

## 2015-2018 Business Plan & Budget Summary

**1. Organization Name:** TELUS Spark (Calgary Science Centre and Creative Kids Museum)

**2. Current Vision and Mission:**

Mission – We are a role model and force for innovation that drives positive change

Vision – Our community transformed by a culture of curiosity, risk-taking and problem solving.

### 2015-2018 BUSINESS CASE

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

Through practical experience, analysis of operational data, and environmental scanning a re-alignment and conservative adjustments to the 2013-2015 Business Plan is the priority leading into 2015-2018. The 2013 plan assumed that admissions/attendance was the area for highest growth potential. Fluctuations in this revenue stream have proven too unpredictable. Therefore, actions underway are to diversify revenues through new business developments and growth in areas of success since opening in late 2011. A three-year cycle (build – test – optimize) is being implemented to a portfolio of growth projects.

The Board and Senior Management understand the associated risks and in addition to regular and ongoing discussions, have a pre-scheduled Strategy Planning program in September. These strategies will be refined in that time, including but not limited to: revenue diversification through increased education programs and technology delivered initiative throughout the province, facility sales for third-party rentals, attendance benchmarking for future growth; Dome theatre customized programming consulting; a well informed marketing strategy. A new Business Plan 2015-2018 will be completed by December 2014.

Continued efforts to increase donations, philanthropy and sponsorships, plus growth in creative community partnerships. Expenditure restraints to achieve a balanced budget (primarily compensation & advertising) have damaged the ability to stabilize operations, and will result in a deficit in 2014. Therefore, an additional two years of self-funded deficit is planned to provide adequate time to put profit-focused business strategies in place.

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

Effective management of city asset – Proactive maintenance, capital infrastructure renewal through optimum timing for equipment aging. Cost-effective and/or partnered service contracts in utilities, landscape management, etc. Ensuring skilled employees are on staff to operate the facility.

Focus on value for money – Continue to strive for improvement in this measure. Ongoing market research to identify areas of highest impact. Maintain prices at 2011 levels as long as possible.

Public awareness of natural environment and through play, healthy lifestyles – Investment in outdoor park exhibits and programs. Partnerships with other Calgary-based and international organizations. Act as a key contributor to the 2017 International Play Association conference.

Great public spaces & urban vitality – Increase pedestrian & bicycle access. Host public dialogue & programs related to these issues.

Affordable youth programs & after-school partnerships – Expand social agency partnerships.

Creative lives for citizens, community partnerships and government – CADA partnership, e.g.

Attract local and global investment – International Dome theatre program sales. Distance learning program sales, international granting programs.

#### 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.

Salary management through sector benchmark at 75<sup>th</sup> percentile. No further reduction in complement is possible without seriously risking programs and value-for-money experiences.

Utilities service contract management seeking best cost-benefit contracts.

Expanded catering kitchen project plan focused on increasing net revenue contribution for food & beverage services.

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

Physical and operational costs, and maintenance of the city asset.

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

Operational cost per visitor: trends are being analyzed, benchmark to be developed

Employee engagement and retention stats: Engagement = +30% Turnover = <15%

Visitor research data: twice per year

Stakeholder relations feedback

Community engagement feedback

Government funding growth: increase by 10% per year

Donation targets: 5-10% of gross revenues

Emergency operating reserve equals 25% of annual operations costs

Visitor admissions revenue and attendance targets: 2015: 340,000 and \$2,500,000 general paid

New revenue generating/fee-for-service programs: under development

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

Leverage City operating grant by a **factor of 5** to provide a leading informal education experience for families and school students in Calgary and region.

Leverage local operations to achieve provincial and federal support in education programs re. STEM (science, technology, engineering, math), environment, community diversity, workforce preparedness, and the arts & creativity.

Work with other organizations to develop mutually beneficial and strategic alliances that meet both mission and financial sustainability goals.

