management Section
- Operational Services Division: Patrol Section, Operational Support Section and Municipal Bylaw Enforcement



	2022	2023	2024
FTE	150	153	153
PEP	148	153	153

Outcome 1: Community Safety

The MHPS will continue to focus on effective reactive and proactive approaches to community safety issues and trends, such as; domestic violence, mental health diversion, economic and property crime, road safety, drugs and organized crime.

Operational Strategies:

- Explore alternative models to police response to areas where there is a perceived lack of public safety.
- Continue to focus on enhancing road safety and collaboration with other road safety stakeholders.
- Coordinate with community partners to provide a continuum of response to complex social issues with a focus on prevention and community-led responses. This includes increasing coordination and integration across police, health, mental health, and social services.
- Invest in technology and training to more efficiently investigate various types of crime.
- Enhance the collection and coordination of response to actionable criminal intelligence.
- Continue to support and participate in the Alberta Law Enforcement Response Team model tackling serious and organized crime in Medicine Hat and surrounding area.

Operational Objectives / Initiatives:

- Increase training and utilization of Crime Prevention Through Environmental Design principles to enhance public safety and reduce fear of crime.
- Leverage technology to enhance police response.
- Continue to optimize road safety through enforcement, education and investigation as identified by the provincial and MHPS traffic safety plans.
- Continue to collaborate with various external partners to provide community outreach services through the Safe Families Intervention Team, Child Advocacy Centre and Police and Crisis Team.
- Implement HealthIM to enhance the coordination of mental health response between Alberta Health and the MHPS.
- Collaborate with Canadian Mental Health Association to support the Community Assisted Response team to provide an alternative response to low-risk mental health calls for service.
- Leverage software and resources to enhance digital forensic investigational capacity.
- Reestablish viable criminal intelligence model that includes offender management.
- Reduce the impact of organized crime on Medicine Hat and surrounding area.

Outcome 2: Community Engagement

The MHPS will strive to strengthen relationships with community members through communication, engagement initiatives, and volunteer opportunities. The MHPS encourages members to collaborate with the community through active involvement in various committees, boards, and groups. Through this involvement the MHPS is better able to build relationships, understand community needs and adapt services provided as required.

Operational Strategies:

- Enhance partnerships with local schools through the school resource officer program.
- Deliver community education program for youth.
- Enhance relationships to better understand the needs of the local Indigenous community.
- Build relationships with new Canadians with support from the Medicine Hat Local Immigration Partnership
- Provide community members with information and opportunities to learn more about the MHPS and gain increased awareness of current policing issues and community safety concerns.
- Maintain strong relationship with media partners.

Operational Objectives / Initiatives:

- Add School Resource Officer position (partially funded by Medicine Hat School District 76) in 2025.
- Fund Encouraging Positive Informed Choices program to ensure sustainability.
- Participate in quarterly meetings of the Chief's Indigenous Advisory Committee which helps to inform and guide the Service.
- Enhance engagement with local immigration and settlement services to provide support and understanding about access to services.
- Continue to host an annual open house to extend opportunity for community members to learn more about the MHPS and its operations through programs such as the Citizen's Police Academy.
- Continue to provide ongoing media training to staff to build capacity within the organization.

Outcome 3: Innovation and Excellence in Service Delivery

The MHPS will enhance our ability to provide high quality customer service to the community through the continued improvement of police equipment and information technology.

Operational Strategies:

- Ensure police equipment available to meet operational challenges.
- Maintain information technology infrastructure and information security.
- Continue to focus on customer service during all interactions with community members.
- Provide improved service to the community with regards to seized property management.
- Maintain overall satisfaction, trust and confidence as reported in policing and safety community survey (completed in 2026).

Operational Objectives / Initiatives:

- Update police equipment including firearms, tasers, and drones.
- Continue vigilant protection of police information through maintenance of information technology infrastructure and systems.
- Continued commitment and expansion of the body worn camera program.
- Focus on customer service through training and incorporation into internal human resource processes. (job descriptions, transfers, promotion, recruiting).
- Explore opportunities in relation to seized property management.

Outcome 4: Organizational Wellness

The MHPS will ensure the psychological, physical and legal wellbeing of all staff through training, policy and procedure as well as contracted services.

Operational Strategies:

- Enhance wellness programming for staff.
- Plan for succession of legal services.
- Improve officer safety training equipment and methods.

Operational Objectives / Initiatives:

- Reintroduce chaplain program.
- Increase investment of employee fitness equipment.
- Expand psychological services programming.
- Recruit legal counsel.
- Purchase advanced officer safety training equipment.

Outcome 5: Investment in Human Resources

The MHPS will strive to provide a workforce that is reflective of the community we serve and further provide a respectful workplace that is founded on the MHPS core values and will deploy human resources to maximize effectiveness.

Operational Strategies:

- Reorganize organizational structure to ensure divisional effectiveness and efficiency.
- Improve coordination with City of Medicine Hat Human Resource Department.
- Continue to adapt recruitment strategies to meet the needs of the Service and community.
- Enhance and standardize training required for police recruits and meaningful ongoing education with respect to bias-free policing and trauma-informed practices.
- Deliver training and education that is based on the historical, cultural, and socio-economic context of the community.

Operational Objectives / Initiatives:

- Return of an Executive Officer to the MHPS Executive Team.
- Review MHPS mission, vision and values to validate commitment with staff.
- Integrate Human Resource Business Partner into MHPS Executive Team.
- Align to provincial initiatives with regards to best practices for recruitment of police officers.
- Continue commitment and participation in development of the Police Cadet training program.
- Create a training matrix that identifies key training deliverables for all staff such as bias-free policing and respectful workplace training.

