



Verbal Update 2023-2026 Service Plans and Budgets: Moving from Vision to Value

C2022-0420
2022 May 10

Located on the traditional territories of the people of the Treaty 7 region in Southern Alberta, and home to the Métis Nation of Alberta, Region 3, we are situated on land where the Bow and Elbow Rivers meet. The traditional Blackfoot name of this place is Moh'kins'tsis, which we know as Calgary



Administration Recommendation:

That Council receive this report for the Corporate Record.



As we move from Vision to Value, we will...



Maintain our focus on providing service value



Continue to protect our financial position while managing financial challenges



Monitor service levels & affordability as Calgarians continue to recover from COVID-19



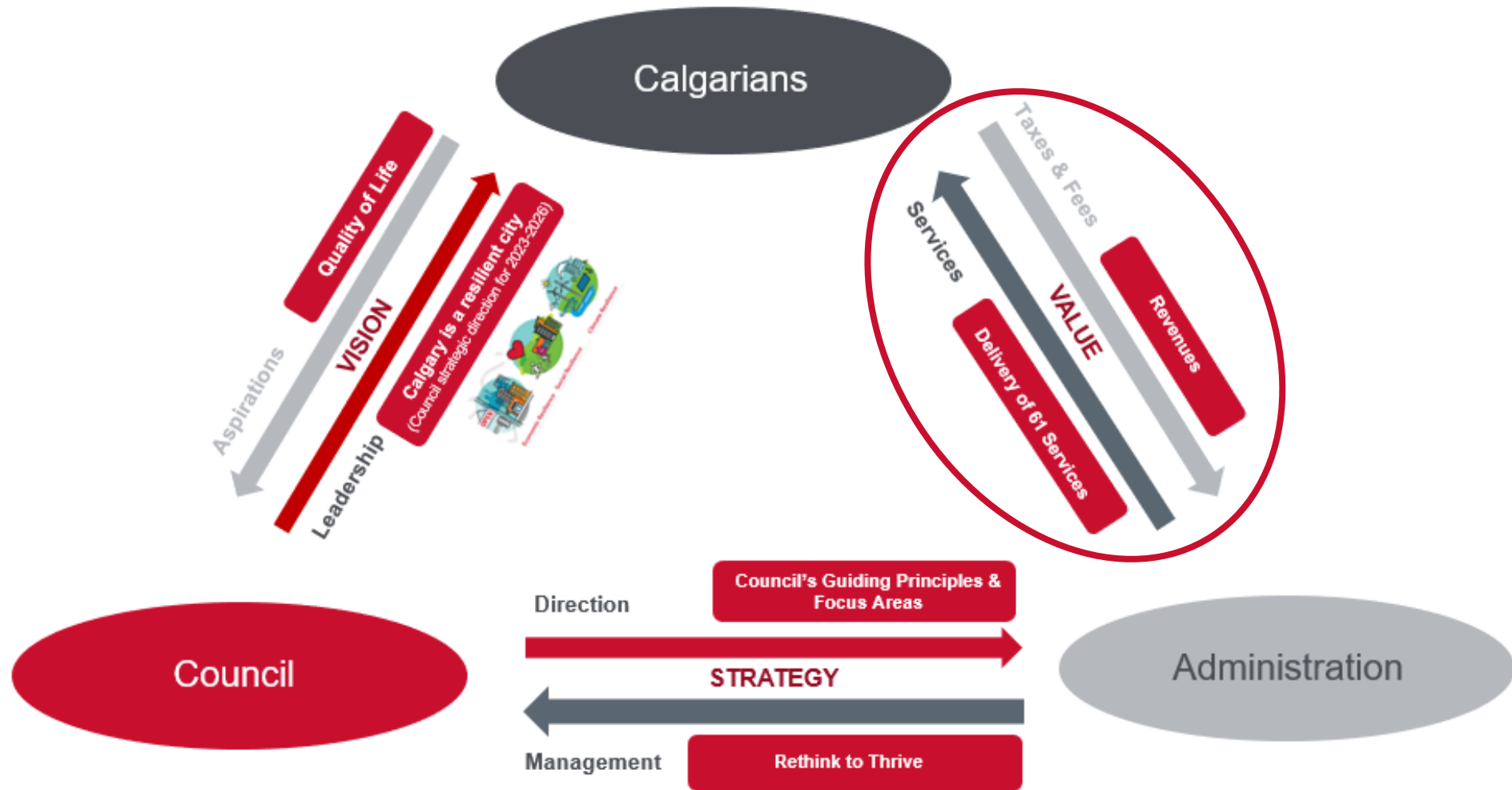
Prepare investments to meet citizen needs using Council's Strategic Direction



