



**STAFF REPORT
ACTION REQUIRED**

Improving Access to Recreation: “Everybody Gets to Play”

Date:	December 28, 2007
To:	Community Development and Recreation
From:	Brenda Librecz, General Manager
Wards:	All
Reference Number:	

SUMMARY

The intent of this report is to propose program and policy directions that will increase participation in recreation activities by Toronto residents and to ensure equitable access to services provided by Parks, Forestry and Recreation.

The major outcomes expected from the recommended changes will enhance and improve recreation in Toronto for all residents by:

- Creating one window of access for individuals who require financial assistance by improving and realigning the recreation program fee subsidy program.
- Protecting and enhancing existing free leisure and drop in programs that are offered across the City – leisure swim, skate, summer playground programs, and drop-in offerings.
- Positioning Toronto as a leader in Canada by focusing on free targeted skill-based instructional programs through a new bundle of age/grade specific instructional programs:
 - Swim Skills – Grade 4
 - Skating Skills – Grade 5
 - Youth Cooperative Leadership – Grade 8/9
- Establishing a pricing policy that will achieve an average recovery of 50% direct costs over a timeframe of 7 years that will be used to reinvest in subsidy and access programs and allocated to developing a solid financial footing for Toronto Parks, Forestry and Recreation.
- Ensuring programs and services are responsive to local needs through service planning and outreach to the community.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. The City of Toronto increase participation in recreation programs by implementing the following policy and program directions in support of “Everybody Gets to Play”:
 - a. Protect and expand free drop-in recreation and leisure activities
 - b. Develop and implement city-wide universal free grade/age specific instructional programs in collaboration with the boards of education:
 - i. Youth Cooperative Leadership program for Grade 8 and 9 students
 - ii. Learn to Skate program for Grade 5 students
 - iii. Swim Skills program for Grade 4 Students
 - c. Renew the recreation subsidy policy for individuals and families with income below the Low Income Cut Off based on the following credits per person per year:
 - i. \$360 for children and youth
 - ii. \$150 for adults
 - iii. \$150 for seniors
2. initiate the phased conversion of Priority Centres over 3 years to align with other Parks, Forestry and Recreation centres, including provisions for the following:
 - a. development of a transition plan to guide conversion of Priority Centres to the new subsidy policy and the introduction of fee-based programs;
 - b. consultation with users and community groups on the transition plan and service priorities; and
 - c. supplemental funding for additional drop-in programs as determined through service planning
3. adopt a new pricing policy for fee-based recreation programs that will achieve an average 50% recovery of direct costs within 7 years;
4. develop a program to monitor and review participation and access to recreation services by all Toronto residents, including:
 - a. demand for and use of recreation services ;
 - b. impacts on participation from pricing and costing changes;
 - c. use of financial access policies and programs by residents;
 - d. communication and marketing of policy to target communities; and
 - e. “ease of use” for residents and City staff.
5. recommendations 1, 2, 3 and 4 above be deferred to the February 21, 2008 meeting of the Community Development and Recreation Committee, with a request that the Chair of the Community Development and Recreation Committee convene a special meeting of the Committee during the week of January 21, 2008 for the purpose of hearing from the public on the proposed policy and program directions set out in this report.

Financial Impact

The policy and program directions recommended in this report will increase program expenditures gradually over the next several years. The main areas of increased expenditure are:

- universal free instruction programs;
- addition and expansion of drop-in programs; and
- increases to the recreation subsidy (Welcome Policy).

These increases will be funded through increases in user fees over the next 7 years.

The following table provides an overview of the incremental expenditures for Access to Recreation and the revenue from increased cost recovery.

(\$ 000's)	2008	2009	2010	2011	2012	2013	2014
Incremental Expenditure	1,490	3,447	3,627	1,997	631	694	439
Incremental Revenue	5,714	5,079	4,069	4,242	4,106	3,502	3,645
Incremental Net	(4,224)	(1,632)	(442)	(2,245)	(3,475)	(2,808)	(3,206)

The incremental net revenue from increased cost recovery will be allocated towards cost pressures in Parks, Forestry and Recreation.

The incremental net revenue of \$5.714 million is included in the 2008 Parks Forestry and Recreation Operating Budget recommended for Council consideration.

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

DECISION HISTORY

The basis for this report comes from Council and corporate directions and other initiatives in recent years:

In 2004, Toronto City Council approved the Parks, Forestry and Recreation strategic plan, *Our Common Grounds*. Recommendations included improving participation in recreation and reducing financial barriers to recreation. Recommendation 42 requested a report on options for free programs for children and youth.

- In 2005, Parks, Forestry and Recreation submitted an interim report on preliminary options for free recreation for children and youth;
- In 2006, PF&R initiated, as part of the City's program review process, a full costing and pricing study on selected recreation programs and services to provide information to support decision making on services, fees and subsidies;

- A Corporate User Fee policy is being developed for Council consideration in 2008. Pending the new policy, divisions are to follow the 2007 Council directive on user fees which states that “where direct users can be identified, City user fees be established to recover the full cost of the relevant service and be increased by the rate of inflation, while ensuring that the most vulnerable are protected.”; and
- The Mayor’s platform for free programs for children and youth in Priority Neighbourhoods and at-risk communities.

COMMENTS

The decision history cited above indicates the concern with improving access to recreation services for children and youth, including overcoming financial barriers. The decision history also recognizes that the provision of recreation services needs to be more financially sustainable, as a solid financial footing is central to improving service for all residents.

The report has two main aspects:

- 1) recommended pricing policy based on reinvestment in subsidy and access programs to develop a solid financial footing for Parks, Forestry and Recreation; and
- 2) proposed changes to subsidy and access programs.

This report is about increasing participation in recreation. It proposes changes that will improve financial access to recreation services through proposals for change in the City’s financial access policies and the extension of free recreation services. The report also proposes changes in cost recovery for City recreation programs that will achieve a much better overall balance between program revenues and program costs.

The City’s Recreation Priority: More Participation

Recreation is a core City service. Toronto’s recreation programs are valued and used by residents, as confirmed by surveys showing strong support for recreation services. It is well known that participation in recreation promotes health, social inclusion and constructive use of leisure time. Attachment 1 provides an overview of recreation services provided by Parks, Forestry and Recreation.