Police Services
2023-2024 Operating Plan
Financial Summary (in thousands of dollars)

ACTIVITY DESCRIPTION	2022 APPROVED BUDGET	2023 / 2022 BUDGET CHANGES	2023 BUDGET	2023 / 2022 BUDGET % CHANGES	2024 / 2023 BUDGET CHANGES	2024 BUDGET	2024 / 2023 BUDGET % CHANGES	REF NO.
Revenues								
Sale of Services	250	-250	0	(100.0)	0	0	0.0	1
Licenses, Fines and Penalties	100	-100	0	(100.0)	0	0	0.0	2
Other Revenue	2,406	200	2,605	8.3	176	2,781	6.7	3
Government Transfers for Operating	1,690	0	1,690	0.0	0	1,690	0.0	
TOTAL REVENUES	4,446	-150	4,296	(3.4)	176	4,471	4.7	
Expenses								
Salaries, Wages and Benefits	20,719	842	21,561	4.1	555	22,116	2.6	4
Contracted and General Services	2,437	-61	2,377	(2.5)	191	2,567	8.0	5
Materials, Goods & Utilities	930	-43	887	(4.7)	37	923	4.1	
Bank Charges & Short Term Interest	1	0	1	4.0	0	1	4.0	
Amortization and Provision for Abandonment	160	49	210	30.8	42	251	19.8	
TOTAL EXPENSES	24,247	788	25,035	3.2	824	25,859	3.3	
NET BEFORE INTERNAL ALLOCATIONS	19,801	938	20,739	4.7	648	21,387	3.7	
Internal Recovery	201	69	270	34.1	5	275	2.0	
Internal Charges and Transfers	1,998	93	2,092	4.7	88	2,179	4.2	
TOTAL INTERNAL ALLOCATIONS	1,797	25	1,822	1.4	82	1,904	4.5	
NET EXPENSES (REVENUES)	21,598	963	22,561	4.5	730	23,291	3.2	

REF NO.	NOTE	\$
1	Reallocation of \$250K to Acct# 4900	-250
2	Decrease in license revenue due to pet licenses being transferred to Parks & Recreation	-100
3	Increase due to higher backcheck revenue (\$50K), reallocated backcheck revenue from Acct# 4275 (\$250K), higher Alberta Law Enforcement Revenue Teams revenue (\$31K), offset by decrease in cadet training revenue to match expenses that occur every other year (-\$112K) and other small adjustments based on prior year trends (-\$12K)	200
4	Increase in salaries and wages is due to inflation (\$404K) and addition of 4 new positions. This is offset by lower benefits when compared to 2022 due to a lower percentage being used.	842
5	Increase in contracted services due to new software licensing and Axon subscription moving from capital to operating (\$177K) and increase in DNA testing fees (\$80K). This is offset by decreases in professional/consulting fees for new Permanently Established Positions that were previously contracted out and decrease in corporate training in line with prior year trends.	-61

Police Services
2023-2024 Capital Plan
Tangible Capital Asset Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
<i>POL - 2023 TCA - Server /Storage Refresh</i>	<i>Growth Capital - TCA</i>	395	-
DEPARTMENTAL TOTAL		\$ 395	\$ -

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Internal Loan	395	-
FINANCING TOTAL	\$ 395	\$ -

Police Services
2023-2024 Capital Plan
Major Operating Expense Summary (in thousands of dollars)

PROJECT DESCRIPTION	ASSET CATEGORY	2023 BUDGET	2024 BUDGET
<i>POL - 2023 MOE - TASER CONVERSION</i>	<i>Growth Major Operating Expense</i>	90	-
<i>POL - 2024 MOE - TASER CONVERSION</i>	<i>Sustaining Major Operating Expense</i>	-	90
DEPARTMENTAL TOTAL		\$ 90	\$ 90

FUNDING SOURCES	2023 BUDGET	2024 BUDGET
Operating	90	90
FINANCING TOTAL	\$ 90	\$ 90



Appendix C

Budget Essentials

Basis of Budgeting

Purpose

The budget for the City of Medicine Hat is a presentation of how the City intends to purposefully spend its financial resources to meet the needs of its residents and accomplish the strategic priorities of the City's Mayor and Council. The budget outlines all authorized spending including financial outlay associated with operations, major operating expenses (MOEs) and capital expenditures. The budget also presents a forecast of debt the City intends to issue to meet its objectives.

Presentation

The City of Medicine Hat presents its budget in accordance with the requirements outlined in the *Municipal Government Act (MGA)* 243(1) through 243(4).

The City's budget is presented on an unconsolidated basis and is broken down into four major Business Units:

1. **Municipal:** Sometimes referred to as the General Fund or Tax-supported operations; Municipal represents those activities that are typically associated with the operations of a municipality. This includes:
 - o Governance, Strategy and Corporate Administration;
 - o Community-related Services (for example the police force, fire department, 911 response centre, transit operations, esplanade, co-op place, community partnerships and support, as well as the operating of our parks and recreational facilities);
 - o Facilities and Fleet Management (such as the maintenance and care of the City's buildings, equipment, and vehicles);
 - o Asset Management (such as the repair and maintenance of City roads); and,
 - o The Medicine Hat Regional Airport (YXH).

The Major sources of revenue for the Municipal budget are property taxes, investment income, and sales of services (such as ticket revenue for events).

