EC2026-0394
ATTACHMENT 2

The City's Quarterly Report

2026 First Quarter

The Calgary area, where the Bow and Elbow rivers meet, is a place of confluence where the sharing of ideas and opportunities naturally come together.

Indigenous peoples have their own names for this area that have been in use long before Scottish settlers named this place Calgary.

The Métis call the Calgary area Otos-kwunee. In the Blackfoot language, they call this place, Moh'kinstsis. The Îethka Nakoda Wîcastabi First Nations refer to the Calgary area as Wîcîspa Oyade and the people of the Tsuut'ina nation call this area Guts'ists'i.

We appreciate and acknowledge that we live, work, and play on the ancestral and traditional territories of the Blackfoot confederacy, made up of the Siksika, Piikani, Amskaapipiikani and Kainai First Nations; the Îethka Nakoda Wîcastabi First Nations, comprised of the Chiniki, Bearspaw, and Goodstoney First Nations; and the Tsuut'ina First Nation.

Calgary is also homeland to the historic Northwest Métis and to the Otipemisiwak Métis Government, Métis Nation Battle River Territory (Nose Hill Métis District 5 and Elbow Métis District 6).

We acknowledge all Indigenous people who have made Calgary their home.

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Message from Chief Administrative Officer

The first quarter of 2026 was shaped by the infrastructure challenge we faced on December 30, 2025, when the Bearspaw South Feeder Main ruptured for the second time. This event reinforced the urgency of building a more resilient system and set us on a path that focused our efforts even more on strengthening our systems for the people who rely on them every day.

Since January, we have accelerated the design and construction of the feeder main replacement, aiming to complete this project by the end of the year. We also moved quickly to reinforce vulnerable pipe segments, began recruitment for a Chief Operating Officer for a new Water department and supported affected communities with resources and information. This rapid progress marks a significant milestone and demonstrates our commitment to delivering reliable services.

This quarter's report also demonstrates the incredible work City employees do to make life better every day. Thanks to Council investments, 97 per cent of 9-1-1 calls were answered within 15 seconds—exceeding provincial standards and last year's performance. Water outages dropped by 25 per cent compared to Q1 2025, thanks to sustained investment and improved leak detection. We repaired over 4,600 potholes, directly enhancing mobility and safety on Calgary's streets. Each of these outcomes is not merely a statistic but a meaningful improvement in the lives of Calgarians—safer neighbourhoods, fewer interruptions and more reliable access to essential services. I invite you to read more about these achievements in the pages that follow.

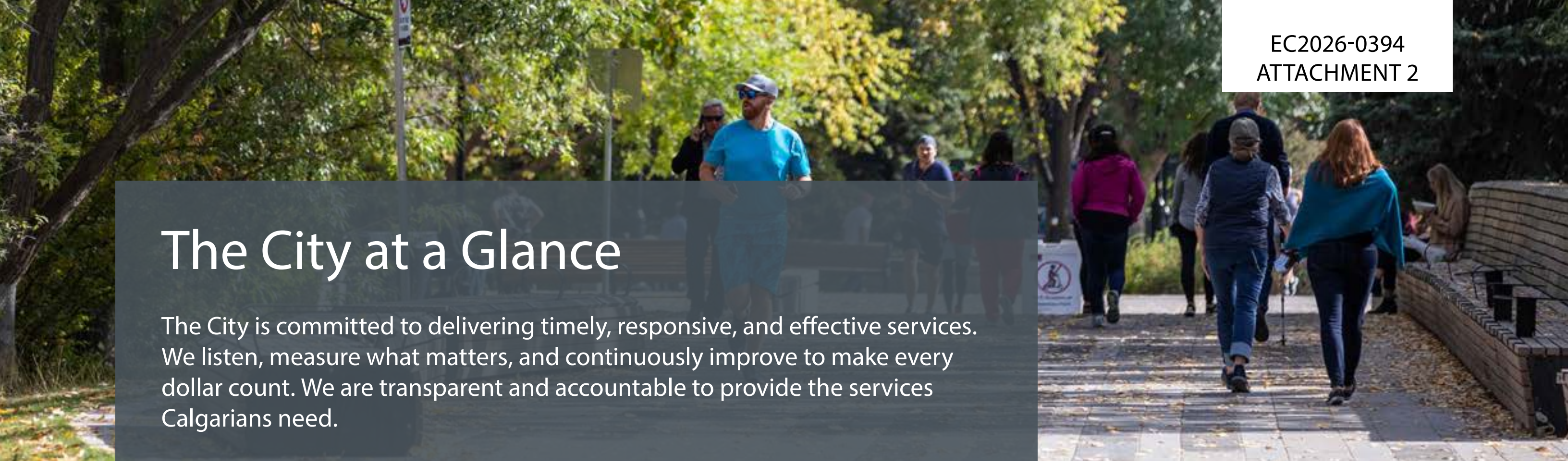
We know that the reliability of our services affects how Calgarians feel about us as an organization, setting the foundation for trust with the people we serve. To me, this is one of the most critical metrics for our organization. While we saw a small increase in trust from Calgarians in our Spring Survey, we know that trust is earned over time through consistent, reliable service. This means being transparent about risks, celebrating progress and listening to Calgarians as we strive for continuous improvement.

This Quarterly Report exists to do just that. It is my hope that as you read it, you see our commitment to transparency and continuous improvement reflected in every achievement and lesson learned.

Looking ahead, as we finish the 2023-2026 Business Plans and Budget cycle and begin to implement the 2027-2030 Council Priorities, our focus is clear. Council's six priority focus areas—reliable and sustainable infrastructure, safe city, functional transportation network, community livability and well-being, balanced growth and evolving neighborhoods, and a trusted and collaborative government—will guide our decisions and investments over the next four years, helping ensure the city continues to support safe, healthy and livable communities.

Together, we will build a city that is stronger, more responsive and more connected.

David Duckworth, P. Eng., MBA, ICD.D
Chief Administrative Officer



The City at a Glance

The City is committed to delivering timely, responsive, and effective services. We listen, measure what matters, and continuously improve to make every dollar count. We are transparent and accountable to provide the services Calgarians need.

