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CITY CLERK'S DEPARTMENT

**City Manager and Chief Financial Officer Report to  
Combined Meeting of Council  
2019 June 17**

**SC: UNRESTRICTED  
C2019-0187**

## **2026 Olympic and Paralympic Winter Games Bid Project - Final Report (Revised)**

### **EXECUTIVE SUMMARY**

Calgary benefited from national and international attention during the two and a half years from 2016 June 20 to 2018 November 19 that Council, together with Calgarians, examined whether Calgary should bid to host the 2026 Olympic and Paralympic Winter Games (OPWG) and succeeded at being shortlisted by the International Olympic Committee (IOC) as a Candidature City to be considered to host the Games should Council have chosen to proceed with a bid. Administration has been advised that Calgary is the first municipality to undertake such a comprehensive due diligence analysis into whether it is feasible and prudent to bid for and host an Olympic and Paralympic Winter Games. Attachment 1 documents the reports Council considered during the course of this examination.

On 2018 November 13, Calgarians were asked to vote on whether they were for or against Calgary hosting the 2026 OPWG. 56.4% of Calgarians who cast a vote voted against Calgary hosting the Games. This report responds to Council's resulting 2018 November 19 direction to disband the City Secretariat, wind up the Calgary Bid Exploration Committee (CBEC) and Calgary 2026 Bid Corporation (Calgary 2026) and provide a report:

- (a) outlining the detailed total costs expended by The City on the bid project, including costs expended for CBEC's work and the City Secretariat's work and any City funds provided to and expended by Calgary 2026 (Attachments 2, 3, 4, and 5);
- (b) outlining the value derived from the work undertaken by CBEC, Administration and the City Secretariat during the course of investigating whether Calgary should bid to host the 2026 OPWG (Attachment 6); and
- (c) providing recommendations in regard to which reports made to Council Committees and/or Council that were previously directed by the Committee or Council to remain confidential should be publicly released (Attachment 7).

The extensive work undertaken by CBEC, Administration, Calgary 2026, and the City and other orders of governments' Secretariats culminated in thorough documentation supporting a strong bid ready for submission to the IOC had Council chosen to proceed with the bid. Given IOC bid submission deadlines, work to prepare the bid documents had to be undertaken in parallel with continuing due diligence exercises, negotiations with other orders of government to fund the Games, public engagement, and the vote of the electors.

The total amount invested by The City to:

- undertake all analysis that Council believed was required to determine whether to bid to host the 2026 OPWG;
- prepare a bid submission to meet the IOC's requirements should Calgarians support pursuing a bid;
- provide Calgarians with an opportunity to vote on whether The City should host the Games; and
- incorporate and wind up CBEC and Calgary 2026;

was \$6,994,566.

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Council had approved a total budget of \$14,637,000 for this work (\$9,500,000 as a contribution toward bid development costs, \$3,337,000 to fund the work of the City Secretariat in 2018 and \$1,800,000 to fund the work of the City Secretariat in 2019). The \$6,994,566 expenditure was comprised of the following amounts:

• City share of Project costs (detailed in Attachment 2)	\$ 4,015,564
• City Secretariat costs (detailed in Attachment 5)	\$ 2,729,289
• City share of the cost of the Vote of the Electors (detailed in Attachment 5)	\$ 249,713
<b>TOTAL</b>	<b>\$ 6,994,566</b>

Supporting documentation, including audited financial statements for CBEC and Calgary 2026, is included in Attachments 2 through 5 of this report.

**ADMINISTRATION RECOMMENDATIONS:**

That Council:

1. Receive this report for information;
2. Approve the appropriation of \$107,832 from the commitment identified for the City Secretariat in the Fiscal Stability Reserve (FSR) and release the balance of the remaining commitment of **\$645,168** back to the FSR as uncommitted; and
3. Hold Attachment 7 confidential pursuant to Sections 16(1), 17(1), 21(1), 23, 24(1), 25(1), and 27(1) of the Freedom of Information and Protection of Privacy Act but after consideration of this report release to the public Attachment 7 and the documents referred to in it.

**PREVIOUS COUNCIL DIRECTION / POLICY**

Outlined in Attachment 1.

**INVESTIGATION**

**(a) DETAILED FINANCIAL INFORMATION**

Outlined below is a summary of The City's investment during various phases of the due diligence exercise and bid development project (the "Project").

**CBEC Expenditures:**

On 2016 June 20, Council adopted the Calgary Sport Tourism Authority's recommendation that The City explore a bid for the 2026 OPWG. The CSTA felt that the benefits related to bidding for and hosting the Games would be considerable and had the potential to align closely to The City's long-term goals with respect to economic opportunity, sport development, social development, and cultural enrichment.

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opportunity to enhance its relationship with Indigenous communities and will continue to seek opportunities to strengthen these relationships.

