

A photograph of the Calgary skyline featuring the Bow Tower, the CN Tower, and the Calgary Bridge over the Bow River.

National Bank Financial

12th Annual Municipal Borrowers Conference

The City of Calgary

September 13, 2023

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Snapshot of the City

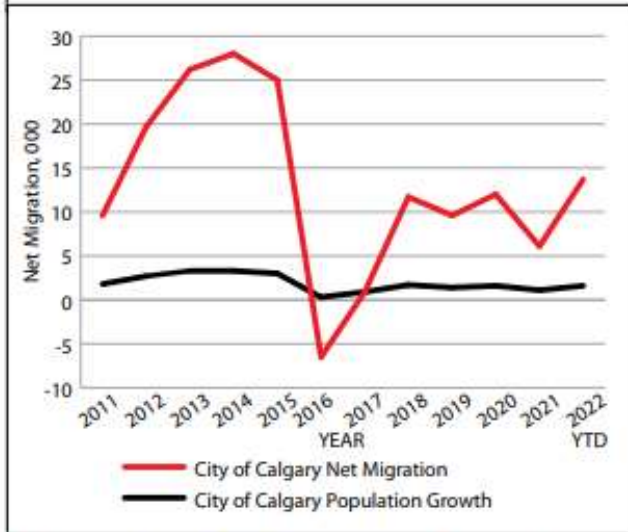
Calgary is the largest municipality in Alberta and the third largest municipality in Canada, serving 1.4 million people.

Calgary has the highest GDP per capita of major Canadian cities and the highest head office concentration in Canada.

Calgary is a young city with an average age of 37 and is home to 41% visible minorities. The city has thousands of new people arriving annually from across Canada and the world.

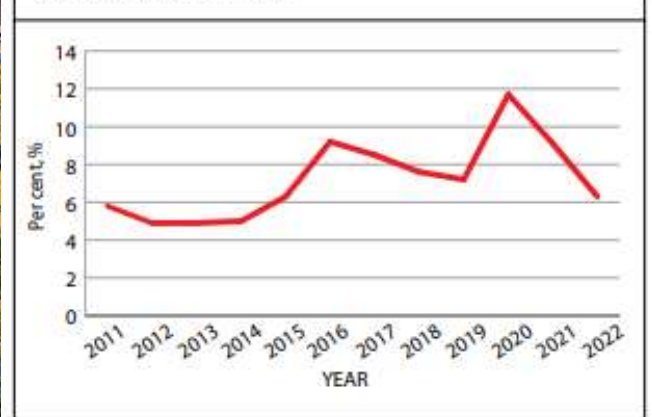
Calgary has the second lowest cost of living and the highest personal income per capita of Canada's major cities.

Population Growth and Net Migration
(Calgary)



Source: Calgary Civic Census, The City of Calgary Corporate Economics

Unemployment Rate
(Calgary Economic Region)



Source: The City of Calgary Corporate Economics, Statistics Canada

Summary of the Outlook for the Calgary Economy



Lower but positive local and regional economic growth in 2023, not a recession



Housing, non-residential and business fixed investment levels should decline in 2023 after the 2022 surge as businesses exercise caution in the face of uncertainty



Strong population and labour force growth would help address high job vacancies with economy-wide earnings boosting consumption and offsetting investment decline



Divergence across four inflation categories in 2023 – declining average house prices, decelerating consumer price inflation, positive wage inflation, and significant construction inflation