2. **Invest Medicine Hat:** Invest Medicine Hat focuses and economic development, land development and real estate. The major source of revenue for the Invest Medicine Hat budget is the sale of land and properties.
3. **Utilities:** Utilities include Water distribution, Sewer services, Solid Waste and Recycling management, and the distribution of gas and electricity. This also includes management of the City's water treatment facility, wastewater treatment facility, and Landfill. The major source of revenue for the Utilities budget are utility rate charges.

4. **Commodities:** Commodities are primarily focused on the production of gas and electricity resources. Commodities refers to oil and gas exploration and extraction, as well as the operation of the City's powerplant. The major source of revenue for commodities is sales of gas and electricity to city residents and the Alberta power-grid. Commodity revenues can be highly volatile as they are responsive to the market fluctuations.

These four business units represent the full scope of the City's activities and are used by the city when determining the free cash flow generated by Business Units in accordance with #0169 Distributable Funds/Dividend Policy.

Authorization

Budget approval for the City of Medicine Hat is provided by City Council through the passing of motions in an Open Council Session. The Authority to collect revenue through property taxes and utilities as well as the authority to issue debt is provided by Council through the passing of bylaw. All budgets are required to be passed before December 31st of the year preceding the budget year. More details on legislative requirements are outlined in the Strategic Planning Process section of this budget package (see Financial Policy Summary).

Appropriation

Funds are appropriated by Council to the City's executive at the fund level for operating and capital budgets. Business plans related to the budget are received by council but not formally approved.

Any scope change to the deliverables, outcomes, goals, or services levels and any increase to spending or debt must be approved by council.

The City must seek approval from Council if requesting any of the following:

- To increase spending beyond budgeted limits;
- To move spending from one fund to another;
- To move spending from operating to a capital (or vice versa);
- To add capital projects that are funded through debt; and,
- To spend budget that was allocated to a future year.

Differences in Presentation

The City's Annual Audited Financial Statements are prepared in accordance with Canadian Public Sector Accounting Standards whereas the City's budget is prepared in accordance with the requirements outlined in the MGA 243(1) through (4). The budget is presented on a historical-cost basis reflecting cash transactions with the

addition of the amortization for Tangible Capital Assets. The City's Operating budget is modified to provide a reconciliation to total cash requirements. This reconciliation identifies certain cash adjustments such as: amortization expense, debt principle repayment, transfers for capital and major operating expenditures and transfers to/from reserves.

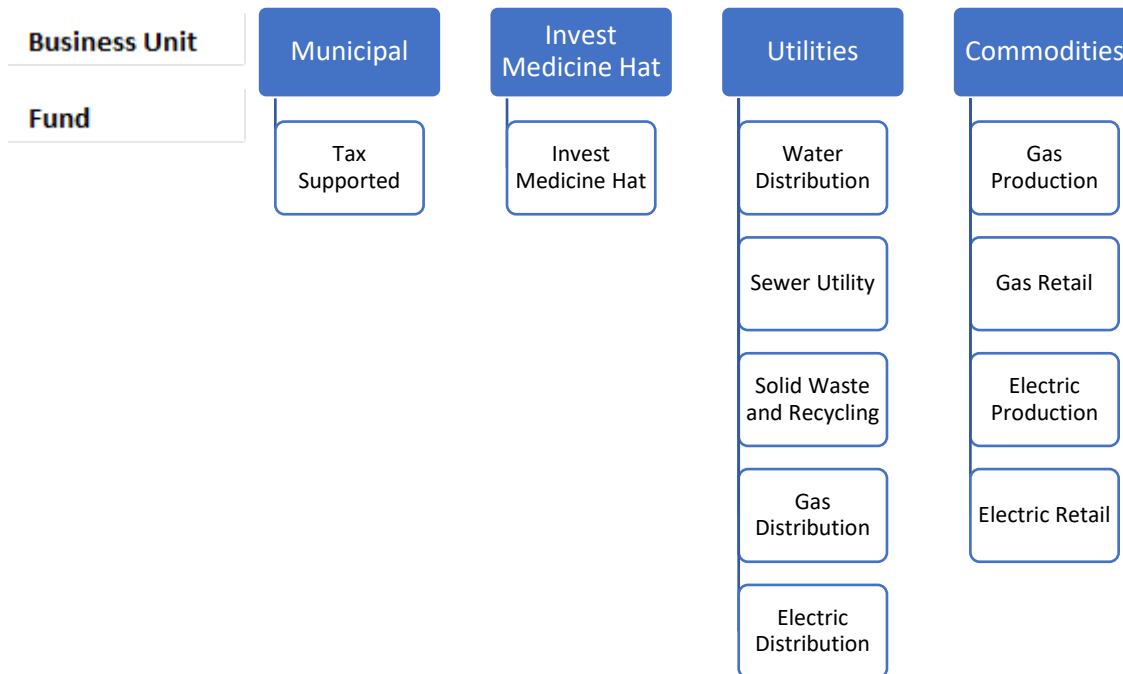
Balanced Budget

The City of Medicine Hat defines a balanced budget according to the definition of cash required in *MGA 243*(1) through (4). Due to the tie to the MGA, the City considers a balanced budget to be a legal requirement.

Fund Descriptions and Fund Structure

Funds By Business Unit

The four business units presented above are broken down into several funds for budgeting purposes. The relationship between Business Units and funds are demonstrated below:



* Note: Per Public Accounting Standards, fund-level information is no longer included in Audited financial statements. However, this information is included in the supplementary information to the financial statements. In the supplementary information, Gas Distribution, Gas Production, and Gas Retail are grouped into Gas Utility. Also Electric Distribution, Electric Production, and Electric Retail are grouped into Electric Utility.

