



**Civic Partners Annual Report- TELUS Spark (Calgary Science Centre and Creative Kids Museum)**

1. **Organization Name:** TELUS Spark
2. **Fiscal Year:** 2015
3. **Latest Annual Report available and web address:** <http://www.sparkscience.ca/about-us>
4. **Current Vision, Mission and Mandate.**

Mission – We are a role model and force for innovation that drives positive change.  
Vision – Our community is transformed by a culture of curiosity, risk-taking and problem solving.

**GOVERNANCE**

5. **Identify any Board or senior management positions that will be vacant in 2016. Describe succession plans that are in place.**

There are no vacant senior management positions at this time.

There are two Board positions vacant at this time. Prospect review and recruitment of new Directors for the Board is an ongoing exercise that ensures refreshing of perspective and experience. Approximately 2 new members are recruited annually to maintain bylaw requirements. Of a maximum of 15 positions, 1-2 are typically vacant to allow for timing opportunities when strong candidates are available. A Director's Skills Matrix is a major tool for analysis of diversity and requirements for the Board.

6. **Describe any structural changes to your organization's governance model in the past year.**

No structural changes have occurred.

7. **Summarize any activities in 2015 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.**

Prime in this work is the annual Board Retreat; a full day plus advance preparation that focuses on strategic trends and opportunities in the sector, as well as Board education. In 2015 two CEOs of other science centres provided an outside-in perspective on this business.

Additionally, monthly operations reports are provided to update the Board on priorities indicators of progress against strategies. The CEO also regularly reports on impact of economic conditions, risks and opportunities through the quarterly Board meetings, the regular Committee meetings, and in routine communications with the Chair and Vice-Chair of the Board.

Finally, an annual Board Education plan is developed through the leadership of the Governance & Nominating Committee of the Board.

## **RISK MANAGEMENT**

### **8. Describe the processes and structures your organization uses to identify and manage operational and strategic risks.**

We maintain a Risk Register. This comprehensive document takes a broad assessment of the risks we face, analyzes their likelihood and degree of potential impact, and enumerates measures we can take to mitigate them. It informs our long- and short-range planning, and guides our data-gathering and -analysis.

### **9. What are your organization's top 3-5 strategic risks? For example, financial, governance, business risks, liability, talent management, reputation, or risks related to economic conditions.**

An economic downturn (whether global, national, or specific to Alberta) could hurt us in a variety of ways, including reduced attendance, shrinking ability to participate in paid programs, reduced corporate facility rentals, and fewer donations.

#### ***Corporate Donations***

Although Spark has relied less than many organizations on corporate donations, this funding source remains key to our ability to maintain our infrastructure, keep to our schedule to shrink our deficit, and embark on important new initiatives.

#### ***Admission Revenue***

We continue to rely on attendance by the general public as the largest single revenue source for Spark.

#### ***Competitive Environment***

Without appropriate planning, changes to the competitive landscape of leisure activities in Calgary, including lemurs and (in the near future) pandas at the Zoo, the opening of the National Music Centre, and the expansion of "risky play" experiences in the style of Spark's *Brainasium* could pose a risk to Spark's robustness.

#### ***Changing Demographics***

Without appropriate audience-focused program and marketing strategies, changing demographics in the city (ever-increasing number of new Canadians and seniors) could pose a risk to Spark's attendance.

#### ***Program Operating Expenses***

The programs Spark delivers to the community are very labour extensive. We monitor and balance compensation expenses with program material expenses to optimize the value for the visitor.

## **2015 YEAR IN REVIEW**

### **10. What accomplishments in 2015 contributed to Action Plan's goals of building a prosperous economy, inspiring neighbourhoods, and a healthy and green city?**

**Economic:** 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. Ensured creative, skilled employees are on staff to operate the facility. Strategically invested in new exhibits to meet "good weather" demands (Park phase 2). Ongoing market research identified areas of highest impact. Maintained prices at 2011 levels to keep TELUS Spark affordable and accessible to Calgarians.

