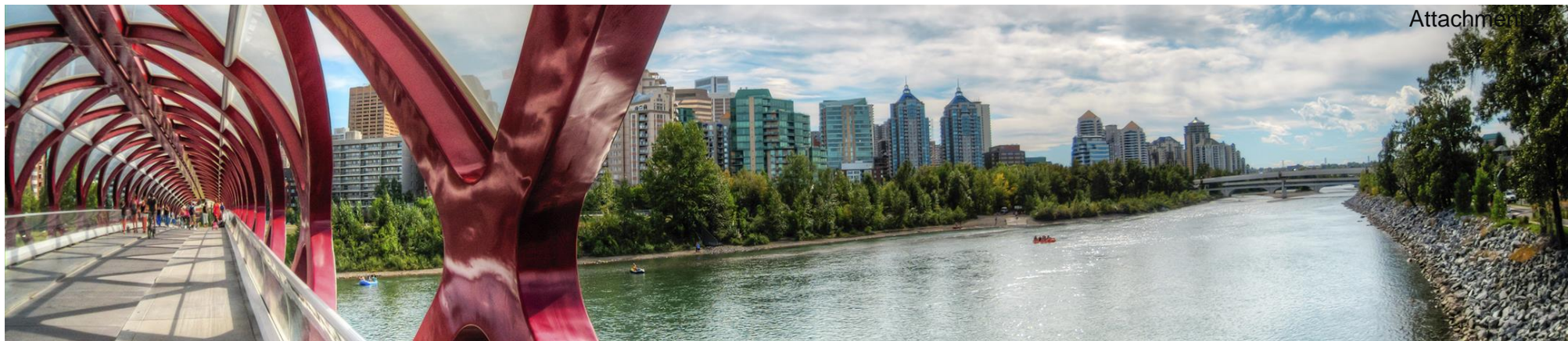




# Long Range Financial Plan 2025 Report, Performance Measures and Municipal Benchmarking

September 8, 2025



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# Introduction

As part of the ongoing implementation of the Long-Range Financial Plan (LRFP), this report presents 11 performance measures that cross the five strategies of the LRFP which are flexibility, efficiency, sufficiency, integration and credibility.

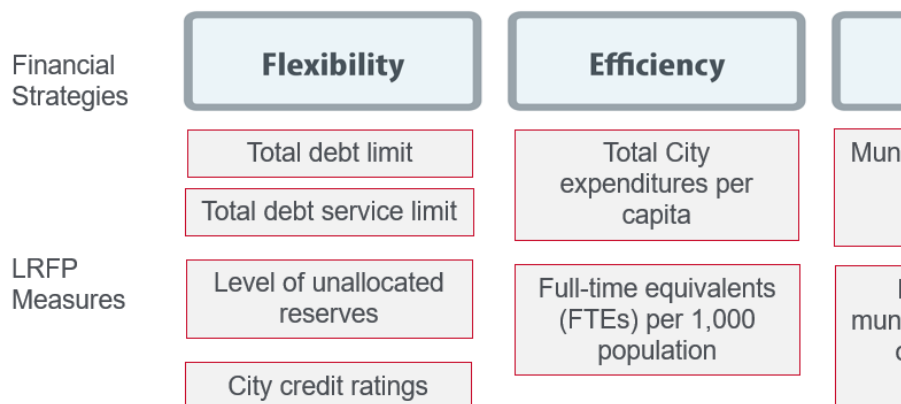
The LRFP performance measures are intended to be used by Council and Executive Leadership Team (ELT) to inform decisions that have longer-term financial impacts as well as assess the financial health of The City and the progress towards LRFP goals. While targets are identified for measures, they are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

This is a new initiative that began in 2024 and change will occur as the process matures and new information is available. This may include:

- modifications to measures;
- adding or removing measures; and
- modifications to targets and ranges.

New to the report this year is benchmarking six of The City's performance measures against 10 other Canadian municipalities. While not all the LRFP performance measures can be benchmarked as some are unique to The City of Calgary, six of them were compared across 10 municipalities to assess where Calgary placed.

**Figure 1: LRFP Performance Measures by Financial Strategy**



## Methodology

A 10-year historical view of the data has been gathered to assess the progression of the measures over time. While some of the measures have defined targets as set by Council Policy, success for the majority is define as heading in the desired direction year-over-year.

Progress for the integration measures is shown as not applicable because they are new and only have 2023 and 2024 data. The remainder of the performance measures already exist and have historical data that has been tracked over time.

The direction of the arrow indicates the recent direction of the data and highlights whether the measure is flat, increasing or decreasing over time. The colour of the arrow denotes where the data falls in the range of the progress:

- Green (on track) indicates that the measure is trending in the desired direction
- Yellow (room for improvement) indicates there is less progress than desired
- Red (significant concern) indicates that action needs to be taken according to the strategic direction of the LRFP.

The measures have also been categorized as either relating to operating or capital, with one of the measures tracking against both. While the progress for all of the performance measures should be noted, different measures may require more focus at certain points in time.

## Current Status Summary

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 in terms where they fall on the dashboard.

Figure 2 summarizes the current status of the performance measures by strategy.

	Significant Concern	Room for Improvement	On Track	Not Applicable
Flexibility	0	1	3	
Efficiency	0	0	2	
Sufficiency	0	1	1	
Credibility	1	0	0	
Integration *				
<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)


Figure 2: Summary of the Performance Measures by Financial Strategy and Status

More detail is provided in the dashboard in Figure 3, which shows the progress for each of the 11 performance measures over the 10-year timeframe.

## Figure 3: LRF Performance Measures Dashboard 2015-2024

Strategy	LRF Performance Measures	Operating vs Capital Measure	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Result/Progress	Significant Concern	Room for Improvement	On Track
Flexibility	The City of Calgary's credit rating (Standard & Poor)	Capital	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	→	Equivalent to or less than S&P rating BBB+	Equivalent to S&P ratings A- to AA	Equivalent to S&P ratings AA+ or AAA
	The City of Calgary's issuer and long term debt rating (Morningstar DBRS)	Capital	AA (high)	AA (high)	AA (high)	AA (high)	AA (high)	AA (high)	AA (high)	AA (high)	AA (high)	AA (high)				
	The City of Calgary's credit rating (Moody's)	Capital	NA	NA	NA	NA	NA	NA	NA	NA	NA	Aa1				
	Percentage total debt to Council debt limit	Capital	56.6%	54.0%	50.2%	45.5%	44.7%	47.2%	47.8%	41.0%	40.0%	40.1%	→	>=75%	65-74%	<=64%
	Percentage debt servicing cost (Principal + Interest) to Council debt service limit	Capital	52.1%	32.6%	33.0%	31.4%	31.9%	44.0%	56.5%	48.0%	45.7%	54.1%	↑	>=75%	65-74%	<=64%
	Percentage of uncommitted Fiscal Stability Reserves to tax-supported gross operating expenditures, net of recoveries	Both	12.3%	10.8%	13.8%	6.9%	9.9%	5.9%	10.6%	11.3%	10.2%	12.6%	↑	<=5%	6-14%	>=15%
Efficiency	Total City of Calgary real operating expenditures per capita	Operating	\$ 3,332	\$ 3,310	\$ 3,283	\$ 3,104	\$ 3,018	\$ 2,852	\$ 2,713	\$ 2,666	\$ 2,549	\$ 2,607	→		Increase YOY	Flat YOY
	Full-time equivalents (FTEs) per 1,000 Calgarians - City (incl. CPA)	Operating	12.5	12.8	12.9	12.8	12.5	12.3	12.2	12.3	12.1	11.7	↓		Increase YOY	Flat to Decrease YOY
Sufficiency	Real net municipal property tax per capita	Operating	\$ 1,567	\$ 1,650	\$ 1,655	\$ 1,709	\$ 1,701	\$ 1,707	\$ 1,674	\$ 1,617	\$ 1,572	\$ 1,535	↓	Increase YOY	Flat YOY	Decrease YOY
	Percentage of net municipal property tax to operating revenue	Operating	42%	44%	43%	46%	45%	47%	47%	45%	46%	48%	→	Increase YOY	Flat YOY	Decrease YOY
Credibility	Perceived value of property tax by Calgarians as good value	Operating	64%	63%	57%	53%	48%	55%	57%	53%	52%	44%	↓	Decrease YOY	Flat YOY	Increase YOY >=60%
Integration	Percentage of new operating investment approved during November budget deliberations	Operating	NA	NA	NA	NA	NA	NA	NA	NA	91.6%	100%	NA	NA	NA	NA
	Percentage of new capital investment approved during November budget deliberations	Capital	NA	NA	NA	NA	NA	NA	NA	NA	48.3%	55.6%	NA	NA	NA	NA