Our Common Grounds, the City’s strategic plan for Parks, Forestry and Recreation, adopted by Council in 2004, outlined the need to increase recreation participation and physical activity. *Our Common Grounds* set a number of ambitious goals for participation in recreation, especially for children and youth. For example, the City has committed to increase the number of children registered in programs by 20% by 2020 and increase the number of youth participating in programs by 40%.

Providing financial access to low income residents promotes participation in recreation. Ensuring that the City’s financial access policies and mechanisms are effective and

encourage participation by residents in need will be important in achieving participation objectives and increasing the benefits of recreation amongst all Toronto residents.

Increasing participation in recreation is a priority for the City. Achieving the participation objectives requires commitment and action in many areas, including overcoming the persistent deficits in the City’s recreation budget.

The Structural Deficit in Recreation

The origins of the financial deficit go back several years. Many of the decisions on program funding, fees and subsidies following amalgamation were made in an attempt to accommodate different approaches to recreation provision and funding. Parks, Forestry and Recreation has a recurring annual budget deficit, largely centred in recreation. Revenue targets established a number of years ago have not been met and were too optimistic.

The former City of Toronto viewed recreation as a form of community development, funded predominantly from property taxes and with no user fees. Other municipalities provided recreation on different principles, with a range of cost recovery from users (e.g., Etobicoke recovered on average 70% of direct costs, while North York aimed at 50% cost recovery). With an emphasis on continuity of service, many recreation services continue to be provided to meet community needs, but within a different financial framework that is not sustainable.

User fees have not, in general, kept pace with program costs. Across-the-board price adjustments for cost of living only occurred once since amalgamation. The following table shows price changes for 4 selected program areas between 2002 and 2007.

City of Toronto Selected Course Pricing Examples, 2002 - 2007			
Course	2002 Fee	2007 Fee	Fee Increase 2002-2007
Swim, Child	\$46	\$48	4.3%
Learn to Skate, Child	\$25	\$27	8.0%
Adult Fitness	\$32	\$43	34.4%
Enriched Camp	\$75	\$79	5.3%

Assuming an average increase in costs of 3% per year over the same period, keeping course prices in line with costs would have required an increase of 15.9%.

Program expenditures have grown in various areas over the years, often without adequate budget adjustments to address the actual net costs of the services provided. Parks, Forestry and Recreation has seen negative year-end variances for many years, ranging between \$7.4 million in 2003 and \$3.5 million in 2007.

These financial challenges affect the quality of programs and the ability to meet new demands for services, but the concern goes deeper than that. The financial deficit in the City's recreation must be addressed at its roots by a much better recognition of service costs and a more realistic approach to revenues.

Full Costing and Pricing Study

Without understanding the full cost of a service, it is difficult to develop meaningful policies and directions on service funding and financial access.

In 2006, Parks Forestry and Recreation initiated a full costing and pricing study on selected recreation programs and services to support decision making on services, fees and subsidies. The study identified 28 sample locations in the following service categories: aquatics, arenas, summer camps for children and youth, fitness and wellness services. Costs and revenues for each selected service were reviewed in detail.

The study identified that the cost of delivering programs and cost recovery rates vary depending on the district, service delivery model, facility size and historical pricing trends. Attachment 2 - Full Costing and Pricing Study: Selected Findings provides a brief overview of the study.

The study also looked at cost recovery practices and rates for parks and recreation services in other Ontario cities. Toronto's cost recovery rates for recreation services are much lower than other municipalities, as shown in the following table:

Jurisdiction	Cost Recovery
Toronto	30%
Burlington	50-60%
London	55%
Markham	89%
Mississauga	55% - 65%
Windsor	44%

The full costing and pricing study improves the division's understanding of costs and revenues in several categories of recreation service, providing a better basis for decisions on user fees and access to recreation.

A New Pricing Policy for Recreation

Toronto's user fees for recreation are low in comparison to other municipalities. Attachment 3 shows fee comparisons for several recreation services in Toronto and neighbouring municipalities. Toronto's user fees are well below the others, suggesting room exists to increase user fees.

Council's 2007 directive on user fees states that "where direct users can be identified, City user fees be established to recover the full cost of the relevant service and be increased by the rate of inflation, while ensuring that the most vulnerable are protected."

The Chief Financial Officer will bring forward a new corporate user fee policy for consideration in 2008. It is expected that the policy will direct divisions to use full costs as a basis for pricing with Council determining the percentage of recovery by service type.

Taken together, the structural deficit in the recreation budget, the City's current low recovery rates and the corporate direction on user fees all point to the need to increase user fees to make Toronto's recreation services more financially sustainable.

Municipalities generally price recreation services on a combination of cost recovery targets and price comparisons with other recreation providers (e.g., a percentage of service costs, usually averaged over different types of program and user groups). Recognizing the benefits of participation to both individuals and communities, parks and recreation services rarely target full cost recovery as it is important to provide recreation services that are affordable to all residents. Ensuring access to low income residents is an additional concern, accommodated through financial access policies.

This report recommends an average cost recovery rate of 50% for recreation. This recovery rate is considered appropriate in view of the current level of recovery (30%) and Council guidelines on user fees. Although a 50% recovery rate is an increase over existing levels in Toronto, it is within the lower range of cost recovery rates for the comparison municipalities.

The recommended cost recovery will support and help achieve a number of service delivery and access objectives:

- Ensure fees are affordable and not a barrier to participation by Torontonians, regardless of their economic situation;
- Meet the recreation needs of communities equitably across the city;
- Ensure high quality programming to increase participation;
- Better reflect market conditions with respect to fair and reasonable prices; and
- Inform development and funding of access policies and programs.

The potential for impacts on participation from increased user fees cannot be overlooked. User fee increases will need to vary with program type and level, in recognition of affordability and participation objectives.

The timing of such an increase in user fees will need to be spread out to minimize impacts on users and to allow for evaluation of user fee changes. The move to 50% cost recovery could be phased over a 7 year period, allowing for gradual transition and monitoring of changes and impacts.

Additional revenues can be allocated to address the structural deficit of existing programs and help fund new universal access programs and no-fee recreation services.

Current Financial Access Policy

Since amalgamation, the City's overall approach to user fees and pricing has been based on a combination of both fee-based and free recreation opportunities. Moving to higher recovery rates for recreation services prompts consideration of the City's financial access programs.