Tax-Supported: the provision of conventional municipal services including governance, strategy and corporate administration, community services, facilities and fleet management, asset management, and the Medicine Hat Regional Airport.

Invest Medicine Hat: land development and real estate.

Water Distribution: treating and distributing potable water to City of Medicine Hat customers.

Sewer Utility: collecting and treating wastewater from City of Medicine Hat customers.

Solid Waste and Recycling: the collection, processing and disposal of waste and recyclables.

Gas Distribution: the delivery of natural gas to City of Medicine Hat customers.

Electric Distribution: the delivery of electricity to City of Medicine Hat customers.

Gas Production: the exploration and extraction of oil and gas.

Electric Production: the generation of electricity at the City of Medicine Hat Power Plant.

The city also maintains a Corporate fund which holds the City's reserves including: Operating, Capital, and Heritage Savings Reserve.

Divisions by Fund

Division	Municipal	Land	Utilities					Commodities			
	Tax Supported	Invest Medicine Hat	Water Distribution	Sewer Collection	Solid Waste and Recycling	Gas Distribution	Electric Distribution	Gas Production	Gas Retail	Electric Production	Electric Retail
General Government	✓										
Other Organizations	✓										
Police Services	✓										
Corporate Services	✓										
Energy and Infrastructure	✓		✓	✓	✓	✓	✓	✓		✓	
Invest Medicine Hat	✓	✓									
Public Services	✓										
Strategic Management and Analysis	✓								✓		✓

Most divisions within the City of Medicine Hat are associated with a single fund. However, there are a few divisions that span multiple funds due to the types of services and activities they perform. The divisions that span multiple funds include the following:

Energy and Infrastructure

Department	Municipal	Land	Utilities					Commodities			
	Tax Supported	Invest Medicine Hat	Water Distribution	Sewer Collection	Solid Waste and Recycling	Gas Distribution	Electric Distribution	Gas Production	Gas Retail	Electric Production	Electric Retail
City Assets	✓		✓	✓	✓						
City Operations	✓					✓	✓	✓			
Medicine Hat Power & Water			✓	✓						✓	

Energy and Infrastructure spans three of four major Business units and eight funds:

- *Tax supported* services provided by City Assets include assessment and maintenance of city roads, sidewalks, traffic signals, streetlights, stormwater, bridges, a dam, and Medicine Hat Regional Airport. City operation's services include the management of corporate fleet and facilities.
- *Water Distribution* services provided by City Assets include water *distribution*, construction and maintenance of water reservoirs, booster stations, manholes, pipes, fire flow & hydrants and aquifers. Medicine Hat Water and Power is primarily responsible for the Water Treatment Facility.

- *Sewer Utility* services provided by City Assets include waste collection and maintenance of sewer pipes, lift stations and force mains. Medicine Hat Water and Power is primarily responsible for the Wastewater Treatment Plant.
- *Solid Waste and Recycling* services provided by City Assets include the collection of commercial and residential solid waste, recycling, yard waste as well as the operations of the City's Waste Management Facility.
- *Gas Distribution* services provided by City Operations include the engineering and maintenance of the city's natural gas distribution network that services residential, commercial, and industrial customers in Medicine Hat, Town of Redcliff, and Municipal District of Cypress County.
- *Electric Distribution* services provided by City Operations include the engineering and maintenance of the city's electric transmission and distribution that services residential, commercial, and industrial customers in Medicine Hat, Town of Redcliff, and Municipal District of Cypress County.
- *Gas Production* services provided by City Assets include the production of oil and gas which includes the maintenance and monitoring of city owned oil wells.
- *Electric Production* services provided by Medicine Hat Water and Power primarily include the maintenance and operations of the City's electric generating system.

Invest Medicine Hat

	Municipal	Land	Utilities					Commodities			
Department	Tax Supported	Invest Medicine Hat	Water Distribution	Sewer Collection	Solid Waste and Recycling	Gas Distribution	Electric Distribution	Gas Production	Gas Retail	Electric Production	Electric Retail
Investment	✓										
Land		✓									

Invest Medicine Hat spans two of four major Business units and two funds:

- *Tax supported* services include the management of economic incentive programs to attract investment and skilled labour to Medicine Hat.
- *Invest Medicine Hat* services include the purchase, development, marketing, and sale of the City's land assets.

Strategic Management and Analysis

	Municipal	Land	Utilities					Commodities			
Department	Tax Supported	Invest Medicine Hat	Water Distribution	Sewer Collection	Solid Waste and Recycling	Gas Distribution	Electric Distribution	Gas Production	Gas Retail	Electric Production	Electric Retail
Strategy and Analysis	✓								✓		✓
Environment, Land & Government Relations	✓										
Planning & Development Services	✓										
Business Transformation	✓										

Strategic Management and Analysis spans two of four major Business units and three funds:

- *Tax supported* services provided by Strategy and Analysis include providing cross functional leadership for special/strategic projects that add further sophistication to how we collectively plan and make decisions across the city organization to drive greater corporate performance. Environment, Land and Government Relations provides environmental stewardship, administers land leases, and advocates for the city in intergovernmental affairs. Planning and Development focuses on city and community planning. The Business Transformation Office provides support for other departments in realization of their goals and objectives.
- *Gas and Electric Retail* services include defined revenue management support for energy and utility departments.