This quarter, 62 per cent of Calgarians reported satisfaction with the overall level and quality of City services, consistent with the 2025 average.

WHAT'S HAPPENING IN THE COMMUNITY

This quarter, 62 per cent of Calgarians reported satisfaction with the overall level and quality of City services, consistent with the same time last year (2026 Spring Survey). Given ongoing economic and affordability pressures, this result points to a stable level of confidence in City service delivery. We see a strong connection between service satisfaction and quality of life, reflecting how services shape daily experience. Accessibility and the removal of barriers remain critical drivers of satisfaction, underscoring fairness and reliability in how services are assessed.

The 2026 Spring Survey results indicate that 54 per cent of Calgarians trust The City, consistent with this time last year (52 per cent) and higher than spring 2024 (38 per cent). Findings from the National Municipal Benchmarking Survey, run in parallel, show similar results (57 per cent) and indicate that trust in The City of Calgary is 11 per cent higher than in four peer municipalities (2026 National Municipal Benchmarking Report).

The size of the neutral segment (28 per cent) is notable, suggesting that a meaningful portion of residents neither firmly trust nor actively distrust The City, but may be undecided or disengaged. This "middle ground" continues to represent an opportunity for The City to strengthen trust through visible actions related to transparency, service performance, and responsiveness.

Building a trusted and collaborative City: improving hiring with clearer, more accountable processes

Calgary's growth is putting more pressure on The City's internal systems and processes. To keep pace with this growth and remain an employer of choice, Human Resources is improving key processes, remove delays, improve consistency and strengthen accountability—to make it easier for people to do their jobs well.

Starting with recruitment, process mapping and listening sessions with hiring leaders are already leading to faster turnarounds, more transparent status updates, and updated tools that make roles, responsibilities and next steps easier to understand. This work creates a more consistent experience for everyone while reducing administrative time. Reference-check improvements are estimated to save approximately 1,900 hours per year, time that can be redirected to delivering services that Calgarians rely on. Further streamlining and the exploration of automation are still planned.

Human Resources will continue to improve core systems and work collaboratively across The City to keep pace with growth, use taxpayer dollars efficiently, and remain an employer of choice.

54%
of Calgarians trust The City consistent with

▲ 52% in Spring 2025 and

▲ higher than 38% in Spring 2024

Innovating for Calgarians

In 2025, The City's Innovation Lab partnered with Water Services, Information Technology and Marketing & Communications to improve how Calgarians receive information during unplanned service outages. City teams engaged Calgarians in an innovation process and what they heard was consistent: residents understand that water repairs take time, and clear communication, timely updates, and easy to find information make the disruption more manageable.

These insights informed practical improvements, specifically:

- A redesigned Water Outages page to provide Calgarians with up-to-date information with clearer descriptions, interactive map and information in multiple languages. Website satisfaction doubled from 23 to 46 per cent.
- Opt-in push notifications via text and email to receive real time updates automatically.
- A 20 per cent increased awareness of Recreation Passes for Calgarians to access shower facilities.
- A new in-community Water Ambassador role to provide direct face-to-face support for affected residents.

Together, these changes improve how The City shows up for Calgarians during water outages by providing clearer information, timely updates and more accessible support when it matters most.

Infrastructure

The City is building and caring for Calgary's infrastructure to keep people safe, support daily life and prepare for a growing city. We are improving how we plan, deliver, maintain and operate critical assets. By prioritizing reliability and predictability, we ensure essential services remain resilient and ready for the future.

City crews repaired a record 4,627 potholes in the first quarter, making Calgary's roads safer for travel despite challenging winter conditions.

WHAT'S HAPPENING IN THE COMMUNITY

The condition of "infrastructure, traffic & roads" remains the top concern for Calgarians. In the 2026 Spring Survey of Calgarians, 39 per cent of respondents say it's the most urgent issue needing attention.

Satisfaction with Roads (40 per cent) and Water Services (51 per cent) was below the citywide average (62 per cent).

These results align with 2026 Corporate Asset Management Plan findings, which show that while most City assets are in fair or better condition, 13.4 per cent are rated as Poor or Very Poor, primarily concentrated in "roads, sidewalks, & pathways," and water infrastructure.

These findings reinforce the importance of continued, targeted investment and clear communication about progress and trade-offs.

Keeping water services reliable

From March 9 to April 2, The City completed emergency repairs and reinforced nine sections of the Bearspaw South Feeder Main. The City's water demand was met throughout the repairs thanks to strong conservation efforts by residents, businesses and regional customers and effective communications driving water savings.

As a result of ongoing infrastructure investment and leak detection, water outages dropped to about 8.26 per 1,000 properties in Q1 2026, down from 11 per 1,000 in Q1 2025—a 25 per cent improvement. It is expected that service disruptions will stabilize and gradually decline as we continue to invest in our water infrastructure.

Improving road conditions across Calgary

Road concerns remain a top concern for Calgarians, and addressing aging pavement continues to require sustained investment. As of Q1 2026, 24 per cent of paved roads are in poor or very poor condition, an improvement from 32 per cent in 2025. Council's one-time capital investment of $24 million in 2026 is expected to help lower this figure further to 23 per cent by year-end. Additional program funding for 2027-2030 is required to meet the pavement quality targets adopted by Council in 2024.

Meeting winter service commitments

During Q1 2026, City crews met or exceeded service standards:

- 100 per cent of Priority 1 and 2 routes were cleared within committed timeframes, and
- 92 per cent of pedestrian infrastructure was cleared within 24 hours.

These results helped keep people moving safely during snow events and supported reliable access for transit, emergency services and daily travel.

Delivering capital projects for a growing city

Construction season typically runs from April to November and is the primary window for delivering most capital projects. In 2026, Council authorized an additional $367 million to accelerate redundancy improvements through the Bearspaw Feeder Main Improvement Project.

With total capital commitments exceeding $4.4 billion, performance data at the end of Q1 shows The City is on track to deliver more than 90 per cent of planned capital spending to deliver **reliable and sustainable infrastructure** for Calgarians.

