

**Community Services Report to
SPC on Community and Protective Services
2018 May 14**

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CPS2018-0577
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2017 Civic Partner Annual Report

EXECUTIVE SUMMARY

The City of Calgary partners with over 400 external organizations to deliver effective programs and services in targeted areas, develop and advance strategies, and construct and manage assets. Successful partnerships are characterized by shared results, interdependence, and mutual accountability. Under the *Investing in Partnerships Policy*, Civic Partner organizations have a City investment of over \$500,000 annually. This report focuses on the results of 17 Civic Partners that receive operating grants.

Through investment in 17 Civic Partner organizations, Calgarians and visitors have access to acclaimed cultural attractions, amenities, programs and services in the arts, conservation, history, and science. Civic Partners support the local economy through tourism and economic development; they offer a variety of recreational and sport opportunities; gather business, community and arts leaders to collectively build a stronger Calgary; and provide opportunities to learn, gather, and discover.

The Civic Partner Annual Report is one aspect of a broader accountability framework. It provides a snapshot of Civic Partners' key results in 2017, and how they adjusted to a changing economy, leveraged The City's investment through volunteers and other resources, and allocated The City's funding. Partners managing and operating City-owned assets report on capital development plans, and those stewarding Council-approved strategies report on key results.

The continued challenging economic environment in 2017 meant partners continued to adjust and transform their operations. Depending on the nature of their work, Civic Partners saw different impacts including an increased demand for programs and services, increased use of fee assistance programs, and reduced attendance. However, the trend was mixed with some Civic Partners seeing increased attendance, and an increase in some earned revenue streams. Most Civic Partners working in sectors related to economic development saw an increased demand for their services as the city sought to diversify and rebuild its economy and support entrepreneurs and innovation.

Asset management remained a priority and The City supported partners to manage City-owned assets through capacity-building, matching capital grants, and access to asset management tools and resources.

Detailed annual report templates submitted by each Civic Partner are included in Attachments 4 through 20, and each includes a Results Based Accountability scorecard that summarizes key performance measures and highlights.

ADMINISTRATION RECOMMENDATION:

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

PREVIOUS COUNCIL DIRECTION / POLICY

A detailed listing of previous Council direction since 2004 is included in Attachment 1.

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BACKGROUND

The City partners with over 400 independent organizations across the community including community associations and social recreation groups, Business Improvement Areas, preventive social service providers, and other organizations that receive operating grants, capital grants, nominal leases or other types of investment to work towards a common outcome desired for Calgarians. These partnerships are characterized by shared results, interdependence, and mutual accountability.

The Investing in Partnerships Policy approved by Council in 2017 defines categories of partnerships to support consistent accountability and relationship management. Under the policy, Civic Partners are organizations that have an annual City investment of over \$500,000. The City's relationships with Civic Partners are mutually beneficial and leverage The City's operating and capital funding; support effective management of a range of assets stewarded by partners; and enable effective implementation of Council-approved strategies. This report focuses on the results of the 17 Civic Partners that receive operating grants from The City. The Civic Partner Annual Report is one component of the Civic Partners' accountability structure that also includes the Civic Partner Audit Report (AC2018-0409) and ongoing relationship management and due diligence related to each partner's agreements.

Civic Partners strengthen economic development, tourism and promotion initiatives; enhance the city's arts and culture landscape; attract visitors from around the world to conventions, cultural attractions, and events; connect communities and build knowledge and skills through access to high quality library services; provide affordable housing, support poverty reduction, and provide Calgarians with a wide range of opportunities related to sport, recreation, conservation, history, arts, and culture.

Following the approval of the *Investing in Partnerships Policy*, two existing City partners that met the Civic Partner criteria were added and are included in this report: VCC Initiatives Ltd. (Vibrant Communities Calgary) that stewards the *Enough for All* poverty reduction strategy; and Silvera for Seniors, a Housing Management Body that provides housing for low income seniors.

