

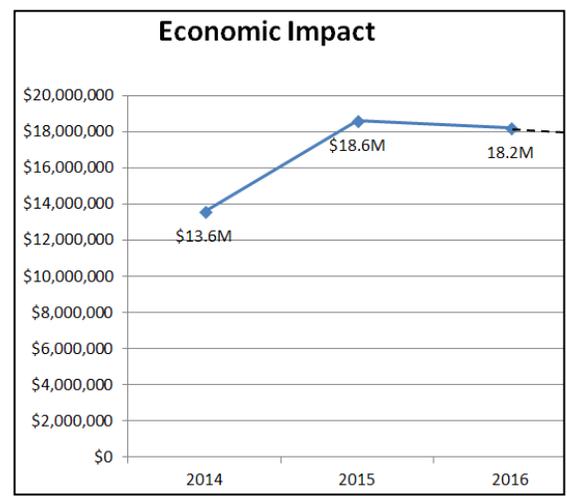
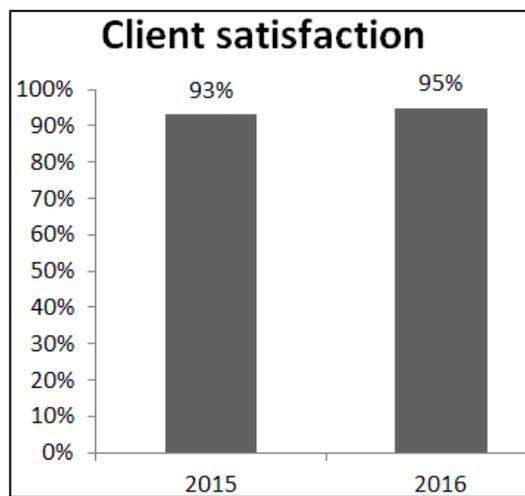
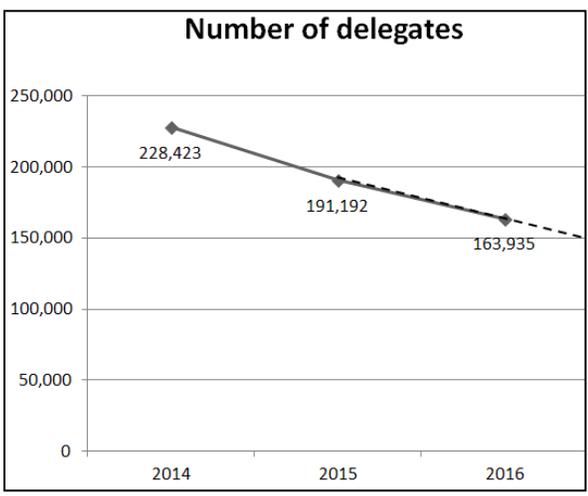
CIVIC PARTNER 2016 ANNUAL REPORT SNAPSHOT- CALGARY CONVENTION CENTRE AUTHORITY (CALGARY TELUS CONVENTION CENTRE)

CPS2017-0369 Civic Partners Annual Report Attachment 17
ISC:UNRESTRICTED

CALGARY CONVENTION CENTRE AUTHORITY (CALGARY TELUS CONVENTION CENTRE)
Mandate: To manage, market and operate the Calgary TELUS Convention Centre in an efficient and market-competitive manner in order to maximize overall economic benefits to the city of Calgary while maintaining financial performance with an acceptable range.

2016 City Investment
 Operating Grant:\$1,637,137
 Capital Grant: \$808,192
 City owned asset? Yes

How did they do in 2016?



- The story behind the numbers**
- Saw a 14% drop in delegates compared to 2015 and 40% less events, mostly due to a drop in local business.
 - Almost all clients rated their experience as good or excellent. Quarterly client satisfaction surveys were initiated in 2015.
 - Hired a new President and CEO (Clark Grue) to refine the strategic direction of the organization.
 - Ongoing maintenance and lifecycle work including energy efficiencies and operating savings in lighting, power and air.

- Snapshot of 2017-18 priorities**
- Increase global markets.
 - Develop a community hub
 - Develop new lines of business.
 - Improve the client experience.
 - Grow the economic impact.



- 1. Organization Name:** Calgary Convention Centre Authority (operating as Calgary TELUS Convention Centre)
- 2. Fiscal Year:** 2016
- 3. Latest Annual Report available and web address:** 2015 Fiscal Year
 - http://www.calgary-convention.com/wp-content/uploads/2016/07/ctcc_2015_ar.pdf

4. Current Vision, Mission and Mandate:

Mandate

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

Vision

The Calgary TELUS Convention Centre is Calgary's meeting place which brings the community together in a central hub to connect, learn, innovate, celebrate, support and grow.

