

Civic Partners Annual Report- Tourism Calgary (Calgary Convention and Visitors Bureau)

1. Organization Name: Tourism Calgary

2. Fiscal Year: 2015

3. Latest Annual Report available and web address: 2015/16 Fiscal Year *To be complete May 18*

4. Current Vision, Mission and Mandate.

Mandate: Increase the economic impact of the tourism economy to Calgary.

Mission: Inspire more people to visit Calgary for memorable experiences.

Business objective: To work with the community to grow tourism revenues to \$2.3 billion by 2020.

GOVERNANCE

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

Two long-serving members of Tourism Calgary's board of directors will conclude their terms as of the May 25, 2016 Annual General Meeting. The terms for Janet Solopek (Chair, Governance and Human Resources Committee) and Dan Piegeon (Chair, Audit and Finance Committee) are expiring to be replaced by two new directors, nominated by the Governance and Human Resources Committee of the board. This committee has taken a proactive approach to ongoing identification and recruitment of potential Board members and Committee members, based on the skill and attribute matrix adopted by the board a number of years ago.

Rod McKay will continue as Chair of the Board through 2017.

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

Tourism Calgary has been operating under the same bylaws since November 20, 2014. The board oversees governance of the organization and is structured as: five Tourism Calgary-nominated members, five Calgary Hotel Association-nominated members, one City of Calgary-appointed member.

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.

Throughout 2015, Tourism Calgary's board of directors invited third party partners to present on a number of emerging issues, trends, decision points and economic considerations.

These presentations occurred at the board of directors and executive team strategic retreat, at regular and special board meetings, board committee meetings, through stakeholder consultations related to the development of the Destination Strategy and

Members of the executive team are also highly engaged with issues, opportunities and trends related to our partners and industry and participated in numerous discussions, engagement sessions and ongoing

reciprocal dialogue throughout the year.

The board members actively participate in various tourism industry and business events – locally, provincially and nationally.

RISK MANAGEMENT

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

Tourism Calgary places emphasis on ongoing dialogue with key stakeholders and partners to ensure our awareness of ability to manage any strategic risk. This responsibility falls to both the executive team and the board of directors and includes open dialogue and collaborative development of strategies to mitigate and manage emerging and ongoing strategic risks.

The board agendas include regular specific discussions on existing and emerging risk issues.

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.

Tourism Calgary's emergent strategic risk falls primarily within economic conditions. Any decrease in funding, or reduction in funding for co-operative funding through Travel Alberta will be detrimental to marketing our destination to the world. With the decline in the value of the Canadian dollar, our opportunity to attract regional, national and international audiences is great. However, marketing outside of Canada is more expensive due to the low dollar, so any reduction in funding of any form will have immediate impact in our ability to attract visitors to Calgary.

Tourism Calgary has a small executive team. Talent development and management is monitored by the board and its committees.

Execution of the strategy of Tourism Calgary is dependent upon effective engagement and alignment of a number of stakeholders. Stakeholder engagement and reputation management is a primary responsibility of management, assisted by the board and monitored and guided by the board and its committees.

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?

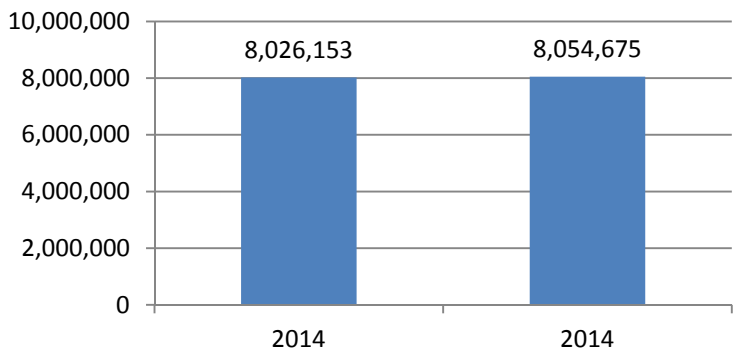
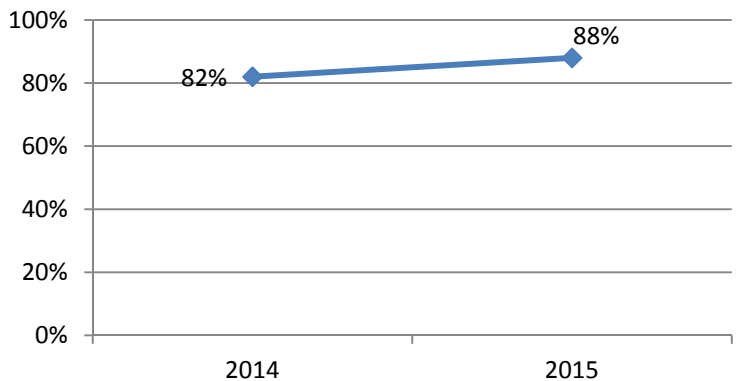
In 2015, some unique accomplishments contributed to the Action Plan's goals of building a prosperous economy, inspiring neighbourhoods and a healthy and green city, including:

- Contributing \$1.7 billion to the local economy through direct visitor spending;
- Leading the planning and execution of Year of Music in Calgary with the goal of inspiring neighbourhoods and bringing cultural communities together to celebrate and participate in Calgary's music scene;
- Bringing 74 sporting events to Calgary, leaving legacies and creating opportunity for grassroots sports and local athletes;
- Developing a new in-market strategy to engage locals and visitors throughout the city and educate about all of the things to see and do in and around our city; and

- Beginning to develop a destination strategy for Calgary, examining which elements Calgary needs to be a premier destination.

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 measures highlights

How much did you do?							
 <table border="1"> <thead> <tr> <th>Year</th> <th>Visitors</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>8,026,153</td> </tr> <tr> <td>2015</td> <td>8,054,675</td> </tr> </tbody> </table>	Year	Visitors	2014	8,026,153	2015	8,054,675	<p>Story behind the baseline Despite the economic conditions and a drop in business travel, the number of visitors remained stable due in part to leisure travel.</p>
Year	Visitors						
2014	8,026,153						
2015	8,054,675						
How well did you do it?							
 <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfaction</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>82%</td> </tr> <tr> <td>2015</td> <td>88%</td> </tr> </tbody> </table>	Year	Satisfaction	2014	82%	2015	88%	<p>Story behind the baseline When surveyed, industry stakeholders indicate they are increasingly satisfied with the services provided by Tourism Calgary.</p>
Year	Satisfaction						
2014	82%						
2015	88%						

Detailed performance measures

	Performance Measure	2014 results	2015 results	What story does this measure tell about your work? Why is it meaningful?
How much did you do?	Welcomed over 8 million visitors to Calgary, including:	8,026,153	8,054,675	Leisure travel held steady through the economic decline in 2015, contributing to the steady results of visitation and

	1,208,254 weekend hotel room nights sold 55,361 travel trade-related hotel room nights sold 49,266 sport and culture major event-related hotel room nights sold.			economic impact of tourism. This indicates Tourism Calgary's efforts to attract visitors are effective. These efforts include telling Calgary's story, selling Calgary as a destination to travel-trade partners and directly to consumers, and attracting and hosting major sport and cultural events.
How well did you do it?	88% industry satisfaction	82%	88%	Tourism Calgary is working hard to ensure all key stakeholders, from funding partners to marketing partners and all others including attractions, restaurants, accommodations, etc. are aware of and satisfied with Tourism Calgary's efforts on their behalf. In 2015, Tourism Calgary facilitated 482,735 referrals to industry partners.
How are Calgarians better off?	Local economic impact of \$1.7 billion	\$1.7 billion	\$1.7 billion	The economic impact of tourism leads to employment, direct and in-direct spending, business sustainment, etc.

FINANCES

12. What resources were leveraged to support operational activities in 2015?

Each of our strategic activities leveraged industry partner resources. In 2015, we:

- Leveraged The City's \$2,539,372 investment with a 2.75:1 ratio of industry funds and building operations profits;
- Developed cooperative marketing campaigns that attracted over \$1.5 million in partner / industry investments to increase regional and national marketing reach;
- Attracted significant federal and provincial financial support while supporting and leveraging the expertise and human resources of local sport organizations through the CSTA;
- Leveraged industry support and City dollars with Travel Alberta funding;
- Utilized membership dues (over \$200,000 in dues received) to market member services to current and future visitors;
- Secured key sponsorships and in-kind donations for partnership events, educational seminars and the City's celebration of western hospitality – the Calgary White Hat Awards.

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

We do not anticipate any changes to plans or budget projections for 2016-2018. As the economic downturn does impact all our partners, Tourism Calgary is ensuring every initiative involves combining and leveraging financial resources, industry expertise and partnerships in an operational efficient and cost-effective manner.