**Healthy & Green City:** Public awareness of natural environment and through play, healthy lifestyles through the investment in outdoor park exhibits and programs (*Brainasium*). Increase pedestrian & bicycle access. Hosted public dialogue and programs related to these issues, including the introduction of *Adults Only Night: Energy Series* in Q4 focused on energy sustainability; Watershed programs for school students at the pond in

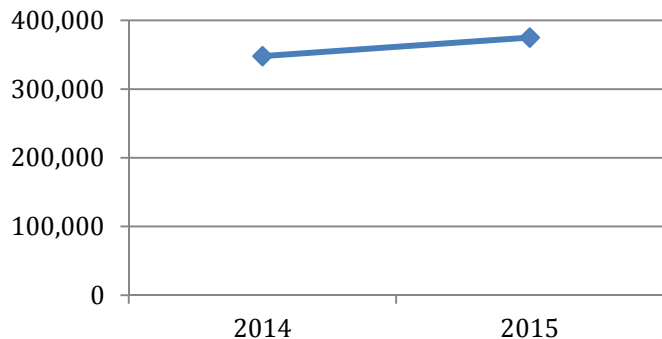
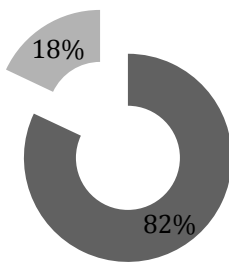
the *Brainasium* and exhibit enhancements introduced in partnership with Watershed+.

**Inspiring Neighbourhoods:** Expanded access program from 29 to 40 agency partners representing a cross-section of social needs; utilization grew from 5,500 to 10,000 visits. Launched a school access program in partnership with 10 high-needs schools, providing bussing, program subsidy. Partnered with other non-profit organizations to provide a platform for them to engage community, raise funds, etc. (e.g. Terry Fox Foundation, Alberta Children's Hospital Foundation, Alberta Health Services, Decidedly Jazz Danceworks, The University of Calgary, and the Calgary Public Library).

**Integrated Activities:** Partnerships with other Calgary-based and international organizations. TELUS Spark is acting as a key contributor to the 2017 International Play Association conference. Promoted sustainable communities through LEED Gold facility, and exhibit & program awareness. Excellent example of governance model for civic partners through Board of Directors leadership.

**11. Using your organization's existing performance measurement data, please provide selected 2015 performance measures that describe how much you did, how well you did it, and how Calgarians are better off. If needed, provide a brief description why these measures are meaningful.**

**Performance measure highlights**

| How much did you do?  |            |            |                       |          |                           |          |   |
|---|------------|------------|-----------------------|----------|---------------------------|----------|---|
| <p><b>Attendance</b></p>  <table border="1"> <caption>Attendance Data</caption> <thead> <tr> <th>Year</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>~350,000</td> </tr> <tr> <td>2015</td> <td>~380,000</td> </tr> </tbody> </table>  | Year       | Attendance | 2014                  | ~350,000 | 2015                      | ~380,000 | <p><b>Story behind the baseline</b><br/>Despite a challenging economic environment, attendance grew slightly by 7%.</p>   |
| Year  | Attendance |            |                       |          |                           |          |   |
| 2014  | ~350,000   |            |                       |          |                           |          |   |
| 2015  | ~380,000   |            |                       |          |                           |          |   |
| How well do you do it?  |            |            |                       |          |                           |          |   |
| <p><b>Meeting visitor expectations</b></p>  <table border="1"> <caption>Meeting visitor expectations Data</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Expectations were met</td> <td>82%</td> </tr> <tr> <td>Expectations were not met</td> <td>18%</td> </tr> </tbody> </table> <p>■ Expectations were met ■ Expectations were not met</p> | Category   | Percentage | Expectations were met | 82%      | Expectations were not met | 18%      | <p><b>Story behind the baseline</b><br/>This "quality" indicator tells us that 85% of visitors surveyed said they "agreed" or "extremely agreed" their expectations were met.</p> |
| Category  | Percentage |            |                       |          |                           |          |   |
| Expectations were met   | 82%        |            |                       |          |                           |          |   |
| Expectations were not met   | 18%        |            |                       |          |                           |          |   |

