

FCM 2020 Annual Conference and Trade Show

Date: October 12, 2016

To: Executive Committee

From: Executive Director, Strategic & Corporate Policy

Wards: All

SUMMARY

At its Board meeting of September 13-16, 2016, the Federation of Canadian Municipalities (FCM) selected Toronto as the host city of the 2020 FCM Annual Conference and Trade Show. FCM has chosen the Metro Toronto Convention Centre as its host venue based on its operational requirements.

As requested by City Council, this report outlines anticipated host city obligations and related financial implications and seeks authority to enter into agreements with FCM to host this event.

The FCM conference is the largest of its kind in Canada providing an opportunity to showcase the City of Toronto as FCM's largest member. According to FCM, the conference may contribute between \$4.5 million and \$6 million to Toronto's economy.

RECOMMENDATIONS

The Executive Director, Strategic & Corporate Policy recommends that:

1. City Council authorize the City Manager to negotiate and execute any required agreements with the Federation of Canadian Municipalities (FCM) to host the 2020 FCM Conference and Trade Show, in a form satisfactory to the City Solicitor.
2. City Council authorize the use of the 'Corporate Conference Reserve' for the purposes of hosting the FCM 2020 Annual Conference and Trade Show.
3. City Council request that the City Manager report back on the detailed costs and required financial contributions for the FCM 2020 Annual Conference and Trade Show as part of the 2018 budget process.

FINANCIAL IMPACT

Based on Toronto's host city experience in 2010, recent average costs (plus inflation) and the expected size of the 2020 conference, City staff estimate that the total cost of hosting the FCM 2020 Conference and Trade Show will be approximately \$950,000 less recoveries, resulting in an estimated net cost of \$550,000. This includes the costs of producing host city events (including security and transportation) but anticipates that a majority of utilized staff resources will be within the approved staff compliment in 2020 and provided to the conference as an in-kind contribution.

The budget for the City's hosting of the 2020 Conference will be included in the Non-Program Budget over a three year period starting in 2018 through 2020, which will be funded from the Corporate Conference Reserve (XQ0012) for a net zero impact. The Corporate Conference Reserve was established in 2008 in order to fund conferences hosted by the City starting with the 2010 FCM Conference and Trade Show. At the end of 2015 the Corporate Conference Reserve had a balance of approximately \$900,000. A request will be made for consideration as part of the 2018 budget process.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On February 3, 2016, City Council requested that the City Manager submit an expression of interest for Toronto to host the 2020 Annual Conference of the Federation of Canadian Municipalities and to report back on status, including financial obligations: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.MM12.33>

On January 29, 2008, City Council established the 'Corporate Conference Reserve' account for the purpose of hosting conferences by the City of Toronto: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.EX16.8>

COMMENTS

Toronto last hosted the FCM Conference and Trade Show in 2010. As directed by City Council, the City Manager submitted an expression of interest to FCM for hosting the 2020 event. The FCM Board of Directors selected Toronto as the host city at its meeting of September 13-16, 2016.

The FCM conference is the largest municipal conference in Canada and brings together over 1700 delegates, including elected officials and senior leaders from all levels of government, 400-500 exhibitor staff and 400-500 companions. It provides an opportunity to showcase the host city and according to a study commissioned by FCM, contributes between \$4.5 million and \$6 million to the host city's economy.

Roles & Responsibilities

FCM is responsible for the planning and delivery of the Conference and Trade Show including the selection of host venues and hotels. FCM has selected the Metro Toronto Convention Centre (MTCC) as its host venue due to its downtown location and proximity to hotels, restaurants and public transportation options.

While FCM maintains overall responsibility, host cities are responsible for a number of elements including direct costs and in-kind support (such as staff time) for:

- Promoting the host city at the prior year's conference;
- Hosting social events including conference breakfasts/breaks, the gala reception and dinner, and a joint or standalone welcome reception;
- Organizing study tours and the companions program;
- Providing shuttle transportation as part of study tour and companions program, and if hotels and conference venues are more than 0.7kms apart; and,
- Event support planning and implementation (including the requirement to establish a local organizing committee and have a host city coordinator, staff and organizing volunteers for various conference-related duties)

In 2016 the FCM Board adopted changes that reduced host city obligations including shortening the conference by one half day and allowing a host city to choose whether to host a standalone welcome reception or host this as a joint event with the trade show opening reception.

Since Toronto last hosted the conference in 2010, the average total (gross) cost to FCM host cities has been approximately \$850,000 (not including in-kind support such as staff time). Costs are in part offset by a per-delegate allocation from FCM (\$147/delegate in 2016) and through any private sector sponsorships that are raised by the host municipality (within guidelines set by FCM). These offsets have meant that recent host cities have had an average net cost of approximately \$400,000.

The cost of undertaking host city responsibilities depends in part on the size of the conference including the number of delegates and on the hosting options chosen by a host city. Toronto is expected to draw a large number of delegates due to its location, amenities and attractions. In addition, all sponsorship efforts must comply with the FCM sponsorship policy. City staff have begun working with FCM to identify potential sponsorship opportunities and prospects for Toronto 2020. This work will ensure clarity in roles and responsibilities including the process to approach mutual prospects and for the City to clear its sponsors. Alignment and collaboration is important to maximize revenue and ensure that this work respects both the FCM and the City's relationships.

Actual events in Toronto would be planned within the timelines and process outlined below. Events such as the study tours and host city reception and gala provide an opportunity to use, leverage and profile City facilities and programs. Where possible the City can leverage its position as host city to implement Council's broader policy goals such as those related to social procurement.

Timelines

FCM has recently selected the MTCC as the host venue and will be finalizing its selection of host hotels in the coming months. Planning for the conference traditionally commences two years prior to the event with specific milestones to be achieved each year.

Additional work is required to determine the scope of conference activities to be undertaken by the City and the corresponding sponsorship opportunities. This will begin in late 2017 and it is recommended that a report on the detailed financial requirements be submitted as part of the 2018 budget process. More detailed work on the conference is expected to begin in late 2018.

Host City Implementation

By fall 2018, the City will establish a staff host planning committee to facilitate the planning and organizing process. This will be led by a designated conference coordinator whose primary role will be planning all host city responsibilities and ensuring coordination with and between FCM conference planning activities and City divisions. Other than this dedicated resource, it is anticipated that a majority of staff resources utilized will be within the approved staff compliment in 2020 and provided to the conference as an in-kind contribution.

A formal host city conference steering committee will also be established in 2018 in cooperation with Members of Council who are serving on the FCM Board of Directors and its Standing Committees. The group will be responsible to assist in the planning of host city responsibilities and to promote Toronto as host city for the 2020 Conference to FCM members and other orders of government.

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SIGNATURE

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