

**Community Services Report to
Priorities and Finance Committee
2018 September 17**

**ISC: UNRESTRICTED
PFC2018-1038**

One Calgary Civic Partner Business Plans and Budgets

EXECUTIVE SUMMARY

The City of Calgary partners with over 400 external organizations to make life better for Calgarians every day by delivering effective programs and services in targeted areas, developing and advancing Council approved strategies, and constructing and managing assets.

The Council approved *Investing in Partnerships Policy* defines Civic Partners as external partners that have either been created by The City or with whom The City partners to deliver a Council approved strategy or mandate, program, or service and invests over \$500,000 annually. The City's relationships with Civic Partners maximizes service value and return on investment. Civic Partners leverage City operating and capital investments through other revenue streams; provide opportunities for Calgarians to participate in civic life through membership and volunteering; have expertise in specialized programming, operations, and populations; effectively steward City-owned assets; and expand and enhance the scope of programs and services The City offers.

Civic Partner presentations to the Priorities and Finance Committee on 2018 September 17 are an opportunity for these valuable partners to participate in the One Calgary service planning and budgeting process, outline their 2019-2022 organizational plans and budgets, and demonstrate alignment with Citizen Priorities and Council Directives. Civic Partners deliver on eight services under One Calgary.

This report focuses on Civic Partners that have operating and capital funding requests included in the One Calgary 2019-2022 recommendations coming forward to Council in 2018 November. Administration continues to work to integrate Civic Partner operating and capital funding requests into the service plans and budgets within the indicative tax rate set by Council in 2018 April.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

2018 September 13, the Planning and Urban Development Committee received PUD2018-1021 A City of Safe and Inspiring Neighbourhoods- Service Plan Previews for information that included Civic Partner organizations as part of City Planning and Policy.

2018 September 12, the Utilities and Corporate Services Committee received UCS2018-1020 A Healthy and Green City- Service Plan Previews for information that included Civic Partner organizations as part of Parks and Open Spaces.

2018 September 5, the Standing Policy Committee on Community and Protective Services received CPS2018-1018 A Prosperous City- Service Plan Previews for information that included Civic Partner organizations as part of the Economic Development and Tourism, Library Services, Arts and Culture, Affordable Housing, Recreation Opportunities, and Community Strategies lines of service.

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2018 June 18, Council approved C2018-0755 One Calgary Program-Connecting the Dots after amendments including 2. Pursuant to Section 17(2) of Procedure Bylaw 35M2017, approve the revisions to the following meetings' start times from 9:30 a.m. to 8:30 a.m., and further, that the Adjournment times for these meetings be scheduled no later than 6:00 p.m. the day the meeting is held: 2018 September 17, Priorities and Finance Committee; 3. Direct that One Calgary service items presented at the following Committee meetings be aligned with the Citizen Priorities, as follows: Priorities and Finance Committee – "Civic Partners" (September 17, 2018); and 4. Pursuant to Section 31(3) of Procedure Bylaw 35M2017, direct that the Priorities and Finance Committee (PFC) invite members of the public to speak to One Calgary Items at the 2018 September 4 and September 17 PFC meetings.

Attachment 1 provides additional previous Council direction since 2004.

BACKGROUND

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.

The City's *Investing in Partnerships Policy* defines Civic Partners as external partners that have either been created by The City or with whom The City partners to deliver a Council approved strategy or mandate, program, or service and invests over \$500,000 annually. Civic Partner organizations are arms-length and independent from The City. They are accountable to numerous stakeholders, including their boards of directors, clients, customers, partners, members, funders, corporate sponsors, donors, federal and provincial governments, professional associations, and accreditation programs.

The City provides operating and capital funding for Civic Partners that is approved as part of the budget process. Civic Partners leverage The City's investment to provide access to acclaimed cultural attractions; and amenities, programs and services in the arts, conservation, history, and science. Civic Partners support the local economy through tourism and economic development; 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 Partners included in this report manage and operate over \$860 million in City-owned assets. A summary of operating and capital funding The City invested in Civic Partners from 2015 to 2018 is included in Attachment 2.

Investment in Civic Partner operations and capital projects is an effective and efficient approach to delivering services to Calgarians. Partnering maximizes The City's service value and return on investment. Partnering also allows The City to:

- leverage resources as partners access other sources of revenue including funding from donors, grants and sponsors;
- support civic engagement of Calgarians through membership and volunteering including participation on boards and committees;
- benefit from partner expertise about specialized program, services, operations and populations;
- effectively steward City-owned assets and benefit from Partner expertise operating and managing complex facilities and assets; and

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- expand the scope of programs and services for Calgarians and the business community.

Each Civic Partner has agreements with The City that establish joint investment of resources to support shared mandates, objectives, responsibilities, and risk. Agreements support alignment with selected City policies; participation in various corporate processes, including business planning and budgeting; and strengthen accountability through reporting on the financial, strategic and operational aspects of Partner organizations.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Participation in the One Calgary service plan and budget processes enhances the alignment of Civic Partner operations with Citizen Priorities, Council Directives and One Calgary service plans and budgets. Civic Partners deliver on eight services under One Calgary: Economic Development and Tourism, Library Services, Recreation Opportunities, Arts and Culture, Affordable Housing, Parks and Open Spaces, Community Strategies, and City Planning and Policy (Attachment 3).

