

Information Brief



Council Meeting date: July 6, 2026

Referred by: Administrative Committee – June 3, 2026
Audit Committee – June 10, 2026

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

Department: Finance

TRI-ANNUAL MANAGEMENT REPORT FOR THE PERIOD ENDING APRIL 30, 2026

FOR INFORMATION ONLY

The City provides Municipal Services (including infrastructure) to its residents and surrounding area. It operates enterprise business units offering rate-based utility and energy production activities as well as land development and real estate. The April 2026 Tri-Annual Management Report brings together the financial results of these activities including the impact to reserves and the investment portfolio.

It is recommended, through the Administrative Committee and Audit Committee, that Council receives the Tri-annual Management Report for the period ending April 30, 2026, for information.

STRATEGIC ALIGNMENT

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

RELEVANT LEGISLATION / PREVIOUS COUNCIL MOTIONS

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

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

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

BACKGROUND / ANALYSIS

Operations

	As at April 30, 2026 (in millions of dollars)			Projected to December 31, 2026 (in millions of dollars)		
	Budget Net Surplus (Deficit)	Actual Net Surplus (Deficit)	Variance from Budget	Budget Net Surplus (Deficit)	Actual Net Surplus (Deficit)	Variance from Budget
Earnings Before Interest, Taxes, Depreciation, Amortization (EBITDA) or Net Surplus (Deficit)						
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	(27.2)	(24.9)	2.3	(6.8)	(1.7)	5.1
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	(0.0)	0.1	0.1	0.7	2.9	2.2
TOTAL RATE BASED UTILITIES EBITDA	8.1	9.3	1.2	44.4	44.2	(0.2)
TOTAL ENERGY PRODUCTION EBITDA	16.3	18.7	2.4	42.0	43.6	1.6

Tax Supported (Municipal Services):

The net deficit is \$24.9 million which is favourable by \$2.3 million at April 30, 2026. This is due to delayed spending on contracted services, higher than budgeted revenue related to playoff hockey games, and increased licensing and permit fees. This is offset by lower court fine revenue due to Provincial legislation and timing of investment income. The deficit at December 31, 2026, is projected to become \$1.7 million, which is \$5.1 million favourable from budget due to anticipated favourable investment income. This is offset by lower court fine revenue, higher salaries and wages in Fire and Emergency Services due to ongoing contract negotiations which are anticipated to settle higher than budget, loss of air service provided by Westjet, and greater than budgeted employee benefits.

The 2026 budget includes a \$5.8 million budget gap plus \$1.1 million approved by council in April to reduce the property tax increase from 6.1% to 4.9%, offset by \$0.1 million due to the Land Development & Real Estate reorganization.

Land Development & Real Estate:

Earnings before interest, taxes, depreciation and amortization (EBITDA) is a surplus of \$0.1 million at April 30, 2026, which is greater than budget by \$0.1 million. This is primarily due to more lot sales than originally budgeted. It is anticipated that Land Development & Real Estate will be higher than budget at yearend by \$2.2 million due to a significant increase in lot sales.

Rate Based Utilities:

EBITDA is \$9.3 million at April 30, 2026, which is higher than budget by \$1.2 million. This is primarily due to delayed spending on contracted services and chemicals, staff vacancies and less than budgeted overtime. This favourable variance is offset by higher costs in Electric Distribution as a result of vandalism repairs, timing of licensing renewals and increased tree trimming, as well as lower revenue in Gas Distribution as a result of lower sales volumes. EBITDA is forecasted to become unfavourable by \$0.2 million, due to continued lower sales volumes in Gas Distribution and the extension for emission offsets beyond 2024 for the current composting facility not being approved.

Energy Production:

EBITDA is \$18.7 million at April 30, 2026, which is higher than budget by \$2.4 million. This is primarily due to lower variable and transmission costs and lower gas commodity pricing on gas purchases as a result of an oversupplied market. This is offset by lower gas commodity revenue due to the lower gas commodity prices and lower Sales to Power Pool due to lower prices driven by mild winter temperatures and the high availability of renewables. EBITDA is forecasted to be \$43.6 million, which is \$1.6 million higher than budget, due to projected lower cost of natural gas/fuel, partially offset by lower electric commodity prices.

Capital

The total approved capital budget of \$903.1 million consists of current year as well as prior year carry forwards.

Tangible Capital Asset (TCA) Activity	Approved budget (\$000's)	Spent to date (\$000's)	Estimated amount to spend to complete (\$000's)	Estimated cost at completion (\$000's)	Variance from budget (\$000's)
TOTAL TAX SUPPORTED TCA	\$ 162,537	\$ 79,024	\$ 81,217	\$ 160,241	\$ 2,295
TOTAL LAND DEVELOPMENT & REAL ESTATE TCA	\$ 84,139	\$ 73,279	\$ 10,860	\$ 84,139	\$ -
TOTAL RATE BASED UTILITIES TCA	\$ 194,152	\$ 79,245	\$ 114,746	\$ 193,991	\$ 161
TOTAL ENERGY PRODUCTION TCA	\$ 462,223	\$ 175,776	\$ 271,985	\$ 447,761	\$ 14,462
TOTAL CITY TCA	\$ 903,051	\$ 407,324	\$ 478,808	\$ 886,132	\$ 16,918

At April 30, 2026, \$407.3 million of the approved budget has been spent or committed. The remaining amount to spend to complete the projects is \$478.8 million and the total estimated cost to complete the current outstanding projects is \$886.1 million, which is \$17.0 million less than budget. The positive variance is primarily due to lower than expected capital replacement costs in electric generation and gas production.

Budget Amendments and Contingency Spending

1. Council

At April 30, 2026, Council approved four budget amendments: three operating totaling a budget increase of \$1.1 million and one capital for \$131.5 million. The total tax impact of these amendments is 1.11%. A full listing of approved budget amendments is provided in Appendix 1, Page 18.

2. City Manager

At April 30, 2026, the City Manager (CAO) approved four budget reallocations and/or funding sources changes: one operating and three capital. The reallocations and funding sources changes have a nil net effect on the overall operating and capital budgets, with the exception of the critical budget amendment related to the energy division approving \$2.0 million. A full listing of approved budget amendments is provided in Appendix 1, Page 19.

3. Contingency

At April 30, 2026:

- i) *City Manager Operating Contingency*: Three requests for decisions approved, totaling \$60K. These details are included on Appendix 1, Page 20.
- ii) *City Manager Capital Contingency*: One request for decision approved, totaling \$140K. These details are included on Appendix 1, Page 20.
- iii) *Capital Grant Contingency*: Two requests for decisions approved, totaling \$865K. These details are included on Appendix 1, Page 20.

People Metrics

At April 30, 2026, a cumulative total of \$549K has been paid to 47 people in bonuses. Bonus payments are related to non-tax supported departments. Severance payments up to April 30, 2026 do not meet the reporting threshold.

The total headcount of City of Medicine Hat employees at April 30, 2026, is 1,505, which includes 65 vacant positions.

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

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

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

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

Treasury

At April 30, 2026, the projected cash and investments for the City of Medicine Hat to December 31, 2026 is \$829.3 million with \$112.3 million unrestricted and \$717.0 million restricted for operating, grants/donations, capital, abandonment obligations, energy transition, and the Medicine Hat Endowment Fund. Free cashflow contributions are forecasted to be \$20.9 million at December 31, 2026, which is higher than budget by \$7.3 million. The entire \$829.3 million is invested by Treasury to form the investment portfolio.

As of April 30, 2026, the market value of the investment portfolio is \$857.7 million with an overall year-to-date return of 3.96%, which is above the benchmark by 1.00%.

The City utilizes debt to finance a portion of its capital program. At April 30, 2026, the City has outstanding debt of \$460.0 million consisting of \$413.3 million in long-term debt, \$45.3 million in letters of credit, \$0.5 million in credit cards and \$0.9 million in loan guarantees with an overall debt-to-revenue percentage of 52% which is below the internal threshold of 70% and the MGA limit of 100%.

FINANCIAL IMPLICATIONS

Financial impact of actual results at April 30, 2026 are described in the background/analysis section above.

INTERNAL AND EXTERNAL ENGAGEMENT CONSIDERATIONS:

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

PUBLIC PARTICIPATION REQUIRED FOR IMPLEMENTATION

The public will be informed of the City's financial results as of April 30, 2026.

Inform

Consult

Involve

Collaborate

Empower

ALTERNATIVE OPTIONS / PROS AND CONS

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

IMPLEMENTATION PLAN

This report is for information only.

REVIEWED BY:	Lola Barta Director of Finance	2026-05-27
APPROVED BY:	Mustansar Nadeem Managing Director, Corporate Services/CFO	2026-05-28
ATTACHMENTS:	1. City of Medicine Hat Summary Management Report as of April 30, 2026 2. City of Medicine Hat Detailed Management Report as of April 30, 2026 3. April CFO Report Presentation	



Medicine Hat



City of Medicine Hat Management Report - Summary

For the Period Ending April 30, 2026

Management Reports

For the Period Ended April 30, 2026

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EXECUTIVE SUMMARY

As of April 30, 2026

CORPORATE OVERVIEW - COMBINED SUMMARY (in \$000's)							
Business Units:	Net Year to Date Performance Actual Jan to Apr 2026			Net End of Year Performance Forecasted Jan to Dec 2026			
	Budget	Actual	Variance	Budget	Forecast	Variance	% Variance
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	(27,226)	(24,892)	2,334	(6,840)	(1,738)	5,102	75%
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	(45)	70	115	742	2,951	2,209	298%
TOTAL RATE BASED UTILITIES EBITDA	8,091	9,282	1,191	44,398	44,233	(165)	-0.4%
TOTAL ENERGY PRODUCTION EBITDA	16,292	18,696	2,404	41,980	43,609	1,629	4%

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TAX SUPPORTED	Net Year to Date Performance Actual Jan to Apr 2026				Discussion Current Variance	Net End of Year Performance Projected to Dec 31 at Apr 2026				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
GENERAL MUNICIPAL REVENUES										
Property Taxes	\$ -	\$ (18)	\$ (18)	0%	N/A	\$ 97,765	\$ 97,778	\$ 13	0%	N/A
Revenue	\$ 3,329	\$ 3,522	\$ 193	6%	Favourable due to higher than budget Municipal Consent and Access Fees and interest on arrears taxes, offset by lower than budgeted court fine revenue due to Provincial limitations on automated traffic enforcement.	\$ 10,153	\$ 9,984	\$ (169)	-2%	Yearend variance is expected to become unfavourable due to continued lower than budget court fine revenue.
Expenses	\$ 1,101	\$ 1,279	\$ (178)	-16%	Unfavourable due to timing of investment fees and unbudgeted legal fees.	\$ 5,729	\$ 5,760	\$ (31)	-1%	N/A
Internal Revenue	\$ -	\$ 40	\$ 40	0%	N/A	\$ -	\$ 59	\$ 59	0%	Projected favourable variance due to unbudgeted internal Municipal Consent and Access Fees.
Internal Expenses	\$ 570	\$ 576	\$ (6)	-1%	N/A	\$ 631	\$ 631	\$ -	0%	N/A
TOTAL GENERAL MUNICIPAL REVENUES	\$ 1,658	\$ 1,689	\$ 31	2%		\$ 101,558	\$ 101,430	\$ (128)	0%	
GENERAL GOVERNMENT										
MAYOR & COUNCILORS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 284	\$ 297	\$ (13)	-5%	N/A	\$ 969	\$ 969	\$ -	0%	N/A
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 166	\$ 166	\$ -	0%	N/A	\$ 166	\$ 166	\$ -	0%	N/A
MAYOR & COUNCILORS NET	\$ (450)	\$ (463)	\$ (13)	-3%		\$ (1,135)	\$ (1,135)	\$ -	0%	
CITY MANAGER & MANAGING DIRECTORS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 751	\$ 824	\$ (73)	-10%	Unfavourable due to higher than budgeted employee benefits, offset by salary savings due to position vacancies.	\$ 2,559	\$ 2,717	\$ (158)	-6%	Yearend variance is expected to be unfavourable due to unbudgeted employee benefits.
Internal Revenue	\$ 2,560	\$ 2,560	\$ -	0%	N/A	\$ 2,560	\$ 2,560	\$ -	0%	N/A
Internal Expenses	\$ 402	\$ 402	\$ -	0%	N/A	\$ 416	\$ 416	\$ -	0%	N/A
CITY MANAGER & MANAGING DIRECTORS NET	\$ 1,407	\$ 1,334	\$ (73)	-5%		\$ (415)	\$ (573)	\$ (158)	-38%	
CITY SOLICITOR										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 318	\$ 256	\$ 62	19%	Favourable due to a staff vacancy and lower than budgeted external legal costs.	\$ 1,088	\$ 1,075	\$ 13	1%	N/A
Internal Revenue	\$ 1,088	\$ 1,096	\$ 8	1%	N/A	\$ 1,088	\$ 1,088	\$ -	0%	N/A
Internal Expenses	\$ 270	\$ 270	\$ -	0%	N/A	\$ 276	\$ 276	\$ -	0%	N/A
CITY SOLICITOR NET	\$ 500	\$ 570	\$ 70	14%		\$ (276)	\$ (263)	\$ 13	5%	
CITY CLERK										
Revenue	\$ 1	\$ 5	\$ 4	400%	N/A	\$ 6	\$ 6	\$ -	0%	N/A
Expenses	\$ 329	\$ 291	\$ 38	12%	N/A	\$ 1,015	\$ 995	\$ 20	2%	N/A
Internal Revenue	\$ 812	\$ 812	\$ -	0%	N/A	\$ 812	\$ 812	\$ -	0%	N/A
Internal Expenses	\$ 250	\$ 251	\$ (1)	0%	N/A	\$ 255	\$ 255	\$ -	0%	N/A
CITY CLERK NET	\$ 234	\$ 275	\$ 41	18%		\$ (452)	\$ (432)	\$ 20	4%	
PEOPLE SERVICES										
Revenue	\$ 47	\$ 69	\$ 22	47%	N/A	\$ 140	\$ 155	\$ 15	11%	N/A
Expenses	\$ 2,048	\$ 1,920	\$ 128	6%	Favourable variance due to lower than budgeted wages from vacant positions and delayed spending on contracted services.	\$ 7,062	\$ 6,902	\$ 160	2%	Continued favourable variance due to continuation of current variance.
Internal Revenue	\$ 5,998	\$ 6,016	\$ 18	0%	N/A	\$ 6,815	\$ 6,830	\$ 15	0%	N/A
Internal Expenses	\$ 871	\$ 873	\$ (2)	0%	N/A	\$ 910	\$ 910	\$ -	0%	N/A
PEOPLE SERVICES NET	\$ 3,126	\$ 3,292	\$ 166	5%		\$ (1,017)	\$ (827)	\$ 190	19%	
ECONOMIC DEVELOPMENT										
Revenue	\$ 22	\$ 1	\$ (21)	-95%	N/A	\$ 65	\$ 25	\$ (40)	-62%	N/A
Expenses	\$ 966	\$ 866	\$ 100	10%	Favourable due to delayed spending on external marketing services and lower than budget salary and wages due to a staff vacancy.	\$ 1,690	\$ 1,655	\$ 35	2%	N/A
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 439	\$ 437	\$ 2	0%	N/A	\$ 449	\$ 449	\$ -	0%	N/A
ECONOMIC DEVELOPMENT NET	\$ (1,383)	\$ (1,302)	\$ 81	6%		\$ (2,074)	\$ (2,079)	\$ (5)	0%	
TOTAL GENERAL GOVERNMENT										
	\$ 3,434	\$ 3,708	\$ 272	8%		\$ (5,369)	\$ (5,309)	\$ 60	1%	
POLICE SERVICES										
Revenue	\$ 733	\$ 693	\$ (40)	-5%	N/A	\$ 4,737	\$ 4,504	\$ (233)	-5%	Projected to become unfavourable due to lower ALERT revenue, lower than budget cadet training revenue and lower than budget School Resource Officer revenue.
Expenses	\$ 8,995	\$ 9,143	\$ (148)	-2%	Unfavourable due to higher than budgeted employee benefits, offset by delayed spending on contracted services and materials and staff vacancies.	\$ 29,467	\$ 29,613	\$ (146)	0%	Continued unfavourable variance due to continuation of current variance.
Internal Revenue	\$ 58	\$ 46	\$ (12)	-21%	N/A	\$ 202	\$ 190	\$ (12)	-6%	N/A
Internal Expenses	\$ 2,848	\$ 2,849	\$ (1)	0%	N/A	\$ 3,867	\$ 3,868	\$ (1)	0%	N/A
TOTAL POLICE SERVICES	\$ (11,052)	\$ (11,253)	\$ (201)	-2%		\$ (28,395)	\$ (28,767)	\$ (392)	-1%	

TAX SUPPORTED	Net Year to Date Performance Actual Jan to Apr 2026				Discussion Current Variance	Net End of Year Performance Projected to Dec 31 at Apr 2026				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
CORPORATE SERVICES										
COMMUNICATIONS, ENGAGEMENT & MARKETING										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 433	\$ 469	\$ (36)	-8%	N/A	\$ 1,483	\$ 1,493	\$ (10)	-1%	N/A
Internal Revenue	\$ 1,335	\$ 1,335	\$ -	0%	N/A	\$ 1,335	\$ 1,335	\$ -	0%	N/A
Internal Expenses	\$ 352	\$ 352	\$ -	0%	N/A	\$ 360	\$ 360	\$ -	0%	N/A
COMMUNICATIONS, ENGAGEMENT & MARKETING NET	\$ 550	\$ 514	\$ (36)	-7%		\$ (508)	\$ (518)	\$ (10)	-2%	
FINANCE										
Revenue	\$ 173	\$ 199	\$ 26	15%	N/A	\$ 702	\$ 702	\$ -	0%	N/A
Expenses	\$ 6,285	\$ 5,770	\$ 515	8%	Favourable variance due to under budget insurance premiums and staff vacancies.	\$ 15,387	\$ 14,772	\$ 615	4%	Continued favourable variance due to continuation of current variance.
Internal Revenue	\$ 10,520	\$ 10,174	\$ (346)	-3%	Unfavourable due to under budget insurance premiums that were not charged to departments.	\$ 13,088	\$ 12,742	\$ (346)	-3%	Continued unfavourable variance due to continuation of current variance.
Internal Expenses	\$ 2,464	\$ 2,481	\$ (17)	-1%	N/A	\$ 2,855	\$ 2,855	\$ -	0%	N/A
FINANCE NET	\$ 1,944	\$ 2,122	\$ 178	9%		\$ (4,452)	\$ (4,183)	\$ 269	6%	
FLEET & FACILITIES										
Revenue	\$ 57	\$ 159	\$ 102	179%	Favourable variance due to unbudgeted insurance recoveries and third-party billings from Compressed Natural Gas stations (CNG).	\$ 171	\$ 321	\$ 150	88%	Continued favourable variance due to continuation of current variance.
Expenses	\$ 4,854	\$ 4,399	\$ 455	9%	Favourable variance due to lower than budgeted fuel expenses, vacant staff positions and timing of contracted services.	\$ 15,354	\$ 15,133	\$ 221	1%	Continued favourable variance due to savings from vacant staff positions offset by higher than budgeted contracted services in Facilities due to anticipated inflation of shipping costs and supply chain issues.
Internal Revenue	\$ 13,586	\$ 13,483	\$ (103)	-1%		26652	\$ 26,612	\$ (40)	0%	
Internal Expenses	\$ 4,727	\$ 4,729	\$ (2)	0%	Net unfavourable variance due to lower than budgeted recoveries related to fuel usage and unit repair cost.	10305	\$ 10,305	\$ -	0%	N/A
FLEET & FACILITIES NET	\$ 4,062	\$ 4,514	\$ 452	11%		\$ 1,164	\$ 1,495	\$ 331	28%	
INFORMATION TECHNOLOGY										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 3,586	\$ 3,593	\$ (7)	0%	N/A	\$ 11,703	\$ 11,753	\$ (50)	0%	Unfavourable variance at yearend due to higher than budgeted mobility costs.
Internal Revenue	\$ 11,433	\$ 11,481	\$ 48	0%	N/A	\$ 11,669	\$ 11,683	\$ 14	0%	N/A
Internal Expenses	\$ 727	\$ 731	\$ (4)	-1%	N/A	\$ 774	\$ 774	\$ -	0%	N/A
INFORMATION TECHNOLOGY NET	\$ 7,120	\$ 7,157	\$ 37	1%		\$ (808)	\$ (844)	\$ (36)	-4%	
TOTAL CORPORATE SERVICES	\$ 13,076	\$ 14,307	\$ 631	5%		\$ (4,604)	\$ (4,050)	\$ 554	12%	
DEVELOPMENT & INFRASTRUCTURE										
MUNICIPAL WORKS										
Revenue	\$ 15	\$ 24	\$ 9	60%	N/A	\$ 281	\$ 46	\$ (235)	-84%	Unfavourable variance projected due to emission offset credits not being received related to upgrading streetlights to LED.
Expenses	\$ 2,323	\$ 2,047	\$ 276	12%	Favourable due to delayed spending in contracted services, staff vacancies, partially offset by higher than budget overtime.	\$ 8,678	\$ 8,529	\$ 149	2%	Favourable variance projected due to no payment to the Southern Regional Stormwater Drainage Committee as the agreement is not anticipated to be signed in 2026.
Internal Revenue	\$ -	\$ 9	\$ 9	0%	N/A	\$ 130	\$ 130	\$ -	0%	N/A
Internal Expenses	\$ 2,770	\$ 2,777	\$ (7)	0%	N/A	\$ 4,672	\$ 4,672	\$ -	0%	N/A
MUNICIPAL WORKS NET	\$ (5,078)	\$ (4,791)	\$ 287	6%		\$ (12,939)	\$ (13,025)	\$ (86)	-1%	
AIRPORT										
Revenue	\$ 236	\$ 221	\$ (15)	-6%	N/A	\$ 707	\$ 457	\$ (250)	-35%	Unfavourable variance projected due to the termination of airline service effective late Q2.
Expenses	\$ 404	\$ 296	\$ 108	27%	Favourable due to delayed spending in contracted services and materials as well as staff vacancies.	\$ 1,396	\$ 1,331	\$ 65	5%	Variance will decrease to yearend as timing of budget and actuals align and vacancies are filled.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 592	\$ 594	\$ (2)	0%	N/A	\$ 753	\$ 753	\$ -	0%	N/A
AIRPORT NET	\$ (760)	\$ (669)	\$ 91	12%		\$ (1,442)	\$ (1,627)	\$ (185)	-13%	
PLANNING & DEVELOPMENT SERVICES										
Revenue	\$ 879	\$ 1,123	\$ 244	28%	Favourable due to increased licensing and permit fees as well as a few large permits received to date.	\$ 2,638	\$ 2,882	\$ 244	9%	Continued favourable variance due to continuation of current variance.
Expenses	\$ 1,475	\$ 1,430	\$ 45	3%	N/A	\$ 5,081	\$ 5,139	\$ (58)	-1%	Unfavourable variance projected due to a bylaw enforcement expenditure related to the cleanup of an unsightly property.
Internal Revenue	\$ -	\$ 10	\$ 10	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 1,194	\$ 1,189	\$ 5	0%	N/A	\$ 1,248	\$ 1,248	\$ -	0%	N/A
PLANNING & DEVELOPMENT SERVICES NET	\$ (1,790)	\$ (1,486)	\$ 304	17%		\$ (3,691)	\$ (3,505)	\$ 186	5%	
TOTAL DEVELOPMENT & INFRASTRUCTURE	\$ (7,628)	\$ (6,946)	\$ 682	9%		\$ (18,072)	\$ (18,157)	\$ (85)	0%	

TAX SUPPORTED	Net Year to Date Performance Actual Jan to Apr 2026				Discussion Current Variance	Net End of Year Performance Projected to Dec 31 at Apr 2026				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
PUBLIC SERVICES										
FIRE & EMERGENCY SERVICES										
Fire										
Revenue	\$ 214	\$ 197	\$ (17)	-8%	N/A	\$ 470	\$ 470	\$ -	0%	N/A
Expenses	\$ 4,876	\$ 4,748	\$ 128	3%	Favourable variance due to delayed spending on contracted services and materials.	\$ 16,791	\$ 18,589	\$ (1,798)	-11%	Unfavourable variance projected due to higher than budgeted wages resulting from vacancy adjustment being higher than the savings associated with annual position vacancies and higher than anticipated union contract settlements.
Fire Net	\$ (4,662)	\$ (4,551)	\$ 111	2%		\$ (16,321)	\$ (18,119)	\$ (1,798)	-11%	
Communication Centre										
Revenue	\$ 517	\$ 528	\$ 11	2%	N/A	\$ 1,231	\$ 1,175	\$ (56)	-5%	Unfavourable variance due to due to decreased background check revenue resulting from several other 911 centres in Canada now participating in the backcheck program.
Expenses	\$ 792	\$ 784	\$ 8	1%	N/A	\$ 2,600	\$ 2,718	\$ (118)	-5%	Unfavourable variance due to higher than budgeted wages resulting from vacancy adjustment being higher than the savings associated with annual position vacancies and higher than budgeted software costs.
Communication Centre Net	\$ (275)	\$ (256)	\$ 19	7%		\$ (1,369)	\$ (1,543)	\$ (174)	-13%	
Internal Revenue	\$ 977	\$ 985	\$ 8	1%	N/A	\$ 977	\$ 977	\$ -	0%	N/A
Internal Expenses	\$ 2,201	\$ 2,199	\$ 2	0%	N/A	\$ 2,924	\$ 2,924	\$ -	0%	N/A
FIRE & EMERGENCY SERVICES NET	\$ (6,161)	\$ (6,021)	\$ 140	2%		\$ (19,637)	\$ (21,609)	\$ (1,972)	-10%	
PARKS & RECREATION										
Big Marble Go Centre										
Revenue	\$ 1,152	\$ 1,344	\$ 192	17%	Favourable variance due to higher than budgeted lease revenue, facility rentals, and admissions.	\$ 3,403	\$ 3,737	\$ 335	10%	Continued favourable variance due to continuation of current variance in addition to higher than budgeted ice rentals.
Expenses	\$ 1,756	\$ 1,694	\$ 61	3%	Favourable variance due to less than budgeted salaries and wages.	\$ 5,427	\$ 5,522	\$ (95)	-2%	Projected unfavourable variance due to higher than budgeted salaries and wages due to increased classes and staffing due to service needs.
Big Marble Go Centre Net	\$ (604)	\$ (350)	\$ 254	42%		\$ (2,025)	\$ (1,785)	\$ 240	12%	
Pools - Crestwood, Heights, Hill, Strathcona										
Revenue	\$ 65	\$ 114	\$ 48	74%	N/A	\$ 335	\$ 364	\$ 29	9%	N/A
Expenses	\$ 287	\$ 228	\$ 59	21%	Favourable variance due to delayed spending at outdoor pools.	\$ 958	\$ 1,000	\$ (42)	-4%	N/A
Pools - Crestwood, Heights, Hill, Strathcona Net	\$ (222)	\$ (115)	\$ 108	48%		\$ (623)	\$ (636)	\$ (13)	-2%	
Rinks - Co-op Place, Moose, Hounds, Kinplex										
Revenue	\$ 435	\$ 621	\$ 186	43%	Favourable variance due to higher than budgeted ice bookings.	\$ 1,042	\$ 1,183	\$ 141	14%	Continued favourable variance due to continuation of current variance.
Expenses	\$ 772	\$ 992	\$ (220)	-29%	Unfavourable variance due to higher than budgeted salaries and wages resulting from an increase in ice bookings, weekend tournaments, and unbudgeted Tigers playoff games.	\$ 2,359	\$ 2,634	\$ (275)	-12%	Continued unfavourable variance due to continuation of current variance.
Rinks - Co-op Place, Moose, Hounds, Kinplex Net	\$ (336)	\$ (371)	\$ (35)	-10%		\$ (1,317)	\$ (1,451)	\$ (134)	-10%	
Parks										
Revenue	\$ 617	\$ 422	\$ (195)	-32%	Unfavourable variance due to lower than budgeted campsite revenue and lower than budgeted Hillside Cemetery revenue and perpetual care fees utilized to cover operating costs.	\$ 1,870	\$ 2,058	\$ 188	10%	Projected favourable variance due to increased camping revenue and facility rentals over summer months, and higher summer operational costs at the cemetery resulting in increased usage of the perpetual care fund.
Expenses	\$ 2,005	\$ 1,460	\$ 545	27%	Favourable variance due to timing of seasonal work that will begin in May resulting in lower than budgeted salary and wages, contracted services, and materials.	\$ 7,211	\$ 7,577	\$ (366)	-5%	Projected unfavourable variance due to higher than budgeted wages resulting from expected overtime, winter snow removal, and encampment and vandalism cleanup.
Parks Net	\$ (1,388)	\$ (1,038)	\$ 350	25%		\$ (5,341)	\$ (5,519)	\$ (178)	-3%	
Parks & Recreation - Other										
Revenue	\$ 44	\$ 57	\$ 13	29%	N/A	\$ 357	\$ 424	\$ 68	19%	Projected favourable variance due to higher than budgeted lease agreements and advertising income.
Expenses	\$ 849	\$ 899	\$ (50)	-6%	Unfavourable variance due to higher than budgeted salaries and wages offset by delayed contracted services spending.	\$ 3,658	\$ 3,809	\$ (150)	-4%	Projected unfavourable variance due to higher than budgeted salaries and rental expenses.
Internal Revenue	\$ 73	\$ 74	\$ 1	1%	N/A	\$ 73	\$ 73	\$ -	0%	N/A
Internal Expenses	\$ 6,376	\$ 6,071	\$ 305	5%	Favourable variance due to lower than budgeted internal fleet charges, internal equipment charges, and utilities.	\$ 9,583	\$ 9,760	\$ (197)	-2%	Projected unfavourable variance due to higher than budgeted water usage in summer months.
Parks & Recreation - Other Net	\$ (7,108)	\$ (6,838)	\$ 269	4%		\$ (12,791)	\$ (13,071)	\$ (280)	-2%	
PARKS & RECREATION NET	\$ (9,658)	\$ (8,712)	\$ 946	10%		\$ (22,097)	\$ (22,462)	\$ (365)	-2%	

TAX SUPPORTED	Net Year to Date Performance Actual Jan to Apr 2026				Discussion Current Variance	Net End of Year Performance Projected to Dec 31 at Apr 2026				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
COMMUNITY DEVELOPMENT										
Arts, Heritage & Entertainment										
Revenue	\$ 1,964	\$ 2,945	\$ 981	50%	Favourable variance due to timing of grants, higher than budgeted commercial rentals, and higher than budgeted ticket settlements, food and beverage sales, and ticket sales resulting from unbudgeted Tigers playoff games and higher attendance at Co-op Place rental events, offset by lower than budgeted entertainment sales from less presented events being held at Co-op Place and Esplanade.	\$ 5,759	\$ 5,899	\$ 140	2%	Continued favourable variance due to higher than budgeted commercial rentals, ticket settlements, food and beverage sales, and ticket sales, offset by lower than budgeted entertainment sales from less presented events being held at Co-op Place and Esplanade.
Expenses	\$ 2,346	\$ 2,671	\$ (325)	-14%	Unfavourable due to higher than budgeted wages and concession supplies as a result of unbudgeted Tigers playoff games and higher attendance at Co-op Place rental events.	\$ 7,635	\$ 7,353	\$ 282	4%	Favourable variance due to savings from less presented events being held at Co-op Place and Esplanade, offset by higher than budgeted salaries and wages and concession supplies for rental events.
Arts, Heritage & Entertainment Net	\$ (382)	\$ 274	\$ 656	172%		\$ (1,876)	\$ (1,454)	\$ 422	22%	
Transit										
Revenue	\$ 484	\$ 597	\$ 113	23%	Favourable variance due to sustained growth in ridership, particularly in the Refugee/Fair Entry Program.	\$ 1,403	\$ 1,660	\$ 257	18%	Continued favourable variance due to continuation of current variance.
Expenses	\$ 1,489	\$ 1,654	\$ (165)	-11%	Unfavourable due to timing of software licence renewals and higher than budgeted wages resulting from unmet vacancy adjustment, higher than budgeted benefits, and unbudgeted overtime for sick coverage.	\$ 5,089	\$ 5,313	\$ (224)	-4%	Continued unfavourable variance due primarily to continued overbudget wages related to unmet vacancy adjustment.
Transit Net	\$ (1,005)	\$ (1,057)	\$ (52)	-5%		\$ (3,686)	\$ (3,653)	\$ 33	1%	
Community Development - Other										
Revenue	\$ 836	\$ 960	\$ 124	15%	Favourable variance due to higher than budgeted grant funding from the Low Income Transit Program (LITP).	\$ 1,793	\$ 2,205	\$ 412	23%	Continued favourable variance due to continuation of current variance.
Expenses	\$ 1,165	\$ 1,141	\$ 24	2%	N/A	\$ 3,544	\$ 3,745	\$ (201)	-6%	Projected unfavourable variance due to higher than budgeted use of Fair Entry program and staffing costs related to vacation payouts and short-term leave coverage.
Internal Revenue	\$ 2	\$ 15	\$ 13	650%	N/A	\$ 7	\$ 37	\$ 30	429%	N/A
Internal Expenses	\$ 4,913	\$ 4,772	\$ 141	3%	Favourable variance due to lower than budgeted internal fleet charges, utilities, and insurance charges.	\$ 7,275	\$ 7,093	\$ 182	3%	Continued favourable variance due to continued underbudget internal fleet charges.
Community Development - Other Net	\$ (5,240)	\$ (4,938)	\$ 302	6%		\$ (9,019)	\$ (8,596)	\$ 423	5%	
COMMUNITY DEVELOPMENT NET										
	\$ (6,627)	\$ (5,721)	\$ 906	14%		\$ (14,581)	\$ (13,703)	\$ 878	6%	
OTHER ORGANIZATIONS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 834	\$ 826	\$ 8	1%	N/A	\$ 2,783	\$ 2,858	\$ (75)	-3%	Projected unfavourable variance due to summer staff at the library. The library receives grants to support this which are factored into the annual repayment calculation.
Internal Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Internal Expenses	\$ 206	\$ 177	\$ 29	14%	N/A	\$ 318	\$ 249	\$ 69	22%	Favourable variance due to lower than budgeted utilities.
OTHER ORGANIZATIONS NET	\$ (1,040)	\$ (1,003)	\$ 37	4%		\$ (3,101)	\$ (3,107)	\$ (6)	0%	
TOTAL PUBLIC SERVICES	\$ (23,486)	\$ (21,457)	\$ 2,029	9%		\$ (59,416)	\$ (60,881)	\$ (1,465)	-2%	
ENERGY, LAND & ENVIRONMENT										
ENVIRONMENT, LAND & GAS PRODUCTION - TAX SUPPORTED										
Revenue	\$ 109	\$ 133	\$ 24	22%	N/A	\$ 398	\$ 399	\$ 1	0%	N/A
Expenses	\$ 633	\$ 435	\$ 198	31%	Favourable variance due to lower than budgeted Hat Smart expenses as a result of a majority of 2026 applications not yet being processed, and lower than budgeted contaminated sites expenses.	\$ 2,160	\$ 1,997	\$ 163	8%	Continued favourable variance due to lower than budgeted Hat Smart expenses.
Internal Revenue	\$ 1,137	\$ 1,137	\$ -	0%	N/A	\$ 1,137	\$ 1,137	\$ -	0%	N/A
Internal Expenses	\$ 371	\$ 370	\$ 1	0%	N/A	\$ 379	\$ 373	\$ 6	2%	N/A
ENVIRONMENT, LAND & GAS PRODUCTION - TAX SUPPORTED NET	\$ 242	\$ 465	\$ 223	92%		\$ (1,004)	\$ (834)	\$ 170	17%	
ENERGY MARKETING & BUSINESS ANALYSIS										
Revenue	\$ -	\$ -	\$ -	0%	N/A	\$ -	\$ -	\$ -	0%	N/A
Expenses	\$ 670	\$ 482	\$ 188	28%	Favourable due to not utilizing consulting fees and savings in salaries and wages due to positional vacancies.	\$ 2,234	\$ 1,984	\$ 250	11%	Continued favourable variance due to continuation of current variance.
Internal Revenue	\$ 744	\$ 479	\$ (265)	-36%	Unfavourable due to lower recoveries on reduced expenses.	\$ 2,232	\$ 1,984	\$ (248)	-11%	Continued unfavourable variance due to continuation of current variance.
Internal Expenses	\$ 253	\$ 252	\$ 1	0%	N/A	\$ 263	\$ 262	\$ 1	0%	N/A
ENERGY MARKETING & BUSINESS ANALYSIS NET	\$ (179)	\$ (255)	\$ (76)	-42%		\$ (265)	\$ (262)	\$ 3	1%	
TOTAL ENERGY, LAND & ENVIRONMENT	\$ 63	\$ 210	\$ 147	233%		\$ (1,269)	\$ (1,098)	\$ 173	14%	
TOTAL BEFORE FINANCE ACTIVITIES	\$ (23,335)	\$ (19,744)	\$ 3,591	15%		\$ (15,567)	\$ (16,850)	\$ (1,283)	-8%	
FINANCE ACTIVITIES										
Interest & principal	(9,503)	(9,666)	(163)	0%	Unfavourable due to timing of capital expenditures.	\$ (9,503)	\$ (9,666)	(163)	-2%	Continued unfavourable variance due to continuation of current variance.
Transfer (to)/from reserves	-	(289)	(289)	0%	Unfavourable due to unbudgeted major operating expense internal loan repayments which are transferred to the reserve fund.	\$ (14,309)	\$ (20,774)	(6,465)	-45%	Unfavourable variance projected at yearend due to an increase in projected investment returns.
Investment income	5,612	4,741	(871)	-16%	Unfavourable variance due to timing of investment returns.	\$ 29,539	\$ 42,486	12,947	44%	Favourable variance projected at yearend due to the budget being based on smaller investment portfolio than what currently exists.
Gain/Loss on Financial Instruments	-	66	66	0%	Favourable variance as a result of realized gains from selling some equity positions.	\$ -	\$ 66	66	0%	Continued favourable variance due to continuation of current variance.
Contribution from Utilities	-	-	-	0%	N/A	\$ 3,000	\$ 3,000	-	0%	N/A
TOTAL FINANCE ACTIVITIES	\$ (3,891)	\$ (5,148)	\$ (1,257)	-32%		\$ 8,727	\$ 15,112	\$ 6,385	73%	
TOTAL TAX SUPPORTED SURPLUS / (DEFICIT)	\$ (27,226)	\$ (24,892)	\$ 2,334	9%		\$ (6,840)	\$ (1,738)	\$ 5,102	75%	

LAND DEVELOPMENT & REAL ESTATE	Net Year to Date Performance				Discussion	Net End of Year Performance				Discussion
	Budget	Actual	Variance	Variance %		Forecasted Jan to Dec 2026				
ENERGY, LAND & ENVIRONMENT										
ENVIRONMENT, LAND & GAS PRODUCTION - LAND										
Revenue	\$ 1,425	\$ 2,153	\$ 728	51%	Favourable variance due to 15 general lots being sold from January to April and only 15 general lot sales being budget, and the sale of 1 unbudgeted undeveloped lot.	\$ 4,251	\$ 7,889	\$ 3,639	86%	Projected favourable variance due to the expected sale of an additional 11 unbudgeted lots, sale of 1 commercial lot which is larger than the lot that was budgeted, and the sale of 1 unbudgeted undeveloped lot.
Expenses	\$ 986	\$ 1,593	\$ (607)	-62%	Unfavourable due to 15 general lots being sold from January to April and only 15 general lot sales being budget, and the sale of 1 unbudgeted undeveloped lot.	\$ 3,116	\$ 4,552	\$ (1,436)	-46%	Projected unfavourable variance due to the expected sale of an additional 11 unbudgeted lots, sale of 1 commercial lot which is larger than the lot that was budgeted, and the sale of 1 unbudgeted undeveloped lot.
Internal Recovery	\$ 359	\$ 359	\$ -	0%	N/A	\$ 489	\$ 489	\$ -	0%	N/A
Internal Charges	\$ 842	\$ 848	\$ (6)	0%	N/A	\$ 883	\$ 875	\$ 8	1%	N/A
ENVIRONMENT, LAND & GAS PRODUCTION - LAND EBITDA	\$ (45)	\$ 70	\$ 115	100%		\$ 742	\$ 2,951	\$ 2,209	298%	
FINANCE ACTIVITIES										
Interest & principal	(4)	(4)	-	0%	N/A	(4)	(4)	-	0%	N/A
Capital spend (on prior year projects)	(12)	(51)	39	325%	N/A	(34)	(134)	(100)	0%	Projected unfavourable variance due to current year spending on The Spur development in Ranchlands (10 Lots).
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(2,193)	(6,095)	(3,902)	-178%	Projected unfavourable as a result of less cash flow required to sustain operations.
TOTAL FINANCE ACTIVITIES	\$ (16)	\$ (55)	\$ 39	251%		\$ (2,231)	\$ (6,233)	\$ (4,002)	-179%	
TOTAL ENERGY, LAND & ENVIRONMENT	\$ (45)	\$ 70	\$ 115	100%		\$ 742	\$ 2,951	\$ 2,209	298%	
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	\$ (45)	\$ 70	\$ 115	100%		\$ 742	\$ 2,951	\$ 2,209	298%	

