

CIVIC PARTNER 2016 ANNUAL REPORT SNAPSHOT- HERITAGE PARK SOCIETY

CPS2017-0369 Civic Partners Annual Report Attachment 10
ISC: UNRESTRICTED

HERITAGE PARK SOCIETY

Mission: Connecting people with the settlement of Western Canada.

Vision: Preserve and share our Western Canadian heritage.

Registered Charity

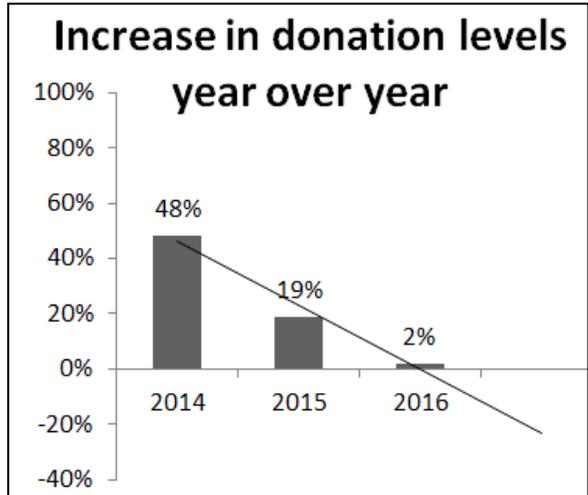
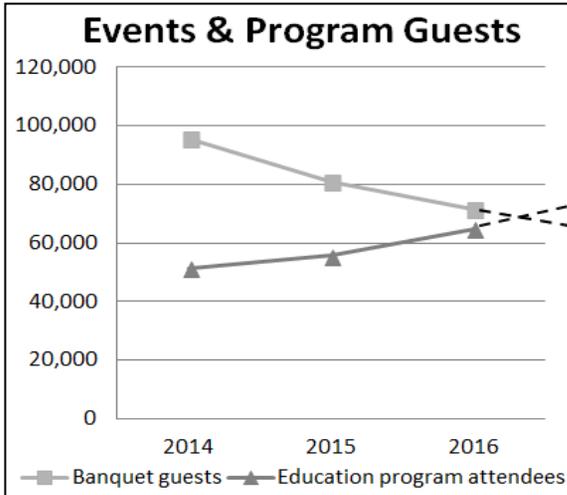
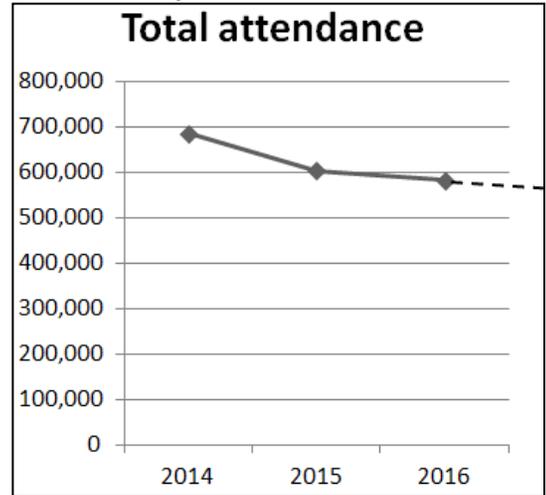
2016 City Investment

Operating Grant: \$2,894,265

Capital Grant: \$1,932,479

City owned asset? Yes

How did they do in 2016?



The story behind the numbers

- Attendance decreased 3.5% in 2016 and there was a 12% decline in banquet attendance. Corporate clients cancelled events or scaled back the size and budget.
- Focused on increasing gifts from existing donors instead of cultivating new ones.
- Education program attendance grew 17% as new programs were developed. Programs range from ECS to grade 12.
- 1,811 volunteers contributed 68,366 hours to support Heritage Park's operations.
- Environmental initiatives included hosting The City of Calgary ReTree YYC, 6 beehives through Bees4Communities, growing vegetable and herbs for onsite food services, running the steam train on recycled oil, and continuing the LED lighting conversion program.
- Saw a steady ride in the number of New Canadians visiting the Park through the Cultural Access Pass program.

