

September 2025 Operating Forecast

Economic SPC December 11, 2025

Executive Summary

- September 2025 Operating Forecast
 - Operating Forecast Assumptions & Highlights
 - Reporting Process & Outline
 - Overall Corporate & Department Variances
 - Third year of four-year budget cycle (2023-2026)

Assumptions

- Standard assumptions include actuals to September with projections to December 31, 2025

Current Financial Reporting Process

Operating Forecasts

September forecast
to Economic SPC

Unaudited Financial Information

Reviewed by Audit
Committee

Submitted to City
Council

Annual Report

Externally Audited
Document

Reviewed by Audit
Committee

Approved by Council

September 2025 Operating Forecast Outline

- Executive Summary
- Section A – Operating Budget Variance Analysis
 - General Fund, Utility Fund and Reserve Funds
 - Variance Discussion and Analysis
- Section B – Statements and Schedules
 - Statement of Reserves and Reserve Analysis
- Section C – Capital Schedules
 - Summary of Subdivision Surplus
 - Offsite Account Analysis

Forecast Operating Budget Variances

General Fund forecast estimates

- Corporate Accounts - \$5,940,000 Surplus
 - Surplus represents 2.78% of corporate budgets
 - Property tax, Employee benefit accounts, Permit, development & license revenues
 - Corporate surplus transferred to MRSR
- Department Operations- \$1,110,000 Surplus
 - Surplus represents 0.53% of departments' budgets
 - Expected to operate within budget cycle

General Fund – Corporate Accounts

Significant Variances

- Property Tax - \$2,880,000 Surplus
- Employee Benefits - \$1,950,000 Surplus
- Utility Costs for tax supported facilities - \$1,140,000 Surplus
- Permit, development & license revenues - \$(740,000) Deficit

General Fund – Department Operations

Significant Variances

- Planning & Design - \$750,000 Surplus
- Fire & Emergency Services - \$440,000 Surplus
- Recreation & Culture - \$340,000 Surplus
- Lethbridge Transit - \$(580,000) Deficit
- Stormwater - \$(300,000) Deficit

Summary of Utility Funds

Utility Funded operations forecast estimates

- Electric
 - Surplus \$2,800,000
- Waste Collection
 - Surplus \$550,000
- Waste Processing
 - Surplus \$430,000
- Wastewater
 - Surplus \$400,000
 - Forecasted to be transferred to the Wastewater Utility Reserve
- Water Utility
 - Surplus \$1,920,000
 - Forecasted to be transferred to the Water Utility Reserve