RATE BASED UTILITIES	Net current Performance Actual Jan to Apr 2026				Discussion Current Variance	Net End of Year Performance Projected to Dec 31 at Mar 2026				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
ENVIRONMENTAL UTILITIES										
ENVIRONMENTAL UTILITIES - WATER										
Revenue	\$ 7,380	\$ 7,294	\$ (86)	-1%	N/A	\$ 29,358	\$ 29,358	\$ -	0%	N/A
Expenses	\$ 3,391	\$ 2,807	\$ 584	17%	Favourable variance due to delayed spending in contracted services, reduced chemicals required, staff vacancies and less than budgeted overtime.	\$ 11,189	\$ 11,189	\$ -	0%	N/A
Internal Recovery	\$ 653	\$ 604	\$ (49)	-8%	N/A	\$ 2,753	\$ 2,753	\$ -	0%	N/A
Internal Charges	\$ 3,972	\$ 3,630	\$ 342	9%	Favourable variance due to lower than budgeted utilities and increased equipment recoveries related to work for other departments.	\$ 6,752	\$ 6,410	\$ 342	5%	Continued favourable variance due to continuation of current variance.
ENVIRONMENTAL UTILITIES - WATER EBITDA	\$ 670	\$ 1,461	\$ 791	118%		\$ 14,170	\$ 14,512	\$ 342	2%	
Interest & principal	(3,282)	(2,912)	370	0%	Favourable due to timing of prior years capital expenses and related borrowings.	(4,908)	(4,538)	370	8%	Continued favourable variance due to continuation of current variance.
Transfer (to)/from reserves	-	-	-	0%	N/A	(3,290)	(3,170)	120	4%	Favourable due to two working capital funded projects being cancelled to help offset an unbudgeted clarifier repair.
Capital spend (on prior year projects)	(1,275)	(712)	563	44%	Favourable variance due to delayed spending on multi-year projects.	(3,824)	(3,824)	-	0%	N/A
Capital spend (on current year projects)	(1,020)	(55)	965	95%	Favourable variance due to delayed spending on multi-year projects.	(3,059)	(3,059)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(252)	(1,183)	(931)	-369%	Unfavourable due to less free cash flow required to sustain operations than budgeted.
Miscellaneous	-	1,580	1,580	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ENVIRONMENTAL UTILITIES - WATER - CHANGE IN CASH	\$ (4,907)	\$ (638)	\$ 4,269	87%		\$ (1,162)	\$ (1,262)	\$ (100)	-9%	
ENVIRONMENTAL UTILITIES - SEWER										
Revenue	\$ 8,276	\$ 8,418	\$ 142	2%	Favourable due to higher commercial volumes and growth in apartment services provided.	\$ 25,935	\$ 26,110	\$ 175	1%	Continued favourable variance due to continuation of current variance.
Expenses	\$ 2,443	\$ 2,128	\$ 315	13%	Favourable variance due to delayed spending in contracted services, savings related to chemical usage, more time coded to water as a result of distribution issues and staff vacancies.	\$ 7,991	\$ 7,831	\$ 160	2%	Continued favourable variance due to continuation of current variance.
Internal Recovery	\$ -	\$ 1	\$ 1	0%	N/A	\$ 1	\$ 1	\$ -	0%	N/A
Internal Charges	\$ 3,359	\$ 3,381	\$ (22)	-1%	N/A	\$ 5,599	\$ 5,599	\$ -	0%	N/A
ENVIRONMENTAL UTILITIES - SEWER EBITDA	\$ 2,474	\$ 2,910	\$ 436	18%		\$ 12,346	\$ 12,681	\$ 335	3%	
Interest & principal	(3,624)	(3,139)	485	0%	Favourable due to timing of prior years capital expenses and related borrowings.	(6,614)	(6,129)	485	7%	Continued favourable variance due to continuation of current variance.
Transfer (to)/from reserves	-	-	-	0%	N/A	(2,115)	(2,115)	-	0%	N/A
Capital spend (on prior year projects)	(2,106)	(317)	1,789	85%	Favourable variance due to delayed spending on multi-year projects.	(6,317)	(6,317)	-	0%	N/A
Capital spend (on current year projects)	(866)	-	866	100%	Favourable variance due to delayed spending on multi-year projects.	(2,599)	(2,599)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(984)	(1,862)	(878)	-89%	Unfavourable due to less free cash flow required to sustain operations than budgeted.
Miscellaneous	-	1,279	1,279	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ENVIRONMENTAL UTILITIES - SEWER - CHANGE IN CASH	\$ (4,122)	\$ 733	\$ 4,855	118%		\$ (6,283)	\$ (6,341)	\$ (58)	-1%	
ENVIRONMENTAL UTILITIES - SOLID WASTE										
Revenue	\$ 2,709	\$ 2,845	\$ 136	5%	Favourable due to higher commercial tipping volumes as a result of increased projects around Medicine Hat.	\$ 9,572	\$ 8,993	\$ (579)	-6%	Unfavourable variance projected due to decrease in budgeted emission offset credits as a result of the program extension not being approved.
Expenses	\$ 1,286	\$ 1,166	\$ 120	9%	Favourable due to delayed spending in contracted services.	\$ 4,225	\$ 4,225	\$ -	0%	N/A
Internal Recovery	\$ 848	\$ 987	\$ 139	16%	Favourable variance due to increased landfill usage from other City departments.	\$ 2,972	\$ 3,111	\$ 139	5%	Continued favourable variance due to continuation of current variance.
Internal Charges	\$ 2,678	\$ 2,539	\$ 139	5%	Favourable variance due to delayed fleet lease expenses related to vehicles budgeted but not yet received and lower than budgeted Finance charges.	\$ 5,680	\$ 5,541	\$ 139	0%	Continued favourable variance due to continuation of current variance.
ENVIRONMENTAL UTILITIES - SOLID WASTE EBITDA	\$ (407)	\$ 127	\$ 534	100%		\$ 2,639	\$ 2,338	\$ (301)	-11%	
Interest & principal	(30)	(30)	-	0%	N/A	392	392	-	0%	N/A
Transfer (to)/from reserves	-	-	-	0%	N/A	(130)	(130)	-	0%	N/A
Capital spend (on prior year projects)	(24)	(13)	11	45%	N/A	(71)	(71)	-	0%	N/A
Capital spend (on current year projects)	(188)	(16)	172	91%	Favourable variance due to delayed capital spending on multi-year projects.	(564)	(564)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	(2,401)	(2,360)	41	2%	N/A
Miscellaneous	-	500	500	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ENVIRONMENTAL UTILITIES - SOLID WASTE - CHANGE IN CASH	\$ (649)	\$ 568	\$ 1,217	188%		\$ (135)	\$ (395)	\$ (260)	-192%	
TOTAL ENVIRONMENTAL UTILITIES	\$ 2,737	\$ 4,498	\$ 1,761	64%		\$ 29,156	\$ 29,531	\$ 375	1%	

RATE BASED UTILITIES	Net current Performance Actual Jan to Apr 2026				Discussion Current Variance	Net End of Year Performance Projected to Dec 31 at Mar 2026				Discussion Variance at Yearend
	Budget	Actual	Variance	Variance %		Budget	Forecast	Variance	% Variance	
UTILITY DISTRIBUTION SYSTEMS										
ELECTRIC DISTRIBUTION - OPERATING										
Revenue	\$ 8,535	\$ 8,623	\$ 88	1%	N/A	\$ 26,008	\$ 26,097	\$ 88	0%	N/A
Expenses	\$ 3,108	\$ 3,383	\$ (276)	-9%	Unfavourable variance is due to vandalism repairs, timing of licensing renewals and increased tree trimming.	\$ 10,984	\$ 11,064	\$ (80)	-1%	N/A
Internal Recovery	\$ 907	\$ 790	\$ (116)	-13%	Unfavourable variance due to reduced recoveries on under budget administration expenses.	\$ 2,563	\$ 2,447	\$ (116)	-5%	Continued unfavourable variance due to continuation of current variance.
Internal Charges	\$ 3,802	\$ 3,677	\$ 125	3%	Favourable variance due to reduced recoveries from support departments that are under budget.	\$ 6,909	\$ 6,784	\$ 125	2%	Continued favourable variance due to continuation of current variance.
ELECTRIC DISTRIBUTION - OPERATING EBITDA	\$ 2,532	\$ 2,353	\$ (179)	-7%		\$ 10,678	\$ 10,696	\$ 18	0%	
Interest & principal	(6,544)	(5,628)	917	14%	Favourable variance due to interest savings as a result of the timing of prior years capital expenses and related borrowings.	1,456	17,266	15,811	1086%	Favourable variance due to projected issuance of new debt on multi-year projects.
Transfer (to)/from reserves	-	-	-	0%	N/A	(5,072)	(5,072)	-	0%	N/A
Capital spend (on prior year projects)	(15,975)	(1,979)	13,996	88%	Favourable variance due to delayed capital spending on multi-year projects.	(47,925)	(10,132)	37,792	79%	Continued favourable variance due to continuation of current variance.
Capital spend (on current year projects)	(4,557)	(203)	4,354	96%	Favourable variance due to delayed capital spending on multi-year projects.	(13,672)	(13,672)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	1,409	5	(1,404)	-100%	Unfavourable variance projected at yearend as lower cash requirements forecasted for the year than budgeted.
Miscellaneous	-	6,401	6,401	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ELECTRIC DISTRIBUTION - OPERATING - CHANGE IN CASH	\$ (24,544)	\$ 944	\$ 25,488	104%		\$ (53,125)	\$ (909)	\$ 52,216	98%	
GAS DISTRIBUTION - OPERATING										
Revenue	\$ 7,608	\$ 7,285	\$ (324)	-4%	Unfavourable variance is due to reduced consumption.	\$ 16,815	\$ 16,491	\$ (324)	-2%	Continued unfavourable variance due to continuation of current variance.
Expenses	\$ 2,553	\$ 2,712	\$ (159)	-6%	Unfavourable variance is due to after hours call outs.	\$ 8,209	\$ 8,532	\$ (323)	-4%	Continued unfavourable variance due to continuation of current variance.
Internal Recovery	\$ 5	\$ 21	\$ 15	281%	N/A	\$ 16	\$ 31	\$ 15	94%	N/A
Internal Charges	\$ 2,238	\$ 2,163	\$ 74	3%	N/A	\$ 4,058	\$ 3,984	\$ 74	2%	N/A
GAS DISTRIBUTION - OPERATING EBITDA	\$ 2,822	\$ 2,431	\$ (391)	-14%		\$ 4,564	\$ 4,006	\$ (558)	-12%	
Interest & principal	(2,529)	(2,313)	216	9%	Favourable variance due to interest savings as a result of the timing of prior years capital expenses and related borrowings.	(634)	935	1,569	248%	Favourable variance due to projected issuance of new debt from prior multi-year projects.
Transfer (to)/from reserves	-	-	-	0%	N/A	(2,097)	(2,097)	-	0%	N/A
Capital spend (on prior year projects)	(549)	(35)	514	94%	Favourable variance due to delayed capital spending on multi-year projects.	(1,648)	(1,323)	324	20%	Continued favourable variance due to continuation of current variance.
Capital spend (on current year projects)	(1,431)	(75)	1,356	95%	Favourable variance due to delayed capital spending on multi-year projects.	(4,292)	(4,292)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	140	403	263	188%	Favourable variance projected at yearend as greater cash requirements forecasted for the year than budgeted.
Miscellaneous	-	548	548	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
GAS DISTRIBUTION - OPERATING - CHANGE IN CASH	\$ (1,687)	\$ 556	\$ 2,243	100%		\$ (3,967)	\$ (2,367)	\$ 1,599	40%	
TOTAL UTILITY DISTRIBUTION SYSTEMS	\$ 5,354	\$ 4,784	\$ (570)	-11%		\$ 15,242	\$ 14,702	\$ (540)	-4%	
TOTAL RATE BASED UTILITIES EBITDA	\$ 8,091	\$ 9,282	\$ 1,191	15%		\$ 44,398	\$ 44,233	\$ (165)	0%	

ENERGY PRODUCTION	Net Year to Date Performance				Discussion Current Variance	Net End of Year Performance				Discussion Variance Driver
	Budget	Actual Jan to Apr 2026	Variance	Variance %		Budget	Forecast	Variance	% Variance	
ELECTRIC GENERATION - OPERATING										
Revenue	\$ 46,605	\$ 40,741	\$ (5,864)	-13%	Unfavourable variance due to lower Sales to Power Pool, Sales to Retail, and Sales to 3rd Parties, due to low prices and mild winter temperatures.	\$ 134,370	\$ 119,125	\$ (15,245)	-11%	Continued unfavourable variance due to continuation of current variance.
Expenses	\$ 23,966	\$ 16,056	\$ 7,910	33%	Favourable variance due to lower variable costs, such as PiLOT, Transmission Charges, and Fuel on fewer sales to date.	\$ 79,127	\$ 61,141	\$ 17,986	23%	Continued favourable variance due to continuation of current variance.
Internal Recovery	\$ 54	\$ 32	\$ (22)	-41%	N/A	\$ 162	\$ 140	\$ (22)	-14%	N/A
Internal Charges	\$ 3,420	\$ 3,251	\$ 170	5%	N/A	\$ 7,332	\$ 7,162	\$ 170	2%	N/A
ELECTRIC GENERATION - OPERATING EBITDA	\$ 19,273	\$ 21,466	\$ 2,193	11%		\$ 48,073	\$ 50,962	\$ 2,889	6%	
Interest & principal	(8,273)	(8,164)	109	1%	N/A	57,477	48,336	(9,141)	-16%	Unfavourable variance due to projected issuance of new debt from current multi-year projects.
Transfer (to)/from reserves	-	-	-	-	N/A	(23,880)	(23,880)	-	0%	N/A
Capital spend (on prior year projects)	(14,024)	(9,230)	4,795	34%	Favourable variance due to delayed capital spending on multi-year projects.	(42,073)	(29,875)	12,198	29%	Continued favourable variance due to continuation of current variance.
Capital spend (on current year projects)	(54,793)	(27)	54,767	100%	Favourable variance due to delayed capital spending on multi-year projects.	(164,380)	(28,484)	135,896	83%	Continued favourable variance due to continuation of current variance.
Free Cash Flow (transfer (to)/from reserve)	-	-	-	0%	N/A	(15,886)	(18,918)	(3,032)	-19%	Unfavourable variance projected at yearend as lower cash requirements forecasted for the year than budgeted.
Miscellaneous	-	15,140	15,140	0%	Favourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
ELECTRIC GENERATION - OPERATING - CHANGE IN CASH	\$ (57,819)	\$ 19,185	\$ 77,004	133%		\$ (140,669)	\$ (1,859)	\$ 138,810	99%	
GAS PRODUCTION - OPERATING										
Revenue	\$ 20,422	\$ 12,453	\$ (7,969)	-39%	Unfavourable variance due to lower spot prices as a result of record high production volumes in Western Canadian Sedimentary Basin and limited new demand and egress out of the Basin.	\$ 48,549	\$ 41,611	\$ (6,938)	-14%	Continued unfavourable variance due to continuation of current variance.
Expenses	\$ 20,960	\$ 12,913	\$ 8,047	38%	Favourable variance as a result of savings in gas purchases due to the lower gas commodity price as well as an anticipated \$1.9M transfer from gas retail.	\$ 51,016	\$ 45,660	\$ 5,356	10%	Continued favourable variance due to continuation of current variance.
Internal Expenses	\$ 2,443	\$ 2,310	\$ 132	5%	N/A	\$ 3,625	\$ 3,304	\$ 321	9%	Internal Expenses favourable variance expected to increase at yearend due mainly to lower NGPR support costs, and lower Electric utilities.
GAS PRODUCTION - OPERATING EBITDA	\$ (2,981)	\$ (2,770)	\$ 211	7%		\$ (6,092)	\$ (7,353)	\$ (1,261)	-21%	
Interest & principal	(491)	(491)	-	0%	N/A	(491)	(491)	-	0%	N/A
Transfer (to)/from reserves	-	-	-	0%	N/A	-	-	-	0%	N/A
Capital spend (on prior year projects)	(333)	(3)	331	99%	Favourable variance due to delayed capital spending on multi-year projects.	(1,000)	(1,000)	-	0%	N/A
Capital spend (on prior year abandonment projects)	(5,358)	(5,983)	(625)	-12%	Unfavourable variance due to timing of capital spending on multi-year projects.	(16,073)	(16,073)	-	0%	N/A
Free cash flow (transfer (to)/from reserves)	-	-	-	0%	N/A	6,584	9,063	2,479	38%	Favourable variance projected at yearend due to higher cash requirements forecasted to sustain operations.
Miscellaneous	-	(2,490)	(2,490)	0%	Unfavourable variance due to changes in working capital (A/R, A/P & inventory).	-	-	-	0%	N/A
GAS PRODUCTION - OPERATING - CHANGE IN CASH	\$ (9,163)	\$ (11,737)	\$ (2,574)	-28%		\$ (17,072)	\$ (15,854)	\$ 1,218	7%	
TOTAL ENERGY, LAND & ENVIRONMENT	\$ 16,292	\$ 18,696	\$ 2,404	15%		\$ 41,980	\$ 43,609	\$ 1,629	4%	
TOTAL ENERGY PRODUCTION EBITDA	\$ 16,292	\$ 18,696	\$ 2,404	15%		\$ 41,980	\$ 43,609	\$ 1,629	4%	

**Tax Supported
Capital Report Summary
As of April 30, 2026
(in thousands)**

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
POLICE					
Projects less than \$1M					
Police	323	12	311	323	
TOTAL POLICE	323	12	311	323	
GENERAL GOVERNMENT					
Projects less than \$1M					
General Municipal Revenue	1,135	-	1,135	1,135	
TOTAL GENERAL GOVERNMENT	1,135	-	1,135	1,135	
CORPORATE SERVICES					
Fleet & Facilities					
2026 FFD-FLT-TCA-2026-Fleet Services Mobile Asset Replacement Program	7,000	1	6,999	7,000	The 2026 Fleet replacement program is in progress.
2026 FFD-TCA-2026-Accessibility Program	1,000	7	993	1,000	The 2026 Accessibility program has started and is in progress.
2026 FFD-TCA-2026-Police Station	1,800	1	1,799	1,800	The 2026 Police station project has been awarded and is in progress.
2026 FFD-TCA-2026-Ancillary Infrastructure Rehabilitation Program	1,000	56	944	1,000	The 2026 Ancillary infrastructure program has started and is in progress.
2026 FFD-TCA-2026-Facilities Management Infrastructure Rehabilitation Program	2,750	432	2,318	2,750	The 2026 Infrastructure program has started and is in progress.
2025 FFD-FLT-TCA-2025-Fleet Services Mobile Asset Replacement Program	7,000	433	6,567	7,000	The 2025 Fleet replacement program is in progress.
2025 FFD-TCA-2025-Facilities Management Infrastructure Rehabilitation Program	2,750	2,588	162	2,750	2025 program in progress.
2025 FFD-TCA-2025-Ancillary Infrastructure Rehabilitation Program	1,750	1,777	(27)	1,777	2025 Ancillary Program in progress. 99% complete.
2025 FFD-TCA-2025 Big Marble Go Centre Components	1,000	236	764	1,000	2025 BMGC components in progress - Contractor engaged.
2024 FFD - FLT - 2024 - Mobile Capital	7,928	4,327	3,601	7,928	The 2024 Fleet replacement program is in progress.
2024 City Hall Humidification Replacement	1,250	1,106	144	1,250	2024 City Hall Humidification - near completion - 90% complete.
2024 Hill Pool Components Lifecycle	1,255	1,249	6	1,255	2024 Hill Pool Components - 99% complete - outstanding deficiencies.
2024 Library Boiler Replacement	1,000	914	86	1,000	2024 Library Boiler Project final commissioning in progress - 95% complete.
2024 FFD FM 2024 Infrastructure Repair Program	2,250	2,246	4	2,250	2024 Infrastructure Program - 99% complete - outstanding deficiencies.
2023 FFD - FLT - 2023 - Mobile Capital	13,472	9,067	4,404	13,472	The 2023 Fleet replacement program is in progress.
Information Technology					
2026 ITD-TCA-2026-Corporate Data Centre Technology Refresh	1,800	491	1,309	1,800	Project is in execution phase. Completion timeline is Q4 2026.
2023 ITD-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	1,800	1,044	756	1,800	Corporate Data Center Technology Refresh procurement continues into Q2 2026.
Projects less than \$1M					
Finance	700	626	74	700	
Fleet & Facilities	5,686	1,533	4,153	5,686	
Information & Technology	3,550	2,798	752	2,437	
TOTAL CORPORATE SERVICES	66,740	30,932	35,808	65,654	
DEVELOPMENT & INFRASTRUCTURE					
Municipal Works					
2026 Transportation Infrastructure Rehabilitation Program	6,250	3	6,247	6,250	Construction is scheduled to begin at multiple transportation project sites in the spring and is expected to conclude in the fall. The full budget has been allocated across several key initiatives, including the Mill & Overlay Program, Local Road Rehabilitation, and Laneway Rehabilitation.
2026 Stormwater Infrastructure Rehabilitation Program	3,690	26	3,664	3,690	The majority of the budget has been allocated to storm sewer repairs at four locations. The remaining funds will support Cured-in-Place Pipe (CIPP) lining rehabilitation of storm sewers on Southwest Hill, Kensington SW, South Railway Street and 1st St SW.
2026 3rd Street NE/NW Rehabilitation	4,632	-	4,632	4,632	Budget allocated for 3rd Street NE/NW Roadway rehabilitation commencing in 2027 and projected completion in 2029.
2026 Downtown 3rd Street SE (3 Ave to 5 Ave SE) Rehabilitation	1,850	-	1,850	1,850	Budget allocated for 3rd Street SE Roadway rehabilitation commencing in 2028.
2026 3rd Street NE/NW Roadway Program	1,450	-	1,450	1,450	Budget allocated for 3rd Street NE/NW Roadway rehabilitation commencing in 2027 and projected completion in 2029.
2025 Transportation Infrastructure Rehabilitation Program	6,250	4,797	1,453	6,250	Remaining budget fully allocated to rehabilitation of transportation infrastructure including laneways, crack sealing and for engineering activities.
2025 Stormwater Infrastructure Rehabilitation Program	3,250	3,113	137	3,250	Remaining budget fully allocated to 2026 CIPP program.
2025 3rd Street NE/NW Rehabilitation	1,368	227	1,141	1,368	Remaining budget fully allocated to completing the design, tender document preparation and construction activities in 2027.
2025 Downtown Surface Upgrades	1,150	8	1,142	1,150	Remaining budget fully allocated to completing the design, tender document preparation and construction activities in 2028.
2024 Transportation Infrastructure Rehabilitation	5,250	4,638	612	5,250	Remaining budget fully allocated to 13 Ave trail extension work and upgrading intersection of Rotary Centennial Drive and 20 Street NW.
2024 Bridge Rehabilitation	1,000	674	326	1,000	Remaining budget fully allocated for bridge rehabilitation at several locations in 2026.
2024 3rd Street SE Road Rehabilitation	3,800	3,680	120	3,800	Remaining budget fully allocated for completing bike rack procurement and installation and completion of any deficiencies in 2026.
2024 Division Ave South Upgrade	6,250	5,429	821	6,250	Remaining budget fully allocated for completing the trail installation and upgrading the road way along Kipling Street and Doty Avenue.
2022 Infrastructure Rehab Program	5,875	5,293	582	5,875	Remaining funds to be used for Overland Flood Protection Systems works.
Projects less than \$1M					
Municipal Works	2,460	693	1,767	2,460	
Airport	1,095	-	1,095	1,095	
TOTAL DEVELOPMENT & INFRASTRUCTURE	55,620	28,582	27,038	55,620	
PUBLIC SERVICES					
Parks & Recreation					
2026 PKRC-TCA-2026-Irrigation Infrastructure Program	3,310	10	3,300	3,310	The 2026 Irrigation Infrastructure Program will be expensed by Q2 2027, as the Irrigation Central Control Phase 2, Hillside Cemetery Phase 4 Irrigation, and Ross Glen East Irrigation Upgrade(s) have not yet commenced, and warranty and deficiency costs will carry over into the following year.
2026 PKRC-TCA-2026-Trail Infrastructure Program	1,500	6	1,494	1,500	The 2026 Trail Infrastructure Program will be expensed by Q2 of 2027, as the trail rehabilitation program has not yet commenced and deficiency costs will carry over into the following year.
2026 PKRC-TCA-2026-Indoor/Outdoor Facilities Infrastructure Program	1,075	5	1,070	1,075	The 2026 Indoor/Outdoor Facilities Infrastructure Program will be expensed by Q2 of 2027, as the indoor/outdoor facilities infrastructure program has not yet commenced and deficiency costs will carry over into the following year.
2025 PKRC-TCA-2025-Irrigation Infrastructure Program	3,410	1,492	1,918	3,280	2025 Irrigation Infrastructure Program will be expensed by Q3 2026 as design/construction projects carry into the following year. Projects include SF Scott Park construction and Harlow/Noble Park construction.
2025 PKRC-TCA-2025-Trail Infrastructure Program	1,500	1,185	315	1,500	2025 Trail Infrastructure Program will be expensed by Q2 2026 as trail project deficiencies are complete.
2025 PKRC-TCA-2025-Indoor/Outdoor Facilities Infrastructure Program	1,075	900	175	1,075	2025 Indoor/Outdoor Facilities Infrastructure Program will be expensed by Q3 2026 as the Lions Park Tennis Court Rehabilitation construction is complete.
2025 PKRC-TCA-2025-Facilities for the Future Design & Land Acquisition	3,900	212	3,688	3,800	2025 Facilities for the Future Design & Land Acquisition initiative is currently on hold as per direction from Council.
2024 PKRC - 2024 TCA - Irrigation Infrastructure Program - Construction & Design	3,802	3,661	141	3,802	2024 Irrigation Construction & Design will be expensed by Q3 2026 as design and resident inspection initiatives complete. Projects include SF Scott Park design finalization/construction inspection and Hillside Cemetery design finalization/construction inspection.
2023 PKRC - 2023 TCA - Indoor/Outdoor Facilities Infrastructure Program	1,431	1,398	33	1,407	2023 Indoor/Outdoor Facilities Infrastructure Program will be expensed by Q3 2026 as the BMGC pickleball wind screen is procured and installed.
2023 PKRC - 2023 TCA - Irrigation Infrastructure Program - Construction	3,683	3,662	21	3,683	2023 Irrigation Infrastructure Program will be expensed by Q2 2026 as the Southridge Community Park deficiencies are complete.
Projects less than \$1M					
Fire & Emergency Services	661	136	525	511	
Parks & Recreation	12,808	6,552	6,056	11,688	
Community Development	763	279	484	679	
TOTAL PUBLIC SERVICES	38,718	19,498	19,220	37,509	
TOTAL TAX SUPPORTED CAPITAL	162,537	79,024	83,512	160,241	

**Land and Properties
Capital Report Summary
As of April 30, 2026
(in thousands)**

	APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
LAND DEVELOPMENT & REAL ESTATE					
Land Development & Real Estate					
Phase 2: Plan					
Brier Run - Commercial, Industrial, Residential	2,613	1,117	1,496	2,613	The Area Structure Plan (ASP) was adopted by Council (T3 2019). When deemed appropriate to proceed dependent upon market conditions and overall land strategy, next steps consist of finishing the high level Functional Servicing Report (FSR) engineering design or as otherwise determined.
Phase 3: Design					
Ranchlands 3C	7,047	5,121	1,926	7,047	Design Approval was received in 2020. Costs spent to date are related to oversizing of previous Ranchlands infrastructure to service Ranchlands 3C and work associated with the Concept Scheme amendment and Subdivision approval. Construction is deferred pending improved market conditions and overall land strategy determination. At the request of local residents direction was given to construct the Ranchlands 2F&G trail system and construct a temporary trail through Ranchlands 3C. Both projects are complete and done final inspection in fall 2023 with minor repair work completed summer 2024. A small 10-12 lot development is planned for engineering and design in 2025 and construction in 2026 within Ranchlands Phase 3C along Ranchlands Blvd.
Phase 4: Build					
Airport - North Node - Commercial	6,615	6,116	499	6,615	The Land Department developed 6.0 acres of groundside commercial / business industrial lands in the Central sector of the YXH Gateway (Phase II). Subdivision and construction was completed in T3 2022. Airport East Node brief Concept documentation remains to be completed. North Node Ph III is yet to go through final document reviews and is currently on hold until market demand supports further commercial land in this area.
North West Industrial Park	3,155	1,155	2,000	3,155	The Area Structure Plan (ASP) was adopted in T1 2022. The Outline Plan, its specific Functional Servicing Report (FSR) and requested financial assessments are next steps dependent on overall land strategy and defining end user needs.
Phase 5: Sell					
Residential Lot Sales	59,014	56,441	2,572	59,014	The department maintains these lots and adjacent infrastructure until the lots are sold. Costs incurred in the Sell phase include maintenance and final construction activities required to obtain the Final Acceptance Certificate.
Miscellaneous:					
Arena Servicing and Subdividing (155 Ash Ave SE)	2,500	2,325	175	2,500	Construction was completed in T3 2021. A conditional sales agreement is no longer active and the City will be pursuing steps to eventually re-market the site.
Projects less than \$1M					
Land & Properties	3,195	1,004	2,191	3,195	
TOTAL LAND & PROPERTIES CAPITAL	84,139	73,279	10,860	84,139	

**Rate Based Utilities
Capital Report Summary
As of April 30, 2026
(in thousands)**

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
RATE BASED UTILITIES						
Water						
2026	3 St SE Water Mains Replacement	1,840	-	1,840	1,840	Construction was deferred to 2028 as per direction from Council. These funds are anticipated to be utilized in 2028 to complete construction.
2026	Southview Reservoir Rehabilitation	1,650	-	1,650	1,650	Design nearing completion. Material currently being acquired with the majority of work occurring in 2027.
2026	Water Distribution Asset Management Program	3,639	-	3,639	3,639	Approximately 41% of the funds have been allocated and are being utilized to complete engineering and construction on the project areas listed under this budget item. The remaining 59% of funds will be utilized to complete engineering and construction work on other planned projects in 2026 and 2027. It's anticipated 66% of funds will be expended in 2026 and 34% in 2027.
2026	Kipling Street SE Transmission Main	6,350	17	6,333	6,350	It is anticipated 45% of the funds will be utilized in 2026 to complete Phase 1 of the project, and the remaining 55% of funds will be utilized in 2027 to complete Phase 2 and 3.
2026	3 St SE Water Mains Replacement	1,200	-	1,200	1,200	Construction was deferred to 2028 as per direction from Council. These funds are anticipated to be utilized in 2028 to complete construction.
2025	Water Distribution Asset Management Program	4,061	2,980	1,081	4,061	Approximately 93% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under this budget item. The remaining 7% of funds will be utilized to complete engineering and construction work on other planned projects. 73% of the funds have been expended to date, and it's anticipated the remaining 27% will be expended in 2026 and 2027 to bring projects to full completion.
2025	Southridge Reservoir Rehabilitation	1,000	651	349	1,000	Project nearing completion.
2025	Southridge Reservoir Rehabilitation	1,200	202	998	1,200	Design nearing completion. Material being acquired with the majority of work occurring in 2027.
2024	3 St SE Water Mains Replacement	1,590	1,497	93	1,590	Approximately 95% of the funds have been allocated and are being utilized to complete construction in the 3 St SE Downtown project area. 94% of the funds have been expended to date. Any unspent funds will be returned once the project is fully completed, at the end of 2026.
2024	Water Mains Asset Management Program	4,275	3,969	306	4,275	Approximately 95% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under this budget item. The remaining 5% of funds will be utilized to complete engineering and construction work on other planned projects. 93% of the funds have been expended to date, and the remaining 7% will be utilized in 2026.
2020	Waste Solids Handling Facility	34,450	34,309	141	34,450	Project is in final phase and will be complete and on budget by the end of the year.
Sewer						
2026	Site Improvements	6,200	-	6,200	6,200	Desing work in progress. Construction to commence Q4 2026/Q1 2027. Projected to be on budget.
2026	3rd Street SE Sewer Mains	1,840	-	1,840	1,840	Construction was deferred to 2028 as per direction from Council. These funds are anticipated to be utilized in 2028 to complete construction.
2026	Sewer Collection Asset Management Program	2,603	-	2,603	2,603	Approximately 38% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under the budget item. The remaining unallocated funds will be utilized to complete engineering and construction work on other planned projects. 20% of the funds have been expended to date, and it's anticipated the remaining 80% will be expended in 2026 and 2027 to bring projects to full completion.
2025	Sewer Collection Asset Management Program	3,205	652	2,553	3,205	Approximately 38% of the funds have been allocated and are being utilized to complete engineering and construction on the project areas listed under this budget item. The remaining 62% of funds will be utilized to complete engineering and construction work on other planned projects in 2026 and 2027. It's anticipated 83% of funds will be expended in 2026 and 17% in 2027.
2025	Influent Channel Screens and Grit Removal Upgrades	4,737	324	4,413	4,737	Consultant is 75% complete for the detailed design for assessing concrete conditions and equipment selection. Project expected to be complete in 2028 and on budget.
2024	3 St SE Sewer Mains Replacement	1,590	1,498	92	1,590	Approximately 96% of the funds have been allocated and are being utilized to complete construction in the 3 St SE Downtown project area. 94% of the funds have been expended to date. Any unspent funds will be returned once the project is fully completed, at the end of 2026.
2024	Sewer Mains Asset Management Program	4,275	3,924	351	4,275	Approximately 95% of the funds have been allocated and are being utilized to complete engineering and construction on the various project areas listed under the budget item. The remaining 5% of funds will be utilized to complete engineering and construction work on other planned projects. 92% of the funds have been expended to date, and it's anticipated the remaining 8% will be expended in 2026 to bring projects to full completion.
2023	Brier Park Gravity Bypass	5,432	4,088	1,344	5,432	Approximately 83% of the funds have been allocated and are being utilized to complete engineering and construction on the Brier Park Gravity Bypass project. 75% of the funds have been expended to date. It's anticipated 3% of the funds will be expended in 2026, and the remaining 22% in 2029 to bring the project to full completion.
2020	Lift Station Facility Upgrade	1,800	1,634	166	1,800	Facility upgrades continue with equipment currently being sourced. Project will be completed by end of 2026.

**Rate Based Utilities
Capital Report Summary
As of April 30, 2026
(in thousands)**

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
RATE BASED UTILITIES						
Solid Waste						
2026	Landfill Airspace Optimization SE Expansion Cell Design	1,500	16	1,484	1,500	Project is being initiated and tender for engineering has been executed. Expected to be complete and on budget at yearend.
Projects less than \$1M						
	Water	6,083	765	5,318	5,963	
	Sewer	6,243	761	5,482	6,243	
	Solid Waste	260	72	188	260	
TOTAL ENVIRONMENTAL UTILITIES		107,023	57,360	49,663	106,903	
Electric Distribution						
2026	Distribution Overhead System Renewal	2,040	-	2,040	2,040	Project to begin in Q2. Anticipated completion in Q4 2027.
2026	Substation Renewal	2,900	89	2,811	2,900	Project in design phase. Additional sustaining capital of \$21.5M was brought to council on May 19th. Staged completion is expected in 2028, 2029 and 2030.
2026	Substation Replacement	5,100	60	5,040	5,100	Project in design phase. Staged completion is expected in 2028, 2029 and 2030.
2025	Substation Renewal	2,000	256	1,744	2,000	Project in design phase. Staged completion is expected in 2028, 2029 and 2030.
2025	Distribution Overhead System Renewal	1,940	1,084	856	1,940	Project is in active construction. Anticipated completion in Q4 2026.
2025	East Ring Enhancement Project Phase 2	1,000	-	1,000	1,000	Project in design phase. Anticipated completion in Q4 2027.
2025	Substation Replacement	4,000	-	4,000	4,000	Project in design phase. Staged completion is expected in 2028, 2029 and 2030.
2023	MHS-11 Substation	40,000	7,083	32,917	40,000	Project has received Alberta Utilities Commission (AUC) approval and is in design phase. Budget was increased to \$40.0M as part of the 2026 Budget Update. Projected completion date Q1 2027.
2023	30/40/60L Upgrade of Transmission Line Capacity Phase 1	2,200	1,805	395	2,200	Project design and regulatory is nearing completion. Anticipated completion in Q4 2026.
2023	Line Protection Upgrade	1,028	274	754	1,028	Projects are in active construction. Anticipated completion in Q4 2026.
2022	Distribution Overhead System Renewal	1,512	554	958	1,512	Project is in active construction. Anticipated completion in Q4 2026.
2021	Distribution Overhead System Renewal	1,523	1,102	421	1,523	Project is in active construction. Anticipated completion in Q4 2026.
Gas Distribution						
2026	Norwood System Upgrades	1,216	15	1,201	1,216	Construction started week of May 4th and completion expected July 2026. Full budget expected to be utilized in 2026.
Projects less than \$1M						
	Electric Distribution	13,063	6,586	6,477	13,063	
	Gas Distribution	7,607	2,979	4,628	7,566	
TOTAL UTILITY DISTRIBUTION		87,129	21,885	65,244	87,088	
TOTAL RATE BASED UTILITIES CAPITAL		194,152	79,245	114,907	193,991	

**Energy Production
Capital Report Summary
As of April 30, 2026
(in thousands)**

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
ENERGY PRODUCTION						
Gas Production						
2012-2023	Surface Lease Abandonment	117,550	78,914	38,636	115,442	Project in progress - anticipated under budget.
2022-2024	Drilling and Completions	6,512	1,348	5,164	5,860	Project in progress - anticipated under budget.
2017-2023	Non-Operated	13,786	10,799	2,987	11,335	Project in progress - anticipated under budget.
2022-2023	Wells	2,300	218	2,082	218	Project in progress - anticipated under budget.
2022	Clear Horizon	1,732	1,606	126	1,606	Project completed but remains open as cost recoveries expected in 2026.
2021-2023	Pipelines	1,875	108	1,767	298	Project in progress - anticipated under budget.
2019-2023	Abandonment	80,311	42,929	37,382	82,300	Project in progress - anticipated over budget due to potential relief well needed. Forecast will be updated once more information is available.
Electric Generation						
2026	Turbine Major Overhaul (192-269) from Unit 14 to Unit 17	11,000	-	11,000	11,000	RFQ's to be awarded and depot secured in 2026, worked to be performed in 2027.
2026	Turbine Major Overhaul (192-245) from Unit 15 to Unit 14	14,200	-	14,200	14,200	RFQ has been awarded to TCT, overhaul will start in Fall of 2026.
2026	Unit 11 Turbine Control Systems Upgrade	2,200	-	2,200	1,320	Work to be completed by 2028 due to long lead time in supply chain.
2026	Unit 10 Turbine Control System Upgrade	2,200	-	2,200	1,320	Work to be completed by 2028 due to long lead time in supply chain.
2026	Unit 15 Turbine Control System Upgrade	2,200	-	2,200	1,320	Work to be completed by 2028 due to long lead time in supply chain.
2026	Saamis Solar Development	131,500	23	131,477	131,500	Continuing to work towards securing all aspects necessary for completing the Saamis Solar project.
2025	Turbine Major Overhaul (559-063) from Unit 10 to Unit 11	11,000	-	11,000	11,000	RFQ has been awarded to TCT, overhaul will start in Summer of 2026.
2024	Turbine Major Overhaul (559-055) from Unit 11 to Unit 10	13,881	8,924	4,957	13,424	Awaiting final component overhaul and anticipate return in summer of 2026.
2024	Turbine Major Overhaul (192-554) from Unit 16 to Unit 15	15,306	10,896	4,410	15,296	Currently being overhauled. Scheduled to be completed Q3 2026.
2024	3R Steam Turbine Major Overhaul	2,000	477	1,523	1,477	Project complete and under budget.
2024	10 Generator Rotor Replacement	2,000	1,312	688	1,762	Rotor is on site and to be installed in Summer 2026.
2024	11 Generator Rotor Replacement	2,100	1,630	470	1,980	Rotor is on site and to be installed in Summer 2026.
2024	Hot Section Replacement (192-163) from Unit 14 to Unit 16	6,800	5,940	860	6,540	Turbine has been returned to site. Combuster overhaul to be completed in Q4 2026.
2023	Energy Business Development	7,000	6,961	39	6,961	Project timeline extended due to due diligence.
2023	Carbon Capture (Clear Horizon)	4,950	472	4,478	4,950	Project put on hold while next steps are being analyzed.
2024	69KV Substation Cable Trench, Control Cable Replacement	3,500	2,204	1,296	2,444	Control system migration is complete. Clean up of old equipment and cabling to be completed by Q2 2026.
Projects less than \$1M						
	Gas Production	1,350	244	1,106	1,288	
	Electric Generation	4,970	773	4,197	2,920	
TOTAL ENERGY, LAND & ENVIRONMENT		462,223	175,776	286,447	447,761	
TOTAL ENERGY PRODUCTION CAPITAL		462,223	175,776	286,447	447,761	

City of Medicine Hat
One-time Expenses and Initiatives Report Summary
As of April 30, 2026
(in thousands)

		APPROVED BUDGET	SPENT TO DATE	REMAINING BUDGET	EST'D COST AT COMPLETION	NOTES
TAX SUPPORTED ONE-TIME EXPENSES AND INITIATIVES						
GENERAL GOVERNMENT						
Economic Development						
2021/2023	2021-2022 EDD Development Incentive Program	\$ 5,200	\$ 2,235	\$ 2,965	\$ 5,200	In previous years, the incentive program included housing, infill, and redevelopment incentive program and City Centre Vibrancy incentive, of which there were 10 projects for a total of \$1,845,000 of committed funds, which equates to 160 new housing units. In 2025, City Centre Vibrancy funded 8 properties for a total of \$200,000. This program is still in progress and anticipated to be on budget.
2025	2025 - EDD-OTOI-2025-Development Incentives	\$ 2,600	\$ 204	\$ 2,396	\$ 2,600	The 2025 Vibrancy Incentive Program was approved by Council in Q2. Through a partnership between Medicine Hat Economic Development and Community Futures Entre-Corp, an initial tranche of \$100,000 has been fully subscribed. \$76,500 was allocated to City Centre Program intended to increase activity. Funds were used to provide additional free parking and a partnership was formed with Tourism Medicine Hat for two shop local campaigns and a marketing campaign. An additional \$100,000 will be allocated to a Crime Prevention Through Environmental Design (CPTED) Incentive program which was presented to Council in Q4 of 2025. The remainder of the development incentives will be discussed with Council in Q2 of 2026, with funds earmarked for projects to advance City economic interests.
Projects less than \$1M						
	Mayor & Councilors	100	85	15	100	
	City Clerk	50	-	50	50	
	People Services	1,212	137	1,075	1,212	
	Economic Development	1,071	545	527	1,071	
	General Municipal Revenues	200	115	85	200	
TOTAL GENERAL GOVERNMENT		10,433	3,322	7,112	10,433	
POLICE						
Projects less than \$1M						
	Police	560	90	471	560	
TOTAL POLICE		560	90	471	560	
CORPORATE SERVICES						
Projects less than \$1M						
	Finance	1,475	296	1,179	1,475	
	Fleet & Facilities	315	266	49	315	
	Information & Technology	3,188	1,328	1,860	3,175	
TOTAL CORPORATE SERVICES		4,978	1,890	3,088	4,965	
DEVELOPMENT & INFRASTRUCTURE						
Projects less than \$1M						
	Municipal Works	1,408	457	951	1,408	
	Airport	615	310	305	615	
	Planning & Development Services	850	281	569	850	
TOTAL DEVELOPMENT & INFRASTRUCTURE		2,873	1,049	1,824	2,873	
PUBLIC SERVICES						
Parks & Recreation						
2025	PKRC-OTOI-2025-Growing Canada's Community Canopy	3,460	261	3,199	3,460	The Growing Canada's Community Canopy initiative will commence this upcoming spring and will be complete by Q3 2029.
2023	PKRC - 2023/2024 MOE - Saamis Teepee Painting WO	1,080	530	550	1,080	2023/2024 Saamis Teepee Painting initiative including structural repair is complete. Remaining funds were to supplement the dance floor media upgrade. Working with Communications, Engagement and Marketing on extensive Indigenous relationship building and community engagement. We have received bids and funds are expected to be expended by Q4 2026.
Projects less than \$1M						
	Fire & Emergency Services	100	68	33	100	
	Parks & Recreation	867	554	313	867	
	Community Development	430	165	265	430	
TOTAL PUBLIC SERVICES		5,937	1,577	4,359	5,937	
ENERGY, LAND & ENVIRONMENT						
Energy, Land & Environment						
2023/2024	ELG - 2024 MOE - Clean Energy Improvement Program	6,782	121	6,661	6,782	Clean Energy Improvement Program (CEIP) began in Q3 of 2024. This is a four year program that will be completed in 2027.
Projects less than \$1M						
	Environment, Land & Gas Production	605	432	173	605	
TOTAL ENERGY, LAND & ENVIRONMENT		7,387	553	6,834	7,387	
TOTAL TAX SUPPORTED ONE-TIME EXPENSES AND INITIATIVES		32,168	8,480	23,688	32,156	
RATE-BASED UTILITIES ONE-TIME EXPENSES AND INITIATIVES						
DEVELOPMENT & INFRASTRUCTURE						
Projects less than \$1M						
	Environmental Utilities	740	381	359	740	
TOTAL DEVELOPMENT & INFRASTRUCTURE		740	381	359	740	
TOTAL RATE-BASED UTILITIES ONE-TIME EXPENSES AND INITIATIVES		740	381	359	740	

City of Medicine Hat
City Council Approved Budget Amendments
As of April 30, 2026
(in thousands)

Council Approved Budget Amendments
2026 Operating Budget Amendments:

Approved Date	Description	Business Unit	Department	Budget Amendment		Net Impact	Type	Funding Source	Tax Impact (%)
				Revenue	Expense				
January 2, 2026	Desert Blume and Heron Crossing Multi-Use Trail Design ¹	Municipal	Municipal Works	\$0	\$14	\$14	One-time	Operating Reserves	0.00%
March 2, 2026	Digital Evidence Management System Grant ²	Municipal	Police Services	(\$380)	\$380	\$0	One-time	Government Grant	0.00%
April 20, 2026	2026 Property Tax Revenue Adjustment ³	Municipal	General Municipal Revenues	\$1,100	\$0	\$1,100	Ongoing	Expense Savings or Operating Reserves	1.11%
Total				\$720	\$394	\$1,114			1.11%

Notes:

¹ Increase to One-time Operating Initiative for the Municipal Works Department's design of a multi-use trail between the hamlet of Desert Blume and the subdivision of Heron Crossing.

² One-time Operating Initiative related to Digital Evidence Management System (DEMS) as part of the Medicine Hat Police Service's (MHPS) implementation of Body Worn Cameras (BWC).

³ Amendment of \$1.1 million through municipal cost savings against previously approved 2026 property tax revenue

In the event that the savings are not sufficient to cover the shortfall, the remaining portion will be funded through operating reserves (tax rate stabilization reserve).

Council Approved Budget Amendments
2026 Capital Budget Amendments:

Date	Description	Business Unit	Department	Budget Year	Approved Budget	Adjusted Budget	Funding Source	Tax Impact (%)
				2026	\$0	\$131,500		
February 2, 2026	Saamis Solar Final Investment Decision (FID) ¹	Energy Production	Electric Generation	2026	\$0	\$131,500	Energy Transition Reserve/Debtenture	0.00%
Total					\$0	\$131,500		0.00%

Notes:

¹ The Saamis Solar Final Investment Decision (FID) is for the development and construction of the 75MW Saamis Solar Park and related infrastructure, with the equity portion funded through the Energy Transition Reserve and the balance through debt.

