Calgary

The City's Quarterly Report

2026 Second Quarter

26-0053539 CRV-49415

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

I've described 2026 as a pivotal year of change for our city and our organization before; reflecting on the second quarter, this continues to be true. As our city grows and evolves, we continue to navigate changing revenue landscapes, balance increasing demands with aging infrastructure, and respond to increasingly complex social challenges. While these realities have placed pressure on our city, they have also challenged us to innovate, strengthen partnerships and reimagine how we deliver core services in better ways.

Through it all, our focus has been consistently clear: delivering reliable services, building resilience and preparing Calgary for the future.

We saw that consistency in action this quarter through major projects and everyday service improvements. We made considerable progress on the Bearspaw South Feeder Main Replacement Project, continued to reduce water outages, improved fire response times, completed revitalization work on Stephen Avenue and launched a major safety and community well-being strategy. We also enhanced service models to make services like Assessment & Tax easier to access. Together, these efforts help build a city where people can trust that essential services are reliable today and evolving to meet the needs of tomorrow. You can read more about these efforts in the pages that follow, and explore the Key Performance Measures Dashboard on our website for a deeper look at our progress made in the second quarter.

We're also shaping the organization to serve Calgary's future. The creation of a new Water Utility department, leadership appointments of Michael Thompson as acting Chief Operating Officer for Water Utility and Doug Morgan as acting Chief Operating Officer for City Services, and the development of *Delivering for Calgarians*, The City's corporate strategic plan to support Council's Strategic Priorities and beyond, are all examples of this work. They reflect a clear focus on strengthening service delivery, accountability and long-term thinking.

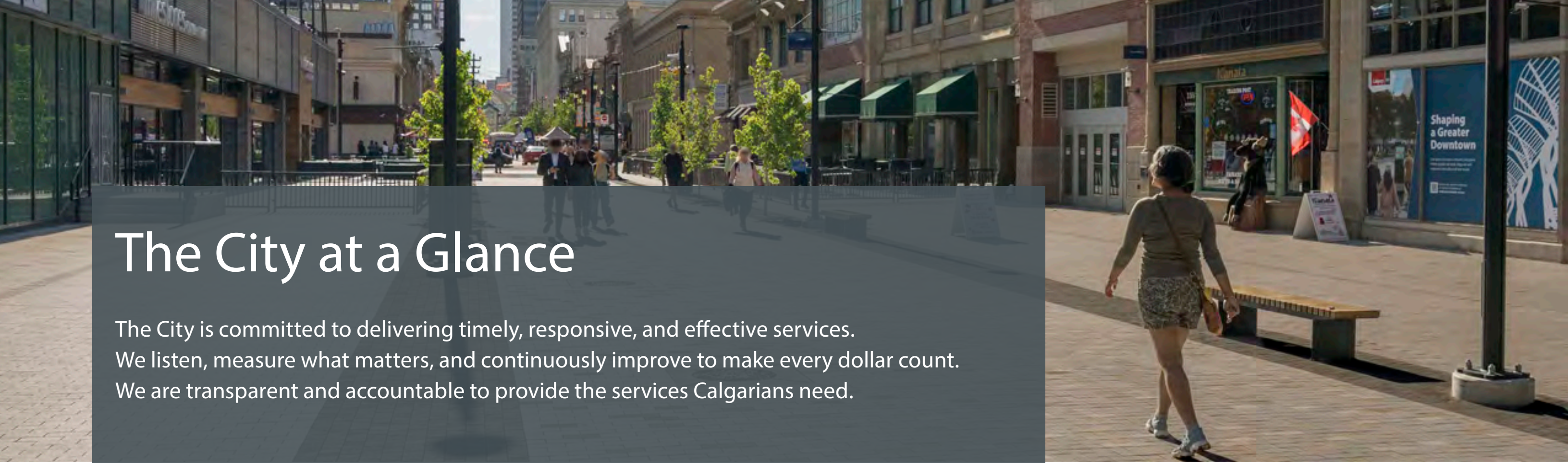
This quarter was also a time of personal transition. In April, City Council and I announced my departure as The City's Chief Administrative Officer (CAO). As this will be the final quarterly report I release as CAO, I have been reflecting on the privilege of serving Calgarians and working alongside thousands of dedicated public servants who show up every day to make Calgary better.

As I prepare to leave this role, I do so with tremendous optimism for Calgary's future. This organization is strong, adaptable and deeply committed to serving Calgarians. New leadership will bring fresh perspectives and ideas, but it will build on a strong foundation – with clear priorities, dedicated public servants and a shared commitment to delivering services Calgarians can count on, today and for generations to come.

While change is inevitable, our commitment to Calgarians remains steadfast. Every decision we make, every improvement we implement and every project we advance creates a city that is more connected, more resilient and better positioned for the future.

The work continues, the foundation is strong and Calgary's best days remain ahead.

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.

Three-quarters (76 per cent) of Calgarians rate their overall quality of life in the city as 'good', consistent with spring 2025 (74 per cent).

WHAT'S HAPPENING IN THE COMMUNITY

The [2026 Spring Survey] reports that Calgarians' positive perception of their quality of life remains strong. Three-quarters (76 per cent) of Calgarians rate their overall quality of life in the city as 'good', consistent with spring 2025 (74 per cent).

Looking across core City services, results show stronger performance on experience and quality, with most Calgarians finding services easy to access, reliable and helpful in supporting quality of life. Time-related scores are lower, reflecting higher expectations around service interruptions and how quickly issues are communicated and addressed.

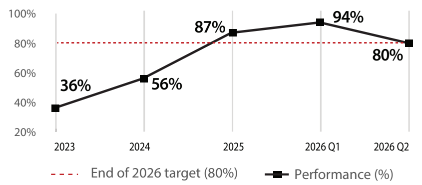
Core services earning the strongest satisfaction ratings include Fire (90 per cent), Waste & Recycling (78 per cent), Parks (77 per cent), Emergency Management (75 per cent) and Community & Culture (75 per cent). Compared with satisfaction, services with the highest usage rates include Parks (84 per cent), Community & Culture (75 per cent), Transit (67 per cent) and Recreation (65 per cent).

7 of 15 services have over 70% satisfaction rating

Strong 311 response performance

In the second quarter of 2026, 80 per cent of 311 calls were answered within one minute (up from 76 per cent in Q2 2025 and on par with performance target of 80 per cent). As is typical with higher seasonal demand, this value decreased from 94 per cent in Q1 and is expected to rebound in Q4 as call volumes decrease. However, over the last three years, performance has improved 44 percentage points from a low of 36 per cent in 2023. Through investments in staffing and optimized scheduling, 311 improved response times while responding to increased call demand and complexity.

