

Calgary



2026-2040 Long-Range Financial Plan (LRFP)

EC2026-0159

May 5, 2026

Recommendations

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.

Key messages

- The City is financially strong today, but not on a sustainable path under current assumptions.
- Maintaining today's service levels over the long term is increasingly at risk.
- Capital funding pressures are significant and growing.
- Efficiency matters, but it has limits.
- Council decisions made today shape future resilience and flexibility.



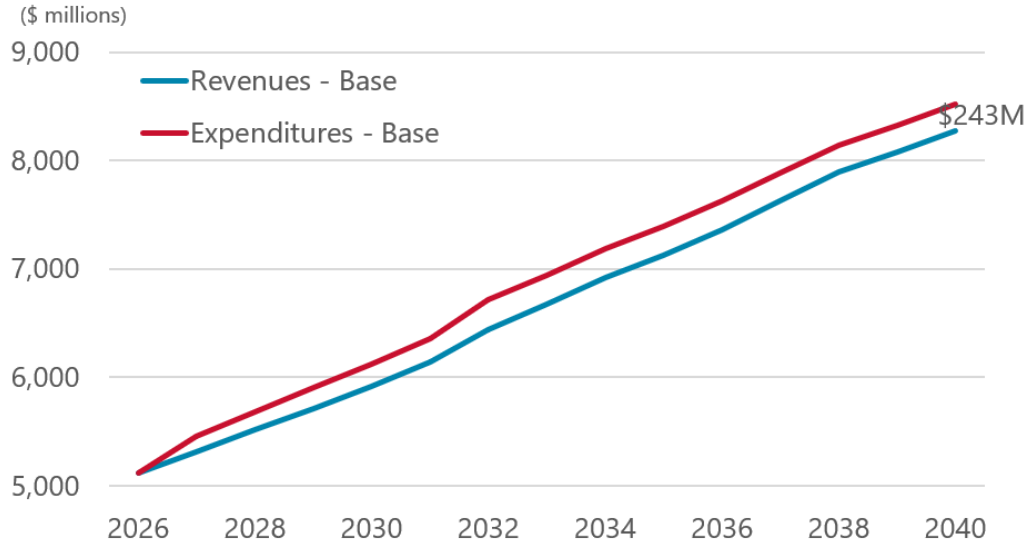
The City maintains healthy financial outlook but faces challenges

- Population growth creating pressure to expand infrastructure and services
- Aging assets require significant investment
- Low property taxes results in service level declines and underinvestment



Base case projections

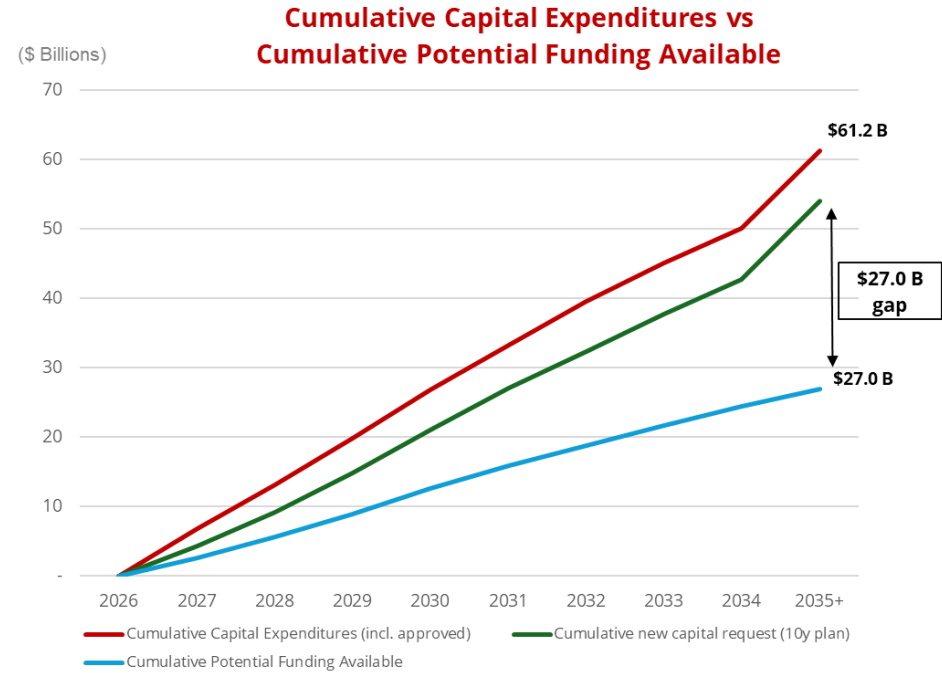
2026-2040 Operating base projection



Operating gap \$243M by 2040:

- Assumes 2026 service level is maintained by adjusting for population growth and inflation
- Property tax (50% of revenue) grows with population & inflation (MPI)

2026-2035 Capital base projection



Cumulative capital funding gap \$27B 2026-2035:

- Utilities capital needs assumed to be fully funded (self-supported)
- Known corporate capital funding projected



Financial strategies and tactics

Five strategies to support long-term financial sustainability and resilience:

- Flexibility
- Efficiency
- Sufficiency
- Credibility
- Integration



Key risks

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

Conclusion

- The City's financial position is strong today, but long-term pressures are structural and growing.
- Operating and capital pressures are interconnected and must be managed together.
- Maintaining service levels over the long term will require deliberate choices.
- No single action will resolve the long-term funding gaps.
- Council decisions made today shape future affordability, flexibility, and resilience.
- The LRFP provides a disciplined framework for long-term decision-making.

Recommendations

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