City of Medicine Hat
City Manager Approved Budget Amendments
As of April 30, 2026
(in thousands)

City Manager Approved Budget Amendments
2026 Operating Budget Reallocations:

Approved Date	Description	Business Unit	Department	Budget Amendment		Net Impact	Type
				Revenue	Expense		
April 13, 2026	Land & Properties Consolidation ¹	Land	Environment, Land & Gas Production	\$0	\$47	\$47	One-time
		Municipal	Environment, Land & Gas Production	\$0	(\$47)	(\$47)	One-time
Total				\$0	\$0	\$0	

Notes:

¹ Reallocation to consolidate the 2026 Land & Properties operating budget into Fund 13

This results in a net operating budget increase of \$46,933 in Fund 13 and a net operating budget decrease of \$46,933 in Fund 11.

City Manager Approved Budget Amendments
2026 Capital Budget Reallocations and Critical Capital Approvals:

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget	Approved Reallocation	Adjusted Budget	Funding Source
	2025	\$0	\$85	\$85	Third Party			
February 5, 2026	Unit 16 Turbine Major Overhaul Repairs ²	Energy Production	Electric Generation	2024	\$13,306	\$2,000	\$15,306	Working Capital
February 13, 2026	Cybersecurity Infrastructure Refresh Increase ³	Municipal	Information Technology	2025	\$110	(\$17)	\$93	Restricted Operating/Capital Reserves
				2026	\$650	\$17	\$667	
Total					\$16,816	\$2,000	\$18,816	

Notes:

¹ Reimburse costs related to Library Camera project from Medicine Hat Public Library (MHPL), which is a separate entity from the City of Medicine Hat.

² Approval to use additional funds from working capital as per Budget Amendment Policy 0183 to complete critical turbine repairs.

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

³ Reallocation of funding from restricted operating funding to capital reserves for corporate firewall technology refresh.

**City of Medicine Hat
Contingency Budget Amendments
As of April 30, 2026
(in thousands)**

City Manager Operating Contingency - 2025 Budget

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
	Approved Budget - Carryforward from prior year			2025	\$15
February 17, 2026	External Legal Opinion ¹	Municipal	Mayor & Councilors	2026	(\$5)
Balance - City Manager Operating Contingency					\$10

Notes:

¹ Funds requested for cost of external legal opinion by motion of City Council.

City Manager Operating Contingency - 2026 Budget

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
	Approved Budget			2026	\$100
September 29, 2025	Spectrum Festival ¹	Municipal	Community Development	2026	(\$15)
March 5, 2026	City Council Strategic Planning & Team Building ²	Municipal	Mayor & Councilors	2026	(\$40)
Balance - City Manager Operating Contingency					\$45

Notes:

¹ Funds requested for annual open-air community festival by amendment of City Council.

² Funds requested for City Council Strategic Planning and Team Building sessions.

City Manager Capital Contingency - 2025 Budget

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
	Approved Budget - Carryforward from prior year			2025	\$500
April 15, 2026	Jet Boat Acquisition ¹	Municipal	Fire & Emergency Services	2026	(\$140)
Balance - City Manager Capital Contingency					\$360

Notes:

¹ Purchase of second jet boat suitable for rescue-based operational use in the South Saskatchewan River.

City Manager Capital Contingency - 2026 Budget

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
	Approved Budget			2026	\$500
Balance - City Manager Capital Contingency					\$500

Capital Grant Contingency - 2025 Budget

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
	Approved Budget - Carryforward from prior year			2025	\$500
January 20, 2026	Facilities Solar Generation ¹	Municipal	Fleet & Facilities	2026	(\$346)
February 11, 2026	Medicine Hat Police Services (MHPS) Guns and Gang Violence Action Fund (GGVAF) Grant ²	Municipal	Police Services	2026	(\$145)
Balance - Capital Grant Contingency					\$9

Notes:

¹ Approval to submit two grant applications to the Municipal Energy Generation grant program to fund project costs for two small-scale rooftop solar generation projects

² MHPS was successful in Alberta government grant application, which is to be received in the amount of \$169,000 to cover the full project cost.

Capital Grant Contingency - 2026 Budget

Approved Date	Description	Business Unit	Department	Budget Year	Approved Budget
	Approved Budget			2026	\$500
January 20, 2026	Facilities Solar Generation ¹	Municipal	Fleet & Facilities	2026	(\$350)
February 11, 2026	Medicine Hat Police Services (MHPS) Guns and Gang Violence Action Fund (GGVAF) Grant ²	Municipal	Police Services	2026	(\$24)
Balance - Capital Grant Contingency					\$126

Notes:

¹ Approval to submit two grant applications to the Municipal Energy Generation grant program to fund project costs for two small-scale rooftop solar generation projects

² MHPS was successful in Alberta government grant application, which is to be received in the amount of \$169,000 to cover the full project cost.

**City of Medicine Hat
People Metrics
As of April 30, 2026**

Payment Metric ³	Number of People	Cumulative Amount (in thousands)
Bonus Payments ^{1,2}	47	\$ 549

1. Bonus payments made in 2026 based on 2025 metrics

2. Bonus payments are not tax supported

3. Severance payments do not meet reporting threshold

Headcount & Union %		
CUPE	797	52.96%
PERMANENT	520	34.55%
TEMPCASUAL	192	12.76%
TEMPSEASONAL	37	2.46%
TEMPTERM	21	1.40%
VACANT	27	1.79%
IAFF_LOCAL263	88	5.85%
PERMANENT	87	5.78%
TEMPTERM	1	0.07%
IBEW_ELEC_DISTRIBUTION	55	3.65%
PERMANENT	47	3.12%
TEMPCASUAL	2	0.13%
TEMPTERM	4	0.27%
VACANT	2	0.13%
IBEW_ELEC_GENERATION	54	3.59%
PERMANENT	52	3.46%
TEMPCASUAL	1	0.07%
TEMPTERM	1	0.07%
NON_UNION_MGMT	220	14.62%
PERMANENT	187	12.43%
TEMPCASUAL	2	0.13%
TEMPSEASONAL	1	0.07%
TEMPTERM	3	0.20%
TEMPWITHBENS	1	0.07%
VACANT	26	1.73%
POLICE	110	7.31%
PERMANENT	93	6.18%
TEMPTERM	7	0.47%
VACANT	10	0.66%
POLICE_SENIOR_OFFICERS	2	0.13%
PERMANENT	2	0.13%
WITHOUT_UNION	179	11.89%
TEMPCASUAL	168	11.16%
TEMPGOVPROG	2	0.13%
TEMPSEASONAL	6	0.40%
TEMPTERM	3	0.20%
TOTAL	1505	100.00%

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

EXECUTIVE SUMMARY

RESERVE BALANCES AS AT APRIL 30, 2026

(in thousands of dollars)

DESCRIPTION	Balance Dec 31/25	Projected Additions	Projected Deductions	Projected Balance Dec 31/26
Operating	42,785	1,934	9,611	35,108
Capital	271,322	67,290	58,116	280,496
Medicine Hat Endowment Fund	219,915	11,313	5,000	226,228
Abandonment Obligations	65,805	3,385	17,500	51,690
Energy Transition	86,269	4,438	20,000	70,707
TOTAL RESERVES	686,096	88,360	110,227	664,229
DEFERRED REVENUE	61,022	-	8,220	52,802
UNRESTRICTED CASH	93,410	18,860	-	112,270
TOTAL RESTRICTED & UNRESTRICTED CASH	840,528	107,220	118,447	829,301

EXECUTIVE SUMMARY
CONTRIBUTIONS TO CORPORATE FUND & RESERVES AT APRIL 30, 2026

	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Budget	2026 Projected
Water	\$ (496,000)	\$ 4,258,000	\$ 2,756,000	\$ (2,552,000)	\$ 252,498	\$ 1,183,000
Sewer	986,000	4,403,000	2,062,000	3,473,000	984,154	1,862,000
Solid Waste	2,530,000	930,000	(239,000)	2,280,000	2,401,163	2,360,000
Electric Distribution	2,472,000	(716,000)	2,717,000	2,214,000	(1,409,209)	(5,000)
Gas Distribution	3,823,000	(1,378,000)	162,000	1,867,000	(140,030)	(403,000)
Rate Based Utilities Subtotal	9,315,000	7,497,000	7,458,000	7,282,000	2,088,576	4,997,000
Land Development & Real Estate	3,776,000	765,000	1,840,000	5,082,000	2,193,266	6,095,000
Land Development & Real Estate Subtotal	3,776,000	765,000	1,840,000	5,082,000	2,193,266	6,095,000
Gas Production	(1,721,000)	(1,540,000)	(4,964,000)	(7,171,000)	(6,584,079)	(9,063,000)
Electric Generation	96,699,000	138,785,000	7,497,000	26,619,000	15,885,888	18,918,000
Energy Production Subtotal	94,978,000	137,245,000	2,533,000	19,448,000	9,301,809	9,855,000
Total Contributions	\$ 108,069,000	\$ 145,507,000	\$ 11,831,000	\$ 31,812,000	\$ 13,583,651	\$ 20,947,000
Allocated As Follows:	2022	2023	2024	2025	2026	2026
Municipal General Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Capital Reserve	38,155,200	73,406,000	-	18,440,000	10,583,651	17,947,000
Operating Reserve	20,000,000	40,000,000	8,831,000	-	-	-
Medicine Hat Endowment Fund	46,913,800	29,101,000	-	-	-	-
Abandonment Obligations Reserve	-	-	-	4,322,000	-	-
Energy Transition Reserve	-	-	-	6,050,000	-	-
Total	\$ 108,069,000	\$ 145,507,000	\$ 11,831,000	\$ 31,812,000	\$ 13,583,651	\$ 20,947,000

Investment Portfolio

\$857.7M
Total Market Value

12
External Investments

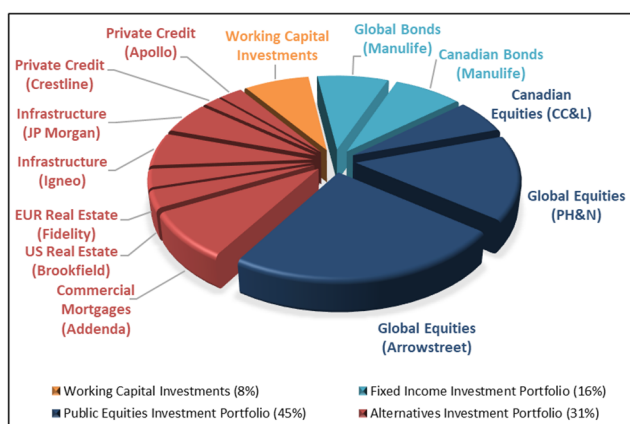
11
External Managers

3.96%
YTD Performance

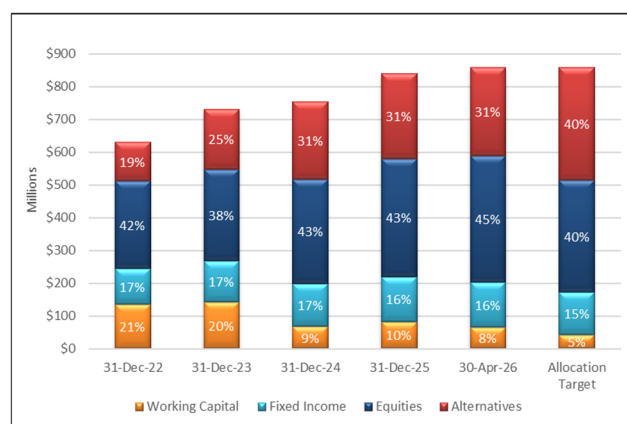
Asset Class	Manager	Market Value	% Total Portfolio	Unrealized Gain/Loss	YTD Return	YTD Benchmark
Working Capital	Internal	\$64,344,645	8%	\$830,940	0.96%	0.72%
Canadian Fixed Income	Manulife	\$67,305,886	8%	(\$6,380,211)	0.39%	0.35%
Global Fixed Income	Manulife	\$70,150,381	8%	(\$4,861,040)	0.30%	-0.51%
Canadian Equities	CC&L	\$52,970,660	6%	\$8,646,945	8.70%	7.90%
Global Equities	PH&N	\$130,704,646	15%	(\$3,324,535)	1.96%	4.94%
Global Equities	Arrowstreet	\$203,884,495	24%	\$65,639,918	10.87%	6.34%
Commercial Mortgages	Addenda	\$72,984,725	8%	\$162,307	1.18%	0.33%
US Real Estate	Brookfield*	\$27,135,972	3%	(\$7,247,418)	-0.15%	3.15%
European Real Estate	Fidelity	\$28,015,465	3%	(\$3,945,918)	-0.10%	3.15%
Infrastructure	Igneo	\$51,414,263	6%	\$7,436,211	3.20%	3.15%
Infrastructure	JP Morgan*	\$49,262,713	6%	\$6,259,454	3.69%	3.15%
Private Credit	Crestline*	\$16,597,352	2%	(\$33,618)	2.49%	3.15%
Private Credit	Apollo*	\$22,956,619	3%	(\$156,706)	1.26%	3.15%
Total Portfolio		\$857,727,823	100%	\$63,026,330	3.96%	2.96%

* Performance reporting is on a one quarter lag.

Investments by Mandate



Investments by Asset Class

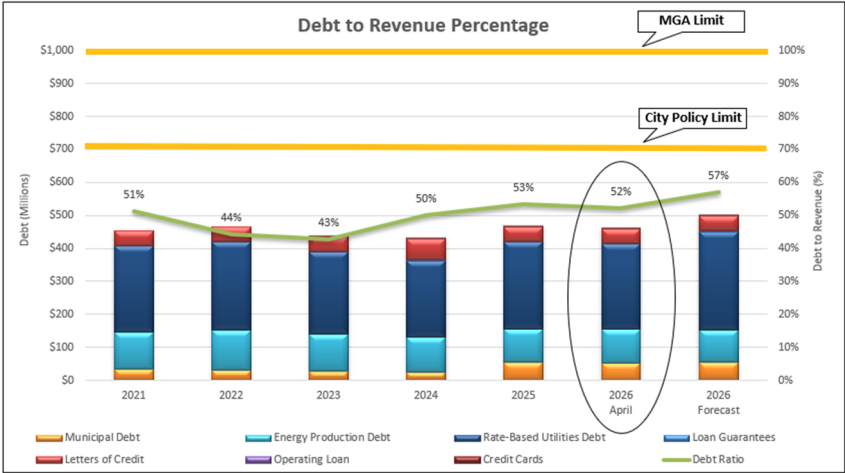


Debt Management

The City of Medicine Hat incorporates debt to finance a portion of its capital program. The use of debt is closely monitored to ensure that the City remains within Municipal Government Act regulations. Outstanding debt has interest payable at rates ranging from 1.79% to 6.25% with an average annual interest rate of 3.48%.

Debt to Revenue Percentage

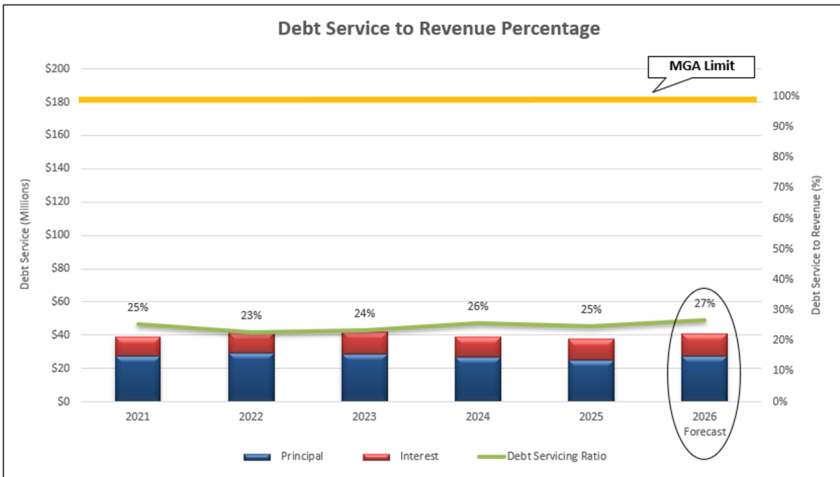
Per the Municipal Government Act, the City is required to remain within the Debt to Revenue Percentage of 100% of 2x revenue. The City’s internal debt ratio goal is to remain under 70%, per Debt Management Policy 0176. On April 30, 2026, the City had debt outstanding of \$460.0 million consisting of \$413.3 million in long-term debt, \$45.3 million in letters of credit, \$0.9 million in credit cards and \$0.9 million in loan guarantees with an overall debt to revenue percentage of 52% of the revenue limit.



- Note:
- 2021-2025 – Based on Audited Revenue and Debt
 - 2026 April – Based on forecasted Revenue and actual Debt
 - 2026 Forecast – Based on forecasted Revenue and forecasted Debt
 - A 19% drop in revenue would result in the Debt to Revenue Percentage reaching the 70% City Policy Limit.

Debt Service to Revenue Percentage

Per the Municipal Government Act, the City is also required to remain within the Debt Service to Revenue Percentage of 100% of 0.35x revenue. On April 30, 2026, the City’s Debt Servicing requirement for 2026 was forecasted to be 27% of the revenue limit.



Hedging

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

Hedge Policy 0159 Compliance Status

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

Gas Operations

- Energy commodities exhibit mean reversion over a long-term time horizon as higher prices drive higher production and discourage demand, eventually leading to lower prices. The opposite is also true as lower prices drive lower supply and eventually lead to an increase in commodity prices.
- Objective: To mitigate commodity price volatility risk by locking in the commodity price on a portion of volume.
- 2026 hedging: Maximum volume permitted to be hedged is set at 25% with the time horizon varying from 6 months to 3 years. The program is reviewed annually and adjusted as required.
- **2026 hedging: No hedges have been executed for this strategy as of April 2026. Hedging volumes will increase the risk, and it was decided in the Q1 2023 hedging meeting not to hedge for now.**

Foreign Exchange

- Strategy: lock in project economics to minimize uncertainty/losses from foreign currency transactions.
- **2026 hedging: Finance entered into 3 forward contracts to hedge USD \$15,050,951 FX exposure for the Electric Generation group. One forward contract was executed in January 2026 to hedge a USD \$1,240,000 exposure and was settled on April 15, 2026.**

GENCO

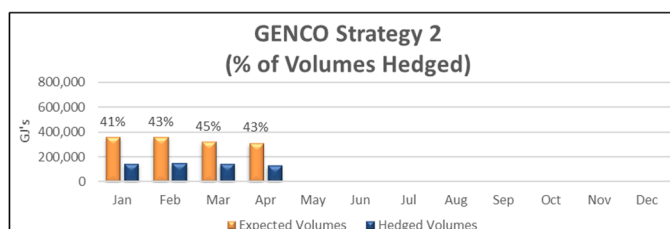
Strategy # 1:

- Protect margins for a portion of demand from large commercial/industrial class customers.
- No hedges have been executed for this strategy so far in 2026.

Strategy #2:

- Lock in margin for a portion of demand for the City's regulated rate option customers.
- 2026 hedging: Maximum volume permitted to be hedged is set at 60% with a time horizon of 30 days from the start of the month. The program is reviewed annually and adjusted as required.

Benefit:
Price certainty achieved on the 43% of volumes that were hedged.



Strategy #3:

- Optimize the City's assets when excess capacity can be sold at a favorable margin (Strategy 3A) and when power may be purchased at a more reasonable cost than internal generation (Strategy 3B).
- 2026 hedging:
 - Strategy 3A: Maximum volume permitted to be hedged is set at 60% with a maximum time horizon of 2 years. The program is reviewed annually and adjusted as required.
 - Strategy 3B: Up to 50% of off-peak requirements permitted to be hedged with a maximum time horizon of 90 days.

Benefit: 0 positions have been taken under this strategy so far in 2026.

Loans, Guarantees & Letters of Credit

Loans to Outside Organizations

Organization	Loan Initiation (year)	Initial Amount	Balance Outstanding (Apr 30, 2026)	Maturity (year)
Medicine Hat Curling Club	2016	\$140,000	\$80,449	2034
Total		\$140,000	\$80,449	

Loan Guarantees

Organization	Loan Initiation (year)	Initial Amount	Balance Outstanding (Dec 31, 2025)	Maturity (year)
Connaught Golf & Country Club	2013	\$965,000	\$511,379	2034
Medicine Hat Golf & Country Club	2012	\$675,000	\$351,100	2034
Medicine Hat Golf & Country Club	2017	\$100,000	\$26,602	2027
Total		\$1,740,000	\$889,080	

Letters of Credit

Organization	Amount	Additional Information
Natural Gas Exchange	\$10,500,000	Gas Operations - security for natural gas trading
Rural Municipality of Fox Valley	\$10,000	Gas Operations - reclamation assurity
SK Ministry of Economy	\$10,000,000	Gas Operations – liability management program
Alberta Energy Regulator	\$24,000,000	Gas Operations - liability management program
AESO (ISO)	\$800,000	GENCO - security for power pool trading
Total	\$45,310,000	
Under/(Over) Limit - \$75 million	\$29,690,000	

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



Medicine Hat



City of Medicine Hat Detailed Report Supplemental Information

For the Period Ending April 30, 2026

Management Reports

For the Period Ended April 30, 2026

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ELECTRIC GENERATION

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Sales							
Gain/Loss on Risk Management Instrument	\$ -	\$ -	\$ (96)	\$ (96)	\$ (96)	\$ (96)	
Sales to Power Pool	22,085	8,499	4,717	(3,783)	(6,345)	15,739	1
Sales to Retail	72,959	25,018	22,719	(2,299)	(3,855)	69,104	2
Sales	39,326	13,087	11,284	(1,803)	(6,982)	32,345	3
Total	134,370	46,605	38,623	(7,981)	(17,278)	117,092	
Cost of Sales							
Payment in Lieu of Taxes	2,869	1,150	594	557	1,023	1,846	4
Transmission Charges	2,377	913	448	465	1,047	1,330	5
Carbon Tax	7,700	-	-	-	861	6,839	6
Transfer (from) to Retail	421	402	(1,639)	2,041	(2,113)	(1,692)	7
Fuel	38,151	12,968	7,908	5,060	13,474	24,677	8
Electric Energy Purchase	11,044	3,730	4,165	(435)	(532)	11,576	9
Total	62,561	19,164	11,477	7,687	13,760	44,575	
Gross Margin	71,809	27,440	27,146	(295)	(3,519)	72,516	
Revenue							
Administration	-	-	2,034	2,034	2,034	2,034	10
Other	-	-	84	84	-	-	
Total	-	-	2,117	2,117	2,034	2,034	
Expenses							
Administration	2,760	804	795	8	-	2,760	
Operations	5,517	1,496	1,522	(25)	-	5,517	
Other	-	-	(3)	3	-	-	
Engineering	787	222	149	72	-	787	
Maintenance	7,501	2,280	2,115	165	-	7,501	
Total	16,566	4,802	4,579	224	-	16,566	
Earnings Before Internal Cost Allocations	\$ 55,243	\$ 22,638	\$ 24,685	\$ 2,046	\$ (1,485)	\$ 57,984	
Internal Recovery	162	54	32	(22)	(22)	140	
Internal Charges	7,332	3,420	3,251	170	170	7,162	
	(7,170)	(3,367)	(3,219)	148	148	(7,022)	
Earnings Before Interest, Taxes and Amortization	\$ 48,073	\$ 19,272	\$ 21,466	\$ 2,194	\$ (1,337)	\$ 50,962	
Interest Expense	(2,750)	(2,750)	(2,641)	109	109	(2,641)	
Amortization	(20,271)	-	-	-	-	(20,271)	
Accretion of Asset Retirement Obligations	(1,606)	-	-	-	(118)	(1,724)	
Net Earnings / (Loss)	\$ 23,445	\$ 16,521	\$ 18,825	\$ 2,304	\$ (1,346)	\$ 26,325	
Free Cash Flow (transfer (to)/from reserve)	(15,886)	-	-	-	(3,032)	(18,918)	11
Transfer to Capital	(23,880)	-	-	-	-	(23,880)	
Net Earnings / (Loss) after Transfers	\$ (16,321)	\$ 16,521	\$ 18,825	\$ 2,304	\$ (4,378)	\$ (16,473)	

OPERATING NOTES

- Sales to Power Pool is -\$3.8M unfavourable due to lower wholesale Pool Price than forecasted driven by mild winter temperatures, high availability of renewables in the province and low fuel costs. The unfavourable variance is forecasted to be -\$6.3M by yearend as low Pool Prices are expected to continue.
- Sales to Retail is -\$2.3M unfavourable due to unfavourable price of -\$3.1M and favourable volume of \$0.8M. Projected unfavourable variance of -\$3.9M at yearend due to unfavourable price of -\$4.9M and favourable volume of \$1.0M. This is due to unfavourable market conditions leading to a lower selling price on large commercial/industrial volumes.
- Sales are currently -\$1.8M unfavourable and are projected to become -\$7.0M unfavourable at yearend due to lower costs recovered in third-party sales and the lower than forecasted Pool Price.
- Payment in Lieu of Taxes are \$557K favourable due to lower taxable sales. The favourable variance is forecasted to be \$1.0M by yearend with current taxable sales projections.
- Transmission Charges are \$465K favourable due to less Pool Sales. The favourable variance is expected to be \$1.0M by yearend with current Pool Sales projections.
- Carbon Tax expense is projected to be \$861K favourable due to low cost credits being used to settle the carbon compliance obligation.
- Transfer (from) to retail is -\$1.6M at April 30 and is projected to be -\$1.7M at yearend due to a lower market forecast, particularly impacting large commercial customers, resulting in a net transfer from retail.

ELECTRIC GENERATION

For the Period Ended April 30, 2026

8. Fuel expenses are \$5.1M favourable due to lower commodity prices, less energy production and efficiency optimization. The variance is expected to be \$13.5M by yearend based on projected fuel prices and demand for the remainder of the year.
9. Electric Energy Purchases are -\$435K unfavourable due to unbudgeted additional third-party purchases as a result of opportunities to purchase low cost energy. The variance is forecasted to be -\$532K unfavourable by yearend with increases to purchases as low cost third-party purchases are expected to continue to yearend.
10. Administration revenue is \$2.0M due to the recognition of deferred revenue as a result of a termination of a third party electric supply agreement. The variance is expected to continue to yearend.
11. Free Cash Flow (transfer (to)/from reserve) is projected to be -\$3.0M unfavourable as a result of less cash flow required to sustain operations.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Spring outages planned underway.
- Unit 14 returned to service after Official Equipment Manufacturer (OEM) borescope and analysis.
- Unit 3R major overhaul completers.
- 3R generator rotor replaced and returned to service.

Planned Next Four Months

- Complete Spring outages.
- Unit 16 core at depot for overhaul and conversion to Power Discharge.
- Unit 10 engine still at Trans Canada Turbines (TCT) to complete overhaul. Delays are over 700 days due to parts availability.
- Working with third party vendors to find new vendors for engine rebuilds. Parts and cost issues continue to be an obstacle.

ELECTRIC GENERATION

For the Period Ended April 30, 2026

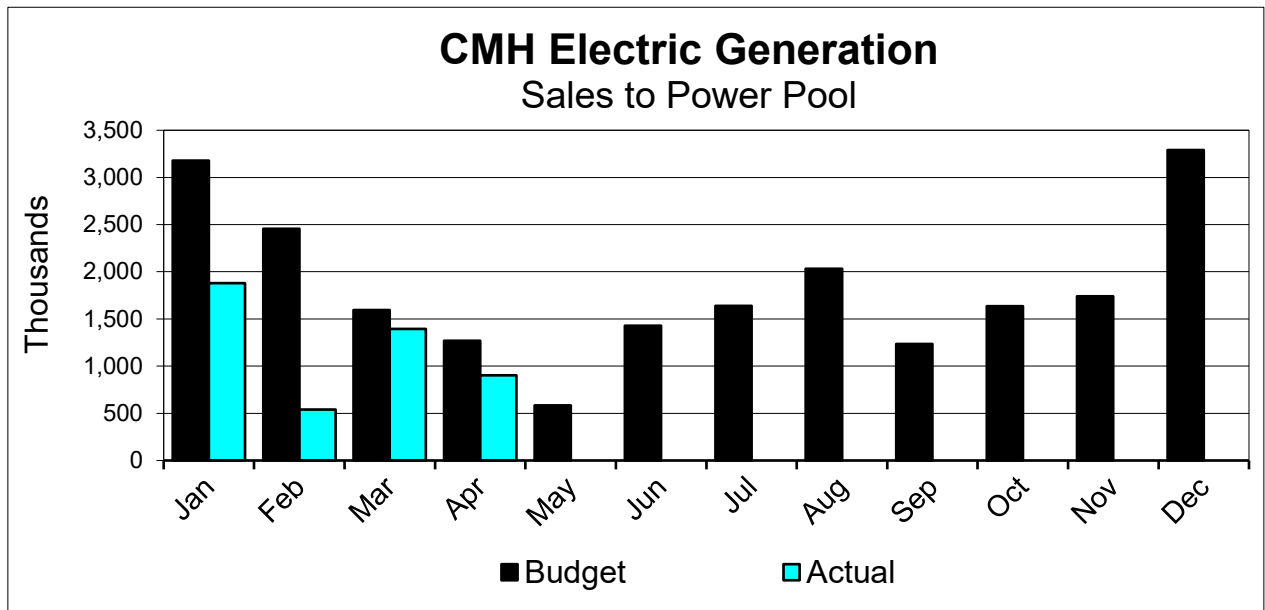
Report on Business Plan Goals

<p>Risk Based Asset Management Program</p> <p>Support the long-term sustainability of Electric Generation by managing assets through a risk-based approach. Providing a safe and reliable supply of electricity 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Asset Management plan for Electric Generation adjustments due to supply chain issues. 2. Long term capital list extended out another year.
<p>Continue to Improve Safety and Regulatory Compliance Management</p> <p>Improve Safety Culture and Performance and develop and internalize regulatory reporting requirements while improving non-compliances.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. 3R major outage completed with zero injuries, no incidents, and very positive communication amongst all groups. 2. Regular Joint Health and Safety meetings to continue with increased participation and focus on addressing urgent issues.
<p>Growth and Decarbonization Initiatives</p> <p>Electric Generation is one of the key departments in the development of new business opportunities that come to the City of Medicine Hat. It is also facing its own energy transition obligations and must appropriately prepare to ensure ongoing confidence in local electricity supply for existing and future industry.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Continue work on Saamis Solar to set up project and obtain a contracted customer. 2. Continue to analyze other non-carbon-based energy options and opportunities that may be suitable for Medicine Hat.
<p>Operational Excellence</p> <p>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; Successful construction of the new Residuals Plant on behalf of Environmental Utilities department.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. 2026 capital projects started. 2. Continue to work with marketing and Alberta Electric Systems Operators (AESO) to understand new AESO rules from the Restructured Energy Market sessions when they are released in 2026. 3. Optimized run times to match equipment available due to supply chain issues.
<p>Ensuring Success for the Future with a Focus on Our People</p> <p>Prioritizing people is key to long-term success. Investing in employees’ well-being, growth, and development will lead to incredible outcomes. When employees are valued and supported, they are more likely to contribute their best efforts and ideas.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Annual succession plan updated for department. 2. Continue to work to improve efficiencies inter departmentally. 3. Ensure all employees have development plans to provide opportunities for growth.

ELECTRIC GENERATION

For the Period Ended April 30, 2026

Report on Performance Measures



ELECTRIC DISTRIBUTION

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Distribution Sales	\$ 25,551	\$ 8,406	\$ 8,538	\$ 132	\$ 132	\$ 25,683	1
Operations	458	129	85	(44)	(44)	414	
Total	26,008	8,535	8,623	88	88	26,097	
Expenses							
Administration	1,526	439	385	54	-	1,526	
Operations	7,706	2,156	2,460	(304)	(80)	7,786	2
Engineering	1,753	513	539	(26)	-	1,753	
Total	10,984	3,108	3,383	(276)	(80)	11,064	
Earnings Before Internal Cost Allocations	\$ 15,024	\$ 5,427	\$ 5,240	\$ (188)	\$ 8	\$ 15,032	
Internal Recovery	2,563	907	790	(116)	(116)	2,447	3
Internal Charges	6,909	3,802	3,677	125	125	6,784	4
	(4,346)	(2,895)	(2,887)	9	9	(4,337)	
Earnings Before Interest, Taxes and Amortization	\$ 10,678	\$ 2,532	\$ 2,353	\$ (179)	\$ 17	\$ 10,695	
Interest Expense	(2,845)	(2,845)	(1,928)	917	917	(1,928)	5
Amortization	(6,191)	-	-	-	-	(6,191)	
Accretion of Asset Retirement Obligations	(72)	-	-	-	-	(72)	
Net Earnings / (Loss)	\$ 1,570	\$ (313)	\$ 425	\$ 738	\$ 934	\$ 2,503	
Free Cash Flow (transfer (to)/from reserve)	1,409	-	-	-	(1,404)	5	6
Transfer to Capital	(5,072)	-	-	-	-	(5,072)	
Net Earnings / (Loss) after Transfers	\$ (2,093)	\$ (313)	\$ 425	\$ 738	\$ (471)	\$ (2,564)	

OPERATING NOTES

- Distribution Sales are \$132K favourable due to increased large commercial and industrial demand. This variance is projected to carry forward to yearend.
- Operations expenses are -\$304K unfavourable due to vandalism repairs (-\$44K), as well as the timing of Supervisory Control and Data Acquisition (SCADA) licensing (-\$165K) and tree trimming (-\$148K). This variance is projected to decrease to -\$80K unfavourable by yearend as budget aligns with SCADA licensing and tree trimming costs.
- Internal Recoveries are -\$116K unfavourable due to reduced recoveries on under budget expenses. The unfavourable variance is projected to carry forward to yearend.
- Internal Charges are \$125K favourable due to lower charges from support departments that are under budget. The favourable variance is projected to carry forward to yearend.
- Interest expense is \$917K favourable due to timing of prior years capital expenses and related borrowings. The variance is projected to continue to yearend.
- Free Cash Flow (transfer (to)/from reserve) is projected to be -\$1.4M unfavourable as a result of less cash flow required to sustain operations.

GAS DISTRIBUTION

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Distribution Sales	\$ 16,815	\$ 7,608	\$ 7,252	\$ (356)	\$ (356)	\$ 16,459	1
Rechargeable	-	-	32	32	32	32	
Total	16,815	7,608	7,285	(324)	(324)	16,491	
Expenses							
Administration	175	58	33	25	-	175	
Operations	2,041	620	751	(132)	(250)	2,291	2
Engineering	1,327	386	366	20	-	1,327	
Rechargeable	4,665	1,489	1,562	(73)	(73)	4,738	
Total	8,209	2,553	2,712	(159)	(323)	8,532	
Earnings Before Internal Cost Allocations	\$ 8,606	\$ 5,056	\$ 4,573	\$ (483)	\$ (647)	\$ 7,959	
Internal Recovery	16	5	21	15	15	31	
Internal Charges	4,058	2,238	2,163	74	74	3,984	
	(4,042)	(2,232)	(2,143)	89	89	(3,953)	
Earnings Before Interest, Taxes and Amortization	\$ 4,564	\$ 2,823	\$ 2,430	\$ (393)	\$ (558)	\$ 4,006	
Interest Expense	(935)	(935)	(719)	216	216	(719)	3
Amortization	(2,645)	-	-	-	-	(2,645)	
Net Earnings / (Loss)	\$ 984	\$ 1,888	\$ 1,711	\$ (177)	\$ (341)	\$ 643	
Free Cash Flow (transfer (to)/from reserve)	140	-	-	-	263	403	4
Transfer to Capital	(2,097)	-	-	-	-	(2,097)	
Net Earnings / (Loss) after Transfers	\$ (973)	\$ 1,888	\$ 1,711	\$ (177)	\$ (78)	\$ (1,051)	

OPERATING NOTES

- Distribution Sales are -\$356K unfavourable due to less than budgeted demand. This variance is projected to continue to yearend.
- Operations expenses are -\$132K unfavourable, primarily due to additional salaries and wages related to work required for regulatory meter changes and a higher volume of after-hours call. This variance is projected to increase to -\$250K at yearend as costs related to the additional labour required for the regulatory meter changes
- Interest expense is \$216K favourable due to timing of prior years capital expenses and related borrowings. The variance is projected to continue to yearend.
- Free Cash Flow (transfer (to)/from reserve) is projected to be \$263K favourable as a result of more cash flow required to sustain operations.

UTILITY DISTRIBUTION SYSTEMS

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Annual competency training and certification for Gas Distribution field staff.
- Annual regulatory reporting for Gas Distribution to the Alberta Rural Utility and meter compliance sampling testing.
- Annual corrosion control program assessment resulting in a prioritized maintenance list.
- High Pressure pipeline and rural distribution system leak survey with confirmation no leaks found on either system.
- Revised the high-pressure pipeline risk assessment in line with the current regulatory framework.
- The 2026 vegetation management cycle has been completed, ensuring all vegetation within the current zone has been cleared from overhead electric power lines. Known out-of-cycle problem areas have also been addressed. Ongoing minor vegetation maintenance will continue as trees' leaf out and any new risk areas are identified due to growth.
- Annual maintenance efforts are progressing, addressing work orders generated from the 2025 inspection program. The 2026 inspection cycle has begun, including: Fireproofing of rural power poles. Overhead system inspections with a focus on collecting actionable asset data to support the Motor Operated Disconnect (MOD) and gang-operated switch renewal program. Inspection of underground assets, including switchgear, transformers, and vaults.
- Cable theft, particularly downloads on overhead poles, continues to present operational and safety challenges. All incidents are tracked and reported to law enforcement. Copper theft remains a widespread issue across North America, posing risks to both public safety and system reliability.
- Crews responded to 82 customer-related trouble calls in Q1, with 61% occurring after regular working hours. Teams maintained a strong customer-first focus, ensuring timely and effective response.
- Completed 268 electric utility locates in Q1 and delivered 21 safety orientations for personnel working near energized electrical infrastructure. These figures align with seasonal averages observed over the past several years.
- In Q1, 11 new residential services were connected, reflecting an increase from 9 in Q1 2025, though still below the historical peak of 57 in Q1 2017. Additionally, 9 new commercial services were connected in Q1, compared to a total of 16 connections in 2025; Q1 activity remains consistent with past trends, which show moderate volumes, including a peak of 5 in Q1 2017.
- Completed the annual updates to the Electric Distribution load study and electric transmission study with the scenarios of Saamis solar and potential new industrial customers.
- AESO reliability standard testing requirement mitigation plan was finalized and submitted to AESO. According to the PRC-005 requirement and developed protective equipment maintenance program protective relays and breakers testing has already been started.

Planned Next Four Months

- Ongoing inspections, maintenance and emergency response activities to support safe and reliable gas system including the leak survey of a section of the urban distribution system.
- Ongoing inspections, maintenance, asset management, and renewal activities will continue as part of the annual Distribution Overhead and Underground System Renewal programs across the service territory.
- Continued efforts to enhance how customers and electricians interact with the utility, with a focus on improving service clarity and communication. The coordination function will take a more proactive role in managing inquiries, reducing inefficiencies such as "phone tag," and ensuring customers receive clear, timely direction aligned with operational priorities to minimize bottlenecks and delays.
- Strengthening safety compliance and training through an increased focus on internal electrical competency development. This includes structured milestones and regular check-ins to ensure progress, supporting regulatory compliance and equipping staff with the knowledge and tools required for the safe execution of all work.
- Develop maintenance plan, testing scope and replacement criteria for distribution gang switch, motor operated disconnect and auto reclosure.

UTILITY DISTRIBUTION SYSTEMS

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Sustainable Infrastructure</p> <p>Providing safe, reliable, cost-effective, and well-maintained 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Secured Alberta Utilities Commission approval at the preferred site for Medicine Hat Southwest Substation. Detailed design at 60% complete.2. Secured Alberta Utilities Commission approval for the 60L portion of the East Ring Enhancement project.3. Secured Alberta Utilities Commission approval for the 30L and 40L East Ring Enhancement project.4. Started the 2026 gas pipeline replacement program which is expected to progress to completion in Q3 2026.
<p>Operational Excellence</p> <p>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 industry-competitive performance in all areas of accountability reinforcing value to the ratepayers.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Continued active participation in the Alberta Safety Codes Electrical Utilities Sub-Council, contributing to the review, development, and advancement of safety codes, standards, and guiding principles for Alberta’s electric utility sector. Engaged in ongoing discussions regarding proposed updates to the Alberta Electrical Utility Code, ensuring the perspective of small municipalities is well represented, including the unique operational context of Medicine Hat.2. Re-elected in Q1 2026 as Chair of the Alberta Electric Utility Safety Association (AEUSA), reinforcing Medicine Hat’s leadership role in advancing worker and public safety across the province. Continuing to drive improvements through consistent safety practices, industry-wide knowledge sharing, and adoption of best-practice standards. Actively supporting modernization of AEUSA and expanding engagement across utilities, while advocating for collaborative, province-wide enhancements to the Code of Practice that better reflect diverse utility needs.3. Reviewed and aligned 2026 inspection goals to ensure full compliance with the Quality Management Plan (QMP) for electrical safety code inspections related to system upgrades and new asset installations. Focus remains on strengthening regulatory adherence, improving internal processes, and enhancing communication, transparency, and clarity for all stakeholders.4. Completed the annual Quality Management Plan review and approval for the Gas Distribution System with the Alberta Rural Utilities (ARU).5. Gas Distribution completed the cyclic meter testing program and has moved on to the mandated replacement program.6. Gas Distribution has completed the 2026 High Pressure Leak Survey and Rural Distribution Survey with urban distribution scheduled for Q2.
<p>Technological Evolution</p> <p>Utility Distribution Systems operates within a rapidly evolving technological and regulatory environment which is experiencing notable change as part of a global transition to lower carbon intensity technologies. 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. For the 2026 Annual Leak Survey, mobile aircraft mounted technology was used, allowing for a significant decrease in time required to complete the survey which saved on overall program costs – while maintaining accuracy.

ENVIRONMENT, LAND & GAS PRODUCTION - GAS

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Gas Average Daily Volume (mcf/d)	9,771	9,906	9,375	(530)	(336)	9,435	
Gas Sales Volume (mcf)	3,566,283	1,188,671	1,125,024	(63,648)	(122,490)	3,443,793	
Spot Gas Price (\$/mcf)	\$3.00	\$3.04	\$1.83	(\$1.22)	(\$1.38)	\$1.62	
Oil Daily Volume (bbl/d)	7	8	9	2	2	10	
Oil Sales Volume (bbl)	2,723	916	1,044	128	833	3,556	
Oil Price (\$/bbl)	\$77.68	\$78.97	\$68.51	(\$10.46)	\$2.32	\$80.00	
Sales							
Gas Sales from Production	\$ 10,686	\$ 3,619	\$ 2,054	\$ (1,565)	\$ (4,881)	\$ 5,805	1
Oil Sales	212	72	72	(1)	-	212	
Sales of Purchased Gas	37,770	16,774	10,229	(6,545)	(2,189)	35,581	2
Total	48,667	20,465	12,355	(8,111)	(7,070)	41,598	
Cost of Sales							
Transportation	647	216	63	153	-	647	
Gas Purchases	37,898	16,803	10,923	5,880	1,844	36,054	2
Carbon Tax	-	-	-	-	(121)	121	
Transfer (from) to Retail	(1)	34	(1,891)	1,926	1,839	(1,840)	3
Total	38,545	17,053	9,094	7,959	3,562	34,982	
Gross Margin	10,123	3,412	3,260	(152)	(3,508)	6,615	
Revenue							
Other Sales & Services	52	18	149	132	132	184	
Royalties	(170)	(61)	(51)	10	-	(170)	
	(118)	(43)	98	141	132	14	
Expenses							
Administration	1,385	483	492	(10)	(90)	1,474	
Operations & Maintenance	11,088	3,424	3,326	98	1,884	9,204	4
	12,472	3,907	3,818	88	1,794	10,678	
Earnings Before Internal Cost Allocations	\$ (2,467)	\$ (538)	\$ (460)	\$ 78	\$ (1,582)	\$ (4,049)	
Internal Expenses	3,625	2,443	2,310	132	321	3,304	5
	(3,625)	(2,443)	(2,310)	132	321	(3,304)	
Earnings Before Interest, Taxes and Amortization	\$ (6,093)	\$ (2,981)	\$ (2,770)	\$ 210	\$ (1,260)	\$ (7,353)	
Interest Expense	(491)	(491)	(491)	-	-	(491)	
Depreciation/Depletion/Accretion	(10,781)	(3,594)	(3,594)	-	-	(10,781)	
Net Earnings / (Loss)	\$ (17,365)	\$ (7,066)	\$ (6,855)	\$ 210	\$ (1,260)	\$ (18,625)	
Free Cash Flow (transfer (to)/from reserve)	6,584	-	-	-	2,479	9,063	6
Net Earnings / (Loss) after Transfers	\$ (10,781)	\$ (7,066)	\$ (6,855)	\$ 210	\$ 1,219	\$ (9,562)	

ENVIRONMENT, LAND & GAS PRODUCTION - GAS

For the Period Ended April 30, 2026

OPERATING NOTES

1. Gas Sales from Production are -\$1.6M unfavourable due to lower spot prices as a result of record high production volumes in Western Canadian Sedimentary Basin (WCSB) and limited new demand and egress out of the Basin. Lower spot price should continue until new demand or egress occurs, however, starting to see smaller producers choking back production and/or shutting in for economics. As a result of these shifts, the unfavourable variance is expected to become -\$4.9M at yearend.
2. Sales of Purchased Gas are offset by Gas Purchases and represent additional gas purchases and sales performed by Marketing, to cover local demand not met by produced gas. Sales of Purchased Gas are -\$6.5M unfavourable due to lower natural gas price as a result of an oversupplied market and limited new demand and/or egress from production areas in addition to a higher 7a price compared to cash market. Sales of Purchased Gas are expected to be -\$2.2M unfavourable by yearend, as a result of improving gas prices later in the year. Gas Purchases are \$5.9M favourable due to lower natural gas prices. This variance is projected to lower to \$1.8M favourable at yearend, as a result of improving gas prices later in the year.
3. Transfer from Retail is currently \$1.9M favourable and is projected to be \$1.8M favourable at yearend due to the gas supply differential between the cost of gas supplied by Gas Production (Alberta Energy Company 5A) and the revenue received for the sale of gas from Gas Retail (average energy rates).
4. Operations & Maintenance is projected to be \$1.9M favourable due to lower abandonment operating expenses as a result of reclamation certificates received resulting in lower taxes and lease costs.
5. Internal Expenses are \$132K favourable due mainly to lower support costs (\$88K), and lower Electric utilities (\$27K). The favourable variances are expected to continue to yearend and increase to \$321K.
6. Free Cash Flow (transfer (to)/from reserve) is \$9.1M to fund cash requirements in 2026. This is more favourable than budget due to more cash required to sustain operations.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Continued optimizing gas wells through wellbore swabbing and equipment-maintenance practices, resulting in improved efficiency and reduced fuel-gas consumption.
- Ongoing Surface Casing Vent Flow (SCVF) repair work in preparation for future abandonment activities; five wells have now been successfully cut, capped, and transferred for reclamation.
- Abandonment and reclamation efforts remain active, with the City having received 42 reclamation certificates as of April 30.
- The drilling rig at the Tourist Centre was removed in April due to public-safety considerations.