Per cent of 311 calls answered within one minute



Making Assessment & Tax services easier to access with 311

Calgarians can now access property assessment and tax support through a simpler, more connected service experience. By leveraging 311's existing service model and Assessment & Tax's specialized expertise, The City is delivering faster access to information while making more efficient use of resources.

To do that, we moved our intake to 311 and introduced a three-tier service model that combines self-service through myTax with access to 311 support when questions come up. The service is available by phone or online 24 hours a day, 365 days a year, in hundreds of languages, making information more accessible.

This year's Tax Customer Review Period demonstrated the impact of the new service model. During the 67-day property assessment review period, The City handled more than 23,000 assessment and tax inquiries. Of those inquiries, more than half (51 per cent) were resolved directly through 311, so Assessment & Tax specialists can focus on more complex requests and Calgarians can get the services they need more quickly.

Stephen Avenue revitalization milestone completed

The City completed a major milestone in the Stephen Avenue Revitalization Project in Q2, improving one of Calgary's most iconic downtown destinations. Calgarians and visitors were able to enjoy a renewed, safer Stephen Avenue between 1st Street S.E. and Centre Street as patios and public spaces reopened just in time for Stampede and the summer season. For more details on these improvements, click [here].

Calgarians and employees awarded

During Q2 2026, many Calgarians and City employees were awarded for their outstanding achievements. Dating back to 1994, this year's Calgary Awards honoured 13 individuals and organizations for their accessibility, environmental, community and international contributions. Learn more about their achievements, including the Calgarian of the Year, [here].

Launched in 2017, the One City Awards similarly celebrate City of Calgary employees going above and beyond to make our community thrive. This year, 10 awards were given to staff and interdepartmental teams in recognition of their innovation, collaboration, leadership and everyday excellence.

Infrastructure

Calgarians rely on roads, water services, public spaces and community facilities every day. We maintain and improve this infrastructure to provide reliable services, support a growing city and deliver on Council's priority of reliable and sustainable infrastructure.

Reliable water service means fewer disruptions for Calgarians. Only 6 properties per 1,000 experienced a water outage in Q2, a 25 per cent decrease from Q1.

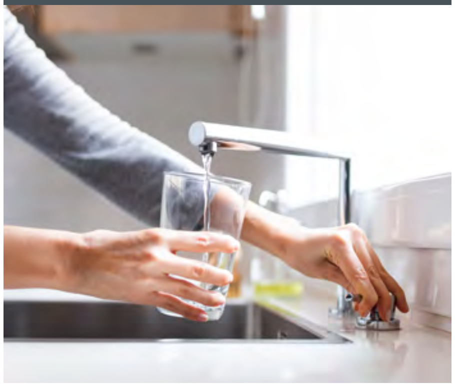
WHAT'S HAPPENING IN THE COMMUNITY

Calgarians recognize the importance of investing in infrastructure. The 2026 Economic Perspectives Survey results show that 78 per cent of residents believe now is a good time for The City to invest in projects such as roads, public transportation and public facilities. Residents continue to support future investment, while infrastructure and roads remain among the issues they care about most.

These findings reinforce the importance of continuing to invest in infrastructure that supports daily life, reliable services and future growth.

~6 **Properties impacted by water outages per 1,000 properties**

Improved from 8 in Q1 2026 and on track to meet annual target of less than 33



Strengthening water governance and reliability

Improving reliability is still a key focus following the Bearspaw South Feeder Main incident. We are implementing recommendations from the independent review and strengthening utility governance to support reliable service, informed infrastructure decisions and greater public confidence.

Michael Thompson was appointed as acting Chief Operating Officer - Water Utility, and work is underway to establish a utilities governance board to strengthen oversight and support informed decision-making for critical infrastructure. The Bearspaw South Feeder Main Replacement Project is still on schedule, with approximately two of the planned six kilometres of new steel feeder main installed as of July 23.

These actions support the long-term reliability of critical infrastructure and help build public confidence in how water services are managed. The 2026 Perspectives on Calgary Trust & Reputation Survey results show 69 per cent of Calgarians are confident in our ability to manage critical water infrastructure in the future.

Minimizing service disruption

Calgarians depend on infrastructure that works when they need it. In Q2, the number of properties that experienced water outages decreased from eight properties per 1,000 in Q1 to six properties per 1,000 in Q2. Continued investment in water infrastructure, preventative maintenance and stronger utility governance is helping improve reliability and reduce service disruptions.

Enabling safer and easier travel across Calgary

We continued investing in roads, sidewalks and pathways to help people safely get where they need to go. Crews repaired 15,530 potholes through the end of Q2, about 20 per cent more than at the same point last year, and repaired nearly 16 kilometres of sidewalk, a 430 per cent increase from Q2 2025. Road rehabilitation is also underway across Calgary to improve driving conditions and extend pavement life.

15,530 **Potholes repaired by the end of Q2**

20% more vs. cumulative Q2 2025

Investing in public spaces and facilities

Parks, recreation spaces and public facilities support community life in every quadrant of the city. Continued investment and preventative maintenance are helping keep public spaces and facilities in good condition. In Q2, our Branching Out program helped 10,000 trees find new homes across Calgary, doubling the number of trees provided in 2025. The program supports Calgary's long-term goal to expand the urban tree canopy while helping create greener, healthier and more resilient communities.

Public Safety

Everyone should feel safe and be safe where they live, work and travel throughout Calgary. We work across City departments and with community partners to provide a wide range of safety-focused services, from prevention to emergency response, to foster a healthy, vibrant city where everyone feels safe, connected, supported, and that they belong.

Response times to high-risk fires have been slightly faster than Q1, with resources on scene within the 11-minute target 75 per cent of the time in Q2.

WHAT'S HAPPENING IN THE COMMUNITY

Calgarians expect effective and lasting solutions to address safety issues and their root causes.

Together with partners, in Q2 2026 The City provided 9,900 downtown safety responses, up 50 per cent over the previous quarter. This continues an upward trend that reflects both increased community needs and an enhanced capacity to respond. The City carried out more wellbeing checks and medical responses due to an ongoing city-wide increase in drug poisonings. Increased Peace Officer presence and data quality improvements have helped identify safety concerns and contributed to higher response numbers.

In late June, The City supported Safer Calgary – Operation Order, an initiative between the Calgary Police Service, Community and Transit Peace Officers, Alberta Sheriffs and health partners, and outreach providers. This initiative provided coordinated enforcement, proactive engagement and connections to outreach supports across downtown and transit locations. More than 380 calls attended led to 280 warrants executed and 252 social support referrals.

