

2013 YEAR-END ACCOUNTABILITY REPORT

EXECUTIVE SUMMARY

The 2013 Year-End Accountability Report informs Council of Administration's achievement of 2012-2014 business plans and budget commitments during 2013. This report focuses on the year-end status and achievements of each department, including the status of Council's Fiscal Plan. It also reports on Efficiency and Effectiveness, including productivity gains, and 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 report provided to the 2014 April 1 Priorities and Finance Committee presents revisions to the previously approved 2012-2014 capital and operating budgets.

ADMINISTRATION RECOMMENDATION(S)

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

- 2013 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 - 2013 Annual Report (Attachment 2).

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2014 APRIL 08:

That Council receive for information:

- 2013 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 - 2013 Annual Report (Attachment 2).

PREVIOUS COUNCIL DIRECTION / POLICY

Recommendations on Coordinated Accountability Reporting (PFC2012-34) were approved by Council on 2012 April 09. This report outlined a new approach and timing for accountability reporting on budgets and business plans, and circulation of monthly Executive Information Reports (EIR). This report also indicated that both Council's 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".

Through feedback provided by Council in 2013, the structure of the year-end report was changed in order to provide a more nuanced approach to the report on Council's Fiscal Plan. The new structure better illustrates the progress of achieving Council's Fiscal Plan through the business plan performance measures of the activities carried out by Departments.

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BACKGROUND

The Year-End Accountability Report (Attachment 1) is divided into three sections. The first section provides an overview of 2013 achievements related to Council's Fiscal Plan. A more detailed summary of Council's Fiscal Plan is located at the end of Attachment 1, which summarizes each priority area and provides an update on the status of activities related to each directional statement. The second section includes the corporate summary of events and corporate financial status. The third section outlines departments' 2013 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 of the report also includes an update, by department, of their performance towards efficiency and effectiveness goals. Of the three year \$45 million productivity target directed by Council, \$21.1 million was achieved in the first year and \$13.0 million was achieved in the second year. It should be noted that while self-supporting business units were excluded from the productivity targets, these business units still undertook strategies or actions to increase service efficiency and effectiveness in 2013.

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. This annual report 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. A detailed appendix of information on all goals, objectives, targets and indicators will be published on calgary.ca.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The 2013 Year-End Report on Business Plans and Budgets is the second complete annual statement of accountability relating to the 2012-2014 Business Plans and Budgets.

On June 20 the second-ever State of Local Emergency (SOLE) was declared following the most devastating natural disaster to occur in Calgary. For more than two weeks in June and July, hundreds of people from the Calgary Emergency Management Agency (CEMA) and over 40 City of Calgary business units and other partners worked around the clock to respond to and begin recovery from the flood. Thirty-two communities and 80,000 people were evacuated at the height of the flooding. Over 70,000 meals were served to 3,800 registered citizens in nine reception centres set up across the city.

The effects of the flood were felt by all departments across the Corporation as flood recovery and resiliency projects, as well as increased call volumes, impacted the ability of departments to meet some citizen service targets. However, due to the efforts of City staff, Calgary was already on its way back to normality as Fire carried out 3,100 safety code inspections in affected neighbourhoods, and Parks rehabilitated almost all of the over 30 parks affected and repaired 57 kilometres of pathways. River bank cleanup occurred along 45 kilometres of the Elbow and Bow Rivers. Assessment of the river banks identified six critical erosion sites. Repairs to three of those critical erosion sites have been completed while the design work and regulatory

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approvals are underway for the remaining sites. Full transit service was restored 13 days after SOLE was declared and Macleod Trail and 25th Avenue were reconstructed within two weeks.

Notwithstanding this major event, The City had a number of achievements throughout the year that took place prior to and after the flood. Highlights include Transforming Planning, a new planning system for Calgary developed following extensive stakeholder engagement; Council approval for the construction of a city-owned composting facility, which will facilitate the launch of the city wide green cart program in 2017; and continued high Citizen Satisfaction survey results: more than 88% of Calgarians are satisfied with the quality of life in Calgary – an increase of 10% over the last three years.

Additional details on the achievements of each department are outlined in Attachment 1.

The 2013 financial results detailed in this report are preliminary, unaudited, and subject to finalization.

Stakeholder Engagement, Research and Communication

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

Strategic Alignment

The report highlights accomplishments for 2013 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 thorough 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 2013 are diverse and are provided in considerable detail in the attached reports (Attachments 1 and 2).

Financial Capacity

Current and Future Operating Budget:

The City of Calgary's 2013 year-end variance was \$8.2 million favourable due mainly to net favourable variances in various Business Units and a net unfavourable variance in Common Revenues and Corporate Costs & Debt Servicing due to the flood.

Current and Future Capital Budget:

For the capital programs, 49.3% or \$1.145 billion of the \$2.324 billion 2013 total City capital budget was spent, compared to 55.9% for the same period in 2012. For the tax-supported programs, approximately 46.8% or \$930 million of the \$1.986 billion budget was spent. Actual capital expenditures and open purchase orders at 2013 December 31 totalled more than \$1.9 billion.

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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.

ATTACHMENT(S)

1. 2013 Year-End Report on Business Plans and Budgets (January 01 to December 31)
2. 2020 Sustainability Direction Annual Report (2013)