Calgary has Diverse Customers and Employers

Agribusiness



Life Sciences/Health



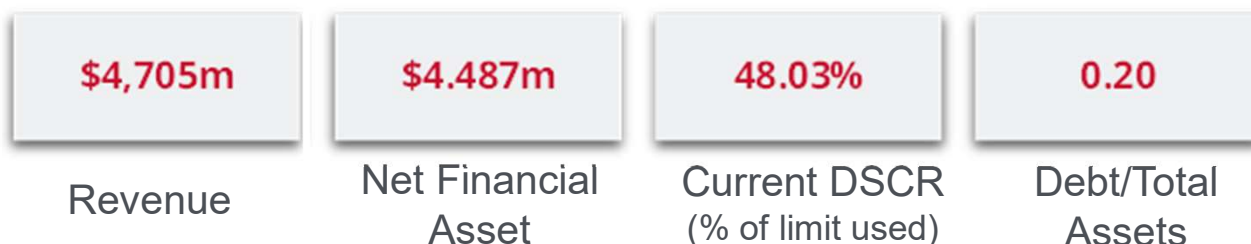
Financial Services



Other & General Tech



Financial Snapshot 2022



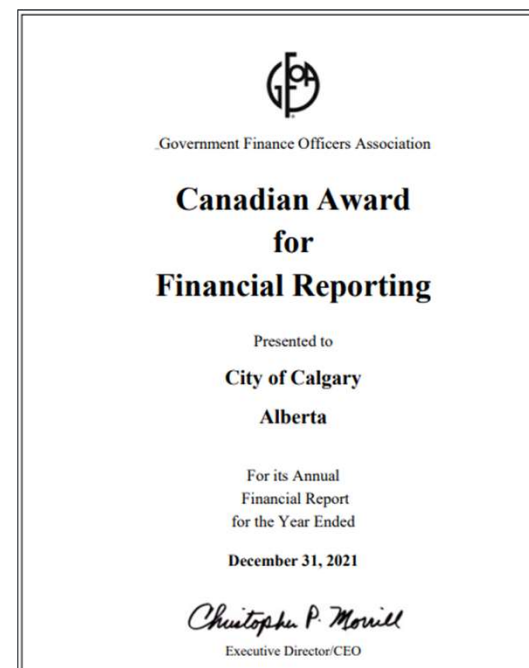
Credit Ratings

S&P Global Ratings
AA+ (Stable)

DBRS Morningstar
AA (high) Stable

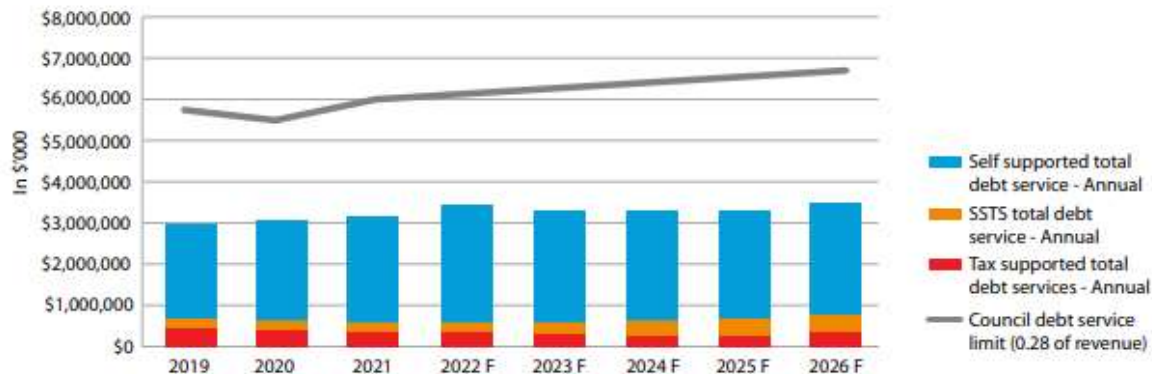
Credit Highlights

- Strong legislative framework supports prudent fiscal management
- Stable tax revenue base
- Sizeable liquidity
- Strong demographics support economic potential



