

2021 Year-End Accountability Report

RECOMMENDATION:

That the Executive Committee recommend that Council receive this report for information, discussion, and the Corporate Record.

HIGHLIGHTS

- This report displays The City's progress towards delivering the One Calgary 2019-2022 Service Plans and Budgets in 2021.
- **What does this mean to Calgarians?** In a time of personal and financial challenge for both citizens and businesses, they know how tax dollars were spent.
- **Why does this matter?** COVID-19 created a challenging environment; however, services were able to deliver value for citizens and achieve results for our community. It shows our commitment to transparency, continuously improve, deliver more value, and provides a springboard for future recovery.
- This report demonstrates how comprehensive risk management practices have enabled The City to respond to and address the external and internal circumstances associated with these risks, and to deliver on the plans and manage our budgets effectively.
- Despite adaptations to service delivery due to the dynamic environment, 86 per cent of strategies are progressing as planned and 60 per cent of performance measures indicate performance against the plan is meeting or exceeding forecasted expectations.
- The City had a favourable operating budget variance of \$146.8 million (or 4.4 per cent of Total City Tax Supported expenditures net of recoveries). This was primarily the result of savings initiatives to intentionally manage corporate contingencies and centralized service budgets that were not allocated during the year, partially offset by COVID-19 related impacts (lower revenues and higher costs associated with continued pandemic response and recovery).
- Throughout 2021 services were impacted by supply chain and material limitations, continued COVID-19 health and safety challenges, and human resources constraints. Despite this challenging environment, The City was able to invest \$1.2 billion in its infrastructure, although substantially lower than the \$2.4 billion capital budget. As a subset of the Capital Plan, The City is delivering \$152.8 million in capital investments through Municipal Stimulus Program (MSP) funding.
- The 2021 Mid-Year Accountability Report (PFC2021-1209) briefing report on 2021 September provided an update on The City's progress in the first half of 2021 (January 1 to June 30) toward delivering the One Calgary 2019-2022 Service Plans and Budgets.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

The 2021 Year-End Accountability Report provides:

- An overview of The City's service and financial performance against the plan for 2021, (Attachment 2);
- A more detailed view for each service including key highlights, service and strategy performance, and financial results compared to the approved Service Plans and Budgets (Attachment 3);

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- A list of the awards won by The City in 2021 (Attachment 4); and
- A summary of the funding initiatives and allocations for COVID-19 recovery initiatives (referred to as the COFLEX program) for 2021 (Attachment 5).

The ongoing global pandemic, current economic situation, and organizational capacity pressures contributed to a challenging operating environment in 2021. However, services have continued to advance the strategies identified through the 2019-2022 Service Plans and Budgets and contribute to the following Citizen Priorities.

A Prosperous City: The City continued to focus on economic diversification, supporting the local economy, and initiatives geared toward a post-pandemic economic recovery. For instance, delivery of the Greater Downtown Plan and securing an initial investment of \$200 million will help realize the vision for downtown including lowering office vacancy, improving downtown vibrancy, and supporting the development of thriving neighbourhoods that attract residents, visitors, and talent.

A City of Safe & Inspiring Neighbourhoods: The City continued to deliver programs and services to help Calgarians feel safe and inspired through challenging times. For example, 2021 saw the implementation of key mental health and addiction initiatives commence. These include A Community of Connections: Calgary's Mental Health and Addiction Community Strategy and Action Plan, as well as Calgary's Mental Health and Addiction Investment Framework.

A City that Moves: The City continued to adapt and innovate service delivery in response to the global pandemic. Critical transit services, while modified, continued to be provided to citizens with revenue shortfalls being offset through prudent cost reductions.

A Healthy & Green City: Ongoing implementation of the Climate Resilience Strategy and Action Plans, focusing on reducing carbon emissions both corporately and across the community, and preparing for the inevitable impacts of a changing climate. Services also delivered initiatives to support both the mental and physical health of Calgarians, as they navigated year two of the global pandemic.

A Well-Run City: Throughout 2021 The City continued its focus on modernizing municipal government, with key initiatives such as continued work on the organizational realignment, ongoing implementation of the Solutions for Achieving Value and Excellence program, several service delivery innovations, and building resilience while ensuring financial sustainability.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

All City services collaborated to produce this report.

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IMPLICATIONS

The 2021 Year-End Accountability Report provides details of The City's accomplishments and challenges in 2021, including social, environmental, and economic impacts. As such, it helps provide an understanding of The City's strengths as well as insights on areas of opportunities.

Further, it provides a platform to adapt our work in-year and informs the work currently underway in supporting the development of next four-year service plans and budgets (2023-2026).

Social: This report presents an overview of the social related impacts achieved in 2021.

Environmental: This report presents an overview of the environmental and climate related impacts achieved in 2021.

Economic: This report presents an overview of the economic impacts achieved in 2021.

Service and Financial Implications: This report presents an overview of the impacts achieved in 2021.

This report complements The City's 2021 Annual Financial Report, published in April which provides audited consolidated financial statements and detailed financial information in compliance with public sector accounting standards and Government Finance Officers Association best practices.

RISK

Understanding, assessing, and managing risk is critical to achieving Council's vision for Calgary – a great place to make a living, a great place to make a life. The City's 2021 Year-end Risk Profile (AC2022-0038) outlines eight Principal Corporate Risks, the most strategic and relevant risks facing The City. As evidenced in this Accountability Report, The City is responding by taking actions required to address the external and internal circumstances associated with these risks, including managing the impacts of the pandemic.

Further, The City has adapted service delivery in response to the volatile risk environment resulting in a decreased level of risk compared to 2020. This Accountability Report is one of many management responses that supports transparency as well as trust and confidence by demonstrating to Council and the public that action is being taken to deliver on the One Calgary 2019-2022 Service Plans and Budgets.

ATTACHMENTS

1. Attachment 1 - Previous Council Direction, Background
2. Attachment 2 - 2021 Year-End Accountability Overview Report
3. Attachment 3 - Service Pages
4. Attachment 4 - The City of Calgary Awards in 2021
5. Attachment 5 - Summary of COFLEX Initiatives and Funding Allocations for 2021
6. Attachment 6 - Presentation - 2021 Year End-Accountability Report

**Chief Financial Officer's Report to
Executive Committee
2022 March 15**

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