Planned Next Four Months

- Continue with operation plant maintenance and optimization of gas wells.
- Continue execution of well and pipeline abandonments.
- Continue reclamation activities in abandoned oil and gas fields.
- Work toward Regulatory audit 3 year extension.
- Work on technical analysis for efficiency improvements and pre budget plans.

ENVIRONMENT, LAND & GAS PRODUCTION - GAS

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Operational Excellence</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Drive continuous optimization of existing gas production assets, including targeted swabbing of high-water-cut wells and strategic compressor tuning to lower fuel usage and reduce long-term operating costs.2. Maintain rigorous cost control through proactive monitoring and management of operational expenditures to support corporate fiscal discipline and efficiency goals.3. Collaborate closely with all Gas Production personnel to maximize gas output while balancing operational requirements and administrative expenses for overall performance improvement.
<p>Safety & Employee Wellness</p> <p>Gas Production 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Conducting ongoing reviews of departmental safety systems to ensure full alignment with the City of Medicine Hat's Safety Management System. This includes active evaluation of hazard assessments, safety inspections, incident investigations, standard operating procedures, and emergency response protocols.2. Performing ongoing and scheduled worksite inspections in collaboration with employees, with a focus on continuous improvement and maintaining compliance with all Occupational Health and Safety regulations.3. Reviewing employee competency training to ensure staff maintain the required knowledge and skills in accordance with Occupational Health and Safety regulatory standards.4. Coordinating ongoing training opportunities that support overall employee wellness, informed through collaborative discussions during regularly scheduled safety meetings.5. Completed updates to the Emergency Response Manual to ensure continued regulatory compliance.
<p>Innovation</p> <p>Environment, Land & Gas Production 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Gas Production continues to operate in full compliance with all applicable safety, regulatory, and environmental requirements. The team remains focused on optimizing operational performance while collaborating with reporting agencies to further reduce environmental emissions.2. In response to the federal carbon tax changes taking effect in March 2025, Gas Production withdrew from Alberta's TIER program (the province's carbon-pricing framework). This strategic decision is expected to generate ongoing economic benefits, resulting in carbon-tax savings in the tens of thousands of dollars this year.3. During the first four months of 2026, Gas Production secured 42 reclamation certificates. In addition to these achievements, five wells were successfully cut, capped, and transferred for reclamation activities.

ENVIRONMENT, LAND & GAS PRODUCTION - GAS

For the Period Ended April 30, 2026

SAFETY, ENVIRONMENT & REGULATORY

January to December Notes

Safety, Environmental & Regulatory - T1, T2 & Year-End Report

Key Performance Indicators	Goal	T1	T2	T3	Total	2025
Lost Time Incidents	0	✓0			0	✓0
Preventable Vehicle Incidents	0	✓0			0	✓0
High Risk Environmental Incidents	0	✓0			0	✓0
High Risk Regulatory Incidents	0	✓0			0	✗1

No incidents to report for January – April.

Definitions

- Lost Time Incident – a lost workday occurs when the injured staff is unable to perform any regular or restricted work duties on any day after the day on which the injury occurred.
- Preventable Vehicle Accident – when everything reasonably practicable to prevent an accident was not done.
- High Risk Incident – as defined by the governing bodies in Alberta and Saskatchewan.

KPIs - T1 Report

Sales Volume	Approved Budget	Forecast	Variance
Natural Gas (mcf/d)	10,180	9,435	-7%
Oil (bbl/d)	8	10	22%
Total (boe/d)	1,705	1,582	-7%

Notes

The variance forecast in Natural Gas production for 2026 is due to upcoming maintenance work resulting in restricted production and optimization of gas compression utilization.

Definitions

- Boe/d – barrels of oil equivalent per day with natural gas converted at 1:6 ratio.
- Oil Fields – actuals include Queenstown.

Operating Excellence	Approved Budget	Forecast	Variance
Admin Costs (\$/mcf)	\$0.36	\$0.39	-7%
NG Lifting Costs (\$/mcf)	\$1.59	\$1.70	-6%
Admin Costs (\$/boe)	\$2.20	\$2.37	-7%
Oil Lifting Costs (\$/bbl)	\$3.25	\$2.66	22%
Abandonment Op Cost (\$/Site)	\$2,639	\$2,009	31%

Notes

Variance in lifting costs for Oil is due to abandonment of Countess well site. No other significant variances to report.

Definitions

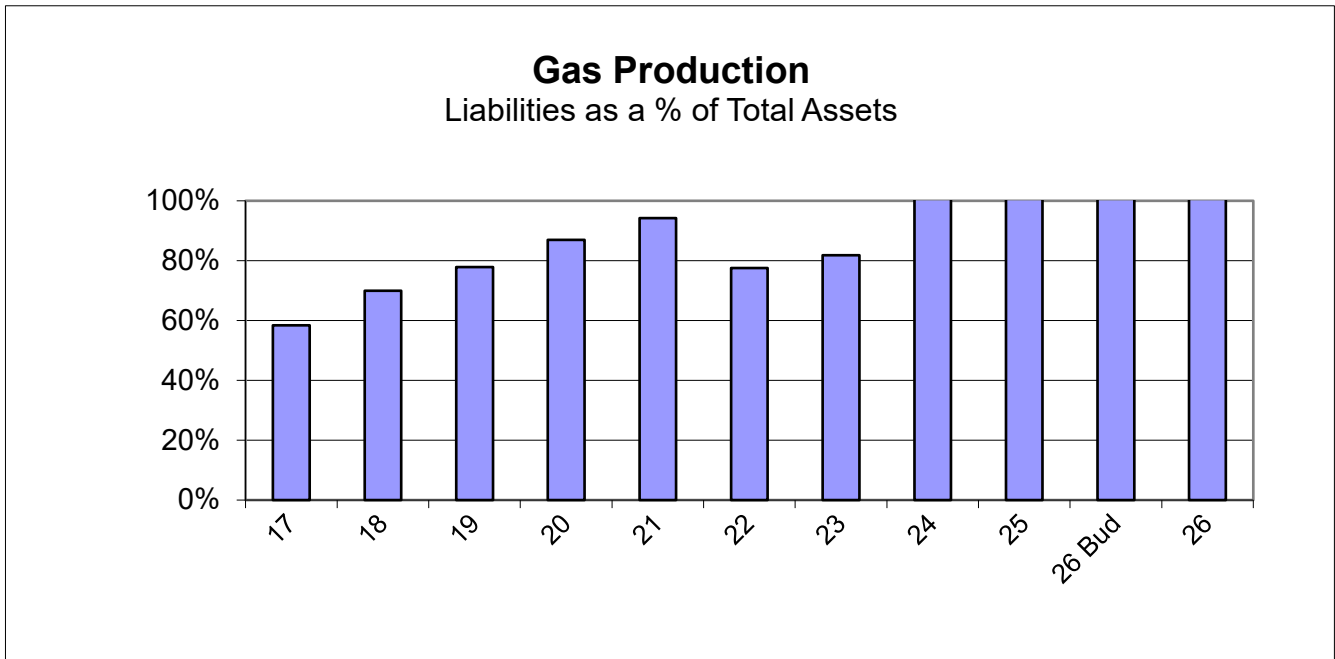
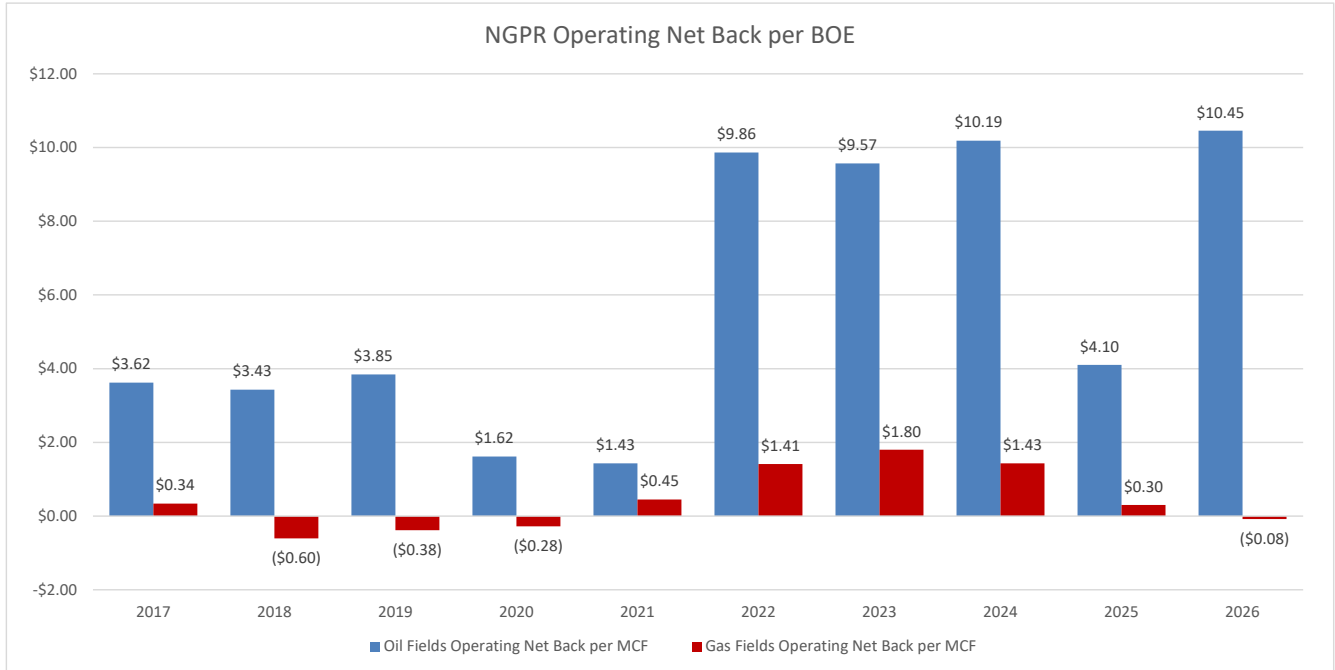
- Lifting Cost – the costs to operate/maintain wells, related equipment and facilities for oil and gas produced by the latter after the hydrocarbons have been found/acquired and developed for production.

A & R Program T1

Reclamation Certificates	YTD
Sites to Closure	42

ENVIRONMENT, LAND & GAS PRODUCTION - GAS

For the Period Ended April 30, 2026



ENVIRONMENT, LAND & GAS PRODUCTION - LAND

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Sales							
Residential Land Sales	\$ 3,155	\$ 1,051	\$ 1,205	\$ 154	\$ 945	\$ 4,100	1
Commercial Land Sales	220	73	-	(73)	2,097	2,317	2
Sales	-	-	600	600	600	600	3
Total	3,375	1,125	1,805	680	3,642	7,017	
Cost of Sales							
Residential Land Sales	1,452	484	1,205	(721)	(1,210)	2,662	4
Commercial Land Sales	5	2	-	2	(393)	398	5
Other Land Sales	-	-	11	(11)	(11)	11	
Total	1,457	485	1,216	(731)	(1,614)	3,071	
Gross Margin	1,919	639	589	(50)	2,028	3,946	
Revenue							
Operations	872	299	348	49	-	872	
Other	3	1	-	(1)	(3)	-	
Total	876	300	348	47	(3)	872	
Expenses							
Administration	1,248	364	360	4	-	1,248	
Operations	281	94	17	76	98	183	
Other	130	43	-	43	80	50	
Total	1,659	501	377	124	178	1,481	
Earnings Before Internal Cost Allocations	\$ 1,135	\$ 438	\$ 559	\$ 121	\$ 2,202	\$ 3,337	
Internal Recovery	489	359	359	-	-	489	
Internal Charges	883	842	848	(6)	8	875	
	(394)	(483)	(489)	(6)	8	(386)	
Earnings Before Interest, Taxes and Amortization	\$ 742	\$ (45)	\$ 70	\$ 115	\$ 2,209	\$ 2,951	
Interest Expense	(4)	(4)	(4)	-	-	(4)	
Amortization	(308)	-	-	-	-	(308)	
Net Earnings / (Loss)	\$ 431	\$ (48)	\$ 66	\$ 115	\$ 2,209	\$ 2,640	
Free Cash Flow (transfer (to)/from reserve)	(2,193)	-	-	-	(3,902)	(6,095)	6
Net Earnings / (Loss) after Transfers	\$ (1,763)	\$ (48)	\$ 66	\$ 115	\$ (1,692)	\$ (3,455)	

OPERATING NOTES

- Residential Land Sales and Cost of Sales are \$154K favourable due to 15 general lots being sold from January to April. Only 15 general lot sales were budgeted for, along with 2 large lot sales. Given that the budget is recognized evenly throughout the year, selling 15 general lots in the first four months causes a favourable timing variance. This favourable variance is projected to increase to \$945K at yearend due to the expected sale of an additional 10 unbudgeted lots, totalling annual sales of 27 lots.
- Commercial Land Sales are projected to be \$2.1M favourable due to the sale of a larger lot than originally budgeted.
- Undeveloped Land sales are \$600K favourable due to the unbudgeted sale of 5254 Box Springs Road SW. This variance will continue to yearend.
- Residential Cost of Sales are -\$721K unfavourable due to 15 general lots being sold from January to April. Only 15 general lot sales were budgeted for, along with 2 large lot sales. Given that the budget is recognized evenly throughout the year, selling 15 general lots in the first four months causes an unfavourable timing variance. This unfavourable variance is projected to increase to -\$1.2M at yearend due to the expected sale of an additional 10 unbudgeted lots, totalling annual sales of 27 lots.
- Commercial Cost of Sales are projected to be -\$393K unfavourable due to the sale of a larger lot than budgeted.
- Free Cash Flow (transfer (to)/from reserve) is projected to be -\$3.9M unfavourable at yearend as a result of less cash flow required to sustain operations.

ENVIRONMENT, LAND & GAS PRODUCTION - LAND

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Continuation of single-family residential lot sales in Saamis 7, Ranchlands, and Southlands to multiple builders. All single-family lots are under contract.
- Continuation of the review of leased City-owned lands to align with current market conditions and bringing lease agreements up to date.
- Continuation of sales agreements for:
 - Four multi-family properties: the purchasers are progressing on their condition's precedent.
 - One commercial property: the purchaser is advancing on their due diligence and conditions precedent.
 - Two land sales: the purchasers are advancing on their due diligence and conditions precedent.
- Closed on the sale of a 20-acre parcel of land located in the Northwest Industrial Park.
- Rebranding completed for the commercial land at the Airport, as the Gateway Business Park.
- Promotion and marketing of existing land inventory through targeted online marketing efforts.
- Provided the Sale and Acquisition Report for 2025 to Council, outlining sales/acquisition approved by administration.

Planned Next Four Months

- Continue marketing efforts of commercial land, multi-family land, and infill properties.
- Continue managing existing sales agreements and conditions precedent.
- Continue implementing initiatives from the Land Strategy:
 - Review and bring to market 3-5 infill properties that align with the strategy.
 - Begin review of the Lease and License Policy.
- Continue supporting internal City departments for utility right of way registrations, land registration clean-up, and future land requirements.
- Trial the sale of a City-owned Property through an auction process.
- Support land donation requests through the Capital Grant Process.
- Complete summer maintenance activities.
- Initiate and award RFP for the construction of 10 single family lots in Ranchlands.

Report on Business Plan Goals

Land Strategy

Lead in the creation and implementation of an overarching land strategy to inform acquisition, development, management, marketing and selling of City owned land inventory. The land strategy is to provide overarching guidance to effectively manage and optimize the City's land asset and will include a focus on sustainability through an underutilized land development strategy. Underutilized land redevelopment encourages infill development, environmental remediation, and community revitalization which in turn, establishes a larger municipal tax base and increases utilization of municipal infrastructure. Redeveloped underutilized lands are often 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.

PROGRESS

1. The Land and Real Estate Strategy was presented to Council at the Committee of the Whole meeting on May 26, 2025, and accepted as information at the Council meeting on June 2, 2025. The Land and Real Estate Strategy provides a 5-year outlook on the departments strategic direction and priorities to manage, identify, design, build, market, and sell residential, commercial, and industrial City owned lands.
 - a. The guiding principles include: (1) data driven decision making, (2) collaboration and strategic focus, (3) economic, environmental, and social factors, and (4) customer service and operational excellence.
 - b. The strategic priorities and goals are: (1) leverage the land and real estate portfolio to create value, (2) be adaptable to land development opportunities, and (3) lead with proactive marketing and sales.
2. Land and Real Estate continue to advance the strategic priorities identified within the Land Strategy, as shown within the Operating Highlights.

ENVIRONMENT, LAND AND GAS PRODUCTION – TAX SUPPORTED

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Environmental Strategy Administration	\$ 398	\$ 109	\$ 133	\$ 24	\$ 1	\$ 399	
	398	109	133	24	1	399	
Expenses							
Environmental Strategy & Compliance	940	269	236	33	38	902	
Environmental Strategy Administration	1,220	364	199	165	125	1,095	1
	2,160	633	435	198	163	1,997	
Net Surplus (Deficit) before Internal Cost Allocations	(1,762)	(524)	(302)	222	164	(1,598)	
Internal Revenue	1,137	1,137	1,137	-	-	1,137	
Internal Expenses	379	371	370	1	6	373	
	758	766	767	1	6	764	
Net Surplus (Deficit) before Cash Adjustments	(1,004)	242	465	223	170	(834)	
Transfer from Reserves (revenue)	100	-	-	-	(19)	81	
Net Cash Surplus (Requirements)	\$ (904)	\$ 242	\$ 465	\$ 223	\$ 151	\$ (753)	
Net Surplus (Deficit)	\$ (904)	\$ 242	\$ 465	\$ 223	\$ 151	\$ (753)	

OPERATING NOTES

- Environmental Strategy Administration expenses are \$165K favourable due to lower than budgeted Hat Smart expenses as a majority of 2026 applications have not yet been processed (\$109K) and delayed spending on contaminated sites expenses (\$76K). This favourable variance is offset by timing of Fieldshare software renewal (-\$40K). This favourable variance is projected to decrease slightly to yearend.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Continued execution and management of Hat Smart program and the City's Clean Energy Improvement Program (CEIP) and hired a designated staff member to administer this work.
- Continued environmental site assessments as part of the City's contaminated site management program.
- Continued to support operating departments with technical environmental advice and consultant management on environmental releases, construction projects, operational issues, development applications and land and property transactions.
- Received notice of award of grant funding for additional scope items for the City's Water Management and Adaptation Strategy (WMAS) project through the RDAR (Results Driven Agricultural Research) Irrigation Target Call.
- Conducted two internal workshops for the development of the WMAS to obtain feedback from subject matter experts (SME).
- Assisted landfill with the regulatory requirements and the formal submission of a water license transfer application to Alberta Environment & Protected Areas.

ENVIRONMENT, LAND AND GAS PRODUCTION – TAX SUPPORTED

For the Period Ended April 30, 2026

Planned Next Four Months

- Continued development of the City’s WMAS including further SME engagement and go live with a Shape your City webpage and public survey.
- Increase WMAS project budget with a request to Council following all grant funding awarded and provide an update on the project.
- Continue management of 2026 HAT Smart and CEIP programs with program efficiencies and updates.
- Development and formalization of a Contractor Environmental Responsibilities package for contractors working on City projects.
- Development and formalization of procedures for environmental release response and reporting procedures for City departments to ensure regulatory compliance.
- Continue corporate environmental support for projects and operations and conduct site visits during construction season.
- Continued management of remediation and reclamation of the City’s abandoned gas production assets.

Report on Business Plan Goals

Environmental Leadership

The team will drive formalization of corporate environmental processes and strategies (towards creation of an environmental management system) and lead the implementation of a strategic 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.

PROGRESS

1. Environmental Strategy & Compliance has received formal notification of approval for grant funding from FCM Green Municipal Fund to support the City’s WMAS as part of the actions of the Environmental Framework. Waiting for review of grant application submitted to Results Driven Agriculture Research.
2. Development of the City’s WMAS is underway. Four internal engagement workshops with internal subject matter experts have been set up for 2026. Public engagement and other stakeholder engagement strategies will be undertaken throughout the project.
3. The City’s Home Energy finance programs including Hat Smart and CEIP have been centralized in Environmental Strategy & Compliance. Innovative and efficient future changes will be considered and vetted internally for program improvement.
4. Environmental Strategy & Compliance continues to oversee the Remediation and Reclamation program for submission of Reclamation Certificate Applications on gas production assets.

ENERGY MARKETING & BUSINESS ANALYSIS

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Expenses							
Energy Marketing & Business Analysis	\$ 2,234	\$ 670	\$ 482	\$ 188	\$ 250	\$ 1,984	1
	2,234	670	482	188	250	1,984	
Net Surplus (Deficit) before Internal Cost Allocations	(2,234)	(670)	(482)	188	250	(1,984)	
Internal Revenue	2,232	744	479	(265)	(248)	1,984	2
Internal Expenses	263	253	252	1	1	262	
	1,969	491	227	(264)	(247)	1,722	
Net Cash Surplus (Requirements)	\$ (265)	\$ (179)	\$ (255)	\$ (76)	\$ 3	\$ (262)	

OPERATING NOTES

- Energy Marketing & Business Analysis expenses are \$188K favourable due to lower than budgeted contracted services related to unutilized consulting fees (\$156K) and less than budgeted salaries due to positional vacancies (\$31K). This variance will increase to \$250K favourable due to continued positional vacancies.
- Internal Revenue is -\$265K unfavourable due to lower recoveries on reduced expenses. This variance will increase to -\$248K unfavourable due to the lower expenses.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Saamis solar project management and analysis.
- Completed work on Rate Class review as per recent Council motion.
- Attended Restructured Energy Market (REM) finalizations sessions.

Planned Next Four Months

- Continued work on the Saamis solar project.
- Develop long range forecast for the Energy Division.
- Participation in the REM rule making detailed design.
- Develop gas supply options for the City.
- 2027-28 Budget planning for Energy Marketing & Business Analysis, Electric Generation, Gas Production, Electric and Gas Distribution, and Electric and Gas Retail.

ENERGY MARKETING & BUSINESS ANALYSIS

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Energy Transition</p> <p>In support of the division, Energy Marketing and Business 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Continue to work on Saamis Solar conditions to progress to construction.2. Ongoing work with business attraction that require large utility services.
<p>Support Strategic Decision Making</p> <p>The team will drive new value as a business partner by contributing credible analysis that informs strategic decision making related to the Energy, Land and Environment's division, and by supporting the corporate strategic planning process for an aligned corporate direction.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Continued work on Gas Production asset evaluation options.2. Evaluation of long-term capital outlook for Utility Distribution Systems and potential rate impacts.
<p>Asset Optimization</p> <p>In support of the division, Energy Marketing and Business Analysis will look to drive value through asset optimization strategies. The group will utilize quantitative analysis to find areas where there is potential for the City to achieve increased value or reduced cost. As well as a focus on understanding business risks and alternative/innovative solutions for the benefit of the organization and community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Work with local Distributed Energy Resources (DER) to look for opportunities for behind the fence supply.2. Carbon credit optimization for compliance obligations.

ENVIRONMENTAL UTILITIES – WATER

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Property Taxes	\$ 114	\$ -	\$ -	\$ -	\$ -	114	
Administration	29,093	7,330	7,299	(31)	-	29,093	
Operations	152	50	(4)	(55)	-	152	
Total	29,358	7,380	7,294	(86)	-	29,358	
Expenses							
Administration	2,742	748	602	146	110	2,632	1
Operations	6,556	2,073	1,799	274	120	6,436	2
Engineering	827	243	201	42	-	827	
Maintenance	1,064	327	205	122	(230)	1,294	3
Total	11,189	3,391	2,807	584	-	11,189	
Earnings Before Internal Cost Allocations	\$ 18,169	\$ 3,989	\$ 4,487	\$ 498	\$ -	\$ 18,169	
Internal Recovery	2,753	653	604	(49)	-	2,753	
Internal Charges	6,752	3,972	3,630	342	342	6,410	4
	(3,999)	(3,319)	(3,026)	293	342	(3,657)	
Earnings Before Interest, Taxes and Amortization	\$ 14,170	\$ 670	\$ 1,461	\$ 791	\$ 342	\$ 14,512	
Interest Expense	(3,282)	(3,282)	(2,912)	370	370	(2,912)	5
Amortization	(6,097)	-	-	-	-	(6,097)	
Accretion of Asset Retirement Obligations	(4)	-	-	-	-	(4)	
Net Earnings / (Loss)	\$ 4,787	\$ (2,612)	\$ (1,451)	\$ 1,161	\$ 712	\$ 5,499	
Free Cash Flow (transfer (to)/from reserve)	(252)	-	-	-	(931)	(1,183)	6
Transfer to One-time Expenses and Initiatives	(35)	-	-	-	-	(35)	
Transfer to Capital	(3,255)	-	-	-	120	(3,135)	7
Net Earnings / (Loss) after Transfers	\$ 1,245	\$ (2,612)	\$ (1,451)	\$ 1,161	\$ (99)	\$ 1,146	

OPERATING NOTES

- Administration expenses are \$146K favourable due to less than budgeted overtime required to date (\$82K), delayed spending in contracted services (\$40K) and staff vacancies (\$23K). This variance will decrease slightly to yearend.
- Operations expenses are \$274K favourable due to delayed spending in contracted services related to the residuals handling facility (\$151K) and reduced chemicals required to date (\$211K). This is partially offset by more staff time coded to Water Distribution than budgeted due to unexpected issues in the distribution system (-\$100K). This variance is projected to decrease to yearend as timing of budget and actuals align related to contracted services and chemicals (\$120K).
- Maintenance expenses are \$122K favourable due to delayed spending in contracted services (\$58K) and delayed spending in materials (\$50K). This variance is projected to be -\$230K unfavourable at yearend due to an unbudgeted clarifier repair (-\$300K), partially offset by lower than budgeted operating costs projected for the residuals handling facility (\$70K).
- Internal Charges are \$342K favourable mainly due to lower than budgeted utilities due to less usage (\$169K) and increased equipment recoveries related to work for other departments than budgeted (\$173K). This variance is projected to continue to yearend.
- Interest Expense is \$370K favourable due to timing of prior years capital expenses and related borrowings. This variance will continue to yearend.
- Free Cash Flow (transfer (to)/from reserve) is projected to be -\$931K unfavourable at yearend due to less free cash flow required to sustain operations than budgeted.
- Transfer to Capital is projected to be \$120K favourable at yearend due to two working capital funded projects being cancelled. This is intended to help offset the unbudgeted clarifier repair in Maintenance expenses (Note 3).

ENVIRONMENTAL UTILITIES – SEWER

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Property Taxes	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ 114	
Administration	25,789	8,265	8,409	144	175	25,964	1
Operations	32	11	9	(2)	-	32	
Total	25,935	8,276	8,418	142	175	26,110	
Expenses							
Administration	1,177	293	193	100	100	1,077	2
Operations	4,736	1,520	1,501	19	-	4,736	
Engineering	784	227	170	57	-	784	
Maintenance	1,294	403	264	139	60	1,234	3
Total	7,991	2,443	2,128	315	160	7,831	
Earnings Before Internal Cost Allocations	\$ 17,944	\$ 5,833	\$ 6,290	\$ 457	\$ 335	\$ 18,279	
Internal Recovery	1	-	1	1	-	1	
Internal Charges	5,599	3,359	3,381	(22)	-	5,599	
	(5,598)	(3,359)	(3,380)	(21)	-	(5,598)	
Earnings Before Interest, Taxes and Amortization	\$ 12,346	\$ 2,474	\$ 2,910	\$ 436	\$ 335	\$ 12,681	
Interest Expense	(3,624)	(3,624)	(3,139)	485	485	(3,139)	4
Amortization	(4,922)	-	-	-	-	(4,922)	
Accretion of Asset Retirement Obligations	(1)	-	-	-	-	(1)	
Net Earnings / (Loss)	\$ 3,799	\$ (1,150)	\$ (229)	\$ 921	\$ 820	\$ 4,619	
Free Cash Flow (transfer (to)/from reserve)	(984)	-	-	-	(878)	(1,862)	5
Transfer to Capital	(2,115)	-	-	-	-	(2,115)	
Net Earnings / (Loss) after Transfers	\$ 700	\$ (1,150)	\$ (229)	\$ 921	\$ (58)	\$ 642	

OPERATING NOTES

- Administration revenue is currently \$144K favourable and is projected to be \$175K favourable at yearend mainly due to higher commercial volumes and growth in apartment services provided.
- Administration expenses are \$100K favourable due to less than budgeted overtime required to date (\$40K) and more staff time coded to Water Distribution than budgeted due to unexpected issues in the distribution system (\$61K). This variance is expected to continue to yearend.
- Maintenance expenses are \$139K favourable mainly due to delayed spending in contracted services and materials. This variance is expected to decrease to \$60K at yearend as timing of budget and actuals align.
- Interest Expense is \$485K favourable due to timing of prior years capital expenses and related borrowings. This variance will continue to yearend.
- Free Cash Flow (transfer (to)/from reserve) is projected to be -\$878K unfavourable at yearend due to less free cash flow required to sustain operations than budgeted.

ENVIRONMENTAL UTILITIES – SOLID WASTE

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Residential Tipping Fees	\$ 420	\$ 106	\$ 120	\$ 14	\$ -	\$ 420	
Administration	700	-	-	-	(700)	-	1
Operations	8,452	2,603	2,725	122	121	8,573	2
Total	9,572	2,709	2,845	136	(579)	8,993	
Expenses							
Administration	690	219	180	39	-	690	
Operations	3,535	1,067	986	81	-	3,535	
Total	4,225	1,286	1,166	120	-	4,225	
Earnings Before Internal Cost Allocations	\$ 5,347	\$ 1,423	\$ 1,679	\$ 256	\$ (579)	\$ 4,768	
Internal Recovery	2,972	848	987	139	139	3,111	3
Internal Charges	5,680	2,678	2,539	139	139	5,541	4
	(2,708)	(1,830)	(1,552)	278	278	(2,430)	
Earnings Before Interest, Taxes and Amortization	\$ 2,639	\$ (407)	\$ 127	\$ 534	\$ (301)	\$ 2,338	
Interest Expense	(30)	(30)	(30)	-	-	(30)	
Amortization	(1,201)	-	-	-	-	(1,201)	
Accretion of Asset Retirement Obligations	(333)	-	-	-	-	(333)	
Net Earnings / (Loss)	\$ 1,075	\$ (437)	\$ 97	\$ 534	\$ (301)	\$ 774	
Free Cash Flow (transfer (to)/from reserve)	(2,401)	-	-	-	41	(2,360)	
Transfer to Capital	(130)	-	-	-	-	(130)	
Net Earnings / (Loss) after Transfers	\$ (1,456)	\$ (437)	\$ 97	\$ 534	\$ (260)	\$ (1,716)	

OPERATING NOTES

- Administration revenue is projected to be -\$700K unfavourable at yearend. The City received notice in September 2025 that the request for an extension for emission offset credits was not approved beyond 2024 at the current composting facility. However, the Province has indicated that the City could be eligible for credits in the future with a food waste composting program and new upgraded facility.
- Operations revenue is \$122K favourable due to higher commercial tipping volumes at the landfill as a result of increased project activities in and around Medicine Hat including traffic light work and Telus Fibre work. This variance is expected to continue to yearend.
- Internal Recovery is \$139K favourable due to increased landfill usage from internal departments. This variance is projected to continue to yearend.
- Internal Charges are \$139K favourable mainly due to lower than budgeted fleet expenses due to the delay in procurement of two commercial trucks (\$75K), lower than budgeted charges from the Director and Building cost centres (\$25K) and lower than budgeted Finance charges (\$13K). This variance is projected to continue to yearend.

ENVIRONMENTAL UTILITIES – WATER, SEWER & SOLID WASTE

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Southridge Reservoir infrastructure upgrades – internal project.
- Held one free composting and battery collection events this year at Kipling Recycling Depot.
- Seasonal yard waste collection program started April 6, 2026.
- North Reservoir upgrades to commence Q1 2026 if required material is sourced.
- Site Security upgrades to satellite locations (Water) to be completed, then progressing into alternate site locations (Sewer).
- Continued exploring options for water main lining.
- Planning for Water Treatment Plant (WTP) repair/replacement of clarifier (5 SCU) recirculate combination drive.
- Continue WTP solids handling facility process optimization.
- WTP high lift pump repair.
- Supervisory Control and Data Acquisition (SCADA) private access point name cellular network setup.
- Continued SCADA network segmentation to improve network reliability and redundancy.
- Annual reports to Alberta Environment.
- Waste Water Treatment Plant (WWTP) lagoon chamber #4 slide gate replacement and erosion control added.
- WWTP trickling filter pump #1 electrical feed repair.
- Continued WWTP screen and grit removal project design phase.

Planned Next Four Months

- Birch Ave (3rd Street SE to 4th Street SE) sewer replacement project.
- Deficiency repairs on Harlow water transmission main interconnect to be completed.
- 3rd Street N (Riverside) design water/sewer rehabilitation as part of Municipal Works 2027 project.
- Harlow lift station generator and building upgrades design.
- WWTP shoreline protection planning continues for construction to commence in fall.
- WWTP screen & grit chambers request for proposal should be issued for equipment.
- Sewer lining program commencement.
- Kipling Street Transmission Main twinning – design completion and tendering.
- Landfill cell expansion design award and commencement.
- WTP lab upgrades.
- Council tour Landfill and WWTP dates yet to be confirmed.
- Execution of WTP repair/replacement of clarifier (5 SCU) recirculate combination drive.
- Continue WTP solids handling facility process optimization.

ENVIRONMENTAL UTILITIES – WATER, SEWER & SOLID WASTE

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Financial & Environmental Responsibility</p> <p>To provide safe, reliable, and effective water treatment and distribution, wastewater treatment and collection, and waste management systems in a financially & environmentally responsible manner. Ensure compliance with all municipal, provincial, and federal standards and regulations.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">Operational teams have been working with Engineering teams to collaborate and complete smaller scale projects in house. Several of these projects are underway currently or were completed in 2025.H2S gas in sewage lift stations solutions: City of Medicine Hat Wastewater Lift Stations face many challenges. Two locations specifically, Southlands Lift and Southwest Sector (Desert Blume) contain operational circumstances which create higher levels of H2S which contribute to deterioration of infrastructure along with increased odour issues. Due to collection area and geographical location of stations, elevational differences in force mains (which transfer waste material) contribute to the environment which helps create the H2S gas. In previous years, staff had applied different methods to manage these issues, mainly by adding potable water to lift station wet wells to dilute waste material and create expedited pump cycle times. This method was found inefficient as concerning hazardous levels were not decreasing, there were additional operational costs to pumps and motors, and increased costs related to wasted usage of treated potable water. This would become very inefficient in times of water shortage management plan implementation. Through current working teams including Engineering, Millwrights, and Field Operations staff, it has been identified that a specialized product dosage is required to assist in lowering harmful levels of H2S gas in conjunction with maintaining acceptable odour levels for residents and business owners. The goal was to find the most efficient and cost-effective method to manage this ongoing situation which has produced both operational and financial benefits.
<p>Risk-Based Asset Management</p> <p>We are dedicated to risk control through the assessment, management, operations of our facilities, and maintenance practices.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">Completed tendering and award for several capital projects with more coming soon. Most 2025 projects have been completed with minor surface work to be finished off this spring.Sanitary sewer mains flushing program has commenced for 2026. Continuous maintenance and evaluation of infrastructure enables sound decision making for prioritizing capital replacement projects.Fire hydrant flushing program is underway for 2026. Continuous maintenance and evaluation of infrastructure enables sound decision making for prioritizing capital replacement projects.Staff has been learning more about artificial intelligence programs that can aid in identifying the highest risks in a traditional asset management system with hopes to trial a solution in 2026.

ENVIRONMENTAL UTILITIES – WATER, SEWER & SOLID WASTE

For the Period Ended April 30, 2026

Operational Excellence Through Continuous Improvement

Through positive leadership, continuous improvement, meticulous planning, and effective stakeholder communication, we manage and operate municipal utility infrastructure to provide reliable services for the current and future needs of the community and the environment.

PROGRESS

1. Completed tendering for construction of several capital projects. This upgraded infrastructure will help in reliability for current and future generations of ratepayers.
2. Harlow Interconnect project 2025 (wrapping up minor surface repairs 2026):
Staff identified a need to improve water supply to the north side of the river. The existing larger diameter main upstream of the Trans Canada Highway (TCH) Bridge is of uncertain condition and the department plans to undertake a condition assessment in a future budget cycle. The existing 900 mm diameter main from the Harlow area to the north side is fed by a smaller diameter main that is not able to provide a fully redundant supply to the north side in the event of a problem with the transmission main upstream of TCH bridge. In order to improve feed to the Harlow crossing, staff plans to install a large-diameter water transmission main from 1 Street SW to Harlow.
3. Continuously seeking opportunities to collaborate with other departments and communicate plans for capital projects early in the design phase. Initial plan for Harlow was to install the water main via trenchless methods to reduce the disturbance to the area. However, due to poor soil conditions in the area, trenchless methods are not possible. Once it was identified that open cut would be required and that there would be much more disturbance through the park area, Parks and Recreation (PKRC) decided to take advantage of the opportunity to improve amenities in the area and replace an irrigation system that was in poor condition. PKRC led a public engagement process to seek feedback on proposed improvements to Harlow and Noble parks and to inform residents of the upcoming construction. Utility Distribution Systems – Gas Distribution also saw an opportunity to once again collaborate with our department and upgrade gas infrastructure as part of the larger water main installation project. Environmental Utilities and Utility Distribution Systems – Gas Distribution have successfully collaborated on several projects in the past.

MUNICIPAL WORKS

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Administration	\$ 235	\$ -	\$ -	\$ -	\$ (235)	\$ -	1
Operations	46	15	24	9	-	46	
	281	15	24	9	(235)	46	
Expenses							
Administration	694	160	189	(29)	149	545	2
Engineering	2,014	467	446	21	-	2,014	
Operations	5,970	1,696	1,412	284	-	5,970	3
	8,678	2,323	2,047	276	149	8,529	
Net Surplus (Deficit) before Internal Cost	(8,397)	(2,308)	(2,023)	285	(86)	(8,483)	
Internal Revenue	130	-	9	9	-	130	
Internal Expenses	4,672	2,770	2,777	(7)	-	4,672	
	(4,542)	(2,770)	(2,768)	2	-	(4,542)	
Net Surplus (Deficit) before Cash Adjustments	(12,939)	(5,078)	(4,791)	287	(86)	(13,025)	
Interest Expense	(620)	(620)	(529)	91	91	(529)	4
Principal	(1,142)	(1,142)	(1,157)	(15)	(15)	(1,157)	
Net Cash Surplus (Requirements)	\$ (14,701)	\$ (6,840)	\$ (6,477)	\$ 363	\$ (10)	\$ (14,711)	
Amortization	(15,585)	-	-	-	-	(15,585)	
Net Surplus (Deficit)	\$ (30,286)	\$ (6,840)	\$ (6,477)	\$ 363	\$ (10)	\$ (30,296)	

OPERATING NOTES

- Administration revenue is projected to be -\$235K unfavourable at yearend due to not receiving emission offset credits for streetlight upgrades (HPS to LED). This project has been deemed not to be fiscally advantageous, requiring significant expense and resources to apply with an expected low rate of return.
- Administration expenses are projected to be \$149K favourable due to the postponement in executing the Southern Regional Stormwater Drainage Committee agreement and related funding requirement.
- Operations expenses are \$284K favourable, mainly due to lower use of contracted services and materials in the early part of the year (\$197K). This variance is expected to decrease as construction activity ramps up in the summer. Staff vacancies (\$110K) were mostly offset by increased overtime needs for snow and ice control (-\$67K). An additional favourable variance reflects work for other departments scheduled later in the year (\$42K). Overall, these favourable variances are expected to decrease to yearend as seasonal construction activity commences.
- Interest Expense is \$91K favourable due to timing of prior year capital expenses and related borrowings. This variance will continue to yearend.

MUNICIPAL WORKS

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Winter operations wrapped up, commencement of spring street sweeping program as well as spring maintenance activities including drainage management and asphalt repairs.
- Initiated asphalt recycling operations.
- Initiated bathymetric survey of select stormwater management facilities.
- Continuation of engineering design and tender for 2026 Tangible Capital Asset (TCA) projects.
- Advanced design development and stakeholder engagement for the 3rd Street Riverside, 3rd Street Downtown, and 16 Street SW corridors.
- Completed inspections of flood mitigation infrastructure and initiated required maintenance actions.
 - Initiated planning and training in preparation for potential 2026 river or creek flood events.
- Continued the stormwater outfall regulatory requirement review and begin implementation of recommended actions.
- Initiate development of the Asset Management Plan for transportation core asset classes.
- Evaluated operating needs and initiated recruitments to fill vacancies and strengthen delivery of operations.

Planned Next Four Months

- Completion of spring sweeping program and the initiation of asphalt rehabilitation, overlay, lane grading, concrete repairs, storm, and bridge maintenance.
- Continue to support upcoming special events put on by external organizations, including Special Olympics, Ribfest, Canada Day, and Spectrum.
- Complete recruitments to fill vacancies and strengthen delivery of operations.
- Continue to support corporate priorities such as 2027-2028 Budget and business planning.

