

Background and Previous Council Direction

This attachment provides background to the historical context of the Long Range Financial Plan process and gives an overview of the Council direction to which this report responds.

Background

In May 2004, Council approved the development of a Long Range Financial Plan (LRFP) for The City. The first LRFP was received by Council in 2007 to identify the systemic issues that present barriers to The City of Calgary's financial sustainability. It was followed by updates in 2008, 2009, 2011, and 2015. Since 2011, the LRFP updates have run concurrently and integrated with the Business Planning and Budgeting cycles, and other long-term planning initiatives at that time such as the Infrastructure Status Report and Strategic Growth and Capital Investment. It was also included as a deliverable of the Leadership Strategic Plan and Build Calgary initiatives.

The LRFP updates in 2008, 2009, 2011 and 2015 followed similar methodology established in the initial 2007 LRFP and provided both updated financial projections and revised strategies for the plan. In 2018, the projections in the LRFP were updated to support the development of service-based budgeting and planning cycle of 2019-2022 for One Calgary, while the strategies in the plan were not updated.

The 2021-2032 LRFP update reflected the significant changes that had happened to Calgary's economy since the last strategic update which included the economic downturn, downtown office vacancy and assessment value reduction, tax shift, COVID-19 pandemic and its immediate shock on municipal services; and longer-term factors, such as demographic shifts, growth of knowledge economy, technological changes, and long-term influence of COVID-19 post pandemic. This LRFP update reflected the implementation of service planning and budgeting and the impact of external changes on municipal revenues and expenditures through the development of the "bottom-up" methodology and extensive work and engagement with services. The strategies that were outlined in the LRFP update were also approved by Council as directional support for future cycles of the Service Plans and Budget Planning process.

As identified in the 2021-2032 LRFP report, The City needs to continually develop and implement actions that support the necessary financial strategies identified in the plan. One of the tools that can be used to accomplish this is the development and monitoring of the LRFP performance measures as a fiscal health check of the LRFP. These measures have been provided with 11 years of historical data, analysis and resulting trends noted. Measures where there is room for improvement and ones with significant concern have been identified with implications and suggested future actions that can be implemented to maintain the financial sustainability and resilience of The City of Calgary. Capital and operating projections for the LRFP will be updated and shared with Council later in 2024 when we have more clarity on the impacts of mid cycle updates and key projects.

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2004 May 03	FCS2004-30	Long Range Financial Plan Council approved the development of a Long Range Financial Plan for The City of Calgary.
2004 September 13	FCS2004-53	Long Range Financial Plan Project Update Council approved that the Phase 1 report of the Long Range Financial Plan be provided to the June 2005 Council meeting.
2005 June 13	FCS2005-23	Long Range Financial Plan Project Update Council approved deferral of the Phase 1 report on the Long Range Financial Plan until early 2007.
2007 March 14	FCS2007-14	Calgary's First Long Range Financial Plan Council approved the recommendations that: 1. Receive The City's first Long Range Financial Plan (LRFP) for information; 2. Request that implementation of the financial strategies identified in the LRFP be delivered in upcoming three-year cycles; and 3. Request Administration to provide an updated LRFP to Council in advance of the guideline setting process for the 2009-2011 business cycle.
2008 April 9	FCS2008-12	Long Range Financial Plan 2008 Update Council received the LRFP 2008 Update for information and directed the Administration to bring the next update prior to the business plan and budget adjustment meeting in 2009 and prior to the guideline setting process for the 2012-2014 business plan and budget cycle.
2009 November 4	FCS2009-46	Long Range Financial Plan 2009 Update for 2010-2019 Council received the LRFP 2009 Update for information.
2011 November 9	FCS2011-30	Long Range Financial Plan 2011 Update Council received the LRFP 2011 Update for information.
2015 September 21	C2015-0781	Build Calgary Update A Finance Update was included in the Build Calgary Update and presented to Council, including 10-year financial projections of capital funding gap and operating budget gap, as well as Long Range Financial Plan strategies and implementation actions. Council received the report for information.

2021 November 9	EC2021-1489	<p>2021-2032 Long Range Financial Plan</p> <p>The Executive Committee received the 2021-2032 Long Range Financial Plan presentation and referred the report to a Strategic Meeting of Council in Q1 2022.</p>
2021 November 22	C2021-1436	<p>2022 Adjustments to the 2019-2022 One Calgary Service Plans and Budgets</p> <p>Council approved a one-time funding request of \$150,000 included in the 2022 Adjustments to the 2019-2022 One Calgary Service Plans and Budgets to develop an implementation program for the Long Range Financial Plan.</p>
2022 January 18	C2022-0076	<p>2021-2032 Long Range Financial Plan</p> <p>Council received the 2021-2032 LRFP for information. Council approved the strategies articulated in the LRFP as directional support for future cycles of the Service Plans and Budget Planning process.</p>