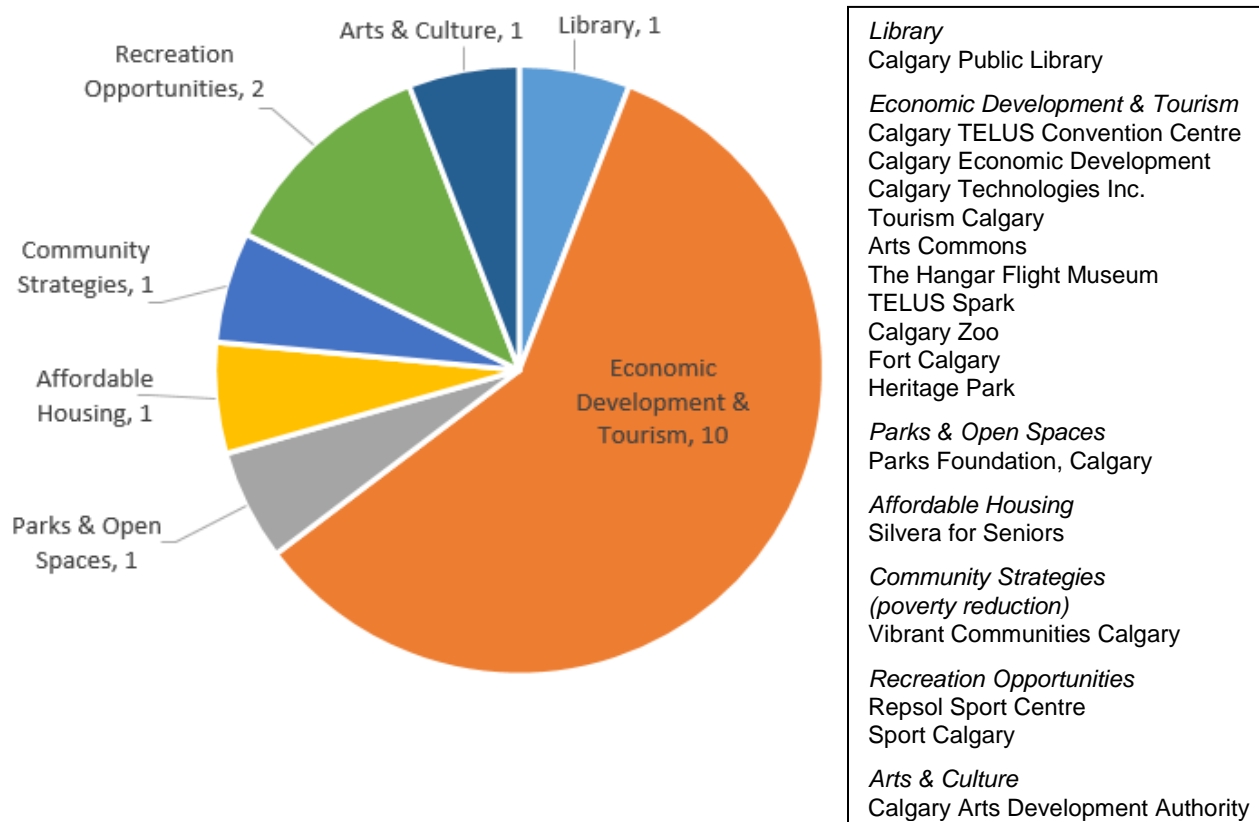
To support this report, each partner completed a detailed template focused on key results, how it adjusted to a challenging economy, performance measures, how it leveraged The City's investment and allocated The City's operating funding, and levels of volunteer support. Partners managing and operating City-owned assets reported on capital development plans, and those stewarding Council-approved strategies reported on key results. A sample of the template is included in Attachment 3 and individual Civic Partner Annual Reports are included as Attachments 4 to 20.

Through the *Investing in Partnerships* policy, a broader initiative is underway to collect information required to provide an annual report of The City's total investment in all types of partnerships. The information that will be included in the inventory of partnerships will support data-driven investment decisions, greater transparency and enhanced coordination.

