

**Community Services Report to
SPC on Community and Protective Services
2019 May 07**

**ISC: UNRESTRICTED
CPS2019-0538**

Civic Partners Annual Report

EXECUTIVE SUMMARY

The City of Calgary partners with over 500 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*, The City's Civic Partners have more than \$500,000 in operating or capital investment from The City. This report is focused on Civic Partners with operating funding from The City.

The 2018 Civic Partner Annual Report is one aspect of a broader accountability framework for these significant City partners. It provides a snapshot of 19 Civic Partners' key results in 2018, and how they adjusted to a changing economy, aligned with City strategies, leveraged The City's investment, and allocated The City's funding to support their operations. Partners managing and operating City-owned assets also report on capital development investments and plans.

Through investment in Civic Partner organizations, Calgarians and visitors have access to acclaimed cultural attractions, programs and services in the arts and culture, 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, arts and culture leaders to collectively build a stronger Calgary; and provide opportunities to learn, gather, and discover.

For most Civic Partners, the challenging economic conditions in 2018 continued to impact their operations. Depending on the partner, impacts included reduced attendance levels, and fewer events and rentals. However, while attendance was down for more than half of the cultural attractions, two set attendance records and almost all saw membership sales rise. All partners also reported experiencing a challenging fundraising environment, particularly when seeking corporate sponsorship. Civic Partners working in sectors related to economic development and diversification experienced an increased demand for their services as the city sought to diversify and rebuild its economy and support entrepreneurs and innovation. Adaptation to these conditions included seeking new revenue streams through the development of new programs and services, and seeking efficiencies.

Detailed annual report templates submitted by each Civic Partner are provided in Attachments 4 through 22, and include a Results Based Accountability scorecard that summarizes key performance measures and highlights for 2018.

ADMINISTRATION RECOMMENDATION:

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

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RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON COMMUNITY AND PROTECTIVE SERVICES, 2019 MAY 07:

That the Administration Recommendation contained in Report CPS2019-0538 be adopted.

PREVIOUS COUNCIL DIRECTION / POLICY

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

BACKGROUND

The City of Calgary partners with over 500 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. In 2018, as part of the *Investing in Partnerships Policy* implementation, the Office of Partnerships worked with colleagues from across the corporation to create an inventory of The City's total investment in all types of partnerships. Data gathered to date indicates that in 2018, the majority of The City's total investment of operating and capital funding for partnerships was allocated to Civic Partners.

This report focuses on Civic Partners with an annual operating grant from The City and the report is one element of their accountability for this funding. The 19 Civic Partners included in this report 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.

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 City-owned assets stewarded by partners, and enable effective implementation of Council-approved strategies. A summary of

Civic Partners by Line of Service

Library Services

Calgary Public Library

Economic Development & Tourism

Calgary TELUS Convention Centre

Calgary Economic Development

Calgary Film Centre Ltd.

Calgary Technologies Inc.

Tourism Calgary

Arts Commons

The Hangar Flight Museum

TELUS Spark

Calgary Zoo

Fort Calgary

Heritage Park

Parks & Open Spaces

Parks Foundation, Calgary

Affordable Housing

Silvera for Seniors

Community Strategies

Vibrant Communities Calgary

Recreation Opportunities

Repsol Sport Centre

Sport Calgary

Arts & Culture

Calgary Arts Development Authority

City Planning & Policy

Calgary Heritage Authority

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capital and operating funding allocated to Civic Partners from 2016 to 2018 and budgeted for 2019 is included in Attachment 2.

The Civic Partner Annual Report is one component of the Civic Partners' accountability structure that also includes the Civic Partner Audit Report (AC2019-0472), ongoing relationship management, and due diligence related to each partner's agreements. This report focuses primarily on the results of Civic Partners that receive operating grants from The City. Following the transfer of the Calgary Film Centre asset to The City of Calgary in 2018 (UCS2018-0791), and as Calgary Film Centre Ltd. acts in official capacity for The City, it is included in this report.

To develop the Annual Report, each Civic Partner completed a detailed template focused on key results, challenges faced in 2018 and how they adjusted, alignment with City and other partner strategies, allocation of City funding, volunteer support, and performance measure results. Partners managing and operating City-owned assets also reported on capital development plans. A sample of the template is included in Attachment 3 and individual Civic Partner Annual Report templates are included in Attachments 4 through 22.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Investments

In 2018, The City invested over \$94.4 million in operating funding and \$16.9 million in matching capital funding in Civic Partners (Attachment 2). Civic Partners leverage and multiplied The City's investment by generating other revenue streams including individual donations, corporate sponsorships, grants from other levels of government, and earned revenue streams. All Civic Partner operations also leverage the generous contribution of time, energy and expertise from Calgarians. From sitting as members of a board of directors, to supporting the delivery of programs and services, more than 23,405 Calgarians donated over 284,227 hours to Civic Partners operations in 2018.

The City's investment of operating funding is a critical, flexible source of support for Civic Partner. Based on self-reporting, half of the Civic Partners allocated a significant portion of operating funding to organizational capacity including staff compensation, development and training; and the second most common use of operating funding was for programs and services, and the third was for facility maintenance.

Adapting to a challenging economic environment

The impact of a challenging local economy continued to be a common theme for all Civic Partners in 2018 and financial risk was the most common risk reported by Civic Partners in the 2018 Civic Partner Audit Report (AC2019-0472). To respond, Civic Partners adapted their operations to remain sustainable. Many responded to lower or flat revenue by controlling spending and seeking new sources of revenue including introducing new programs and services. Strategies to control spending included seeking efficiencies, not filling vacant positions, leveraging buying power to lower the cost of supplies, and eliminating positions. Other innovative responses included The Hangar Flight Museum's new sleepover program and new corporate membership campaign, Repsol Sport Centre adding value for members without raising prices, and the Calgary Film Centre adjusting offerings for tenants to optimize growth opportunities.