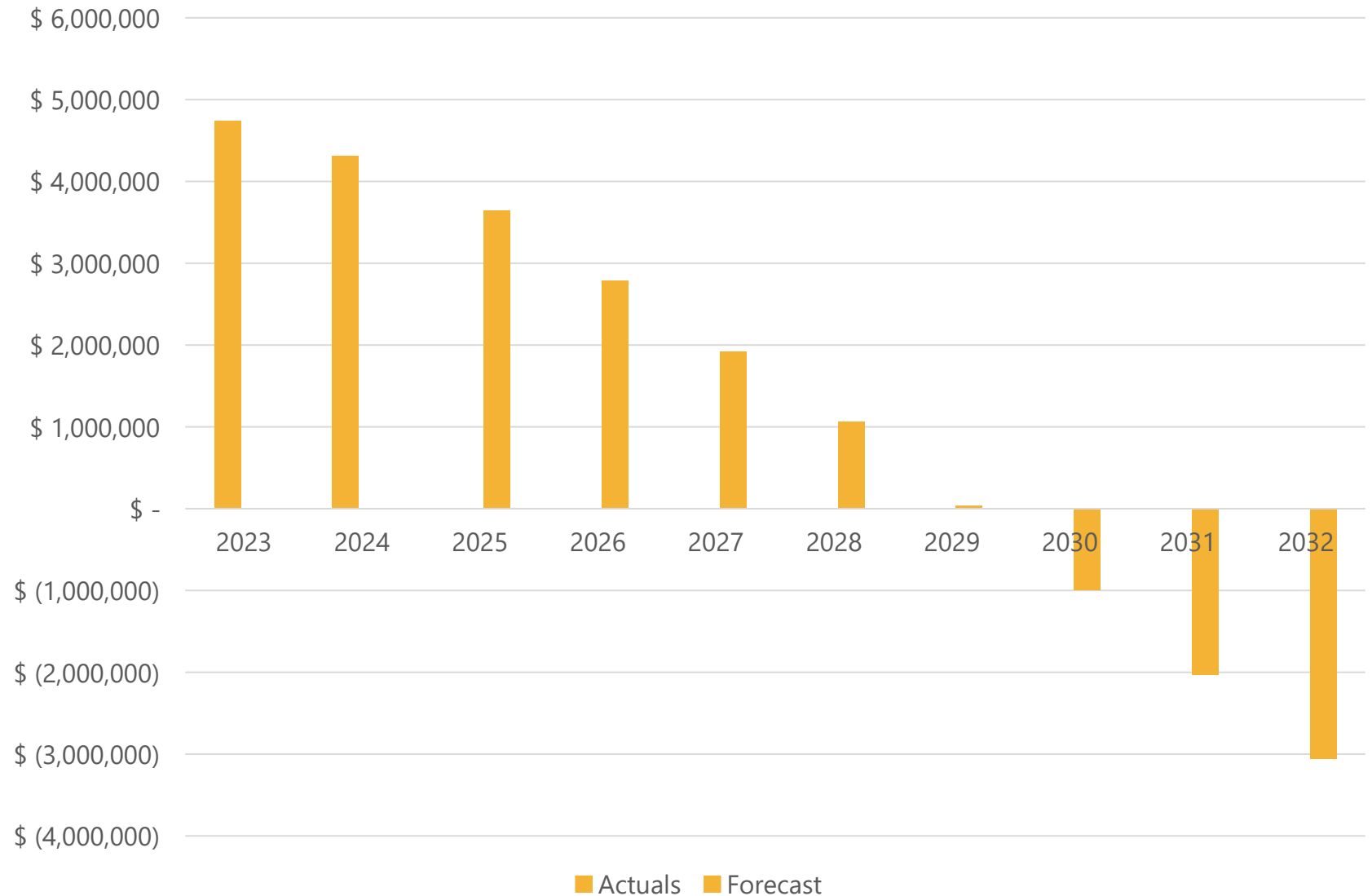
Summary of Reserve Funds

Significant Variances

- Airport - \$200,000 Positive Variance
- Community Lighting - \$470,000 Positive Variance
- Risk Management - \$(120,000) Negative Variance
- Parking - \$(390,000) Negative Variance