Snapshot of 2017-18 priorities

- Address critical maintenance and lifecycle projects.
- Introduce a new 3 tiered-branded annual membership structure with more choice, better benefits and lower prices.
- Focus on marketing including international and US visitors.
- Launch the Colonist Car and Tour of the Nation in 2017 and expand summer camps, streamline event offerings and assess ROI.

CPS2017-0369
ATTACHMENT 10



1. **Organization Name:** Heritage Park Society
2. **Fiscal Year:** 2016
3. **Latest Annual Report available and web address:** 2016 Fiscal Year.
www.heritagepark.ca
4. **Current Vision, Mission and Mandate:**

Mission Statement: Connecting people with the settlement of Western Canada

Vision: Preserve and share our Western Canadian heritage.

YEAR IN REVIEW

5. **What key results of your organization in 2016 contributed to Council Priorities in The City’s 2015-2018 Action Plan including A prosperous city, A city of inspiring neighbourhoods, or A healthy and green city?**
[The City of Calgary - Council Priorities](#)

In a year of sacrifice and tough financial decisions, the Park focused on environmental initiatives, and on partnering with community organizations.

We hosted the City of Calgary Parks ReTree YYC booth in the Town Square Plaza again in 2016. Hundreds of Calgarians and Park visitors had the opportunity to learn more about tree selection, tree care, mulching tips, and to participate in kids’ activities and giveaways.

We partnered with Apiaries & Bees for Communities again in 2016, hosting six honeybee hives through the Bees4Communities Program. These hives are managed by A.B.C. Bees on behalf of their corporate partners. The project drives local ethical and responsible businesses to support local food production, small-scale and urban beekeeper education, and encourages pollinator stewardship. The hives produced 22 kilograms of honey that the park uses in our menus.

The Park grows heirloom vegetables in our own gardens and has an herb greenhouse. These are harvested and used in our menu offerings at the Selkirk Grille, and some are pickled for the winter. We are highlighting these offerings in a “Field to Fork” culinary tour.

We not only recycled paper, beverage containers, and scrap metal, but the steam train runs on recycled oil. Among other energy-efficiency initiatives, we have a continuing LED lighting conversion program including occupancy sensors where feasible, and appliances at end-of-life are replaced with high-efficiency versions. In 2016, we completed a retrofit of the gas lamps in the village. This will save 3000 GJs of natural gas per year (almost 10% of our annual usage). We also adapted the fountain in Eugene Coste Park to recycle water.

We are focusing on small, local manufacturers for our retail product, benefiting Calgary and area businesses.

Our Seniors Follies and Co-op Seniors Day celebrate and acknowledge our city’s elder residents and provide cost-effective and engaging activities accessible to all seniors.

The Park offered free tours for new Canadians with the support of Citizenship and

Immigration Canada, and we worked with Ahlan Canada to provide lunch and a tour for Syrian Refugees. In addition, residents of Fort McMurray were given free admission to the Park for the summer. We also offered free admission to Gasoline Alley on LoveYYC day, attracting more than 2400 visitors, the most visible and successful participant according to Tourism Calgary. During Historic Calgary week, we provided curator tours free of charge.

Music in the Plaza (free concerts held Wednesday nights in July and August) drew 3000 people to the Park – families gathered on the lawn for a picnic, others enjoyed an intimate dining experience on the patio of the Selkirk Grille, and even pathway users who passed by stopped to enjoy the music. The concerts support the work of local musicians, spotlighting a different genre of music each evening. The opening set features emerging musicians, many of whom have appeared in the Stampede Youth Talent Search. Our concerts provide exposure for new artists as well as highlighting the diversity of up-and-coming musical talent.

Maplefest was held at the Park in 2016. This engaged the Francophone community and exposed the Park to a new and varied audience. We will expand our contributions in 2017 and partner with ACFA régionale de Calgary. (Association Canadienne-Francophone de l'Alberta) to produce and expand this event for 2017.