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

The City's annual grant provides stability to marketing Calgary. It is leveraged with funds provided from the industry – both general funding and project funding. The annual grant provides stability to the broad marketing Calgary during our well known business cycles. Reduction of the annual grant would jeopardise these key aspects of marketing Calgary in key regional, national and international markets with our regional, provincial and Canadian partners.

Reduction in stable funding has long-term negative impacts. This was exemplified when the Canadian Tourism Commission lost its federal government funding to attract travellers from the U.S. market. Market share was quickly lost and takes years to recapture.

Considering that 25 per cent of overnight travellers to Calgary come for business (compared to a national average of 11 per cent), and business travel has experienced a steep decline since the Fall of 2014, leisure travel must be promoted to mitigate declines in Calgary's tourism economy.

The Tourism Calgary team has shifted resources and sharpened strategies to respond to the new economic reality to counter any negative effects of declining business travel. Visitation to Calgary in 2015 remained steady, despite the economic downturn, thanks in large part to leisure travel.

In 2015, while overall hotel room occupancy in Calgary dropped by 4.8 per cent from 2014, leisure-related occupancy (typically characterized as weekend room nights) remained steady, declining by less than a percent. Meanwhile, sport tourism brought a record 74 events to Calgary in 2015, contributing 48,266 room-nights. Any reduction in grants would have negative long-term effects on Tourism Calgary's ability to market Calgary to travellers from around the world, as well as limit our ability to attract and host sport and culture major events.

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

25 per cent of overnight travellers to Calgary come for business (compared to a national average of 11 per cent), and business travel has experienced a steep decline since the Fall of 2014, leisure travel must be promoted to mitigate declines in Calgary's tourism economy. The sharp decline in business travel is affecting our hotel partners in significant ways. Tourism Calgary has been asked by the Calgary Hotel Association to evaluate our marketing initiatives, how we report on progress and key performance measures and how we collaborate to ensure maximum investment.

Further, one new FTE was included in the 2016 budget, for a marketing position integral to the implementation of the multi-year strategy. No salary increases were awarded in the organization for the 2016 fiscal year and all operations remain diligent about responsible spending.

LOOKING FORWARD

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

First and foremost, Tourism Calgary will continue to be focused on our ongoing efforts to stimulate leisure, travel trade and sport and culture event-related travel to Calgary, and encouraging visitor spending by leveraging current campaign platforms to increase the immediacy of travel to Calgary. This will be achieved through a strong focus on our regional marketing efforts, while leveraging our partnerships with Travel Alberta and Destination Canada to enhance the very important long-haul marketing efforts.

We will be finalizing and launching the Destination Strategy with Council, stakeholders and the public, and begin to lead collaborative action to achieve the work of the strategy.

Tourism Calgary will also lead the implementation of a new in-market visitor engagement strategy, ensuring that visitors to our city have very positive experiences, led by an engaged frontline tourism community, informed locals and relevant digital content.

We will also continue to lay the ground work for our collective brand – Be Part of the Energy to better tell Calgary's brand story, to enhance it and truly bring it to life. We will work to understand how all of the players fit into brand and how to collectively tell the story of our vibrant city.

Finally, we will continue to be collaborative and participative partners in our city with a renewed focus on enhancing relationships with key stakeholders and partners.

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

It has been suggested by the Mayor's Office that as Tourism Calgary's Destination Strategy is finalized in mid-2016, a presentation be made to Council, outlining the process, findings, recommendations and future plans. Decision points won't be required immediately by Council related to the Destination Strategy, rather, it will be an important starting point for discussions related to collaborative action amongst municipal stakeholders associated directly or indirectly with services, products and experiences that affect both the visitor experience and pride-of-place amongst Calgarians.

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

Through extensive research and stakeholder engagement related to Tourism Calgary's new in-market visitor engagement and Destination strategies, the need to educate and create awareness about Calgary's public events, activities and facilities amongst locals have emerged as key opportunities to further develop pride-of-place and participation in local activities, lending to a vibrant and engaged citizenry.

Further, we continue to encourage investment in maintaining and enhancing existing events and festivals in our city. Given the current economic conditions, there are non-profit events that will lose corporate support and funding, who will require supplementary investment. By investing in established festivals and events, the risk of losing the vibrancy and dynamic spirit of our city is greatly diminished.

As the Tourism Calgary board of directors and executive team prepare for annual strategic retreat and business planning, suggestions for consideration of scalable three, five or 20 year opportunities for Tourism Calgary support are welcome.