

2014 YEAR-END ACCOUNTABILITY REPORT

EXECUTIVE SUMMARY

The 2014 Year-End Accountability Report informs Council of Administration's achievement of 2012-2014 business plans and budget commitments during 2014, and is the final report for this cycle. An update on how the newly-adopted Action Plan will be reported upon will be provided in a separate report in the 2015 March 17 PFC agenda.

The 2014 year-end report includes the status and achievements of the organization's advancement of Council's Fiscal Plan. It also reports on the Corporate Strategy on Efficiency and Effectiveness, including productivity gains, and on progress toward the 2020 Sustainability Direction. Together these reports are intended to ensure Council receives comprehensive year-end accountability reporting by the Administration.

A separate but related report will be provided to a future Priorities and Finance Committee (PFC) with information on previously approved and proposed 2015 revisions to the operating and capital budget.

ADMINISTRATION RECOMMENDATION(S)

That Priorities and Finance Committee recommends that Council receive for information:

- 2014 Year-End Report on Business Plans and Budgets, including the status of Council's Fiscal Plan and the Corporate Strategy on Efficiency and Effectiveness (Attachment 1), and
- 2020 Sustainability Direction - 2014 Annual Report (Attachment 2).

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2015 MARCH 17:

That the Administration Recommendations contained in Report PFC2015-0158 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

Recommendations on Coordinated Accountability Reporting (PFC2012-34) were approved by Council on 2012 April 09. That report outlined the approach for the 2012-2014 cycle and timing for accountability reporting on budgets and business plans, and circulation of monthly Executive Information Reports (EIR). The report also indicated that both Council Fiscal Plan and 2020 Sustainability Direction would be reported on once per year, in the year-end report on business plans and budgets. Additionally, the Administration committed that "a comprehensive report on the Administration's activities to continually improve service efficiency and effectiveness will be provided to Council".

BACKGROUND

The Year-End Accountability Report (Attachment 1) is divided into three sections and includes an additional online segment.

- The first section provides an overview of the corporation's progress towards achieving the direction outlined in Council's Fiscal Plan and highlights major accomplishments and challenges.

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- The second section includes the corporate financial status.
- The third section outlines departments' 2014 progress on their Council approved 2012-2014 business plans and budgets, including financial results, performance measures and progress on specific outcomes, strategies or actions. This section also includes an update, by department, of their performance towards efficiency and effectiveness goals.

The 2020 Sustainability Direction Annual Report (Attachment 2) provides a summary of the 2020 Sustainability Direction progress, The City's 10 year strategic plan for achieving its contributions toward the broader imagineCALGARY vision and long-range plan.

In response to feedback provided by Council in 2014, an online section was created to store the detailed information about progress on Council's Fiscal Plan and the 2020 Sustainability Direction.

- The detailed section on Council's Fiscal Plan summarizes each priority area and provides an update on the status of activities related to each key directional statement.
- The 2020 Sustainability Direction detailed section provides an update on the goals and objectives including the current status, lead department(s) and a brief explanation of the highlighted progress and/or challenges as well as an appendix with information on all goals, targets, objectives and indicators.

This new structure provides Council with a high level summary in the report, while offering interested members the ability to access the details online through <http://www.calgary.ca/CA/fs/Documents/Plans-Budgets-and-Financial-Reports/Year-End-Report-on-Business-Plans-and-Budgets-2014-Councils-Fiscal-Plan-Sustainability-Direction.pdf>. For archival purposes, a copy of the online detailed sections will be retained by City Clerk's.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2014 Year-End Report on Business Plans and Budgets is the third and final complete annual statement of accountability relating to the 2012-2014 Business Plans and Budgets.

During this cycle, The City was faced with challenges related to unprecedented growth as an average of 27,600 people moved to Calgary each year, placing strong demands on City infrastructure and service delivery. The City's emergency preparedness and response was tested on more than one occasion between 2012-2014, most notably the 2013 flood, which affected at least 50,000 people and cause over \$460 million in damages. Throughout all the challenges, The City was able to provide excellent customer service to citizens as evidenced by the Citizen Satisfaction survey. The results showed that 87 per cent of Calgarians are satisfied with the quality of life in Calgary and 79 per cent are satisfied with the level and quality of City services. The excellent survey scores can be attributed in part to the City's ongoing pursuit of efficiency and effectiveness. Between 2012-2014, departments were able to save approximately \$45 million by reducing administrative costs, utility and fuel savings, alternative service delivery methods, business process improvements and organizational realignments.

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Additional details on the achievements of each department are outlined in Attachment 1, and provide details on major initiatives and a summary of the department's performance. Financial results for operating and capital budgets are reported for each department and business unit.

The 2014 financial results detailed in this report are preliminary, unaudited, and subject to finalization. The City's audited financial statements (the "Annual Report") will be presented to Audit Committee in April.

Stakeholder Engagement, Research and Communication

All departments participated in the compilation of the information in these reports.

Strategic Alignment

The report highlights accomplishments for 2014 that contribute to the achievement of departmental outcomes and Council's Fiscal Plan, as outlined in the approved 2012-2014 Business Plans and Budgets. The 2020 Sustainability Direction Annual Report outlines Administration's progress toward the 2020 Sustainability Direction.

Social, Environmental, Economic (External)

The Business Plan and Budget, Council's Fiscal Plan, the Corporate Strategy on Efficiency and Effectiveness, and 2020 Sustainability Direction are all founded on a deliberate review of the social, environmental and economic impacts to enhance benefits for citizens. As such, the City of Calgary accomplishments and associated social, environment, and economic impacts for 2014 are diverse and are provided in considerable detail in the attached reports and online documents (Attachments 1 and 2).

Financial Capacity

Current and Future Operating Budget:

The City of Calgary's 2014 year-end variance was \$25.4 million favourable as at 2015 February 11. Please see Corporate Summary page 13 for more details.

Current and Future Capital Budget:

For the capital programs, 55.4% or \$1.218 billion of the \$2.200 billion 2014 total City capital budget was spent, compared to 49.3% for the same period in 2013. For the tax-supported programs, approximately 54.8% or \$935 million of the \$1.706 billion budget was spent. Actual capital expenditures and open purchase orders at 2014 December 31 totalled more than \$1.7 billion.

Risk Assessment

Regular status updates on department business plans and budgets will help to manage risks by ensuring that Council and senior managers are aware of emerging issues and challenges, and can react accordingly.

REASON(S) FOR RECOMMENDATION(S):

Administration is providing these two attachments for information, in order to comply with Council direction relating to accountability reports and to provide Council members with an update on the status of corporate accomplishments and budget variances.

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ATTACHMENT(S)

1. 2014 Year-End Report on Business Plans and Budgets (January 01 to December 31)
2. 2020 Sustainability Direction Annual Report Executive Summary (2014)