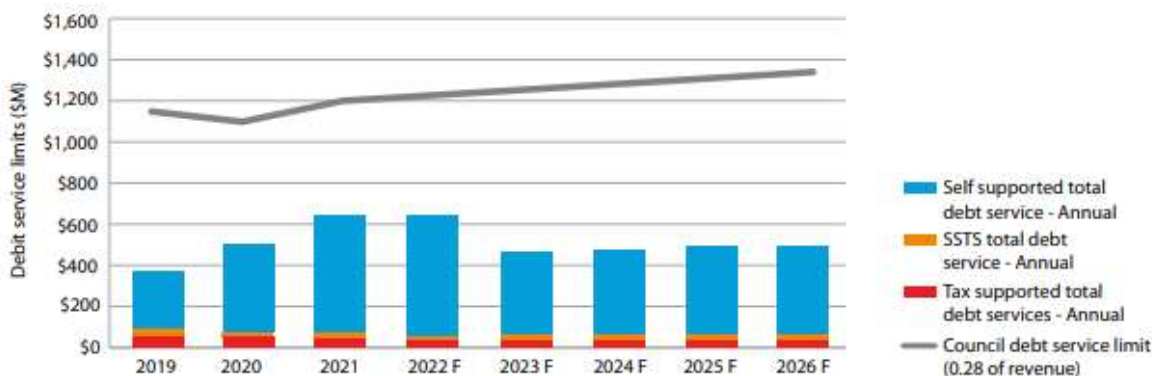
Debt and Debt Service Levels

Council Debt Limit (Actual and Forecast) 2019-2026



*The City's debt levels are **expected to be stable between 2023 and 2026**, and well within the Council-approved debt limit.*

Council Debt Service Limit (Actual and Forecast) 2019-2026



*Debt servicing is also expected to be relatively stable within the 2023-2026 cycle, with calculated **debt servicing costs well below The City's debt limits.***

Financial Strategy

The City's Long Range Financial Plan identifies financial goals and strategies to manage The City's financial position over the next decade. ***Centered around five strategic pillars:***



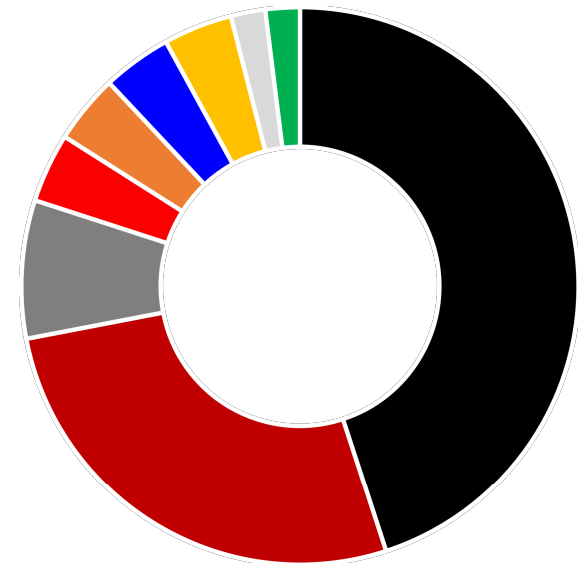


Operating Budget and Funding

	2022	2023	2024	2025	2026	Average Annual Change
\$ millions						
Total Revenue	4,577	4,697	4,716	4,808	4,917	
Change in revenue		2.6%	0.4%	2.0%	2.3%	1.8%
Total Expenditures (net of recoveries)	4,577	4,697	4,716	4,808	4,917	
Change in expenditures		2.6%	0.4%	2.0%	2.3%	1.8%

2023 Operating Budget Funding \$4.7 billion

Property Tax	45%
Sales of Goods and Services	27%
Contributions from Reserves	8%
Licenses, Permits and Fines	4%
Franchise Fees and Local Access Fees from Natural Gas and Electricity Providers	4%
Other Non Tax Revenue	4%
Return on Equity from Water Services and Subsidiaries	4%
Investment Income	2%
Government Grants	2%



Capital Budget and Funding

The City's capital requirements are driven by many factors, including:

- The need to maintain and upgrade existing aging infrastructure to meet industry standards
- Rates of growth in the city, both population and area
- Government legislation and regulations

\$ millions	2023	2024	2025	2026	2027+	Total
Expenditures	1,467	1,989	1,386	2,364	3,047	10,253
New Investments	913	1,297	1,107	1,202	12	4,531
Previously Approved	1,010	635	390	819	2,868	5,722
Recast	(456)	57	(111)	343	167	-