Gather further citizen and Council input in the future

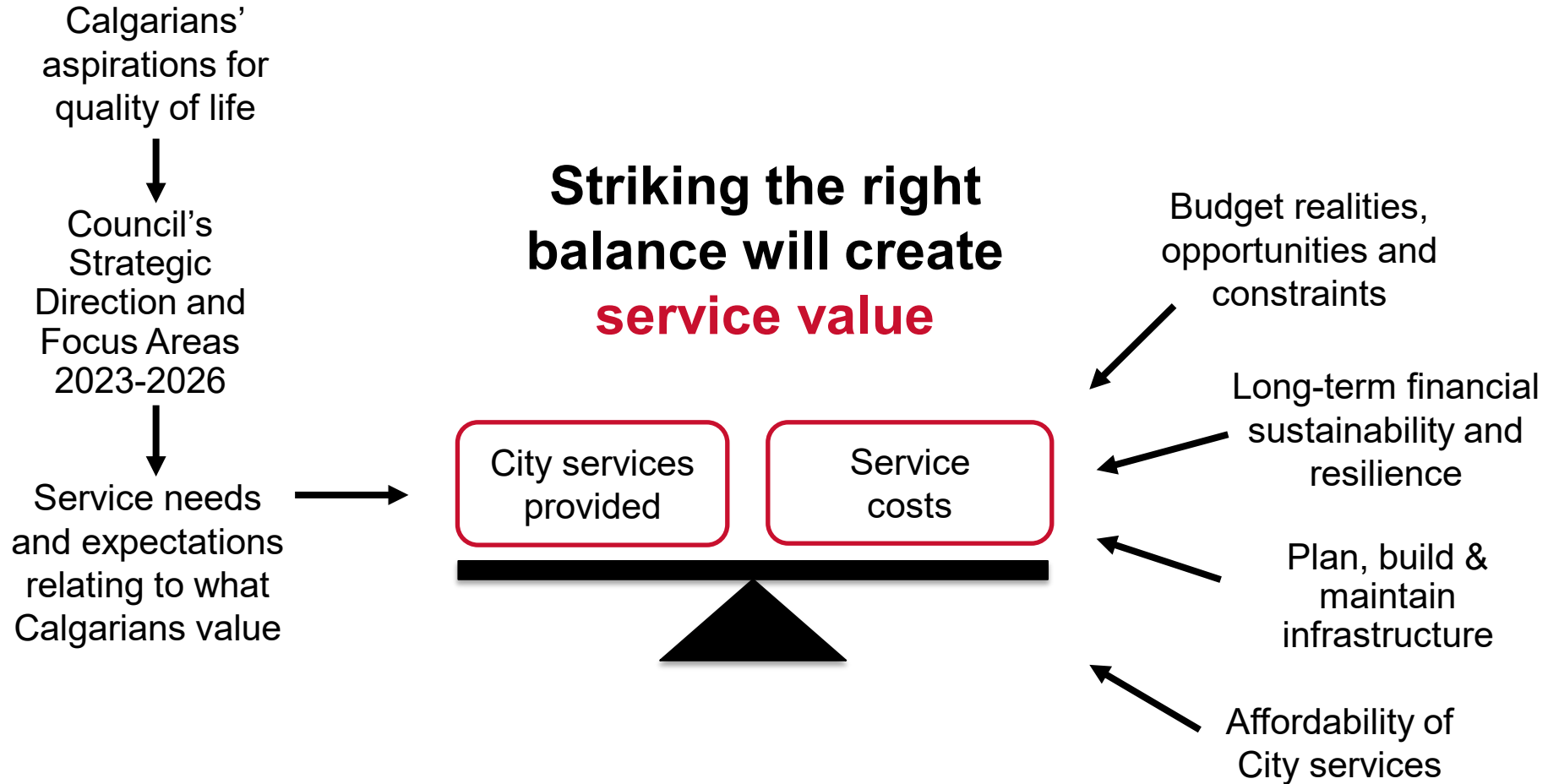


Accountability Framework: Value





Service value is the balance between service delivery and service costs

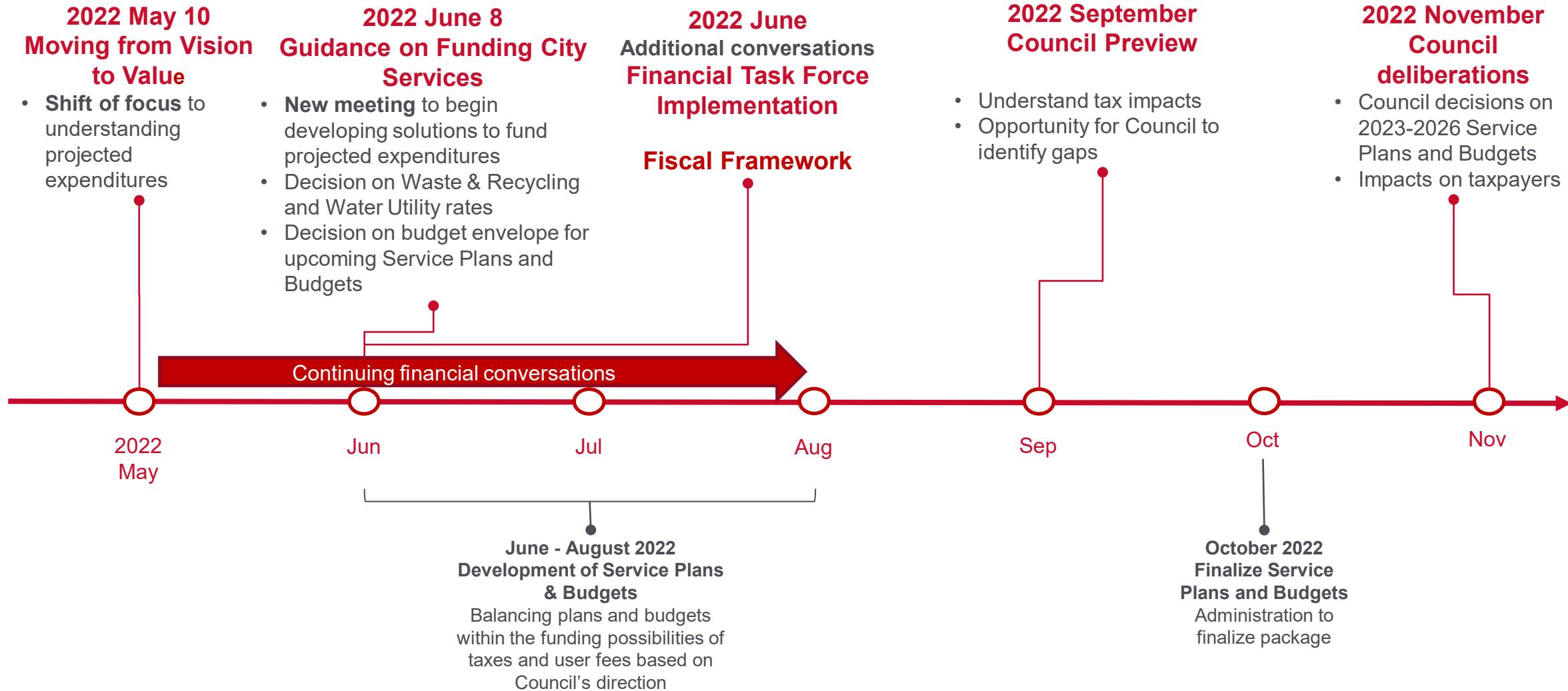




