

People, Innovation & Collaboration Services Report to
Intergovernmental Affairs Committee
2025 July 16

ISC: UNRESTRICTED
IGA2025-0731

2026-2027 Federal and Provincial Budget Recommendations

PURPOSE

The purpose of this report is to provide recommendations to the Intergovernmental Affairs Committee and Council regarding The City of Calgary's federal and provincial budget submissions.

PREVIOUS COUNCIL DIRECTION

Each year, The City of Calgary prepares written submissions for the pre-budget consultation processes to both the federal and provincial governments. The Intergovernmental Relations team leads this work on behalf of Administration, presenting its recommendations to Council.

RECOMMENDATION:

That the Intergovernmental Affairs Committee recommend that Council endorse the pre-budget submissions to the Government of Alberta (Attachment 1) and the Government of Canada (Attachment 2), and request Mayor Gondek to sign and submit on behalf of Council.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

General Manager Chris Arthurs concurs with this report and its recommendations.

HIGHLIGHTS

- Decisions made at the federal and provincial levels have significant impact on The City and on Calgarians. The pre-budget consultation process is crucial for The City to signal its key priorities to the other orders of government and indicate where working together will maximize benefits for residents.
- The proposed pre-budget submissions focus on key City funding priorities, areas for collaboration or partnership, and align with shared interests and priorities as identified by Administration and in keeping with Council's Priorities: The Prairie Economic Gateway, Housing, Public Safety, Transit, Infrastructure, Climate Resilience and GamePLAN.
- The budget recommendations complement advocacy positions held by both the Federation of Canadian Municipalities (FCM) and Alberta Municipalities (ABmunis). This means that both letters underline the need for infrastructure investment that keeps pace with municipal growth.
- The letters confirm support for FCM's call for a Municipal Growth Framework and ABmunis campaign for an uplift in the Local Government Fiscal Framework (LGFF).
- By identifying areas to collaborate with other orders of government and offer opportunities to leverage investment, The City enables more funding to create better outcomes that matter to Calgarians and support the well-being of our city.
- The Intergovernmental Relations team engaged with business units and subject matter experts across The Corporation to inform recommendations included in the attached letters.

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DISCUSSION

Each year, The City participates in pre-budget engagement with the other orders of government, allowing The City to highlight opportunities to achieve shared objectives through investment and partnership. As the fastest growing major city in Canada, it is only through collaboration and shared investments by all orders of government that the challenges associated with this unprecedented growth will be met.

The letters are not identical, but complementary, focusing on City priorities that best align with each government's jurisdictional mandate and strategic priorities. The following funding priorities have been identified in the attached draft letters:

Provincial Requests
Recommendation 1: That the Government of Alberta cost-share utility and transportation infrastructure for the Prairie Economic Gateway, working with The City of Calgary, Rocky View County and the Government of Canada.
Recommendation 2: That the Government of Alberta match funding from other orders of government to build and maintain affordable housing.
Recommendation 3: That the Government of Alberta submit the Calgary Metropolitan Region's Metro-Regional Expression of Interest (EOI) application under the Canada Public Transit Fund (CPTF). The City requests that the Government of Alberta contribute predictable and sustained operating funding towards Calgary Transit's \$15 million annual gap and one-third capital funding asks for major capital projects that align with Calgary's RouteAhead Plan.
Recommendation 4: That the Government of Alberta increase its provincial Family and Community Support Services (FCSS) investment to \$161.5 million and index the fund to inflation and population.
Recommendation 5: That the Government of Alberta increase its investment in the prevention and response to the interconnected issues of mental health, addiction, homelessness, and health through a matching \$22 million investment.
Recommendation 6: Increase funding support to \$20.5 million annually and long-term funding agreements for the Low-Income Transit Pass (LITP).
Recommendation 7: That the Government of Alberta contribute, through equal cost sharing with the Government of Canada and The City, at least \$127 million towards the Foothills Multisport Fieldhouse.
Recommendation 8: That the Government of Alberta support The City in its implementation of GamePLAN.

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Recommendation 9: Increased reliable infrastructure funding through the Local Government Financial Framework (LGFF) to address Calgary's over \$7.73 billion infrastructure funding gap.

Federal Requests

Recommendation 1: That the Government of Canada contribute, through cost-sharing with The City of Calgary, Rocky View County and the Government of Alberta, to support utility and transportation infrastructure for the Prairie Economic Gateway.