Further detail about each divisions function and responsibilities can be found in the Departmental Business Plans.

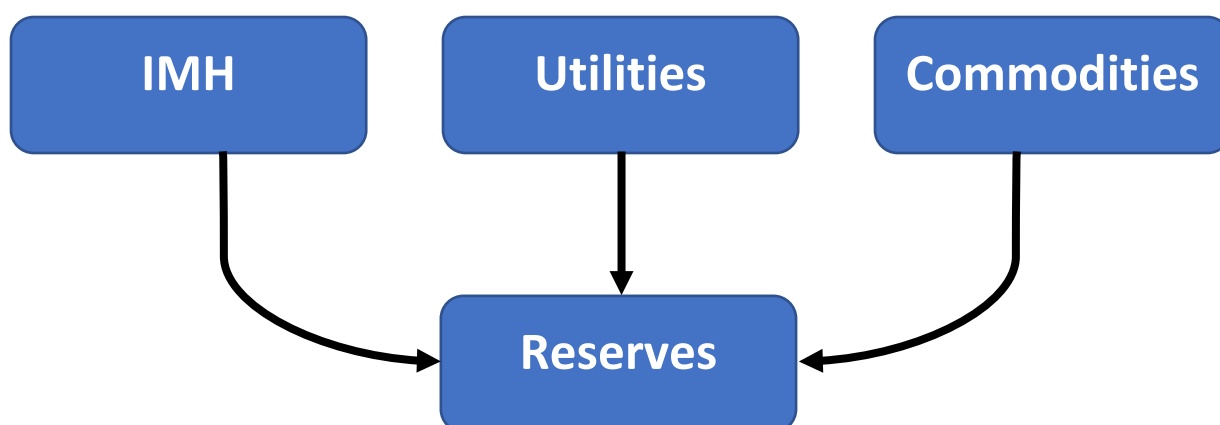
Reserves Explained

Restricted Reserves

Financial Reserves are the City's surplus funds that have been set aside for future use. These funds are held in the Corporate Fund, separate from other Business Units. The City of Medicine Hat structures its financial reserves into three main categories: Operating, Capital, and Heritage Savings.

- **Operating** – operating reserves have been set aside to stabilize fluctuations in operating activity and address the risk of revenue or expenditure volatility.
- **Capital** – capital reserves have been set aside to fund the City's future growth capital requirements.
- **Heritage Savings** – Heritage Savings reserves are set aside to create an endowment fund for the benefit of the citizens of the City.

In general, surplus funds are moved into the reserves when a free cash flow dividend has been designated from one of the City's for-profit business units: Utilities, Commodities, and Invest Medicine Hat (IMH). Free cash flow dividends are distributed to one of the three reserves through a tiered ranking system in accordance with the Distributable Funds/Dividend Policy (No. 0169) and the Financial Reserve Policy (No. 0168). Funds designated to the Heritage reserve are permanently restricted and cannot be removed. However, investment earnings on contributions to the Heritage reserve can be used to support municipal operations when those investment earnings exceed an annual inflationary target. The purpose of the inflationary target restriction is to protect the value of the City's endowment from erosion overtime. The remainder of the funds are restricted for future operating or capital purposes.



When funds are added to either the operating or capital reserve there is no designation of their future use. The funds remain uncommitted until they are

appropriated to a particular project through the budgetary process or through a budget amendment. Once funds have been appropriated through the budget process, they are moved out of the reserve into the specified Business Unit to fund the spending on the approved capital or operating project.

Glossary of Terms

Abandonment – Abandonment is a process whereby the City decommissions wells no longer needed to support gas production.

Accumulated Surplus – represents the total change in all fund and equity balances, both unrestricted (working capital used to fund day to day operating activities) and restricted (amounts largely dedicated to fund capital activities).

AESO – Alberta Electric System Operator – AESO manages and operates the Alberta provincial power grid.

AUC - Alberta Utilities Commission.

Balanced Budget – The city of Medicine Hat considers a balanced budget to be achieved when the City's Municipal operating cash inflows are sufficient to cover any municipal operating cash outflows anticipated during the year. The definition of a balanced budget is directly tied to the definition of cash required in the Municipal Government Act (MGA) in sections 243(1) through (4). Because of its tie to the MGA, the City considers a balanced budget to be a legal requirement.

Betterment – increases to the value of a Tangible Capital Asset that enhances service potential, significantly lowers operating costs, extends the useful life of an asset, or improves the quality of the output.

Budget Gap – represents the total amount of cash that needs to be transferred from the City's reserves to cover city municipal operations.

CAO – Chief Administrative Officer.

Capital Expenditures – Total amount spent during the year on capital assets such as infrastructure, equipment, and vehicles.

Capital Reserve – A financial reserve fund established to maintain adequate capital to fund the equity portion of the City's Growth Capital requirements.

Contributions from Utilities & Land – Revenues deriving from the Invest Medicine Hat Division's Land department as well as dividends from Electric and Gas Distribution utilities.

CPI – Consumer price index – An indicator of changes in consumer prices experienced by all Canadians. It is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers.

Debt Limit – The maximum principal debt allowed outstanding as established by Province of Alberta's Debt Limit Regulation 255/2000, expressed as 2 times the revenue. This debt limit has been internally limited to 70% of the provincial regulation.

Debt Service Limit – The maximum debt servicing (annual principal and interest) the city can assume established by Province of Alberta’s Debt Limit Regulation 255/2000, expressed as 35% of revenue.

