
2014 Civic Partner Annual Report Calgary TELUS Convention Centre

- 1. Organization Name: Calgary TELUS Convention Centre (Calgary Convention Centre Authority)**
- 2. Fiscal Year: January 1- December 31**
- 3. Latest Annual Report available and web address: http://www.calgary-convention.com/uploads/page_content/Calgary%20TELUS%20Convention%20Centre%202013%20Annual%20Report.pdf**

GOVERNANCE**4. Current Vision, Mission & Mandate (include any proposed changes).**

To manage, market and operate the Calgary TELUS Convention Centre in an efficient and market-competitive manner in order to maximize overall economic benefits to the city of Calgary while maintaining financial performance within an acceptable range.

5. Identify Board and senior management positions, incumbents and vacancies.

Tom Bornhorst, Chair
Leslie Weekes, Vice-Chair
Darren Demchuk – Audit & Finance Committee Chair
Levonne Louie – Governance & Human Resources Chair
Sam Goresht – Member
Lois Lockwood - Member
Dan Russell – Member
Georgine Ulmer – Member
Diane Colley-Urquhart – Member of Council
Kurt Hanson – General Manager, or designate
Naheed Nenshi, Mayor
Marcia Lyons, General Manager

There will be three board vacancies in October, 2015

6. Discuss succession planning for Board and senior management.

The CCCA has a robust recruiting and vetting process utilizing a skill/competency matrix to identify gaps on the board. The City Clerk's office coordinates the appointment process for citizens to apply for vacancies, including the public advertising process. Appointments are normally made at the annual Organizational Meeting of Council. With regard to senior management succession planning, the following applies; 1.Key positions are identified; 2.Knowledge and skill sets are identified; 3.Potential candidates are recognized through ongoing performance management processes; 4.Training & development, cross training, mentoring, vertical and horizontal job changes are provided on an ongoing basis; 5. External recruiting is done if required. Employees are encouraged to discuss career goals with supervisors and the HR Director. While effort is made to assist employees to move into positions in which they have expressed interest, there is still an expectation that the individual, within reason, be prepared for the new role. Outside recruitment is also valued as a means of ensuring that new ideas and process are introduced.

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7. Summarize 2014 accomplishments (based on established goals or objectives).

The following is a list of accomplishments achieved in 2014;

- Purchased and replaced meeting room linens
- Replaced and expanded hazardous assessments and safe work practices for security services
- Created new products/services for purchase at Guest Services
- Modified booking policy to accommodate return clients and to attract new clients
- Replaced chillers, variable speed drives, electrical sub meters
- Installed new exterior lighting on Glenbow
- EBMS purchasing module implemented
- Implemented employee innovation program initiative
- Replaced old digital/static signage with interactive wayfinding system
- CASL policy developed and implemented
- Redesigned the CTCC website
- Expanded Calgary Champion Program

8. Provide performance measures (targets and actual) used in 2014. Include any challenges in meeting targets.

2014 Operating Results: (as of December 31)

Expenses:		Revenues:	
Actual:	\$24,036,789	Actual:	\$24,209,469
Budget:	\$26,651,405	Budget:	\$26,395,494

Actual Operating Profit (Loss):

Before Amortization & MRR	\$172,680
After Amortization & MRR	(\$403,238)

Total gross room rental revenues for 2014 are \$3,928,491 against budgeted \$3,920,000

Business Performance Indicators:

Total Delegates	228,364
Non Resident Delegates	16,677
Number of Events	
Conventions	23
Trade and Consumer Shows	14
Meetings & Social	535

In 2000, when the expansion opened, the Centre could accommodate just over 30% of the North American market for conventions. It can now accommodate under 20%. The size of the exhibit hall, size and number of meeting rooms, and space configuration are major inhibiting factors. The meetings and convention industry is highly competitive. The Centre is increasingly unable to compete with other product which is available in the marketplace. As such, the business mix, and resulting revenues, have shifted. The traditional base, revenues from conventions, is being eroded. The Centre is strong in the meetings and banquets segment but the costs associated with hosting these events are higher.

9. Describe how your organization's 2014 activities contributed to the economy and culture of Calgary, Calgary's environment and the well-being of Calgarians.Economic:

As an economic driver for the city of Calgary, convention business promotes ample financial boosts to numerous downtown and city businesses from hotels, restaurants and transportation to retail and attractions. The success of international conventions brings economic benefit to the city in the amount of \$329 CDN per day for every non-resident attendee in attendance. Through our partnerships with Tourism Calgary, Travel Alberta, Meetings and Conventions Calgary, The Calgary Downtown Association and Calgary Economic Development, the Calgary TELUS Convention Centre is working hard to promote synergies and resources for the benefit of improving Calgary's image and reputation as a quality convention city. Research has proven that convention attendees can promote future city investment, encourage leisure travel and foster repeat business, further improving economic success.

Environmental:

Reducing energy use and climate change impacts:

- Replacement of chillers
- Completion of lighting retrofits
- Replacement of variable speed drives
- Replacement of inline electrical meters

All the above initiatives will result in energy efficiencies and reducing the carbon footprint

Land stewardship:

- Exploration of a waste management system to divert food wastes from the landfills

Social:

Inclusive, safe, cultural, active, strong neighborhoods:

- The CTCC is a great venue for education, networking and attracting new business/academic/research visitors
- Silver Action Calgary partner with Calgary Economic Development
- Safety: Liason with police department to ensure safety in/around premises
- Cultural: Host/sponsor of annual First Flip breakfast on Stephen Avenue during Stampede and various cultural / social events throughout the year in partnership with various key stakeholders
- Active: Outdoor yoga sessions, running/walking groups

A new initiative through the utilization of our digital signage was implemented in collaboration with other cultural entities (Glenbow Museum, Calgary Philharmonic Orchestra) to promote and advertise their programs. This partnership has shown tremendous benefit to all parties as it encourages the use of our signage for community projects and leverages our client base in improving the success of partner activities.