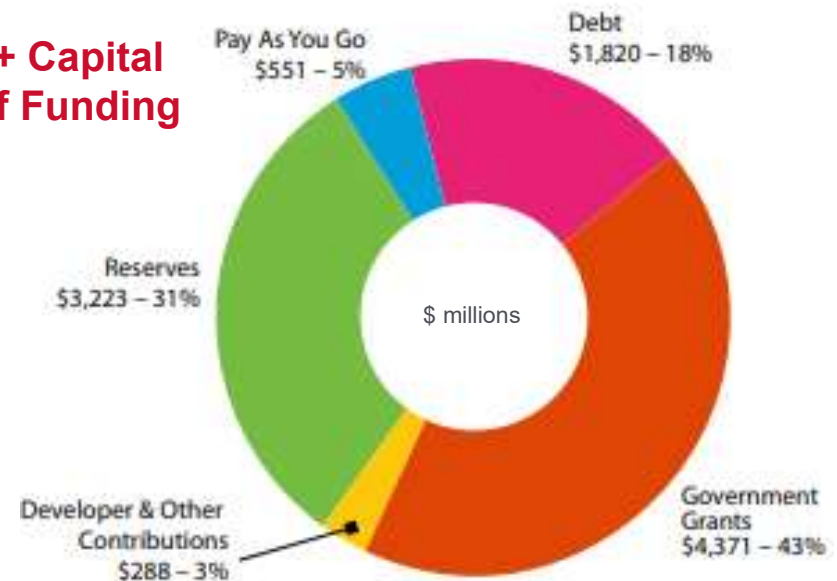
**2023-2027+ Capital
Budget for Approval**

\$4.5 billion

2022 Capital Budget

\$5.7 billion

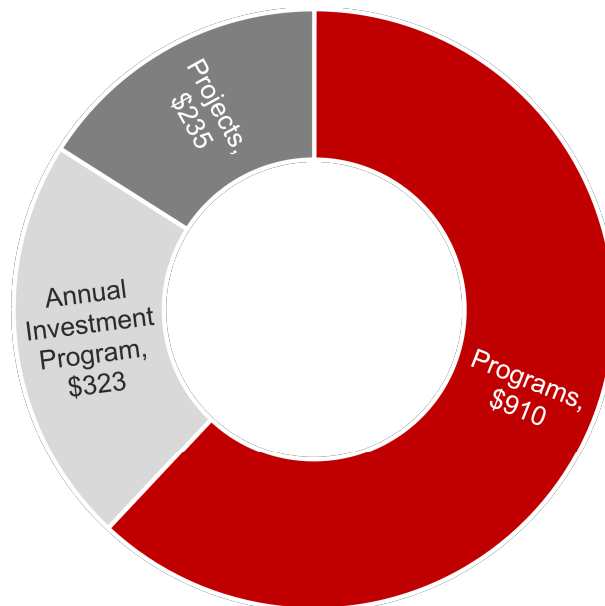
**2023-2027+ Capital
Sources of Funding**



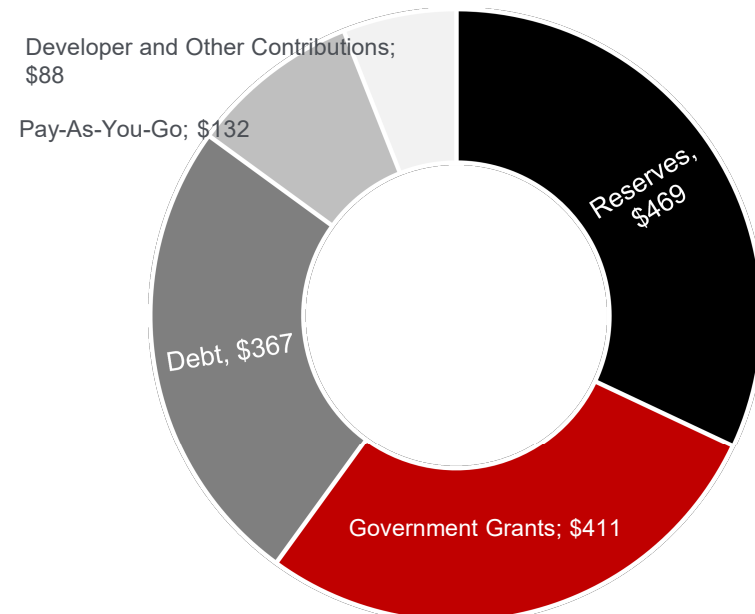
*Note: Values above may not include recent adjustments or major investments which could impact capital budget.