Development Incentive Program – The program was designed to provide financial assistance to property owners undertaking commercial property improvements that add to the Waterfront District’s vibrancy and livability.

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization.

Free Cash Flow – the residual cash generated from operations (revenue minus expenses including cost of land sold) less deductions for sustaining capital expenditures and reinvestment for maintenance and repairs of existing equipment (and development/capital costs for subdivisions serviced in the current year), and if applicable, abandonment related expenditures.

FTE – Full Time Equivalent – a staffing measurement to measure the total manpower required for a position by adding all annual budgeted hours for a position and dividing by the annual base hours. One FTE is 1885 or 2080 hour per annum position. A part-time position working 1500 hours with an annual base of 1885 would be a FTE of 0.8.

Funds – Funds distinguish specific operational activities within the City (for example, Producing gas or distributing electricity). Funds are then classified under a Business Unit (i.e., Utilities, Commodities, or Invest Medicine Hat). The purpose of grouping funds is to identify how certain funds share similar economic realities.

GFOA – Government Finance Officers Association; represents public finance officials throughout the United States and Canada.

Government Transfers For Operating – Funding received from other levels of Governments for operating purposes.

Heritage Savings Reserve – A long-term endowment fund for the benefit of the citizens of the City of Medicine Hat.

Insurance Recovery – Proceeds recovered from insurance companies.

Internal Recoveries – All revenues received from other City departments through cost allocations.

Invest Medicine Hat – Invest Medicine Hat (IMH) helps new, expanding and relocating businesses access market and business resources in the City.

Investment Income – Interest earnings from investment returns.

Licenses, Fines and Penalties – Revenues derived from planning and development fees & permits, animal licenses, and court fines, as well as utilities and taxes penalties & interest.

LNG – Liquefied Natural Gas.

Loans to Local Authorities – The Government of Alberta provides eligible municipal, regional, health and education authorities with financing for capital projects.

Managed Manpower – reduction in labour costs a department can expect to realize due to the time lag associated with staff turnover; used to recognize periods where staffing is not at full complement.

MGA - The Municipal Government Act (MGA); the guide to how municipalities operate, and is one of the most significant and far-reaching statutes in Alberta. The Act empowers municipalities to shape their communities. It regulates how municipalities are funded and how as local governments they should govern and plan for growth.

MOEs - Major Operating Expenses; represent non-recurring expenses that if budgeted as an operating expense, would place significant one-time requirements upon the tax base. They are expenses that do not meet the criteria of a Tangible Capital Asset but do represent a substantial cost to the department.

Municipal Taxes – revenues occurring from property taxes on municipal land & improvements, as well as special assessments.

Net Benefit Ratio – Internal ranking methodology.

Operating Reserve – A financial reserve fund established to fund the City's Working Capital and provide adequate liquidity for daily operations of the City's Business Units.

Other Revenue – Any minor sources of revenue not appropriately categorized through standard account activities.

PEP – Permanent Established Positions – Positions that are explicitly approved through the annual budget process or explicitly approved by City Council outside the annual budget process.

Reserve – Funds that have been set aside by Council for future use by the organization. These reserve funds are comprised of Operating, Capital and Heritage Savings Reserves.

Revenue – The income generated from various income sources including, but not limited to, Municipal taxes, sale of services, other sales, fines and penalties.

Sale of Services – all third party revenues generated through normal course of business.

Substation 11 - The anticipated construction of a new Power Substation 11 in the southwest of the city, starting in 2023, to provide additional electric capacity.

TCA – Tangible Capital Asset; non-financial assets having physical substance that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes.



Appendix D

EBITDA Budget

Invest Medicine Hat
2023-2024 EBITDA Budget (Unconsolidated)
(in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
Revenue	14,668	7,425	6,014
Expense	12,275	6,466	6,265
Earnings Before Interest, Taxes and Amortization	2,393	959	(251)

Invest Medicine Hat
2023-2024 EBITDA Budget (Unconsolidated) - Reconciliation to Operating Budget
(in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Revenue Per Account Summary	10,146	5,737	4,271
Add: Internal Recoveries	4,523	1,688	1,743
TOTAL REVENUE	14,668	7,425	6,014
EXPENSES			
Expense Per Account Summary	8,463	5,818	5,586
Add: Internal Charges	1,210	958	986
Add: Transfer to MOE	2,600	0	0
Add: Transfer to Capital	110	0	0
Deduct: Amortization and Provision for Abandonment	(107)	(309)	(307)
TOTAL EXPENSES	12,275	6,466	6,265
Earnings before Interest, Taxes and Amortization	2,393	959	(251)

Utilities

2023-2024 EBITDA Budget (By Fund) (in thousands of dollars)

2023

	WATER DISTRIBUTION	SEWER COLLECTION	SOLID WASTE & RECYCLING	GAS DISTRIBUTION	ELECTRIC DISTRIBUTION	2023 BUDGET
Revenue	27,727	23,696	13,218	14,826	22,229	101,697
Expense	16,130	12,133	11,337	7,615	7,840	55,054
Earnings Before Interest, Taxes and Amortization	11,597	11,564	1,881	7,211	14,389	46,642

2024

	WATER DISTRIBUTION	SEWER COLLECTION	SOLID WASTE & RECYCLING	GAS DISTRIBUTION	ELECTRIC DISTRIBUTION	2024 BUDGET
Revenue	29,102	24,337	13,731	15,259	23,753	106,181
Expense	16,431	12,421	11,624	7,862	8,208	56,547
Earnings Before Interest, Taxes and Amortization	12,671	11,915	2,106	7,397	15,544	49,634