Expanding support and collaboration for increased stability

In Q2 2026, Community Peace Officers responded to 1,400 encampment-related concerns. That's 400 more than Q1 and typical in warmer weather, and five per cent less than the same period in 2025. This mirrors a slight longer-term downward trend from just over 11,000 in 2023 to about 9,600 last year. Officers have focused on visits that build rapport with occupants. This is more effective than issuing notices to vacate as it prioritizes getting people the help they need for lasting change. However, encampments are removed when necessary. Officers continue to work with outreach partners, the Calgary Police Service and Transit Public Safety to keep public spaces safe for everyone.

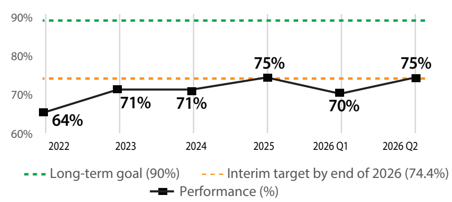
The Fair Entry program provides access to more affordable City and partner services by screening for low-income eligibility. The number of applications processed remained stable at 25,700, down two per cent from the same quarter last year. Stronger employment rates may have affected demand. The complexity of clients' needs and ongoing accessibility improvements continue to drive demand for the program. Partners are able to use The City's Fair Entry application process to provide access to more services for people with low income. In July, Fair Entry launched a partnership with GreenShield to help eligible clients access essential prescription medications at no cost.

50% Increase in downtown safety responses over Q1 2026
Community Safety & Wellbeing Indicator Report

Investing to improve emergency response times

For serious and escalating fires, resources were on scene within the 11-minute target 75 per cent of the time (vs. 90 per cent target). This is slightly better than Q1 2026 and Q2 2025. Performance has improved in recent years from a low of 64 per cent in 2022, due in part to investments that have resulted in more firefighters and response vehicles to strengthen coverage, increasing citizen and firefighter safety.

Per cent of responses to serious and escalating fires within 11 minutes



In Q2 2026, 911 calls were answered within 15 seconds 96 per cent of the time, one per cent above both Q2 2025 and the provincial standard. However, performance has fallen from a high in recent years of 98 per cent in 2021 to 94 per cent in 2025, due to increased demand and call complexity. Recent performance improvements reflect increased staffing and more effective allocation of call-taker resources.

Addressing community safety and wellbeing challenges

Investments are producing results, but population growth and increasingly complex needs continue to pressure services. The *Safer Together* plan along with a focus on coordinated action from prevention to emergency response are key to improving community safety and wellbeing.

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.

Calgary Transit continues to be reliable with 85 per cent on-time performance. Transit Service Reviews are helping drive improvements.

WHAT'S HAPPENING IN THE COMMUNITY

Transit is one of the most used services analyzed in the [2026 Spring Survey of Calgarians](), with 67 per cent of respondents reporting use in the past 12 months. Two-thirds (67 per cent) agree that the service is easy to access, and 63 per cent agree that it enhances their quality of life. Satisfaction ratings with elements of service timeliness and quality ranged from 41 to 62 per cent, providing timely opportunities for targeted service improvement.

Public engagement on Transit Service Reviews underway

Ongoing improvements have been realized through Transit Service Reviews for North Central, Fish Creek and Saddletowne routes where customers provided feedback about potential impacts regarding the new routes.

These reviews look at areas that are served by many bus routes and adjust routes to improve the area's overall service for Calgarians. Adjustments are made so customers can access major destinations, reduce service redundancy, and connect local bus routes to Calgary's fast and frequent network. Feedback from customers has shaped changes to several routes that will go into effect on August 31.

Ridership fluctuating year to year

For the Q2 2026 period, ridership (23 million) was down when compared to Q2 2025 (24 million). This decline can be the result of many factors, including two major weather events in April and June, which saw a decrease in trips over several days during those events.

Rolling in new trains

The first new C10 series CTrain was put into service on June 23. It is the first time in six years that new trains have been added to Calgary Transit's fleet. These new trains will replace the last of the long-serving U2 cars by the end of 2028, some of which have been in service since the 1980s.

Kicking off CTrain infrastructure maintenance season

Maintaining reliable service for customers year-round means taking advantage of the warmer months for critical infrastructure maintenance activities.

This construction season includes seven planned closures between the two CTrain lines across Calgary Transit's 120 kilometres of track.

To minimize disruption over the May long weekend, crews completed a full downtown closure of the entire length of 7 Avenue S. This work included coordinated efforts to replace and repair tracks, replace concrete and asphalt, and investigate underground utilities for future replacements.

85% on-time performance **vs. 86% in Q2 2025 and target of 90% for 2026**

23 million ridership

vs. 24 million in Q2 2025
Increase of 3.8% over Q1 2026

Improving safety for bus drivers

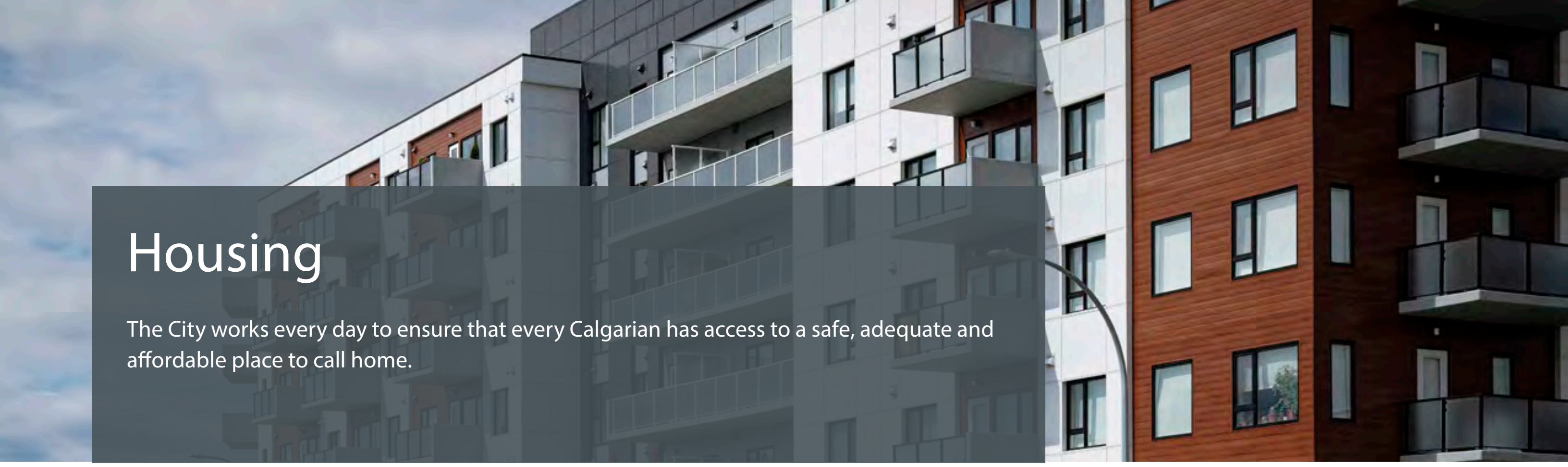
The first bus driver barriers were installed and are currently being tested by bus drivers. This step will improve workplace safety by increasing driver protection and supporting a safer and more comfortable transit experience for everyone. All barriers will be installed through the fall of 2026 and into 2027.