100%
Snow and ice control completion on priority 1 & 2 routes within 24 hours
unchanged from Q1 2025

34%
Paved roadways in Good and Very Good condition
down from 38% in 2025

Public Safety

All Calgarians should be safe and feel safe where they live, work, and travel throughout the city. The City works with community partners to deliver a continuum of safety-related services and investments, from prevention to incident response to foster a healthy, vibrant city where everyone feels safe, connected, supported, and that they belong.

Ninety-seven per cent of initial 9-1-1 calls were answered within 15 seconds, up from 93 per cent the previous quarter, and surpassing the target of 95 per cent.

WHAT'S HAPPENING IN THE COMMUNITY

Safety remains a top priority for Calgarians

In the 2026 Spring Survey of Calgarians, crime, safety and policing continue to be the second most important priority (21 per cent), up three per cent since last spring. Calgarians are looking for integrated and lasting solutions to address safety issues and their root causes.

Downtown reflects broader community pressures

According to the Community Safety & Wellbeing Indicator report, in the first quarter of 2026, downtown safety responses by The City and our community partners increased by about 25 per cent compared with the same period last year (6,597 versus 5,282). These responses include incidents related to social disorder (up four per cent), public safety (down four per cent), infractions (up 51 per cent), and medical or mental health needs (up 108 per cent)—areas we track to understand where additional focus is needed. Part of the rise in downtown responses mirrors a citywide increase in drug poisoning incidents over the same period, highlighting how worsening health and social challenges are contributing to higher demand for coordinated safety and wellbeing supports.

Emergency response improving through targeted investments

For serious and escalating fires, 70 per cent of arrivals, with full resources on scene, met the 11 minute response time target in Q1 2026, down from 73 per cent in Q1 2025. However, performance showed improved travel times due to Council investment in increasing staffing for aerial equipment and the January deployment of an additional frontline engine dedicated to strengthening coverage in lower density areas during peak demand. These operational improvements, in combination with adjusting deployment strategies, will continue throughout 2026, and with future investment, help increase resident and firefighter safety by ensuring sufficient resources arrive on scene quickly and reliably.

In Q1, initial 9-1-1 calls were answered within 15 seconds, 97 per cent of the time. This exceeds the 95 per cent provincial standard and matches the previous year's Q1 performance after a difficult second half of 2025. Increased call volume and complexity are expected to continue challenging the service. Future operational investments remain essential to keep pace with population growth and rising service demands to maintain response times.

25%

Increase in downtown safety responses in Q1 2026 (vs. Q1 2025)

(Community Safety & Wellbeing Indicator Report)

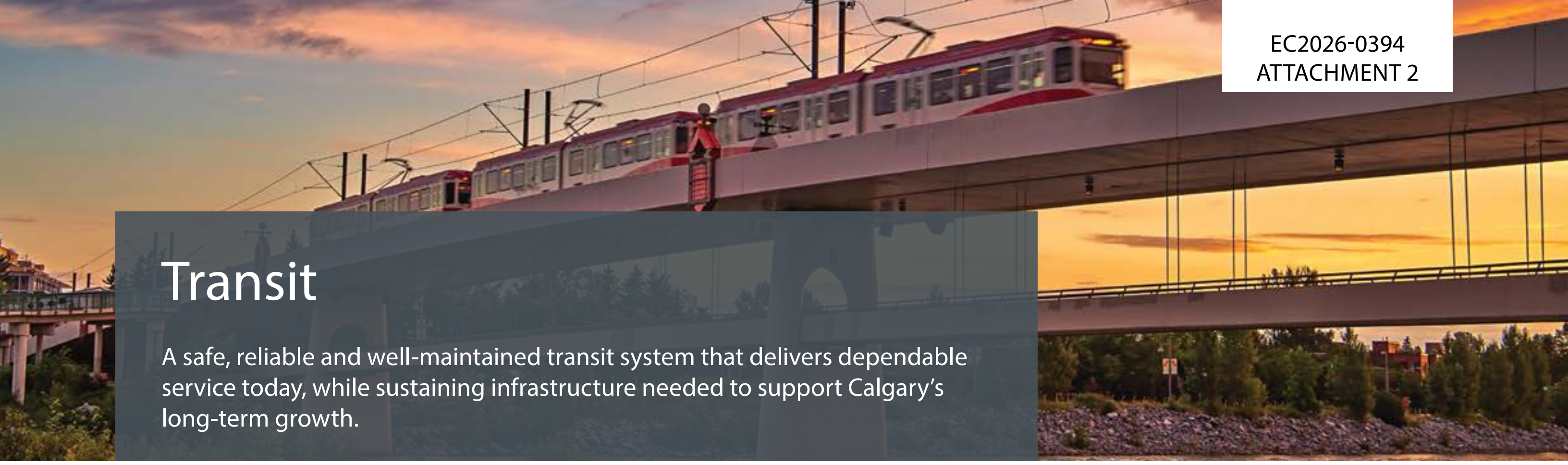
Strengthening outreach and access to services

Community Peace Officers, through the Vulnerable Persons Team, responded to just over 1,000 encampment-related concerns in Q1 2026, 14 per cent fewer than the same period in 2025. Seasonal factors influence response volumes, with typically fewer calls in Q1 than in the warmer months. The decline is also due in part to increased collaboration with partners and an ongoing shift to focusing more on connecting people to health, housing and social supports to improve longer-term outcomes.

Demand for Fair Entry remains significant with almost 12,600 Fair Entry applications processed in Q1 2026, a modest year over year decrease following the surge seen in 2024 and stabilization in 2025. Council approved base funding is expanding capacity, reducing wait times and improving accessibility, particularly for Calgarians with complex needs who rely on in person service.

Continued need to focus on safety and wellbeing

Population growth and rising complexity continue to place pressure on public safety systems. Investments are delivering results, but sustained coordination and operational improvements remain critical to maintaining safety and public confidence. The City is undertaking a coordinated, community wide approach to improve safety and wellbeing by focusing on prevention, strengthening inclusion, reducing risk and responding quickly to safety concerns so public spaces feel safer and more welcoming for everyone.