Utilities

2023-2024 EBITDA Budget (Unconsolidated) - Reconciliation to Operating Budget (in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Revenue Per Account Summary	93,254	96,072	100,182
Add: Internal Recovery - Water	5,072	2,629	2,747
Add: Internal Recovery - Sewer	7	0	0
Add: Internal Recovery - Solid Waste	2,432	2,995	3,253
TOTAL REVENUE	100,765	101,697	106,181
EXPENSES			
Expense Per Account Summary	61,391	65,523	69,013
Add: Internal Charges - Water	8,165	6,822	7,037
Add: Internal Charges - Sewer	4,667	5,517	5,609
Add: Internal Charges - Solid Waste	5,623	5,609	5,698
Deduct: Interest on Long-term Debt	(8,026)	(8,875)	(10,683)
Deduct: Amortization and Provision for Abandonment	(17,629)	(19,542)	(20,130)
Deduct: Contribution to Reserve	0	0	0
Rounding	2	0	2
TOTAL EXPENSES	54,193	55,054	56,547
Earnings before Interest, Taxes and Amortization	46,573	46,642	49,634

Utilities

2023 EBITDA Budget (By Fund) - Reconciliation to Operating Budget (in thousands of dollars)

	WATER DISTRIBUTION	SEWER COLLECTION	SOLID WASTE & RECYCLING	GAS DISTRIBUTION	ELECTRIC DISTRIBUTION	2023 BUDGET
REVENUE						
Revenue Per Account Summary	25,098	23,696	10,223	14,826	22,229	96,072
Add: Internal Recovery - Water	2,629					2,629
Add: Internal Recovery - Sewer		0				0
Add: Internal Recovery - Solid Waste			2,995			2,995
TOTAL REVENUE	27,727	23,696	13,218	14,826	22,229	101,697
EXPENSES						
Expense Per Account Summary	17,829	15,063	6,510	10,632	15,488	65,523
Add: Internal Charges - Water	6,822					6,822
Add: Internal Charges - Sewer		5,517				5,517
Add: Internal Charges - Solid Waste			5,609			5,609
Deduct: Interest on Long-term Debt	(3,161)	(3,185)	(34)	(626)	(1,869)	(8,875)
Deduct: Amortization and Provision for Abandonment	(5,360)	(5,262)	(749)	(2,392)	(5,779)	(19,542)
Rounding						0
TOTAL EXPENSES	16,130	12,133	11,337	7,615	7,840	55,054
Earnings before Interest, Taxes and Amortization	11,597	11,564	1,881	7,211	14,389	46,642

Utilities

2024 EBITDA Budget (By Fund) - Reconciliation to Operating Budget (in thousands of dollars)

	WATER DISTRIBUTION	SEWER COLLECTION	SOLID WASTE & RECYCLING	GAS DISTRIBUTION	ELECTRIC DISTRIBUTION	2024 BUDGET
REVENUE						
Revenue Per Account Summary	26,355	24,337	10,478	15,259	23,753	100,182
Add: Internal Recovery - Water	2,747					2,747
Add: Internal Recovery - Sewer		0				0
Add: Internal Recovery - Solid Waste			3,253			3,253
TOTAL REVENUE	29,102	24,337	13,731	15,259	23,753	106,181
EXPENSES						
Expense Per Account Summary	18,201	15,413	6,666	11,134	17,599	69,013
Add: Internal Charges - Water	7,037					7,037
Add: Internal Charges - Sewer		5,609				5,609
Add: Internal Charges - Solid Waste			5,698			5,698
Deduct: Interest on Long-term Debt	(3,188)	(3,316)	(30)	(773)	(3,376)	(10,683)
Deduct: Amortization and Provision for Abandonment	(5,619)	(5,285)	(711)	(2,500)	(6,015)	(20,130)
Rounding	1		1			2
TOTAL EXPENSES	16,431	12,421	11,624	7,862	8,208	56,547
Earnings before Interest, Taxes and Amortization	12,671	11,915	2,106	7,397	15,544	49,634

Commodities
2023-2024 EBITDA Budget (By Fund)
(in thousands of dollars)

2023

	ELECTRIC GENERATION	ELECTRIC RETAIL	GAS PRODUCTION	GAS RETAIL	2023 BUDGET
Revenue	204,424	0	106,303	0	310,727
Expense	126,723	0	101,767	0	228,491
Transfers to/from Retail	(8,939)	0	4	0	(8,935)
Earnings Before Interest, Taxes and Amortization	68,762	0	4,539	0	73,302

2024

	ELECTRIC GENERATION	ELECTRIC RETAIL	GAS PRODUCTION	GAS RETAIL	2024 BUDGET
Revenue	171,909	0	84,254	0	256,163
Expense	112,473	0	83,840	0	196,313
Transfers to/from Retail	(5,546)	0	1	0	(5,545)
Earnings Before Interest, Taxes and Amortization	53,890	0	415	0	54,305

Commodities
2023-2024 EBITDA Budget (Unconsolidated) - Reconciliation to Operating Budget
(in thousands of dollars)

