
ACTION PLAN 2015-2018 – CIVIC PARTNER BUSINESS PLANS & 2013 ANNUAL REPORT

EXECUTIVE SUMMARY

The City of Calgary is fortunate to have long-established, cooperative and collaborative relationships with not-for-profit organizations referred to as Civic Partners. These relationships exist because of the great value these organizations provide to Calgarians. Each organization varies significantly in terms of their nature, scope and complexity but all leverage operating and capital funds through private, corporate and government funding, as well as earned revenue streams. This report provides an opportunity for the 14 Civic Partners to report on 2013 achievements, *Action Plan* 2015-2018 (*Action Plan*) plans and budgets and to demonstrate strategic direction and alignment with Council Priorities and Policies.

ADMINISTRATION RECOMMENDATION(S)

That the Standing Policy Committee on Community and Protective Services recommends that Council receive this report for information.

**RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES,
DATED 2014 SEPTEMBER 03:**

That Council receive Report CPS2014-0504 for information.

Excerpts from the Minutes of the Special Meeting of the SPC on Community and Protective Services Re: Civic Partners, held 2014 September 03:

“CLERICAL CORRECTIONS

Councillor Chabot noted several inconsistent monetary values in various distributions and Attachments and requested they be corrected to represent Administrations true fiscal requirements.”

“And further, that the Legislative Assistant attach the distributions and a document containing all corrected Attachments and distributions to the Report prior to being forwarded to Council.”

“REFER, Moved by Councillor Pootmans, that with respect to Report CPS2014-0504, Attachment 3 be referred to the Administration to prepare information on the 2015-2018 additional unfunded operating budget requests and report back to the 2014 November 24 Special Meeting of Council on 2015-2018 Business Plans and Budgets.

CARRIED”

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 December 10 Report PFC2013-0737 was approved by the Priorities and Finance Committee stating that “Assuming a May approval of priorities and indicative tax, utility rates and user fees, this process targets Administrative Leadership Team approval of draft plans and budgets in September, followed by strategic departmental and Civic Partner presentations to Standing Policy Committees in September/October.”

Approval(s): Dalgleish, Stuart concurs with this report. Author: Kerr, Lori
City Clerk's: D. Williams

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Since 2004, there have been numerous other Council Reports related to Civic Partners. These reports include the Civic Partner Annual Report and business plan and budgeting processes with The City.

Attachment 1 provides a detailed listing of previous Council direction since 2004.

BACKGROUND

The City's long-standing relationships with Civic Partners have created value for Calgarians for many years. Civic Partner relationships have developed over time and they vary significantly in terms of their nature, scope and complexity.

The City currently supports 14 Civic Partner relationships (Attachment 2). Civic Partners are diverse but can be grouped based on their operational focus into the following categories:

- attractions,
- arts, culture and heritage,
- economic development,
- library services,
- parks, and
- recreation and sport.

These not-for-profit organizations are arms-length and independent from The City. All are accountable to numerous stakeholders, including boards of directors, clients, customers, partners, members, funders, corporations, donors, federal and provincial governments and professional associations.

Each organization has unique agreements with The City such as leases, operating funding and/or capital funding agreements. These agreements lay the foundation for working together towards shared mandates and objectives, shared responsibility, joint investment of resources and shared risk. Agreements include requirements to align with specific policies of The City and participate in various corporate processes, including business planning, budgeting and reporting. These reporting requirements strengthen accountability and provide Council with the opportunity to directly engage with partners around the financial, strategic and operational aspects of their organizations. Administration will build on past successes and continue to move towards a consistent and effective approach to managing these important relationships, while recognizing the unique nature of each Civic Partner.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Participation in the business plan and budget processes demonstrates the alignment of Civic Partner operations with Council priorities and provides insight into their contributions and challenges. To streamline reporting processes by Civic Partners to Council, Civic Partners have the opportunity, as part of *Action Plan*, and in advance of budget decisions, to present their organization's 2015-2018 business plans and budgets with their 2013 annual reports (Attachments 4-17). This provides an opportunity to confirm the ongoing value of the investment made by Council and Calgarians and provides highlights of the organization's 2013 achievements. It is also an open and transparent accountability mechanism.

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Investment in Civic Partners is a highly effective and efficient means to achieve shared goals. Partnering with these organizations enables The City to:

- broaden its reach into numerous communities, including emerging and vulnerable communities;
- provide Calgarians of all ages with a wide range of opportunities as participants and audiences;
- influence economic development and prosperity;
- enhance the cultural vitality of the city through arts development to create an attractive city to move to, work in and live; and
- attract visitors from around the world through conventions, attractions and major events.

Civic Partners leverage operating and capital funds through private, corporate and government funding, as well as earned revenue streams. Calgarians demonstrate their personal investment and contribute their expertise through membership, volunteerism and participation on boards and committees. Each Civic Partner uses various means and measures, relevant to the nature of their business and stakeholders, to gauge success, assess risk and plan for the future.