Transit

A safe, reliable and well-maintained transit system that delivers dependable service today, while sustaining infrastructure needed to support Calgary's long-term growth.

In Q1 2026, The City focused on improving transit service by hiring 99 new operators (33 now behind the wheel) and improving safety by opening a fifth transit safety district office.

WHAT'S HAPPENING IN THE COMMUNITY

Transit service is a priority for Calgarians

In the [2026 Spring Survey of Calgarians](), transit was in the top five of the most prevalent issues for Calgarians. This rating remains consistent from past years.

Calgary Transit has made service changes over the past year and will continue to make service improvements through 2026.

Transit continues to be a high use service for Calgarians

Calgary Transit is one of the more popular services used by Calgarians. According to the 2026 Spring Survey, 67 per cent of people living in Calgary use the service. It shows the importance of connecting people and the places they care about the most, whether it's jobs, school, appointments or community.

More transit peace officers patrol at select stations

A pilot initiative is underway that places more transit peace officers at select LRT stations along the transit system. It improves safety by targeting stations that experience higher levels of social disorder.

Haysboro garage opens

After two years of construction, the work on the Haysboro Light Rail Vehicle storage building was completed. Features include safer storage capacity, improved emergency egress, and greater flexibility to move more customers more often—whether with three- or four-car trains.

Modernized Light Rail Vehicles are better for customers

Since 2015, 72 vehicles have been modified so more light rail cars can be interchangeable. A more flexible fleet means the number of vehicles available for customers can be increased when needed.

These upgrades will extend vehicle life, and improve customer and operator experience.

74%
Customer safety rating
vs. 2026 target of 88%

Improving transit safety

Safety is the top concern of transit customers. In the first quarter of 2026, our customer safety rating was 74 per cent, below our target of 88 per cent.

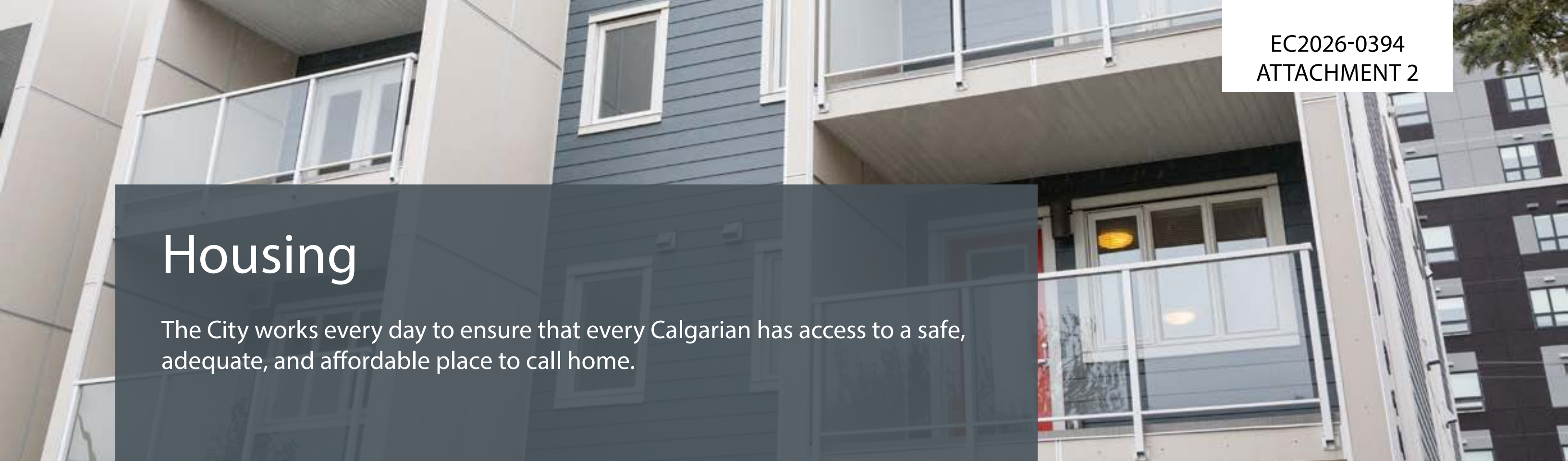
To improve transit safety, The City added additional peace officers and a new district office, supporting officers to be closer to customers, respond more quickly, and provide more consistent coverage. However, crime, social disorder and safety concerns continue to be a challenge on the transit system, especially downtown.

More reliability for customers with increased number of operators

On-time performance was 86 per cent in Q1 2026, an improvement over 2024 and consistent with recent years, though still impacted by factors such as severe winter weather. Reliability has stabilized and is expected to improve as more improvements are implemented.

To support more reliable service for customers, Calgary Transit hired 99 operators. Thirty-three are now delivering service, and more are completing training. These additions, alongside navigation technology upgrades on buses, are focused on reducing missed trips and improving on-time performance.

86%
On-time Transit performance
vs. 2026 target of 90%



Housing

The City works every day to ensure that every Calgarian has access to a safe, adequate, and affordable place to call home.

Although first-quarter 2026 housing development levels are below last year's record pace, progress on non-market housing remains steady, with 166 homes reaching the building permit approval stage, on par with 2025.

WHAT'S HAPPENING IN THE COMMUNITY

Economic pressures intensifying

Calgary continues to experience strong population growth alongside rising affordability pressures. In early 2026, higher oil prices drove up transportation and shipping costs, contributing to a sharp increase in household living expenses. The consumer inflation rate was 2.2 per cent year over year during March 2026. These inflationary pressures are impacting all Calgarians in their daily costs.

While these increases affect all households, they place a disproportionate burden on those already experiencing housing insecurity. Even relatively modest cost increases can have destabilizing effects, making it more difficult for households to maintain stable living arrangements and meet basic needs (March Inflation Review).

Housing pressures remain significant across the city. Although we have seen slight declines, rents have doubled since 2019, and non-market housing supply continues to fall short of the annual target of 3,000 homes, limiting options for households facing affordability challenges.

Improving supply, choice, affordability

Calgary continues to make progress under The City's Housing Strategy as the housing market shows signs of stabilization alongside sustained, historically high construction activity. In 2025, more than 27,000 homes received occupancy, and Calgary led the country with over 23,000 housing starts.