Improving service for customers

Since January, Calgary Transit has added 120 bus drivers to its workforce, with another 85 currently in or scheduled for training. Increasing the number of bus drivers supports upcoming bus service increases planned in the fall. Together, these increases will contribute to Calgary Transit's on-time performance as we work toward the 2026 target of 90 per cent from the current 85 per cent in Q2.

Providing real-time travel information

More than 90 buses now have real-time travel screens. The pilot phase of these screens gives customers real-time information throughout their trip, both visually and audibly to increase accessibility and communication to customers. The information also confirms times until the next stop. Screens will be installed on all buses by mid-2027.



Housing

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

Continued investment in housing is increasing supply, expanding choice and helping more Calgarians find a place to call home. Building permits for 6,416 market homes and 84 non-market homes exceeded 2024 levels.

WHAT'S HAPPENING IN THE COMMUNITY

Safe communities start with stable housing

According to the 2023 Housing Needs Assessment, nearly one in five Calgarians are experiencing housing need. This means a forecasted 110,000 households in Calgary are struggling to afford housing costs. Rising cost-of-living pressures remain a key driver, with 92 per cent of respondents indicating in the most recent data that housing is too expensive for the average Calgarian. While only a portion of these households face severe housing instability or risk of homelessness, the growing number of people in housing need is increasing pressure on both housing and public safety systems.

Access to stable, affordable housing helps prevent homelessness, strengthens community well-being, and supports public safety. According to the 2026 Spring Survey, Calgarians ranked affordable housing (11 per cent) and public safety (21 per cent) among their top five priorities.

Building on housing momentum

Calgary continues to make progress on *Home is Here – The City of Calgary's Housing Strategy (2024-2030)* in collaboration with partners across the housing sector. Since The Strategy, housing supply, choice and affordability have improved, and the stabilization of the residential market over the last year has helped ease some market pressures. However, overall residential home prices remain approximately 37 per cent higher than in 2019, while incomes have increased by only 12 per cent over the same period.

As the housing market becomes more balanced, with rising vacancy rates and increased housing inventory, new homes continue to be added. This helps expand housing supply and provide more choices for current and future residents.* In the non-market sector, building permit activity continues to demonstrate growth, reflecting sustained investment in non-market housing projects that will help more Calgarians access safe, stable and affordable homes. Comparing annual results, non-market building permits in 2025 were more than four times higher than pre-Strategy levels in 2022.

In Q2, Council approved the repeal of Rezoning for Housing. The impacts of this change will emerge in future housing and development data as the changes came into effect August 4, 2026.

* Housing projects progress through a development pipeline that includes Development Permit approval, Building Permit approval, and occupancy. Because projects require time to advance through each stage, permit activity and completed housing units may occur in different reporting periods.

Second quarter highlights

Several significant housing-related milestones occurred in Q2 reflecting ongoing efforts to improve housing supply, choice and affordability across Calgary.

- Launched a new application window for the optimized Downtown Office Conversion Program, accelerating the delivery of new homes and a broader range of housing options.
- Held grand openings for City-supported Liberty Village Block (57 homes), HomeSpace Whitehorn (52 homes), and Calgary Housing Mt. Pleasant (16 homes) non-market housing projects.
- Held groundbreakings for the City-supported Calgary Housing Southview 3 (250 homes) and SORAH Erin Woods (60 homes) non-market housing projects.
- Invested $10 million from the Housing Land Fund in the Calgary Housing Midfield Development (176 homes).

3,277 market homes
112 non-market homes
approved through Development Permits in Q2

6,416 market homes
84 non-market homes
approved through Building Permits in Q2

5,988 new homes
granted occupancy in Q2

Key Performance Measures

Visit the dashboard for additional details

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.