We partnered with Calgary Mexican Canadian Cultural Society to present Dia de los Muertos (Day of the Dead) fiesta during Ghouls' Night Out.

6. Using your organization's existing performance measurement data, please provide selected 2016 performance measures that describe how much you did, how well you did it, and how Calgarians are better off. Please identify through BOLD font, 1-2 measures that are most significant and could be presented in an RBA style chart.

**For more information please see the attached Results Based Accountability (RBA) handout.*

| | Performance Measure | 2014 results | 2015 results | 2016 results | What story does this measure tell about your work? Why is it meaningful? |
|-----------------------------|----------------------------|---------------------|---------------------|---------------------|---|
| How much did you do? | Total Attendance | 685,238 | 603,598 | 582,182 | The Park anticipated a small increase over 2015 but instead saw a decrease of 3.5% in 2016. This is mainly due to a further erosion of our banquet numbers. |
| | Number of banquet guests | 95,687 | 80,986 | 71,529 | For 2016 we anticipated no growth, and no further erosion, of our banquet numbers. In fact, we are down 12% to prior year. Compared to our best year, 2014, we are down 25%. The economy wreaked havoc on our banquet results, with a significant portion of our O&G and other corporate clients cancelling events, or scaling back the size and spend. |

| | | | | | |
|--------------------------------------|---|--------|--------|--------|--|
| | Education program attendees | 51,378 | 55,650 | 64,863 | We continue to find ways to maximize education program attendance through development of new programs and creative use of resources. Attendance grew 17% in 2016. |
| How well did you do it? | Increase in annual operating donations | 48% | 19% | 2% | We anticipated a drop in operating donations in 2016, but thanks to 2 significant unsolicited donations, we saw a small increase. In light of the current economic climate, the focus was on increasing the amount of the gifts from existing donors versus cultivating new donors. |
| How are Calgarian better off? | % of all Calgary school children that attended education programs | 32% | 33% | 38% | Our school programs range from ECS to grade 12, with a focus on the middle grades. Every year, our education offerings expand, bringing the history of Western Canada to life for more and more school children. This speaks directly to our mission. |
| | Increase in new Canadians using CAP at HP | 61% | 249% | 14% | The Park takes part in the Cultural Access Pass program. New Canadians who chose Calgary as their home are visiting in greater numbers each year. This is likely because our offerings include multi-cultural references to the settlement of the West, and we have a citizenship ceremony at the Park annually on Canada Day. Or as we refer to it, Dominion Day. |

FINANCES

7. What resources were leveraged to support operational activities in 2016?

The Park leverages its charitable status to secure operating gifts-in-kind. In 2016, these donations offset more than \$92,693 in cash expenses, and brought in cash sales of \$95,282 in the heirloom antique stores.

The Park enlisted the critical assistance of 1,811 volunteers who collectively donated 68,366 hours (the equivalent of more than 37 person years) to the Park that we would otherwise not be able to afford. That is a 13% increase in volunteered time over 2015.

The Park combines a strong financial position, registered charity status, and partnership with the City to secure corporate event sponsorships, naming opportunities for buildings and other assets, in-kind contributions for goods and services, and grants from Foundations and other levels of government.

As in 2015, 2016 saw little donor growth. Of note in 2016, \$221,000 in corporate and private gifts was received to benefit education programs, \$136,000 in sponsorships for special and fundraising events, and \$670,000 for general operations. We leveraged the economic downturn to spur unanticipated one-time donations totaling more than



\$300,000.

We maximized a Government of Alberta HR grant for summer employment, bringing in \$81,000 to offset employment costs.

Implementation of paid parking through the Calgary Parking Authority resulted in unbudgeted net revenue of \$170K.

8. Do you anticipate any changes to plans and/or budget projections for 2017-2018?

Our budget philosophy for 2017 is “it all adds up.” We produced a lean budget with a modest estimated operating surplus. We will monitor our weekly and monthly results and make adjustments as necessary including our employee costs to ensure we remain on track to continue our history of never having an operating deficit. We will be scaling back our capital spend to match our CPRiiP funding limits, and also due to the shortage of external contributions and internal funds for matching purposes. We will concentrate on those projects that are critical for safety, safeguarding assets from deterioration, and maximizing customer experience to ensure return visitation.