Housing activity remained resilient in Q1 2026 following record permit volumes in 2025. Development permits for market housing were lower than Q1 2025 but remained above 2024 and earlier years. Non-market permit volumes were also lower year over year but in line with the recent three year average. This pattern aligns with typical seasonal trends, where activity slows in the first quarter following elevated fourth quarter volumes. Overall, indicators are improving as Calgary works to close a significant affordability gap that has only widened over the past several years.

Development permits approved in Q1

4,572 market homes

58 non-market homes

Building permits approved in Q1

4,821 market homes

166 non-market homes

Strong partnerships driving affordable Housing

In Q1 The City continued to work closely with our housing partners on several projects including:

- The $10 million Backyard Suites Incentive Program is expected to create 290-320 units.
- The Downtown Non-Market Office Conversion Grant awarded over $10 million to create 128 non-market homes.
- Round Two of the Housing Capital Initiative awarded $29 million to deliver 566 non-market homes through eight projects.
- Maa'too'maa'taapii Aoko'iyii'piaya is a historic $33 million investment that has enabled 379 new non-market homes for Indigenous Calgarians.

As 2026 progresses, The City will continue working with partners to deliver approved projects, unlock new opportunities, and advance policies and investments that help ensure more Calgarians can access a safe, suitable and affordable place to call home.

Occupancy in Q1

6,633 new homes granted occupancy

Key Performance Measures

Note: Due to rounding, values presented throughout this document may not add precisely to the totals provided and percentages may not precisely reflect the absolute values. Throughout the document, dollar values are presented in millions unless otherwise stated. Unless otherwise stated, annual numeric values reflect summed quarterly totals and annual percentages reflect weighted full-year calculations.

	Key Performance Measures	2022	2023	2024	2025	2026 Q1	Target
The City at a Glance	% total debt to Council debt limit	41%	40%	40%	38%[1]	48%	48%[2]
	City of Calgary credit rating (Standard & Poor's 'S&P rating')	AA+	AA+	AA+	AA+	N/A	AA+ rating
	Financial stability ratio (fiscal stability reserve %)	12.8%	10.2%	12.6%	9.2%[1]	9.1%[1]	10.2%[3]
	Business license applications that have been submitted and completed online - Ease of Service (%)	N/A	70%	63%	69%	66%	80% by end of 2026
	311 Telephone Service Factor (% of calls answered in 60 seconds or less)	N/A	36%	56%	87%	94%	80% by end of 2026
	Trust in The City of Calgary (%)	48%	47%	40%	50%	54%	N/A
	% of Calgarians satisfied with overall City services	69%	68%	63%	64%	62%	N/A
Infrastructure	Facility Management Assets in Poor & Very Poor Condition (%)	16%	16%	13%	12%	12%	<17%
	Paved roadways in Good & Very Good Condition (%)	41%	38%	38%	38%	34%	35% by end of 2026
	Cumulative lane-kilometres of road repaved	300	265	400	449	N/A	303 km planned for 2026
	Sidewalks in Good & Very Good Condition (%)[4]	87%	87%	87%	67%	67%	N/A
	Pathways in Good & Very Good Condition (%)[4]	79%	67%	79%	87%	87%	N/A
	Park Assets in Poor & Very Poor Condition (%)	18%	23%	19%	19%	18%	< 22% by end of 2026
	Cumulative number of repaired potholes (Year-to-Date)	16,082	33,490	37,850	35,855	4,627	N/A
	Cumulative kilometres of concrete sidewalk repairs completed	34	40	38	32	N/A	N/A
	Snow and ice control completion on priority 1 & 2 routes within targeted timeframes (%)	94%	98%	100%	100%	100%	95% annually by end of 2026
	Snow and ice control completion on pedestrian infrastructure within targeted timeframes (%)	64%	74%	75%	97%	92%	95% annually by end of 2026
	Properties impacted by water outages per 1000 properties	26	41	29	43	8.26	< 33 annually by end of 2026
Public Safety	Initial 9-1-1 calls answered within 15 seconds (%)	96%	95%	95%	94%	97%	95% annually
	% of responses to serious and escalating fires (where two engines, one aerial unit, and a minimum of 12 fire fighters arrived) within 11 minutes	63.8%	70.1%	70.9%	75.4%	69.5%	74.4% by end of 2026
	Number of responses to encampment sites	5,881	11,065	10,148	9,573	1,046	5,600 per year by end of 2026[5]
	Number of applications processed for the Fair Entry program	47,167	61,841	74,980	77,874	12,574	80,000 per year by end of 2026
Transit	Total number of transit trips (Calgary Transit ridership) (millions)	56.9	90.0	93.7[6]	93.1	22.2	N/A
	Trips that arrive within a specified period (%), (i.e. bus on-time performance)	88%	85%	84%	85%	86%	90% annually by end of 2026
	Customer safety rating rate on Transit (%)	65%	71%	74%	74%	74%	88% annually by end of 2026
Housing	Number of new market homes with development permit approval	13,900	14,300	22,500	23,650	4,572	N/A
	Number of new market homes with building permit approval	16,391	19,574	25,095	25,770	4,821	14,252 per year by end of 2026
	Number of new non-market homes with development permit approval[7]	185	94	893	1,836	58	3,000 per year
	Number of new non-market homes with building permit approval[7]	158	152	121	643	166	3,000 per year
	Total new housing units granted occupancy[7]	14,261	16,302	21,542	27,965	6,633	N/A
	New housing units completed in Calgary's Downtown through the conversion of office properties[7]	N/A	N/A	112	486	195	889[8] cumulative from 2024-2026

1 Metric measured is reported as of end of annual or quarterly reporting period vs. an average over that timeframe.

2 The target Council debt limit increase from 45% in 2025 to 48% in 2026 is primarily attributed to an increase in self-supported debt for utilities.

3 Fiscal Stability Reserve must maintain a minimum balance of five per cent of The City's operating, tax-supported gross expenses (net of recoveries).