2017 Civic Partner Annual Report

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Civic Partner programs and services fall into a broad range of sectors. The following graph demonstrates the breakdown of the 17 Civic Partner organizations that receive operating funding organized by the proposed Lines of Service for the upcoming *One Calgary* budget:



Leveraging City funding

In 2017, The City invested over \$175.3 million in Civic Partners through operating grants and matching capital grants for partners managing City-owned assets (Attachment 2). The level of grant funding varied by partner and was highly leveraged by other sources of revenue including donations, corporate sponsorships, government grants, and earned revenue streams. Based on self-reporting, most Civic Partners allocated a significant portion of operating funding to organizational capacity including staff compensation, development and training.

A challenging economic environment

The impact of a challenging local economy continued to be a common theme for all Civic Partners in 2017. Most partners reported an increase in operating costs, and for some this was paired with reduced revenues. Regulatory changes, including adjustments to minimum wage and the introduction of the carbon tax, contributed to rising costs. In the face of increased costs, Civic Partners adjusted their operations by reducing staff and operating hours, cancelling or reducing employee events, exploring revenue diversity options, and establishing new partnerships. With a changing local market, some partners reduced operating expenses through salary reductions, and renegotiated contracts and leases.

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Strategic asset management

Civic Partners manage and operate more than \$795 million in City-owned assets (insured value).

In 2017, The City invested over \$84.7 million in Civic Partner capital projects, including \$61.8 million for the New Central Library. Funding was allocated based on a review and prioritization of business cases received, alignment with requirements in legal agreements, adherence with funding program guidelines, and the availability of funds.

Many assets Civic Partners manage and operate are complex, aging facilities that require ongoing lifecycle maintenance to ensure safety and compliance with building code requirements, and to support high quality services. In 2017, The City invested more than \$14.5 million in asset management planning and lifecycle work to support consistent, effective, and informed infrastructure decisions; to create standardized approaches; prioritize projects based on need; and identify the funding required to optimize the maintenance and longevity of the assets. Partners leveraged this funding with an additional \$3.7 million in contributions.

Performance Highlights

Arts and culture

In 2017, the **Calgary Arts Development Authority (CADA)** continued to focus on three priorities: raising the value of the arts, building partnerships, and leveraging resources. Support for *Living a Creative Life* continued to grow with signatories rising from 128 in 2016 to 143 in 2017. Through a number of grant programs, CADA awarded funding to 171 organizations and 103 individual artists. CADA also continued to focus on the role of the arts in economic development, in particular how the arts support innovation, create a vibrant city, and enhance Calgary as a cultural destination.

Following concerns from arts organizations about the impact of the economy on their operations and sustainability, Council approved an additional \$1 million in Community Economic Resiliency funding for arts organizations, and \$2 million to support the sustainability of CADA's ten Cornerstone Arts Organizations. In 2017, CADA worked with the Cornerstone Arts Organizations to develop a sustainability framework for the arts sector for presentation to Council in 2018.

Economic development and tourism

Demand for economic development and tourism services continued to increase in 2017. **Calgary Economic Development** invested \$2.3 million of the \$7 million in Community Economic Resiliency Funding Council approved in 2016 February to accelerate implementation of the 10 Year Economic Strategy for Calgary. CED's results included moving from 14 active prospects and opportunities in 2016 to 146 in 2017, and attracting 67 companies to Calgary compared to 37 in 2016.

Tourism Calgary continued to focus on implementing its Destination Strategy, *Calgary. Ultimate Hosts. Ultimate Host City*. A total of 6.9 million people visited Calgary in 2017, 3.7 per cent higher than 2016, but below the eight million visitors in 2015. In 2017, visitors contributed \$1.6 billion to the local economy. Tourism Calgary accelerated its collaborative approach to tourism marketing by developing marketing campaigns with a record 47 partners and 90 per cent of stakeholders reported Tourism Calgary was an effective champion for the industry.

