

2015-2018 Business Plan & Budget Summary

1. Organization Name: Calgary Centre for Performing Arts (CCPA and currently operating as EPCOR CENTRE for the Performing Arts)

2. Current Vision and Mission:

Vision: To engage and inspire community through the power of art.

Mission: To ignite imagination, co-create meaningful experiences of excellence with our internal and external communities, support artists and celebrate the artistic expression of everybody.

2015-2018 BUSINESS CASE

3. Synopsis of your organizational priorities and actions for 2015-2018:

CCPA plays a critical role in the health and growth of its community by providing and maintaining performance venues and public engagement areas; subsidizing the cost of venues, administrative support space, and the necessary technology for the arts and cultural activities of Resident Companies (Alberta Theatre Projects, Calgary International Children's Festival, Calgary Philharmonic Orchestra, Downstage Performance, One Yellow Rabbit, and Theatre Calgary), numerous community groups and collaborative projects. Ensuring the sustainability of this mandate, as well as continuing to pursue the Art Centre Transformation (ACT) capital initiative are key elements of CCPA's vision to be a leading arts facility. In our Strategic Plan for 2015-2018, there are five strategic imperatives to guide our annual planning and zero-based budgeting process.

Creative and Engaging - CCPA will be a nexus of creative activity, energy and engagement. We contend that a society which encourages creativity and innovation are key to the long-term prosperity of Calgary, Alberta and the country as a whole. CCPA will contribute to shaping such a society by engaging everybody to experience, participate in and experiment with artistic expression in all its diverse forms - in a manner that is inclusive, relevant and authentic.

Leading Facility - CCPA will be operated and maintained as a leading arts facility, acting as a cultural and artistic anchor in the downtown core that energizes the surrounding neighborhood and the city of Calgary as a whole. (Central to this objective is ACT, which specifically calls for CCPA to "create a cultural and artistic experience that engages and inspires citizens through a bold rejuvenation of our facility, through developing new ways of working together and through acting as an agent of positive change".)

Quality Programming - CCPA will facilitate the presentation of engaging cultural and artistic experiences of the highest quality through presenting, producing and collaborating with partners, inclusive of offering arts learning and audience engagement opportunities.

Support Art/ists - CCPA will support artists (including our Resident Companies) and collaborate with internal and external communities to foster a supportive arts ecosystem by identify synergies, convene partners and to facilitate the creation of engaging and inspiring experiences.

Sustainable - CCPA will operate in a manner which continues to strengthen its own financial sustainability, as well as create a sustainable environment to enable our internal and external communities to operate and grow.

4. Outline how your organizational priorities & actions align with Council Priorities for 2015-2018.

CCPA's strategic imperatives (organizational priorities and actions) are in marked alignment with Council Priorities for 2015-2018.

CCPA is a key contributor to the social, economic, cultural and intellectual life and well-being of Calgarians.

CCPA is in alignment with Council's Priority to see Calgary be a prosperous city by playing a critical role in the sustainability of 6 Resident Companies and some 150+ other organizations that make use of the facility and its venues by maintaining the complex's 560,665 gross square feet of space that houses six performance venues, rehearsal halls, shops, a variety of public engagement spaces and administrative spaces. CCPA will also lead a series of urgent lifecycle initiatives valued at \$8,397,316.

CCPA is in alignment with Council's Priority to see that Calgarians have the opportunity to participate in civic life by being a major presenter of the performing arts in Canada and by becoming a hub of arts education programs through the development of Campus Calgary.

CCPA is in alignment with Council's Priority to achieve a healthy and green city while encouraging healthy lifestyles for all Calgarians by partnering with such organizations as National Geographic Society to deliver the *National Geographic Live* speaker series that inspires audiences to learn, care and conserve; and by leading a number of initiatives to enhance the effectiveness, efficiency and sustainability of the facility.

CCPA is in alignment with Council's Priority to be acknowledged as a well-run city by being open, responsive, accountable and transparent in all our efforts to deliver excellent services at a fair price.