9. Please describe the impact, if any, of the economic downturn on your organization’s operations or revenues including any adjustments you have made to your operations.

Corporate catering sales continue to decline. Banquet attendance in 2016 was at its lowest since 2008, and revenues were down 12% from 2015. The Park struggled to maintain corporate sponsorships again in 2016, with many organizations reducing or eliminating contributions, or delaying them until later years. After the Park had its smallest surplus in its 51-year history in 2015, the Park took steps to reduce costs in 2016, including zero increases to staff wages, elimination of full and permanent part-time jobs through attrition and combining positions, reducing seasonal hiring by 12%, and closing Gasoline Alley on Mondays from January to May and after Labour Day. We cannot sustain zero increases into 2017 without risking losing staff. An added expense in 2017 is the carbon levy. This will cost the Park \$26K in known costs, plus price increases by contractors and suppliers also subject to the levy. The increase in minimum wage has also had a significant impact in our ability to operate sustainably in 2016 and will have an even greater impact when the second increase occurs in 2017.

The Park entered 2016 with no internal capital funds to leverage the City’s CPRiiP funding. Due to our cost mitigation strategies and some unanticipated one-off donations, we managed to end 2016 with an operating surplus of \$372K. This covered our deficit in capital funds, and we are, once again, starting a new year with no internal funds for capital use.



LOOKING FORWARD

10. What are your priorities and deliverables for 2017-2018?

Address our critical maintenance and lifecycle projects to ensure the safety of our guests and staff. If additional funds become available, other projects will be considered.

Introduce a 3-tiered re-branded annual membership structure offering more choice, better benefits, and lower prices.

Focus marketing efforts on local day gate, rubber tire traffic, international and US travel trade tourism, catered events, Selkirk Grille, and retail outlets.

Work with our committed partners to bring the Colonist Car and Tour of the Nation to fruition, including the restoration of this rare and historically significant artifact, and take the story of early immigrant settlement of Western Canada “on the road” in 2017.

Continue implementing the Master Plan starting with R&D and preliminary fund sourcing for the Natural Resource Area refurbishment.

Expand summer camps to include a new offering, Adventures in Science.

Focus on recouping banquet and catering sales. Analyze ticketed events to streamline offerings and remove those that do not have sufficient ROI.

UPDATE ON RISK MANAGEMENT AND GOVERNANCE

11. What are your organization’s top 3-5 strategic risks? Describe briefly how you are managing these risks.

The most significant risk to the organization is financial risk of an operating deficit due to economic conditions. The Park has a low appetite for deficits, and has instituted mitigating controls and strategies to minimize the impact of economic downturns. There are two top operational risks. The first is related to loss of data (mitigation strategy includes establishing a disaster recovery plan, daily backups, and regular lifecycle maintenance of IT equipment (including servers). The second is disrupted or diminished operations (which is closely tied to a safety risk, deterioration of assets and infrastructure). To mitigate these, we maintain our critical infrastructure first, and secure capital funds when possible to perform non-critical lifecycle and maintenance that is central to customer experience and satisfaction.

In 2016, the greatest factor affecting the first and third risks mentioned above is the economy, resulting in significantly reduced catering revenues, capital donations, and sponsorships. Although there is talk of recovery in 2017, we anticipate these risks will remain throughout the coming year.

12. Summarize any activities in 2016 that increased your Board’s knowledge and awareness about industry trends, impact of changing economic conditions, risks faced by the organization, or other information needed to make informed decisions.