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Economic Development																										
Economic impact of convention delegates	Number of entrepreneurs supported																									
<table><thead><tr><th>Year</th><th>Economic Impact (Millions)</th><th># of delegates</th></tr></thead><tbody><tr><td>2014</td><td>\$14M</td><td>~28</td></tr><tr><td>2015</td><td>\$19M</td><td>~24</td></tr><tr><td>2016</td><td>\$22M</td><td>~20</td></tr><tr><td>2017</td><td>\$26M</td><td>~18</td></tr></tbody></table>	Year	Economic Impact (Millions)	# of delegates	2014	\$14M	~28	2015	\$19M	~24	2016	\$22M	~20	2017	\$26M	~18	<table><thead><tr><th>Year</th><th>Number of entrepreneurs supported</th></tr></thead><tbody><tr><td>2014</td><td>81</td></tr><tr><td>2015</td><td>142</td></tr><tr><td>2016</td><td>157</td></tr><tr><td>2017</td><td>393</td></tr></tbody></table>	Year	Number of entrepreneurs supported	2014	81	2015	142	2016	157	2017	393
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The story behind the numbers	The story behind the numbers																									
While the number of delegates and events was down at the Calgary TELUS Convention Centre , strategic attraction of international conferences led to the economic impact of delegates rising from \$22 million in 2016 to \$26 million in 2017. In Q3 and Q4 2017, there was increased in activity as the economy continued to recover.	Calgary Technologies Inc. (operated as Innovate Calgary until December 31, 2017) continued to see an increased demand for entrepreneur development programs. Through program delivery efficiencies, it served 393 clients, up from 157 in 2016. Year over year program demand grew six per cent and it fielded inquiries from 678 new clients. Events drew in 2,415 attendees, up from 1,736 in 2016.																									

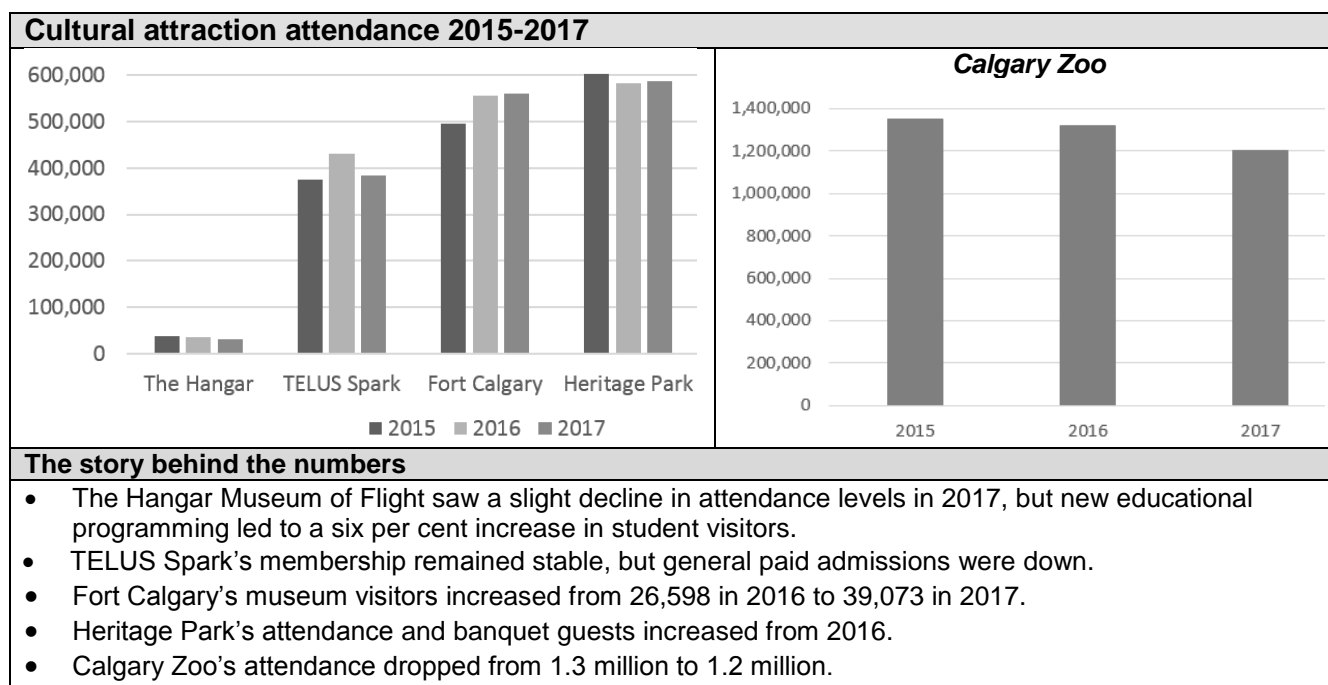
Arts Commons is a unique 560,665 square foot facility with six performance venues that supports the sustainability of 175 organizations. In 2017, use of the Arts Commons venues by community organizations for performances, concerts and events increased to 916 instances from 889 in 2016. By focusing on revenue diversification, Arts Commons generated over \$6 million in revenue in 2017, up from \$5.7 million in 2016.