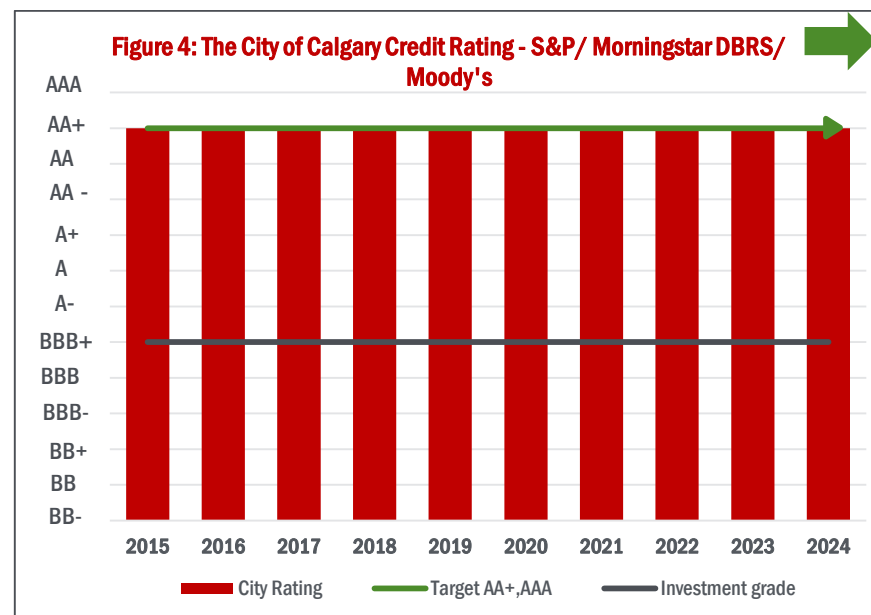
# Flexibility Strategy Measures

Flexibility Strategy Measures: Ability to Adapt to Changing Circumstances		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Total City of Calgary's Credit Rating (Standard & Poor's, Morningstar DBRS, Moody's)	Equivalent to S&P ratings AA+ or AAA	Equivalent to S&P rating AA+ 

The flexibility strategy is defined as the ability to effectively respond and quickly adapt to changing circumstances. These may relate to the economy, demography, technology, climate change or global trends; social, political or environmental events; or other conditions. There are four performance measures that relate to the flexibility strategy.

The first measure is The City of Calgary's **Credit ratings** with S&P (Standard & Poor's), Morningstar DBRS (Dominion Bond Rating Service) and Moody's which is new in 2024. The ratings provided by these organizations reflect The City of Calgary's creditworthiness, capacity to repay external indebtedness and ability to access capital markets efficiently.

- The Council approved Debt Policy CP2020-05 requires The City to preserve an investment grade credit rating (BBB+ for S&P, BBB (high) for DBRS or Baa1 for Moody's) in order to issue debt.
- S&P and Morningstar DBRS credit ratings have met the target for the last 10+ years, as did Moody's in 2024, reflecting healthy liquidity levels and reserve balances, along with prudent financial management.





Capital Measure

Capacity to repay loans	S&P rating scale	Morningstar DBRS rating scale	Moody's rating scale
<b>Very High</b>	AAA	AAA	Aaa
	AA+	AA (high)	Aa1
	AA	AA	Aa2
	AA-	AA (low)	Aa3
<b>Strong</b>	A+	A (high)	A1
	A	A	A2
	A-	A (low)	A3
<b>Adequate</b>	BBB+	BBB (high)	Baa1
	BBB	BBB	Baa2
	BBB-	BBB (low)	Baa3
<b>Speculative</b>	BB+	BB (high)	Ba1
	BB	BB	Ba2
	BB-	BB (low)	Ba3

Figure 5: Credit score scales by Issuer

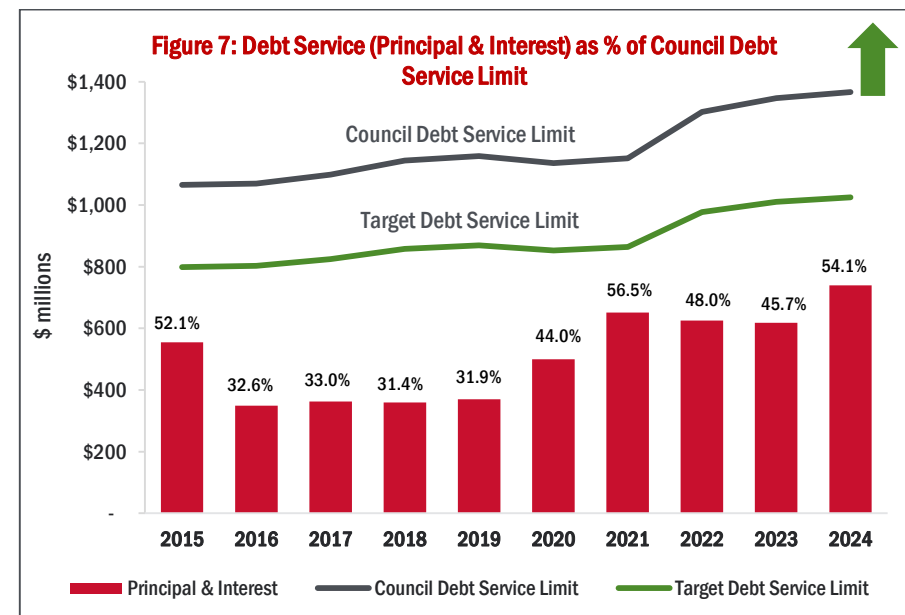
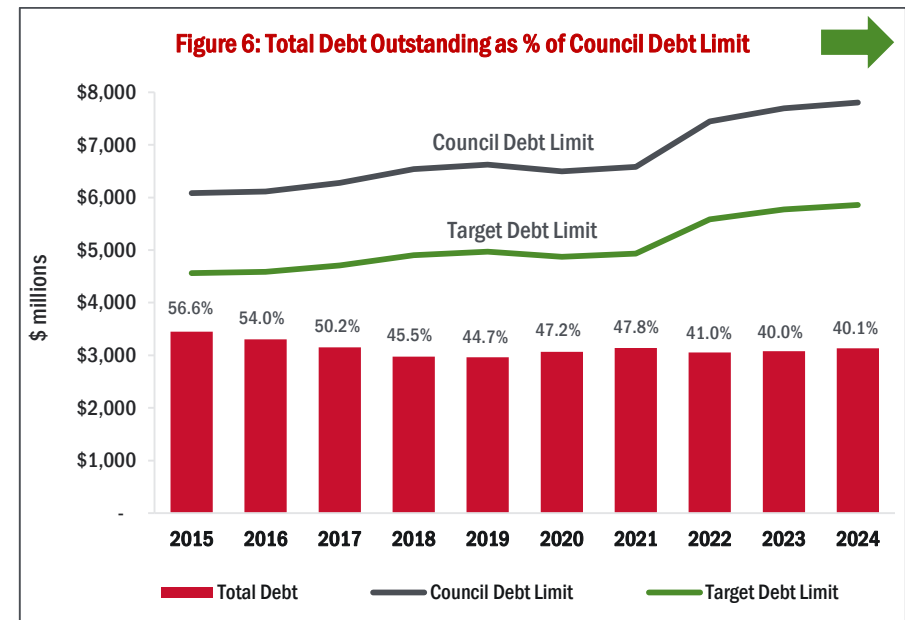
### Flexibility Strategy Measures Continued