EC2026-0618
ATTACHMENT 2

	Key Performance Measures	2022	2023	2024	2025	2026 Q1	2026 Q2	Target
The City at a Glance	% total debt to Council debt limit	41%	40%	40%	38%	48% [1]	46% [1]	48%
The City at a Glance	City of Calgary credit rating (Standard & Poor's 'S&P rating')	AA+	AA+	AA+	AA+	N/A	AA+	AA+ rating
The City at a Glance	Financial stability ratio (fiscal stability reserve %)	12.8%	10.2%	12.6%	9.2%	9.1% [1]	9% [1]	10.2% [2]
The City at a Glance	Business licence applications that have been submitted and completed online - Ease of Service (%)	N/A	70%	63%	69%	66%	67%	80% by end of 2026
The City at a Glance	311 Telephone Service Factor (% of calls answered in 60 seconds or less)	N/A	36%	56%	87%	94%	80%	80% by end of 2026
The City at a Glance	Trust in The City of Calgary (%)	48%	47%	40%	50%	54%	54%	N/A
The City at a Glance	% of Calgarians satisfied with overall City services	69%	68%	63%	64%	62%	62%	N/A
Infrastructure	Facility Management Assets in Poor & Very Poor Condition (%)	16%	16%	13%	12%	12%	12%	<17%
Infrastructure	Paved roadways in Good & Very Good Condition (%)	41%	38%	38%	38%	34%	34%	35% by end of 2026
Infrastructure	Cumulative lane-kilometres of road repaved	300	265	400	449	N/A	24	303 km planned for 2026
Infrastructure	Sidewalks in Good & Very Good Condition (%)	87%	87%	87%	67%	67%	67%	N/A
Infrastructure	Pathways in Good & Very Good Condition (%)	79%	67%	79%	87%	87%	87%	N/A
Infrastructure	Park Assets in Poor & Very Poor Condition (%)	18%	23%	19%	19%	18%	18%	< 22% by end of 2026
Infrastructure	Cumulative number of repaired potholes (Year-to-Date)	16,082	33,490	37,850	35,855	4,627	15,530	N/A
Infrastructure	Cumulative kilometres of concrete sidewalk repairs completed	34	40	38	32	N/A	15.9	N/A
Infrastructure	Snow and ice control completion on priority 1 & 2 routes within targeted timeframes (%)	94%	98%	100%	100%	100%	100%	95% annually by end of 2026
Infrastructure	Snow and ice control completion on pedestrian infrastructure within targeted timeframes (%)	64%	74%	75%	97%	92%	92%	95% annually by end of 2026
Infrastructure	Properties impacted by water outages per 1000 properties	26	41	29	43	8	6	< 33 annually by end of 2026
Public Safety	Initial 9-1-1 calls answered within 15 seconds (%)	96%	95%	95%	94%	97%	96%	95% annually
Public Safety	% of responses to serious and escalating fires (where two engines, one aerial unit, and a minimum of 12 fire fighters arrived) within 11 minutes (cumulative)	63.8%	70.1%	70.9%	75.4%	69.5%	74.7%	74.4% by end of 2026
Public Safety	Number of responses to encampment sites [3]	5,881	11,065	10,148	9,573	1,046	1,461	5,600 per year by end of 2026 [3]
Public Safety	Number of applications processed for the Fair Entry program	47,167	61,841	74,980	77,874	12,574	25,702	80,000 per year by end of 2026
Transit	Total number of transit trips (Calgary Transit ridership) (millions)	56.9	90.0	93.7	93.1	22.2	23.1	N/A
Transit	Trips that arrive within a specified period (%), (i.e. bus on-time performance)	88%	85%	84%	85%	86%	85%	90% annually by end of 2026
Transit	Customer safety rating rate on Transit (%)	65%	71%	74%	74%	74%	74%	88% annually by end of 2026
Housing	Number of new market homes with development permit approval	14,217 [5]	14,267 [5]	22,381 [5]	23,685 [5]	4,259 [5]	3,277	N/A
Housing	Number of new market homes with building permit approval	16,391	19,574	25,095	25,770	4,856 [5]	6,416	14,252 per year by end of 2026
Housing	Number of new non-market homes with development permit approval [4]	185 [5]	94 [5]	917 [5]	1,371 [5]	59 [5]	112	3,000 per year
Housing	Number of new non-market homes with building permit approval [4]	158	152	121	643	99 [5]	84	3,000 per year
Housing	Total new housing units granted occupancy [4]	14,261	16,302	21,542	27,965	6,633	5,988	N/A
Housing	New housing units completed in Calgary's Downtown through the conversion of office properties [4]	N/A	N/A	112	486	195	0	889 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] Fiscal Stability Reserve must maintain a minimum balance of five per cent of The City's operating, tax-supported gross expenses (net of recoveries).
[3] This metric and target will be re-evaluated for the next budget cycle.
[4] 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.
[5] Previously published values updated to account for permit cancellations, refusals, appeals, data corrections, and changes to unit counts.

Financial and Economic Update Second Quarter

(Year-to-date as of June 30, 2026)

Operating Budget Overview

Net Budget – comparison to Actuals **For the period ended June 30 ($ in millions)**	**YTD Budget**	**Actual**	**Favourable/ (Unfavourable)**	**Forecast**
Operational Services	390	396	(6)	(4)
Community Services[1]	312	296	16	7
Calgary Police Service	304	293	11	0
People, Innovation & Collaboration Services	125	125	0	0
Civic Partners	81	80	1	0
Planning & Development Services	63	48	15	4
Law, Legislative Services & Security	55	49	6	0
Infrastructure Services	50	31	19	0
Corporate Planning & Financial Services	45	43	2	0
Council	9	6	3	3
Chief Operating Office	7	1	6	5
Chief Administrative Office	5	5	0	0
Less: Corporate Programs	2,792	2,829	37	115
Total	**1,346**	**1,456**	**110**	**130**

[1] Reflects organizational structure change from Chief Operating Office - Chief Housing Office ($48 million) to Community Services.

As of June 30, 2026, The City had a favourable operating variance of $110 million, consisting of a combined $73 million across several departments and $37 million in Corporate Programs.

The $73 million favourable variances across departments are explained below:

- **Operational Services:** $6 million unfavourable. Revenues were $24 million favourable, driven by higher Calgary Transit one-time revenue funding of Low Income Passes along with the receipt of unbudgeted provincial grants, product sales from Asphalt Plant and Utility Line assignment work along with increased enforcement revenue from Calgary Parking. Non-salary and wage expenses were $21 million favourable from lower interest costs, utility savings and unbudgeted off-site levy Density Incentive Program recoveries. These savings were partially offset by salary and wages of $8 million driven by Calgary Transit overtime costs and increases in Mobility traffic and winter maintenance costs. Net reserve activity was $43 million higher than budget due to operating surpluses transferred in Water Services.
- **Community Services:** $16 million favourable. Revenues were $7 million favourable, driven by $3 million higher than budgeted facility and program fees as most facilities achieved optimal hours of operation, and $4 million in unbudgeted government grants supporting initiatives such as the Youth Employment Centre, Calgary Local Immigration Partnerships, and Home Services for Seniors. Net reserve activity was $9 million higher than budget, reflecting $11 million in additional reserve withdrawals to fund land expenditures for Affordable Housing, partially offset by $2 million in higher than budgeted reserve contributions to the Livery, Fire Miscellaneous Capital, and Artificial Turf reserves.

- **Calgary Police Service:** $11 million favourable, mainly due to higher Government Grant funding revenues combined with the timing of spending in contract and general services expenses and transfers to reserves.
- **Planning & Development Services:** $15 million favourable. Revenues were $20 million favourable, driven by $18 million in higher building and trade permit revenues, $1 million from Renewable Energy certificate sales, and $1 million in unbudgeted grants funding. Expenses were $20 million favourable including $4 million in salary and wages savings from vacancies and timing of salary expenditures for one-time initiatives and $16 million in non-salary mainly due to timing differences in various one-time initiatives, lower contract and consulting costs, higher internal permit recoveries, and unbudgeted recoveries. These favourable variances were offset by net reserve activity that was $25 million below budget because of lower spending in reserve funded expenditures and timing of other reserve transfers.
- **Law, Legislative Services & Security:** $6 million favourable. Revenues were $2 million favourable due to the timing of third-party insurance settlements received. Expenses were $4 million favourable, consisting of $2 million in salary savings from delayed hiring and $2 million in lower non-salary expenditures, including the timing of third-party insurance claim payments and contractual services costs.
- **Infrastructure Services:** $19 million favourable. Revenues were $13 million unfavourable due to lower than budgeted general land sales. Expenses were $22 million favourable from higher corporate capital overhead recoveries for capital delivery and lower cost of sales for land. Net reserve activity was $10 million lower than budgeted as a result of reduced transfers to reserves from lower land sales revenue.
- **Chief Operating Office:** $6 million favourable, mainly due to timing of expenditures related to the Prairie Economic Gateway design work, which remains in the early stages of procurement.
- **Other Departments:** $6 million favourable variance. This includes Council, Corporate Planning & Financial Services and Civic Partners, mainly due to $2 million unbudgeted flow through donations and $4 million in lower salary and wage expenditures from slower than anticipated staff hires and higher salary recoveries, offset by temporary staffing costs.
- **Corporate Programs:** $37 million favourable due to interest savings in corporate borrowing, higher fines and penalty revenue, stronger investment income, and corporate provisions that remain unspent this year.

