



2025 May 13

## Recommendation

That the Executive Committee recommends that Council:

- Receive the Financial and Economic Update Year-End 2024 and First Quarter 2025 for information and use it to guide the ongoing budget discussions leading up to the 2025 November Adjustments to the 2023 – 2026 Service Plans and Budgets.

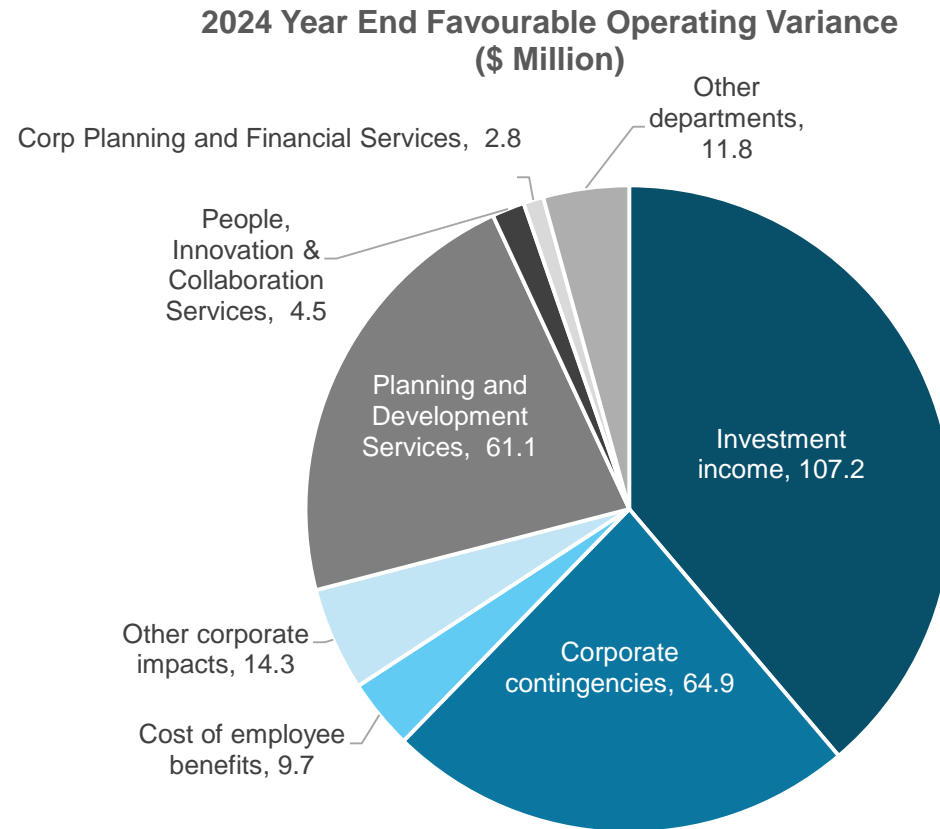
## Previous Council Direction

On November 21, 2024, during the 2025 Mid-Cycle Adjustments deliberations, Council amended C2024-1097 requesting Administration to:

- Conduct quarterly assessments of projected year-end variances (EC2025-0414) and allocate funds to the prioritized unfunded project list throughout the year.

# Operating Highlights: Year-End 2024

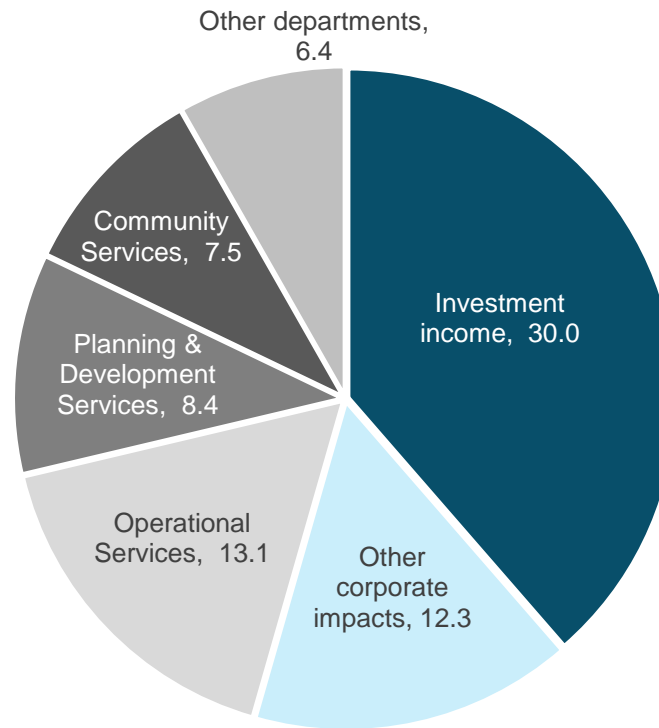
As at 2024 December 31, The City had a favourable year-end operating variance of \$276.3 million, as shown below in millions:



# Operating Highlights: First Quarter 2025

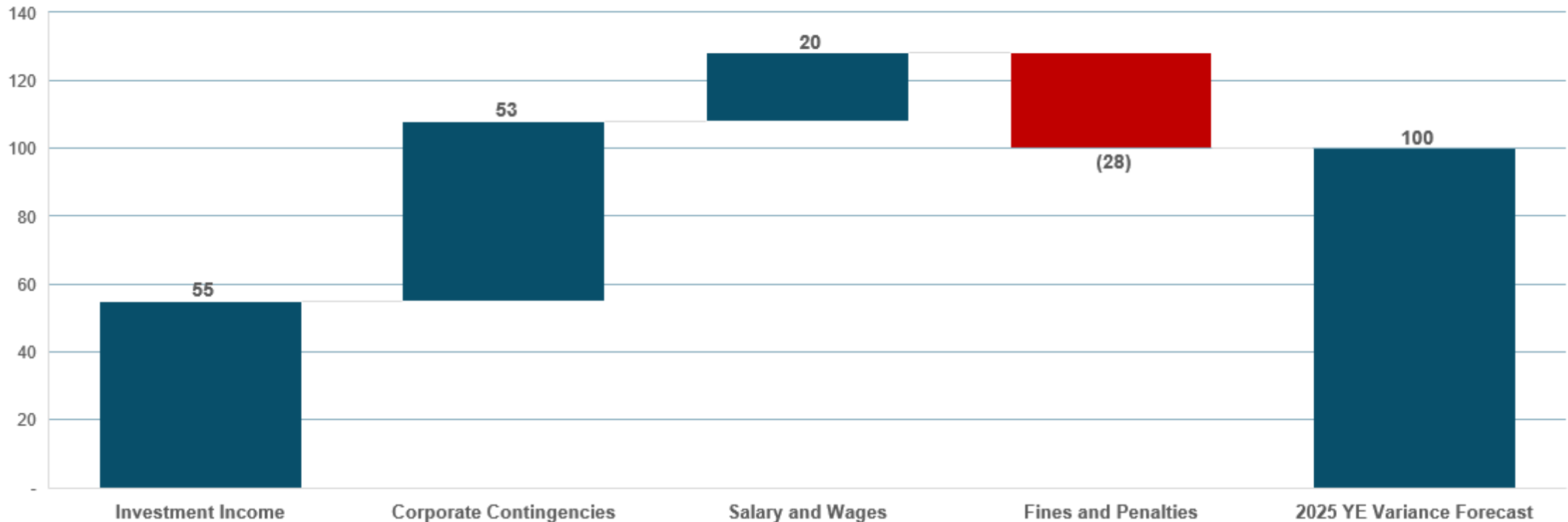
As of 2025 March 31, The City had a favourable year-to-date operating variance of \$77.7 million, as shown below in millions:

**Q1 2025 Favourable Operating Variance  
(\$ Million)**



# 2025 Year-End Operating Forecast

The City is projecting a favourable year-end operating variance of \$100.0 million as of March 31, 2025:

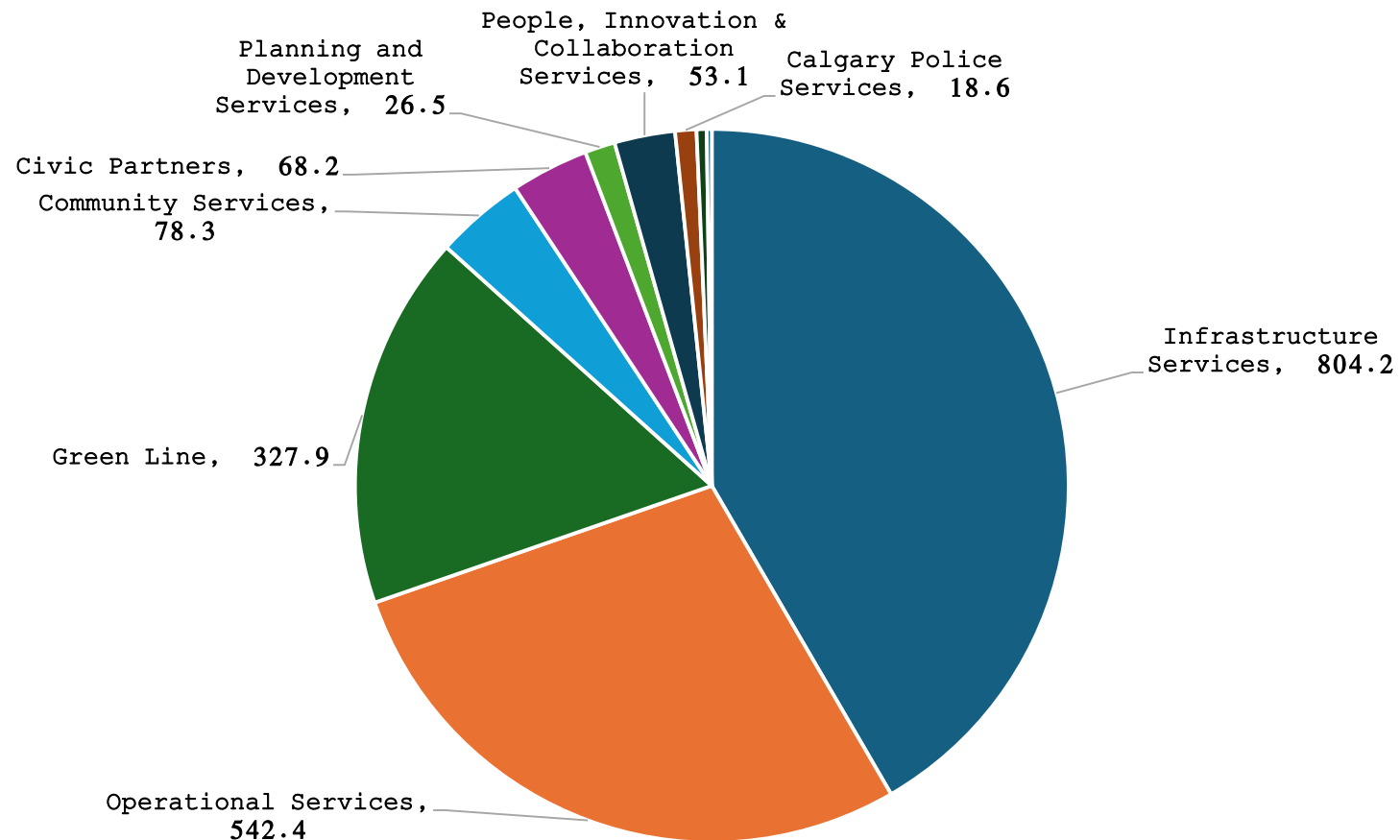


Franchise Fees are forecasted to have \$4M favourable variance. Franchise Fee variances are transferred to the Reserve for Future Capital (RFC).