Update to the Journey to Develop the 2023-2026 Service Plans and Budgets

Council
MILESTONES

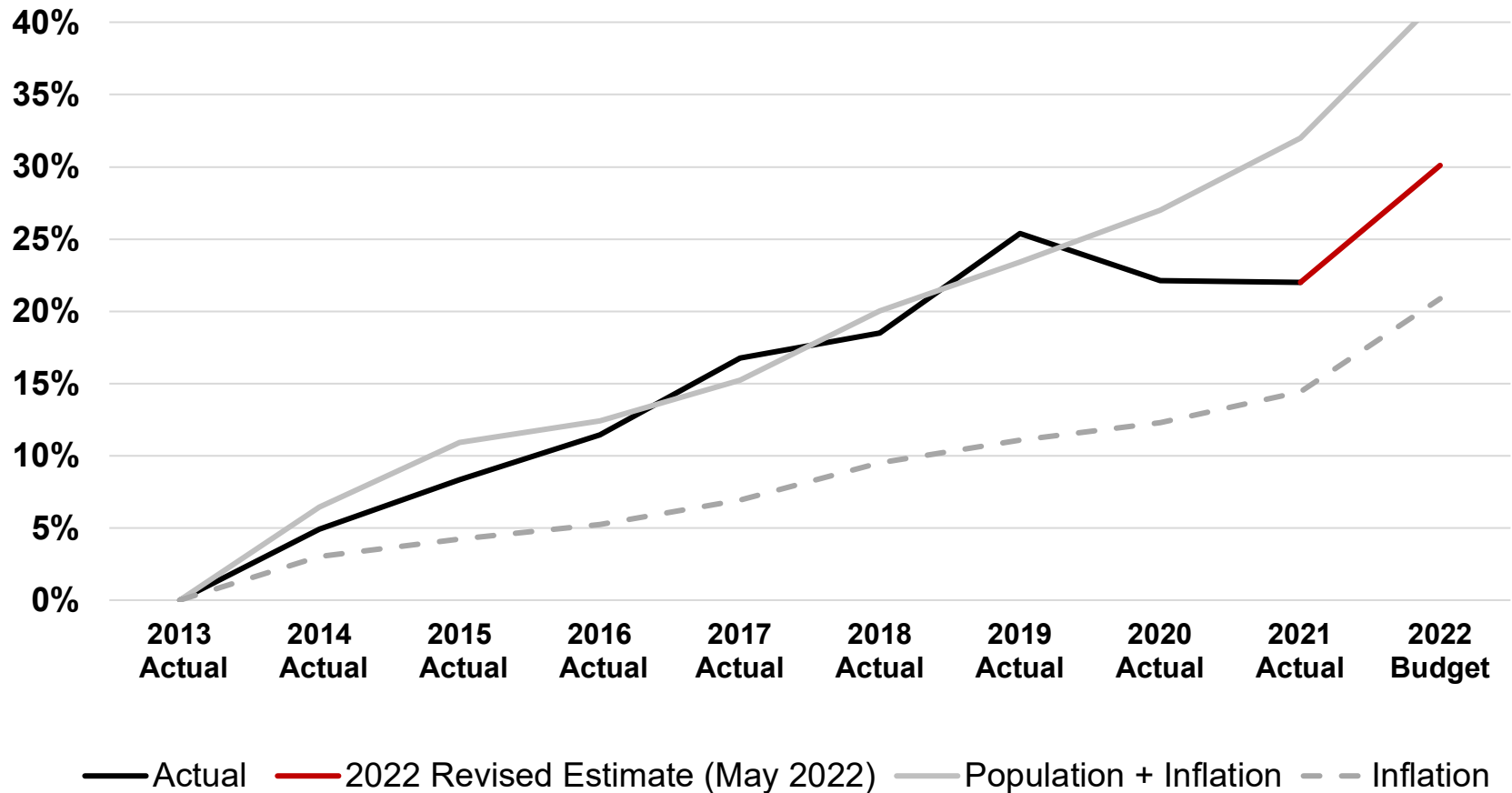
Administration
MILESTONES





Our expenditures have increased at a slower pace than population growth & inflation