The City is forecasting a $130 million favourable year-end variance, due to lower than expected assessment losses on property taxes of $10 million, higher than budgeted investment income of $40 million, corporate provisions not yet required and lower expenditures of $55 million, and salary and wages savings of $25 million.

Progress on 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 $3.7 million in 2025 and $2.9 million in 2026. Of this amount, $3.9 million was spent in 2025 and $2.7 million remains available for 2026.

In November 2025, as part of the 2026 Budget Adjustments to the 2023–2026 Service Plans and Budgets, Council approved additional one-time priorities totaling $51.9 million for 2026.

The table below summarizes these amendments, and the progress Administration has made to deliver on these investments.

Department	Amendment ($ millions)	Total Budget	2025 Spend	2026 YTD Spend	Remaining Budget	Progress update
Planning & Development Services	Better Services & More Events Downtown	2.0	1.0	0.7	0.3	Funding was used for 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. Funding also supported cSpace Historic Fire Hall No. 1. and Eau Claire Plaza operating and maintenance costs.
Community Services	Preventative Social Services	1.5	0.8	0.7	0.0	Funding supports community-based equity organizations such as new immigration, social well-being and inclusivity. Funds are fully spent.
Planning & Development Services; Corporate Programs	Heritage Conservation	1.3	0.5	0.2	0.6	Funding tax cancellation for historic resource properties.
People, Innovation & Collaboration Services	Improving Engagement with Calgarians	0.8	0.7	0.1	0.0	Consulting work on assessment and benchmarking was completed in 2025 with further reporting and commitments presented to decision makers in 2026. Remaining funds will support initial implementation through a focused business plan.
Community Services	Inglewood Pool	1.2	0.8	0.4	0.0	Funding was used for the operations and maintenance of the Inglewood Pool. Funds are fully spent.
Community Services	Event Funding	0.2	0.1	0.1	0.0	2025 funding was committed to His Majesty's Canadian Ship 30th Anniversary ($65K), Grey Cup Committee ($25K) and the Carnaval Committee ($25K). 2025 funding was fully spent. Remaining 2026 funding allocated between Grey Cup Committee ($25K) and the Carnaval Committee ($25K) has been fully spent.
Community Services*	Mental Health & Addictions Program	6.0	0.0	5.5	0.5	Project is designed to strengthen support for people, families and communities in Calgary living with mental health and addiction issues. The City distributes funding to partner organizations who help achieve Council goals and agendas. Project will be complete by end of 2026.
Planning & Development Services*	Downtown Office Conversion	25.0	0.0	0.0	25.0	The Downtown Office Conversion Program re-opened June 15th for application intake until July 27th. Application review is ongoing with the $25M expected to be fully committed by the end of 2026. Incentive disbursements will occur upon project completion in 2027/2028.
Community Services*	Downtown Non-Market Office Conversion	10.0	0.0	0.0	10.0	Progressing as planned. Application process is complete, partner agreements with successful applicants are being drafted.
Community Services*	Improving Transit Safety	9.0	0.0	2.7	6.3	All FTE positions have been filled, and funding is expected to be fully utilized by year-end.
Civic Partners*	Civic Partnership Operating Grant program	0.8	0.0	0.5	0.3	One-time operating funding agreements have been executed and distributions are underway. Full budget will be utilized and paid out prior to the end of 2026.

Operational Services*	Dermot Baldwin Way Daily Contract Cleaning Program	0.2	0.0	0.0	0.2	A dedicated contractor provides enhanced cleaning twice a day around the Drop-In Centre site. Through the one-time funding, The City has increased the frequency of service to twice daily along with weekend cleaning in addition to a broader maintenance area.
Operational Services*	Washroom Attendant Program at Devonian Gardens, Century Gardens Park, and Central Memorial Park	1.0	0.0	0.4	0.6	The Washroom Attendant Program is operating successfully, and budget is on track. Permanent locations at Century Gardens, Devonian Gardens and Central Memorial Park are operating well with good feedback. Eau Claire washroom is delayed. Services have been provided at Prince's Island Park with good results and feedback. In addition, emerging needs have been addressed such as the need for washroom attendants at Enoch Skateboard Park, services at River Hall, and responding to requests from specific Festivals.
Total		**59.0**	**3.9**	**11.3**	**43.8**	

*Projects approved in 2026 Budget Adjustments

Capital Budget Overview

Capital Expenditures - Budget to Actuals For the period ended June 30 ($ in millions)	2026 Budget	2026 Actual	YTD Spend Rate	Remaining Budget	Year-End Forecast Amount	Year-End Forecast %
Infrastructure Services	2,870	966	34%	1,904	2,880	100%
Operational Services	883	234	26%	649	698	79%
Community Services[1]	347	62	18%	285	294	85%
Civic Partners	143	59	41%	85	138	96%
Calgary Police Service	76	15	20%	61	59	78%
Planning & Development Services	66	17	26%	48	47	71%
People, Innovation & Collaboration Services	57	17	29%	40	46	81%
Corporate Planning & Financial Services	16	1	6%	15	12	76%
Law, Legislative Services & Security	9	4	49%	5	9	99%
Chief Administrative Office[2]	0	0	0%	0	0	50%
Total	**4,467**	**1,375**	**31%**	**3,092**	**4,183**	**94%**

1 Reflects organizational structure change from Chief Operating Office - Chief Housing Office ($259 million) to Community Services.

2 Chief Administrative Office (CAO) showing zero budget due to rounding. In 2026, CAO has a capital budget of $0.30 million with a forecast spend of $0.15 million which equals 50 per cent forecast spend rate.

Second quarter highlights:

As of June 30, 2026, The City spent $1.375 billion, or 31 per cent, of its $4.467 billion capital budget. The City continues to focus on delivering high priority infrastructure to ensure safe and reliable service delivery. Capital spend typically increase in the second half of the year due to the seasonality of the construction industry.