Flexibility Strategy Measures: Ability to Adapt to Changing Circumstances		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Percentage total debt to Council debt limit	<=64%	Flat 
Percentage debt servicing cost (Principal + Interest) to Council debt service limit	<=64%	Upward Trend 

The **total debt outstanding and debt service limits** measures determine available debt capacity and reflect financial flexibility as a source of contingent financing. The City utilizes debt to finance certain capital projects on the premise that the cost of these projects should be borne by the taxpayers or self-supported users of services as they benefit from the projects over time. Both measures can be used to determine capital capacity, as the amount of available debt impacts available capital.


Council approved Debt Policy CP2020-05 stipulates the maximum amount of debt principal that we can have as outstanding debt is 1.6 times total revenue, and the targeted limit is 1.2 times total revenue, or 75 per cent of debt limit. Debt service (principal + interest) limit is calculated as 28 per cent of total revenue, as set by Council Policy CP2020-05, with the targeted limit of 21 per cent of total revenue.

- The City has maintained debt outstanding levels below both targets for the entire period, decreasing by 16 per cent before remaining flat for the last 3 years.
- While below both debt service limits, The City used 54.1 per cent of its debt service limit in 2024, increasing 8.4 per cent from 2023, primarily due to a 162 million increase in bank indebtedness.



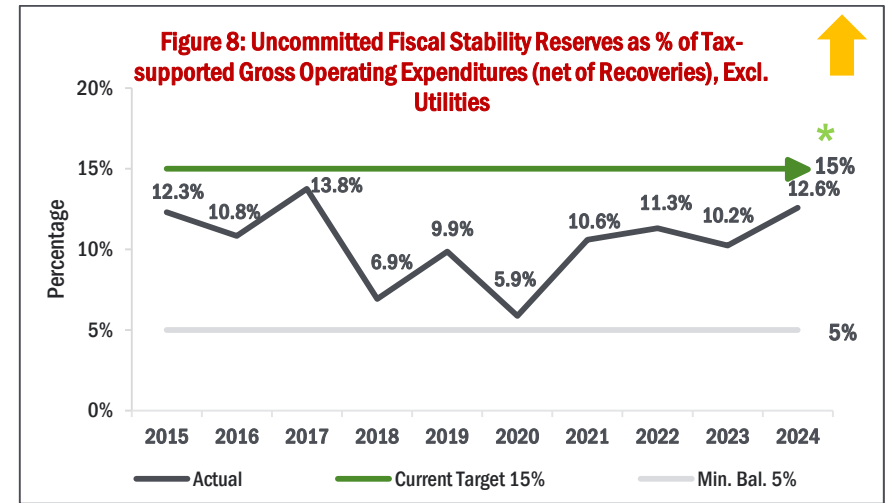
Capital Measures

## Flexibility Strategy Measures Continued

Flexibility Strategy Measures: Ability to Adapt to Changing Circumstances		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Percentage of uncommitted Fiscal Stability Reserves to tax-supported gross operating expenditures, net of recoveries	>=15%	Upward Trend Below Target 

The final flexibility measure is the **uncommitted Fiscal Stability Reserves (FSR) as a percentage of The City’s tax-supported gross operating expenditures (net of recoveries), excluding utilities**. Unallocated amounts of the FSR measures the City’s ability to react to sudden or unexpected events, urgent capital expenditures and compensate for significant unplanned revenue reductions. The FSR may be utilized for both capital and operating expenditures. An ongoing reserve strategy review will be completed in 2026 and may change the target and range for this measure.

- FSR balance remained above minimum of 5 per cent over the last 10 years, though has been on upward trajectory since 2020.
- Increased by 2.4 per cent from 2023 with 12.6 per cent of the FSR not designated to specific expenditures and available for unexpected events at the end of 2024, leaving room for improvement as still below target of 15 per cent.
- This measure has been reduced to less than 9 percent in 2025 due to Council commitments.



\*Target may change pending reserves review

Operating and Capital Measure

## Future Actions for Flexibility Strategy Measures

The City’s flexibility strategy is financially sound, with three of the four measures on track, demonstrating the ability to effectively respond to changing circumstances; however, it is important to recognize challenges may emerge that could impact the measures of the flexibility strategy. To mitigate these impacts, The City should continue to focus on keeping these measures within their target range by:

- Maintaining the current credit rating
- Monitoring debt and debt service limits and ensuring they are under Council limits and ideally under target limits
- Prioritize building the FSR to meet the target of 15 per cent
- Implement recommended actions of the reserve strategy review to be completed in 2026
- Communicate decisions that have potential reserve impacts to Council and ELT

# Efficiency Strategy Measures

Efficiency Strategy Measures: Optimizing Use of Public Funds		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Total City of Calgary real operating expenditures per capita	Flat	Flat
Full-time equivalents (FTEs) per 1,000 Calgarians - City (incl. CPA)	Flat to Decrease	Slight downward trend

The City’s efficiency strategy is defined as optimizing the use of public funds while effectively managing expenses to provide the highest level of services to the public. There are two operating measures used to evaluate the efficiency strategy.