The Calgary TELUS Convention Centre connects Calgary with the global community; leveraging our assets to create opportunities that impact the lives of Calgarians and Canadians.

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](#)

Prosperous Economy:

In November 2016, a new President & CEO, Clark Grue was hired to change the strategic direction of the organization (further details in item#10).

The Calgary TELUS Convention Centre is an economic driver for Calgary. Convention business promotes significant financial boosts to numerous downtown and city wide businesses including hotels, restaurants, transportation, retailers, attractions and post secondary educational institutions.

The success of international conventions in Calgary brings a direct economic benefit of \$329 CDN per day for every non-resident delegate in attendance.

Through our partnerships with Tourism Calgary, Travel Alberta, Meetings and Conventions Calgary, Calgary Stampede, Calgary Downtown Association and Calgary Economic Development, the Calgary TELUS Convention Centre is working hard to promote synergies and resources for the benefit of improving Calgary's image and reputation as a quality convention city.



Research has proven that convention attendees can promote future city investment, encourage leisure travel and foster repeat business, further improving economic success.

Another economic development initiative is our Calgary Champion program (Ambassador program). We work with educational institutions, like the University of Calgary, local businesses and international associations to bring conventions to the city.

To date we have 64 potential Ambassadors in the pipeline. fourteen ambassador driven conferences have been hosted in Calgary since 2015. Twelve ambassador driven conferences have been awarded to Calgary for 2017 and beyond; and currently have seven active bids out for future years.

Healthy & Green City:

Reducing energy use and climate change impacts:

- Ongoing lighting retrofits and HVAC upgrades resulting in reduced electrical consumption
- Transition of accounting processes to paperless
- Implementing City waste diversion services
- Identified operating savings in lighting, power, air

All the above initiatives will result in energy efficiencies and reducing the carbon footprint.

Inspiring Neighbourhoods:

Inclusive, safe, cultural, active, strong neighborhoods:

- The CTCC is a great venue for education, networking and attracting new business/academic/research visitors
- Silver Action Calgary partner with Calgary Economic Development
- Title partner of Soul of the City
- Safety: Liaison with police department to ensure safety in/around premises
- Cultural: Host/sponsor of annual First Flip breakfast on Stephen Avenue during Stampede and various cultural/social events throughout the year in partnership with various key stakeholders
- Active: Yoga sessions, baseball tournaments, lunch & learns



**Calgary Convention Centre Authority
(Calgary TELUS Convention Centre)
Civic Partner Annual Report 2016**

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.

| Performance Measure | 2014 Results | 2015 results | 2016 results | What story does this measure tell about your work? Why is it meaningful? |
|--|----------------------------|--|--|---|
| Number of events | 582 | 458 | 279 | Facility utilization; continued awareness for the city; struggling local economy. |
| Number of delegates | 228,423 (213,639 local) | 191,232 (170,999 local) | 163,935 (144,179 local) | People spending in, and gaining exposure to Calgary; making connections; Calgary-based innovations showcased. |
| Economic impact Based on non-Calgarians at event for 2.8 days) | 13.6M | 18.6M (higher National + US delegates) | 18.2M | Direct economic impact for the city. Increased revenue for Calgary businesses, helping to drive growth. |
| Number of full time equivalents | 100 | 94 | 90 | Providing employment for Calgarians; personal service for clients. |
| Quarterly Client Satisfaction Surveys | N/A Started 2015 | 93% overall experience (good/excellent) | 95% overall experience (good/excellent) | City reputation enhanced; experience leaves good impression with visitors. |



FINANCES

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

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 \$1,637,137M operating grant received from the City of Calgary helped to offset the cost of utilities in the facility.

The CTCC leverages resources to increase business potential by partnering with;

- Meetings & Conventions Calgary
- Calgary Hotel Association
- Calgary Economic Development
- Calgary Stampede
- Calgary Downtown Association
- Travel Alberta
- Energy Cities Alliance
- Destination Canada
- Professional Convention Management Association
- Meeting Professionals International

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

Our business inquiries in the sales funnel reflect a slight economic rebound in late 2017 and our budget will be adjusted accordingly to an increase in business volumes. Our financial plan continues to incorporate fiscal responsibilities.

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.