MUNICIPAL WORKS

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Safety</p> <p>Maintain a strong commitment to the Health and Safety of employees, partners, contractors, and residents. Being safe is personal and it is reflected in the decisions made, the actions taken, and it is front of mind every day. The Department exercises safe practices to meet legislative and Occupational Health and Safety (OH&S) regulatory requirements and to ensure everyone goes home safe. It is recognized that efficient health and safety programs promote operational efficiency and lead to a reduction of costs associated with workplace incidents and injuries.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Regularly scheduled safety moments with operational staff to communicate safety observations. Such as at the start of meetings, tours of the shop, etc.2. Management has attended all department Joint Worksite Health & Safety Committee meetings and has addressed all identified safety action items.3. Hazard assessments are completed and reviewed daily to ensure operational safety awareness.4. Promoted an environment where staff were encouraged to report all OH&S issues (incidents and near misses) in order to implement corrective actions and create a safe workplace for all.
<p>Infrastructure Operations & Maintenance</p> <p>Municipal Works Department (MWD) oversees the City's comprehensive transportation network, which includes roads, sidewalks, bridges, street lighting, and traffic signals. Additionally, the City diligently maintains and operates its storm management system, adhering to industry best practices and meeting regulatory requirements. Continue the informed, effective, and efficient operation and maintenance of this critical infrastructure.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Expansion of Cityworks use in pavement marking operations, including new workflows for crosswalk, stop bar, and bike lane installations.2. Annual inspection programs on the pavement, storm system, bridges, Connaught dam (monthly), snow disposal sites and streetlighting infrastructure.3. Continued collaboration between MWD and Parks and Recreation to improve efficiency in snow and ice control and grass cutting operations. After hours communication plan developed to ensure a consistent response and deployment plan on all City trails following a snow event.4. To improve road repair efficiency and effectiveness in the shoulder seasons (when hot asphalt is not available), the new asphalt recycler was introduced.5. The new hot box delivery is expected late 2026 and will support patching operations.
<p>Asset Management</p> <p>MWD plays a critical role in risk-based asset management of transportation and stormwater related assets. The department adheres to industry best practices for managing stormwater and multi-modal transportation within the City's transportation network. MWD staff diligently perform maintenance and management tasks, extending the lifespan of assets and ensuring safe operation. MWD is committed to optimizing available funds to maintain the existing infrastructure and communicate the health of the assets.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. MWD staff attended a Canadian benchmarking conference.2. MWD staff have initiated development of Asset Management Plan for different transportation asset classes as part of Asset Management Planning Professional Certificate course delivered by National Asset Management System (NAMS) Canada.3. Reviewed and refined the existing storm infrastructure inspection program to support inspection prioritization and improve the identification of the most suitable candidates for rehabilitation.4. Public Lands Act requirements for the City's storm outfalls completed in association with Environmental Management.

MUNICIPAL WORKS

For the Period Ended April 30, 2026

<p>Innovative Transportation Network Management</p> <p>MWD employs a strategic, multi-dimensional approach to oversee MWD infrastructure. The department focuses on several key areas: sustainable infrastructure and network planning, traffic demand management, multi-modal transportation, new development support and road safety planning. Through innovation and emerging technologies, MWD aims to enhance safety, efficiency, reliability, and sustainability while minimizing environmental impact. The department actively listens to community feedback and strives to engineer solutions that meet the diverse needs of the community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. At Council’s direction, paused further Transportation Master Plan (TMP) engagement and refocus engagement efforts on the Riverside Corridor, with an emphasis on trust building activities. Additional TMP engagement may occur in Q4 2026.2. Installed seven new speed feedback signs with cloud-based connectivity and remote data access capabilities.3. Reviewed and updated the crosswalk evaluation process to align with the most current Transportation Association of Canada (TAC) guidelines (2018).4. Upgraded seven crosswalks with Rectangular Rapid Flashing Beacons (RRFBs), replaced RRFBs at three existing locations, and identified two additional locations for future installation.
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AIRPORT

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Airport	\$ 707	\$ 236	\$ 221	\$ (15)	\$ (250)	\$ 457	1
	707	236	221	(15)	(250)	457	
Expenses							
Airport	1,396	404	296	108	65	1,331	2
	1,396	404	296	108	65	1,331	
Net Surplus (Deficit) before Internal Cost Allocations	(689)	(168)	(75)	93	(185)	(874)	
Internal Expenses	753	592	594	(2)	-	753	
	(753)	(592)	(594)	(2)	-	(753)	
Net Surplus (Deficit) before Cash Adjustments	(1,442)	(760)	(669)	91	(185)	(1,627)	
Interest Expense	(70)	(70)	(70)	-	-	(70)	
Principal	(318)	(318)	(318)	-	-	(318)	
Net Cash Surplus (Requirements)	\$ (1,830)	\$ (1,148)	\$ (1,057)	\$ 91	\$ (185)	\$ (2,015)	
Amortization	(1,501)	-	-	-	-	(1,501)	
Accretion of Asset Retirement Obligations	(1)	-	-	-	-	(1)	
Net Surplus (Deficit)	\$ (3,332)	\$ (1,148)	\$ (1,057)	\$ 91	\$ (185)	\$ (3,517)	

OPERATING NOTES

1. Airport revenue is projected to be -\$250K unfavourable at yearend due to the termination of airline service effective in late Q2.
2. Airport expenses are \$108K favourable due to delayed spending in contracted services (\$53K) and materials (\$15K), as well as staff vacancies (\$30K). This variance will decrease slightly to yearend.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Winter operations program executed.
- Airport Masterplan public engagement concluded.
- Air service attraction activities.

Planned Next Four Months

- Spring/Summer maintenance programs underway.
- Commercial airline service withdrawal in June.
- Conclusion of Airport Masterplan Phase 1 and 2 activities.
- Family Fun & Flight Airshow community event.

AIRPORT

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Safety and Operations Excellence</p> <p>Prioritize the health and safety of our employees, users, tenants, contractors, and residents. As owners of the City's airport infrastructure, be accountable for running and maintaining vital facilities such as runways, taxiways, aprons, the terminal, electric systems, parking lots, and internal roadways in the most efficient way possible. Adhere to all regulatory requirements and ensure the smooth and safe functioning of the airport for all who rely on it.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Regulatory project work continues to progress.2. 2025/26 Winter operations program concluded.3. Preliminary design efforts underway.
<p>Connectivity, Strategy, and Investment</p> <p>The Medicine Hat Regional Airport (YXH) is a critical transportation hub and economic driver for our region and serves an important function to keep Medicine Hat connected to other communities and economies. Commit to pursuing opportunities and to develop strategies to best leverage the Airport for the City and Southeast Region of Alberta.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Airline attraction tactics established and implemented.2. Phase 1 and 2 of Airport Masterplan advanced.3. YXH Promotion at Medicine Hat Tigers Game.4. One lease extended.

PLANNING & DEVELOPMENT SERVICES

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Administration	\$ -	\$ -	\$ 58	\$ 58	\$ 58	\$ 58	1
Planning	1,200	400	460	60	60	1,260	2
Engineering & Safety Codes Services	1,438	479	605	126	126	1,564	3
	2,638	879	1,123	244	244	2,882	
Expenses							
Administration	928	275	283	(8)	(58)	986	1
Planning	1,628	470	433	37	-	1,628	
Engineering & Safety Codes Services	2,525	730	714	16	-	2,525	
	5,081	1,475	1,430	45	(58)	5,139	
Net Surplus (Deficit) before Internal Cost	(2,443)	(596)	(307)	289	186	(2,257)	
Internal Revenue	-	-	10	10	-	-	
Internal Expenses	1,248	1,194	1,189	5	-	1,248	
	(1,248)	(1,194)	(1,179)	15	-	(1,248)	
Net Surplus (Deficit) before Cash Adjustments	(3,691)	(1,790)	(1,486)	304	186	(3,505)	
Net Cash Surplus (Requirements)	\$ (3,691)	\$ (1,790)	\$ (1,486)	\$ 304	\$ 186	\$ (3,505)	
Amortization	(55)	-	-	-	-	(55)	
Net Surplus (Deficit)	\$ (3,746)	\$ (1,790)	\$ (1,486)	\$ 304	\$ 186	\$ (3,560)	

OPERATING NOTES

- Administration revenue is \$58K favourable due to an invoice issued related to the cleanup of an unsightly property. This is offset by an unfavourable variance projected to yearend in Administration expenses related to the cost incurred to cleanup the unsightly property (-\$50K).
- Planning revenue is \$60K favourable due to increased licensing fees. This variance is expected to continue to yearend.
- Engineering & Safety Codes Services revenue is \$126K favourable due to a few large permits received to date and increased permit fees. This variance is expected to continue to yearend.

PLANNING & DEVELOPMENT SERVICES

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Continued to meet with Off-Site Levy (OSL) Advisory Committee to formalize a finalized report for Executive Leadership and Council regarding the current financials and outline a philosophy and plan moving forward.
- Continued to update Planning & Development Services (PDS) KPI's and review other opportunities to report to the community on performance.
- Continued to improve overall PDS processes to improve overall customer experience.
- Continued to finalize Land Use Bylaw Refresh and update project.
- Finalized Internal Safety Codes Audit.

Planned Next Four Months

- Continue with OSL Review and prepare for creation of new framework for creation of actual levies.
- Work on PDS process review and finalize technical review process and reporting framework.
- Work to finalize Budget and Business Plans for next 2-Year cycle.

PLANNING & DEVELOPMENT SERVICES

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Create Opportunities to Incentivize Businesses and Reduce Barriers</p> <p>Create a more attractive and supportive environment for businesses by reducing barriers, improving transparency and enhancing efficiency.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. PDS has undertaken an update to all its processes. This includes the intake process whereby the customers have first interactions with the department. Customer Service training and review of how to better support the customers in online platforms for applications is being sought to update and improve this vital relationship area.
<p>Provide Excellent Customer Care in the Delivery of Planning and Development Services</p> <p>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. Communicating clear, concise Levels of Service, inclusive of metrics to identify department performance and support continuous improvements will enhance stakeholder understanding.</p> <p>This includes providing a modern development digital application process that allows customers to submit applications, communicate with the City, and pay fees digitally.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. The Continuous Improvement Program creation and Program Review Process is continuing. All areas of Planning and Development Services are being reviewed, and currently the technical review of all applications is being undertaken to determine aspects that can be improved upon to reduce overall time for applications to be reviewed. The Standard Operating Procedures will be incorporated into the PDS process manual, as will the review timelines for all processes to ensure there is a finite timeline to look at and update processes beyond the use of any complaints. There has been a complaints process instituted to take in customer complaints and help determine if there are issues that need to be reviewed in advance of any scheduled reviews.2. The Levels of Service for PDS were published as part of the last business planning process and are in the process of review and updating as a part of this next 2-Year cycle.
<p>Establish the Municipal Planning Foundation for Future Sustainable Development</p> <p>The City establishes the high-level planning and 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 service standards must follow and conform to the community's long-term Municipal Development Plan (MDP).</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. The Land Use Bylaw Refresh is approaching finalization. This refresh is the 5th step in a 5-step process and will have improved the overall certainty of different districts for developers narrowing use definitions, reducing discretionary items, and will help by reducing the likelihood of appeals. This update will improve certainty and efficiency for all applicants looking to develop in the City of Medicine Hat.2. Additionally, there is an update to the OSL process underway to ensure it is aligned with the Municipal Development Plan (MDP) and the current understandings of growth and infrastructure requirements in the community. This will ensure that our development community is engaged and has the information to clearly understand how these rates have been calculated and all the information available to move forward in support of community growth.

GENERAL MUNICIPAL REVENUES

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
					to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	
Revenue							
Other General Municipal Revenue	\$ 10,153	\$ 3,329	\$ 3,518	\$ 189	\$ (169)	\$ 9,984	1
Utilities Contributions	3,000	-	-	-	-	3,000	
Property Taxes	98,782	-	(18)	(18)	14	98,796	
Property Tax Adjustments	(1,018)	-	-	-	-	(1,018)	
	110,917	3,329	3,500	171	(155)	110,762	
Expenses							
Other General Municipal Revenue	51	17	82	(65)	(139)	190	2
Investment Expenses (General Fund)	5,674	1,078	1,197	(119)	105	5,569	3
	5,725	1,095	1,279	(184)	(34)	5,759	
Net Surplus (Deficit) before Internal Cost Allocations	105,192	2,234	2,221	(13)	(189)	105,003	
Internal Revenue	-	-	40	40	59	59	4
Internal Expenses	631	570	576	(6)	-	631	
	(631)	(570)	(536)	34	59	(572)	
Net Surplus (Deficit) before Cash Adjustments	104,561	1,664	1,685	21	(130)	104,431	
Transfer to One-time Expenses and Initiatives	(100)	-	-	-	-	(100)	
Interest Revenue	29,539	5,612	4,741	(871)	12,947	42,486	5
Gain/Loss on Risk Management Instrument	-	-	66	66	66	66	6
Transfer (to)/from Reserve	6,841	-	-	-	-	6,841	
Reserve - Medicine Hat Endowment Fund	(2,061)	-	-	-	(4,252)	(6,313)	5
Reserve - Energy Transition	(2,153)	-	-	-	(2,285)	(4,438)	5
Reserve - Abandonment Obligations	(2,711)	-	-	-	(674)	(3,385)	5
Across Fund Transfer to/from Reserve	-	-	(210)	(210)	(210)	(210)	7
Net Cash Surplus (Requirements)	\$ 133,916	\$ 7,276	\$ 6,282	\$ (994)	\$ 5,462	\$ 139,378	

OPERATING NOTES

- Other General Municipal Revenue is \$189K favourable due to higher than budgeted Municipal Consent and Access Fees (\$255K) and interest on arrears taxes (\$115K), offset by lower than budgeted court fine revenue as a result of Provincial legislation to limit the use of automated traffic enforcement (-\$179K). This variance is projected to become -\$169K unfavourable by yearend due to continued lower than expected court fine revenue (-\$537K), offset by favourable variances mentioned previously.
- Other General Municipal Revenue expenses are -\$65K unfavourable mainly due to unbudgeted legal fees (-\$75K). This variance is expected to increase to -\$139K at yearend as unbudgeted legal fees are incurred.
- Investment Expenses are -\$119K unfavourable due to timing of investment fees from external managers. Investment Expenses are anticipated to be \$105K favourable by yearend due to savings related to changes to the external manager contract.
- Internal Revenue is projected to become \$59K favourable due to unbudgeted internal Municipal Consent & Access Fees.
- Interest Revenue is -\$871K unfavourable due timing of investment returns. Based on current economic forecasts, interest revenue is projected to become \$12.9M favourable by yearend as a result of the budget being based on an average portfolio size of \$775M which has been increased to \$840M. The transfers to the Medicine Hat Endowment Fund, Energy Transition Reserve, and Abandonment Reserve are projected to be greater than budgeted as interest earned is transferred directly to these reserves.
- Gain/Loss on Risk Management Instrument is \$66K favourable due to unbudgeted realized investment gains. This variance is expected to continue to yearend.
- Across Fund Transfer to/from Reserve is -\$210K unfavourable due unbudgeted major operating expense internal loan repayments that are transferred directly to reserves. This variance will carry forward to yearend.

MAYOR & COUNCILORS
For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26
Expenses						
Legislative Support for Council Councilors	\$ 315	\$ 92	\$ 103	\$ (11)	\$ -	\$ 315
	654	192	194	(2)	-	654
	969	284	297	(13)	-	969
Net Surplus (Deficit) before Internal Cost Allocations	(969)	(284)	(297)	(13)	-	(969)
Internal Expenses	166	166	166	-	-	166
	(166)	(166)	(166)	-	-	(166)
Net Surplus (Deficit) before Cash Adjustments	(1,135)	(450)	(463)	(13)	-	(1,135)
Net Cash Surplus (Requirements)	\$ (1,135)	\$ (450)	\$ (463)	\$ (13)	\$ -	\$ (1,135)

OPERATING NOTES

N/A

CITY MANAGER & MANAGING DIRECTORS

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Expenses							
City Manager Administration	\$ 725	\$ 216	\$ 143	\$ 73	\$ 40	\$ 685	1
Corporate Services Administration	432	125	323	(198)	(213)	645	2
Development & Infrastructure Administration	437	127	122	5	-	437	
Public Services Administration	445	130	105	25	10	435	
Energy, Land & Environment Administration	520	153	131	22	5	515	
	2,559	751	824	(73)	(158)	2,717	
Net Surplus (Deficit) before Internal Cost Allocations	(2,559)	(751)	(824)	(73)	(158)	(2,717)	
Internal Revenue	2,560	2,560	2,560	-	-	2,560	
Internal Expenses	416	402	402	-	-	416	
	2,144	2,158	2,158	-	-	2,144	
Net Surplus (Deficit) before Cash Adjustments	(415)	1,407	1,334	(73)	(158)	(573)	
Net Cash Surplus (Requirements)	\$ (415)	\$ 1,407	\$ 1,334	\$ (73)	\$ (158)	\$ (573)	

OPERATING NOTES

1. City Manager Administration expenses are \$73K favourable due to lower salaries and wages due to position vacancies (\$22K) and lower than budget utilization of contracted services (\$46K).
2. Corporate Services Administration expenses are -\$198K unfavourable due to unbudgeted employee benefits (-\$176K) and greater than budgeted contracted services related to recruiting services (-\$26K). This unfavourable variance is expected to continue to yearend.

CITY SOLICITOR

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance	Projected Actual	NOTE
					to Dec 31/26 at Apr 30/26	to Dec 31/26 at Apr 30/26	
Expenses							
City Solicitor Office	\$ 1,088	\$ 318	\$ 256	\$ 62	\$ 13	\$ 1,075	1
	1,088	318	256	62	13	1,075	
Net Surplus (Deficit) before Internal Cost Allocations	(1,088)	(318)	(256)	62	13	(1,075)	
Internal Revenue	1,088	1,088	1,096	8	-	1,088	
Internal Expenses	276	270	270	-	-	276	
	812	818	826	8	-	812	
Net Surplus (Deficit) before Cash Adjustments	(276)	500	570	70	13	(263)	
Net Cash Surplus (Requirements)	\$ (276)	\$ 500	\$ 570	\$ 70	\$ 13	\$ (263)	
Net Surplus (Deficit)	\$ (276)	\$ 500	\$ 570	\$ 70	\$ 13	\$ (263)	

OPERATING NOTES

- City Solicitor Office expenses are \$62K favourable due to a vacant position which was recently filled (\$33K) and lower than budgeted spending on external legal fees (\$28K).

OPERATING HIGHLIGHTS

Completed Last Four Months

- Significant bylaw, policy and contract drafting projects were undertaken as well as various planning, real estate, and land development projects.
- Major energy related projects were worked on and completed.
- Oversight and management of various dispute resolution and litigation matters involving the City.

Planned Next Four Months

- Continued work on various leases, land sale and land development agreements.
- Drafting new bylaws, policies and contracts in accordance with Council direction.
- Continued management of litigation matters involving the City.

CITY SOLICITOR

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>The Bylaw Review and Updating Initiative</p> <p>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.</p>	<p>PROGRESS</p> <p>Completed drafting or review of the following Bylaws:</p> <ol style="list-style-type: none">1. Amendments to the Property Tax and Supplementary Property Tax Bylaws.2. Amendments to the Tax Penalties Bylaw.3. Amendments to the Tax Certificate Bylaw.4. Amendments to Unpaid General Accounts Bylaw.5. Amendments to Procedure Bylaw.
<p>Management of Major Litigation Matters</p> <p>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 resources, financial resources, operational processes, relationships with third parties, reputational risks, and insurance implications, to name but a few.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Litigation matters are confidential. Council receives confidential updates yearly regarding such matters.
<p>Optimize Internal Legal Service Delivery</p> <p>Effectively and efficiently managing and optimizing the intake and processing of legal service requests to help all divisions and business units meet Council's objectives.</p> <p>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.</p> <p>In recent years, the City Solicitor's office has experienced an ever-increasing demand for legal services, despite temporary staffing shortages.</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Optimization of the intake and processing of legal services is an ongoing process.2. In 2025 the legal team had a successful in-depth meeting with the Procurement team to identify areas where each department could find efficiencies in terms of service delivery to the various departments of the City.3. The City Solicitor's office continues to provide services in an efficient and timely manner, meeting the expectations of internal clients.4. Vacant Solicitor position was filled in April 2026.
<p>Bill 20 Amendments to the MGA</p> <p>Amendments under this Bill are pending and have not been enacted yet. Some of the amendments, if passed, will impact the City's operations. The City Solicitor's office will bring forward a report to advise Council of the changes and the impacts or potential impacts to City operations.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. A report on Bill 20 was provided to Council in a closed session in Q1 2025.

CITY CLERK

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26
Revenue						
Committees & Appeal Boards	\$ 5	\$ 1	\$ 4	\$ 3	\$ -	\$ 5
City Clerk	1	-	1	1	-	1
	<u>6</u>	<u>1</u>	<u>5</u>	<u>4</u>	<u>-</u>	<u>6</u>
Expenses						
Committees & Appeal Boards	119	69	52	17	4	115
City Clerk	896	260	239	21	16	880
	<u>1,015</u>	<u>329</u>	<u>291</u>	<u>38</u>	<u>20</u>	<u>995</u>
Net Surplus (Deficit) before Internal Cost Allocations	(1,009)	(328)	(286)	42	20	(989)
Internal Revenue	812	812	812	-	-	812
Internal Expenses	255	250	251	(1)	-	255
	<u>557</u>	<u>562</u>	<u>561</u>	<u>(1)</u>	<u>-</u>	<u>557</u>
Net Surplus (Deficit) before Cash Adjustments	(452)	234	275	41	20	(432)
Principal	(8)	(8)	(8)	-	-	(8)
Transfer to One-time Expenses and Initiatives	(50)	-	-	-	-	(50)
Net Cash Surplus (Requirements)	\$ (510)	\$ 226	\$ 267	\$ 41	\$ 20	\$ (490)
Amortization	(16)	-	-	-	-	(16)
Net Surplus (Deficit)	\$ (526)	\$ 226	\$ 267	\$ 41	\$ 20	\$ (506)

OPERATING NOTES

N/A

OPERATING HIGHLIGHTS

Completed Last Four Months

- Began implementation process and training for new agenda management software (eScribe), due to decommissioning of OnBase.
- Continued collaboration with departments regarding privacy management program implementation.
- Privacy Management Policy presented to Council and received formal approval.
- Budget cycle preparation – continued collaboration budget planning with the team, including discussion on capital project priorities and expectations for the upcoming budget cycle.

Planned Next Four Months

- Advance privacy program – continue progressing the implementation of a formal Privacy Management Program to meet the legislated compliance deadline of June 11, 2026.
- Strengthen policy collaboration – maintain active partnerships with City departments to develop, refine, and oversee corporate policies.
- Complete City Clerk recruitment – continue the recruitment process to secure a permanent City Clerk.

CITY CLERK

For the Period Ended April 30, 2026

Report on Business Plan Goals

Support Chief Electoral Officer Support the contracted Chief Electoral Officer to manage the October 20, 2025, Municipal Election and follow-up tasks to the end of December 2025.	PROGRESS 1. Completed.
Freedom of Information and Protection of Privacy (FOIP) Program Create a robust and compliant FOIP Program.	PROGRESS 1. Completed - website changes completed, redaction software running smoothly. 2. Ongoing – working with procurement for an overall Access to Information Act (ATIA) Platform. Must implement a formal program by June 11, 2026, in order to meet legislated deadline.
Agenda Management Software Evaluate the submitted RFPs for the Agenda Management Software. Implementation and department collaboration/training before OnBase decommissioning in September 2026.	PROGRESS 1. Ongoing – beginning the evaluation process for the RFPs. Next step will be to select a company and begin implementation work. Training will begin once the system is implemented and all required documentation/templates is transferred to the new system.
Policy Program and Framework Lead and collaboratively coordinate development and implementation of a policy program and framework to include multiple policy initiatives that will impact the long-term and future direction of the City of Medicine Hat focussing on quality assurance and improvement.	PROGRESS 1. Ongoing - anticipating the framework to come forward in Q2 2026.

PEOPLE SERVICES

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance	Projected Actual	NOTE
					to Dec 31/26 at Apr 30/26	to Dec 31/26 at Apr 30/26	
Revenue							
Emergency Management	\$ -	\$ -	\$ 12	\$ 12	\$ 15	\$ 15	
Labour & Employee Relations	140	47	57	10	-	140	
	140	47	69	22	15	155	
Expenses							
Administration	1,351	400	333	67	26	1,325	1
Total Rewards	1,625	473	401	72	50	1,575	2
Corporate Safety	1,470	384	394	(10)	35	1,435	
Emergency Management	1,064	322	362	(40)	42	1,022	3
Labour & Employee Relations	1,552	469	430	39	7	1,545	
	7,062	2,048	1,920	128	160	6,902	
Net Surplus (Deficit) before Internal Cost Allocations	(6,922)	(2,001)	(1,851)	150	175	(6,747)	
Internal Revenue	6,815	5,998	6,016	18	15	6,830	
Internal Expenses	910	871	873	(2)	-	910	
	5,905	5,127	5,143	16	15	5,920	
Net Surplus (Deficit) before Cash Adjustments	(1,017)	3,126	3,292	166	190	(827)	
Transfer to One-time Expenses and Initiatives	(115)	-	-	-	-	(115)	
Transfer from Reserves (revenue)	546	-	-	-	(4)	542	
Net Cash Surplus (Requirements)	\$ (586)	\$ 3,126	\$ 3,292	\$ 166	\$ 186	\$ (400)	
Amortization	(7)	-	-	-	-	(7)	
Net Surplus (Deficit)	\$ (593)	\$ 3,126	\$ 3,292	\$ 166	\$ 186	\$ (407)	

OPERATING NOTES

- Administration expenses are \$67K favourable due to lower than budget salaries and wages from staff vacancies (\$15K) and delayed spending on contracted services (\$45K).
- Total Rewards expenses are \$72K favourable due to lower than budget salaries and wages due to an employee leave (\$43K) and delayed spending on contracted services (\$30K).
- Emergency Management expenses are expected to become \$42K favourable at yearend due to less than expected contracted services (\$75K) within Learning & Development, offset by unbudgeted salary expenses (-\$33K) for a temporary employment assignment in Learning & Development from another People Services subdepartment throughout the first few months of the year.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Initiated the corporate values rollout of the first two values through in-person sessions delivered to staff.
- Ratified Police agreement and processed all required retro payments.
- Initiated review of Regional Emergency Management Plan.
- Safety "Report It" initiative launched.

PEOPLE SERVICES

For the Period Ended April 30, 2026

Planned Next Four Months

- Continued values training to the end of June to have all values rolled out to staff through in person sessions.
- Learning and Development relaunch of leadership training with refreshed modules.
- Continued collective agreement negotiations with the International Association of Fire Fighters (IAFF).
- Learning management system procurement.
- Corporate safety inspection training rollout.
- Flood full scale exercise.

Report on Business Plan Goals

<p>Attract, Recruit and Retain an Exceptional Workforce</p> <p>We will attract and retain a workforce of people that align with our values, leadership, and expertise to support all areas of the organization.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Employee value proposition is currently being developed to assist with determining the employee experience to assist with attraction and retention of staff.
<p>Inclusive Culture, Behaviors and Values</p> <p>We will promote and embed the behaviors of inclusivity, diversity, and values-based leadership throughout the City of Medicine Hat. An inclusive culture is the responsibility of us all and we are a welcoming environment to all who work with us. A diverse and agile mindset to change the way we operate. Wellness and safety are one.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Rolling out new corporate values to all staff by the end of June to ensure there is a shared understanding of the culture and values across the organization.
<p>Securing our Future by Building the Bench</p> <p>We will develop and embolden our people by ensuring the atmosphere, systems and culture supports individual growth, while reinforcing the City for the future. Building a culture where the right people are in the right roles driving change, leveraging potential and embolden stretch.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Leadership development training is underway with refreshed modules focusing on leadership skills and technical skills. 2. Filling key leadership roles that are currently vacant or filled with acting incumbents is a major undertaking currently. Filling these roles will help bring stability to the organization.
<p>Competitive and Meaningful Total Rewards/Recognition Programs</p> <p>We will ensure our people are rewarded equitably with clear compensation. We are committed to rewarding and recognizing our staff for performance and the embodiment of our values.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Continued benchmarking of comparison positions. 2. Completion of ongoing salary surveys will assist in ensuring compensation remains competitive.
<p>Implement a Workforce Strategy</p> <p>We are committed to addressing our workforce needs through innovation, efficiencies, and fiscal responsibility. It is with this commitment and a three-year strategy through a phased approach that we will address current state, predict future requirements, and create a streamlined and innovative workforce.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. The department is currently reviewing this outstanding initiative, in conjunction with the overall strategy, to determine the scope of implementation. 2. Narrowed focus on workforce strategy, with an emphasis on costs savings that do not drastically impact service levels, is the approach currently being reviewed.

ECONOMIC DEVELOPMENT

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance	Projected Actual	NOTE
					to Dec 31/26 at Apr 30/26	to Dec 31/26 at Apr 30/26	
Revenue							
Investment & Strategic Planning	\$ 65	\$ 22	\$ 1	\$ (21)	\$ (40)	\$ 25	
	65	22	1	(21)	(40)	25	
Expenses							
Investment & Strategic Planning	1,690	966	866	100	35	1,655	1
	1,690	966	866	100	35	1,655	
Net Surplus (Deficit) before Internal Cost Allocations	(1,625)	(944)	(865)	79	(5)	(1,630)	
Internal Expenses	449	439	437	2	-	449	
	(449)	(439)	(437)	2	-	(449)	
Net Surplus (Deficit) before Cash Adjustments	(2,074)	(1,383)	(1,302)	81	(5)	(2,079)	
Interest Expense	(6)	(6)	(6)	-	-	(6)	
Principal	(21)	(21)	(21)	-	-	(21)	
Net Cash Surplus (Requirements)	\$ (2,101)	\$ (1,410)	\$ (1,329)	\$ 81	\$ (5)	\$ (2,106)	
Amortization	(3)	-	-	-	-	(3)	
Net Surplus (Deficit)	\$ (2,104)	\$ (1,410)	\$ (1,329)	\$ 81	\$ (5)	\$ (2,109)	

OPERATING NOTES

- Investment and Strategic Planning expenses are \$100K favourable due to delayed spending on external marketing services and cluster development programming (\$91K) and lower than budget salary and wages due to a staff vacancy (\$23K). This is expected to decrease to \$35K favourable by yearend as timing of budget and spending align.

OPERATING HIGHLIGHTS

Completed last four months

- International Credential Recognition and Assessment Support.
- Ignite City Centre Programming: launch and administration of City Centre Vibrancy Program, launch and administration of Downtown Safety Enhancement Program, and Town Square Parking Support.
- Launch of CityViz data portal.
- Administration of Residential Tax Exemption applications.
- Host three investor delegations.
- Roundtable with Minister of Emergency Management and Community Resilience.

Planned Next Four Months

- Market Research for the "Opportunity is Calling – Medicine Hat" project.
- Hosting Workforce Attraction Mission – OpporTOURnity Medicine Hat – Talent Edition.
- Rural Renewal launch and administration.
- Regional Agriculture Cluster Project.
- Shop local campaign in collaboration with Tourism Medicine Hat.
- Aerospace and Defense Regional Branding Program.
- Development and Expansion Incentive Program recommendation to Council.

ECONOMIC DEVELOPMENT

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Operational Efficiencies</p> <p>An operational plan and the development of new office systems will guide efficiencies within the department and will lead to the development of impactful projects and cross departmental efficiencies for those whose work aligns with economic development priorities. A solid operational plan that includes value proposition, goals, metrics, required resources, milestones / timeline and budget will provide a communication tool between senior leadership and council and the Economic Development Office. As well, operational efficiencies will guide human resource decisions like staff recruitment to support other key objectives such as workforce development, business retention and expansion, investment attraction and investment and growth readiness.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Ongoing work with Information Technology (IT) team to evaluate and determine the most effective Customer Relationship Management (CRM) option to enhance our departments and collaborate throughout the City of Medicine Hat organization.
<p>Community and Stakeholder Engagement</p> <p>Solid relationships are an enabler of economic development. To ensure the success of the economic development department, engagement is required both with staff internal to the City and with local, regional, and provincial service providers, and municipal, provincial, and federal counterparts and the City of Medicine Hat community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Continue to facilitate workforce group with various local and provincial stakeholders to align efforts (Community Futures, Government of Alberta, REDI Enterprises, Medicine Hat College, YMCA, Saamis Mentorship). Staff continue to place priority on engagement with stakeholders by attending community networking, training, and business grand opening events.
<p>Workforce Development and Rural Renewal</p> <p>A lack of qualified/skilled labour in various industries is hindering productivity, and company expansions. The key object of Workforce Development and Rural Renewal will support the workforce needs of employers, helping inform, attract, develop, and retain labour for economic growth.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Rural Renewal launch on May 4th. Development of an International Credential Recognition toolkit for employers for workforce attraction. Planning for the OpporTOURnity Medicine Hat – Talent Edition workforce attraction campaign taking place on May 7 & 8, 2026.
<p>Business and Industry Development</p> <p>Supporting businesses and industry currently investing in the community to grow is an important element of economic development. It takes less resources to support existing businesses to stay in the community than it does to attract new industry. Connecting businesses to key resources and information is a key focus of the department. As well, key individuals and partner organizations within the community will support a Business Retention and Expansion (BRE) program, by connecting with businesses to understand their challenges through a survey. This information is then analyzed, and programming is developed to help these businesses grow revenue and jobs.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> Continually meeting with existing businesses and entrepreneurs to learn about what they need to provide ongoing support to requests, providing pathfinding, guidance, data, and grant opportunities. Collaboration with Calgary Economic Development - Supporting the promotion of the Trade Accelerator Program taking place in the fall of 2026. Support City Centre businesses through free parking programming, shop local campaign and marketing campaign. Continue to administer the Small Business Navigator service. Leading the development of a regional Agriculture Cluster Development program with Prairie Rose School Division, Medicine Hat College, Centre for Innovation, and Palliser Economic Partnership.

ECONOMIC DEVELOPMENT

For the Period Ended April 30, 2026

<p>Investment Attraction</p> <p>This is the process of enticing individuals, businesses, or funds to invest in a particular region, industry, or project. It involves showcasing the potential for financial returns, economic stability, and growth opportunities. This often includes promoting favorable business environments, infrastructure, and incentives to attract investors. Successful investment attraction strategies focus on creating a compelling narrative and providing a competitive advantage to encourage capital inflow, job creation, and overall economic development.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Developed an investment attraction strategy and action plan using data from business retention and expansion programming. 2. Attended conferences and networking events to generate investment leads for key identified markets.
<p>Investment and Growth Readiness</p> <p>Involves creating an environment that is conducive to economic growth, social well-being, and sustainable practices. This readiness includes community engagement, infrastructure development, and the establishment of policies that encourage and support investment. A community is considered investment-ready when it has a strategic plan, transparent governance, and the ability to leverage resources for the collective benefit of its residents. This process aims to enhance the overall resilience and prosperity of the community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Continued to meet with Southeast Alberta Economic Opportunity Strategy (SAEOS) steering committee to plan and execute on recommended action items. 2. Continued administration work for past incentive programs. 3. Present Non-Residential Tax Exemption Bylaw to Council on June 1, 2026.

POLICE SERVICE

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Police	\$ 4,737	\$ 733	\$ 693	\$ (40)	\$ (233)	\$ 4,504	1
	4,737	733	693	(40)	(233)	4,504	
Expenses							
Police	29,467	8,995	9,143	(148)	(146)	29,613	2
	29,467	8,995	9,143	(148)	(146)	29,613	
Net Surplus (Deficit) before Internal Cost Allocations	(24,730)	(8,262)	(8,450)	(188)	(379)	(25,109)	
Internal Revenue	202	58	46	(12)	(12)	190	
Internal Expenses	3,867	2,848	2,849	(1)	(1)	3,868	
	(3,665)	(2,790)	(2,803)	(13)	(13)	(3,678)	
Net Surplus (Deficit) before Cash Adjustments	(28,395)	(11,052)	(11,253)	(201)	(392)	(28,787)	
Interest Expense	(18)	(18)	(17)	1	1	(17)	
Principal	(125)	(125)	(125)	-	-	(125)	
Net Cash Surplus (Requirements)	\$ (28,538)	\$ (11,195)	\$ (11,395)	\$ (200)	\$ (391)	\$ (28,929)	
Amortization	(237)	-	-	-	-	(237)	
Net Surplus (Deficit)	\$ (28,775)	\$ (11,195)	\$ (11,395)	\$ (200)	\$ (391)	\$ (29,166)	

OPERATING NOTES

- Police revenue is projected to be -\$233K unfavourable due to lower than budgeted ALERT revenue recovery due to vacant positions (-\$147K), lower than budgeted cadet training revenue (-\$28K) and lower than budgeted School Resource Officer revenue (-\$53K).
- Police expenses are -\$148K unfavourable and projected to become -\$146K unfavourable due to higher than budgeted employee benefits (current: -\$541K; projected: -\$429K) and higher than budgeted retroactive pay (current & projected -\$245K), offset by delayed spending of contracted services (current: \$329K; projected: \$24K), materials (current: \$126K; projected: \$45K), and lower than budgeted salaries and wages due to staff vacancies (current: \$192K; projected \$450K).

OPERATING HIGHLIGHTS

Completed Last Four Months

- A Police recruit class graduation was held on March 27, 2026. The graduating class was comprised of 8 recruits (5 Medicine Hat Police Service (MHPS), 2 Canadian Pacific Kansas City Police Service and 1 Blood Tribe Police Service). Upon graduation, the recruits joined their respective agencies to continue their field training.
- The MHPS contracted Framework to complete a public survey. The results of the survey will be presented to the Medicine Hat Police Commission in June 2026.

Planned Next Four Months

- The MHPS will transition to a new conducted energy weapon, which will provide greater safety, flexibility, and reliability for less-lethal use-of-force tools. The new device will provide officers more opportunity to de-escalate or control situations without resorting to lethal force.
- The MHPS will release the 2025 Annual report to the community, highlighting key accomplishments in relation to the strategic priorities, community safety, community engagement, investment in human resources and technology, and organizational wellness.

POLICE SERVICE

For the Period Ended April 30, 2026

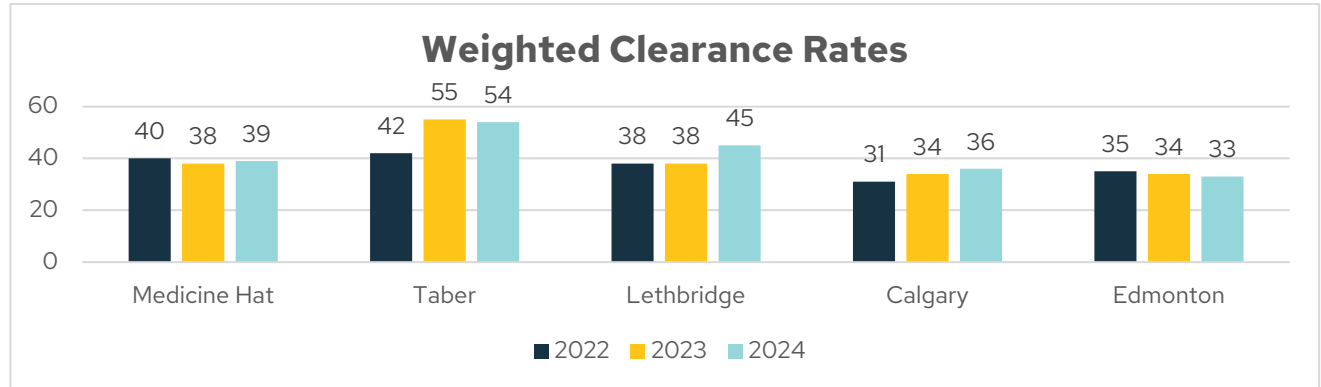
Report on Business Plan Goals

<p>COMMUNITY SAFETY</p> <p>The MHPS will continue to focus on effective reactive and proactive approaches to community safety, specifically road safety, violent crime, property crimes, drug trafficking, organized crime, social disorder, and unrest. The MHPS will also continue to work with community partners to address family violence, mental health, addiction and reducing the fear of crime.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. In January 2026, the Major Crimes Unit apprehended a high-risk offender who had absconded prior to sentencing and was actively evading police. The investigation required a sustained, multi-day effort involving extensive surveillance, intelligence gathering, and coordination across multiple sections and partner agencies. Significant resources were deployed, including specialized units, judicial authorizations, and inter-agency support, as investigators worked to track the offender's movements, mitigate risk to the public, and safely effect the arrest.2. In February 2026, two Medicine Hat residents were charged with drug trafficking after a short-term investigation by the MHPS Patrol Section. The file was initiated in response to concerns from community members who reported the activity was negatively impacting the safety and quality of life of nearby residents.
<p>COMMUNITY ENGAGEMENT</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. On February 8, 2026, members of the MHPS participated in the Law Enforcement Torch Run Polar Plunge in support of Special Olympics. Over \$15,000 was raised for local athletes by this event.2. March is Fraud Prevention Month in Canada, and throughout the month of March, the Community Safety Unit shared practical tips on how to recognize, report and prevent falling victim to frauds and scams. In 2025, the MHPS investigated 590 fraud related occurrences that resulted in approximately \$4M in reported losses.
<p>INVESTMENT IN HUMAN RESOURCES AND TECHNOLOGY</p> <p>The MHPS will enhance our ability to provide high quality customer service to the community and maintain or improve overall satisfaction, trust and confidence in policing.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. The MHPS Recruitment Team initiated a recruitment process for officers to participate in Police Recruit training in the fall of 2026. Applications closed on March 31, 2026, with 74 received. Upon closing, the applicants proceed to the next stages, which include written and physical exams, security and psychological testing. As of April 30, 2026, 21 candidates remain in the process.2. During the period of January 1, 2026, to April 30, 2026, the MHPS Drone Unit completed 90 operational deployments. The drones are used primarily to support Patrol and K9 through area searches for fleeing suspects, missing persons, and high-risk incidents. Aerial overwatch and real-time intelligence enhanced situational awareness, supported containment and apprehension efforts, and reduced the need for officers to enter high-risk or unknown environments without intelligence.
<p>ORGANIZATIONAL WELLNESS</p> <p>Organizational wellness is a key priority for the MHPS. This includes ensuring the psychological, physical, and emotional well-being of all staff and is accomplished through having credible, reliable and easily accessed resources.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. On April 29, 2026, the MHPS held a professional development day, open to all staff and volunteers of the service, focused on the topic of hate crimes. The presentation provided by the Organization for the Prevention of Violence enhanced understanding of hate crime legislations, trends and impacts to individuals, the community and society. The following day a session was held with community members to build upon the training and ensure there was a common understanding of the issues and how to report concerns.2. The MHPS, in partnership with Medicine Hat Police Association, extended the contract with Members Health for all MHPS employees.

POLICE SERVICE

For the Period Ended April 30, 2026

Report on Performance Measures



COMMUNICATIONS, ENGAGEMENT & MARKETING

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance	Projected Actual
					to Dec 31/26 at Apr 30/26	to Dec 31/26 at Apr 30/26
Expenses						
Marketing & Creative Services	\$ 1,483	\$ 433	\$ 469	\$ (36)	\$ (10)	\$ 1,493
	1,483	433	469	(36)	(10)	1,493
Net Surplus (Deficit) before Internal Cost Allocations	(1,483)	(433)	(469)	(36)	(10)	(1,493)
Internal Revenue	1,335	1,335	1,335	-	-	1,335
Internal Expenses	360	352	352	-	-	360
	975	983	983	-	-	975
Net Surplus (Deficit) before Cash Adjustments	(508)	550	514	(36)	(10)	(518)
Net Cash Surplus (Requirements)	\$ (508)	\$ 550	\$ 514	\$ (36)	\$ (10)	\$ (518)
Net Surplus (Deficit)	\$ (508)	\$ 550	\$ 514	\$ (36)	\$ (10)	\$ (518)

OPERATING NOTES

N/A

OPERATING HIGHLIGHTS

Completed Last Four Months

- Continued work to stabilize new website and implemented new search function to improve user experience.
- Continued Public Participation framework implementation and completed new Public Participation Policy.
- Launched a rebrand of the airport lands with a new name (Gateway Business Park) and associated visual identity.
- Completed Annual Report.
- Completed Biennial Community Survey with Ipsos.
- Announced Grand Slam of Curling confirmed tailored sponsorship package to promote Medicine Hat to national/international viewers.
- Worked with Procurement through the Request for Proposal (RFP) process to evaluate and select two city-wide printing vendors.
- Notable efforts/planning: Riverside Corridor, Assessment and Property Taxes.

Planned Next Four Months

- Roadwork and transportation public engagement planning and implementation.
- Communication and engagement efforts regarding: Alcohol in Parks pilot program, Urban Hens, Open Data Portal, Riverside Corridor.
- Develop the parks and facilities directory for website, in partnership with Geographical Information Systems (GIS).
- Support National Special Olympics promotional efforts.
- Begin stakeholder consultation with Esplanade staff in preparation to move current site into the City Content Management System.
- Begin customer journey mapping to inform a website structure update for Economic Development.
- Start planning for a membership campaign to increase the user base at the Big Marble Go Centre.