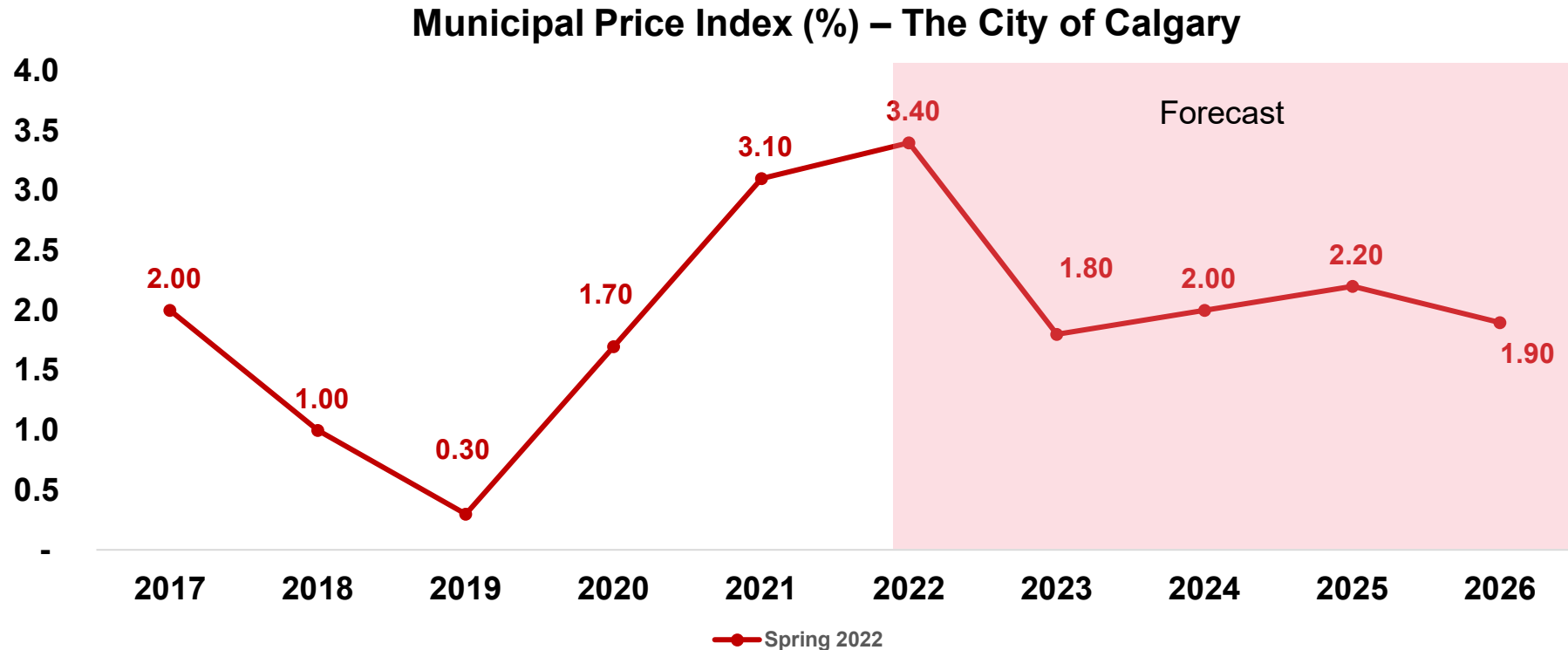
Cumulative Change in Total City Operating Expenditures vs. Population + Inflation



Over \$500 million base budget savings & reductions in 2 cycles contributed to this result