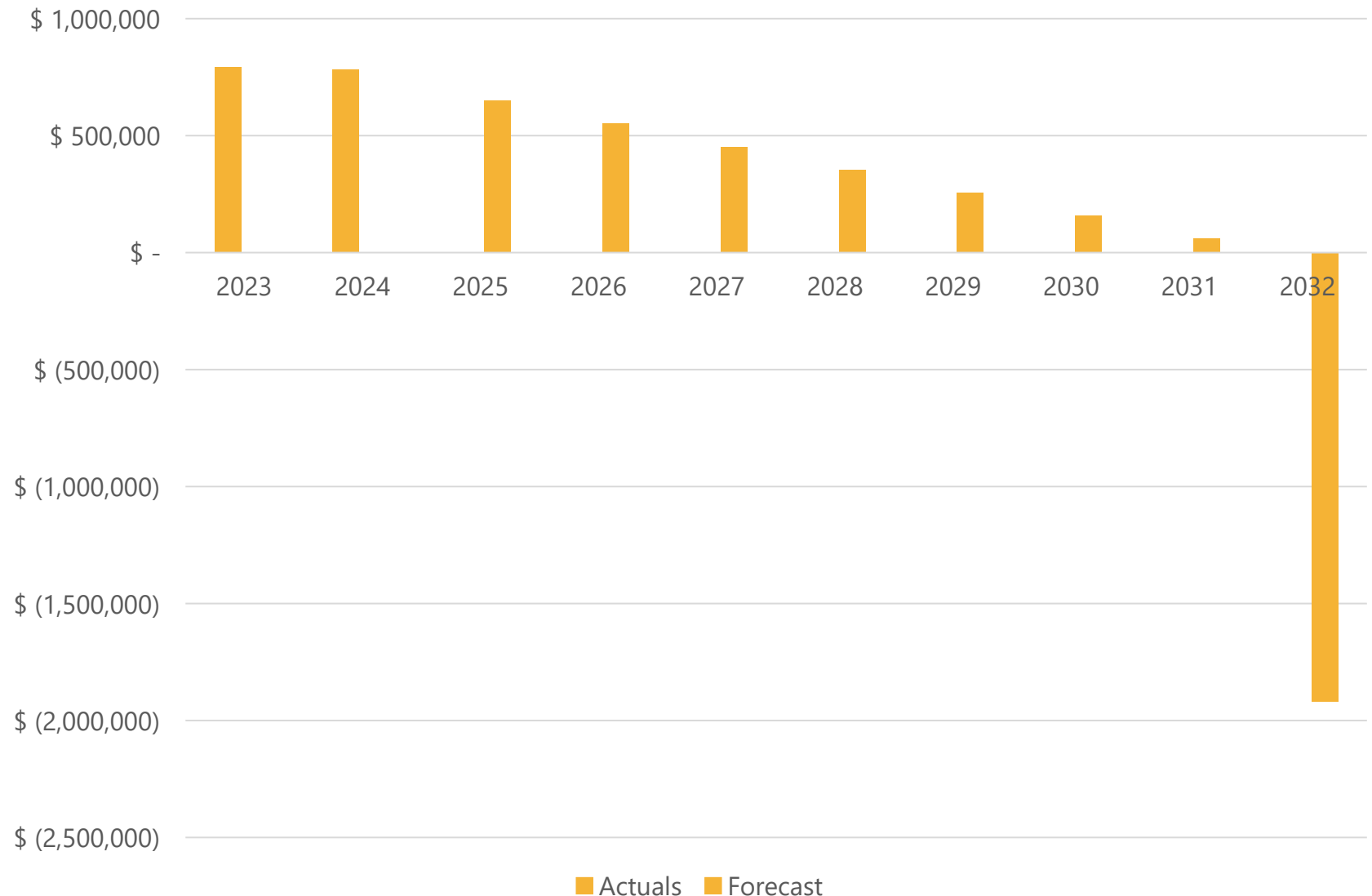
Airport Reserve forecast as of October 2025

- In 2022, \$3M of the Corporate Surplus was transferred to this reserve to help offset some of the pressures.
- Even with this transfer, the reserve will continue to decline.
- The 2023-2025 average amount needed to fund airport expenses from the reserve is \$500-\$600K/year
- If this continues the reserve will only last until 2029.



Parking Reserve forecast as of October 2025

- In 2022, the Parking Reserve had ongoing pressures from the Park N Ride facility.
- To offset this pressure, Park N Ride operations were funded through taxation in the 2023-2026 Operating Budget.
- Other pressures still affect this reserve such as Parking revenue is no offsetting Parking expenses
- Parking Reserve needs sufficient ongoing funding for off street parking capital maintenance, operations and enforcement.
- The estimated amount to replace the Parking Kiosks is about \$1.8M



Recommended Resolution

Funding from the Real Estate Holding Reserve

- Approve the funding in the amount of \$1,250,000 to come from the Real Estate Holding Reserve for the purchase of the property and related maintenance expenses located at 427 Stafford Drive South.

Questions? / Discussion