**BUDGET AND FINANCIAL INFORMATION**

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

<b>Operations (000's)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
City of Calgary draft operating grants	1,982,550	2,056,577	2,133,247	2,212,562
Other operating grants	0	0	0	0
Earned revenue from operations	6,846,200	7,193,823	7,712,853	8,085,738
Donations & fundraising revenue	950,000	1,025,000	1,050,000	1,050,000
Operating expenses	10,378,750	10,575,400	10,896,100	11,148,300
<b>Net of revenue and expenses</b>	<b>(600,000)</b>	<b>(300,000)</b>	<b>0</b>	<b>200,000</b>
Opening operating reserves	2,500,000	1,900,000	1,600,000	1,600,000
<b>Ending operating reserves</b>	<b>1,900,000</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,800,000</b>
<b>Capital (000's)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Opening capital reserves				
Requested City of Calgary lifecycle grants	819,500	500,000	1,500,000	1,000,000
Other City of Calgary capital grants				
Other capital revenues				
Capital expenditures				
<b>Ending capital reserves</b>				

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

TELUS Spark is projecting a self-funded deficit for 2015 & 2016, with clearly identified targets for 2018. Progress towards a sustainable organization has been focused on immediate results, e.g. the pressure of funding and completing a \$147M facility; the pressure for instant success from a new operating entity. In retrospect, a cautious 5 year stability plan should have been developed in 2011. Managing construction costs had been the primary area of concern at that time. TELUS Spark has a Risk Register to address the following actual or potential risks:

(i) General paid (walk up) attendance trends lower than expectations which is based on growth in the population of Calgary, (ii) Donations are not sustainable with fund raising targets not being met / corporate donor fatigue, (iii) Upward pressure on compensation, with no increases in the last 3 years and the competitive nature of the Calgary job market the risk of increased loss of talented people to other organizations, (iv) City grant allocation is reduced from projected figures presented in the Action Plan 2015 – 2018, (v) Feature exhibitions do not draw expected audiences, (vi) Infrastructure of the building is aging causing additional operational expenditures, (vii) Landscaping and snow removal costs are increasing, (viii) Utilities costs are increasing, (ix) Cash flow into reserve fund from sponsorships does not flow in as quickly as we need to spend it, (x) Need to raise admission prices to keep pace with other increasing expenses but value for money may be negatively effected, (xi) Need to find additional sources of revenue e.g. e-learning and facility sales, (xii) Unable to raise capital funds for an onsite catering kitchen which limits the amount of facility sales revenue achievable – 2015-16, (xiii) Weather too cold or too sunny, both of which depress attendance, (xiv) School revenues disproportionately low relative to the amount of time the facility is used for school programs.

## 2013 ANNUAL REPORTING

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### 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.

Bridge financing loan, guaranteed by the City of Calgary, was paid off 4 years ahead of schedule.

Engaged over 67,000 school students in curriculum-based programs and exhibit experiences.

Hosted 1,400 Calgarians in a flood-relief event that raised \$37,000.

Increased Adults Only Night attendance by 12% from 2012.

Increased volunteer hours by 11% from 2012.

Increased social inclusion and welcome access: doubled the number of social service agencies in formal partnership to provide access to TELUS Spark by over 3,200 Calgarians in need through the Community Connections program.

Social media impact increases: Facebook +48%, Twitter followers +69%, YouTube visits +63%, website unique visits +41%.

Increase in Gold-level memberships was 20%. Across all categories, members visited TELUS Spark an average of 5 times in 2013.

Increased new revenue development through facility-based events: 201 corporate/community events, 23 paid team-building events, 149 birthday parties.

Over 130 community partners contributed to public, content-based events for TELUS Spark visitors.

Launched the innovative, first-ever Canadian live surgery program with a hospital, called Direct From the Operating Room.

Initiated the Artist-in-Residence program, and secured arts-based funding from the Rosza Foundation.

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

Attendance numbers: 359,951 and admissions revenues: \$2,900,373

Membership: 18,415 memberships

Education programs: 67,290 curriculum-based student visits

Facility sales & rentals: 373 events representing a 36% increase over 2012

Community partnerships: over 130 partner organizations or individuals

Employee engagement: 30% engaged, 35% aligned with the organizations strategies

Growth in sponsorships and donations: 5% of revenues

Utilities and maintenance: 6% of expenses

Investment from reserve fund to support mission: As per strategic plan

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

City operating grant represented 20% of costs to provide public service. The remaining 80% was earned or secured through program-related donations and sponsorships.