Cultural attractions contribute to Calgary's quality of life, support economic development and tourism, and provide recreation and education opportunities. Partners include **Aero Space Museum Association of Calgary (The Hangar Flight Museum)**, **Calgary Zoological Society**, **Fort Calgary Preservation Society**, **Heritage Park Society**, and **Calgary Science Centre Society (TELUS Spark)**.

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Recreation opportunities

Repsol Sport Centre had a stable number of visits year over year, but noted increasing challenges in recruiting members. Support for fee assistance increased substantially, and the facility has been recognized as a leader in providing subsidized fees. With increasing competition from other facilities, it continued to refine its programs and services, and maintain the facility.

Sport Calgary saw increased participation for its two free signature events All Sports One Day aimed at getting kids active, and All Sports One City that targets adults. While it was a challenge to secure corporate donations, they met their targets and generated a record level of donations for the Celebration of Sport event.

Parks and open spaces

Parks Foundation, Calgary supported 19 playground projects in 2017, similar to 2016. While corporate fundraising continued to be challenging, they saw a 24 per cent increase in project donors in 2017.

Calgary Public Library

Calgary's libraries are community hubs that ignite learning, discussion, invention and action. In 2017, economic conditions continued to be challenging and Calgarians turned to their local libraries to meet their reading, career, and skills development needs. There were 6.8 million library visits, up from 6.3 million in 2016. This high usage was reflected in survey results indicating that 71 per cent of Calgarians reported using the Library in 2017, and 83 per cent reported its importance to their quality of life.

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The Library continued to serve as a technological hub for Calgarians, with over 600,000 free wi-fi sessions logged in 2017 and more than 92,700 free online courses taken. It also developed *Scout*, a virtual assistant to deliver customer service at the new Rocky Ridge location. The Library continued its efforts to serve vulnerable Calgarians by expanding book truck services, and providing outreach services to the Tsuut'ina Nation.

The City's investment in the Library was leveraged through both volunteer support and fundraising revenues. In 2017, 3,325 Calgarians contributed 82,345 hours of volunteer time. In 2017, the Calgary Public Library Foundation raised \$6 million, \$2.1 million more than in 2016, and donated \$3.2 million to the Calgary Public Library Board to support operations, programs and collections.

The Library manages a wide range of assets, and in 2017, they undertook \$5.7 million in City-funded lifecycle projects including projects at the Nose Hill and Crowfoot library locations, replacement and enhancement of vehicles and furniture and IT infrastructure, along with a number of smaller lifecycle projects.

New Central Library Project

In 2017, the New Central Library was listed as one of Architectural Digest's 12 most anticipated buildings in 2018. Construction on this unique structure progressed on schedule and budget in 2017. The City Auditor completed an audit on quality, schedule, and budget, and reported to Council that the project's quality assurance process were working as intended.

With the construction on track, focus turned to the Library's operational readiness for its 2018 November opening. The Library developed a *Plan for Innovation*, and piloted and tested new services at existing library locations. They developed a marketing plan, hosted onsite tours, scoped IT project requirements, and coordinated security requirements for the new site.

Affordable housing

Silvera for Seniors is a leading provider of affordable housing for Calgary's low-income seniors, providing housing to approximately 1,600 seniors in 25 communities. Resident engagement surveys in 2017 indicated a high level of satisfaction with their services, with 86 per cent of residents reporting they were satisfied. The most significant area of satisfaction is their relationships with employees at 95 per cent. In 2017, their staff was supported by 132 Calgarians who volunteered 10,729 hours, in addition to 83 Days of Caring projects that supported maintenance and service improvements.