Following the development of a recreation user fee policy in 1999, Toronto introduced two financial access programs to ensure fee-based recreation services were accessible to low income residents. The Welcome Policy was the financial access mechanism for individuals. Priority Centres were described as the "Welcome Policy for High Need Neighbourhoods" and designed to exempt high need communities from paying user fees for certain programs. In 1999, Council designated 25 program locations in "high need" neighbourhoods of the city where programs would be offered free of charge. At present, there are 21 Priority Centres.

This section of the report provides a brief profile of each of these access programs.

Consideration is also given to the extent of free (no fee) recreation services, recognizing they contribute to financial access and promote participation amongst all residents.

Welcome Policy

The Welcome Policy is aimed at low-income individuals and families across the city, recognizing that residents with low incomes are not confined to specific communities.

This program enables eligible Toronto residents to register in Parks, Forestry and Recreation programs free of charge, regardless of the participant's age or program location. Welcome Policy users have different program entitlements depending on their age (e.g., children aged 0-12 years can take one aquatic program, one non-aquatic program and one camp session each season).

The Welcome Policy has grown steadily, with historical annual increases of over 24%. In 2006, 15,000 residents participated in a wide range of City recreation programs through the Welcome Policy. This represents about half of the 29,000 residents currently enrolled in the Welcome Policy (Families make up most of the people enrolled in the Welcome Policy and children and youth from these households are the ones who tend to register and take advantage of the City's registered programs through the policy).

An analysis of 2006 registration data for City recreation programs shows the Welcome Policy is used broadly as a means of access. Residents from all but one of the 140 neighbourhoods used the Welcome Policy in 2006. The proportion of residents who are Welcome Policy users varied from neighbourhood to neighbourhood, with a low of 0%

(Kingsway South) to a high of 2.62% (Westminister Branson), and a city-wide average of 0.59% of the population.

Residents living in the 13 Priority Neighbourhoods tended to use the Welcome Policy more than Toronto residents overall. On average, 0.78% of residents in Priority Neighbourhoods used the Welcome Policy to waive registration fees, compared to 0.59% for all Toronto neighbourhoods.

In reaching low income residents, the Welcome Policy has a balanced “uptake” at the city-wide level as well as in areas of the city with concentrations of low income residents. About half (51%) of 2006 Welcome Policy registrants lived in one of the 36 neighbourhoods that accounted for 50% of the city’s Low Income Families in the 2001 Census. The other half (49%) of Welcome Policy registrants live in the other 104 neighbourhoods, which accounted for the remaining Low Income Families.

Experience with the Welcome Policy since 1999 provides the basis for the following major observations and directions:

- **More choice would benefit subsidy participants**

Under the current format of the Welcome Policy, approved applicants select a certain number of programs per session and by program type (e.g., one from aquatics, one from camps). This limits program choices for Welcome Policy users.

While this prescriptive approach is a common feature of subsidy programs, a number of municipalities are moving towards expanding choice for subsidized users as a basic service principle, including subsidies to individuals for recreation programs in the form of account credits that eligible residents apply against user fees.

Allowing subsidized users more choice will also improve participation amongst low income residents as they are able to sign up for programs that are of most interest or convenience.

- **More convenient access for subsidy users**

At present, the Welcome Policy does not allow approved applicants to register for programs through on-line registration or through touch tone registration (TTR) due to registration software limitations. This means registration is less convenient and users have lower chances of getting into the desired programs. It is anticipated that the Welcome Policy users will be able to use on-line and touch tone registration in 2008 by addressing software limitations. Removing restrictions on individual subsidy and program entitlements will make this transition simpler.

- **Establish a subsidy budget**

In 2007, the Welcome Policy subsidy is estimated at \$4.2 million, based on foregone revenues. As participation increases, so do associated costs and foregone revenues. At present, there is no upper limit on the amount of the Welcome Policy nor is there an upper limit on the number of applicants that can be approved. There is a need to budget for recreation subsidies, similar to other service subsidies (such as child care), and to establish expenditure and revenue accounts to track program usage and costs.

Priority Centres

Priority Centres were established as part of the amalgamated City's initial policy approach to financial access. The main idea was that free programs and services in high need communities would promote access for those communities. This may be considered a "place-based" approach to financial access (as opposed to subsidy to individuals, such as the Welcome Policy, which may be considered a "person-based" approach).

Priority Centres were also expected to help manage administration aspects of the Welcome Policy, as free program locations in areas of the city with concentrations of low income residents would reduce applications for the individual Welcome Policy.

Recreation programs delivered at these locations by Parks, Forestry and Recreation are free. Program users participate at no charge, regardless of income level. There are currently 21 Priority Centres, however, 2 of these locations did not offer registered recreation programs in 2006.

Registration data for City recreation programs shows some 14,193 people registered in one or more programs at Priority Centres in 2006. Residents from all but two of 140 neighbourhoods registered for and travelled to programs at Priority Centres. The proportion of residents who use Priority Centres varied from neighbourhood to neighbourhood, with a low of 0% (Kingsway South and Yonge-St.Clair) to a high of 5.12% (Flemingdon Park), with a city-wide average of 0.57% of the population.

The majority of Priority Centres serve geographic areas that tend to go well beyond the centre's immediate community. Analysis of user origins for program registrations provides some insight into the catchment area for each Priority Centre. The following table shows the range of distances within which Priority Centres drew 75% of their program registrations in 2006 (75% is commonly used to indicate the large majority of clients).

Distance from which 75% of Priority Centre program registrations were drawn in 2006	Number of Priority Centres
Less than 2 km from centre	5
2 to 3 km from centre	4
3 km or more from centre	10
NB: 2 Priority Centres did not have registered programs in 2006	

Less than half of the Priority Centres drew 75% of their registered users from within a service radius of 3 km, and less than a third of Priority Centres drew their 75% of users from within 2 km.

Registration data also indicates Priority Centres vary significantly in the extent to which they draw users from the city's high needs communities, whether in the area surrounding a Priority Centre or farther away. The following table shows the proportion of 2006 program registrations at Priority Centres from high needs census tracts.