Most affected by the economic downturn was the local business segment. There was a drop of 27,257 attendees in 2016 over 2015. We continued to adapt to the changing economic times as necessary in order to maintain and grow business levels. As we continue to move towards medium to small meetings and events, we are also working with Meetings + Conventions Calgary to confirm city wide events. This is a Team Calgary approach and involves our other partners like the Calgary Stampede with which we jointly work on proposals utilizing both venues.



LOOKING FORWARD

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

The CTCC has developed a strategic plan for 2017. The key strategic initiatives are as follows;

1. Increase Global Markets
2. Develop a Community Hub
3. Develop New Lines of Business
4. Improve Client Experience
5. Grow Economic Impact

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.

Deferred Maintenance:

The Calgary TELUS Convention Centre's south building was built in 1975 and the north building in 2000 at which time some of the south building was updated as well. The buildings have been well maintained over the years by the Calgary Convention Centre Authority. The 2014 asset detail report commissioned by the City of Calgary and prepared by VFA Inc., assessed the deferred maintenance in the facility at .40 on the Facility Condition Index (FCI) for the south building and .19 on the FCI scale for the north building. Some of the critical projects identified at that time have since been undertaken. However, there are items outstanding that are identified as to potentially being serious from a risk and regulatory requirement to improving customer satisfaction. If these are not addressed, operating costs will continue to rise and the CTCC will be unable to provide a quality product to its customers. Failure to keep up with the required maintenance will result in a less competitive product leading to fewer bookings and less revenue. This is a business reputation and financial risk.

Decline of Economy:

The current economic situation resulted in a significant loss of bookings in 2016 however a slight rebound is projected in 2017. The CTCC has a mitigation strategy in place that focuses on medium and smaller pieces of business. Internationally we will continue to pursue this market segment as these groups tend to have a higher spend which has a direct impact on the facility and within the city, as delegates tend to stay at a destination for pre and post days.

Locally due to the current economic situation we have seen bookings decline. In 2016 we had a total of 279 events (International 3, Local 252, National 17, Provincial 6, US 1). In 2015 our total number of events were at 458 (International 3, Local 425, National 18, Provincial 9, US 3).



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.

General Manager Presentations
Quarterly Business Plan Updates
Sales Activities Updates
Financial Statement Reporting including variance analysis
Strategic Alignment Session
Board and staff participation in on-going economic development strategic planning sessions

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

There will be two CCCA Board positions whose terms will be expiring in 2017. A robust recruiting and vetting process as approved by Council in 2015 will be applied in the selection of board members.

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:

The CTCC corporate policies guide the commitment to risk management processes. The Risk Management Team is tasked with ensuring that:

- major risks faced by the CTCC are identified, prioritized, understood, and appropriately managed;
- risk management is integrated into CTCC’s strategic business plan and consistently applied to the development and implementation of new systems, policies and future plans of the CTCC;
- the process includes CTCC-wide awareness of areas where risk management is



- needed;
- an environment exists where all CTCC staff assume responsibility for identifying and managing risk within their area with requisite management oversight and control;
 - risk management awareness is included in orientation briefings for new staff and;
 - management of risks is built into contracts, where applicable.

CAPITAL AND ASSET MANAGEMENT

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

| Capital Expenditures to December 31 2016 | |
|---|--------------------------|
| Additions | December 31, 2016 |
| CTCC South Building Washroom Finishes | 15,903 |
| North Loading Dock Overhead Doors | 34,718 |
| Green Room Update | 8,215 |
| South Building Ex Hall A Lighting Upgrade | 8,960 |
| Phase 2 Panel Migrations | 119,347 |
| Main Breaker Replacement S Bldg/Glenbow | 64,055 |
| Glen 201-204 Lighting Dimming System Replacment | 7,940 |
| Exterior Doors & Skylights - WIP @ YE 2016 | 5,822 |
| Carpets Replacement - WIP @ YE2016 | 450,000 |
| Banquet and Meeting Chairs | 420,000 |
| Security Equipment - Misc | 26,450 |
| Computers - Misc | 80,126 |
| Kitchen Equipment - Misc | 30,217 |
| Mechanical - Misc | 33,168 |
| Office Equipment - Misc | 5,021 |
| Software - Misc | 10,800 |
| Total Additions | 1,320,741 |
| Funding | |
| Major Replacement Reserve | 226,836 |
| City of Calgary - CPRiiPs | 656,867 |
| Operating Reserve | 437,038 |
| | 1,320,741 |



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

Major Replacement Reserve

- \$180,000 annual allocation from City Operating Grant(invoiced \$226,836)

Operating Reserves

- Operating surpluses are transferred to the reserve fund(loss of \$84,811)

City of Calgary

CPRiiPS(\$656,867)