

## Delivering Results for Calgarians – 2022 Performance Report

### RECOMMENDATIONS:

That the Executive Committee recommend that Council:

1. Use the Delivering Results for Calgarians - 2022 Performance Report to identify areas for service investment and improvement as one input to the ongoing discussions leading up to the 2023 November adjustments to the 2023 – 2026 Service Plans and Budgets.
2. Authorize the Public Transit service to access additional funding up to \$32 million in 2023 from the Fiscal Stability and Operating Budget Savings Account Merged Reserve to offset revenue losses and continue recovery spending, reflecting the balance of the RESTOR funding and Transit operating savings that contributed to the 2022 favourable operating variance.
3. Continue discussions on the use the 2022 favourable operating variance during the Executive Committee's standing item – Strategic Discussion on Building and Delivering on Plans and Budgets, for consideration during the 2023 November adjustments to the 2023 – 2026 Service Plans and Budgets.

### HIGHLIGHTS

- This report presents The City's performance in delivering the 2019-2022 Service Plans and Budgets in 2022, and over the whole 2019 to 2022 cycle. Attachment 2 provides a high-level overview of the performance in 2022.
- **What does this mean to Calgarians?** The City performed well in 2022, continuing to contribute to Calgarians' quality of life and to advancing Calgary's economic, social and climate resilience. In a time of inflationary pressure and financial challenges for both residents and businesses, The City's performance in 2022 was responsive, nimble, and financially prudent, achieving significant results for Calgarians within our approved budget.
- **Why does this matter?** Reporting on our performance is an important way for Administration to provide regular updates to Council and Calgarians on how we are tracking against our service plans and budgets. It provides information on how tax dollars and user fees were spent, enabling Council to identify areas for service investment and improvement during the service planning and budgeting cycle.
- Highlighted results include:
  - 88 per cent of strategies which advance service to the community have been completed or are progressing as planned. For example, progressing the Anti-Racism Strategy, ensuring safe and accessible facilities, sidewalks and pathways, and together with partners developing a community-wide mental health, addiction and crime prevention strategy to support Calgarians' wellbeing.
  - Performance measure results in 2022 improved compared to 2021. Measures performing better than anticipated increased by 7.4 per cent, and measures that did not perform as planned fell by 3.9 per cent.
  - The City continues to manage its finances in a sustainable manner in accordance with Council Policy and best practice.
  - The City's prudent financial management resulted in a 2022 favourable operating variance currently estimated at \$258 million. This was made up of \$29 million from tax-supported services primarily from salary and wage savings, additional

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revenue of \$108 million driven by the unbudgeted RESTOR grant and higher than budgeted investment income as well as \$121 million in expenditures savings.

- The final amount to be contributed to the Fiscal Stability and Operating Budget Savings Account Merged Reserve will be presented to Council at the end of April in The City's Annual Report, following confirmation through the audited consolidated financial statement process
- Our favourable variance will help to replenish the Fiscal Stability and Operating Budget Savings Merged Reserve enhancing Council's ability to make strategic investments and manage risks.
- In 2022 November, Council allocated \$64.7 million of this favourable variance to investment priorities. An additional \$32 million is recommended to offset transit revenue losses and continue recovery spending reflecting the balance of the RESTOR funding and Transit operating savings that contributed to the 2022 favourable operating variance, leaving an estimated \$161.4 million as uncommitted funding.
- Administration recommends that Council consider these funds to advance priorities for Calgarians, as identified through the Executive Committee's standing item – Strategic Discussion on Building and Delivering on Plans and Budgets and determine how they will be allocated during the 2023 November adjustments decisions.
- In 2022 The City made \$1.1 billion in capital investments (44 per cent of the \$2.5 billion budget). This included upgrades to Plus 15 bridges to meet accessibility standards; completion of the Genesis Artificial Turf Field, dome at Shouldice Athletic Park, Jaipur pedestrian bridge, Airport Trail interchanges and the Banff Trail Area Mobility Improvement project; and lifecycle of infrastructure for services like Public Transit and Affordable Housing.
- Additional capital projects to support inclusive play spaces and maintenance of City services such as critical road infrastructure, community stormwater and facility upgrades were delivered and completed by leveraging \$152.8 million capital funding from the provincial Municipal Stimulus Program.
- The City's national and global municipal leadership was recognized through 35 awards and notable mentions, outlined in Attachment 4.
- Background and Previous Council Direction is included as Attachment 1.

## **DISCUSSION**

Reporting on our progress to the service plans and budgets is essential to supporting decision making on service delivery and demonstrates transparency and accountability to Calgarians. Further, the reports are an important part of communicating with Calgarians about the results that were delivered to contribute to quality of life in our community.

This is the final report focused on performance and accountability of the 2019-2022 Service Plans and Budgets. It provides Council and Calgarians progress updates on 2022 performance and accomplishments. Further, it shows the delivery of commitments over 2019 to 2022 and complements The City's 2022 Annual Financial Report, published in April 2023 which provides audited consolidated financial statements and detailed financial information in compliance with public sector accounting standards and Government Finance Officers Association best practices. Together, these reports provide results- and evidence-based management tools to

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equip Council to assess progress on achieving long-term goals, service standards, Council's priorities, and our financial sustainability.