## Performance measure details

|                                       | Performance Measure                  | 2014 results | 2015 results | What story does this measure tell about your work? Why is it meaningful?  |
|---------------------------------------|--------------------------------------|--------------|--------------|---|
| <b>How much did you do?</b>           | Total Visitation attendance          | 348,047      | 375,076      | This tells us we impacted more Calgarians in 2015. All our attendance areas were up in 2015 including schools, camps, community connections and general admission. We are exposing more Calgarians to our innovated style of learning plus having fun at the same time.   |
| <b>How well did you do it?</b>        | Operating costs to Visitor ratio     | \$28.71      | \$28.30      | This “efficiency” indicator means we are applying effective expense management processes to ensure our costs per visitor are maintained and/or improved each year.  |
|                                       | Visitor rating: Expectations Met     | 85%          | 82%          | This “quality” indicator tells us that 82-85% of visitors surveyed said they “agreed” or “extremely agreed” their expectations were met   |
| <b>How are Calgarians better off?</b> | Reason for Visit = To Learn and Play | 36%          | 49%          | This indicator tells us that visitors come expecting to learn and play and when correlated with the quality indicator above, we believe that Calgarians are better off after visiting Spark. Important note: 78% of visitors also said they came to have fun with their family; while this is important, it’s not as Mission-linked as “to learn and play”. |

## CAPITAL REPORTING

### 12. Provide a summary of your organization’s 2015 capital development, including specific lifecycle/maintenance projects.

2015 Capital Development projects:

- Replaced crumbling tile in Dome Lobby and washroom hallway with more resilient Epoxy Terrazzo flooring; and
- Replaced entranceway door with automated sliding doors.

### 13. What funding was leveraged to support capital activities in 2015?

During 2015 we utilized \$330K of funding to support 2 main capital replacement projects. Of this funding, \$165K came from Lifecycle funds held by Spark and \$165K of funding from a CRIIP grant. Spark used these funds to replace 7,400 square feet of floor tiles and to install 2 new sliding doors at our front entrance. Both of these capital replacements will improve our guest experience and minimize future damage of the old flooring and doors.

## **FINANCES**

### **14. What resources were leveraged to support operational activities in 2015?**

Leveraged City operating grant by a factor of four (4) through earned revenues.

Volunteer hours: 21,000 in 2015, up from 16,000 in 2014

Access Programs: Expanded Community Connections Program from 29 to 40 agency partners representing a cross-section of social needs; utilization grew from 5,500 to 10,000 visits. Launched Spark Learning Connections in partnership with 10 high-needs schools, providing bussing, program subsidy.

Partnered with other non-profit organizations to provide a platform for them to engage community, raise funds, etc. (e.g. Terry Fox Foundation, Alberta Children's Hospital Foundation, Alberta Health Services, Decidedly Jazz Danceworks, The University of Calgary, and the Calgary Public Library).

### **15. Do you anticipate any changes to plans and/or budget projections for 2016-2018?**

Our 2016 budget is based on a deficit of \$250K which is \$50K lower than original 2015-18 action plan however our re-projected donations are anticipated to be \$400K lower than original projections

Our 2017 projected budget is still anticipated to break-even as per the original 2015-18 action plan, however our donations are projected to be \$450K lower than original projections

Our 2018 projected budget is now being anticipated to be at break-even instead of a \$200K surplus as per our original 2015-18 action plan, donations will again be projected \$450K lower than original projections

Lower than anticipated donations in each of the next 3 years are expected to be covered from additional attendance through having travelling exhibits such as Body Worlds (2016) and Star Trek (2017) and any short falls in attendance expectations may push us back into deficit unless additional donations or grants can be realized.

### **16. What would be the operational impact if your grant(s) from The City were reduced?**

Reduced funding for facility maintenance (cleaning, landscaping, equipment) of a unique City of Calgary asset.

Price increases to make up the shortfall would mean reduced community access.

Programs that subsidize school visits would be cancelled.

Inability to secure international feature exhibitions would mean Calgarians would have to travel to other cities (e.g. Edmonton, Las Vegas) to view these.