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The economic environment in 2018 affected levels of demand, rising for some, dropping for others. For most that earn revenue through admissions, general attendance was down between three per cent and 18 per cent, although most of the attractions saw a rise in membership sales. The Calgary Zoo didn't follow the trend of most cultural attractions in 2018 as it experienced record attendance driven by the opening of the giant panda exhibit, and The Hangar Flight Museum remained stable. The Library saw an increased number of visitors and it opened new locations downtown and in Seton.

Civic Partners that deliver economic development and tourism services continued to see increased demand in 2018, and their services and programs had a significant economic impact on the local economy. The number of events at the Calgary TELUS Convention Centre grew 8 per cent and delegates grew 17 per cent. The total economic impact of delegates increased from \$117.5 million in 2017 to 133.8 million in 2018. Tourism Calgary's destination marketing efforts supported a rise in visitors from 6.9 million in 2017 to 7.7 million in 2018 who contributed over two billion dollars to the local economy. Calgary Economic Development's results included attracting or retaining 87 companies and 8,299 jobs. Calgary Technologies Inc. (operating as Platform Calgary) served 11 per cent more clients, increasing from 393 clients in 2017 to 445 in 2018. In 2018, Calgary Technologies Inc. also announced that as of early 2021, it would operate the Platform Innovation Centre in the East Village.

Almost all Civic Partners identified that 2018 continued to be a challenging fundraising environment, particularly for securing corporate support and sponsorship. While most reported they were still able to secure sponsorships, it took longer, and they had to look beyond their usual sources. Entering in strategic partnerships to deliver programs and services continued to be an approach to find efficiencies but still expand offerings.

Changes in leadership at TELUS Spark, Fort Calgary, The Hangar Flight Museum and Arts Commons led to a focus on succession planning and attraction and recruitment in 2018.

Strategic asset management

The Civic Partners included in this report manage and operate more than an estimated \$815 million in City-owned assets (insured value). Many of these assets 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 2018, The City invested more than \$16.9 million in asset management that was matched by Partners at a 75 or 50 per cent level. The funds were used for planning and lifecycle work to support consistent, effective, and informed infrastructure decisions; create standardized approaches; prioritize projects based on need; and identify the funding required to optimize the maintenance and longevity of the assets.

Work under the Civic Partner Asset Management program in 2018 included aquatic systems audits, 16 building condition assessments, four hazardous material assessments, continued flood mitigation work, underground infrastructure surveys and condition assessments, a tree inventory, and an energy audit. Detailed information about asset management activities for Civic Partners managing City-owned assets is included in the templates in Attachments 4 through 22.

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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

Under One Calgary, Civic Partners support the delivery of eight lines of service: Economic Development and Tourism, Library Services, Community Strategies, Recreation Opportunities, Arts & Culture, Affordable Housing, Parks and Open Spaces, and City Planning and Policy.

Civic Partner programs and services align and expand The City's strategic objectives and extend implementation of a broad range of Council approved strategies including *Calgary in the New Economy: An economic strategy for Calgary*, the *Cultural Plan for Calgary*, *Enough for All* poverty reduction strategy, *Sport for Life Policy*, *Corporate Affordable Housing Strategy*, *Open Spaces Plan*, *Recreation Master Plan*, *Calgary Heritage Strategy*, *Indigenous Policy* and more. Civic Partners also collaborate, and align with each other's organizational and sector strategies including Calgary Arts Development Authority's *Living a Creative Life* strategy, and Tourism Calgary's *Destination Strategy*. Details about partner contributions are included in Attachments 4 through 22.

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 and culture, conservation, history and the sciences; supporting the local economy through tourism and economic development; offering a variety of recreational and sport opportunities; gathering business, arts and culture 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 support low income Calgarians to access to programs through a variety of 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 from 2016 to 2018 and budgeted amounts for 2019.

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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 2018 and budgeted amounts for 2019.

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(S):

The Civic Partner Annual Report is a key part of the accountability framework for Civic Partners. It is an opportunity for Council and Calgarians to have an overview of Civic Partner operations in 2018 including key results, and insight into how their operations align and support City strategies and meet the needs of Calgary and Calgarians.

ATTACHMENT(S)

- Attachment 1: Previous Council Direction
- Attachment 2: Civic Partners Grant Funding 2016-2019
- Attachment 3: Civic Partner Annual Report Template
- Attachment 4: Parks Foundation, Calgary
- Attachment 5: Calgary Sport Council Society (Sport Calgary)
- Attachment 6: Lindsay Park Sports Society (Repsol Sport Centre)
- Attachment 7: Calgary Public Library Board
- Attachment 8: Calgary Heritage Authority
- Attachment 9: VCC Initiatives Ltd. (Vibrant Communities Calgary)
- Attachment 10: Silvera for Seniors
- Attachment 11: Calgary Arts Development Authority Ltd.
- Attachment 12: The Calgary Zoological Society (The Calgary Zoo)
- Attachment 13: The Fort Calgary Preservation Society
- Attachment 14: Calgary Science Centre Society (TELUS Spark)
- Attachment 15: Heritage Park Society
- Attachment 16: Aero Space Museum Association of Calgary (The Hangar Flight Museum)
- Attachment 17: Calgary Centre for Performing Arts (Arts Commons)
- Attachment 18: Tourism Calgary- Calgary Convention & Visitors Bureau
- Attachment 19: Calgary Convention Centre Authority (Calgary TELUS Convention Centre)
- Attachment 20: Calgary Technologies Inc. (Platform Calgary)
- Attachment 21: Calgary Economic Development Ltd.
- Attachment 22: Calgary Film Centre Ltd.