

Multi-Year Business Planning and Budgeting

As per the Municipal Government Act, The City of Calgary (The City) is required to produce a 3-year operating financial plan and 5-year capital plan, not including the year it is prepared.

Benefits to multi-year planning and budgeting including those laid out in the *Multi-year Business Planning and Budgeting Policy (CFO004)* are:

1. **Flexibility:** annual adjustments and mid-cycle adjustments within the cycle offer Council and Administration flexibility to respond to changes in circumstances.
2. **Financial sustainability:** instills discipline to control spending plan changes. Service plans are funded (operating & capital) over multiple years limiting systemic funding issues, providing context for any funding challenges that may emerge from current decisions; incorporates a longer-term economic outlook; services are maximized from available revenues (taxes and user fees); and capital projects are fully funded over their duration.
3. **Enhanced decision-making:** provides a longer-term funding plan so that longer-term goals could be identified and achieved. Projects and programs are managed in the best way to achieve desired outcomes, as many take more than a single year to complete or don't align to financial year end.
4. **Tradeoffs understood:** the clear relationship between plans, budgets (operating and capital), and performance means that any adjustments impacts are known and understood.
5. **Strategic process:** making more strategic use of Council's time in reviewing budgets and the Administration's time in preparing them.
6. **Supports achievement of Longer-term Commitments:** provide citizens with more certainty about the direction of City services, finances, and tax levels. A four-year timeframe allows us to make commitments toward tangible progress on long-term goals and visions such as Imagine Calgary.

These benefits are not achieved in the absence of flexibility. The current approach to Multi-Year Service Plans and budgets (operating and capital) includes annual adjustments within the cycle. The adjustment process identifies changes in circumstances based on socio-economic conditions, Council priorities, or feedback from citizen engagement.



Through the adjustment process we can change service plans, measures and budgets (operating and capital) for the remaining years of the cycle.