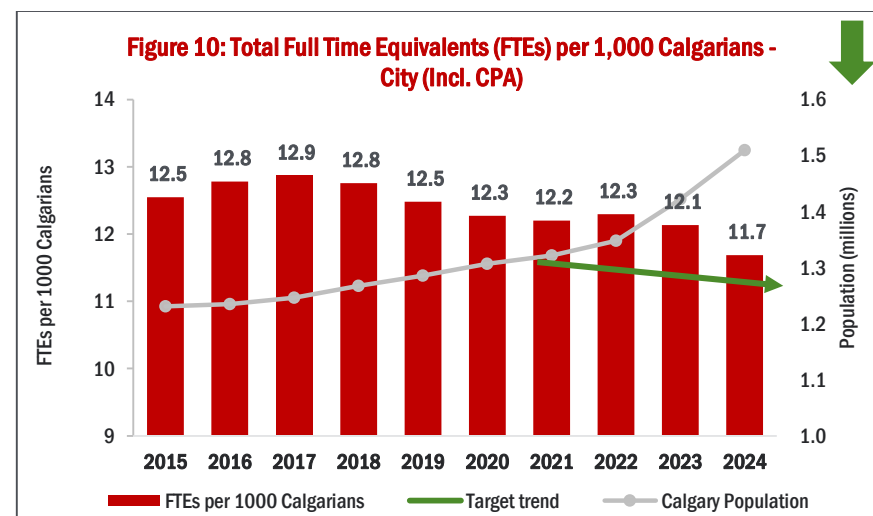
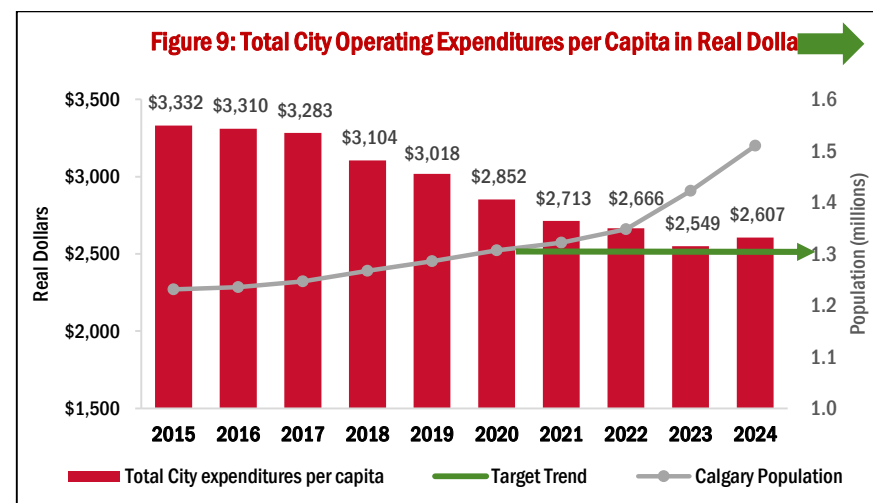
The first measure is **total City expenditures per capita** which indicates how efficiently expenditures are managed as population grows, adjusted for inflation. The second measure under this strategy is the **total full-time equivalents (FTEs) per 1,000 Calgarians**, which measures how effectively City employees are utilized to deliver services to Calgarians as the population increases.

- Operating expenditures per capita have remained stable over the last four years at less than \$2,800 per capita suggesting that service costs are in line with population growth, which is on track for this measure.
- There has been a 0.8 decrease in FTEs per 1,000 Calgarians over the last 10 years indicating we are on track.

## Future Actions for Efficiency Strategy Measures



The City is on track for both efficiency strategy measures and is demonstrating effective financial stewardship and employee utilization as the City of Calgary population grows. To maintain this level of efficiency, The City should continue to identify opportunities

to streamline processes to reduce expenditures including leveraging technologies, like artificial intelligence, that help maximize resources. To ensure declining values are not an indication of reduced service levels, these measures should be evaluated in conjunction with citizen satisfaction levels.



Operating Measures

# Sufficiency Strategy Measures

Sufficiency Strategy Measures: Ensuring Adequate Resources		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Real net municipal property tax per capita	Decrease	Downward trend 
Percentage of net municipal property tax to operating revenue	Decrease	Flat 

The City’s sufficiency strategy is defined as ensuring there are adequate resources to support the delivery of The City’s services, including maintaining consistency and diversity in funding level changes relative to changes in expenditures. There are two operating performance measures related to the sufficiency strategy.

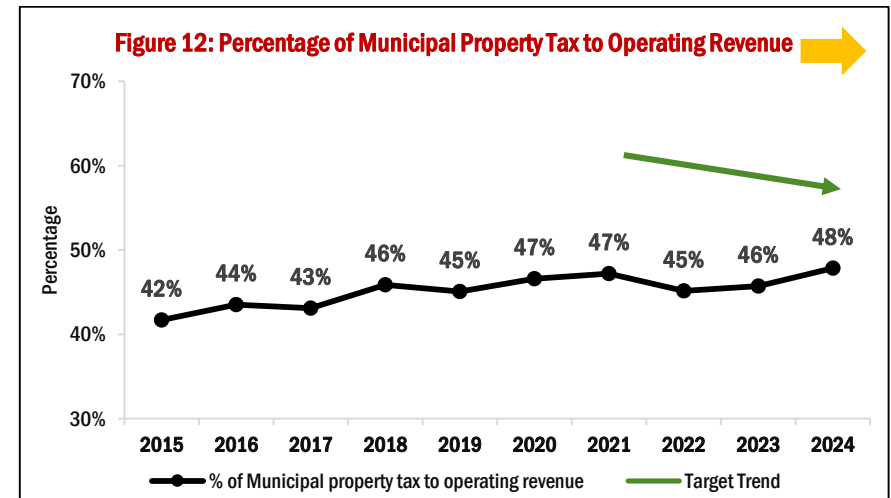
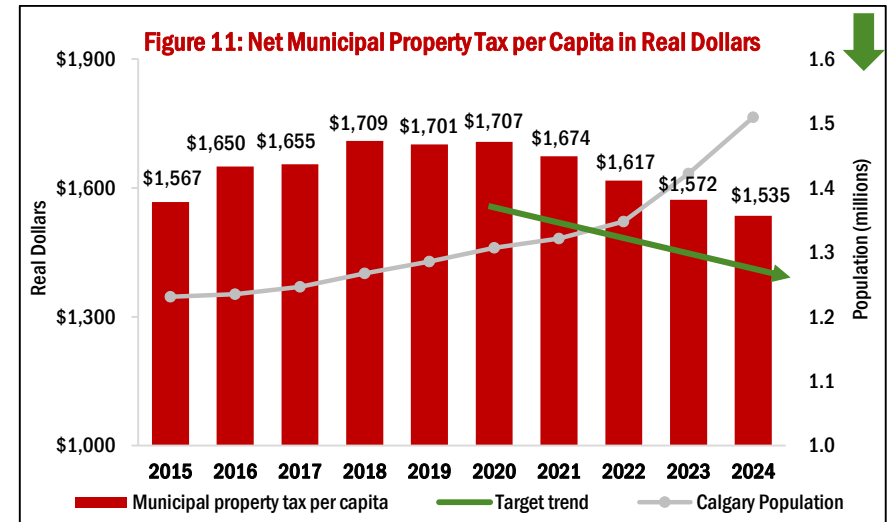
**Real net municipal property tax per capita** measures the change of municipal property tax relative to population growth, adjusted for inflation. The second measure is the **percentage of net municipal property tax to operating revenue** which shows how much of The City’s total revenue is provided by property taxes.