Community strategies (poverty reduction)

Vibrant Communities Calgary stewards the *Enough for All* poverty reduction strategy through a collective impact model that engages organizations and individuals from across the community to work towards shared goals. In 2017, 89 per cent of the stakeholders engaged in poverty reduction work were aware of the *Enough for All* goals. Collaborative work on Community Hubs was a 2017 highlight, including a United Way and City of Calgary community hubs pilot project in targeted neighbourhoods, and the development of an online toolkit, *Community Hubs by Design*.

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Stakeholder Engagement, Research and Communication

Ongoing, two-way communication with partners is critical to maintain effective, mutually beneficial relationships. Information provided by partners in their annual report templates is the basis for this report.

Strategic Alignment

In *ActionPlan*, Civic Partners are the external leads for four strategic actions under the Prosperous City Council priority:

- 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 purposeful 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.

Civic Partners also support the delivery of actions under A City of Inspiring Neighbourhoods, and a Healthy and Green City. Administration has also identified a number of internal Civic Partner-related actions under a Well Run City.

Social, Environmental, Economic (External)

Civic Partners play an integral role in maintaining a high quality of life for Calgarians by providing cultural attractions; offering educational programming in the arts, conservation, history and the sciences; supporting the local economy through tourism and economic development; offering a variety of recreational and sport opportunities; gathering business and arts leaders to collectively build a stronger Calgary; and providing opportunities to learn, gather, and discover. They offer services, facilities and public spaces and embrace diversity, inclusiveness and creativity. They facilitate fair access to programs through The City's Fair Entry program and other internal subsidy programs.

Civic Partners engage in environmental stewardship and community sustainability strategies such as public education and awareness related to public spaces and natural resources. They continue to review their operational practices to reduce consumption of resources and their impact on the environment.

Civic Partners are key contributors in attracting, retaining and nurturing economic development in the city. Partnerships are also a way for The City to leverage expertise and resources, as well as explore alternate service delivery approaches to improve the quality of life of Calgarians.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget implications as a result of this report. Attachment 2 details the operating grants allocated in 2017 and budgeted amounts for 2018.

Current and Future Capital Budget:

There are no capital budget implications as a result of this report. Attachment 2 details the capital grants allocated in 2017 and budgeted amounts for 2018.

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Risk Assessment

Civic Partner annual reporting is one of several accountability mechanisms to mitigate The City's financial and reputational risks. Other measures include financial monitoring of performance and risk management practices reported to the Audit Committee, regular review of financial statements, and regular review of legal agreements.

REASON(S) FOR RECOMMENDATION:

The Civic Partner Annual Report highlights the value of The City's 17 Civic Partners that receive operating grants, supports accountability, and provides an opportunity for Council to gain an overview of the current accomplishments, challenges, and future strategic direction of Civic Partners.

ATTACHMENT(S)

1. Attachment 1 – Previous Council Direction
2. Attachment 2 – Civic Partners Grant Funding 2015-2018
3. Attachment 3 – Civic Partner Annual Report Template
4. Attachment 4 – Calgary Public Library Board
5. Attachment 5 – Calgary Economic Development Ltd.
6. Attachment 6 – Calgary Convention Centre Authority (Calgary TELUS Convention Centre)
7. Attachment 7 – Tourism Calgary
8. Attachment 8 – Calgary Technologies Inc.
9. Attachment 9 – Fort Calgary Preservation Society (Fort Calgary)
10. Attachment 10 – Calgary Zoological Society (The Calgary Zoo)
11. Attachment 11 – Heritage Park Society
12. Attachment 12 – Aero Space Museum Association of Calgary (The Hangar Flight Museum)
13. Attachment 13 – Calgary Science Centre Society (TELUS Spark)
14. Attachment 14 – Calgary Centre for Performing Arts (Arts Commons)
15. Attachment 15 – Calgary Arts Development Authority
16. Attachment 16 – Parks Foundation, Calgary
17. Attachment 17 – Calgary Sport Council Society (Sport Calgary)
18. Attachment 18 – Lindsay Park Sports Society (Repsol Sports Centre)
19. Attachment 19 – Silvera for Seniors
20. Attachment 20 – VCC Initiatives Ltd (Vibrant Communities Calgary)