Capital Budget Highlights

2023 Capital Spending



2023 Capital Funding



\$ millions

2023 new investment and previously approved capital spending of \$1,467 million.

Climate Strategy – Pathways to 2050

Vision

Calgary is a resilient city and our decisions are guided by economic, social and climate resilience

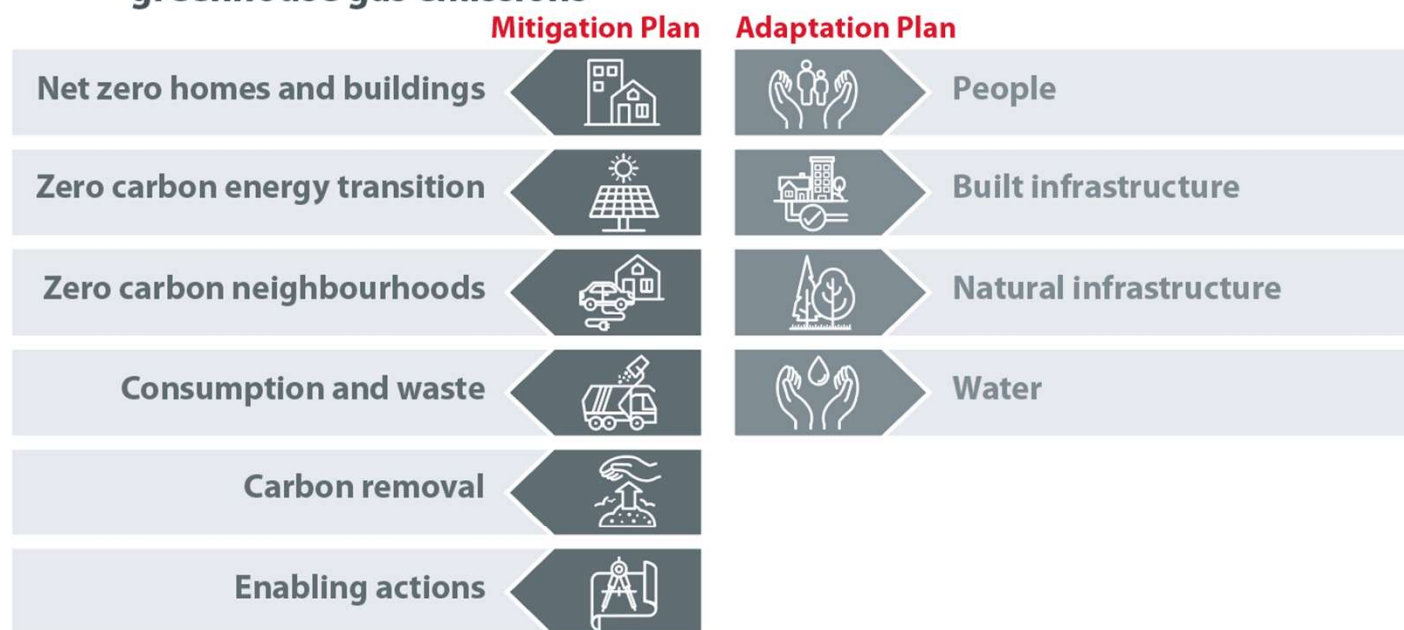
Principles

Innovation | Equity and inclusiveness | Integration | Relevance | Collective responsibility | Commitment | Indigenous knowledge and reconciliation