Percentage of Priority Centre 2006 program registrations drawn from High Needs Census Tracts (CTs)	Number of Priority Centres
Less than 10% from High Needs CTs	4
10% to 25% from High Needs CTs	5
25% to 50% from High Needs CTs	7
50% or higher from High Needs CTs	3
NB: 2 Priority Centres did not have registered programs in 2006	

Only three Priority Centres had a majority (greater than 50%) of program registrations from high needs census tracts. At the other end of the spectrum, four Priority Centres had relatively few (less than 10%) of registrations based in high needs census tracts. Clearly, the proportion of residents from high needs census tracts varies widely between Priority Centres.

As Priority Centre programs are open to residents regardless of income or place of residence, there are limitations on interpreting the registration data with respect to how residents of high needs census tracts make use of Priority Centre programs. Overall, though, review of the registration data indicates that a number of Priority Centres serve more extensive areas than the centre's own immediate area, including less needy communities and individuals.

The following points include several key observations on Priority Centres as part of the City's financial access policy:

- **“Place-based” approaches such as Priority Centres do not fully address the extent of need for financial access**

Changing neighbourhoods and demographics have outgrown a number of the Priority Centres. Some of the communities identified for Priority Centres in 1999 have undergone change, and face a different set of conditions than existed at the time the policy was developed.

More importantly, there are a number of high need areas in the city beyond those served by Priority Centres. Extension of the Priority Centre approach to additional high need areas could include as many as 25 additional locations, either through the designation of existing community centres as Priority Centres or new locations (e.g., evening and weekend use of existing schools).

The cost of expanding the number of Priority Centres has been estimated at between \$300,000 and \$500,000 a year per centre, depending on the facility and scale of operation. More Priority Centres would provide additional access to low income residents in some communities, but would not be the most effective way to improve access to service for low income residents across the city.

- **Priority Centres and Welcome Policy combine to provide additional subsidy to some.**

Residents who are approved for Welcome Policy may also participate in as many free programs as they wish at Priority Centres. Residents in and around Priority Centre neighbourhoods have, therefore, more subsidy opportunities than would residents in other neighbourhoods.

- **Priority Centres not achieving access for local communities.**

Priority Centres were designated to meet the needs of high need communities, however, many centres report that participants living outside Priority Centre neighbourhoods fill up free programs in the centres and community residents are left on waiting lists

- **Programs at many Priority Centres affect participation**

Concerns around diversity and quantity/quality of programs at Priority Centres have been expressed, including:

- the inability of Priority Centres to provide fee-based programs tends to limit the program offerings and the introduction and development of new programs;
- concerns with sustaining program attendance, as free programs fill up quickly at registration but attendance drops off after several sessions; and
- emphasis on drop-in uses over registered program – in part to make facility more available to local neighbourhood.

Free Programs

The City provides a significant amount of free recreation opportunities to the public, the majority of which are in the form of drop-in programs. Some programs, including those offered through Priority Centres, are also free of charge to users.

The following table shows number of hours and associated attendance for free versus fee-based programs in 2006, broken out by program type (registered or drop-in).

Program Hours and Attendance, 2006	User Fee Status		
	Free	Fee Based	Both Fee-Based & Free
Program Type			
Registered Programs			
Program Hours	82,068	529,354	611,422
Attendance (Calculated Visits)	912,493	3,621,020	4,533,513
Drop-In Programs			
Program Hours	170,677	149,431	320,108
Attendance (Calculated Visits)	2,243,829	852,448	3,096,277
Both Registered & Drop-In Programs			
Program Hours	252,745	678,785	931,530
Attendance (Calculated Visits)	3,156,322	4,473,468	7,629,790

In 2006, free programs accounted for 27% of all program hours provided by Parks, Forestry and Recreation (252,745 hours out of a total of 931,530 hours).

Free programs did, however, account for around 41% of all program attendance (3,156,322 visits out of 7,629,790 total visits).

The majority of free program attendance (71%) occurred in drop-in programs.

The following are some key observations on the role of free programs with respect to access to recreation:

- **Free recreation is a major area of service**

All residents have access to free recreation, and these opportunities can be augmented to help improve recreation participation in Toronto.

- **Free recreation includes programs**

Drop-in programs are the main component of free recreation, but instructional and skill development programs can be delivered through free programs.

Synthesis of Key Considerations for Financial Access Policies

Promoting participation and ensuring that all residents and communities benefit from recreation is a fundamental goal of Toronto's parks and recreation strategy.

Policies and programs that support financial access to recreation services are important in achieving that goal, particularly as recreation services need to become more financially sustainable

Fundamental considerations in improving financial access programs identified are:

- All residents should be able to overcome financial barriers to recreation services on an equitable basis;
- Financial access programs should promote choice and convenience for residents in the selection of recreation services;
- Ensure that recreation subsidies reach the intended residents;
- Ensure that recreation subsidies can be administered efficiently; and
- Free recreation programs and services should be considered a major component of providing accessible recreation services.

Proposals for Change

This section of the report describes proposals for change that will improve participation in recreation in Toronto, including changes to financial access to services, as follows:

- Renewed subsidy policy Welcome Policy
- Conversion of Priority Centres
- Universal free age-related instruction programs
- New community focused drop-in programs

Quality recreation services are part of the Toronto tradition. *Our Common Grounds* provides the strategic plan for recreation in Toronto. Meeting the goals of *Our Common Grounds* requires a realignment of the current access initiatives to support increased participation and ensure recreation subsidies are targeted and effective.

Toronto should also be at the forefront of Canadian municipalities in providing recreation services to all residents. Municipalities across Canada are making financial access to recreation a priority, too. The Canadian Parks and Recreation Association (CPRA) is the national voice of the parks and recreation field. In 2000, CPRA created "Everybody Gets to Play"TM, a national initiative to enhance the quality of life of Canadian children and youth living in low-income families through increased access to and participation in quality recreation opportunities. These proposals are consistent with the goal of "Everybody Gets to Play"TM.

Changes to Welcome Policy

The major proposed change to the Welcome Policy is a shift to a dollar-based subsidy credit. This change, which will provide Welcome Policy participants with the same choices as everyone else, will also facilitate some other improvements (such as internet registration for subsidy users).

The federally calculated Low-Income Cut Off (LICO) will continue to determine eligibility for the subsidy as it provides consistency and familiarity for staff and participants.

The combination of enhanced registration and the recreation subsidy credit will decrease the time needed to administer the Welcome Policy, which will increase user satisfaction and allow for more efficient program administration.

