

Corporate Planning & Financial Services Report to  
Executive Committee  
2026 May 05

ISC: UNRESTRICTED  
EC2026-0159

## **2024-2040 Long-Range Financial Plan**

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### **PURPOSE**

The 2026–2040 Long-Range Financial Plan (LRFP) provides Council and the public with a long-term view of the financial impacts of service, capital, and funding decisions beyond the next four-year budget cycle. It identifies emerging pressures and trade-offs and supports informed decision-making that balances affordability, service stability, and the City’s long-term financial health.

### **PREVIOUS COUNCIL DIRECTION**

The LRFP was first received by Council in 2007 (FCS2007-14) to identify the systemic issues that present barriers to The City of Calgary’s financial sustainability. Council has received updates since, general in advance of the planning and budgeting cycles. In 2022, Council approved the strategies articulated in the LRFP as directional support for future cycles of the Service Plans and Budget Planning process (C2022-0076).

### **RECOMMENDATION(S):**

That Executive Committee recommends that Council receive this report for the corporate record and use the information and strategies presented, included in the 2026–2040 Long- Range Financial Plan (Attachment 2), to inform long- term planning and upcoming four- year budget deliberations.

### **GENERAL MANAGER COMMENTS**

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning & Financial Services concurs with this report.

### **HIGHLIGHTS**

- **The City is financially strong today, but not on a sustainable path under current assumptions.**  
Population growth, rising costs and aging infrastructure are driving operating and capital pressures that are projected to outpace revenues, even if property taxes grow with inflation and population.
- **Maintaining today’s service levels over the long term is increasingly at risk.**  
Without clearer definitions of service levels and their full lifecycle costs, The City cannot reliably assess what it would take to sustain current services — and incremental property tax increases alone are unlikely to close the gap.
- **Capital funding pressures are significant and growing.**  
The City faces a substantial long-term gap between infrastructure needs and available funding as it must both support growth and renew aging assets; deferring investment may reduce near-term pressure but increases long-term risk and cost.
- **Efficiency matters — but it has limits.**  
While efficiency improvements are important, recent spending reductions largely reflect service level impacts rather than true efficiency gains. Long-term sustainability will

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require deliberate decisions about service levels, investment, and funding, not efficiency alone.

- **Council decisions made today shape future resilience and flexibility.**

Choices related to reserves, debt, capital investment and revenue reliance will determine The City's ability to absorb shocks, avoid abrupt tax or service changes, and maintain public confidence over time. Considering and incorporating the LRPP strategies in all decisions will help to achieve long-term financial sustainability.

### **DISCUSSION**

While The City of Calgary is currently in a strong financial position, a number of challenges are putting long-term financial sustainability and resilience at risk. These include:

- Structural differences in how revenues and expenditures grow over time, creating ongoing pressure in the operating budget;
- Rapid population growth in recent years, increasing demand for infrastructure and services; and
- An aging asset base requiring significant reinvestment, which adds complexity to capital planning and prioritization decisions.

Together, these factors contribute to a projected operating funding gap that widens over time. In addition, based on the Capital Infrastructure Needs Assessments, the City faces an estimated capital funding gap of about \$27 billion over the next 10 years. Projection assumptions for major services were refined through extensive engagement to better reflect their underlying cost and demand drivers.

The projected operating and capital gaps should be viewed as orders of magnitude rather than precise forecasts. The key message is the trend: the gap is significant and grows throughout the projection period. While the City will continue to balance budgets as required under the Multi-Year Business Planning and Budgeting Policy (CFO004), how these gaps are closed will depend on Council's choices. A more comprehensive assessment of long-term financial sustainability will also require clearer definitions and measures of service levels that can be directly linked to full lifecycle costs.

The Long-Range Financial Plan identifies five strategies to support long-term financial sustainability and resilience:

- Flexibility
- Efficiency
- Sufficiency
- Credibility
- Integration

Attachment 2 provides additional detail on these strategies and the specific tactics associated with each. Progress is tracked through 11 performance measures, which have been reported to Council annually since June 2024.

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### 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 |

No external engagement was required for the LRFP. The Long-Range Financial Planning team in Finance developed the LRFP consulting staff at many levels throughout the organization, utilizing an internal advisory group that crossed various departments across the organization as well as collaborating with various Finance and project managers and leads in strategic and corporate roles within Finance.

### IMPLICATIONS

There are no direct social, environmental or economic implications in this report. However, the services provided by The City support numerous social, environmental and economic impacts. Financial sustainability that maintains these services is critical to continuing these impacts and improving the lives of Calgarians.

#### **No anticipated financial impact**

There are no direct implications to this report. It provides a longer-term context for Council when making financial and service decisions.

### RISK

There are no direct risks associated with the recommendations of this report, as the Long-Range Financial Plan (LRFP) does not authorize specific actions or commitments. Rather, the LRFP functions as a risk management framework to help identify, assess and respond to long-term financial challenges affecting the City's sustainability and resilience.

The City faces a range of systemic and emerging risks that may impact its long-term financial position. The LRFP identifies and examines these risks over an extended planning horizon, including:

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- Growth and infrastructure pressures
- Municipal fiscal constraints
- Economic and financial volatility
- Climate-related risks
- Aging infrastructure
- Regional and intermunicipal pressures

There is a risk that, if these challenges are not addressed in a comprehensive, coordinated and proactive manner, the City may be forced to respond through ad hoc decisions, leading to less efficient outcomes, increased financial pressure and reduced service stability.

The City's financial goals, strategies and tactics outlined in the LRFP support a proactive approach to risk management by promoting informed, integrated decision-making. This approach strengthens the City's ability to deliver reliable services and infrastructure for Calgarians while supporting the objectives of a well-run and resilient city. The LRFP process itself reflects and reinforces The City's commitment to a strong risk management culture.

### **ATTACHMENT(S)**

1. Background and Previous Council Direction
2. 2026-2040 Long-Range Financial Plan
3. Presentation: 2026-2040 Long-Range Financial Plan

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor	Chief Financial Officer, Corporate Planning and Financial Services	Approve
Aaron Brown	City Treasurer/Deputy CFO, Corporate Planning and Financial Services	Approve

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