

2015-2018 Business Plan & Budget Summary

1. Organization Name: [Calgary TELUS Convention Centre (Calgary Convention Centre Authority)]

2. Current Vision and Mission:

Mandate: To manage, market and operate the Calgary TELUS Convention Centre in an efficient and competitive manner, in order to maximize overall economic benefits to the city of Calgary while maintaining financial performance within an acceptable range.

2015-2018 BUSINESS CASE

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

1. Fulfill role as driver of economic development by marketing Calgary as a business travel destination, and creating economic impact for the city;
2. Focus on operational efficiencies and cost controls while maximizing utilization levels and revenues;
3. Retain people in an environment that emphasizes health and safety, encourages professional growth and development, and recognizes the importance of teamwork;
4. Analyze potential of business sectors (Conventions, Meetings, Social) and align sales strategies to maximize contribution to bottom line;
5. Implement revised booking policy to maximize utilization and revenue generation;
6. Secure adequate marketing funding to allow market share growth for conventions and meetings
7. Develop and implement a comprehensive strategy that establishes a roadmap for possible facility expansion and prepares the Centre for the challenges of the future;
8. Work with the City of Calgary Administration to implement recommendations from Governance Audit Review.

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

Economic Growth & Competitiveness ► The Centre contributes to broader economic development activities by providing a forum for education, debate, networking and social activities. During 2013, over 250,000 people attended events at the Calgary TELUS Convention Centre; 55,000 being non- local delegates and exhibitors. These non-local attendees spent on average \$329 per show day for accommodation, transportation, entertainment, meals and retail purchases while visiting Calgary. From 2009 to 2013 the Calgary TELUS Convention Centre generated over \$192 million in direct spending and contributed an additional \$105 million in GDP for the Calgary economy.

Community Well-Being ► Calgary TELUS Convention Centre's meeting and conference attendees bring diverse knowledge and perspectives about our complex world. They partner and invest in local businesses, share research and introduce the latest innovations and services.

Great Neighbourhoods/Public Safety ► From a social perspective, the CTCC provides centralized public spaces that help keep the core of our city alive. It is the hub for a wide network of Plus 15 walkway systems. CTCC security staff provide a safe and secure environment for employees, clients, and the general public. As a member of the Calgary Downtown Association's Public Security committee, the CTCC's security department actively liaises with the Calgary Police Service re: community safety initiatives and programs that focus on public spaces, including Plus 15 walkways.

Natural Environment ► The CTCC remains committed to reducing its environmental footprint. The evaluation of capital projects includes an analysis of environmental impacts. As an example, the CTCC is researching a self-contained, continual feed, organic waste disposal system in which organic waste is quickly reduced to a harmless liquid that is odor free and can be safely disposed of into Calgary's existing municipal waste water systems.

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.

- Currently the CTCC's lighting, HVAC and access controls for client areas are manually operated. The Centre is exploring installation of a fully operational automation and integration control systems, which will result in energy efficiencies and reduce the carbon footprint
- Continue completion of lighting retrofits, which will result in a 14% reduction in energy consumption.
- Integrate website, payment processor and Ungerboeck (EBMS) business management booking system

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

► The operating grant monies (2014) are allocated to base building operations costs. The base building costs includes a \$500,000 cost associated with the operations and maintenance of the Plus 15 system. This does not include additional costs of providing security services (patrols, camera surveillance, first aid and public assistance, etc.) throughout the Plus 15 system within the Centre.

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

- ▶ Economic Impact to the City (Total direct spending, GDP, Jobs supported)
- ▶ Occupancy Levels
- ▶ Number of Events- Meetings, Conventions, Social
- ▶ Annual financial results (Net Profit)
- ▶ Operational efficiencies
- ▶ Asset Management

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

Resources are used to achieve earned revenues which provide the majority of the funds required to operate the Centre. Other funding is received to provide services to the Glenbow and to the retail spaces in the Centre, which supports labor efficiencies.

The CTCC also leverages resources through established partnerships within its industry. Specific examples are:

- ▶ Partnerships with Travel Alberta and the Canadian Tourism Commission. These partnerships enable the CTCC to leverage opportunities and increase business potential through joint participation in tradeshow, signature events, and one-on-one meetings with clients.
- ▶ A partnership with Professional Convention Management Association (PCMA) provides educational opportunities for employees and networking opportunities with meeting planners. It will also enable the CTCC to secure 12 Ambassadors who are US meeting planners with the ability to meet in Canada.
- ▶ Through MPI, the Centre will continue with its successful Stampede breakfast, which takes place in conjunction with the annual World Education Conference and provides an opportunity to engage with US, Canadian and international planners.
- ▶ CTCC's ongoing participation in the Energy Cities Alliance (Calgary, Perth, Abu Dhabi, Aberdeen, Stavanger) allows the Centre to share sales leads with 4 other leading energy cities and to increase Calgary's awareness through their networks.
- ▶ Meetings + Conventions Calgary (MCC) will continue to leverage partner funding from the Calgary Hotel Association (CHA) for multiple return on investment for every dollar invested. MCC also works internationally with federal and provincial government departments to both introduce Calgary's brand to secure future business.
- ▶ With CTCC's Community Awareness programs, the CTCC will continue to work with Calgary Economic Development (CED) as title partner with the Soul of the City series. The CTCC also remains an Action Partner – Silver level - with CED. These initiatives provide networking with business and the broader community.
- ▶ In conjunction with the Calgary Downtown Association (CDA) the CTCC will engage in marketing initiatives on Stephen Avenue Mall during the summer to increase awareness of the CTCC (e.g. celebration events for the CTCC's 40th anniversary in 2014) .
- ▶ CTCC will participate in community related events (i.e. First Flip) with other economic development groups and key stakeholders.
- ▶ Continue to explore alternative sources of revenue for completion of capital projects (e.g. Western Economic Diversification programs).