- Real net municipal property tax per capita is on track and has been decreasing year-over-year for the last five years from \$1,707 to \$1,535 per capital, lowering the tax responsibility per resident.
- Percentage of property tax to operating revenue remained relatively flat over the last seven years indicating room for improvement as a flat trend indicates a continued reliance on property tax and that there may be difficulties securing new revenue sources, or that there are barriers to implementation.

## Future Actions for Sufficiency Strategy Measures


The sufficiency strategy is financially stable with one performance measure in the target range and one measure with room for improvement. The City should focus efforts on implementing new

revenue tools, per the Municipal Fiscal Gap report, while continuing to find ways to reduce the tax responsibility for Calgarians. Increased focus on identifying new revenue sources could shift the second measure to the desired downward trajectory and enable greater sufficiency with diverse sources of revenue.



Operating Measures

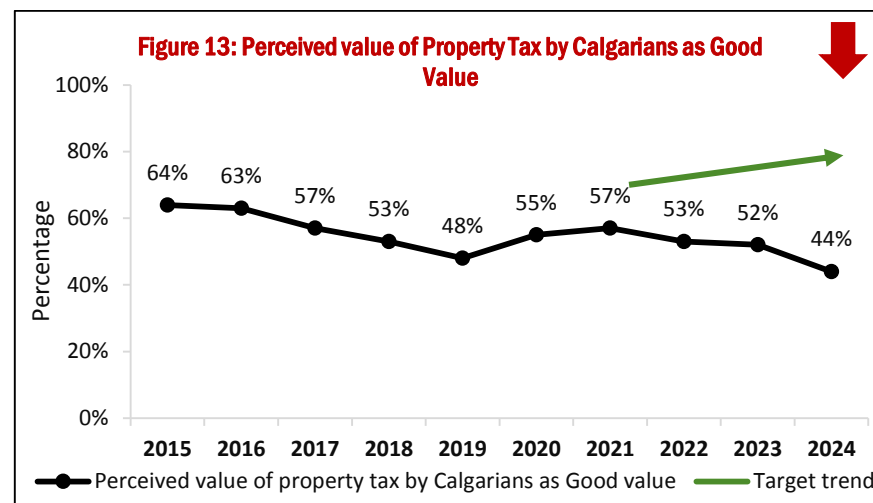
# Credibility Strategy Measure

Credibility Strategy Measures: Strengthening Public Confidence		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Perceived value of property tax by Calgarians as good value	Increase	Downward trend 

The credibility strategy strives to achieve financial performance in a way that maintains or enhances public confidence in The City’s ability to provide services and infrastructure at expected levels. This includes transparency with how financial decisions are made and accountability for ensuring decisions are in line with the overall goal of financial sustainability. Currently, there is one measure under this strategy.

The **perceived value of property tax by Calgarians as good value**, is collected by a Survey of Calgarians that is conducted twice a year, in the spring and fall. For this measure, we are using the fall survey 2015-2016 and the spring survey 2017 onwards, which focuses on services. This measure assesses the percentage of Calgarians that rate the value of the municipal services they receive for the municipal tax dollars paid as good value, with a target of 60 per cent.

- Perceived value has declined over the last 10 years and the target of 60 per cent not achieved since 2016.
- Spring 2025 survey has a small increase from 44 per cent to 46 per cent. This may be due to ongoing efforts such as: providing more transparent and informative property tax assessments, improving the 311 experience, and increasing public engagement and budget communication.



Operating Measure

## Future Actions for Credibility Strategy Measure

The Credibility strategy remains a significant concern for The City as many Calgarians continue to feel they are not receiving good value for their property taxes which puts this measure in the red zone. Additionally, they are undecided on whether taxes should be increased to improve or maintain services or cut services to reduce or maintain taxes. The City should continue to focus on:

- Targeted efforts to improve the services with the lowest satisfaction ratings, which include water services, roads and traffic flow
- Increased communication with residents to share stories and data regarding how tax dollars are improving services and infrastructure as well as targeted communication to convert neutral perceptions into positive ones
- Continuing transparent practices by engaging residents in decision making

## Integration Strategy Measures

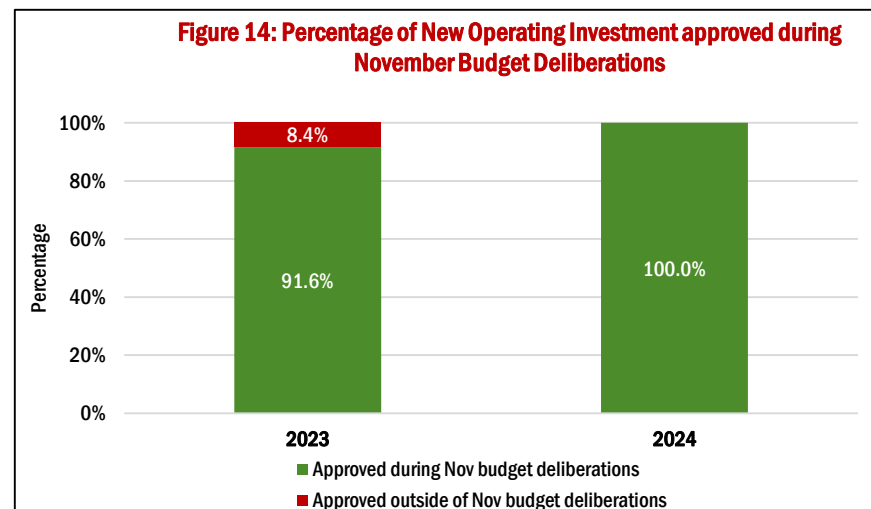
Integration Strategy Measures: Prioritizing Use of Public Funds on a Corporate Basis		
Measure	Desired Trend Year-Over-Year	Result Year-Over-Year
Percentage of new operating investment approved during Nov budget deliberations	N/A	N/A
Percentage of new capital investment approved during Nov budget deliberations	N/A	N/A

The integration strategy is defined as ensuring that investments are prioritized on a corporate basis by The City while considering the interaction of services in achieving outcomes. Evaluating this strategy has proven more difficult as there are no clear and objective measures with historical data. However, there were two new integration measures proposed in 2023 to track progress.

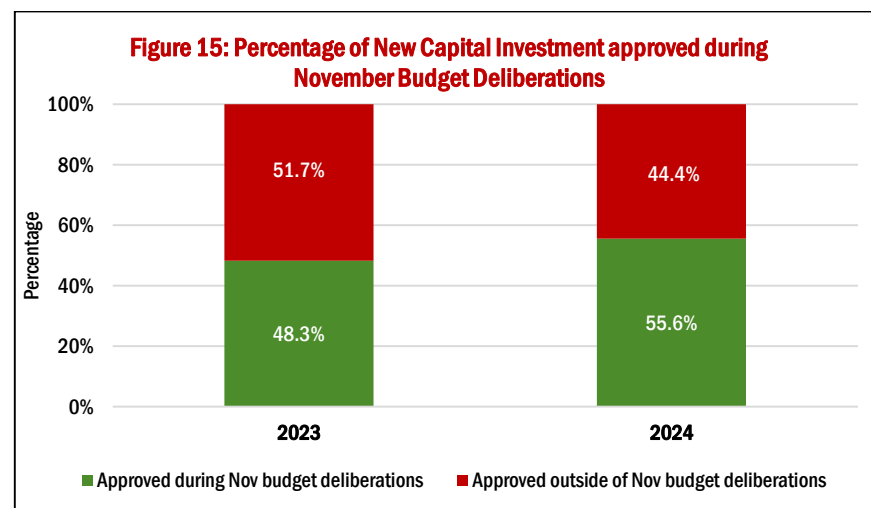
The first measure is **percentage of new operating investment approved during November budget deliberations** and is an operating capacity measure. The second measure, a capital capacity measure, is **percentage of new capital investment approved during November budget deliberations**, not including previously approved or carryover capital. Both measures highlight the percentage of new investment that is reviewed and allocated during the November budget cycle. New operating investment opportunities that are approved outside of the formal annual process via Council decisions or changes within Administration’s authority is at risk to not be integrated with the preferred corporate focus.