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET
REVENUE			
Revenue Per Account Summary	343,500	403,335	348,535
Add: Internal Recoveries	71,551	90,019	71,583
Deduct: Investment Income	(5,100)	(7,272)	(7,327)
Deduct: Electric/Gas Retail Revenue	(148,192)	(174,860)	(156,204)
Deduct: Royalties and Oil & Gas Transportation	(757)	(486)	(429)
Deduct: Transfers from Gas retail	(28)	(4)	(1)
Rounding	0	(6)	6
TOTAL REVENUE	260,973	310,727	256,163
EXPENSES			
Expense Per Account Summary	180,706	177,688	158,582
Add: Internal Charges	220,291	268,480	230,644
Deduct: Transfers to Electric Retail	0	(8,939)	(5,546)
Deduct: Electric/Gas Retail Expense	(148,192)	(174,860)	(156,204)
Deduct: Interest on Long-term Debt	(2,641)	(3,702)	(3,416)
Deduct: Bank Charges & Short Term Interest	(573)	(1)	(1)
Deduct: Amortization and Provision for Abandonment	(30,838)	(25,599)	(23,241)
Deduct: Other Asset Adjustments	(12,865)	(4,084)	(4,084)
Deduct: Royalties and Oil & Gas Transportation (as above)	(757)	(486)	(429)
Add: Rounding	1	(7)	7
TOTAL EXPENSES	205,131	228,491	196,313
Transfers from Gas Retail	28	4	1
Transfers to Electric Retail	(9,282)	(8,939)	(5,546)
Rounding	(4)	0	0
Earnings before Interest, Taxes and Amortization	46,584	73,302	54,305

Commodities

2023 EBITDA Budget (By Fund) - Reconciliation to Operating Budget (in thousands of dollars)

	ELECTRIC GENERATION	ELECTRIC RETAIL	GAS PRODUCTION	GAS RETAIL	2023 BUDGET
REVENUE					
Revenue Per Account Summary	203,315	128,053	26,181	45,786	403,335
Add: Internal Recoveries	1,108	997	87,891	23	90,019
Deduct: Investment Income	0	0	(7,272)	0	(7,272)
Deduct: Electric/Gas Retail Revenue	0	(129,050)	0	(45,809)	(174,860)
Deduct: Royalties and Oil & Gas Transportation	0	0	(486)	0	(486)
Deduct: Transfers from Gas retail	0	0	(4)	0	(4)
Rounding	1	0	(7)	0	(6)
TOTAL REVENUE	204,424	0	106,303	0	310,727
EXPENSES					
Expense Per Account Summary	66,046	123	111,475	44	177,688
Add: Internal Charges	93,053	128,928	735	45,765	268,480
Deduct: Transfers to Electric Retail	(8,939)	0	0	0	(8,939)
Deduct: Electric/Gas Retail Expense	0	(129,050)	0	(45,809)	(174,860)
Deduct: Interest on Long-term Debt	(3,094)	0	(608)	0	(3,702)
Deduct: Bank Charges & Short Term Interest	(1)	0	0	0	(1)
Deduct: Amortization and Provision for Abandonment	(20,342)	0	(5,257)	0	(25,599)
Deduct: Other Asset Adjustments	0	0	(4,084)	0	(4,084)
Deduct: Royalties and Oil & Gas Transportation (as above)	0	0	(486)	0	(486)
Rounding	0	0	(7)	0	(7)
TOTAL EXPENSES	126,723	0	101,767	0	228,491
Transfers to Gas Retail	0	0	4	0	4
Transfers to Electric Retail	(8,939)	0	0	0	(8,939)
Rounding	0	0	0	0	0
Earnings before Interest, Taxes and Amortization	68,762	0	4,539	0	73,302

Commodities

2024 EBITDA Budget (By Fund) - Reconciliation to Operating Budget (in thousands of dollars)

	ELECTRIC GENERATION	ELECTRIC RETAIL	GAS PRODUCTION	GAS RETAIL	2024 BUDGET
REVENUE					
Revenue Per Account Summary	170,661	114,120	22,656	41,098	348,535
Add: Internal Recoveries	1,248	962	69,349	24	71,583
Deduct: Investment Income	0	0	(7,327)	0	(7,327)
Deduct: Electric/Gas Retail Revenue	0	(115,082)	0	(41,121)	(156,204)
Deduct: Royalties and Oil & Gas Transportation	0	0	(429)	0	(429)
Deduct: Transfers from Gas retail	0	0	(1)	0	(1)
Rounding	0	0	6	0	6
TOTAL REVENUE	171,909	0	84,254	0	256,163
EXPENSES					
Expense Per Account Summary	65,271	123	93,143	45	158,582
Add: Internal Charges	73,860	114,960	749	41,076	230,644
Deduct: Transfers to Electric Retail	(5,546)	0	0	0	(5,546)
Deduct: Electric/Gas Retail Expense	0	(115,082)	0	(41,121)	(156,204)
Deduct: Interest on Long-term Debt	(2,811)	0	(605)	0	(3,416)
Deduct: Bank Charges & Short Term Interest	(1)	0	0	0	(1)
Deduct: Amortization and Provision for Abandonment	(18,300)	0	(4,941)	0	(23,241)
Deduct: Other Asset Adjustments	0	0	(4,084)	0	(4,084)
Deduct: Royalties and Oil & Gas Transportation (as above)	0	0	(429)	0	(429)
Rounding	1	0	6	0	7
TOTAL EXPENSES	112,473	0	83,840	0	196,313
Transfers from Gas Retail	0	0	1	0	1
Transfers to Electric Retail	(5,546)	0	0	0	(5,546)
Rounding	0	0	0	0	0
Earnings before Interest, Taxes and Amortization	53,890	0	415	0	54,305