9. Provide your budget projections covering the 2015-2018 timeframe

Operations (000's)	2015	2016	2017	2018
City of Calgary draft operating grants*	1,758,207	1,817,136	1,878,170	1,941,309
Other operating grants	0	0	0	0
Earned revenue from operations	20,900,534	24,160,382	23,697,871	20,616,692
Donations & fundraising revenue	0	0	0	0
Operating expenses**	23,692,720	26,170,683	27,048,968	25,787,367
Net of revenue and expenses	-1,033,979	-193,165	-1,472,927	-3,229,366
Opening operating reserves	3,936,457	2,902,478	2,709,313	1,236,386
Ending operating reserves	2,902,478	2,709,313	1,236,386	-1,992,980
Capital (000's)	2015	2016	2017	2018
Opening capital reserves	180,000	180,000	180,000	180,000
Requested City of Calgary lifecycle grants	775,000	1,125,000	225,000	0
Other capital grants***	0	686,522	2,449,200	3,420,000
Other capital revenues	1,459,000	1,443,478	0	0
Capital expenditures	2,234,000	3,225,000	2,674,200	3,420,000
Ending capital reserves	180,000	180,000	180,000	180,000

*Includes \$180,000 MRR **Includes amortization costs for actual and proposed capital projects ***Grants required to complete proposed capital projects to preserve operating reserves

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

Over the next four years maintaining the financial sustainability of the Centre will become increasingly more difficult. The CTCC is reaching the end of its life cycle as a competitive convention centre. Conventions have historically produced the bulk of the earned revenues that support the Centre's operations. The business mix available to the Centre will become more focused on meetings and social events. These are often not contributors to the bottom line but are more directed at fulfilling the community service aspect of the Centre's mandate. Over the course of the 4- year business cycle, the Centre will continue to analyze new sources of revenue including advertising its digital signage, and increasing its market share for larger social events, which do contribute positively to the bottom line. However, as it is anticipated that revenue streams will flatten—and in some years decrease—the focus will be on cost controls. Some of those being considered, and currently undergoing rigorous assessment, are:

1. Increased yield management practices (e.g. discontinue booking meetings that do not contribute to the bottom line.)
2. Opening only a section of the building to the meetings market, thus placing the booking of rooms at the discretion of the Centre, rather than client preference.
3. Reduced security levels, including the delivery of security services on the Plus 15 system.
4. Full building closure, including the Plus 15 system, on dark days.
5. Closure of the Plus 15 system between 6 pm and 6 am on days when there are no evening events.
6. Reduced capital expenditures.

All of these measures, if implemented, will impact the Centre's employees, its client base, and the community at large. They will also impact suppliers to the Centre, including the in house catering, audio visual and show services companies. None of these measures would be implemented without full consultation with key stakeholders. The Centre will continue to practice good stewardship practices, including the use of available capital dollars to focus on operating efficiencies, and for the completion of capital projects which contribute to the overall appeal of the building to the client base. However, because the projected financial position of the Centre will result in reduced operating reserves over the next four years, it is anticipated that some capital projects may not be completed, in order to preserve a healthy reserve level. While this action may have negative impacts on the building, it provides a cushion, if required, to offset reduced revenues.

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.

Economic Growth and Competitiveness:

- Successfully launched the new Event Services and Calgary Ambassador programs
- Acquired 48,000 booked room nights for future years with an economic impact of \$13.5 to \$15 million
- Spearheaded the selection of a fifth partner (Stavanger, Norway) into Energy Cities Alliance
- Introduced new financial policies and controls to support compliance with GAAP standards
- Received a 99 out of 100 score re: LAPP’s triennial Employer Compliance Feedback audit

Natural Environment:

- Continued lighting upgrades

Community Well Being:

- Successfully passed CTCC’s 2012-13 upgraded risk management risk assessment that reviewed 112 financial and strategic risks
- Reviewed and updated risk management program |

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

▶ **Economic Impact to the City**

Total Direct Spending : **\$34,328,000**

GDP: **19,130,000**

Jobs Supported: **291**

▶ **Occupancy Levels** (% used)

Macleod Hall: **70%**

Exhibition Hall: **62%**

Overall Utilization: **53%**

▶ Number of out-of-town delegates/visitors (annually) **55,000, Total delegates 250,000**

▶ Number of Meetings: **500**

▶ Number of Banquets: **109**

▶ Number of Trade & Consumer Shows: **12**

▶ Number of Conventions **29**

▶ Annual financial results/operating surplus \$(473,628)

▶ Operational efficiencies: **479,790 KwHrs energy reduction** (Glenbow & CTCC)

▶ Asset Management: Ten year capital project review; 2013 projects completed

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

Accessed funding through Calgary Hotel Association to support marketing and sales programs (MCC) and incentive funding for convention bids

Agreement with City to provide services to Glenbow resulted in operational efficiencies

Participated in a Hosted Buyers Dinner at IMEX Frankfurt (10 international meeting buyers)

Worked with TELUS to improve IT infrastructure

Leveraged relationship with West Jet for site visit for EB Games convention (site visit resulted in winning bid for Calgary)

Worked with Deans of Arts and Social Work, and professors from Veterinary Medicine to bid for International Congresses for Calgary. Have won one for 2016 and 2017

With Travel Alberta, hosted 20 site visits, and participated in 20 programs (e.g. PCMA Premier Sponsorship Program)

With Canadian Tourism Commission, participated in 10 programs (e.g. Canada Stands, IMEX Frankfurt and America)

Accessed Canadian Tourism Commission funding to support familiarization visits to Calgary