- 100 per cent of all new operating investment was approved during the 2024 budget cycle, an 8.4 per cent increase from 2023 results. 2023 changes approved outside of the budget cycle was for a Council report approved in June 2023 with one-time budget impacts.

- An increase of 7.3 per cent from 2023 to 2024, of capital investments that were reviewed during the November budget cycle, which is a positive result.



Operating Measure



Capital Measure

## Future Actions for Integration Strategy Measures

As an indicator of success on cross corporate decision making, the integration strategy is a work in progress as there are only two years of data for the measures. Due to the changes in processes, the operating measure may need to evolve. For the capital integration measure, there is room for improvement for The City to focus efforts on ensuring 100 per cent of new investments are approved during formal budget deliberations. These measures will continue to be evaluated, and different measures for this strategy may be identified in the future.



## Benchmarking with other Canadian Municipalities

Measuring The City of Calgary’s performance against targets is one way to assess progress towards the goals of financial sustainability and resilience. Another method to assess the goals of the LRFP is to benchmark The City of Calgary compared to other Canadian 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. 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.

While the municipalities are challenging to compare on an equal basis due to differences in services they offer and available sources of revenue, there is still some value in determining where Calgary falls in the range. Some examples of differences that reduce comparability are:

- The City of Vancouver does not provide most transportation (TransLink) or utility and waste & recycling (Metro Vancouver services).
- The City of Edmonton does not provide water and wastewater services (provided by EPCOR).
- Property assessments in Ontario and British Columbia are performed by provincial agencies, not municipalities.
- Paramedic services managed by provinces in Alberta and BC, but by municipalities in Manitoba and Ontario.

Annual reports have been utilized for all municipalities for the benchmarking and efforts have been made to use the same data to ensure standardization of measures. Data for some performance

measures that have been used for Calgary is not available for all municipalities. In addition, some of the measures have been modified based on availability of data across all municipalities.

Differences between the performance measures for Calgary in the performance measures section compared to the same measures in the benchmarking section arise as the annual report contains Related Authorities such as the Calgary Airport Authority and the Calgary Housing Authority, whereas the Calgary performance measures only include data that is internal to running The City of Calgary.

### Methodology

Instead of progress over time, placement of where The City of Calgary falls amongst the 10 benchmarked municipalities (11 including 2 versions of Vancouver) in the most recent fiscal year is being used to provide one indication of where there may be room for improvement. Figure 16 is a summary of where The City of Calgary places in the benchmarking data for each of the performance measures, by strategy.

Strategy/ Performance Measure	Ranking
<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

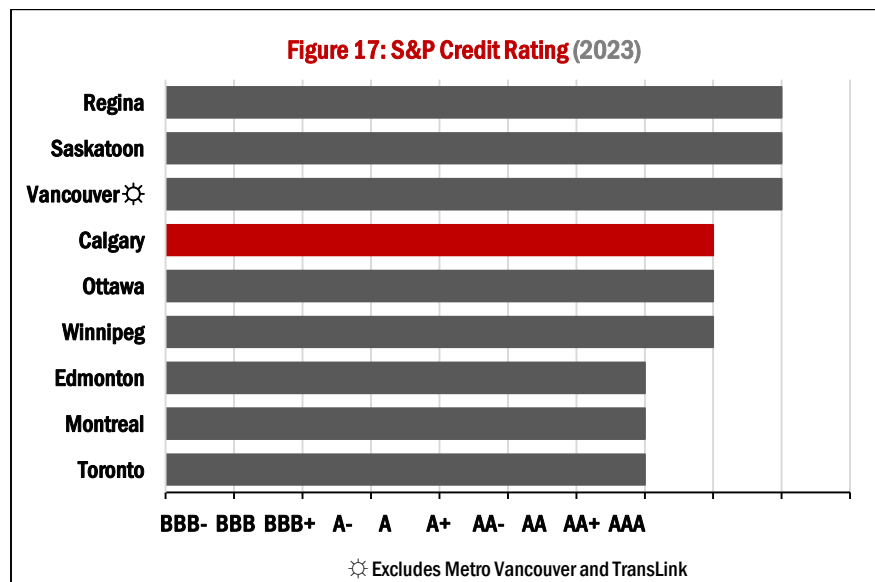
Figure 16: Summary of the Performance Measures by Financial Strategy/ Performance Measure and where Calgary places in the benchmarking

## Flexibility Strategy Benchmarking

The three benchmarking measures that have been chosen to compare flexibility amongst the municipalities are: the S&P (Standard and Poor's) credit rating, net long-term debt per capita and debt as a percentage of operating revenue.

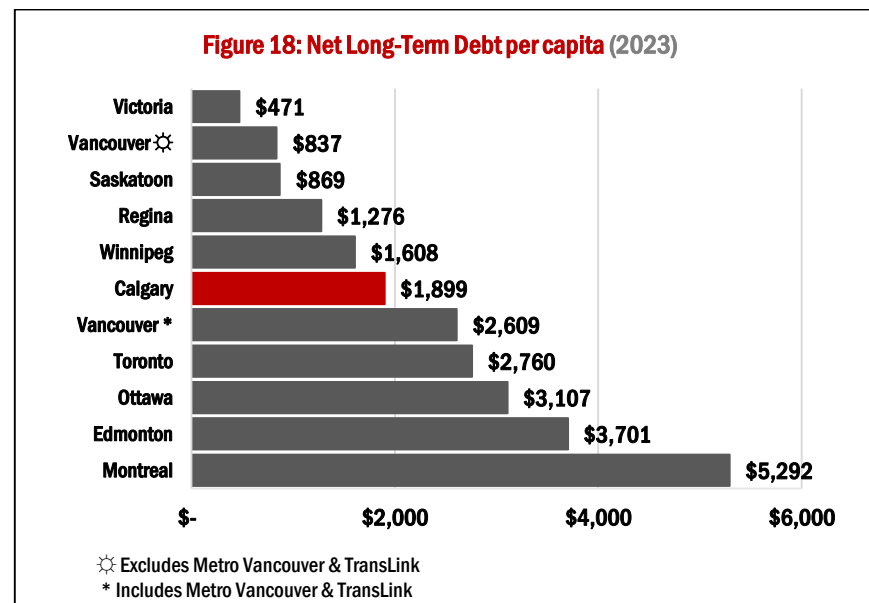
**S&P Credit Rating ranking:** 2<sup>nd</sup> highest credit rating AA+

- There is little differentiation amongst the benchmarked Canadian municipalities as they all fall within the top three ratings (AAA, AA+, AA) and often receive high ratings due to their strong fiscal performance and low debt burdens.
- Calgary's economy and debt burden was rated lower than Saskatoon, Regina and Vancouver in 2023, contributing to Calgary's lower ranking.
- The City of Vancouver carries less debt overall, resulting in a higher credit rating, due to capital for utilities and transportation being provided by separate authorities. Victoria does not have an S&P credit rating to compare.