Building on the momentum from 2015, the Park presents the risk register and risk trends to the board at least annually. We have formalized risk as a discussion point at the senior management table at least monthly, incorporating risk reporting into managers’ responsibilities. This discussion, along with our annual review of compliancy and representations bring to light issues most affecting the Park. In addition, each committee (including Audit, Finance and Risk; Human Resources; Historical, Interpretative and Education; Governance & Nominating; Health, Safety and Environment) discusses issues specific to the area they cover and are kept apprised of any updates by senior managers who take part in those committee meetings. In particular, the Manager of HR presented the following industry surveys to the HR Committee in 2016:

1. The Boland Survey of Not-For-Profit Salaries and Human Resource Practices
2. The Conference Board of Canada – Compensation Planning Outlook surveys and reports
3. Mercer’s Compensation Planning Survey
4. Morneau Shepell Compensation Survey
5. Hay Group Salary Forecasts
6. Wynford Group Survey
7. Provincial economic forecasts published by various financial organizations

Through the Audit, Finance, and Risk Committee, the portfolio Manager from Beutel Goodman presented the current economic outlook and performance of investments against benchmarks to the Board.

At each Board meeting, one or more senior managers deliver a presentation specific to their department, updating the directors on everything from media trends to the cost of beef, new retail products being offered to employee and visitor injury stats.

13. Will any Board or senior management positions be vacant in 2017? If yes, please describe succession plans that are in place.

There are no planned senior management vacancies in 2017. There are no current board vacancies. When a Director’s position becomes vacant during a term, the Board of Directors may appoint an interim Director to the position until the next Annual General Meeting.

Board Succession Planning - The Board ensures that its members have the knowledge and skills to help HPS achieve its long-term goals. The Board engages in an ongoing process of development and succession planning in order to offer opportunities for skill development, identify Directors for leadership positions, and provide for continuity on the Board.

Management team succession planning - Senior management identify capabilities for key areas and key positions. Where possible, interested employees are identified within the organization. Succession and knowledge transfer plans are developed including documenting responsibilities and processes. In addition, senior management remains involved in all key aspects of the organization so there isn't a silo of knowledge in any one key position.

14. (a) Mark an "X" by all statements that apply to your organization:

Our organization uses:

Defined term limits for Board members

A skills and experience matrix to identify gaps on the Board and recruit new board members.

A structured process for identifying, monitoring and managing risk.

A Board policy for risk management.

A risk map, matrix, register or similar tracking tool to assess the risks we face.

A risk management plan or other tool that is updated at least annually.

Tools to communicate key risks to the Board at least annually.

A Board committee delegated with the responsibility for oversight of our organization's risk management practices.

A formal crisis management, business continuity, or similar plan to be ready for an emergency situation.

(b) Add any additional comments about your organization's risk management practices:

Key Risk Indicators have been defined and each senior manager is tasked with assessing risks against indicators and reporting to the management team monthly. The Audit, Finance, and Risk Committee are updated at each AFRC meeting, and the board updated at least annually. Any risks that show an increasing trend are flagged and mitigation strategies presented.

CAPITAL AND ASSET MANAGEMENT

15. Provide a summary of your organization's 2016 capital development, including specific lifecycle/maintenance projects.

The Park leveraged the City's capital grant by using internal funds to perform required lifecycle/maintenance, including, but not limited to:

- 5-year rebuild of the Caterpillar and Whip midway rides per AEDARSA requirements
- Gas Lamp conversion to LED
- Washroom maintenance, Midnapore and Bowell stations
- Railway and streetcar track maintenance/repairs
- Completion of the Costume Room expansion
- Begin restoration of the Colonist Car



- Replace railway station platforms
- Replace disabled bus and 2 modern vehicles with energy efficient alternatives
- Replace conduit and cabling in the village
- Fire detectors and fire panel lifecycle
- Refurbish rodeo grounds

16. What funding was leveraged to support capital activities in 2016?

Without the City's capital grant, the park would not be in a position to complete the necessary annual capital and lifecycle maintenance required to ensure the safety of our guests and staff. The difficulties in securing donations for capital continued in 2016. A major capital project, restoration of the Colonist Car, did attract some personal contributions, as well as a grant from the Government of Alberta. We also utilized \$42K of casino proceeds and secured \$57K in cash donations and gifts-in-kind from contractors.