4 Previously reported "Sidewalks and Pathways in Good and Very Good condition" measure was split into two separate measures to provide more accurate and meaningful asset condition reporting.

5 This metric and target will be re-evaluated for the next budget cycle.

6 Updated values based on switch to Automatic Passenger Counting technology on CTrains (vs. manual approach).

7 Metric measured as of the end of quarterly or annual reporting period. The approved permits and unit counts can vary due to file cancellations, appeals, and subsequent file manager updates.

8 Cumulative target clarified from previous report.

Financial and Economic Update First Quarter

(Year-to-date as of March 31, 2026)

Operating Budget Overview

Net Budget – comparison to Actuals For the period ended March 31 ($ in millions)	YTD Budget	Actual	Favourable/ (Unfavourable)	Forecast
Operational Services	196	183	13	0
Community Services	162	145	17	2
Calgary Police Service	151	147	4	0
People, Innovation & Collaboration Services	82	82	0	(2)
Civic Partners	44	43	1	0
Infrastructure Services	33	33	0	(2)
Planning & Development Services	31	26	5	8
Law, Legislative Services & Security	27	23	4	0
Corporate Planning & Financial Services	22	21	1	(1)
Chief Operating Office	5	9	(4)	0
Council	4	3	1	1
Chief Administrative Office	3	2	1	0
Less: Corporate Programs	170	172	2	79
Total	**590**	**545**	**45**	**85**

As of March 31, 2026, The City had a favourable operating variance of $45 million, consisting of a combined $43 million across several departments and $2 million in Corporate Programs.

The $43 million favourable variances across departments is explained below:

- **Operational Services:** $13 million favourable variance. This is due to favourable $12 million revenue from a combination of higher transit pass sales, increased aggregate and asphalt sales, and higher revenues from parking enforcement and mobility permitting. This is offset by $2 million delayed investment allocation in March related to utilities sustainment and waste and recycling reserves. On the expense side, $26 million below budget is primarily due to $22 million in Water Services due to delayed work associated to capital projects and $4 million in other business units. Other favourable variances include $8 million in lower salary and wage costs due to the timing of seasonal work, milder temperatures and staff recoveries from capital project work in Water Services. These are offset by $31 million due to timing of reserve transfers.
- **Community Services:** $17 million favourable variance. This includes $13 million in lower salary and wage costs due to recruitment delays, including impacts from Training Academy renovations and limited training capacity for the Transit Public Safety pilot. The remaining variance includes $2 million from higher-than-expected revenue at recreational facilities, $1 million in unbudgeted one-time government grants for the Youth Employment Centre and Home Services for Seniors and $1 million due to the timing of projects planned for Q3.

- **Calgary Police Service:** $4 million favourable variance due to $3 million in salary and wages from vacancies and sickness and accident recoveries. It also includes $1 million underspent budget in contract and general expenditures.
- **Planning & Development Services:** $5 million favourable variance. This includes $7 million in higher permit revenue and $1 million from additional sales of goods and services. Expenses are $9 million below budget due to delays in multiple one time initiatives and programs. Other expenses under budget include $9 million in Downtown Conversion incentives and $2 million salary and wage costs due to vacant positions. These are offset by $23 million in reserve activity due to higher than budgeted revenue, lower than budgeted spend in fee supported expenditures and timing differences in budgeted reserve withdrawals due to delayed downtown office conversion incentives.
- **Law, Legislative Services & Security:** $4 million favourable variance. This includes $2 million from lower insurance claims and premiums and higher settlement revenue due to timing. It also includes $1 million in lower salary and wage costs due to vacancies and $1 million from lower-than-expected spending on contract services.
- **Other Departments:** $0 million favourable variance. The $4 million favourable variance from other departments ($1 million each in Council, Corporate Planning & Financial Services, Civic Partners, and the Chief Administrative Office) is fully offset by $4 million unfavourable variance in the Chief Operating Office. $4 million favourable variance is mainly due to timing differences and lower salary and wage costs from vacancies, while $4 million unfavourable variance is driven by timing differences in expenditures for the Housing Land Fund and the Prairie Economic Gateway initiative.

Corporate Programs favourable variance of $2 million is primarily due to higher Franchise Fees from ATCO and ENMAX.

The City is forecasting an $85 million favourable year-end operating variance due to higher investment income of $15 million, $50 million in savings from unrequired corporate provisions and other expenditures and $20 million in lower than budgeted salary and wages due to vacancies.

Progress on Council Operating Amendments

During the November 2024 Mid-Cycle Adjustments to the 2023–2026 Business Plans and Budgets, Council approved $6.6 million in one-time high priority operating budget amendments for 2025 and 2026.

In 2025, $3.9 million of the total approved $6.6 million was spent with $2.7 million remaining to be spent in 2026. The table below summarizes these amendments, and the progress Administration has made in delivering these investments.

Department	Amendment ($ millions)	Total Budget	2025 spend	2026 YTD Spend	Progress update
Planning & Development Services	Better Services & More Events Downtown	2.0	1.0	0.7	Funding was spent mainly on Arts & Culture's Downtown in Motion grants to support creating vibrant, inclusive and financially sustainable arts, culture and sports initiatives in Calgary's greater downtown; cSpace Historic Fire Hall 1 operations and facility maintenance. Additional investments were made in Eau Claire Plaza operating and maintenance.
Community Services	Preventative Social Services	1.5	0.8	0.7	Funding is supporting community-based equity organizations such as new immigration, social well-being and inclusivity. Funding is fully spent.
Planning & Development Services; Corporate Programs	Heritage Conservation	1.3	0.5	0.0	Funding tax cancellation for historic resource properties. Tax cancellation credits will be applied in Q2 to align with the processing of the 2026 annual property tax bills.