Inflation puts pressure on The City's expenditures

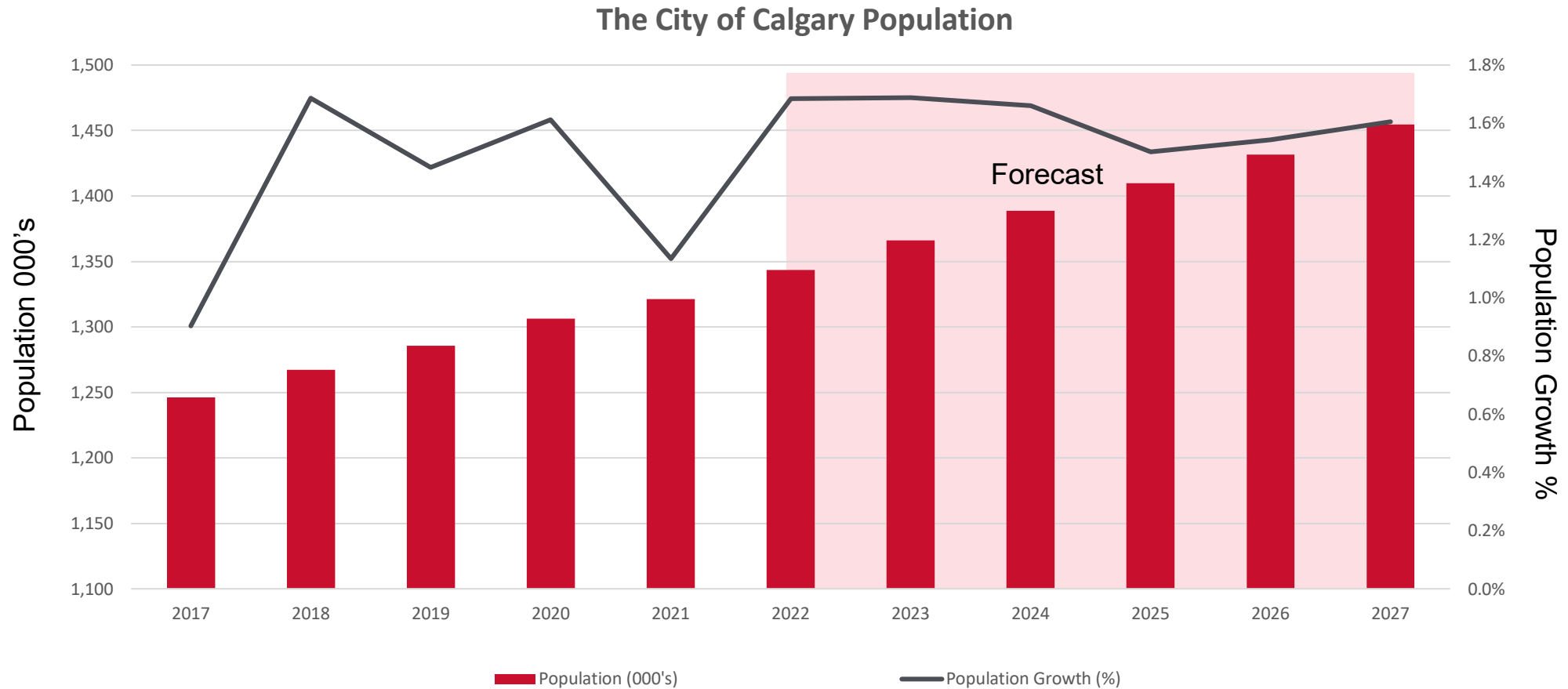


Municipal Price Index (MPI) measures the change of the cost of a basket of goods and services purchased by The City.

- Including items such as: labor costs; costs on contract and general services; materials, equipment and supplies costs; and other costs.



Population growth trend increases demand for City services