### **17. Please describe the impact, if any, of the economic downturn on your organization's operations or revenues.**

Fundraising revenue from corporate partners declined in 2015 and there were no new multi-year commitments secured in 2015. We are seeing the ability in some cases for existing corporate sponsors to continue to support programming in smaller scale one-time contributions. We also anticipate that the economic climate will not improve to a point where we can resume full asks until mid- to late-2017, meaning we likely will not see a

resumption of to-scale corporate support until 2018. Meanwhile, Spark will continue to focus on government, private and foundation grants for annual support.

## **LOOKING FORWARD**

### **18. Based on your business plans for 2015-2018, what are your priorities and deliverables for 2016-2017?**

#### **Revenue Diversification:**

- Re define our retail and food services models which expire in 2016
- Expand Education Program Sales to meet capacity of Learning Centre and demand in the community
- Expand Adult Learning Programs & Professional Development offerings, including Spark School for Innovation by Design

#### **Community Impact:**

- Increase visitor experience ratings: invest in new exhibits for Being Human gallery in 2016, assume license for Mini Maker Faire in 2016, prepare to host Star Trek exhibit in 2017, participate in Play Association Conference in 2017, continue to invest in outdoor park in 2016 and 2017 and prepare for first gallery replacement in 2018.
- Continue to expand reach of Education Programs, currently service 71,000 students in 2015 with curriculum-linked programs; including reach of Shift Lab teacher-training initiative.
- Refine community partnerships to increase impact and efficiencies.
- As a science centre in Canada's "energy heartland", grow programming and identify exhibit opportunities focused on energy sustainability.
- Launch a community celebration in 2017 to mark the 50th anniversary of TELUS Spark/Centennial Planetarium, including the potential launch of an annual fundraising event.

#### **Operating Efficiency:**

- Continue to mine data from our new admissions system to fine tune our visitor offerings
- Refine our building automation system to reduce energy and water consumption
- Further reduce contracted out services with in house resources when possible

### **19. Are there any additional projects or initiatives in 2016-17 that may require further discussion or decisions by Council?**

As detailed in a recent CRIIP grant, after almost 50 years in Calgary and almost 5 years at our current location, TELUS Spark is considering its first major expansion adding two new wings and 54,000 sq ft to our current 153,000 sq ft site. The "Spark 2.0" capital campaign would expand on our core strengths in early childhood education, school programs and adult learning while also setting our organization up for financial sustainability over the long-term with the addition of expanded catering infrastructure.

The north addition would house (1) a full catering kitchen, (2) storage, and be topped off with (3) an up- scale restaurant/bar with glass-wall vista to the Nose Creek corridor and Deerfoot Trail. The south addition, adjacent to The Creative Kids Museum and Learning Centre, will house (1) a Day Care centre, (2) additional double sized school classrooms / distance education studios and, (3) the home of the Spark School for Innovation by Design with rentable office space for innovative, social enterprise start-up companies. Our intention is that this \$30M expansion will be equally supported with federal, provincial, civic and community

support.

As a precursor, TELUS Spark will need to place these plans in the context of long-range community needs. Listening Sessions have been proposed for 2016, as a means to authentically engage the community in conversations that will inform long-range planning decisions for TELUS Spark, with a window to 2025. Initially formalized by the Harwood Institute for Public Innovation, Listening Sessions with staff, volunteers, Board, Members, funders, community groups and influencers are designed to identify the aspirations of the community that TELUS Spark could be uniquely positioned to address.

**20. Identify any specific opportunities/projects that would directly stimulate the Calgary economy if supported by a strategic investment by The City.**

Opportunities:

- We plan to improve our food service offerings by upgrading and expanding existing facilities.
- We plan to expand our education programs into new areas including pre school markets (day care) and adult education through the Spark School for Innovation by Design (SSID) focusing on developing the key competencies and environments required for designing and accelerating innovation
- We plan to expand our existing school program offerings with a building expansion that would include new larger sized classroom better suited for the activities we offer in our programs

These initiatives would not only create economic stimulation in Professional services such as architects and engineers but also in the construction sector. The adult education program (SSID) inspires innovation leading to new business ventures in the Calgary market.