COMMUNICATIONS, ENGAGEMENT & MARKETING

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Public Participation</p> <p>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 Hat requires a formal framework to better define and coordinate public engagement efforts to meet these expectations. The framework will be complete in 2024 and implemented throughout 2025.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Public participation framework rollout continues. A progress report and policy updates came to Council in April. The new policy was approved on April 7, 2026.2. Noteworthy engagement planning/implementation for this term includes Riverside Corridor, Saamis Tepee Dancefloor, and Airport Master Plan.
<p>Strengthen Internal Communications</p> <p>We have a strong system of internal communications. Effective 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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Weekly INsite articles continue to be developed and posted consistently, with bi-weekly INsite Editions sent out to all employees.2. Ongoing collaboration with other departments to support Microsoft 365 adoption, Culture Commitment project and other internal initiatives.3. Partnered with the Executive Leadership Team (ELT) to support Employee Town Hall planning and promotions.4. Launch staff engagement effort to garner feedback to support intranet sitemap redesign, which aims to improve user experience and ensure up-to-date content.
<p>Reliable & Relevant Communications</p> <p>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 and proactively delivering accurate, timely, relevant information. Finding opportunities to celebrate accomplishments and success supports community wellness and vibrancy.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Implemented new search on website to improve searchability.2. Communications planning and execution include: Saamis Solar, assessment and property taxes, Community Survey results, Cultural Forum, festival application process, and grant opportunities.3. Began publishing committee meeting recordings on the City's YouTube channel.4. Continued with the weekly City e-newsletter to offer convenient, consistent, and accessible information to the community.
<p>Marketing and Sponsorship</p> <p>Strategically develop and implement innovative, accessible marketing materials that authentically capture and amplify our vibrant community, inspiring residents, non-residents, and stakeholders to take meaningful action by investing in our community, our facilities, amenities, events, and local businesses. The business community is inspired to advertise on City assets because they feel a sense of pride in giving back to our local community groups.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Working with People Services to develop assets that can be tailored to recruitment initiatives for senior level and hard to fill positions.2. Continued work with City departments to inventory available assets for naming/sponsorship to promote City-wide naming/sponsorship opportunities and recognizing current naming rights holders/sponsors.3. Partnered with Economic Development on a project to complete market research to guide campaign development (outside of Medicine Hat market) via the Grand Slam of Curling sponsorship campaign and the Opportunity is Calling campaign (grant funded).

FINANCE

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
					to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	
Revenue							
Assessment & Taxation	\$ 2	\$ 1	\$ -	\$ (1)	\$ -	\$ 2	
Customer Care & Billing	631	172	191	19	40	631	
Supply Chain	69	-	8	8	-	69	
	702	173	199	26	40	702	
Expenses							
Divisional Finance	356	104	33	71	71	285	1
Financial Control & Reporting	6,590	3,692	3,392	300	349	6,241	2
Assessment & Taxation	1,924	561	555	6	20	1,904	
Customer Care & Billing	2,938	889	876	13	(20)	2,938	
Supply Chain	2,062	597	602	(5)	-	2,062	
Corporate Planning & Performance	1,517	442	312	130	175	1,342	3
	15,387	6,285	5,770	515	595	14,772	
Net Surplus (Deficit) before Internal Cost Allocations	(14,685)	(6,112)	(5,571)	541	635	(14,070)	
Internal Revenue	13,088	10,520	10,174	(346)	(346)	12,742	4
Internal Expenses	2,855	2,464	2,481	(17)	-	2,855	
	10,233	8,056	7,693	(363)	(346)	9,887	
Net Surplus (Deficit) before Cash Adjustments	(4,452)	1,944	2,122	178	289	(4,183)	
Interest Expense	(29)	(29)	(20)	9	9	(20)	
Principal	(131)	(131)	(120)	11	11	(120)	
Net Cash Surplus (Requirements)	\$ (4,612)	\$ 1,784	\$ 1,982	\$ 198	\$ 309	\$ (4,323)	
Amortization	(75)	-	-	-	-	(75)	
Net Surplus (Deficit)	\$ (4,687)	\$ 1,784	\$ 1,982	\$ 198	\$ 309	\$ (4,398)	

OPERATING NOTES

1. Divisional Finance expenses are \$71K favourable due to lower than budgeted salaries and wages as a result of secondment of Director to Managing Director role to the end of April. This variance is expected to continue to yearend.
2. Financial Control & Reporting expenses are \$300K favourable mainly due to lower than budgeted insurance premiums due to premium negotiations. This variance is expected to continue to yearend.
3. Corporate Planning & Performance expenses are \$130K favourable due to vacant positions. The intent is to fill the vacant positions; however, this variance is anticipated to increase to \$175K favourable at yearend due to delays in recruitment.
4. Internal Revenue is unfavourable -\$346K due to insurance expense being under budget and therefore not charged to departments. The unfavourable variance will continue to yearend.

OPERATING HIGHLIGHTS

Completed Last Four Months

- The 2025 Year End Financial Statements received a clean audit report and have been approved by Council. The report has been posted to the city website.
- The 2026 Assessment valuations were completed and declared on January 20th. Assessment notices were mailed out on February 27th.
- The 2026 Tax Rate Bylaw was presented and approved by Council on April 20th.
- Rolled out 2027-2028 budget process: salary & wage confirmation, sustaining capital and template development.

Planned Next Four Months

- Property Tax Notices will be mailed to property owners on May 21st with a due date of June 30th. Web page and brochure will be updated.
- Business optimization projects: Continuation of Unit4 enhancements, development of new management reports, Structured Query Language (SQL) migration, and Unit4 Cloud Migration.
- Continue to support the 2027-2028 budget process: ranking and prioritization of capital and operating requests, roll out business plans and operating templates, and support Council's strategic plan through alignment with business plan goals and outcomes.

FINANCE

For the Period Ended April 30, 2026

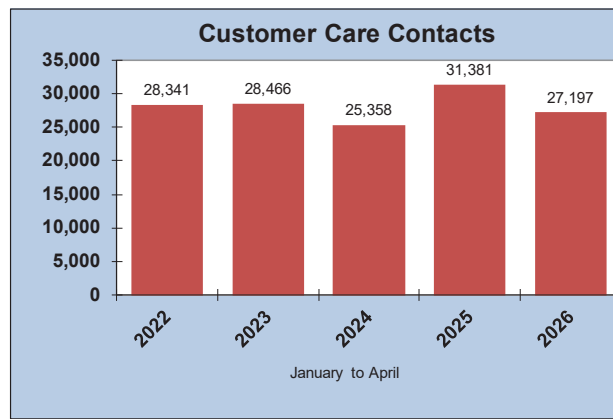
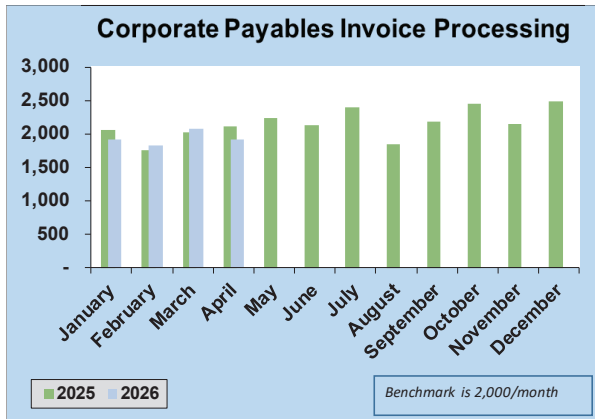
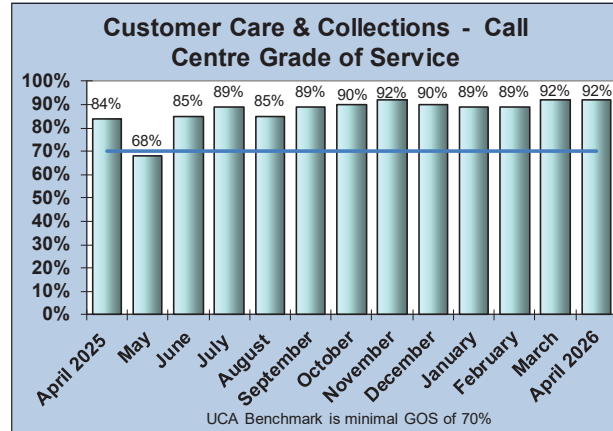
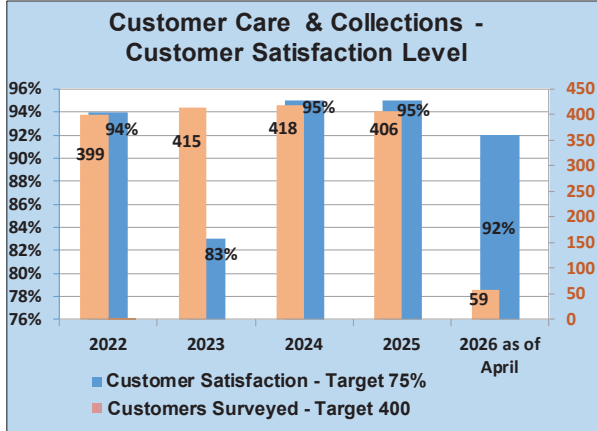
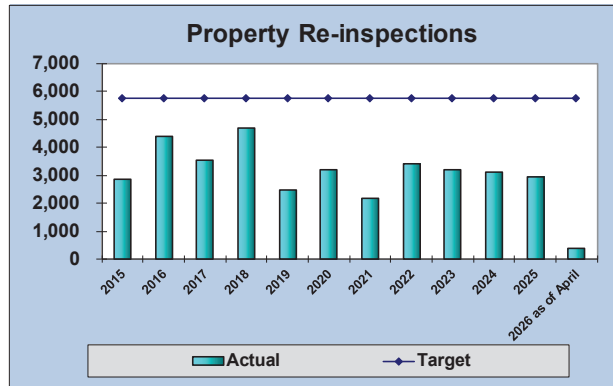
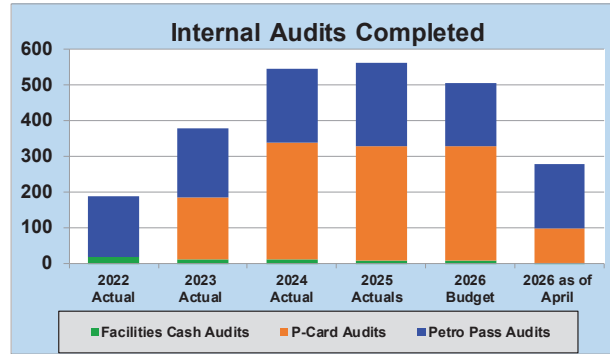
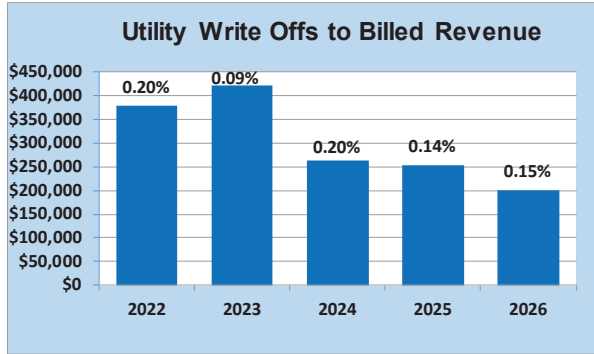
Report on Business Plan Goals

<p>Customer Service Optimization</p> <p>Ensure optimal customer service experience of internal and external customers.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Unit4 Posting Structure Amendment was completed and changes were implemented.2. Work continues on the management report revitalization project.3. Created and presented a Full Time Equivalent (FTE) report to Council.4. 15% of customers enrolled in tax e-billing.5. Updates to Whistleblower Policy and Hedging Policy.
<p>Supporting and Developing our Team Talent</p> <p>Create a supportive, positive work culture by promoting a safe workplace, both physically and psychologically, that allows employees to express their ideas and thoughts and pursue corporate opportunities, objectives, and goals.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. The Spring Finance Connect sessions were held and included IT and Communications Engagement and Marketing.2. Staff attended and participated in the two corporate culture commitment sessions.3. Alberta Assessor Association Conference: staff attended pre-conference training and the full conference.4. Presented Municipal Taxation Customer Lifecycle and Tax Recovery to Corporate Services Committee (CSC) February 12, 2026.5. Presented Assessment 101 and Tax Tools and Levers to Council.
<p>Financial Wellbeing</p> <p>Ensure the city has healthy finances and long-term financial stability, while maintaining organizational health, resilience, and compliance with regulatory bodies.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Presented 2025 Financial Statements to Council. 2025 had a positive surplus of \$10.5M primarily due to higher investment earnings. This was transferred to operating investment reserves.2. Investment portfolio continues to outperform the benchmark; the March 2026 YTD return was 0.95%, which was 0.69% above the benchmark of 0.26%.3. Agreement completed for Outsourced Chief Investment Officer (OCIO) services.
<p>Enterprise Risk Management (ERM) Enhancement</p> <p>Strengthen the city's ERM framework by fostering a culture of risk awareness and proactive management across all departments. This includes engaging departmental directors and risk owners, conducting comprehensive risk assessments with the departments and monitoring and reporting on the risks with the intent to mitigate, reduce or eliminate the enterprise risks to an acceptable level.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Creating a Business Case to reassess the requirement and determine best fit for this role.

FINANCE

For the Period Ended April 30, 2026

Report on Performance Measures



FLEET & FACILITIES

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Facilities Management	\$ 171	\$ 57	\$ 46	\$ (11)	\$ -	\$ 171	
Fleet Services	-	-	113	113	150	150	1
	171	57	159	102	150	321	
Expenses							
Facilities Management	6,155	1,917	2,113	(196)	(400)	6,555	2
Fleet Services	8,136	2,626	2,170	456	-	8,136	3
Administration	442	130	116	14	-	442	
Project Management	621	181	-	181	621	-	4
	15,354	4,854	4,399	455	221	15,133	
Net Surplus (Deficit) before Internal Cost Allocations	(15,183)	(4,797)	(4,240)	557	371	(14,812)	
Internal Revenue	26,652	13,586	13,483	(103)	(40)	26,612	5
Internal Expenses	10,305	4,727	4,729	(2)	-	10,305	
	16,347	8,859	8,754	(105)	(40)	16,307	
Net Surplus (Deficit) before Cash Adjustments	1,164	4,062	4,514	452	331	1,495	
Interest Expense	(1,062)	(1,062)	(952)	110	110	(952)	6
Principal	(2,030)	(2,030)	(2,116)	(86)	(86)	(2,116)	6
Transfer to One-time Expenses and Initiatives	(100)	-	-	-	-	(100)	
Transfer to Reserves (expense)	(4,924)	-	(86)	(86)	(86)	(5,010)	7
Net Cash Surplus (Requirements)	\$ (6,952)	\$ 970	\$ 1,360	\$ 390	\$ 269	\$ (6,683)	
Amortization	(14,153)	-	-	-	-	(14,153)	
Gain (Loss) on Disposal of Assets	-	-	7	7	7	7	
Accretion of Asset Retirement Obligations	(43)	-	-	-	-	(43)	
Net Surplus (Deficit)	\$ (21,148)	\$ 970	\$ 1,367	\$ 397	\$ 276	\$ (20,872)	

OPERATING NOTES

- Fleet Services revenue is \$113K favourable due to unbudgeted insurance recoveries (\$88K) and third-party billings from Compressed Natural Gas (CNG) stations (\$19K). This favourable variance is projected to increase to \$150K at yearend due to additional third-party CNG billings over the remainder of the year.
- Facilities Management expenses are -\$196K unfavourable due to timing of annual invoices and higher than budgeted contracted work. This unfavourable variance is projected to increase to -\$400K at yearend due to anticipated inflation of shipping costs and supply chain issues resulting from increased fuel prices.
- Fleet Services expenses are \$456K favourable due to lower than anticipated contracted services and fuel expenditures resulting from above normal temperatures in January to March. Although fuel has shown a positive year to date variance, it is anticipated that the savings will be absorbed by rising fuel costs. As a result, expenses are projected to be on budget at yearend.
- Project Management expenses are \$181K favourable and projected to be \$621K favourable at yearend due to vacant staff positions.
- Internal revenue is -\$103K unfavourable due to lower than budgeted recoveries related to fuel usage and unit repair costs. This variance is expected to decrease to yearend as fuel costs rise.
- Interest expense and principal are \$110K favourable and -\$86K unfavourable, respectively, due to timing of prior year's capital expenses and related borrowings. These variances are projected to continue to yearend.
- Transfer to Reserves (expense) is unfavourable -\$86K due to unbudgeted insurance proceeds, transferred to the fleet reserve. This variance will carry through to yearend.

FLEET & FACILITIES

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- The following assets have been placed into service through the Fleet Mobile Capital Program over the last four months:
 - Units #317 (Asphalt Recycler) and #334 (Dump Truck/Sander) have been placed into service for Municipal Works.
 - Units #633, #635 and #643 (Residential Refuse Trucks) have been placed into service for Solid Waste Collections.
 - Units #34 and #39 (Platoon Chief/Deputy Chief Pickups) have been placed into service for Fire and Emergency Services.
 - Units #4451 and #4453 (Gang Mowers) have been placed into service for Parks and Recreation.
- The following assets have been ordered through the Fleet Mobile Capital Program over the last four months:
 - Units #109 (Service Support Truck) and #144 (52' Aerial Bucket Truck) for Electric Distribution.
 - Units #226 (Gas Technician Truck) and #231 (Gas Construction Truck) for Gas Distribution.
 - Units #40 (Patrols), #44 (Patrols), #52 (Major Crimes), #55 (SWAT), #70 (Bylaw), #77 (Patrols), and #93 (Major Crimes) for the Police Department.
 - Unit #684 (Used Water Truck) for the Landfill; currently modifying and upfitting to place into service.
 - Units #523 (Service Body) and #560 (Service Body) for Environmental Utilities.
 - Unit #8001 (Cargo Trailer) has been upfitted and completed for the Emergency Management Team; waiting for internal portable cabinets to arrive.
 - Bulk Fuel Dispenser replacements have been ordered for Fleet Services.
- The following specifications have been in progress through the Fleet Mobile Capital Program over the last four months:
 - Unit #10 (Ladder Apparatus) is in progress for Fire and Emergency Services.
 - Units #644 and #646 (Commercial Refuse Trucks) are in progress for Solid Waste Collections.
- Fleet Services continues to complete regular preventative maintenance, inspections, and break down repairs. Major repairs include a transmission in a Residential Refuse Truck, transmissions in two 40' Transit Buses, along with beginning an engine build in a 40' Transit Bus and an Adaptive Transit Bus.
- Fleet Services completed all maintenance, inspections and preparation on assets required for Spring/Summer operations.
- Sold and removed a two-post hoist out of the Automotive Light Duty Shop to allow space for larger work to occur.
- Completed work on the 2027/2028 Fleet Mobile Capital Budget.
- Unit #344 had a Commercial Vehicle Safety Inspection (on road) by a Sherriff Highway Patrol, which included an inspection of the vehicle along with documentation. It passed the inspection with no defects being noted.
- Successful hiring of a Superintendent Facilities Project Management and Facility Maintenance Worker VI.
- Continued 2026 Facilities Management (FM) capital projects program.
- Applied for the accessible changeroom grant through Employment and Social Development Canada.
- Participated in Unit4 pilot project for commitment accounting and updated management reporting. The capital project reporting is being integrated into the new management reporting tool.
- Year 1 Asset Management Program review completed and assisted as requested with departmental action items.
- 2025 Canadian Core Public Infrastructure reporting completed and submitted as regulatory requirement reporting (StatsCan).
- City of Medicine Hat (CMH) Asset Management SharePoint site taken live.
- Critical Asset checklist developed for utilization in 2027/2028 budget and departmental Asset Management plans.
- Completed & received payment for the Municipal Action & Climate Change Community Energy Conservation program at Southridge YMCA and Medalta.
- Applied and approved for Municipal Action & Climate Change Municipal Electricity Generation program at 364 Kipling and 460 Spencer.

FLEET & FACILITIES

For the Period Ended April 30, 2026

Planned Next Four Months

- Continuation of Fleet's unit replacement program (specifications and procurement), including the following:
 - Units #310 (Supervisor Pickup), #359 (Deck w/ Powerlift Gate) and #362 (Sidewalk Machine) are in progress for Municipal Works.
 - Units #434 (Dump Body), #479 (Pickup), and #4423/#4490 (Leaf Sweepers) are in progress for Parks and Recreation.
 - Two Adaptive Transit Buses are in progress for Transit.
 - Unit #598 (Pickup) is in progress for Environmental Utilities.
 - Unit #9469 (Service Truck) is in progress for Fleet Services.
- Fleet Services will begin maintenance, inspections and preparation on assets required for Fall/Winter operations. This work helps to maintain the fleet department's high level of service that is supplied to operating departments that use fleet units.
- Working on Fleet Operating Budget, including internal charges.
- Continue preventative maintenance, inspections and major repairs as required.
- Complete Fire Apparatus pump testing for Fire and Emergency Services.
- Continue Facilities Condition Assessments (FCA) program as per schedule.
- Continue Facilities regulatory inspections, operations, and maintenance.
- Work started on the 2026 capital program, including projects such as: Police Station Boiler, Infrastructure Rehabilitation funds and Accessibility projects at various facilities.
- Year 1 Asset Management (AM) program report and presentation through committees. Program review results reported to AM Governance Committee Q1 2026; scheduled for Executive Leadership Team (ELT) in Q1 2026.
- Continue to improve Asset Management SharePoint site.
- Creation and facilitation of interdepartmental tactical Asset Management Working Group.
- Active member of Budget Committee for 2027/2028 budget.
- Continued collaboration with Budget Office, Corporate Planning & Performance, plus twelve CMH departments with physical/tangible assets.
- Continuous improvement of AM Annual Program Review Tools.
- Posting and hiring of Asset Management support position.
- Recruitment of Facilities Technician and Facilities System Technology Specialist.

FLEET & FACILITIES

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Inter-Departmental Partnerships</p> <p>Maintain interdepartmental partnerships by providing and receiving technical advice, regulatory compliance, and supporting other City of Medicine Hat departments by providing designated levels of service with the minimum amount of service disruption, within approved budgets.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Maintain Facilities Management Level of Service:<ol style="list-style-type: none">a. Complete required engineering and life safety inspections for all applicable facility components.b. Complete required condition assessments within Facilities (4-year cycle) and maintain updated asset plans.2. Maintain Fleet Level of Service:<ol style="list-style-type: none">a. Complete required Commercial Vehicle Inspection Program for all applicable Fleet units.b. Complete required condition assessments within Fleet (4-year cycle) and maintain updated asset plans.3. Maintain Corporate Asset Management Program:<ol style="list-style-type: none">a. Complete annual Corporate Asset Management Program review and required submissions of updates as per regulatory requirements and assist Corporate Asset Management Program application with other departments including capital budget planning and allocation of funding.
<p>Asset Management Program</p> <p>Track and report asset management program progress and results, as per Corporate Asset Management Policy Number 0181.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Present 2025 program review through the Executive Leadership Team (ELT), Admin Committee, Corporate Services Committee and Council via Consent Agenda.2. Planning 2026 Annual Review Programs with participating departments.3. Hosted, facilitated, and attended fourteen workshops/webinars/lunch & learn type AM related events.4. Collaboration with Budget Office, Corporate Planning & Performance, Emergency Management on overlapping initiatives and reducing duplication of effort.5. Collaboration with operational departments (owners/managers of tangible/physical assets) on action items stemming from 2025 program review.6. Development of Critical Asset checklist.7. CMH Asset Management SharePoint site live.8. Completed regulatory required Corporate Core Public Infrastructure (CCPI) survey (2024) with impacted departments.
<p>Project Management</p> <p>Track and report capital projects.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. The Project Management manual has been published.2. Corporate Dashboard for project reporting being developed in line with updated management report processes and tools, reporting on capital spending performance, including project budget, spend, stage of completion, ongoing risk levels, and anticipated completion date.

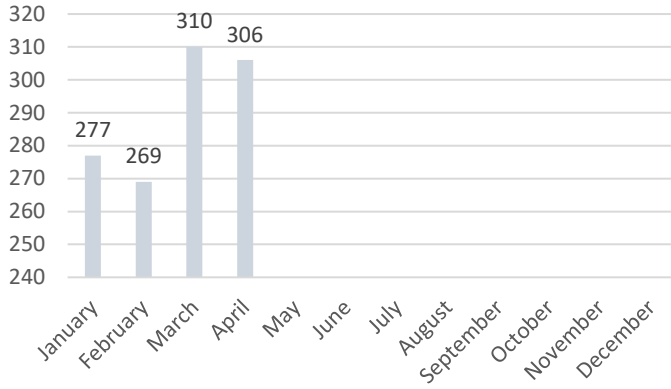
FLEET & FACILITIES

For the Period Ended April 30, 2026

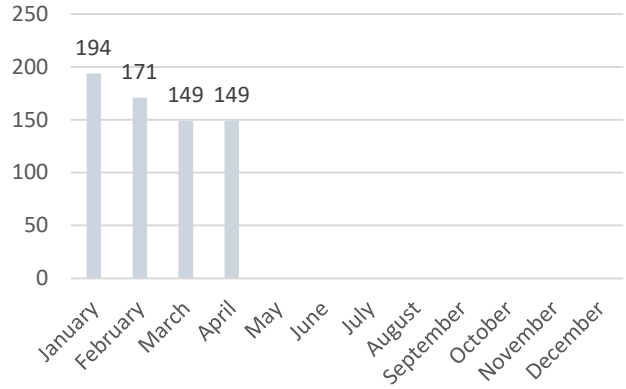
Report on Performance Measures

Facilities Management

Facilities Management - Work Orders by Month

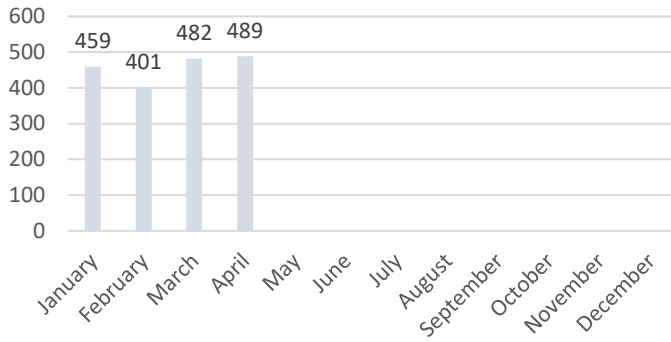


Facilities Management - Service Request Count by Month

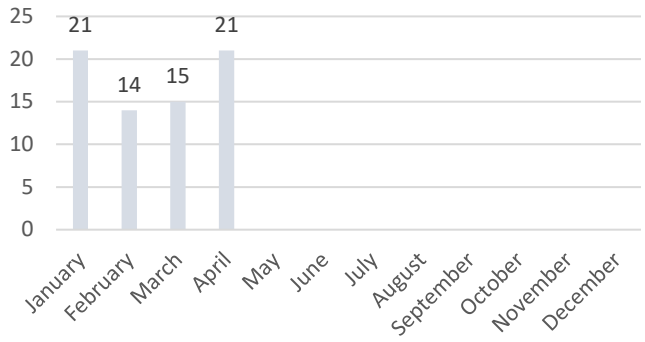


Fleet Services

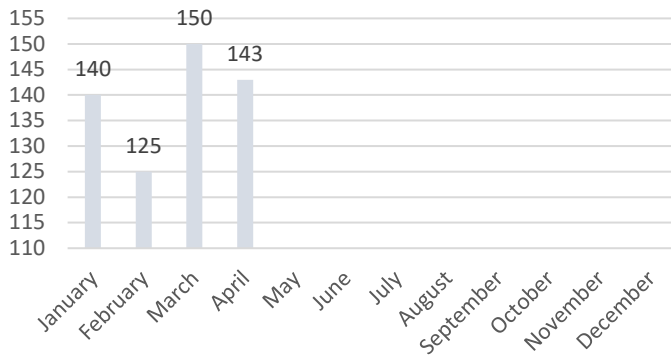
Work Orders Completed by Month



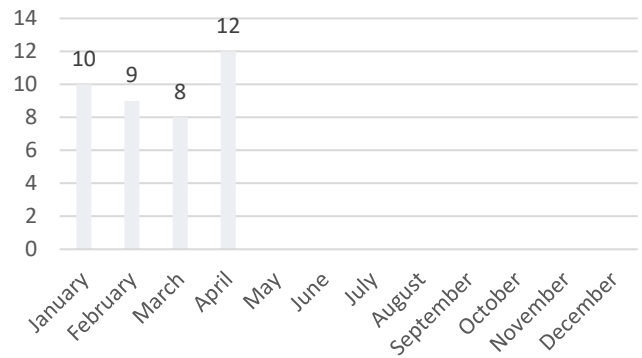
Commercial Vehicle Inspections



Inspections (Does not include CVIP)



Accident Repairs



INFORMATION TECHNOLOGY

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
					to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	
Expenses							
Administration	\$ 1,192	\$ 386	\$ 484	\$ (98)	\$ (50)	\$ 1,242	1
Application Services	2,355	680	705	(25)	-	2,355	
Technical Services	5,168	1,627	1,606	21	-	5,168	
Technology Software / GIS	2,988	893	798	95	-	2,988	2
	11,703	3,586	3,593	(7)	(50)	11,753	
Net Surplus (Deficit) before Internal Cost Allocations	(11,703)	(3,586)	(3,593)	(7)	(50)	(11,753)	
Internal Revenue	11,669	11,433	11,481	48	14	11,683	
Internal Expenses	774	727	731	(4)	-	774	
	10,895	10,706	10,750	44	14	10,909	
Net Surplus (Deficit) before Cash Adjustments	(808)	7,120	7,157	37	(36)	(844)	
Interest Expense	(196)	(196)	(157)	39	39	(157)	
Principal	(1,311)	(1,311)	(1,466)	(155)	(155)	(1,466)	3
Transfer to One-time Expenses and Initiatives	(1,642)	-	-	-	-	(1,642)	
Net Cash Surplus (Requirements)	\$ (3,957)	\$ 5,613	\$ 5,534	\$ (79)	\$ (152)	\$ (4,109)	
Amortization	(2,224)	-	-	-	-	(2,224)	
Net Surplus (Deficit)	\$ (6,181)	\$ 5,613	\$ 5,534	\$ (79)	\$ (152)	\$ (6,333)	

OPERATING NOTES

- Administration expenses are -\$98K unfavourable due to higher than budgeted telecommunication expenses (-\$63K), primarily related to Mobility contract changes, and computer equipment purchased earlier in the year to avoid cost increases (-\$53K), offset by savings in salaries and wages due to a staff vacancy filled after the year began (\$22K). This variance is projected to become -\$50K unfavourable at yearend as the timing difference of equipment is addressed.
- Technology Software/GIS expenses are \$95K favourable due to lower utilization of contracted services (\$140K), offset by higher than budgeted employee benefits (-\$47K). These expense are expected to be on budget by yearend as spending on contracted services will occur later in the year.
- Principal expense is -\$155K unfavourable due to timing of borrowing on capital projects. This is expected to continue to yearend.

OPERATING HIGHLIGHTS

Completed Last Four Months

- The IT department managed 3,715 service calls, successfully closing 3,552, with a customer satisfaction score of 4.75/5 (95%). Call intake in Q1/2026 was consistent with Q4/2025. During this time, the Information Technology (IT) Student position helped mitigate a Service Desk staffing shortage.
- Onboarded new Director of Information Technology/CIO initiated and will continue into the next period.
- The IT Services Assessment Report was presented to the Executive Leadership Team (ELT), confirming that the IT department is providing strong service and value to the organization.
- Key Cybersecurity initiatives:
 - Implemented Managed Detection service that enhances the City's cybersecurity defences.
 - Completed planning, implementation, and training for Microsoft Defender.
- Completed the Advanced Metering Infrastructure (AMI) Regional Network Interface (RNI) upgrade, improving system reliability and performance on the OT AMI upgrade project.
- Telephony Migration Project: continued to successfully migrate several City departments (10) from legacy Cisco phone system to Cisco Webex Calling.
- IT Service Management – completed pilot project and procurement for a new IT Service Management (ITSM) and Asset Management system. This system could potentially be utilized by other City service departments.

INFORMATION TECHNOLOGY

For the Period Ended April 30, 2026

- Started Microsoft Office upgrade on all compatible City-owned Windows devices.
- Advanced the Records Management System transition by completing most content migration and preparing to move business automation workflows to the new platform.
- Executed the Microsoft 365 Adoption and Change Management program, delivering 4 Microsoft 365 application training sessions and 15 white glove coaching sessions.
- Completed the Unit4 ERP database migration, transitioning Unit4 ERP from Oracle to Structured Query Language (SQL) Server, with cutover successfully completed at the end of April 2026.

Planned Next Four Months

- Cybersecurity 7x24 Managed Detection service: implement “response” functions with trusted 3rd party provider to quickly detect and respond to active cybersecurity issues on the City’s corporate network.
- Formalize a strategic plan to act on recommendations from the IT Services Assessment report and improve service delivery across the IT department.
- Start implementation phase of new IT Service Management tool to replace the department’s old IT Service Management (ITSM) system, Cherwell.
- Continue Cisco Webex telephony service migration. This project is schedule to continue through Q1/2027.
- Complete Microsoft Office upgrade rollout to all City devices.
- Complete the Records Management System transition by finishing migration activities and continue supporting the City Clerk’s office with the Agenda Management software replacement project.
- Continue delivering Microsoft 365 Adoption and Change Management services, including monthly webinars, Ask an Expert sessions, white glove coaching, new employee onboarding, and best practice reference materials.
- Continue execution of the Unit4 ERP Cloud Migration project, with completion targeted for October of 2026.
- Assist Gas Distribution in upgrading their GIS environment and data model to the latest GIS Utility Network format.
- Support Operational Technology (OT) in aligning standards to National Institute of Standards and Technology (NIST) controls and developing generalized, department-level procedures.

INFORMATION TECHNOLOGY

For the Period Ended April 30, 2026

Report on Business Plan Goals

<p>Advanced Collaboration Ecosystem</p> <p>In an era of digital transformation, efficient, effective, and secure information management is not optional – it’s a strategic necessity. As our municipality faces growing information volumes, diverse data sources, and evolving compliance demands (both public and internal), the importance of a platform that enables clear processes and best practices for collaborating, capturing, organizing, and maintaining corporate records cannot be overstated. To achieve this effectively, a robust technology platform is essential.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Microsoft 365 Adoption and Change Management services continued through monthly webinars (four delivered in 2026, with an average of 25+ attendees), monthly Ask an Expert sessions (four delivered in 2026), and multiple white glove coaching engagements, including a customer success story shared organization wide.2. The transition of records management to SharePoint remains the priority and continues to progress strongly; three waves of departments have been migrated as we work toward the September milestone of completing the transition.3. Document migration to SharePoint continues, with plans to refocus efforts following completion of the records management transition to SharePoint.4. Salesforce displacement work continues to progress, with completion targeted for May.5. Expanded Power Platform automation work, with the Power BI personal productivity release launched in March.
<p>Core Enterprise Systems Advancement</p> <p>The support and advancement of our core Enterprise Systems (ES) is crucial for the business units that rely on them. The efficiency and effectiveness of these systems significantly impact the level of service that is possible with available resources. Information Technology plays a pivotal role in guiding, supporting, and assisting with the continuous improvement of our Enterprise Systems, while ensuring alignment with Enterprise Systems Governance Committee (ESGC) principles.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Unit4 Cloud Migration has progressed, with the database migration completed at the end of April and dates confirmed for the Unit4 Cloud Migration of mid-October 2026.2. Onboarding the Parks and Recreation department into Cityworks is ongoing, with completion targeted for Summer 2026; planning is also underway for a platform/major upgrade in late 2026, with completion expected in early 2027.3. Utility Network GIS project continues to advance, with steps underway to move forward with Phase 2 (Gas Utility) alongside Phase 3 (Municipal Works).4. Open Data portal has been established, with the initial release targeted for May in support of the organization’s Open Data initiative.5. A project has been kicked off to implement a new Agenda Management solution to support City Council and other standing committee meetings, with completion targeted prior to September.
<p>Advance Cybersecurity Posture</p> <p>Advancing a comprehensive IT & Operation Technology (OT) cybersecurity posture is essential to ensure the safety, reliability, and trustworthiness of municipal services, data, resources, and infrastructure.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. A major network refresh was completed by Operational, Technology, Software & Intelligence (OTSI) enabling stronger cybersecurity services and improving protection for critical infrastructure.2. OT Utility Cybersecurity standards review underway, with expected completion Q1/2026.3. Completed 2025 NIST Cybersecurity Maturity Assessment in February 2026 with results presented to leadership March 2026. This provides a baseline for ongoing security improvements and guides 2026 planning.4. Launched 2026 annual cybersecurity training April 1st, with 46% already completed by Apr 30th.5. New City Corporate cybersecurity perimeter technology assets procured to replace old assets no longer supported. Implementation planning nearing completion with expected completion by Q3/2026.6. Advanced cybersecurity initiatives:<ol style="list-style-type: none">a. Successful disaster recovery test of Unit4 with Finance.b. Migration from current Endpoint Detection and Response to Microsoft Defender platform is complete.c. Onboarding of Managed Detection Services underway.

INFORMATION TECHNOLOGY

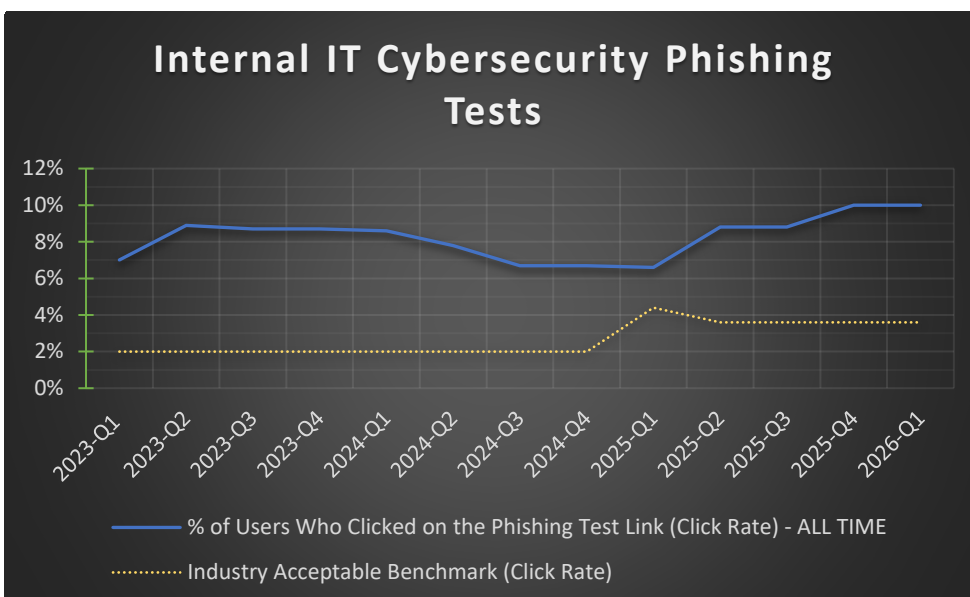
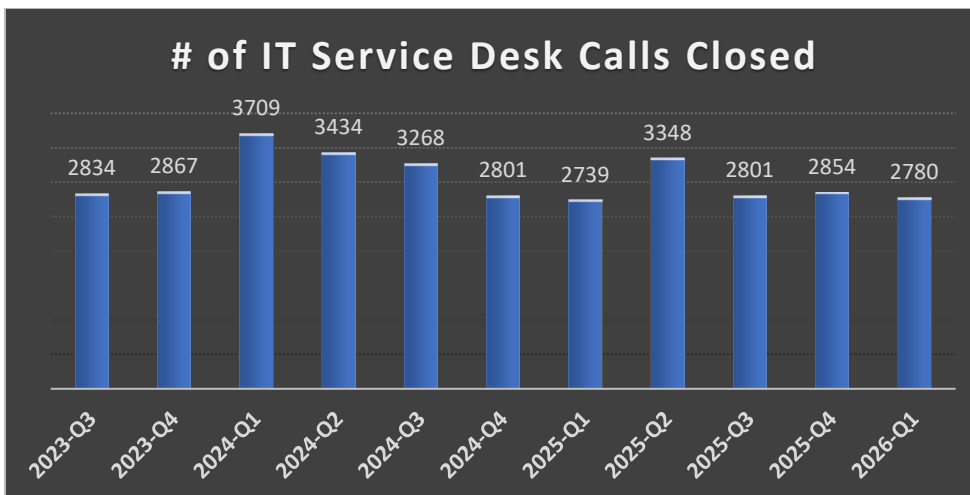
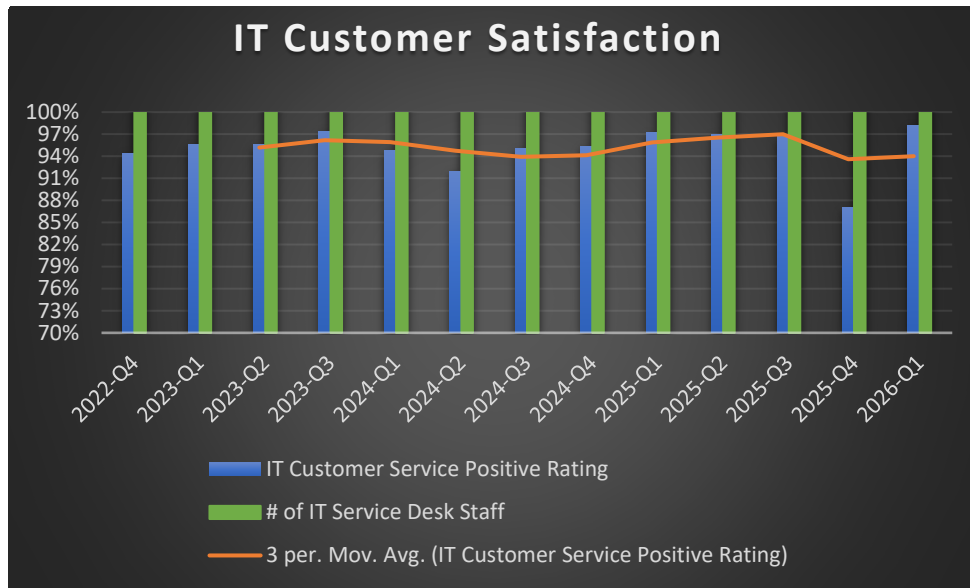
For the Period Ended April 30, 2026

<p>Strategic Asset Management</p> <p>Strategic Asset Management within Information Technology (IT) and Operational Technology (OT) is critical to optimizing resource allocation, reducing costs, enhanced planning, and consistent robust service levels. Replacing assets at the right time for the right reason at the right cost is key. Our efforts will align with the corporate Strategic Asset Management program as it evolves.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. IT Service Management <i>Corporate</i> System (ITSM) selection, which includes Asset Management (ITAM) functionality: a suitable product has been piloted and procured. Implementation will occur between Q2 and Q3 of 2026. OT will select their own system later in 2026.2. Corporate network technology refresh with project nearing full completion (target end of Q2/2026).3. Annual End User Computer Equipment Refresh continues through to Year End – targeting 173 devices, 5 years or older.4. Continuing the Corporate Telephone System Replacement, moving departments to Microsoft Teams based soft phones resulting in far less physical phone assets. Deployment has started with 10 City departments moved to the new system. This project will continue through Q1/2027.5. Procurement processes completed for refreshed Data Center, Cybersecurity Perimeter, and End User Computing (EUC) equipment. Key asset monitoring systems were implemented in 2026 to support improved IT Asset Management processes, in alignment with the City’s AM initiatives.
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INFORMATION TECHNOLOGY

For the Period Ended April 30, 2026

Key Reporting Metrics



FIRE & EMERGENCY SERVICES

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Revenue							
Communication Centre	\$ 1,231	\$ 517	\$ 528	\$ 11	\$ (56)	\$ 1,175	1
Fire Suppression	460	211	193	(18)	-	460	
Community Safety	10	3	4	1	-	10	
	1,701	731	725	(6)	(56)	1,645	
Expenses							
Communication Centre	2,600	792	784	8	(118)	2,718	2
Administration	1,260	375	335	40	(31)	1,291	3
Fire Suppression	14,044	4,064	4,020	44	(1,619)	15,663	4
Community Safety	953	276	268	8	(114)	1,067	5
Training & Logistics	534	161	125	36	(34)	568	6
	19,391	5,668	5,532	136	(1,916)	21,307	
Net Surplus (Deficit) before Internal Cost Allocations	(17,690)	(4,937)	(4,807)	130	(1,972)	(19,662)	
Internal Revenue	977	977	985	8	-	977	
Internal Expenses	2,924	2,201	2,199	2	-	2,924	
	(1,947)	(1,224)	(1,214)	10	-	(1,947)	
Net Surplus (Deficit) before Cash Adjustments	(19,637)	(6,161)	(6,021)	140	(1,972)	(21,609)	
Interest Expense	(14)	(14)	(2)	12	12	(2)	
Principal	(61)	(61)	(16)	45	45	(16)	
Net Cash Surplus (Requirements)	\$ (19,712)	\$ (6,236)	\$ (6,039)	\$ 197	\$ (1,915)	\$ (21,627)	
Amortization	(228)	-	-	-	-	(228)	
Net Surplus (Deficit)	\$ (19,940)	\$ (6,236)	\$ (6,039)	\$ 197	\$ (1,915)	\$ (21,855)	

OPERATING NOTES

1. Communication Centre revenue is projected to be -\$56K unfavourable due to decreased background check revenue resulting from several other 911 centres in Canada now participating in the backcheck program.
2. Communication Centre expenses are projected to be -\$118K unfavourable due to higher than budgeted wages resulting from vacancy adjustment being higher than the savings associated with annual position vacancies (-\$95K) and higher than budgeted software costs resulting from price increases for existing subscriptions (-\$14K).
3. Administration expenses are projected to be -\$31K unfavourable due to higher than budgeted software costs resulting from price increases for existing subscriptions.
4. Fire Suppression expenses are projected to be -\$1.6M unfavourable due to higher than budgeted wages resulting from vacancy adjustment being higher than the savings associated with annual position vacancies (-\$570K) and accrual of wages in preparation for future retroactive payouts following collective bargaining (-\$1.0M).
5. Community Safety expenses are projected to be -\$114K unfavourable due to higher than budgeted wages resulting from vacancy adjustment being higher than the savings associated with annual position vacancies (-\$37K) and accrual of wages in preparation for future retroactive payouts following collective bargaining (-\$77K).
6. Training & Logistics expenses are projected to be -\$34K unfavourable due to accrual of wages in preparation for future retroactive payouts following collective bargaining.