Recommendation 2: That the Government of Canada invest \$159 million towards Calgary's affordable housing initiatives.

Recommendation 3: That the Government of Canada reassess funding for affordable housing to be flexible, consistent, and predictable.

Recommendation 4: That the Government of Canada approve The City of Calgary's Metro-Regional Agreement application with the Canada Public Transit Fund (CPTF) and accelerate the CPTF's Baseline stream release before April 2026.

Recommendation 5: That the Government of Canada approve Calgary's Canada Housing Infrastructure (CHIF) direct delivery application for the North Water Servicing Phase 1 project and the Green and Inclusive Community Buildings (GICB) application to retrofit Village Square Leisure Centre.

Recommendation 6: That the Government of Canada support Calgary's resilience, adaptation, disaster mitigation and energy transition.

Recommendation 7: That the Government of Canada contribute, through cost sharing with the Government of Alberta and The City, at least \$127 million towards the Foothills Multisport Fieldhouse.

Recommendation 8: That the Government of Canada support The City in its implementation of GamePLAN.

Priorities highlighted in each letter were determined through the following advocacy principles:

1. **Focus on existing commitments:** The City prepares recommendations focused on how existing federal and provincial programs can be structured or allocated to advance shared priorities.

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2. **Demonstrate our own commitment:** By signaling priorities through investments and drawing the connections to shared objectives, The City creates an attractive environment where other orders of government can leverage current investments and create a partnership.
3. **Offer solutions:** Rather than appealing to other orders of government for investments to solve local problems, where appropriate, The City will align its goals with other orders of government and come to the table with solutions to these shared challenges and demonstrate local successes.
4. **Move investments quickly:** Recommendations for investments in tested local programs or projects will ensure funding can move into the community quickly, benefitting Calgarians and appealing to other orders of government.
5. **Achieve multiple outcomes:** Programs and projects that achieve multiple outcomes with a single investment will have a better chance of seeing leveraged investment from the federal or provincial governments.
6. **Be replicable elsewhere:** Ideas and approaches that can be duplicated in other jurisdictions are more likely to be viewed favourably and result in a positive outcome when being considered for investment.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input 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 |

IMPLICATIONS

Social

Strategic partnerships with other orders of government will assist The City in improving public safety and the provision of social services such as affordable housing, mental health, and addictions support, as well as investment for low-income transit passes. The submissions call for support from other orders of government to alleviate the impact of high inflation and rapid population growth to ensure that The City can continue to provide services to newcomers and existing Calgarians alike. Investments in sport will provide continued access to recreational and amateur sports facilities across the city.

Environmental

Priorities identified in the submissions prioritize the need for resilience from environmental disasters. Investments in transit infrastructure will ensure that a greater number of Calgary residents enjoy the benefits associated with public transit and reduced dependency on private vehicles.

Economic

With investment from other orders of government, the regional economy will continue to be strengthened, diversified, and modernized, delivering economic prosperity and social equity for

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Calgarians. Support for innovation will ensure that Calgary continues to prosper as the economic landscape evolves. The Prairie Economic Gateway initiative alone is anticipated to create more than 30,000 jobs and \$7 billion in economic activity.

Service and Financial Implications

Other:

Intergovernmental transfers support The City's ability to provide services and help to mitigate the financial pressures which otherwise are passed on to residents in the form of property tax increases.

RISK

Annual budget submissions are one tool that The City uses for advocacy, and Intergovernmental Relations will continue to support further advocacy with other orders of government to advance City priorities. If the report recommendations are not approved, The City risks missing opportunities to secure available funding by not submitting recommendations and requests for financial support through this process. The budget process is also an opportunity to confirm our strategic direction and to highlight areas where cross-corporate work is required.

ATTACHMENTS

1. Provincial Budget Submission
2. Federal Budget Submission
3. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	People, Innovation and Collaboration Services	Approve
David Duckworth	Chief Administrative Officer	Approve
Stuart Dalgleish	Chief Operating Officer	Inform
Reid Hendry	Chief Housing Officer	Inform
Katie Black	Community Services	Inform
Les Tochor	Corporate Planning and Financial Services	Inform
Michael Thompson	Infrastructure Services	Inform
Doug Morgan	Operational Services	Inform
Debra Hamilton	Planning and Development Services	Inform

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