Population growth in Calgary expected to remain steady, averaging 1.6% growth between 2023 – 2027

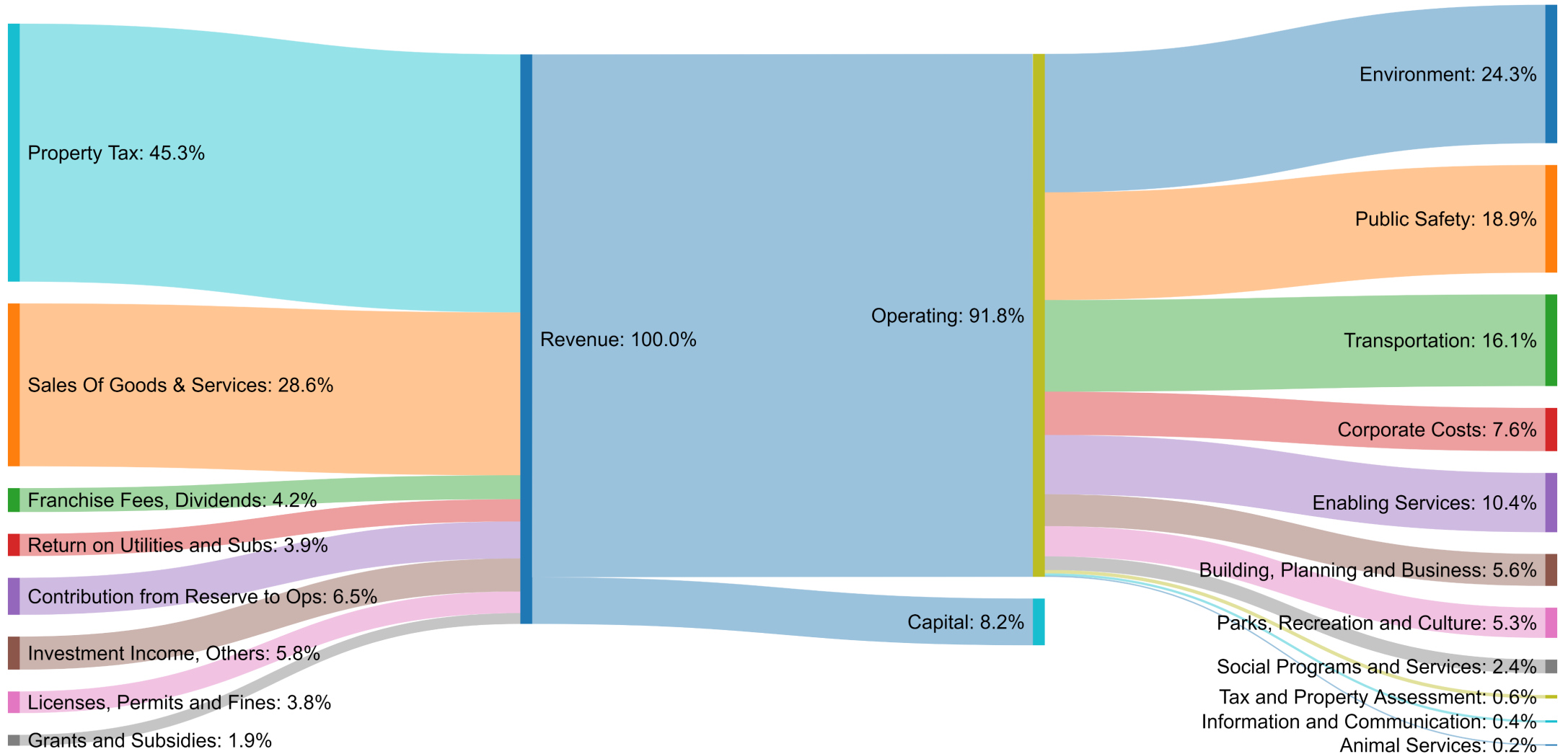
- In 2022: net migration adds 13,700 & natural increase adds 8,600 for a total addition to the population of 22,300
- Between 2022 and 2026, this is equal to adding more than the population of the Airdrie to our city