This report only includes Civic Partners that have operating and capital funding requests included in the One Calgary 2019-2022 recommendations coming forward to Council in 2018 November. Administration continues to work to integrate Civic Partner operating and capital funding requests into the service plans and budgets within the indicative tax rate set by Council in 2018 April and will present recommendations as part of the November One Calgary deliberations.

Vibrant Communities Calgary (aligned with the Community Strategies service) has a set funding amount under its agreement with The City, and will not have a funding request before Council in One Calgary so is not included in this report. The Calgary Heritage Authority (CHA) and Nose Creek Sports and Recreation Association (Vivo) are included in this report. CHA is a legislated entity delivering on a Council approved mandate and is requesting operating funding, and Vivo manages and operates the Vivo for Healthier Generations facility and is requesting capital funding.

To support the presentation of 2019-2022 organizational business plans and budgets by Civic Partners, Attachments 4 through 21 of this report include detailed templates completed by each Partner focused on priorities for 2019-2022, alignment with Citizen Priorities and Council Directives, performance measures, leveraging, organizational budget and financial risks. For ease of reference during the 2018 September 17 meeting, all attachments are organized based on the proposed order of presentations for the meeting.

With the ongoing economic challenges in Calgary, and despite ongoing initiatives to find efficiencies, Civic Partners face a number of challenges including:

- maintaining public access in the face of increasing service delivery costs;
- maintaining aging City-owned infrastructure with limited lifecycle resources;
- competitive fundraising environments;
- unstable funding sources;
- diverse and increasing stakeholder expectations;
- lack of revenue or funding to support growth; and
- limited access to funds to support innovation and risk ventures.

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Stakeholder Engagement, Research and Communication

Administration has worked closely with Civic Partners to gather information to inform the One Calgary process including supporting Civic Partners to communicate their contributions to Citizen Priorities and Council Directives.

Strategic Alignment

Under One Calgary, Civic Partners were identified as supporting the delivery of eight services. Seven of these eight services are reflected in this report as they have Civic Partner operating or capital requests in One Calgary.

Civic Partners contribute to the delivery on all Citizen Priorities, and the majority of Council Directives including Prosperous City (P1, P2, P3, P4, P5), Safe and Inspiring Neighbourhoods (N1, N2, N3, N4, N5), A City that Moves (M2), a Healthy and Green City (H1, H2, H4, H5, H6), and a Well Run City (W4, W5).

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 science; 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; embrace diversity, inclusiveness and creativity; and facilitate fair access to programs through The City's Fair Entry program and other partner-run 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.

Financial Capacity

Attachment 2 details City investment of operating and capital funding in Civic Partners from 2015 to 2018.

Current and Future Operating Budget:

Full operating budget implications will be presented to Council in 2018 November as part of the One Calgary service plans and budgets. Each Civic Partner template includes any operating funding requested as part of One Calgary. Requests are being assessed by Administration for recommendation during the budget process.

Current and Future Capital Budget:

Full capital budget implications will be presented to Council in 2018 November as part of the One Calgary service plans and budgets. Each Civic Partner template includes any capital funding requested as part of One Calgary. Requests are being assessed by Administration for recommendation during the budget process.

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Risk Assessment

There are significant financial, reputational, and other risks associated with all of The City's partnerships. In the case of Civic Partners, a particular risk is the allocation of adequate funding that can be leveraged to support sustainable operations and appropriately maintain the City-owned infrastructure they manage and operate. The presentation of Civic Partner information as part of the One Calgary plan and budget process is aimed at reducing this risk by providing information to support Council's deliberations in November.

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, annual review of audited financial statements, regular review of legal agreements, annual reporting, and an annual financial review.

REASON(S) FOR RECOMMENDATION(S):

As part of One Calgary, this report provides an opportunity for Civic Partners that receive operating and/or capital funding to demonstrate how they will deliver on Citizen Priorities and Council Directives, and present their business plans for 2019-2022.

ATTACHMENT(S)

1. Attachment 1: Previous Council Direction since 2004
2. Attachment 2: Civic Partner Operating and Capital Funding 2015-2018
3. Attachment 3: One Calgary Service Alignment
4. Attachment 4: Calgary Public Library Board
5. Attachment 5: Aero Space Museum Association of Calgary (The Hangar Flight Museum)
6. Attachment 6: The Fort Calgary Preservation Society
7. Attachment 7: The Calgary Zoological Society
8. Attachment 8: Heritage Park Society
9. Attachment 9: Calgary Science Centre Society (TELUS Spark)
10. Attachment 10: Calgary Economic Development Ltd.
11. Attachment 11: Tourism Calgary
12. Attachment 12: Calgary Technologies Inc.
13. Attachment 13: Calgary Centre for Performing Arts (Arts Commons)
14. Attachment 14: Calgary Convention Centre Authority (Calgary TELUS Convention Centre)
15. Attachment 15: Calgary Arts Development Authority Ltd.
16. Attachment 16: Parks Foundation, Calgary
17. Attachment 17: Calgary Sports Council Society (Sport Calgary)
18. Attachment 18: Lindsay Park Sports Society (Repsol Sport Centre)
19. Attachment 19: Nose Creek Sports and Recreation Association (Vivo)
20. Attachment 20: Calgary Heritage Authority
21. Attachment 21: Silvera for Seniors
22. Administration's Presentation