

2015-2018 Business Plan & Budget Summary

1. Organization Name: Heritage Park Society

2. Current Vision and Mission:

Mission Statement:

Connecting people with the settlement of Western Canada.

Vision:

Preserve and share our western Canadian heritage.

2015-2018 BUSINESS CASE

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

Ensure critical capital upgrades and lifecycle maintenance are undertaken, with an emphasis on projects outlined in the Park's Master Plan as it relates to 2015-2018. We will focus on developing engaging, memorable guest experiences around appropriate themes (cowboy culture, Chinese and other immigrant groups and their impact on the settlement of the West, women in Canadian history). Major projects include:

- Expanded and enhanced way finding, including onsite signage, an augmented reality application for smart phones, online virtual tours, and a mobile website.
- Expand the costume room to accommodate the current and future inventory of historically-accurate costumes and provide the necessary space to continue to create additional costumes for new staff and new programs.
- Refurbish the natural resources area, including returning the Dingman Well, miner's cabin, coal mine and other areas back to functioning and interactive exhibits.
- Restore the CP Rail Colonist Car, building interpretive and education programs around this important Canadian artifact.
- Refurbish the rodeo grounds and deliver one or more old-fashioned rodeos each summer season to be included with regular admission.

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

Heritage Park aligns with each of Council's priorities for 2015-2018. By our very nature as the largest living history museum in Canada, we bring heritage to the community. We provide numerous employment and volunteer opportunities, employing 613 Calgarians at our peak period, and a total of 745 people at some point in the year, as well as availing of the generosity of almost 2300 volunteers. Situated on the edge of the Glenmore Reservoir, we are diligent in protecting the water, ensuring the S.S. Moyie runs safely and only uses environmentally safe, water soluble fluids and fuels. We build exhibits and buildings that fit the surroundings, both from a historic, standpoint and a natural point of view. We provide a safe, family-friendly environment that enriches the community and provides extensive cultural programming and interactive, educational, and recreational opportunities. We present the settlement of the West from the viewpoint of a multitude of cultures and faiths.

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.

Reduce energy costs through conservation and innovative planning:

- Ensure all tenders, service contracts, and major equipment purchases have an energy saving component or "green value."
- Replace outdated, less efficient equipment as necessary.
- Reinforce with all staff and volunteers the simplicity of turning lights off to save power, not allowing Park vehicles to idle, and maintaining vehicles and equipment properly.

Efficient management of internal staff and contractors to produce the best value:

- Conduct annual business reviews with major vendors, and ensure a regular cycle of product tenders is undertaken.
- Assess current service contracts and analyze value of internal vs. external service providers where appropriate.
- Continue to monitor existing programs aimed to reduce WCB costs.
- Perform a cost/benefit analysis of major expenditures and fixed asset additions.

Upgrade major financial and other business software to take advantage of built-in efficiencies and improvements.

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

Operating & Maintenance:

- Building, equipment and infrastructure maintenance
- Garbage, grounds service and equipment rental
- Materials & supplies including costumes and fuel
- Utilities

Administration:

- Information technology
- Office supplies
- Insurance and audit

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

Indicator	2015	2016	2017	2018
<i>Total Attendance Increase</i>	-5%	3%	4.5%	3%
<i>Spend per guest</i>	2.5%	2.5%	2.5%	2.5%
<i>Increase in global visitors</i>	2%	3%	4%	3%
<i>Increase in unique website visitors</i>	3%	5%	7%	5%
<i>Education Program Attendance</i>	2%	2%	1.5%	1.5%
<i>Increased operating donations</i>	3%	3%	3%	3%
<i>New donors</i>	3%	3%	3%	3%
<i>Capital donations/non-municipal grants as a % of capital spend</i>	45%	45%	45%	45%

In addition to the above, we will measure our performance by evaluating our progress against the master plan, specifically

- Expanded way finding signage, augmented reality, and mobile website
- Expanded costume room
- Refurbished natural resources area
- Restoration of the CP Rail Colonist Car
- Refurbished rodeo grounds

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

The Park will enlist the critical assistance of approximately 2300 volunteers annually. Each year the number of volunteer hours increases. We estimate that in 2015-2018, volunteer hours will continue to exceed 63,000 hours per year. This translates to approximately 40 person-years of time for positions we are otherwise unable to afford.

We will combine a strong financial position, charitable status, and partnership with the City to secure corporate event sponsorships, naming opportunities for buildings and other assets, capital donations, and in-kind contributions for goods, services, and capital assets. Non-capital donations are estimated to be approximately \$700,000 annually. We will also leverage our donated heirloom items into cash sales that typically earn the Park in excess of \$100,000 each year.

We will seek provincial government and other grants, private and corporate donations, as matching funds for the City's lifecycle and maintenance grants. In 2015-2018, we anticipate being able to match the City's 50% capital funding with a combination of donations, grants, and internal reserves, to complete the list of lifecycle projects submitted to the City under the CPRiP program for 2015-2018.