Department	Amendment ($ millions)	Total Budget	2025 spend	2026 YTD Spend	Progress update
People, Innovation & Collaboration Services	Improving Engagement with Calgarians	0.8	0.7	0.0	Consulting work on assessment and benchmarking was completed in 2025 with further reporting and commitments presented to decision makers in 2026. Remaining funding will support initial implementation through a focused business plan.
Community Services	Inglewood Pool	0.8	0.8	0.0	Funding was used for the operations and maintenance of the Inglewood Pool. Funding fully spent in 2025.
Community Services	Event Funding	0.2	0.1	0.1	2025 funding was committed to His Majesty's Canadian Ship Calgary 30th Anniversary ($65K), Grey Cup Committee ($25K) and the Carnaval Committee ($25K). 2025 was fully spent. Remaining 2026 funding allocated between Grey Cup Committee ($25K) and the Carnaval Committee ($25K) and funding is fully spent.
Total		**6.6**	**3.9**	**1.6**	

Capital Budget Overview

Net Budget – comparison to Actuals

For the period ended March 31 ($ in millions)

	2026 Budget	2026 Actual	YTD Spend Rate	Remaining Budget	Year-End Forecast ($)	Year-End Forecast (%)
Infrastructure Services	2,866	376	13%	2,490	2,764	96%
Operational Services	883	110	12%	773	712	81%
Chief Operating Office	259	13	5%	246	239	92%
Civic Partners	141	18	13%	123	135	96%
Community Services	89	9	10%	80	69	78%
Planning & Development Services	66	5	8%	61	52	79%
Calgary Police Service	63	3	4%	60	35	56%
People, Innovation & Collaboration Services	57	7	12%	50	46	81%
Corp Planning & Financial Services	16	0	2%	16	15	94%
Law, Legislative Services & Security	9	2	20%	7	9	100%
Chief Administrative Office*	0	0	0%	0	0	50%
Total	**4,449**	**543**	**12%**	**3,906**	**4,076**	**92%**

* Chief Administrative Office (CAO) showing zero budget due to rounding. In 2026, CAO has a capital budget of $299,631 with a forecast spend of $149,815 which equals to 50 per cent forecast spend rate.

First quarter highlights:

The City remains focused on delivering high priority infrastructure to ensure safe and reliable service to Calgarians. As of March 31, 2026, The City spent $543 million, or 12 per cent, of its $4.4 billion capital budget. This is on par with spend in 2025, where The City achieved a high spend rate by year end. The City typically sees the capital spend rate increase in the second half of the year due to the seasonality of the construction industry. The same is expected this year.

During the first quarter of 2026, several major infrastructure milestones were completed across the city. These milestones demonstrate The City's continued dedication to building stronger communities and improving everyday life for Calgarians. This period also highlighted The City's resilience in managing critical utility infrastructure.

On December 30, 2025, the Bearspaw South Feeder Main experienced a catastrophic break, disrupting water service until repairs were completed on January 16, 2026. Due to the critical nature and its importance, The City had a planned outage to reinforce nine pipe segments near 16 Avenue NW and Point McKay, requiring Stage 4 water restrictions for four weeks. Additional work included valve replacements and inspection of the connection to the Bearspaw Water Treatment Plant. Construction was completed, and full water service was restored on time on April 2, 2026.

The Scotia Place Event Centre remains on track to open for the 2027 hockey season with construction progressing as planned. Connectivity improvements continue with the 6th Street SE underpass progressing with CPKC Rail line detour, keeping momentum for a Fall 2028 opening.

The Green Line LRT – SE Project made strong progress in the first quarter of 2026. Two construction projects initiated in the second half of 2025 achieved substantial completion early in Q1 2026, while construction continues at three key locations along the alignment.

The Blue Line NE Extension continues to advance through preliminary design, with LRT alignment approaching finalization. Detailed design work is advancing for MAX Green and MAX Purple improvements.

Design work is complete for the Symons Valley Centre (future site of a new library and community commons) and construction will commence this summer. The Glenbow Renovation project reached a major milestone with partial occupancy granted and the associated Plus 15 reopening to the public. The Confluence Historic Site & Parkland celebrated the grand opening of the Holy Gathering Place, providing a dedicated space for Indigenous ceremony and programming. Work is underway to address lifecycle, operational and maintenance needs at fire stations.

Progress on Council Capital Amendments

During the November 2024 Mid Cycle Adjustments to the 2023 – 2026 Business Plans and Budgets, Council approved $47.4 million in high priority capital budget amendments for 2025 and 2026.

In 2025 $20.8 million of the total approved $47.4 million was spent with $26.6 million remaining to be spent in 2026. The table below summarizes these amendments, and the progress Administration has made to date.

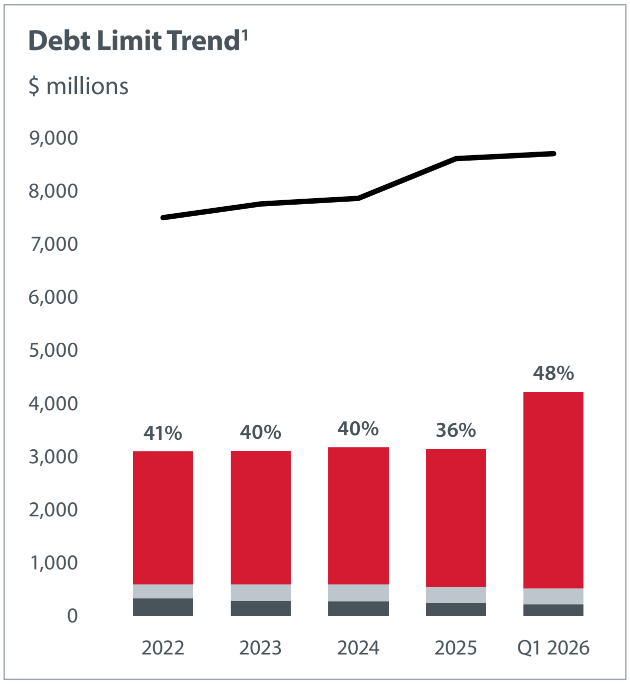
Department	Amendment ($ millions)	Total Budget	2025 Spend	2026 YTD Spend	Progress update
Operational Services	Pavement Rehabilitation & Reconstruction	20.0	20.0	0.0	Project completed and fully spent in 2025.
Infrastructure Services	Village Square Leisure Center Service Cycle	15.0	0.0	0.0	Project is in detailed design. Design is expected to be completed in June 2026, with construction beginning later in 2026 and continuing into 2027.
Calgary Police Service	Indoor Training Facility (Firearms Range)	9.5	0.0	0.6	Project ongoing, with completion targeted for March 2027.
Infrastructure Services	Parks & Playground Amenities Upgrades	2.5	0.5	0.0	Project ongoing. Anticipate spending remaining budget by end of 2026.
Community Services	Inglewood Pool Upgrades	0.4	0.3	0.0	Repairs and upgrades completed in 2025.
Total		**47.4**	**20.8**	**0.6**	