**Net long-term debt per capita:** sixth place at \$1,899 per capita

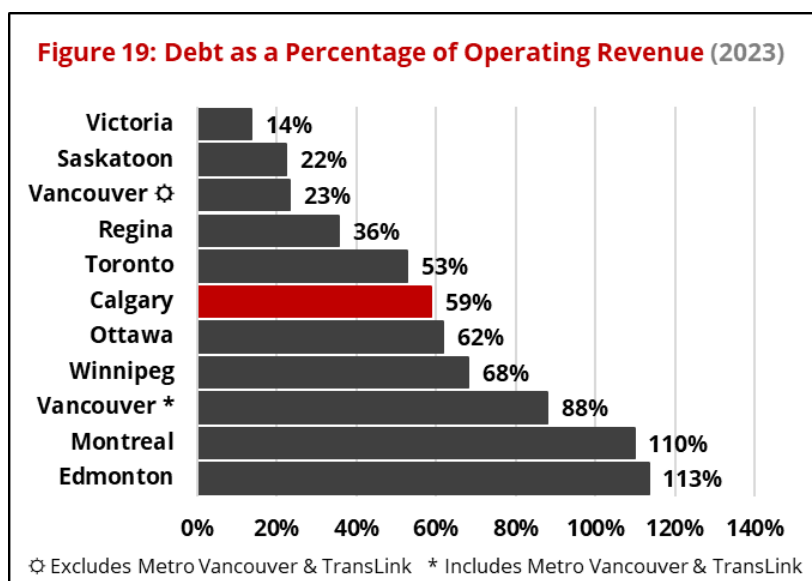
- Ranked closely with Calgary include Winnipeg, Vancouver (including Metro and TransLink) and Toronto.
- A higher net debt per capita isn't always negative as it might indicate a municipality has invested heavily in growth opportunities. Similarly, a very low net debt per capita may suggest a municipality isn't investing enough in its future.



## Flexibility Strategy Benchmarking Continued

**Debt as a percentage of operating revenue:** sixth place at 59 per cent

- Indicates the proportion of the municipalities' operating revenue that is being used to service debt obligations. A high percentage can suggest that a significant portion of the municipality's revenue is tied up in debt obligations which may reduce the revenue available for other operational needs or growth.
- Calgary's debt is at 40.1 per cent of its Council Debt Limit, well under its target of 75 percent of the debt limit.
- Victoria's debt as a percentage of revenue is the lowest at 14 per cent and Edmonton's is the highest at 113 per cent. Edmonton's high debt to revenue percentage is primarily due to financing large infrastructure projects.

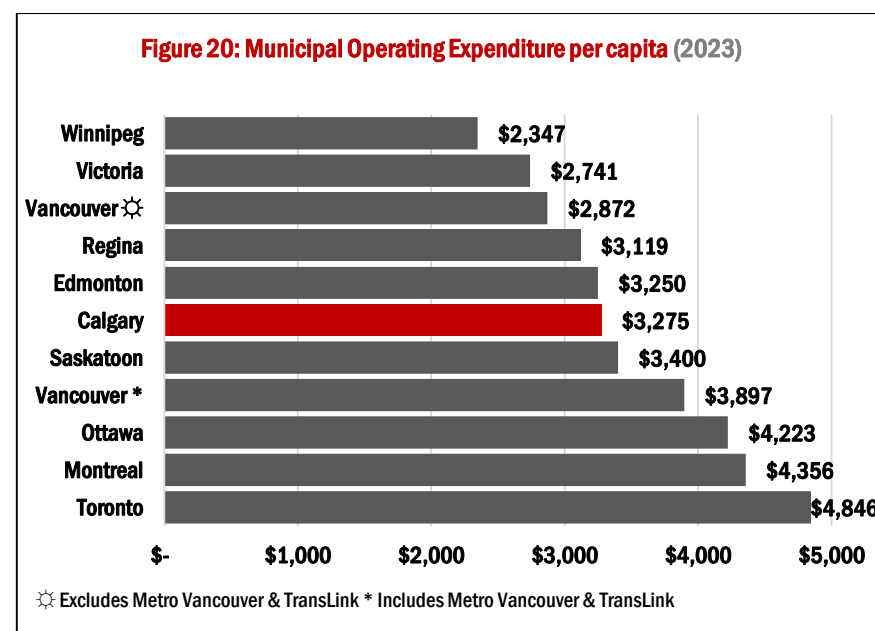


## Efficiency Strategy Benchmarking

The two benchmarking measures that have been chosen to compare efficiency amongst the municipalities are municipal operating expenditure per capita and municipal workforce FTEs per 1000 population.

**Municipal operating expenditures per capita:** sixth at \$3,275 per capita

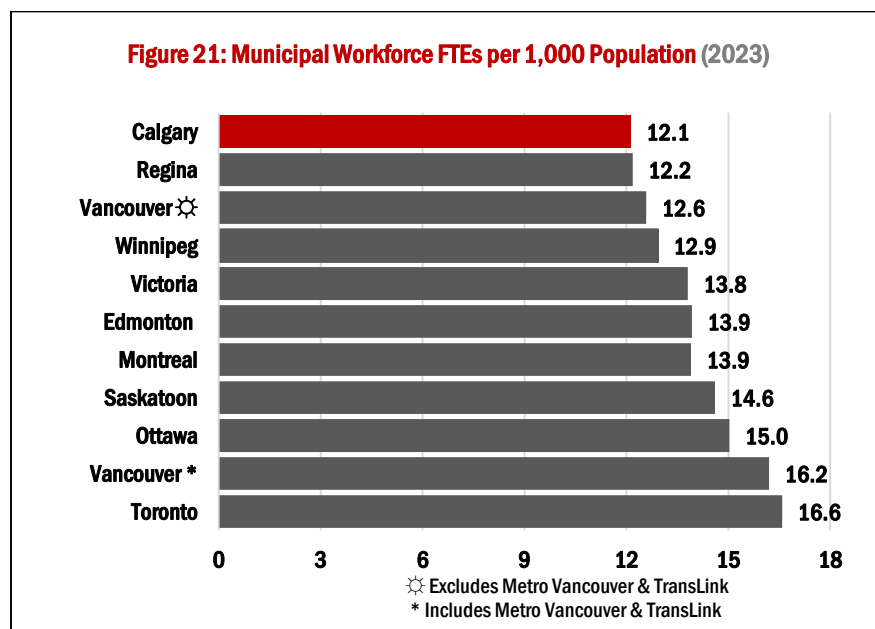
- Toronto has the highest costs at \$4,846 per capita reflecting the fact that larger cities have greater costs.
- Winnipeg has the lowest spending of \$2,348 per capita which is a result of the city's financial limitations which includes the inability to run deficits without prior savings, creating a significant restraint on spending.