10. Indicate what resources were leveraged to support operational activities, providing examples.

Resources are used to achieve earned revenues which provide the majority of the funds required to operate the Centre. Other funding is received to provide services to the Glenbow and to the retail spaces in the Centre, which supports labor efficiencies. The \$1.7M operating grant received from the City of Calgary helped to offset the cost of utilities in the facility.

The CTCC leverages resources to increase business potential by partnering with;

- Meetings & Conventions Calgary
- Calgary Hotel Association
- Calgary Economic Development
- Calgary Stampede
- Travel Alberta
- Energy Cities Alliance
- Canadian Tourism Commission
- Professional Convention Management Association
- Meeting Professionals International

11. Provide an overview of your organization's capital development for 2014, including specific lifecycle/maintenance projects.

A total of \$652,142 was spent in 2014.

Projects in progress or completed as follows:

Digital Wayfinding – Phase 2	\$ 91,240
Refinish south building dish room floor	37,373
Refinish north building kitchen floor	58,527
Wifi System	17,678
Variable frequency drives replacement (north and south buildings)	84,422
Inline Electrical Meter	102,685
Kitchen equipment (2 combi ovens & 1 tilt skillet)	115,789
Started work on South Building washroom renovation	24,236
Miscellaneous Capital Items	120,192
	\$ 652,142

Additionally, \$1,546,400 in capital projects for the Glenbow Museum, funded by the City's Municipal Sustainability Initiative Fund were managed by the Calgary Convention Centre Authority.

12. Indicate what funding was leveraged to support capital activities in 2014.

Operating reserves	\$ 331,854
Major replacement reserve	220,288
City of Calgary Municipal Sustainability Initiative Fund	100,000
	\$ 652,142

Additional funding was accessed throughout the Calgary Hotel Association to support marketing and sales programs (MCC) and incentive funding for convention bids.

Travel Alberta leveraged numerous projects such as; Incentive Works; Client Events; Familiarization Tours and Travel Trade Canada shows.

LOOKING FORWARD

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

- Fulfill mandate to market, manage and operate the Centre in a fiscally responsible manner while maximizing economic benefit to the city as a whole;
- Develop and implement a comprehensive strategy to become a strong economic driver for the city and province;
 - Active member of 10 Year Economic Strategy Committee to achieve objectives of plan
 - Strong partnership and alignment with City of Calgary, Calgary Stampede, Tourism Calgary, Calgary Hotel Association and Calgary Economic Development
- Maximize utilization levels and revenues;
 - Shift business mix to incorporate an increased number of large social events
 - Increased yield management practices (e.g. discontinue the booking of meetings which do not contribute to the bottom line.)
 - Assess potential of new revenue streams (e.g. advertising on digital signage)
- Focus on operational efficiencies and cost controls;
 - Opening only a section of the building to the meetings market based on demand
 - Working with key partners to assess operational services during quiet times
- Retain people in an environment that emphasizes health and safety, encourages professional growth and development, and recognizes the importance of teamwork;
- Broaden and enhance communication activities with key stakeholders including the City of Calgary ;
- Maintain a strong presence in the meetings and conventions sector both nationally and internationally;
- Enhance the customer experience through improved technology and other infrastructure;
- Work with City to implement recommendations from Governance Audit Review.

14. Identify any changes to plans and/or budget projections for 2015-2018.

Over the next four years maintaining the financial sustainability of the Centre will become increasingly more challenging. The CTCC is reaching the end of its life cycle as a competitive convention centre. Conventions have historically produced the bulk of the earned revenues that support the Centre's operations. The business mix available to the Centre will become more focused on meetings and social events, which negates the opportunity to become an economic driver for the city. These are often not contributors to the bottom line but are more directed at fulfilling the community service aspect of the Centre's mandate. Over the course of the 4- year business cycle, the Centre will continue to analyze new sources of revenue including advertising its digital signage, and increasing its market share for larger social events, which do contribute positively to the bottom line. However, as it is anticipated that revenue streams will flatten—and in some years decrease—the focus will be on cost controls.

15. What would be the operational impact should there be a reduction in your grant(s) from The City?

For the past number of years, the CCA's operating and major replacement reserves have been the main source of funding for capital expenditures. Projects granted under the Capital Civic Partner Infrastructure Grant will only be completed if the Centre has sufficient funds to covers its share of the capital costs without jeopardizing operating cash flows. It may be necessary to discuss increased operating and capital funding from the City.

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

As a key stakeholder in Calgary Economic Development's 10 year economic strategy, the Calgary TELUS Convention Centre will align with the global, community and collaborative initiatives. Our strategy will include marketing awareness of Calgary on the international stage, attracting and leveraging major conferences in the identified key Calgary sectors.

For the Calgary TELUS Convention Centre, an expanded facility represents the best opportunity. It would enable us to continue to fulfill our mandate to "maximize overall economic benefits to the city of Calgary". Research has indicated that overall demand for meeting and convention space has increased and this trend is forecasted to continue. Projections have also shown that in a typical stabilized year post expansion the CTCC is expected to increase its events by over 13% and due to the size of event increase its participant numbers by over 80%. In 2013 our economic impact resulted in total direct non-resident expenditures of 34.3 million and an additional contribution of 19.1 million in GDP. If an expansion occurs the economic benefit would double.