Debt Overview

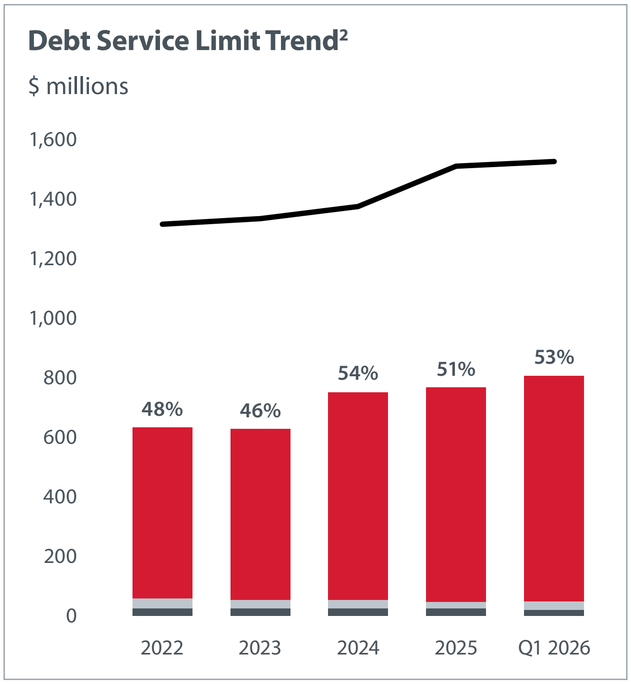
Treasury maintains a long-term forecast of the Council approved debt limits. This helps assess the current and future impact on these limits from the use of debt for approved and prospective long-term capital plans. Council approved debt limits in The City's Debt Policy that have more stringent limits than those set out for other local authorities in the Municipal Government Act, including:

- **Debt Limit -** Total Debt shall not exceed 1.6 times revenue;
- **Debt Service Limit -** Total Debt Service shall not exceed 0.28 times revenue; and
- **Tax Supported Debt Service Limit -** Tax-Supported Debt Service shall not exceed 10 per cent of Tax-Supported Gross Expenditures (Net of Recoveries).

In the fiscal year 2025, the capacity within The City's Debt Limit and Debt Service Limit improved primarily due to a modest increase debt outstanding and debt servicing costs relative to a higher percentage increase in revenues. The fiscal year forecast for 2026 as prepared in Q1 2026, assumes a reduction in capacity within The City's Debt Limit and Debt Service Limit that is primarily attributed to increase in self-supported debt for utilities, excluding ENMAX.



1 The target Debt Limit for 2026 of 48% is attributed to 43 per cent long-term debt and 5 per cent short-term debt.



2 The target Debt Service Limit for 2026 of 53 per cent is attributed to 26 per cent long-term debt and 27 per cent short-term debt.

Tax supported debt | Self sufficient tax supported | Self supported tax supported | Council debt limit

Economic Overview

Alberta

Alberta's economy has remained relatively resilient despite the uncertainty from tariffs. Alberta has been less affected because many goods are exempt under the Canada-United States-Mexico Agreement (CUSMA) and because some businesses were able to export products ahead of time to avoid potential tariffs. This helped protect Alberta's exports throughout 2025. The recent increase in oil prices will help buoy the Alberta economy but will add to the affordability challenges to households.

The Bank of Canada has maintained its key policy interest rate at 2.25 per cent. The Bank is closely watching the impact of oil prices and trade uncertainty and expects inflation to increase in the second quarter before trending back to 2 per cent in 2027. Business and consumer confidence has continued to slowly improve through the first quarter of 2026, although this was largely before the Middle East conflict. Equity markets have been volatile, starting the year strong before dropping in response to the conflict. Markets have largely recovered since the start of the second quarter. However, investment and job market activity could still be disrupted because of ongoing market volatility and concerns about weaker global economic growth.

Calgary

Calgary's economy is also expected to remain strong. Growth is expected to fall from 3.7 per cent in 2025 to 2.0 per cent this year, but that is largely due to slower population growth resulting from federal immigration policy.

Table 1: Key economic indicators in Calgary

	2025 Actual	2026 Forecast	YTD-2026 (Q1)
Inflation rate (per cent)	2.1	2.3	2.0
Employment ('000 persons)	1,046.5	1,070.6	1,062.4
Unemployment rate (per cent)	7.4	6.6	6.7
Housing starts (CoC) ('000 units)	23.4	20.2	4.3

Inflation

Consumer prices in Calgary rose 2.0 per cent (year over year) in the first quarter of 2026. Inflation has remained lower partly because the consumer carbon tax was removed, but this effect will no longer be a factor beginning in April. Higher oil prices will likely push inflation up through the rest of the year as higher transportation costs begin affecting the costs of many goods.

Insurance costs are one of the biggest factors driving inflation. Vehicle insurance has pushed transportation costs up while home insurance costs continue to rise due to recent hailstorms in Calgary.

Housing Construction

Calgary remains the national leader in homebuilding. While starts are down from last year, the city had the most housing starts and completions in the country. Housing starts are expected to finish the year lower than the record in 2025, but still high relative to historical averages.

Labour Market

Calgary's unemployment rate in the first quarter was 6.7 per cent, down from the 2025 average of 7.4 per cent. Job growth is expected to be slower this year, mainly due to slower population growth. As a result, the unemployment rate is expected to remain below 2025. A mismatch between worker skills and employer needs in key industries such as health care, construction and technology continues to be a challenge.

Outlook

Overall, Calgary's economy remains resilient. But there are still significant risks and policy uncertainties that could slow growth in 2026.