During the second quarter of 2026, several major infrastructure milestones were completed. These milestones demonstrate The City's continued dedication to providing reliable and sustainable infrastructure, improving the functional transportation network, strengthening community liveability and well being, balancing growth and evolving neighbourhoods and more.

Construction of the Bearspaw South Feeder Main Replacement Project remains on schedule with microtunneling underway between Sarcee Trail and Bow River, essential cross-connections to the existing water system and installation of a new parallel steel feeder main.

Scotia Place remains on track for the 2027 hockey season. Progress is also advancing on the Esso Community Arena, a 1,000-seat indoor community rink at Scotia Place. Raising 14 Avenue S.E. to improve site access is complete while construction of the 6 Street S.E. underpass progresses on schedule.

Construction advanced on the Green Line SE Segment during the second quarter, with progress on major construction activities, key contract awards, and the acceleration of major procurement contracts. In addition to these major transit improvements, Calgary Transit introduced its first new C10 light-rail vehicles in six years, beginning a phased 37-vehicle fleet modernization plan that will retire cars dating back to 1981.

Stephen Avenue Revitalization is complete between 1 Street S.E. and Centre Street, delivering a more vibrant, year-round downtown core and in time for the Calgary Stampede. Alongside these downtown improvements, The City is also scaling up affordable housing. Calgary Housing broke ground on Phase 1 of the Southview development, its largest project to date. This initiative will deliver 250 highly energy-efficient, mixed-income homes by Q1 2028, providing housing for more than 600 Calgarians. A new 16-home non-market development also celebrated its grand opening in Mount Pleasant.

Progress on Council Amendments

During the November 2024 Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets, Council approved $47.4 million in high-priority capital budget amendments, consisting of $30.4 million for 2025 and $17.0 million for 2026. Of the 2025 funding, $20.8 million was spent in 2025, leaving $26.6 million available in 2026. In November 2025, Council subsequently approved an additional $161.0 million in high-priority capital budget amendments through the 2026 Budget Adjustments to the 2023-2026 Service Plans and Budgets.

The table below summarizes these amendments, and Administration's progress to date.

Department	Amendment ($ millions)	2025/2026 Budget	2027+ Budget	2025 Spend	2026 YTD Spend	Unspent Budget	Progress update
Operational Services	Pavement Rehabilitation & Reconstruction	20.0	0.0	20.0	0.0	0.0	Project completed and fully spent in 2025.
Infrastructure Services	Village Square Leisure Center Service Cycle	15.0	0.0	0.0	0.0	15.0	Project is on schedule. Closure for a service cycle upgrade and other required repairs beginning Aug. 31, 2026. It is expected to reopen by the end of 2027.
Calgary Police Service	Indoor Training Facility (Firearms Range)	9.5	0.0	0.0	0.6	8.9	Project ongoing, spending is in line with the original target, with completion targeted for March 2027.
Infrastructure Services**	Parks & Playground Amenities Upgrades	4.5	1.0	0.5	0.1	4.9	Funding is supporting the following projects: Forest Lawn Inclusive Playground, Redstone Inclusive Playground, Redstone Shade Structures & Seating, City-wide Off-Leash Signage, The Ralph Klein Observatory and Castle Ridge Playground. The Ralph Klein Observatory and Martindale Shade Structure & Garden projects are expected to extend into 2027.
Operational Services	Inglewood Pool Upgrades	0.4	0.0	0.3	0.0	0.1	Repairs and upgrades completed in 2025.
Infrastructure Services*	GamePLAN - Northeast Athletic Complex	5.5	59.5	0.0	0.0	65.0	Project is on schedule with procurement for a General Contractor underway.
Infrastructure Services*	GamePLAN - Planning & Design of Facilities (Rocky Ridge Fieldhouse)	1.0	5.0	0.0	0.0	6.0	Geotechnical desktop review has been completed, and field investigation is ongoing. Cost consultant scope and fee negotiations are currently in progress and onboarding of the commissioning consultant has been initiated.
Infrastructure Services*	GamePLAN - Planning & Design of Facilities (New Brighton Athletic Park Fieldhouse)	1.0	3.0	0.0	0.0	4.0	Delays in engaging a design consultant, which have deferred planned 2026 construction activities. The project team is evaluating opportunities to engage a construction manager to advance earthworks this year.
Infrastructure Services*	GamePLAN - Planning & Design of Facilities (Kingsland Athletic Park)	0.5	3.5	0.0	0.0	4.0	Project is in progress, started detailed design in July 2026.
Infrastructure Services*	GamePLAN - Planning & Design of Facilities (Umoja Community Mosaic Soccer Field)	0.5	1.5	0.0	0.0	2.0	Waiting on development plan to be completed, project start is deferred to 2027.
Infrastructure Services*	GamePLAN - Planning & Design of Facilities	2.5	10.2	0.0	0.3	12.4	Forest Lawn, Belmont and Southland Leisure Center finalizing concept stage. Service planning is underway with work to determine service measures for Shouldice Athletic Park.
Civic Partners*	GamePLAN - West District YMCA	3.0	0.0	0.0	0.0	3.0	Agreement is in final draft for this partner delivered project and is anticipated to be signed in 2026. Spending will be in accordance with signed agreement once it has been executed.

Department	Amendment ($ millions)	2025/2026 Budget	2027+ Budget	2025 Spend	2026 YTD Spend	Unspent Budget	Progress update
Operational Services*	Intersection Safety Improvements (Rectangular Rapid Flash Beacons)	2.0	0.0	0.0	0.0	2.0	There have only been two locations issued so far but work on this is expected to ramp up as the year progresses.
Operational Services*	Vision Zero - Mobility Safety Improvements	7.5	0.0	0.0	0.6	6.9	Safety improvement work has been done at 98 Avenue-24 Street S.W., as well as 128 Avenue-Metis Trail N.E.
Operational Services*	Heritage Asset Sustainment (Beltline YMCA)	1.0	0.0	0.0	0.0	1.0	$1 million allocation for the YWCA project is expected to be fully utilized by year-end. Final design approval is anticipated by August 14, with procurement and market posting expected to commence in late August.
Operational Services*	National accessArts Centre (NaAC)	0.3	0.0	0.0	0.1	0.2	Even though there is a delay in the Funding Agreement between The City & NaAC, the full $0.3 million is expected to be fully utilized by year-end. Spending for NaAC is expected to ramp up in the second half of 2026.
Community Services*	Fire Engine Purchase	2.2	0.0	0.0	2.2	0.0	The 2023-2026 budget is fully spent. As this is an annual investment program (AIP) with additional budget expected for this activity for the 2027-2030 budget cycle to continue replacing fire engines.
Operational Services*	Advance Bus Procurement	11.3	0.0	0.0	0.0	11.3	Council approved $11.25 million in late 2025 to support future diesel bus procurement. Calgary Transit is updating procurement specifications and expects to release the Request for Proposal (RFP) in August 2026. Due to the long lead time for bus manufacturing and delivery, significant expenditures are not expected until vehicles are delivered in future years. The approved funding supports advance procurement activities and remains available for the planned purchase.
Operational Services*	Capital Improvement Program (McKnight & 68 ST and other intersections)	13.0	0.0	0.0	0.3	12.7	The 5 Avenue S.E. Flyover to Memorial Dr N.E. merge lane extension is in construction with an expected completion in September. The McKnight Boulevard/68 Street and 16 Avenue/68 Street projects are nearing completion of detail design and expected to be tendered out in Q4 2026 for 2027 construction.
Community Services*	Glacier Ridge Emergency Response Station	0.5	23.5	0.0	0.0	24.0	Budget is mostly in 2027. Spending is not expected to start until 2027 onwards.
Total		**101.2**	**107.2**	**20.8**	**4.2**	**183.4**	