Once a participant is qualified for the Welcome Policy, an annual subsidy credit is captured in the registration system. Welcome Policy participants may “spend” on the fees-based programs of their choice.

Staff have assessed a number of options regarding how much of a subsidy credit should be provided. In 2006, the Welcome Policy allowed just over 15,000 participants to register in a wide range of recreation programs. Average registration expenditure by Welcome Policy users in 2006 was \$285 per year for child/youth and \$190 per adult/older adult. By way of comparison, average expenditure by other users (i.e., not on Welcome Policy) in 2006 was \$167 for child/youth and \$100 per adult/older adult.

Recognizing the thrust of Our Common Grounds, and the Mayor’s Platform to engage our children and youth in recreational opportunities, it is recommended that the subsidy for children and youth be set above the current average subsidy, high enough to accommodate the subsidy amount used by at least two-thirds of current Welcome Policy child/youth users. Subsidy support for adults and older adults is recommended as at least the mid-point between Welcome Policy users and non-Welcome Policy users.

The recommended levels of support for 2008 are as follows:

Children and youth:	\$360 per year per individual approved
Adults & older adults:	\$150 per year per individual approved

This amount would be indexed to changes in user fees.

The projections used in this report assume an annual growth of 10% in Welcome Policy between 2008 and 2014. In addition, growth has been budgeted for Priority Centres as they are converted to account for anticipated increases in demand. This is considered a reasonable growth rate for program planning purposes. Furthermore, improved registration methods and course choice may result in increased use of Welcome Policy assistance.

For 2008, a budget allocation at \$4.750 million for approximately 15,000 Welcome Policy users is recommended.

Similar to Children Services, a cap on the annual amount available for Welcome Policy subsidies should be established. Once that cap is met no more allocations will be provided during that year. In the next year adjustments will be made to accommodate demand based on Council approval.

Conversion of Priority Centres

The combination of renewing the Welcome Policy and enhancing recreation programs (universal free instruction programs and community focused drop-in programs) provides a basis for moving away from the Priority Centre model and its “place-based” approach to financial access.

Existing Priority Centres would be converted to align with the operation of other Parks, Forestry and Recreation centres. Conversion of Priority Centres would occur over a 3 year period, as other access programs are deployed and with additional free drop-in recreation opportunities targeted at former Priority Centre neighbourhoods.

Transition plans would be developed for each Priority Centre (as outlined in the Implementation section below).

Universal Free Instruction Programs

Building on the child and youth pillar in *Our Common Grounds*, it is recommended that the following three universal programs be developed and provided on a universal basis to children and youth in specific age groups and in collaboration with the school boards:

- **Swim Skills**
Incorporates and builds on Swim to Survive standard being phased in by City, TDSB and TCDSB. Basic swimming and water safety skills. Program reach would be Grade 4 students (25,000-30,000 per year). Estimated cost \$1.18 million
- **Learn to Skate**
Develops skills for participation in an activity that can help address higher levels of inactivity in the winter months. Newcomers to Toronto will benefit from the opportunity to participate in a winter recreational sport. Program reach would be Grade 5 students (25,000-30,000 per year). Estimated cost of \$1.84 million.
- **Youth Cooperative Leadership**
Training with a focus on experiential learning, personal and group leadership and job skill development. Program reach would be Grade 8/9 students (6,000-7,000 per year). Estimated cost \$2.27 million.

Attachment 4: Summary Chart of Free Universal Programs provides additional details on these proposed universal programs.

To be successful, Swim Skills and the Learn to Skate programs require the partnership of both the Toronto District School Board and the Toronto Catholic District School Board. Staff have initiated discussion with the Toronto District School Board and the Toronto Catholic District School Board on the proposed new initiatives.

New Community Focused Drop-In Programs

Additional free drop-in programs for children and youth are proposed as follows:

- Added programs at 20 priority centres as part of transition
- Added programs allocated city-wide through service planning (Summer Playground Program and non-registered Leisure Program)

Flexibility in program lies at the community level to determine programming through service planning process

Attachment 5: Summary Chart of New Community Focused Free Drop-In Programs provides additional details on the proposed universal programs

Impact on Participation

The proposals for change outlined in this report are anticipated to increase participation in recreation. By 2011, the first year of full implementation, total participation is expected to grow by 10.6% (based on an increase of over 800,000 in participant visits to recreations programs and services between 2006 and 2011).

Service/Program Area	2006		2011	
	# of courses	# of participant visits	# of courses	# of participant visits
Welcome Policy	n.a.	496,350	n.a.	829,243
Priority Centres	2,478	655,070	-	-
Free Programs (Non-Priority Centres)	1,883	2,501,252	4,637	3,512,204
Fee-Based Programs	60,320	3,977,118	62,798	4,098,215
Total	64,682	7,629,790	67,435	8,439,662

Increase in Cost Recovery

The following table demonstrates the proposed phasing in of cost recovery from 30% to 50 % over the next 7 years:

Cost Recovery (2007 \$000's)	2007	2008	2009	2010	2011	2012	2013	2014
Revenues	44,830	50,544	55,623	59,692	63,934	68,040	71,542	75,187
Expenditures	149,492	149,492	149,492	149,492	149,492	149,492	149,492	149,492
% Cost Recovery	30%	34%	37%	40%	43%	46%	48%	50%

The increased user fee recovery will be used for addressing cost pressures in 2008, and will be available for recreation access initiatives starting 2009.

Implementation

The proposed changes outlined above will occur over several years. Implementation will also need to be supported by appropriate planning and evaluation processes.

This section of the report outlines several key aspects of implementing the proposed changes.

Timeframe

The following outlines the dates and major steps in the implementation of the proposed changes. Evaluation and adjustment of the proposed changes will be part of implementation throughout the time period.

2008

- Enhanced Welcome Policy roll-out
- Cost recovery increase to 34%

2009

- Priority Centre conversion begins (7)
- Increased Welcome Policy pick up
- Youth Leadership program implementation
- Swim Skills program implementation
- Expanded leisure & drop-in programs implementation

- Cost recovery to 37%

2010

- Priority Centre conversion continues (7)
- Learn to Skate program implementation
- Enhanced & expanded programs fully implemented
- Cost recovery to 40%

2011

- Priority Centre conversion completed (7)
- Cost Recovery to 43%

2012

- Cost recovery to 46%

2013

- Cost recovery to 48%

2014

- Cost recovery to 50%

The first year where the implementation of the Access to Recreation Policy will be complete is 2011. The following table demonstrates total cost of Access to Recreation Policy in Year 2011, and revenue recovery applicable to 2011.