BUDGET AND FINANCIAL INFORMATION

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

Operations (000's)	2015	2016	2017	2018
City of Calgary draft operating grants	2,790,085	2,894,265	3,002,165	3,113,787
Other operating grants	330,000	338,250	446,490	357,192
Earned revenue from operations	15,409,847	15,875,060	16,476,620	16,967,793
Donations & fundraising revenue	682,442	702,915	724,002	745,722
Operating expenses	19,087,763	19,686,896	20,428,564	21,081,276
Net of revenue and expenses	124,611	123,594	220,713	103,218
Opening operating reserves	1,001,153	1,000,764	1,000,358	1,000,071
Ending operating reserves	1,000,764	1,000,358	1,000,071	1,000,289
Capital (000's)	2015	2016	2017	2018
Opening capital reserves	675,600	514,200	327,950	298,300
Requested City of Calgary lifecycle grants	1,901,500	2,030,000	1,296,500	1,373,500
Other City of Calgary capital grants				
Other capital revenues	1,915,100	2,038,750	1,486,850	1,451,650
Capital expenditures	3,978,000	4,255,000	2,813,000	2,997,000
Ending capital reserves	514,200	327,950	298,300	126,450

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

Aging assets and uncertainty of maintenance and lifecycle costs – Historic structures require specialized maintenance. These costs, in addition to maintenance and lifecycle of other buildings, structures, artifacts, equipment, and infrastructure, are our most substantial risk. We mitigate this by ensuring maintenance is performed in a timely fashion to avoid more expensive repairs later.

Availability of capital funding – City funds are our largest source of capital funding. We leverage those funds to obtain grants from other levels of government, corporate, and private donors. Since City capital funds are not guaranteed, the risk is doubled since we would lose that leverage. We mitigate this risk by maximizing other funding streams where possible, and seeking gifts in kind of equipment and services. Despite mitigation, loss of City capital funding would result in a severe cut in the maintenance we would be able to perform. Because many of our assets are original historic structures (see #1 above), this risk is amplified.

Labour shortage – pending changes to the temporary foreign workers program are a risk to the Park.

Weather – With so many outdoor offerings, weather is an ever-present risk. We mitigate this by offering year-round facilities such as Gasoline Alley Museum, Famous 5 Centre of Canadian Women, retail, and restaurants.

Donor Fatigue – By returning to the same loyal donor pool, donor fatigue may set in. Attrition as a result of an aging donor demographic is a related risk. We mitigate this by using social media and fundraising initiatives targeted to a younger demographic and expand our donor base through annual giving programs.

Volunteer fatigue – A loyal and consistent volunteer pool contributes significant hours and cost savings to the Park. To mitigate this we actively pursue volunteers in younger demographics and work with youth organizations in addition to reaching out to corporate volunteer programs.

Lack of public awareness – Many Calgarians believe that we are owned and operated by the City and that their municipal taxes pay for our operations. We face pressure to lower admission rates as a result. Risk mitigation in this case must come from education programs spearheaded by the City.

Relevance – When Heritage Park opened in 1964, the historic time period presented was only 50 years old. Many visitors were connected to the stories within one or two generations. Today, that age is now 100 years, increasing the distance between the period presented and the younger generations. We mitigate this risk by expanding our offerings into the '30s to '50s and by filling the void between the Town Square and the Village.

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.