The information generated through the 2026 OPWG engagement program should continue to be used by Council and Administration to inform The City's priorities going forward.

### **Communicating engagement opportunities and Vote 2018**

The City's communications team also supported the Vote 2018 engagement program to ensure that citizens knew how they could participate and where to find information on the OPWG bid and Vote 2018. A number of communication channels were used including print ads in newspapers, community newsletters, radio ads, paid social media promotions, digital displays at LRT stations and City facilities, two Reports to Calgarians, and online ads. Radio ads were translated into Chinese and South Asian languages on Fairchild Radio and Red FM. Advertisements were included in Kerby News for seniors, student newspapers at the University of Calgary, SAIT and Mount Royal University, and community newsletters. This campaign generated more than 12 million impressions.

### **(c) RESULT OF THE REVIEW OF CONFIDENTIAL REPORTS**

Council directed that Administration review all reports to Council or Council Committees previously kept confidential and provide recommendations as to which could now be made public due to the passage of time. Cover reports, attachments, distributions, and PowerPoint presentations presented to Council, the OPWG Assessment Committee and/or the Priorities and Finance Committee between 2016 June 20 and 2019 November 18 were reviewed.

According to the City Clerk's office, 96 report numbers relating to the 2026 OPWG bid project were generated. As report numbers are generated for cover reports, verbal reports and administrative enquiries, not every report number resulted in the creation of an actual document. Included in the 96 report numbers were 180 attachments, 49 presentations and 73 distributions. Report numbers, attachments, presentations, and distributions therefore totalled 398.

39 of these documents were directed by Committees or Council to be held confidential for various reasons allowed under the Freedom of Information and Protection of Privacy Act. These reasons included situations in which documents contained legal advice, evaluative personal information, information revealing another organization's trade secrets or sensitive proprietary, commercial or financial information provided to The City in confidence, information revealing a pending policy or budget decision, information revealing advice, recommendations or deliberations, information potentially impacting negotiations with other orders of government or organizations, information that could harm The City's competitive advantage, or information which if released would constitute an unreasonable invasion of an individual's privacy. The other 359 documents were made publicly available.

Administration now recommends the release of 27 of the 39 documents initially kept confidential. These documents are described in Attachment 7. The balance of the documents should remain confidential because they include sensitive proprietary information of another organization, evaluative or other personal information the release of which would unreasonably violate an individual's privacy or contain legally privileged information.

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### **Financial Capacity**

#### ***Current and Future Operating Budget:***

Council approved a total of \$3,337,000 to the end of 2018 to fund The City's Secretariat. To 2019 May 31, total City Secretariat expenditures were \$2,729,289 as noted in the Executive Summary and Attachment 5. Releasing any funds required for the Secretariat's work in 2019 remained subject to Council deciding to submit a bid for the 2026 OPWG.

As Vote 2018 did not support proceeding with a bid, work on the bid was terminated in 2018 November but significant legal, financial and administrative work was required in 2019 to wind up CBEC and Calgary 2026. While The City's cost to do this work was not known, **\$753,000** was held in the FSR as funds committed for the wind up. Now that The City's cost has been determined as being \$107,832, recommendation 2 seeks Council approval for the appropriation of that amount and the release of the balance of **\$645,168** back to the FSR as uncommitted funding.

#### ***Current and Future Capital Budget:***

None.

### **Risk Assessment**

The City Secretariat maintained detailed risk registers outlining risks, risk assessments and risk mitigation strategies throughout its due diligence exercise. An opportunity of the magnitude of hosting the OPWG brought with it inherent legal, financial, reputational, operational, and other risk that The City needed to identify and choose to intentionally accept, manage, mitigate, monitor, transfer, or avoid. The nature and extent of those risks changed significantly over time and the Secretariat ensured that the 2026 OPWG Assessment Committee and Council were provided with current risk information and advice in every report. The City benefited from the fact that a risk manager was specifically assigned to serve as a member of the City Secretariat. The City's Integrated Risk Management framework and tools were used throughout the City Secretariat's work.

The only remaining action on this project is to conclude the wind up of CBEC. Dissolution is expected to occur prior to 2019 December 31.

### **REASONS FOR RECOMMENDATIONS**

On 2018 November 19, Council directed the City Manager and Acting Chief Financial Officer to provide a final report to Council on this project.

### **ATTACHMENTS**

1. Attachment 1 – Previous Council Direction
2. Attachment 2 – Final Summary of 2026 OPWG Project Costs
3. Attachment 3 – CBEC Audited Financial Statements
4. Attachment 4 – Calgary 2026 Audited Financial Statements
5. Attachment 5 – City of Calgary OPWG Secretariat and Vote 2018 Cost Summary
6. Attachment 6 – 2026 OPWG Project: Values and Benefits Report