A number of Civic Partner organizations steward City-owned land, facilities and artefacts. For those Civic Partners, the maintenance of these assets and ensuring they meet current and future service needs is a critical consideration. Civic Partners develop master plans, engage in sound asset-management practices and leverage capital support through donors, earned revenue and other levels of government to ensure well-maintained facilities that are highly valued by Calgarians and visitors alike.

Attractions and recreation/sport-based Civic Partners contribute to Calgary's economy and, through their facilities, provide a wide range of arts, leisure, learning and recreational opportunities to the public. These Civic Partners include: The Aero Space Museum Association of Calgary, The Calgary Centre for the Performing Arts (EPCOR Centre), Calgary Science Centre and Creative Kids Museum (TELUS Spark), The Calgary Zoological Society, Heritage Park, The Fort Calgary Preservation Society and The Lindsay Park Sports Society (Talisman Centre for Sport and Wellness).

In 2013 these Civic Partners:

- had total attendance of over 5,000,000 visitors;
- delivered school programs to over 250,000 school children;
- offered nearly 1,000 public programs;
- engaged over 5,000 community volunteers who contributed approximately 140,000 volunteer hours, resulting in reduced operating costs and community engagement;
- invested over \$2,700,000 to match City of Calgary lifecycle grants to support the maintenance of their facilities, land and assets; and
- leveraged funding for capital growth projects; for example Heritage Park leveraged a grant of \$300,000 from The City by securing close to \$3,000,000 of additional funds from other sources for its Famous 5 Centre of Canadian Women exhibit.

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Civic Partner relationships are relied on by The City to support achievement of wide-ranging and long-term strategic goals such as influencing economic development, strengthening the arts sector and increasing access to recreation and parks. In the area of economic development, Calgary Economic Development stewards the 10-year economic strategy, facilitates business investment, workforce attraction and increased international trade. Calgary Technologies Inc. supports entrepreneurs to build and grow new technology-based enterprises. The Calgary Convention Centre Authority attracts convention groups from around the world, showcasing Calgary and its business opportunities to business travellers and entrepreneurs. Tourism Calgary leverages local and national relationships to promote the Calgary brand, attract visitors and secure high-profile sporting and cultural events. Calgary Arts Development Authority stewards Calgary's Arts Development Strategy "Living a Creative Life", oversees the investment of funding for the arts and works collaboratively to increase the viability, visibility and contribution of the arts to both Calgary's economy and quality of life. Reflecting Calgarians' priorities related to pathways, play spaces and amateur sport, Parks Foundation provides a variety of programs that benefit people and neighbourhoods throughout Calgary.

Having recently celebrated its 100th anniversary of providing services to Calgarians, the Calgary Public Library (the Library) continues to demonstrate its value and importance to citizens. Over the last several years it has been one of the busiest libraries in Canada with an annual circulation of more than 17 million items and over five million visits. The Library plans to increase its impact by making its services more relevant and accessible to those who can benefit most from them. Library staff will be working to bring services outside of buildings and into the community. It will continue to make new technologies available and assist people to access digital content for their reading, education, business or cultural endeavours. The Library will foster reading and champion literacy and will make it easy and convenient for everyone in the city to have free and open access to ideas, information and technology. The New Central Library will be the heart and hub of the Library system, serving up to 6,000 visitors a day as a multifaceted community facility and functioning as an architectural landmark of the Civic District and East Village.

Civic Partner Risks and Challenges

As part of *Action Plan* process, Civic Partners were provided draft 2015-2018 base operating grant from Administration to enable business plans and budgets to be developed for the next four years. Attachment 2 sets out the order of magnitude for proposed operating grant funding for 2015 with a proposed annual increase of 3.7% per year for the remaining three years.

Despite sound business models and practices, Civic Partners face upcoming challenges, including:

- maintaining public accessibility given increasing service delivery costs;
- aging infrastructure and challenges in funding lifecycle needs;
- highly competitive fundraising environments;
- vulnerable funding sources;
- diverse and increasing stakeholder expectations;
- lack of sufficient revenue and funding for growth;
- limited access to funds to support innovation and risk ventures; and
- global, local and regional economic factors.

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The guideline to build business plans within draft budget for 2015-2018 and mitigate internal budget challenges affecting operations was recommended by Administration. Civic Partners were provided a forum to identify any risks or challenges related to the draft funding allocations within their business plan templates (Attachments 4-17, question #10). Attachment 3 details the four Civic Partners who identified additional unfunded operating grant requests for 2015-2018 (Attachments 5, 6, 8 and 11, question #10).

Stakeholder Engagement, Research and Communication

Administration has worked closely with Civic Partners in the development of a tailored process for *Action Plan* and the integration of their 2013 Annual Report. Several approaches were used in the engagement process including an in-person meeting on 2014 February 27 with leadership and representatives from each organization including the *Action Plan* program team and the General Manager of Community Services & Protective Services (CS&PS).