Access to Recreation Annual Costs (2007 \$000's)	2011
Youth Leadership	2,269
Swim Skills	1,180
Learn to Skate	1,838
Free Drop-in programs	1,580
Priority Centre shift to Welcome Policy	636
Welcome Policy Subsidy	6,313
Expansion of high demand programs	2,000
Re-investing in existing programs and addressing financial deficit	3,288
Total Costs funded by the increased cost recovery to 46%	19,104

Welcome Policy Business Process

Develop the new Welcome Policy business process in support of the following key principles:

- Financial accountability
- Maintenance of client privacy
- Local access at the community level
- Timely turnaround of approval
- Efficient administration

The division's registration system (Class) will be upgraded to provide improved controls and reporting for Welcome Policy usage. The automated credit system will allow for online and touch-tone registration (TTR) which will increase access to the user. The division will develop a new Welcome Policy application process that allow for appropriate segregation of duties between application receipt, approval and data entry. This will effectively reduce the burden on front-line staff and allow for improved controls since approvals and data entry will be centralized. A new Welcome Policy application database will be developed to monitor applications, manage waiting lists and track workflow from each accountable unit.

The change from staggered expiry dates to a fiscal year expiry date for Welcome Policy entitlements will provide the division with improved financial reporting on its Welcome Policy approvals and a greater understanding of usage patterns and their annual budget impacts. The division will be in a better position to project percentage of usage, volumes and cost. This will facilitate timely decision making related to increasing or decreasing Welcome Policy memberships and managing waiting lists.

Transition Plans for Priority Centres

The phased conversion of Priority Centres over 3 years to align with other Parks, Forestry and Recreation centres will require planning to manage the transition. Transition plans will be developed for each Priority Centre based on consultation with users and community groups, including service priorities.

Transition plans will also address the use of supplemental funding for additional drop-in programs as determined through service planning.

Service Planning

The proposals for change in this report involve some significant changes in the provision of recreation services to Toronto residents. How services are planned and delivered to meet community needs will become a matter of additional focus during the process of change.

Parks, Forestry and Recreation's new organizational structure and processes are oriented to understanding and responding to neighbourhood needs and priorities for recreation services. The reorganized division emphasizes community engagement through community level contact and the development of service plans with community groups, residents and other stakeholders.

Service plans at the community or neighbourhood is important work that is getting underway across the city. It is recommended that areas served by the existing Priority Centres be the starting point for these service plans.

Parks Forestry and Recreation Division staff are responsible and empowered to identify and respond to community needs and priorities, consistent with divisional policies and

resources. Service planning efforts will need to employ consistent and comparable approaches. Toronto is, however, a diverse city and each community's characteristics and context need to be recognized in the planning and delivery of services. The service planning process should recognize and respond to the following:

- flexibility to capture neighbourhood/community differences;
- processes that build community engagement and capacity building;
- employ common measures of service and facility provision (e.g., program utilization, catchment areas, etc.); and
- recognize approaches, techniques used by other divisions, providers, and agencies.

One of the City's main directions is an integrated approach to the delivery of services to neighbourhoods in need, including local partnerships with residents, service providers and other stakeholders to identify local priorities and recommend investments.

Evaluation//Effectiveness Monitoring and Review

A program of monitoring recreation services and subsidies will help in the ongoing planning and implementation of the proposed changes as well as in establishing information for a review of the effectiveness and efficiency of the recommended changes in coming years.

A program to monitor and review participation and access to recreation services by all Toronto residents should include the following:

- demand and use of recreation services;
- impacts on participation from pricing and costing changes;
- use of financial access policies and programs by residents;
- change in socio-economic and demographic conditions that drive financial access program;
- communication and marketing of policy to target communities; and
- "ease of use" for residents and City staff;

Conclusion

This report proposes to implement, over time, a number of changes in recreation services provided by the City.

A more sustainable financial framework for services and ensuring recreation subsidies are targeted and effective are the fundamental drivers of the need for change.

The proposed changes will help increase participation in recreation in Toronto, the objective of *Our Common Grounds*.

Toronto has the opportunity to invest in community development with new programs for targeted ages and skills with no barriers for entry. Improving services for all children and youth is consistent with the Mayor's platform and with renewed emphasis on access to quality recreation.

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ATTACHMENTS

Attachment 1 - Overview of Recreation Services Provided by Parks, Forestry and Recreation
Attachment 2 - Full Costing and Pricing Study: Selected Findings
Attachment 3 - User Fees - Comparison with Other Municipalities
Attachment 4 - Summary Chart of Free Universal Programs
Attachment 5 - Summary of New Community Focused Free Drop-In Programs

Attachment 1

Overview of Recreation Services Provided by Parks, Forestry and Recreation

The Parks, Forestry and Recreation Division is responsible for the delivery of high-quality recreation programs and services to the diverse communities of Toronto.

The division provides a wide range of recreation programs and services for all ages including the following areas:

- youth and leadership development
- after school recreation
- swimming lessons
- leisure swims
- sports
- preschooler activities
- skating
- adapted and integrated activities
- arts and heritage
- fitness and wellness
- general interest and clubs
- older adults
- skiing
- camps

Our Common Grounds identified target areas for divisional effort, including Child and Youth Development and Lifelong Active Living. The following outlines some of the key programs and services offered in support of these target areas for recreation services by the City:

Child and Youth Development

Camps

March Break, Holiday, Summer

Sports, arts (visual and performing), environment, leadership skills programs

Clubs

General interest and specialty clubs (after-school, homework, social)

Sports

Aquatics (learn to swim, leisure, leadership training)

Sports (cricket, basketball, soccer, martial arts, etc.)

Skating (learn to skate, leisure)

Skiing and snowboarding

Arts

Visual and performing

Youth Development

Toronto Sport Leadership Program

After-School Recreation Care Program

Youth Outreach Worker (YOW) Program

Lifelong Active Living

Fitness and Wellness

Fitness support and instruction

Health clubs, fitness passports and memberships

Adult Programming (non-fitness)

Arts, clubs, general interest, skating, skiing, sports, aquatics

Older Adult Programming (age 55+)

Arts, clubs, general interest, aquatics, sports

Registered and drop-in programs

Special Events

Event development assistance to community

Corporate and private partnerships

Programs and services are offered mainly in community centres, arenas, parks and schools.