**Additional work is underway to identify high priority projects that \$25.0 million could be directed to in 2025.**

# Capital Highlights: Year-End 2024

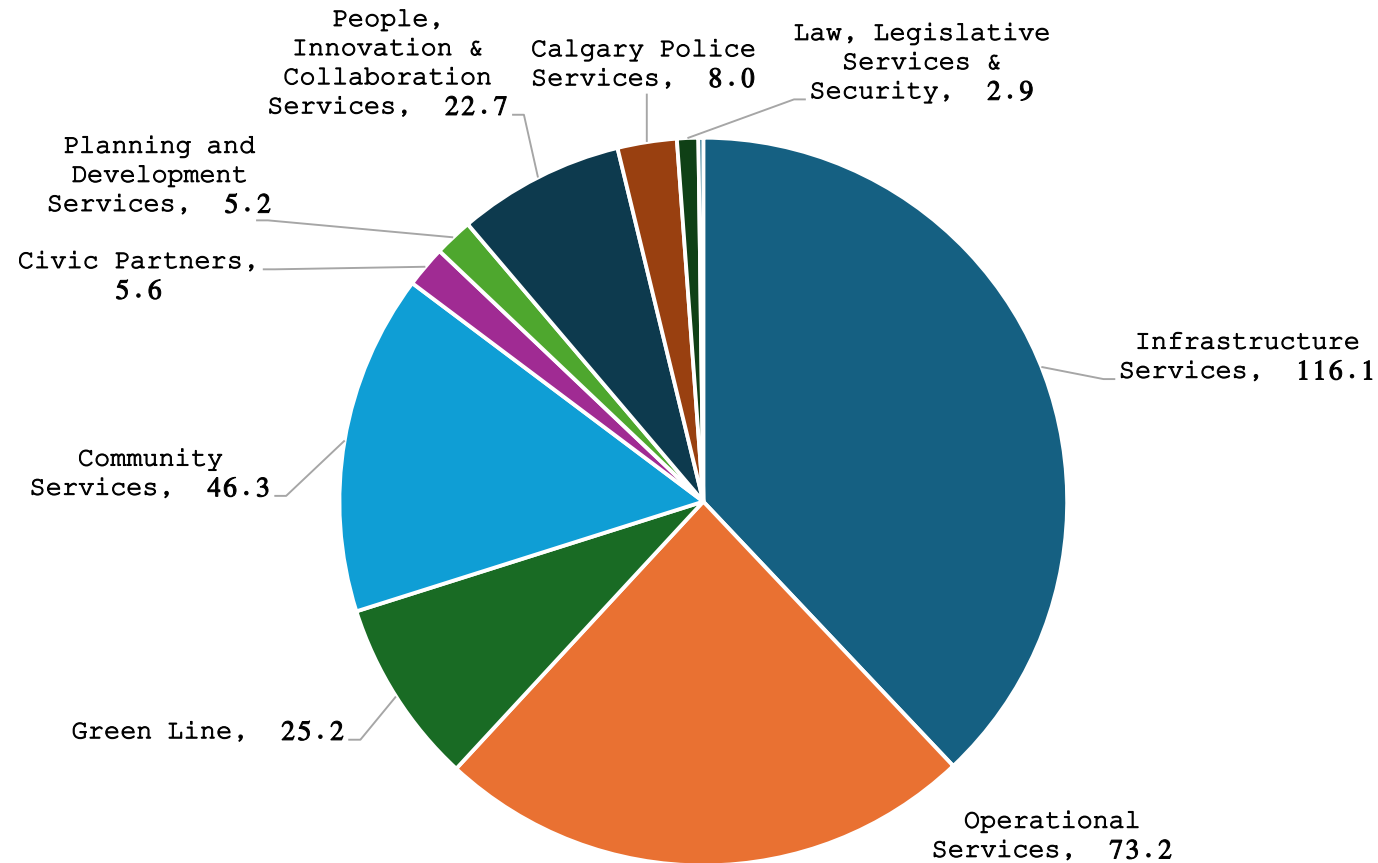
As of 2024 December 31, The City spent \$1.9 billion or 92.4 per cent of its \$2.1 billion capital budget, as shown below in millions:





# Capital Highlights: First Quarter 2025

As of 2025 March 31, The City spent \$306.0 million or 12.0 percent of the \$2.6 billion capital budget, as shown below in millions:

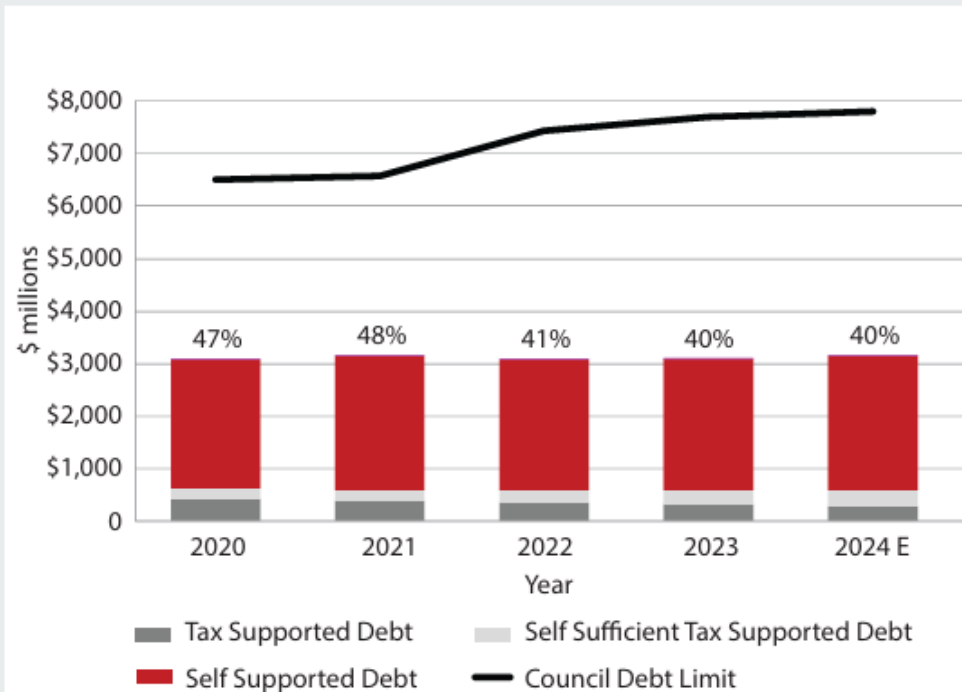




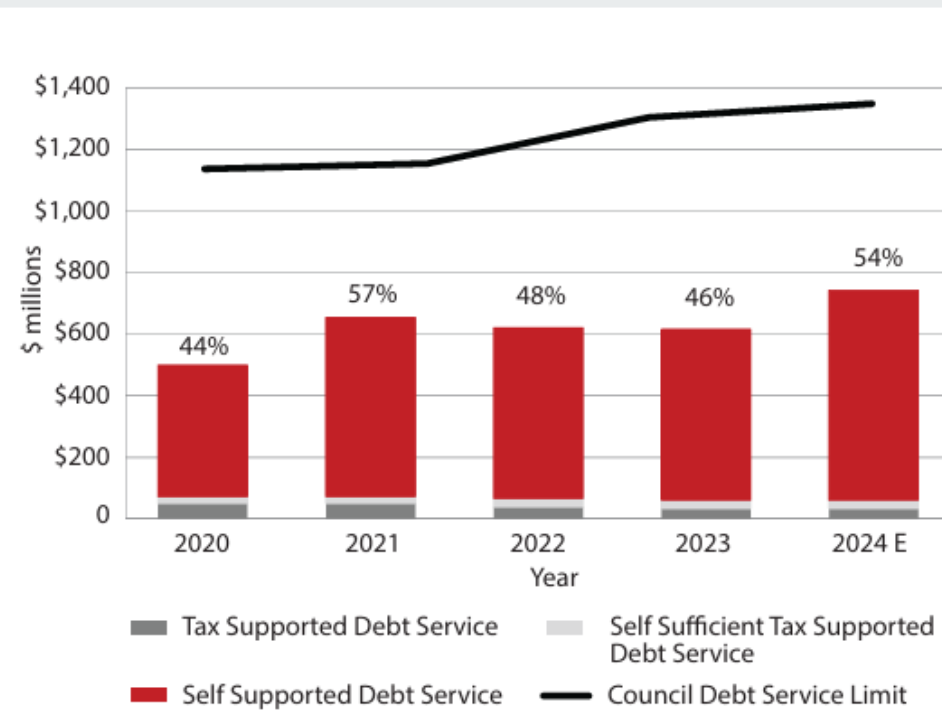
# Debt Overview

The City continues to use debt prudently in accordance with best practice and remains comfortable within the legislated debt limits

**Total debt outstanding as per cent of Council debt limit**



**Debt service (principal + interest) as per cent of Council debt service limit**



- **Real GDP growth.** Calgary's economy is expected to grow at a slower rate (1.6 per cent) in 2025 than previously forecast.
- **Population.** In 2025, the population projection has increased due to higher than forecast growth in 2024 and continued strong growth in 2025.
- **Inflation rate.** Consumer prices will grow faster (3.0 per cent) in 2025 than previously forecasted as uncertainty and market volatility work their way through the economy.
- **Unemployment rate.** Calgary's unemployment rate will remain high, at 7.5 per cent in 2025, as the labour force grows faster than employment.

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