5. Provide specific examples on how your organization will work towards restraining expenses and seeking efficiencies over the 2015-2018 timeframe outlining the net impact to service delivery or organizational sustainability.

Following actions taken in 2010 where we cut 25% of our workforce and over \$600K in annual expenditures, we have focused on strategic revenue growth with the 2013-14 budget reflecting 17% higher revenues than our 2009/10 actuals. While increasing revenues, we have been successful in holding expenditures in line by focusing on efficiencies and streamlining operations. CCPA will implement a Mutual Strategic Consulting Agreement with the Calgary International Children's Festival Society over the 2015-2018 timeframe. CCPA will provide CICF with administrative, fundraising and marketing support, while using CICF excess capacity to advance CCPA's youth programming priorities. CCPA shall identify other opportunities to seek similar efficiencies/shared services with all our Resident Companies. We will also be turning additional spaces in the building into multi-purpose spaces, and focusing on initiatives to eliminate dark days in the venues to increase total revenue earning capacity, while implementing a volunteer program in the fall of 2015 to add staff capacity to achieve these results. Our facilities team will be replacing current lighting with more cost effective LED and fluorescent fixtures wherever possible, as well as sealing the building envelope to facilitate more effective climate control and reduce utility costs.

6. Which of your key services are funded by the operating grant provided by The City?

Pursuant to Article 1.2 of the Operating Grant Agreement that was entered into between The City and CCPA on May 8, 2012, The City agrees to provide an Operating Grant to assist the Centre to fulfill its mandate of providing programs to the citizens of Calgary and to operate the facility. Furthermore, pursuant to the Occupancy Agreement dated June 30, 2010, that was entered between CCPA and our Resident Companies, the Occupancy Fee that Resident Companies pay is a proportionate share of the Operating Expenses (utilities, maintenance, security, information technologies, etc.) of the facility that is summarily reduced by the full value of The City's Operating Grant as well as net parkade and retail revenues. The City's grant supports each of our Resident Companies' ability to sustain their operations to offer world-class experiences at affordable prices. |

7. Identify performance indicators and targets you will use to evaluate your organization's performance in the 2015-2018 timeframe.

Each year CCPA identifies key strategic and operational priorities to be undertaken in the fiscal year which tie to our five year strategic plan. These objectives are reviewed on a quarterly basis and adjusted as necessary to the current business conditions. In addition, CCPA has developed a measurements matrix that will track metrics tied to each of our five strategic imperatives:

Creative and Engaging – Engage everybody to experience, participation and experiment with artistic expression in all its diverse forms in a manner that is inclusive, relevant and authentic: 1. Number of tickets distributed; 2. Total number of visitors to the facility (all foot traffic); 3. Number of students (CCPA & Resident Companies)

Leading Facility – Provide world-class facility that energizes and surrounding neighborhood and the City of Calgary as a whole: 1. Operating costs per square foot; 2. Patron and user feedback; 3. Facility condition index

Quality Experience – Offer engaging cultural and artistic experiences of the highest quality, including presenting, producing and collaborating with the community: 1. Number of tickets sold; 2. Sponsorship support (\$ and number of sponsors); 3. Number of complimentary tickets issued

Support Art/ists – Identify synergies, convene partners and facilitate the creation of engaging and inspiring experiences: 1. Number of artists engaged by CCPA and Resident Companies; 2. Financial support to Resident Companies; 3. Number of jobs offered (CCPA & Resident Companies)

Sustainability – Create a sustainable environment to enable our internal and external communities to operate and grow: 1. Annual operating results; 2. Fund development; 3. Diversity of revenue streams; 4. Revenue per available seat (and seats sold)

8. Identify how you will leverage resources in 2015-2018 and provide specific examples.

CCPA shall implement the final step in a new venue use strategy to continue to improve the revenue generating potential (venue rent, bar and beverage sales, ticketing fees and parking lot charges) of the facility and its principal venue assets.

CCPA will welcome a new food services vendor in Centre Court to improve the customer experience and to generate greater retail rent revenues.

