

Calgary



2016 Year-End Accountability Report PFC2017-0191

Priorities and Finance Committee

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2016 Year-End Accountability Report

Att. 1

2016 Year-End Accountability Report:

- Update on Council Priorities
- Corporate operating and capital budget overview
- Debt and efficiencies overview
- Headline measures and achievements by department, including financials

Online

Supplementary Sections Available Online:

- Council Priorities supplementary information
- Departmental supplementary information, including updates on all Council-approved performance measures

Community Indicators

Low oil prices and the corresponding downturn in the local economy made 2016 a challenging year for citizens and businesses in Calgary, as evidenced by key community indicators:

- The unemployment rate reached a peak of 10%
- Building permit values saw a second straight year of decline
- Crime rates remained steady after significant increases in 2015

Oil prices began to rebound towards the end of 2016 and the local economy is expected to slowly recover over the next five years.

(Refer to pages 4, 6 and 8 of Attachment 1)



Corporate Performance

The City demonstrated resiliency and innovation in finding ways to continue providing high quality services to citizens despite financial challenges.

- The 44 strategic actions approved in Action Plan are generally progressing as planned with 17 achieving significant milestones in 2016
- \$228 million in benefits were approved through mid-cycle adjustments to stimulate the economy and support Calgarians affected by the downturn
- Made significant progress on bus rapid transit and Green Line LRT
- Opened seven new recreation amenities

Corporate Financial Results – Operating Budget

\$24.2 million transferred to the Budget Savings Account, due to:

- Staff vacancies savings, Zero-Based Review efficiencies, and lower business, insurance, fuel, and snow and ice control expenditures
- Higher revenues from road use permits, asphalt plant operations, insurance and legal billing settlements

\$38.1 million transferred to the Fiscal Stability Reserve (FSR)

- The transfer to the FSR brings the uncommitted balance of the reserve to \$328.0 million, which is 10.8% of tax-supported gross expenditures, net of recoveries
- The minimum FSR balance is 5% with a target of 15%

Corporate Financial Results – Capital Budget

Accelerating capital investments:

- In 2016, capital programs spent 96.3 per cent of the budgeted amount, compared to 58.6 per cent for the same period in 2015
- This was a result of Infrastructure Calgary efforts, which supported the capital budget cash flow recast and a focus on accelerating capital investment rates to stimulate the local economy

Capital contributions to the Budget Savings Account:

- Total capital contribution of \$83.4 million (including contributions for future years) in 2016
- Cumulative capital contribution of \$95.2 million at the end of 2016



Recommendation

That the Priorities and Finance Committee recommends that Council receive this report for information.