Socio-Economic Indicator	2022	2023	2024	2025	2026
Population Growth & Inflation (MPI)	5.1%	3.5%	3.7%	3.7%	3.5%
Municipal Price Index (MPI)	3.4%	1.8%	2.0%	2.2%	1.9%
Population Growth	1.7%	1.7%	1.7%	1.5%	1.5%
Calgary Consumer Price Index (CPI)	5.6%	2.6%	1.8%	2.0%	2.0%

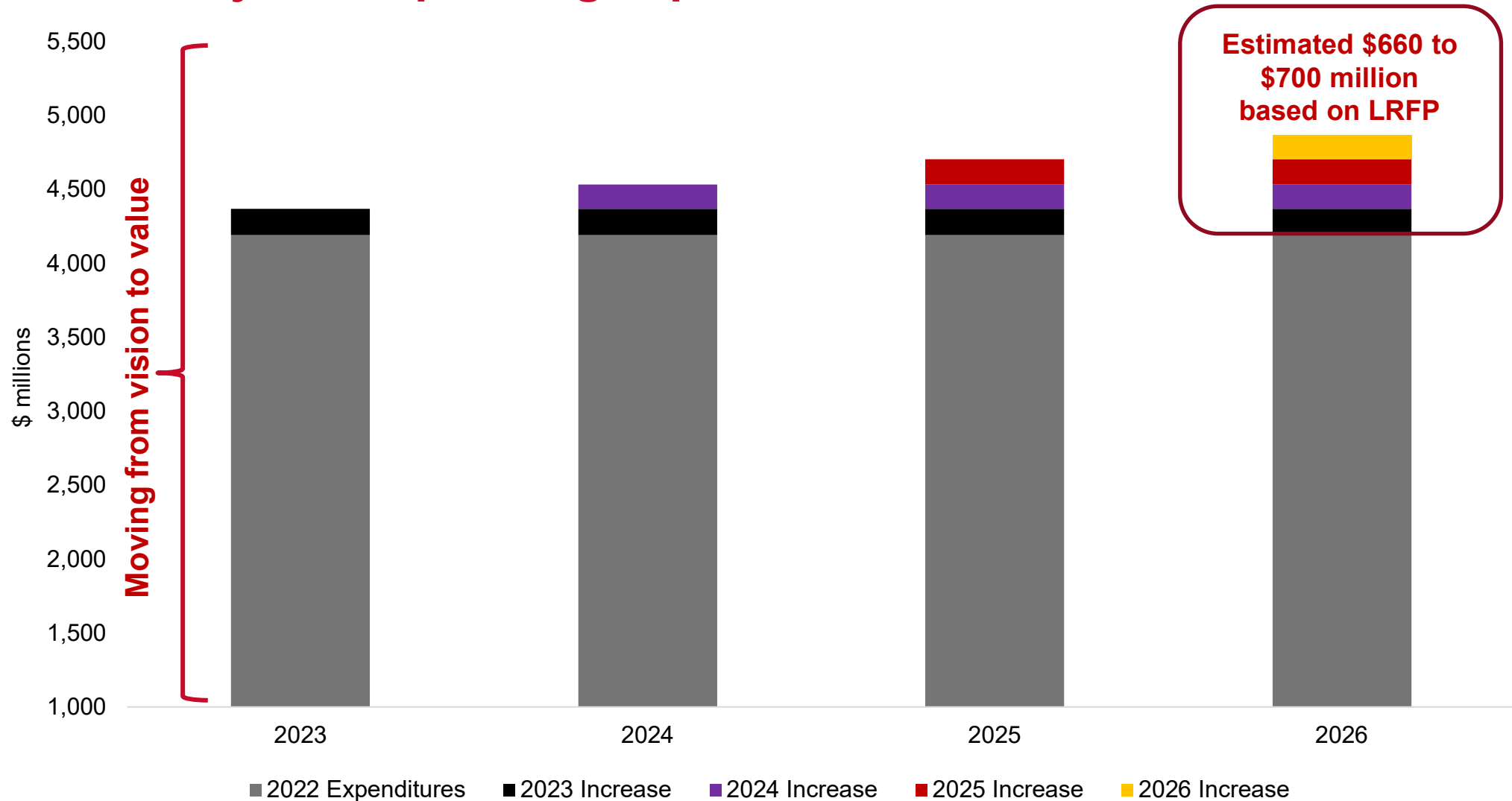


Structure of 2022 Operating Budget





Projected operating expenditures 2023 – 2026



Note: Operating expenditure projections based on inflation and population growth assumptions provided by Corporate Economics in 2022 Spring Economic Outlook forecast table.

Infrastructure needs & pressures from multiple sources

- Citywide Growth Strategy investments
- Legal / regulatory requirements
- Infrastructure status condition
- Community needs
- Civic Partner needs
- Strategic investments (e.g. Equity)
- Climate mitigation & adaptation
- Enabling infrastructure (e.g. Systems)
- Corporate Asset Management Plan (CAMP)

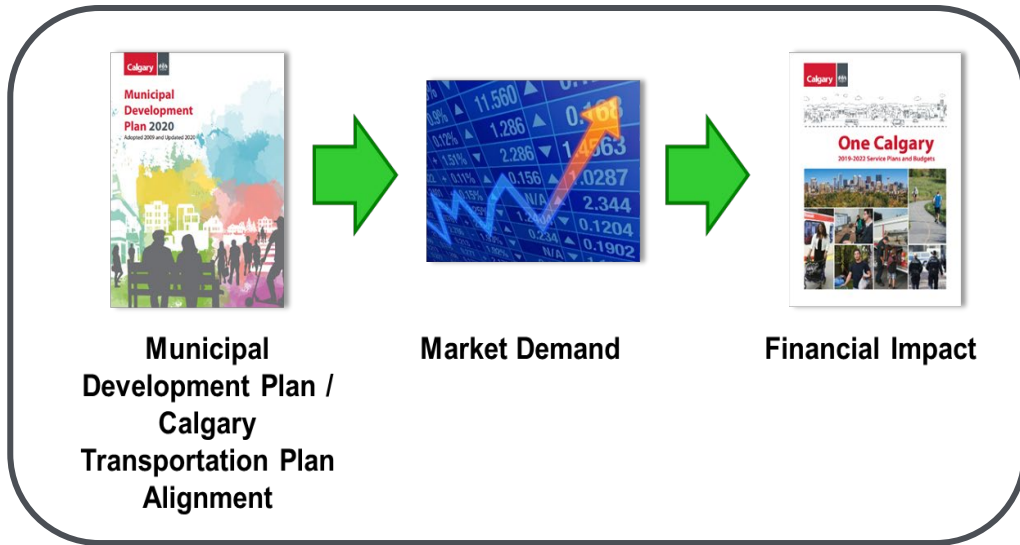


- Quality of Life Results
- Council's Strategic Direction
- Shared Strategic Agenda
- Long-Range Financial Plan

- Supply chain & commodity uncertainties
- Construction labour shortages
- Competing for consulting services



Citywide Growth investments past and future



- Municipal Development Plan (MDP) provides a vision for Calgary’s growth pattern
- Through the Citywide Growth Strategy stakeholders & Administration identify balanced growth investments
- Investments which have the potential to save 25% in capital infrastructure and 44% in incremental operating costs over 60 years.*
- Previous growth approvals commit The City to continued short & long-term service investments
- Consider growth investments both from revenue generation, and ongoing lifecycle and maintenance costs



*Source link: [Next 20: State of the City Supplemental Report: Potential Cost Savings of a Balanced Growth Pattern](#)

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