In 2015, CCPA will complete the phasing in of a new Occupancy Cost Recovery Model that is based on venue utilization by our Resident Companies that corresponds with the discontinuation of The City's Bridging Grant.

CCPA shall implement the Mutual Strategic Consulting Agreement with the Calgary International Children's Festival Society (CICF) that will achieve a new operating model (maximize efficiencies through shared resources) whereby CCPA will provide key services in the areas of financial management, fundraising, marketing/sales, and communications and the CICF will in turn provide key services in the area of programming that will enable CCPA to develop new programming for youth throughout the year. CCPA shall pursue similar options with other Resident Companies.

CCPA shall pursue other additional revenue sources by offering access to Tessitura, CCPA's integrated ticketing and donor management system.

CCPA shall develop an Energy Management Plan and a new Asset Management Plan to continue to enhance the effectiveness, efficiency and sustainability of the facility.

BUDGET AND FINANCIAL INFORMATION

9. Provide your budget projections covering the 2015-2018 timeframe (complete table below).

Operations (000's)	2015	2016	2017	2018
City of Calgary draft operating grants	* 2,350,093	2,396,350	2,448,551	2,501,759
Other operating grants				
Earned revenue from operations	7,021,571	7,232,218	7,449,184	7,672,660
Donations & fundraising revenue	1,337,840	1,377,975	1,419,314	1,461,894
Operating expenses	10,682,094	11,003,021	11,333,482	11,582,119
Net of revenue and expenses	27,410	3,522	-16,432	54,194
Opening operating reserves	** 110,732	138,142	141,664	125,231
Ending operating reserves	138,142	141,664	125,231	179,425
Capital (000's)	2015	2016	2017	2018
Opening capital reserves	*** 809,587	449,742	-59,684	-53,326
Requested City of Calgary lifecycle grants	762,500	1,333,425	650,325	750,000
Other City of Calgary capital grants				
Other capital revenues	1,061,524	1,108,929	1,024,714	1,048,176
Capital expenditures	2,183,869	2,951,780	1,668,681	1,592,986
Ending capital reserves	449,742	-59,684	-53,326	151,864

10. Financial risks or challenges related to budget projections. Provide specific examples and year in which challenges are anticipated.

*CCPA was conceived by The City and Province of Alberta in partnership with the community of Calgary to operate as an accessible community arts centre in a three-way partnership. Since the opening in 1985, The City has honoured its obligation by providing operational funding, and financial support from the community has grown in alignment with our programming priorities; however, the Government of Alberta has chosen to reduce and eliminate its commitment to provide operational support by reducing its annual grant from \$1.2M (1985), to \$500K (2005), and finally to \$0 in 2014. This has placed a huge strain on the sustainability of CCPA's mission and our six resident companies given that The City and Province did not equip the facility with a commercial space capable of generating the funds necessary to sustain core operating costs (utilities, security, custodial, maintenance, etc.).

As detailed elsewhere in this submission, CCPA is taking creative steps to enhance revenue incrementally in order to mitigate the full \$500K impact of the Province's decision and without breaching our mission. However, in the event the Province does not heed The City and CCPA's request to reinstate their operational support or if The City does not assume the Province's obligation, CCPA will have no alternative but to revisit its mission in order to begin to operate this facility in a more commercial manner, which will seriously reduce access by the public by reducing arts education and performance spaces, thereby undermining an already under-resourced sector of our community and economy, and by threatening the sustainability of many of our Resident Companies.

**This is the accumulated surplus as of 2013 and does not include internally restricted funds that are to be used to achieve priority initiatives as directed by the Board of Directors.

***This represents cash reserves only. The Capital Replacement Fund has an investment portfolio which at March 2014 totalled \$3.8 M. Our Building Committee has decided that given the significance of the building lifecycle costs, all capital projects should be funded by annual revenues (fundraising & ticket fee surcharge) and the investments should be maintained and maximized to ensure access to funds in the case of a catastrophic lifecycle failure.