This 2022 Performance report package includes an Overview, Service Results, Awards, and a summary of COVID Recovery Funding (or COFLEX) initiatives and funding allocations.

### **Overview (Attachment 2)**

The overview provides a summary of the performance achieved over the 2019–2022 Service Plans and Budgets, focusing primarily on 2022 performance. The impact of City services on quality of life for Calgarians is ongoing as we move from 2019-2022 into 2023-2026. This attachment aims to demonstrate the continuity of strategic actions and service delivery. The 2022 service highlights draw a connection to new or continuing work to support Council's direction and quality of life for Calgarians.

Further, this overview summarizes progress made on the service plans and budgets, including performance measure results and progress of strategies. It also outlines critical actions taken to support Calgarians and our organization as we recover from impacts of the pandemic, highlights key measures taken to continue the modernization of our organization, a summary of overall corporate performance, and financial summaries (operating, capital and debt overviews), including a comparison of budgeted expenditures to actual expenditures.

### **Service Results (Attachment 3)**

Details of service performance and key accomplishments for 2019-2022 are provided in the service pages, listed by service. The service pages provide details on how each service is progressing with its planned strategies and performance measures and include operating and capital budget details. Further, the service pages provide insights on service challenges, key issues, and trends impacting the service.

### **Awards (Attachment 4)**

Details of awards and notable achievements are provided recognizing The City of Calgary as a leader in many areas.

### **COVID Recovery Funding (or COFLEX) (Attachment 5)**

Details of COVID Recovery Funding initiatives and funding allocations (referred to as the COFLEX Program) are provided. These include the focus areas of: Coping with COVID; Supporting our Partners During COVID; Preparing for Uncertainty around COVID; and Planning for Life with/after COVID.

Transit is requesting additional funding of up to \$32 million from the Fiscal Stability and Operating Budget Savings Account Merged Reserve to offset the additional revenue losses and continue the recovery spending. This funding reflects savings realized in 2022 from reduced service hours that partially contributed to The City's overall 2022 favourable operating budget variance. Transit is continuing to increase service hours and recover ridership into 2023. The 2023 budget includes \$33 million of one-time funding to offset expected revenue losses. However, revised forecasts since the budget was prepared are suggesting that revenue losses are anticipated to be higher. As well, some recovery initiatives that began in 2022 were not completed by the end of the year due to factors such as supply chain issues.

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### **2023-2026 Performance and Accountability Reporting**

- Through regular strategic discussions with the Executive Committee and a Working Group focused on process and document design, Council and Administration are working in partnership to make improvements to service plans and budgets and the related processes and documents. The future 2023–2026 mid-year and year-end reports will be designed with these improvements in mind. Going forward, efforts will be directed to improving and evolving performance reporting. One notable change for this report is a shift to increase focus on service performance. Innovative changes will be phased in, leveraging technology to improve efficiency and user experience, advancing the use of metrics and benchmarking, and advancing Environmental, Social and Governance (ESG) results, including our commitment to climate action, anti-racism and equity.

### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |  |   |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken        | <input type="checkbox"/> Dialogue with interested parties was undertaken                |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

### **IMPLICATIONS**

This report provides details of The City's performance, and accomplishments as well as challenges in 2022, 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 opportunity.

#### **Social**

This report presents an overview of the social impacts achieved in 2022 and are highlighted in Attachment 2.

#### **Environmental**

This report presents an overview of the environmental and climate impacts achieved in 2022 and are highlighted in Attachment 2.

#### **Economic**

This report presents an overview of the economic impacts achieved in 2022 and are highlighted in Attachment 2.

#### **Service and Financial Implications**

No anticipated financial impact

### **RISK**

Understanding, assessing and managing risk is critical to achieving Council's vision for Calgary, and delivering on our service plans and budgets. The City's 2022 Year-end Risk Profile (AC2023-0011) outlines nine Principal Corporate Risks, the most strategic and relevant risks facing The City. The City is addressing the external and internal circumstances associated with

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these risks, including conservative financial management in line with best practices to manage the sustained impact of the pandemic on certain services' revenue or demands and inflationary pressures. Performance reporting supports effective risk management, one of the tools that enabled the successful delivery of our 2022 service plans and budgets.

### **ATTACHMENTS**

1. Attachment 1: Background and Previous Council Direction
2. Attachment 2: Delivering Results for Calgarians - 2022 Performance Overview Report
3. Attachment 3: 2022 Performance Report Service Pages
4. Attachment 4: The City of Calgary Awards in 2022
5. Attachment 5: Summary of COFLEX Initiatives and Funding Allocations
6. Attachment 6: Presentation 2022 Performance Report

### Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male, General Manager	Corporate Planning & Financial Services	Approve
Chris Stewart, Director	Corporate Planning & Performance	Approve
David Duckworth, City Manager	City Manager's Office	Inform
Chris Arthurs, General Manager	People, Innovation and Collaboration Services	Inform
Katie Black, General Manager	Community Services	Inform
Stuart Dalglish, General Manager	Planning & Development Services	Inform
Jill Floen, General Manager	Law, Legislative Services & Security	Inform
Doug Morgan, General Manager	Operational Services	Inform
Michael Thompson, General Manager	Infrastructure Services	Inform