

## Corporate Planning and Financial Services Briefing to

Executive Committee

2025 September 08

ISC: UNRESTRICTED

EC2025-0862

## Long-Range Financial Plan 2025 Report, Performance Measures and Municipal Benchmarking

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### PURPOSE OF BRIEFING

As part of the ongoing monitoring of the Long Range Financial Plan (LRFP), the purpose of this report is to provide an update on the performance measures that provide a fiscal health check of the goals of financial sustainability and resilience. This year the update also includes benchmarking against other major Canadian cities for additional context on The City's performance relative to other municipalities.

### SUPPORTING INFORMATION

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 Long Range Financial Plan. The LRFP performance measures are intended to be used by Council and Executive Leadership Team (ELT) to inform decisions that have longer-term financial impacts as well as assess the financial health of The City and the progress towards LRFP goals. While targets are identified for measures, they are intended to be evaluated in terms of progress over time rather than absolute value at any point in time.

Another method to assess the goals of the LRFP is to benchmark The City of Calgary against other Canadian municipalities. While it can be challenging to compare municipalities due to differences in services and available sources of revenue, there is value in determining where Calgary falls in the range. Benchmarking for seven measures were conducted for nine Canadian municipalities, plus Calgary, for the 2023 fiscal year.

The main results of the performance measures and benchmarking are:

- Of the 11 performance measures, six are on track, two have room for improvement and one measure is in the significant concern range at this time. The remaining two have only two years of data so targets have yet to be set.
- Of the seven benchmarking measures, Calgary has placed in the top three municipalities for one benchmarking measure, in the middle of the group for five of the measures and in the bottom third for one measure.

This report will be updated annually and provided to Council and ELT to support informed decision-making aligned with LRFP strategies.

The first focus of this report is providing 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 11 have been identified; four relate to capital, six relate to operating and one measure tracks against both.

While some of the measures have defined targets as set by Council Policy, success for the majority is defined as trending in the desired direction. This year's performance measures have very similar results to last year's measures. One new rating was added to the credit rating measure, which is the addition of Moody's. This was assessed for the first time in 2024 and was part of the on-track results, with the other measures maintaining their progress.

There are currently six 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. The summary of the performance measures is as follows:

	Significant Concern	Room for Improvement	On Track	Not Applicable
<b>Flexibility</b>	<b>0</b>	<b>1</b>	<b>3</b>	
<b>Efficiency</b>	<b>0</b>	<b>0</b>	<b>2</b>	
<b>Sufficiency</b>	<b>0</b>	<b>1</b>	<b>1</b>	
<b>Credibility</b>	<b>1</b>	<b>0</b>	<b>0</b>	
<b>Integration *</b>				<b>2</b>
<b>Total Measures by Result/ Progress</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>2</b>

\* 2 Integration measures are a work in progress; targets are Not Applicable (N/A)

For the six Calgary performance measures that are currently on track and in the green zone, focus should be maintaining the direction of the data. Failure to maintain the standards that achieved these results could move these measures into the yellow zone. Priority should be given to the two measures where there is room for improvement as well as the one measure that is of significant concern.

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 spring Survey of Calgarians. Perceived value has declined over the last 10 years and the target of 60 per cent has not been achieved since 2016. Future actions to improve this measure include: targeted efforts to improve the services with the lowest satisfaction ratings, increased communication with residents to share stories and data regarding how tax dollars are improving services and infrastructure and continuing transparent practices by engaging residents in decision making.

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

- Percentage of uncommitted Fiscal Stability Reserves (FSR) to gross tax-supported operating expenditures, net of recoveries. An identified future action to address this measure is to prioritize building the FSR to meet the target of 15 per cent and implement the actions of the reserve strategy review to be completed in 2026.
- Percentage of municipal property tax to operating revenue. This has been flat for the last seven 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 progress the work that would result in implementing some of the revenues identified in the Municipal Fiscal Gap Report.

These results are consistent with the 2024 performance measures report, further highlighting that prioritizing these actions is needed to change the direction of the curve and improve over time.

The second focus of the report is to provide benchmarking information for comparisons to other Canadian municipalities, highlighting the performance of The City in relation to the other municipalities. For the 2023 fiscal year, Calgary has been benchmarked against the following nine municipalities: Toronto, Ottawa, Montreal, Winnipeg, Saskatoon, Regina, Edmonton, Vancouver and Victoria for seven performance measures. Vancouver has been shown two different ways. One that only shows The City of Vancouver and one that includes The City of

Vancouver as well as TransLink and Metro Vancouver to improve comparability. Data was collected using the 2023 annual reports published by the corresponding municipalities.

A summary of where The City of Calgary places in the benchmarking data for each of the performance measures, by strategy is as follows:

<b>Strategy/ Performance Measure</b>	<b>Ranking</b>
<b>Flexibility</b>	
Debt as a percentage of operating revenue	6th of 11
Net long term debt per capita	6th of 11
S&P Credit rating	2nd highest credit rating
<b>Efficiency</b>	
Operating Expenditure per capita	6th of 11
FTEs per 1,000 population	1st of 11
<b>Sufficiency</b>	
Net Municipal Property Tax Revenue per capita	4th of 10
Percentage of municipal property tax to operating revenue	8th of 10

The City of Calgary placed first for FTEs per 1,000 people suggesting an efficient use of its workforce. For the S&P credit rating, The City of Calgary tied for second with Ottawa and Winnipeg as there is little differentiation amongst the benchmarked Canadian municipalities as they often receive high ratings due to strong fiscal performance and low debt burdens. Calgary’s placement for four of the measures were in the middle grouping. The measure where The City of Calgary had the lowest ranking of eighth is the percentage of municipal property tax to operating revenue. Actions that would improve performance for this measure are consistent with the actions in the performance measures, which include but are not limited to pursuing other sources of revenue as identified in the Municipal Fiscal Gap Report. Year-over-year progress for all benchmarking measures will be tracked in future performance measures reports.

Based on the status of the performance measures as well as Calgary’s placement in the municipal benchmarking, The City of Calgary is on track to maintain the current level of financial sustainability that was outlined in the 2021-2032 Long Range Financial Plan. The City needs to continually develop and implement actions that would further enable the goals of financial resilience and sustainability. As part of the ongoing implementation of the LRFP, this report will be updated annually and provided to Council and ELT to enable and improve decision making that will align with the strategies of the LRFP.

**ATTACHMENT(S)**

1. Previous Council Direction, Background
2. Long Range Financial Plan 2025 Report, Performance Measures and Municipal Benchmarking

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General Manager Les Tochor concurs with the information in this Briefing.