One primary area of risk (2015) for CCPA is from the interpretation of Canada Revenue Agency (CRA) GST guidelines that could result in significant exposure if it is determined that revenues which previously had been assumed to be taxable are deemed exempt under charity guidelines. CCPA has undertaken a complete review and engaged the services of financial and legal counsel to assist in reaching agreement with the CRA. We have assumed a modest rate of revenue increases (each year) that can be negatively impacted by economic factors and further constrained by venue capacity/venue availability.

Finally, expenses assume a modest increase in utility costs – anything more than that could have a significant impact on our expense projections.

Includes the assumptions that Resident Companies and the Tessitura Consortium continue to operate as projected. |

2013 ANNUAL REPORTING

11. Outline your key services and activities undertaken in 2013 and how they advanced priorities identified in Council's 2012- 2014 Fiscal Plan for Calgary.

The following outlines our key services and activities undertaken in 2013 and how they advanced Council's 2012-2014 priorities of investing in great communities and a vibrant urban fabric and making Calgary the best place in Canada for a business to start and flourish.

CCPA lead the maintenance and care of the facility's 560,665 gross square feet of space that houses six performance venues, rehearsal halls, scenery and wardrobe shops, a variety of public engagement spaces and administrative spaces.

CCPA lead a series of lifecycle initiatives during 2013 to replace the Chiller and address structural issues in the parking garage that were valued at \$1,630,299.

CCPA played a critical role in the sustainability of 6 Resident Companies and some 159 other organizations that made use of the facility and its' venues. CCPA's Ticket Office processed 439,059 tickets to some 1,800+ performances and events. CCPA was selected to serve as the host site for the Memorial Service for former Alberta Premier Ralph Klein.

CCPA was a major presenter of the performing arts in Canada and during 2013 presented the renowned BD&P World Music Series, PCL Blues Series, *National Geographic Live*, Soundasaurus, and launched a new Jazz Series in the illustrious Jack Singer Concert Hall. The legendary South African jazz trumpeter, Hugh Masekela, was featured during the BD&P World Music Series. While in Calgary, Hugh gave a master class for students at Henry Wise Wood Senior High School, and he spoke to students at Bow Valley College on the Impact of Music on Social Change.

In addition, CCPA's 216 arts learning events served thousands of students and teachers. CCPA is committed to inspiring teachers and students through a rich arts learning program and our participation on the Calgary Board of Education's Fine Arts Standing Committee.

35,301 patrons engaged with CCPA programming priorities during 2013.

CCPA is an advocate for the value that the arts provide to our community, taking a leading role in participating in arts and cultural activities at a local, provincial and national level. CCPA directly supported over 549 artists by collaborating with internal and external partners. During 2013, close to 90 artists and arts organizations were featured in *Stephen*, CCPA's magazine that is produced three time per year and distributed at over 130 locations throughout Calgary to raise awareness about the many experiences happening at the facility and throughout the City of Calgary.

CCPA operates in a manner which continues to strengthen its own financial sustainability, as well as create a stable environment to enable our internal and external clients to operate and grow. With the support of The City, CCPA is operated and maintained as a leading arts facility, acting as a cultural and artistic anchor that energizes the community and is necessary to attract skilled professionals to a city that has emerged on the world stage. During 2013, 899 venue bookings were managed by CCPA and 461,466 visits were made to epcorcentre.org.

CCPA garnered the support of the local community and for 2013, fully 44% of operating revenues were provided by corporations, foundations, governments and passionate community leaders who gave generously to support CCPA as we play a key role in the social, economic, cultural and intellectual life and well-being of Calgarians.

And finally, CCPA's very existence was challenged by the rising waters of the Bow and Elbow Rivers which had spilled the banks and flowed into the downtown core. CCPA was able to resume full operations as of mid-July due to a history of resilience, staff's quick-thinking that alleviated considerable and permanent damage, not only to the Engineered Air Theatre and our mechanical systems, but to those irreplaceable items that have a home in the depths of the facility – the Calgary Philharmonic Orchestra's music library, Theatre Calgary and Alberta Theatre Projects' costume storage, props and our inventory of grand pianos.