FIRE & EMERGENCY SERVICES

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Continue preparation for the implementation of the Next Generation 911 call handling system.
- Begin planning for 27/28 budget requirements.
- Focus on current stakeholders and enhance collaboration.
- Delivered 2025 Year in Review Report.

Planned Next Four Months

- Continue preparation for the implementation of the Next Generation 911 call handling system.
- Continue planning for 27/28 budget requirements.
- Focus on current stakeholders and enhance collaboration.
- Continue with community-focused education and community engagement.

Report on Business Plan Goals

Staff Health and Wellness

Increase focus on staff's health and wellness throughout the entire department.

PROGRESS

1. Fire & Emergency Services (FES) has identified and partnered with a new provider to develop and implement new annual testing for suppression staff. The new testing utilizes Kinetisense, a motion capture program which identifies areas of strength and weakness. Testing is completed annually with individual programs tailored for staff to strengthen areas for improvement, supporting their overall health.
2. FES identified, developed, and implemented a health and wellness program for the 911 Communications branch; 85% of employees in 911 Communications completed the newly implemented wellness program in its first year.
3. FES has successfully identified and partnered with a mental health professional to provide bi-annual check-ins to all emergency services personnel when required. These check-ins will increase the support to staff, identify issues and provide support.
4. FES successfully identified and partnered with an additional chaplain to provide support to staff, mental health partners and the chaplaincy program.

FIRE & EMERGENCY SERVICES

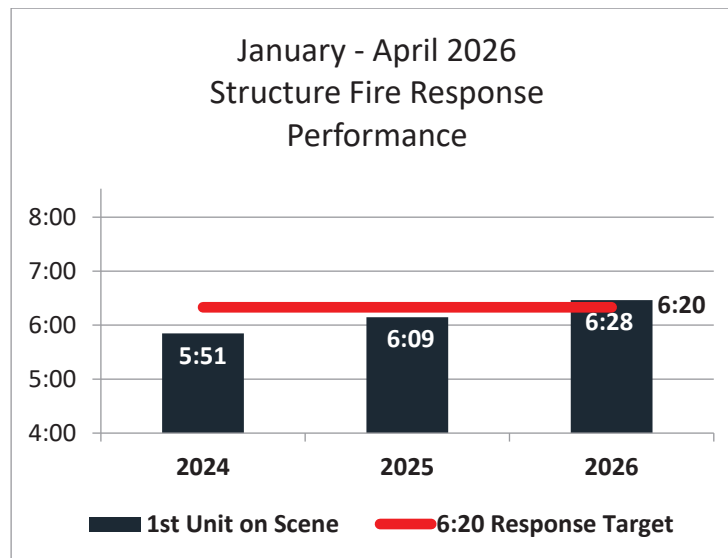
For the Period Ended April 30, 2026

<p>Increase Community Focus and Engagement</p> <p>Creating a strong community focus and engagement in fire services can be transformative for both the fire department and the community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. FES has analyzed the leading cause of fires over the past five years and is currently developing targeted educational content around these causes. This material will be delivered through social media, schools, and other strategic public education opportunities.2. FES continues to work with Parks to identify Wildland Urban Interface (WUI) areas and create educational programs for residents and businesses near WUI areas.3. FES continues to develop and promote media campaigns to educate residents on the dangers related to specific risks associated with holidays or time of year, such as Christmas, lithium-ion batteries, and river awareness.
<p>Technology</p> <p>Leverage technology to improve service delivery and align with Fire & Emergency Services' vision to remain progressive and innovative.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. New mobile data terminals were successfully delivered and installed in all frontline apparatus. This new hardware will improve both data exchange and system performance for frontline responders.2. FES implemented Advance Property Exposure (APX) as a new software platform for Life Safety Checks and Commercial Business Inspections, Fire Investigations and Property Pre-Plans.3. Next Generation 911 and its implementation remain an ongoing project as the project has seen numerous delays, including the Canadian Radio-television and Telecommunications Commission (CRTC) deadline moving from 2025 to 2027.
<p>Strategic Partnerships</p> <p>Focus on strategic partnerships.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. A series of collaborative meetings continues to be organized and scheduled with Medicine Hat Police Service (MHPS), HALO Air Ambulance, and County Fire Departments.

FIRE & EMERGENCY SERVICES

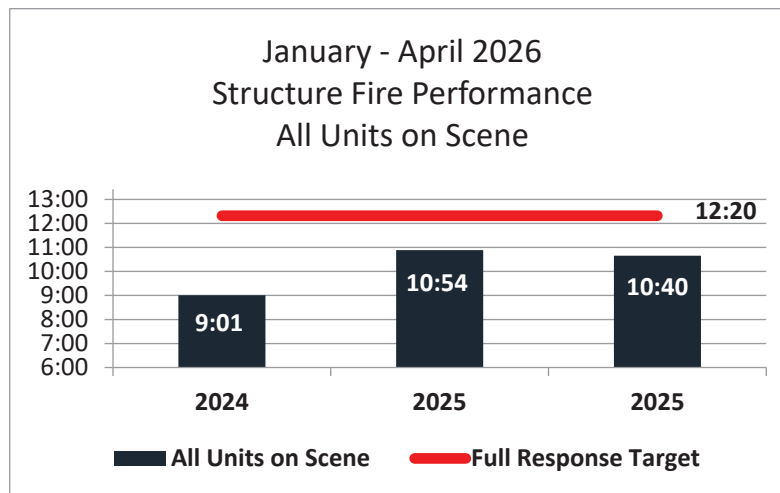
For the Period Ended April 30, 2026

Report on Performance Measures



Fire & Emergency Services strives to respond with the first arriving Engine Company within 06:20 minutes 90% of the time (90th percentile performance). This Council-approved response time target for first-arriving engines is based on National Fire Protection Association (NFPA) Standards, tenability for occupants in burning buildings, and time to collapse when a fire is impinging on structural floor members.

The graph above illustrates that in this 2026 reporting period, Fire & Emergency Services responded to structure fire incidents within 06:28 minutes 90% of the time. In 2025 (Jan-Apr), the 90th percentile performance time was 06:09. Fire & Emergency Services monitors this response time data continually throughout the year.

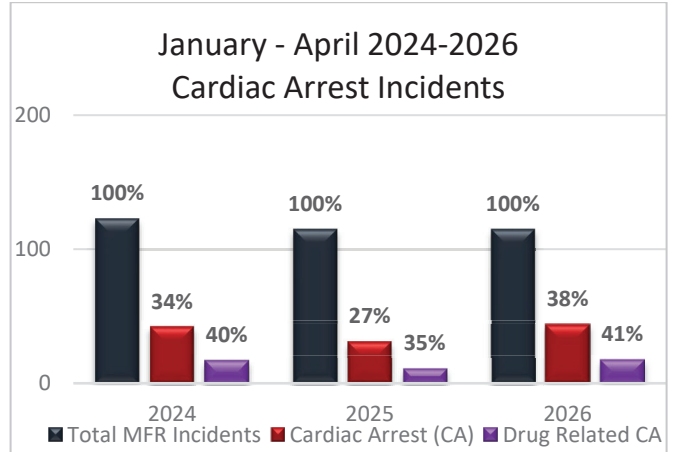
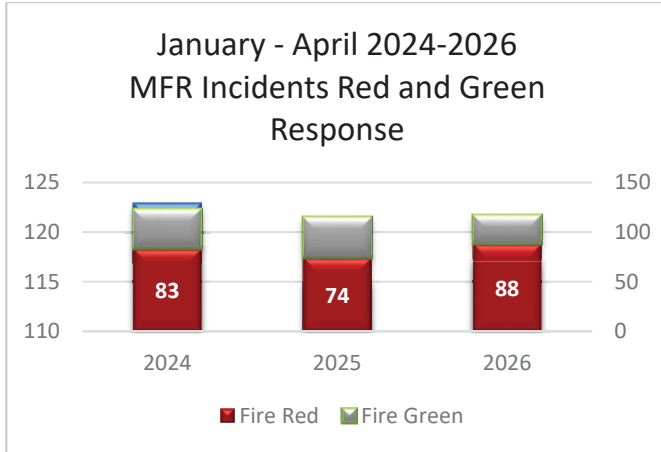


Fire & Emergency Services strives to place two Engine Companies and one Ladder Company on scene in 12:20 minutes 90% of the time (90th percentile performance).

The graph above illustrates that in this 2026 reporting period, Fire & Emergency Services placed all units on scene in 10:40 minutes 90% of the time. In 2025 (Jan-Apr), the 90th percentile performance was 10:54. Fire & Emergency Services monitors this response time data continually throughout the year.

FIRE & EMERGENCY SERVICES

For the Period Ended April 30, 2026

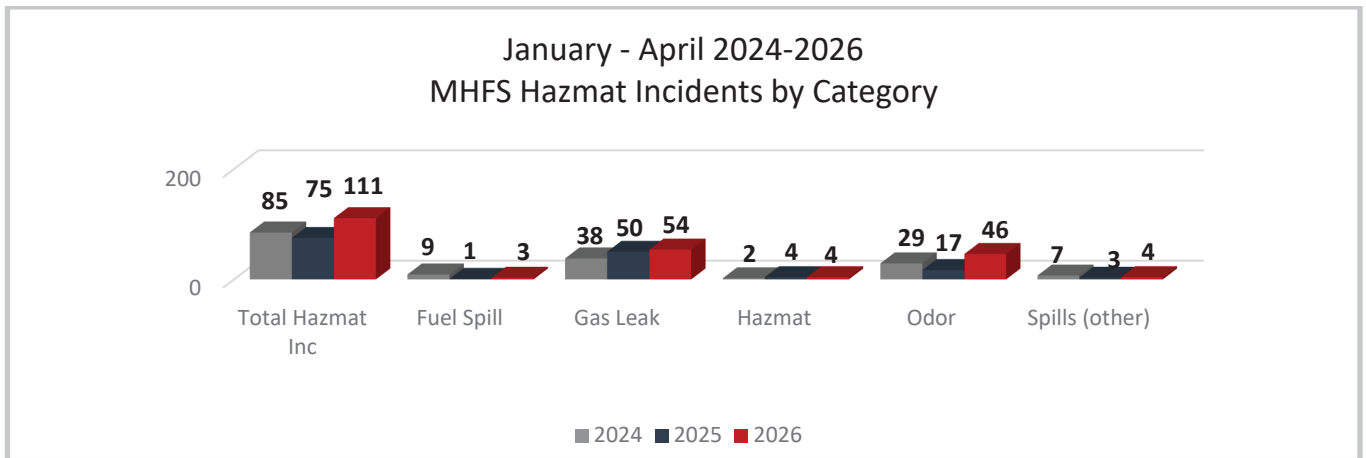


Early intervention in serious medical emergencies improves patient outcomes. Fire & Emergency Services (FES) specifically tracks cardiac arrests and drug-related cardiac arrests as a measure of time-sensitive, life safety response. The response is achieved with a full engine company response to keep engine crews intact and ready to respond to the next emergency.

Dollar Value Saved/Building and Contents Value
January – April 2026



Early arrival by Fire & Emergency Service crews reduces the percentage of dollar loss of buildings and contents. This property saving Key Performance Indicator (KPI) indicates that in 2026, Fire & Emergency Services saved 89.37% of the value of buildings and contents involved in structure fires.



Hazardous materials response KPI's can be a measure of life safety and environmental protection; most calls are related to environmental protection in one way or another. As Hazardous Materials (HAZMAT) incidents have increased over the years, training of firefighters has changed from an Advanced Response Team responsibility to a platoon responsibility. All firefighters are trained to the HAZMAT Technician level (NFPA).

FIRE & EMERGENCY SERVICES

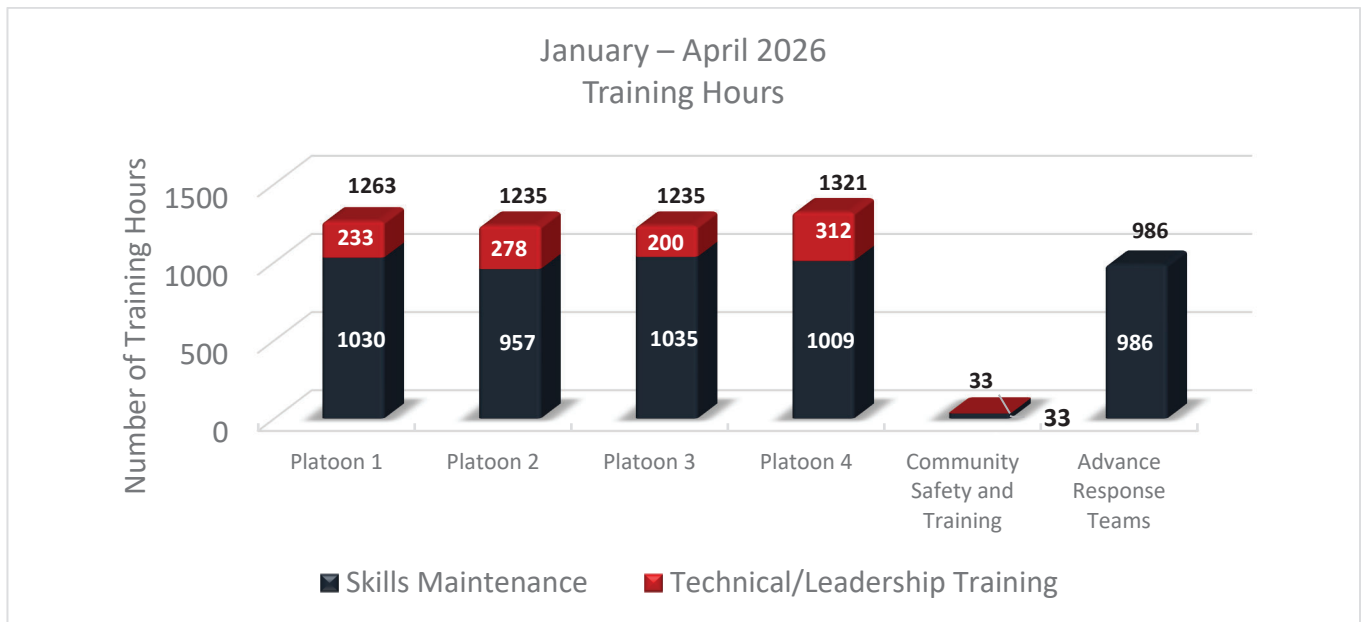
For the Period Ended April 30, 2026

Responding with well-equipped and well-trained people assists Fire & Emergency Services in delivering a high level of service to residents and visitors of Medicine Hat. This KPI measures how we are doing in delivering training to those who are in leadership positions within the Department.

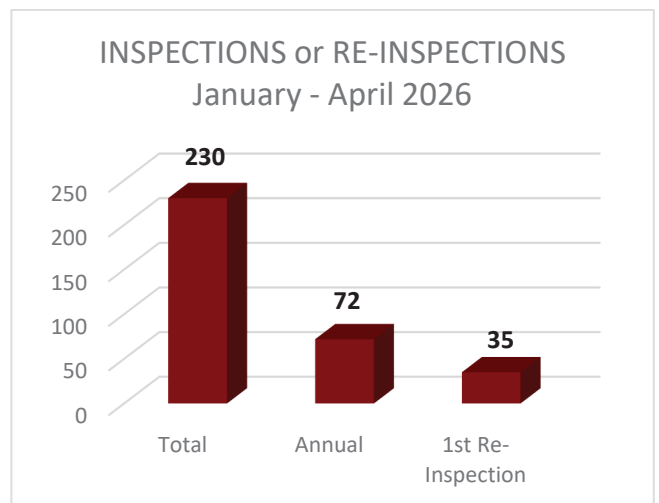
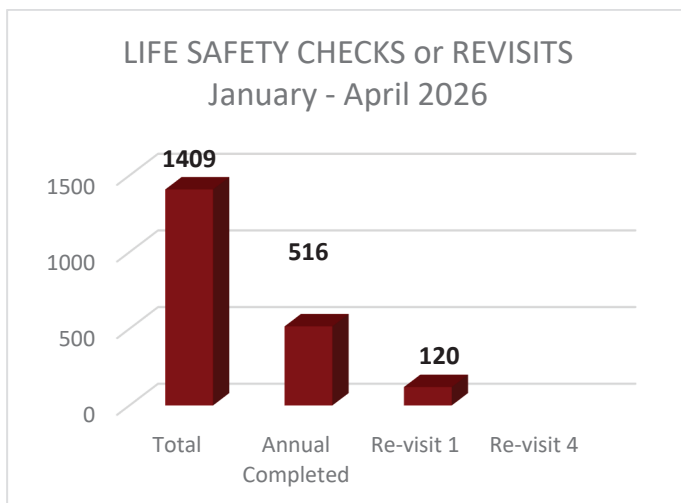
Training Completed as of
January – April 2026



This KPI tracks the number of hours Fire & Emergency Service members spend in both Skills Maintenance Training and Technical/Leadership Training.



Number of Life Safety Checks (LSC) and Inspections completed:

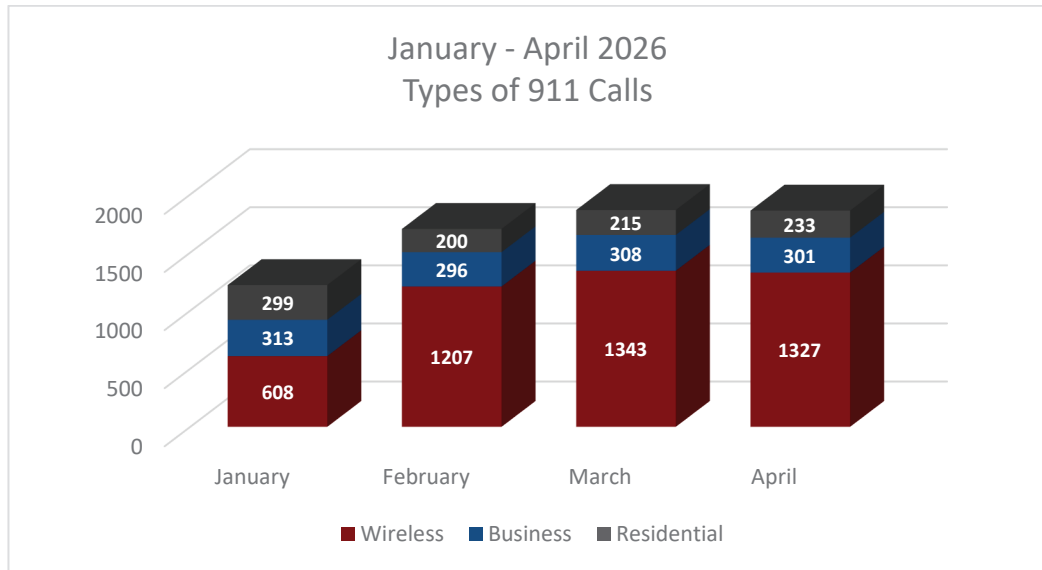


Life Safety Checks (LSC) and Inspections are key components of a fire-safe community program. Firefighters and Fire Prevention Officers perform LSCs and inspections throughout the year, collaborating with the business community to keep their businesses safe from fire and contribute to the community's economic prosperity. Fire & Emergency Services strives to work with business owners to achieve compliance without revisits to reduce costs.

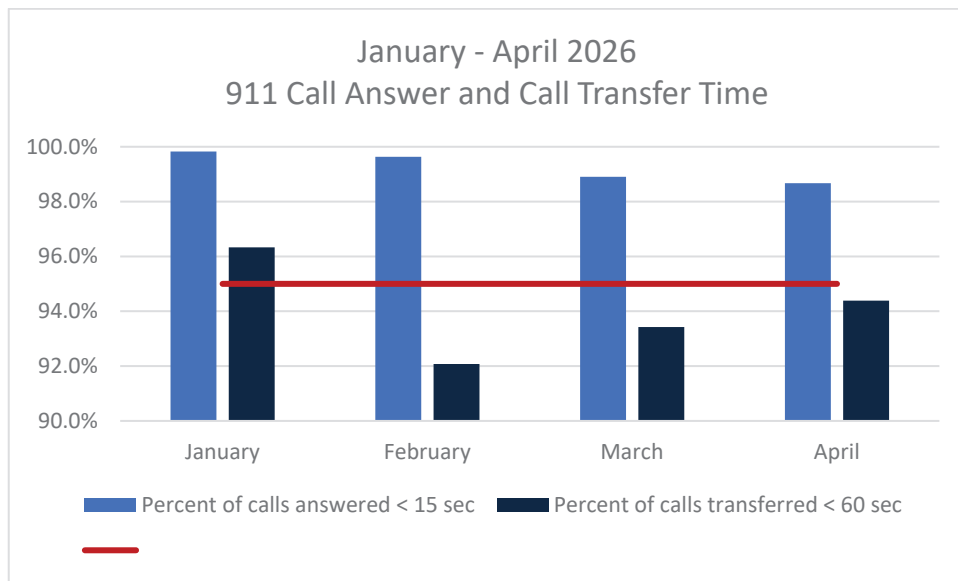
FIRE & EMERGENCY SERVICES

For the Period Ended April 30, 2026

Communication Centre KPI's



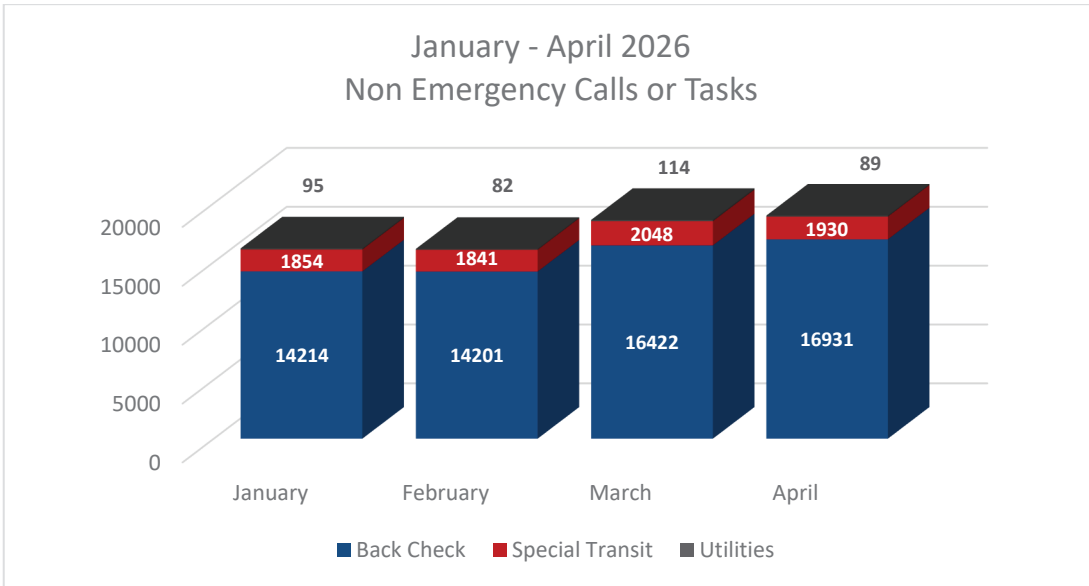
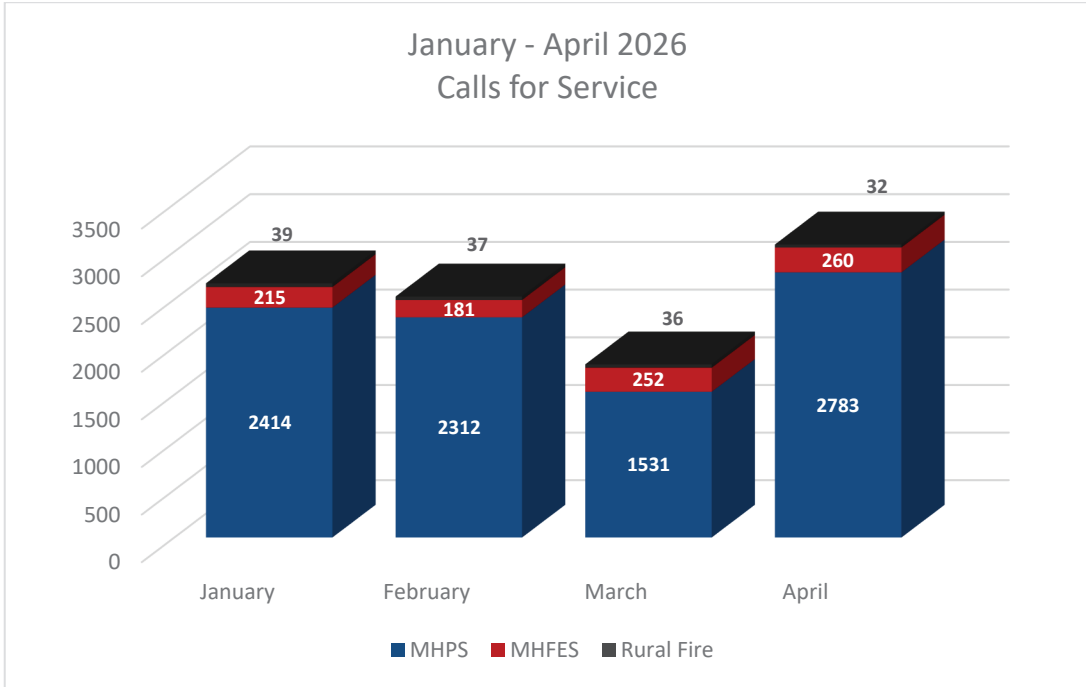
The Alberta E9-1-1 Advisory Association (AEAA) collects wireless 911 fees from wireless carriers and distributes the funding through the 911 grant program to Public Safety Answering Points (PSAPs) that qualify under Alberta 911 standards. Wireline telephone companies (TELUS, Bell, and Shaw) also distribute funding to Primary PSAPs.



Alberta 911 Standards require the 911 call answer to occur within 15 seconds 95 percent of the time, and the call transfer time to occur within 60 seconds 95 percent of the time.

FIRE & EMERGENCY SERVICES

For the Period Ended April 30, 2026



PARKS & RECREATION

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance		NOTE
					to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	
Revenue							
Administration	\$ 321	\$ 32	\$ 27	\$ (5)	\$ (12)	\$ 309	
Parks	1,870	617	422	(195)	188	2,058	1
Asset Planning & Business Services	16	5	12	7	31	47	
Recreation	4,799	1,660	2,097	437	554	5,353	2
	7,006	2,314	2,558	244	761	7,767	
Expenses							
Administration	1,057	310	325	(15)	(15)	1,072	
Parks	7,211	2,005	1,460	545	(366)	7,577	3
Asset Planning & Business Services	1,877	555	494	61	-	1,877	4
Recreation	9,468	2,799	2,994	(195)	(548)	10,016	5
	19,613	5,669	5,273	396	(929)	20,542	
Net Surplus (Deficit) before Internal Cost Allocations	(12,607)	(3,355)	(2,715)	640	(168)	(12,775)	
Internal Revenue	73	73	74	1	-	73	
Internal Expenses	9,563	6,376	6,071	305	(197)	9,760	6
	(9,490)	(6,303)	(5,997)	306	(197)	(9,687)	
Net Surplus (Deficit) before Cash Adjustments	(22,097)	(9,658)	(8,712)	946	(365)	(22,462)	
Interest Expense	(641)	(641)	(727)	(86)	(86)	(727)	7
Principal	(1,107)	(1,107)	(1,246)	(139)	(139)	(1,246)	7
Transfer to Capital	(1,075)	-	-	-	-	(1,075)	
Net Cash Surplus (Requirements)	\$ (24,920)	\$ (11,406)	\$ (10,685)	\$ 721	\$ (590)	\$ (25,510)	
Amortization	(6,570)	-	-	-	-	(6,570)	
Net Surplus (Deficit)	\$ (31,490)	\$ (11,406)	\$ (10,685)	\$ 721	\$ (590)	\$ (32,080)	

OPERATING NOTES

- Parks revenue is -\$195K unfavourable due to lower than budgeted campsite revenue (-\$26K), Hillside Cemetery revenue (-\$12K), and perpetual care fees utilized to cover operating costs (-\$119K). This unfavourable variance is projected to become \$188K favourable at yearend due to increased camping revenue (\$133K) and facility rentals (\$43K) over summer months, and higher summer operational costs at the cemetery resulting in increased usage of the perpetual care fund (\$12K).
- Recreation revenue is \$437K favourable due to an increase in facility usage resulting in higher than budgeted Big Marble Go Centre (BMGC) admissions (\$102K) and facility rentals (\$108K), ice rentals at Kinplex, Hounds, Moose, and Co-op Place (\$133K), unbudgeted lease agreements (\$25K), and timing of donations (\$50K). This favourable variance is projected to increase to \$554K at yearend due to higher than budgeted BMGC facility rentals (\$79K), ice rentals (\$131K), and admission (\$152K), Crestwood programs and rentals (\$53K), and ice rentals at Kinplex, Hounds, Moose, and Co-op Place (\$141K).
- Parks expenses are \$545K favourable due to timing of seasonal work that will begin in May resulting in lower than budgeted salary and wages (\$363K), contracted services (\$118K), and materials (\$62K). This favourable variance is projected to become -\$366K unfavourable at yearend due to higher than budgeted wages resulting from backfilling four positions, overtime on the weekends for downtown garbage and winter snow removal, as well as encampment and vandalism cleanup.
- Asset Planning & Business Services expenses are \$61K favourable due to delayed spending on consulting fees. This variance is projected to decrease to nil at yearend as consulting fees are incurred over the remainder of the year.
- Recreation expenses are -\$195K unfavourable due to higher than budgeted salaries and wages (-\$146K) and contracted services (-\$64K) from supporting additional events, programs, and ice bookings at rink facilities, and additional customer service staff required during the busier winter months. This unfavourable variance is projected to increase to -\$548K at yearend due to higher than budgeted salaries and wages resulting from unbudgeted Medicine Hat Tigers playoff run and additional events being held at Co-op Place (-\$116K), longer operating periods for Hounds Rink and Hill Pool (-\$167K), additional staff used at rinks for weekend tournaments (-\$86K), and ongoing backfills due to staff on modified duties (-\$179K).
- Internal expenses are \$305K favourable due to lower than budgeted internal fleet charges (\$75K), internal equipment charges (\$141K), and utilities (\$67K). This favourable variance is projected to become -\$197K unfavourable at yearend due to higher than budgeted water usage in summer months.
- Interest expense and principal are -\$86K and -\$139K unfavourable, respectively, due to timing of prior year capital expenses and related borrowings. These variances are projected to continue to yearend.

PARKS & RECREATION

For the Period Ended April 30, 2026

OPERATING HIGHLIGHTS

Completed Last Four Months

- Passed Parks Bylaw at Council.
- Ongoing operations of Animal Pound Services.
- Capital Project wrap ups.

Planned Next Four Months

- Conduct Fees and Charges Comprehensive Review after Request for Proposal is evaluated.
- Identify staffing resources in Parks and Recreation.
- Conduct work on 2027/2028 budget assignments.
- Readiness for Spring/Summer opening of commissioning irrigation systems, sports fields, washrooms and other park amenities, including Echo Dale first week of June.
- Anticipate action based on council decision on initial design of south-side destination outdoor pool and sports fields in Brier Run.
- Education and Awareness Campaigns for Parks bylaw items (drones, trails, river, and picking edible plants).
- Discussing the perpetual care plan and long-term stability for Hillside Cemetery.

Report on Business Plan Goals

<p>Protecting the Natural Environment</p> <p>Urban forests and the natural environment help improve air quality, enhance biodiversity, and contribute to the overall well-being of communities. With over 700 acres of manicured turf, 3,700 acres of environmental reserve land and approximately 24,000 boulevard and park trees, the Parks and Recreation Department ensures that the City’s natural assets are maintained and will be available for generations to come. The department has identified a need for an increased focus on tree canopy health, water conservation and implementation of environmental-related action items from the Parks and Recreation Master Plan.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. The department has received approval for the Growing Canada’s Communities Canopies Grant submission. The department has commenced work to prepare for tree planting (400 pre dug holes) for spring planting of 2026. 2. The department continues to actively implement water reduction initiatives, where possible. Throughout the summer, staff completed a full shutdown of irrigation systems for several days during a period of high precipitation. 3. Have applied for a grant to update the Urban Forestry Strategic Plan, application will be submitted in 2026.
<p>Developing People</p> <p>As the department relies heavily on seasonal, temporary, and part-time staff, in addition to permanent staff, to achieve departmental objectives, a significant number of new staff are onboarded each year. As such, it is important to ensure all staff are continually developed while proactively developing a stronger safety culture.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. The department continues to work on improving Standard Operating Procedures (SOP’s) and Hazard Assessments. Work continues on refining training to ensure it provides the desired outcome of improving and demonstrating staff safety competency. 2. The departmental “Care to be AWARE!” safety continues to focus on seasonal-specific hazard awareness and safety messaging for staff awareness to promote a positive safety culture

PARKS & RECREATION

For the Period Ended April 30, 2026

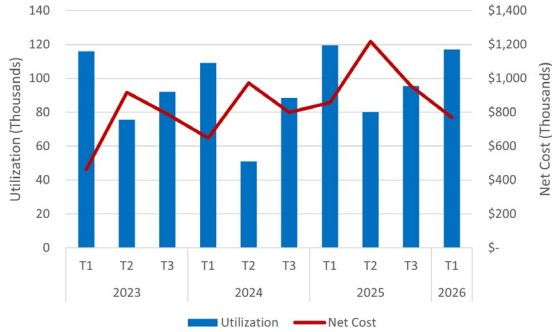
<p>Planning for the Future</p> <p>Ongoing planning for the City’s physical infrastructure, recreation spaces and associated programming is essential to maximizing the value and performance of its assets and amenities. Ranging from open spaces, irrigation assets, parks amenities, facilities and programs that support these amenities, proactive planning is required to ensure investment in recreation is maximized.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Development of the departmental asset management plan continues to progress while focusing on higher risk, aging assets. The plan continues to take direction from the City’s asset management program. 2. Recent work on the Business Impact Analysis will be used to inform decisions related to asset maintenance, operations and ongoing planning for infrastructure needs. 3. The Parks Bylaw has been approved and will continue to work on the Education and Awareness of the key items within the approved Bylaw.
<p>Action Recreation and Wellness Opportunities</p> <p>Develop a multi-faceted recreation complex on the south side and determine the future of existing facilities in the community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Public Engagement results showed strong endorsement related to the development of a destination outdoor pool on the south-side of the community and the construction of sports fields in Brier Run. City Council has formally paused any further design or progress on this initiative until further notice.

PARKS & RECREATION

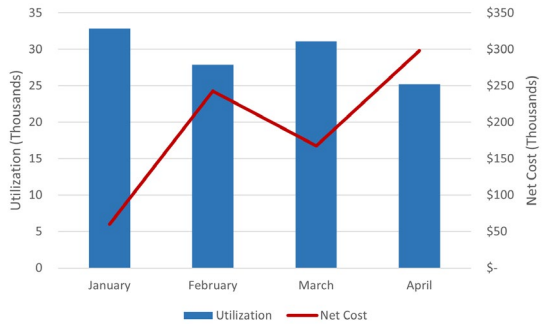
For the Period Ended April 30, 2026

Report on Performance Measures

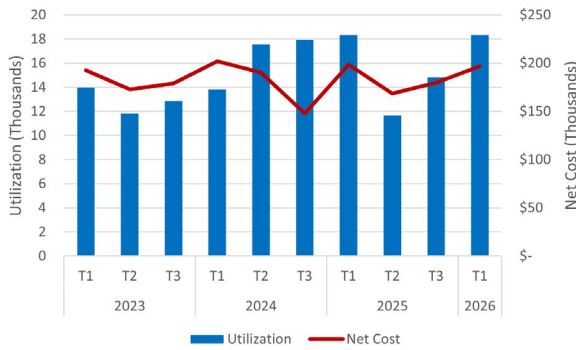
BMGC Utilization and Net Cost



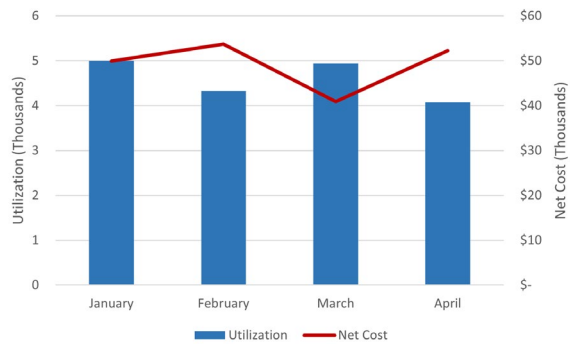
BMGC Monthly Utilization and Net Cost



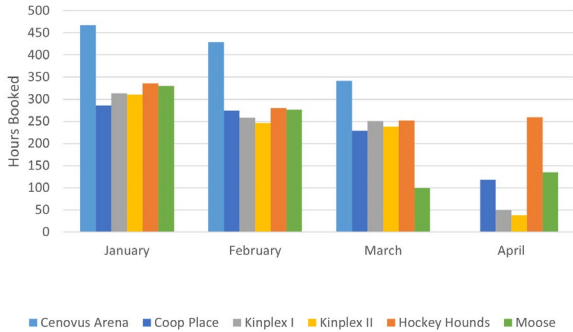
CRC Utilization and Net Cost



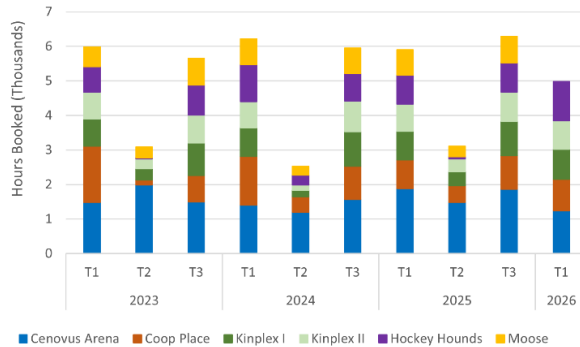
CRC Monthly Utilization and Net Cost



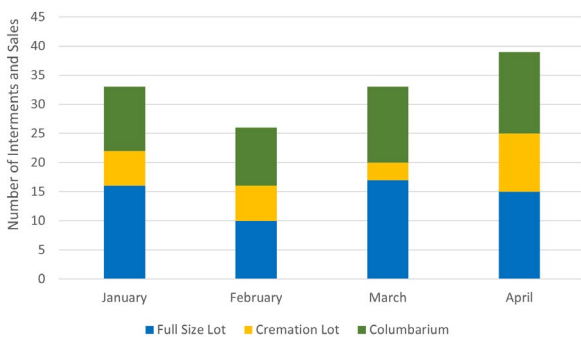
Ice Rink Monthly Utilization



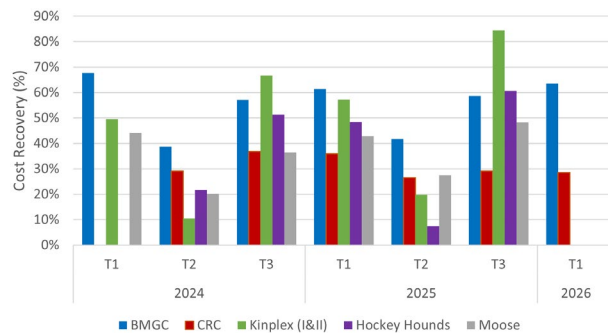
Ice Rink Utilization



Annual Interments and Sales by Type



Recreation Facility Operating Cost Recovery Percentage



COMMUNITY DEVELOPMENT

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance	Projected Actual	NOTE
					to Dec 31/26 at Apr 30/26	to Dec 31/26 at Apr 30/26	
Revenue							
Arts, Heritage & Entertainment	\$ 5,759	\$ 1,964	\$ 2,945	\$ 981	\$ 140	\$ 5,899	1
Administration	-	-	12	12	12	12	
Community Supports	1,793	836	948	112	400	2,193	2
Transit Services	1,403	484	597	113	257	1,660	3
	8,955	3,284	4,502	1,218	809	9,764	
Expenses							
Arts, Heritage & Entertainment	7,635	2,346	2,671	(325)	282	7,353	4
Administration	960	289	216	73	14	946	5
Community Supports	2,584	876	925	(49)	(215)	2,799	6
Transit Services	5,089	1,489	1,654	(165)	(224)	5,313	7
	16,268	5,000	5,466	(466)	(143)	16,411	
Net Surplus (Deficit) before Internal Cost Allocations	(7,313)	(1,716)	(964)	752	666	(6,647)	
Internal Revenue	7	2	15	13	30	37	
Internal Expenses	7,275	4,913	4,772	141	182	7,093	8
	(7,268)	(4,911)	(4,757)	154	212	(7,056)	
Net Surplus (Deficit) before Cash Adjustments	(14,581)	(6,627)	(5,721)	906	878	(13,703)	
Interest Expense	(242)	(242)	(242)	-	-	(242)	
Principal	(290)	(290)	(290)	-	-	(290)	
Transfer to Reserves (expense)	(24)	-	7	7	12	(12)	
Net Cash Surplus (Requirements)	\$ (15,137)	\$ (7,159)	\$ (6,246)	\$ 913	\$ 890	\$ (14,247)	
Amortization	(2,226)	-	-	-	-	(2,226)	
Net Surplus (Deficit)	\$ (17,363)	\$ (7,159)	\$ (6,246)	\$ 913	\$ 890	\$ (16,473)	

OPERATING NOTES

- Arts, Heritage & Entertainment revenue is \$981K favourable and projected to be \$140K favourable due to higher than budgeted Medicine Hat Tigers ticket sales and surcharges (current: \$132K; projected: \$149K), higher than budgeted food and beverage sales (current: \$1.0M; projected: \$977K), higher than budgeted archives grants and unbudgeted education grants (current: \$53K; projected: \$40K), higher than budgeted commercial rentals (current: \$154K; projected: \$189K), and increased parking revenue (current: \$46K; projected: nil). This is offset by lower than budgeted entertainment sales from less presented events being held at Co-op Place and Esplanade (current: -\$344K; projected: -\$940K) and the move away from sponsorships resulting in less sponsorship revenue (current: -\$40K; projected: -\$261K).
- Community Supports revenue is \$112K favourable and projected to be \$400K favourable at yearend due to higher than budgeted grant funding from the Low Income Transit Program (LITP).
- Transit Services revenue is \$113K favourable due to sustained growth in ridership, particularly in the Refugee/Fair Entry Program. This favourable variance is projected to increase to \$257K at yearend due to continued ridership growth.
- Arts, Heritage & Entertainment expenses are -\$325K unfavourable due to higher than budgeted salaries and wages (-\$208K), food and beverage (-\$337K), and Co-op Place operating costs (-\$30K) as a result of unbudgeted Medicine Hat Tigers playoff games. This unfavourable variance is projected to become \$282K favourable by yearend due to fewer presented events and more rental events at Co-op Place and Esplanade through the remainder of the year (\$695K), offset by higher than budgeted food and beverage expenses primarily due to unbudgeted Medicine Hat Tigers playoff games in the first tri-annual period (-\$413K).
- Administration expenses are \$73K favourable due to timing of expenditures for contracted and general services. This favourable variance is projected to decrease to \$14K at yearend as contracted and general service expenses are incurred over the remainder of the year.
- Community Supports expenses are projected to be -\$215K unfavourable due to the ongoing growing number of applicants for the Fair Entry Program (-\$160K) and staff costs related to vacation payouts and short-term leave coverage (-\$54K).
- Transit Services expenses are -\$165K unfavourable due to timing of software license renewals (-\$35K), higher than budgeted wages resulting from unmet vacancy adjustment (-\$55K), higher than budgeted benefits (-\$42K), and unbudgeted overtime for sick coverage (-\$33K). This unfavourable variance is projected to increase to -\$224K at yearend due to continued overbudget wages related to unmet vacancy adjustments (-\$145K) and transit terminal security expenses (-\$68K).

