

Corporate Planning & Financial Services Report to
Executive Committee
2025 February 11

ISC: UNRESTRICTED
EC2025-0138

2025 Capital Budget Recast

PURPOSE

This report provides the recommended 2025 Capital Budget Recast with the goal to better align existing annual capital budgets to anticipated spending throughout the budget cycle. It also includes a capital budget transfer related to the Glenbow Museum Project.

PREVIOUS COUNCIL DIRECTION

On 2022 November 25 Council approved the 2023-2026 Service Plans and Budgets (C2022-1051) including the capital budget by year.

On 2023 November 22 Council approved the 2024 Adjustments to the 2023-2026 Service Plans and Budgets (C2023-1148) including a recast of the capital budget.

On 2024 June 25 Council approved the 2024 Capital Budget Recast (C2024-0618).

RECOMMENDATIONS:

That Executive Committee recommend that Council:

1. Approve the changes to the capital budget presented in Attachment 1.
2. Approve the capital budget transfer of \$11 million from City Planning and Policy (Budget ID A463920) to Economic Development & Tourism (Budget ID P633_002) to support the Glenbow Museum Project.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2025 FEBRUARY 11:

That Council:

1. Approve the changes to the capital budget presented in Attachment 1; and
2. Approve the capital budget transfer of \$11 million from City Planning and Policy (Budget ID A463920) to Economic Development & Tourism (Budget ID P633_002) to support the Glenbow Museum Project.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Acting Chief Financial Officer and General Manager Les Tochor concurs with this report.

HIGHLIGHTS

- Every year, The City adjusts its capital and operating budgets through the Budget Adjustment Process. As part of this process, the capital budget recast provides an opportunity to right-size annually allocated capital budgets to better align them with anticipated spending.
- While the capital budget recast is typically part of the annual budget adjustments process, it was not included in the Mid-Cycle Adjustments report approved by Council in 2024 November as additional time was required to ensure that the revised 2025 capital budget better reflected expected spending for the year.

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- The net result of the recast is a total of \$893 million reduced from the 2025 capital budget and moved into future years, bringing the expected 2025 capital budget to \$2.4 billion before 2024 carry forwards.
- As part of this report, the approval for the Capital Budget Transfer of \$11 million from Downtown Strategy to support the Glenbow Museum Project (Budget ID P633_002) is being brought forward.

DISCUSSION

- Council approves capital budgets by Budget ID by year for all projects, even those spanning multiple years.
- The desired goal of the recast is to right-size the annual capital budgets to more accurately reflect the expected spending plans.
- This helps provide Council and Calgarians with more transparency around expected spending plans, enhancing credibility while allowing better planning and management of financial resources.
- Budget recasts do not lead to any reductions or increases in approved total budgets but are intended to simply facilitate a more accurate representation of the timing of spend of the existing capital budgets.
- Services moved budget totaling \$954 million for 98 capital initiatives out of 2025 primarily due to:
 - **Budget Realignment:** Adjusting the budget to better align with future project timelines, investments and construction schedules.
 - **Project Delays/Deferrals:** Delays or deferrals due to issues with land purchases, procurement limitations, and construction activities.
 - **Competing Priorities:** Addressing organizational capacity constraints and prioritizing projects that are deemed critical.
- 17 capital initiatives brought budget to 2025, totaling \$61 million mainly due to accelerated timelines and advancements in planning and development stages of project delivery
- Administration recommends the transfer of \$11 million from Downtown Strategies to complete the transformation of the Glenbow Museum (Glenbow Reimagined). This investment will significantly enhance downtown vibrancy by rejuvenating a key landmark and its surroundings, attracting visitors, boosting local businesses and creating a more dynamic environment. The project will include street level and +15 level programmable, publicly accessible spaces, as well as a 6th floor outdoor terrace. This funding will also help leverage other additional funding from other sources. Together, this will help align the Glenbow re-opening with the reconstruction of Stephen Avenue to create a complete Stephen Avenue experience on opening day. Both Glenbow and the Downtown Strategies contribute to shared goals of downtown vibrancy, and many of the latter's projects are in the design phase so funds can be easily reallocated.

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EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

Administration in collaboration and conjunction with Services, encouraged right-sizing of the annual capital budgets and expected cash flow timing to ensure better capital management. Regular review of the capital portfolio, including reprioritizing investments and identifying opportunities for funding relinquishments, transfers and new investments is part of intentional management of capital to optimize funding, respond to new opportunities and provide value for Calgarians.

IMPLICATIONS

Social

Council has several priorities that focus on the advancement of socially important areas, such as housing or public transit that support equitable outcomes for all Calgarians. Better aligning budgets with actual project planning and anticipated spending helps The City employ its resources more efficiently, helping to fulfill priorities and enhance quality of life for Calgarians. The transfer to the Glenbow Museum Project will enhance community vibrancy by rejuvenating a key landmark in the city center.

Environmental

A substantial portion of capital budgets focuses on either maintenance or upgrade of environmentally consequential municipal infrastructure.

Economic

Infrastructure – including water, waste management, and roads – is the backbone on which Calgary's economy is built. Achieving timely progress on infrastructure investments is critical to maintaining an economically viable city where businesses can thrive.

Service and Financial Implications

Other:

Capital Budget

The recommendation in this report results in \$893 million being shifted out of the 2025 capital budget into future years, as indicated in Attachment 1, bringing the 2025 capital budget to approximately \$2.4 billion. There is no change to the total 2025 – 2029+ capital budget.

RISK

The recast recommended in this report represents Administration's current estimate for the capital budget spend. Re-aligning the capital budget to expected spending as circumstances change and more information becomes available helps manage reputational risk facing the organization related to capital budget management.

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ATTACHMENTS

1. 2025 Capital Budget Recast
2. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
David Duckworth, Chief Administrative Officer	Chief Administrator's Office	Approve
Les Tochor, Acting Chief Financial Officer and General Manager	Corporate Planning & Financial Services	Approve

Author: Corporate Budget Office and Capital Investment Planning

City Clerks: C. Doi / A. Lennox