Programs and services are responsive to the needs and interests of communities while meeting city-wide standards.

Programs and services delivery methods include both registered and drop-in programs. Registered program examples include introductory skill courses, day camps, arts and craft courses. Drop-in program examples include leisure swims and skate, supervised after school play, basketball and social programs.

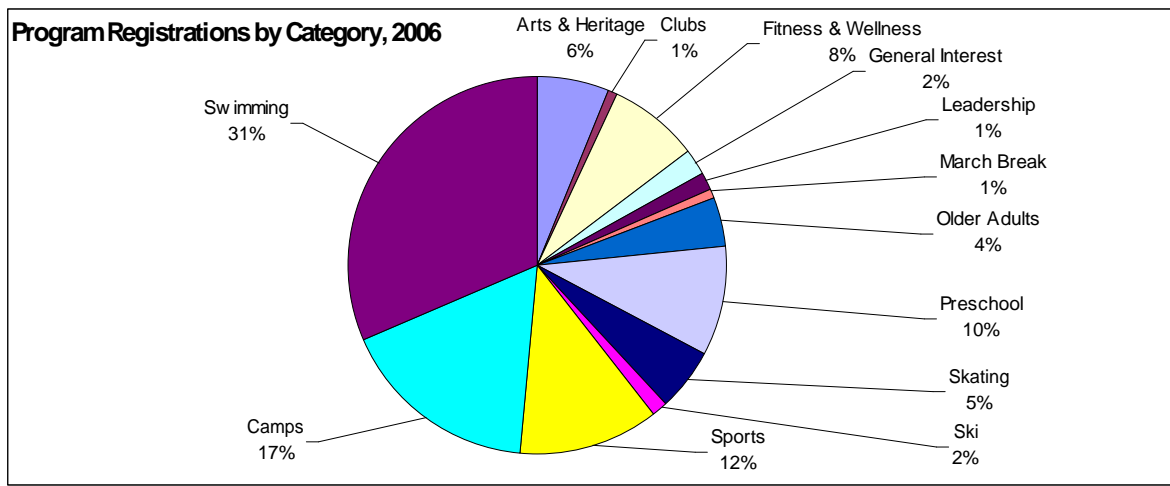
Programs and services are delivered through both fee-based programs and free (no charge) programs.

- In 2006, fee-based programs accounted for 72.9% of all program hours which resulted in 58.6% of all program attendance. The majority of paid program attendance (80.9%) occurred in registered programs.
- In 2006, free programming accounted for 27.1% of all program hours which resulted in 41.4% of all program attendance. The majority of free program attendance (71.1%) occurred in drop-in programs

Programs, services and other recreation opportunities are listed in the “Fun Guide”, on the City’s web site and other sources.

The following table and chart show the number of registrations in various categories of recreation programs offered by the City in 2006

Program Registrations by Category, 2006		
Program Category	Registrations	Percent of Total
Arts & Heritage	28,300	6%
Clubs	3,304	1%
Fitness & Wellness	34,686	8%
General Interest	10,170	2%
Leadership	6,552	1%
March Break	3,916	1%
Older Adults	18,763	4%
Preschool	43,188	10%
Skating	23,394	5%
Ski	7,117	2%
Sports	54,001	12%
Camps	77,314	17%
Swimming	142,932	31%
Total	453,637	100%



The division also works with community groups and agencies to help facilitate local services delivered in a co-operative manner. Examples of this include collaboration with minor sports organizations, cultural groups, and clubs for older adults.

Attachment 2

Full Costing and Pricing Study: Selected Findings

In 2006, Parks Forestry and Recreation undertook a Full Costing and Pricing Study (the “Study”) on selected recreation programs and services. The Study is part of the Program Review Framework approved by Council in June, 2006.

The main objective of the Study is to improve understanding of the full cost of delivering recreation programs and services. The Study will help to establish a better baseline of costs for recreation programs and services. It will inform analysis of divisional policies and programs (e.g., information to support decision making on services, fees and subsidies).

The Study examined 27 sample locations in the following 4 service categories:

- aquatics
- arenas
- summer camps for children and youth
- fitness and wellness services.

Based on data for 2005, costs and revenues for each selected service were reviewed in detail.

The Study included review of various facility/program delivery modes (i.e., registered programs, drop-in, and rental).

The Study looked at *direct costs* (costs incurred when providing direct service to participants, including program staff, recreation supplies, utility costs, etc.), *indirect costs* (administrative costs incurred for the specific activity and location, including support staff, overhead, capital costs, etc.) and *full costs* (direct costs and indirect costs).

The study also looked at cost recovery practices and rates for parks and recreation services in other Ontario cities. Toronto’s cost recovery rates for recreation services were found to be much lower than other municipalities, as shown in the following table:

Jurisdiction	Cost Recovery
Toronto	30%
Burlington	50-60%
London	55%
Markham	89%
Mississauga	55% - 65%
Windsor	44%

The Study identified that the cost of delivering programs and cost recovery rates vary depending on the district, service delivery model, facility size and historical pricing trends.

For example, on aquatics facilities, the Study revealed variation between locations and types of pools with respect to costs and revenues and costs/revenues in relation to level of facility usage. The following table shows the wide variation in cost per use (measured in “swims”) between the smaller neighbourhood level pools studied and the larger “regional pools” studied.