Goals

Improve energy use and reduce greenhouse gas emissions

Reduce climate risk



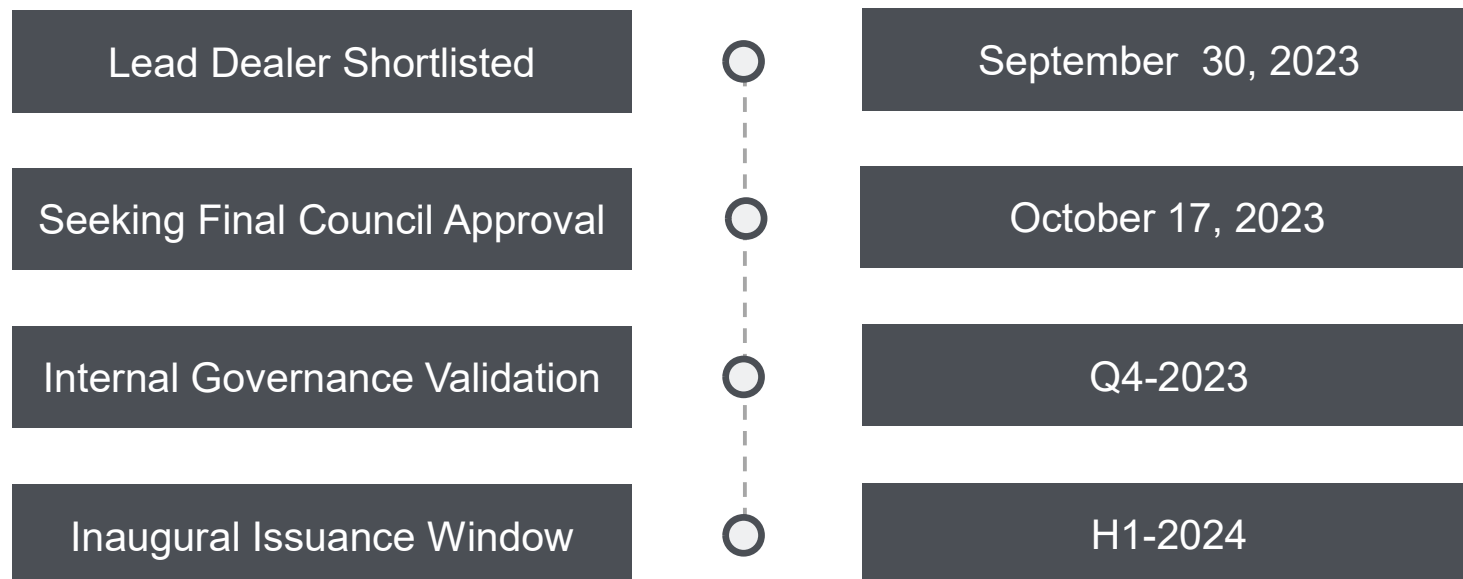
Implementation

Integrated decision-making | Community engagement | Capacity building | Readiness and timing | Partnerships | Funding | Accountability and transparency

Figure 1: Calgary Climate Strategy Pathway to 2050 framework

Path to the Debt Capital Markets

- Calgary has historically borrowed 100% of its conventional capital debt from the Province given the previous cost and flexibility provide through the Loans to Local Authorities (LTLA) program.
- The changing landscape of the LTLA program has presented an opportunity to **leverage The City's strong credit profile** to source lower cost capital debt by issuing directly into the debt capital markets.



Note: This indicative timeline is subject to change at The City's discretion, based on the timing of approvals and market conditions.

Indicative Borrowing Requirements

The table below outlines the forecasted capital debt borrowing amounts The City expects to require to meet its projected financing needs.

- 2024: \$234 million (various tenors)
- 2025: \$213 million (various tenors)

The City acknowledges the markets preference for benchmark bonds and is working through optimizing its program to align its needs with those of investors.

*Total may not tie due to rounding.

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