

THE CITY OF CALGARY

Action Plan

2015 - 2018

Calgary Convention Centre Authority Action Plan 2015-2018

calgary TELUS convention
centre
be part of the energy™

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Overview of CCCA Responsibilities

1. **Calgary TELUS Convention Centre** (through an agreement with the City of Calgary)
 - Management, marketing and operations
 - Building stewardship and protection of asset
2. **Glenbow Museum** (through an agreement with The City of Calgary)
 - Maintenance, engineering, housekeeping and capital project supervision
3. **Retail spaces in the North Building**(through an agreement with The City of Calgary)
 - Basic property management services
4. **Meetings and Conventions Calgary** (through an agreement with the CHA)
 - Management and operation of destination sales and marketing for MC&IT
5. **Food and Beverage Services Agreement** (joint agreement – Hotel, City, CCCA)
 - Management & administration of contract
6. **TELUS Naming and Business Rights** (joint agreement – TELUS, City, CCCA)
 - Management of contract

How Convention Centres Contribute

Economic Impact:

Attract new spending

Contribute to GDP

Arms of Economic Development:

Attract new business/academic/research visitors

Increase international and national awareness of city

Provide forums for business to business, networking

Are venues for education: help to satisfy need for life long learning

Are hubs for community activities

How Convention Centres Contribute (cont.)

Examples of our link to the community

Post secondary institutions and business community

Are key to the bid process

Academics and business leaders as ambassadors

Conventions highlight local business, academic focus and strengths

Examples of events hosted in 2013:

- World Petroleum Council Youth Forum
- Social Enterprise World Forum

Examples of bids won in 2013:

- Canadian Anesthesiologists' Society
- 2014 EB Games Conference

Calgary Economic Development

Joint activities strengthen our reach to the community (Soul of the City)

Joint identification of relevant opportunities

Branding strategy

How Convention Centres Contribute (cont.)

Tourism Industry

Programs through Travel Alberta, Canadian Tourism Commission help leverage resources

Ongoing interaction with:

- Meeting and event planners
- Hotels
- Show services
- AV companies
- Offsite venues
- Tourism Calgary
- Stampede

Memberships and active participation: PCMA, MPI, IAVM, AIPC, etc.

The Community at Large

Meetings: Centre hosts most in Canada

Social Events: (Premier's Dinner, Grads, Fundraisers)

2013 Highlights and Results

1. Financial Results

Revenue

Earned Revenue	\$24,294, 441
City Grant	<u>1,699,838</u>
Total	25,994,279
MCC	2,405,415

Expenses

Operating	25,055,979
MCC	2,405,415
Profit Before Amortization and MRR	938,301
Net Profit	473,628

External Audit: Clean audit

2013 Highlights and Results – (cont.)

2. Impact of Flood

Lost business	\$754,378
Damage to building	137,408
Insurance:	
Gross Profit/LOSS _(Business Interruption)	350,562
Received	325,562
Deductible	25,000
Building/Plant/Equipment	
Received	17,608
Pending	119,800

2013 Highlights and Results – (cont.)

3. Asset Management

2013 Capital Improvements

(Renovations, building enhancements & equipment)

CTCC	\$838,872
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Glenbow	94,086
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Funding Sources: CTCC

CTCC Operating Reserve	247,737
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CTCC Major Replacement Reserve	229,142
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CPRIIP	72,053
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MSI	189,890
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Western Economic Diversification	100,050
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Funding Sources: Glenbow: MSI	94,086
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Capital Improvements CTCC : 2005 - 2013

	Cost	Accumulated amortization	2013 Net book value
	\$	\$	\$
Renovations	6,687,330	6,687,330	-
Building enhancements	1,099,962	274,866	825,096
Computer equipment	764,703	561,574	203,129
Other equipment	2,640,439	1,397,683	1,242,756
	11,192,434	8,921,453	2,270,981

Capital Budget Process:

- Rolling capital budget reviewed annually

Priorities:

1. Life safety or code related and business continuity
2. Life cycle/energy efficiency
3. Upgrades to satisfy client needs

Inspections and Verifications - 2013

Fire Alarm Verification

Elevator and Escalator Inspection

Insurance Inspection

Ongoing Preventative Maintenance Program:(Main Boss system)

Business Performance Indicators

Annual benchmarking through Convention Centres of Canada, PWC

Total Delegates:	250,000	
Non Resident Delegates	55,000	
Economic Impact:	Total Direct Spending	\$34,328,000
	Contribution to GDP	19,130,000
Number of Events:	Conventions	29
	Trade and Consumer Shows	12
	Meetings & Social	609
Occupancy Levels:	Macleod Hall	70%
	Exhibition Hall	62%
	Overall	53%
LAPP Audit Score		99%
Health & Safety Audit Score		94%

2015 – 2018 Priorities:

Fulfill mandate to market, manage and operate the Centre in a fiscally responsible manner while maximizing economic benefit to the city as a whole.

Maximize utilization levels and revenues.

Focus on operational efficiencies and cost controls.

Retain people in an environment that emphasizes health and safety, encourages professional growth and development, and recognizes the importance of teamwork.

2015 – 2018 Priorities: (cont.)

Develop and implement a comprehensive strategy to ensure business sustainability for the Centre.

Broaden and enhance communication activities with key stakeholders.

Maintain a strong presence in the meetings and conventions sector both nationally and internationally.

Enhance the customer experience through improved technology and other infrastructures.

Work with City to implement recommendations from Governance Audit Review.

Challenges Going Forward

Budget is worst case scenario.

Business sustainability most critical issue (reducing revenues from conventions and increasing costs).

Mitigating strategies under review:

1. Other revenue generating opportunities
2. Increased yield management practices (e.g. discontinue booking meetings that do not contribute to the bottom line)
3. Opening only a section of the building to the meetings market, thus placing the booking of rooms at the discretion of the Centre, rather than client preference
4. Reduced security levels, including the delivery of security services on the Plus 15 system
5. Full building closure, including the Plus 15 system, on dark days
6. Closure of the Plus 15 system between 6 pm and 6 am on days when there are no evening events
7. Reduced capital expenditures

2015 – 2018 Budget Projections

Operations (000's)	2015	2016	2017	2018
City of Calgary draft operating grants*	1,758,207	1,817,136	1,878,170	1,941,309
Other operating grants	0	0	0	0
Earned revenue from operations	20,900,534	24,160,382	23,697,871	20,616,692
Donations & fundraising revenue	0	0	0	0
Operating expenses**	23,692,720	26,170,683	27,048,968	25,787,367
Net of revenue and expenses	-1,033,979	-193,165	-1,472,927	-3,229,366
Opening operating reserves	3,936,457	2,902,478	2,709,313	1,236,386
Ending operating reserves	2,902,478	2,709,313	1,236,386	-1,992,980
Capital (000's)	2015	2016	2017	2018
Opening capital reserves	180,000	180,000	180,000	180,000
Requested City of Calgary lifecycle grants	775,000	1,125,000	225,000	0
Other capital grants***	0	686,522	2,449,200	3,420,000
Other capital revenues	1,459,000	1,443,478	0	0
Capital expenditures	2,234,000	3,225,000	2,674,200	3,420,000
Ending capital reserves	180,000	180,000	180,000	180,000

*Includes \$180,000 MRR **Includes amortization costs for actual and proposed capital projects ***Grants required to complete proposed capital projects to preserve operating reserves

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