Cost Aspect Level & Type of Swimming Pool	Regional Facilities	Neighbourhood Facilities			All Facilities
	<i>City Operated Indoor</i> (Average)	<i>TDSB Operated Indoor</i> (Earl Beatty)	<i>City Operated Indoor</i> (JJ Piccininni)	<i>City Operated Outdoor</i> (Average)	<i>Total</i> (Average)
PFR Full Cost per Operational Hour	\$283.28	\$91.10	\$174.77	\$187.42	\$184.14
Revenue per Operational Hour	\$102.43	\$13.51	\$42.69	\$9.11	\$41.93
PFR Full Cost per Swim	\$7.47	\$27.02	\$15.93	\$8.14	\$14.64
Revenue per Swim	\$2.67	\$4.01	\$3.89	\$0.45	\$2.75
PFR Full Cost Recovery	35%	15%	24%	5%	20%
Cost Recovery - Other Jurisdictions					51%
Notes: Regional Indoor Pools: Douglas Snow & Birchmount Neighbourhood Outdoor Pools: Eringate & Goulding					

The Study’s key findings on cost recovery include the following:

- Pricing and user-fees guidelines in use were developed using historic methodologies
- Prices and user-fees are not based on actual costs incurred
- Revenues realized do not recover operating costs for most activities
- Facility operation staff focus on providing high level of service delivery and not on cost recovery

User Fees - Comparison with Other Municipalities

November 2007								
PROGRAM								
	Learn to Swim Child		Learn to Skate Child		Adult Fitness		Camps	
	Program Cost	Hourly Rate	Program Cost	Hourly Rate	Program Cost	Hourly Rate	Program Cost	Hourly Rate
Toronto	\$48/9wks	\$10.66	\$27/9wks	\$4.00	\$43/9wks	\$4.77	\$79/wk	\$2.25
Brampton	\$74.75/10wks	\$14.95	\$54.50/10 wks	\$10.90	\$42.50/10wks	\$4.20	\$24/day	\$3.42
Markham	\$66.00/9wks	\$14.66	\$67.00/10wks	\$8.93	\$82/15wks	\$5.46	\$134.40/5days	\$3.84
Mississauga	\$77.35/13wks	\$11.90	\$63.29/10wks	\$7.62	\$82.55/13wks	\$6.35	\$132.00/5days	\$3.77
Pickering	\$77.00/10wks	\$15.40	\$72.00/12wks	\$12.00	\$8.50/class	\$8.50	\$135.50/wk	\$3.87
Vaughan	\$76.75/10wks	\$15.35	\$67.50/6class	\$15.00	\$108.25/9wks	\$12.02	\$245/10days	\$3.50

Attachment 4
Summary Chart of Free Universal Programs

Program Name	Program Description	Staffing Requirement	Program Costs	Estimated Participation
Youth Cooperative Leadership	Leadership training with a focus on experiential learning, personal and group leadership development, and job skill development. Grade 8/9 - 12 week program offered three times per year.	528 part-time instructor positions, 8 part-time YCL program coordinators, 4 full-time recreationists and one recreation supervisor.	Annual cost is estimated to be \$2.3 million or 358.11 per student.	176 programs per season. 528 programs in total. Based on a class size of 12 participants, approximately 6,336 youth are expected to participate each year.
Grade 4 Swim Skills Program	Water competency skills for Grade 4 in collaboration with school boards Incorporates the Lifesaving Society's Swim to Survive standard. Program would give children the skills to pass the City's aquatic facility swim test thereby providing them access to recreation and leisure swim opportunities at public swimming pools without requiring adult accompaniment.	One recreation supervisor, 4 full-time recreationists and part-time staffing arranged in 1,106 program blocks with 1 head instructor and 3 swim instructors.	Estimated cost of the program is \$1.2 million or \$44.44 per student. At present, provincial funds are available to school boards and municipalities through the Lifesaving Society to offset costs for the 3 lesson Swim to Survive program. The program will be offered in both board-and city-owned pools.	Classes will be held during the school day between the hours of 9:30am and 2:15pm. 5 weekly lessons of 45 minutes duration offered over 5 consecutive weeks. Total of 1,106 classes with an average of 24 children per class. Approximately 26,550 grade 4 children are expected to participate each year.
Grade 5 Learn to Skate Program	Learn to Skate program, in partnership with schools, encourages physical activity and development of skills as part of success in learning.	One recreation supervisor, 4 full-time recreationists and part-time staff arranged in 1,120 program blocks with 1 Head Instructor and 5 Skate Instructors per block	The program will require use of City arenas. Estimated cost of \$1.838 million or \$65.64 per student	Classes will be held during the school day between the hours of 9:30am and 2:15pm. 5 weekly lessons of 45 minutes duration offered over 5

Program Name	Program Description	Staffing Requirement	Program Costs	Estimated Participation
	<p>Program will be offered by PF&R staff to all Grade 5 students in City Arenas during school hours to teach students basic skating skills.</p>		<p>Costs for skates and helmets for students who may not have them are factored into above costs.</p>	<p>consecutive weeks.</p> <p>Staff estimate a total of 1,120 classes, average of 25 children per class.</p> <p>Approximately 28,000 children are expected to participate each year.</p>

Attachment 5

Summary Chart of New Community Focused Free Drop-In Programs

Program Name	Program Description	Staffing Requirement	Program Costs	Estimated Participation
<p>Added programs at 20 priority centres as part of transition</p>	<p>Targeted expansion of free drop-in programs for children and youth.</p> <p>Skill development in a variety of activities (leadership, sports, arts etc).</p> <p>Determine programming through service planning process</p> <p>9 week programs offered 5 days per week (1 program per day)</p>	<p>One part-time coordinator and 3 leaders per program.</p>	<p>Each priority centre to be allocated approximately \$47,000 based on full-costs</p> <p>Estimated costs: \$980,000</p>	<p>Estimated participation: 151,200 visits</p>
<p>Added programs allocated City-wide through Service Planning (Summer Playground Program and non-registered Leisure Program)</p>	<p>Targeted expansion of free drop-in programs for children and youth.</p> <p><u>Summer Playground Program</u> designed for children (3-5 and 6-12) 7 week program, 5 days per week, 7 hours per day</p> <p><u>Non-registered Leisure Program</u> Skill development in a variety</p>	<p>Playgrounds – 1 part-time coordinator and 2 leaders per program.</p> <p>Non-registered leisure program - 1 part-time coordinator and 3 leaders per program.</p>	<p>Summer Playground Programs - \$23,705 per program.</p> <p>Non-registered leisure program - \$10,000 per program.</p> <p>Estimated costs: \$600,000.</p>	<p>Playgrounds – 23,919 visits Non-registered leisure program – 43,200 visits.</p> <p>Total Estimated Participation: 67,119 visits</p>

Program Name	Program Description	Staffing Requirement	Program Costs	Estimated Participation
	of activities (leadership, sports, arts etc). Determine programming through service planning process.			