## Efficiency Strategy Benchmarking Continued

**Municipal workforce FTEs per 1000 population:** first with 12.1 FTEs per 1000 population

- Calgary has the lowest FTEs (not including Related Authorities) per thousand people among major Canadian municipalities, suggesting an efficient use of its workforce. Addition of employees is based on priority areas that matter most to Calgarians including public safety, transit and emergency response.
- Toronto has the highest FTE per capita of 16.6. The city's role as a major economic hub, its large and diverse population and the scope of services it provides, including directly funding paramedic, childcare, and long-term care; and the relatively high cost of living are some of the reasons that drive up staffing needs.

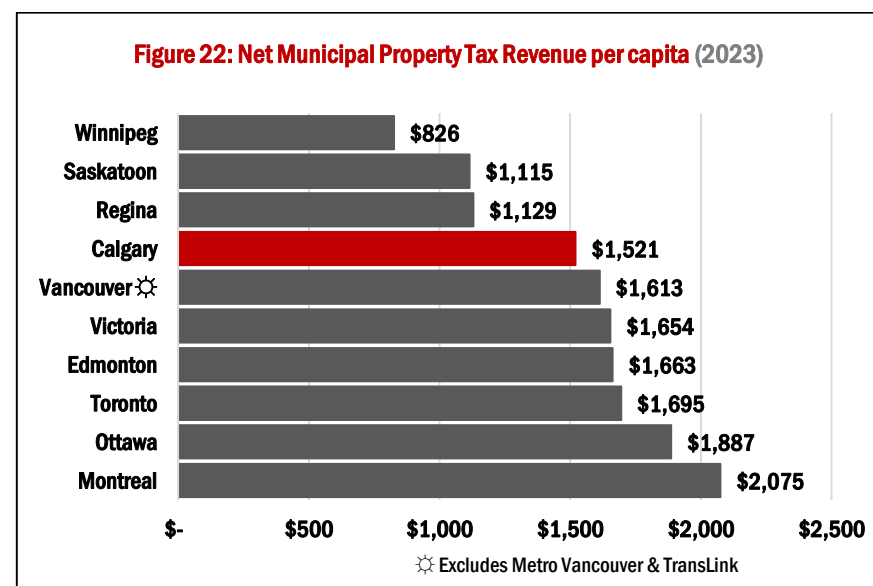


## Sufficiency Strategy Benchmarking

The two benchmarking measures that are used to assess Calgary's placement amongst the municipalities for the sufficiency strategy are net municipal property tax revenue per capita and percentage of municipal property tax to operating revenue.

**Net municipal property tax revenue per capita:** fourth with \$1,521 per capita

- There are variations in revenue sources available to municipalities, which impacts how much revenue each city may need to collect in property taxes.
- Some municipalities have unique revenue sources through provincial legislation that lowers their reliance on property tax.
- Winnipeg has the lowest net municipal property tax revenue per capita in 2023 at \$826, partially due to property taxes being frozen from 1998-2011 as well as lower spending per capita, whereas Montreal has the highest at \$2,075.



## Sufficiency Strategy Benchmarking Continued

**Percentage of net municipal property tax to operating revenue:**  
eighth at 47 per cent

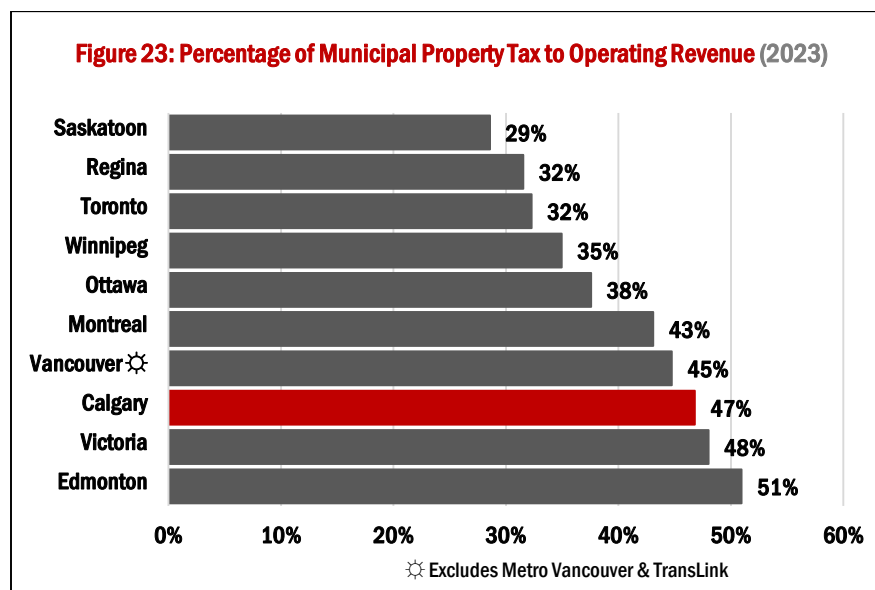
- Calgary has had limited success in finding other sources of revenue over the years. In addition, some of the services such as Transit, have not rebounded back to pre-pandemic levels which has further exacerbated the reliance on property tax.
- Saskatoon has the lowest percentage at 29 per cent, with a higher reliance on user fees which make up a large percentage of their revenue. Edmonton has the highest percentage of net municipal property tax to operating revenue at 51 per cent.
- Some additional revenue sources that other municipalities have include: vacant or empty home tax, foreign buyers tax, land transfer tax, hotel taxes on short term rentals and shared services agreements between municipalities.

## Benchmarking Conclusions

As noted, the differences amongst the mix of services provided and revenue sources, make it challenging to compare municipalities on an equal basis. With those caveats in mind, 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.

For the measure where Calgary placed the lowest, percentage of net municipal property tax to operating revenue, the future actions in the Calgary performance measures section should be given serious consideration including, but 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. In doing so, progress will be assessed, and additional future actions may be identified to improve Calgary's placement in the benchmarking compared to other Canadian municipalities.



## Conclusion

Based on the current 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. With that said, the potential impacts on the measures should be considered by Council and ELT when making long-term financial decisions.

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. Future actions that were identified in the report should be investigated further to turn the curve for these measures.

1. Prioritize building the FSR to meet the target of 15 per cent and implement recommended actions of the reserve strategy review to be completed in 2026.
2. Progress the work that would result in executing some of the revenue tools identified in the Municipal Fiscal Gap report.
3. Advance the work to address the key drivers of the perceived value of property tax by Calgarians continue to track their impact on tax value perception.

By prioritizing these actions, the Calgary performance measures that are in the yellow and red zones should change the direction of the curve and improve over time. If this is accomplished, it will result in greater financial flexibility, sufficiency and credibility for The City of Calgary.

The integration strategy requires some additional focus as the operating measure is already at its maximum result and the capital measure has results where there is difficulty measuring integration as the data is not straightforward.

In order to support the financial strategies of the Long Range Financial Plan, The City needs to continually develop and implement actions that would enable the goal of financial sustainability. This work includes monitoring the performance measures as well as the benchmarking with other Canadian municipalities. 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.