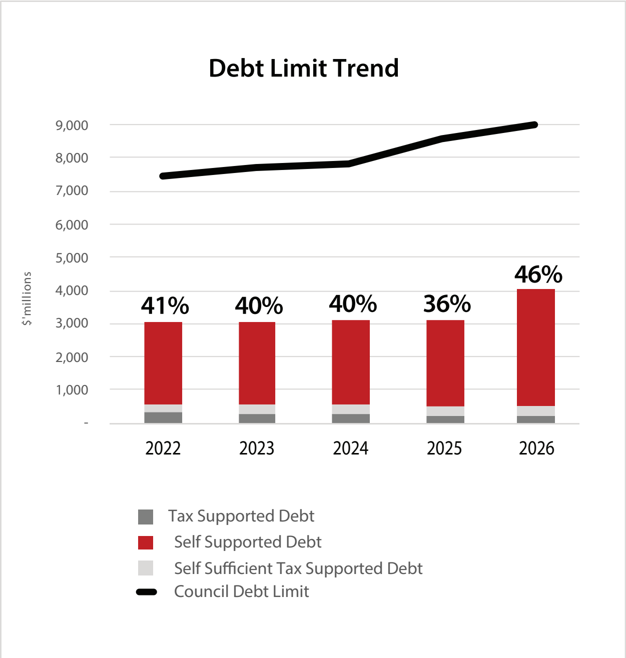
*Projects approved in 2026 Budget Adjustments
**Project approved in 2025 Mid-Cycle Adjustments $2.5 million and 2026 Budget Adjustments $2.0 million

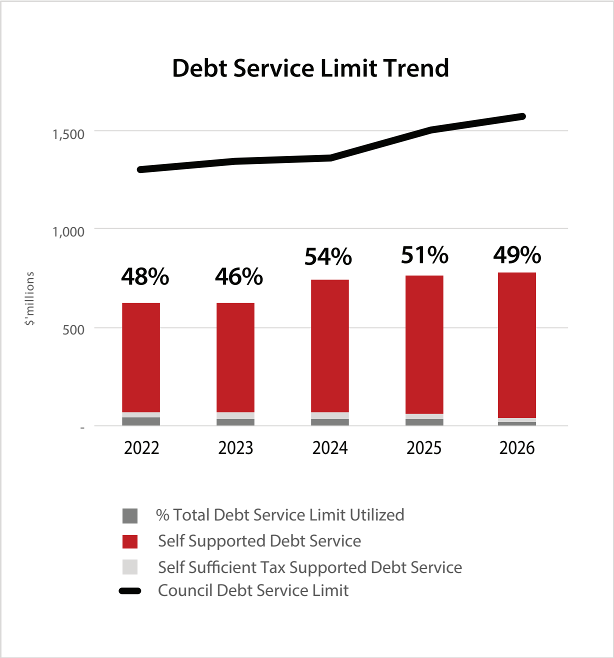
Debt Overview

The City's 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 first six months of 2026, The City issued $147 million in additional external debt for City capital projects and $209 million for ENMAX Corporation. The change between Q1 and Q2 is attributed to a reduction in forecast borrowing for water utilities projects.





Economic Overview

Alberta

Alberta's economy has remained relatively resilient and remains one of the fastest-growing provinces in the country. Stronger population growth over the past two years and an expanding energy sector have provided a boost to the economy. The recent increase in oil prices, driven by conflict in the Middle East, has been positive for government revenue, providing higher fiscal capacity for growth, but will add to the affordability challenges for households.

The Bank of Canada has kept its target for the overnight rate at 2.25 per cent. The Bank is closely monitoring the economic impacts of the Middle East conflict and US trade policy, as near-term inflation expectations remain sensitive to oil and gasoline prices. Canadian Consumer Price Index (CPI) inflation rose to 3.2 per cent in May, driven by fuel costs (2.2 per cent inflation excluding gasoline), but longer-term inflation is expected to ease gradually back to the 2 percent target in early 2027. Canada's economy is showing signs of improvement after a period of slower growth. Domestic consumer spending has been relatively strong, though ongoing market volatility and broader trade uncertainty could still weigh on investment and global growth.

Calgary

Calgary's economy is expected to remain strong. Growth is forecasting to slow from an estimated 3.7 per cent in 2025 to 2.0 per cent this year, due to slower population growth resulting from federal immigration policy.

Table 1: Key economic indicators in Calgary

	2025 Actual	2026 Forecast	YTD-2026 (Q2)
Inflation rate (per cent)	2.1	2.3	2.7
Employment ('000 persons)	1,045.4	1,070.6	1,085.0
Unemployment rate (per cent)	7.5	6.6	6.9
Housing starts (CoC) ('000 units)	23.4	20.2	10.0

Inflation

Consumer prices in Calgary increased by 3.5 per cent (year over year) in the second quarter of 2026. Inflation is being driven by high oil prices from global supply constraints. Higher insurance costs are also a large factor driving inflation. There has been slower growth in shelter costs, for both owned and rented accommodation.

Housing Construction

Calgary maintained its position as Canada's housing engine, leading all Canadian municipalities in housing starts in Q2 2026. 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 second quarter was 7.0 per cent, lower than the 2025 average of 7.5 per cent. There was significant labour force expansion and job growth, with higher labour force participation over Q2. Job growth is expected to be moderate over 2026, due to slower population growth resulting in fewer new population-driven jobs. The unemployment rate is also expected to continue to fall, as less people will be entering the labour force.

Outlook

Overall, Calgary's economy remains resilient, but risks and policy uncertainties could slow growth in 2026.