During this interactive forum, Civic Partners were provided with information on the community engagement opportunities for *Action Plan* that began in 2014 March. Ipsos Reid led a targeted facilitated engagement session to inform *Action Plan* reports going to Council. During the ideation session participants were asked to discuss key trends impacting their organizations, which included:

- shifting demographics and meeting the needs of a growing (both in size and diversity) community;
- the evolution of technology and how to ensure that it is an integrated into programs and service delivery models to maintain relevance;
- funding decreases/challenges – finding sustainable sources;
- challenges with infrastructure;
- experiential tourism/expectations from customers – the growing trend/expectation to be fully immersed in an experience; and
- meeting needs related to geographical challenges (inner city/suburbia and east/west).

Participants were asked to share insights from their customers and stakeholders as well as their needs and perspectives, that are impacting operations today and that are useful for The City to consider as part of *Action Plan*. Key feedback included:

- greater need/expectation to demonstrate better/wider value for programs and services;
- growing expectation that programming and services are free (fuelled in part by a growing need for low-income/subsidized programming in addition to a broader expectation that some programming should be available to all);
- funding challenges – more and more partners are turning to their donors for support and are seeing “donor fatigue”;
- challenge of collaboration in a dynamic environment that has some competitiveness;
- growing expectation for organizations to find efficiencies and meet evolving expectations; and
- growing expectation for mobile-services and access to information.

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As a follow up to the forum, several Civic Partners approached, and subsequently met with, Administration to discuss their opportunities and challenges in the coming four years. In 2014 June, representatives from all 14 Civic Partners met individually with the General Manager of CS&PS to discuss the *Action Plan* process and review their 2015-2018 business plans, including opportunities and challenges facing their organizations. Finally, feedback was sought and provided by Civic Partners for this report.

Administration continues to support Civic Partners in communicating their contribution to Council's Priorities and strategic actions. With Civic Partners playing a greater role than ever in delivering on Council's strategic actions for the next four years, relationship management, communication and accountability is vital.

Strategic Alignment

For *Action Plan*, Civic Partners were identified as external leads for four strategic actions under the Prosperous (P) City Council Priority for 2015-2018, including:

- P1: Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.
- P2. Advance purpose economic diversification and growth.
- P9. Cultivate the city's talent, diversity and energy to enable Calgarians to live creative lives.
- P10a. Expand our library system.

Social, Environmental, Economic (External)

Civic Partners play an integral role in maintaining a high quality of life for Calgarians through the provision of learning, culture, arts, heritage preservation, tourism, economic development, parks and active living opportunities. The City's Civic Partner relationships are vital to developing livable, sustainable and complete communities that contribute to physical, social and mental well-being. Further, Civic Partners facilitate fair access to programs, services, facilities and public spaces and embrace diversity, inclusiveness and creativity.

Financial Capacity

Current and Future Operating Budget:

Attachment 2 details 2014 operating grant allocations for the 14 Civic Partners along with the 2015 draft operating grant allocations. Operating budget information will be included in the business plans and budgets that Council will review in 2014 November.

Attachment 3 details the unfunded additional operating grant requests identified by four Civic Partners for 2015-2018 in question #10 of their *Action Plan* submissions (Attachments 5, 6, 8 and 11).

Current and Future Capital Budget:

None. Capital budget information will be included in the business plans and budgets that Council will review in 2014 November.

Risk Assessment

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Civic Partner annual reporting creates accountabilities and action planning that serves to mitigate future financial or reputational risks. This includes financial monitoring of performance reported through the Audit Committee and regular review of financial statements to further enhance this mitigation process.

REASON(S) FOR RECOMMENDATION(S):

As part of *Action Plan* and the Annual Report on 2013 highlights for Civic Partners, this report provides an opportunity for 14 Civic Partners to present their business plans for the next four-year cycle and report their 2013 accomplishments to the SPC on Community and Protective Services. Civic Partners demonstrate their accountability, the value they provide for Calgarians, their alignment with The City and their strategic direction for future years.

ATTACHMENT(S)

Attachment 1: Previous Council Direction since 2004

Attachment 2: Revised Copy of Civic Partner Proposed Operating Funding

Attachment 3: Civic Partner Unfunded Additional Operating Requests for 2015-2018

Attachment 4: The Aero Space Museum Association of Calgary – 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 5: Calgary Arts Development Authority - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 6: Calgary Centre for the Performing Arts (EPCOR Centre) - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 7: Calgary Convention Centre Authority (Calgary TELUS Convention Centre) - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 8: Calgary Economic Development Ltd. - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 9: Calgary Public Library Board - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 10: Calgary Science Centre and Creative Kids Museum (TELUS Spark) - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 11: Calgary Technologies Inc. - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 12: The Calgary Zoological Society - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 13: The Fort Calgary Preservation Society - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 14: Heritage Park - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 15: Lindsay Parks Sports Society (Talisman Centre for Sport and Wellness) – 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 16: The Parks Foundation, Calgary - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 17: Tourism Calgary – Calgary Conventions and Visitors Bureau - 2015-2018 Business Plan and Budget and 2013 Annual Report

Attachment 18: Distributions

Attachment 19: Corrected Attachments and Distributions