12. Identify how you measured the success of your services and activities in 2013. Please provide examples of these results.

In order to fulfill our vision, we focused on 5 Strategic Priorities. Every decision and action we take aligns with our commitment to be: 1. Creative and Engaging; 2. a Leading Facility; 3. deliverer of Quality Programming; 4. Supporting Art/ists, and to be 5. Sustainable.

1. CCPA is a catalyst of creativity by promoting and envisioning activities and opportunities that generate excitement, energy and the engagement of many diverse audiences. CCPA maintains that our realization and relevancy lies in the ability to engage every citizen to experience, participate in and experiment with arts and culture. In addition to the programming delivery by CCPA and its 6 Resident Companies, 159 additional organizations undertook delivery of their programs in CCPA's venues during 2013.

2. CCPA is operated and maintained as a leading arts facility, acting as a cultural and artistic anchor that energizes the community and is necessary to attract skilled professionals to a city that has emerged on the world stage. During 2013, CCPA invested \$1,630,299 to address critical lifecycle initiatives throughout the facility.

3. Engaging with creativity provokes thought and discussion; it can enlighten and challenge, shape our beliefs and the way we view the world. Creativity is also about escape and entertainment. CCPA takes immense pride in facilitating engaging cultural and artistic experiences of the highest quality through presenting, producing and collaborating with partners. In partnership with the National Geographic Society, CCPA presented *National Geographic Live*, Calgary's distinguished speaker series. During 2013 the total attendance of all 4 student matinees and 5 public presentations was 14,376, or 93% of capacity. 100% of survey respondents say they tell their friends or family about their experiences at *National Geographic Live*. In addition, students and teachers from 91 Calgary-based schools participated in a CCPA Arts Learning Program.

4. CCPA is an advocate for the value that the arts provide to our society and our community, taking a leading role in participating in arts and cultural activities at a local, provincial and national level. CCPA supported 549 artists through its programming department last year by collaborating with internal and external communities, setting the stage for shared experiences. The Centre believes that paramount to its role is the need to foster a supportive arts ecosystem by identifying synergies and convening partnerships to result in the creation of engaging and inspiring experiences.

5. CCPA operates in a manner which continues to strengthen its own financial sustainability, as well as create a sustainable environment to enable our internal and external communities to succeed. CCPA benchmarks a variety of performance measures against the 26 international members of the Performing Arts Centers Consortium (PACC). CCPA is has the 5th lowest operating costs of the PACC membership. During 2013, we shifted our focus to longer-term strategies to increase revenues that have resulted in increases in almost all revenue streams from 2011 to 2013, an overall increase of 15%.

13. Identify how you leveraged resources in 2013. Please provide examples.

CCPA began to implement a new venue use strategy in order to improve the revenue generating potential (venue rent, bar and beverage sales, ticketing fees and parking lot charges) of the facility and its principal venue assets. A positive outcome of which generated an increase of 9% in the number of performance-days booked in the Jack Singer Concert Hall, and a 14% growth in the number of events booked in the Jack Singer Concert Hall Lobby.

Through a series of exhaustive negotiations with its Resident Companies, CCPA was able to achieve a 13% increase in Occupancy Cost Recovery for 2013.

CCPA entered into a Services Agreement with the Calgary International Children's Festival Society (CICF) for the 2013/14 Season that enabled both parties to maximize efficiencies through shared resources. During the 2013/14 Season, CCPA provided key services in the areas of accounting, fundraising and marketing/sales.

CCPA ramped up its effort to embrace a methodology of best practices associated with sincere, effective, personal solicitation in an effort to build enduring relationships with external constituencies. The results of which generated an increase in financial support from the public and private sectors of 7%. As of August 31, 2013, 47% of CCPA's gross revenues are now raised by securing grants from government funding agencies, sponsorships from corporations, philanthropic gifts from individuals and corporations, and the management of special events that are all in alignment with CCPA's programming and lifecycle priorities.