- C4 *Ensure people feel safe in public spaces.* We provide a safe, family-friendly environment that is patrolled by security staff 24/7, and train all staff in customer service and safety protocols.
- C5 *Maintain Calgary standards for fire safety and coverage.* We undergo annual fire inspections of all devices, fire panels, and extinguishers. The Wainwright Hotel fire system was upgraded. All fire inspection services were consolidated and contracted to one vendor to ensure inspections are completed in a timely fashion with minimal disruption to operations. Sprinkler and alarms in all new public access structures are tied into central controls, security and the fire department.
- P4 *Build more recreation facilities.* The Park began construction on the Famous 5 Centre of Canadian Women and on a new train-themed playground inside the village that will open for the 2014 season.
- P6 *Invest in lifecycle maintenance of existing community infrastructure.* The Park employs a program of continuous maintenance to grounds, roads, railroad and streetcar tracks, electrical infrastructure, sewer and sanitary storm systems, buildings and other assets. We maintain the 14th street parking lot, landscaping and weed control is performed in all areas. Thanks to the City's capital funding, augmented by fundraising and corporate sponsorship, the Park undertook several projects including: Refurbishment of the Wainwright Hotel kitchen and saloon, and the Alberta Bakery; Overhaul and safety upgrade to the Big Eli Ferris wheel; Refurbishment of the River Forth Dining Car; Retrofitted lighting in the village, the service building, and in the Gasoline Alley classrooms; Replaced five forced air furnaces with high efficiency models; Overhauled the Moyie's hydraulics and began work to replace the engine and gen set.
- P8 *Protect natural/environmentally sensitive areas.* We installed floating docks in the wetlands. The S.S. Moyie sternwheeler uses non-toxic, biodegradable glycol to protect the Reservoir. We use biodegradable food containers, have recycling bins readily available for guests and staff, and have a composting program.
- B4 *Support strategies to attract and retain global talent and investment in Calgary.* We provided extensive cultural programming and education opportunities. New programs introduced include: Rosebud Theatre Vaudeville in the Village; Aboriginal Experiential; Blackfoot Tipi Raising, Heartbeat of the Blackfoot (dancing, singing, drumming), Drought on the Prairies, A Doctor's Life, Surveying the West; and new adult education workshops, Cooking through the Decades, and Historical Restoration. We offer programming for school-aged children, and are a field trip destination of choice. Employment and volunteer opportunities are plentiful. 2,274 volunteers donated 63,264 hours to the Park in 2013, and we employ 750 people at peak season.
- Z2 *Raise the care and attention that Council and Administration pays to restraining expenditures and continually seeking efficiencies.* We retrofitted electrical with energy efficient alternatives. 5 forced air furnaces were replaced with high-efficiency models and 2 vehicles were replaced as part of our fleet management program. Major vendor contracts were revisited and put out to RFP, including food & bakery supply, paper products, soft drinks, and Microsoft Partner. We maximized government employment grants, receiving \$73,308 in 2013.
- Z3 *Increase the use of benchmarking, performance measures and best practices information to improve service effectiveness and efficiency.* The Park defines benchmarks and key performance indicators for future years during strategic planning sessions.
- Z5 *Examine alternative mechanisms of service delivery, including the judicious use of technology.* We launched a new website with ecommerce capability. Sales in the first six months neared \$300,000 in addition to normal gate sales. A U of C PhD student is developing a virtual reality app to launch to the public in 2014. We upgraded our scanners so that admissions purchased from our website can be scanned directly from a guest's phone, and continue to seek technological resolutions and improvements to ensure visitors are served in an efficient and timely manner, all while maintaining the historical façade.
- Z7 *Continue to ensure that citizens are satisfied with the quality of the services they receive.* We have an effective customer feedback process to collect comments while the visitor is on Park or via online feedback mechanisms including Facebook, Twitter, Trip Advisor, Urban Spoon, and our own online customer comment portal. Every comment is read by senior management, responded to and acted upon. We received 13 nominations and awards for excellent customer service, including the 2013 Calgary Choice Award for Best Tourist Attraction/Venue.

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

The Park establishes strategic plans that include annual benchmarks. In 2013, we met most of our key performance indicators (KPIs) as outlined below:

Metric	2013	Actual	B/(W)
<i>Total attendance increase</i>	3.25%	5%	1.75%
<i>Increase in Education Program Attendance</i>	10%	4.4%	-5.6%
<i>Increase in average spend per banquet guest</i>	0%	5.5%	5.5%
<i>Increase in average retail basket</i>	3%	5.6%	2.6%
<i>Increase in PR dollar value coverage</i>	7%	187%	186%
<i>Annual Pass Sales</i>	0%	4%	4%

In addition to KPIs, the Park assesses overall visitor satisfaction by analyzing the following:

- Positive customer comments (67%)
- Number of banquet referrals (260 events, 27,000 guests)
- Yelp (4.5 out of 5 stars)
- Open Table (4 out of 5 stars)
- Urban Spoon (79% approval rating)
- Trip Advisor (#3 out of 220 attractions in Calgary with a rating of 4.5 out of 5)

We also assess our success based on bottom line results. In 2013 the Park maintained its 49 year tradition of financial competence by ending the year with a \$410,000 operating surplus. |

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

The Park leverages its charitable status to secure gifts-in-kind. In 2013, these donations offset more than \$61,000 in cash expenses, supplied almost \$146,000 in assets, and brought in cash sales of \$87,000 in the heirloom antique stores.

The Park enlisted the critical assistance of 2,274 volunteers who collectively donated 63,264 hours (the equivalent of almost 35 person years) of time to the Park that we would not be able to afford.

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, capital donations, and in-kind contributions for goods, services, and capital assets. This combination also leverages government and other grants as matching funds for the City's lifecycle and maintenance grants, and to fund projects not eligible for City capital funding. Of note in 2013, \$170,000 in corporate and private gifts was received to benefit education programs, and \$2.3 million was received to fund construction, furnishing, landscaping, and education programming for the Famous 5 Interpretive Centre. In addition, we received more than \$360,000 in contributions as matching funds against the City's lifecycle and maintenance grant of almost \$1.7 million. |