

**Corporate Planning and Financial Services Briefing to  
Executive Committee  
2024 June 11**

**ISC: UNRESTRICTED  
EC2024-0695**

**Long Range Financial Plan Performance Measures**

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**PURPOSE OF BRIEFING**

This is the first monitoring report to Council on the 2021-2032 Long Range Financial Plan (LRFP) approved on 2022 January 18. The LRFP provides a plan to support the achievement of The City’s long-term financial goals of sustainability and resilience. By monitoring and managing pressures and challenges that affect The City’s principal corporate risks, especially the risks to Financial Sustainability, we are better able to avoid undesirable impacts and capitalize on opportunities as they present themselves while continuing to focus on delivering services to Calgarians. As identified in the 2021-2032 LRFP report, The City needs to continually develop and implement actions that support the financial strategies identified in the plan. One of the tools used to accomplish this is the monitoring of the LRFP performance measures as they provide a fiscal health check that track progress against the strategies.

**SUPPORTING INFORMATION**

The main focus of this report is to provide the results of the performance measures developed for tracking and monitoring the progress of the LRFP against the five financial strategies of flexibility, efficiency, sufficiency, integration and credibility. A total of 12 have been identified; five related to capital, six related to operating and one measure that tracks against both. While some of the measures have defined targets established by Council Policy, most of the performance measures quantify success in terms of progress over time. There are currently seven measures that are on track, two measures with room for improvement, one with significant concern and two integration measures that are a work in progress.

	Significant Concern	Room for Improvement	On Track	To be Determined
Flexibility	0	1	4	
Efficiency	0	0	2	
Sufficiency	0	1	1	
Credibility	1	0	0	
Integration *				2
<b>Total Measures by Result/ Progress</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>2</b>

\* 2 Integration measures are a work in progress; targets to be determined (TBD)

The measure of significant concern and the resulting implications and future actions is:

- Perceived value of property tax by Calgarians as good value as reported in the Survey of Calgarians. This has been declining over the last 11 years with a more significant drop of 6 per cent from fall of 2022 to fall of 2023. This measure is important because it measures the credibility of The City in terms of its ability to maintain and enhance public confidence in the municipal corporation’s ability to provide services and infrastructure at expected levels, in proportion to the municipal taxes Calgarian’s pay. Identified future actions include continuing to measure and report this information as well as continue to progress the current ongoing work throughout The City to address the key drivers. This includes:
  - targeted efforts to improve services and programs in areas that have received lower satisfaction ratings including transit safety and service levels, affordable housing and streets;

- ongoing communication to demonstrate the value of Council's service investments that are tied to key priorities;
- sharing progress, achievements and good news stories that enhance Calgarians' lives; and
- moving from a two month to a year round campaign that shares service value stories and communicates value for tax dollars in order to increase reach and engagement with Calgarians.

The two measures with room for improvement and the resulting implications and future actions are:

- Percentage of uncommitted Fiscal Stability Reserves to gross tax-supported operating expenditures, net of recoveries. An identified future action to address this measure is to complete a reserve strategy review by the end of 2024 and implement changes to recommended reserve balances and targets, while maintaining reserve balances closer to the targeted 15 per cent in the interim until this review is completed.
- Percentage of municipal property tax to operating revenue. This has been flat for 11 years indicating that the search for new revenue sources has not produced tangible results, or there are barriers to implementation. The identified future action is to consider implementing some of the tools under the [Municipal Fiscal Gap Report](#), recognizing the limited ability of The City to do so unilaterally and the need for Provincial changes to permit many of the tools identified.

The integration strategy is defined as ensuring The City prioritizes investment on a corporate basis, considering the interaction of services in meeting outcomes, and the financial constraints under which The City operates are fully considered when engaging in policy making and decision making. Defining performance for this strategy is difficult as there are no clear, objective measures and little to no existing data. Two measures have been included to track progress against the integration strategy which are the percentage of new operating investment per year that is approved during the November Service Plans and Budget deliberations and the percentage of 2023-2026 new capital reviewed and allocated by Infrastructure Calgary Steering Committee (ICSC).

- For 2023, 91.6 per cent of new operating investment was approved during the November Service Plans and Budget deliberations. The trend over the five years of data for this measure has been varied, though trending upwards in the last two years which is a positive result as it indicates more integrated spending decisions are being made.
- For the 2023-2026 capital budget cycle, 78.4 per cent of new capital was reviewed and allocated by ICSC, with 19.5 per cent (tax supported) only being reviewed and not allocated, and 2.1 per cent added by Council that was not reviewed or allocated by ICSC.

Future actions for both integration measures include continuing to develop and refine these measures and targets with review of the new operating and capital investment during the budget cycles.

Progress against each one of these measures will highlight enhancements to more integrated decision making within ELT and Council which will lead to better outcomes for Calgarians. As part of the ongoing implementation of the LRFP, these will be updated annually, and a report provided to Council and ELT. The next planned update is in Q2 2025 and will include all measures updated for 2024 actuals.

In addition, 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.

# BRIEFING

## ATTACHMENTS

1. Previous Council Direction and Background
2. Long Range Financial Plan Performance Measures Report

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General Manager Carla Male concurs with the information in this Briefing.