COMMUNITY DEVELOPMENT

For the Period Ended April 30, 2026

8. Internal expenses are \$141K favourable due to lower than budgeted internal fleet charges (\$77K), utilities (\$36K) and insurance charges (\$34K). This favourable variance is projected to increase to \$182K at yearend due to continued underbudget internal fleet charges.

OPERATING HIGHLIGHTS

Completed Last Four Months

- Launched new Mometum Kick-Off Grant; delivered the Rooted in Action Volunteer Learning Series; hosted several National Volunteer Week activities; and launched a City of Medicine Hat Indigenous Advisory Circle.
- Successfully recruited and onboarded Cultural Programs Coordinator, Cultural Programs Specialist, Event Technology Specialist; and delivered the first Cultural Forum advancing a key action for City’s Arts, Heritage and Entertainment Plan bringing together 80 members of the public and municipal staff to strengthen collaboration and strategic alignment.
- Successfully hosted 10 Medicine Hat Tigers regular season and 8 playoff games, both with increased attendance and revenue year over year; Good Friday service for 3,000 patrons; Lee Brice concert for 3,500 patrons; announced the Grand Slam of Curling event for November 2026; increased collaboration with multiple partners in the Box Springs Business Park area; and Tigers Den refresh project received with favourable reviews and feedback.
- Launched enhanced online transit trip-planning tools that integrated conventional and on-demand services. Introduced expanded service options, including web-based booking and a mobile app for Adaptive Transit users.

Planned Next Four Months

- Partnering with Kickstand Medicine Hat and Recovery Alberta to fund and build the Transit Trailblazers program; created information for Community Inclusion page on Insite as an internal resource; developed sensory sensitivity training for specific groups who require more robust knowledge in public spaces; and expanding the number of neighbourhood associations in Medicine Hat.
- Complete the design for the Arts and Culture Legacy Gallery Wall at the Esplanade; and support the delivery of Jazzfest 2026 at the Esplanade through coordinated venue operations, technical production, and event services.
- 2 upcoming graduation ceremonies and banquets; one convocation; recurring parking lot rentals throughout summer; and Special Olympics ceremonies will be hosted at Co-op Place. Parking lot painting, including changes to accessible parking will be made in alignment with the accessibility audit completed last fall at Co-op Place.
- Provide limited transit service on Canada Day as part of the statutory holiday service pilot program.

Report on Business Plan Goals

<p>Community Well-Being</p> <p>Opportunities to address community well-being will be developed, facilitated, and promoted. Community well-being is supported and improved, and community social issues are identified and addressed. A Community Well-Being Plan will support the City’s efforts to convene, advocate, educate, plan, coordinate, and fund a community response aimed at addressing well-being.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. Momentum Kick off grant introduced to provide a one-time opportunity to spark locally driven ideas and help community organizations achieve the outcomes outlined in Momentum, the Medicine Hat Community Well-being Plan. 2. Launch of City of Medicine Hat Indigenous Advisory Circle. 3. Held an initial meeting with Blackfoot Confederacy leadership, administration, and Council members to exchange knowledge and identify shared priorities and common goals.
<p>Arts, Heritage, and Entertainment</p> <p>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.</p>	<p>PROGRESS</p> <ol style="list-style-type: none"> 1. \$55,000 in Community Vibrancy grants awarded to 12 organizations for projects that will occur in 2026. 2. Inaugural Cultural Forum held at the Esplanade Arts and Heritage Centre brought together leaders in the community to address the plan of action as outlined in the Arts, Heritage and Entertainment Plan.

COMMUNITY DEVELOPMENT

For the Period Ended April 30, 2026

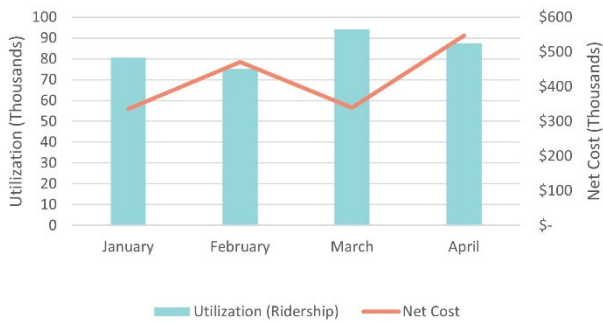
<p>Safe, Accessible, Adaptable and Scalable Transit System</p> <p>Operate a safe, accessible, adaptable, and scalable transit system that maximizes service value. Develop performance evaluation standards and effectively communicate system performance and service levels to the public.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Adaptive Transit outreach.2. Working with local business to provide 2 additional fare vending locations in the community.3. MHTapp launched to reduce barriers to fare payment as well as provide better system information and navigation.
<p>Build a Resilient and Inclusive Community</p> <p>Communities that are safe, clean and orderly are inviting to residents and visitors. Social disorder, real or perceived, can be unsettling to many and have a negative impact on community. Poverty, social isolation, trauma, mental health and addiction are some of the drivers of social disorder. Activities and behaviours may include public displays of conflict and aggression, sleeping in public spaces, visible drug use, vandalism, and public urination/defecation. Solutions to promoting social order must be multi-pronged and involve a broad number of interest holders and the community.</p>	<p>PROGRESS</p> <ol style="list-style-type: none">1. Task Force meetings held at regular intervals.2. Ongoing discussions about shelter location in the community.

COMMUNITY DEVELOPMENT

For the Period Ended April 30, 2026

Report on Performance Measures

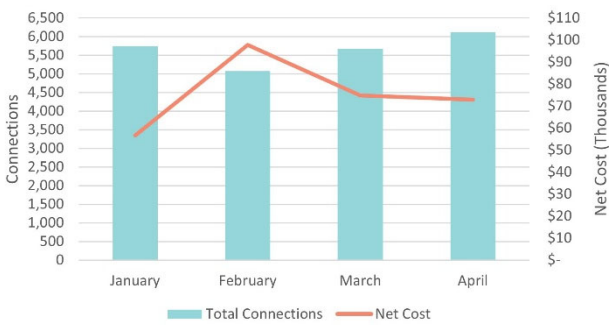
Regular Transit Utilization and Net Cost



Special Transit Utilization and Net Cost



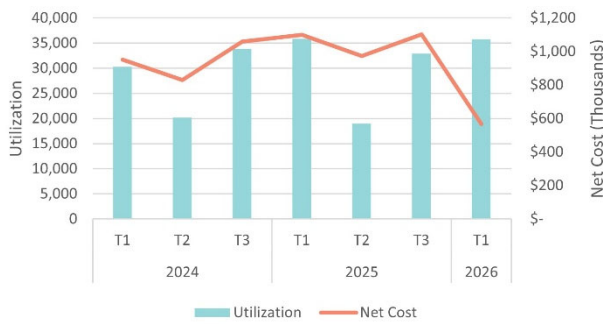
Community Support Connections and Net Cost



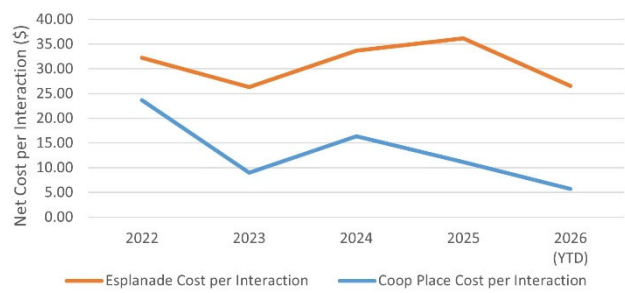
Coop Place Utilization and Net Cost



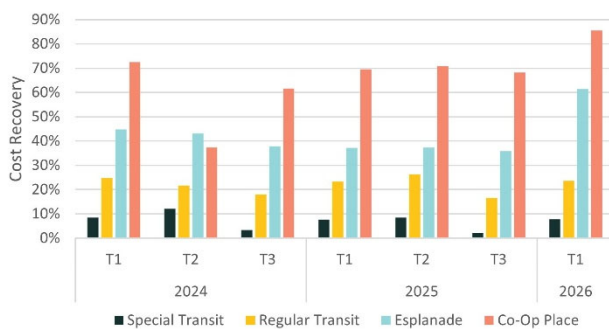
Esplanade Utilization and Net Cost



Coop Place & Esplanade: Net Cost per Interaction



Community Development Operating Cost Recovery



OTHER ORGANIZATIONS

For the Period Ended April 30, 2026

(In thousands of dollars)

	2026 Budget	Budget To Date	Actual To Date	Favourable / (Unfavourable) Variance	Projected Favourable / (Unfavourable) Variance to Dec 31/26 at Apr 30/26	Projected Actual to Dec 31/26 at Apr 30/26	NOTE
Expenses							
Other Organizations - Medalta	\$ 74	\$ 37	\$ 37	\$ -	\$ -	\$ 74	
Other Organizations - Shortgrass	328	-	-	-	-	328	
Public Library Services	2,381	797	789	8	(75)	2,456	1
	2,783	834	826	8	(75)	2,858	
Net Surplus (Deficit) before Internal Cost Allocations	(2,783)	(834)	(826)	8	(75)	(2,858)	
Internal Expenses	318	206	177	29	69	249	2
	(318)	(206)	(177)	29	69	(249)	
Net Surplus (Deficit) before Cash Adjustments	(3,101)	(1,040)	(1,003)	37	(6)	(3,107)	
Interest Expense	(5)	(5)	(5)	-	-	(5)	
Principal	(56)	(56)	(56)	-	-	(56)	
Net Cash Surplus (Requirements)	\$ (3,162)	\$ (1,101)	\$ (1,064)	\$ 37	\$ (6)	\$ (3,168)	
Net Surplus (Deficit)	\$ (3,162)	\$ (1,101)	\$ (1,064)	\$ 37	\$ (6)	\$ (3,168)	

OPERATING NOTES

- Library expenses are projected to be -\$75K unfavourable due to summer staff in which the Library will receive grants to support. This projection is in line with historical actuals and is factored into the annual payback calculation.
- Internal expenses are projected to be \$69K favourable due to lower than budget utilities which is in line with historical actuals.



Medicine Hat



CHIEF FINANCIAL OFFICER

Report

As of April 30, 2026



FINANCE DEPARTMENT
June 10, 2026

Agenda

1. Current Environment
2. Financial Performance
3. Items of Interest

Current Environment

External Challenges

Inflation as of April 30, 2026

Alberta Inflation Rate = 3.2%

- Canada Consumer Price Index (CPI) (2.8%)
- Bank of Canada interest rate 2.25%
- Canadian Dollar 0.73 USD
- US Imposed Tariffs – Reduced to 10%

Inflation, foreign exchange rates, and tariffs impact the cost of providing services to the community

Commodity Prices

Power Prices

Period	
2024 Actual	\$63/MWh
2025 Actual	\$44/MWh
2026 Budget	\$51/MWh
Avg. Price Jan-Apr	\$31/MWh
Forecasted Avg Price	\$38/MWh

Gas Prices

Period	
2024 Actual	\$1.45/GJ
2025 Actual	\$1.43/GJ
2026 Budget	\$2.82/GJ
Avg. Price Jan-Apr	\$1.74/GJ
Forecasted Avg Price	\$1.75/GJ

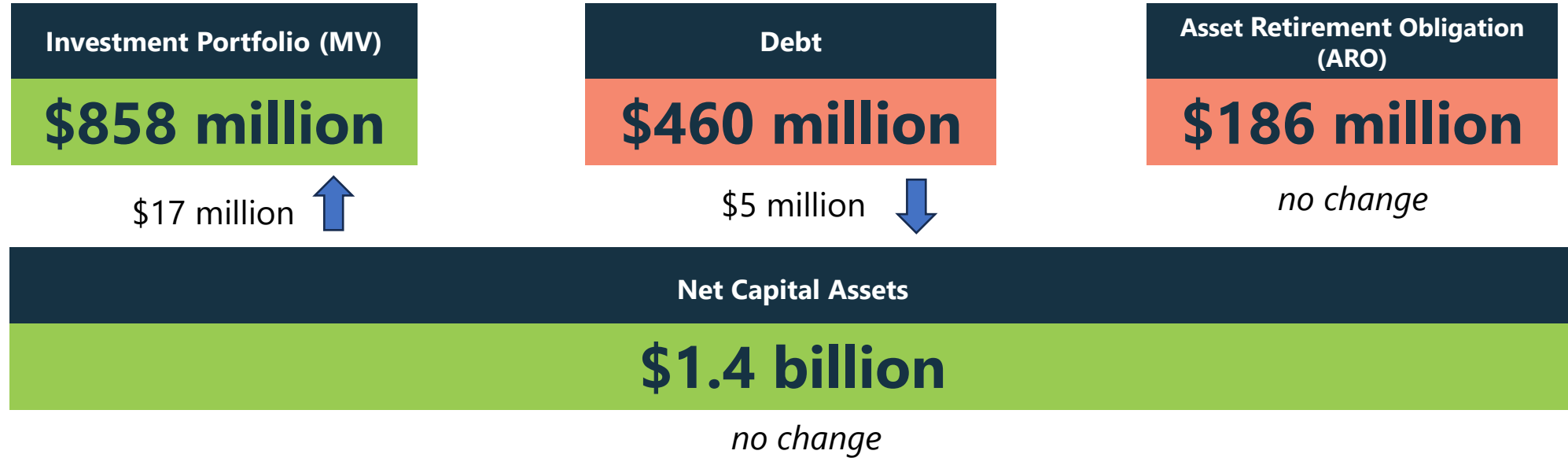
Volatile energy prices reinforces the importance of maintaining strong financial reserves and long-term planning

Financial Performance

April 30, 2026

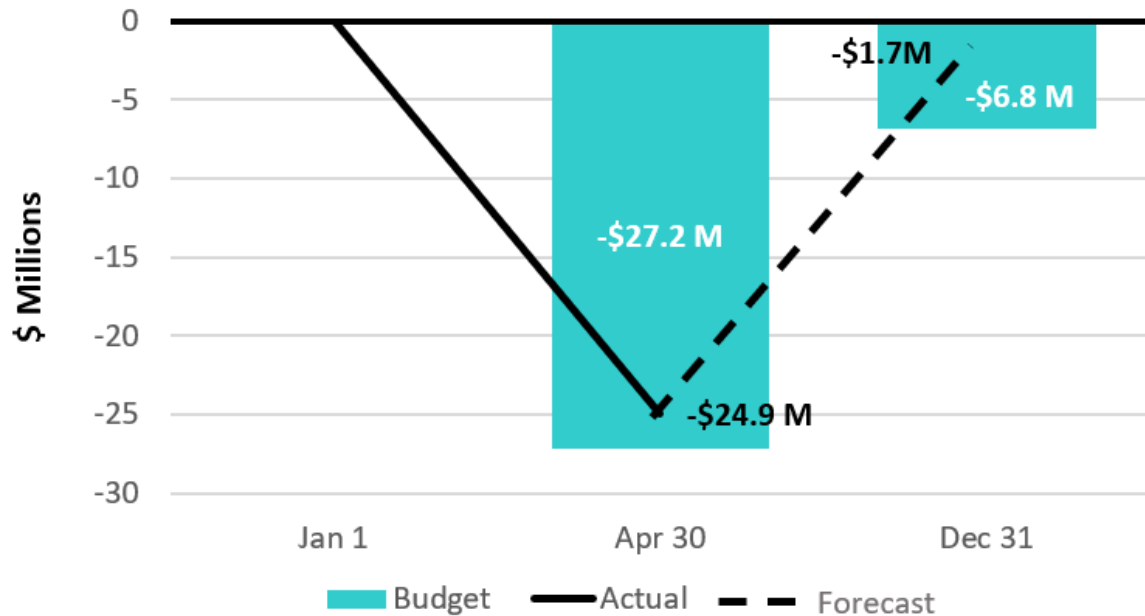
FINANCIAL POSITION

April 30 compared to prior year December



- Other future obligations and asset replacements not reflected in financial statements

Operating Surplus (Deficit)



Operating Highlights – to April 30

- Actual deficit = \$24.9 million (budgeted deficit = \$27.2 million)
 - ✓ Delayed spending on contracted services
 - ✓ Increased license/permit revenue
 - ✓ Tigers playoff revenue
- Offset By:
 - ✓ Lower court fine revenue
 - ✓ Timing of investment income
- Projecting to be favourable \$5.1M at December 31 due to:
 - ✓ Higher investment income
- Offset by:
 - ✓ Fire and Emergency Service contract settlement
 - ✓ Loss of Westjet revenue at Airport
 - ✓ Higher employee benefits

OPERATING PERFORMANCE (compared to budget)

LAND AND REAL ESTATE/UTILITIES/ENERGY

(in millions of dollars)	As at April 30, 2026			Projected to December 31, 2026		
	Budget Net Surplus (Deficit)	Actual Net Surplus (Deficit)	Variance from Budget	Budget Net Surplus (Deficit)	Forecast Net Surplus (Deficit)	Variance from Budget
TOTAL LAND DEVELOPMENT & REAL ESTATE EBITDA	(0.0)	0.1	0.1	0.7	2.9	2.2
TOTAL RATE BASED UTILITIES EBITDA	8.1	9.3	1.2	44.4	44.2	(0.2)
TOTAL ENERGY PRODUCTION EBITDA	16.3	18.7	2.4	42.0	43.6	1.6
TOTAL EBITDA	24.3	28.0	3.7	87.1	90.7	3.7
Free cash flow (transfer to reserve)	0.0	0.0	0.0	(13.6)	(20.1)	(6.5)
Balance to fund sustaining capital & service debt	24.3	28.0	3.7	73.5	70.6	(2.8)

Positive impact to Financial Reserves

LAND – positive variance \$0.1M

- Higher residential and commercial sales

Projected to be more favourable at yearend as sales continue to be higher than anticipated.

RATE BASED – positive variance \$1.2M

- Delayed spending on contracted services
- Reduced chemicals in Water and Sewer
- Staff vacancies and reduced overtime

Offset by:

- Unbudgeted vandalism repairs
- Timing of licensing renewals
- Lower sales volumes

Projected to become unfavourable due to:

- Lower demand in Gas Distribution
- Unapproved emission credits

ENERGY PRODUCTION – positive variance \$2.4M

- Lower variable & transmission costs
- Lower gas commodity costs

Offset by:

- Lower gas commodity prices from over supplied market
- Less sales to power pool

Projected to become less favourable due to fluctuating commodity prices

CAPITAL SPENDING

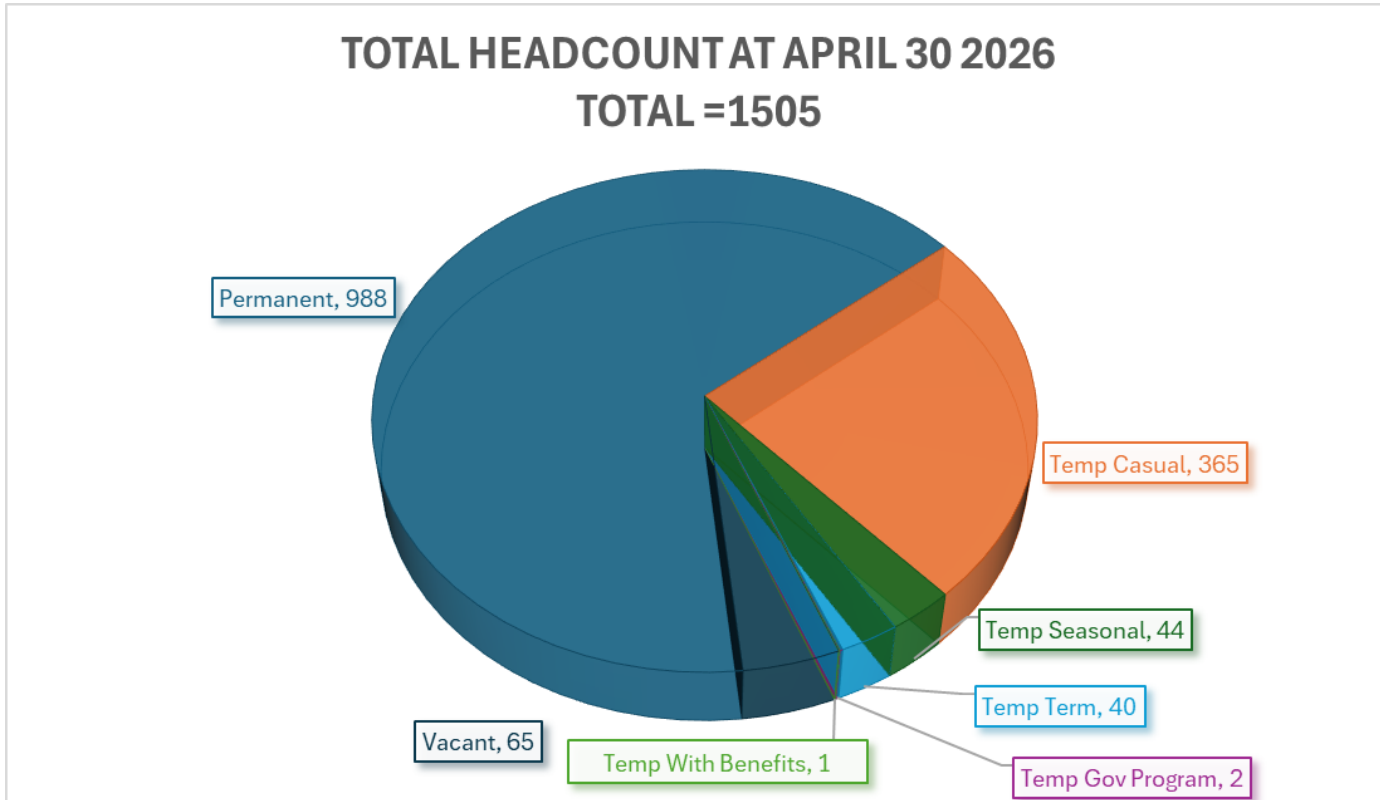
Capital Projects = \$17M projected favorable variance

Open Capital Projects – April 30, 2026

Approved capital	\$903M
Less: spent & committed to date	(\$407M)
Less: remaining to be spent – forecast	(\$479M)
Expected favourable variance	\$17M



PEOPLE METRICS - As of April 30, 2026



Payment Metric	Number of People	Cumulative Amount (in thousands)
Bonus Payments	47	\$ 549

1. Bonus payments made in 2026 based on 2025 metrics
2. Bonus payments are not tax supported
3. Severance payments do not meet reporting threshold

Headcount and FTE's are not representative of one another.

BUDGET AMENDMENTS

Council Approved as of April 30, 2026

Operating:

- 3 approved
- Net impact of \$1.1M

Capital:

- 1 approved
- Net impact of \$131.5M



Total Tax Impact – 1.11%

BUDGET AMENDMENTS

City Manager Approved as of April 30, 2026

Operating:

- 1 approved
- Resulted in a zero net impact, with reallocations primarily driven by shifting project priorities.

Capital (non-critical):

- 2 approved
- Results in zero net impact, with reallocations primarily driven by grants and shifting project priorities
- \$102K reallocated within the approved capital budgets

Capital (critical):

- 1 approved (repairs to Unit 16)
- \$2.0M impact

CAO Operating Contingency:

- Budget = 2025 - \$15K, 2026 - \$100K; Used at April 30 = \$60K

CAO Capital Contingency:

- Budget = 2025 - \$500K, 2026 - \$500K; Used at April 30 = \$140K

Capital Grant Contingency:

- Budget = 2025 - \$500K, 2026 - \$500K; Used at April 30 = \$865K (over 2 yr period)

FINANCIAL RESERVES (Projected to Dec 2026)

Financial Reserves Balance = \$829M (Dec 2025: \$841M)

Unrestricted Cash = \$112M

- day to day expenses
- operating obligations

Abandonment Reserve = \$52M

- asset retirement obligations

Energy Transition Reserve = \$71M

- transition to net zero emissions

Capital Reserve = \$280M

- prior approved and future capital

Operating Reserve = \$35M

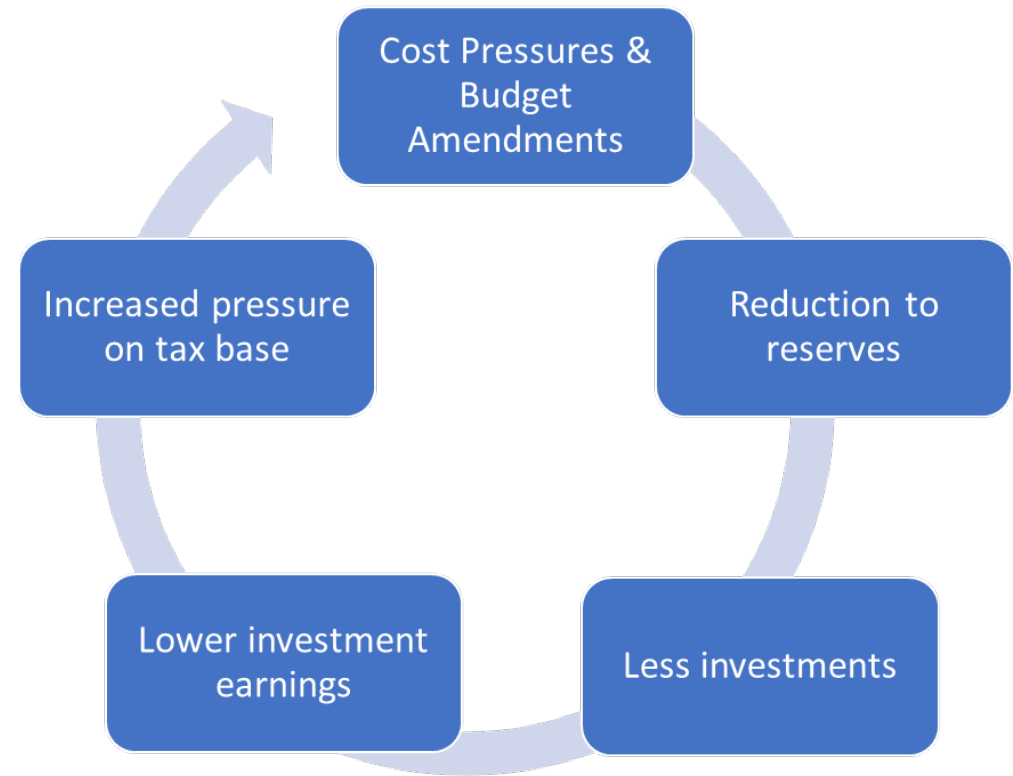
- cover operating shortfalls
- unexpected events

Medicine Hat Endowment = \$226M

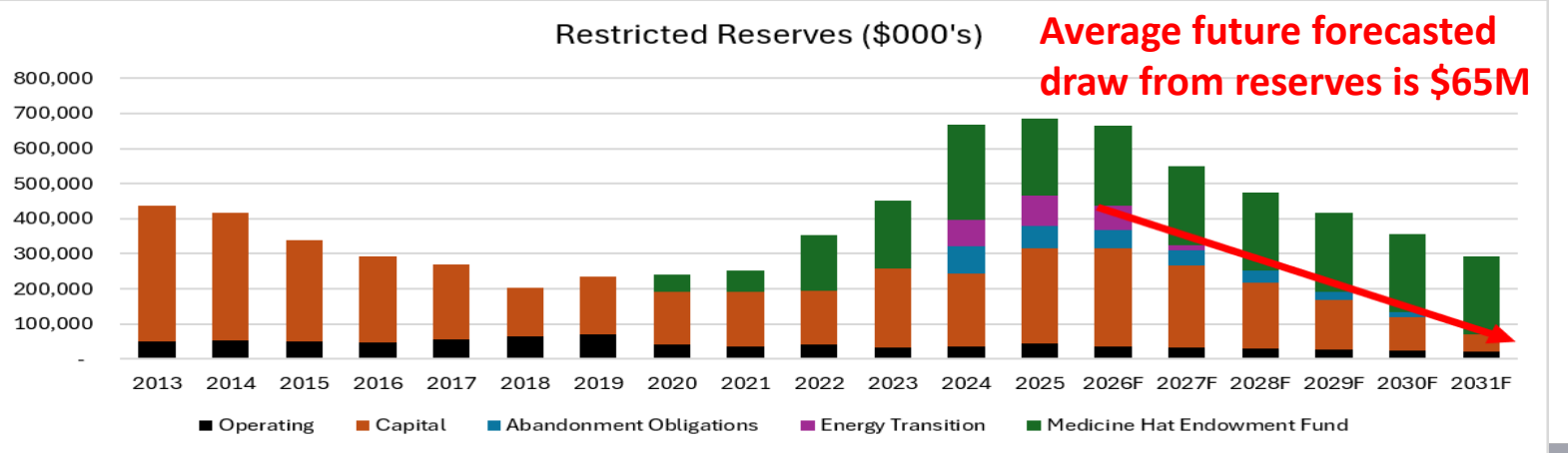
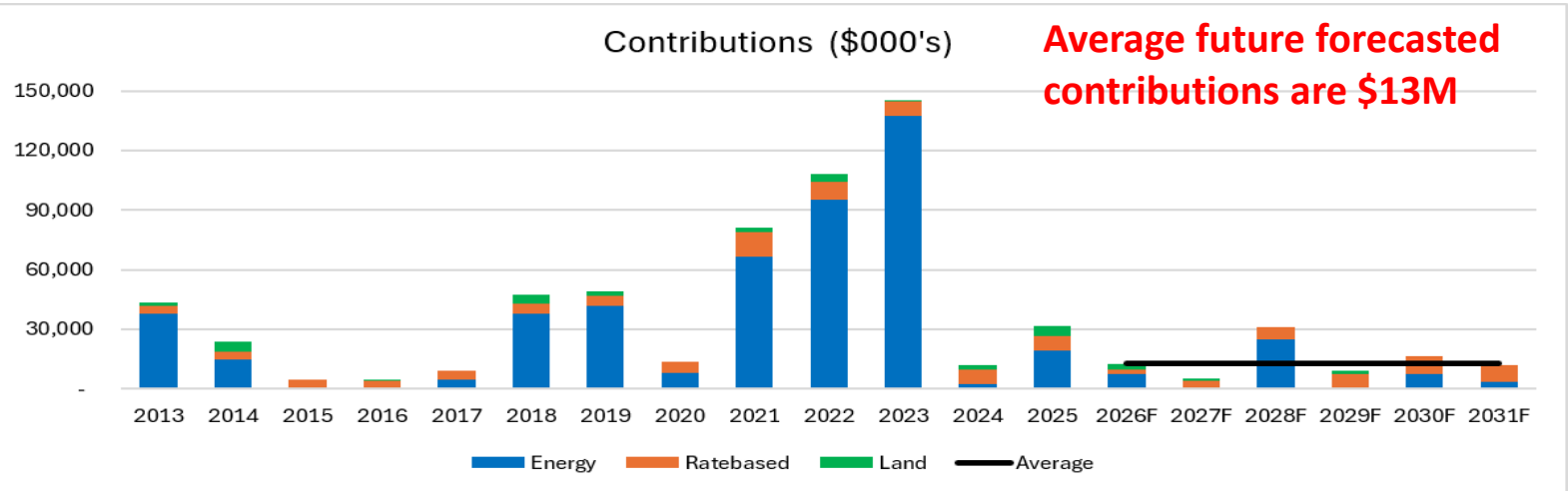
- endowment fund

Grants/Donations = \$53M

- dedicated for specific projects



FINANCIAL RESERVES SUSTAINABILITY OUTLOOK



- *Long Term Reserve Sustainability*
- *Reserve Capacity Considerations*
- *Managing Financial Flexibility*
- *Monitoring Emerging Financial Pressures*

INVESTMENT MANAGEMENT

Investment Portfolio (MV) = \$858M (Dec 2025: \$841M)

- Performance
 - ✓ 2026 YTD return = 3.96% (compared to benchmark of 2.96%)
- Investment strategy
 - ✓ top-tier investment managers
 - ✓ well diversified by asset class & geography
 - ✓ long-term approach with respect to volatility
- Portfolio positioned to generate approx. 5.5% annually over a five-year period

MARKET COMMENTARY

Investment Return Drivers:

- Ongoing AI Infrastructure Buildout
- Shifting Central Bank Monetary Policies
- Global Fiscal Stimulus

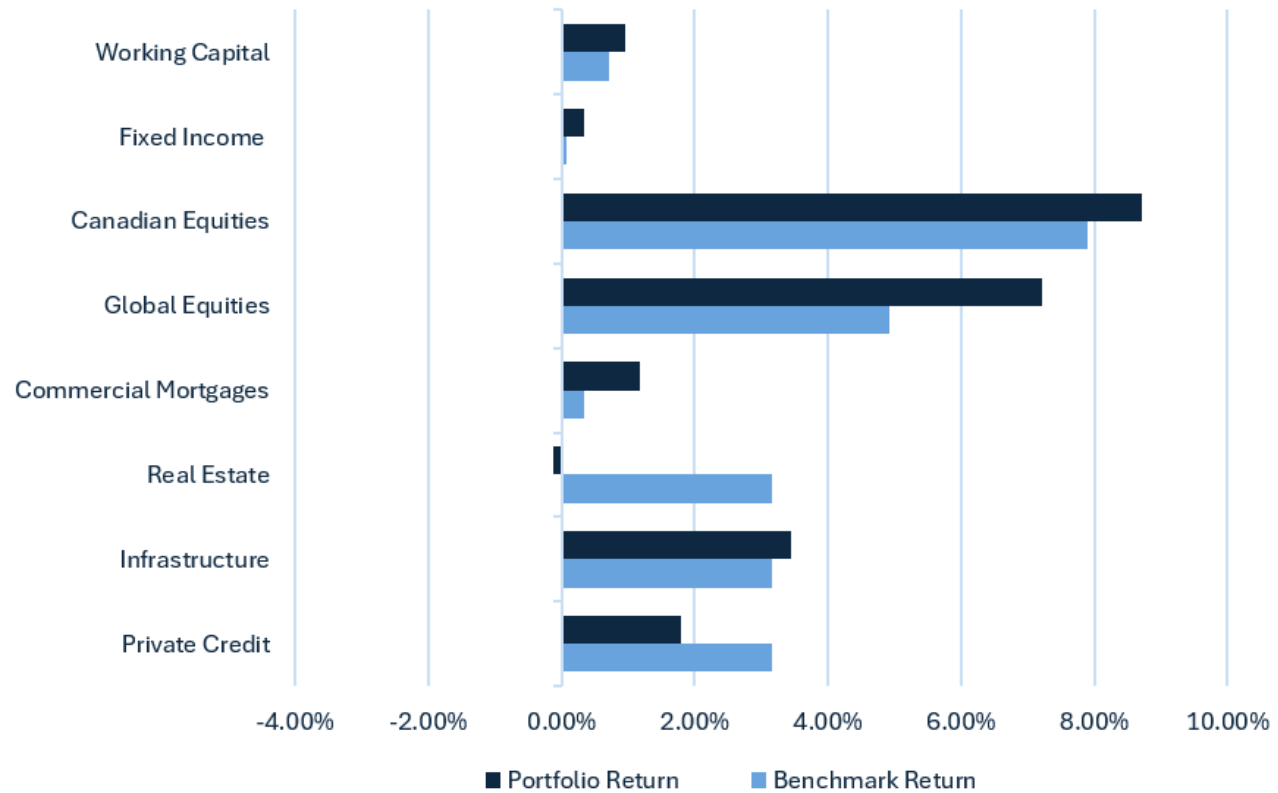
Investment Detractors:

- Geopolitical Uncertainty & Inflation Risks
- Corporate Execution

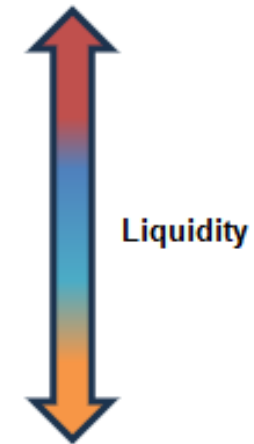
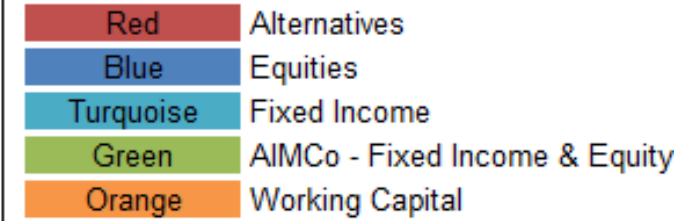
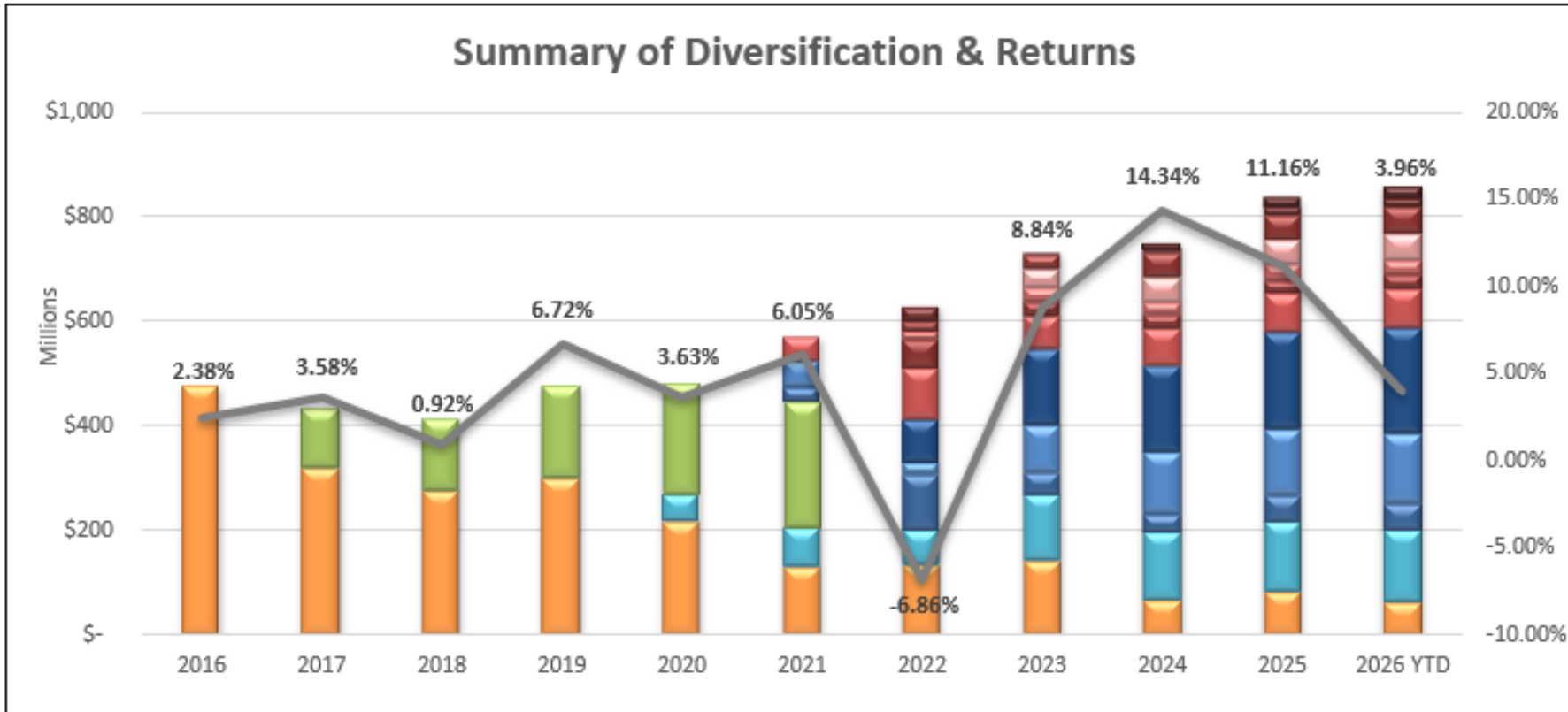
The City of Medicine Hat's investment portfolio is well diversified across different asset classes and geographies and remains well positioned to meet its long-term objectives.

INVESTMENT PORTFOLIO OVERVIEW

2026 Year-to-Date Portfolio Performance



INVESTMENT PORTFOLIO OVERVIEW

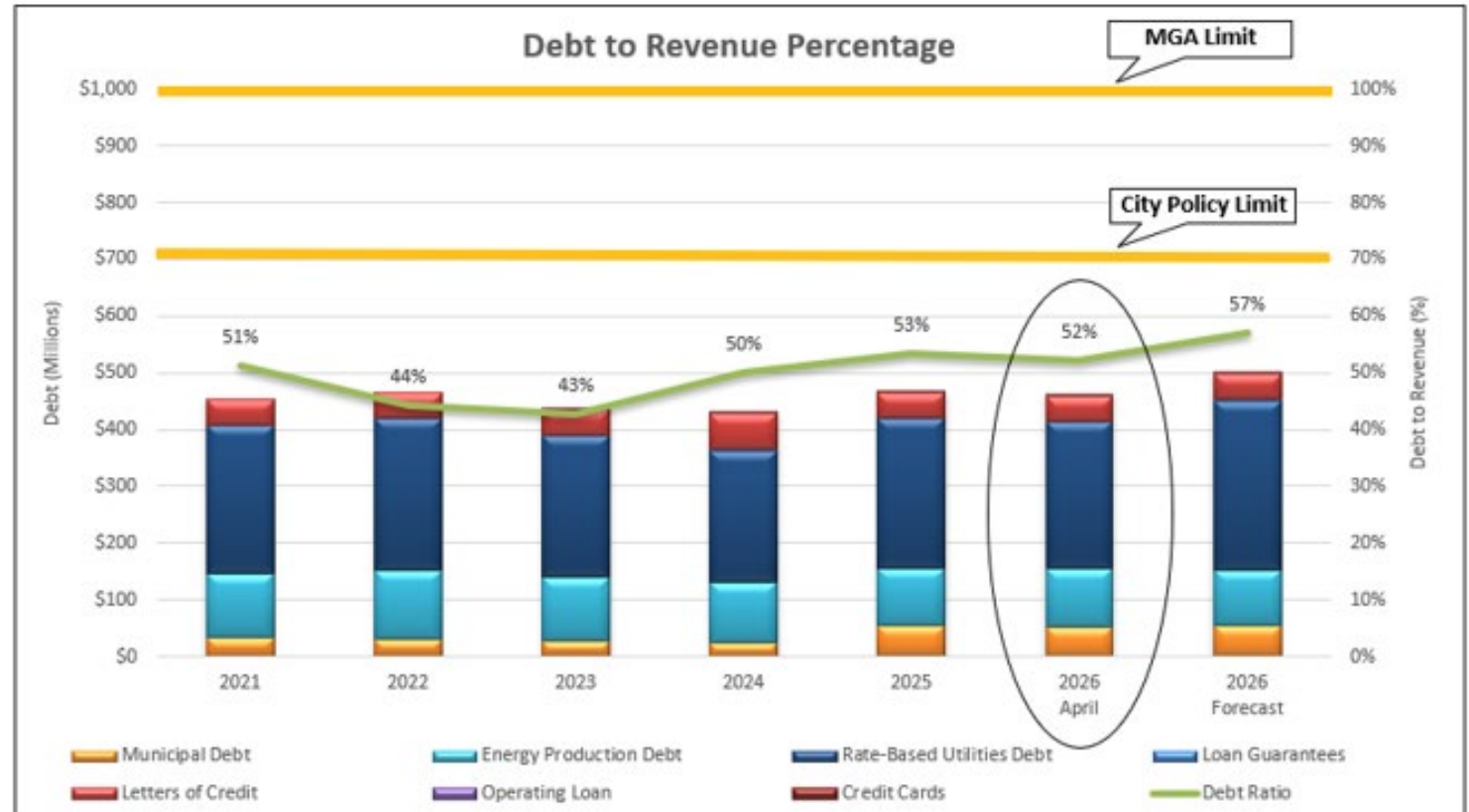


5-year average return – 6.70%

DEBT MANAGEMENT

Debt = \$460M (Dec 2025: \$465M)

- CMH within debt limits
 - 2025 actual = 53%
 - 2026 April = 52%
 - 2026 forecast = 57%
- Avg. annual interest rate = 3.48%
 - YTD interest paid = \$3M
- Revenue impacts debt limits
 - 2026 forecast: 19% revenue decrease results in 70% debt ratio



Items of Interest

2026

2027-2028 BUDGET



Thank You